

JUNE 7, 2019

# HOUSING STRATEGIES REPORT

CITY OF ECHO, OREGON

**FINAL**



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## 1. Introduction and Overview

Having affordable, quality housing in safe neighborhoods with access to community services is essential for all Oregonians. Like other cities in Oregon, the City of Echo is responsible for helping to ensure that its residents have access to a variety of housing types that meet the housing needs of households and residents of all incomes, ages and specific needs. Towards that end, the City participated in the 2019 West Umatilla County Housing Study project with the Cities of Umatilla and Stanfield. The Housing Study included two reports, a Housing and Residential Land Needs Assessment and a Residential Buildable Lands Inventory (BLI). Findings from these reports are summarized in Section 2 of this Housing Strategies Report and can be used to inform future amendments to the City's Comprehensive Plan and Zoning and Subdivision Administrative Regulations to support housing needs, consistent with Statewide Planning Goal 10 (Housing). Goal 10 states that the city must:

*"encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density."*

This report includes the following information intended to help the City update its Comprehensive Plan:

- Findings associated with existing and future housing needs which can be incorporated into narrative sections of the City's Comprehensive Plan.
- Recommended new or updated Comprehensive Plan policies for housing.
- Recommended measures that the City can consider in the future and use to help meet future housing needs.

The first two elements above have been drafted for incorporation into the City's Comprehensive Plan Housing element as part of a subsequent legislative update. This report, the Housing and Residential Land Needs Assessment, and the Residential BLI can be referenced in the Comprehensive Plan as technical, ancillary documents that support the housing-related findings and policy direction in the Comprehensive Plan.

This report, along with the accompanying the Housing and Residential Land Needs Assessment and the BLI maps, was prepared in coordination with Echo City staff, and a project Advisory Committee that included the Mayor of Echo and representatives from the regional real estate and development community. Members of the community also provided input on existing conditions, opportunities, and constraints related to housing and the findings of the draft reports at two public open houses. The project was funded by a grant from the Oregon Department of Land Conservation and Development (DLCD) and DLCD staff participated in managing the grant and reviewing materials prepared for the project.

## 2. Housing Conditions and Trends (Comprehensive Plan Findings)

The following is introductory information, a summary of data and findings from the Housing and Residential Land Needs Assessment Report, and a brief summary of potential housing strategies that can ultimately be incorporated into the Echo Comprehensive Plan as supporting narrative for Section H: Housing. Unless otherwise noted, the following findings refer to the Echo Urban Growth Boundary (UGB) area, not the city limits.

### INTRODUCTION

Having affordable, quality housing in safe neighborhoods with access to community services is essential for all Oregonians. Like other cities in Oregon, the City of Echo is responsible for helping to ensure that its residents have access to a variety of housing types that meet the housing needs of households and residents of all incomes, ages, and specific needs. The City does this primarily by regulating residential land uses within the City and working with and supporting non-profit and market rate developers, and other housing agencies in developing needed housing.

The City sought and received grant funding from the State of Oregon in 2019 to undertake a Housing Needs Analysis project and to proactively plan for future housing needs in Echo. The City has undertaken and will continue to implement and update a variety of activities to meet current and future housing needs:

- Conduct and periodically update an analysis of current and future housing conditions and needs. The City most recently conducted this analysis in 2019 through the Housing Needs Analysis planning project. The results are summarized in this element of the Comprehensive Plan and described in more detail in a supporting Housing and Residential Land Need Assessment Report.
- Conduct and periodically update an inventory of buildable residential land (BLI) to ensure that the City has an adequate supply of land zoned for residential use to meet projected future needs. The City most recently conducted this analysis in 2019. The results are summarized in this element of the Comprehensive Plan and described in more detail in a supporting Buildable Lands Inventory Report.
- Adopt and amend, as needed, a set of housing-related Comprehensive Plan policies to address future housing needs.
- Regularly update and apply regulations in the City's Zoning and Subdivision Ordinances to meet housing needs identified in the Comprehensive Plan and supporting documents.
- Implement additional strategies to address housing needs in partnership with State and County agencies and other housing organizations. Potential strategies are described in more detail in the 2019 City of Echo Housing Strategies Report.

The remainder of this chapter summarizes these topics in more detail.

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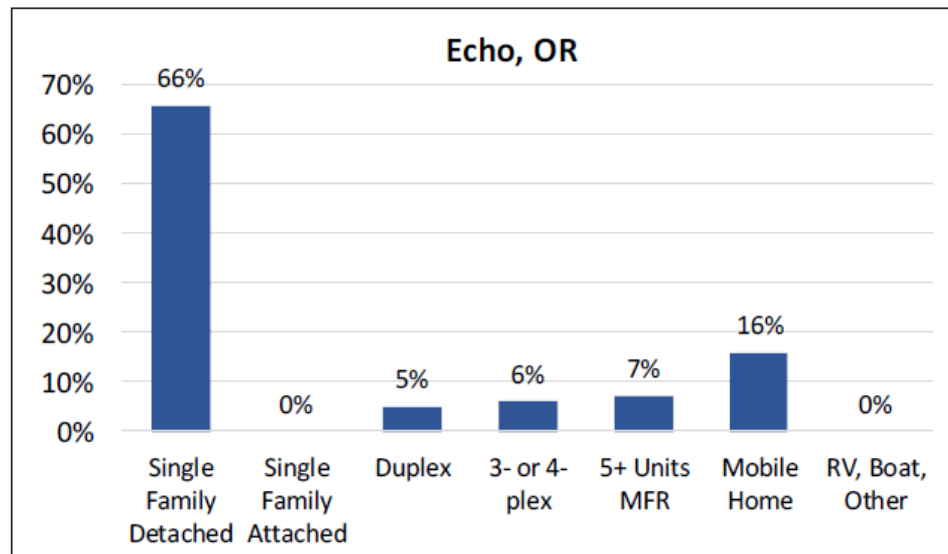
## DEMOGRAPHIC CONDITIONS AND TRENDS

- Echo is a City of an estimated 710 people (City), and 750 people (UGB), located in Umatilla County in Northeastern Oregon.
- Echo has experienced modest growth, growing 9% since 2000. In contrast, Umatilla County and the state experienced population growth of 14% and 21% respectively. The City of Umatilla and Hermiston to the north grew a more robust 45% and 37% respectively. (US Census and PSU Population Research Center).
- Echo's population is forecasted to grow to 788 by 2039, an increase of 38 people, or about 5% from the 2018 population estimate.
- Echo was home to an estimated 263 households in 2018, an increase of roughly 10 households since 2000. The percentage of families grew slightly between 2000 and 2018 from 70% to 72% of all households. Average household size also grew during this period. The city has a larger share of family households than Umatilla County (68%) and the state (63%).
- Echo's estimated average household size is 2.85 persons, holding stable sense 2010. This is higher than the Umatilla County average of 2.67 and greater than the statewide average of 2.47.

## HOUSING CONDITIONS AND TRENDS

- **Housing Tenure.** Echo has a greater share of owner households than renter households. The 2017 American Community Survey estimates that 64% of occupied units were owner occupied, and 36% renter occupied. The ownership rate in Echo has fallen from 69% since 2000. During this period the statewide rate fell from 64% to 62%. Nationally, the homeownership rate has nearly reached the historical average of 65%, after the rate climbed from the late 1990's to 2004 (69%). The estimated ownership rate is higher in Umatilla County (66%) and lower statewide (61%).
- **Housing Stock.** Echo UGB had an estimated 270 housing units in 2018, with a vacancy rate of 3% (includes ownership and rental units). Figure 1 shows the estimated number of units by type in 2017. Detached single-family homes represent an estimated 66% of housing units. Units in larger apartment complexes of 5 or more units represent 7% of units, and other types of attached homes represent 11% of units. Note that in this analysis attached homes or "attached single family" housing types generally include townhomes, some condo flats, and plexes which are separately metered. Mobile homes represent 16% of the inventory.

Figure 1. Estimated Share of Units, By Property Type, 2017



SOURCE: City of Echo, Census ACS 2017

## CURRENT HOUSING NEEDS

A comparison of estimated current housing demand with the existing supply identifies the discrepancies between needs and the housing which is currently available. Figure 2 and Figure 3 compare the estimated number of households in given income ranges, and the supply of units currently affordable within those income ranges. The data is presented for owner and renter households.

- In general, this identifies that there is currently support for more ownership housing at price ranges above \$200,000. This is because most housing in Echo is clustered at the low to middle price points, while analysis of household incomes and ability to pay indicates that some could afford housing at higher price points.
- The analysis identifies a well of need for rental units at the lowest price level to serve those households currently paying a high share of their income towards rent. This is a pattern seen in most communities. There are levels of estimated surplus for apartments (\$400 to \$1600 per month). This represents the current average rent prices in Echo, where most units can be expected to congregate. Rentals at more expensive levels generally represent single family homes for rent.
- In general, these findings demonstrate that there are fewer housing opportunities at lower price points than might be considered “affordable” for many renter households, while the community may be able to support some new single-family housing at a higher price point.

Figure 2. Comparison of Owner Household Income Groups to Estimated Supply Affordable at Those Income Levels

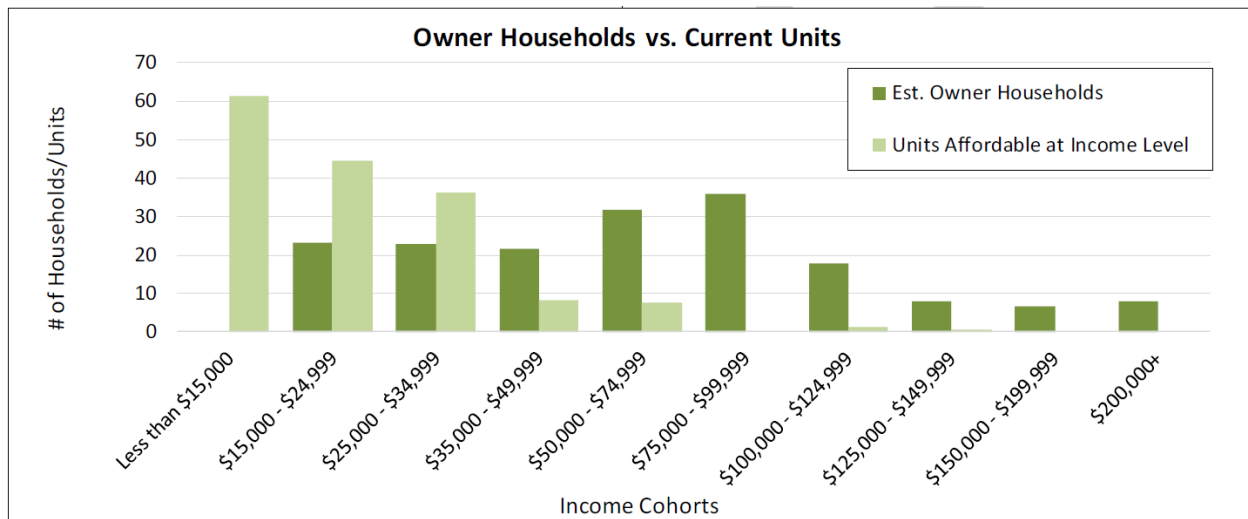
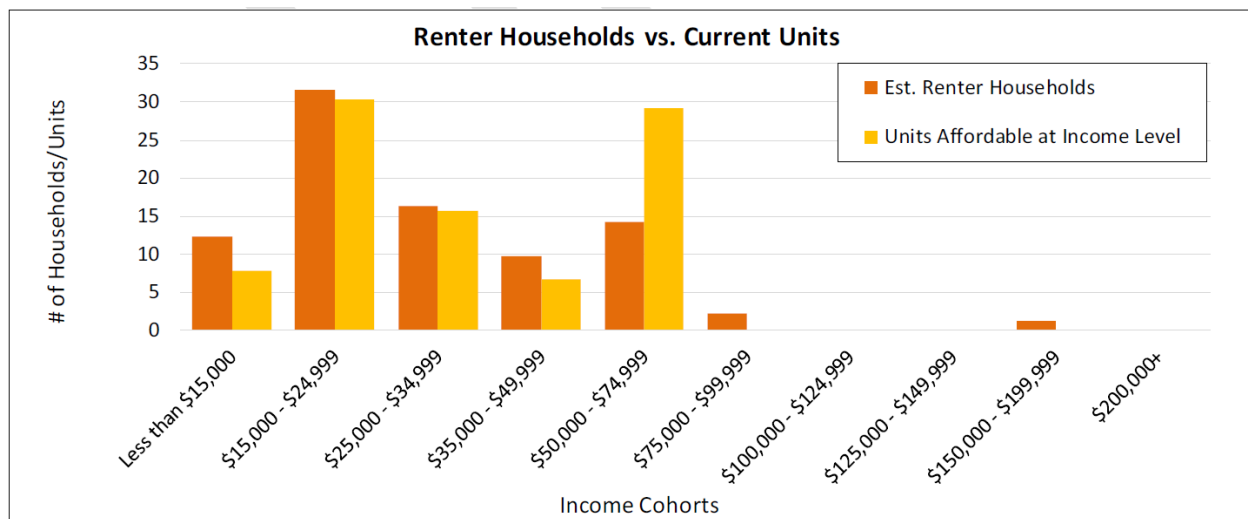


Figure 3. Comparison of Renter Household Income Groups to Estimated Supply Affordable at Those Income Levels



## PROJECTED HOUSING NEEDS

The projected future (20-year) housing profile in the study area is based on the current housing profile (2018), multiplied by an assumed projected future household growth rate. The projected future growth is the official forecasted annual growth rate (0.24%) for 2040 generated by the PSU Oregon Forecast Program. This rate is applied to the year 2039. The profile of occupied future housing demand was compared to the current housing inventory to determine the total future need for new housing units by type and price range

- Figure 4 displays the projection that the homeownership rate in Echo will increase slightly over the next 20 years to 67%, which would remain higher than the current statewide average (62%). The shift to older and marginally higher income households is moderate but is projected to increase the homeownership rate somewhat. At the same time, the number of lower income households seeking affordable rentals is also anticipated to grow.
- As shown in Figure 5, the results show a need for 19 new housing units by 2039. Of the new units needed, roughly 60% are projected to be ownership units, while 40% are projected to be rental units, which is roughly in keeping with the current ownership rate.
- In keeping with development trends, single family units are expected to make up the greatest share of new housing development over the next 20 years. 77% of the new units are projected to be single family detached homes, 12% are projected to be mobile homes, and only a small share is projected to be some form of attached housing.
- The greatest need for rental units is found at the lowest price points. This reflects the findings shown that a majority of Echo renter households currently pay more than 30% of their income towards housing costs. There is still a strong need for affordable housing.
- There is a lack of new need in the middle of the rental spectrum (\$400 to \$1,600). As was discussed in the comparison of current need and supply, this reflects where the majority of market-rate rent levels are at the current time. As with the 2018 comparison, a future need is projected for both low-rent, but also higher rent units. This analysis shows that some renter households have the ability pay for a larger, newer and/or higher quality unit than may be currently available.
- Projected needed ownership units show that the supply at the lowest end of the spectrum is currently sufficient and the community could support more some housing at higher price points, mostly in ranges above \$200,000.



Figure 4. Projected Occupied Future Housing Demand by Income Level (2039)

Ownership				
Price Range	# of Households	Income Range	% of Total	Cumulative
\$0k - \$90k	0	Less than \$15,000	0.0%	0.0%
\$90k - \$130k	27	\$15,000 - \$24,999	13.2%	13.2%
\$130k - \$190k	26	\$25,000 - \$34,999	13.0%	26.2%
\$190k - \$210k	25	\$35,000 - \$49,999	12.3%	38.5%
\$210k - \$340k	37	\$50,000 - \$74,999	18.1%	56.6%
\$340k - \$360k	41	\$75,000 - \$99,999	20.4%	77.0%
\$360k - \$450k	21	\$100,000 - \$124,999	10.2%	87.2%
\$450k - \$530k	9	\$125,000 - \$149,999	4.5%	91.7%
\$530k - \$710k	8	\$150,000 - \$199,999	3.8%	95.5%
\$710k +	9	\$200,000+	4.5%	100.0%
<b>Totals:</b>	<b>202</b>		<b>% of All:</b>	<b>66.7%</b>

Rental				
Rent Level	# of Households	Income Range	% of Total	Cumulative
\$0 - \$400	14	Less than \$15,000	14.0%	14.0%
\$400 - \$600	36	\$15,000 - \$24,999	36.1%	50.1%
\$600 - \$900	19	\$25,000 - \$34,999	18.7%	68.8%
\$900 - \$1000	11	\$35,000 - \$49,999	11.2%	80.0%
\$1000 - \$1600	16	\$50,000 - \$74,999	16.2%	96.2%
\$1600 - \$1700	3	\$75,000 - \$99,999	2.6%	98.7%
\$1700 - \$2100	0	\$100,000 - \$124,999	0.0%	98.7%
\$2100 - \$2500	0	\$125,000 - \$149,999	0.0%	98.7%
\$2500 - \$3300	1	\$150,000 - \$199,999	1.3%	100.0%
\$3300 +	0	\$200,000+	0.0%	100.0%
<b>Totals:</b>	<b>101</b>		<b>% of All:</b>	<b>33.3%</b>

<b>All Units</b>
<b>303</b>

Sources: Census, Environics Analytics, JOHNSON ECONOMICS

Figure 5. Projected Future Need for New Housing Units (2039)

OWNERSHIP HOUSING									
Unit Type:	Single Family Detached	Single Family Attached	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	9	0	0	0	0	2	0	11	59.6%
Percentage:	80.5%	0.0%	0.0%	0.0%	0.0%	19.5%	0.0%	100%	

RENTAL HOUSING									
Unit Type:	Single Family Detached	Single Family Attached	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	5	0	2	0	0	0	0	8	40.4%
Percentage:	69.9%	0.0%	30.0%	0.0%	0.0%	0.0%	0.0%	100%	

TOTAL HOUSING UNITS									
Unit Type:	Single Family Detached	Single Family Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	14	0	2	0	0	2	0	19	100%
Percentage:	76.2%	0.0%	12.1%	0.0%	0.0%	11.6%	0.0%	100%	

Sources: PSU, City of Echo, Census, Environics Analytics, JOHNSON ECONOMICS

- Figure 6 presents estimates of need at key low-income affordability levels in 2018 and in 2039. There is existing and on-going need at these levels, based on income levels specified by Oregon Housing and Community Services for Umatilla County. The need is not as acute from the “extremely low income” segment (8% of households), but an estimated 42% of households qualify as “low income.”

Figure 6. Projected Need for Housing Affordability at Low Income Levels

Affordability Level	Income Level		Current Need (2018)		Future Need (2039)		NEW Need (20-Year)	
			# of HH	% of All	# of HH	% of All	# of HH	% of All
Extremely Low Inc.	30% AMI	\$16,650	21	8%	22	8%	1	5%
Very Low Income	50% AMI	\$27,600	77	29%	81	29%	4	19%
Low Income	80% AMI	\$44,160	111	42%	117	42%	6	27%

Sources: OHCS, Environics Analytics, JOHNSON ECONOMICS

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

## COMPARISON OF PROJECTED NEED AND BUILDABLE LAND SUPPLY

The projected housing needs were compared with the supply of buildable residential land within the City of Echo UGB.

- Figure 7 presents the estimated new unit capacity of the buildable lands identified in the City of Echo UGB. There is a total remaining capacity of 539 units of different types within the study area. Much of this capacity is within the high-density residential zone.
- There is a total forecasted need for roughly 20 units over the next 20 years based on the PSU forecasted growth rate. This is well below the estimated capacity of over 540 units. There is sufficient capacity to accommodate all projected new unit types. After this need is accommodated, there is an estimated remaining capacity of over 520 additional units, mostly in the high-density residential zone.
- Figure 8 shows forecasted residential need and capacity by acres, rather than units. There is a projected need for 4 acres of new residential development, but a buildable capacity of 111 acres. There is currently sufficient buildable capacity within Echo to accommodate projected need.

For more detail on these findings please refer to the Housing and Residential Land Needs Assessment Report and the Buildable Lands Inventory (BLI) maps prepared for the City.

*Figure 7. Estimated Buildable Lands Capacity by Acreage and No. of Units (2019)*

Jurisdiction and Zone	Projected Density (units/net acre)	Unconstrained Acres				Housing Unit Capacity			
		Partially Vacant	Vacant	Total	Share of Total	Partially Vacant	Vacant	Total	Share of Total
R-1: General Residential	5	10	11	21	19%	38	16	54	10%
R-2: Limited Residential	5	17	19	36	33%	61	64	125	23%
R-3: High Density Residential	18	15	10	24	22%	196	129	325	60%
R-4: Farm Residential	1	11	18	29	26%	2	0	2	0%
RC: Residential Commercial	5	0	1	1	1%	13	20	33	6%
<b>Subtotal</b>		<b>52</b>	<b>58</b>	<b>110</b>	<b>--</b>	<b>310</b>	<b>229</b>	<b>539</b>	<b>--</b>

*Figure 8. Comparison of Forecasted Future Land Need (2039) with Available Capacity*

LAND INVENTORY VS. LAND NEED	Unit Type			TOTAL
	Single Family Detached	Medium-Density Attached	Multi-Family	
Buildable Land Inventory (Acres):	86	1	24	111
Estimated Land Need (Acres):	3	0	0	4
<b>Land Surplus (Inventory - Need:)</b>	<b>83</b>	<b>1</b>	<b>24</b>	<b>107</b>

Sources: Angelo Planning Group, Johnson Economics

## STRATEGIES TO ACCOMMODATE FUTURE HOUSING NEEDS

The Housing and Residential Land Needs Assessment conducted for the City in 2019 indicated that the City had an adequate supply of buildable residential land within its urban growth boundary (UGB) to meet projected housing needs during the next 20 years. If population growth occurs at a faster rate than projected at that time, the City could find that the land supply is less than projected and additional land for residential uses may be needed in the future.

Although the City is not anticipated to need to expand its UGB during the planning period, it can continue to consider and implement a variety of strategies in the future to further provide opportunities for a wide range of housing choices, efficient land use, and development of housing affordable to people with low and moderate incomes. For the planning purposes, “affordable housing” is defined as housing that is affordable to a household that spends 30% or less of its income on housing, including rent or mortgage payments and utilities. Households with low incomes are those who make 80% or less of median household income. Those with moderate incomes make 81-95% of median household income.

The City is already implementing a variety of land use and other strategies that help provide for a wide range of housing options in Echo. Potential strategies either not already being undertaken by the City, or with the potential to be strengthened or enhanced, are summarized in the following table. The ability to implement them will depend on available resources, community priorities and other factors.

These strategies are described in more detail in the Housing Strategies Report prepared by the City as part of its Housing Needs Analysis project in 2019.

*Table 1. Overview of Recommended Housing Strategies*

Potential Strategies	Primary Goal(s)
<b>Land Supply and Regulatory Strategies</b>	
<b>1. Urban Growth Boundary (UGB) Amendment or Adjustment (Swap)</b> If there is a deficit of residential land and efficiency measures have been adopted to utilize existing land within the UGB, an expansion may be warranted. If land within the existing UGB is less suitable for residential development than other land outside the UGB, the City could apply to modify the UGB boundary to swap these lands.	Expand the supply of land available for housing.
<b>2. Rezone Land</b> Rezone land from a non-residential zone to a residential zone if there is a deficit of residential land and surplus of commercial, industrial, or other non-residential land. Rezone land from one residential zone to another residential zone to address a deficit in a certain density range or housing type.	Expand the supply of land available for housing.
<b>3. Increase Allowed Density in Existing Zones</b> Increase the allowed density or reduce the minimum allowed size of lots in one or more zones to allow for more compact development and/or a wider range of housing types in specific areas.	Use residential land efficiently, encourage diversity of housing types.
<b>4. Code Updates to Support a Variety of Housing Types</b> Zoning code and other regulatory amendments to increase housing choices and reduce barriers to development for accessory dwelling units (ADUs), cottage	Encourage diversity of housing types.

clusters, townhomes, and other “missing middle” housing types.

### 5. Reduce Unnecessary Barriers to Housing Development

Some regulations may constrain housing development to a degree that the corresponding public benefits of the regulation do not outweigh the effect on housing development. These regulations may include off-street parking requirements, architectural design standards, landscaping standards, or other development standards such as setbacks and height regulation

Reduce housing development costs and barriers.

### 6. Regulatory Incentives for Affordable or Workforce Housing

Creates incentives to developers to provide a community benefit (such as affordable housing), in exchange for ability to build a project that would not otherwise be allowed by the development code

Reduce housing development costs and barriers, promote construction of new affordable housing

## Incentives for Housing Development

### 1. System Development Charge (SDC) Reductions, Exemptions, or Deferrals

Exemption or deferred payment of SDCs for affordable housing. Can be applied to regulated affordable housing and/or specific housing types (such as ADUs).

Reduce housing development costs and barriers.

### 2. Expedited Development Review

Variety of strategies to reduce review and processing times for regulated affordable housing development, such as formally adopting shortened review timelines for applications or giving priority in scheduling hearings and meetings with staff.

Reduce housing development costs and barriers.

