
City of Wilsonville

Housing Market Research Report

August 2019

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For more information about this report, please contact:

Lorelei Juntunen
juntunen@econw.com
KOIN Center
222 SW Columbia Street
Suite 1600
Portland, OR 97201
503-222-6060

Table of Contents

1	Purpose and Context.....	1
2	Who lives in Wilsonville today?.....	2
3	What will Wilsonville’s future population look like?.....	7
4	What are the current housing conditions in Wilsonville?	9
5	What types of housing will future residents need?.....	22
6	Conclusion	26

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1 Purpose and Context

As housing affordability declines in Wilsonville, community members have expressed concern about being displaced or having to move out of the city in search of more affordable rental and homeownership opportunities elsewhere. A number of community members have testified before the Wilsonville City Council about how the large and sudden rent increases threaten community members' housing stability.

To address the community's housing needs now and in the future, the City of Wilsonville has identified the need to establish a roadmap toward a more equitable housing system. Generally speaking, equitable housing means more people are able to find a home that meets their needs for location, price, and household needs. In the midst of a regional housing crisis, Wilsonville is poised to design a strategy that expands opportunities and access for more people to enjoy the quality of living in the city.

The purpose of this Housing Market Research Report is to synthesize background information on the current housing market to support decision making as the City develops its Equitable Housing Strategic Plan. In particular, the report focuses on housing affordability issues and identifies the types of housing that the City should plan for in the future. This analysis draws heavily on the Wilsonville Baseline Housing Needs Assessment, completed as a component of the Clackamas County Regional Housing Needs Analysis in 2019. Based on research and stakeholder outreach the team will conduct throughout Summer 2019, the Task Force and City Council identify which types of programs and policies are relevant to promoting equitable housing in Wilsonville.

The remainder of this document is organized into five sections:

2. Who lives in Wilsonville today?
3. What will Wilsonville's future population look like?
4. What are the current housing conditions in Wilsonville?
5. What types of housing will future residents need?
6. Conclusion

What is equitable housing?

Equitable housing goes beyond simple 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.

This broad definition includes choices for homes to buy or rent that are accessible across all ages, abilities, and incomes and convenient to everyday needs, such as transit, schools, childcare, food, and parks.

Equitable housing also represents a system that accounts for the needs of households with low income and communities of color, recognizes a history of housing discrimination, and complies with current state and federal fair housing policy.

Source: Metro

2 Who lives in Wilsonville today?

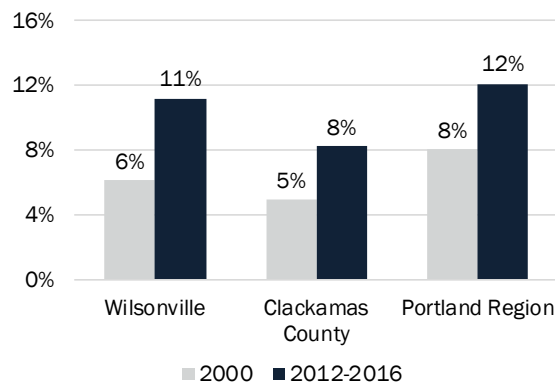
Wilsonville has grown quickly, and with that growth has come changing demographics and an increasing need for the City’s leadership to focus on existing and future housing needs. From 2014 to 2019, Wilsonville saw a 15% increase in population and an 11% increase in housing units.¹ According to a recent article in the Portland Business Journal, Wilsonville ranks third in the entire state of Oregon in five-year population growth.²

Demographics have changed over the last 20 years.

Wilsonville’s Latinx community is expanding. Between 2000 and 2016, the Latinx population in Wilsonville increased by about 2,000 people, almost doubling from a share of 6% to 11% of the population. Over the same period, the County and Portland Region saw slower growth in this population group. The growth rate of Wilsonville’s Latinx population was greater than the growth rate of Wilsonville’s population overall.

Exhibit 1. Share of Latinx Population, Wilsonville, Clackamas County, Portland Region, 2000 to 2012-2016, 2012-2016

Source: U.S. Census Bureau, 2012-2016 ACS Table.



Millennials are a large proportion of Wilsonville residents. In 2012-2016, 32% of Wilsonville’s population was between 20 and 40 years old. This is more similar to the share within the Portland region than in Clackamas County.

Exhibit 2. Population between 20 and 40 years of age, Wilsonville, Clackamas County, Portland Region 2012-2016

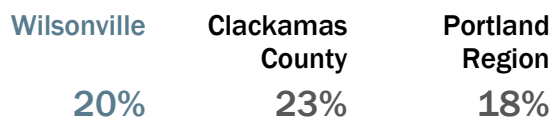
Source: U.S. Census Bureau, 2012-2016 ACS Table.



Aging Baby Boomers are a small, but important population segment in the city. In 2012-2016, 20% of Wilsonville’s population was over 60 years old. This is a greater share than the Portland region.

Exhibit 3. Population over 60 years of age, Wilsonville, Clackamas County, Portland Region 2012-2016

Source: U.S. Census Bureau, 2012-2016 ACS Table.



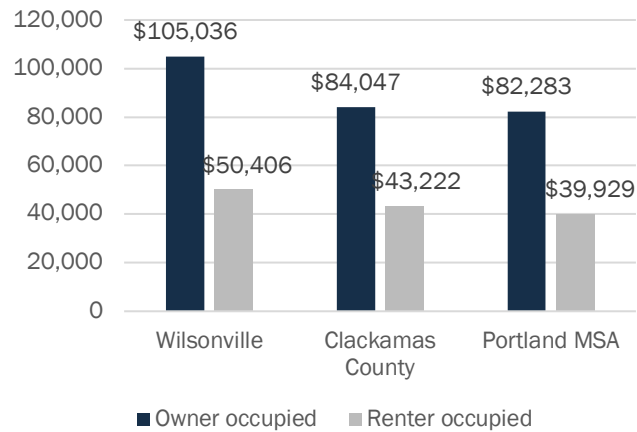
Incomes for owner households are generally higher than renter households.

The median household income for renters, just \$50,000, is less than half the median for homeowners, over \$105,000.

While average incomes in Wilsonville are higher than in the rest of the County and metro area, the magnitude of difference in income between renters and homeowners is similar.

Exhibit 4. Median Household Income by Tenure, 2012-2016

Source: U.S. Census Bureau, 2012-2016 ACS Table B25119.

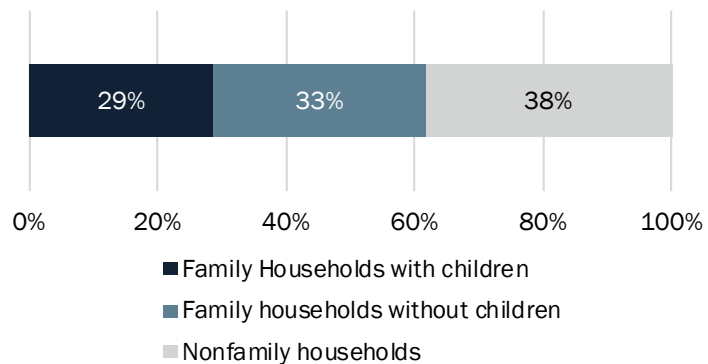


Incomes vary by family type.

The majority of households in Wilsonville are family households. Per the Census, “Family households consist of two or more individuals who are related by birth, marriage, or adoption, although they also may include other unrelated people. Nonfamily households consist of people who live alone or who share their residence with unrelated individuals.”³

Exhibit 5. Family and Non-Family Households, Wilsonville, 2012-2016

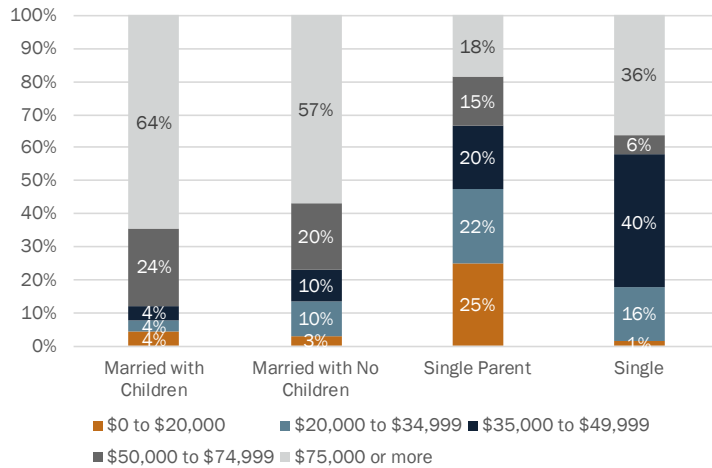
Source: U.S. Census Bureau, 2012-2016 ACS Table B25119.



Of all family types, single parent households in Wilsonville have some of the lowest incomes compared to the amount of housing they need. Two thirds of single parent households have less than \$50,000 in household income per year.

Exhibit 6. Household Income by Family Type, Wilsonville, 2012-2016

Source: U.S. Census Bureau, 2012-2016 ACS

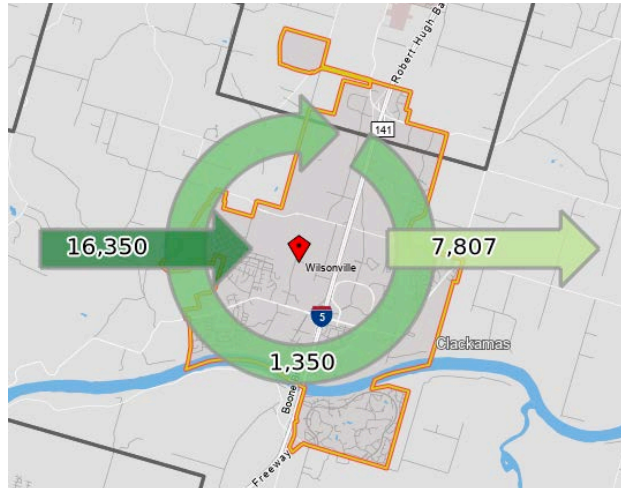


Most Wilsonville residents commute elsewhere to work.

As of 2015⁴, about 85% of employed residents leave Wilsonville for work, while over 16,000 workers come to Wilsonville from other communities.

Exhibit 7. Commuting Patterns in Wilsonville.

Source: U.S. Census Bureau, Center for Economic Studies, On The Map, 2015.



Many children attending Wilsonville schools are economically disadvantaged.

There are several schools in Wilsonville with a large share of economically disadvantaged students, which the Oregon Department of Education defines as students eligible for free and reduced price lunch.⁵ In 2016-2017, a family of four qualified for free lunches with a household income of \$31,590, and reduced price lunches with a household income of \$44,955.

Exhibit 8. Share of Economically Disadvantaged Students (per Oregon Department of Education) in Wilsonville Schools.

Source: Oregon Report Card 2016-2017.
<https://www.wlww.k12.or.us/domain/95> and Free and Reduced Price Meal Income Guidelines for School Year 2016-2017
<https://www.ode.state.or.us/wma/nutrition/snp/memos/nslp-income-guidelines.pdf>

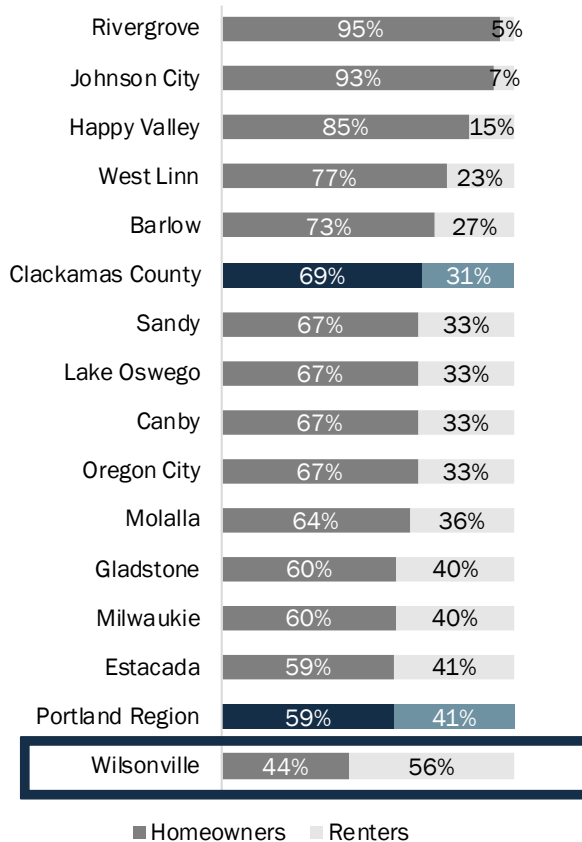
- Arts and Technology High School – 54%
- Boeckman Creek Primary School – 33%
- Boones Ferry Primary School – 40%
- Lowrie Primary School – 21%
- Wilsonville High School – 21%
- Inza Wood Middle School – 30%

The majority of Wilsonville households rent their homes.

In Wilsonville, over half of households rent their homes. In 2012-2016, about 56% of Wilsonville’s households were renters and 44% were homeowners. In every other major city in Clackamas County, the majority of households are homeowners.

Exhibit 9. Housing Tenure, Wilsonville and cities within Clackamas County, 2012-2016

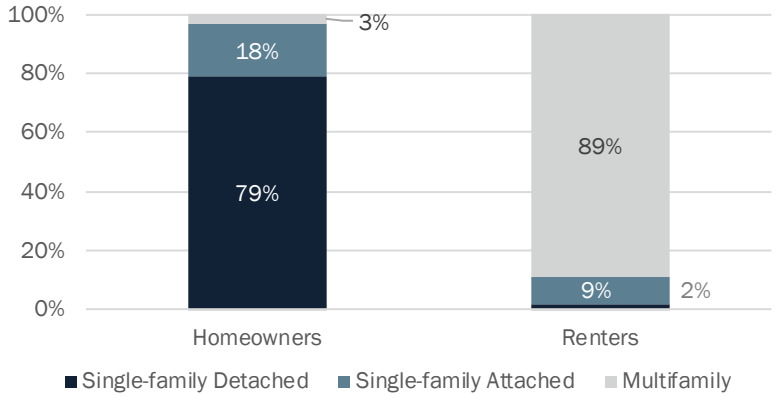
Source: U.S. Census Bureau, 2012-2016 ACS Table B25032.



In Wilsonville, homeowners mostly live in single-family houses, while renters mostly live in apartment buildings.

Exhibit 10. Housing Tenure by Housing Type, Wilsonville and Cities within Clackamas County, 2012-2016

Source: U.S. Census Bureau, 2012-2016 ACS Table B25032.



3 What will Wilsonville’s future population look like?

Wilsonville is expected to grow by over 3,000 new residents over the next 20 years.

By 2040, Wilsonville is projected to see a 14% increase over the 2019 population. Wilsonville is expected to add 3,373 people in about 1,752 households between 2019 and 2039. In recent years, however, the City has grown faster than Metro forecasts, with annual housing growth surpassing the forecasted growth in each of the past five years (15% population growth from 2014 to 2018).⁶ If this trend continues, population and household growth would likely surpass this estimate before 2039.

