



West Linn HPS Stakeholder Interview Summary

City of West Linn Housing Production Strategy

Date May 30, 2024
To City of West Linn
From Matt Hastie, Brandon Crawford, and Sun-Gyo Lee, MIG
CC Brendan Buckley, Johnson Economics

INTRODUCTION

Matt Hastie and Brandon Crawford from MIG conducted interviews with a variety of key stakeholders involved with the provision of needed housing in West Linn. These interviews were conducted by MIG via ten individual Zoom meetings or phone calls. Meetings were held either in-person or online using Zoom. The list of interviewees is listed below:

- **Tom Watton**, Planning Commission, West Linn
- **Devin Ellin and Gloria LaFleur**, Housing Authority Clackamas County
- **Samuel Goldberg**, Fair Housing Council of Oregon
- **Karen Saxe**, DevNW
- **Darren Gusdorf**, Icon Construction
- **Preston Korst**, HBA Portland Metro
- **Carol White**, West Linn Alliance
- **JJ Portlock**, Local Developer
- **Matt Ortiz**, Local Real Estate Agent/Developer
- **Jim Edwards**, Retired Developer

KEY THEMES

Below is a summary of recurring themes and comments derived from the interviews. More detailed notes from individual interviews can be provided to the City to supplement this overall summary.

Housing Needs and Market Conditions

Perception of West Linn

- High per capita income of the area attracts builders.
- West Linn has been the most cooperative jurisdiction to work with compared to neighboring cities. West Linn is generally considered cooperative due to a combination of staff

availability and accessibility as well as the city's flexibility and permissibility for certain development standards (e.g., allowing detached plexes).

- Decades of an economically driven process have limited housing options for various income levels and there are needs for more rental housing and housing for people in lower income bands.
- West Linn is a desirable location with good public schools and other appealing factors.

Market trends

- West Linn has experienced stable appreciation compared to surrounding area.
- West Linn is a higher-end market with a good mix of available products including townhouses and condo communities.
- Entry level housing/homeownership is out of reach in West Linn and generally not affordable for first-time home buyers compared to other communities.
- Affluent buyers remain active and higher end products are often purchased with all cash offers. Middle-end products that are affordable to middle-income residents are lacking but in highest demand.
- There is increasing market demand and opportunities for infill development, including “skinny houses”, however smaller houses are not necessarily affordable to lower income individuals.
- Older upper-end neighborhoods have a limited market for middle housing – i.e., older neighborhoods with higher price points are not an ideal market for middle housing largely due to neighborhood opposition and a higher demand for larger estate homes in these areas.
- West Linn has a limited market and development potential for multi-family or affordable housing.
- Executive or higher income housing dominates the community due to land values and topography.
- There is resistance to attached and high-density products in neighborhoods that currently represent exclusive single family detached neighborhoods.

Housing needs in West Linn

- There is high demand for more rental housing, accessible housing.
- There is high demand for housing units ranging from 2,500 to 3,100 square feet.
- There is desire for higher density mixed-use developments in specific areas, particularly along Highway 43 and Willamette Village, but challenges exist due to land configuration and traffic issues.
- There is some advocacy for more mixed-use developments to reduce traffic and meet diverse needs in one area.
- The community needs more housing that serves very low income and low income households.
- There is demand for smaller units (condominiums), especially for people who want to downsize.

Challenges and Opportunities

Land constraints

- The majority of the city was built out in 1990s, and therefore much of the housing stock is aging.
- There is limited land availability for larger subdivisions, with most development limited to smaller partitions of 6-10 lots.
- Market potential exists for infill and middle housing, but space is constrained.
- West Linn has limited room for growth compared to neighboring cities like Wilsonville, with financing constraints for infrastructure/public facilities improvements.
- There's limited land supply for the market West Linn has traditionally attracted. Topography and geological constraints make housing development in the West Linn challenging.

