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# City of Wilsonville

## Housing Market Research Report

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August 2019

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This project is partially funded by a Metro 2040 Grant. That assistance notwithstanding, ECONorthwest is responsible for the content of this report. The staff at ECONorthwest prepared this report based on their general knowledge of housing economics, and on information derived from government agencies, private statistical services, the reports of others, interviews of individuals, or other sources believed to be reliable. ECONorthwest has not independently verified the accuracy of all such information, and makes no representation regarding its accuracy or completeness. Any statements nonfactual in nature constitute the authors' current opinions, which may change as more information becomes available.

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# 1 Purpose and Context

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

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

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

The remainder of this document is organized into five sections:

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

## What is equitable housing?

Equitable housing goes beyond simple affordability. It aims to ensure all people have housing choices that are diverse, high quality, physically accessible, and reasonably priced, with access to opportunities, services, and amenities.

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

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

*Source: Metro*

## 2 Who lives in Wilsonville today?

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

### Demographics have changed over the last 20 years.

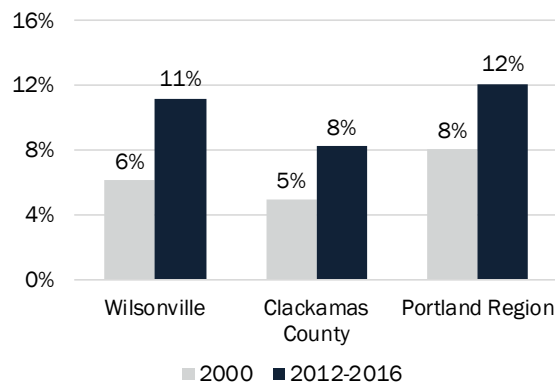
**Wilsonville's Latinx community is expanding.** Between 2000 and 2016, the Latinx population in Wilsonville increased by about 2,000 people, almost doubling from a share of 6% to 11% of the population. Over the same period, the County and Portland Region saw slower growth in this population group. The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

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

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

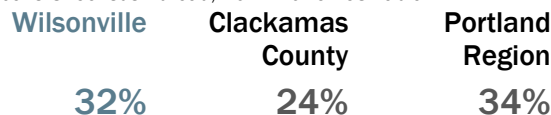
**Exhibit 1. Share of Latinx Population, Wilsonville, Clackamas County, Portland Region, 2000 to 2012-2016, 2012-2016**

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



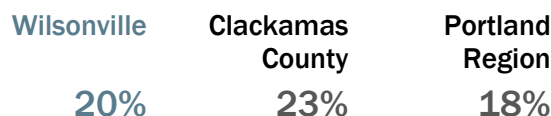
**Exhibit 2. Population between 20 and 40 years of age, Wilsonville, Clackamas County, Portland Region 2012-2016**

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



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

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



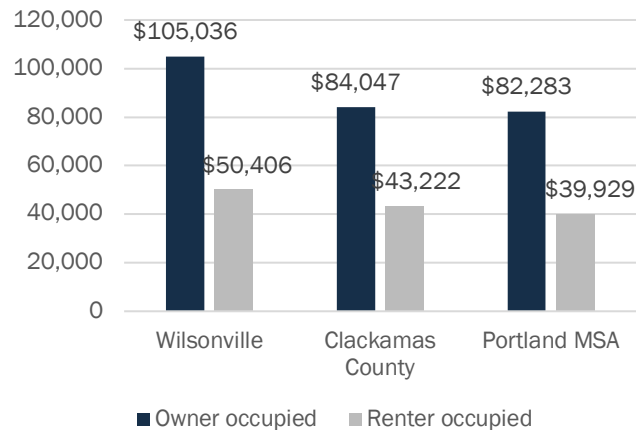
## Incomes for owner households are generally higher than renter households.

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

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

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

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

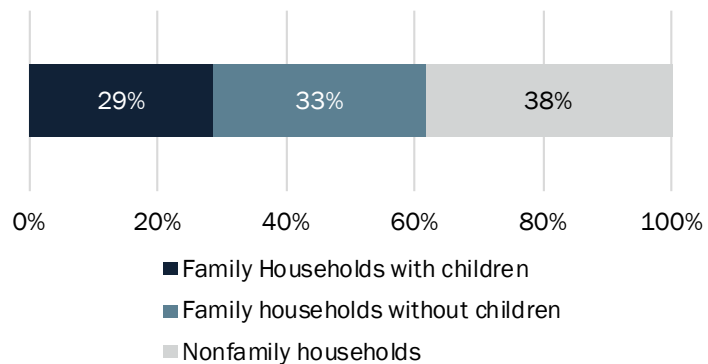


## Incomes vary by family type.

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

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

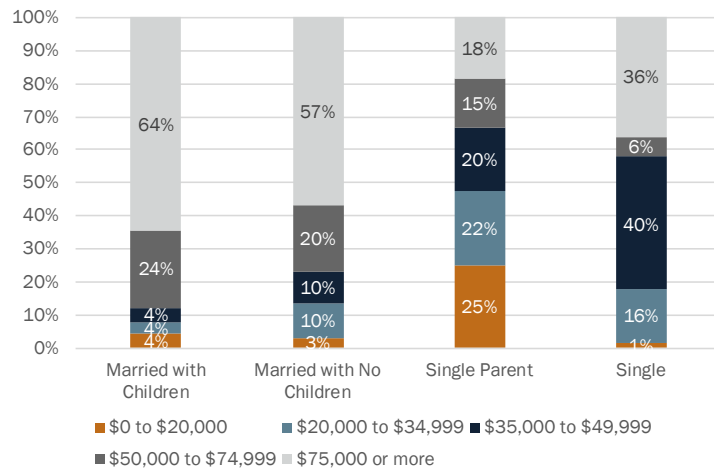
Source: U.S. Census Bureau, 2012-2016 ACS Table B25119.