Exhibit 11. Forecast of Population Growth, Wilsonville UGB, 2019–2039

Source: Metro population forecast, 2015.

23,492	26,865	3,373	14% increase
Residents in 2019	Residents in 2039	New residents, 2019-2039	0.7% AAGR

Note: This forecast does not account for expected growth that may come as a result of the City’s recent UGB expansion in Frog Pond East and South and the 2019 adoption of the Town Center Plan.⁷

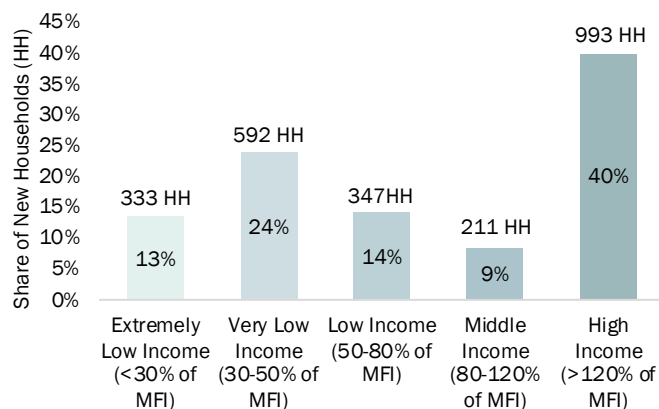
About half of new households in Wilsonville are forecast to be low income. These households will need affordable housing options.

This is similar to Clackamas County as a whole, where 47% of households are expected to be low income (with household incomes less than 80% of MFI).⁸

Exhibit 12. Future New Households in Wilsonville, by Median Family Income (MFI) for Clackamas County (\$81,400), 2019 to 2039

Source: U.S. Department of Housing and Urban Development. U.S. Census Bureau, 2012-2016 ACS Table 19001.

The percentages used below are based on current household income distribution, assuming that approximately the same percentage of households will be in each market segment in the future.



Recent forecasting work from the Portland State University Population Research Center and Metro points to the following trends over the planning period. Since specific estimates for Wilsonville are not available, we used Clackamas County, Portland Region, or Portland MSA trends:

- **More middle-aged Millennials.** Wilsonville currently has a larger share of Millennials than the County. The Population Research Center at PSU estimated future age cohorts by county. By 2040, Millennials will be between 40 and 60 years old. This generation is expected to grow from 23% of Clackamas County’s population to 28% of the County’s population. Family households in this age cohort are moving toward becoming “empty nesters” or multi-generation households.
- **A relatively constant share of people over the age of 60.** Between 2020 and 2040, the share of people over 60 years old is expected to stay relatively constant in Clackamas County, from 26% of the population to 27% of the population. However, Metro anticipates for the Portland MSA, the share of heads of households who are 65 and older will increase from 23% to 30% by 2038. Wilsonville will need to plan for a stable to growing share of older households.
- **An increasing share of Latinx households.** Metro’s growth forecast projects an increase of about 329,000 new Latinx residents in the region by 2040. This represents 46% of all new residents in the region by that date, and a 116% growth in the share of Latinx residents over 2015.
- **Lower average household sizes.** Metro anticipates that the average household size for the seven-county metropolitan area is expected to drop from 2.6 people per household in 2018 to about 2.4 people per household in 2038. Today (and in 2038), almost two-thirds of households consist of one or two people.⁹ This trend suggests an increased need for smaller housing types.
- **Increasing monthly housing costs.** In its regional Housing Needs Assessment, Metro forecasts that “average monthly housing costs for both owners and renters will continue to increase above historical levels, with the projected increases being particularly acute for owners.”¹⁰ Metro projects that household incomes will not increase as fast as housing costs, which means cost burdens will also increase, with new homeowners experiencing more significant increases than renters. This is because historic sales prices have outpaced growth in rents and household incomes, and this trend is expected to continue.¹¹ These results suggest that the need for additional entry-level ownership housing will continue to be strong.

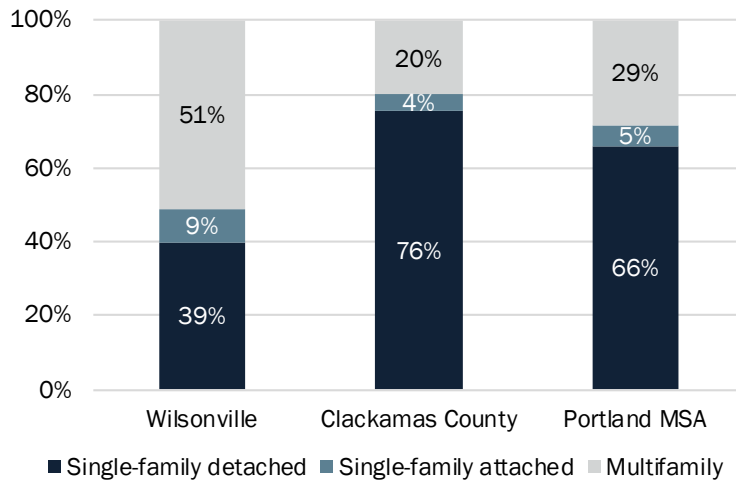
4 What are the current housing conditions in Wilsonville?

Wilsonville has an even mix of multifamily and single-family homes.

Wilsonville has a much larger proportion of multifamily homes than Clackamas County or the region as a whole. About half of all housing units in the city are located in multifamily buildings. Wilsonville also has a greater share of single-family attached units (like townhomes and duplexes) than Clackamas County or the region.

Exhibit 13. Housing Mix in Wilsonville and Comparison Geographies, 2012-2016.

Source: U.S. Census Bureau, 2012-2016 ACS Table B25024.



Census Definitions for Housing Mix

Multifamily housing: “residential buildings containing units built one on top of another and those built side-by-side which do not have a ground-to-roof wall and/or have common facilities (i.e., attic, basement, heating plant, plumbing, etc.)”

Single-family attached: “each must be separated from the adjacent unit by a ground-to-roof wall in order to be classified as a single-family structure. Also, these units must not share heating/air-conditioning systems or utilities.

Units built one on top of another and those built side-by-side that do not have a ground-to-roof wall and/or have common facilities (i.e., attic, basement, heating plant, plumbing, etc.) are not included in the single-family statistics

Source: United States Census Bureau. *New Residential Construction Definitions.*
<https://www.census.gov/construction/nrc/definitions/index.html>

Until recently, the housing mix for new development has been evenly split between multifamily and single-family homes.

Historically, housing construction in Wilsonville has included multifamily units, single-family attached homes (townhomes), and single-family detached homes, with more units overall in apartments and townhomes.

Between 2000 and 2012, Wilsonville permitted 2,862 housing units, two-thirds of which (1,892) were multifamily or single-family attached units.¹² These new developments include market-rate apartments and townhomes, senior living (both assisted and independent), and subsidized affordable housing (including some designated for seniors or others for people of all ages with disabilities). Most new home construction between 2014 and 2017 has been in the Villebois neighborhood, which is required to build about one third of the units as multifamily housing. Some of these units must come with affordability requirements under the City's development agreement with the State of Oregon, which allowed the former state hospital to be converted into a mixed-income neighborhood.¹³

Wilsonville's development code characterizes attached single-family units as multifamily: "Dwelling, Multiple Family: Three or more attached dwelling units located on a single tax lot. In the Village zone, such use also includes stacked flats or townhouses"

Source: City of Wilsonville

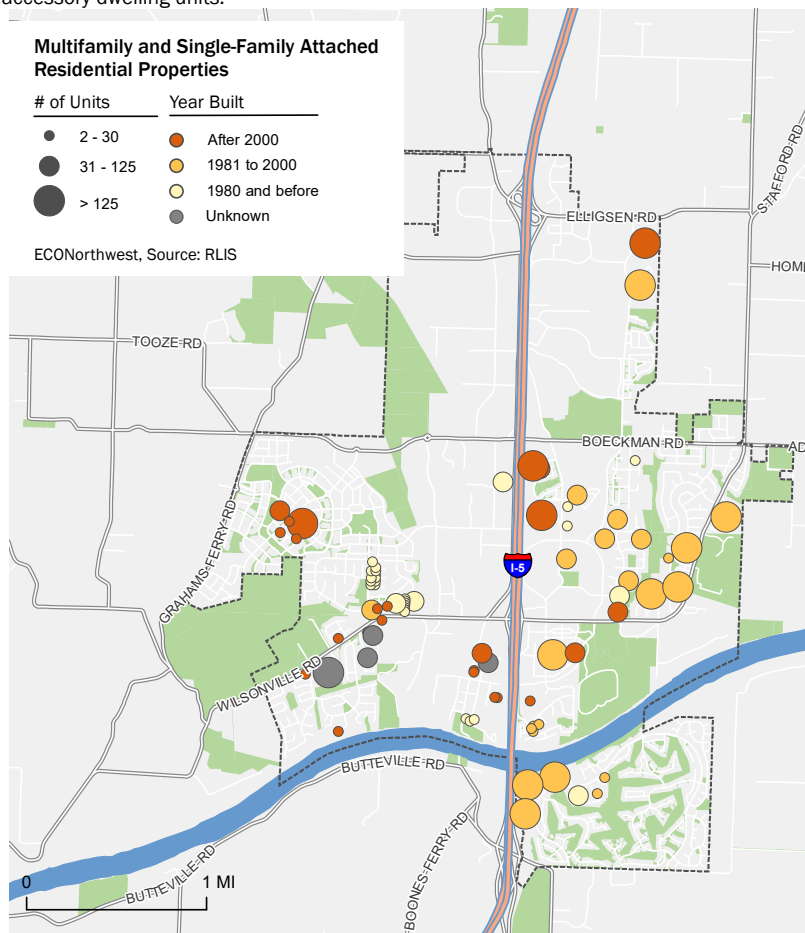
However, more single-family homes have been built in recent years. The construction of additional single-family units has helped to balance the city's overall housing inventory, which has been weighted towards multifamily homes. In 2016 and 2017, no multifamily units were permitted. In 2018, 70% of permits approved were for single-family homes, including attached and detached rowhomes, and 30% were for multifamily units.¹⁴

Wilsonville’s multifamily and single-family attached housing stock is well-distributed across the city, and close to services.

Metro’s Regional Land Information System (RLIS) data shows where the distribution of multifamily and single-family attached units are in the city. Exhibit 14 shows where multifamily units—both ownership and rental buildings—are located in Wilsonville as well as the age and relative size of each complex. Much of Wilsonville’s multifamily housing stock is concentrated near the Town Center, where the majority of housing was built between 1981 and 2000. Town Center has a concentration of services, shops, and amenities. Newer multifamily and single-family attached housing development is concentrated in Villebois and several complexes in the core of Wilsonville.

Exhibit 14. Distribution of Multifamily and Single-Family Attached Residential Units, Wilsonville, 2019

Source: Metro RLIS. Note: RLIS data includes multifamily unit types as well as single-family attached types like townhomes, duplexes, and accessory dwelling units.



The city has a limited stock of subsidized affordable housing.

About 11% of Wilsonville residents live in subsidized housing. As of 2018, Wilsonville had 449 subsidized, affordable units in 12 developments. The majority of these units are reserved for families; two developments are reserved for seniors. The subsidies and affordability regulations for these units come from programs such as the low-income housing tax credit and the City's tax abatement. These units serve residents making between 30% and 60% of area median income. Exhibit 15 shows the total number of subsidized units in Wilsonville as of 2018.

Exhibit 15. Government-Subsidized Affordable Housing, Wilsonville, 2018

Source: Oregon Housing and Community Services. Note: Two of these developments are accessible to residents through referral only (Rain Garden and Renaissance Court). This is because they serve residents with specific needs.

Development Name	Total Units	Total Affordable Units	Population Served
29875 SW Montebello Dr	1	1	Family
29885 SW Montebello Dr	1	1	Family
Autumn Park	143	140	Family
Beaver State - Montebello	50	41	Family
Charleston Apts	52	52	Family
Creekside Woods	84	44	Senior
Duck Country - Wilsonville Heights	24	24	Family
Hearthstone	5	5	Low income
Montecino	34	34	Family
Rain Garden	29	29	Low income, Referral Only
Renaissance Court	20	20	Low income, Referral Only
Wiedemann Park Apts	58	58	Senior
Totals	501	449	

Unregulated homes may be affordable to some renters, but prices are subject to market fluctuations. In these homes, rents are subject to market conditions, which generally means they have been increasing. There are no Wilsonville-based policies in place to preserve their affordability or protect tenants from displacement if they cannot afford a rent increase levied by their landlords. However, Senate Bill 608 was passed in 2019 which includes the following provisions:

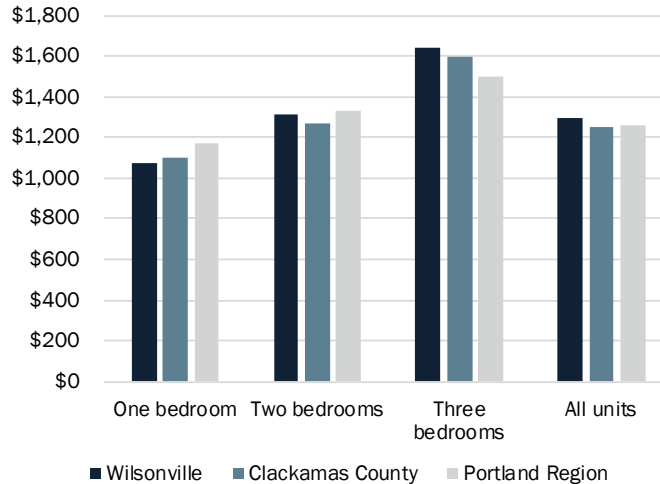
- Annual rent increases are limited to 7% plus the Consumer Price Index for the past 12 months. This applies to buildings over 15 years old.
- No-cause evictions are now limited to one of these four reasons:
 - Sale of the home to a new owner who will move-in
 - If the landlord or a family member will move-in
 - To address a significant repair or renovation of the unit
 - If the rental will no longer be used for residential use¹⁵

Wilsonville’s multifamily rental housing market trends mirror the Portland region.

On average, rents for one-bedroom units in Wilsonville are less than Clackamas County or the region, while larger units have similar or slightly higher rents than those in Clackamas County and the region.

Exhibit 16. Apartment Rents, by Bedroom Count, Wilsonville, Clackamas County, Portland Region, 2018.

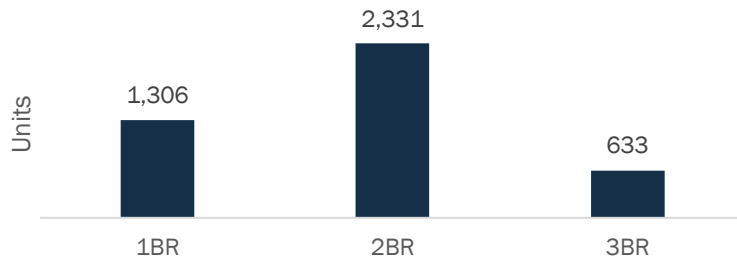
Source: CoStar.



