



McMinnville Housing Production Strategy

Update for City Council

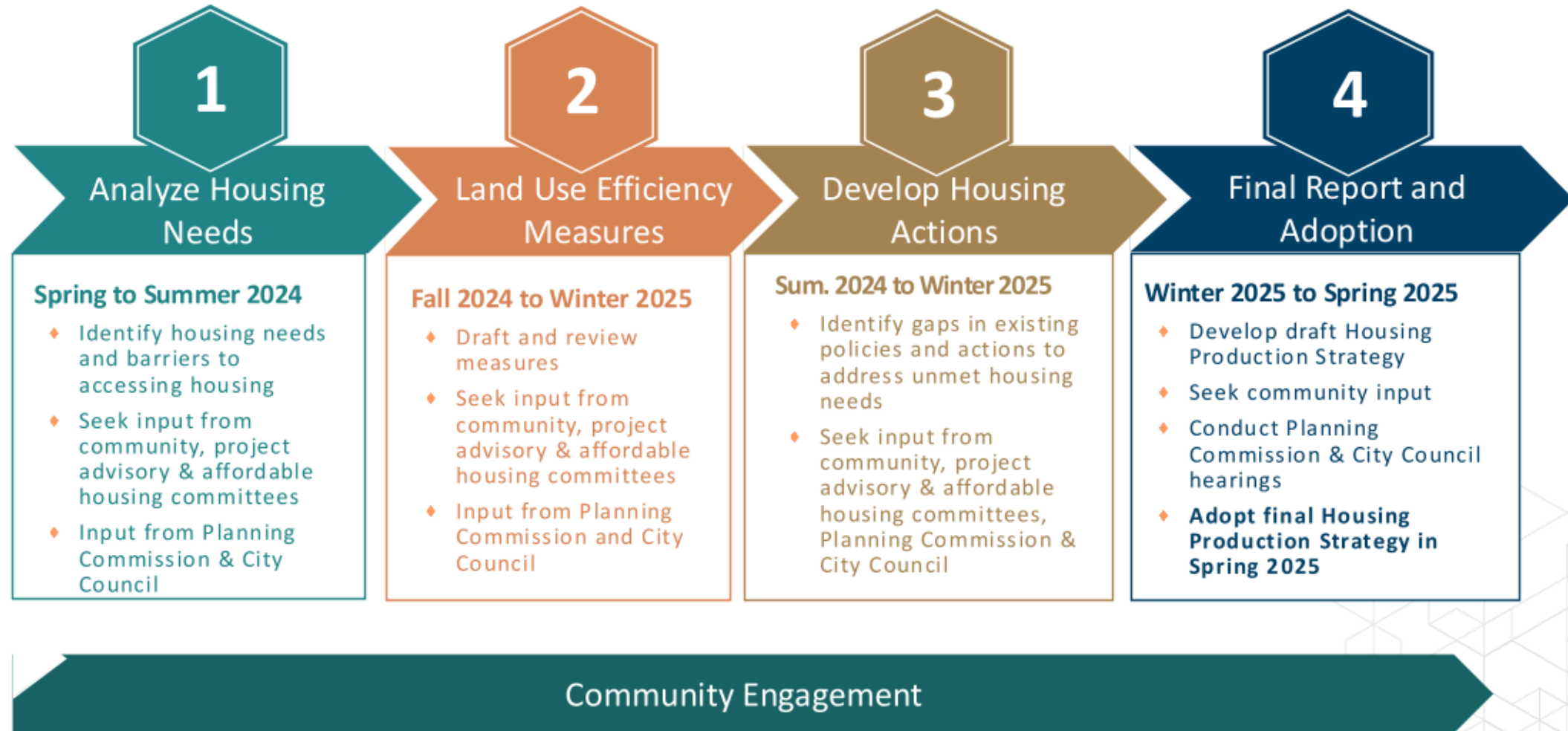
March 25, 2025



8-Year Action Plan: How will the City promote housing development?