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

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

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

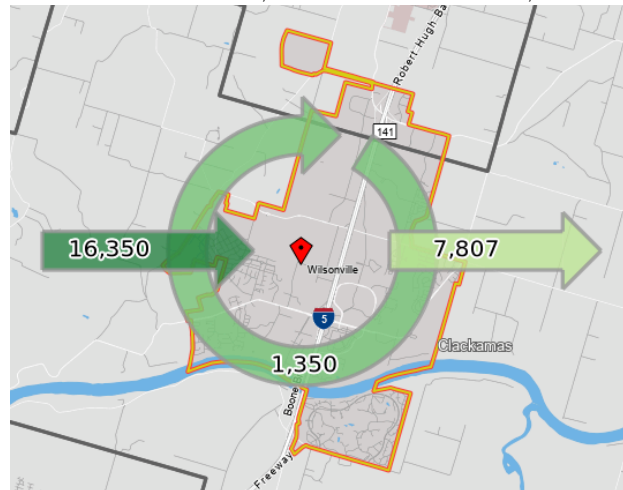


## Most Wilsonville residents commute elsewhere to work.

As of 2015<sup>4</sup>, about 85% of employed residents leave Wilsonville for work, while over 16,000 workers come to Wilsonville from other communities.

**Exhibit 7. Commuting Patterns in Wilsonville.**

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





## Many children attending Wilsonville schools are economically disadvantaged.

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

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

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

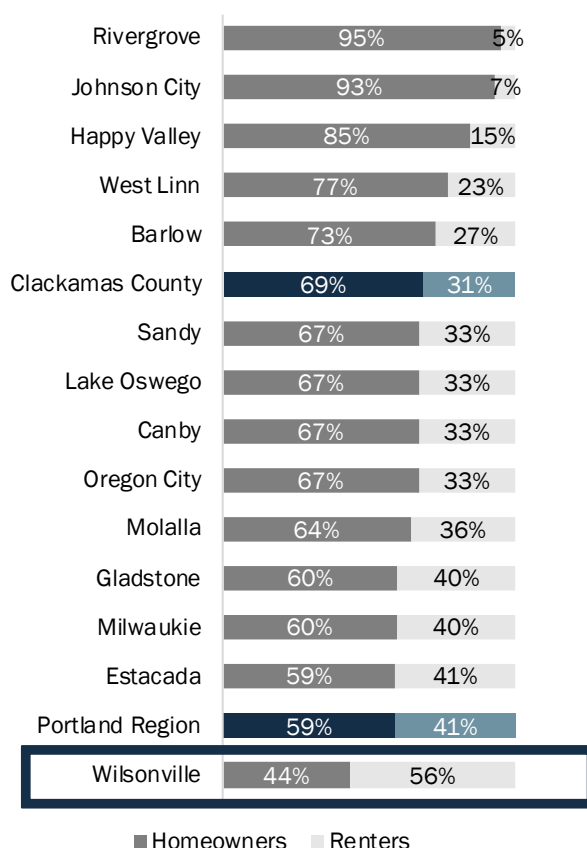
Arts and Technology High School – 54%  
 Boeckman Creek Primary School – 33%  
 Boones Ferry Primary School – 40%  
 Lowrie Primary School – 21%  
 Wilsonville High School – 21%  
 Inza Wood Middle School – 30%

## The majority of Wilsonville households rent their homes.

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

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

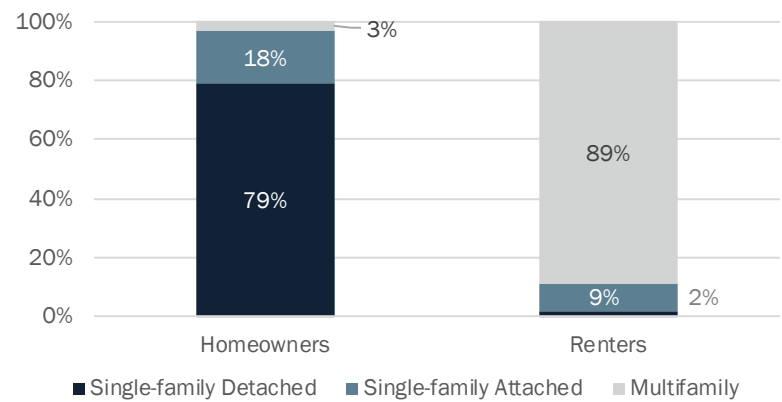
Source: U.S. Census Bureau, 2012-2016 ACS Table B25032.



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

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

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



### 3 What will Wilsonville's future population look like?

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

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

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

Source: Metro population forecast, 2015.

