



## TUALATIN CITY COUNCIL MEETING

MONDAY, AUGUST 09, 2021

JUANITA POHL CENTER  
8513 SW TUALATIN ROAD  
TUALATIN, OR 97062

Mayor Frank Bubenik  
Council President Nancy Grimes  
Councilor Valerie Pratt                      Councilor Bridget Brooks  
Councilor Maria Reyes                      Councilor Cyndy Hillier  
Councilor Christen Sacco

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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, August 9. 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: either by calling in using the number below or entering the meeting using the zoom link and writing your name in chat. As always, public comment is limited to three minutes per person.

Phone: +1 669 900 6833

Meeting ID: 861 2129 3664

Password: 18880

Link: <https://us02web.zoom.us/j/86121293664?pwd=SS9XZUZyT3FnMk5rbDVKN2pWbnZ6UT09>

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### Work Session

- 1. 5:30 p.m. (60 min) – Election Referral Process.** The City Attorney will provide information and make a presentation on the process involved in getting a measure onto a ballot for a vote of the electorate. The Council may consider referring language relating to term limits to the voters.
  - 2. 6:30 p.m. (30 min) – Council Meeting Agenda Review, Communications & Roundtable.** Council will review the agenda for the August 9 City Council meeting and brief the Council on issues of mutual interest.
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## **7:00 P.M. CITY COUNCIL MEETING**

### **Call to Order**

### **Pledge of Allegiance**

### **Moment of silence for those who have lost their lives to COVID-19**

### **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 Work Session and Regular Meeting Minutes of July 26, 2021
2. Consideration of Approval of a New Liquor License Application for X Golf

### **Public Hearings - Quasi-Judicial**

1. Public Hearing to Consider a Proposed Ordinance Creating the Southwest and Basalt Creek Development Area Urban Renewal Area and Plan
2. Public Hearing to Consider a Proposed Ordinance Adopting a Substantial Amendment to the Leveton Tax Increment District Plan

### **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 **Ordinance 1457-21** Relating to Building Codes
2. Consideration of **Resolution No. 5565-21** Adopting Tualatin's Housing Production Strategy and Housing Production Strategy Report

### **Council Communications**

### **Adjournment**

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Meeting materials, including agendas, packets, public hearing and public comment guidelines, and Mayor and Councilor bios are available at [www.tualatinoregon.gov/council](http://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](http://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:** Nicole Morris, Deputy City Recorder  
**DATE:** August 9, 2021

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**SUBJECT:**  
Consideration of Approval of the Work Session and Regular Meeting Minutes of July 26, 2021

**RECOMMENDATION:**  
Staff respectfully recommends the Council adopt the attached minutes.

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**ATTACHMENTS:**

- City Council Work Session Meeting Minutes of July 26, 2021
- City Council Regular Meeting Minutes of July 26, 2021



## OFFICIAL MINUTES OF THE TUALATIN CITY COUNCIL WORK SESSION MEETING FOR JULY 26, 2021

Present: Mayor Frank Bubenik, Council President Nancy Grimes, Councilor Bridget Brooks, Councilor Maria Reyes, Councilor Valerie Pratt, Councilor Cyndy Hillier

Absent: Councilor Christen Sacco

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Mayor Bubenik called the meeting to order at 5:30 p.m.

### **1. Basalt Creek Parks and Recreation Plan Update.**

Parks and Recreation Director Ross Hoover and Parks Planning Manager Rich Mueller presented on the Basalt Creek Parks and Recreation Plan. Director Hoover stated the concept plan has been adopted for the Basalt Creek area and it is now time to develop a plan for parks in the area. Manager Mueller stated the Parks and Recreation Master Plan suggested acquiring 10-20 acres of park space and additional land for greenways and nature parks. He stated the purpose of the plan is to expand the community parks and recreation needs while addressing needs of new residential and employment areas. Manager Mueller stated they have completed developing acquisition criteria, public outreach, analyzing potential locations, a market study, and a proposed acquisition approach. Director Hoover spoke to next steps in the planning process including the development of preliminary design options, continued public outreach and engagement, refinement of the Park and Trail Design Program, and a draft Basalt Creek Parks and Recreation plan. He spoke to potential funding options including bonds, levies, SDCs fees, grants, and Local Improvement Districts.

Councilor Pratt asked how many acres Tualatin Community Park is. In addition, she asked if the 10-20 acres includes trails. Director Hoover stated it is unclear what is included at this point as public outreach will drive what the needs are.

Councilor Pratt asked about potential funding and any funding that is available now. Director Hoover stated some potential sources of funding have been identified through the Metro Bond Program.

Council President Grimes asked if it is possible to borrow against future SDC's for purchase of land if there is an immediate need. She asked how parties who have land the city would need for parks would go about connecting with the city. Director Hoover stated he expects through ongoing discussions with the community that property owners with desired lands will come forward. Director Hudson stated you can borrow against future SDC's but there are restrictions on timing.

Council President Grimes asked if the canyon is county owned. Director Hoover stated the county has acquired some of the land while preparing to build the Basalt Creek Parkway but noted it is not near the canyon.

Councilor Hillier asked if available resources for the area, both positive and negative, would be presented for the community to hear. Director Hoover stated all of the information will be available during community discussions.

Councilor Brooks stated she appreciates the community engagement that has been done to date. She asked how the community will be able to understand the area better since it is a private area. Director Hoover stated photos of the area will be shown so the public can see the canyon. He stated they are also working with residents to host onsite focus groups.

Councilor Reyes would like to see more visuals of what the area looks like now and what it can be.

Mayor Bubenik asked if the acquisition of parks includes or excludes the amount of land a developer uses for parks. Director Hoover stated it does not include developers land.

Mayor Bubenik asked about the industrial areas and the small parks associated with those and how they are developed and acquired. Director Hoover stated that will be done through the SDC process where developers can request a credit in turn for developing those smaller parks.

Mayor Bubenik expressed concerns with the cost of land in the area and the rising costs as time goes on. Director Hoover stated staff is informed on the pricing on the area and they will continue to move the process forward.

## **2. American Rescue Plan Act Discussion.**

Director Hudson presented updates on the American Rescue Plan Act (ARPA) funding. He presented a brief overview on ARPA funds available for individuals and families, businesses, education, and health care. Director Hudson spoke to eligible uses for state and local fiscal recovery funds including responding to the public health emergency and negative economic impacts, revenue loss, premium pay for essential workers, and water, sewer, and broadband infrastructure. He stated determinations for eligibility for assistance include an experienced negative impact from the pandemic, services in a Qualified Census Tract (QCT), unemployment or food insecurity, and a negative economic impact on a population or group. Director Hudson stated he met with neighboring communities and local partners where they discussed Washington County's Steering Committee's principles and framework and their identified investment areas for distribution of funds. He shared what neighboring communities such as Beaverton, Forest Grove, Cornelius, Hillsboro, and Tigard have done to date. Director Hudson spoke to the distribution of funds to the city. He noted the City is slated to receive \$6,179,536, via two payments in July 2021 and July 2022. Director Hudson presented proposed guiding principles for the distribution of funds including alignment with council vision and priorities, one-time programs and projects, leveraging multiple funding sources, being innovative and strategic, seeking partnerships and collaborative solutions, and collaborating with local partners. He stated proposed investment areas include infrastructure, support of community based organizations, assistance to households, small business and impacted industries programs, revenue replacement, and coordination with local partners.

Councilor Brooks would like to see infrastructure be prioritized and look into how funds can be utilized towards climate action planning.

Councilor Pratt would like to see a contingency fund set aside like the County is doing for unforeseen circumstances. Director Hudson stated the city has until December 2024 to spend the funds so there is plenty of time to be strategic and not rush into projects.

Councilor Reyes would like to provide support to non-profits. She agreed with the proposed investment areas. She asked if funds can be used for community gatherings. Director Hudson stated a singular community event may likely be qualified but he will need to explore it further.

Councilor Hillier wants to make sure the city identifies barriers to access and understands the impacts to different community groups affected by the pandemic.

Council President Grimes would like to focus on infrastructure, small business grants, a contingency fund, and donations to non-profits. She would like to see some ongoing vaccination clinics in the area and potentially working with non-profits to hold them. City Manager Lombos stated Washington County Health Services will have a mobile vaccination clinic every Tuesday at Atfalati Park and different locations within the city.

Mayor Bubenik stated based off conversations with other cities, infrastructure and sticking to their council priorities are top goals.

Councilor Brooks would like to work with the Meals on Wheels program and getting them running back in person.

## **Adjournment**

Mayor Bubenik adjourned the meeting at 6:57 p.m.

Sherilyn Lombos, City Manager

\_\_\_\_\_ / Nicole Morris, Recording Secretary

\_\_\_\_\_ / Frank Bubenik, Mayor



## OFFICIAL MINUTES OF THE TUALATIN CITY COUNCIL MEETING FOR JULY 26, 2021

Present: Mayor Frank Bubenik, Council President Nancy Grimes, Councilor Bridget Brooks, Councilor Maria Reyes, Councilor Valerie Pratt, Councilor Cyndy Hillier

Absent: Councilor Christen Sacco

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### Call to Order

Mayor Bubenik called the meeting to order at 7:02 p.m.

### Pledge of Allegiance

### Moment of silence for those who have lost their lives to COVID-19

### Announcements

#### 1. Recognition of Public Works Director Jeff Fuchs

Councilor Pratt and Councilor Brooks read the proclamation commending Jeff Fuchs for his service to the City of Tualatin.

The Council thanked him for his service to Tualatin.

### Public Comment

Patricia Parson spoke on behalf of Tualatin Voices United regarding council term limits. She encouraged the council to not use their authority to move the request forward and instead leave it to the people of Tualatin.

### Consent Agenda

Motion to approve the consent agenda made by Council President Grimes, Seconded by Councilor Brooks.

Voting Yea: Mayor Bubenik, Council President Grimes, Councilor Brooks, Councilor Reyes, Councilor Pratt, Councilor Hillier

MOTION PASSED

1. Consideration of Approval of the Work Session and Regular Meeting Minutes of June 28, 2021
2. Consideration of **Resolution No. 5563-21** Authorizing the City Manager to Sign an Intergovernmental Agreement between Washington County and the City of Tualatin to Provide a Mental Health Response Team Crisis Clinician
3. Consideration of **Resolution No. 5566-21** Authorizing Personnel Services Updates for Non-Represented Employees on Temporary Schedule A for FY 2020-2021



## General Business

### 1. Consideration of Resolution No. 5564-21 Rescinding the State of Emergency Related to COVID-19

City Manager Lombos stated the state of emergency has been in place since March 23, 2020. She stated she had three objectives during the time to keep the public and employees safe, follow guidelines from public health officials, and continue to provide services. City Manager Lombos stated the City stayed true to the objectives during the time period and have kept the city moving forward while taking care of the community. She stated during this transition into a new and different normal it is an appropriate time to repeal the state of emergency. City Manager Lombos stated the public must remain vigilant and listen to public health officials moving forward.

Councilor Brooks thanked City Manager Lombos for her leadership during this time.

Councilor Pratt thanked city staff for stepping up and being flexible and insightful during this time.

Council President Grimes thanked staff for all they have endured over the last 15 months.

Mayor Bubenik stated he wants to make sure the city continues to monitor the moratorium on rents and possible evictions that may come from it.

Motion to adopt Resolution No. 5564-21 rescinding the state of emergency related to COVID-19 made by Council President Grimes, Seconded by Councilor Pratt.

Voting Yea: Mayor Bubenik, Council President Grimes, Councilor Brooks, Councilor Reyes, Councilor Pratt, Councilor Hillier

MOTION PASSED

## Council Communications

Councilor Pratt stated she attended the Tualatin Sustainability Network meeting and the Tualatin Police Community Police Foundation meeting. She spoke to the new COVID-19 variants and encouraged everyone to get vaccinated.

Councilor Brooks stated she attended the Washington County Coordinating Committee meeting and the Policy Advisory Board meeting. She stated the Council Committee on Advisory Appointments met and discussed the possible creation of a Diversity Equity and Inclusion Task Force. The group will be bringing a proposal to Council soon.

Councilor Hillier stated she missed the Clackamas County Business Alliance meeting but will be following up on their discussions. She reiterated the city's ban on fireworks for the public. She encouraged neighbors to be respectful and responsible.

Council President Grimes spoke to rethinking the wearing of masks indoors to help tamp down the surge in variants.

Mayor Bubenik stated he would like to send a letter in support of the Borland Free Clinic remaining at its current location during its current permit review with Clackamas County. Council consensus was reached in support of sending the letter.

Mayor Bubenik stated National Night Out is coming up on August 3rd. He stated individuals can sign their neighborhoods up on the city's website.

Mayor Bubenik stated he received questions from Clackamas County regarding the letter he sent regarding permitting in the Stafford Area. He explained the letter was about notification regarding changes occurring in Stafford that are not in line with the current vision.

Mayor Bubenik stated many of the Clackamas Mayors are displeased with the Clackamas County Local Implementation Plan (LIP). The local Mayors will meet with the Chair to discuss the services that will be available.

Mayor Bubenik stated he attended the Greater Portland Inc meeting, the dedication of the Jack Broom tree, the Metro Mayors Consortium meeting, and the ribbon cutting at Tiffany Home Designs.

### **Adjournment**

Mayor Bubenik adjourned the meeting at 7:56 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:** 8/9/2021

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**SUBJECT:**

Consideration of Approval of a New Liquor License Application for X Golf

**RECOMMENDATION:**

Staff respectfully recommends the Council approve endorsement of the liquor license application for X Golf.

**EXECUTIVE SUMMARY:**

X Golf has submitted a new 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 at 7059 SW Nyberg St. 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.

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**ATTACHMENTS:**

- Application
- Vicinity Map



CITY OF TUALATIN
LIQUOR LICENSE APPLICATION

Return Completed form to:
City of Tualatin
Attn: Deputy City Recorder
18880 SW Martinazzi Ave
Tualatin, OR 97062

Date 6/29/2021

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): X Golf
Business address 7059 SW Nyberg St City Tualatin State OR Zip Code 97062

Telephone # 720 635 2572 Fax #
Email bill.farnum@xgolftualatin.com
Name(s) of business manager(s) First Bill Middle Allen Last Farnum

Type of business Family entertainment/ Golf Simulator
Type of food served Full Dinner and lunch
Type of entertainment (dancing, live music, exotic dancers, etc.) NA
Days and hours of operation 10 AM - 10 PM
Food service hours: Breakfast Lunch X Dinner X
Restaurant seating capacity 60 Outside or patio seating capacity NA
How late will you have outside seating? NA How late will you sell alcohol? 11 PM

How many full-time employees do you have? 2 Part-time employees? 3

**SECTION 3: DESCRIPTION OF LIQUOR LICENSE**

Name of Individual, Partnership, Corporation, LLC, or Other applicants Clubhouse Partners PDX LLC

Type of liquor license (refer to OLCC form) Full - on premises Public location

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 \_\_\_\_\_  
Business address \_\_\_\_\_

(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: \_\_\_\_\_ Date of birth: \_\_\_\_\_  
Residence address: \_\_\_\_\_  
Full name of treasurer: \_\_\_\_\_ Date of birth: \_\_\_\_\_  
Residence address: \_\_\_\_\_  
Full name of secretary: \_\_\_\_\_ Date of birth: \_\_\_\_\_  
Residence address: \_\_\_\_\_

**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: William Farnum Date of birth: [REDACTED]



Full name: Erik Ray Timmons

Date of birth: [Redacted]

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.

[Redacted Signature]

6/29/21  
Date

For City Use Only

Sources Checked:

- DMV by B
- LEADS by B
- TuPD Records by B
- Public Records by B

- 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: \_\_\_\_\_

Bill Steele  
Signature

8-9-21  
Date

Bill Steele  
Chief of Police  
Tualatin Police Department



X Golf

Nyberg St

Attachment A  
Vicinity Map



City of Tualatin

## CITY OF TUALATIN Staff Report

**TO:** Honorable Mayor and Members of Council  
**THROUGH:** Sherilyn Lombos, City Manager  
**FROM:** Jonathan Taylor, Economic Development Manager  
**DATE:** August 9, 2021

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### **SUBJECT:**

Public Hearing to Consider a Proposed Ordinance Creating the Southwest and Basalt Creek Development Area Urban Renewal Area and Plan

### **RECOMMENDATION:**

Staff recommends that the City Council hold a public hearing on the proposed ordinance which creates the Southwest and Basalt Creek Development Area Urban Renewal Area and Plan.

### **EXECUTIVE SUMMARY:**

#### *Background:*

On September 28, 2020, the Tualatin City Council was presented the Proposed Study Area 1 Feasibility Study. The study indicated the total potential tax increment financing (TIF) revenue over a 30-year period is estimated to be between \$28.4 million and \$55.5 million, depending on the future growth in assessed value in the Southwest and Basalt Creek Development Area. Three growth scenarios were analyzed as described in the attached feasibility study. The growth scenarios would support a total maximum indebtedness (i.e., the total principal amount of projects to be funded) between \$24.5 million and \$48.7 million. When accounting for inflation and adjusting the maximum indebtedness to be reported in constant 2020 dollars, the forecast for the true financial capacity of the URA was projected to be between \$13.6 million and \$26.2 million.

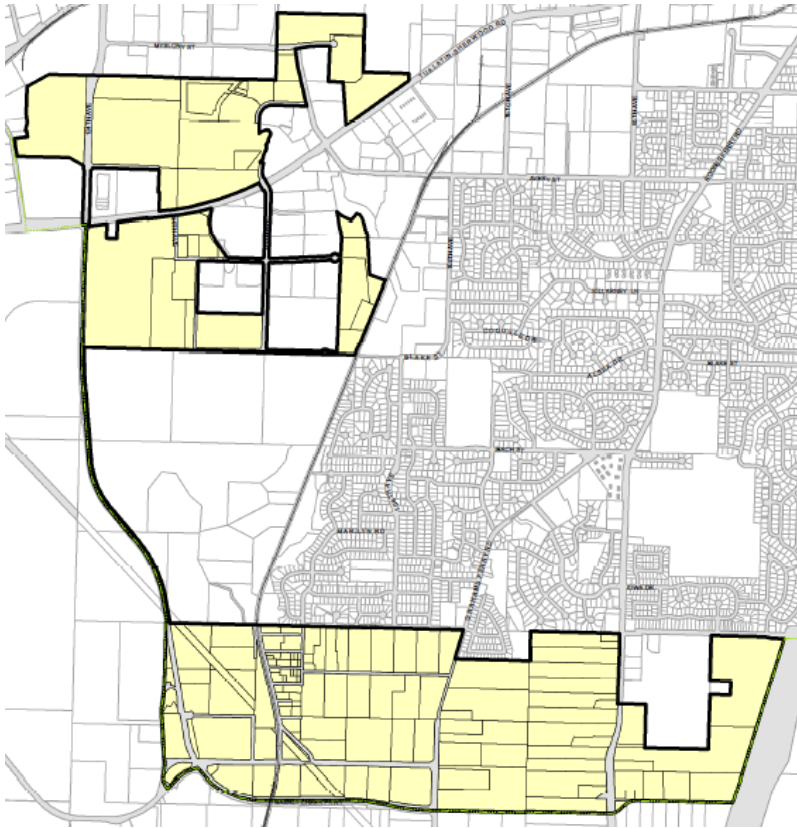
The results of the feasibility study have the following key implications:

- Urban renewal could generate significant financial capacity for the Basalt Creek Area and Southwest Industrial Area in the City of Tualatin, including funding for up to \$26.2 million of projects. This funding could pay for significant infrastructure improvements and other high priority economic development projects in this area.
- This financial capacity would not be available immediately, but would build slowly over time. As an example, the soonest the City could adopt an urban renewal plan would be in calendar year 2021, which would result in the Urban Renewal Agency first receiving tax increment revenue in Fiscal Year 2023. Over the first five years of the District (from FY 2023 through FY 2027), annual tax increment revenue is projected to grow to \$400,000. This revenue stream (when combined with financing options, and adjusting for inflation) is projected to support funding for less than \$2 million of projects during this time period. Thus, long-term financial capacity does not necessarily translate into substantial short-term financial capacity.
- Past planning efforts for the Basalt Creek and Southwest Industrial Area have identified key infrastructure projects that are needed in the area. Because of these past planning efforts, there is a clear vision and specific list of projects that could be funded with urban renewal. An urban renewal



plan for the Basalt Creek and Southwest Industrial Area could likely gather sufficient public input through the typical urban renewal planning process, which includes input from an advisory committee.

Proposed Urban Renewal Boundary



Plan Goals

The goals of the Plan represent its basic intents and purposes.

Goal 1: Public Involvement

Implement community involvement practices.

Goal 2: Employment Land Development

Encourage land development that provides high density employment opportunities. Encourage land development in ways that strengthen the local tax base and support Tualatin's employment lands as a major local and regional employment center. Manage land development impacts to the environment and other uses.

Goal 3: Transportation Infrastructure

Maintain and enhance the transportation system to reduce travel times, provide travel-time reliability, provide a functional and smooth transportation system, and promote access and safety for all users. Allow for a variety of alternative transportation choices for residents of and visitors to Tualatin to support a high quality of life and community livability. Support local employment, local businesses, and a prosperous community while recognizing Tualatin's role in the regional economy.

Goal 4: Utility Infrastructure

Provide public services and facilities to meet the present and future needs of the Area.

Goal 5: Developer Assistance and Incentives

Facilitate development and redevelopment on sites in the Area, stimulating growth, providing new employment opportunities and an increased tax base in the Area. Assist in the provision of infrastructure to support the development of additional housing options in the Area.

### District 1 Urban Renewal Task Force

District 1 Urban Renewal Task Force (Task Force) was created by Resolution 622-20 by the Tualatin Development Commission tasked with: A. Review the proposed urban renewal plan boundary and make recommendations for size and location of District 1; B. Identify and recommend projects in the proposed area; and C. Review financial analysis and impacts of the proposed district and project.

Task Force members were: Christen Sacco (City Council), Cassandra Ulven (Tualatin Valley Fire and Rescue), Theresa Haskins (Property Owner Representative – Portland General Electric), Grace Lucini (Property Owner), Jilian Felton (Property Owner Representative – Community Partners for Affordable Housing), and Janelle Thompson (Tualatin Planning Commission)

The Task Force met on March 18, 2021 (Meeting 1), April 8, 2021 (Meeting 2), and April 29, 2021 (Meeting 3) via the virtual platform Zoom. Meeting 1 provided an introduction of the Task Force members, staff and consultant; the purpose of the Task Force, the background of the feasibility study; an urban renewal 101, and boundary discussion. Meeting 2 included a boundary discussion update and proposed projects. The boundary update incorporated comments from Community Partners for Affordable Housing. Meeting 3 provided a review of the financial plan and memo. On June 29, 2021, the Urban Renewal Task Force meet for a fourth meeting at the request of Grace Lucini. This meeting was held to officially vote and recommend the proposed projects and boundaries. The task force approved the proposed boundary and projects. Grace Lucini dissent and provided dissenting comments to be included in the minutes.

Agenda and meeting minutes can be referenced at:

<https://www.tualatinoregon.gov/economicdevelopment/proposed-area-1-task-force>

### Identified Projects

The identified projects presented in the draft plan for the Basalt and Southwest Development Area were sourced from existing strategic/development plans adopted by the City of Tualatin. The projects are divided into six areas of focus: Transportation, Sewer, Storm Drainage, Developer Assistance and Incentives, Acquisition/Disposition, Administration

#### *Transportation*

1. 124th/Future Blake Street Signal  
Project Cost: \$656,000  
Document Source: Capital Improvement Plan, Transportation System Plan  
Design and construct a new traffic signal at the new intersection of the recently-constructed 124th Ave with the future extension of Blake Street along with or after the future Blake Street construction.
2. Tonquin Trail  
Project Cost: \$2,343,000  
Document Source: Capital Improvement Plan, Basalt Creek Concept Plan, Parks and Recreation Master Plan.

The preferred alignment for the regional Ice Age Tonquin Trail includes a section bordering the Basalt Creek Planning Area as part of a 22-mile trail alignment through Wilsonville, Tualatin, and Sherwood with trail facility types varying by location based upon landscape and setting. The Ice Age Tonquin Trail is intended to connect in the north to the Tualatin River Greenway Trail, Fanno Creek Trail, and the Westside Trail, and to the south to the Willamette River.

3. Blake Street  
Project Cost: \$1,500,000  
Document Source: Capital Improvement Plan

Preliminary planning and conceptual design and construction of the future Blake Street between 115th Ave and 124th Avenue.

#### *Sewer*

1. Tonquin Loop Sewer  
Project Cost: \$657,000  
Document Source: Capital Improvement Plan, Sewer Master Plan

Most of the sanitary sewer in the Basalt Creek Planning Area will be an 8-inch gravity system installed by developers. The construction timeline of this pipe depends on both the construction of Basalt Creek area pump station #4 and development progress in the western portion of the planning area. Because this project is entirely driven by new development, it is eligible for SDC reimbursement. "Build 2,170 feet of 10 inch sanitary sewer service in the Basalt Creek Planning Area to serve new commercial and residential development."

2. Basalt Creek Gravity Sewer  
Project Cost: \$3,838,000  
Document Source: Sewer Master Plan

The Basalt Creek Conceptual Plan includes approximately 34,250 feet of 8-inch gravity pipe within the planning area. These projects will be funded by developers, and scheduling will be coordinated with the City and CWS. It is expected that the residential portion of the planning area will develop within the next 10 years, while the commercial and industrial portions may develop in the next 20 years.

3. Basalt Creek Pump Stations and Force Mains  
Project Cost: Responsible Agent Clean Water Services (Identified Need)

The conceptual sanitary sewer design for Basalt Creek includes the construction of six new pump stations, each with 6-inch force mains. One pump station is in the Wilsonville portion of the planning area and will be constructed by Wilsonville. CWS will own and operate the five remaining pump stations in the planning area and will also be responsible for construction costs.

4. SW Tualatin Gravity Sewer  
Project Cost: \$418,000  
Document Source: Sewer Master Plan

The proposed conceptual sewer layout for the Southwest Tualatin Concept Area also includes three 8-inch sewer lines to serve the area. It is expected that all gravity sewer in the planning area will be funded by developers and scheduling will be coordinated with the City and CWS. The southern region of the area is serviced by a proposed gravity line that will drain into the Basalt Creek Pump Station 4. The northeastern portion is serviced by a proposed gravity line that connects to existing sewer along SW Iteel Street. The northwestern sewer section connects to existing sewer along SW 124th Avenue, and receives flow from the surrounding area as well as the proposed Southwest Tualatin Pump Station.

#### *Developer Assistance and Incentives*

Facilitate development and redevelopment on sites in the Area, stimulating growth and providing new employment opportunities and additional mixed use and commercial growth in the Area.

### *Small Business Grants*

Provide small industrial and office space owners and businesses façade grants to update, modernize existing façade infrastructure.

### *Acquisition/Disposition*

Acquisition/Disposition are allowed in the Plan. Based on sales comparables of notable vacant land, these will be used in accordance with land acquisition to assist with targeted development based on submitted request for proposals. Prior to any property being acquired, it must be identified in the Plan in Section VIII.

### *Administration*

Authorizes expenditures for the administrative costs associated with managing the URA including budgeting and annual reporting, planning and the implementation of projects in the Area.

### *Removed Projects:*

1. Basalt Creek Park  
Project Cost: \$19,900,000

Evaluate land opportunities to support recreation needs and protect natural resources for a new neighborhood park in south Tualatin to serve residents and employees. Acquire land and develop park and recreation facilities in future years. This project fulfills four of the Council 2030 Vision initiatives: Connected Informed & Engaged, Vibrant & Accessible Gathering Places, Safe, Desirable & Welcoming Neighborhoods, and Environmentally Active & Responsible.

Reason for Removal: Based on the statements and recommendations from overlapping taxing districts, this project commits forgone tax increment revenue to non-tax increment increasing efforts.

### *Citizen Proposed Projects:*

1. Stormwater Management Plan

This project was proposed by Grace Lucini at Task Force Meeting #2 on April 8, 2021. City Staff does not recommend this project at this time based on the City of Tualatin Community Development Department budgeting \$100,000 for FY 2021/2022.

2. Goal 5 Inventory

This project was proposed by Grace Lucini at Task Force Meeting #2. This project is described as creating a natural resource inventory based on the State of Oregon Planning Goal 5. This is an eligible project for tax increment revenue financing. The Tualatin Development Commission must follow all land use efforts and regulations set forth by the Tualatin City Council and cannot supersede with its own efforts. If the City Council wishes for the Tualatin Development Commission to assume this project, clear direction must be given.

### *Virtual Open House*

A virtual, self-guided open house for interested individuals was available during the month of July. This open house will provide stations to learn about the urban renewal efforts in the proposed area and to provide opportunities for public input and comments. The virtual open house will be located on the City of Tualatin's Urban Renewal Page.

### *Conformance to the Tualatin Development Code and the Tualatin Comprehensive Plan*

On June 28, 2021 the Tualatin Development Commission adopted Resolution 628-21 to commence the formal review process and forwarded the proposed urban renewal plan to the Tualatin Planning Commission to determine conformance with the Tualatin Development Code and the Tualatin Comprehensive Plan. On July

15, 2021, the Tualatin Planning Commission approved by motion that the proposed Southwest and Basalt Creek Development Area Plan is in conformance.

#### Washington County Board of Commissioners

Due to the inclusion of unincorporated areas in to the proposed Plan, the Washington County Board of Commissioners must approve by resolution the proposed plan. On August 3, 2021, City Staff and Consultant presented to the Commissioners during a regularly schedule work session. On August 17, 2021, the Commissioners will consider a resolution for adoption. Noted changes requested by the Commissioners will be forwarded to the Tualatin City Council for consideration on August 23, 2021 during the consideration of adoption of the proposed Plan.

#### Formal Review Process

At the time of this staff report, no overlapping taxing districts have submitted proposed comments or changes to the proposed urban renewal plan. The consult and confer period ends on August 14, 2021. If comments or changes are requested, those proposed changes or comments will be forwarded to the Tualatin City Council for consideration on August 23, 2021 during the consideration of adoption of the proposed plan.

#### **PUBLIC NOTICE**

As required by ORS 457, the City of Tualatin has noticed this plan by mailing notices to all utility customers of the City of Tualatin and mailed public notices to all property owners in unincorporated areas. In addition, the City of Tualatin noticed the public hearing in the Tigard-Tualatin Times.

#### **OUTCOMES OF DECISION:**

Upon the completion of the public hearing, the proposed ordinance and draft plan will advance to consideration for adoption on August 23, 2021.

#### **ALTERNATIVES TO RECOMMENDATION:**

None.

#### **FINANCIAL IMPLICATIONS:**

None

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#### **ATTACHMENTS:**

- Proposed Ordinance
- Draft - Southwest and Basalt Creek Development Area Plan
- Draft - Report Accompanying the Southwest and Basalt Creek Development Area Plan
- Power Point

ORDINANCE NO. 1458-21

AN ORDINANCE CREATING THE SOUTHWEST AND BASALT CREEK DEVELOPMENT AREA URBAN RENEWAL AREA AND PLAN.

WHEREAS, the Tualatin Development Commission (“TDC”), as the duly authorized and acting urban renewal agency of the City of Tualatin, Oregon, is proposing to undertake certain urban renewal activities in a designated area within the City pursuant to ORS Chapter 457;

WHEREAS, the TDC, pursuant to the requirements of ORS Chapter 457, has caused the preparation of the Southwest and Basalt Creek Development Area Plan dated August 23, 2021 and attached hereto as Exhibit A (the “Plan”) and incorporated herein by reference, and the Plan authorizes certain urban renewal activities within the Southwest and Basalt Creek Development Area (the “Area”);

WHEREAS, the TDC has caused the preparation of a certain Report Accompanying the Southwest and Basalt Creek Development Plan dated August 23, 2021 and attached hereto as Exhibit B (the “Report”) to accompany the Plan as required under ORS 457.087);

WHEREAS, the TDC forwarded the Plan and Report to the Tualatin Planning Commission (the “Commission”) for review and recommendation, and the Commission considered the Plan and Report on July 15, 2021 and adopted a finding that the Plan conformed with the Tualatin Comprehensive Plan; a memorandum from the City Manager regarding this action is attached hereto as Exhibit C;

WHEREAS, the Plan and the Report were forwarded on June 30, 2021 to the governing body of each taxing district affected by the Plan, and the TDC has thereafter consulted and conferred with each taxing district;

WHEREAS, on August 3, 2021 and August 17, 2021 the City met with representatives of Washington County to review the Plan, including the proposed maximum indebtedness for the Plan and Washington County approved the Plan by adopting a Resolution on August 17, 2021, attached hereto as Exhibit D and incorporated by reference;

WHEREAS, in July 2021, the City caused notice of a hearing to be held before City Council on the Plan, including the required statements of ORS 457.120(3), to be mailed to utility customers within City’s incorporated limits and to property owners of properties outside the city limits;

WHEREAS, on August 9, 2021 the City Council held a public hearing to review and consider the Plan, the Report, the recommendation of the Tualatin Planning Commission, and the public testimony received on or before that date and to receive additional public testimony;

WHEREAS, the City Council has determined that the Plan conforms with all applicable legal requirements; and

WHEREAS, after consideration of the record presented through this date, the City Council does by this Ordinance desire to approve the Plan.

NOW THEREFORE, THE CITY OF TUALATIN ORDAINS AS FOLLOWS:

**Section 1.** The Council adopts the Southwest and Basalt Creek Development Area Plan in Exhibit A, adopts the Report in Exhibit B, and adopts the Planning Commission Report in Exhibit C. The Southwest and Basalt Creek Development Area and Plan is approved and adopted based upon review and consideration by the City Council, the Tualatin Planning Commission Recommendations, taxing district recommendations each of which is hereby accepted, as well as the public testimony in the record.

**Section 2.** The Council finds the Plan and Area complies with all applicable requirements of ORS Chapter 457 and the specific criteria of ORS 457.095, based on the information in the Report, the Tualatin Planning Commission Recommendation, and the public testimony before the City Council, including the following findings:

1. The process for the adoption of the Plan has been conducted in accordance with the applicable provisions of Chapter 457 of the Oregon Revised Statutes and all other applicable legal requirements;
2. The area designated in the Plan as the Southwest and Basalt Creek Area is blighted, as defined by ORS 457.010(1) and is eligible for inclusion within the Plan because of conditions described in Section X of the Report, including the existence of inadequate streets and other rights of way, open spaces, and utilities (ORS 457.010(1)(e));
3. The rehabilitation and redevelopment described in the Plan to be undertaken by the TDC is necessary to protect the public health, safety or welfare of the City because, absent the completion of urban renewal projects, the Area will fail to contribute its fair share of property tax revenues to support City services and will fail to develop and/or redevelop according to the goals of the City's Comprehensive Plan;
4. The Plan conforms to the Tualatin Comprehensive Plan and provides an outline for accomplishing the projects described in the Plan, as more fully described in Section XIII of the Plan and in the Tualatin Planning Commission Recommendation in Exhibit C;
5. No residential displacement will occur as a result of the acquisition and disposition of land and redevelopment activities proposed in the Plan and therefore the Plan does not include provisions to house displaced persons;
6. Adoption of and carrying out the Plan is economically sound and feasible in that eligible projects and activities will be funded by urban renewal tax revenues derived from a division of taxes pursuant to Article IX, section 1c, of the Oregon Constitution and ORS 457.440 and other available funding as more fully described in Sections III and IV of the Report;

- 7. The City shall assume and complete any activities prescribed it by the Plan; and
- 8. The TDC consulted and conferred with affected overlapping taxing districts prior to the Plan being forwarded to the City Council.
- 9. Washington County approved the Plan by adopting Resolution No. on August 17, 2021, which is attached as Attachment D.

**Section 3.** The City Manager is directed to forward a copy of this Ordinance to the TDC.

**Section 4.** Upon receipt from the City Manager, the TDC shall cause a copy of the Plan to be recorded in the Deed Records of Washington County, Oregon.

**Section 5.** The City Manager, in accordance with ORS 457.115, shall publish newspaper notice of the adoption of this Ordinance approving the Plan, including the provisions of ORS 457.135, no later than four days following adoption of this Ordinance.

**Section 6.** The City Manager is delegated the authority to conduct any and all actions necessary to carry out the intent of this Ordinance and ensure compliance with law.

ADOPTED by the City Council this 23 day of August, 2021.

CITY OF TUALATIN, OREGON

BY \_\_\_\_\_  
Mayor

APPROVED AS TO FORM

ATTEST:

BY \_\_\_\_\_  
City Attorney

BY \_\_\_\_\_  
City Recorder



Southwest and Basalt Creek Development  
Area Plan

DRAFT



*City of Tualatin*

Southwest and Basalt Creek Development Area Plan

Approved by the City of Tualatin

DATE

Ordinance No. 2021 –

If Amendments are made to the Plan, the Resolution or Ordinance Number and date will be listed here. The amendment will be incorporated into the Plan and noted through a footnote.

This Plan was also approved by Washington County by Resolution No.        on DATE as there are unincorporated properties in the Area.

## **LIST OF PARTICIPANTS**

### **Mayor**

Frank Bubenik

### **City Council**

Nancy Grimes, Council President

Maria Reyes

Christen Sacco

Bridget Brooks

Cyndy Hillier

Valerie Pratt

### **Planning Commission**

Bill Beers, Chair

Mona St. Clair, Vice-Chair

Alan Aplin

Janelle Thompson

Daniel Bachhuber

Ursula Kuhn

### **City of Tualatin Staff**

Sherilyn Lombos, City Manager

Megan George, Deputy City Manager

Don Hudson, Assistant City Manager/  
Finance Director

Kim McMillan, Community  
Development Director

Steve Koper, Assistant Community  
Development Director/Planning Manager

Jonathan Taylor, Economic Development  
Manager

### **Urban Renewal Task Force**

Jilian Felton, Community Partners for  
Affordable Housing

Theresa Haskins, Portland General  
Electric (property owner)

Grace Lucini, Area Resident (property  
owner)

Christen Sacco, City of Tualatin City  
Council

Janelle Thompson, City of Tualatin  
Planning Commission

Cassandra Ulven, Public Affairs Chief,  
Tualatin Valley Fire and Rescue (TVF&R)

### **Consulting Team**

#### **Elaine Howard Consulting, LLC**

Elaine Howard, Scott Vanden Bos

#### **Tiberius Solutions, LLC**

Nick Popenuk, Ali Danko, Rob Wyman

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## **I. DEFINITIONS**

“Agency” means the Tualatin Development Commission (TDC). The TDC is responsible for administration of the urban renewal plan.

“Area” means the properties and rights-of-way located with the Southwest and Basalt Creek Development Area Boundary.

“Blight” is defined in ORS 457.010(1)(A-E) and identified in the ordinance adopting the urban renewal plan.

“Board of Commissioners” means the Washington County Board of Commissioners.

“City” means the City of Tualatin, Oregon.

“City Council” or “Council” means the Tualatin City Council.

“Comprehensive Plan” means the City of Tualatin comprehensive land use plan and its implementing ordinances, policies, and standards.

“County” means Washington County, Oregon.

“Fiscal year ending” means the year commencing on July 1 and closing on June 30 of the next year.

“Frozen base” means the total assessed value including all real, personal, manufactured, and utility values within an urban renewal area at the time of adoption. The county assessor certifies the assessed value after the adoption of an urban renewal plan.

“Increment” means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in an urban renewal area, or portion thereof, over the assessed value specified in the certified statement.

“Maximum indebtedness” means the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness.

“ORS” means the Oregon Revised Statutes. Chapter 457 specifically relates to urban renewal.

“Planning Commission” means the Tualatin Planning Commission.

“Revenue sharing” means under-levying tax increment proceeds to effectively share a portion of the revenue with the other taxing districts who levy permanent rate taxes in the urban renewal area as defined in ORS 457.470.

“Tax increment financing (TIF)” is a method of funding urban renewal projects and programs through incurring debt that is repaid by the division of taxes accomplished through the adoption of an urban renewal plan.

“Tax increment finance revenues” means the funds allocated by the assessor to an urban renewal area due to increases in assessed value over the frozen base within the area.

“UGB” means urban growth boundary.

“Urban renewal area (URA)” means a blighted area included in an urban renewal plan or an area included in an urban renewal plan under ORS 457.160.

“Urban renewal plan” or “Plan” means a plan, as it exists or is changed or modified from time to time, for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135 and 457.220.

“Urban renewal project” or “Project” means any work or undertaking carried out under ORS 457 in an urban renewal area.

“Urban renewal report” or “Report” means the official report that accompanies the urban renewal plan pursuant to ORS 457.087.

## II. INTRODUCTION

### A. Plan Overview

The Tualatin City Council began exploring a new urban renewal area (URA) by completing an Urban Renewal Feasibility Study in 2020. After reviewing those findings, the City Council directed staff to prepare an urban renewal plan for the study areas. The City Council appointed a Task Force to help provide input on the boundary, projects and financing of the potential new URA.

The boundary is a result of past work in the Southwest Tualatin Concept Plan Area and the Basalt Creek Concept Plan Area. The Southwest Tualatin Concept Area includes parcels around 124th Ave and the new Portland General Electric Site, with the areas along Tualatin-Sherwood Road. The Southwest Tualatin Concept Plan Area was adopted around 2005. The southern portion of the study area includes the Basalt Creek Concept Plan Area and property owned by Community Partners for Affordable Housing.

The recent work for the area includes:

*Basalt Creek Concept Plan*, adopted August 13, 2018, Ordinance No. 1418-19. Amended Ordinance No. 1418-19, on April 22, 2019

*Southwest Tualatin Concept Plan Area* adopted June 25, 2007, updated October 11, 2010 CH2M Hill, Kittelson & Associates, Oregon Transportation and Growth Management Program, Metro Construction Excise Tax Grant Program. Amended Ordinance No. 1320-11, on April 11, 2011.

*Tualatin Capital Improvement Plan*, City of Tualatin, FY 2020/21 – 2025/26.

*Transportation Systems Plan*, CH2M Hill, DKS, Angelo Planning Group, JLA Public Involvement, February 2014.

*City of Tualatin Economic Opportunities Analysis*, December 2019, ECONorthwest.

*City of Tualatin Housing Needs Analysis*, December 2019, ECONorthwest.

*City of Tualatin Sewer Master Plan*, City of Tualatin, Jacobs, August 2019, updated November 2019.

The City formed an Urban Renewal Task Force which was comprised of representatives of the Tualatin City Council, Tualatin Planning Commission, Tualatin Valley Fire and Rescue (TVF&R), Community Partners for Affordable Housing and property owners. The Task Force provided input on the boundary, proposed



projects and finances for the urban renewal area. Additional opportunity for public input was provided at the Tualatin Development Commission (TDC) meeting on June 28, 2021, a Basalt Creek Neighborhood Forum on May 17, 2021, and online open house through the month of July 2020, the Tualatin Planning Commission meeting on July 15, 2021 and the Tualatin City Council public hearing on August 9, 2021. The City Council public hearing was noticed to all postal patrons and mailed individually to property owners who are inside the urban renewal area boundary but outside of the city limits.

The Southwest and Basalt Creek Development Area Plan Area (Area), shown in Figure 1, consists of approximately 717.3 total acres: 646.51 acres of land in tax lots and 70.79 acres of public rights-of-way. It is anticipated that the Southwest and Basalt Creek Development Area Plan (Plan) will take thirty years of tax increment collections to implement. The maximum amount of indebtedness that may be issued for the Plan is not to exceed \$53,200,000 (Fifty Three Million Two Hundred Thousand dollars). Detailed financial analysis is in the Report Accompanying the Tualatin Urban Renewal Plan (Report).

Detailed goals and objectives developed for the Plan are intended to guide tax increment finance (TIF) revenue investment in the Area over the life of the Plan. The project category descriptions and list of projects are similarly intended to aid future decision makers when considering how best to expend TIF revenue. The Plan is to be administered by the Tualatin Development Commission (TDC). Substantial amendments to the Plan must be approved by City Council as outlined in Section VII. All amendments to the Plan are to be listed numerically on the inside of the front page of the Plan and then incorporated into the Plan document and noted by footnote with an amendment number and adoption date.

The relationship between the sections of the Plan and the ORS 457.085 requirements is shown in Table 1. The specific reference in the table below is the section of this Plan that primarily addresses the statutory reference. There may be other sections of the Plan that also address the statute.

Table 1 - Statutory References

<b>Statutory Requirement</b>	<b>Plan Section</b>
ORS 457.085(2)(a)	V, VI
ORS 457.085(2)(b)	V, VI
ORS 457.085(2)(c)	XIV
ORS 457.085(2)(d)	XIII
ORS 457.085(2)(e)	XIII
ORS 457.085(2)(f)	IX
ORS 457.085(2)(g)	VIII
ORS 457.085(2)(h)	III
ORS 457.085(2)(i)	VII
ORS 457.085(2)(j)	Not applicable

## ***B. Urban Renewal Overview***

Urban renewal allows for the use of tax increment financing, a funding source that is unique to urban renewal, to fund its projects. Tax increment revenues - the amount of property taxes generated by the increase in total assessed values in the urban renewal area from the time the urban renewal area is first established - are used to repay borrowed funds. The borrowed funds are used to pay for urban renewal projects and cannot exceed the maximum indebtedness amount set by the urban renewal plan.

The purpose of urban renewal is to improve specific areas of a city that are poorly developed or underdeveloped, called blighted areas in Oregon Revised Statutes (ORS) 457.010. These areas can have streets and utilities in poor condition, a complete lack of streets and utilities altogether, or other obstacles to development. In general, urban renewal projects can include construction or improvement of streets, utilities, and other public facilities; assistance for rehabilitation or redevelopment of property; acquisition and re-sale of property (site assembly) from willing sellers; and improvements to public spaces. This Area meets the definition of blight due to its transportation system infrastructure deficiencies, utility infrastructure deficiencies, and underdeveloped and undeveloped properties. These blighted conditions are specifically cited in the ordinance adopting the Plan and described in detail in the Report.

The Report contains the information required by ORS 457.087, including:

- A description of the physical, social, and economic conditions in the area;
- Expected impact of the Plan, including fiscal impact in light of increased services;
- Reasons for selection of the Plan area;
- The relationship between each project to be undertaken and the existing conditions;
- The estimated total cost of each project and the source of funds to pay such costs;
- The estimated completion date of each project;
- The estimated amount of funds required in the Area and the anticipated year in which the debt will be retired;
- A financial analysis of the Plan;
- A fiscal impact statement that estimates the impact of tax increment financing upon all entities levying taxes upon property in the area; and
- A relocation report.

### **III. MAXIMUM INDEBTEDNESS**

Maximum indebtedness is the amount of indebtedness secured by a pledge of tax increment revenue that can be spent on projects, programs and administration throughout the life of the Plan. The maximum amount of indebtedness that may be issued or incurred under the Plan, based upon good faith estimates of the scope and costs of projects in the Plan and the schedule for their completion is \$53,200,000 (Fifty-three Million Two Hundred Thousand dollars). This amount is the principal of such indebtedness and does not include interest or indebtedness incurred to refund or refinance existing indebtedness or interest earned on bond proceeds.

### **IV. PLAN GOALS**

The goals of the Plan represent its basic intents and purposes. Accompanying each goal are objectives, which generally describe how the TDC intends to achieve each goal. The urban renewal projects identified in Sections V and VI of the Plan are the specific means of meeting the objectives. The goals and objectives will be pursued as economically as is feasible and at the discretion of the TDC. The goals and objectives are not listed in any order of importance or priority. A matrix of how the projects align with the goals and objectives is shown in Table 2.

#### **Goal 1: PUBLIC INVOLVEMENT**

Implement community involvement practices.

Objectives:

1. Convene an urban renewal task force comprised of taxing districts and other stakeholders to provide guidance on the preparation of the urban renewal plan.
2. Invite public comment at all TDC meetings.
3. Complete the Urban Renewal Annual Report and send it to all impacted taxing districts as required by ORS 457.460.

#### **Goal 2: EMPLOYMENT LAND DEVELOPMENT**

Encourage land development that provides high density employment opportunities. Encourage land development in ways that strengthen the local tax base and support Tualatin's employment lands as a major local and regional employment center. Manage land development impacts to the environment and other uses.

Objectives:

1. Build water, sewer, storm-water and other infrastructure to accommodate growth in the Area.
2. Assist in the construction and improvement of transportation infrastructure to support existing development and allow for future development.
3. Assist in the financing and provision of public transportation and utility improvements identified in this Plan.
4. Cooperate with brokers, local and regional development agencies, and the State Department of Economic Development in marketing properties within the Area.
5. Acquire properties as necessary for reassembly and resale. Create new parcels which conform to the physical characteristics of the terrain and to the proposed public improvements.
6. Assist in natural resource protection.

**Goal 3:           TRANSPORTATION INFRASTRUCTURE**

Maintain and enhance the transportation system to reduce travel times, provide travel-time reliability, provide a functional and smooth transportation system, and promote access and safety for all users. Allow for a variety of alternative transportation choices for citizens of and visitors to Tualatin to support a high quality of life and community livability. Support local employment, local businesses, and a prosperous community while recognizing Tualatin’s role in the regional economy.

Objectives:

1. Assist in the construction of new and improvement of existing transportation infrastructure to allow for future development and support existing development.
2. Provide pedestrian and bicycle connectivity improvements, increasing safety and access for pedestrians and bicyclists in the Area.
3. Connect the Tonquin Trail (Tualatin Portion) to the Regional Planned Network.
4. Leverage the TDC’s financial resources to the maximum extent possible with other public and private investments and other public and private funding sources.
5. Partner with regional organizations to address natural resource protection in the Area.

**Goal 4: UTILITY INFRASTRUCTURE**

Provide public services and facilities to meet the present and future needs of the Area.

Objectives:

1. Design and construct water, sewer, stormwater and other utility infrastructure to accommodate growth in the Area.
2. Leverage the TDC's financial resources to the maximum extent possible with other public and private investments and other public and private funding sources.

**Goal 5: DEVELOPER ASSISTANCE AND INCENTIVES**

Facilitate development and redevelopment on sites in the Area, stimulating growth, providing new employment opportunities and an increased tax base in the Area. Assist in the provision of infrastructure to support the development of additional housing options in the Area.

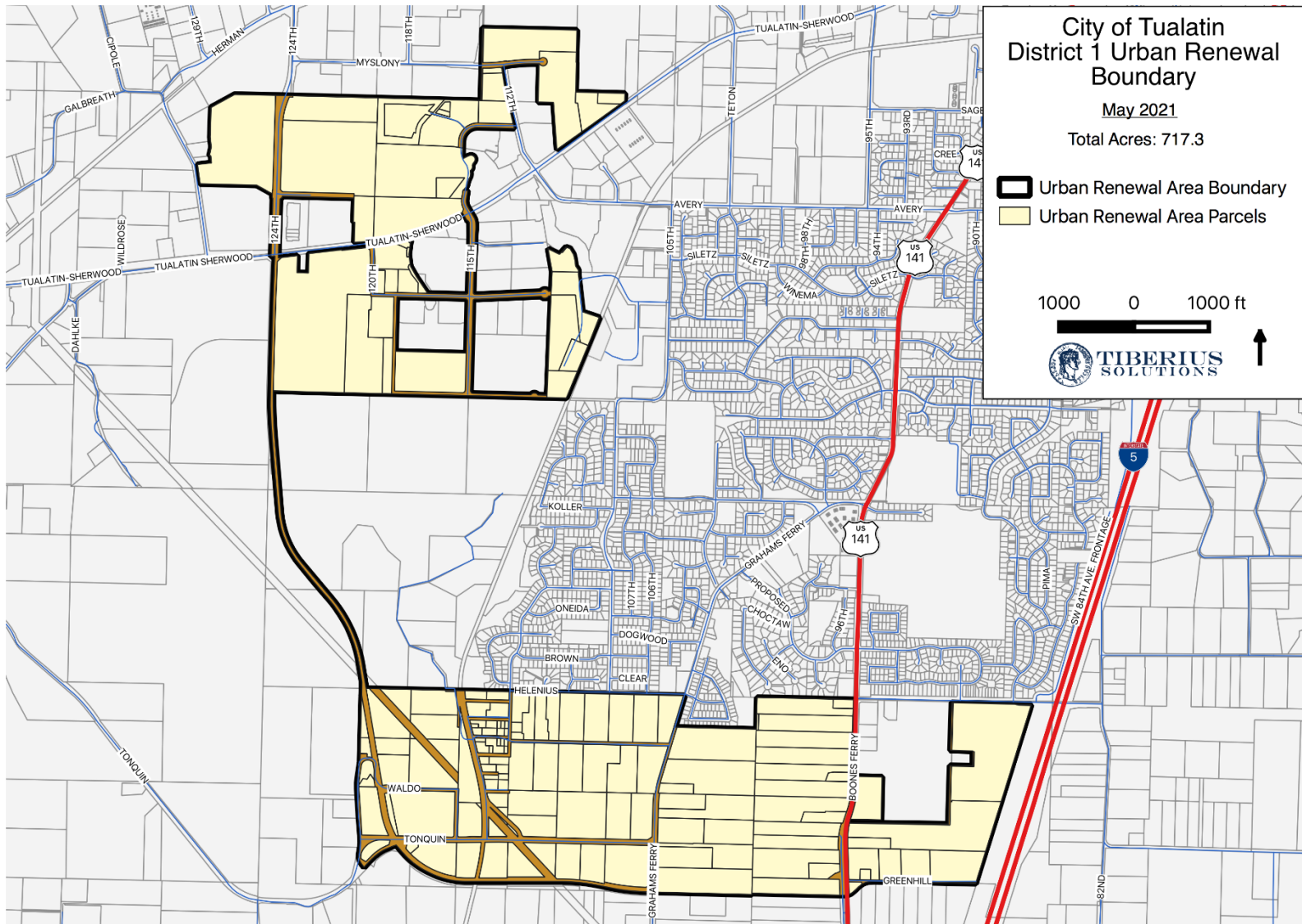
Objectives:

1. Provide developer assistance and incentives to facilitate development within the Area.
2. Reduce or eliminate environmental impacts on adjacent properties.

Table 2 – Relationship of Projects to Tualatin Urban Renewal Plan Goals

<b>Project Category</b>	<b>Goals</b>
Transportation	2,3
Sewer	2,4
Water	2,4
Developer Incentives and Assistance	2,3,4,5
Small Business Grants	2,5
Natural Resource Protection	2,3,5
Acquisition/Disposition	2,5
Administration	1

Figure 1 – Tualatin Urban Renewal Plan Area Boundary





## **V. URBAN RENEWAL PROJECT CATEGORIES**

The projects within the Area fall into the following categories:

- A. Transportation*
- B. Sewer*
- C. Water*
- D. Developer Assistance and Incentives*
- E. Small Business Grants*
- F. Natural Resource Protection*
- G. Acquisition/Disposition*
- H. Administration*

## **VI. URBAN RENEWAL PROJECTS**

Urban renewal projects authorized by the Plan are described below. They are not listed in any priority order. The TDC will determine the order of the projects and may add projects in the future through the amendment process defined in Section VII of this Plan. Much of the project descriptions come from the following documents:

*Tualatin Capital Improvement Plan*, City of Tualatin, FY 2020/21 – 2025/26. This is identified as CIP. The CIP page numbering is by project type (transportation, pedestrian etc.)

*Basalt Creek Concept Plan*, adopted by the City of Tualatin August 13, 2018, Ord. # 1418-19

*Tualatin Sewer Master Plan*, City of Tualatin, Jacobs, August 2019, updated November 2019.

*Transportation Systems Plan*, CH2M Hill, DKS, Angelo Planning Group, JLA Public Involvement, February 2014.

Instead of footnoting every project, it is noted if these projects come from the above plans and the page number where they can be found.

There are specifics listed in project descriptions, i.e. “12” water line, 3 lane street” that come from the above-mentioned plans. However, it is understood in adopting the Plan that these specifics may change over time and that the TDC is not restricted to the specifics outlined in this Plan. Changes to those specifics do not require an amendment to the Plan.

**A. Transportation**

**1. 124th/Future Blake Street Signal**

Design and construct a new traffic signal at the new intersection of the recently-constructed 124th Ave with the future extension of Blake Street along with or after the future Blake Street construction. (CIP p 99, 106)

Figure 2 – 124<sup>th</sup> Blake Future Street Signal



Source: City of Tualatin Capital Improvement Plan

## 2. *Tonquin Trail*

The preferred alignment for the regional Ice Age Tonquin Trail includes a section bordering the Basalt Creek Planning Area as part of a 22-mile trail alignment through Wilsonville, Tualatin, and Sherwood with trail facility types varying by location based upon landscape and setting. The Ice Age Tonquin Trail is intended to connect in the north to the Tualatin River Greenway Trail, Fanno Creek Trail, and the Westside Trail, and to the south to the Willamette River. (Basalt Creek Concept Plan p38, CIP p248)

## 3. *Blake Street*

Preliminary planning and conceptual design and construction of the future Blake Street between 115th Ave and 124th Avenue. (CIP p249)

Figure 3 - Blake Street Extension

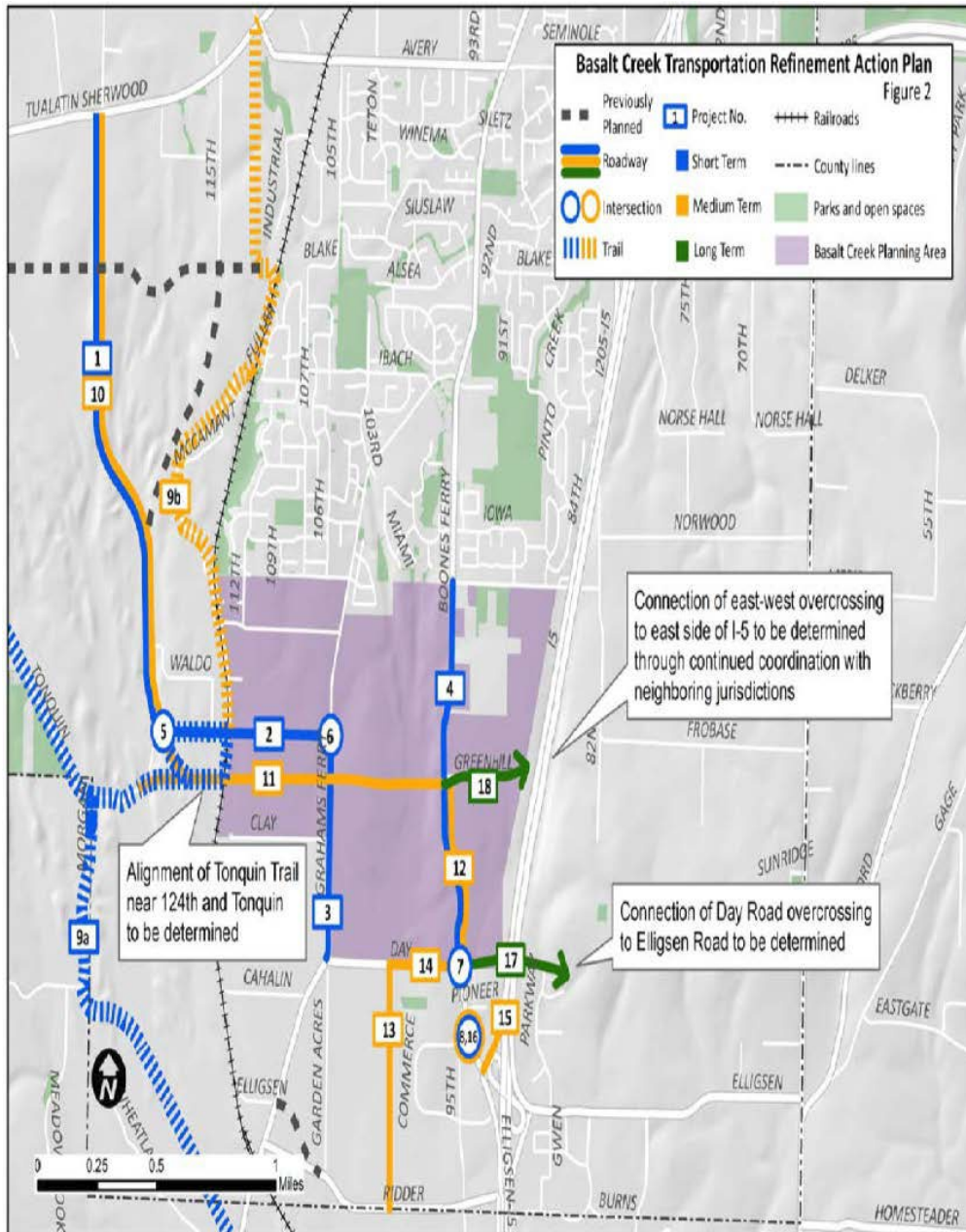


Source: City of Tualatin Capital Improvement Plan

#### 4. Basalt Creek Parkway

The Basalt Creek Parkway, of which the segment between 124th Avenue/Tonquin Road to Grahams Ferry Road is already under construction, is the major east-west arterial through the area. The Parkway allows for limited local access providing important freight connections between Tonquin, Southwest Tualatin, and Basalt Creek Employment Areas to I-5. It also serves as a future jurisdictional boundary between Tualatin and Wilsonville. (BCCP p 32)

Figure 4 – Basalt Creek Transportation Refinement Plan



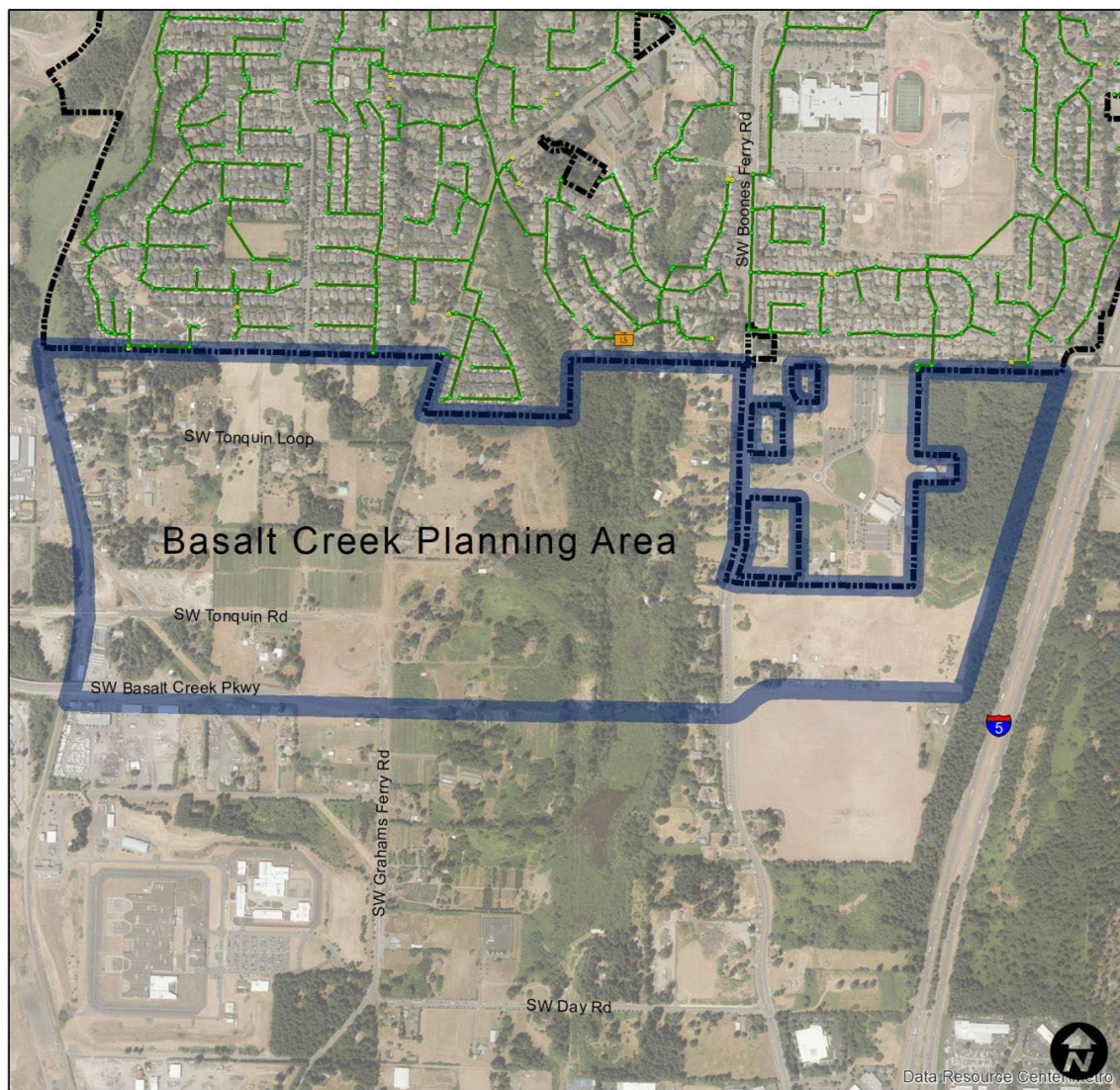
Source: Basalt Creek Concept Plan

**B. Sewer**

**1. Tonquin Loop Sewer**

Most of the sanitary sewer in the Basalt Creek Planning Area will be an 8-inch gravity system installed by developers. The construction timeline of this pipe depends on both the construction of Basalt Creek area pump station #4 and development progress in the western portion of the planning area. Because this project is entirely driven by new development, it is eligible for SDC reimbursement. "Build 2,170 feet of 10 inch sanitary sewer service in the Basalt Creek Planning Area to serve new commercial and residential development." (CIP p 164, 165)

Figure 5 – Tonquin Loop Sewer



Source: City of Tualatin Capital Improvement Plan

## ***2. Basalt Creek Gravity Sewer***

The Basalt Creek Conceptual Plan includes approximately 34,250 feet of 8-inch gravity pipe within the planning area. These projects will be funded by developers, and scheduling will be coordinated with the City and CWS. It is expected that the residential portion of the planning area will develop within the next 10 years, while the commercial and industrial portions may develop in the next 20 years. (Sewer Master Plan p 4-3)

## ***5. Basalt Creek Pump Stations and Force Mains***

The conceptual sanitary sewer design for Basalt Creek includes the construction of six new pump stations, each with 6-inch force mains. One pump station is in the Wilsonville portion of the planning area and will be constructed by Wilsonville. CWS will own and operate the five remaining pump stations in the planning area and will also be responsible for construction costs. (Sewer Master Plan p 4-3)

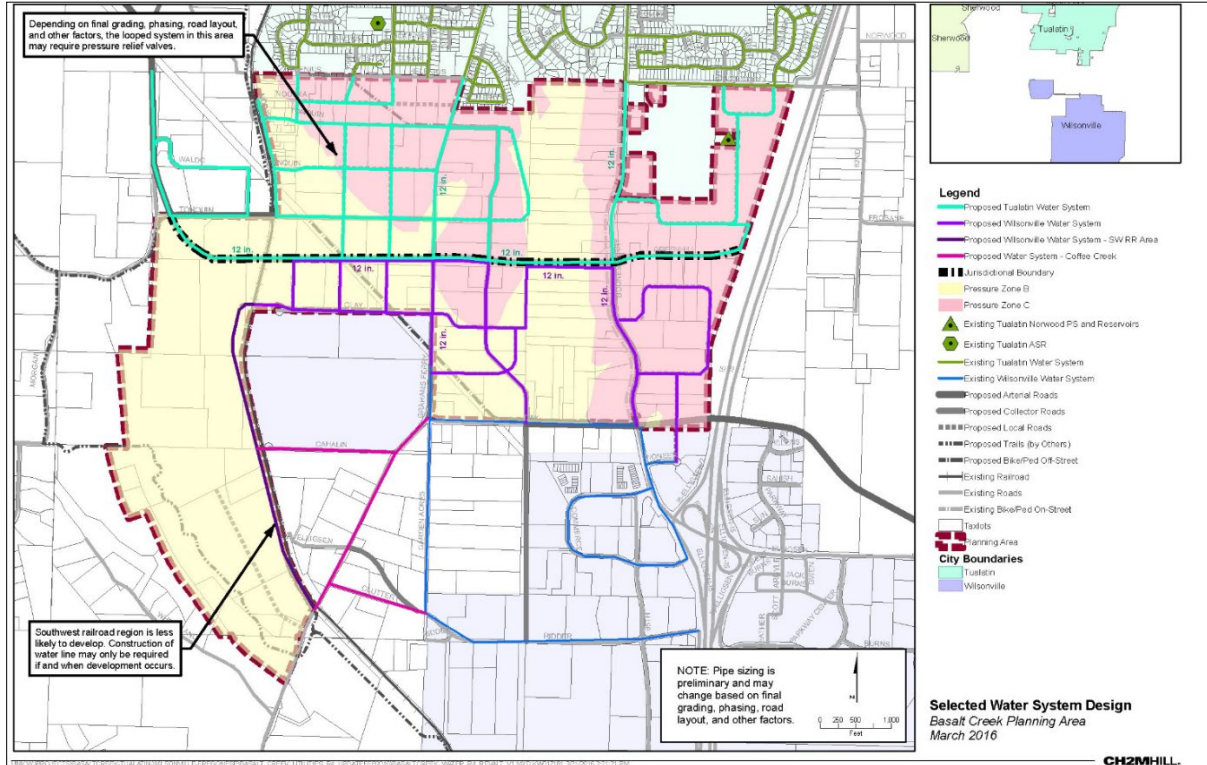
## ***6. SW Tualatin Gravity Sewer***

The proposed conceptual sewer layout for the Southwest Tualatin Concept Area also includes three 8-inch sewer lines to serve the area. It is expected that all gravity sewer in the planning area will be funded by developers and scheduling will be coordinated with the City and CWS. The southern region of the area is serviced by a proposed gravity line that will drain into the Basalt Creek Pump Station 4. The northeastern portion is serviced by a proposed gravity line that connects to existing sewer along SW Itel Street. The northwestern sewer section connects to existing sewer along SW 124th Avenue and receives flow from the surrounding area as well as the proposed Southwest Tualatin Pump Station.

### C. Water

Upgrading the water system to provide and encourage commercial and residential development, including housing projects. See Report on the Southwest and Basalt Creek Development Area Plan for further description.

Figure 6 – Water Systems Concept for Basalt Creek Planning Area



Source: Basalt Creek Concept Plan

### D. Developer Assistance and Incentives

Facilitate development and redevelopment on sites in the Area, stimulating growth and providing new employment opportunities and additional mixed use and commercial growth in the Area. An example of a type of assistance is to reduce or eliminate development impacts on adjacent properties.

### E. Small Business Grants

Provide small industrial and office space owners and businesses façade grants to update, modernize existing façade infrastructure.

Prior to any property being acquired, it must be identified in the Plan in Section VIII.

***F. Natural Resource Protection***

Identify properties for protection and enhancement. Partner with regional organizations to facilitate acquisition, enhancement, mitigation, protection and conservation of Natural Resource areas within the Southwest and Basalt Creek Development Area Plan.

***G. Acquisition/Disposition***

*Acquisition/Disposition are allowed in the Plan. Based on sales comparables of notable vacant land, these will be used in accordance with land acquisition to assist with targeted development based on submitted request for proposals.*

***H. Administration***

Authorizes expenditures for the administrative costs associated with managing the URA including budgeting and annual reporting, planning and the implementation of projects in the Area.



## VII. AMENDMENTS TO PLAN

The Plan may be amended as described in this section. Adding other properties to the Developer Incentives Program does not require an amendment to the Plan.

### A. *Substantial Amendments*

Substantial Amendments, in accordance with ORS 457.085(2)(i), shall require the same notice, hearing, and approval procedure required of the original Plan, under ORS 457.095, including public involvement, consultation with taxing districts, presentation to the TDC, the Planning Commission, the County, and adoption by the City Council by non-emergency ordinance after a hearing. If there are unincorporated parcels within the Area at the time a Substantial Amendment is considered, it must also be approved by Washington County through adoption of a resolution by the Board of County Commissioners.

Notice of such hearing shall be provided to individuals or households within the City of Tualatin, as required by ORS 457.120.

Notice of adoption of a Substantial Amendment shall be provided in accordance with ORS 457.095 and 457.115.

Substantial Amendments are amendments that: <sup>1</sup>

- Add land to the urban renewal area, except for an addition of land that totals not more than a cumulative 1% of the existing area of the urban renewal area; or
- Increase the maximum amount of indebtedness that can be issued or incurred under the Plan.
- Increase in duration or the time to retire Plan debt unless the increase is necessary to avoid a default on previously-issued indebtedness.
- 

### B. *Minor Amendments*

Minor Amendments are amendments that are not Substantial Amendments as defined in this Plan and in ORS 457. Minor Amendments require approval by the TDC by resolution. Minor amendments include approving a reduction of the maximum indebtedness of the Plan.

***C. Amendments to the Tualatin Comprehensive Plan and/or Tualatin Municipal Code.***

Amendments to the Tualatin Comprehensive Plan and/or Tualatin Municipal Code that affect the Plan and/or the Area shall be incorporated automatically within the Plan without any separate action required by the TDC or City Council. If a Substantial Amendment is prepared, the Section of this Plan on Relationship to Local Objectives should be updated.

**VIII. PROPERTY ACQUISITION AND DISPOSITION**

The Plan authorizes the acquisition and disposition of property as described in this section. Property includes any and all interests in property, including fee simple ownership, lease, easements, licenses, or other rights to use. If property is acquired it will be identified in the Plan through a Minor Amendment, as described in Section VII. Identification of property to be acquired and its anticipated disposition is required by ORS 457.085(g). If property acquisition includes a public building, how that public building serves and benefits the Area must be identified per ORS 457.085(2)(j).

***A. Property acquisition for public improvements***

The TDC may acquire any property within the Area for the public improvement projects undertaken pursuant to the Plan by all legal means, including use of eminent domain. Good faith negotiations for such acquisitions must occur prior to institution of eminent domain procedures.

***B. Property acquisition from willing sellers***

The Plan authorizes TDC acquisition of any interest in property within the Area that the TDC finds is necessary for private redevelopment, but only in those cases where the property owner wishes to convey such interest to the TDC. The Plan does not authorize the TDC to use the power of eminent domain to acquire property from a private party to transfer property to another private party for private redevelopment. Property acquisition from willing sellers may be required to support development of projects within the Area.

***C. Land disposition***

The TDC will dispose of property acquired for a public improvement project by conveyance to the appropriate public TDC responsible for the construction and/or maintenance of the public improvement. The TDC may retain such property during the construction of the public improvement.

The TDC may dispose of property acquired under Subsection B of this Section VII by conveying any interest in property acquired. Property shall be conveyed at its fair reuse value. Fair reuse value is the value, whether expressed in terms of rental or capital price, at which the urban renewal TDC, in its discretion, determines such land should be made available in order that it may be developed, redeveloped, cleared, conserved, or rehabilitated for the purposes specified in the Plan. Because fair reuse value reflects limitations on the use of the property to those purposes specified in the Plan, the value may be lower than the property's fair market value.

Where land is sold or leased, the purchaser or lessee must agree to use the land for the purposes designated in the Plan and to begin and complete the building of its improvements within a period of time that the TDC determines is reasonable.

#### ***D. Properties to be acquired***

This Plan must provide an indication of which real property may be acquired and the anticipated disposition of said real property whether by retention, resale, lease or other legal use, together with an estimated time schedule for such acquisition and disposition. This may be added at a date when the property is identified and may be added through a Minor Amendment.

### **IX. RELOCATION METHODS**

When the TDC acquires occupied property under the Plan, residential or commercial occupants of such property shall be offered relocation assistance, as required under applicable state law. Prior to such acquisition, the TDC shall adopt rules and regulations, as necessary, for the administration of relocation assistance. The TDC will comply with all applicable state law in providing these potential benefits.

There are plans to acquire land for infrastructure which may trigger relocation benefits in the future in the Area. All acquisitions will be reviewed for potential of relocation benefits.

### **X. TAX INCREMENT FINANCING OF PLAN**

Tax increment financing consists of using annual tax increment revenues to make payments on debt, usually in the form of bank loans or revenue bonds. The proceeds of the debt are used to finance the urban renewal projects authorized in the Plan. Debt may be either long-term or short-term.

Tax increment revenues equal most of the annual property taxes imposed on the cumulative increase in assessed value within an urban renewal area over the frozen base value (i.e., total assessed value at the time an urban renewal plan is adopted). The

property taxes for general obligation (GO) bonds and local option levies approved after October 6, 2001 are not part of the tax increment revenues.

***A. General description of the proposed financing methods***

The Plan will be financed using a combination of revenue sources. These include:

- Tax increment revenues;
- Advances, loans, grants, and any other form of financial assistance from federal, state, or local governments, or other public bodies;
- Loans, grants, dedications, or other contributions from private developers and property owners, including, but not limited to, assessment districts; and
- Any other public or private source.

Revenues obtained by the TDC will be used to pay or repay the costs, expenses, advancements, and indebtedness incurred in (1) planning or undertaking project activities, or (2) otherwise exercising any of the powers granted by ORS Chapter 457 in connection with the implementation of this Plan, including costs associated with the preparation of the Plan.

***B. Tax increment financing***

The Plan may be financed, in whole or in part, by tax increment revenues allocated to the TDC, as provided in ORS Chapter 457. The ad valorem taxes, if any, levied by a taxing district in which all or a portion of the Area is located, shall be divided as provided in Section 1c, Article IX of the Oregon Constitution, and ORS 457.440. Amounts collected pursuant to ORS 457.440 shall be deposited into the unsegregated tax collections account and distributed to the TDC based upon the distribution schedule established under ORS 311.390.

***C. Duration***

The Agency intends not to collect tax increment revenues for the Area after thirty years of tax increment collections (is first received?). The Agency shall not initiate any Projects in the Area unless the Agency reasonably projects it will be able to pay for those Projects from the proceeds of indebtedness issued on or before FYE 2052, and from other funds available to the Agency. Except as provided in the next sentence, all indebtedness that is secured by the tax increment revenues of the Area shall mature no later than FYE 2052, and the Agency shall structure all its indebtedness so that it can be paid in full from the tax increment revenues of the Area that the Agency reasonably projects it will receive on or before FYE 2052. The Agency may issue refunding indebtedness that matures after FYE 2052, only if issuing that refunding indebtedness is necessary to avoid a default on previously-issued indebtedness.

## **XI. VALIDITY**

Should a court of competent jurisdiction find any work, clause, sentence, section or part of this Plan to be invalid, the remaining words, clauses, sentences, sections or parts shall be unaffected by such findings and shall remain in full force and effect for the duration of this Plan.

## **XII. ANNUAL REPORT**

The TDC shall file an Annual Report in compliance with ORS 457.460.

Figure 7 – Comprehensive Plan Designations

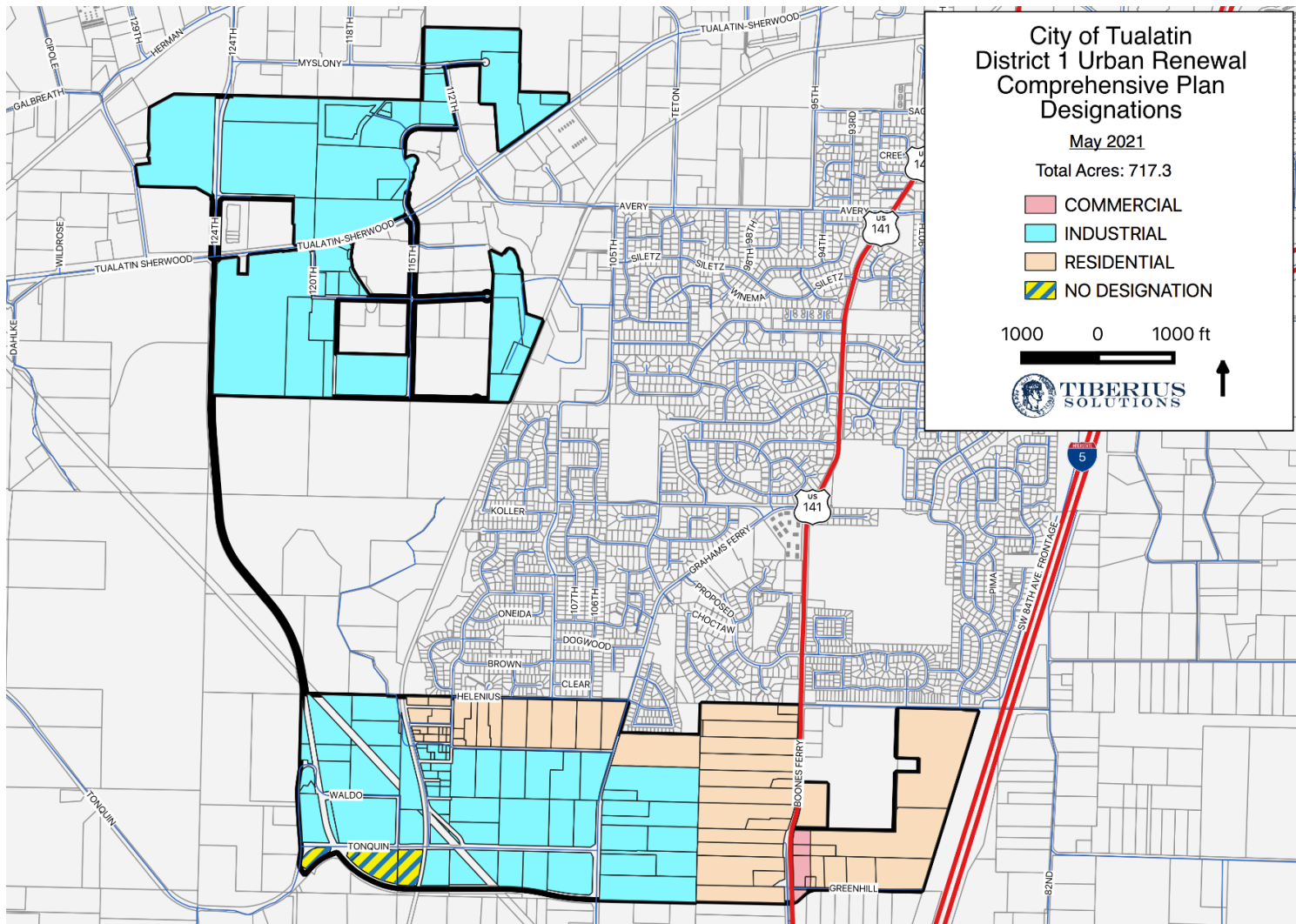
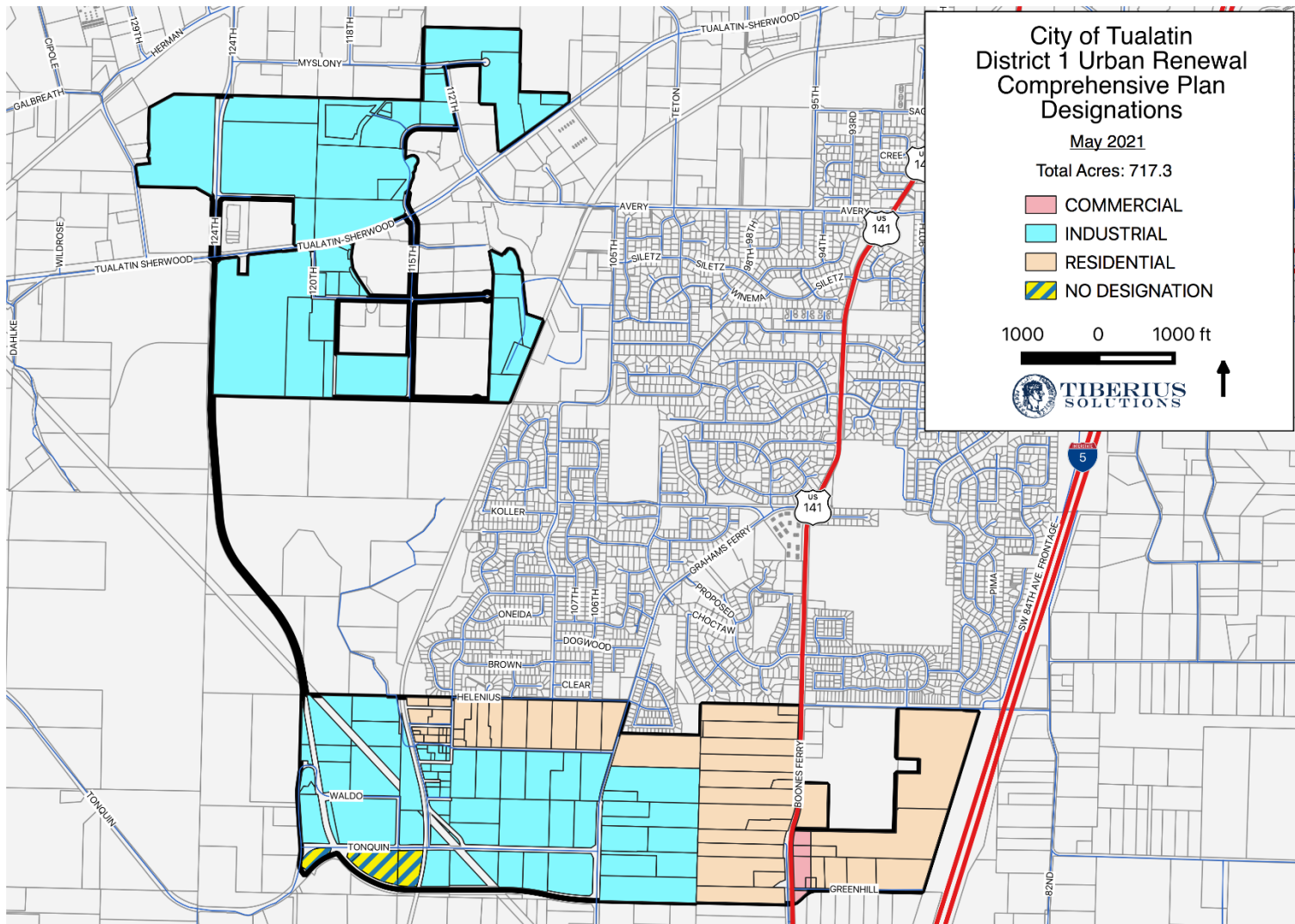


Figure 8 – Zoning Designations



### **XIII. RELATIONSHIP TO LOCAL OBJECTIVES**

ORS 457.085 requires that the Plan conform to local objectives including the comprehensive plan and economic development plan of a locality. This section provides that analysis. Relevant local planning and development objectives are contained within the *Tualatin Comprehensive Plan 2040* (Comprehensive Plan), *Tualatin Transportation System Plan*, *Tualatin Economic Opportunities Analysis*, *City of Tualatin Economic Development Strategy* and *Tualatin Municipal Code* (Municipal Code).

The *Washington County Comprehensive Plan* was also reviewed as there are unincorporated properties within the Area. The following section describes the purpose and intent of these plans, the main applicable goals and policies within each plan, and an explanation of how the Plan relates to the applicable goals and policies. The analysis covers the most relevant sections of the documents but may not cover every section of the documents that relate to the Plan.

**The numbering of the goals and policies within this section reflects the numbering that occurs in the original document.** *Italicized text* is text that has been taken directly from an original document and therefore cannot be changed. Some verbiage may say “complies with”, which, in this document is synonymous with “conforms to” as stated in ORS 457.095.

Comprehensive Plan designations for all land in the Area are shown in Figure 2 All proposed land uses conform to Figure 2. Maximum densities and building requirements for all land in the Area are contained in the Tualatin Municipal Code. Some of the properties are presently outside the city limits but inside the Urban Growth Boundary. It is anticipated that these properties will be annexed prior to development and will comply with the required Comprehensive Plan and Municipal Code designations.

#### ***A. Tualatin Comprehensive Plan***

##### **1. COMMUNITY INVOLVEMENT**

###### *Purpose*

*The purpose of this chapter is to provide a framework for community input into the land use planning process and to meet Oregon Statewide Planning Goal 1 (Citizen Involvement). In Tualatin, Goal 1 is met by the Tualatin Planning Commission, an advisory body to the Tualatin City Council.*

###### *GOAL 1.1*

*Implement community involvement practices in line with Statewide Planning Goal 1.*



*POLICY 1.1.1 Support community advisory committees to provide recommendations on planning matters.*

*POLICY 1.1.2 Foster civic pride and community spirit so as to improve the quality and quantity of citizen participation in local government and in community growth, change and improvement.*

*POLICY 1.1.3 Conduct the planning process with adequate input and feedback from citizens in each affected neighborhood.*

**Finding:** The Plan complies with Comprehensive Plan Goal. 1. The first goal of the Plan itself is to implement community involvement practices, including to convene an urban renewal task force and inviting public comment at all TDC meetings. The Plan's goal and the City's Comprehensive Plan Goal 1 are consistent. In considering the Plan, the City/Tualatin Development Commission also encouraged citizen participation through multiple levels of outreach and opportunities for citizen involvement. The City/Tualatin Development Commission created an Urban Renewal Task Force to consider and review the Plan. The Urban Renewal Task Force conducted four public meetings in compliance with Oregon Public Meetings laws. The public was allowed to both attend the meetings and provide comment at each of the four meetings. Task Force Meeting Minutes. In addition, the City/Tualatin Development Commission provided an online Open House throughout July 2021. An Online Forum was held with Basalt Creek property owners to brief them on the Plan and answer any questions. The City/Tualatin Development Commission submitted the Plan to the Tualatin Planning Commission for its review and recommendation. The public had an opportunity to provide comments regarding the Plan at the Tualatin Planning Commission meeting. The public was also provided an opportunity to comment on the Plan before both the Tualatin Development Commission and the Tualatin City Council.

## **2. COMMUNITY DESIGN**

### *Purpose*

*The purpose of this chapter is to express elements of community design that guide functional and aesthetic development standards including those regarding site development, trees in the context of urban design, and sign regulation.*

### *GOAL 2.1*

*Promote the City's natural beauty, and achieve pleasant environments for living and working that sustain the comfort, health, tranquility, and contentment of people who live, work, and enjoy time in Tualatin.*

*POLICY 2.1.1 Encourage structures be planned in ways that relate to the site and surrounding context.*

*POLICY 2.1.2 Encourage meaningful public engagement with community design projects.*

*POLICY 2.1.3 Promote design that fosters a sense of place and community identity through the Central Design District.*

#### *GOAL 2.2*

*Promote the preservation and establishment of trees throughout the city, in order to protect and enhance the aesthetic character of Tualatin, protect and improve air and water quality, provide noise and visual screening, and protect habitat for wildlife.*

*POLICY 2.2.1 Require the establishment and protection of street trees.*

*POLICY 2.2.2 Promote the protection and establishment of trees during the development process.*

#### *GOAL 2.3*

*Balance the right of free speech, business needs, public wayfinding, safety for all modes, and diverse aesthetic interests, through a functional sign regulation program.*

*POLICY 2.3.1 Protect public health and safety by limiting distracting signs, ensuring that signs do not interfere with multi-modal transportation safety, and ensuring safe construction and installation of signs.*

*POLICY 2.3.2 Align the range of allowed sign types with the urban design context, such as additional small signs in pedestrian-oriented development areas.*

*POLICY 2.3.3 Encourage attractive, creative, and unique sign types through the City's review program. Encourage the improvement and maintenance of non-conforming signs.*

**Finding:** The Plan is consistent with Comprehensive Plan Goal 2. Redevelopment under the Plan will occur after annexation to the City. Once annexed, all development will be subject to the City's Community Design Standards, including the requirement for development to comply with City's Architectural Review standards in TDC 33.020, either in compliance with clear and objective standards or discretionary standards. Type II and higher decisions, including Type III through the Architectural Review through the Architectural Review Board, allow public comment on the design elements of development. Development will still be required to comply with the City's sign code in TDC 38 (Sign Regulations). The Plan will foster redevelopment consistent with City's code and objectives and allow the City's Community Design goals to be realized for the Plan Area.

### **3. HOUSING AND RESIDENTIAL GROWTH**

#### *Purpose*

The purpose of this chapter is to provide the community's goals and policies for housing and future residential growth in Tualatin, which are generally implemented by more specific provisions in the Tualatin Development Code. These goals and policies are based on Tualatin's most recent Housing Needs Analysis (Appendix A) and Housing Strategies (Appendix B), which are incorporated by reference into the Comprehensive Plan. Strategic actions are also included that reflect policies identified in the Housing Needs Analysis and Housing Strategies that are not implemented by Tualatin Development Code or may require further evaluation.

#### *GOAL 3.1 HOUSING SUPPLY.*

*Ensure that a 20-year land supply is designated and has urban services planned to support the housing types and densities identified in the*

*Housing Needs Analysis.*

*POLICY 3.1.1 DENSITY. Maintain a citywide residential density of at least eight (8) dwelling units per net acre.*

*POLICY 3.1.2 ZONING FOR MULTIFAMILY. Provide zoning for multifamily development, which may be located in areas adjacent to transit.*

*POLICY 3.1.3 COMMERCIAL ACTIVITY. Allow homebased businesses and occupations in all residential zones, subject to regulations to minimize impact to housing supply and uses in commercial and industrial zones. Provide for compatible agricultural uses in areas where significant development barriers are present, or where compatible with permitted residential uses.*

*POLICY 3.1.4 CLEAR AND OBJECTIVE REVIEW. Provide for clear and objective review standards for all residential development and redevelopment.*

*POLICY 3.1.5 FUNCTIONAL PLANNING. Consider the development-ready residential land supply as part of ongoing functional planning efforts to provide necessary urban services in support of residential development.*

*POLICY 3.1.6 INFRASTRUCTURE PLANNING. Evaluate future infrastructure planning for consistency with the Housing Needs Analysis and Housing Strategies.*

*GOAL 3.2 HOUSING FOR ALL. Encourage development and preservation of housing that is affordable for all households in Tualatin.*

*POLICY 3.2.1 HOUSING TYPE DIVERSITY. Support development of townhomes, duplexes, triplexes, quadplexes, cottages, courtyard housing, accessory dwelling units, single story units, senior housing, and extended family and multi-generational housing in all residential zoning districts.*

**GOAL 3.3 ADDITIONAL HOUSING OPTIONS**

*Encourage the establishment of funding sources to support development of additional housing options and related public infrastructure.*

**Finding:** The Plan is consistent with Comprehensive Plan Goal 3. The Plan facilitates infrastructure projects that will support the development of parcels in the Plan Area. The Plan outlines multiple transportation, trail, and sewer projects that will be built to facilitate development, including residential and affordable housing. The Plan Area includes a parcel owned by Community Partners for Affordable Housing, which intends to construct affordable housing units. The Plan facilitates affordable housing within the Plan Area through the infrastructure projects built to benefit affordable housing, and other housing within the Plan Area. The City also included the Community Partners for Affordable Housing on its Task Force advisory board for the Plan Area to ensure the needs of housing and affordable housing were considered and included in Plan. The Plan facilitates residential uses at varying densities and facilitates housing construction to address housing needs. Housing needs will be addressed sooner under the Plan than if the Plan did not exist.

**4. ECONOMY, COMMERCIAL, & INDUSTRIAL DEVELOPMENT**

**GOAL 4.1**

*Encourage commercial development that provides employment opportunities, as well as access to goods and services for residents, employees, and the general community.*

*POLICY 4.1.2 CRITICAL SERVICES. Provide for the continued development of major medical services and other critical infrastructure within the City of Tualatin.*

*POLICY 4.1.4 MIXED USE. Encourage mixed use commercial and residential development.*

**GOAL 4.2**

*Encourage new industrial development in ways that strengthen the local tax base and support Tualatin’s industrial lands as a major local and regional employment center.*

*POLICY 4.2.1 Preserve and protect, with limited exceptions, the City’s existing industrial land.*

*POLICY 4.2.2 Fully develop planned industrial areas, providing full transportation, sewer, and water services prior to or as development occurs.*

**GOAL 4.3**

*Manage industrial impacts to the environment and other uses*

*POLICY 4.3.2 Protect residential, commercial, and sensitive industrial uses from the adverse environmental impacts of industrial use.*

*POLICY 4.3.4 Reasonably protect environmentally sensitive areas from adverse impacts of adjacent development.*

*POLICY 4.3.6 Protect wooded and other natural areas 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, require mitigation.*

**Finding:** The Plan is consistent with Comprehensive Plan Goal 4. The overall impact of the Plan is to encourage development of the area. The transportation and infrastructure projects in the Plan are intended to directly support the creation of new economic activity in the Area. These projects are necessary to provide the services to allow for the undeveloped parcels to develop in the future. The projects are in conformance with the Economy, Commercial & Industrial chapter of the Comprehensive Plan. Specific projects: 124<sup>th</sup>/Blake Street Signal, Tonquin Trail, Blake Street Extension, Tonquin Loop Sewer, Basalt Creek Gravity Sewer, Basalt Creek Pump Station and Force Mains, SW Tualatin Gravity Sewer, Development Assistance, Small Business Grants. The City will reasonably protect environmentally sensitive areas from adverse impacts of adjacent development.