- What are McMinnville's **unmet** housing needs?
- What are the **barriers** to developing housing that is affordable to residents?
- What policies are needed to encourage housing that meets McMinnville's needs?
 - ◆ **Financial incentives and funding strategies**
 - ◆ **Regulatory changes**
 - ◆ **Partnerships and land acquisitions/surplus**
 - ◆ **Other strategies**
- Do the strategies, taken together, achieve fair and equitable housing outcomes?

McMinnville's Housing Production Strategy Schedule



State Requirements for McMinnville

- Adopt an HPS by December 2025
- Commit to implementing the actions in the HPS over the 2026 to 2033 period
 - ◆ **Commit to implementation**
 - ◆ **Be required to report to DLCD on implementation progress, and be required to comment on its effectiveness in the future**
- Strategies not identified in the HPS may still be implemented by the City, but the City will not be held to specific action by the State.

Previous Housing Actions in McMinnville

Examples

- **Waiving transportation and wastewater SDCs and reducing permitting fees** by 50% for qualifying affordable housing projects.
- Amending **code to allow Single-Room Occupancy and Tiny Homes and small lot subdivisions.**
- Amending **code to reduce parking requirements** for qualifying affordable housing projects.
- Adopting **Great Neighborhood Principles** requiring a variety of housing products serving a variety of income levels in all housing developments.
- Adopting a **Construction Excise Tax** to support affordable housing programs.
- Hired a dedicated **Housing Planner.**



PAC Meeting Pictures



Actions for the Housing Production Strategy

Categories for Actions:

- **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**



Funding & Revenue Impacts:

- *Estimate of costs*
- *Potential revenue generated*



Housing Impact:

- *Low: Few units produced*
- *Medium: New units/ more affordable units*
- *High: Substantial number of housing units / affordable units*

Long-Range Planning

- 1. Use more land in Urban Holding Plan Designation for housing:**
Amend MGMUP Framework Plan outlining land allocation for UGB Urban Holding Designation to add 171 gross buildable acres of housing land to the 393 acres already allocated for housing (total 564 acres).



Funding/Revenue Impacts:

No funding required – Existing staff can handle, area plan costs discussed in Action 3.



Housing Impact:

High

Long-Range Planning

2. Rezone land to R-5 within the existing city limits for housing:

Identify land to rezone within the existing city limits for housing. Opportunities include rezoning underutilized employment land such as industrial and commercial land that is better suited to housing, as well as upzoning lower density residential land to higher density residential zones.



Funding/Revenue Impacts:

No funding required – property tax implications (uncertain).



Housing Impact:

Medium

Long-Range Planning

3. Develop Area Plans for Urban Growth Boundary areas:

Complete the Southwest Area Plan and the Riverside South Area Plan.



Funding/Revenue Impacts:

Each Area Plan costs the City ~\$350k in consultant fees and ~\$100k in staff time. Potential to increase city limits, eventually generating property tax revenue to pay for services in new urbanized area.



Housing Impact:

High

Long-Range Planning

4. Infrastructure planning to support residential development:

Identify areas to prioritize infrastructure development to support residential development.



Funding/Revenue Impacts:

Requires consultant expenses at ~\$300k - \$500k and ~\$100k - \$200k of staff resources for each public facility plan update (transportation, wastewater, water).



Housing Impact:

High

Regulatory Amendments

5. Implement and codify Great Neighborhood principles:

Develop clear and objective standards for implementing the Great Neighborhood Principles.



Funding/Revenue Impacts:

Requires consultant expenses at ~\$150k and ~\$100k of staff resources.



Housing Impact:

Medium

Regulatory Amendments

6. Require a mix of housing types for to- be- annexed land:

Implement a mix of housing types that is consistent with Area Plans and the Great Neighborhood Principles.



Funding/Revenue Impacts:

Relies on existing staff resources.



Housing Impact:

Medium

Regulatory Amendments

7. Adopt code amendments to support transitional housing dev.:

Adopt code amendments that will enable transitional housing development at a standard of site development that is less expensive than traditional housing development to try and offset costs of transitional housing development without compromising life safety regulations.



Funding/Revenue Impacts:

*Relies on staff to implement at
~\$75k.*



Housing Impact:

Medium

Incentives for New Housing

8. Incentivize and promote accessible design:

Provide incentives in the development code to increase the number of units designed to meet Universal Design, Lifelong Housing Certification, or other similar standards.