### 3. Tax Exemptions and Abatements

Tax exemptions or abatements offer another financial incentive to developers that can improve the long-term economic performance of a property and improve its viability. This can be a substantial incentive, but the City will forego taxes on the property, generally for ten years. Other taxing jurisdictions are not included, unless they agree to participate. Tax exemption programs are authorized by the state for specific purposes: Vertical Housing; Multiple-Unit Housing; Non-Profit Low-Income Housing.

Reduce housing development costs and barriers.

## Funding Sources and Uses

### 1. Public-Private Partnerships (PPPs) and Community Land Trusts

Arrangements between public and private entities to create more and/or affordable housing. PPPs can promote a variety of affordable housing programs or projects and include partnerships from multiple entities (public, private, and non-profit). A Community Land Trust is a model wherein a community organization owns land and provides long-term leases to low or moderate income households to purchase the homes on the land, agreeing to purchase prices, resale prices, equity capture, and other terms.

Promote construction of new affordable housing.

### 2. Land Acquisition and Banking

- Land acquisition is a tool to secure sites for affordable housing. Public agencies can identify locations where prices are going up and acquire land before the market becomes too competitive, with the intention to use the land for affordable housing.

Reduce housing development costs and barriers, promote construction of new affordable housing.

- Land banking is the acquisition and holding of properties for extended periods without immediate plans for development, but with the intent that properties eventually be developed for affordable housing. Land banks are often are quasi-governmental entities created by municipalities to effectively manage and repurpose an inventory of underused, abandoned, or foreclosed property.

### 3. Construction Excise Tax

Adopt a tax on new construction of between 1 and 3% to help pay for other affordable housing strategies identified here. The tax is a one-time tax assessed on new construction. State law requires it to be spent on specific types of programs and activities.

Provide source of funding for other affordable housing programs.

### 4. Subsidized Affordable Housing

Subsidized affordable housing is most often offered through a government or non-profit agency that has established the provision of housing to low-income households as part of their stated mission. Like many communities across the state, the cities of Umatilla County have a significant unmet need for more affordable rental housing. The incentives and tools discussed in this report can be used by cities to provide some funding or cost reductions to agencies that are building affordable housing.

Promote construction of new affordable housing.

### 5. Financial Assistance or Homebuyer Education Programs

A range of tools that can be used to maintain housing affordability or to help keep residents in their homes. Possible tools include rent assistance, home buyer education classes, loans for homeowners, or assistance to low-cost apartment owners for repairs and upgrades.

Protect affordable units, reduce displacement, promote homeownership.

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### 3. Comprehensive Plan Housing Policies

It is essential that the Comprehensive Plan of every city in Oregon include a robust set of policies directed at meeting the current and future housing needs of each community. The consultant team reviewed the Comprehensive Plan to assess whether it includes the following types of supportive policies:

- **Supports Statewide Planning Goal 10.** Comprehensive Plans typically do and should include a general policy that mirrors Statewide Planning Goal 10 (Housing), stating that the overall goal of the jurisdiction is to *“encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.”*
- **Emphasizes affordable housing needs.** Given that meeting the needs of low and moderate income households often requires public intervention or subsidy, it is important to include policies emphasizing the needs of these households.
- **Supports partnerships.** Most Comprehensive Plan housing elements include policies aimed at supporting other public agencies, non-profits and market rate developers who focus on meeting the needs of low and moderate income households and community members with special housing needs.
- **Encourages a variety of housing types.** In addition to a broad goal or policy about meeting a full range of housing needs, Plans often include policies noting the need for a variety of housing types, including single family attached housing, duplexes, triplexes, multi-family housing and townhomes, as well as less traditional forms of housing such as cottage cluster housing and accessory dwelling units.
- **Affirms Fair Housing goals.** Local governments are required to ensure that their housing policies and standards do not discriminate against or have adverse effects on the ability of “protected classes” to obtain housing, consistent with the federal Fair Housing Act.
- **Supports mixed use development.** Some Plans explicitly support the development of mixed use projects, which typically include upper story housing located above retail or commercial uses.
- **Supports accessory dwelling units.** Comprehensive Plans may include policies specifically referencing support for this form of housing.
- **Supports flexible zoning.** Some Plans include policies which emphasize the need for zoning to be flexible enough to meet a variety of housing needs and keep costs for such housing down, particularly for housing affordable to low and moderate income households.
- **Addresses land supply goals.** Many Comprehensive Plans include policies which reference the need to ensure that adequate land is zoned to meet identified housing needs, and to periodically update the jurisdiction’s inventory of such lands.



- **Supports maintenance and rehabilitation of existing housing.** Many comprehensive plans emphasize maintenance of existing housing stock as a method to prevent unsafe conditions and keep affordable housing available within the community.
- **Supports development of manufactured homes.** Oregon law requires that all zones that allow for “stick built” single family detached homes also allow for manufactured homes on individual lots. Each jurisdiction must also allow for manufactured home parks in at least one residential zone.
- **Regulates short term rentals.** Many communities, particularly those with high levels of tourism, regulate short-term rental housing to reduce its impact on the supply and affordability of long-term rental housing.

## ASSESSMENT OF EXISTING GOAL 10 HOUSING POLICIES

The following housing goal and associated policies are in the adopted Echo Comprehensive Plan Goal 10 Housing Element.

*GOAL: To increase the supply of housing to allow for population growth and to provide for the housing needs of the citizens of Echo.*

### 1. *It shall be City Policy:*

- a. To encourage a moderate rate of growth.*
- b. To cooperate with agencies involved in the development of low and moderate-income housing.*
- c. To encourage future residential developments which provide prospective buyers with a variety of residential lot sizes, a diversity of housing types and a range in prices.*
- d. To establish low-density residential areas within the urban growth boundary rather than rural residential areas adjacent to, but outside the urban growth boundary.*
- e. To require that low-density residential areas, which are subdivided or partitioned, be laid out so that such areas may be further subdivided or partitioned at a later time while still insuring that necessary public facilities can be developed. Sub-areas which are equal to or greater than twelve percent (12%) slope are excepted.*
- f. To allow mobile homes in appropriate residential areas on individual lots as an outright use and mobile home parks as a conditional use.*

Table 2 assesses current housing policies and identifies opportunities for potential amendments to address policy gaps. A set of potential adoption-ready Comprehensive Plan policies amendments are provided below. The City may refine these policies as part of the adoption process.



*Table 2. Comprehensive Plan Policy Evaluation and Recommendation*

<i><b>Policy Topic</b></i>	<i><b>Existing Goal/Policy Language</b></i>	<i><b>Example Additional or Alternative Language to Consider</b></i>
<b>Supports Statewide Planning Goal 10.</b>	<b>N/A</b>	To support Statewide Planning Goal 10 by “encouraging the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.”
<b>Emphasizes affordable housing needs</b>	<b>N/A</b>	To emphasize affordable housing needs, given that meeting the needs of low and moderate income households often requires public intervention or subsidy.
<b>Supports partnerships</b>	<b>2.b.</b> To cooperate with agencies involved in the development of low and moderate-income housing.	To maintain or build partnerships aimed at supporting other public agencies, non-profits and market rate developers who focus on meeting the needs of low and moderate income households and community members with special housing needs.
<b>Encourages a variety of housing types</b>	<b>2.c.</b> To encourage future residential developments which provide prospective buyers with a variety of residential lot sizes, a diversity of housing types and a range in prices.	To encourage a variety of housing types, including single family attached housing, duplexes, triplexes, multi-family housing and townhomes, as well as less traditional forms of housing such as cottage cluster housing and accessory dwelling units.
<b>Supports mixed use development</b>	<b>N/A</b>	To support mixed use development, which typically includes upper story housing located above retail or commercial uses.
<b>Supports flexible zoning</b>	<b>N/A</b>	To support flexible zoning by emphasizing the need for zoning to be flexible enough to meet a variety of housing needs and keep costs for such housing down, particularly for housing affordable to low and moderate income households.
<b>Affirms Fair Housing Goals</b>	<b>N/A</b>	To affirm Fair Housing goals by ensuring that housing policies and standards do not discriminate against or have adverse effects on

<i>Policy Topic</i>	<i>Existing Goal/Policy Language</i>	<i>Example Additional or Alternative Language to Consider</i>
		the ability of “protected classes” to obtain housing, consistent with the federal Fair Housing Act.
<b>Supports ADUs</b>	<b>N/A</b>	To allow and support the development of Accessory Dwelling Units in all residential zones. Accessory Dwelling Units are an important housing option that can help meet the need for affordable rental units, reduce housing costs for homeowners, and enable multi-generational living.
<b>Addresses Land Supply Goals</b>	<b>N/A</b>	To address land supply goals by ensuring that adequate land is zoned to meet identified housing needs, and to periodically update the jurisdiction’s inventory of such lands.
<b>Supports Development of Manufactured Homes</b>	<b>2.g.</b> To allow mobile homes in appropriate residential areas on individual lots as an outright use and mobile home parks as a conditional use.	To support development of manufactured homes. Oregon law requires that all zones that allow for “stick built” single family detached homes also allow for manufactured homes on individual lots.
<b>Supports maintenance and rehabilitation of existing housing</b>	<b>N/A</b>	To support maintenance and rehabilitation of existing housing as a method to prevent unsafe conditions and keep affordable housing available within the community.
<b>Regulates Short Term Rentals</b>	<b>N/A</b>	To regulate short term rentals to reduce their impact on the supply and affordability of long-term rental housing.

## PROPOSED GOAL 10 HOUSING POLICIES

The following includes the proposed legislative amendments for Echo's "adoption ready" Goal 10 Housing Element in the Comprehensive Plan.

GOAL: To increase the supply of housing to allow for population growth and to provide for the housing needs of the citizens of Echo.

1. It shall be City Policy:

- a. ~~To encourage a moderate rate of growth.~~ To welcome and support new housing development while preserving the essential character of the City and its neighborhoods.
- b. ~~To cooperate with agencies involved in the development of low and moderate income housing.~~ To maintain or build partnerships aimed at supporting other public agencies, non-profits and market rate developers who focus on meeting the needs of low- and moderate- income households and community members with special housing needs.
- c. ~~To encourage future residential developments which provide prospective buyers with a variety of residential lot sizes, a diversity of housing types and a range in prices.~~ a variety of housing types, including single family attached housing, duplexes, triplexes, multi-family housing and townhomes, as well as less traditional forms of housing such as cottage cluster housing and accessory dwelling units.
- d. To allow for levels of residential density that encourage efficient use of the supply of residential land while maintaining compatibility with the character of existing neighborhoods and ensuring that appropriate standards are in place to mitigate the impacts of development.
- e. To establish low-density residential areas within the urban growth boundary rather than rural residential areas adjacent to, but outside the urban growth boundary.
- f. To require that low-density residential areas, which are subdivided or partitioned, be laid out so that such areas may be further subdivided or partitioned at a later time while still insuring that necessary public facilities can be developed. Sub-areas which are equal to or greater than twelve percent (12%) slope are excepted.
- g. ~~To allow mobile homes in appropriate residential areas on individual lots as an outright use and mobile home parks as a conditional use.~~ To support development of manufactured homes and manufactured home parks in appropriate locations in order to fulfill the need for this form of housing for people with lower or moderate incomes, consistent with state law.
- h. To support Statewide Planning Goal 10 by "encouraging the availability of adequate numbers of needed housing units at price ranges and rent levels

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which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.”

- i. To affirm Fair Housing goals by ensuring that housing policies and standards do not discriminate against or have adverse effects on the ability of “protected classes” to obtain housing, consistent with the federal Fair Housing Act.
- j. To address land supply goals by ensuring that adequate land is zoned to meet identified housing needs, and to periodically update the jurisdiction’s inventory of such lands.
- k. To actively engage with owners of land within the UGB to help make that land available for residential development or, where land is not expected to develop in a timely fashion, to pursue opportunities to adjust the boundaries of the UGB to bring in land that is suitable and available for development.
- l. To emphasize affordable housing needs, given that meeting the needs of low and moderate income households often requires public intervention or subsidy.
- m. To support mixed use development, which typically includes upper story housing located above retail or commercial uses.
- n. To allow and support the development of Accessory Dwelling Units in all residential zones. Accessory Dwelling Units are an important housing option that can help meet the need for affordable rental units, reduce housing costs for homeowners, and enable multi-generational living.
- o. To support flexible zoning by emphasizing the need for zoning to be flexible enough to meet a variety of housing needs and keep costs for such housing down, particularly for housing affordable to low and moderate income households.
- p. To periodically evaluate zoning and development code requirements for opportunities to lessen or eliminate unnecessary barriers to residential development and identify alternative regulatory approaches to achieving policy goals.
- q. To support maintenance and rehabilitation of existing housing as a method to prevent unsafe conditions and keep affordable housing available within the community.
- r. To regulate short term rentals to reduce their impact on the supply and affordability of long-term rental housing.

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## 4. Housing Measures

The consultant team has identified a variety of measures that the City can undertake to address current and future housing needs identified in the Housing and Residential Land Needs Assessment and BLI reports. These measures have been organized into the following categories.

### Land Supply and Regulatory Strategies

1. UGB Expansion or Adjustment (“Swap”)
2. Rezone Land
3. Increase Allowed Density in Existing Zones
4. Code Updates to Support a Variety of Housing Types
5. Reduce Unnecessary Barriers to Housing Development
6. Regulatory Incentives for Affordable and Workforce Housing

### Incentives

1. System Development Charge Exemptions or Deferrals
2. Expedited Development Review
3. Tax Exemptions and Abatements

### Funding Sources and Uses

1. Public-Private Partnerships (PPPs) and Community Land Trusts
2. Land Acquisition and Banking
3. Construction Excise Tax
4. Subsidized Affordable Housing
5. Financial Assistance Programs

The remainder of this section describes these potential measures in more detail.

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## LAND SUPPLY AND REGULATORY STRATEGIES

### 1. Urban Growth Boundary Expansion or Adjustment (“Swap”)

#### *UGB Expansion*

The findings of our study do not indicate the need for a UGB expansion to accommodate projected housing needs in Echo between 2018 and 2038. However, in the long term, an expansion could be an option beyond the currently planning horizon or if growth rates increase beyond those currently projected. Prior to applying for a UGB expansion, the city would need to complete the following steps:

- Consider and adopt efficiency measures to ensure that land inside the UGB is being used efficiently. Many of the code update recommendations identified below are efficiency measures.
- Demonstrate that there is an insufficient supply of buildable land inside the UGB. Due to relatively low projected growth rates and new housing unit needs, the City likely will need to demonstrate that existing vacant or partially vacant land in the UGB cannot be served with public facilities.

#### *UGB Adjustment (“Swap”)*

Although the findings of the study do not demonstrate the need for a UGB expansion, anecdotally, the city has faced limitations on the current supply of buildable land because owners of large parcels are uninterested or unwilling to develop or sell their properties for future residential development. In small communities with a limited number of large developable properties, this can create a significant barrier to development, at least during the short and medium term. If owners hold onto their properties without a willingness to development over the longer term (e.g., decades), it effectively reduces the community’s supply of buildable land. At the same time, because property ownership and/or owners’ desires to develop can shift, the state of Oregon’s land use planning framework does not allow cities to exclude such land from their BLIs.

One way to address this situation is to remove such parcels from the UGB and add other properties whose owners are more willing or likely to develop their land for housing. State statutes and administrative rules allow for these UGB “swaps.” These exchanges are possible through a process of simultaneously removing and adding land to the UGB to make up for capacity lost by removing land. This process is guided by Oregon Revised Statutes (ORS) 197.764. This ORS section provides specific eligibility requirements and standards for land removed; subsection (3)(b) of this section states that “A local government that approves an application under this section shall either expand the urban growth boundary to compensate for any resulting reduction in available buildable lands or increase the development capacity of the remaining supply of buildable lands.” In exchanging land inside the UGB for land outside the boundary, cities must identify an equivalent supply of land in terms of the land’s capacity for residential development, considering the presence of natural resource constraints and zoning or allowed density.

While permitted, UGB swaps must comply with several requirements applied to other UGB amendments or expansions, including the following:

- **Location of expansion areas.** The location of the land to be added to replace the land being removed must use OAR 660-024-0065 to determine appropriate study areas. For a city with a UGB population less than 10,000, the city must consider all land within ½ mile of the existing UGB boundary.
- **Exclusion areas.** In considering expansion areas, the city can exclude areas that cannot be reasonably serviced with public facilities, are subject to significant natural hazards, have some a high level of environmental or natural resource value, or are owned by the federal government.
- **Prioritization.** The city needs to prioritize potential expansion areas in terms of rural residential “exception” lands vs. farm and forest lands, with exception lands having first priority, and farm and forest land having the maximum protection from development.
- **Criteria for evaluating expansion areas.** Cities must look at alternative expansion areas and evaluate them using the four locational factors found in Goal 14. These include 1) efficient urban form, 2) public facilities, 3) Economic, Social, Environmental, and Energy (ESEE) consequences, and 4) impact on adjacent farm and forest activities in rural areas. The city’s analysis must consider and analyze all four factors, but the city can weigh and balance those factors based upon a set of findings and policy judgments which, unless they are without merit, will be upheld on judicial review.

In addition to meeting these state requirements, the City will want to consider other factors in this process such as:

- Will potential expansion areas have direct access to roads, sewer or water lines or will they be even more difficult or costly to serve with these facilities than land proposed to be removed from the UGB?
- Will areas proposed for inclusion be in relative proximity to commercial and other services? This is particularly important if new areas are proposed for higher density development.
- Will the areas have any other practical barriers or impediments to residential development or conflict with other strategies to meet future housing needs?

## 2. Rezone Land

One potential strategy to address a deficit of residential land, or of a certain category of residential land, is for the City to initiate a rezoning process. As identified in the Housing and Residential Land Needs Assessment, the City of Echo does not have a deficit of residential land in general, nor in a specific category of residential land, so there is not a basis for rezoning land to meet citywide residential land supply needs. However, there may be opportunities to rezone land in order to more efficiently use land that is close to existing infrastructure and services. These opportunities include:

- **Rezone land near the town center from R1 – General Residential to R-3 High Density Residential.** There are some larger parcels of vacant or partially vacant land relatively close to the center of Echo, that are zoned R1. Rezoning these properties to R3 would allow for higher density development, which would more efficiently use this land near existing infrastructure and services.
- **Rezone land from R4 – Farm Residential or F1 – Exclusive Farm Use to R2 – Limited Residential or R1 – General Residential when it is annexed into the City.** There is a significant supply of buildable land outside city limits, but within the UGB, that is currently zoned R4 or F1. If those properties annex into the City of Echo, they should be zoned R1 or R2 in order to ensure they can be developed at urban densities and make efficient use of City infrastructure.

### 3. Increase Allowed Density in Existing Zones

This study found that the City of Echo has a sufficient supply of residential land if land is built at or near the planned density levels, based on existing zoning. Increasing allowed density in existing zones is not strictly necessary to meet projected housing needs within the existing UGB, however, there are two key benefits to allowing higher densities that should be considered:

- **Housing affordability.** Smaller lot sizes and higher densities allow for some of the major costs of development—such as acquiring land and building infrastructure—to be divided among more units. This decreases the per-unit cost of development and can enable lower sale prices or rental rates.
- **Efficiency of land use and infrastructure provision.** Higher density also helps to ensure that residential land is used efficiently. If growth rates accelerate more quickly than projected, then it will be more important for the City to efficiently use land within the existing UGB. It is also more efficient for the City to provide and maintain roads, sewer, and water systems (on a per-unit basis) to higher density development.

The City regulates density primarily through minimum lot size requirements in residential zones. Potential amendments to minimum lot size standards are presented in Table 3. These amendments are intended to allow for higher density development while considering the existing character and stated purpose of the zone. The minimum lot sizes presented apply to the single-family detached dwellings in the R1 and R2 zones, and multi-family dwellings in the R3 zone. Another strategy to allow for higher density is to permit a wider variety of housing types – this is addressed under Strategy 4, below. Minimum lot width, lot depth, or setback standards may also need to be modified to ensure they are consistent with any changes to minimum lot size standards.



*Table 3. Potential Minimum Lot Size Amendments*

Zone	Existing Minimum Lot Size	Proposed Minimum Lot Size
R1 - General Residential	7,500 sq. ft.	5,000 sq. ft.
R2 - Limited Residential	7,500 sq. ft.	5,000 sq. ft.
R3 - High Density Residential	15,000 sq. ft. for 1-5 units 2,000 sq. ft. for each unit over 5	5,000 sq. ft. for 1-2 units 1,500 sq. ft. for each unit over 2

#### 4. Code Updates to Support a Variety of Housing Types

This study found that the City of Echo has sufficient land zoned for single-family detached housing, medium density housing, and multi-family housing. However, there are opportunities to support development of a variety of housing types by reducing unnecessary barriers, providing more flexibility, and tailoring standards to fit a variety of housing types.

There are some housing types that are can be more difficult to develop because development code standards do not address unique characteristics of this housing type or the standards are unnecessarily restrictive. These types include Accessory Dwelling Units (ADUs), cottage cluster housing, duplexes, triplexes, and townhomes. These housing types are considered part of “missing middle housing” because they fall between high density apartments and low density, detached single-family housing. If regulated appropriately, these housing types can be compatible with detached, single-family houses and, therefore, could be permitted outright in most residential zones.

Another common characteristic of these housing types is that they are often smaller individual dwelling units. Given the demographic trends summarized in this study, and the ongoing challenge of providing enough housing options for people with moderate incomes, smaller sized, modest housing units will continue to be an important need in the City of Echo. As demonstrated by the Housing and Residential Land Needs Assessment, there is a need for ownership housing options for households with incomes between \$35,000-\$100,000. Due to the costs of land, infrastructure, and construction, it can be difficult for builders to produce new single-family detached housing that is affordable to households at this income level. These “middle housing” types can be more feasible to provide for this income level because they require less land per unit and can be more efficient to serve with infrastructure.

##### *Accessory Dwelling Units*

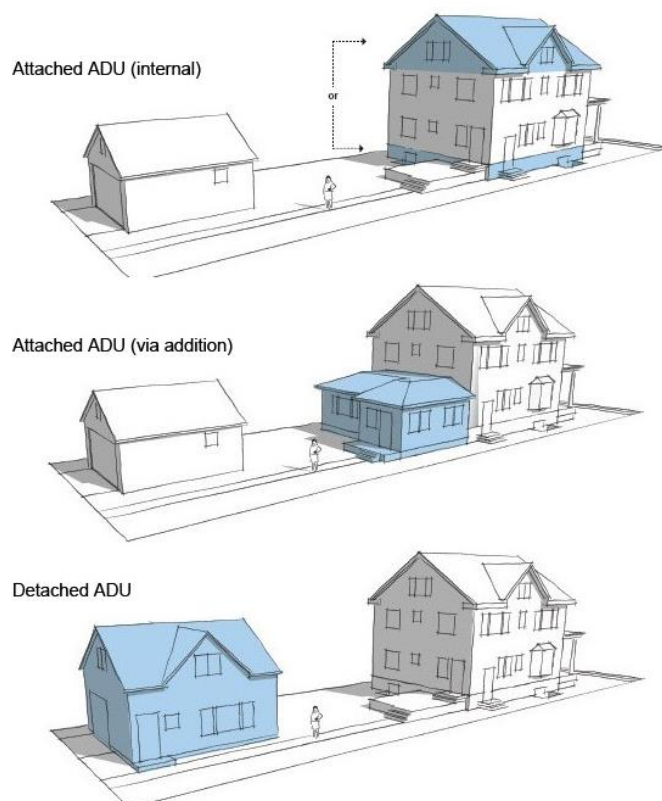
An Accessory Dwelling Unit (ADU) is a secondary dwelling unit on the same lot as a single-family house that is smaller than the primary dwelling. ADUs can come in three forms: a detached structure, an attached addition, or a conversion of internal living space in the primary dwelling (Figure 9). As ADUs are often invisible from the street or may be perceived as a part of the primary dwelling, they offer a method of increasing density with minimal visual impact on the character of the neighborhood.

ADUs are a viable housing option with several benefits:

- Building and renting an ADU can raise income for a homeowner and help offset the homeowner's mortgage and housing costs.
- ADUs can add to the local supply of rental units and can provide a relatively affordable rental option for a person or household that prefers living in a detached unit rather than an apartment or other attached housing.
- ADUs offer flexibility for homeowners to either rent the unit or to host a family member. The proximity to the main house can be particularly beneficial for hosting an elderly family member that may need care and assistance.

*Figure 9. Types of ADUs*

*ADUs in blue; main residence in white*



Source: City of St. Paul, MN

The City of Echo does not currently allow ADUs as a permitted use in any residential zones. It is recommended that the City adopt a definition for an ADU, allow ADUs outright in all zones, and adopt a set of standards to guide ADU development. The Oregon Department of Land Conservation and Development has published a model code for ADUs. The model code is intended to provide basic regulations while ensuring that the standards do not present unnecessary barriers. This model code recommends the following provisions:

- **Maximum Size.** Allow the ADU to be up to 800-900 square feet or 75% of the primary dwelling, whichever is less.
- **Off-Street Parking.** Do not require an off-street parking space for the ADU in addition to the spaces required for the primary dwelling.
- **Owner Occupancy.** Do not require that the owner of the primary dwelling reside either in the primary dwelling or the ADU, as this limits the marketability of a property with an ADU.
- **Design Standards.** Minimize special design standards that apply to the ADU. In particular, requirements for the ADU to be “compatible” with the primary dwelling may be difficult to implement and not always result in a desirable outcome.
- **Number of ADUs.** Consider allowing two ADUs on the same lot if one of the ADUs is internal or an attached addition.

