



22500 Salamo Road  
West Linn, Oregon 97068  
<http://westlinnoregon.gov>

## Housing Production Strategy Working Group Meeting 1 Agenda

Monday, June 10, 2024  
3:00 – 4:30 pm Virtual Meeting

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1. Welcome and Introductions (3:00pm)
2. Role of the Working Group (3:10pm)
  - a. Purpose/Goal (Staff)
  - b. Meeting Guidelines (Group Discussion/Agreement)
  - c. Meeting Logistics/Schedule (Staff)
3. Election of Chair/Vice-Chair (Group Discussion/Decision) (3:20pm)
4. Project Overview/HPS Relationship to HCA (Consultant) (3:25pm)
5. Contextualized Housing Needs Review (Consultant/Group Discussion) (3:35pm)
6. Stakeholder Interviews Summary (Consultant/Group Discussion) (4:05pm)
7. Next Steps (Consultant) (4:20pm)
8. Public Comment (4:25pm)
9. Adjourn (4:30pm)

### **Meeting Notes**

*Working Group meetings will be conducted in a virtual format. The public can watch the meeting online at <https://westlinnoregon.gov/meetings>.*

*Submit all written comments to [dwyss@westlinnoregon.gov](mailto:dwyss@westlinnoregon.gov) by 12:00pm on the meeting day.*

*To attend or participate remotely, you must register at <https://westlinnoregon.gov/citycouncil/meeting-request-speak-signup> by noon on the meeting day. Instructions on remote participation will be emailed to you. If you do not have email access, please call 503-742-6061 for assistance 24 hours before the meeting.*

*The City abides by Public Meetings law. If you believe a violation has occurred, please [click here](#) to inform the staff of your concern.*

*To request ADA accommodation, please call Lynn Schroder 48 hours before the meeting date at 503-742-6061 or TDD at 503-657-7845.*

## Memorandum

Date: June 4, 2024

To: Housing Production Strategy Project Working Group

From: Darren Wyss, Planning Manager

Subject: Meeting #1

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Congratulations again on being appointed to the working group. This memo is intended to provide background information on the Meeting #1 Agenda topics that are the first step in the City's effort to fully comply with [HB2003 \(2019\)](#). The agenda topics have been addressed individually below and we encourage you to become familiar with the subject matter in advance of the meeting. We also encourage you to ask clarifying questions in advance. Both will help the meetings be more efficient and effective at getting to group consensus and a final recommendation. Feel free to email me [dwyss@westlinnoregon.gov](mailto:dwyss@westlinnoregon.gov) or call 503-742-6064 at any time with questions or to get clarification on the materials.

### Role of the Working Group (Agenda Item 2)

The following items are included in the packet:

1. Working Group Purpose, Goals, and Membership
2. Draft Meeting Guidelines
3. Tentative Meeting Schedule and Topics

We will discuss the Draft Meeting Guidelines and hope to get agreement at this meeting.

### Election of Chair/Vice-Chair (Agenda Item 3)

The working group is required to follow City rules, the same as other community advisory groups. This includes making the meetings available to the public, providing summary notes, and electing a chair and vice-chair. The role of the chair will be to facilitate the agenda items, keep the meeting on time, and help the group find consensus. The role of the vice-chair would be to perform these duties if the chair must be absent from a meeting. Staff and the consultant team will lead most of the discussions and answer all questions.

### Project Overview/HPS Relationship to HCA (Agenda Item 4)

The City received grant funding from the Department of Land Conservation and Development for consultant assistance in developing the Housing Production Strategy (HPS). MIG was selected as the consultant team, which is beneficial to the City as they assisted in the development and adoption of the [2021 West Linn Housing Capacity Analysis \(HCA\)](#). The consultants will provide a brief project overview and discuss how the HPS is tied to the HCA.

Contextualized Housing Needs Review (Agenda Item 5)

The attached Contextualized Housing Needs Assessment (CHNA) is part of the HPS development. The CHNA builds on the HNA to describe housing related conditions within the community that can be used to help formulate and recommend housing strategies that will be reviewed by the working group in future meetings. MIG will provide an overview of the CHNA and answer any questions from the group.

Stakeholder Interviews Summary (Agenda Item 6)

The consultant team conducted interviews with key stakeholders involved with the provision of needed housing in West Linn. A summary of the interviews is attached. MIG will provide an overview of the summary as well as answer any questions and collect any additional feedback from the working group.

If you have questions about Meeting #1 or materials, please feel free to email or call me at [dwyss@westlinnoregon.gov](mailto:dwyss@westlinnoregon.gov) or 503-742-6064. As always, please submit questions before the meeting to increase the efficiency and effectiveness of the discussion as it allows staff to prepare materials and distribute them for your consideration. Thank you and hope to see everyone on the 10<sup>th</sup>.

**Agenda Item #2 Materials**

## HB2003 Housing Production Strategy

### Working Group

Adoption of a West Linn Housing Production Strategy (HPS) will complete the City’s immediate obligations to comply with House Bill 2003 (2019) requirements. The HPS is a follow-up process to the City’s adoption of the 2021 West Linn Housing Capacity Analysis (HCA). The HCA projected needed housing units over the next 20-years, including by type of housing and income levels. The HPS will identify strategies the City will implement over the next six years to help meet the projected housing needs in the community.

#### **Working Group Purpose**

Provide input on the City’s Housing Production Strategy by reviewing, discussing, and recommending strategies for City Council to consider.

#### **Working Group Goals**

1. Review draft documents and make recommendations.
2. Facilitate meetings to be efficient and effective.
3. Review final draft Housing Production Strategy document.
4. Consider equity, conservation, and preservation when reviewing strategies.
5. Make recommendation to City Council on final Housing Production Strategy.

#### **Working Group Membership**

|  |   |
|--|---|
| City Council   | Kevin Bonnington  |
| Planning Commission                                  | Tom Watton  |
| NA Presidents Group                                  | Michelle Goldberg   |
| Clackamas County Health, Housing, and Human Services | Gloria LaFleur, Housing Developer<br>Devin Ellin, Director of Housing Development (Alternate)                               |
| Fair Housing Council of Oregon                       | Samuel Goldberg, Education & Outreach Specialist  |
| Habitat for Humanity Portland Region                 | Erin Maxey, Director of Homeownership Programs  |
| DevNW (Affordable Housing Provider)                  | Karen Saxe, Dir. of Policy, Advocacy & Strategic Relationships<br>Nora Cronin, Real Estate Development Director (Alternate) |
| Local Development Representative                     | Darren Gusdorf, Icon Construction and Development   |
| Home Builders Assoc. of Metro Portland               | Preston Korst, Director of Policy and Government Affairs  |
| Community-at-Large                                   | Bayley Boggess  |

## Housing Production Strategy Working Group Meeting Guidelines

1. Meetings will be scheduled at least a month in advance. They will typically be held in the late afternoon. **Meetings will start and end on time.**
2. Staff will provide agendas and all supplemental meeting materials to the members one week in advance of the meeting.
3. Staff will record the meetings.
4. Members accept the responsibility to come to the meetings prepared for the discussions.
5. To promote efficient and effective meetings, members should make a reasonable attempt to provide questions to staff in advance of meetings to allow time for research and distribution of answers/materials to the group before the meeting.
6. The Chair will manage meetings by keeping discussions focused, ensuring all points of view are heard, maintaining civility, and adhering to the agenda.
7. Members will fully explore the issues and search for creative solutions before forming conclusions. When members have divergent perspectives on topics under discussion, members should identify where they disagree as well as where they agree and identify the rationale for their position.
8. Each member is an equal participant in the process and will have an equal opportunity to voice opinions and contribute ideas.
9. Members shall make a concerted effort to focus on the topics under discussion.
10. The Working Group will strive to achieve consensus on recommended housing production strategies. If consensus cannot be achieved, a vote of members present will be taken. The majority recommendation and dissenting opinions will be forwarded as appropriate.
11. Requests for information from staff will be limited to items that can reasonably be provided.
12. Members may not present themselves as speaking for the Working Group unless authorized to do so by a majority vote of the Working Group. Members are welcome to participate in any public meetings and discussions as private community members.
13. Time shall be allotted at the end of each meeting to allow members of the public to comment.
14. Any written comments received from the public by staff will be provided to all members.

**Tentative Meeting Schedule**

The working group is scheduled to meet four times from June 2024 to February 2025.

| <b>Meeting Date</b>          | <b>Topics of Discussion</b>  |
|------------------------------|--|
| June 10, 2024                | Role of Working Group and Meeting Logistics<br>Election Chair/Vice-Chair<br>Project Overview<br>Contextualized Housing Needs Assessment<br>Stakeholder Interview Summary |
| October 2024 (day/time TBD)  | Meeting 1 Summary Notes<br>Project Engagement Summary<br>Existing Measures/Strategies Summary<br>Evaluation of Recommended Strategies<br>Draft Recommended Strategies    |
| November 2024 (day/time TBD) | Meeting 2 Summary Notes<br>Evaluation of Recommended Strategies<br>Draft Recommended Strategies  |
| February 2025 (day/time TBD) | Meeting 3 Summary Notes<br>Draft HPS Community Feedback<br>Housing Consumer and Producer Survey Summary<br>Draft HPS Recommendation                                      |

**Agenda Item #5 Materials**



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# Contextualized Housing Needs Assessment (DRAFT)

## 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

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### INTRODUCTION

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House Bill 2003 (2019) requires cities with populations over 10,000 to adopt a Housing Production Strategy (HPS). The HPS needs to be adopted within approximately one year of adoption of the City’s most recent Housing Needs Analysis (HNA). This HPS will outline tools, actions, and policies that West Linn will use to address its housing needs, based on the City’s recently adopted HNA. Part of developing an HPS includes preparing a Contextualized Housing Needs Assessment (CHNA), which builds on the HNA to describe demographic, housing, and market conditions, project future housing needs, assess affordability, identify barriers, and review existing programs.

This memorandum summarizes data from the 2021 HNA, US Census, and other sources, providing context on socio-economic, demographic trends, and market conditions. It also includes information from stakeholder meetings with developers, affordable housing providers, and underrepresented community members. The memo also includes data and information for people experiencing homelessness, low-income households, renters, and other underrepresented groups.

### SOCIO-ECONOMIC AND DEMOGRAPHIC TRENDS

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This section provides information on the housing needs in West Linn by age, household size and composition, household income, poverty statistics, race and ethnicity, and disability.

#### Population Growth

The following table presents a profile of City of West Linn demographics from the 2000 and 2020. Census. West Linn is a City of nearly 27,400 people located in Clackamas County on the southern edge of the Portland metropolitan area. Based on estimated population, West Linn is the 25th largest city in the state by population, similar in size to other cities in and around the Portland

metropolitan region such as Tualatin, Wilsonville, and Frost Grove. West Linn has about 75% of the population of neighboring Oregon City.

