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**Thursday, December 05, 2019**

**6:45 PM – 8:30 PM**

**Development Services Building**

Main Floor Auditorium, Room 115

150 Beavercreek Road, Oregon City, OR 97045

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## AGENDA

**6:45 p.m. Pledge of Allegiance**

**Welcome & Introductions**

*Chair Jim Bernard & Mayor Brian Hodson, Co-Chairs*

**Housekeeping**

- Approval of November 07, 2019 C4 Minutes **Page 03**
- January Meeting

**6:50 p.m. Housing Needs Assessment Recommendations Discussion**

*Presenting: Richard Swift, Director of Health, Housing & Human Services*

- HNA Findings and Conclusions Memo **Page 05**
- HNA Executive Summary **Page 07**

**7:50 p.m. 2020 Legislative Session**

*Presenting: Chris Lyons, Government Affairs Manager*

- Legislative Staff Memo **Page 29**

**8:15 p.m. Updates/Other Business**

- T2020
- JPACT/MPAC Updates
- Other Business

**8:30 p.m. Adjourn**

## General Information



### Current Voting Membership

		C4 Exec	C4 Metro	C4 Rural	JPACT	MPAC	R1ACT
<b>Clackamas County</b>	Chair Jim Bernard	●	●	●			
<b>Clackamas County</b>	Commissioner Paul Savas		●	●	●		●
<b>Canby</b>	Mayor Brian Hodson	●		●			●
<b>CPOs</b>	Laurie Freeman Swanson (Molalla CPO)	●	●	●			
<b>Estacada</b>	Mayor Sean Drinkwine			●			
<b>Fire Districts</b>	Matthew Silva (Estacada Fire District)	●					
<b>Gladstone</b>	Mayor Tammy Stempel		●				
<b>Hamlets</b>	Kenny Sernach (Beavercreek Hamlet)			●			
<b>Happy Valley</b>	Councilor Markley Drake		●				●
<b>Johnson City</b>	Vacant						
<b>Lake Oswego</b>	Councilor Theresa Kohlhoff	●	●				●
<b>Milwaukie</b>	Mayor Mark Gamba		●			●	
<b>Molalla</b>	Mayor Keith Swigart			●			
<b>Oregon City</b>	Mayor Dan Holladay		●				
<b>Portland</b>	Vacant						
<b>Rivergrove</b>	Mayor Walt Williams		●				
<b>Sandy</b>	Mayor Stan Pulliam			●			
<b>Sanitary Districts</b>	Paul Gornick (Oak Lodge Water Services)	●					
<b>Tualatin</b>	Councilor Paul Morrison		●				
<b>Water Districts</b>	Hugh Kalani (Clackamas River Water)						
<b>West Linn</b>	Mayor Russ Axelrod		●				
<b>Wilsonville</b>	Mayor Tim Knapp		●		●		

### Current Ex-Officio Membership

<b>MPAC Citizen Rep</b>	Vacant
<b>Metro Council</b>	Councilor Christine Lewis
<b>Port of Portland</b>	Emerald Bogue
<b>Rural Transit</b>	Julie Wehling
<b>Urban Transit</b>	Dwight Brashear

### Frequently Referenced Committees:

- CTAC:** Clackamas Transportation Advisory Committee (C4 Transportation TAC)
- JPACT:** Joint Policy Advisory Committee on Transportation (Metro)
- MPAC:** Metro Policy Advisory Committee (Metro)
- MTAC:** Metro Technical Advisory Committee (MPAC TAC)
- R1ACT:** Region 1 Advisory Committee on Transportation (ODOT)
- TPAC:** Transportation Policy Advisory Committee (JPACT TAC)

**Thursday, October 03, 2019**  
**Development Services Building**  
 Main Floor Auditorium, Room 115  
 150 Beaver Creek Road, Oregon City, OR 97045

**Attendance:**

**Members:** **Canby:** Brian Hodson; **Clackamas County:** Jim Bernard; Paul Savas; **CPOs:** Laurie Freeman Swanson (Molalla CPO); Martin Meyers (Redland-Viola-Fischers Mill) (Alt.); **Estacada:** Sean Drinkwine; Katie Dunsmuir (Alt.); **Fire Districts:** Matthew Silva; **Gladstone:** Tammy Stempel; **Hamlets:** John Keith (Stafford) (Alt.); **Milwaukie:** Mark Gamba; **MPAC Citizen:** Ed Gronke (Alt.); **Oregon City:** Rachel Lyles Smith (Alt.); **Sandy:** Stan Pulliam; **Sanitary Districts:** Paul Gornick; **Transit:** Julie Wehling (Canby); Eve Nilenders (TriMet); **Tualatin:** Paul Morrison; **Water Districts:** Hugh Kalani; **West Linn:** Russ Axelrod; Teri Cummings (Alt.); **Wilsonville:** Tim Knapp

**Staff:** Chris Lyons (PGA)

**Guests:** Jaimie Huff (Happy Valley); Jamie Stasny (DTD); Mike Bezner (DTD) Kathy Hyzy (Milwaukie); Dan Mahr (Sen. Merkley’s office); Megan McKibben (Congressman Schrader’s Office); Mark Ottenad (Wilsonville/SMART); Lance Calvert (West Linn); Dayna Webb (Oregon City); Bikram Rughubansh (DTD); Steve Adams (Milwaukie); Stephen McWilliams (Milwaukie); David Marks (CCBA); John Southgate (Gladstone); Ray Atkinson (Clackamas Community College); Eric Underwood (PGA); Jeff Gudman (Lake Oswego Resident), Tracy Moreland (BCC)

The C4 Meeting was recorded and the audio is available on the County’s website at <http://www.clackamas.us/c4/meetings.html> . Minutes document action items approved at the meeting.

<b>Agenda Item</b>	<b>Action</b>
<b>Approval of October 3, 2019 C4 Minutes</b>	Approved.
<b>Regional Flexible Funds Allocation Recommendation to Metro</b>	C4 considered a draft recommendation letter from the C4 Metro Subcommittee to advance priority project for funding. The committee heard information from project applicants and ultimately approved the draft letter with limited amendments.
<b>Strategic Investment Fund (SIF)</b>	Mike Bezner presented potential projects using SIF funds, with rankings designed by CTAC and agreed upon by C4. Members approved the findings and asked County Transportation staff to return to C4 with a proposed

	timeline for implementation of funding the projects.
<b>Updates/Other Business</b> <ul style="list-style-type: none"> <li>• <b>T2020</b></li> <li>• <b>Legislative Update</b></li> <li>• <b>JPACT/MPAC Updates</b></li> <li>• <b>Other Business</b></li> </ul>	T2020 – Members engaged in robust discussion on regional relationships and the priority of the Sunrise Gateway Corridor to Clackamas County.  Legislative Update – Tabled to December meeting.  JPACT/MPAC updates – No updates.

Adjourned at 9:01 p.m.

## Memorandum

**To:** C4  
**From:** Richard Swift, Director of Health, Housing, & Human Services  
**Re:** Recommendation and Next Steps with the 2019 Housing Needs Assessment  
**Date:** November 27, 2019

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### Overview

The Countywide Housing Needs Assessment (HNA), commissioned by the Clackamas County Coordinating Committee (C4) two years ago, finalized in fall 2019. C4 has seen multiple drafts of the study, first at the June 2019 C4 retreat and again at their September 2019 meeting. Following those meetings, C4 requested time dedicated to discussing the recommendations coming from the HNA.

Since the completion of the Housing Needs Analysis, county staff has been developing a strategy to apply the recommendations to the unincorporated areas of the county. Additionally, the cities that participated in the study have received their city-specific information. The city process to adopt or affirm the findings of the HNA and develop strategies to apply recommendations will occur at the local level within each city.

### HNA Findings

*(These findings are written as title only. Please refer to the HNA Executive Summary for more description.)*

- Clackamas County is growing (14% since 2000).
- Demographics are changing across Clackamas County and the State.
- Housing stock across the county remained predominantly single-family detached.
- Housing affordability is a growing concern across the county and across the Portland region.
- A growing number of households are paying more than they can afford for housing.
- Housing prices are continuing to increase.
- Rental costs are also increasing.

### HNA Conclusions

*(These conclusions are written as title only. Please refer to the HNA Executive Summary for more description.)*

- Population is expected to grow in unincorporated parts of the county and in most cities between 2019 and 2039.
- Demographic changes will also result in changes in the type of new housing needed.
- Households in Clackamas County, like those in the rest of the Portland region, are struggling with decreasing affordable housing, as housing prices and rents increase faster than incomes.
- Cities and the county (unincorporated) need to identify opportunities to support development of housing that is affordable at all income levels.
- Demographic changes and increasing housing affordability challenges will result in increased demand for a wider range of new housing.

- The county and cities will need to plan to comply with the requirements of House Bill 2001 (2019).
- The county and most cities have land deficits they should address.
- The participating cities with baseline HNAs should use this opportunity to refine and finalize their HNAs.

***Discussion Questions for C4***

- Have cities discussed their city-specific information received earlier this year, and if so what actions have they taken?
- What is C4's role in addressing these findings and conclusions?
- What can C4 work on together?



# Clackamas County Regional Housing Needs Analysis

Urban Unincorporated, Rural Unincorporated, and  
Selected Cities within Clackamas County

Final Summary Report

SEPTEMBER 2019

**ECONorthwest**

ECONOMICS • FINANCE • PLANNING



## Acknowledgments

ECONorthwest prepared this report for Clackamas County. ECONorthwest and County staff thank those who helped develop the Clackamas County Regional Housing Needs Analysis. This project is partially funded by Oregon general fund dollars through the Department of Land Conservation and Development. The contents of this document do not necessarily reflect the views or policies of the State of Oregon.

### Technical Advisory Committee

Bryan Brown, City of Canby  
Matilda Deas, City of Canby  
Glen Hamburg, County Rep. for City of Estacada  
Melissa Aherns, County Rep. for City of Gladstone  
Michael Walter, City of Happy Valley  
Peter Walter, City of Oregon City  
Laura Terway, City of Oregon City  
Kelly O'Neill, City of Sandy  
John Boyd, City of West Linn  
John Williams, City of West Linn  
Miranda Bateschell, City of Wilsonville  
Kim Rybold, City of Wilsonville  
Chris Neamtzu, City of Wilsonville

### Clackamas County

Dan Chandler, Assistant County Administrator  
Jennifer Hughes, Planning Director  
Martha Fritzie, Senior Planner  
Trent Wilson, Project Performance & Research Analyst  
Julie Larson, Administrative Assistant

### Consulting Team (ECONorthwest)

Beth Goodman, Project Director  
Robert Parker, Senior Project Adviser  
Margaret Raimann, Technical Manager  
Sadie DiNatale, Associate

### Clackamas County Contact

Dan Chandler J.D., Assistant County Administrator  
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### ECONorthwest Contact

Beth Goodman, Project Director  
ECONorthwest, 222 SW Columbia, Suite 1600, Portland, OR 97201  
503-222-6060 | [goodman@econw.com](mailto:goodman@econw.com)



# Key Findings

The Clackamas County Housing Needs Analysis was developed to support the work of the Clackamas County Coordinating Committee (C4) and the Clackamas County Affordable Housing and Homelessness Policy Task Force. The Housing Needs Analysis presents data and analysis about housing affordability, changes in demographics, changes in the housing market, land supply, and other factors contributing to issues of housing affordability in the County.

