



TUALATIN CITY COUNCIL MEETING

MONDAY, JULY 27, 2020

JUANITA POHL CENTER
8513 SW TUALATIN ROAD
TUALATIN, OR 97062

Mayor Frank Bubenik
Council President Nancy Grimes
Councilor Paul Morrison Councilor Robert Kellogg
Councilor Bridget Brooks Councilor Maria Reyes
Councilor Valerie Pratt

Special Announcement Regarding the July 27, 2020 City Council Meeting

The Tualatin City Council meeting scheduled for Monday, July 27, will proceed at this time with several modifications:

To the extent possible, the public is encouraged to watch the meeting live on local cable channel 28, or on the City's website.

For those wishing to provide comment during the meeting, there is one opportunity on the agenda: Public Comment. Written statements may be sent in advance of the meeting to Deputy City Recorder Nicole Morris up until 4:30 pm on Monday, July 27. These statements will be included in the official meeting record, but not read during the meeting.

For those who would prefer to make verbal comment, there are two ways to do so. As always, public comment is limited to three minutes per person.

Phone: +1 669 900 6833

Meeting ID: 875 2295 3956

Password: 18880

Link: <https://us02web.zoom.us/j/87522953956pwd=R3kvK0crRmNITUIDNIR2d2t1dIFtUT09>

Questions? Please contact Assistant to the City Manager Megan George.

Work Session

- 1. 5:00 p.m. (60 min) - Tualatin 2040 Implementation Update-** Staff presentation on a proposed Comprehensive Plan update to adopt the Housing Needs Analysis (HNA) completed in 2019. This is one component of Tualatin 2040 Implementation.
- 2. 6:00 p.m. (30 min) - 2021 Legislative Agenda for the League of Oregon Cities**

- 3. 6:30 p.m. (30 min) – Council Meeting Agenda Review, Communications & Roundtable.** Council will review the agenda for the July 27th City Council meeting and brief the Council on issues of mutual interest.
-

7:00 P.M. CITY COUNCIL MEETING

Call to Order

Public Comment

This section of the agenda allows anyone to address the Council regarding any issue not on the agenda, or to request to have an item removed from the consent agenda. The duration for each individual speaking is limited to 3 minutes. Matters requiring further investigation or detailed answers will be referred to City staff for follow-up and report at a future meeting.

Consent Agenda

The Consent Agenda will be enacted with one vote. The Mayor will ask Councilors if there is anyone who wishes to remove any item from the Consent Agenda for discussion and consideration. If you wish to request an item to be removed from the consent agenda you should do so during the Citizen Comment section of the agenda.

1. Consideration of Approval of the City Council Regular Meeting Minutes of June 22, 2020 and Work Session and Regular Meeting Minutes of July 13, 2020
2. Consideration of Approval of a Change in Liquor License Application for P.F. Chang's China Bistro
3. Consideration of **Resolution No. 5512-20** a Resolution Amending Resolution No. 5505-20 to Amend Utility Fees for Hydrant and Bulk Water Usage Charges

Special Reports

1. Oregon Department of Transportation (ODOT) Presentation on I-5 and I-205 Tolling

Public Hearings - Legislative or Other

1. Consideration of **Resolution No. 5508-20** Adopting Findings in Support of Special Procurement and Authorizing the City Manager to Enter Into a Direct Negotiation Contract with Wallis Engineering, PLLC for Construction Engineering and Inspection Services for the Garden Corner Curves Project

Public Hearings - Quasi-Judicial

General Business

If you wish to speak on a general business item please fill out a Speaker Request Form and you will be called forward during the appropriate item. The duration for each individual speaking is limited to 3 minutes. Matters requiring further investigation or detailed answers will be referred to City staff for follow-up and report at a future meeting.

1. Consideration of **Resolution No. 5515-20** of the City Council of the City of Tualatin Authorizing the City Manager to Execute an Intergovernmental Agreement with Washington County for Small Business Emergency Assistance Grants Funds

Items Removed from Consent Agenda

Items removed from the Consent Agenda will be discussed individually at this time. The Mayor may impose a time limit on speakers addressing these issues.

Council Communications

Adjournment

Meeting materials, including agendas, packets, public hearing and public comment guidelines, and Mayor and Councilor bios are available at www.tualatinoregon.gov/council.

Tualatin City Council meets are broadcast live, and recorded, by Tualatin Valley Community Television (TVCTV) Government Access Programming. For more information, contact TVCTV at 503.629.8534 or visit www.tvctv.org/tualatin.

In compliance with the Americans with Disabilities Act, this meeting location is accessible to persons with disabilities. To request accommodations, please contact the City Manager's Office at 503.691.3011 36 hours in advance of the meeting.



City of Tualatin

CITY OF TUALATIN Staff Report

TO: Honorable Mayor and Members of the City Council

THROUGH: Sherilyn Lombos, City Manager

FROM: Aquilla Hurd-Ravich, Community Development Director
Steve Koper, AICP, Planning Manager

DATE: July 27, 2020

SUBJECT:

Staff presentation on a proposed Comprehensive Plan update to adopt the Housing Needs Analysis (HNA) completed in 2019. This is one component of Tualatin 2040 Implementation.

RECOMMENDATION:

Informational presentation and discussion only.

EXECUTIVE SUMMARY:

In 2019, the City of Tualatin completed Tualatin 2040 which consisted of a Housing Needs Analysis, Economic Opportunities Analysis, and Policy Prioritization document and was collectively endorsed by the City Council through a resolution. The Policy Prioritization document is included as Attachment B for reference. Tualatin 2040 Implementation includes three components: adopting the Housing Needs Analysis by amending the Comprehensive Plan, creation of a Housing Production Strategy, and updating the Development Code to accommodate “middle” housing types (duplex, triplex, quadplex, and cottage cluster) as required by Housing Bills 2003 and 2001. Tualatin has received a consultant assistance grant from the state Department of Land Conservation and Development (DLCD) to begin this work in later 2020. An update will be provided to Council at a later date.

Before the City Council is an overview of the proposal to adopt the Housing Needs Analysis by amending the Tualatin Comprehensive Plan (also known as the Tualatin Community Plan). The amendments will incorporate the findings, policies, and goals of the 2019 Housing Needs Analysis and the Housing Strategies, which are included as Attachment C for reference. This will ultimately result in reorganization of the Comprehensive Plan and creation of a Housing chapter (or element) so that all policies related to housing can be easily found in one location, rather than spread across chapters as is the case presently.

Due to the fact that creation of a Housing chapter will require reorganization of the Comprehensive Plan, the remaining chapters of the Plan are also proposed to be updated, to provide consistency with the Housing chapter. This update would be similar to the previous Development Code update in 2018 (also known as the Tualatin Development Code Improvement Project) in that it would be “policy neutral” and not change the substance of the other chapters of the code. The Comprehensive Plan, much of which has not been updated since the early 1980s, would also receive mild formatting and graphical enhancement, to improve readability and usability.

The proposed Comprehensive Plan update around Housing would involve a series of meetings with the Planning Commission, as advisory body to the City Council on matters regarding land use, as follows:

- Review of Draft Housing Element (August 20, 2020)
- Review of Updated Comprehensive Plan Chapters and Formatting (September 17, 2020)
- Final Review of Amendments and Recommendation to City Council (October 15, 2020)

The final Planning Commission recommendation would then be presented to the City Council at a public hearing to formally adopt the proposed updated Housing Element and Comprehensive Plan, tentatively on December 7, 2020.

ATTACHMENTS:

- Attachment A – Presentation
- Attachment B – Final Housing Strategies Document
- Attachment C – Final Policy Priorities Document

Tualatin | 2040 Implementation City Council Update July 27, 2020



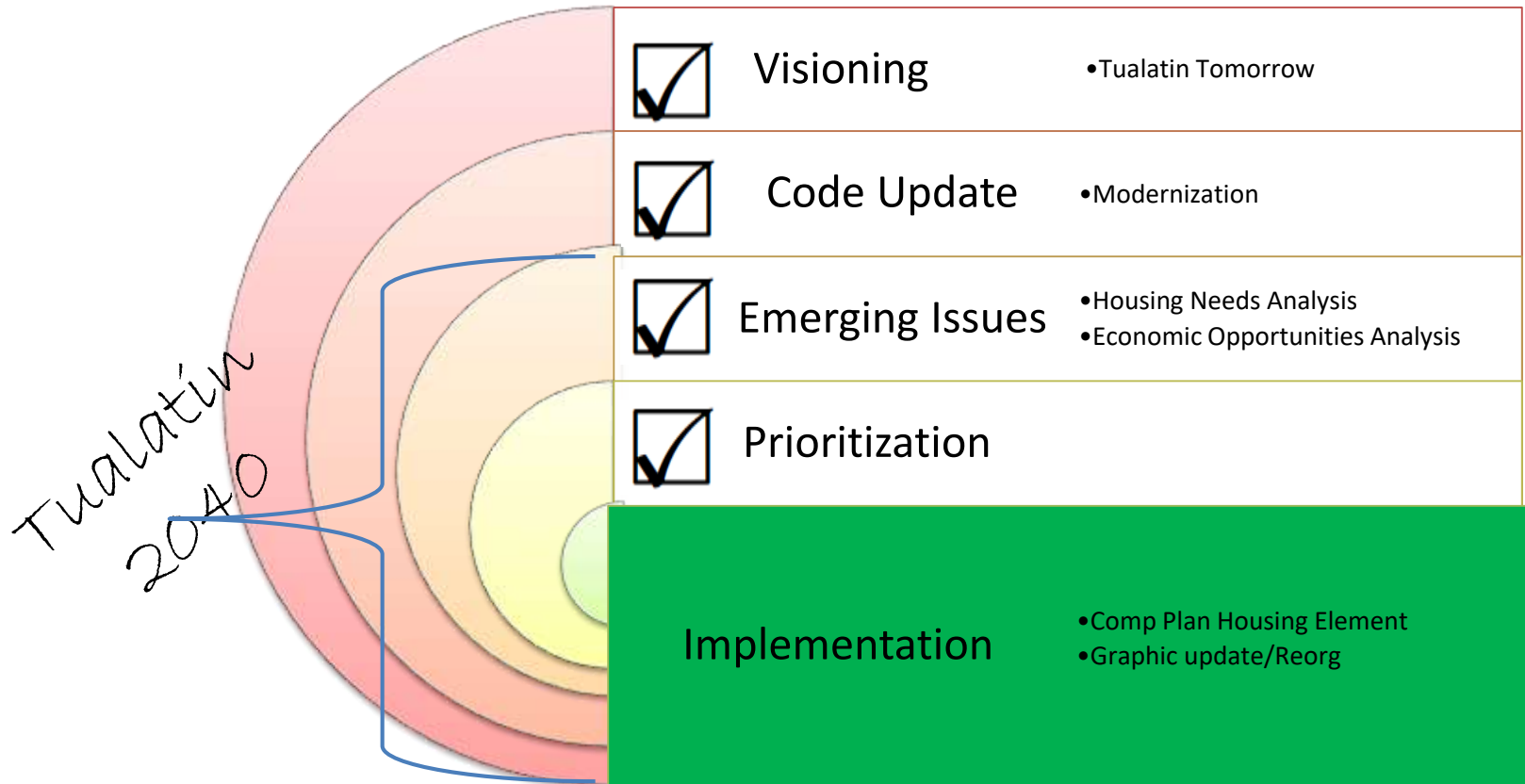


Tonight's Presentation

- Where we've been
- Timeline
- Comprehensive Plan Basics
- Housing Update (Comp Plan)
- Other Updates
- Public Outreach
- Next Steps
- Q&A

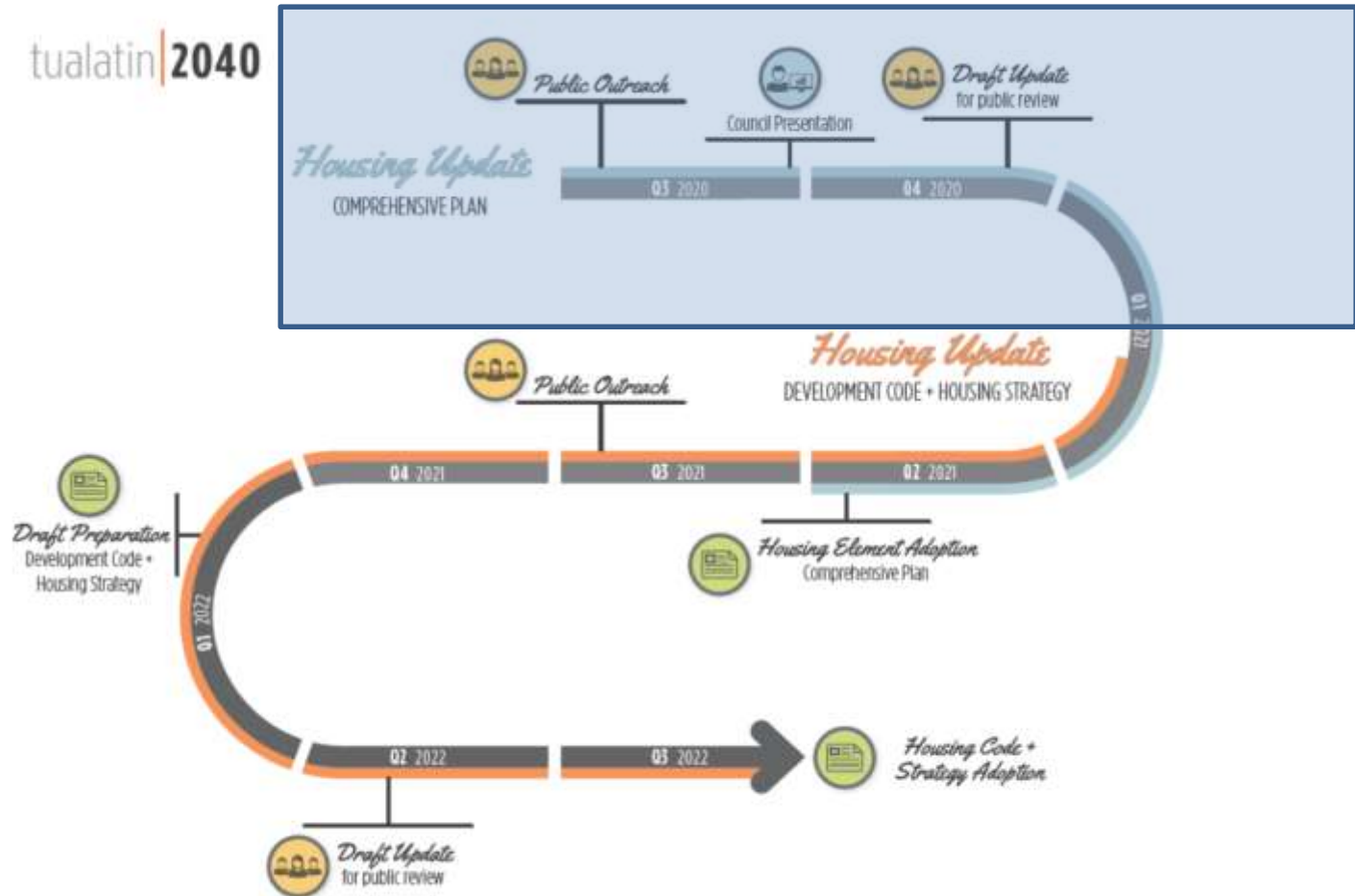


Where We've Been





Timeline and Work Products





Comp Plan 101

Why have one?

- Required by state law to establish zoning, set community standards.

What does it do?

- Communicates community vision and goals. Provides policies designed to meet the vision and goals.

What else does it do?

- Framework for land uses, infrastructure, resource conservation, economic development, public services, etc. in Tualatin.



Comp Plan Update

Why update it?

- To provide a Housing Element based on the completed Housing Needs Assessment. More clearly articulate the community's vision and goals, particularly around housing.

What else is being updated?

- Comp Plan Chapters are being reordered to group similar goals and visions that are currently spread out across multiple chapters.



Comp Plan Example

Current General Objective (2001)

Provide housing opportunities for residents with varied income levels and tastes that are esthetically and functionally compatible with the existing community housing stock.

Community Vision (2014)

We have ... increased housing choices by carefully planning for new growth and development.

Policies Priorities (2019)

Greater diversity of Housing Types.

Strategy Statement (2019)

Ensure the development of a broader diversity of housing types, including middle-density housing types and higher-density housing types.

Action Statement (2019)

Encourage opportunities for mixed use development. Allow and encourage development of duplexes, cottage housing, townhomes, row houses, and triplexes and quadplexes in lower-density residential zones.



Comp Plan Housing Element

Example:

Housing Strategy (2019)	Comp Plan Chapter 5
Strategy 4: Identify funding tools to support residential development.	Goal 5.4: Cultivate creative and sound funding sources to support development of affordable housing and public infrastructure necessary to support greater housing development.
Action 4.1: Evaluate opportunities to use leveraged funds from the Metro Housing Bond to support development of affordable housing	Policy 5.4.1: Leverage funds. Leverage funds from regional, state, and other sources to support development of affordable housing



Comp Plan Reorg

Community Plan	Reorganized Comp Plan
<p>TDC 7.030. - Objectives. [...]</p> <p>8) Cooperate with the DEQ and METRO to meet applicable air quality standards by 1987.</p> <p>...</p> <p>(11) Provide truck routes for industrial traffic that provide for efficient movement of goods while protecting the quality of residential areas.</p> <p>(12) Protect residential, commercial, and sensitive industrial uses from the adverse environmental impacts of industrial use.</p> <p>(13) Protect adjacent land uses from noise impacts by adopting industrial noise standards.</p>	<p>Goal 7.2 Manage industrial impacts to the environment and other uses</p> <p>Policy 7.2.1 Cooperate with the Department of Environmental Quality and Metro to meet applicable air quality standards.</p> <p>Policy 7.2.2 Protect residential, commercial, and sensitive industrial uses from the adverse environmental impacts of industrial use.</p> <p>Policy 7.2.3 Protect adjacent land uses from noise impacts by adopting industrial noise standards.</p>



Graphic Update

CITY OF
TUALATIN OREGON

Development Code

VERSION: **DEC 31, 2019 (CURRENT)** ▾

SUPPLEMENT HISTORY TABLE

- CHAPTER 1 - ADMINISTRATION
- CHAPTER 2 - INTRODUCTION
- CHAPTER 3 - TECHNICAL
- CHAPTER 4 - COMMUNITY GRO
- CHAPTER 5 - RESIDENTIAL PLAN
GROWTH
- CHAPTER 6 - COMMERCIAL PLA
DISTRICTS
- CHAPTER 7 - MANUFACTURING
DISTRICTS

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Graphic Update

CHAPTER 16 - HISTORIC PRESERVATION

TDC 16.010. - Background.

Tualatin's history is directly tied to the agricultural based economy. The development patterns from this agricultural base left a scattering of residential dwellings and structures on the landscape with a small core area for retail activities. This pattern continued until the 1970's when rapid growth in residential, commercial and industrial activities transformed the area into a suburban extension of the Portland Metropolitan area. The report concluded that the City should investigate ways to preserve the historic resources which once identified the community.

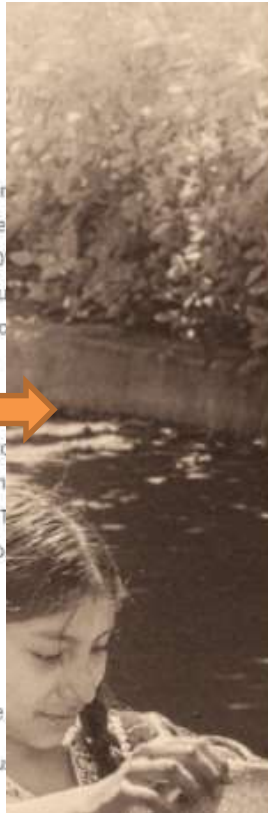
The City of Tualatin Comprehensive Plan—Phase I—Technical Memoranda developed in 1979 identified seven structures in the central area of downtown. These structures were subsequently given historic status and regulations pertaining to modifications, demolitions and alterations for the designated resources were adopted and integrated into the Tualatin Development Code. The Technical Memoranda further indicated additional historic resources are located in Tualatin and that urban development would cause the loss of these resources. The report concluded that the City should investigate ways to preserve the history of the community.

(Ord. No. 844-91, 51, 10-14-91)

TDC 16.020. - Assumptions.

The following are general assumptions used to formulate the Tualatin Development Code:

- (1) The demand for the City's residential, commercial and industrial development will cause the loss of historic resources.



16 HISTORIC PRESERVATION

16.010 Background

Tualatin's history is directly tied to the agricultural based economy which historically supported the majority of its residents. The development patterns from this agricultural base left a scattering of residential dwellings and structures on the landscape with a small core area for retail activities. This pattern continued until the 1970's when rapid growth came to the area. From the 1970's to 1991 the City experienced rapid growth in residential, commercial and industrial activities. The once thriving agricultural economic base was transformed into a suburban extension of the Portland Metropolitan area. Along with this economic prosperity came the loss of many of the historic resources which once identified the community.

The City of Tualatin Comprehensive Plan—Phase I—Technical Memoranda developed in 1979 identified seven structures in the central area of downtown. These structures were subsequently given historic status and regulations pertaining to modifications, demolitions and alterations for the designated resources were adopted and integrated into the Tualatin Development Code. The Technical Memoranda further indicated additional historic resources are located in Tualatin and that urban development would cause the loss of these resources. The report concluded that the City should investigate ways to preserve the history of the community.

Objectives

Enhance property values and increase economic and financial benefits to the City and its inhabitants;

Carry out the provisions of Statewide Planning Goal 5.



Public Outreach

- Web: <https://www.tualatinoregon.gov/planning/tualatin-2040>
- Feedback and refinement by the Planning Commission
- Invitation to CAC members and other Interested Parties to review updates
- Annual cost burdened housing event
- Annual CIO Meetings (if applicable)
- Planning Commission recommendation
- City Council Adoption



Next Steps

- **Planning Commission Meeting Schedule**
 - Review of Draft Housing Element (August 20, 2020)
 - Review of Updated Comprehensive Plan Organization and Formatting (September 17, 2020)
 - Final Review and Recommendation to City Council (October 15, 2020)
- **City Council**
 - Hearing to Adopt Housing Element and Comprehensive Plan Update (December 7, 2020)



Questions



DATE: December 4, 2019
TO: Tualatin Housing Needs Analysis Project Advisory Committees
CC: Karen Perl Fox, Steve Koper, and Jonathan Taylor
FROM: Beth Goodman and Sadie DiNatale, ECONorthwest
SUBJECT: FINAL: TUALATIN HOUSING STRATEGY

The City of Tualatin contracted ECONorthwest to develop a Housing Needs Analysis and a Housing Strategy for Tualatin. The Housing Needs Analysis (HNA) will determine whether the City of Tualatin has enough land to accommodate twenty years of population and housing growth. It will characterize housing affordability problems and identify gaps in housing affordability in Tualatin. The HNA will provide the basis for an update to the City's Comprehensive Plan Housing Element, as well as for the development of an action plan to implement the housing policies (i.e., the Housing Strategy).

The HNA uses a planning period of 2020–2040. Tualatin is planning for minimum growth of 1,014 new dwelling units within the Tualatin city limits and the Basalt Creek area over the 2020–2040 planning period. Tualatin's vacant unconstrained buildable land has capacity for development of 1,207 new dwelling units at full build-out, not including redevelopment capacity. Build-out of Tualatin's vacant land could occur within the 2020–2040 period, or it could take longer. While the HNA works with the forecasted growth of 1,014 new dwelling units through 2040, the City may consider potential residential growth beyond this forecast in its housing policies, including build-out of all vacant land and redevelopment resulting in additional housing

The results of the HNA show that Tualatin has a deficit of land designated for housing in the Medium High Density Residential and the High Density / High-Rise Residential comprehensive plan designations. The City will need to develop policies to meet this deficit, such as redevelopment or rezoning land to meet these housing needs.

A key objective of the HNA and accompanying 2020 Housing Strategy is to identify options for changes to the City's Comprehensive Plan and land use regulations needed to address housing and residential land needs. This memorandum presents a housing strategy for Tualatin, based on the results of the HNA and discussions with the Community Advisory Committee (CAC) and Technical Advisory Committee (TAC). This Housing Strategy presents a comprehensive package of interrelated policy changes that the CAC recommends the City address.

This Housing Strategy recognizes that the City does not build housing. The strategy focuses on land use tools to ensure there is adequate land planned and zoned to meet the range of housing needs and opportunities for a variety of housing types, whether they be priced at market rate or subsidized. To the extent possible, this strategy strives to provide opportunities for lower-cost market-rate housing to achieve more housing affordability without complete reliance on subsidies and to include subsidized housing as an important tool to meet the need at the lower end of the income spectrum (low, very low, and extremely low) in the mix of strategies.

The Housing Strategy addresses the needs of households with middle, low, very low, or extremely low income. The following describes these households, based on information from the Tualatin Housing Needs Analysis.

- **Very low-income and extremely low-income households** are those who have an income of 50% or less of Washington County’s median family income (MFI)¹ which is an annual household income of about \$41,000 or less for a family of four. About 31% of Tualatin’s households fit into this category. They can afford a monthly housing cost of \$1,018 or less.² Development of housing affordable to households at this income level is generally accomplished through development of income-restricted housing.
- **Low-income households** are those who have an income between 50% and 80% of Washington County’s MFI, or an income between \$41,000 and \$65,000 for a family of four. About 15% of Tualatin’s households fit into this category. They can afford a monthly housing cost of \$1,018 to \$1,625. Households with an income below 60% of MFI typically qualify for some types of income-restricted housing. The private housing market often struggles to develop housing affordable to households in this group, especially for the lower-income households in the group.
- **Middle-income households** are those who have an income between 80% and 120% of Washington County’s MFI, or an income between \$65,000 and \$98,000 for a family of four. About 15% of Tualatin’s households fit into this category. They can afford a monthly housing cost of \$1,625 to \$2,400. The private housing market may develop housing affordable to households in this group.

Through the technical analysis of the HNA and input from the CAC and TAC, the City identified six strategic priorities to meet housing needs identified in the HNA. Strategic priorities are described in greater detail in the section below. Appendix A presents the full text of Tualatin’s existing Comprehensive Plan policies for housing. Appendix B presents the information provided to the CAC in the memorandum “Housing Policy Tools to Address Needs” (May 16, 2019).

Tualatin’s Housing Strategy

The Tualatin Housing Strategy is organized around six broad strategic priorities: (1) ensure an adequate supply of land that is available and serviceable; (2) encourage development of a wider variety of housing types; (3) identify strategies to support affordable housing; (4) evaluate funding tools to support residential development; (5) identify redevelopment opportunities; and (6) ensure there are connections between planning for housing and other planning (such as transportation planning, water and wastewater planning, or economic development planning). The broad goal of the Tualatin Housing Strategy is to help the City manage the land within the

¹ Median family income is determined by the U.S. Department of Housing and Urban Development. In 2018, Washington County’s MFI was \$81,400.

² This assumes that households pay less than 30% of their gross income on housing costs, including rent or mortgage, utilities, home insurance, and property taxes.

Tualatin planning area to meet current and future housing needs while maintaining the character and quality of life in Tualatin and protecting public interests such as housing affordability, health, safety, and municipal revenues.

The Tualatin CAC convened seven times between March 2019 and September 2019. The CAC discussed housing at the meetings in March, May, August, and September. The Tualatin TAC met four times between April 2019 and September 2019 and discussed housing at all four meetings (while some meetings included discussions of other topics, as well). The CAC and TAC provided input into the development of the Housing Strategy through discussions at meetings and opportunities for input on written documents.

The recommendations from the CAC in this strategy consider key findings from the HNA, such as the following examples. The City has a long-term deficit of residential land. The housing market is not building enough housing that is affordable to households with annual incomes less than \$35,000 based on U.S. Census American Community Survey data. The housing market in Tualatin also has a deficit of housing affordable to households earning more than \$150,000.³ The composition of Tualatin's population is becoming older and more diverse. This document presents a comprehensive strategy that provides a variety of opportunities to meet the housing needs of Tualatin's residents at all income levels.

Many of the actions described in the Tualatin Housing Strategy will require legislative amendments to the City's Comprehensive Plan and/or Development Code. These actions will be subject to standard notification and hearing procedures. After the Housing Needs Analysis is completed, the Planning Commission and City Council will prioritize the actions suggested in this memorandum, along with other actions suggested for Tualatin through 2040. Implementation of high priority actions will begin in 2020, based on City Council direction.

³ This analysis is based on Exhibit 79 in the Tualatin Housing Needs Analysis.

Summary of Actions

The table below summarizes the strategies, actions, and recommendations made by the CAC. The priority shown in the table is based on discussions with the CAC about the actions they view to be in need of prompt attention. Low-priority actions represent actions that the CAC thinks are important but that may be executed later in the Tualatin 2040 process. At some level, all of the actions in this strategy are a high priority for the CAC.

Strategies, Actions, and Recommendations	Priority
Strategy 1: Ensure an adequate supply of land that is available and serviceable.	
<p>Action 1.1. Evaluate opportunities to increase development densities within Tualatin’s existing zones by modifying the Development Code.</p> <ul style="list-style-type: none"> ▪ Recommendation 1.1a: Evaluate increasing densities in the Residential High and Residential High Density / High Rise residential designations by allowing buildings that are five to eight stories tall. ▪ Recommendation 1.1b: Conduct an audit of the City’s Development Code to identify barriers to residential development (e.g., lot size, setbacks, and lot coverage ratio) and identify alternatives for lowering or eliminating the barriers. ▪ Recommendation 1.1c: Evaluate off-street parking requirements for multifamily housing to identify opportunities for reduction in parking requirements, especially for housing developed for groups who have fewer cars. ▪ Recommendation 1.1d: Adopt a Planned Unit Development (PUD) ordinance to allow flexibility in both development standards and housing types. 	High
<p>Action 1.2. Evaluate opportunities to rezone land to provide additional opportunities for multifamily housing development.</p> <ul style="list-style-type: none"> ▪ Recommendation 1.2a: Identify opportunities to rezone industrial or commercial land for mixed-use that includes employment and residential uses. ▪ Recommendation 1.2b: Evaluate opportunities to re-zone Residential Low Density and Residential Medium Low Density residential land for higher-density housing. ▪ Recommendation 1.2c: Evaluate merging High Density zone and the High Density / High Rise zone into one zone and evaluate increasing the maximum density and maximum height limit allowed. 	High
<p>Action 1.3. Plan for infrastructure development to support residential development, consistent with Strategy 6.</p> <ul style="list-style-type: none"> ▪ Recommendation 1.3a: Identify opportunities to increase coordination between transportation planning and residential growth to manage congestion from growth. ▪ Recommendation 1.3b: Identify opportunities to increase transit service. 	Medium
<p>Action 1.4. Plan for long-term development in Tualatin through 2040 and beyond.</p> <ul style="list-style-type: none"> ▪ Recommendation 1.4a: Actively work with Metro staff on upcoming Regional Growth Management reports. Coordinate Tualatin’s planning with regional plans. ▪ Recommendation 1.4b: Develop and implement a system to monitor the supply of residential land every two years. ▪ Recommendation 1.4c: Reevaluate Tualatin’s housing needs and land sufficiency on a schedule tied to the Metro Growth Management cycle. ▪ Recommendation 1.4d: When needed in the future, work with Metro on potential expansion of the Metro UGB to include the Stafford area. 	High

Strategies, Actions, and Recommendations	Priority
Strategy 2: Encourage development of a wider variety of housing types.	
<p>Action 2.1. Allow and encourage development of duplexes, cottage housing, townhomes, row houses, and triplexes and quadplexes in lower-density residential zones.</p> <ul style="list-style-type: none"> ▪ Recommendation 2.1a: Allow duplexes, triplexes, quadplexes, cottage clusters, and townhouses in the Residential Low Density residential zone. ▪ Recommendation 2.1b: Allow cottage cluster housing in the Medium-Low Density and Medium-High Density zones, at densities appropriate for the zones. 	Medium
<p>Action 2.2. Identify opportunities to increase development of commercial and residential mixed-use development.</p> <ul style="list-style-type: none"> ▪ Recommendation 2.2a: Identify opportunities for more mixed-use development. 	Medium
<p>Action 2.3. Identify opportunities to allow and support development of additional innovative housing types.</p> <ul style="list-style-type: none"> ▪ Recommendation 2.3a: Evaluate allowing and supporting development of other housing types in Tualatin, such as single-room occupancy (more than four unrelated living in the same dwelling with shared kitchen and bathrooms); reuse of cargo containers for housing; tiny homes (dwelling units between 100 and 500 square feet); and higher-amenity housing on larger lots. 	Low
Strategy 3: Support development and preservation of housing that is affordable for all households.	
<p>Action 3.1. Identify policies to support development of housing affordable to households earning less than 60% of the median family income in Washington County (\$48,900 or less for a household size of four people).</p> <ul style="list-style-type: none"> ▪ Recommendation 3.1a: Develop policies to support development of housing affordable to households with incomes below 60% of MFI as part of the City's program to leverage funds from the Metro Housing Bond. 	High
<p>Action 3.2. Develop policies to support development of housing affordable to people who have income between 60% and 120% of MFI (\$48,900 to \$98,000 for a household of four in Washington County) and live and work in Tualatin.</p> <ul style="list-style-type: none"> ▪ Recommendation 3.2a: Emphasize growth of jobs that pay at or above average wages, as part of the City's economic development strategy. ▪ Recommendation 3.2b: Identify opportunities to partner with or support employers who are interested in developing an employer-assisted housing program. 	Medium
<p>Action 3.3. Develop policies to prevent and address homelessness.</p> <ul style="list-style-type: none"> ▪ Recommendation 3.3a: Develop policies to prevent and address homelessness. 	Low
<p>Action 3.4. Develop policies to prevent or mitigate residential displacement resulting from redevelopment and increases in housing costs in Tualatin.</p> <ul style="list-style-type: none"> ▪ Recommendation 3.4a: Develop policies to prevent displacement of existing residents. ▪ Recommendation 3.4b: Develop policies to prevent loss of existing affordable housing. 	Low
<p>Action 3.5. Partner with organizations to establish a land bank or land trust.</p> <ul style="list-style-type: none"> ▪ Recommendation 3.5a: Determine whether to participate in a land bank or land trust, such as the Proud Ground Community Land Trust. 	Low
<p>Action 3.6. Evaluate creative system development charge financing opportunities.</p> <ul style="list-style-type: none"> ▪ Recommendation 3.6a: Evaluate options for potential changes to SDCs and TDTs to support development of affordable housing. 	Medium
<p>Action 3.7. Evaluate establishment of a tax exemption program to support development of affordable housing.</p> <ul style="list-style-type: none"> ▪ Recommendation 3.7a: Evaluate tax exemption options to support development of affordable housing or mixed-use housing. 	Medium

Strategies, Actions, and Recommendations	Priority
Action 3.8. Ensure that Tualatin has sufficient staff capacity to implement the housing program priorities set by the City Council. <ul style="list-style-type: none"> ▪ Recommendation 3.8a: Determine whether the City will need to add staff to implement the policies in the housing strategy. 	Low
Strategy 4: Identify funding tools to support residential development.	
Action 4.1. Evaluate opportunities to use leveraged funds from the Metro Housing Bond to support development of affordable housing. <ul style="list-style-type: none"> ▪ Recommendation 4.1a: Evaluate opportunities, such as housing development incentives (in Strategy 3), to use leveraged funding from the Metro Housing Bond to support the development of affordable housing. 	High
Action 4.2. Evaluate establishing an urban renewal district. <ul style="list-style-type: none"> ▪ Recommendation 4.2a: Continue the evaluation of establishing a new urban renewal district and consider including urban renewal projects that support development of multifamily housing affordable for households earning less than 60% of MFI. 	High
Action 4.3. Evaluate implementation of a construction excise tax. <ul style="list-style-type: none"> ▪ Recommendation 4.3a: Evaluate implementation of a CET, starting with an analysis of the financial capacity of a CET. 	Medium
Strategy 5: Identify redevelopment opportunities.	
Action 5.1. Identify districts within Tualatin with opportunities for redevelopment for housing and employment uses. <ul style="list-style-type: none"> ▪ Recommendation 5.1a: Identify opportunities for redevelopment of mixed-use districts and initiate an area planning process to guide redevelopment. 	High
Action 5.2. Support redevelopment of underutilized commercial buildings for housing. <ul style="list-style-type: none"> ▪ Recommendation 5.2a: Identify underutilized commercial areas that are ripe for redevelopment and work with landowners and developers to support redevelopment. 	Medium
Strategy 6: Ensure there are connections between planning for housing and other community planning.	
Action 6.1. Ensure that updates to the Transportation System Plan are coordinated with planning for residential growth. <ul style="list-style-type: none"> ▪ Recommendation 6.1a: Evaluate opportunities to decrease dependence on automotive transportation in areas planned for housing. ▪ Recommendation 6.1b: Evaluate opportunities to expand transit and improve transportation connectivity in Tualatin, particularly from the future Southwest Corridor station in Bridgeport to the Tualatin's Town Center. ▪ Recommendation 6.1c: Evaluate opportunities for planning transit-oriented development. ▪ Recommendation 6.1d: Develop a bicycle and pedestrian plan for Tualatin to increase connectivity within Tualatin. 	High
Action 6.2. Coordinate planning for economic development planning with housing planning. <ul style="list-style-type: none"> ▪ Recommendation 6.2a: Ensure the City includes housing planning for housing that is affordable to people who work at businesses in Tualatin. 	Medium
Action 6.3. Develop a design and planning framework for “ten-minute neighborhoods” that include a mixture of uses. <ul style="list-style-type: none"> ▪ Recommendation 6.3a: Develop a framework for mixed-use neighborhoods that includes the elements that residents need for day-to-day life. 	Low
Action 6.4. Support sustainable development practices. <ul style="list-style-type: none"> ▪ Recommendation 6.4a: Evaluate sustainable building practices, including certifications, to determine whether the City should offer incentives for certification or require certification of new buildings as sustainable. 	Low

Strategy 1: Ensure an Adequate Supply of Land that is Available and Serviceable

This strategy is about ensuring an adequate land supply — not only a twenty-year supply (as Goal 10 requires) but also a pipeline of serviced land that is available for immediate development. The following recommended strategies and actions are intended to ensure an adequate supply of residential land through a combination of changes to the Tualatin Development Code, rezoning land, and long-term regional planning for housing. Efficient use of Tualatin’s residential land is key to ensuring that Tualatin has adequate opportunities to grow from 2020 to 2040, and beyond.

Issue Statement

Tualatin’s vacant unconstrained residential land can accommodate about 1,900 new dwelling units, including land within the city limits and Basalt Creek. Development of all of Tualatin’s vacant unconstrained land may occur over a period longer than the twenty-year planning period of this project. The forecast for housing growth over the 2020 to 2040 period is 1,041 new dwelling units.

The results of the HNA show that Tualatin has a surplus of capacity for new housing in the Low Density Residential, Medium Low Density Residential, and High Density Residential Plan Designations but a deficit in the Medium High Density Residential and High Density / High-Rise Residential plan designations. Tualatin has a deficit of 109 dwelling units (about 7 gross acres of land) in the Medium High Density Residential designation and a deficit of 101 dwelling units (about 4 gross acres of land) in the High Density / High-Rise Residential designation.

Tualatin has enough land within its planning area to accommodate the forecast for new housing. The existing zoning, however, leads to deficits of land in the Medium High Density Residential and High Density / High-Rise Residential Plan Designations. Oregon’s statewide planning system requires cities that do not have enough land within their urban growth boundary (UGB) or in selected plan designations to evaluate and implement policies to increase land use efficiently, expand the UGB, or both.

Tualatin is part of the Metro UGB and cannot expand its planning area on its own. However, Tualatin can increase land use efficiency within its planning area by increasing allowable development densities, rezoning land, or planning for redevelopment to meet the needs in the Medium High Density Residential and High Density / High-Rise Residential plan designations. In addition, Tualatin can monitor growth to ensure that the city continues to have sufficient land for residential growth, and it can work with Metro and other regional partners on future expansions of the Metro UGB to accommodate additional residential development in Tualatin.

Tualatin needs land that is vacant with urban services that support residential development, such as municipal water service, sewer and wastewater service, stormwater management systems, and transportation connections with adequate capacity to accommodate growth.

Goal

Ensure that sufficient land is designated and has urban services to support development so the supply is adequate for all needed housing types at the needed densities. Consider the development-ready residential land supply as part of ongoing functional planning efforts to provide necessary urban services in support of residential development.

Recommended Actions

Action 1.1. Evaluate opportunities to increase development densities within Tualatin's existing zones by modifying the Development Code.

This approach seeks to increase housing capacity by increasing allowable density in residential zones. In short, it gives developers the option of building to higher densities. Higher densities increase residential landholding capacity. Higher densities, where appropriate, provide more housing, a greater variety of housing options, and a more efficient use of scarce land resources. Higher densities also reduce sprawl development, add tax revenue that benefits the City (as more units can be built), and make the provision of services more cost effective.

This action will look at increasing allowed densities in the Comprehensive Plan and decreasing minimum lot size standards and/or allowable densities in all residential zones.

Tualatin could modify the density ranges outlined in the Tualatin Development Code. These are currently:

- Residential Low-Density (RL): 1–6.4 dwelling units per acre
- Residential Medium Low–Density (RML): 6–10 dwelling units per acre
- Residential Medium High–Density (RMH): 11–15 dwelling units per acre
- Residential High-Density (RH): 16–25 dwelling units per acre
- Residential High-Density/High-Rise (RH/HR): 26–30 dwelling units per acre

With respect to zoning, Tualatin presently has the following zoning standards:

- P is permitted, C is conditional, and N is not permitted
- Minimum Lot size is in square feet and maximum density is in dwelling units per acre (du/ac)

Zone	Single-Family Detached	Manufactured Home on a Lot	Accessory Dwelling Unit	Manufactured Home Park	Duplex	Townhouse	Multi-family
Residential Low (RL)							
Allowed Uses	P	P	P	N	C	C	C
Minimum Lot Size	6,500 average	6,500 average	-		6,000	6,000	6,000

Zone	Single-Family Detached	Manufactured Home on a Lot	Accessory Dwelling Unit	Manufactured Home Park	Duplex	Townhouse	Multi-family
Maximum Density	6.4 du/ac	6.4 du/ac	Accessory to lot with single family dwelling		6.4 du/ac	6.4 du/ac	6.4 du/ac
Residential Medium Low-Density (RML)							
Allowed Uses	C	N	P	P	P	P	P
Minimum Lot Size	4,500				4,356*	1,400	4,356*
Maximum Density	10 du/ac			12 du/ac	10 du/ac	10 du/ac	10 du/ac
Residential Medium High-Density (RMH)							
Allowed uses	N	N	N	N	P	P	P
Minimum Lot Size					2,904*	1,400	2,904*
Maximum Density					15 du/ac	15 du/ac	15 du/ac
Residential High-Density (RH)							
Allowed Uses	N	N	N	N	P	P	P
Minimum Lot Size					1,742*	1,400	1,742*
Maximum Density					25 du/ac	25 du/ac	25 du/ac
Residential High-Density/High-Rise (RH/HR)							
Allowed Uses	N	N	N	N	P	P	P
Minimum Lot Size					1,452	1,452	1,452*
Maximum Density					30 du/ac	30 du/ac	30 du/ac
Mixed-Use Commercial Overlay Zone (MUCOD)							
Allowed Uses	N	N	N	N	P	P	P
Minimum Lot Size					None	None	None
Maximum Density					50 du/ac	50 du/ac	50 du/ac
Central Tualatin Overlay Zone (RH/HR)							
Allowed Uses	N	N	N	N	P	P	P
Minimum Lot Size (Core Area)					5,000	5,000	5,000
Minimum Lot Size (Noncore Area)					25,000	25,000	25,000
Maximum Density					25 du/ac	25 du/ac	25 du/ac

*Note: The lot sizes for duplex and multifamily units are based on development on more than one acre. Development on less than one acre has a different standard for minimum lot size.

Changes to lot size standards are legislative changes to the Comprehensive Plan and/or zoning code. As such, this process should be initiated with the Planning Commission and include opportunities for public input.

Recommendation 1.1a: Tualatin should evaluate increasing densities in the residential High and Residential High Density / High Rise designations by allowing buildings that are five to eight stories tall (or higher). The City could increase densities to 60 to 100 dwelling units per acre. Alternatively, the City could allow the zoning standards to dictate the number of new dwelling units, based on standards such as building height limitations, parking requirements per unit, lot coverage ratios, setback requirements, and other zoning standards.

Recommendation 1.1b: Tualatin should conduct an audit of the City's Development Code to identify barriers to residential development (e.g., lot size, setbacks, and lot coverage ratio) and identify alternatives for lowering or eliminating the barriers. For example, the code audit could include these evaluating dimensional standards in all zones to understand the potential impact of development of vacant land (especially smaller or irregularly shaped lots) to identify barriers to infill development.

Recommendation 1.1c: Tualatin should evaluate off-street parking requirements for multifamily housing to identify opportunities for reduction in parking requirements, especially for housing developed for groups who have fewer cars, such as seniors or low-income affordable housing, close proximity to transit stop, and/or additional provision of bicycle parking. The City could consider changes that allow for alternative ways to meet parking requirements or reduce (or eliminate) parking requirements:

- Requiring off-street parking, but not necessarily requiring parking garages.
- Allowing some on-street parking within a set distance of the development to account for some off-street parking requirements.
- Requiring less off-street parking when close (such as within ¼ mile) of a transit stop.
- Requiring additional provision of bicycle parking to reduce parking requirements for the building.

Recommendation 1.1d: Adopt a (Planned Unit Development) PUD ordinance to allow flexibility in both development standards and housing types (subject to a maximum density) in exchange for provision of protected open space through a land use application process; this would require a hearing on the proposed development with the Planning Commission.

Action 1.2. Evaluate opportunities to rezone land to provide additional opportunities for multifamily housing development.⁴

The community desires rezoning to promote the opportunity of housing redevelopment and development. This action seeks to address the deficit of land in the Medium High Density Residential designation (about 7 gross acres of land) and in the High Density / High-Rise Residential designation (about 4 gross acres of land). The action also seeks to provide additional opportunities for the development of multifamily housing; this may contribute, to providing more opportunities for people who work at businesses in Tualatin to also live in Tualatin.

Recommendation 1.2a: Identify opportunities to rezone industrial or commercial land for mixed-use that includes employment and residential uses. The City should exclude industrial sanctuary land (i.e., land in the Southwest Tualatin Concept Plan area) from this evaluation, as this land has been identified as regionally significant industrial areas.

Recommendation 1.2b: Evaluate opportunities to rezone Residential Low Density and Residential Medium Low Density residential land for higher-density housing.

Recommendation 1.2c: Evaluate merging the High Density zone and the High Density / High Rise zones into one zone, and evaluate increasing the maximum density and maximum height limit allowed in the revised zone, consistent with Action 1.1.

Action 1.3. Plan for infrastructure development to support residential development, consistent with Strategy 6.

The City already coordinates land use planning with the Capital Improvement Plan to ensure that infrastructure is available to support residential development, especially in newly urbanizing areas and areas identified as high priority for development. Some types of infrastructure development, especially transportation and transit infrastructure, have lagged behind growth in Tualatin and in the broader region, resulting in automotive congestion and insufficient transit service, as discussed in Strategy 6.

Recommendation 1.3a: Identify opportunities to increase coordination between transportation planning and residential growth to manage and reduce congestion resulting from new growth.

Recommendation 1.3b: Identify opportunities to increase transit service between Tualatin and other cities within the Portland region (such as the ongoing planning for the Southwest Corridor) and transit within Tualatin.

⁴ An alternative to this strategy suggested by a committee member was revising the City's zoning system to the following categories of land use: Suburban Residential (replaces the RL and RML zones) with a maximum of 10 dwelling unit per acre and maximum building height of 45 feet; Urban Residential (replaces the RMH and RH zones) with a minimum density of 15 dwelling units per acre and maximum building height of 65 feet; and Urban II (includes the RH/HR zone) with a minimum density of 30 dwelling units per acre and maximum building height of 100 feet.

Action 1.4. Plan for long-term development in Tualatin through 2040 and beyond.

The Housing Needs Analysis plans for the 2020 to 2040 period. It is based on Metro's current forecasts for household growth in Tualatin. The Economic Opportunities Analysis shows that employment will continue to grow in Tualatin at a substantially faster pace than households over the next twenty years.

Tualatin has capacity for residential development beyond the forecasted growth over the next twenty years and may be planning for additional capacity for residential growth through policies to increase multifamily building height and density standards (Action 1.1), increased mixed-use development, (Action 1.2) and redevelopment (Action 5.1). Even so, if Tualatin wants to provide more opportunities for development of housing to allow people to live and work in Tualatin, the City will need to identify additional opportunities for residential development beyond the Tualatin planning area.

A key part of this planning is working with Metro on regional planning for housing and employment in and around Tualatin. The City would be well served by having information to share with Metro about new development, the City's planning efforts to provide opportunities for people to work and live in Tualatin, and economic development plans.

[Recommendation 1.4a:](#) Actively work with Metro staff on upcoming Regional Growth Management reports to ensure that Tualatin's population and employment forecasts are planned for similar growth rates. Coordinate Tualatin's planning with regional plans.

[Recommendation 1.4b:](#) Develop and implement a system to monitor the supply of residential land every two years. This includes monitoring residential development (through permits) as well as land consumption (e.g., development on vacant or land for redevelopment). The reports resulting from growth monitoring can be used for working with Metro to better understand Tualatin's opportunities for growth.

[Recommendation 1.4c:](#) Reevaluate Tualatin's housing needs and land sufficiency on a regular basis tied to the Metro Growth Management cycle (i.e., every six years), as part of the City's coordination with Metro. This recommendation is consistent with new requirements in ORS 197.296 (2)(a)(B)(ii), which was updated through House Bill 2003 to require Metro cities to update their housing needs analysis every six years.

[Recommendation 1.4d:](#) As Tualatin continues to grow and eventually cannot accommodate residential growth within the City, work with Metro on potential expansion of the Metro UGB to include the Stafford area.

Strategy 2: Encourage Development of a Wider Variety of Housing Types

This strategy focuses on actions that are intended to ensure new residential structures developed in Tualatin are diverse and include missing middle, workforce housing, low to moderate-income senior housing and other housing products to achieve housing affordability for households and to meet Tualatin's twenty-year housing needs.

Issue Statement

Continued increases in housing costs may increase demand for denser housing (e.g., multifamily housing, single-family attached housing, and compact single-family detached housing). To the extent that denser housing types are more affordable than larger housing types (i.e., single-family detached units on larger lots, such as 2,500 square foot dwelling units on lots larger than 5,000 square feet), continued increases in housing costs will increase demand for denser housing.

Tualatin's housing mix in the 2013–2017 period⁵ was 53% single-family detached, 6% single-family attached and 41% multifamily. Of the multifamily housing, about 5% are low-density multifamily housing types such as duplexes, triplexes, and quadplexes. The HNA assumes that the housing mix of new dwelling units in Tualatin will be about 40% single-family detached, 15% single-family attached and 45% multifamily.

To achieve this mix, Tualatin will need to implement policies that allow a wider variety of middle-density housing types (e.g., cottage clusters, townhouses, duplexes, triplexes, and quadplexes), as well as higher-density housing types (e.g., apartment buildings taller than four stories and mixed-use buildings).

In addition, Tualatin will allow for development of housing that is affordable to workers in Tualatin⁶ and is located in proximity to employment opportunities to attract needed labor force for its industrial and commercial zones and mixed-use overlay zones. These types of housing include (but are not limited to) live-work units, "skinny" single-family detached housing, townhouses, cottage housing, duplexes and triplexes, and less costly types of multifamily housing.

Goal

Allow and encourage the development of a broader diversity of housing types, including middle-density housing types and higher-density housing types.

⁵ Based on 2013–2017 ACS five-year estimates for Tualatin.

⁶ The average wage in Tualatin was \$57,300 in 2017. Housing that is affordable to a worker with that wage would have a housing cost of no more than \$1,430 per month. Some workers make less than the average wage and would require housing affordable to lower incomes, as described in Strategy 3.

A single worker with a job paying the average wage could afford a dwelling with a sales price of no more than \$230,000. Given that the average sales price in Tualatin in early 2019 was \$480,000, housing affordable at the average wage in Tualatin is likely to be rental housing. If the household has two full-time workers with jobs paying the average wage, the household may be able to purchase a dwelling in Tualatin.

Recommended Actions

Action 2.1. Allow and encourage development of duplexes, cottage housing, townhomes, row houses, and triplexes and quadplexes in lower-density residential zones.

Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types.

This approach could be implemented through the local zoning or development code. These housing types would be listed as outright allowable uses in appropriate residential zones. These housing types may provide additional affordability and allow more residential units than would be achieved by detached homes alone.

The City has already partially implemented this strategy. The City already allows one accessory dwelling unit for existing single-family units. Tualatin allows duplexes, townhouses, and multifamily housing as a conditional use in the Residential Low Density residential zone. Tualatin allows duplexes, townhouses, and multifamily housing as a permitted use in the Medium-Low Density and Medium-High Density residential zones.

This strategy would move Tualatin toward compliance with the potential requirements of House Bill 2001, which passed during the 2019 legislative session. The bill requires cities within the Metro UGB to allow middle housing types in low-density residential zones. The bill defines middle housing types as:

- (A) duplexes,
- (B) triplexes,
- (C) quadplexes,
- (D) cottage clusters, and
- (E) townhouses.

To comply with House Bill 2001, Tualatin will need to:

- Allow cottage cluster as a housing type in the Residential Low Density residential zone. Tualatin may want to allow cottage cluster housing in the Medium-Low Density and Medium-High Density residential zones. Tualatin will also need to include development standards in the Tualatin Development Code.
- Allow duplexes, townhouses, and multifamily housing as a permitted use in the Residential Low Density residential zone.

[Recommendations 2.1a: Allow duplexes, triplexes, quadplexes, cottage clusters, and townhouses in the Residential Low Density residential zone.](#) Tualatin will also need to revise the Development Code to include development standards for these housing types. As part of implementation of House Bill 2001, the Oregon Department of Land Conservation and Development (DLCD) will be developing a model code for cities to accommodate these housing types. Given that the model code may not be available before December 2020 and the deadline for adoption of policies to meet the requirement

of House Bill 2001 is June 30, 2022, Tualatin should begin the process to identify changes necessary to implement House Bill 2001 before the model code is available.

[Recommendations 2.1b:](#) Allow cottage cluster housing in the Medium-Low Density and Medium-High Density residential zones, at densities appropriate for the zones.

Action 2.2. Identify opportunities to increase development of commercial and residential mixed-use development.

One way to provide additional opportunities for housing development, especially multifamily housing development, is through planning for mixed-use development. Tualatin defines mixed-use development as “a tract of land or building or structure with two or more different uses such as, but not limited to residential, office, retail, manufacturing, public or entertainment, in a compact urban form.”

The Economic Opportunities Analysis shows that Tualatin has a small amount of vacant unconstrained commercial land (11 acres). Strategy 5 (redevelopment) recommends identifying opportunities for redevelopment, especially for mixed-use development. Both the Economic Opportunities Analysis and Housing Needs Analysis document the fact that most people who work in Tualatin live elsewhere and that there are relatively few opportunities for housing for people who want to live and work in Tualatin.

One way to increase opportunities for this type of housing is to increase the overall amount of housing affordable to people who work at jobs in Tualatin, much of which will be multifamily housing and should be located near employment centers in Tualatin. Increasing opportunities for mixed-use development can address both of these issues.

[Recommendation 2.2a:](#) Identify opportunities for more mixed-use development, either through rezoning land to a mixed-use zone and/or through redevelopment (consistent with Action 5.1).

Action 2.3. Identify opportunities to allow and support development of innovative housing types.

Some housing types have traditionally not been present in Tualatin, either because they are not allowed or because the market is not developing them. Some innovative housing types may include single-room occupancy (more than four unrelated living in the same dwelling with shared kitchen and bathrooms); reuse of cargo containers for housing; tiny homes (dwelling units between 100 and 500 square feet); and other innovative housing types.

In addition, growth of seniors is increasing demand for single-level single-family detached units to allow seniors to remain in Tualatin as they age. While this type of unit is allowed in Tualatin, little of this housing has been developed over recent years.

Tualatin's land base does not provide opportunity for development of higher-amenity housing on larger lots. This type of housing generally appeals to households with higher incomes. When Tualatin is evaluating opportunities for UGB expansion, there may be opportunities for development of this type of housing in areas where developing higher-density housing is challenging or undesirable, such as on hillsides.

[Recommendation 2.3a: Evaluate allowing and supporting development of other housing types in Tualatin, such as single-room occupancy \(more than four unrelated living in the same dwelling with shared kitchen and bathrooms\); reuse of cargo containers for housing; tiny homes \(dwelling units between 100 and 500 square feet\); and higher amenity housing on larger lots.](#)

Strategy 3: Support development and preservation of housing that is affordable for all households

The following recommended strategy and actions are intended to use a deliberate set of mandates and incentives to support the development of new affordable housing and preserve existing affordable housing.

Issue Statement

Availability of housing that is affordable to households at all income levels is a key issue in Tualatin. For the purposes of this strategy, affordable housing is defined as 1) housing for very low-income and extremely low-income households at 50% or below the median family income (MFI)⁷ (\$41,000 in 2018); 2) housing for low-income households with incomes between 50% and 80% of the MFI (\$41,000 to \$65,000 in 2018); and 3) housing for middle-income households with incomes between 80% and 120% of the MFI (\$65,000 to \$98,000 in 2018).

The City's policy options for providing opportunities to build housing, especially affordable housing (both market-rate and government-subsidized affordable housing) are limited. The most substantial ways the City can encourage development of housing is through ensuring that

⁷ Based on U.S. Department of Housing and Urban Development Median Family Income of \$81,400 for Washington County in 2018.

enough land is zoned for residential development, in addition to assembling and purchasing land for affordable housing development, eliminating barriers to residential development where possible, and providing infrastructure in a cost-effective way.

Based on the actions identified below and the priorities set by decision makers, the City should develop a comprehensive housing strategy that supports the development of long-term (30–60 years) affordable housing that is government-subsidized which is developed by nonprofits, private developers, and/or in partnership between any of the following: public, nonprofit, and/or private developers. The Tualatin Housing Program will use a variety of tools, such as those described in this memorandum, to lower barriers to and encourage affordable housing development.

Goal

The goal of this strategy is to promote more lower-cost housing, with a focus on low and middle-income housing, creating mixed-income neighborhoods. This focus is to ensure that there is housing that is affordable to workers at businesses in Tualatin.

Recommended Actions

Action 3.1. Identify policies to support development of housing affordable to households earning less than 60% of the median family income in Washington County (\$48,900 or less for a household size of four people).

Evaluate policies to support development of low-income housing that would be affordable to households earning less than 80% of the MFI in Washington County (\$65,000 for a household size of four people), many of whom may be eligible for income-restricted housing, which is commonly known as low-income housing. These policies will leverage funds from the Metro Housing Bond (discussed in Strategy 4). Some examples of support include:

- Reducing or waiving systems development charges (SDCs) and Transportation Development Tax (TDT) fees (see Action 3.6).
- Evaluating adoption of a tax exemption program (see Action 3.7).
- Providing density bonuses for development of housing affordable to households with incomes below 60% of the MFI.
- Participating in a land bank for housing affordable to households with incomes below 60% of the MFI (see Action 3.5).
- Evaluating adoption of an inclusionary zoning program to require market-rate development to include some housing affordable to households with incomes below 80% of the MFI.
- Developing an expedited review process for development of affordable housing projects that target housing affordability at 60% of the MFI.

- Partnering with Washington County Housing Services and Oregon Housing and Community Services (OHCS) to identify resources for developing additional housing affordable for household with incomes of below 60% of the MFI.

[Recommendation 3.1a: Develop policies to support development of housing affordable to households with incomes below 60% of the MFI, as part of the City’s program to leverage funds from the Metro Housing Bond.](#)

Action 3.2 Develop policies to support development of housing affordable to people who have incomes between 60% and 120% of the MFI (\$48,900 to \$98,000 for a household of four in Washington County) and live and work in Tualatin.

Workforce housing is housing that is affordable to households earning between 60% and 120% of the MFI (\$48,900 to \$98,000 for a household of four in Washington County). An important part of this action is coordinating with economic development planning. In 2017, the average wage for jobs in Tualatin was \$57,300.

Action 3.1 includes housing policies for households earning between 60% and 120% of the MFI. Some additional ways that the City may support development of housing affordable to households with incomes between 60% and 120% of the MFI are:

- Coordinating planning for economic development with planning for residential development to emphasize the growth of jobs that pay at or above Tualatin’s average wage (\$57,300 in 2017).
- Supporting and potentially partnering with employers who are interested in developing an employer-assisted housing program to provide grants or loans to support rehabilitation or new housing development.
- Partnering with Washington County Housing Services and Oregon Housing and Community Services (OHCS) to identify resources for developing additional housing affordable for household with incomes between 80% and 120% of the MFI.
- Participating in a land bank for housing affordable to households with incomes between 80% and 120% of the MFI (see Action 3.5).

[Recommendation 3.2a: Emphasize growth of jobs that pay at or above average wages, as part of the City’s Economic Development Strategy.](#)

[Recommendation 3.2b: Identify opportunities to partner with or support employers who are interested in developing an employer-assisted housing program.](#)

Action 3.3. Develop policies to prevent and address homelessness.

Households earning less than 30% of the MFI (\$24,000 or less for a family of four) are at risk of becoming homeless. They can afford monthly rent of \$600 or less. About 16% of households in Tualatin currently fit into this income category. Tualatin has a deficit of about 1,400 units affordable to households with incomes of \$25,000 or less.

Tualatin can use approaches similar to those in Action 3.1 to support development of housing affordable to these households, including using funds from the Metro Housing Bond. Tualatin can also take the following actions to prevent and address homelessness:

- Develop a strategic plan to address homelessness and strengthen partnerships between the City and service providers who assist people experiencing homelessness.
- Partner with service providers to expand rapid rehousing and permanent supportive housing programs.
- Partner with service providers to support the creation of overnight shelters that provide safe sleeping options for people who are unsheltered. Work with service providers to explore alternatives to congregate shelters.

There are many other actions that Tualatin can take to prevent and address homelessness, such as expansion of transportation options, increasing outreach to the homeless population, partnering with service providers of mental health services, supporting a crisis intervention team, and other services.

[Recommendation 3.3a: Develop policies to prevent and address homelessness.](#)

Action 3.4. Develop policies to prevent or mitigate residential displacement resulting from redevelopment and increases in housing costs in Tualatin.

Redevelopment and development of new housing can increase housing costs and displace existing residents. Housing that is currently affordable to households, such as those earning below 60% of the MFI (less than \$48,900 for a household of four) or between 60% and 120% of the MFI (\$48,900 to \$98,000 for a household of four), can become unaffordable as a result of redevelopment and overall increases in housing costs in Tualatin, making it harder for existing residents of Tualatin and people working at businesses in Tualatin to afford to live in Tualatin.

- Identify funding to allocate to housing programs that prevent and alleviate the risk of displacement, such as the funding sources identified in Strategy 4, to fund programs such as the ones below.
- Evaluate the feasibility of developing a housing preservation and development program to assist with capital repairs, façade improvements, or weatherization. Tualatin may consider criteria for funding, such as the property must be regulated affordable or at risk of converting to market rate. Tualatin could consider offering funds to low-cost market-rate properties in need of major structural repairs (in return for the property owner maintaining existing rent levels).
- Partner with organizations to support programs that preserve market-rate housing and affordable housing. These partnerships can include programs such as provision of grants or low-interest loans to support rehabilitation of existing, older single-family detached homes in poor condition, and/or extending existing Low Income Housing Tax Credit projects for an additional term or converting to long-term affordable housing
- Limit condominium conversions. Develop and evaluate requirements for multifamily building owners who want to convert the apartment units to condominiums. Limitations may restrict the conditions under which conversion is allowed, (e.g., based on vacancy rates or tenant consent). Limitations could require that tenants be offered a right of first refusal to purchase their unit, should the owner want to convert their property to a condominium.
- Work with agencies who offer Fair Housing education and enforcement. Provide landlords and tenants with education of rights and responsibilities under Fair Housing Act and provide resources for enforcement actions where Fair Housing law has been violated. Tualatin could provide resources/information about the Housing Choice Voucher Program to reduce the extent to which landlords discriminate against voucher recipients in Tualatin.

[Recommendation 3.4a: Develop policies to prevent displacement of existing residents.](#)

[Recommendation 3.4b: Develop policies to prevent loss of existing affordable housing.](#)

Action 3.5. Partner with organizations to establish a land bank or land trust.

A land bank supports housing affordability by reducing or eliminating land or acquisition costs from a developer's total development budget. Land banks take several forms, but many are administered by a nonprofit or government entity with a mission of managing a portfolio of properties to support a public or community purpose over many years or decades. The land banking process involves key procedural steps, including (1) strategic land and property acquisition, (2) restoration of the property (e.g., clear blight, clear title), and (3) resale to a buyer.

A land trust is similar to land banking in that they participate in strategic land and property acquisition and restoration of the property (e.g., clear blight, clear title). Though instead of ultimately selling the property (land and buildings), the land trust holds the land in perpetuity and sells or leases the buildings. A land trust is typically a private or nonprofit organization that leases or sells the buildings (e.g., dwelling units) sited on the land but owns and manages the land permanently. A land trust can support housing affordability by leasing the dwelling units on their land to income-qualified renters. If the land trust prefers to pursue homeownership objectives, they can enact a deed covenant prior to selling the dwelling units to safeguard lasting affordability for homeowners.

The City's role in a land bank or land trust may include:

- Identifying opportunities to assist with assembly of land into a single tax lot or multiple adjacent tax lots in certain cases (i.e., mixed-use development with more than one developer involved) to support development of affordable housing.
- Identifying surplus publicly-owned properties that could be used for affordable housing and partner with developers of affordable housing (consistent with Actions 3.1 or 3.2).

[Recommendation 3.5a: Determine whether to participate in a land bank or land trust, such as the Proud Ground Community Land Trust, and determine the City's role in the land banking process.](#)

Action 3.6. Evaluate creative system development charge financing opportunities.

Opportunities to change the way that the City collects system development charges (SDC) and the Transportation Development Tax (TDT) include (1) reducing or waiving system development charges for residential development that meets Tualatin's housing needs or goals (such as the development of housing affordable to households earning less than 60% of the MFI [\$48,900 for a household of four]); (2) implementing an SDC financing credit program to incentivize needed housing types; (3) developing a sliding scale of SDC based on the size of the units, charging lower SDC for smaller units; (4) implementing a sole source system development charge program; (5) vesting SDC rates on submission of the complete land use review application to determine the SDC early in the development process; and (6) collecting SDC at completion of construction (prior to issuance of a certificate of occupancy) rather than at issuance of the building permit.

[Recommendation 3.6a: Review options for potential changes to SDC and TDT to determine if one or more of the options above is appropriate for Tualatin and implement changes to SDCs and the TDT, as appropriate.](#)

Action 3.7. Evaluate establishment of a tax exemption program to support development of affordable housing.

Tax exemption programs typically provide exemptions from property taxes for ten years, and for some, up to twenty years. Tax exemption programs include the following:

Program	Vertical Housing Development Zones (VHDZs)	Multiunit Housing (a.k.a. MUPTe)	Low-Income Rental Housing/Nonprofit Corporation Low-Income Housing	Tax Exemption for Newly Rehabilitated or Constructed Multiunit Rental Housing
Eligible Projects/ Properties	Must include at least one “equalized floor” of residential; at least 50% of the street-facing ground floor area must be committed to nonresidential use. Can be new construction or rehabilitation. City can add other criteria.	Housing subject to a housing assistance contract with a public agency; OR housing that meets City-established criteria for design elements benefitting the general public and number of units. May be new construction, addition of units, or conversion of an existing building to residential use.	New rental housing exclusively for low-income households (at or below 60% MFI); rental housing for low-income persons (at or below 60% MFI) that is owned, being purchased, and/or operated by a nonprofit; or land held for affordable housing development.	Newly rehabilitated or constructed multiunit rental housing. Rental units affordable to households with an annual income at or below 120% of MFI.
Eligible Areas	Within designated areas. City may designate any area it chooses. ⁸	Within designated areas. City may designate core areas. Alternatively, the City can designate the entire city and limit the program to affordable housing.	Anywhere in the city	Anywhere in the city
Duration of Tax Exemption/ Abatement	Exemption is for 10 years (this is set in statute, not by the City).	Exemption is for up to 10 years, except for low-income housing, exemption can be extended for as long as the housing is subject to the public assistance contract.	For the low-income rental housing program, exemption lasts 20 years.	City must establish a schedule that provides longer exemptions for projects with more qualifying units, with a maximum of 10 years.
Best Suited for	Encouraging mixed-use development in locations where ground floor commercial uses are essential to the vision and mixed-use is not economically feasible yet.	Encouraging multifamily housing in strategic locations or supporting development of housing affordable households with income of 80% of MFI or lower.	Reducing operating costs for regulated affordable housing affordable at 60% MFI or below.	Incentivizing market-rate/moderate-income multifamily housing development citywide.

Recommendation 3.7a: Review tax exemption options to support development of affordable housing or mixed-use housing to determine if one or more of the options

⁸ The prior statutes governing the VHDZ program specified certain types of areas where VHDZs could be designated. The current version of the statute leaves this decision entirely up to the City. However, logically, the zoning would need to allow both residential and nonresidential uses in order to allow development that could be eligible for VHDZ tax abatement.

above is appropriate for Tualatin and implement the tax exemption program(s) identified as appropriate for Tualatin.

Action 3.8. Ensure that Tualatin has sufficient staff capacity to implement the housing program priorities set by the City Council.

The Housing Strategy presented in this memorandum, and especially the actions presented in Strategy 3 and Strategy 4, will take substantial staff time to evaluate and implement. The City may need additional staffing to implement the Housing Strategy.

Recommendation 3.8a: As the City Council sets priorities for implementation of the Housing Strategy, the Council should work with the City Manager and Community Development Director to determine whether the City will need to add staff to implement the policies in the Housing Strategy.

Strategy 4: Identify Funding Tools to Support Residential Development

The following recommended strategy and actions are intended to consider a range of funding tools that Tualatin may implement and use to support residential development.

Issue Statement

Funding for affordable housing and the infrastructure that serves residential land is becoming increasingly difficult. Cities have adopted a broad range of tools to support affordable housing. The nature of those tools is dependent on local factors: tax base, council support, competing priorities, etc.

Funding affordable housing programs from existing revenue sources may be challenging. Supplemental tools will be necessary if the City wants to support residential development.

Goal

Explore creative and sound ways to support development of affordable housing and infrastructure development.

Recommended Actions

Action 4.1. Evaluate opportunities to use leveraged funds from the Metro Housing Bond to support development of affordable housing.

Evaluate opportunities to use leveraged funds from the Metro Housing Bond to support development of affordable housing. The Metro Housing Bond is for \$652.8 million, the majority of it will support development of at least 3,900 new affordable units. Most of the new units will be affordable to households with income below 60% of the MFI (\$48,600 for a family of four) or less. Funds from the bond measure can be used for building new affordable units, housing purchase and rehabilitating existing housing, buying land for new affordable housing, and producing affordable homeownership units.

Washington County has been allocated \$118.9 million from the bond. The County's draft Local Implementation Strategy allocates Tualatin \$17.5 million for new construction of about 175 units

of housing affordable for individuals and families. In addition, the County anticipates \$30.6 million in additional funds for Tualatin to support this housing development from sources such as Low Income Housing Tax Credits (LIHTC), private resources such as loans from private banks, property tax exemptions, Washington County HOME Partnership Investment Program funds, Washing County Housing Production Opportunity Fund, and resources from partner jurisdictions (such as fee waivers or exemptions, donated or discounted land, grants, or other resources).

The programs discussed in Strategy 3 (especially in Actions 3.1, 3.4, and 3.7) are ways that the City can support and leverage funding from the Metro Housing Bond. In addition, Actions 4.2 (Urban Renewal) and 4.3 (CET) can also leverage funding from the Metro Housing Bond.

[Recommendation 4.1a: Evaluate opportunities, such as housing development incentives \(from Strategy 3\), to use leveraged funding from the Metro Housing Bond to support the development of affordable housing.](#)

Action 4.2. Evaluate establishing an urban renewal district.

As the City evaluates establishing a new urban renewal district (which is currently an ongoing process within the City), evaluate opportunities to support development of affordable housing programs (Strategy 3) funded through urban renewal. The City should also evaluate development of infrastructure (Strategy 1) and redevelopment opportunities (Strategy 5) to support residential development.