West Linn has grown by over 5,100 people since 2000, or 23%. In contrast, Clackamas County and the state experienced population growth of 24.2% and 23.8% respectively. West Linn was home to an estimated 10,119 households in 2020, an increase of roughly 2,300 households since 2000. This is an average increase of roughly 120 households annually during this period. The growth since 2000 has outpaced the growth in new housing units, which have been permitted at the rate of roughly 90 units per year, helping contribute to a relatively tight housing market.

Figure 1. West Linn Demographic Profile

| Population, Households, and Housing Units |             |             |              |             |              |                |
|---|-------------|-------------|--------------|-------------|--------------|----------------|
|   | 2000 Census | 2010 Census | Growth 00-10 | 2020 Census | Growth 10-20 | 2040 Forecast* |
| Population                                | 22,261      | 25,109      | 13%          | 27,373      | 9%           | 27,861         |
| Households                                | 7,745       | 9,523       | 23%          | 10,119      | 6%           | 10,907         |
| Average Household Size                    | 2.72        | 2.62        | -4%          | 2.68        | 2%           | 2.54           |
| Housing Units                             | 8,697       | 10,035      | 15%          | 10,491      | 5%           | 11,481         |
| Group Quarters Population                 | 92          | 127         | 38%          | 253         | 99%          | 141            |

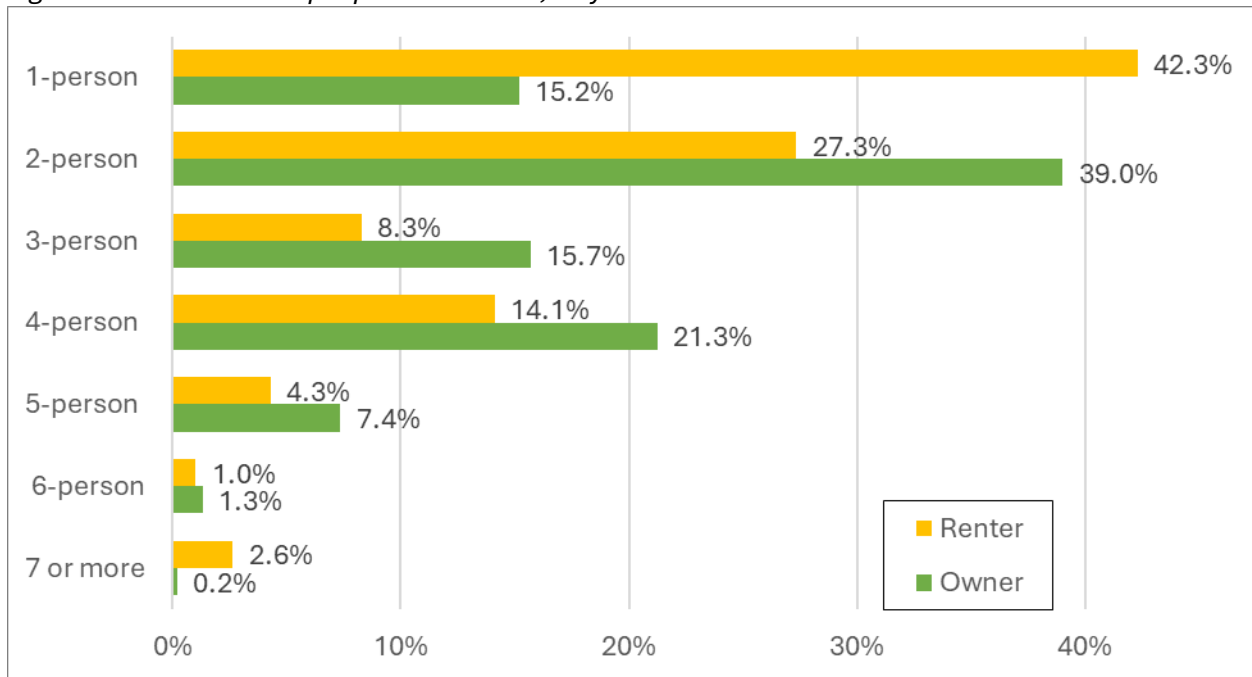
\* Source: Metro, Johnson Economics

Source: US Census DP-1 (2000, 2010); DP-3 (2000); S1901; S19301; 2020 Decennial Redistricting Data (PL 94-171), PSU Population Research Center, and Johnson Economics

## Household Growth & Size

As shown in Figure 2, West Linn’s estimated average household size is 2.68 persons, slightly larger than that of Clackamas County (2.6) and the statewide average of 2.48. As shown in Figure 2, most households have three or less people. There has been a general trend in Oregon and nationwide towards declining household size, as birth rates have fallen, more people have chosen to live alone, and the Baby Boomers have become empty nesters.

Figure 2. Number of People per Household, City of West Linn



Source: US Census 2022 ACS 5-yr Estimates, Table B25009

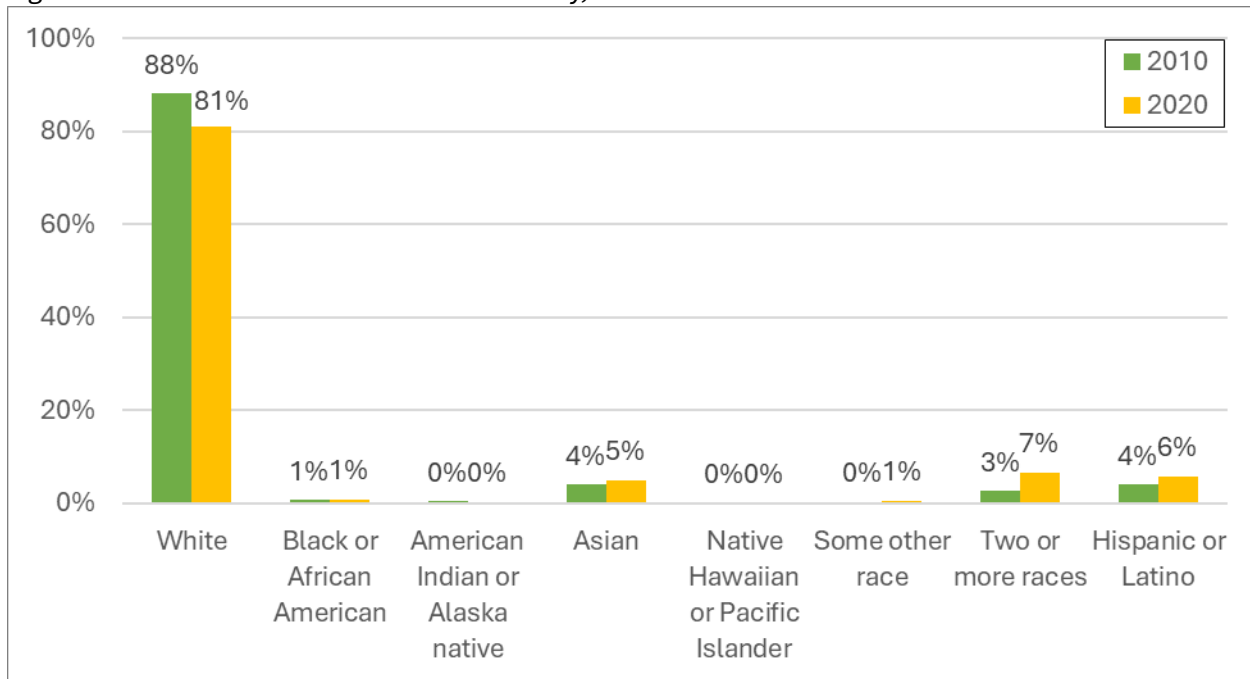
### Family Households

The Census defines family households as two or more persons, related by marriage, birth or adoption and living together. As of the 2022 Census, 75% of West Linn households were family households, roughly the same as 2010. It is a relatively high number, especially when compared to Clackamas County, which has a rate of 69%, and the state of Oregon, which stands at 62%. Family households in West Linn had an average size of 3.1 people.

### Race and Ethnicity

The following figure presents the distribution of West Linn’s population by race and Hispanic/Latino ethnicity. The community grew more diverse between the 2010 and 2020 Census, with the white share of the population falling from 88% to 82%. While all individual racial categories increased their share in general, those identifying as “Two or more races” more than doubled their share, growing in share of population from 3% to 7%.

Figure 3. West Linn Racial and Ethnic Diversity, 2020



Source: US Census 2020 Decennial Redistricting Data (PL 94-171)

Figure 4. Race and Ethnicity, City of West Linn

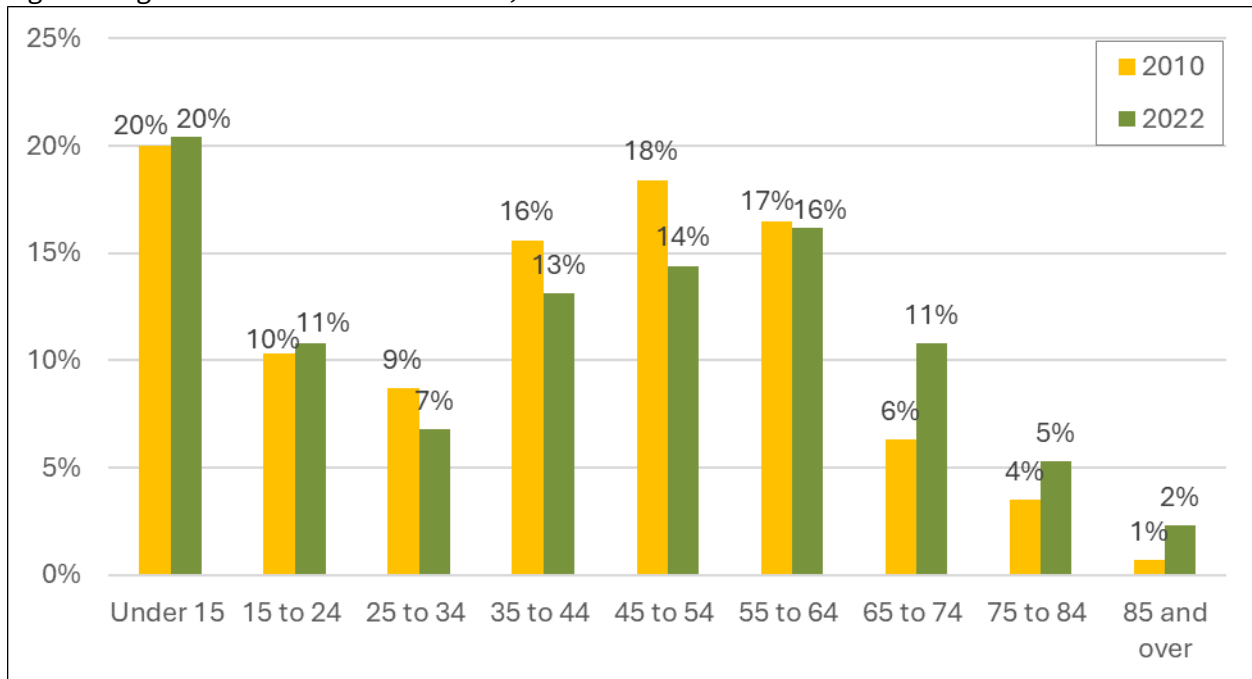
|                                     | 2010   | 2020   | Change |
|-------------------------------------|--------|--------|--------|
| <b>Not Hispanic/Latino Total</b>    | 24,111 | 25,800 | 7.0%   |
| White                               | 22,122 | 22,186 | 0.3%   |
| Black or African American           | 164    | 220    | 34.1%  |
| American Indian or Alaska native    | 80     | 73     | -8.8%  |
| Asian                               | 992    | 1,346  | 35.7%  |
| Native Hawaiian or Pacific Islander | 35     | 32     | -8.6%  |
| Some other race                     | 51     | 142    | 178.4% |
| Two or more races                   | 667    | 1,801  | 170.0% |
| <b>Hispanic or Latino</b>           | 998    | 1,573  | 57.6%  |

