

RESOLUTION NO. 1882

A RESOLUTION OF THE CITY OF WILSONVILLE PROVIDING METRO WITH THE REQUIRED PROGRESS REPORT ON AFFORDABLE HOUSING CONSISTENT WITH TITLE 7 OF THE URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN.

WHEREAS, Metro's Regional Framework Plan stated the need to provide affordable housing opportunities through: a) a diverse range of housing types, available within the region, and within cities and counties inside Metro's Urban Growth Boundary; b) sufficient and affordable housing opportunities available to households of all income levels that live or have a member working in each jurisdiction and sub-region; c) an appropriate balance of jobs and housing of all types within sub-regions; d) addressing current and future need for and supply of affordable housing in the process used to determine affordable housing production goals; and e) minimizing any concentration of poverty; and

WHEREAS, the Regional Framework Plan directs that Metro's Urban Growth Management Functional Plan include voluntary affordable housing production goals to be adopted by local jurisdictions in the region as well as land use and non-land use affordable housing tools and strategies; and

WHEREAS, the Urban Growth Management Functional Plan requires that cities within the Metro region ensure that their Comprehensive Plans and implementing ordinances a) include strategies to ensure a diverse range of housing types within their jurisdictions; b) include in their plans actions and implementation measures designed to maintain the existing supply of affordable housing as well as increase the opportunities for new dispersed affordable housing within their boundaries; and c) include plan policies, actions and implementation measures aimed at increasing opportunities for households of all income levels to live within their individual jurisdictions in affordable housing;

WHEREAS, Planning Division Staff has requested grant funding from DLCD to complete a Goal 10 housing needs assessment and residential buildable lands analysis which when completed will allow the City to understand the scope and nature of any housing deficiencies, to formulate a plan to meet those deficiencies and develop those strategies, policies and implementation measures required by the Urban Growth Management Functional Plan; and

WHEREAS, the City's Comprehensive Plan contains numerous provisions regarding affordable housing consistent with the Urban Growth Management Functional Plan, and form the basis for further policy developed in response to the housing needs and buildable lands analysis; and

WHEREAS, the Regional Framework Plan also directs that Metro's Urban Growth Management Functional Plan include local governments' reporting progress towards increasing the supply of affordable housing; and

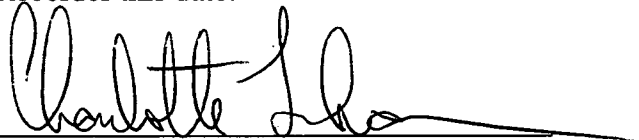
WHEREAS, the June 9, 2004 Metro Title 7 – Affordable Housing Annual Report prepared by Sandi Young, Planning Director, which embodies that report and satisfies reporting requirements for 2002 and 2003, was reviewed and approved by the Planning Commission on June 9, 2004; and

WHEREAS, Pursuant to Urban Growth Management Functional Plan section 3.07.740 A-B, Metro requires that the City Council review and approve the Title 7 progress reports prior to submission to Metro;

NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

1. That the Wilsonville City Council hereby approves and forwards the 2002-03 Title 7- Affordable Housing Report, attached as Exhibit A, to the Metro Council.
2. This resolution is effective upon adoption.

ADOPTED by the Wilsonville City Council at a regular meeting thereof this 21st day of June 2004, and filed with the Wilsonville City Recorder this date.


CHARLOTTE LEHAN, Mayor

ATTEST:


Sandra C. King, City Recorder, CMC

SUMMARY OF VOTES:

Mayor Lehan	Yes
Council President Kirk	Yes
Councilor Holt	Yes
Councilor Scott-Tabb	Excused
Councilor Knapp	Yes

2002/2003 Report to Metro
City of Wilsonville

Regional Affordable Housing Strategy Implementation

May 2004

A. Background

On January 18, 2001, the Metro Council adopted amendments to the Regional Framework Plan and the Urban Growth Management Functional Plan to further the implementation of the Regional Affordable Housing Strategy. The adoption of these amendments culminated more than a year of work by a multi-jurisdictional Housing Technical Advisory Committee (HTAC). The work of the HTAC and the recommendations that were eventually adopted were based on certain premises established by HTAC.