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

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

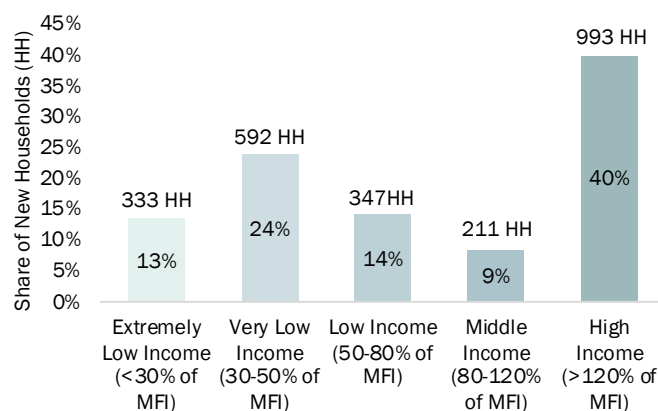
**About half of new households in Wilsonville are forecast to be low income.** These households will need affordable housing options.

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

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

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

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



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

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

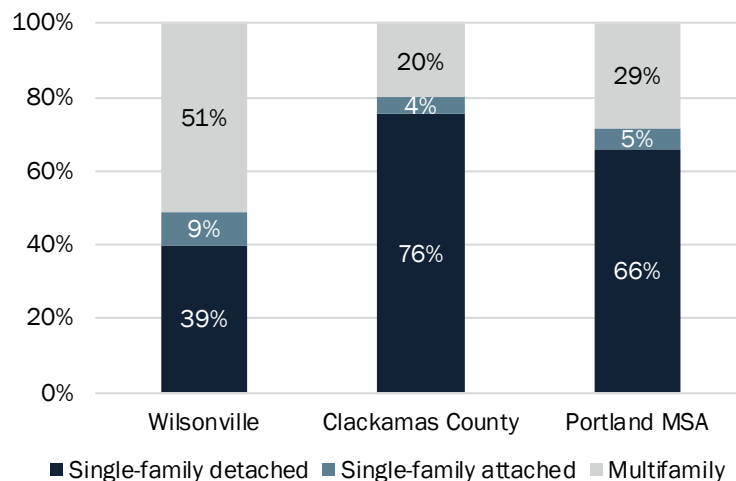
## 4 What are the current housing conditions in Wilsonville?

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

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

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

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



#### Census Definitions for Housing Mix

##### Multifamily housing:

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

##### Single-family attached:

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

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

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

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

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

Between 2000 and 2012, Wilsonville permitted 2,862 housing units, two-thirds of which (1,892) were multifamily or single-family attached units.<sup>12</sup> These new developments include market-rate apartments and townhomes, senior living (both assisted and independent), and subsidized affordable housing (including some designated for seniors or others for people of all ages with disabilities). Most new home construction between 2014 and 2017 has been in the Villebois neighborhood, which is required to build about one third of the units as multifamily housing. Some of these units must come with affordability

requirements under the City's development agreement with the State of Oregon, which allowed the former state hospital to be converted into a mixed-income neighborhood.<sup>13</sup>