Most multifamily rental housing units in the city are smaller one and two-bedroom units. Of 4,270 housing units in Wilsonville, about 31% have one bedroom, almost 55% have two, and only 15% have three.

Exhibit 17. Housing Unit Size, Wilsonville. 2019.

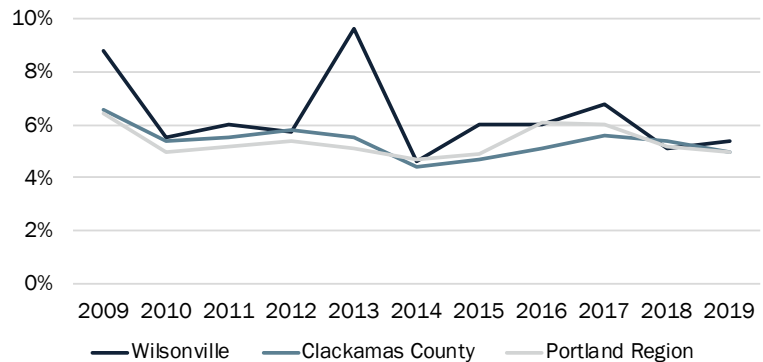
Source: CoStar



Multifamily vacancies in Wilsonville are average for the region. After some volatility during the recession, vacancy rates have settled at 5.4% in 2019, mirroring trends in the region, with vacancy rates of 5% for the Portland MSA and 4.8% for Clackamas County.

Exhibit 18. Multifamily Vacancy Rates in Wilsonville and Comparison Geographies, 2009-2019.

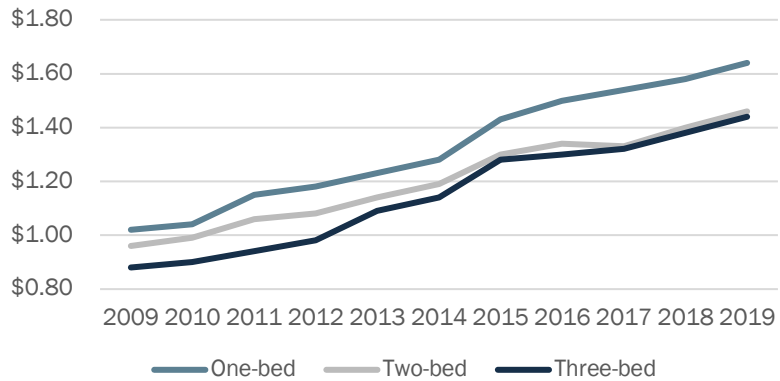
Source: CoStar



Apartment rents per square foot have been rising at similar rates across unit sizes. While one-bedroom apartments are still more expensive on a per square foot basis than larger units, the prices are rising at similar rates as for two- and three-bedroom apartments.

Exhibit 19. Wilsonville Apartment Rents per Square Foot, by Bedroom Count.

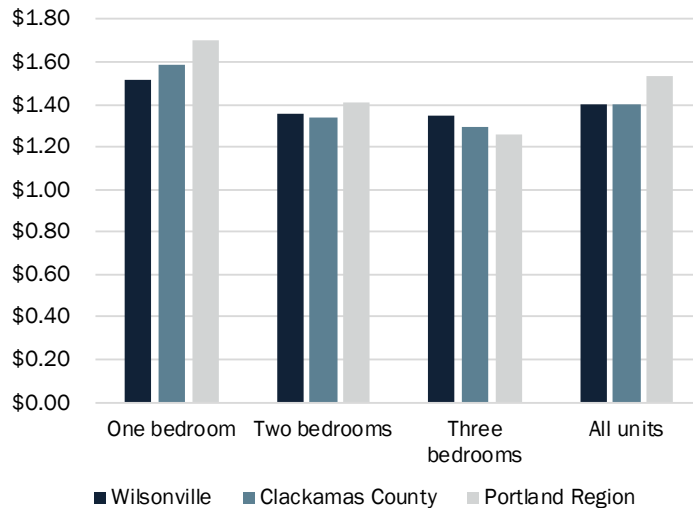
Source: CoStar.



Rents for Wilsonville’s one bedroom units are less expensive than the County or region, while three bedroom units are more expensive.

Exhibit 20. Apartment Rents Per Square Foot, by Bedroom Count, Wilsonville, Clackamas County, Portland Region, 2018.

Source: CoStar.

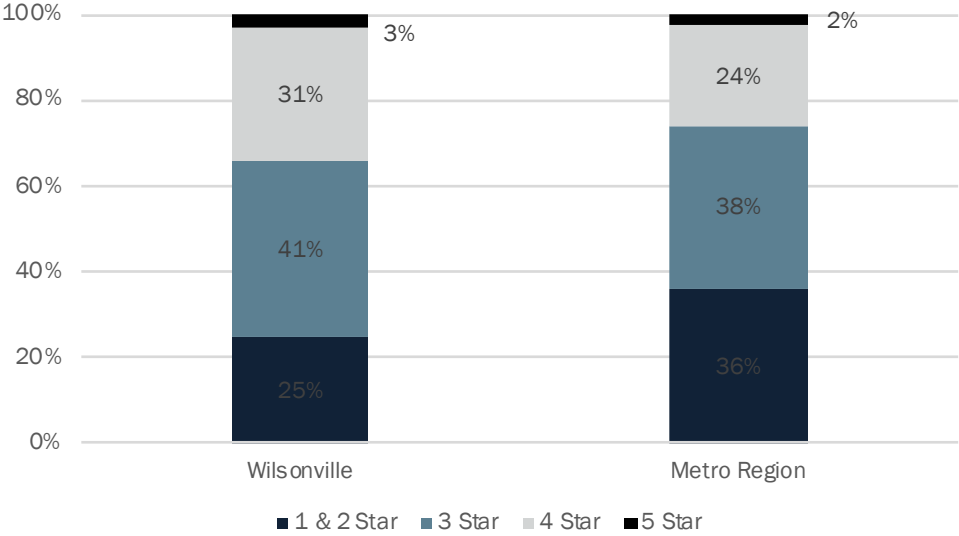


Wilsonville’s multifamily housing stock is relatively high-quality compared to the region.

According to CoStar—a multi-national commercial real estate information company—over one-third of Wilsonville’s multifamily housing stock is high-quality, compared to only one-quarter in the Portland region. This difference is mostly explained by the city’s relative lack of housing that CoStar¹⁶ rates as lower-tier.

Exhibit 21. Costar Quality Ratings for Multifamily Buildings in Wilsonville and Metro Region housing.

Source: CoStar.



Wilsonville’s higher quality multifamily housing stock results in higher rental prices compared with communities with a greater share of low-cost market rate rentals. On the other hand, Wilsonville may be less likely to see as much repositioning of its multifamily housing stock. This is the result of investors buying low-cost apartment complexes, making improvements, and increasing the rents at higher than average market rates.

Many residents cannot afford their housing costs.

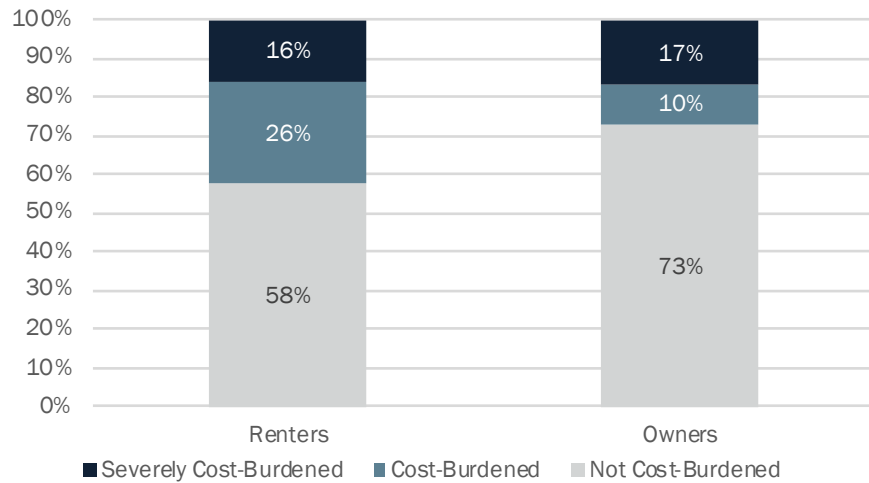
Many residents are paying more than 30% of their income on housing. Almost a quarter (23%) of all households in Wilsonville are cost-burdened, defined as spending more than 30% of their income on housing costs. Renters are particularly impacted: 42% are cost-burdened or extremely cost-burdened (spending more than 50% of their income on housing costs).

Low-income households are particularly likely to be cost-burdened.

Cost burden is a particularly pressing issue amongst renters. Disparities in income between current residents who rent and own their homes exacerbate the issue of housing cost burden, as renters have less income to begin with and are also paying too much of these limited resources on housing costs.

Exhibit 22. Housing Cost Burden in the City of Wilsonville by Tenure, 2012-2016

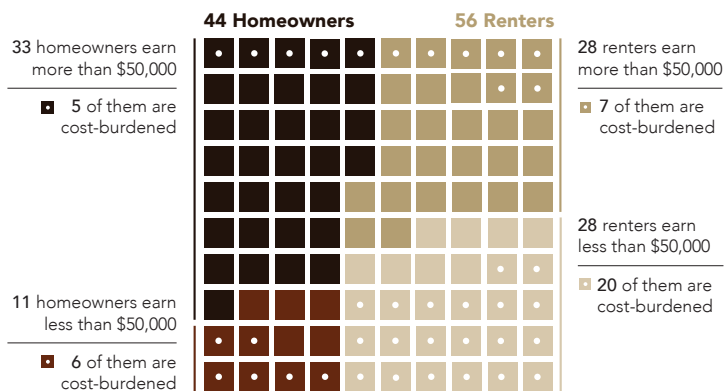
Source: U.S. Census Bureau, 2012-2016 ACS Table B25091 and B25070.



Almost **8 of 10 households** that earn less than \$50,000 per year in Wilsonville are cost-burdened.¹⁷

Exhibit 23. Illustration of Cost Burden if all of Wilsonville's Households were 100 Residents

Source: U.S. Census Bureau, 2012-2016 ACS Table S2503.



Rents are relatively less affordable in Wilsonville than in Clackamas County.

When comparing household incomes to the median rent, Wilsonville's rental housing stock is relatively more expensive than the county as a whole.

A household can start to afford Wilsonville's median rents at about 70% of Wilsonville's median household income (\$44,167).

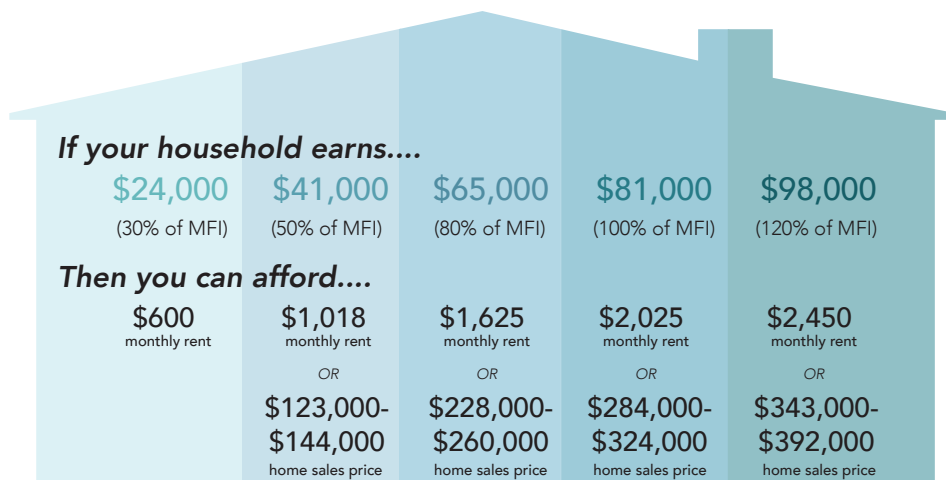
A household can start to afford Clackamas County's median rents at about 61% of County median household income (\$41,349).

Low-income households have very few options for either homeownership or rental. Exhibit 24 provides an overview of what households at different incomes can afford in terms of monthly rent or home sales price. It also provides examples of annual salaries for different job types that fall into each income bracket.

Wilsonville's residents are dissatisfied with the availability of reasonably-priced housing. The City's 2018 Community Survey concluded that only 38% of residents rated the availability of affordable quality housing as excellent or good, down from 47% in 2014.

Exhibit 24. Financially Attainable Housing, by Median Family Income (MFI) for Clackamas County (\$81,400), Clackamas County, 2018

Source: U.S. Department of Housing and Urban Development 2016. U.S. Census Bureau, 2012-2016 ACS Table 19001, Bureau of Labor Services, Portland MSA, 2018, Note: MFI is Median Family Income, determined by HUD for Clackamas County.

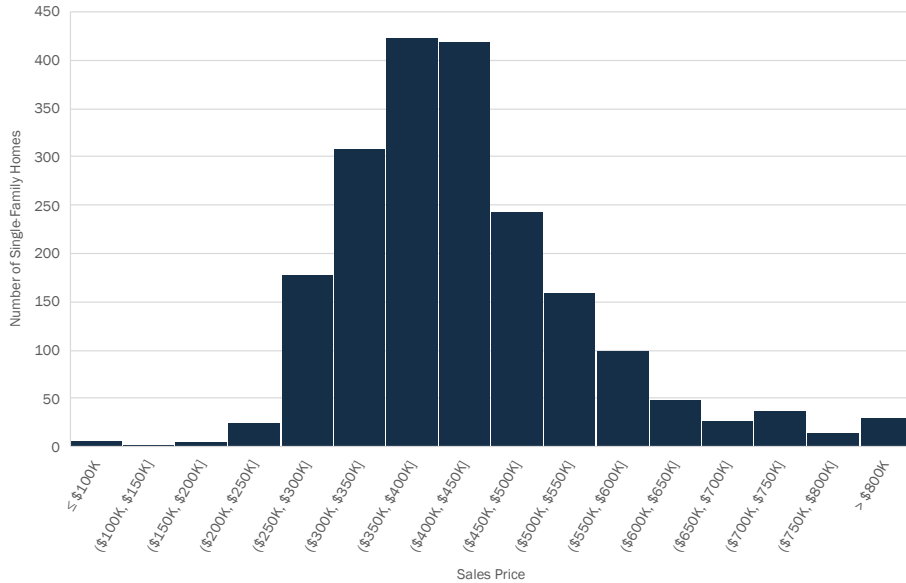


Homeownership is out of reach for many of Wilsonville's current residents.

In the past five years, Wilsonville saw few single-family homes sell below \$300,000. Just 10% of homes sold for under \$300,000.