HTAC Definition of Affordable Housing and “Equitable Distribution”

“Affordable housing” was defined by HTAC as, “living accommodation for low and moderate income households where they pay no more than 30 percent of their income on housing costs. (For renters, housing costs include rent and utilities. For homeowners, housing costs include principal, interest, taxes and property insurance, if applicable.)”

It was the objective of HTAC to ensure that all jurisdictions in the Metro Region provide their “fair share” of affordable housing units and that there be an “equitable distribution” of affordable housing in the region.

The five principles of “equitable distribution” were defined as:

- A diverse range of housing types available within the region and within cities and counties inside the urban growth boundary.
- Sufficient and affordable housing opportunities available to households of all income levels that live or have a member working in each jurisdiction and sub-region.
- An appropriate balance of jobs and housing within sub-regions.
- The current and future need for and supply of affordable housing in the region is addressed in the distribution.
- Concentrations of poverty are minimized.

B. Wilsonville vs. the Region

Household Income

For 2003, HUD's official household income for a family of four for the Portland-Vancouver PMSA was \$65,800. In Wilsonville, the median household income for a family of four in the 2000 Census was \$52,515. If we advance the Census figure annually by the Portland CPI, an estimated 2003 median income would be \$55,018.

Household Demographics

Exhibit A, attached, compares 2000 Census information for Wilsonville and three of its neighboring towns, Tualatin, Tigard and West Linn. That data shows some similarities and some differences. All four cities are "middle-aged" family communities, with 20% or less of population over 55 years of age. West Linn has a slightly higher median age. This is further confirmed by figures showing 50% or more of households as two person married households, with West Linn at 66% of households in this category. Owner occupied vacancy rates are less than 5%, and in Wilsonville, Tigard and West Linn, less than 3%.

Conversely, Tualatin and Tigard have the lowest rental vacancy rates at 6.6% and 6.9% respectively, while West Linn has a high rental vacancy rate of 13.9%. Housing types are predominantly single family detached in West Linn (78%), while nearly 50% of housing in Wilsonville (46%) and Tigard (43%) and 40% in Tualatin (39%) is composed of multiple units of 3 to 20 or more units. Mobile homes comprise 7% of housing units in Wilsonville, but only 3% in Tualatin and less than 1% in West Linn and Tigard.

Incomes and housing costs are also interesting. In Wilsonville and Tualatin, about 19% of owner occupied households pay more than 30% of household income for housing, while the percentage is slightly higher at 21% in Tigard and 22% in West Linn. For renter occupied households, the percentages are 40% for Tigard, 37% for Wilsonville, 34% for West Linn and 30% for Tualatin.

In Tigard, 48% of households earned less than \$50,000 annually. In Wilsonville, 47% of households earned less than \$50,000 annually, as did 43% of Tualatin households and only 32% of West Linn households.

Wilsonville also serves as a regional employment center, having a higher daytime population than the resident population. The low vacancy rate (2.6%) of owner occupied housing contributes to the in-migration of workers, but the rental vacancy rate of 9.5% is well within normal market boundaries. The median rental rate is lower than either Tualatin or West Linn, but higher than Tigard.

C. Affordable Housing Opportunities in Wilsonville

Wilsonville is very aware of the need for housing to decrease the net import of workers and accompanying vehicle miles traveled, as well as the need for affordable housing to serve those who are paying more than 30% of their income for housing. According to City data, there are currently at least 310 units of affordable housing in Wilsonville (Autumn Park – 144 units, Montebello Apartments – 50 units, Montecino Apartments – 34 units, Wilsonville Heights Apartments – 24 units, Wiedemann Park Apartments – 58 units of senior housing). There are also four mobile home parks in Wilsonville: Thunderbird (270 units), River Village (21 units), Walnut (57 units) and Oakleaf (63 units) for a total of 411 units.

Several of these are privately owned, while others are provided through Clackamas County Housing Authority and other public agencies.