Funding/Revenue Impacts:

Requires consultant expenses at ~\$75k and ~\$50k of staff resources.



Housing Impact:

Medium

Incentives for New Housing

9. Establish a Multiple-unit tax exemption program

Work with overlapping taxing districts to adopt a multiple-unit property tax exemption program (MUPTE).



Funding/Revenue Impacts:

Relies on significant staff to revise code & implement. MUPTE reduces general fund revenues for overlapping tax districts. Partnerships needed to verify incomes which may require funding.



Housing Impact:

Medium

Incentives for New Housing

10. Scaling of system development charges

Adopt system development charges (SDC) methodologies with policies and goals featuring equity of allocation based on size and scale of housing. Public facilities include transportation, wastewater, and parks.



Funding/Revenue Impacts:

Requires consulting services estimated at ~\$250k for the public facilities and ~\$100k in staff support.



Housing Impact:

Medium

Land-Based Programs

11. Partner with Community Land Trusts

Support the formation of community land trusts (CLTs) and funding for land acquisition by researching, evaluating and supporting formation of CLTs. Prioritize funding for land acquisition and disposition for affordable housing development through state affordable housing land acquisition or the City's affordable housing CET fund.



Funding/Revenue Impacts:

Relies on local and state resources for land acquisition and staffing resources for implementation.



Housing Impact:

Medium

Land-Based Programs

12. Support affordable housing development through land provision

The City will identify publicly owned surplus land and offer it to individuals or groups of people who want to develop housing for themselves, at market price.



Funding/Revenue Impacts:

Partnering most efficient & cost-efficient. City could contribute land at low or no cost (forgoes market value) or City contributes funds to land bank



Housing Impact:

Medium

Housing Choice and Preservation

13. Develop and adopt a Strategic Housing Opportunities Plan:

Identify gaps that are present in McMinnville's housing market and develop a plan with prioritized strategies to fill these gaps, providing housing opportunities for different household compositions, ages, and income ranges.



Funding/Revenue Impacts:

To be determined.



Housing Impact:

Medium

Housing Choice and Preservation

14. Mitigate displacement through the adoption of anti-displacement policies and strategies:

Assess displacement risk, based on relevant contributing factors including: sociodemographic indicators, transportation factors, neighborhood characteristics, housing indicators, measures of civic engagement, social vulnerability, demographic change, and market prices. Based on the results, the City will adopt Comprehensive Plan text amendments to implement anti-displacement policies and preservation of naturally occurring affordable housing.



Funding/Revenue Impacts:

Requires consultant expenses at ~\$75k for initial report, \$75k staff resources for evaluation & implementation



Housing Impact:

Medium

Housing Choice and Preservation

15. Implement a fee for demolition of existing affordable homes

Assess additional fees for certain demolitions.



Funding/Revenue Impacts:

*Relies on staff to implement at
~\$50k.*



Housing Impact:

Low

Housing Choice and Preservation

16. Preserve and Support Development of Manufactured Home Parks

Work with owners of manufactured home parks (MHP) to understand redevelopment plans and reach out to residents of MHP to understand interest for purchasing. The City will help connect residents of MHP to nonprofits who may help residents purchase the park. City will identify barriers to MHP development and develop code amendments to remove barriers.



Funding/Revenue Impacts:

Relies on staff time to preserve MHP and revise code. If the City offers financials support, it will need to identify a source & potential backfill for foregone revenue



Housing Impact

High

Summary of Actions

Exhibit 3. Implementation Schedule for the 8-year work plan

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

- Do you have comment about the actions included in the memorandum?
- Do you have input on the implementation steps or proposed partners for each action??
- What actions do you think are the highest priority?

- Finalize Housing Production Strategy (HPS)
 - ◆ **Adopt Housing Production Strategy:**
 - ◇ **May 15th Planning Commission Hearing**
 - ◇ **June 10th City Council Hearing**
- Continue Land Use Efficiency Measures work
 - ◆ **Draft and review measures**
 - ◆ **Seek input from community, project advisory and affordable housing committees, Planning Commission and City Council**