Exhibit 25. Single-Family Home Sales Price Distribution, Wilsonville, 2015-2019

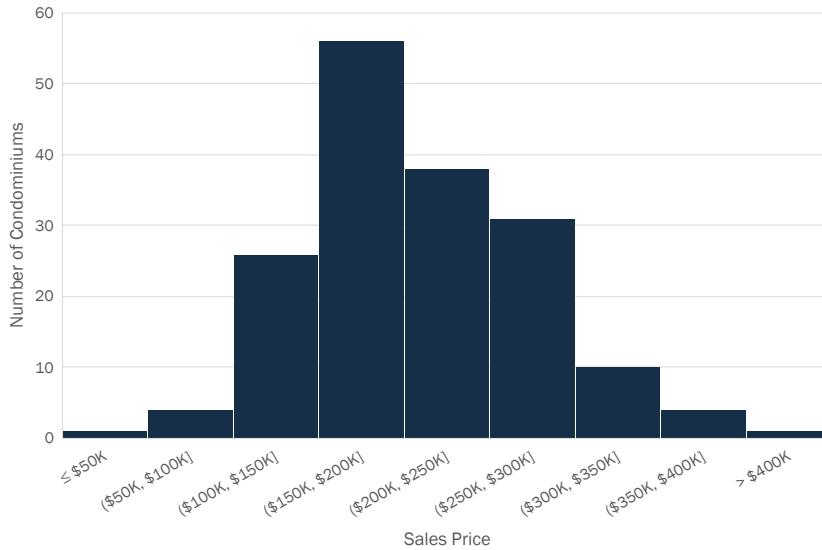
Source: Oregon Metro, Taxlots data, 2015-2019. N = 2,034. Includes single-family detached and attached housing types.



Condominiums had somewhat lower sales prices, with most selling for under \$300,000. However, there were only 171 sales of condos over the past five years.

Exhibit 26. Condominium Sales Price Distribution, Wilsonville, 2015-2019

Source: Oregon Metro, Taxlots data, 2015-2019. N = 171



A family making the median income for a renter household (\$50,406) could afford homes valued between about \$221,000 to \$252,000 (based on a range of financing assumptions).

However, the median home sales price in the city was almost double, at \$454,500, in February 2019.¹⁸

A household can start to afford the median home sales price (\$454,500), at:

Wilsonville:
185%
of Wilsonville's
median household income
(\$116,550).

Clackamas County:
152%
of County
median household income
(\$105,000).

In addition to high home sales prices, there are ongoing costs of homeownership. Most residential neighborhoods in Wilsonville have an homeowners association (HOA), which levies fees that can add to housing costs. An HOA is an organization in a subdivision, planned community or condominium that makes and enforces rules for properties. Those who purchase a house within an HOA's jurisdiction become members and must pay dues. These costs can add hundreds of dollars to monthly housing costs.

Wilsonville has few starter homes, which means would-be homeowners may be renting for longer.

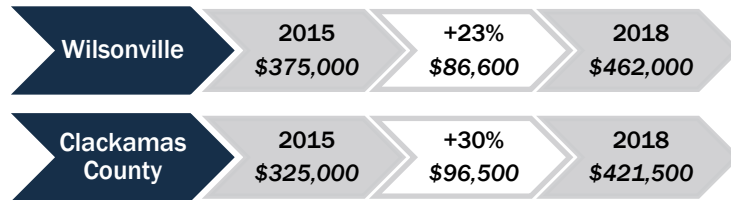
Homeownership is generally out of reach for most first-time buyers. The median housing sales price in September 2018, \$462,000, indicates that few entry-level homes are available for sale in Wilsonville. Prospective homeowners are likely renting for a longer period of time, perhaps bypassing the starter home stage and seeking instead to buy a “forever” home. This can be due to the many costs of acquiring a home, primarily the down payment and closing costs.

The average home in Wilsonville costs 31% more than what the average household can afford.¹⁹

Despite high home costs in Wilsonville, prices are increasing at a slower rate than in the County. From 2015 to 2018, the median home price increased only 23% in Wilsonville compared to 30% in Clackamas County.

Exhibit 27. Median Home Prices in Wilsonville and Clackamas County, 2015-2018.

Source: Property Radar.



An entry-level home, or starter home, is a home accessible to a first-time homebuyer, often smaller and on the less expensive side of the market. Trulia defines a starter home as one priced in the lowest third of the local market, which in Wilsonville's case is up to about \$350,000 as of 2019. Typically, starter homeowners trade up to a bigger home in about five years.

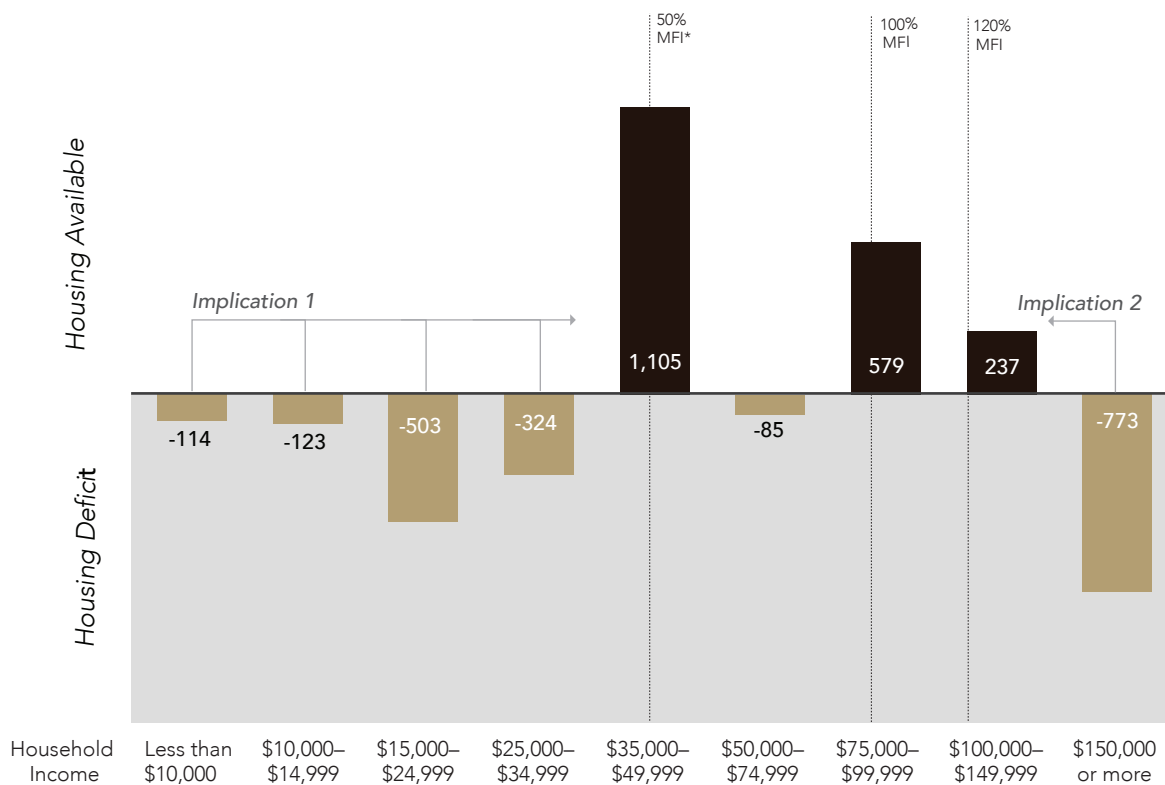
Overall, there is little housing affordable to those at the low end of the income spectrum.

Wilsonville currently has a deficit of housing for households earning less than \$35,000. The housing types that Wilsonville has a deficit of are more affordable housing types such as apartments, duplexes, tri and quad-plexes, manufactured housing, and small, clustered single-family detached housing (e.g. cottages).

Exhibit 28 compares the number of households by income level with the number of units affordable to those households in cities within Clackamas County. Many lower-income households are living in expensive homes because of a deficit in units that they can afford (**Implication 1**). On the other end of the spectrum, some higher-income households are spending less than they could afford on housing, either because of preference, the timing of when they started renting or owning their home, or because of a lack of high-end housing stock (**Implication 2**). The pattern is similar for low-income households in Clackamas County.²⁰

Exhibit 28. Housing Costs and Units by Income Level, All Households, Wilsonville, 2018.

Source U.S. Census Bureau, 2012-2016 ACS. Note: MFI is Median Family Income, determined by HUD for the Portland MSA.



5 What types of housing will future residents need?

In the future, Wilsonville will need a wider range of housing types and price points.

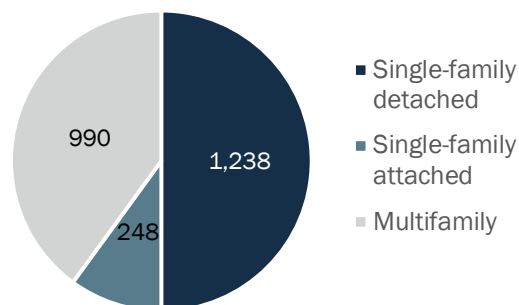
Over the next 20 years, the city will need a **wide range of housing types** and **housing that is affordable to households at all income levels** to accommodate an estimated 3,373 new residents by 2039. This conclusion is consistent with housing need in other cities in Clackamas County, the Portland Region, and most cities across the state.

This need largely originates in above-described demographic changes, where **Baby Boomers**, **Millennials**, and **Latinx families** will be increasingly important groups seeking housing. All three groups seek **affordable housing options, but may have different requirements for unit types and sizes**. Housing needs and preferences change for households in predictable ways over time, such as with changes in marital status, age, and size of family. However, income is the biggest driver of housing type choice. Both single-family attached and multifamily units will likely appeal to the growing demographic groups because they are less expensive and easier to maintain than single-family detached homes.

It is projected that Wilsonville will have demand for 2,476 new dwelling units over the next 20 years, and Wilsonville has land capacity for 2,377 units over that same period (not including the recently expanded UGB area of Frog Pond South and East).¹

Exhibit 29. Forecast of demand for new dwelling units, Wilsonville Planning Area, 2019 to 2039

Source: Calculations by ECONorthwest



¹ The HNA's forecast for Frog Pond East and South is based on Metro Ordinance 18-1427¹ which says Wilsonville must plan for a minimum of 1,325 dwelling units in Frog Pond East and South. However, this area was not included within the HNA's housing growth in the forecast for Wilsonville Planning Area because this UGB expansion was not yet acknowledged by the Land Conservation and Development Commission at the time of publication.

Exhibit 30. Implications for Future Housing Types from Increased Population Growth and Demographic Changes

Source: Population Research Center and ECONorthwest.

Future Trends	What could this mean for future housing types?
A growing city.	<ul style="list-style-type: none"> • To accommodate these new households, an average of 124 new units will need to be built each year.
More middle-aged Millennials.	<ul style="list-style-type: none"> • Homeownership rates for Millennials will increase as they continue to form their own households. • There will likely be increased demand for relatively affordable housing types, including ownership and rental types, over the next 20 years. • Some older Millennials with families may become empty nesters who need smaller units. Others may want housing to accommodate a three-generation family. <p><i>Source: Clackamas County HNA (page 54 and page 315)</i></p>
A relatively constant share of people 60+.	<ul style="list-style-type: none"> • The aging of the Baby Boomers may have a smaller impact in Wilsonville than in some cities in the County because Wilsonville has a smaller share of people over 60 years of age. • The city will be affected by retirement and changing housing needs of seniors as their households get smaller and their lifestyles change. • While most Baby Boomers prefer to stay in their current homes as long as possible, some Baby Boomers may choose to downsize into smaller homes and seek homes where they can age in place (often single-story with easy access to services and amenities). • Due to health or other issues, some Baby Boomers may become unable to stay in their current homes and will choose to live in multigenerational households or assisted-living facilities (at various stages of the continuum of care). <p><i>Source: Clackamas County HNA (page 53 and page 315)</i></p>
A steady or increasing share of Latinx households.	<ul style="list-style-type: none"> • Continued growth in Latinx households will increase need for larger units (to accommodate larger, multigenerational households) and relatively affordable housing. <p><i>Source: Clackamas County HNA (page 316)</i></p>

The key finding from the data above is that Wilsonville will need to continue to offer a diverse array of housing types, at a range of price points. Given decreases in average household sizes and a stable to increased share of older households, there will be more demand for smaller, attached housing types and multifamily housing.

Wilsonville has diverse housing types and is planning for a mix of unit types in its growth areas.

Much of the current residential growth in Wilsonville is taking place in the Villebois neighborhood on the west side of I-5, but a handful of other smaller pockets of development are under construction as well. Primary future growth areas for the community include the Frog Pond and Town Center Planning Areas, which are both on the east side of I-5.

This section summarizes information from the Clackamas County Baseline Housing Needs Analysis (2019) and the Wilsonville Baseline Housing Needs Analysis (2019), which is included in Appendix A.

Key Growth Areas

Frog Pond

Development of Frog Pond, an area designated to transition from rural to urban development, will take time, given the need to extend utilities and build infrastructure to serve houses. Engineering and construction plans for Frog Pond West are underway, with an expectation that the first homes will be available starting in 2019. Frog Pond West will include mostly single-family detached housing types, with some single-family attached units. The rest of the Frog Pond Area—Frog Pond South and East—is expected to contain some attached housing and cottage clusters, with the majority of the Frog Pond Area planned for single-family detached housing. Timing for moving forward on Frog Pond South and East is not entirely known, but, following master planning of this area, it is expected that building of the first homes in the area will not likely begin until after 2024.²¹ Ultimately, infrastructure extensions, market response to Frog Pond West, and overall housing demand will determine the timing for Frog Pond South and East.

The forecast for Frog Pond East and South is based on Metro Ordinance 18-1427, which says Wilsonville must plan for a minimum of 1,325 dwelling units in Frog Pond East and South. However, the Baseline HNA for Wilsonville did not include Frog Pond East and South housing growth in the forecast for Wilsonville Planning Area because this UGB expansion has not yet been acknowledged by the Land Conservation and Development Commission.

Town Center

The Wilsonville Town Center area is already built, but there is a newly adopted plan that anticipates infill and redevelopment of much of the area that could result in up to 880 new units within a 20-year timeframe. Almost all of the new housing in the Town Center is expected to be attached single family or multifamily housing, much of which will be co-located with retail and office uses in modern, mixed-use buildings. Timing for the infill and redevelopment will be determined by private property owners, their business plans, and market demand for a more urban living experience in the center of Wilsonville.

Villebois

On the west side of the city, Villebois is a mixed-use community that contains single-family detached housing, single-family attached housing, duplexes, row houses, multifamily housing, and cluster housing. Villebois will be nearing full build-out in the next few years.

Other Neighborhoods

Infill may be possible in some areas outside of Villebois, the Town Center, and the UGB expansion areas. There could be an opportunity for accessory dwelling units, but most neighborhoods are planned developments with Covenants, Conditions, and Restrictions that could make infill more challenging.