Villebois Village, (on the former Dammasch Hospital site) is also required to provide affordable units dispersed among the 2600 proposed total units in the village. Analysis of proposed values for owned units, and proposed rental rates for rental units shows that rental units will be generally affordable, but that ownership opportunities for affordable units will be marginal. (Exhibit B)

The City has included policies favorable to retention and provision of affordable housing within the community, including adoption of several of the mechanisms recommended by the Metro Regional Affordable Housing Strategy. The Housing Strategy specifically calls out the following tools and strategies: density bonus, replacement housing, inclusionary housing, transfer of development rights, housing for the elderly and those with disabilities, parking, streamlining local permitting processes.

D. Wilsonville Consideration and Responses

Comprehensive Plan

Under Residential Development, Policy 4.1.4 states that, “*The City of Wilsonville shall provide opportunities for a wide range of housing types, sizes, and densities at prices and rent levels to accommodate people who are employed in Wilsonville.*”

Implementation Measure 4.1.4a states that, “*The City shall encourage that at least an area of land equal to that now utilized for existing mobile home parks within the city, shall be identified within the city for development of replacement mobile or manufactured parks or subdivisions prior to the redevelopment of the existing parcels for other uses. Preservation of existing parks will be encourages where consistent with other provisions of this Plan.*”

Comments: At this time, there are no plans to redevelop any of the lands on which mobile homes parks are presently located. However, the City has two urban renewal districts with funds adequate to purchase replacement sites should

that become necessary. The City does need to move forward on locating those sites, and perhaps optioning them in advance of need.

Implementation Measure 4.1.4b requires that the City, *“Plan for and permit a variety of housing types consistent with the objectives and policies set forth under this section of the Comprehensive Plan, while maintaining a reasonable balance between the economies of building and the cost of supplying public services. It is the City’s desire to provide a variety of housing types needed to meet a wide range of personal preference and income levels. The City also recognizes the fact that adequate public facilities and services must be available in order to build and maintain a decent, safe and healthful living environment.”*

Implementation Measure 4.1.4d requires that the City, *“Encourage the construction and development of diverse housing types, but maintain a general balance according to housing type and geographic distribution, both presently and in the future. Such housing types may include, but shall not be limited to: apartments, single-family detached, single-family common wall, manufactured homes, mobile homes, modular homes and condominiums in various structural forms.”*

Comments: The April 2004 Development Summary (Exhibit C) shows mix of dwellings units as follows:

Apartments	3560
Condominium	427
Duplex	68
Mobile Homes	22
Mobile Homes (Parks)	416
Single Family	<u>3093</u>
	7586

The City has established seven Planned Residential Districts with densities ranging from 1 unit per net acre to 21 units per net acre, and included provision for residential homes and similar housing types. In 2003, the Council adopted a Village Zone applicable to the entire Villebois Master Plan Area which allows all types of housing including residential homes, residential facilities, community housing and other similar specialized housing types. Residential approvals in the last calendar year included Villebois Master Plan (2400 mixed residential units), Villebois South Specific Area Plan (SAP), and Preliminary Development Plan for Phase I (60 units) of the South SAP and Cedarpointe Subdivision (18 lots).

Implementation Measure 4.1.4e requires that *“Targets be set in order to meet the City’s goals for housing and assure compliance with state and regional standards.”*

Comments: The City has not yet completed its Residential Needs Analysis or Residential Buildable Lands Analysis as part of periodic review, so has not established targets. However, Metro Functional Plan, Title 1 – Requirements for Housing and Employment Accommodation, requires that “Each city and county shall determine its capacity for housing and employment in order to ensure that it

provides and continues to provide at least the capacity for the city or county specified in Table 3.07-1.”

Table 3.07-1 establishes a dwelling unit capacity of 4425 dwelling units and a job capacity of 15,030 for Wilsonville. The data provided in the above paragraphs from the April 2004 City of Wilsonville quarterly development summary shows that Wilsonville has exceeded the capacity requirements of Table 3.07-1. The July 2003 PSU certified population for Wilsonville was 15,880, for a net employee in-migration of approximately 2650. However, according to the 2000 Census, 37% of Wilsonville rental households are paying more than 30% of income for housing costs. The Residential Buildable Lands and Needs Analysis, to be completed in 2004, will provide greater detail about needed housing.