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

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

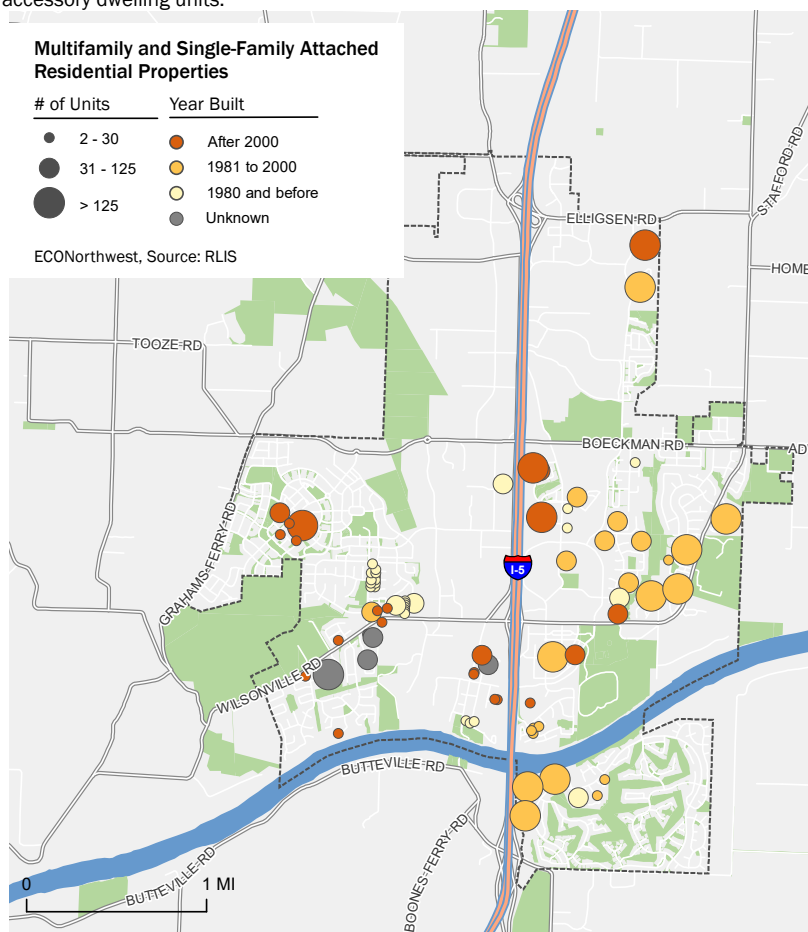
*Source: City of Wilsonville*

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

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

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

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



## The city has a limited stock of subsidized affordable housing.

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

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

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

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

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

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

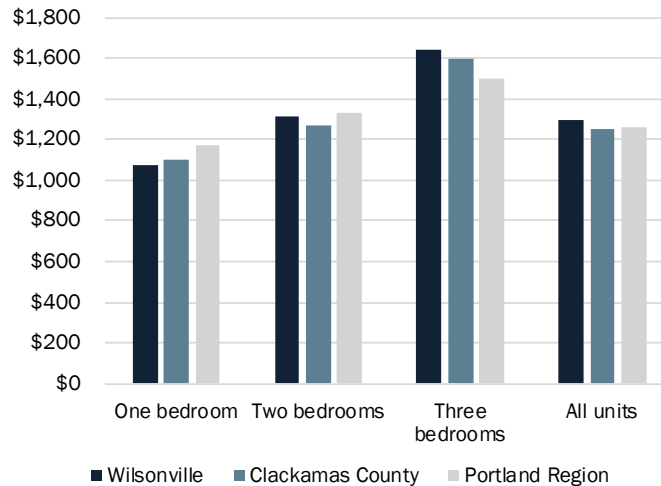


# Wilsonville's multifamily rental housing market trends mirror the Portland region.

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

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

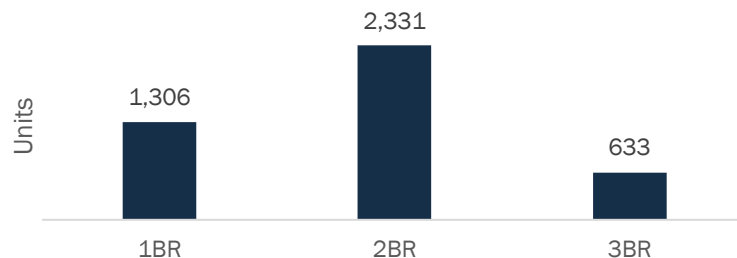
Source: CoStar.



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

**Exhibit 17. Housing Unit Size, Wilsonville. 2019.**

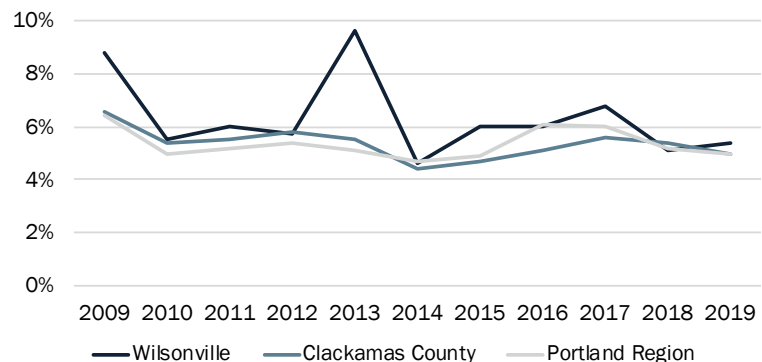
Source: CoStar



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

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

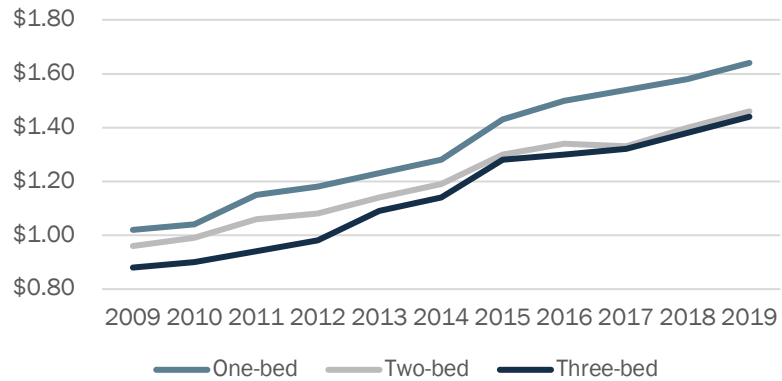
Source: CoStar



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

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

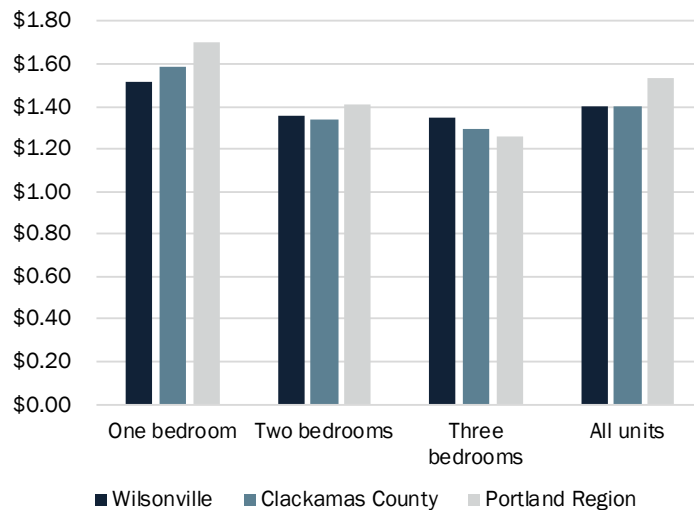
Source: CoStar.



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

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

Source: CoStar.