### *Cottage Clusters*

Cottage clusters are groups of small, detached homes, usually oriented around a common green or courtyard. The units may be located on individual lots that are individually owned or the property may be structured as a condominium with common ownership of the land and private ownership of the houses.

Cottage clusters are growing more popular and their development potential is significant. They provide many of the same features of conventional detached houses, but in a smaller footprint, with shared common areas, and arranged in a way that can facilitate a more community-oriented environment (see Figure 10). Cottage clusters can be developed on relatively small lots, as access and parking is shared and the units are relatively small, usually between 500 and 1,200 square feet. The visual character of cottage clusters—detached dwellings with substantial shared yard space—is generally compatible with neighborhoods of detached homes.

*Figure 10. Example of a Cottage Cluster Development*



A cottage cluster project would be difficult to develop in the City of Echo today because it would need variances or adjustments to multiple standards, such as minimum lot size, minimum lot width, setbacks, and density. To support cottage cluster development, it is recommended that cottage cluster housing be defined as an allowed housing type and a specific set of standards developed. Cottage clusters should be permitted through an administrative review process with clear and objective standards. The following are some best practices for creating cottage cluster standards:

- **Density bonus in exchange for maximum unit size.** Allow for increased densities over the base zone in exchange for a cap on the size of individual dwelling units. This combination allows for more dwelling units while ensuring an efficient use of land and compatibility with detached houses on larger lots.
- **Low minimum unit size.** Given maximum house sizes of 1,000-1,200 square feet, allow a wide range of sizes—even as small as 400 square feet—and consider allowing both attached and detached housing.
- **Flexible ownership arrangements.** Do not require a single ownership structure; allow the site to be divided into individual lots, built as rental units on one lot, or developed as condominiums.
- **Supportive lot standards.** Ensure that minimum lot size, setbacks and building coverage requirements do not prohibit cottage cluster development on smaller lots.
- **Balanced design standards.** Draft basic design requirements that ensure neighborhood compatibility and efficient use of land, but that are not so specific as to restrict the ability to adapt to varying neighborhood contexts.

#### *Duplexes, Triplexes, and Townhomes*

Duplexes, triplexes, and townhomes are forms of attached housing that can be compatible with detached, single-family housing while allowing for smaller, more affordable units. The City of Echo defines duplexes as a “Two-Family Dwelling,” includes triplexes in the definition of “Multi-Family Dwelling,” and does not define townhomes/single-family attached housing. The key existing standards pertaining to these housing types are summarized in Table 4.



*Table 4. Existing Duplex, Triplex, and Townhome Standards*

Zone	Duplexes	Triplexes	Townhomes
R1 - General Residential	Allowed as Conditional Use Min. lot size: 9,500 sq. ft.	Allowed as Conditional Use Min. lot size: 11,500 sq. ft.	Not permitted
R2 - Limited Residential	Allowed as Conditional Use Min. lot size: 9,500 sq. ft.	Allowed as Conditional Use Min. lot size: 11,500 sq. ft.	Not permitted
R3 - High Density Residential	Permitted outright Min. lot size: 15,000 sq. ft	Permitted outright Min. lot size: 15,000 sq. ft	Not permitted

It is recommended the City adopt separate definitions for each of these housing types, allow the housing types outright in all residential zones, and establish standards to guide development. Specific recommendations are presented below:

- Permit duplexes, triplexes, and townhomes outright in the R1, R2, and R3 zones.** As shown in Table 4, these housing types may not be permitted or permitted only with a conditional use review. A conditional use review can present a barrier because developers may avoid the uncertainty and additional cost associated with the review process. A more supportive approach is to allow the housing type outright under clear and objective standards.
- Duplex and triplexes: Reduce minimum lot sizes but limit overall building size.** The primary compatibility issue for duplexes and triplexes is the size of the structure compared to detached houses. The City currently requires duplexes and triplexes to be built on larger lots than single-family, detached houses. If other standards are held constant—such as maximum lot coverage—then this will result in a structure that is larger than most detached houses in the area, because the builder is likely to maximize the floor area of the structure. Alternatively, the City may consider allowing a duplex or triplex to be built on the same size lot as a single-family house but limit the overall size of the building through a maximum Floor Area Ratio (FAR) or maximum unit size standard. This encourages smaller individual dwelling units and building sizes that are compatible with single-family houses. This approach may also open up the opportunity for development of these housing types on more existing lots that would not otherwise meet the minimum lot size requirement.
- Townhomes: Establish specific development standards.** As townhomes are attached units built on individual lots, they require separate standards for lot area, lot width, and setbacks. It is recommended that the City establish townhouse-specific development standards. These standards may also address design issues such as the number of units that can be attached and the location of vehicle access and parking.



## Tiny Homes

Tiny homes have no formal definition, but generally are considered detached dwellings that are less than 400 square feet in size. The demand for tiny houses has grown considerably in recent years and they appeal to a diverse range of people and households. Some are attracted to the prospect of a low-cost, low-impact lifestyle, even if they could potentially afford a conventional home. Local governments and non-profits have also begun to experiment with using tiny homes as either temporary/transitional or permanent shelter for people with very low incomes or those experiencing homelessness.

Figure 11. Proposed Tiny House Cluster in Bend, Oregon (The Hiatus)



From a regulatory perspective, one of the key challenges for tiny homes is how they are classified and permitted under the building code. Tiny homes can be built to comply with several different construction standards, and the construction standard they are built to should be considered in determining where and how they can be sited pursuant to the zoning and development code. Broadly, tiny homes can be classified as either intended to be sited permanently or temporarily.<sup>1</sup>

- Permanent tiny homes are attached to an approved foundation. Permanent tiny homes may be built either to the conventional building code—the Oregon Residential Specialty Code (ORSC)—or to the standards that apply to manufactured homes, the U.S. Department of Housing and Urban Development Manufactured Home Construction and Safety Standards (HUD).
- Temporary tiny homes are mounted to a chassis or frame which may have wheels and is intended to be relatively mobile. Temporary tiny homes designed for movement on public highways are built to the standards that apply to Recreational Vehicles (RVs), particularly “Park Trailer” or “Park Model” recreational vehicles.

<sup>1</sup> For more information on building codes and tiny homes, see this policy brief from the state Legislative and Policy Research Office: <https://www.oregonlegislature.gov/lpro/Publications/Background-Brief-Tiny-Home-Regulation-2018.pdf>

Additionally, tiny homes may be proposed to be sited as a primary dwelling on an individual lot, as an Accessory Dwelling Unit (ADU), or in a cluster with other tiny homes. Table 5 lays out the various scenarios under which a tiny home may be proposed and identifies key land use and development code considerations. These scenarios should be reviewed with consultation from the local building official as to the appropriate siting for tiny homes. Additionally, public input should be sought on the standards that will guide the location and design of tiny homes in the community under each scenario.<sup>2</sup>

*Table 5. Land Use and Development Code Considerations for Tiny Homes*

		Construction Standard	
		Permanent (ORSC/HUD)	Temporary (RV/Park Model Standards)
Proposed Siting	Primary dwelling unit	<ul style="list-style-type: none"> <li>If built to ORSC standard, then it is equivalent to a “stick-built” single-family dwelling, but smaller.</li> <li>If built to HUD standard for manufactured homes, must be permitted wherever “stick-built” single-family homes are permitted.</li> </ul>	<ul style="list-style-type: none"> <li>Typically prohibited by municipal ordinances related to residential occupancy of vehicles.</li> <li>The City has discretion to allow temporary siting of individual tiny homes, but should address number allowed, location, sanitation, and electricity. For example, the City of Portland has deprioritized enforcement of the city’s zoning code to allow the siting of temporary tiny homes in specified locations.<sup>3</sup></li> </ul>
	Accessory dwelling unit	<ul style="list-style-type: none"> <li>If built to ORSC standard, then it is equivalent to a “stick-built” ADU, but smaller.</li> <li>If built to HUD standard for manufactured homes, City has discretion as to whether to allow manufactured homes to be sited as ADUs. If aesthetics of conventional manufactured homes is a concern, then City may adopt design standards addressing features such as roof pitch and siding materials.</li> </ul>	
	Cluster/village	<ul style="list-style-type: none"> <li>This format is equivalent to the “cottage cluster” development type. It is recommended that Cities adopt a specific set of standards for cottage clusters. If the City desires to support tiny homes within clusters, then it should evaluate if any standards present barriers to tiny homes, such as minimum unit size standards.</li> <li>The City has discretion as to whether to allow tiny homes built to the HUD standard to be sited in a cottage cluster. However, if the development is proposed to be classified as a manufactured dwelling park, consistent with state requirements, then it must be permitted wherever multi-family dwellings are permitted.</li> </ul>	<p>This format is functionally equivalent to a Recreational Vehicle (RV) park. The City has discretion to define where RV parks are allowed and under what standards. If the City desires to support more widespread use of temporary tiny homes in clusters, then the City should develop standards that are consistent with the standards that apply to RV parks, while allowing for adjustments necessary for tiny home clusters, where appropriate.</p>

<sup>2</sup> More information about the regulation of tiny homes is available in this American Planning Association Knowledge Base article: <https://planning.org/knowledgebase/tinyhousing/>

<sup>3</sup> See here for more information: <https://www.portlandoregon.gov/bds/article/659268>

## 5. Reduce Unnecessary Barriers to Housing Development

Some code standards can present unnecessary barriers to housing development by restricting options and adding costs to a project where more efficient solutions may be feasible. These standards often include minimum parking requirements, maximum height restrictions, architectural design standards, minimum open space requirements, or public works design standards. Based on a preliminary review of the City of Echo's Zoning and Subdivision Administrative Regulations, the following two standards may present barriers and should be reviewed more closely:

- **Minimum parking requirements** (Section 9-13-2). Many developers will include off-street parking as a marketable amenity regardless of the code requirement. However, in some cases, the level of off-street parking required may exceed what the market would otherwise provide and may be unnecessary to effectively accommodating parking needs. This can become an obstacle to housing development because off-street parking lots consume land, reducing developable area on a site and net density, and can render a project economically infeasible. The City requires 2 spaces per single-family house or duplex and 1-2 spaces per multi-family dwelling, depending on the number of bedrooms in the unit. A general reduction to 1 space per unit for all dwellings would reduce the potential for parking standards to present a barrier to new development.
- **Park dedication requirements.** The City requires land to be reserved in a subdivision for development of parks, playgrounds, and recreation areas at a rate of 2 acres per 100 dwelling units (see Subdivision Ordinance, Section 8-6-10). Reserving this much land could present a barrier if it too greatly limits the development capacity of the site. The City may consider reviewing this standard as part of a public process that considers park needs.

## 6. Regulatory Incentives for Affordable or Workforce Housing

As noted above, some development regulations can present obstacles or add costs to housing developments. These obstacles are particularly challenging for developments built by housing authorities, non-profit developers, or even for-profit developers that are attempting to build units affordable to people with lower or moderate incomes.<sup>4</sup> In order to support developments that include units affordable to moderate- or low-income households, the City can offer concessions on regulatory standards. The concessions should be offered in exchange for the development dedicating a minimum proportion of the units to be regulated as affordable to people with lower or moderate income. The incentives typically include relief from certain development standards such as parking, setbacks, or density. Examples include the following:

- **Parking reductions.** In general, research shows that households with lower incomes tend to have lower car ownerships and driving rates, particularly when residents have ready access to

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<sup>4</sup> For classification of low or moderate income, see the Housing and Residential Land Needs Assessment, p. 24.



shopping and other opportunities and services. A number of jurisdictions in Oregon provide reductions in off-street parking requirements for developments that are affordable to households with low or moderate incomes. Typically, developments must commit to providing affordable units over a significant length of time (20-60 years).

- **Height or density bonuses.** Some cities allow higher density or greater height in exchange for a commitment to provide housing units that are affordable to households with low or moderate incomes. Height bonuses are typically in terms of number of stories (e.g., one story in an area with an existing height limit of 35 or 45 feet). Density bonuses are typically stated in terms of a percentage of units (e.g., 10-20% is a common threshold). The amount of the bonus can be tied to the affordability levels provided and/or to the number of affordable units. Additionally, setback and bulk standards may be allowed to vary to accommodate the added density or to reduce development costs.
- **Allow flexibility in how affordable units are provided.** In some cases, it may be advantageous to construct the affordable units on a different site than the primary development that is receiving the concession. It may also make sense for the development to purchase existing market-rate units and convert them to affordable units. Allowing flexibility in how the units are provided can also widen the appeal of the program.

## INCENTIVES

In determining incentives for development, the jurisdiction should first identify local goals for the types of housing the community is trying to incentivize. In the case of Echo, where growth has been slow and there is apparent demand for more housing, facilitating additional development of any single family or multifamily may be beneficial.

### 1. System Development Charge (SDC) Reductions, Exemptions, or Deferrals

Waiver, exemption or deferment of SDC's or development fees directly reduces the soft costs of development to applicants for desired housing types. Development fees are not regulated by state law and cities have significant leeway to waive, reduce, or defer these fees. These fees may typically be applied by planning, building or engineering departments. SDC's face more statutory limitations and other hurdles to implementation. Generally, the reductions should be applied to housing types that demonstrate a similar reduction in demand for services or impacts (e.g. smaller units, multi-family vs. single family, ADU's, housing types that generate less traffic, etc.) However, state law does not directly address reductions that are not justified on these bases. The impacts of SDC or fee waivers will differ by jurisdiction depending on the size of the local charges. The magnitude of the fiscal impact will mirror how much of a benefit this incentive really provides to the developer.

Some jurisdictions offer full or partial SDC exemptions for affordable housing developments or subsidize them with funding from another source (e.g. urban renewal or general fund). A related type of program

can allow developers of affordable housing to defer or finance payment of SDCs, which can reduce up-front costs and financing costs for the developer.

With deferral or financing or SDCs, the fiscal impacts to the City and its partners is minimal because charges are eventually paid. The period of repayment should not be a detriment to public agencies that operate on indefinite timelines. A financing program can be more beneficial to the property owner because SDC's are paid gradually, rather than in a lump sum soon after the completion of the project. However, a financing program also brings additional administrative requirements and costs to the City to track and collect payments over time.

## **2. Expedited Development Review**

Jurisdictions can search for ways to reduce time and costs of the review and permitting process to developers building desired housing types. This incentive can be accomplished by reducing review times, consolidating steps in the process, and reducing or simplifying submittal requirements. In few industries is the old adage that “time is money” more true than in the development industry. The developer is often tying up capital and/or paying interest on loans during the pre-development process. Any reduction in process time translates into reduced costs and greater certainty to the developer and their partners.

Streamlining the process can involve an internal audit of the process to ensure it is efficient for both staff and applicants. This might involve making all permits available in one location with one main contact, providing clear and accessible information on requirements, and also allowing enough flexibility to consider innovative or new forms of development. Streamlining the review and permitting process is usually administratively feasible, though the greatest obstacle is often staff resources to expedite some projects when staff is already busy and/or limited in size. While City review processes could be streamlined, other regulatory review processes also impact the length of the permitting process. For example, state permitting of wetland fill or removal would also need to be streamlined to have a meaningful impact on permit review processes where wetlands are potentially impacted.

## **3. Tax Exemptions and Abatements**

Tax exemptions or abatements offer another financial incentive to developers that can improve the long-term economic performance of a property and improve its viability. This can be a substantial incentive, but a city or county will forego taxes on the property, generally for ten years. Other taxing jurisdictions are not included, unless they agree to participate. Tax exemption programs are authorized by the state for specific purposes:

- Non-profit Low Income Housing (ORS 307.540 – 307.548): Exemptions for non-profit suppliers of affordable housing
- Low-Income Rental Housing (307.515 – 307.523): Broader exemption for projects that include affordable housing that can apply to private developers.

- Homeownership, Rehabilitation in Cities (307.651 – 307.687): An exemption to encourage new development and home renovation for owner (not rental) units of 120% median home price or less.
- Tax Freeze for Property Rehabilitation (ORS 308.450 – 308.481): A program that allows the owner of single-family or multi-family properties to complete renovations on a property, while freezing the assessed value at the prior level.
- Vertical Housing (ORS 307.841 – 307.867): An incentive for housing developments of two or more stories. This partial exemption grows larger with each additional floor of housing provided.
- Multiple-Unit Housing (in transit areas) (ORS 307.600 – 307.637): Intended for town centers and transit areas. May have limited use in rural counties, but may apply where there is regular transit service.

Tax abatements or exemptions alleviate property taxes on certain types of development, often for a set period of time. Exemptions can be a very strong tool to incentivize affordable housing and make proposed projects more viable, depending on how the exemptions are structured.

## FUNDING SOURCES AND USES

### 1. Public-Private Partnerships (PPPs) and Community Land Trusts

Most of the strategies discussed below fall under the umbrella of **public/private partnerships** that include a broad range of projects where the public contributes to private or non-profit development. The public involvement usually entails providing some financial incentive or benefit to the development partner in return for the partner's agreement that the development will provide some public benefit for a specified length of time. These partnerships can be used to encourage a wide range of public goals, including certain development forms, affordability levels, public space (plazas, parks), environmental features, mixed uses, etc.

A key barrier to meeting housing needs in Umatilla County has been the lack of development capacity to build the types of housing needed to serve local workers. In addition, owners of large developable properties have not been ready to sell or develop their land for housing. These factors have limited the pace and volume of housing development in the County. Partnerships with local or regional developers, builders and property owners will be a key to encouraging and realizing housing development goals in the area.

The benefit of public/private partnerships is that a city or county does not have to build internal expertise in development, property management, or complicated affordable housing programs. Partner agencies or companies with experience in these types of projects benefit from public contributions, making the projects more feasible.

Public contributions to partnerships with other agencies or companies tend to take the form of a financial contribution (grant or loan), fee or SDC waivers, building adjacent off-site improvements, or tax exemptions or abatements. Many of these tools are detailed in this report. Potential partners in the area include Umatilla County Housing Authority, Habitat for Humanity, CAPECO, the Port, active builders in the region, and key landowners.

**Community Land Trusts (CLT)** is a model wherein a community organization owns land and provides long-term ground leases to low-income households to purchase the homes on the land, agreeing to purchase prices, resale prices, equity capture, and other terms. This model allows low-income households to become homeowners and capture some equity as the home appreciates, but ensures that the home remains affordable for future homebuyers. CLTs may also lease land to affordable housing developers for the development of rental housing or may develop and manage rental housing themselves. Land trusts are typically run as non-profits, with support from the public sector and philanthropy, and could be linked to a land bank. Land trusts can be focused on homeownership or rental units.

Given the distinctive legal structure of CLT's it is likely best for public agencies and its cities to consider partnering with a non-profit community organization to administer this program. The cities can help identify key opportunities for this model and help to capitalize the efforts of its partner. Other CLT's working in different parts of Oregon include Proud Ground and Habitat for Humanity. The latter organization is not a CLT per se but uses a similar approach to maintaining the affordability of the homes it builds largely through volunteer labor. Initial inquiries to these organizations regarding their interest in operating in Umatilla County and the type of support they typically seek from local governments would be an important first step in implementing this strategy.

## 2. Land Acquisition and Banking

**Land acquisition** is a tool to secure sites for affordable housing. Public agencies can identify locations where prices are going up and acquire land before the market becomes too competitive, with the intention to use the land for affordable housing. The ability to identify promising sites within these locations and act quickly and efficiently in acquiring them can tip the scales to make an affordable housing development financially feasible.

**Land banking** is the acquisition and holding of properties for extended periods without immediate plans for development, but with the intent that properties eventually be developed for affordable housing. Land banks are often are quasi-governmental entities created by municipalities to effectively manage and repurpose an inventory of underused, abandoned, or foreclosed property. Public agencies or larger nonprofits may be better equipped than small community development corporations to do both land acquisition and banking.

Control of a key site gives a public agency ultimate say in what happens in that location. Typically, a development partner is eventually identified to develop the site, and the value of the property provides

a significant incentive that the city can contribute to the project. Through reduced property transfer, the city can ensure that the development meets public goals such as affordable housing, multi-family housing, mixed uses, etc. The discounted land may also allow development forms that would not typically be economically feasible to become viable. Acquisition of new land may be expensive, but reuse of surplus public land may be possible with little new cost to the public agency.

### **3. Construction Excise Tax**

A construction excise tax (CET) is a tax on construction projects that can be used to fund affordable housing. According to state statutes, the tax may be imposed on improvements to real property that result in a new structure or additional square footage in an existing structure. Cities and counties may levy a CET on residential construction for up to 1% of the permit value; or on commercial and industrial construction, with no cap on the rate of the CET.

The allowed uses for CET funding are defined by the state statutes. The City may retain 4% of funds to cover administrative costs. The funds remaining must be allocated as follows, if the City uses a residential CET:

- 50% must be used for developer incentives (e.g. fee and SDC waivers, tax abatements, etc.)
- 35% may be used flexibly for affordable housing programs, as defined by the jurisdiction.
- 15% flows to Oregon Housing and Community Services (OHCS) for homeowner programs.

If the City implements a CET on commercial or industrial uses, 50% of the funds must be used for allowed developer incentives and the remaining 50% are unrestricted.

To date, eight jurisdictions (Portland, Corvallis, Cannon Beach, Hood River County, Hood River City, and Newport) have passed local CETs under the new state statutes, and many others are considering adopting the tool.

The primary advantage of a CET is that it would provide a source of funding for other programs or measures aimed at helping subsidize the cost of affordable housing in the community, either through city-led programs or those implemented by private or non-profit partners. In addition, once a CET is established, it would be straightforward to administer through the development permitting process. On the down side, CET increases development costs in an environment where many developers are already seeking relief from systems development charges, so it could impact development feasibility and increase the costs of housing more generally. However, by structuring the policy with offsetting incentives or tools to reduce development barriers, the City could potentially limit the impact on feasibility for certain projects.

Establishing a construction excise tax would necessitate that the City Council pass a new City ordinance. The City should work closely with the development and housing community in developing the fee structure. Implementing programs would need to be developed, and possibly coordinated with housing partners.

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#### **4. Subsidized Affordable Housing**

For the lowest-income renters to secure housing that is affordable typically requires some type of rental subsidy to reduce the cost of rent. These programs typically take the form of affordable properties, where the rent of all or a portion of the units is maintained at a lower-than-market level or the renter is only required to pay a set percentage of their income towards rent despite the nominal rent level. Another form of subsidy is through a housing choice voucher assigned to the household which is portable.

Subsidized affordable housing is most often offered through a government or non-profit agency that has established the provision of housing to low-income households as part of their stated mission. Housing Authorities such as Umatilla County Housing Authority are often one of the largest, if not the largest providers of affordable housing in any given area. Housing Authorities administer many of the largest HUD affordable housing programs including public housing, project-based Section 8, and Section 8 vouchers. Housing Authorities also often serve the lowest income renters, often qualifying as “extremely low income” or earning 30% or less of the Area Median Income.

Other non-profit agencies also specialize in providing subsidized rental housing. Often these properties or units are affordable to those at somewhat higher income levels than public housing, and may focus on a specific population such as seniors or farmworkers. Properties built by non-profit housing agencies often require a complex combination of programs, tax credits, and other financing to complete the development.

Like many communities across the state, the cities of Umatilla County have a significant unmet need for more affordable rental housing. Cities can support the development and maintenance of subsidized affordable housing by ensuring that the Comprehensive Plan states support and that the zoning code and other standards do not place obstacles to the development of affordable housing where similar market-rate structures are permitted. The incentives and tools discussed in this report can be used by cities to provide some funding or cost reductions to agencies that are building affordable housing.

#### **5. Financial Assistance & Homebuyer Education Programs**

There is a wide range of programs intended to provide incentives to property owners and builders to build and maintain housing stock (in addition to the state-authorized tax incentives discussed above). These tools can be used to maintain housing affordability or to help keep residents in their homes. These programs are typically aimed at property owners or renters, but public agencies can be well versed in these resources and ensure that public incentives can dovetail with these programs to have maximum impact. These programs include:

##### **Homebuyer Education Classes (CAPECO)**

- Classes for first time homebuyers are offered throughout the state sponsored by Oregon Housing and Community Services. In Umatilla County, CAPECO offers classes and one-on-one

counseling to teach the basics of the home buying process, including housing choice, spending plan, and financing.

#### **Greater Eastern Oregon Development Corporation (GEODC)**

- Northeast Regional Housing Rehabilitation Loan Program: This program provides 0% interest, deferred payment loans to qualified homeowners to rehabilitate and maintain housing so households can stay in place and lower-cost housing stock can remain in service. This program is funded through Community Development Block Grant funding among other sources.

#### **USDA Housing Programs**

The USDA provides a wide range of rural housing and community development grants and loans that may be applicable in some or all of Umatilla County. Many of these programs are aimed directly at providing financing in areas and for projects that have difficulty gaining financing from other sources.