Implementation Measure 4.1.4f requires that the City “*Accommodate the housing needs of the existing residents of the City of Wilsonville. The future status of existing mobile home dwellers within the city is a particular concern in establishing this measure.*”

Comments: See comments on page 3 above regarding mobile homes.

Implementation Measure 4.1.4g requires that the City “*Coordinate housing development with the social and economic needs of the community*”, and Implementation Measure 4.1.4k requires that, “*The City shall adopt specific goals for low and moderate cost housing to ensure that sufficient and affordable housing is available to households of all income levels that live or have a member working within the City of Wilsonville.*”

Comments: The Residential Buildable Lands and Needs Analysis should provide the data necessary for the establishments of specific goals for low and moderate cost housing. In the meantime, Metro has established voluntary affordable housing production goals (Table 3.07.7) for member communities for the period 2001 – 2006. Wilsonville’s fair share is presented as 100 units for households earning less than 30% of median income, and 80 units for households earning 30% - 50% of median income.

An analysis of rental housing in Villebois shows that the needs of the less than 30% of median income households will not be met by market rate rental units, and that households earning less than 50% of median will also have difficulty with an affordable unit in Villebois, unless they are at the upper end of the range. No other new affordable units are currently proposed in Wilsonville.

The City has some resources and could work with a developer or non-profit to develop the needed units of housing, but would like to do so as part of a comprehensive and integrated housing plan following completion, in 2004, of the Wilsonville Residential Buildable Lands and Needs Analysis.

Implementation Measure 4.1.4m states that, “*The City will consider the use of the following tools identified by Metro to improve availability of sufficient housing affordable to households of all income levels and manufactured housing to assure a diverse range of affordable housing types.*”

1. *Donation of buildable tax-foreclosed properties to nonprofit organizations or governments for development as mixed-market affordable housing.*
2. *Development of permitting process incentives for housing being developed to serve people at or below 80% of area median income.*
3. *Provision of fee waivers and property tax exemptions for projects developed by nonprofit organizations or governments serving people at or below 60% of area median income.*
4. *Creation of a land-banking program to enhance the availability of appropriate sites for permanently affordable housing.*
5. *Adoption of replacement ordinances that would require developers of high income housing, commercial, industrial, recreational or government projects to replace any affordable housing destroyed by these projects.*
6. *Creation of linkage programs that require developers of job-producing development, particularly that which receives tax incentives, to contribute to an affordable housing fund.*
7. *Committing locally controlled funds, such as Community Development Block Grants, Strategic Investment Program tax abatement funds or general fund dollars, to the development of permanently affordable housing for people at or below 60% of area median income.*
8. *Within the limits set by state law, consider inclusionary zoning requirements, particularly in tax incentive programs, for new development in transit zones and other areas where public investment has contributed to the value and developability of land."*

Implementation Measure 4.1.4y requires that, "...*Conservation of housing resources shall be encouraged through code enforcement, renovation and rehabilitation of the existing housing stock.*"

Comments: The City is included in the area served by Clackamas County Community Development Division, which manages the low-income household rehabilitation program for the county. The City could be more proactive in working with the County to educate local residents about the availability of the program.

Implementation Measure 4.1.4z states that, "*The City shall continue to apply a minimum density standard to all zones allowing residential use, such that all development, including subdivisions, will result in the eventual buildout of 80 percent or more of the maximum number of dwelling units per net acre permitted by the zoning designation for a given development.*" "...*The maximum zoned density does not include the density bonus for zones that allow them.*"

Comment: All Planned Residential Districts include a minimum density at buildout. The minimum densities range from one unit per 37,500 square feet (PDR-1) to one unit per 2400 square feet (PDR-7). According to the April 2004 Development Summary, there are 980 acres of developed Planned Residential District, for a net density of approximately 7.8 units per acre. (7586 units/980 acres) The Villebois Village Zone has no minimum densities except for duplexes (4000 square feet) and single family units (2250 square feet). The approved

Master Plan has densities ranging from 51 units per net acre (178 units) down to 3.2 units per net acre (32 units). The majority of the units are planned at 8.6 units per net acre or greater. (Exhibit D - Master Plan Map)

Implementation Measure 4.1.4bb states that, "*The City allows construction of one accessory dwelling unit with any detached single family dwelling that is permitted to be built in any zone.*"

Comments: Wilsonville Code (WC) 4.113.11 provides that, "Accessory Dwelling Units shall be permitted outright when developed in conjunction with detached single family dwellings that have been approved by the City." Accessory Dwellings Units may be attached or detached, and are less than 600 square feet in size. When an accessory dwelling unit is proposed to be added to an existing dwelling, approval shall be through a Class I Administrative Review.

