



McMinnville Housing Production Strategy

Resolution No. 2025-18 for Docket #G4-24

City Council June 10, 2025



June 10, 2025 City Council

Final Steps

- Finalizing Housing Production Strategy (HPS)
 - City Council Work Session on March 25th
 - Planning Commission Work Session on April 3rd
 - No actions have been added, removed, or modified.
- Public Hearing and Planning Commission Recommendation on May 15th
 - Voted unanimously in support of adoption of HPS
- Resolution from City Council Today

City Council Strategic Priorities

- **Housing Opportunities Goal** – Create diverse housing opportunities that support great neighborhoods.
- **Growth and Development Goal** – Guide growth and development strategically, responsively, and responsibly to enhance our unique character.

Introduction

Oregon Statewide Planning Goals

- 19 Goals total dating back to the 1970s
- **Goal 10, Housing**
 - Maintain inventory of buildable land,
 - Anticipate future housing needs,
 - Strategize and set up zoning to address needs.

New State Requirements

2019 - **Oregon House Bill 2003** requires cities over 10,000 population to study the future housing needs of their community members and develop strategies that encourage the production of that needed housing.

Every 8 years (for non-Metro)

1. Housing Capacity Analysis (HCA)
2. Housing Production Strategy (HPS)

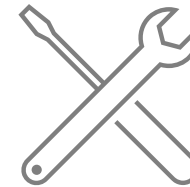
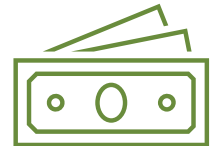
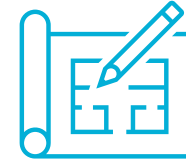
McMinnville Compliance with State Law

- Adopted a Housing Capacity Analysis in 2024
- Need to adopt a Housing Production Strategy in 2025
- Implement HPS over the 2026 to 2033 period



Funding this Important Work

- **Construction Excise Tax** (1% on permits)
 - Adopted in 2022 (**Ordinance 5112**)
 - Supports: affordable housing programs, development incentives, and funding for a dedicated Housing Planner
- Planning Division staff work
- State Programs/Funding
- Coordination with Partners



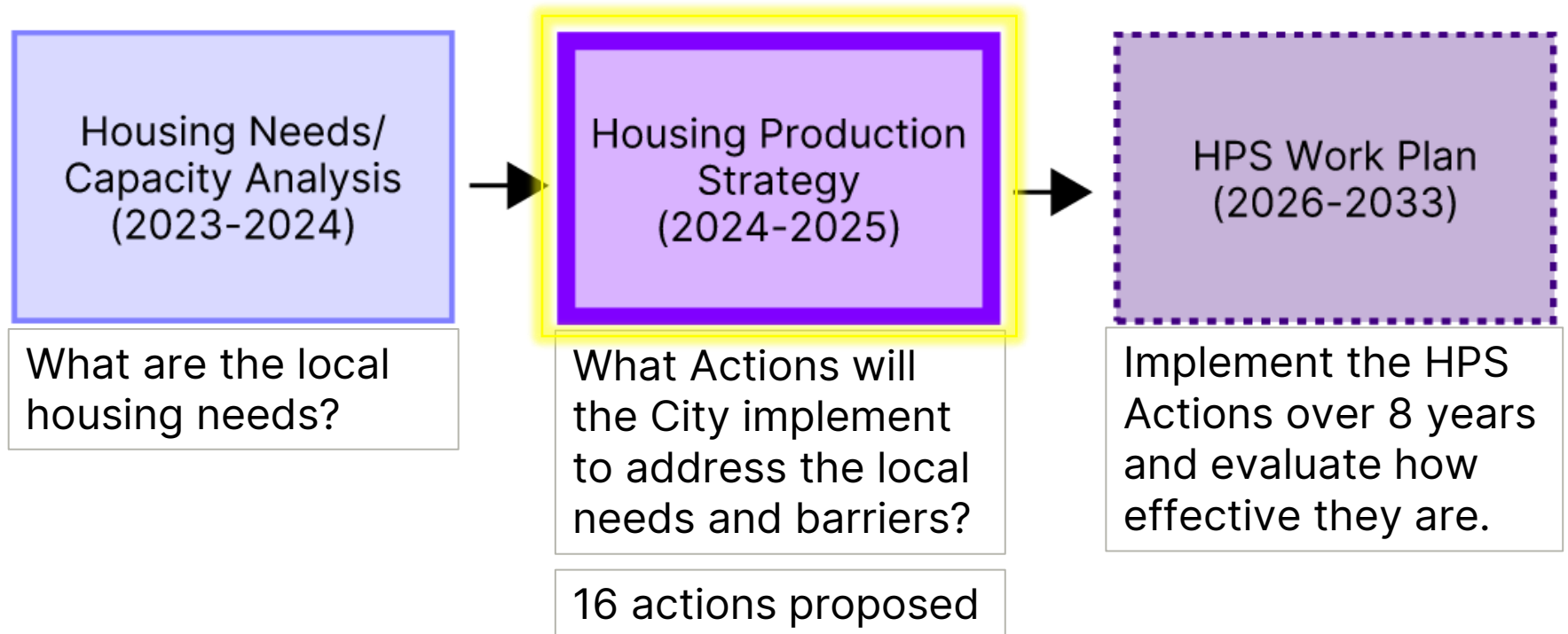
Presentation



- HPS Process
- Development of the HPS
- HPS Action Plan and Implementation
- Staff Recommendation

Housing Production Strategy Process

What is a Housing Production Strategy?