- Farm Labor Direct Loans and Grants
- Housing Preservation & Revitalization Demonstration Loans and Grants
- Housing Preservation Grants
- Multi-Family Housing Direct Loans
- Multi-Family Housing Loan Guarantees
- Multi-Family Housing Rental Assistance
- Single Family Housing Direct Loans
- Single Family Housing Loan Guarantees
- Mutual Self-Help Housing Technical Assistance Grants (to orgs to implement Habitat-for-Humanity model)
- Rural Housing Site Loans (to purchase sites for low- and moderate-income housing)

Regional or local housing coordinators should maintain familiarity with these programs and consider the ways that other programs can leverage these resources to amplify the total incentives.

JUNE 7, 2019

# HOUSING STRATEGIES REPORT

CITY OF STANFIELD, OREGON

FINAL





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## 1. Introduction and Overview

Having affordable, quality housing in safe neighborhoods with access to community services is essential for all Oregonians. Like other cities in Oregon, the City of Stanfield is responsible for helping to ensure that its residents have access to a variety of housing types that meet the housing needs of households and residents of all incomes, ages and specific needs. Towards that end, the City participated in the 2019 West Umatilla County Housing Study Project with the cities of Echo and Umatilla. The Housing Study included two reports, a Housing and Residential Land Needs Assessment and a Residential Buildable Lands Inventory (BLI). Findings from these reports are summarized in Section 2 of this Housing Strategies Report and can be used to inform future amendments to the City's Comprehensive Plan and Development Code to support housing needs, consistent with Statewide Planning Goal 10 (Housing). Goal 10 states that the City must:

*“encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.”*

This report includes the following information intended to help the City update its Comprehensive Plan:

- Findings associated with existing and future housing needs that can be incorporated into narrative sections of the City's Comprehensive Plan.
- Recommended new or updated Comprehensive Plan policies for housing.
- Recommended measures that the City can consider in the future and use to help meet future housing needs.

The first two elements above have been drafted for incorporation into the City's Comprehensive Plan Housing Element as part of a subsequent legislative update. This report, the Housing and Residential Land Needs Assessment, and the Residential BLI can be referenced in the Comprehensive Plan as technical, ancillary documents to the Comprehensive Plan.

This report, along with the accompanying Housing and Residential Land Needs Assessment and the BLI maps, was prepared in coordination with Stanfield City staff and a project Advisory Committee that included representatives from the regional real estate and development community. Members of the community also provided input on existing conditions, opportunities, and constraints related to housing and the findings of the draft reports at two public open houses. The project was funded by a grant from the Oregon Department of Land Conservation and Development (DLCD) and DLCD staff participated in managing the grant and reviewing materials prepared for the project.

## 2. Housing Conditions and Trends (Comprehensive Plan Findings)

The following is introductory information, a summary of data and findings from the Housing and Residential Land Needs Assessment Report, and a brief summary of potential housing strategies that can ultimately be incorporated into the Stanfield Comprehensive Plan as supporting narrative for Section I – Housing (Goal 10). Unless otherwise noted, the following findings refer to the Stanfield Urban Growth Boundary (UGB) area, not the city limits.

### INTRODUCTION

Having affordable, quality housing in safe neighborhoods with access to community services is essential for all Oregonians. Like other cities in Oregon, the City of Stanfield is responsible for helping to ensure that its residents have access to a variety of housing types that meet the housing needs of households and residents of all incomes, ages, and specific needs. The City does this primarily by regulating residential land uses within the City, as well as working with and supporting non-profit and market rate developers, and other housing agencies in developing needed housing.

The City sought and received grant funding from the State of Oregon in 2019 to undertake a Housing Needs Analysis project and to proactively plan for future housing needs in Stanfield. The City has undertaken and will continue to implement and update a variety of activities to meet current and future housing needs:

- Conduct and periodically update an analysis of current and future housing conditions and needs. The City most recently conducted this analysis in 2019 through the Housing Needs Analysis planning project. The results are summarized in this element of the Comprehensive Plan and described in more detail in a supporting Housing and Residential Land Need Assessment Report.
- Conduct and periodically update an inventory of buildable residential land (BLI) to ensure that the City has an adequate supply of land zoned for residential use to meet projected future needs. The City most recently conducted this analysis in 2019. The results are summarized in this element of the Comprehensive Plan and described in more detail in a supporting Buildable Lands Inventory Report.
- Adopt and amend, as needed, a set of housing-related Comprehensive Plan policies to address future housing needs.
- Regularly update and apply regulations in the City's Zoning and Subdivision Ordinances to meet housing needs identified in the Comprehensive Plan and supporting documents.
- Implement additional strategies to address housing needs in partnership with State and County agencies and other housing organizations. Potential strategies are described in more detail in the 2019 City of Stanfield Housing Strategies Report.

The remainder of this chapter summarizes these topics in more detail.

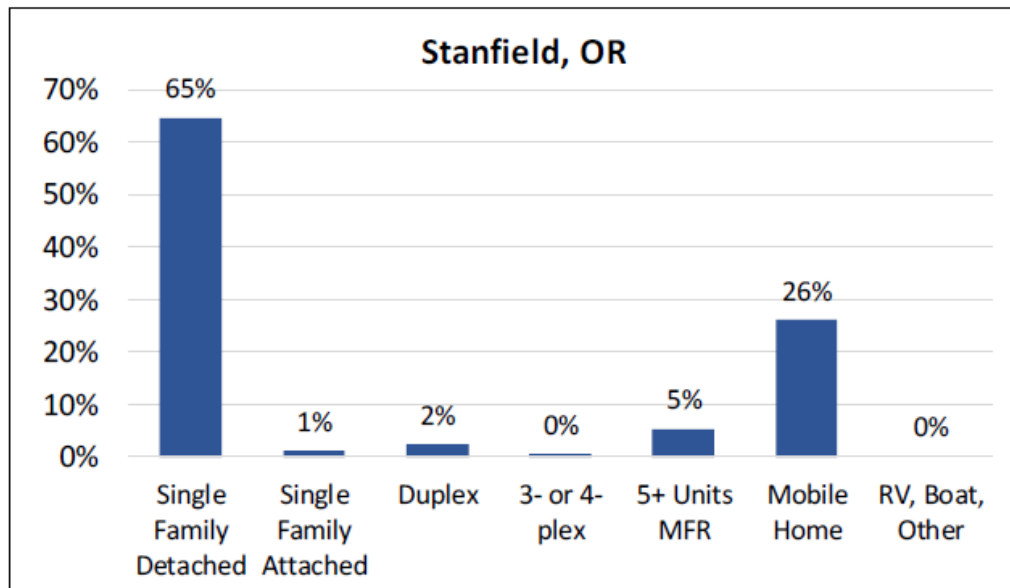
## DEMOGRAPHIC CONDITIONS AND TRENDS

- Stanfield is a City of an estimated 2,185 people (City), and 2,200 people (UGB), located in Umatilla County in Northeastern Oregon.
- Stanfield has experienced modest growth, growing 10% since 2000. In contrast, Umatilla County and the state experienced population growth of 14% and 21% respectively. The City of Umatilla and Hermiston to the north grew a more robust 45% and 37% respectively. (US Census and PSU Population Research Center).
- Stanfield's population is forecasted to grow to 2,340 by 2039, an increase of 141 people, or about 6% from the 2018 population estimate.
- The Stanfield UGB was home to an estimated 740 households in 2018, an increase of roughly 75 households since 2000. The percentage of families grew slightly between 2000 and 2018 from 75% to 76% of all households. The City has a larger share of family households than Umatilla County (68%) and the state (63%).
- Stanfield's estimated average household size is 2.97 persons, holding fairly stable since 2000. This is higher than the Umatilla County average of 2.67 and greater than the statewide average of 2.47.

## HOUSING CONDITIONS AND TRENDS

- **Housing Tenure.** Stanfield has a greater share of owner households than renter households. The 2017 American Community Survey estimates that 62% of occupied units were owner occupied, and 38% renter occupied. The ownership rate in Stanfield has fallen from 70% since 2000. During this period the statewide rate fell from 64% to 62%. Nationally, the homeownership rate has nearly reached the historical average of 65%, after the rate climbed from the late 1990's to 2004 (69%). The estimated ownership rate is higher in Umatilla County (66%) and lower statewide (61%).
- **Housing Stock.** Stanfield's UGB had an estimated 784 housing units in 2018, with a vacancy rate of 6% (includes ownership and rental units). Figure 1 shows the estimated number of units by type in 2017. Detached single-family homes represent an estimated 65% of housing units. Units in larger apartment complexes of 5 or more units represent just 5% of units, and other types of attached homes represent an additional 3% of units. Note that in this analysis attached single family homes or "attached single family" housing types generally include townhomes, some condo flats, and plexes which are separately metered. Mobile homes represent 26% of the inventory.

Figure 1. Estimated Share of Units, By Property Type, 2017



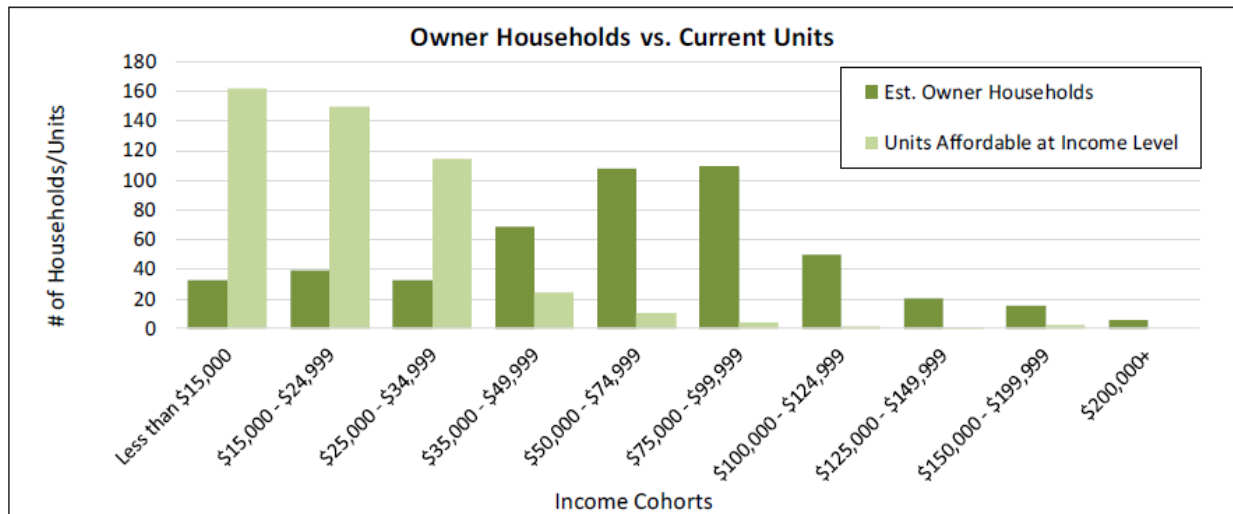
SOURCE: City of Stanfield, Census ACS 2017

## CURRENT HOUSING NEEDS

A comparison of estimated current housing demand with the existing supply identifies the discrepancies between needs and the housing that is currently available. Figure 2 and Figure 3 compare the estimated number of households in given income ranges, and the supply of units currently affordable within those income ranges. The data is presented for owner and renter households.

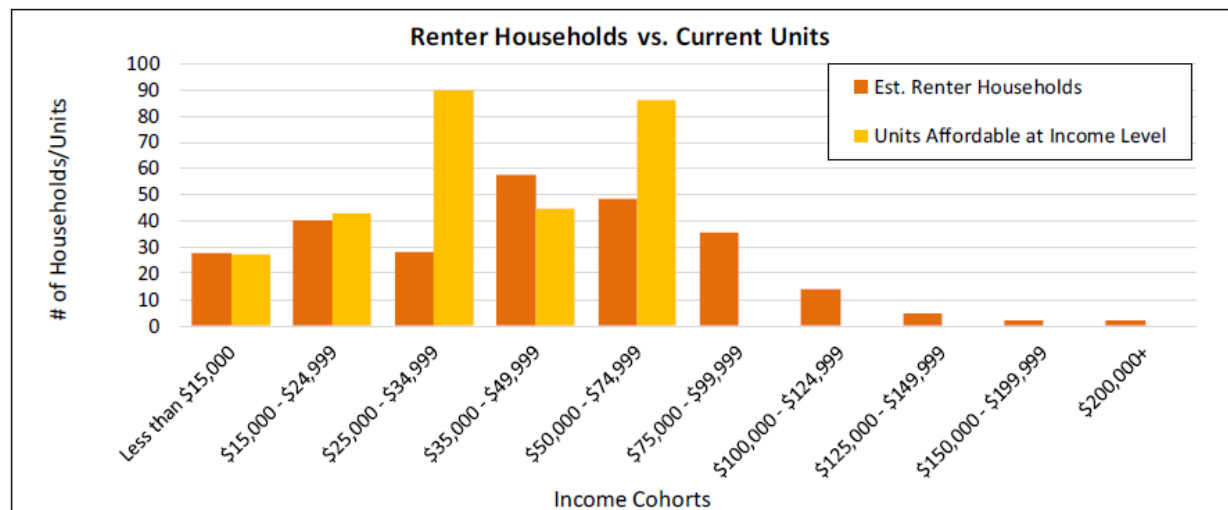
- In general, this identifies that there is currently support for more ownership housing at price ranges above \$200,000. This is because most housing in Stanfield is clustered at the low to middle price points, while analysis of household incomes and ability to pay indicates that some could afford housing at higher price points.
- The analysis identifies a balance of supply and need at the lowest rent levels, while there is an identified surplus of rentals in the \$600 to \$900. This represents the current average rent prices in Stanfield, where most units can be expected to congregate. Rentals at more expensive levels generally represent single family homes for rent. There is an indication that some renter households could support more units at higher rental levels.
- In general, these findings demonstrate that there are fewer housing opportunities at lower price points than might be considered “affordable” for many renter households. While the community may be able to support some new single-family housing at a higher price point.

Figure 2. Comparison of Owner Household Income Groups to Estimated Supply Affordable at Those Income Levels



Sources: PSU Population Research Center, City of Stanfield, Census, JOHNSON ECONOMICS

Figure 3. Comparison of Renter Household Income Groups to Estimated Supply Affordable at Those Income Levels



Sources: PSU Population Research Center, City of Stanfield, Census, JOHNSON ECONOMICS

## PROJECTED HOUSING NEEDS

The projected future (20-year) housing profile in the study area is based on the current housing profile (2018), multiplied by an assumed projected future household growth rate. The projected future growth is the official forecasted annual growth rate (0.30%) for 2040 generated by the PSU Oregon Forecast Program. This rate is applied to the year 2039. The profile of occupied future housing demand was compared to the current housing inventory to determine the total future need for new housing units by type and price range.

- Figure 4 shows a projected increase in homeownership rates in Stanfield over the next 20 years to 64%, which would remain higher than the current statewide average (62%). The shift to older and marginally higher income households is moderate but is projected to increase the homeownership rate somewhat. At the same time, the number of lower income households seeking affordable rentals is also anticipated to grow.
- As shown in Figure 5, the results show a need for 45 new housing units by 2039, of the new units needed, roughly 77% are projected to be ownership units, while 23% are projected to be rental units. This is due to the forecast of a slightly higher homeownership rate in the future.
- In keeping with development trends, and the buildable land available to Stanfield, single family units are expected to make up the greatest share of new housing development over the next 20 years. 64% of the new units are projected to be single family detached homes, while 6% is projected to be some form of attached housing, and 30% are projected to be mobile homes.
- The greatest need for rental units is found at the middle price points. This reflects the findings that the demand and supply at the lowest price levels are fairly well matched.
- There is a lack of new need at the lower end of the rental spectrum (\$900 and less). As was discussed in the comparison of current need and supply, this reflects where the majority of market-rate rent levels are at the current time. As with the 2018 comparison, a future need is projected for both mid-rent, but also higher rent units. This analysis shows that some renter households have the ability pay for a larger, newer and/or higher quality unit than may be currently available.
- Projected needed ownership units show that the supply at the lowest end of the spectrum is currently sufficient. (This reflects the estimated value of the total housing stock, and not necessarily the average pricing for housing currently for sale.) And the community could support more some housing at higher price points, mostly in ranges above \$200,000.

Figure 4. Projected Occupied Future Housing Demand by Income Level (2039)

Ownership				
Price Range	# of Households	Income Range	% of Total	Cumulative
\$0k - \$90k	34	Less than \$15,000	6.8%	6.8%
\$90k - \$130k	41	\$15,000 - \$24,999	8.1%	14.9%
\$130k - \$190k	34	\$25,000 - \$34,999	6.7%	21.6%
\$190k - \$210k	72	\$35,000 - \$49,999	14.2%	35.8%
\$210k - \$340k	113	\$50,000 - \$74,999	22.4%	58.3%
\$340k - \$360k	115	\$75,000 - \$99,999	22.8%	81.0%
\$360k - \$450k	52	\$100,000 - \$124,999	10.3%	91.4%
\$450k - \$540k	21	\$125,000 - \$149,999	4.2%	95.6%
\$540k - \$710k	17	\$150,000 - \$199,999	3.3%	98.9%
\$710k +	6	\$200,000+	1.1%	100.0%
<b>Totals:</b>	<b>504</b>		<b>% of All:</b>	<b>64.0%</b>

Rental				
Rent Level	# of Households	Income Range	% of Total	Cumulative
\$0 - \$400	30	Less than \$15,000	10.5%	10.5%
\$400 - \$600	43	\$15,000 - \$24,999	15.3%	25.8%
\$600 - \$900	30	\$25,000 - \$34,999	10.7%	36.6%
\$900 - \$1000	62	\$35,000 - \$49,999	22.0%	58.6%
\$1000 - \$1600	53	\$50,000 - \$74,999	18.7%	77.3%
\$1600 - \$1700	39	\$75,000 - \$99,999	13.8%	91.1%
\$1700 - \$2100	16	\$100,000 - \$124,999	5.5%	96.6%
\$2100 - \$2500	5	\$125,000 - \$149,999	1.9%	98.5%
\$2500 - \$3300	2	\$150,000 - \$199,999	0.8%	99.3%
\$3300 +	2	\$200,000+	0.7%	100.0%
<b>Totals:</b>	<b>284</b>		<b>% of All:</b>	<b>36.0%</b>

<b>All Units</b>
<b>788</b>

Sources: Census, Environics Analytics, JOHNSON ECONOMICS



Figure 5. Projected Future Need for NEW Housing Units (2039), Stanfield

OWNERSHIP HOUSING									
Unit Type:	Single Family Detached	Single Family Attached	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	27	0	1	1	0	13	0	42	76.7%
Percentage:	65.1%	0.0%	2.0%	2.0%	0.0%	31.1%	0.0%	100%	

RENTAL HOUSING									
Unit Type:	Single Family Detached	Single Family Attached	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	2	0	0	0	1	1	0	3	23.3%
Percentage:	13.5%	1.4%	2.2%	0.9%	4.3%	4.9%	0.0%	100%	

TOTAL HOUSING UNITS									
Unit Type:	Single Family Detached	Single Family Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	29	0	1	1	1	14	0	45	100%
Percentage:	63.8%	0.4%	2.5%	2.1%	1.2%	30.0%	0.0%	100%	

Sources: PSU, City of Stanfield, Census, Envirionics Analytics, JOHNSON ECONOMICS

- Figure 6 presents estimates of need at key low-income affordability levels in 2018 and in 2039. There is existing and on-going need at these levels, based on income levels specified by Oregon Housing and Community Services for Umatilla County. The need is not as acute from the “extremely low income” segment (10% of households), but an estimated 32% of households qualify as “low income”.

Figure 6. Projected Need for Housing Affordable at Low Income Levels, Stanfield

Affordability Level	Income Level		Current Need (2018)		Future Need (2039)		NEW Need (20-Year)	
			# of HH	% of All	# of HH	% of All	# of HH	% of All
Extremely Low Inc.	30% AMI	\$16,650	73	10%	78	10%	5	10%
Very Low Income	50% AMI	\$27,600	155	21%	165	21%	10	22%
Low Income	80% AMI	\$44,160	235	32%	250	32%	15	33%

Sources: OHCS, Envirionics Analytics, JOHNSON ECONOMICS

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

## COMPARISON OF PROJECTED NEED AND BUILDABLE LAND SUPPLY

The projected housing needs were compared with the supply of buildable residential land within the City of Stanfield UGB.

- Figure 7 presents the estimated new unit capacity of the buildable lands identified in the City of Stanfield UGB. There is a total remaining capacity of 2,650 units of different types within the study area. Much of this capacity is within the residential “urban holding” zone.
- There is a total forecasted need for roughly 45 units over the next 20 years based on the PSU forecasted growth rate. This is well below the estimated capacity of nearly 2,650 units. There is sufficient capacity to accommodate all projected new unit types. After this need is accommodated, there is an estimated remaining capacity of over 2,600 additional units, mostly in the high-density residential zone.
- shows forecasted residential need and capacity by acres, rather than units. There is a projected need for 5 acres of new residential development, but a buildable capacity of 448 acres. There is currently sufficient buildable capacity within Stanfield to accommodate projected need.

For more detail on these findings please refer to the Housing and Residential Land Needs Assessment Report and the Buildable Lands Inventory (BLI) maps prepared for the City.

*Figure 7. Estimated Buildable Lands Capacity by Acreage and No. of Units (2019)*

Jurisdiction and Zone	Projected Density (units/net acre)	Unconstrained Acres				Housing Unit Capacity			
		Partially Vacant	Vacant	Total	Share of Total	Partially Vacant	Vacant	Total	Share of Total
R/MF: Residential/Multi-Family	18	0	0	0	0%	0	0	0	0%
R/MH: Residential/MF Park	8	0	44	44	10%	0	265	265	10%
R/NC: Residential/N'hood Comm.	8	0	11	11	2%	0	64	64	2%
R/UH: Residential/Urban Holding	8	34	187	314	70%	758	1,115	1,873	71%
R: Residential	8	127	45	79	18%	193	252	445	17%
<b>Subtotal</b>		<b>161</b>	<b>287</b>	<b>448</b>	--	<b>951</b>	<b>1,696</b>	<b>2,647</b>	--

*Figure 8. Comparison of Forecasted Future Land Need (2039) with Available Capacity*

<u>LAND INVENTORY VS. LAND NEED</u>	Unit Type			<u>TOTAL</u>
	Single Family Detached	Medium-Density Attached	Multi-Family	
Buildable Land Inventory (Acres):	393	11	44	448
Estimated Land Need (Acres):	4	0	1	5
<b><i>Land Surplus (Inventory - Need:)</i></b>	<b><i>389</i></b>	<b><i>11</i></b>	<b><i>43</i></b>	<b><i>443</i></b>

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## STRATEGIES TO ACCOMMODATE FUTURE HOUSING NEEDS

The Housing and Residential Land Needs Assessment conducted for the City in 2019 indicated that the City had an adequate supply of buildable residential land within its urban growth boundary (UGB) to meet projected housing needs during the next 20 years. If population growth occurs at a faster rate than projected at that time, the City could find that the land supply is less than projected and additional land for residential uses may be needed in the future.

Although the City is not anticipated to need to expand its UGB during the planning period, it can continue to consider and implement a variety of strategies in the future to further provide opportunities for a wide range of housing choices, efficient land use, and development of housing affordable to people with low and moderate incomes. For the planning purposes, “affordable housing” is defined as housing that is affordable to a household that spends 30% or less of its income on housing, including rent or mortgage payments and utilities. Households with low incomes are those who make 80% or less of median household income. Those with moderate incomes make 81-95% of median household income.

The City is already implementing a variety of land use and other strategies that help provide for a wide range of housing options in Stanfield. Potential strategies either not already being undertaken by the City, or with the potential to be strengthened or enhanced, are summarized in the following table. The ability to implement them will depend on available resources, community priorities and other factors.

These strategies are described in more detail in the Housing Strategies Report prepared by the City as part of its Housing Needs Analysis project in 2019.

*Table 1. Overview of Recommended Housing Strategies*

Potential Strategies	Primary Goal(s)
<b>Land Supply and Regulatory Strategies</b>	
<b>1. Urban Growth Boundary (UGB) Amendment or Adjustment (Swap)</b> If there is a deficit of residential land and efficiency measures have been adopted to utilize existing land within the UGB, an expansion may be warranted. If land within the existing UGB is less suitable for residential development than other land outside the UGB, the City could apply to modify the UGB boundary to swap these lands.	Expand the supply of land available for housing.
<b>2. Increase Allowed Density in Existing Zones</b> Increase the allowed density or reduce the minimum allowed size of lots in one or more zones to allow for more compact development and/or a wider range of housing types in specific areas.	Use residential land efficiently, encourage diversity of housing types.
<b>3. Code Updates to Support a Variety of Housing Types</b> Zoning code and other regulatory amendments to increase housing choices and reduce barriers to development for accessory dwelling units (ADUs), cottage clusters, townhomes, and other “missing middle” housing types.	Encourage diversity of housing types.
<b>4. Reduce Unnecessary Barriers to Housing Development</b> Some regulations may constrain housing development to a degree that the corresponding public benefits of the regulation do not outweigh the effect on housing development. These regulations may include off-street parking requirements, architectural design standards, landscaping standards, or other development standards such as setbacks and height regulation	Reduce housing development costs and barriers.
<b>5. Regulatory Incentives for Affordable or Workforce Housing</b> Creates incentives to developers to provide a community benefit (such as affordable housing), in exchange for ability to build a project that would not otherwise be allowed by the development code	Reduce housing development costs and barriers, promote construction of new affordable housing
<b>Incentives for Housing Development</b>	
<b>1. System Development Charge (SDC) Reductions, Exemptions, or Deferrals</b> Exemption or deferred payment of SDCs for affordable housing. Can be applied to regulated affordable housing and/or specific housing types (such as ADUs).	Reduce housing development costs and barriers.
<b>2. Expedited Development Review</b> Variety of strategies to reduce review and processing times for regulated affordable housing development, such as formally adopting shortened review timelines for applications or giving priority in scheduling hearings and meetings with staff.	Reduce housing development costs and barriers.
<b>3. Tax Exemptions and Abatements</b> Tax exemptions or abatements offer another financial incentive to developers that can improve the long-term economic performance of a property and improve its viability. This can be a substantial incentive, but the City will forego	Reduce housing development costs and barriers.

taxes on the property, generally for ten years. Other taxing jurisdictions are not included, unless they agree to participate. Tax exemption programs are authorized by the state for specific purposes: Vertical Housing; Multiple-Unit Housing; Non-Profit Low-Income Housing.