**5. OTHER LAND USES**

*Guide the development of uses other than residential, industrial, commercial, open space, and mixed-use development, such as utilities and institutional uses.*

*5.1 Locate public services and utilities in a manner that minimizes negative impacts and enhances public benefits.*

*POLICY 5.1.1 GOVERNMENT SERVICES. Locate government offices in a central location that serves the public, except operations functions, which may be appropriately located in the industrial districts.*

*POLICY 5.1.2 PUBLIC SAFETY. Locate facilities such as utilities and other critical infrastructure to minimize the risk of hazards the facility may pose to surrounding uses, or risks that natural or other hazards may pose to the facility and surrounding uses alike.*

*POLICY 5.1.3 COMPATIBILITY. Encourage attractive design, screening, and use of landscaping to moderate visual impacts of utilities and public facilities with their urban design context.*

*POLICY 5.1.4 SCHOOL SITING. Locate schools to complement neighborhood park facilities and integrate the location of schools with surrounding residential neighborhoods. Locate schools to support multi-modal access and to avoid impacts from industrial or other uses that could be harmful to student health.*

*POLICY 5.1.5 CHILD CARE SITING. Allow the location of child care facilities within commercial, residential, and light industrial areas consistent with state law.*

*POLICY 5.1.6 WIRELESS FACILITIES. Allow the siting of wireless communication facilities consistent with federal and state law, while encouraging design measures to mitigate visual impacts of facilities and encourage safety and sound construction. Encourage siting strategies that reduce redundant facilities.*

*POLICY 5.1.7 INTERGOVERNMENTAL COOPERATION. Cooperate with local school districts to plan adequate facilities. Actively involve school districts where school capacity or regulations applicable to school facilities may be considered. Cooperate with regional, state, and federal agencies in planning for medical facilities, solid waste.*

*GOAL 5.2 Allow flexibility to allow residential facilities, medical facilities, and religious institutions in residential, commercial, and mixed use areas while managing impacts between uses.*

*POLICY 5.2.1 Allow the location of religious institutions as retirement homes and hospitals in commercial and residential planning districts, subject to conditional use approval, and allow congregate care facilities, assisted living facilities and residential care facilities and hospitals as permitted uses in the Medical Center District.*

*POLICY 5.2.2 Allow residential facilities and residential homes as permitted uses in all residential planning districts.*

*POLICY 5.2.3 Limit the siting of residential facilities, retirement homes, and medical services in industrial areas.*

*POLICY 5.2.4 Ensure that service uses with the potential for increased traffic impacts are appropriately served by surrounding transportation infrastructure.*

**FINDING:** The Plan is consistent with Comprehensive Plan Goal 5. The Plan guides utility uses consistent with the City’s development code and Master Plan Documents. The transportation and infrastructure projects in the Plan are intended to directly support the creation of new economic activity in the Area. These projects are necessary to provide the

services to allow for the undeveloped parcels to develop in the future. The specific projects: 124<sup>th</sup>/Blake Street Signal, Tonquin Trail, Blake Street Extension, Tonquin Loop Sewer, Basalt Creek Gravity Sewer, Basalt Creek Pump Station and Force Mains, SW Tualatin Gravity Sewer, Development Assistance, Small Business Grants will assist to guide the development of uses other than residential, industrial, commercial, open space, and mixed-use development, such as utilities and institutional uses. The Plan does not fund any public buildings and does not limit or impact any uses contemplated in the zoning code or Comprehensive Plan.

## **6. HISTORIC PRESERVATION**

### *Purpose*

*The purpose of this chapter is to guide the conservation of historic resources in the City of Tualatin. The City's Historic Resource Technical Study and Inventory (1993) provides the basis for identifying historic and cultural resources within the City of Tualatin.*

*GOAL 6.1 PRESERVATION. Promote the historic, educational, architectural, cultural, economic, and general welfare of the public through the identification, preservation, restoration, rehabilitation, protection and use of those buildings, structures, sites and objects of historic interest within the City.*

*POLICY 6.1.1 Strengthen the economy of the City by encouraging property owners to preserve historic resources for tourists, visitors and residents.*

*POLICY 6.1.2 Identify and preserve diverse architectural styles reflecting periods of the City's historical and architectural development, encourage complementary design and construction for alterations affecting historic resources and encourage relocation of historic resources over demolition.*

*POLICY 6.1.3 Identify and resolve conflicts between the preservation of historic resources and alternative land uses.*

*POLICY 6.1.41 Integrate the management of historic resources into public and private land management and development processes.*

*POLICY 6.1.5 Upon annexation, potential historic resources located outside of the City, but within the City's planning area shall proceed through the significance review, conflicting use and economic, social, environmental and energy analysis.*

*POLICY 6.1.6 Identify and list additional properties to the current list of protected historic resources. Review the impacts on landmarks when public improvement projects are proposed.*

*POLICY 6.1.7 Retain landmarks on parcels which cannot be partitioned or subdivided by preserving and not demolishing or relocating them. Retain landmarks located on parcels which can be partitioned or subdivided by property owners and developers integrating the resource into proposed lot configurations and development proposals.*

*POLICY 6.1.8 Encourage adaptive use. Allow conflicting uses where necessary to encourage preservation and maintenance of historic resources. Favor relocation over demolition.*

*GOAL 6.2 EDUCATION Foster community and neighborhood pride and sense of identity based on recognition and use of historic resources.*

*POLICY 6.2.1 Encourage public awareness, understanding and appreciation of the City's history and culture. Promote the enjoyment and use of historic resources appropriate for the education and recreation of the people of Tualatin.*

**FINDING:** The Plan is consistent with Comprehensive Plan Goal 6. None of the properties identified in the City's Comprehensive Plan or Development Code as historic structures are located in the Plan Area. The Plan does not change the requirements of the Tualatin Development Code or protections for historic preservation. TDC 68 (Historic Preservation) remains applicable for historic structures within the City and historic structures within the Plan Area are eligible for historic preservation under federal, state, and City laws.

## **7. PARKS, OPEN SPACE, ENVIRONMENT**

### *Purpose*

*The purpose of this chapter is to guide the conservation of natural resources and open space areas, as well as the development of recreational areas and trails. The Parks and Recreation Master Plan is adopted by reference as a supporting technical document to the Tualatin Community Plan. The Parks and Recreation Master Plan contains detailed analysis, discussions, and recommendations on community parks, neighborhood parks, greenways, bicycle and pedestrian routes, and recreation programs. The Tualatin Development Code references figures and maps within the Master Plan.*

*GOAL 1: Expand accessible and inclusive parks and facilities to support community interests and recreation needs.*

*GOAL 2: Create a walkable, bikeable, and interconnected city by providing a network of regional and local trails.*

*GOAL 3: Conserve and restore natural areas to support wildlife, promote ecological functions, and connect residents to nature and the outdoors.*

### *GOAL 7.1*



*Identify and protect significant natural resources that promote a healthy environment and natural landscape that improves livability, and to provide recreational and educational opportunities.*

*GOAL 7.2*

*Balance natural resource protection with growth and development needs.*

*POLICY 7.2.2 Allow public facilities such as sewer, stormwater, water and public streets and passive recreation facilities to be located in significant natural resource areas provided they are constructed to minimize impacts and with appropriate restoration and mitigation of the resource.*

**Finding:** The Plan is consistent with Comprehensive Plan Goal 7. The funding for the Tonquin Trail project aligns with the Parks, Open Space and Environment chapter of the Comprehensive Plan. The construction of public facilities will conform the standards established in the Comprehensive Plan and Tualatin Development Code. Redevelopment under the Plan will be required to comply with floodplain regulations and TDC Chapter 70 (Floodplain District). Slopes are identified by the City as constraining land in certain areas within the Plan Area. Metro Regional Functional Plan Title 3 and 13 conservation areas will be administered by the City in cooperation with Clean Water Services. Future development in Tualatin must comply with City standards and Clean Water Services' Design and Construction Standards & Service Provider Letters (SPLs) for impacts in sensitive areas such as vegetated corridors surrounding streams and wetland habitat. The Plan territory remains subject to the jurisdiction of the State Department of Environmental Quality. All air pollution requirements will remain unchanged. Properties subject to City/Tualatin Development Commission jurisdiction will be required to comply with DEQ and Metro air quality standards in TDC 63.053 (Air Quality). The City will continue to coordinate with Clean Water Services on new development in the Area and the drainage management of that development will be required to comply with City Code and Clean Water Services regulations. The Plan conforms to the Tualatin Drainage Plan, the Surface Water Management Ordinance (SWM Ordinance) (Ord. No. 846- 91), the Northwest Tualatin Concept Plan 2005, the Southwest Tualatin Concept Plan 2010 and TDC Chapter 74. The surface water management policies and requirements in the SWM Ordinance were adopted by the City to implement Clean Water Services requirements for control of sedimentation and water quality. All development will be required to comply with all City environmental laws and development standards for greenways and natural areas, including TDC Chapter 72 (Natural Resources Protection Overlay District).

## 8. TRANSPORTATION

This chapter reflects the City's current Transportation System Plan as it applies to development activities and city actions. The Transportation System Plan guides transportation planning, policy, and investment for Tualatin.

### *GOAL 8.1 ACCESS AND MOBILITY.*

*Maintain and enhance the transportation system to reduce travel times, provide travel-time reliability, provide a functional and smooth transportation system, and promote access for all users.*

### *GOAL 8.2 SAFETY.*

*Improve safety for all users, all modes, all ages, and all abilities within the City of Tualatin.*

### *GOAL 8.5 ECONOMY.*

*Support local employment, local businesses, and a prosperous community while recognizing Tualatin's role in the regional economy.*

### *POLICY AREA 8.9 ROADWAY POLICIES.*

*The following establish the City's policies on roadways.*

*POLICY 8.9.1 Implement design standards that provide clarity to developers while maintaining flexibility for environmental constraints.*

*POLICY 8.9.2 Ensure that street designs accommodate all anticipated users including transit, freight, bicyclists and pedestrians, and those with limited mobility.*

*POLICY 8.9.3 Work with Metro and adjacent jurisdictions when extending roads or multi-use paths from Tualatin to a neighboring City.*

**Finding:** The Plan conforms with the Transportation Chapter of the Comprehensive Plan as the projects will provide improvements to the transportation network in the Area. The network will serve both motorized traffic and will also include funding for the Tonquin Trail. These improvements will not only improve access but will catalyze development of sites in the Area providing increased tax base and employment opportunities. Specific projects: 124<sup>th</sup>/Blake Street Signal, Tonquin Trail, Blake Street Extension. The projects within the Plan are already identified in the City's Transportation System Plan.

## **9. PUBLIC FACILITIES & SERVICES**

### *Purpose*

*The purpose of this chapter is to facilitate the development of citywide public facilities in relationship to other development needs. This chapter includes water, sanitary sewer, and stormwater infrastructure goals and policies.*

### *GOAL 9.1*

*Water Plan, construct, and maintain a City water system that protects the public health, provides cost-effective water service, meets the demands of users, addresses regulatory requirements and supports all land uses.*

*POLICY 9.1.1 Require developers to aid in improving the water system by constructing facilities to serve new development and extend lines to adjacent properties.*

*Policy 9.1.2 Water lines should be looped whenever possible to prevent dead-ends, to maintain high water quality and to increase reliability in the system.*

*POLICY 9.1.21 Improve the water system to provide adequate service during peak demand periods and to provide adequate fire flows during all demand periods.*

### *GOAL 9.2*

*Plan, construct, and maintain a City sewer system that protects the public health, protects the water quality of creeks, ponds, wetlands and the Tualatin River, provides cost-effective sewer service, meets the demands of users, addresses regulatory requirements and supports all land uses.*

*POLICY 9.2.4 Require developers to aid in improving the sewer system by constructing facilities to serve new development as well as adjacent properties*

*POLICY 9.2.5 Improve the existing sewer system to provide adequate service during peak demand periods.*

### *GOAL 9.3*

*Provide a plan for routing surface runoff through the City, utilizing the natural drainage way where possible.*

*Policy 9.3.1 The City of Tualatin will provide an addendum to the City of Tualatin's Stormwater Master Plan to address identified needs for the Basalt Creek Area.*

**Finding:** The Plan is consistent with Goal 9 of the Comprehensive Plan. The Plan projects are in conformance with this Public Facilities and Services chapter of the Comprehensive Plan and City Master Plans. Projects in the Plan will provide critical infrastructure improvements to facilitate future development in the Area and specific projects include transportation, sewer, and trail projects. This includes: Tonquin Loop Sewer, Basalt Creek Gravity Sewer, Basalt Creek Pump Station and Force Mains, and SW Tualatin Gravity Sewer. The City of Tualatin is currently engaging in additional stormwater planning in the Basalt Creek area in FY 2021/2022 that will help identify the existing and any future infrastructure needs. Future funding from urban renewal may be used for those identified projects based on TDC priorities and available tax increment revenues.

## **10. LAND USE DESIGNATIONS AND ZONING.**

*The purpose of this chapter is to define a distinct range of land use designations that directly correspond with zones applied to lands within the City of Tualatin and its Urban Planning Area. This chapter explains the intention and distinguishing characteristics of each land use designation.*

**FINDING:** The Plan is consistent with Goal 10 of the Comprehensive Plan. The City has already zoned the area within the Plan. Nothing in the Plan proposes to rezone any areas within the Plan. It is anticipated that annexation into the City will occur before redevelopment. As such, any redevelopment will be subject to the City's zoning code upon annexation. The Plan implements the goals of the zoning code by allowing development to occur consistent with designated zoning. The transportation, utility, and other projects within the Plan will allow the City to accomplish its zoning goals for the Plan Area.

### ***B. Tualatin Economic Development Strategy Memorandum, ECONorthwest, December 4, 2019***

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

#### *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.*

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

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

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

*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.*

*Goal*

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

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

*Strategy 3: Support Business Retention, Growth, and Attraction*

*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.*

*Action 3.2: Support growth of existing businesses in Tualatin.*

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

*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*

*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.*

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

*Action 4.4. Identify opportunities to support workforce development.*

**Finding:** The Plan conforms with the *Tualatin Economic Opportunities Analysis* as it provides a transportation network and utilities to undeveloped properties within the Tualatin UGB, providing development opportunities for new businesses and expansion opportunities for existing businesses. The Plan also improves the transportation network

inside the Area providing an enhanced transportation network. The Plan provides resources to provide developer incentives to facilitate development in the Area.

### ***C. City of Tualatin Economic Strategic Plan 2014 Update***

#### *Overall Goal*

*Continue a leadership role as one of the premier economic activity centers in the greater Portland metropolitan region. Focus on growing family wage jobs in targeted business clusters while encouraging high standards and excellence in urban design.*

#### *Strategy 1: BUSINESS RETENTION, EXPANSION & RECRUITMENT*

*Retaining and cultivating the growth of existing businesses, as well as attracting new employers, is central to the health of Tualatin. These strategies are designed to strategically focus the City's efforts and resources.*

#### *Strategy 2: BUSINESS CLIMATE/ COMPETITIVE POSITIONING*

*Creating and maintaining a positive climate for business is an effort which takes continual attention. These strategies are designed to ensure the City is actively refining its procedures and codes to encourage business development and job creation.*

**Finding:** The Plan conforms with the *Tualatin Economic Strategic Plan* as it provides a transportation network and utilities to undeveloped industrial properties within the Tualatin UGB providing development opportunities for new businesses and expansion opportunities for existing businesses. The Plan also improves the transportation network inside the Area providing an enhanced transportation network for existing businesses. The Plan provides resources to provide developer incentives to facilitate development in the Area.

#### ***D. Tualatin Municipal Code: Development Code***

The land uses in the Area will conform to the zoning designations in the Tualatin Development Code, including the maximum densities and building requirements, and are incorporated by reference herein. The existing zoning is shown in Figure 3.

The development is expected to conform to the zoning requirements. As the Municipal Code is updated, this document will be automatically updated. If a substantial amendment is completed in the future, this section will be updated to match the current zoning designations.

The zoning categories at the time of the Southwest and Basalt Creek Development Area Plan preparation follow. They are in the order that they occur in the Development Code.

##### *Existing Zoning Categories*

#### **Low Density Residential (RL)**

*The purpose of the Low Density Residential (RL) zone is to provide low density residential areas in the City that are appropriate for dwellings on individual lots, as well as other miscellaneous land uses compatible with a low density residential environment.*

#### **High Density Residential (RH)**

*The purpose of this zone is to provide areas of the City suitable for townhouses, high density garden apartment and condominium developments.*

#### **Neighborhood Commercial (CN)**

*The purpose of this district is to provide locations for commercial uses within close proximity to residential areas, to provide opportunities to serve the needs of residents for convenience shopping and services. The primary uses are intended to include professional offices, services, and retail oriented to the day-to-day needs of adjacent neighborhoods. Neighborhood commercial uses are intended to be pedestrian oriented and should serve to reduce automobile trips and energy consumption. The purpose is also to assure that development is of a scale and design that is compatible with the residential environment and is an enhancement to neighborhood areas. It is not the purpose of this district to allow for large scale commercial facilities, such as large grocery or department stores, which are more appropriately located within the downtown area.*

#### **General Manufacturing (MG)**

*The purpose of this zone is to provide areas of the City that are suitable for a wide range of heavier manufacturing and processing activities, including those of a more intense nature and impact than the uses allowed in the Light Manufacturing (ML) Planning Zone. Industrial*

*uses that are environmentally adverse or pose a hazard to life and safety are prohibited. A limited amount of commercial service and other support uses are permitted as regulated by the Commercial Services Overlay zone and the Limited Commercial Setback.*

**Manufacturing Park (MP)**

*The purpose of this district is to provide an environment exclusively for and conducive to the development and protection of modern, large-scale specialized manufacturing and related uses and research facilities. Such permitted uses must not cause objectionable noise, smoke, odor, dust, noxious gases, vibration, glare, heat, fire hazard or other wastes emanating from the property. The district is to provide for an aesthetically attractive working environment with park or campus like grounds, attractive buildings, ample employee parking and other amenities appropriate to an employee oriented activity. The purpose is also to protect existing and future sites for such uses by maintaining large lot configurations or a cohesive planned development design and limiting uses to those that are of a nature so as to not conflict with other industrial uses or surrounding residential areas. The purpose is also to allow a limited amount of commercial uses and services and other support uses..*

**Manufacturing Business Park (MBP)**

*(1) The purpose of this zone is to provide an environment exclusively for and conducive to the development and protection of modern, large-scale specialized manufacturing and related uses and research facilities. Such permitted uses must not cause objectionable noise, smoke, odor, dust, noxious gases, vibration, glare, heat, fire hazard or other wastes emanating from the property. The zone is to provide for an aesthetically attractive working environment with park or campus like grounds, attractive buildings, ample employee parking and other amenities appropriate to an employee oriented activity. The purpose is also to protect existing and future sites for such uses. The purpose of this zone is to provide an environment for industrial development consistent with the Southwest Concept Plan (SWCP) and with the Metro-designated Regionally Significant Industrial Area (RSIA).*

*(2) The Manufacturing Business Park (MBP) Zone will be a mix of light industrial and high-tech uses in a corporate campus setting. Permitted uses are required to be conducted within a building and uses with unmitigated hazardous or nuisance effects are restricted. The RSIA-designated area requires at least one 100-acre parcel and one 50-acre parcel for large industrial users. The remainder of the area is likely to include light to medium industrial uses with some limited, local-serving commercial services. The zone is intended to provide for an aesthetically attractive working environment with campus-like grounds, attractive buildings, ample employee parking and other amenities appropriate to an employee oriented activity. It also is intended to protect existing and future sites for such*



uses by maintaining large lot configurations, a cohesive planned-development design and limiting uses to those that are of a nature that will not conflict with other industrial uses or nearby residential areas of the City.

***Unannexed/Inside Urban Growth Boundary***

*There are properties within the URA that are in unincorporated Washington County but also within the Urban Growth Boundary of the City of Tualatin. It is anticipated that these properties will be annexed prior to development occurring on them and that they will follow the requirements of the zone they are designated.*

**Finding:** The Plan conforms with the Tualatin Development Code as the projects will support the development of parcels in the Area and those parcels will be developed in accordance with the Municipal Code through the normal City of Tualatin development review process.

***E. Washington County Comprehensive Framework Plan***

*General*

*Policy 2: Citizen Involvement*

*It is the policy of Washington County to encourage citizen participation in all phases of the planning process and to provide opportunities for continuing involvement and effective communication between citizens and their County government.*

*Implementing Strategies*

*The County will:*

- a. Provide information on planning issues and policies in clear and understandable form.*

**Finding:** The City/Tualatin Development Commission encouraged citizen participation through multiple levels of outreach and opportunities for citizen involvement. The City/Tualatin Development Commission created an Urban Renewal Task Force to consider and review the Plan. The Urban Renewal Task force conducted four public meetings in compliance with Oregon Public Meetings laws. The public was allowed to both attend the meetings and provide comment at each of the four meetings. Task Force Meeting Minutes. In addition, the City/Tualatin Development Commission provided an online Open House throughout July 2021. An Online Forum was held with Basalt Creek property owners to brief them on the Plan and answer any questions. The City/Tualatin Development Commission submitted the Plan to the Tualatin Planning Commission for its review and

recommendation. The public had an opportunity to provide comments to the Plan at the Tualatin Planning Commission meeting. The public was also provided an opportunity to comment on the Plan before both the Tualatin Development Commission and the Tualatin City Council. Tualatin Development Commission Meeting minutes; Tualatin City Council Meeting minutes. The Plan conforms with the Washington County Comprehensive Plan Policy 2 Citizen Involvement.

*Policy 3: Intergovernmental Coordination*

*It is the policy of Washington County to effectively coordinate its planning and development efforts with federal, state, and other local governments and special districts to ensure that various programs and activities undertaken by these bodies are consistent with the County Comprehensive Plan.*

*Implementing Strategies*

- a. Coordinate planning activities with appropriate federal, state, regional and local government units, and with affected special service districts.*

**Finding:** The City/Tualatin Development Commission coordinated planning activities with Washington County. The City and Washington County currently have an Urban Planning Area Agreement (UPAA) that governs coordinating activities. The City/Tualatin Development Commission engaged with the County in drafting the initial concept plan for the Basalt Creek and Southwest Areas. The Basalt Creek and Southwest areas are to be annexed and redeveloped subject to City standards for the areas within the Plan boundaries. The City/Tualatin Development Commission staff presented the Plan to Washington County Board of County Commissioners in the process of formation of the urban renewal area. The City/Tualatin Development Commission also ensured coordination through use of the Urban Renewal Task Force and in appointing Tualatin Valley Fire & Rescue as a member. All taxing districts were sent letters informing them of the process and providing opportunities to comment on the Plan. The Plan conforms with the Washington County Comprehensive Plan Policy 3 Intergovernmental Coordination.

*Policy 4: Natural & Cultural Setting, Air Quality.* *It is the policy of Washington County to support efforts to control emissions of air pollutants in the county and region, and attempt to limit the adverse impacts of air pollution resulting from development.*

*Implementing Strategies*

- a. Assure that the community plan element of the Comprehensive Plan considers air quality impacts of alternative land uses.*

*b. Cooperate and work with the State Department of Environmental Quality and the Metropolitan Service District to achieve regional air quality attainment goals through adopted regional control strategies. The County will require that major new sources comply with the federal New Source Review Program.*

*c. Comply with Department of Environmental Quality air quality standards and work with the DEQ and Metropolitan Service District to develop and implement state and regional air quality programs.*

**Finding:** The Plan territory remains subject to the jurisdiction of the State Department of Environmental Quality and the Metropolitan Service District regardless of the Plan. All air pollution requirements will remain unchanged. Properties subject to City/Tualatin Development Commission jurisdiction will be required to comply with DEQ and Metro air quality standards. Tualatin Development Code 63.053 (Air Quality), provides:

(1)Restrictions. All uses and development must comply with the most recent air quality standards adopted by the Oregon Department of Environmental Quality. Plans of construction and operations must comply with the recommendations and regulations of the State Department of Environmental Quality.

(2)Method of Measurement. All measurements of air pollution must be by the procedures and with equipment approved by the State Department of Environmental Quality or equivalent and acceptable methods or measurement approved by the City. Upon request of the City, persons responsible for a suspected source of air pollution must provide quantitative and qualitative information regarding the discharge that will adequately and accurately describe operation conditions.

The Plan complies with County policy 4.

*County Policy 5: Noise: It is the policy of Washington County to support efforts to control noise and attempt to limit the adverse impacts of noise.*

*Implementing Strategies*

*a. Investigate the feasibility of undertaking a study of noise problems in the unincorporated area, and if the study reveals serious noise pollution problems, will consider the feasibility of revising its existing noise regulations to control identified noise problems.*

*b. Comply with Department of Environmental Quality noise standards.*

*c. Include provisions in the Community Development Code to minimize adverse impacts of noise.*

*d. Consider noise-generating sources and noise-sensitive land uses in the community plan elements of the Comprehensive Plan.*

*e. Discourage the location of service facilities such as schools, hospitals, nursing homes, public assembly and high-density residential development within the year 2000 LDN55 and LDN 60 contours.*

*f. Coordinate with the Department of Environmental Quality, Oregon Department of Transportation and the Port of Portland when establishing land use designations near airports.*

**Finding:** The Plan territory remains subject to the DEQ noise standards. In addition, all areas within the City are subject to the City's noise ordinance in Tualatin Municipal Code 6-14. All uses and development within the City "must comply with the Oregon State Department of Environmental Quality standards relating to noise and the City of Tualatin noise ordinance in, TMC 6-14." See, TDC 63.051 (Noise). The same or greater standards for noise reduction will occur within the Plan area.

*Policy 6, Water Resources: It is the policy of Washington County to support efforts to preserve and improve the quality of water resources.*

#### *Implementing Strategies*

*a. Limit the removal of natural vegetation along river and stream banks, particularly in locations identified as Significant Natural Areas in community plans.*

*b. Regulate construction practices and stream channel improvements in accord with the drainage management program outline pursuant to Policy 27 of this plan.*

*c. Minimize the establishment of subsurface sewage disposal systems, e.g., septic tanks.*

*d. Develop standards for connections to public drainage ways to reduce volumes of chemicals and sediments reaching the stream systems.*

*e. Comply with the May 17, 1974 order of the state engineer establishing and setting forth control provisions for the Cooper Mountain-Bull Mountain Critical Ground Water Area.*

*f. Comply with Department of Environmental Quality water quality standards.*

*g. Promote compliance with the Healthy Streams Plan, as adopted by Clean Water Services and in compliance with the CWS-County intergovernmental agreement, to the extent that the Healthy Streams Plan and associated CWS programs apply inside the UGB.*

**Finding:** Metro Regional Functional Plan Title 3 and 13 conservation areas will be administered and protected by Clean Water Services. Future development in Tualatin must

comply with Clean Water Services' Design and Construction Standards & Service Provider Letters (SPLs) for impacts in sensitive areas such as vegetated corridors surrounding streams and wetland habitat. Although no areas of floodplain or regulatory floodway are mapped by the Federal Emergency Management Agency (FEMA) in the Basalt Creek Planning Area, Tualatin Development Code Chapter 70 (Floodplain Development) would be applicable to individual properties, upon annexation to Tualatin.

*Policy 7, Land Resources: It is the policy of Washington County to prohibit new\* mineral resource extraction operations and expansion\* of existing operations within the Urban Growth Boundary unless it is demonstrated there are no economically feasible alternative sites outside the Urban Growth Boundary or unless it is necessary to properly reclaim the site and adjacent lands. The impacts of existing mineral resource extraction industries on adjacent land uses shall be minimized, and all mineral resource extraction sites will be reclaimed when exhausted.*

*Implementing Strategies*

*a. Utilize the Mineral and Aggregate Overlay District to protect identified mineral and aggregate resource sites and to reduce potential impacts of resource extraction on adjacent uses.*

*b. Protect existing mineral and aggregate resource extraction sites located in the Industrial (IND) landuse district. In determining whether existing sites should be expanded or new sites established, consideration shall be given to population growth, area or regional needs, proximity to the utilization area, fluctuations in the construction industry, adequate reclamation of the site and adjacent lands, and the quality and quantity of mineral and aggregate resources available at other identified sites.*

*c. Require applications for expansion of existing or establishment of new mineral and aggregate resource extraction operations to identify all uses, including farm and forest uses, dwelling units, and significant natural and cultural resources, which may be adversely affected.*

*d. Require new or expanded mineral and aggregate extraction operations to develop programs based on economic, social, environmental and energy consequences analysis, that will minimize any negative effects that expansion of existing or establishment of new mineral and aggregate extraction activities may have on surrounding affected uses.*

*e. Require that all mineral and aggregate sites be reclaimed to a state allowing redevelopment of the site in accordance with the Plan.*

*f. Request the Oregon Department of Geology and Mineral Industries to conduct (by January 1, 1985) a joint study with the County concerning optimal long-term aggregate resource areas.*

*g. Prohibit the extraction of sand and gravel from the limited number of urban streambeds to protect fish and wildlife habitats and to prevent soil erosion and water pollution.*

*\* The terms "new" or "expansion" in reference to mineral resource activities related to undertaking such activities on tax lots where such uses have not occurred or been permitted previously.*

**Finding:** The Plan does not authorize new extraction operations or expansion of existing extraction operations. To the contrary, the Plan encourages redevelopment of existing extraction operations to other urban uses. The Plan also encourages redevelopment to reclaim areas previously used for extraction activities. The Plan is consistent with Policy 7.

*Policy 8, Natural Hazards: It is the policy of Washington County to protect life and property from natural disasters and hazards.*

#### *Implementing Strategies*

*a. Regulate new development in flood plain areas identified as being subject to flooding in the event of a 100-year flood (a flood with a 1 percent chance of occurrence in any year) as identified in the latest H.U.D. or Corps of Engineers flood area studies. Such regulations shall discourage new development in flood plains and alterations of existing identified flood plains. Modifications or additions to existing structures may be allowed subject to engineering requirements, which do not increase flood damage potential.*

*b. The County's treatment of slopes shall be governed by the following guidelines:*

*1. For slopes less than 20 percent there is a presumption that the slope is not a limiting factor in the development of a parcel for residential use.*

*2. For slopes of 20 percent or greater there is a presumption that slopes may require an engineering analysis to demonstrate that specific slope and soils are adequate to allow development to proceed.*

*3. For slopes 20 percent or greater there is a presumption that the slope and soils may cause the application of normal density to be restricted, with density credits and transfers to flatter areas and/or the use of larger lot sizes and reduced density.*

**Finding:** Redevelopment under the Plan will be required to comply with floodplain regulations. Both the County and City restrict floodplain development. For all redevelopment occurring within the City, the development must comply with TDC Chapter

70 (Floodplain District). The Floodplain restrictions for development within the County remained unchanged as a result of the Plan. Slopes are identified by the City as constraining land in certain areas within the Plan. These areas are identified by the City in its comprehensive plan and land use regulations. Slope restrictions within the County remain unchanged under the Plan. Metro Regional Functional Plan Title 3 and 13 conservation areas will be administered and protected by Clean Water Services. Future development in Tualatin must comply with Clean Water Services' Design and Construction Standards & Service Provider Letters (SPLs) for impacts in sensitive areas such as vegetated corridors surrounding streams and wetland habitat. Although no areas of floodplain or regulatory floodway are mapped by the Federal Emergency Management Agency (FEMA) in the Basalt Creek Planning Area, Tualatin Development Code Chapter 70 (Floodplain Development) would be applicable to individual properties, upon annexation to Tualatin. The Plan complies with Policy 8.

*Policy 9, Energy Resources: It is the policy of Washington County to conserve existing identified energy resources while encouraging development of renewable and alternative resources and implementation of new energy producing systems.*

*Implementing Strategies*

- a. Include solar access provisions in the Community Development Code.*
- b. Investigate the possible adoption and implementation of a wind power access ordinance.*

**Finding:** The Plan enhances the opportunity to develop renewable and alternative resources. Redevelopment of property provides opportunities for solar, wind, and other renewable energy companies to locate within the Plan area. The County's Solar access provision remain unchanged within the County. The Plan Complies with Policy 9.

*Policy 10, Biological Resources And Natural Areas: It is the policy of Washington County to protect and enhance Significant Natural Areas.*

*Implementing Strategies*

- a. Identify Significant Natural Resources and directions for their protection or development in the community plans. Those directions shall assure that the unique values of Significant Natural Resources can be examined and that all reasonable methods for their preservation can be pursued prior to development, without penalty for the potential loss of development density that may result.*
- b. Outside of Significant Natural Resources, provide opportunity for the protection and enhancement of Regionally Significant Fish & Wildlife Habitat, as identified by Metro's*

*Regionally Significant Fish & Wildlife Habitat Inventory Map, without penalty for the potential loss of development density that may result.*

*c. Through the Community Development Code, review and regulate proposed activities in identified Significant Natural Resource Areas. The review process shall adhere closely to provisions in applicable community plans, which direct the manner and extent to which the area shall be protected.*

*d. Utilize the LCDC Goal 5 process described in Oregon Administrative Rule 660-016-0025 to review Goal 5 resources during the five-year update of community plans.*

*e. Support preferential taxation methods to encourage retention of significant natural areas as open space.*

*f. Explore preservation of significant natural areas through fee simple purchase and encouragement of purchase by other concerned agencies and groups (i.e., THPRD, Nature Conservancy).*

*g. Evaluate the potential for including specific natural areas and habitats within the County's or the Tualatin Hills Park and Recreation District's park and recreation system.*

*h. Develop tree conservation standards to regulate the removal of or damage to trees and vegetation in identified Significant Natural Areas within the unincorporated urban area, in order to retain the wooded character and habitat of urban forested lands.*

*i. Coordinate with Clean Water Services to adopt or amend local standards, which ensure that fish and wildlife habitats are adequately protected and enhanced in compliance with local, regional, state and federal requirements.*

*j. For new urban areas, adopt Local Wetland Inventories (LWIs) as part of the Comprehensive Plan, pursuant to OAR 660-023-0100(3). New urban areas are urban incorporated lands that came into the Urban Growth Boundary in 2002 or later (with the exception of the Arbor Oaks Subarea). LWIs may be adopted by Resolution and Order. LWIs will serve as supporting documents to the Comprehensive Plan, and will be adopted by reference into the Resource Document element of the Comprehensive Plan.*

**Finding:** Metro Regional Functional Plan Title 3 and 13 conservation areas will be administered and protected by Clean Water Services. Future development in Tualatin must comply with Clean Water Services' Design and Construction Standards & Service Provider Letters (SPLs) for impacts in sensitive areas such as vegetated corridors surrounding streams and wetland habitat. Although no areas of floodplain or regulatory floodway are mapped by the Federal Emergency Management Agency (FEMA) in the Basalt Creek



Planning Area, Tualatin Development Code Chapter 70 (Floodplain Development) would be applicable to individual properties, upon annexation to Tualatin.

*Policy 11, Cultural Resources: It is the policy of Washington County to protect its historic and cultural resources.*

*Implementing Strategies*

*a. Include all cultural resources determined to be significant or important, in the manner specified by OAR 660-16-000, in its Cultural Resource Inventory. A resource will be included in the Inventory if it:*

- 1. Exemplifies or reflects special elements of the county's cultural, social, economic, political, aesthetic, engineering, architectural or archeological history;*
- 2. Is identified with persons or events significant in local, state or national history;*
- 3. Embodies distinctive characteristics of a style, type, period or method of construction, or is a valuable example of the use of indigenous materials or craftsmanship;*
- 4. Is representative of the notable work of a builder, designer or architect;*
- 5. Retains physical integrity in original design, condition and setting; or*
- 6. Is included in the National Register of Historic Places.*

**Finding:** The Plan does not impact Cultural Resources. The County's cultural resource provisions in its code remain unchanged. Any redevelopment occurring under the Plan within the City will be subject to the City's Historical Resources protections in Tualatin Development Code Chapter 68 (Historic Preservation). The Plan complies with Policy 11.

*Policy 12, Scenic Resources: It is the policy of Washington County to protect and enhance its outstanding scenic views, routes and features.*

*Implementing Strategies*

*a. Identify outstanding scenic resources and provide for their protection in the community plans. The community plans shall direct the manner and extent to which the area shall be protected.*

*b. Through the Community Development Code, review and regulate proposed activities in areas of outstanding scenic resources.*

*c. Encourage scenic easements or other means of providing public access to sites with outstanding views.*

d. Work with private owners to improve the public's access to sites identified as having significant scenic views.

*Finding: The County's code will apply to areas within the County and outside of the City limits. All protections for scenic resources will remain unchanged. Areas of redevelopment occurring within the City under the Plan will be subject to City's code, including designations under the City's Natural Resource Protection in Tualatin Development Code Chapter 72. The Plan does not contemplate development in natural areas and retains scenic value. The Plan complies with Policy 12.*

*Finding: Policies 4-12 refer to growth within the County's unincorporated areas. It is anticipated that new development that occurs in the Area will be on land that is annexed to the City prior to development occurring. Therefore, the City's Comprehensive Plan guidelines would be followed in reviewing any new development. If development occurs in unincorporated areas then Washington County will review that development to ensure it meets their standards including standards for the Natural and Cultural setting.*

**Finding:** Portions of the urban renewal area are in unincorporated areas, but within the UGB and will be annexed into the city of Tualatin in the future prior to receiving city infrastructure. Those new developments will be reviewed in accordance with the Tualatin Comprehensive Plan. The Plan conforms with the Washington County Comprehensive Plan, Policies 4-12 Natural and Cultural Settings.

*Policy 13: Reasons for Growth*

*It is the policy of Washington County to establish a growth management system for the unincorporated areas within the UGB which promotes:*

- (1) Efficient, economic provision of public facilities and services;*
- (2) Infill development in established areas while preserving existing neighborhood character;*
- (3) Development near or contiguous to existing urban development where services are available;*
- (4) Parcelization of land such that future development at urban densities can take place;*
- (5) Development which is compatible with existing land uses;*
- (7) Development in concert with adopted community plans*
- (8) Utilization of existing capital infrastructure*

**Finding:** Portions of the urban renewal area are in unincorporated areas, but within the UGB and will be annexed into the City of Tualatin in the future. The City and County have an Urban Planning Area Agreement that governs the City's expansion within the UGB. The Plan conforms with the Washington County Comprehensive Plan, Policy 13: Reasons for Growth.

*Policy 15, Roles And Responsibilities For Serving Growth: It is the policy of Washington County to work with service providers, including cities and special service districts, and Metro, to ensure that facilities and services required for growth will be provided when needed by the agency or agencies best able to do so in a cost effective and efficient manner.*

**Finding:** The Plan contemplates properties within the City's Planning Area and Metro UGB to annex to the City. In order to annex, the City must establish sufficient urban services are provided to the area to be annexed. The City has established Master Plan and other Planning documents that contemplate servicing areas within the Plan with urban services. Clean Water Services is the current provider of urban sewer and stormwater services within urban areas of Washington County. Clean Water Services will serve the area within the Plan consistent with Clean Water Services standards and plans. The Plan complies with Policy 15.

*Policy 16, Quantity Of Growth: It is the policy of Washington County that Community Plans be prepared, evaluated and updated using housing, employment and population allocations contained in the Comprehensive Framework Plan as the minimum necessary number of new housing units and new jobs which must be accommodated.*

**Finding:** Areas within the County will remain subject to County code provisions. Areas of redevelopment occurring within the City will be subject to City code. The City's code provides for quantity of growth. The Plan complies with Policy 17.

*Policy 17, Quality Of Development: It is the policy of Washington County to:*

*A. Locate development through the community planning process by considering land use compatibility, complementary scale, and overall community impacts; and, establish a clear and objective development review process which evaluates individual developments from a functional site design perspective.*

*B. Utilize a one map planning methodology with respect to a plan map and implementation mechanism. The Community Development Code (Development Regulations) shall be prepared using such an approach.*

*C. Develop the Community Development Code utilizing the following objectives:*

- Allow master application form, one step permit
- Implement the Plan
- Standardize procedures for all land use actions
- Establish a two-tier review process for land use actions in transit oriented districts that has specific design standards and provide for a quicker review process and flexibility
- Reduce costs (public and private)
- Protect existing neighborhoods
- Allow flexibility in developing areas
- Include clear and objective standards and criteria to
  - Add predictability
  - Remove confusion
  - Simplify requirements
- Allow consolidated review of multiple requests for the same site.
- Protect existing open space and recreational facilities.

**Finding:** Areas within the County will remain subject to County code provisions. Areas of redevelopment occurring within the City will be subject to City code. The City's code provides for quality development. Nothing in the Plan diminishes the quality of development, but rather will enhance quality development. The Plan complies with Policy 17.

*Policy 18, Plan Designations And Locational Criteria For Development: It is the policy of Washington County to prepare community plans and development regulations in accordance with land use categories and locational criteria contained in the Comprehensive Framework Plan.*

**Finding:** The Plan does not change the community plan or development regulations for areas within the County. Upon annexation, areas will be annexed to the City and subject to City development code standards. The Plan complies with Policy 18.

*Policy 19, Infill It is the policy of Washington County to provide regulations for developing vacant bypassed lands of two acres or less in areas designated R-5 and R-6. The intent of such regulations shall be to ensure that new development is consistent with the density requirements of each district, and is compatible with the character of existing developments by establishing a review process and criteria which emphasize privacy, lot*

*size, buffering, access, and circulation. Application of the review criteria shall not preclude development to the density allowed by each district.*

**Finding:** The Plan does not change the development regulations of the County. Upon annexation, areas within the Plan will be subject to City development code standards. New development will be consistent with the density requirements of each district, and is compatible with the character of existing developments by establishing a review process and criteria which emphasize privacy, lot size, buffering, access, and circulation. The Plan complies with Policy 19.

*Policy 20: Urban Area Economy*

*It is the policy of Washington County to encourage and participate in activities which strengthen the local economy through:*

*(1) Retention and expansion of existing businesses and industry;*

*(2) Provision of diverse employment opportunities;*

*(4) Continued diversification of the county's economic base.*

**Finding:** The Plan has projects and programs identified to aid existing Tualatin businesses and provide necessary infrastructure to help facilitate future development of the Area. This development is expected to provide diverse employment opportunities and continue diversification of the county's economic base. In 2004 Metro adopted Ordinance No. 14-1040B, intended to increase the Portland metropolitan urban growth boundary to accommodate growth in industrial employment. That expansion included 1,940 acres of land for industrial and other purposes, including the area now known as the Basalt Creek Planning Area. The Basalt Creek Concept Plan addressed concept planning for employment areas and provided a market analysis of commercial, industrial, and residential real estate markets. All development within the Plan area will comply with the City's development code, which implemented the Basalt Creek Concept Plan. The Plan conforms with Washington County Comprehensive Policy 20:

*Policy 27: Drainage Management*

*It is the policy of Washington County that drainage be managed Countywide through a system which coordinates the activities of County agencies, local jurisdictions and special districts, and addresses both the water quality and quantity aspects of drainage management.*

**Finding:** The City will continue to coordinate with the County and with Clean Water Services on any new development in the Area and the drainage management of that development. The Plan conforms with the Washington County Comprehensive Plan, Policy 27: Drainage

Management. Drainage, storm water and surface water runoff in Tualatin are addressed in the Tualatin Drainage Plan, the Surface Water Management Ordinance (SWM Ordinance) (Ord. No. 846- 91), the Northwest Tualatin Concept Plan 2005, the Southwest Tualatin Concept Plan 2010 and TDC Chapter 74, the objective of which includes compliance with Metro’s Urban Growth Management Functional Plan (UGMFP) Title 3 and by extension, Goal 5. The surface water management policies and requirements in the SWM Ordinance were adopted by the City and other jurisdictions in the Tualatin River Basin to implement Clean Water Services requirements for control of sedimentation and water quality, which had been found by Metro to be consistent with Title 3, thus bringing Tualatin into conformance with Title 3 as well. Compliance with Title 13 is satisfied by Tualatin’s participation in the Tualatin Basin Plan and previously adopted amendments to the Comprehensive Plan and Development Code. The conservation areas will be administered and protected by Clean Water Services. Future development in Tualatin must comply with Clean Water Services’ Design and Construction Standards & Service Provider Letters (SPLs) for impacts in sensitive areas such as vegetated corridors surrounding streams and wetland habitat (TDC Chapters 33 and 36).

*Policy 41: Urban Growth Boundary Expansions*

*It is the policy of Washington County to ensure an efficient and effective transition of rural land to urban development when an Urban Growth Boundary (UGB) is expanded.*

**Finding:**

The Basalt Creek area is roughly Area of Special Concern (ASC) 5. The Southwest Concept Plan area is roughly ASCs 2 and 3 and a small amount of ASC 4. ASC 1 and ASC 6 do not apply.

Consistent with Policy 41, the County zoned these lands FD-20, and allowed uses are subject to the applicable requirements of each ASC, which are implemented by Article III, Section 308 of the Washington County Community Development Code.

The Basalt Creek canyon is subject to the County's Goal 5 protection requirements which are implemented by Washington County Community Development Code Article IV, Section 422.

Those are general designations subject to the provisions of Article IV, Section 422 of the Washington County Community Development Code.

If these areas are annexed, they will be required to meet the requirements of the City of Tualatin. The Plan conforms with the Washington County Comprehensive Plan, Policy 41: Urban Growth Boundary Expansions.

Policy 43: Community Design for new Urban Areas

*New urban areas are urban unincorporated lands that came into the UGB in 2002 or later (with the exception of the Arbor Oaks Subarea). It is the policy of Washington County to provide community level planning for new urban areas consistent with regional planning requirements and the Board vision for establishing communities of distinction in new urban areas. In general, these communities are conceived of in a holistic manner with integration of the component elements and a well-designed and planned public realm.*

**Finding:** Area planning for the two main areas that comprise the Southwest and Basalt Creek Development Area was completed through the adoption of the *Southwest Tualatin Concept Plan* and the *Basalt Creek Concept Plan*. These two plans were completed with coordination from Washington County and the city of Tualatin as well as other governmental bodies. These plans will be used in evaluating future development. The Plan conforms with the Washington County Comprehensive Plan, Policy 43: Community Design for new Urban Areas.

Policy 44: Managing Growth in New Urban Areas

*It is the policy of Washington County to manage growth on new unincorporated lands within the UGB such that public facilities and services are financially assured and available to support orderly urban development consistent with a vision for great urban communities in new urban areas.*

**Finding:** The urban renewal plan will provide a funding mechanism to assist in the provision of public facilities and services in order to support orderly urban development. The Plan conforms with the Washington County Comprehensive Plan, Policy 44: Managing Growth in New Urban Areas.

## **XIV. LEGAL DESCRIPTION**

### **EXHIBIT A**

A tract of land and road rights-of-way located in the Southeast One-Quarter of Section 22, in the Northwest, Northeast, Southeast, and Southwest One-Quarters of Section 27, the Northeast One-Quarter of Section 28, the Northwest, Southwest, and Southeast One-Quarters of Section 34, and in the Southwest and Southeast One-Quarters of Section 35, Township 2 South, Range 1 West, Willamette Meridian, Washington County, Oregon, and being more particularly described as follows:

Beginning at the southeast corner of Lot 7 of the plat of “Tualatin Valley Acres” (Assessor’s Map 2S.1.22C);

1. Thence along the east line of said Lot 7, and the northerly extension thereof, Northerly 972 feet, more or less, to the westerly extension of the adjusted northerly line of Document Number 2006-090121 (Assessor’s Map 2S.1.22D);
2. Thence along said westerly extension and said adjusted northerly line, the northerly line of said Deed is also the City of Tualatin City Limits, Easterly 1,264 feet, more or less, to the westerly line of Partition Plat Number 2003-082 (Assessor’s Map 2S.1.22D);
3. Thence leaving said City Limits line and along said westerly line, Southerly 834 feet, more or less, to the southerly line of said Partition Plat (Assessor’s Map 2S.1.22D);
4. Thence along said southerly line, Easterly 660 feet, more or less, to the easterly line of Document Number 2019-089803 (Assessor’s Map 2S.1.22D);
5. Thence along said easterly line, Southerly 101 feet, more or less, to the northerly right-of-way line of SW Tualatin-Sherwood Road (Assessor’s Map 2S.1.22D);
6. Thence along said northerly right-of-way line, Southwesterly 1,119 feet, more or less, to the easterly line of the plat of “Franklin Business Park” (Assessor’s Map 2S.1.22D);
7. Thence along said easterly line, Northerly 634 feet, more or less, to the northerly line of said plat (Assessor’s Map 2S.1.22D);
8. Thence along said northerly line, Westerly 206 feet, more or less, to the easterly line of Parcel 2 of Partition Plat Number 2012-002 (Assessor’s Map 2S.1.22D);
9. Thence along said easterly line, Northerly 511 feet, more or less, to the southerly right-of-way line of SW Myslony Street (Assessor’s Map 2S.1.22DC);
10. Thence along said southerly right-of-way line, Westerly 503 feet, more or less, to the northerly extension of the westerly right-of-way line of SW 112<sup>th</sup> Avenue (Assessor’s Map 2S.1.22DC);
11. Thence along said northerly extension and the westerly right-of-way line of SW 112<sup>th</sup> Avenue, Southerly 840 feet, more or less, to the easterly extension of the southerly right-of-way line of SW Amu Street (Assessor’s Map 2S.1.22AB);
12. Thence along said easterly extension and the southerly right-of-way line of SW Amu Street and the southeasterly right-of-way of SW 115<sup>th</sup> Avenue, Southwesterly 879 feet, more or less, to the southwest corner of Lot 11 of the plat of “Franklin Business Park



- No.5”, also being the northwesterly corner of Document Number 2020-019057 (Assessor’s Map 2S.1.27AB);
13. Thence along the westerly line of said Document Number 2020-019057, Southerly 819 feet, more or less, to the northerly right-of-way line of SW 115<sup>th</sup> Avenue (Assessor’s Map 2S.1.27AB);
  14. Thence along said northerly right-of-way line, Easterly 58 feet, more or less, to the easterly right-of-way line of SW 115<sup>th</sup> Avenue (Assessor’s Map 2S.1.27AB);
  15. Thence along said easterly right-of-way line, Southerly 1,396 feet, more or less, to the northerly right-of-way line of SW Itel Street (Assessor’s Map 2S.1.27AC);
  16. Thence along said northerly right-of-way line, Easterly 1,040 feet, more or less, to a line which is parallel with and 32 feet northerly of, when measured at right angles to, the most southerly line of Lot 5 of the plat of “Koch Corporate Center No. 2” (Assessor’s Map 2S.1.27AC);
  17. Thence along said parallel line, Easterly 36 feet, more or less, to the easterly line of said plat (Assessor’s Map 2S.1.27AC);
  18. Thence along said easterly line, Northerly 648 feet, more or less, to the northwest corner of Document Number 2006-006068 (Assessor’s Map 2S.1.27A);
  19. Thence along the northerly and easterly lines of said Document Number, Southeasterly 791 feet, more or less, to the northerly line of Document Number 2006-006069 (Assessor’s Map 2S.1.27D);
  20. Thence leaving said northerly line, South 00°03’00” West 50.00 feet, more or less (Assessor’s Map 2S.1.27D);
  21. Thence South 06°10’14” East 490.97 feet, more or less (Assessor’s Map 2S.1.27D);
  22. Thence South 71°14’45” East 211.77 feet, more or less, to the westerly right-of-way line of Portland and Western Railroad (Assessor’s Map 2S.1.27D);
  23. Thence along said westerly right-of-way line, Southwesterly 1,164 feet, more or less, to the easterly extension of the southerly right-of-way line of SW Blake Street (Assessor’s Map 2S.1.27D);
  24. Thence along said easterly extension and said southerly right-of-way line, and the westerly extension thereof, Westerly 3,925 feet, more or less, to the easterly right-of-way line of SW 124<sup>th</sup> Avenue (Assessor’s Map 2S.1.27C);
  25. Thence along said easterly right-of-way, Southerly 4,306 feet, more or less, to the north line of the Southwest One-Quarter of Section 34, Township 2 South, Range 1 West, Willamette Meridian (Assessor’s Map 2S134B);
  26. Thence along said north line and the north line of the Southeast One-Quarter of Section 34, Easterly 4,302 feet, more or less, to the easterly right-of-way line of SW Grahams Ferry Road (Assessor’s Map 2S135CB);
  27. Thence along said easterly right-of-way line, Southwesterly 440 feet, more or less, to the northerly line of Lot 29 of said plat of “Comte & Kohlman’s Little Homes No. 3” (Assessor’s Map 2S135CB);
  28. Thence along said northerly line of said Lot 29, Easterly 1,045 feet, more or less, to the easterly line of Tract ‘C’ of the plat of “Victoria Gardens” (Assessor’s Map 2S135CB);
  29. Thence along said easterly line, Northerly 426 feet, more or less, to the north line of the Southwest One-Quarter of Section 35, Township 2 South, Range 1 West, Willamette Meridian (Assessor’s Map 2S135BC);

30. Thence along said north line, Easterly 1,290 feet, more or less, to the westerly right-of-way of SW Boones Ferry Road (Assessor's Map 2S135BD);
31. Thence along said westerly right-of-way, Southerly 1,032 feet, more or less, to the westerly extension of the northerly line of Document Number 2003-156709 (Assessor's Map 2S135D);
32. Thence along said westerly extension and the northerly line of said Document Number, Easterly 411 feet, more or less, to the easterly line of said Document Number (Assessor's Map 2S135D);
33. Thence along said easterly line, Southerly 575 feet, more or less, to the southerly line of said Document Number (Assessor's Map 2S135D);
34. Thence along said southerly line, Westerly 410 feet, more or less, to the easterly right-of-way line of SW Boones Ferry Road (Assessor's Map 2S135D);
35. Thence along said easterly right-of-way line, Southerly 55 feet, more or less, to the southerly line of Document Number 2015-081254 (Assessor's Map 2S135D);
36. Thence along said southerly line, Easterly 1,345 feet, more or less, to the easterly line of said Document Number (Assessor's Map 2S135D);
37. Thence along said easterly line, Northerly 789 feet, more or less, to the southerly line of Deed Book 825, Page 873 (Assessor's Map 2S135D);
38. Thence along said southerly line, Easterly 300 feet, more or less, to the easterly line of said Deed (Assessor's Map 2S135D);
39. Thence along said easterly line, Northerly 200 feet, more or less, to the northerly line of said Deed (Assessor's Map 2S135D);
40. Thence along said northerly line, Westerly 300 feet, more or less, to said easterly line of Document Number 2015-081254 (Assessor's Map 2S135D);
41. Thence along said easterly line, Northerly 659 feet, more or less, to the southerly right-of-way line of SW Norwood Road (Assessor's Map 2S135D);
42. Thence along said southerly right-of-way line, Easterly 1,060 feet, more or less, to the westerly right-of-way line of Interstate 5 (Assessor's Map 2S135D);
43. Thence along said westerly right-of-way line, Southwesterly 2,495 feet, more or less, to the proposed centerline of SW Basalt Creek Parkway extension (Assessor's Map 2S135D);
44. Thence along said proposed centerline, Westerly 4,414 feet, more or less, to the centerline-centerline intersection of SW Basalt Creek Parkway and SW Grahams Ferry Road (Assessor's Map 2S134DD);
45. Thence along the centerline of SW Basalt Creek Parkway, Westerly 3,600 feet, more or less, to the centerline-centerline intersection of SW Basalt Creek Parkway and realigned SW Tonquin Road (Assessor's Map 2S134C);
46. Thence along the realigned centerline of SW Tonquin Road, Southwesterly 532 feet, more or less, to the centerline-centerline intersection of realigned SW Tonquin Road and SW Waldo Way (Assessor's Map 2S134C);
47. Thence along the centerline of SW Waldo Way, Northerly 1,421 feet, more or less, to the intersection of said centerline and the southerly extension of the most westerly right-of-way line of Document Number 2016-024521 (Assessor's Map 2S134C);

48. Thence along said southerly extension and said westerly right-of-way line and the northerly extension thereof, Northerly 1,082 feet, more or less, to the centerline of SW 124<sup>th</sup> Avenue (Assessor's Map 2S134C);
49. Thence along said centerline, Northerly 6,045 feet, more or less, to the centerline-centerline intersection of SW 124<sup>th</sup> Avenue and SW Tualatin-Sherwood Road (Assessor's Map 2S.1.27C);
50. Thence along the centerline of SW Tualatin-Sherwood Road, Westerly 51 feet, more or less, to the southerly extension of the westerly right-of-way line of SW 124<sup>th</sup> Avenue (Assessor's Map 2S.1.27C);
51. Thence along said southerly extension and the westerly right-of-way line thereof, Northerly 818 feet, more or less, to the southerly line of Document Number 95-046169 (Assessor's Map 2S.1.28A);
52. Thence along said southerly line, Westerly 995 feet, more or less, to the easterly right-of-way line of SW Cipole Road (Assessor's Map 2S.1.28A);
53. Thence along said easterly right-of-way line, Northerly 261 feet, more or less, to the southerly line of Document Number 97-089714 (Assessor's Map 2S.1.28A);
54. Thence along said southerly line, Easterly 190 feet to the northerly west line of Document Number 95-046169 (Assessor's Map 2S.1.28A);
55. Thence along said northerly west line, Northerly 768 feet, more or less, to the northerly line of said Document Number (Assessor's Map 2S.1.28A);
56. Thence along said northerly line, Northeasterly 359 feet, more or less, to the north line of the Northeast One-Quarter of Section 28, Township 2 South, Range 1 West, Willamette Meridian (Assessor's Map 2S.1.28A);
57. Thence along said north line and the north line of the Northwest One-Quarter of Section 27, Township 2 South, Range 1 West, Willamette Meridian, Easterly 3,294 feet, more or less, to the Point of Beginning.

Excepting therefrom the following tracts of land;

Excepting Parcel 1

Beginning at the southerly southeast corner of Partition Plat Number 2002-066, also being on the northerly right-of-way of SW Itel Street (Assessor's Map 2S.1.27BD);

100. Thence along said northerly right-of-way line, Westerly 514 feet, more or less, to the southwest corner of Tract 'D' of said Partition Plat (Assessor's Map 2S.1.27BD);
101. Thence along the westerly line of said Tract 'D', the westerly line of Parcel 2, the westerly line of Tract 'E', and the westerly line of Tract 'F' of said Partition Plat, Northerly 789 feet, more or less, to the southerly right-of-way line of SW Tualatin-Sherwood Road (Assessor's Map 2S.1.27BD);
102. Thence along said southerly right-of-way line, Westerly 1,387 feet, more or less, to the easterly line of Document Number 2005-094147 (Assessor's Map 2S.1.27C);
103. Thence along said easterly line, Southerly 261 feet, more or less, to the southerly line of said Document Number (Assessor's Map 2S.1.27C);
104. Thence along said southerly line, Westerly 151 feet, more or less, to the westerly line of said Document Number (Assessor's Map 2S.1.27C);

105. Thence along said westerly line, Northerly 227 feet, more or less, to the southerly right-of-way line of SW Tualatin-Sherwood Road (Assessor's Map 2S.1.27C);
106. Thence along said southerly right-of-way line and the westerly extension thereof, Westerly 260 feet, more or less, to the southerly extension of the easterly right-of-way line of SW 124<sup>th</sup> Avenue (Assessor's Map 2S.1.27C);
107. Thence along said southerly extension and said easterly right-of-way line, Northerly 836 feet, more or less, to the southerly right-of-way line of SW Cimino Street (Assessor's Map 2S.1.27BC);
108. Thence along said southerly right-of-way line, Easterly 960 feet, more or less, to the easterly line of Parcel 2 of Partition Plat Number 2009-034 (Assessor's Map 2S.1.27BC);
109. Thence along said easterly line, Southerly 612 feet, more or less, to the northerly right-of-way line of SW Tualatin-Sherwood Road (Assessor's Map 2S.1.27BC);
110. Thence along said northerly right-of-way line, Northeasterly 1,510 feet, more or less, to the southerly southeast corner of Document Number 2020-019056 (Assessor's Map 2S.1.27BD);
111. Thence leaving said northerly right-of-way line, at a right angle, Southeasterly 117 feet, more or less, to the southerly right-of-way line of said SW Tualatin-Sherwood Road, also being on the northerly line of Partition Plat Number 2002-066 (Assessor's Map 2S.1.27BD);
112. Thence along the northerly and easterly lines of said Partition Plat, Southerly 1,023 feet, more or less, to the Point of Beginning.

#### Excepting Parcel 2

Beginning at the southeast corner of Partition Plat Number 2009-006 (Assessor's Map 2S.1.27C);

120. Thence along the southerly line of said Partition Plat, Westerly 947 feet, more or less, to the easterly right-of-way line of SW 120<sup>th</sup> Avenue (Assessor's Map 2S.1.27C);
121. Thence along said westerly line, Northerly 728 feet, more or less, to the southerly right-of-way line of SW Itel Street (Assessor's Map 2S.1.27C);
122. Thence along said southerly right-of-way line, Easterly 967 feet, more or less, to the westerly right-of-way line of SW 115<sup>th</sup> Avenue (Assessor's Map 2S.1.27C);
123. Thence along said westerly right-of-way line, Southerly 692 feet, more or less, to the Point of Beginning.

#### Excepting Parcel 3

Beginning at the northerly northwest corner of Lot 1 of the plat of "Koch Corporate Center", also being on the southerly right-of-way line of SW Itel Street (Assessor's Map 2S.1.27DB);

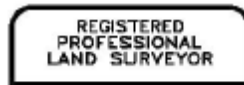
130. Thence along said southerly right-of-way line, Easterly 1,008 feet, more or less, to a line which is parallel with and 32 feet southerly of, when measured at right angles to, the northerly line of Lot 3 of said plat (Assessor's Map 2S.1.27DB);
131. Thence along said parallel line, Easterly 30 feet, more or less, to the easterly line of said plat (Assessor's Map 2S.1.27DB);

132. Thence along said easterly line and the southerly extension thereof, Southerly 1,330 feet, more or less, to a line which is parallel with and 32 feet northerly of, when measured at right angles to, the most southerly line of Document Number 2010-067015 (Assessor's Map 2S.1.27DB);
133. Thence along said parallel line, Westerly 120 feet, more or less, to the northerly right-of-way line of SW Blake Street (Assessor's Map 2S.1.27DB);
134. Thence along said northerly right-of-way line, Westerly 938 feet, more or less, to the easterly right-of-way line of SW 115<sup>th</sup> Avenue (Assessor's Map 2S.1.27DB);
135. Thence along said easterly right-of-way line, Northerly 1,240 feet, more or less, to the Point of Beginning.

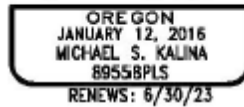
The above described tract of land contains 723 acres, more or less.

For those segments with bearings and distances, bearings for this description are based on State Plane Grid bearing, Oregon State Plane, North Zone 3601, NAD83(2011) Epoch: 2010.0000. Distances shown are ground values.

8/9/2021

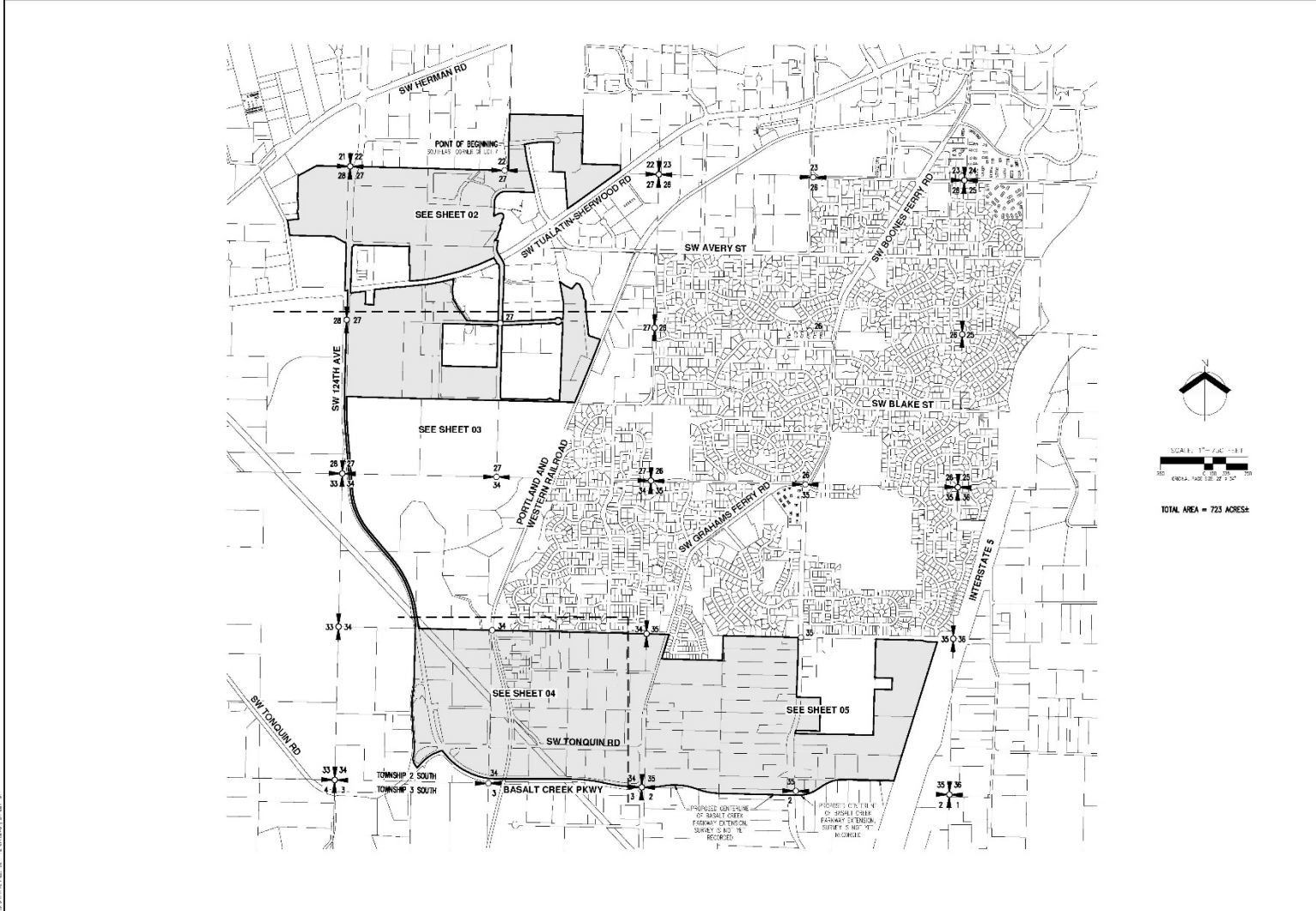


*Michael S. Kalina*



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OFFICES IN: BEND, OR - KEIZER, OR - TUALATIN, OR - VANCOUVER, WA



**AKS**  
AKS ENGINEERING & ARCHITECTURE, LLC  
2425 N. G ST. SUITE 100  
TUALATIN, OREGON 97063

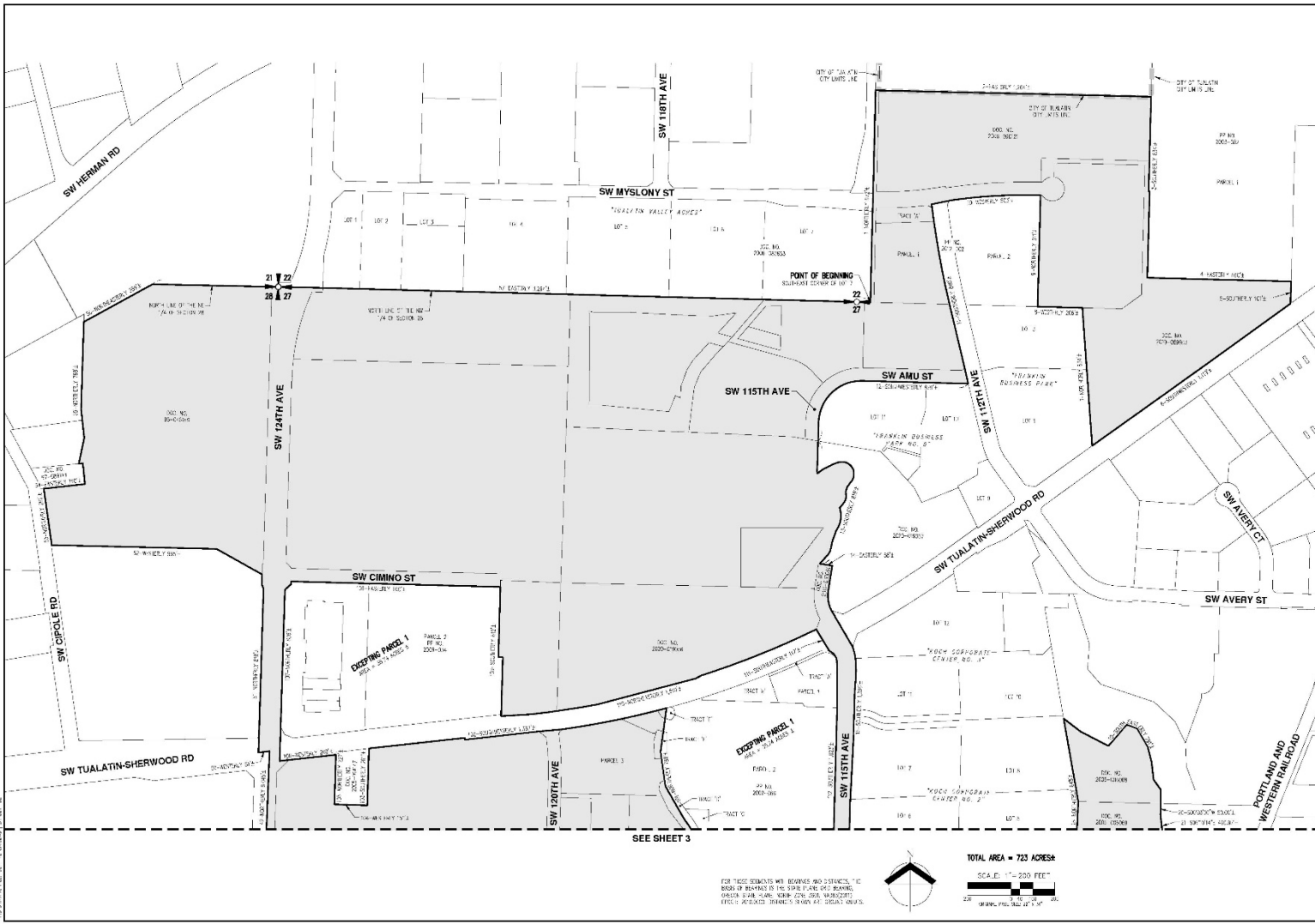
**CITY OF TUALATIN  
DISTRICT 1  
TUALATIN  
FORESTED CORN** OREGON


**MAP OF DISTRICT 1  
COVER SHEET**

DESIGNED BY	DLH
DRAWN BY	MSL
CHECKED BY	MSL
DATE: 04/04/2023	
REGISTERED PROFESSIONAL LAND SURVEYOR	
<i>Mark R. ...</i>	
EXPIRES	
JANUARY 15, 2024	
NO. OF SHEETS	12
CURRENT SHEET NO.	01

JOB NUMBER  
**5511-12**

SHEET  
**01**





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405 N. G ST. SUITE 100  
TUALATIN, OR 97063  
TEL: (503) 261-3400  
WWW.AKSPLANNING.COM


**CITY OF TUALATIN  
DISTRICT 1**

**TUALATIN  
DISTRICT 1**


**MAP OF DISTRICT 1**

**OREGON**

RECORD BY:  
DATE:  
SCALE:  
DATE: 06/26/2021



JOB NUMBER:  
5511-12  
SHEET:  
02



TOTAL AREA = 723 ACRES±

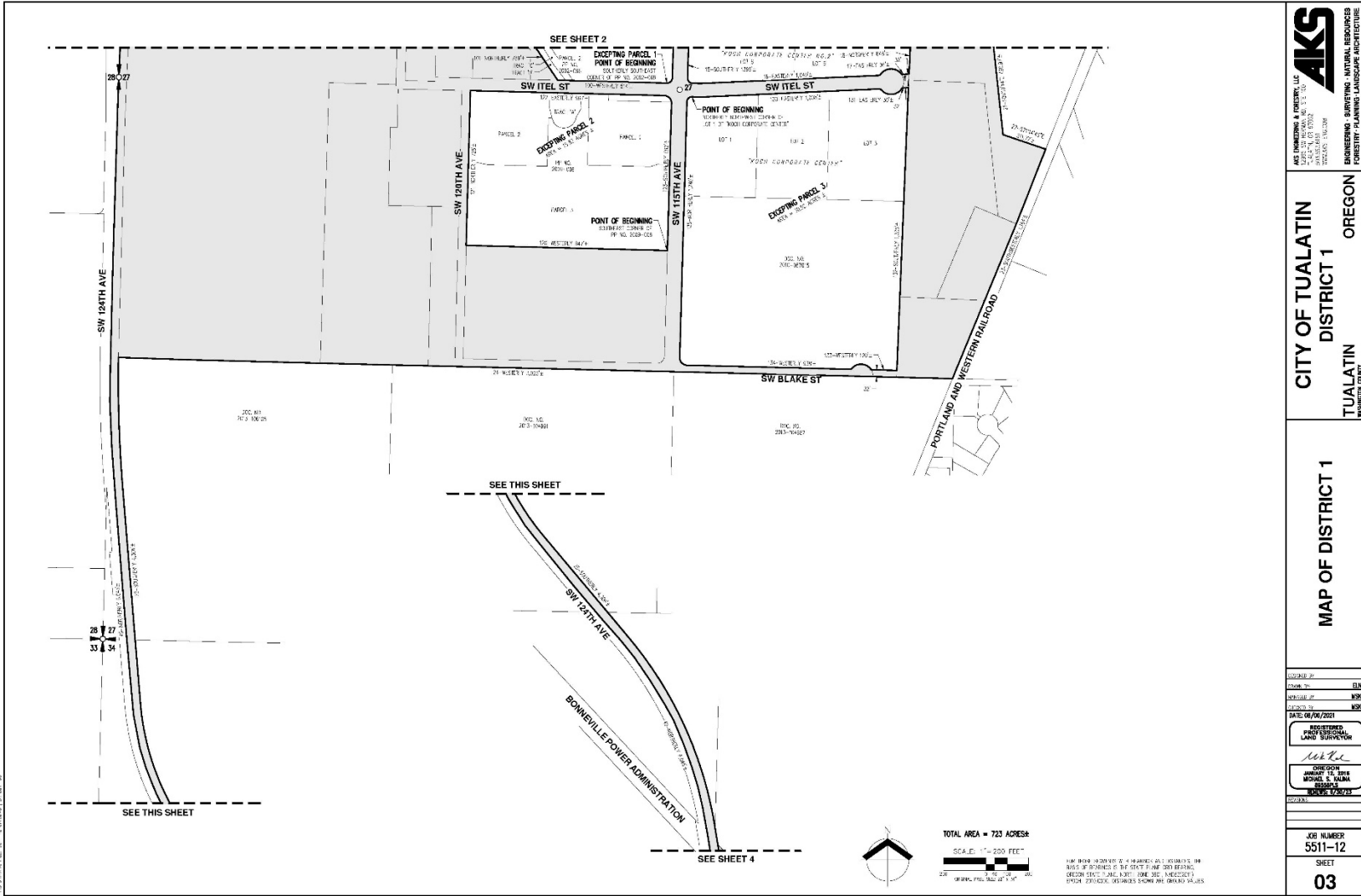
SCALE: 1" = 500 FEET

FOR THESE DIMENSIONS AND BEARINGS AND DISTANCES, THE  
BOUNDARIES OF THE SW TUALATIN DEVELOPMENT  
PARCEL 1 ARE AS SHOWN ON THE PLAN. THE BOUNDARIES OF THE  
TOWN OF TUALATIN ARE AS SHOWN ON THE PLAN.

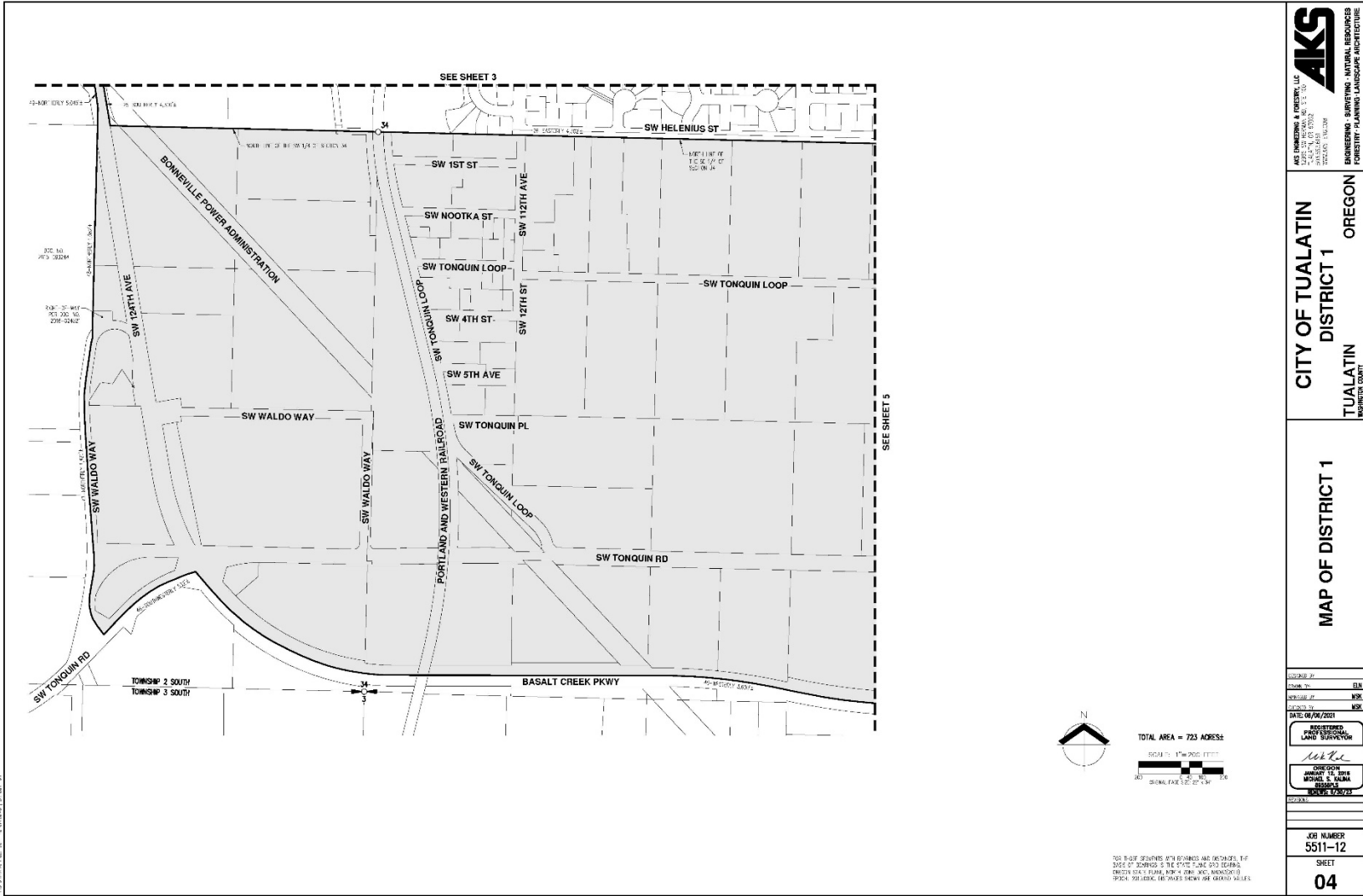


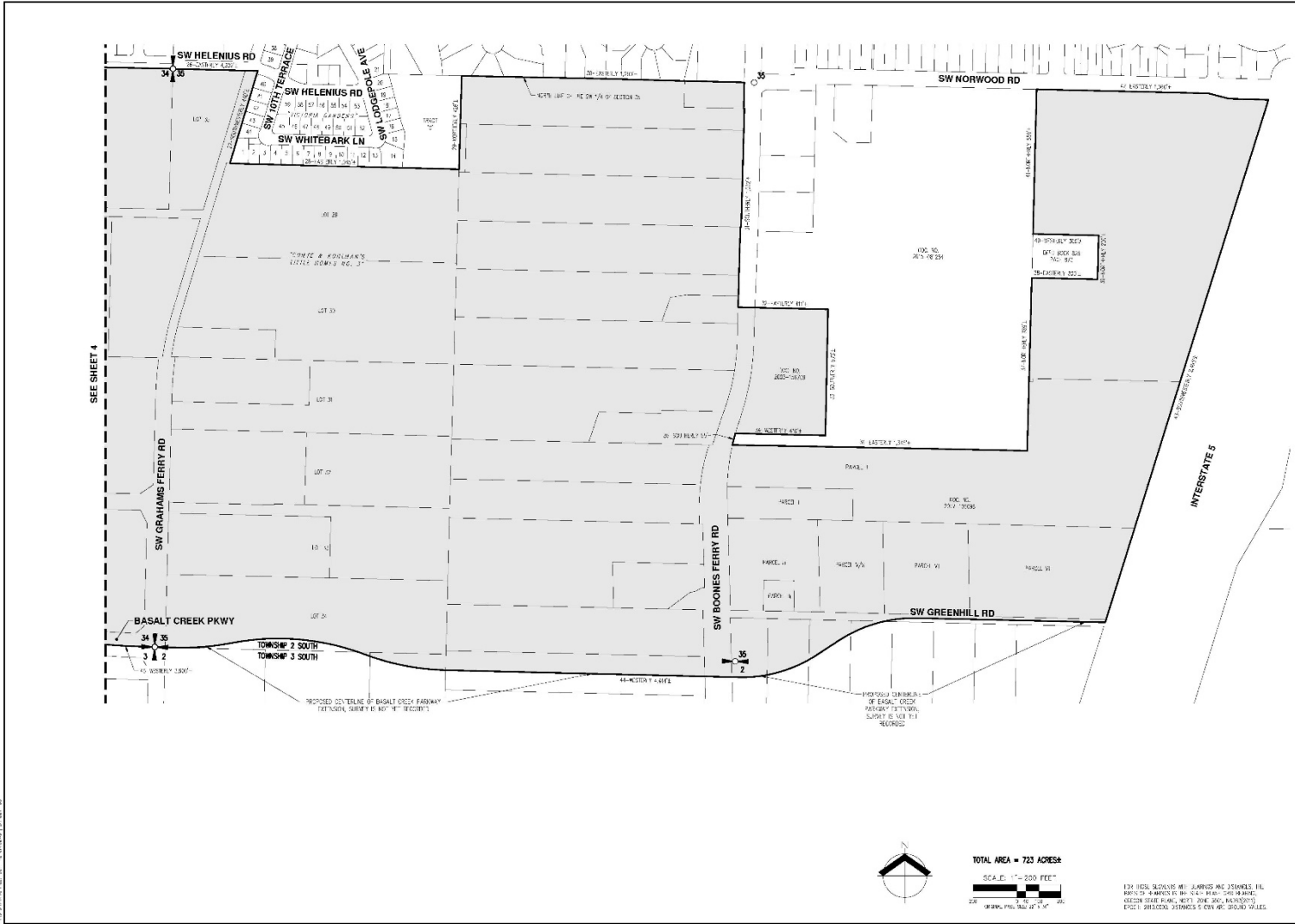
SEE SHEET 3

1:00 PM 06/26/2021









**CITY OF TUALATIN  
DISTRICT 1**

**TUALATIN  
DISTRICT 1**

**OREGON**

**MAP OF DISTRICT 1**

DATE: 04/04/2021	DATE: 04/04/2021
REGISTERED PROFESSIONAL LAND SURVEYOR	REGISTERED PROFESSIONAL LAND SURVEYOR
<i>Michael E. Tullum</i>	<i>Michael E. Tullum</i>
ORDER NO. 172733	ORDER NO. 172733
JOB NUMBER 5511-12	JOB NUMBER 5511-12
SHEET 05	SHEET 05



TOTAL AREA = 723 ACRES\*

SCALE: 1" = 200 FEET

GRAPHIC SCALE: 1" = 200 FEET

FOR THESE DRAWINGS WE HAVE ASSUMED THE FOLLOWING: ALL RIGHTS TO EASEMENTS ARE SHOWN TO BE VALID AND CORRECT. SECTION CORNER BEING METERS AND FEET. ALL DISTANCES ARE IN FEET AND DECIMALS THEREOF. ERECTED INSTRUMENTS BEING CORRECT AND VALID.

Report Accompanying the  
Southwest and Basalt Creek Development  
Area



*City of Tualatin*



## **LIST OF PARTICIPANTS**

### **Mayor**

Frank Bubenik

### **City Council**

Nancy Grimes, Council President

Maria Reyes

Christen Sacco

Bridget Brooks

Cyndy Hillier

Valerie Pratt

### **Planning Commission**

Bill Beers, Chair

Mona St. Clair, Vice-Chair

Alan Aplin

Janelle Thompson

Daniel Bachhuber

Ursula Kuhn

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Megan George, Deputy City Manager

Don Hudson, Assistant City Manager/  
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Kim McMillan, Community  
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### **City of Tualatin Staff**

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Jonathan Taylor, Economic  
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Affordable Housing

Theresa Haskins, Portland General  
Electric (property owner)

Grace Lucini, Area Resident (property  
owner)

Christen Sacco, City of Tualatin City  
Council

Janelle Thompson, City of Tualatin  
Planning Commission

Cassandra Ulven, Public Affairs Chief,  
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(TVF&R)

### **Consulting Team**

#### **Elaine Howard Consulting, LLC**

Elaine Howard, Scott Vanden Bos

#### **Tiberius Solutions, LLC**

Nick Popenuk, Ali Danko, Rob  
Wyman

Southwest and Basalt Creek Development Area Plan

approved by the City of Tualatin

DATE

Ordinance No. 2021-

This Plan was also approved by Washington County by Resolution No. \_\_\_\_ on DATE  
as there are unincorporated properties in the Area.

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## I. INTRODUCTION

The Report Accompanying the Southwest and Basalt Creek Development Area Plan (Report) contains background information and project details that pertain to the Southwest and Basalt Creek Development Area Plan (Plan). The Report is not a legal part of the Plan but is intended to provide public information and support the findings made by the Tualatin City Council as part of the approval of the Plan.

The Report provides the analysis required to meet the standards of ORS 457.087, including financial feasibility. The Report accompanying the Plan contains the information required by ORS 457.087, including:

- A description of the physical, social, and economic conditions in the area and expected impact of the plan, including fiscal impact in light of increased services; (ORS 457.087(1))
- Reasons for selection of the plan Area; (ORS 457.087(2))
- The relationship between each project to be undertaken and the existing conditions; (ORS 457.087(3))
- The estimated total cost of each project and the source of funds to pay such costs; (ORS 457.087(4))
- The estimated completion date of each project; (ORS 457.087(5))
- The estimated amount of funds required in the Area and the anticipated year in which the debt will be retired; (ORS 457.087(6))
- A financial analysis of the plan; (ORS 457.087(7))
- A fiscal impact statement that estimates the impact of tax increment financing (TIF) upon all entities levying taxes upon property in the urban renewal area; (ORS 457.087(8))
- A relocation report. (ORS 457.087(9))



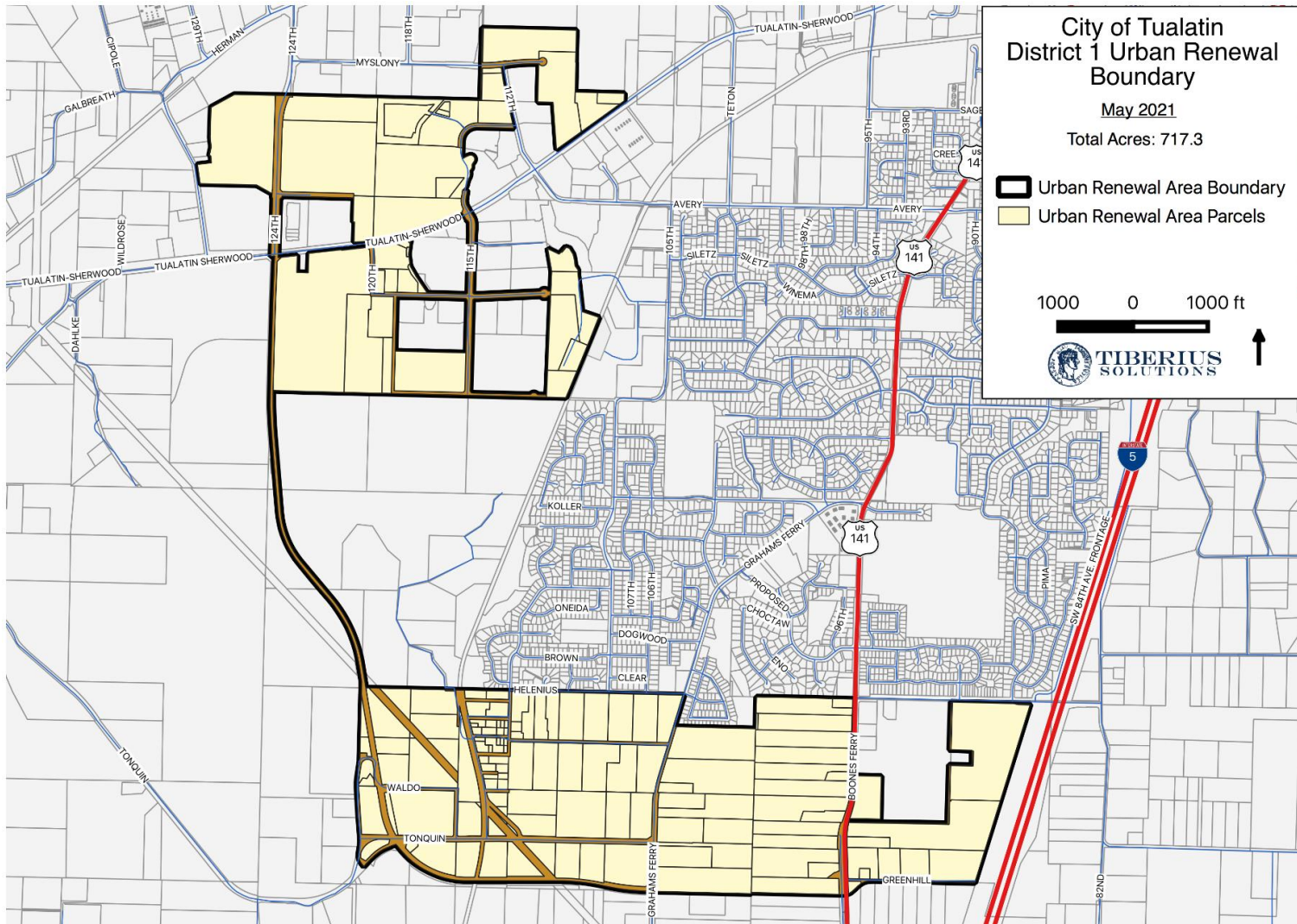
The relationship of the sections of the Report and the ORS 457.087 requirements is shown in Table 1. The specific reference in the table below is the section of this Report that most addresses the statutory reference. There may be other sections of the Report that also address the statute.

**Table 1 - Statutory References**

<b>Statutory Requirement</b>	<b>Report Section</b>
ORS 457.087 (1)	X
ORS 457.087 (2)	XI
ORS 457.087 (3)	II
ORS 457.087 (4)	III
ORS 457.087 (5)	VI
ORS 457.087 (6)	IV,V
ORS 457.087 (7)	IV,V
ORS 457.087 (8)	VIII
ORS 457.087 (9)	XII

The Report provides guidance on how the Plan might be implemented. As the Tualatin Development Commission (TDC) reviews revenues and potential projects each year, it has the authority to make adjustments to the implementation assumptions in this Report. The TDC may allocate budgets differently, adjust the timing of the projects, decide to incur debt at different timeframes than projected in this Report, and make other adjustments to the financials as determined by the TDC. The TDC may also make changes as allowed in the Amendments section of the Plan. These adjustments must stay within the confines of the overall maximum indebtedness of the Plan.

**Figure 1 - Tualatin Urban Renewal Area Boundary**



## **II. THE PROJECTS IN THE AREA AND THE RELATIONSHIP BETWEEN URBAN RENEWAL PROJECTS AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA**

The projects identified for the Area are described below, including how they relate to the existing conditions in the Area. Much of the project descriptions and existing conditions come from the following documents:

*Tualatin Capital Improvement Plan*, City of Tualatin, FY 2020/21 – 2025/26. This is identified as CIP. The CIP page numbering is by project type (transportation, pedestrian etc.)

*Basalt Creek Concept Plan*, adopted by the City of Tualatin August 13, 2018, Ord. # 1418-19. This is identified as BCCP

*Tualatin Sewer Master Plan*, City of Tualatin, Jacobs, August 2019, updated November 2019. This is identified as SMP.

*Transportation Systems Plan*, CH2M Hill, DKS, Angelo Planning Group, JLA Public Involvement, February 2014. This is identified as TSP.

*Southwest Tualatin Concept Plan*, CH2M Hill, Kittelson and Associates, October 11, 2010. This is identified as SWTCP.

Instead of footnoting every project, it is noted if these projects come from the above plans and the page number where they can be found.

### **A. Transportation**

#### **1. 124th/Future Blake Street Signal**

Design and construct a new traffic signal at the new intersection of the recently-constructed 124th Ave with the future extension of Blake Street along with or after the future Blake Street construction. (CIP p 106)

#### **Existing Conditions:**

This project was identified through the Tualatin Moving Forward process. 124<sup>th</sup> was recently constructed. In the future when Blake Street is constructed and when there is sufficient traffic to warrant a signal at this location, this signal will be installed.

**Figure 2 – 124<sup>th</sup> Blake Future Street Signal**



Source: City of Tualatin Capital Improvement Plan

## **2. Tonquin Trail**

The preferred alignment for the regional Ice Age Tonquin Trail includes a section bordering the Basalt Creek Planning Area as part of a 22-mile trail alignment through Wilsonville, Tualatin, and Sherwood with trail facility types varying by location based upon landscape and setting. The Ice Age Tonquin Trail is intended to connect in the north to the Tualatin River Greenway Trail, Fanno Creek Trail, and the Westside Trail, and to the south to the Willamette River. (BCCP p 38)

### **Existing Conditions:**

This portion of the trail does not exist but is a vital link for the entire trail construction.

“Coordination with Metro, Tualatin Community Services Department, and the Wilsonville Parks and Recreation Department will be necessary to establish a local trail network with regional connections. Metro’s Ice Age Tonquin Trail Master Plan provides a framework for local and regional implementation of the regional Ice Age Tonquin Trail, which is intended to complement the Ice Age Floods National

Geological Trail Planning (the national trail will be a network of driving routes with spurs for biking and walking, from Montana to the Pacific Ocean). The preferred alignment for the regional Ice Age Tonquin Trail includes a section bordering the Basalt Creek Planning Area as part of a 22-mile trail alignment through Wilsonville, Tualatin, and Sherwood with trail facility types varying by location based upon landscape and setting. The Ice Age Tonquin Trail is intended to connect in the north to the Tualatin River Greenway Trail, Fanno Creek Trail, and the Westside Trail, and to the south to the Willamette River. (BCCP p38)

### **3. Blake Street Extension**

Preliminary planning and conceptual design and construction of the future Blake Street between 115th Ave and 124th Avenue. The Blake Street Concept study is in CIP for FY 2020/21. Preliminary planning and conceptual design of the future Blake Street between 115th Ave and 124th Avenue. The Basalt Street Extension is listed on p249 of the CIP as an unfunded project. (SWTCP p 23)

#### **Existing Conditions:**

This roadway does not presently exist but will be necessary for the full development of the Area.