- **Clackamas County is growing.** Since 2000, the County grew by 56,576 people (14%), 22,949 households (15%), and 24,051 dwelling units (18%).
- **Demographics are changing across Clackamas County and the State.** The largest age groups are the Baby Boomers and the Millennials. Growth of these groups is driving a need for smaller units to accommodate the increasing number of one- and two-person Baby Boomer households and Millennial (and younger) households that will have growing families over the next 20 years.
- **Housing stock across the county remained predominately single-family detached.** As of 2012-2016, the County's housing mix was 76% single-family detached, 20% multifamily, and 4% single-family attached (e.g. townhomes). Metro requires urban areas of Clackamas County and the cities within the Metro Urban Growth Boundary to plan for at least 50% of its housing stock to be multifamily or single-family attached. Clackamas County and most of the cities within the County will need to plan for a wider variety of housing types over the next 20 years.
- **Housing affordability is a growing concern across the County and across the Portland Region.** Clackamas County's median household income was \$68,915 in 2012-2016 – about \$17,235 (33%) more than it was in 2000. Despite growing incomes, rates of cost-burdened households have increased faster. In 2000, the median home value was 3.7 times the median household income. By 2012-2016, the median home value is 4.6 times the median household income.
- **A growing number of households are paying more than they can afford for housing.** In 2000, 26% of households were cost burdened and by 2012-2016, 34% of households were cost burdened. Renters struggle with housing affordability in particular. As of 2012-2016, 49% of renters were cost burdened, up from 39% in 2000.
- **Housing prices are continuing to increase.** From February 2015 to February 2019, the median sales price grew by \$136,655 (46%), to a median of about \$435,000.
- **Rental costs are also increasing.** According to data from CoStar, multifamily rent in Clackamas County increased from an average of \$855 in 2010 to \$1,255 in 2018, an increase of nearly \$400 or 47%.

The changes in demographics and increases in housing costs are driving need for more diverse housing types, including smaller single-family detached units, cottage housing, duplexes, triplexes, quad-plexes, townhouses, and all types of multifamily housing.



## Clackamas County is growing!

From 2000 to 2012-2016, Clackamas County increased by 56,576 people (14%), 22,949 households (15%), and 24,051 dwelling units (18%).



## Introduction

Clackamas County embarked on discussions about housing affordability and approaches to foster the maintenance and development of affordable housing for all income levels. The Clackamas County Board of Commissioners formed the Clackamas County Affordable Housing and Homelessness Policy Task Force to research, recommend, and support new policies and strategies to address housing affordability and homelessness in Clackamas County.

The products of the Clackamas County HNA are:

- **Clackamas County Housing Needs Analysis report.** The report presents information about buildable lands, demand for new housing, and housing affordability for unincorporated Clackamas County and participating cities (as described on the next page of this summary). The focus is on growth in Clackamas County and its cities over the 2019-2039 period. This report is nearly 500 pages long and presents extensive technical information about housing needs and residential land capacity.
- **Summary Report of Clackamas County Housing Needs Analysis.** The Summary Report, which you are reading, focuses on issues of changing demographics and housing affordability for unincorporated Clackamas County and participating cities within the county.

Clackamas County, with support from the Department of Land Conservation and Development and cities within the County, contracted with ECONorthwest to develop the HNA. The report is intended to support the work of the Task Force by presenting data and analysis about housing affordability, changes in demographics, changes in the housing market, land supply, and other factors contributing to issues of housing affordability.

The focus of the HNA is on unincorporated Clackamas County, both areas within the Metro Urban Growth Boundary (UGB) and areas outside of any city's UGB. The full HNA technical report presents extensive information about land sufficiency for unincorporated areas in Clackamas County, with emphasis on Clackamas County's unincorporated areas within the Metro UGB. The map on the following page describes the geographies used in this analysis.

In addition, the HNA presents baseline housing needs analyses for participating cities in Clackamas County. The baseline housing needs analyses present assessments of housing needs and whether the cities can accommodate growth on existing lands in their UGB under current policies. The baseline HNAs are intended to provide information for future discussions of housing needs in the cities. They do not reflect potential changes in policies resulting from additional understanding of the conditions of the local housing market.

This report summarizes the results of the full HNA. It focuses on issues most directly related to meeting housing needs of current and new residents: changes in demographics and housing preferences, changes in the housing market, housing affordability, and a summary of land sufficiency. This report presents information for Clackamas County and all of the cities in the County, regardless of whether they participated in the full HNA.

Unless otherwise specified, the source for data presented in this report is the U.S. Census American Community Survey.

**The Clackamas County HNA provides information to help the County and cities meet the requirements of Goal 10 to provide opportunities for development of housing that meets the needs of households at all income levels.**

The Clackamas County HNA presents a full, adoption-ready housing needs analysis for Urban Unincorporated Clackamas County.

The HNA presents a baseline housing needs analysis within the context of current policies for participating cities to support local discussions of housing needs.

# Geographies used in this analysis

The full Clackamas County Housing Needs Analysis focused on Urban Unincorporated Clackamas County (unincorporated areas within Metro’s UGB) and Rural Unincorporated Clackamas County (unincorporated areas outside of any city’s UGB). This analysis focused on growth and land sufficiency in these unincorporated areas of the County, determining whether the County has sufficient land to accommodate expected growth in unincorporated areas.

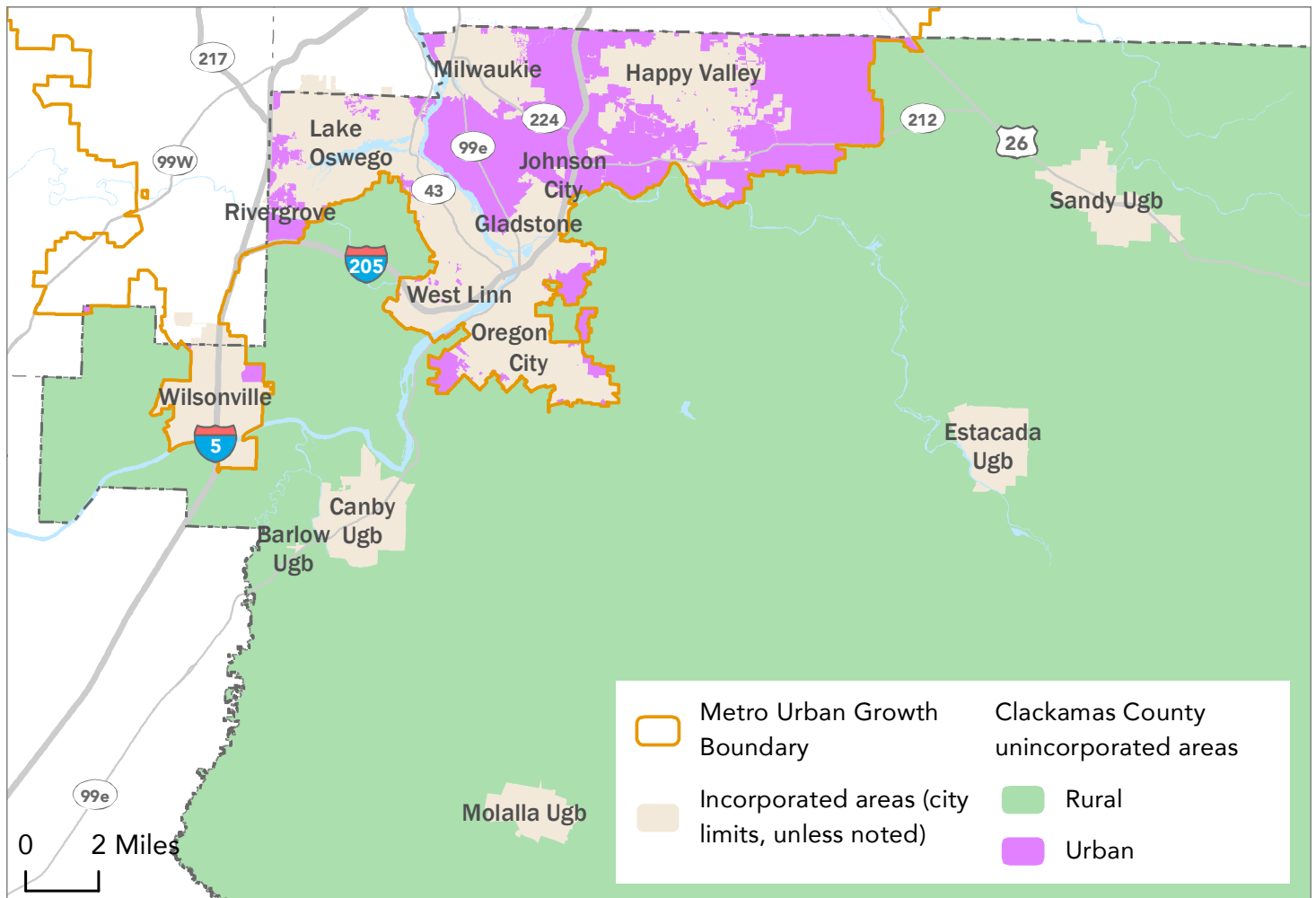
The HNA considered housing needs in Clackamas County as a whole, presenting data for each of the cities in the County: Barlow, Canby, Estacada, Gladstone, Happy Valley, Johnson City, Lake Oswego, Milwaukie, Molalla, Oregon City, Rivergrove, Sandy, West Linn, and Wilsonville.

In the HNA report, ECONorthwest conducted baseline HNA’s for participating cities including the cities of: **Estacada, Gladstone, Happy Valley, Molalla, Oregon City, West Linn, and Wilsonville.**

Other cities within Clackamas County did not participate in the HNA. While this Summary presents information about these cities, the full HNA report does not present a baseline HNA for the non-participating cities.

## GEOGRAPHIES USED IN THE ANALYSIS

Source: ECONorthwest.



## Factors Affecting Housing Need



Studies and data analysis have shown a clear linkage between demographic characteristics and housing choice, as shown in the exhibit below.

### KEY RELATIONSHIPS INCLUDE:

- Housing needs change over a person's lifetime.
- Homeownership rates increase as income increases.
- Homeownership rates increase as age increases.
- Choice of single-family detached housing increases as income increases.
- Renters are much more likely to choose multifamily housing than single-family housing.
- Income is a strong determinant of homeownership and housing-type choice for all age categories.