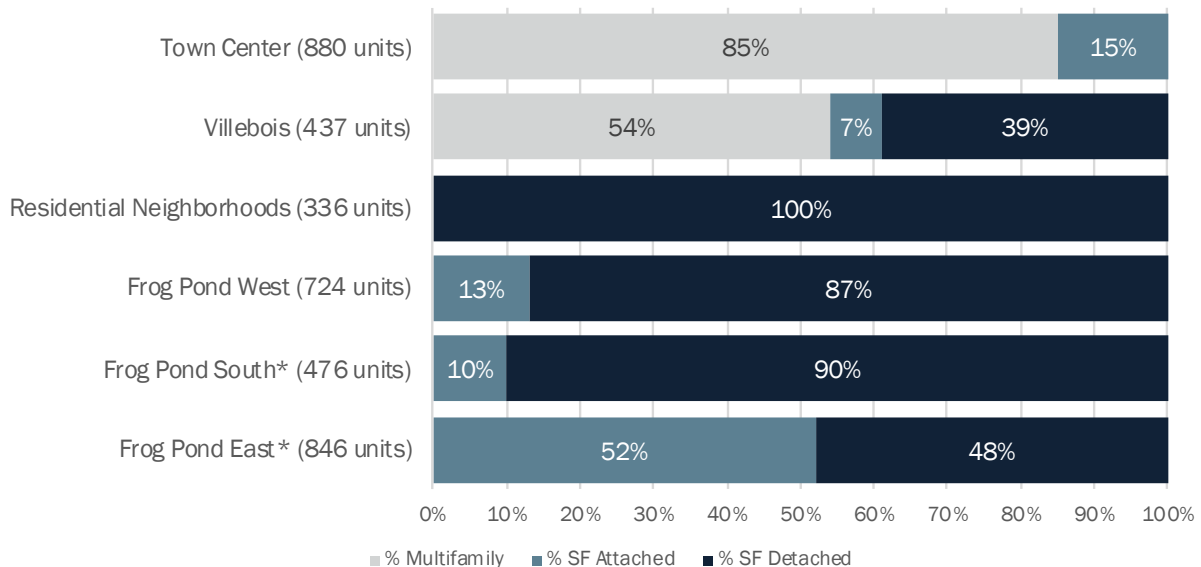
Summary of Capacity by Neighborhood

In 2019, the City of Wilsonville received a baseline Housing Needs Analysis as part of a broader project to assess housing needs across Clackamas County (for details, see Appendix A). It is expected that most new homes will be built in the existing neighborhoods of Villebois and Town Center, and the new Frog Pond West growth area. The analysis also assumes that vacant residential land in other existing Residential Neighborhoods will be built, at historical densities, over the next 20 years.²² Exhibit 31 provides a graphical summary of the capacity within Wilsonville planning areas that was included in the Housing Needs Assessment.

Exhibit 31. Summary of Estimated Capacity and Housing Mix within Wilsonville Planning Areas, 2019 to 2039

Source: Buildable Lands Inventory; Frog Pond Concept Plan (2015), Wilsonville Staff, Calculations by ECONorthwest.

Note: Capacity matches demand in Villebois, Town Center, and Frog Pond West. Land in Residential Neighborhoods includes vacant and partially vacant land. For this housing market research report, we have added in calculations for Frog Pond South and East. For a map of these areas, see page 4 of Appendix A: Wilsonville Baseline Housing Needs Analysis.



* Not included in Baseline HNA Calculations.

6 Conclusion

This housing market research report provides a compendium of information to City leadership to support future decision making for the Equitable Housing Strategic Plan. The analysis found that the City has proactively planned for a mix of housing types across its planning areas, but increasing rents and home sales prices in the Portland region continue to exacerbate affordability in Wilsonville. The City is expected to grow by over 3,000 people in the next 20 years, many of whom will be interested in diverse, affordable housing types. These issues point to a need for a proactive roadmap toward achieving more equitable housing now and into the future.

The Plan will build on this base of information to identify implementation actions that the City should take to address current housing issues and plan for future housing. In future phases of the work, the City should take the following considerations into account:

- **Affordability Considerations.** Housing prices are a regional issue that also must be addressed at the local scale. Many residents in the city are paying more than 30% of their income towards housing. This is especially true for lower income renters. Contributors to development costs such as parking requirements, on-site amenities, extending water and sewer lines into new growth areas, and escalating construction costs have significant implications as to what housing types get built and where the rent or sales price needs to be set. Similarly, residents' incomes are not keeping pace with rising housing costs. Many residents who would like to own a home struggle to save enough to cover down payment and closing costs, and avoid being cost-burdened by the mortgage payment, insurance and property taxes, and monthly homeowners association fees.
- **Unit Type Considerations.** The demographic changes that Wilsonville will see over the next 20 years point to a need for planning a broad range of housing types for owners and renters with a wide range of price points. This conclusion is consistent with housing need in other cities in Clackamas County, the Portland Region, and most cities across the state. Compared to the rest of the county, Wilsonville has done a commendable job of promoting a diversity of housing types in the past, but recent trends point to a growing production of single-family detached units. Going forward, Wilsonville will need to continue to ensure a range of housing types are developed, such as small single-family detached housing (e.g., small-lot single-family and cottage clusters), townhouses, duplexes and quad-plexes, and apartments. Wilsonville is planning for these housing types in areas like Villebois and Town Center. However, in the Town Center, it will take time before market conditions improve for mixed-use multifamily development and the implementation of the Town Center Plan. The Frog Pond Planning Area includes new single-family attached types, which will meet an important need among future residents. Going forward, Wilsonville will need to ensure that these plans and their goals are fully implemented.

- **Access to Services, Amenities, and Transit.** Given Wilsonville’s relatively small size, much of Wilsonville’s housing is within easy reach of services, amenities, and transit. However, new planning areas are located farther from the city’s core and existing city services and amenities. Frog Pond West is planned to develop as predominately single-family detached neighborhoods, without the addition of retail amenities or services. The Town Center is the city’s commercial core with unrealized capacity to develop into a dynamic, amenity-rich center that could appeal to growth populations – Millennials, Baby Boomers, and Latinx populations.
- **Structural Considerations.** Finally, Metro notes that “Equitable housing also represents a system that accounts for the needs of households with low income and communities of color, recognizes a history of housing discrimination, and complies with current state and federal fair housing policy.”²³ ECONorthwest and its partners will be conducting stakeholder outreach to uncover findings related to the structural gap – how welcome do people feel in Wilsonville’s housing market? What kinds of barriers to people have in getting financing or making a security deposit? Have people encountered discrimination when looking for or locating in a home? Addressing these structural issues is important to achieving a balanced plan that meets the needs of Wilsonville’s diverse residents.

The Equitable Housing Strategy Plan should seek to address each of these considerations. The consultant team will use the research along with findings from the stakeholder outreach to develop a set of implementation actions in the final Equitable Housing Strategic Plan.

Appendix

Appendix A: Wilsonville Baseline HNA

This memorandum serves as Wilsonville’s preliminary baseline HNA, as an update to the HNA completed by the City in 2014.

¹ 2018 Wilsonville Annual Housing Strategy

² Geigerich, Andy. "List Leaders: These are Oregon's 15 fastest-growing cities." Portland Business Journal. May 13, 2019. <https://www.bizjournals.com/portland/news/2019/05/13/list-leaders-these-are-oregons-15-fastest-growing.html>

³ Current Population Survey Definitions. United States Census Bureau.

<https://www.census.gov/programs-surveys/cps/technical-documentation/subject-definitions.html>

⁴ U.S. Census Bureau. 2019. LEHD Origin-Destination Employment Statistics (2002-2015). Washington, DC: U.S. Census Bureau, Longitudinal-Employer Household Dynamics Program, accessed on June 20, 2019 at <https://onthemap.ces.census.gov>. LODES 7.3. The latest Census data available on commute patterns are from 2015.

⁵ The Oregon Department of Education Child Nutrition Programs provides income guidelines by household size for free and reduced price meals for students in schools. In 2016-2017, students qualified for free lunch at the following income levels: 2 people (\$20,826), 3 people (\$26,208), 4 people (\$31,590). Students qualified for reduce lunch prices at the following income levels: 2 people (\$29,637), 3 people (\$37,296), 4 people (\$44,955).

⁶ 2018 Wilsonville Annual Housing Report.

https://www.ci.wilsonville.or.us/sites/default/files/fileattachments/community_development/page/29051/housing_report_pdf_version.pdf

⁷ Wilsonville Housing Needs Assessment, 2019.

⁸ Clackamas County Baseline Housing Needs Assessment, 2019. Page 73.

⁹ https://www.oregonmetro.gov/sites/default/files/2018/12/03/2018_UGR-summary-11282018_v2pdf.pdf

¹⁰ Portland Region Housing Needs Assessment.

<https://www.oregonmetro.gov/sites/default/files/2018/12/04/Appendix5A-HousingNeedsAnalysis.pdf>

¹¹ Clackamas County Baseline Housing Needs Assessment, 2019.

¹² Wilsonville Residential Land Study

¹³ Villebois Village Master Plan.

https://www.ci.wilsonville.or.us/sites/default/files/fileattachments/planning/page/84681/villebois_village_master_plan.pdf

¹⁴ 2018 Wilsonville Annual Housing Report

¹⁵ <https://olis.leg.state.or.us/liz/2019R1/Downloads/MeasureDocument/SB608/Introduced>

¹⁶ The CoStar Building Rating System provides a national rating for buildings. Properties are evaluated and rated using a 5-star scale based on the characteristics of each property type, including: architectural attributes, structural and systems specifications, amenities, site and landscaping treatments, third party certifications and detailed property type specifics. More information on CoStar's website:

https://www.costar.com/docs/default-source/brs-lib/costar_buildingratingsystem-definition.pdf?sfvrsn=12a507a4_2

¹⁷ 2018 Wilsonville Annual Housing Report.

¹⁸ Redfin, Property Radar.

¹⁹ 2018 Wilsonville Annual Housing Report.

²⁰ Clackamas County Baseline Housing Needs Assessment, 2019. See Exhibit 67 on page 75.

²¹ In addition to the capacity in the areas mentioned above, Frog Pond East and South are new additions to the Metro Urban Growth Boundary with housing expectations defined in Metro's growth boundary (refer to Metro Ordinance 18-1427 at <http://rim.oregonmetro.gov/Webdrawer/Record/558717>). The growth decision says Wilsonville must plan for a minimum of 1,325 dwelling units in Frog Pond East and South. However, as of June 2019, this UGB expansion has not yet been acknowledged by the State of Oregon Land Conservation and Development Commission. Therefore, ECONorthwest has not included Frog Pond East and South housing growth in the forecast for Wilsonville.

²² Assumption for future mix is based on requirements from OAR 660.007. OAR 660-007-0030(1) requires "(1) Jurisdictions other than small developed cities must either designate sufficient buildable land to provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing or justify an alternative percentage based on changing circumstances. Factors to be considered in justifying an alternate percentage shall include but need not be limited to: (a) Metro forecasts of dwelling units by type; (b) Changes in household structure, size, or composition by age; (c) Changes in economic factors impacting demand for single family versus multiple family units; and (d) Changes in price ranges and rent levels relative to income levels. (2) The considerations listed in section (1) of this rule refer to county-level data within the UGB and data on the specific jurisdiction."

²³ "Opportunities and Challenges for Equitable Housing." Metro. 2016.

<https://www.oregonmetro.gov/sites/default/files/2016/01/28/EquitableHousingReport-20160122.pdf>



DATE: June 27, 2019
TO: Miranda Bateschell, City of Wilsonville
FROM: Beth Goodman and Sadie DiNatale, ECONorthwest
SUBJECT: WILSONVILLE BASELINE HOUSING NEEDS ANALYSIS

Clackamas County is developing a Housing Needs Analysis (HNA).¹ The purpose of the HNA is to provide information to the County about Clackamas County's housing market and to provide a basis for updating the County's housing policies. The project also provides participating cities in Clackamas County with a baseline housing needs analysis.

This memorandum serves as Wilsonville's preliminary baseline HNA, as an update to the HNA completed by the City in 2014.² The City can use the information in the Clackamas County HNA and the information in the City's baseline housing needs analysis as the basis for developing a full housing needs analysis. The preliminary HNA provides information to staff and decision makers about the characteristics and conditions of the city's housing market and serves as a starting point for further evaluation of the city's housing needs and housing policies.

Organization of this Memorandum

The contents of this memorandum include the following sections:

- Buildable Lands Inventory Results
- Baseline Housing Forecast
- Baseline Assessment of Residential Land Sufficiency
- Conclusions

In addition, Appendix B of the Clackamas County HNA provides the factual basis for the analysis in the baseline housing needs analysis.

Buildable Land Inventory Results

This section provides a summary of the residential buildable lands inventory (BLI) for the Wilsonville planning area, which includes the city limits and the Frog Pond West area. This buildable land inventory analysis complies with statewide planning Goal 10 policies that govern planning for residential uses. This section presents a summary of vacant and partially vacant land in Wilsonville that excludes land with constraints that limit or prohibit

¹ This project is funded through a grant from the Oregon Department of Land Conservation and Development (DLCD).

² *Wilsonville Residential Land Study: Technical Report*, May 2014, ECONorthwest

development, such as slopes over 25% or floodplains. **The full results of the Buildable Land Inventory and the methodology are presented in detail in Appendix A.**³

Wilsonville has 1,920 acres of residentially zoned land. Exhibit 1 shows that Wilsonville has 186 unconstrained vacant acres in designations that outright allow housing, including in Town Center. About 46% of Wilsonville’s unconstrained buildable residential land is vacant and 54% are in tax lots classified as partially vacant.

Note: Residential Neighborhood is Frog Pond West and Village is Villebois.

Exhibit 1. Unconstrained buildable acres in vacant and partially vacant tax lots by Plan Designation, Wilsonville city limits, 2019

Source: ECONorthwest Note: The numbers in the table may not sum to the total as a result of rounding.

Generalized Plan Designation	Total buildable acres	Buildable acres on vacant lots	Buildable acres on partially vacant lots
Residential			
0-1 du/ac	3	0	3
2-3 du/ac	1	0	1
4-5 du/ac	6	0	6
6-7 du/ac	25	20	5
10-12 du/ac	20	18	1
16-20 du/ac	0	0	0
Residential Neighborhood	100	15	84
Village	24	24	0
Town Center			
Town Center	7	7	0
Total	186	85	100

³ Appendix A of the Clackamas County Housing Needs Analysis provides an overview of the structure of the buildable land (supply) analysis based on the DLCD HB 2709 workbook “Planning for Residential Growth – A Workbook for Oregon’s Urban Areas,” which specifically addresses residential lands. Appendix A also discusses the buildable lands inventory methods and definitions, consistent with Goal 10/OAR 660-008.

Exhibit 2 shows buildable acres by size of parcels (e.g., acres in tax lots after constraints are deducted) for vacant and partially vacant land by Plan Designation. Of Wilsonville's 186 unconstrained buildable residential acres, about 89% are in tax lots larger than one acre.