**Figure 3 - Blake Street Extension**



Source: City of Tualatin Capital Improvement Plan

#### **4. Basalt Creek Parkway**

The Basalt Creek Parkway, of which the segment between 124th Avenue/Tonquin Road to Grahams Ferry Road is already under construction, is the major east-west arterial through the area. The Parkway allows for limited local access providing important freight connections between Tonquin, Southwest Tualatin, and Basalt Creek Employment Areas to I-5. It also serves as a future jurisdictional boundary between Tualatin and Wilsonville. (BCCP p 32)

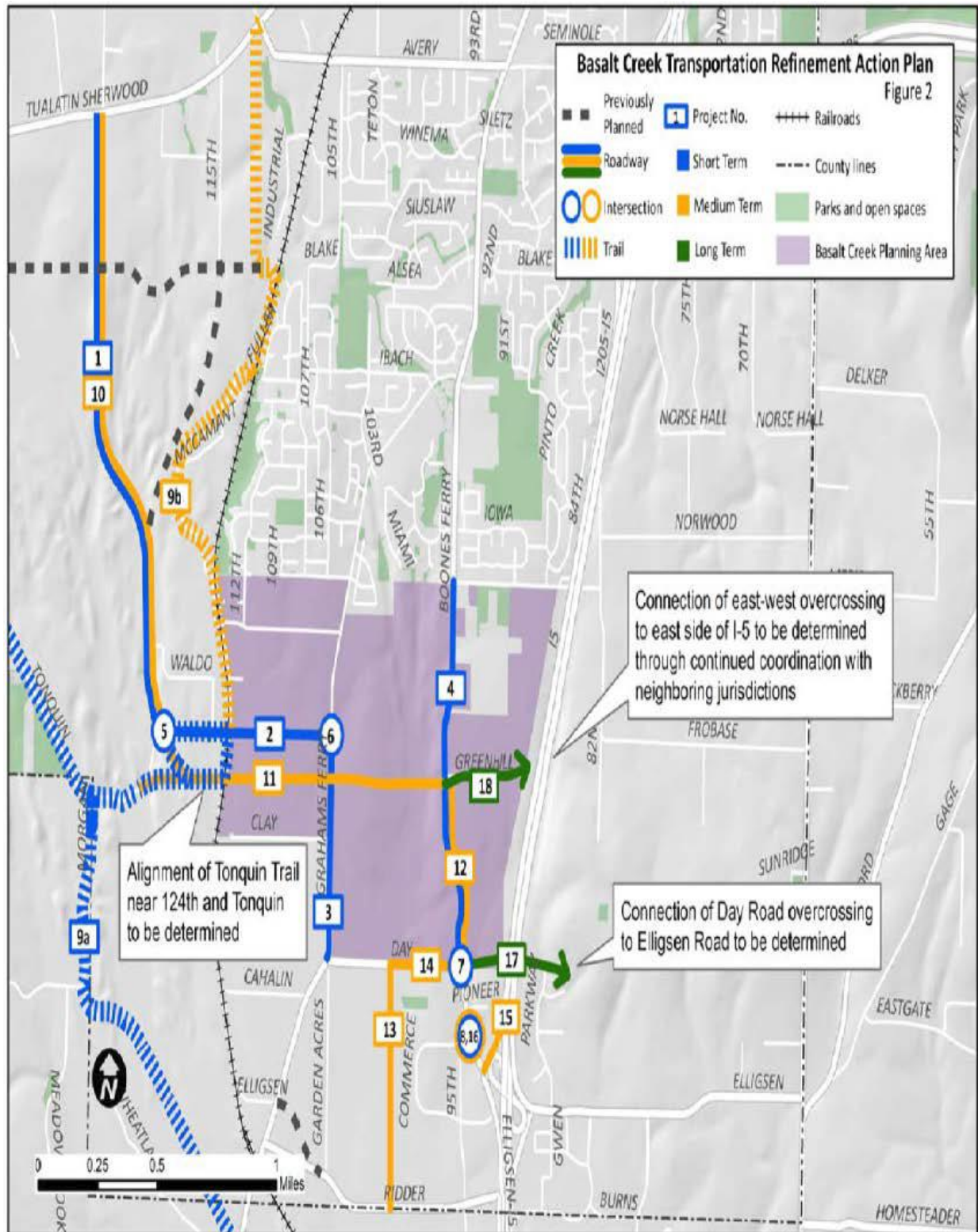
#### **Existing Conditions:**

This section of the roadway does not presently exist but will be necessary for the full development of the Area. It is identified in the Basalt Creek Concept Plan and the Tualatin Transportation Systems Plan.

“Additional road improvements are necessary to handle projected traffic levels as the area develops, including adding capacity to north-south collectors and Day Road as well as two additional I-5 crossings (at Day Road and Greenhill). As the area develops, property owners will plan and build local roads connecting to this network. These roadway improvements will include enhanced bike and pedestrian facilities and connections to the future transit system.” (Basalt Creek Concept Plan, p 32)

DRAFT

**Figure 4 – Basalt Creek Transportation Refinement Plan**



Source: Basalt Creek Concept Plan



## B. Sewer

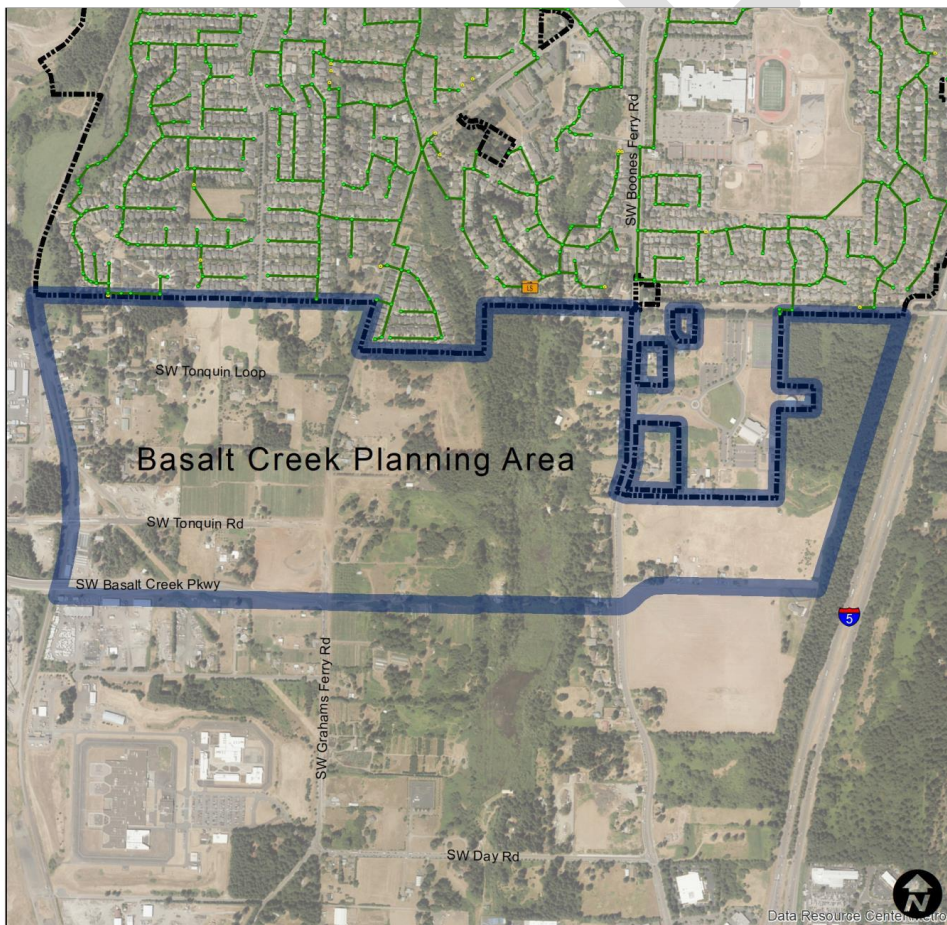
### 1. Tonquin Loop Sewer

Most of the sanitary sewer in the Basalt Creek Planning Area will be an 8-inch gravity system installed by developers. The construction timeline of this pipe depends on both the construction of Basalt Creek area pump station #4 and development progress in the western portion of the planning area. Because this project is entirely driven by new development, it is eligible for SDC reimbursement. "Build 2,170 feet of 10 inch sanitary sewer service in the Basalt Creek Planning Area to serve new commercial and residential development." (CIP p 164)

#### Existing Conditions:

This section of the sewer system is not yet developed but will be necessary to fully develop the Area.

Figure 5 - Tonquin Loop Sewer



Source: City of Tualatin Capital Improvement Plan

## **2. Basalt Creek Gravity Sewer**

The Basalt Creek Conceptual Plan includes approximately 34,250 feet of 8-inch gravity pipe within the planning area. These projects will be funded by developers, and scheduling will be coordinated with the City and CWS. It is expected that the residential portion of the planning area will develop within the next 10 years, while the commercial and industrial portions may develop in the next 20 years.(SMP p 4-3)

### **Existing conditions:**

This section of the sewer system is not yet developed but will be necessary to fully develop the Area.

## **3. Basalt Creek Pump Stations and Force Mains**

The conceptual sanitary sewer design for Basalt Creek includes the construction of six new pump stations, each with 6-inch force mains. One pump station is in the Wilsonville portion of the planning area and will be constructed by Wilsonville. CWS will own and operate the five remaining pump stations in the planning area, and will also be responsible for construction costs. (SMP p 4-3)

### **Existing conditions:**

This section of the sewer system is not yet developed but will be necessary to fully develop the Area.

## **4. SW Tualatin Gravity Sewer**

The proposed conceptual sewer layout for the Southwest Tualatin Concept Area also includes three 8-inch sewer lines to serve the area. It is expected that all gravity sewer in the planning area will be funded by developers and scheduling will be coordinated with the City and CWS. The southern region of the area is serviced by a proposed gravity line that will drain into the Basalt Creek Pump Station 4. The northeastern portion is serviced by a proposed gravity line that connects to existing sewer along SW Itel Street. The northwestern sewer section connects to existing sewer along SW 124th Avenue and receives flow from the surrounding area as well as the proposed Southwest Tualatin Pump Station. (SMP p 68 4-4).

### **Existing Conditions:**

This section of the sewer system is not yet developed but will be necessary to fully develop the Area. "It is expected that the residential portion of the planning area will develop within the next 10 years, while the commercial and industrial portions may develop in the next 20 years." (SMP p 4-3)

### **c. Water**

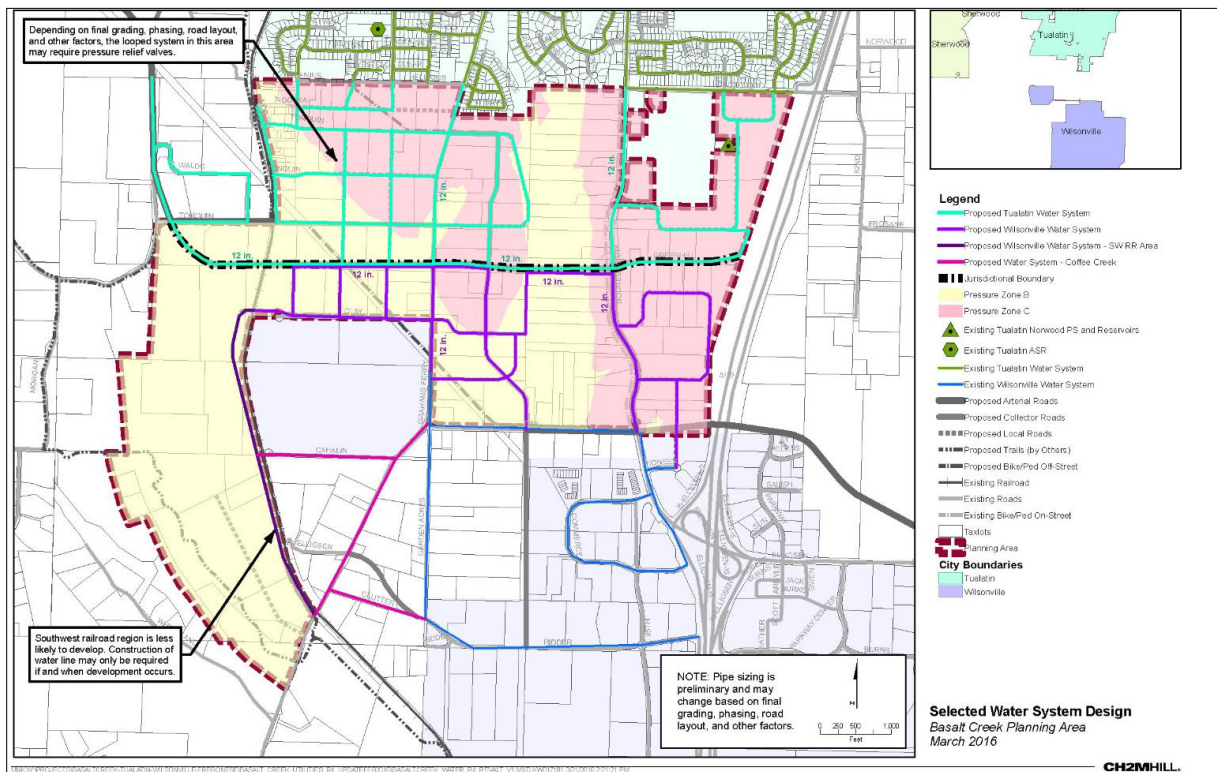
Upgrading the water system to provide and encourage commercial and residential development, including affordable housing.

#### **Existing conditions:**

The Basalt Creek planning area currently has no municipal water infrastructure in place. The area topography ranges from approximately 250 feet above mean sea level (msl) to a maximum elevation of 350 feet msl. Based on the topography, the Basalt Creek planning area could be served from the south through The City of Wilsonville's distribution system (Pressure Zones B and C) or from the north through the City of Tualatin's distribution system from Pressure Zone B and C. Lower elevations of the Basalt Creek planning area (below elevation 285) can be adequately served by Wilsonville's Pressure Zone B through existing 15-inch and 18-inch distribution lines that are adjacent to the area.

Tualatin's and Wilsonville's Pressure Zone C reservoirs are located adjacent to each other on the East Side of I-5. The I-5 pipe crossings that connect to these reservoirs are in different locations. Analysis needs to be completed to determine if the existing pipe configurations from each of these reservoirs provide adequate pressures to serve the higher elevations of Basalt Creek with emergency water demands. To provide for the additional flow to these higher elevations, it may be necessary to add booster pumping capacity within each City's water system. There are also jurisdictional issues that need to be addressed between the City of Wilsonville and City of Tualatin.

**Figure 6 – Water Systems Concept for Basalt Creek Planning Area**



Source: Basalt Creek Concept Plan, page 45

#### **D. Developer Assistance and Incentives**

Facilitate development and redevelopment on sites in the Area, stimulating growth and providing new employment opportunities and additional mixed use and commercial growth in the Area. An example of a type of assistance is to reduce or eliminate development impacts on adjacent properties.

##### **Existing conditions:**

This Area has many properties that could be developed in the future. There is presently not a funding source in the City to provide development assistance to property owners/developers. This tool will help facilitate development of the Area and will provide additional sources of funds to assist with property mitigation.

#### **E. Small Business Grants**

Provide small industrial and office space owners and businesses façade grants to update, modernize existing façade infrastructure.

##### **Existing conditions:**

There is no funding for small business capital improvements in the Area, but a need for assistance to those small businesses for capital improvements.

## ***F. Acquisition/Disposition***

Acquisition/Disposition are allowed in the Plan. Based on sales comparables of notable vacant land, these will be used in accordance with land acquisition to assist with targeted development based on submitted request for proposals. Prior to any property being acquired, it must be identified in the Plan in Section VIII.

### **Existing conditions:**

There is presently no funding for an acquisition program for the Area.

## ***G. Natural Resource Protection***

Identify properties for protection and enhancement. Partner with regional organizations to facilitate acquisition, enhancement, mitigation, protection and conservation of Natural Resource areas within the Southwest and Basalt Creek Development Area Plan.

### **Existing conditions:**

"Most of the land with environmental constraints is in or near Basalt Creek Canyon and the West Railroad Area. To protect the natural areas, the Cities have agreed to management practices consistent with Metro Title 3 and 13. The Canyon is very valuable to the area and it needs to be protected, while also having visual or physical public access points in appropriate locations to connect to the bicycle, pedestrian and recreational facilities in the area and to serve the needs of residents and local employees." (BCCP, p 44)

## ***H. Administration***

Authorizes expenditures for the administrative costs associated with managing the URA including budgeting and annual reporting, planning and the implementation of projects in the Area.

### **Existing conditions:**

Once an urban renewal plan with its associated requirements for administration exists there will also be a need for administrative funds to be allocated for that administration.

### III. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS

The total cost estimates for projects are shown in Table 2 below. Table 2 presents the estimated costs of the projects today (FYE 2021 constant dollars) and the estimated cost of those projects in the future (year of expenditure dollars). The year of expenditure dollars assumes annual 3% inflation rates. These are all estimates acknowledging that the urban renewal portions of these project activities must fit within the maximum indebtedness. If the City is able to jumpstart the Area by providing alternative funding sources which are repaid when tax increment revenues are available, the timing on projects can be moved up.

The Plan assumes that the TDC/City will use other funds to assist in the completion of the projects within the Area. The TDC/City may pursue regional, county, state, and federal funding, private developer contributions, and any other sources of funding that may assist in the implementation of the projects or programs.

The TDC will be able to review and update fund expenditures and allocations on an annual basis when the annual budget is prepared. For more detail, see additional narrative explanation on page 25 of this Report.

**Table 2 - Estimated Cost of Each Project**

<b>Project Title</b>	<b>Constant FYE 2021</b>	<b>Year of Expenditure Project Cost</b>
Tonquin Loop Sewer	657,000	936,685
Basalt Creek Gravity Sewer	3,838,000	6,533,811
SW Tualatin Gravity Sewer	418,000	732,963
124th/Future Blake Street Signal	656,000	992,266
Tonquin Trail	2,343,000	4,762,850
Developer Assistance including Property Mitigation	2,965,223	6,128,732
Blake Street Extension	1,500,000	3,234,900
Small Business Grants	1,000,000	1,915,520
Basalt Creek Parkway	500,000	633,400
Natural Resource Protection	100,000	126,680
Water System Upsizing	11,400,000	21,273,995
Financing Fees	199,280	284,000
Administration	3,450,000	5,804,346
<b>Total Expenditures</b>	<b>\$29,026,503</b>	<b>\$53,360,148</b>

Source: City of Tualatin and Tiberius Solutions

#### **IV. FINANCIAL ANALYSIS OF THE PLAN**

The estimated tax increment revenues through FYE 2052 are calculated based on projections of growth in assessed value due to new development and appreciation within the Area and the consolidated tax rate that will apply in the Area.

The long-term projections for FYE 2022 and beyond assume an annual growth rate of 6.0% for assessed value in the area (equal to 3% maximum annual appreciation for existing property plus 3% exception value from new development). Achieving this growth rate would require an annual increase in assessed value from new construction equal to an average of \$4.7 million per year, plus the maximum-allowed 3-percent appreciation on all existing property in the Area. These projections of growth are the basis for the projections in the Area.

These projections of growth were informed by conversations with City staff and City Council, based on the amount of development potential within the Area. If actual assessed value growth is less than forecast, then it would reduce the financial capacity of the URA to fund projects listed in the Plan.

Table 3 shows the incremental assessed value, tax rates, and tax increment revenues each year, adjusted for discounts, and delinquencies.

The first year of tax increment collections is anticipated to be fiscal year ending (FYE) 2023. Gross tax increment financing (TIF)<sup>1</sup> is calculated by multiplying the tax rate times the assessed value used. The tax rate is per thousand dollars of assessed value, so the calculation is “tax rate times assessed value used divided by one thousand.” The consolidated tax rate includes permanent tax rates only, and excludes general obligation bonds and local option levies, which will not be impacted by this Plan.

Figure 7 shows expected TIF revenues over time and the projected tax revenues after termination of the Area.

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<sup>1</sup> TIF is also used to signify tax increment revenues

**Table 3 - Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues, page 1**

FYE	Total	Frozen Base	Increment	Tax Rate	Gross TIF	Adjustments	Net TIF (Current Year)	Net TIF (Prior Year)	Net TIF (Total)
2023	\$111,902,962	\$99,593,238	\$12,309,724	\$10.7623	\$132,481	(\$6,624)	\$125,857	\$0	\$125,857
2024	\$118,617,139	\$99,593,238	\$19,023,901	\$10.7623	\$204,741	(\$10,237)	\$194,504	\$1,888	\$196,392
2025	\$125,734,167	\$99,593,238	\$26,140,929	\$10.7623	\$281,337	(\$14,067)	\$267,270	\$2,918	\$270,187
2026	\$133,278,218	\$99,593,238	\$33,684,980	\$10.7623	\$362,528	(\$18,126)	\$344,402	\$4,009	\$348,411
2027	\$141,274,910	\$99,593,238	\$41,681,672	\$10.7623	\$448,591	(\$22,430)	\$426,161	\$5,166	\$431,328
2028	\$149,751,405	\$99,593,238	\$50,158,167	\$10.7623	\$539,818	(\$26,991)	\$512,827	\$6,392	\$519,219
2029	\$158,736,490	\$99,593,238	\$59,143,252	\$10.7623	\$636,518	(\$31,826)	\$604,692	\$7,692	\$612,384
2030	\$168,260,680	\$99,593,238	\$68,667,442	\$10.7623	\$739,020	(\$36,951)	\$702,069	\$9,070	\$711,140
2031	\$178,356,321	\$99,593,238	\$78,763,083	\$10.7623	\$847,673	(\$42,384)	\$805,289	\$10,531	\$815,820
2032	\$189,057,701	\$99,593,238	\$89,464,463	\$10.7623	\$962,844	(\$48,142)	\$914,702	\$12,079	\$926,781
2033	\$200,401,162	\$99,593,238	\$100,807,924	\$10.7623	\$1,084,926	(\$54,246)	\$1,030,680	\$13,721	\$1,044,400
2034	\$212,425,232	\$99,593,238	\$112,831,994	\$10.7623	\$1,214,333	(\$60,717)	\$1,153,616	\$15,460	\$1,169,076
2035	\$225,170,745	\$99,593,238	\$125,577,507	\$10.7623	\$1,351,504	(\$67,575)	\$1,283,929	\$17,304	\$1,301,233
2036	\$238,680,988	\$99,593,238	\$139,087,750	\$10.7623	\$1,496,905	(\$74,845)	\$1,422,060	\$19,259	\$1,441,319
2037	\$253,001,847	\$99,593,238	\$153,408,609	\$10.7623	\$1,651,031	(\$82,552)	\$1,568,479	\$21,331	\$1,589,810
2038	\$268,181,957	\$99,593,238	\$168,588,719	\$10.7623	\$1,814,404	(\$90,720)	\$1,723,684	\$23,527	\$1,747,211
2039	\$284,272,875	\$99,593,238	\$184,679,637	\$10.7623	\$1,987,579	(\$99,379)	\$1,888,200	\$25,855	\$1,914,056
2040	\$301,329,246	\$99,593,238	\$201,736,008	\$10.7623	\$2,171,145	(\$108,557)	\$2,062,588	\$28,323	\$2,090,911

Source: Tiberius Solutions

Note: Future annexations may result in a higher weighted average tax rate than what is shown in this table. This analysis assumes all property in the Area remains in their current tax code areas for the duration of the URA, including some property in the City of Tualatin (where tax rates are higher) and some in unincorporated Washington County (where tax rates are lower). The result of future annexations within the URA would be a higher weighted average tax rate for the URA, resulting in additional tax increment revenues for the TDC and potentially an earlier time frame of reaching the maximum indebtedness.



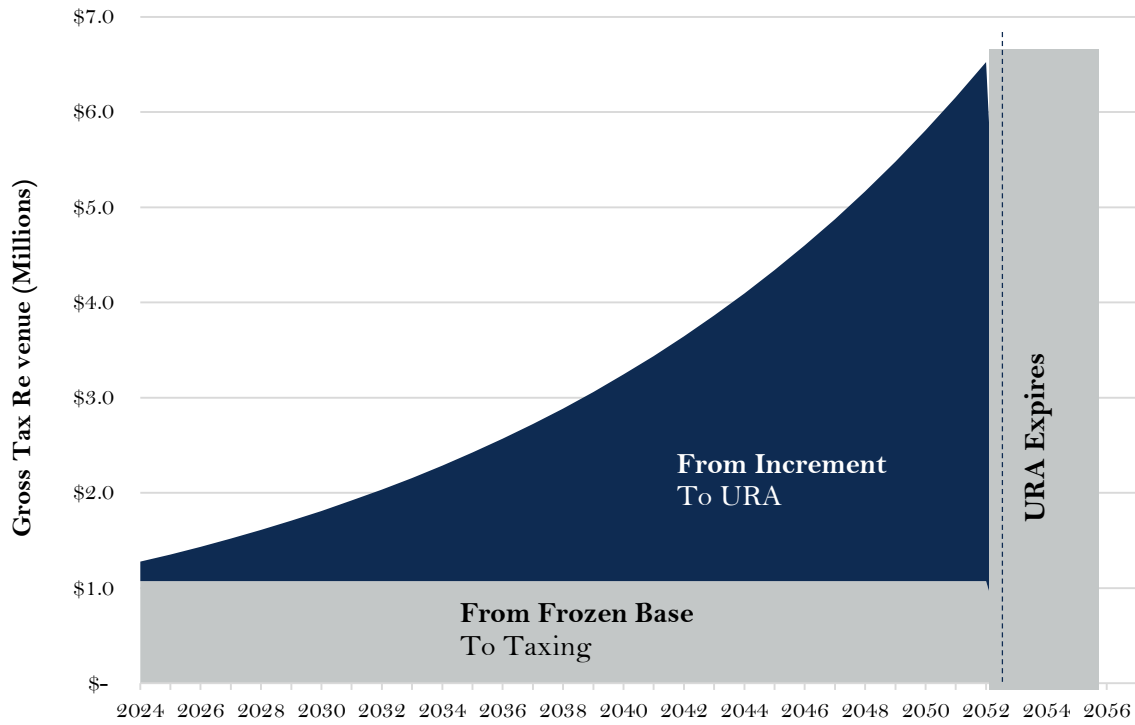
**Table 4 - Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues, page 2**

FYE	Total	Frozen Base	Increment	Tax Rate	Gross TIF	Adjustments	Net TIF (Current Year)	Net TIF (Prior Year)	Net TIF (Total)
2041	\$319,409,002	\$99,593,238	\$219,815,764	\$10.7623	\$2,365,725	(\$118,286)	\$2,247,439	\$30,939	\$2,278,378
2042	\$338,573,542	\$99,593,238	\$238,980,304	\$10.7623	\$2,571,980	(\$128,599)	\$2,443,381	\$33,712	\$2,477,092
2043	\$358,887,957	\$99,593,238	\$259,294,719	\$10.7623	\$2,790,610	(\$139,530)	\$2,651,079	\$36,651	\$2,687,730
2044	\$380,421,234	\$99,593,238	\$280,827,996	\$10.7623	\$3,022,358	(\$151,118)	\$2,871,240	\$39,766	\$2,911,006
2045	\$403,246,507	\$99,593,238	\$303,653,269	\$10.7623	\$3,268,010	(\$163,401)	\$3,104,610	\$43,069	\$3,147,678
2046	\$427,441,296	\$99,593,238	\$327,848,058	\$10.7623	\$3,528,402	(\$176,420)	\$3,351,982	\$46,569	\$3,398,551
2047	\$453,087,773	\$99,593,238	\$353,494,535	\$10.7623	\$3,804,417	(\$190,221)	\$3,614,197	\$50,280	\$3,664,476
2048	\$480,273,039	\$99,593,238	\$380,679,801	\$10.7623	\$4,096,994	(\$204,850)	\$3,892,144	\$54,213	\$3,946,357
2049	\$509,089,422	\$99,593,238	\$409,496,184	\$10.7623	\$4,407,124	(\$220,356)	\$4,186,768	\$58,382	\$4,245,150
2050	\$539,634,787	\$99,593,238	\$440,041,549	\$10.7623	\$4,735,863	(\$236,793)	\$4,499,070	\$62,802	\$4,561,871
2051	\$572,012,874	\$99,593,238	\$472,419,636	\$10.7623	\$5,084,326	(\$254,216)	\$4,830,110	\$67,486	\$4,897,596
2052	\$606,333,647	\$99,593,238	\$506,740,409	\$10.7623	\$5,453,697	(\$272,685)	\$5,181,012	\$72,452	\$5,253,464
<b>TOTAL:</b>					\$63,056,884	(\$3,152,844)	\$59,904,040	\$820,845	\$60,724,885

Source: Tiberius Solutions

Note: Future annexations may result in a higher weighted average tax rate than what is shown in this table. This analysis assumes all property in the Area remains in their current tax code areas for the duration of the URA, including some property in the City of Tualatin (where tax rates are higher) and some in unincorporated Washington County (where tax rates are lower). The result of future annexations within the URA would be a higher weighted average tax rate for the URA, resulting in additional tax increment revenues for the TDC and potentially an earlier time frame of reaching the maximum indebtedness.

**Figure 7 - TIF Projections**



Source: Tiberius Solutions

## V. THE ESTIMATED AMOUNT OF TAX INCREMENT REVENUES REQUIRED AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED

Table 5 shows a summary of the financial capacity of the URA, including how the total TIF revenue translates to the ability to fund urban renewal projects in constant 2021 dollars in five-year increments. Table 7, Table 8, Table 9, and Table 10 show more detailed tables on the allocation of tax revenues to projects, programs, and administration over time.

The Area is anticipated to complete all projects and have sufficient tax increment finance revenue to terminate the URA in FYE 2052, a 30-year urban renewal plan. The time frame of urban renewal is not absolute; it may vary depending on the actual ability to meet the maximum indebtedness. If growth in assessed value is slower, it may take longer; if growth in assessed value is faster than the projections, it may take a shorter time period. These assumptions show one scenario for financing and that this scenario is financially feasible.

The maximum indebtedness is \$53,200,000 (Fifty Three Million Two Hundred Thousand dollars). The estimated total amount of tax increment revenues required to service the maximum indebtedness of \$53,200,000 is \$60,724,885 and is from permanent rate levies. The increase over the maximum indebtedness is due to the projected cost of the interest on borrowings.

**Table 5 - TIF Capacity of the Area in FYE 2021 Constant Rounded Numbers**

<b>Average AV from New Construction</b>	<b>\$4,700,000</b>
<b>Total Net TIF</b>	<b>\$60,700,000</b>
<b>Maximum Indebtedness</b>	<b>\$53,200,000</b>
<b>Capacity (2021\$)</b>	<b>\$29,000,000</b>
Years 1-5	\$600,000
Years 6-10	\$4,900,000
Years 11-15	\$4,900,000
Years 16-20	\$5,100,000
Years 21-25	\$5,700,000
Years 26-30	\$7,800,000

Source: Tiberius Solutions

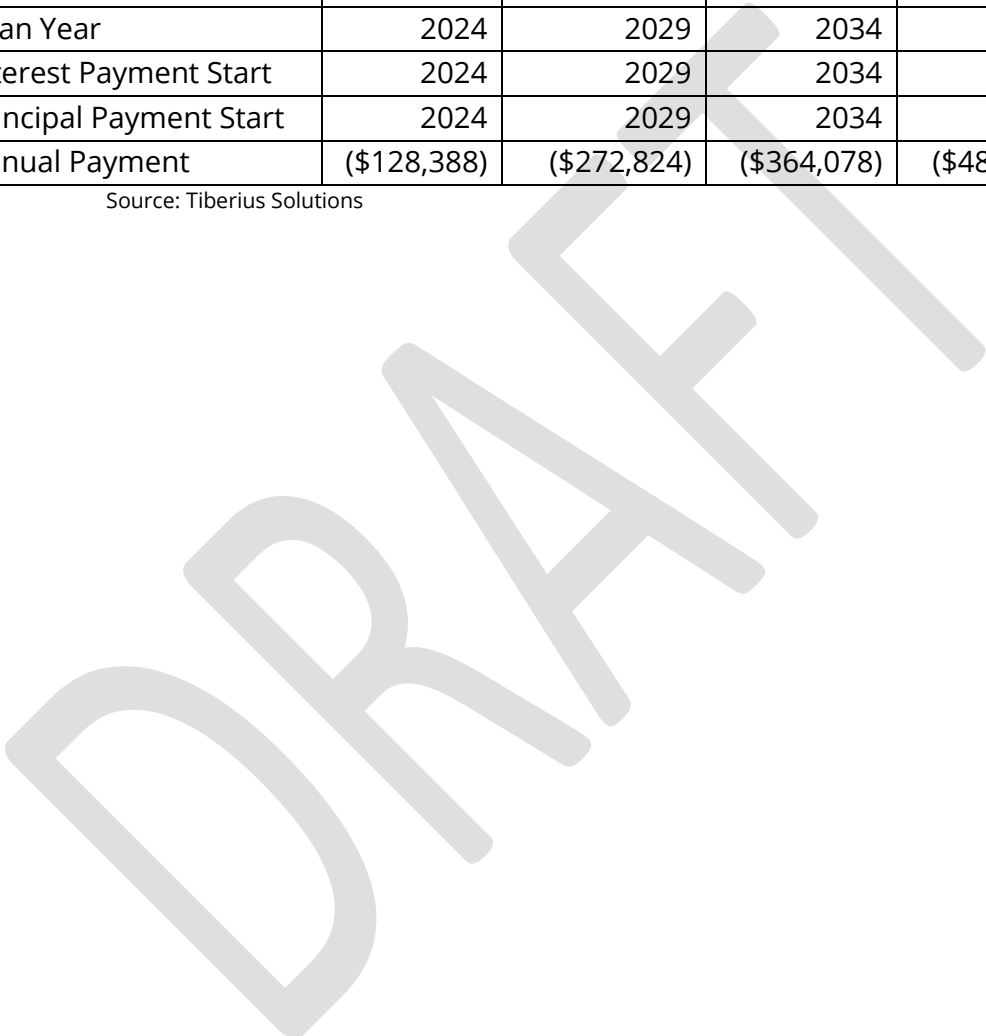
This financial analysis shows borrowings as identified in Table 6. This is only one scenario for how the TDC may decide to implement this Plan, and this scenario is financially feasible. The TDC may decide to do borrowings at different times or for different amounts, depending on their analysis at the time. The timeframes on these borrowings are designed to have all borrowings repaid at the termination of the Area in FYE 2052. The amounts shown are the

principal amounts of the borrowings. The total amounts, including interest, are shown in the second column of Table 7.

**Table 6 - Estimated Borrowings and Amounts**

Loan	Loan A	Loan B	Loan C	Loan D
Principal Amount	\$1,600,000	\$3,400,000	\$4,400,000	\$4,800,000
Interest Rate	5.00%	5.00%	5.00%	5.00%
Loan Term	20	20	19	14
Loan Year	2024	2029	2034	2039
Interest Payment Start	2024	2029	2034	2039
Principal Payment Start	2024	2029	2034	2039
Annual Payment	(\$128,388)	(\$272,824)	(\$364,078)	(\$484,915)

Source: Tiberius Solutions



**Table 7 - Tax Increment Revenues and Allocations to Debt Service, page 1**

	Total	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Resources								
Beginning Balance		-	-	-	-	-	-	-
Interest Earnings	-	-	-	-	-	-	-	-
TIF: Current Year	59,904,040	125,857	194,504	267,270	344,402	426,161	512,827	604,692
TIF: Prior Years	820,845	-	1,888	2,918	4,009	5,166	6,392	7,692
Total Resources	60,724,885	125,857	196,392	270,187	348,411	431,328	519,219	612,384
Expenditures								
Debt Service								
Loan A	(2,567,763)	-	(128,388)	(128,388)	(128,388)	(128,388)	(128,388)	(128,388)
Loan B	(5,456,496)	-	-	-	-	-	-	(272,825)
Loan C	(6,917,483)	-	-	-	-	-	-	-
Loan D	(6,788,811)	-	-	-	-	-	-	-
Total Debt Service	(21,730,552)	-	(128,388)	(128,388)	(128,388)	(128,388)	(128,388)	(401,213)
Debt Service Coverage Ratio	1.00	1.00	1.51	2.08	2.68	3.32	3.99	1.51
Transfer to URA Projects Fund	(38,994,333)	(125,857)	(68,004)	(141,799)	(220,023)	(302,939)	(390,831)	(211,172)
Total Expenditures	(60,724,885)	(125,857)	(196,392)	(270,187)	(348,411)	(431,328)	(519,219)	(612,384)

Source: Tiberius Solutions

**Table 8 - Tax Increment Revenues and Allocations to Debt Service, page 2**

	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034	FYE 2035	FYE 2036	FYE 2037
Resources								
Beginning Balance	-	-	-	-	-	-	-	-
Interest Earnings	-	-	-	-	-	-	-	-
TIF: Current Year	702,069	805,289	914,702	1,030,680	1,153,616	1,283,929	1,422,060	1,568,479
TIF: Prior Years	9,070	10,531	12,079	13,721	15,460	17,304	19,259	21,331
Total Resources	711,140	815,820	926,781	1,044,400	1,169,076	1,301,233	1,441,319	1,589,810
Expenditures								
Debt Service								
Loan A	(128,388)	(128,388)	(128,388)	(128,388)	(128,388)	(128,388)	(128,388)	(128,388)
Loan B	(272,825)	(272,825)	(272,825)	(272,825)	(272,825)	(272,825)	(272,825)	(272,825)
Loan C	-	-	-	-	(364,078)	(364,078)	(364,078)	(364,078)
Loan D	-	-	-	-	-	-	-	-
Total Debt Service	(401,213)	(401,213)	(401,213)	(401,213)	(765,291)	(765,291)	(765,291)	(765,291)
Debt Service Coverage Ratio	1.75	2.01	2.28	2.57	1.51	1.68	1.86	2.05
Transfer to URA Projects Fund	(309,927)	(414,607)	(525,568)	(643,187)	(403,785)	(535,942)	(676,028)	(824,519)
Total Expenditures	(711,140)	(815,820)	(926,781)	(1,044,400)	(1,169,076)	(1,301,233)	(1,441,319)	(1,589,810)

Source: Tiberius Solutions

**Table 9 - Tax Increment Revenues and Allocations to Debt Service, page 3**

	FYE 2038	FYE 2039	FYE 2040	FYE 2041	FYE 2042	FYE 2043	FYE 2044	FYE 2045
Resources								
Beginning Balance	-	-	-	-	-	-	-	-
Interest Earnings	-	-	-	-	-	-	-	-
TIF: Current Year	1,723,684	1,888,200	2,062,588	2,247,439	2,443,381	2,651,079	2,871,240	3,104,610
TIF: Prior Years	23,527	25,855	28,323	30,939	33,712	36,651	39,766	43,069
Total Resources	1,747,211	1,914,056	2,090,911	2,278,378	2,477,092	2,687,730	2,911,006	3,147,678
Expenditures								
Debt Service								
Loan A	(128,388)	(128,388)	(128,388)	(128,388)	(128,388)	(128,388)	-	-
Loan B	(272,825)	(272,825)	(272,825)	(272,825)	(272,825)	(272,825)	(272,825)	(272,825)
Loan C	(364,078)	(364,078)	(364,078)	(364,078)	(364,078)	(364,078)	(364,078)	(364,078)
Loan D	-	(484,915)	(484,915)	(484,915)	(484,915)	(484,915)	(484,915)	(484,915)
Total Debt Service	(765,291)	(1,250,206)	(1,250,206)	(1,250,206)	(1,250,206)	(1,250,206)	(1,121,818)	(1,121,818)
Debt Service Coverage Ratio	2.25	1.51	1.65	1.80	1.95	2.12	2.56	2.77
Transfer to URA Projects Fund	(981,920)	(663,850)	(840,705)	(1,028,172)	(1,226,886)	(1,437,524)	(1,789,188)	(2,025,860)
Total Expenditures	(1,747,211)	(1,914,056)	(2,090,911)	(2,278,378)	(2,477,092)	(2,687,730)	(2,911,006)	(3,147,678)

Source: Tiberius Solutions

**Table 10 - Tax Increment Revenues and Allocations, page 4**

	FYE 2046	FYE 2047	FYE 2048	FYE 2049	FYE 2050	FYE 2051	FYE 2052
Resources							
Beginning Balance	-	-	-	-	-	-	-
Interest Earnings	-	-	-	-	-	-	-
TIF: Current Year	3,351,982	3,614,197	3,892,144	4,186,768	4,499,070	4,830,110	5,181,012
TIF: Prior Years	46,569	50,280	54,213	58,382	62,802	67,486	72,452
Total Resources	3,398,551	3,664,476	3,946,357	4,245,150	4,561,871	4,897,596	5,253,464
Expenditures							
Debt Service							
Loan A	-	-	-	-	-	-	-
Loan B	(272,825)	(272,825)	(272,825)	-	-	-	-
Loan C	(364,078)	(364,078)	(364,078)	(364,078)	(364,078)	(364,078)	(364,078)
Loan D	(484,915)	(484,915)	(484,915)	(484,915)	(484,915)	(484,915)	(484,915)
Total Debt Service	(1,121,818)	(1,121,818)	(1,121,818)	(848,993)	(848,993)	(848,993)	(848,993)
Debt Service Coverage Ratio	2.99	3.22	3.47	4.93	5.30	5.69	6.10
Transfer to URA Projects Fund	(2,276,733)	(2,542,658)	(2,824,539)	(3,396,157)	(3,712,878)	(4,048,603)	(4,404,471)
Total Expenditures	(3,398,551)	(3,664,476)	(3,946,357)	(4,245,150)	(4,561,871)	(4,897,596)	(5,253,464)

Source: Tiberius Solutions



## **VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT**

The schedule for construction of projects will be based on the availability of funding. The projects will be ongoing and will be completed as directed by the TDC. Annual expenditures for program administration are also shown, and are predicated on the fact that urban renewal activities will start off slowly in the beginning years and increase in the later years of the Area.

The Area is anticipated to complete all projects and have sufficient tax increment finance revenue to terminate the Area in FYE 2052, a 30-year program.

The amount of money available for projects in 2021 constant dollars for the Area is \$29,026,503. See Table 2 for the individual project analysis. This \$29,026,503 is calculated by reflecting the maximum indebtedness of \$53,200,000 in constant 2021 dollars. This is done as the TDC's cost estimates are typically in constant dollars, so understanding how that relates to the overall MI over 30 years is important to help the TDC to make projections on the allocation of funds throughout the life of the Area.

Table 11, Table 12, Table 13, and Table 14 show the \$29,026,503 of 2021 project dollars inflated over the life of the Area including administrative expenses. All costs shown in Table 11, Table 12, Table 13, and Table 14 are in year-of-expenditure dollars, which are adjusted by 3.0% annually to account for inflation. The year of expenditure total cost is \$53,360,148. This exceeds the MI of \$53,200,000 as it includes approximately \$165,000 of anticipated interest earnings in the project fund which can be spent on projects in the URA without being counted against maximum indebtedness. .

The 3% inflation rate is the rate to use in the future if any amendment to increase maximum indebtedness is pursued in accordance with ORS 457.470. The TDC may change the completion dates in their annual budgeting process or as project decisions are made in administering the Plan. The following tables are prepared to show that the Area is financially feasible as required by ORS 457. It assumes completion of projects as funding becomes available. If the City is able to jumpstart the Area by providing alternative funding sources which are repaid when tax increment revenues are available, or if other outside funding sources are secured, including but not limited to developer contributions, the timing on projects can be moved up.

**Table 11 - Programs and Costs in Year of Expenditure Dollars, Page 1**

	Total	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Resources								
Beginning Balance		-	3,853	1,514,215	1,534,152	1,628,526	1,802,286	2,060,689
Interest Earnings	165,815	-	19	7,571	7,671	8,143	9,011	10,303
Transfer from TIF Fund	38,994,333	125,857	68,004	141,799	220,023	302,939	390,831	211,172
Bond/Loan Proceeds	14,200,000	-	1,600,000	-	-	-	-	3,400,000
Total Resources	53,360,148	125,857	1,671,876	1,663,585	1,761,846	1,939,608	2,202,128	5,682,164
Expenditures (YOE \$)								
Tonquin Loop Sewer	(936,685)	-	-	-	-	-	-	-
Basalt Creek Gravity Sewer	(6,533,811)	-	-	-	-	-	-	-
SW Tualatin Gravity Sewer	(732,963)	-	-	-	-	-	-	-
124th/Future Blake Street Signal	(992,266)	-	-	-	-	-	-	-
Tonquin Trail	(4,762,850)	-	-	-	-	-	-	-
Developer Asst. Property Mitigation	(6,128,732)	-	-	-	-	-	-	(950,100)
Blake Street Extension	(3,234,900)	-	-	-	-	-	-	-
Small Business Grants	(1,915,520)	-	-	-	-	-	-	-
Basalt Creek Parkway	(633,400)	-	-	-	-	-	-	(633,400)
Natural Resource Protection	(126,680)	-	-	-	-	-	-	(126,680)
Water System Upsizing	(21,273,995)	-	-	-	-	-	-	(3,673,720)
Financing Fees	(284,000)	-	(32,000)	-	-	-	-	(68,000)
Administration	(5,804,346)	(122,004)	(125,661)	(129,433)	(133,320)	(137,322)	(141,439)	(145,682)
Total Expenditures	(53,360,148)	(122,004)	(157,661)	(129,433)	(133,320)	(137,322)	(141,439)	(5,597,582)
Ending Balance		3,853	1,514,215	1,534,152	1,628,526	1,802,286	2,060,689	84,582

Source: Tiberius Solutions

**Table 12 - Programs and Costs in Year of Expenditure Dollars, Page 2**

	FYE 2030	FYE 2031	FYE 2032	FYE 2033	FYE 2034	FYE 2035	FYE 2036	FYE 2037
Resources								
Beginning Balance	84,582	244,879	506,161	875,078	350,714	787,575	85,610	504,996
Interest Earnings	423	1,224	2,531	4,375	1,754	3,938	428	2,525
Transfer from TIF Fund	309,927	414,607	525,568	643,187	403,785	535,942	676,028	824,519
Bond/Loan Proceeds	-	-	-	-	4,400,000	-	-	-
Total Resources	394,931	660,710	1,034,261	1,522,640	5,156,253	1,327,455	762,066	1,332,041
Expenditures (YOE \$)								
Tonquin Loop Sewer	-	-	-	(936,685)	-	-	-	-
Basalt Creek Gravity Sewer	-	-	-	-	-	-	-	-
SW Tualatin Gravity Sewer	-	-	-	-	-	-	-	-
124th/Future Blake Street Signal	-	-	-	-	-	(992,266)	-	-
Tonquin Trail	-	-	-	-	-	-	-	-
Developer Asst. Property Mitigation	-	-	-	-	(367,125)	-	-	-
Blake Street Extension	-	-	-	-	-	-	-	-
Small Business Grants	-	-	-	(71,285)	(73,425)	(75,630)	(77,900)	(80,235)
Basalt Creek Parkway	-	-	-	-	-	-	-	-
Natural Resource Protection	-	-	-	-	-	-	-	-
Water System Upsizing	-	-	-	-	(3,671,250)	-	-	-
Property Mitigation/Acquisition	-	-	-	-	-	-	-	-
Financing Fees	-	-	-	-	(88,000)	-	-	-
Administration	(150,052)	(154,549)	(159,183)	(163,956)	(168,878)	(173,949)	(179,170)	(184,541)
Total Expenditures	(150,052)	(154,549)	(159,183)	(1,171,926)	(4,368,678)	(1,241,845)	(257,070)	(264,776)
Ending Balance	244,879	506,161	875,078	350,714	787,575	85,610	504,996	1,067,265

Source: Tiberius Solutions

**Table 13 - Programs and Costs in Year of Expenditure Dollars, Page 3**

	FYE 2038	FYE 2039	FYE 2040	FYE 2041	FYE 2042	FYE 2043	FYE 2044	FYE 2045
Resources								
Beginning Balance	1,067,265	1,781,809	343,860	163,993	894,978	1,819,389	2,949,853	4,428,146
Interest Earnings	5,336	8,909	1,719	820	4,475	9,097	14,749	22,141
Transfer from TIF Fund	981,920	663,850	840,705	1,028,172	1,226,886	1,437,524	1,789,188	2,025,860
Bond/Loan Proceeds	-	4,800,000	-	-	-	-	-	-
Total Resources	2,054,521	7,254,567	1,186,284	1,192,985	2,126,339	3,266,010	4,753,790	6,476,148
Expenditures (YOE \$)								
Tonquin Loop Sewer	-	-	-	-	-	-	-	-
Basalt Creek Gravity Sewer	-	(6,533,811)	-	-	-	-	-	-
SW Tualatin Gravity Sewer	-	-	(732,963)	-	-	-	-	-
124th/Future Blake Street Signal	-	-	-	-	-	-	-	-
Tonquin Trail	-	-	-	-	-	-	-	(4,762,850)
Developer Asst. Property Mitigation	-	-	-	-	-	-	-	-
Blake Street Extension	-	-	-	-	-	-	-	-
Small Business Grants	(82,640)	(85,120)	(87,675)	(90,305)	(93,015)	(95,805)	(98,680)	(101,640)
Basalt Creek Parkway	-	-	-	-	-	-	-	-
Natural Resource Protection	-	-	-	-	-	-	-	-
Water System Upsizing	-	-	-	-	-	-	-	-
Property Mitigation/Acquisition	-	-	-	-	-	-	-	-
Financing Fees	-	(96,000)	-	-	-	-	-	-
Administration	(190,072)	(195,776)	(201,653)	(207,702)	(213,935)	(220,352)	(226,964)	(233,772)
Total Expenditures	(272,712)	(6,910,707)	(1,022,291)	(298,007)	(306,950)	(316,157)	(325,644)	(5,098,262)
Ending Balance	1,781,809	343,860	163,993	894,978	1,819,389	2,949,853	4,428,146	1,377,886

Source: Tiberius Solutions

**Table 14 - Programs and Costs in Year of Expenditure Dollars, Page 4**

	FYE 2046	FYE 2047	FYE 2048	FYE 2049	FYE 2050	FYE 2051	FYE 2052
Resources							
Beginning Balance	1,377,886	1,222,231	180,261	2,639,186	523,260	1,493,432	294,614
Interest Earnings	6,889	6,111	901	13,196	2,616	7,467	1,473
Transfer from TIF Fund	2,276,733	2,542,658	2,824,539	3,396,157	3,712,878	4,048,603	4,404,471
Bond/Loan Proceeds	-	-	-	-	-	-	-
Total Resources	3,661,508	3,771,000	3,005,701	6,048,539	4,238,755	5,549,502	4,700,557
Expenditures (YOE \$)							
Tonquin Loop Sewer	-	-	-	-	-	-	-
Basalt Creek Gravity Sewer	-	-	-	-	-	-	-
SW Tualatin Gravity Sewer	-	-	-	-	-	-	-
124th/Future Blake Street Signal	-	-	-	-	-	-	-
Tonquin Trail	-	-	-	-	-	-	-
Developer Asst. Property Mitigation	(523,450)	-	-	-	-	-	(4,288,057)
Blake Street Extension	-	(3,234,900)	-	-	-	-	-
Small Business Grants	(104,690)	(107,830)	(111,065)	(114,395)	(117,825)	(121,360)	(125,000)
Basalt Creek Parkway	-	-	-	-	-	-	-
Natural Resource Protection	-	-	-	-	-	-	-
Water System Upsizing	(1,570,350)	-	-	(5,147,775)	(2,356,500)	(4,854,400)	-
Property Mitigation/Acquisition	-	-	-	-	-	-	-
Financing Fees	-	-	-	-	-	-	-
Administration	(240,787)	(248,009)	(255,450)	(263,109)	(270,998)	(279,128)	(287,500)
Total Expenditures	(2,439,277)	(3,590,739)	(366,515)	(5,525,279)	(2,745,323)	(5,254,888)	(4,700,557)
Ending Balance	1,222,231	180,261	2,639,186	523,260	1,493,432	294,614	-

Source: Tiberius Solutions

## VII. REVENUE SHARING

Revenue sharing targets are not projected to be reached as the threshold set in ORS 457 (annual tax increment revenues in excess of 10 percent of the maximum indebtedness) is not expected to be met during the life of the Plan.

Revenue sharing means that at thresholds defined in ORS 457.470, the impacted taxing jurisdictions will receive a share of the incremental growth in the Area. The first threshold is when annual tax increment finance revenues exceed 10% of the original maximum indebtedness of the Plan (\$5,320,000). At the 10% threshold, the TDC will receive the full 10% of the initial maximum indebtedness plus 25% of the increment above the 10% threshold, and the taxing jurisdictions will receive 75% of the increment above the 10% threshold.

The second threshold is set at 12.5% of the maximum indebtedness (\$6,650,000). If this threshold is met, revenue for the area would be capped at 12.5% of the maximum indebtedness, with all additional tax revenue being shared with affected taxing districts.

If assessed value in the Area grows more quickly than projected, the revenue sharing thresholds could be reached earlier.

## VIII. IMPACT OF THE TAX INCREMENT FINANCING

This section describes the impact of tax increment financing of the maximum indebtedness, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the Area.

The impact of tax increment financing on overlapping taxing districts consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value in the Area. These projections are for impacts estimated through FYE 2052 and are shown in Table 15 and Table 16.

The Tigard/Tualatin School District, Sherwood School District and the Northwest Regional Education Service District are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for the urban renewal plan are shown in the following tables. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone, due to the use of tax increment financing, are substantially replaced with State School Fund revenues, as determined by a funding formula at the state level.

Table 15 and Table 16 show the projected impacts to permanent rate levies of taxing districts as a result of this Plan. Table 15 shows the general government levies, and Table 16 shows the education levies

Table 15 - Projected Impact on Taxing District Permanent Rate Levies - General Government, page 1

<b>FYE</b>	<b>Wash. County</b>	<b>City of Tualatin</b>	<b>Metro</b>	<b>Port of Portland</b>	<b>Tualatin Soil &amp; Water District</b>	<b>Tualatin Valley Fire &amp; Rescue</b>	<b>Tigard Tualatin Aquatic</b>	<b>Urban Road Maint.</b>	<b>Enhanced Sheriff Patrol</b>	<b>Subtotal General Gov't</b>
2023	(26,293)	(16,523)	(1,130)	(820)	(965)	(17,836)	(298)	(7)	(19)	(63,890)
2024	(41,029)	(25,782)	(1,763)	(1,279)	(1,505)	(27,832)	(465)	(11)	(29)	(99,696)
2025	(56,446)	(35,470)	(2,425)	(1,760)	(2,071)	(38,290)	(639)	(16)	(41)	(137,158)
2026	(72,788)	(45,739)	(3,127)	(2,269)	(2,671)	(49,376)	(824)	(20)	(52)	(176,867)
2027	(90,110)	(56,625)	(3,872)	(2,809)	(3,306)	(61,126)	(1,020)	(25)	(65)	(218,959)
2028	(108,472)	(68,163)	(4,660)	(3,382)	(3,980)	(73,582)	(1,228)	(30)	(78)	(263,576)
2029	(127,936)	(80,394)	(5,497)	(3,989)	(4,694)	(86,785)	(1,449)	(35)	(92)	(310,870)
2030	(148,567)	(93,358)	(6,383)	(4,632)	(5,451)	(100,780)	(1,682)	(41)	(107)	(361,002)
2031	(170,436)	(107,101)	(7,323)	(5,314)	(6,254)	(115,615)	(1,930)	(47)	(122)	(414,142)
2032	(193,618)	(121,668)	(8,319)	(6,037)	(7,104)	(131,340)	(2,192)	(54)	(139)	(470,471)
2033	(218,190)	(137,109)	(9,374)	(6,803)	(8,006)	(148,009)	(2,470)	(60)	(157)	(530,179)
2034	(244,237)	(153,476)	(10,493)	(7,615)	(8,962)	(165,678)	(2,765)	(68)	(175)	(593,469)
2035	(271,846)	(170,826)	(11,680)	(8,476)	(9,975)	(184,407)	(3,078)	(75)	(195)	(660,557)
2036	(301,112)	(189,216)	(12,937)	(9,388)	(11,049)	(204,259)	(3,409)	(83)	(216)	(731,670)
2037	(332,134)	(208,710)	(14,270)	(10,355)	(12,187)	(225,303)	(3,761)	(92)	(238)	(807,050)
2038	(365,017)	(229,374)	(15,683)	(11,380)	(13,393)	(247,609)	(4,133)	(101)	(262)	(886,953)
2039	(399,874)	(251,277)	(17,180)	(12,467)	(14,672)	(271,254)	(4,528)	(111)	(287)	(971,650)
2040	(436,821)	(274,495)	(18,768)	(13,619)	(16,028)	(296,317)	(4,946)	(121)	(314)	(1,061,429)

Table 16 - Projected Impact on Taxing District Permanent Rate Levies - General Government, page 2

FYE	Wash. County	City of Tualatin	Metro	Port of Portland	Tualatin Soil & Water District	Tualatin Valley Fire & Rescue	Tigard/Tualatin Aquatic	Urban Road Maint.	Enhanced Sheriff Patrol	Subtotal General Gov't
2041	(475,986)	(299,106)	(20,450)	(14,840)	(17,465)	(322,884)	(5,389)	(132)	(342)	(1,156,594)
2042	(517,500)	(325,193)	(22,234)	(16,134)	(18,989)	(351,046)	(5,859)	(143)	(371)	(1,257,469)
2043	(561,505)	(352,845)	(24,124)	(17,506)	(20,603)	(380,897)	(6,358)	(156)	(403)	(1,364,397)
2044	(608,151)	(382,157)	(26,129)	(18,961)	(22,315)	(412,538)	(6,886)	(168)	(437)	(1,477,741)
2045	(657,595)	(413,227)	(28,253)	(20,502)	(24,129)	(446,079)	(7,446)	(182)	(472)	(1,597,885)
2046	(710,006)	(446,162)	(30,505)	(22,136)	(26,052)	(481,632)	(8,039)	(197)	(510)	(1,725,238)
2047	(765,561)	(481,073)	(32,891)	(23,868)	(28,091)	(519,318)	(8,668)	(212)	(549)	(1,860,232)
2048	(824,450)	(518,078)	(35,422)	(25,704)	(30,251)	(559,265)	(9,335)	(228)	(592)	(2,003,326)
2049	(886,873)	(557,304)	(38,103)	(27,651)	(32,542)	(601,609)	(10,042)	(246)	(637)	(2,155,005)
2050	(953,040)	(598,883)	(40,946)	(29,714)	(34,970)	(646,494)	(10,791)	(264)	(684)	(2,315,785)
2051	(1,023,178)	(642,957)	(43,960)	(31,900)	(37,543)	(694,072)	(11,585)	(283)	(734)	(2,486,212)
2052	(1,097,524)	(689,675)	(47,154)	(34,218)	(40,271)	(744,504)	(12,427)	(304)	(788)	(2,666,864)
<b>TOTAL:</b>	<b>(12,686,296)</b>	<b>(7,971,968)</b>	<b>(545,053)</b>	<b>(395,530)</b>	<b>(465,495)</b>	<b>(8,605,737)</b>	<b>(143,641)</b>	<b>(3,513)</b>	<b>(9,106)</b>	<b>(30,826,337)</b>

Source: Tiberius Solution



Table 17 – Projected Impact on Taxing District Permanent Rate Levies – Education

FYE	Tigard/Tualatin School District	NW Regional ESD	Portland Community College	Sherwood School District	Subtotal Education
2023	(16,504)	(1,799)	(3,307)	(40,358)	(61,967)
2024	(25,753)	(2,807)	(5,161)	(62,976)	(96,696)
2025	(35,429)	(3,861)	(7,100)	(86,639)	(133,030)
2026	(45,687)	(4,979)	(9,155)	(111,723)	(171,544)
2027	(56,560)	(6,164)	(11,334)	(138,311)	(212,369)
2028	(68,085)	(7,420)	(13,643)	(166,495)	(255,643)
2029	(80,301)	(8,751)	(16,092)	(196,370)	(301,514)
2030	(93,251)	(10,163)	(18,687)	(228,037)	(350,137)
2031	(106,978)	(11,659)	(21,437)	(261,604)	(401,678)
2032	(121,528)	(13,244)	(24,353)	(297,186)	(456,311)
2033	(136,951)	(14,925)	(27,444)	(334,902)	(514,222)
2034	(153,300)	(16,707)	(30,720)	(374,881)	(575,607)
2035	(170,629)	(18,595)	(34,192)	(417,259)	(640,676)
2036	(188,999)	(20,597)	(37,873)	(462,179)	(709,649)
2037	(208,470)	(22,719)	(41,775)	(509,795)	(782,760)
2038	(229,110)	(24,969)	(45,911)	(560,268)	(860,258)
2039	(250,988)	(27,353)	(50,295)	(613,769)	(942,406)
2040	(274,179)	(29,880)	(54,943)	(670,480)	(1,029,482)
2041	(298,761)	(32,559)	(59,869)	(730,594)	(1,121,784)
2042	(324,819)	(35,399)	(65,090)	(794,315)	(1,219,623)
2043	(352,439)	(38,409)	(70,625)	(861,859)	(1,323,333)
2044	(381,717)	(41,600)	(76,492)	(933,455)	(1,433,265)
2045	(412,752)	(44,982)	(82,711)	(1,009,348)	(1,549,793)
2046	(445,649)	(48,567)	(89,303)	(1,089,794)	(1,673,313)
2047	(480,519)	(52,368)	(96,291)	(1,175,066)	(1,804,244)
2048	(517,482)	(56,396)	(103,698)	(1,265,455)	(1,943,031)
2049	(556,662)	(60,666)	(111,549)	(1,361,268)	(2,090,145)
2050	(598,194)	(65,192)	(119,872)	(1,462,829)	(2,246,086)
2051	(642,217)	(69,990)	(128,694)	(1,570,484)	(2,411,384)
2052	(688,881)	(75,075)	(138,045)	(1,684,598)	(2,586,599)
TOTAL:	(7,962,794)	(867,795)	(1,595,661)	(19,472,297)	(29,898,549)

Source: Tiberius Solutions Please refer to the explanation of the schools funding in the preceding section.

Table 17 shows the projected increased revenue to the taxing jurisdictions after tax increment proceeds are projected to be terminated. These projections are for FYE 2053.

The Frozen Base is the assessed value of the Area established by the county assessor at the time the Area is established. Excess Value is the increased assessed value in the Area above the Frozen Base.

**Table 18 - Additional Revenues Obtained after Termination of Tax Increment Financing - FYE 2053**

<b>Taxing District</b>	<b>Tax Rate</b>	<b>From Frozen Base</b>	<b>From Excess Value</b>	<b>Total</b>
<b>General Government</b>				
Washington County	2.2484	223,925	1,221,152	1,445,077
City of Tualatin	2.2665	140,713	767,362	908,075
Metro	0.0966	9,620	52,465	62,085
Port of Portland	0.0701	6,982	38,073	45,055
Tualatin Soil & Water District	0.0825	8,217	44,808	53,025
Tualatin Valley Fire & Rescue	1.5252	151,899	828,368	980,267
Tigard/Tualatin Aquatic District	0.09	2,535	13,826	16,361
Urban Road Maintenance	0.2456	62	338	400
Enhanced Sheriff Patrol	0.6365	161	876	1,037
Subtotal Gen. Govt.	6.6249	\$543,953	\$2,966,392	\$3,510,345
<b>Education</b>				
Tigard/Tualatin School District	4.9892	140,551	766,479	907,030
NW Regional ESD	0.1538	15,318	83,533	98,851
Portland Community College	0.2828	28,165	153,594	181,759
Sherwood School District	4.8123	343,704	1,874,356	2,218,060
Subtotal Education	10.2381	\$527,738	\$2,877,962	\$3,405,700
<b>Total</b>	<b>16.863</b>	<b>\$1,071,691</b>	<b>\$5,844,354</b>	<b>\$6,916,045</b>

Source: Tiberius Solutions

## IX. COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF URBAN RENEWAL AREA

State law limits the percentage of both a municipality's total assessed value and the total land area that can be contained in an urban renewal area at the time of its establishment to 25% for municipalities under 50,000 in population. As noted below, the frozen base (assumed to be FYE 2020 values), including all real, personal, personal, manufactured, and utility properties in the Area, is projected to be \$99,593,238. The Washington County Assessor will certify the frozen base once the urban renewal plan is adopted.

The total assessed value of the City of Tualatin in FYE 2020 is \$4,943,725,336<sup>2</sup>.

The percentage of total City assessed value in the urban renewal area is 2%, below the 25% threshold.

The Area contains 717.3 acres, including public rights-of-way, and the City of Tualatin contains 5,240 acres. This puts 13.68 % of the City's acreage in an urban renewal area, which is below the 25% threshold.

**Table 19 - Urban Renewal Area Conformance with Assessed Value and Acreage Limits**

	<b>Acreage</b>	<b>Assessed Value</b>
Southwest and Basalt Creek Development Area	717.3	\$99,593,238*
City of Tualatin	5,240	\$4,943,725,336**
% of City	13.68%	2.01%

Source: Compiled by Elaine Howard Consulting, LLC with data from Tiberius Solutions LLC, City of Tualatin and Washington County Department of Assessment and Taxation (FYE 2021)

\*Estimated value, exact value will be set by the Washington County Assessor upon adoption of the Plan.

\*\*Represents values from both Clackamas (\$553,375,736) and Washington Counties (\$4,390,349,600).

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<sup>2</sup> Washington County Assessor FY 2020/2021 SAL 4a Report.

## X. EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES

This section of the Report describes existing conditions within the Southwest and Basalt Creek Development Area and documents the occurrence of “blighted areas,” as defined by ORS 457.010(1).

### B. Physical Conditions

#### 1. Land Use

The Area measures 717.3 total acres in size, which is composed of 158 individual parcels encompassing 646.51 acres, and an additional 70.79 acres in public rights-of-way. An analysis of FYE 2020/2021 property classification data from the Washington County Department of Assessment and Taxation database was used to determine the land use designation of parcels in the Area. By acreage, Commercial uses account for the most prevalent land use within the Area (42.97%). This was followed by Residential uses (30.75%). Detailed land use designations in the Area can be seen in Table 19.

**Table 20 - Land Use in the Area**

Land Use	Parcels	Acreage	Percent of Acreage
Commercial	42	277.78	42.97%
Residential	78	198.78	30.75%
Forrest	9	83.15	12.86%
Farm	10	54.33	8.40%
Miscellaneous	11	28.08	4.34%
Exempt	8	4.39	0.68%
TOTAL:	158	646.51	1%

Source: Compiled by Elaine Howard Consulting, LLC with data from the Tiberius Solutions using the Washington County Department of Assessment and Taxation database (FYE 2020-2021)

## 2. Comprehensive Plan Designations

The Comprehensive Plan designation for unannexed properties is identified as unincorporated. The most prevalent comprehensive plan designation by acreage in the Area is Industrial (69.04%). The second most prevalent comprehensive plan designation in the Area is Residential (28.82%). Detailed comprehensive plan designations in the Area can be seen in Table 20 . Properties outside the urban growth boundary are shown as undesignated.

**Table 21 – Comprehensive Plan Designations in the Area**

Comprehensive Plan	Parcels	Acreage	Percent of Acreage
Industrial	102	446.34	69.04%
Residential	49	186.31	28.82%
Commercial	3	4.35	0.67%
No Designation	4	9.51	1.47%
<b>TOTAL:</b>	<b>158</b>	<b>646.51</b>	<b>1.00%</b>

Source: Compiled by Elaine Howard Consulting, LLC with data from the Tiberius Solutions using the Washington County Department of Assessment and Taxation database (FYE 2020-2021)

## 3. Zoning Designations

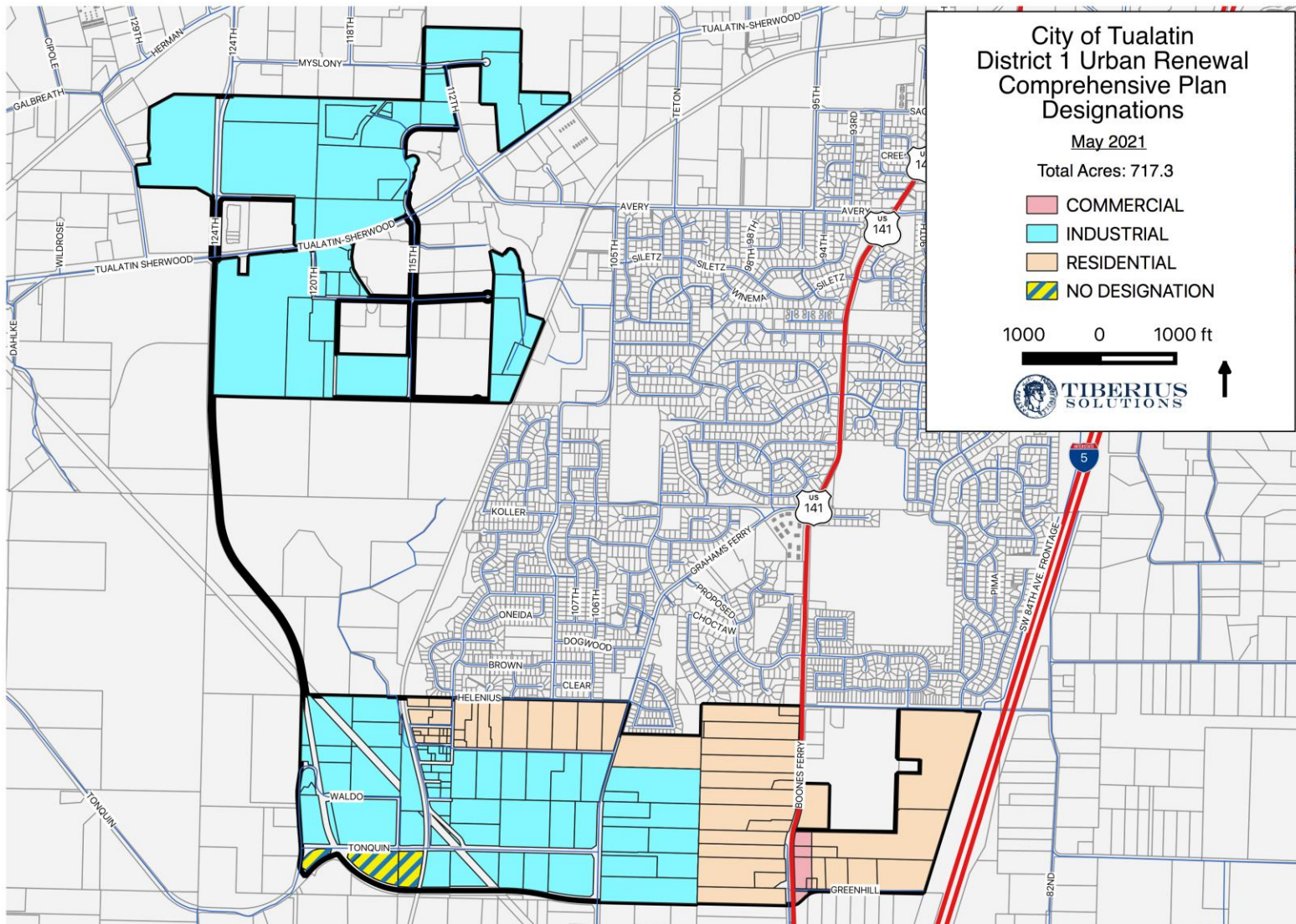
Detailed zoning designations in the Area can be seen in Table 21. For properties that are not yet annexed, the zoning designation will be shown as Future Development.

**Table 22 - Zoning Designations in the Area**

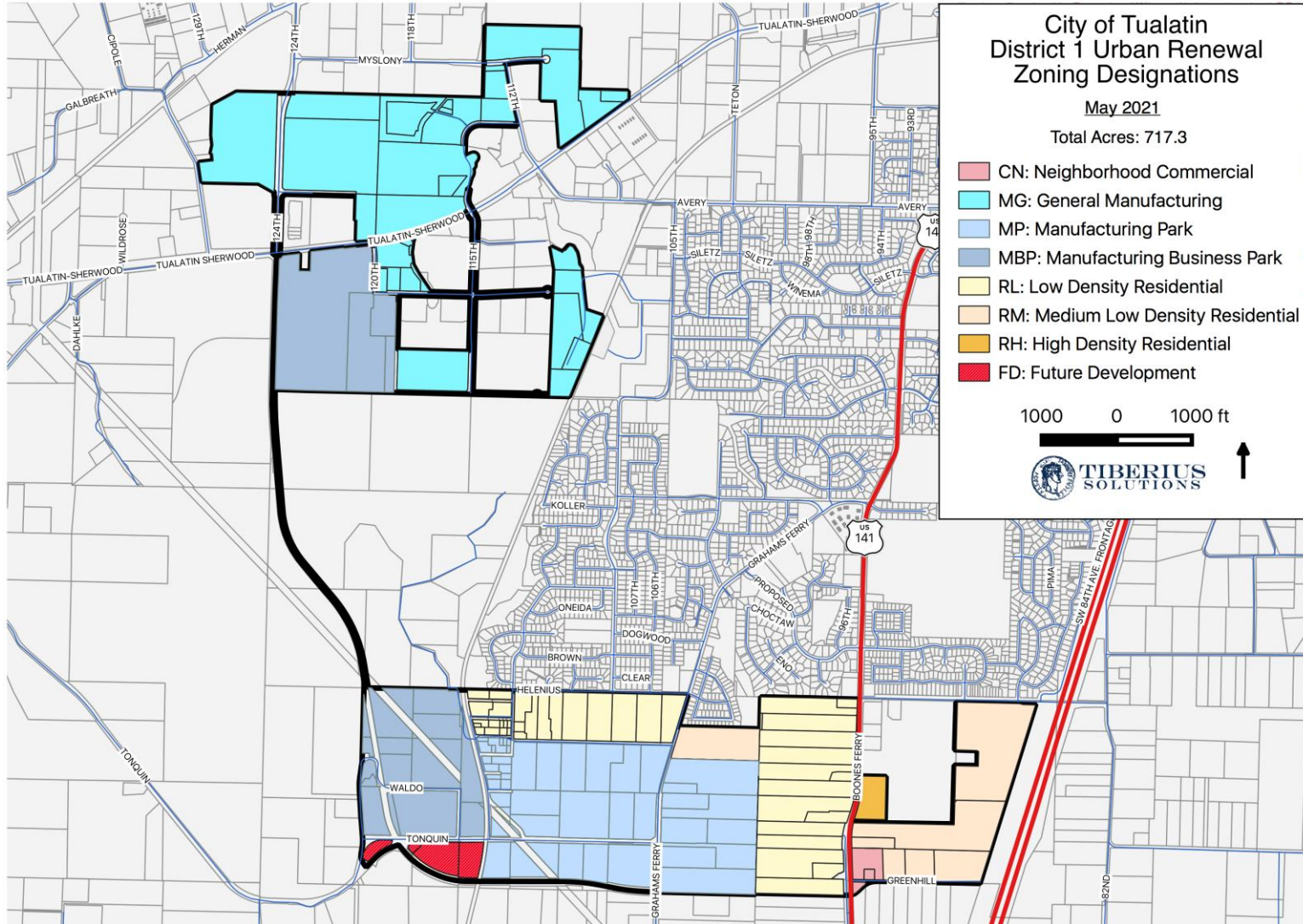
Zoning	Parcels	Acreage	Percent of Acreage
Manufacturing Park	47	140.16	21.68%
High Density Residential	1	4.68	0.72%
Neighborhood Commercial	3	4.35	0.67%
Medium Low Density Residential	7	68.86	10.65%
Low Density Residential	41	112.77	17.45%
Manufacturing Business Park	23	120.14	18.58%
General Manufacturing	32	186.04	28.78%
No Designation	4	9.51	1.47%
<b>TOTAL:</b>	<b>158</b>	<b>646.51</b>	<b>100.00%</b>

Source: Compiled by Elaine Howard Consulting, LLC with data from the Tiberius Solutions using the Washington County Department of Assessment and Taxation database (FYE 2020-2021)

**Figure 8 - Tualatin Urban Renewal Area Comprehensive Plan Designations**



**Figure 9 - Tualatin Urban Renewal Area Zoning Designations**



### **C. Infrastructure**

This section identifies the existing conditions in the Area to assist in **establishing blight in the ordinance adopting the urban renewal plan.** There are projects listed in several City of Tualatin’s infrastructure master plans that relate to these existing conditions. **This does not mean that all of these projects are included in the urban renewal plan.**

The projects that are included in the Southwest and Basalt Creek Development Area Plan are **highlighted in yellow.** The specific projects that are included in the Plan are listed in Sections II and III of this Report. Much of the language on existing conditions comes from the *Basalt Creek Concept Plan* (BCCP), the *Southwest Tualatin Concept Plan* (SWTCP), the *Capital Improvement Plan* (CIP) and the *Transportation Systems Plan* (TSP).

#### **1. Transportation**

The *Basalt Creek Concept Plan* “looked at the existing transportation system and the planned transportation system developed as part of the TRP, which includes phased investments to support regional and local transportation needs through 2035. The plan provides 18 transportation investments broken into short, medium and long-term projects, all of which are important to ensure that the transportation network functions at acceptable levels over time. The key element is the East-West Connector to the 124th Avenue extension, the future and partially constructed Basalt Creek Parkway” (described below). (BCCP p 22)

#### **Basalt Creek Parkway**

The Basalt Creek Parkway, of which the segment between 124th Avenue/Tonquin Road to Grahams Ferry Road is already under construction, is the major east-west arterial through the area. The Parkway allows for limited local access providing important freight connections between Tonquin, Southwest Tualatin, and Basalt Creek Employment Areas to I-5. It also serves as a future jurisdictional boundary between Tualatin and Wilsonville. (BCCP p 32)

The *Southwest Tualatin Concept Plan* is a guide for the industrial development of a 431-acre area currently outside the southwestern corner of the City of Tualatin. “City, county and/or regional transportation plans call for the following projects to be constructed by 2025, all of which provide extra roadway capacity that does not exist today.

A new roadway connecting I-5 and Highway 99W. Although a new freeway connecting south of Sherwood, with an interchange at SW 124th Avenue, produces the best traffic operations, that alignment requires state approvals



that have not yet been obtained. Instead, the Concept Plan work assumes a four-lane arterial along the Urban Growth Boundary that joins Tualatin-Sherwood Road northeast of Sherwood.

Widening Tualatin-Sherwood Road to 5 lanes from Tualatin to Sherwood. A new bridge across the Tualatin River (either an extension of Hall Boulevard or a connection between Lower Boones Ferry Road and Tualatin Road).”(p 11)

The SWTCP also recommends the following projects be completed in the planning area:

SW 115th Avenue, Tualatin-Sherwood Road to Tonquin Road

**Blake Street, SW 108<sup>th</sup> Avenue to SW 124<sup>th</sup> Avenue** (SWTCP p 21)

East-West Connector, SW 115<sup>th</sup> Avenue to 124<sup>th</sup> Avenue (SWTCP p 21)

Istel Street and SW 122nd, between SW 112th and Blake Street (SWTCP p 21)

Additional transportation needs include:

**124<sup>th</sup> Future Blake Street Signal** - *Tualatin Moving Forward* - Design and construct a new traffic signal at the new intersection of the recently-constructed 124th Ave with the future extension of Blake Street along with or after the future Blake Street construction.

**Tonquin Trail** - Parks and Recreation Master Plan

“Coordination with Metro, Tualatin Community Services Department, and the Wilsonville Parks and Recreation Department will be necessary to establish a local trail network with regional connections. Metro’s Ice Age Tonquin Trail Master Plan provides a framework for local and regional implementation of the regional Ice Age Tonquin Trail, which is intended to complement the Ice Age Floods National Geological Trail Planning (the national trail will be a network of driving routes with spurs for biking and walking, from Montana to the Pacific Ocean). The preferred alignment for the regional Ice Age Tonquin Trail includes a section bordering the Basalt Creek Planning Area as part of a 22-mile trail alignment through Wilsonville, Tualatin, and Sherwood with trail facility types varying by location based upon landscape and setting. The Ice Age Tonquin Trail is intended to connect in the north to the Tualatin River Greenway Trail, Fanno Creek Trail, and the Westside Trail, and to the south to the Willamette River.” (BCCP p 38)

## **2. Storm Water**

Basalt Creek Area: “Existing stormwater infrastructure consists of roadside drainage ditches and culverts. Culverts in the Planning Area are under the jurisdiction of Washington County and may not have capacity for future urban conditions. Culverts to the south of the Planning Area are part of the City of Wilsonville stormwater system. The City of Tualatin has jurisdiction over the

stormwater conveyance system to the north of the Planning Area. Culverts may need to be upsized to provide adequate capacity for runoff from new impervious areas, unless onsite retention or infiltration is required when the location of public drainage or the topography of the site make connection to the system not economically feasible.

Basalt Creek itself flows to the south into Wilsonville as part of the Coffee Lake Creek Basin. Basalt Creek discharges into the Coffee Lake wetlands. Coffee Lake Creek flows south from the wetlands and combines with Arrowhead Creek before discharging to the Willamette River.

The City of Wilsonville's 2012 Stormwater Master Plan identifies capital improvement Project CLC-3 to restore a portion of the Basalt Creek channel, west of Commerce Circle, to increase capacity. The master plan also identifies Project CLC-1 for construction of a wetland for stormwater detention purposes, north of Day Road, to serve an area that includes the Basalt Creek Planning Area. The July 2014 Updated Prioritized Stormwater Project List identifies CLC-3 as a mid-term project (6 to 10 years) and CLC-1 as a long-term project (11 to 20 years).

Locations where stormwater runoff from the Basalt Creek Planning Area could connect to existing stormwater infrastructure will require evaluation of the conveyance systems at time of development." (BCCP p. 23)

The City of Tualatin is currently issuing a Request for Proposals for a Storm Water Plan for the Basalt Creek Area.

Southwest Corridor Area: "No storm water system exists within the Concept Plan area. The plan area rises gradually in elevation from approximately 185 feet at the north to about 290 feet along the central east side, then drops to about 240 feet at the south. Drainage is imperfect, but generally toward the north and toward the south, with a break point at approximately the middle of the Concept Plan area. Drainage in the northern portion around and in the quarry infiltrates through the fragmented basalt. Drainage to the south flows toward Coffee Lake Creek/Seely Ditch, which flows to the Willamette River.

Infrastructure Needs: Runoff from future streets or access roads and development in the portion of the Concept Plan area that flows north will need to meet Clean Water Services (CWS) design criteria for storm water quality and quantity control. For the portion that flows to the south, design standards necessary for development will need to be coordinated with those design standards applicable downstream and outside of the SWCP area. A new conveyance system will need to be installed along the roadways. Site development runoff will need to be treated

and detained, if necessary, before being discharged to the public drainage systems. It should be noted that most of the Concept Plan area is outside of the current CWS service area. The CWS service area may be expanded in the future to include the Concept Plan area. If this does not occur, the City may require that new development meet CWS requirements.” (SWTCP p 15)

### **3. Sanitary Sewer - all projects from the Sewer Master Plan**

“Currently, no sewer service is provided to the Planning Area. Existing homes use septic systems. Wastewater conveyance to the south of the Planning Area is under jurisdiction of the City of Wilsonville. Sewer service to the north of the Planning Area in Tualatin is provided by the City of Tualatin and Clean Water Services.

The nearest treatment facility to the north of the Planning Area is the CWS Durham Advanced Wastewater Treatment Facility (AWTF). Eight gravity sewer mains exist near the north Planning Area boundary that could provide connection points for wastewater from the Basalt Creek Planning Area into the Tualatin collection system. The Victoria Woods Pump Station and associated force main are also located just to the north of the Planning Area boundary. From these connection points, wastewater flows by gravity toward the AWTF, crossing the Tualatin River via the Lower Tualatin Pump Station in Tualatin Community Park. Pump stations will be required to lift flows from the Planning Area into the existing gravity system. Expansion of the service district area to include Tualatin’s portion of the Basalt Creek Planning Area needs to be approved by Clean Water Services at time of Annexation.

The nearest treatment facility to the south of the Planning Area is the City of Wilsonville Wastewater Treatment Plant (WWTP), located approximately 3.2 miles south of the Planning Area. This facility was recently expanded to accommodate growth within the current city limits and allow for additional buildout to accommodate growth outside the city limits in Urban Growth Boundary expansion areas. Approximately half (300 acres) of the Basalt Creek Planning Area was accounted for in the year 2030 build-out capacity assessment conducted as part of the facility expansion.

The City of Wilsonville’s Coffee Creek Master Plan identifies a new sanitary main line to be constructed. After the adoption of that plan, more analysis was completed and determined the appropriate location of the sanitary sewer line to be along Garden Acres Road from Ridder Road and extending north to near Day Road and then continuing up Grahams Ferry Road. A second sanitary sewer line will extend from Garden Acres east and north to Day Road extending east to Boones Ferry Road. These lines are intended to provide conveyance of wastewater

within the Coffee Creek area and are also intended to serve flows from the Basalt Creek Planning Area to the WWTP. The Sanitary Sewer Collection System Master Plan has analyzed a range of potential flows from the Planning Area.

The Tualatin Sanitary Sewer Master Plan Update is currently being updated and includes the Basalt Creek Planning Area as a sewer basin. The City of Wilsonville updated its Sanitary Sewer Collection Systems Master Plan (MSA, 2014) which included the Basalt Creek Planning Area as a contributing area. The resulting updated master plans identify the improvements needed to increase the capacity of each system to convey flow from the Basalt Creek Planning Area. " ( BCCP p 22,23)

The following projects are identified for the Area.

**Basalt Creek Gravity Sewer** - The Basalt Creek Conceptual Plan includes approximately 34,250 feet of 8-inch gravity pipe within the planning area. These projects will be funded by developers, and scheduling will be coordinated with the City and CWS. It is expected that the residential portion of the planning area will develop within the next 10 years, while the commercial and industrial portions may develop in the next 20 years.

**Tonquin Loop Sewer** - Most of the sanitary sewer in the Basalt Creek Planning Area will be an 8-inch gravity system installed by developers. The construction timeline of this pipe depends on both the construction of Basalt Creek area pump station #4 and development progress in the western portion of the planning area. Because this project is entirely driven by new development, it is eligible for SDC reimbursement.

**Basalt Creek Pump Stations and Force Mains** - The conceptual sanitary sewer design for Basalt Creek includes the construction of six new pump stations, each with 6-inch force mains. One pump station is in the Wilsonville portion of the planning area and will be constructed by Wilsonville. CWS will own and operate the five remaining pump stations in the planning area, and will also be responsible for construction costs

**SW Tualatin Gravity Sewer** - A section of the Tualatin Reservoir Trunk is currently almost at capacity and will receive flows from developments in the western and central areas of the Basalt Creek Planning Area. This sewer runs along the north side of the Tualatin Reservoir near SW 108 th Avenue and SW Industrial Way. Due to capacity limitations and shallow manholes, SSOs are likely unless the sewer diameter is increased from 15 inches to 24 inches before these areas are developed. Estimated remaining capacity in this sewer is between 50 and 100 EDUs. This project spans from SSL-01214 to SSL-01625 in the GIS database. Because this project is entirely driven by new development, it is eligible for SDC

reimbursement. All but roughly 370 feet of this sewer is already 15-inch diameter, so the cost of this project will be mostly funded by CWS. The City will pay a portion of the upgrade cost for the 370 feet of 10-inch pipe. This project includes a section of pipe that crosses under a railroad. (SMP p. 68)

The *Southwest Tualatin Concept Plan* identifies that no sanitary sewer system of adequate size currently exists within or near the Concept Plan area.

The needs identified are:

Tualatin-Sherwood Extension – a new 24-inch pipeline located in Tualatin-Sherwood Road, extending from the Concept Plan area/URA easterly to SW Avery Street;

- Bluff/Cipole Lateral – Increase existing 12-inch to 21-inch pipe to an 18-inch and 36-inch pipeline extending from near the SW Tualatin-Sherwood Road / SW Avery Street intersection to the existing Bluff/Cipole Trunk; and

Bluff/Cipole Trunk improvements – upsize existing trunkline pipe diameters. (SWTCP p 14)

#### **4. Water**

**Water System Upsizing** - Murray Smith Technical Memorandum 2014

The *Southwest Tualatin Concept Plan* identifies that there are currently no public water lines located in the Concept Plan area. (SWTCP p 14)

#### **5. Parks**

**Basalt Creek Park - Parks and Recreation Master Plan** (BCPRMP) - Evaluate land opportunities to support recreation needs and protect natural resources for a new neighborhood park in south Tualatin to serve residents and employees. Acquire land and develop park and recreation facilities in future years. This project fulfills four of the Council 2030 Vision initiatives: Connected Informed & Engaged, Vibrant & Accessible Gathering Places, Safe, Desirable & Welcoming Neighborhoods, and Environmentally Active & Responsible.

“No parks currently exist within the Planning Area. Wilsonville Parks owns and maintains 16 different public parks, the closest of which is Canyon Creek Park located in Northeast Wilsonville on the other side of I-5. It has 1.41 developed acres and 6.87 acres of natural area popular for picnics and walking. The other Wilsonville parks are located approximately 2 miles south of the Planning Area, including Graham Oaks Nature Park, which will be connected to the Planning Area when the regional Ice Age Tonquin Trail is complete. City of Tualatin Parks and Recreation owns and maintains 9 different parks, with Ibach Park being the closest to the Planning Area. Ibach includes an award winning and nationally recognized

playground that incorporates Tualatin's pre-historic, Native American, and pioneering past, with information on the cultural and natural history of the area.

Metro's Ice Age Tonquin Trail Master Plan provides a framework for local and regional jurisdictions to embark on trail implementation efforts. The proposed trail alignments show about 22 miles of trails connected through Tualatin, Wilsonville and Sherwood, and includes a section traversing the Basalt Creek Planning Area. " (BCPRMP p 24)

"One of the guiding principles of the Basalt Creek Concept Plan is to protect key natural resources and sensitive areas while making recreational opportunities accessible by integrating new parkland, open spaces, natural areas and trails in the Planning Area and connecting to existing regional networks.

The Planning Area provides an interesting opportunity for different types of parks, given the variety of land uses and the extensive Basalt Creek Canyon natural area: active and passive neighborhood parks, pocket parks, and even perhaps a large community or regional facility. It also provides opportunities for jogging, hiking, or other outdoor recreation by area employees and nearby residents.

Cities will determine specific locations of facilities as part of citywide parks planning and implementation, and will adopt funding methods for acquisition, capital and operating costs for parklands in the Basalt Creek Planning Area, including the use of their current System Development Charges for parks. Locating parks near schools, natural areas or other public facilities is preferable, especially when it provides an opportunity for shared use facilities. As in any park development, the acquisition is best done in advance of annexation and extension of services, with development of the parks occurring as the need arises.

At the time of this writing, both cities are going through a Park and Recreation Master Plan update. This update has considered the Basalt Creek Planning Area in the types of services and facilities that will be needed to serve residents and businesses in this area. Each City will include their respective portions of the Basalt Creek area in their independent Parks and Recreation Master Plan."(BCPRMP p 41)

## **6. Natural Resources**

***Basalt Creek Concept Plan*** - "Oregon Statewide Planning Goal 5: Natural Resources, Scenic and Historic Areas, and Open Spaces

Goal 5 protects natural resources and conserves scenic and historic areas and open spaces by directing local governments to adopt protection programs. Titles 3 and 13 of Metro's Urban Growth Management Functional Plan implements Goal 5 in the Portland Metro region.

Metro Title 3: Water Quality, Flood Management and Fish and Wildlife Conservation

Title 3 requires local jurisdictions to limit or mitigate the impact of development activities on Water Quality and Flood Management Areas which includes wetlands and riparian areas. An inventory was conducted in 2001. There are 116 acres of land in the Basalt Creek Planning Area that have been designated by Metro as Water Quality and Flood Management Areas under Title 3. These lands are restricted for development and buffered by a vegetated corridor. Any development within the vegetated corridor must be mitigated by environmental restoration and/or stormwater retention and water quality measures. As a result of Title 3, these lands were excluded from the developable lands input in the scenario testing.

Table 6 Title 3 Wetlands by Category and Acres " ( BCCP p 43)

Category	Acres	Description
Open Water	49	Includes 50 ft. buffer
Streams	31	Includes 15 to 50 ft. buffers
Wetlands	69	Includes 25 to 50 ft. buffers

Metro Title 13: Nature in Neighborhoods

Title 13 requires local jurisdictions to protect and encourage restoration of a continuous ecologically viable streamside corridor system integrated with upland wildlife habitat and the urban landscape. Metro’s regional habitat inventory in 2001 identified the location and health of fish and wildlife habitat based on waterside, riparian and upland habitat criteria. These areas were named Habitat Conservation Areas.

Table 7 Title 13 HCA Categories with Acreage ( BCCP p 43)

HCA Categories	Acres	Description
Riparian Wildlife Habitat Class I	130	Area supports 3 or more riparian functions
Riparian Wildlife Habitat Class II	31	Area supports 1 or 2 primary riparian functions

Riparian Wildlife Habitat Class III	7	Area supports only secondary riparian functions outside of wildlife areas
Upland Wildlife Habitat Class A	103	Areas with secondary riparian value that have high value for wildlife habitat
Upland Wildlife Habitat Class A	72	Area with secondary riparian value that have medium value for wildlife habitat
Upland Wildlife Habitat Class A	37	Areas with secondary riparian value that have low value for wildlife habitat
Designated Aquatic Impact	52	Area within 150 ft. of streams, river, lakes, or wetlands

Development in Title 13 areas is not prohibited but generally discouraged within the Basalt Creek Planning Area. Areas designated Riparian Habitat Classes I and II require 20% reduction in developable lands. Low impact design and mitigation strategies would be important to any development that might happen to maintain the function of these important ecological areas.

Both the City of Wilsonville and Clean Water Services have local ordinances in place that go beyond the level of conservation required by Title 3 and existing local standards from each City would apply upon annexation of a Planning Area property into either Wilsonville or Tualatin. Future development in Tualatin must comply with Clean Water Services' Design and Construction Standards & Service Provider Letters (SPLs) for impacts in sensitive areas such as vegetated corridors surrounding streams and wetland habitat, including the Tualatin River Watershed and the entire City of Tualatin. Within the City of Wilsonville, the Significant Resource Overlay Zone (SROZ) includes floodplains, wetlands, riparian corridors, and vegetated corridors. Impact areas are generally considered to be the areas within 25 feet of a Significant Resource area. Development can only be permitted through review of a Significant Resource Impact Report (SRIR) analyzing the impacts of development within mapped significant resource areas."( BCCP p 43)



### ***Southwest Tualatin Concept Plan –***

Existing Conditions: Natural resources in the Concept Plan area have been highly modified by historical and current land uses.

The plant community consists predominantly of scrub-shrub vegetation with remnant patches of forested habitat. Shrub vegetation is dominated by ocean spray (*Holodiscus discolor*) and poison oak (*Rhus diversiloba*). Dominant trees include madrone (*Arbutus menziesii*), Scouler's willow (*Salix scouleriana*), black cottonwood (*Populus balsamifera*), and Douglas fir (*Psuedotsuga menziesii*). With the exception of a fairly large population of madrone, no unique species or species assemblages were found. Madrone is native to western Oregon, but not particularly common in this portion of the Willamette Valley. Introduction and dispersal of weeds is prevalent, facilitated by high truck traffic and the electrical transmission rights-of-way (i.e., BPA).

Wildlife activity appears sparse where vegetation is cleared and land use by people is active. Inactive land areas appear suitable for a variety of wildlife species, especially deer, coyote, small mammals, song birds, and reptiles.

The Washington County soil map indicates that most of the plan area is covered by Saum silt loam (38), Briedwell stony silt loam (5), Hillsboro loam (21), and Pits (76), all non-hydric soils. Wapato silty clay loam (43), a hydric soil, is present along Coffee Lake Creek and west of the old railroad station. Wetland resources tend to occur at hydric soil locations.

Waters and wetlands seem to occur where perched hydrology intersects with ground surfaces. A cursory search for potential waters and wetlands reveals the Kolk Ponds, shallow wetland ponds at the north end, and wetlands associated with Coffee Lake Creek.

Field observations indicate that wetland conditions exist at former borrow sites, where unimproved roads have altered surface drainage, at roadside ditches, and at CWS Water Quality Sensitive Areas and Vegetated Corridors. It will be challenging to determine the jurisdictional status of wetlands that occur at active and formerly active quarry operations, potentially isolated wetlands, drainage ditch wetlands, and artificial ponds.

***Development Issues:*** “ Protection of waters and wetlands will constrain many land uses because regulated areas are scattered across the plan area. The initial impression is that threatened and endangered species protections do not appear to impact development. Presence of archeological resources is unknown, but

unlikely at present and former borrow areas. Current stormwater and surface water patterns and management are disjunct and imperfect. " (SWTCP p 16)

DRAFT

#### ***D. Social Conditions***

The following information in quotes is from the City of Tualatin Economic Opportunities Analysis prepared by ECONorthwest for the City of Tualatin in December 2019.

**“Growth in manufacturing and healthcare / social assistance sectors.** Employment in manufacturing and the healthcare / social assistance sectors accounted for about 37% of employment in Tualatin in 2017. In 2007, employment in these industries accounted for about 36% of employment in Tualatin, an increase of about 3,299 employees between 2007 and 2017. Employment in both of these sectors support above average wages.

In Washington County, employment in manufacturing and the healthcare / social assistance sectors accounted for 23% of employment in 2017, down from 24% in 2007. While the overall share of employment decreased, total employment increased by about 9,809 employees between 2007 and 2017.

**Availability of trained and skilled labor.** Availability of labor depends, in part, on population growth and in-migration. Tualatin’s population increased by 4,344 people between 2000 and the 2013–2017 period, at an average growth rate of 1.0%. In comparison, Oregon’s population also grew at an average rate of 1.0%, between 2000 and 2017, with 66% of population coming from in-migration.

The current labor force participation rate is another important consideration in the availability of labor. The labor force in any market consists of the adult population (16 and over) who are working or actively seeking work. The labor force includes both the employed and unemployed. Children, retirees, students, and people who are not actively seeking work are not considered part of the labor force. According to the 2013–2017 American Community Survey, Tualatin had about 15,643 people in its labor force and Washington County had over 310,400. The labor force participation rate in Tualatin (73%) was higher than Washington County (69%) and the Portland Region (68%) in the 2013–2017 period. A higher concentration of older residents in an area or a mismatch of the types of jobs available in an area and the types of skills of the labor force can contribute to low labor force participation rates.