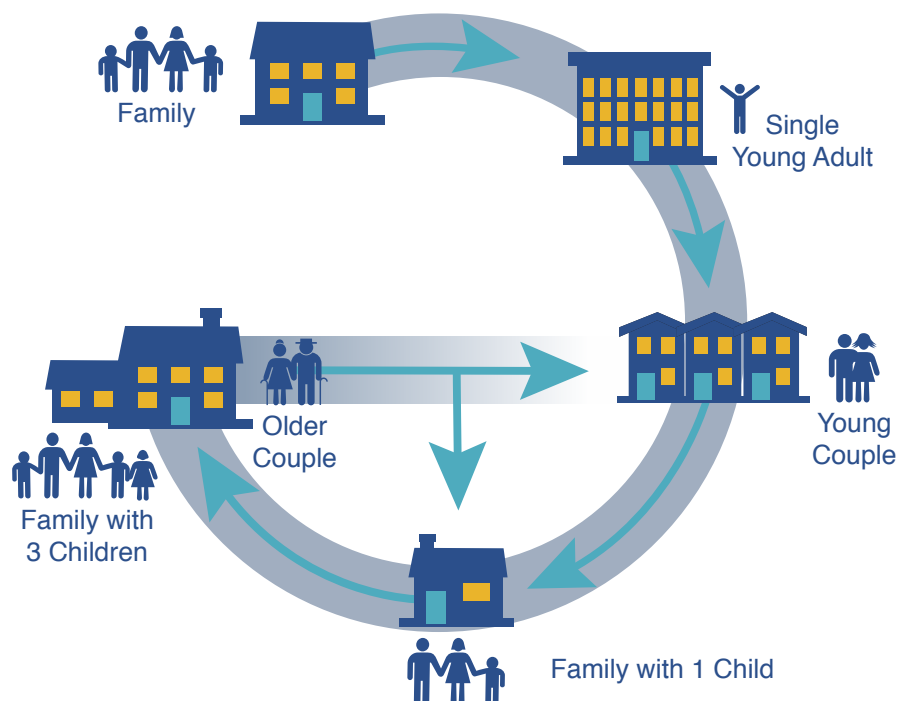
Population and housing characteristics are useful for better understanding the residents of Clackamas County. Population growth, age of residents, household size and composition, and home ownership provide useful context about how the characteristics of Clackamas' households compare to the Portland Region (Clackamas, Washington, and Multnomah counties combined) and Oregon. Unless otherwise noted, all data in this document are from the U.S. Census 2012-2016 American Community Survey.

### The HNA focuses on key determinants of housing choice: income, age, and household composition.

As the adults in households age, income generally increases and their household composition changes. Incomes generally increase until retirement, allowing households to afford to spend more on housing as they age. At the same time, household composition changes, generally with addition of children for younger households and departure of children for older households. The changes in these three factors illustrate the housing life cycle that most households experience in one form or another.

### HOUSING LIFE CYCLE

Source: ECONorthwest.



# POPULATION CHANGES

## POPULATION, 2017

Source: Portland State University, Population Research Center

**413,000**  
Clackamas County

**1,811,860**  
Portland Region

**4,141,100**  
Oregon

### Growth in population drives growth in housing.

Clackamas County population is growing at about the same rate as the Portland Region and the State, adding nearly 140,600 people between 1990-2017. About 57% of Clackamas County's growth was the result of people moving into Clackamas County from another part of Oregon, the U.S., or from outside of the U.S.

## AVERAGE POPULATION GROWTH PER YEAR, 1990-2017

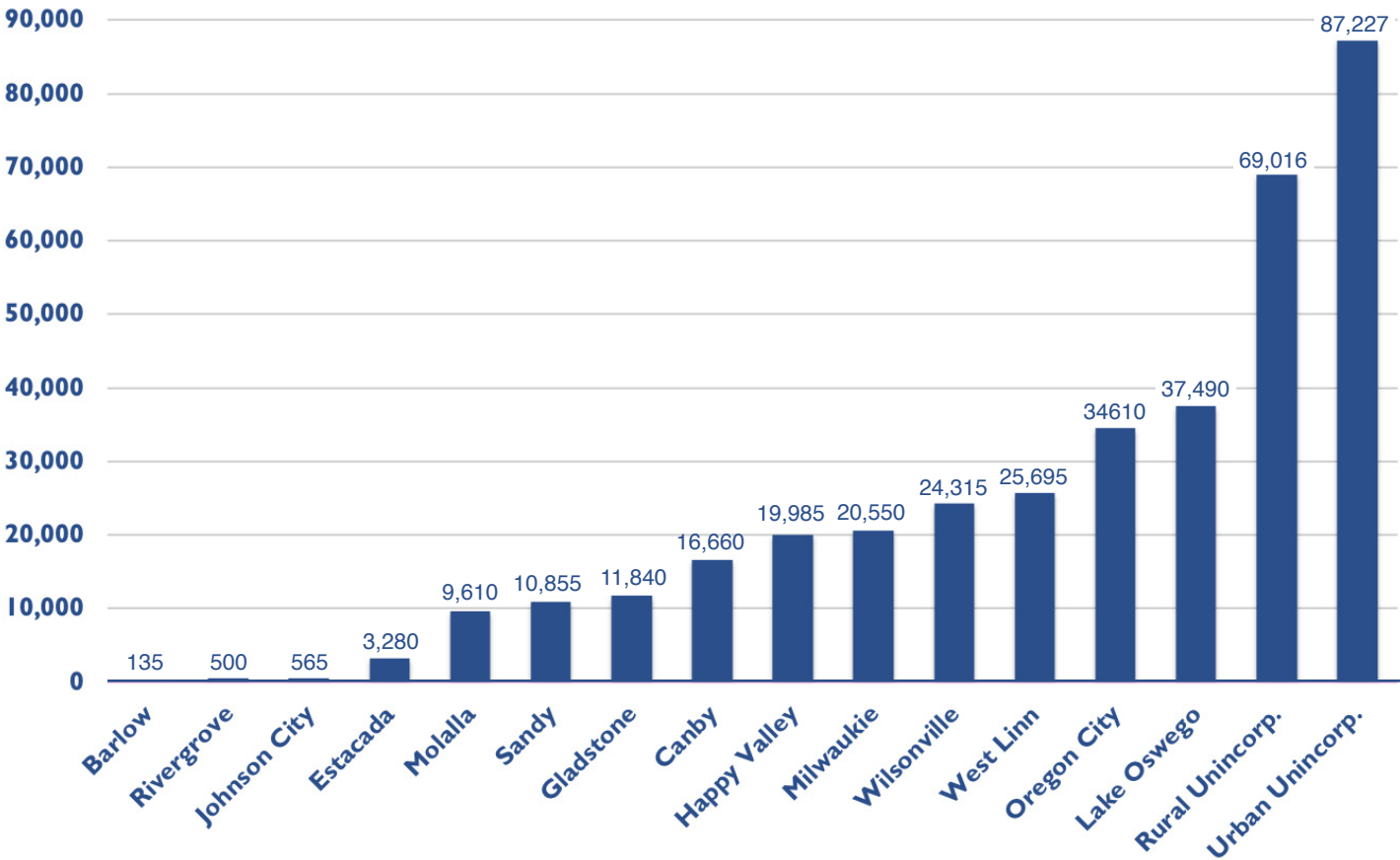
Source: Portland State University, Population Research Center

<b>CLACKAMAS COUNTY</b>	<b>1.5%</b>
<b>PORTLAND REGION</b>	<b>1.6%</b>
<b>OREGON</b>	<b>1.4%</b>

Population in urban unincorporated Clackamas County accounted for nearly 25% of the County's population and rural unincorporated Clackamas County accounted for nearly 19% of the County's population.

## POPULATION BY GEOGRAPHY IN CLACKAMAS COUNTY, 2017

Source: Portland State University, Population Research Center (with the exception of Urban and Rural Unincorporated Clackamas County which used ACS 2012-2016 data).

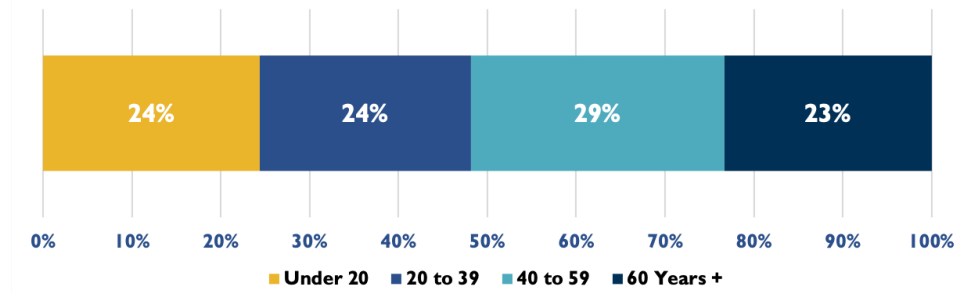


# AGE DISTRIBUTION

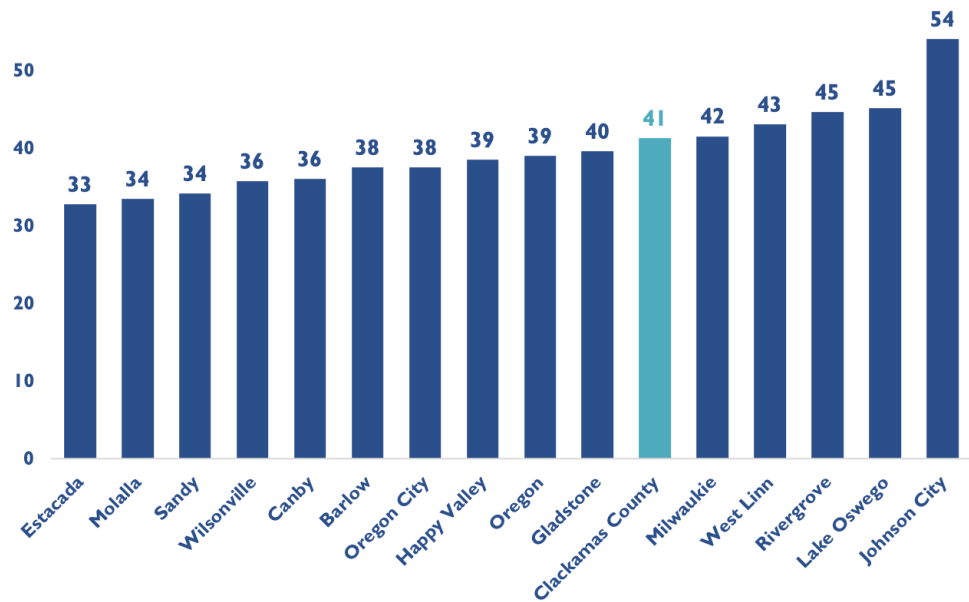
The population in Clackamas County is getting older, consistent with state and national trends.

The Millennial generation (born 1980 to 2000) accounts for about 24% of the population and the Baby Boomer generation (born 1946 to 1964) accounts for a bit more than 25% of the population in Clackamas County.

AGE STRUCTURE FOR CLACKAMAS COUNTY, 2012-2016



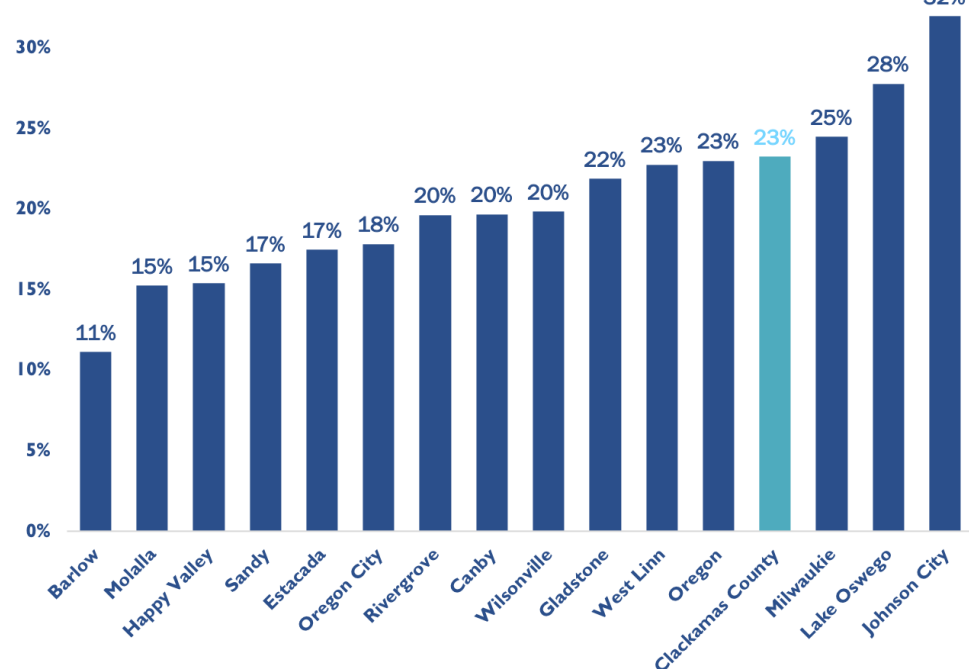
MEDIAN AGE, 2012-2016



Changes in the age composition will result in changes in housing need.