Source: US Census 2010, 2020 Decennial Redistricting Data (PL 94-171)

### Age Trends

The following figure shows the share of the population falling in different age cohorts between the 2010 Census and the most recent 5-year American Community Survey estimates. As the chart shows, for middle age cohorts have declined as a share of total population, while older cohorts have grown in share. This is in keeping with the national trend caused by the aging of the Baby Boom generation. The cohort which grew the most in share during this period were those aged 65 to 74 years. Still, an estimated 81.7% of the population is under 65 years of age. In the 2022 ACS, the local median age was an estimated 44.2 years, compared to 42.4 years in Clackamas County and 40.5 years in Oregon. The share of the City’s youngest residents also increased slightly during this period.

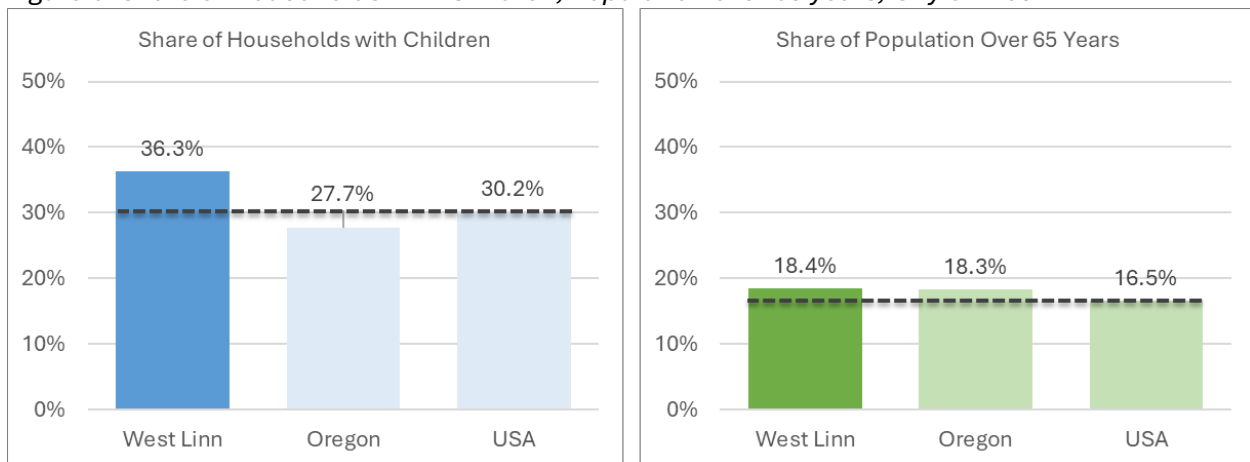
Figure 5. Age Cohort Trends in West Linn, 2010-2022



Source: US Census 2010, 2022 ACS 5-yr Estimates, Table S0101

The figure below presents the share of households with children, and the share of population over 65 years for comparison. Compared to state and national averages, West Linn has both a larger share of households with children and households with people 65 years old or older.

Figure 6. Share of Households with Children, Population over 65 years, City of West Linn



Source: US Census, 2022 ACS 5-yr Estimates, Table B11005, S0101

### Household Income

The following figure presents data on West Linn’s income trends.<sup>1</sup> West Linn’s estimated median household income was \$134,116 in 2022. This is 37.6% higher than the Clackamas County median

<sup>1</sup> 2000 Census data on income is not available for West Linn.

of \$97,419, and 77% higher than the statewide median of \$75,657. The City’s per capita income is roughly \$65,000

Figure 7. Per Capita and Median Household Income, City of West Linn

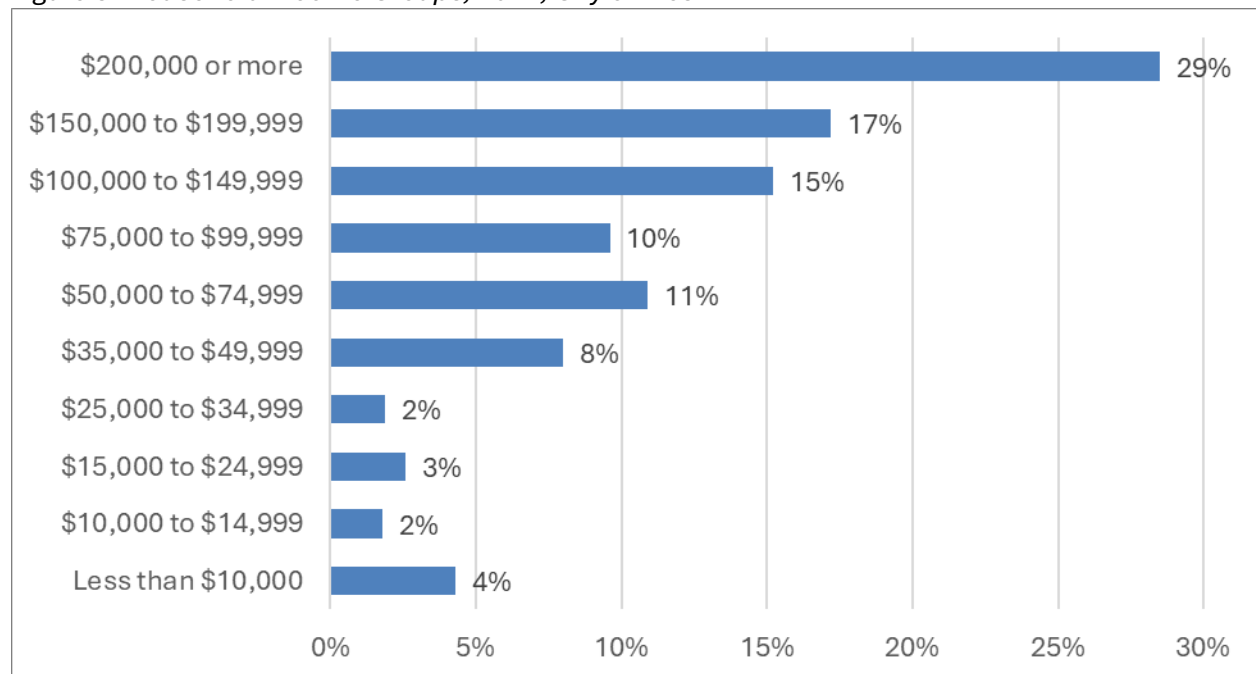
| Per Capita and Median Household Income |          |           |
|--|----------|-----------|
|  | 2010     | 2022      |
| Per Capita Income                      | \$42,483 | \$64,714  |
| Median Household Income                | \$84,295 | \$134,116 |

Source: US Census, 2010, 2022 ACS 5-yr Estimates, Table S1901, DP03

Figure 8 presents the estimated distribution of households by income as of 2022. The largest income cohorts are those households earning over \$200k, followed by households earning between \$150k and \$200k. Sixty-one percent of households earn more than \$100,000.

- Only 18.6% of households earn less than \$50k per year, while 81.4% of households earn \$50k or more.
- Only 8.7% of households earn less than \$25k per year.

Figure 8. Household Income Groups, 2022, City of West Linn



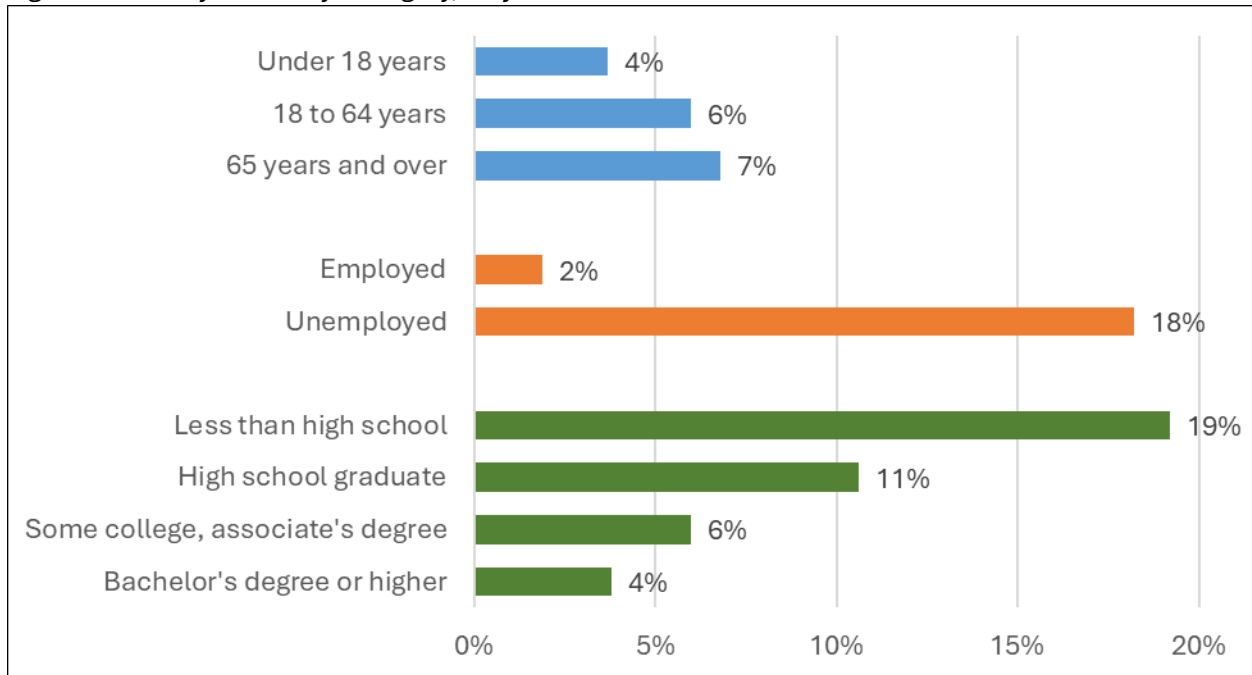
Source: US Census 2022 ACS 5-yr Estimates, Table S1901

### Poverty Status

According to the US Census, the official poverty rate in West Linn is an estimated 5.6% over the most recent period reported (2022 5-year estimates). This is roughly 1,500 individuals in West Linn. In comparison, the official poverty rate in Clackamas County is 8.2%, and at the state level is 12.1%. In the 2018-22 period:

- The West Linn poverty rate is low among all groups, but highest among those over 65 years of age at 7%. The rate is 5% among those under 65 years of age.
- For those with only a high school diploma, the poverty rate is 11%.
- Among those who are employed the poverty rate is 2%, while it is 18% for those who are unemployed.