Businesses in Tualatin draw employees from across Washington County as well as Multnomah and Clackamas Counties. Relative to Washington County and the Portland Region, Tualatin residents have a slightly higher level of educational attainment.

**Aging of the population.** Tualatin has a smaller percentage of residents 60 years and older relative to Washington County and the Portland Region. Tualatin’s median age, which was 31.9 in 2000, increased to 38.2 by the 2013–2017 period. In comparison, Washington County’s median age was 36.4 in the 2013–2017 period.

Washington County's population is expected to continue to age, with people 60 years and older forecast to grow from 20% of the population in 2020 to 24% of the population in 2040, consistent with Statewide trends. Tualatin may continue to attract midlife and older workers over the planning period. People in this age group may provide sources of skilled labor, as people continue to work until later in life. These skilled workers may provide opportunities to support business growth in Tualatin.

**Increases in racial and ethnic diversity.** Overall, the nation and Oregon are becoming more racially and ethnically diverse. Between 2000 and 2013–2017, the Latinx population in Oregon increased from 8% to 13%, and the Latinx population in Tualatin increased from 12% to 16% in that same time. Growth in the Latinx community will continue to drive economic development in Oregon. The share of Oregon's non-Caucasian population increased from 13% to 15% and stayed static in Tualatin at 13%. Tualatin is less racially diverse but more ethnically diverse than Oregon."

The following social conditions were taken from the American Community Survey 2015-2019 Five Year Estimates. The most common age bracket in the Area is under 35-44 years at 21%.

**Table 23 - Age in the Area**

Age	Number	Percentage
Under 5 years	482	5%
5 to 9 years	592	6%
10 to 14 years	535	5%
15 to 17 years	352	3%
18 to 24 years	833	8%
25 to 34 years	1,608	16%
35 to 44 years	2,144	21%
45 to 54 years	1,475	14%
55 to 64 years	1,319	13%
65 to 74 years	656	6%
75 to 84 years	202	2%
85 years and over	37	0%
TOTAL:	10,235	100%

Source: American Community Survey 2015-2019 Five Year Estimates

The analysis of race and origin are shown in the table below.

**Table 24 - Hispanic or Latino Origin by Race in the Area**

	Number	Percentage
<b>Not Hispanic or Latino</b>	8,773	86%
White alone	7,209	70%
Black or African American alone	382	4%
American Indian and Alaska Native alone	77	1%
Asian alone	446	4%
Native Hawaiian and Other Pacific Islander alone	215	2%
Some other race alone	5	0%
Two or more races	439	4%
<b>Hispanic or Latino</b>	1,462	14%
White alone	978	10%
Black or African American alone	8	0%
American Indian and Alaska Native alone	22	0%
Asian alone	50	0%
Native Hawaiian and Other Pacific Islander alone	-	0%
Some other race alone	289	3%
Two or more races	115	1%
<b>TOTAL:</b>	<b>10,235</b>	<b>100%</b>

Source: American Community Survey 2015-2019 Five Year Estimates

Only 26% of the residents reported an education that included less than high school or gaining a high school diploma. The remaining 74% had some type of advanced education.

**Table 25 - Education in the Area**

Education	Number	Percentage
Less than high school	397	5%
High school graduate (includes equivalency)	1,547	21%
Some college	1,833	25%
Associate's degree	645	9%
Bachelor's degree	2,077	28%
Master's degree	689	9%
Professional school degree	143	2%
Doctorate degree	110	1%
TOTAL:	7,441	100%

Source: American Community Survey 2015-2019 Five Year Estimates

The income in the Area is shown in Table 26.

**Table 26 - Income in the Area**

Income Range	Number	Percentage
Less than \$10,000	210	6%
\$10,000 to \$19,999	49	1%
\$20,000 to \$29,999	200	6%
\$30,000 to \$39,999	258	8%
\$40,000 to \$49,999	128	4%
\$50,000 to \$59,999	157	5%
\$60,000 to \$74,999	234	7%
\$75,000 to \$99,999	550	16%
\$100,000 to \$124,999	455	13%
\$125,000 to \$149,999	333	10%
\$150,000 to \$199,999	337	10%
\$200,000 or more	489	14%
TOTAL:	3,400	100%

Source: American Community Survey 2015-2019 Five Year Estimates

Additional data from the American Community Survey 2015-2019 Five Year Estimates shows that 80% of the responders drove alone to work and that 84% of those drove more than 10 minutes to work.

## ***E. Economic Conditions***

### **1. Taxable Value of Property within the Area**

The estimated total assessed value of the Area calculated with data from the Washington County Department of Assessment and Taxation for FYE 2021, including all real, personal, manufactured, and utility properties, is estimated to be \$99,593,238.

### **2. Building to Land Value Ratio**

An analysis of property values can be used to evaluate the economic condition of real estate investments in a given area. The relationship of a property's improvement value (the value of buildings and other improvements to the property) to its land value is generally an accurate indicator of the condition of real estate investments. This relationship is referred to as the "Improvement to Land Value Ratio," or "I:L." The values used are real market values. In urban renewal areas, the I:L is often used to measure the intensity of development or the extent to which an area has achieved its short- and long-term development objectives.

Table 27 shows the improvement to land ratios (I:L) for properties within the Area. In the Area 8 parcels representing less than one percent of the Area are exempt from taxation. Another 63 parcels have no improvement value. No improvement value means there are no taxable structures on the tax lot. One hundred thirty four parcels representing 87% of the non-exempt acreage have I:L ratios less than 1.0. In other words, the improvements on these properties are worth less than the land they sit on. A reasonable I:L ratio for properties in the Area is 2.0. Only 9 of the 150 non-exempt parcels in the Area, totaling 6% of the acreage have I:L ratios of 2.0 or more in FYE 2020-2021. In summary, the Area is underdeveloped and not contributing significantly to the tax base in Tualatin.

**Table 27 - Improvement to Land Ratios in the Area**

<b>Improvement/Land Ratio</b>	<b>Parcels</b>	<b>Acres</b>	<b>% of Total Acres</b>
Exempt	8	4.39	0.68%
No Improvement Value	63	224.80	34.77%
0.01-0.50	54	282.26	43.66%
0.51-1.00	17	52.26	8.08%
1.01-1.50	6	40.06	6.20%
1.51-2.00	1	2.59	0.40%
2.01-2.50	0	0.00	0.00%
2.51-3.00	0	0.00	0.00%
3.01-4.00	2	4.63	0.72%
> 4.00	7	35.52	5.49%
<b>TOTAL:</b>	<b>158</b>	<b>646.51</b>	<b>100%</b>

Source: Compiled by Elaine Howard Consulting, LLC with data from the Washington County Department of Assessment and Taxation (FYE 2020-21)



### ***F. Impact on Municipal Services***

The fiscal impact of tax increment financing on taxing districts that levy taxes within the Area (affected taxing districts) is described in Section VIII of this Report. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

The projects being considered for future use of urban renewal funding are for transportation improvements, water, sewer and stormwater and other utility infrastructure improvements, facilitating development of properties including housing development, and plan administration. The use of tax increment allows the City to add an additional funding source to the City of Tualatin general fund or system development charges funds to allow these projects to be completed.

It is anticipated that these improvements will catalyze development on the undeveloped and underdeveloped parcels in the Area. This development will require city services. However, as the property is within the city limits or the urban growth boundary, the city has anticipated the need to provide services to the Area. As the development will be new construction or rehabilitation, it will be up to current building code which will aid in any fire protection needs. The water and transportation projects will also assist in fire protection needs in the area.

The financial impacts from tax increment collections will be countered by future economic development, and, in the future, adding increases in assessed value to the tax base for all taxing jurisdictions, including the City.

## **XI. REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN**

The reason for selecting the Area is to provide the ability to fund projects and programs necessary to cure blight within the Area. The outcome of implementing these projects is anticipated to be substantial increase to the economic growth in Tualatin by providing new industrial parcels for development and providing tools inside the Area to assist with economic development.

## **XII. RELOCATION REPORT**

When the TDC acquires occupied property under the Plan, residential or commercial occupants of such property shall be offered relocation assistance, as required under applicable state law. Prior to such acquisition, the TDC shall adopt rules and regulations, as necessary, for the administration of relocation assistance. The TDC will comply with all applicable state law in providing these potential benefits.



tualatin

**urban renewal**

**Proposed Urban Renewal  
Efforts Public Hearings**

# CRASH COURSE | UR 101

## TERMINOLOGY

1. UR – Urban Renewal
2. URA - Urban Renewal Area
3. URD - Urban Renewal District
4. TIF - Tax Increment Funds or Tax Increment Financing
5. MI - Maximum Indebtedness
6. AV - Assessed Value
7. TDC - Tualatin Development Commission

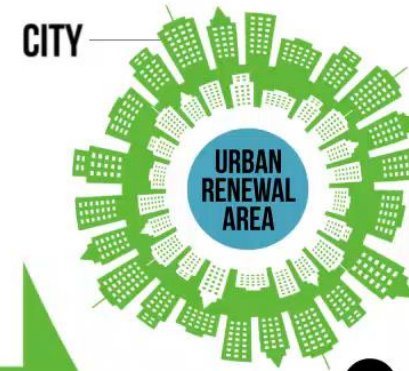
# CRASH COURSE | UR 101



# CRASH COURSE | UR 101

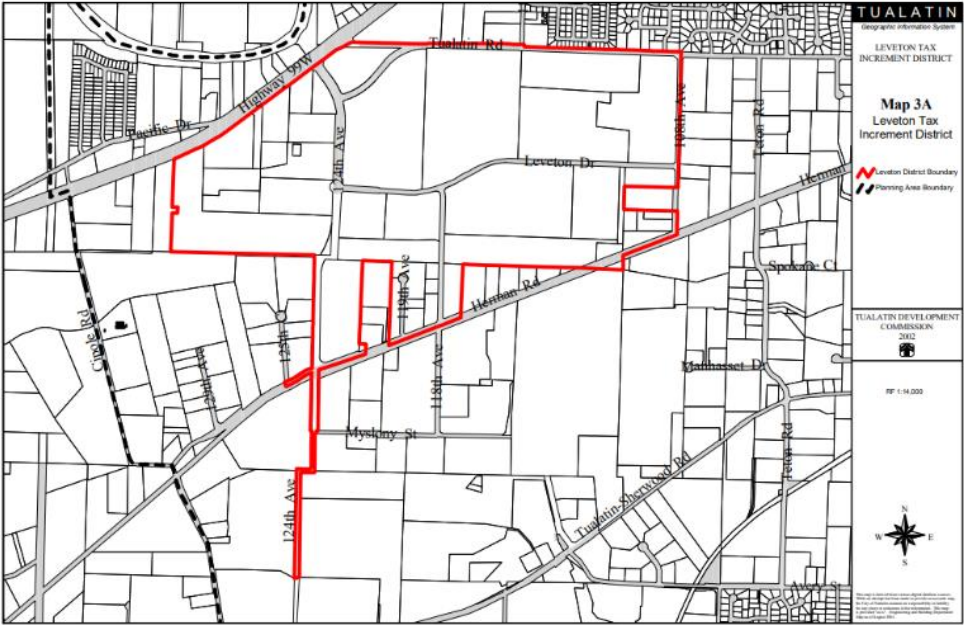


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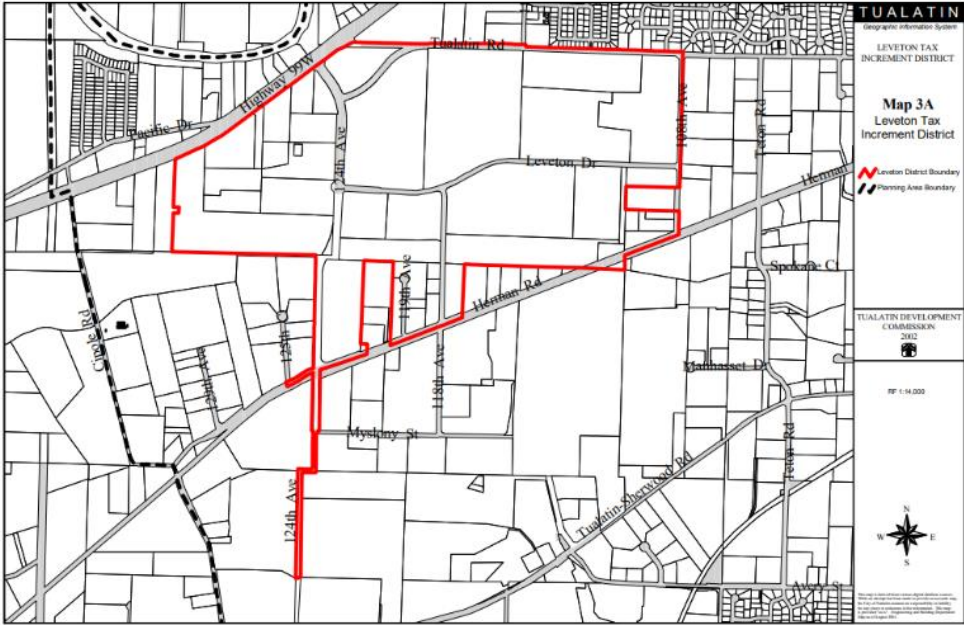


# TUALATIN'S URA BACKGROUND

## LEVETON TAX INCREMENT DISTRICT

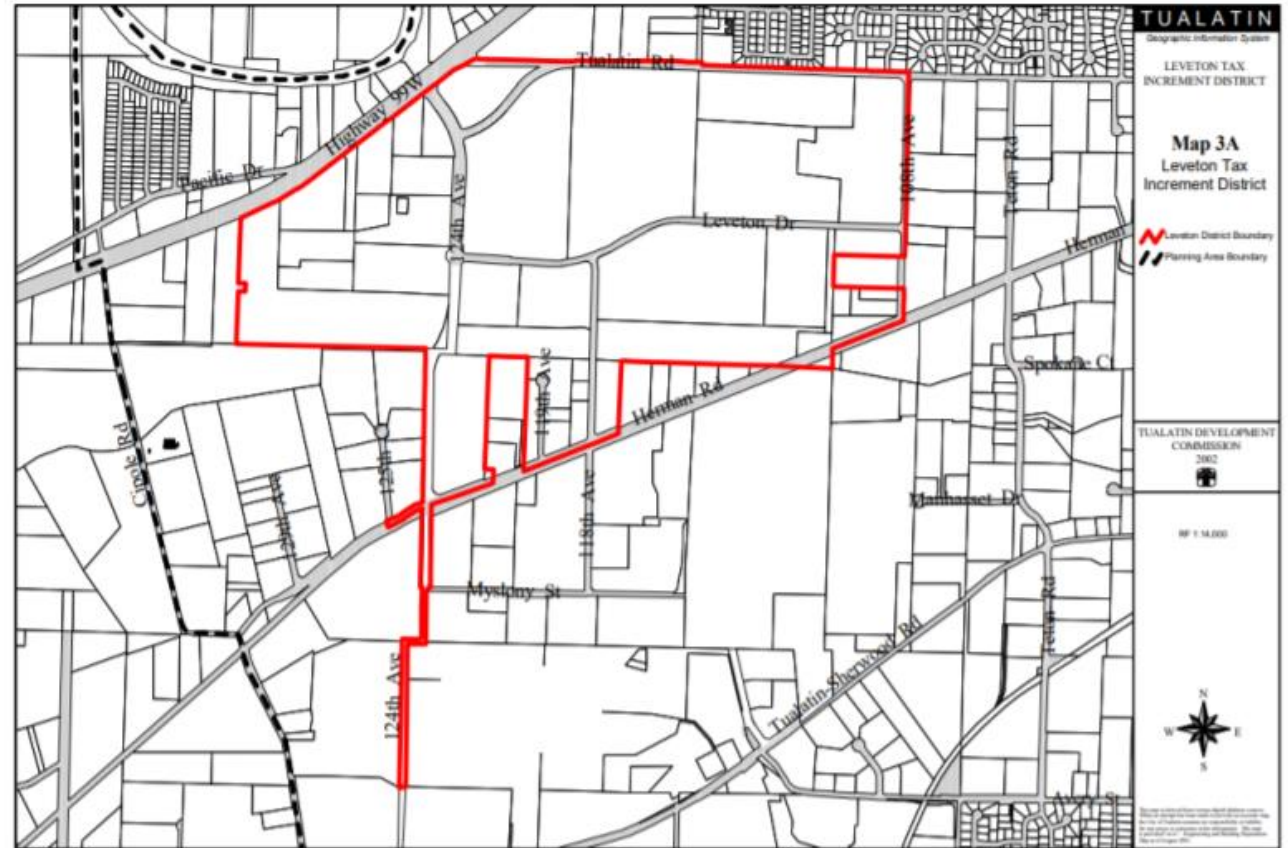


## CENTRAL URBAN RENEWAL DISTRICT



# BACKGROUND – LEVETON TAX INCREMENT DISTRICT

- Established 1985
- Over 200 acres of unincorporated greenfield
- Prioritize Four Goals:
  - 1: Industrial Development
  - 2: Environment
  - 3: Improved Traffic and Transportation
  - 4: Provide Public Utilities
- Original Assessed Valuation: \$3.5 million





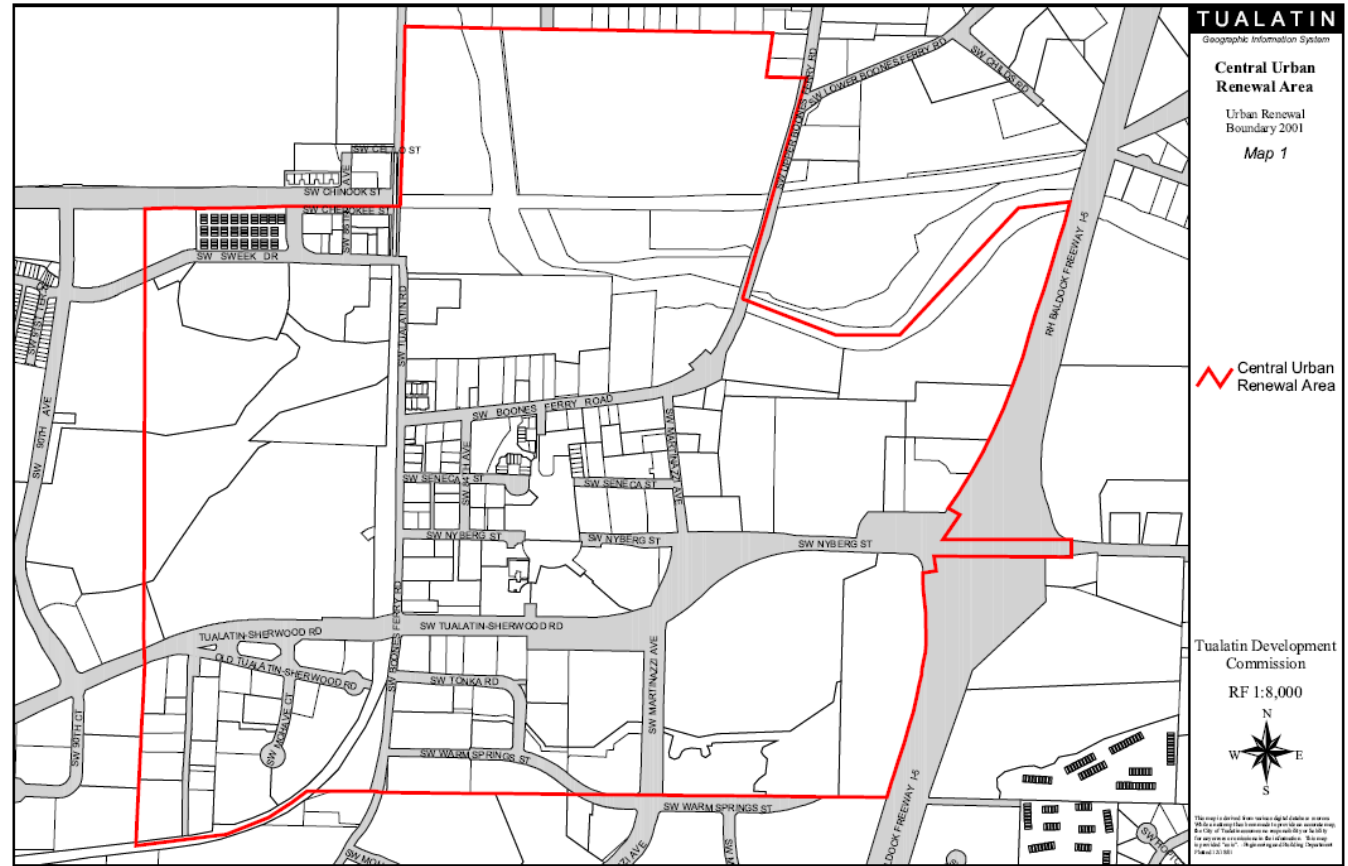
# SUCCESS – LEVETON TAX INCREMENT DISTRICT

- Ceased Collection 2010
- \$251 Million AV Increase
- Completed 14/20 Projects
- Notable Projects Include:
  - Herman Road Improvements
  - Street Construction
    - 118<sup>th</sup>
    - Leveton
    - 124<sup>th</sup>
- 50+ Businesses
- 9,000 + jobs



# BACKGROUND – CENTRAL URBAN RENEWAL

- Established 1975
- Over 300 acres of redevelopment
  - Converted Herwin Food Company
- Prioritize Eleven Goals:
  - 1: Commercial Development
  - 2: Housing Development
  - 6: Pedestrian and Bikeways
  - 11: Design Considerations
- Original Assessed Valuation: \$14 million



# The Success of Central Urban Renewal

- 327 City Acres Redeveloped
- 41 / 60 projects completed
- \$180M increase in valuation
- Notable Achievements
  - Tualatin Commons \$30M+
  - Tualatin-Sherwood Bypass
  - Nyberg/I-5 Interchange
  - Core Area Parking
  - Tualatin City Library
- Community Pride



TUALATIN DEVELOPMENT  
COMMISSION

# SOUTHWEST AND BASALT CREEK DEVELOPMENT AREA

Over 15 years of work have gone into identify land use and infrastructure needs in the proposed urban renewal area.



2005



2014



2019



2019

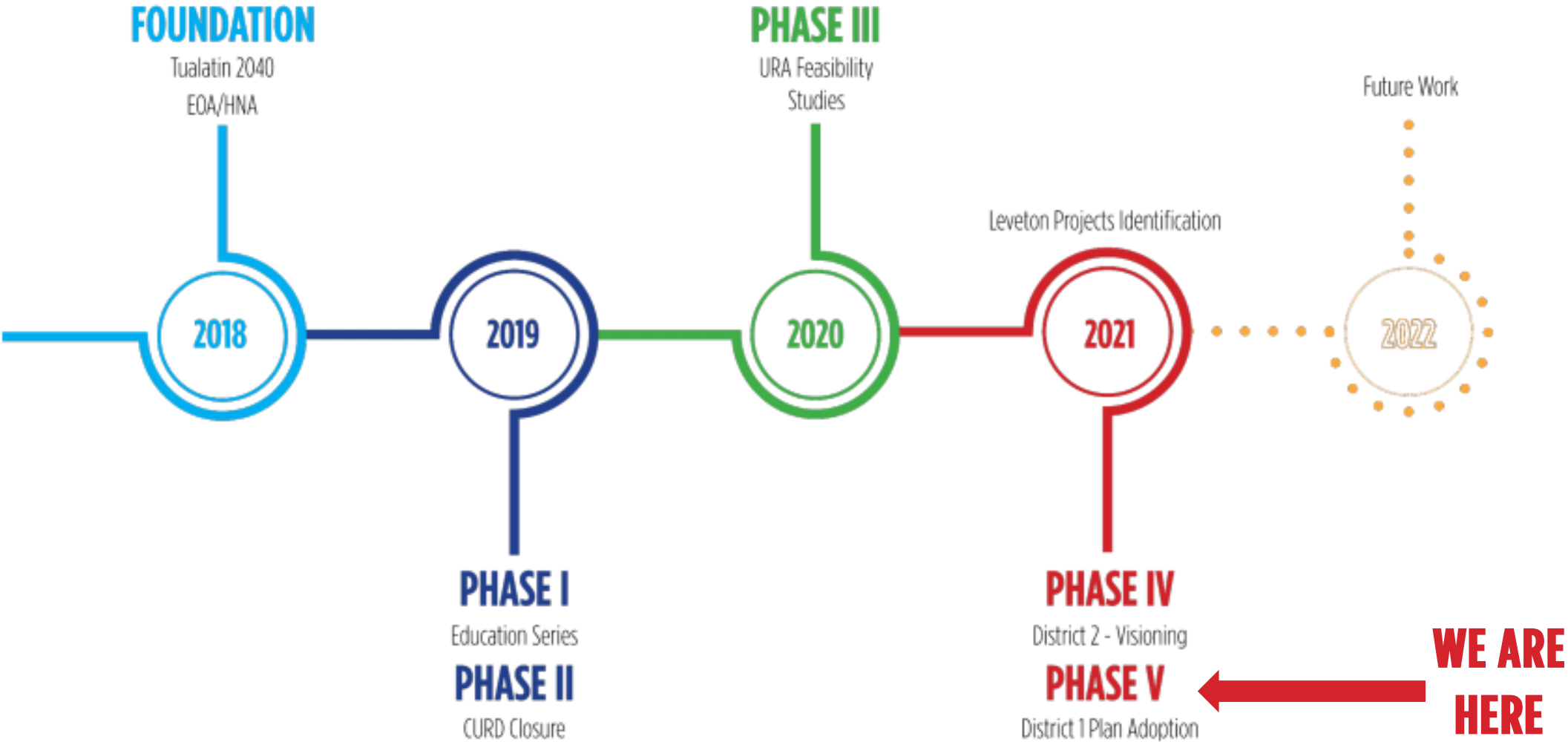
# **CITY NEEDS**

**Industrial Land Deficient  
Residential Land Deficient  
Strained Transportation  
Systems**

# **COUNCIL PRIORITIES**

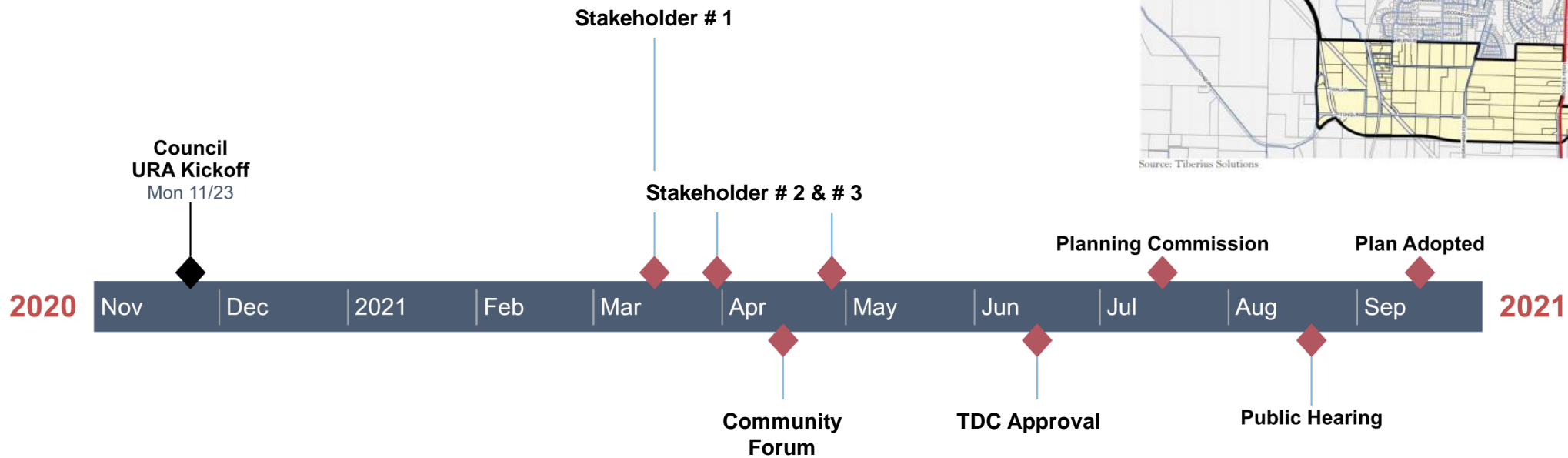
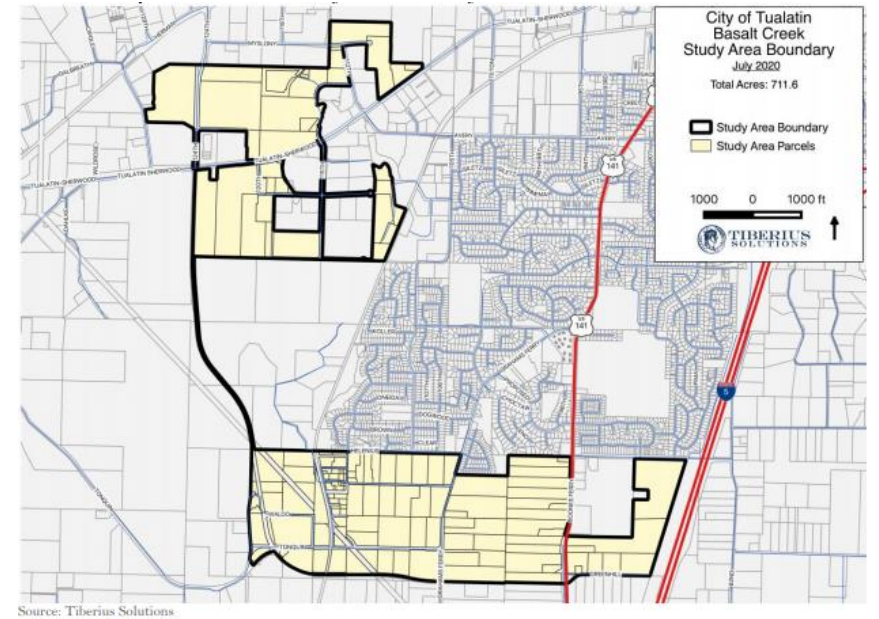
**Improve Transportation Systems  
Prepare for Increased Density  
Mixed Use Development  
Natural Environment Promotion**

# Phased Timeline



# SOUTHWEST AND BASALT CREEK DEVELOPMENT AREA OVERVIEW

*Project Goal:* To develop an urban renewal plan to finance and implement identified projects from area development plans – Basalt Creek Concept Plan, SW Tualatin Concept Plan, Transportation System Plan, and Tualatin | 2040.



# AREA TASK FORCE

*Seven member task force* was established by the Tualatin Development Commission by resolution to provide recommend the proposed boundary and projects, and to review the proposed plan financials.

They met over four meetings beginning in March.

The proposed boundary and projects were voted and recommended by the task force.

## Task Force Members:

- Janelle Thompson, City of Tualatin Planning Commission
- Cassandra Ulven, Tualatin Valley Fire and Rescue
- Grace Lucini, Property Owner
- Christen Sacco, City of Tualatin City Council
- Theresa Haskins, Property Owner Representative (PGE)
- Jilian Felton, Property Owner Representative (Community Partners for Affordable Housing)



# Tualatin Development Commission

*On June 28, 2021* the Tualatin Development Commission approved Resolution 628-21 formally approving the public review process of the proposed Southwest and Basalt Creek Development Area Plan. This review period begins a 45-day consult and confer with overlapping tax districts, as well as a public comment period.

# Tualatin Planning Commission

*On July 15, 2021*, the Tualatin Planning Commission found that the Southwest and Basalt Creek Development Plan conformed with the Tualatin Development Code and Tualatin Comprehensive Plan. Their recommendation will be considered by the Tualatin City Council on August 9, 2021.

# PLAN GOALS

**Goal 1: Public Involvement**

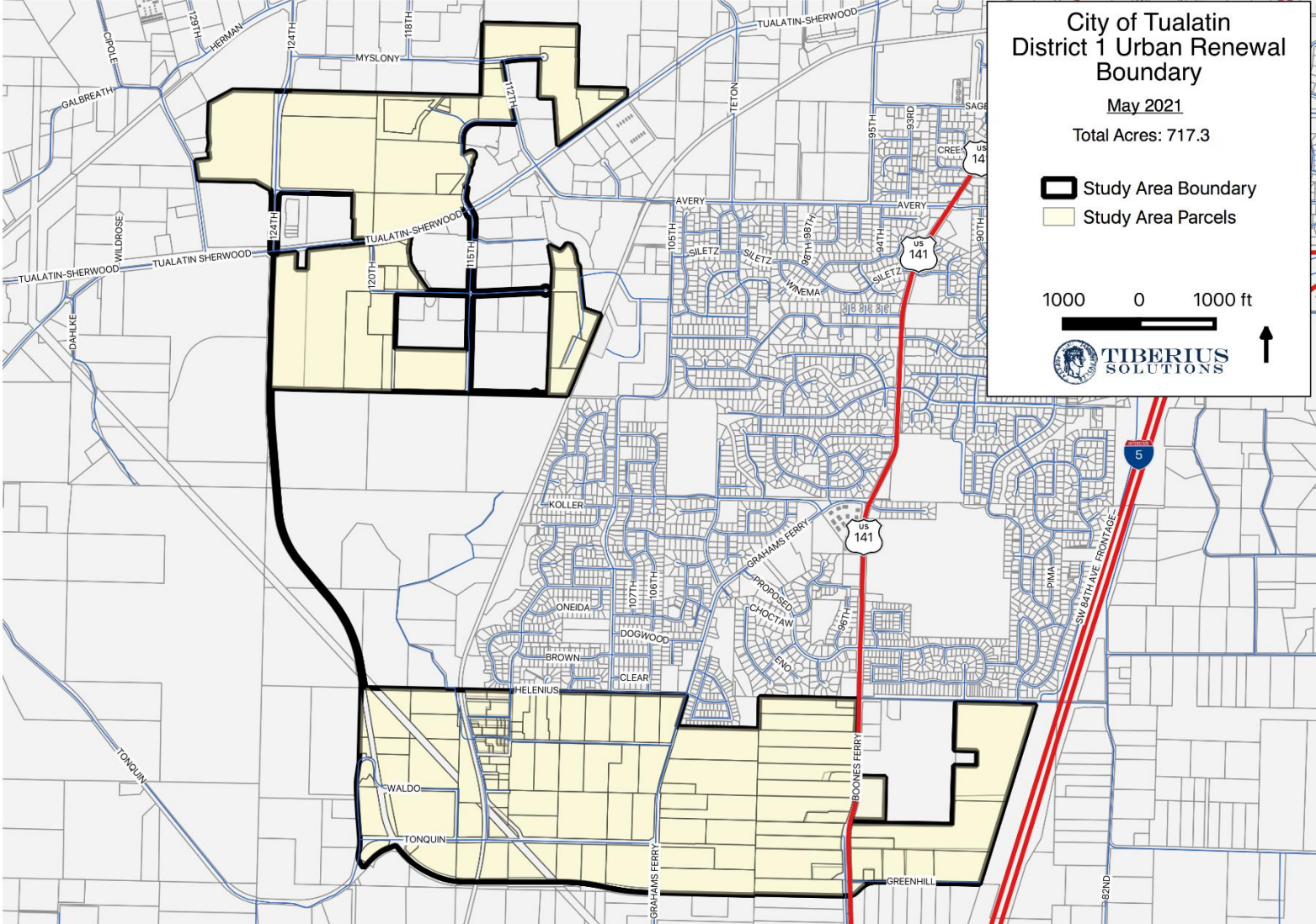
**Goal 2: Employment Land Development**

**Goal 3: Transportation Infrastructure**

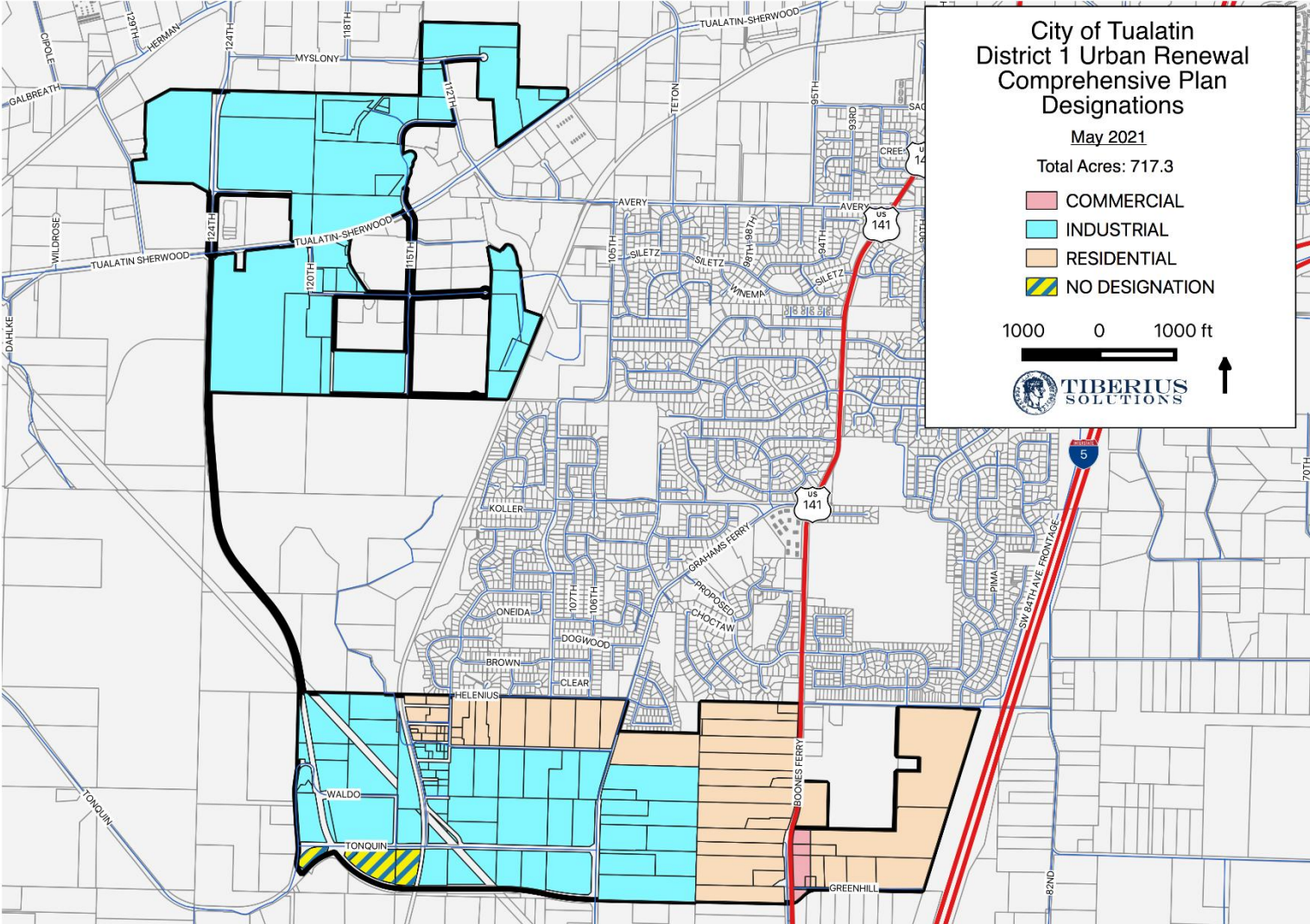
**Goal 4: Utility Infrastructure**

**Goal 5: Developer Assistance and Incentives**

# PROPOSED AREA



# PROPOSED AREA – ZONING DESIGNATIONS



# PROPOSED AREA – ACREAGE AND AV

	Acreage	Assessed Value
Southwest and Basalt Creek Development Area	717.3	\$99,593,238
City of Tualatin	5,240	\$4,943,725,336
% of City	13.68%	2.01%

# CITIZEN PROPOSED PROJECTS

## Storm Water Management Plan

- Grace Lucini, property owner, proposed adding a Storm Water Management Plan to the URA Plan. Staff did not recommend this project for final consideration due to the City of Tualatin budgeting \$100,000 in FY 21-22 for this project.

## Natural Resource Protection Plan (*Recommended to Include*)

- Grace Lucini, property owner, proposed adding a natural resource planning, identification and planning to the project list. This is an eligible project for TIF funding. Staff recommend this project after further discussions with stakeholders. City Council must direct TDC.

# WASHINGTON COUNTY WORK SESSION

## Basalt Creek Parkway Inclusion

- On August 3, 2021, City Staff presented to the Washington County Board of Commissioners the proposed urban renewal plan in the Southwest and Basalt Creek Development Area.
- The County Commissioners reviewed the plan, boundary and proposed projects and indicated their overall support for urban renewal.
- They have requested, based on previous agreements and regional work, to include the Basalt Creek Parkway in the proposed project list.

# PROPOSED AREA – PROJECTS

Project Title	Constant FYE 2021	Year of Expenditure Project Cost
<b>TRANSPORTATION</b>		
• Blake Street Extension	1,500,000	3,234,900
• 124th/Future Blake Street Signal	656,000	992,266
• Tonquin Trail	2,343,000	4,762,850
• Basalt Creek Parkway	500,000	633,400
<b>SEWER</b>		
• Tonquin Loop Sewer	657,000	936,685
• Basalt Creek Gravity Sewer	3,838,000	6,533,811
• SW Tualatin Gravity Sewer	418,000	732,963
<b>WATER SYSTEM UPSIZING</b>	11,500,000	21,273,995
<b>NATURAL RESOURCE PROTECTION PLAN</b>	100,000	126,680
<b>PROPERTY MITIGATION</b>	2,965,223	6,128,732
<b>SMALL BUSINESS GRANTS</b>	1,000,000	1,915,520
<b>FINANCING FEES</b>	199,280	284,000
<b>ADMINISTRATION</b>	3,450,000	5,804,346
<b>Total Expenditures</b>	<b>\$29,026,503</b>	<b>\$53,360,148</b>



# PROPOSED PLAN TERMS

- **MI: \$53,200,000.**
- **30 Year Plan Term**
- **6% Projected AV Growth**

## PROJECTED TIF REVENUE

Average AV from New Construction	\$4,700,000
Total Net TIF	\$60,700,000
Maximum Indebtedness	\$53,200,000
Capacity (2021\$)	\$29,000,000
Years 1-5	\$600,000
Years 6-10	\$4,900,000
Years 11-15	\$4,900,000
Years 16-20	\$5,100,000
Years 21-25	\$5,700,000
Years 26-30	\$7,800,000

# NEXT STEPS

- **Currently – 45 Day Consult and Confer**
- **August 17, 2021 – Washington County BoC Approval**
- **August 23, 2021 – Tualatin City Council Plan Ordinance Adoption Consideration**

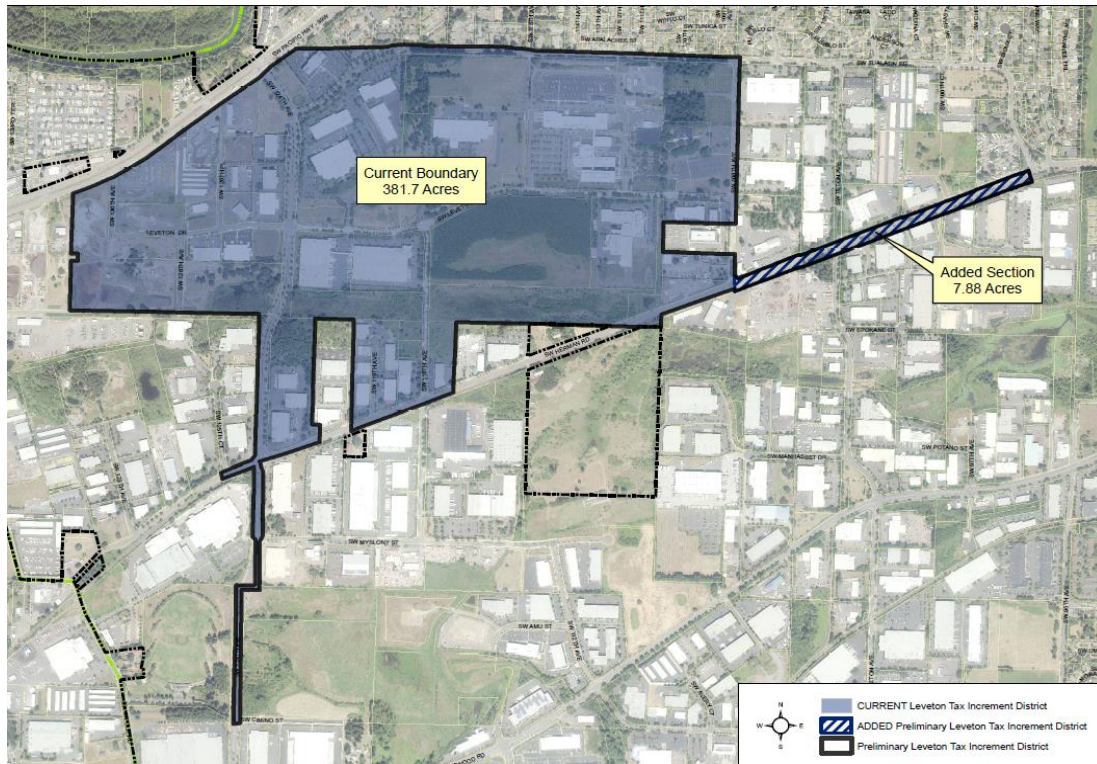
**QUESTIONS OR DISCUSSION?**



tualatin | **urban renewal**

**11<sup>TH</sup> AMENDMENT TO THE  
Leveton Tax Increment Plan**

# PROPOSED AMENDMENT



## 1. EXPAND THE DISTRICT

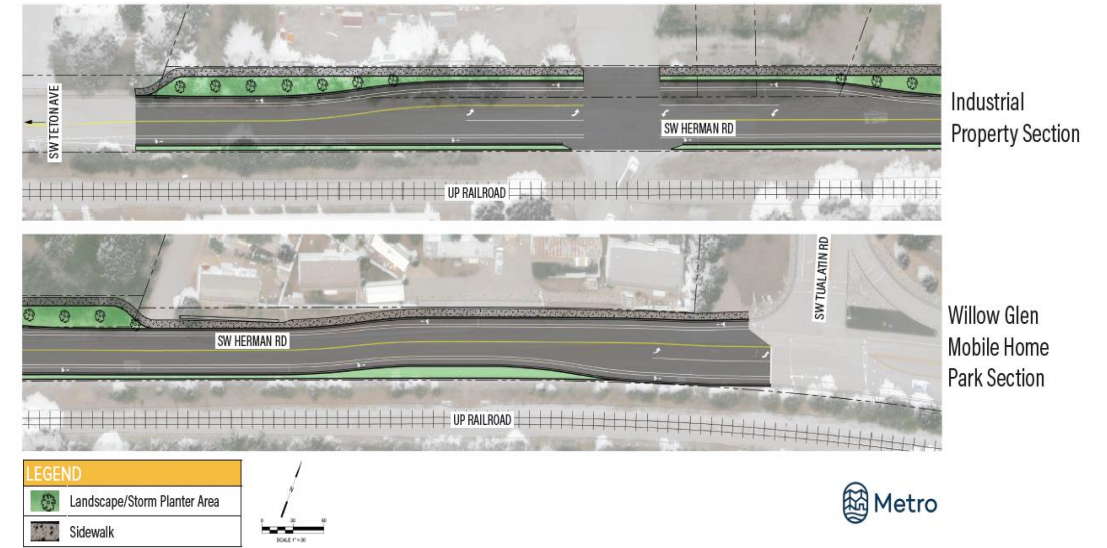
- Add 7.88 Acres
- No MI Increase

CITY OF TUALATIN OREGON

HERMAN ROAD IMPROVEMENTS CONCEPT PLAN

PREPARED BY: CENTURY WEST ENGINEERING

4.9.2021



## 2. ADD THE HERMAN ROAD EXTENSION PROJECT

- Allocate TDC TIF to project

**QUESTIONS OR DISCUSSION?**

Chair Harrington and County Commissioners,

On behalf of the Tualatin City Council, I am writing to express Tualatin's support for the SW Basalt Creek Parkway extension from Grahams Ferry Road to Boones Ferry Road. We recognize and acknowledge the importance of this project to the long-term success of the Southwest and Basalt Creek employment and residential areas, and the multi-agency commitments that have been made over the years.

Tualatin's support for this project is expressed in two tangible ways:

- 1) The Basalt Creek Parkway extension is identified as a planned Major Arterial in our Transportation System Plan, which was adopted into Tualatin's Comprehensive Plan on April 22, 2019 (ordinance 1418-19). The TSP is the City's primary document that guides what transportation-related projects are funded and constructed and is therefore a commitment to the projects that area listed therein.
- 2) On February 25, 2019, the Tualatin City Council approved an amended Urban Planning Area Agreement (resolution 5423-19) with Washington County which states:

*The CITY agrees to work with the COUNTY and other partners to secure funding for construction of Basalt Creek Parkway from Grahams Ferry to Boones Ferry Road and other transportation improvements identified on the Basalt Creek Transportation Refinement Plan to support development in the Basalt Creek Planning Area.*

The Tualatin City Council hereby affirms that agreement and commitment to work with the County to help develop a strategy to secure funding for construction of this project.

In addition, the Basalt Creek Parkway extension has been included in the Urban Renewal Plan as an identified project with \$500,000 associated with it.

Tualatin appreciates the long-term commitment that Washington County has made, and continues to make in this area and we look forward to working with the County to enhance the area's connectivity.

Sincerely,

Frank Bubenik  
Mayor



*City of Tualatin*

## TUALATIN CITY COUNCIL Staff Report

**TO:** Honorable Mayor and Members of City Council  
**THROUGH:** Sherilyn Lombos, City Manager  
**FROM:** Jonathan Taylor, Economic Development Manger  
**DATE:** August 9, 2021

---

**SUBJECT:**

Public Hearing to Consider a Proposed Ordinance Adopting a Substantial Amendment to the Leveton Tax Increment District Plan

**RECOMMENDATION:**

Staff recommends that the City Council hold a public hearing on the proposed ordinance which makes determinations and findings related to and approving an amendment to the Leveton Tax Increment Plan, and direct that notice of approval be published.

**EXECUTIVE SUMMARY:**

*Background:*

On October 28, 2019, City Council directed staff to identify potential projects for the Leveton District to fully expend remaining funds with the goal of terminating the District Plan. City Council requested input from District businesses on areas of concern or project ideas that remaining funds could be used for. Area business identified projects and concerns in two key areas: transportation and workforce mobility.

On February 8, 2021, City Staff presented to Council three proposed projects. Future urban renewal planning, rapid cross walk beacons, and incorporate the Herman Road Extension project. The future urban renewal planning and rapid cross walk beacons required a minor amendment which was approved on March 22, 2021 by Resolution 624-20. The inclusion of Herman Road Extension Project requires a substantial amendment.

*Substantial Amendments*

A substantial amendment to an urban renewal plan is based on two factors: expansion of the area boundaries greater than 1% or an increase in maximum indebtedness. The substantial amendment is a multi-step process beginning with an approval by the Tualatin Development Commission, a 45-day consult and confer with area taxing entities, conference with Washington County, a public hearing, and final approval by the Tualatin City Council. In 1989, the City of Tualatin added an additional 33.3 acres to the Leveton Tax Increment District, exceeding 1% of area boundary, meaning that any future addition, no matter the size, would require a substantial amendment.

*Herman Road Project*

Identified in the Transportation Systems Plan, this proposed project will add a sidewalk/path on the north side, bike lanes on both sides, fix the drainage issues, and add a center turn lane at the industrial driveway



of Herman Road. It is currently funded through preliminary design. The current budgeted cost is \$2,905,000 and will be administered by the City of Tualatin Community Development and Public Works Departments.

#### *Herman Road Project Update – June 2021*

The design team has surveyed existing topographic conditions, surveyed residents and businesses, and formed a citywide project charter team. Conceptual design options were developed based on community and charter team input, transportation needs, and the available space for the roadway and sidewalk. The design team held a virtual open house to listen to community perspective on the conceptual designs, identified a recommended design, and confirmed it with the charter team. The recommended conceptual design.

The next step is to advance the recommended conceptual design to engineered preliminary plans, including coordinating that design with environmental agencies and the railroad, working towards final design and eventual construction. An intergovernmental agreement between the Tualatin Development Commission and the Tualatin City Council for project management services by City Staff will be drafted for consideration in Fall 2021.

#### *2021 Report Accompanying the Leveton Tax Increment Plan*

The Report Accompanying the Leveton Tax Increment Plan (Report) contains background information and project details that pertain to the Leveton Tax Increment Plan (Plan) passed in 2002. The Report is not a legal part of the Plan but is intended to provide public information and support the findings made by the Tualatin Development Commission as part of the approval of the Plan.

The Report provides the analysis required to meet the standards of ORS 457.087, including financial feasibility. The Report accompanying the Plan contains the information required by ORS 457.087, including:

- A description of the physical, social, and economic conditions in the area and expected impact of the plan, including fiscal impact in light of increased services; (ORS 457.087(1))
- Reasons for selection of the plan Area; (ORS 457.087(2))
- The relationship between each project to be undertaken and the existing conditions; (ORS 457.087(3))
- The estimated total cost of each project and the source of funds to pay such costs; (ORS 457.087(4))
- The estimated completion date of each project; (ORS 457.087(5))
- The estimated amount of funds required in the Area and the anticipated year in which the debt will be retired; (ORS 457.087(6))
- A financial analysis of the plan; (ORS 457.087(7))
- A fiscal impact statement that estimates the impact of tax increment financing (TIF) upon all entities levying taxes upon property in the urban renewal area; (ORS 457.087(8))
- A relocation report. (ORS 457.087(9))

#### *Conformance to the Tualatin Development Code and the Tualatin Comprehensive Plan*

On June 28, 2021 the Tualatin Development Commission adopted Resolution 627-21 to commence the formal review process and forwarded the proposed substantial amendment to the Tualatin Planning Commission to determine conformance with the Tualatin Development Code and the Tualatin Comprehensive Plan. On July 15, 2021, the Tualatin Planning Commission approved by motion that the proposed 11<sup>th</sup> Amendment conformed to the Tualatin Development Code and the Tualatin Comprehensive Plan.

## **PUBLIC NOTICE**

As required by ORS 457, the City of Tualatin has noticed this proposed amendment to the Leveton Tax Increment Plan by mailing notices to all utility customers of the City of Tualatin. In addition, the City of Tualatin noticed the public hearing in the Tigard-Tualatin Times.

## **NEXT STEPS**

Upon the completion of the public hearing, the proposed ordinance will advance to consideration for adoption on August 23, 2021.

## **ALTERNATIVES TO RECOMMENDATION:**

None.

## **FINANCIAL IMPLICATIONS:**

None

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## **ATTACHMENTS**

- Proposed Ordinance
- Leveton Tax Increment Plan 11<sup>th</sup> Amendment
- Report Accompanying the Leveton Tax Increment Plan
- Herman Road Conceptual Design

ORDINANCE NO. 1459-21

AN ORDINANCE ADOPTING A SUBSTANTIAL AMENDMENT TO THE LEVETON TAX INCREMENT DISTRICT PLAN TO ADD CERTAIN LAND TO THE PLAN AREA.

WHEREAS, the City has created the Leveton Tax Increment District, and associated Leveton Tax Increment District Plan, under the authority of ORS Chapter 457;

WHEREAS, the City wishes to make a Major Amendment to the Leveton Tax Increment District Plan, as provided by ORS Chapter 457;

WHEREAS, the Tualatin Development Commission (the "TDC"), pursuant to the requirements of ORS Chapter 457, has caused the preparation of the Leveton Tax Increment District Plan Amendment dated August 23, 2021, and attached as Exhibit A (the "Plan Amendment") and incorporated herein by reference;

WHEREAS, the Plan Amendment authorizes certain urban renewal activities within the Leveton Tax Increment Area (the "Area");

WHEREAS, the TDC has caused the preparation of a certain Report Accompanying the Leveton Tax Increment Plan dated August 23, 2021 and attached hereto as Exhibit B (the "Report") to accompany the Plan as required under ORS 457.087); and

WHEREAS, the TDC forwarded the Plan Amendment and Report to the Tualatin Planning Commission, which considered the Plan and Report on July 15, 2021, and adopted a finding that the Plan Amendment conformed with the Tualatin Comprehensive Plan and made a recommendation, which is attached as Exhibit C and incorporated by reference;

WHEREAS, the Plan and the Report were forwarded on June 30, 2021 to the governing body of each taxing district affected by the Plan, and the TDC has thereafter consulted and conferred with each taxing district; and

WHEREAS, on August 3, 2021 the City met with the Washington County Board of Commissioners to review the Plan, including the proposed maximum indebtedness for the Plan; and

WHEREAS, in July 2021, the City caused notice of a hearing to be held before City Council on the Plan, including the required statements of ORS 457.120(3), to be mailed to utility customers within City's incorporated limits; and

WHEREAS, on August 9, 2021 the City Council held a public hearing to review and consider the Plan, the Report, the recommendation of the Tualatin Planning Commission, and the public testimony received on or before that date and to receive additional public testimony; and

WHEREAS, the City Council has determined that the Plan conforms with all applicable legal requirements; and

WHEREAS, after consideration of the record presented through this date, the City Council does by this Ordinance desire to approve the Plan.

THE CITY OF TUALATIN ORDAINS AS FOLLOWS:

**Section 1.** The Council adopts the Plan Amendment in Exhibit A, adopts the Report in Exhibit B, and adopts the Planning Commission Report in Exhibit C. The Leveton Tax Increment Plan is approved and adopted based upon review and consideration by the City Council, the Tualatin Planning Commission Recommendations, taxing district recommendations each of which is hereby accepted, as well as the public testimony in the record.

**Section 2.** The Council finds the Plan complies with all applicable requirements of ORS Chapter 457 and the specific criteria of ORS 457.095, based on the information in the Report, the Tualatin Planning Commission Recommendation, and the public testimony before the City Council, including the following findings:

1. The process for the adoption of the Plan has been conducted in accordance with the applicable provisions of Chapter 457 of the Oregon Revised Statutes and all other applicable legal requirements;
2. The area designated in the Plan as the Leveton Tax Increment Area is blighted, as defined by ORS 457.010(1) and is eligible for inclusion within the Plan because of conditions described in Section X of the Report, including the existence of inadequate streets and other rights of way, open spaces, and utilities (ORS 457.010(1)(e));
3. The rehabilitation and redevelopment described in the Plan to be undertaken by the TDC is necessary to protect the public health, safety or welfare of the City because, absent the completion of urban renewal projects, the Area will fail to contribute its fair share of property tax revenues to support City services and will fail to develop and/or redevelop according to the goals of the City's Comprehensive Plan;
4. The Plan conforms to the Tualatin Comprehensive Plan and provides an outline for accomplishing the projects described in the Plan, as more fully described in Section XIII of the Plan and in the Tualatin Planning Commission Recommendation in Exhibit C;
5. No residential displacement will occur as a result of the acquisition and disposition of land and redevelopment activities proposed in the Plan and therefore the Plan does not include provisions to house displaced persons;
6. Adoption of and carrying out the Plan is economically sound and feasible in that eligible projects and activities will be funded by urban renewal tax revenues derived from a division of taxes pursuant to Article IX, section 1c, of the Oregon Constitution and ORS 457.440 and other available funding as more fully described in Sections III and IV of the Report;

7. The City shall assume and complete any activities prescribed it by the Plan; and
8. The TDC consulted and conferred with affected overlapping taxing districts prior to the Plan being forwarded to the City Council.

**Section 3.** The City Manager is directed to forward a copy of this Ordinance to the TDC.

**Section 4.** Upon receipt from the City Manager, the TDC shall cause a copy of the Plan to be recorded in the Deed Records of Washington County, Oregon.

**Section 5.** The City Manager, in accordance with ORS 457.115, shall publish newspaper notice of the adoption of this Ordinance approving the Plan, including the provisions of ORS 457.135, no later than four days following adoption of this Ordinance.

**Section 6.** The City Manager is delegated the authority to conduct any and all actions necessary to carry out the intent of this Ordinance and ensure compliance with law.

ADOPTED by the City Council this \_\_\_\_ day of \_\_\_\_\_, 2021.

CITY OF TUALATIN, OREGON

BY \_\_\_\_\_  
Mayor

APPROVED AS TO FORM

ATTEST:

BY \_\_\_\_\_  
City Attorney

BY \_\_\_\_\_  
City Recorder

Exhibit A Leveton Tax Increment Plan 11<sup>th</sup> Amendment

The following changes are made in the Leveton Tax Increment Plan. Added language is shown in *italics*.

B. GOALS AND OBJECTIVES

1. GOALS AND OBJECTIVES OF THE LEVETION TAX INCREMENT PLAN

Goal 3: Improved Traffic and Transportation

Objectives:

- e. *Extend Herman Road within the District*

2. RELATIONSHIP TO LOCAL OBJECTIVES

- b. Traffic and Transportation

*The Tualatin Comprehensive Plan section that pertains to this project is:*

***ECONOMY, COMMERCIAL, & INDUSTRIAL DEVELOPMENT***

***Plan Details***

***GOAL 4.2***

*Encourage new industrial development in ways that strengthen the local tax base and support Tualatin's industrial lands as a major local and regional employment center.*

*POLICY 4.2.2 Fully develop planned industrial areas, providing full transportation, sewer, and water services prior to or as development occurs.*

***Finding:*** *The transportation project in the Plan is intended to directly support the industrial lands in the District and provide connections to residential and commercial lands in Tualatin. The project is in conformance with the Economy, Commercial & Industrial chapter of the Comprehensive Plan.*

C. DESCRIPTION OF PROJECT

Leveton Sector

1. Transportation Access

*The extension of Herman Road will improve the bike lanes, sidewalks, and transit stops along Herman Road between the employment district, neighborhoods, and downtown. It will also improve safety and mobility for all roadway users along Herman Road.*

## D. OUTLINE OF PROJECT ACTIVITIES

### 1. Public Improvements

#### a. Road Improvements

- *The Herman Road project is to widen from Tualatin Road to Teton Road. Improve bike lanes, sidewalks, and transit stops along Herman Road between the employment district, neighborhoods, and downtown. The project will improve safety and mobility for all roadway users along Herman Road where currently, bicycles, pedestrians, automobiles, transit, and trucks share two 12-foot vehicle travel lanes because there are no bike lanes or sidewalks. The project will add buffered bike lanes and other Active Transportation components where there are existing sidewalks and bike lanes.*

Report Accompanying the  
Leveton Tax Increment Plan



*City of Tualatin*





**Mayor**

Frank Bubenik

**City Council**

Nancy Grimes, Council President

Maria Reyes

Christen Sacco

Bridget Brooks

Cyndy Hillier

Valerie Pratt

**Planning Commission**

Bill Beers, Chair

Mona St. Clair, Vice-Chair

Alan Aplin

Janelle Thompson

Daniel Bachhuber

Ursula Kuhn

**City of Tualatin Staff**

Sherilyn Lombos, City Manager

Megan George, Deputy City  
Manager

Don Hudson, Assistant City  
Manager/Finance Director

Jonathan Taylor, Economic  
Development Manager

Kim McMillan, Community  
Development Director

Steve Koper, Assistant Community  
Development Director/Planning  
Manager

**Elaine Howard Consulting, LLC**

Elaine Howard, Scott Vanden Bos

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## I. INTRODUCTION

The Report Accompanying the Leveton Tax Increment Plan (Report) contains background information and project details that pertain to the Leveton Tax Increment Plan (Plan). The Report is not a legal part of the Plan but is intended to provide public information and support the findings made by the Leveton City Council as part of the approval of the Plan.

The Report provides the analysis required to meet the standards of ORS 457.087, including financial feasibility. The Report accompanying the Plan contains the information required by ORS 457.087, including:

- A description of the physical, social, and economic conditions in the area and expected impact of the plan, including fiscal impact in light of increased services; (ORS 457.087(1))----
- Reasons for selection of the plan Area; (ORS 457.087(2))
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- The estimated amount of funds required in the Area and the anticipated year in which the debt will be retired; (ORS 457.087(6))
- A financial analysis of the plan; (ORS 457.087(7))
- A fiscal impact statement that estimates the impact of tax increment financing (TIF) upon all entities levying taxes upon property in the urban renewal area; (ORS 457.087(8))
- A relocation report. (ORS 457.087(9))

The relationship of the sections of the Report and the ORS 457.087 requirements is shown in Table 1. The specific reference in the table below is the section of this Report that most addresses the statutory reference. There may be other sections of the Report that also address the statute.

Table 1 - Statutory References

<b>Statutory Requirement</b>	<b>Report Section</b>
ORS 457.087 (1)	X
ORS 457.087 (2)	XI
ORS 457.087 (3)	II
ORS 457.087 (4)	III
ORS 457.087 (5)	VI
ORS 457.087 (6)	IV,V
ORS 457.087 (7)	IV,V
ORS 457.087 (8)	VIII
ORS 457.087 (9)	XII

The Report provides guidance on how the Plan might be implemented. As the Leveton Urban Renewal Agency (Agency) reviews revenues and potential projects each year, it has the authority to make adjustments to the implementation assumptions in this Report. The Agency may allocate budgets differently, adjust the timing of the projects, decide to incur debt at different timeframes than projected in this Report, and make other adjustments to the financials as determined by the Agency. The Agency may also make changes as allowed in the Amendments section of the Plan. These adjustments must stay within the confines of the overall maximum indebtedness of the Plan.

Figure 1 - Leveton Urban Renewal Area Boundary Before Amendment

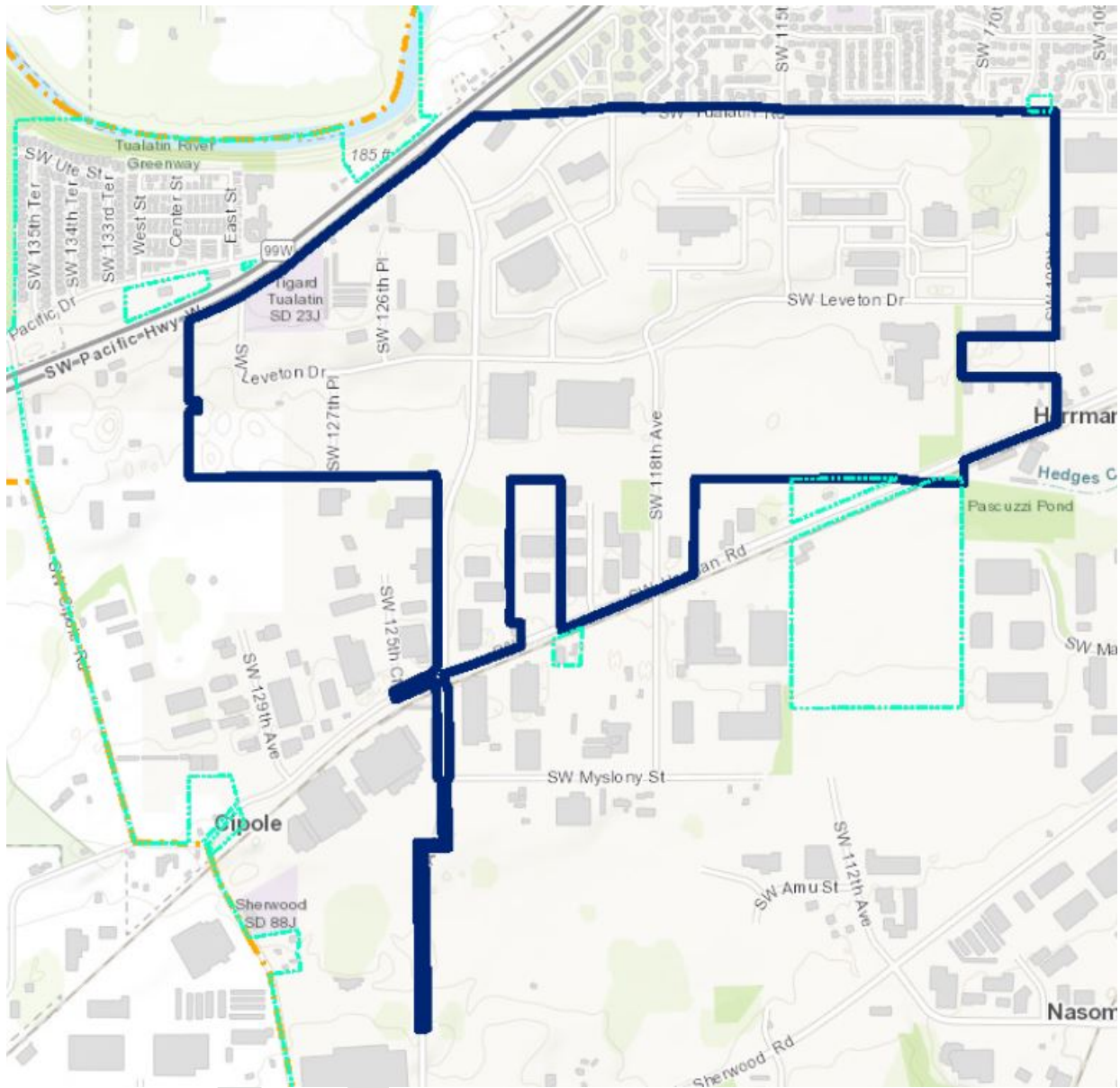
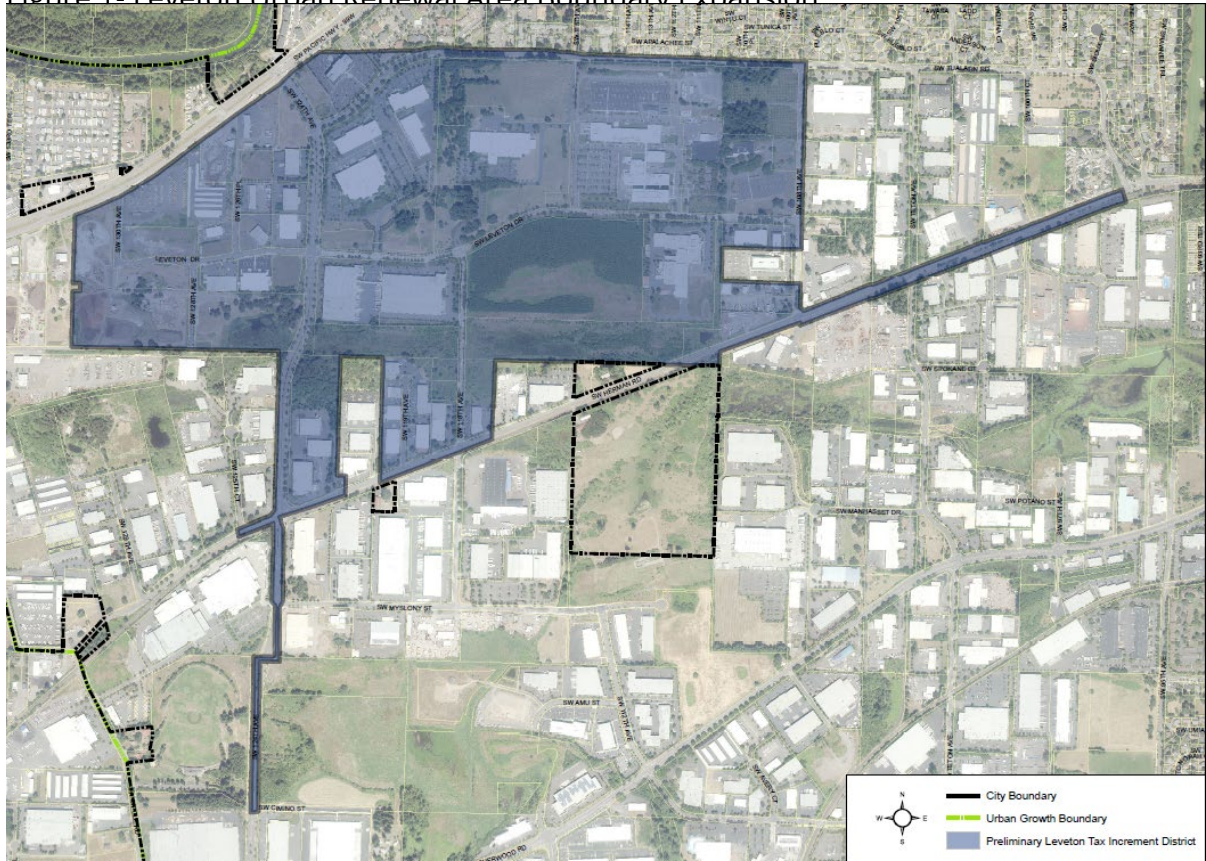


Figure 1- Leveton Urban Renewal Area Boundary Expansion



## **II. THE PROJECTS IN THE AREA AND THE RELATIONSHIP BETWEEN URBAN RENEWAL PROJECTS AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA**

The projects identified for the Area in the 2021 Substantial Amendment are described below, including how they relate to the existing conditions in the Area.

### **A. Transportation**

*The following information for the Herman Road project to widen from Tualatin Road to Teton Road comes from the CIP, p 124.*

#### **DESCRIPTION:**

Improve bike lanes, sidewalks, and transit stops along Herman Road between the employment district, neighborhoods, and downtown. Improve safety and mobility for all roadway users along Herman Road where currently, bicycles, pedestrians, automobiles, transit, and trucks share two 12-foot vehicle travel lanes because there are no bike lanes or sidewalks. Add buffered bike lanes and other “Active Transportation” components where there are existing sidewalks and bike lanes.

#### **PROJECT SCOPE:**

The total project cost includes project development, engineering, environmental permitting, right of way acquisition and construction.

#### **EXISTING CONDITIONS/HISTORY:**

This project will enable pedestrians and bicyclist to travel in a safer environment than they currently do when sharing two 12-foot travel lanes with cars, trucks, and buses. Adding sidewalks and bike lanes where they do not currently exist and providing buffered bikes lanes along the rest of the corridor will provide a safer more comfortable environment.



### **III. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS**

The total cost estimate for the Herman Road project is shown in Table 2 below. This estimate is from the *City of Tualatin Capital Improvement Plan* (p 103). The portion of this projects paid for by urban renewal must fit within the remaining maximum indebtedness and funds remaining in the Leveton Project Account.

Table 2 - Estimated Cost of Each Project as Compared to Total Cost

<b>Project Title</b>	<b>Total Estimated Cost from CIP</b>	
Herman Road Extension	FY 2023/24	\$780,000
	FY 2024/25	\$2,415,000

Source: City of Tualatin

### **IV. FINANCIAL ANALYSIS OF THE PLAN**

The TDC has approved a budget to allow for the completion of the projects using existing funding in the Leveton Project Fund. There will be no new impacts on taxing districts and no need to borrow additional funds to complete this project. The budget for FY 21-22 for the Leveton Projects Fund has \$3,391,810 in resources and \$3,391,810 in expenditures including \$3,010,000 for the Herman Road project.

### **V. THE ESTIMATED AMOUNT OF TAX INCREMENT REVENUES REQUIRED AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED**

The Area terminated taking division of tax revenues from the Washington County Assessor in FY 2010. There are still remaining funds in the Leveton URA Fund. The \$3,195,000 of revenues required for the Herman Road project are not new tax increment revenues, but revenues within the Leveton Project Fund. The budget for FY 21-22 for the Leveton Projects Fund has \$3,391,810 on resources and \$3,391,810 in expenditures including \$3,010,000 for the Herman Road project. There are no existing long term indebtedness commitments in the Area.

## **VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT**

Estimated completion dates for the project is in FY 2022/2023.

The Agency may change the completion dates in their annual budgeting process or as project decisions are made in administering the Plan.

## **VII. REVENUE SHARING**

Since the URA is no longer taking division of tax revenues, there is no revenue sharing for this URA.

## **VIII. IMPACT OF THE TAX INCREMENT FINANCING**

The impact of tax increment financing on overlapping taxing districts is not relevant to this Amendment. The Leveton Urban Renewal Area is no longer taking division of taxes. If this project is not pursued, these funds could be used for other specified urban renewal projects.

## **IX. COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF URBAN RENEWAL AREA**

State law limits the percentage of both a municipality's total assessed value and the total land area that can be contained in an urban renewal area at the time of its establishment to 25% for municipalities under 50,000 in population. This limitation pertains to urban renewal areas that are taking division of tax revenues as stipulated in ORS 457.420(2)(b)(A). This urban renewal area is no longer taking division of tax revenues. The City is considering another urban renewal area, and the report on that urban renewal area will address relevant compliance with statutory limits on assessed value and acreage.

## X. EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES

This section of the Report describes existing conditions within the Leveton Urban Renewal Area and documents the occurrence of “blighted areas,” as defined by ORS 457.010(1).

### A. Physical Conditions

#### 1. Land Use

The Area is composed of 57 individual parcels encompassing 351.16 acres in parcels. The City of Tualatin database was used to determine the land use designation of parcels in the Area. Thirteen of the parcels are classified as non-profit or government uses and are tax exempt. By acreage, Commercial uses account for the most prevalent land use within the Area (53.18%). This was followed by Industrial uses (32.22%). Detailed land use designations in the Area can be seen in Table 3.

Table 3 - Land Use in the Area

Land Use	Parcels	Acreage	Percent of Acreage
Commercial	36	186.74	53.18%
Industrial	7	113.13	32.22%
Exempt	11	35.84	10.20%
Multi-Family	1	10.21	2.91%
Miscellaneous	2	5.24	1.49%
TOTAL:	57	351.16	100%

Source: Compiled by Elaine Howard Consulting, LLC with data from the City of Tualatin

## **2. Comprehensive Plan and Zoning Designations**

In Tualatin, there is a one map system. The most prevalent comprehensive plan designation by acreage in the Area is Manufacturing Park (69.96%). The second most prevalent comprehensive plan designation in the Area is Light Manufacturing (18.51%). Detailed comprehensive plan designations in the Area can be seen in Table 4 – Comprehensive Plan and Zoning Designations in the Area.

Table 4 – Comprehensive Plan and Zoning Designations in the Area

<b>Comprehensive Plan</b>	<b>Parcels</b>	<b>Acreage</b>	<b>Percent of Acreage</b>
Manufacturing Park	24	245.66	69.96%
Light Manufacturing	21	64.99	18.51%
General Manufacturing	10	23.11	6.58%
General Commercial	2	17.40	4.96%
<b>TOTAL:</b>	<b>57</b>	<b>351.16</b>	<b>100%</b>

Source: Compiled by Elaine Howard Consulting, LLC with data from the City of Tualatin

## **B. Infrastructure**

This section identifies the existing conditions in the Area to assist in **establishing blight in the ordinance adopting the Tax Increment Plan.** The blighting condition is the “the existences of inadequate streets and other rights of way, open spaces and utilities” (ORS457.010 (1)(e)).

### **1. Transportation**

The *City of Tualatin Capital Improvement Plan* has identified the Herman Road Extension project as a needed improvement. (CIP p 124)

#### **DESCRIPTION:**

Improve bike lanes, sidewalks, and transit stops along Herman Road between the employment district, neighborhoods, and downtown. Improve safety and mobility for all roadway users along Herman Road where currently, bicycles, pedestrians, automobiles, transit, and trucks share two 12-foot vehicle travel lanes because there are no bike lanes or sidewalks. Add buffered bike lanes and other Active Transportation components where there are existing sidewalks and bike lanes.

#### **PROJECT SCOPE:**

The total project cost includes project development, engineering, environmental permitting, right of way acquisition and construction.

#### **EXISTING CONDITIONS/HISTORY:**

This project will enable pedestrians and bicyclist to travel in a safer environment than they currently do when sharing two 12-foot travel lanes with cars, trucks, and buses. Adding sidewalks and bike lanes where they do not currently exist and providing buffered bikes lanes along the rest of the corridor will provide a safer more comfortable environment.

### **C. Social Conditions**

There is only one lot with residential use in the Area. The area is an employment area for the City of Tualatin providing 7,500 jobs with an average wage of \$98,000.

### **D. Economic Conditions**

#### **1. Building to Land Value Ratio**

An analysis of property values can be used to evaluate the economic condition of real estate investments in a given area. The relationship of a property's improvement value (the value of buildings and other improvements to the property) to its land value is generally an accurate indicator of the condition of real estate investments. This relationship is referred to as the "Improvement to Land Value Ratio," or "I:L." The values used are real market values. In urban renewal areas, the I:L is often used to measure the intensity of development or the extent to which an area has achieved its short- and long-term development objectives.

Table 5 shows the improvement to land ratios (I:L) for properties within the Area. There are 11 parcels listed as Exempt from taxation, so they have no assessed value. No improvement value means there are no taxable structures on the tax lot. Overall, the Area is significantly developed.

Table 5 - Improvement to Land Ratios in the Area

<b>Improvement to Land (I:L) Ratio</b>	<b>Parcels</b>	<b>Acreage</b>	<b>Percent of Acreage</b>
Exempt	11	35.84	10.20
No Improvement Value	11	103.98	29.61
0.01-0.50	4	5.98	1.70
0.51-1.00	2	19.35	5.51
1.01-1.50	3	28.79	8.20
1.51-2.00	2	28.68	8.17
2.01-2.50	4	49.38	14.06
2.51-3.00	1	1.06	0.30
3.01-4.00	6	28.66	8.16
> 4.00	13	49.44	14.08
<b>TOTAL:</b>	<b>57</b>	<b>351.16</b>	<b>100.00</b>

Source: Compiled by Elaine Howard Consulting, LLC with data from the city of Tualatin

***E. Impact on Municipal Services***

There is no fiscal impact of tax increment financing on taxing districts that levy taxes within the Area (affected taxing districts) as the Area is no longer taking division of tax revenues. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

The project being considered for future use of urban renewal funding is a transportation improvement project. The use of fund in the Leveton URA Fund allows the city to add an additional funding source to the City of Tualatin general fund or system development charges funds to allow this projects to be completed.

**XI. REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN**

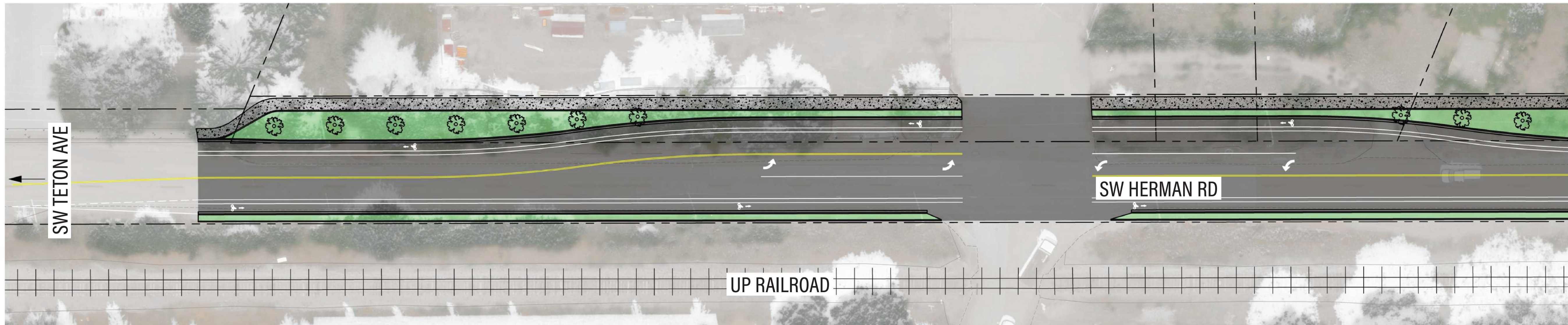
The reason for selecting the Area is to provide the ability to fund projects and programs necessary to cure blight within the Area.

**XII. RELOCATION REPORT**

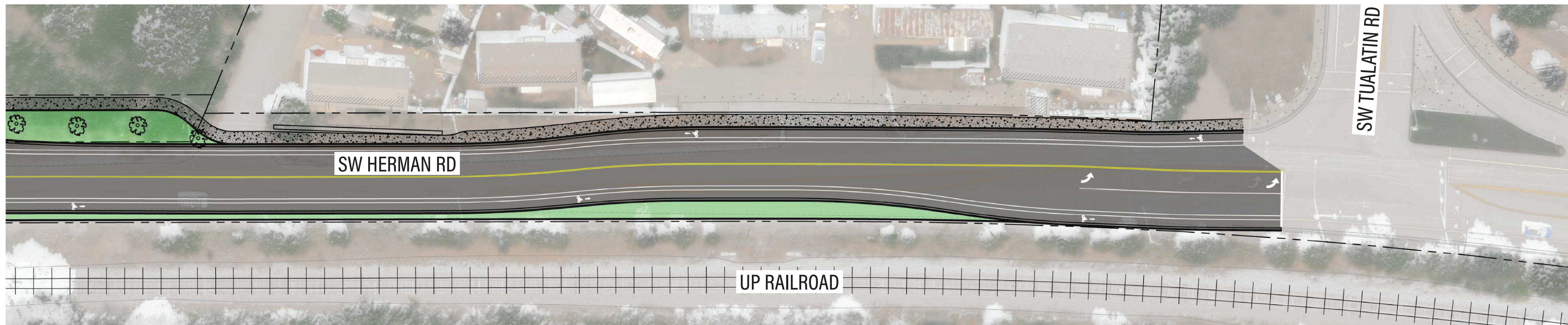
No relocation is expected from the added project in this amendment. If the Agency acquires occupied property under the Plan, residential or commercial occupants of such property shall be offered relocation assistance, as required under applicable state law. Prior to such acquisition, the Agency shall adopt rules and regulations, as necessary, for the administration of relocation assistance. The Agency will comply with all applicable state law in providing these potential benefits.

# HERMAN ROAD IMPROVEMENTS CONCEPT PLAN



4.9.2021

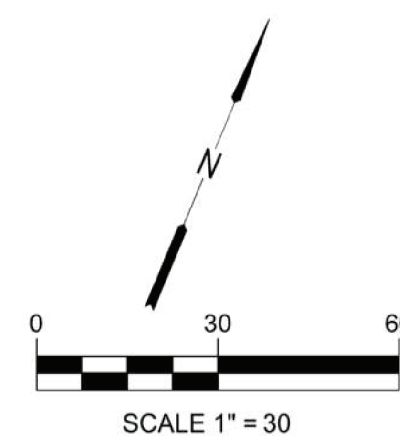


Industrial  
Property Section



Willow Glen  
Mobile Home  
Park Section

LEGEND	
	Landscape/Storm Planter Area
	Sidewalk







*City of Tualatin*

## CITY OF TUALATIN Staff Report

**TO:** Honorable Mayor and Members of the City Council  
**THROUGH:** Sherilyn Lombos, City Manager  
**FROM:** Chris Ragland, Building Official  
**DATE:** 8/9/2021

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**SUBJECT:**

Consideration of **Ordinance 1457-21** Relating to Building Codes; Amending Tualatin Municipal Code 4-1-010 To Adopt State Building Code and Fire Code Updates.

**RECOMMENDATION:**

Staff recommends Council adopt this ordinance amending Tualatin Municipal Code Chapter 4-1-010 to reflect current codes adopted by The State Building Codes Division and The State Fire Marshall's Office.

**EXECUTIVE SUMMARY:**

The City of Tualatin administers a Building Inspection Program delegated by the State Building Codes Division (BCD) through the Department of Consumer and Business Services. This ordinance will adopt the most recent state codes including The Oregon Plumbing Specialty Code, 2021 edition; The Oregon Residential Specialty Code, 2021 edition; The Oregon Energy Efficiency Specialty Code, 2021 edition; The Oregon Fire Code, 2019 edition.

**OUTCOMES OF DECISION:**

The City of Tualatin will be current with most recent adopted State Building Codes.

**FINANCIAL IMPLICATIONS:**

There are no financial implications related to this code adoption.

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**ATTACHMENTS:**

ORDINANCE NO. 1457-21

AN ORDINANCE RELATING TO BUILDING CODES; AMENDING TUALATIN MUNICIPAL CODE 4-1-010 TO ADOPT UPDATES TO THE STATE BUILDING CODES; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Tualatin administers the State Building Codes within the jurisdiction of the City;

WHEREAS, the State of Oregon has updated certain provisions of the State Building Codes; and

WHEREAS, the City of Tualatin wishes to adopt the updated State Building Codes into Tualatin Municipal Code Chapter 4-1.

THE CITY OF TUALATIN ORDAINS AS FOLLOWS:

**Section 1.** TMC 4-1-010 (Standards Applicable to Building) is amended to read as follows:

**TMC 4-1-010 - Standards Applicable to Building.**

(1) The City adopts the following specialty codes, rules, and standards:

(a) The Oregon Structural Specialty Code, 2019 edition, adopted by the State in OAR 918-750-0100 (2019);

(b) The Oregon Mechanical Specialty Code, 2019 edition, adopted by the State in OAR 918-440-0012 (2019);

(c) The Oregon Plumbing Specialty Code, ~~2017~~ 2021 edition, adopted by the State in OAR 918-480-0005 (~~2017~~ 2021);

(d) The Manufactured Dwelling rules adopted by the State in OAR 918-500-510 to 918-500-0595 (2010);

(e) The Manufactured Dwelling and Parks Specialty Code, 2002 edition, adopted by the State in OAR 918-600-0010 (2002), including the April 1, 2005 amendments;

(f) The Recreational Parks and Organizational Camps Administrative Rules, 2011 edition, adopted in OAR 918-650-0000 to 918-650-0085 (2011);

(g) The Oregon Manufactured Dwelling Installation Specialty Code, 2010 edition, adopted by the State in OAR 918-500-510 to 981-500-590 (2010);

(h) The Oregon Residential Specialty Code, ~~2014~~ 2021 edition, adopted by the State in OAR 918-480-0005 (~~2014~~ 2021);

(i) The Oregon Energy Efficiency Specialty Code, ~~2019~~ 2021 edition, adopted by the

State in OAR 918-460-0500 (~~2019~~ 2021); and

(j) The Oregon Fire Code, ~~2014~~ 2019 edition, adopted by the State in OAR 837-040-0140 (~~2014~~ 2019), and as adopted and amended by Tualatin Valley Fire and Rescue District Ordinance No. ~~14-02~~ 20-030.

(2) The provisions in subsection (1) apply to all building and related activities conducted within the City and are in addition to all other applicable provisions of the Tualatin Municipal Code and the Tualatin Development Code.

**Section 2. Severability.** Each section of this ordinance, and any part thereof, is severable. If any part of this ordinance is held invalid by a court of competent jurisdiction, the remainder of this ordinance shall remain in full force and effect.

**Section 3. Emergency.** This Ordinance is necessary for the immediate protection of the public peace, health, safety, and welfare and takes effect immediately upon adoption.

ADOPTED by the City Council this \_\_\_\_ day of \_\_\_\_\_, 2021.

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, and  
Steve Koper, Assistant Community Development Director

**FROM:** Karen Perl Fox, Senior Housing Program Analyst

**DATE:** August 9, 2021

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**SUBJECT:**

Consideration of Resolution No. 5565-21 Adopting Tualatin's Housing Production Strategy and Housing Production Strategy Report

**RECOMMENDATION:**

The Tualatin Planning Commission and City Staff Recommend Adoption of the Housing Production Strategy and Housing Production Strategy Report.

**EXECUTIVE SUMMARY:**

**What is a Housing Production Strategy Report?**

As provided in ORS 197.290(2), a city with a population of more than 10,000 people must develop and adopt a Housing Production Strategy Report (HPS Report) that includes a list of specific actions, including the adoption of measures and policies that the city shall undertake to promote development within the city to address a housing need identified under ORS 197.296 (3) or ORS 197.296(10) for the most recent 20-year period described in the city's Housing Capacity Analysis.

A Housing Production Strategy (HPS) is a 6-year action plan for cities to help address their housing needs. Tualatin's HPS consists of 12 Goals – including supporting affordable rental housing, homeownership, and accessible design standards – based on Tualatin's specific needs. Each Goal has one or more Strategic Actions which have been identified from a list of best practices, and tailored to Tualatin with input from the community and housing providers, to help it achieve the Goal. Each Strategy also has an estimated timetable to study and potentially implement it over the 6 year period.

Below is an overview of some of the key components DLCD requires in the HPS Report:

- 1. Contextualized Housing Need:** A contextualization and incorporation of information from the most recent Housing Capacity Analysis that describes current and future housing needs in the context of population and market trends.
- 2. Engagement:** A HPS Report must include a narrative summary of the process by which the City engaged Consumers of Needed Housing and Producers of Needed Housing, especially with regard to federal protected classes. A city may conduct engagement for a HPS concurrent with other housing planning efforts within the city.
- 3. Strategies to Meet Future Housing Need:** A Housing Production Strategy Report must identify a list of specific actions, measures, and policies needed to address housing needs identified in the

most recent Housing Capacity Analysis. The strategies proposed by a city must collectively address the next 20-year housing need identified within the most recent Housing Capacity Analysis and contextualized within the Report as provided in section (1) - above.

- 4. Achieving Fair and Equitable Housing Outcomes:** A Housing Production Strategy Report must include a narrative summarizing how the selected Housing Production Strategies, in combination with other city actions, will achieve equitable outcomes with regard to the following factors.
- a) Location of Housing:** How the city is striving to meet statewide greenhouse gas emission reduction goals, established under Executive Order No. 20-04, by creating compact, mixed-use neighborhoods available to people part of state and federal protected classes;
  - b) Fair Housing:** How the city is affirmatively furthering fair housing for all state and federal protected classes. Affirmatively furthering fair housing means addressing disproportionate housing needs, patterns of integration and segregation, racially or ethnically concentrated areas of poverty, and disparities in access to housing opportunity;
  - c) Housing Choice:** How the city is facilitating access to housing choice for communities of color, low-income communities, people with disabilities, and other state and federal protected classes. Housing choice includes access to existing or new housing that is located in neighborhoods with high-quality community amenities, schooling, employment and business opportunities, and a healthy and safe environment;
  - d) Housing Options for Residents Experiencing Homelessness:** How the city is advocating for and enabling the provision of housing options for residents experiencing homelessness and how the city is partnering with other organizations to promote services that are needed to create permanent supportive housing and other housing options for residents experiencing homelessness;
  - e) Affordable Homeownership and Affordable Rental Housing:** How the city is supporting and creating opportunities to encourage the production of affordable housing rental housing and the opportunity for wealth creation via homeownership, primarily for state and federal protected classes that have been disproportionately impacted by past housing policies, and
  - f) Gentrification, Displacement, and Housing Stability:** How the city is increasing housing stability for residents and mitigating the impacts of gentrification, as well as the economic and physical displacement of existing residents resulting from investment or redevelopment.

### **Why Adopt a Housing Production Strategy?**

The Council is asked to adopt a Final Housing Production Strategy, which is made up of the Goals and Strategic Actions and other supporting technical information. The Tualatin Planning Commission (TPC) has held four public meetings to help City staff and the project consultant (ECONorthwest) refine the Goals, Strategic Actions and supporting technical information. At their last meeting on this topic on May 6, 2021, the TPC recommended that the Council adopt the HPS.

The HPS is an implementation step of Tualatin 2040 intended to help address Tualatin's housing needs, a priority of both the Council and the community. Tualatin's HPS is based on the housing needs identified in its 2019 Housing Needs Analysis, and is an important next step in helping to meet Tualatin's identified needs in the HNA. Further, Tualatin was awarded a consultant assistance grant from the State Department of Land Conservation and Development (DLCD) by agreeing to create its HPS now. In the future, under Oregon House Bill 2003, cities will be required to regularly update their Housing Needs Analyses and Housing Production Strategies.

### **Project Schedule to date:**

- Kickoff (October 2020)
- Outreach to housing providers (December 2020 – January 2021)
- Planning Commission meeting #1 (December 2020)

- Planning Commission meeting #2 (February 2021)
- Council work session #1 (February 2021)
- Planning Commission meeting #3 (March 2021)
- Planning Commission meeting #4 (May 2021)
- Council work session #2 (May 2021)
- Final HPS report with Council input published (June 2021)
- Council adoption of HPS by resolution (August 2021)

### Implementation Schedule for Strategic Actions

The table below presents a draft schedule for implementation of the Housing Production Strategy. The table shows each of the 12 Goals with the Strategic Actions below. Each Strategic Action will go through a period of evaluation, then potentially adoption, and implementation, further described below as:

- **Evaluation:** All strategic actions will require some level of evaluation prior to implementation, which may range from simple logistics (including information on a website) to complicated coordination between multiple internal and external stakeholders. The evaluation period will occur during the time in the tables shown in a teal color, before adoption.
- **Adoption:** This occurs when the City takes official action to adopt (or uses another official acknowledgement that the City is going to execute on the strategic action). The table shows the expected time of adoption in the time period represented by a teal color and “A” in the table.
- **Implementation:** This occurs when the City officially allows the strategic action to be used, represented by a brown color and “I” in the table.