Tax increment finance revenues (TIFs) are generated by the increase in total assessed value in an urban renewal district (from the time the district is first established). As property values increase in the district, the increase in total property taxes (i.e., City, County, school portions) is used to pay off the bonds. When the bonds are paid off, the entire valuation is returned to the general property tax rolls. TIFs defer property tax accumulation by the City and County until the urban renewal district expires or pays off the bonds. Over the long term (most districts are established for a period of twenty or more years), the district could produce significant revenues for capital projects. Urban renewal funds can be invested in the form of low-interest loans and/or grants for a variety of capital investments:

- Redevelopment projects, such as mixed-use or infill housing developments
- Economic development strategies, such as capital improvement loans for small or start-up businesses that can be linked to family-wage jobs
- Streetscape improvements, including new lighting, trees, and sidewalks
- Land assembly for public as well as private reuse
- Transportation enhancements, including intersection improvements
- Historic preservation projects
- Parks and open spaces

As the City continues its ongoing evaluation of establishing a new urban renewal district, the City should consider including urban renewal projects that support development of multifamily housing affordable for households earning less than 60% of the MFI (\$48,600 for a household of four). Cities primarily use urban renewal funds to support the development of affordable housing by purchasing land and accepting development proposals on that land. Cities typically require some percentage of housing to be affordable, or they make the inclusion of affordable housing a criterion for the evaluation of development proposals.

In addition, cities use urban renewal funds to directly invest in infrastructure projects that benefit housing development.

[Recommendation 4.2a:](#) As the City continues its ongoing evaluation of establishing a new urban renewal district, the City should consider including urban renewal projects that support development of multifamily housing affordable for households earning less than 60% of the MFI.

Action 4.3. Evaluate implementation of a construction excise tax.

The construction excise tax (CET) is a tax assessed on construction permits issued by local cities and counties. The tax is assessed as a percent of the value of the improvements for which a permit is sought, unless the project is exempted from the tax. In 2016, the Oregon Legislature passed Senate Bill 1533, which permits cities to adopt a construction excise tax (CET) on the value of new construction projects to raise funds for affordable housing projects. CETs may be residential only, commercial only, or residential and commercial. If the City were to adopt a CET, the tax would be up to 1% of the permit value on residential construction and an uncapped rate on commercial and industrial construction.

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

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

If the City implements a CET on commercial or industrial uses, 50% of the funds must be used for allowed developer incentives, while the remaining 50% is unrestricted. The rate may exceed 1% if levied on commercial or industrial uses.

[Recommendation 4.3a:](#) Evaluate implementation of a CET, starting with an analysis of the financial capacity of a CET based on historical construction rates and the amount of the CET. The fiscal potential will provide a foundation that (1) helps determine whether a CET would generate enough revenue to make an impact, and (2) helps focus discussion on how the City could generate the best return on investment of CET funds.

Strategy 5: Identify Redevelopment Opportunities

This strategy focuses on actions that are intended to identify redevelopment opportunities in areas where housing would be appropriate.

Issue Statement

Tualatin has a deficit of land for housing, a deficit of 109 dwelling units in the Medium High Density Residential designation and a deficit of 101 dwelling units in the High Density / High-Rise Residential designation. Some (or perhaps all) of this deficit could be accommodated through redevelopment of existing areas within Tualatin, where there are opportunities to increase the intensity of land uses. Redevelopment may also provide opportunities for the development of mixed-use areas that are more walkable, have amenities that households frequently access (e.g., schools, medical facilities, parks, retail, restaurants, and other services), and have access to transit, consistent with the actions in Strategy 6.

Redevelopment may require actions from other strategies, such as increasing allowable densities, up-zoning, density bonuses for affordable housing, land assembly, reduced parking requirements, tax abatement programs to support housing development, and funding support such as an urban renewal district.

As the City plans for redevelopment, it should be sensitive to the potential for displacement of existing residents. Action 3.4 includes measures to mitigate displacement resulting from redevelopment.

Goal

Redevelop selected areas of Tualatin to create vibrant mixed-use districts that include new housing opportunities.

Recommended Actions

Action 5.1. Identify districts within Tualatin with opportunities for redevelopment for housing and employment uses.

A key finding of the Housing Needs Analysis is that Tualatin has limited land for development of multifamily housing and projects deficits of land to accommodate new housing in the Medium High Density and High Density / High Rise plan designations. The Economic Opportunities Analysis finds that Tualatin has limited land for commercial development and projects a substantial deficit of land to accommodate new housing.

The City should identify three to four areas within Tualatin for redevelopment into mixed-use areas, with a mixture of higher-density housing and employment uses such as retail, office, and commercial services. For example, some areas that may be appropriate for redevelopment include the Commons, areas near key transit stops, and the area west of 6th Street/east of 90th Street/north of Sagert Street. In selecting areas ripe for redevelopment, the City should consider whether economic conditions support redevelopment and landowner attitudes to redevelopment, and it should also set criteria based on transportation and transit connections and proximity to existing employment centers.

The City should engage the community in developing a vision for redeveloping the selected areas. The planning to implement this vision could be developed through redevelopment plans that show how the property will be redeveloped into a vibrant area with a mixture of uses, connections with Tualatin's automotive and pedestrian/bicycle transportation networks, and a variety of housing types. The redevelopment plans should include working with landowners to ensure they are supportive of the plans, as well as involving stakeholder and citizen input into the vision for the district and development of the redevelopment plans.

The City should consider opportunities to support redevelopment, such as urban renewal (Action 4.2), to address infrastructure deficiencies or to support development of affordable housing, funding from the Metro Housing Bond (Action 4.1) for affordable housing development, land banking (Action 3.5), opportunities to reduce SDCs (Action 3.6), and property tax exemptions (Action 3.7) to support housing development.

[Recommendation 5.1a: Initiate a process to identify opportunities for redevelopment of mixed-use districts and initiate an area planning process to guide redevelopment.](#)

Action 5.2. Support redevelopment of underutilized commercial buildings for housing.

Tualatin has several underutilized commercial buildings, such as stores that have closed, that may be appropriate for redevelopment. The City should work with landowners to evaluate opportunities for redeveloping vacant buildings for new housing.

The City should consider opportunities to support redevelopment of underutilized commercial buildings, such as urban renewal, to address infrastructure deficiencies or support development of affordable housing, such as the Metro Housing Bond (Action 4.1) or property tax abatements (Action 3.7).

[Recommendation 5.2a: Identify underutilized commercial areas that are ripe for redevelopment and work with landowners and developers to support redevelopment.](#)

Strategy 6: Ensure There are Connections between Planning for Housing and Other Community Planning

This strategy focuses on actions that are intended to ensure coordination between planning for housing and other community planning, such as transportation planning or neighborhood planning.

Issue Statement

Discussions of residential development led to discussions of the design of neighborhoods and connectivity in Tualatin and a desire for more deliberate planning of new residential development to integrate multiple modes of transportation, access to parks and schools, and retail and services in or near neighborhoods. Given that large parts of Tualatin are already built out, this type of planning will need to consider long-term redevelopment opportunities to retrofit the existing built environment into neighborhoods with these characteristics.

This type of planning should occur with attention paid to equity issues, ensuring that neighborhoods with these characteristics are developed in a way that does not displace existing households and provides opportunity for housing for all residents of Tualatin, regardless of income, age, or race/ethnicity. This implies development of neighborhoods with a mixture of incomes, homeowners and renters, and a mixture of housing types (i.e., both single-family detached housing and attached or multifamily housing).

Goal

Ensure that Tualatin develops as a walkable and complete community with amenities that are easily accessible to people who live in Tualatin.

Recommended Actions

Action 6.1. Ensure that updates to the Transportation System Plan are coordinated with planning for residential growth

The next update to the Transportation System Plan (TSP) should coordinate planning for housing, as well as employment growth, with transportation planning, providing for opportunities for more intensive multifamily development where there is sufficient capacity for automotive and transit capacity. The redevelopment areas (Action 5.1) should be planned for in areas where there is higher capacity for automotive and transit, as well as being connected by pedestrian and bicycle trails.

The update to the TSP ensures there are additional opportunities to decrease dependence on automotive transportation, such as increased focus on development in walkable and bikeable areas and increases in transit service (amount and frequency of transit, as well as increased destinations for transit). The TSP update should also identify opportunities to address capacity issues on Tualatin's roads to ease congestion and make traveling by car within and outside of Tualatin easier.

[Recommendation 6.1a: Evaluate opportunities to decrease dependence on automotive transportation in areas planned for housing, such as increased focus on development in](#)

walkable and bikeable areas and increases in transit service (amount and frequency of transit, as well as increased destinations for transit).

[Recommendation 6.1b:](#) Evaluate opportunities to expand transit and improve transportation connectivity in Tualatin, particularly from the future Southwest Corridor station in Bridgeport to the Tualatin’s Town Center and vital services, and out to the neighborhoods.

[Recommendation 6.1c:](#) Evaluate opportunities for planning transit-oriented development as transit becomes more available in Tualatin, consistent with redevelopment planning.

[Recommendation 6.1d:](#) Develop a bicycle and pedestrian plan for Tualatin to increase connectivity within Tualatin.

Action 6.2. Coordinate planning for economic development with housing planning.

Tualatin has a jobs-housing imbalance, with more jobs than residents in Tualatin. The other strategies in this memorandum are intended to support development of housing that is affordable to people who work at businesses in Tualatin (the average wage was \$57,300 in 2017), such as Action 3.2. The City should evaluate opportunities to support development of housing that is affordable to workers at businesses in Tualatin to ensure that people who work in Tualatin have the opportunity to live in Tualatin. As part of this evaluation, the City should identify opportunities for residential development closer to jobs in Tualatin, to make it easier for people to walk, bicycle, or use transit to get to work. These opportunities are parts of the strategies throughout this memorandum.

[Recommendation 6.2a:](#) Ensure the City includes housing planning for housing that is affordable to people who work at businesses in Tualatin.

Action 6.3. Develop a design and planning framework for “ten-minute neighborhoods” that include a mixture of uses.

The City should develop a framework for development of mixed-use neighborhoods that results in neighborhoods where residents have easy, convenient access to many of the places and services they use daily without relying heavily on a car. The framework would include the following elements: walkable neighborhoods with access to transit, nearby parks (i.e., within one-quarter mile), neighborhood retail and restaurants, and near schools. The neighborhood would have higher concentrations of people and would be complete with sidewalks, bike lanes, and bus routes that support a variety of transportation options. The design of the neighborhood should integrate design standards that promote public safety. In larger cities, these are referred to as “twenty-minute neighborhoods,” but given Tualatin’s smaller size, the scale might be more like “ten-minute neighborhoods.”

[Recommendation 6.3a:](#) Develop a framework for mixed-use neighborhoods that includes the elements that residents need for day-to-day life.

Action 6.4. Support sustainable development practices.

Sustainable development practices are environmentally responsible and resource-efficient building practices that range from building design, building construction, and building operations and maintenance. Examples of sustainable building practices include certification programs such as Leadership in Energy and Environmental Design (LEED) or National Green Building Standard.

The City could support sustainable development practices by offering incentives for certified buildings, or the City could require that new buildings adhere to specified sustainable building practices.

The trade-off with some types of sustainable building practices is that they can increase development costs (especially over the short run) and may make it more difficult to develop housing affordable for middle and lower-income households. Over the long run, some sustainable building practices pay for themselves with decreased operational costs (such as energy-efficient features that reduce heating and cooling costs).

[Recommendation 6.4a: Evaluate sustainable building practices, including certifications, to determine whether the City should offer incentives for certification or require certification of new buildings as sustainable.](#)

Appendix A: Tualatin's Existing Comprehensive Plan Policies

Section 4.050 General Growth Objectives.

The following are general objectives used as a guide to formulate the Plan. The objectives are positive statements to describe the Plan's intent to:

- (1) Provide a plan that will accommodate a population range of 22,000 to 29,000 people.
- (2) Cooperate with the Metropolitan Service District to reach regional consensus on population growth projections within the Tualatin area.
- (3) Conform to Metropolitan Service District (Metro) procedures for initiating amendments to the Metro Urban Growth Boundary.
- (4) Provide a plan that will create an environment for the orderly and efficient transition from rural to urban land uses.
- (5) Convert agricultural land only if needed for urban uses.
- (6) Arrange the various land uses so as to minimize land use conflicts and maximize the use of public facilities as growth occurs.
- (7) Prepare a balanced plan meeting, as closely as possible, the specific objectives and assumptions of each individual plan element.
- (8) Define the urban growth boundary.
- (9) Prepare a plan providing a variety of living and working environments.
- (10) Encourage the highest quality physical design for future development.
- (11) Coordinate development plans with regional, state, and federal agencies to assure consistency with statutes, rules, and standards concerning air, noise, water quality, and solid waste. Cooperate with the U.S. Fish and Wildlife Service to minimize adverse impacts to the Tualatin River National Wildlife Refuge from development in adjacent areas of Tualatin.
- (12) Adopt measures protecting life and property from natural hazards such as flooding, high groundwater, weak foundation soils and steep slopes.
- (13) Develop regulations to control sedimentation of creeks and streams caused by erosion during development of property.
- (14) Develop a separate growth program that controls the rate of community growth and is acceptable to the Land Conservation and Development Commission.
- (15) Arrange the various land uses in a manner that is energy efficient.

- (16) Encourage energy conservation by arranging land uses in a manner compatible with public transportation objectives.
- (17) Maintain for as long a period as possible a physical separation of non-urban land around the City so as to maintain its physical and emotional identity within urban areas of the region.
- (18) Fully develop the industrial area located in Washington County west of the City only when adequate transportation facilities are available and the area has been annexed to the City and served with water and sewer services.
- (19) Cooperate with Washington County to study the methods available for providing transportation, water and sewer service to the industrial area west of the City, designating this area as a special study area.
- (20) Initiate annexation of property within the Urban Growth Boundary planned for residential development only when petitioned to do so by owners of the affected property, including cases involving unincorporated "islands" of property surrounded by land annexed previously.
- (21) Territories to be annexed shall be in the Metro Urban Growth Boundary.
- (22) Address [Metro's Urban Growth Management Functional Plan, Title 13](#), Nature in Neighborhoods, through the conservation, protection and restoration of fish and wildlife habitat, including Metro's Regionally Significant Fish and Wildlife Habitat, through the Tualatin Basin Natural Resource Coordinating Committee and the Tualatin Basin Program.

(a) Support and implement the elements of the Tualatin Basin Program to:

- (i) Develop and adopt local policies and regulations to implement the provisions of the Tualatin Basin Program.
- (ii) Adopt low impact development (LID) provisions to reduce environmental impacts of new development and remove barriers to their utilization.
- (iii) Coordinate with Clean Water Services (CWS) to implement their Healthy Streams Action Plan and other programs such as their Stormwater Management Plan and Design and Construction Standards.
- (iv) Coordinate with CWS, Metro and others to develop and support the funding, voluntary and educational components of the Tualatin Basin Program.
- (v) Coordinate with CWS, Metro and others to develop and support the monitoring and adaptive management components of the Tualatin Basin Program.

(b) Continue active participation in the Tualatin Basin Natural Resources Coordinating Committee and the Steering Committee to support and implement the Tualatin Basin Program.

(c) Coordinate with CWS and Metro to update Metro's Regionally Significant Fish and Wildlife Habitat Inventory Map. Changes to the Inventory Map will be on-going as on-site inventories are conducted as part of private and public construction projects.

(d) Support and implement provisions allowing public access to planned public facilities.

Section 5.030 General Objectives.

The following are general objectives used to guide the development of the residential housing element of the Plan. They describe the Plan's intent to:

- (1) Provide for the housing needs of existing and future City residents.
- (2) Provide housing opportunities for residents with varied income levels and tastes that are esthetically and functionally compatible with the existing community housing stock.
- (3) Cooperate with the Housing Authority of Washington County and the Housing Division of Clackamas County to identify sites, projects and developers to provide the City's fair share of assisted housing units for low and moderate income households, and participate in the region's Housing Opportunity Plan.
- (4) Locate higher density development where it is convenient to the City's commercial core, near schools, adjacent to arterial and collector streets and, as much as possible, in areas with existing multi-family housing and provide residential opportunities in selected commercial areas through the Mixed Use Commercial Overlay District.
- (5) Provide areas that are suitable for manufactured dwelling parks and areas that are suitable for subdivisions that will accommodate manufactured homes.
- (6) Provide areas that will accommodate small-lot subdivisions.
- (7) Develop specific and enforceable design standards for multi-family developments, town-houses, manufactured homes, manufactured dwelling parks and small-lot subdivisions.
- (8) Encourage owner occupancy of multi-family developments and other housing units within the City.
- (9) Encourage subdividers and other residential developers to consider the need for solar access on residential construction sites.

(10) Provide for the raising of agricultural animals and agricultural structures in areas that are presently used for this purpose and that are not buildable due to their location in the 100-year flood plain.

(11) Require that all residential development adjacent to Expressways be buffered from the noise of such Expressways through the use of soundproofing devices such as walls, berms or distance. Density transfer to accommodate these techniques is acceptable.

(12) Encourage the development of attached housing in accordance with the RML Planning District in the area of the Norwood Expressway/Boones Ferry Road intersection.

(13) Provide truck routes for industrial traffic that provide for efficient movement of goods while protecting the quality of residential areas.

(14) Protect residential, commercial, and sensitive industrial uses from the adverse environmental impacts of adjacent industrial use.

(15) Protect adjacent land uses from noise impacts by adopting industrial noise standards.

(16) Protect the Tonquin Scablands from adverse impacts of adjacent development. This includes the main Scabland area in the vicinity of the Burlington Northern Railroad tracks which is preserved through the use of the Wetlands Protection District and the Greenway and Riverbank Protection District. This also includes other elements of the Scabland formations found farther to the east. These latter areas will be preserved on a case-by-case basis as development occurs through preservation in their natural state, allowing residential density transfer through the small lot subdivision, common wall housing, and condominium conditional use processes.

(17) Protect wooded areas identified on the Natural Features Map found in the Technical Memorandum by requiring their preservation in a natural state, by integrating the major trees into the design of the parking lots, buildings, or landscaping areas of multi-family complexes and non-residential uses, or in low density areas through the small lot, common wall, or condominium conditional use. If it is necessary to remove a portion or all of the trees, the replacement landscape features shall be subject to approval through the Architectural Review process, except for conventional single family subdivisions.

Appendix B: Housing Policy Tools to Address Needs

This appendix presents the information provided to the CAC in the memorandum Housing Policy Tools to Address Needs (dated May 16, 2019).

The City of Tualatin contracted ECONorthwest to develop a Housing Needs Analysis and a Housing Strategy for Tualatin. The Housing Needs Analysis will determine whether the City of Tualatin has enough land to accommodate 20-years of population and housing growth. It will characterize housing affordability problems and identify gaps in housing affordability in Tualatin. The Housing Needs Analysis will provide the basis for an update to the City's Comprehensive Plan Housing Element, as well as development of an action plan to implement the housing policies (i.e. the Housing Strategy).

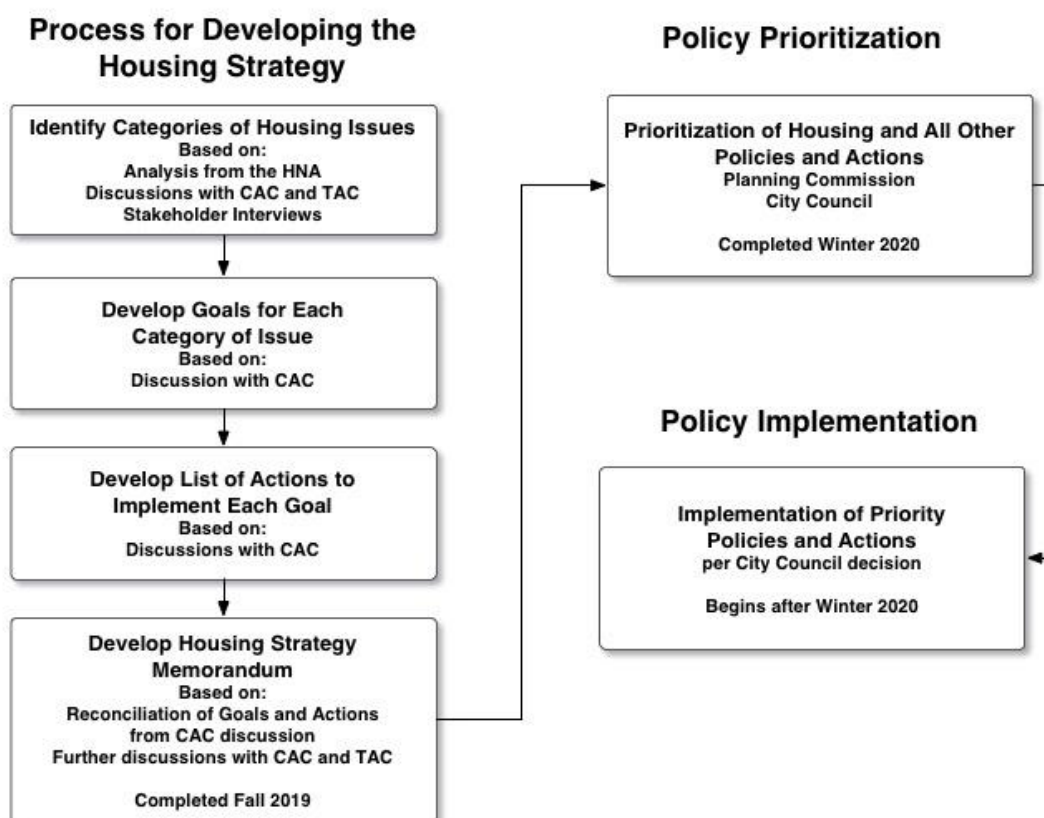
This memorandum provides a range of housing policy options for the City of Tualatin to consider as it addresses its housing needs. These policy options are commonly used by cities in Oregon and other states. Policy options are categorized as follows:

- Land Use Regulations
- Increase Housing Types
- Financial Assistance to Homeowners and Renters
- Lower Development or Operational Costs
- Funding Sources to Support Residential Development

The intention of this memorandum is to provide a toolbox of potential policies and actions that the City can use to address strategic issues. Exhibit 1 illustrates the process for developing the housing strategy and incorporating the strategy into the broader Tualatin 2040 process. Through this project, the CAC and TAC will provide feedback and recommendations that will be used to develop the Tualatin Housing Strategy. The May 23 CAC meeting will begin this process with the following steps: (1) identify categories of housing issues, (2) develop goal(s) to address each category of issue, and (3) developing a list of actions to implement each goal. At a subsequent CAC meeting, we will discuss one or more drafts of the Housing Strategy memorandum, which will document the housing issues, goals, and actions.

After the conclusion of this project, the Housing Strategy will be combined with other policies and actions and will be prioritized by the Tualatin Planning Commission and City Council. The policies and actions will be implemented per the Tualatin City Council's direction once prioritization is completed.

Exhibit 1. Process for developing and implementing the housing strategy



Options for Housing Policy Tools

This memorandum provides the City with information about potential policies that could be implemented in Tualatin to address the City’s housing needs. Implementing some of the strategies in this memorandum may be beyond Tualatin’s current staff or financial resources.

For many of the policy tools described below, we give an approximate scale of impact. **The purpose of the scale of impact is to provide some context for whether the policy tool generally results in a little or a lot of change in the housing market.** The scale of impact depends on conditions in the City, such as other the City’s other existing (or newly implemented) housing policies, the land supply, and housing market conditions. We define the scale of impact as follows:

- A **small** impact may not directly result in development of new housing or it may result in development of a small amount of new housing, such as 1% to 3% of the needed housing (which is 10 to 30 dwelling units for Tualatin). In terms of housing affordability, a small impact may not improve housing affordability in and of itself. A policy with a small impact may be necessary but not sufficient to increase housing affordability.
- A **moderate** impact is likely to directly result in development of new housing, such as 3% to 5% of needed housing (which is 30 to 50 dwelling units for Tualatin). In terms of

housing affordability, a moderate impact may not improve housing affordability in and of itself. A policy with a moderate impact may be necessary but not sufficient to increase housing affordability.

- A **large** impact is likely to directly result in development of new housing, such as 5% to 10% (or more) of needed housing (which is 50 to 100 dwelling units for Tualatin). In terms of housing affordability, a **large** impact may improve housing affordability in and of itself. A policy with a large impact may still need to work with other policies to increase housing affordability.

Land Use Regulations

The following policies focus on ways in which the City can modify its current land use regulations in order to increase housing affordability and available housing stock. Policies are broken into two categories: those that affect regulatory changes, and those which increase the land available for housing.

Strategy Name	Description	Scale of Impact
Regulatory Changes		
Administrative and Procedural Reforms	<p>Regulatory delay can be a major cost-inducing factor in development. Oregon has specific requirements for review of development applications. However, complicated projects frequently require additional analysis such as traffic impact studies, etc.</p> <p>A key consideration in these types of reforms is how to streamline the review process and still achieve the intended objectives of local development policies.</p>	<p>Scale of Impact - Small. The level of impact on production of housing and housing affordability will be small and will depend on the changes made to the city's procedures. Streamlining procedures may be necessary but not sufficient to increase housing production on its own.</p>
Expedited / Fast-tracked Building Permit	<p>Expedite building permits for pre-approved development types or building characteristics (e.g. green buildings).</p> <p>City of Bend offers expedited review and permitting for affordable housing. Any residential or mixed-use development that receives local, state or federal affordable housing funding is eligible to receive a written decision by the Planning Department within two weeks of the date of submittal. For projects that require more complex planning review, a decision will be written or the first public hearing will be held within six weeks of the date of submittal.</p>	<p>Scale of Impact - Small. Expedited permit processing will benefit a limited number of projects. It may be necessary but not sufficient to increase housing production on its own.</p>
Streamline Zoning Code and other Ordinances	<p>Complexity of zoning, subdivision, and other ordinances can make development more difficult, time consuming, and costly. Streamlining development regulations can result in increased development.</p> <p>As part of the streamlining process, cities may evaluate potential barriers to affordable workforce housing and multifamily housing. Potential barriers may include: height limitations, complexity of planned unit development regulations, parking requirements, and other zoning standards.</p> <p>Many of the remaining tools in this section focus on changes to the zoning code.</p>	<p>Scale of Impact - Small to moderate. The level of impact on production of housing and housing affordability will depend on the changes made to the zoning code and other ordinances.</p>

Strategy Name	Description	Scale of Impact
Allow Small Residential Lots	<p>Small residential lots are generally less than 5,000 sq. ft. and sometimes closer to 2,000 sq. ft. This policy allows individual small lots within a subdivision. Small lots can be allowed outright in the minimum lot size and dimensions of a zone, or they could be implemented through the subdivision or planned unit development ordinances.</p> <p>This policy is intended to increase density and lower housing costs. Small-lots limit sprawl, contribute to a more efficient use of land, and promote densities that can support transit. Small lots also provide expanded housing ownership opportunities to broader income ranges and provide additional variety to available housing types.</p> <p>Cities across Oregon allow small residential lots, including many cities in the Metro area.</p>	<p>Scale of Impact – Small to moderate. Cities have adopted minimum lot sizes as small as 2,000 sq. ft. However, it is uncommon to see entire subdivisions of lots this small. Small lots typically get mixed in with other lot sizes. This tool generally increases density and amount of single-family detached and townhouse housing in a given area, decreasing housing costs as a result of decreasing amount of land on the lot.</p>
Mandate Maximum Lot Sizes	<p>This policy places an upper bound on lot size and a lower bound on density in single-family zones. For example, a residential zone with a 6,000 sq. ft. minimum lot size might have an 8,000 sq. ft. maximum lot size yielding an effective net density range between 5.4 and 7.3 dwelling units per net acre.</p> <p>This approach ensures minimum densities in residential zones by limiting lot size. It places bounds on building at less than maximum allowable density. Maximum lot sizes can promote appropriate urban densities, efficiently use limited land resources, and reduce sprawl development.</p> <p>This tool is used by some cities but is used less frequently than mandating minimum lot sizes.</p>	<p>Scale of Impact—Small to moderate. Mandating maximum lot size may be most appropriate in areas where the market is building at substantially lower densities than are allowed or in cities that do not have minimum densities.</p> <p>This tool generally increases density and amount of single-family detached and townhouse housing in a given area, decreasing housing costs as a result of decreasing amount of land on the lot.</p>

Strategy Name	Description	Scale of Impact
Mandate Minimum Residential Densities	<p>This policy is typically applied in single-family residential zones and places a lower bound on density. Minimum residential densities in single-family zones are typically implemented through maximum lot sizes. In multifamily zones, they are usually expressed as a minimum number of dwelling units per net acre. Such standards are typically implemented through zoning code provisions in applicable residential zones.</p> <p>This policy increases land-holding capacity. Minimum densities promote developments consistent with local comprehensive plans and growth assumptions. They reduce sprawl development, eliminate underbuilding in residential areas, and make provision of services more cost effective.</p> <p>Mandating minimum density is generally most effective in medium and high density zones where single-family detached housing is allowed. The minimum density ensures that low-density single-family housing is not built where higher-density multifamily housing could be built.</p>	<p>Scale of Impact—Small to moderate. Increasing minimum densities and ensuring clear urban conversion plans may have a small to moderate impact depending on the observed amount of “underbuild” and the minimum density standard.</p> <p>For cities that allow single-family detached housing in high density zones, this policy can result in a moderate or larger impact.</p>
Increase Allowable Residential Densities	<p>This approach seeks to increase holding capacity by increasing allowable density in residential zones. It gives developers the option of building to higher densities. This approach would be implemented through the local zoning or development codes. This strategy is most commonly applied to multifamily residential zones.</p> <p>For cities with maximum densities, consider removing maximum allowable densities. This change may be most relevant.</p> <p>Higher densities increase residential landholding capacity. Higher densities, where appropriate, provide more housing, a greater variety of housing options, and a more efficient use of scarce land resources. Higher densities also reduce sprawl development and make the provision of services more cost effective.</p>	<p>Scale of Impact—Small to moderate. This tool can be most effective in increasing densities where very low density is currently allowed or in areas where a city wants to encourage higher density development.</p> <p>This tool generally increases density and amount of single-family detached and townhouse housing in a given area, decreasing housing costs as a result of decreasing amount of land on the lot.</p>

Strategy Name	Description	Scale of Impact
Allow Clustered Residential Development	<p>Clustering allows developers to increase density on portions of a site, while preserving other areas of the site. Clustering is a tool most commonly used to preserve natural areas or avoid natural hazards during development. It uses characteristics of the site as a primary consideration in determining building footprints, access, etc. Clustering is typically processed during the site review phase of development review.</p>	<p>Scale of Impact—Moderate. Clustering can increase density, however, if other areas of the site that could otherwise be developed are not developed, the scale of impact can be reduced.</p>
Reduced Parking Requirements	<p>Jurisdictions can reduce or eliminate minimum off-street parking requirements, as well as provide flexibility in meeting parking requirements. Reducing parking requirements positively impact development of any type of housing, from single-family detached to multifamily housing.</p> <p>Reduced parking requirements are most frequently used in conjunction of development of subsidized affordable housing, but cities like Portland have reduced or eliminated parking requirements for market-based multifamily housing in specific circumstances.</p> <p>City of Bend offers parking reductions for affordable housing and transit proximity. Parking for affordable housing units is 1 space per unit regardless of size, compared to 1 space per studio or 1 bedroom unit, 1.5 spaces per 2-bedroom unit, and 2 spaces per 3- or more bedroom unit for market-rate multifamily development or 2 spaces per market rate detached dwelling unit. Affordable housing units must meet the same eligibility criteria as for other City of Bend affordable housing incentives</p> <p>City of Portland offers parking exceptions for affordable housing and sites adjacent to transit. The City of Portland allows housing developments that meet the inclusionary zoning requirements to reduce parking requirements to zero if located near frequent transit service, and to exclude the affordable housing units from parking requirements for developments located further from frequent transit service. The City also allows market rate housing developments located near frequent transit service to provide little or no parking, depending on the number of units in the development.</p>	<p>Scale of Impact—Small to moderate.</p> <p>The City could require the developer to prove the need and public benefit or reducing parking requirements to increase housing affordability.</p> <p>Reducing parking requirements can have a moderate to large impact on housing affordability if little or no parking is required.</p>

Strategy Name	Description	Scale of Impact
Reduce Street Width Standards	<p>This policy is intended to reduce land used for streets and slow down traffic. Street standards are typically described in development and/or subdivision ordinances. Reduced street width standards are most commonly applied on local streets in residential zones. This strategy could be applied to alleys, when required, to ensure that alleys are relatively narrow to reduce development and maintenance costs.</p> <p>Narrower streets make more land available to housing and economic-based development. Narrower streets can also reduce long-term street maintenance costs.</p>	<p>Scale of Impact—Small. This policy is most effective in cities that require relatively wide streets.</p>
Preserving Existing Housing Supply	<p>Housing preservation ordinances typically condition the demolition or replacement of certain housing types on the replacement of such housing elsewhere, fees in lieu of replacement, or payment for relocation expenses of existing tenants. Preservation of existing housing may focus on preservation of smaller, more affordable housing. Approaches include:</p> <ul style="list-style-type: none"> • Housing preservation ordinances • Housing replacement ordinances • Manufactured home preservation • Single-room-occupancy ordinances • Regulating demolitions 	<p>Scale of Impact—Small to moderate. Preserving small existing housing can make a difference in the availability of affordable housing in a city but it is limited by the existing stock housing, especially smaller, more affordable housing. Cities with older housing stock are more likely to benefit from this policy.</p>

Strategy Name	Description	Scale of Impact
Inclusionary Zoning	<p>Inclusionary zoning policies tie development approval to, or provide regulatory incentives for, the provision of low- and moderate-income housing as part of a proposed development. Mandatory inclusionary zoning requires developers to provide a certain percentage of low-income housing. Incentive-based inclusionary zoning provides density or other types of incentives.</p> <p>The price of low-income housing passed on to purchasers of market-rate housing. Inclusionary zoning impedes the "filtering" process where residents purchase new housing, freeing existing housing for lower-income residents.</p> <p>Oregon's inclusionary zoning laws apply to structures with 20 or more multifamily units, with inclusion of units that are affordable at 80% of the median family income of the city.</p> <p>The City of Portland has implemented an inclusionary zoning program. While Portland's inclusionary zoning program is resulting in production of affordable multifamily units, there is considerable discussion and disagreement about the impact of number of multifamily units being built and potential changes in the location of units.</p>	<p>Scale of Impact—Small to moderate. Inclusionary zoning has recently been made legal in Oregon. The scale of impact would depend on the inclusionary zoning policies adopted by the city.</p>

Increasing Land Available for Housing

<p>Re-designate or rezone land for housing</p>	<p>The types of land rezoned for housing are vacant or partially vacant low-density residential and employment land rezoned to multifamily or mixed use. In rezoning land, it is important to choose land in a compatible location, such as land that can be a buffer between an established neighborhood and other denser uses or land adjacent to existing commercial uses. When rezoning employment land, it is best to select land with limited employment capacity (i.e., smaller parcels) in areas where multifamily housing would be compatible (i.e., along transit corridors or in employment centers that would benefit from new housing). This policy change increases opportunity for comparatively affordable multifamily housing and provides opportunities for mixing residential and other compatible uses.</p> <p>Cities across Oregon frequently re-zone and re-designate land to address deficits of land for new housing.</p>	<p>Scale of Impact - Small to large. Scale of impact depends on the amount and location of land rezoned and the densities allowed on the rezoned land.</p>
<p>Encourage multifamily residential development in commercial zones</p>	<p>This tool seeks to encourage denser multifamily housing as part of mixed-use projects in commercial zones. Such policies lower or eliminate barriers to residential development in commercial or mixed-use zones. They include: eliminating requirements for non-residential uses in commercial zones (e.g., requirements for ground floor retail) or requiring minimum residential densities. This policy can increase opportunities for multifamily development on commercial or mixed-use zones or increase the density of that development.</p> <p>Cities across Oregon frequently encourage multifamily housing development in commercial zones, either as stand-alone residential buildings or as mixed-use buildings.</p>	<p>Scale of Impact – Small to moderate. Many cities already encourage multifamily housing in commercial zones. Further encouraging multifamily housing in commercial zones would likely have a small impact, as multifamily housing is allowed in many of the commercial areas where it would be desirable. Unless it is publicly subsidized, mixed-use development generally results in relatively costly housing because ground floor commercial development is relatively expensive.</p>

<p>Transfer or Purchase of Development Rights</p>	<p>This policy is intended to move development from sensitive areas to more appropriate areas. Development rights are transferred to “receiving zones” and can be traded and can increase overall densities. This policy is usually implemented through a subsection of the zoning code and identifies both sending zones (zones where decreased densities are desirable) and receiving zones (zones where increased densities are allowed).</p> <p>Transfer of development rights is done less frequently in Oregon, as cities generally zone land for higher density housing where they would like it to occur. This policy is frequently used by cities outside of Oregon.</p>	<p>Scale of Impact - Small to moderate. Actual impact will depend on the extent to which the policy is used. TDRs may have little impact on overall densities since overall density is not changed; rather it is moved around. TDRs can be used to encourage higher densities in selected areas.</p>
<p>Provide Density Bonuses to Developers</p>	<p>The local government allows developers to build housing at densities higher than are usually allowed by the underlying zoning. Density bonuses are commonly used as a tool to encourage greater housing density in desired areas, provided certain requirements are met. This strategy is generally implemented through provisions of the local zoning code and is allowed in appropriate residential zones.</p> <p>Bonus densities can also be used to encourage development of low-income or workforce affordable housing. An affordable housing bonus would allow for more housing units to be built than allowed by zoning if the proposed project provides a certain number of affordable units.</p> <p>City of Bend offers affordable housing density and height bonuses. Qualifying affordable housing projects are eligible for a 10-foot building height bonus for multifamily housing when affordable housing units are gained and for a density bonus. The density increase is based on the percentage of affordable housing units within the proposed development: if 10% of the units are affordable, the maximum density is 110% of the standard maximum density. The maximum density bonus is 50% above the base density. Qualifying projects must be affordable to households at or below 60% of the AMI for rental housing and at or below 80% of the AMI for ownership housing, and require development agreements and restrictions to ensure continued affordability.</p> <p>Ashland has four different density bonuses, one of which is for development of affordable housing at higher densities and another for energy-efficient housing. Affordable housing projects meeting eligibility requirements (including rental housing affordable to households at or below 60% of AMI or ownership housing affordable to households at or below 80% of AMI for a minimum of 30 years) receive a density bonus</p>	<p>Scale of Impact – Small to moderate. Cities provide density bonuses on a case-by-case basis, which results in a small and sometimes moderate impact in many cities. Density bonuses can have a greater impact on housing affordability when the bonus increases the number of affordable units developed.</p>

	<p>of two units for each affordable housing unit provided, up to a maximum of a 35% increase in density.</p> <p>Kirkland Washington offers density bonuses for duplex, triplex, and cottage homes. Cottage homes (limited to 1,500 square feet of floor area) and two- and three-unit homes (up to 1,000 square feet of floor area average per unit) are allowed at double the density of detached dwelling units in the underlying zone.</p>	
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Increase Housing Types

The following policies focus on ways in which the City can increase the types of housing available in order to increase housing affordability. Policies focus on increasing housing density or the number of residents within existing City lots.

Strategy Name	Description	Scale of Impact
Allow Duplexes, Cottage housing, Townhomes, Row Houses, and Tri- and Quad-Plexes in low density zones	Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types. This approach would be implemented through the local zoning or development codes and would list these housing types as outright allowable uses in appropriate residential zones. These housing types provide additional affordable housing options and allow more residential units than would be achieved by detached homes alone. House Bill 2001 may require cities to allow some of these housing types in single-family zones.	Scale of Impact – Small to moderate. Allowing these types of housing in more zoning districts may provide relatively few number of new, relatively affordable, housing opportunities.
Allow Cottage housing, Tri- and Quad-Plexes Townhomes, Row Houses, Stacked Townhouses, Cottage Courts, Duplex/Townhouse Courts, & Garden Apartments in	Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types. This approach would be implemented through the local zoning or development codes and would list these housing types as outright allowable uses in appropriate residential zones. These housing types provide additional affordable housing options and allow more residential units than would be achieved by detached homes alone.	Scale of Impact – Small to Large. Allowing these types of housing in more zoning districts may provide up to a large number of new, relatively affordable, housing opportunities. The scale of impact will depend, in part, on the amount of vacant or redevelopable land in medium density zones, as well as the types

Strategy Name	Description	Scale of Impact
medium density zones		of housing newly allowed in the medium density zone.
Allow Stacked Townhouses, Garden Apartments and larger-scale Apartments in high density zones	Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types. This approach would be implemented through the local zoning or development codes and would list these housing types as outright allowable uses in appropriate residential zones. These housing types provide additional affordable housing options and allow more residential units than would be achieved by detached homes alone.	Scale of Impact – Small to Large. Allowing these types of housing in more zoning districts may provide up to a large number of new, relatively affordable, housing opportunities. The scale of impact will depend, in part, on the amount of vacant or redevelopable land in high density zones, as well as the types of housing newly allowed in the high density zone.
Allow Live-Work housing or Mixed-use housing in commercial zones	Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types. This approach would be implemented through the local zoning or development codes and would list these housing types as outright allowable uses in appropriate residential zones. These housing types provide additional affordable housing options and allow more residential units than would be achieved by detached homes alone.	Scale of Impact – Small to Large. Allowing these types of housing in more zoning districts may provide up to a large number of new, relatively affordable, housing opportunities.
Remove barriers to Development of Accessory Dwelling Units (ADUs) in single-family zones	As of July 1, 2018, ORS 197.312 requires cities to allow at least one ADU for each detached single-family dwelling in areas zoned for detached single-family dwellings. Jurisdictions can make development of ADUs more likely by limiting restrictive standards and procedures, such as reducing systems development charges for ADUs, reducing or eliminating parking requirements, or allowing ADUs regardless of where the primary dwelling is owner-occupied.	Scale of Impact - Small. Oregon law recently changed to require cities to allow ADUs.

Strategy Name	Description	Scale of Impact
Allow small or “tiny” homes	<p>“Tiny” homes are typically dwellings that are 500 square feet or smaller. Some tiny houses are as small as 100 to 150 square feet. They include stand-alone units or very small multifamily units.</p> <p>Tiny homes can be sited in a variety of ways: locating them in RV parks (they are similar in many respects to Park Model RVs), tiny home subdivisions, or allowing them as accessory dwelling units.</p> <p>Smaller homes allow for smaller lots, increasing land use efficiency. They provide opportunities for affordable housing, especially for homeowners.</p> <p>Portland and Eugene allow tiny homes as temporary shelter for people experiencing homelessness.</p>	<p>Scale of Impact - Small: Scale of impact depends on regulation of tiny homes, where they are allowed, and market demand for tiny homes.</p>

Lower Development or Operational Costs

The following policies focus on ways in which the City and other entities involved in development can provide financial assistance to lower development or operational costs in a city in order to increase housing affordability and available housing stock.

Strategy Name	Description	Scale of Impact
Programs or policies to lower the cost of development		
Parcel assembly	<p>Parcel assembly involves the city’s ability to purchase lands for the purpose of land aggregation or site assembly. It can directly address the issues related to limited multifamily lands being available in appropriate locations (e.g., near arterials and commercial services). Typical goals of parcel assembly programs are: (1) to provide sites for rental apartments in appropriate locations close to services and (2) to reduce the cost of developing multifamily rental units</p> <p>Parcel assembly can lower the cost of multifamily development because the City is able to purchase land in strategic locations over time. Parcel assembly is often associated with development of affordable housing (affordable to households with income below 60% of MFI), where the City partners with nonprofit affordable housing developers.</p> <p>Parcel assembly can be critically important role for cities to kick start quality affordable housing and work force housing projects that can be positive catalysts too for market rate development.</p>	<p>Scale of Impact - Small to large. Parcel assembly is most likely to have an effect on a localized area, providing a few opportunities for new multifamily housing development over time.</p>

Strategy Name	Description	Scale of Impact
Land Banking	<p>Land banks support housing development by reducing or eliminating land cost from development, with the goal of increasing the affordability of housing. They can take several forms. Many are administered by a non-profit or non-governmental entity with a mission of managing a portfolio of properties to support affordable housing development over many years or decades. Ideally, a land bank is set up to manage financial and administrative resources, including strategic property disposal, for the explicit purpose of supporting affordable housing development. Cities can partner with non-profits or sometimes manage their own land banks. Cities may also donate, sell, or lease publicly-owned land for the development of affordable housing even without a formal 'land bank' organization.</p> <p>Land banks are purposed for short-term ownership of lands. Lands acquired are often vacant, blighted, or environmentally-contaminated. Land banks may also acquire lands with title defects or of which derelict structures sit. Lands are eventually transferred to a new owner for reuse and redevelopment.</p>	<p>Scale of Impact - Small to large. A land bank will have the biggest impact on production of low- and moderate-income affordable housing. Considering how difficult it is to build this type of affordable housing and the level of need for affordable housing, a land trust could increase nonprofits' capacity to build affordable housing.</p>
Land Trusts	<p>A land trust is typically a nonprofit organization that owns land and sells or leases the housing on the land to income-qualified buyers. Because the land is not included in the housing price for tenants / buyers, land trusts can achieve below-market pricing. Land trusts are most commonly used as a method for supporting affordable home ownership goals.</p> <p>Land trusts are purposed for long-term stewardship of lands and buildings. Lands / buildings acquired may have need for remediation or redevelopment. Lands / buildings may have also been acquired to preserve affordability, prevent deferred maintenance, or protect against foreclosure</p> <p>Proud Ground (Portland Metro Area) was founded in 1999 and has grown into one of the largest community land trusts in the country. The organization focuses on affordable homeownership and controls ground leases associated with 270 homes in Multnomah, Washington, Clackamas, and Clark County.</p>	<p>Scale of Impact - Small to large. A land trust will have the biggest impact on production of low- and moderate-income affordable housing. Considering how difficult it is to build this type of affordable housing and the level of need for affordable housing, a land trust could increase nonprofits' capacity to build affordable housing.</p>

Strategy Name	Description	Scale of Impact
Public Land Disposition	<p>The public sector sometimes controls land that has been acquired with resources that enable it to dispose of that land for private and/or nonprofit redevelopment. Land acquired with funding sources such as tax increment, EB-5, or through federal resources such as CDBG or HUD Section 108 can be sold or leased at below market rates for various projects to help achieve redevelopment objectives. This increases development feasibility by reducing development costs and gives the public sector leverage to achieve its goals via a development agreement process with the developer. Funding can come from Tax Increment, CDBG/HUD 108, or EB-5.</p> <p>Cities across Oregon use publicly land to support affordable and market-rate of housing development. In some cases, municipalities put surplus public land into land banks or land trusts.</p> <p>Tri-Met is evaluating re-use of construction staging sites for future affordable housing and/or transit-orient development sites.</p> <p>Cottage Grove is working with the school district to discuss and plan for use of surplus school district land for future housing development.</p>	<p>Scale of Impact – Small to moderate. Depends on whether the City has surplus land that would be appropriate for future housing development.</p>

Strategy Name	Description	Scale of Impact
<p>Reduced / Waived Building Permit fee, Planning fees, or SDCs</p>	<p>Programs that reduce various development fees as an incentive to induce qualifying types of development or building features. There are a number of avenues to seek reduced or waived fees. For example, stormwater improvements can be made through the Commercial Stormwater Fee Reduction. There are commonly used tools, often implemented in conjunction with development agreements or other development negotiation processes.</p> <p>City of Portland offers SDC exemptions for affordable housing. Portland’s SDC Exemption Program exempts developers of qualifying affordable housing projects from paying SDCs levied by the City of Portland for transportation, water, parks and environmental services. Eligible rental projects must serve households earning at or below 60% of the AMI for a 60-year period. Portland also offers SDC waivers for development of ADUs.</p> <p>City of McMinnville offers SDC exemptions and reduced permit fees for affordable housing. Building and planning permit fees for new or remodel housing construction projects are reduced by 50% for eligible projects and SDCs for transportation, wastewater and parks are exempted at 100%. Reductions/exemptions are prorated for mixed use or mixed-income developments. The property must be utilized for housing for low-income persons for at least 10 years or the SDCs must be paid to the city.</p>	<p>Scale of Impact - Small.</p>
<p>SDC Financing Credits</p>	<p>May help to offset an SDC charge, which is a one-time fee that is issued when there is new development or a change in use.</p> <p>SDC financing enables developers to stretch their SDC payment over time, thereby reducing upfront costs. Alternately, credits allow developers to make necessary improvements to the site in lieu of paying SDCs. Note that the City can control its own SDCs, but often small cities manage them on behalf of other jurisdictions including the County and special districts. SDCs are granted when the project makes lasting improvements, such as improving roads, reducing number of trips, create or improve parks or recreational centers, and permanently removing water services.</p>	<p>Scale of Impact – Small to moderate. The City may consider changes in SDCs to allow financing but the City would want to ensure that the impact should be spread-out and non-negatively impact one entity.</p>

Strategy Name	Description	Scale of Impact
Sole Source SDCs	Retains SDCs paid by developers within a limited geographic area that directly benefits from new development, rather than being available for use city-wide. This enables SDC-eligible improvements within the area that generates those funds to keep them for these improvements. Improvements within smaller areas can enhance the catalytic and redevelopment value of the area. This tool can also be blended with other resources such as LIDs and Urban Renewal (Tax Increment Financing). Funding can come from an SDC fund or general fund. In some cases, there may be no financial impact. The housing can come in the form of student, low-income, or workforce housing.	Scale of Impact – Small to moderate. Depends on how the tool is implemented and whether it is used with other tools, such as LIDs or Urban Renewal.
Fees or Other Dedicated Revenue	Directs user fees into an enterprise fund that provides dedicated revenue to fund specific projects. Examples of those types of funds can include parking revenue funds, stormwater/sewer funds, street funds, etc. The City could also use this program to raise private sector funds for a district parking garage wherein the City could facilitate a program allowing developers to pay fees-in-lieu or “parking credits” that developers would purchase from the City for access “entitlement” into the shared supply. The shared supply could meet initial parking need when the development comes online while also maintaining the flexibility to adjust to parking need over time as elasticity in the demand patterns develop in the district and influences like alternative modes are accounted for. Funding can come from residents, businesses, and developers. Also, these fees or revenues allow for new revenue streams into the City.	

Strategy Name	Description	Scale of Impact
Reimbursement District	<p>A Reimbursement District is a cost sharing mechanism, typically Initiated by a developer. The purpose is to provide a reimbursement method to the developer of an infrastructure improvement, through fees paid by property owners at the time the property benefits from the improvement. A developer applies to create a Reimbursement District by demonstrating benefit to properties beyond their own. In addition, the size of the improvement must be measurably greater than would otherwise be ordinarily required for the improvement</p> <p>Eligible Reimbursement District projects typically include (but are not limited to) construction or connections of a sewer, water, storm water or street improvements. Applications typically include: a fee sufficient to cover the cost of administrative review, a description of the project, properties that would be impacted, and a detailed methodology and calculation of how the estimated costs would be reimbursed by payments from benefitted properties over a specified timeframe. A report from the City Engineer is generated in review of the submitted application. After a public hearing process, the council will approve, reject or modify the proposal. The approval of a Reimbursement District results in a resolution and distribution of notice among benefitted properties before construction can begin.</p> <p>Benefitted properties must pay the Reimbursement Fee when they make a physical connection to the improvement (or in the case of a sewer project, when the benefitted property creates an impervious surface that drains into the public sewer) within the Reimbursement District Area. Reimbursement fees are collected by the City and are distributed to the developer for the duration of the Reimbursement District, which are typically 10-15 years.</p> <p>Paid by benefitted properties at the time the property benefits from the improvement, typically at connection to the sewer, water or storm drain system.</p>	Scale of Impact – Small to moderate.
Linkage Fees	<p>Linkage fees are charges on new development, usually commercial and / or industrial development only, which can be used to fund affordable housing. To implement them, a city must undertake a nexus study that identifies a legal connection between new jobs housed in the developments, the wages those jobs will pay, and the availability of housing affordable to those employees.</p> <ul style="list-style-type: none"> • Can be used for acquisition and rehabilitation of existing affordable units. • Can be used for new construction. 	Scale of Impact – Small to moderate.

Strategy Name	Description	Scale of Impact
Tax abatement programs that decrease operational costs by decreasing property taxes		
Vertical Housing Tax Abatement (Locally Enabled and Managed)	<p>The 2017 Legislature passed legislation moving the administration of Vertical Housing Program from Oregon Housing and Community Services (OHCS) to the local City and County beginning Oct 6th, 2017. OHCS no longer administers this program.</p> <p>The legislation subsidizes "mixed-use" projects to encourage dense development or redevelopment by providing a partial property tax exemption on increased property value for qualified developments. The exemption varies in accordance with the number of residential floors on a mixed-use project with a maximum property tax exemption of 80 percent over 10 years. An additional property tax exemption on the land may be given if some or all of the residential housing is for low-income persons (80 percent of area is median income or below).</p>	<p>Scale of Impact – Small to moderate. The design of the tax abatement program will impact whether and how many developers use the tax abatement, which will affect the scale of the impact.</p>

<p>Multiple-Unit Limited Tax Exemption Program (Locally Enabled and Managed)</p>	<p>Through the multifamily tax exemption, a jurisdiction can incent diverse housing options in urban centers lacking in housing choices or workforce housing units. Through a competitive process, multi-unit projects can receive a property tax exemption for up to ten-years on structural improvements to the property. Though the state enables the program, each City has an opportunity to shape the program to achieve its goals by controlling the geography of where the exemption is available, application process and fees, program requirements, criteria (return on investment, sustainability, inclusion of community space, percentage affordable or workforce housing, etc.), and program cap. The City can select projects on a case-by-case basis through a competitive process.</p> <p>The passing of HB 2377 - Multiunit Rental Housing Tax Exemption allows cities and counties to create a property tax exemption for newly rehabilitated or newly constructed multi-unit rental housing within their boundaries depending on the number of units made available to low-income households, for up to 10 consecutive years. The bill was crafted to strengthen the connection to affordability by requiring cities and counties to establish a schedule in which the number of years an exemption is provided increases directly with the percentage of units rented to households with an annual income at or below 120 percent of MFI, and at monthly rates that are affordable to such households. While not specifically referenced in the measure, ORS 308.701 defines “Multi-unit rental housing” as: “(a) residential property consisting of four or more dwelling units” and; “does not include assisted living facilities.”</p> <p>All new multifamily units that are built or renovated that offer rent below 120% of AMI are potentially eligible for this tax exemption. In a city with an AMI of \$55,000 (common outside of Portland), that's rent of \$1,650 per month or less. The tax exemption is for all taxing districts which is administered by the City. Due to this, smaller jurisdictions may have more trouble managing this program. Local taxing jurisdictions that agree to participate—cities, school districts, counties, etc.</p> <p>The City of Eugene offers a ten-year Multi-Unit Property Tax Exemption (MUPTE) for projects in its eastern downtown core. Eugene’s criteria for granting MUPTE include: Project must provide 5 or more units of housing (not including student housing), development must meet minimum density standards, development must comply with minimum green building requirements, a portion of construction and other contracting requirements must</p>	<p>Scale of Impact – Small to moderate. The design of the tax abatement program will impact whether and how many developers use the tax abatement, which will affect the scale of the impact.</p>
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Strategy Name	Description	Scale of Impact
	<p>be through local business, the development must provide 30% of the units affordable at 100% of AMI or pay a fee of 10% of the value of the tax abatement toward supporting moderate income housing development, demonstrate that the project would not be financially feasible without the exemption by providing 10-year pro forma with and without MUPTTE and comply with other criteria.</p> <p>The City of Salem’s Multi-Unit Housing Tax Incentive Program (MUHTIP) was adopted in 2012 to spur the construction of “transit supportive”⁹ multi-unit housing in the city’s downtown core. In order to qualify for the exemption, projects must consist of at least two dwelling units, be located in the city’s “core area,” and include at least one public benefit.</p>	
<p>Nonprofit Corporation Low Income Housing Tax Exemption</p> <p>and</p> <p>Low-Income Rental Housing Tax Exemption</p>	<p>Note: These are two separate tax exemptions available under statute (ORS 307.515 to 307.523 / ORS 307.540 to 307.548). They are grouped together for their similarities (but differences are noted).</p> <p>Land and improvement tax exemption used to reduce operating costs for regulated affordable housing affordable at 60% AMI or below. Requires the City to adopt standards and guidelines for applications and enforcement mechanisms.</p> <p>The low-income rental housing program exemption lasts 20 years. The nonprofit corporation low-income housing program must be applied for every year but can continue as long as the property meets the criteria. Rents must reflect the full value of the property tax abatement and City can add additional criteria.</p> <p>There is no requirement that construction must be complete prior to application. Programs both work well in tandem with other incentives, such as land banking.</p>	<p>Scale of Impact – Small to moderate. The exemption reduces operating costs, meaning it is a tool more useful to property owners of affordable housing projects. Developers, who do not own and operate their own projects, may be less inclined to use the program.</p>

⁹ City of Salem, “Multi Unit Housing Tax Incentive Program,” <https://www.cityofsalem.net/Pages/multi-unit-housing-tax-incentive-program.aspx>.

Funding Sources to Support Residential Development

The following policies focus on ways to pay for the costs of implementing the affordable housing programs and infrastructure development.

Strategy Name	Description	Scale of Impact
Urban Renewal / Tax Increment Finance (TIF)	<p>Tax increment finance revenues are generated by the increase in total assessed value in an urban renewal district from the time the district is first established. As property values increase in the district, the increase in total property taxes (i.e., City, County, school portions) is used to pay off the bonds. When the bonds are paid off, the entire valuation is returned to the general property tax rolls. TIFs defer property tax accumulation by the City and County until the urban renewal district expires or pays off bonds. Over the long term (most districts are established for a period of 20 or more years), the district could produce significant revenues for capital projects. Urban renewal funds can be invested in the form of low-interest loans and/or grants for a variety of capital investments:</p> <ul style="list-style-type: none"> • Redevelopment projects, such as mixed-use or infill housing developments • Economic development strategies, such as capital improvement loans for small or startup businesses which can be linked to family-wage jobs • Streetscape improvements, including new lighting, trees, and sidewalks • Land assembly for public as well as private re-use • Transportation enhancements, including intersection improvements • Historic preservation projects • Parks and open spaces <p>Urban renewal is a commonly used tool to support housing development in cities across Oregon.</p>	<p>Scale of Impact – Moderate to Large. Urban Renewal funding is a flexible tool that allows cities to develop essential infrastructure or provides funding for programs that lower the costs of housing development (such as SDC reductions or low interest loan programs). Portland used Urban Renewal to catalyze redevelopment across the City, including the Pearl District and South Waterfront.</p>

<p>Construction Excise Tax (CET)</p>	<p>Funds land use planning throughout the region by taxing construction permits. CET is a tax assessed on construction permits issued by local cities and counties. The tax is assessed as a percent of the value of the improvements for which a permit is sought, unless the project is exempted from the tax. In 2016, the Oregon Legislature passed Senate Bill 1533 which permits cities to adopt a construction excise tax (CET) on the value of new construction projects to raise funds for affordable housing projects. CETs may be residential only, commercial only, or residential and commercial. If the City were to adopt a CET, the tax would be up to 1% of the permit value on residential construction and an uncapped rate on commercial and industrial construction. The allowed uses for CET funding are defined by the state statute. The City may retain 4% of funds to cover administrative costs. The funds remaining must be allocated as follows, if the City uses a residential CET:</p> <ul style="list-style-type: none"> • 50% must be used for developer incentives (e.g. fee and SDC waivers, tax abatements, etc.) • 35% may be used flexibly for affordable housing programs, as defined by the jurisdiction. • 15% flows to Oregon Housing and Community Services for homeowner programs. <p>If the City implements a CET on commercial or industrial uses, 50% of the funds must be used for allowed developer incentives and the remaining 50% are unrestricted. The rate may exceed 1% if levied on commercial or industrial uses. The City of Portland's CET went into effect in 2016. It levies a 1% CET on residential, commercial, and industrial development valued at \$100,000 or more, with all revenues going toward affordable housing. The revenues pay for production of housing at or below 60% AMI, developer incentives for inclusionary zoning, along with state homeownership programs.</p> <p>City of Bend adopted a CET of 0.3% on residential, commercial, and industrial development in 2006, with revenues dedicated to loans to fund developments by profit and nonprofit affordable housing developers. The fee has raised \$11 million as of 2016, allowing the City to lend money to fund 615 units. The fund has leveraged \$63 million in state and federal funding and \$14 million in equity.</p> <p>The City of Milwaukie adopted a CET on commercial, residential, and industrial development in November of 2017. The City exempted deed-restricted affordable</p>	<p>Scale of Impact – Depends on the amount of funding available.</p>
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	<p>housing, ADUs, and improvements less than \$100,000 from paying the CET. The adopting ordinance allocates funds as required by state statutes, specifying that flexible funds from the commercial improvements will be used 50% toward housing available to those making up to 120% of MFI, and 50% for economic development programs in areas with sub-area plans (such as Downtown and Riverfront, and the City's urban renewal areas).</p>	
<p>General Fund and General Obligation (GO) Bonds</p>	<p>Allows funding for a project that is not dependent on revenue from the project to back the bond.</p> <p>City can use general fund monies on hand or can issue bonds backed by the full faith and credit of the city to pay for desired public improvements.</p> <p>Property taxes are increased to pay back the GO bonds.</p> <p>City of Portland passed \$258 million bond for affordable housing in 2016. The goal of the bond is to build or preserve up to 1,300 units in the next five to seven years. The city issued a request for information to solicit interest in acquiring properties or land under the affordable housing bond. The city is looking for opportunities to acquire existing properties of 20 or more units, or vacant land that is appropriately zoned for 20+ housing units, and is looking for both traditional and nontraditional development opportunities.</p>	<p>Scale of Impact – Moderate to large. GO Bonds can be used to develop essential infrastructure or provides funding for programs that lower the costs of housing development (such as SDC reductions or low interest loan programs).</p>
<p>Local Improvement District (LID)</p>	<p>Enables a group of property owners to share the cost of a project or infrastructural improvement.</p> <p>A special assessment district where property owners are assessed a fee to pay for capital improvements, such as streetscape enhancements, underground utilities, or shared open space. For residential property, the estimated assessment cannot exceed the pre-improvement value of the property based on assessor records.</p> <p>An ordinance must be passed through a public hearing process which must be supported by a majority of affected property owners. Part of this process includes an estimation of the improvement costs and the portion of those costs in which property owners will be responsible to pay for. The public hearing process allows for LIDs to be challenged by property owners.</p> <p>The City collects the funds and regardless if the actual cost is greater than the estimated cost (on which the assessment was based), the City may make a deficit assessment for the additional cost, which would be prorated among all benefitted properties. Another public hearing would be held, in the event that an additional assessment were placed property owners (due to underestimation).</p>	<p>Scale of Impact – Depends on the amount of funding available and Bonding capacity.</p>

<p>General Fund Grants or Loans</p>	<p>A city can use general fund or tax increment dollars to directly invest in a specific affordable housing projects. These grants or loans can serve as gap funding to improve development feasibility. There are several options for using general fund grants or loans, including the potential for bonds to generate upfront revenue that is repaid over time, as recently approved in the City of Portland. Another option is to use general fund dollars to contribute to other programs that are successfully operating, such as non-profit land trusts or even other government agencies that have the administrative capacity to maintain compliance requirements over time, using intergovernmental agreements.</p>	<p>Scale of Impact – Depends on the amount of funding available.</p>
<p>Transient Lodging Tax (TLT)</p>	<p>Generates revenue by primarily taxing tourists and guests using temporary lodging services. Taxes for temporary lodging at hotels, motels, campgrounds, and other temporary lodgings. Oregon has a statewide TLT and cities and counties can also charge a local TLT subject to certain limitations. The statutes specify that 70% must be used for tourism promotion or tourism related facilities and 30% is unrestricted in use, and there cannot be a reduction of the total percent of room tax. The state tax is specified at 1.8%; local government tax rates vary as local governments set the rate for their jurisdiction by ordinance. Cities and counties may impose taxes on transient lodging. Alternatively, some cities have an agreement for the county to impose the tax and cities share in a percent of the revenue.</p>	<p>Scale of Impact – Small. The amount of funding from TLT is likely to be relatively small, given that only 30% of TLT funds have unrestricted use.</p>
<p>CDBG</p>	<p>The Community Development Block Grants program is a flexible program that provides annual grants on a formula basis to both local governments and States. Grants are awarded on a 1, 2, or 3-year period. It is required that at least 70% of the CDGB funds are used for activities that benefit low- and moderate- income. Additionally, each activity must address any threats to health or welfare in the community (for which other funding is unavailable). These funds can be used for acquisition and rehabilitation of existing affordable units, as well as new construction that prioritizes community development efforts.</p>	<p>Scale of Impact – Depends on the amount of funding available.</p>

ACKNOWLEDGMENTS

HNA / EOA Community Advisory Committee Members, Interpreters and Project Consultants	Stakeholders and Groups	City Staff and Technical Advisory Committee Members
<p>Alice Galloway Neely Allen Song Angela Handran Bryce Payne Daniel Bachhuber Derek Reinke Joe Lipscomb Katherine Galian Kellye Aprati Ken Johnson Lainie Magsarili Linda Moholt Rachael Duke Doug Plambeck Susan Noack Manny Trujillo Cyndy Hillier</p> <p>Interpreters Rosa Galvan Armando Gutierrez</p> <p>Consultants ECONorthwest (HNA /EOA) Beth Goodman Sadie DiNatale</p> <p>Angelo Planning Group (Code Update Outreach) Catherine Corliss</p>	<p>Stakeholder Interviewees Heather Mull Ed Casey Candice Kelly Al Jeck Brenda Braden Marissa Houlberg Beth Sethi Grace Lucini Leah Bachhuber Dawn Mangnum Ken Gertz Andrew Evans Kathleen Silloway Tom and Kathy Re Aging Task Force</p> <p>Participation by: Tualatin Planning Commission (TPC) Architectural Review Board (ARB) Tualatin Parks Advisory Committee (TPARK) Tualatin Arts Advisory Committee (TAAC) Youth Advisory Council (YAC) Martinazzi CIO East Tualatin CIO Midwest CIO Byrom CIO Commercial CIO Riverpark CIO Diversity Task Force</p>	<p>City Staff / TAC Members Aquilla Hurd-Ravich, Community Development Director Karen Perl Fox, Senior Long-Range Planner Jonathan Taylor, Economic Development Manager Steve Koper, Planning Manager Garet Prior, Management Analyst II Lauren Gonzalez, Permit Coordinator Tanya Williams, Assistant to the City Manager Betsy Ruef, Community Engagement Coordinator Ross Hoover, Parks and Recreation Director Rich Mueller, Parks and Recreation Manager Mike McCarthy, Principal Transportation Engineer Sean Brady, City Attorney Anne Debbaut/Kirstin Greene, DLCD Representatives Talia Jacobson, ODOT representative Hector Rodriguez, ODOT representative Lloyd Purdy, Greater Portland Inc. Stu Peterson, Macadam Forbes Ken Gertz, Gertz Fine Homes Jeff Raker, Metro Ezra Hammer, Home Builders Association Katrina Holland, Community Alliance of Tenants Komi Kalevor, Washington County Housing Authority Ken Rencher, Washington County Melissa Dailey, Washington County</p>

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APPENDIX C: HOUSING STRATEGY (ECONORTHWEST)

APPENDIX D: ECONOMIC STRATEGY (ECONORTHWEST)

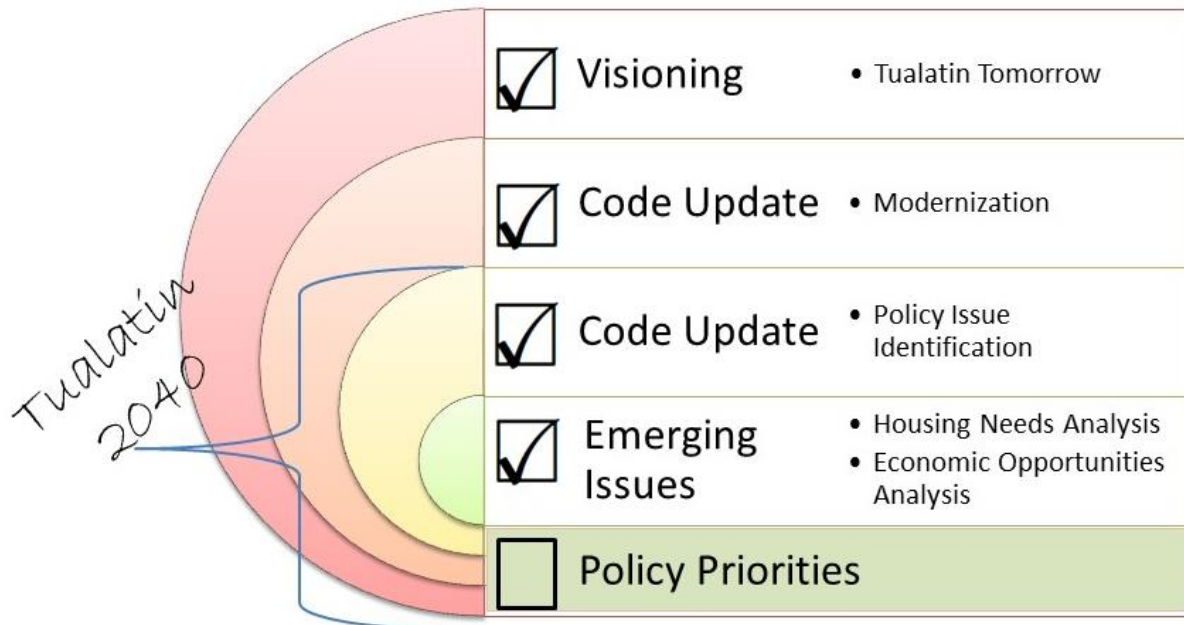
INTRODUCTION / EXECUTIVE SUMMARY

In the past 30 years, Tualatin and the region experienced dramatic change. However, the documents that guide current and future development in Tualatin, the Comprehensive Plan and Development Code, have not been comprehensively updated in decades.

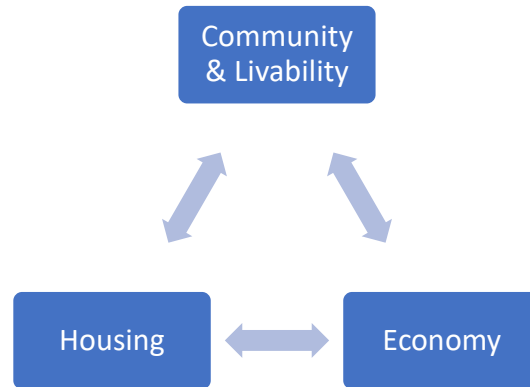
Building upon Tualatin Tomorrow (vision setting) and Phase I Tualatin Development Code Improvement Project (policy-neutral code clean up), Tualatin 2040 took a 20-year look ahead to review housing and economic data to inform a non-neutral policy analysis to identify where regulations do not meet our community’s vision.

Technical documents such as a Housing Needs Analysis (HNA) and Economic Opportunities Analysis (EOA) and strategies for each were developed in coordination with ECONorthwest, technical advisors, and a Community Advisory Committee. The policy analysis was conducted by Angelo Planning in coordination with stakeholder interview and an extensive public outreach at community events and online. Tualatin 2040 will end in City Council acceptance of policies and strategies that address the City’s needs.

In 2020 staff development of a work plan will be undertaken to identify the actions, resources, timing, and responsibility for updating the Comprehensive Plan and Development Code to move towards achieving Tualatin’s vision identified in Tualatin Tomorrow.



The policy strategies and priorities identified in this Plan are organized into three general areas, based on feedback from the community: **Community and Livability**, **Housing** and **Economy**.



Community and Livability is a broad policy topic area that is further divided into six subtopic areas. The priorities are based on feedback from stakeholder interviews conducted by project consultant Angelo Planning Group and City staff as well as input from the broader community.

Community and Livability

- A. Housing and Livability
- B. Transportation and Parking
- C. Civic Identity and Downtown and Community Design
- D. Employment, Industrial, Commercial & Institutional Development
- E. Parks, Open Space and the Environment
- F. Community Engagement, Equity, Diversity and Inclusion

The **Housing** and **Economy** policy strategies and priorities are based on feedback from the Community Advisory Committee (CAC) and draw upon from the Housing Strategy and Economic Development Strategy documents developed by project consultant ECONorthwest with CAC input.