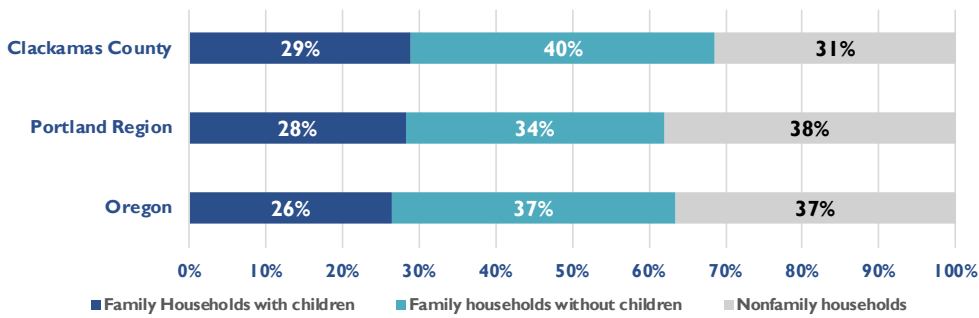
Growth of households with people over 60 years old will drive need for smaller units for one- and two-person households and affordable to retirees. The Millennial generation and younger generations will form households over the next 20 years, driving need for housing large enough to accommodate families with children and affordable to younger households.

PERCENT POPULATION 60 YEARS AND OLDER, 2012-2016



# HOUSEHOLD COMPOSITION

## HOUSEHOLD COMPOSITION, CLACKAMAS COUNTY, 2012-2016



### Family Household with Children

2 or more related people with presence of children

### Family Household with no Children

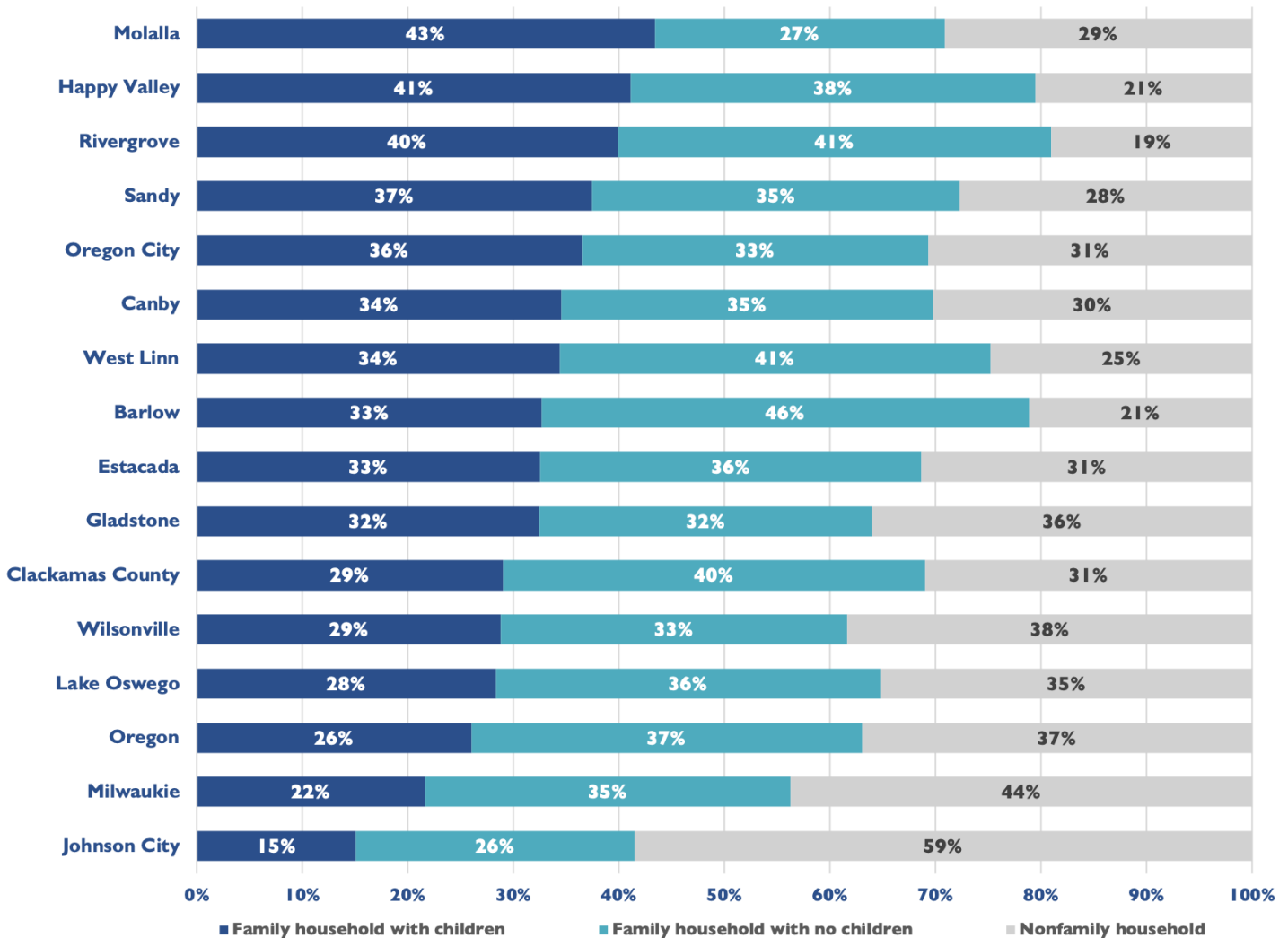
2 or more related people without presence of children

### Non-family Households

Unrelated individuals or 1-person household

## HOUSEHOLD COMPOSITION BY CITY IN CLACKAMAS COUNTY, 2012-2016

Clackamas County has higher share of family households with children when compared to the State average. Ten cities have higher than average share of family households with children than the County average.

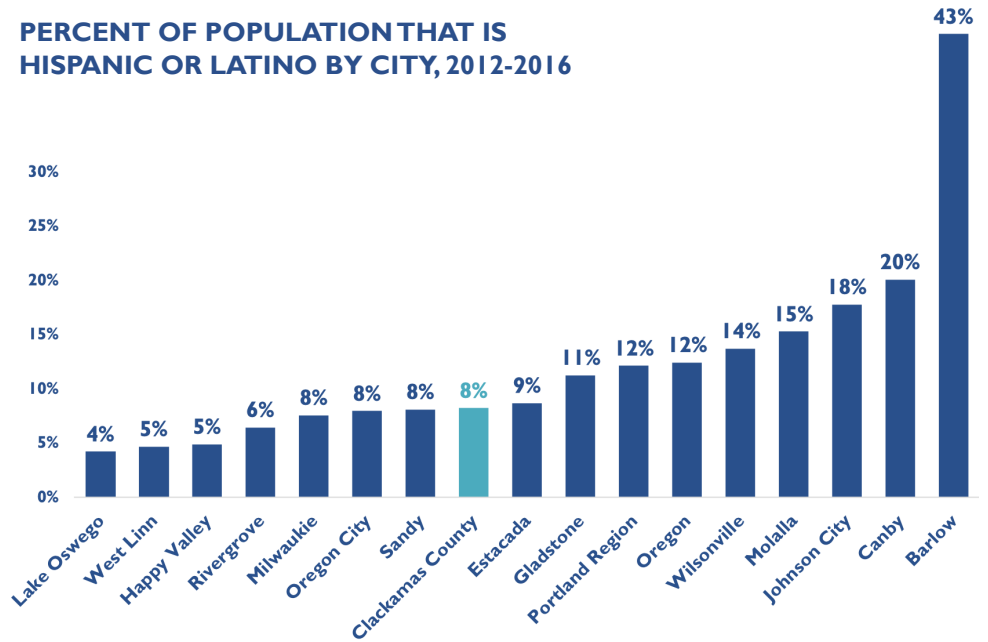


# ETHNIC AND RACIAL DIVERSITY

Clackamas County is less ethnically diverse than the Portland Region and State.

Barlow and Canby are the most ethnically diverse cities in Clackamas County.

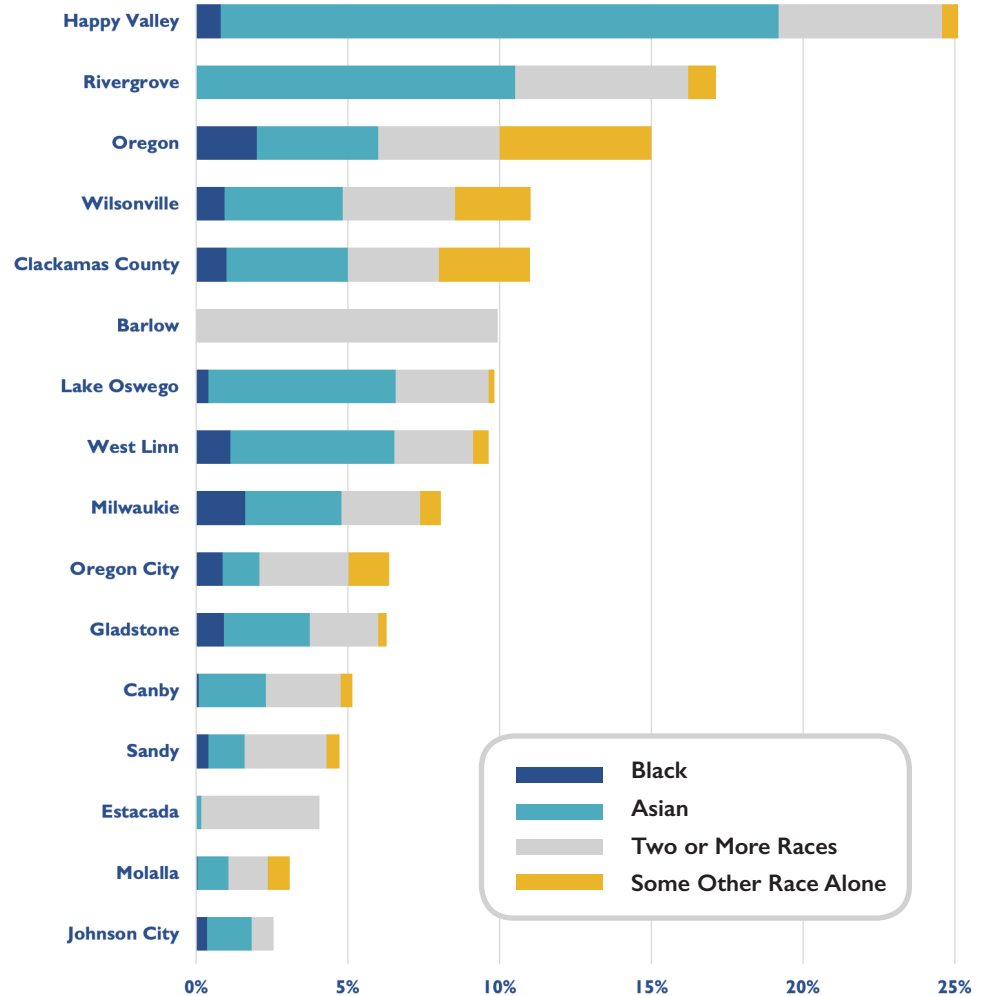
PERCENT OF POPULATION THAT IS HISPANIC OR LATINO BY CITY, 2012-2016



Clackamas County is less racially diverse when compared to the State average.