### HPS Exhibit 1. Schedule for evaluating, adopting, and implementing the strategic actions

Goal and Strategic Actions	On-Going 2021	2022	2023	2024	2025	2026	2027	Beyond 2027
1. Affordable Housing: Strongly prioritize, encourage and support affordable rental housing development to increase affordable housing for households earning 0-60% Median Family Income.								
1.a Evaluate a Low-Income Housing Property Tax Exemption Program for Affordable Rental Housing			A, I					
1.b Evaluate Changes to Systems Development Charges						A	I	
1.c Evaluate Implementation of a Construction Excise Tax (CET)					A	I		
1.d Evaluate Support for Affordable Housing as part of Urban Renewal			A, I					
1.e Evaluate Financial Resources for Local Contributions to Affordable Housing Development						A	I	
1.f Evaluate Buildable or Redevelopable Public and Institutional Land Potentially Suitable for Affordable Housing				A, I				
1.g Evaluate Development Code Changes to Allow and Support Other Affordable Rental Housing Types in Tualatin					A, I			

Goal and Strategic Actions	On-Going 2021	2022	2023	2024	2025	2026	2027	Beyond 2027
1.h Evaluate Municipal Code, Development Code, Public Works Construction Code, and Building Code Processes to make Building Affordable Housing Easier				A, I				
2. Affordable Homeownership: Encourage and support affordable homeownership to create opportunities for wealth creation.								
2.a Evaluate Impediments to Homeownership and their Removal				A	I			
2.b Partner to Encourage Education about Homeownership Opportunities		A	I					
2.c Partner with Organizations that Develop Affordable Ownership Housing			A	I				
2.d Evaluate Development Code to Encourage Diverse Housing Types for Affordable Homeownership				A, I				
3. Preservation of Regulated Affordable Housing: Preserve affordable housing to prevent the loss of existing affordable housing units and to prevent resident displacement.								
3.a Evaluate How to Support Preservation of Regulated Affordable Rental Housing					A	I		
3.b Evaluate Developing a Healthy Housing Initiative for Multifamily Housing				A	I			
4. Preservation of Naturally Occurring Affordable Housing (NOAH): Preserve naturally occurring affordable housing, where possible, to prevent loss of affordable units and to mitigate for resident displacement.								
4.a Evaluate Development of Incentives to Preserve Low-Cost Rentals for Below Market Rate Privately-Owned Rental Housing						A	I	
4.b Evaluate Using the Multiple Unit Property Tax Exemption to Slow Rental Cost Increases						A	I	
5. Housing for Underserved Communities: Implement housing policies, projects, programs, and partnerships to further support racial and social equity.								
5.a Consider Development of a Funding Action Plan to Implement the HPS with Attention to Equity			A	I		U <sup>1</sup>		
5.b Evaluate Impediments to Fair Housing to Create an Analysis of Impediments				A	I			

<sup>1</sup> The Funding Action Plan will likely need to be updated by about 2026.

Goal and Strategic Actions	On-Going 2021	2022	2023	2024	2025	2026	2027	Beyond 2027
5.c Evaluated Ways to Best Ensure Opportunities for Education about Fair Housing are Provided			I					
5.d Evaluated Strategies to Encourage Diverse Housing Types in High Opportunity Neighborhoods				A, I				
6. Workforce Housing: Encourage, plan for, and support the development of workforce housing for households earning 61%-80% Median Family Income, for both owner and renter, in order to increase the jobs-housing balance, reduce commute time and provide attainable housing for workers in Tualatin.								
6.a Evaluate Ways to Incentivize Inclusion of Workforce Housing Units within New Multifamily Rental Development						A	I	
6.b Evaluate Potential Partnerships with Employers on Employer Assisted Housing					I			
6.c Evaluate City Partnership to Participate in a Land Bank				A	I			
7. Housing Stabilization: Prevent and address homelessness to provide for safe living conditions for everyone living in Tualatin.								
7.a Evaluate Opportunities to Partner on a Local Rental and Utility Assistance Program	A							
7.b Evaluate Ways to Develop Housing Options and Services to Address and Prevent Houselessness						A	I	
8. Housing Rehabilitation: Plan for and support housing programs and initiatives that are responsive to the safety and health needs of households earning 0-80% of Median Family Income.								
8.a Evaluate Establishing Local Housing Rehabilitation Program						A	I	
8.b Evaluate the Implementation of a Healthy Housing Initiative for Single-Family Housing				A	I			
9. Accessible Design and Other Specialized Design: Encourage and support Universal Design, Lifelong Housing Certification, and other similar standards.								
9.a Evaluate the Development of Specialized Design Standards and Incentives to Accommodate Special Needs				A	I			
10. Mixed Use Housing and Redevelopment: Encourage and support development of mixed-use, mixed-income and multifamily housing in								



Goal and Strategic Actions	On-Going 2021	2022	2023	2024	2025	2026	2027	Beyond 2027
commercial zones and urban renewal areas for households earning between 0-80% Median Family Income.								
10.a Evaluate Redevelopment Opportunities for the Creation of Mixed-use Development Districts to Support Development of Affordable Housing and Workforce Housing			A I					
10.b Evaluate Opportunities for Conversion of Commercial Buildings to Residential Uses			A I					
10.c Evaluate Opportunities to Rezone Land for Mixed-Use			A I					
10.d Evaluate Establishing Incentives to Support Mixed-Use Development, such as the Vertical Housing Tax Abatement				A I				
11. Regulatory and Zoning Changes: Increase housing development opportunities through regulatory and zoning changes to accommodate a diverse range of housing types and price points to meet the housing needs in Tualatin.								
11.a Evaluate Updating Density Standards for Multifamily Housing in Medium Density, High Density, and Mixed-Use Zones		A I						
11.b Evaluate Opportunities to Rezone Lower Density Residential Land to Zone to Higher Density		A I						
11.c Evaluate the Feasibility of Targeted Reductions to Off-Street Parking Requirements			A I					
11.d Evaluate Updating Code to Allow Small Dwelling Unit Developments					A, I			
11.e Evaluate Adopting an Expedited Permitting Process for Affordable Rental Housing and Affordable Homeownership			A I					
11.f Evaluate Providing Additional Engagement and Information to Developers of Affordable Housing		A I						
12. Transportation and Public Infrastructure: Plan for and develop transportation and public infrastructure to support affordable housing, workforce housing, mixed-use housing, and mixed-income housing.								
12.a Evaluate Ways to Prioritize Capital Improvements Programming for Affordable Housing				A I				

**OUTCOMES OF DECISION:**

Adoption of the HPS and HPS Report will allow the schedule of strategic actions that support the 12 Goals to move forward into the evaluation and implementation stage for each individual strategic action. Adoption of the Housing Production Strategy is a State requirement under ORS 197.290 (2) to address a housing need identified under ORS 197.296 (3) or 197.296 (10) for the most recent 20 year period described in the city's Housing Capacity Analysis (also known as a Housing Need Analysis).

**ALTERNATIVES TO RECOMMENDATION:**

- Deny the proposed HPS/HPS Report
- Propose modification to the HPS Report
- Continue the discussion to a future time

Denying the proposed HPS/HPS report would leave the City open to non-compliance under House Bill 2003 and OAR 660-008 from DLCD.

**FINANCIAL IMPLICATIONS:**

There are no direct financial implications of adoption of the Housing Production Strategy Report. Staff time will be required to evaluate and implement potential strategic actions identified in the plan. In addition, evaluation and adoption of some strategic actions may require engaging outside consultants to provide specific professional expertise. Staff has, on behalf of the City, applied for additional grants from the state Department of Land Conservation and Development (DLCD) to help fund this work.

**ATTACHMENTS:**

- Exhibit 1. Presentation
- Exhibit 2. Resolution No. 5565-21 to Adopt Housing Production Strategy Report
- Exhibit 3. Housing Production Strategy Report



# **Housing Production Strategy Adoption**

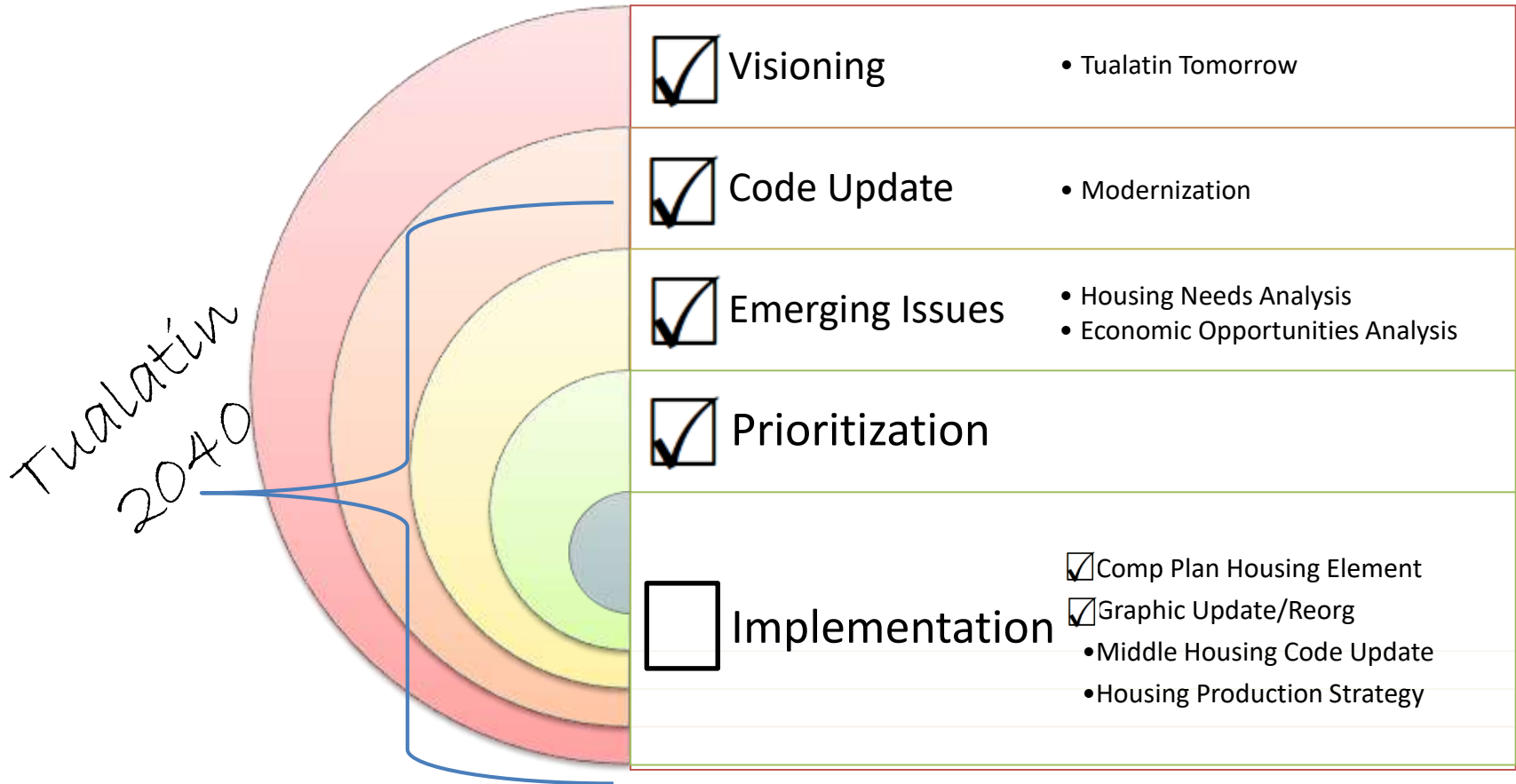
## **City Council Meeting**

August 9, 2021

# Overview

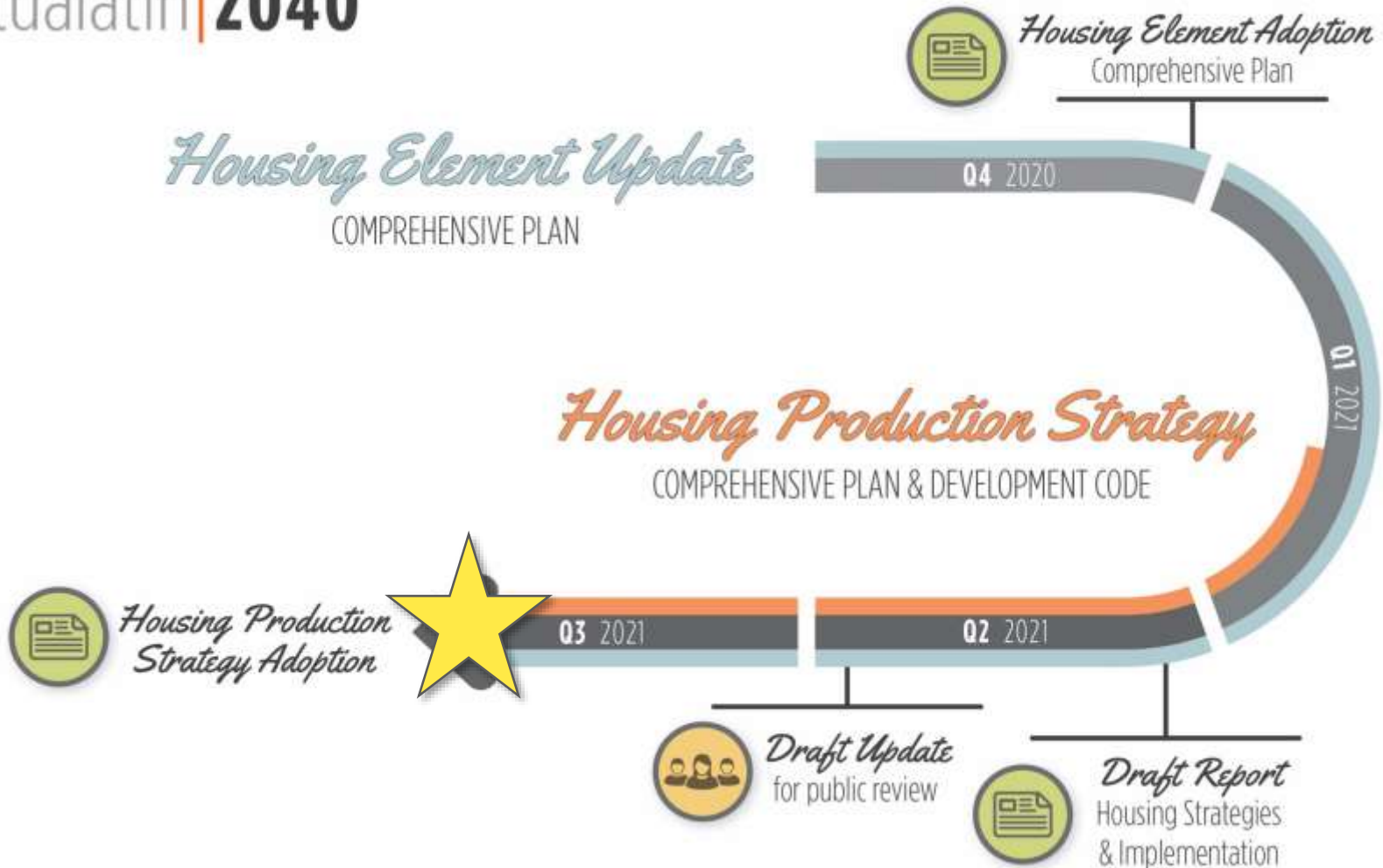
- Where We've Been
- Project Process
- Recap of Housing Bill 2003 and Housing Production Strategy Purpose
- Development and Implementation Process
- Goals and Impact
- Next steps
- Request for Adoption

# Tualatin 2040 Implementation



# Process

tualatin|2040



# What is House Bill 2003?

House Bill 2003 was passed in 2019, to help communities meet the diverse housing needs of Oregonians.

- Cities over 10,000 people required to develop strategies to address those needs based on their most recent housing needs survey (analysis).
- Tualatin adopted its *Housing Needs Analysis* into its Comprehensive Plan in late 2020.
- The draft *Housing Production Strategy* identifies Tualatin's future commitment to implement policies or strategic actions to address its housing needs.

# Process for Developing & Implementing the HPS

- Engagement with community through Tualatin 2040 and housing outreach events
- Four meetings for discussion and input from the Planning Commission to develop the HPS
- Finalize the HPS report and bring it to Council for adoption by resolution



# Goals in the HPS

- **Goal 1. Affordable Housing:** Strongly prioritize, encourage and support affordable rental housing development to increase affordable housing for households earning 0% to 60% of MFI.

Example Actions: (1.a) Evaluate a low-income housing property tax exemption for affordable rental housing, (1.c) Evaluate implementation of a Construction Excise Tax, and (1.d) Evaluate support for affordable housing as a part of Urban Renewal

- **Goal 2. Affordable Homeownership:** Encourage and support affordable homeownership to create opportunities for wealth creation.

Example Actions: (2.a) Evaluate impediments to homeownership and their removal and (2.b) Partner with a nonprofit to promote homeownership education

# Goals in the HPS Cont'd

- **Goal 3: Preservation of Affordable Housing:** Preserve affordable housing to prevent the loss of existing affordable housing units and to prevent resident displacement.

Example Actions: (3.a) Evaluate how to support preservation regulated affordable rental housing and (3.b) Evaluate developing a Healthy Housing Initiative

- **Goal 4. Preservation of Naturally Occurring Affordable Housing (NOAH):** Preserve naturally occurring affordable housing, where possible, to prevent loss of affordable units and to mitigate for resident displacement.

Example Action: (4.b) Evaluate using the Multiple Unit Property Tax Exemption to slow rental cost increases

# Goals in the HPS Cont'd

- **Goal 5. Housing for Underserved Communities:**

Implement housing policies, projects, programs, and partnerships to further support racial and social equity.

Example Actions: (5.a) Consider development of a funding action plan to implement the HPS and (5.c) Evaluate ways to best ensure opportunities for education about Fair Housing issues are provided

- **Goal 6. Workforce Housing:** Encourage, plan for, and support the development of workforce housing for households earning 61%-80% Median Family Income, for both owner and renter, in order to increase the jobs-housing balance, reduce commute time and provide attainable housing for workers in Tualatin.

Example Action: (6.b) Evaluate potential partnerships with employers on employer assisted housing

# Goals in the HPS Cont'd

- **Goal 7. Housing Stabilization:** Prevent and address homelessness to provide for safe living conditions for everyone living in Tualatin.

Example Actions: (7.a) Evaluate opportunities to partner on a rental and utility assistance and (7.b) Evaluate ways to develop housing options and services to address and prevent homelessness

- **Goal 8. Housing Rehabilitation:** Plan for and support housing programs and initiatives that are responsive to the safety and health needs of households earning 0-80% of MFI.

Example Action: (8.a) evaluate establishing a local housing rehabilitation program

# Goals in the HPS Cont'd

- **Goal 9. Accessible and Specialized Design:** Encourage and support Universal Design, Lifelong Housing Certification, and other similar standards.

Example Action: (9.a) Evaluate development of specialized design standards and incentives to accommodate special needs

- **Goal 10. Mixed Use Housing and Redevelopment:** Encourage and support development of mixed-use, mixed-income and multifamily housing in commercial zones and urban renewal areas for households earning between 0-80% MFI

Example Actions: (10.a) Evaluate redevelopment opportunities for creation of mixed-use development districts to support development of affordable and workforce housing and (10.b) Evaluate opportunities for conversion of commercial buildings to residential uses

# Goals in the HPS Cont'd

- **Goal 11. Regulatory and Zoning Changes:** Increase housing development opportunities through regulatory and zoning changes to accommodate a diverse range of housing types and price points to meet the housing needs in Tualatin.

Example Actions: (11.a) Evaluate updating density standards for multifamily housing in Medium Density, High Density, and Mixed-use zones and (11.c) Evaluate the feasibility of targeted reductions to off-street parking requirements

- **Goal 12. Transportation and Public Infrastructure:** Plan for and develop infrastructure to support affordable, workforce, mixed use, and mixed income housing.

Example Action: (12.a) Evaluate ways to prioritize capital improvements for affordable housing

# Impact of Different Strategies

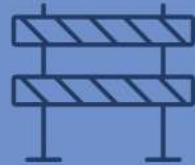
## Types of Strategies to Support Housing Production



**Produce  
Informational  
Resources**



**Partner to  
Leverage  
Efforts and  
Resources**



**Remove  
Regulatory  
Barriers**



**Waive or  
reduce up-  
front or  
on-going  
charges on  
development**



**Allocate  
Funding**



**Land  
Acquisition  
and  
Disposition**

Less Impactful

More Impactful

The degree of impact varies depending on context.

# Next Steps

- Begin to implement the strategic actions based on the six-year schedule in the report
  - On-going interaction with Council
  - City has applied for additional grants to fund future work
- Staff will provide a biennial report to Council on progress
- Staff will update DLCDD and adjust as needed
- Strategies not identified in the report can also be implemented
- DLCDD will not penalize good faith attempt at implementation



# Housing Production Strategy Adoption

- Staff respectfully requests that the City Council adopt Resolution No. 5565-21, which will:
  - Adopt the final Housing Production Strategy Report (Exhibit 1 to the resolution)
  - Direct staff to begin evaluation and implementation of the strategic actions in the report
- Thank you for your support!

RESOLUTION NO. 5565-21

A RESOLUTION ADOPTING THE HOUSING PRODUCTION STRATEGY AND HOUSING PRODUCTION STRATEGY REPORT RELATED TO OREGON HOUSE BILL 2003.

WHEREAS, in 2019, the Oregon Legislature passed House Bill 2003, which requires Oregon's cities with a population of over 10,000 people to study the future housing needs of their residents and to develop strategies that encourage housing production;

WHEREAS, in 2019, as part of the Tualatin 2040 Policy project, the City conducted a Housing Needs Analysis and Economic Opportunities Analysis, along with associated Housing Strategies and Economic Development Strategies;

WHEREAS, in 2019, the City of Tualatin acknowledged and accepted its Housing Needs Analysis as part of the Tualatin 2040 project;

WHEREAS, the City conducted community engagement and input, including a joint advisory group, individual and group stakeholder interviews, open houses and community events, a 16 member community advisory committee, a web presence, an online survey, and Spanish translation of key documents, and a translator at events;

WHEREAS, the City of Tualatin conducted Severely Housing Rent Burdened Events each year as required by the Department of Land Conservation and Development; and

WHEREAS, in 2020, the City of Tualatin was awarded a grant by the Department of Land Conservation and Development to produce a Housing Production Strategy prototype concretized in a *Housing Production Strategy Report* for Tualatin consistent with OAR 660-008 and ORS 197.290(2).

NOW THEREFORE, be it resolved by the City Council of the City of Tualatin, Oregon, that:

**Section 1.** The Council adopts the *Housing Production Strategy* and the *Housing Production Strategy Report* as part of Tualatin 2040 Implementation, which is attached as Exhibit 1 and incorporated by reference.

**Section 2.** The Council directs staff to begin the implementation of the *Housing Production Strategy* as described in the *Housing Production Strategy Report* adopted by this resolution.

**Section 3.** Nothing in this resolution is or shall be construed as a final decision by the Council that concerns the adoption, amendment or application of statewide planning goals, a Comprehensive plan provision, or land use regulation.

**Section 4.** This resolution is effective upon adoption.

INTRODUCED AND ADOPTED by the City Council this \_\_\_\_day of \_\_\_\_\_, 2021.

CITY OF TUALATIN, OREGON

BY \_\_\_\_\_  
Mayor

APPROVED AS TO FORM

ATTEST:

BY \_\_\_\_\_  
City Attorney

BY \_\_\_\_\_  
City Recorder

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# Tualatin

## Housing Production Strategy

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June 2021

Prepared for: City of Tualatin

Final Draft Report

**ECONorthwest**

ECONOMICS • FINANCE • PLANNING

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Portland, OR 97201  
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# Acknowledgements

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ECONorthwest prepared this report for the City of Tualatin. ECONorthwest and the City of Tualatin thank those who helped develop the Tualatin Housing Production Strategy. This project is funded by Oregon general fund dollars through the Department of Land Conservation and Development. The contents of this document do not necessarily reflect the views or policies of the State of Oregon.

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# Executive Summary

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This report presents a housing production strategy (HPS) for the City of Tualatin. A housing production strategy is intended to include goals and strategic actions to work together to achieve equitable outcomes for all residents of Tualatin, with an emphasis on improving outcomes for underserved communities, people with lower incomes, and people in state and federal protected classes.<sup>1</sup> This report is intended to meet the requirements of OAR 660-008, as described within the report.

The HPS is intended to address the housing needs identified in the *Tualatin Housing Needs Analysis* (HNA) in 2019, which concluded that Tualatin has very limited land to accommodate future housing growth and that housing needs are changing as a result of demographic changes and need for affordable housing. Specifically, the HNA concluded:

- **Tualatin is forecasted to increase its housing by about 1,014 new dwelling units between 2020 and 2040.**
- **Changes in demographic characteristics will drive need for new housing.** The HNA forecast that Tualatin would need more attached and multifamily housing in the future than the current housing stock provides. The factors driving the shift in types of housing needed in Tualatin include changes in demographics, such as growing senior populations, and the household formation of young adults.

**Tualatin has an existing deficit of housing that is affordable to low and moderate-income households and is likely to have similar future deficits.** Tualatin's existing deficit of housing to meet the needs of extremely low to low-income households indicates a need for subsidized affordable housing for renters and affordable homeownership. Moderate income households may benefit from a wider range of housing types, but housing types alone do not necessarily bring the cost down for renters or homeowners. Without the types of solutions proposed in this report, lack of affordability will continue to be a problem and will possibly grow, in the future, if incomes continue to grow at a slower rate than housing costs.

- **Tualatin has a limited amount of vacant, unconstrained buildable residential land, particularly for higher-density multifamily housing.** Tualatin has about 244 acres of vacant, unconstrained buildable land. About 64% of vacant land is in Low Density Residential, 29% is in Medium Low Density Residential, and 8% of land in areas that allow higher-density multifamily housing such as Medium High Density, High Density, High Density High-Rise, and commercial area.

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<sup>1</sup> Federal protected classes include race, color, national origin, gender, familial status, and disability. Oregon's additional protected classes include marital status, source of income, sexual orientation, and status as a domestic violence survivor. Under Fair Housing laws, it is illegal to deny access to housing based on the characteristics of people within these protected classes.

- **Tualatin cannot accommodate all of its housing needs on existing vacant land.** Tualatin has a land deficit of seven acres and four acres in the Medium High Density and High Density High Rise Plan Designations, of 7 acres and 4 acres respectively.

The HPS is intended to establish a framework for the evaluation and potential development of policies and strategic actions that address the housing needs described above over a six-year period. Key findings of the HPS are that Tualatin needs:

- **Increased housing diversity.** Nearly two-thirds of Tualatin’s housing stock is single-family detached housing. The City’s demographic and socioeconomic characteristics suggest a need for a wide variety of housing types to meet the needs of a growing and diverse pool of existing and future residents.
- **Greater housing affordability and availability for homeowners.** Tualatin’s homeownership stayed static from 2000 to 2017 at about 55%, however, it was lower than Washington County’s (61%) and the Portland Region’s (60%) homeownership rate. These statistics highlight a potential need for greater homeownership opportunities as homeownership continues to be one of the most effective (and primary ways) for households and individuals to build wealth.
- **Greater housing affordability and availability for renters.** Competition for lower-priced affordable units in Tualatin is strong and many cannot afford these rents or housing sales prices without cost burdening themselves. In the 2013-2017 period, about 56% of Tualatin’s renters were cost burdened, with 26% severely cost burdened.<sup>2</sup> Renters, especially those with lower incomes, are at risk of being displaced through increases in rental costs.
- **Increased income-restricted regulated, emergency, and supportive housing.** Tualatin has about 604 rent-restricted affordable housing units (accounting for about 5% of Tualatin’s housing stock) but has about 1,753 households experiencing severe housing cost burden in the city. Washington County has about 530 people experiencing homelessness, about 300 of whom are unsheltered. About 44 people experiencing homelessness are estimated to live in the Tualatin and Tigard area.
- **Need for housing for people to live and work in Tualatin.** Tualatin’s Economic Opportunities Analysis report (December 2019) reported that 93% of people working in Tualatin lived in another community (such as Portland, Tigard, Beaverton, or Hillsboro) and commuted into Tualatin each day. Some people who work in Tualatin can afford rent or homeownership in Tualatin, but some would be cost burdened in Tualatin.

This analysis finds disproportionate housing needs for seniors, people of color, people with one or more disabilities, and people experiencing homelessness. Washington County’s Consolidated

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<sup>2</sup> A household is said to be cost burdened if they spend 30% or more of their gross income on housing costs. A household is said to be severely cost burdened if they spend 50% or more of their gross income on housing costs.

Plan identifies all of these groups as a priority with special housing needs. The following groups have greater-than-average housing needs:

- **Seniors.** People 65 years of age and older are disproportionately cost burdened compared to the average household—many living on fixed incomes in a region with increasing housing costs. Over the next twenty years, people over 65 years are expected to be the fastest-growing age group. As this group grows, Tualatin will need more housing that is affordable, physically accessible, and in proximity to needed services (such as nearby health care or in-home assistance). Seniors will also need improved access to housing without discrimination, especially seniors of color.
- **People of color.** About 25% of Tualatin’s population identified as a person of color, who are more likely to be cost burdened when compared to the average household. Broadly, the housing needs for many people of color in Tualatin include improved access to affordable housing units, assistance to avoid displacement, access to housing in locations with “high opportunity” (such as areas near jobs, transit, or services), and access to housing without discrimination.
- **People with disabilities.** Across the Portland Region, people with one or more disabilities experience disproportionate cost burden. Housing needs of people with one or more disabilities vary by type of disability. But in general, housing needs include improved access to an affordable unit, improved physical access to housing units, access to housing with needed services, and access to housing without discrimination.
- **People experiencing homelessness.** People experiencing homelessness are disproportionately affected by the lack of affordable housing. Housing needs for people experiencing homelessness vary by reason for homelessness. In Washington County, the primary reason cited for experiencing homelessness was inability to afford housing. The broad housing needs for this group include the need for immediate assistance (e.g., rent support), permanent supportive housing (with services), and improved access to an affordable unit.

## Summary of Goals and Strategic Actions

The HPS presents goals and strategic actions to address the housing needs described above. Implementation of the HPS is expected to occur over a six-year period. Each strategic action will require further consideration, such as additional analysis, engagement of consultants, changes to existing standards or programs, discussions with decision makers, or public hearings. The City may be unable to or not chose to implement some strategic actions because of new information that arises from a detailed evaluation of the specifics of each strategic action. In that case, the City may identify a different action (or actions) to meet the specific housing need addressed by the strategic action.

Exhibit 1 presents a summary of the goals and strategic actions and includes the following information:

- **Goal or strategic action.** This is either the text of the goal or a short summary of the strategic action. Chapter 3 of the report presents additional information about each goal and a description of each strategic action.
- **Incomes of populations served by each strategic action.** Income is based on Median Family Income (MFI) as defined by the US Department of Housing and Urban Services (HUD) for Washington County. The example below is for a family of four people. The HUD terms used to describe housing by income group are:
  - Extremely Low Income: Less than 30% MFI, \$28,000 or less for a family of four
  - Very Low Income: 31% to 50% of MFI, \$28,000 to \$46,000 for a family of four
  - Low Income: 51% to 80% of MFI, \$46,000 to \$74,000 for a family of four
  - Moderate Income: 81% to 120% of MFI, \$74,000 to \$110,000 for a family of four
  - High Income: 121% of MFI or more, \$110,000 or more for a family of four
- **Potential magnitude of the action for producing new housing.** This is an estimate of the amount of new housing that may be produced over the six-year period as a result of each strategic action. The magnitudes of impact are:
  - A **low** magnitude is anticipated production of 1% or less of the needed new units (1,014 units) or about 10 dwelling units over the six-year period. A low magnitude does not mean a strategic action is unimportant. Some strategic actions are necessary but not sufficient to produce new housing.
  - A **moderate** magnitude is anticipated production of 1% to 5% of the needed new units (1,014 units) or about 10 to 50 dwelling units over the six-year period.
  - A **high** magnitude is anticipated production of 5% or more of the needed new units (1,014 units) or 50 or more dwelling units over the six-year period.
- **Expected year of adoption.** The HPS will be implemented over a six-year period. Each strategic action will be evaluated, and if the City chooses to implement it, then it would be adopted or would have some other official acknowledgement that the City is going to execute the strategic action.

Exhibit 1. Summary of Goals and Strategic Actions

Goal and Strategic Actions	Income Levels Served (MFI)	Magnitude of Impact	Expected Year of Adoption
<b>1. Affordable Housing: Strongly prioritize, encourage, and support affordable rental housing development to increase affordable housing for households earning 0-60% Median Family Income.</b>			
1.a Evaluate a Low-Income Housing Property Tax Exemption Program for Affordable Rental Housing	0-60%	Moderate	2023
1.b Evaluate Changes to Systems Development Charges	0-80%	Low	2026
1.c Evaluate Implementation of a Construction Excise Tax (CET)	Mostly 0-60% Possibly 61-80%	Moderate	2025
1.d Evaluate Support for Affordable and Workforce Rental Housing as part of Urban Renewal	0-80%	Moderate to large	2022
1.e Evaluate Financial Resources for Local Contributions to Affordable Housing Development	0-60%	Moderate	2026
1.f Evaluate Buildable or Redevelopable Public and Institutional Land Potentially Suitable for Affordable Housing	0-60%	Moderate	2023
1.g Evaluate Development Code Changes to Allow and Support Other Affordable Rental Housing Types in Tualatin	0-80%	Indirect, low	2024
1.h Evaluate Municipal Code, Development Code, Public Works Construction Code, and Building Code Processes to Make Building Affordable Housing Easier	0-60%	Low	2024
<b>2. Affordable Homeownership: Encourage and support affordable homeownership to create opportunities for wealth creation.</b>			
2.a Evaluate Impediments to Homeownership and Their Removal	0-120%	Indirect, low	2024
2.b Partner to Encourage Education about Homeownership Opportunities	0-120%	Low to moderate	2022
2.c Partner with Organizations that Develop Affordable Ownership Housing	0-80%	Low to moderate	2023
2.d Evaluate Development Code to Encourage Diverse Housing Types for Affordable Homeownership	0-120%	Indirect, low	2024
<b>3. Preservation of Regulated Affordable Housing: Preserve affordable housing to prevent the loss of existing affordable housing units and to prevent resident displacement.</b>			
3.a Evaluate How to Support Preservation of Regulated Affordable Rental Housing	0-60%	Moderate	2025
3.b Evaluate Developing a Healthy Housing Initiative for Multifamily Housing	0-80%	Moderate to large	2024

Goal and Strategic Actions	Income Levels Served (MFI)	Magnitude of Impact	Expected Year of Adoption
4. Preservation of Naturally Occurring Affordable Housing (NOAH): Preserve naturally occurring affordable housing, where possible, to prevent loss of affordable units and to mitigate resident displacement.			
4.a Evaluate Development of Incentives to Preserve Low-Cost Rentals for Below-Market-Rate Privately Owned Rental Housing	0-80%	Moderate	2026
4.b Evaluate Using the Multiple Unit Property Tax Exemption to Slow Rental Cost Increases	0-80%	Moderate	2026
5. Housing for Underserved Communities: Implement housing policies, projects, programs, and partnerships to further support racial and social equity.			
5.a Consider Development of a Funding Action Plan to Implement the HPS with Attention to Equity	Emphasis on 120% and below	Indirect, large	2023
5.b Evaluate Impediments to Fair Housing to Create an Analysis of Impediments	All income groups	Moderate	2024
5.c Evaluate Ways to Best Ensure Opportunities for Education about Fair Housing Are Provided	All income groups	Moderate	No adoption needed
5.d Evaluate Strategies to Encourage Diverse Housing Types in High-Opportunity Neighborhoods	0-80%	Moderate	2024
6. Workforce Housing: Encourage, plan for, and support the development of workforce housing for households earning 61-80% Median Family Income for both owner and renter, in order to increase the jobs-housing balance, reduce commute time, and provide attainable housing for workers in Tualatin.			
6.a Evaluate Ways to Incentivize Inclusion of Workforce Housing Units within New Multifamily Rental Development	61-80%	Moderate	2026
6.b Evaluate Potential Partnerships with Employers on Employer-Assisted Housing	Less than 120%	Low to moderate	No adoption needed
6.c Evaluate City Partnership to Participate in a Land Bank	0-80%	Low to moderate	2024
7. Housing Stabilization: Prevent and address homelessness to provide safe living conditions for everyone living in Tualatin.			
7.a Evaluate Opportunities to Partner on a Local Rental and Utility Assistance Program	0-80%	Moderate	No adoption needed
7.b Evaluate Ways to Develop Housing Options and Services to Address and Prevent Houselessness	0-30%	Moderate	2026
8. Housing Rehabilitation: Plan for and support housing programs and initiatives that are responsive to the safety and health needs of households earning 0-80% of Median Family Income.			

Goal and Strategic Actions	Income Levels Served (MFI)	Magnitude of Impact	Expected Year of Adoption
8.a Evaluate Establishing Local Housing Rehabilitation Program	0-80%	Low to moderate	2026
8.b Evaluate the Implementation of a Healthy Housing Initiative for Single-Family Housing	0-80%	Moderate to large	2024
9. Accessible Design and Other Specialized Design: Encourage and support Universal Design, Lifelong Housing Certification, and other similar standards.			
9.a Evaluate the Development of Specialized Design Standards and Incentives to Accommodate Special Needs	For Standards: All income groups For Incentives: income qualifying level TBD.	Low	2024
10. Mixed-Use Housing and Redevelopment: Encourage and support development of mixed-use, mixed-income, and multifamily housing in commercial zones and urban renewal areas for households earning 0-80% Median Family Income.			
10.a Evaluate Redevelopment Opportunities for the Creation of Mixed-Use Development Districts to Support Development of Affordable Housing and Workforce Housing	0-80%	Large	2022
10.b Evaluate Opportunities for Conversion of Commercial Buildings to Residential Uses	0-80%	Low to moderate	2023
10.c Evaluate Opportunities to Rezone Land for Mixed-Use	All income groups	Large	2022
10.d Evaluate Establishing Incentives to Support Mixed-Use Development, such as the Vertical Housing Tax Abatement	Typically, over 80% unless affordable housing	Moderate	2023
11. Regulatory and Zoning Changes: Increase housing development opportunities through regulatory and zoning changes to accommodate a diverse range of housing types and price points to meet the housing needs in Tualatin.			
11.a Evaluate Updating Density Standards for Multifamily Housing in Medium-Density, High-Density, and Mixed-Use Zones	All income groups	Large	2022



Goal and Strategic Actions	Income Levels Served (MFI)	Magnitude of Impact	Expected Year of Adoption
11.b Evaluate Opportunities to Rezone Lower-Density Residential Land to Higher Density	All income groups	Moderate to large	2022
11.c Evaluate the Feasibility of Targeted Reductions to Off-Street Parking Requirements	All income levels	Moderate	2022
11.d Evaluate Updating Code to Allow Small Dwelling Unit Developments	Less than 100%	Low	2024
11.e Evaluate Adopting an Expedited Permitting Process for Affordable Rental Housing and Affordable Homeownership	0-80%	Low to moderate	2023
11.f Evaluate Providing Additional Engagement and Information to Developers of Affordable Housing	0-60%	Low to moderate	2022
12. Transportation and Public Infrastructure: Plan for and develop transportation and public infrastructure to support affordable housing, workforce housing, mixed-use housing, and mixed-income housing.			
12.a Evaluate Ways to Prioritize Capital Improvements Programming for Affordable and Workforce Housing	0-80%	Moderate	2023

# 1. Introduction

---

A Housing Production Strategy is intended to include goals and strategic actions to work together to achieve equitable outcomes for all residents of Tualatin, with an emphasis on improving outcomes for underserved communities, people with lower incomes, and people in state and federal protected classes. Fair housing law is intended to provide access to housing choice for everyone, free from discrimination. Federal protected classes are: race, color, national origin, gender, familial status, and disability. Oregon's additional protected classes are: marital status, source of income, sexual orientation, and status as a domestic violence survivor. Under Fair Housing laws, it is illegal to deny access to housing based on the characteristics of people within these protected classes.

The Tualatin Housing Production Strategy presents information about Tualatin's housing needs (including the housing needs of people disproportionately affected by insufficient access to affordable housing) and presents goals and strategic actions to address these housing needs. This report is intended to meet the requirements of OAR 660-008, which are presented below.

## Background

Tualatin is a city with a unique role and location within the Portland Region. The city is located at the southern portion of the region, along Interstate 5 and very near the intersection of Interstate 5 and Interstate 205. Tualatin had about 27,200 residents in 2020 and approximately 40,500 employees at businesses located in Tualatin.<sup>3</sup> Commuting is common in the Portland Region and in Tualatin. In Tualatin, approximately 93% of working people commute out and 7% of working people who live in Tualatin also work in Tualatin.<sup>4</sup>

Tualatin completed the Tualatin Housing Needs Analysis (HNA) in 2019, which concluded that Tualatin has very limited land to accommodate future housing growth and that housing needs are changing as a result of demographic changes and the need for affordable housing.<sup>5</sup> Specifically, the analysis concluded:

- **Tualatin is forecasted to increase its housing by about 1,014 new dwelling units between 2020 and 2040.** This is anticipated to occur within the city limits (571 new households) and in the Basalt Creek Area (443 new households).

---

<sup>3</sup> The population estimate from the Portland State University Population Research Center Annual Population Estimate. The employment estimate is based on the Tualatin Economic Opportunities Analysis report.

<sup>4</sup> US Census Bureau, Census On the Map, 2015

<sup>5</sup> Throughout this report, we use information from the Tualatin Housing Needs Analysis report, which is largely based on information from the 2013-2017 US Census Bureau American Community Survey. We updated data about housing sales costs and rents, as they have changed meaningfully since completion of the Housing Needs Analysis. This report does not incorporate data specifically about the impacts of the COVID-19 pandemic on housing affordability because newer information is unavailable on a city level. It is reasonable to assume that, since completion of the HNA, more households are struggling to afford housing.

- **Changes in demographic characteristics will drive the need for new housing.** The HNA forecast that Tualatin would need more attached and multifamily housing in the future than the current housing stock provides. The HNA forecast that 40% of new housing would be single-family detached, 15% single-family attached, and 45% multifamily. The factors driving the shift in types of housing needed in Tualatin include changes in demographics. The aging of senior populations and the household formation of young adults will drive demand for renter and owner-occupied housing, such as small single-family detached housing, town houses, duplexes, and apartments/condominiums. Both groups may prefer housing in walkable neighborhoods with access to services.
- **Tualatin has an existing deficit of housing that is affordable to low and moderate-income households and is likely to have similar future deficits.** Tualatin’s existing deficit of housing to meet the needs of extremely low to low-income households indicates a need for subsidized affordable housing for renters and affordable homeownership. Moderate income households may benefit from a wider range of housing types, but housing types alone do not necessarily bring the cost down for renters or homeowners. As of 2017, about 37% of Tualatin’s households were cost burdened,<sup>6</sup> including a cost-burden rate of 56% for renter households. As the Tualatin HNA was completed prior to the occurrence of the Covid-19 pandemic in 2020-2021, and the data in this report is based largely on that HNA, it does not include cost-burden data for that more recent period. It is reasonable to assume that, since completion of the HNA, more households are struggling to afford housing.

Exhibit 2 shows that 31% of Tualatin’s households had incomes less than 50% of MFI (\$41,000) and cannot afford a two-bedroom apartment at Washington County’s Fair Market Rent (FMR) of \$1,330 in 2018.

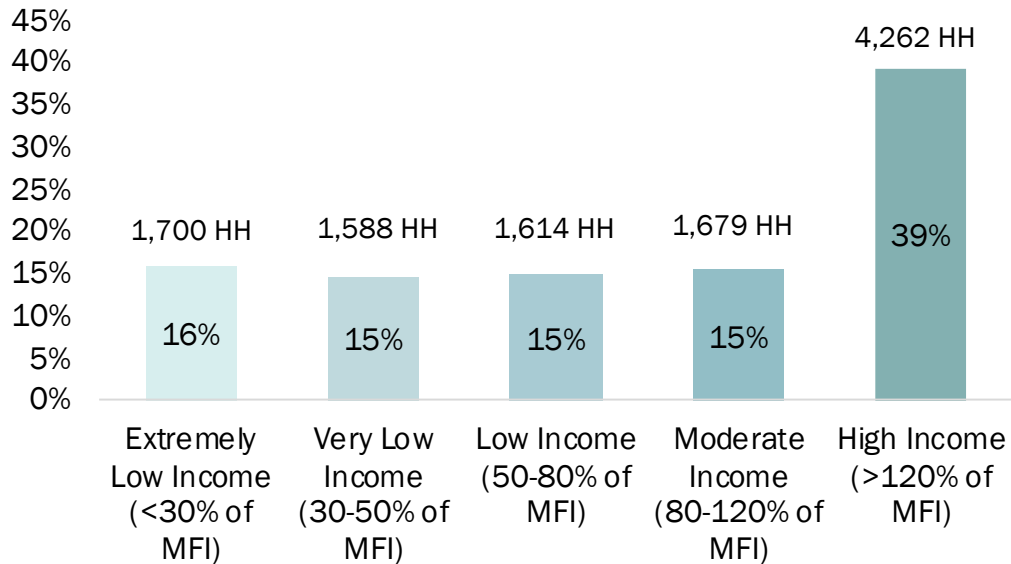
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<sup>6</sup> A household is considered cost burdened if they pay 30% or more of their gross income on housing costs, such as rent, selected utilities like electricity and heating, and mortgage/interest/insurance. A household is severely cost burdened if they spend 50% or more of their gross income on housing costs

**Exhibit 2 Share of Households, by Median Family Income (MFI) for Washington County (\$81,400), Tualatin, 2018**

Source: US Department of Housing and Urban Development, Washington County, 2018. US Census Bureau, 2013-2017 ACS Table 19001.

Note: Exhibit 2 was based on information from Tualatin’s Housing Needs Analysis, with corrections (to fix errors) to the number of existing dwelling units in each income category.



Without the types of solutions proposed in Chapter 3 of this report, lack of affordability will continue to be a problem and will possibly grow in the future if incomes continue to grow at a slower rate than housing costs. Under the current conditions, 307 of the forecasted new households will have incomes of \$40,700 (in 2018 dollars) or less (50% of MFI income or less). These households cannot afford market-rate housing and have the largest unmet housing need. Another 151 new households will have incomes between \$40,700 and \$65,120 (51% to 80% of MFI). All tiers of low-income households need access to subsidized affordable housing or stable below-market-rate housing to be able to afford housing.

- Tualatin has a limited amount of vacant, unconstrained buildable residential land, particularly for higher-density multifamily housing.** Tualatin has about 244 acres of buildable, unconstrained vacant land. About 64% of vacant land is in Low Density Residential and 29% is in Medium Low Density Residential, both of which allow single-family detached housing and will allow multifamily housing types (such as duplexes, triplexes, quadplexes, and town houses) when the City implements HB 2001. This leaves a very small amount of land (about 19 acres) in areas that allow higher-density multifamily housing such as Medium High Density, High Density, High Density High-Rise, and commercial area.
- Tualatin cannot accommodate all of its housing needs on existing vacant land.** Tualatin has a deficit of land in the Medium High Density and High Density High Rise Plan Designations, of 7 acres and 4 acres respectively. The deficits may be addressed in multiple ways, such as by re-zoning land, increasing densities allowed in Plan

Designations with deficits, or by accommodating housing in Plan Designations with surpluses. These options are included in the strategic actions in this report.

## Housing Production Strategy Purpose

The Housing Production Strategy is intended to establish a framework for the evaluation and potential development of policies and strategic actions that address Tualatin’s housing needs. Throughout this report, we discuss housing income based on Median Family Income (MFI) as defined by the US Department of Housing and Urban Services (HUD) for Washington County. The example below is for a family of four people. The information used in this report is generally from the Tualatin HNA, which presents data current as of 2018.<sup>7</sup> The information about Median Family Income below (and throughout the report) use the 2020 MFI for Washington County (\$92,000). The HUD terms used to describe housing by income group are:<sup>8</sup>

- Extremely-Low Income: Less than 30% MFI or \$28,000 or less for a family of four
- Very-Low Income: 31% to 50% of MFI or \$28,000 to \$46,000 for a family of four
- Low Income: 51% to 80% of MFI or \$46,000 to \$74,000 for a family of four
- Moderate Income: 81% to 120% of MFI or \$74,000 to \$110,000 for a family of four
- High Income: 121% of MFI or more \$110,000 or more for a family of four

Throughout this report, the term “workforce housing” is used. In this report, it generally refers to housing affordable at 61% to 80% of MFI.

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<sup>7</sup> The date ranges for data vary, with much of the information from the HNA from the U.S. Census 2013-2017 period. In some cases, the report presents data from the 2000 or 2010 Decennial Census to provide historical context. In some cases the report uses more updated data for things like housing sales prices, rents, median family income, people experiencing homelessness, and other subjects.

<sup>8</sup> The actual income limits on specific affordable housing programs, such as LIHTC or CDBG HOME, vary by program. As the City implements the strategic actions presented in this report, the City will need to understand the income limitations of different programs.

## Requirements of a Housing Production Strategy

OAR 660-008 describes the requirements of a Housing Production Strategy (HPS) in sections 660-008-0050 through 660-008-0070. This section briefly describes these requirements and review by staff with the Department of Land Conservation and Development (DLCD).

The HPS is required to include the following information. We have noted what chapter this information is included in this report:

- **Contextualized Housing Need and Engagement** (Chapter 2 in this report) should provide information about the socioeconomic and demographic trends of households in Tualatin, the policies the City has adopted to meet housing needs, and a summary of engagement the City has had with stakeholders about housing needs.
- **Strategies to Meet Future Housing Need** (Chapter 3 in this report) identifies specific actions, measures, and policies needed to address housing needs identified in Tualatin's HNA report.
- **Achieving Fair and Equitable Housing Outcomes** (Chapter 4 in this report) evaluates the entire list of strategies to achieve equitable outcomes. The valuation considers factors such as location of housing, affirmatively furthering Fair Housing, facilitating housing choice, identifying housing options for residents experiencing homelessness, supporting development of affordable housing, and increasing housing stability.

The City is required to submit the HPS to DLCD after its adoption by the City Council. Then the City is required to monitor progress on implementation of the HPS and progress on production of housing related to the policies and strategic actions in this report. Linking housing development directly to implementation of the strategic actions in this report may be challenging and difficult to quantify. But City staff will be able to report changes in building activity that occurs before and after implementation of specific strategic actions and will be able to provide qualitative feedback on implementation of strategic actions based on development of partnerships and discussions with stakeholders.

Tualatin will be required to submit a report to DLCD three years after the City adopts the HPS, which includes:

- A **summary** of the strategic actions taken by that time. For strategic actions not adopted on the schedule in the HPS, the City must provide an explanation of the circumstances that posed a barrier to implementation and a plan for addressing the need identified in the strategy.
- An **evaluation** of the efficacy of the strategic actions that the City has implemented for meeting the needs in the HNA and whether the strategic actions are moving the City to achieve more fair and equitable housing outcomes.

Implementation of the HPS will take time because each strategic action will require further consideration, such as additional analysis, engagement of consultants, changes to existing

standards or programs, discussions with decision-makers, or public hearings. The City may be unable to or chose not to implement some strategic actions because of new information that arises from a detailed evaluation of the specifics of each strategic action.

If the City is unable to or chooses not to implement a strategic action within 90 days of the timeline proposed in the HPS, the City must notify DLCD about the action(s) that the City is taking to address this issue. The City may propose an alternative schedule for implementing the strategic action or may identify a different action (or actions) to meet the specific housing need addressed by this strategic action.

## Structure of the Report

This report is organized as follows:

- **Chapter 2. Contextualizing Housing Need** summarizes the findings about housing need in Tualatin, with a focus on housing need at varying income levels and housing needs of specific groups of people
- **Chapter 3. Strategies to Meet Future Housing Need** presents the proposed goals and strategic actions to meet the housing need described in Chapter 2.
- **Chapter 4. Evaluation of the Housing Production Strategy for Achieving Fair and Equitable Housing Outcomes** presents an evaluation of the HPS through considerations of the location of housing, Fair Housing, housing choice, and other factors.
- **Appendix A. Contextualizing Tualatin's Housing Needs** presents the data and analysis necessary to understand Tualatin's housing needs in more detail.

## 2. The Need for Housing in Tualatin

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### Introduction

The Tualatin Housing Needs Analysis (HNA) describes the housing needs of current and future residents of Tualatin based on demographic and socioeconomic characteristics, such as age and income. It does not provide detailed data about housing needs for other demographic characteristics, such as race, ethnicity, people with one or more disabilities, or people experiencing homelessness.<sup>9</sup>

This chapter provides additional information about the housing needs by income, age, race, ethnicity, disability and for people experiencing homelessness. It uses standard sources of information from the U.S. Census. It adds information from other sources, such as Oregon’s Housing and Community Services Department, the United States Department of Housing and Urban Development, RLIS, Redfin, Costar, the City of Tualatin, and the Washington County Consortia 2020-2024 Consolidated Plan.

This chapter presents a description of the housing needs that the Housing Production Strategy is intended to address, as well as existing policies to address Tualatin’s housing needs. It ends with a summary of the existing and expected barriers to development of needed housing.

### Summary of Tualatin’s Housing Needs

Appendix A provides detailed information about housing needs in Tualatin. Appendix A includes discussion of housing need related to demographics and socioeconomic characteristics of people in Tualatin, housing market conditions and trends, housing affordability, and information about outreach and engagement by City staff. This section summarizes these housing needs briefly. For more details about housing needs and the sources of information for this analysis, please refer to Appendix A.

- **Increased housing diversity.** Nearly two-thirds of Tualatin’s housing stock is single-family detached housing. Tualatin is a relatively young and ethnically diverse city. While Tualatin comprises many families with and without children, the senior population across the region is growing. Tualatin serves as an important employment hub in the Portland Metro area, drawing workers from across the region. The City’s demographic and socioeconomic characteristics suggest a need for a wide variety of housing types to meet the needs of a growing and diverse pool of existing and future residents. Feedback from stakeholders (in Appendix A) indicated that they think Tualatin needs to allow a wider range of housing types, such as more town homes,

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<sup>9</sup> Inclusion of detailed information about housing needs for other demographic characteristics—such as race, ethnicity, people with disabilities, or people experiencing homelessness—was not a requirement of the HNA when the Tualatin HNA was completed. This information is required by the HPS, so it has been included in this report.



mixed-use development, duplexes, triplexes, cottage clusters, multigenerational housing, accessory dwelling units, and high-rise apartments (structures that are six to eight stories in height).

- **Greater housing affordability and availability for homeowners.** Tualatin's homeownership stayed static from 2000 to 2017 at about 55%, however, it was lower than Washington County's (61%) and the Portland Region's (60%) homeownership rates. These statistics highlight a potential need for greater homeownership opportunities as homeownership continues to be one of the most effective (and primary ways) for households and individuals to build wealth. In addition, renter households are more likely to be at risk of displacement than homeowners, particularly in Oregon.<sup>10</sup> Plans to increase homeownership can help to prevent displacement due to rising rental costs. Median sales prices in Tualatin continue to increase (more than doubling in Tualatin between 2012 and 2020) consistent with the region, putting homeownership out of reach for many households in the city.
- **Greater housing affordability and availability for renters.** Based on a survey of currently available rental properties in Tualatin, the typical asking rent ranged from about \$1,125 for a one-bedroom unit to more than \$2,000 per month for a three-bedroom unit. These costs are affordable to households earning 55% to 98% of the region's MFI (about \$45,000 to \$80,000).

Competition for lower-priced affordable units is strong, and many cannot afford these rents or housing sales prices without cost burdening themselves. In the 2013-2017 period, about 56% of Tualatin's renters were cost burdened, with 26% severely cost burdened.<sup>11</sup> Renters, especially those with lower incomes, are at risk of being displaced through increases in rental costs. Anecdotal discussions with stakeholders in Tualatin suggest that rising rents are causing people to move out of the city to find more affordable housing.

- **Increased income-restricted regulated, emergency, and supportive housing.** Tualatin has about 604 rent-restricted affordable housing units (accounting for about 5% of Tualatin's housing stock) but has about 1,753 households experiencing severe housing cost burden in the city. Washington County has about 530 people experiencing homelessness, about 300 of whom are unsheltered. Tualatin's Continuum of Care region has 111 emergency shelter beds, 10 safe haven beds, 119 transitional shelter beds, and 725 permanently supportive housing beds supporting persons experiencing homelessness in the region. However, in 2019, 44% of people experiencing homelessness

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<sup>10</sup> In Oregon, homeowners are largely insulated from the financial effects of market changes due to the property taxation system, which decouples market sales prices from assessed values, meaning that rising home values only impact property tax amounts in very limited circumstances. However, even after recent changes to state law providing greater protection for renters, renters are still much more vulnerable to changing market conditions and are subject to the decisions of the property owner regarding redevelopment, remodels, rent increases, etc.

<sup>11</sup> A household is said to be cost burdened if they spend 30% or more of their gross income on housing costs. A household is said to be severely cost burdened if they spend 50% or more of their gross income on housing costs.

in the region were unsheltered and about 211 students in the Tualatin/Tigard School District experienced homelessness in some form in the 2018-19 school year (many of them doubled-up<sup>12</sup>).

- **Need for housing for people to live and work in Tualatin.** Tualatin’s Economic Opportunities Analysis report (December 2019) reported that 93% of people working in Tualatin lived in another community (such as Portland, Tigard, Beaverton, or Hillsboro) and commuted into Tualatin each day. Some people who work in Tualatin can afford rent or homeownership in Tualatin, but some would be cost burdened in Tualatin.
  - *Lower wage.* A household with 1.8 employees in lower-paying sectors, such as retail (with an average pay of \$28,300), would have an income of about 55% of the region’s MFI. This household would be unlikely to afford homeownership. They may be able to afford monthly rent of about \$1,250, such as a one-bedroom unit in Tualatin. They would not be able to afford a larger unit with two or more bedrooms. This household would likely either live in an overcrowded unit (because a one-bedroom unit is too small for a family of four) or be cost burdened so that they could have a dwelling unit big enough for their household.
  - *Average wage.* The average wage at a job in Tualatin was about \$57,300 in 2017. Assuming about 1.8 jobs per household,<sup>13</sup> the average wage for a household with jobs in Tualatin would be approximately \$103,000. This income would put the household at about 119% of the region’s MFI. A household with this income could afford a house between \$360,000 and \$412,000. While this is below the median sales price of \$491,000, a household with this income may be able to afford a lower-cost home in Tualatin.
  - *Higher wage.* A household with 1.8 employees in higher-paying sectors, such as manufacturing and health care (which has an average pay of \$73,400), would have an income of about 144% of the region’s MFI. This household could afford to rent or own and could afford the median sales price of \$491,000 in Tualatin.

Throughout this analysis, we discuss housing needs for specific populations, such as people of color. The reason for this discussion is that the housing needs of these populations are different from other groups in Tualatin. The Washington County Consolidated Plan describes the issue in the following way:

“Analyses persistently demonstrate that some population groups, including communities of color and people with disabilities, experience disproportionately high housing cost burdens, are less likely to be homeowners, are disproportionately represented in the criminal justice system, have a school

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<sup>12</sup> “Doubled-up” refers to the sharing of other persons’ housing due to loss of housing or economic hardship.

<sup>13</sup> This assumption is based on information about jobs per household for the Portland Region, including Clackamas County, Washington County, and Multnomah County. We use this estimate because commuting trends make it difficult to estimate jobs per household in Tualatin, given that so many workers commute into Tualatin for work.

achievement gap and experience other disparities relative to health, wellbeing, wealth, income and life outcomes. In deciding on priorities, the County sought opportunities to address persistent historic imbalances, consider systemic causes and advance a more equitable and fair housing system.”<sup>14</sup>

This analysis finds disproportionate housing needs for seniors, people of color, people with one or more disabilities, and people experiencing homelessness. Washington County’s Consolidated Plan identifies all of these groups as a priority with special housing needs.

- **Seniors.** People 65 years of age and older are disproportionately cost burdened compared to the average household—many living on fixed incomes in a region with increasing housing costs.<sup>15</sup> About 62% of people aged 65 years of age and older are rent burdened in the Portland Region, compared to an overall average of 46% of renter households cost burden in the Portland Region.<sup>16</sup> Over the next twenty years, people over 65 years are expected to be the fastest-growing age group. As this group grows, Tualatin will need more housing that is affordable, physically accessible, and in proximity to needed services (such as nearby health care or in-home assistance). Seniors will also need improved access to housing without discrimination, especially seniors of color.
- **People of color.** About 25% of Tualatin’s population identified as a person of color. In the Portland Region, about 55% of renter households that identified as Latino and 52% of renter households that identified as a non-Asian person of color were cost burdened.<sup>17</sup> Latinos are the largest ethnic group in Tualatin (16% of the population) and have the lowest median income (\$30,761) of any race or ethnicity in Tualatin.<sup>18</sup> Broadly, the housing needs for many people of color in Tualatin include improved access to affordable housing units, assistance to avoid displacement, access to housing in locations with “high opportunity” (such as areas near jobs, transit, or services), and access to housing without discrimination.
- **People with disabilities.** Across the Portland Region, people with one or more disabilities experience disproportionate cost burden. In particular, 53% of renters in the

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<sup>14</sup> 2020-2024 Consolidated Plan for Washington County and the Cities of Beaverton and Hillsboro, Executive Summary, page 3.

<sup>15</sup> Some seniors have accumulated wealth, which is not accounted for in this analysis. Information about accumulated wealth is available at the national level but not at the state or city level.

<sup>16</sup> Rent burden by these groups is less available and accurate for Tualatin, given the small size of the city and the quality of available data. As a result, this section presents rent burden for these groups in the Portland Region based on analysis from the report *Implementing a Regional Housing Needs Analysis Methodology in Oregon: Approach, Results, and Initial Recommendations* by ECONorthwest, March 2021.

<sup>17</sup> This information is not available on a city-by-city basis from the US Census ACS. This statistic is pulled from a statewide analysis from the report *Implementing a Regional Housing Needs Analysis Methodology in Oregon: Approach, Results, and Initial Recommendations* by ECONorthwest, August 2020.

<sup>18</sup> Tualatin’s largest community of color is Latino, with about 4,475 Latino people living in Tualatin. Other people of color living in Tualatin are Asian (1,013 people), two or more races (795 people), Black or African American (364 people), Native Hawaiian or Pacific Islander (127 people), American Indian or Alaska Native (103 people), and some other race (54 people).

Portland Region with a hearing or vision disability and 65% of renters with a disability other than a hearing or vision-based disability are cost burdened, compared to the average rate of cost burden for all households in the region at 46%. Housing needs of people with one or more disabilities vary by type of disability, but in general housing needs include improved access to an affordable unit, improved physical access to housing units, access to housing with needed services, and access to housing without discrimination—especially for people with one or more disabilities who are also seniors and/or people of color. Feedback from stakeholders (documented in Appendix A) indicates that people with disabilities have a difficult time finding accessible housing, such as housing that is physically accessible.

- **People experiencing homelessness.** People experiencing homelessness are disproportionately affected by the lack of affordable housing. There were 307 people who identified as homeless and unsheltered in Washington County and 44 people in the Tigard/Tualatin area in 2020.<sup>19</sup> In addition, 16% of households in Tualatin are at risk of homelessness because they have income at or below 30% of MFI. More than 90% of these households are cost burdened and likely many are severely cost burdened. Housing needs for people experiencing homelessness vary by reason for homelessness. In Washington County, the primary reason people cited for experiencing homelessness was inability to afford housing. The broad housing needs for this group includes needs for immediate assistance (including rent support), permanent supportive housing (including supportive housing with services), and improved access to an affordable unit. The housing needs of people experiencing homelessness who are also a senior, disabled, or a Person of Color include the housing needs of those groups as well. The housing needs for people at-risk of becoming homeless may be the same as for people experiencing homelessness.

## Stakeholder Engagement

The HPS uses stakeholder involvement that was conducted over the last two years: interviews with stakeholders as a part of the Tualatin 2040 engagement process, Tualatin HNA, and public events about severely rent-burdened communities.<sup>20</sup> The key issues identified through stakeholder engagement included the need for an increased variety of housing options (especially multifamily housing), the need for more affordable housing for both renter and owner-occupied housing, the need for housing for people who work at jobs in Tualatin, changes to the Development Code to support development of these housing types, the need for

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<sup>19</sup> This is based on the annual Point-in-Time (PIT) data. The PIT count is a snapshot of individuals experiencing homelessness on a single night in a community. Though the PIT count is not a comprehensive survey, it serves as a measure of homelessness at a given point of time and is used for policy and funding decisions.

<sup>20</sup> Annual meetings about severely rent-burdened communities are required in Oregon by HB 4006 or Oregon Laws 2018 Chapter 47. A "severely rent-burdened city" is a city where at least 25 percent of the renter households in the city are severely rent burdened. Tualatin has been designated by the State as a severely rent-burdened city since 2019.

redevelopment and creation of complete neighborhoods, and housing need for specific groups like people with disabilities and people of color.

Appendix A presents a full summary of the stakeholder input from these events. These issues have been incorporated into the goals and strategic actions presented in Chapter 3.

## Housing Needs Addressed by the Housing Production Strategy

The housing market produces some types of housing without need for public intervention, such as development of single-family detached housing. The HPS focuses on housing that may require public intervention to ensure production. This section describes the housing needs that are the focus of the HPS: development of income-restricted affordable housing, housing for moderate-income households, and housing to meet the special needs of specific groups. This section describes Tualatin’s housing needs based on analyses from the *Tualatin Housing Needs Analysis* report (December 2019)<sup>21</sup> and Appendix A, which includes an analysis of unmet housing needs for underserved groups. The analysis shows income and housing affordability based on the 2020 MFI for Washington County (\$92,000).

The housing needs in Exhibit 3 are the basis for the goals and strategic actions presented in Chapter 3.

Exhibit 3. Tualatin’s Housing Needs that Are Addressed in the HPS

Description of Need	Tualatin’s Housing Need
<b>New housing to accommodate population growth</b>	The HNA projects growth of <b>1,014</b> new dwelling units in Tualatin between 2020 and 2040.
<b>Housing Need by Income</b>	
Existing households <sup>22</sup>	Extremely Low Income (< 30% MFI): <b>1,700</b> households (16% of households) Very Low Income (30-50% MFI): <b>1,588</b> households (15% of households) Low Income (50-80% MFI): <b>1,614</b> households (15% of households) Moderate Income (80-120% MFI): <b>1,679</b> households (15% of households)
New households <sup>23</sup>	Extremely Low Income: <b>159</b> households (16% of new households) Very Low Income: <b>148</b> households (15% of new households) Low Income: <b>151</b> households (15% of new households)

<sup>21</sup> <https://www.tualatinoregon.gov/sites/default/files/fileattachments/planning/page/22631/hna.pdf>

<sup>22</sup> The HPS does not anticipate building new units for all existing households in Tualatin that have problems affording housing costs. But the HPS does propose actions to stabilize the housing costs of existing lower-income households and may result in development of housing that is more affordable to these households, enabling them to stay in Tualatin. Information about lower-income households and cost burden for existing households illustrates the existing housing need in Tualatin.

<sup>23</sup> This assumes that future residents of Tualatin have an income distribution that is the same as existing residents. Given the fact that incomes have grown at a relatively slow pace over the last two decades in comparison to housing costs (especially home sales prices), this seems like a conservative assumption about the future affordability of housing.

<p>Housing Needs for Extremely Low (&lt; 30% MFI) and Very Low–Income (30-50% MFI) Households</p>	<p>Moderate Income: <b>157</b> households (15% of new households)</p> <p>At a minimum, Tualatin has housing need for:</p> <ul style="list-style-type: none"> <li>▪ <b>307</b> households earning less than 50% of MFI <ul style="list-style-type: none"> <li>▪ Tualatin also has <b>3,288</b> existing households earning less than 50% of MFI.</li> </ul> </li> <li>▪ These households can afford rents (including basic utility costs) of not more than <b>\$1,150</b> per month. <ul style="list-style-type: none"> <li>▪ A household would need to earn <b>\$58,000</b> to afford average multifamily rent of <b>\$1,450</b> for a 2-bedroom unit (about 63% of MFI for a family of four).</li> </ul> </li> <li>▪ Meeting the housing needs of these households will require a combination of preserving existing income-restricted affordable housing and developing new income-restricted affordable housing. Development of income-restricted affordable housing typically requires extensive subsidy, with funding from the State, region, or County, in addition to any support from the City and other partners.</li> </ul>
<p>Housing Needs for Low-Income (50-80% MFI) Households</p>	<p>At a minimum, Tualatin has housing need for:</p> <ul style="list-style-type: none"> <li>▪ <b>151</b> households earning between 50% and 80% of MFI <ul style="list-style-type: none"> <li>▪ Tualatin also has <b>1,614</b> existing households earning between 50% and 80% of MFI.</li> </ul> </li> <li>▪ These households can afford rents (including basic utility costs) of between <b>\$1,150</b> and <b>\$1,850</b> per month. <ul style="list-style-type: none"> <li>▪ A household would need to earn <b>\$58,000</b> to afford average multifamily rent of <b>\$1,450</b> for a 2-bedroom unit (about 63% of MFI for a family of four).</li> <li>▪ Households with this income range are likely to live in rental housing predominantly and can likely afford a range of costs from below-average rent to average or above-average rent in Tualatin.</li> </ul> </li> <li>▪ Meeting the housing needs of these households will require a combination of preserving existing “naturally occurring affordable housing” and developing new income-restricted affordable housing in this price range. Development of new housing affordable in this price range generally requires some subsidy or public support, such as tax exemptions, government funding (typically from the State, region, or County, with some level of local contribution being critical), reduced systems development charges, low interest loans, philanthropic contributions, or other financial support. Funding for rental housing for households at 61% MFI and above is very scarce. Homeownership opportunities for this income range will likely be related to housing developed by nonprofit organizations, possibly</li> </ul>

	with some form of subsidy, such as land donation, discounted land leasing, and land banking.
<p>Housing Needs for Moderate-Income (80-120% MFI) Households</p>	<p>At a minimum, Tualatin has housing need for:</p> <ul style="list-style-type: none"> <li>▪ <b>157</b> households earning between 80% and 120% of MFI <ul style="list-style-type: none"> <li>▪ Tualatin also has <b>1,679</b> existing households earning between 80% and 120% of MFI</li> </ul> </li> <li>▪ These households can afford rents (including basic utility costs) of between <b>\$1,850</b> and <b>\$2,750</b> per month. <ul style="list-style-type: none"> <li>▪ These households can afford rents higher than the average multifamily rent (<b>\$1,450</b>) for a two-bedroom unit, and many of these households can afford the typical multifamily rent for a three-bedroom unit (\$2,000 to \$2,400).</li> <li>▪ These households cannot afford the median sales prices of \$491,000 in Tualatin but can likely afford lower-cost housing in the Tualatin housing market.</li> <li>▪ Some households with income in the higher part of this range are likely to live in rental housing and some are likely to be homeowners. Households with incomes in the lower part of this income range may need assistance in attaining homeownership.</li> </ul> </li> <li>▪ Meeting the housing needs of these households will be a combination of development of rental housing (without subsidy from local or state government) and lower-cost housing for homeownership. Some homeownership opportunities for this income range will likely be related to housing developed by nonprofit organizations, possible with some subsidy, such as land donation, discounted land leasing, land banking, or a community land trust. Development of smaller and more affordable housing units, such as cottage housing, may provide opportunities for homeownership (without subsidy) for households in this group with higher incomes.</li> </ul>
<p><b>Housing Need of Specific Populations</b></p>	
<p>Housing Needs of People of Color</p>	<p>Blacks, Latinos, American Indian or Alaska Natives, and Native Hawaiian or Pacific Islanders are more likely to rent their homes and live in multifamily housing than the overall average in Tualatin. People of color are more frequently cost burdened than the average in the Portland Region.</p> <p>About <b>19%</b> of Tualatin’s population identified as Black, Latino, American Indian or Alaska Native, or Native Hawaiian or Pacific Islander. Meeting the housing needs of these households will require addressing the affordability issues, discussed above, as well as ensuring that people of color have access to housing without discrimination. This will require increasing awareness of Fair Housing rules for property owners and managers, tenants, City decision</p>

	<p>makers, and City staff. It will also require careful decision-making to change policies that have created barriers to housing access for people of color.</p>
<p>Housing Need of People with Disabilities</p>	<p>Disabilities include those that are visible, such as ambulatory or vision disabilities, and those that are not readily apparent, such as self-care, independent-living, or cognitive disabilities. Other conditions may require special accommodations, such as disabling diseases or mental health conditions.</p> <p>The Census reports that about <b>10%</b> of Tualatin’s population has disabilities, such as ambulatory, vision, hearing, cognitive, self-care, or independent-living disabilities. Meeting the housing needs of these households will require addressing the affordability issues, discussed above, as well as ensuring that people with disabilities have access to housing that addresses their disability and that they have access to housing without discrimination. This will require increasing awareness of Fair Housing rules for property owners and managers, tenants, City decision makers, and City staff. It will also require approaches that encourage development of housing with specialized design standards to accommodate special needs.</p>
<p>Housing Need of People Experiencing Homelessness</p>	<p>The number of people experiencing homelessness in Tualatin is not clearly known. In part, this number is not known because people experiencing homelessness may move between neighboring cities, such as between Tigard and Tualatin.</p> <p>There were approximately <b>307</b> people experiencing homelessness in Washington County in 2020, <b>44</b> of whom were unsheltered in the Tigard and Tualatin area. Meeting the housing needs of people experiencing homelessness can range from emergency assistance (including rent and utility assistance), rapid rehousing, inclusion of local shelter, permanent supportive housing (including supportive housing with services), and improved access to an affordable housing unit (as discussed above).</p>



## Existing Policies to Address Tualatin’s Housing Needs

This section lists existing measures that Tualatin has implemented to support housing development and presents preliminary draft measures (or policies or strategies) that may be included in the HPS.

This City of Tualatin has the following housing measures (goals, policies, or strategies) currently in place to address Tualatin’s housing needs. These measures include:

- Prohibiting single-family detached housing in most high-density zones in Tualatin.
- Allowing one or more accessory dwelling units (ADUs) in residential zones per lot.<sup>24</sup>
- Applying density standards uniformly across zones that allow dwelling units on fee simple lots and on multifamily sites.
- Ensuring decisions about the types and locations of housing are data-driven and focused on equitable outcomes instead of the best outcomes for those with the most money and/or privilege.
- Removing open space/common amenity requirements for low-density residential.
- Providing information to small, local developers to help them understand land use permitting processes and give them a sense of clarity and certainty about the requirements, so they can better provide smaller-scale housing. Tualatin’s existing measures generally focus on land use efficiency, such as allowing development of denser housing types, or measures to reduce development costs, such as removing open space requirements for some housing development. By and large, the types of policies that Tualatin has yet to adopt are policies to support:
  - Development of affordable rental housing and preservation of affordable housing stock to prevent displacement of existing residents.
  - Prevention and reduction of homelessness.
  - Expansion of workforce owner and rental housing to increase the jobs housing balance.
  - Expansion of housing for people with special needs and seniors, and the development of housing to meet the cultural needs of diverse populations.
  - Greater availability of diverse housing types through regulatory or zoning changes, including mixed-use housing and redevelopment in commercial areas.
  - Planning for and developing transportation and public infrastructure to support affordable housing, workforce housing, and mixed-use housing development.

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<sup>24</sup> Although, Tualatin’s ADU provisions are not yet compliant in regard to HB 2001 off-street parking requirements.

## Existing and Expected Barriers to Development of Needed Housing

Barriers to development of needed housing in Tualatin include:

- **Land for housing.** Tualatin has a limited amount of unconstrained, vacant buildable residential land (244 acres) within the city (including in the Basalt Creek Planning Area). About 62% of this buildable land is within the Basalt Creek Planning Area, which is in the process of annexation. The City expects infrastructure development sufficient to support residential development over time. The concentration of buildable land in Basalt Creek may slow new residential development in Tualatin until this area is ready for development.

More than 90% of Tualatin's unconstrained, vacant buildable land is Low Density or Medium Low Density Residential, providing limited opportunities for development of multifamily housing. Tualatin has 1 acre of unconstrained vacant buildable land that is Medium High Density, 17 acres of High Density, and no unconstrained High Density High Rise Residential land. These are the areas where multifamily housing with five or more units per structure can be built. Scarcity of vacant land, especially for multifamily development, is one of Tualatin's primary barriers to development of needed housing.

- **Complexity and expense of redevelopment.** While Tualatin is able to identify areas that may be ripe for redevelopment (including areas for 4 to 6-story multifamily housing), the costs and complexity of redevelopment are substantial. Barriers to redevelopment include higher site acquisition and preparation costs (sometimes including negotiating with multiple landowners), higher construction costs for 4 to 6-story development (compared to 2 to 3-story development), and costs of upgrades to infrastructure (such as roads, water, stormwater, or sewer) to support increased development density. In a suburban environment, rents may not be high enough to justify these higher development costs. In addition, a number of the sites that the City has identified as potential redevelopment opportunities are located in a floodplain, which precludes federal funding for affordable housing from being used on those sites, or have other site-specific constraints that create challenges for development.
- **Regulatory barriers to multifamily housing.** In addition to a lack of land for multifamily development, existing development regulations for multifamily housing do not support efficient development or redevelopment of the type of housing the zones are intended to allow. Standards that force lower densities reduce the viability of both unregulated affordable housing and income-restricted affordable housing, and they make it even more challenging to build on the few smaller sites that are zoned for multifamily housing.
- **Funding and resources to support development of affordable housing.** Developing income-restricted housing for households with incomes 60% and below of MFI nearly always requires state, local, and/or philanthropic subsidy so that it can cover the costs of

development and operations with restricted rents. Developing new housing affordable to households with incomes of 51% to 80% of MFI also typically requires government subsidy and/or funding from sources such as nonprofits. One of the key barriers to development of affordable housing is identifying sufficient funding to support its development. Options for funding affordable housing development include direct funding (i.e., monetary contributions for housing), contributions of land, and cost reductions (e.g., tax abatements or waiving fees).

- **Capacity of the income-restricted development community to support development of affordable housing.** Capacity for development of affordable housing includes developers willing and able to develop income-restricted housing, such as nonprofits with the capacity to support development of affordable housing. There may be some capacity constraints for development of income-restricted affordable housing based on nonprofit developer capacity. However, availability of funding to support development of affordable housing is more of an issue.
- **Staff capacity to implement the Housing Production Strategy.** Implementing the strategic actions in the HPS will take a considerable amount of City staff capacity. If staff do not have sufficient capacity to work on the items in the HPS, that may slow or halt implementation of the HPS. Insufficient staff time to implement the HPS could be a barrier to development of needed housing. The amount of staff time needed to implement the HPS will only become clear as the City begins the evaluation of each strategic action to determine how much additional research and public engagement will be needed.
- **Need for ongoing engagement to understand housing needs.** Ongoing community engagement, especially with underserved communities or people with specialized housing need, is necessary to ensure that the City understands the current housing needs of these groups. Engagement has been more difficult than usual during the COVID-19 pandemic, especially with underserved communities because they are disproportionately negatively impacted by the pandemic. This is a potential barrier to needed housing development if the City does not have staff capacity to maintain this engagement or is unable to establish relationships with the communities in question.

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## 3. Strategies to Meet Future Housing Need

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### Developing the Housing Production Strategy

Development of the HPS required attention to a variety of factors, such as the City's housing policy objectives, funding sources to support housing development, and factors that affect both housing development and the range of impact of the strategic actions.

#### Housing Policy Objectives

The Tualatin 2040 project, which included the Tualatin Housing Needs Analysis, resulted in an update to Tualatin's Comprehensive Plan and set new housing goals, policies, and strategic actions. These goals and policies, as well as the housing needs documented in Exhibit 3, are part of the basis of the goals and strategic actions presented in this chapter. In addition, the HPS requirements place more emphasis on equitable housing, fair housing, and underserved communities. These requirements have also provided part of the basis for the goals and strategic actions in this chapter. The high-level housing goals in Tualatin's Comprehensive Plan are:

- **Goal 3.1 Housing Supply.** Ensure that a 20-year land supply is designated and has urban services planned to support the housing types and densities identified in the Housing Needs Analysis.
- **Goal 3.2 Housing for All.** Encourage development and preservation of housing that is affordable for all households in Tualatin.
- **Goal 3.3 Affordable Housing.** Encourage the establishment of funding sources to support development of affordable housing and related public infrastructure.
- **Goal 3.4 Redevelopment.** Encourage timely strategic planning and redevelopment in Tualatin to create new mixed-use residential and commercial planning districts.
- **Goal 3.5 Housing and Transportation.** Encourage development and redevelopment in Tualatin that supports all modes of transportation, including walking, biking, and mass transit.
- **Goal 3.6 Residential Growth.** Residential growth by annexation or expansion to the Urban Planning Area or Urban Growth Boundary will be coordinated with local, state, and regional governments, districts, and stakeholders.

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## Funding Sources and Incentives

**Potential Funding Sources.** One of the key challenges in implementing financial actions in the HPS is likely to be the availability of funding. Funding is needed for staff time to evaluate the feasibility of implementing the HPS, but it is also needed in the form of financial contribution, waiver, or forgone revenue to support development of units, preservation of housing, and redevelopment. Identifying realistic funding sources will be necessary to achieve the outcomes of the HPS, increasing access to housing in Tualatin, especially for low-income households and underserved communities. Strategic Action 5.a is intended as a way to develop a specific funding action plan for implanting the HPS.

Potential local sources of funding could include implementation of a Construction Excise Tax (CET) in Strategic Action 1.c, evaluating other local sources of funding in Strategic Action 1.e, evaluating how to support preservation of regulated affordable housing in Strategic Action 3.a, use of Urban Renewal to support housing development in Strategic Action 10.a, and evaluating the prioritizing of Capital Improvements Programming in Strategic Action 12.a.

Other funding sources may include Washington County's Housing Authority, Metro's grant programs, the State of Oregon's Housing and Community Services Department, other state agencies that fund infrastructure, other programs necessary to support housing development, and other private and nonprofit organizations.

**Potential Incentives.** Financial incentives are also a critical part of a successful strategy for equitable housing production. In the HPS, potential incentives include property tax exemption in Strategic Action 1.a, changes to Systems Development Charges in Strategic Action 1.b, development of incentives to preserve low-cost rentals for below-market-rate privately owned rental housing in Strategic Action 4.a, Multiple Unit Property Tax Exemption to slow rental cost increases in Strategic Action 4.b, evaluating ways to incentivize inclusion of workforce housing units within new multifamily rental development in Strategic Action 6.a, evaluating the development of specialized design standards and incentives to accommodate special needs in Strategic Action 9.a, and evaluating incentives to support mixed-use development like Vertical Housing Tax Abatement in strategic action 10.d.

## Partnerships

Partnerships will also play an important role in supporting housing development. For example, Strategic Action 2.c is about partnering to develop affordable housing for homeownership, Strategic Action 6.b is about partnering with employers on employee-assisted housing, 6.c is about partnerships for land banking, and 7.a is about partnering on existing rental and utility assistance programs.

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## Considerations for Implementing the Housing Production Strategy

In evaluating the implementation of potential strategic actions, it will be important to consider supporting and leveraging the private market's ability to delivery market-rate development at a variety of price points, due to the limited public funding available to support income-restricted housing. In other words, increasing the overall supply of available housing units plays a significant role in overall housing affordability, including increasing opportunities for providing for those at the lower end of the income spectrum as well as historically underserved communities. The emphasis in the HPS is on production of housing that is affordable below 80% of MFI because that need is difficult or impossible to meet through market-rate housing development without public subsidy, such as many of the strategic actions proposed in the HPS. In addition, the HPS has an additional emphasis on the housing needs of underserved communities.

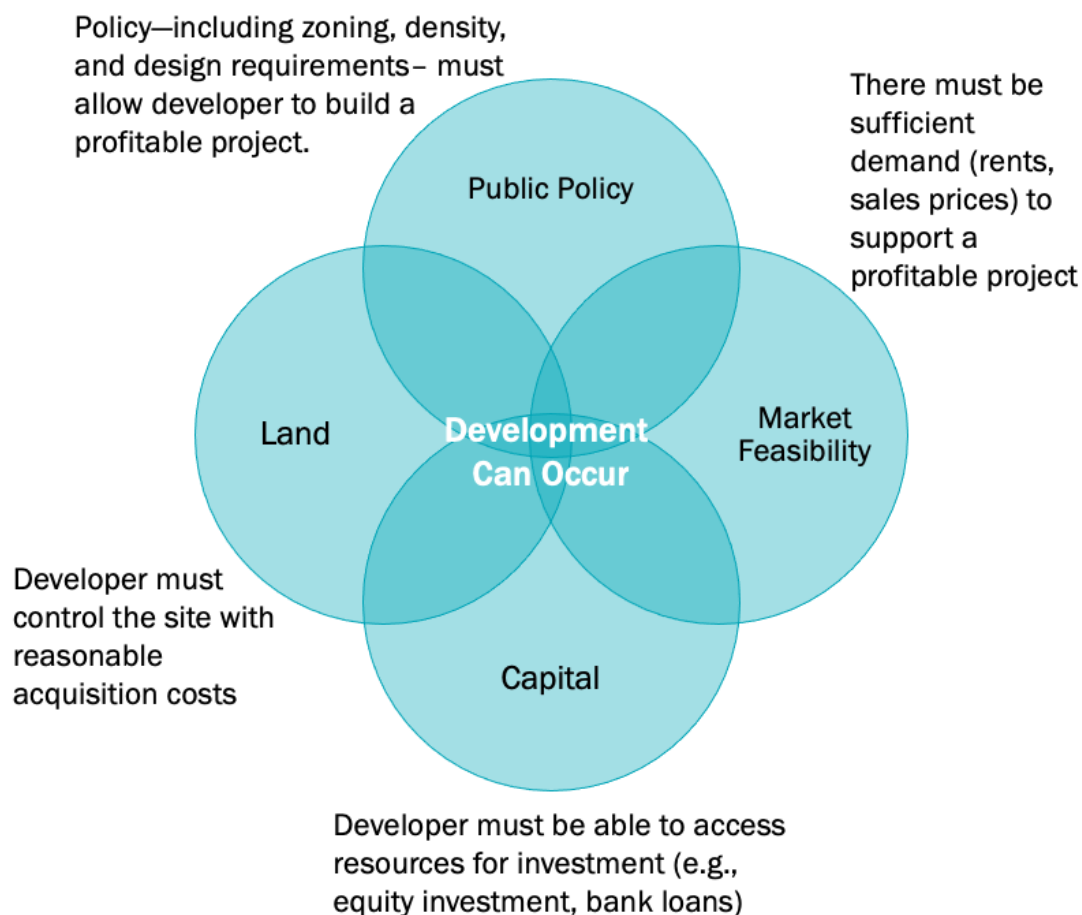
In an area with relatively low housing production per capita, the City has some influence over market-rate development through fees, charges, and development restrictions, despite the number of factors that the City does not control. The graphic in Exhibit 4 illustrates how four factors must intersect so that development can occur and where the City has most influence.

Tualatin does not control all of these factors entirely. Public policy at the local level is shaped through regional policy (by Metro) and the state. Land is generally controlled by the individual landowners, and development of infrastructure necessary to make land development can be prohibitively expensive. Market feasibility is largely affected by market forces, such as construction costs and achievable rents. Access to capital is largely controlled by investors and banks. However, Tualatin can directly influence public policy (through its Development Code) and availability of land (through zoning, density, planning for new land needed for housing, redevelopment, and infrastructure planning). Tualatin can also have a limited influence on market feasibility (through policies that reduce costs like tax abatements or waiving fees).

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Exhibit 4. Four Necessary Factors that Allow Development of New Market-Rate Housing

Source: ECONorthwest

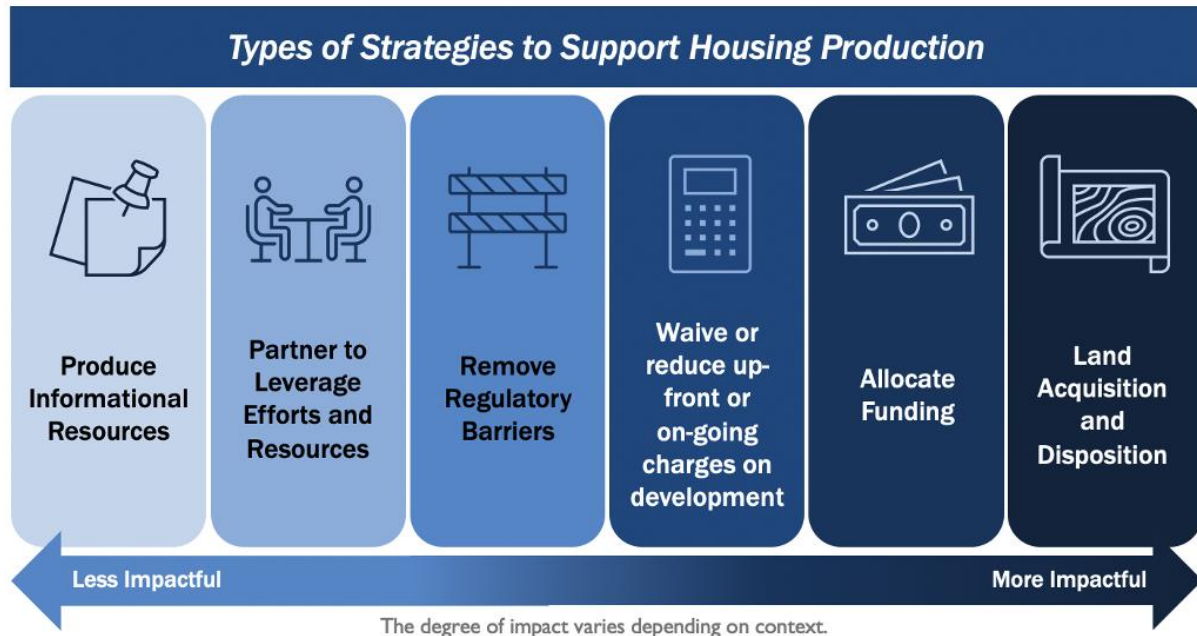


These factors all suggest that Tualatin should consider a wide range of strategic actions. Exhibit 5 shows the range of strategies, characterizing some strategies as more impactful and some as less impactful. More impactful strategies are those that provide funding or direct resources to support housing development (like land acquisition and disposition). These strategies are more impactful because funding and resources are the greatest constraint on development of income-restricted affordable housing (such as housing affordable to households with incomes below 80% of MFI).

While removing regulatory barriers and forming partnerships are shown as less impactful strategies, they are often necessary (but not sufficient on their own) to support housing development. For example, Tualatin’s HPS includes a strategic action (10.a) about redevelopment opportunities for creation of mixed-use development districts that supports development of affordable and workforce housing. This strategic action assumes that development densities will allow buildings that are four to six stories tall, with at least 80 dwelling units per acre. However, Tualatin’s Development Code does not allow for development of buildings that tall or at those densities. Strategic Action 11.a proposes to remove that regulatory barrier and allow taller and denser residential and mixed-use development.

This example also underscores the fact that many of the strategic actions presented in this chapter build on each other. While a partnership on its own may not be sufficient to support development of housing, it may be key when combined with other strategic actions.

Exhibit 5. Types of Strategies to Support Housing Production  
Source: ECONorthwest



As part of development of the strategic actions in this report, ECONorthwest conducted interviews with the following developers, to assess potential use of key strategies: Alma Flores with REACH CDC, Community Development Partners, and Community Partners for Affordable Housing. In addition, ECONorthwest staff frequently discuss the types of strategies discussed in this document with developers in the Portland Region, as well as other developers across Oregon. What we learned from these interviews, as well as other work done for similar projects, is reflected in the goals and strategic actions in this report.



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## Goals and Strategic Actions

This section presents the goals and proposed strategies for inclusion in the HPS. The goals are intended to clearly describe the intended outcome(s) of the strategic actions, as they relate to Tualatin's Comprehensive Plan. For each strategic action, we include the following information, most of which is required by OAR 660-008-0050:

- A description of the strategic action
- The type of action
- A rationale for inclusion of the strategic action
- The anticipated impact of each strategic action, including:
  - Populations served by the strategic action
  - Income level addressed by the strategic action
  - Housing tenure, either owner or renter
  - Potential Impacts
    - Estimate of production of new units as a result of implementing the strategic action
    - Potential negative impact of the strategic action if it is successfully implemented
  - Magnitude of the action for producing new housing
    - A **low** magnitude is anticipated production of 1% or less of the needed new units (1,014 units) or about 10 dwelling units over the six-year period. A low magnitude does not mean a strategic action is unimportant. Some strategic actions are necessary but not sufficient to produce new housing.
    - A **moderate** magnitude is anticipated production of 1% to 5% of the needed new units (1,014 units) or about 10 to 50 dwelling units over the six-year period.
    - A **high** magnitude is anticipated production of 5% or more of the needed new units (1,014 units) or 50 or more dwelling units over the six-year period.
- Timeline for adoption and implementation of the strategic action, including:
  - A timeline for adoption of the strategic action, which is when the city would adopt the strategic action or otherwise officially decide to implement the strategic action.
  - A timeline for implementation of the strategic action, which is when the city would begin to use or allow use of the strategic action.
  - Time frame of the impact, which is the time period when the impact occurs.
- Implementation steps summarize the steps for implementing the strategic action at a high level.
- Lead agency and potential partners provide information about who will be responsible for implementing the strategic action.

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- Funding or revenue implications provide high-level implications of the strategic action.

## Implementation Schedule for Strategic Actions

Exhibit 6 presents a draft schedule for implementation of the Housing Production Strategy. The table shows each of the 12 goals with the strategic actions below. Each strategic action will go through a period of evaluation, then potentially adoption and implementation. The activities for each of these are described below.

- **Evaluation:** All strategic actions will require some level of evaluation prior to implementation, which may range from simple logistics (including information on a website) to complicated coordination between multiple internal and external stakeholders (adoption of a construction excise tax). The evaluation period will occur during the time in the tables shown in a teal color, before adoption.
- **Adoption:** This occurs when the City takes official action to adopt (or uses another official acknowledgement that the City is going to execute on the strategic action). The table shows the expected time of adoption in the time period represented by a teal color and “A” in the table.
- **Implementation:** This occurs when the City officially allows the strategic action to be used, represented by a brown color and “I” in the table.

Exhibit 6. Schedule for Evaluating, Adopting, and Implementing the Strategic Actions

Goal and Strategic Actions	On-Going 2021	2022	2023	2024	2025	2026	2027	Beyond 2027
1. Affordable Housing: Strongly prioritize, encourage, and support affordable rental housing development to increase affordable housing for households earning 0-60% Median Family Income.								
1.a Evaluate a Low-Income Housing Property Tax Exemption Program for Affordable Rental Housing			A	I				
1.b Evaluate Changes to Systems Development Charges						A	I	
1.c Evaluate Implementation of a Construction Excise Tax (CET)					A	I		
1.d Evaluate Support for Affordable and Workforce Rental Housing as part of Urban Renewal		A	I					
1.e Evaluate Financial Resources for Local Contributions to Affordable Housing Development						A	I	
1.f Evaluate Buildable or Redevelopable Public and Institutional Land Potentially Suitable for Affordable Housing				A	I			
1.g Evaluate Development Code Changes to Allow and Support Other Affordable Rental Housing Types in Tualatin					A, I			
1.h Evaluate Municipal Code, Development Code, Public Works Construction Code, and Building Code Processes to Make Building Affordable Housing Easier					A, I			
2. Affordable Homeownership: Encourage and support affordable homeownership to create opportunities for wealth creation.								
2.a Evaluate Impediments to Homeownership and their Removal					A	I		
2.b Partner to Encourage Education about Homeownership Opportunities		A	I					
2.c Partner with Organizations that Develop Affordable Ownership Housing				A	I			
2.d Evaluate Development Code to Encourage Diverse Housing Types for Affordable Homeownership					A, I			
3. Preservation of Regulated Affordable Housing: Preserve affordable housing to prevent the loss of existing affordable housing units and to prevent resident displacement.								

Goal and Strategic Actions	On-Going 2021	2022	2023	2024	2025	2026	2027	Beyond 2027
3.a Evaluate How to Support Preservation of Regulated Affordable Rental Housing					A	I		
3.b Evaluate Developing a Healthy Housing Initiative for Multifamily Housing				A	I			
4. Preservation of Naturally Occurring Affordable Housing (NOAH): Preserve naturally occurring affordable housing, where possible, to prevent loss of affordable units and to mitigate resident displacement.								
4.a Evaluate Development of Incentives to Preserve Low-Cost Rentals for Below-Market-Rate Privately Owned Rental Housing						A	I	
4.b Evaluate Using the Multi-Unit Property Tax Exemption to Slow Rental Cost Increases						A	I	
5. Housing for Underserved Communities: Implement housing policies, projects, programs, and partnerships to further support racial and social equity.								
5.a Consider Development of a Funding Action Plan to Implement the HPS with Attention to Equity			A	I		U <sup>25</sup>		
5.b Evaluate Impediments to Fair Housing to Create an Analysis of Impediments				A	I			
5.c Evaluated Ways to Best Ensure Opportunities for Education about Fair Housing Are Provided			I					
5.d Evaluated Strategies to Encourage Diverse Housing Types in High-Opportunity Neighborhoods					A, I			
6. Workforce Housing: Encourage, plan for, and support the development of workforce housing for households earning 61-80% Median Family Income, for both owner and renter, in order to increase the jobs-housing balance, reduce commute time and provide attainable housing for workers in Tualatin.								
6.a Evaluate Ways to Incentivize Inclusion of Workforce Housing Units within New Multifamily Rental Development						A	I	

<sup>25</sup> The Funding Action Plan will likely need to be updated by about 2026.