## Funding Sources and Uses

### 1. Public-Private Partnerships (PPPs) and Community Land Trusts

Arrangements between public and private entities to create more and/or affordable housing. PPPs can promote a variety of affordable housing programs or projects and include partnerships from multiple entities (public, private, and non-profit). A Community Land Trust is a model wherein a community organization owns land and provides long-term leases to low or moderate income households to purchase the homes on the land, agreeing to purchase prices, resale prices, equity capture, and other terms.

Promote construction of new affordable housing.

### 2. Land Acquisition and Banking

- Land acquisition is a tool to secure sites for affordable housing. Public agencies can identify locations where prices are going up and acquire land before the market becomes too competitive, with the intention to use the land for affordable housing.
- Land banking is the acquisition and holding of properties for extended periods without immediate plans for development, but with the intent that properties eventually be developed for affordable housing. Land banks are often quasi-governmental entities created by municipalities to effectively manage and repurpose an inventory of underused, abandoned, or foreclosed property.

Reduce housing development costs and barriers, promote construction of new affordable housing.

### 3. Construction Excise Tax

Adopt a tax on new construction of between 1 and 3% to help pay for other affordable housing strategies identified here. The tax is a one-time tax assessed on new construction. State law requires it to be spent on specific types of programs and activities.

Provide source of funding for other affordable housing programs.

### 4. Subsidized Affordable Housing

Subsidized affordable housing is most often offered through a government or non-profit agency that has established the provision of housing to low-income households as part of their stated mission. Like many communities across the state, the cities of Umatilla County have a significant unmet need for more affordable rental housing. The incentives and tools discussed in this report can be used by cities to provide some funding or cost reductions to agencies that are building affordable housing.

Promote construction of new affordable housing.

### 5. Financial Assistance or Homebuyer Education Programs

A range of tools that can be used to maintain housing affordability or to help keep residents in their homes. Possible tools include rent assistance, home buyer education classes, loans for homeowners, or assistance to low-cost apartment owners for repairs and upgrades.

Protect affordable units, reduce displacement, promote homeownership.

### 3. Comprehensive Plan Housing Policies

It is essential that the Comprehensive Plan of every city in Oregon include a robust set of policies directed at meeting the current and future housing needs of each community. The consultant team reviewed the Comprehensive Plan to assess whether it includes the following types of supportive policies:

- **Supports Statewide Planning Goal 10.** Comprehensive Plans typically do and should include a general policy that mirrors Statewide Planning Goal 10 (Housing), stating that the overall goal of the jurisdiction is to *“encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.”*
- **Emphasizes affordable housing needs.** Given that meeting the needs of low and moderate income households often requires public intervention or subsidy, it is important to include policies emphasizing the needs of these households.
- **Supports partnerships.** Most Comprehensive Plan housing elements include policies aimed at supporting other public agencies, non-profits and market rate developers who focus on meeting the needs of low and moderate income households and community members with special housing needs.
- **Encourages a variety of housing types.** In addition to a broad goal or policy about meeting a full range of housing needs, Plans often include policies noting the need for a variety of housing types, including single family attached housing, duplexes, triplexes, multi-family housing and townhomes, as well as less traditional forms of housing such as cottage cluster housing and accessory dwelling units.
- **Affirms Fair Housing goals.** Local governments are required to ensure that their housing policies and standards do not discriminate against or have adverse effects on the ability of “protected classes” to obtain housing, consistent with the federal Fair Housing Act.
- **Supports mixed use development.** Some Plans explicitly support the development of mixed use projects, which typically include upper story housing located above retail or commercial uses.
- **Supports accessory dwelling units.** Comprehensive Plans may include policies specifically referencing support for this form of housing.
- **Supports flexible zoning.** Some Plans include policies that emphasize the need for zoning to be flexible enough to meet a variety of housing needs and keep costs for such housing down, particularly for housing affordable to low and moderate income households.
- **Addresses land supply goals.** Many Comprehensive Plans include policies that reference the need to ensure that adequate land is zoned to meet identified housing needs, and to periodically update the jurisdiction’s inventory of such lands.

- **Supports maintenance and rehabilitation of existing housing.** Many comprehensive plans emphasize maintenance of existing housing stock as a method to prevent unsafe conditions and keep affordable housing available within the community.
- **Supports development of manufactured homes.** Oregon law requires that all zones that allow for “stick built” single family detached homes also allow for manufactured homes on individual lots. Each jurisdiction must also allow for manufactured home parks in at least one residential zone.
- **Regulates short term rentals.** Many communities, particularly those with high levels of tourism, regulate short-term rental housing to reduce its impact on the supply and affordability of long-term rental housing.

## ASSESSMENT OF EXISTING GOAL 10 HOUSING POLICIES

The following housing goal and associated policies are in the adopted Echo Comprehensive Plan Goal 10 Housing Element.

### I. **HOUSING (GOAL 10)**

*GOAL: To provide for the future housing needs of the community by encouraging residential developments that provide a variety of lot sizes and neighborhoods, a diversity of housing types, and a range of prices with an emphasis on the low-to-moderate income spectrum.*

#### OBJECTIVES:

1. *To accommodate quality manufactured housing as a primary form of housing and in a variety of situations.*
2. *To cooperate with and encourage agencies involved in the development of low- to moderate-income housing.*
3. *To encourage private development of multi-family complexes, manufactured home subdivisions, and manufactured home parks.*
4. *To encourage and accommodate innovation in housing development.*
5. *To ensure protection of privacy, and the provision of private and public outdoor spaces and necessary ancillary facilities in high-density projects.*
6. *To ensure provision of adequate off-street parking.*
7. *To promote reduction of home site development costs without unduly sacrificing safety, convenience, and aesthetics.*
8. *To promote development of attractive, quiet housing areas and neighborhoods, convenient to parks, schools, shopping, and necessary services.*

9. *To accommodate and protect the development of neighborhoods exclusively devoted to standard construction single-family houses.*
10. *To foster a continuation of the rural character of the northeast part of the community.*

**POLICY GROUPS:**

**a. Manufactured Homes**

- *Allow outright Federal-Standard, house-type, double-wide and larger manufactured homes in most residential areas.*
- *Allow single-wide manufactured homes conditionally in manufactured home parks only.*
- *Ensure that manufactured homes blend in with existing neighborhoods, and are installed in new neighborhoods to create the appearance of a standard subdivision via setback, siting, and development regulations.*

**b. Modular Homes**

- *Classify the same as standard construction houses those house-type units manufactured to Uniform Building Code specifications and installed on permanent foundations.*

**c. Cluster Housing**

- *Allow single-family attached or semi-attached dwellings as conditional uses in manufactured home subdivisions and manufactured home parks.*

**d. Two-Family Dwellings (Duplexes)**

- *Allow outright in residential areas accepting high-density multi-family, manufactured home subdivisions and manufactured home parks.*
- *Require adequate site area, private open space for each unit and soundproof common walls as indicated in the Development Code.*

**e. Multi-family Dwellings (Apartments)**

- *Encourage near parks and shopping areas where designated in the Development Code.*
- *Promote along Highway 395 with access off a frontage road, setbacks from the centering of the highway, and protected from highway noise by a berm and buffer of trees and shrubs as described in the Stanfield Development Code.*
- *Require access onto an arterial or collector street except in the downtown area.*
- *Encourage development of multi-family units above commercial ground-floor development in the downtown area and shopping centers.*



- *Require provision of adequate public open space for each complex, except in commercial areas, and private open space for each unit.*
- *Require effective soundproofing in common walls, ceilings and floors.*
- *Require separation and landscape screening between units and parking areas.*
- *Prohibit low-privacy, exterior corridor designs.*
- *Require bulk storage and one covered parking space for each unit.*

*f. Manufactured Home Parks*

- *Require direct access onto a collector or arterial street as indicated in the Stanfield Development Code and on the Comprehensive Plan and Zoning map.*
- *Require substantial setbacks together with a continuous planting of trees and shrubs and a fence around the perimeter of the manufactured home park.*
- *Each manufactured home space shall be provided with deciduous trees of a type that will shade the home.*
- *Plantings of shrubs and small trees shall be established between individual manufactured homes and between manufactured homes and service buildings to provide privacy.*
- *Permanent groundcover of a combination of grass, trailing shrubs or vines, flowers and shrubs shall be established according to development standards described in the Stanfield Development Code. Play areas for children and open spaces for walking and visiting shall be provided.*
- *Upon conversion to single family homes, developments should conform to all residential standards in the Stanfield Development Code.*

Table 2 assesses current housing policies and identifies opportunities for potential amendments to address policy gaps. A set of potential adoption-ready Comprehensive Plan policies amendments are provided below. The City may refine these policies as part of the adoption process.

Table 2. Comprehensive Plan Policy Evaluation and Recommendation

Policy Topic	Existing Goal Language	Example Additional or Alternative Language to Consider
<b>Supports Statewide Planning Goal 10.</b>	N/A	To support Statewide Planning Goal 10 by “encouraging the availability of adequate numbers of needed housing units at price ranges and rent levels that are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.”
<b>Emphasizes affordable housing needs</b>	N/A	To emphasize affordable housing needs, given that meeting the needs of low and moderate income households often requires public intervention or subsidy.
<b>Supports partnerships</b>	<b>Objective 2:</b> To cooperate with and encourage agencies involved in the development of low-to moderate-income housing.	To maintain or build partnerships aimed at supporting other public agencies, non-profits and market rate developers who focus on meeting the needs of low and moderate income households and community members with special housing needs.
<b>Encourages a variety of housing types</b>	<b>Objective 3:</b> To encourage private development of multi-family complexes, manufactured home subdivisions, and manufactured home parks.	To encourage a variety of housing types, including single family attached housing, duplexes, triplexes, multi-family housing and townhomes, as well as less traditional forms of housing such as cottage cluster housing and accessory dwelling units.
<b>Supports mixed use development</b>	N/A	To support mixed use development, which typically includes upper story housing located above retail or commercial uses.
<b>Affirms Fair Housing Goals</b>	N/A	To affirm Fair Housing goals by ensuring that housing policies and standards do not discriminate against or have adverse effects on the ability of “protected classes” to obtain housing, consistent with the federal Fair Housing Act.

<i>Policy Topic</i>	<i>Existing Goal Language</i>	<i>Example Additional or Alternative Language to Consider</i>
<b>Supports ADUs</b>	<b>N/A</b>	To allow and support the development of Accessory Dwelling Units in all residential zones. Accessory Dwelling Units are an important housing option that can help meet the need for affordable rental units, reduce housing costs for homeowners, and enable multi-generational living.
<b>Supports Flexible Zoning</b>	<b>N/A</b>	To support flexible zoning by emphasizing the need for zoning to be flexible enough to meet a variety of housing needs and keep costs for such housing down, particularly for housing affordable to low and moderate income households.
<b>Addresses Land Supply Goals</b>	<b>N/A</b>	To address land supply goals by ensuring that adequate land is zoned to meet identified housing needs, and to periodically update the jurisdiction’s inventory of such lands.
<b>Supports Development of Manufactured Homes</b>	<p><b>Objective 1:</b> To accommodate quality manufactured housing as a primary form of housing and in a variety of situations. See <b>Objective 3</b></p> <p><b>Policy Group a. Manufactured Homes</b></p> <ul style="list-style-type: none"> <li>• Allow outright Federal-Standard, house-type, double-wide and larger manufactured homes in most residential areas.</li> <li>• Allow single-wide manufactured homes conditionally in manufactured home parks only.</li> <li>• Ensure that manufactured homes blend in with existing neighborhoods, and are installed in new neighborhoods to create</li> </ul>	To support development of manufactured homes. Oregon law requires that all zones that allow for “stick built” single family detached homes also allow for manufactured homes on individual lots.

<i><b>Policy Topic</b></i>	<i><b>Existing Goal Language</b></i>	<i><b>Example Additional or Alternative Language to Consider</b></i>
	the appearance of a standard subdivision via setback, siting, and development regulations.	
<b>Supports maintenance and rehabilitation of existing housing</b>	<b>N/A</b>	To support maintenance and rehabilitation of existing housing as a method to prevent unsafe conditions and keep affordable housing available within the community.
<b>Regulates Short Term Rentals</b>	<b>N/A</b>	To regulate short term rentals to reduce their impact on the supply and affordability of long-term rental housing.

## PROPOSED GOAL 10 HOUSING POLICIES

The following includes the proposed legislative amendments for Stanfield's "adoption ready" Goal 10 Housing Element in the Comprehensive Plan:

### OBJECTIVES:

1. ~~To accommodate quality manufactured housing as a primary form of housing and in a variety of situations. To support development of manufactured homes. Oregon law requires that all zones that allow for "stick built" single family detached homes also allow for manufactured homes on individual lots.~~
2. ~~To cooperate with and encourage agencies involved in the development of low- to moderate-income housing. To maintain or build partnerships aimed at supporting other public agencies, non-profits and market rate developers who focus on meeting the needs of low and moderate income households and community members with special housing needs.~~
3. To encourage private development of multi-family complexes, manufactured home subdivisions, and manufactured home parks. a variety of housing types, including single-family attached housing, duplexes, triplexes, multi-family housing and townhomes, as well as less traditional forms of housing such as cottage cluster housing and accessory dwelling units.
4. To allow for levels of residential density that encourage efficient use of the supply of residential land while maintaining compatibility with the character of existing neighborhoods and ensuring that appropriate standards are in place to mitigate the impacts of development.
5. To encourage and accommodate innovation in housing development.
6. To ensure protection of privacy, and the provision of private and public outdoor spaces and necessary ancillary facilities in high-density projects.
7. To ensure provision of adequate off-street parking.
8. To promote reduction of home site development costs without unduly sacrificing safety, convenience, and aesthetics.
9. To promote development of attractive, quiet housing areas and neighborhoods, convenient to parks, schools, shopping, and necessary services.
10. To accommodate and protect the development of neighborhoods exclusively devoted to standard construction single-family houses.
11. To foster a continuation of the rural character of the northeast part of the community.
12. To support Statewide Planning Goal 10 by "encouraging the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density."
13. To emphasize affordable housing needs, given that meeting the needs of low and moderate income households often requires public intervention or subsidy.
14. To affirm Fair Housing goals by ensuring that housing policies and standards do not discriminate against or have adverse effects on the ability of "protected classes" to obtain housing, consistent with the federal Fair Housing Act.

15. To support mixed use development, which typically includes upper story housing located above retail or commercial uses.
16. To allow and support the development of Accessory Dwelling Units in all residential zones. Accessory Dwelling Units are an important housing option that can help meet the need for affordable rental units, reduce housing costs for homeowners, and enable multi-generational living.
17. To support flexible zoning by emphasizing the need for zoning to be flexible enough to meet a variety of housing needs and keep costs for such housing down, particularly for housing affordable to low and moderate income households.
18. To periodically evaluate zoning and development code requirements for opportunities to lessen or eliminate unnecessary barriers to residential development and identify alternative regulatory approaches to achieving policy goals.
19. To address land supply goals by ensuring that adequate land is zoned to meet identified housing needs, and to periodically update the jurisdiction's inventory of such lands.
20. To support maintenance and rehabilitation of existing housing as a method to prevent unsafe conditions and keep affordable housing available within the community.
21. To regulate short term rentals to reduce their impact on the supply and affordability of long-term rental housing.

#### POLICY GROUPS:

##### a. Manufactured Homes

- Allow outright Federal-Standard, house-type, double-wide and larger manufactured homes in most residential areas.
- Allow single-wide manufactured homes conditionally in manufactured home parks ~~only~~.
- ~~Ensure that manufactured homes blend in with existing neighborhoods, and are installed in new neighborhoods to create the appearance of a standard subdivision via setback, siting, and development regulations.~~ Require that manufactured homes on individual, single-family residential lots conform to development and architectural requirements of the zone.

##### b. Modular Homes

- Classify the same as standard construction houses those house-type units manufactured to Uniform Building Code specifications and installed on permanent foundations.

##### c. Cluster Housing

- Allow single-family attached or semi-attached dwellings as conditional uses in manufactured home subdivisions and manufactured home parks.

d. Two-Family Dwellings (Duplexes)

- Allow outright in residential areas accepting high-density multi-family, manufactured home subdivisions and manufactured home parks.
- Require adequate site area, private open space for each unit and soundproof common walls as indicated in the Development Code.

e. Multi-family Dwellings (Apartments)

- Encourage near parks and shopping areas where designated in the Development Code.
- Promote along Highway 395 with access off a frontage road, setbacks from the centering of the highway, and protected from highway noise by a berm and buffer of trees and shrubs as described in the Stanfield Development Code.
- Require access onto an arterial or collector street except in the downtown area.
- Encourage development of multi-family units above commercial ground-floor development in the downtown area and shopping centers.
- Require provision of adequate public open space for each complex, except in commercial areas, and private open space for each unit.
- Require effective soundproofing in common walls, ceilings and floors.
- Require separation and landscape screening between units and parking areas.
- Prohibit low-privacy, exterior corridor designs.
- Require bulk storage and one covered parking space for each unit.

f. Manufactured Home Parks

- Require direct access onto a collector or arterial street as indicated in the Stanfield Development Code and on the Comprehensive Plan and Zoning map.
- Require substantial setbacks together with a continuous planting of trees and shrubs and a fence around the perimeter of the manufactured home park.
- Each manufactured home space shall be provided with deciduous trees of a type that will shade the home.
- Plantings of shrubs and small trees shall be established between individual manufactured homes and between manufactured homes and service buildings to provide privacy.

- Permanent groundcover of a combination of grass, trailing shrubs or vines, flowers and shrubs shall be established according to development standards described in the Stanfield Development Code.
- Play areas for children and open spaces for walking and visiting shall be provided.
- Upon conversion to single family homes, developments should conform to all residential standards in the Stanfield Development Code.

g. Accessory Dwelling Units

- Permit Accessory Dwelling Units as an important housing option that can help meet the need for affordable rental units, reduce housing costs for homeowners, and enable multi-generational living.
- Allow this type of housing as an interior, attached, or detached residential structure that is used in connection with or that is accessory to a single-family dwelling.



## 4. Housing Measures

The consultant team has identified a variety of measures that the City can undertake to address current and future housing needs identified in the Housing and Residential Land Needs Assessment and BLI reports. These measures have been organized into the following categories.

### Land Supply and Regulatory Strategies

1. UGB Expansion or Adjustment (“Swap”)
2. Increase Allowed Density in Existing Zones
3. Code Updates to Support a Variety of Housing Types
4. Reduce Unnecessary Barriers to Housing Development
5. Regulatory Incentives for Affordable and Workforce Housing

### Financial Incentives

1. System Development Charge Exemptions or Deferrals
2. Expedited Development Review
3. Tax Exemptions and Abatements

### Funding Sources and Uses

1. Public-Private Partnerships (PPPs) and Community Land Trusts
2. Land Acquisition and Banking
3. Construction Excise Tax
4. Subsidize Affordable Housing
5. Financial Assistance Programs

The remainder of this section describes these potential measures in more detail.

## LAND SUPPLY AND REGULATORY STRATEGIES

### 1. Urban Growth Boundary Expansion or Adjustment (“Swap”)

#### *UGB Expansion*

The findings of our study do not indicate the need for a UGB expansion to accommodate projected housing needs in Stanfield between 2018 and 2038. However, in the long term, an expansion could be an option beyond the currently planning horizon or if growth rates increase beyond those currently projected. Prior to applying for a UGB expansion, the City would need to complete the following steps:

- Consider and adopt efficiency measures to ensure that land inside the UGB is being used efficiently. Many of the code update recommendations identified below are efficiency measures.
- Demonstrate that there is an insufficient supply of buildable land inside the UGB. Due to relatively low projected growth rates and new housing unit needs, the City likely will need to demonstrate that existing vacant or partially vacant land in the UGB cannot be served with public facilities.

#### *UGB Adjustment (“Swap”)*

Although the findings of the study do not demonstrate the need for a UGB expansion, anecdotally, the City has faced limitations on the current supply of buildable land because owners of large parcels are uninterested or unwilling to develop or sell their properties for future residential development. In small communities with a limited number of large developable properties, this can create a significant barrier to development, at least during the short and medium term. If owners hold onto their properties without a willingness to development over the longer term (e.g., decades), it effectively reduces the community’s supply of buildable land. At the same time, because property ownership and/or owners’ desires to develop can shift, the state of Oregon’s land use planning framework does not allow cities to exclude such land from their BLIs.

One way to address this situation is to remove such parcels from the UGB and add other properties whose owners are more willing or likely to develop their land for housing. State statutes and administrative rules allow for these UGB “swaps.” These exchanges are possible through a process of simultaneously removing and adding land to the UGB to make up for capacity lost by removing land. This process is guided by Oregon Revised Statutes (ORS) 197.764. This ORS section provides specific eligibility requirements and standards for land removed; subsection (3)(b) of this section states that “A local government that approves an application under this section shall either expand the urban growth boundary to compensate for any resulting reduction in available buildable lands or increase the development capacity of the remaining supply of buildable lands.” In exchanging land inside the UGB for land outside the boundary, cities must identify an equivalent supply of land in terms of the land’s capacity for residential development, considering the presence of natural resource constraints and zoning or allowed density.

While permitted, UGB swaps must comply with several requirements applied to other UGB amendments or expansions, including the following:

- **Location of expansion areas.** The location of the land to be added to replace the land being removed must use OAR 660-024-0065 to determine appropriate study areas. For a city with a UGB population less than 10,000, the city must consider all land within ½ mile of the existing UGB boundary.
- **Exclusion areas.** In considering expansion areas, the city can exclude areas that cannot be reasonably serviced with public facilities, are subject to significant natural hazards, have some a high level of environmental or natural resource value, or are owned by the federal government.
- **Prioritization.** The city needs to prioritize potential expansion areas in terms of rural residential “exception” lands vs. farm and forest lands, with exception lands having first priority, and farm and forest land having the maximum protection from development.
- **Criteria for evaluating expansion areas.** Cities must look at alternative expansion areas and evaluate them using the four locational factors found in Goal 14. These include 1) efficient urban form, 2) public facilities, 3) Economic, Social, Environmental, and Energy (ESEE) consequences, and 4) impact on adjacent farm and forest activities in rural areas. The city’s analysis must consider and analyze all four factors, but the city can weigh and balance those factors based upon a set of findings and policy judgments which, unless they are without merit, will be upheld on judicial review.

In addition to meeting these state requirements, the City will want to consider other factors in this process such as:

- Will potential expansion areas have direct access to roads, sewer or water lines or will they be even more difficult or costly to serve with these facilities than land proposed to be removed from the UGB?
- Will areas proposed for inclusion be in relative proximity to commercial and other services? This is particularly important if new areas are proposed for higher density development.
- Will the areas have any other practical barriers or impediments to residential development or conflict with other strategies to meet future housing needs?

## 2. Increase Allowed Density in Existing Zones

The Housing and Residential Land Needs Assessment found that the City of Stanfield has a sufficient supply of residential land if land is built at or near the planned density levels, based on existing zoning. Increasing allowed density in existing zones is not strictly necessary to meet projected housing needs within the existing UGB, however, there are two key benefits to higher densities to be considered:

- **Housing affordability.** Smaller lot sizes and higher densities allow for some of the major costs of development—such as acquiring land and building infrastructure—to be divided among more

units. This decreases the per-unit cost of development and can enable lower sale prices or rental rates.

- **Efficiency of land use and infrastructure provision.** Higher density also helps to ensure that residential land is used efficiently. If growth rates accelerate more quickly than projected, then it will be more important for the City to efficiently use land within the existing UGB. It is also more efficient for the City to provide roads, sewer, and water systems (on a per-unit basis) to higher density development.

The City regulates density primarily through minimum lot size requirements in residential zones. Potential amendments to minimum lot size standards are presented in Table 3. These amendments are intended to allow for higher density development while considering the existing character and stated purpose of the zone. Minimum lot width, lot depth, or setback standards may also need to be modified to ensure they are consistent with any changes to minimum lot size standards.