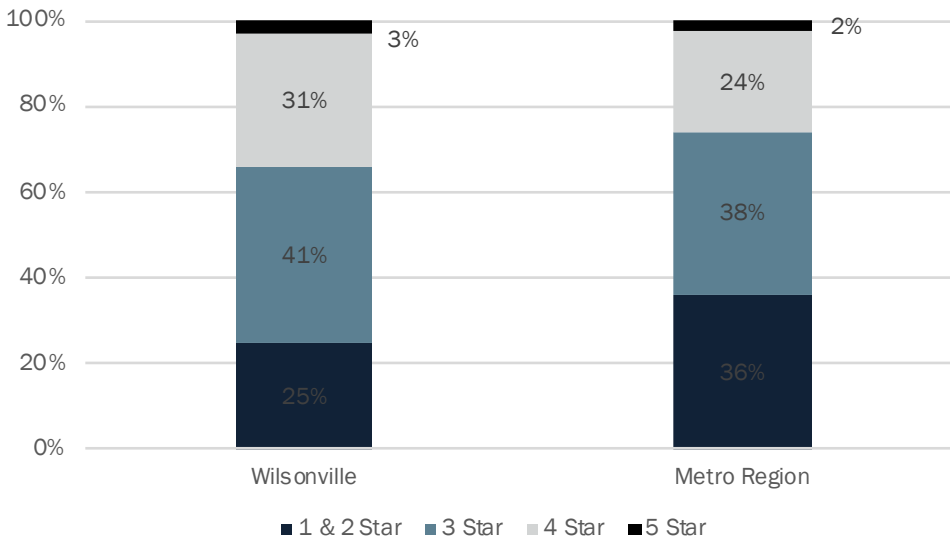


## Wilsonville's multifamily housing stock is relatively high-quality compared to the region.

According to CoStar—a multi-national commercial real estate information company—over one-third of Wilsonville's multifamily housing stock is high-quality, compared to only one-quarter in the Portland region. This difference is mostly explained by the city's relative lack of housing that CoStar<sup>16</sup> rates as lower-tier.

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

Source: CoStar.



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

## Many residents cannot afford their housing costs.

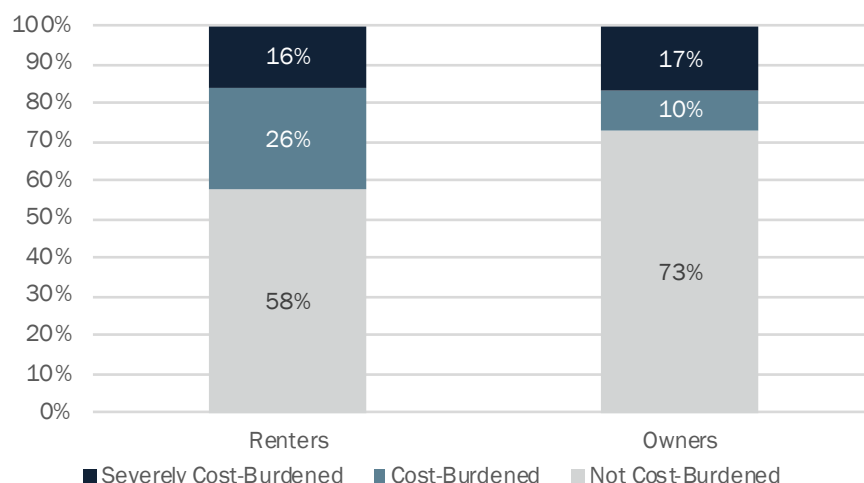
Many residents are paying more than 30% of their income on housing. Almost a quarter (23%) of all households in Wilsonville are cost-burdened, defined as spending more than 30% of their income on housing costs. Renters are particularly impacted: 42% are cost-burdened or extremely cost-burdened (spending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

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

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

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

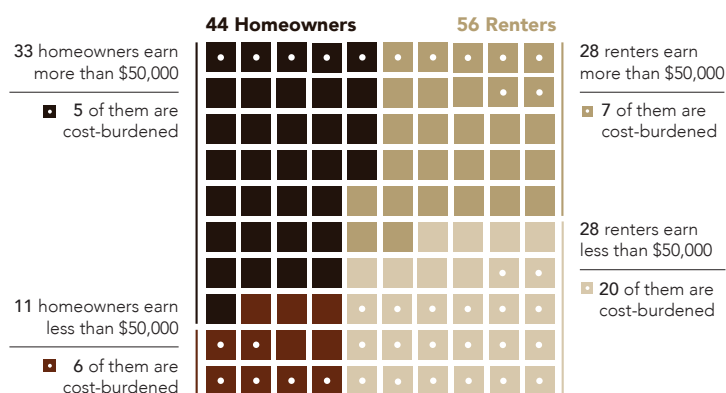
Source: U.S. Census Bureau, 2012-2016 ACS Table B25091 and B25070.