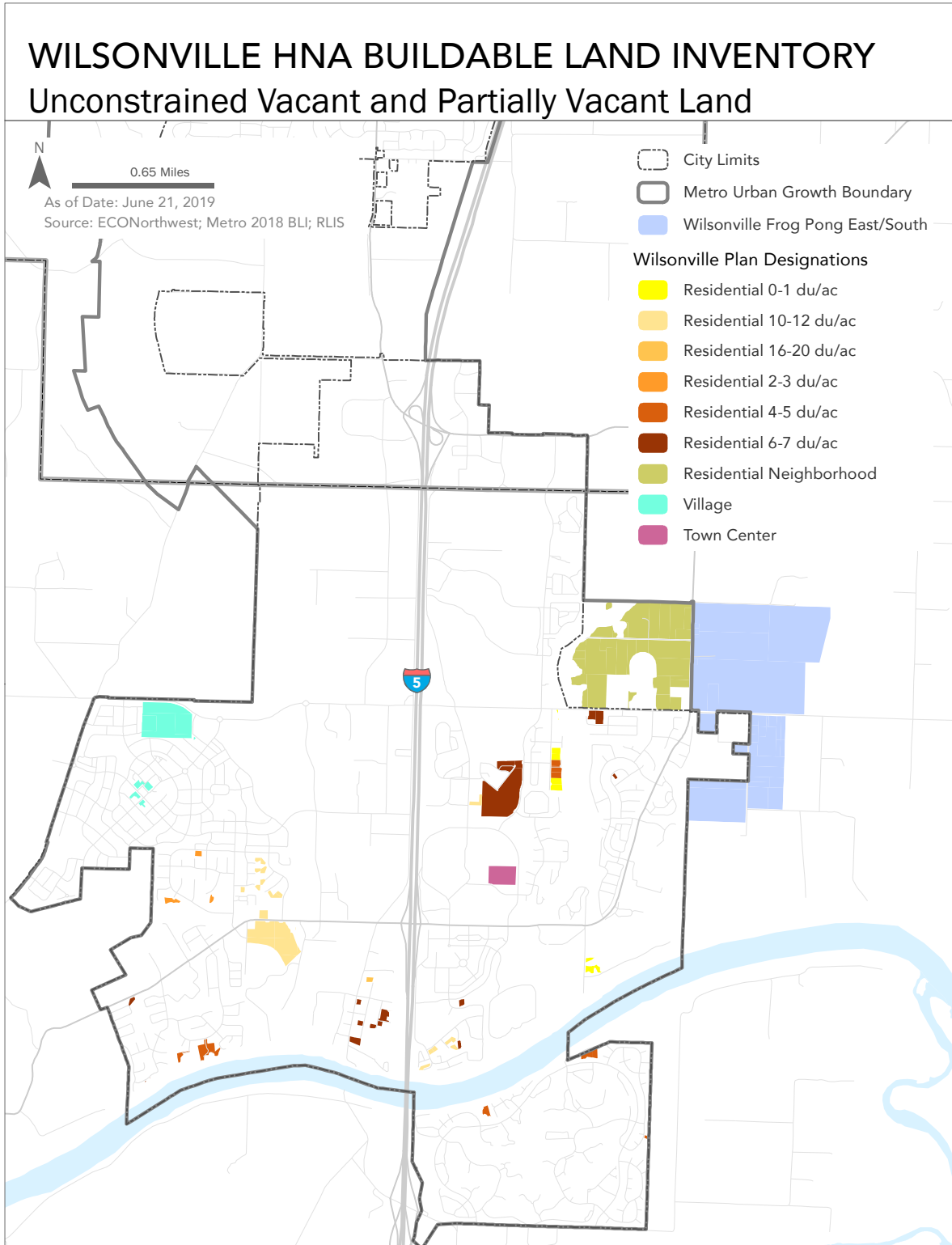
Exhibit 2. Unconstrained buildable acres, by size of parcel, in vacant and partially vacant tax lots by Plan Designation, Wilsonville city limits, 2019

Source: ECONorthwest Note: The numbers in the table may not sum to the total as a result of rounding.

Generalized Plan Designation	Total buildable acres	Buildable acres on vacant lots	Buildable acres on partially vacant lots
Residential			
0-1 du/ac	3	0	3
2-3 du/ac	1	0	1
4-5 du/ac	6	0	6
6-7 du/ac	25	20	5
10-12 du/ac	20	18	1
16-20 du/ac	0	0	0
Residential Neighborhood	100	15	84
Village	24	24	0
Town Center			
Town Center	7	7	0
Total	186	85	100

Exhibit 3 shows the results of Wilsonville's BLI by plan designation and by plan designation and planned density range.

Exhibit 3. Vacant and Partially Vacant Residential Land by Plan Designation with Constraints, Wilsonville, 2019



Over the 20-year study period, some lots with existing development are likely to redevelop within new buildings. To account for the development capacity on these developed lots, Metro identifies a subset of developed lots as “redevelopable”. Metro has created two “filters” to identify lots with the potential to redevelop.⁴

- **Threshold Method.** This method identifies lots where redevelopment would result in a net increase of 50% more than the current number of units on the site. The method uses property value thresholds where it is economically viable for a lot to redevelop at this intensity. For suburban areas in the regional UGB the threshold is \$10 per square foot of property value for multifamily structures and \$12 per square foot for mixed use structures. If a lot’s current property value is below these thresholds, it is assumed to have the potential to redevelop.
- **Historic Probability Method.** This method determines the probability of a lot redeveloped based on a statistical analysis of lots that historically redeveloped within the region. The probability for each lot is multiplied by the total zoned capacity of the lot to determine the likely future residential capacity.

For the Wilsonville BLI, ECONorthwest used the estimate of redevelopable units on *developed* lots, as identified based on the Threshold Method, which is based on discussion with Metro staff. The analysis of redevelopment potential in Exhibit 4 does **not** take into account the City redevelopment plans for Town Center, as documented in the Town Center Plan, adopted in 2019.

Exhibit 4. Potential redevelopment capacity by plan designation, Wilsonville city limits, 2019

Source: ECONorthwest Note: The numbers in the table may not sum to the total as a result of rounding.

Generalized Plan Designation	Estimated Redevelopment Units
Residential 0-1 du/ac	-
Residential 2-3 du/ac	3
Residential 4-5 du/ac	18
Residential 6-7 du/ac	67
Residential 10-12 du/ac	282
Residential 16-20 du/ac	-
Village	664
Town Center	8
Total	1,042

⁴ Oregon Metro. Appendix 2: Buildable Lands Inventory. November 21, 2018. https://www.oregonmetro.gov/sites/default/files/2018/12/03/Appendix2-BuildableLandsInventory_12032018.pdf

Note, the capacity of partially vacant lots (where the lot could be further developed under current development standards without demolishing existing structures) is accounted for in the unconstrained buildable acres.

Baseline Housing Forecast for 2019 to 2039

The purpose of Wilsonville's housing forecast is to estimate future housing need in Wilsonville to provide the basis for additional analysis of housing need and discussions about housing policies.

The baseline housing needs analysis is based on: (1) Metro's official population forecast for household growth in Wilsonville over the 20-year planning period, (2) information about Wilsonville's housing market, and (3) the demographic composition of Wilsonville's existing population and expected long-term changes in the demographics of Clackamas County. **This analysis pulls information about Wilsonville's demographic and socioeconomic characteristics and housing market from Appendix B Housing Trends.**

Forecast for Housing Growth

A 20-year household forecast (in this instance for 2019 to 2039) is the foundation for estimating needed new dwelling units. Metro forecasts growth of new households and this analysis assumes one household is equal to need for one dwelling unit. The forecast for Wilsonville Planning Area is based the following geographies:

- **Wilsonville city limits.** Wilsonville's city limits will grow from 9,883 households in 2019⁵ to 11,635 households in 2039, an increase of 1,752 households.⁶ This forecast is based on Metro's *2040 Household Distributed Forecast*, 2016. It also includes the household forecast for TAZ 973 (the Coffee Creek area) of 24 new households, based on *Metro's 2040 TAZ Forecast*, 2016.⁷
- **Wilsonville's Urban Growth Boundary expansion area.** Frog Pond West will grow from 40 households in 2019 to 754 households in 2039, an increase of 724 households.

⁵ Metro's 2040 Household Distributed Forecast shows that in 2015 the Wilsonville's city limits had 9,553 households. The Metro forecast shows Wilsonville growing to 11,706 households in 2040, at an average annual growth rate of 0.82% for the 25-year period. Using this growth rate, ECONorthwest extrapolated the forecast to 2019 (9,869 households) and 2039 (11,611 households).

⁶ This forecast is based on Wilsonville's (city limits) official household forecast from Metro for the 2019 to 2039 period.

⁷ Per Jim Cser: Metro's *2040 Household Distributed Forecast*, 2016 is based on the Portland State University city population estimates as of July 1, 2015. At the time of the forecast, TAZ 973 was not annexed into the city limits. Therefore, to account for annex today, ECONorthwest included the household forecast for TAZ 973 into the forecast for Wilsonville City limits.

The forecast for Frog Pond West is based on Metro's 2040 TAZ Forecast, 2016, which is different from the *Frog Pond West Master Plan*.⁸

- **Frog Pond East and South.** The forecast for Frog Pond East and South is based on Metro Ordinance 18-1427⁹ which says Wilsonville must plan for a minimum of 1,325 dwelling units in Frog Pond East and South. However, we do not include Frog Pond East and South housing growth in the forecast for Wilsonville Planning Area because this UGB expansion has not yet been acknowledged by the Land Conservation and Development Commission.

While the forecast in Exhibit 5 is a forecast for new households, we assume that each household will need a dwelling unit. The new 2,476 households in Exhibit 5 will result in a need for 2,476 new dwelling units in the Wilsonville Planning Area. Throughout the remainder of this memorandum, we refer to this growth as growth in dwelling units.

Exhibit 5. Forecast for new households and dwelling units, Wilsonville Planning Area, 2019 to 2039

Source: Metro's 2040 Household Distributed Forecast, July 12, 2016. Metro's 2040 TAZ Forecast (released November 6, 2015 and revised January 22, 2016). Calculations by ECONorthwest.

Variable	Wilsonville City Limits	Frog Pond West	Wilsonville Planning Area (Dwelling Units, 2019-2039)
Household Forecast 2019	9,883	40	9,923
Household Forecast 2039	11,635	764	12,399
Total New Dwelling Units (2019-2039)	1,752	724	2,476
Annual Average of New Dwelling Units	88	36	124

Wilsonville is forecast to grow by 2,476 new dwelling units over the 20-year period, with an annual average of 124 dwelling units.

⁸ Metro's 2040 TAZ Forecast (released November 6, 2015 and revised January 22, 2016) shows Frog Pond West (TAZ 976) had 22 households in 2015. The Metro forecast shows Frog Pond West growing to 878 households in 2040, at an average annual growth rate of 15.89% for the 25-year period. Using this growth rate, ECONorthwest extrapolated the forecast to 2019 (40 households) and 2039 (754 households).

⁹ <http://rim.oregonmetro.gov/Webdrawer/Record/558717>

Housing Units Needed

Exhibit 5 presented a forecast of new housing in Wilsonville planning area for the 2019 to 2039 period. This section determines the mix and density needed to meet State requirements (OAR 660-007) and meet the housing needs of Wilsonville residents.

The preliminary conclusion for Wilsonville is that, over the next 20 years, the need for new housing developed in Wilsonville will generally include a wider range of housing types and housing that is more affordable. This conclusion is consistent with housing need in other cities in Clackamas County, the Portland Region,¹⁰ and most cities across the State. This conclusion is based on the following information, found in Appendix B:¹¹

- Wilsonville’s housing mix is unlike Clackamas County’s in that over half of Wilsonville’s housing stock is multifamily housing. In the 2013-2017 period, 41% of Wilsonville’s housing was single-family detached, 8% was single-family attached, and 51% was multifamily. Between 2013 and 2017, Wilsonville issued building permits for 1,352 dwelling units, 99% of which were for single-family detached units.
- Demographic changes across the Portland Region (and in Wilsonville) suggest increases in demand for single-family attached housing and multifamily housing. The key demographic trends that will affect Wilsonville’s future housing needs are:
 - The aging of the Baby Boomers. In 2012-2016, 20% of Wilsonville’s population was over 60 years old. Between 2020 and 2040, the share of people over 60 years old is expected to stay relatively constant in Clackamas County, from 26% of the population to 27% of the population. The aging of the Baby Boomers may have a smaller impact in Wilsonville than in some cities in the County because Wilsonville has a smaller share of people over 60 years of age. The City will be affected by retirement and changing housing needs of seniors as their households get smaller and their lifestyles change. Some Baby Boomers may choose to downsize into smaller homes. Due to health or other issues, some Baby Boomers may become unable to stay in their current homes and will choose to live in multigenerational households or assisted-living facilities (at various stages of the continuum of care).
 - The aging of the Millennials. In 2012-2016, 32% of Wilsonville’s population was between 20 and 40 years old. Between 2020 and 2040, Millennials are expected to grow from 23% of Clackamas County’s population to 28% of the population, an increase of 5% in the share of the population. Homeownership rates for Millennials will increase as they continue to form their own households.

¹⁰ The Portland Region is defined as all of Clackamas County, Multnomah County, and Washington County.

¹¹ Appendix B presents detailed demographic, socioeconomic, and housing affordability data. This section summarizes key findings from Appendix B for Wilsonville. For the most part, data sources included in these findings (and cited in Appendix B) derive from: United States Decennial Census, United States American Community Survey, Portland State University’s Population Research Center, Redfin, and Property Radar.

Wilsonville has a larger share of Millennials than the County. As a result, the City may have increased demand for relatively affordable housing types, for both ownership and rent, over the planning period.

- The continued growth in Latinx populations. From 2000 to the 2012-2016 period, the share of Wilsonville's Latinx population increased from 7% of the population to 14%, an increase of 7% in the share of the population. At the same time, the share of Latinx increased by 3% in Clackamas County and 4% in the Portland Region. Continued growth in Latinx households will increase need for larger units (to accommodate larger, sometimes multigenerational households) and relatively affordable housing.

- Wilsonville's median household income was \$63,097, about \$5,800 lower than Clackamas County's median. Approximately 38% of Wilsonville's households earn less than \$50,000 per year, compared to 35% in Clackamas County and 40% in the Portland Region.
- About 35% of Wilsonville's households are cost burdened (paying 30% or more of their household income on housing costs).¹² About 42% of Wilsonville's **renters** are cost burdened and about 27% of Wilsonville's **homeowners** are cost burdened. Cost burden rates in Wilsonville are similar to those in the Portland Region.
- About 56% of Wilsonville's households are renters, 89% of whom live in multifamily housing. Median rents in Wilsonville are \$1,127 per month, compared to the \$1,091 median rent for Clackamas County as a whole.