Housing Policy Strategies

- 1. Ensure an adequate supply of land that is available and serviceable
- 2. Encourage development of a wider variety of housing types
- 3. Support development and preservation of housing that is affordable for all households
- 4. Identify funding tools to support residential development
- 5. Identify redevelopment opportunities
- 6. Ensure there are connections between planning for housing and other community planning

Economic Policy Strategies

- 1. Ensure an adequate supply of land that is available and serviceable
- 2. Identify redevelopment opportunities
- 3. Support business retention, growth, and attraction
- 4. Ensure there are connections between planning for economic development and other community planning

High Priorities by Topic

1: COMMUNITY AND LIVABILITY POLICY PRIORITIES (HIGH PRIORITY BASED ON STAKEHOLDER FEEDBACK¹)

Housing and Livability

Housing affordability was a major topic of discussion and a concern for all stakeholders and some noted the need for the City to have a plan for housing.

Greater diversity of Housing Types in Tualatin was broadly supported; many felt a wider variety of options (other than single-family homes) would provide more affordable options. Alternative housing types discussed with stakeholders were **townhomes/rowhouses, mixed-use development, duplexes, triplexes, and accessory dwelling units (ADU)**. Most stakeholders were in favor of the full range of housing types. One stakeholder noted that small lot and zero lot line subdivisions could provide higher density that doesn't feel cramped.

Basalt Creek was mentioned by a number of stakeholders. Others noted that the proposed zoning allows for a good diversity of housing (low density residential, medium low density residential and some high density residential, but that lots should be 3,000 or 4,000 square foot lots.

Transportation and Parking

A common concern amongst stakeholders was **congestion** and traffic in town. **Transit and access** were also important topics amongst stakeholders. Many expressed the desire for greater **transit access** and service in town, throughout Tualatin, neighboring communities, and to Portland. Further, there was excitement for the proposed **SW Corridor Max Line**. One stakeholder expressed frustration about the lack of transit access to essential services especially for those people who are transit-dependent. The importance of having transit services near affordable housing was also mentioned. **WES** is very limited; it needs to be extended/expanded to reach more areas and one stakeholder suggested a Tualatin–WES shuttle to business parks.

Walkability of Tualatin was another popular topic amongst stakeholders. Many said they walk in the community, but primarily within their neighborhoods to avoid major roads because of the **uncomfortable pedestrian environment**. The major roads which were noted as providing **poor pedestrian connectivity** between downtown and the City's residential neighborhoods. A few

¹ The stakeholder feedback was organized into High, Medium, Low categories based on adjectives to describe a frequency or quantity of how often a topic was discussed. Policies with High Support are described with key words such as "major," "broad," "most," "a number of," and "many."

stakeholders suggested encouraging neighborhood commercial areas as a way of alleviating congestion downtown and improving walkability. Some noted the need for boulevard street design with wide sidewalks.

Civic Identity and Downtown and Community Design

A robust Downtown was hoped for by community members. When asked what brings people downtown, responses included shopping, retail stores, and the library. However, most stakeholders requested more attractions and businesses downtown and shared ideas of how that could be achieved. Some stakeholders also noted their preference to have fewer “chain” businesses in town and believed that the City should encourage more local businesses through incentives and other approaches to attract the “right” local businesses to downtown.

“Third Places” - both public (e.g. community center and arts center) and private (e.g. local coffee shop) were suggested as needs by many stakeholders.

Meeting spaces and the importance of the need in the community was stressed by stakeholders. Most stakeholders stressed the lack of meeting spaces for a variety of needs from hosting Girl Scouts meetings to the State of City address.

Tualatin River/ Lake at the Commons were cited as underutilized assets downtown due to their lack of visibility by many stakeholders. There was interest in making The Commons a more interesting place to go with businesses and activities that help bring people there.

Employment, Industrial, and Institutional Development

Industrial and employment land concerns were expressed by many stakeholders, who expressed their understanding of the **importance of the industrial** and manufacturing areas in Tualatin and significance of their presence. However, most community members felt these areas primarily provide employment to those out of town and lack local employees, which many stakeholders believed contributes to traffic in Tualatin.

Parks, Open Space and the Environment

Parks, trails, gathering spaces were praised by many stakeholders, who said they were frequent users of, **Tualatin’s parks and trails**. Other open space areas such as public plazas and other **gathering spaces** were noted as more limited; many stakeholders noted a need for more of these facilities in Tualatin. However, a few stakeholders noted that adding more park land and greenspaces comes at a price and wondered whether current parks were being fully utilized.

A Community Center that is more robust was requested by many stakeholders, with a wider variety of classes, lessons, groups etc. for a broader range of ages beyond what is currently offered at the Juanita Pohl Center.

Community Engagement, Equity, Diversity and Inclusion

Outreach and engagement and the need to broaden it to get more community members involved in local projects is not an easy task but one that was desired by a number of stakeholders, stating that it is important to reach and engage a **broader group** than the existing strong group of dedicated “**champions**” in the community.

Interconnections and healthy communities - everything interconnected – transportation, housing, parks, gathering places, etc. – was desired by a number of stakeholders.

Welcoming diversity in the community was noted as an important value to many stakeholders.

Diverse groups and community engagement and the need to engage and provide more visibility for diverse groups throughout the community, and to continue (and improve) inclusivity was cited by a number of stakeholders, who wanted the City to be sure to hear from a wide range of community members. For example, include signs in Spanish around the City, so all feel included.

2: CAC PRIORITIZED AND RECOMMENDED HOUSING POLICY STRATEGIES (WITH ACTIONS)

High Priority Housing Policy Strategies

Strategy 1: Ensure an adequate supply of land that is available and serviceable.

Action 1.1. Evaluate opportunities to increase development densities, by modifying the development code, within Tualatin’s existing zones.

Action 1.2. Evaluate opportunities to re-zone land to provide additional opportunities for multifamily housing development.

Action 1.4. Plan for long-term development in Tualatin through 2040 and beyond

Strategy 3: Support development and preservation of housing that is affordable for all households.

Action 3.1. Identify policies to support development of housing affordable to households earning less than 60% of Median Family Income in Washington County (\$48,900 or less for a household size of four people).

Strategy 4: Identify funding tools to support residential development.

Action 4.1. Evaluate opportunities to use leveraged funds from the Metro Housing Bond to support development of affordable housing.

Action 4.2. Evaluate establishing an Urban Renewal district.

Strategy 5: Identify redevelopment opportunities.

Action 5.1. Identify districts within Tualatin with opportunities for redevelopment for housing and employment uses.

Strategy 6: Ensure there are connections between planning for housing and other community planning.

Action 6.1. Ensure that updates to the Transportation System Plan are coordinated with planning for residential growth.

TOPIC 3: CAC PRIORITIZED AND RECOMMENDED ECONOMIC POLICY STRATEGIES (WITH ACTIONS)

High Priority Economic Policy Strategies

Strategy 1: Ensure an adequate supply of land that is available and serviceable.

Action 1.1. Evaluate opportunities to increase mixed-use development.

Action 1.3. Identify opportunities to make more efficient use of commercial land.

Action 1.6. Plan for long-term development in Tualatin through 2040 and beyond.

Strategy 2: Identify redevelopment opportunities.

Action 2.2. Revise the Tualatin Town Center Plan to focus on opportunities to support redevelopment.

Action 2.4. Develop policies to support redevelopment and mixed-use development.

Strategy 3: Support business retention, growth and attraction.

Action 3.3. Support growth of and retain entrepreneurial businesses in Tualatin.

Strategy 4: Ensure there are connections between planning for economic development and other community planning.

Action 4.1. Ensure that updates to the Transportation System Plan coordinate with planning for employment and business growth.

- 40+ people attended **“Under One Roof”** event to discuss severely rent burdened needs
- 15 individual and 1 large group **Stakeholder Interviews**
- 7 meetings with a **Community Advisory Committee** (16 members)
- 4 meetings with a **Technical Advisory Committee** (internal/external city staff and private sector professionals)
- **3 volunteers** helped deliver event posters to **30+ community locations**

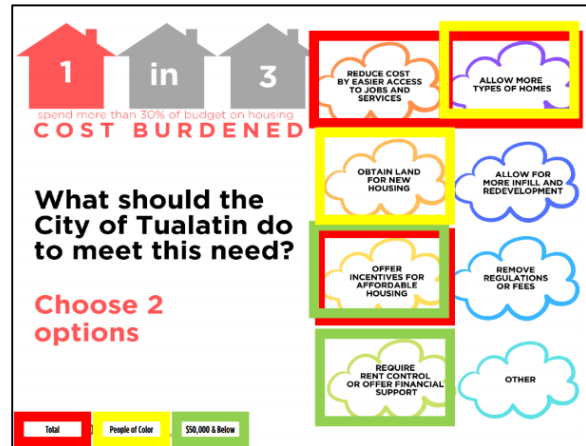


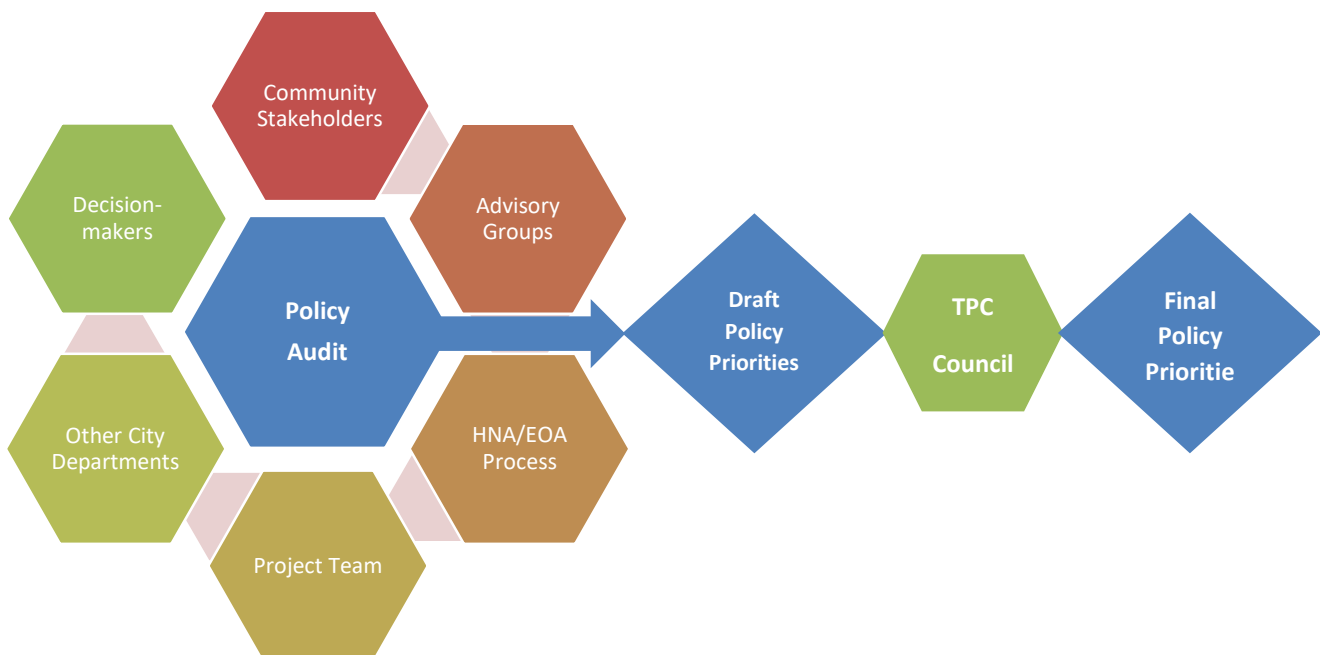
Figure 2 Example of open house and in-person survey interview question with responses broken out by race and income.

Further information can be found in **Appendices A and B.**

Policy Priorities

This **draft Policy Priorities** identifies a wide range of possible action items (e.g., code updates) and is intended to provide a starting point for Planning Commission recommendation and City Council decision-making. The final Policy Priorities document will be crafted based on direction from City Council. Figure 3 summarizes the process to date, as well as next steps.

Figure 3: Policy Audit and Prioritization Plan Process



1: COMMUNITY AND LIVABILITY

What We Heard from the Community about Community and Livability

Topic 1 includes feedback that was gained from the broader community and includes feedback from Stakeholders, which was comprised of both meetings with interested groups and individual interviews. Stakeholders were given the opportunity to comment on a wide variety of topics, but were asked specifically: “What land use topics and issues do you think should be City priorities?” and “Do you think the City’s current policies still speak to Tualatin’s priorities or should something change?” The feedback gained from these interactions (summarized in **Appendix B**) is grouped into the following six subtopic areas, and ranked “high,” “medium,” or “low” based on how frequently or often a topic was mentioned:

- Housing and Livability
- Transportation and Parking
- Civic Identity and Downtown and Community Design
- Employment, Industrial, Commercial & Institutional Development
- Parks, Open Space and the Environment
- Community Engagement, Equity, Diversity and Inclusion

The stakeholder feedback which is summarized in Table 1 was organized into High, Medium, Low categories based on adjectives to describe a frequency or quantity of how often a topic was discussed.

High Support	Policies Priorities with High Support are described with key words such as “major,” “broad,” “most,” “a number of,” and “many”
Medium Support	Policies Priorities with Medium Support are described with key words such as “some,” “several,” and “common”
Low Support	Policies Priorities with Low Support were suggested by one participant (or if no quantity was noted)

TABLE 1: STAKEHOLDER FEEDBACK ON COMMUNITY AND LIVABILITY POLICIES

Housing and Livability
<p>Housing affordability was a major topic of discussion and a concern for all stakeholders and some noted the need for the City to have a plan for housing.</p>
<p>Greater diversity of Housing Types in Tualatin was broadly supported; many felt a wider variety of options (other than single-family homes) would provide more affordable options. Alternative housing types discussed with stakeholders were townhomes/rowhouses, mixed-use development, duplexes, triplexes, and accessory dwelling units (ADU). Most stakeholders were</p>

in favor of the full range of housing types. One stakeholder noted that small lot and zero lot line subdivisions could provide higher density that doesn't feel cramped.

Basalt Creek was mentioned by a number of stakeholders. Others noted that the proposed zoning allows for a good diversity of housing (low density residential, medium low density residential and some high density residential, but that lots should be 3,000 or 4,000 square foot lots.

Cost factors such as land costs were noted factors impacting the cost of housing and the lack of available land to develop in Tualatin, for both large and small lots by stakeholders who are part of the development community They noted how cost of development (land, fees, construction materials, etc.) is affecting development operations and impacting affordability, acknowledging that this is a **regional concern**.

Preservation of neighborhood character was cited as a **concern** by some stakeholders. One stakeholder felt that Tualatin is a suburban town, people live there because they want to live in the suburbs. Others noted that the "densification" of existing single-family residential neighborhoods has potential to ruin **neighborhood character**. There was also concern expressed about large house sizes ("McMansions") making housing unaffordable.

Increase in height limits was suggested by some stakeholders, including the need for high rise apartments (6-8 stories) located next to transportation options.

Affordable Housing types including a discussion of affordable housing types; several stakeholders mentioned a need for living options for the aging population in Tualatin. A lack of **senior housing** and **multi-generational housing** options were noted. Interest in having more single story (ranch style) homes was also expressed. Several stakeholders mentioned that there are limited locations to downsize within Tualatin. Some stakeholders noted a jobs/household composition mismatch. **Workforce housing**, and more affordable housing for employees of Tualatin's industrial and commercial businesses, was highlighted as a concern. The lack of workforce housing was also underscored as a factor in creating traffic congestion.

Basalt Creek and significant concerns about the **environmental impacts** of development in the area were expressed by one stakeholder.

Transportation and Parking

A common concern amongst stakeholders was **congestion** and traffic in town. **Transit and access** were also important topics amongst stakeholders. Many expressed the desire for greater **transit access** and service in town, throughout Tualatin, neighboring communities, and to Portland. Further, there was excitement for the proposed **SW Corridor Max Line**. One stakeholder expressed frustration about the lack of transit access to essential services especially for those people who are transit-dependent. The importance of having transit services near affordable

housing was also mentioned. **WES** is very limited; it needs to be extended/expanded to reach more areas and one stakeholder suggested a Tualatin–WES shuttle to business parks.

Walkability of Tualatin was another popular topic amongst stakeholders. Many said they walk in the community, but primarily within their neighborhoods to avoid major roads because of the **uncomfortable pedestrian environment**. The major roads which were noted as providing **poor pedestrian connectivity** between downtown and the City’s residential neighborhoods. A few stakeholders suggested encouraging neighborhood commercial areas as a way of alleviating congestion downtown and improving walkability. Some noted the need for boulevard street design with wide sidewalks.

Congestion and Traffic was a common concern amongst stakeholders was **congestion** and traffic in town. Many attributed the traffic to employees of local businesses commuting from out of town. One stakeholder mentioned concerns about potential increase in traffic and congestion with more residential development of land available for annexation. Two stakeholders mentioned the potential benefits of a **bypass** if it would alleviate traffic, but not a road widening that would only bring more traffic.

ADA Accessibility of the City’s pedestrian infrastructure was cited as a concern by some stakeholders. Examples included height and location of pedestrian signal push buttons and pedestrian light times. Others noted the trail designs lack lighting.

A Bike-Friendly Community was desired by several stakeholders, providing more facilities and improving comfort for cyclists outside of the City’s trails system. One stakeholder noted that currently it doesn’t feel safe as there is not a huge awareness of bicyclists in Tualatin. The need for a complete and connected bicycle system was also noted.

Need for adequate parking at multi-family housing so there is minimal reliance on street parking, especially if smaller multifamily units such as duplexes or triplexes are incorporated into single family neighborhoods was identified by several stakeholders. Another stakeholder suggested garages shouldn’t count toward parking requirements, because so few are used for parking. However, others noted that parking issues need creative solutions including reduction of parking in some places.

Keeping sidewalks clear of debris and increasing awareness around property owner responsibility to do so after snowfall and leaf clean-up, primarily because of their effect on the ADA accessibility of sidewalks in those conditions was suggested by one stakeholder Another suggested the current requirement for 3-foot wide planter strips is inadequate and should be increased to 4-feet in width to avoid sidewalks buckling as tree roots grow.

Civic Identity and Downtown and Community Design

A robust Downtown was hoped for by community members. When asked what brings people downtown, responses included shopping, retail stores, and the library. However, most stakeholders requested more attractions and businesses downtown and shared ideas of how that could be achieved. Some stakeholders also noted their preference to have fewer “chain” businesses in town and believed that the City should encourage more local businesses through incentives and other approaches to attract the “right” local businesses to downtown.

“Third Places” - both public (e.g. community center and arts center) and private (e.g. local coffee shop) were suggested as needs by many stakeholders.

Meeting spaces and the importance of the need in the community was stressed by stakeholders. Most stakeholders stressed the lack of meeting spaces for a variety of needs from hosting Girl Scouts meetings to the State of City address.

Tualatin River/ Lake at the Commons were cited as underutilized assets downtown due to their lack of visibility by many stakeholders. There was interest in making The Commons a more interesting place to go with businesses and activities that help bring people there.

Downtown Identity/ Character and the **lack of identity** or distinct character was a common theme, with stakeholders asking where is downtown Tualatin?

A City Hall/Performance Space located in the downtown to encourage activity downtown was suggested by several stakeholders. The City of Wilsonville was mentioned by several as good model for what a Tualatin City Hall could look like. Another suggestion for an attraction downtown was a **performance space** for the local community theatre group.

A Farmers Market was attended by several stakeholders when was operating, whom would support it returning to downtown.

Signs/ sign code and concern about signs noting that the City’s **sign code** was outdated was expressed by some stakeholders.

An Auto-Centric Downtown and the negative impact of parking and traffic on downtown walkability was commented on by stakeholders.

Empty Storefronts and their poor condition were cited as a concern by stakeholders. In particular, various ideas for potential use of the **Haggen’s building** were suggested including community center / theater, meeting spaces, City Hall, mixed uses (residential and commercial).

Family Friendly Entertainment and the need for more options was cited by stakeholders with young children, even though the parks are excellent.

Food Carts were also mentioned by one stakeholder who believed they should be allowed throughout the community with less restrictions than what are currently in place. They stressed the importance of food trucks as a proven way to help new businesses owners succeed, which they believe the City should encourage. Further, several stakeholders suggested Tualatin allow small **neighborhood commercial areas**.

Employment, Industrial, and Institutional Development

Industrial and employment land concerns were expressed by many stakeholders, who expressed their understanding of the **importance of the industrial** and manufacturing areas in Tualatin and significance of their presence. However, most community members felt these areas primarily provide employment to those out of town and lack local employees, which many stakeholders believed contributes to traffic in Tualatin.

More positive community impact on the part of industrial/manufacturing businesses on the community through avenues such as local hires, internship and scholarship programs for local youth was desired by several stakeholders.

Workforce housing was identified as a need by stakeholders who felt that the lack of affordable housing was impacting the employment based for Tualatin's industrial and commercial businesses, and that local jobs aren't paying enough for people to live locally which generates **traffic**.

Parks, Open Space and the Environment

Parks, trails, gathering spaces were praised by many stakeholders praised, who said they were frequent users of, **Tualatin's parks and trails**. Other open space areas such as public plazas and other **gathering spaces** were noted as more limited; many stakeholders noted a need for more of these facilities in Tualatin. However, a few stakeholders noted that adding more park land and greenspaces comes at a price and wondered whether current parks were being fully utilized.

A Community Center that is more robust was requested by many stakeholders, with a wider variety of classes, lessons, groups etc. for a broader range of ages beyond what is currently offered at the Juanita Pohl Center.

Water Quality and concerns about the possible lack of natural resource preservation in the area was mentioned by several stakeholders. Clean Water Services (CWS) is the primary entity that is focused on water quality; however, the City should consider stakeholders values and a community priority to consider for enhancing strengthening partnership with CWS. The need for more environmentally friendly landscaping requirements was also noted.

Basalt Creek was cited by several stakeholders as a resource that needs preservation.

Family oriented and family friendly parks, events, and activities were stressed as important assets, focus, and value of the community as the community consists of many families.

Stricter environmental regulations than the baseline CWS standards, an approach that the City of Wilsonville has taken, was favored by one stakeholder, who also expressed concerns about the impacts of urbanization on **natural resources** and areas in annexation land. Further, they mentioned the City’s Stormwater Management Plan is outdated a felt it should be updated to reflect current conditions.

Community Engagement, Equity, Diversity and Inclusion

Outreach and engagement and the need to broaden it to get more community members involved in local projects is not an easy task but one that was desired by a number of stakeholders, stating that it is important to reach and engage a **broader group** than the existing strong group of dedicated “**champions**” in the community.

Interconnections and healthy communities - everything interconnected – transportation, housing, parks, gathering places, etc. – was desired by a number of stakeholders.

Welcoming diversity in the community was noted as an important value to many stakeholders.

Diverse groups and community engagement and the need to engage and provide **more visibility for diverse groups** throughout the community, and to continue (and improve) inclusivity was cited by a number of stakeholders, who wanted to the City to be sure to hear from a wide range of community members. For example, include signs in Spanish around the City, so all feel included.

Enhance Citizen Involvement Organizations (CIOs) could be more robust and encourage more engagement throughout the community. This comment was made by several stakeholders. One suggestion was for a citizen involvement advisory committee for the entire City.

Providing a variety of housing for a variety of income levels and ages was hoped for by some stakeholders who thought it would promote more diversity in Tualatin.

Better communication between the City and the Tigard-Tualatin School District about significant changes to local schools that impact parking, traffic around town, or other significant impacts to the community was suggested by one stakeholder. Another emphasized that community engagement efforts need to spread the word to all, even those **outside City boundaries** when policies/plans directly impact them.

Equity and inclusion policies in the Comprehensive Plan should be more robust and given a higher consideration during a future update of the Comprehensive Plan was noted by one stakeholder.

2: HOUSING

What We Heard from the Community about Housing

Housing affordability and the need for the City to take an active role in this area was a common theme, as well as the need for a wider **diversity of housing types** in Tualatin. Table 2 below summarizes the Community Advisory Committee’s specific recommended policy actions relative to Housing and their priority, which is based on the Housing Strategy found in **Appendix C**. These topics actions were echoed by the Stakeholders that were interviewed and other community members (see **Appendix B**).

TABLE 2: CAC PRIORITIZED AND RECOMMENDED HOUSING POLICY STRATEGIES (WITH ACTIONS)

High Priority
<p>Strategy 1: Ensure an adequate supply of land that is available and serviceable.</p> <p>Action 1.1. Evaluate opportunities to increase development densities within Tualatin’s existing zones by modifying the Development Code.</p> <p>Action 1.2. Evaluate opportunities to rezone land to provide additional opportunities for multifamily housing development.</p> <p>Action 1.4. Plan for long-term development in Tualatin through 2040 and beyond.</p>
<p>Strategy 3: Support development and preservation of housing that is affordable for all households.</p> <p>Action 3.1. Identify policies to support development of housing affordable to households earning less than 60% of the median family income in Washington County (\$48,900 or less for a household size of four people).</p>
<p>Strategy 4: Identify funding tools to support residential development.</p> <p>Action 4.1. Evaluate opportunities to use leveraged funds from the Metro Housing Bond to support development of affordable housing.</p> <p>Action 4.2. Evaluate establishing an urban renewal district.</p>
<p>Strategy 5: Identify redevelopment opportunities.</p> <p>Action 5.1. Identify districts within Tualatin with opportunities for redevelopment for housing and employment uses.</p>
<p>Strategy 6: Ensure there are connections between planning for housing and other community planning.</p> <p>Action 6.1. Ensure that updates to the Transportation System Plan are coordinated with planning for residential growth.</p>

Medium Priority

Strategy 1: Ensure an adequate supply of land that is available and serviceable.

Action 1.3. Plan for infrastructure development to support residential development, consistent with Strategy 6.

Strategy 2: Encourage development of a wider variety of housing types.

Action 2.1. Allow and encourage development of duplexes, cottage housing, townhomes, row houses, and triplexes and quadplexes in lower-density residential zones.

Action 2.2. Identify opportunities to increase development of commercial and residential mixed-use development.

Strategy 3: Support development and preservation of housing that is affordable for all households.

Action 3.2. Develop policies to support development of housing affordable to people who have income between 60% and 120% of MFI (\$48,900 to \$98,000 for a household of four in Washington County) and live and work in Tualatin.

Action 3.6. Evaluate creative system development charge financing opportunities.

Action 3.7. Evaluate establishment of a tax exemption program to support development of affordable housing.

Strategy 4: Identify funding tools to support residential development.

Action 4.3. Evaluate implementation of a construction excise tax.

Strategy 5: Identify redevelopment opportunities.

Action 5.2. Support redevelopment of underutilized commercial buildings for housing.

Strategy 6: Ensure there are connections between planning for housing and other community planning.

Action 6.2. Coordinate planning for economic development planning with housing planning.

Low Priority

Strategy 2: Encourage development of a wider variety of housing types.

Action 2.3. Identify opportunities to allow and support development of additional innovative housing types.

Strategy 3: Support development and preservation of housing that is affordable for all households.

Action 3.3. Develop policies to prevent and address homelessness.

Action 3.4. Develop policies to prevent or mitigate residential displacement resulting from redevelopment and increases in housing costs in Tualatin.

Action 3.5. Partner with organizations to establish a land bank or land trust.

Action 3.8. Ensure that Tualatin has sufficient staff capacity to implement the housing program priorities set by the City Council.

Strategy 6: Ensure there are connections between planning for housing and other community planning.

Action 6.3. Develop a framework for mixed-use neighborhoods that includes the elements that residents need for day-to-day life.

Action 6.4. Support sustainable development practices.

3: ECONOMY

What We Heard from the Community about the Economy

The **importance of the industrial and manufacturing areas** in Tualatin was a common theme but community members also expressed concerns about **traffic**. Interest in increasing local employment opportunities that would enable people to both live and work in Tualatin was also heard. Table 3 below summarizes the Community Advisory Committee’s specific recommended policy actions relative to the Economy and their priority, which is based on the Economic Strategy found in **Appendix D**. These topics actions were echoed by the Stakeholders that were interviewed and other community members (see **Appendix B**).

TABLE 3: CAC PRIORITIZED AND RECOMMENDED ECONOMIC POLICY STRATEGIES (WITH ACTIONS)

High Priority
Strategy 1: Ensure an adequate supply of land that is available and serviceable. Action 1.1. Evaluate opportunities to increase mixed-use development. Action 1.3. Identify opportunities to make more efficient use of commercial land. Action 1.6. Plan for long-term development in Tualatin through 2040 and beyond.
Strategy 2: Identify redevelopment opportunities. Action 2.2. Revise the Tualatin Town Center Plan to focus on opportunities to support redevelopment. Action 2.4. Develop policies to support redevelopment and mixed-use development.
Strategy 3: Support business retention, growth and attraction. Action 3.3. Support growth of and retain entrepreneurial businesses in Tualatin.
Strategy 4: Ensure there are connections between planning for economic development and other community planning. Action 4.1. Ensure that updates to the Transportation System Plan coordinate with planning for employment and business growth.

Medium Priority

Strategy 1: Ensure an adequate supply of land that is available and serviceable.

Action 1.2. Identify opportunities to make more efficient use of industrial land.

Strategy 2: Identify redevelopment opportunities.

Action 2.3. Identify opportunities to redevelop and intensify uses in industrial areas.

Strategy 3: Support business retention, growth and attraction.

Action 3.1. Revise the Economic Development Strategy, develop a clear vision for economic development, and create an action plan to implement the vision.

Action 3.4. Identify opportunities to attract or grow businesses with pay at or above Tualatin's average wage.

Action 3.5. Evaluate use of incentives to retain, grow, and attract businesses.

Strategy 4: Ensure there are connections between planning for economic development and other community planning.

Action 4.3. Develop a design and planning framework for "ten-minute neighborhoods" that include a mixture of uses.

Action 4.4. Identify opportunities to support workforce development.

Low Priority

Strategy 1: Ensure an adequate supply of land that is available and serviceable.

Action 1.4. Plan for infrastructure development to support commercial and industrial development.

Action 1.5. Work with landowners ensure land is development-ready and certified as shovel ready by Business Oregon.

Strategy 2: Identify redevelopment opportunities.

Action 2.1. Identify districts within Tualatin with opportunities for redevelopment for housing and employment uses.

Strategy 3: Support business retention, growth and attraction.

Action 3.2. Support growth of existing businesses in Tualatin.

Action 3.6. Ensure that Tualatin has sufficient staff capacity to implement the economic development priorities set by the City Council.

Strategy 4: Ensure there are connections between planning for economic development and other community planning.

Action 4.2. Coordinate planning for economic development with housing planning.

Action 4.5. Evaluate development of a civic center with a range of uses.

CONCLUSION / NEXT STEPS

As mentioned above, this document identifies a wide range of possible action items (e.g., code updates) -- more than could be reasonably accomplished in a single project or within a few years. Adoption or acceptance of a **final Policy Priorities document**, based on the presented community feedback and City Council direction, will provide a roadmap for the creation of a **2020 Work Plan** for the Tualatin Community Development Department and its Planning and Economic Development Divisions. It is also anticipated that in addition to this work plan, the Department would create a **Five-Year Action Plan** that would inform future work planning.

APPENDICES

APPENDIX A: COMMUNITY ENGAGEMENT SUMMARY

APPENDIX B: STAKEHOLDER AND COMMUNITY FEEDBACK SUMMARY (APG)

APPENDIX C: HOUSING STRATEGY (ECONORTHWEST)

APPENDIX D: ECONOMIC STRATEGY (ECONORTHWEST)

APPENDIX A: COMMUNITY ENGAGEMENT SUMMARY

Project Information dissemination

A website which can be found at <https://www.tualatin2040.com/> was developed at the inception of the Tualatin 2040 project and has been updated regularly with information about the project and its schedule, a wide range of opportunities for public engagement, meetings open to the public, and to keep the public and interested parties well informed as the project progressed. The site includes a robust library of project documents, updates, presentations, agendas, meeting summaries and more.

Policy Issue Identification Outreach Effort

Early on in the project City staff and consultant Angelo Planning Group (APG) held a joint meeting for five City Advisory groups to gain early input from them. In addition, the project management team (PMT) for the Tualatin 2040 reached out and presented at monthly meetings of all six Citizen Involvement Organizations (CIOs), the Core Area Parking District Board, and the Library Advisory Committee, as well as Task Forces and the Business Advisory Council to let them know about the many opportunities for public engagement in the Tualatin 2040 project.

Stakeholders' participation included meetings with **interested groups** and **individual interviews**.

Joint meeting	March 12, 2019 meeting with members from the following groups: <ul style="list-style-type: none">○ Tualatin Planning Commission (TPC)○ Architectural Review Board (ARB)○ Tualatin Parks Advisory Committee (TPARK)○ Tualatin Arts Advisory Committee (TAAC)○ Youth Advisory Council (YAC)
CIO meetings	<ul style="list-style-type: none">○ Martinazzi CIO○ East Tualatin CIO○ Midwest CIO○ Byrom CIO○ Commercial CIO○ Riverpark CIO
Individual interviews	<ul style="list-style-type: none">○ Participants representing a diverse group of stakeholders including residents (owners and renters), business owners, developers, parents with young children and seniors and persons with disabilities○ APG conducted twelve one-on-one stakeholder interviews from April 1 to April 3, 2019

	<ul style="list-style-type: none"> ○ City staff conducted two additional interviews -- one on April 9, 2019 with two participants and one on April 29, 2019 with one participant
Group stakeholder interview	<ul style="list-style-type: none"> ○ Tualatin Aging Task Force on May 13, 2019 facilitated by APG and assisted by City staff

Conversations with participants ranged from very specific to general topics. Participants did not need to have specific knowledge of the Tualatin Development Code to participate. A set of questions were provided to prompt discussions; however, participants were free to focus on the topics more important to them. The questions included the following:

- What land use topics and issues do you think should be City priorities?
- Do you think the City’s current policies still speak to Tualatin’s priorities or should something change?
- Are the regulations in the Development Code implementing the policies and the community’s priorities? Are the built results turning out the way you want?
- If choices must be made about what chapters of the TDC to update first, what do think should be done first?

Advisory Committees for Housing Needs Analysis (HNA) and Economic Opportunity Analysis (EOA):

A 16-member Community Advisory Committee (CAC) was convened by the City in March 2019 to provide policy input on the HNA, EOA and related strategy documents. The Community Advisory Committee met seven times with the last meeting held on September 26, 2019. The CAC provided input to help guide the City’s housing and economic policy with a focus on policy analysis and developing strategies and actions that could lead to possible changes to the comprehensive plan and development code regulations.

A Technical Advisory Committee (TAC) was convened by the City in April 2019 to provide technical input on the HNA, EOA and related strategy documents and to reach out to external agencies and experts for coordination and expertise as appropriate and needed. The Technical Advisory Committee met four times with the last meeting held September 25, 2019. The TAC focused on the technical approach and methodology for the Housing Needs Analysis (HNA) and Economic Needs Analysis (EOA). They will provide review and input for analyses, reports, and strategies. The core TAC was comprised of City staff with expertise related to City planning and development code regulation. The TAC also included county, regional and state agencies and experts in the housing and economic development field.

Open house (July – August 2019)

Interacted with 232 people, 73 in-person and 159 online. Asked for demographic and income information to inform engagement efforts. Responses to the survey questions are broken out by total responses, income (\$50,000 and below), and race (People of Color). Compared to Tualatin's Census numbers, the traditional public engagement structure (Community Advisory Committee and stakeholder interviews) interacted with an older, higher income, and more white community, than online and in-person outreach. Compared to the Census, the Latinx community and residents younger than 18 years old were under-represented, although these groups did participate through in-person surveys where demographic information was not requested.

- Top three (3) actions for the City of Tualatin to meet affordable housing needs: offer incentives for affordable housing, improve connections to jobs and services to lessen costs, and allow more types of homes. For households making \$50,000 and below, rent control and incentives for affordable housing were of greater interest. For People of Color, allowing more types of homes and obtain land for new housing were of greater interest.
- Top three (3) desired choices for new housing types: small homes, townhomes, and cottage courtyard/business-home (tie). For households making \$50,000 and below, small homes and cottage courtyards were of greater interest. For People of Color, business-home and small homes were of greater interest.
- Top three (3) non-housing priority topics: improving connectivity, increasing and protecting green space, and increasing opportunities for jobs and entertainment. For households making \$50,000 and below, increasing and protecting green space, and increasing opportunities for jobs and entertainment, were of greater interest. For People of Color, improving connectivity and increasing opportunities for jobs and entertainment, were of greater interest.

Under One Roof luncheon (September 2019)

Interacted with around 40 community members, representing a diverse range from affordable housing residents, to housing service providers, to elected officials. We received our first request to use Spanish translation services, which have been offered at all Tualatin 2040 community meetings.

- The panel of experts recommended the following actions for the City of Tualatin to address affordable housing needs: land is costly so review what land is already in public control, reform the zoning (especially parking and density), and be ready for not-in-my-backyard (NIMBY) concerns.
- Affordable housing is complex and a coalition is needed, similar to the panel at the meeting (Community Action + Washington County Department of Housing Services + Community Partners for Affordable Housing), but also to include advocates within the community.
- The major theme from stakeholder feedback was a desire to achieve a greater efficiency in how we use land. This could be done by improving connections to community amenities by access (transportation) or increasing the location of jobs, businesses, services, and green spaces near homes.

- During question and answer, community members asked a range of housing questions – housing vouchers, shared/transitional housing, tiny homes, mobile or manufactured homes, and immediate assistance. Read the full meeting summary ([link](#)) for responses.

APPENDIX B: STAKEHOLDER AND COMMUNITY FEEDBACK SUMMARY (APG)

What We Learned

Participating stakeholders shared their thoughts on a wide range of topics. For the summary we have organized the input into the following key topic areas:

- Housing and Livability
- Transportation and Parking
- Civic Identity and Downtown
- Employment and Industrial Development
- Parks, Open Space and the Environment
- Community Engagement
- Equity, Diversity and Inclusion

While all of the topics were discussed the first two – **Housing and Livability** and **Transportation and Parking** -- were the top priorities for most of the stakeholders.

Housing and Livability

- Housing **affordability** was a major topic of discussion and a concern for all stakeholders and some noted the need for the City to have a plan for housing.
- There was broad support for a wider **diversity of housing types** in Tualatin; many felt a wider variety of options (other than single-family homes) would provide more affordable options.
- Some stakeholders expressed **concern**. One stakeholder felt that Tualatin is a suburban town, people live there because they want to live in the suburbs. Others noted that the “densification” of existing single-family residential neighborhoods has potential to ruin **neighborhood character**.
- Some alternative housing types discussed with stakeholders were **townhomes/rowhouses, mixed-use development, duplexes, triplexes, and accessory dwelling units (ADU)**. Most stakeholders were in favor of the full range of housing types. One stakeholder noted that small lot and zero lot line subdivisions could provide higher density that doesn’t feel cramped.
- Some stakeholders stressed the need for high rise apartments (6-8 stories) located next to transportation options and felt that the City’s **height limits** were too low. There was also concern expressed about large house sizes (“McMansions”) making housing unaffordable.
- During the discussion of affordable housing types, several stakeholders mentioned a need for living options for the aging population in Tualatin. A lack of **senior housing** and **multi-generational housing** options were noted. Interest in having more single story (ranch style) homes was also expressed. Several stakeholders mentioned that there are limited locations to downsize within Tualatin.

- Some stakeholders noted a jobs/household composition mismatch. **Workforce housing**, and more affordable housing for employees of Tualatin’s industrial and commercial businesses, was highlighted as a concern. The lack of workforce housing was also underscored as a factor in creating traffic congestion.
- Stakeholders who are part of the development community noted factors impacting the cost of housing such as **land costs** and the lack of available land to develop in Tualatin, for both large and small lots. They noted how cost of development (land, fees, construction materials, etc.) is affecting development operations and impacting affordability, acknowledging that this is a **regional concern**.
- A number of stakeholders mentioned **Basalt Creek**. One stakeholder expressed significant concerns about the environmental impacts of development in Basalt Creek. Others noted that the proposed zoning allows for a good diversity of housing (low density residential, medium low density residential and some high density residential, but that lots should be 3,000 or 4,000 square foot lots.

Transportation and Parking

- A common concern amongst stakeholders was **congestion** and traffic in town. Many attributed the traffic to employees of local businesses commuting from out of town. One stakeholder mentioned concerns about potential increase in traffic and congestion with more residential development of land available for annexation. Two stakeholders mentioned the potential benefits of a **bypass** if it would alleviate traffic, but not a road widening that would only bring more traffic.
- Transit was another important topic amongst stakeholders. Many expressed the desire for greater **transit access** and service in town, throughout Tualatin, neighboring communities, and to Portland. Further, there was excitement for the proposed **SW Corridor Max Line**. One stakeholder expressed frustration about the lack of transit access to essential services especially for those people who are transit-dependent. The importance of having transit services near affordable housing was also mentioned. **WES** is very limited; it needs to be extended/expanded to reach more areas and one stakeholder suggested a Tualatin–WES shuttle to business parks.
- Walkability of Tualatin was another popular topic amongst stakeholders. Many said they walk in the community, but primarily within their neighborhoods to avoid major roads because of the **uncomfortable pedestrian environment**. The major roads which were noted as providing **poor pedestrian connectivity** between downtown and the City’s residential neighborhoods. A few stakeholders suggested encouraging neighborhood commercial areas as a way of alleviating congestion downtown and improving walkability. Some noted the need for boulevard street design with wide sidewalks.
- Some stakeholders had concerns about **ADA accessibility** of the City’s pedestrian infrastructure. Examples included height and location of pedestrian signal push buttons and pedestrian light times. Others noted the trail designs lack lighting.

- Several stakeholders stressed the desire for a **more bike friendly** community, providing more facilities and improving comfort for cyclists outside of the City’s trails system. One stakeholder noted that currently it doesn’t feel safe as there is not a huge awareness of bicyclists in Tualatin. The need for a complete and connected bicycle system was also noted.
- Several stakeholders commented on the need for **adequate parking** at multi-family housing so there is minimal reliance on street parking, especially if smaller multifamily units such as duplexes or triplexes are incorporated into single family neighborhoods. Another stakeholder suggested garages shouldn’t count toward parking requirements, because so few are used for parking. However, others noted that parking issues need creative solutions including reduction of parking in some places.
- One stakeholder suggested raising awareness around property owner responsibility to **clear sidewalks** after snowfall and leaf clean-up, primarily because of their effect on the ADA accessibility of sidewalks in those conditions. Another suggested the current requirement for 3-foot wide planter strips is inadequate and should be increased to 4-feet in width to avoid sidewalks buckling as tree roots grow.

Civic Identity and Downtown

- Discussions with community members revealed hopes for a more **robust downtown** Tualatin. When asked what brings people downtown, responses included shopping, retail stores, and the library. However, most stakeholders requested more attractions and businesses downtown and shared ideas of how that could be achieved. Some stakeholders also noted their preference to have fewer “chain” businesses in town and believed that the City should encourage more local businesses through incentives and other approaches to attract the “right” local businesses to downtown.
- Stakeholders commented on the **auto-centric** nature of downtown, and the negative impact of parking and traffic on downtown walkability.
- A common theme when discussing downtown was the **lack of identity** or distinct character, with stakeholders asking where is downtown Tualatin?
- Many stakeholders suggested incorporating more “**3rd places**” in Tualatin, both public (e.g. community center and arts center) and private (e.g. local coffee shop).
- Stakeholders also stressed the importance of the need for **meeting spaces** in the community. Most stakeholders stressed the lack of meeting spaces for a variety of needs from hosting Girl Scouts meetings to the State of City address.
- Stakeholders with young children noted that while the parks are excellent, there is a need for more **family-friendly entertainment** opportunities.
- Stakeholders also expressed concerns with the many **empty storefronts** in downtown and their poor condition. In particular, various ideas for potential use of the **Haggen’s building** were

suggested including community center / theater, meeting spaces, City Hall, mixed uses (residential and commercial).

- Several stakeholders suggested that a **City Hall** be located in the downtown to encourage activity downtown. The City of Wilsonville was mentioned by several as good model for what a Tualatin City Hall could look like. Another suggestion for an attraction downtown was a **performance space** for the local community theatre group.
- Several stakeholders mentioned attending the downtown **farmers market** when it was operating and would support the farmers market returning to downtown.
- Many stakeholders felt that the **Tualatin River** and the **Lake at the Commons** are underutilized assets downtown due to their lack of visibility. There was interest in making The Commons a more interesting place to go with businesses and activities that help bring people there.
- **Food carts** were also mentioned by one stakeholder who believed they should be allowed throughout the community with less restrictions than what are currently in place. They stressed the importance of food trucks as a proven way to help new businesses owners succeed, which they believe the City should encourage. Further, several stakeholders suggested Tualatin allow small **neighborhood commercial areas**.
- Some stakeholders expressed concern about signs noting that the City's **sign code** was outdated.

Employment and Industrial Development

- Many stakeholders expressed their understanding of the **importance of the industrial** and manufacturing areas in Tualatin and significance of their presence. However, most community members felt these areas primarily provide employment to those out of town and lack local employees, which many stakeholders believed contributes to traffic in Tualatin.
- Also, stakeholders mentioned lack of affordable housing impacting the employment based for Tualatin's industrial and commercial businesses. Concern that local jobs aren't paying enough for people to live locally which generates **traffic**.
- Several stakeholders expressed the desire for the industrial/manufacturing businesses to have a **more positive impact** on the community through avenues such as local hires, internship and scholarship programs for local youth.

Parks, Open Space and the Environment

- Many stakeholders praised, and said they were frequent users of, **Tualatin's parks and trails**. Other open space areas such as public plazas and other **gathering spaces** were noted as more limited; many stakeholders noted a need for more of these facilities in Tualatin. However, a few stakeholders noted that adding more park land and greenspaces comes at a price and wondered whether current parks were being fully utilized.

- **Family friendly** parks, events, and activities were stressed as important assets, focus, and value of the community as the community consists of many families.
- Also, many stakeholders requested a more robust **community center** with a wider variety of classes, lessons, groups etc. for a broader range of ages beyond what is currently offered at the Juanita Pohl Center.
- Several stakeholders were concerned about the possible lack of preservation of **water quality** in the area. Clean Water Services (CWS) is the primary entity that is focused on water quality; however, the City should consider stakeholders values and a community priority to consider for enhancing strengthening partnership with CWS. The need for more environmentally friendly landscaping requirements was also noted.
- One stakeholder was in favor of enforcing stricter regulations than the baseline CWS standards, an approach that the City of Wilsonville has taken. They also expressed concerns about the impacts of urbanization on **natural resources** and areas in annexation land. Further, they mentioned the City’s Stormwater Management Plan is outdated a felt it should be updated to reflect current conditions.
- Several stakeholders noted the need to preserve **Basalt Creek**.

Community Engagement

- A number of stakeholders recognized that getting more community members involved in local projects is not an easy task, but it is important to reach and engage a **broader group** than the existing strong group of dedicated “**champions**” in the community.
- Several stakeholders noted that the **Citizen Involvement Organizations (CIOs)** could be more robust and encourage more engagement throughout the community. One suggestion was for a citizen involvement advisory committee for the entire City.
- One stakeholder suggested **greater communication** between the City and the **Tigard-Tualatin School District** about significant changes to local schools that impact parking, traffic around town, or other significant impacts to the community. Another emphasized that community engagement efforts need to spread the word to all, even those **outside City boundaries** when policies/plans directly impact them.

Equity, Diversity and Inclusion

- A number of stakeholders noted the desire for **healthy communities** - everything interconnected – transportation, housing, parks, gathering places, etc.
- Some stakeholders hoped that by providing **housing for a variety of income levels** and ages it would promote more diversity in Tualatin.
- A number of stakeholders noted the need to engage and provide **more visibility for diverse groups** throughout the community, and to continue (and improve) inclusivity in **community**

engagement, be sure to hear from a wide range of community members. For example, include signs in Spanish around the City, so all feel included.

- One stakeholder noted that the existing **equity and inclusion policies** in the Comprehensive Plan are thin, should be more robust and a higher consideration during the update of the Comprehensive Plan.
- Many stakeholders noted that importance of encouraging and **welcoming diversity** in the community.

DATE: December 4, 2019
TO: Tualatin Housing Needs Analysis Project Advisory Committees
CC: Karen Perl Fox, Steve Koper, and Jonathan Taylor
FROM: Beth Goodman and Sadie DiNatale, ECONorthwest
SUBJECT: FINAL: TUALATIN HOUSING STRATEGY

The City of Tualatin contracted ECONorthwest to develop a Housing Needs Analysis and a Housing Strategy for Tualatin. The Housing Needs Analysis (HNA) will determine whether the City of Tualatin has enough land to accommodate twenty years of population and housing growth. It will characterize housing affordability problems and identify gaps in housing affordability in Tualatin. The HNA will provide the basis for an update to the City's Comprehensive Plan Housing Element, as well as for the development of an action plan to implement the housing policies (i.e., the Housing Strategy).

The HNA uses a planning period of 2020–2040. Tualatin is planning for minimum growth of 1,014 new dwelling units within the Tualatin city limits and the Basalt Creek area over the 2020–2040 planning period. Tualatin's vacant unconstrained buildable land has capacity for development of 1,207 new dwelling units at full build-out, not including redevelopment capacity. Build-out of Tualatin's vacant land could occur within the 2020–2040 period, or it could take longer. While the HNA works with the forecasted growth of 1,014 new dwelling units through 2040, the City may consider potential residential growth beyond this forecast in its housing policies, including build-out of all vacant land and redevelopment resulting in additional housing

The results of the HNA show that Tualatin has a deficit of land designated for housing in the Medium High Density Residential and the High Density / High-Rise Residential comprehensive plan designations. The City will need to develop policies to meet this deficit, such as redevelopment or rezoning land to meet these housing needs.

A key objective of the HNA and accompanying 2020 Housing Strategy is to identify options for changes to the City's Comprehensive Plan and land use regulations needed to address housing and residential land needs. This memorandum presents a housing strategy for Tualatin, based on the results of the HNA and discussions with the Community Advisory Committee (CAC) and Technical Advisory Committee (TAC). This Housing Strategy presents a comprehensive package of interrelated policy changes that the CAC recommends the City address.

This Housing Strategy recognizes that the City does not build housing. The strategy focuses on land use tools to ensure there is adequate land planned and zoned to meet the range of housing needs and opportunities for a variety of housing types, whether they be priced at market rate or subsidized. To the extent possible, this strategy strives to provide opportunities for lower-cost market-rate housing to achieve more housing affordability without complete reliance on subsidies and to include subsidized housing as an important tool to meet the need at the lower end of the income spectrum (low, very low, and extremely low) in the mix of strategies.

The Housing Strategy addresses the needs of households with middle, low, very low, or extremely low income. The following describes these households, based on information from the Tualatin Housing Needs Analysis.

- **Very low-income and extremely low-income households** are those who have an income of 50% or less of Washington County’s median family income (MFI)² which is an annual household income of about \$41,000 or less for a family of four. About 31% of Tualatin’s households fit into this category. They can afford a monthly housing cost of \$1,018 or less.³ Development of housing affordable to households at this income level is generally accomplished through development of income-restricted housing.
- **Low-income households** are those who have an income between 50% and 80% of Washington County’s MFI, or an income between \$41,000 and \$65,000 for a family of four. About 15% of Tualatin’s households fit into this category. They can afford a monthly housing cost of \$1,018 to \$1,625. Households with an income below 60% of MFI typically qualify for some types of income-restricted housing. The private housing market often struggles to develop housing affordable to households in this group, especially for the lower-income households in the group.
- **Middle-income households** are those who have an income between 80% and 120% of Washington County’s MFI, or an income between \$65,000 and \$98,000 for a family of four. About 15% of Tualatin’s households fit into this category. They can afford a monthly housing cost of \$1,625 to \$2,400. The private housing market may develop housing affordable to households in this group.

Through the technical analysis of the HNA and input from the CAC and TAC, the City identified six strategic priorities to meet housing needs identified in the HNA. Strategic priorities are described in greater detail in the section below. Appendix A presents the full text of Tualatin’s existing Comprehensive Plan policies for housing. Appendix B presents the information provided to the CAC in the memorandum “Housing Policy Tools to Address Needs” (May 16, 2019).

Tualatin’s Housing Strategy

The Tualatin Housing Strategy is organized around six broad strategic priorities: (1) ensure an adequate supply of land that is available and serviceable; (2) encourage development of a wider variety of housing types; (3) identify strategies to support affordable housing; (4) evaluate funding tools to support residential development; (5) identify redevelopment opportunities;

² Median family income is determined by the U.S. Department of Housing and Urban Development. In 2018, Washington County’s MFI was \$81,400.

³ This assumes that households pay less than 30% of their gross income on housing costs, including rent or mortgage, utilities, home insurance, and property taxes.

and (6) ensure there are connections between planning for housing and other planning (such as transportation planning, water and wastewater planning, or economic development planning). The broad goal of the Tualatin Housing Strategy is to help the City manage the land within the Tualatin planning area to meet current and future housing needs while maintaining the character and quality of life in Tualatin and protecting public interests such as housing affordability, health, safety, and municipal revenues.

The Tualatin CAC convened seven times between March 2019 and September 2019. The CAC discussed housing at the meetings in March, May, August, and September. The Tualatin TAC met four times between April 2019 and September 2019 and discussed housing at all four meetings (while some meetings included discussions of other topics, as well). The CAC and TAC provided input into the development of the Housing Strategy through discussions at meetings and opportunities for input on written documents.

The recommendations from the CAC in this strategy consider key findings from the HNA, such as the following examples. The City has a long-term deficit of residential land. The housing market is not building enough housing that is affordable to households with annual incomes less than \$35,000 based on U.S. Census American Community Survey data. The housing market in Tualatin also has a deficit of housing affordable to households earning more than \$150,000.⁴ The composition of Tualatin's population is becoming older and more diverse. This document presents a comprehensive strategy that provides a variety of opportunities to meet the housing needs of Tualatin's residents at all income levels.

Many of the actions described in the Tualatin Housing Strategy will require legislative amendments to the City's Comprehensive Plan and/or Development Code. These actions will be subject to standard notification and hearing procedures. After the Housing Needs Analysis is completed, the Planning Commission and City Council will prioritize the actions suggested in this memorandum, along with other actions suggested for Tualatin through 2040. Implementation of high priority actions will begin in 2020, based on City Council direction.

⁴ This analysis is based on Exhibit 79 in the Tualatin Housing Needs Analysis.

Summary of Actions

The table below summarizes the strategies, actions, and recommendations made by the CAC. The priority shown in the table is based on discussions with the CAC about the actions they view to be in need of prompt attention. Low-priority actions represent actions that the CAC thinks are important but that may be executed later in the Tualatin 2040 process. At some level, all of the actions in this strategy are a high priority for the CAC.

Strategies, Actions, and Recommendations	Priority
Strategy 1: Ensure an adequate supply of land that is available and serviceable.	
<p>Action 1.1. Evaluate opportunities to increase development densities within Tualatin’s existing zones by modifying the Development Code.</p> <ul style="list-style-type: none"> ▪ Recommendation 1.1a: Evaluate increasing densities in the Residential High and Residential High Density / High Rise residential designations by allowing buildings that are five to eight stories tall. ▪ Recommendation 1.1b: Conduct an audit of the City’s Development Code to identify barriers to residential development (e.g., lot size, setbacks, and lot coverage ratio) and identify alternatives for lowering or eliminating the barriers. ▪ Recommendation 1.1c: Evaluate off-street parking requirements for multifamily housing to identify opportunities for reduction in parking requirements, especially for housing developed for groups who have fewer cars. ▪ Recommendation 1.1d: Adopt a Planned Unit Development (PUD) ordinance to allow flexibility in both development standards and housing types. 	High
<p>Action 1.2. Evaluate opportunities to rezone land to provide additional opportunities for multifamily housing development.</p> <ul style="list-style-type: none"> ▪ Recommendation 1.2a: Identify opportunities to rezone industrial or commercial land for mixed-use that includes employment and residential uses. ▪ Recommendation 1.2b: Evaluate opportunities to re-zone Residential Low Density and Residential Medium Low Density residential land for higher-density housing. ▪ Recommendation 1.2c: Evaluate merging High Density zone and the High Density / High Rise zone into one zone and evaluate increasing the maximum density and maximum height limit allowed. 	High
<p>Action 1.3. Plan for infrastructure development to support residential development, consistent with Strategy 6.</p> <ul style="list-style-type: none"> ▪ Recommendation 1.3a: Identify opportunities to increase coordination between transportation planning and residential growth to manage congestion from growth. ▪ Recommendation 1.3b: Identify opportunities to increase transit service. 	Medium
<p>Action 1.4. Plan for long-term development in Tualatin through 2040 and beyond.</p> <ul style="list-style-type: none"> ▪ Recommendation 1.4a: Actively work with Metro staff on upcoming Regional Growth Management reports. Coordinate Tualatin’s planning with regional plans. ▪ Recommendation 1.4b: Develop and implement a system to monitor the supply of residential land every two years. ▪ Recommendation 1.4c: Reevaluate Tualatin’s housing needs and land sufficiency on a schedule tied to the Metro Growth Management cycle. ▪ Recommendation 1.4d: When needed in the future, work with Metro on potential expansion of the Metro UGB to include the Stafford area. 	High

Strategies, Actions, and Recommendations	Priority
Strategy 2: Encourage development of a wider variety of housing types.	
<p>Action 2.1. Allow and encourage development of duplexes, cottage housing, townhomes, row houses, and triplexes and quadplexes in lower-density residential zones.</p> <ul style="list-style-type: none"> ▪ Recommendation 2.1a: Allow duplexes, triplexes, quadplexes, cottage clusters, and townhouses in the Residential Low Density residential zone. ▪ Recommendation 2.1b: Allow cottage cluster housing in the Medium-Low Density and Medium-High Density zones, at densities appropriate for the zones. 	Medium
<p>Action 2.2. Identify opportunities to increase development of commercial and residential mixed-use development.</p> <ul style="list-style-type: none"> ▪ Recommendation 2.2a: Identify opportunities for more mixed-use development. 	Medium
<p>Action 2.3. Identify opportunities to allow and support development of additional innovative housing types.</p> <ul style="list-style-type: none"> ▪ Recommendation 2.3a: Evaluate allowing and supporting development of other housing types in Tualatin, such as single-room occupancy (more than four unrelated living in the same dwelling with shared kitchen and bathrooms); reuse of cargo containers for housing; tiny homes (dwelling units between 100 and 500 square feet); and higher-amenity housing on larger lots. 	Low
Strategy 3: Support development and preservation of housing that is affordable for all households.	
<p>Action 3.1. Identify policies to support development of housing affordable to households earning less than 60% of the median family income in Washington County (\$48,900 or less for a household size of four people).</p> <ul style="list-style-type: none"> ▪ Recommendation 3.1a: Develop policies to support development of housing affordable to households with incomes below 60% of MFI as part of the City's program to leverage funds from the Metro Housing Bond. 	High
<p>Action 3.2. Develop policies to support development of housing affordable to people who have income between 60% and 120% of MFI (\$48,900 to \$98,000 for a household of four in Washington County) and live and work in Tualatin.</p> <ul style="list-style-type: none"> ▪ Recommendation 3.2a: Emphasize growth of jobs that pay at or above average wages, as part of the City's economic development strategy. ▪ Recommendation 3.2b: Identify opportunities to partner with or support employers who are interested in developing an employer-assisted housing program. 	Medium
<p>Action 3.3. Develop policies to prevent and address homelessness.</p> <ul style="list-style-type: none"> ▪ Recommendation 3.3a: Develop policies to prevent and address homelessness. 	Low
<p>Action 3.4. Develop policies to prevent or mitigate residential displacement resulting from redevelopment and increases in housing costs in Tualatin.</p> <ul style="list-style-type: none"> ▪ Recommendation 3.4a: Develop policies to prevent displacement of existing residents. ▪ Recommendation 3.4b: Develop policies to prevent loss of existing affordable housing. 	Low
<p>Action 3.5. Partner with organizations to establish a land bank or land trust.</p> <ul style="list-style-type: none"> ▪ Recommendation 3.5a: Determine whether to participate in a land bank or land trust, such as the Proud Ground Community Land Trust. 	Low
<p>Action 3.6. Evaluate creative system development charge financing opportunities.</p> <ul style="list-style-type: none"> ▪ Recommendation 3.6a: Evaluate options for potential changes to SDCs and TDTs to support development of affordable housing. 	Medium
<p>Action 3.7. Evaluate establishment of a tax exemption program to support development of affordable housing.</p> <ul style="list-style-type: none"> ▪ Recommendation 3.7a: Evaluate tax exemption options to support development of affordable housing or mixed-use housing. 	Medium

Strategies, Actions, and Recommendations	Priority
<p>Action 3.8. Ensure that Tualatin has sufficient staff capacity to implement the housing program priorities set by the City Council.</p> <ul style="list-style-type: none"> ▪ Recommendation 3.8a: Determine whether the City will need to add staff to implement the policies in the housing strategy. 	Low
Strategy 4: Identify funding tools to support residential development.	
<p>Action 4.1. Evaluate opportunities to use leveraged funds from the Metro Housing Bond to support development of affordable housing.</p> <ul style="list-style-type: none"> ▪ Recommendation 4.1a: Evaluate opportunities, such as housing development incentives (in Strategy 3), to use leveraged funding from the Metro Housing Bond to support the development of affordable housing. 	High
<p>Action 4.2. Evaluate establishing an urban renewal district.</p> <ul style="list-style-type: none"> ▪ Recommendation 4.2a: Continue the evaluation of establishing a new urban renewal district and consider including urban renewal projects that support development of multifamily housing affordable for households earning less than 60% of MFI. 	High
<p>Action 4.3. Evaluate implementation of a construction excise tax.</p> <ul style="list-style-type: none"> ▪ Recommendation 4.3a: Evaluate implementation of a CET, starting with an analysis of the financial capacity of a CET. 	Medium
Strategy 5: Identify redevelopment opportunities.	
<p>Action 5.1. Identify districts within Tualatin with opportunities for redevelopment for housing and employment uses.</p> <ul style="list-style-type: none"> ▪ Recommendation 5.1a: Identify opportunities for redevelopment of mixed-use districts and initiate an area planning process to guide redevelopment. 	High
<p>Action 5.2. Support redevelopment of underutilized commercial buildings for housing.</p> <ul style="list-style-type: none"> ▪ Recommendation 5.2a: Identify underutilized commercial areas that are ripe for redevelopment and work with landowners and developers to support redevelopment. 	Medium
Strategy 6: Ensure there are connections between planning for housing and other community planning.	
<p>Action 6.1. Ensure that updates to the Transportation System Plan are coordinated with planning for residential growth.</p> <ul style="list-style-type: none"> ▪ Recommendation 6.1a: Evaluate opportunities to decrease dependence on automotive transportation in areas planned for housing. ▪ Recommendation 6.1b: Evaluate opportunities to expand transit and improve transportation connectivity in Tualatin, particularly from the future Southwest Corridor station in Bridgeport to the Tualatin's Town Center. ▪ Recommendation 6.1c: Evaluate opportunities for planning transit-oriented development. ▪ Recommendation 6.1d: Develop a bicycle and pedestrian plan for Tualatin to increase connectivity within Tualatin. 	High
<p>Action 6.2. Coordinate planning for economic development planning with housing planning.</p> <ul style="list-style-type: none"> ▪ Recommendation 6.2a: Ensure the City includes housing planning for housing that is affordable to people who work at businesses in Tualatin. 	Medium
<p>Action 6.3. Develop a design and planning framework for "ten-minute neighborhoods" that include a mixture of uses.</p> <ul style="list-style-type: none"> ▪ Recommendation 6.3a: Develop a framework for mixed-use neighborhoods that includes the elements that residents need for day-to-day life. 	Low
<p>Action 6.4. Support sustainable development practices.</p> <ul style="list-style-type: none"> ▪ Recommendation 6.4a: Evaluate sustainable building practices, including certifications, to determine whether the City should offer incentives for certification or require certification of new buildings as sustainable. 	Low

Strategy 1: Ensure an Adequate Supply of Land that is Available and Serviceable

This strategy is about ensuring an adequate land supply — not only a twenty-year supply (as Goal 10 requires) but also a pipeline of serviced land that is available for immediate development. The following recommended strategies and actions are intended to ensure an adequate supply of residential land through a combination of changes to the Tualatin Development Code, rezoning land, and long-term regional planning for housing. Efficient use of Tualatin’s residential land is key to ensuring that Tualatin has adequate opportunities to grow from 2020 to 2040, and beyond.

Issue Statement

Tualatin’s vacant unconstrained residential land can accommodate about 1,900 new dwelling units, including land within the city limits and Basalt Creek. Development of all of Tualatin’s vacant unconstrained land may occur over a period longer than the twenty-year planning period of this project. The forecast for housing growth over the 2020 to 2040 period is 1,041 new dwelling units.

The results of the HNA show that Tualatin has a surplus of capacity for new housing in the Low Density Residential, Medium Low Density Residential, and High Density Residential Plan Designations but a deficit in the Medium High Density Residential and High Density / High-Rise Residential plan designations. Tualatin has a deficit of 109 dwelling units (about 7 gross acres of land) in the Medium High Density Residential designation and a deficit of 101 dwelling units (about 4 gross acres of land) in the High Density / High-Rise Residential designation.

Tualatin has enough land within its planning area to accommodate the forecast for new housing. The existing zoning, however, leads to deficits of land in the Medium High Density Residential and High Density / High-Rise Residential Plan Designations. Oregon’s statewide planning system requires cities that do not have enough land within their urban growth boundary (UGB) or in selected plan designations to evaluate and implement policies to increase land use efficiently, expand the UGB, or both.

Tualatin is part of the Metro UGB and cannot expand its planning area on its own. However, Tualatin can increase land use efficiency within its planning area by increasing allowable development densities, rezoning land, or planning for redevelopment to meet the needs in the Medium High Density Residential and High Density / High-Rise Residential plan designations. In addition, Tualatin can monitor growth to ensure that the city continues to have sufficient land for residential growth, and it can work with Metro and other regional partners on future expansions of the Metro UGB to accommodate additional residential development in Tualatin.

Tualatin needs land that is vacant with urban services that support residential development, such as municipal water service, sewer and wastewater service, stormwater management systems, and transportation connections with adequate capacity to accommodate growth.

Goal

Ensure that sufficient land is designated and has urban services to support development so the supply is adequate for all needed housing types at the needed densities. Consider the development-ready residential land supply as part of ongoing functional planning efforts to provide necessary urban services in support of residential development.

Recommended Actions

Action 1.1. Evaluate opportunities to increase development densities within Tualatin's existing zones by modifying the Development Code.

This approach seeks to increase housing capacity by increasing allowable density in residential zones. In short, it gives developers the option of building to higher densities. Higher densities increase residential landholding capacity. Higher densities, where appropriate, provide more housing, a greater variety of housing options, and a more efficient use of scarce land resources. Higher densities also reduce sprawl development, add tax revenue that benefits the City (as more units can be built), and make the provision of services more cost effective.

This action will look at increasing allowed densities in the Comprehensive Plan and decreasing minimum lot size standards and/or allowable densities in all residential zones.

Tualatin could modify the density ranges outlined in the Tualatin Development Code. These are currently:

- Residential Low-Density (RL): 1–6.4 dwelling units per acre
- Residential Medium Low–Density (RML): 6–10 dwelling units per acre
- Residential Medium High–Density (RMH): 11–15 dwelling units per acre
- Residential High-Density (RH): 16–25 dwelling units per acre
- Residential High-Density/High-Rise (RH/HR): 26–30 dwelling units per acre

With respect to zoning, Tualatin presently has the following zoning standards:

- P is permitted, C is conditional, and N is not permitted
- Minimum Lot size is in square feet and maximum density is in dwelling units per acre (du/ac)

Zone	Single-Family Detached	Manufactured Home on a Lot	Accessory Dwelling Unit	Manufactured Home Park	Duplex	Townhouse	Multi-family
Residential Low (RL)							
Allowed Uses	P	P	P	N	C	C	C
Minimum Lot Size	6,500 average	6,500 average	-		6,000	6,000	6,000

Zone	Single-Family Detached	Manufactured Home on a Lot	Accessory Dwelling Unit	Manufactured Home Park	Duplex	Townhouse	Multi-family
Maximum Density	6.4 du/ac	6.4 du/ac	Accessory to lot with single family dwelling		6.4 du/ac	6.4 du/ac	6.4 du/ac
Residential Medium Low-Density (RML)							
Allowed Uses	C	N	P	P	P	P	P
Minimum Lot Size	4,500				4,356*	1,400	4,356*
Maximum Density	10 du/ac			12 du/ac	10 du/ac	10 du/ac	10 du/ac
Residential Medium High-Density (RMH)							
Allowed uses	N	N	N	N	P	P	P
Minimum Lot Size					2,904*	1,400	2,904*
Maximum Density					15 du/ac	15 du/ac	15 du/ac
Residential High-Density (RH)							
Allowed Uses	N	N	N	N	P	P	P
Minimum Lot Size					1,742*	1,400	1,742*
Maximum Density					25 du/ac	25 du/ac	25 du/ac
Residential High-Density/High-Rise (RH/HR)							
Allowed Uses	N	N	N	N	P	P	P
Minimum Lot Size					1,452	1,452	1,452*
Maximum Density					30 du/ac	30 du/ac	30 du/ac
Mixed-Use Commercial Overlay Zone (MUCOD)							
Allowed Uses	N	N	N	N	P	P	P
Minimum Lot Size					None	None	None
Maximum Density					50 du/ac	50 du/ac	50 du/ac
Central Tualatin Overlay Zone (RH/HR)							
Allowed Uses	N	N	N	N	P	P	P
Minimum Lot Size (Core Area)					5,000	5,000	5,000
Minimum Lot Size (Noncore Area)					25,000	25,000	25,000
Maximum Density					25 du/ac	25 du/ac	25 du/ac

*Note: The lot sizes for duplex and multifamily units are based on development on more than one acre. Development on less than one acre has a different standard for minimum lot size.

Changes to lot size standards are legislative changes to the Comprehensive Plan and/or zoning code. As such, this process should be initiated with the Planning Commission and include opportunities for public input.

Recommendation 1.1a: Tualatin should evaluate increasing densities in the residential High and Residential High Density / High Rise designations by allowing buildings that are five to eight stories tall (or higher). The City could increase densities to 60 to 100 dwelling units per acre. Alternatively, the City could allow the zoning standards to dictate the number of new dwelling units, based on standards such as building height limitations, parking requirements per unit, lot coverage ratios, setback requirements, and other zoning standards.

Recommendation 1.1b: Tualatin should conduct an audit of the City's Development Code to identify barriers to residential development (e.g., lot size, setbacks, and lot coverage ratio) and identify alternatives for lowering or eliminating the barriers. For example, the code audit could include these evaluating dimensional standards in all zones to understand the potential impact of development of vacant land (especially smaller or irregularly shaped lots) to identify barriers to infill development.

Recommendation 1.1c: Tualatin should evaluate off-street parking requirements for multifamily housing to identify opportunities for reduction in parking requirements, especially for housing developed for groups who have fewer cars, such as seniors or low-income affordable housing, close proximity to transit stop, and/or additional provision of bicycle parking. The City could consider changes that allow for alternative ways to meet parking requirements or reduce (or eliminate) parking requirements:

- Requiring off-street parking, but not necessarily requiring parking garages.
- Allowing some on-street parking within a set distance of the development to account for some off-street parking requirements.
- Requiring less off-street parking when close (such as within ¼ mile) of a transit stop.
- Requiring additional provision of bicycle parking to reduce parking requirements for the building.

Recommendation 1.1d: Adopt a (Planned Unit Development) PUD ordinance to allow flexibility in both development standards and housing types (subject to a maximum density) in exchange for provision of protected open space through a land use application process; this would require a hearing on the proposed development with the Planning Commission.

Action 1.2. Evaluate opportunities to rezone land to provide additional opportunities for multifamily housing development.⁵

The community desires rezoning to promote the opportunity of housing redevelopment and development. This action seeks to address the deficit of land in the Medium High Density Residential designation (about 7 gross acres of land) and in the High Density / High-Rise Residential designation (about 4 gross acres of land). The action also seeks to provide additional opportunities for the development of multifamily housing; this may contribute, to providing more opportunities for people who work at businesses in Tualatin to also live in Tualatin.

Recommendation 1.2a: Identify opportunities to rezone industrial or commercial land for mixed-use that includes employment and residential uses. The City should exclude industrial sanctuary land (i.e., land in the Southwest Tualatin Concept Plan area) from this evaluation, as this land has been identified as regionally significant industrial areas.