Figure 9. Poverty Status by Category, City of West Linn



Source: US Census 2022 ACS 5-yr Estimates, Table S1701

### Group Quarters Population

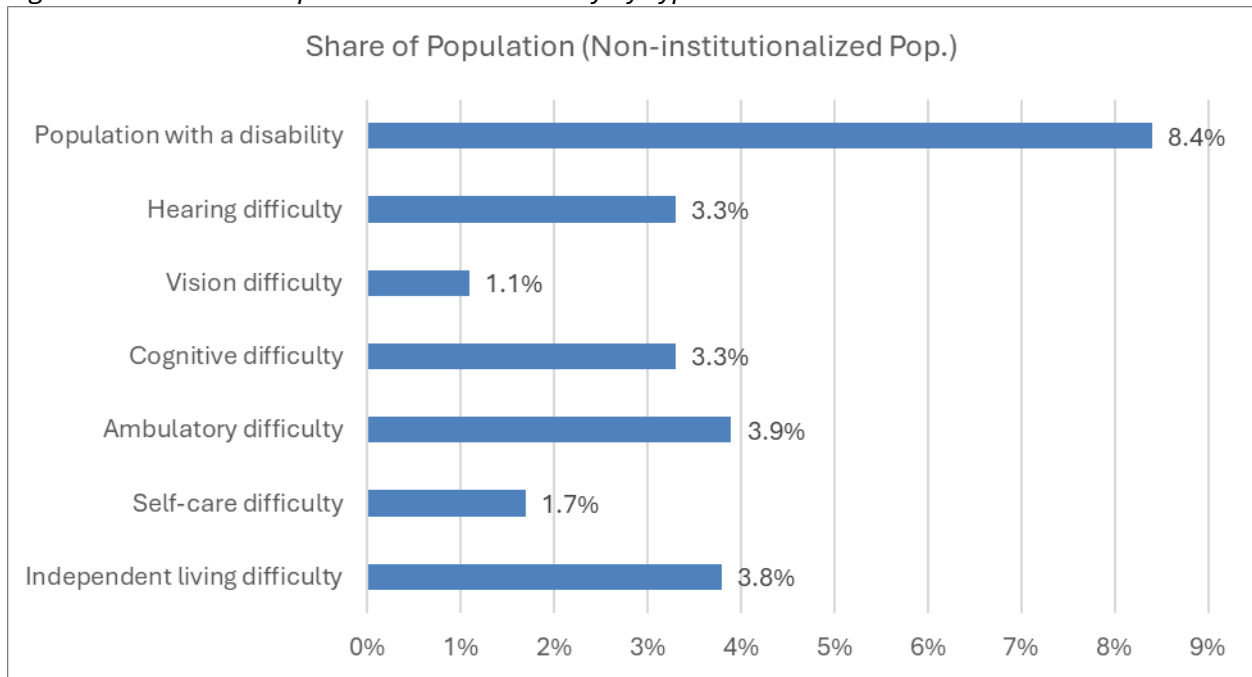
As of 2020, the City of West Linn has an estimated group quarters population of 0.9% of the total population, or 253 persons.<sup>2</sup> Group quarters include such shared housing situations as nursing homes, prisons, dorms, group residences, military housing, or shelters. In West Linn, senior housing facilities account for the majority of this population.

### People with disability

Of the non-institutionalized population in West Linn, an estimated 8.4% or 2,268 people report having some form of disability (Figure 10). Any type of disability impacts the type of housing that may be appropriate for a resident, but those with the greatest impact on needed unit type are generally an ambulatory, self-care, or independent living disability. Those with an ambulatory disability often need units with expanded access for wheelchair, walker, or scooter. Those with self-care or independent living disabilities may require additional safety precautions around the home to protect a resident who cannot always be directly monitored.

<sup>2</sup> 2020 Decennial Redistricting Data (PL 94-171), Portland State University Population Research Center

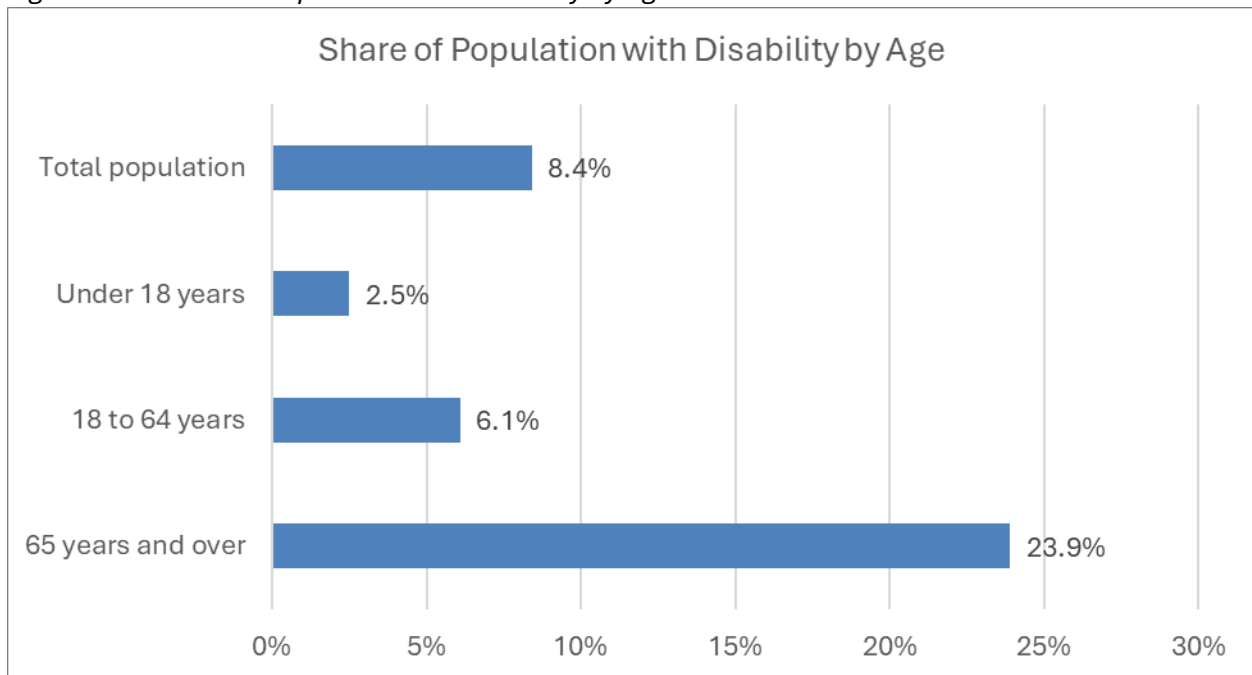
Figure 10. West Linn Population with a Disability by Type



Source: US Census 2022 ACS 5-yr Estimates, Table S1810

As shown in Figure 11, Older residents are more likely to report a disability, including about 24% of those over 65 years old. Of those in prime working years, 6.1% of the total population and 2.5% of children report a disability.

Figure 11. West Linn Population with Disability by Age



Source: US Census 2022 ACS 5-yr Estimates, Table DP02

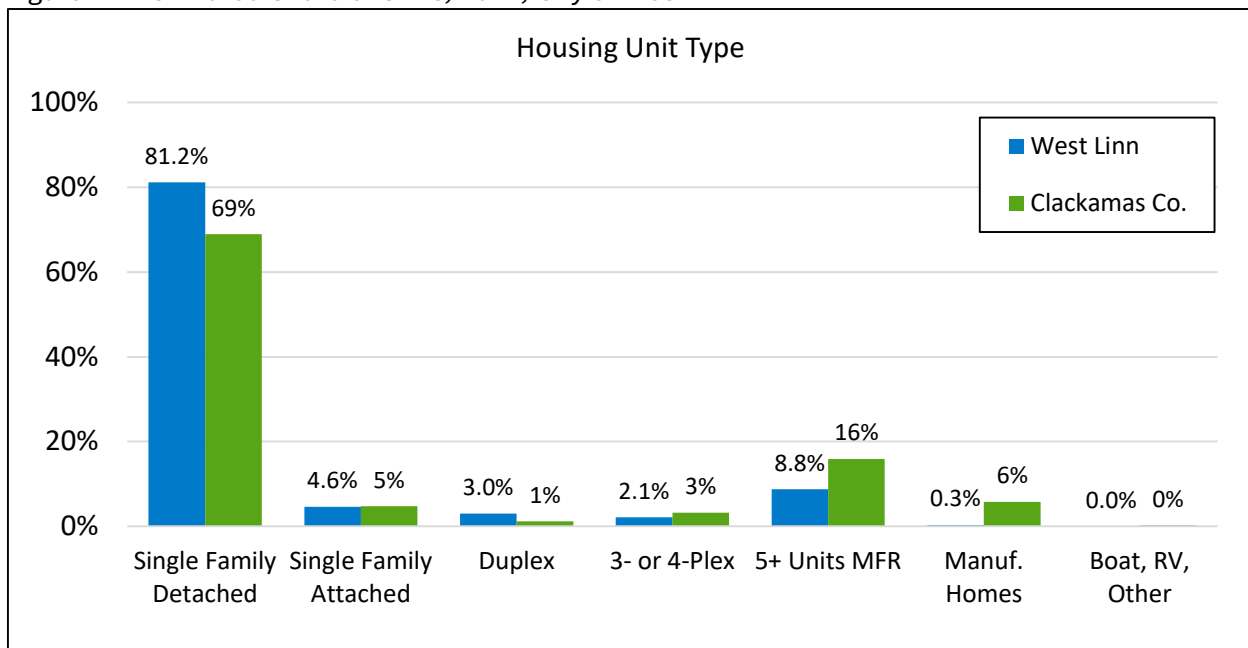


## MARKET CONDITIONS

### Housing Stock

West Linn had an estimated 10,476 housing units in 2020 (HNA), with a vacancy rate of 5% (includes ownership and rental units). As shown in the following figure, over 81% of units are estimated to be detached single family homes, with the remainder distributed among mostly attached housing types, and some manufactured homes. Nine percent of housing units are estimated to be units in multi-family properties of at least five units. The county as a whole has a smaller share of detached homes and larger share of multi-family apartments.