A household earning 100% of Wilsonville's median household income (\$63,000) could afford about \$1,577 per month in rent, compared with the median gross rent of \$1,127. A household can start to afford Wilsonville's median rents at about 70% of Wilsonville's median household income. However, Wilsonville's higher proportion of renters who are cost burdened signals housing affordability issues. This suggests that many households who are currently renting in Wilsonville have income below the median family income.

- Housing sales prices increased in Wilsonville over the last three years. From February 2015 to February 2019, the median housing sale price increased by about \$126,600 (39%), from \$328,000 to \$454,500.¹³ At the same time, the median housing home sale price in Clackamas County increased by \$136,700 (46%), from \$298,000 to \$435,500. Median sales prices in Wilsonville were about \$19,000 or about 4% higher than the County average in February 2019.

A household earning 100% of Wilsonville's median household income (\$63,000) could afford a home valued between about \$221,000 to \$252,000, which is less than the median

¹² The Department of Housing and Urban Development's guidelines indicate that households paying more than 30% of their income on housing experience "cost burden," and households paying more than 50% of their income on housing experience "severe cost burden."

¹³ Property Radar.

home sales price of about \$454,500 in Wilsonville. A household can start to afford Wilsonville's median home sale prices at about 185% of Wilsonville's median household income.

These factors suggest that Wilsonville continues to need a broad range of housing types with a wide range of price points. This includes providing opportunity for development of housing types such as: small single-family detached housing (e.g., small-lot single-family and cottages), townhouses, duplexes and quad-plexes, and apartments. Wilsonville is planning for these types housing types in areas like Villebois and Town Center.

Exhibit 6 shows a forecast for housing growth in the Wilsonville city limits during the 2019 to 2039 period. The projection is based on the following assumptions:

- Metro's official forecast for Wilsonville shows that the City will add 2,476 households over the 20-year period. Exhibit 5 shows that Metro's growth forecast results in 2,476 new dwelling units over the 20-year period.
- The assumptions about the mix of housing in Exhibit 6 are consistent with the requirements of OAR 660-007¹⁴:
 - **About 50% of new housing will be single-family detached**, a category which includes manufactured housing. According to 2013-2017 American Community Survey data from the U.S. Census, 41% of Wilsonville's housing was single-family detached.
 - **Nearly 10% of new housing will be single-family attached**. In 2013-2017, 8% of Wilsonville's housing was single-family attached.
 - **About 40% of new housing will be multifamily**. In 2013-2017, 51% of Wilsonville's housing was multifamily.

¹⁴ OAR 660-007-0030(1) requires "(1) Jurisdictions other than small developed cities must either designate sufficient buildable land to provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing or justify an alternative percentage based on changing circumstances. Factors to be considered in justifying an alternate percentage shall include but need not be limited to: (a) Metro forecasts of dwelling units by type; (b) Changes in household structure, size, or composition by age; (c) Changes in economic factors impacting demand for single family versus multiple family units; and (d) Changes in price ranges and rent levels relative to income levels. (2) The considerations listed in section (1) of this rule refer to county-level data within the UGB and data on the specific jurisdiction."

Wilsonville will have demand for 2,476 new dwelling units over the 20-year period, 50% of which are forecast to be single-family detached housing.

Exhibit 6. Forecast of demand for new dwelling units, Wilsonville Planning Area, 2019 to 2039

Source: Calculations by ECONorthwest.

Variable	Mix of New Housing Units (2019-2039)
Needed new dwelling units (2019-2039)	2,476
Dwelling units by structure type	
Single-family detached	
Percent single-family detached DU	50%
equals Total new single-family detached DU	1,238
Single-family attached	
Percent single-family attached DU	10%
equals Total new single-family attached DU	248
Multifamily	
Percent multifamily DU	40%
Total new multifamily DU	990
equals Total new dwelling units (2019-2039)	2,476

The forecast of new units does not include dwellings that will be demolished and replaced. This analysis does not factor those units in, but redevelopment potential in Wilsonville is explained in this document.

Exhibit 7 and Exhibit 8 allocate needed housing to generalized planning designations in Wilsonville. The allocation is based, in part, on the types of housing allowed in planned development ranges and in each plan designation.

Exhibit 7 shows:

- **Residential (PDR 1 through 6¹⁵)** land will accommodate single-family detached housing (including manufactured houses) and multifamily.
- **Village (V) Villebois** land will accommodate single-family detached housing, single-family attached housing, duplexes, row houses, multifamily housing, and cluster housing. Allocation (demand) matches capacity in Villebois.
- **Town Center** land will predominately accommodate multifamily housing with some single-family attached housing. Allocation (demand) matches capacity in Town Center, as described in the Town Center Plan.
- **Residential Neighborhood (RN) Frog Pond West** land will accommodate single-family detached housing (including manufactured houses), single-family attached housing, and duplexes. Allocation (demand) matches capacity in Frog Pond West.

¹⁵ Wilsonville has no buildable land in PDR 7 (20+ du/acre).

Exhibit 7. Allocation of needed housing by housing type and generalized planning designation, Wilsonville (city limits), 2019 to 2039

Source: ECONorthwest.

Housing Types	Generalized Plan Designation				Total
	Residential	Village (Villebois)	Commercial (Town Center)	Residential Neighborhood (Frog Pond West)	
Dwelling Units					
Single-family detached	435	173	-	630	1,238
Single-family attached	-	30	124	94	248
Multifamily	-	234	756	-	990
Total	435	437	880	724	2,476
Percent of Units					
Single-family detached	18%	7%	0%	25%	50%
Single-family attached	0%	1%	5%	4%	10%
Multifamily	0%	9%	31%	0%	40%
Total	18%	18%	36%	29%	100%

Notes:

Per the City of Wilsonville, as of February 2019, outstanding development potential in **Villebois** (Village Zone and Comprehensive Plan designation) consists of the following assumed uses: 173 single family detached units, 30 row houses/single-family attached units, and 235 multifamily units (including apartments and stacked condominiums). Due to rounding, the allocation table shows 234 multifamily units.

Per Wilsonville Town Center Master Plan (March 2019),¹⁶ potential future development in **Town Center** is 880 units (page 41, table 3.1). The City of Wilsonville indicated that Town Center will be predominately composed of multifamily housing with some single-family attached housing.

Frog Pond West planning area is located in transportation analysis zone (TAZ) 976, which is forecast to grow by 724 households/dwelling units between 2019 and 2039. The 2040 TAZ forecast for households is from Metro, released November 6, 2015 and revised January 22, 2016, which is different from the *Frog Pond West Master Plan*.

¹⁶

https://www.ci.wilsonville.or.us/sites/default/files/fileattachments/planning_commission/meeting/packets/88931/ii.a._town_center_plan_90_minutes.pdf

Exhibit 8. Allocation subset (Residential) of needed housing by housing type, Wilsonville (city limits), 2019 to 2039

Source: ECONorthwest.

Housing Types	Residential						Total
	0-1 DU/Acre	2-3 DU/Acre	4-5 DU/Acre	6-7 DU/Acre	10/12 DU/Acre	16-20 DU/Acre	
Dwelling Units							
Single-family detached	-	-	207	208	20	-	435
Single-family attached	-	-	-	-	-	-	-
Multifamily	-	-	-	-	-	-	-
Total	-	-	207	208	20	-	435

Exhibit 9 shows an estimate of baseline densities for future development. If the City conducts a full HNA, the City may need to evaluate assumptions about future densities to determine whether the City is meeting the requirements of OAR 660-007 to provide opportunity for housing.

Exhibit 9 also converts between net acres and gross acres¹⁷ to account for land needed for rights-of-way by plan ranges within Residential in Wilsonville, based on Metro's methodology of existing rights-of-way.¹⁸ Exhibit 9 uses the mathematical average of permitted housing density by planned development range informed the baseline density (with the exception of the 0-1 du/acre range, where we use one dwelling unit per acre). For example, the average density in the 2-3 du/acre range, will be 2.5 dwelling units per gross acre, in tax lots smaller than 0.38 acres as no land is needed for rights-of-ways based on Metro's assumptions. In this planned development range, for lots between 0.38 and 1.0 acres, the future density will be 2.3 dwelling units per gross acre and for lots larger than 1.0 acres the future density will be 2.0 dwelling units per gross acre.

¹⁷ OAR 660-024-0010(6) uses the following definition of net buildable acre. "Net Buildable Acre" "...consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads." While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

¹⁸ Metro's methodology about net-to-gross assumptions are that: (1) tax lots under 3/8 acre assume 0% set aside for future streets; (2) tax lots between 3/8 acre and 1 acre assume a 10% set aside for future streets; and (3) tax lots greater than an acre assumes an 18.5% set aside for future streets. The analysis assumes an 18.5% assumption for future streets.

Exhibit 9. Future Housing Densities in Residential Accounting for land for rights-of-way, Wilsonville city limits, 2013 to 2017¹⁹

Source: ECONorthwest. Note: DU is dwelling unit.

Plan Designation and Planned Development	Tax Lots Smaller than 0.38 acre			Tax Lots ≥ 0.38 and ≤ 1.0 acre			Tax Lots larger than 1.0 acre		
	Net Density (DU/net acre)	% for Rights-of-Way	Gross Density (DU/gross acre)	Net Density (DU/net acre)	% for Rights-of-Way	Gross Density (DU/gross acre)	Net Density (DU/net acre)	% for Rights-of-Way	Gross Density (DU/gross acre)
Residential									
0-1 du/ac	1.0	0%	1.0	1.0	10%	0.9	1.0	18.5%	0.8
2-3 du/ac	2.5	0%	2.5	2.5	10%	2.3	2.5	18.5%	2.0
4-5 du/ac	4.5	0%	4.5	4.5	10%	4.1	4.5	18.5%	3.7
6-7 du/ac	6.5	0%	6.5	6.5	10%	5.9	6.5	18.5%	5.3
10-12 du/ac	11.0	0%	11.0	11.0	10%	9.9	11.0	18.5%	9.0

Housing Need by Income Level

The next step in the housing needs analysis is to develop an estimate of need for housing by income and housing type. This analysis requires an estimate of the income distribution of current and future households in the community. Estimates presented in this section are based on (1) secondary data from the Census, and (2) analysis by ECONorthwest.

The analysis in Exhibit 10 is based on American Community Survey data about income levels of existing households in Wilsonville. Income is categorized into market segments consistent with HUD income level categories, using Clackamas County's 2018 Median Family Income (MFI) of \$81,400. The percentages used in Exhibit 10 are based on current household income distribution, assuming that approximately the same percentage of households will be in each market segment in the future.

¹⁹ The analysis of historical densities was housing developed between 2013 and 2017. The analysis of land in rights-of-way is based on analysis of existing development patterns and percentages of land in rights-of-way in 2018.

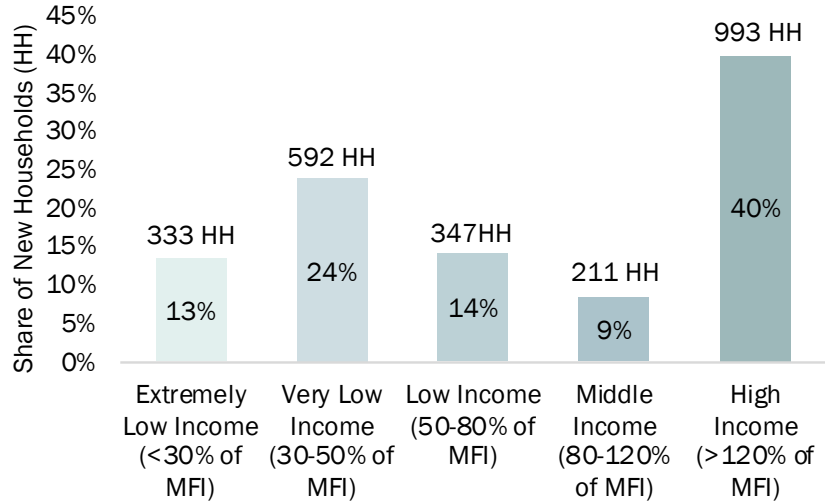
About 37% of Wilsonville's future households will have income below 50% of Clackamas County's median family income (less than \$40,700 in 2016 dollars) and about 23% will have incomes between 50% and 120% of the county's MFI (between \$40,700 and \$97,680).

This trend shows a substantial need for more affordable housing types, as well as housing types affordable to households earning more than 120% of MFI.

Exhibit 10. Future (New) Households, by Median Family Income (MFI) for Clackamas County (\$81,400), Wilsonville, 2019 to 2039

Source: U.S. Department of Housing and Urban Development. U.S. Census Bureau, 2012-2016 ACS Table 19001.

The percentages used in Exhibit 10 are based on current household income distribution, assuming that approximately the same percentage of households will be in each market segment in the future.



Need for Government Assisted, Farmworker Housing, and Manufactured Housing

ORS 197.303, 197.307, 197.312, and 197.314 requires cities to plan for government-assisted housing, farmworker housing, manufactured housing on lots, and in manufactured home parks.

- **Government-subsidized housing.** Government-subsidies can apply to all housing types (e.g., single family detached, apartments, etc.). Wilsonville allows development of government-assisted housing in all residential plan designations, with the same development standards for market-rate housing. This analysis assumes that Wilsonville will continue to allow government housing in all of its residential plan designations. Because government assisted housing is similar in character to other housing (with the exception being the subsidies), it is not necessary to develop separate forecasts for government-subsidized housing.
- **Farmworker housing.** Farmworker housing can also apply to all housing types and the City allows for development of farmworker housing in all residential plan designations, with the same development standards as market-rate housing. This analysis assumes that Wilsonville will continue to allow this housing in all of its residential plan designations. Because it is similar in character to other housing (with the possible exception of government subsidies, if population restricted), it is not necessary to develop separate forecasts for farmworker housing.
- **Manufactured housing on lots.** Wilsonville allows manufactured homes on lots in residential zones. Wilsonville does not have special siting requirements for manufactured homes. Since manufactured homes are subject to the same siting requirements as site-built homes, it is not necessary to develop separate forecasts for manufactured housing on lots.
- **Manufactured housing in parks.** OAR 197.480(4) requires cities to inventory the mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high-density residential development. According to the Oregon Housing and Community Services' Manufactured Dwelling Park Directory,²⁰ Wilsonville has two manufactured home parks within the City, with 120 spaces.

ORS 197.480(2) requires Wilsonville to project need for mobile home or manufactured dwelling parks based on: (1) population projections, (2) household income levels, (3) housing market trends, and (4) an inventory of manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high density residential.

- Wilsonville will grow by 2,476 dwelling units over the 2019 to 2039 period.