Barriers to developing diverse housing in West Linn

- West Linn has the highest System Development Charges (SDCs) in the state, making affordability difficult to achieve.
- There are limited opportunities for dense housing or urban amenities, especially outside the Willamette area.
- Historic overlays and restrictive zoning codes may inhibit development.
- Lack of accurate infrastructure data and records poses challenges for development and may increase costs for public improvements for housing development.
- Community buy-in can be a barrier to attached/middle housing. Some community members prefer single-family homes at higher price points and resist higher density infill developments that don't align with the perceived neighborhood's character.
- Land costs are higher in West Linn, and the building permit process is relatively expensive, contributing to challenges in bringing affordable housing projects to fruition.

Process barriers/challenges

- The entitlement and planning review process are seen as a challenge, with developers calling for a more streamlined and faster process.
- Lack of clarity for SDCs for middle housing has caused confusion and challenges for developers.
- Developers express a need for clarity in definitions, fee structures, and the overall process to navigate through permits and inspections.
- Most development costs (e.g., SDCs) are borne by the applicant/developer, making it difficult to deliver affordable products.
- Slow engineering reviews and lack of simultaneous review contribute to inter-department communication issues and delays.
- Lack of clarity on the entire permitting process can be a barrier for developers who do not have experience in the community or for smaller-scale developers with less resources.

Development opportunities

- The Parker's property presents an ideal location for a higher density project, although it may face significant neighborhood opposition.

- The Stafford area is well positioned to secure planning funds from Metro, with millions of dollars in unspent funds available in recent years.
- Zones allowing for vertical housing development could be suitable for taller buildings in the city.
- The area near Bolton School offers opportunities to consolidate lots and pursue larger-scale developments, albeit limited compared to other areas.
- West Linn waterfront has remarkable development potential with its expansive views, waterfront access, and opportunities for mixed-income housing.
- Expedited Land Divisions (ELD) for middle housing have been successful in West Linn so far, despite some initial confusion and hiccups. ELD's are gaining momentum and have been a good fit for West Linn because the city allows detached plexes, which allows development of smaller detached homes that are affordable to middle-end of the market.

City collaboration

- West Linn's staff is committed to supporting different housing types, and developers generally enjoy working with them due to their efficiency, approachability, and availability.
- Developers appreciate the city's reasonableness and good motivations, although improvements in collaboration and communication on expected outcomes for projects are desired.
- West Linn is generally efficient in moving through the permit process compared to other communities.

Recommendations

Recommended strategies or tools

- Advocate for strategies that reduce development costs, such as scalable SDCs based on square footage rather than a fixed/flat rate.
- Support density bonuses to increase housing opportunities in a more inclusive manner.
- City should not rely solely on UGB expansion areas or mixed-use areas for affordable housing. It is important to spread diverse housing options across various neighborhoods.
- Advocate for a mix of housing types that are affordable and accessible to a wider range of people, including workforce, market-rate, and lower-income housing.
- Promote incentives for developments that incorporate diverse housing types and affordability levels.
- Highlight opportunities for adaptive reuse of housing to address neighborhood preservation or change, with potential for single-room occupancy (SRO) legalization.
- Evaluate and implement anti-displacement strategies to mitigate the risk for existing populations.
- Consider voluntary inclusionary zoning and strategies to make middle housing easier to develop, potentially through collaboration with other cities.
- Pro-rate SDCs and explore tax abatements for affordable housing, like Portland's MULTE and HOLTE programs.
- Advocate for mixed-use transformative development plans, particularly in areas like Old Town Willamette, area along Highway 43, and waterfront zones.

- Discuss the potential for mixed use zoning for available land, particularly waterfront areas, after potential closure of the paper mill.
- Expand Tax Increment Financing (TIF) programs to fund larger infrastructure projects and address transportation issues, including transit availability and parking considerations.
- Consider options for converting single-family homes into duplexes to increase housing supply and increasing building height limit.
- A transformative development vision, particularly centered around the waterfront, could change neighborhood dynamics and perceptions.
- Prepare a community resilience toolkit.