Goal and Strategic Actions	On-Going 2021	2022	2023	2024	2025	2026	2027	Beyond 2027
6.b Evaluate Potential Partnerships with Employers on Employer-Assisted Housing					I			
6.c Evaluate City Partnership to Participate in a Land Bank				A	I			
7. Housing Stabilization: Prevent and address homelessness to provide for safe living conditions for everyone living in Tualatin.								
7.a Evaluate Opportunities to Partner on a Local Rental and Utility Assistance Program	P <sup>26</sup>	I						
7.b Evaluate Ways to Develop Housing Options and Services to Address and Prevent Houselessness						A	I	
8. Housing Rehabilitation: Plan for and support housing programs and initiatives that are responsive to the safety and health needs of households earning 0-80% of Median Family Income.								
8.a Evaluate Establishing Local Housing Rehabilitation Program						A	I	
8.b Evaluate the Implementation of a Healthy Housing Initiative for Single-Family Housing					A	I		
9. Accessible Design and Other Specialized Design: Encourage and support Universal Design, Lifelong Housing Certification, and other similar standards.								
9.a Evaluate the Development of Specialized Design Standards and Incentives to Accommodate Special Needs					A	I		
10. Mixed-Use Housing and Redevelopment: Encourage and support development of mixed-use, mixed-income, and multifamily housing in commercial zones and urban renewal areas for households earning 0-80% of Median Family Income.								
10.a Evaluate Redevelopment Opportunities for the Creation of Mixed-Use Development Districts to Support Development of Affordable Housing and Workforce Housing			A	I				
10.b Evaluate Opportunities for Conversion of Commercial Buildings to Residential Uses			A	I				

<sup>26</sup> The City is piloting a test for this Strategic Action through December 2021, with potential extension of the partnership into 2022 and beyond.

Goal and Strategic Actions	On-Going 2021	2022	2023	2024	2025	2026	2027	Beyond 2027
10.c Evaluate Opportunities to Rezone Land for Mixed-Use		A	I					
10.d Evaluate Establishing Incentives to Support Mixed-Use Development, such as the Vertical Housing Tax Abatement			A	I				
11. Regulatory and Zoning Changes: Increase housing development opportunities through regulatory and zoning changes to accommodate a diverse range of housing types and price points to meet the housing needs in Tualatin.								
11.a Evaluate Updating Density Standards for Multifamily Housing in Medium-Density, High-Density, and Mixed-Use Zones	A	I						
11.b Evaluate Opportunities to Rezone Lower-Density Residential Land to Higher Density	A	I						
11.c Evaluate the Feasibility of Targeted Reductions to Off-Street Parking Requirements		A	I					
11.d Evaluate Updating Code to Allow Small Dwelling Unit Developments					A, I			
11.e Evaluate Adopting an Expedited Permitting Process for Affordable Rental Housing and Affordable Homeownership			A	I				
11.f Evaluate Providing Additional Engagement and Information to Developers of Affordable Housing	A	I						
12. Transportation and Public Infrastructure: Plan for and develop transportation and public infrastructure to support affordable housing, workforce housing, mixed-use housing, and mixed-income housing.								
12.a Evaluate Ways to Prioritize Capital Improvements Programming for Affordable and Workforce Housing				A	I			

## Goals and Strategic Actions

This section presents Goals 1 to 12 and the strategic actions associated with each goal.

**Goal 1. Affordable Housing:** Strongly prioritize, encourage, and support affordable rental housing development to increase affordable housing for households earning 0-60% Median Family Income.

We recommend that the City pursue the following goal, which supports Goals 3.2 and 3.3 in the Comprehensive Plan:

- Strongly prioritize, encourage, support, and promote the development of affordable rental housing for households earning 0-60% Median Family Income.

Implementing this goal would require developing an affordable rental housing program to encourage and support affordable housing development for households earning 0-60% Median Family Income. The strategic actions to evaluate and potentially implement this goal are described below. The City may choose to adopt this goal or the results of the strategic actions into the Comprehensive Plan in the future.

1.a Evaluate a Low-Income Housing Property Tax Exemption Program for Affordable Rental Housing	
Description	Type of Action
<p>Evaluate a property tax exemption program for affordable rental housing.</p> <p>Two tax exemptions programs could be used to support affordable housing:</p> <ul style="list-style-type: none"> <li>▪ <b>Low-Income Rental Housing Exemption:</b> Would provide a 20-year, renewable property tax exemption for rental housing for low-income households (60% of area median income and below). Housing need not be owned or operated by a nonprofit entity; if it is not, only housing built after the program is adopted is eligible. The exemption could also apply to land held for future affordable housing development. Only the City's taxes would be exempted unless there is sufficient support from overlapping taxing districts. Requires that savings be passed on to tenants through rent reductions.</li> <li>▪ <b>Nonprofit Low-Income Rental Housing Exemption:</b> Would provide a full property tax exemption for new and existing</li> </ul>	<p>Adopt a Tax Exemption to Reduce Ongoing Charges on Development</p>

affordable housing owned and operated by a nonprofit organization for as long as the property meets eligibility criteria. Tenants must initially qualify at 60% of area median income or below, but once qualified, existing tenant incomes may rise to as much as 80% of area median income over time. The exemption could also apply to land held by a nonprofit for future affordable housing development. Only the City's taxes would be exempted unless there is sufficient support from overlapping taxing districts.

The evaluation would include a conclusion as to which of the two available options under state statute is better suited to the needs of housing providers in Tualatin.

**Rationale**

With very thin margins for rents in affordable housing developments to be able to cover operating costs (even with subsidies), eliminating the cost of property taxes is an important way to improve the viability of affordable housing. Affordable housing providers sometimes use alternative means to secure tax exemptions (e.g., partnership with the local Housing Authority), but the alternatives add complexity to an already complex process. A locally enabled tax exemption also demonstrates local support for affordable housing development, which can help with securing state and federal funds.

**Anticipated Impact**

- **Populations served:** Extremely low income, very low-income, and low-income renter households
- **Income:** 0-60% of Median Family Income
- **Housing tenure:** Rental
- **Potential Benefit:**
  - **Housing Production (new units).** If this incentive were used for one to two apartment buildings at 50 to 150 units each, this strategy could contribute to development of 50 to 300 affordable units.
  - **Equitable Outcomes:** This is an opportunity to provide equitable housing for low-income households by serving, for example, underserved communities, people with disabilities, and people with special needs, increasing diversity in neighborhoods.
- **Potential Financial Impact:** The City will forgo some property tax income for these properties for the duration of the exemption. This reduces some revenue for city services and some revenue for participating taxing districts.
- **Magnitude:** Moderate



<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> June 30, 2023</li> <li>▪ <b>Implementation to commence:</b> 2023</li> <li>▪ <b>Time frame of impact:</b> The property tax exemption can be used after adoption for as long as the City offers the tax exemption.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Evaluate viability of adoption, including an analysis of the pros and cons of the two tax exemptions.</li> <li>▪ Seek input from overlapping taxing districts on their willingness to support the exemption.</li> <li>▪ Discuss topic with City Council at work sessions and in public hearings. City Council may choose to adopt exemption by resolution or ordinance following a public hearing.</li> <li>▪ Follow up with overlapping taxing districts to request that they pass resolutions to support the exemption.</li> <li>▪ If supported, select one of the tax exemptions for adoption.</li> </ul>
<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division and City of Tualatin Finance Department</li> <li>▪ <b>Partners:</b> Overlapping Taxing Districts</li> </ul>
<b>Funding or Revenue Implications</b>	Tax exemptions reduce general fund revenues for all overlapping taxing districts, including the City.

## 1.b Evaluate Changes to Systems Development Charges

Description	Type of Action
<p>Evaluate options for potential changes to System Development Charges (SDCs) and Transportation Development Tax (TDT) to support development of affordable housing.</p> <ul style="list-style-type: none"> <li>▪ <b>SDCs</b> are fees collected when new development and some redevelopment occurs within the City. Revenues are used to fund growth-related capital improvements.</li> <li>▪ <b>TDT</b> is a voter-approved charge imposed on new development and redevelopment within Washington County (including its cities) to help pay for the impact development has on the transportation system.</li> </ul> <p>The City of Tualatin has limited control over SDCs because most are collected on behalf of other service districts and providers, who determine the rates and rate structures. The parks and water SDCs are set by the City. The primary opportunity for changes to SDC is with the parks SDC, which recently went through a review and update process. The water SDC is based on meter size, which makes meaningful changes in SDCs challenging, especially for multiunit projects. Tualatin does not have control over the rate or rate structure for Washington County’s TDT, though the City does receive a share of the revenue.</p> <p>The City of Tualatin could evaluate changes to its parks and water SDCs by reducing, deferring, and/or financing SDCs at a low interest rate for regulated affordable housing or other needed housing types.</p>	<p>Evaluate Change to Fee Schedules to Reduce Charges on Development</p>
<p><b>Rationale</b></p>	<p>Changes to the City’s parks or water SDC rates or methodology could reduce up-front costs for developers of regulated affordable housing and/or encourage specific types of housing development (e.g., smaller units).</p>
<p><b>Anticipated Impact</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Extremely low income, very low-income, and low-income renter households</li> <li>▪ Extremely low, very low, and low-income owner households</li> <li>▪ <b>Income:</b> 0-80% of Median Family Income</li> <li>▪ <b>Housing tenure:</b> Owner and Renter</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> Tualatin can have an impact on its parks and water SDCs and can backfill the costs to</li> </ul> </li> </ul>

	<p>County TDTs.</p> <ul style="list-style-type: none"> <li>- While reducing parks or water SDCs could provide some support for affordable housing development, on its own this action is unlikely to directly result in development of new affordable housing, but it may serve to attract affordable housing developers to Tualatin with this cost reduction.</li> <li>- <b>Equitable Outcomes:</b> Providing incentives like SDC reductions supports the development of equitable housing.</li> <li>▪ <b>Potential Financial Impact:</b> The City will likely need to make up revenue forgone through the changes to SDCs, such as by backfilling with TDTs.</li> <li>▪ <b>Magnitude:</b> Low</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> December 31, 2026</li> <li>▪ <b>Implementation to commence:</b> 2027</li> <li>▪ <b>Time frame of impact:</b> Changes to SDCs will impact development of needed housing if changes are adopted and in use by 2027.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Evaluate options for deferral or financing of parks or water SDCs for affordable housing under the existing methodology, working with current planning and finance divisions.</li> <li>▪ At the next update to the parks or water SDC methodology, evaluate options to offer full or partial exemptions for affordable housing and/or to adjust the residential rate structure to offer lower rates for smaller units.</li> </ul>
<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency</b> City of Tualatin Parks and Recreation Department, City of Tualatin Finance Department, and City of Tualatin Planning Division.</li> </ul>
<b>Funding or Revenue Implications</b>	<p>Changes may reduce or delay SDC revenue to the City.</p>

## 1.c Evaluate Implementation of a Construction Excise Tax

Description	Type of Action
<p>Evaluate a Construction Excise Tax (CET), a tax assessed on new development and expansions as a percent of the permit value.</p> <p>State statute defines the allowed uses of CET funds and the allowed maximum tax rate. The City of Tualatin could levy a CET on commercial, industrial, and/or residential development. Tualatin has limited land for new residential development within City limits at present; however, revenues from a CET levied on commercial or industrial development could be used for housing programs. At least half of the revenue from a CET on commercial and industrial development would need to be used for local housing programs (capital or programmatic services), but the other half is unrestricted (capital or programmatic services); revenue from a CET on housing would need to go toward housing, with certain percentages toward various specific categories of expenditures.</p> <p>At least eight jurisdictions in Oregon have adopted a CET to fund affordable housing. Most are using or plan to use the revenues to offer grants and/or loans as flexible gap financing for affordable housing development. While it can be used to pay for services, capacity building, etc., the variable nature of the revenues makes it challenging to fund ongoing commitments.</p>	<p>Establish a CET to Allocate Funding</p>
<p><b>Rationale</b></p>	<p>CET is one of few options to generate locally controlled funding for affordable housing and could be implemented without a public vote. Industrial development has been strong in Tualatin in recent years. If this continues, a CET on commercial and industrial development could potentially generate enough revenue to allow the City to fund some of its other equitable housing and related strategies.</p>
<p><b>Anticipated Impact</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Depends on how revenue is used, but would be for extremely low, very low, and low-income and underserved communities.</li> <li>▪ <b>Income:</b> Depends on how revenue is used, but most likely directed toward 0-60% of Median Family Income, however, could be used to meet other income groups, such as contribution to homeownership for households at 61-80% of Median Family Income.</li> <li>▪ <b>Housing tenure:</b> Renter or owner</li> </ul>

	<ul style="list-style-type: none"> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> Based on analysis by ECONorthwest, a 0.5-1% CET on commercial and industrial development could generate roughly \$200,000-400,000 per year. While this would cover the full cost of only a few units of affordable housing per year, it could pay for SDCs and TDT on roughly 100 units per year. If used as gap financing, it could potentially contribute to funding one or two affordable housing developments per year.</li> <li>- <b>Equitable Outcomes:</b> Developing funding sources like CET can support equitable housing programs and development, such as affordable housing and workforce housing.</li> </ul> </li> <li>▪ <b>Potential Financial Impact:</b> Homebuyers and businesses that pay the CET will have slightly higher costs for their homes and for commercial or industrial development. The increase in home prices will not exceed 1% as a result of the CET and may be smaller if the City establishes a CET below 1%.</li> <li>▪ <b>Magnitude:</b> Moderate</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> December 31, 2025</li> <li>▪ <b>Implementation to commence:</b> 2026</li> <li>▪ <b>Time frame of impact:</b> If a CET is implemented in 2026, it may take several years for funds to accumulate to an amount that could be used to support development of housing.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Evaluate potential approach. Include projections on potential revenue and what programmatic goals could be accomplished with revenue. Include SWOT analysis for both residential and commercial/industrial.</li> <li>▪ Engage with developers, major employers, and the business community in Tualatin to evaluate tolerance for a CET on commercial and industrial development and where there are shared interests in supporting local housing production.</li> <li>▪ Seek direction on whether to proceed with adoption from City Council at work sessions.</li> <li>▪ Tualatin City Council could impose the CET by adoption of an ordinance or resolution that conforms to the requirements of ORS 320.192–ORS 320.195.</li> <li>▪ If directed, create a plan for the use of CET funds.</li> </ul>
<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division and City of Tualatin Finance Department</li> <li>▪ <b>Partners:</b> Local developers, Chamber of Commerce, major</li> </ul>

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	employers, and the Tualatin business community
<b>Funding or Revenue Implications</b>	<p>Adopting a CET would provide funding for other strategies. ECONorthwest conducted a preliminary estimate of CET revenue via a backward-looking analysis using the City of Tualatin’s permit database for new residential and commercial/industrial construction from the last five years. The results of this analysis are summarized in Appendix B.</p> <p>Because a percentage (4%) of the revenue can be applied to the City’s costs for administering the program, there should be minimal additional cost for the City.</p>

## 1.d Evaluate Support for Affordable and Workforce Rental Housing as Part of Urban Renewal

Description	Type of Action
<p>Evaluate the potential to specifically identify affordable housing (for instance, housing affordable at 0-60% of MFI and workforce affordable housing at 61-80% of MFI) as a goal of existing or future Urban Renewal Plans. As applicable, identify specific affordable housing programs, projects, and/or supportive infrastructure to be included with urban renewal plan(s).</p> <p>TIF funding for affordable housing or other equitable housing would need to gain approval through the City’s Urban Renewal process and be consistent with the State Oregon Revised Statute (ORS) 457.</p> <p>TIF (for urban renewal districts) is used as a way to make strategic public investments that spur development in areas where it might not otherwise occur. When successful, the new development leads to an increase in property value and property tax revenue. The increment of new tax revenue from within the district (from the time the district is established) is captured and used to pay off bonds (or directly pay) for the public investments in the area. When the bonds are paid off, the entire valuation of the district is returned to the general property tax rolls. While regulated affordable housing is often tax exempt and does not generate additional tax revenue, some jurisdictions allocate a portion of TIF revenues to fund affordable housing to support equitable development within the TIF district. TIF can be invested in the form of low interest loans and/or grants for housing projects or a variety of capital investments.</p> <p><b>Additional Context:</b> The City of Tualatin is in the process of evaluating two potential new TIF districts: (District 1) the Basalt Creek and Southwest Industrial Area and (District 2) the North Study Area, Bridgeport Village, Town Commons, I-5 Corridor and Tualatin-Sherwood Road. The City also recently modified plans for an existing district (Leveton). While much of the land included in these areas is planned for industrial and commercial use, portions of the potential new districts are planned for residential or mixed-use development. These could be appropriate locations for new affordable housing rehabilitation or mixed-income housing.</p> <p>District 1 potential total TIF revenue over 30 years is estimated to be between \$28.4 million and \$55.5 million, depending on future growth in assessed value in the area.</p>	<p>Evaluate Affordable Housing Support as Part of Urban Renewal</p>

District 2 potential total TIF revenue over 30 years is estimated to be between \$248.2 million and \$362.7 million, depending on future growth in assessed value in the area.

District 1 is slated to be established in fall of 2021 and District 2 in approximately two years. In determining the resources for affordable housing from TIF, the City would want to consider the specific housing needs of each district. TIF funding for District 1 may be focused more on infrastructure funding to pay for infrastructure needed to support new development. For District 2, the amount of TIF used for housing could be a larger share of TIF funding, as this district may be focused on housing redevelopment.

<p><b>Rationale</b></p>	<p>TIF is one of few available locally controlled sources of funding to build or improve housing. In addition, investing a share of TIF revenues into affordable or mixed-income housing within an area that is a focus for local investment helps support inclusive and equitable housing development in that area.</p>
<p><b>Anticipated Impact</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Extremely low income, very low-income, low-income, and moderate-income households</li> <li>▪ <b>Income:</b> 0-80% of Median Family Income</li> <li>▪ <b>Housing tenure:</b> Renter or Owner</li> <li>▪ <b>Potential Benefits:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> Urban renewal TIF is the largest source of funding over time that could be made available for affordable housing development. The amount of housing production depends on the funds raised and allotted through urban renewal. TIF can only be spent on capital projects, not operations.</li> <li>- <b>Equitable Outcomes:</b> Establishing TIF funding for equitable housing may have the greatest impact over time of any single funding sources on equitable housing development in the city to be used to develop affordable housing, workforce housing, mixed-use housing, and mixed-income housing and related infrastructure.</li> </ul> </li> <li>▪ <b>Potential Financial Impact:</b> The financial impacts of a URA are borne by overlapping taxing districts, not by individual taxpayers. The financial capacity of two potential new districts on the horizon in Tualatin would not be available immediately but would build slowly over time. In pursuing this strategic action in Tualatin, it will be important to get an early start on setting goals and priorities for TIF funding for affordable housing and other</li> </ul>



	<p>equitable housing before the URA districts are established.</p> <ul style="list-style-type: none"> <li>▪ <b>Magnitude:</b> Moderate to Large</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> December 32, 2022</li> <li>▪ <b>Implementation to commence:</b> 2022</li> <li>▪ <b>Time frame of impact:</b> It would likely be at least 5 to 10 years before there is sufficient revenue in the Urban Renewal District to have enough funds to make significant investment in housing.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ As part of urban renewal planning for the two potential new districts, evaluate inclusion of affordable housing as a policy. Additionally, identify affordable housing programs, projects, and/or supportive infrastructure.</li> <li>▪ Proceed with the planning and adoption processes already underway for the two potential new districts, including establishing priorities for the areas, identifying project lists, confirming financial feasibility, preparing required plan documents, and holding adoption hearings.</li> </ul>
<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division and City of Tualatin Finance Department</li> <li>▪ <b>Partners:</b> Tualatin Development Commission; Overlapping taxing districts</li> </ul>
<b>Funding or Revenue Implications</b>	<p>TIF results in foregone tax revenue for the City and other overlapping taxing districts for several decades for a variety of types of development investment, though it can (and should) grow the tax base in the long term by supporting development that would not otherwise have occurred.</p>

## 1.e Evaluate Financial Resources for Local Contributions to Affordable Housing Development

Description	Type of Action
<p>Evaluate, develop, and promote financial resources for local contribution to affordable housing development. Funds from this effort could be contributed to a Housing Trust Fund Initiative.</p> <p>The City of Tualatin could consider funding sources including foundation grants, private gifts, or other sources to assist with funding contributions to support affordable housing development. The City may consider other sources of funding, such as money from the City’s General Fund, Local Option Levy, Cannabis Tax revenues, and other funding sources.</p> <p>Local contributions to affordable housing development are often critical in helping to fill the funding gap for these projects and to compete successfully for other government funding and foundation grants.</p>	<p>Collect Revenue to Allocate Funding to Housing Programs</p>
<b>Rationale</b>	<p>These funds can be used to support incentives and support for affordable housing development, such as tax exemptions.</p>
<b>Anticipated Impact</b>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Extremely low income, very low-income, and low-income households</li> <li>▪ <b>Income:</b> 0-60% of Median Family Income</li> <li>▪ <b>Housing tenure:</b> Renter</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> The amount of housing production depends on the funds raised and contributed through these resources.</li> <li>- <b>Equitable Outcomes:</b> Local contributions to affordable housing development could help underserved communities and demonstrate the City’s commitment to equity.</li> </ul> </li> <li>▪ <b>Potential Financial Impact:</b> Funds spent on affordable housing will be unavailable for other city services, however, these funds may not have been able to be successfully raised otherwise.</li> <li>▪ <b>Magnitude:</b> Moderate</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> December 31, 2026</li> <li>▪ <b>Implementation to commence:</b> 2027</li> <li>▪ <b>Time frame of impact:</b> If this strategic action is implemented in</li> </ul>

	<p>2026, it may take several years for funds to accumulate to an amount that could be used to support development of housing.</p>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Identify financial sources that the City could use to support affordable housing development.</li> <li>▪ Develop a Housing Trust Fund as a place to collect funds.</li> <li>▪ Continue to raise funds over time.</li> </ul>
<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division and Finance Department</li> <li>▪ <b>Partners:</b> State/Federal Agencies, State and National Foundations</li> </ul>
<b>Funding or Revenue Implications</b>	<p>Evaluating, developing, and promoting financial resources for local contribution is a comparatively low-cost strategy, primarily relying on the use of staff time.</p> <p>If the City uses General Fund revenue or revenue from other taxes, such as Cannabis Tax revenues, the money from these sources would not be available of use for other purposes in Tualatin.</p>

1.f

Evaluate Buildable or Redevelopable Public and Institutional Land Potentially Suitable for Affordable Housing

Description	Type of Action
<p>Periodically evaluate and maintain an inventory of potentially buildable or redevelopable surplus or excess land owned by public agencies and/or institutions to determine its suitability to support development of income-restricted, publicly subsidized, affordable housing.</p> <p>As the facilities needs of public agencies or institutions change over time, properties may not be needed for their originally intended purpose. Also, sometimes sites that are still serving their intended purpose are larger than needed, and the unused portion could be converted to other uses. When these opportunities come up, the City can capitalize on them to support development of affordable housing, but this requires forethought, an intentional approach, and aligning policies and procedures around surplus and excess land and facilities management. Other public agencies and institutions (including religious institutions) may also have land that they no longer need and are willing to make available for affordable housing. Some may be legally required to sell surplus and excess property at fair market value, but others may have flexibility for how they dispose of this land and may be willing to partner with the City to consider opportunities to use this land for affordable housing.</p>	<p>Adopt a Policy or Program to Support Land Acquisition and Disposition</p>
<p><b>Rationale</b></p>	<p>Four primary factors influence housing development: (1) ability to secure suitable land, including acquisition costs; (2) access to capital, including equity and bank loans; (3) public policy, such as zoning, density, and design requirements; and (4) market conditions, including depth of demand and rents/sales prices. This strategy allows the City of Tualatin to directly influence the ability to secure land for affordable housing, by offering particular properties only to affordable housing developers. It can also influence the cost of land, by buying down prices to support affordable housing.</p>
<p><b>Anticipated Impact</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Extremely and very low-income households</li> <li>▪ <b>Income:</b> 0-60% of Median Family Income</li> <li>▪ <b>Housing tenure:</b> Renter</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> The amount of housing production depends on the size and number of properties that</li> </ul> </li> </ul>

	<p>can be converted to affordable housing as a result of this strategy. If this strategy identified 0.5 to 3 acres of surplus or excess land over the eight-year planning horizon, at 30 to 60 units per acre, this strategy could produce between 15 and 180 units of affordable housing.</p> <ul style="list-style-type: none"> <li>- <b>Equitable Outcomes:</b> Land acquisition and land donation for affordable housing development could result in project feasibility by buying down the cost of the overall project; this could contribute to much needed housing for low-income households.</li> <li>▪ <b>Potential Risk:</b> If certain public land is used for affordable housing, it may not be able to be used for other city functions. However, if the land is deemed surplus or excess land, it may not be needed for other city functions. If the land is owned by an institution, such as a church, it may be able to be used, purchased, or donated for affordable housing.</li> <li>▪ <b>Magnitude:</b> Moderate</li> </ul>
<p><b>Timeline</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> December 31, 2023</li> <li>▪ <b>Implementation to commence:</b> 2024</li> <li>▪ <b>Time frame of impact:</b> Land may be available to support affordable housing development immediately after adoption of this strategic action (or possibly before it is completed). It is also possible that no land will be available by adoption and that land will become available in the future through implementing this strategic action, especially with potential future conversations with land owned by institutions.</li> </ul>
<p><b>Implementation Steps</b></p>	<ul style="list-style-type: none"> <li>▪ Inventory City-owned land within Tualatin that may be suitable for affordable housing development and determine what land is currently surplus or excess or may be deemed so in the next few years.</li> <li>▪ Reach out to other public agencies and institutions, including faith-based organizations, that own land within Tualatin to determine if these entities are willing to include their lands in the inventory.</li> <li>▪ Review policies and procedures related to surplus and excess lands to determine whether changes or refinements are needed to enable or encourage them to be made available for affordable housing and to establish protocols for how affordable housing developers would be selected when land is available.</li> </ul>

<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division</li> <li>▪ <b>Partners:</b> Public agencies and/or institutions, including faith-based organizations, in Tualatin; affordable housing developers; City of Tualatin Finance Department; other divisions at the City of Tualatin (as needed)</li> </ul>
<b>Funding or Revenue Implications</b>	<p>Leveraging currently owned surplus and excess lands does not require direct funding, other than staff time to manage the process. Coordination with other partners primarily requires staff time; however, if the City were to acquire land from partners to control the disposition process, this would require funding.</p> <p>Disposing of surplus and excess land could relieve the City’s existing upkeep costs on those lands, but the City may forego revenue by selling the property at below-market value.</p> <p>Depending on whether the affordable housing development is tax exempt (e.g., Housing Authority) or subject to a City-controlled tax exemption, it is possible that after development, the City of Tualatin could experience an increase in their tax base.</p>

1.g

Evaluate Development Code Changes to Allow and Support Other Affordable Rental Housing Types in Tualatin

Description	Type of Action
<p>Evaluate Development Code Changes to allow and support development of other affordable rental housing types in Tualatin that provide affordable housing, beyond the required housing types in House Bill 2001.</p> <p>Other housing options may include dwelling units designed for multiple unrelated individuals living in the same dwelling with shared kitchen and bathrooms such as “adult dorms”; small-scale homes (dwelling units between 100 and 500 square feet); and other innovative, small housing types (such as cargo containers). Allowing and clarifying standards for a diverse array of housing types would require development of clear and objective standards for these housing types.<sup>27</sup></p> <p>In addition, Tualatin’s Development Code does not currently allow small-scale dwellings, such as those at 100 to 500 square feet in size, at densities that would support development of this housing type as affordable housing.</p>	<p>Evaluate Change to Zoning Code</p>
<p><b>Rationale</b></p>	<p>Further diversifying Tualatin’ housing stock gives residents and prospective residents a wider range of housing options to meet their financial needs and housing preferences.</p>
<p><b>Anticipated Impact</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Extremely low and very low–income, low-income, and moderate-income households</li> <li>▪ <b>Income:</b> 0-80% of Median Family Income</li> <li>▪ <b>Housing tenure:</b> Renter</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> This action would not directly result in production of new affordable housing units. However, it is a crucial step in the process necessary to open up more opportunities for production of potentially more affordable types of housing in Tualatin.</li> </ul> </li> </ul>

<sup>27</sup> Tualatin’s Development Code defines household living as “the residential occupancy of a dwelling unit by a family or household, where the dwelling unit is self-contained with cooking, sleeping, and bathroom facilities.” In addition, Tualatin’s Development Code defines a household as “one or more persons related by blood, marriage, domestic partnership, legal adoption or guardianship, plus not more than five additional persons, who live together in one dwelling unit.” These definitions limit options for living situations with separate living quarters but with shared kitchen and bathrooms (such as “adult dorms”), in situations that do not qualify as group living (as defined by Tualatin’s Development Code).

	<ul style="list-style-type: none"> <li>- <b>Equitable Outcomes:</b> This is an opportunity to provide more options for lower-cost housing, which may help underserved communities, people with disabilities, and people with special needs, increasing diversity in neighborhoods.</li> <li>▪ <b>Potential Risk:</b> Allowing smaller units may increase density in existing neighborhoods, with the potential to cause concern for some of the existing residents, while others may welcome it.</li> <li>▪ <b>Magnitude:</b> Indirect, small</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> December 31, 2024</li> <li>▪ <b>Implementation to commence:</b> 2024 or early 2025</li> <li>▪ <b>Time frame of impact:</b> Impact is small. Impact may be greater if changing the Development Code would allow market-rate and regional affordable housing providers to utilize the new wider range of housing types in Tualatin.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Review Development Code to identify and clarify innovative and diverse housing types in the Development Code. Consider housing definitions, types of units permitted, lot dimensions, height standards, and other related standards.</li> <li>▪ Revise Development Code as needed.</li> </ul>
<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division</li> <li>▪ <b>Partners:</b> Development community</li> </ul>
<b>Funding or Revenue Implications</b>	Evaluating zoning code changes for allowed uses is a comparatively low-cost strategy, primarily relying on the use of staff time.



**1.h Evaluate Municipal Code, Development Code, Public Works Construction Code, and Building Code Processes to Make Building Affordable Housing Easier**

Description	Type of Action
<p>Evaluate the City’s Municipal, Development, Public Works Construction, and Building Codes processes to identify opportunities to make it easier to develop and build affordable housing. This could include updating the modifications or variance process and requirements, including making allowing modification or variance processes for affordable housing to have a simpler review process than typical, such as not requiring hearings. It could also include prioritizing review of regulated affordable housing development proposals to the maximum extent possible, while also meeting state-required timelines for review of other development proposals.</p> <p>The City has varying administrative roles in land use and building permitting processes. The City could look for opportunities to reduce or expedite these processes, resulting in improved customer service and reduced development timelines. This strategy could include updating the modifications/variance processes and requirements, which would result in making modification/variance processes for affordable housing simpler and quicker (e.g., not requiring hearings).</p>	<p>Evaluate Change to Zoning Code and Other Development Processes</p>
<b>Rationale</b>	<p>Enable easier development of regulated affordable housing in Tualatin. Enable quicker development time frames by demonstrating responsiveness to affordable housing developer needs.</p>
<b>Anticipated Impact</b>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Extremely and very low-income households</li> <li>▪ <b>Income:</b> 0-60% of Median Family Income</li> <li>▪ <b>Housing tenure:</b> Renter</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> In and of itself, this strategic action is not likely to result in development of more housing. It may make affordable housing more feasible to develop by decreasing the permitting time and may be helpful by attracting affordable housing developers to develop in Tualatin.</li> <li>- <b>Equitable Outcomes:</b> This is an opportunity to provide more options for lower-cost housing, which may help underserved communities, people with disabilities, and people with special needs, increasing diversity in neighborhoods.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>▪ <b>Potential Risk:</b> This strategic action may result in faster review of affordable housing development, possibly decreasing opportunities for public input. Expediting permitting processes for affordable housing may result in minor increases in the time needed for the permitting processes of other development.</li> <li>▪ <b>Magnitude:</b> Low</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> December 31, 2024</li> <li>▪ <b>Implementation to commence:</b> 2024 or early 2025</li> <li>▪ <b>Time frame of impact:</b> The strategic action can begin to take effect once it is adopted and implemented in the Municipal Code.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Work with City Council to develop goals for the length of time the permitting process may take.</li> <li>▪ Identify inefficiencies in the permitting process and make the necessary changes to streamline procedures.</li> <li>▪ Develop a system to measure and monitor the time it takes for affordable housing proposals to get through the City’s development processes.</li> <li>▪ Survey applicants periodically to assess services and areas for improvement.</li> </ul>
<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division</li> <li>▪ <b>Partners:</b> City of Tualatin Engineering and Building Divisions and Legal Services Department</li> </ul>
<b>Funding or Revenue Implications</b>	<p>Evaluating Development Code and process changes is a comparatively low-cost strategy, primarily relying on the use of staff time. If additional staff time were needed to support faster review/permitting times, that may require additional funding for the applicable division.</p>

Goal 2. Affordable Homeownership: Encourage and support affordable homeownership to create opportunities for wealth creation.

We recommend that the City pursue the following goal, which supports the existing Goal 3.2, Policy 3.2.1, and Goal 3.3 in the Comprehensive Plan:

- Encourage and support affordable homeownership education and development to increase equitable opportunities for homeownership and generational wealth creation.

The strategic actions to evaluate and potentially implement this goal are described below. The City may choose to adopt this goal or the results of the strategic actions into the Comprehensive Plan in the future.

<b>2.a Evaluate Impediments to Homeownership and Their Removal</b>	
<b>Description</b>	<b>Type of Action</b>
<p>Work with development stakeholder to develop a comprehensive review of the impediments to homeownership opportunities and evaluate actionable steps to remove those impediments.</p> <p>Barriers to homeownership and impediments may include saving for a down payment, access to down payment assistance, poor credit scores restricting households’ ability to obtain a mortgage, underproduction of homes for sale relative to demand, and lack of affordable homeownership opportunities (particularly in markets with rising home sales prices).</p> <p>The City may form partnerships with organizations that remove barriers by providing financial assistance, such as down payment assistance or paying down interest rates.</p>	<p>Remove Impediments</p>
<b>Rationale</b>	<p>Homeownership is one of the most effective (and primary ways) for households and individuals to build wealth. Further, renter households are more likely to be at risk of displacement than homeowners.</p>
<b>Anticipated Impact</b>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Extremely low and very low–income, low-income, and moderate-income households</li> <li>▪ <b>Income:</b> 0-120% of Median Family Income</li> <li>▪ <b>Housing tenure:</b> Owner</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> This strategic action does not directly result in production of new housing but is intended to</li> </ul> </li> </ul>

	<p>make it easier for residents to afford homeownership.</p> <ul style="list-style-type: none"> <li>- <b>Equitable Outcomes:</b> Removing barriers to homeownership opportunities can increase equitable outcomes by making it easier for households with lower incomes to become homeowners.</li> <li>▪ <b>Potential Risk:</b> Impacts are likely to have no negative impact.</li> <li>▪ <b>Magnitude:</b> Indirect, small</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> December 31, 2024</li> <li>▪ <b>Implementation to commence:</b> 2025</li> <li>▪ <b>Time frame of impact:</b> The strategic action can begin to take effect when it is adopted and implemented, once the impediments to homeownership are removed.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Work with partners to better understand impediments to homeownership in Tualatin.</li> <li>▪ Develop programs or partnerships to lower or remove barriers to homeownership</li> <li>▪ Provide outreach to eligible, prospective program participants to connect them with homeownership programs.</li> </ul>
<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division Department</li> <li>▪ <b>Partners:</b> Oregon Housing and Community Services; Portland Housing Center or other nonprofits (e.g., Oregon Housing Alliance, Housing Oregon, etc.)</li> </ul>
<b>Funding or Revenue Implications</b>	<p>Establishing partnerships and identifying impediments to homeownership are comparatively low-cost strategies, primarily relying on the use of staff time.</p>

## 2.b Partner to Encourage Education about Homeownership Opportunities

Description	Type of Action
<p>Partner with a nonprofit homeownership education program.</p> <p>Consider partnering with the Portland Housing Center (or other nonprofit) to promote homeownership educational opportunities and to help refer interested people to the program. The Portland Housing Center may be a suitable partner as they currently provide guidance, financial services, and home buyer education to Portland-area residents.</p> <p>Tualatin may provide support to renters in their pursuit of becoming homeowners. The City may also provide support to residents in manufactured housing parks (who own their home but not the lot) to form a cooperative (a group of people organized for the purpose of owning and operating a housing park for the benefit of its members on a not-for-profit basis).</p>	<p>Establish Partnerships</p>
<p><b>Rationale</b></p>	<p>Responsible homeownership is one of the most effective (and primary ways) for households and individuals to build wealth. Further, in Oregon, renter households are more likely to be at risk of displacement than homeowners.</p>
<p><b>Anticipated Impact</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Extremely low income, very low-income, low-income, and moderate-income households</li> <li>▪ <b>Income:</b> 0-120% of Median Family Income</li> <li>▪ <b>Housing tenure:</b> Owner</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> This strategic action does not directly result in production of new housing but is intended to make it easier for residents to afford homeownership.</li> <li>- <b>Equitable Outcomes:</b> The City partnering with a homeownership education organization could result in new households actively planning with support for first-time homeownership and potentially attaining it. This could open up new opportunities for underserved communities as well as low-income and moderate-income households and others who are interested yet may never have had access to homeownership education and the possibility of wealth creation.</li> </ul> </li> <li>▪ <b>Potential Risk:</b> There are likely to be no or minor negative</li> </ul>

	<p>impacts.</p> <ul style="list-style-type: none"> <li>▪ <b>Magnitude:</b> Low to moderate</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> June 30, 2022</li> <li>▪ <b>Implementation to commence:</b> 2022</li> <li>▪ <b>Time frame of impact:</b> The strategic action can begin to have impacts when the partnerships are formed and the strategic action has begun to be implemented.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Review state homeownership resources.</li> <li>▪ Establish a partnership with a nonprofit focused on encouraging and supporting homeownership opportunities in the Portland Region.</li> <li>▪ Identify opportunities to help Tualatin residents achieve homeownership.</li> <li>▪ Provide outreach to residents who rent in Tualatin to support their efforts in achieving homeownership.</li> <li>▪ Consider offering a workshop or series of workshops on homeownership in coordination with partner organizations.</li> </ul>
<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division Department</li> <li>▪ <b>Partners:</b> Portland Housing Center or other nonprofits (e.g., Oregon Housing Alliance, Housing Oregon, etc.); Oregon Housing and Community Services.</li> </ul>
<b>Funding or Revenue Implications</b>	<p>Encouraging residents to pursue homeownership education is a comparatively low-cost strategy, primarily relying on the use of staff time and/or community partners with support from staff to reach out to prospective/interested residents.</p>

## 2.c Partner with Organizations that Develop Affordable Ownership Housing

Description	Type of Action
<p>Explore partnership opportunities with a homeownership development organization, such as Habitat for Humanity or a land trust like Proud Ground, that develops and constructs affordable homes to own for households earning 0-80% Median Family Income.</p> <p>Habitat for Humanity (Portland Region) builds homes purposed for affordable homeownership for qualified, low-income families. Proud Ground is a community land trust that provides permanently affordable housing opportunities through funding that creates affordable home buying opportunities and management of real estate to ensure it remains permanently affordable. Tualatin could partner with these or other affordable housing development organizations, for example, by offering surplus or excess land (see Action 1.f), helping to identify suitable land, assisting with the assemblage of land, and providing support on funding applications for homeownership development in Tualatin or local gap funding contribution if funds are available such as through a Housing Trust Fund.</p>	<p>Establish Partnerships</p>
<b>Rationale</b>	<p>Increase the supply of housing available for homeownership for households with income below 80% of MFI.</p>
<b>Anticipated Impact</b>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Extremely low income, very low-income, low-income, and moderate-income households</li> <li>▪ <b>Income:</b> 0-80% of Median Family Income</li> <li>▪ <b>Housing tenure:</b> Owner</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> The amount of housing to be produced over a six-year period as a result of this is likely to be on the order of 10 to 30 units, depending on the land or funds the City has to contribute to this effort.</li> <li>- <b>Equitable Outcomes:</b> The City partnering with a homeownership development organization could result in increased opportunities for homeownership for households that cannot generally afford homeownership. This could open up new opportunities for underserved communities as well as low-income and moderate-income households and others who are interested in homeownership and the possibility of wealth creation.</li> </ul> </li> <li>▪ <b>Potential Risk:</b> There are likely to be no or minor negative</li> </ul>

	<p>impacts.</p> <ul style="list-style-type: none"> <li>▪ <b>Magnitude:</b> Low to moderate</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> December 31, 2023</li> <li>▪ <b>Implementation to commence:</b> 2024</li> <li>▪ <b>Time frame of impact:</b> The strategic action can begin to have impacts when the partnerships are formed and the strategic action has begun to be implemented.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Establish a partnership with a homeownership development organization to support development of affordable homeownership opportunities.</li> <li>▪ Identify funds (or land in Strategic Action 1.f) available to support affordable homeownership development</li> </ul>
<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division</li> <li>▪ <b>Partners:</b> Habitat for Humanity, Proud Ground, or other homeownership development organizations</li> </ul>
<b>Funding or Revenue Implications</b>	<p>Revenue implications vary depending on the amount of monetary support the City of Tualatin is willing to provide. Monetary support would reduce division budgets or general fund dollars unless a new funding source (tax or fee) is established/enacted.</p>



## 2.d Evaluate Development Code to Encourage Diverse Housing Types for Affordable Homeownership

Description	Type of Action
<p>Evaluate Development Code changes to allow and support development of other affordable ownership housing types in Tualatin that provide affordable housing, beyond the required housing types in House Bill 2001.</p> <p>Other housing options may include dwelling units designed for multiple unrelated individuals living in the same dwelling with shared kitchen and bathrooms such as cohousing; small-scale homes (dwelling units between 100 and 500 square feet); and other innovative, small housing types (such as cargo containers). Allowing and clarifying standards for a diverse array of housing types would require development of clear and objective standards for these housing types.<sup>28</sup></p> <p>In addition, Tualatin’s Development Code does not currently allow small-scale dwellings, such as those at 100 to 500 square feet in size, at densities that would support development of this housing type as affordable housing.</p>	<p>Making Zoning Code Changes</p>
<p><b>Rationale</b></p>	<p>Comparatively small dwelling units can help meet identified housing needs for Tualatin’s workforce, particularly affordable homeownership opportunities.</p>
<p><b>Anticipated Impact</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Extremely low income, very low-income, low-income, and moderate-income households</li> <li>▪ <b>Income:</b> 0-120% of Median Family Income</li> <li>▪ <b>Housing tenure:</b> Owner</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> This action would not directly result in production of new units. But it is necessary to remove barriers to production of more types of housing in Tualatin.</li> <li>- <b>Equitable Outcomes:</b> This is an opportunity to provide more</li> </ul> </li> </ul>

<sup>28</sup> Tualatin’s Development Code defines household living as “the residential occupancy of a dwelling unit by a family or household, where the dwelling unit is self-contained with cooking, sleeping, and bathroom facilities.” In addition, Tualatin’s Development Code defines a household as “one or more persons related by blood, marriage, domestic partnership, legal adoption or guardianship, plus not more than five additional persons, who live together in one dwelling unit.” These definitions limits options for living situations with separate living quarters but with shared kitchen and bathrooms (such as “adult dorms”), in situations that do not qualify as group living (as defined by Tualatin’s Development Code).

	<p>lower-cost homeownership opportunities, which may help underserved communities and lower-income households, increasing diversity in neighborhoods.</p> <ul style="list-style-type: none"> <li>▪ <b>Potential Risk:</b> Allowing smaller units may increase density in existing neighborhoods, with the potential to cause concern for some of the existing residents but may be welcomed by other residents.</li> <li>▪ <b>Magnitude:</b> Indirect, small</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> December 31, 2024</li> <li>▪ <b>Implementation to commence:</b> 2024 or early 2025</li> <li>▪ <b>Time frame of impact:</b> The strategic action can begin to take effect once it is adopted and implemented in the Development Code.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Review Development Code to identify and clarify innovative and diverse housing types in the Development Code. Consider housing definitions, types of units permitted, lot dimensions, height standards, and other related standards.</li> <li>▪ Revise Development Code as needed.</li> </ul>
<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division</li> <li>▪ <b>Partners:</b> Development community</li> </ul>
<b>Funding or Revenue Implications</b>	<p>Evaluating zoning code changes for allowed uses is a comparatively low-cost strategy, primarily relying on the use of staff time.</p>

Goal 3. Preservation of Regulated Affordable Housing: Preserve affordable housing to prevent the loss of existing affordable housing units and to prevent resident displacement.

We recommend that the City pursue the following goal, which supports the existing Goals 3.2 and 3.3 in the Comprehensive Plan:

- Preserve affordable housing to prevent the loss of existing affordable housing units and to prevent resident displacement.
- Ensure and support no net loss for affordable housing in the City through preservation of one-for-one unit replacement that will retain at least the current number of housing units affordable to households at or below 60% of area Median Family Income (MFI). The City would track and report on the no net loss of affordable housing annually and ensure there are affordability agreements to maintain long-term affordability.

The strategic actions to evaluate and potentially implement this goal are described below. The City may choose to adopt this goal or the results of the strategic actions into the Comprehensive Plan in the future.

<b>3.a Evaluate How to Support Preservation of Regulated Affordable Rental Housing</b>	
<b>Description</b>	<b>Type of Action</b>
<p>Encourage and support preservation of affordable rental housing for households earning 0-60% Median Family Income, working with the State and affordable housing partners to ensure no net loss of regulated affordable housing units.</p> <p>Two of Tualatin's three regulated housing properties have Low-Income Housing Tax Credit (LIHTC) projects that are privately owned and expire in 7 and 10 years, respectively. With nothing in place to protect from loss of these units upon expiration of the LIHTC, especially with the expansion of urban renewal districts and planning for redevelopment, these units could be lost.</p> <p>The City could, at a minimum, track the expiration of the tax credits for these properties. Recent state legislation established a regulatory framework for multifamily rental housing developments with expiring affordability restrictions across a range of state funding programs. Owners must give notice to local government and the state when affordability restrictions will expire, and owners must provide the</p>	<p>Adopt a Program</p>

opportunity for the state, local government, or designee to make an offer to purchase the property and to match a competing offer.<sup>29</sup>

The City could also develop a program to enforce a policy about no net loss of regulated affordable housing, in addition to tracking expiration of the tax credits. If the City develops a policy to avoid losing regulated affordable housing, it will need to identify how to support and enforce that policy, as discussed below.

Two of Tualatin's three regulated housing properties have Low-Income Housing Tax Credit (LIHTC) projects that are privately owned and expire in 7 and 10 years, respectively. Preserving affordability of these properties is a priority for the City. The legislation mentioned above can make it easier for Tualatin to track these properties. The City may also want to have outreach to these property owners to establish relationships with them and better understand their intentions when the tax credits are near to expiration.

For these or other properties in a similar situation, the City could work to identify organizations (e.g., nonprofit affordable housing providers) that might be willing and able to acquire the properties if the owners seek to sell or convert them to market rate. The City could also reach out to the property owner before the end of the affordability period to offer technical assistance with preservation options and make them aware of any City programs or incentives available at that time to support maintaining affordability (e.g., tax exemptions).

<b>Rationale</b>	Preservation of existing and expiring regulated affordable housing is a more cost-effective strategy to maintain the supply than building new affordable housing.
<b>Anticipated Impact</b>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Extremely low and very low-income residents and households</li> <li>▪ <b>Income:</b> 0-60% of Median Family Income</li> <li>▪ <b>Housing tenure:</b> Renter</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> Tualatin has three regulated affordable housing units with a total of 604 income-restricted units. One of these developments (with 100 units made affordable through the LIHTC) is set to expire in January 2028. Preserving this development, for example, could maintain 100</li> </ul> </li> </ul>

<sup>29</sup> Oregon Housing and Community Services (OHCS), "Preservation Compliance (for Owners)," <https://www.oregon.gov/ohcs/compliance-monitoring/Pages/push.aspx>. Accessed 3/18/21.

	<p>units of affordable housing in the city, resulting in no net loss of regulated affordable housing units, which is a significantly positive impact. However, this strategy would not directly result in the production of new units.</p> <ul style="list-style-type: none"> <li>- <b>Equitable Outcomes:</b> Residents living in affordable housing with tax credits coming up for expiration may be particularly vulnerable to displacement. Preservation and no net loss policies for regulated affordable housing may offer a level of protection from displacement for low-income and vulnerable residents living in affordable housing.</li> <li>- <b>Potential Risk:</b> There are likely to be no or minor negative impacts.</li> </ul> <ul style="list-style-type: none"> <li>▪ <b>Magnitude:</b> Moderate</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> December 31, 2025</li> <li>▪ <b>Implementation to commence:</b> 2026</li> <li>▪ <b>Time frame of impact:</b> This strategic action will begin to take effect in 2026. The impact will really be felt as the existing tax exemptions begin to expire on a property-by-property basis, which will begin to occur after this strategic action is implemented.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Reach out to the GSL Properties (property owners of Terrace View, Tualatin Meadows, and Woodridge) to learn their plans for these properties once affordability restrictions expire. If ownership has changed, then reach out to current property owner.</li> <li>▪ The City may offer assistance or connect the property owner to other supportive options should any of these properties be at risk for converting back to market rate.</li> </ul>
<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division</li> <li>▪ <b>Partners:</b> GSL Properties and other property owners of affordable housing in Tualatin.</li> </ul>
<b>Funding or Revenue Implications</b>	<p>Outreach to a single property owner is a low-cost strategy, primarily relying on the use of staff time. Depending on the program, a no net loss policy may involve a funding source to carry it out, such as CET.</p>

### 3.b Evaluate Developing a Healthy Housing Initiative for Multifamily Housing

Description	Type of Action
<p>Evaluate developing a Healthy Housing Initiative to address life safety, mold, lead, and ventilation issues for multifamily housing.</p> <p>A Healthy Housing Initiative could involve proactive inspection of renter-occupied multifamily properties to identify issues similar to those mentioned above. In addition, this initiative could include an educational component to provide information on how to prevent these issues from developing and funding plan to address the issues identified through inspections.</p> <p>This strategic action would be connected with Action 8.b, a Healthy Housing Initiative for Single-Family Housing</p>	<p>Implement a Program to Provide Financial Resources</p>

<b>Rationale</b>	<p>To improve older multifamily properties in Tualatin that are lower cost, unregulated, and deteriorating. The City needs this housing stock, and it is important that housing stays affordable while ensuring habitable and healthy conditions for residents.</p>
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<b>Anticipated Impact</b>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Extremely low and very low-income, and low-income</li> <li>▪ <b>Income:</b> 0-80% Median Family Income</li> <li>▪ <b>Housing tenure:</b> Rental</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> This action focuses on addressing safety problems in existing housing, not producing new housing. If this action is used to assist 10 to 25 households per year, it may help 60 to 150 households over the 6-year period for the HPS.</li> <li>- <b>Equitable Outcomes:</b> Residents living in rental housing in poor condition are more likely to have lower incomes and fewer housing choices. Supporting a Healthy Housing Initiative can improve the conditions of rental housing, which may help protect vulnerable residents.</li> </ul> </li> <li>▪ <b>Potential Risk:</b> Most negative impacts would be borne by the property owner to address identified deficiencies, though there likely would be positive impacts for the property owner too, such as property value increases and longer-term renters, resulting in increased revenue. If the property owner makes substantial changes to the housing and must bear the entire cost, that may</li> </ul>
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	<p>result in increased rents without some form of rent control agreement.</p> <ul style="list-style-type: none"> <li>▪ <b>Magnitude:</b> Moderate to large, depending on the outreach of the program</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> December 31, 2024</li> <li>▪ <b>Implementation to commence:</b> 2025</li> <li>▪ <b>Time frame of impact:</b> The strategic action can begin to take effect once it is adopted and implemented.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Evaluate the benefit of establishing a Healthy Housing Initiative with interested stakeholders and the public. Conduct outreach to housing consumers and property owners/managers of older, multifamily rental properties to gauge interest in resources and to identify questions/concerns about a potential inspection program.</li> <li>▪ If the initiative is deemed important, draft code language that covers mold, lead, ventilation, and other healthy/safety issues.</li> <li>▪ Develop an educational component of the program in coordination with the Community Development Department with representation between Planning, Building, and Engineering.</li> <li>▪ Establish program parameters: How can residents file complaints? How are inspections administered? How are alleged issues communicated to property owners? How are mitigation requests enforced?</li> <li>▪ Establish source of funds to administer the program.</li> <li>▪ Discuss topic with City Council at work sessions and in a public hearing if desired. Tualatin City Council may adopt the program and code language via ordinance.</li> </ul>
<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division</li> <li>▪ <b>Partners:</b> Washington County Public Housing Authority, Community Alliance of Tenants (CAT)</li> </ul>
<b>Funding or Revenue Implications</b>	<p>A source of funds to administer the program may be needed, such as CET funds. Alternatively, some additional staff time may be needed if the program is primarily informational.</p>

Goal 4. Preservation of Naturally Occurring Affordable Housing (NOAH): Preserve naturally occurring affordable housing, where possible, to prevent loss of affordable units and to mitigate resident displacement.

We recommend that the City pursue the following goal, which supports the existing Goals 3.2 and 3.3 in the Comprehensive Plan:

- Preserve naturally occurring affordable housing to prevent loss of affordable units and to prevent and mitigate resident displacement.

Implementing this goal will require developing a program to preserve “naturally occurring affordable housing” through acquisition, low interest loans/revolving loan fund for preservation, code enforcement, or other approaches. The strategic actions to evaluate and potentially implement this goal are described below. The City may choose to adopt this goal or the results of the strategic actions into the Comprehensive Plan in the future.

4.a Evaluate Development of Incentives to Preserve Low-Cost Rentals for Below-Market-Rate Privately Owned Rental Housing	
Description	Type of Action
<p>Evaluate options to assist with needed improvements to existing low-cost rental housing where the housing is in poor condition. The options may include a tax abatement (such as the Multi-Unit Property Tax Exemption), low interest loan program, or other financial incentives for low-cost market-rate apartments that agree to make needed improvements (e.g., to address code violations or health/safety issues) without displacing existing residents or agree to stabilize or reduce rents.</p> <p>Needed improvements may include addressing code violations or health/safety issues. The City would need to ensure they only grant financial incentives to property owners who agree to stabilize/reduce rents or not displace existing residents.</p> <p>Much of the rental housing in Tualatin that is affordable to low and moderate-income households is older, privately owned rental housing that is not subject to affordability restrictions. This housing may have deferred maintenance issues as a result of a lack of resources to make improvements and pay for repairs (or, in some cases, owner neglect). The City could work with property owners of low-cost unregulated rental housing to support needed repairs without displacing tenants. This could include:</p> <ul style="list-style-type: none"> <li>▪ Offer low interest loans and/or grants to property owners for</li> </ul>	<p>Establish Financial Incentives</p>



<p>repairs and major rehabilitation, providing they do not displace residents.</p> <ul style="list-style-type: none"> <li>▪ Evaluate reducing regulatory requirements and permitting challenges for owners seeking to improve older rental housing.</li> <li>▪ Provide information/technical assistance to smaller property owners regarding state and local resources to support weatherization and healthy housing.</li> <li>▪ Use the Multi-Unit Property Tax Exemption (Action 4.b) to support rehabilitation of multifamily housing, as described in Action 4.b.</li> </ul> <p>The City may want to begin implementing this strategic action with a limited scope pilot program to test and fine tune this program.</p>	
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<b>Rationale</b>	This action focuses on improvement of the condition of existing housing. Keeping low-cost unregulated housing both habitable and affordable reduces the need for subsidized new construction.
<b>Anticipated Impact</b>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Extremely low income, very low-income, and low-income</li> <li>▪ <b>Income:</b> 0-80% of Median Family Income</li> <li>▪ <b>Housing tenure:</b> Renter</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> This strategy is not anticipated to produce new units, but it could improve the quality of the city’s existing supply of low-cost, regulated rental units.</li> <li>- <b>Equitable Outcomes:</b> Preservation mechanisms would protect these vulnerable populations from housing displacement.</li> </ul> </li> <li>▪ <b>Potential Risk:</b> If there are not effective mechanisms in place to ensure that housing will be affordable for the populations served, the rents may increase, making the housing less affordable and potentially displacing tenants.</li> <li>▪ <b>Magnitude:</b> Moderate</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> December 31, 2026</li> <li>▪ <b>Implementation to commence:</b> 2027</li> <li>▪ <b>Time frame of impact:</b> The strategic action can begin to take effect once it is adopted and implemented, as the incentives start to be used.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Define eligibility for this program based on income. Eligibility requirements should tell whether all units in the multifamily building serve households with incomes 80% of MFI or less or whether a minimum percentage of units should be rented to</li> </ul>

	<p>households with incomes below 80% of MFI. In addition, the City should determine whether assistance goes to the property owner or another entity</p> <ul style="list-style-type: none"> <li>▪ Develop a list of lower-cost, unregulated rental housing, including property locations, number of units per development, and property owner contact information.</li> <li>▪ Evaluate programs, technical assistance opportunities, regulatory changes, and other options to support property improvements. This step can include multiple approaches, as noted in the description of this action.</li> <li>▪ Reach out to property owners (identified in Step 1). Gauge their interest in improving the safety, health, and stability of their property. Determine what kinds of improvements their properties might need and what resources would be most useful to them.</li> <li>▪ Refine and implement programs, technical assistance opportunities, regulatory changes, and other options (identified in Step 2) based on feedback from property owners.</li> <li>▪ Connect interested property owners to established programs and opportunities.</li> <li>▪ Seek additional federal funding through the US Department of Housing and Urban Development’s (HUD’s) Lead Hazard Control and Healthy Homes program</li> </ul>
<p><b>Lead Agency and Potential Partners</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division</li> <li>▪ <b>Partners:</b> Property owners of low-cost, unregulated rental housing</li> </ul>
<p><b>Funding or Revenue Implications</b></p>	<p>Amending permitting and regulatory requirements or providing technical assistance and information are comparatively low-cost strategies, primarily relying on the use of staff time. Providing low interest loans, grants, or implementing the MUPTE tax exemption would require a funding source to backfill program dollars awarded/loaned. Implementing a new program such as the HUD Lead Hazard Control and Healthy Homes program would take extensive administrative and partner resources to meet federal regulatory requirements, including performance measures.</p>

4.b

Evaluate Using the Multiple Unit Property Tax Exemption to Slow Rental Cost Increases

Description	Type of Action
<p>Evaluate the Multi-Unit Property Tax Exemption (MUPTE) as a tool to incentivize rehabilitation of existing low-cost unregulated affordable multifamily without displacing or increasing rents for existing tenants. The savings from the tax exemption could help the property owner pay for the costs of rehabilitation over time.</p> <p>To qualify, owners of multifamily rental properties who are applying for MUPTE would need to enter into a contract with a public agency (such as the City of Tualatin) that would set affordability restrictions; the terms of the affordability restrictions can be set by the City, and there are no specific income/affordability requirements in the state statute that enable the program. The City must also show that the exemption is necessary to preserve or establish low-income units.<sup>30</sup> The exemption applies to the improvement value of the property (not the land value). The exemption is initially for 10 years (per statute), but it could be extended for as long as the housing is subject to the affordability contract.</p> <p>The exemption would apply only to the City’s portion of property taxes unless taxing districts representing 51% or more of the combined levying authority (including the City’s tax rate) agree to support the exemption.</p>	<p>Adopt a Tax Exemption to Reduce Ongoing Charges on Development</p>
<p><b>Rationale</b></p>	<p>The MUPTE program is flexible and eligibility criteria can be set locally, allowing the City to target solutions to meet its needs. It can offer an incentive for mixed-income housing, providing a way to leverage private, market-rate development to expand affordable housing.</p>
<p><b>Anticipated Impact</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Extremely low income, very low-income, and low-income households</li> <li>▪ <b>Income:</b> 0-80% of Median Family Income</li> <li>▪ <b>Housing tenure:</b> Rental</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> If this incentive was used for one to two existing apartment buildings at about 150 units</li> </ul> </li> </ul>

<sup>30</sup> The statute does not specify how to show that the exemption is necessary.

	<p>each, if 10-20% of units were affordable, this strategy could result in 30 to 60 units below market rate.</p> <ul style="list-style-type: none"> <li>- <b>Equitable Outcomes:</b> This strategic action would preserve naturally occurring affordable housing for tenants, such as those vulnerable to displacement or housing instability if rents increased or rent discounts were not offered.</li> <li>▪ <b>Potential Risk:</b> The City and participating taxing districts would forgo property tax income for the properties that qualify for MUPTE. This would reduce some revenue for city services and for participating taxing districts.</li> <li>▪ <b>Magnitude:</b> Moderate</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> December 31, 2026</li> <li>▪ <b>Implementation to commence:</b> 2027</li> <li>▪ <b>Time frame of impact:</b> The strategic action can begin to take effect once it is adopted and implemented, when property owners begin to apply for the tax exemption.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Determine desired eligibility criteria (e.g., affordability requirements and any other public benefit requirements).</li> <li>▪ Seek input from overlapping taxing districts on their willingness to support the exemption.</li> <li>▪ Discuss topic with City Council at work sessions and in public hearings. City Council may choose to adopt MUPTE by resolution or ordinance following a public hearing.</li> <li>▪ Follow up with overlapping taxing districts to request that they pass resolutions to support the exemption.</li> </ul>
<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division and City of Tualatin Finance Department</li> <li>▪ <b>Partners:</b> Overlapping Taxing Districts</li> </ul>
<b>Funding or Revenue Implications</b>	<p>MUPTE reduces general fund revenues for all overlapping taxing districts. The City of Tualatin must weigh the loss of tax revenue against value of the rent discounts offered by qualifying development.</p>

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Goal 5. Housing for Underserved Communities: Implement housing policies, projects, programs, and partnerships to further support racial and social equity.

We recommend that the City pursue the following goal, which supports the existing Goal 3.2 and Goal 3.3 in the Comprehensive Plan:

- Implement all City housing policies with consideration for racial and social equity, which recognizes historical inequities in housing to underserved communities and aims to rectify inequities going forward by establishing an equitable housing program and a measurable action plan toward equitable housing.
- City of Tualatin affirmatively furthers access to decent, affordable housing in locations near the services and destinations to thrive, ensuring equal access for underserved communities.
- Promote access to opportunity by encouraging and supporting affordable housing, workforce housing, mixed-use housing, and mixed-income housing that meets the cultural needs of diverse populations by providing multiple unit sizes, types, and tenure options in high-opportunity areas.

The strategic actions to evaluate and potentially implement this goal are described below. The City may choose to adopt this goal or the results of the strategic actions into the Comprehensive Plan in the future.

**5.a**

**Consider Development of a Funding Action Plan to Implement the HPS with Attention to Equity**

Description	Type of Action
<p>Consider development of a funding action plan that would include how best to implement the strategic actions in the Housing Production Strategy (HPS) through considerations of equity.</p> <p>Implementing housing policies in an equitable way goes beyond affordability—it aims to ensure all people have housing choices that are diverse, high quality, physically accessible, and reasonably priced with access to opportunities, services, and amenities (e.g., transit, schools, childcare, food, and parks). These issues are addressed throughout the 12 goals and the strategic actions in the HPS.</p> <p>A key to implementing the HPS with consideration of equity is identifying and securing resources to implement the HPS. The City could develop an action plan that refines the schedule described in the HPS and develop a confirmed budget with identified funding sources for the implementation of the HPS. This action plan could be adopted by City Council.</p> <p>Part of implementation of the HPS could be ongoing outreach to underserved communities to get feedback on prioritization of action and resources called for in the HPS. This outreach could build on the Equity Resolution adopted by the City Council on February 22, 2021, that confirms the City of Tualatin’s commitment to local actions that promote equity and other equity planning the City has recently been engaged in.</p> <p>A part of implementing the HPS will be assessing, aligning, and updating the strategic questions, perhaps at the three-year point of the HPS. Key questions that the City could consider at this point include:</p> <ul style="list-style-type: none"> <li>• Is there a need to reprioritize the strategic actions based on changing conditions or feedback from stakeholders, including underserved communities?</li> <li>• Are additional actions needed to address new or changing conditions?</li> <li>• How will the City fund implementation of the HPS?</li> <li>• Is staff capacity sufficient to meaningfully advance the strategic actions?</li> </ul>	<p>Develop a Funding Action Plan</p>

- What benefits has the City seen from its efforts to date? Are the City’s residents, especially its lower-income residents and communities of color, seeing a return on the investments that the City has made?

These and other questions could be addressed as part of developing the funding action plan.

<b>Rationale</b>	The purpose of a HPS is to increase access to housing with an emphasis on low and moderate-income households but also to further racial and social equity.
<b>Anticipated Impact</b>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Low-income and moderate-income households, underserved communities, communities of color, other state and federal protected classes</li> <li>▪ <b>Income:</b> Emphasis on households with incomes below 120% of Median Family Income</li> <li>▪ <b>Housing tenure:</b> Renter or Owner</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> This strategy alone would not result in additional units, but it may result in better housing outcomes for more people.</li> <li>- <b>Equitable Outcomes:</b> This strategic action is aimed at developing an equitable action plan to support the HPS work. This may need to be done in two phases (as noted in Exhibit 6) as the evaluation of funding resources and incentives are planned to occur over the course of the six-year HPS. This process may raise community awareness and increase participation from underserved communities.</li> </ul> </li> <li>▪ <b>Potential Risk:</b> The strategy will require explicit consideration of funding sources, which may raise issues and considerable dialogue regarding specific funding strategies. This is not necessarily negative, but it could be challenging.</li> <li>▪ <b>Magnitude:</b> Indirect, large</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> June 30, 2023</li> <li>▪ <b>Implementation to commence:</b> 2023</li> <li>▪ <b>Time frame of impact:</b> This strategic action will begin to have impact when adopted. However, the funding plan resulting from this strategic action is central to the implementation of other parts of HPS.</li> </ul>

<p><b>Implementation Steps</b></p>	<ul style="list-style-type: none"> <li>▪ Identify City’s overarching policy objectives for equity and understand how housing equity fits into those objectives.</li> <li>▪ Develop a public engagement plan that can guide conversations with the community, stakeholders, housing producers, and service providers. Focus conversations on opportunities and constraints related to equitable development and the priorities of the strategic actions in the HPS to build equity.</li> <li>▪ Through these conversations, identify and document recommendations for prioritization of resources and strategic actions to achieve more equitable housing outcomes.</li> <li>▪ Identify specific sources of funding for implementing the HPS and establish a budget for implementing each action.</li> <li>▪ Report on the findings of engagement and implementation progress of the HPS, with recommendations for consideration by the Tualatin City Council.</li> <li>▪ Tualatin City Council should revisit prioritization of the strategic actions in the HPS based on these findings.</li> </ul>
<p><b>Lead Agency and Potential Partners</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division</li> <li>▪ <b>Partners:</b> Underserved communities in Tualatin, Tualatin TuaLatinos (previously the Diversity Task Force), all residents of Tualatin, Tigard-Tualatin School District, Washington County Housing Authority, Metro, area developers, service providers, nonprofits, and residents of Tualatin.</li> </ul>
<p><b>Funding or Revenue Implications</b></p>	<p>Research and development of an analysis to impediments is a time-intensive analysis, primarily relying on the use of staff time. The City may consider approaching Metro about funding this type of outreach, as it is closely connected with the equitable housing planning grants that Metro has made since 2016. The next grant funding cycle will start in fall 2021.</p>



5.b

Evaluate Impediments to Fair Housing to Create an Analysis of Impediments

Description	Type of Action
<p>Evaluate impediments to Fair Housing and create an Analysis of Impediments, starting with Washington County’s Analysis of Impediments completed in May 2020.<sup>31</sup></p> <p>Fair housing is the right to choose housing free from unlawful discrimination. An analysis of impediments to fair housing is a process that recipients of grant funds from the US Department of Housing and Urban Development (HUD) must go through to receive funds. Jurisdictions can choose to conduct this analysis to affirmatively further fair housing on their own.</p> <p>An analysis of impediments would identify fair housing issues in Tualatin (in the context of Washington County), the factors that contribute to those issues, and strategies to address those issues. Among other topics, the analysis would consider patterns of segregation, racial/ethnic concentrations of poverty, and disproportionate access to opportunity and housing needs.</p> <p>The analysis concludes with a set of recommendations to inform future policies that will promote fair housing choice and inclusivity.</p>	<p>Conduct Research and Develop Policy Recommendations</p>
<p><b>Rationale</b></p>	<p>Improving fair housing is foundational to family success and helps to achieve broader equity goals.</p>
<p><b>Anticipated Impact</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Low-income, moderate-income, and high-income residents and households, communities of color, and all state and federal protected classes</li> <li>▪ <b>Income:</b> All income groups</li> <li>▪ <b>Housing tenure:</b> Renter or Owner</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> This strategy alone would not result in additional units, but it may result in better housing outcomes for more people.</li> <li>- <b>Equitable Outcomes:</b> Likely to increase community awareness regarding fair and equitable housing and inform future policies.</li> </ul> </li> <li>▪ <b>Potential Risk:</b> This strategic action may raise challenging issues</li> </ul>

<sup>31</sup> <https://www.co.washington.or.us/CommunityDevelopment/Planning/upload/FinalAI.pdf>

	<p>and considerable community dialogue, but it is also likely to result in increased community awareness and a useful set of recommendations.</p> <ul style="list-style-type: none"> <li>▪ <b>Magnitude:</b> Moderate</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> December 31, 2024</li> <li>▪ <b>Implementation to commence:</b> 2025</li> <li>▪ <b>Time frame of impact:</b> The strategic action will begin to have impact once the analysis is completed and the impediments begin to be removed.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Establish a planning process to develop an analysis of impediments, following HUD guidelines. Establish recommendations to resolve impediments.</li> <li>▪ Conduct public and stakeholder outreach to gather feedback on the recommendations.</li> <li>▪ Pursue action with City Council, should the plan’s recommendations lead to a desire to revise or adopt new policies.</li> </ul>
<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division</li> <li>▪ <b>Partners:</b> City Council, Tigard-Tualatin School District, Washington County, Metro, Oregon Housing and Community Services, area developers, service providers, nonprofits, and regional foundations.</li> </ul>
<b>Funding or Revenue Implications</b>	<p>Research and development of an analysis to impediments is a time-intensive analysis, primarily relying on the use of staff time. If the City hires a consultant to complete the analysis, the amount of staff time required to complete the analysis will decrease and the City will need to fund the cost of the consultant’s analysis. The City should consider hiring a consultant to complete this analysis and assist community engagement. The consultant should have considerable expertise in fair housing and fair housing analysis.</p>

## 5.c

## Evaluate Ways to Best Ensure Opportunities for Education about Fair Housing Are Provided

Description	Type of Action
<p>Ensure there are opportunities for education about Fair Housing for residents, property owners, property managers, those involved in real estate transactions, Tualatin City staff, Tualatin Planning Commission, and Tualatin City Council. The City could contract with the Fair Housing Council of Oregon to conduct these trainings.</p>	<p>Provide Education</p>
<b>Rationale</b>	<p>Education about Fair Housing is important to preventing and addressing housing discrimination.</p>
<b>Anticipated Impact</b>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Low-income, moderate-income, and high-income residents and households, communities of color, and all state and federal protected classes.</li> <li>▪ <b>Income:</b> All income levels</li> <li>▪ <b>Housing tenure:</b> Renter or Owner</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> This strategy alone would not result in additional units, but it may result in better housing outcomes for more people.</li> <li>- <b>Equitable Outcomes:</b> This strategic action is likely to raise community awareness about this topic and help to prevent discrimination.</li> </ul> </li> <li>▪ <b>Potential Risk:</b> There are likely to be no or minor negative impacts.</li> <li>▪ <b>Magnitude:</b> Moderate</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> No need for adoption or official action, as this strategic action is about forming a partnership.</li> <li>▪ <b>Implementation to commence:</b> 2023</li> <li>▪ <b>Time frame of impact:</b> The strategic action can begin to have impacts when the partnerships are formed and the strategic action has begun to be implemented.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Partner with the Fair Housing Council of Oregon to identify educational needs and conduct trainings. These trainings should occur on a regular basis, such as every few years.</li> <li>▪ Tualatin could provide written Fair Housing information for residents, property managers, property owners, and those involved with real estate transactions.</li> </ul>

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<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"><li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division</li><li>▪ <b>Partners:</b> Fair Housing Council of Oregon</li></ul>
<b>Funding or Revenue Implications</b>	By partnering with the Fair Housing Council of Oregon, this is likely to be a lower-cost strategy, primarily relying on the use of staff time to coordinate education opportunities and funding to pay for the trainings.

5.d

Evaluate Strategies to Encourage Diverse Housing Types in High-Opportunity Neighborhoods

Description	Type of Action
<p>Encourage development of diverse housing types in high-opportunity neighborhoods, such as neighborhoods with high environmental quality and access to transit, jobs, good schools, parks, and open spaces.</p> <p>Enable developments that support multiple unit sizes, types, and tenure options to promote diverse housing options in high-opportunity neighborhoods. Use an analysis of “access to opportunity” to decide which zones or locations (via zoning overlay) where this is appropriate. The purpose of this strategy is to promote access to opportunity to households with a range of backgrounds and incomes. This strategy may work well with the incentives for development of affordable and workforce housing.</p>	<p>Provide Education</p>
<p><b>Rationale</b></p>	<p>Reverse historical patterns of racial, ethnic, cultural, and socioeconomic exclusion.</p>
<p><b>Anticipated Impact</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Extremely low income, very low-income, low-income, and moderate-income households, communities of color, and all state and federal protected classes</li> <li>▪ <b>Income:</b> 0-80% of Median Family Income</li> <li>▪ <b>Housing Tenure:</b> Renter</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> This strategy may result in a modest increase in development of new diverse housing types that are smaller in size across the city, especially on small infill lots.</li> <li>- <b>Equitable Outcomes:</b> By locating a diverse range of smaller housing types in high-opportunity areas, it may increase access to amenities for households at 80% MFI and below to better schools, parks, modes of transportation, health-care facilities, shopping, and other neighborhood amenities they might not otherwise have had access to.</li> </ul> </li> <li>▪ <b>Potential Risk:</b> Allowing more diverse housing types may increase density in existing neighborhoods, with the potential to cause concern by some of the existing residents.</li> <li>▪ <b>Magnitude:</b> Moderate</li> </ul>

<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> December 31, 2024</li> <li>▪ <b>Implementation to commence:</b> 2024 or early 2025</li> <li>▪ <b>Time frame of impact:</b> The strategic action can begin to take effect once it is adopted and implemented. It may take some years after implementation for development resulting from this strategic action to begin to occur.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Identify high-opportunity areas and capacity in these areas to accommodate a range of housing types.</li> <li>▪ Evaluate incentives and regulatory changes that would support diverse housing in opportunity areas, such as MUPTE or a property tax exemption for regulated affordable housing.</li> <li>▪ Talk with developers about the incentives most likely to incent them to develop a wider variety of housing types in identified opportunity areas.</li> </ul>
<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> Tualatin Planning Division</li> <li>▪ <b>Partners:</b> Developers of affordable housing, workforce housing, and market-rate housing.</li> </ul>
<b>Funding or Revenue Implications</b>	<p>This is a comparatively low-cost strategy, primarily relying on the use of staff time.</p>

Goal 6. Workforce Housing: Encourage, plan for, and support the development of workforce housing for households earning 61%-80% Median Family Income, for both owner and renter, in order to increase the jobs-housing balance, reduce commute time, and provide attainable housing for workers in Tualatin.

We recommend that the City pursue the following goal, which supports the existing Goal 3.2 in the Comprehensive Plan:

- Encourage, plan for, and support the development of workforce owner and rental housing, 61-80% Median Family Income to increase the jobs-housing balance, reduce commute time, and provide attainable housing for workers in Tualatin.

The strategic actions to evaluate and potentially implement this goal are described below. The City may choose to adopt this goal or the results of the strategic actions into the Comprehensive Plan in the future.

<b>6.a Evaluate Ways to Incentivize Inclusion of Workforce Housing Units within New Multifamily Rental Development</b>	
Description	Type of Action
<p>Evaluate the feasibility of establishing a tax abatement for new multifamily development that includes a portion of units affordable between 61 and 80% of Median Family Income under the Multi-Unit Property Tax Exemption program (MUPTE).</p> <p>The state-authorized, locally implemented MUPTE program would allow Tualatin to offer a partial property tax exemption (limited to the value of the housing, not the land) for multifamily development that meets specific, established criteria by the City, such as having an affordability agreement with the City of Tualatin or another public agency.<sup>32</sup> The terms of the affordability agreement could be set by the City—there are no specific income/affordability requirements in the state statute that enables the program. The exemption would apply only to the City’s portion of property taxes, unless taxing districts representing 51% or more of the combined levying authority (including the City’s tax rate) agree to support the exemption. It would last for 10 years or longer if the affordability agreement remains in place. The City would need to seek support from overlapping taxing districts to offer the exemption for all property taxes (not just the City's portion).</p>	<p>Adopt a Tax Exemption</p>

<sup>32</sup> If the abatement were being applied to a project that does not have state or federal affordability requirements, the City could enter into the contract directly with the property owner or seek to partner with Washington County, which would administer the affordability agreement.

The City could explore using MUPTE in two possible ways:

- To incentivize mixed-income development through inclusion of below-market units in otherwise market-rate developments.
- To incentivize owners of existing low-cost unregulated affordable housing to rehabilitate properties without displacing existing tenants or escalating rents (Strategic Action 4.b).

<b>Rationale</b>	The MUPTE program is flexible and eligibility criteria can be set locally, allowing the City to target the housing to meet its needs. It can offer an incentive for mixed-income housing, providing a way to leverage private, market-rate development to expand affordable housing.
<b>Anticipated Impact</b>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Low-income residents and households</li> <li>▪ <b>Income:</b> 61-80% of Median Family Income</li> <li>▪ <b>Housing tenure:</b> Renters</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> If this incentive was used for one to two apartment buildings at about 150 units each and 10-20% of units were affordable to low-income households,<sup>33</sup> this strategy could result in 30 to 60 workforce-affordable units.</li> <li>- <b>Equitable Outcomes:</b> Provides the opportunity for mixed income in multifamily housing, with a portion of units affordable to low-income residents.</li> </ul> </li> <li>▪ <b>Potential Risk:</b> The City and participating taxing districts would forgo some property tax income for the duration of the exemption, reducing some revenue for city services and revenue for participating taxing districts.</li> <li>▪ <b>Magnitude:</b> Moderate</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> December 31, 2026</li> <li>▪ <b>Implementation to commence:</b> 2027</li> <li>▪ <b>Time frame of impact:</b> The strategic action can begin to take effect once it is adopted and implemented, when property owners begin to apply for the tax exemption.</li> </ul>

<sup>33</sup> Where jurisdictions are trying to incentivize or require mixed-income housing, it is typically structured so that a certain percentage of units in the building (e.g., 10% to 25%) meet a certain affordability level (e.g., 61% to 80% of MFI).



<p><b>Implementation Steps</b></p>	<ul style="list-style-type: none"> <li>▪ Determine desired eligibility criteria (e.g., affordability requirements and any other public benefit requirements).</li> <li>▪ Seek input from overlapping taxing districts on their willingness to support the exemption.</li> <li>▪ Discuss topic with City Council at work sessions and in public hearings. City Council may choose to adopt MUPTE by resolution or ordinance following a public hearing.</li> <li>▪ Follow up with overlapping taxing districts to request that they pass resolutions to support the exemption.</li> </ul>
<p><b>Lead Agency and Potential Partners</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division</li> <li>▪ <b>Partners:</b> Tualatin Finance Department and Overlapping Taxing Districts</li> </ul>
<p><b>Funding or Revenue Implications</b></p>	<p>MUPTE reduces general fund revenues for all overlapping taxing districts. The City of Tualatin must weigh the loss of tax revenue against value of the rent discounts offered by qualifying development.</p>

## 6.b Evaluate Potential Partnerships with Employers on Employer-Assisted Housing

Description	Type of Action
<p>Evaluate the potential for the City to partner with one or more area employers to develop an Employer Assisted Housing program.</p> <p>Employer Assisted Housing can take many forms, such as: short-term relocation assistance, medium-term rental assistance, and homeownership assistance (such as down payment assistance).</p> <p>The City could talk with major employers to identify opportunities to partner with or support employers who are interested in developing an employer-assisted housing program. The City's role in development of an Employer Assisted Housing program could be to provide support and information to employers and help them connect with partners who can assist them in developing a program.</p>	<p>Establish Partnerships</p>
<b>Rationale</b>	<p>Brings local businesses into the discussion of housing needs and efforts to encourage housing development.</p>
<b>Anticipated Impact</b>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Employees working in Tualatin who also desires to live in Tualatin</li> <li>▪ <b>Income:</b> Generally less than 120% of MFI</li> <li>▪ <b>Housing tenure:</b> Renter or owner</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> Depends on interest and employer's funding potential. An employer may provide rental assistance or down payment assistance for a few employees. Alternatively, a single employer developing a moderate-size apartment complex could produce 20 to 40 units of housing.</li> <li>- <b>Equitable Outcomes:</b> There is a significant need for workforce housing in Tualatin, so that workers employed here — particularly in the industrial and commercial sectors — can also afford to live here. This strategic action may help to meet that need.</li> </ul> </li> <li>▪ <b>Potential Risk:</b> There are likely to be no or minor negative impacts.</li> <li>▪ <b>Magnitude:</b> Low to moderate depending on interest from employers</li> </ul>

<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> No need for adoption or official action, as this strategic action is about forming a partnership.</li> <li>▪ <b>Implementation to commence:</b> 2025</li> <li>▪ <b>Time frame of impact:</b> The strategic action can begin to have impacts when the partnerships are formed and the strategic action has begun to be implemented.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Evaluate the potential to periodically host an employer roundtable or focus group to educate, discuss, and work through Tualatin’s housing issues.</li> <li>▪ Inquire if employer-supported housing programs would be of interest to larger employers in Tualatin. What questions do they have about how such a program would function?</li> <li>▪ Identify ways the City could help interested employers establish an employer-assisted housing program.</li> </ul>
<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division</li> <li>▪ <b>Partners:</b> Larger employers in Tualatin; Chamber of Commerce</li> </ul>
<b>Funding or Revenue Implications</b>	<p>Unless the City wishes to financially support an employer-assisted housing program, this strategy could be a comparatively low-cost option, primarily relying on the use of staff time.</p>

## 6.c Evaluate City Partnership to Participate in a Land Bank

Description	Type of Action
<p>Evaluate potential partnerships with organization(s) to establish or support a land bank for affordable housing, workforce housing, mixed-use housing, or combination of these types.</p> <p>Land banks can take several forms. Many are administered by a nonprofit or nongovernmental entity with a mission of managing a portfolio of properties to support affordable housing development over many years or decades. A land bank could be 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 nonprofits or 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. Another source of land for a land bank is religious institutions.</p> <p>If Tualatin determines it is able to contribute publicly owned land or work with partners on land contributions (such as religious institutions), then this action will connect to Strategic Action 1.f.</p>	<p>Establish Partnerships</p>
<p><b>Rationale</b></p>	<p>Land banks support affordable housing development by reducing or eliminating land cost from development.</p>
<p><b>Anticipated Impact</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Extremely low income, very low-income, low-income, and moderate-income households</li> <li>▪ <b>Income:</b> 0-80% of Median Family Income</li> <li>▪ <b>Housing tenure:</b> Renter or Owner</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> If this incentive were used for one to two apartment buildings at about 75 units each, and if all of these units were affordable at 80% of MFI or less, this strategy could result in a mix of units affordable to households below 60% of MFI as well as units affordable to households between 61% and 80% of MFI.</li> </ul> </li> </ul> <p>Alternatively, potential lands could be evaluated for their use to develop affordable owner-occupied housing, likely in housing types such as single-family detached units, town houses, cottage housing, duplexes, triplexes, or quadplexes. If</p>

	<p>Tualatin had about two to five acres of land for land banking for these types of units, that may result in 20 to 45 units, assuming densities of 10 to 15 dwelling units per acre.</p> <ul style="list-style-type: none"> <li>- <b>Equitable Outcomes:</b> Land banking is proposed for the purpose of efficiently developing affordable housing and/or workforce housing.</li> <li>▪ <b>Potential Risk:</b> If public land is used for affordable housing, typically it cannot be used for other city functions. However, if the land were identified as surplus or excess, it would likely not be needed for city functions. If institutional land (such as church land) were land banked, this would not impact city functions.</li> <li>▪ <b>Magnitude:</b> Low to moderate as Tualatin has a highly limited land supply</li> </ul>
<p><b>Timeline</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> December 31, 2024</li> <li>▪ <b>Implementation to commence:</b> 2025</li> <li>▪ <b>Time frame of impact:</b> The strategic action can begin to have impacts when the partnerships are formed and the strategic action has begun to be implemented.</li> </ul>
<p><b>Implementation Steps</b></p>	<ul style="list-style-type: none"> <li>▪ Evaluate use of existing GIS tools to inventory publicly and privately owned properties (including properties owned by faith-based organizations) in areas well suited for a land bank purpose.</li> <li>▪ Partner with and contribute funds or land to an existing nonprofit land bank or participate in the formation of a new nonprofit land bank if one does not exist with sufficient capacity to serve Tualatin.</li> <li>▪ Incorporate publicly owned land into a bank or acquire new land to incorporate.</li> </ul>
<p><b>Lead Agency and Potential Partners</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division</li> <li>▪ <b>Partners:</b> Nonprofit Land Bank; public agencies and/or institutions, including faith-based organizations in Tualatin; affordable housing developers; City of Tualatin Finance Department; and other divisions at the City of Tualatin (as needed)</li> </ul>
<p><b>Funding or Revenue Implications</b></p>	<p>Partnering is the most administratively efficient and cost-efficient approach to implementing this strategy. If the City is contributing land to the land bank at low or no cost, then the City is forgoing realizing the value of the land if it were sold on the open market.</p>

Goal 7. Housing Stabilization: Prevent and address homelessness to provide safe living conditions for everyone living in Tualatin.

We recommend that the City pursue the following goal, which supports the existing Goals 3.2 and 3.3 in the Comprehensive Plan:

- Prevent and address homelessness to provide safe living conditions for everyone living in Tualatin.

The strategic actions to evaluate and potentially implement this goal are described below. The City may choose to adopt this goal or the results of the strategic actions into the Comprehensive Plan in the future.

7.a Evaluate Opportunities to Partner on a Local Rental and Utility Assistance Program	
Description	Type of Action
<p>Evaluate opportunities to partner with an agency that provides rental and utility assistance partnership to stabilize households and prevent people from losing their homes.</p> <p>The City is currently exploring a partnership or collaboration with the Community Action Agency, including targeted outreach to underserved communities. For rental assistance, the household must be under 80% of Area Median Income. For utility assistance, the household must be under 60% of Oregon’s median income. They are two separate programs. The City is in a trial period of this partnership with the Community Action Agency, which lasts through December 2021. The partnership may be extended beyond that date.</p>	<p>Establish Partnerships</p>
Rationale	<p>Rental and utility assistance can provide stability to households at risk of homelessness or loss of utility services.</p>
Anticipated Impact	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Extremely low income, very low-income, and low-income households</li> <li>▪ <b>Income:</b> Under 80% of Area Median Income for rental assistance and under 60% of Oregon Median Income for utility assistance.</li> <li>▪ <b>Housing tenure:</b> Renter</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> This strategy will not directly result in the production of more units.</li> <li>- <b>Equitable Outcomes:</b> The rental and utility assistance partnership in the planning stages includes targeted outreach</li> </ul> </li> </ul>

	<p>to historically underserved communities and households in low-income census tracts.</p> <ul style="list-style-type: none"> <li>▪ <b>Potential Risk:</b> There are likely to be no or minor negative impacts.</li> <li>▪ <b>Magnitude:</b> Moderate</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> This action may not be adopted, as it is a partnership.</li> <li>▪ <b>Implementation to commence:</b> 2021, with potential extension of the partnership into 2022 and beyond</li> <li>▪ <b>Time frame of impact:</b> The strategic action can begin to have impacts when the partnerships are formed and the strategic action has begun to be implemented.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Work with the Community Action Agency to develop a memorandum of understanding for a rent and utility assistance partnership to support lower-income households in Tualatin.</li> </ul>
<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division; Tualatin Finance Department</li> <li>▪ <b>Partners:</b> Community Action of Washington County, nonprofit agency</li> </ul>
<b>Funding or Revenue Implications</b>	<p>Unless the City financially supports the rental and utility assistance program, this strategy is a comparatively low-cost option, primarily relying on the use of staff time, possibly using City phones for volunteers to carry out the targeted outreach.</p>

7.b

Evaluate Ways to Develop Housing Options and Services to Address and Prevent Houselessness

Description	Type of Action
<p>Evaluate partnering with agencies and nonprofit organizations that provide housing and services to people experiencing houselessness to address and prevent homelessness.</p> <p>Explore establishing partnerships, programs, or opportunities to rapidly rehouse people experiencing homelessness.</p>	<p>Establish Partnerships</p>
<b>Rationale</b>	<p>To improve livelihoods by reducing the number of people experiencing homelessness in Tualatin and Washington County.</p>
<b>Anticipated Impact</b>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Extremely low income residents and people currently experiencing houselessness</li> <li>▪ <b>Income:</b> 0-30% of Median Family Income</li> <li>▪ <b>Housing tenure:</b> Renter</li> <li>▪ <b>Potential Impacts:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> This strategy may not result in production of new units in itself, but it may lead to partnerships that will support production of new units.</li> <li>- <b>Equitable Outcomes:</b> This strategic action may result in partnering with another jurisdiction or organization to serve people experiencing houselessness.</li> </ul> </li> <li>▪ <b>Potential Risk:</b> There are likely to be no or minor negative impacts.</li> <li>▪ <b>Magnitude:</b> Moderate</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> December 31, 2026</li> <li>▪ <b>Implementation to commence:</b> 2027</li> <li>▪ <b>Time frame of impact:</b> The strategic action can begin to have impacts when the partnerships are formed and the strategic action has begun to be implemented.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Contact staff with City of Tigard to understand what Tigard plans to do around providing services to address and prevent houselessness. Evaluate whether there are opportunities to partner with Tigard.</li> <li>▪ Contact Washington County to explore options for a partnership with the County to provide services to address and prevent houselessness.</li> </ul>



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<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"><li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division</li><li>▪ <b>Partners:</b> City of Tigard; Washington County</li></ul>
<b>Funding or Revenue Implications</b>	This strategy will depend primarily on staff outreach to Tigard and Washington County to explore options for partnerships. It could result in development of programs that have financial implications for the City, but none are proposed in this strategic action at this point.

**Goal 8. Housing Rehabilitation:** Plan for and support housing programs and initiatives that are responsive to the safety and health needs of households earning 0-80% of Median Family Income.

We recommend that the City pursue the following goal, which supports the existing Goal 3.2, Policy 3.2.1, and Goal 3.3 in the Comprehensive Plan:

- Plan for and support housing programs and initiatives that are responsive to the safety and health needs of households earning 0-80% of Median Family Income.

Implementing this policy will require researching, evaluating, and developing a housing rehabilitation program, for both ownership and rental housing, suitable for Tualatin. The strategic actions to evaluate and potentially implement this goal are described below. The City may choose to adopt this goal or the results of the strategic actions into the Comprehensive Plan in the future.

<b>8.a Evaluate Establishing Local Housing Rehabilitation Program</b>	
<b>Description</b>	<b>Type of Action</b>
<p>Evaluate the feasibility of establishing a local housing rehabilitation program to improve housing safety and health conditions for households earning 80% or less of the Median Family Income.</p> <p>Much of the rental housing in Tualatin that is affordable to low and moderate-income households is older, privately owned housing that is not subject to affordability restrictions. This housing may have deferred maintenance issues as a result of a lack of resources to make improvements and pay for repairs (or, in some cases, owner neglect). The City can work with property owners of low-cost unregulated rental housing to support needed repairs without displacing tenants. This could include:</p> <ul style="list-style-type: none"> <li>▪ Offer low interest loans and/or grants to property owners for repairs and major rehabilitation, providing they do not displace residents.</li> <li>▪ Explore reducing regulatory and permitting requirements in the Development Code to identify and reduce challenges for owners seeking to improve older rental housing.</li> <li>▪ Provide information/technical assistance to smaller property owners regarding state and local resources to support weatherization and healthy housing.</li> <li>▪ Use the Multi-Unit Property Tax Exemption (Action 4.b) to support rehabilitation, as described in Action 4.b.</li> </ul>	<p>Develop a Program</p>

<b>Rationale</b>	Keeping low-cost unregulated housing both habitable and affordable reduces the need for subsidized new construction.
<b>Anticipated Impact</b>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Extremely low income, very low-income, and low-income households</li> <li>▪ <b>Income:</b> 0-80% of Median Family Income</li> <li>▪ <b>Housing tenure:</b> Renter</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> This strategy is not anticipated to produce new units, but it is intended to preserve and may improve the quality of the City’s existing supply of low-cost, regulated rental units. It may also result in improved health and safety for the residents in the existing units.</li> <li>- <b>Equitable Outcomes:</b> Improves housing safety and health conditions for households earning 80% or less of the Median Family Income.</li> </ul> </li> <li>▪ <b>Potential Risk</b> Most negative impacts would be borne by the property owner to address identified deficiencies. However, property may also have positive impacts, such as an increase in property value and longer-term renters. If the property owner makes substantial changes to the housing, that may increase rents (making it less affordable) or encourage conversion to owner-occupied housing.</li> <li>▪ <b>Magnitude:</b> Low to moderate</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> December 31, 2026</li> <li>▪ <b>Implementation to commence:</b> 2027</li> <li>▪ <b>Time frame of impact:</b> The strategic action can begin to take effect once it is adopted and implemented, as the incentives start to be used.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Maintain and enhance the existing list of lower-cost, unregulated rental housing, including property locations, number of units per development, and property owner contact information.</li> <li>▪ Evaluate programs, technical assistance opportunities, regulatory changes, and other options to support property improvements. This step can include multiple approaches, as noted in the description of this action.</li> <li>▪ Reach out to property owners (identified in Step 1). Gauge their interest in improving the safety, health, and stability of their property. Determine what kinds of improvements their properties might need and what resources would be most useful to them.</li> <li>▪ Refine and implement programs, technical assistance</li> </ul>

	<p>opportunities, regulatory changes, and other options (identified in Step 2) based on feedback from property owners.</p> <ul style="list-style-type: none"> <li>▪ Connect interested property owners to established programs and opportunities.</li> <li>▪ Seek additional federal funding through the US Department of Housing and Urban Development’s (HUD’s) Lead Hazard Control and Healthy Homes program.</li> </ul>
<p><b>Lead Agency and Potential Partners</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Community Development Department, City of Tualatin Finance Department, and City of Tualatin Building Division and Engineering Division.</li> <li>▪ <b>Partners:</b> Overlapping taxing districts (if using MUPTE), Washington County Public Housing Authority, and Community Alliance of Tenants (CAT)</li> </ul>
<p><b>Funding or Revenue Implications</b></p>	<p>Providing low interest loans, grants, or implementing the MUPTE tax exemption will require a funding source to backfill program dollars awarded/loaned. Implementing a new program such as the HUD Lead Hazard Control and Healthy Homes program would take extensive administrative and partner resources to meet federal regulatory requirements, including performance measures.</p>

## 8.b

### Evaluate the Implementation of a Healthy Housing Initiative for Single-Family Housing

Description	Type of Action
<p>Evaluate the development of a Healthy Housing Initiative to address life safety, mold, lead and ventilation issues for single-family housing.</p> <p>A Healthy Housing Initiative could involve proactive inspection of single-family properties to identify issues similar to those mentioned above. In addition, this initiative could include an educational component to provide information on how to prevent these issues from developing and funding to address the issues identified in the inspections.</p> <p>This strategic action could be connected with Strategic Action 3.b, a Healthy Housing Initiative for Multifamily housing.</p>	<p>Implement a Program to Provide Financial Resources</p>
<p><b>Rationale</b></p>	<p>To improve older single-family properties in Tualatin that are lower cost, unregulated, and deteriorating. The City needs this housing stock, and it is important that housing stays affordable while ensuring habitable and healthy conditions for residents.</p>
<p><b>Anticipated Impact</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Extremely low income, very low-income, low-income, and moderate-income households</li> <li>▪ <b>Income:</b> 0-80% of Median Family Income</li> <li>▪ <b>Housing tenure:</b> Rental or owner</li> <li>▪ <b>Potential Benefits:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> This action focuses on addressing safety problems in existing housing, not producing new housing. If this action is used to assist 10 to 25 households per year, it may help 60 to 150 households over the 6-year period for the HPS.</li> <li>- <b>Equitable Outcomes:</b> Improves health and safety conditions in housing for qualifying households at 80% MFI or below.</li> </ul> </li> <li>▪ <b>Potential Risk:</b> Most negative impacts would be borne by the property owner to address identified deficiencies. However, the property owner may experience positive impacts too, such as increased property value and longer-term renters. If the property owner makes substantial changes to the housing, that may increase rents (making it less affordable) or encourage conversion to owner-occupied housing.</li> <li>▪ <b>Magnitude:</b> Moderate to large, depending on the outreach of the program</li> </ul>

<p><b>Timeline</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> December 31, 2024</li> <li>▪ <b>Implementation to commence:</b> 2025</li> <li>▪ <b>Time frame of impact:</b> The strategic action can begin to take effect once it is adopted and implemented.</li> </ul>
<p><b>Implementation Steps</b></p>	<ul style="list-style-type: none"> <li>▪ Evaluate the benefit of establishing a Healthy Housing Initiative with interested stakeholders and the public. Conduct outreach to housing consumers and property owners/managers of older, single-family rental to gauge interest in resources and to identify questions/concerns about a potential inspection program. Consider initial grant research funding source, such as the Robert Wood Johnson Foundation. <a href="https://www.rwjf.org/en/how-we-work/grants-and-grant-programs.html">https://www.rwjf.org/en/how-we-work/grants-and-grant-programs.html</a></li> <li>▪ If the initiative is deemed important, draft code language that covers mold, lead, ventilation, and other healthy/safety issues.</li> <li>▪ Develop an educational component of the program in coordination with the Community Development Department with representation between Planning, Building, and Engineering.</li> <li>▪ Establish program parameters: How can residents file complaints? How are inspections administered? How are alleged issues communicated to property owners? How are mitigation requests enforced?</li> <li>▪ Establish source of funds to administer the program.</li> <li>▪ Discuss topic with City Council at work sessions and in a public hearing if desired. Tualatin City Council may adopt the program and code language via ordinance.</li> </ul>
<p><b>Lead Agency and Potential Partners</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Community Development Department</li> <li>▪ <b>Partners:</b> Washington County Public Housing Authority, Community Alliance of Tenants (CAT), AARP</li> </ul>
<p><b>Funding or Revenue Implications</b></p>	<p>A source of funds to administer the program may be needed, such as CET funds. Alternatively, some additional staff time may be needed if the program is primarily informational.</p>

**Goal 9. Accessible Design and Other Specialized Design: Encourage and support Universal Design, Lifelong Housing Certification, and other similar standards.**

We recommend that the City pursue the following goal, which supports the existing Goal 3.2 and Policy 3.2.1 and Goal 3.3 in the Comprehensive Plan:

- Encourage and support Universal Design, Lifelong Housing Certification, and other similar standards.