Recommendation 1.2b: Evaluate opportunities to rezone Residential Low Density and Residential Medium Low Density residential land for higher-density housing.

Recommendation 1.2c: Evaluate merging the High Density zone and the High Density / High Rise zones into one zone, and evaluate increasing the maximum density and maximum height limit allowed in the revised zone, consistent with Action 1.1.

Action 1.3. Plan for infrastructure development to support residential development, consistent with Strategy 6.

The City already coordinates land use planning with the Capital Improvement Plan to ensure that infrastructure is available to support residential development, especially in newly urbanizing areas and areas identified as high priority for development. Some types of infrastructure development, especially transportation and transit infrastructure, have lagged behind growth in Tualatin and in the broader region, resulting in automotive congestion and insufficient transit service, as discussed in Strategy 6.

Recommendation 1.3a: Identify opportunities to increase coordination between transportation planning and residential growth to manage and reduce congestion resulting from new growth.

⁵ An alternative to this strategy suggested by a committee member was revising the City's zoning system to the following categories of land use: Suburban Residential (replaces the RL and RML zones) with a maximum of 10 dwelling unit per acre and maximum building height of 45 feet; Urban Residential (replaces the RMH and RH zones) with a minimum density of 15 dwelling units per acre and maximum building height of 65 feet; and Urban II (includes the RH/HR zone) with a minimum density of 30 dwelling units per acre and maximum building height of 100 feet.

Recommendation 1.3b: Identify opportunities to increase transit service between Tualatin and other cities within the Portland region (such as the ongoing planning for the Southwest Corridor) and transit within Tualatin.

Action 1.4. Plan for long-term development in Tualatin through 2040 and beyond.

The Housing Needs Analysis plans for the 2020 to 2040 period. It is based on Metro's current forecasts for household growth in Tualatin. The Economic Opportunities Analysis shows that employment will continue to grow in Tualatin at a substantially faster pace than households over the next twenty years.

Tualatin has capacity for residential development beyond the forecasted growth over the next twenty years and may be planning for additional capacity for residential growth through policies to increase multifamily building height and density standards (Action 1.1), increased mixed-use development, (Action 1.2) and redevelopment (Action 5.1). Even so, if Tualatin wants to provide more opportunities for development of housing to allow people to live and work in Tualatin, the City will need to identify additional opportunities for residential development beyond the Tualatin planning area.

A key part of this planning is working with Metro on regional planning for housing and employment in and around Tualatin. The City would be well served by having information to share with Metro about new development, the City's planning efforts to provide opportunities for people to work and live in Tualatin, and economic development plans.

[Recommendation 1.4a:](#) Actively work with Metro staff on upcoming Regional Growth Management reports to ensure that Tualatin's population and employment forecasts are planned for similar growth rates. Coordinate Tualatin's planning with regional plans.

[Recommendation 1.4b:](#) Develop and implement a system to monitor the supply of residential land every two years. This includes monitoring residential development (through permits) as well as land consumption (e.g., development on vacant or land for redevelopment). The reports resulting from growth monitoring can be used for working with Metro to better understand Tualatin's opportunities for growth.

[Recommendation 1.4c:](#) Reevaluate Tualatin's housing needs and land sufficiency on a regular basis tied to the Metro Growth Management cycle (i.e., every six years), as part of the City's coordination with Metro. This recommendation is consistent with new requirements in ORS 197.296 (2)(a)(B)(ii), which was updated through House Bill 2003 to require Metro cities to update their housing needs analysis every six years.

[Recommendation 1.4d:](#) As Tualatin continues to grow and eventually cannot accommodate residential growth within the City, work with Metro on potential expansion of the Metro UGB to include the Stafford area.

Strategy 2: Encourage Development of a Wider Variety of Housing Types

This strategy focuses on actions that are intended to ensure new residential structures developed in Tualatin are diverse and include missing middle, workforce housing, low to moderate-income senior housing and other housing products to achieve housing affordability for households and to meet Tualatin’s twenty-year housing needs.

Issue Statement

Continued increases in housing costs may increase demand for denser housing (e.g., multifamily housing, single-family attached housing, and compact single-family detached housing). To the extent that denser housing types are more affordable than larger housing types (i.e., single-family detached units on larger lots, such as 2,500 square foot dwelling units on lots larger than 5,000 square feet), continued increases in housing costs will increase demand for denser housing.

Tualatin’s housing mix in the 2013–2017 period⁶ was 53% single-family detached, 6% single-family attached and 41% multifamily. Of the multifamily housing, about 5% are low-density multifamily housing types such as duplexes, triplexes, and quadplexes. The HNA assumes that the housing mix of new dwelling units in Tualatin will be about 40% single-family detached, 15% single-family attached and 45% multifamily.

To achieve this mix, Tualatin will need to implement policies that allow a wider variety of middle-density housing types (e.g., cottage clusters, townhouses, duplexes, triplexes, and quadplexes), as well as higher-density housing types (e.g., apartment buildings taller than four stories and mixed-use buildings).

In addition, Tualatin will allow for development of housing that is affordable to workers in Tualatin⁷ and is located in proximity to employment opportunities to attract needed labor force for its industrial and commercial zones and mixed-use overlay zones. These types of housing include (but are not limited to) live-work units, “skinny” single-family detached housing, townhouses, cottage housing, duplexes and triplexes, and less costly types of multifamily housing.

⁶ Based on 2013–2017 ACS five-year estimates for Tualatin.

⁷ The average wage in Tualatin was \$57,300 in 2017. Housing that is affordable to a worker with that wage would have a housing cost of no more than \$1,430 per month. Some workers make less than the average wage and would require housing affordable to lower incomes, as described in Strategy 3.

A single worker with a job paying the average wage could afford a dwelling with a sales price of no more than \$230,000. Given that the average sales price in Tualatin in early 2019 was \$480,000, housing affordable at the average wage in Tualatin is likely to be rental housing. If the household has two full-time workers with jobs paying the average wage, the household may be able to purchase a dwelling in Tualatin.

Goal

Allow and encourage the development of a broader diversity of housing types, including middle-density housing types and higher-density housing types.

Recommended Actions

Action 2.1. Allow and encourage development of duplexes, cottage housing, townhomes, row houses, and triplexes and quadplexes in lower-density residential zones.

Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types.

This approach could be implemented through the local zoning or development code. These housing types would be listed as outright allowable uses in appropriate residential zones. These housing types may provide additional affordability and allow more residential units than would be achieved by detached homes alone.

The City has already partially implemented this strategy. The City already allows one accessory dwelling unit for existing single-family units. Tualatin allows duplexes, townhouses, and multifamily housing as a conditional use in the Residential Low Density residential zone. Tualatin allows duplexes, townhouses, and multifamily housing as a permitted use in the Medium-Low Density and Medium-High Density residential zones.

This strategy would move Tualatin toward compliance with the potential requirements of House Bill 2001, which passed during the 2019 legislative session. The bill requires cities within the Metro UGB to allow middle housing types in low-density residential zones. The bill defines middle housing types as:

- (A) duplexes,
- (B) triplexes,
- (C) quadplexes,
- (D) cottage clusters, and
- (E) townhouses.

To comply with House Bill 2001, Tualatin will need to:

- Allow cottage cluster as a housing type in the Residential Low Density residential zone. Tualatin may want to allow cottage cluster housing in the Medium-Low Density and Medium-High Density residential zones. Tualatin will also need to include development standards in the Tualatin Development Code.
- Allow duplexes, townhouses, and multifamily housing as a permitted use in the Residential Low Density residential zone.

[Recommendations 2.1a: Allow duplexes, triplexes, quadplexes, cottage clusters, and townhouses in the Residential Low Density residential zone. Tualatin will also need to](#)

revise the Development Code to include development standards for these housing types. As part of implementation of House Bill 2001, the Oregon Department of Land Conservation and Development (DLCD) will be developing a model code for cities to accommodate these housing types. Given that the model code may not be available before December 2020 and the deadline for adoption of policies to meet the requirement of House Bill 2001 is June 30, 2022, Tualatin should begin the process to identify changes necessary to implement House Bill 2001 before the model code is available.

Recommendations 2.1b: Allow cottage cluster housing in the Medium-Low Density and Medium-High Density residential zones, at densities appropriate for the zones.

Action 2.2. Identify opportunities to increase development of commercial and residential mixed-use development.

One way to provide additional opportunities for housing development, especially multifamily housing development, is through planning for mixed-use development. Tualatin defines mixed-use development as “a tract of land or building or structure with two or more different uses such as, but not limited to residential, office, retail, manufacturing, public or entertainment, in a compact urban form.”

The Economic Opportunities Analysis shows that Tualatin has a small amount of vacant unconstrained commercial land (11 acres). Strategy 5 (redevelopment) recommends identifying opportunities for redevelopment, especially for mixed-use development. Both the Economic Opportunities Analysis and Housing Needs Analysis document the fact that most people who work in Tualatin live elsewhere and that there are relatively few opportunities for housing for people who want to live and work in Tualatin.

One way to increase opportunities for this type of housing is to increase the overall amount of housing affordable to people who work at jobs in Tualatin, much of which will be multifamily housing and should be located near employment centers in Tualatin. Increasing opportunities for mixed-use development can address both of these issues.

Recommendation 2.2a: Identify opportunities for more mixed-use development, either through rezoning land to a mixed-use zone and/or through redevelopment (consistent with Action 5.1).

Action 2.3. Identify opportunities to allow and support development of innovative housing types.

Some housing types have traditionally not been present in Tualatin, either because they are not allowed or because the market is not developing them. Some innovative housing types may include single-room occupancy (more than four unrelated living in the same dwelling with shared kitchen and bathrooms); reuse of cargo containers for housing; tiny homes (dwelling units between 100 and 500 square feet); and other innovative housing types.

In addition, growth of seniors is increasing demand for single-level single-family detached units to allow seniors to remain in Tualatin as they age. While this type of unit is allowed in Tualatin, little of this housing has been developed over recent years.

Tualatin's land base does not provide opportunity for development of higher-amenity housing on larger lots. This type of housing generally appeals to households with higher incomes. When Tualatin is evaluating opportunities for UGB expansion, there may be opportunities for development of this type of housing in areas where developing higher-density housing is challenging or undesirable, such as on hillsides.

[Recommendation 2.3a: Evaluate allowing and supporting development of other housing types in Tualatin, such as single-room occupancy \(more than four unrelated living in the same dwelling with shared kitchen and bathrooms\); reuse of cargo containers for housing; tiny homes \(dwelling units between 100 and 500 square feet\); and higher amenity housing on larger lots.](#)

Strategy 3: Support development and preservation of housing that is affordable for all households

The following recommended strategy and actions are intended to use a deliberate set of mandates and incentives to support the development of new affordable housing and preserve existing affordable housing.

Issue Statement

Availability of housing that is affordable to households at all income levels is a key issue in Tualatin. For the purposes of this strategy, affordable housing is defined as 1) housing for very low-income and extremely low-income households at 50% or below the median family income (MFI)⁸ (\$41,000 in 2018); 2) housing for low-income households with incomes between 50% and

⁸ Based on U.S. Department of Housing and Urban Development Median Family Income of \$81,400 for Washington County in 2018.

80% of the MFI (\$41,000 to \$65,000 in 2018); and 3) housing for middle-income households with incomes between 80% and 120% of the MFI (\$65,000 to \$98,000 in 2018).

The City's policy options for providing opportunities to build housing, especially affordable housing (both market-rate and government-subsidized affordable housing) are limited. The most substantial ways the City can encourage development of housing is through ensuring that enough land is zoned for residential development, in addition to assembling and purchasing land for affordable housing development, eliminating barriers to residential development where possible, and providing infrastructure in a cost-effective way.

Based on the actions identified below and the priorities set by decision makers, the City should develop a comprehensive housing strategy that supports the development of long-term (30–60 years) affordable housing that is government-subsidized which is developed by nonprofits, private developers, and/or in partnership between any of the following: public, nonprofit, and/or private developers. The Tualatin Housing Program will use a variety of tools, such as those described in this memorandum, to lower barriers to and encourage affordable housing development.

Goal

The goal of this strategy is to promote more lower-cost housing, with a focus on low and middle-income housing, creating mixed-income neighborhoods. This focus is to ensure that there is housing that is affordable to workers at businesses in Tualatin.

Recommended Actions

Action 3.1. Identify policies to support development of housing affordable to households earning less than 60% of the median family income in Washington County (\$48,900 or less for a household size of four people).

Evaluate policies to support development of low-income housing that would be affordable to households earning less than 80% of the MFI in Washington County (\$65,000 for a household size of four people), many of whom may be eligible for income-restricted housing, which is commonly known as low-income housing. These policies will leverage funds from the Metro Housing Bond (discussed in Strategy 4). Some examples of support include:

- Reducing or waiving systems development charges (SDCs) and Transportation Development Tax (TDT) fees (see Action 3.6).
- Evaluating adoption of a tax exemption program (see Action 3.7).
- Providing density bonuses for development of housing affordable to households with incomes below 60% of the MFI.
- Participating in a land bank for housing affordable to households with incomes below 60% of the MFI (see Action 3.5).

- Evaluating adoption of an inclusionary zoning program to require market-rate development to include some housing affordable to households with incomes below 80% of the MFI.
- Developing an expedited review process for development of affordable housing projects that target housing affordability at 60% of the MFI.
- Partnering with Washington County Housing Services and Oregon Housing and Community Services (OHCS) to identify resources for developing additional housing affordable for household with incomes of below 60% of the MFI.

[Recommendation 3.1a:](#) Develop policies to support development of housing affordable to households with incomes below 60% of the MFI, as part of the City’s program to leverage funds from the Metro Housing Bond.

Action 3.2 Develop policies to support development of housing affordable to people who have incomes between 60% and 120% of the MFI (\$48,900 to \$98,000 for a household of four in Washington County) and live and work in Tualatin.

Workforce housing is housing that is affordable to households earning between 60% and 120% of the MFI (\$48,900 to \$98,000 for a household of four in Washington County). An important part of this action is coordinating with economic development planning. In 2017, the average wage for jobs in Tualatin was \$57,300.

Action 3.1 includes housing policies for households earning between 60% and 120% of the MFI. Some additional ways that the City may support development of housing affordable to households with incomes between 60% and 120% of the MFI are:

- Coordinating planning for economic development with planning for residential development to emphasize the growth of jobs that pay at or above Tualatin’s average wage (\$57,300 in 2017).
- Supporting and potentially partnering with employers who are interested in developing an employer-assisted housing program to provide grants or loans to support rehabilitation or new housing development.
- Partnering with Washington County Housing Services and Oregon Housing and Community Services (OHCS) to identify resources for developing additional housing affordable for household with incomes between 80% and 120% of the MFI.
- Participating in a land bank for housing affordable to households with incomes between 80% and 120% of the MFI (see Action 3.5).

[Recommendation 3.2a:](#) Emphasize growth of jobs that pay at or above average wages, as part of the City’s Economic Development Strategy.

[Recommendation 3.2b:](#) Identify opportunities to partner with or support employers who are interested in developing an employer-assisted housing program.

Action 3.3. Develop policies to prevent and address homelessness.

Households earning less than 30% of the MFI (\$24,000 or less for a family of four) are at risk of becoming homeless. They can afford monthly rent of \$600 or less. About 16% of households in Tualatin currently fit into this income category. Tualatin has a deficit of about 1,400 units affordable to households with incomes of \$25,000 or less.

Tualatin can use approaches similar to those in Action 3.1 to support development of housing affordable to these households, including using funds from the Metro Housing Bond. Tualatin can also take the following actions to prevent and address homelessness:

- Develop a strategic plan to address homelessness and strengthen partnerships between the City and service providers who assist people experiencing homelessness.
- Partner with service providers to expand rapid rehousing and permanent supportive housing programs.
- Partner with service providers to support the creation of overnight shelters that provide safe sleeping options for people who are unsheltered. Work with service providers to explore alternatives to congregate shelters.

There are many other actions that Tualatin can take to prevent and address homelessness, such as expansion of transportation options, increasing outreach to the homeless population, partnering with service providers of mental health services, supporting a crisis intervention team, and other services.

[Recommendation 3.3a: Develop policies to prevent and address homelessness.](#)

Action 3.4. Develop policies to prevent or mitigate residential displacement resulting from redevelopment and increases in housing costs in Tualatin.

Redevelopment and development of new housing can increase housing costs and displace existing residents. Housing that is currently affordable to households, such as those earning below 60% of the MFI (less than \$48,900 for a household of four) or between 60% and 120% of the MFI (\$48,900 to \$98,000 for a household of four), can become unaffordable as a result of redevelopment and overall increases in housing costs in Tualatin, making it harder for existing residents of Tualatin and people working at businesses in Tualatin to afford to live in Tualatin.

- Identify funding to allocate to housing programs that prevent and alleviate the risk of displacement, such as the funding sources identified in Strategy 4, to fund programs such as the ones below.
- Evaluate the feasibility of developing a housing preservation and development program to assist with capital repairs, façade improvements, or weatherization. Tualatin may consider criteria for funding, such as the property must be regulated affordable or at risk of converting to market rate. Tualatin could consider offering funds to low-cost market-rate properties in need of major structural repairs (in return for the property owner maintaining existing rent levels).
- Partner with organizations to support programs that preserve market-rate housing and affordable housing. These partnerships can include programs such as provision of grants or low-interest loans to support rehabilitation of existing, older single-family detached homes in poor condition, and/or extending existing Low Income Housing Tax Credit projects for an additional term or converting to long-term affordable housing
- Limit condominium conversions. Develop and evaluate requirements for multifamily building owners who want to convert the apartment units to condominiums. Limitations may restrict the conditions under which conversion is allowed, (e.g., based on vacancy rates or tenant consent). Limitations could require that tenants be offered a right of first refusal to purchase their unit, should the owner want to convert their property to a condominium.
- Work with agencies who offer Fair Housing education and enforcement. Provide landlords and tenants with education of rights and responsibilities under Fair Housing Act and provide resources for enforcement actions where Fair Housing law has been violated. Tualatin could provide resources/information about the Housing Choice Voucher Program to reduce the extent to which landlords discriminate against voucher recipients in Tualatin.

[Recommendation 3.4a: Develop policies to prevent displacement of existing residents.](#)

[Recommendation 3.4b: Develop policies to prevent loss of existing affordable housing.](#)

Action 3.5. Partner with organizations to establish a land bank or land trust.

A land bank supports housing affordability by reducing or eliminating land or acquisition costs from a developer's total development budget. Land banks take several forms, but many are administered by a nonprofit or government entity with a mission of managing a portfolio of properties to support a public or community purpose over many years or decades. The land banking process involves key procedural steps, including (1) strategic land and property acquisition, (2) restoration of the property (e.g., clear blight, clear title), and (3) resale to a buyer.

A land trust is similar to land banking in that they participate in strategic land and property acquisition and restoration of the property (e.g., clear blight, clear title). Though instead of ultimately selling the property (land and buildings), the land trust holds the land in perpetuity and sells or leases the buildings. A land trust is typically a private or nonprofit organization that leases or sells the buildings (e.g., dwelling units) sited on the land but owns and manages the land permanently. A land trust can support housing affordability by leasing the dwelling units on their land to income-qualified renters. If the land trust prefers to pursue homeownership objectives, they can enact a deed covenant prior to selling the dwelling units to safeguard lasting affordability for homeowners.

The City's role in a land bank or land trust may include:

- Identifying opportunities to assist with assembly of land into a single tax lot or multiple adjacent tax lots in certain cases (i.e., mixed-use development with more than one developer involved) to support development of affordable housing.
- Identifying surplus publicly-owned properties that could be used for affordable housing and partner with developers of affordable housing (consistent with Actions 3.1 or 3.2).

[Recommendation 3.5a: Determine whether to participate in a land bank or land trust, such as the Proud Ground Community Land Trust, and determine the City's role in the land banking process.](#)

Action 3.6. Evaluate creative system development charge financing opportunities.

Opportunities to change the way that the City collects system development charges (SDC) and the Transportation Development Tax (TDT) include (1) reducing or waiving system development charges for residential development that meets Tualatin's housing needs or goals (such as the development of housing affordable to households earning less than 60% of the MFI [\$48,900 for a household of four]); (2) implementing an SDC financing credit program to incentivize needed housing types; (3) developing a sliding scale of SDC based on the size of the units, charging lower SDC for smaller units; (4) implementing a sole source system development charge program; (5) vesting SDC rates on submission of the complete land use review application to determine the SDC early in the development process; and (6) collecting SDC at completion of construction (prior to issuance of a certificate of occupancy) rather than at issuance of the building permit.

[Recommendation 3.6a: Review options for potential changes to SDC and TDT to determine if one or more of the options above is appropriate for Tualatin and implement changes to SDCs and the TDT, as appropriate.](#)

Action 3.7. Evaluate establishment of a tax exemption program to support development of affordable housing.

Tax exemption programs typically provide exemptions from property taxes for ten years, and for some, up to twenty years. Tax exemption programs include the following:

Program	Vertical Housing Development Zones (VHDZs)	Multiunit Housing (a.k.a. MUPTe)	Low-Income Rental Housing/Nonprofit Corporation Low-Income Housing	Tax Exemption for Newly Rehabilitated or Constructed Multiunit Rental Housing
Eligible Projects/ Properties	Must include at least one “equalized floor” of residential; at least 50% of the street-facing ground floor area must be committed to nonresidential use. Can be new construction or rehabilitation. City can add other criteria.	Housing subject to a housing assistance contract with a public agency; OR housing that meets City-established criteria for design elements benefitting the general public and number of units. May be new construction, addition of units, or conversion of an existing building to residential use.	New rental housing exclusively for low-income households (at or below 60% MFI); rental housing for low-income persons (at or below 60% MFI) that is owned, being purchased, and/or operated by a nonprofit; or land held for affordable housing development.	Newly rehabilitated or constructed multiunit rental housing. Rental units affordable to households with an annual income at or below 120% of MFI.
Eligible Areas	Within designated areas. City may designate any area it chooses. ⁹	Within designated areas. City may designate core areas. Alternatively, the City can designate the entire city and limit the program to affordable housing.	Anywhere in the city	Anywhere in the city
Duration of Tax Exemption/ Abatement	Exemption is for 10 years (this is set in statute, not by the City).	Exemption is for up to 10 years, except for low-income housing, exemption can be extended for as long as the housing is subject to the public assistance contract.	For the low-income rental housing program, exemption lasts 20 years.	City must establish a schedule that provides longer exemptions for projects with more qualifying units, with a maximum of 10 years.
Best Suited for	Encouraging mixed-use development in locations where ground floor commercial uses are essential to the vision and mixed-use is not economically feasible yet.	Encouraging multifamily housing in strategic locations or supporting development of housing affordable households with income of 80% of MFI or lower.	Reducing operating costs for regulated affordable housing affordable at 60% MFI or below.	Incentivizing market-rate/moderate-income multifamily housing development citywide.

⁹ The prior statutes governing the VHDZ program specified certain types of areas where VHDZs could be designated. The current version of the statute leaves this decision entirely up to the City. However, logically, the zoning would need to allow both residential and nonresidential uses in order to allow development that could be eligible for VHDZ tax abatement.

Recommendation 3.7a: Review tax exemption options to support development of affordable housing or mixed-use housing to determine if one or more of the options above is appropriate for Tualatin and implement the tax exemption program(s) identified as appropriate for Tualatin.

Action 3.8. Ensure that Tualatin has sufficient staff capacity to implement the housing program priorities set by the City Council.

The Housing Strategy presented in this memorandum, and especially the actions presented in Strategy 3 and Strategy 4, will take substantial staff time to evaluate and implement. The City may need additional staffing to implement the Housing Strategy.

Recommendation 3.8a: As the City Council sets priorities for implementation of the Housing Strategy, the Council should work with the City Manager and Community Development Director to determine whether the City will need to add staff to implement the policies in the Housing Strategy.

Strategy 4: Identify Funding Tools to Support Residential Development

The following recommended strategy and actions are intended to consider a range of funding tools that Tualatin may implement and use to support residential development.

Issue Statement

Funding for affordable housing and the infrastructure that serves residential land is becoming increasingly difficult. Cities have adopted a broad range of tools to support affordable housing. The nature of those tools is dependent on local factors: tax base, council support, competing priorities, etc.

Funding affordable housing programs from existing revenue sources may be challenging. Supplemental tools will be necessary if the City wants to support residential development.

Goal

Explore creative and sound ways to support development of affordable housing and infrastructure development.

Recommended Actions

Action 4.1. Evaluate opportunities to use leveraged funds from the Metro Housing Bond to support development of affordable housing.

Evaluate opportunities to use leveraged funds from the Metro Housing Bond to support development of affordable housing. The Metro Housing Bond is for \$652.8 million, the majority of it will support development of at least 3,900 new affordable units. Most of the new units will be affordable to households with income below 60% of the MFI (\$48,600 for a family of four) or less. Funds from the bond measure can be used for building new affordable units, housing purchase and rehabilitating existing housing, buying land for new affordable housing, and producing affordable homeownership units.

Washington County has been allocated \$118.9 million from the bond. The County's draft Local Implementation Strategy allocates Tualatin \$17.5 million for new construction of about 175 units of housing affordable for individuals and families. In addition, the County anticipates \$30.6 million in additional funds for Tualatin to support this housing development from sources such as Low Income Housing Tax Credits (LIHTC), private resources such as loans from private banks, property tax exemptions, Washington County HOME Partnership Investment Program funds, Washington County Housing Production Opportunity Fund, and resources from partner jurisdictions (such as fee waivers or exemptions, donated or discounted land, grants, or other resources).

The programs discussed in Strategy 3 (especially in Actions 3.1, 3.4, and 3.7) are ways that the City can support and leverage funding from the Metro Housing Bond. In addition, Actions 4.2 (Urban Renewal) and 4.3 (CET) can also leverage funding from the Metro Housing Bond.

[Recommendation 4.1a: Evaluate opportunities, such as housing development incentives \(from Strategy 3\), to use leveraged funding from the Metro Housing Bond to support the development of affordable housing.](#)

Action 4.2. Evaluate establishing an urban renewal district.

As the City evaluates establishing a new urban renewal district (which is currently an ongoing process within the City), evaluate opportunities to support development of affordable housing programs (Strategy 3) funded through urban renewal. The City should also evaluate development of infrastructure (Strategy 1) and redevelopment opportunities (Strategy 5) to support residential development.

Tax increment finance revenues (TIFs) are generated by the increase in total assessed value in an urban renewal district (from the time the district is first established). As property values increase in the district, the increase in total property taxes (i.e., City, County, school portions) is used to pay off the bonds. When the bonds are paid off, the entire valuation is returned to the general property tax rolls. TIFs defer property tax accumulation by the City and County until the urban renewal district expires or pays off the bonds. Over the long term (most districts are established for a period of twenty or more years), the district could produce significant revenues for capital projects. Urban renewal funds can be invested in the form of low-interest loans and/or grants for a variety of capital investments:

- Redevelopment projects, such as mixed-use or infill housing developments
- Economic development strategies, such as capital improvement loans for small or start-up businesses that can be linked to family-wage jobs
- Streetscape improvements, including new lighting, trees, and sidewalks
- Land assembly for public as well as private reuse
- Transportation enhancements, including intersection improvements
- Historic preservation projects
- Parks and open spaces

- As the City continues its ongoing evaluation of establishing a new urban renewal district, the City should consider including urban renewal projects that support development of multifamily housing affordable for households earning less than 60% of the MFI (\$48,600 for a household of four). Cities primarily use urban renewal funds to support the development of affordable housing by purchasing land and accepting development proposals on that land. Cities typically require some percentage of housing to be affordable, or they make the inclusion of affordable housing a criterion for the evaluation of development proposals.

In addition, cities use urban renewal funds to directly invest in infrastructure projects that benefit housing development.

[Recommendation 4.2a](#): As the City continues its ongoing evaluation of establishing a new urban renewal district, the City should consider including urban renewal projects that support development of multifamily housing affordable for households earning less than 60% of the MFI.

Action 4.3. Evaluate implementation of a construction excise tax.

The construction excise tax (CET) is a tax assessed on construction permits issued by local cities and counties. The tax is assessed as a percent of the value of the improvements for which a permit is sought, unless the project is exempted from the tax. In 2016, the Oregon Legislature passed Senate Bill 1533, which permits cities to adopt a construction excise tax (CET) on the value of new construction projects to raise funds for affordable housing projects. CETs may be residential only, commercial only, or residential and commercial. If the City were to adopt a CET, the tax would be up to 1% of the permit value on residential construction and an uncapped rate on commercial and industrial construction.

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

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

If the City implements a CET on commercial or industrial uses, 50% of the funds must be used for allowed developer incentives, while the remaining 50% is unrestricted. The rate may exceed 1% if levied on commercial or industrial uses.

[Recommendation 4.3a](#): Evaluate implementation of a CET, starting with an analysis of the financial capacity of a CET based on historical construction rates and the amount of the CET. The fiscal potential will provide a foundation that (1) helps determine whether a CET would generate enough revenue to make an impact, and (2) helps focus discussion on how the City could generate the best return on investment of CET funds.

Strategy 5: Identify Redevelopment Opportunities

This strategy focuses on actions that are intended to identify redevelopment opportunities in areas where housing would be appropriate.

Issue Statement

Tualatin has a deficit of land for housing, a deficit of 109 dwelling units in the Medium High Density Residential designation and a deficit of 101 dwelling units in the High Density / High-Rise Residential designation. Some (or perhaps all) of this deficit could be accommodated through redevelopment of existing areas within Tualatin, where there are opportunities to increase the intensity of land uses. Redevelopment may also provide opportunities for the development of mixed-use areas that are more walkable, have amenities that households frequently access (e.g., schools, medical facilities, parks, retail, restaurants, and other services), and have access to transit, consistent with the actions in Strategy 6.

Redevelopment may require actions from other strategies, such as increasing allowable densities, up-zoning, density bonuses for affordable housing, land assembly, reduced parking requirements, tax abatement programs to support housing development, and funding support such as an urban renewal district.

As the City plans for redevelopment, it should be sensitive to the potential for displacement of existing residents. Action 3.4 includes measures to mitigate displacement resulting from redevelopment.

Goal

Redevelop selected areas of Tualatin to create vibrant mixed-use districts that include new housing opportunities.

Recommended Actions

Action 5.1. Identify districts within Tualatin with opportunities for redevelopment for housing and employment uses.

A key finding of the Housing Needs Analysis is that Tualatin has limited land for development of multifamily housing and projects deficits of land to accommodate new housing in the Medium High Density and High Density / High Rise plan designations. The Economic Opportunities Analysis finds that Tualatin has limited land for commercial development and projects a substantial deficit of land to accommodate new housing.

The City should identify three to four areas within Tualatin for redevelopment into mixed-use areas, with a mixture of higher-density housing and employment uses such as retail, office, and commercial services. For example, some areas that may be appropriate for redevelopment include the Commons, areas near key transit stops, and the area west of 6th Street/east of 90th Street/north of Sagert Street. In selecting areas ripe for redevelopment, the City should consider whether economic conditions support redevelopment and landowner attitudes to redevelopment, and it should also set criteria based on transportation and transit connections and proximity to existing employment centers.

The City should engage the community in developing a vision for redeveloping the selected areas. The planning to implement this vision could be developed through redevelopment plans that show how the property will be redeveloped into a vibrant area with a mixture of uses, connections with Tualatin's automotive and pedestrian/bicycle transportation networks, and a variety of housing types. The redevelopment plans should include working with landowners to ensure they are supportive of the plans, as well as involving stakeholder and citizen input into the vision for the district and development of the redevelopment plans.

The City should consider opportunities to support redevelopment, such as urban renewal (Action 4.2), to address infrastructure deficiencies or to support development of affordable housing, funding from the Metro Housing Bond (Action 4.1) for affordable housing development, land banking (Action 3.5), opportunities to reduce SDCs (Action 3.6), and property tax exemptions (Action 3.7) to support housing development.

[Recommendation 5.1a: Initiate a process to identify opportunities for redevelopment of mixed-use districts and initiate an area planning process to guide redevelopment.](#)

Action 5.2. Support redevelopment of underutilized commercial buildings for housing.

Tualatin has several underutilized commercial buildings, such as stores that have closed, that may be appropriate for redevelopment. The City should work with landowners to evaluate opportunities for redeveloping vacant buildings for new housing.

The City should consider opportunities to support redevelopment of underutilized commercial buildings, such as urban renewal, to address infrastructure deficiencies or support development of affordable housing, such as the Metro Housing Bond (Action 4.1) or property tax abatements (Action 3.7).

[Recommendation 5.2a: Identify underutilized commercial areas that are ripe for redevelopment and work with landowners and developers to support redevelopment.](#)

Strategy 6: Ensure There are Connections between Planning for Housing and Other Community Planning

This strategy focuses on actions that are intended to ensure coordination between planning for housing and other community planning, such as transportation planning or neighborhood planning.

Issue Statement

Discussions of residential development led to discussions of the design of neighborhoods and connectivity in Tualatin and a desire for more deliberate planning of new residential development to integrate multiple modes of transportation, access to parks and schools, and retail and services in or near neighborhoods. Given that large parts of Tualatin are already built out, this type of planning will need to consider long-term redevelopment opportunities to retrofit the existing built environment into neighborhoods with these characteristics.

This type of planning should occur with attention paid to equity issues, ensuring that neighborhoods with these characteristics are developed in a way that does not displace existing households and provides opportunity for housing for all residents of Tualatin, regardless of income, age, or race/ethnicity. This implies development of neighborhoods with a mixture of incomes, homeowners and renters, and a mixture of housing types (i.e., both single-family detached housing and attached or multifamily housing).

Goal

Ensure that Tualatin develops as a walkable and complete community with amenities that are easily accessible to people who live in Tualatin.

Recommended Actions

Action 6.1. Ensure that updates to the Transportation System Plan are coordinated with planning for residential growth

The next update to the Transportation System Plan (TSP) should coordinate planning for housing, as well as employment growth, with transportation planning, providing for opportunities for more intensive multifamily development where there is sufficient capacity for automotive and transit capacity. The redevelopment areas (Action 5.1) should be planned for in areas where there is higher capacity for automotive and transit, as well as being connected by pedestrian and bicycle trails.

The update to the TSP ensures there are additional opportunities to decrease dependence on automotive transportation, such as increased focus on development in walkable and bikeable areas and increases in transit service (amount and frequency of transit, as well as increased destinations for transit). The TSP update should also identify opportunities to address capacity issues on Tualatin's roads to ease congestion and make traveling by car within and outside of Tualatin easier.

[Recommendation 6.1a: Evaluate opportunities to decrease dependence on automotive transportation in areas planned for housing, such as increased focus on development in](#)

walkable and bikeable areas and increases in transit service (amount and frequency of transit, as well as increased destinations for transit).

[Recommendation 6.1b](#): Evaluate opportunities to expand transit and improve transportation connectivity in Tualatin, particularly from the future Southwest Corridor station in Bridgeport to the Tualatin’s Town Center and vital services, and out to the neighborhoods.

[Recommendation 6.1c](#): Evaluate opportunities for planning transit-oriented development as transit becomes more available in Tualatin, consistent with redevelopment planning.

[Recommendation 6.1d](#): Develop a bicycle and pedestrian plan for Tualatin to increase connectivity within Tualatin.

Action 6.2. Coordinate planning for economic development with housing planning.

Tualatin has a jobs-housing imbalance, with more jobs than residents in Tualatin. The other strategies in this memorandum are intended to support development of housing that is affordable to people who work at businesses in Tualatin (the average wage was \$57,300 in 2017), such as Action 3.2. The City should evaluate opportunities to support development of housing that is affordable to workers at businesses in Tualatin to ensure that people who work in Tualatin have the opportunity to live in Tualatin. As part of this evaluation, the City should identify opportunities for residential development closer to jobs in Tualatin, to make it easier for people to walk, bicycle, or use transit to get to work. These opportunities are parts of the strategies throughout this memorandum.

[Recommendation 6.2a](#): Ensure the City includes housing planning for housing that is affordable to people who work at businesses in Tualatin.

Action 6.3. Develop a design and planning framework for “ten-minute neighborhoods” that include a mixture of uses.

The City should develop a framework for development of mixed-use neighborhoods that results in neighborhoods where residents have easy, convenient access to many of the places and services they use daily without relying heavily on a car. The framework would include the following elements: walkable neighborhoods with access to transit, nearby parks (i.e., within one-quarter mile), neighborhood retail and restaurants, and near schools. The neighborhood would have higher concentrations of people and would be complete with sidewalks, bike lanes, and bus routes that support a variety of transportation options. The design of the neighborhood should integrate design standards that promote public safety. In larger cities, these are referred to as “twenty-minute neighborhoods,” but given Tualatin’s smaller size, the scale might be more like “ten-minute neighborhoods.”

[Recommendation 6.3a](#): Develop a framework for mixed-use neighborhoods that includes the elements that residents need for day-to-day life.

Action 6.4. Support sustainable development practices.

Sustainable development practices are environmentally responsible and resource-efficient building practices that range from building design, building construction, and building operations and maintenance. Examples of sustainable building practices include certification programs such as Leadership in Energy and Environmental Design (LEED) or National Green Building Standard.

The City could support sustainable development practices by offering incentives for certified buildings, or the City could require that new buildings adhere to specified sustainable building practices.

The trade-off with some types of sustainable building practices is that they can increase development costs (especially over the short run) and may make it more difficult to develop housing affordable for middle and lower-income households. Over the long run, some sustainable building practices pay for themselves with decreased operational costs (such as energy-efficient features that reduce heating and cooling costs).

[Recommendation 6.4a: Evaluate sustainable building practices, including certifications, to determine whether the City should offer incentives for certification or require certification of new buildings as sustainable.](#)

Appendix A: Tualatin's Existing Comprehensive Plan Policies

Section 4.050 General Growth Objectives.

The following are general objectives used as a guide to formulate the Plan. The objectives are positive statements to describe the Plan's intent to:

- (1) Provide a plan that will accommodate a population range of 22,000 to 29,000 people.
- (2) Cooperate with the Metropolitan Service District to reach regional consensus on population growth projections within the Tualatin area.
- (3) Conform to Metropolitan Service District (Metro) procedures for initiating amendments to the Metro Urban Growth Boundary.
- (4) Provide a plan that will create an environment for the orderly and efficient transition from rural to urban land uses.
- (5) Convert agricultural land only if needed for urban uses.
- (6) Arrange the various land uses so as to minimize land use conflicts and maximize the use of public facilities as growth occurs.
- (7) Prepare a balanced plan meeting, as closely as possible, the specific objectives and assumptions of each individual plan element.
- (8) Define the urban growth boundary.
- (9) Prepare a plan providing a variety of living and working environments.
- (10) Encourage the highest quality physical design for future development.
- (11) Coordinate development plans with regional, state, and federal agencies to assure consistency with statutes, rules, and standards concerning air, noise, water quality, and solid waste. Cooperate with the U.S. Fish and Wildlife Service to minimize adverse impacts to the Tualatin River National Wildlife Refuge from development in adjacent areas of Tualatin.
- (12) Adopt measures protecting life and property from natural hazards such as flooding, high groundwater, weak foundation soils and steep slopes.
- (13) Develop regulations to control sedimentation of creeks and streams caused by erosion during development of property.
- (14) Develop a separate growth program that controls the rate of community growth and is acceptable to the Land Conservation and Development Commission.
- (15) Arrange the various land uses in a manner that is energy efficient.

- (16) Encourage energy conservation by arranging land uses in a manner compatible with public transportation objectives.
- (17) Maintain for as long a period as possible a physical separation of non-urban land around the City so as to maintain its physical and emotional identity within urban areas of the region.
- (18) Fully develop the industrial area located in Washington County west of the City only when adequate transportation facilities are available and the area has been annexed to the City and served with water and sewer services.
- (19) Cooperate with Washington County to study the methods available for providing transportation, water and sewer service to the industrial area west of the City, designating this area as a special study area.
- (20) Initiate annexation of property within the Urban Growth Boundary planned for residential development only when petitioned to do so by owners of the affected property, including cases involving unincorporated "islands" of property surrounded by land annexed previously.
- (21) Territories to be annexed shall be in the Metro Urban Growth Boundary.
- (22) Address [Metro's Urban Growth Management Functional Plan, Title 13](#), Nature in Neighborhoods, through the conservation, protection and restoration of fish and wildlife habitat, including Metro's Regionally Significant Fish and Wildlife Habitat, through the Tualatin Basin Natural Resource Coordinating Committee and the Tualatin Basin Program.

(a) Support and implement the elements of the Tualatin Basin Program to:

- (i) Develop and adopt local policies and regulations to implement the provisions of the Tualatin Basin Program.
- (ii) Adopt low impact development (LID) provisions to reduce environmental impacts of new development and remove barriers to their utilization.
- (iii) Coordinate with Clean Water Services (CWS) to implement their Healthy Streams Action Plan and other programs such as their Stormwater Management Plan and Design and Construction Standards.
- (iv) Coordinate with CWS, Metro and others to develop and support the funding, voluntary and educational components of the Tualatin Basin Program.
- (v) Coordinate with CWS, Metro and others to develop and support the monitoring and adaptive management components of the Tualatin Basin Program.

(b) Continue active participation in the Tualatin Basin Natural Resources Coordinating Committee and the Steering Committee to support and implement the Tualatin Basin Program.

(c) Coordinate with CWS and Metro to update Metro's Regionally Significant Fish and Wildlife Habitat Inventory Map. Changes to the Inventory Map will be on-going as on-site inventories are conducted as part of private and public construction projects.

(d) Support and implement provisions allowing public access to planned public facilities.

Section 5.030 General Objectives.

The following are general objectives used to guide the development of the residential housing element of the Plan. They describe the Plan's intent to:

- (1) Provide for the housing needs of existing and future City residents.
- (2) Provide housing opportunities for residents with varied income levels and tastes that are esthetically and functionally compatible with the existing community housing stock.
- (3) Cooperate with the Housing Authority of Washington County and the Housing Division of Clackamas County to identify sites, projects and developers to provide the City's fair share of assisted housing units for low and moderate income households, and participate in the region's Housing Opportunity Plan.
- (4) Locate higher density development where it is convenient to the City's commercial core, near schools, adjacent to arterial and collector streets and, as much as possible, in areas with existing multi-family housing and provide residential opportunities in selected commercial areas through the Mixed Use Commercial Overlay District.
- (5) Provide areas that are suitable for manufactured dwelling parks and areas that are suitable for subdivisions that will accommodate manufactured homes.
- (6) Provide areas that will accommodate small-lot subdivisions.
- (7) Develop specific and enforceable design standards for multi-family developments, town-houses, manufactured homes, manufactured dwelling parks and small-lot subdivisions.
- (8) Encourage owner occupancy of multi-family developments and other housing units within the City.
- (9) Encourage subdividers and other residential developers to consider the need for solar access on residential construction sites.

(10) Provide for the raising of agricultural animals and agricultural structures in areas that are presently used for this purpose and that are not buildable due to their location in the 100-year flood plain.

(11) Require that all residential development adjacent to Expressways be buffered from the noise of such Expressways through the use of soundproofing devices such as walls, berms or distance. Density transfer to accommodate these techniques is acceptable.

(12) Encourage the development of attached housing in accordance with the RML Planning District in the area of the Norwood Express-way/Boones Ferry Road intersection.

(13) Provide truck routes for industrial traffic that provide for efficient movement of goods while protecting the quality of residential areas.

(14) Protect residential, commercial, and sensitive industrial uses from the adverse environmental impacts of adjacent industrial use.

(15) Protect adjacent land uses from noise impacts by adopting industrial noise standards.

(16) Protect the Tonquin Scablands from adverse impacts of adjacent development. This includes the main Scabland area in the vicinity of the Burlington Northern Railroad tracks which is preserved through the use of the Wet-lands Protection District and the Greenway and Riverbank Protection District. This also includes other elements of the Scabland formations found farther to the east. These latter areas will be preserved on a case-by-case basis as development occurs through preservation in their natural state, allowing residential density transfer through the small lot subdivision, common wall housing, and condominium conditional use processes.

(17) Protect wooded areas identified on the Natural Features Map found in the Technical Memorandum by requiring their preservation in a natural state, by integrating the major trees into the design of the parking lots, buildings, or landscaping areas of multi-family complexes and non-residential uses, or in low density areas through the small lot, common wall, or condominium conditional use. If it is necessary to remove a portion or all of the trees, the replacement landscape features shall be subject to approval through the Architectural Review process, except for conventional single family subdivisions.

Appendix B: Housing Policy Tools to Address Needs

This appendix presents the information provided to the CAC in the memorandum *Housing Policy Tools to Address Needs* (dated May 16, 2019).

The City of Tualatin contracted ECONorthwest to develop a Housing Needs Analysis and a Housing Strategy for Tualatin. The Housing Needs Analysis will determine whether the City of Tualatin has enough land to accommodate 20-years of population and housing growth. It will characterize housing affordability problems and identify gaps in housing affordability in Tualatin. The Housing Needs Analysis will provide the basis for an update to the City's Comprehensive Plan Housing Element, as well as development of an action plan to implement the housing policies (i.e. the Housing Strategy).

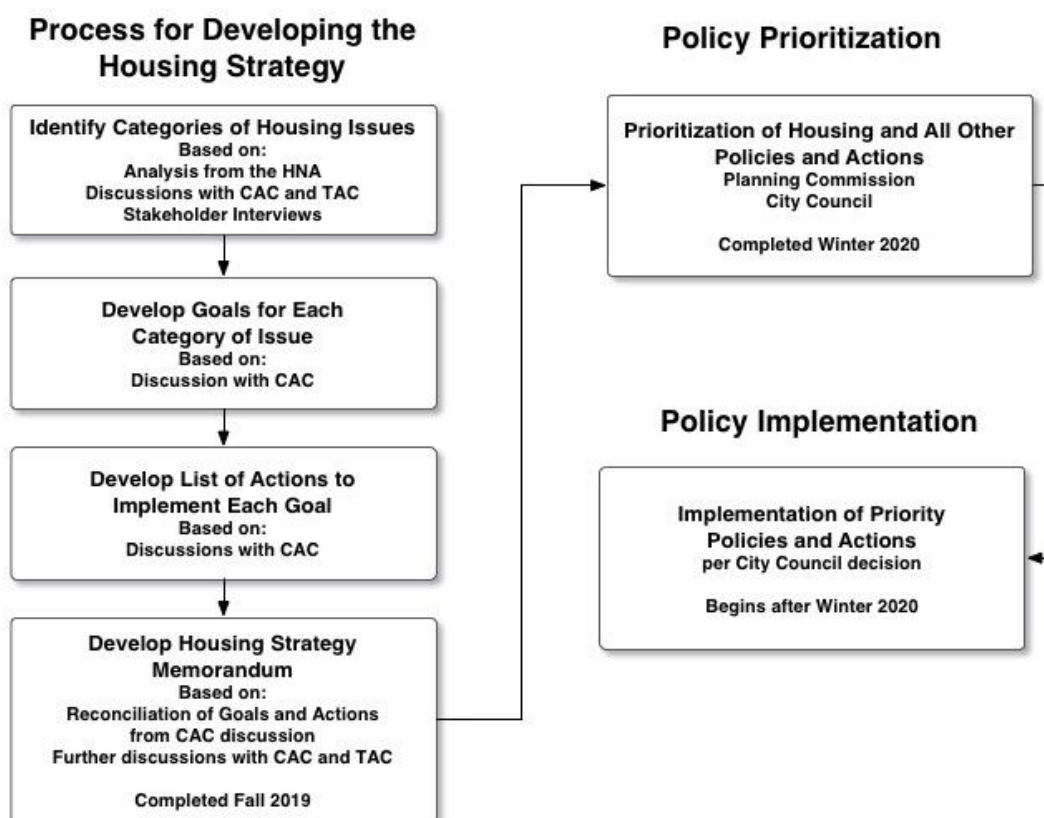
This memorandum provides a range of housing policy options for the City of Tualatin to consider as it addresses its housing needs. These policy options are commonly used by cities in Oregon and other states. Policy options are categorized as follows:

- Land Use Regulations
- Increase Housing Types
- Financial Assistance to Homeowners and Renters
- Lower Development or Operational Costs
- Funding Sources to Support Residential Development

The intention of this memorandum is to provide a toolbox of potential policies and actions that the City can use to address strategic issues. **Exhibit 1** illustrates the process for developing the housing strategy and incorporating the strategy into the broader Tualatin 2040 process. Through this project, the CAC and TAC will provide feedback and recommendations that will be used to develop the Tualatin Housing Strategy. The May 23 CAC meeting will begin this process with the following steps: (1) identify categories of housing issues, (2) develop goal(s) to address each category of issue, and (3) developing a list of actions to implement each goal. At a subsequent CAC meeting, we will discuss one or more drafts of the Housing Strategy memorandum, which will document the housing issues, goals, and actions.

After the conclusion of this project, the Housing Strategy will be combined with other policies and actions and will be prioritized by the Tualatin Planning Commission and City Council. The policies and actions will be implemented per the Tualatin City Council's direction once prioritization is completed.

Exhibit 1. Process for developing and implementing the housing strategy



Options for Housing Policy Tools

This memorandum provides the City with information about potential policies that could be implemented in Tualatin to address the City’s housing needs. Implementing some of the strategies in this memorandum may be beyond Tualatin’s current staff or financial resources.

For many of the policy tools described below, we give an approximate scale of impact. **The purpose of the scale of impact is to provide some context for whether the policy tool generally results in a little or a lot of change in the housing market.** The scale of impact depends on conditions in the City, such as other the City’s other existing (or newly implemented) housing policies, the land supply, and housing market conditions. We define the scale of impact as follows:

- A **small** impact may not directly result in development of new housing or it may result in development of a small amount of new housing, such as 1% to 3% of the needed housing (which is 10 to 30 dwelling units for Tualatin). In terms of housing affordability, a small impact may not improve housing affordability in and of itself. A policy with a small impact may be necessary but not sufficient to increase housing affordability.
- A **moderate** impact is likely to directly result in development of new housing, such as 3% to 5% of needed housing (which is 30 to 50 dwelling units for Tualatin). In terms of

housing affordability, a moderate impact may not improve housing affordability in and of itself. A policy with a moderate impact may be necessary but not sufficient to increase housing affordability.

- A **large** impact is likely to directly result in development of new housing, such as 5% to 10% (or more) of needed housing (which is 50 to 100 dwelling units for Tualatin). In terms of housing affordability, a **large** impact may improve housing affordability in and of itself. A policy with a large impact may still need to work with other policies to increase housing affordability.

Land Use Regulations

The following policies focus on ways in which the City can modify its current land use regulations in order to increase housing affordability and available housing stock. Policies are broken into two categories: those that affect regulatory changes, and those which increase the land available for housing.

Strategy Name	Description	Scale of Impact
Regulatory Changes		
Administrative and Procedural Reforms	<p>Regulatory delay can be a major cost-inducing factor in development. Oregon has specific requirements for review of development applications. However, complicated projects frequently require additional analysis such as traffic impact studies, etc.</p> <p>A key consideration in these types of reforms is how to streamline the review process and still achieve the intended objectives of local development policies.</p>	<p>Scale of Impact - Small. The level of impact on production of housing and housing affordability will be small and will depend on the changes made to the city's procedures. Streamlining procedures may be necessary but not sufficient to increase housing production on its own.</p>
Expedited / Fast-tracked Building Permit	<p>Expedite building permits for pre-approved development types or building characteristics (e.g. green buildings).</p> <p>City of Bend offers expedited review and permitting for affordable housing. Any residential or mixed-use development that receives local, state or federal affordable housing funding is eligible to receive a written decision by the Planning Department within two weeks of the date of submittal. For projects that require more complex planning review, a decision will be written or the first public hearing will be held within six weeks of the date of submittal.</p>	<p>Scale of Impact - Small. Expedited permit processing will benefit a limited number of projects. It may be necessary but not sufficient to increase housing production on its own.</p>
Streamline Zoning Code and other Ordinances	<p>Complexity of zoning, subdivision, and other ordinances can make development more difficult, time consuming, and costly. Streamlining development regulations can result in increased development.</p> <p>As part of the streamlining process, cities may evaluate potential barriers to affordable workforce housing and multifamily housing. Potential barriers may include: height limitations, complexity of planned unit development regulations, parking requirements, and other zoning standards.</p> <p>Many of the remaining tools in this section focus on changes to the zoning code.</p>	<p>Scale of Impact - Small to moderate. The level of impact on production of housing and housing affordability will depend on the changes made to the zoning code and other ordinances.</p>

Strategy Name	Description	Scale of Impact
Allow Small Residential Lots	<p>Small residential lots are generally less than 5,000 sq. ft. and sometimes closer to 2,000 sq. ft. This policy allows individual small lots within a subdivision. Small lots can be allowed outright in the minimum lot size and dimensions of a zone, or they could be implemented through the subdivision or planned unit development ordinances.</p> <p>This policy is intended to increase density and lower housing costs. Small-lots limit sprawl, contribute to a more efficient use of land, and promote densities that can support transit. Small lots also provide expanded housing ownership opportunities to broader income ranges and provide additional variety to available housing types.</p> <p>Cities across Oregon allow small residential lots, including many cities in the Metro area.</p>	<p>Scale of Impact – Small to moderate. Cities have adopted minimum lot sizes as small as 2,000 sq. ft. However, it is uncommon to see entire subdivisions of lots this small. Small lots typically get mixed in with other lot sizes. This tool generally increases density and amount of single-family detached and townhouse housing in a given area, decreasing housing costs as a result of decreasing amount of land on the lot.</p>
Mandate Maximum Lot Sizes	<p>This policy places an upper bound on lot size and a lower bound on density in single-family zones. For example, a residential zone with a 6,000 sq. ft. minimum lot size might have an 8,000 sq. ft. maximum lot size yielding an effective net density range between 5.4 and 7.3 dwelling units per net acre.</p> <p>This approach ensures minimum densities in residential zones by limiting lot size. It places bounds on building at less than maximum allowable density. Maximum lot sizes can promote appropriate urban densities, efficiently use limited land resources, and reduce sprawl development.</p> <p>This tool is used by some cities but is used less frequently than mandating minimum lot sizes.</p>	<p>Scale of Impact—Small to moderate. Mandating maximum lot size may be most appropriate in areas where the market is building at substantially lower densities than are allowed or in cities that do not have minimum densities.</p> <p>This tool generally increases density and amount of single-family detached and townhouse housing in a given area, decreasing housing costs as a result of decreasing amount of land on the lot.</p>

Strategy Name	Description	Scale of Impact
Mandate Minimum Residential Densities	<p>This policy is typically applied in single-family residential zones and places a lower bound on density. Minimum residential densities in single-family zones are typically implemented through maximum lot sizes. In multifamily zones, they are usually expressed as a minimum number of dwelling units per net acre. Such standards are typically implemented through zoning code provisions in applicable residential zones.</p> <p>This policy increases land-holding capacity. Minimum densities promote developments consistent with local comprehensive plans and growth assumptions. They reduce sprawl development, eliminate underbuilding in residential areas, and make provision of services more cost effective.</p> <p>Mandating minimum density is generally most effective in medium and high density zones where single-family detached housing is allowed. The minimum density ensures that low-density single-family housing is not built where higher-density multifamily housing could be built.</p>	<p>Scale of Impact—Small to moderate. Increasing minimum densities and ensuring clear urban conversion plans may have a small to moderate impact depending on the observed amount of “underbuild” and the minimum density standard.</p> <p>For cities that allow single-family detached housing in high density zones, this policy can result in a moderate or larger impact.</p>
Increase Allowable Residential Densities	<p>This approach seeks to increase holding capacity by increasing allowable density in residential zones. It gives developers the option of building to higher densities. This approach would be implemented through the local zoning or development codes. This strategy is most commonly applied to multifamily residential zones.</p> <p>For cities with maximum densities, consider removing maximum allowable densities. This change may be most relevant.</p> <p>Higher densities increase residential landholding capacity. Higher densities, where appropriate, provide more housing, a greater variety of housing options, and a more efficient use of scarce land resources. Higher densities also reduce sprawl development and make the provision of services more cost effective.</p>	<p>Scale of Impact—Small to moderate. This tool can be most effective in increasing densities where very low density is currently allowed or in areas where a city wants to encourage higher density development.</p> <p>This tool generally increases density and amount of single-family detached and townhouse housing in a given area, decreasing housing costs as a result of decreasing amount of land on the lot.</p>
Allow Clustered Residential Development	<p>Clustering allows developers to increase density on portions of a site, while preserving other areas of the site. Clustering is a tool most commonly used to preserve natural areas or avoid natural hazards during development. It uses characteristics of the site as a primary consideration in determining building footprints, access, etc. Clustering is typically processed during the site review phase of development review.</p>	<p>Scale of Impact—Moderate. Clustering can increase density, however, if other areas of the site that could otherwise be developed are not developed, the scale of impact can be reduced.</p>

Strategy Name	Description	Scale of Impact
Reduced Parking Requirements	<p>Jurisdictions can reduce or eliminate minimum off-street parking requirements, as well as provide flexibility in meeting parking requirements. Reducing parking requirements positively impact development of any type of housing, from single-family detached to multifamily housing.</p> <p>Reduced parking requirements are most frequently used in conjunction of development of subsidized affordable housing, but cities like Portland have reduced or eliminated parking requirements for market-based multifamily housing in specific circumstances.</p> <p>City of Bend offers parking reductions for affordable housing and transit proximity. Parking for affordable housing units is 1 space per unit regardless of size, compared to 1 space per studio or 1 bedroom unit, 1.5 spaces per 2-bedroom unit, and 2 spaces per 3- or more bedroom unit for market-rate multifamily development or 2 spaces per market rate detached dwelling unit. Affordable housing units must meet the same eligibility criteria as for other City of Bend affordable housing incentives</p> <p>City of Portland offers parking exceptions for affordable housing and sites adjacent to transit. The City of Portland allows housing developments that meet the inclusionary zoning requirements to reduce parking requirements to zero if located near frequent transit service, and to exclude the affordable housing units from parking requirements for developments located further from frequent transit service. The City also allows market rate housing developments located near frequent transit service to provide little or no parking, depending on the number of units in the development.</p>	<p>Scale of Impact—Small to moderate.</p> <p>The City could require the developer to prove the need and public benefit or reducing parking requirements to increase housing affordability.</p> <p>Reducing parking requirements can have a moderate to large impact on housing affordability if little or no parking is required.</p>
Reduce Street Width Standards	<p>This policy is intended to reduce land used for streets and slow down traffic. Street standards are typically described in development and/or subdivision ordinances. Reduced street width standards are most commonly applied on local streets in residential zones. This strategy could be applied to alleys, when required, to ensure that alleys are relatively narrow to reduce development and maintenance costs.</p> <p>Narrower streets make more land available to housing and economic-based development. Narrower streets can also reduce long-term street maintenance costs.</p>	<p>Scale of Impact—Small. This policy is most effective in cities that require relatively wide streets.</p>

Strategy Name	Description	Scale of Impact
Preserving Existing Housing Supply	<p>Housing preservation ordinances typically condition the demolition or replacement of certain housing types on the replacement of such housing elsewhere, fees in lieu of replacement, or payment for relocation expenses of existing tenants. Preservation of existing housing may focus on preservation of smaller, more affordable housing. Approaches include:</p> <ul style="list-style-type: none"> • Housing preservation ordinances • Housing replacement ordinances • Manufactured home preservation • Single-room-occupancy ordinances • Regulating demolitions 	<p>Scale of Impact—Small to moderate. Preserving small existing housing can make a difference in the availability of affordable housing in a city but it is limited by the existing stock housing, especially smaller, more affordable housing. Cities with older housing stock are more likely to benefit from this policy.</p>
Inclusionary Zoning	<p>Inclusionary zoning policies tie development approval to, or provide regulatory incentives for, the provision of low- and moderate-income housing as part of a proposed development. Mandatory inclusionary zoning requires developers to provide a certain percentage of low-income housing. Incentive-based inclusionary zoning provides density or other types of incentives.</p> <p>The price of low-income housing passed on to purchasers of market-rate housing. Inclusionary zoning impedes the "filtering" process where residents purchase new housing, freeing existing housing for lower-income residents.</p> <p>Oregon's inclusionary zoning laws apply to structures with 20 or more multifamily units, with inclusion of units that are affordable at 80% of the median family income of the city.</p> <p>The City of Portland has implemented an inclusionary zoning program. While Portland's inclusionary zoning program is resulting in production of affordable multifamily units, there is considerable discussion and disagreement about the impact of number of multifamily units being built and potential changes in the location of units.</p>	<p>Scale of Impact—Small to moderate. Inclusionary zoning has recently been made legal in Oregon. The scale of impact would depend on the inclusionary zoning policies adopted by the city.</p>

Increasing Land Available for Housing		
<p>Re-designate or rezone land for housing</p>	<p>The types of land rezoned for housing are vacant or partially vacant low-density residential and employment land rezoned to multifamily or mixed use. In rezoning land, it is important to choose land in a compatible location, such as land that can be a buffer between an established neighborhood and other denser uses or land adjacent to existing commercial uses. When rezoning employment land, it is best to select land with limited employment capacity (i.e., smaller parcels) in areas where multifamily housing would be compatible (i.e., along transit corridors or in employment centers that would benefit from new housing).</p> <p>This policy change increases opportunity for comparatively affordable multifamily housing and provides opportunities for mixing residential and other compatible uses.</p> <p>Cities across Oregon frequently re-zone and re-designate land to address deficits of land for new housing.</p>	<p>Scale of Impact - Small to large. Scale of impact depends on the amount and location of land rezoned and the densities allowed on the rezoned land.</p>
<p>Encourage multifamily residential development in commercial zones</p>	<p>This tool seeks to encourage denser multifamily housing as part of mixed-use projects in commercial zones. Such policies lower or eliminate barriers to residential development in commercial or mixed-use zones. They include: eliminating requirements for non-residential uses in commercial zones (e.g., requirements for ground floor retail) or requiring minimum residential densities.</p> <p>This policy can increase opportunities for multifamily development on commercial or mixed-use zones or increase the density of that development.</p> <p>Cities across Oregon frequently encourage multifamily housing development in commercial zones, either as stand-alone residential buildings or as mixed-use buildings.</p>	<p>Scale of Impact – Small to moderate. Many cities already encourage multifamily housing in commercial zones. Further encouraging multifamily housing in commercial zones would likely have a small impact, as multifamily housing is allowed in many of the commercial areas where it would be desirable. Unless it is publicly subsidized, mixed-use development generally results in relatively costly housing because ground floor commercial development is relatively expensive.</p>
<p>Transfer or Purchase of Development Rights</p>	<p>This policy is intended to move development from sensitive areas to more appropriate areas. Development rights are transferred to “receiving zones” and can be traded and can increase overall densities. This policy is usually implemented through a subsection of the zoning code and identifies both sending zones (zones where decreased densities are desirable) and receiving zones (zones where increased densities are allowed).</p> <p>Transfer of development rights is done less frequently in Oregon, as cities generally zone land for higher density housing where they would like it to occur. This policy is frequently used by cities outside of Oregon.</p>	<p>Scale of Impact - Small to moderate. Actual impact will depend on the extent to which the policy is used. TDRs may have little impact on overall densities since overall density is not changed; rather it is moved around. TDRs can be used to encourage higher densities in selected areas.</p>

<p>Provide Density Bonuses to Developers</p>	<p>The local government allows developers to build housing at densities higher than are usually allowed by the underlying zoning. Density bonuses are commonly used as a tool to encourage greater housing density in desired areas, provided certain requirements are met. This strategy is generally implemented through provisions of the local zoning code and is allowed in appropriate residential zones.</p> <p>Bonus densities can also be used to encourage development of low-income or workforce affordable housing. An affordable housing bonus would allow for more housing units to be built than allowed by zoning if the proposed project provides a certain number of affordable units.</p> <p>City of Bend offers affordable housing density and height bonuses. Qualifying affordable housing projects are eligible for a 10-foot building height bonus for multifamily housing when affordable housing units are gained and for a density bonus. The density increase is based on the percentage of affordable housing units within the proposed development: if 10% of the units are affordable, the maximum density is 110% of the standard maximum density. The maximum density bonus is 50% above the base density. Qualifying projects must be affordable to households at or below 60% of the AMI for rental housing and at or below 80% of the AMI for ownership housing, and require development agreements and restrictions to ensure continued affordability.</p> <p>Ashland has four different density bonuses, one of which is for development of affordable housing at higher densities and another for energy-efficient housing. Affordable housing projects meeting eligibility requirements (including rental housing affordable to households at or below 60% of AMI or ownership housing affordable to households at or below 80% of AMI for a minimum of 30 years) receive a density bonus of two units for each affordable housing unit provided, up to a maximum of a 35% increase in density.</p> <p>Kirkland Washington offers density bonuses for duplex, triplex, and cottage homes. Cottage homes (limited to 1,500 square feet of floor area) and two- and three-unit homes (up to 1,000 square feet of floor area average per unit) are allowed at double the density of detached dwelling units in the underlying zone.</p>	<p>Scale of Impact – Small to moderate. Cities provide density bonuses on a case-by-case basis, which results in a small and sometimes moderate impact in many cities. Density bonuses can have a greater impact on housing affordability when the bonus increases the number of affordable units developed.</p>
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Increase Housing Types

The following policies focus on ways in which the City can increase the types of housing available in order to increase housing affordability. Policies focus on increasing housing density or the number of residents within existing City lots.

Strategy Name	Description	Scale of Impact
<p>Allow Duplexes, Cottage housing, Townhomes, Row Houses, and Tri- and Quad-Plexes in low density zones</p>	<p>Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types. This approach would be implemented through the local zoning or development codes and would list these housing types as outright allowable uses in appropriate residential zones. These housing types provide additional affordable housing options and allow more residential units than would be achieved by detached homes alone.</p> <p>House Bill 2001 may require cities to allow some of these housing types in single-family zones.</p>	<p>Scale of Impact – Small to moderate. Allowing these types of housing in more zoning districts may provide relatively few number of new, relatively affordable, housing opportunities.</p>
<p>Allow Cottage housing, Tri- and Quad-Plexes Townhomes, Row Houses, Stacked Townhouses, Cottage Courts, Duplex/Townhouse Courts, & Garden Apartments in medium density zones</p>	<p>Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types. This approach would be implemented through the local zoning or development codes and would list these housing types as outright allowable uses in appropriate residential zones. These housing types provide additional affordable housing options and allow more residential units than would be achieved by detached homes alone.</p>	<p>Scale of Impact – Small to Large. Allowing these types of housing in more zoning districts may provide up to a large number of new, relatively affordable, housing opportunities. The scale of impact will depend, in part, on the amount of vacant or redevelopable land in medium density zones, as well as the types of housing newly allowed in the medium density zone.</p>
<p>Allow Stacked Townhouses, Garden Apartments and larger-scale Apartments in high density zones</p>	<p>Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types. This approach would be implemented through the local zoning or development codes and would list these housing types as outright allowable uses in appropriate residential zones. These housing types provide additional affordable housing options and allow more residential units than would be achieved by detached homes alone.</p>	<p>Scale of Impact – Small to Large. Allowing these types of housing in more zoning districts may provide up to a large number of new, relatively affordable, housing opportunities. The scale of impact will depend, in part, on the amount of vacant or redevelopable land in high density zones, as well as the types of housing newly allowed in the high density zone.</p>

Strategy Name	Description	Scale of Impact
Allow Live-Work housing or Mixed-use housing in commercial zones	Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types. This approach would be implemented through the local zoning or development codes and would list these housing types as outright allowable uses in appropriate residential zones. These housing types provide additional affordable housing options and allow more residential units than would be achieved by detached homes alone.	Scale of Impact – Small to Large. Allowing these types of housing in more zoning districts may provide up to a large number of new, relatively affordable, housing opportunities.
Remove barriers to Development of Accessory Dwelling Units (ADUs) in single-family zones	As of July 1, 2018, ORS 197.312 requires cities to allow at least one ADU for each detached single-family dwelling in areas zoned for detached single-family dwellings. Jurisdictions can make development of ADUs more likely by limiting restrictive standards and procedures, such as reducing systems development charges for ADUs, reducing or eliminating parking requirements, or allowing ADUs regardless of where the primary dwelling is owner-occupied.	Scale of Impact - Small. Oregon law recently changed to require cities to allow ADUs.
Allow small or “tiny” homes	“Tiny” homes are typically dwellings that are 500 square feet or smaller. Some tiny houses are as small as 100 to 150 square feet. They include stand-alone units or very small multifamily units. Tiny homes can be sited in a variety of ways: locating them in RV parks (they are similar in many respects to Park Model RVs), tiny home subdivisions, or allowing them as accessory dwelling units. Smaller homes allow for smaller lots, increasing land use efficiency. They provide opportunities for affordable housing, especially for homeowners. Portland and Eugene allow tiny homes as temporary shelter for people experiencing homelessness.	Scale of Impact - Small: Scale of impact depends on regulation of tiny homes, where they are allowed, and market demand for tiny homes.

Lower Development or Operational Costs

The following policies focus on ways in which the City and other entities involved in development can provide financial assistance to lower development or operational costs in a city in order to increase housing affordability and available housing stock.

Strategy Name	Description	Scale of Impact
Programs or policies to lower the cost of development		
Parcel assembly	<p>Parcel assembly involves the city's ability to purchase lands for the purpose of land aggregation or site assembly. It can directly address the issues related to limited multifamily lands being available in appropriate locations (e.g., near arterials and commercial services). Typical goals of parcel assembly programs are: (1) to provide sites for rental apartments in appropriate locations close to services and (2) to reduce the cost of developing multifamily rental units</p> <p>Parcel assembly can lower the cost of multifamily development because the City is able to purchase land in strategic locations over time. Parcel assembly is often associated with development of affordable housing (affordable to households with income below 60% of MFI), where the City partners with nonprofit affordable housing developers.</p> <p>Parcel assembly can be critically important role for cities to kick start quality affordable housing and work force housing projects that can be positive catalysts too for market rate development.</p>	<p>Scale of Impact - Small to large. Parcel assembly is most likely to have an effect on a localized area, providing a few opportunities for new multifamily housing development over time.</p>
Land Banking	<p>Land banks support housing development by reducing or eliminating land cost from development, with the goal of increasing the affordability of housing. They can take several forms. Many are administered by a non-profit or non-governmental entity with a mission of managing a portfolio of properties to support affordable housing development over many years or decades. Ideally, a land bank is set up to manage financial and administrative resources, including strategic property disposal, for the explicit purpose of supporting affordable housing development. Cities can partner with non-profits or sometimes manage their own land banks. Cities may also donate, sell, or lease publicly-owned land for the development of affordable housing even without a formal 'land bank' organization.</p> <p>Land banks are purposed for short-term ownership of lands. Lands acquired are often vacant, blighted, or environmentally-contaminated. Land banks may also acquire lands with title defects or of which derelict structures sit. Lands are eventually transferred to a new owner for reuse and redevelopment.</p>	<p>Scale of Impact - Small to large. A land bank will have the biggest impact on production of low- and moderate-income affordable housing. Considering how difficult it is to build this type of affordable housing and the level of need for affordable housing, a land trust could increase nonprofits' capacity to build affordable housing.</p>

Strategy Name	Description	Scale of Impact
Land Trusts	<p>A land trust is typically a nonprofit organization that owns land and sells or leases the housing on the land to income-qualified buyers. Because the land is not included in the housing price for tenants / buyers, land trusts can achieve below-market pricing. Land trusts are most commonly used as a method for supporting affordable home ownership goals.</p> <p>Land trusts are purposed for long-term stewardship of lands and buildings. Lands / buildings acquired may have need for remediation or redevelopment. Lands / buildings may have also been acquired to preserve affordability, prevent deferred maintenance, or protect against foreclosure</p> <p>Proud Ground (Portland Metro Area) was founded in 1999 and has grown into one of the largest community land trusts in the country. The organization focuses on affordable homeownership and controls ground leases associated with 270 homes in Multnomah, Washington, Clackamas, and Clark County.</p>	<p>Scale of Impact - Small to large. A land trust will have the biggest impact on production of low- and moderate-income affordable housing. Considering how difficult it is to build this type of affordable housing and the level of need for affordable housing, a land trust could increase nonprofits' capacity to build affordable housing.</p>
Public Land Disposition	<p>The public sector sometimes controls land that has been acquired with resources that enable it to dispose of that land for private and/or nonprofit redevelopment. Land acquired with funding sources such as tax increment, EB-5, or through federal resources such as CDBG or HUD Section 108 can be sold or leased at below market rates for various projects to help achieve redevelopment objectives. This increases development feasibility by reducing development costs and gives the public sector leverage to achieve its goals via a development agreement process with the developer. Funding can come from Tax Increment, CDBG/HUD 108, or EB-5.</p> <p>Cities across Oregon use publicly land to support affordable and market-rate of housing development. In some cases, municipalities put surplus public land into land banks or land trusts.</p> <p>Tri-Met is evaluating re-use of construction staging sites for future affordable housing and/or transit-orient development sites.</p> <p>Cottage Grove is working with the school district to discuss and plan for use of surplus school district land for future housing development.</p>	<p>Scale of Impact – Small to moderate. Depends on whether the City has surplus land that would be appropriate for future housing development.</p>

Strategy Name	Description	Scale of Impact
Reduced / Waived Building Permit fee, Planning fees, or SDCs	<p>Programs that reduce various development fees as an incentive to induce qualifying types of development or building features. There are a number of avenues to seek reduced or waived fees. For example, stormwater improvements can be made through the Commercial Stormwater Fee Reduction. There are commonly used tools, often implemented in conjunction with development agreements or other development negotiation processes.</p> <p>City of Portland offers SDC exemptions for affordable housing. Portland's SDC Exemption Program exempts developers of qualifying affordable housing projects from paying SDCs levied by the City of Portland for transportation, water, parks and environmental services. Eligible rental projects must serve households earning at or below 60% of the AMI for a 60-year period. Portland also offers SDC waivers for development of ADUs.</p> <p>City of McMinnville offers SDC exemptions and reduced permit fees for affordable housing. Building and planning permit fees for new or remodel housing construction projects are reduced by 50% for eligible projects and SDCs for transportation, wastewater and parks are exempted at 100%. Reductions/exemptions are prorated for mixed use or mixed-income developments. The property must be utilized for housing for low-income persons for at least 10 years or the SDCs must be paid to the city.</p>	Scale of Impact - Small.
SDC Financing Credits	<p>May help to offset an SDC charge, which is a one-time fee that is issued when there is new development or a change in use.</p> <p>SDC financing enables developers to stretch their SDC payment over time, thereby reducing upfront costs. Alternately, credits allow developers to make necessary improvements to the site in lieu of paying SDCs. Note that the City can control its own SDCs, but often small cities manage them on behalf of other jurisdictions including the County and special districts. SDCs are granted when the project makes lasting improvements, such as improving roads, reducing number of trips, create or improve parks or recreational centers, and permanently removing water services.</p>	Scale of Impact – Small to moderate. The City may consider changes in SDCs to allow financing but the City would want to ensure that the impact should be spread-out and non-negatively impact one entity.
Sole Source SDCs	Retains SDCs paid by developers within a limited geographic area that directly benefits from new development, rather than being available for use city-wide. This enables SDC-eligible improvements within the area that generates those funds to keep them for these improvements. Improvements within smaller areas can enhance the catalytic and redevelopment value of the area. This tool can also be blended with other resources such as LIDs and Urban Renewal (Tax Increment Financing). Funding can come from an SDC fund or general fund. In some cases, there may be no financial impact. The housing can come in the form of student, low-income, or workforce housing.	Scale of Impact – Small to moderate. Depends on how the tool is implemented and whether it is used with other tools, such as LIDs or Urban Renewal.