Figure 12. Estimated Share of Units, 2022, City of West Linn

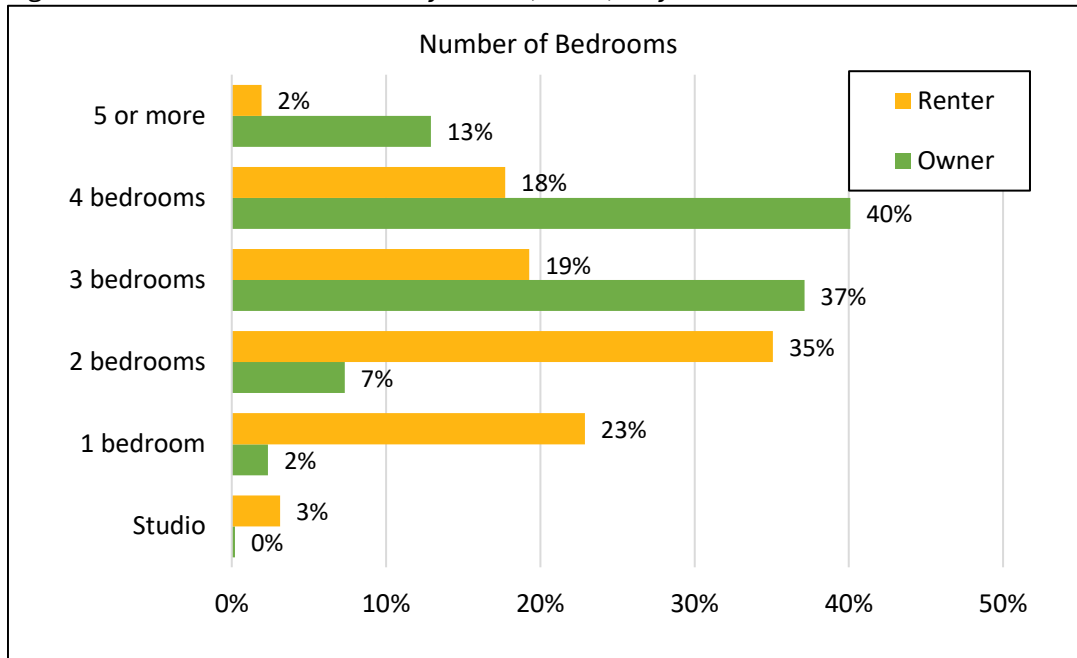


SOURCE: US Census 2022 ACS 5-yr Estimates, Table B25032

### Number of Bedrooms

The following figure shows the share of units for owners and renters by the number of bedrooms they have. In general, owner-occupied units are much more likely to have three or more bedrooms, while renter-occupied units are more likely to have two or fewer bedrooms.

Figure 13. Number of Bedrooms by Tenure, 2022, City of West Linn



SOURCE: US Census 2022 ACS 5-yr Estimates, Table B25042

### Unit Types by Tenure

West Linn has a much greater share of homeowner households than renter households. The 2022 American Community Survey estimated that 83% of occupied units were owner occupied, and only 17% renter occupied. The ownership rate has risen since 2000 (78%). This is significantly higher than the estimated ownership rate across Clackamas County (71%) and statewide (62%). The ownership rate locally and statewide has risen even since the time of the 2021 HNA.

As the next figure shows, a large share of owner-occupied units (90%) are detached homes, which is related in part to why owner-occupied units tend to have more bedrooms. Renter-occupied units are more evenly distributed among a range of structure types. About 32% of rented units are estimated to be detached homes or manufactured homes, while the remainder are some form of attached unit. An estimated 29% of rental units are in larger apartment complexes.

Figure 14. Housing Inventory by Unit Type, Owner and Renter, 2021 (HNA), City of West Linn

#### OWNERSHIP HOUSING

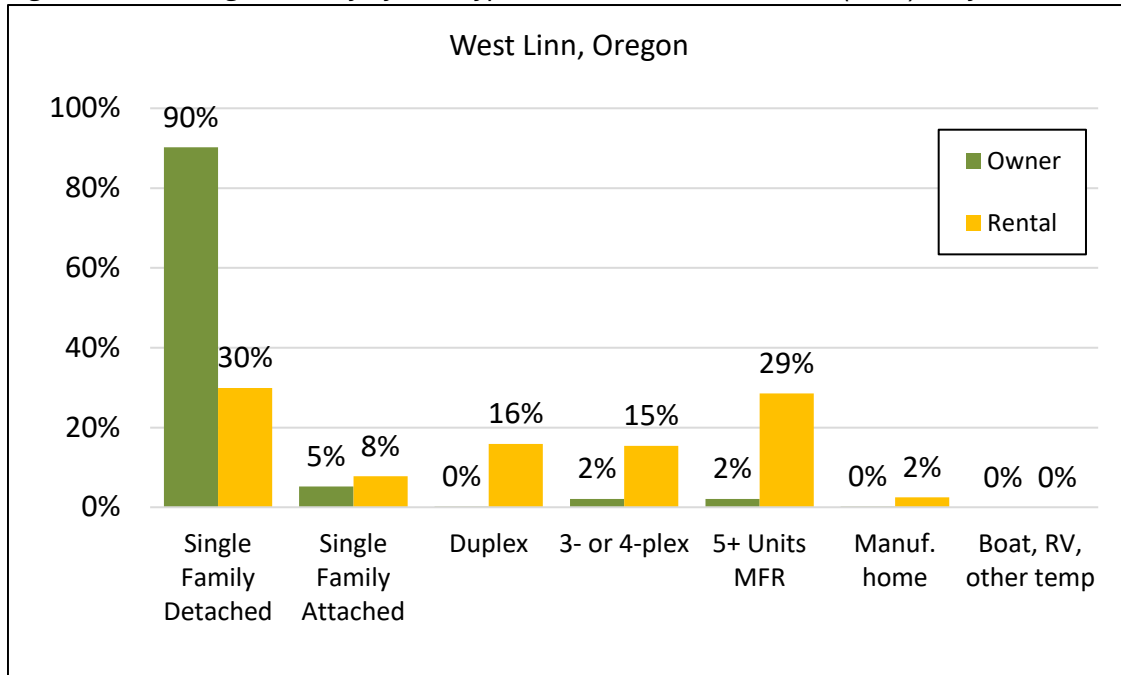
| OWNERSHIP HOUSING  |                        |                        |        |              |              |             |                      |             |
|--------------------|------------------------|------------------------|--------|--------------|--------------|-------------|----------------------|-------------|
|                    | Single Family Detached | Single Family Attached | Duplex | 3- or 4-plex | 5+ Units MFR | Manuf. home | Boat, RV, other temp | Total Units |
| <b>Totals:</b>     | 7,460                  | 432                    | 13     | 175          | 170          | 14          | 0                    | 8,264       |
| <b>Percentage:</b> | 90.3%                  | 5.2%                   | 0.2%   | 2.1%         | 2.1%         | 0.2%        | 0.0%                 | 100%        |

### RENTAL HOUSING

| RENTAL HOUSING     |                        |                        |        |              |              |             |                      |             |
|--------------------|------------------------|------------------------|--------|--------------|--------------|-------------|----------------------|-------------|
|                    | Single Family Detached | Single Family Attached | Duplex | 3- or 4-plex | 5+ Units MFR | Manuf. home | Boat, RV, other temp | Total Units |
| <b>Totals:</b>     | 662                    | 172                    | 352    | 341          | 631          | 54          | 0                    | 2,212       |
| <b>Percentage:</b> | 29.9%                  | 7.8%                   | 15.9%  | 15.4%        | 28.5%        | 2.5%        | 0.0%                 | 100%        |

Sources: US Census, City of West Linn, West Linn Housing Needs Analysis, 2021

Figure 15. Housing Inventory by Unit Type, Owner and Renter, 2021 (HNA), City of West Linn



Source: US Census, City of West Linn, West Linn Housing Needs Analysis, 2021

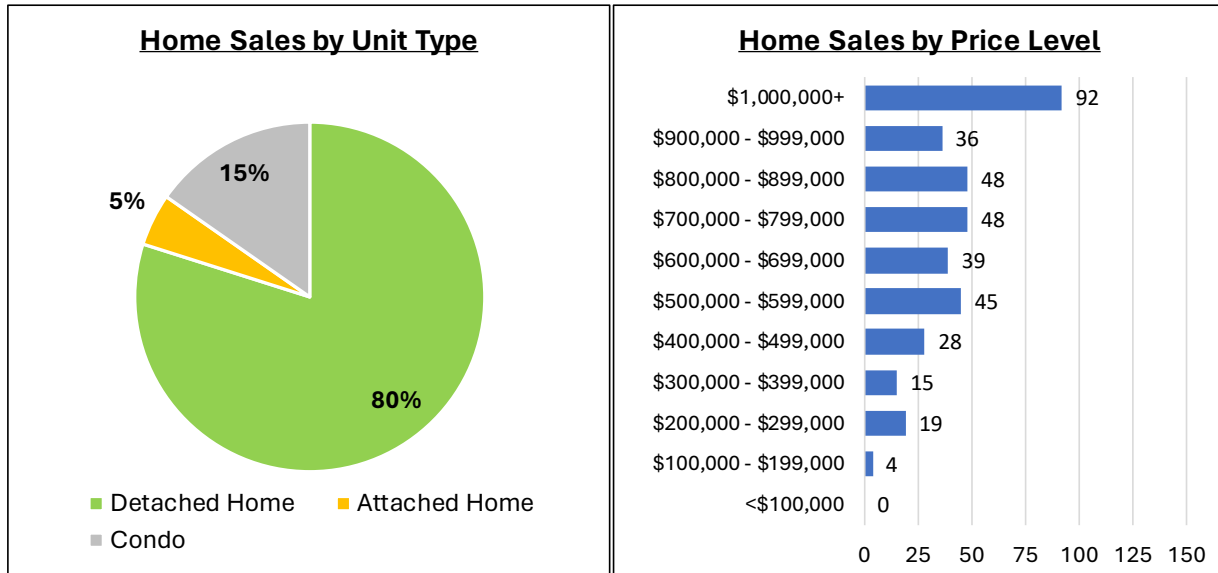
### Home Price

This section presents home sales data from spring 2023 to spring 2024 to indicate housing costs for new entrants into the housing market. Some key figures for home price include the following:

- The median sale price was \$790,000.
- The average (mean) sale price was \$868,000.
- The average price per square foot was \$320/s.f.
- The median square footage was 2,600 s.f.
- 17% of home sales were priced below \$500,000.
- 35% of sales were priced between \$500,000 and \$800,000.
- Nearly 50% of sales were priced over \$800,000, with nearly 25% priced over \$1 million.