The strategic actions to evaluate and potentially implement this goal are described below. The City may choose to adopt this goal or the results of the strategic actions into the Comprehensive Plan in the future.

<b>9.a Evaluate the Development of Specialized Design Standards and Incentives to Accommodate Special Needs</b>	
Description	Type of Action
<p>Research and evaluate development of standards in the City’s development, building, and municipal codes to increase development of housing accessible for people with disabilities and other populations that need housing with specialized design.</p> <p>Disabilities include those that are visible, such as ambulatory or vision disabilities, and those that are not readily apparent, such as self-care, independent living, or cognitive disabilities. Other conditions may require special accommodations, such as disabling diseases or mental health conditions.</p> <p>Standards to accommodate special needs may include universal design components (e.g., basic accessibility features; security or communication systems; easily traversed floors; remote control features; accessible lavatories, sinks, and counters; accessible bathtubs and showers; variable height counters and accessible work surfaces; and hearing and visual impairment aids).</p> <p>Provide incentives in the Development Code to increase the number of units designed to meet Universal Design, Lifelong Housing Certification, and other similar standards. This strategy could include preapproved plan sets (e.g., single-family detached and attached homes with barrier-free universal design),<sup>34</sup> within the context of the</p>	<p>Develop Code Standards and Develop Incentives</p>

<sup>34</sup> It may be that these types of plan sets become commonly used among different cities in Oregon, not necessarily developed from the ground up for each city.

American with Disabilities Act (ADA) and Federal Housing Administration (FHA) rules.

One option could be to use the Oregon Lifelong Housing Certification program,<sup>35</sup> which lists accessibility at different levels of accessible design elements, such as “visitor accessible” (which is basic accessibility for visitors) and “enhanced accessible” (which is accessible for a person in a wheel chair for the central living floor). Consider offering path-of-travel improvements like curb ramps on the adjoining street/sidewalk.

In consultation with the Building Department, the City may decrease charges (plan check fee) by 50% for preapproved plans and that the review to approve time would be three days, rather than potentially several weeks.

<b>Rationale</b>	Provide more options for people to live independently or in a housing setting of their choice.
<b>Anticipated Impact</b>	<ul style="list-style-type: none"><li>▪ <b>Populations served:</b> Seniors and people with disabilities</li><li>▪ <b>Income:</b> Standards may apply to All Income Groups; Use of incentives may apply only to income qualifying households</li><li>▪ <b>Housing tenure:</b> Renter and Owner</li><li>▪ <b>Potential Benefit:</b><ul style="list-style-type: none"><li>- <b>Housing Production (new units):</b> This strategy will not directly result in the production of new units, but it may increase the number of new units that have accessibility features incorporated into the design—or it may increase the number of units remodeled with accessibility features.</li><li>- <b>Equitable Outcomes:</b> Serves people with disabilities, people with special needs, and seniors to provide housing accessibility, many of whom may also be low income.</li></ul></li><li>▪ <b>Potential Risk:</b> There should be minimal negative impact if the strategic action is implemented as described above. If the City requires special design standards for all new housing (which is not recommended), that may increase housing development costs and decrease housing affordability.</li><li>▪ <b>Magnitude:</b> Low</li></ul>

<sup>35</sup> The Rogue Valley Council of Government’s Lifelong Housing Certification Project is a “voluntary certification process for evaluating the accessibility and/or adaptability of homes. Developed in partnership with AARP Oregon, the project is designed to help meet the growing market demand for accessible housing in our region and to enable older adults and people with disabilities to age in place safely and independently.” Information about this certification program can be found at: <https://rvcog.org/home/sds-2/lifelong-housing-program/#:~:text=The%20Lifelong%20Housing%20Certification%20Project,call%20541%2D423%2D1383>.



<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> December 31, 2024</li> <li>▪ <b>Implementation to commence:</b> 2025</li> <li>▪ <b>Time frame of impact:</b> The strategic action can begin to take effect once it is adopted and implemented in the Development Code.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Develop an incentive program and source of funding to increase the number of dwelling units designed accessibly.</li> <li>▪ Work with developers to gather feedback on program parameters and interest.</li> <li>▪ Implement program (and potentially a new funding source) through council action.</li> </ul>
<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Community Development Department</li> <li>▪ <b>Partners:</b> Home Builders Association of Metropolitan Portland; Fair Housing Council of Oregon; AARP</li> </ul>
<b>Funding or Revenue Implications</b>	<p>Developing preapproved plans may require hiring consultants to develop the plans. Lowering the fee to review the preapproved plans should be commensurate with the lower staff effort to review the plans.</p>

Goal 10. Mixed-Use Housing and Redevelopment: Encourage and support development of mixed-use, mixed-income, and multifamily housing in commercial zones and urban renewal areas for households earning 0-80% of Median Family Income.

We recommend that the City pursue the following goal, which supports the existing Goal 3.2, Goal 3.3, Goal 3.4, and Policy 3.4.1 and Policy 3.4.2 in the Comprehensive Plan:

- Encourage and support development of mixed-use, mixed-income, and multifamily housing in commercial zones and urban renewal areas for households earning 0-80% of Median Family Income.

This goal includes affordable housing (0-60% of Median Family Income) and may include workforce housing (61-80% of Median Family Income). Development of mixed-use housing will likely also result in development of housing affordable above 80% of Median Family Income. The strategic actions to evaluate and potentially implement this goal are described below. The City may choose to adopt this goal or the results of the strategic actions into the Comprehensive Plan in the future.

**10.a Evaluate Redevelopment Opportunities for the Creation of Mixed-Use Development Districts to Support Development of Affordable Housing and Workforce Housing**

Description	Type of Action
<p>Identify and evaluate redevelopment opportunities to create mixed-use districts, which could include an area master planning process to guide development.</p> <p>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. The COVID 19 pandemic has resulted in closure of businesses, which will leave existing buildings with vacant spaces and lessen the pressure for development of new commercial space, at least in the next two to five years.</p> <p>To address the need for more land for multifamily housing development and commercial uses, the City could identify several 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. These may be underutilized commercial or industrial areas ripe for mixed-use or mixed-income redevelopment. Two of these areas may already be identified through</p>	<p>Develop a Planning Process and Redevelopment Plans for Mixed-Use Districts</p>

planning for Urban Renewal Districts: District 1 is the Basalt Creek and Southwest Industrial Area and District 2 is the North Study Area, Bridgeport Village, Town Commons, I-5 Corridor, and Tualatin-Sherwood Road. The City has yet to have discussions about funding for affordable housing in these areas.

The City could 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 would typically include working with landowners to ensure they are supportive of the plans, as well as incorporating stakeholder and citizen input into the vision for the district and the formation of the redevelopment plans.

A key aim would be to ensure equitable funding for affordable housing development to serve households earning 0-60% of Median Family Income and to consider opportunities for workforce housing at 61-80% of Median Family Income in mixed-use districts and urban renewal areas through redevelopment. To ensure that the districts provide opportunities for development of income-restricted affordable housing and consider workforce housing (housing affordable for rent between 61% and 80% of MFI), the City could evaluate opportunities to implement strategic actions such as 1.a (property tax exemption for income-restricted housing), 1.d (planning for Urban Renewal), 1.f (public and other land for affordable housing), 6.a (inclusion of workforce housing in multifamily development), and regulatory actions in Policy 11.

<b>Rationale</b>	Creating mixed-use districts would provide opportunity for development of new multifamily housing in areas with commercial services and access to some types of jobs.
<b>Anticipated Impact</b>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Low-income, moderate-income, and high-income residents</li> <li>▪ <b>Income:</b> Inclusive of income-restricted housing development that will serve 0-60% of Median Family Income and workforce housing at 61-80% of Median Family Income.</li> <li>▪ <b>Housing tenure:</b> Renter or Owner</li> <li>▪ <b>Potential Impacts:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> The amount of housing</li> </ul> </li> </ul>

	<p>production depends on the size and number of properties that are redeveloped. If this strategy identified 5 acres of land for residential redevelopment over the six-year planning horizon, at 80 units per acre (assuming 4 to 6 story buildings), this strategy could produce between 400 units of housing. Achieving this density will require changes to the Tualatin Development Code to allow this level of density.</p> <ul style="list-style-type: none"> <li>- <b>Equitable Outcomes:</b> Equitable funding for housing development for affordable housing and workforce housing in mixed-use districts and urban renewal areas through redevelopment.</li> <li>▪ <b>Potential Risk:</b> Redevelopment could displace existing residents. Lower-income residents may be most vulnerable to redevelopment and urban renewal, unless housing preservation actions are taken and affordable housing investments are made to offset displacement.</li> <li>▪ <b>Magnitude:</b> Large</li> </ul>
<p><b>Timeline</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> December 31, 2022</li> <li>▪ <b>Implementation to commence:</b> 2023</li> <li>▪ <b>Time frame of impact:</b> It would likely be at least 5 to 10 years before there is sufficient revenue in the Urban Renewal District to have enough funds to make significant investment in housing. The strategic action may have impact sooner for redevelopment that does not depend on Urban Renewal.</li> </ul>
<p><b>Implementation Steps</b></p>	<ul style="list-style-type: none"> <li>▪ Identify and evaluate areas within Tualatin for redevelopment into mixed-use areas, which may be Urban Renewal District 1 and District 2 and additional areas.</li> <li>▪ Engage the community in developing a vision for redeveloping the selected areas.</li> <li>▪ Use available tools, such as Urban Renewal, to support redevelopment of these areas.</li> <li>▪ Identify opportunities for supporting development of income-restricted affordable housing. Also consider opportunities for workforce housing. Funding for housing affordable in the 61-80% MFI is limited and may be difficult to find.</li> <li>▪ Identify land to rezone for mixed-use (see Strategic Action 10.b), as part of the redevelopment planning.</li> <li>▪ Identify infrastructure improvements necessary to support development of the mixed-use district. Incorporate these improvements and costs into the City’s capital improvements plan.</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Develop the policies and development standards necessary to support development of a mixed-use district.</li> <li>▪ Work with the Planning Commission and City Council to adopt the redevelopment plans and begin implementing them.</li> </ul>
<p><b>Lead Agency and Potential Partners</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division</li> <li>▪ <b>Partners:</b> City of Tualatin Finance Department, City of Tualatin Engineering and Building Division, and Developers</li> </ul>
<p><b>Funding or Revenue Implications</b></p>	<p>Developing and implementing plans for mixed-use districts will take substantial staff time and may require hiring consultants. Developing mixed-use district plans will have broader funding implications, especially for infrastructure development.</p>

**10.b Evaluate Opportunities for Conversion of Commercial Buildings to Residential Uses**

Description	Type of Action
<p>Identify and evaluate opportunities for housing above ground-floor retail, which would require an update to the Development Code to allow more housing above ground-floor retail in commercial areas.</p> <p>Tualatin has several underutilized commercial buildings, such as stores that have closed, that could be appropriate for redevelopment. The City could work with landowners to evaluate opportunities for redeveloping vacant buildings for new housing.</p> <p>The City could consider opportunities to support redevelopment of underutilized commercial buildings as part of developing a mixed-use district and redevelopment in Strategic Action 10.a. Implementing this action may depend, in part, on use of tools such as urban renewal (Strategic Action 1.d) to address infrastructure deficiencies or support development of affordable housing</p> <p>The City could also consider opportunities for conversion of some ground-floor retail to allow housing on the ground floor. This strategic action would be connected closely to Strategic Action 10.a, as a part of developing a mixed-use district and supporting development of income-restricted affordable housing and potentially workforce affordable housing.</p>	<p>Implement a Program</p>

<b>Rationale</b>	Reusing vacant commercial buildings provides additional opportunities for housing, as well as making better use of an unused site.
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<b>Anticipated Impact</b>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Extremely low income, very low-income, and low-income households</li> <li>▪ <b>Income:</b> 0-80% of Median Family Income</li> <li>▪ <b>Housing tenure:</b> Predominantly renter housing with some opportunities for owner-occupied housing</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> One existing building is about 60,500 square feet. Assuming that 75% of the building is used for housing (and the remainder used for shared spaces, like hallways), they may reasonably be converted into 56 units approximately 800 square feet in size or 37 units approximately 1,200 square feet in size. Two other older existing buildings</li> </ul> </li> </ul>
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	<p>that could be converted to housing are in the town center area and just west of town center and include: one at 15,000 square feet and the other 10,000 square feet. Under the same assumptions as above, these buildings together may result in 16 to 24 dwelling units.</p> <ul style="list-style-type: none"> <li>- <b>Equitable Outcomes:</b> Potential to provide housing for all income ranges.</li> <li>▪ <b>Potential Risk:</b> There are likely to be no or minor negative impacts.</li> <li>▪ <b>Magnitude:</b> Low to moderate</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> June 30, 2023</li> <li>▪ <b>Implementation to commence:</b> 2023</li> <li>▪ <b>Time frame of impact:</b> The strategic action can begin to take effect once it is adopted and implemented, but redevelopment will depend on when the building owners move forward.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Identify one or more vacant buildings that could be converted to residential uses.</li> <li>▪ Discuss interest in converting vacant buildings to residential uses with the owners or assess the owners’ interest in selling the buildings.</li> <li>▪ Act as a convener between the owners and potential developers.</li> <li>▪ Assist with the development process to make it easier for redevelopment to occur. This development may require a rezone from a commercial zone into a mixed-use zone where housing is allowed.</li> <li>▪ Pursue the appropriate process for permitting the reuse of the building(s)</li> </ul>
<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division</li> <li>▪ <b>Partners:</b> Property owners of buildings considered for redevelopment and possibly adjacent/nearby property owners</li> </ul>
<b>Funding or Revenue Implications</b>	<p>Developing and implementing plans for conversion of vacant buildings for residential use will require staff time and may require City support for rezoning.</p>

## 10.c Evaluate Opportunities to Rezone Land for Mixed-Use

Description	Type of Action
<p>Identify and evaluate opportunities to rezone commercial or industrial land for mixed-use that includes employment and residential uses.</p> <p>In development of the mixed-use districts (Strategic Action 10.a), the City could identify opportunities to rezone underutilized land to a mixed-use zone. In addition, the City may identify other opportunities to rezone underutilized land to support mixed-use development in areas not included in the new mixed-use districts.</p>	<p>Make Change to Zoning Map</p>
<p><b>Rationale</b></p>	<p>This would help to address Tualatin’s limited residential land base and to increase the supply of land that can accommodate residential uses outright.</p>
<p><b>Anticipated Impact</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Low-income, moderate-income, and high-income residents and households</li> <li>▪ <b>Income:</b> All income levels</li> <li>▪ <b>Housing tenure:</b> Predominantly renter housing with some opportunities for owner-occupied housing</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> The amount of housing production depends on the size and number of properties that are redeveloped. If this strategy identified 2 to 5 acres of land for residential redevelopment over the six-year planning horizon, at 80 units per acre (assuming 4 to 6 story buildings), this strategy could produce between 40 and 160 units of housing. Achieving this density will require changes to the Tualatin Development Code to allow this level of density.</li> <li>- <b>Equitable Outcomes:</b> Potential to provide mixed-use housing that is inclusive of affordable and workforce housing.</li> </ul> </li> <li>▪ <b>Potential Risk:</b> If successfully implemented, rezoning land could displace existing residents. Lower-income residents may be most vulnerable to rezoning, unless housing preservation actions are taken in conjunction with rezoning.</li> <li>▪ <b>Magnitude:</b> Large</li> </ul>
<p><b>Timeline</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> December 31, 2022</li> <li>▪ <b>Implementation to commence:</b> 2022</li> <li>▪ <b>Time frame of impact:</b> The strategic action can begin to take effect once land is rezoned.</li> </ul>



<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Establish criteria to identify land to rezone for mixed-use (employment and residential) purposes.</li> <li>▪ Pursue a public process (with public hearings) to implement the zone change.</li> </ul>
<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division</li> <li>▪ <b>Partners:</b> Property owners of land considered for rezoning as well as adjacent/nearby property owners</li> </ul>
<b>Funding or Revenue Implications</b>	<p>This strategy would rely on use of staff time but may also require funds to hire a consultant to comply with the Transportation Planning Rule.</p>

**10.d Evaluate Establishing Incentives to Support Mixed-Use Development, such as the Vertical Housing Tax Abatement**

Description	Type of Action
<p>Identify, evaluate, and promote potential financial incentives for developers of mixed-use housing. Evaluate feasibility of adopting the Vertical Housing Tax Abatement within urban renewal districts or mixed-use zones.</p> <p>This program would provide a partial exemption of property taxes for multistory, mixed-use developments (residential over commercial space) for 10 years, which reduces operating costs and improves development feasibility.</p> <p>Using this program, a jurisdiction could subsidize mixed-use projects to encourage dense development or redevelopment by providing a partial property tax exemption on the building 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% of improvement value 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% of area median income or below), but this is uncommon. The Vertical Housing Tax Abatement helps to support affordable housing by providing retail opportunities nearer to income-restricted building. There is no tax exemption on the nonresidential component.</p> <p>The exemption is only available within areas designated by the City as a vertical housing development zone. The City must consider the potential for displacement of households within a proposed vertical housing development zone before designating the zone.</p> <p>Once the zone is established, a developer may apply for the Vertical Housing Tax Abatement program for eligible projects.</p>	<p>Adopt a Tax Exemption</p>
<b>Rationale</b>	<p>This tax abatement offers incentives for market-rate, mixed-income, and affordable housing, with greater incentives for affordable/mixed-income housing. It incents higher-density development, as well as mixed-income and mixed-use development.</p>
<b>Anticipated Impact</b>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> All populations potentially</li> <li>▪ <b>Income:</b> Typically over 80% of Median Family Income unless applied to affordable housing (which is unusual)</li> </ul>

	<ul style="list-style-type: none"> <li>▪ <b>Housing tenure:</b> Renter</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> If this incentive were used for one to two mixed-use apartment buildings at 50 to 150 units each with 25% of units affordable at less than 80% of Median Family Income, this strategy could contribute to development of 50 to 300 units.</li> <li>- <b>Equitable Outcomes:</b> Supports mixed-use housing, which may include workforce housing with retail or other uses.</li> </ul> </li> <li>▪ <b>Potential Risk:</b> The City and participating taxing districts would forgo property tax income for the duration of the exemption for the buildings where the exemption is granted, reducing revenue for city services and revenue for participating taxing districts. This tax abatement may disproportionately benefit moderate and high-income households, who can afford the rents in mixed-use housing unless affordable housing units are part of the mix.</li> <li>▪ <b>Magnitude:</b> Moderate</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> December 31, 2023</li> <li>▪ <b>Implementation to commence:</b> 2024</li> <li>▪ <b>Time frame of impact:</b> The strategic action can begin to take effect once it is adopted and implemented, when property owners begin to apply for the tax exemption.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Evaluate the feasibility of and potential locations for establishing a Vertical Housing Tax Abatement Zone.</li> <li>▪ If considering designating areas within existing or proposed urban renewal districts, consider potential impacts of the tax abatement on urban renewal financial forecasts.</li> <li>▪ Evaluate likely impacts of the tax exemption on feasibility of desired mixed-use development.</li> <li>▪ Evaluate impacts of the exemption and the potential resulting development on displacement for vulnerable populations.</li> <li>▪ Discuss topic with City Council at work sessions and in public hearings.</li> <li>▪ Notify overlapping taxing districts and offer the opportunity to opt out of having their rate included in the exemption.</li> </ul>
<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division</li> <li>▪ <b>Partners:</b> City of Tualatin Finance Department, developers</li> </ul>

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**Funding or Revenue Implications**

The Vertical Housing Tax Abatement results in foregone general fund revenues for all overlapping taxing districts (unless they opt out). However, it can still increase tax revenue if new development occurs that would not otherwise, because the commercial portion is taxable immediately and the residential portion is added to the tax rolls when the abatement expires. If applied within an urban renewal district, the tax abatement instead affects the tax increment revenue to the district and does not necessarily directly affect the overlapping taxing districts.

Goal 11. Regulatory and Zoning Changes: Increase housing development opportunities through regulatory and zoning changes to accommodate a diverse range of housing types and price points to meet the housing needs in Tualatin.

We recommend that the City pursue the following goal, which supports the existing Policy 3.1.2, Goal 3.2, Policy 3.2.1, and Goal 3.3 in the Comprehensive Plan:

- Increase housing development opportunities through regulatory and zoning changes to accommodate a diverse range of housing types and price points to meet Tualatin's housing needs as identified in the current adopted Housing Needs Analysis.

The strategic actions to evaluate and potentially implement this goal are described below. The City may choose to adopt this goal or the results of the strategic actions into the Comprehensive Plan in the future.

<b>11.a Evaluate Updating Density Standards for Multifamily Housing in Medium-Density, High-Density, and Mixed-Use Zones</b>	
<b>Description</b>	<b>Type of Action</b>
<p>Evaluate the feasibility of increasing maximum densities—which would require corresponding revisions to other standards, including maximum lot coverage and minimum front setbacks—to create the opportunity for more efficient multifamily development in zones that allow it outright (High Density, High Density High-Rise, Medium Density High, Medium Density Low, and MUCOD (mixed-use zone)).</p> <p>Initial feasibility analysis indicates that existing densities for multifamily are too low to allow for efficient development or redevelopment of the type of housing the zones are intended to allow. At least one of the High Density and/or High Density High-Rise zones, as well as MUCOD, should allow for efficient 4 to 6 story buildings, and at least one zone (e.g. High Density and/or Medium Density High) should allow for efficient 2-3 story apartment buildings. Updates in the Medium Density High and Medium Density Low zones should be informed by changes to comply with HB 2001.</p> <p>One consideration in increasing density could be proximity to transit service and transit stations. Areas closer to transit, particularly high-capacity/high-frequency transit stations, may provide opportunities for increases of density in the Medium-Density, High-Density, and mixed-use zones. Areas near transit or transit stations may be places where density could be increased and parking requirements (in Strategic Action 11.c) could be decreased somewhat.</p>	<p>Adopt Zoning Code Changes</p>

<p><b>Rationale</b></p>	<p>Increasing densities and revising zoning standards allows more efficient use of buildable land, which may be particularly effective in areas with access to transit or near to transit stations. Given Tualatin’s shortage of buildable land, allowing taller multifamily buildings will provide important opportunities for housing development.</p>
<p><b>Anticipated Impact</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Extremely low income, very low–income, low-income, moderate-income, and high-income households</li> <li>▪ <b>Income:</b> All income levels</li> <li>▪ <b>Housing tenure:</b> Predominantly renter, possibly some owner units</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> Tualatin has 16 acres of High Density and no acres of High Density High-Rise land, according to the Tualatin Housing Needs Analysis. If the City increased densities in these zones (from the current maximum density of 25 units per acre in High Density and 30 dwelling units per acre High Density High-Rise) to at least 80 units per acre (assuming 4 to 6 story buildings), that would allow for an additional 1,280 dwelling units to be built in High Density. If land is re-zoned to High Density High-Rise, that would allow for additional development at these higher densities.</li> <li>- <b>Equitable Outcomes:</b> May open up opportunity for development of affordable rental multifamily housing or workforce housing.</li> </ul> </li> <li>▪ <b>Potential Risk:</b> Allowing higher-density development may cause concern for some existing residents.</li> <li>▪ <b>Magnitude:</b> Large</li> </ul>
<p><b>Timeline</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> June 30, 2022</li> <li>▪ <b>Implementation to commence:</b> 2022</li> <li>▪ <b>Time frame of impact:</b> The strategic action can begin to take effect once it is adopted and implemented in the Development Code.</li> </ul>
<p><b>Implementation Steps</b></p>	<ul style="list-style-type: none"> <li>▪ Evaluate conceptual feasibility with stakeholders and the public, identifying opportunities to alleviate resident concerns about traffic and parking as well as those associated with allowing taller buildings and denser development.</li> <li>▪ Evaluate potential transportation and other public utility system impacts of potential changes.</li> <li>▪ Draft revised zoning standard amendments, providing opportunities for public comment and discussions with planning</li> </ul>

	<p>commissioners and city councilors.</p> <ul style="list-style-type: none"> <li>▪ Work with Tualatin’s Planning Commission and City Council to adopt the revised standards into the Development Code.</li> </ul>
<p><b>Lead Agency and Potential Partners</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Community Development Department</li> <li>▪ <b>Partners:</b> City of Tualatin Public Works Department, area developers, property owners, and adjacent/nearby property owners and residents.</li> </ul>
<p><b>Funding or Revenue Implications</b></p>	<p>Revising zoning standards would rely on staff time and hiring a consultant to analyze the impacts of density increases on transportation and other public utility systems.</p> <p>For areas near transit or transit stations, Tualatin could apply for one of Metro’s Transit-Oriented Development (TOD) grants to implement this strategic action.</p>

## 11.b Evaluate Opportunities to Rezone Lower-Density Residential Land to Higher Density

Description	Type of Action
<p>Evaluate and identify opportunities to re-zone Residential Low Density and Residential Medium Low-Density residential land for higher-density housing in selected areas.</p> <p>The Tualatin Housing Needs Analysis report showed that Tualatin has very little buildable land in the following zones: Medium High Density, High Density, and High Density High-Rise zones. The report identified a seven acre deficit of land in the Medium High Density zone and a four acre deficit in the High Density High-Rise zone for development through 2040.</p>	<p>Adopt Zoning Code Changes</p>
<b>Rationale</b>	<p>This could help to address Tualatin’s limited residential land base and to increase the supply of land that can accommodate residential uses at higher densities.</p>
<b>Anticipated Impact</b>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Low-income, moderate-income, and high-income residents and households</li> <li>▪ <b>Income:</b> All income levels</li> <li>▪ <b>Housing tenure:</b> Predominantly renter housing with some opportunities for owner-occupied housing</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> The amount of housing production depends on the size and number of properties that are rezoned. If this strategy identified 2 to 5 acres of land for residential redevelopment over the six-year planning horizon, at 70 to 150 units per acre (assuming 4 to 6-story buildings), this strategy could produce between 140 and 750 units of housing from land zoned Low Density.</li> <li>- <b>Equitable Outcomes:</b> May open up opportunity for development of affordable rental multifamily housing or workforce housing.</li> </ul> </li> <li>▪ <b>Potential Risk:</b> Rezoning land could displace existing residents. Lower-income residents may be most vulnerable to rezoning, unless affordable housing preservation actions are taken in conjunction with rezoning.</li> <li>▪ <b>Magnitude:</b> Moderate to large, depending on the amount of land rezoned</li> </ul>



<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> June 30, 2022</li> <li>▪ <b>Implementation to commence:</b> 2022</li> <li>▪ <b>Time frame of impact:</b> The strategic action can begin to take effect once it is adopted and implemented in the Development Code.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Establish criteria to identify land to rezone for higher-density residential uses.</li> <li>▪ Pursue a public process (with public hearings) to implement the zone changes.</li> </ul>
<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division</li> <li>▪ <b>Partners:</b> Property owners of land considered for rezoning as well as adjacent/nearby property owners</li> </ul>
<b>Funding or Revenue Implications</b>	Revising density standards is a comparatively low-cost strategy, primarily relying on the use of staff time.

## 11.c Evaluate the Feasibility of Targeted Reductions to Off-Street Parking Requirements

Description	Type of Action
<p>Evaluate the feasibility of providing off-street parking reductions targeted for multifamily and/or affordable housing, particularly in conjunction with nearby transit availability.</p> <p>Current parking ratios for multifamily create an additional potential obstacle to higher-density/efficient development, particularly for affordable housing and zones that are intended for higher-density housing (four or more stories in height). High parking ratios for retail and restaurants may also present an obstacle to mixed-use development.</p> <p>Tualatin could consider allowing reduction of parking requirements near transit and affordable housing with tenants who generally own fewer cars, like seniors. In addition, the City should consider allowing public on-street parking in rights-of-way within a certain radius to count toward off-street parking requirements.</p> <p>This strategic action should be implemented in conjunction with the increases to density in High Density and High Density High-Rise zones, in Strategic Action 11a, because the strategic actions work together to achieve higher densities.</p>	<p>Adopt Zoning Code Changes</p>
<b>Rationale</b>	<p>Reducing parking requirements reduces costs and can allow a development to fit more units on a site, making public resources go further.</p>
<b>Anticipated Impact</b>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Low-income, moderate-income, and high-income households</li> <li>▪ <b>Income:</b> All income levels</li> <li>▪ <b>Housing tenure:</b> Renter</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> This strategy may not produce units in itself. But it may support development of more affordable units, especially in conjunction with Strategic Action 11.a.</li> <li>- <b>Equitable Outcomes:</b> Allowing parking reductions may benefit affordable housing developments that will serve a percentage of tenants that do not own cars, such as seniors in some cases.</li> </ul> </li> <li>▪ <b>Potential Risk:</b> Reducing off-street parking requirements may</li> </ul>

	<p>cause concern for existing residents. For lower-income residents to benefit, this action should be taken in conjunction with development of affordable housing.</p> <ul style="list-style-type: none"> <li>▪ <b>Magnitude:</b> Moderate</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> December 31, 2022</li> <li>▪ <b>Implementation to commence:</b> 2023</li> <li>▪ <b>Time frame of impact:</b> The strategic action can begin to take effect once it is adopted and implemented in the Development Code.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Evaluate off-street parking requirements for multifamily housing to identify opportunities for reduction in parking requirements.</li> <li>▪ Evaluate how potential amendments would affect the type and amount of multifamily housing that would be feasible to build in Tualatin.</li> <li>▪ Adopt revised parking standards by amending the Development Code.</li> </ul>
<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division</li> <li>▪ <b>Partners:</b> Development Community</li> </ul>
<b>Funding or Revenue Implications</b>	<p>Amending the City’s Development Code is a comparatively low-cost strategy, primarily relying on the use of staff time.</p>

## 11.d Evaluate Updating Code to Allow Small Dwelling Unit Developments

Description	Type of Action
<p>Tualatin should evaluate the potential to update its development, municipal, and building codes to allow small-scale units with affordable housing income limits that are not part of HB 2001. This could be accomplished by allowing land division where small lots or parcels are created below the standard lot/parcel size for dwelling units that are limited in size.</p> <p>Tualatin could consider this in the context of new cottage cluster regulations because of the similar development type. This would involve calculating density differently for the dwelling units due to their limited size.</p> <p>For example:</p> <ul style="list-style-type: none"> <li>▪ Dwelling units 600 square feet or smaller: 0.25 of a dwelling unit.</li> <li>▪ Dwelling units 601 to 1,200 square feet: 0.50 of a dwelling unit.</li> </ul> <p>This strategy may result in housing opportunity for households at 60% of MFI or lower. But this strategic action is not expected to result in income-restricted housing on its own. It is more likely to produce housing affordable at 61% to 100% of MFI.</p>	<p>Adopt Zoning Code Changes</p>
<p><b>Rationale</b></p>	<p>Provides greater opportunity for development of housing affordable to low and moderate-income households.</p>
<p><b>Anticipated Impact</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Extremely low income, very low-income, low-income, and moderate-income households</li> <li>▪ <b>Income:</b> 100% of MFI or less.</li> <li>▪ <b>Housing tenure:</b> Renter and owner</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> If this strategy resulted in development of one acre for small dwelling units over the six-year planning horizon, at 10 to 15 units per acre, this strategy could produce between 10 and 15 units of housing. This may represent a pilot of this policy.</li> <li>- <b>Equitable Outcomes:</b> May produce small number of units of housing that could serve lower-income households.</li> </ul> </li> <li>▪ <b>Potential Risk:</b> Allowing smaller units may increase density in existing neighborhoods, with the potential to cause concern for some existing residents.</li> </ul>

	<ul style="list-style-type: none"> <li>▪ <b>Magnitude:</b> Low</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> December 31, 2024</li> <li>▪ <b>Implementation to commence:</b> 2024 or early 2025</li> <li>▪ <b>Time frame of impact:</b> The strategic action can begin to take effect once it is adopted and implemented in the Development Code.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Revise Tualatin’s Development Code to allow these smaller units, including revising the density standards.</li> <li>▪ Pursue a public process (with public hearings) to implement the zone changes.</li> </ul>
<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division</li> <li>▪ <b>Partners:</b> Small-scale housing developers and builders, lenders</li> </ul>
<b>Funding or Revenue Implications</b>	Amending the City’s Development Code is a comparatively low-cost strategy, primarily relying on the use of staff time.

## 11.e Evaluate Adopting an Expedited Permitting Process for Affordable Rental Housing and Affordable Homeownership

Description	Type of Action
<p>Evaluate adopting an expedited and/or priority review process for review of development proposed for affordable rental housing at 0-60% of Median Family Income and affordable homeownership at 80% of Median Family Income and below.</p> <p>Such a process could consider projects with direct or indirect funding from local, state, or federal government as essential and projects with long-term affordability covenants through tax abatement or inclusionary requirements as high priority. Assigning a designated staff person to shepherd these projects through the development and construction process in order to expedite them is likely to be essential.</p>	<p>Make Development Process Changes</p>
<b>Rationale</b>	<p>Expedited permitting of both land use applications and building permits would help to reduce costs and financial vulnerabilities of development and construction of affordable housing.</p>
<b>Anticipated Impact</b>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Extremely low income, very low-income, low-income, and moderate-income households</li> <li>▪ <b>Income:</b> 0-80% of Median Family Income</li> <li>▪ <b>Housing tenure:</b> Renter or Owner</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> This action will not directly result in development of more units but may make it easier to develop affordable housing.</li> <li>- <b>Equitable Outcomes:</b> Beneficial to affordable housing development, as it can save on costs and construction time.</li> </ul> </li> <li>▪ <b>Potential Risk:</b> This strategic action may allow less time for comment on affordable housing development. Expediting permitting processes for affordable housing may result in minor increases in the time needed for the permitting processes of other development.</li> <li>▪ <b>Magnitude:</b> Low to moderate</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> June 30, 2023</li> <li>▪ <b>Implementation to commence:</b> 2023</li> <li>▪ <b>Time frame of impact:</b> The strategic action can begin to take effect once it is adopted and implemented in the Development Code</li> </ul>

<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Plan and carry out public engagement to get input on changes in the permitting system.</li> <li>▪ Pursue public decision-making process to make the changes to the permitting system.</li> </ul>
<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Community Development Department</li> <li>▪ <b>Partners:</b> Local and Regional Development Community</li> </ul>
<b>Funding or Revenue Implications</b>	<p>Amending the City’s permitting process is a comparatively low-cost strategy, primarily relying on the use of staff time.</p>

## 11.f Evaluate Providing Additional Engagement and Information to Developers of Affordable Housing

Description	Type of Action
<p>The City could evaluate the establishment of a formalized information source (i.e., an FAQ) or additional engagement opportunities specific to developers of affordable housing. The City informally provides information to small, local developers to help them understand land use permitting processes and to give developers a sense of clarity and certainty about the requirements so they can better provide smaller-scale housing at an affordable level.</p> <p>The City could create a formal process to provide this information to include all housing developers, especially aimed at those that can produce housing affordable at 80% of Median Family Income and below. The City could promote development of this housing through a City program with a variety of venues such as a developers' roundtable hosted by the Mayor, informational sessions with developers, promotion of incentives and funding resources, and more. These activities are intended to engage, inform, and build relationships with developers to attract them to do business in Tualatin.</p>	<p>Develop Processes and Materials</p>
<p><b>Rationale</b></p>	<p>Building relationships with developers, providing quality information to them, and offering incentives and networking opportunities to developers and those in the development community are effective ways to support development in Tualatin.</p>
<p><b>Anticipated Impact</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Extremely low income and very low-income households</li> <li>▪ <b>Income:</b> 0-60% of Median Family Income</li> <li>▪ <b>Housing tenure:</b> Renter or Owner</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> This action is aimed at attracting more affordable and workforce housing developers to Tualatin and may generate a fair amount of interest in housing for households at 0-80% of MFI, resulting in more development that would otherwise not have come here.</li> <li>- <b>Equitable Outcomes:</b> Cultivating relationships with affordable housing and workforce housing developers to develop equitable housing.</li> </ul> </li> <li>▪ <b>Potential Risk:</b> There are likely to be no or minor negative</li> </ul>



	<p>impacts.</p> <ul style="list-style-type: none"> <li>▪ <b>Magnitude:</b> Low to moderate</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> June 30, 2022</li> <li>▪ <b>Implementation to commence:</b> 2022</li> <li>▪ <b>Time frame of impact:</b> The strategic action can begin to take effect once it is adopted and implemented in the Development Code.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Prepare materials and presentations intended to engage, inform, and educate developers about housing development in Tualatin and share what we have to offer in Tualatin.</li> <li>▪ Meet with developers in a series of lively roundtable events to inform and interest them in Tualatin development opportunities and offer new incentives where possible. Gather feedback from the developers and development community.</li> <li>▪ Continue to develop relationships with the development community and to update materials and presentations as needed.</li> </ul>
<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> Tualatin Planning Division</li> <li>▪ <b>Partners:</b> Local and Regional Development Community</li> </ul>
<b>Funding or Revenue Implications</b>	<p>Developing materials and presentations for roundtable events about Tualatin’s housing development opportunities and process may be labor intensive for staff.</p>

Goal 12. Transportation and Public Infrastructure: Plan for and develop transportation and public infrastructure to support affordable housing, workforce housing, mixed-use housing, and mixed-income housing.

We recommend that the City pursue the following goal, which supports the existing Policy 3.1.5, Policy 3.1.6, Policy 3.1.7, and Goal 3.5 in the Comprehensive Plan:

- Plan for and develop transportation and public infrastructure to support affordable housing, workforce housing, and mixed-use housing.

The strategic action to evaluate and potentially implement this goal is described below. The City may choose to adopt this goal or the results of the strategic actions into the Comprehensive Plan in the future.

12.a Evaluate Ways to Prioritize Capital Improvements Programming for Affordable and Workforce Housing	
Description	Type of Action
<p>Evaluate ways to prioritize capital improvements programming (CIP) for affordable housing, workforce housing, and mixed-use housing with a component that includes a specified percentage of units for each of these types of housing.</p> <p>The City could coordinate housing planning, CIP planning, and public facilities planning to ensure projects that support development of needed housing types are prioritized. For example, implementing new sewer master plans or new stormwater plans in areas targeted for future housing expansions. This type of coordinated planning could make it easier to understand infrastructure costs. It would also enable the City and developers to plan for more development capacity in areas ripe for higher-density housing.</p>	<p>Improve CIP Planning Processes</p>
<b>Rationale</b>	<p>The City could prioritize work in a CIP and public facilities planning so that projects that support development of needed housing can be constructed sooner.</p>
<b>Anticipated Impact</b>	<ul style="list-style-type: none"> <li>▪ <b>Populations served:</b> Extremely low income, very low-income, and low-income households</li> <li>▪ <b>Income:</b> 0-80% of Median Family Income</li> <li>▪ <b>Housing tenure:</b> Renter or Owner</li> <li>▪ <b>Potential Benefit:</b> <ul style="list-style-type: none"> <li>- <b>Housing Production (new units):</b> This strategy alone will not result in additional units, but it will improve coordination and</li> </ul> </li> </ul>

	<p>commitment to production of housing.</p> <ul style="list-style-type: none"> <li>- <b>Equitable Outcomes:</b> Prioritizing capital improvements programming (CIP) for affordable housing, workforce housing, and mixed-use housing supports equitable housing development.</li> <li>▪ <b>Potential Risk:</b> Funds spent on needed affordable, workforce, and mixed-used housing will be unavailable for other city infrastructure priorities. However, coordinated planning could result in a more integrated and efficient approach to planning for needed housing and infrastructure.</li> <li>▪ <b>Magnitude:</b> Moderate</li> </ul>
<b>Timeline</b>	<ul style="list-style-type: none"> <li>▪ <b>Timeline for adoption:</b> December 31, 2023</li> <li>▪ <b>Implementation to commence:</b> 2024</li> <li>▪ <b>Time frame of impact:</b> The strategic action will begin to have impact with changes to funding of infrastructure to support affordable housing.</li> </ul>
<b>Implementation Steps</b>	<ul style="list-style-type: none"> <li>▪ Identify priority areas for infrastructure investment.</li> <li>▪ Determine the types of infrastructure funding needs (specific projects and costs) in priority areas.</li> <li>▪ Update the City’s CIP and respective public facility plans by listing needed infrastructure projects in these documents and establishing an implementation schedule for these projects.</li> </ul>
<b>Lead Agency and Potential Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>Lead Agency:</b> City of Tualatin Planning Division</li> <li>▪ <b>Partners:</b> City of Tualatin Public Works Department</li> </ul>
<b>Funding or Revenue Implications</b>	<p>Coordinated infrastructure planning is a comparatively low-cost strategy, primarily relying on the use of staff time.</p>

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## 4. Evaluation: Achieving Fair and Equitable Housing Outcomes

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This chapter presents an evaluation of the goals and strategic actions for achieving fair and equitable housing outcomes. It also includes a discussion of monitoring the outcomes of Tualatin's HPS.

### Evaluation of the Goals and Strategic Actions

OAR 660-008 requires an evaluation of all the HPS for achieving the following types of outcomes. The discussion below provides a brief evaluation of each of the expected outcomes for the goals and strategic actions of the HPS, with a focus on housing opportunities for federal and state protected classes.<sup>36</sup> This is not intended to be an exhaustive evaluation of how each strategic action addresses these outcomes but a high-level overview of the HPS as a whole.

- **Affordable Homeownership.** This criteria focuses on strategic actions that support production of housing affordable for homeownership and includes actions to support development of housing affordable at less than 120% of MFI. Many of the strategic actions in the HPS support development of affordable housing for homeownership through partnerships, fair housing, rehabilitation programs, removing regulatory barriers to development of affordable ownership housing, and capital improvements necessary to support affordable ownership housing. Some of the strategic actions within the HPS that support affordable homeownership include:
  - The strategic actions in Goal 2 are focused on production of affordable housing for homeownership. These strategic actions are intended to work together to identify and remove barriers to homeownership, provide education to residents of Tualatin about homeownership, make regulatory changes that make it easier to develop affordable housing for homeownership, and partner with organizations that build affordable ownership housing.
  - The strategic actions in Goal 5 focus on increasing equity in the City's housing policies. Strategic Action 5.a focuses on identifying funding sources to support the actions within the HPS, including those that support development of affordable ownership housing. Other strategic actions in Goal 5 support Fair Housing goals, which includes development of affordable ownership housing.
  - Strategic Action 8.b supports rehabilitation of single-family housing, which includes ownership housing for households with income below 80% of MFI. Rehabilitation

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<sup>36</sup> Federal protected classes are: race, color, national origin, gender, familial status, and disability. Oregon's additional protected classes are: marital status, source of income, sexual orientation, and status as a domestic violence survivor. Under Fair Housing laws, it is illegal to deny access to housing in based on the characteristics of people within these protected classes.

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- may be necessary to improve housing conditions to allow people to continue to live in their housing.
- Goal 11 includes proposals for regulatory and zoning changes that support development of affordable ownership housing. These changes include allowing for development of small dwelling units, expediting permitting processes for affordable homeownership, and providing additional information to developers of affordable housing to make development in Tualatin easier.
  - Strategic Action 12.a is intended to prioritize capital improvements for affordable housing, including ownership housing. Without infrastructure (such as roads, sewer, or water), vacant land cannot be developed for affordable ownership housing at the densities envisioned in the *Tualatin Housing Needs Analysis*.
  - **Affordable Rental Housing.** Supporting affordable rental housing includes actions to support production of both income-restricted affordable housing (affordable to households with incomes below 60% of MFI) and privately developed affordable housing (affordable for households with incomes between 61% and 80% of MFI). Strategic actions within the HPS that support affordable rental housing development include:
    - The strategic actions in Goal 1 are focused on production of income-restricted affordable rental housing, with the exception of Strategic Action 1.d, which also includes workforce affordable housing. These strategic actions work together to support production of income-restricted affordable housing through proposal of actions that may reduce development or operational costs (property tax exemptions, changes to systems development charge changes, and identification of public or institutional land at low or no cost), increase funds available to support development of income-restricted affordable housing (a Construction Excise Tax, use of Urban Renewal, and identification of other sources of funding), and potential regulatory changes.
    - The strategic actions in Goals 3 and 4 are focused on preservation of existing affordable housing, both income-restricted and naturally occurring affordable housing.
    - The strategic actions in Goal 5 focus on increasing equity in the City's housing policies. Strategic Action 5.a focuses on identifying funding sources to support the actions within the HPS, including those that support development of affordable rental housing. Other strategic actions in Goal 5 support Fair Housing goals, which includes development of affordable rental housing.
    - The strategic actions in Goal 6 support development of workforce housing, which includes affordable rental housing.
    - Goal 7 supports housing stabilization, which includes strategic actions to provide rental and utility assistance.

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- Strategic actions within Goal 10 support mixed-use development and redevelopment, with a focus on development of affordable housing. Given the small amount of vacant land for multifamily development in Tualatin, developing rental housing will require development of mixed-use housing and redevelopment.
  - Goal 11 includes proposals for regulatory and zoning changes that support development of affordable rental housing. These changes include allowing for increases in the development of higher-density multifamily housing, upzoning of lower-density land to higher-density zones to increase the amount of land where multifamily housing can be built, potential targeted reductions of off-street parking requirements, expediting permitting processes for affordable rental housing, and providing additional information to developers of affordable housing to make development in Tualatin easier.
  - Strategic Action 12.a is intended to prioritize capital improvements for affordable housing, including ownership housing. Without infrastructure (such as roads, sewer, or water), vacant land cannot be developed for affordable rental housing at the densities envisioned in the *Tualatin Housing Needs Analysis*.
  - **Housing Stability.** Increasing housing stability includes actions that increase the stability of existing households and preventing displacement by mitigating gentrification resulting from public investments or redevelopment. Strategic actions within the HPS that address housing stability include:
    - Part of increasing housing stability will be preservation of existing housing, rehabilitation of housing, and development of more affordable ownership and rental housing. These items are discussed above.
    - Goal 7 supports housing stabilization, which includes strategic actions to provide rental and utility assistance and identifying housing options and services to address and prevent homelessness.
    - The descriptions of strategic actions under Goal 10 discuss the potential for displacement of existing residents through redevelopment. Through redevelopment planning, the City will need to be careful to avoid displacing existing residents through redevelopment. Urban Renewal District 2 has a mix of uses, including apartment buildings, commercial buildings, and public buildings. As the City plans for redevelopment here, the City will need to take care not to displace existing residents.
  - **Housing Options for People Experiencing Homelessness.** Increasing options for people experiencing homelessness includes working with partners and identifying ways to address homelessness and strategic actions that reduce the risk of households becoming homeless (especially for households with income below 30% of MFI). Strategic actions within the HPS that provide options for people experiencing homelessness include:

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- Part of providing options for people experiencing homelessness is development of income-restricted affordable housing, which is the focus of Goal 1 (as described above). The strategic actions in Goal 1 are also intended to provide affordable housing options for people at risk of becoming homeless, such as households with incomes below 30% of MFI.
  - Strategic Action 7.b is to evaluate development of options for provision of housing and services necessary to address and prevent homelessness.
  - **Housing Choice.** Increasing housing choice involves increasing access to housing for communities of color, low-income communities, people with disabilities, and other state and federal protected classes. Increasing housing choice also means increasing access to existing or new housing that is located in neighborhoods with healthy, safe environments and high-quality community amenities, schooling, and employment and business opportunities. Strategic actions within the HPS that increase housing choice include:
    - Increasing housing choice for state and federal protected classes involves preservation of existing housing, rehabilitation of housing, and development of more affordable ownership and rental housing. These items are discussed above.
    - The regulatory changes proposed in Goal 11 also support increases in housing choice for state and federal protected classes through supporting development of additional housing, which may be located in high-opportunity neighborhoods.
    - Strategic Action 5.d addresses housing choice directly through an evaluation of strategies to encourage development of diverse housing types in high-opportunity neighborhoods.
    - Strategic Actions 5.b and 5.c address Fair Housing issues, with the intention of increasing housing choice for state and federal protected classes.
  - **Location of Housing.** Diversifying the location of housing requires increasing options for residential development that is compact, in mixed-use neighborhoods, and available to people within state and federal protected classes. This measure is intended, in part, to meet statewide greenhouse gas emission reduction goals. Strategic actions within the HPS that support development of compact, mixed-use neighborhoods include:
    - Goal 10 proposes strategic actions that increase options for development of compact housing in mixed-use neighborhoods. The strategic actions include evaluating opportunities for redevelopment and creation of mixed-use districts, conversion of unused commercial buildings to residential uses, evaluating land to rezone for mixed-use development, and a tax exemption to support mixed-use development.
    - Strategic actions in Goal 11 support diversifying the location of housing through evaluation of actions that increase multifamily development densities, upzone lower-density land, target reductions of off-street parking requirements, and allow smaller dwelling unit development.

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- **Fair Housing.** Supporting Fair Housing is accomplished by increasing access to housing for people part of state and federal protected classes, affirmatively furthering fair housing, addressing disparities on access to housing opportunity for underserved communities, and decreasing patterns of segregations or concentrations of poverty. Strategic actions within the HPS that further Fair Housing goals include:
    - Production of affordable rental and homeownership housing, increasing housing stability, identifying housing options for people experiencing homelessness, and increasing housing choice are all part of supporting Fair Housing. These issues are addressed above.
    - The strategic actions in Goal 5 focus on increasing equity in the City’s housing policies and Fair Housing. Strategic Action 5.a focuses on identifying funding sources to support the actions within the HPS. Strategic Actions 5.b and 5.c address Fair Housing issues, with the intention of increasing housing choice for state and federal protected classes. Strategic Action 5.d addresses housing choice directly through an evaluation of strategies to encourage development of diverse housing types in high-opportunity neighborhoods.

Taken together, the goals and strategic actions included in Tualatin’s Housing Production Strategy are intended to work together to achieve equitable outcomes for all residents of Tualatin, with an emphasis on improving outcomes for historically underserved communities, households with lower income, and people in state and federal protected classes.

## Monitoring Outcomes of the HPS

This is Tualatin’s first HPS. As a result, the City is required to describe how it will measure the implementation and progress of the HPS. This section focuses on these issues.

Tualatin is required to report progress on implementation of the HPS to DLCD every three years.<sup>37</sup> This report must include:

- **A summary of the actions taken to implement the HPS.** There may be strategic actions that the City has not implemented on the schedule for the first three years of the HPS (i.e., actions expected to be adopted by December 31, 2024). If so, the City needs to provide an explanation of the barriers to implementation and a plan for addressing the need that the strategic action was intended to address. That plan could include identification of other strategic actions in the HPS that will meet the identified need, or it could include development of a new strategic action to meet the need.
- **A reflection of the efficacy of the strategic actions the City has implemented.** This reflection should discuss the outcomes the City is observing from the strategic actions they have implemented to date and could include expectations for future outcomes.

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<sup>37</sup> This report is due to DLCD no later than December 31 three years after Tualatin adopts its HPS.



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- **A reflection of the efficacy of the strategic actions in the context of the outcomes described above.** The section evaluates the goals and strategic actions in the HPS for expected outcomes such as increasing housing options for affordable homeownership, affordable rental housing, housing stability, housing options for people experiencing homelessness, housing choice, location of housing, and fair housing. The report should describe whether the goals and strategic actions implemented have resulted in the outcomes described above.

In addition, Tualatin is required to report about strategic actions that will not be adopted on the schedule presented in Exhibit 6. The City must notify DLCD that it will be unable to adopt the strategic action within 90 days of the end of the timeline to implement the strategic action. This notice must identify the actions or combinations of actions that the City will take to address the need that the strategic action was intended to address. This could include identification of other strategic actions in the HPS that will meet the identified need, or it could include development of a new strategic action to meet the need.

Tualatin proposes to monitor the impact of the HPS through the following measures. Tualatin staff will conduct a briefing to City Council every two years to discuss implementation of the HPS and the outcomes resulting from the strategic actions in the HPS.

- Number of new regulated affordable units built in Tualatin
- Loss of existing regulated affordable housing units
- Number of regulated affordable housing units that Tualatin contributed funding to, including the sources of funding or tax exemption
- Number of nonregulated affordable housing units that Tualatin contributed funding to, including the sources of funding or tax exemption
- Types of new units built
  - The types should at least include single-family detached, single-family attached, duplexes, triplexes, quadplexes, and multifamily with five or more units.
  - The types could be further disaggregated to include cottage housing, manufactured housing, accessory dwelling units, duplexes, triplexes, quadplexes, residential multifamily with five or more units, and mixed-use multifamily with five or more units.
- Densities of new units built by housing type and zone, considering the difference between the maximum allowed density and the built density
- Location of new units built
- Regulatory changes to allowable density by zone
- Code amendments that are made to remove barriers to development of housing

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- Partnerships formed as a result of the HPS, including number of people served by the partnerships
  - Changes in the characteristics of Tualatin’s population, such as changes in:<sup>38</sup>
    - Median household income
    - Percent of population in communities of color
    - Percent of renters
    - Percent of renter households cost burdened and severely cost burdened
    - Percent of owner households cost burdened and severely cost burdened
  - Changes in housing prices, such as:
    - Changes in median rent<sup>39</sup>
    - Changes in median sales price<sup>40</sup>

When Tualatin produces its next HPS in six years, the City will be required to summarize the efficacy of each strategic action included in this HPS. The information resulting from these measures will help Tualatin to summarize the outcomes and efficacy of the strategic actions in this HPS.

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<sup>38</sup> The best source of data for these indicators is the US Census’ American Community Survey Five-Year Estimate. These estimates naturally have some variation year over year and that variation may not indicate an actual change. The City should look at the change in these indicators over a period of at least 3 years or longer.

<sup>39</sup> The best existing source of data for rent is the US Census’ American Community Survey Five-Year Estimate. The City should look at the change in these indicators over a period of at least 3 years or longer. The City may also want to discuss change in rents with knowledgeable stakeholders to get current information about rents.

<sup>40</sup> The US Census’ American Community Survey Five-Year Estimate provides data about home values, but that data is not as reliable as other data about home sales. The City may be able to collect data about home sales from a source like Redfin or Zillow. Alternatively, the City may be able to work with a real estate professional who is able to provide median sales price data periodically.

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# Appendix A: Contextualizing Tualatin’s Housing Needs

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In 2019, Tualatin completed its Housing Needs Analysis for the 2020-2040 period.<sup>41</sup> The analysis found that Tualatin could not accommodate all of its housing needs on lands designated for residential use. Tualatin had a deficit of land in the Medium High Density and High-Density High-Rise Plan Designations, of seven acres (or 109 dwelling units) and four acres (or 101 dwelling units), respectively. The analysis also found that Tualatin had an unmet need for housing for extremely low income, very low-income, low-income, and moderate-income households—indicating a need for a wider range of housing types for renters and homeowners.

To build on Tualatin’s recent planning efforts, including development of the Housing Needs Analysis, the City applied for a grant with the Department of Land Conservation and Development in 2020 to produce a prototype Housing Production Strategy. The Housing Production Strategy will craft policy measures and actions to address Tualatin’s housing needs, meet the City’s housing goals, and effect positive change in the community.

To contextualize Tualatin’s housing needs, this memorandum summarizes relevant data from Tualatin’s Housing Needs Analysis, Statewide Regional Housing Needs Analysis,<sup>42</sup> the Washington County Consolidated Plan,<sup>43</sup> and other available sources to describe current and future housing needs in the context of population and market trends in Tualatin. Where appropriate, this memorandum also draws on information gathered through engagement with housing producers and consumers, including underrepresented communities, through recent outreach efforts conducted by the City of Tualatin.

As a part of providing context to better understand Tualatin’s housing needs, this memorandum presents information about housing in Tualatin for race, ethnicity, age, disability status, and other characteristics of the community to understand disproportionate housing impacts on different groups.

## Data Used in This Analysis

Throughout this analysis, data from multiple well-recognized and reliable data sources were used. One of the key sources for housing and household data is the US Census. This report primarily uses data from two Census sources:<sup>44</sup>

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<sup>41</sup> ECONorthwest. (December 2019). City of Tualatin Housing Needs Analysis, Final Report.

<sup>42</sup> ECONorthwest. (August 2020). Implementing a Regional Housing Needs Analysis Methodology in Oregon: Approach, Results, and Initial Recommendations.

<sup>43</sup> Root Policy Research. (May 15, 2020). Washington County – Beaverton – Hillsboro 2020-2024 Consolidated Plan.

<sup>44</sup> It is worth commenting on the methods used for the American Community Survey. The American Community Survey (ACS) is a national survey that uses continuous measurement methods. It uses a sample of about 3.54 million

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- The **Decennial Census**, which is completed every ten years and is a survey of *all* households in the United States. The Decennial Census is considered the best available data for information such as demographics (e.g., number of people, age distribution, or ethnic or racial composition), household characteristics (e.g., household size and composition), and housing occupancy characteristics. As of 2010, the Decennial Census does not collect more detailed household information, such as income, housing costs, housing characteristics, and other important household information. Decennial Census data is available for 2000 and 2010.
  - The **American Community Survey (ACS)**, which is completed every year and is a *sample* of households in the United States. The ACS collects detailed information about households, including demographics (e.g., number of people, age distribution, ethnic or racial composition, country of origin, language spoken at home, and educational attainment), household characteristics (e.g., household size and composition), housing characteristics (e.g., type of housing unit, year unit built, or number of bedrooms), housing costs (e.g., rent, mortgage, utility, and insurance), housing value, income, and other characteristics.

This report uses data from the 2013-2017 ACS for Tualatin and comparison areas primarily. Where information is available and relevant, we report information from the 2000 and 2010 Decennial Census. Among other data points noted throughout this analysis, this report also includes data from Oregon’s Housing and Community Services Department, the United States Department of Housing and Urban Development, RLIS, Redfin, Costar, the City of Tualatin, and the Washington County Consortia 2020-2024 Consolidated Plan.

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households to produce annually updated estimates for the same small areas (census tracts and block groups) formerly surveyed via the Decennial Census long-form sample. It is also important to keep in mind that all ACS data are estimates that are subject to sample variability. This variability is referred to as “sampling error” and is expressed as a band or “margin of error” (MOE) around the estimate.

This report uses Census and ACS data because, despite the inherent methodological limits, they represent the most thorough and accurate data available to assess housing needs. We consider these limitations in making interpretations of the data and have strived not to draw conclusions beyond the quality of the data.

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## Existing Measures, Policies, or Strategies that Address Tualatin’s Housing Needs

This City of Tualatin has the following housing measures (or policies or strategies) currently in place to address Tualatin’s housing needs. These measures include:

- Prohibited single-family detached housing in most high-density zones in Tualatin.
- Allowed one or more accessory dwelling units (ADUs) in residential zones per lot.<sup>45</sup>
- Applied density standards uniformly across zones that allow dwelling units on fee simple lots and on multifamily sites.
- Ensured decisions about type and location of housing are data-driven and focused on equitable outcomes instead of the best outcomes for those with the most money and/or privilege.
- Removed open space/common amenity requirements for low-density residential.
- Provided information to small, local developers to help them understand land use permitting processes and to give developers a sense of clarity and certainty about the requirements so they can better provide smaller-scale housing.

Tualatin’s existing measures generally focus on land use efficiency (such as allowing development of denser housing types) or measures to reduce development costs (such as removing open space requirements for some housing development). By and large, the types of policies that Tualatin has yet to adopt include policies to support:

- Development of affordable rental housing for households with incomes at or below 60% of Median Family Income (MFI).
- Preservation of affordable housing stock to prevent loss of affordable housing units and displacement of existing residents.
- Development and preservation of affordable housing for homeownership, including rehabilitation of existing housing.
- Expansion of workforce owner and rental housing to increase the jobs-housing balance.
- Increased racial and social equity for housing.
- Prevention and reduction of houselessness.
- Expansion of accessible housing and housing for people with special needs.
- Planning for mixed-use housing and redevelopment.
- Greater availability of diverse housing types through regulatory or zoning changes, including mixed-use housing and redevelopment in commercial areas.

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<sup>45</sup> Tualatin’s ADU provisions are not yet compliant in regard to HB 2001 off-street parking requirements.

- 
- Planning for and developing transportation and public infrastructure to support affordable housing, workforce housing, and mixed-use housing development.

## Summary of Tualatin's Housing Needs

Tualatin's primary housing needs, as described in the remainder of this memorandum, are:

- **Greater housing affordability and availability for renters.** Based on a survey of currently available rental properties in Tualatin, the typical asking rent for a two-bedroom apartment ranged from \$1,125 for a one-bedroom unit to more than \$2,000 per month for a three-bedroom unit. These costs are affordable to households earning 55% to 98% of the region's MFI (about \$45,000 to \$80,000). Competition for affordable units is strong and many cannot afford these rents without cost burdening themselves. In the 2013-2017 period, about 56% of Tualatin's renters were cost burdened, with 26% severely cost burdened.<sup>46</sup> Renters, especially those with lower incomes, are at risk of being displaced through increases in rental costs.
- **Greater housing affordability and availability for renters.** Based on a survey of currently available rental properties in Tualatin, the typical asking rent for a two-bedroom apartment was about \$1,125 to more than \$2,000 per month. These costs are affordable to households earning 55% to 98% of the region's MFI (about \$45,000 to \$80,000). Competition for affordable units is strong and many cannot afford these rents without cost burdening themselves. In the 2013-2017 period, about 56% of Tualatin's renters were cost burdened or severely cost burdened.
- **Housing diversity.** Tualatin is a relatively young and ethnically diverse city. While Tualatin comprises many families with and without children, the senior population across the region is growing. Tualatin serves as an important employment hub in the Portland Metro area, drawing workers from across the region. These characteristics suggest a need for a wide variety of housing types to meet the needs of a growing and diverse pool of existing and future residents.
- **Government-subsidized, emergency, and supportive housing.** Tualatin has about 604 rent-restricted affordable housing units (accounting for about 5% of Tualatin's housing stock), despite having about 1,753 households experiencing severe housing cost burden in the city. Tualatin's Continuum of Care region has 111 emergency shelter beds, 10 safe haven beds, 119 transitional shelter beds, and 725 permanently supportive housing beds supporting persons experiencing homelessness in the region. However, in 2019, 44% of people experiencing homelessness in the region were unsheltered and about 211

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<sup>46</sup> A household is said to be cost burdened if they spend 30% or more of their gross income on housing costs. A household is said to be severely cost burdened if they spend 50% or more of their gross income on housing costs.

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students in the Tualatin/Tigard School District experienced homelessness in some form in the 2018-19 school year (many of them doubled-up<sup>47</sup>).

Throughout this analysis, we discuss housing needs for specific populations, such as people of color. The reason for this discussion is that the housing needs of these populations are different from other groups in Tualatin. The Washington County Consolidated Plan describes the issue in the following way:

“Analyses persistently demonstrate that some population groups, including communities of color and people with disabilities, experience disproportionately high housing cost burdens, are less likely to be homeowners, are disproportionately represented in the criminal justice system, have a school achievement gap and experience other disparities relative to health, wellbeing, wealth, income and life outcomes. In deciding on priorities, the County sought opportunities to address persistent historic imbalances, consider systemic causes and advance a more equitable and fair housing system.”<sup>48</sup>

This analysis finds disproportionate housing needs in Tualatin for seniors, people of color, people with one or more disabilities, and people experiencing homelessness.

- **Seniors.** People 65 years of age and older tend to be disproportionately cost burdened compared to the average household – many living on fixed incomes in a region with increasingly growing housing costs.<sup>49</sup> About 62% of people aged 65 years of age and older are rent burdened in the Portland Region. Over the next twenty years, people over 65 years are expected to be the fastest-growing age group. As this group grows, Tualatin will need more housing that is affordable, physically accessible, and has needed services. Seniors will also need improved access to housing without discrimination, especially seniors who are also people of color.
- **People of Color.** About 55% of renter households that identified as Latino and 52% of renter households that identified as a non-Asian person of color were cost burdened in the Portland Region.<sup>50</sup> Latino is the largest ethnic or racial group in Tualatin (16% of the population) and has the lowest median income (\$30,761) of any race or ethnicity in Tualatin. Broadly, the housing needs for many people of color in Tualatin include improved access to affordable units, access to housing in locations with “high

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<sup>47</sup> “Doubled-up” refers to the sharing of other persons’ housing due to loss of housing or economic hardship.

<sup>48</sup> 2020-2024 Consolidated Plan for Washington County and the Cities of Beaverton and Hillsboro, Executive Summary, page 3.

<sup>49</sup> Some seniors have accumulated wealth, which is not accounted for in this analysis. Information about accumulated wealth is available at the national level but not at the state or city level.

<sup>50</sup> This information is not available on a city-by-city basis from the US Census ACS. This statistic is pulled from a statewide analysis from the report *Implementing a Regional Housing Needs Analysis Methodology in Oregon: Approach, Results, and Initial Recommendations* by ECONorthwest, August 2020.

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opportunity” (such as areas near jobs, transit, services, or high-quality education), and access to housing without discrimination.

- **People with disabilities.** Across the Portland Region, people with one or more disabilities experience disproportionate cost burden. In particular, 53% of renters in the Portland Region with a hearing or vision disability and 65% of renters with a disability other than a hearing or vision-based disability are cost burdened, compared to the average rate of cost burden for all households in the region at 46%. Housing needs of people with disabilities vary by type of disability, but in general, housing needs include a need for improved access to an affordable unit, improved physical access to housing units, access to housing with needed services, and access to housing without discrimination, especially for people with disabilities who are also people of color.
- **People experiencing homelessness.** People experiencing homelessness are disproportionately affected by lack of affordable housing. Three hundred seven people were identified as homeless and unsheltered in Washington County and 44 people were identified in the Tigard/Tualatin area in 2020. Housing needs for people experiencing homelessness vary by reason for homelessness. In Washington County, the primary reason people cited for experiencing homelessness was inability to afford housing. The broad housing needs for this group include needs for emergency assistance (including rent support), permanent supportive housing (including with supportive housing with services), and improved access to an affordable unit.

In addition to these needs, findings from public and stakeholder outreach helped to identify the following specific housing needs, as described later in this memorandum:

- ADA-accessible housing units and housing units developed with universal design components such as basic accessibility features; security or communication systems; easily traversed floors; remote control features; accessible lavatories, sinks, and counters; accessible bathtubs and showers; variable height counters and accessible work surfaces; and hearing and visual impairment aids.
- Wider range of housing types, such as more town homes and row houses, mixed-use development, duplexes, triplexes, cottage clusters, multigenerational housing, accessory dwelling units, and high-rise apartments (structures that are six to eight stories in height).
- Housing in mixed-use neighborhoods with access to transit, jobs, green space, and entertainment.
- Support for seniors to age in place.
- Housing options for households earning \$50,000 or less.
- Higher-quality housing.



- 
- Access to housing without discrimination.<sup>51</sup>

Discussions with stakeholders provided input on existing and expected barriers to development of needed housing, includes:

- High cost of land due to limited availability of sites (including larger sizes) that can accommodate new development.
- Increasingly high construction costs and competition for materials and labor.
- Zoning and development constraints, including lot size, height, density, and parking limitations/requirements.
- Competition for national or state grants and loans to subsidize affordable housing development.
- Developer willingness and financial ability to produce “needed” housing.

## Overview of Housing Needs in Washington County

The Washington County Consolidated Plan for 2020 to 2024 presents additional information to provide context for Tualatin’s housing needs. The groups with special housing needs in Washington County are elderly households, households with disabilities, and households with mental illness and/or substance abuse disorders. The section below presents a summary of the housing need for people in these groups. More information is available in Appendix D of the Washington County Consolidated Plan report.

- **Elderly and frail elderly.** In Washington County, between 8,000 and 20,000 elderly and frail elderly have unaddressed housing needs out of 95,000 individuals in 56,960 households that have at least one person 62 or older. About 21,000 households (38%) have a housing and supportive service need, and 25,000 households earn less than 80% of MFI and are very low income (an increase from the last Consolidated Plan). About 6,000 households in this group are extremely low income, earning less than 30% MFI. The primary concern of seniors who own their own home or live in market-rate rental housing is managing rising costs on fixed incomes. Affordable housing wait lists for seniors may be longer than their life expectancy, especially if they need a ground-floor unit. Moderate income seniors have no options for help. Lack of access to transportation is also a significant challenge for most seniors.
- **Persons with disabilities.** In Washington County, there are 57,605 households that have an individual with a self-care limitation, independent living limitation, and/or physical disability, representing 26% of households in the entire County. Another 18,200

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<sup>51</sup> Issues around housing discrimination were additionally identified through the help of focus groups during production of the Washington County Consolidated Plan: Washington County, Beaverton, Hillsboro. (August 2020). *2020-2024 Consolidated Plan for Washington County and the Cities of Beaverton and Hillsboro*, Volume 1.

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households have an individual with a cognitive limitation, representing 8% of households in the entire County.

- **Persons with mental illness and/or substance abuse disorders.** In Washington County, many as 40,000 have unaddressed substance abuse in need of treatment. According to the state data base on affordable housing, there are only three developments in Washington County that serve persons with substance abuse; these have a total of 84 beds.
- **Survivors of domestic violence.** In Washington County, there are an estimated 500 to 1000 housing units or supports needed.<sup>52</sup>

Some of the housing priorities in the Washington County Consolidated Plan include:

- Priorities for housing, including:
  - Increase the inventory of deeply affordable rental housing in good condition
  - Increase the inventory of accessible and visitable housing to serve elderly persons and those with disabilities
  - Improve the quality of affordable ownership housing in good condition and with accessibility features
  - Improve access to ownership for low to moderate income households through home buyer assistance programs/products and by helping increase the affordable ownership inventory
- Special needs priorities for elderly and frail; persons with disabilities; persons with mental illness and substance abuse challenges (includes those who are justice involved); adults and youth at risk and experiencing homelessness (including youth leaving the foster system); large families; agricultural workers; extremely low and very low-income households
- Neighborhood and community development priorities to expand transit to better serve persons with disabilities, elderly persons, and those without a car; expand the inventory of facilities servicing people experiencing homelessness; support household stabilization and displacement mitigation; and invest in public infrastructure and facilities that stabilize communities and support a variety of community needs and cultures.
- Public service priorities to fund supportive services and community-serving nonprofits and support educational and outreach activities focused on landlord-tenant and fair housing activities.

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<sup>52</sup> 2020-2024 Consolidated Plan for Washington County and the Cities of Beaverton and Hillsboro, Appendix D.

# Demographic and Socioeconomic Characteristics Affecting Tualatin’s Housing Needs

This section describes unmet housing needs in Tualatin by age, race and ethnicity, disability, household size and composition, and household income.

## Age of People in Tualatin

Population growth is the primary driver of growth in housing. Between 2000 and 2020, Tualatin’s population grew by about 4,404 people, with most of the growth occurring in the early 2000s. Over that period, Tualatin grew at a slower rate than Washington County and Oregon.

Growth in Tualatin’s senior population, as well as other age cohorts, will continue to shape the city’s housing needs. Seniors account for 16% of Tualatin’s existing population, and Washington County expects to have more than 75,000 more people over 60 years old by 2040 than in 2020.

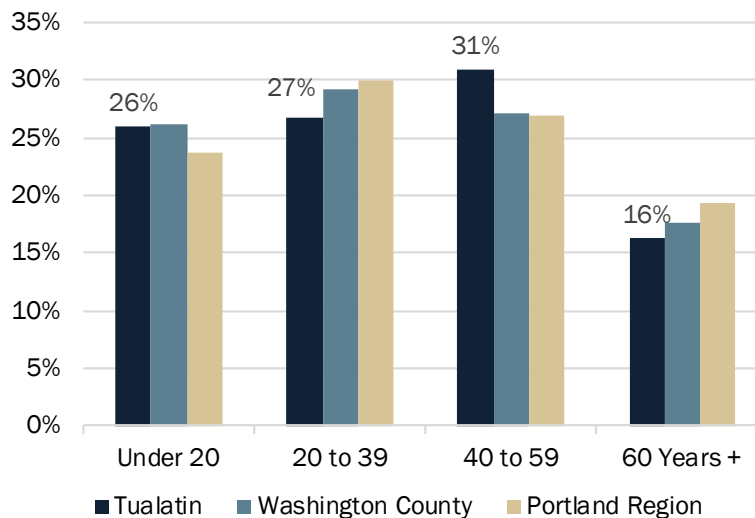
Growth in the number of seniors will result in demand for housing types specific to seniors, such as small and easy-to-maintain dwellings, assisted-living facilities, or age-restricted developments. Senior households will make a variety of housing choices, including remaining in their homes as long as they are able, downsizing to smaller single-family homes (detached and attached) or multifamily units, moving in with family, or moving into group housing (such as assisted-living facilities or nursing homes) as their health declines.

**In the 2013-2017 period, about 16% of Tualatin’s residents were over 60 years old.**

Tualatin had a slightly smaller share of people over the age of 60 than Washington County and Portland Region.

Exhibit 7. Population Distribution by Age, Tualatin, Washington County, and the Portland Region, 2013-2017

Source: US Census Bureau, 2013-2017 ACS, Table B01001.

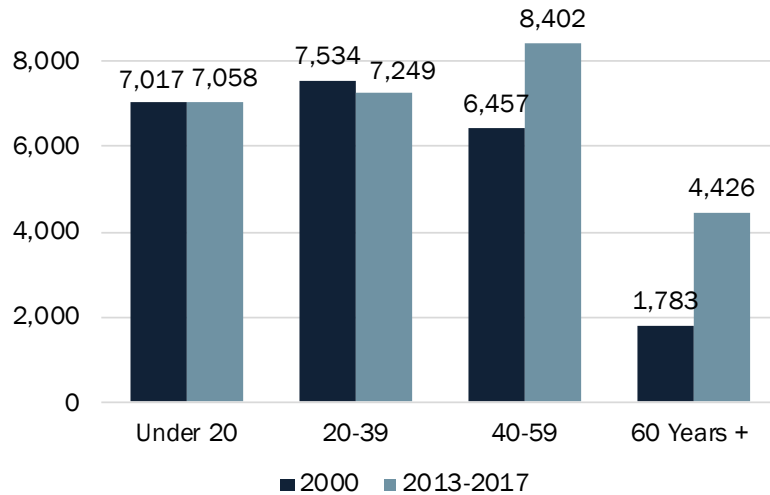


**Between 2000 and 2013-2017, people over 60 years old had the largest increase, adding 2,643 people.**

Over the next 20 years (2020 to 2040), the population aged 60 and older in Washington County is forecast to grow by 62% (75,217 people).

**Exhibit 8. Population Distribution by Age, Tualatin, 2013-2017**

Source: US Census Bureau, 2000 Decennial Census Table P012 and 2013-2017 ACS, Table B01001.



## Race and Ethnicity

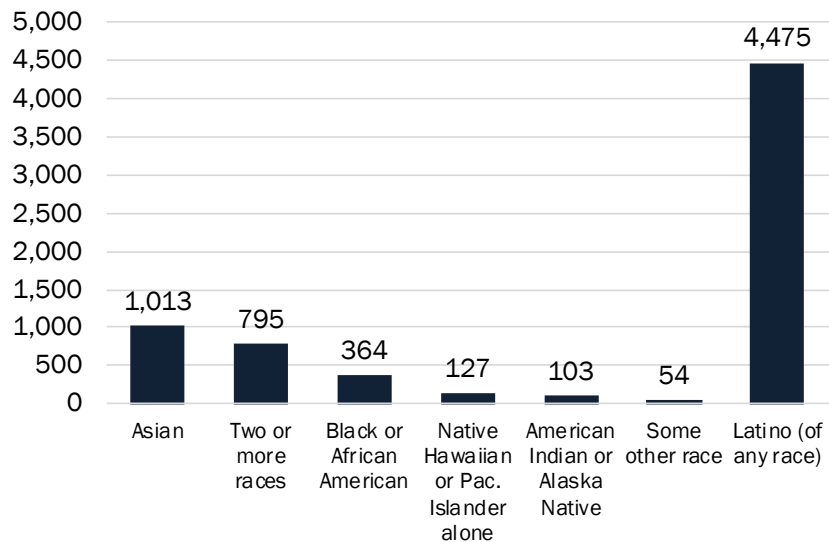
Understanding race and ethnicity characteristics<sup>53</sup> in Tualatin is important for understanding housing needs because people of color often face discrimination when looking for housing.

**About 2,400 people identify as a race other than white in Tualatin. Nearly 4,500 people identify as Latino.**

Not shown in the exhibit are the 23,694 people identifying as white in Tualatin.

**Exhibit 9. Population by Race/Ethnicity, Tualatin, 2013-2017**

Source: US Census Bureau, 2013-2017 ACS, Table B03002.



<sup>53</sup> The US Census Bureau considers race and ethnicity as two distinct concepts. Latino is an ethnicity and not a race, meaning individuals who identify as Latino may be of any race.

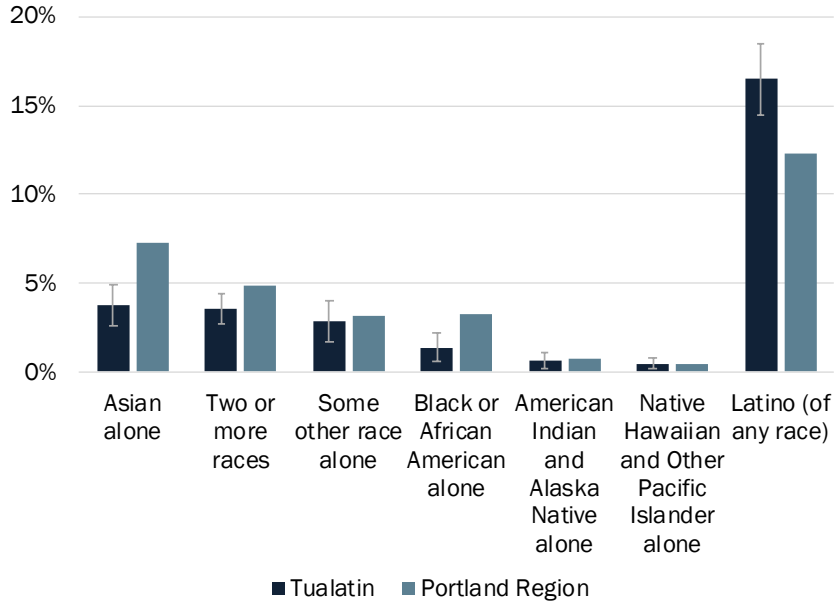
Residents who identify as Latino (of any race) account for 16% of Tualatin's population. The largest racial group in Tualatin is the Asian community, which accounts for 4% of Tualatin's population.

Not shown in this exhibit is about 74% of Tualatin's population and 72% of the Portland Region's population identifying as white.

Exhibit 10. Share of Population by Race and Ethnicity (Percent of Total Population), Tualatin, and the Portland Region, 2013-2017

Source: US Census Bureau, 2013-2017 ACS, Table B03002.

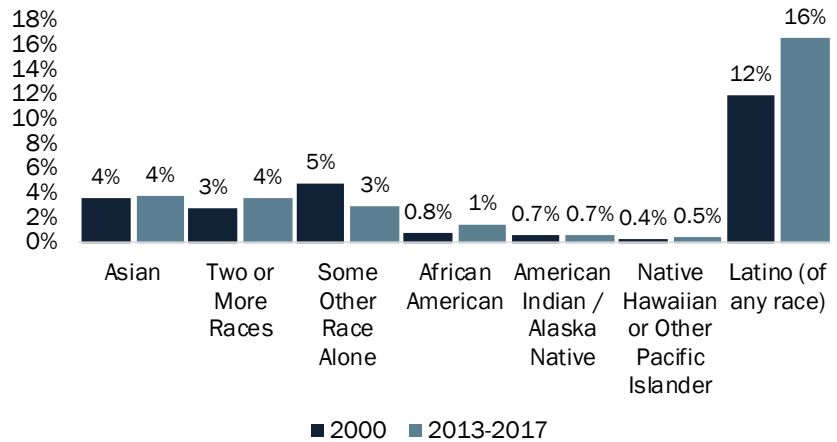
Note: Gray bars denote the potential upper and lower bound of the estimate using the margin of error reported by the Census.



The share of Tualatin's households that identified as Latino (of any race) increased from 2,701 people in 2000 to 4,475 people in 2017, consistent with regional trends.

Exhibit 11. Change in Population by Race/Ethnicity as a Percent of the Total Population, Tualatin, 2000 and 2013-2017

Source: US Census Bureau, 2013-2017 ACS, Table B01001.



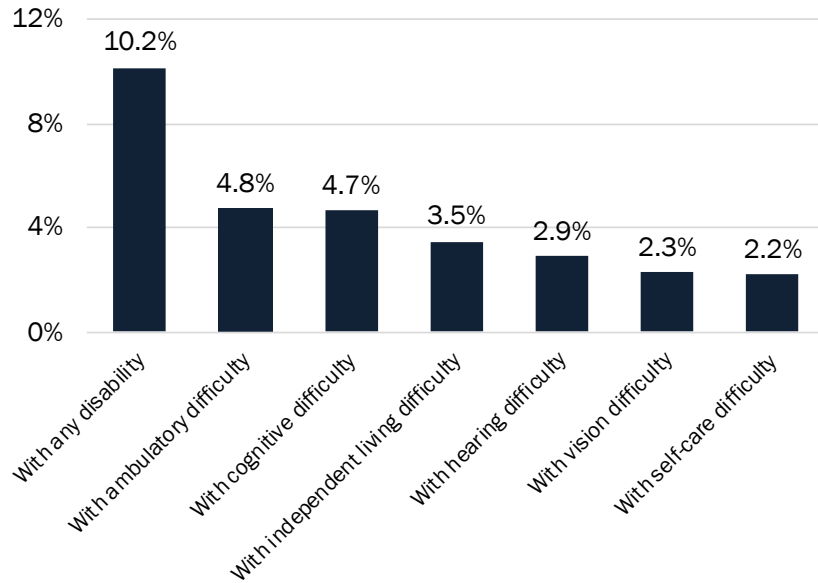
## People with One or More Disabilities

People with one or more disabilities have special housing needs because they may need housing that is physically accessible, that meets the needs of people with a cognitive disability, or that has specialized services.

**People with disabilities comprise about 10% of Tualatin’s population, or 2,800 people.**

**Exhibit 12. Share of Population with a Disability by Type of Disability, Tualatin, 2013-2017**

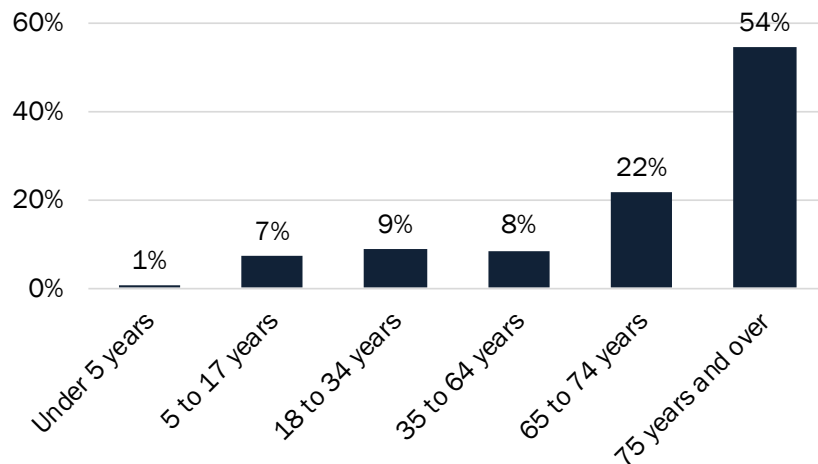
Source: US Census Bureau, 2013-2017 ACS 5-Year Estimate, Table S1810. Note that an individual can have more than one disability.



**The likelihood of having a disability increases with age. In Tualatin, over half the population that was 75 years and older had one or more disabilities.**

**Exhibit 13. Share of Population with a Disability by Age Group, Tualatin, 2013-2017**

Source: US Census Bureau, 2013-2017 ACS 5-Year Estimate, Table S1810



## Household Size and Composition

Housing need varies by household size and composition. The housing needs of a single-person household are different than those of a multigenerational family. Tualatin’s households are smaller than Washington County’s households.

**Tualatin’s average household size was smaller than Washington County’s and Clackamas County’s, but larger than Multnomah County’s.**

**Exhibit 14. Average Household Size, Tualatin, Washington County, Clackamas County, Multnomah County, 2013-2017**

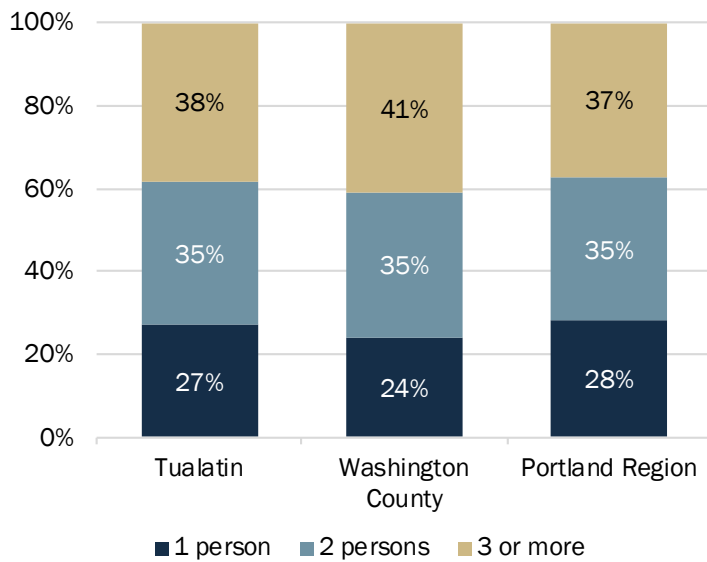
Source: US Census Bureau, 2013-2017 ACS 5-Year Estimate, Table B25010.



**About 62% of Tualatin’s households were 1 or 2-person households, compared to 59% of Washington County’s and 63% of the Portland Region’s households.**

**Exhibit 15. Household Size, Tualatin, Washington County, and Portland Region, 2013-2017**

Source: US Census Bureau, 2013-2017 ACS 5-Year Estimate, Table B25010.

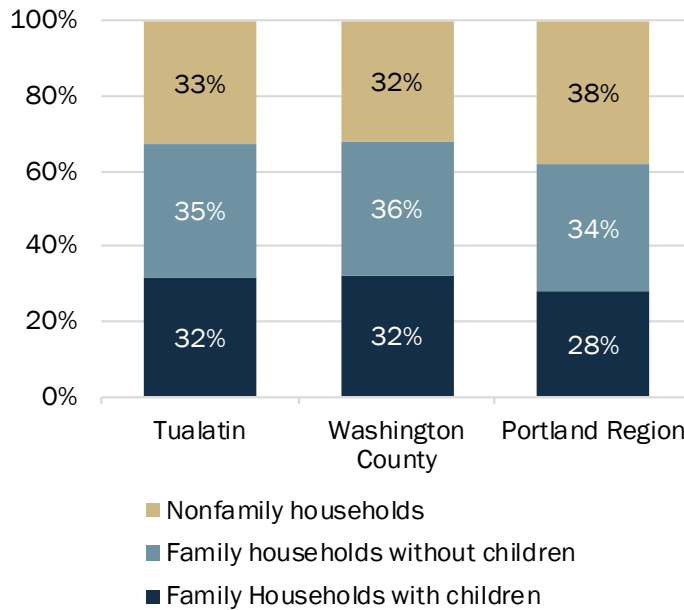


**Tualatin had a similar household composition to Washington County. Compared to the Portland Region, Tualatin had a smaller share of nonfamily households and a larger share of family households with children.**

About a third of Tualatin's households were nonfamily households (i.e., 1-person households and households composed of roommates).

**Exhibit 16. Household Composition, Tualatin, Washington County, and Portland Region, 2013-2017**

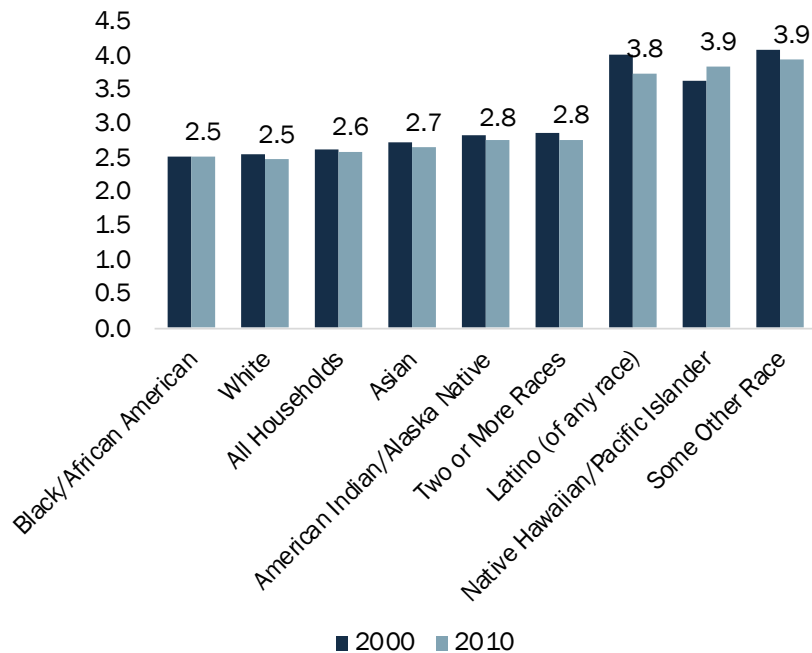
Source: US Census Bureau, 2013-2017 ACS 5-Year Estimate, Table DP02.



**Tualatin's households that identified as Black/African American and white had smaller household sizes than other racial or ethnic groups.**

**Exhibit 17. Historical Average Household Size Trends by Race and Ethnicity, Tualatin, 2000 and 2010**

Source: US Census Bureau, 2013-2017 ACS 5-Year Estimate, Table B25010.





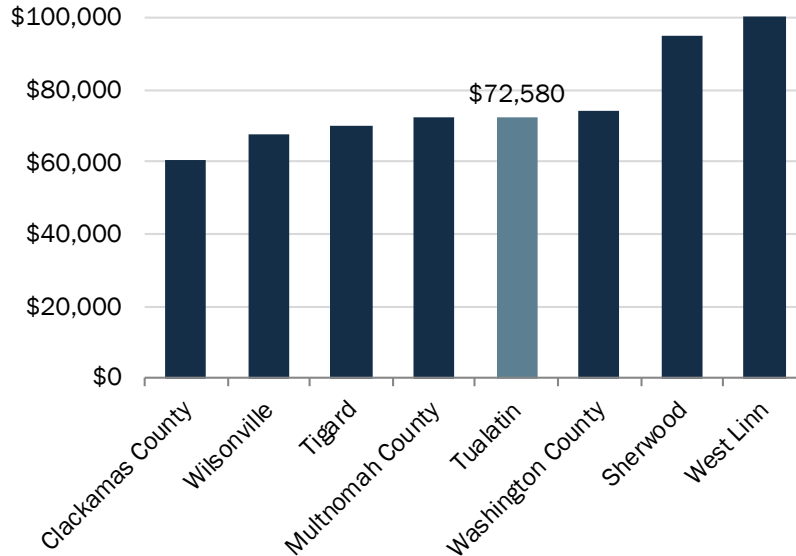
## Household Income

Income is one of the key determinants in housing choice and household ability to afford housing. Income for residents living in Tualatin was lower than the Washington County median income and the state’s median income.

**Over the 2013-2017 period, Tualatin’s median household income (MHI) was \$1,453 below that of Washington County’s.**

**Exhibit 18. Median Household Income, Tualatin, Washington County, and Comparison Regions, 2013-2017**

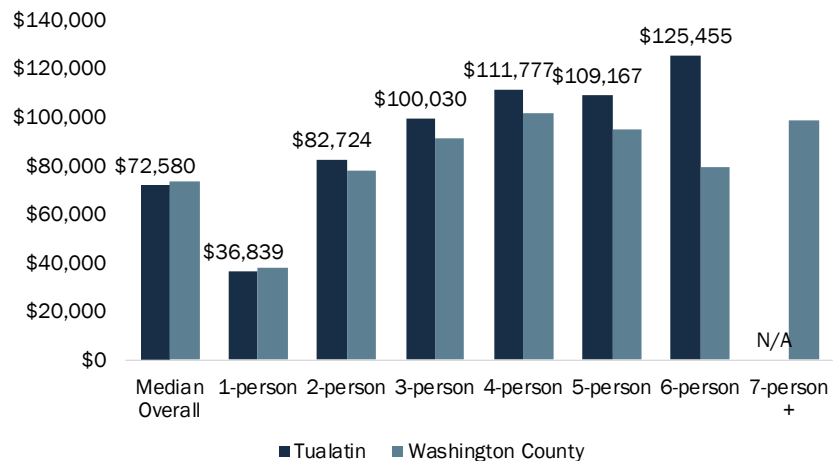
Source: US Census Bureau, 2013-2017 ACS 5-Year Estimate, Table B25119.



**In Tualatin, household income tends to increase with household size, peaking with households with four to six people.**

**Exhibit 19. Household Income by Household Size, Tualatin and Washington County, 2013-2017**

Source: US Census Bureau, 2013-2017 ACS 5-Year Estimate, Table B19019.



**Median household income was comparatively lower for households over 65 years in Tualatin and the county.**

In Tualatin, median household income for householders 65 years and older was \$57,073, compared to the overall median of \$81,118 in the 2014-2018 period.

However, older households may have wealth and savings not reflected in this statistic.

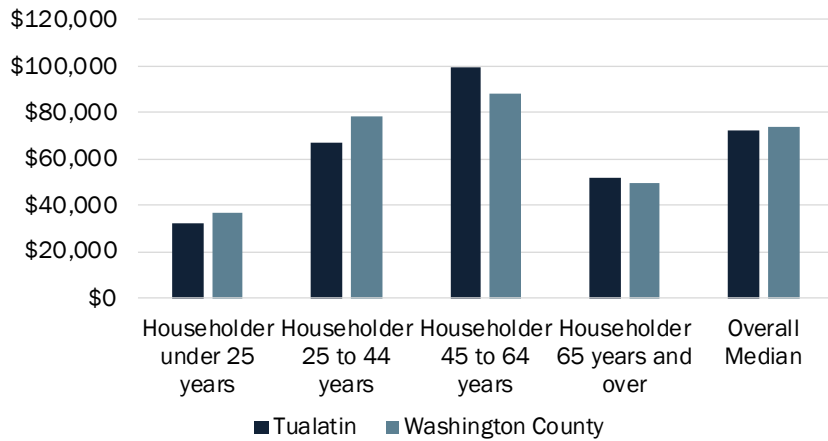
**Household income varies among households with different races and ethnicity.**

In Tualatin, median household income was proportionately higher for households with an Asian-identifying head of household.