Strategy Name	Description	Scale of Impact
Fees or Other Dedicated Revenue	<p>Directs user fees into an enterprise fund that provides dedicated revenue to fund specific projects. Examples of those types of funds can include parking revenue funds, stormwater/sewer funds, street funds, etc. The City could also use this program to raise private sector funds for a district parking garage wherein the City could facilitate a program allowing developers to pay fees-in-lieu or “parking credits” that developers would purchase from the City for access “entitlement” into the shared supply. The shared supply could meet initial parking need when the development comes online while also maintaining the flexibility to adjust to parking need over time as elasticity in the demand patterns develop in the district and influences like alternative modes are accounted for. Funding can come from residents, businesses, and developers. Also, these fees or revenues allow for new revenue streams into the City.</p>	
Reimbursement District	<p>A Reimbursement District is a cost sharing mechanism, typically Initiated by a developer. The purpose is to provide a reimbursement method to the developer of an infrastructure improvement, through fees paid by property owners at the time the property benefits from the improvement. A developer applies to create a Reimbursement District by demonstrating benefit to properties beyond their own. In addition, the size of the improvement must be measurably greater than would otherwise be ordinarily required for the improvement</p> <p>Eligible Reimbursement District projects typically include (but are not limited to) construction or connections of a sewer, water, storm water or street improvements. Applications typically include: a fee sufficient to cover the cost of administrative review, a description of the project, properties that would be impacted, and a detailed methodology and calculation of how the estimated costs would be reimbursed by payments from benefitted properties over a specified timeframe. A report from the City Engineer is generated in review of the submitted application. After a public hearing process, the council will approve, reject or modify the proposal. The approval of a Reimbursement District results in a resolution and distribution of notice among benefitted properties before construction can begin.</p> <p>Benefitted properties must pay the Reimbursement Fee when they make a physical connection to the improvement (or in the case of a sewer project, when the benefitted property creates an impervious surface that drains into the public sewer) within the Reimbursement District Area. Reimbursement fees are collected by the City and are distributed to the developer for the duration of the Reimbursement District, which are typically 10-15 years.</p> <p>Paid by benefitted properties at the time the property benefits from the improvement, typically at connection to the sewer, water or storm drain system.</p>	<p>Scale of Impact – Small to moderate.</p>

Strategy Name	Description	Scale of Impact
Linkage Fees	<p>Linkage fees are charges on new development, usually commercial and / or industrial development only, which can be used to fund affordable housing. To implement them, a city must undertake a nexus study that identifies a legal connection between new jobs housed in the developments, the wages those jobs will pay, and the availability of housing affordable to those employees.</p> <ul style="list-style-type: none"> • Can be used for acquisition and rehabilitation of existing affordable units. • Can be used for new construction. 	Scale of Impact – Small to moderate.
Tax abatement programs that decrease operational costs by decreasing property taxes		
Vertical Housing Tax Abatement (Locally Enabled and Managed)	<p>The 2017 Legislature passed legislation moving the administration of Vertical Housing Program from Oregon Housing and Community Services (OHCS) to the local City and County beginning Oct 6th, 2017. OHCS no longer administers this program.</p> <p>The legislation subsidizes "mixed-use" projects to encourage dense development or redevelopment by providing a partial property tax exemption on increased property value for qualified developments. The exemption varies in accordance with the number of residential floors on a mixed-use project with a maximum property tax exemption of 80 percent over 10 years. An additional property tax exemption on the land may be given if some or all of the residential housing is for low-income persons (80 percent of area is median income or below).</p>	Scale of Impact – Small to moderate. The design of the tax abatement program will impact whether and how many developers use the tax abatement, which will affect the scale of the impact.

<p>Multiple-Unit Limited Tax Exemption Program (Locally Enabled and Managed)</p>	<p>Through the multifamily tax exemption, a jurisdiction can incent diverse housing options in urban centers lacking in housing choices or workforce housing units. Through a competitive process, multi-unit projects can receive a property tax exemption for up to ten-years on structural improvements to the property. Though the state enables the program, each City has an opportunity to shape the program to achieve its goals by controlling the geography of where the exemption is available, application process and fees, program requirements, criteria (return on investment, sustainability, inclusion of community space, percentage affordable or workforce housing, etc.), and program cap. The City can select projects on a case-by-case basis through a competitive process.</p> <p>The passing of HB 2377 - Multiunit Rental Housing Tax Exemption allows cities and counties to create a property tax exemption for newly rehabilitated or newly constructed multi-unit rental housing within their boundaries depending on the number of units made available to low-income households, for up to 10 consecutive years. The bill was crafted to strengthen the connection to affordability by requiring cities and counties to establish a schedule in which the number of years an exemption is provided increases directly with the percentage of units rented to households with an annual income at or below 120 percent of MFI, and at monthly rates that are affordable to such households. While not specifically referenced in the measure, ORS 308.701 defines “Multi-unit rental housing” as: “(a) residential property consisting of four or more dwelling units” and; “does not include assisted living facilities.”</p> <p>All new multifamily units that are built or renovated that offer rent below 120% of AMI are potentially eligible for this tax exemption. In a city with an AMI of \$55,000 (common outside of Portland), that's rent of \$1,650 per month or less. The tax exemption is for all taxing districts which is administered by the City. Due to this, smaller jurisdictions may have more trouble managing this program.</p> <p>Local taxing jurisdictions that agree to participate—cities, school districts, counties, etc.</p> <p>The City of Eugene offers a ten-year Multi-Unit Property Tax Exemption (MUPTE) for projects in its eastern downtown core. Eugene’s criteria for granting MUPTE include: Project must provide 5 or more units of housing (not including student housing), development must meet minimum density standards, development must comply with minimum green building requirements, a portion of construction and other contracting requirements must be through local business, the development must provide 30% of the units affordable at 100% of AMI or pay a fee of 10% of the value of the tax abatement toward supporting moderate income housing development, demonstrate that the project would not be financially feasible without the exemption by providing 10-year pro forma with and without MUPTE and comply with other criteria.</p> <p>The City of Salem’s Multi-Unit Housing Tax Incentive Program (MUHTIP) was adopted in 2012 to spur the construction of “transit supportive”10 multi-unit housing in the city’s downtown core. In order to qualify for the exemption, projects must consist of at least</p>	<p>Scale of Impact – Small to moderate. The design of the tax abatement program will impact whether and how many developers use the tax abatement, which will affect the scale of the impact.</p>
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Strategy Name	Description	Scale of Impact
	two dwelling units, be located in the city's "core area," and include at least one public benefit.	
<p>Nonprofit Corporation Low Income Housing Tax Exemption</p> <p>and</p> <p>Low-Income Rental Housing Tax Exemption</p>	<p>Note: These are two separate tax exemptions available under statute (ORS 307.515 to 307.523 / ORS 307.540 to 307.548). They are grouped together for their similarities (but differences are noted).</p> <p>Land and improvement tax exemption used to reduce operating costs for regulated affordable housing affordable at 60% AMI or below. Requires the City to adopt standards and guidelines for applications and enforcement mechanisms.</p> <p>The low-income rental housing program exemption lasts 20 years. The nonprofit corporation low-income housing program must be applied for every year but can continue as long as the property meets the criteria. Rents must reflect the full value of the property tax abatement and City can add additional criteria.</p> <p>There is no requirement that construction must be complete prior to application. Programs both work well in tandem with other incentives, such as land banking.</p>	<p>Scale of Impact – Small to moderate. The exemption reduces operating costs, meaning it is a tool more useful to property owners of affordable housing projects. Developers, who do not own and operate their own projects, may be less inclined to use the program.</p>

¹⁰ City of Salem, "Multi Unit Housing Tax Incentive Program," <https://www.cityofsalem.net/Pages/multi-unit-housing-tax-incentive-program.aspx>.

Funding Sources to Support Residential Development

The following policies focus on ways to pay for the costs of implementing the affordable housing programs and infrastructure development.

Strategy Name	Description	Scale of Impact
Urban Renewal / Tax Increment Finance (TIF)	<p>Tax increment finance revenues are generated by the increase in total assessed value in an urban renewal district from the time the district is first established. As property values increase in the district, the increase in total property taxes (i.e., City, County, school portions) is used to pay off the bonds. When the bonds are paid off, the entire valuation is returned to the general property tax rolls. TIFs defer property tax accumulation by the City and County until the urban renewal district expires or pays off bonds. Over the long term (most districts are established for a period of 20 or more years), the district could produce significant revenues for capital projects. Urban renewal funds can be invested in the form of low-interest loans and/or grants for a variety of capital investments:</p> <ul style="list-style-type: none"> • Redevelopment projects, such as mixed-use or infill housing developments • Economic development strategies, such as capital improvement loans for small or startup businesses which can be linked to family-wage jobs • Streetscape improvements, including new lighting, trees, and sidewalks • Land assembly for public as well as private re-use • Transportation enhancements, including intersection improvements • Historic preservation projects • Parks and open spaces <p>Urban renewal is a commonly used tool to support housing development in cities across Oregon.</p>	<p>Scale of Impact – Moderate to Large. Urban Renewal funding is a flexible tool that allows cities to develop essential infrastructure or provides funding for programs that lower the costs of housing development (such as SDC reductions or low interest loan programs). Portland used Urban Renewal to catalyze redevelopment across the City, including the Pearl District and South Waterfront.</p>

<p>Construction Excise Tax (CET)</p>	<p>Funds land use planning throughout the region by taxing construction permits.</p> <p>CET is a tax assessed on construction permits issued by local cities and counties. The tax is assessed as a percent of the value of the improvements for which a permit is sought, unless the project is exempted from the tax. In 2016, the Oregon Legislature passed Senate Bill 1533 which permits cities to adopt a construction excise tax (CET) on the value of new construction projects to raise funds for affordable housing projects. CETs may be residential only, commercial only, or residential and commercial. If the City were to adopt a CET, the tax would be up to 1% of the permit value on residential construction and an uncapped rate on commercial and industrial construction. The allowed uses for CET funding are defined by the state statute. The City may retain 4% of funds to cover administrative costs. The funds remaining must be allocated as follows, if the City uses a residential CET:</p> <ul style="list-style-type: none"> • 50% must be used for developer incentives (e.g. fee and SDC waivers, tax abatements, etc.) • 35% may be used flexibly for affordable housing programs, as defined by the jurisdiction. • 15% flows to Oregon Housing and Community Services for homeowner programs. <p>If the City implements a CET on commercial or industrial uses, 50% of the funds must be used for allowed developer incentives and the remaining 50% are unrestricted. The rate may exceed 1% if levied on commercial or industrial uses.</p> <p>The City of Portland’s CET went into effect in 2016. It levies a 1% CET on residential, commercial, and industrial development valued at \$100,000 or more, with all revenues going toward affordable housing. The revenues pay for production of housing at or below 60% AMI, developer incentives for inclusionary zoning, along with state homeownership programs.</p> <p>City of Bend adopted a CET of 0.3% on residential, commercial, and industrial development in 2006, with revenues dedicated to loans to fund developments by profit and nonprofit affordable housing developers. The fee has raised \$11 million as of 2016, allowing the City to lend money to fund 615 units. The fund has leveraged \$63 million in state and federal funding and \$14 million in equity.</p> <p>The City of Milwaukie adopted a CET on commercial, residential, and industrial development in November of 2017. The City exempted deed-restricted affordable housing, ADUs, and improvements less than \$100,000 from paying the CET. The adopting ordinance allocates funds as required by state statutes, specifying that flexible funds from the commercial improvements will be used 50% toward housing available to those making up to 120% of MFI, and 50% for economic development programs in areas with sub-area plans (such as Downtown and Riverfront, and the City’s urban renewal areas).</p>	<p>Scale of Impact – Depends on the amount of funding available.</p>
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<p>General Fund and General Obligation (GO) Bonds</p>	<p>Allows funding for a project that is not dependent on revenue from the project to back the bond.</p> <p>City can use general fund monies on hand or can issue bonds backed by the full faith and credit of the city to pay for desired public improvements.</p> <p>Property taxes are increased to pay back the GO bonds.</p> <p>City of Portland passed \$258 million bond for affordable housing in 2016. The goal of the bond is to build or preserve up to 1,300 units in the next five to seven years. The city issued a request for information to solicit interest in acquiring properties or land under the affordable housing bond. The city is looking for opportunities to acquire existing properties of 20 or more units, or vacant land that is appropriately zoned for 20+ housing units, and is looking for both traditional and nontraditional development opportunities.</p>	<p>Scale of Impact – Moderate to large. GO Bonds can be used to develop essential infrastructure or provides funding for programs that lower the costs of housing development (such as SDC reductions or low interest loan programs).</p>
<p>Local Improvement District (LID)</p>	<p>Enables a group of property owners to share the cost of a project or infrastructural improvement.</p> <p>A special assessment district where property owners are assessed a fee to pay for capital improvements, such as streetscape enhancements, underground utilities, or shared open space. For residential property, the estimated assessment cannot exceed the pre-improvement value of the property based on assessor records.</p> <p>An ordinance must be passed through a public hearing process which must be supported by a majority of affected property owners. Part of this process includes an estimation of the improvement costs and the portion of those costs in which property owners will be responsible to pay for. The public hearing process allows for LIDs to be challenged by property owners.</p> <p>The City collects the funds and regardless if the actual cost is greater than the estimated cost (on which the assessment was based), the City may make a deficit assessment for the additional cost, which would be prorated among all benefitted properties. Another public hearing would be held, in the event that an additional assessment were placed property owners (due to underestimation).</p>	<p>Scale of Impact – Depends on the amount of funding available and Bonding capacity.</p>
<p>General Fund Grants or Loans</p>	<p>A city can use general fund or tax increment dollars to directly invest in a specific affordable housing projects. These grants or loans can serve as gap funding to improve development feasibility. There are several options for using general fund grants or loans, including the potential for bonds to generate upfront revenue that is repaid over time, as recently approved in the City of Portland. Another option is to use general fund dollars to contribute to other programs that are successfully operating, such as non-profit land trusts or even other government agencies that have the administrative capacity to maintain compliance requirements over time, using intergovernmental agreements.</p>	<p>Scale of Impact – Depends on the amount of funding available.</p>

<p>Transient Lodging Tax (TLT)</p>	<p>Generates revenue by primarily taxing tourists and guests using temporary lodging services. Taxes for temporary lodging at hotels, motels, campgrounds, and other temporary lodgings. Oregon has a statewide TLT and cities and counties can also charge a local TLT subject to certain limitations. The statutes specify that 70% must be used for tourism promotion or tourism related facilities and 30% is unrestricted in use, and there cannot be a reduction of the total percent of room tax. The state tax is specified at 1.8%; local government tax rates vary as local governments set the rate for their jurisdiction by ordinance. Cities and counties may impose taxes on transient lodging. Alternatively, some cities have an agreement for the county to impose the tax and cities share in a percent of the revenue.</p>	<p>Scale of Impact – Small. The amount of funding from TLT is likely to be relatively small, given that only 30% of TLT funds have unrestricted use.</p>
<p>CDBG</p>	<p>The Community Development Block Grants program is a flexible program that provides annual grants on a formula basis to both local governments and States. Grants are awarded on a 1, 2, or 3-year period. It is required that at least 70% of the CDGB funds are used for activities that benefit low- and moderate- income. Additionally, each activity must address any threats to health or welfare in the community (for which other funding is unavailable). These funds can be used for acquisition and rehabilitation of existing affordable units, as well as new construction that prioritizes community development efforts.</p>	<p>Scale of Impact – Depends on the amount of funding available.</p>

DATE: December 4, 2019
TO: Tualatin Project Advisory Committees
CC: Karen Perl Fox, Steve Koper, and Jonathan Taylor
FROM: Beth Goodman and Sadie DiNatale, ECONorthwest
SUBJECT: FINAL: TUALATIN ECONOMIC DEVELOPMENT STRATEGY

The City of Tualatin contracted ECONorthwest to develop an Economic Opportunities Analysis and an Economic Development Strategy for Tualatin. The Economic Opportunities Analysis (EOA) will determine whether the City of Tualatin has enough land to accommodate twenty years of commercial and industrial job growth. The EOA will provide the basis for an update to the City's Comprehensive Plan Economic Element, as well as development of an action plan to implement the economic development policies (i.e., the Economic Development Strategy).

The EOA uses a planning period of 2020–2040. Tualatin is planning for growth of about 12,800 new jobs within the Tualatin planning area over the twenty-year planning period. The preliminary results of the EOA show that Tualatin has a deficit of land designated for employment in the Commercial and Industrial Comprehensive Plan Designations.

A key objective of the EOA and accompanying Economic Development Strategy is to identify options for changes to the City's Comprehensive Plan and land use regulations needed to address commercial and industrial land needs. This memorandum presents an economic development strategy for Tualatin, based on the results of the EOA and discussions with the Community Advisory Committee (CAC) and Technical Advisory Committee (TAC). The economic development strategy presents a comprehensive package of interrelated policy changes that the CAC recommends the City address.

This Economic Development Strategy focuses on land use tools to ensure there is adequate land planned and zoned to provide opportunities for employment growth on sites with a variety of characteristics (e.g., site sizes, locations, visibility, and other characteristics).

Through the technical analysis of the EOA and input from the CAC and TAC, the City identified four strategic priorities to address issues identified in the EOA. The strategic priorities are: (1) ensuring an adequate supply of land that is available and serviceable; (2) identifying redevelopment opportunities; (3) supporting business retention, growth, and attraction; and (4) ensuring there are connections between planning for economic development and other community planning. Strategic priorities are described in greater detail in the section below.

Appendix A presents the full text of Tualatin's existing Comprehensive Plan policies for commercial and industrial development. Appendix B presents the information about economic development tools commonly used in other cities in Oregon.

Tualatin's Economic Development Strategy

Tualatin's Economic Development Strategy is organized around four broad strategic priorities: (1) ensure an adequate supply of land that is available and serviceable; (2) identify redevelopment opportunities; (3) support business retention, growth, and attraction; and (4) ensure there are connections between planning for economic development and other planning (such as transportation planning, water and wastewater planning, and economic development planning). The broad goal of the Tualatin Economic Development Strategy is to help the City manage the land within the Tualatin planning area to support and manage economic growth while maintaining the character and quality of life in Tualatin and protecting public interests such as health, safety, and municipal revenues.

The Tualatin CAC convened seven times between March 2019 and September 2019. The CAC discussed economic development at the meetings in June, August, and September. The Tualatin TAC met four times between April 2019 and September 2019 and discussed economic development at the June, August, and September meetings (while some meetings included discussions of other topics, as well). The CAC and TAC provided input on the development of the Economic Development Strategy through discussions at meetings and opportunities for input on written documents.

The recommendations from the CAC in this strategy consider key findings from the EOA, such as the following examples. The City has a long-term deficit of commercial and industrial land for growth over the 2020 to 2040 period. This document presents a comprehensive strategy that provides a variety of policies to support business retention, growth, and attraction in Tualatin.

Many of the actions described in the Tualatin Economic Development Strategy will require legislative amendments to the City's Comprehensive Plan and/or Development Code. These actions will be subject to standard notification and hearing procedures. After the economic opportunities analysis is completed, the Planning Commission and City Council will prioritize the actions suggested in this memorandum, along with other actions suggested for Tualatin in 2040. Implementation of high priority actions will begin in 2020, based on City Council direction.

Summary of Actions

The table below summarizes the strategies, actions, and recommendations made by the CAC. The priority shown in the table is based on discussions with the CAC about the actions they view as being in need of prompt attention. Low-priority actions represent actions that the CAC thinks are important but that may be executed later on in the Tualatin 2040 process. At some level, all of the actions in this strategy are a high priority for the CAC.

Strategy, Action, and Recommendations	Priority
Strategy 1: Ensure an adequate supply of land that is available and serviceable.	
Action 1.1. Evaluate opportunities to increase mixed-use development. <ul style="list-style-type: none"> ▪ Recommendation 1.1a: Identify opportunities to rezone industrial or commercial land for mixed-use that includes commercial and residential uses. ▪ Recommendation 1.1b: Evaluate opportunities to develop an employment zone that allows for greater mixture of industrial and commercial uses, limiting retail commercial uses. 	High
Action 1.2. Identify opportunities to make more efficient use of industrial land. <ul style="list-style-type: none"> ▪ Recommendation 1.2a: Prohibit new development that require substantial amounts of land but result in little employment. ▪ Recommendation 1.2b: Evaluate reducing or eliminating the minimum lot size from 20,000 square feet. 	Medium
Action 1.3. Identify opportunities to make more efficient use of commercial land. <ul style="list-style-type: none"> ▪ Recommendation 1.3a: Evaluate reducing or eliminating the minimum lot size from 10,000 square feet in commercial zones and allow additional development standards to determine minimum lot size. ▪ Recommendation 1.3b: Evaluate increasing building height limits in commercial development centers, including for retail development. 	High
Action 1.4. Plan for infrastructure development to support commercial and industrial development. <ul style="list-style-type: none"> ▪ Recommendation 1.4a: Prioritize infrastructure projects, especially transportation projects that are necessary to support employment growth, with the goal of managing and reducing congestion resulting from new growth. ▪ Recommendation 1.4b: Seek support from regional partners for development and improvement of transportation infrastructure that serves employment centers in Tualatin. ▪ Recommendation 1.4c: Identify opportunities to increase transit service between Tualatin and other cities within the Portland region. ▪ Recommendation 1.4d: Identify options to extend transit service within Tualatin to employment centers. 	Low
Action 1.5. Work with landowners ensure land is development-ready and certified as shovel ready by Business Oregon. <ul style="list-style-type: none"> ▪ Recommendation 1.5a: Encourage and assist landowners to get their sites certified through the Business Oregon Certified Shovel Ready program. ▪ Recommendation 1.5b: Continue to work with landowners to ensure that development sites are listed on Business Oregon’s prospector site. 	Low

Strategy, Action, and Recommendations	Priority
<p>Action 1.6. Plan for long-term development in Tualatin through 2040 and beyond.</p> <ul style="list-style-type: none"> ▪ Recommendation 1.6a: Actively work with Metro staff to ensure that Tualatin’s population and employment forecasts are planned for similar growth rates and to coordinate Tualatin’s planning with regional plans. ▪ Recommendation 1.6b: Develop and implement a system to monitor the supply of commercial and industrial land every two years. ▪ Recommendation 1.6c: Reevaluate Tualatin’s economic opportunities and land sufficiency every three years. 	High
Strategy 2: Identify redevelopment opportunities.	
<p>Action 2.1. Identify districts within Tualatin with opportunities for redevelopment for housing and employment uses.</p> <ul style="list-style-type: none"> ▪ Recommendation 2.1a: Initiate a process to identify opportunities for redevelopment of mixed-use districts and initiate an area planning process to guide redevelopment. 	Low
<p>Action 2.2. Revise the Tualatin Town Center Plan to focus on opportunities to support redevelopment.</p> <ul style="list-style-type: none"> ▪ Recommendation 2.2a: Develop a community vision and planning for the Town Center, with a focus on redevelopment to support development of housing and employment uses. ▪ Recommendation 2.2b: Evaluate opportunities to redevelop City-owned properties to create catalytic projects that include a mix of housing and retail and office uses. 	High
<p>Action 2.3. Identify opportunities to redevelop and intensify uses in industrial areas.</p> <ul style="list-style-type: none"> ▪ Recommendation 2.3a: Identify opportunities for industrial redevelopment and work with property owners to support redevelopment, which may require changes to zoning to allow different types of industrial buildings (i.e., vertical buildings) or infrastructure investments to provide additional urban services. 	Medium
<p>Action 2.4. Develop policies to support redevelopment and mixed-use development.</p> <ul style="list-style-type: none"> ▪ Recommendation 2.4a: Evaluate the redevelopment potential of publicly owned properties, such as parking lots. ▪ Recommendation 2.4b: Continue to evaluate establishing new urban renewal districts to support development of commercial, industrial, and residential businesses, especially mixed-use districts. 	High
Strategy 3: Support business retention, growth, and attraction.	
<p>Action 3.1. Revise the Economic Development Strategy, develop a clear vision for economic development, and create an action plan to implement the vision.</p> <ul style="list-style-type: none"> ▪ Recommendation 3.1a: Establish an Economic Development Commission to guide development of the economic development strategy. ▪ Recommendation 3.1b: Develop an action-oriented five-year economic development action plan that includes a community vision. 	Medium
<p>Action 3.2 Support growth of existing businesses in Tualatin.</p> <ul style="list-style-type: none"> ▪ Recommendation 3.2a: Continue to identify opportunities to support existing businesses in Tualatin, through working with partners such as the Tualatin Chamber of Commerce to identify and resolve issues that are barriers to the businesses growing and staying in Tualatin. 	Low
<p>Action 3.3. Support growth of and retain entrepreneurial businesses in Tualatin.</p> <ul style="list-style-type: none"> ▪ Recommendation 3.3a: Continue to identify opportunities to support growth and retention of entrepreneurial businesses in Tualatin. 	High

Strategy, Action, and Recommendations	Priority
<p>Action 3.4. Identify opportunities to attract or grow businesses with pay at or above Tualatin's average wage.</p> <ul style="list-style-type: none"> ▪ Recommendation 3.4a: Identify partnerships and incentive programs to grow, retain, and attract businesses with wages at or above the City's average wage of \$57,300. 	Medium
<p>Action 3.5. Evaluate use of incentives to retain, grow, and attract businesses.</p> <ul style="list-style-type: none"> ▪ Recommendation 3.5a: Evaluate the outcomes the City wants to achieve through offering economic development incentives and the incentives the City could offer. 	Medium
<p>Action 3.6. Ensure that Tualatin has sufficient staff capacity to implement the economic development priorities set by the City Council.</p> <ul style="list-style-type: none"> ▪ Recommendation 3.6a: Council should work with the City Manager, Community Development Director, and Economic Development Manager to determine whether the City will need to add staff to implement the policies in the Economic Development Strategy. ▪ Recommendation 3.6b: City staff should work with City Council members and stakeholders to ensure they understand economic development processes and tools/policies to support economic development. 	Low
Strategy 4: Ensure there are connections between planning for economic development and other community planning.	
<p>Action 4.1. Ensure that updates to the Transportation System Plan coordinate with planning for employment and business growth.</p> <ul style="list-style-type: none"> ▪ Recommendation 4.1a: Evaluate opportunities to decrease dependence on automotive transportation in areas planned for mixed-use and commercial development, such as increased focus on development in walkable and bikeable areas and increases in transit service (amount and frequency of transit, as well as increased destinations for transit). ▪ Recommendation 4.1b: Evaluate opportunities to expand transit and improve transportation connectivity (both capacity and access on I-5 and regional connector roads) for freight and automobiles between Tualatin and other cities within the Portland region. ▪ Recommendation 4.1c: Evaluate opportunities to expand transit and improve transportation connectivity within Tualatin, particularly from the future Southwest Corridor station in Bridgeport to the Tualatin's Town Center and vital services and out to the neighborhoods. ▪ Recommendation 4.1d: Evaluate opportunities for planning transit-oriented development, as transit becomes more available in Tualatin, consistent for redevelopment planning. ▪ Recommendation 4.1e: Develop a bicycle and pedestrian plan for Tualatin to increase these types of connectivity within Tualatin. 	High
<p>Action 4.2. Coordinate planning for economic development planning with housing planning.</p> <ul style="list-style-type: none"> ▪ Recommendation 4.2a: Ensure the City plans for housing that is affordable to people who work at businesses in Tualatin. 	Low
<p>Action 4.3. Develop a design and planning framework for "ten-minute neighborhoods" that include a mixture of uses.</p> <ul style="list-style-type: none"> ▪ Recommendation 4.3a: Develop a framework for mixed-use neighborhoods that include the elements that residents need for day-to-day life. 	Medium
<p>Action 4.4. Identify opportunities to support workforce development.</p> <ul style="list-style-type: none"> ▪ Recommendation 4.4a: Work with businesses and partners in education to ensure there are workforce training opportunities in Tualatin. 	Medium
<p>Action 4.5. Evaluate development of a civic center with a range of uses.</p> <ul style="list-style-type: none"> ▪ Recommendation 4.5a: Evaluate development of a civic center with a range of uses in Tualatin. 	Low

Strategy 1: Ensure an Adequate Supply of Land that is Available and Serviceable

This strategy is about ensuring an adequate land supply, which includes a twenty-year supply and a pipeline of serviced land that is available for immediate development (referred to as a “short-term” supply of employment land). Employment land supply should include sites with a variety of characteristics (e.g., site sizes, locations, visibility, and other characteristics). Efficient use of Tualatin’s employment land is key to ensuring that Tualatin has adequate opportunities to grow from 2020 to 2040, and beyond. In the Portland region, the average size of new development sites for employment is generally between 5 and 15 acres in size.

Issue Statement

Tualatin’s forecast for commercial and industrial employment growth and land demand shows that Tualatin has a deficit of land (74 gross acres) in Industrial Plan Designations and a deficit (175 acres) in Commercial Plan Designations (including retail, office, and other commercial services).

Tualatin is part of the Metro Urban Growth Boundary (UGB) and cannot expand its planning area on its own. Tualatin can, however, increase land use efficiency within its planning area through changing zoning standards (e.g., limiting uses with lower employment density), allowing and encouraging more mixed-use development, and planning for redevelopment (see Strategy 2). This is a common issue and opportunity in Tualatin for both housing and economic development, which provides an opportunity for the City to develop solutions for both.

Tualatin needs land that is vacant but also has urban services that support commercial and industrial development, such as municipal water services, sewer and wastewater services, stormwater management systems, and transportation connections with adequate capacity to accommodate growth. Tualatin can monitor growth to ensure that the City has enough land in the short-term land supply (available for development within one year of application for a building permit) and shovel-ready land (available for development within 180 days of application for a building permit). Tualatin can work with Metro and other regional partners on future expansions of the Metro UGB to accommodate additional employment land development in Tualatin.

Goal

Ensure that sufficient land is designated so that the supply is adequate for commercial and industrial development. Maintain an adequate short-term supply of suitable, shovel-ready commercial and industrial land to respond to economic development opportunities as they arise.

- “Short-term supply” means suitable land that is ready for construction usually within one year of an application for a building permit or request for service extension.

Recommended Actions

Action 1.1: Evaluate opportunities to increase mixed-use development.

Tualatin has a deficit of industrial land (74 gross acres) and commercial land (175 gross acres). In addition, Tualatin has a deficit of residential land in the Medium High Density Residential designation (about 7 gross acres of land) and in the High Density / High-Rise Residential designation (about 4 gross acres of land). One way to address these land deficits is to allow and encourage mixed-use development.

Tualatin can identify additional opportunities for development of commercial and residential mixed-use development (consistent with recommendation Action 1.2 in the Housing Strategy). In identifying opportunities for mixed-use, the City should coordinate planning for new mixed-use areas with Action 5.1 in the Housing Strategy, to identify three to four areas within Tualatin for redevelopment as mixed-use areas (Action 2.1 addresses need for redevelopment). The mixed-use areas could serve multiple purposes in Tualatin; they could function as places to live and/or work, as destinations for residents in other parts of Tualatin, or as recreational experiences for visitors. In addition, feedback from the CAC shows that the community wants rezoning and redevelopment to promote the opportunities for commercial and industrial development, especially mixed-use development.

In addition, Tualatin could develop an employment zone that allows for a greater mixture of industrial and commercial uses, limiting retail commercial uses. Areas for this type of employment zone might include Basalt Creek or the Leveton area. These mixed-use zones should allow for greater density in the form of taller buildings, smaller lot sizes, and other opportunities for increased development capacity.

[Recommendation 1.1a: Identify opportunities to rezone industrial or commercial land for mixed-use that includes commercial and residential uses. The City should exclude industrial sanctuary land \(i.e., land in the Southwest Tualatin Concept Plan area\) from this evaluation, as this land has been identified as regionally significant industrial areas.](#)

[Recommendation 1.1b: Evaluate opportunities to develop an employment zone that allows for greater mixture of industrial and commercial uses, limiting retail commercial uses.](#)

Action 1.2: Identify opportunities to make more efficient use of industrial land.

Tualatin has a deficit of 74 acres of industrial land. One way to make the most efficient use of industrial land in Tualatin is changing the zoning ordinance to focus uses on key target industries and allow for denser development.

The City should consider no longer allowing development of new businesses that require substantial amounts of land but result in little employment and have low employment densities. Such uses include warehouse and distribution, vehicle storage, or self-storage units. Existing businesses of these types should be allowed to continue to operate.

The City should consider reducing or eliminating the minimum lot size from 20,000 square feet, especially in areas that have existing small lots already. These standards may be necessary in regionally significant industrial areas (RSIA).

[Recommendation 1.2a:](#) Prohibit new development that requires substantial amounts of land but results in little employment and has low employment densities, such as warehouse and distribution.

[Recommendation 1.2b:](#) Evaluate reducing or eliminating the minimum lot size from 20,000 square feet, especially in areas that have existing small lots.

Action 1.3: Identify opportunities to make more efficient use of commercial land.

Tualatin has a deficit of 175 acres of commercial land. One way to make the most efficient use of industrial land in Tualatin is by changing the zoning code to make more efficient use of commercial areas. For example, Tualatin could reduce or eliminate the minimum lot size to 10,000 square feet (from the three-acre minimum lot size the Mid-Rise Office Commercial zone). Tualatin could also increase building height limits to allow taller buildings in key commercial development centers (currently most commercial zones allow 35 to 45 feet, with the Mid-Rise Office Commercial zone allowing buildings as tall as 75 feet).

In addition, promoting mixtures of uses (consistent with Action 1.1) that integrate employment and housing can help promote efficient use of land. The large deficit of commercial land, however, will require rezoning land for new commercial uses or redeveloping existing land to allow new commercial uses (consistent with Action 2.1).

[Recommendation 1.3a:](#) Evaluate reducing or eliminating the minimum lot size from 10,000 square feet in commercial zones. Allow additional development standards, such as requirements for parking and circulation or setbacks, to determine minimum lot size.

[Recommendation 1.3b:](#) Evaluate increasing building height limits in commercial development centers, including for retail development.

Action 1.4. Plan for infrastructure development to support commercial and industrial development.

The City already coordinates land use planning with the Capital Improvement Plan to ensure that infrastructure is available to support commercial and industrial development, especially in newly urbanizing areas and areas identified as high priority for development. Some types of infrastructure development, especially transportation and transit infrastructure, have lagged behind growth in Tualatin and in the broader region, resulting in automotive congestion and insufficient transit service, as discussed in Strategy 4 and in Strategy 6 of the Housing Strategy.

[Recommendation 1.4a:](#) Prioritize infrastructure projects, especially transportation projects that are necessary to support employment growth, with the goal of managing and reducing congestion resulting from new growth.

[Recommendation 1.4b](#): Seek regional support for development and improvement of transportation infrastructure by working with Washington County, Metro, adjacent communities, and ODOT, to advocate for and support improvements to key regional transportation facilities that serve employment areas in Tualatin.

[Recommendation 1.4c](#): Identify opportunities to increase transit service between Tualatin and other cities within the Portland region (such as the ongoing planning for the Southwest Corridor) and transit within Tualatin.

[Recommendation 1.4d](#): Identify options to extend transit service to employment centers to expand transportation options for workers in Tualatin, such as a local bus service like Wilsonville's SMART.

Action 1.5: Work with landowners ensure land is development-ready and certified as shovel ready by Business Oregon.

The *Regional Industrial Site Readiness Inventory (2017 update)* identifies large sites (those over 25 buildable acres) and their development-ready status across the Portland Metro Region. The report categorizes sites within the Portland Metro Region based on site size (focusing on sites with 25 or more net buildable acres), development-ready status (based on the status of urban infrastructure provision and brownfield remediation status), and the willingness of the owner to sell or develop the site.

Tier 1 sites are those with at least 25 net buildable acres that are development ready within 180 days (6 months) and have an owner who is willing to sell or develop the site. Tualatin has no Tier 1 sites. There are four sites in Tualatin that qualify for Tier 2 or Tier 3 status, identified as being ready for development between 7 to 30 months (for Tier 2 sites) and more than 30 months (for Tier 3 sites).

In addition, the *Regional Industrial Site Readiness Inventory* also identifies four sites in Tualatin that are smaller than 25 buildable acres. While these smaller sites are not part of the inventory of Tier 1 through Tier 3 sites, they play an important role in providing opportunities for business development in Tualatin. Many of the inquiries to Greater Portland Inc. for development sites for new businesses are for sites smaller than 25 acres.

For areas with existing or planned infrastructure (consistent with Action 1.4), the City can encourage and assist landowners in getting their sites certified as shovel-ready through the Business Oregon Certified Shovel Ready program. A site is shovel-ready if it is specifically zoned for industrial or traded-sector uses, has the infrastructure necessary to support development (or can have it within 180 days), and is available for development within 180 days or less.

Shovel-ready sites and other development sites can be listed on Business Oregon's Oregon Prospector website to market sites to potential developers and businesses. The Oregon Prospector website reports information about site location, size, access to infrastructure, and

other characteristics that developers need to know prior to making locational decisions. There is one site in Tualatin currently listed on Oregon Prospector.

[Recommendation 1.5a:](#) Encourage and assist landowners in getting their sites certified through the Business Oregon Certified Shovel Ready program. The economic developer should work directly with the local landowners on the certification process.

[Recommendation 1.5b:](#) Continue to work with landowners to ensure that development sites are listed on Business Oregon's Oregon Prospector website.

Action 1.6. Plan for long-term development in Tualatin through 2040 and beyond.

The Economic Opportunity Analysis plans for the 2020 to 2040 period. It shows that employment will continue to grow in Tualatin at a substantially faster pace than households over the next twenty years. One of the key issues discussed through the Economic Opportunity Analysis and Housing Needs Analysis is the existing and likely future imbalance of employment and housing, where people who work at businesses in Tualatin have limited opportunities to live in Tualatin.

A key part of long-range planning is working with Metro on regional planning for housing and employment in and around Tualatin. The City would be well-served by having information to share with Metro about new development, the City's planning efforts to provide opportunities for people to work and live in Tualatin, and economic development plans.

[Recommendation 1.6a:](#) Actively work with Metro staff on upcoming Regional Growth Management reports to ensure that Tualatin's population and employment forecasts are planned for similar growth rates and to coordinate Tualatin's planning with regional plans.

[Recommendation 1.6b:](#) Develop and implement a system to monitor the supply of commercial and industrial land every two years. This includes monitoring employment development (through permits) as well as land consumption (e.g., development on vacant or redevelopable lands). The reports resulting from growth monitoring can be used in working with Metro to better understand Tualatin's opportunities for growth and characterize needs for expansion to accommodate employment growth.

[Recommendation 1.6c:](#) Reevaluate Tualatin's economic opportunities and land sufficiency every three years.

Strategy 2: Identify Redevelopment Opportunities

This strategy focuses on actions that are intended to identify redevelopment opportunities in areas where employment growth would be appropriate.

Issue Statement

Tualatin has a deficit of industrial and commercial land that comprises 74 and 175 gross acres, respectively. Some of this deficit could be accommodated through redevelopment of existing areas within Tualatin, where there are opportunities to increase the intensity of land uses. Redevelopment opportunities may also provide opportunities for the development of mixed-use areas that are more walkable, have frequently accessed amenities (e.g., schools, medical facilities, parks, retail, restaurants, and other services), have access to transit, and accommodate new housing, consistent with the actions in Strategy 4.

Redevelopment may require actions from other strategies, such as increasing allowable densities, rezoning, land assembly, tax abatement programs to support employment growth development, and funding support such as urban renewal or local improvement district.

Goal

Redevelop selected areas of Tualatin to create vibrant mixed-use districts that include new employment and housing opportunities.

Recommended Actions

Action 2.1. Identify districts within Tualatin with opportunities for redevelopment for housing and employment uses.

This action is consistent with the Housing Strategy Action 5.1. Tualatin has deficits of land for development of commercial uses, as well as for development of multifamily housing to accommodate new housing in the Medium High Density and High Density / High-Rise Plan Designations.

The City should identify three to four areas within Tualatin for redevelopment into mixed-use areas, with a mixture of higher-density housing and employment uses such as retail, office, and commercial services. For example, some areas that may be appropriate for redevelopment include the Commons, areas near key transit stops, and the area west of 6th Street/east of 90th Street/north of Sagert Street. In selecting areas ripe for redevelopment, the City should consider whether economic conditions support redevelopment, landowner attitudes to redevelopment, and set criteria for selecting redevelopment areas based on considerations such as transportation and transit connections and proximity to existing employment centers.

The City should engage the community in developing a vision for redeveloping the selected areas. The planning to implement this vision could be achieved through a redevelopment plan that shows how the property will be redeveloped into a vibrant area with a mixture of uses, connections with Tualatin's automotive and pedestrian/bicycle transportation networks, and a variety of housing types. The redevelopment plans should include working with landowners to

ensure they are supportive of redevelopment plans, as well as stakeholder and citizen involvement and input into the vision for the district and development of the redevelopment plans.

The City should consider opportunities to support redevelopment, such as use or urban renewal (Action 2.4) to address infrastructure deficiencies, as well as approaches to overcome barriers to redevelopment.

[Recommendation 2.1a: Initiate a process to identify opportunities for redevelopment of mixed-use districts and initiate an area planning process to guide redevelopment.](#)

Action 2.2: Revise the Tualatin Town Center Plan to focus on opportunities to support redevelopment.

The Tualatin Town Center Plan was intended to guide development in Tualatin’s downtown area, which is centered around the Lake of the Commons and includes about 364 acres of land. The existing Town Center Plan was developed in the mid-2000s and was not adopted.

An update of the Town Center Plan could focus on opportunities for redevelopment, including identifying changes to zoning necessary to allow and encourage development of both housing and employment uses. The update should include development of a community vision for the future of Town Center to guide changes to zoning and other policy, as well as City investments in Town Center.

In conjunction with the update to the Tualatin Town Center Plan, the Tualatin Development Commission could act as developer for redevelopment of City-owned properties (such as surface parking lots) to create catalytic projects that include a mix of housing (both market-rate and affordable housing) and retail and office uses.

[Recommendation 2.2a: Develop a community vision and planning for Town Center, with a focus on redevelopment to support development of housing and employment uses.](#)

[Recommendation 2.2b: Evaluate opportunities to redevelop City-owned properties to create catalytic projects that include a mix of housing \(both market-rate and affordable housing\) and retail and office uses.](#)

Action 2.3: Identify opportunities to redevelop and intensify uses in industrial areas.

Redevelopment often focuses on commercial and residential redevelopment. Industrial redevelopment (where industrial land is redeveloped for new industrial uses) is less common in smaller cities like Tualatin because the costs of redevelopment often exceed the value of land for new industrial uses or rents are not high enough to support industrial redevelopment. In the Portland region, however, redevelopment is occurring in industrial areas, possibly as a result of the higher achievable rents and desirability of locations in Portland and other industrial centers.

There may be opportunities for industrial redevelopment for new industrial uses in Tualatin over the twenty-year planning period. These opportunities may include sites with excellent access to I-5 or other regional roads, where redevelopment costs are lower (i.e., brownfield remediation is not required), or at Tigard Sand and Gravel’s gravel mine, once the company is done with mining operations.

[Recommendation 2.3a: Identify opportunities for industrial redevelopment and work with property owners to support redevelopment, which may require changes to zoning to allow different types of industrial buildings \(i.e., vertical buildings\) or infrastructure investments to provide additional urban services. This action is consistent with Action 1.2.](#)

Action 2.4: Develop policies to support redevelopment and mixed-use development.

The costs of redevelopment and of mixed-use development can make these types of development financially infeasible or at least very difficult. Given the deficit of land for commercial and industrial development, Tualatin will need to support redevelopment. Supporting mixed-use development is key to accommodating the need for higher-density multifamily housing and providing opportunities for people to live and work in Tualatin. The City should evaluate opportunities to support redevelopment and mixed-use development within Tualatin. Some examples include:

- Use publicly owned properties, such as parking lots, to assemble land for development of catalytic projects that support additional development and further other community objectives, such as housing affordable to workers with incomes of about \$50,000 (about 60% of the median family income, based on the Housing Needs Analysis) or a business incubator or shared workspace to support growth of small businesses.
- Assist with assembly of land to support redevelopment that includes multiple properties.
- Continue to evaluate establishing new urban renewal districts, consistent with Action 4.2 in the Housing Strategy. For economic development purposes, urban renewal is often used for projects to improve districts (i.e., street beautification or façade programs), providing low-interest loans to businesses (i.e., loans to support expansion of businesses that provide jobs at or above the City average), or infrastructure improvements needed to support commercial or industrial development.

[Recommendation 2.4a: Evaluate the redevelopment potential of publicly owned properties, such as parking lots.](#)

[Recommendation 2.4b: Continue to evaluate establishing new urban renewal districts to support the development of commercial, industrial, and residential businesses, especially mixed-use districts.](#)

Strategy 3: Support Business Retention, Growth, and Attraction

Economic development generally occurs through three broad approaches: retention of existing businesses, growth of existing and small businesses (such as entrepreneurs), and attraction of new businesses from outside of the City. This strategy describes economic development efforts to support growth of economic activity and employment.

Issue Statement

The main focus of economic development is retaining and growing businesses. These businesses both provide employment for people living in Tualatin and the surrounding region and pay property taxes that help balance the City's tax base. Generally speaking, the costs to serve residential lands is often greater than the cost to serve employment lands, because residents use more services (such as schools, police, fire, governance and leadership, infrastructure maintenance, etc.) at a higher rate than employment. As the City works to balance development of housing and employment, the City should consider the long-term fiscal health and sustainability of the City by encouraging continued employment growth while also encouraging additional residential growth to provide opportunities for people to live and work in Tualatin.

This strategy is about actions that support retention and expansion of existing businesses, growth and creation of entrepreneurial businesses, and attraction of new businesses that align with Tualatin's values as a community. The types of businesses the City wants to attract most are non-polluting businesses with wages at or above the Washington County average, focusing on growth of businesses that have sufficient wages for their workers to afford to live and work in Tualatin.

Goal

Support business growth in Tualatin to diversify and expand commercial and industrial development in order to provide employment opportunities with levels of pay that allows workers to live in Tualatin, as well as supporting the City's tax base.

Recommended Actions

Action 3.1: Revise the economic development strategy, develop a clear vision for economic development, and create an action plan to implement the vision.

Tualatin has an existing economic development strategy, last updated in 2014. The City plans to update the Economic Development Strategy, based on the City's new Economic Opportunities Analysis. Discussions with stakeholders suggest it is important that updating the Economic Development Strategy include development of a clear vision for economic development, as the starting place for the Economic Development Strategy. **The vision should identify community aspirations for economic development and the City's role in economic development.**

The revised document should be an action-oriented five-year economic development action plan that includes a community vision for economic growth in Tualatin. The factual basis for the Action Plan is the information gathered about on local and regional economic trends

gathered through the Economic Opportunity Analysis, from policies and objectives established for the Comprehensive Plan (this document) and with feedback and input from stakeholders. The Action Plan would present detailed actions for executing the economic development policies based on the priorities established by the Tualatin City Council.

Development of this strategy could be guided by an Economic Development Committee composed of elected and appointed officials, business owners and managers in Tualatin, people involved in economic development in Tualatin (i.e., the Tualatin Chamber of Commerce) and the Portland region, and residents of Tualatin.

[Recommendation 3.1a: Establish an Economic Development Commission to guide development of the economic development strategy.](#)

[Recommendation 3.1b: Develop an action-oriented five-year economic development action plan that includes a community vision for economic growth in Tualatin.](#)

Action 3.2: Support growth of existing businesses in Tualatin.

Business retention is a key part of successful economic development. Working with partners such as the Tualatin Chamber of Commerce and the Tualatin Commercial Citizen Involvement Organization, the City should continue to reach out to businesses in Tualatin to identify and resolve issues related to growing their business and remaining in Tualatin. Issues that businesses in Tualatin have already identified include difficulties retaining workforce (given potentially long commutes and difficulty in finding qualified workers), increasing concerns about transportation and freight access and congestion, and a lack of incentives to support development. Issues related to transportation (commuting and freight access) are discussed in Action 4.1 and incentives to support development are discussed in Action 3.5. This document does not propose actions related to workforce quality, but this is likely an issue that would be addressed in the Economic Development Action Plan in Action 3.1b.

City staff can also support existing businesses by sharing technical resources, maintaining open communications with local businesspeople, and providing available staff support for economic development projects initiated by the business community.

[Recommendation 3.2a: Continue to identify opportunities to support existing businesses in Tualatin through working with partners such as the Tualatin Chamber of Commerce to identify and resolve issues that are barriers to the businesses growing and staying in Tualatin.](#)

Action 3.3: Support growth of and retain entrepreneurial businesses in Tualatin.

Small businesses, many of which are entrepreneurial, account for the majority of businesses in Tualatin. Businesses with five or fewer employees in Tualatin account for 64% of private employment and businesses with fewer than twenty employees account for 89% of private employment. The City should identify opportunities to support small and entrepreneurial businesses to grow and retain them in Tualatin. Some approaches to this include:

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- Form partnerships with organizations that assist entrepreneurial businesses, such as Tualatin Chamber of Commerce, Tualatin Commercial Citizen Involvement Organization, Westside Economic Alliance, Greater Portland Inc., Business Oregon, and Federal agencies such as the Economic Development Administration. These partnerships can help Tualatin identify resources to assist businesses and find solutions.
 - Identify opportunities to support growth of small businesses and entrepreneurs, such as business incubators or buildings with co-working space for small businesses.
 - Support and encourage home-based businesses and identify barriers in the City's policies to growth of home-based businesses.
 - Support or organize community events that involve local businesses, such as revitalization of the farmer's market or organizing events like Portland's Sunday Parkway.

[Recommendation 3.3a: Continue to identify opportunities to support growth and retention of entrepreneurial businesses in Tualatin.](#)

Action 3.4: Identify opportunities to attract or grow businesses with pay at or above Tualatin's average wage.

Tualatin's average wage was \$57,300 in 2017, compared with the Washington County average of \$70,300 in 2018. One of the areas of significant concern in development of the Economic Opportunities Analysis and Housing Needs Analysis was ensuring that workers in Tualatin can afford to both live and work in Tualatin. A worker earning the average wage in Tualatin can afford rents of about \$1,400 per month, which is above the average multifamily rent of \$1,200 in 2018. Affording the median housing sale price in Tualatin (about \$480,000 as of February 2019) requires a household income between \$120,000 and \$160,000, which will most frequently require a household with two full-time workers.

Attracting businesses that pay wages at or above the City's average wage will require deliberate effort on the City's part, such as developing incentive programs that attract or retain businesses (e.g., low-interest loans, fee waivers, and other incentives). The City will need to work with organizations that support business growth, retention, and attraction, such as Tualatin Chamber of Commerce, Tualatin Commercial Citizen Involvement Organization, Westside Economic Alliance, Greater Portland Inc., Business Oregon, and federal agencies (e.g., the Economic Development Administration). These partnership may include marketing Tualatin to attract new businesses.

Examples of these businesses that often pay above average wages include those identified as target industries in Tualatin's Economic Opportunities Analysis, such as advanced manufacturing, food processing, plastics manufacturing, information technology and analytical systems, and business services.

[Recommendation 3.4a: Identify partnerships and incentive programs to grow, retain, and attract businesses with wages at or above the City's average wage of \\$57,300.](#)

Action 3.5: Evaluate use of incentives to retain, grow, and attract businesses.

Cities often offer incentives to retain, grow, and attract businesses. In addition to having businesses stay in the community, cities use incentives to achieve goals such as attracting higher paying jobs, increasing the diversity of jobs or businesses, attracting businesses that pay high property taxes (such as manufacturers or data centers), or other desirable attributes. In Action 3.4, this memorandum identifies a goal of attracting businesses with higher paying jobs. Through the development of the Economic Development Action Plan (Action 3.1), the City may identify other business attributes or economic development goals it wants to achieve through offering incentives.

The City should evaluate use of incentives to achieve these goals, such as:

- Expedited entitlement and permitting process (e.g., 66-day review process for industrial projects).
- Financial assistance for business expansion or attraction, such as low-interest loans or grants.
- Public/private partnerships to support redevelopment of mixed-use development.
- Assist with assembly of land to support redevelopment that includes multiple properties.
- Property tax exemption, such as the Strategic Investment Program, which grants a fifteen-year property tax exemption for large capital-intensive facilities.
- Systems development charge (SDC) financing opportunities (consistent with Action 3.5 in the Housing Strategy).
- Development of or participation in a business incubator, shared workspace, start-up accelerators, or other forms of business mentoring.
- Work with partners (such as Tualatin Chamber of Commerce, Westside Economic Alliance, Greater Portland Inc., and Business Oregon) to market Tualatin's businesses and their product, across the state, nationally, and internationally.
- Street improvements and beautification.

[Recommendation 3.5a: Evaluate the outcomes the City wants to achieve through offering economic development incentives and the incentives the City could offer. This evaluation should be part of the development of the Economic Development Action Plan in Action 3.1.](#)

Action 3.6. Ensure that Tualatin has sufficient staff capacity to implement the economic development priorities set by the City Council.

The Economic Development Strategy presented in this memorandum, and especially the actions presented in Strategy 2 and Strategy 3, will take substantial staff time to evaluate and implement. The City may need additional staffing to implement the Economic Development Strategy.

Recommendation 3.6a: As the City Council allocates resources toward economic development efforts and sets priorities for implementation of the Economic Development Strategy, the Council should work with the City Manager, Community Development Director, and Economic Development Manager to determine whether the City will need to add staff to implement the policies in the Economic Development Strategy.

Recommendation 3.6b: City staff should work with City Council members and stakeholders to ensure they understand economic development processes and tools/policies to support economic development.

Strategy 4: Ensure there are Connections between Planning for Economic Development and Other Community Planning

This strategy focuses on actions that are intended to ensure coordination between planning for economic development and other community planning, such as housing, transportation planning, or other urban infrastructure planning (such as water or wastewater systems), and natural resources and parks planning.

Issue Statement

Discussions of economic development lead to discussions of transportation issues in Tualatin and a desire to ensure a job-housing balance in Tualatin. Transportation issues include heavy congestion on Tualatin's roadways, including access to I-5, arterial roads connecting Tualatin within the region, and local roadways. In addition, Tualatin is not well served with transit. Tualatin is served with the West Side Express Service (WES) train and two TriMet bus lines. The Max line is expected to extend to Bridgeport Village.

In addition, Tualatin has more employees than residents. Between 2007 and 2017, the population grew by about 0.35% per year, compared with employment growth of 2.9% per year. The forecast for population growth over the next twenty years is substantially lower than employment growth, with a household growth forecast of about 0.4% per year and an employment forecast growth about 1.4% per year. The Housing Needs Analysis shows that Tualatin has opportunities for residential growth beyond the forecast for growth. Success in housing development as a part of redevelopment and mixed-use development (Strategy 2) will further increase the amount of housing that could be developed in Tualatin beyond the forecast for new growth.

Jobs with at least average wages pay enough to live in rental housing in Tualatin. The average wage for employment in Tualatin in 2017 was over \$57,000, which is sufficient to afford a monthly rent of about \$1,425. The average multifamily rent in Tualatin was nearly \$1,200 in 2017. As a result, a person earning around the average wage can afford rent of about \$1,425 and the average multifamily rent in Tualatin.

However, the average sale price for a unit in Tualatin in early 2019 was \$480,000, which would require a wage between \$120,000 and \$160,000 to afford homeownership. None of the industries in Tualatin have an average pay this high, and only one-quarter of households in Tualatin and Washington County have household incomes high enough to afford the average sale price. As a result, people who work in Tualatin can own a newly purchased home in Tualatin if they have substantially higher-than-average wages or if there is more than one worker per household, which is common with an average of 1.4 jobs per household in Tualatin.

Reasons for working in Tualatin and living outside the city likely extend beyond housing affordability. People choose to commute for a variety of reasons: preference for another community, family and friends living in another community, choosing a location that allows the other worker(s) in the household an easier commute, long-term homeownership in another community, and other reasons.

The result of so much commuting is congestion on Tualatin's roads and the region's highways. Planning for new employment growth will require coordination with transportation planning. It will also require coordination with water, waste-water, and storm-water planning. Through this project and the Housing Needs Analysis, it requires coordination with planning for housing and neighborhood growth.

Goal

Ensure that Tualatin develops as a walkable and complete community with a range of amenities that are easily accessible to people who live in Tualatin.

Recommended Actions

Action 4.1. Ensure that updates to the Transportation System Plan coordinate with planning for employment and business growth.

The next update to the Tualatin Transportation System Plan (TSP) should coordinate planning for employment and business growth with transportation planning, providing opportunities for more intensive employment development (or redevelopment) where there is sufficient capacity for automotive and transit capacity. The redevelopment areas (Action 2.1) should be planned for in areas where there is higher capacity for freight access, automotive and transit access, and with connections to pedestrian and bicycle trails.

The update to the TSP should ensure there are additional opportunities to decrease dependence on automotive transportation, such as increased focus on development in walkable and bikeable areas and increases in transit service (amount and frequency of transit, as well as increased destinations for transit). The TSP update should also identify opportunities to address

capacity issues on Tualatin's roads to ease congestion and make traveling by car within Tualatin and to areas outside of Tualatin easier. This action and the recommendations below are consistent with those in the Housing Strategy Action 6.1.

Recommendation 4.1a: Evaluate opportunities to decrease dependence on automotive transportation in areas planned for mixed-use and commercial development, such as increased focus on development in walkable and bikeable areas and increases in transit service (amount and frequency of transit, as well as increased destinations for transit).

Recommendation 4.1b: Evaluate opportunities to expand transit and improve transportation connectivity (both capacity and access on I-5 and regional connector roads) for freight and automobiles between Tualatin and other cities within the Portland region.

Recommendation 4.1c: Evaluate opportunities to expand transit and improve transportation connectivity within Tualatin, particularly from the future Southwest Corridor station in Bridgeport to the Tualatin's Town Center and vital services and out to the neighborhoods.

Recommendation 4.1d: Evaluate opportunities for planning transit-oriented development, as transit becomes more available in Tualatin, consistent for redevelopment planning.

Recommendation 4.1e: Develop a bicycle and pedestrian plan for Tualatin to increase these types of connectivity within Tualatin.

Action 4.2. Coordinate planning for economic development planning with housing planning.

Tualatin has a job-housing imbalance, with more jobs than residents in Tualatin. The other strategies in this memorandum are intended to support development of housing that is affordable to people who work at businesses in Tualatin (the average wage was \$57,300 in 2017), such as Action 3.4. This action and the recommendation below are consistent with those in the Housing Strategy Action 6.2.

Recommendation 4.2a: Ensure the City plans for housing that is affordable to people who work at businesses in Tualatin.

Action 4.3. Develop a design and planning framework for “ten-minute neighborhoods” that include a mixture of uses.

The City should develop a framework for development of mixed-use neighborhoods that results in neighborhoods where residents have easy, convenient access to many of the places and services they use daily without relying heavily on a car. The framework would include the following elements: walkable neighborhoods with access to transit, nearby parks (i.e., within one-quarter mile), neighborhood retail and restaurants, and nearby schools. The neighborhood would have higher concentrations of people and would be complete with the sidewalks, bike lanes, and bus routes that support a variety of transportation options. The design of the neighborhood should integrate design standards that promote public safety. In larger cities, these are referred to as “twenty-minute neighborhoods,” but given Tualatin’s smaller size, the scale might be more like ten-minute neighborhoods. This action and the recommendation below are consistent with those in the Housing Strategy Action 6.2.

[Recommendation 4.3a: Develop a framework for mixed-use neighborhoods that includes the elements that residents need for day-to-day life.](#)

Action 4.4. Identify opportunities to support workforce development.

Ability to attract and retain qualified and trained workers is one of the key barriers to development identified by existing businesses in Tualatin. These partners could include Tualatin High School, Portland Community College, Portland State University, and WorkSource Oregon. The City could play a convening role to work with businesses to understand their workforce training needs, then work with these partners to offer classes in Tualatin to provide this training. This training could be offered in existing facilities (such as at the high school) or in newly built facilities that are part of one or more mixed-use areas.

[Recommendation 4.4a: Work with businesses and partners in education to ensure there are workforce training opportunities in Tualatin, identifying opportunities to integrate workforce training in mixed-use areas.](#)

Action 4.5. Evaluate development of a civic center with a range of uses.

Evaluate development of a civic center with a range of uses, include a performing arts center, convention center, historic museum, welcome center for visitors, and other uses to enhance life and business in Tualatin.

[Recommendation 4.5a: Evaluate development of a civic center with a range of uses in Tualatin.](#)

Appendix A: Tualatin's Existing Comprehensive Plan Policies

Section 4.050 General Growth Objectives.

The following are general objectives used as a guide to formulate the Plan. The objectives are positive statements to describe the Plan's intent to:

- (1) Provide a plan that will accommodate a population range of 22,000 to 29,000 people.
- (2) Cooperate with the Metropolitan Service District to reach regional consensus on population growth projections within the Tualatin area.
- (3) Conform to Metropolitan Service District (Metro) procedures for initiating amendments to the Metro Urban Growth Boundary.
- (4) Provide a plan that will create an environment for the orderly and efficient transition from rural to urban land uses.
- (5) Convert agricultural land only if needed for urban uses.
- (6) Arrange the various land uses so as to minimize land use conflicts and maximize the use of public facilities as growth occurs.
- (7) Prepare a balanced plan meeting, as closely as possible, the specific objectives and assumptions of each individual plan element.
- (8) Define the urban growth boundary.
- (9) Prepare a plan providing a variety of living and working environments.
- (10) Encourage the highest quality physical design for future development.
- (11) Coordinate development plans with regional, state, and federal agencies to assure consistency with statutes, rules, and standards concerning air, noise, water quality, and solid waste. Cooperate with the U.S. Fish and Wildlife Service to minimize adverse impacts to the Tualatin River National Wildlife Refuge from development in adjacent areas of Tualatin.
- (12) Adopt measures protecting life and property from natural hazards such as flooding, high groundwater, weak foundation soils and steep slopes.
- (13) Develop regulations to control sedimentation of creeks and streams caused by erosion during development of property.
- (14) Develop a separate growth program that controls the rate of community growth and is acceptable to the Land Conservation and Development Commission.
- (15) Arrange the various land uses in a manner that is energy efficient.

(16) Encourage energy conservation by arranging land uses in a manner compatible with public transportation objectives.

(17) Maintain for as long a period as possible a physical separation of non-urban land around the City so as to maintain its physical and emotional identity within urban areas of the region.

(18) Fully develop the industrial area located in Washington County west of the City only when adequate transportation facilities are available and the area has been annexed to the City and served with water and sewer services.

(19) Cooperate with Washington County to study the methods available for providing transportation, water and sewer service to the industrial area west of the City, designating this area as a special study area.

(20) Initiate annexation of property within the Urban Growth Boundary planned for residential development only when petitioned to do so by owners of the affected property, including cases involving unincorporated "islands" of property surrounded by land annexed previously.

(21) Territories to be annexed shall be in the Metro Urban Growth Boundary.

(22) Address Metro's Urban Growth Management Functional Plan, Title 13, Nature in Neighborhoods, through the conservation, protection and restoration of fish and wildlife habitat, including Metro's Regionally Significant Fish and Wildlife Habitat, through the Tualatin Basin Natural Resource Coordinating Committee and the Tualatin Basin Program.

(a) Support and implement the elements of the Tualatin Basin Program to:

(i) Develop and adopt local policies and regulations to implement the provisions of the Tualatin Basin Program.

(ii) Adopt low impact development (LID) provisions to reduce environmental impacts of new development and remove barriers to their utilization.

(iii) Coordinate with Clean Water Services (CWS) to implement their Healthy Streams Action Plan and other programs such as their Stormwater Management Plan and Design and Construction Standards.

(iv) Coordinate with CWS, Metro and others to develop and support the funding, voluntary and educational components of the Tualatin Basin Program.

(v) Coordinate with CWS, Metro and others to develop and support the monitoring and adaptive management components of the Tualatin Basin Program.

(b) Continue active participation in the Tualatin Basin Natural Resources Coordinating Committee and the Steering Committee to support and implement the Tualatin Basin Program.

(c) Coordinate with CWS and Metro to update Metro's Regionally Significant Fish and Wildlife Habitat Inventory Map. Changes to the Inventory Map will be on-going as on-site inventories are conducted as part of private and public construction projects.

(d) Support and implement provisions allowing public access to planned public facilities.

Section 6.030 Objectives.

The following are general objectives used to guide the development of this Plan:

- (1) Encourage commercial development.
- (2) Provide increased employment opportunities.
- (3) Provide shopping opportunities for surrounding communities.
- (4) Locate and design commercial areas to minimize traffic congestion and maximize access.
- (5) Continue to utilize specific and enforceable architectural and landscape design standards for commercial development.
- (6) Encourage developers to consider solar access when designing commercial development projects.
- (7) Provide for limited and carefully designed neighborhood commercial centers.
- (8) Provide for the continued development of major medical services facilities in the City of Tualatin, especially at the Meridian Park Hospital site. The Medical Center Planning District shall be applied only to a property, or a group of contiguous properties, of no less than 25 acres and shall have frontage on an arterial as designated in TDC Chapter 11, Tualatin Community Plan.
- (9) To work with the applicable jurisdictions and agencies to develop the Durham Quarry Site and Durham Quarry Area with high quality development. It is appropriate to apply an overlay district on the Durham Quarry Site and Durham Quarry Area to allow mixed commercial/residential uses. It is appropriate to enter into an intergovernmental

agreement with the City of Tigard and Washington County to allow the City of Tualatin to review and decide land use applications and building permit applications for the portion of the Durham Quarry Site in the City of Tigard.

Section 7.030 Objectives.

The following are general objectives used to guide development of the Plan and that should guide implementation of the Plan's recommendations:

- (1) Encourage new industrial development.
- (2) Provide increased local employment opportunity, moving from 12 percent local employment to 25 percent, while at the same time making the City, and in particular the Western Industrial District, a major regional employment center.
- (3) Improve the financial capability of the City, through an increase in the tax base and the use of creative financing tools.
- (4) Preserve and protect, with limited exceptions, the City's existing industrial land.
- (5) Cooperate with Washington County, Metro, and the State of Oregon to study the methods available for providing transportation, water, and sewer services to the Western Industrial District.
- (6) Fully develop the Western Industrial District and the Southwest Tualatin Concept Plan Area (SWCP), providing full transportation, sewer, and water services prior to or as development occurs.
- (7) Improve traffic access to the Western Industrial District and SWCP area from the Interstate 5 freeway and State Highway 99W through regional improvements identified in the 2035 Regional Transportation Plan.
- (8) Cooperate with the Department of Environmental Quality and Metro to meet applicable air quality standards by 1987.
- (9) Construct a north/south major arterial street between Tualatin Road and Tualatin-Sherwood Road and SW Tonquin Road in the 124th Avenue alignment to serve the industrial area.
- (10) Rebuild the Tualatin Road/Pacific Highway intersection to allow for substantially greater traffic flows.
- (11) Provide truck routes for industrial traffic that provide for efficient movement of goods while protecting the quality of residential areas.
- (12) Protect residential, commercial, and sensitive industrial uses from the adverse environmental impacts of industrial use.

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- (13) Protect adjacent land uses from noise impacts by adopting industrial noise standards.
- (14) Continue to protect the Hedges Creek Wetland and Tonquin Scablands from adverse impacts of adjacent development.
- (15) Continue to administer specific and enforceable architectural and landscape design standards for industrial development.
- (16) Encourage industrial firms to use co-generation as a means to utilize waste heat from industrial processes and consider solar access when designing industrial facilities.
- (17) Protect wooded areas identified on the Natural Features Map found in the Technical Memorandum by requiring their preservation in a natural state or by integrating the major trees into the design of the parking lots, buildings, or more formal landscaping areas of an industrial development. If it is necessary to remove a portion or all of the trees, the replacement landscape features shall be subject to approval through the Architectural Review process.

Appendix B: Potential Economic Development Actions

This appendix presents potential economic development actions that cities take to increase economic activities. The purpose of this appendix is to provide information and ideas to Tualatin staff and stakeholders, as they develop economic development policies and actions to implement those policies. This appendix is not intended to be adopted into the Tualatin Comprehensive Plan.

A wide range of economic development policies and actions are available to cities for influencing the level and type of economic development. It is useful to make a distinction between economic development policies, which are typically adopted by ordinance into local comprehensive land use plans, and a local economic development strategy. While policies and economic development strategies should be aiming to achieve the same outcomes, they are not the same thing. The key differences are: (1) economic development strategies are typically presented in the form of a strategic plan that covers a five-year time horizon while policies use the longer 20-year horizon in most comprehensive plans; (2) strategies are more broad reaching and may identify actions that extend outside the capacity of local government while policies focus on land use and infrastructure; and (3) strategies are more agile in the sense that they provide a framework rather than legal guidance.

While many of the actions identified in this appendix could be included either as policies or strategies, the focus is primarily on policies and actions that implement those policies.

Local economic development policy usually has a fundamental goal of supporting businesses that align with a jurisdiction's long-term vision for the community.¹¹ Economic development broadly focuses on three strategies: (1) business recruitment; (2) business retention and expansion (BRE); and (3) innovation and entrepreneurship. Historically, many cities focused on recruitment as their foundational strategy; however, many cities and economic development are rethinking this approach and local governments are increasingly implementing policies that focus on support for entrepreneurs, especially those starting new businesses.¹²

Recent research on the effectiveness of local economic development efforts support this focus on innovation and entrepreneurship to attract new, young businesses. Providing support for institutions and firms where innovation happens allows for businesses to grow and new

¹¹ Based on Leigh and Blakley's definition for sustainable economic development as follows, "Local economic development is achieved when a community's standard of living can be preserved and increased through a process of human and physical development that is based on principles of equity and sustainability. There are three essential elements in this definition, detailed below: First economic development establishes a minimum standard of living for all and increases the standard over time. Second, economic development reduces inequality. Third, economic development promotes and encourages sustainable resource use and production." Leigh, N. and Blakeley, E. *Planning Local Economic Development: Theory and Practice*. 2013.