*Table 3. Potential Minimum Lot Size Amendments*

Zone	Existing Minimum Lot Size	Proposed Minimum Lot Size
R - Residential	Single-Family Detached: 5,000 sq. ft. Duplex: 6,000 sq. ft. Triplex: 6,000 sq. ft. Single-Family Attached: 3,000 sq. ft.	Single-Family Detached: 5,000 sq. ft. Duplex: 5,000 sq. ft. Triplex: 5,000 sq. ft. Single-Family Attached: 2,500 sq. ft.
R/MF – Residential /Multi-Family Subdistrict	Multi-Family: 10,000 sq. ft. with at least 4,000 sq. feet. per unit (equivalent density: ~11 units/ac)	Multi-Family: 10,000 sq. ft. with at least 2,500 sq. feet. per unit (equivalent density: ~17 units/ac)

The City also regulates density by setting a minimum and maximum density standard for new subdivisions (creation of 4 or more lots). Subdivisions in the Residential zone must achieve a minimum of 3 dwelling units per net acre and a maximum of 8.72 dwelling units per net acre. Subdivisions in the Multi-Family Sub-district must achieve a minimum of 6 dwelling units per net acre and a maximum of 30 units per net acre.

The maximum density standard of the Residential zone (8.72 units per net acre) may present a barrier to subdivisions with a high share of attached housing types (duplexes, triplexes, and single-family attached). For example, a subdivision with 10 townhomes on 2,500 sq. ft. lots would equate to a density of approximately 13 units per net acre. In order to not exceed the maximum density standard of the zone, the development would need to provide a substantial amount of open space or include some larger lots with detached homes. This may reduce the economic viability of the development. In order to allow for subdivisions with a high share of attached housing types, the City may consider increasing the maximum density standard to 10-15 units per net acre.

### 3. Code Updates to Support a Variety of Housing Types

This study found that the City of Stanfield has sufficient land zoned for single-family detached housing, medium density housing, and multi-family housing. However, there are opportunities to support development of a variety of housing types by reducing unnecessary barriers, providing more flexibility, and tailoring standards to fit a variety of housing types.

There are some housing types that are can be more difficult to develop because development code standards do not address unique characteristics of this housing type or the standards are unnecessarily restrictive. These types include Accessory Dwelling Units (ADUs), cottage cluster housing, duplexes, triplexes, and townhomes. These housing types are considered part of “missing middle housing” because they fall between high density apartments and low density, detached single-family housing. If regulated appropriately, these housing types can be compatible with detached, single-family houses and, therefore, could be permitted outright in most residential zones.

Another common characteristic of these housing types is that they are often smaller individual dwelling units. Given the demographic trends summarized in this study, and the ongoing challenge of providing enough housing options for people with moderate incomes, smaller sized, modest housing units will continue to be an important need in the City of Stanfield. As demonstrated by the Housing and Residential Land Needs Assessment, there is a need for ownership housing options for households with incomes between \$35,000-\$100,000. Due to the costs of land, infrastructure, and construction, it can be difficult for builders to produce new single-family detached housing that is affordable to households at this income level. These “middle housing” types can be more feasible to provide for this income level because they require less land per unit and can be more efficient to serve with infrastructure.

#### *Accessory Dwelling Units*

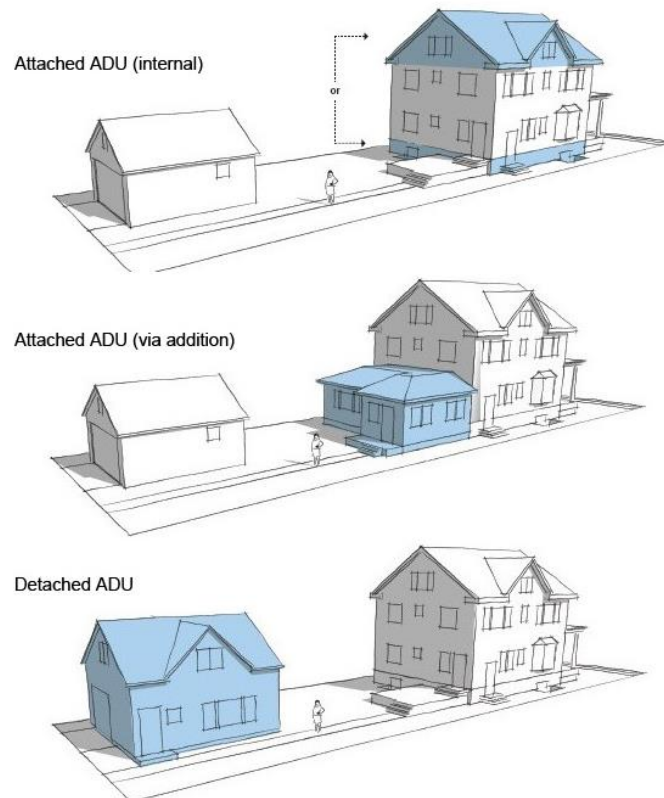
An Accessory Dwelling Unit (ADU) is a secondary dwelling unit on the same lot as a single-family house that is smaller than the primary dwelling. ADUs can come in three forms: a detached structure, an attached addition, or a conversion of internal living space in the primary dwelling (Figure 9). As ADUs are often invisible from the street or may be perceived as a part of the primary dwelling, they offer a method of increasing density with minimal visual impact on the character of the neighborhood.

ADUs are a viable housing option with several benefits:

- Building and renting an ADU can raise income for a homeowner and help offset the homeowner’s mortgage and housing costs.
- ADUs can add to the local supply of rental units and can provide a relatively affordable rental option for a person or household that prefers living in a detached unit rather than an apartment or other attached housing.
- ADUs offer flexibility for homeowners to either rent the unit or to host a family member. The proximity to the main house can be particularly beneficial for hosting an elderly family member that may need care and assistance.

*Figure 9. Types of ADUs*

*ADUs in blue; main residence in white*



Source: City of St. Paul, MN

The City of Stanfield currently permits ADUs in all residential zones, subject to special use standards (see Section 2.1.200.B). The Oregon Department of Land Conservation and Development has published a model code for ADUs. The model code is intended to provide basic regulations while ensuring that the standards do not present unnecessary barriers. Stanfield’s standards for ADUs are generally supportive of this type of development; however, the following two amendments are recommended to better support development of ADUs:

- **Remove Owner Occupancy Requirement.** Do not require that the owner of the primary dwelling reside either in the primary dwelling or the ADU, as this limits the marketability of a property with an ADU. This requirement tends to have a “chilling effect” on investment in ADUs because the property owner may not want to have to sell the property if they need to move. The requirement can also complicate appraisal and financing for the property.
- **Number of ADUs.** Consider allowing two ADUs on the same lot if one of the ADUs is internal or an attached addition. In these cases, the internal ADU would not be visible from the street, and the property would function similarly to a triplex, which is a permitted housing type in the City’s Residential zone.



### *Cottage Clusters*

Cottage clusters are groups of small, detached homes, usually oriented around a common green or courtyard. The units may be located on individual lots that are individually owned or the property may be structured as a condominium with common ownership of the land and private ownership of the houses.

Cottage clusters are growing more popular and their development potential is significant. They provide many of the same features of conventional detached houses, but in a smaller footprint, with shared common areas, and arranged in a way that can facilitate a more community-oriented environment (see Figure 10). Cottage clusters can be developed on relatively small lots, as access and parking is shared and the units are relatively small, usually between 500 and 1,200 square feet. The visual character of cottage clusters—detached dwellings with substantial shared yard space—is generally compatible with neighborhoods of detached homes.

*Figure 10. Example of a Cottage Cluster Development*



A cottage cluster project would be difficult to develop in the City of Stanfield today because it would need variances or adjustments to multiple standards, such as minimum lot size, minimum lot width, setbacks, and density. To support cottage cluster development, it is recommended that cottage cluster housing be defined as an allowed housing type and a specific set of standards developed. Cottage clusters should be permitted through an administrative review process with clear and objective standards. The following are some best practices for creating cottage cluster standards:

- **Density bonus in exchange for maximum unit size.** Allow for increased densities over the base zone in exchange for a cap on the size of individual dwelling units. This combination allows for more dwelling units while ensuring an efficient use of land and compatibility with detached houses on larger lots.

- **Low minimum unit size.** Given maximum house sizes of 1,000-1,200 square feet, allow a wide range of sizes—even as small as 400 square feet—and consider allowing both attached and detached housing.
- **Flexible ownership arrangements.** Do not require a single ownership structure; allow the site to be divided into individual lots, built as rental units on one lot, or developed as condominiums.
- **Supportive lot standards.** Ensure that minimum lot size, setbacks and building coverage requirements do not prohibit cottage cluster development on smaller lots.
- **Balanced design standards.** Draft basic design requirements that ensure neighborhood compatibility and efficient use of land, but that are not so specific as to restrict the ability to adapt to varying neighborhood contexts.

### *Duplexes, Triplexes, and Townhomes*

Duplexes, triplexes, and townhomes are forms of attached housing that can be compatible with detached, single-family housing while allowing for smaller, more affordable units. The City of Stanfield allows duplexes, triplexes, and townhomes outright in all residential zones. The City also has development and design standards that are specific to this housing type. The only recommended code update to better support these housing types is to reduce the minimum lot size and maximum density standards, as described above under Strategy #2.



### *Tiny Homes*

Tiny homes have no formal definition, but generally are considered detached dwellings that are less than 400 square feet in size. The demand for tiny houses has grown considerably in recent years and they appeal to a diverse range of people and households. Some are attracted to the prospect of a low-cost, low-impact lifestyle, even if they could potentially afford a conventional home. Local governments and non-profits have also begun to experiment with using tiny homes as either temporary/transitional or permanent shelter for people with very low incomes or those experiencing homelessness.



Figure 11. Proposed Tiny House Cluster in Bend, Oregon (*The Hiatus*)



From a regulatory perspective, one of the key challenges for tiny homes is how they are classified and permitted under the building code. Tiny homes can be built to comply with several different construction standards, and the construction standard they are built to should be considered in determining where and how they can be sited pursuant to the zoning and development code. Broadly, tiny homes can be classified as either intended to be sited permanently or temporarily.<sup>1</sup>

- Permanent tiny homes are attached to an approved foundation. Permanent tiny homes may be built either to the conventional building code—the Oregon Residential Specialty Code (ORSC)—or to the standards that apply to manufactured homes, the U.S. Department of Housing and Urban Development Manufactured Home Construction and Safety Standards (HUD).
- Temporary tiny homes are mounted to a chassis or frame which may have wheels and is intended to be relatively mobile. Temporary tiny homes designed for movement on public highways are built to the standards that apply to Recreational Vehicles (RVs), particularly “Park Trailer” or “Park Model” recreational vehicles.

Additionally, tiny homes may be proposed to be sited as a primary dwelling on an individual lot, as an Accessory Dwelling Unit (ADU), or in a cluster with other tiny homes. Table 4 lays out the various scenarios under which a tiny home may be proposed and identifies key land use and development code considerations. These scenarios should be reviewed with consultation from the local building official as to the appropriate siting for tiny homes. Additionally, public input should be sought on the standards that will guide the location and design of tiny homes in the community under each scenario.<sup>2</sup>

<sup>1</sup> For more information on building codes and tiny homes, see this policy brief from the state Legislative and Policy Research Office: <https://www.oregonlegislature.gov/lpro/Publications/Background-Brief-Tiny-Home-Regulation-2018.pdf>

<sup>2</sup> More information about the regulation of tiny homes is available in this American Planning Association Knowledge Base article: <https://planning.org/knowledgebase/tinyhousing/>

*Table 4. Land Use and Development Code Considerations for Tiny Homes*

		Construction Standard	
		Permanent (ORSC/HUD)	Temporary (RV/Park Model Standards)
Proposed Siting	Primary dwelling unit	<ul style="list-style-type: none"> <li>If built to ORSC standard, then it is equivalent to a “stick-built” single-family dwelling, but smaller.</li> <li>If built to HUD standard for manufactured homes, must be permitted wherever “stick-built” single-family homes are permitted.</li> </ul>	<ul style="list-style-type: none"> <li>Typically prohibited by municipal ordinances related to residential occupancy of vehicles.</li> <li>The City has discretion to allow temporary siting of individual tiny homes, but should address number allowed, location, sanitation, and electricity. For example, the City of Portland has deprioritized enforcement of the city’s zoning code to allow the siting of temporary tiny homes in specified locations.<sup>3</sup></li> </ul>
	Accessory dwelling unit	<ul style="list-style-type: none"> <li>If built to ORSC standard, then it is equivalent to a “stick-built” ADU, but smaller.</li> <li>If built to HUD standard for manufactured homes, City has discretion as to whether to allow manufactured homes to be sited as ADUs. If aesthetics of conventional manufactured homes is a concern, then City may adopt design standards addressing features such as roof pitch and siding materials.</li> </ul>	
	Cluster/village	<ul style="list-style-type: none"> <li>This format is equivalent to the “cottage cluster” development type. It is recommended that Cities adopt a specific set of standards for cottage clusters. If the City desires to support tiny homes within clusters, then it should evaluate if any standards present barriers to tiny homes, such as minimum unit size standards.</li> <li>The City has discretion as to whether to allow tiny homes built to the HUD standard to be sited in a cottage cluster. However, if the development is proposed to be classified as a manufactured dwelling park, consistent with state requirements, then it must be permitted wherever multi-family dwellings are permitted.</li> </ul>	<p>This format is functionally equivalent to a Recreational Vehicle (RV) park. The City has discretion to define where RV parks are allowed and under what standards. If the City desires to support more widespread use of temporary tiny homes in clusters, then the City should develop standards that are consistent with the standards that apply to RV parks, while allowing for adjustments necessary for tiny home clusters, where appropriate.</p>

#### 4. Reduce Unnecessary Barriers to Housing Development

Some code standards can present unnecessary barriers to housing development by restricting options and adding costs to a project where more efficient solutions may be feasible. These standards often include minimum parking requirements, maximum height restrictions, architectural design standards, minimum open space requirements, or public works design standards. Based on a preliminary review of the City of Stanfield’s Development Code, the following standards may present barriers and should be reviewed more closely:

<sup>3</sup> See here for more information: <https://www.portlandoregon.gov/bds/article/659268>

- **Design Standards - Building Form (2.1.190.C.1).** Duplexes, triplexes, multi-family development, and townhomes are required to comply with residential design standards. One standard requires design elements to be used to avoid large expanses of uninterrupted walls. This “articulation” standard is commonly applied to multi-family housing and is important to ensuring compatible and interesting facades but can add costs to a development. To reduce this cost impact, the City may consider allowing for a change in materials to count as a feature that provides articulation. Additionally, the required depth of or recess or extension could be reduced.
- **Design Standards - Eyes on the Street (2.1.190.C.2).** This standard applies to the same housing types as noted above. It requires 40% of the front elevation to be windows and 30% of side and rear elevations. This standard is relatively high and may be unnecessary for achieving the purpose of the standard. An alternative standard of 15-30% would be appropriate and continue to meet the intent of providing “eyes on the street”.
- **Minimum parking requirements (3.3.300).** Many developers will include off-street parking as a marketable amenity regardless of the code requirement. However, in some cases, the level of off-street parking required may exceed what the market would otherwise provide and may be unnecessary to effectively accommodating parking needs. This can become an obstacle to housing development because off-street parking lots consume land, reducing developable area on a site and net density, and can render a project economically infeasible. The City requires 2 spaces per single-family dwelling, 1.5 spaces per unit in a duplex or triplex, and 1-2 spaces per unit for multi-family developments, depending on the number of bedrooms in the unit. A general reduction to 1 space per unit for all dwellings would reduce the potential for parking standards to present a barrier to new development.
- Street right-of-way consumes land, reducing the area within a site for housing development, and required street dedication and construction is a significant expense associated with development. Pursuant to the Stanfield Public Works Standards, the typical local street cross-section should be a minimum of 33 feet of pavement width, including curb and gutter, within a minimum 50-foot right-of-way.<sup>4</sup> The required standard local street width in Stanfield is slightly wider than the “best practices” standards provided in the Model Development Code and User's Guide for Small Cities (Model Code).<sup>5</sup> The Model Code recommends minimum local street widths, where parking is permitted on both sides, be 28 feet of pavement within a 44- to 64-foot right-of-way. The City may consider reviewing this standard as part of a public process that considers transportation needs.

<sup>4</sup> While the Stanfield Development Code, Transportation Standards Section 3.4.100, indicates that street widths must conform to the Transportation System Plan, the City defers to the standards in the Public Works Standards.

<sup>5</sup> See <https://www.oregon.gov/LCD/TGM/Pages/Model-Code.aspx>. State model code standards are similar to the recommended widths illustrated in the Transportation Growth Management Neighborhood Street Design Guidelines [https://www.oregon.gov/lcd/Publications/NeighborhoodStreetDesign\\_2000.pdf](https://www.oregon.gov/lcd/Publications/NeighborhoodStreetDesign_2000.pdf)

## 5. Regulatory Incentives for Affordable or Workforce Housing

As noted above, some development regulations can present obstacles or add costs to housing developments. These obstacles are particularly challenging for developments built by housing authorities, non-profit developers, or even for-profit developers that are attempting to build units affordable to people with lower or moderate incomes.<sup>6</sup> In order to support developments that include units affordable to moderate- or low-income households, the City can offer concessions on regulatory standards. The concessions should be offered in exchange for the development dedicating a minimum proportion of the units to be regulated as affordable to people with lower or moderate income. The incentives typically include relief from certain development standards such as parking, setbacks, or density. Examples include the following:

- **Parking reductions.** In general, research shows that households with lower incomes tend to have lower car ownerships and driving rates, particularly when residents have ready access to shopping and other opportunities and services. A number of jurisdictions in Oregon provide reductions in off-street parking requirements for developments that are affordable to households with low or moderate incomes. Typically, developments must commit to providing affordable units over a significant length of time (20-60 years).
- **Height or density bonuses.** Some cities allow higher density or greater height in exchange for a commitment to provide housing units that are affordable to households with low or moderate incomes. Height bonuses are typically in terms of number of stories (e.g., one story in an area with an existing height limit of 35 or 45 feet). Density bonuses are typically stated in terms of a percentage of units (e.g., 10-20% is a common threshold). The amount of the bonus can be tied to the affordability levels provided and/or to the number of affordable units. Additionally, setback and bulk standards may be allowed to vary to accommodate the added density or to reduce development costs.
- **Allow flexibility in how affordable units are provided.** In some cases, it may be advantageous to construct the affordable units on a different site than the primary development that is receiving the concession. It may also make sense for the development to purchase existing market-rate units and convert them to affordable units. Allowing flexibility in how the units are provided can also widen the appeal of the program.

### INCENTIVES

In determining incentives for development, the jurisdiction should first identify local goals for the types of housing the community is trying to incentivize. In the case of Stanfield, where growth has been slow and there is apparent demand for more housing, facilitating additional development of any single family or multifamily may be beneficial.

<sup>6</sup> For classification of low or moderate income, see the Housing and Residential Land Needs Assessment, p. 25

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## 1. System Development Charge (SDC) Reductions, Exemptions, or Deferrals

Waiver, exemption or deferment of SDC's or development fees directly reduces the soft costs of development to applicants for desired housing types. Development fees are not regulated by state law and cities have significant leeway to waive, reduce, or defer these fees. These fees may typically be applied by planning, building or engineering departments. SDC's face more statutory limitations and other hurdles to implementation. Generally, the reductions should be applied to housing types that demonstrate a similar reduction in demand for services or impacts (e.g. smaller units, multi-family vs. single family, ADU's, housing types that generate less traffic, etc.) However, state law does not directly address reductions that are not justified on these bases. The impacts of SDC or fee waivers will differ by jurisdiction depending on the size of the local charges. The magnitude of the fiscal impact will mirror how much of a benefit this incentive really provides to the developer.

Some jurisdictions offer full or partial SDC exemptions for affordable housing developments or subsidize them with funding from another source (e.g. urban renewal or general fund). A related type of program can allow developers of affordable housing to defer or finance payment of SDCs, which can reduce up-front costs and financing costs for the developer.

With deferral or financing of SDCs, the fiscal impacts to the City and its partners is minimal because charges are eventually paid. The period of repayment should not be a detriment to public agencies that operate on indefinite timelines. A financing program can be more beneficial to the property owner because SDC's are paid gradually, rather than in a lump sum soon after the completion of the project. However, a financing program also brings additional administrative requirements and costs to the City to track and collect payments over time.

## 2. Expedited Development Review

Jurisdictions can search for ways to reduce time and costs of the review and permitting process to developers building desired housing types. This incentive can be accomplished by reducing review times, consolidating steps in the process, and reducing or simplifying submittal requirements. In few industries is the old adage that "time is money" more true than in the development industry. The developer is often tying up capital and/or paying interest on loans during the pre-development process. Any reduction in process time translates into reduced costs and greater certainty to the developer and their partners.

Streamlining the process can involve an internal audit of the process to ensure it is efficient for both staff and applicants. This might involve making all permits available in one location with one main contact, providing clear and accessible information on requirements, and also allowing enough flexibility to consider innovative or new forms of development. Streamlining the review and permitting process is usually administratively feasible, though the greatest obstacle is often staff resources to expedite some projects when staff is already busy and/or limited in size. While City review processes could be streamlined, other regulatory review processes also impact the length of the permitting process. For

example, state permitting of wetland fill or removal would also need to be streamlined to have a meaningful impact on permit review processes where wetlands are potentially impacted.

### 3. Tax Exemptions and Abatements

Tax exemptions or abatements offer another financial incentive to developers that can improve the long-term economic performance of a property and improve its viability. This can be a substantial incentive, but a city or county will forego taxes on the property, generally for ten years. Other taxing jurisdictions are not included, unless they agree to participate. Tax exemption programs are authorized by the state for specific purposes:

- Non-profit Low Income Housing (ORS 307.540 – 307.548): Exemptions for non-profit suppliers of affordable housing
- Low-Income Rental Housing (307.515 – 307.523): Broader exemption for projects that include affordable housing that can apply to private developers.
- Homeownership, Rehabilitation in Cities (307.651 – 307.687): An exemption to encourage new development and home renovation for owner (not rental) units of 120% median home price or less.
- Tax Freeze for Property Rehabilitation (ORS 308.450 – 308.481): A program that allows the owner of single-family or multi-family properties to complete renovations on a property, while freezing the assessed value at the prior level.
- Vertical Housing (ORS 307.841 – 307.867): An incentive for housing developments of two or more stories. This partial exemption grows larger with each additional floor of housing provided.
- Multiple-Unit Housing (in transit areas) (ORS 307.600 – 307.637): Intended for town centers and transit areas. May have limited use in rural counties, but may apply where there is regular transit service.

Tax abatements or exemptions alleviate property taxes on certain types of development, often for a set period of time. Exemptions can be a very strong tool to incentivize affordable housing and make proposed projects more viable, depending on how the exemptions are structured

## FUNDING SOURCES AND USES

### 1. Public-Private Partnerships (PPPs) and Community Land Trusts

Most of the strategies discussed below fall under the umbrella of **public/private partnerships** that include a broad range of projects where the public contributes to private or non-profit development. The public involvement usually entails providing some financial incentive or benefit to the development partner in return for the partner's agreement that the development will provide some public benefit for



a specified length of time. These partnerships can be used to encourage a wide range of public goals, including certain development forms, affordability levels, public space (plazas, parks), environmental features, mixed uses, etc.

A key barrier to meeting housing needs in Umatilla County has been the lack of development capacity to build the types of housing needed to serve local workers. In addition, owners of large developable properties have not been ready to sell or develop their land for housing. These factors have limited the pace and volume of housing development in the County. Partnerships with local or regional developers, builders and property owners will be a key to encouraging and realizing housing development goals in the area.

The benefit of public/private partnerships is that a city or county does not have to build internal expertise in development, property management, or complicated affordable housing programs. Partner agencies or companies with experience in these types of projects benefit from public contributions, making the projects more feasible.

Public contributions to partnerships with other agencies or companies tend to take the form of a financial contribution (grant or loan), fee or SDC waivers, building adjacent off-site improvements, or tax exemptions or abatements. Many of these tools are detailed in this report. Potential partners in the area include Umatilla County Housing Authority, Habitat for Humanity, CAPECO, the Port, active builders in the region, and key landowners.

**Community Land Trusts (CLT)** is a model wherein a community organization owns land and provides long-term ground leases to low-income households to purchase the homes on the land, agreeing to purchase prices, resale prices, equity capture, and other terms. This model allows low-income households to become homeowners and capture some equity as the home appreciates, but ensures that the home remains affordable for future homebuyers. CLTs may also lease land to affordable housing developers for the development of rental housing or may develop and manage rental housing themselves. Land trusts are typically run as non-profits, with support from the public sector and philanthropy, and could be linked to a land bank. Land trusts can be focused on homeownership or rental units.

Given the distinctive legal structure of CLT's it is likely best for public agencies and its cities to consider partnering with a non-profit community organization to administer this program. The cities can help identify key opportunities for this model and help to capitalize the efforts of its partner. Other CLT's working in different parts of Oregon include Proud Ground and Habitat for Humanity. The latter organization is not a CLT per se but uses a similar approach to maintaining the affordability of the homes it builds largely through volunteer labor. Initial inquiries to these organizations regarding their interest in operating in Umatilla County and the type of support they typically seek from local governments would be an important first step in implementing this strategy.