Home sale prices have risen sharply since completion of the 2021 HNA, when the median sale price of the prior 12 months was \$585,000. This represents an increase of 35% in the median price over four years, or an average increase of 8% per year. As shown in Figure 16, the majority of home sales were for detached homes and a significant proportion of home sales were over \$500,000.

Figure 16. Home Sales, Prior 12 Months, May 2024, City of West Linn

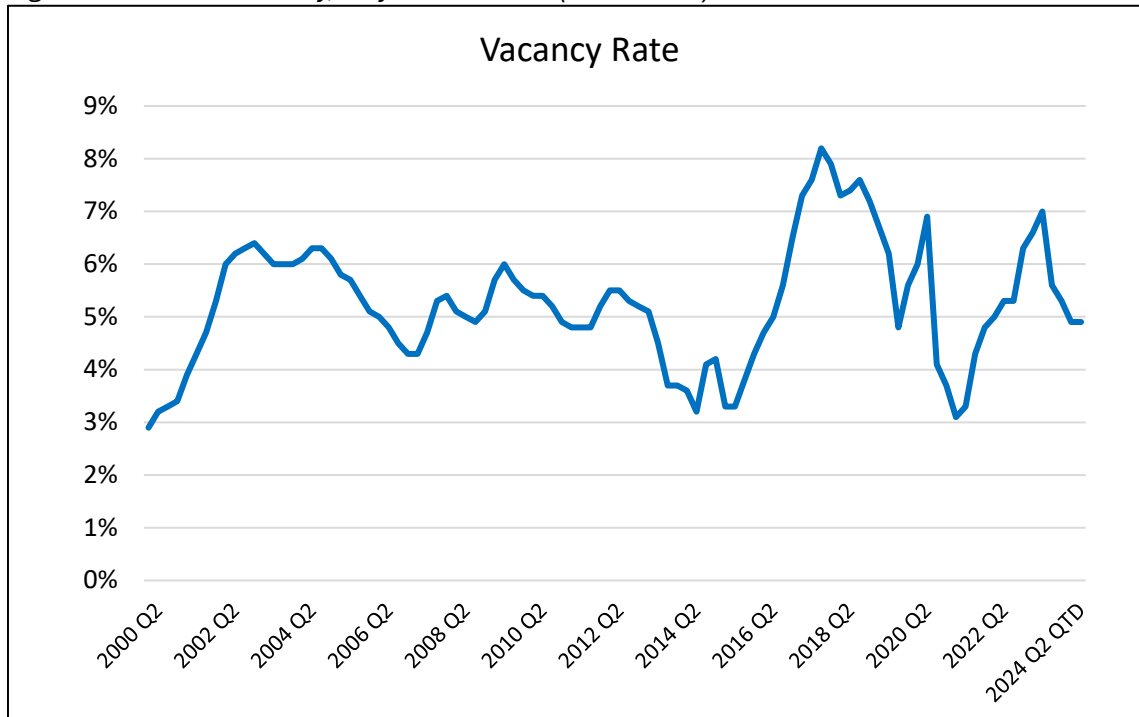


Sources: RMLS, Johnson Economics

### Rental Vacancy and Average Rent

As shown in Figure 17, West Linn has experienced an uneven vacancy rate over the last two decades, according to data from CoStar. The following figure shows that rental vacancy in the area has fallen at times in the prior decade to a low vacancy of 3%. In 2024, rental vacancy is estimated at 5%.

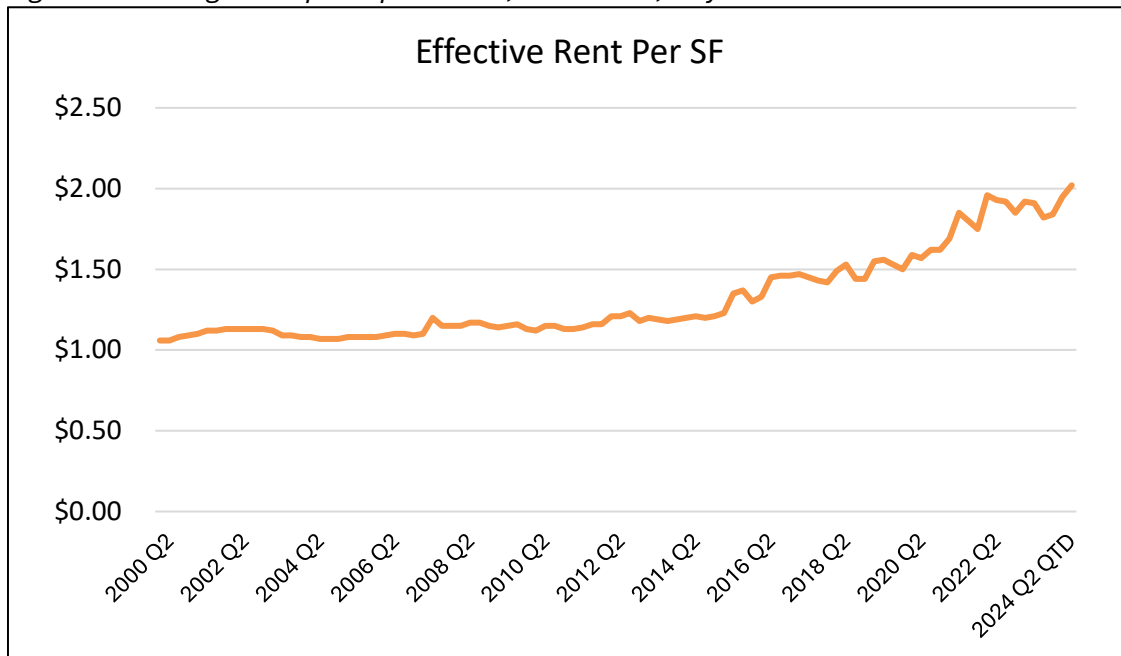
Figure 17. Rental Vacancy, City of West Linn (2000-2024)



Source: CoStar, Johnson Economics

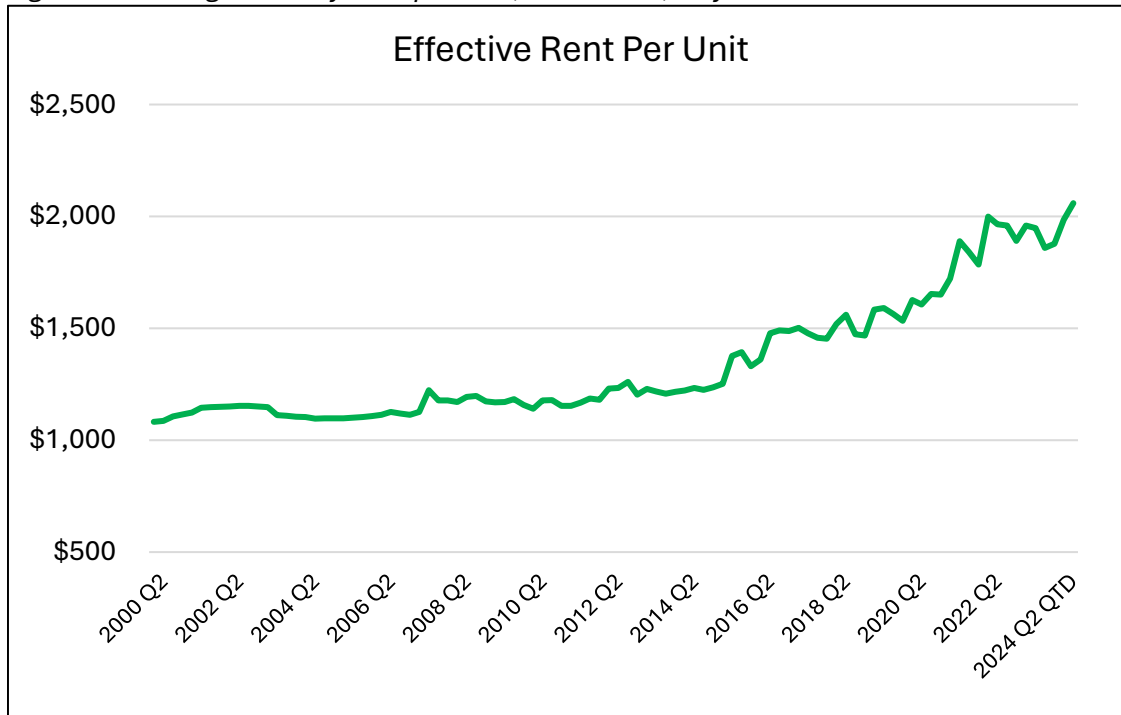
As shown in Figure 18 and Figure 19, average rents have climbed steadily since 2014. The average rent in West has nearly doubled over that period, increasing to roughly \$2.02/square foot, or an average of \$2,050/month according to data from CoStar.

Figure 18. Average Rent per Square Foot, 2000-2024, City of West Linn



Source: CoStar, Johnson Economics

Figure 19. Average Monthly Rent per Unit, 2000-2024, City of West Linn



Source: CoStar, Johnson Economics

### Housing Units in the development pipeline

In the last two years, the City has issued 43 permits for 45 units, most of which were for new single family dwellings (27 permits in 2022, 16 permits in 2023). Two permits were issued for duplexes, and 10 of the dwellings were for “detached” plexes that were subsequently subdivided and function as single family homes.

## HOUSING AFFORDABILITY

### Housing Cost Burden by Income Cohort

Figure 20 below shows the share of owner and renter households who are paying more than 30% of their household income towards housing costs, by income segment.<sup>3</sup>

As one would expect, households with lower incomes tend to spend more than 30% of their income on housing, while incrementally fewer of those in higher income groups spend more than 30% of their incomes on housing costs. Of those earning less than \$35,000, it is estimated that nearly 100% of households spend more than 30% of their income on housing costs, whether owners or renters. Because West Linn has an income distribution skewed towards higher income levels, there are relatively few households in these lower income segments, compared to most other cities.

<sup>3</sup> Spending 30% or less on housing costs is a common measure of “affordability” used by HUD and others, and in the analysis presented in this report.

In total, the US Census estimates that nearly 32% of West Linn households pay more than 30% of income towards housing costs.

Figure 20. Share of Households Spending More than 30% on Housing Costs, by Income Group



Source: US Census 2022 ACS 5-yr Estimates, Table B25106, Johnson Economics

The following figures shows the percentage of household income spent towards gross rent<sup>4</sup> for local renter households only. This more fine-grained data shows that not only are nearly 70% of renters spending more than 30% of their income on gross rent, but an estimated 31% of renters are spending 50% or more of their income on housing and are considered severely rent-burdened.

Renters are disproportionately lower income relative to homeowners. Housing cost burdens are felt more broadly for these households, and as the analysis presented in a later section shows there is a need for more affordable rental units in West Linn, as in most communities.

<sup>4</sup> The Census defines Gross Rent as “the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid by the renter (or paid for the renter by someone else).” Housing costs for homeowners include mortgage, property taxes, insurance, utilities and condo or HOA dues.