¹² Kauffman Foundation. "Entrepreneurship's Role in Economic Development." *Entrepreneurship Policy Digest*. June 2014.

businesses to form as industries evolve. Local jurisdictions can specifically provide support for accelerators and incubators, especially those that provide connections between research institutions, established firms, and entrepreneurs. Entrepreneurs are also increasingly mobile with improved access to high-speed internet. Local jurisdictions can promote quality of life and access to amenities as a way to attract these new businesses.¹³ Moreover, every start up is also a BRE opportunity.

Economic development is also about collaboration and identifying partnerships that can make the most of the resources available for economic development activities. Local jurisdictions should focus on their role in economic development, as there are factors that the jurisdiction can and cannot control. As identified in a 2017 University of Oregon report on the “Perceptions and Needs of Economic Development Programs in Oregon,” organizations and jurisdictions involved in economic development activity supported the importance of coordination between entities, but that implementation of coordinating efforts is difficult due to lack of capacity, unbalanced effort, or trust issues.¹⁴ To help overcome these barriers to coordinating economic development efforts, a key component to developing local economic development policies is identifying which policies and actions that the City is well-suited to be a lead partner, and those better suited for a partner organization to lead. It is important to develop policies and actions that identify other organizations as the lead partner. Successful implementation of these policies and actions will depend on an understanding of an organization’s capacity and access to resources.

The focus of the actions listed in this Appendix is primarily on the City’s role: what resources can the City commit to economic development and what roles are most appropriate for the City. Following are foundational assumptions about the City’s role:

- The City plays a limited role in economic and business development.
- The City is one of several organizations that provide and maintain infrastructure.
- The City has limited staff and financial resources that can be invested in appropriate economic development activities.
- The City has an obligation to adopt an economic development strategy, policies to manage employment lands, and maintain a 20-year supply of commercial and industrial sites under Goal 9 and OAR 660-009.
- The City could be an ideal organization to coordinate BRE and entrepreneurship activities or to house staff that are coordinating BRE and entrepreneurship activities.

¹³ Leigh, N. and Blakeley, E. *Planning Local Economic Development: Theory and Practice*. 2013.

¹⁴ University of Oregon, Department of Planning, Public Policy & Management, Community Services Center. “Perceptions and Needs of Economic Development Programs in Oregon.” Final Report. December 2017.

The policy and action examples provided in this appendix are organized by broad policy categories, with cross-references to the factors of production that influence business location and expansion. The factors of production are discussed in detail the EOA document. While it is important to understand how the factors of production influence economic development activity, it is more useful to group policies and actions in broad categories such as, Land Use, Public Facilities, Business Assistance, etc.

The effectiveness of any individual actions or combination of actions depends on local circumstances and desired outcomes. Local strategies should be customized not only to meet locally defined objectives, but also to recognize economic opportunities and limitations (as defined in the Economic Opportunity Analysis). Positive outcomes are not guaranteed: even good programs can result in limited or modest results. It is important to remember that effective economic development requires a long-term view—immediate results are not guaranteed. Thus, maintaining a focus on implementation is essential.

Economic development is a team activity—no single entity can implement all the activities that are necessary for a robust economic development program. Many municipal economic development strategies include actions that rely on other entities to implement. For example, many municipal strategies we have reviewed include strategies and actions around workforce development. Workforce development is not a municipal service, so cities must coordinate with external entities for this function. The main points here are (1) be deliberate about policies / strategies /actions that rely on external partners, and (2) if these are included in the plan, be sure that resources are committed to execute them—understanding that coordination is time-consuming and challenging.

Table B-1 identifies a range of potential economic development strategies that the Tualatin could consider implementing. These strategies range from those closely associated with the basic functions of government (provision of buildable land and public services) to those sometimes viewed as outside the primary functions of government (such as financial incentives and business assistance). The primary action categories in Table B-1 are Land Use, Public Facilities, Business Assistance, Workforce, and Other. As stated above, it is important for Tualatin to identify the policies and actions they are well-suited to lead, and where collaboration with, and leadership from, partner organizations is necessary. Table B-1 also includes suggestions for potential partners and whether Tualatin should take on a lead or support role.

Table B-1. Potential economic development actions

Category/Policy Examples	Description and Examples	Potential Partners	City Lead or Support Role	Relevant Factors of Production
Land Use	Policies regarding the amount and location of available land and allowed uses.			
Provide adequate supply of land	Provide an adequate supply of development sites to accommodate anticipated employment growth with the public and private services, sizes, zoning, and other characteristics needed by firms likely to locate in Tualatin.	County, adjacent cities, State, landowners, and key stakeholders	Lead	Land, infrastructure
Zoning Code	Conduct an audit of the city's zoning code and a review of other development regulations to ensure that the regulations support the goals of economic development	County, if they manage land within the city's planning area but outside of the city limits	Lead	Land, Regulation
Increase the efficiency of the permitting process and simplify city land-use policies	Take actions to reduce costs and time for development permits. Adopt development codes and land use plans that are clear and concise.	County, if they assist with the permitting or building inspection process	Lead	Regulation, taxes, financial incentives
Public Facilities	Policies regarding the level and quality of public and private infrastructure and services.			
Provide adequate infrastructure to support employment growth	Provide adequate public services (i.e. roads, transportation, water, and sewer) and take action to assure adequate private utilities (i.e. electricity and communications) are provided to existing businesses and development sites. One way to pay for adequate infrastructure is through use of urban renewal, shown in the table below.	Public works department, special service districts, utilities, State and Federal partners who may provide grants, developers and landowners	Lead	Local infrastructure, Access to markets, suitable land to serve
Focused public investment	Provide public and private infrastructure to identified development or redevelopment sites.	Public works department, special service districts, utilities, State and Federal partners who may provide grants, developers and landowners	Lead	Regulation, taxes
Communications infrastructure	Actions to provide high-speed communication infrastructure, such as developing a local fiber optic network.	Communication utilities and public works department	Lead/Support	Local infrastructure, Access to markets

Category/Policy Examples	Description and Examples	Potential Partners	City Lead or Support Role	Relevant Factors of Production
Business Assistance	Policies to assist existing businesses and attract new businesses.			
Business retention and growth	Targeted assistance to businesses facing financial difficulty or thinking of moving out of the community. Assistance would vary depending on a given business' problems and could range from business loans to upgrades in infrastructure to assistance in finding a new location within the community.	Chamber of Commerce, Business Oregon, Regional ED Corporation An agent of the City of Tualatin should be direction involved in BRE efforts to highlight the city's issues and provide accountability.	Support	Local infrastructure, Access to markets, Materials, Regulation, Taxes, Financial incentives, Industry clusters
Recruitment and marketing	Establish a program to market the community as a location for business in general, and target relocating firms to diversify and strengthen the local economy. Take steps to provide readily available development sites, an efficient permitting process, well-trained workforce, and perception of high quality of life.	Chamber of Commerce, Business Oregon, Regional ED Corporation	Support	Labor, Land, Local infrastructure, Regulation, Taxes, Industry clusters, Quality of life
Development districts (enterprise zones, renewal districts, etc.)	Establish districts with tax abatements, loans, assist with infrastructure, reduced regulation, or other incentives available to businesses in the district that meet specified criteria and help achieve community goals.	Taxing districts, special districts, and the county Business Oregon can play a secondary role	Lead	Local infrastructure, Regulation, Taxes, Financial incentives, Quality of life
Business clusters	Help develop business clusters through business recruitment and business retention policies. Encourage siting of businesses to provide shared services to the business clusters, businesses that support the prison and hospital and agricultural industry, including retail and commercial services.	Business Oregon, Educational/research institutions Because clusters are regional, regional institutions such as GPI, the Columbia-Willamette Workforce Collaborative, and the Technology Association of Oregon should lead this approach.	Support	Industry clusters, Innovative capacity

Category/Policy Examples	Description and Examples	Potential Partners	City Lead or Support Role	Relevant Factors of Production
Public/private partnerships	Make public land or facilities available, public lease commitment in proposed development, provide parking, and other support services.	Developers, businesses, and landowners	Lead and/or Support	Land, Financial incentives
Financial assistance	Tax abatement, waivers, loans, grants, and financing for firms meeting specified criteria. Can be targeted as desired to support goal such as recruitment, retention, expansion, family-wage jobs, or sustainable industry.	County, special service districts, other taxing districts	Lead	Regulation, Taxes, Financial incentives
Business incubators	Help develop low-cost space for use by new and expanding firms with shared office services, access to equipment, networking opportunities, and business development information. Designate land for live-work opportunities.	Education/research institutions, Chamber of Commerce, Small Business Administration (Federal)	Support	Entrepreneurship, Innovative capacity, Access to markets
Business/start-up accelerators	Provide similar services and opportunities as a business incubator but using a specific timeframe for businesses to meet certain benchmarks. Help connect businesses with funding at the end of the time period of the program to continue product development.	Education/research institutions, Chamber of Commerce, Small Business Administration (Federal), venture capitalists	Support	Entrepreneurship, Innovative capacity, Access to markets
Mentoring and advice	Provide low-cost mentors and advice for local small businesses in the area of management, marketing, accounting, financing, and other business skills.	Chamber of Commerce, local businesses, and other potential mentors	Support	Entrepreneurship, Innovative capacity
Export promotion	Assist businesses in identifying and expanding into new products and export markets; represent local firms at trade shows and missions.	State, Chamber of Commerce, regional economic development partners	Support	Entrepreneurship, Innovative capacity, Access to markets

Category/Policy Examples	Description and Examples	Potential Partners	City Lead or Support Role	Relevant Factors of Production
Workforce				
Policies to improve the quality of the workforce available to local firms.				
Job training	Create opportunities for training in general or implement training programs for specific jobs or specific population groups (i.e. dislocated workers).	School districts, education/research institutions, businesses	Support	Labor
Job access	Provide transit/shuttle service to bring workers to job sites.	Businesses, transit agency	Lead	Labor, Local infrastructure
Jobs/housing balance	Make land available for a variety of low-cost housing types for lower income households, ranging from single-family housing types to multifamily housing.	Developers, landowners, businesses, affordable housing developers, other housing agencies or developers	Support Lead, if urban renewal or other tools are at the City's disposal	Land, Labor, Quality of life
Other				
Regional collaboration	Coordinate economic development efforts with the County, the State, and local jurisdictions, utilities, and agencies so that clear and consistent policies and objectives are developed.	Regional economic development partners, county, nearby cities, Business Oregon	Lead initiation of the coordination, participatory in the coordination process	Innovative capacity
Quality of life	Maintain and enhance quality of life through good schools, cultural programs, recreational opportunities, adequate health care facilities, affordable housing, neighborhood protection, and environmental amenities.	School district, recreational districts, hospitals and medical providers, affordable housing providers, and other stakeholders	Lead on city programs, support on other programs	Local infrastructure, Labor, Land, Quality of life

Source: ECONorthwest.



City of Tualatin

CITY OF TUALATIN Staff Report

TO: Honorable Mayor and Members of the City Council
THROUGH: Sherilyn Lombos, City Manager
FROM: Megan George, Assistant to the City Manager
DATE: July 27, 2020

SUBJECT:
2021 Legislative Agenda for the League of Oregon Cities

RECOMMENDATION:
Staff recommends the City Council direct staff to submit the attached ballot to the League of Oregon Cities indicating the City's top priorities, secondary priorities, and other feedback.

EXECUTIVE SUMMARY:
The League of Oregon Cities (LOC) is soliciting input from cities on their top legislative priorities for the 2021 Legislative Session. Over the last few months, policy committees comprised of city staff and elected officials from across the state met to review issues and develop policy priorities for the upcoming legislative session. The complete list of priorities is included in the attachments. Each city has the opportunity to return a ballot indicating their top four priorities and any additional comments for the LOC Board of Directors to consider in shaping their legislative agenda.

The Executive Team reviewed the list of issues and identified four priorities:

- F. Expedited Siting for Shelter and Affordable Housing
- Q. Mental Health Service Delivery
- R. Municipal Broadband and Municipal Pole Protection
- W. Right-of-way/Franchise Fees Authority Preservation

These issues were selected because they have pressing relevance to the City of Tualatin. Each issue also has local control implications. Staff did not prioritize issues related to COVID-19 recovery or property tax reform because we presumed they would already be a priority for the LOC and other groups. Finally, staff also included a list of secondary priorities related to funding, which include:

- A. Beer and Cider Tax Increase
- K. Local Climate Action Planning Resources
- N. Long Term Transportation Infrastructure Funding
- P. Marijuana Tax Local Rate Limitation Increase

X. State Highway Funds Formula

OUTCOMES OF DECISION:

Tualatin's ballot will be considered along with all other ballots submitted by cities in Oregon by the LOC Intergovernmental Relations team and LOC Board of Directors. The LOC Board of Directors will then adopt a list of priorities to guide their work in the upcoming 2021 legislative session.

ALTERNATIVES TO RECOMMENDATION:

The City Council may direct staff to make changes to the ballot. There are twenty-six issues listed and the opportunity to provide additional comments about the listed issues or other issues that did not make the list.

ATTACHMENTS:

- Tualatin Ballot (Staff's Recommendations)
- 2021 Legislative Priorities

City of: Tualatin

Please mark 4 boxes with an X or check mark that reflects the top 4 issues that your city recommends be added to the priorities for the LOC's 2021 legislative agenda.

Legislation

A. Beer and Cider Tax Increase	2
B. Broadband Infrastructure and Technical Assistance Funding	
C. Building (Reach) Code – Energy Efficiency Local Option	
D. COVID-19 Economic Recovery Investments	✓
E. Digital Equity and Inclusion	
F. Expedited Siting for Shelter and Affordable Housing	1
G. Green Energy/Renewables – Expanded Local Option	
H. Housing and Services Investment	
I. Increased Budgetary Flexibility During Budgetary Emergency	✓
J. Infrastructure Financing and Resilience	
K. Local Climate Action Planning Resources	2
L. Local Energy Generation Project Support	
M. Local Speed Setting Authority	
N. Long Term Transportation Infrastructure Funding	2
O. Low-Income Energy Efficiency and Affordability Programs	
P. Marijuana Tax Local Rate Limitation Increase	2
Q. Mental Health Service Delivery	1
R. Municipal Broadband and Municipal Pole Protection	1
S. New Mobility Services	
T. Photo Enforcement Safety Cameras	
U. Property Tax Reform	✓
V. Reducing Wastewater Impacts from Wipes and Other “Non-Flushables”	
W. Right-of-way/Franchise Fees Authority Preservation	1
X. State Highway Funds Formula	2
Y. Tort Liability Reform	✓
Z. Water Utility Rate and Fund Assistance	✓

In addition to your ranking of the priorities shown above, please use this space to provide us with any comments (supportive or critical) you may have on these issues, or thoughts on issues or potential legislative initiatives that have been overlooked during the committee process.):

✓ Property Tax Reform priorities are a no-brainer and we presume that are a top priority for the LOC.

✓ COVID-19 related priorities are also a no-brainer and should be pursued.

1 = Tualatin's highest priorities. Focus on preserving local control and pressing issues.
 2 = Tualatin has a strong interest but might not be top priority. Focus on funding.



June 5, 2020

Dear Chief Administrative Official:

For the past three months, seven policy committees have been working to identify and propose specific actions as part of the LOC's effort to develop a pro-active legislative agenda for the 2021 session. They have identified legislative objectives as set forth in the enclosed ballot and legislative recommendation materials. These objectives span a variety of issues and differ in the potential resources required to seek their achievement. Therefore, it is desirable to prioritize them in order to ensure that efforts are focused where they are most needed.

While the attached ballot reflects the top policies developed in each of the policy committees, each undertook a broad look at a range of issues impacting cities. Many issues reflect the LOC's ongoing mission to support cities' work and their home rule authority to develop and use a variety of tools to meet the needs of residents. Each city is being asked to review the recommendations of the policy committees and provide input to the LOC Board of Directors as it prepares to adopt the LOC's 2021 legislative agenda. After your city council has had the opportunity to review the proposals and discuss them with your staff, please return the enclosed ballot indicating the top four issues that your city council would like to see the LOC focus on during the 2021 session. **The deadline for response is August 7, 2020.** The board of directors will then review the results of this survey of member cities, along with the recommendations of the policy committees, and determine the LOC's 2021 legislative agenda.

Your city's participation and input will assist the board in creating a focused set of specific legislative targets that reflect the issues of greatest importance to cities. If you have individual questions about the ballot topics do not hesitate to reach out to committee members who serve on the seven policy committees. Thank you for your involvement, and thanks to those among you who gave many hours of time and expertise in developing these proposals.

Do not hesitate to contact me or Jim McCauley, Legislative Director, with additional questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Cully".

Mike Cully
Executive Director

A handwritten signature in blue ink, appearing to read "Jim McCauley".

Jim McCauley
Legislative Director

INSTRUCTIONS

Each city should submit one form that reflects the consensus opinion of its city council on the **top four** legislative priorities for 2021. Here are the ways to submit your ballot. **Ballots in any form must be submitted by August 7, 2020.**

1. Fill out the online survey that has been sent to your city's chief administrative official; or
2. Fill out the attached hard copy form and return it to the LOC at the address or fax number provided below. Simply place an **X or check mark** in the space to the right of the city's top four legislative proposals. The top four do not need to be prioritized.

Return hard copy ballots to:

Jenna Jones
League of Oregon Cities
1201 Court St. NE, Suite 200
Salem, OR 97301
Fax – (503) 399-4863
jjones@orcities.org

Thank you for your participation.

Please mark 4 boxes with an X or check mark that reflects the top 4 issues that your city recommends be added to the priorities for the LOC's 2021 legislative agenda.

City of: _____

Legislation

A. Beer and Cider Tax Increase	
B. Broadband Infrastructure and Technical Assistance Funding	
C. Building (Reach) Code – Energy Efficiency Local Option	
D. COVID-19 Economic Recovery Investments	
E. Digital Equity and Inclusion	
F. Expedited Siting for Shelter and Affordable Housing	
G. Green Energy/Renewables – Expanded Local Option	
H. Housing and Services Investment	
I. Increased Budgetary Flexibility During Budgetary Emergency	
J. Infrastructure Financing and Resilience	
K. Local Climate Action Planning Resources	
L. Local Energy Generation Project Support	
M. Local Speed Setting Authority	
N. Long Term Transportation Infrastructure Funding	
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U. Property Tax Reform	
V. Reducing Wastewater Impacts from Wipes and Other “Non-Flushables”	
W. Right-of-way/Franchise Fees Authority Preservation	
X. State Highway Funds Formula	
Y. Tort Liability Reform	
Z. Water Utility Rate and Fund Assistance	

In addition to your ranking of the priorities shown above, please use this space to provide us with any comments (supportive or critical) you may have on these issues, or thoughts on issues or potential legislative initiatives that have been overlooked during the committee process.):

You are reviewing the hard copy of the ballot. There are hyperlinks in the digital copy that may provide more background information. You can find the digital version with hyperlinks by going to this web address: https://www.orcities.org/download_file/1038/0. It is best opened in Google Chrome.

A. Beer and Cider Tax Increase

Legislation:

The League proposes increasing the state taxes on beer and cider to assist with rising public safety costs, improve public health, reduce alcohol consumption by minors, and provide alcohol tax equity with wine and liquor.

Background:

Oregon's tax has not been increased since 1978 and is currently \$2.60 per barrel which equates to about 8 cents on a gallon of beer. The tax is by volume and not on the sales price, meaning the tax is less than 5 cents on a six-pack. Oregon has the lowest beer tax in the country, and to get to the middle of the states Oregon would need to raise the tax to \$30.00 per barrel or 54 cents per six pack (a more than 10-fold increase). Given recent challenges to the craft brewing industry tied to bar and restaurant closures it may be appropriate to delay or phase-in the increase. Cities are preempted from imposing alcohol taxes. In exchange, cities receive approximately 34% of the state alcohol revenues, but the state takes 50% of beer and wine taxes off the top prior to this distribution. Cities have significant public safety costs related to alcohol consumption, and the beer tax does not come close to covering its fair share of these costs.

Presented by the Finance and Taxation Committee

B. Broadband Infrastructure and Technical Assistance Funding

Legislation:

Seek additional state support and funding for increased broadband infrastructure deployment and technical assistance.

Background:

The deployment of broadband and telecommunications networks and services (public and/or private) throughout Oregon is critical to economic development, education, health and safety and the ability of residents to be linked to their governments. Research shows areas of the state either not served or underserved by competitive broadband technology. A significant barrier to the deployment of broadband infrastructure is funding. Cities need additional funding and support from various sources, including the state and federal government, allocated for increased or new, reliable, low latency broadband infrastructure that reaches speeds of at least 25 Mbps download and 3 Mbps upload or any updated speed standards as adopted by the FCC. Many federal grant programs require localities to have a broadband strategic plan in place before they are eligible for funds. Therefore, there is a need for funding sources to help cities with technical assistance as well as infrastructure.

Presented by the Telecom, Broadband & Cable Committee

C. Building (Reach) Code – Energy Efficiency Local Option

Legislation:

The LOC will pursue/support legislation to allow communities to adopt the Reach Code as the mandatory residential or commercial building code within the city's jurisdictional boundaries. The Reach Code would represent a building energy code that would be at least 10 percent more efficient than the statewide building code. Under this proposal, cities would be able to adopt the more efficient Reach Code or would continue to use the standard statewide building code as the base code.

Background:

Under current state law, cities are preempted from adopting local building codes. Instead, development is subject to statewide codes, including for new residential and commercial development. In 2009, legislation was passed to implement a new, optional code (Reach Code) that would allow developers to exceed statewide codes and streamline the construction of higher-performance buildings through efficiencies gained in the building exterior envelope as well as heating, ventilation, air conditioning, piping insulation and lighting. The Reach Code is optional for builders to use, but a local government can't mandate a builder to use it. This legislative recommendation would allow a city to adopt the Reach Code within their jurisdiction in order to promote additional energy efficiency for new residential and commercial structures. If a city does not wish to adopt the Reach Code, the statewide code would remain in place. The LOC Energy & Environment Committee discussed whether this recommendation would impact housing costs and believes that long-term cost savings may be gained through increased energy efficiency in newly built units. Ultimately, the decision on whether to utilize the standard code or the enhanced (Reach) code would be at the discretion of the city.

Presented by the Energy and Environment Committee

D. COVID-10 Economic Recovery Investments**Legislation:**

The League will advocate for continued economic recovery strategies and investments for small business and workforce assistance in response to the economic impacts of the COVID-19 pandemic.

Background:

The COVID-19 pandemic has had a devastating impact on Oregon's small businesses and workforce. While the federal government and the state have made recent investments to support small business, these resources have yet to meet current needs and more resources will be needed to support long term economic recovery for Oregon's communities. The League will work in coordination with economic development partners to advocate for continued investments to support long-term recovery and economic development.

Presented by the Community Development Committee

E. Digital Equity and Inclusion**Legislation:**

Support legislation and policies that are inclusive and equitable to all, individuals and communities, so that they have the information technology capacity needed for full participation in our society, democracy and economy.

Background:

Connectivity is crucial to modern life. It is being relied on more for how people do business, learn, and receive important services like healthcare. As technology has evolved, the digital divide has become more complex and nuanced. It is no longer about the existence of technology in certain places. Now, the discussion of the digital divide is framed in terms of whether a population has access to hardware, to the Internet, to viable connection speeds and to the skills and training they need to effectively use it. The LOC will partner with schools, healthcare, and other stakeholders to ensure technologies are relevant, available, affordable, and accessible to the diverse populous and communities of Oregon. Additionally, the LOC will advocate for digital literacy programs to help learn these new technologies.

Presented by the Telecom, Broadband & Cable Committee

F. Expedited Siting for Shelter and Affordable Housing

Legislation:

The League will pursue legislation to expedite the siting of emergency shelter and other affordable housing that follows the intent of the 2020 shelter siting bill (HB 4001) but retains more local decision making in the process. The League will pursue this priority in coordination with affordable housing partners and other land use stakeholders.

Background:

The League worked closely with city and county partners during the 2020 session to gain improvements to HB 4001, which sought to preempt all local siting and zoning regulations and the land use appeals process, for approving the siting of emergency shelters for a one-year period. HB 4001 received strong legislative support in 2020. Draft omnibus legislation for a potential future special session has included the text of HB 4001 and the League expects to see HB 4001 reintroduced in the 2021 session.

This priority will empower cities and counties to proactively introduce alternative legislation, similar to existing statute in California, which requires jurisdictions to identify places where shelters can locate instead of mandating that jurisdictions allow shelters to be sited anywhere. The California model requires cities and counties to accommodate their need for emergency shelters on sites where the use is allowed without a conditional use permit and requires cities and counties to treat transitional and supportive housing projects as a residential use of property.

Presented by the Community Development Committee

G. Green Energy/Renewables – Expanded Local Option

Legislation:

The LOC will pursue/support policies that increase local control opportunities for cities that want to establish a community-scale green energy program. This program would be optional for cities that choose to pursue it. Cities who choose to, would be allowed to adopt resolutions that would opt-in residential, commercial, and industrial customers to a voluntary renewable energy option if it is provided by an investor owned utility that serves the city and its electric customers. Under this proposed program, a city would be able to pursue a more aggressive green energy portfolio and would better position cities to meet local climate action goals.

Background:

Under current law, customers of investor-owned utilities can opt-in to voluntary renewable energy options for their customers. These options allow customers to invest in additional green energy generation. In 2019, the state of Utah passed legislation (SB 411) that allows cities and counties to opt-in to programs on a community-scale basis, while still allowing individual customers to opt-out. Under this proposal, any city within the territory of an investor-owned utility, would be able to pursue this option for community-scale renewable energy (net-100% renewable).

Presented by the Energy and Environment Committee

H. Housing and Services Investment

Legislation:

The League will support increased investments for affordable housing, homeless assistance, and related services including funding for: shelter, homeless services, case management, rent assistance, the development and preservation of affordable housing, and permanent supportive housing.

Background:

Cities large and small were facing escalating homelessness rates before the COVID-19 pandemic and the current economic downturn will only increase the number of Oregonians facing eviction or experiencing homelessness. State general fund programs like the Emergency Housing Assistance (EHA) and State Homeless Assistance Program (SHAP) have seen record investments in previous legislative sessions. The legislative emergency board also voted recently to dedicate \$12M in general funds to support rent assistance and safe shelter in response to COVID-19.

Oregon's lack of available housing, high rents and high home prices are causing housing instability and homelessness to increase. The Legislature has made record investments in recent years to fund the LIFT affordable housing program and preserve Oregon's existing affordable housing infrastructure. These programs are funded through general obligation bonds and lottery backed bonds.

Permanent Supportive Housing is a key strategy for ending chronic homelessness that reduces downstream costs to public systems like public safety, emergency health care and corrections. The 2019 Legislature invested over \$50M to stand up a three-pronged permanent supportive housing program that includes 1) development costs to build, 2) rent assistance to keep units deeply affordable, and 3) wrap around services that are key to ensuring residents' long-term stability. The state should continue investing in this model to bring more Permanent Supportive Housing across the state and ensure that the housing developed with the original \$50M continues receive the necessary ongoing funding for rent assistance and supportive services.

Presented by the Community Development Committee

I. Increased Budgetary Flexibility During Budgetary Emergency**Legislation:**

The League proposes relaxing budgetary constraints in state law so that cities may better be able to withstand revenue losses related to natural disasters and public health emergencies. These losses will inevitably force many cities to cut services and lay off staff, the legislature can reduce the effect of losses by increasing flexibility for use of funds during and after a declared emergency.

Background:

Cities anticipate a tremendous loss in revenue due to the COVID-19 pandemic. Reduced revenues already include losses to lodging taxes, gas taxes, park fees, development fees, parking fees, utility charges, and so on. Further out, there is widespread concern that there will be impacts to the real estate market going into 2021, and by extension a reduction in 2021-22 property tax revenues. Cities want maximum flexibility in using funds that are subject to statutory limitations but will negotiate terms on individual funding sources including payback requirements if necessary. This flexibility should apply during and after declared emergencies, including both the current pandemic and future natural disasters.

Presented by the Finance and Taxation Committee

J. Infrastructure Financing and Resilience**Legislation:**

The League will advocate for an increase in the state's investment in key infrastructure funding sources, including, but not limited to, the Special Public Works Fund (SPWF), Brownfield Redevelopment Fund, and Regionally Significant Industrial Site loan program. The advocacy will include seeking an investment and set aside through the SPWF for seismic resilience planning and related infrastructure improvements to make Oregon water and wastewater systems more resilient.

Background:

Cities continue to face the challenge of how to fund infrastructure improvements (both to maintain current and to build new). Increasing state resources in programs that provide access to lower rate loans and grants will assist cities in investing in vital infrastructure. Infrastructure development impacts economic development, housing, and livability. The level of funding for these programs has been inadequate compared to the needs over the last few biennia and the funds are depleting and unsustainable without significant program modifications and reinvestments. This priority will focus on maximizing both the amount of funding and the flexibility of the funds to meet the needs of more cities across the state to ensure long-term infrastructure investment.

Presented by the Community Development Committee

K. Local Climate Action Planning Resources**Legislation:**

The LOC will seek grant funding and technical assistance resources for cities to pursue, adopt or expand local climate action plans. In addition, the LOC will pursue opportunities to work with the Oregon Climate Change Research Institute (through Oregon State University) to provide cities and counties with local/regional data that can better inform the adoption and implementation of climate adaptation and mitigation at the local level.

Background:

According to the Oregon Department of Energy's 2018 Biennial Energy Report (BER), since the early 1990s, major international and U.S. scientific assessments have concluded that both climate change mitigation and adaptation efforts are necessary in response to climate change. The BER goes on to explain that adaptation is often thought of as actions "to prepare for and adjust to new conditions, thereby reducing harm or taking advantage of new opportunities or simply to reduce society's vulnerability to climate change impacts." Local climate action plans, adopted by cities or counties, can help communities better understand how climate change will impact their communities, and can provide localized solutions to help mitigate against the impacts of climate change. The LOC is aware of fourteen cities that have adopted local climate action plans. There are other cities that are interested in doing the same but that do not have the financial and/or staffing resources that are necessary.

Presented by the Energy and Environment Committee

L. Local Energy Generation Project Support**Legislation:**

The LOC will support/pursue funding, technical assistance and other tools that make local energy generation more feasible for cities to pursue.

Background:

Local energy generation projects can better position cities to pursue and achieve local climate action goals, address capacity constraints of existing electric transmission lines, and can help cities respond to individual businesses that may be seeking green energy options. The types of local energy generation projects discussed by the committee include, but are not limited to, small-scale hydropower, in-conduit hydropower, methane capture, biomass and solar. Such projects are not intended to conflict with existing low-carbon power purchase agreements but can position cities to pursue local climate action goals and supplement energy needs through renewable generation. Under this recommendation, the LOC will work to identify barriers and potential solutions to local energy generation and will pursue funding assistance for feasibility studies and project implementation.

Presented by the Energy and Environment Committee

M. Local Speed Setting Authority

Legislation:

Support legislation that provides legislative authority for ODOT to delegate local speed setting authority to Oregon cities that meet state criteria. I Improve safety and speed limit consistency in Oregon cities by establishing a clear delegation process that is consistent with recently adopted statewide speed zone rules. (OAR 734-020-0014, 734-020-0015, and 734-020-0016). This will be permissive legislation allowing cities to opt-in and thus will not be a mandate.

Background:

The state of Oregon and cities across the state are all committed to improving safety on our streets. National and international research has shown that setting appropriate speed limits on city streets is a critical tool for improving safety and saving lives. During the 2020 legislative session, HB 4103 gained widespread support for setting up a collaborative process with ODOT and cities that opt into a process for gaining local speed setting authority. Despite strong support, HB 4103 did not pass due to the legislative clock running out. Going forward, LOC will work with safety advocates and cities and use HB 4103 from the 2020 session as a template for legislation in 2021. Delegated authority should be made available to all cities that meet ODOT's criteria; participation by cities is permissive (not required). Cities should be able to determine speeds that are adequate and safe for their communities, working within the OAR speed zone framework. This will improve safety and make speed setting more consistent across local government jurisdictions.

Presented by the Transportation Committee

N. Long Term Transportation Infrastructure Funding

Legislation:

Support expansion and consideration of revenue-generating options to fund multimodal transportation infrastructure, which includes state and local facilities. Support state and local projects that are part of the Statewide Transportation Improvement Program.

Background:

Oregon has made two significant state-wide transportation investments in the last 15 years. In 2009 the Jobs and Transportation Act (JTA). This was a successful effort from local governments and the business community to invest in maintenance and capacity building projects state-wide. In 2017, HB 2017 established Oregon's first ever comprehensive, multimodal, transportation investment with what is known as "Keep Oregon Moving," which was a \$5.3 billion package. Although HB 2017 will not have its full funding until 2024 LOC and other transportation advocates will need to constantly explore other sources of revenue including a possible future replacement of Oregon's gas tax with a road user charge system. Oregon has been pioneering a vehicle miles traveled (VMT) tax within the MyOReGo pilot program. The program is voluntary and can provide several benefits to users. Ultimately the long-term structure for transportation investment may well take on a similar structure.

Presented by the Transportation Committee, endorsed by the Community Development Committee

O. Low-Income Energy Efficiency and Affordability Programs

Legislation:

The LOC will provide support for programs that seek to expand upon low-income energy and heating assistance programs, including programs targeted to make energy more affordable for rental properties. In addition, the LOC will work to support programs that provide for energy bill payment assistance and expand opportunities for low-income Oregonians to access resources for home weatherization.

Background:

According to Oregon Housing & Community Services, approximately 396,182, or about 25 percent of all households, are considered energy-burdened because of their energy-related expenditures (as of 2018). A household is considered energy burdened if six percent or more of its gross income is consumed by energy-related expenses. In recent years, legislation has been introduced in Oregon that would have provided additional assistance to low-income homeowners and renters that struggle with energy affordability. Unfortunately, legislation did not pass. The need for such assistance has increased as a result of the economic hardships resulting from COVID-19. In addition to bill payment assistance, there is a need for programs that will support low-income home weatherization in order to make energy bills more affordable in the long-term.

Presented by the Energy and Environment Committee

P. Marijuana Tax Local Rate Limitation Increase**Legislation:**

The League proposes increasing the current 3% cap on local marijuana taxes. This would give local voters greater choice in choosing a rate that reflects their needs or their community.

Background:

Retailers licensed by the Oregon Liquor Control Commission (OLCC) are required to charge a state-imposed retail sales tax of 17 percent for all recreational marijuana sold. Cities and counties (unincorporated areas only) may also impose a local retail sales tax of up to 3%, subject to voter approval. Tax rates for recreational marijuana vary widely across the states, but the total Oregon tax burden at a maximum of 20% is the lowest of West Coast states. Washington imposes a 37% state excise tax, but with a state sales tax of 6.5% and local rates of up to 1.9% the total rate can reach over 45%. California has a retail tax of only 15%, but with a state sales tax of 7.5% and local taxes up to 15.25% the total rate can reach up to 37.75%. Oregon consistently ranks among the lowest of the states for marijuana prices. Cities are sensitive to the desire to not push consumers to the black market and will work with the legislature on an increased cap that balances that concern with local revenue needs.

Presented the Finance and Tax Committee

Q. Mental Health Service Delivery**Legislation:**

Support the delivery of mental health services in order to reduce negative police interactions and ensure that those in need receive the help they require.

Background:

The Committee and the LOC membership have prioritized the delivery of mental health services periodically over the last 5 years. Items contained in this priority have included crisis intervention training for police officer, mobile police and social worker teams to proactively work with people in danger of going into crisis, jail diversion, mental health courts and greater access to care. In the immediate past short session, the LOC worked with its coalition partners to obtain \$9 million in additional funding for aid-and-assist, community care and jail diversion but was unsuccessful due to a lack of quorum.

While the measurements are subjective and not in general agreement, most surveys of behavioral health and alcohol and drug addiction service availability place Oregon near or at the bottom of state rankings. As a result, Oregon ranks third in the nation for alcohol related deaths, and above the national average in suicides. Anecdotally, most police chiefs that have participated in LOC conversations on this topic report a growing number of calls for service stemming from people in mental health crisis. The COVID-19 pandemic has exacerbated some of these issues with Portland Police Bureau reporting a 41% increase in suicide related calls (including attempts and threats) over this time last year. This priority would include but not be limited to:

Investment: The stark truth is that Oregon has never financially supported mental health services at a level commensurate with need. More beds and more capacity will allow for greater delivery. The spending plan may be complicated but many advocates bristle at the idea of “mental health reform” when it’s never been funded as a priority. The League does not have a specific number at this time but is in conversation with partners to develop one.

Decimalization of Mental Illness: People suffering from mental illness that interact with the criminal justice system typically spend more time incarcerated and suffer a disruption in treatment. Jail diversion has been something the League has advocated for in previous sessions and but will require changes in law, training and investments.

Workgroups Outcomes: There are currently several workgroups developing behavioral health reform plans that have yet to be completed, much of that work has been interrupted by COVID 19. LOC staff can update the Committee on these their work continues but cannot make recommendations on them now.

Alcohol Availability: The prevalence of cheap and potent alcoholic beverages that are produced and sold for the express purpose of achieving rapid intoxication has been a concern for Oregon Recovers, an advocacy group for those recovering from addiction. OLCC sells several 750 ml bottles for under \$10 and some as low as \$5. Creating a minimum price per international unit of alcohol has had an impact on consumption of cheap, potent beverages in Scotland and is believed to have had an impact on consumption there. Raising the price of low cost but high-volume products would also increase city shared revenue and provide additional funding for behavioral health services.

Mental Health Parity: Oregon and the federal government have enacted statutes to ensure that mental health services are treated as a health issues in a manner identical to physical health by health insurers. The legislative intent behind these laws has not been met as evidence by reports of denied coverage. Ensuring effective parity would increase treatment an access.

Presented by the General Government/Human Resources Committee, endorsed by the Community Development Committee

R. Municipal Broadband and Pole Protection

Legislation:

Oppose legislative efforts to restrict existing municipal authority to provide broadband services, and own and operate poles in the rights-of-way.

Background:

As the public grows more dependent on the Internet for expanding parts of their lives, community choices for gaining access at a reasonable price, for both consumers and producers, are dwindling. Some municipalities choose to become service providers themselves. Municipal broadband is sometimes the only way to bring high speed internet to a community and it can serve as an access point to neighboring communities. Additionally, municipal broadband adds competition to the market and can help lower prices for community members. As there is a push for more connectivity and bridging the digital the divide, the LOC will protect localities rights to be internet service providers for their own communities. Additionally, as more and more small cell and 5G technology is deployed in the rights-of-way, the LOC will protect the right of municipalities to own, operate and regulate attachments that are allowed on their poles.

Presented by the Telecom, Broadband & Cable Committee

S. New Mobility Services

Legislation:

Support for a variety of new mobility services that promote a safe, sustainable, and equitable multimodal transportation system, while preserving local government's authority to regulate services and ensure they best serve the local context.

Background:

Transportation mobility has been rapidly changing over the last few years. The emergence of ridesharing services such as Transportation Network Companies (TNCs) now provide the public with more options to get from point "a" to point "b." New platforms continue to emerge such as scooters, shared bikes, electric delivery tricycles for package delivery and the possibility of future driverless delivery and vehicle fleets. Cities must have the flexibility to address the impacts of emerging technologies on their communities such as increased congestion and air pollution while protecting consumers and maintaining a safe transportation network that recognizes the unique needs of individual communities.

Presented by the Transportation Committee

T. Photo Enforcement Safety Cameras

Legislation:

Support continuation and expansion of fixed speed and red-light cameras and mobile speed radar state-wide to improve public safety in high-crash corridors. Explore changes that enable more streamlined processing of citations. Allow for local governments to form IGA's with other local governments to facilitate the use of safety cameras and mobile radar in their communities.

Background:

The Oregon Transportation Safety Action Plan sets a goal of no deaths or life-changing injuries on Oregon's transportation system by 2035. In 2015, the Oregon Legislature granted the city of Portland the authority to implement a fixed speed safety camera program (HB 2621). Portland's fixed speed camera systems have been operating on "urban high crash corridors" for the past several years. Data collected at these locations shows a distinct change in driver behavior that has reduced the risk of collisions (See PBOT Report). Under existing statutes, photo radar is allowed in the cities of Albany, Beaverton, Bend, Eugene, Gladstone, Medford, Milwaukie, Oregon City, Portland and Tigard. LOC's goal is to bring this authority state-wide providing all cities with the choice of operating speed radar in their communities to improve safety and reduce the risk of high-speed crashes.

Presented by the Transportation Committee

U. Property Tax Reform

Legislation:

The League of Oregon Cities proposes that the Legislature refer a constitutional measure and take statutory action to reform the property tax system as part of the 2021 session. With the passage of the Corporate Activities Tax Oregon has taken a step towards long term financial stability at the state and school district level, but local budgetary challenges persist and the legislature must take action to allow cities and other local governments to adequately fund the services that residents demand.

Background:

The property tax system is broken and in need of repair due to Measures 5 and 50, which are both now over 20 years old. The current system is inequitable to property owners and jurisdictions alike, is often inadequate to allow jurisdictions to provide critical services, removes all local choice, and is incomprehensible to the majority of taxpayers. Local governments and schools rely heavily on property tax revenues to pay for services and capital expenses. Therefore, the League will take a leadership role in forming coalitions to help draft and advocate for

both comprehensive and incremental property tax reform option packages. The League will remain flexible to support all legislation that improves the system, with a focus on a property tax package that includes, but may not be limited to these elements:

- To restore local choice, a system that allows voters to adopt tax levies and establish tax rates outside of current limits and not subject to compression (requires constitutional referral).
- To achieve equity, a system that has taxpayers' relative share tied to the value of their property, rather than the complex and increasingly arbitrary valuation system based on assessed value from Measure 50 (requires constitutional referral).
- To enhance fairness and adequacy, a system that makes various statutory changes, some of which would adjust the impact of the above changes. For example, as a part of comprehensive reform the League supports a new reasonable homestead exemption (percentage of RMV with a cap) but also supports limiting or repealing various property tax exemptions that do not have a reasonable return on investment.

Presented by the Finance and Tax Committee, endorsed by the Community Development Committee

V. Reducing Wastewater Impacts from Wipes and Other “Non-Flushables”

Legislation:

The LOC will work with other stakeholders, including the Oregon Association of Clean Water Agencies address challenges resulting from wipes and other non-flushable items. Legislation pursued will likely focus on requirements for manufacturers to clearly label product packaging to indicate that the product should not be flushed, however, the LOC will additionally explore other viable opportunities to address the public health, environmental and economic challenges resulting from improper disposal of these products.

Background:

In recent years, public wastewater systems have experienced significant increases in sewer line clogs, environmental impacts, infrastructure impacts and costs associated with wipes being flushed down toilets. Most wipes don't break down when flushed, and even wipes that are labeled as “flushable” can clog pipelines and pumps and can cause sewage overflows in residences and the environment. The COVID-19 pandemic has made this challenge even worse due to shortages of toilet paper and increased use of disinfecting wipes. The EPA and other national organizations, as well as statewide and local wastewater agencies, are working to get the message out to avoid costly as well as environmental impacts of wipes in our sewer and treatment systems. In March of 2020, the state of Washington passed legislation requiring manufacturers to label products with a “do not flush” logo if the product does not meet national “flushability” standards (i.e. breaking down in the sewer system).

Presented by the Water/Wastewater Committee

W. Right-of-Way/Franchise Fees Authority Preservation

Legislation:

Oppose legislation that, in any way, preempts local authority to manage public rights-of-way and cities' ability to set the rate of compensation for the use of such rights-of-way.

Background:

In its commitment to the protection of Home Rule and local control, the LOC consistently opposes restrictions on the rights of cities to manage their own affairs. From time to time, in the context of public rights-of-way management authority discussions, legislative proposals to restrict this authority arise. Efforts to restrict local authority often include proposals for a statewide right-of-way access policy and compensation system as well as limiting the ability of cities to charge fees of other government entities. This is contrary to local government management authority; the ability to enter into agreements with users of the right-of-way either by agreement/contract or ordinance; to set terms of right-of-way use and to set the rate of compensation. In recent

years the FCC has passed rulemaking through various orders like the Small Cell Orders (FCC 18-133 and FCC 18-111) and the Cable Franchising Order (FCC 19-80) that erode cities' right-of-way and franchising authority. Local governments around the U.S. are fighting these orders in court. There is a fear that the language of these orders will be codified in state legislatures. This would mean if the orders are overturned in court at the federal level, they will still impact cities in states that have passed laws codifying the orders.

Presented by the Telecom, Broadband & Cable Committee

X. State Highway Funds Formula

Legislation:

Consider opening the state highway fund distribution formula to allow for an additional percentage to cities. Currently the split is 50-30-20 with the State receiving 50%, Counties receiving 30% and the balance going to Cities 20%.

Background:

Oregon has had a distribution formula for the state highway fund for decades. This fund combines the revenues generated from the state's gas tax, weight-mile tax on heavy trucks, licenses, fees, and bond proceeds. Approximately 77 percent of the total revenue collected by Oregon Department of Transportation (ODOT) is from state sources, while only 23 percent comes from federal sources. During the 2017 session base level funding for the least populated counties was established along with a \$5 million-dollar small city fund for cities under 5,000 in population with a maximum award of \$100,000 and no match requirement. LOC will engage with other transportation interests to determine if there is adequate support to advance legislation that would revisit the current 50-30-20 distribution.

Presented by the Transportation Committee

Y. Tort Liability Reform

Legislation:

COVID-19 and existing federal court decisions have added risk exposure to cities in areas where their authority has been limited or have not received adequate support. This priority seeks to ensure that cities are not held liable in these areas.

Background:

CIS has already had a COVID related claim filed against it for a COVID related exposure. While there may be many legitimate reasons for a person to seek damages related to the outbreak, local governments have been hampered by inadequate supplies of PPE, testing capability, direct financial support, and legislative relief.

Additionally, the Boise decision that prevents cities from enforcing no camping rules and ordinances subject cities to additional tort liability. The ruling holds that if a person has no place else to go, a city must allow them to sleep somewhere. While there is a logical basis for the core of the ruling, if a city allows a person to sleep in an area that is not designed for camping, such as a park, the person may seek damages. Please note that recreational users of parks may not seek damages due to Oregon's recreational immunity statute that were corrected in 2017.

Finally, in previous sessions, legislation has been introduced but not passed to require cities to permit shelters in areas where they may not be appropriate and "codify" the Boise decision in state law. This legislation did not include immunity from tort liability while removing city authority.

Presented by the General Government/Human Resources Committee

Z. Water Utility Rate and Fund Assistance

Legislation:

The League will work during the 2021 legislative session to provide water utility funding assistance for ratepayers that are experiencing ongoing or recent economic hardships. In addition, the LOC will work to identify opportunities for additional investments in public infrastructure, including water supply, wastewater treatment, stormwater management, green infrastructure opportunities and resilience for water systems. Finally, the LOC Water & Wastewater Policy Committee has identified a need for additional, targeted grant funding assistance that will benefit smaller communities. This includes additional funding to conduct rate studies, feasibility studies and funding to help communities comply with new regulatory requirements, including the requirement to include a seismic risk assessment and mitigation plan within regular water master plan updates.

Background:

In response to economic impacts associated with the spread of COVID-19, many of Oregon's drinking water and wastewater utility providers have offered additional assistance to ratepayers. The LOC is aware that most water utility providers have temporarily ceased water service shut offs (disconnections) for non-payment or past due bill collection during this period of economic hardship. Impacts associated with residential ratepayer revenue losses and decreased water consumption from businesses that have either closed or limited operations has resulted in revenue losses for many Oregon water utility providers. Some water utilities have outstanding debt from prior infrastructure investments and have expressed concerns that reductions in revenue may impact the ability to make the ongoing debt payments. In addition, the economic hardships that are being experienced by many Oregonians, especially in low-income and minority communities, will be ongoing; highlighting the need for additional ratepayer assistance investments that focuses on equity and our most vulnerable populations.

The LOC will work to identify funding for water utility ratepayer assistance and will work to establish a framework for the distribution of funds and will seek to ensure that this crisis does not exacerbate existing inequities, especially for Black, Indigenous, other Communities of Color and for rural Oregonians.

In addition, while COVID-19 has created unique revenue challenges for water utility providers, a key issue that most cities continue to face is how to fund infrastructure improvements (including maintaining, repairing and replacing existing infrastructure and building new infrastructure to address capacity and regulatory requirements). Increasing resources in programs that provide access to lower-rate loans and infrastructure-specific grants will assist cities in investing in vital infrastructure improvements which will also help bolster economic recovery. Infrastructure development impacts economic development, housing, and livability. The level of funding for these programs has been inadequate compared to the needs over the last few biennia and the funds are depleting and unsustainable without significant program modifications and reinvestments.

The LOC will pursue additional funding through the state's Special Public Works Fund, which provides funding assistance through Business Oregon for a variety of public infrastructure needs and will explore state bonding capacity opportunities for water-specific infrastructure needs. In addition, LOC will pursue funding for small communities that face regulatory and operational challenges. Examples of small-community funding assistance opportunities may include expanded grant opportunities through existing funding programs and additional funding assistance to help communities with regulatory compliance and engage in utility best practices, including rate studies.

Presented by the Water/Wastewater Committee, endorsed by the Community Development Committee

Acknowledgements

Thank you to all that participated in the policy committee process.

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Barbara Bull, Corvallis
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Susie Smith, ACWA
Tracy Rutten, LOC



City of Tualatin

CITY OF TUALATIN
Staff Report

TO: Honorable Mayor and Members of the City Council
THROUGH: Sherilyn Lombos, City Manager
FROM: Nicole Morris, Deputy City Recorder
DATE: July 13, 2020

SUBJECT:

Consideration of Approval of the City Council Regular Meeting Minutes of June 22, 2020 and Work Session and Regular Meeting Minutes of July 13, 2020

RECOMMENDATION:

Staff respectfully recommends the Council adopt the attached minutes.

ATTACHMENTS:

- City Council Regular Meeting Minutes of June 22, 2020
- City Council Work Session Meeting Minutes of July 13, 2020
- City Council Regular Meeting Minutes of July 13, 2020



OFFICIAL MINUTES OF THE TUALATIN CITY COUNCIL MEETING FOR JUNE 22, 2020

Present: Mayor Frank Bubenik, Council President Nancy Grimes, Councilor Bridget Brooks, Councilor Robert Kellogg, Councilor Paul Morrison, Councilor Maria Reyes, Councilor Valerie Pratt

Call to Order

Mayor Bubenik called the meeting to order at 7:04 p.m.

Announcements

1. National Pollinator Week Proclamation

Councilor Brooks read the proclamation declaring June 22-28, 2020 as National Pollinator Week in the City of Tualatin.

2. New Employee Introduction- Human Resource Specialist Benjamin Caracciolo

Human Resource Director Stacy Ruthrauff introduced Human Resource Specialist Benjamin Caracciolo. The Council welcomed him.

3. New Employee Introduction- Police Officer Chris Boyle

Police Chief Bill Steele introduced Police Officer Chris Boyle. The Council welcomed him.

Public Comment

Anthony Stewart, representative of Western Oregon Dispensary, asked the Council to continue to review changes to the development code to allow for expanded spaces for marijuana facilities.

Consent Agenda

Motion to adopt the consent agenda as amended made by Councilor Kellogg, Seconded by Councilor Brooks.

Voting Yea: Mayor Bubenik, Council President Grimes, Councilor Brooks, Councilor Kellogg, Councilor Morrison, Councilor Reyes, Councilor Pratt

MOTION PASSED

1. Consideration of Approval of the Regular Meeting Minutes of June 8, 2020
2. Consideration of Approval of a New Liquor License Application for Lugano Cafe
3. Consideration of **Resolution No. 5499-20** Approving and Authorizing Provision of Workers Compensation Insurance Coverage to Volunteers of the City of Tualatin
4. Consideration of **Resolution No. 5500-20** Awarding a Contract to Redflex Traffic Systems, Inc., to Provide Red Light Photo Enforcement Services and Authorizing the City Manager to Execute a Contract

5. Consideration of **Resolution No. 5502-20** Awarding the Contract for the Boones Ferry Road Improvements, part of the Tualatin Moving Forward Bond Program and the 2020 Pavement Maintenance Program.
6. Consideration of **Resolution No. 5503-20** Authorizing Changes to the FY 2019-2020 Adopted Budget
7. Consideration of **Resolution No. 5504-20** Amending the City of Tualatin Fee Schedule and Rescinding Resolution No. 5478-19

Special Reports

1. Tualatin Valley Fire District Annual Report

Tualatin Valley Fire and Rescue District Chief Deric Weiss presented their annual report. Chief Weiss spoke to the department's response to COVID-19 including logistics, operations, and communications. They created a COVID-19 Task Force whose role is to make sure the department is equipped and have proper training. Chief Weiss stated their current Personal Protection Equipment (PPE) supply is adequate for response. He noted the department transitioned to reusable PPE early on that can be decontaminated and reused. Chief Weiss stated the department has been communicating with the public via social media. He stated they developed a COVID-19 Operations Task Force that evaluates ongoing changes in the state so the department can react appropriately. Chief Weiss stated they also created an Economic Forecast Committee that is looking at the impacts to the organization due to the pandemic and come up with a plan to help them remain fiscally stable.

Chief Weiss stated the new Logistics Facility Center on Avery Street in Tualatin is now open. He added that Station 39 on McEwan Road will have an open house sometime in the future.

Chief Weiss spoke to firework safety and encouraged citizens to be safe and follow the rules.

Councilor Morrison asked for clarification on timeline for opening their community rooms. Chief Weiss stated a timeline hasn't been put in place for opening.

Public Hearings - Legislative or Other

1. Consideration of **Resolution No. 5506-20** Adopting the City of Tualatin Budget for the Fiscal Year Commencing July 1, 2020, Making Appropriations, Levying Ad-Valorem Taxes, and Categorizing the Levies

Finance Director Don Hudson presented the Fiscal Year 2020-21 budget. He stated the Tualatin Budget Committee approved the budget on May 20, 2020. Director Hudson stated this year's total budget is \$134,022,565 as approved by the committee and includes amendments for the Council's consideration. He stated the City's tax rate is \$2.2665 per \$1,000 of taxable assessed value. In addition he requested \$2,923,950 be levied for bonded debt. Director Hudson stated city staff take pride in providing quality services to the community in a fiscally prudent manner. He stated the budget includes the city's approach to COVID-19 and maintains a positive fiscal health position. Director Hudson stated revenues and expenditures were reviewed and impacts of the pandemic were considered through September 2020. He noted \$500,000 was set aside in reserves to help offset any additional impacts that were not factored.

Director Hudson stated since the committee approved the budget in May staff has made the decision to reduce services for summer recreation programs and events which led to decreases in the proposed budget lines. He added the decision was made to not hire summer park rangers from the Police Department budget. Director Hudson stated staff is also proposing changes in the Park Development Fund and the General Fund. He stated the approved budget includes renovation of the Tualatin Commons Fountain. It was noted design work was completed in the current fiscal year so the capital outlay budget in the Park Development Fund is being reduced by \$28,000 and the transfers between the General Fund and the Park Development Fund are also being reduced by the same amount. Director Hudson stated changes in the General Fund are carryovers in the Library budget of \$2,000 for expenditures related to a grant for census promotion and \$55,000 in Maintenance Services for a maintenance vehicle that will not be received until after July 1st. He added changes are also included in the Non-Departmental budget for Worker's Compensation insurance in the amount of \$6,730 and cyber security insurance for \$10,400.

COUNCIL QUESTION

Councilor Morrison asked if the Road Utility Fee Fund in the proposed budget is reflected in tonight's resolution. Director Hudson stated the fees in the proposed resolution are built into the budget.

Councilor Pratt asked why the Park Rangers were eliminated from the budget this year. Chief Steele stated the decision was made based on the uncertainty in the parks during the pandemic. He stated the department has rotated the School Resource Officers into these positions since summer programs were canceled.

PUBLIC COMMENT

None.

Motion to adopt Resolution No. 5506-20 adopting the City of Tualatin budget for the fiscal year commencing July 1, 2020, making appropriations, levying ad-valorem taxes, and categorizing the levies made by Councilor Kellogg, Seconded by Councilor Pratt.

Voting Yea: Mayor Bubenik, Council President Grimes, Councilor Brooks, Councilor Kellogg, Councilor Morrison, Councilor Reyes, Councilor Pratt

MOTION PASSED

Public Hearings - *Quasi-Judicial*

1. Consideration of **Ordinance No. 1439-20** Annexing Territory at 10835 SW Tualatin Road, Tax ID 2S115DD00800, into the City of Tualatin; and Withdrawing the Territory From the Washington County Enhanced Sheriff Patrol District (File No. Ann 20-0002)

Mayor Bubenik opened the hearing for consideration of annexation of territory at 10835 SW Tualatin Road, Tax ID 2S115DD00800. He read the rules of the hearing in accordance with ORS 197.763(5) and (6) and ORS 197.796(3)(b).

Assistant City Planner Tabitha Boschetti presented the application for annexation at 10835 SW Tualatin Road. She stated the request is to annex into the city with a designation of low density residential. Planner Boschetti stated there is no planned development at this time. She stated all applicable criteria have been met for annexation. Planner Boschetti stated staff recommends approval of the annexation.

The applicants spoke in support of their application. They stated they plan to build a single family home in the future.

COUNCIL DISCUSSION

Council President Grimes asked how this piece of property was excluded from the city when it is surrounded by city property. She asked if the overgrown foliage on the property would be dealt with in a timely manner. Planner Boschetti stated the property wasn't in the city limits since property owners have the option to annex at any time. The applicant stated they are currently working on cleaning up the property.

PUBLIC COMMENT

Veronica Williams stated as a neighbor she is thrilled that someone has purchased the property who has proper plans for the location.

Motion for first reading by title only made by Councilor Brooks, Seconded by Council President Grimes.

Voting Yea: Mayor Bubenik, Council President Grimes, Councilor Brooks, Councilor Kellogg, Councilor Morrison, Councilor Reyes, Councilor Pratt

MOTION PASSED

Motion for second reading by title only made by Council President Grimes, Seconded by Councilor Brooks.

Voting Yea: Mayor Bubenik, Council President Grimes, Councilor Brooks, Councilor Kellogg, Councilor Morrison, Councilor Reyes, Councilor Pratt

MOTION PASSED

Motion to adopt Ordinance No. 1439-20 annexing territory at 10835 SW Tualatin Road, Tax ID 2S115DD00800, into the City of Tualatin; and withdrawing the territory from the Washington County Enhanced Sheriff Patrol District (File No. Ann 20-0002) made by Councilor Brooks, Seconded by Council President Grimes.

Voting Yea: Mayor Bubenik, Council President Grimes, Councilor Brooks, Councilor Kellogg, Councilor Morrison, Councilor Reyes, Councilor Pratt

MOTION PASSED

General Business

1. Consideration of **Ordinance No. 1438-20** Establishing the Mixed Use Commercial (MUC) Zoning District; Deleting the Mixed Use Commercial Overlay District; and Amending Plan Map 9-1 to Implement PTA 20-0001 and PMA 20-0001

Motion for first reading by title only made by Councilor Brooks, Seconded by Councilor Kellogg.

Voting Yea: Mayor Bubenik, Council President Grimes, Councilor Brooks, Councilor Kellogg, Councilor Morrison, Councilor Reyes, Councilor Pratt

MOTION PASSED

Motion for second reading by title only made by Council President Grimes, Seconded by Councilor Brooks.

Voting Yea: Mayor Bubenik, Council President Grimes, Councilor Brooks, Councilor Kellogg, Councilor Morrison, Councilor Reyes, Councilor Pratt
MOTION PASSED

Motion to adopt Ordinance No. 1438-20 establishing the Mixed Use Commercial (MUC) Zoning District; deleting the Mixed Use Commercial Overlay District; and amending Plan Map 9-1 to implement PTA 20-0001 and PMA 20-0001 made by Councilor Brooks, Seconded by Council President Grimes.

Voting Yea: Mayor Bubenik, Council President Grimes, Councilor Brooks, Councilor Kellogg, Councilor Morrison, Councilor Reyes, Councilor Pratt
MOTION PASSED

2. Consideration of **Ordinance No. 1440-20** Authorizing the City to Enter into a Short Form Franchise Agreement with Portland General Electric (PGE)

Public Works Director Jeff Fuchs and Management Analyst Nic Westendorf presented the short form franchise agreement with PGE. Analyst Westendorf shared the history of the franchise agreement with PGE. He stated the current PGE franchise expired at the end of 2019. Analyst Westendorf stated PGE has requested a short-form franchise agreement to supplement the ROW ordinance for flexibility. He explained PGE has opted to use a short-form franchise agreement as the agreement is focused on partnership and responsiveness. Analyst Westendorf stated the agreement supplements the Tualatin Municipal Code and provides a practical approach to the unique partnership with PGE for their services. The proposed agreement is for five years and creates a programmatic permit to expedite work in Tualatin and allows PGE to work in the ROW without a permit for each occurrence. Analyst Westendorf noted the gross revenue is staying the same and now includes revenue from pole attachment leases. He stated staff recommends approval of the ordinance.

COUNCIL QUESTIONS

Councilor Brooks stated she is happy to see the expedited processes put in place.

Mayor Bubenik stated he received great feedback from PGE on the streamlined permitting process.

Motion for first reading by title only made by Council President Grimes, Seconded by Councilor Morrison.

Voting Yea: Mayor Bubenik, Council President Grimes, Councilor Brooks, Councilor Kellogg, Councilor Morrison, Councilor Reyes, Councilor Pratt

MOTION PASSED

Motion for second reading by title only made by Council President Grimes, Seconded by Councilor Morrison.

Voting Yea: Mayor Bubenik, Council President Grimes, Councilor Brooks, Councilor Kellogg, Councilor Morrison, Councilor Reyes, Councilor Pratt

MOTION PASSED

Motion to adopt Ordinance No. 1440-20 authorizing the City to enter into a Short Form Franchise Agreement with Portland General Electric (PGE) made by Council President Grimes, Seconded by Councilor Morrison.

Voting Yea: Mayor Bubenik, Council President Grimes, Councilor Brooks, Councilor Kellogg, Councilor Morrison, Councilor Reyes, Councilor Pratt
MOTION PASSED

Items Removed from Consent Agenda

1. Consideration of **Resolution No. 5501-20** Authorizing Personnel Services Updates for Non-Represented Employees for FY 2020-2021

Councilor Morrison stated he does not feel the proposed 1.5% COLA is fair or equitable for this group. He recommended a 2% COLA increase.

Council President Grimes stated the City Manager was very specific about compression problems if we give a higher rate to this group.

Councilor Pratt recommend a 1.75% rate as a compromise.

Councilor Morrison stated he would like to see appropriate steps taken now to stay competitive with other cities.

Councilor Brooks stated she would like to stick with the proposed rate and not overspend and have to lay off staff potentially in the future.

Council President Grimes asked the City Manager to reiterate her concerns about an increased rate. City Manager Lombos stated those comments where made during executive session so she can't comment.

Councilor Reyes stated people in the community are making sacrifices and she believes the 1.5% is fair. Her preference would be to put the COLA on hold.

Councilor Morrison recommended a 1.5% on July 1 and another 1% on January 1.

Councilor Kellogg stated the Council should take the recommendation of the staff.

Motion to adopt Resolution No. 5501-20 authorizing personnel services updates for non-represented employees for FY 2020-2021 made by Councilor Kellogg, Seconded by Councilor Brooks.

Voting Yea: Mayor Bubenik, Council President Grimes, Councilor Brooks, Councilor Kellogg, Councilor Reyes, Councilor Pratt

Voting Nay: Councilor Morrison

MOTION PASSED

2. Consideration of **Resolution No. 5505-20** Amending Water, Sewer, Stormwater, and Road Utility Fee Rates Inside the City of Tualatin and Rescinding Resolution 5442-19

Councilor Morrison stated he feels raising the rate 3.36% doesn't feel right when the budget has a 10% reserve built into it. He stated inflation doesn't impact this item.

Mayor Bubenik stated the current budget has been passed with this rate in place.

Motion to adopt Resolution No. 5505-20 amending water, sewer, stormwater, and road utility fee rates inside the City of Tualatin and rescinding Resolution 5442-19 made by Councilor Kellogg, Seconded by Councilor Brooks.

Voting Yea: Mayor Bubenik, Council President Grimes, Councilor Brooks, Councilor Kellogg,
Councilor Reyes, Councilor Pratt
Voting Nay: Councilor Morrison
MOTION PASSED

Council Communications

Councilor Kellogg stated he will be meeting with Tri-Met staff to get an update on funding for the SW Corridor. He asked the Council to authorization him to speak on behalf of the Council on July 9 to request additional funding to fully cover the costs of the SW Corridor. Council consensus was reached for him to speak at the hearing.

Councilor Kellogg stated he has requested ODOT consider reframing the I-205 tolling project to having tolling on the entire length of I-205. He should have feedback on that topic from them by the end of the month.

Councilor Kellogg stated he has been in communication with Lake Oswego regarding the Stafford Basin planning effort in regards to opening discussions on the areas of interest. He stated they would be interested in those discussions if Tualatin where to send them a formal invitation. Councilor Kellogg asked if the Council is willing to open the areas of interest discussion. Councilor Brooks asked what direction the discussion was coming from. Councilor Kellogg stated the Stafford-Hamlet Neighborhood Association has been in contact with him about these discussions. Councilor Morrison stated he is strongly in favor of opening discussions. Council consensus was reached to draft a letter of invitation to coordinate a discussion on the areas of interest.

Councilor Reyes stated she participated in the MACC committee meeting to approve their budget.

Councilor Morrison responded to comments submitted from Western Dispensary. He stated the city is following best practices by allowing dispensaries in industrial areas.

Councilor Brooks provided updates from the following committees: the Willamette River Coalition, the Policy Advisory Board, Tualatin Arts Advisory Committee, and the Tualatin Police Community Foundation.

Councilor Pratt provided an update from the Tualatin Police Community Foundation on their outreach program.

Councilor Reyes stated the Science and Technology Scholarship winners have been selected and will be announced at the next meeting.

Mayor Bubenik provided updates from the following meetings he attended: the Washington County Coordinating Committee, Chair Harrington's Mayors meeting, Business Recovery Center ribbon cutting event, and the King City's State of the City. He will be attending the Department of Public Safety and Standards Training on basic police training and use of force training at the academy.

Mayor Bubenik reminded citizens of the Governor's mandate to wear face coverings in public spaces.

Adjournment

Mayor Bubenik adjourned the meeting at 9:24 p.m.

Sherilyn Lombos, City Manager

_____ / Nicole Morris, Recording Secretary

_____ / Frank Bubenik, Mayor



OFFICIAL MINUTES OF THE TUALATIN CITY COUNCIL WORK SESSION MEETING FOR JULY 13, 2020

Present: Mayor Frank Bubenik, Council President Nancy Grimes, Councilor Bridget Brooks, Councilor Robert Kellogg, Councilor Paul Morrison, Councilor Maria Reyes, Councilor Valerie Pratt

Mayor Bubenik called the meeting to order at 5:26 p.m.

1. Regional Land Use and Transportation Update: Quarter 2 (2020)

Community Development Director Aquilla Hurd-Ravich and Policy Analyst Gareth Prior presented the quarter two Regional Land Use and Transportation update. Analyst Prior stated the first project for discussion is the Transit Development Plan for Clackamas County. He stated the purpose of the plan is to fill in gaps in service and identify, plan, and prioritize improvements in the area. Analyst Prior stated the project is a more robust look at transit service than the TriMet Service Enhancement Plan and the Regional Transportation Plan. He stated funding for the project is from the Statewide Transit Improvement Fund (STIF). Analyst Prior stated online engagement is currently happening and they hope to have the plan wrapped up early next year.

Councilor Pratt spoke in favor of the connection between Oregon City and the VA Hospital.

Councilor Morrison requested Clackamas County present on transit topics at a future meeting.

Mayor Bubenik stated several local non-profits have reached out to him regarding potential transit service along Borland Road to help residents reach services.

Council President Grimes asked if there is sufficient public transportation to get workers to Bridgeport Village. Analyst Prior stated there is still room for improvement in that area.

Analyst Prior presented an updated on the Highway 99W Corridor plan. He stated early look findings include regional workforce and tourism, limitations on reliable travel due to congestion, safety concerns for pedestrians and cyclists, and the need to serve historically marginalized communities. He shared a commute shed map that showed movement patterns, data of income levels, and collision rates along the corridor. Analyst Prior stated the plan is currently awaiting funding from the state but Tualatin will continue to address short term needs through the Tualatin Moving Forward program.

Councilor Kellogg stated he participated in a conference call on the project and what it means to Tualatin. He expressed concerns to the project team about the intersection at Chipole Road.

Councilor Brooks stated she concurs their needs to be improvements along Hwy 99 with a safety and connectivity prospective.

Analyst Prior updated the Council on the Metro Get Moving 2020 ballot measure. He noted \$3.5 million for the 99W Corridor Plan are still in the measure. Analyst Prior stated revenue sources are being evaluated and Metro is looking at a combination of vehicle regulation tax and tax on

business, with an exclusion for small businesses. Analyst Prior stated there will be a public hearing on July 16 to finalize the ballot measure referral for November.

Council President Grimes asked if the revenue would not include a vehicle tax as she thought it would be a large portion of the funding. Analyst Prior stated they lessened the threshold on the business tax to eliminate the vehicle tax.

Councilor Kellogg stated the payroll tax is the business tax and will be a floating rate. He noted the first collection would not be until 2022.

Analyst Prior stated Clackamas County has started a sub-policy group to gather information on the Tolling Project. He noted Councilor Kellogg will be a Representative and he will serve as the Technical Representative for the group.

2. *Urban Reserves Transportation Study (URTS) by Washington County*

Community Development Director Aquilla Hurd-Ravich and Washington County Senior Planner Jessica Pelz and Principal Planner Erin Wardell presented on the Washington County Urban Reserves Transportation Study (URTS). Planner Wardell stated the County applied for funding from the Metro 2040 Planning and Development Grant to look at development in the urban reserves. She shared a map of the urban reserves area. Planner Pelz stated the primary objective is to facilitate concept planning. They will work to coordinate with partners on development assumptions, identifying areas of projected multimodal capacity needs, and create an infrastructure finance plan template. Planner Pelz stated the project has a URTS Technical Advisory Committee that is outreach focused on city and county community groups and stakeholders. She stated the project was kicked off in May 2019 and is planning to end in 2020 with TSP amendments. Planner Pelz stated the project is currently in the evaluation of improvements stage. She stated items completed to date include the development of land use assumptions, a travel demand modeling, and an engineer feasibility analysis that helped to identify projects. Planner Pelz stated land use assumptions determined developable acreage for each urban reserve and allocated dwelling units and employees per acre and then adjusted numbers based on city feedback. She spoke to the travel demand modeling that will be used to determine future transportation system needs. The model included 24 studied intersections. Planner Pelz stated any necessary mitigation would be expected to be part of city concept planning. She stated next steps include finishing the travel demand modeling and analysis, completing the infrastructure analysis report, and then development of the infrastructure funding plan template and toolkit.

Councilor Kellogg asked if the 65th north/south arterial location would be a shared expense for the counties since it will run through the dividing line between them. Planner Wardell stated they would begin coordinating on that project in the future and no decisions on expenses have been made yet. Councilor Kellogg asked the future jurisdictional boundary between Wilsonville in the reserves area. Director Hurd-Ravich stated they haven't engaged in any detailed discussion on that topic at this time. Councilor Kellogg asked about what the proposed land use for the areas. Planner Pelz stated the land use assumption where included in the staff report. Councilor Kellogg asked about the Brooklyn Road extension and the demand that will bring. Planner Wardell stated that has been looked at and included in the modeling.

Councilor Morrison stated he has concerns with the change in tone from Clackamas County about the future planning of roadways. He stated he was happy to see the Basalt Creek overpass included in these plans.

Mayor Bubenik asked when the study will be done. Planner Wardell stated it would be finished by the end of the year.

Councilor Brooks asked about the status of wetland concerns by the Basalt Creek area. Planner Wardell stated the area is an active project that is currently completing an environmental analysis and design.