²⁰ Oregon Housing and Community Services, Oregon Manufactured Dwelling Park Directory, <http://o.hcs.state.or.us/MDPCRParcs/ParkDirQuery.jsp>

- Analysis of housing affordability shows that about 37% of Wilsonville’s new households will be Extremely-Low or Very-Low Income, earning 50% or less of the region’s median family income. One type of housing affordable to these households is manufactured housing.
- Manufactured housing in parks accounts for about 1.3% (about 120 dwelling units) of Wilsonville’s current housing stock.
- National, state, and regional trends since 2000 showed that manufactured housing parks are closing, rather than being created. For example, between 2000 and 2015, Oregon had 68 manufactured parks close, with more than 2,700 spaces. Discussions with several stakeholders familiar with manufactured home park trends suggest that over the same period, few to no new manufactured home parks have opened in Oregon.
- The households most likely to live in manufactured homes in parks are those with incomes between \$24,420 and \$40,700 (30% to 50% of MFI), which include 24% of Wilsonville’s households. However, households in other income categories may live in manufactured homes in parks.

The national and state trends of closure of manufactured home parks, and the fact that no new manufactured home parks have opened in Oregon in over the last 15 years, demonstrate that development of new manufactured home parks in Wilsonville is unlikely.

Our conclusion from this analysis is that development of new manufactured home parks in Wilsonville over the planning period is unlikely over the 2019 to 2039 period. It is, however, likely that manufactured homes will continue to locate on individual lots in Wilsonville. The forecast of housing assumes that no new manufactured home parks will be opened in Wilsonville over the 2019 to 2039 period. The forecast includes new manufactured homes on lots in the category of single-family detached housing.

- Over the next 20 years (or longer) one or both manufactured home parks may close in Wilsonville. This may be a result of manufactured home park landowners selling or redeveloping their land for uses with higher rates of return, rather than lack of demand for spaces in manufactured home parks. Manufactured home parks contribute to the supply of low-cost affordable housing options, especially for affordable homeownership.

While there is statewide regulation of the closure of manufactured home parks designed to lessen the financial difficulties of this closure for park residents,²¹ the

²¹ ORS 90.645 regulates rules about closure of manufactured dwelling parks. It requires that the landlord must do the following for manufactured dwelling park tenants before closure of the park: give at least one year’s notice of park

City has a role to play in ensuring that there are opportunities for housing for the displaced residents. The City has ordinances that regulate closure of existing mobile and manufactured home parks that exceed State standards, requiring adequate notice of closure, definition and mitigation of social and economic impacts of the proposed closure, and provision of relocation and other assistance to park residents.

The City's primary roles are to ensure that there is sufficient land zoned for new multifamily housing and to reduce barriers to residential development to allow for development of new, relatively affordable housing. The City may use a range of policies to encourage development of relatively affordable housing, such as allowing a wider range of moderate density housing, designating more land for multifamily housing or removing barriers to multifamily housing development, using tax credits to support affordable housing production, developing an inclusionary zoning policy, or partnering with a developer of government-subsidized affordable housing. For example, Wilsonville incentivized development of affordable multifamily housing in the Creekside Woods development, to accommodate the former residents of the Thunderbird Mobile Home Park when the park closed.

Baseline Assessment of Residential Land Sufficiency

This section presents an evaluation of the sufficiency of vacant residential land in Wilsonville to accommodate expected residential growth over the 2019 to 2039 period. This section includes an estimate of residential development capacity (measured in new dwelling units) and an estimate of Wilsonville's ability to accommodate needed new housing units for the 2019 to 2039 period, based on the analysis in the housing needs analysis.

Capacity Analysis

The comparison of supply (buildable land) and demand (population and growth leading to demand for more residential development) allows the determination of land sufficiency.

There are two ways to calculate estimates of supply and demand into common units of measurement to allow their comparison: (1) housing demand can be converted into acres, or (2) residential land supply can be converted into dwelling units. A complication of either approach is that not all land has the same characteristics. Factors such as zone, slope, parcel size, and shape can affect the ability of land to accommodate housing. Methods that recognize this fact are more robust and produce more realistic results. This analysis uses the second approach: it estimates the ability of vacant residential lands within the city limits to accommodate new

closure, pay the tenant between \$5,000 to \$9,000 for each manufactured dwelling park space, and cannot charge tenants for demolition costs of abandoned manufactured homes.

housing. This analysis, sometimes called a “capacity analysis,”²² can be used to evaluate different ways that vacant residential land may build out by applying different assumptions.

Wilsonville Capacity Analysis Results

Exhibit 11 summarizes capacity in all of the areas of the Wilsonville Planning Area, based on the more detailed analysis shown in Exhibit 12 and Exhibit 13.

Exhibit 11. Summary of capacity within areas of the Wilsonville Planning Area, 2019 to 2039

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note: DU is dwelling unit.

Note: Capacity matches demand in Villebois, Town Center, and Frog Pond West.

Generalized Plan Designation	Capacity (Dwelling Unit)
Residential	336
Village (Villebois)	437
Town Center	880
Residential Neighborhood (Frog Pond West)	724
Total	2,377

The capacity analysis estimates the development potential of vacant Residential land by planned density range to accommodate new housing, based on the densities shown in Exhibit 9. Exhibit 12 shows that **Wilsonville’s vacant and partially vacant land in Residential has capacity to accommodate approximately 336 new dwelling units**, based on the following assumptions:

- **Buildable residential land.** The capacity estimates start with the number of buildable acres in residential Plan Designations that allow residential uses.
- **Assumed densities.** The capacity analysis in Exhibit 12 assumes development will occur at historical densities. Those densities were derived from the densities shown in Exhibit 9.
- **Average net density.** Exhibit 12 shows capacity and densities in gross density. OAR 660-007 requires that Wilsonville provide opportunity for development of housing at an overall average density of eight dwelling units per net acre. The average net density of

²² There is ambiguity in the term *capacity analysis*. It would not be unreasonable for one to say that the “capacity” of vacant land is the maximum number of dwellings that could be built based on density limits defined legally by plan designation or zoning, and that development usually occurs—for physical and market reasons—at something less than full capacity. For that reason, we have used the longer phrase to describe our analysis: “estimating how many new dwelling units the vacant residential land in the UGB is likely to accommodate.” That phrase is, however, cumbersome, and it is common in Oregon and elsewhere to refer to that type of analysis as “capacity analysis,” so we use that shorthand occasionally in this memorandum.

buildable residential land in Exhibit 12 is 7.4 dwelling units per net acres and 6.2 dwelling units per gross acre.

Exhibit 12. Estimate of residential capacity on unconstrained vacant and partially vacant buildable Residential land, Wilsonville city limits, 2019 to 2039

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note: DU is dwelling unit.

Plan Designation and Planned Development Range	Tax Lots Smaller than 0.38 acre			Tax Lots ≥ 0.38 and ≤ 1.0 acre			Tax Lots larger than 1.0 acre			Total, combined	
	Build-able Acres	Density Assumpt. (DU/gross acre)	Capacity (Dwelling Units)	Build-able Acres	Density Assumpt. (DU/gross acre)	Capacity (Dwelling Units)	Build-able Acres	Density Assumpt. (DU/gross acre)	Capacity (Dwelling Units)	Build-able Acres	Capacity (Dwelling Units)
Residential											
0-1 du/ac	0	1.0	0	3	0.9	2	0	0.8	0	3	2
2-3 du/ac	0	2.5	0	1	2.3	1	0	2.0	0	1	1
4-5 du/ac	1	4.5	2	3	4.1	12	2	3.7	8	6	22
6-7 du/ac	1	6.5	4	2	5.9	11	22	5.3	116	25	131
10-12 du/ac	1	11.0	11	2	9.9	15	17	9.0	154	20	180
Total	3	-	17	10	-	41	42	-	278	54	336

Capacity in master plan areas (Exhibit 13) assumes that demand will match capacity in Town Center, Villebois, and Frog Pond West. Wilsonville’s capacity for dwelling units in Frog Pond West, Town Center, and Villebois totals 2,041 dwelling units.

Exhibit 13. Estimate of residential capacity in Frog Pond West, Town Center, and Villebois 2019 to 2039

Source: Conversations with the City of Wilsonville. Metro’s 2040 TAZ forecast for households (TAZ 976), released November 6, 2015 and revised January 22, 2016. Wilsonville Town Center Master Plan.

Area	Capacity (Dwelling Units)
Residential Neighborhood (Frog Pond West)	
Single-Family Detached	630
Single-Family Attached & Multifamily	94
Town Center	
Single-Family Detached	-
Single-Family Attached & Multifamily	880
Village (Villebois)	
Single-Family Detached	173
Single-Family Attached & Multifamily	264
Total	2,041
Single-Family Detached	39%
Single-Family Attached & Multifamily	61%

Residential Land Sufficiency

The next step in the analysis of the sufficiency of residential land within Wilsonville is to compare the forecast for new housing by generalized plan designation (Exhibit 7) with the capacity of land by generalized plan designation (Exhibit 12 and Exhibit 13).

Exhibit 14 shows:

- Wilsonville has a **small surplus of capacity (3 dwelling units)** in the 0-1 du/ac and 2-3 du/ac planned development ranges.
- Wilsonville has a **deficit of capacity for 185 dwelling units in the 4-5 du/ac and 77 dwelling units in the 6-7 du/ac ranges**. Exhibit 8 shows that this deficit is for single-family detached housing types.
- Wilsonville has a **surplus of capacity of 160 dwelling units** in the 10-12 du/ac planned development range. The 2014 *Wilsonville Residential Land Study: Technical Report* assumed that about 10% of new housing in the 10-12 du/ac range would be single-family detached and the remainder single-family attached or multifamily. This analysis uses the same assumption. As a result, this 160 unit surplus will likely all be single-family attached and multifamily housing types.
- Wilsonville has **sufficient capacity** in the Village, Town Center, and Residential Neighborhood areas to accommodate expected growth

Exhibit 14. Capacity to accommodate new housing with demand for new housing, Wilsonville city limits, 2019 to 2039

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note: Capacity matches demand in Villebois, Town Center, and Frog Pond West.

*Note: The 10-12 du/ac planned development range includes capacity for 20 dwelling units of single-family detached housing.

Plan Designation and Planned Development Range	Capacity of Buildable Residential Land (Dwelling Units)	Demand for New Housing (Dwelling Units)	Comparison Capacity minus Demand (Dwelling Units)
Residential			
0-1 du/ac	2	0	2
2-3 du/ac	1	0	1
4-5 du/ac	22	207	(185)
6-7 du/ac	131	208	(77)
10-12 du/ac	180	20	160
Village (Villebois)	437	437	0
Commerical (Town Center)	880	880	0
Residential Neighborhood (Frog Pond West)	724	724	0

Summary of Planned Housing Mix

Exhibit 15 shows the estimated housing mix based on the forecast for new housing. About 50% of new housing will be single-family detached and 50% will be single-family attached and multifamily. Exhibit 14 shows that Wilsonville has a deficit of land to accommodate 262 new dwelling units in areas planned as Residential (in the 4-5 du/ac and 6-7 du/ac ranges), all of which are expected to be single-family detached units.

Exhibit 15. Estimated housing mix based on forecast of housing need

Source: Calculations by ECONorthwest.

Note: The type of attached and multifamily housing planned in Frog Pond West is single-family attached housing, not multifamily housing.

Generalized Plan Designation	Single-Family Detached	Single-Family Attached and Multifamily
Residential	435	-
Village (Villebois)	173	264
Commerical (Town Center)	-	880
Residential Neighborhood (Frog Pond West)	630	94
Total Units	1,238	1,238
Percent of Total	50%	50%

Conclusions and Next Steps

The conclusions of the baseline HNA are:

- **Identify opportunities to address the housing deficits shown in** Exhibit 14. Wilsonville has a deficit of capacity (262 dwelling units) for single-family detached housing, resulting in a deficit of about 53 gross acres of suitable land for residential development. These deficits are in the planned density ranges for 4-5 du/ac and 6-7 du/ac. These deficit may be met through planning for new development in the Frog Pond South and Frog Pond East areas.
- **Work with Metro to better understand the analysis of redevelopment potential and ensure that the analysis makes sense in the context of Wilsonville’s housing market and planning context.** Metro assumes a substantial amount of redevelopment (shown in Exhibit 4) may occur in the Village designation (Villebois). Given that Villebois is still developing and that most development there is relatively new, the City should better understand what types of redevelopment that Metro expects to occur in Villebois. On the other hand, the redevelopment analysis shows little redevelopment potential in Town Center. Metro conducted the redevelopment analysis prior to the City’s completion of the *Town Center Plan*.
- **Evaluate changes in Wilsonville’s housing market since the *Wilsonville Residential Land Study: Technical Report* was completed in May 2014.** This report presented a HNA for Wilsonville. Since 2014, the housing market in Wilsonville has continued to change. Below is a brief summary of changes in Wilsonville’s housing market since completion of the 2014 Report. The City should evaluate changes since 2014 in more detail.
 - *Wilsonville is growing faster than the forecast in the 2014 Report*, which forecast growth of 3,749 new units over the 2014 to 2034 period, or about 187 new units per year. Between 2013 and 2017, Wilsonville issued permits for 1,352 new dwelling units or 338 new units per year. The forecast for new growth in the Wilsonville Planning area is for 123 new units per year, which is a considerably slower growth than the city has been experiencing.
 - *Wilsonville’s growth since 2013 has been mostly single-family dwelling units*, with 99% of the new 1,352 units permitted being single-family units, including single-family detached and single-family attached. The 2014 report shows that, between 2000 and 2012, 66% of the new units permitted were multifamily housing (1,892 units), with 34% (970 units) in single-family housing types.
 - *Housing sales prices continue to increase*. In 2012, the median sales price for housing in Wilsonville was \$290,000. By 2019, the median sales price was \$454,500, an increase of \$164,000 or 57%. This increase is consistent with increases in housing prices across Clackamas County and the Portland region.

- *Rents also increased.* For the 2007-2011 period, the median gross rent was \$912 per unit. In the 2012-2016 period, gross rent increased to \$1,127, an increase of \$215 or 24%. This is consistent with increases in rent costs across Clackamas County and the Portland region.
- *The landbase in Wilsonville has changed.* Villebois continued to build-out since 2014 and will be nearing build-out in the next years. Frog Pond West was brought into the city and the master plan was completed. If the rate of growth in Wilsonville continues, Frog Pond West will build-out early in the 2019 to 2039 planning period.
- *Wilsonville continues to have a deficit of land for single-family housing.* Wilsonville has a deficit of land for 162 single-family detached dwelling units, shown in the 4-5 du/ac and 6-7 du/ac residential density ranges in Exhibit 14. These units could be accommodated in Frog Pond South and Frog Pond East. The Metro UGB has been expanded to include these areas but that expansion has not yet been acknowledged by DLCDC.

Once these areas are acknowledged to be within the Metro UGB, Wilsonville should continue to planning work to bring these areas into the city limits and get land in these areas development ready. Given that Wilsonville continues to grow faster than Metro's forecasts, Wilsonville may need these areas to accommodate residential growth within the next five to ten years and maybe as soon as five to seven years if Wilsonville continues to grow at the rate the city did between 2013 to 2017.