Metro Tools and Techniques:

Density bonuses: The Wilsonville Code makes no provision for density bonuses of any kind. Density bonus provisions may need to be developed and adopted to meet needs as documented in the Residential Needs Analysis.

Replacement housing: The City has strong Comprehensive Plan policies requiring replacement of existing affordable housing that is displaced by other development. A replacement program has not yet been developed, pending completion of the Residential Buildable Lands and Needs Analysis. The results of that analysis will direct the development and implementation of a comprehensive and integrated housing replacement plan.

Inclusionary housing is a tougher nut to crack, given the litigious nature of the subject. We may or may not use this tool, depending on the identified need and the availability of other resources to meet that need.

Transfer of development rights: WC 4.139.10 allows a density transfer of up to 50% of the maximum number of units located in the Significant Resource Overlay Zone portion of a residential parcel, subject to certain conditions. There are no other density transfer provisions in the current code.

Housing for the elderly and those with disabilities: All Planned Development residential zones as well as the Village Zone, allow multi-family units, accessory dwelling units, residential homes (as defined by ORS 197) and residential facilities (as defined by ORS 197). The 2000 Census shows that 2020 persons, or 14% of the population was age 65 or older. Of this group, 738 also had disabilities. The Census also identified 1028 persons under age 65, or 7% of the population, with disabilities. The City has 58 units of senior housing, as well as over 600 additional affordable units that are not age restricted.

Parking: The City has adopted Metro's Title 2 parking standards. In addition, City Code allows the Development Review Board to grant, as part of a planned residential

development application, waivers to the parking standards in keeping with the purposes and objectives of the Comprehensive Plan. This eliminates the requirement for a formal variance process.

Streamlining local permitting processes. The City of Wilsonville uses a planned unit development (PUD) process for approval of developments on any parcel greater than 2 acres in size. The PUD process allows for maximum flexibility in mix and location of permitted uses. The City also encourages multi-part applications, i.e., Zone Change (if necessary), PUD Stage I (preliminary) and II (final), Site Design, Tree Removal Permit and Master Sign Plan all in the same application. The fee schedule presently charges the full cost of the first application, and only 10% of the full fee for each additional part of the application. Wilsonville meets the statutory 120 day requirement for the completion of the approval process unless mutually agreed to by the applicant and the city due to difficulties with the application. A pre-application conference is strongly encouraged to provide applicants with a clear understanding of the application requirements, timelines, etc. and to provide staff with an early understanding of the project. The Development Code does need revision to eliminate duplication, to adopt revised standards and for housekeeping amendments.

Exhibit A

Demographics of Wilsonville vs. the Region (2000 Census)

	Wilsonville	Tualatin	West Linn	Tigard
Population (Census)	13,991	22,791	22,261	41,223
Age				
0 - 5	1059	1730	1468	3189
5 - 19	2676	5287	5483	8276
20 - 34	3265	5539	3048	9495
35 - 54	3884	7543	8546	13,171
55 - 64	1087	1365	1986	2955
Over 65	2020	1327	1730	4137
Median age	35.0	31.9	38.1	34.5
Total households	5937	8651	8161	16,507
Household by type				
Single occupant	1683	2122	1469	4413
Family, 2 adults w or w/o children	3059	5809	6273	10,739
Female householder w or w/o children	493	806	686	1525
Average household size	2.34	2.62	2.72	2.48
Household income				
Less than \$10,000	240	311	211	682
\$10,000 - \$14,999	216	250	164	772
\$15,000 - \$24,999	633	673	591	1908
\$25,000 - \$34,999	754	1162	647	1876
\$35,000 - \$49,999	941	1306	972	2684
\$50,000 - \$74,999	1211	1930	1582	3578
\$75,000 - \$99,999	893	1252	1266	2397
\$100,000 - \$149,999	687	1111	1560	1749
\$150,000 - \$199,999	171	343	539	551
\$200,000 or more	181	279	622	302
Median household Income	\$52,515	\$55,762	\$72,010	\$51,581