Council President Grimes spoke to how important 65th has become as a major thorough fair and bypass to I-5. She stated it's an important piece to the puzzle.

3. Council Meeting Agenda Review, Communications & Roundtable.

Councilor Pratt reminded everyone about the Governor's new mandates regarding wearing masks and gathering sizes of groups.

Councilor Brooks stated she will participate on the Planning Commission for the Metro Housing Bond Program.

Councilor Morrison stated he attended the Clackamas County Coordinating Committee meeting where they discussed upcoming topics including the Climate Action Plan, Metro's Get Moving 2020, and the Transit Development Plan.

Council President Grimes encouraged citizens to wear masks.

Mayor Bubenik stated he attended the three sessions hosted by the Department Standards and Testing for Police Officers and the Washington County Chair and Mayors meeting. He stated he has signed up for the HBA presentation on Modern Middle Housings.

Mayor Bubenik adjourned the meeting at 6:44 p.m.

Sherilyn Lombos, City Manager

_____ / Nicole Morris, Recording Secretary

_____ / Frank Bubenik, Mayor



OFFICIAL MINUTES OF THE TUALATIN CITY COUNCIL MEETING FOR JULY 13, 2020

Present: Mayor Frank Bubenik, Council President Nancy Grimes, Councilor Bridget Brooks, Councilor Robert Kellogg, Councilor Paul Morrison, Councilor Maria Reyes, Councilor Valerie Pratt

Call to Order

Mayor Bubenik called the meeting to order at 7:00 p.m.

Announcements

1. Science & Technology Scholarship Winners

Councilor Maria Reyes announced the Science and Technology Scholarship Winners as Justin LeBlanc and Emma Koehmstedt.

Public Comment

None.

Consent Agenda

Motion to adopt the consent agenda made by Councilor Kellogg, Seconded by Councilor Morrison. Voting Yea: Mayor Bubenik, Council President Grimes, Councilor Brooks, Councilor Kellogg, Councilor Morrison, Councilor Reyes, Councilor Pratt

MOTION PASSED

1. Consideration of Approval of the City Council Work Minutes of June 22, 2020
2. Consideration of Approval of a New Liquor License Application for Brew Dr. Kombucha
3. Consideration of **Resolution No. 5509-20** Authorizing the City Manager to Execute an Intergovernmental Agreement (IGA) with Clean Water Services (CWS) for Construction of the 105th Avenue Sanitary Sewer Upsizing along with the Garden Corner Curves Project
4. Consideration of **Resolution No. 5511-20** Authorizing the City Manager to Execute an Intergovernmental Agreement (IGA) with Washington County for Assurance for City Construction Projects along County Right-of-Way

General Business

1. Consideration of **Resolution No. 5507-20** Awarding the Contract for Construction of the Garden Corner Curves Project, part of the Tualatin Moving Forward Bond Program

Public Works Director Jeff Fuchs and Transportation Engineer Mike McCarthy presented the Garden Corner Curves Construction Contract for approval. Engineer McCarthy stated the project includes a new shared use path, flashing beacons at Moratoc and Blake/108th, a raised

crossing, driver feedback signs, and visual speed reduction. He stated the project had six bids ranging from \$2.9-3.9 million. If approved the construction will begin this summer and be completed in fall of 2021.

Councilor Morrison thanked Councilor Kellogg and Julie McGrowski for their leadership in starting this project years back.

Councilor Pratt stated this will be a great connection into the neighborhoods. She asked how long the road would be closed for construction. Engineer McCarthy stated it would be closed for about a month.

Councilor Kellogg thanked everyone for their hard work on this project. He stated the design accurately reflects the stakeholder's desires.

Councilor Grimes thanked everyone involved in the project.

Motion to adopt Resolution No. 5507-20 awarding the contract for construction of the Garden Corner Curves Project, part of the Tualatin Moving Forward Bond Program made by Councilor Kellogg, Seconded by Councilor Morrison.

Voting Yea: Mayor Bubenik, Council President Grimes, Councilor Brooks, Councilor Kellogg, Councilor Morrison, Councilor Reyes, Councilor Pratt

MOTION PASSED

2. Consideration of **Ordinance No. 1441-20** Updating Tualatin Municipal Code (TMC) Sections 3-3-060 Temporary Water Service and TMC 3-3-070 Hydrant Service

Public Works Director Jeff Fuchs and Management Analyst Nic Westendorf presented proposed changes to the Tualatin Municipal Code regarding temporary water and hydrant services. Analyst Westendorf stated temporary water is defined as temporary access to water for construction use and water provided to allow contractors to connect to fire hydrants with a city meter or self-reporting water use from hydrants on a blue usage card. He stated proposed changes include modified access to temporary water beyond construction usage and increased protection of water system via staff delivered and secured hydrant meters and required backflow prevention on temporary connections. The changes would create a water truck fill station at the Operations Center, eliminate usage cards, and formalize temporary in-ground water connections. Analyst Westendorf stated benefits include better ability to verify water use, provide water for a greater numbers of uses, increased protection of the water system, and ensuring everyone pays their fair share.

Councilor Morrison asked what the additional cost would be to the business. Analyst Westendorf stated fees would be brought forward at a future council meeting for discussion.

Councilor Pratt asked about the removal of the small hydrant meters. Analyst Westendorf stated these are supposed to be temporary permits and using those is not operationally efficient.

Councilor Reyes stated she has a hard time approving the changes without knowing what the cost increases will be for the users. Analyst Westendorf stated there are already existing fees for this program that can be utilized in the code.

Council President Grimes asked about temporary water usage being open to more uses including food trucks. Director Fuchs stated it's not something staff has considered but these meters are supposed to be for temporary uses.

Councilor Brooks asked if there is an estimated cost for water loss and hydrant repair. Analyst Westendorf stated there are too many variables to give an accurate accounting of those numbers.

Councilor Morrison asked if staff would be removing the meters as well. Director Fuchs stated that is the intent.

Councilor Reyes asked who the main users of temporary access are. Analyst Westendorf stated they are typically construction related entities.

Motion for first reading by title only made by Councilor Brooks, Seconded by Council President Grimes.

Voting Yea: Mayor Bubenik, Council President Grimes, Councilor Brooks, Councilor Kellogg, Councilor Morrison, Councilor Reyes, Councilor Pratt

MOTION PASSED

Motion for second reading by title only made by Council President Grimes, Seconded by Councilor Brooks.

Voting Yea: Mayor Bubenik, Council President Grimes, Councilor Brooks, Councilor Kellogg, Councilor Morrison, Councilor Reyes, Councilor Pratt

MOTION PASSED

Motion to adopt Ordinance No. 1441-20 updating Tualatin Municipal Code (TMC) Sections 3-3-060 Temporary Water Service and TMC 3-3-070 Hydrant Service made by Council President Grimes, Seconded by Councilor Brooks.

Voting Yea: Mayor Bubenik, Council President Grimes, Councilor Brooks, Councilor Kellogg, Councilor Morrison, Councilor Reyes, Councilor Pratt

MOTION PASSED

3. Consideration of **Resolution No. 5513-20** Authorizing the City Manager to Execute an Intergovernmental Agreement with Business Oregon for a COVID-19 Emergency Business Assistance Program Forgivable Loan

Economic Development Manager Jonathon Taylor presented an Intergovernmental Agreement with Business Oregon for COVID-19 Emergency Business Assistance. He stated the program is financed by the State of Oregon for small business assistance for city run programs. He stated the City received \$35,000 for the program. Manager Taylor stated the City will use the existing Economic Stabilization Fund to administer the grants. The City will be limiting this round of funding to sole proprietors with five employees or less.

Councilor Pratt asked how many businesses would meet the criteria for this grant. Manager Taylor stated he was unsure but is hoping for a good turnout based on the marketing plan that is in place.

Councilor Reyes asked if previous applicants would be reached out to for reapplication. Manager Taylor stated this funding is State funding and will be considered a new program and have a different application process. He stated it will be marketed according to the guidelines.

Councilor Brooks asked what the anticipated average award could be. Manager Taylor stated a minimum of \$2,500 and a maximum of \$5,000.

Mayor Bubenik asked what entities would not be eligible. Manager Taylor stated anyone who received CARES or PPP funding will not qualify.

Councilor Brooks asked if they receive these state funds if it would disqualify a business from future funding. Manager Taylor not at this time.

Councilor Pratt asked if the State application is complex and if there will be assistance in filing the form. Manager Taylor stated the documentation can be cumbersome and business assistance will be available at the Business Resource Center.

Council President Grimes asked what the application period is. Manager Taylor stated the deadline will be July 31.

Motion to adopt Resolution No. 5513-20 authorizing the City Manager to execute an Intergovernmental Agreement with Business Oregon for a COVID-19 Emergency Business Assistance Program Forgivable Loan made by Councilor Brooks, Seconded by Councilor Pratt.
Voting Yea: Mayor Bubenik, Council President Grimes, Councilor Brooks, Councilor Kellogg, Councilor Morrison, Councilor Reyes, Councilor Pratt
MOTION PASSED

Council Communications

Councilor Morrison asked about a letter that was received regarding safety concerns and the police force. He would like to see the response to that concern as the police department has lots of positive things to share. Chief Steele stated he spoke with the citizen on the phone regarding actions the department has taken to keep citizens safe and partnerships the city has in place.

Councilor Morrison strongly encouraged citizens to wear masks.

Councilor Kellogg announced he would not be running for re-election during the next election and plans to continue to serve the remainder of his term.

Adjournment

Mayor Bubenik adjourned the meeting at 8:20 p.m.

Sherilyn Lombos, City Manager

_____ / Nicole Morris, Recording Secretary

_____ / Frank Bubenik, Mayor



City of Tualatin

CITY OF TUALATIN Staff Report

TO: Honorable Mayor and Members of the City Council
THROUGH: Sherilyn Lombos, City Manager
FROM: Nicole Morris, Deputy City Recorder
DATE: 7/27/2020

SUBJECT:

Consideration of Approval of a Change in Liquor License Application for P.F. Chang's China Bistro

RECOMMENDATION:

Staff respectfully recommends the Council approve endorsement of the liquor license application for P.F. Chang's China Bistro.

EXECUTIVE SUMMARY:

P.F. Chang's China Bistro has submitted a change in application under the liquor license category of full on-premises. This would permit them to sell and serve distilled spirits, malt beverages, wine, and cider for consumption at their location. The business is located 7463 SW Bridgeport Road. The application is in accordance with provisions of Ordinance No. 680-85 which establishes procedures for liquor license applicants. Applicants are required to fill out a City application form, from which a review by the Police Department is conducted, according to standards and criteria established in Section 6 of the ordinance. The Police Department has reviewed the new liquor license application and recommended approval. According to the provisions of Section 5 of Ordinance No. 680-85 a member of the Council or the public may request a public hearing on any of the liquor license requests. If such a public hearing request is made, a hearing will be scheduled and held on the license. It is important that any request for such a hearing include reasons for said hearing.

FINANCIAL IMPLICATIONS:

A fee has been paid by the applicant.

ATTACHMENTS:

- Application
- Vicinity Map



CITY OF TUALATIN

LIQUOR LICENSE APPLICATION

9974
Return Completed form to:
City of Tualatin
Attn: Deputy City Recorder
18880 SW Martinazzi Ave
Tualatin, OR 97062

Date 7/01/2020 503-691-3011
Nicole Morris

IMPORTANT: This is a three-page form. **You are required to complete all sections of the form.**
If a question does not apply, please indicate N/A. Please include full names (last, first middle) and full dates of birth (month/day/year). Incomplete forms shall receive an unfavorable recommendation.
Thank you for your assistance and cooperation.

SECTION 1: TYPE OF APPLICATION

- Original (New) Application - \$100.00 Application Fee.
- Change in Previous Application - \$75.00 Application Fee.
- Renewal of Previous License - \$35.00 Application Fee. Applicant must possess current business license. License # _____
- Temporary License - \$35.00 Application Fee.

SECTION 2: DESCRIPTION OF BUSINESS

Name of business (dba): P.F. Chang's China Bistro

Business address 7463 SW Bridgeport Rd City Tigard State OR Zip Code 97224

Mailing address 8377 E Hartford Dr, Ste 200 City Scottsdale State AZ Zip Code 85255

Telephone # 480-888-3000 or 480-888-3152 (Lana) Fax # None

Email Licensing@pfc.com

Name(s) of business manager(s) First Heidi Middle Catherine Last Powelson

[Redacted]

[Redacted] address [Redacted] City [Redacted]

(attach additional pages if necessary)

Type of business Restaurant

Type of food served Asian-inspired cuisine

Type of entertainment (dancing, live music, exotic dancers, etc.) None.

Days and hours of operation 7 days/week - 11am - 9pm (temporary hours due to COVID-19)

Food service hours: Breakfast N/A Lunch 11am - 9pm Dinner 11am - 9pm

** Restaurant seating capacity 75 inside Outside or patio seating capacity 12 on patio

How late will you have outside seating? 9pm How late will you sell alcohol? 9pm

** Temporary seating capacities due to COVID-19

How many full-time employees do you have? 24 Part-time employees? 50

SECTION 3: DESCRIPTION OF LIQUOR LICENSE

Name of Individual, Partnership, Corporation, LLC, or Other applicants P.F. Chang's China Bistro, Inc.

Type of liquor license (refer to OLCC form) Full On Premises

Form of entity holding license (check one and answer all related applicable questions):

INDIVIDUAL: If this box is checked, provide full name, date of birth, and residence address.

Full name _____ Date of birth _____

Residence address _____

PARTNERSHIP: If this box is checked, provide full name, date of birth and residence address for each partner. If more than two partners exist, use additional pages. If partners are not individuals, also provide for each partner a description of the partner's legal form and the information required by the section corresponding to the partner's form.

Full name _____ Date of birth _____

Residence address _____

Full name _____ Date of birth _____

Residence address _____

CORPORATION: If this box is checked, complete (a) through (c).

(a) Name and business address of registered agent.

Full name National Registered Agents, Inc.

Business address 780 Commercial Street SE, Ste 100, Salem, OR 97301

No (b) Does any shareholder own more than 50% of the outstanding shares of the corporation? If yes, provide the shareholder's full name, date of birth, and residence address.

Full name _____ Date of birth _____

Residence address _____

(c) Are there more than 35 shareholders of this corporation? Yes No. If 35 or fewer shareholders, identify the corporation's president, treasurer, and secretary by full name, date of birth, and residence address.

Full name of president: Arthur Ford Kilmer Date of birth: [REDACTED]

[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

Full name of treasurer: Jessica Heather Kuczaj Date of birth: [REDACTED]

Residence address: [REDACTED]

Full name of secretary: Lisa Volmer Gressel Date of birth: [REDACTED]

Residence address: [REDACTED]

LIMITED LIABILITY COMPANY: If this box is checked, provide full name, date of birth, and residence address of each member. If there are more than two members, use additional pages to complete this question. If members are not individuals, also provide for each member a description of the member's legal form and the information required by the section corresponding to the member's form.

Full name: _____ Date of birth: _____

Residence address: _____

Full name: _____ Date of birth: _____

Residence address: _____

OTHER: If this box is checked, use a separate page to describe the entity, and identify with reasonable particularity every entity with an interest in the liquor license.

SECTION 4: APPLICANT SIGNATURE

A false answer or omission of any requested information on any page of this form shall result in an unfavorable recommendation.

X [Redacted] _____ 7/01/2020

Signature of Applicant Licensing Paralegal and Authorized Representative of P.F. Chang's China Bistro, Inc. Date

For City Use Only

Sources Checked:

- DMV by _____
- LEDS by _____
- TuPD Records by _____
- Public Records by _____

Number of alcohol-related incidents during past year for location.


Number of Tualatin arrest/suspect contacts for _____

It is recommended that this application be:

Granted

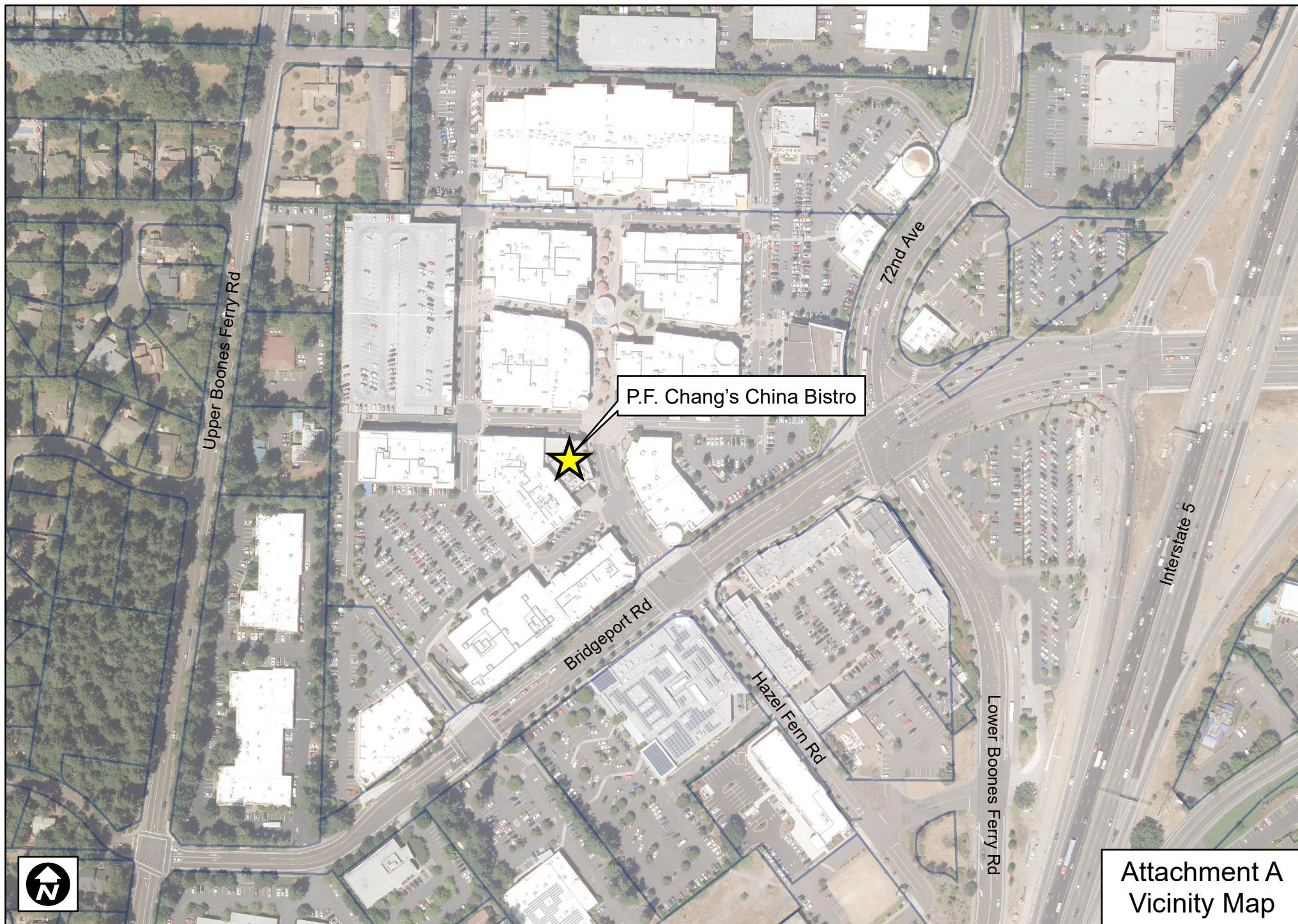
Denied

Cause of unfavorable recommendation: _____


Signature

7-8-2020
Date

Bill Steele
Chief of Police
Tualatin Police Department



Attachment A
Vicinity Map



City of Tualatin

CITY OF TUALATIN Staff Report

TO: Honorable Mayor and Members of the City Council
THROUGH: Sherilyn Lombos, City Manager
FROM: Don Hudson, Assistant City Manager/Finance Director
DATE: July 27, 2020

SUBJECT:

Consideration of Resolution No. 5512-20, A Resolution Amending Resolution No. 5505-20 to Amend Utility Fees for Hydrant and Bulk Water Usage Charges

RECOMMENDATION:

Staff Recommends that the City Council adopt the attached Resolution.

EXECUTIVE SUMMARY:

Staff recently reviewed our bulk water program and Council passed Ordinance No. 1441-20 making changes to Municipal Code Section 3-3 at the July 13th Council Meeting. During this review, it was determined that an update to the fee structure for the program was necessary to better administer the program and protect the water system.

Changes to Section 9 include adding a temporary water service application fee, splitting up the hydrant meter, wrench and valve deposit fees, and creating temporary service fees, deposits and water usage rates. The Section 9 amendment addresses temporary water used outside of Tualatin city limits.

OUTCOMES OF DECISION:

Adoption of the attached resolution deletes Section 9 of Resolution No. 5505-20, in its entirety, and adds a new Section 9 of the Resolution amending water, sewer, stormwater and road utility fees.

ATTACHMENTS:

- Resolution No. 5512-20

RESOLUTION NO. 5512-20

A RESOLUTION AMENDING RESOLUTION NO. 5505-20 TO AMEND UTILITY FEES FOR HYDRANT AND BULK WATER USAGE CHARGES

WHEREAS, under TMC 3-3, the City established rates for water service; and

WHEREAS, Resolution No. 5505-20 amending water, sewer, stormwater and road utility fee rates inside the city of Tualatin, includes Section 9, Hydrant and Bulk Water Usage Charges;

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TUALATIN, OREGON, that:

Section 1. Section 9 of Resolution No. 5505-20 is deleted in its entirety and replaced with the following:

Section 9 – Temporary Water Services, bulk water, and Hydrant Fees

- (a) The charge for the hydrant meters and accessory equipment, temporary water services, water use, and hydrant flow tests are as follows:

Item	Charge
Temporary Water Service Application Fee	\$175
Hydrant Service Fees and Deposits	
3 inch hydrant meter deposit	\$1,500
Daily rental fee 3 inch hydrant meter	\$5
Hydrant meter installation and removal	\$100
Hydrant meter relocation (per occurrence)	\$100
Hydrant chapman valve deposit	\$250
Hydrant wrench deposit	\$30
Backflow device deposit	\$175
Repair hydrant, equipment, or water system damage	Time & Materials
Temporary Service Fees and Deposit	
5/8 x 3/4 inch water meter deposit	\$140
1 inch temporary water meter deposit	\$300
1.5 inch temporary water meter deposit	\$600
2 inch temporary water meter deposit	\$900
Meter installation and removal fee	\$180
Temporary Service Water Rates	
Water Rate per CCF (with existing service)	Current residential rate
Water Rate per CCF (construction/ no existing service)	Current residential rate +50%
Water Rate per CCF (all other uses including mobile businesses or for use outside Tualatin)	Current residential rate +100%
Miscellaneous Fees	
Hydrant flow test	\$250

- (b) Only temporary water obtained at the current residential rate +100% can be used outside Tualatin city limits.
- (c) Hydrant meter permits expire after six months. At that time, the permit is expired and the meter will be removed.
- (d) Temporary water service permits are valid for up to one (1) year.
- (e) Water use is billed at the current rate at the time the meter is returned.

Section 2. Effective Date. This resolution is effective immediately upon adoption.

INTRODUCED AND ADOPTED this 27th day of July 2020.

CITY OF TUALATIN, OREGON

BY _____
Mayor

APPROVED AS TO FORM:

ATTEST:

BY _____
City Attorney

BY _____
City Recorder



City of Tualatin

CITY OF TUALATIN Staff Report

TO: Honorable Mayor and Members of the City Council

THROUGH: Sherilyn Lombos, City Manager

FROM: Aquilla Hurd-Ravich, AICP, Community Development Director
Garet Prior, AICP, Policy Analyst

DATE: July 27, 2020

SUBJECT:
Oregon Department of Transportation (ODOT) presentation on I-5 and I-205 Tolling.

RECOMMENDATION:
Receive presentation and provide feedback to ODOT representatives.

EXECUTIVE SUMMARY:
ODOT will continue their process of studying tolling segments ([map](#)) on Interstate 5 and 205. According to the [project website](#), the study will include the following items:

- An evaluation of options and end points of the tolling area
- An assessment of the potential for diversion onto the surrounding street system, especially onto neighborhood streets designed for low speed, low volume conditions
- An evaluation of existing transit during peak periods to accommodate any shift in travel modes
- An assessment of whether improved reliability on the freeways will make bus service on the freeways a viable option to improve the currently limited public transportation options between West Linn and Oregon City
- Consideration of [equity and mobility strategies](#) to ensure all demographics receive travel benefits

This project may impact Tualatin residents and businesses traveling along the interstate system, as well as impact to neighborhoods when vehicles divert from the highways to avoid tolls. **For people who are interested, the best way to follow along is to sign up for updates on the [project website](#).**

ATTACHMENTS:

- Tolling presentation

I-205 Toll Project

PURPOSE AND NEED STATEMENT



Draft 7/15/2020

INTRODUCTION

In 2016, the Governor's Transportation Vision Panel held a series of regional forums across the state to better understand how the transportation system affects local economies. The negative effect of congestion in the Portland metro area was consistently identified as one of three key themes across Oregon. Congestion in the Portland metropolitan region affects commuters and businesses, as well as producers who move their products across the state.

In response to the input from stakeholders across the state, House Bill (HB) 2017 Section 120 directed the Oregon Transportation Commission (OTC) to seek approval from the Federal Highway Administration (FHWA) to develop a congestion relief fund and implement tolling (also referred to as value pricing or congestion pricing) on the Interstate 5 (I-5) and Interstate 205 (I-205) corridors to reduce traffic congestion in the Portland metro area.

In 2018, the OTC and the Oregon Department of Transportation (ODOT) conducted the Portland Metro Area Value Pricing Feasibility Analysis to study how and where congestion pricing could be applied. Substantial public input and a Policy Advisory Committee informed the final recommendations. For I-205, the Policy Advisory Committee recommended implementing tolls on all lanes of I-205 on or near the Abernethy Bridge as a potential funding strategy and for congestion management. In December of 2018, the OTC submitted a proposal to the Federal Highway Administration outlining the findings of the feasibility analysis and seeking approval to continue the process of implementing tolls on I-5 and I-205 (ODOT 2018a). In January 2019, FHWA provided guidance to move into the next phase of evaluation and study (FHWA 2019).

PURPOSE

The purpose of the I-205 Toll Project is to manage congestion on I-205 between Stafford Road and Oregon Route 213 (OR 213) and raise revenue to fund congestion relief projects through the application of variable-rate tolls.¹

NEED FOR THE PROPOSED ACTION

Traffic congestion results in unreliable travel

A 3.3 percent population increase in the Portland metro area from 2015 to 2017 and strong economic growth during these years resulted in a 20.1 percent increase in vehicle hours of delay

¹ Variable-rate tolls are user fees that vary in amount based on certain conditions (e.g. time of day, day of the week, direction of travel). Variable-rate tolls can occur on a fixed schedule that is known to travelers.

and 13.4 percent increase in hours of congestion on the highway and regional corridor system. Daily vehicle hours of delay for I-205 increased by 25 percent in each direction from 2015 to 2017, indicating that the extent and duration of congestion in the corridor continues to increase and that travel continues to become less and less reliable (ODOT 2018b).

In 2018 more than 100,000 vehicles used the section of I-205 between Stafford Road and OR 213 each day (ODOT 2019). Northbound I-205 from I-5 to the Abernethy Bridge has been identified as one of the region's top recurring bottlenecks during the evening commute. In 2017 this section of I-205 experienced 3.5 hours of congestion in the evening, from 2:45 p.m. to 6:15 p.m. Southbound I-205 from OR 212 to the Abernethy Bridge experienced over 3 hours of congestion in the morning from 6:00 a.m. to 9:15 a.m. (ODOT 2018b). In total, the section of I-205 between Stafford Road and OR 213 experienced approximately 6.75 hours of congestion daily.²

The population of the Portland metro region is expected to grow from 2.5 million residents in 2018 to over 3 million in 2040 (23 percent) and over 3.5 million in 2060 (43 percent), further exacerbating existing congestion problems (Census Reporter 2018; Metro 2016b).

Traffic congestion impacts freight movement

Movement of people and goods is critical to support a growing economy. Freight tonnage in the Portland region is expected to double by 2040, with 75 percent of total freight tonnage moved by truck (Metro 2018). I-205 is a designated north-south interstate freight route in a roadway network that links Canada, Mexico and major ports along the Pacific Ocean. Trucks represent 6 to 9 percent of total traffic on I-205 (ODOT 2018b).

Congestion on I-205 affects the ability to deliver goods on time, which results in increased costs and uncertainty for businesses. The cost of congestion on I-205 increased by 24 percent between 2015 and 2017, increasing to nearly half a million dollars each day in 2017 (ODOT 2018b). Increasing congestion and demand for goods will result in more delay, costs, and uncertainty for all businesses that rely on I-205 for freight movement.

Traffic congestion contributes to climate change

Greenhouse gas emissions from cars and trucks have been rising since 2013 and represented 39 percent of total statewide emissions in 2016 (Oregon Global Warming Commission 2018). Idling vehicles sitting in congestion conditions contribute to these emissions. In March 2020, the Governor signed an executive order to reduce greenhouse gas emissions 45 percent below 1990 levels by 2035 and 80 percent below 1990 levels by 2050.

Critical congestion relief projects need construction funding

Available funding for transportation has not kept pace with the cost of maintaining our transportation system or the cost of construction of new transportation and congestion relief

² The coronavirus pandemic (COVID-19) has dramatically altered current traffic levels. Future traffic volumes on I-205 are unknown, but as the risks of COVID-19 are reduced, traffic congestion is expected to return.

projects. ODOT revenue comes from a mix of federal and state sources, including fuels taxes, taxes on heavy vehicles, and driver and vehicle licensing and registration fees. The federal gas tax has not been adjusted since October of 1993 and the share of federal contributions to state transportation projects has greatly decreased. On the state level, escalating expenditures to maintain aging infrastructure, the need to perform seismic upgrades for state's bridges, and rising construction costs have greatly increased financial needs.

Compounding this problem is a substantial increase in travel demand as the state experiences strong population growth, particularly in the Portland metro area. ODOT must explore every possible method for getting the most out of its existing infrastructure, funding congestion relief projects to ease congestion, and planning for increased earthquake resiliency. ODOT has identified the I-205 Improvements Stafford Road to OR 213 Project as part of the strategy to improve mobility on I-205 and seismically upgrade the Abernethy Bridge. The project is included in the 2018 Region Transportation Plan and is expected to benefit the Portland metro region and the state. The I-205 Improvements Project and the I-205 Toll Project have independent utility, as either one could be implemented independent of the other project; both have logical termini; and neither restrict consideration of alternatives for future transportation improvements. The I-205 Improvements Project has already received NEPA clearance and is in the process of obtaining permits; however, there is currently no funding source identified for construction of this project. Tolls collected on I-205 are anticipated to be used to fund congestion relief projects in the corridor, including, but not limited to, the I-205 Improvements Project.^{3, 4}

GOALS AND OBJECTIVES

Project goals and objectives are desirable outcomes of the project beyond the purpose and need statement. The following goals and objectives reflect input collected from the Value Pricing Feasibility Analysis Policy Advisory Committee, partner agencies, the Project equity team, and other Project stakeholders; these goals and objectives will be considered when comparing alternatives.

- Goal: Provide equitable benefits for all users
 - Acknowledge and consider populations who use or live near the segment of I-205 between Stafford Road and OR 213 and have been historically underserved and underrepresented or negatively impacted by transportation projects
 - Engage people from historically underserved communities to participate throughout the project design, development, implementation, monitoring, and evaluation processes

³ Net toll revenue for capital projects represents the available cash flow from tolling after covering an allowance for revenue leakage, the costs of toll collection operations and maintenance (O&M), and the costs of roadway facility O&M. Net toll revenues may be used to pay for capital improvement directly and/or they may be used to pay the principal and interest on borrowed (financed) funds.

⁴ HB 2017 established a Congestion Relief Fund which would receive any net proceeds from tolling. The Oregon Constitution (Article IX, Section 3a) specifies that revenues collected from the use or operation of motor vehicles is spent on roadway projects, which could include construction or reconstruction of travel lanes, as well as bicycle and pedestrian facilities or transit improvements in or along the roadway.

- Maximize benefits and minimize burdens to historically underserved and underrepresented communities
- Provide equitable and reliable access to job centers and other important community places, such as grocery stores, schools, and gathering places
- Support equitable and reliable access to health promoting activities (e.g. parks, trails, recreation areas) and health care facilities
- Goal: Limit additional traffic diversion from I-205 to adjacent roads and neighborhoods
 - Design toll system to limit rerouting from tolling
 - Design toll system to minimize additional noise impacts from traffic rerouting
- Goal: Support safe travel regardless of mode of transportation
 - Enhance vehicle safety on I-205 by reducing congested conditions
 - Ensure multi-modal travel (e.g. pedestrians, bicycles, and transit) does not become less safe on local roadways affected by tolling on I-205
- Goal: Improve air quality and reduce contributions to climate change effects
 - Reduce vehicle air pollutants and greenhouse gas emissions through improved travel efficiency
 - Reduce localized air pollutants through reduced congestion and improved travel efficiency, particularly in community areas where pollutants are concentrated
- Goal: Support multi-modal transportation choices
 - Support shifts to higher occupancy vehicles (including carpooling) and other modes of transportation (transit, walk, bike, telework)
 - Collaborate with transit providers to enhance availability and access to transit service in underserved and underrepresented areas along the tolled segment of the I-205 corridor
- Goal: Support regional economic growth
 - Provide for reliable and efficient movement of goods and people through the I-205 corridor
- Goal: Support travel demand management
 - Design toll system to improve efficient use of roadway infrastructure and improve travel reliability
- Goal: Maximize integration with future toll systems
 - Design a toll system that can be expanded in scale, integrated with tolling on other regional roadways, or adapted to future toll system applications
- Goal: Maximize interoperability with other transportation systems
 - Design a toll system that is interoperable with other transportation systems (e.g. transit, parking, etc.) in the region

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DRAFT

I-205 Toll Project

MEMORANDUM



Date July 15, 2020
To Lucinda Broussard
From Sine Madden, Jennifer Rabby, and Environmental Discipline Leads
Subject Evaluation Performance Measures for Reporting Impacts in the NEPA Analysis –
DRAFT
CC

The purpose of this memo is to communicate to our Agency Partners and others the performance measures that will be used in the comprehensive analysis of impacts that will be evaluated in the NEPA analysis for the I-205 Toll Project. The tables below provide a preliminary list of the performance measures planned to be evaluated as part of the I-205 Toll Project's NEPA analysis. The performance measures will be used to compare and disclose the impacts and benefits of the different alternatives studied in the NEPA document. Some performance measures will be reported quantitatively, while others will be qualitative.

Some of the performance measures inform the Project goals and objectives; however, there are numerous additional performance measures that will be reported on as part of the analysis. Table 1 identifies the performance measures that relate to the goals and objectives and Table 2 identifies the additional performance measures. Both tables identify which environmental discipline will analyze and report on each performance measure.

Table 1: Goals, Objectives, and Performance Measures

Goal	Objective	Performance Measure(s)	Environmental Discipline(s)
Provide equitable benefits for all users	Acknowledge and consider populations who use or live near the segment of I-205 between Stafford Road and OR 213 and have been historically and currently underserved and underrepresented or negatively impacted by transportation projects	Identify environmental justice populations and historically and currently underrepresented and underserved communities located near roadways affected by vehicle rerouting	Environmental Justice
	Engage people from historically and currently underserved and underrepresented communities to participate throughout the project design, development, implementation, monitoring, and evaluation processes	Documented engagement of people from historically and currently underserved and underrepresented communities	Environmental Justice

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Goal	Objective	Performance Measure(s)	Environmental Discipline(s)
	Maximize benefits and minimize burdens to historically and currently underserved and underrepresented communities	Disproportionate impacts from negative rerouting to environmental justice populations and historically and currently underrepresented and underserved communities	Environmental Justice
		Change in vehicle operating costs in the Portland metro area	Economics
		Change in travel costs as a percentage of household income	Environmental Justice Economics
	Provide equitable and reliable access to job centers and other important community places, such as grocery stores, schools, and gathering places	Vehicle travel time savings based on geographic area	Transportation Social Resources & Communities Economics Environmental Justice
		Change in access to jobs: share of regional jobs accessible within 30-minute drive	Transportation Social Resources & Communities Economics Environmental Justice
		Change in access to community resources located near roadways affected by vehicle rerouting	Social Resources & Communities Environmental Justice
	Support equitable and reliable access to health promoting activities (e.g. parks, trails, recreation areas) and health care facilities	Change in access to health promoting activities and health care facilities within 30-minute drive	Social Resources & Communities Environmental Justice Parks/ Recreation/ Section 4(f)/6(f)
Limit additional traffic diversion from I-205 to	Design toll system to limit rerouting from tolling	Change in level of rerouting	Transportation
		Change in average weekday daily traffic on selected major roadways	Transportation

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Goal	Objective	Performance Measure(s)	Environmental Discipline(s)
adjacent roads and neighborhoods	Design toll system to minimize additional noise impacts from traffic rerouting	Change in number of sensitive noise receptors experiencing an increase in noise levels	Noise
Support safe travel regardless of mode of transportation	Enhance vehicle safety on I-205 by reducing congested conditions Ensure multi-modal travel (e.g. transit, walk, bike) does not become less safe on local roadways affected by tolling on I-205	Change in roadway safety conditions (i.e., expected change in crashes)	Transportation
Improve air quality and reduce contributions to climate change effects	Reduce vehicle air pollutants and greenhouse gas emissions through improved travel efficiency Reduce localized air pollutants through reduced congestion and improved travel efficiency, particularly in community areas where pollutants are concentrated	Change in regional vehicle emissions (e.g. Mobile Source Air Toxics (MSATs) emissions)	Air/Energy and Greenhouse Gases (GHG) Economics
Support multi-modal transportation choices	Support shifts to higher occupancy vehicles (including carpooling) and other modes of transportation (transit, walk, bike, telework)	Change in regional person trips by mode	Transportation
	Collaborate with transit providers to enhance availability and access to transit service in underserved and underrepresented areas along the tolled segment of the I-205 corridor	Adequacy of transit service on roadways adjacent to I-205 between Stafford Road and OR 213	Transportation (Transit/Multimodal)
		Change in transit ridership on roadways adjacent to I-205 between Stafford Road and OR 213	Transportation (Transit/Multimodal)
		Availability of bicycle infrastructure on roadways adjacent to I-205 between Stafford Road and OR 213	Transportation (Transit/Multimodal)
		Availability of pedestrian infrastructure on roadways adjacent to I-205 between Stafford Road and OR 213	Transportation Economics
		Change to transit travel time on roadways adjacent to I-205 between Stafford Road and OR 213	Transportation (Transit/Multimodal)
Support regional economic growth	Provide for reliable and efficient movement of goods and people through the I-205 corridor	Change in vehicle throughput on I-205 between Stafford Road and OR 213	Transportation

Goal	Objective	Performance Measure(s)	Environmental Discipline(s)
		Change in person and freight truck throughput on I-205 between Stafford Road and OR 213	Transportation
		Value of travel time savings: overall and for environmental justice communities	Transportation Environmental Justice
Support travel demand management	Design toll system to improve efficient use of roadway infrastructure and improve travel reliability	Change in vehicle miles traveled (VMT) in the study area, for freeway and non-freeway travel	Transportation
		Change in regional person trips by mode	Transportation
		Change in peak period vehicle trips in the study area	Transportation
Maximize integration with future toll systems	Design a toll system that can be expanded in scale, integrated with tolling on other roadways, or adapted to future toll system applications	Potential to expand the toll system to other regional roadways based on expert judgement	Transportation
Maximize interoperability with other transportation systems	Design a toll system that is interoperable with other transportation systems (e.g. transit, parking, Road User Charge (RUC) OReGO Program, etc.) in the region	Potential to integrate the toll system with other transportation systems (transit, parking, RUC, etc.)	Transportation

Table 2. Other Performance Measures that Will Be Evaluated

Performance Measure(s)	Environmental Discipline(s)
Impacts from (current or new) traffic diversion on identified business concentrations in the study area	Economics
Changes in economic conditions (employment, labor income, economic activity) from project construction	Economics
Changes in economic conditions (employment, labor income, economic activity) from collection and use of toll revenue	Economics
Change in reliability, travel times, and travel costs for freight users	Economics
Monetary value of changes in travel time, VMT, safety, emissions, noise	Economics
Number of contaminated sites (low, medium, and high risk) disturbed by project constructed	Hazardous Materials
Number, type, and location of historic properties (including archaeological sites) directly impacted by the project	Historic/Archeologic

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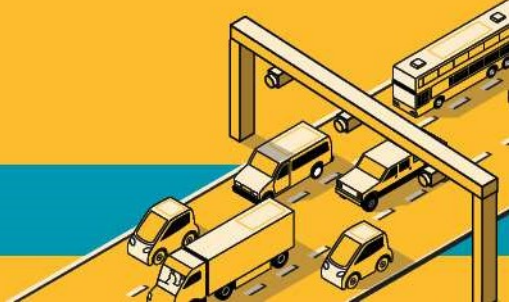
Number, type, and location of historic properties (including archaeological sites) indirectly impacted by the project	Historic/Archeologic
Land area by type (vacant, open space, right-of-way) converted (temporary and permanent) from non-transportation uses to transportation improvements	Land Use
Change in land use character and potential for changes to future development patterns as a result of the Project	Land Use Utilities
Change in access (temporary and permanent) as a result of the Project	Land Use
Number of sensitive noise receptors experiencing noise levels that reach the ODOT Noise Abatement Approach Criteria	Noise
Number of sensitive noise receptors experiencing noise levels that reach the ODOT Substantial Increase (10 dBA over existing noise levels)	Noise
Anticipated construction noise levels and duration of construction noise at sensitive noise receptors	Noise
Distance of noise impact contour from future project alignment to undeveloped properties	Noise
Change in quality of life and community cohesion	Social Resources & Communities
Area of ground disturbance for project construction	Soils & Geology
Physical changes to park and recreation resources	Parks/Recreation/ Section 4(f)/6(f)
Changes to access to park and recreation resources located near roadways affected by vehicle rerouting	Parks/Recreation/ Section 4(f)/6(f)
Change in average weekday daily traffic volume on selected major roadways	Transportation
Change in intersection volume-to-capacity (v/c) ratios, level of service (LOS), delay and queuing	Transportation
Changes in vehicle queuing and LOS on I-205 between Stafford Road and OR 213	Transportation
Change in travel time reliability and hours of congestion on I-205 between Stafford Road and OR 213	Transportation
Change in regional vehicle hours traveled (VHT) for freeway and non-freeway travel	Transportation
Gross toll revenue (less estimated revenue leakage in 2027)	Transportation
Relative effort associated with implementation	Transportation
Ability to react to differing traffic conditions in the Project vicinity	Transportation
Eligibility under current federal tolling authority	Transportation
Adjusted gross toll revenue collected less toll O&M costs and highway O&M costs	Transportation
Capital costs associated with implementing the physical toll infrastructure and procuring toll vendor services	Transportation
Costs associated with physical tolling infrastructure including (but not limited to): gantries, equipment cabinets, cameras, fixed signage, dynamic message signs, and telecommunications infrastructure as well as procurement of vendor services and vendor transition on a periodic basis	Transportation

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Cost associated with toll collections including (but not limited to): banking fees for credit card transactions, toll equipment maintenance, back-office systems support, customer service center operations, ODOT and consultant staffing, and administrative costs	Transportation
Simplified multimodal level of service (MMLOS) for bicyclists on select roadways within the study area	Transportation (Transit/Multimodal)
Simplified MMLOS for pedestrians on select roadways within the study area	Transportation (Transit/Multimodal)
Simplified MMLOS for transit users on select roadways within the study area	Transportation (Transit/Multimodal)
Utility relocations required due to Project construction	Utilities
Temporary disruptions to existing electrical and communication services during construction when new utility connections for the tolling equipment are established	Utilities
New utility lines/connections (electrical and communications) required to operate tolling equipment	Utilities
Acres of vegetation (habitat) disturbed	Vegetation, Wildlife, and Aquatic Species
Change in visual quality resulting from installation of toll gantries	Visual
Acres of wetlands/waters disturbed	Wetlands and Water Resources

I-205 Toll Project

DRAFT Executive Summary



Date July 7, 2020
To Lucinda Broussard, Oregon Toll Program Director
From I-205 Toll Project Consultant Team
Subject Executive Summary: Comparison of I-205 Screening Alternatives Technical Report
CC Chi Mai, ODOT R1 Major Projects
 Alex Bettinardi, ODOT Transportation Planning and Analysis Unit

PURPOSE

This report summarizes the recommendations for alternatives to carry into the National Environmental Policy Act (NEPA) analysis for the I-205 Toll Project and highlights key findings supporting those recommendations.

OVERVIEW

Table 1 summarizes the overall assessment of screening alternatives based on evaluation categories. Alternatives 3 and 4 are the initial alternatives recommended for advancement to the NEPA process.

Table 1: Overall Assessment of Alternatives by Evaluation Category

Evaluation Category	Alt 1 & Alt 2	Alt 3	Alt 4	Alt 5
Transportation System Demand				
I-205 Traffic				
Diversion Effects				
Cost and Revenue				
Implementation and Operations				
Recommendation	Do Not Advance	Advance for Further Evaluation	Advance for Further Evaluation	Do Not Advance

Substantially worse outcomes than other alternatives	Worse outcomes than other alternatives	Average or typical outcomes among alternatives	Better outcomes than other alternatives	Substantially better outcomes than other alternatives

WSP evaluated five alternatives for tolling I-205 between the Stafford Road and OR 213 interchanges. These alternatives constitute geographic location options where tolls will be charged (toll gantries) and different structure for assessing tolls (e.g., single point, segment-based, and zonal).

Table presents the list of screening alternatives, the rationale behind their development, and a brief assessment of each.

Table 2: I-205 Screening Alternatives Under Consideration for Further Evaluation

Alt.	Description	Development Rationale	Assessment	Recommendation
1	Abernethy Bridge Toll (Concept E from the 2018 Value Pricing Feasibility Analysis)	Recommendation of the Value Pricing Feasibility Analysis, simple to implement	Manages demand on I-205 around the Abernethy Bridge but results in significant traffic increases near the Arch Bridge and in downtown Oregon City	Not recommended for further evaluation
2*	Abernethy Bridge Toll with Off-Bridge Gantries	Modification of Alternative 1 to limit rerouting in downtown Oregon City	Manages demand on I-205 around the Abernethy Bridge but results in significant traffic increases near the Arch Bridge and in downtown Oregon City	Not recommended for further evaluation
3	Bridge Tolls - Abernethy Bridge and Tualatin River Bridge	Tolling a second bridge reduces the cost of crossing the Abernethy Bridge, which reduces the incentive for some trips to take alternative toll-free routes	Manages demand on I-205 at the Abernethy Bridge and between Stafford Road and 10th Street, traffic increases on nearby routes are less concentrated	Recommended for further evaluation
4	Segment-Based Tolls - Between Stafford Road and OR 213	Tolling multiple roadway segments lowers the average toll cost and reduces the incentive for some trips to take alternative toll-free routes	Manages demand on I-205 between Stafford Road and OR 213 without resulting in concentrated traffic increases, offers significant flexibility to limit rerouting and manage traffic operations	Recommended for further evaluation
5	Single-Zone Toll – Between Stafford Road and OR 213	Single toll rate applied for any travel within the tolled area, intended to reduce the incentive for regional trips to use alternative toll-free routes	Manages demand on I-205 between Stafford Road and OR 213, results in traffic increases on the edges of the toll zone, limited ability to better manage demand and scale the system to the region	Not recommended for further evaluation

*Note: Alternative 1 and Alternative 2 perform the same in all model-based performance measures, as the regional travel demand model does not provide significant differentiation between these alternatives.

All the alternatives considered could provide a tolling system on I-205 that would both manage congestion and raise revenue. However, there are tradeoffs among the alternatives, and no single alternative scores the best on all criteria. In general, alternatives were evaluated based on their ability to manage demand on I-205 and limit rerouting to nearby roadways (taking

different roads to avoid the toll) while generating similar levels of revenue to fund congestion relief projects.

The screening analysis is focused on evaluating five potential configurations for the I-205 Toll Project. The analysis compares the alternatives against one another considering key evaluation criteria and performance measures. The technical analysis is the basis for recommending which alternatives be advanced for further study in the NEPA process. In the NEPA analysis, the technical analysis tools and models are expected to be refined to better assess local impacts and a wider range of performance measures.

Initial Screening Criteria

Alternatives were assessed in five evaluation categories with 12 qualitative and quantitative performance measures. Alternatives were assessed relative to one another on these performance measures, with quantitative measures based on results from the Metro regional travel demand model. General performance of each alternative in these categories was summarized in Table 1, while Table 3 provides additional detail by performance measure.

The criteria and their associated performance measures are as follows:

- **Transportation System Demand** – Assesses the extent to which tolling affects vehicle travel by estimating the impact of each alternative on total vehicle miles travelled (VMT) and vehicle hours of travel (VHT) in the regional transportation system. The alternatives generally shift vehicle demand away from freeways to non-freeways but result in an overall decrease in demand on the regional system.
- **I-205 Traffic** – Assesses the extent to which tolling changes the volume of vehicles using I-205 by estimating the change in vehicular throughput between Stafford Road and OR 213. Tolling is expected to decrease daily vehicle volume and improve traffic flow on I-205.
- **Diversion Effects** – Assesses the extent to which drivers avoid the toll by either switching their travel mode or switching their route. Modal switch is assessed in terms of trips shifted from single-occupancy vehicles (SOV) to high-occupancy vehicles (HOV), transit, and active modes like biking or walking. Rerouting is assessed by changes in travel volume on various regional roadways and facilities and communities near the alternatives. While shifts in mode are generally small and consistent across all alternatives, the location of rerouting effects can vary substantially between alternatives.
- **Cost and Revenue** – Assesses the net revenue potential after accounting for operations and maintenance costs, and capital costs. Alternatives are assessed relative to one another with values, indexed to Alternative 1 as it represents the original recommendation from the Value Pricing Feasibility Analysis. All alternatives were developed with the intention of generating similar net revenues.
- **Implementation Criteria** – Assesses various issues associated with implementation of tolling including difficulty of implementation, scalability to a regional tolling system, flexibility for managing traffic operations, and eligibility under federal tolling authorization

programs. Unlike the other evaluation criteria and performance measures, this assessment was qualitative in nature.

Table 1: Assessment of Alternatives by Performance Measure

Evaluation Category	Performance Measure Assessment	Alt 1 & ALT 2	Alt 3	Alt 4	Alt 5
Transportation System Demand	Reduce VMT on freeways and non-freeways	○	○	○	○
	Reduce VHT on freeways and non-freeways.	◐	○	○	◑
I-205 Traffic	Higher vehicle throughput on I-205 segments between Stafford Road and OR 213	○	○	◐	◑
Diversion Effects	Person-trips shifting away from SOV travel to other modes (e.g., HOV, transit, active)	○	○	○	○
	Limit increased traffic due to rerouting on non-tolled regional roads	○	○	○	◑
	Limit increased traffic due to rerouting on local and adjacent roadways	◐	○	○	○
Cost and Revenue	Higher net toll revenue (adjusted gross toll revenue collected less operations and maintenance costs)	◐	◑	●	○
	Lower capital costs for physical toll infrastructure and procuring toll vendor services	◑	○	◐	○
Implementation and Operations	Difficulty of implementation	◑	◑	○	○
	Flexibility for managing traffic operations	◐	◑	●	○
	Scalability to a future regional tolling system	○	◑	●	○
	Eligibility under federal tolling authorization programs	◑	◑	○	○

Substantially worse outcomes than other alternatives ○	Worse outcomes than other alternatives ◐	Average or typical outcomes among alternatives ○	Better outcomes than other alternatives ◑	Substantially better outcomes than other alternatives ●
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Recommendations

Federal tolling authority is provided under Title 23, Section 129 of the U.S. Code, and projects that are eligible under this code provide greater certainty of implementation because no further approvals are required. Alternatives 1, 2, and 3 are likely eligible under Section 129. It is possible that neither Alternative 4 nor 5 would be eligible under Section 129 and that federal tolling authority would instead be required under the Value Pricing Pilot Program (VPPP). The VPPP allows for a wider range of configurations but requires discretionary approval of the U.S. Secretary of Transportation and entails a significant amount of uncertainty regarding when approval can be expected. Advancing at least one alternative that is eligible under Section 129 federal tolling authority is recommended.

Alternative 3 and Alternative 4 are **recommended** for advancement. Both effectively manage traffic on I-205 while generating revenue. While these alternatives do result in rerouting from vehicles avoiding the toll, the rerouted traffic would be distributed along the I-205 corridor so that no one particular facility or community receives the full impact. Because it has more tolled segments, Alternative 4 offers added flexibility in terms of using variable toll rates to manage traffic on I-205 while limiting rerouting effects. Both alternatives can be readily scaled to other regional facilities.

Alternatives 1 and 2 are **not recommended**. Both would result in significant traffic increases in Downtown Oregon City, on the Oregon City Arch Bridge, and near the OR 43 interchange with I-205 as a result of traffic rerouting to avoid a toll. Furthermore, these alternatives would be less effective at managing traffic along I-205 beyond the Abernethy Bridge.

Alternative 5 is **not recommended**. While the single-zone toll approach of this alternative would be effective at limiting rerouting of through trips on I-205, it would not be as effective at managing traffic patterns for trips entering and exiting I-205 near the tolled zone and would potentially result in concentrated rerouting effects. Because there would be one toll rate for all trips regardless of distance travelled, the alternative would have limited flexibility to manage traffic operations and would be difficult to scale to other facilities in the region as currently structured.

Limitations

The initial recommendations above are intended for ODOT consideration. To date, the technical evaluation and recommendations have not been reviewed by technical working groups or agency stakeholders.

The technical analysis is focused on comparison of the alternatives against one another using a limited set of evaluation criteria that do not fully assess the potential impacts the I-205 Toll Project. Full consideration of environmental and social impacts will be assessed in the NEPA analysis.

The analysis relies heavily on outputs from the Metro regional travel demand model for 2027 scenarios. The technical analysis tools, models, and assumptions are expected to be refined to better assess local impacts and a wider range of performance measure in the NEPA analysis.

DRAFT

I-5 and I-205 Toll Projects

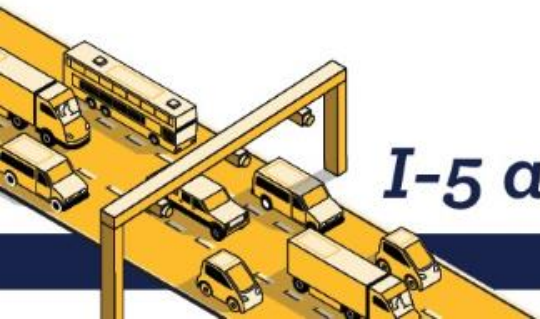
Tualatin City Council

I-205 Toll Project Update

July 27, 2020

Agenda

- 1 Welcome Introductions and Agenda Review
- 2 Project Updates
- 3 I-205 Purpose and Need, Goals and Objectives
- 4 I-205 Screening Alternatives Analysis Results
- 5 What's Next?



I-5 and I-205 Toll Projects

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Project Updates

LUCINDA BROUSSARD, ODOT



I-5 and I-205 Toll Projects

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Project Updates and Activities


- Region 1 Area Commission on Transportation
- Outreach to community organizations
- Orientation for engagement liaisons
- Regular communications
 - E-news and news releases
- Equity and Mobility Advisory Committee
- Briefings to local and regional jurisdictions
- Regional Modeling Group – data share




I-5 and I-205 Toll Projects

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 Oregon Department of Transportation | **Meeting Notice**

Oregon Toll Program to Hold Equity and Mobility Advisory Committee Meeting June 29, 5:30 p.m.



This will be a listening session; members to share thoughts and experiences on equity.

June 22, 2020

Contact: Michelle Godfrey, 971-304-9705

The Oregon Toll Program's Equity and Mobility Advisory Committee will hold a listen and learn meeting on Monday, June 29, 2020 from 5:30-8:00 p.m. This will be a virtual meeting in response to Gov. Kate Brown's directive on social distancing measures to slow the

Equity and Mobility Advisory Committee

May Reception

- Meeting one another

Meeting 1: Listening session

- Responding to events in our communities, nation and world

Meeting 2: July 28

- Draft charter and workplan
- Toll Projects' Equity Framework
- Update on the I-205 and I-5 Toll Projects

Given where we are in the world, at this moment, how do the demonstrations relate to the work of this committee?

Can tolls be equitable? Or, what would equitable tolls look like?

What are the historic injustices that ODOT has committed against communities of color, Albina specifically, and others in general?



How can tolls create benefits for everyone? What would that look like?

What are the metrics that demonstrate to you that ODOT is doing things differently?

How does current transportation policy contribute to inequitable outcomes?

Are there questions / concerns / needs / fears that must be addressed in order for you to effectively work on this committee?



I-5 and I-205 Toll Projects

I-205 Regional Modeling Group "Data Share"

- Review early screening analysis of the five potential toll alternatives
- Setup workshops to go through the data with our data experts
- Exchange findings



RMG Data Share – July 2

Changes in I-205 Traffic

- Volume reductions during the a.m. and p.m. peak periods are less than the reductions observed during the off-peak periods or for the overall day,
- **Diversion (off I-205) is worse on a percentage basis during the off-peak hours.**

Note: All model results are for 2027 scenarios.

Daily	Alt 1	Alt 3	Alt 4	Alt 5
Stafford Road to 10th Street	-17%	-36%	-31%	-17%
10th Street to OR 43	-23%	-24%	-36%	-11%
OR 43 to OR 99E	-48%	-33%	-33%	-17%
OR 99E to OR 213	-28%	-19%	-40%	-30%

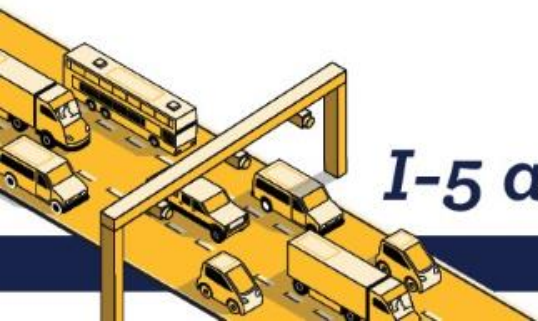
P.M. Peak	Alt 1	Alt 3	Alt 4	Alt 5
Stafford Road to 10th Street	-2%	-20%	-9%	-1%
10th Street to OR 43	-10%	-7%	-10%	+6%
OR 43 to OR 99E	-33%	-19%	-15%	-3%
OR 99E to OR 213	-18%	-9%	-24%	-21%

Afternoon Off Peak	Alt 1	Alt 3	Alt 4	Alt 5
Stafford Road to 10th Street	-29%	-55%	-42%	-26%
10th Street to OR 43	-40%	-41%	-48%	-20%
OR 43 to OR 99E	-60%	-45%	-42%	-25%
OR 99E to OR 213	-37%	-28%	-49%	-36%

Screening analysis model scenario results for 2027



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I-5 and I-205 Toll Projects



I-5 and I-205 Toll Projects

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What We've Heard About Tolls Over the Last 3 Years

- Tolls must be implemented equitably, including where and how revenue is used
- Questions about operation and effectiveness of modern toll systems
- Opinions about the need for roadway and transportation system expansion
- Tolls are not equitable across all income levels
- Clackamas County's transit service is not robust enough to afford residents another travel option on the I-205 Corridor
- Tolls will create additional diversion into communities along the I-205 Corridor
- Concerns about how local trips that use I-205 will be treated



I-5 and I-205 Toll Projects

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Upcoming: I-205 Toll Project Stakeholder and Community Engagement

45 day public comment period
August 3 – September 16, 2020

Purpose

- Obtain feedback on the Range of Alternatives for environmental review
- Obtain feedback on the purpose and need
- Increase awareness of toll systems (purpose, operations and benefits)
- Share information about how results of Feasibility Analysis informed I-205 Toll Project and ODOT's approach to equity



I-5 and I-205 Toll Projects

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Stakeholder and Community Engagement for I-205 Toll Project

General Engagement

- Online open house with survey, webinars
- Information sharing: I-205 Toll Project website, social media, fact sheets, presentations
- Boards, councils, committee presentations and briefings
- Meetings with project advisory and working groups

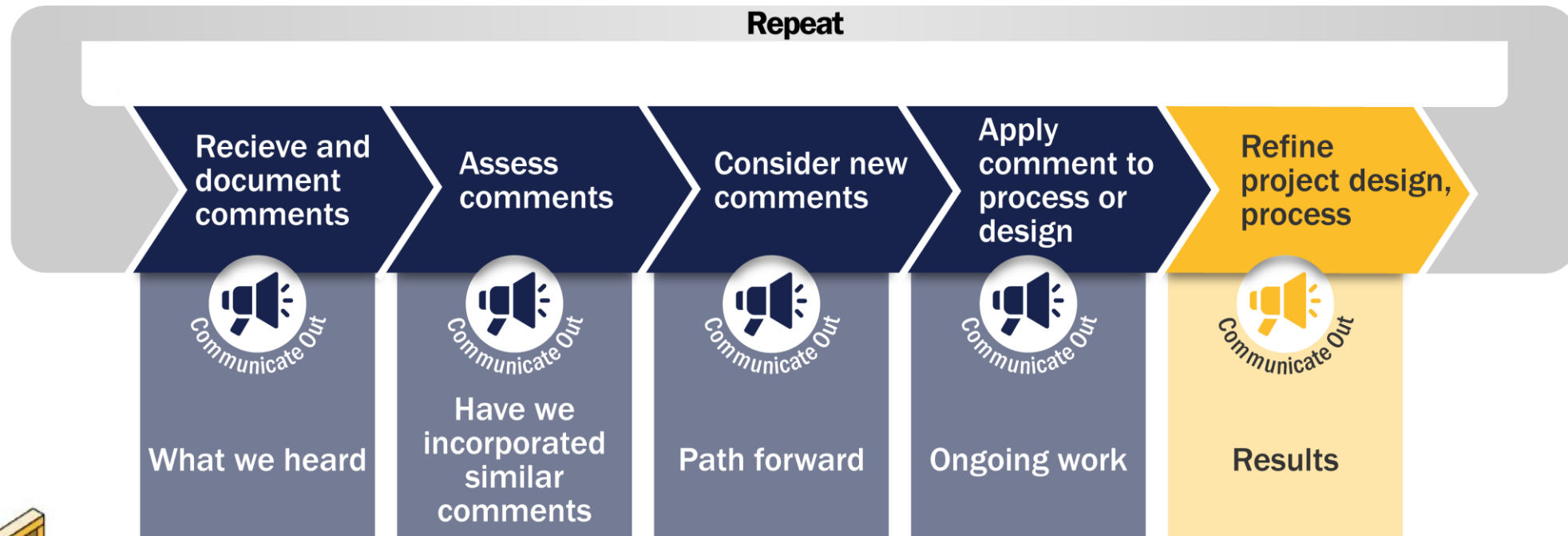
Equitable and Focused Engagement

- Stakeholder interviews
- Discussion groups with historically and currently underrepresented and underserved communities
- Community engagement liaisons



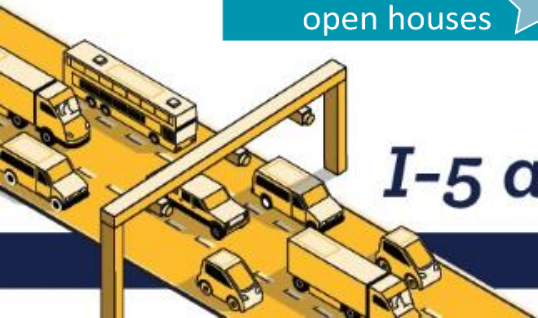
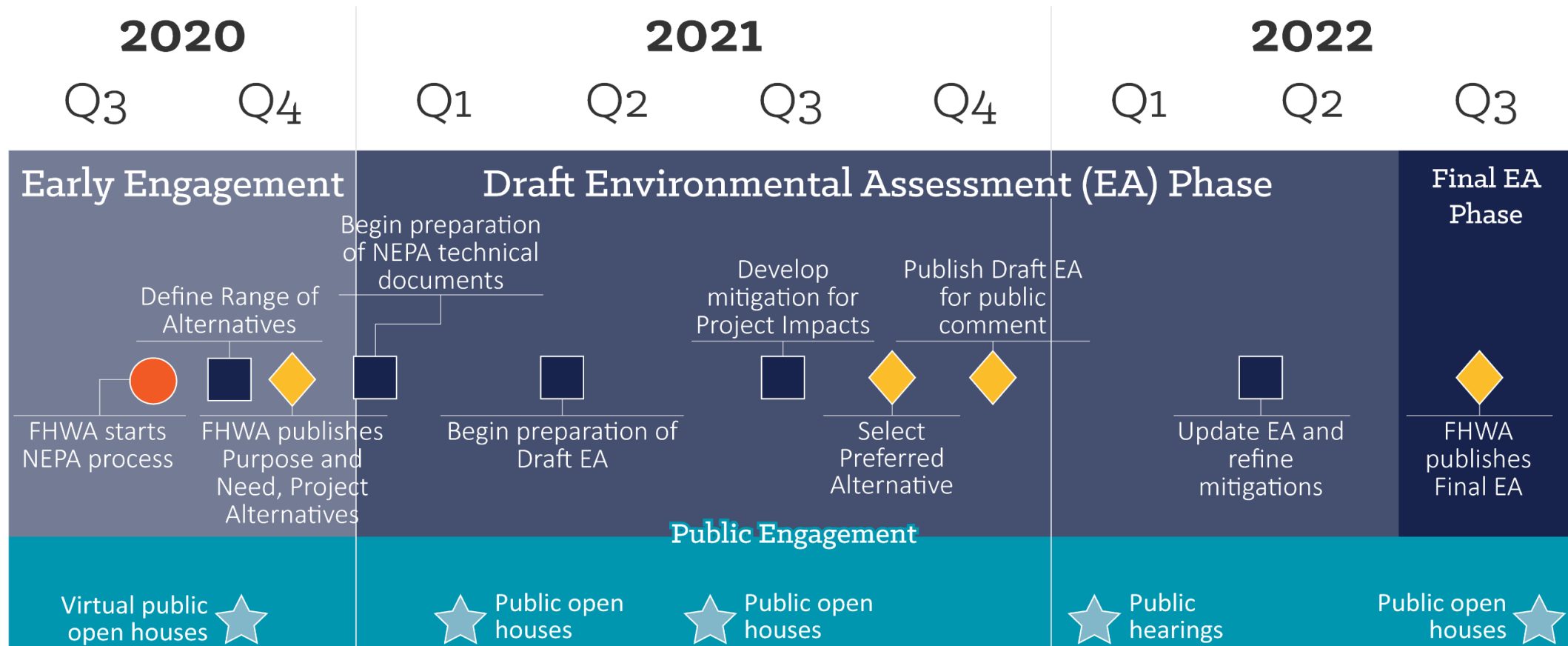
I-5 and I-205 Toll Projects

What Happens to the Input Received – Feedback Loops



I-5 and I-205 Toll Projects

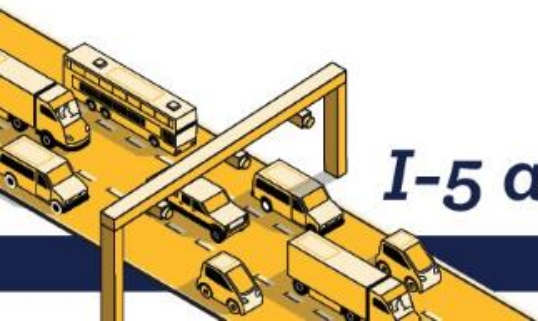
I-205 Toll Project: Project Milestones



I-5 and I-205 Toll Projects

I-205 Purpose and Need, Goals and Objectives

HEATHER WILLS, WSP



I-5 and I-205 Toll Projects

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Purpose and Need Statement



What is it?

A concise statement of the transportation problem or challenge that needs to be addressed



How it's used

Foundation for determining the range of alternatives to be considered in the environmental review

Limits the range of alternatives - any alternative that fails to meet the project's purpose and need is dismissed from further consideration (pass/fail)



I-5 and I-205 Toll Projects

Goals and Objectives



What are they?

Desirable outcomes of the project beyond the Purpose and Need Statement



How they are used

Comparison and evaluation of alternatives studied in the environmental analysis

Develop qualitative and quantitative measures



I-5 and I-205 Toll Projects

Project Purpose

- Manage congestion on I-205 between Stafford Road and OR 213
- Raise revenue to fund congestion relief projects



I-5 and I-205 Toll Projects

Project Need



Regional

- 20.1% vehicle hours of delay increase (2015 – 2017)
- 13.4% hours of congestion increase (2015 – 2017)
- Portland metro region is expected to grow – 2.5 million residents in 2018 to over 3 million in 2040 (23%)
- Freight tonnage movements projected to double by 2040
- *Greenhouse gas (GHG) emissions from vehicles represent 39% of statewide emissions (2016)*
- *Governor's Executive Order to reduce GHG emissions 45% below 1990 levels by 2035*



I-205 Stafford Road to OR 213

- More than 6 hours of congestion daily (2017)
- Northbound direction is top reoccurring bottleneck during p.m. commute



Funding needed for congestion relief projects

- Available funding not keeping pace with need
- I-205 Improvements Stafford Road to OR 213 Project, including Abernethy Bridge



I-5 and I-205 Toll Projects

Goals and Objectives

- **Provide equitable benefits for all users**
 - Populations who have been historically or currently underserved and underrepresented or negatively impacted by transportation projects
 - Engage harder to reach communities
 - *Maximize benefits, minimize burdens*
 - Equitable and reliable access to jobs, *important community places*
 - *Equitable and reliable access to health care facilities and health-promoting activities*
- **Limit additional traffic rerouting**
 - Toll system design to limit rerouting from tolling
 - Toll system design to limit additional noise
- **Support safe travel regardless of mode**
 - Reduce congestion
 - *Ensure multi-modal travel is not less safe on roadways affected by tolling*
- **Improve air quality and contributions to climate change**
 - Reduce vehicle air pollutants and GHG emissions
 - *Reduce localized air pollutants*
- **Support multi-modal transportation choices**
 - Transit, telework, ridesharing, and infrastructure
 - *Collaborate with transit providers*
- **Support regional economic growth**
 - Reliable movement of goods and people
- **Support travel demand management**
 - Efficient use of infrastructure
- **Maximize integration with future toll systems**
 - Toll system design
- **Maximize interoperability with other systems**
 - Toll system design



I-5 and I-205 Toll Projects

Next Steps in the Environmental Review Process

Early Public and Agency Involvement

- 45-Day comment period: Draft Purpose and Need, range of alternatives, issues to be studied
- Invite participating agencies

Prepare Draft Environmental Assessment

- Includes a comprehensive analysis of potential impacts/benefits
- Develop methodologies to assess these impacts
- Report on performance measures

Public Comment Period on Draft Environmental Assessment



I-5 and I-205 Toll Projects

I-205 Screening Alternatives Analysis Results

MAT DOLATA, WSP



I-5 and I-205 Toll Projects

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Alternatives Analysis Framework for I-205

Feasibility Analysis: 1 alternative advanced for I-205

→ Concept E can manage traffic and generate revenue on I-205

Initial Screening (Range of Alternatives): 5 alternatives

→ Are there toll configurations that have better outcomes?

→ 2027 using Metro's regional travel demand model

Environmental Review: 2 or 3 alternatives for detailed study

→ What are impacts of the alternatives and is mitigation needed?