Happy Valley and Rivergrove are more racially diverse when compared to the State and County average.

PERCENT OF POPULATION BY RACE, EXCLUDING WHITE ALONE BY CITY, 2012-2016

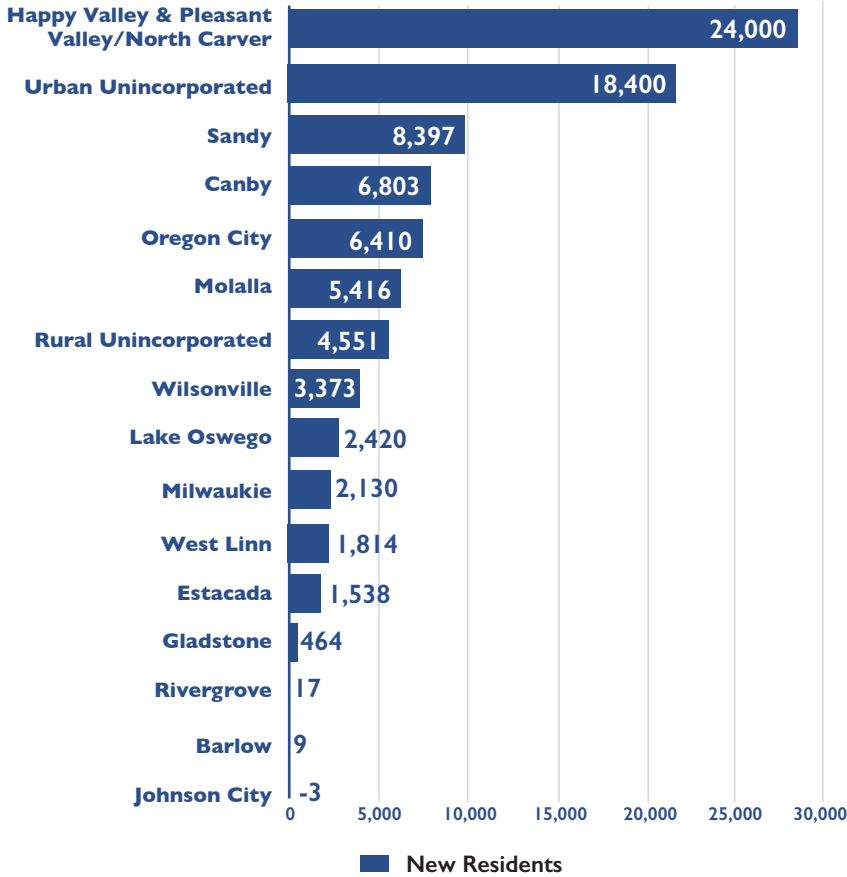




# FORECAST OF POPULATION GROWTH FROM 2019-2039

## POPULATION FORECAST GROWTH OF NEW RESIDENTS BY CITY, 2019-2039

Source: Portland State University, Population Research Center & Metro 2040 Household Distributed Forecast



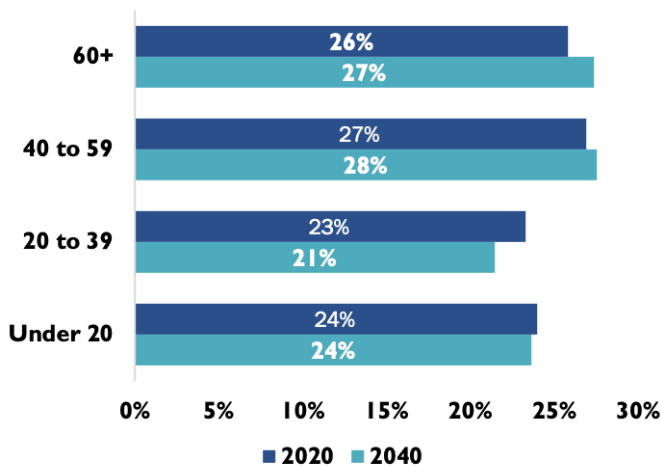
Estimate for Happy Valley and Pleasant Valley/North Carver is based on the forecast for new dwelling units in the area, assuming an average household size of 3.03 persons per household, consistent with Happy Valley's average household size from the Census' 2012-2016 American Community Survey.



The areas with the largest forecast for population growth are:

Happy Valley (including Pleasant Valley/North Carver), Urban Unincorporated Clackamas County, and the City of Sandy. Johnson City is expected to decline by three people.

## PERCENT POPULATION AGE CHANGE FOR CLACKAMAS COUNTY, 2020-2040



People over 60 years old are forecast to grow faster than other age groups.

People age 60 and older are forecast to increase from 26% of the population to 27% of the population between 2020 and 2040.

## Housing Market

Analysis of historical development trends in Clackamas County and its cities provides insights into how the local housing market functions in the context of the Portland Region. This report groups housing into the three housing types shown below.

A majority, about 75%, of Clackamas County's housing stock is single-family detached housing, more than the Portland region.



**SINGLE-FAMILY DETACHED**  
(includes mobile and manufactured homes)



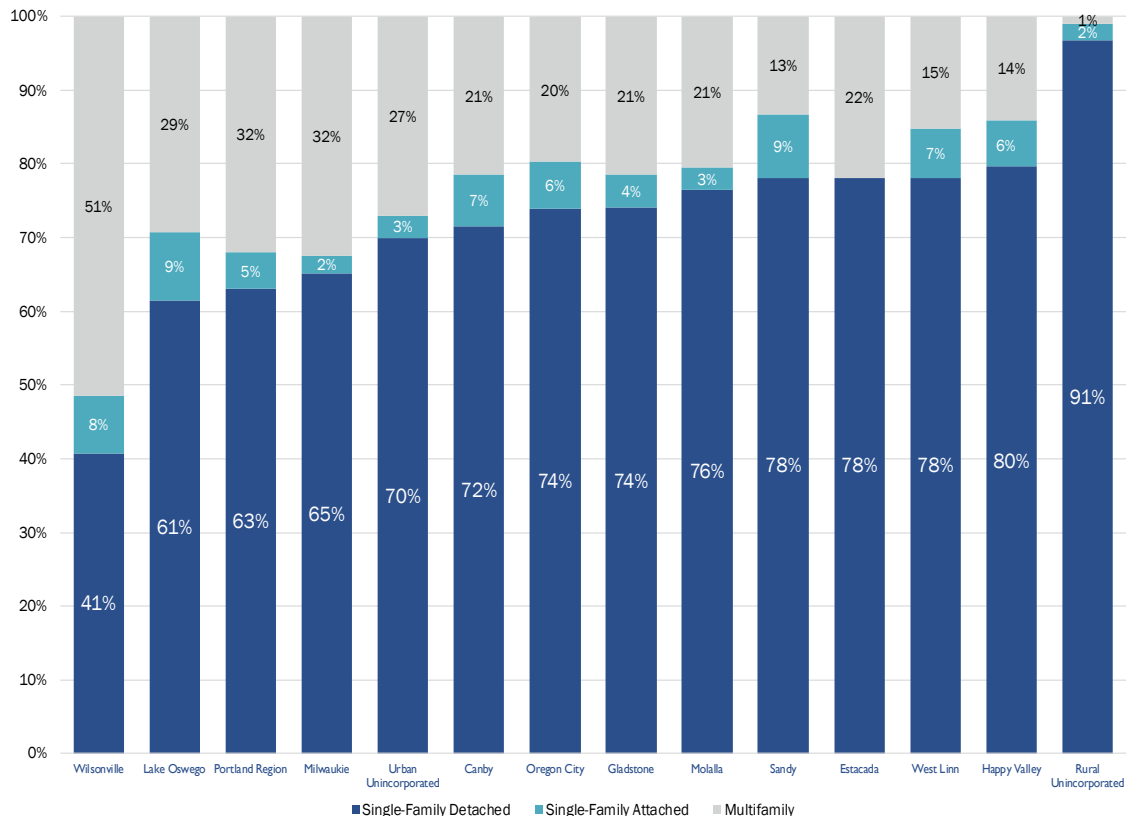
**SINGLE-FAMILY ATTACHED**  
(Townhouses)



**MULTI-FAMILY**  
(Condos, apartments, duplexes)

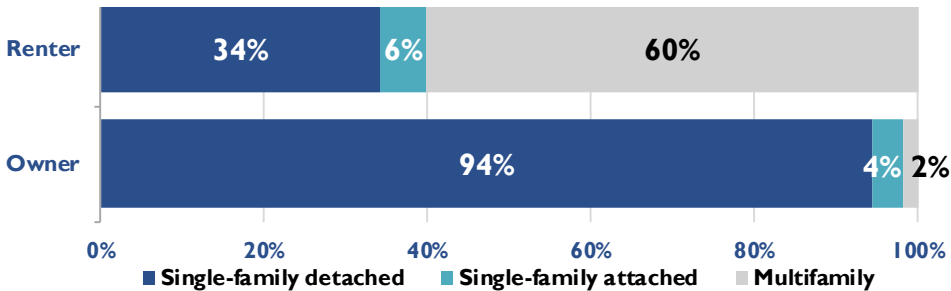
### MIX OF HOUSING TYPES BY CITY, 2012-2016

The majority of housing stock in all of the cities in the County is single-family detached housing, with the exception of Wilsonville's housing stock that is comprised of 41% single-family, 51% multifamily, and 8% single-family attached housing.