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

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

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



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

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

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

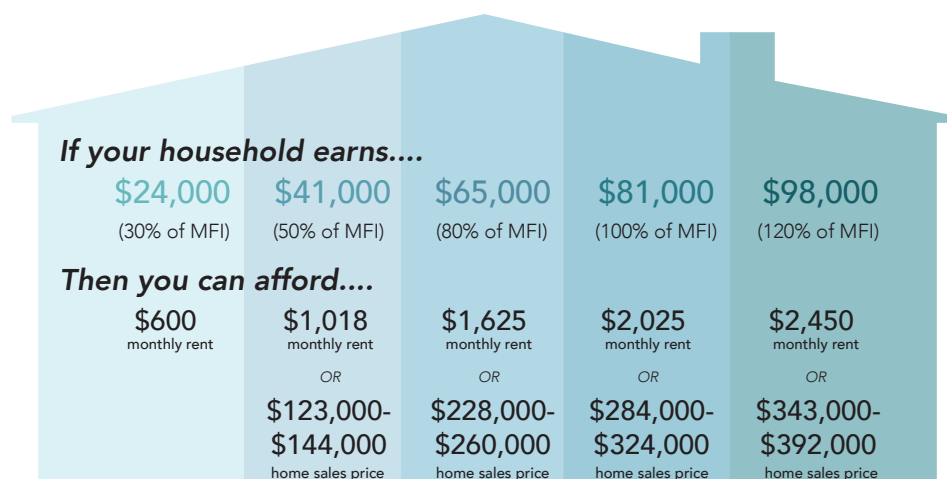
**A household can start to afford Clackamas County's median rents at about 61% of County median household income (\$41,349).**

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

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

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

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

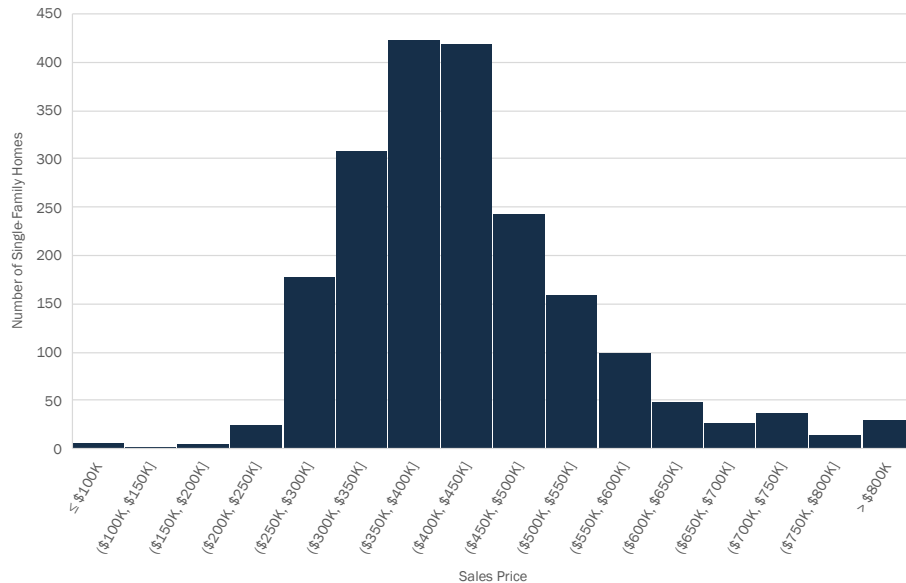


# Homeownership is out of reach for many of Wilsonville's current residents.

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

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

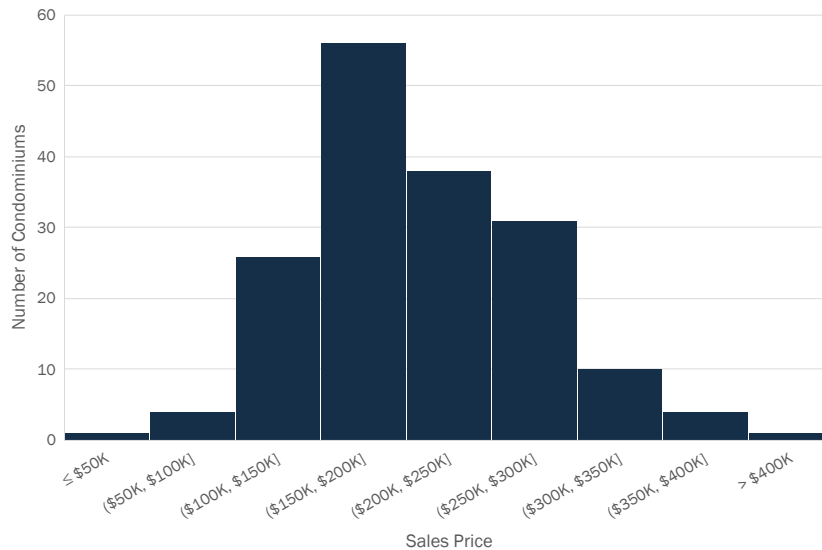
Source: Oregon Metro, Taxlots data, 2015-2019. N = 2,034. Includes single-family detached and attached housing types.



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

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

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



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

However, the median home sales price in the city was almost double, at \$454,500, in February 2019.<sup>18</sup>

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

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

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

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

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

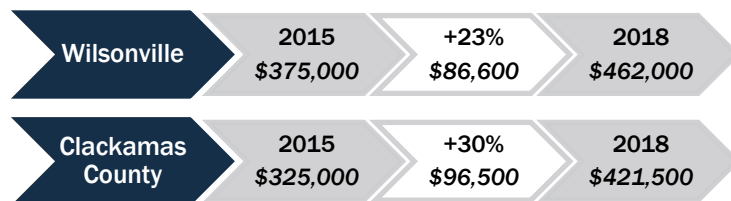
Homeownership is generally out of reach for most first-time buyers. The median housing sales price in September 2018, \$462,000, indicates that few entry-level homes are available for sale in Wilsonville. Prospective homeowners are likely renting for a longer period of time, perhaps bypassing the starter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

**The average home in Wilsonville costs 31% more than what the average household can afford.<sup>19</sup>**

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

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

Source: Property Radar.