→ 2040 using more refined tools

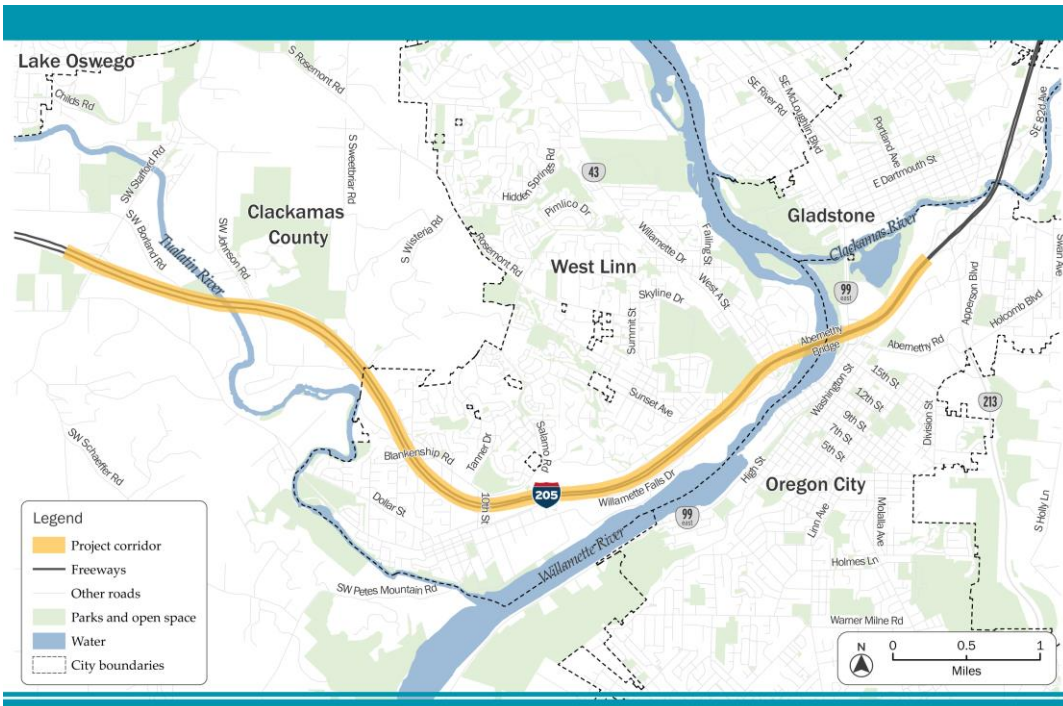
Preferred Alternative: 1 alternative

→ Refine project and identify impacts and mitigation



I-5 and I-205 Toll Projects

I-205 Screening Alternatives



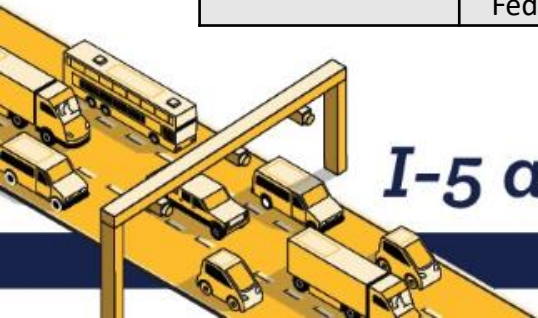
Alternatives	Considerations
1. Toll on the Abernethy Bridge (Concept E from the Feasibility Analysis)	<ul style="list-style-type: none"> • Simple to understand and implement • Limited ability to manage traffic demand • Concentrated rerouting through Oregon City
2. Toll Abernethy Bridge, with tolling gantries off bridge	<ul style="list-style-type: none"> • Refinement of Alternative 1 • Designed to limit rerouting of through trips on I-205
3. Individually Toll Multiple Bridges to be Rebuilt	<ul style="list-style-type: none"> • Tolls on reconstructed bridges over Tualatin River and Willamette River • Split toll amount between two locations • Through trip pays more than local access trip
4. Segment-Based Tolls – Stafford Road to OR 213	<ul style="list-style-type: none"> • Toll split across four segments: amount paid depends on number of segments travelled • Most flexible for traffic operations management • More complex pricing structure to communicate to users
5. Single Zone Toll – Stafford Road to OR 213	<ul style="list-style-type: none"> • One toll rate for all trips entering toll zone • Through trips pay the same as local access trips • More complex implementation because of the multiple toll points

Note: All of the alternatives assume that toll rates would be set to generate net toll revenues sufficient to fund the tolling infrastructure and system, seismic upgrade, and reconstruction of the Abernethy Bridge, and the third lane construction on I-205 between Stafford Road and OR 213, including associated overpass/underpass and interchange improvements.

I-5 and I-205 Toll Projects

Performance Measures for Screening Alternatives

Category	Evaluation Criteria	Performance Measures
Transportation System Demand	Change in regional system vehicle travel demand and performance	Regional vehicle miles traveled (VMT) for freeway and non-freeway travel Regional vehicle hours traveled (VHT) for freeway and non-freeway travel
I-205 Traffic	Change in vehicle throughput on I-205	Vehicle throughput on I-205 segments between Stafford Road and OR 213
Diversion Effects	Mode shift to high-occupancy vehicles (HOV), transit and active transportation, bus, pedestrians, and bike	Regional person trips by mode
	Change in volume on non-tolled roads (rerouting)	Qualitative level of rerouting
		Change in average weekday daily traffic volume on selected major roadways
Cost and Revenue	Adjusted gross toll revenue collected	Annual gross toll revenue less estimated revenue leakage in 2027
	Toll operations and maintenance costs	Cost associated with toll collections (roadway equipment maintenance, back office systems software, customer service center operations, banking fees, financial reporting, and management / administrative activities)
	Net toll revenues	Adjusted gross toll revenue collected less toll operations and maintenance costs and highway operations and maintenance costs
	Initial toll system capital and procurement costs	Capital costs associated with implementing the physical toll infrastructure and procuring toll vendor services
Implementation and Operations	Difficulty of implementation	Qualitative – Relative effort associated with implementation
	Operational Flexibility	Qualitative – Ability to react to differing traffic conditions in the Project vicinity
	Scalability to a future tolling system	Qualitative – Potential to integrate with future tolling system including other regional roadways
	Federal program eligibility	Qualitative – Eligibility under current federal tolling authority



I-5 and I-205 Toll Projects

Changes in I-205 Traffic

- 2027 model results show daily volume reductions on I-205
- **Diversion (off I-205) is worse during the off-peak hours** on a percentage basis than during peak hours.
- Diversion is less significant immediately outside of toll area, generally:
 - -10 to -20% between I-5 and Stafford
 - -5 to -10% north of 82nd Drive

Daily	Alt 1	Alt 3	Alt 4	Alt 5
Stafford Road to 10th Street	-17%	-36%	-31%	-17%
10th Street to OR 43	-23%	-24%	-36%	-11%
OR 43 to OR 99E	-48%	-33%	-33%	-17%
OR 99E to OR 213	-28%	-19%	-40%	-30%

P.M. Peak	Alt 1	Alt 3	Alt 4	Alt 5
Stafford Road to 10th Street	-2%	-20%	-9%	-1%
10th Street to OR 43	-10%	-7%	-10%	+6%
OR 43 to OR 99E	-33%	-19%	-15%	-3%
OR 99E to OR 213	-18%	-9%	-24%	-21%

Screening analysis model scenario results for 2027



I-5 and I-205 Toll Projects

Diversion off I-205

Where does traffic divert to?

Rerouting to other roadways

- Regional
- Local – near tolled area

Transportation demand management

- Change time of day
- Change destination
- Change mode

Would demand change?

- Model results show potential for single occupancy vehicle trip reductions
- No significant difference in mode share between alternatives
- Shift is primarily from single occupancy vehicle to high-occupancy vehicle (shared ride) with 4,000 to 5,000 additional high-occupancy vehicle person trips per day
- Potential shift to transit is very small (<500 person trips)

Screening analysis model scenario results for 2027



I-5 and I-205 Toll Projects

Transportation System Demand

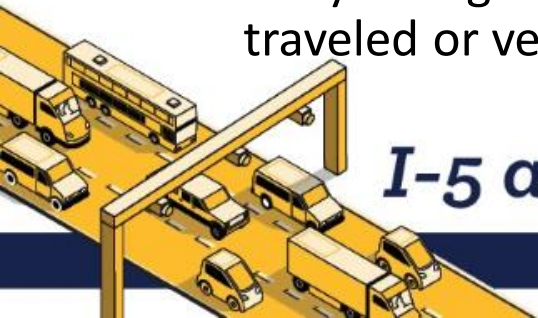
- All alternatives **reduce vehicle miles traveled**, with the greatest decline occurring in Alternatives 3 and 4
- All alts **reduce vehicle hours traveled**, with greatest decline in Alternatives 4 and 5
- All alts also result in a shift in vehicle demand away from **freeways to non-freeway routes**
- **Peak hours show greatest potential vehicle hours traveled** savings overall, with potential decrease on non-freeways as well as freeways
- Daily change is <1% of regional vehicle miles traveled or vehicle hours traveled

Daily VMT	Alt 1	Alt 3	Alt 4	Alt 5
Freeway	-338,000	-413,000	-463,000	-213,000
Non-Freeway	+117,000	+179,000	+185,000	+94,000
Total	-221,000	-234,000	-278,000	-119,000

Daily VHT	Alt 1	Alt 3	Alt 4	Alt 5
Freeway	-11,400	-13,300	-14,300	-10,200
Non-Freeway	+10,300	+8,900	+9,300	+5,000
Total	-1,100	-4,400	-5,000	-5,200

Screening analysis model scenario results for 2027

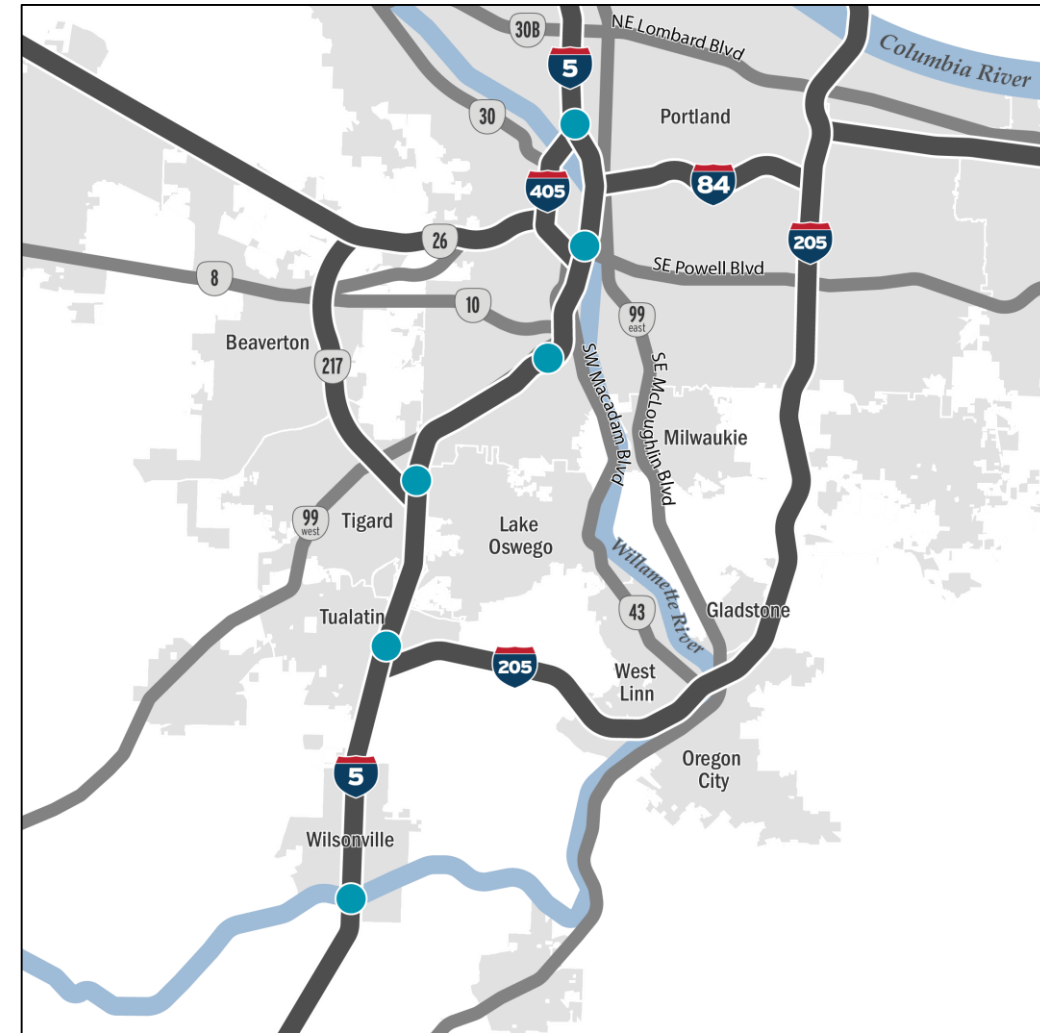
I-5 and I-205 Toll Projects



Locations Assessed for Rerouting Effects on I-5

Change Relative to 2027 Baseline	Alt 1	Alt 3	Alt 4	Alt 5
I-5 north of I-405	0 to +2%	0 to +2%	0 to +2%	0 to +2%
I-5 Marquam Bridge	0 to +2%	0 to +2%	0 to +2%	0 to +2%
I-5 east of Terwilliger Blvd	+2 to +5%	+2 to +5%	+2 to +5%	0 to +2%
I-5 north of OR 217	+2 to +5%	+2 to +5%	+2 to +5%	0 to +2%
I-5 north of I-205	-0 to -2%	-2 to -5%	-2 to -5%	-2 to -5%
I-5 at Boone Bridge	-2 to -5%	-2 to -5%	-2 to -5%	0 to +2%

Screening analysis model scenario results for 2027

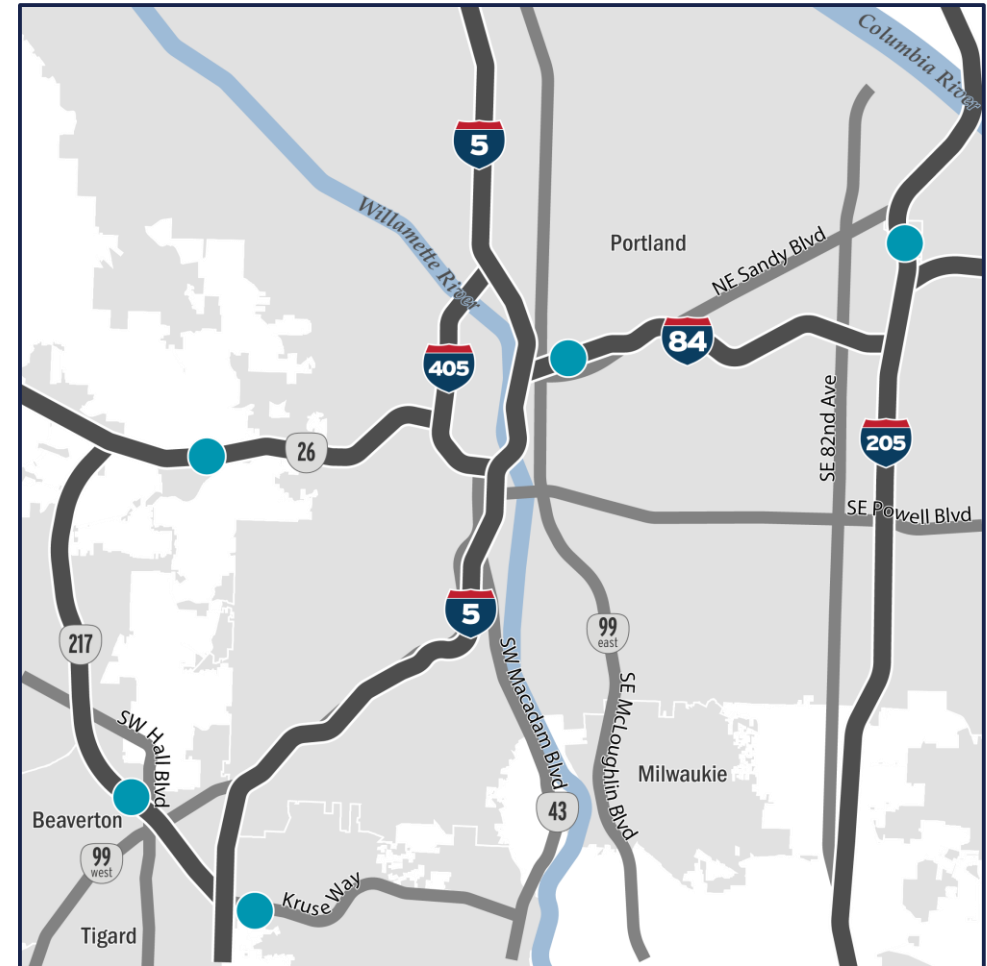


I-5 and I-205 Toll Projects

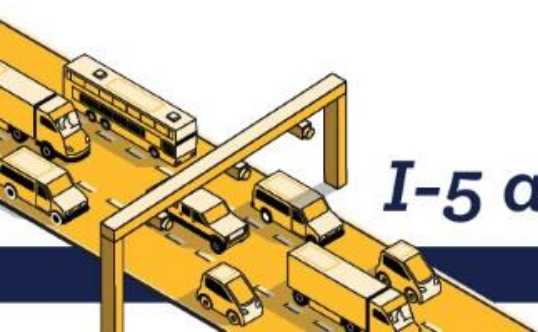
Other Regional Highways Assessed for Rerouting Effects

Change Relative to 2027 Baseline	Alt 1	Alt 3	Alt 4	Alt 5
U.S. 26 west of Skyline Blvd and Scholls Ferry Rd	0 to +2%	0 to +2%	0 to +2%	0 to +2%
OR-217 north of 99W	0 to -2%	0 to -2%	-2 to -5%	0 to -2%
OR-217 east of I-5	0 to -2%	0 to +2%	0 to +2%	0 to +2%
I-84 east of I-5	0 to +2%	0 to +2%	0 to +2%	0 to +2%
I-205 north of I-84	0 to -2%	0 to -2%	0 to -2%	0 to -2%

Screening analysis model scenario results for 2027



I-5 and I-205 Toll Projects



Alternative Routes Beyond I-205 (Daily)

Change Relative to 2027 Baseline	Alt 1	Alt 3	Alt 4	Alt 5
OR 43 south of Terwilliger Blvd	+5 to +10%	+5 to +10%	+5 to +10%	+5 to +10%
Stafford Road south of Ek Rd	-10 to -20%	-10 to -20%	-10 to -20%	-5 to -10%
Stafford Road east of SW 65th Ave	-10 to -20%	-10 to -20%	-10 to -20%	-2 to -5%
OR 99E Downtown Canby	+30 to +40%	+30 to +40%	+20 to +30%	+2 to +5%

Screening analysis model scenario results for 2027



I-5 and I-205 Toll Projects

Local Rerouting Near I-205

Change Relative to 2027 Baseline	Alt 1	Alt 3	Alt 4	Alt 5
Borland Rd east of Stafford Rd	-40 to -50%	+90 to +100%	+30 to +40%	+90 to +100%
Borland Rd east of SW 65th Ave	-10 to -20%	<+2%	-5 to -10%	+5 to +10%

Screening analysis model scenario results for 2027



Model results do not show potential for vehicle miles traveled increase in Tualatin or Wilsonville.



I-5 and I-205 Toll Projects



Rerouting Analysis Approach (Additional Rerouting from Tolls)

Stages of Analysis	Level of Detail
Feasibility Analysis	Identify potentially impacted routes
Screening	Identify potential scale of impact at key locations during peak, off-peak, and daily
Environmental Assessment	Identify impacts to study intersections during peak hours and any needed mitigations to meet mobility standards

- Peak period congestion effects will be part of the environmental analysis
- Recognize and demonstrate that rerouting exists today

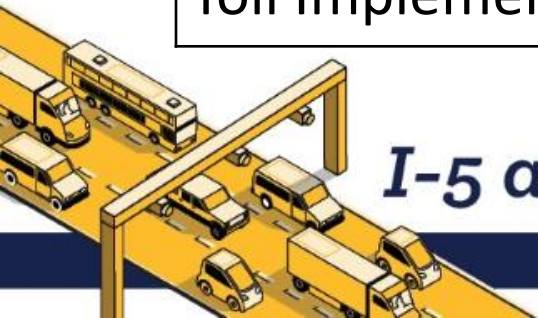


I-5 and I-205 Toll Projects

Cost and Revenue

Summary of Indexed Cost and Revenue Metrics and Criteria

	Alt 1	Alt 3	Alt 4	Alt 5
Unique Toll Trips	100%	152%	183%	165%
Adjusted Gross Toll Revenues	100%	114%	126%	110%
Toll Collection Operations and Maintenance Costs	100%	130%	154%	136%
Net Toll Revenue	100%	109%	118%	102%
Toll Implementation Capital Costs	100%	136%	209%	141%



I-5 and I-205 Toll Projects

Future Systems/Operations Considerations

Current and Future Considerations

- Ability to **manage traffic operations** as demand changes
- Likelihood of creating **concentrated rerouting** “hot spots”
- **Understandable** to drivers?
- Collection costs

Considerations for Future Expansion

- Feasibility Analysis findings and recommendations for wider application of pricing
- Can the alternative be expanded to other segments and operate in basically the same way as the initial I-205 deployment?
- Does the structure translate to the tolling the regional freeway network?



I-5 and I-205 Toll Projects

Performance Comparison Summary

Category	Alt 1	Alt 3	Alt 4	Alt 5
Transportation System Demand	Worse outcomes than other alternatives	Average or typical outcomes among alternatives	Average or typical outcomes among alternatives	Better outcomes than other alternatives
I-205 Traffic	Average or typical outcomes among alternatives	Average or typical outcomes among alternatives	Worse outcomes than other alternatives	Better outcomes than other alternatives
Diversion Effects	Average or typical outcomes among alternatives	Average or typical outcomes among alternatives	Average or typical outcomes among alternatives	Average or typical outcomes among alternatives
Cost and Revenue	Worse outcomes than other alternatives	Better outcomes than other alternatives	Substantially Better outcomes than other alternatives	Average or typical outcomes among alternatives
Implementation and Operations	Average or typical outcomes among alternatives	Substantially Better outcomes than other alternatives	Better outcomes than other alternatives	Substantially Worse outcomes than other alternatives



I-5 and I-205 Toll Projects

Initial Recommendations for NEPA analysis

- Advance Alternative 3 (Bridge Tolls) and Alternative 4 (Segment Tolls) to NEPA
- Do not advance Alternatives 1 or 2 (Point Tolls) or 5 (Zone Toll)
- Refine toll schedule assumptions to improve regional outcomes
- Rationale:
 - Alternative 3 is likely eligible under Section 129 federal tolling authority and generally more effective than Alternative 1 while reducing potential for concentrated impact in Oregon City
 - Alternative 4 offers greatest flexibility and potential to expand to regional system
 - “Local trips” pay less in Alternative 4, while Alternative 5 is generally cheaper for through travel
 - Alternative 5 creates concentrated local impacts near toll zone outer extents (e.g., Gladstone)
 - Alternative 4 spreads out rerouting effects (wider geography but less concentrated)



I-5 and I-205 Toll Projects

What's Next?

LUCINDA BROUSSARD, ODOT



I-5 and I-205 Toll Projects

July 27, 2020 | 35

Upcoming Activities

July



Equity and Mobility Advisory Committee meeting

August



Region 1 Area Commission on Transportation



Begin formal Environmental Review and Comment Period for I-205

- Online survey, online open house, webinars, discussion groups



Oregon Transportation Commission

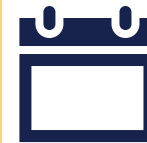
I-5 and I-205 Toll Projects

Summer 2020

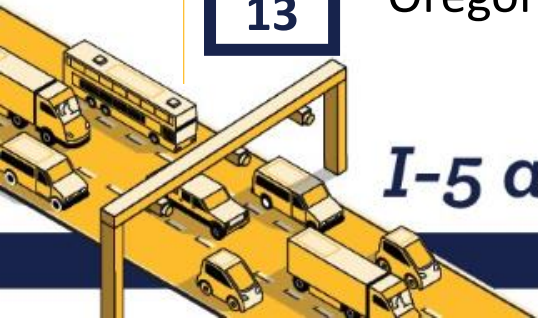


Briefings with Boards, Councils and Committees

TBD



In-person Outreach Events



Have your say!

- **Online open house and online survey (English and Spanish):**
 - www.OregonTolling.org
- **Webinars:**
 - August 12: Noon-1pm
 - August 18: 4-5 pm
 - August 20: 6:30-7:30 pm
- **Submit comments:**
 - Email: oregontolling@odot.state.or.us
 - Voicemail: 503-837-3536



I-5 and I-205 Toll Projects

Contact Information

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I-5 and I-205 Toll Projects



City of Tualatin

CITY OF TUALATIN Staff Report

TO: Honorable Mayor and Members of the City Council

THROUGH: Sherilyn Lombos, City Manager

FROM: Kelsey Lewis, Deputy Program Manager
Mike McCarthy, Principal Transportation Engineer
Jeff Fuchs, Public Works Director
Sean Brady, City Attorney

DATE: 7/27/2020

SUBJECT:

Consideration of **Resolution No. 5508-20** Adopting Findings in Support of a Special Procurement and Authorizing the City Manager to Enter into a Direct Negotiation Contract with Wallis Engineering for Construction Engineering & Inspection Services for the Garden Corner Curves Project

RECOMMENDATION:

Staff recommends Council adopt the attached resolution.

EXECUTIVE SUMMARY:

The attached resolution authorizes the City Manager to enter into a Professional Services Agreement with Wallis Engineering, PLLC to provide construction engineering and inspection services for the Garden Corner Curves project.

This contract-specific special procurement is allowed by both state law and the Tualatin Municipal Code (ORS 279B.085 and TMC 1-21-090) when certain circumstances are met, such as when substantial cost savings would occur and when it is not likely to encourage favoritism nor substantially diminish competition. Both circumstances will be met for this project and are the basis for requesting this authorization.

Wallis Engineering, PLLC was selected for the Garden Corner Curves project in fall 2018 through a Request for Proposals (RFP) process to design the project. The RFP process is a qualifications based competitive selection process that was open to all qualified firms.

Authorizing this contracting exemption allows the City to continue with the best consultant based upon the skills and experience needed to complete this project efficiently and effectively. This continuity will provide substantial cost savings and public benefits to the City by reducing schedule delays that would result from a new competitive process.

Wallis has already worked with the City on the Garden Corner Curves concept study, design of the project and all the public involvement efforts as part of those processes. A new RFP process would take approximately two months, which would result in delays to construction of the project. A new consultant would need to become familiar with the project, the permitting agencies, and the community in order to perform similar work. Continuing with Wallis' knowledge and

experience will result in cost and time savings to the City, and allow the City to move forward with construction and inspection of this signature project in a timely manner for the voters.

Granting the special procurement process will be unlikely to encourage favoritism because this is a single special procurement that already went through a qualifications based selection process.

The terms and conditions of this contract will be reviewed and approved by the Public Works Director, the City Attorney, and the City Manager. The selected consultant will be required to comply with all City requirements and public contracting code requirements. These requirements are the same as if the project was competitively procured, and thus, the City will not be engaging in favoritism in the execution of the contract documents.

FINANCIAL IMPLICATIONS:

Funding is available in the Transportation Project Fund (the Tualatin Moving Forward bond fund) and Transportation Development Tax Fund for the contract.

ATTACHMENTS:

-Resolution 5508-20

RESOLUTION NO. 5508-20

A RESOLUTION ADOPTING FINDINGS IN SUPPORT OF SPECIAL PROCUREMENT AND AUTHORIZING THE CITY MANAGER TO ENTER INTO A DIRECT NEGOTIATION CONTRACT WITH WALLIS ENGINEERING, PLLC FOR CONSTRUCTION ENGINEERING AND INSPECTION SERVICES FOR THE GARDEN CORNER CURVES PROJECT.

WHEREAS, Wallis Engineering was selected through a competitive Request for Proposals process to provide design engineering services for the Garden Corner Curves project;

WHEREAS, the City intends to add an additional scope of work and contract price for Wallis Engineering to perform construction engineering and construction inspection services;

WHEREAS, the City adopted its public contracting rules pursuant to Oregon Revised Statutes (ORS) 279A.065;

WHEREAS, the City Council is designated as the Local Contract Review Board for the City of Tualatin, pursuant to ORS 279A.060 and Tualatin Municipal Code (TMC) Chapter 1-21;

WHEREAS, ORS 279B.085 and TMC 1-21-090 authorizes the City Council to authorize a special procurement contract upon the adoption of certain written findings; and

WHEREAS, the City published notice of the public hearing in the Tigard-Tualatin Times a minimum of seven days prior to the hearing date to consider a request for proposal process for the Project.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TUALATIN, OREGON, that:

Section 1. The Council authorizes the City Manager to enter into a special procurement through a direct negotiation contract with Wallis Engineering, PLLC for construction engineering and inspection services for the Garden Corner Curves project in the amount of \$223,781.93.

Section 2. The special procurement is based on the following findings:

A. The Nature of the Contract. This contract scope includes construction engineering and construction inspection services.

B. Estimated Cost of the Contract. The estimated cost of the Contract is approximately \$223,781.93.

C. The Special Procurement Will Result in Substantial Cost Savings. Allowing a direct negotiation contract by special procurement for this contract will produce substantial cost savings.

(1) The traditional process for this type of contract is a Request for Proposal (RFP) process. The timeframe in using this formal process is estimated to take at least two months. The City would lose at least two months of time before construction could begin, which increases the risk of a delayed project delivery. This special procurement will provide substantial cost savings and public benefits to the City by reducing schedule delays that would result from a new competitive process.

(2) Proceeding through another RFP process poses several disadvantages on this project and would subject the City to additional costs and risks, given the unique qualities of the project and the need for design and construction coordination.

(3) The City already conducted a RFP process for the design and engineering services for this project. The original RFP indicated the City might pursue adding this new scope. Going through a new RFP process would likely result in a similarly list of consultants and design professionals. Therefore, the time and expense in developing a new RFP is not needed and would result in additional time and costs.

(4) Proceeding through an RFP process will also likely not provide a different result in the selection of the consultant. Wallis Engineering has already worked with the City on the concept study and the design of this Garden Corner Curves project. A new consultant would need to become familiar with the projects, the permitting agencies involved and the Tualatin community in order to perform similar work. Continuing to contract with Wallis Engineering allows the City to utilize Wallis Engineering's unique knowledge and experience on the project, which will result in cost and time savings to the City.

(5) Directly negotiating with Wallis Engineering will provide the following substantial cost benefits, including: (a) coordinated design and construction management; (b) understanding of existing conditions, design requirements, and utilities; (c) knowledge and coordination of limited staging areas; (d) phasing of improvements to maximize timing and efficiency; (e) better communication and continuity; and (f) a recognition of the window of time to complete construction.

(6) The traditional procurement process does not allow the City to select the appropriate consultant to take into consideration the unique circumstances of the Project and location of the site. Authorizing a direct negotiation contract allows the City to select a consultant that can ensure the coordination of construction timing and requirements of continued mobility near the site. This results in cost and operational efficiencies for both the City and public at large. It also allows the City to select the best consultant to manage the integration of the project, while taking into account the needs of each individual part of the project. Such integration reduces costs and enhances coordination throughout the multiple stages of the improvements at the location.

(7) The selected consultant needs to be familiar with and coordinate with the all phases of the construction project. Wallis Engineering is intimately familiar with the design and requirements of the project, as Walling Engineering designed the project itself. As a result, Wallis Engineering will be able to provide value engineering and construction management to coordinate the Garden Corner Curves design with contractors performing the construction services. This will result in substantial cost savings to the City.

(8) The biggest risks to the project are complexities regarding communications, continuity, and schedule. The special procurement allows the City to coordinate in order to make the construction process as smooth as possible for the public. The special procurement process will provide the City and consultant with an opportunity to work cooperatively to resolve construction and management issues in an efficient manner and early in the process. The special procurement will provide both time and cost savings that are vital given the location of the project. The special procurement will allow the City expedite decision-making and reduce project delays.

(9) The project involves several complicated components, including floodplain impact and mitigation, relocation of utilities, minimizing disturbances, and design and safety. The special procurement process will provide the City and consultant with an opportunity to work cooperatively to resolve these issues and coordinate with contractors on site as it relates to these issues.

(10) The completed Project will result in safer transportation for vehicles, bicycles, and pedestrians by providing a needed redesign of the Garden Corner Curves Project. Granting the special procurement will ensure these safety enhancements are made efficiently and constructed with the best-designed features.

D. The Exemption Is Not Likely To Encourage Favoritism Or Substantially Diminish Competition.

(1) Favoritism is defined as “selection based on friendship or factors other than merit.” “Encourage” is defined as “promoting the growth and development.” Granting a contract-specific special procurement for the contract will be unlikely to encourage favoritism because this is a single contract that will be procured through a previously conducted RFP process. This contract adds an additional scope of work to a prior design contract. The original RFP process was conducted through a competitive selection process. Granting the special procurement and directly negotiating does not encourage favoritism or substantially diminish competition.

(2) The City selected this consultant through a RFP process specifically for the Garden Corner Curves project. All consultants with the type of experience likely already submitted proposals for the original RFP. The City selected Wallis Engineering under the original RFP based on a competitive process taking into consideration all proposals. Adding an additional scope of work for engineering and construction inspection services does not result in favoritism or substantially diminish competition.

(3) If the City were to conduct another RFP process, it is very likely that Wallis Engineering would be the selected consultant. This is because Wallis Engineering is most familiar with the Garden Corner Curves project, having performed work on the project that is directly related to continuing with construction engineering and inspection.

(4) The terms and conditions of the contract will be the result of “arms-length” contract negotiations and the contract will be reviewed and approved by the City Manager and City Attorney. The selected consultant will be required to comply with all City requirements and public contracting code requirements. These requirements are the same as if the project was competitively procured, and thus, the City will not be engaging in favoritism in the execution

of the contract documents.

E. The Proposed Contracting Method. The proposed contracting method is a direct negotiation contract.

F. The Estimated Contract Let Date. The estimated let date for this contract is July 31, 2020.

Section 3. This resolution is effective upon adoption.

INTRODUCED AND ADOPTED by the City Council this 27th day of July, 2020.

CITY OF TUALATIN, OREGON

BY _____
Mayor

APPROVED AS TO FORM

ATTEST:

BY _____
City Attorney

BY _____
City Recorder



City of Tualatin

CITY OF TUALATIN Staff Report

TO: Honorable Mayor and Members of the City Council
THROUGH: Sherilyn Lombos, City Manager
FROM: Jonathan Taylor, Economic Development Manager
DATE: July 27th, 2020

SUBJECT:

Consideration of Resolution No. 5515-20 of the City Council of the City of Tualatin authorizing the City Manager to execute an intergovernmental agreement with Washington County for small business emergency assistance grants funds.

RECOMMENDATION:

Staff recommends Council authorize the City Manager to sign the Intergovernmental agreement.

EXECUTIVE SUMMARY:

Background

On March 27th, the Federal Government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act to provide \$2 trillion dollars in economic stimulus to assist the United States in mitigating the economic fallout from the COVID-19 pandemic. Within the CARES Act, the law provided \$150 billion in relief funding for eligible units of local government, including Washington County.

Amount of Funding

On June 2, 2020, the Washington County Board of Commissioners approved the distribution of \$10,000,000 from the County's allocation to small business assistance funds to reimburse and provide additional emergency business funding to cities within Washington County. The City of Tualatin and the Tualatin Development Commission is set to receive \$932,000 (\$680,000 for the City of Tualatin, \$252,000 for the Tualatin Development Commission.)

Questions for Council:

In accordance with the guidelines and requirements of the CARES Act funding, what economic impact does the City Council want to make with the \$932,000 of CARES Act funding?

Our Current Recovery Plan

In April 2020, City Staff presented the Economic Recovery Plan currently being implemented. The mission of the recovery plan is "to manage and implement an effective, efficient, and nimble local economic recovery effort, in collaboration with vital partners, that charts a path for future economic prosperity." The plan detailed four response and recovery phases:

- Response Phase (1 – 30 days)
 - Focus: Quickly mobilize city resources and partners to provide immediate assistance to affected businesses.
 - Efforts:
 - Economic Stabilization Fund - \$252,000 in non-TIF revenue that provided emergency

- business assistance grants to 54 businesses, with the average grant \$4,600.
 - Business Resources Page – The City of Tualatin’s official business COVID-19 resource page.
 - Regional Committees – The City of Tualatin is engaged various recovery committees including Washington County and Greater Portland Inc.
- Stabilization Phase (1 – 6 months) – CURRENT PHASE
 - Focus: Work to stabilize existing or at-risk businesses from disruptions or closures.
 - Efforts:
 - Business Recovery Centers – Worked with Washington County to establish a business recovery center in Tualatin with \$100,000 to cover Tualatin, Sherwood, Durham, Tigard, and Wilsonville. This center is one of four in Washington County.
- Preservation Phase (6 – 12 months)
 - Focus: Work to preserve our economic response efforts to stabilize our local economy while preparing for the future economic health of our residents, businesses, and workers.
- Enhancement Phase (Continuous)
 - Focus: Commit to combining and enhancing our past economic successes and our current recovery efforts to ensure a bright economic future for the City of Tualatin.

POTENTIAL AREAS FOR COUNCIL CONSIDERATION OF ECONOMIC IMPACT FOR CARES ACT FUNDING

- Business Assistance
- Rent Assistance
- Childcare Facility Assistance
- Potential Planning

BUSINESS ASSISTANCE

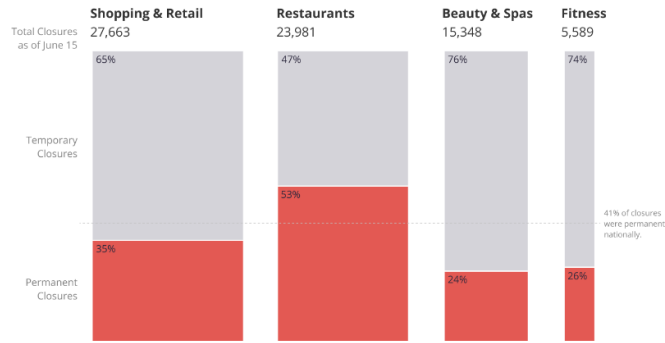
The idea would be to provide business assistance through a second round of the Economic Stabilization Fund. The Economic Stabilization Fund 2.0 Program could provide grants to qualifying businesses in the same capacity as before with modifications to ensure compliance with CARES Act. This grant would be intended for business operating expenses deemed necessary to sustain their current workforce, maintain an operating physical presence, or provide reimbursement for site modification to ensure CDC and State of Oregon health operating guidelines.

Important Economic Issues

- According to Yelp, 41% closed on Yelp have shut down for good. (Noted graph below) <https://www.yelpeconomicaverage.com/yelp-coronavirus-economic-impact-report.html>
- More than 100,000 have closed for good. <https://www.nber.org/papers/w26989.pdf>
- Notable Tualatin businesses have or will be permanently closing. Most recent Sur La Table, Wine and Design, Fuddruckers, Laser Services, Boom Fitness.
- Certain Tualatin-businesses are voluntarily closing due to rising COVID-19 cases - Three Mermaids Pub.
- 607 businesses in Tualatin (97062) received the Paycheck Protection Program. 171 business receiving PPP over \$150,000: 436 businesses receiving PPP under \$150,000: GIS Map: <https://www.arcgis.com/home/webmap/viewer.html?webmap=37fd11926d9446fa8cc30b2036ce2de9&extent=-127.7559,41.2715,-113.3418,46.8544>

Restaurants and Retail have been Hit Hardest

Number of businesses marked temporarily or permanently closed on Yelp that were open on March 1



Council Impact Questions:

- 1.) Would Council like to implement this Economic Stabilization Fund Program again?
 - a. If so, how much funding should be allocated to the Economic Stabilization Fund 2.0 Program
- 2.) Understanding the current economic climate, are there particular industry sectors City Council wishes to prioritize. Example: businesses affected by Governor Brown's order? Particular focus on tourism or hotel related businesses, restaurants, etc.
- 3.) Alternative suggestions for business assistance?

Examples of Similar Programs

- Hillsboro
- Tualatin
- Beaverton

RENT ASSISTANCE

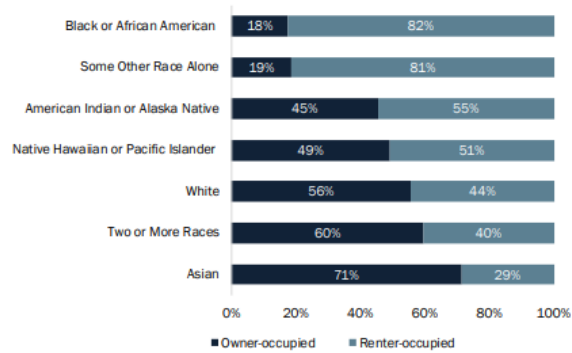
The idea would be to provide rental assistance to Tualatin residents designed to keep our residents housed and ensure the stability of our workforce. Payments could be made directly to the landlord. This program could be provided by the City or contracted through a third-party.

Important Economic Issues:

- According to the City of Tualatin's Housing Needs Analysis, 37% of Tualatin's households are cost burdened, indicating these households spend more than 30% of their income on housing – including a cost burden rate of 56% for renter households. Approximately 2,430 renter households are cost burdened.
- 82% of Tualatin renters live in multifamily housing.

Exhibit 22. Tenure by Race of the Head of Household, Tualatin, 2013-2017

Source: U.S. Census Bureau, 2013-2017 ACS Table B25003A-G.



- Currently, 12.2% of Tualatin residents are unemployed.

Impact Questions

- 1.) Should the City of Tualatin provide rental assistance?
 - If so, how much of the \$932,000 should be allocated to rent assistance program?
- 2.) What are particular Council targets for a renter's assistance program?

Examples:

- Number of renter's assisted.
- % of cost burden households assisted

Example of Similar Programs

- Hillsboro

CHILDCARE FACILITY ASSISTANCE

Currently, nearly half of Oregon's early learning centers have closed as a result of Governor Brown's executive orders. Only 2,085 are operating as emergency child care facilities. Most childcare facilities are operating on thin-margins, and given new health and safety requirements, these rules have added an additional level of fiscal burden on these facilities.

Important Economic Issues:

- There are currently 13 classified commercial "childcare centers" in Tualatin. Registered families and certified families are home-based childcare services. At this time, it is unknown how many residential based child-care facilities are located in Tualatin.
- As the discussion of the reopening schools remain vague, Tualatin residents are returning to work as the slow economic reopening is occurring. Access to affordable, consistent, and reliable childcare provides workforce stability and child-safety.
- Currently, the State of Oregon has provided emergency assistance grants to eligible Emergency Childcare Facilities (ECC).

Impact Questions

- 1.) Should the City of Tualatin provide specific assistance to childcare facilities?
 - a. If so, how much of the \$932,000 should be allocated to this program?
- 2.) What are the particular Council targets for this program?
 - a. Example
 - i. Assist a portion of licensed child-care facilities in Tualatin?

POTENTIAL PLANNING

As COVID-19 cases have steadily increased over the last month, many communities and states are reverting to additional business restrictions and closures, including complete lockdowns – namely California. A possible option is to withhold a portion of the \$932,000 in preparation for this potential outcome to provide assistance to potentially affected businesses.

If no restrictions occur within the State of Oregon that reverts back to “lock-down” like status, Council can further discuss how to program remaining funds. One option is to craft a program similar to the Economic Stabilization Fund and target it to relaunch businesses in 2021.

Impact Questions

- 1.) How much of the \$932,000 should the City of Tualatin set aside for potential economic assistance to affected businesses?

The City of Tualatin will receive \$680,000 in CARES Act grant funding from Washington County to provide emergency small business grant assistance. In addition, the Tualatin Development Commission will receive \$252,000 in CARES Act funding. The City will have to provide an approved plan of expenditure to Washington County to receive the funds. A general plan based on the above proposals and topics have been submitted in accordance with County expectations. The City will have until November 15th to spend this grant in accordance with the contract terms and conditions with Washington County.

OUTCOMES OF DECISION:

Approval of Resolution No. 5515-20 will authorize the City Manager to sign an Intergovernmental Agreement with Washington County to receive CARES Act funding.

Based on Council discussion tonight, staff will bring back a program to spend the funds at a future Council meeting.

ALTERNATIVES TO RECOMMENDATION:

None

FINANCIAL IMPLICATIONS:

\$680,000 will be distributed to City of Tualatin. In addition, \$252,000 will be distributed to the Tualatin Development Commission.

ATTACHMENTS:

- A - Resolution
- B - Exhibit A: Draft Intergovernmental Agreement
- C - Presentation

RESOLUTION NO. 5515-20

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN INTERGOVERNMENTAL AGREEMENT WITH WASHINGTON COUNTY FOR SMALL BUSINESS EMERGENCY ASSISTANCE GRANTS FUNDS

WHEREAS, ORS 190.110 et seq., authorizes the City to enter into Intergovernmental Agreements with other government entities;

WHEREAS, on March 27, 2020 the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) became law and established the \$150 billion Coronavirus Relief Fund (Fund) to make payments to eligible units of local government, including Washington County;

WHEREAS, Washington County received a payment from the Fund and on June 2, 2020, the Washington County Board of Commissioners approved the distribution of \$10,000,000 from the County’s allocation of the Fund (Small Business Assistance funds) to reimburse cities within Washington County for emergency assistance grants made to small businesses; and

WHEREAS, the City of Tualatin has requested a \$680,000 distribution from the Small Business Assistance funds to provide small business assistance emergency grants;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TUALATIN, that:

Section 1. The City Manager is authorized to execute an Intergovernmental Agreement (IGA) with Washington County for Reimbursement Program and Small Business Assistance Program Funds, which is attached as Exhibit A.

Section 2. This resolution is effective upon adoption.

ADOPTED by the City Council this 27th day of July, 2020.

CITY OF TUALATIN, OREGON

BY _____
Mayor

APPROVED AS TO FORM

ATTEST:

BY _____
City Attorney

BY _____
City Recorder

EXHIBIT A

INTERGOVERNMENTAL AGREEMENT BETWEEN WASHINGTON COUNTY AND CITY OF TUALATIN For Small Business Grant Program

This INTERGOVERNMENTAL AGREEMENT (“Agreement”) is made and entered between WASHINGTON COUNTY, a political subdivision of the State of Oregon, acting by and through its elected officials, hereinafter referred to as "County", and City of Tualatin an Oregon municipal corporation, acting by and through its City Council, hereinafter referred to as “City.” County and City may be jointly referred to herein as the “Parties” or individually as a “Party.”

RECITALS

1. WHEREAS, ORS 190.010 authorizes agencies to enter into intergovernmental agreements for the performance of any or all functions and activities that a party to the agreement has the authority to perform; and
2. WHEREAS, on March 8, 2020 the Governor of Oregon declared an emergency under ORS 401.165 *et. seq.* due to the public health threat posed by the novel infectious coronavirus disease (COVID-19); and
3. WHEREAS, on March 11, 2020, COVID-19, which spreads person-to-person through coughing, sneezing and close personal contact, was declared a pandemic by the World Health Organization; and
4. WHEREAS on March 13, 2020 the President of the United States declared the COVID-19 outbreak a national emergency; and
5. WHEREAS on March 23, 2020, Oregon Governor Kate Brown issued Executive Order 20-12 (EO 20-12) which, among other things, ordered closure and prohibited operation of a wide range of businesses, restricted the operations of restaurants, bars, brew pubs, wine bars, cafes, food courts and coffee shops, and required social distancing for other retail businesses; and
6. WHEREAS, on March 27, 2020 the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) became law and established the \$150 billion Coronavirus Relief Fund (Fund) from which the U.S. Department of the Treasury made payments to eligible units of local government, including the County; and
7. WHEREAS, the County received a payment from the Fund which, subject to the requirements of the CARES Act, can be used to cover expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures or restrictions; and

8. WHEREAS, the City, desires to implement and operate a program, subject to the requirements of the CARES Act and County criteria, to provide grants to small businesses located within the City's jurisdictional boundaries for necessary expenses due to the COVID-19 public health emergency; and
9. WHEREAS, on June 23, 2020, the Washington County Board of Commissioners approved the distribution of \$10,000,000.00 from the County's allocation of the Fund (Small Business Grant Program fund) for small business grant support in Washington County; and
10. WHEREAS, the County desires that a portion of the \$10,000,000.00 Small Business Grant Program fund be transferred to its cities, recognizing that cities are in a good position to know the particular needs of their business communities; and
11. WHEREAS the City has requested a \$680,000 distribution from the Small Business Grant Program; and
12. WHEREAS, the County desires to provide the City a portion of the Small Business Grant Program funds for the provision of small business grants for expenses made necessary by the COVID-19 public health threat;

AGREEMENT

NOW, THEREFORE, the premises being in general as stated in the foregoing recitals and in consideration of the terms, conditions and covenants set forth below, the Parties agree as follows:

Article 1 CITY OBLIGATIONS

- 1.1 City shall develop and implement a grant program (City Program) to provide grants to assist small business within the City's jurisdictional boundary. The City Program shall:
 - 1.1.1 Comply with the CARES Act and ensure all expenditures covered by grants provided with the Small Business Grant Program funds comply with the CARES Act and:
 - 1.1.1.1 Are necessary expenditures incurred due to the public health emergency with respect to the COVID-19 within the meaning the CARES Act; and
 - 1.1.1.2 Were not accounted for in the City's most recently approved budgets as of March 27, 2020; and

1.1.2.3 Were incurred during the period that begins March 8, 2020 and ends on December 30, 2020.

- 1.1.2 Adhere to official federal guidance issued or to be issued on what constitutes a necessary expenditure. City will regularly review the guidance established by the U.S. Department of Treasury and will warrant that all small business grant expenditures have met the required guidance.
- 1.1.3 Develop and impose eligibility criteria that requires a recipient to have a physical presence in Washington County and within the jurisdiction boundaries of the City.
- 1.1.4 Develop and impose a selection process, consistent with federal law, that ensures business owners from historically disadvantaged populations have equitable access to the City Program and the Small Business Grant Program funds.
- 1.2 City may implement and operate the City Program internally or may contract with a third party to implement and operate the City Program. If the City contracts with a third party to implement and operate the City Program, City use Small Business Grant Program funds to cover a reasonable fee, relative to the total amount of the program, so long as such expense otherwise complies with the CARES Act.
- 1.3 Within 10 business days of execution of this Agreement, City shall provide County with a written plan detailing the implementation and operational specifics of the City Program and demonstrating the City Program complies with this Agreement. The City Program will provide for all Small Business Grant Program funds to be awarded and committed by November 15, 2020. Prior to disbursement of funds, the County will review the City Program plan for compliance and reserves the right to withhold any allocation of Small Business Grant Program funds to the City until the County has approved the City Program.
- 1.5 City may invoice the County for up to \$680,000 of the Small Business Grant Program funds together with submission of the City Program documentation.
- 1.6 No later than September 30, 2020, City shall submit to the County a report which provides how many grants, together with award amounts, have been awarded and committed, the amount of Small Business Grant Program funds that remain uncommitted, and a plan detailing how the remainder of the Small Business Grant Program funds will be allocated by November 15, 2020 according to the City Program.
- 1.7 City agrees that any Small Business Grant Program funds not distributed or committed by November 15, 2020 will be returned to the County no later than

November 20, 2020. No invoice from the County shall be required under this term.

- 1.8 Upon conclusion of the City Program, and no later than December 1, 2020, the City shall provide the County with a final report which, at minimum, will provide how many businesses received grants, demographic data on award recipients, information specifying participation by historically disadvantaged business owners, receipts, invoices and other relevant documentation showing compliance with the CARES Act and this Agreement, agency audits, if any, and any other information relevant to the City Program.
- 1.9 The City shall require that all written marketing materials, press releases and reporting regarding the City's Program or use of the City's allocation of the Small Business Grant Program will acknowledge the County as the funder.
- 1.10 The City agrees not to cover its own expenditures that may otherwise be eligible expenditures under the CARES Act with the Small Business Grant Program funds.
- 1.11 City will not use any of the Small Business Grant Program funds provided by the County as a revenue replacement for lower than expected tax or other revenue collections or for any other purpose not allowed by the CARES Act.
- 1.12 City will not use the Small Business Grant Programs funds for small business grant expenditures for which the City has already received any other emergency COVID-19 supplemental funding for the same expenditure.
- 1.13 City will retain, and require any recipient or contractor administering the City's Program to retain, all necessary documentation of all uses of the Small Business Grant Program funds including but not limited to invoices and receipts in a manner consistent with §200.333 *Retention requirements for records of 2 CFR 2 Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Such documentation shall be promptly produced to the County upon request and may be subject to audit by the County or County's authorized agent.
- 1.14 City will comply, and require any recipient or contractor administering the City's Program, to comply with all terms in Attachment R.

Article 2 COUNTY OBLIGATIONS

- 2.1 County shall review City Program plan and provide comments or approval within 5 business days of submission. In the event the County requests changes to the City Program, City will resubmit the City Program plan as soon as practical and County will review and provide comments or approval within 2 business days of resubmittal. Review and resubmittal shall continue until the County approves the

City Program, if at all. Nothing in this section requires the County to approve the City Program.

- 2.2 County shall distribute \$680,000 from the Small Business Grant Program funds within fourteen days of County approval of the City's Program.

Article 3 GENERAL PROVISIONS

3.1 LAWS OF OREGON

The parties shall comply with all applicable laws and regulations regarding the handling and expenditure of public funds. This Agreement shall be construed and enforced in accordance with the laws of the State of Oregon.

3.2 DEFAULT

Time is of the essence in the performance of the Agreement. Either party shall be deemed to be in default if it fails to comply with any provisions of this Agreement. The non-defaulting party shall provide the other party with written notice of default and allow thirty (30) days within which to cure the defect.

3.3 INDEMNIFICATION

This Agreement is for the benefit of the parties only. City agrees to indemnify and hold harmless the County, and its elected officials, directors, officers, employees, and agents, from and against all claims, demands and causes of actions and suits of any kind or nature for personal injury, death or damage to property on account of or arising out of services performed, the omissions of services or in any way resulting from the negligent or wrongful acts or omissions of the indemnifying party and its officers, employees and agents. To the extent applicable, the above indemnification is subject to and shall not exceed the limits of liability of the Oregon Tort Claims Act (ORS 30.260 through 30.300). City shall give County prompt written notice of any action or suit filed or any claim made against the County that may result in litigation in any way related to this Agreement. County retains the right, in its discretion, to defend any action with Counsel of this choosing.

3.4 INSURANCE

City shall maintain insurance levels or self-insurance in accordance with ORS 30.282, for the duration of this Agreement at levels necessary to protect against public body liability as specified in ORS 30.269 through 30.274.

3.5 MODIFICATION OF AGREEMENT

No waiver, consent, modification or change of terms of this Agreement shall be binding unless in writing and signed by both Parties. The Parties agree that this Agreement may require modification as additional guidance becomes available.

3.6 DISBURSEMENTS REMAIN SUBJECT TO RECOVERY

All disbursements and payments under this Agreement, remain subject to recovery from City in accordance with the following:

i. Notice of Underexpenditure, Overexpenditure, or Misexpenditure.

If County finds there has been an underexpenditure, overexpenditure or misexpenditure of moneys disbursed under this Agreement, County shall provide City with written notice thereof, with a detailed spreadsheet providing supporting data of an underexpenditure, overexpenditure or misexpenditure, and County and City shall engage in the process described in the Recovery of Underexpenditure, Overexpenditure or Misexpenditure section below.

ii. Recovery of Underexpenditure, Overexpenditure or Misexpenditure.

(a) City's Response. City shall have 90 calendar days from the effective date of the notice of underexpenditure, overexpenditure or misexpenditure or from the date of receipt of the notice, whichever is later, to pay County in full or notify County that it wishes to engage in the appeals process set forth in the Appeals Process section below. If City fails to respond within that 90 calendar-day time period, City shall promptly pay the noticed underexpenditure, overexpenditure or misexpenditure.

(b) Appeals Process. Upon receipt of the final notice, if City notifies County that it wishes to engage in the Appeals Process, City and County shall engage in non-binding discussions to give the City an opportunity to present reasons why it believes that there was no underexpenditure, overexpenditure or misexpenditure, or that the amount of the underexpenditure, overexpenditure or misexpenditure was different than the amount identified by County, and to give County the opportunity to reconsider its notice. City and County may negotiate an appropriate apportionment of responsibility for the repayment of an underexpenditure, overexpenditure or misexpenditure. At City request, County will meet and negotiate with City in good faith concerning appropriate apportionment of responsibility for repayment of an underexpenditure, overexpenditure or misexpenditure. In determining an appropriate apportionment of responsibility, City and County may consider any relevant factors. An example of a relevant factor is the extent to which either party contributed to an interpretation of a statute, regulation or rule prior to the expenditure that was officially reinterpreted after the expenditure. If County and City reach agreement on the amount owed to County, City shall promptly repay

that amount to County by issuing payment to County. If County and City are unable to agree to whether there has been an underexpenditure, overexpenditure or misexpenditure or as to the amount owed, the parties may agree to consider further appropriate dispute resolution processes, including mediation and arbitration.

3.7 DISPUTE RESOLUTION

The Parties shall attempt to informally resolve any dispute concerning any Party's performance or decisions under this Agreement, or regarding the terms, conditions or meaning of this Agreement. A neutral third party may be used if the parties agree to facilitate these negotiations. In the event of an impasse in the resolution of any dispute, the issue shall be submitted to the governing bodies of both parties for a recommendation or resolution.

3.8 REMEDIES

Subject to the provisions in paragraph 3.6 and 3.7, any Party may institute legal action to cure, correct or remedy any default, to enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation of this Agreement. All legal actions shall be initiated in Washington County Circuit Court. The Parties, by signature of their authorized representatives below, consent to the personal jurisdiction of that court.

3.9 EXCUSED PERFORMANCE

In addition to the specific provisions of this Agreement, performance by any party shall not be in default where delay or default is due to war, insurrection, strikes, walkouts, riots, floods, drought, earthquakes, fires, casualties, acts of God, governmental restrictions imposed on or mandated by governmental entities other than the parties, enactment of conflicting state or federal laws or regulations, new or supplementary environmental regulation, litigation or similar bases for excused performance that are not within the reasonable control of the party to be excused.

3.10 SEVERABILITY

If any one or more of the provisions contained in this Agreement is invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of the Agreement will not be affected or impaired in any way.

3.11 INTEGRATION

This Agreement is the entire agreement of the parties on its subject and supersedes any prior discussions or agreements regarding the same subject.

Article 5 TERM OF AGREEMENT and SURVIVAL

5.1 This Agreement becomes effective on the last date signed below and shall terminate on December 31, 2020, unless extended by mutual written consent of the Parties.

5.2 City Obligations 1.6, 1.8, 1.11, 1.12 and 1.13 and General Provisions 3.3, 3.6 and 3.8 shall survive termination or expiration of this Agreement.

DATED this _____ day of _____, 2020.

WHEREAS, all the aforementioned is hereby agreed upon by the parties and executed by the duly authorized signatures below.

WASHINGTON COUNTY, OREGON

CITY OF TUALATIN, OREGON

CAO

CITY MANAGER

DATE

DATE

RECORDING SECRETARY

CITY RECORDER

APPROVED AS TO FORM:

Cortney Duke-Driessen
Sr. Assistant County Counsel

City Attorney

DATE

DATE

ATTACHMENT R
Intergovernmental Agreement ONLY
COVID-19 RESPONSE

Required for all Agreements that are funded in whole or in part by Federal Grant Funds
Clauses required in non-Federal entity's contracts
Source: 2 CFR Part 200, Appendix II

Catalog of Federal Domestic Assistance (CFDA) number(s) of federal funds to be paid through this Agreement:

Contractor or Sub-Recipient Determination - Washington County determines that:
Recipient is a sub-recipient; OR Recipient is a contractor

AUDIT CLAUSES

Recipient shall comply with the following applicable provisions below.

Audits/Costs

- A. Recipients receiving federal funds in excess of \$750,000 from all sources in the Recipient's fiscal year are subject to audit conducted in accordance with the provisions of 2 CFR part 200, subpart F. Subrecipient, if subject to this requirement shall at Recipient's own expense submit to County a copy of, or electronic link to, its annual audit subject to this requirement covering the funds expended under this Agreement and shall submit or cause to be submitted to County the annual audit of any subrecipients(s), contractor(s), or subcontractor(s) of Subrecipient responsible for the financial management of funds received under this Agreement.
- B. Audit costs for audits not required in accordance with 2 CFR part 200, subpart F are unallowable. If Subrecipient did not expend \$750,000 or more in Federal funds in its fiscal year, but contracted with a certified public accountant to perform and audit, costs for performance of that audit shall not be charged to the grant.
- C. Subrecipient shall save, protect and hold harmless County from the cost of any audits or special investigations performed by the Federal awarding agency or any federal agency with respect to the funds expended under this Agreement. Subrecipient acknowledges and agrees that any audit costs incurred by Subrecipient as a result of allegations of fraud, waste or abuse are ineligible for reimbursement under this or any other agreement between Subrecipient and the County.

Maintenance of Financial Records

Recipient must maintain auditable financial records per generally accepted accounting principles and in accordance with OAR 309-013-0075 through 0220 and in sufficient detail to permit County or the State to verify how any payments received under this Agreement were expended.

Access to Records

Recipient agrees to permit a program reviewer or an auditor of the Federal, State, or County government or their agents to have access to records and financial statements as may be necessary. Access to records by the County or State may be with notice or without notice. Any refunds to or disallowances by the Federal Government, the State, or the County resulting from audits shall be the sole responsibility of Recipient for payment to the Federal Government, the State, or the County.

Cost Principles

The parties agree to comply with any applicable cost principles established for determining the allowable costs incurred as set forth in 2 CFR 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), OR circulars superseded by 2 CFR 200 (OMB Circular A-87 (State and Local Governments), OMB Circular A-122 (Nonprofit Organizations), OMB Circular A-21 (Institutions of Higher Learning), 45 CFR Part 74 (Appendix E Hospitals), FAR 48 Subpart 31.2 (For profit Organizations). The parties further agree to comply with, as applicable, the administrative standards for grants set forth in 2 CFR 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards).

Financial Reports

Recipients determined to be sub-recipients of Federal funds who receive Federal awards during the current contract year from County shall provide County with a Financial Report prepared in accordance with generally accepted accounting principles upon which an independent certified public accountant has expressed an opinion. Such report shall account for funds received during the County's fiscal year, July 1 through June 30, or any part of the County's fiscal year occurring during the term of this Agreement. The report must be submitted within six months of the Recipient's fiscal year end. If the Recipient is unable to meet the deadline, they may request, in writing, an extension of up to three months. Failure to provide County with the annual Financial Report may result in withholding of payments due to the Recipient or termination of this

agreement. If the Recipient has a different fiscal year from the County, then the report shall account for funds received during the Recipient's fiscal year.

Expenditure Records

Recipient shall document the expenditure of all funds paid to Recipient under this Agreement. Unless applicable federal law requires Recipient to utilize a different accounting system, Recipient shall create and maintain all expenditure records in accordance with generally accepted accounting principles and in sufficient detail to permit County to verify how the funds paid to Recipient under this contract were expended.

I. **Government Entity (Recipient) shall comply with all applicable provisions below.**

- (A) ***Administrative, contractual, or legal remedies*** are addressed in the Intergovernmental Agreement (Sections 3.3, 3.4 and 5.1) as well as any other applicable provisions in the Agreement and Attachments
- (B) ***Termination provisions*** are addressed in the Intergovernmental Agreement (Section 6) as well as any other applicable provisions in the Agreement and Attachments
- (C) ***Equal Employment Opportunity***. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”
- (D) ***Davis-Bacon Act, as amended (40 U.S.C. 3141-3148)***. If required by the federal funding source and if this Agreement is a prime construction contract in excess of \$2,000, Recipient shall comply with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5 “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). If this section applies, Recipient must pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, Recipient must pay wages not less than once a week. If applicable, the County will place a copy of the current prevailing wage determination issued by the Department of Labor in the solicitation. The decision to award a Contract is conditioned upon the acceptance of the wage determination. If applicable, the County will place a copy of the current prevailing wage determination

issued by the Department of Labor in the solicitation. If applicable, Recipient must accept the wage determination. If applicable, County will report all suspected or reported violations by Recipient to the Federal awarding agency. If applicable, Recipient must comply with the Copeland “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Government Entities and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each Recipient is prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. If applicable, County will report all suspected or reported violations by Recipient to the Federal awarding agency.

- (E) **Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708).** If the amount of this contract exceeds \$100,000 and involves the employment of mechanics or laborers Recipient shall comply with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, if applicable, Recipient shall compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
- (F) **Rights to Inventions Made Under a Contract or Agreement.** If the funding for this Contract meets the definition of “funding agreement” under 37 CFR 401.2(a) and Contract is a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under this Agreement, Recipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the federal awarding agency.
- (G) **Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387).** If the amount of this contract exceeds \$150,000 Recipient shall comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations shall be reported to the Federal awarding agency and

the Regional Office of the Environmental Protection Agency (EPA).

(H) Debarment and Suspension (Executive Orders 12549 and 12689).

Government Entity Certification Regarding Debarment, Suspension, Proposed Debarment and other Responsibility Matters. The Government Entity certifies to the best of its knowledge and belief that neither it nor any of its principals:

- a. Are presently debarred, suspended, proposed for debarment, or declared ineligible from submitting bids or proposals by any federal, state or local entity, department or agency;
- b. Have within a three-year period preceding this offer, been convicted or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performance of a public (Federal, state or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statement, tax evasion, or receiving stolen property;
- c. Are presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in paragraph 15.2 of this certification;
- d. Have within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal, state or local public agency.
- e. Are on the list titled "Specially Designated Nationals and Blocked Persons" maintained by the Office of Foreign Assets Control of the United States Department of the Treasury and currently found at:
<http://www.treas.gov/offices/enforcement/ofac/sdn/t11sdn.pdf>
- f. Are out of compliance with the tax laws of Oregon and all tax laws of political subdivisions of the State of Oregon, including, but not limited to, ORS 305.620 and ORS chapters 316, 317 and 318. Washington County may terminate the contract if Government Entity fails to comply with any tax laws during the term of the contract.

(I) 2 CFR Section 200.322 Procurement of recovered materials. Government Entity must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner

that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

(J) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) By signing this Agreement, the Recipient certifies, to the best of the Recipient's knowledge and belief that:

- a. No federal appropriated funds have been paid or will be paid, by or on behalf of Recipient, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement.
- b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan or cooperative agreement, the Recipient shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying" in accordance with its instructions.
- c. The Recipient shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients and subcontractors shall certify and disclose accordingly.
- d. This certification is a material representation of fact upon which reliance was placed when this Agreement was made or entered into. Submission of this certification is a prerequisite for making or entering into this Agreement imposed by section 1352, Title 31 of the U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- e. No part of any federal funds paid to Recipient under this Agreement shall be used, other than for normal and recognized executive legislative relationships, for publicity or propaganda purposes, for the preparation, distribution before the United States Congress or any State or local legislature itself, or designed to support or defeat any proposed or pending regulation, administrative action, or order issued by the executive branch of any State or local government.
- f. No part of any federal funds paid to Recipient under this Agreement shall be used to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence the enactment of

legislation, appropriations, regulation, administrative action, or Executive Order proposed or pending before the United States Congress or any State government, State legislature or local legislature or legislative body, other than for normal and recognized executive-legislative relationships or participation by an agency or officer of a State, local or tribal government in policymaking and administrative processes within the executive branch of that government.

- g. The prohibitions in subsections 5 and 6 of this section shall include any activity increase, or any proposed, pending, or future requirement or restriction on any legal consumer product, including its sale or marketing, including but not limited to the advocacy or promotion of gun control.
- h. No part of any federal funds paid to Recipient under this Agreement may be used for any activity that promotes the legalization of any drug or other substance included in schedule I of the schedules of controlled substances established under section 202 of the Controlled Substances Act except for normal and recognized executive congressional communications. This limitation shall not apply when there is significant medical evidence of a therapeutic advantage to the use of such drug or other substance or that federally sponsored clinical trials are being conducted to determine therapeutic advantage.

II. **FEMA Required Language:**

- (A) To be eligible for FEMA assistance under the County's FEMA grant or cooperative agreement, the cost of the change, modification, change order, or construction change must be allowable, allocable, within the scope of the County's grant or cooperative agreement, and for the completion of project scope. All changes to this Agreement to alter the method, price or schedule of work must be approved by written amendment to this Agreement signed by both parties.
- (B) Access to Records: In addition to any other term or condition regarding access to records in this Agreement, Government Entity agrees to provide the FEMA administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Government Entity which are directly pertinent to this Agreement for the purposes of making audits, examinations, excerpts, and transcripts. The Government Entity agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed. The Government Entity agrees to provide the FEMA Administrator or his/her authorized representatives access to construction or other work sites pertaining to the work being completed under the Agreement.

(C) Government Entity shall not use the Department of Homeland Security (DHS) seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval.

(D) Government Entity acknowledges that FEMA financial assistance will be used to fund this Agreement only and can be used for no other purposes. Government Entity will comply with all applicable federal law, regulations, executive orders, FEMA policies, procedures, and directives.

(E) The Federal Government is not a party to this Agreement and is not subject to any obligations or liabilities to the County, Government Entity, or any other party pertaining to any matter resulting from this Agreement.

(F) Government Entity acknowledges that 31 USC Chapter 38 (Administrative Remedies for False Claims and Statements) applies to Government Entity's actions pertaining to this Agreement.

*III. **HIPAA Compliance**.* If the work performed under this Contract is covered by the Health Insurance Portability and Accountability Act or the federal regulations implementing the Act (collectively referred to as HIPAA), Government Entity agrees to perform the work in compliance with HIPAA.



CITY OF TUALATIN
RECOVERY PLAN PROGRAM AND FUNDING
DISCUSSION

SOURCES OF FUNDING



\$278,000

Business Oregon

\$252,000

**CARES
Reimbursement**

\$680,000

**CARES
Small Business
Assistance**

Question to Council



What **economic impact** does the City Council want to make
with **CARES Act funding**?

Requested Council Actions



- 1.) Approve of motion for contract modification with Business Oregon for an additional \$243,000 to the approved \$35,000 existing contract for Emergency Business Assistance 1:1 Match Grant.**
- 2.) Direction for funding plan development based on Council priorities for Economic Impact.**

CARES ACT Funding



WHAT IS IT?

In March 2020, the Federal Government provided \$2 trillion in economic stimulus to help the United States mitigate the economic catastrophe from COVID-19 pandemic.

HOW MUCH?

Washington County received \$104 million in CARES Act Funding. The County has provided the City of Tualatin \$932,000 for economic development and small business assistance.

- *\$680,000 for the City of Tualatin*
- *\$252,000 for the Tualatin Development Commission*

Recovery Plan Mission



To manage and implement an effective, efficient, and nimble local economic recovery effort, in collaboration with vital partners, that charts a path for future economic prosperity.

City of Tualatin Recovery Plan

30 DAYS

RESPONSE PHASE



Quickly mobilize city resources and partners to provide immediate assistance to affected businesses.

EFFORTS:

Economic Stabilization Fund
Business Resource Page
Regional Committees

1 – 6 MONTHS

STABILIZATION PHASE



Work to stabilize existing or at-risk businesses from disruptions or closures.

EFFORTS:

Business Recovery Center

6 – 12 MONTHS

PRESERVATION PHASE



Work to preserve our economic response efforts to stabilize our local economy while preparing for the future economic health of our residents, businesses, and workers.

ON-GOING

ENHANCEMENT PHASE



Commit to combining and enhancing our past economic successes and our current recovery efforts to ensure a bright economic future for the City of Tualatin.

POTENTIAL AREAS OF IMPACTS



**BUSINESS
ASSISTANCE**



**RENT
ASSISTANCE**



**CHILDCARE
ASSISTANCE**



**POTENTIAL
PLANNING**



ECONOMIC STABILIZATION FUND 2.0



Provides reimbursable grants to qualifying businesses. Funding may be used for any operating expense: sustain current workforce, maintain physical presence, reimbursed for COVID-19

COUNCIL IMPACT QUESTIONS

- Should we implement another round?
- How much should be allocated?
- Are there particular industry sectors to prioritize?
 - If so, which ones?
- Are there Council alternatives to this program?

RENTAL RELIEF PROGRAM



Effort designed to keep our residents housed and ensure workforce stability.

COUNCIL IMPACT QUESTIONS

- Should the City provide rental assistance?
- If so, how much of the \$932,000 should be allocated to this effort?
- What are the particular targets for a potential rental assistance program?
 - Number of renter's assisted?
 - % of cost-burden household's assisted?
- How would the City like to implement this program?

CHILD CARE FACILITY ASSISTANCE



Work to ensure that our local childcare facilities are stabilized and operational during and after the COVID-19 pandemic.

IMPACT QUESTIONS

- Should the city provide assistance to childcare facilities located in Tualatin?
 - If so, how much?
- What are the particular Council targets for this program?
 - Examples:
 - Assisted a portion of licensed childcare facilities

POTENTIAL PLANNING



Ensure that the City of Tualatin has necessary resources for potential reductions in economic activity or provide holiday stimulus funding for a 2021 launch.

IMPACT QUESTIONS

- How much should the City of Tualatin set aside for economic contingency planning?