# HOUSING MARKET

TENURE BY HOUSING TYPE, CLACKAMAS COUNTY, 2012-2016



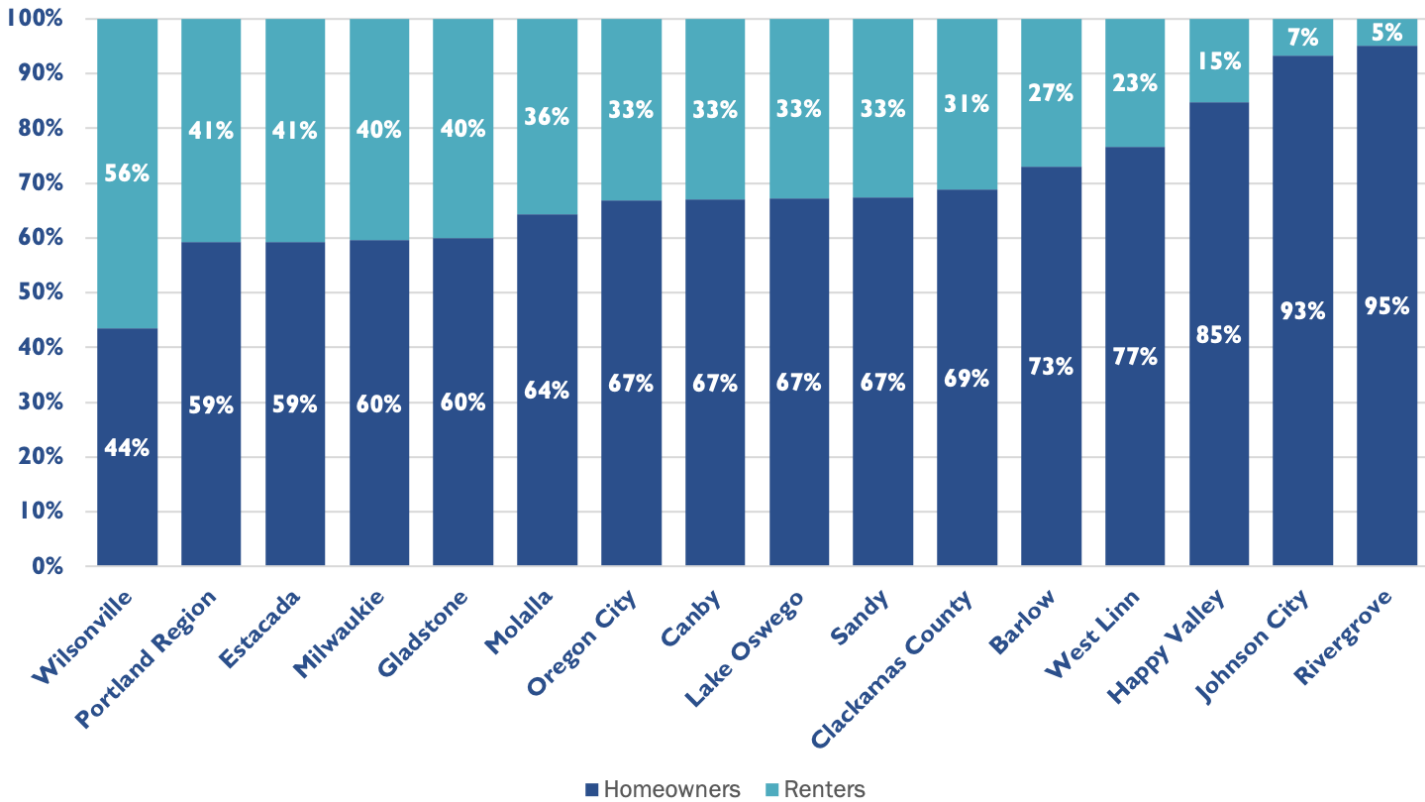
Clackamas County’s home ownership rates are higher when compared to the Portland Region.

A majority of Clackamas County renters live in multifamily housing and most homeowners live in single-family detached housing.



HOMEOWNERSHIP RATES BY CITY, 2012-2016

Clackamas County’s homeownership rates are higher when compared to the Portland region. Wilsonville has the lowest homeownership rate of about 44%.



## Housing Affordability

**A household is considered cost burdened if they spend 30% or more of their gross income on housing costs.**

A household is severely cost burdened if they spend 50% or more of their gross income on housing costs. Housing costs include rent and selected utilities or mortgage, interest, property taxes, and selected utilities.



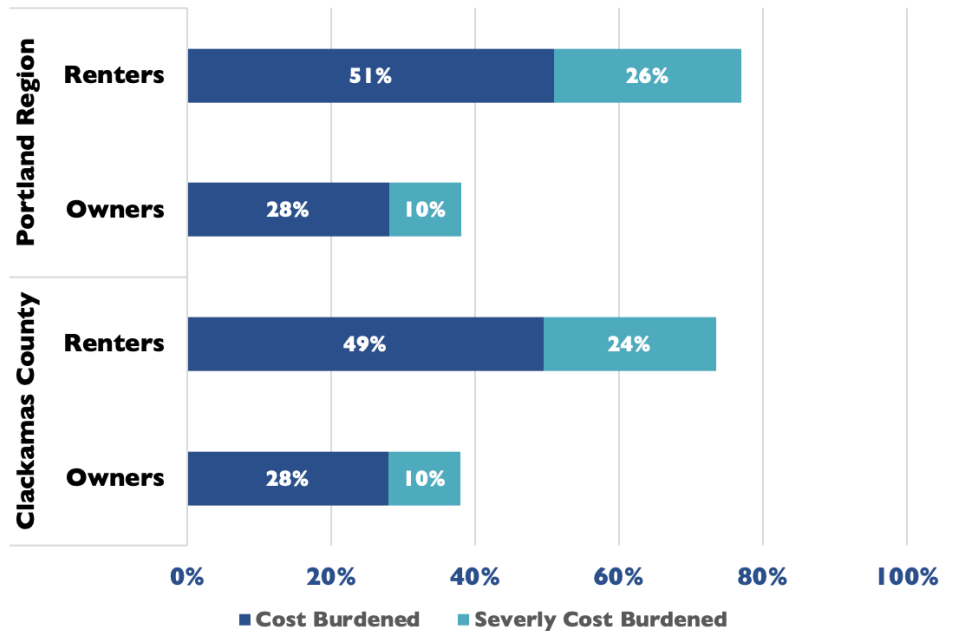
**Renters are the most cost burdened.**

Similar to the Portland region, more renter households are cost burdened and severely cost burdened than owner households in Clackamas County.

The term affordable housing refers to a household's ability to find housing within its financial means. Housing affordability affects both higher- and lower- income households and is an important issue for Clackamas County and the Portland region. Low-income households have fewer resources available to pay for housing and have the most difficulty finding affordable housing. Key points about affordability in Clackamas County:

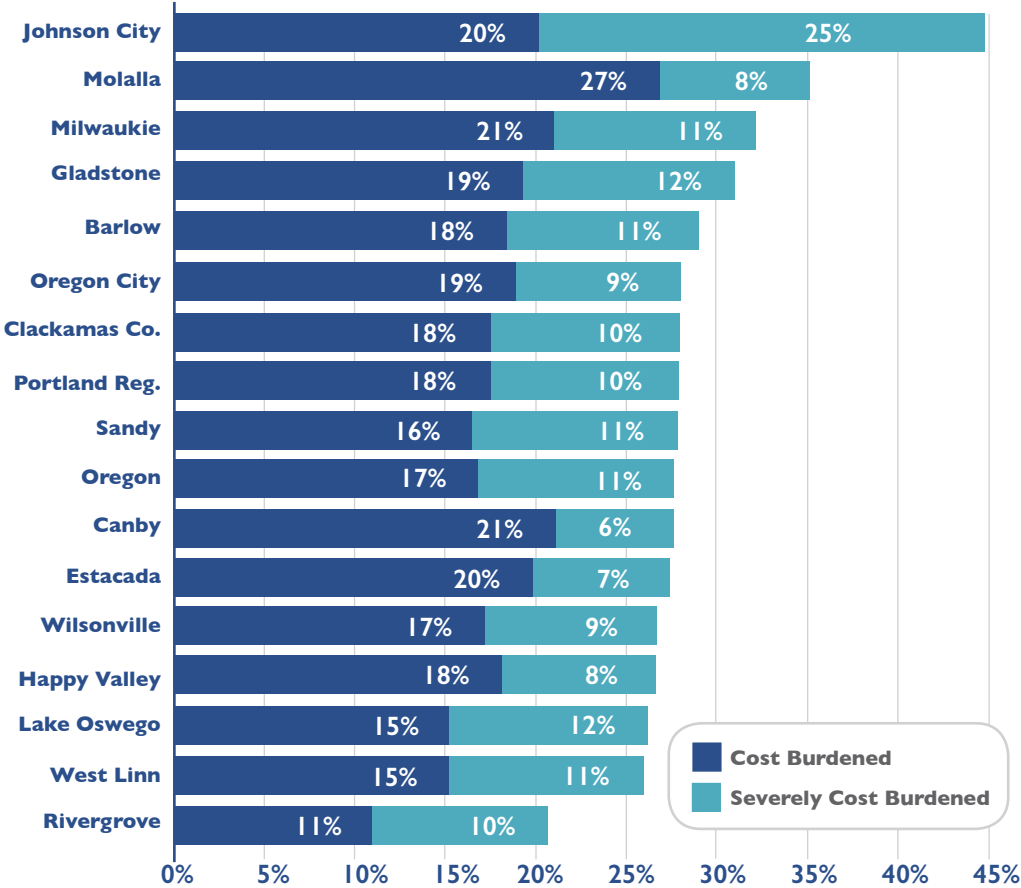
- A household would need to have a combined income of about \$50,000 to afford the county's average multifamily rent of \$1,253. **About 35%** of the households in Clackamas County have income below this level.
- A household would need to have income of at least \$105,000 to afford the county's median sales price of a home of \$434,900. **About 70%** of Clackamas County's households have income below this level.
- Clackamas County currently has a deficit of thousands of housing units affordable to households earning between \$10,000 and \$35,000 per year. This results in many of these households living in housing they cannot afford.

**PERCENT OF CLACKAMAS COUNTY'S HOUSEHOLDS THAT ARE COST BURDENED BY OWNERSHIP STATUS, 2012-2016**



# HOUSING AFFORDABILITY

## PERCENT OF CLACKAMAS COUNTY'S HOUSEHOLDS THAT ARE COST BURDENED BY CITY, 2012-2016

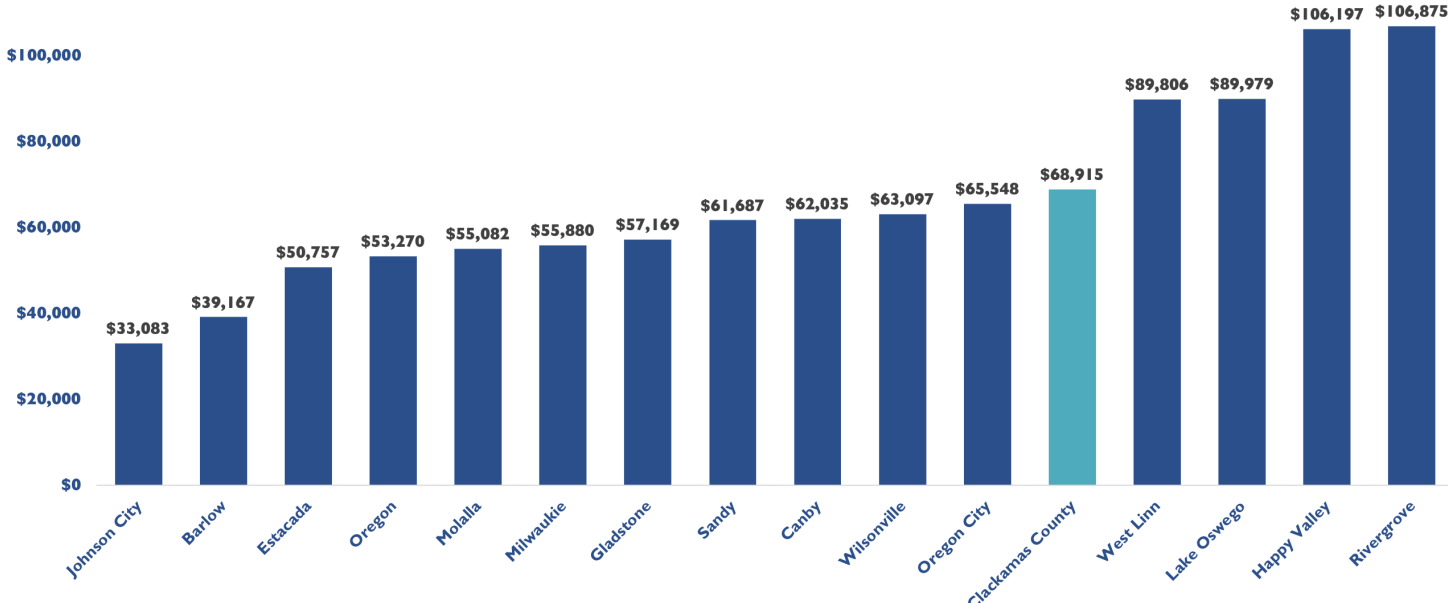


Gladstone, Milwaukie, Molalla, and Johnson City are the most cost burdened in the county.