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



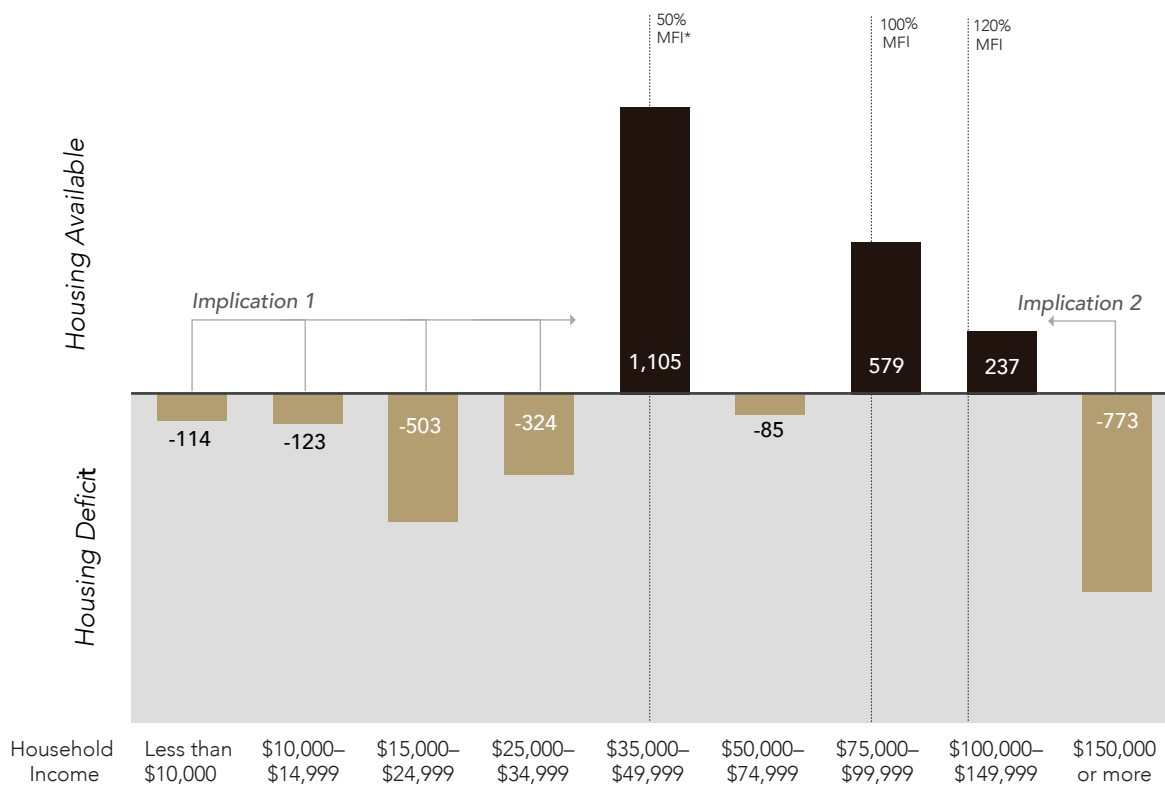
## Overall, there is little housing affordable to those at the low end of the income spectrum.

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

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

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

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



## 5 What types of housing will future residents need?

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

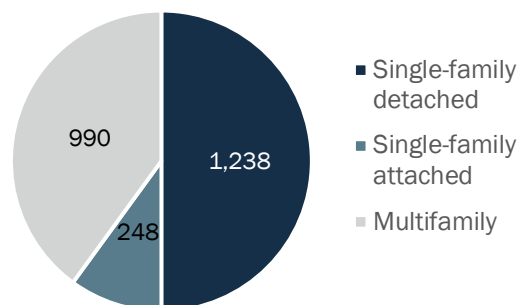
Over the next 20 years, the city will need a **wide range of housing types** and **housing that is affordable to households at all income levels** to accommodate an estimated 3,373 new residents by 2039. This conclusion is consistent with housing need in other cities in Clackamas County, the Portland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

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

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

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

Source: Calculations by ECONorthwest



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<sup>1</sup> The HNA's forecast for Frog Pond East and South is based on Metro Ordinance 18-1427<sup>1</sup> which says Wilsonville must plan for a minimum of 1,325 dwelling units in Frog Pond East and South. However, this area was not included within the HNA's housing growth in the forecast for Wilsonville Planning Area because this UGB expansion was not yet acknowledged by the Land Conservation and Development Commission at the time of publication.

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

Source: Population Research Center and ECONorthwest.

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

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

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

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

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

## Key Growth Areas

### Frog Pond

Development of Frog Pond, an area designated to transition from rural to urban development, will take time, given the need to extend utilities and build infrastructure to serve houses. Engineering and construction plans for Frog Pond West are underway, with an expectation that the first homes will be available starting in 2019. Frog Pond West will include mostly single-family detached housing types, with some single-family attached units. The rest of the Frog Pond Area—Frog Pond South and East—is expected to contain some attached housing and cottage clusters, with the majority of the Frog Pond Area planned for single-family detached housing. Timing for moving forward on Frog Pond South and East is not entirely known, but, following master planning of this area, it is expected that building of the first homes in the area will not likely begin until after 2024.<sup>21</sup> Ultimately, infrastructure extensions, market response to Frog Pond West, and overall housing demand will determine the timing for Frog Pond South and East.