McMinnville HPS Schedule



HPS Adoption Procedure

- Per **ORS 197A.100(7)**, the adoption of a housing production strategy is **not** a land use decision and is **not** subject to appeal or review under land use procedures
- A Public Hearing was not required, however the City elected to conduct one with the Planning Commission.
 - Public Testimony Received: Rob Hallyburton, representing Friends of Yamhill County, provided testimony in support of the adoption of the HPS.

State Review Procedures

ORS 197A.103 – *“Review of Housing Production Strategy”*

1. Local Adoption through Resolution
2. Within 20 days of Local Adoption, routed to DLCD
3. Within 10 days of DLCD receipt, HPS is noticed and published. Review and public comment period begins
4. Within 120 days of DLCD receipt, review is completed, with 3 possible outcomes:
 - A. Approve the HPS
 - B. Approve the HPS, subject to further review and actions
 - C. Remand the HPS for further modification

Report Requirements (Attach. 1)

State Requirements for HPS (Oregon Administrative Rule (OAR) 660-008-0050)	McMinnville HPS
(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.	Section 2 and Appendix B
(2) Engagement – Narrative summary of the process by which the city engaged Consumers of Needed Housing and Producers of Needed Housing, especially with regard to state and federal protected classes. A city may conduct engagement for a Housing Production Strategy concurrent with other housing planning efforts within the city.	Section 4 and Appendix C
(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.	Section 3, Section 5, Section 6
(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 factors including: location of housing, fair housing, housing choice, housing options for residents experiencing homelessness, affordable homeownership and affordable rental housing, and gentrification, displacement, and housing stability.	Appendix A
(5) A Housing Production Strategy Report must include the following additional elements: <ul style="list-style-type: none"> -Description of any opportunities, constraints, or negative externalities associated with adoption of the elements of proposed Housing Production Strategies; -Description of actions that the city and other stakeholders must take to implement the proposed Housing Production Strategies; -Description of how the city will measure strategy implementation and progress; -A copy of the city's most recently completed survey to meet the requirements of ORS 456.586. 	Section 6, and Appendix E (to be included prior to adoption)

On-Going Coordination

- “Mid-point” report due 4 years into the Work Plan
 - Detail actions completed
 - Results of implemented actions on housing
 - Identify potential hurdles to implementing actions and provide rationale to work through them or work with DLCD to review action appropriately
- State’s “Housing Acceleration Program”
 - If cities cannot meet their requirements and commitments, they are referred to this program to identify barriers and set an agreement to identify a formal path forward
 - Technical assistance, regulatory support, help identify funding

Questions on Process

Developing the HPS Action Plan

Public Engagement

- 2018-2019 Growth Strategy Engagement
- Committee and Commission Meetings
- Community Survey – *almost 500 results*
- Focus Groups and Interviews
- Project Webpage
- Planning Division Events
- Webinars/Recording



Growing McMinnville Mindfully

Challenges and Barriers

Growth Values

- Protect small town charm and aesthetic
- Provide housing choice
- Everyone deserves to live in a Great Neighborhood



Visit McMinnville

2019 “Housing Strategy”

Proposed Housing Production Strategy Action	Year
1. Use more land in the Urban Holding Plan Designation for housing	2019
2. Rezone land to R-5 within the existing city limits for housing	2019
3. Develop area plans for Urban Growth Boundary areas	2019
4. Infrastructure planning to support residential development	2019
5. Implement and codify Great Neighborhood principles	2019
6. Require a mix of housing types for to-be-annexed land	2024
7. Adopt code amendments to support transitional housing	2024
8. Incentivize and promote accessible design	2024
9. Establish a Multiple-unit tax exemption (MUPTe) program	2024
10. Scaling of systems development charges (SDCs)	2024
11. Partner with Community Land Trusts (CLT)	2019
12. Support affordable housing development through provision of land	2019
13. Develop and adopt a Strategic Housing Opportunities Plan	2024
14. Mitigate displacement through the adoption of anti-displacement policies and strategies	2024
15. Implement a fee for demolition of existing affordable homes	2019
16. Preserve and Support Development of Manufactured Home Parks	2024

(8 actions from each effort)