Figure 21. Percentage of Households Spent on Gross Rent, West Linn Renter Households



Sources: US Census, 2022 ACS 5-yr Estimates, Table B25070, Johnson Economics

### Publicly Assisted Housing

West Linn currently has very few subsidized apartment properties, according to Oregon Housing and Community Development (OHCS). These are properties that are funded through HUD programs, tax credits and other programs which guarantee subsidized rents for qualified households. There are an estimated 10 such units in West Linn, which appear to be in separate single-family homes rather than in a multi-family development. Given the 10,500+ estimated units in West Linn, the share of subsidized units is essentially 0%.

The high share of renters paying over 30% of their income towards housing costs indicates that there is an ongoing need for rental units at the lowest price points.

**Agricultural Worker Housing:** West Linn is not currently home to properties dedicated to agricultural workers. This population may also be served by other available affordable units.

**Homelessness:** A Point-in-Time count of homeless individuals in Clackamas County conducted in January of 2023 found 411 homeless individuals on the streets, in shelters, or other temporary and/or precarious housing. This number was 1,166 individuals in the 2019 count, indicating that the rate of homelessness has fallen significantly as the economy has recovered since the 2021 HNA. Note that these figures are for the entire county.<sup>5</sup> In 2023, this included:

- 56% of those counted were in emergency shelter, warming shelter, or transitional housing programs.
- 44% people unsheltered.
- 75% of the individuals were non-Hispanic white people.

<sup>5</sup> Figures via Clackamas County Health, Housing, and Human Services, and North Clackamas School District



- 173 (42%) were chronically homeless.
- 30% reported experiencing serious mental illness.
- 20% reported experiencing domestic violence.
- 7% were veterans.
- An estimated 54% of those counted were male, 38% female, and the rest non-reporting.

In the 2022/23 school year, the West Linn-Wilsonville tracked homeless school-aged children in keeping with the McKinney-Vento Act. Thirty-nine students lived in temporary “doubled up” situations, in the homes of other family or friends. The other tracked categories (hotel/motel, sheltered, unsheltered, unaccompanied) each report five or less students per category, meaning the data is kept confidential.

### Needed Housing Units by Affordability Range and Type

The following figure presents the estimated need for net new housing units by major income segment, based on the projected demographics of new households to the market area. This forecast is from the 2021 HNA report. Over time, incomes and housing costs will both inflate, so the general relationship projected here is expected to remain unchanged.

The figure also discusses the housing types typically attainable by residents at these income levels.

Figure 22. Projected Need for New Housing at Different Income Levels, West Linn

| Household Income Segment      | Income Level (Rounded)* | Afford. Rent Range | Afford. Price Range | Owner Units | Renter Units | Total        | Share       | Common Housing Product                                   |
|-------------------------------|-------------------------|--------------------|---------------------|-------------|--------------|--------------|-------------|--|
| Extremely Low Inc. < 30% AMI  | < \$27,500              | <\$800             | <\$150k             | 21          | 76           | 97           | 10%         | Govt-subsidized; Voucher                                 |
| Very Low Income 30% - 50% AMI | \$27.5k - \$46k         | \$800-\$1,100      | \$150k-\$225k       | 27          | 54           | 80           | 8%          | Aging/substandard rentals; Govt-subsidized; Voucher      |
| Low Income 50% - 80% AMI      | \$46k - \$73.5k         | \$1,100-\$1,600    | \$225k-\$330k       | 59          | 90           | 150          | 15%         | Market apts; Manuf. homes; Plexes; Aging SFR             |
| Middle Income 80% - 120% AMI  | \$73.5k - \$110.5k      | \$1,600-\$2,100    | \$330k-\$475k       | 113         | 35           | 148          | 15%         | Single-family detached; Townhomes; Small homes; New apts |
| Upper Income > 120% AMI       | > \$110,500             | \$2,100+           | \$475k+             | 459         | 70           | 530          | 53%         | Single-family detached                                   |
| <b>TOTAL:</b>                 |                         |                    |                     | <b>679</b>  | <b>326</b>   | <b>1,005</b> | <b>100%</b> |  |

\* Adjusted to 2020 dollars. The median household income level in 2020 will be will be inflated from current levels.

Source: US Census, City of West Linn, West Linn Housing Needs Analysis, 2021

- Figure 22 presents the *net NEW* housing unit need over the next 20 years. However, there is also a *current* need for more affordable units. In order for all households, current and new, to pay 30% or less of their income towards housing in 2040, more affordable rental units would be required.
- The projection of future ownership units finds that the supply at the lowest end of the spectrum is currently insufficient due to the prevalence of newer homes most of which are detached houses. (This reflects the estimated *value* of the total housing stock, and not necessarily the

average pricing for housing currently for sale.) Ownership options and lower and middle price points are townhomes, condos, and small detached homes, often on smaller lots.

- Figure 23 presents estimates of need at key low-income affordability levels in 2020 and in 2040. There is an existing and on-going need at these levels, based on income levels specified by Oregon Housing and Community Services for Clackamas County. An estimated 30% of households qualify as at least “low income” or lower on the income scale, while 9% of household qualify as “extremely low income.”
- Typically, only rent-subsidized properties can accommodate these lowest-income households at “affordable” housing cost levels. (The threshold income levels presented here are generated for the entire county based on the significantly lower county-wide average household income in comparison to West Linn.)

Figure 23. Projected Need for Housing Affordable at Low Income Levels, West Linn

| Affordability Level | Income Level* |          | Current Need (2020) |          | Future Need (2040) |          | NEW Need (20-Year) |          |
|---------------------|---------------|----------|---------------------|----------|--------------------|----------|--------------------|----------|
|                     |               |          | # of HH             | % of All | # of HH            | % of All | # of HH            | % of All |
| Extremely Low Inc.  | 30% AMI       | \$27,630 | 848                 | 9%       | 945                | 9%       | 97                 | 10%      |
| Very Low Income     | 50% AMI       | \$46,050 | 1,569               | 16%      | 1,746              | 16%      | 178                | 18%      |
| Low Income          | 80% AMI       | \$73,680 | 2,940               | 30%      | 3,267              | 30%      | 327                | 33%      |

Source: US Census, City of West Linn, West Linn Housing Needs Analysis, 2021

\* Income levels are based on OHCS guidelines for a family of four.

## EXISTING AND EXPECTED BARRIERS TO DEVELOPING NEEDED HOUSING

The Consultant team conducted interviews with a variety of key stakeholders involved with the provision of needed housing in West Linn. The interviews were conducted with 10 individuals, with a focus on the diverse housing needs, underrepresented communities, and affordable housing development. The key themes of the information gathered in the interviews identified the existing and expected barriers to the development of needed housing. The information gathered in these interviews include to barriers to the development of needed housing, along with the data and information on housing trends, market conditions, and housing affordability considerations. The interview findings help provide additional context of the housing needs in West Linn and will help inform the identification and evaluation of housing production strategies.

The following is a summary of recurring themes and comments from the interviews regarding the barriers to the production of needed housing in West Linn.

### Aging Housing Stock and Limited Land Availability

- The majority of the city was built out in the 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.

- West Linn has limited room for growth compared to neighboring cities like Wilsonville, with financing constraints for infrastructure/public facilities improvements.
- There is limited land supply for the market West Linn has traditionally attracted.
- Topography and geological constraints make housing development in West Linn challenging.

### **Market Potential and Constraints**

- Market potential exists for infill and middle housing, but space is constrained.
- There are limited opportunities for dense housing or urban amenities, especially outside the Willamette Drive area.
- 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.

### **Cost and Affordability Issues**

- West Linn has the highest System Development Charges (SDCs) in the state, making affordability difficult to achieve without reductions in these fees and/or other measures that can significantly reduce housing construction and land costs.
- 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.
- Most development costs (e.g., SDCs) are borne by the applicant/developer and/or passed on to homebuyers, making it more difficult to deliver affordable products.

### **Regulatory and Procedural Challenges**

- Historic overlays and restrictive zoning codes may inhibit development of needed housing in some areas.
- 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.
- Lack of accurate infrastructure data and records poses challenges for development and may increase costs for public improvements for housing development.
- 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 fewer resources.

## **EXISTING ADOPTED MEASURES**

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The City of West Linn currently uses a mix of housing strategies intended to enable or facilitate the production of housing. Housing production measures are intended to encourage needed housing, increase affordability, and reduce rent burden on renters.

The City submitted a pre-HPS Survey to DLCD in 2022 that summarizes existing measures the City currently uses. According to the Pre-HPS Survey, the City is implementing the measures listed below to address housing needs in West Linn.

## Policy and Development Code Strategies

- Zoning Changes to Facilitate the Use of Lower-Cost Housing Types
  - The recently adopted West Linn HNA identified a deficiency in multi-family zoned land. The City recently rezoned several parcels from lower density to higher density designations to correct this deficiency and to encourage development of new multi-family projects.
- Code Provisions for ADUs
  - The City reviewed ADU regulations in the code and adopted Ordinance 1742 in order to remove existing barriers to their construction. The City also recently passed an Ordinance exempting ADUs from half-street improvements, which was the primary barrier. An evaluation of SDCs will also be undertaken.
- Middle Housing Code Update
  - The City's recent middle housing update resulted in the City allowing duplexes, triplexes, quadplexes, townhomes, and cottage cluster housing in a broad range of residential zones.
- Rezoning low-density residential area to middle-to-high density residential
  - The City recently increased the allowed density in one or more zones to allow for more compact development and/or a wider range of housing types in specific areas. This addresses the housing needs identified in HNA and to also comply with HB 2003.

## Reduce Regulatory Impediments

- Remove or Reduce Minimum Parking Requirements
  - As part of the implementation of CFEC rules, the City will be making a policy decision on whether to eliminate parking minimums for the entire community. If the City does not remove these requirements citywide, it will still eliminate minimum requirements in a variety of areas consistent with state requirements.
- Reduce Regulatory Barriers to Lot Division
  - The City will be codifying SB458 rules in the Community Development Code. SB458 applications are currently being processed as a staff decision. However, the CDC requires an ELD is processed through the Planning Commission and the City Attorney's office has advised this runs afoul of ORS/OARs. The code will be amended in the next round of clean-up.
- Pro Affordable Housing Agenda
  - The City recently updated its Comprehensive Plan Goal 10 Housing policies to promote development of affordable housing as part of the HB2003 HNA adoption.

## Financial Incentives and Funding Sources

- Modify SDC fee schedules
  - The City is finalizing a contract to review the SDC calculations for ADUs and Middle Housing Types. The review will also look at rates for affordable housing projects.

- Nonprofit Low-Income Rental Housing Exemption
  - As part of the HPS, the City will review and propose a number of programmatic/policy initiatives for tax relief for affordable projects.
- Dedicated Revenue Sources for Affordable Housing
  - The City will review and potentially adopt various programmatic/policy initiatives as part of the HPS to encourage affordable housing development. A number of tools will be analyzed, including vertical tax credits, CET, property tax waivers, etc.