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

### Town Center

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

### Villebois

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

## Other Neighborhoods

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

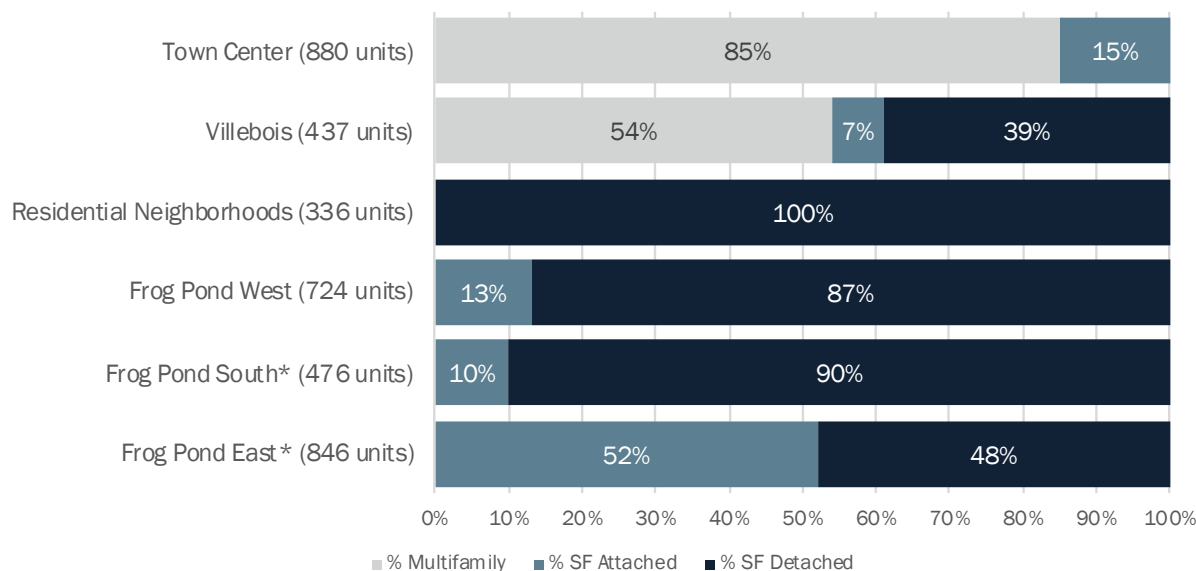
## Summary of Capacity by Neighborhood

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

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

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

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



\* Not included in Baseline HNA Calculations.

## 6 Conclusion

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

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

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

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

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

## Appendix

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### Appendix A: Wilsonville Baseline HNA

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



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<sup>1</sup> 2018 Wilsonville Annual Housing Strategy

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

<sup>3</sup> Current Population Survey Definitions. United States Census Bureau.

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

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

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

<sup>6</sup> 2018 Wilsonville Annual Housing Report.

[https://www.ci.wilsonville.or.us/sites/default/files/fileattachments/community\\_development/page/29051/housing\\_report\\_pdf\\_version.pdf](https://www.ci.wilsonville.or.us/sites/default/files/fileattachments/community_development/page/29051/housing_report_pdf_version.pdf)

<sup>7</sup> Wilsonville Housing Needs Assessment, 2019.

<sup>8</sup> Clackamas County Baseline Housing Needs Assessment, 2019. Page 73.

<sup>9</sup> [https://www.oregonmetro.gov/sites/default/files/2018/12/03/2018\\_UGR-summary-11282018\\_v2pdf.pdf](https://www.oregonmetro.gov/sites/default/files/2018/12/03/2018_UGR-summary-11282018_v2pdf.pdf)

<sup>10</sup> Portland Region Housing Needs Assessment.

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

<sup>11</sup> Clackamas County Baseline Housing Needs Assessment, 2019.

<sup>12</sup> Wilsonville Residential Land Study

<sup>13</sup> Villebois Village Master Plan.

[https://www.ci.wilsonville.or.us/sites/default/files/fileattachments/planning/page/84681/villebois\\_village\\_master\\_plan.pdf](https://www.ci.wilsonville.or.us/sites/default/files/fileattachments/planning/page/84681/villebois_village_master_plan.pdf).

<sup>14</sup> 2018 Wilsonville Annual Housing Report

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

<sup>16</sup> The CoStar Building Rating System provides a national rating for buildings. Properties are evaluated and rated using a 5-star scale based on the characteristics of each property type, including: architectural attributes, structural and systems specifications, amenities, site and landscaping treatments, third party certifications and detailed property type specifics. More information on CoStar's website: [https://www.costar.com/docs/default-source/brs-lib/costar\\_buildingratingsystem-definition.pdf?sfvrsn=12a507a4\\_2](https://www.costar.com/docs/default-source/brs-lib/costar_buildingratingsystem-definition.pdf?sfvrsn=12a507a4_2)

<sup>17</sup> 2018 Wilsonville Annual Housing Report.

<sup>18</sup> Redfin, Property Radar.

<sup>19</sup> 2018 Wilsonville Annual Housing Report.



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

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

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

<sup>23</sup> "Opportunities and Challenges for Equitable Housing." Metro. 2016.

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