Gladstone, Milwaukie, Molalla, and Johnson City have the greatest share of households that are cost burdened and severely cost burdened in Clackamas County that total more than 30% of all households in each city.

## MEDIAN HOUSEHOLD INCOME, 2012-2016

Rivergrove, Happy Valley, Lake Oswego, and West Linn have higher median household incomes than the County average. Barlow and Johnson City have the lowest median household incomes.



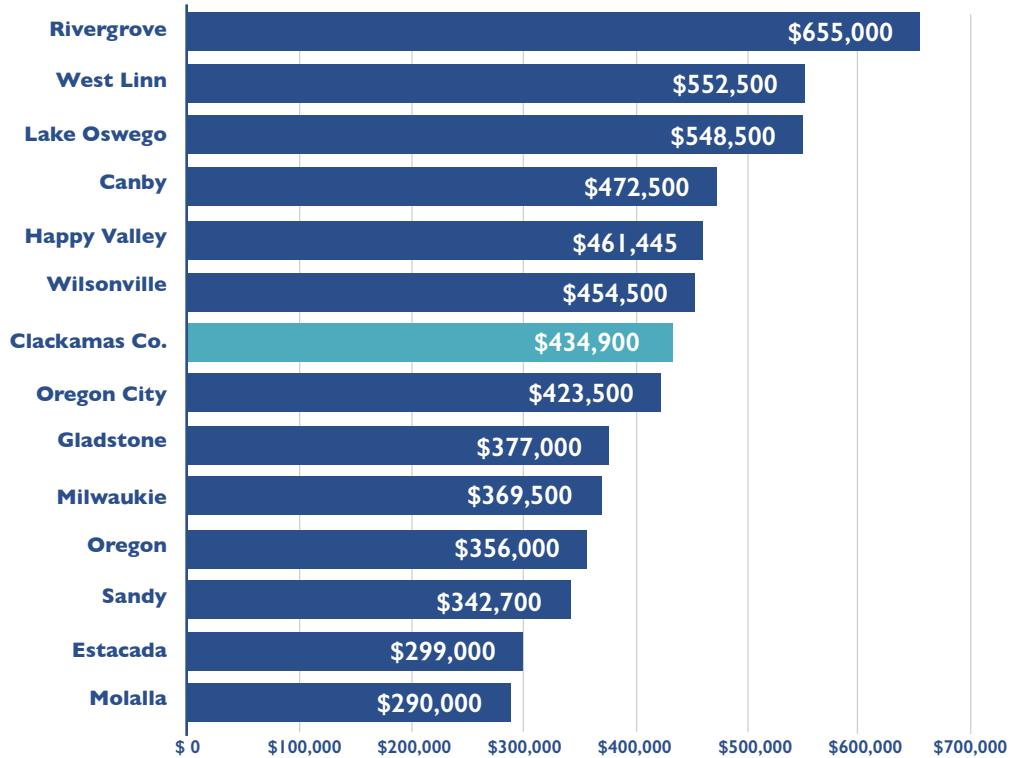
# HOUSING AFFORDABILITY



**Clackamas County has higher housing sales prices.**

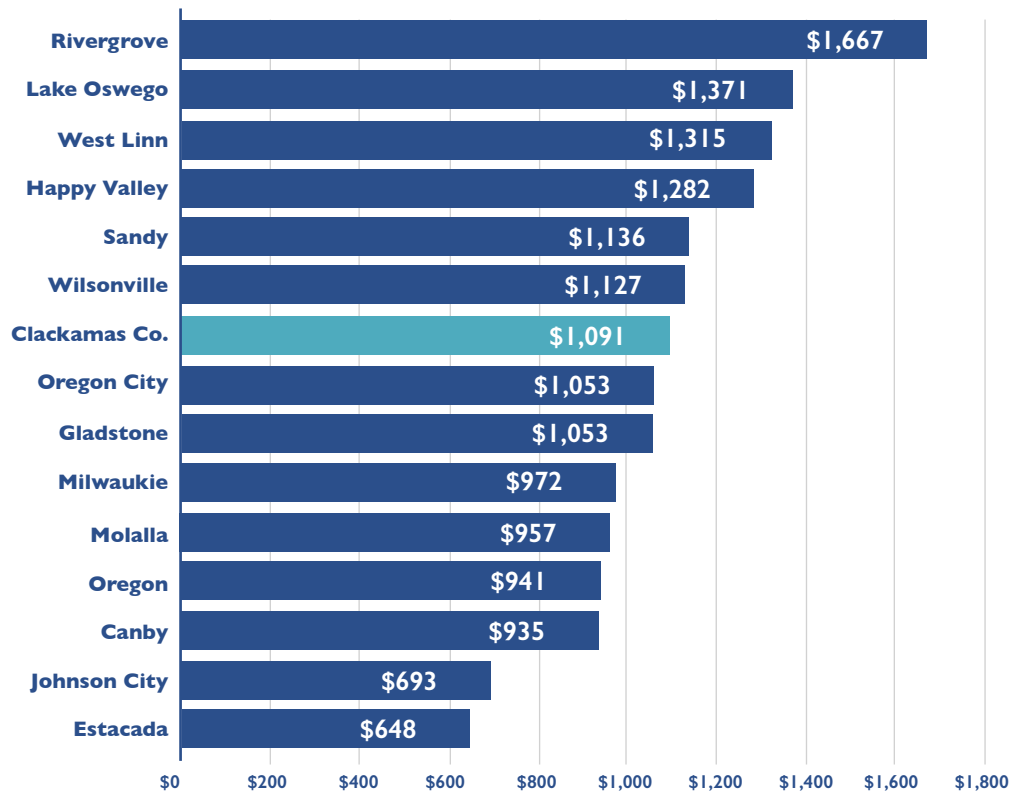
The cities with the highest sales prices are Rivergrove, West Linn, and Lake Oswego.

**MEDIAN HOUSING SALES PRICE BY CITY, FEBRUARY 2019** Source: Zillow



**Cities with higher housing sales prices also have higher average rents.**

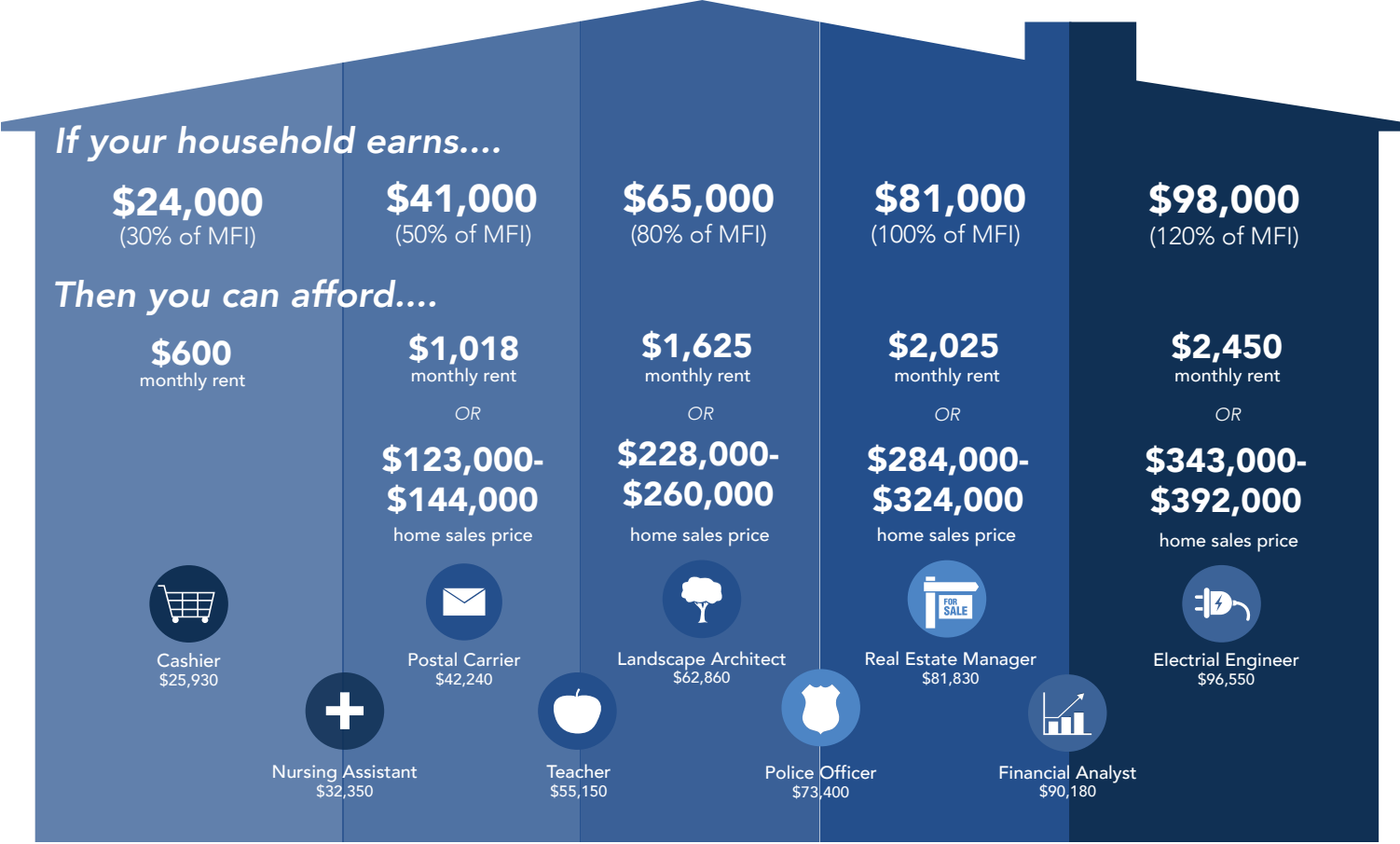
**MEDIAN MULTIFAMILY RENT BY CITY, 2018** Source: Costar



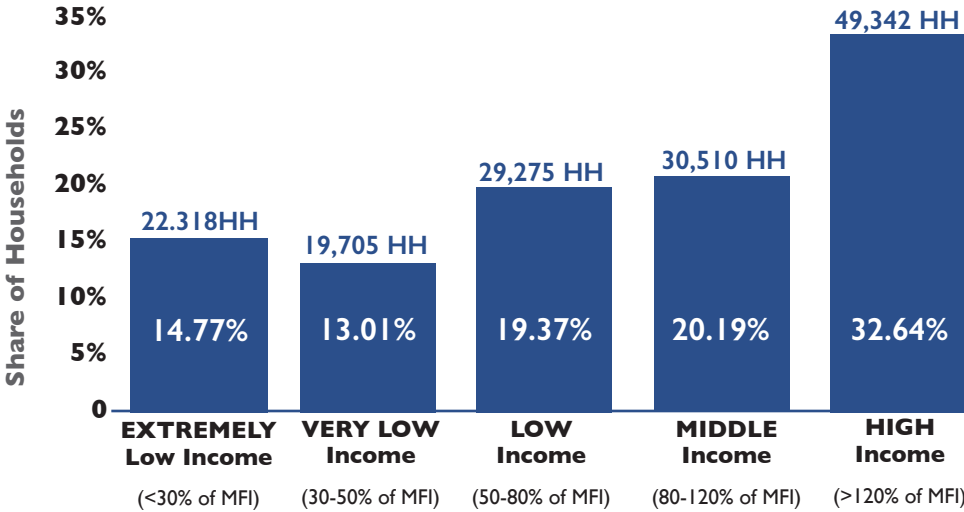
# HOUSING AFFORDABILITY

## FINANCIALLY ATTAINABLE HOUSING BY MEDIAN FAMILY INCOME, CLACKAMAS COUNTY, 2018

The graphic below shows housing affordability by income, categorizing incomes by Clackamas County’s Median Family Income (MFI). The graphic shows the amount a household with the given income can afford to spend on housing, assuming the household spends no more than 30% of gross income on housing costs.