Direction and Guidance

Group	Date
Project Advisory Committee	August 21, 2024
Planning Commission & City Council	September 10, 2024
Affordable Housing Committee	September 25, 2024
Project Advisory Committee	October 23, 2024
Planning Commission & City Council	December 10, 2024
Affordable Housing Committee	December 18, 2024
Project Advisory Committee	March 19, 2025
City Council	March 25, 2025
Affordable Housing Committee	March 26, 2025
Planning Commission	April 3, 2025



HPS Action Plan and Implementation

Work Completed since 2019

- **Construction Excise Tax**
- Affordable housing is **exempt from** transportation and wastewater System Development Charge fees
- Affordable housing receives **reduced permitting review fees by 50%**
- Allow **single-Room Occupancy, tiny homes, and small lot subdivisions** (and middle housing, as required by State)
- **Reduced parking requirements** for affordable housing projects.



Seattle Times

HPS Actions Categories

16 total

- **Long-Range Planning: 4 actions**
- **Regulatory Amendments: 3 actions**
- **Incentives for New Housing: 3 actions**
- **Land-Based Programs: 2 actions**
- **Housing Choice and Preservation: 4 actions**

Category 1: Long-Range Planning
1. Use more land in the Urban Holding Plan Designation for housing
2. Rezone land to R-5 within the existing city limits for housing
3. Develop area plans for Urban Growth Boundary areas
4. Infrastructure planning to support residential development
Category 2: Regulatory Amendments
5. Implement and codify Great Neighborhood principles
6. Require a mix of housing types for to-be-annexed land
7. Adopt code amendments to support transitional housing
Category 3: Incentives for New Housing
8. Incentivize and promote accessible design
9. Establish a Multiple-unit tax exemption (MUPTE) program
10. Scaling of systems development charges (SDCs)
Category 4: Land-Based Programs
11. Partner with Community Land Trusts (CLT)
12. <u>Support</u> affordable housing development through provision of land
Category 5: Housing Choice and Preservation
13. Develop and adopt a Strategic Housing Opportunities Plan
14. Mitigate displacement through the adoption of anti-displacement policies and strategies
15. Implement a fee for demolition of existing affordable homes
16. Preserve and Support Development of Manufactured Home Parks

Implementation

- **Affordable Housing Committee**

- Provide recommendations on partnerships, programs, initiatives
- Consider housing-adjacent outcomes (social services, health care)

- **Planning Commission**

- Recommendations on land use and zoning regulations, code amendments, and stays involved in long-range planning efforts

- **City Council**

- Takes final action on recommendations provided by Affordable Housing Committee and Planning Commission, with additional consideration on policy and budget considerations

Implementation Schedule – Ex. 11

Action Group	Action Name	Implementation Years								
		2026	2027	2028	2029	2030	2031	2032	2033	
Long-Range Planning	1. Use more land in the Urban Holding Plan Designation for housing	Evaluate		Action	Implementation					
	2. Rezone land to R-5 within the existing city limits for housing		Eval.	Action	Implementation					
	3. Develop area plans for Urban Growth Boundary areas	Eval. (SW)	Action (SW)	Imple ment.	Eval. (RSS)	Action (RSS)	Implementation			
	4. Infrastructure planning to support residential development		Eval.	Action	On-Going					
Regulatory Amendments	5. Implement and codify Great Neighborhood principles	Eval.	Action	Implementation						
	6. Require a mix of housing types for to-be-annexed land		Eval.	Action	Implementation					
	7. Adopt code amendments to support transitional housing	Action	Implementation							
Incentives for New Housing	8. Incentivize and promote accessible design			Eval.	Action	Implementation				
	9. Establish a Multiple-unit tax exemption (MUPTE) program			Eval.		Action	Implementation			
	10. Scaling of systems development charges (SDCs)			Eval.	Action	Implementation				
Land-Based Programs	11. Partner with Community Land Trusts (CLT)	Action (CET)	Implementation					Re-evaluate		
	12. Support affordable housing development through land provision	Action (CET)	Implementation					Re-evaluate		
Housing Choice and Preservation	13. Develop and adopt a Strategic Housing Opportunities Plan					Evaluate		Action	Imple ment.	
	14. Mitigate displacement through the adoption of anti-displacement policies and strategies					Evaluate		Action	Imple ment.	
	15. Implement a fee for demolition of existing affordable homes	Eval.	Action	Implementation						
	16. Preserve and support development of manufactured home parks				Eval.	Action	Implementation			

Adoption Process Steps

- Public Hearing was held on May 15th
- City Council Decision
 - 1. Approve Resolution No. 2025-18
 - 2. Request more information
 - 3. Do not approve Resolution No. 2025-18

Staff's Recommended Motion

**"I MOVE TO APPROVE RESOLUTION 2025-18
ADOPTING THE 2025 CITY OF MCMINNVILLE
HOUSING PRODUCTION STRATEGY, AS
PRESENTED."**