## Land Supply Strategies

- Surplus Land for Affordable Housing
  - As part of the HPS, the City will analyze strategies and identify surplus properties that could be developed as affordable housing projects in partnership with the County and local providers.

## HOUSING NEEDS OF UNDERREPRESENTED COMMUNITIES

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The contextualized housing needs analysis finds disproportionate housing needs for low-income households, people experiencing homelessness, people of color, people with disabilities, workforce, seniors, and veterans. The people in these groups have housing needs not met with the housing type and price points the market provides. Producing housing for the special needs of these groups requires public intervention in order to increase the inventory of needed housing. The HPS will evaluate the strategies with a focus on the forementioned underserved groups.

### Low-income households

West Linn has an unmet current and future need of housing for the extremely low to low-income households. This demonstrates a need for subsidized affordable housing for renters and affordable homeownership. In 2022, the US Census estimated that about 64% of the renter households in West Linn pay more than 30% of income towards housing costs. With the low vacancy rate, competition for lower-priced affordable units and subsidized units is high, and many cannot afford the rents or housing sales prices without cost burdening themselves. HUD housing vouchers frequently do not provide enough money to cover market rate rent of stable housing without supplemental income which many recipients do not have available. In addition, the number of available units that accept vouchers is limited and typically is much lower than the number of vouchers that otherwise could be used in the community. The low vacancy rate of housing unit (5%), which is likely even lower for lower cost rental units, is causing an increase in the need for shelters and transitional housing in West Linn which is pushing the extremely low and very low income people onto the threshold of homelessness and needing those services in order to be housed. Currently, there are a very limited number of publicly assisted housing units in West Linn and a limited number of HUD vouchers are being used there at this time.

## People Experiencing Homelessness

People experiencing homelessness are disproportionately affected by the lack of affordable housing. There were an estimated 411 people counted as homeless and unsheltered in Clackamas County as of 2023. In addition, an estimated 13% of households in West Linn may be at risk of homelessness because they have income at or below 30% of MFI. Almost all of these households are cost burdened, with many likely being severely cost burdened. Their broad housing needs include immediate assistance, such as rent support, permanent supportive housing with services, and better access to affordable units. Additionally, the housing needs of homeless individuals who are seniors, disabled, or Persons of Color encompass the specific needs of these groups as well.

## People of Color

West Linn grew more diverse between the 2010 and 2020 Census, with the white share of the population falling from 88% to 81%. The individual racial groups increased their portions taking 1% to 7%. Minority households typically have larger average household sizes compared to the overall population. Racial and ethnic minorities are less likely to own their homes, resulting in a greater demand for rental units. They also typically fall behind their white counterparts in terms of the ability to accumulate intergenerational wealth, including through home ownership. These groups also tend to have lower average incomes and are more likely to live below the official poverty level compared to the general population. This contributes to their higher proportion of renter households and affects the types of housing they require.

## People of Disabilities

In West Linn, an estimated 8.4% or 2,268 people report having some form of disability. This is lower than the statewide rate and county rate of 14.9% and 12.6% respectively. Any type of disability influences the appropriate type of housing for a resident, but those with ambulatory, self-care, or independent living disabilities typically have the greatest impact on the required unit type. While the housing needs of individuals with one or more disabilities vary depending on the type of disability, generally the needs include better access to affordable housing, enhanced physical accessibility of housing units, access to housing with necessary services and transit.

## Workforce

Middle-income workers find it increasingly challenging to buy or rent housing near their workplaces, particularly in more affluent communities with higher housing costs such as West Linn. This difficulty arises partly because wages have not kept pace with rising living costs and partly because there is a limited supply of affordable housing for these workers. Consequently, many middle-income workers relocate to the outskirts of their regions, resulting in longer commutes, increased traffic, and various other negative impacts on the surrounding area. Because affordable housing programs focus on serving households making 60 percent or lower of AMI, middle-income workers are often left with fewer housing options available to them in the cities where they work.

## Seniors

In 2022, the proportion of the West Linn population over 65 was 18.4%, which was relatively high compared to both the state and national averages. Although West Linn's poverty rate for those 65 and older was 6.8%, lower than that of Clackamas County and Oregon, the senior population

remains vulnerable to being cost-burdened and losing housing in the competitive rental market. Many live on fixed incomes with increasing housing costs. Many seniors also have a specific need for housing that is accessible for people with mobility limitations, or physical or self-care disabilities. This includes housing with adequate accessibility features and/or single-story units. As this group grows, West Linn will need more housing that is affordable, physically accessible, and in proximity to needed services such as nearby health care or in-home assistance.

## Veterans

This group is identified as having specific needs and is often under-represented in housing planning. Veterans, in particular, may suffer from physical or mental health disabilities due to injuries or stress from their service. They often have fixed, lower incomes and require access to services provided by the US Veterans Administration or other organizations. Consequently, veterans share many of the same unmet needs as people with disabilities, low-income households, and, in some cases, senior residents.

*Figure 24. Vulnerable and Disadvantaged Community Group Summary, West Linn*

| <b>Low Income (HUD Definitions)<sup>1</sup></b> | <b>Households</b> | <b>Households Below Level</b> |
|---|-------------------|-------------------------------|
| Household Income Median (\$134k)                | 5,004             | 50%                           |
| Low Income (80% of Median) (\$107k)             | 4,135             | 41%                           |
| Very Low income (50% of Median) (\$67k)         | 2,606             | 26%                           |
| Extremely Low Income (30% of Median) (\$40k)    | 1,340             | 13%                           |
| Population Below Poverty Level                  | 1,501 persons     | 6%                            |

| <b>Homelessness (Countywide, 2023)<sup>2</sup></b> | <b>Individuals</b> | <b>Share (%)</b> |
|--|--------------------|------------------|
| Total Homeless Count                               | 411                | 100%             |
| Unsheltered  | 179                | 44%              |
| Emergency Shelter                                  | 182                | 44%              |
| Transitional Housing                               | 50                 | 12%              |
| Chronic Homeless                                   | 173                | 42%              |
| Not Chronic  | 238                | 58%              |
| Male   | 229                | 56%              |
| Female   | 176                | 43%              |
| Nonbinary, Unreported                              | 6                  | 1%               |
| Experiencing Serious Mental Illness                | 125                | 30%              |
| Have Experienced Domestic Violence                 | 83                 | 20%              |
| Homeless Veterans                                  | 30                 | 7%               |



| <b>Racial and Ethnic Demo. (Census 2020)<sup>3</sup></b> | <b>Individuals</b> | <b>Share (%)</b> |
|--|--------------------|------------------|
| White alone (Population)                                 | 22,186             | 81%              |
| Hispanic or Latino                                       | 1,573              | 0.06             |
| Black or African American alone                          | 220                | 1%               |
| American Indian and Alaska Native alone                  | 73                 | 0%               |
| Asian alone  | 1,346              | 5%               |
| Native Hawaiian and Other Pacific Islander alone         | 32                 | 0%               |
| Some Other Race alone                                    | 142                | 1%               |
| Population of two or more races:                         | 1,801              | 7%               |
| Language Spoken at Home (Other than English)             | 2,813              | 10%              |

| <b>Persons with Disabilities<sup>4</sup></b> | <b>Individuals</b> | <b>Share (%)</b> |
|--|--------------------|------------------|
| Total Population (West Linn)                 | 27,046             | 100%             |
| Disabled Individuals (Total)                 | 2,268              | 8%               |
| With a hearing difficulty                    | 899                | 3%               |
| With a vision difficulty                     | 288                | 1%               |
| With a cognitive difficulty                  | 849                | 3%               |
| With an ambulatory difficulty                | 997                | 4%               |
| With a self-care difficulty                  | 448                | 2%               |
| With an independent living difficulty        | 763                | 3%               |

| <b>Workforce<sup>5</sup></b>                | <b>Individuals</b> | <b>Share (%)</b> |
|---|--------------------|------------------|
| Estimated Labor Force (of Total Adult Pop.) | 12,766             | 60%              |
| Labor Force Employed                        | 12,168             | 95%              |
| Labor Force Unemployed                      | 598                | 5%               |

| <b>Households Aged 60 or Older<sup>6</sup></b> | <b>Households</b> | <b>Share (%)</b> |
|--|-------------------|------------------|
| Total Households (West Linn)                   | 10,008            | 100%             |
| Householder Aged 60 or Older                   | 4,062             | 41%              |
| Family Households (Aged 60 or Older)           | 2,892             | 29%              |
| Non-Family Households (Aged 60 or Older)       | 1,170             | 12%              |
| Seniors below the poverty level (Population)   | 416 persons       | 6%               |
| Owner Households                               | 3,645             | 90%              |
| Owner Housing Costs >30% of Income             | 1,032             | 0.28             |
| Renter Households                              | 417               | 10%              |
| Renter Costs >30% of Income                    | 286               | 69%              |



| <b>Veterans<sup>7</sup></b>         | <b>Individuals</b> | <b>Share (%)</b>     |
|-------------------------------------|--------------------|----------------------|
| Veterans                            | 1,140              | 6%                   |
| <b>Period of Service</b>            |                    | <b>Share of Vets</b> |
| Gulf War (9/2001 or later) veterans | 264                | 23%                  |
| Gulf War (1990 to 8/2001) veterans  | 299                | 26%                  |
| Vietnam era veterans                | 387                | 34%                  |
| Korean War veterans                 | 80                 | 7%                   |
| World War II veterans               | 22                 | 2%                   |
| Other                               | 88                 | 8%                   |
| <b>Veteran Age</b>                  |                    | <b>Share of Vets</b> |
| 18 to 34 years                      | 21                 | 2%                   |
| 35 to 54 years                      | 417                | 37%                  |
| 55 to 64 years                      | 98                 | 9%                   |
| 65 to 74 years                      | 261                | 23%                  |
| 75 years and over                   | 343                | 30%                  |
| <b>Veteran Poverty Status</b>       | <b>55</b>          | <b>5%</b>            |
| <b>Veterans with a Disability</b>   | <b>275</b>         | <b>24%</b>           |

<sup>1</sup> Source: US Census, S1901, ACS 2022 5-Year

<sup>2</sup> Source: US Census, S1701, ACS 2022 5-Year

<sup>3</sup> Source: US Census, P2, 2020 Decennial Census

<sup>4</sup> Source: US Census, S1810, ACS 2022 5-Year

<sup>5</sup> Source: US Census, DP03, ACS 2022 5-Year

<sup>6</sup> Source: US Census, S0102, ACS 2022 5-Year

<sup>7</sup> Source: US Census, S2101, ACS 2022 5-Year

**Agenda Item #6 Materials**

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# 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

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### INTRODUCTION

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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

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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

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### 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?