Good examples or models from other communities

- Consider Milwaukie's cottage cluster rules that increase opportunities for smaller units.
- Explore Portland's tax abatement programs (HOLTE and MULTE).
- Redmond, WA demonstrates developer-friendly policies and creative approaches to density through setbacks and Planned Unit Developments.
- Medford's Housing Production Strategy highlights the effectiveness of partnerships, broad set of policies, and a political education strategy.
- Milwaukie and Gladstone have implemented reductions or waivers of SDCs.
- Happy Valley waived permit fees on subsidized housing.
- Clackamas County used to have an effective expedited review ("Fast Pass") process.
- City of Bend has a good reputation for supporting affordable housing developers from beginning to end of the development process.
- Milwaukie and Happy Valley are comparable communities that have been more active in prioritizing and promoting affordable housing.

Tools for West Linn to avoid

- Replacing existing dwellings with denser units will impact the aesthetic and feel of neighborhoods.
- CET is a poor way to fund affordable housing.
- Focusing solely on preservation or downpayment assistance programs will not effectively address housing production needs.
- Approach messaging, branding, and implementation with caution and strategy. Negative public perception could result in backlash and the potential repeal of laws. Therefore, middle housing should be presented in a manner that resonates better with the community.

Affordable Housing

Main obstacles

- For many residents, there is not enough funding or subsidies available. Even with Section 8 rent assistance, residents often still can't afford rent in West Linn.
- There is a lack of affordable housing developers working in West Linn.
- There is a negative public perception of affordable housing.
- There is a lack of available land, and much of the land that is available has little to no infrastructure/services. It's difficult to secure financing if the land isn't accessible/development ready.

- There is a lack of land zoned for the higher densities needed to help affordable housing pencil.

Desirable coordination / support

- The City should be transparent and upfront about processes and timelines.
- It would help to have appointed staff to help developers navigate the permitting process from beginning to end.
- Improved analysis on various housing conditions including existing housing concentrations and disparities, as well as other local conditions such as employment opportunities, high-performing schools, etc.
- Cost-saving tools to consider include SDC waivers, permit fee waivers, and tax exemptions.
- General support and prioritization from the community.

Partnership opportunities

- Northwest Housing Alternatives
- Mercy Housing Northwest
- Hacienda Community Development Corporation
- Community Development Partners
- Housing Development Center
- Portland Housing Center
- Oregon Law Center
- Habitat for Humanity
- Culturally Specific Organizations

APPENDIX: DISCUSSION QUESTIONS

Housing Provider or Developer Interview Questions

1. What is your interest in or experience with housing in West Linn and surrounding communities?
2. Please describe the current housing market's general characteristics in West Linn.
3. What is the greatest need in terms of housing in West Linn? What types of housing are in highest demand and why? What types of housing are needed that aren't being developed?
4. What are some recent projects you've seen or been part of? What were their challenges and successes?
5. Does the development review process in West Linn lead to good outcomes in your experience? How could it be improved?
6. What barriers exist to developing different types of housing in West Linn?
7. What kinds of housing would you like to see more of in West Linn?
8. What tools or strategies do you think would be effective in creating more desired housing in West Linn?
9. Which tools or strategies are a poor fit for this community?
10. Have you worked in other communities that provide a good model for housing production or implementation? If so, where are they and which programs did you find most effective?
11. Additional thoughts or topics that weren't covered?

Affordable Housing Questions

1. What types of projects or programs does your organization offer to address housing needs in West Linn?
2. What type of housing is being developed and who are the intended residents?
3. What do you see as the most significant housing gap in the city, either in terms of income levels or types of households not being served or types of housing not available or being built?
4. What do you see as some of the primary sources of these gaps or the most significant barriers to addressing them?
5. What are the main obstacles preventing your organization from improving housing affordability in your projects in West Linn?
6. How could the city strengthen their relationships with your organization and best assist you in the housing related work you are doing?
7. Do you have anything else to say on this general topic?
8. What other partnerships should the City consider to support affordable housing development?

Underrepresented Communities Questions

1. What is your experience with housing in West Linn or surrounding communities?
2. What is the greatest need in terms of housing in West Linn? Are there types of housing that are needed that aren't being developed?
3. What are the major barriers to finding affordable, adequate housing in West Linn for you?
4. What services, for you, are important to be located nearby?

5. Would more non-traditional types of housing address your needs, e.g., a tiny home, cottage cluster, SRO housing (define), or other specific housing type?