## 2. Land Acquisition and Banking

**Land acquisition** is a tool to secure sites for affordable housing. Public agencies can identify locations where prices are going up and acquire land before the market becomes too competitive, with the intention to use the land for affordable housing. The ability to identify promising sites within these locations and act quickly and efficiently in acquiring them can tip the scales to make an affordable housing development financially feasible.

**Land banking** is the acquisition and holding of properties for extended periods without immediate plans for development, but with the intent that properties eventually be developed for affordable housing. Land banks are often are quasi-governmental entities created by municipalities to effectively manage and repurpose an inventory of underused, abandoned, or foreclosed property. Public agencies or larger nonprofits may be better equipped than small community development corporations to do both land acquisition and banking.

This strategy may be a challenge for implementation in Stanfield. Key challenges for land acquisition include reliably identifying future areas of gentrification before prices go up, developing the resources necessary to purchase the land, creating mechanisms for easy land transfer and removing the liability associated with holding land. Land banking requires significant up-front investment to acquire land, which typically requires grants, and funding partnerships—with non-profits, public entities, and private financing—to reach necessary funding levels. In addition, while this technique can help address the long-term need for affordable housing, it will not address the current need in the short-term.

A more feasible way to implement this strategy in Stanfield would be to assess the potential for any existing city-owned properties to be used for affordable housing development in the future and then seek non-profit or other affordable housing developers to lead the actual development efforts. In exchange for donating or selling city-owned land at a nominal price, the City would require a commitment to long-term affordability of any housing units developed.

## 3. Construction Excise Tax

A construction excise tax (CET) is a tax on construction projects that can be used to fund affordable housing. According to state statutes, the tax may be imposed on improvements to real property that result in a new structure or additional square footage in an existing structure. Cities and counties may levy a CET on residential construction for up to 1% of the permit value; or on commercial and industrial construction, with no cap on the rate of the CET.

The allowed uses for CET funding are defined by the state statutes. The City may retain 4% of funds to cover administrative costs. The funds remaining must be allocated as follows, if the City uses a residential CET:

- 50% must be used for developer incentives (e.g. fee and SDC waivers, tax abatements, etc.)
- 35% may be used flexibly for affordable housing programs, as defined by the jurisdiction.



- 15% flows to Oregon Housing and Community Services (OHCS) for homeowner programs.

If the City implements a CET on commercial or industrial uses, 50% of the funds must be used for allowed developer incentives and the remaining 50% are unrestricted.

To date, eight jurisdictions (Portland, Corvallis, Cannon Beach, Hood River County, Hood River City, and Newport) have passed local CETs under the new state statutes, and many others are considering adopting the tool.

The primary advantage of a CET is that it would provide a source of funding for other programs or measures aimed at helping subsidize the cost of affordable housing in the community, either through city-led programs or those implemented by private or non-profit partners. In addition, once a CET is established, it would be straightforward to administer through the development permitting process. On the down side, CET increases development costs in an environment where many developers are already seeking relief from systems development charges, so it could impact development feasibility and increase the costs of housing more generally. However, by structuring the policy with offsetting incentives or tools to reduce development barriers, the City could potentially limit the impact on feasibility for certain projects.

Establishing a construction excise tax would necessitate that the City Council pass a new City ordinance. The City should work closely with the development and housing community in developing the fee structure. Implementing programs would need to be developed, and possibly coordinated with housing partners.

#### **4. Subsidized Affordable Housing**

For the lowest-income renters to secure housing that is affordable typically requires some type of rental subsidy to reduce the cost of rent. These programs typically take the form of affordable properties, where the rent of all or a portion of the units is maintained at a lower-than-market level or the renter is only required to pay a set percentage of their income towards rent despite the nominal rent level. Another form of subsidy is through a housing choice voucher assigned to the household which is portable.

Subsidized affordable housing is most often offered through a government or non-profit agency that has established the provision of housing to low-income households as part of their stated mission. Housing Authorities such as Umatilla County Housing Authority are often one of the largest, if not the largest providers of affordable housing in any given area. Housing Authorities administer many of the largest HUD affordable housing programs including public housing, project-based Section 8, and Section 8 vouchers. Housing Authorities also often serve the lowest income renters, often qualifying as “extremely low income” or earning 30% or less of the Area Median Income.

Other non-profit agencies also specialize in providing subsidized rental housing. Often these properties or units are affordable to those at somewhat higher income levels than public housing, and may focus

on a specific population such as seniors or farmworkers. Properties built by non-profit housing agencies often require a complex combination of programs, tax credits, and other financing to complete the development.

Like many communities across the state, the cities of Umatilla County have a significant unmet need for more affordable rental housing. Cities can support the development and maintenance of subsidized affordable housing by ensuring that the Comprehensive Plan states support and that the zoning code and other standards do not place obstacles to the development of affordable housing where similar market-rate structures are permitted. The incentives and tools discussed in this report can be used by cities to provide some funding or cost reductions to agencies that are building affordable housing.

## 5. Financial Assistance & Homebuyer Education Programs

There is a wide range of programs intended to provide incentives to property owners and builders to build and maintain housing stock (in addition to the state-authorized tax incentives discussed above). These tools can be used to maintain housing affordability or to help keep residents in their homes. These programs are typically aimed at property owners or renters, but public agencies can be well versed in these resources and ensure that public incentives can dovetail with these programs to have maximum impact. These programs include:

### Homebuyer Education Classes (CAPECO)

- Classes for first time homebuyers are offered throughout the state sponsored by Oregon Housing and Community Services. In Umatilla County, CAPECO offers classes and one-on-one counseling to teach the basics of the home buying process, including housing choice, spending plan, and financing.

### Greater Eastern Oregon Development Corporation GEODC

- Northeast Regional Housing Rehabilitation Loan Program: This program provides 0% interest, deferred payment loans to qualified homeowners to rehabilitate and maintain housing so households can stay in place and lower-cost housing stock can remain in service. This program is funded through Community Development Block Grant funding among other sources.

### USDA Housing Programs

The USDA provides a wide range of rural housing and community development grants and loans that may be applicable in some or all of Umatilla County. Many of these programs are aimed directly at providing financing in areas and for projects that have difficulty gaining financing from other sources.

- Farm Labor Direct Loans and Grants
- Housing Preservation & Revitalization Demonstration Loans and Grants
- Housing Preservation Grants
- Multi-Family Housing Direct Loans

- 
- Multi-Family Housing Loan Guarantees
  - Multi-Family Housing Rental Assistance
  - Single Family Housing Direct Loans
  - Single Family Housing Loan Guarantees
  - Mutual Self-Help Housing Technical Assistance Grants (to orgs to implement Habitat-for-Humanity model)
  - Rural Housing Site Loans (to purchase sites for low- and moderate-income housing)

Regional or local housing coordinators should maintain familiarity with these programs and consider the ways that other programs can leverage these resources to amplify the total incentives.

JUNE 7, 2019

# HOUSING STRATEGIES REPORT

CITY OF UMATILLA, OREGON

**FINAL**



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## 1. Introduction and Overview

Having affordable, quality housing in safe neighborhoods with access to community services is essential for all Oregonians. Like other cities in Oregon, the City of Umatilla is responsible for helping to ensure that its residents have access to a variety of housing types that meet the housing needs of households and residents of all incomes, ages and specific needs. Towards that end, the City participated in the 2019 West Umatilla County Housing Study project with the Cities of Echo and Stanfield. The Housing Study included two reports, a Housing and Residential Land Needs Assessment and a Residential Buildable Lands Inventory (BLI). Findings from these reports can be used to inform future amendments to the City's Comprehensive Plan and Zoning Ordinance to support housing needs, consistent with Statewide Planning Goal 10 (Housing). Goal 10 states that the City must:

*“encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.”*

This report includes the following information intended to help the City update its Comprehensive Plan:

- Findings associated with existing and future housing needs that can be incorporated into narrative sections of the City's Comprehensive Plan.
- Recommended new or updated Comprehensive Plan policies for housing.
- Recommended measures that the City can consider in the future and use to help meet future housing needs.

The first two elements above have been drafted for incorporation into the City's Comprehensive Plan Housing Element as part of a subsequent legislative update. This report, the Housing and Residential Land Needs Assessment, and the Residential BLI can be referenced in the Comprehensive Plan as technical, ancillary documents that support the housing-related findings and policy direction in the Comprehensive Plan.

This report, along with the accompanying Housing and Residential Land Needs Assessment and the BLI maps, was prepared in coordination with Umatilla City staff and a Project Advisory committee that included representatives from the regional real estate and development community. Members of the community also provided input on existing conditions, opportunities, and constraints related to housing and the findings of the draft reports at two public open houses. The project was funded by a grant from the Oregon Department of Land Conservation and Development (DLCD) and DLCD staff participated in managing the grant and reviewing materials prepared for the project.

## 2. Housing Conditions and Trends (Comprehensive Plan Findings)

The following is introductory information, a summary of data and findings from the Housing and Residential Land Needs Assessment Report, and a brief summary of potential housing strategies that can ultimately be incorporated into the Umatilla Comprehensive Plan as supporting narrative for Chapter 10 - Housing. Unless otherwise noted, the following findings refer to the Umatilla Urban Growth Boundary (UGB) area, not the city limits.

### INTRODUCTION

Having affordable, quality housing in safe neighborhoods with access to community services is essential for all Oregonians. Like other cities in Oregon, the City of Umatilla is responsible for helping to ensure that its residents have access to a variety of housing types that meet the housing needs of households and residents of all incomes, ages, and specific needs. The City does this primarily by regulating residential land uses within the City, as well as working with and supporting non-profit and market rate developers and other housing agencies in developing needed housing.

The City sought and received grant funding from the State of Oregon in 2019 to undertake a Housing Needs Analysis project and to proactively plan for future housing needs in Umatilla. The City has undertaken and will continue to implement and update a variety of activities to meet current and future housing needs:

- Conduct and periodically update an analysis of current and future housing conditions and needs. The City most recently conducted this analysis in 2019 through the Housing Needs Analysis planning project. The results are summarized in this element of the Comprehensive Plan and described in more detail in a supporting Housing and Residential Land Need Assessment Report.
- Conduct and periodically update an inventory of buildable residential land (BLI) to ensure that the City has an adequate supply of land zoned for residential use to meet projected future needs. The City most recently conducted this analysis in 2019. The results are summarized in this element of the Comprehensive Plan and described in more detail in a supporting Buildable Lands Inventory Report.
- Adopt and amend, as needed, a set of housing-related Comprehensive Plan policies to address future housing needs.
- Regularly update and apply regulations in the City's Zoning and Subdivision Ordinances to meet housing needs identified in the Comprehensive Plan and supporting documents.
- Implement additional strategies to address housing needs in partnership with State and County agencies and other housing organizations. Potential strategies are described in more detail in the 2019 City of Umatilla Housing Strategies Report.

The remainder of this chapter summarizes these topics in more detail.

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## DEMOGRAPHIC CONDITIONS AND TRENDS

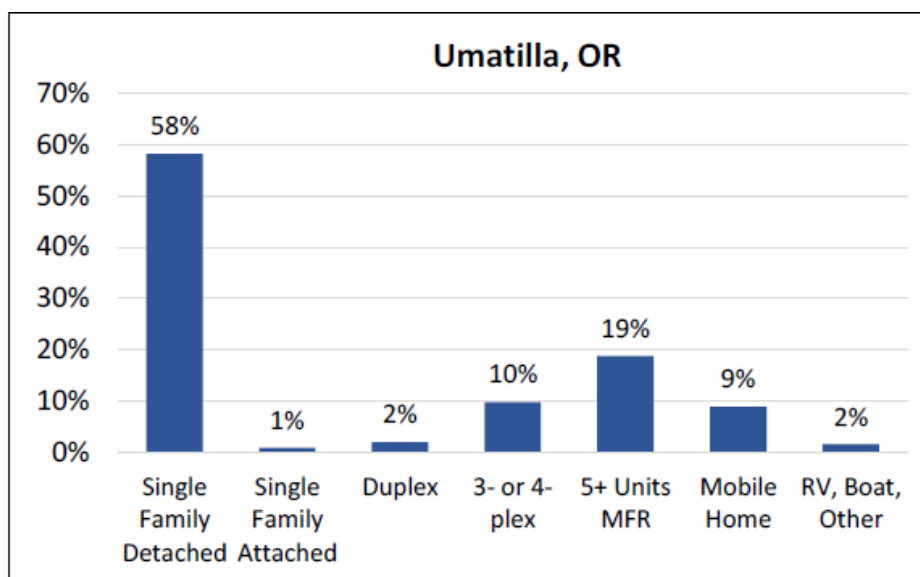
- Umatilla is a City of an estimated 7,320 people (City), and 8,834 people (UGB), located in Umatilla County in Northeastern Oregon. An estimated 17% of the population in the UGB lives outside the city limits.
- Umatilla has experienced rapid growth, growing over 47% in population since 2000. In contrast, Umatilla County and the state experienced population growth of 14% and 21% respectively. The City of Hermiston grew 37% over this period. (US Census and PSU Population Research Center).
- Umatilla's population is forecasted to grow to 12,664 by 2039, an increase of 3,830 people, or about 43% from the 2018 population estimate.
- The Umatilla was home to an estimated 2,247 households in 2018, an increase of roughly 550 households since 2000. The percentage of families fell slightly between 2000 and 2018 from 78% to 74% of all households. The City has a larger share of family households than Umatilla County (68%) and the state (63%).
- Umatilla's estimated average household size is 3.15 persons, holding stable since 2000. This is higher than the Umatilla County average of 2.67 and the statewide average of 2.47.

## HOUSING CONDITIONS AND TRENDS

- **Housing Tenure.** Umatilla has a close to even divide between owner households than renter households. The 2017 American Community Survey estimates that 51% of occupied units were owner occupied, and 49% renter occupied. The ownership rate in Umatilla has fallen from 60% since 2000. During this period the statewide rate fell from 64% to 62%. Nationally, the homeownership rate has nearly reached the historical average of 65%, after the rate climbed from the late 1990's to 2004 (69%). The estimated ownership rate is higher in Umatilla County (66%) and statewide (61%).
- **Housing Stock.** Umatilla UGB had an estimated 2,240 housing units in 2018, with a very low estimated vacancy rate (includes ownership and rental units). Figure 1 shows the estimated number of units by type in 2017. Detached single-family homes represent an estimated 58% of housing units. Units in larger apartment complexes of 5 or more units represent 19% of units, and other types of attached homes represent an additional 13% of units. Note that in this analysis attached homes, or "attached single family" housing types generally includes townhomes, some condo flats, and complexes which are separately metered. Mobile homes represent 9% of the inventory.



Figure 1. Estimated Share of Units, By Property Type, 2017



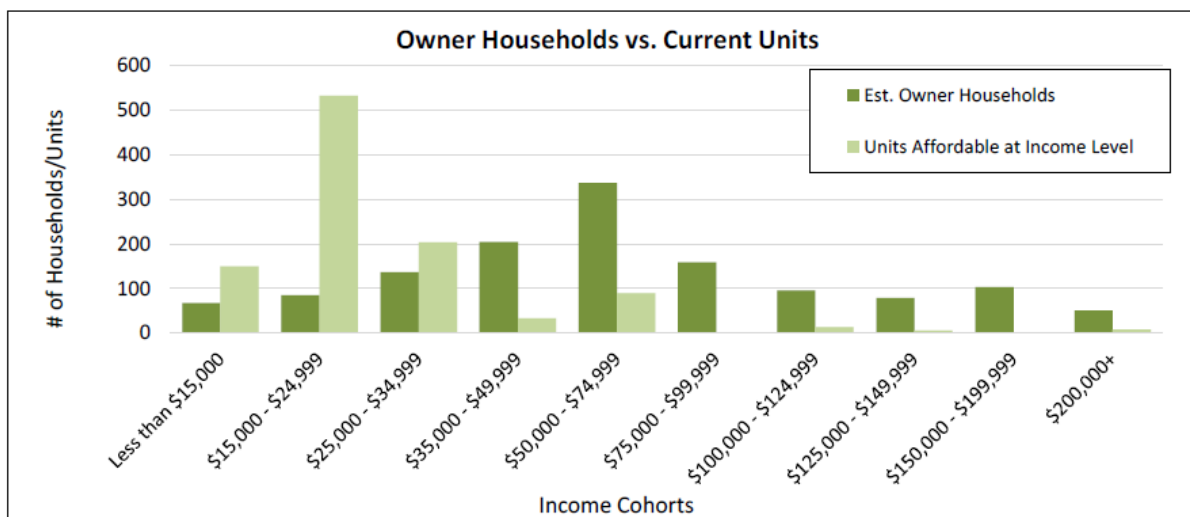
SOURCE: City of Umatilla, Census ACS 2017

## CURRENT HOUSING NEEDS

A comparison of estimated current housing demand with the existing supply identifies the existing discrepancies between needs and the housing that is currently available. Figures 2 and 3 compare the estimated number of households in given income ranges, and the supply of units currently affordable within those income ranges. The data is presented for owner and renter households.

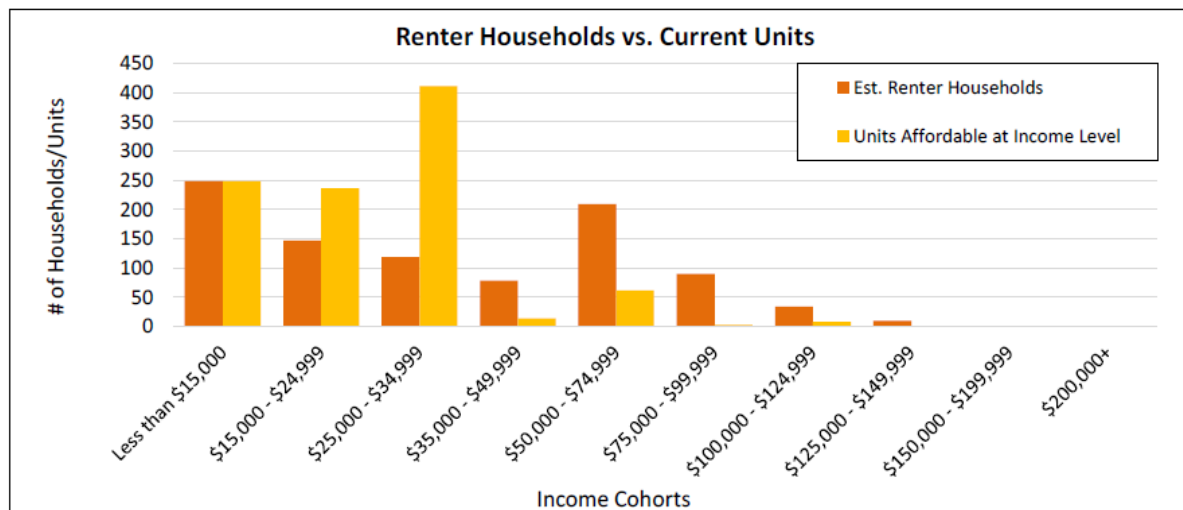
- In general, this identifies that there is currently support for more ownership housing at price ranges above \$200,000. This is because most housing in Umatilla is clustered at the low to middle price points, while analysis of household incomes and ability to pay indicates that some could afford housing at higher price points.
- The analysis finds that most rental units are currently found at the lower end of the rent spectrum, therefore the supply of units priced at \$900 or lower is estimated to be sufficient. This represents the current average rent prices in Umatilla, where most units can be expected to congregate. There is an indication that some renter households could support more units at higher rental levels. Rentals at more expensive levels generally represent single family homes for rent.
- In general, these findings demonstrate that there are sufficient housing opportunities at lower price points than might be considered “affordable” for many owner or renter households, while the community may be able to support some new single-family housing at a higher price point, or newer units at a higher rent point.

*Figure 2. Comparison of Owner Household Income Groups to Estimated Supply Affordable at Those Income Levels*



Sources: PSU Population Research Center, City of Umatilla, Census, JOHNSON ECONOMICS

*Figure 3. Comparison of Renter Household Income Groups to Estimated Supply Affordable at Those Income Levels*



Sources: PSU Population Research Center, City of Umatilla, Census, JOHNSON ECONOMICS

## PROJECTED HOUSING NEEDS

The projected future (20-year) housing profile in the study area is based on the current housing profile (2018), multiplied by an assumed projected future household growth rate. The projected future growth is the official forecasted annual growth rate (1.73%) for 2040 generated by the PSU Oregon Forecast Program. This rate is applied to the year 2039. The profile of occupied future housing demand was

compared to the current housing inventory to determine the total future need for new housing units by type and price range.

- Figure 4 shows a projected increase of 58% in homeownership rates in Umatilla over the next 20 years, which would remain lower than the current statewide average (62%). The shift to older and marginally higher income households is moderate but is projected to increase the homeownership rate somewhat. At the same time, the number of lower income households seeking affordable rentals is also anticipated to grow.
- As shown in Figure 5, the results show a need for 1,151 new housing units by 2039. Of the new units needed, roughly 66% are projected to be ownership units, while 34% are projected to be rental units. This is due to the forecast of a slightly higher homeownership rate.
- In keeping with development trends, and the buildable land available to Umatilla, single family units are expected to make up the greatest share of new housing development over the next 20 years. 61% of the new units are projected to be single family detached homes, while 28% is projected to be some form of attached housing, and 10% are projected to be mobile homes, and 1% are expected to be RV or other temporary housing.
- There is new need at the lowest end of the rental spectrum (\$400 and less).
- Projected needed ownership units show that the supply at the lowest end of the spectrum is currently sufficient. (This reflects the estimated value of the total housing stock, and not necessarily the average pricing for housing currently for sale.) And the community could support more housing at higher price points, mostly in ranges above \$200,000

Figure 4 Projected Occupied Future Housing Demand by Income Level (2039)

Ownership				
Price Range	# of Households	Income Range	% of Total	Cumulative
\$0k - \$90k	92	Less than \$15,000	4.9%	4.9%
\$90k - \$130k	118	\$15,000 - \$24,999	6.4%	11.3%
\$130k - \$190k	192	\$25,000 - \$34,999	10.3%	21.7%
\$190k - \$210k	289	\$35,000 - \$49,999	15.6%	37.2%
\$210k - \$340k	476	\$50,000 - \$74,999	25.6%	62.9%
\$340k - \$360k	224	\$75,000 - \$99,999	12.1%	75.0%
\$360k - \$450k	135	\$100,000 - \$124,999	7.3%	82.2%
\$450k - \$540k	111	\$125,000 - \$149,999	6.0%	88.2%
\$540k - \$710k	146	\$150,000 - \$199,999	7.9%	96.1%
\$710k +	72	\$200,000+	3.9%	100.0%
<b>Totals:</b>	<b>1,855</b>		<b>% of All:</b>	<b>57.6%</b>

Rental				
Rent Level	# of Households	Income Range	% of Total	Cumulative
\$0 - \$400	360	Less than \$15,000	26.4%	26.4%
\$400 - \$600	213	\$15,000 - \$24,999	15.6%	42.0%
\$600 - \$900	173	\$25,000 - \$34,999	12.6%	54.6%
\$900 - \$1000	116	\$35,000 - \$49,999	8.5%	63.1%
\$1000 - \$1600	307	\$50,000 - \$74,999	22.4%	85.6%
\$1600 - \$1700	132	\$75,000 - \$99,999	9.6%	95.2%
\$1700 - \$2100	49	\$100,000 - \$124,999	3.6%	98.8%
\$2100 - \$2500	15	\$125,000 - \$149,999	1.1%	99.9%
\$2500 - \$3300	1	\$150,000 - \$199,999	0.1%	100.0%
\$3300 +	1	\$200,000+	0.0%	100.0%
<b>Totals:</b>	<b>1,366</b>		<b>% of All:</b>	<b>42.4%</b>

**All Units**

**3,222**

Sources: Census, Environics Analytics, JOHNSON ECONOMICS

Figure 5. Projected Future Need for NEW Housing Units (2039), Umatilla

OWNERSHIP HOUSING									
Unit Type:	Single Family Detached	Single Family Attached	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	621	51	0	0	0	90	0	763	66.3%
Percentage:	81.4%	6.7%	0.0%	0.0%	0.0%	11.8%	0.0%	100%	

RENTAL HOUSING									
Unit Type:	Single Family Detached	Single Family Attached	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	79	8	24	86	157	22	12	388	33.7%
Percentage:	20.4%	2.0%	6.1%	22.1%	40.5%	5.8%	3.1%	100%	

TOTAL HOUSING UNITS									
Unit Type:	Single Family Detached	Single Family Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	701	59	24	86	157	113	12	1,151	100%
Percentage:	60.9%	5.1%	2.0%	7.4%	13.7%	9.8%	1.1%	100%	

Sources: PSU, City of Umatilla, Census, Environics Analytics, JOHNSON ECONOMICS

- Figure 6 presents estimates of need at key low-income affordability levels in 2018 and new need. There is existing and on-going need at these levels, based on income levels specified by Oregon Housing and Community Services for Umatilla County, and the recent City of Umatilla Income Survey (2018). An estimated 56% of households qualify as at least “low income” or lower on the income scale, while 16% of household qualify as “extremely low income”. (The income survey used a different terminology of “low and moderate income” for these same income segments.)