## SHARE OF CLACKAMAS COUNTY’S HOUSEHOLD BY MEDIAN FAMILY INCOME, 2012-2016



Twenty-eight percent of Clackamas County households earn 50% of MFI or less, about \$40,700 per year or less.

They cannot afford a two-bedroom apartment at the county’s Fair Market Rent of \$1,330.

## Housing Forecast and Land Sufficiency

Every city and urban unincorporated areas have plan designations where there is not enough capacity to accommodate the forecast of growth.

The most common designations with deficits are medium- and high-density plan designations.

The forecasts for new housing are based on the forecast for population growth (for geographies outside the Metro UGB) or household growth (for geographies in the Metro UGB).

### FORECAST OF NEW HOUSING BY TYPE OF HOUSING, CITY, AND UNINCORPORATED AREA, 2019-2039

Jurisdiction	Single-family Detached	Single-family attached	Multifamily	Total
Gladstone	159	64	95	318
Estacada	485	56	153	694
West Linn	498	250	250	998
Clackamas County Rural Unincorporated	1,813	19	38	1,870
Molalla	1,327	306	409	2,042
Wilsonville	1,238	248	990	2,476
Oregon City	1,429	572	857	2,858
Happy Valley, incl. Pleasant Valley/N. Carver	3,986	837	3,151	7,974
Clackamas County Urban Unincorporated	4,087	817	3,271	8,175

### LAND CAPACITY AND SUFFICIENCY TO ACCOMMODATE GROWTH, 2019-2039

Housing Needs Analyses compare the capacity of vacant and partially vacant residential land (in terms of dwelling units) with demand for housing. Some jurisdictions do not have enough land (in all or some plan designations) to accommodate growth of single-family detached, single-family attached (townhouses), or multifamily housing.

Jurisdiction	Capacity for new housing (dwelling units) on vacant residential land	Is there Enough Capacity to Accommodate the Housing Forecast?	What Plan Designations (if any) do not have Enough Capacity?
Gladstone	86	No, deficits of capacity in all plan designations	Low Density Residential Medium Density Residential High Density Residential
Wilsonville	336	Yes, in some plan designations but some designations have deficits of capacity	Residential Planned Development 4-5 DU/Acre and 6-7 DU/Acre
West Linn	341	No, deficits of capacity in all plan designations	Low Density Residential Medium Density Residential Medium-High Density Residential
Molalla	422	No, deficits of capacity in all plan designations	Low Density Residential Medium Density Residential Medium-High Density Residential
Happy Valley, including Pleasant Valley/North Carver	2,193	No, deficits of capacity in all plan designations	Very Low Density Residential Low Density Residential Medium Density Residential High Density Residential Mixed Use Residential
Estacada	2,261	Yes, in some plan designations but some designations have deficits of capacity	Multiple Family Residential
Clackamas County Rural Unincorporated	2,307	Yes, all plan designations have enough capacity	N/A
Clackamas County Urban Unincorporated	3,178	No, deficits of capacity in all plan designations	Low Density Residential Medium Density Residential Medium-High Density Residential High Density Residential
Oregon City	6,573	Yes, in some plan designations but some designations have deficits of capacity	High Density Residential



# Conclusions

The broad conclusions of the Clackamas County HNA are as follows. The full technical report provides more information about conclusions specific to Urban and Rural Unincorporated areas and for each participating city.

- **Population is expected to grow in unincorporated parts of the county and in most cities between 2019-2039.** Population growth will increase demand for new housing. The places with the largest forecast for number of new dwellings (and population) are: Urban Unincorporated Clackamas County, Happy Valley, Sandy, Canby, Oregon City, Molalla, Urban Unincorporated Clackamas County, and Wilsonville. The places forecast to have the least growth are Johnson City, Barlow, and Rivergrove.
  
- **Demographic changes will also result in changes in the type of new housing needed.** Key demographic changes in Clackamas County are the continued aging of the Baby Boomers and household formation of Millennials and younger households.

  - As the Baby Boomers continue to age, they will make a variety of housing choices. The majority of Baby Boomers are expected to remain in their homes as long as possible, downsizing or moving when illness or other issues cause them to move. Demand for specialized senior housing, such as age-restricted housing or housing in a continuum of care from independent living to nursing home care, may grow throughout the County.
  
  - Millennials and younger age groups will be a key driver in demand for housing for families with children over the next 20 years. The ability to attract Millennials and younger populations will depend on the County’s availability of affordable renter and ownership housing. It may also depend on the location of new housing in Clackamas County as many Millennials prefer to live in more urban environments.
  
- **Households in Clackamas County, like those in the rest of the Portland Region, are struggling with decreasing affordable housing, as housing prices and rents increase faster than incomes.** At least one-quarter of households in all cities (except Rivergrove) and unincorporated parts of the county are cost burdened, with 30% or more of households cost burdened in Gladstone, Milwaukie, Molalla, and Johnson City. Cost burden is higher among renters than homeowners.



# CONCLUSIONS



■ **Cities and the County (in unincorporated areas) need to identify opportunities to support development of housing that is affordable at all income levels.** The HNA groups housing affordability into two broad groups:

- Housing that is affordable to extremely-low and very-low income households (i.e., those earning less than 50% of Median Family Income or \$41,000 for a family of four). This grouping includes people experiencing homelessness. Housing for these households is generally developed with subsidy from the federal, state, and local governments.
- Housing that is affordable to low-income and middle-income households (i.e., those earning between 50% and 120% of Median Family Income or \$41,000 to \$98,000 for a family of four). Housing in these income categories is frequently called “naturally occurring housing” or “workforce housing.”
- An important source of funding to support development of housing affordable to households earning less than 80% of Median Family Income (less than \$65,000 for a family of four) is funding from the Metro Bond, which is expected to be used to develop about 2,500 new units in Clackamas County.
- Cities and the County will need to identify additional ways to support all types of housing development that is affordable to all income levels. Some approaches include: changes in zoning code to support affordable housing development, density bonuses for affordable housing development, use of surplus publicly-owned land for affordable housing development, property tax abatements, systems development charge waivers or changes in the way they are charged, and other tools.

■ **The demographic changes and increasing housing affordability challenges will result in increased demand for a wider range of new housing.** These types of housing include: small-lot single-family detached housing, accessory dwelling units, cottage housing, townhouses, duplexes, triplexes and quad-plexes, smaller-scale multifamily housing such as garden apartments, and larger scale-multifamily housing including multistory apartments and condos, and mixed-use developments. Cities and the County should plan for this wider range of housing types to meet future housing demand.

- **The County and Cities will need to plan to comply with the requirements of House Bill (HB) 2001.** HB 2001 was passed after the majority of work on the Clackamas County HNA was completed. It requires cities with population between 10,000 and 25,000 people to allow for development of a duplex on each lot zoned for residential use where single-family detached housing is allowed. Cities larger than 25,000 and cities or counties within the Metro UGB must allow for: (1) development of a duplex on each lot zoned for residential use where single-family detached housing is allowed and (2) development of middle housing types (i.e., cottage clusters, duplexes, triplexes, quadplexes, and townhouses). in areas zoned for residential use that allow development of single-family dwellings.

The State will develop a model code for complying with HB 2001 by December 31, 2020. Cities with population between 10,000 and 25,000 have until June 20, 2021 to comply with HB 2001. Cities larger than 25,000 and cities or counties within the Metro UGB have until June 20, 2022 to comply with HB 2001.

- **The County and most cities have land deficits they should address.** Within Urban Unincorporated areas, Clackamas County has a deficit of land in all plan designations to accommodate the forecast of population and housing growth. All of the cities that participated in the study had deficits of land in some plan designations, most frequently in medium and high density plan designations. The County and the cities will need to identify strategies to accommodate housing needs within their planning areas. These strategies may include: changes to the development code that allow for more efficient use of land (resulting in increasing capacity for housing development), re-zoning and redesignating land (especially up-zoning lower density areas to medium and high density designations), planning for redevelopment that results in increases in density and housing capacity, supporting development of new multifamily development (especially affordable housing) using the tools described above, and other approaches to increasing the capacity of existing residential land. Some cities may need an expansion of their UGB (or the Metro UGB) to accommodate the forecasts of growth.
- **The participating cities with baseline HNAs should use this opportunity to refine and finalize their HNAs.** Then to develop strategies to meet unmet housing needs, both in terms of land and in terms of housing affordability.



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## Memorandum

**To:** Clackamas County Coordinating Committee (C4)  
**From:** Chris Lyons, Clackamas County Public & Government Affairs  
**Date:** November 27, 2019  
**RE:** C4 Legislative Strategy Discussion

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### **Overview:**

The 2020 Oregon legislative session begins Monday, Feb. 3 and will conclude no later than Sunday, March 8. While it remains to be seen what the session will look like, it appears likely that the Legislature will focus on establishing a cap & invest carbon reduction program after its failure to enact such a bill in 2019.

A primary function of C4 is to establish and promote unified positions at the state and regional levels. C4 members have the potential to increase the likelihood of success on key, agreed-upon legislative priorities by advocating as a unified coalition with coordinated outreach. This discussion is intended to clarify C4's interest in working together to advance any identified priorities during the 2020 session.

### ***Recommended criteria for selecting C4's legislative priorities:***

- Does the issue fit within C4's primary area of focus (i.e. transportation & land use)?
- Does the issue benefit all residents of Clackamas County?
- Is the issue Clackamas-specific (i.e. without C4 member involvement, is the issue likely to see action)?
- Is there C4 consensus and commitment among members to actively work on the issue?
- Is there a realistic opportunity during the legislative session to advance the issue?

### ***Recommended 2020 C4 legislative priority:***

- Funding for the I-205 Widening & Seismic Improvement Project

### ***Recommended ways to advocate:***

- Adopt a legislative agenda and/or identify the issue(s) as a priority for your jurisdiction
- Contact your legislators to request that they prioritize the issue and actively assist in efforts to advance the issue – can be done by letter, email, phone, text, or in-person!
- Add your jurisdiction's name/logo to any coalition letter(s)
- Contact your networks to secure additional supporters and help build a bigger coalition

### ***Discussion questions:***

- Which issue(s) should be identified as a 2020 C4 legislative priority?
- How will each member jurisdiction/entity play a role in legislative advocacy?