	Wilsonville	Tualatin	West Linn	Tigard
Total Housing Units	6407	9218	8697	17,369
Housing Units, by type				
1 unit-detached	2355	4452	6779	9857
1 unit-attached	674	561	321	895
2 units	44	225	178	376
3 or 4 units	359	663	203	1196
5 to 9 units	897	1096	303	1454
10 – 19 units	770	595	449	1539
20 or more units	905	1267	444	1997
Mobile home	415	299	68	72
Owner vacancy rate	2.6%	3.8	2.3	1.9
Rental vacancy rate	9.5%	6.6	13.9	6.9
Median value(owned)	\$227,900	\$197,700	\$246,500	\$188,600
Median rental	746	768	811	673
Monthly owner costs as a % of household income (# of households)				
0 – 29%	1923	3233	4539	4154
30% or more	592	923	1427	2030
Gross rent as a % of household income (# of households)				
0 - 29%	1671	2655	1110	3948
30% or more	1009	1158	591	2775

Exhibit B

Villebois Rental Unit Affordability Analysis

According to the Novogradic & Co. LLP Rent & Income Limit Calculator, the following rental limits are calculated for households earning 30%, 50% and 80% of median income for the Portland Metro Area, using HUD definitions regarding income and housing costs.

<i>Rent Limits based on HUD Published Income Limits</i>			
	30% of Median Income	50% of Median Income	80% of Median Income
Efficiency	\$356	\$ 593	\$ 949
1 bedroom	381	636	1086
2 bedroom	458	763	1222
3 bedroom	529	882	1357
4 bedroom	591	985	1466
5 bedroom	651	1086	1574

Villebois is proposing rental rates as follows:

- 1 bedroom \$625
- 2 bedroom \$700 – 790
- 3 bedroom \$900

Based on the rental rate limits, it appears that households earning at least 60% of median income could afford rental units as proposed.

Exhibit C

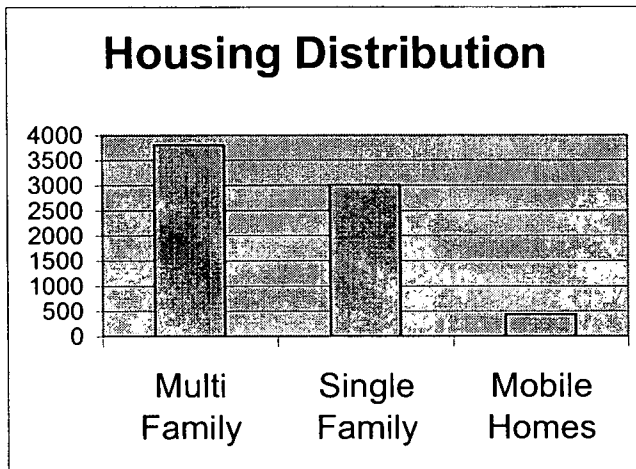
**Housing Development Summary
For April 2004**

Land Use

Type	Total Acreage	Acres Vacant	% Vacant
PDC	340	78	23
PDI	1084	193	18
PDR	1051	71	7
R	110	25	22
RA-H	650	349	59
PF	594		
Other	673 (River, Roads, Freeway)		
Totals	4502		

Housing Units

Type	New	YTD	Total
Apartment	0	0	3560
Condominium	0	0	427
Duplex	0	0	68
Mobile Homes	0	0	22
Mobile Home/park	0	0	416
Single Family	11	37	3093
Totals	11	37	7586



April, in short.....

11 new single family dwellings
1 single family dwelling demo

Population Estimates

Estimated Population at 2.15 per household.....16,310
PSU Certified Population as of 7/1/03.....15,880

The information contained in this report is subject to change, and should be verified.
Compiled by Susan Johnson of the City of Wilsonville Engineering Division.

Exhibit D

Villebois Village Master Plan

Is not included