



July 31, 2024

DELIVERED VIA ELECTRONIC MAIL

Ken Allen
LEED Developer
Stafford Land Holdings, LLC
kenallenproperty@gmail.com

Dear Mr. Allen:

Thank you for meeting with me last week to discuss your proposal for the church site on Stafford Road. I know you have been conducting outreach over the past year with the Palisades neighborhood and wider community about your project and that your concept plan has been refined to reflect the community feedback you received.

Your plan shows a mix of housing types affordable at a range of incomes, which is directly in line with the type of housing identified as the greatest need in the city for the next 20 years per the City's recently adopted Housing Needs Analysis (HNA). According to the HNA, of the 2,000 housing units needed to meet the city's projected housing demand over the next 20 years, 61% are projected to be attached housing, including middle housing and multi-family housing types, and 1/3 of all new housing units will be needed by low-income households earning at or below 80% or less of median family income for Clackamas County. We greatly appreciate your interest in helping Lake Oswego meet its housing needs by including affordable housing as a component of your project, and I want to assure you of the city's strong commitment to this cause.

The City of Lake Oswego places a high priority on affordable housing, as evidenced by the City Council's goals and directives. For the past two years, one of the Council's primary initiatives has been to work on key housing issues, with a particular emphasis on supporting non-profit led housing projects. Additionally, the Council has directed staff to include strategies in the draft Housing Production Strategy (HPS) report specifically to support and encourage the development of affordable housing throughout the city. These strategies include adopting tax exemption programs for low-income housing (the city actually adopted a Nonprofit Affordable Housing tax credit program last month ahead of the completion of the city's HPS), public-private partnerships to support affordable housing, tax-increment financing in certain areas of the city to support affordable housing development, and an affordable housing inventory. Other strategies are included in the draft HPS that will help facilitate the production and supply of all housing types for a wide range of incomes as well. The final HPS is scheduled for adoption by the Council before the end of 2024 ([PP 22-0005: Housing Needs and Production Strategies | City of Lake Oswego](#)).

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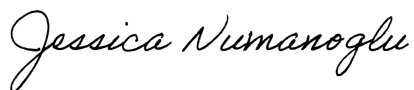
As we discussed at our meeting, while there is no formal process to expedite the review of a zone change that includes affordable housing, the Planning Department has had a policy and commitment for several years to expediently review all affordable housing land use applications. We understand the importance of timely approvals and are prepared to prioritize applications that include affordable housing to facilitate your project's progress, while still following required land use code procedures and assuring the project meets City code regulations and comprehensive plan policies. We do this by working closely with the applicant to assure the application is deemed "complete" as quickly as possible and by prioritizing the completion of the staff report/recommendation. We cannot predict whether there will be opposition or appeals of your application by the public, but the community outreach you have already conducted should help a great deal to alleviate that risk, and I can tell you that both the Mercy Greenbrae and Habitat for Humanity affordable housing developments that were approved by the city in the past few years were not appealed and did not have any significant community opposition.

The city also offers financial incentives to support affordable development. Depending on the number of affordable units you propose, we can provide a partial or total waiver of all land use application fees (partial fee waiver would be proportional to the number of affordable units provided in the project). When your project reaches the construction phase, System Development Charges (SDC) waivers will also be available for the affordable units, further reducing your overall costs (see LOC 39.06.105). Depending on who you partner with for the affordable housing component and the type of units and affordability level, the Nonprofit Affordable Housing tax exemption recently adopted by the city may also be an option.

We sincerely appreciate your willingness to invest in affordable housing and are committed to making the process as smooth and cost-effective as possible. Should you have any further questions or require additional assistance, please do not hesitate to reach out to me directly at 503-635-0283 or jnumanoglu@lakeoswego.city.

Thank you for your dedication to creating affordable housing in our community. We look forward to working with you and supporting your project.

Sincerely,



Jessica Numanoglu
Community Development Director

Cc: Martha Bennett, City Manager
Joe Buck, Mayor
Erik Olson, Long-Range Planning Manager