The median household income was proportionately lower than the overall average for households with a head of household identifying as Latino or some other race.

**Exhibit 20. Median Household Income by Age, Tualatin, 2013-2017**

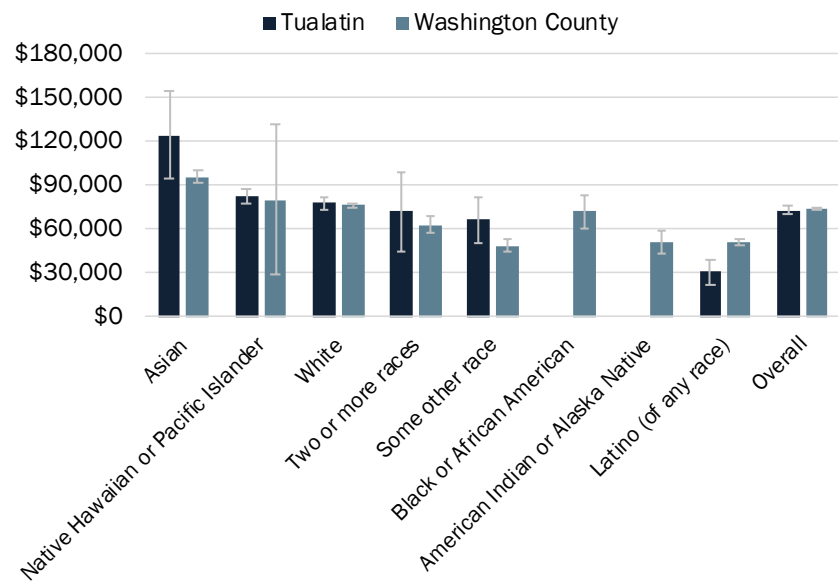
Source: US Census Bureau, 2013-2017 ACS 5-Year Estimate, Table B19049.



**Exhibit 21. Median Household Income by Race and Ethnicity for the Head of Household, Tualatin and Washington County, 2013-2017**

Source: US Census Bureau, 2013-2017 ACS 5-Year Estimate, Table S1903.

Note: In Tualatin, data was not available for heads of households identifying as Black or African American and as American Indian or Alaska Native. Gray bars denote the potential upper and lower bound of the estimate using the margin of error reported by the Census.



## Housing Market Conditions and Trends

An analysis of housing market conditions and trends in Tualatin provides insight into the functioning of the local housing market. The housing types used in this analysis are consistent with needed housing types as defined in ORS 197.303:

- **Single-family detached** includes single-family detached units, manufactured homes on lots and in mobile home parks, and accessory dwelling units.
- **Single-family attached** is all structures with a common wall where each dwelling unit occupies a separate lot, such as row houses or town houses.
- **Multifamily** is all attached structures (e.g., duplexes, triplexes, quadplexes, and structures with five or more units) other than single-family detached units, manufactured units, or single-family attached units.

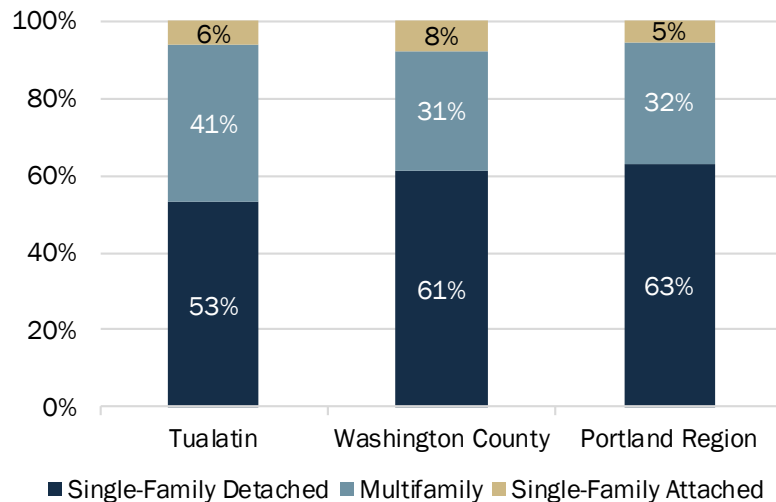
### Existing Housing Stock

According to the 2013-2017 American Community Survey (ACS) from the US Census, Tualatin had 11,329 dwelling units, an increase of 2,110 dwelling units from 2000. In that time, about 771 units of multifamily housing were built in Tualatin, accounting for 37% of the 2,110 new units over that period.

**Tualatin had a smaller share of single-family detached housing and a larger share of multifamily housing than Washington County and the Portland Region.**

Exhibit 22. Housing Mix, Tualatin, Washington County, Portland Region, 2013-2017

Source: US Census Bureau, 2013-2017 ACS Table B25024.



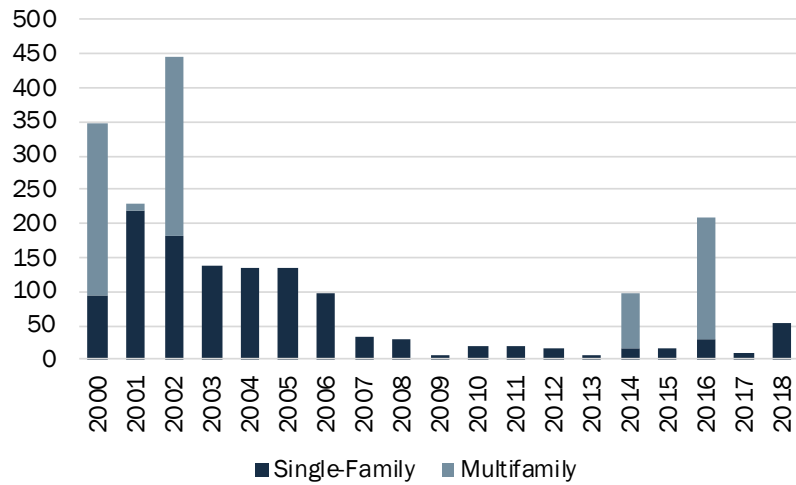
**Development of multifamily housing was strong and cyclical in Tualatin.**

Between 2000 and 2016, 789 new multifamily units were developed in Tualatin. Between 2000 and 2018, 1,262 new single-family units were developed in Tualatin.

Note: The single-family category includes detached and attached single-family homes. The multifamily category is inclusive of all multifamily types (duplexes to larger units).

**Exhibit 23. Units Built by Year and Type of Unit, Tualatin, 2000 to 2016/2018<sup>54</sup>**

Source: RLIS (data pulled November 2020).

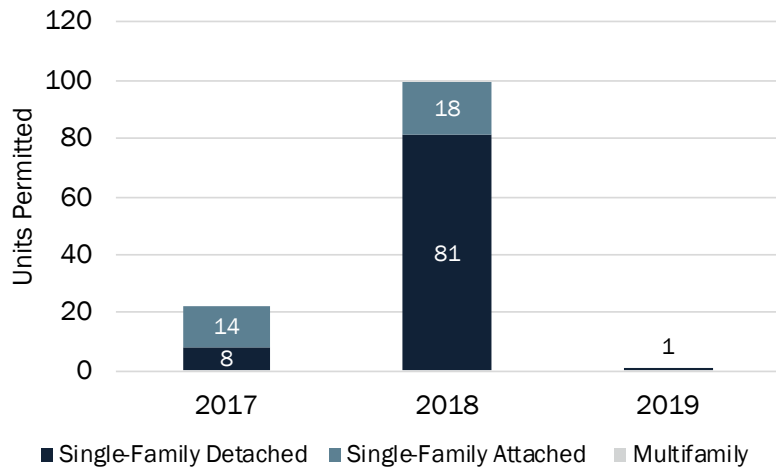


**In the last three years, mostly single-family detached housing has been permitted in Tualatin.**

In 2019, a 264-unit apartment complex began the permitting process. Another 116-unit affordable housing apartment complex is currently in process to annex to Tualatin.

**Exhibit 24. Units Permitted, Tualatin, 2017, 2018, 2019**

Source: City of Tualatin Permit Database.



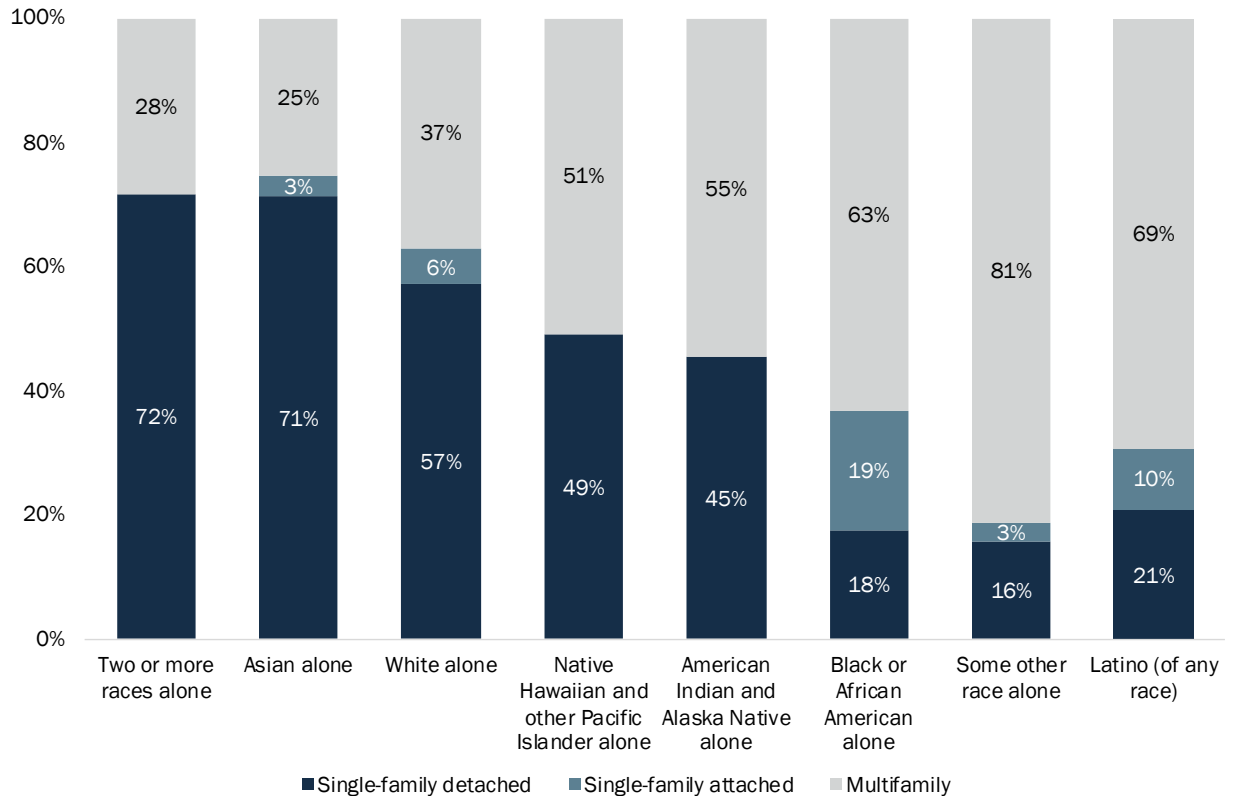
<sup>54</sup> A disclaimer about RLIS data: data for single-family and multifamily units is updated by Metro periodically. In Tualatin, RLIS data for multifamily units represents development through 2016 and the RLIS data for single-family units represents development through 2018.

Exhibit 25 shows that households that identified as Two or More Races or Asian were most likely to live in single-family detached housing (72% and 71%, respectively). The people most likely to live in multifamily housing were Black, at 63% of households; Latinos (of any race), at 70% of households; and people identifying as some other race, at 81% of households.

While this exhibit reflects the types of housing these groups *currently* live in and/or what they can currently afford to live in, it may not reflect their housing preferences.

Exhibit 25. Housing Mix by Race and Ethnicity, Tualatin 2013-2017

Source: US Census Bureau, 2013-2017 ACS Table B25032 B-H, I.



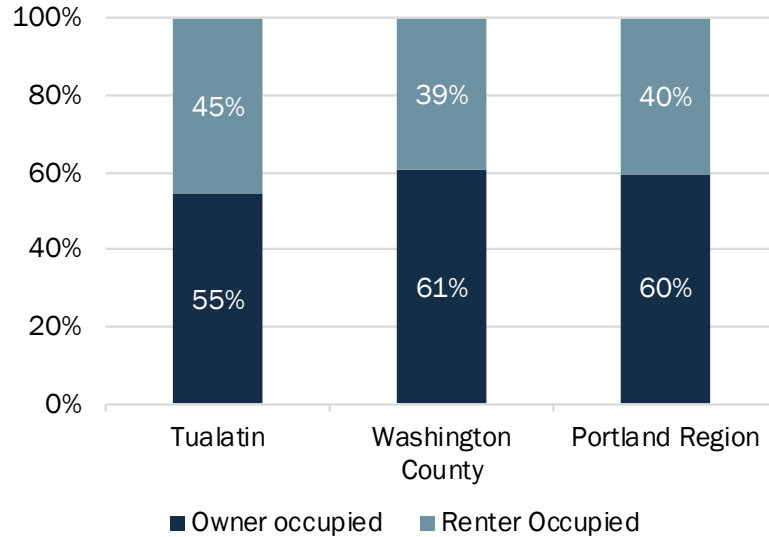
## Housing Tenure

Housing tenure describes whether a dwelling is owner or renter-occupied. In 2000 as well as in the 2013-2017 period, 55% of Tualatin’s housing stock was owner occupied and 45% was renter occupied.

**Tualatin had a lower homeownership rate than Washington County and the Portland Region by 6 percentage points.**

**Exhibit 26. Tenure, Occupied Units, Tualatin, Washington County, and Portland Region, 2013-2017**

Source: US Census Bureau, 2013-2017 ACS 5-Year Estimates, Table B24003.

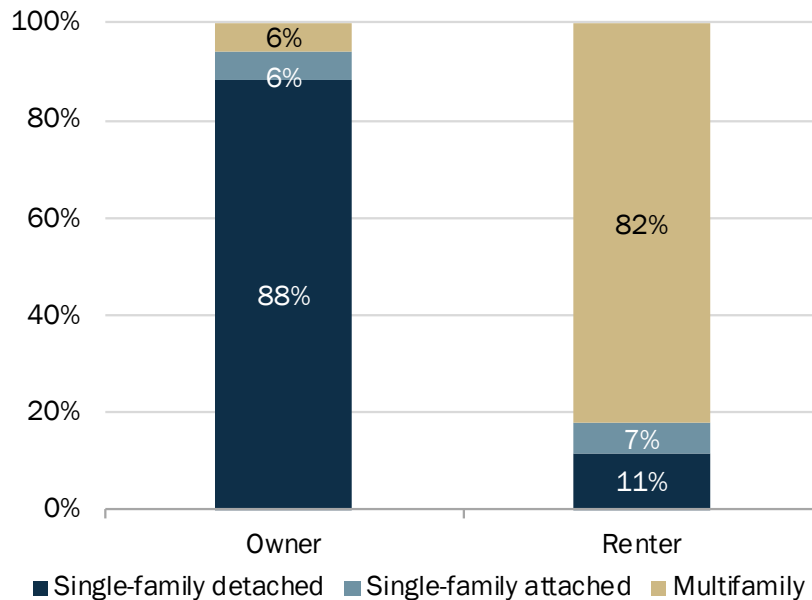


**Most of Tualatin homeowners (88%) lived in single-family detached housing.**

In comparison, most of Tualatin renters (82%) lived in multifamily housing.

**Exhibit 27. Housing Units by Type and Tenure, Tualatin, 2013-2017**

Source: US Census Bureau, 2013-2017 ACS Table B25032.

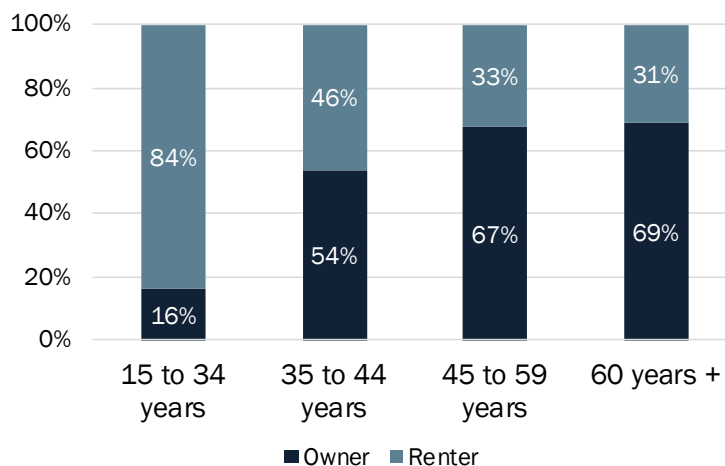


**Tualatin's household homeownership rate increases with age.**

In Tualatin, nearly 70% of householders over the age of 60 owned their own home.

**Exhibit 28. Housing Tenure by Age of the Head of Household, Tualatin, 2013-2017**

Source: US Census Bureau, 2013-2017 ACS Table B25007.

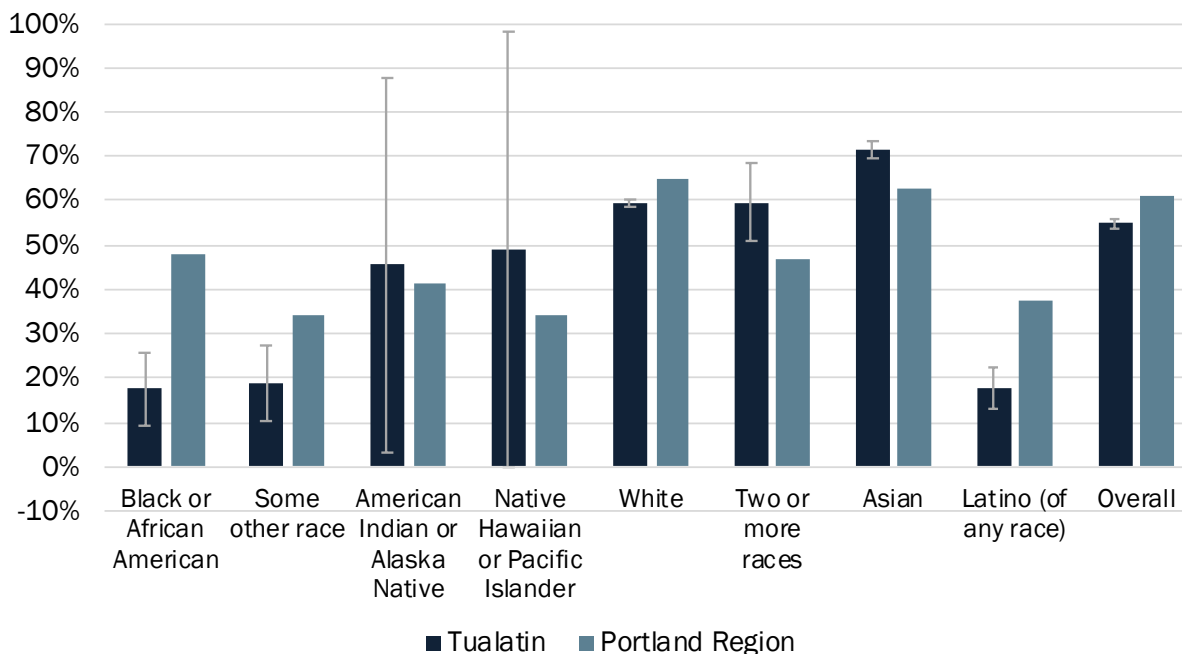


As Exhibit 29 shows, in Tualatin, the homeownership rates were lowest for households with a Black/African American or Latino-identifying head of household.

**Exhibit 29. Homeownership Rate by Head of Households' Race and Ethnicity, Tualatin and Washington County, 2013-2017**

Source: US Census Bureau, 2013-2017 ACS Table B25003 and B25003 B-I.

Note: Gray bars denote the potential upper and lower bound of the estimate using the margin of error reported by the Census. For American Indian or Alaska Native and Native Hawaiian or Pacific Islander, the margin of error is very large in Tualatin because those populations are so small in Tualatin.



## Vacancy Rates

Housing vacancy is a measure of housing that is available to prospective renters and buyers. It is also a measure of unutilized housing stock. The Census defines vacancy as "unoccupied housing units . . . determined by the terms under which the unit may be occupied, e.g., for rent, for sale, or for seasonal use only."

According to the 2013-2017 Census, the vacancy rate in Tualatin was the lowest at 4.3%, compared to 4.8% for Washington County and 5.5% for the Portland Region.

**Tualatin's homeowner vacancy rate is lower than its rental and overall vacancy rates.**

Exhibit 30. Vacancy Rate by Tenure, Tualatin, 2013-2017

Source: US Census Bureau 2013-2017 ACS Table DP04.

<b>Homeowner</b>	<b>1.4%</b> of Total Dwelling Units
<b>Rental</b>	<b>3.7%</b> of Total Dwelling Units
<b>Total</b>	<b>4.3%</b> of Total Dwelling Units

**As of 2013-2017, less than half a percent of Tualatin's dwelling units were vacant for seasonal, recreational, or occasional use (e.g., short-term rentals or vacation homes).**

Exhibit 31. Vacancy for Seasonal, Recreational, or Occasional Use, Tualatin, 2000 and 2013-2017<sup>55</sup>

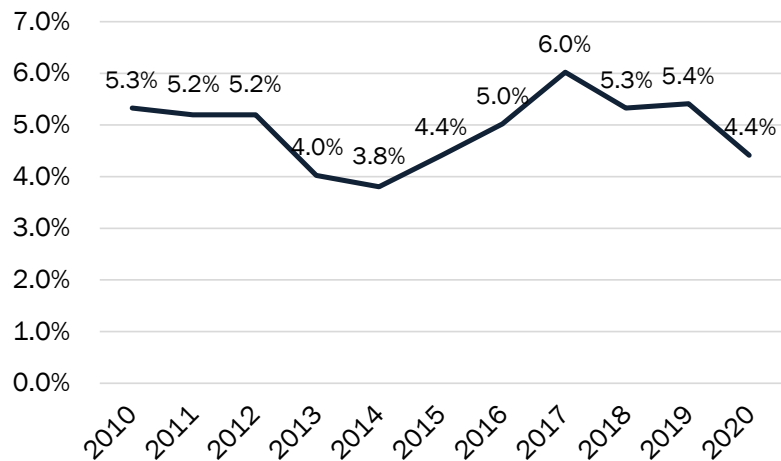
Source: US Census Bureau, 2000 Decennial Census SF1 Table H005, 2013-2017 ACS Table B25004.

<b>2000</b>	<b>43 Units</b>	<b>0.5%</b> of Total Dwelling Units
<b>2013-2017</b>	<b>44 Units</b>	<b>0.4%</b> of Total Dwelling Units

**Tualatin's multifamily vacancy rate was 4.4% in 2020, down from Tualatin's 10-year high of 6.0% in 2017.**

Exhibit 32. Average Multifamily Vacancy Rate, Tualatin, 2010-2020

Source: CoStar.



<sup>55</sup> Short-term rentals (commercial lodging) are not an allowed use in Tualatin's residential zones.



## Rent-Restricted and Emergency Housing

Governmental agencies offer subsidies to support housing development for extremely low income, very low-income, and low-income households. Tualatin has three rent-restricted housing developments, with 604 subsidized units. These 604 units represented about 5.3% of Tualatin’s total housing stock in the 2013-2017 period. In addition to these rent-restricted units, and as of August 5, 2019, households in Tualatin utilized 113 of Washington County Housing Authority’s Housing Choice Vouchers.<sup>56</sup>

### Exhibit 33. Government-Assisted Housing, Tualatin, 2020

Source: Oregon Housing and Community Services, Affordable Housing Inventory in Oregon.

Housing Developments	Total Units	Affordable Units	Population Served	Government Subsidy Type	Affordability Contract Expiration
Terrace View	100	100	Family	LIHTC 4%	January 2028
Tualatin Meadows	240	240	Family	LIHTC 4%	January 2031
Woodridge	264	264	Family	OHCS Grants	March 2049
<b>Total</b>	<b>604</b>	<b>604</b>			

The Beaverton/Washington County Continuum of Care region has 240 emergency, safe haven, and transitional housing beds and 725 permanent housing beds for people experiencing homelessness.

### Exhibit 34. Facilities and Housing Targeted to Households Experiencing Homelessness, Hillsboro, Beaverton/Washington County Continuum of Care Region, 2019

Source: HUD 2019 Continuum of Care Homeless Assistance Programs, Housing Inventory Count Report, Hillsboro, Beaverton/Washington County Continuum of Care.

Population Served	Emergency, Safe Haven, and Transitional Beds			Permanent Housing Beds
	Emergency Shelter	Safe Haven	Transitional Housing	
Households with Adult(s) and Children	103	-	41	341
Households with Only Adults	6	10	78	384
Unaccompanied Youth	2	-	-	-

<sup>56</sup> More information about Housing Choice Vouchers:

[https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/hcv/about/fact\\_sheet](https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/about/fact_sheet)

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## Manufactured Housing Communities

Manufactured homes provide a source of affordable housing in Tualatin. They provide a form of homeownership that can be made available to low and moderate-income households. Cities are required to plan for manufactured homes—both on lots and in parks. Exhibit 35 shows that Tualatin has two manufactured housing parks, with a total of 178 spaces within its city limits.

Exhibit 35. Inventory of Mobile/Manufactured Home Parks, Tualatin City Limits, March 2019

Source: Oregon Manufactured Dwelling Park Directory.

Name	Location	Type	Total Spaces	Vacant Spaces	Plan Designation
Angel Haven	18485 SW Pacific Dr	Senior	129	2	RML
Willow Glen	9700 SW Tualatin Rd	Family	49	1	RML
<b>Total</b>			<b>178</b>	<b>3</b>	

## People Experiencing Homelessness

According to HUD’s 2019 Homeless Assessment Report, across the United States, people experiencing homelessness increased. People experiencing *unsheltered* homelessness increased across all racial groups, among women and girls, and for people 25 and older.<sup>57</sup> Oregon had the second-highest rate of people experiencing unsheltered homelessness in the United States (64% of total people experiencing homelessness), behind California only. Oregon also had the largest change in homelessness by state (an increase of 1,400 people or 10% change from 2018-2019), again behind California. The following exhibits provide local estimates of homelessness in Tualatin’s region.

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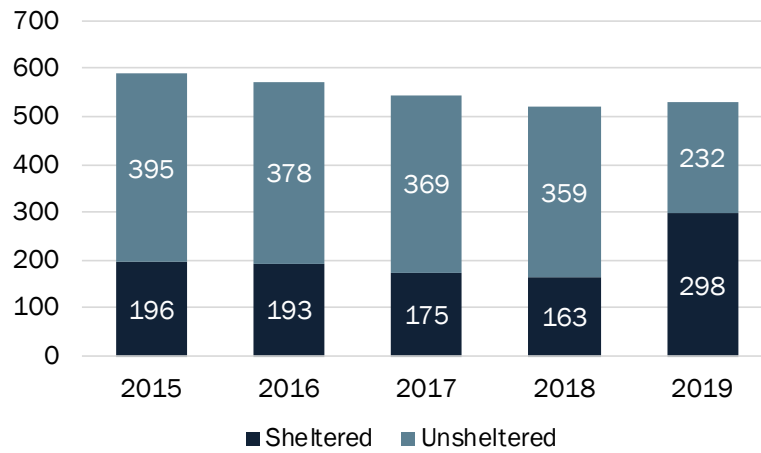
<sup>57</sup> The US Department of Housing and Urban Development. (2019). The 2019 Annual Homeless Assessment Report (AHAR) to Congress. Office of Community Planning and Development.

**In 2019, Tualatin's Continuum of Care (CoC) district counted 530 people experiencing homelessness in their annual Point-in-Time estimate.**

In 2019, 44% of the people experiencing homelessness were unsheltered, down from 67% in 2015.

**Exhibit 36. Homelessness Estimate (Sheltered and Unsheltered), Hillsboro/Beaverton/Washington County CoC, 2015-2019**

Source: Annual Homeless Assessment Report (AHAR) PIT data.



**About 44 people were experiencing unsheltered homelessness in the Tigard/Tualatin area in 2020.**

Proportioning out these individuals using population, this analysis estimates that about 15 individuals experienced homeless in Tualatin.

**Exhibit 37. Unsheltered Homelessness, Washington County and Tualatin/Tigard Area, 2020**

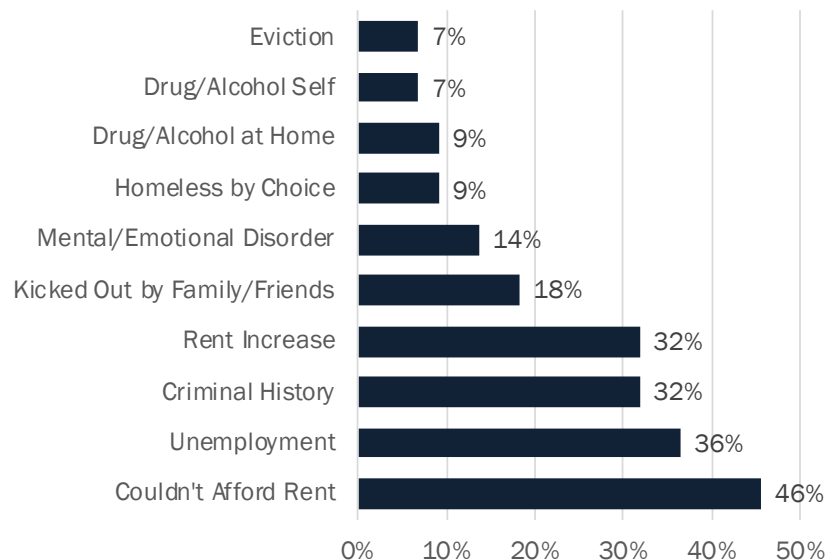
Source: Washington County Department of Housing Services, PIT data. Portland State University Population Estimates for Tualatin and Tigard Area.

<b>Washington County</b>	<b>307<sup>58</sup></b> Unsheltered People	<b>33%</b> Chronic Homeless	<b>18%</b> Domestic Violence
<b>Tualatin / Tigard Area</b>	<b>44</b> Unsheltered People	<b>27%</b> Chronic Homeless	<b>14%</b> Domestic Violence
<b>Tualatin</b>	<b>15</b> Estimated Unsheltered People	-	-

**The primary reason for homelessness in the Tigard/Tualatin area was inability to afford rent.**

**Exhibit 38. Reason for Unsheltered Homelessness, Tualatin/Tigard Area, 2020**

Source: Washington County Department of Housing Services, from the PIT 2020 Tigard Tualatin Presentation. Exhibit remade by ECONorthwest for readability.



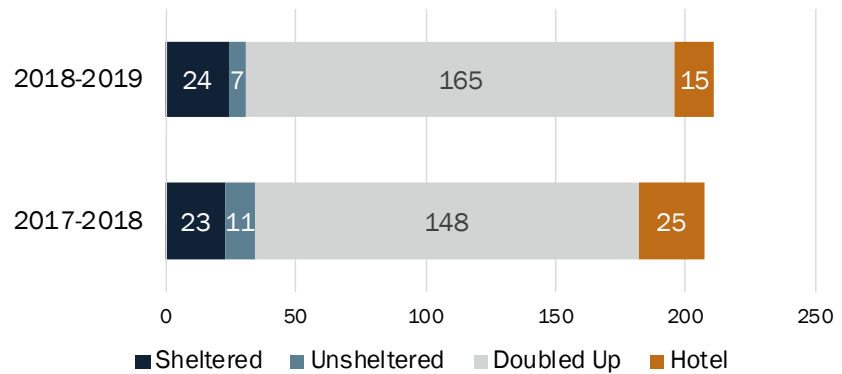
<sup>58</sup> The PIT count is a snapshot of individuals experiencing homelessness on a single night in a community. Though the PIT count is not a comprehensive survey, it serves as a measure of homelessness at a given point in time and is used for policy and funding decisions.

**From the 2017-18 school year to the 2018-19 school year, student homelessness increased from 207 students to 211 students, resulting in an increase of four students.**

Of the 211 students in 2018-19 experiencing homelessness, 36 were unaccompanied youth (17%).

**Exhibit 39. Students Homeless by Living Situation, Tigard/Tualatin School District, 2017-2018 and 2018-2019**

Source: McKinney Vento, Homeless Student Data.



**Based on the Oregon's Regional Housing Needs Analysis, Tualatin will need 252 housing units to accommodate people experiencing homelessness in the 2020-2040 period.**

**Exhibit 40. Estimate of Housing Need for People Experiencing Homelessness, Tualatin, 2020 to 2040**

Source: From the Report *Implementing a Regional Housing Needs Analysis Methodology in Oregon: Approach, Results, and Initial Recommendations* by ECONorthwest, August 2020.

**252 Dwelling Units**

New Units Need for People Experiencing Homelessness (2020-2040)

**13 Dwelling Units**

Annual Average

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## Housing Affordability Considerations

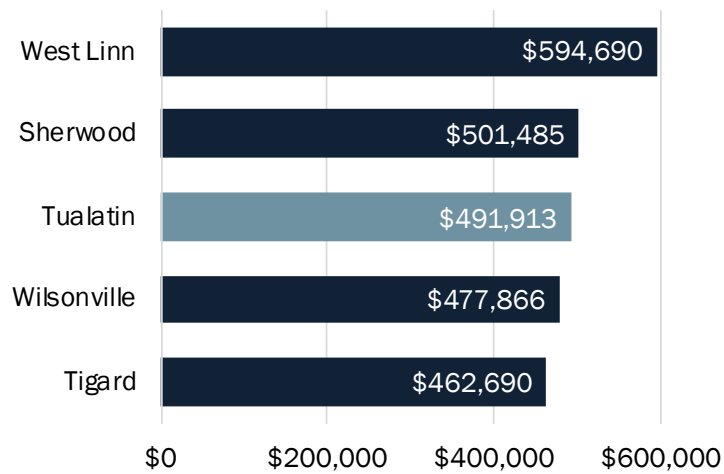
This section describes changes in sales prices, rents, and housing affordability in Tualatin. It uses cities in the region, as well as Washington County and Oregon, as comparisons. Both housing sales prices and rents have increased steadily in Tualatin and the greater region over the last several years.

### Housing Costs

**In 2020, Tualatin's annual, median home sales price was \$491,913, or \$102,777 less than West Linn's and \$29,223 more than Tigard's median home sales price.**

Exhibit 41. Median Home Sales Price, Tualatin and Comparison Cities, 2020 Annual Median

Source: Redfin.

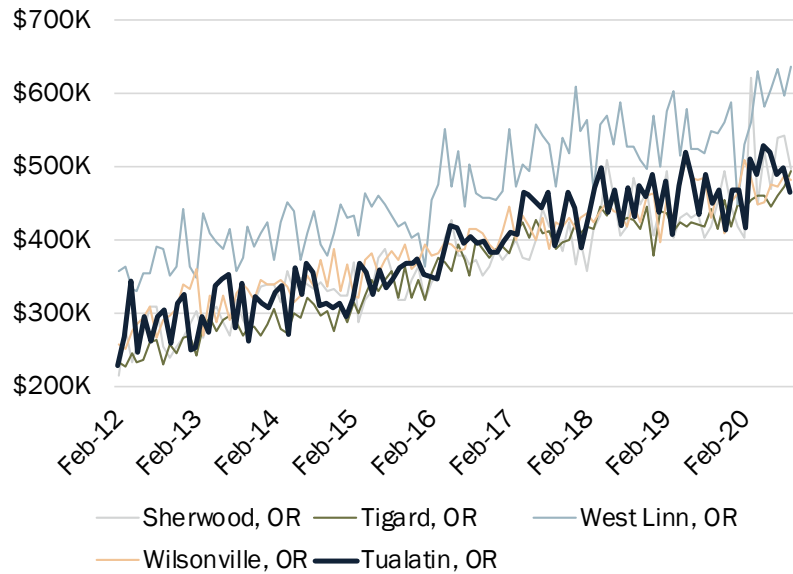


**Over the last decade, median home sales prices have marched upward in Tualatin and comparison cities. In 2020, Tualatin's median home sales price was \$491,913.**

Between February 2012 and 2020, home sales prices increased by \$261,913 (114%) in Tualatin, consistent with changes in sales prices in nearby cities.

**Exhibit 42. Median Sales Price, Single-Family housing, Tualatin and Comparison Cities, February 2012–September 2020**

Source: Redfin.

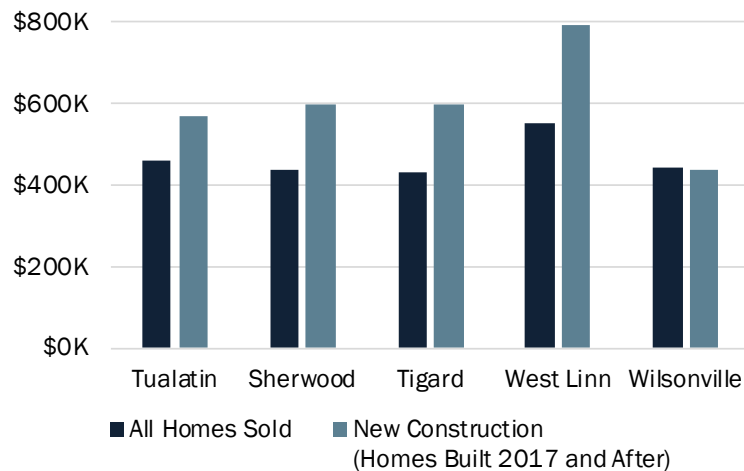


**Newly built homes generally have higher prices than existing housing.**

In Tualatin, the median sales price of all homes sold since 2017 (including existing housing) was \$461,204, compared to \$566,900 for new homes sold (i.e., new construction—homes built since 2017).

**Exhibit 43. New Construction Price Premium, Tualatin and Comparison Cities, January 2017 through September 2020**

Source: Redfin.



## Renter Costs

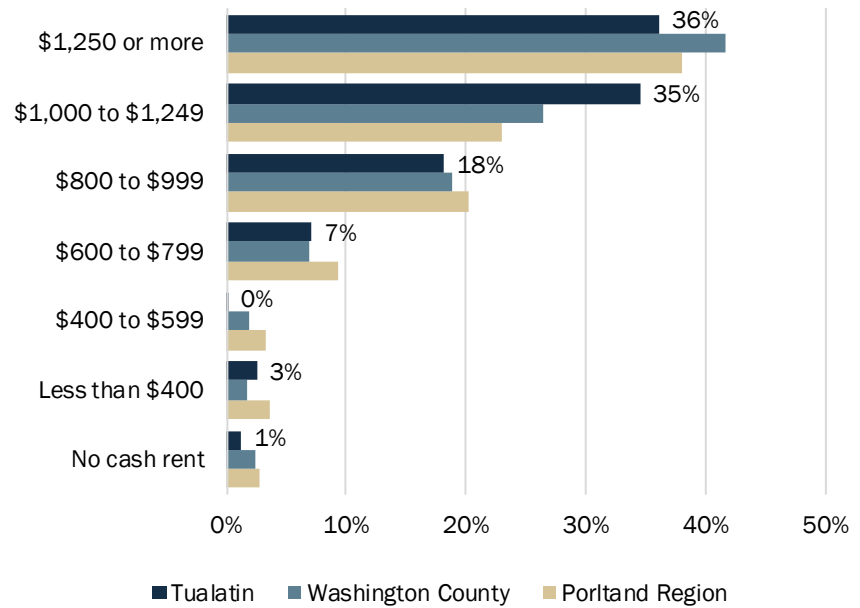
Rental costs are increasing in Tualatin. According to the US Census and ACS, median gross rents in Tualatin increased from \$768 in 2000 to \$1,154 in the 2013-2017 period.

**Most renters in Tualatin paid more than \$1,000 per month in rent.**

About 36% of Tualatin’s renters paid \$1,250 or more in gross rent per month, a smaller share than renters across Washington County (42%) and the Portland Region (38%).

**Exhibit 44. Gross Rent, Tualatin, Washington County, and Portland Region, 2013-2017**

Source: US Census Bureau, 2013-2017 ACS Table B25063.



**The average asking rent per unit has increased steadily for all bedroom sizes since 2010.**

The asking rent for a 2-bedroom unit in Tualatin increased from \$873 in 2010 to \$1,334 in 2019, an increase of \$461 (53% change).

**Exhibit 45. Average Multifamily Asking Rent by Bedroom Size, Tualatin, 2010 through 2019<sup>59</sup>**

Source: CoStar.

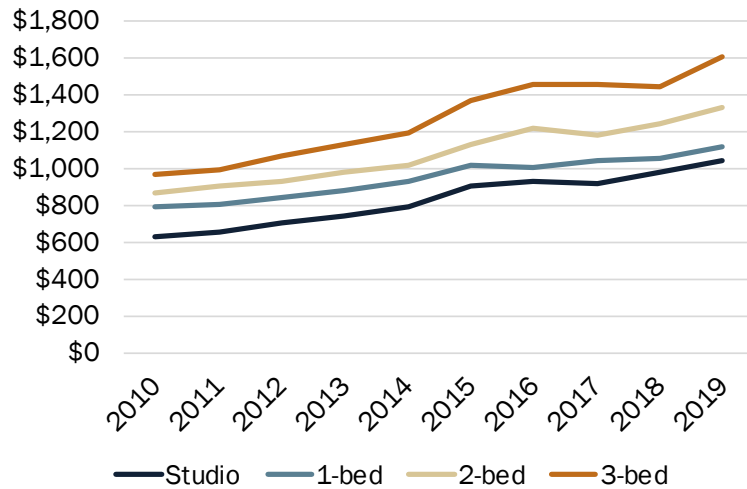


Exhibit 46 presents the findings of an assessment of available rental properties advertised on Apartments.com as of December 2020. The rental costs for these developments likely have

<sup>59</sup> This analysis excludes units with four or more bedrooms, as there is highly limited observations in the CoStar inventory for Tualatin.



higher asking rents compared to all rental housing in Tualatin. This is because Apartments.com (and similar platforms) are more likely to include listings for newer, professionally managed, larger apartment buildings (those typically priced with a premium). Exhibit 46 shows a broader, more complete picture of housing costs for renters in Tualatin than Census or CoStar data alone.

#### Exhibit 46. Rent Survey Findings, Tualatin, December 2020

Source: Apartments.com and Portland Housing Bureau.

Housing Development	Rent Range	1-bedroom	2-bedrooms	3-bedrooms
Alden	\$1,269 - \$1,729	\$1,269 - \$1,369	\$1,445 - \$1,545	\$1,679 - \$1,729
Arya at Hedges Creek	\$1,373 - \$2,446	\$1,373 - \$1,684	\$1,478 - \$2,022	\$1,756 - \$2,446
Chelan	\$950 - \$1,295	\$950 - \$1,025	\$1,125 - \$1,175	\$1,250 - \$1,295
Eddylane at Bridgeport	\$1,187 - \$2,991	\$1,348 - \$1,872	\$1,755 - \$2,991	\$2,305 - \$2,350
Forest Rim Apartments	\$1,295 - \$1,885	\$1,295 - \$1,575	\$1,495 - \$1,855	\$1,885
River Lofts	\$1,375 - \$1,877	n/a	\$1,375 - \$1,877	n/a
Stonethrow Apartments	\$1,360 - \$4,948	\$1,360 - \$4,942	\$1,590 - \$4,948	n/a
Tualatin Heights	\$1,336 - \$1,508	n/a	\$1,336 - \$1,508	n/a
Affordable Rents				
30% MFI	\$518 - \$718	\$518	\$621	\$718
50% MFI	\$863 - \$1,197	\$863	\$1,036	\$1,197
80% MFI	\$1,382 - \$1,916	\$1,382	\$1,658	\$1,916
100% MFI	\$1,726 - \$2,394	\$1,726	\$2,072	\$2,394

## Housing Cost Burden

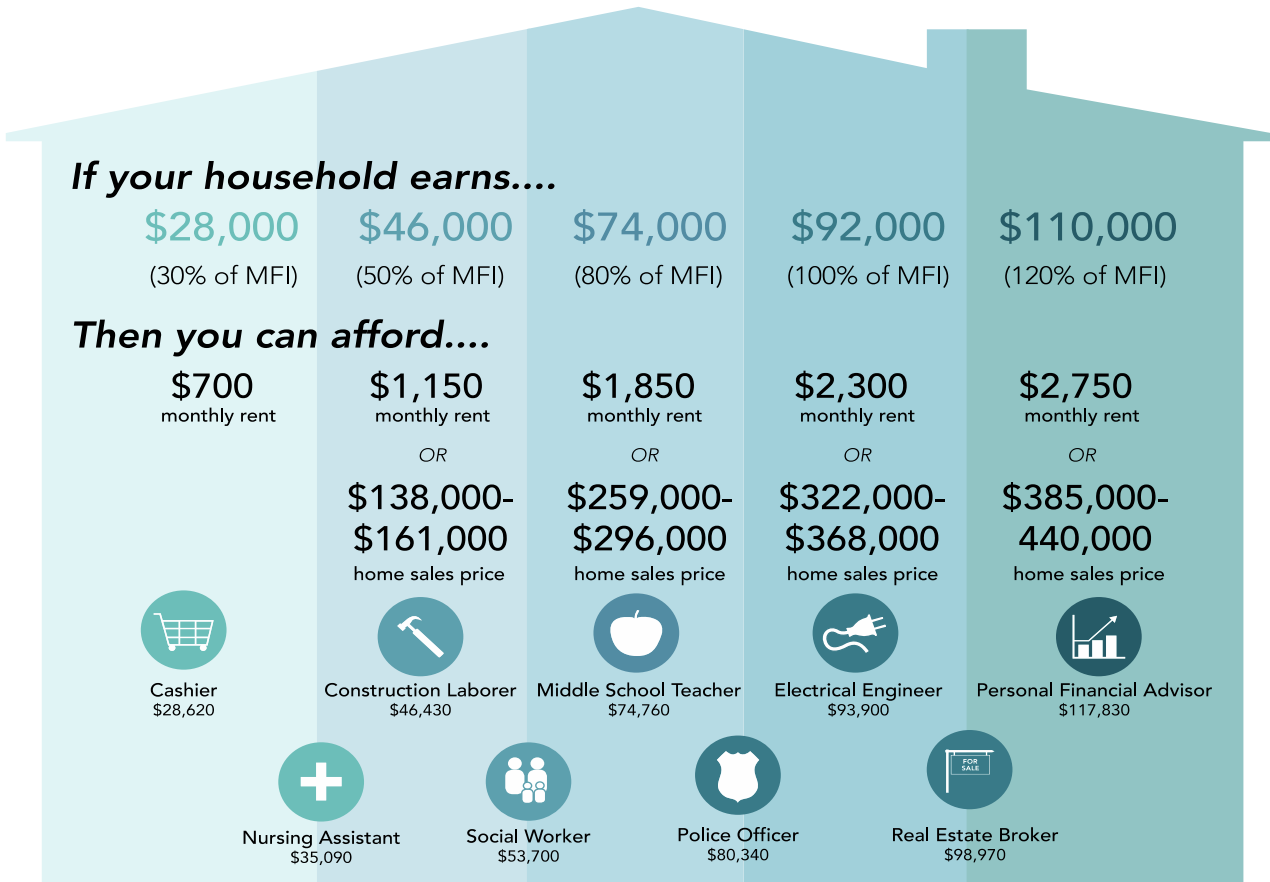
Financially attainable housing costs for households across the income spectrum in Washington County are identified in Exhibit 47. For example, a household earning Median Family Income in Washington County (about \$92,000 per year for a family of four) can afford a monthly rent of about \$2,300,<sup>60</sup> or a home roughly valued between \$322,000 and \$368,000, without cost burdening themselves.

A household would need to earn about \$140,500 a year (153% of MFI for a family of four) to afford the median sales price of a home in Tualatin (\$491,913). A household would need to earn about \$58,000 (63% of MFI for a family of four) to afford the rent on a two-bedroom apartment in Tualatin (\$1,450).

<sup>60</sup> Note that Median Family Income for the region is different than median household income (MHI) for Tualatin (see Exhibit 18). MFI is determined by HUD for each metropolitan area and nonmetropolitan county. It is adjusted by family size—in that 100% MFI is adjusted for a family of four. MHI is a more general term. MHI includes the income of the householder and all other individuals 15 years old and over in the household, whether they are related to the householder or not.

Exhibit 47. Financially Attainable Housing, by Median Family Income (MFI) for Washington County (\$92,000), Tualatin, 2020

Source: US Department of HUD 2020. Note: MFI is Median Family Income for a family of 4.



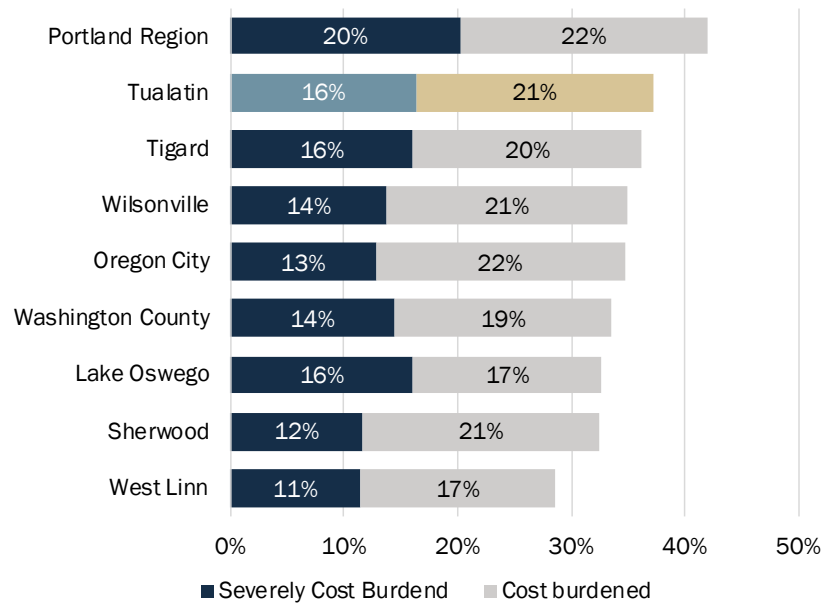
Because the local housing market cannot produce income-restricted, subsidized affordable housing at sufficient levels—and because it cannot often produce moderate-income/workforce housing without subsidy—many households in Tualatin are cost burdened (as Exhibit 48 to Exhibit 51 show). A household is defined by HUD as cost burdened if their housing costs exceed 30% of their gross income.<sup>61</sup> A household that spends 50% or more of their gross income on housing costs is considered to be severely cost burdened by HUD and the State of Oregon.

**Overall, about 37% of all households in Tualatin were cost burdened.**

In the 2013-2017 period, Tualatin had one of the highest rates of cost-burdened households relative to other comparison areas.

**Exhibit 48. Housing Cost Burden, Tualatin, Washington County, and Comparison Areas, 2013-2017**

Source: US Census Bureau, 2013-2017 ACS Tables B25091 and B25070.



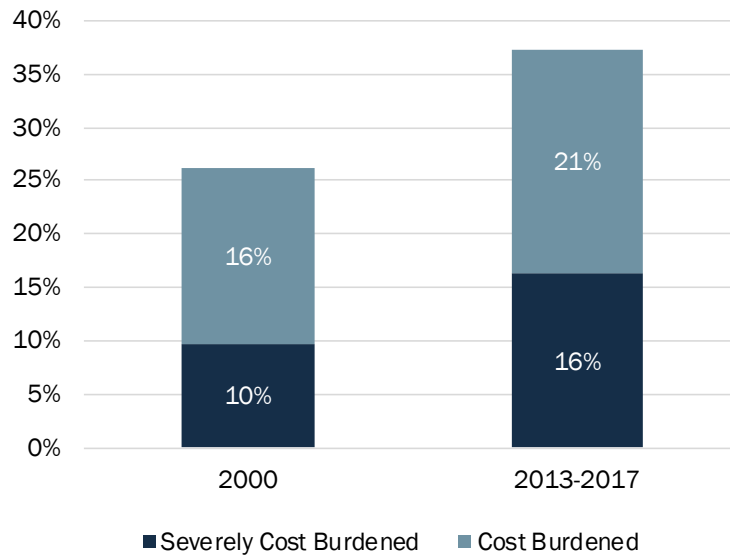
<sup>61</sup> US Department of Housing and Urban Development (HUD). See [https://www.huduser.gov/portal/pdredge/pdr\\_edge\\_featd\\_article\\_092214.html](https://www.huduser.gov/portal/pdredge/pdr_edge_featd_article_092214.html)

**From 2000 to the 2013-2017 period, the share of cost-burdened and severely cost burdened households in Tualatin grew by 11%.**

Tualatin has also experienced a substantial rise in its renters who are severely cost burdened. In the 2014-2018 time period, 27% of Tualatin’s renters were severely cost burdened,<sup>62</sup> compared to 26% in the 2013-2017 time period.

**Exhibit 49. Change in Housing Cost Burden, Tualatin, 2000 to 2013-2017**

Source: US Census Bureau, 2000 Decennial Census, Tables H069 and H094 and 2013-2017 ACS Tables B25091 and B25070.

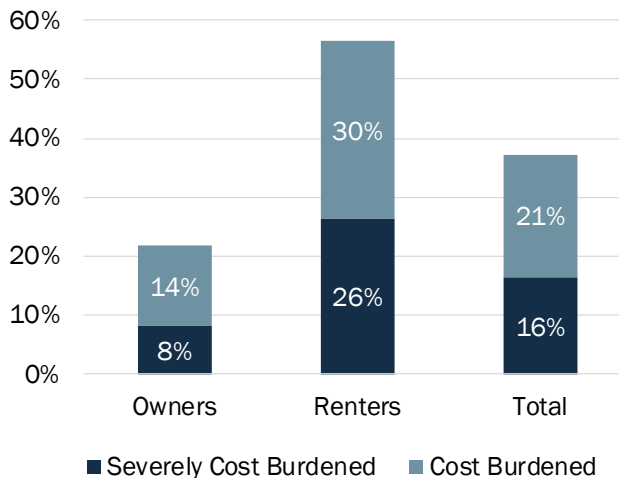


**Renters were more likely to be cost burdened than homeowners.**

In the 2013-2017 period, about 56% of Tualatin’s renters were cost burdened or severely cost burdened, compared to 22% of homeowners.

**Exhibit 50. Housing Cost Burden by Tenure, Tualatin, 2013-2017**

Source: US Census Bureau, 2013-2017 ACS Tables B25091 and B25070.



<sup>62</sup> Oregon Department of Land Conservation and Development. “Severe Rent Burden in Oregon 2020,” 2020.

**Nearly all renter households earning less than \$35,000 per year were cost burdened.**

Most households earning between \$35,000 and \$50,000 per year were cost burdened.

**Exhibit 51. Cost-Burdened Renter Households, by Household Income, Tualatin, 2013-2017**

Source: US Census Bureau, 2013-2017 ACS Table B25074.

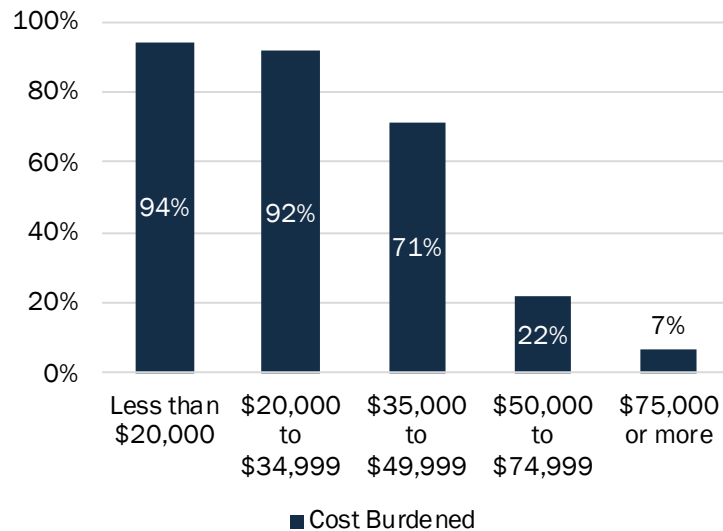


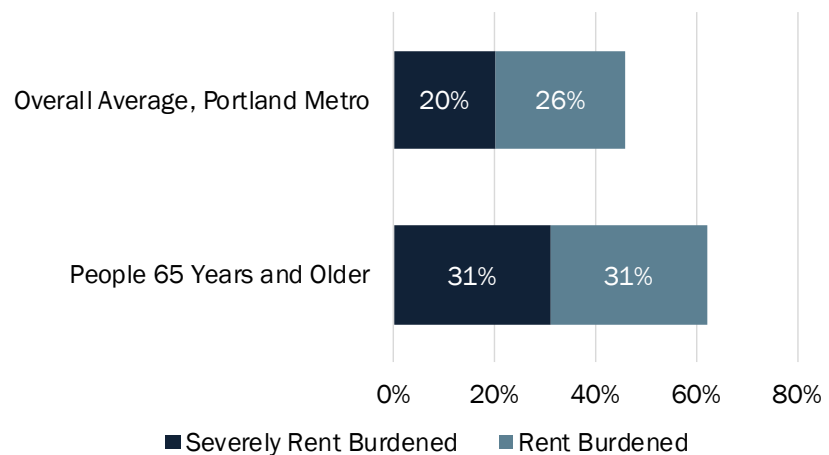
Exhibit 52 through Exhibit 54 present information about cost burden among different populations for the Portland Region. This information is not available on a city-by-city basis and is pulled from a statewide analysis from the report *Implementing a Regional Housing Needs Analysis Methodology in Oregon: Approach, Results, and Initial Recommendations* by ECONorthwest, August 2020.

**Renters 65 years of age and older are disproportionately cost burdened compared to the Portland Region average.**

Over 60% of renters aged 65 and older are cost burdened.

**Exhibit 52. Cost-Burdened Renter Households, for People 65 Years of Age and Older, Portland Region, 2018**

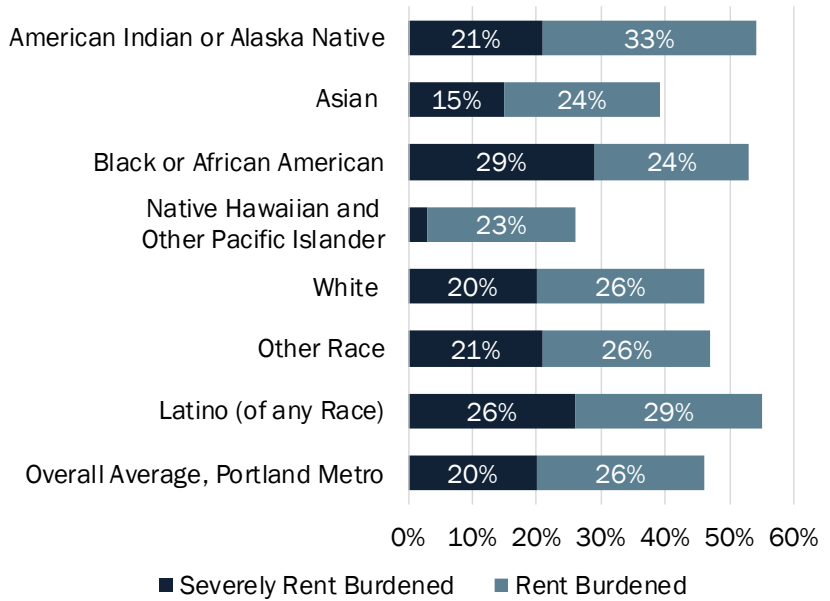
Source: US Census, 2018 ACS 1-Year PUMS Estimates. From the Report *Implementing a Regional Housing Needs Analysis Methodology in Oregon: Approach, Results, and Initial Recommendations* by ECONorthwest, March 2021.



Compared to the average renter household in the Portland Region, those that identified as American Indian or Alaska Native, Black or African American, and Latino were disproportionately cost burdened.

Exhibit 53. Cost-Burdened Renter Households, by Race and Ethnicity, Portland Region, 2018

Source: US Census, 2018 ACS 1-Year PUMS Estimates. From the Report *Implementing a Regional Housing Needs Analysis Methodology in Oregon: Approach, Results, and Initial Recommendations* by ECONorthwest, March 2021.



**Renters with one or more disabilities in the Portland Region are disproportionately cost burdened.**

About 46% of renters in the Portland Region are cost burdened, compared to 53% of renters with a hearing or vision disability and 65% of renters with a disability other than a hearing or vision-based disability in the Portland Region.

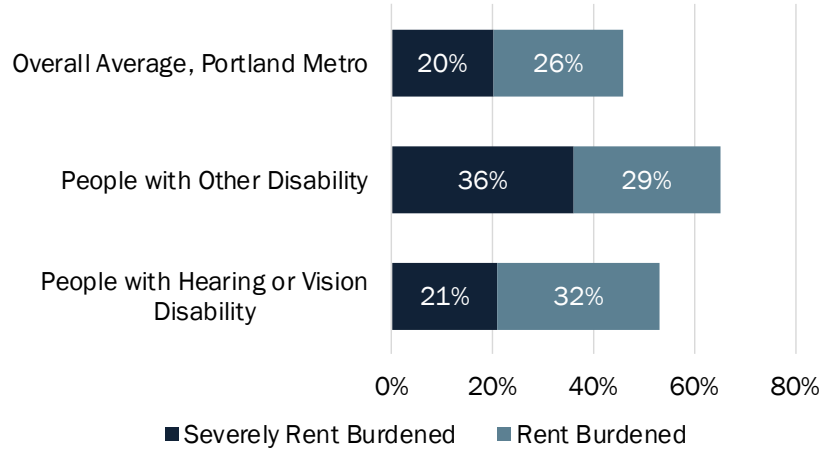
Other disabilities include self-care difficulty (having difficulty bathing or dressing), independent living difficulty (having difficulty doing errands alone), ambulatory difficulty (having serious difficulty walking or climbing stairs), and cognitive difficulty (having difficulty remembering, concentrating, or making decisions).

**Those designated as “other family household,” which includes single-parent households, are disproportionately cost burdened.**

About 55% of renters in other family households, such as single-parent households, are cost burdened more frequently than the overall average in the region.

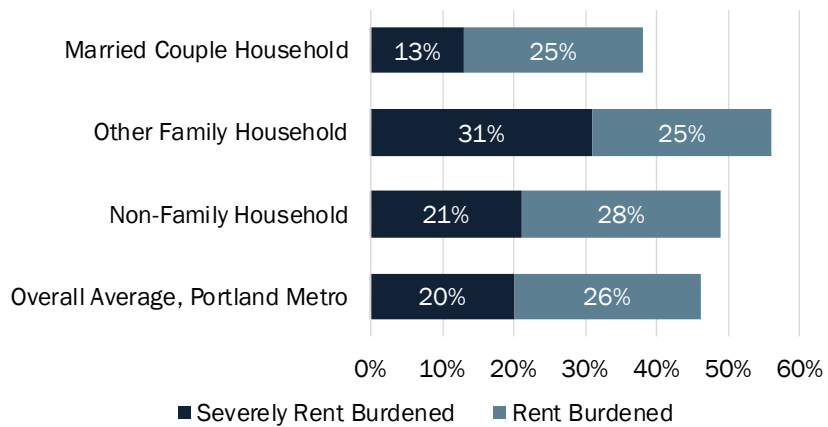
**Exhibit 54. Cost-Burdened Renter Households, for People with Disabilities, Portland Region, 2018**

Source: US Census, 2018 ACS 1-Year PUMS Estimates. From the Report *Implementing a Regional Housing Needs Analysis Methodology in Oregon: Approach, Results, and Initial Recommendations* by ECONorthwest, March 2021.



**Exhibit 55. Cost-Burdened Renter Households, by Household Type, Portland Region, 2018**

Source: US Census, 2018 ACS 1-Year PUMS Estimates. From the Report *Implementing a Regional Housing Needs Analysis Methodology in Oregon: Approach, Results, and Initial Recommendations* by ECONorthwest, March 2021.



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## Findings from Outreach and Engagement

The following is a summary of outreach and engagement efforts sponsored by the City of Tualatin in 2018 through 2020. The summary relates to matters of housing—and in particular, housing production. The following synthesizes the key findings of each effort.

- **Individual Interview (April 3, 2019).** As part of Tualatin’s 2040 engagement, the City of Tualatin interviewed a person with a physical disability. The interviewee identified several concerns related to accessibility—not only access to housing but access to parking, parks, street crossings, sidewalks, and other amenities. They indicated that people in wheelchairs require doors/entryways with suitable clearance, dwelling units on the first floor or within a structure with an elevator, park spaces without woodchips, sidewalks with space for passing (e.g., sandwich boards or tree root issues can make sidewalks inaccessible). They indicated concern with vision clearance regulations in the code—an important ADA safety and ongoing maintenance issue to evaluate. The interview identified a need to increase Tualatin’s supply of affordable housing options, particularly near grocery store options, as well as a need to address mold issues in apartments.<sup>63</sup>
- **Summary of interviews with 15 participants from (April 1 to April 29, 2019) and a group stakeholder interview with Tualatin Aging Task Force (May 13, 2019).** Findings from the following group and individual interviews identified a concern for Tualatin’s lack of affordable and workforce housing. Participants showed support for a diversity of housing types to provide more affordable options. Housing types of interest included town homes and row houses, mixed-use development, duplexes, triplexes, and accessory dwelling units. Some participants also showed interest in high-rise apartments (structures that are six to eight stories in height) and concern for large housing types (i.e., McMansions).
- **Technical Advisory Committee Meetings for Tualatin’s HNA and EOA.** The City of Tualatin convened a Technical Advisory Committee (TAC) in April 2019 to provide input on the Housing Needs Analysis (HNA), Economic Needs Analysis (EOA), and related strategy documents. The TAC met four times with the last meeting held on September 25, 2019. The TAC focused on the technical approach and methodology for HNA and EOA. The TAC comprised City staff with expertise related to city planning and development code regulation as well as county, regional, and state agencies and experts in the housing and economic development field.

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<sup>63</sup> The City of Tualatin has considered implementing a rental housing inspection program within the city, but none have been implemented to date. In general, newer rental housing in Tualatin is quite adequate, suggesting that housing quality may be more of a challenge for older buildings.

The City of Tualatin has, however, received four complaints for mold in 2019. Three complaints were in apartment buildings and one complaint at a rental house. Tualatin has no city ordinance to address mold, and those that submitted complaints were told to contact (or recontact) their property management/property owner, a mold abatement company, and/or legal counsel.



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- **Community Advisory Committee Meetings for Tualatin’s HNA and EOA.** A 16-member Community Advisory Committee (CAC) was convened by the City of Tualatin in March 2019 to provide policy input on the HNA, EOA, and related strategy documents. The CAC met seven times with the last meeting held on September 26, 2019. The CAC provided input to guide the City’s housing and economic policies with a focus on developing strategies and actions that could lead to possible changes to the Comprehensive Plan and Development Code regulations. Desirable housing outcomes brainstormed by the CAC included:
    - Housing/jobs balance
    - Housing planning that is inclusive of all households
    - Variety of housing options
    - Multifamily opportunities
    - Complete neighborhoods - mixed-use
    - Flexible plan designations - universal design standards
    - Livability/walkability
    - Enable small-scale developers
    - Support for aging in place
    - Access to max/transit
    - Renter/homeowner affordability
    - More rental opportunities
    - Housing location and quality
    - Multigenerational housing
    - Flexible zoning standards
    - Think creatively about potential solutions to affordable housing issues
    - Address affordability
  
  - **Pop-up Event and Online Survey (July–August 2019):** In the summer of 2019, the City of Tualatin hosted a pop-event and disseminated an online survey to gather input on housing and non-housing-related concerns. Key findings of these efforts include:
    - Respondents identified three preferred actions to meet affordable housing needs: offer incentives for affordable housing, improve connections to jobs/services to reduce costs, and allow more types of homes. For households making \$50,000 and below, rent control and incentives for affordable housing were of great interest. For people of color, allowing more types of homes and obtaining land for new housing were of great interest.
    - Respondents’ top three desired choices for new housing types: small homes, town homes, cottage courtyard, in addition to work-from-home (home-business) arrangements. For households making \$50,000 and below, small homes and cottage courtyards were of great interest. For people of color, the greatest preference was for home-businesses and small homes.
    - Respondents’ top three non-housing priority topics were improving connectivity, increasing and protecting green space, and increasing opportunities for jobs and entertainment. For households making \$50,000 and below, the preference was increasing and protecting green space and increasing opportunities for jobs and entertainment. For people of color, it was improving connectivity and increasing opportunities for jobs and entertainment.

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- **Under One Roof Luncheon (September 2019).** The City of Tualatin held two severely rent burdened public events. The Under One Roof Luncheon was the first event attended by 40 community members, representing a diverse group of people that included affordable housing residents, housing service providers, and elected officials. The event included a discussion with a panel of housing experts. The experts recommended the following actions for the City of Tualatin to address affordable housing needs: 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. Luncheon participants agreed that affordable housing is a complex issue and a coalition is needed to address these issues. It was determined that the coalition should include housing experts and advocates within the community. The major theme from participant feedback was a desire to achieve greater land use efficiencies, accomplished by improving transportation connectivity or increasing the location of jobs, businesses, services, and green spaces near housing. During the question-and-answer portion of the event, community members commented on housing options and services that could be further explored: housing vouchers, shared/transitional housing, tiny homes, mobile or manufactured homes, and immediate assistance.
  - **Our Home, Our Health Event (September 2020).** Our Home, Our Health event was Tualatin’s second severely rent burdened event. It included a keynote speaker from the American Association of Retired Persons (AARP) in Oregon on the connection between housing and health and story sharing from two members of Tualatin’s Diversity Task Force. Participants expressed concerns for poor quality housing (e.g., conditions that lead to mold) and concerns for the City’s lack of affordable housing. Families are working multiple jobs and choosing between housing and food to get by. Participants commented on and shared possible solutions to these issues, which are summarized below:
    - Resolve issues related to legally undocumented persons residing in Tualatin.
    - Solve this problem: making a little too much money to qualify for assistance, yet not being able to survive on what you make.
    - Invite people of color in.
    - Ensure people are able to participate in programs without fear of being reported.
    - Provide local rental assistance.
    - Support new affordable housing.
    - Economically stabilize sites.
    - Implement rent control.
    - Enable shared housing options.
    - Relax regulations to support development of affordable housing.
    - Commit to livability and accessibility.

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- Continue to extend eviction moratorium.
  - Consider short and long-term solutions.
  - Solve for housing instability, which particularly has long-term impacts on children.

## Key Terms in the HPS

This appendix presents applicable key terms used in Tualatin’s Contextualizing Housing Needs memorandum. Per the Department of Land Conservation and Development, the following key terms will be incorporated into the definitions section of OAR 660-008 (if they are not already):

- **Consumers of Needed Housing:** any person who inhabits or is anticipated to inhabit Needed Housing, as described in the definition of “Needed Housing” in ORS 197.303.
- **Housing Production Strategy Report:** the report cities must adopt within one year of their deadline to complete an updated Housing Capacity Analysis, pursuant to OAR 660-008-0050.
- **Housing Production Strategy:** a specific tool, action, policy, or measure a city will implement to meet the housing needs described in an adopted Housing Capacity Analysis. A Housing Production Strategy is one component of a Housing Production Strategy Report.
- **Needed Housing:** housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels, including (but not limited to) renter and owner-occupied attached and detached single-family housing, multifamily housing, and manufactured homes.
- **Producers of Needed Housing:** developers, builders, service providers, or other persons or entities providing materials and funding needed to build housing. Producers of Needed Housing may include non-profit organizations or public entities.
- **Unmet Housing Needed:** occurs when housing need determined pursuant to ORS 197.296 (3)(b) is greater than the housing capacity (i.e., buildable, residential land is insufficient to accommodate demand for housing).

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# Appendix B: Construction Excise Tax Analysis

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This appendix presents an analysis of a Construction Excise Tax (CET) for Tualatin.

DATE: February 17, 2021  
TO: City of Tualatin  
FROM: Becky Hewitt, Sadie DiNatale, and Angelica True, ECONorthwest  
SUBJECT: Summary of Construction Excise Tax Analysis

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The Department of Land Conservation and Development contracted ECONorthwest to develop a Housing Production Strategy (HPS) for the City of Tualatin. This memorandum presents preliminary research for one strategy of the HPS. The findings documented in this memorandum may later become a section or appendix of the final HPS report.

This project is funded by Oregon general fund dollars through the Department of Land Conservation and Development. The contents of this document do not necessarily reflect the views or policies of the State of Oregon.

## Construction Excise Tax

The City of Tualatin is considering a range of strategies and actions to meet its housing production goals. One such action is implementation of a Construction Excise Tax (CET). To understand the potential trade-offs of implementing a CET in Tualatin, this memorandum describes what a CET is and how it works. In addition, it summarizes an analysis of the potential revenue impacts of implementing a CET. The final section outlines potential next steps for the City of Tualatin to consider.

## How It Works, Fiscal Impacts, Pros and Cons

### How It Works

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. The tax is limited to 1% of the permit value on residential construction with no cap on the rate applied to commercial and industrial construction. A number of cities of various sizes in Oregon have adopted a CET.

**Construction Excise Tax:**  
Levies a tax on new construction projects to fund housing programs and/or investments. It can be applied to residential and/or commercial and industrial development.

The allowed uses for CET funding are defined by state statute:

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- The City may retain up to 4% of funds to cover administrative costs. The funds remaining must be allocated as follows, depending on whether the CET is on residential or commercial and industrial development:
  - For a residential CET:
    - 50% must be used for developer incentives (e.g., permit fee and SDC waivers,<sup>64</sup> tax abatements, or finance-based incentives). The City would have to offer incentives but could cover the costs or foregone revenues with CET funds.
    - 35% may be used flexibly for affordable housing programs, as defined by the jurisdiction.
    - 15% is not available to the city and flows instead to Oregon Housing and Community Services for homeownership programs that provide down payment assistance.
  - For a commercial/industrial CET:
    - 50% of the funds must be used for housing-related programs, as defined by the jurisdiction (note that these funds are not necessarily limited to affordable housing).
    - The remaining 50% is unrestricted.

## Fiscal Impacts/Who Pays

The source for CET funds is new development. The statute exempts public buildings, regulated affordable housing, places of worship, public and private hospitals, agricultural buildings, nonprofit facilities, long-term care facilities, residential care facilities, and continuing care retirement communities.<sup>65</sup> The City can exempt other types of development if desired.

## Pros and Cons

### Pros:

- Offers the ability to link industrial or other employment investments, which generate new jobs and demand for new housing, with funding for housing development.
- CET is a flexible funding source, especially for funds derived from commercial/industrial development.
- Program funds can fund administration of the CET as well as staff time needed to administer programs funded by CET.

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<sup>64</sup> Note that while these are called “waivers,” they are really subsidies, since the fees would still be paid by CET revenues rather than by the developer.

<sup>65</sup> Oregon Revised Statute 320.173

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## Cons:

- CET increases development costs in an environment where many developers are already seeking relief from system development charges. Depending on the rates imposed, CET could have an impact on feasibility. More research would be necessary to understand the potential magnitude of the impact.
- Where demand is high relative to supply, additional fees on residential development may be passed on to tenants or home buyers through higher housing costs.
- Because CET revenue is development derived, it will fluctuate with market cycles and will not be a steady source of revenue for affordable housing when limited development is occurring.

## Summary of CET Analysis for Tualatin

This section summarizes ECONorthwest's CET analysis for Tualatin.

### Estimating Revenue Potential

#### Methodology Overview

There is no statutory cap on the CET rate applied on commercial and industrial construction. Therefore, this analysis assumed a range of potential rates that the City could apply on this development type: 0.3%, 0.5%, 1%, and 2%. The CET rate applied on residential construction is capped at 1%. Therefore, this analysis assumed a range of potential rates that the City could apply on this development type under the 1% threshold: 0.3%, 0.5%, .75%, and 1%.

After establishing a range of rates, the analysis assessed what revenue would look like based on historical building permit values for each respective development type (i.e., commercial and industrial development over the last five years and residential development over the last five years).

Based on the statutory regulations about how the CET funds can be expended, we allocated the projected revenue forecasts as follows:

- **Commercial/Industrial Construction:** (1) 4% to administrative costs, (2) 50% of the balance after subtracting administrative costs to housing-related programs (i.e., 48% of the total), and (3) 50% of the balance after subtracting administrative costs to an unrestricted use (i.e., 48% of the total).
- **Residential Construction:** (1) 4% administrative costs, (2) 15% of the balance after subtracting administrative costs to OHCS (i.e., 14% of the total), (3) 35% of the balance after subtracting administrative costs to affordable housing programs (i.e., 34% of the total), and (4) 50% of the balance after subtracting administrative costs to developer incentives (i.e., 48% of the total).

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## Results: Historical Permit Values

One way to estimate CET revenue is a backward-looking analysis. If the City of Tualatin had charged CET fees on recent development that had occurred, how much revenue might have the City collected (assuming the permitting activity had been unchanged as a result of that CET)?

Building permits for residential development and commercial/industrial development in Tualatin fluctuated from year to year over the last five years. Exhibit 56 summarizes annual total permit values for new residential and commercial/industrial construction as well as additions that increase square feet (excluding exempt development) in 2020 dollars.<sup>66</sup> The annual average over the five-year period (2016-2020) for residential development is about **\$10m in qualifying permit value** in 2020 dollars. The annual average over the five-year period for commercial and industrial development is about **\$41.8m in qualifying permit value** in 2020 dollars.

### Exhibit 56. Residential Building Permit and Commercial/Industrial Building Permit Values by Year (2016 to 2020), (in 2020 dollars)

Source: ECONorthwest analysis of City of Tualatin permit data.

Note: The large bump in residential permit valuation in 2018 is primarily due to the City of Tualatin permitting an above-average number of residential developments (101 total permits in 2018, compared to 11, 12, 35, and 37 total permits in other years). The large bump in commercial/industrial valuation in 2020 is predominately due to a new industrial structure permitted on Blake Street with a permit value of \$90m (2020\$).

Year	Commercial and Industrial Building Permit Valuation (2020\$)	Residential Building Permit Valuation (2020\$)
2016	\$17,166,894	\$9,304,128
2017	\$11,042,600	\$6,270,048
2018	\$53,020,643	\$32,351,852
2019	\$14,918,542	\$1,257,071
2020	\$112,883,996	\$926,520
<b>Annual Average</b>	<b>\$41,806,535</b>	<b>\$10,021,924</b>
<b>Total (2016-2020)</b>	<b>\$209,032,675</b>	<b>\$50,109,618</b>

Next, the analysis calculated the revenue that the City would have generated if it had a CET in place during the 2016 to 2020 period (assuming the permitting activity had been unchanged as a result of that CET) using the different CET rates listed previously.

Exhibit 57 and Exhibit 58 show potential CET revenue for commercial/industrial development. This analysis shows that under the highest rate tested (2%), the average annual CET revenue over this period would have been about \$836,100.

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<sup>66</sup> ECONorthwest used the Construction Cost Index published by Engineering News Record to inflate permit values to 2020 dollars.

Exhibit 59 and Exhibit 60 show potential CET revenue for residential development. This analysis shows that under the highest rate tested (1%), the average annual CET revenue over this period would have been about \$100,200.

Under either development type, the minimum CET revenue collected in a slow year would have varied little with the different rates, while the maximum collected in a “busy” year would have varied substantially.

Exhibit 57. Potential Annual Commercial/Industrial CET Revenue by Year and Rate (2016 to 2020)  
Source: ECONorthwest analysis of City of Tualatin permit data.

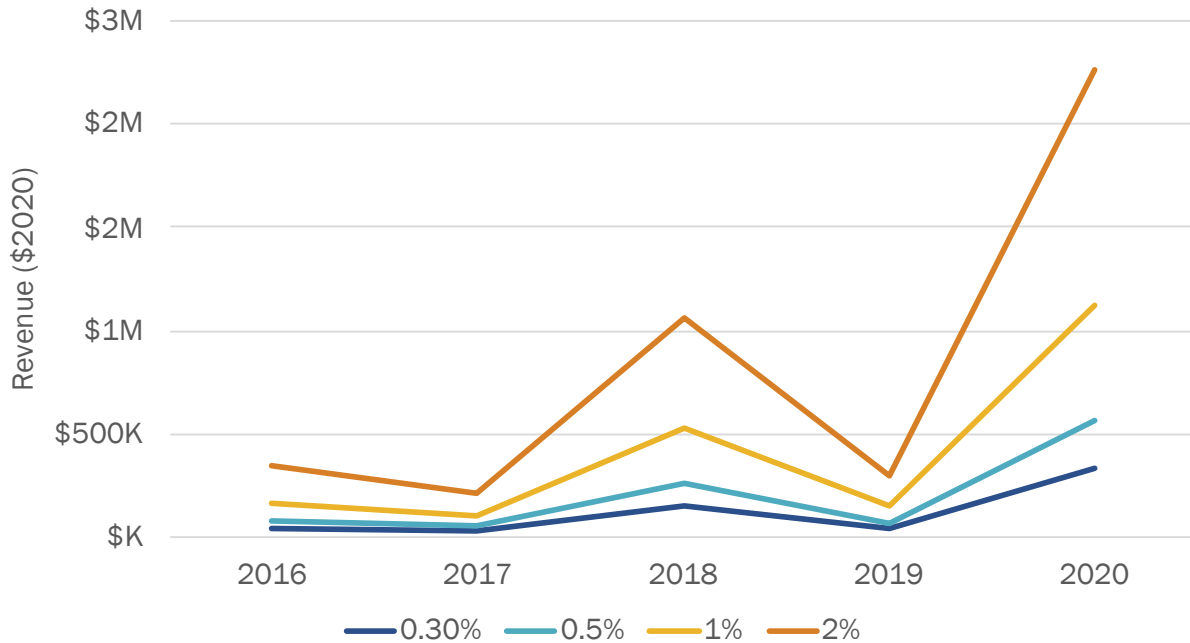
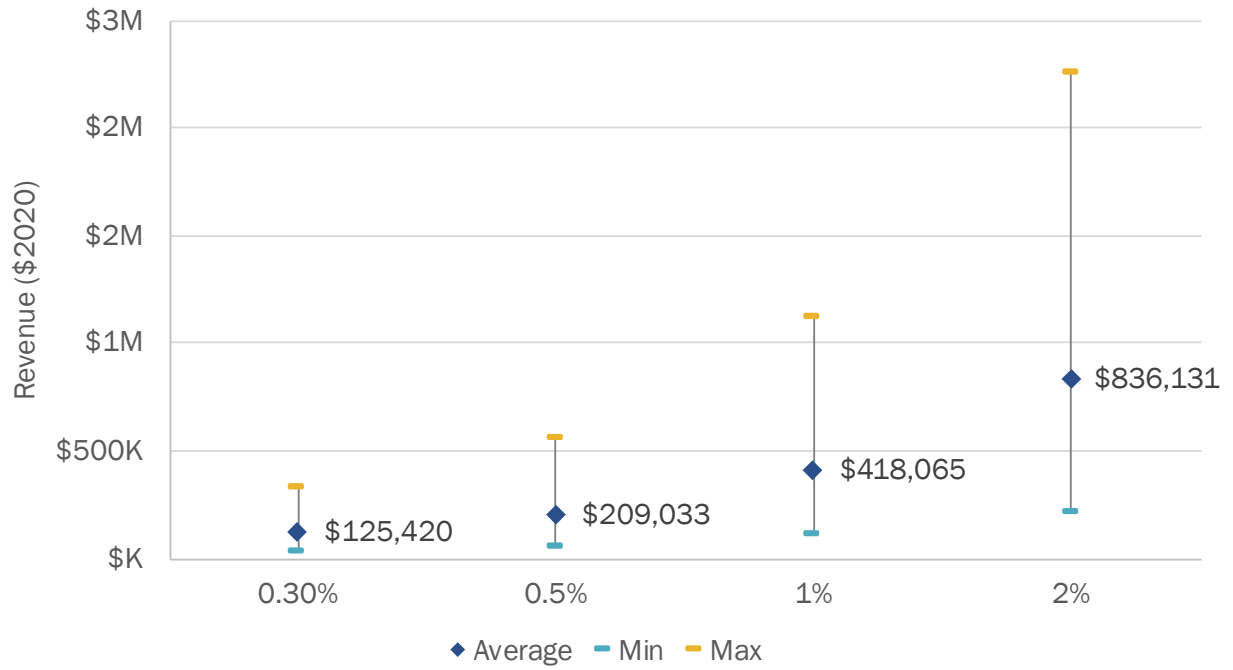




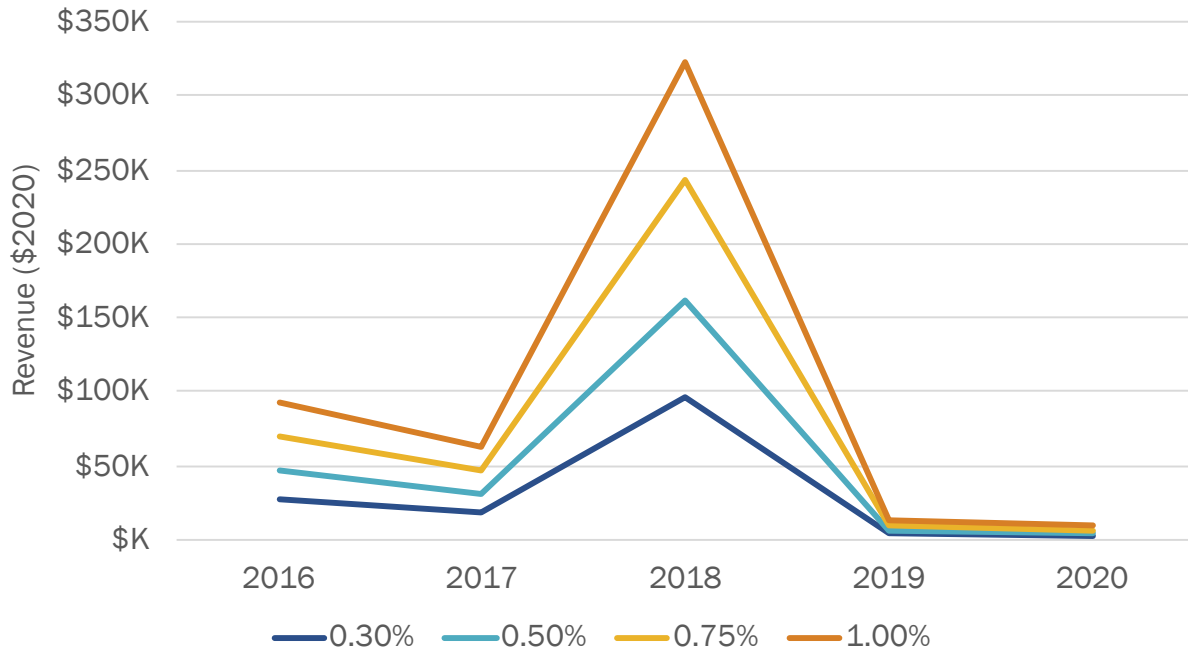
Exhibit 58. Historical Minimum, Maximum, and Average Annual Potential Commercial/Industrial CET Revenue by Rate (2016 to 2020)

Source: ECONorthwest analysis of City of Tualatin permit data.



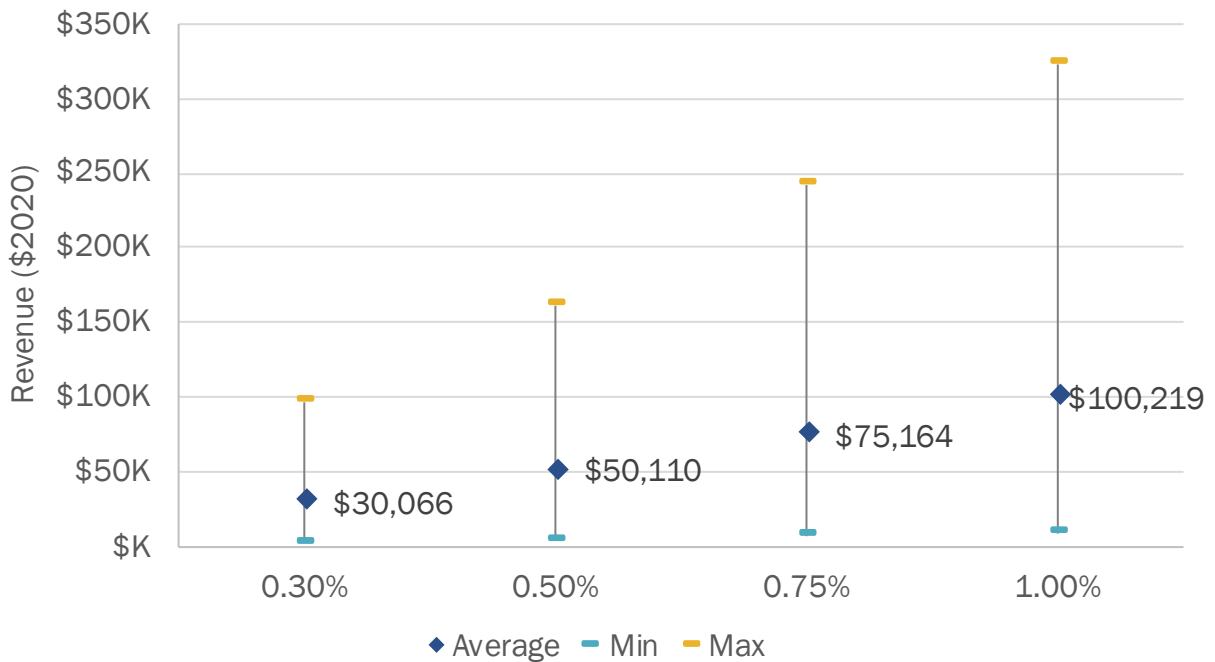
**Exhibit 59. Potential Annual Residential CET Revenue by Year and Rate (2016 to 2020)**

Source: ECONorthwest analysis of City of Tualatin permit data.



**Exhibit 60. Historical Minimum, Maximum, and Average Annual Potential Residential CET Revenue by Rate (2016 to 2020)**

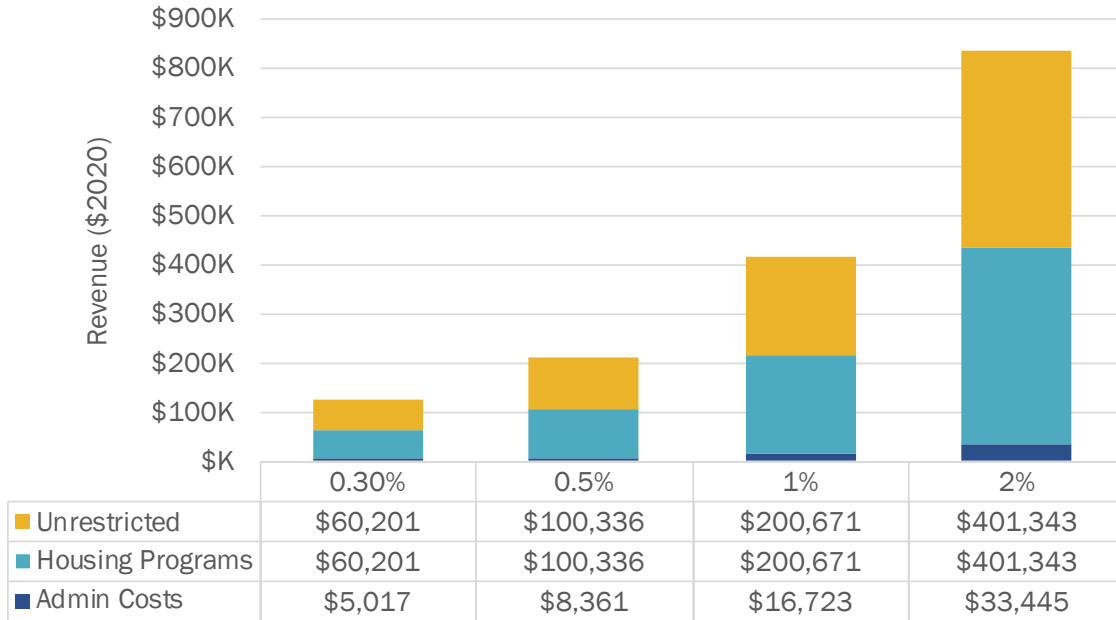
Source: ECONorthwest analysis of City of Tualatin permit data.



Based on the statutory requirements about use of funds, ECONorthwest translated the average annual simulated CET collections between 2016 and 2020 into funds available for each funding category, as shown in Exhibit 61 and Exhibit 62.

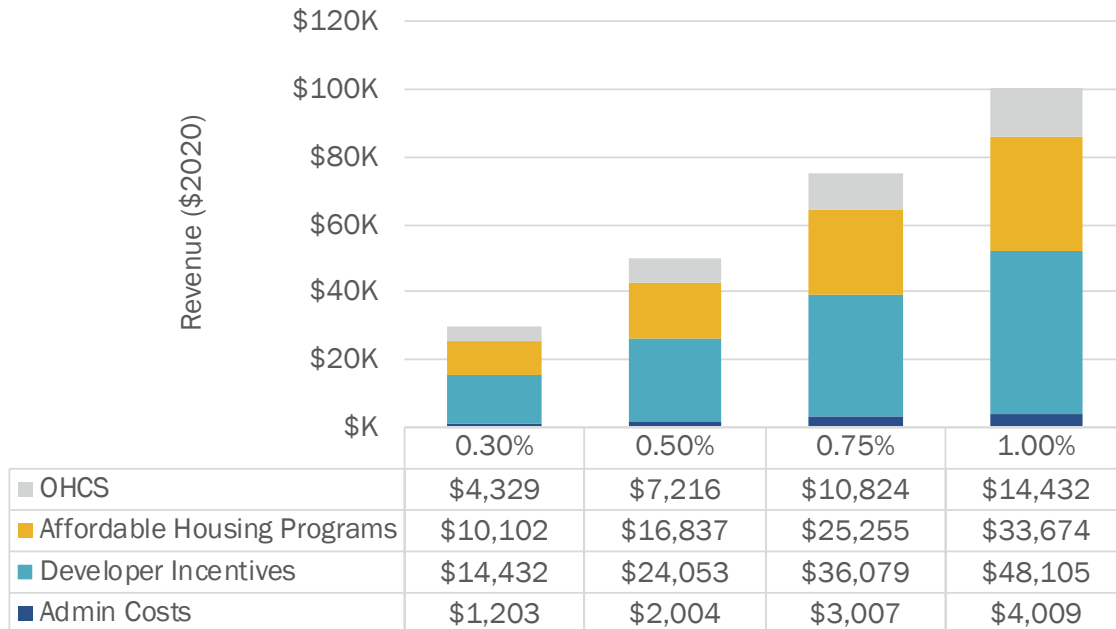
**Exhibit 61. Hypothetical Total Commercial/Industrial CET Revenue (2016 to 2020) by Rate and Use of Funds**

Source: ECONorthwest analysis of City of Tualatin permit data.



**Exhibit 62. Hypothetical Total Residential CET Revenue (2016 to 2020) by Rate and Use of Funds**

Source: ECONorthwest analysis of City of Tualatin permit data.



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As shown above, a 0.5% or 1% rate on commercial and industrial development could generate meaningful revenue for programs, especially if the unrestricted portion is also dedicated toward housing programs. Because of the greater flexibility for these revenues, the City could design a flexible program for the revenues, or direct all of the net revenues towards a Housing Trust Fund or similar fund. This ease of use is important, because even with the higher revenue potential of the commercial/industrial CET, a 0.5% to 1% rate would offer little funding for administrative costs.

A CET on residential development would generate relatively little revenue given past trends in residential development, even at the maximum rate (1%). In addition, the administration would be more complex due to needing to separate out revenues toward the spending categories as specified in statute, while the funding available to cover administrative costs would be negligible.

## Conclusions and Next Steps

Given the results summarized above, a 0.5% to 1% CET on commercial and industrial development may be worthwhile to consider as it could generate a flexible source of revenue for local housing programs, especially if the City continues to see strong industrial and commercial growth. Imposing a CET on residential development is likely not worth considering unless the City annexes a large amount of vacant residential land where higher-end new housing is expected.

If the City chooses to further evaluate adoption of a CET, it should conduct additional outreach to stakeholders and local businesses to offer an opportunity for discussion and to raise any concerns. The City should also advance conversations about the potential uses of the funds, even though this is flexible and does not necessarily need to be determined prior to adoption. Working with stakeholders to clearly define the program's intended purpose, how the funds (especially the unrestricted portion) would be used, and who would make decisions about the use of funds is likely to help build support for the program. If the City chooses to adopt a CET, it must pass an ordinance or resolution that states the rate and base of the tax. Most communities also identify any further self-imposed restrictions on the use of funds as part of adopting the ordinance. If the ordinance passes, the City must then establish a process to distribute the funds.