Figure 6. Projected Need for Housing Affordable at Low Income Levels, Umatilla

Affordability Level	Income Level	Current Need (2018)		NEW Need (20-Year)	
		# of HH	% of All	# of HH	% of All
Extremely Low Inc.	30% AMI \$16,650	354	16%	153	13%
Very Low Income	50% AMI \$27,600	613	27%	266	23%
Low Income	80% AMI \$44,160	1,256	56%	545	47%

Sources: OHCS, Environics Analytics, JOHNSON ECONOMICS

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

## AGRICULTURAL WORKER HOUSING

The State of Oregon identifies 58 units dedicated agricultural workforce housing located in four properties the City of Umatilla. This is an estimated 2.6% of the current housing supply.

Assuming that this segment of housing grows at a similar rate to all housing types, this implies a 2039 total of 88 units for the agricultural workforce, or addition of 30 units in this time.

At the same time, the State estimates numbers of migrant and seasonal farm workers (MSFW) in Umatilla County far in excess of the number of units available dedicated to this population. It is fair to estimate that the City of Umatilla, and the rest of the county, could support as much of this housing as can practically be developed given resource limitations. Therefore, continued support for such housing is appropriate.

## COMPARISON OF PROJECTED NEED AND BUILDABLE LAND SUPPLY

The projected housing needs were compared with the supply of buildable residential land within the City of Umatilla UGB.

- Figure 7 presents the estimated new unit capacity of the buildable lands identified in the City of Umatilla UGB. There is a total remaining capacity of 3,493 units of different types within the study area. Much of this capacity is within the single family and medium density residential zones.
- There is a total forecasted need for roughly 1,150 units over the next 20 years based on the PSU forecasted growth rate. This is well below the estimated capacity of nearly 3,500 units. There is sufficient capacity to accommodate all projected new unit types. After this need is accommodated, there is an estimated remaining capacity of over 2,100 additional units, mostly in the high-density residential zone.
- Figure 8 shows forecasted residential need and capacity by acres, rather than units. There is a projected need for 193 acres of new residential development, but a buildable capacity of 1,253

acres. There is currently sufficient buildable capacity within Umatilla to accommodate projected need.

For more detail on these findings please refer to the Housing and Residential Land Needs Assessment Report and the Buildable Lands Inventory (BLI) maps prepared for the City.

*Figure 7. Estimated Buildable Lands Capacity by Acreage and No. of Units (2019)*

Jurisdiction and Zone	Projected Density (units/net acre)	Unconstrained Acres				Housing Unit Capacity			
		Partially Vacant	Vacant	Total	Share of Total	Partially Vacant	Vacant	Total	Share of Total
DR: Downtown Residential	18	0	4	4	0%	0	41	41	2%
F-2: General Rural	0.05	1	40	41	3%	0	1	1	0%
R-1: Agricultural Residential	0.25	163	63	226	18%	20	4	24	1%
R1: Single-Family Residential	5	11	558	569	45%	34	2,017	2,051	58%
R-1A: Two Acre Residential	0.5	117	36	153	12%	25	12	37	1%
R2: Medium Density Residential	8	3	200	203	16%	14	1,150	1,164	33%
R-2: Suburban Residential	1	36	1	37	3%	16	0	16	0%
R3: Multi-Family Residential	18	5	5	10	1%	60	70	130	4%
R-3: Urban Residential	5	5	5	10	1%	17	12	29	1%
<b>Subtotal</b>		<b>340</b>	<b>912</b>	<b>1,253</b>	<b>--</b>	<b>186</b>	<b>3,307</b>	<b>3,493</b>	<b>--</b>

*Figure 8. Comparison of Forecasted Future Land Need (2039) with Available Capacity*

LAND INVENTORY VS. LAND NEED	Unit Type			TOTAL
	Single Family Detached	Medium-Density Attached	Multi-Family	
Buildable Land Inventory (Acres):	1,036	203	14	1,253
Estimated Land Need (Acres):	163	21	9	193
<b>Land Surplus (Inventory - Need:)</b>	<b>873</b>	<b>182</b>	<b>5</b>	<b>1,060</b>

Sources: Angelo Planning Group, Johnson Economics

## STRATEGIES TO ACCOMMODATE FUTURE HOUSING NEEDS

The Housing and Residential Land Needs Assessment conducted for the City in 2019 indicated that the City had an adequate supply of buildable residential land within its urban growth boundary (UGB) to meet projected housing needs during the next 20 years. If population growth occurs at a faster rate than projected at that time, the City could find that the land supply is less than projected and additional land for residential uses may be needed in the future.

Although the City is not anticipated to need to expand its UGB during the planning period, it can continue to consider and implement a variety of strategies in the future to further provide opportunities for a wide range of housing choices, efficient land use, and development of housing affordable to people with low and moderate incomes. For the planning purposes, “affordable housing” is defined as housing that is affordable to a household that spends 30% or less of its income on housing, including rent or mortgage payments and utilities. Households with low incomes are those who make 80% or less of median household income. Those with moderate incomes make 81-95% of median household income.

The City is already implementing a variety of land use and other strategies that help provide for a wide range of housing options in Umatilla. Potential strategies either not already being undertaken by the City, or with the potential to be strengthened or enhanced, are summarized in the following table. The ability to implement them will depend on available resources, community priorities and other factors.

These strategies are described in more detail in the Housing Strategies Report prepared by the City as part of its Housing Needs Analysis project in 2019.



*Table 1. Overview of Recommended Housing Strategies*

Potential Strategies	Primary Goal(s)
<b>Land Supply and Regulatory Strategies</b>	
<b>1. Urban Growth Boundary (UGB) Amendment or Adjustment (Swap)</b> If there is a deficit of residential land and efficiency measures have been adopted to utilize existing land within the UGB, an expansion may be warranted. If land within the existing UGB is less suitable for residential development than other land outside the UGB, the City could apply to modify the UGB boundary to swap these lands.	Expand the supply of land available for housing.
<b>2. Rezone Land</b> Rezone land from a non-residential zone to a residential zone if there is a deficit of residential land and surplus of commercial, industrial, or other non-residential land. Rezone land from one residential zone to another residential zone to address a deficit in a certain density range or housing type.	Expand the supply of land available for housing.
<b>3. Increase Allowed Density in Existing Zones</b> Increase the allowed density or reduce the minimum allowed size of lots in one or more zones to allow for more compact development and/or a wider range of housing types in specific areas.	Use residential land efficiently, encourage diversity of housing types.
<b>4. Establish Minimum Density Standards</b> In order to ensure that land in medium or higher density zones is not consumed by lower density development, the City could consider adopting minimum density requirements.	Use residential land efficiently, encourage diversity of housing types.
<b>5. Code Updates to Support a Variety of Housing Types</b> Zoning code and other regulatory amendments to increase housing choices and reduce barriers to development for accessory dwelling units (ADUs), cottage clusters, townhomes, and other “missing middle” housing types.	Encourage diversity of housing types.
<b>6. Reduce Unnecessary Barriers to Housing Development</b> Some regulations may constrain housing development to a degree that the corresponding public benefits of the regulation do not outweigh the effect on housing development. These regulations may include off-street parking requirements, architectural design standards, landscaping standards, or other development standards such as setbacks and height regulation.	Reduce housing development costs and barriers.
<b>7. Regulatory Incentives for Affordable or Workforce Housing</b> Creates incentives to developers to provide a community benefit (such as affordable housing), in exchange for ability to build a project that would not otherwise be allowed by the development code.	Reduce housing development costs and barriers, promote construction of new affordable housing.
<b>Incentives for Housing Development</b>	
<b>1. System Development Charge (SDC) Reductions, Exemptions, or Deferrals</b> Exemption or deferred payment of SDCs for affordable housing. Can be applied to regulated affordable housing and/or specific housing types (such as ADUs).	Reduce housing development costs and barriers.

## 2. Expedited Development Review

Variety of strategies to reduce review and processing times for regulated affordable housing development, such as formally adopting shortened review timelines for applications or giving priority in scheduling hearings and meetings with staff.

Reduce housing development costs and barriers.

## 3. Tax Exemptions and Abatements

Tax exemptions or abatements offer another financial incentive to developers that can improve the long-term economic performance of a property and improve its viability. This can be a substantial incentive, but the City will forego taxes on the property, generally for ten years. Other taxing jurisdictions are not included, unless they agree to participate. Tax exemption programs are authorized by the state for specific purposes: Vertical Housing; Multiple-Unit Housing; Non-Profit Low-Income Housing.

Reduce housing development costs and barriers.

## Funding Sources and Uses

### 1. Public-Private Partnerships (PPPs) and Community Land Trusts

Arrangements between public and private entities to create more and/or affordable housing. PPPs can promote a variety of affordable housing programs or projects and include partnerships from multiple entities (public, private, and non-profit). A Community Land Trust is a model wherein a community organization owns land and provides long-term leases to low or moderate income households to purchase the homes on the land, agreeing to purchase prices, resale prices, equity capture, and other terms.

Promote construction of new affordable housing.

### 2. Land Acquisition and Banking

- Land acquisition is a tool to secure sites for affordable housing. Public agencies can identify locations where prices are going up and acquire land before the market becomes too competitive, with the intention to use the land for affordable housing.
- Land banking is the acquisition and holding of properties for extended periods without immediate plans for development, but with the intent that properties eventually be developed for affordable housing. Land banks are often are quasi governmental entities created by municipalities to effectively manage and repurpose an inventory of underused, abandoned, or foreclosed property.

Reduce housing development costs and barriers, promote construction of new affordable housing.

### 3. Construction Excise Tax

Adopt a tax on new construction of between 1 and 3% to help pay for other affordable housing strategies identified here. The tax is a one-time tax assessed on new construction. State law requires it to be spent on specific types of programs and activities.

Provide source of funding for other affordable housing programs.

### 4. Tenant Protection Programs and Policies

Local regulations and enforcement programs that provide protections for tenants of existing affordable housing and low cost market rate housing against evictions, excessive rent increases, discrimination, and health and safety violations.

Protect affordable units and reduce displacement

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### **5. Subsidized Affordable Housing**

Subsidized affordable housing is most often offered through a government or non-profit agency that has established the provision of housing to low-income households as part of their stated mission. Like many communities across the state, the cities of Umatilla County have a significant unmet need for more affordable rental housing. The incentives and tools discussed in this report can be used by cities to provide some funding or cost reductions to agencies that are building affordable housing.

Promote construction of new affordable housing.

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### **6. Financial Assistance or Homebuyer Education Programs**

A range of tools that can be used to maintain housing affordability or to help keep residents in their homes. Possible tools include rent assistance, home buyer education classes, loans for homeowners, or assistance to low-cost apartment owners for repairs and upgrades.

Protect affordable units, reduce displacement, promote homeownership.

### 3. Comprehensive Plan Housing Policies

It is essential that the Comprehensive Plan of every city in Oregon include a robust set of policies directed at meeting the current and future housing needs of each community. The consultant team reviewed the Comprehensive Plan to assess whether it includes the following types of supportive policies:

- **Supports Statewide Planning Goal 10.** Comprehensive Plans typically do and should include a general policy that mirrors Statewide Planning Goal 10 (Housing), stating that the overall goal of the jurisdiction is to *“encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.”*
- **Emphasizes affordable housing needs.** Given that meeting the needs of low and moderate income households often requires public intervention or subsidy, it is important to include policies emphasizing the needs of these households.
- **Supports partnerships.** Most Comprehensive Plan housing elements include policies aimed at supporting other public agencies, non-profits and market rate developers who focus on meeting the needs of low and moderate income households and community members with special housing needs.
- **Encourages a variety of housing types.** In addition to a broad goal or policy about meeting a full range of housing needs, Plans often include policies noting the need for a variety of housing types, including single family attached housing, duplexes, triplexes, multi-family housing and townhomes, as well as less traditional forms of housing such as cottage cluster housing and accessory dwelling units.
- **Affirms Fair Housing goals.** Local governments are required to ensure that their housing policies and standards do not discriminate against or have adverse effects on the ability of “protected classes” to obtain housing, consistent with the federal Fair Housing Act.
- **Supports mixed use development.** Some Plans explicitly support the development of mixed use projects, which typically include upper story housing located above retail or commercial uses.
- **Supports accessory dwelling units.** Comprehensive Plans may include policies specifically referencing support for this form of housing. Recent Oregon legislation requires all cities above a certain size to allow for this form of housing outright in all zones where single-family detached housing is allowed.
- **Supports flexible zoning.** Some Plans include policies which emphasize the need for zoning to be flexible enough to meet a variety of housing needs and keep costs for such housing down, particularly for housing affordable to low and moderate income households.

- **Addresses land supply goals.** Many Comprehensive Plans include policies which reference the need to ensure that adequate land is zoned to meet identified housing needs, and to periodically update the jurisdiction’s inventory of such lands.
- **Supports maintenance and rehabilitation of existing housing.** Many comprehensive plans emphasize maintenance of existing housing stock as a method to prevent unsafe conditions and keep affordable housing available within the community.
- **Supports development of manufactured homes.** Oregon law requires that all zones that allow for “stick built” single family detached homes also allow for manufactured homes on individual lots. Each jurisdiction must also allow for manufactured home parks in at least one residential zone.
- **Regulates short term rentals.** Many communities, particularly those with high levels of tourism, regulate short-term rental housing to reduce its impact on the supply and affordability of long-term rental housing.

## ASSESSMENT OF EXISTING GOAL 10 HOUSING POLICIES

The following housing policies are in the adopted Umatilla Comprehensive Plan Goal 10 Housing Element.

### *SECTION 10.9 HOUSING POLICIES*

*10.9.101 Future residential development will continue to provide prospective buyers with a variety of residential lot sizes greater than minimums, a diversity of housing types, and a range in prices.*

*10.9.102 Building permits will not be issued until final plat approval has been given.*

*10.9.103 Federal programs that provide monies for housing assistance will be utilized as needed.*

*10.9.104 Housing to accommodate senior citizens will be located within easy walking distance of business and commercial areas.*

*10.9.105 The City will re-assess Housing Needs at each Periodic Review. (Ord. 544)*

Table 2 is an evaluation of current Umatilla Housing Plan Policies, as compared to these policy topic areas. Table 2 also provides examples of policy language that can be used to amend or adopt new local policies. This initial assessment is intended to facilitate community discussion about housing and to help articulate City policy direction.

Table 2. Comprehensive Plan Policy Evaluation and Recommendation

<b>Policy Topic</b>	<b>Existing Goal Language</b>	<b>Example Additional or Alternative Language to Consider</b>
<b>Supports Statewide Planning Goal 10.</b>	<b>N/A</b>	The City will support Statewide Planning Goal 10, “encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type, and density.”
<b>Emphasizes affordable housing needs</b>	<b>10.9.103:</b> Federal programs that provide monies for housing assistance will be utilized as needed.	The City will emphasize affordable housing needs, given that meeting the needs of low and moderate income households often requires public interventions.
<b>Supports partnerships</b>	<b>N/A</b>	The City will maintain and/or develop partnerships aimed at supporting other public agencies, non-profits, and market rate developers who focus on meeting the needs of low and moderate income households and community members with special housing needs.
<b>Encourages a variety of housing types</b>	<b>10.9.101:</b> Future residential development will continue to provide prospective buyers with a variety of residential lot sizes greater than minimums, a diversity of housing types, and a range in prices.	A variety of housing types will be encouraged, including single family attached housing, duplexes, triplexes, multi-family housing and townhomes, as well as less traditional forms of housing such as cottage cluster housing and accessory dwelling units.
<b>Supports mixed use development</b>	<b>N/A</b>	Mixed use development will be supported. These developments typically include upper story housing located above retail or commercial uses.
<b>Affirms Fair Housing Goals</b>	<b>10.9.104:</b> Housing to accommodate senior citizens will be located within easy walking distance of business and commercial areas.	Fair housing goals will be supported to ensure that housing policies and standards do not discriminate against or have

<i>Policy Topic</i>	<i>Existing Goal Language</i>	<i>Example Additional or Alternative Language to Consider</i>
		adverse effects on the ability of “protected classes” to obtain housing, consistent with the federal Fair Housing Act.
<b>Supports ADUs</b>	See <b>10.9.101</b>	The City will allow and support the development of Accessory Dwelling Units in all residential zones in accordance with Oregon law. Accessory Dwelling Units are an important housing option that can help meet the need for affordable rental units, reduce housing costs for homeowners, and enable multi-generational living.
<b>Supports Flexible Zoning</b>	<b>N/A</b>	Flexible zoning will be utilized to respond to a variety of housing needs and keep the costs for such housing down, particularly for housing affordable to low and moderate income households.
<b>Addresses Land Supply Goals</b>	<b>10.9.105:</b> The City will re-assess Housing Needs at each Periodic Review. (Ord. 544)	Land supply goals will ensure that adequate land is zoned to meet identified housing needs, and to periodically update the jurisdiction’s inventory of such lands.
<b>Supports Development of Manufactured Homes</b>	See <b>10.9.101</b>	Development of manufactured homes will be supported, as Oregon law requires that all zones that allow for “stick built” single family detached homes also allow for manufactured homes on individual lots.
<b>Supports maintenance and rehabilitation of existing housing</b>	<b>N/A</b>	Maintenance and rehabilitation of existing housing will be a method used to prevent unsafe conditions and keep affordable housing available within the community.
<b>Regulates Short Term Rentals</b>	<b>N/A</b>	Short term rentals will be regulated to reduce their impact on the supply and affordability of long-term housing.

## PROPOSED GOAL 10 HOUSING POLICIES

The following includes the proposed legislative amendments for Umatilla's "adoption ready" Goal 10 Housing Element in the Comprehensive Plan:

### SECTION 10.8 HOUSING FINDINGS

~~10.8.101 Housing should be developed in areas that reinforce and facilitate orderly and compatible community development.~~

~~10.8.102 The City should evaluate proposals for new housing construction in terms of the additional numbers of people with respect to impact on the natural environment, community services, utility support systems, projected housing needs, and the City's capital improvement programming.~~

~~10.8.103 There is currently sufficient buildable capacity within Umatilla to accommodate projected need. The character of this supply can help guide housing policy.~~

*[this section, along with Section 10.1 – Housing Background and Discussion, is proposed to be removed and replaced with the "Housing Conditions and Trends" content in Section 2 of this report]*

### SECTION 10.9 HOUSING POLICIES

~~10.9.101 Future residential development will continue to provide prospective buyers with a variety of residential lot sizes greater than minimums, a diversity of housing types, and a range in prices. A variety of housing types will be encouraged, including single-family attached housing, duplexes, triplexes, multi-family housing and townhomes, as well as less traditional forms of housing such as cottage cluster housing and accessory dwelling units.~~

~~10.9.102 Building permits will not be issued until final plat approval has been given.~~

~~10.9.102 Federal programs that provide monies for housing assistance will be utilized as needed. The City will emphasize affordable housing needs, given that meeting the needs of the low- and moderate-income households often requires public intervention or subsidy.~~

~~10.9.103 Housing to accommodate senior citizens will be located within easy walking distance of business and commercial areas. Fair Housing goals will be supported to ensure that housing policies and standards do not discriminate against or have adverse effects on the ability of "protected classes" to obtain housing, consistent with the federal Fair Housing Act.~~

~~10.9.104 The City will re-assess Housing Needs at each Periodic Review. *(Ord. 544)* Land Supply goals will ensure that adequate land is zoned to meet identified housing needs and the City will periodically update the inventory of residential lands to ensure that supply keeps pace with growth.~~

~~10.9.105 The City will support Statewide Planning Goal 10, "encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density."~~



- 
- 10.9.106    The City will allow for levels of residential density that encourage efficient use of the supply of residential land while maintaining compatibility with the character of existing neighborhoods and ensuring that appropriate standards are in place to mitigate the impacts of development.
- 10.9.107    The City will maintain and/or develop partnerships aimed at supporting other public agencies, non-profits and market rate developers who focus on meeting the needs of low and moderate income households and community members with special housing needs.
- 10.9.108    Mixed use development will be supported. These developments typically include upper story housing located above retail or commercial uses.
- 10.9.109    The City will allow and support the development of Accessory Dwelling Units in all residential zones. Accessory Dwelling Units are an important housing option that can help meet the need for affordable rental units, reduce housing costs for homeowners, and enable multi-generational living.
- 10.9.110    Flexible zoning will be utilized to respond to a variety of housing needs and keep costs for such housing down, particularly for housing affordable to low and moderate income households.
- 10.9.111    The City will periodically evaluate zoning and development code requirements for opportunities to lessen or eliminate unnecessary barriers to residential development and identify alternative regulatory approaches to achieving policy goals.
- 10.9.112    Maintenance and rehabilitation of existing housing will be a method used to prevent unsafe conditions and keep affordable housing available within the community.
- 10.9.113    The City will support development of manufactured home parks in appropriate locations in order to fulfill the need for this form of housing for people with lower or moderate incomes, consistent with state law.
- 10.9.114    Short term rentals will be regulated to reduce their impact on the supply and affordability of long-term rental housing.

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## 4. Housing Measures

The consultant team has identified a variety of measures that the City can undertake to address current and future housing needs identified in the Housing and Residential Land Needs Assessment and BLI. Housing Needs Assessment and Buildable Lands Inventory reports. These measures have been organized into the following categories.

### Land Supply and Regulatory Strategies

1. UGB Expansion or Adjustment (“Swap”)
2. Rezone Land
3. Increase Allowed Density in Existing Zones
4. Establish Minimum Density Standards
5. Code Updates to Support a Variety of Housing Types
6. Reduce Unnecessary Barriers to Housing Development
7. Regulatory Incentives for Affordable and Workforce Housing

### Financial Incentives

1. System Development Charge Exemptions or Deferrals
2. Expedited Development Review
3. Tax Exemptions and Abatements

### Funding Sources and Uses

1. Public-Private Partnerships (PPPs) and Community Land Trusts
2. Land Acquisition and Banking
3. Construction Excise Tax
4. Tenant Protection Programs and Policies
5. Subsidized Affordable Housing
6. Financial Assistance Programs

The remainder of this section describes these potential measures in more detail.

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## LAND SUPPLY AND REGULATORY STRATEGIES

### 1. Urban Growth Boundary Expansion or Adjustment (“Swap”)

#### *UGB Expansion*

The findings of our study do not indicate the need for a UGB expansion to accommodate projected housing needs in Umatilla between 2018 and 2038. However, in the long term, an expansion could be an option beyond the currently planning horizon or if growth rates increase beyond those currently projected. Prior to applying for a UGB expansion, the City would need to complete the following steps:

- Consider and adopt efficiency measures to ensure that land inside the UGB is being used efficiently. Many of the code update recommendations identified below are efficiency measures.
- Demonstrate that there is an insufficient supply of buildable land inside the UGB. Due to relatively low projected growth rates and new housing unit needs, the City likely will need to demonstrate that existing vacant or partially vacant land in the UGB cannot be served with public facilities.

#### *UGB Adjustment (“Swap”)*

Although the findings of the study do not demonstrate the need for a UGB expansion, anecdotally, the city has faced limitations on the current supply of buildable land because owners of large parcels are uninterested or unwilling to develop or sell their properties for future residential development. In small communities with a limited number of large developable properties, this can create a significant barrier to development, at least during the short and medium term. If owners hold onto their properties without a willingness to development over the longer term (e.g., decades), it effectively reduces the community’s supply of buildable land. At the same time, because property ownership and/or owners’ desires to develop can shift, the state of Oregon’s land use planning framework does not allow cities to exclude such land from their BLIs.

One way to address this situation is to remove such parcels from the UGB and add other properties whose owners are more willing or likely to develop their land for housing. State statutes and administrative rules allow for these UGB “swaps.” These exchanges are possible through a process of simultaneously removing and adding land to the UGB to make up for capacity lost by removing land. This process is guided by Oregon Revised Statutes (ORS) 197.764. This ORS section provides specific eligibility requirements and standards for land removed; subsection (3)(b) of this section states that “A local government that approves an application under this section shall either expand the urban growth boundary to compensate for any resulting reduction in available buildable lands or increase the development capacity of the remaining supply of buildable lands.” In exchanging land inside the UGB for land outside the boundary, cities must identify an equivalent supply of land in terms of the land’s

capacity for residential development, considering the presence of natural resource constraints and zoning or allowed density.

While permitted, UGB swaps must comply with several requirements applied to other UGB amendments or expansions, including the following:

- **Location of expansion areas.** The location of the land to be added to replace the land being removed must use OAR 660-024-0065 to determine appropriate study areas. For a city with a UGB population less than 10,000, the city must consider all land within ½ mile of the existing UGB boundary.
- **Exclusion areas.** In considering expansion areas, the city can exclude areas that cannot be reasonably serviced with public facilities, are subject to significant natural hazards, have some a high level of environmental or natural resource value, or are owned by the federal government.
- **Prioritization.** The city needs to prioritize potential expansion areas in terms of rural residential “exception” lands vs. farm and forest lands, with exception lands having first priority, and farm and forest land having the maximum protection from development.
- **Criteria for evaluating expansion areas.** Cities must look at alternative expansion areas and evaluate them using the four locational factors found in Goal 14. These include 1) efficient urban form, 2) public facilities, 3) Economic, Social, Environmental, and Energy (ESEE) consequences, and 4) impact on adjacent farm and forest activities in rural areas. The city’s analysis must consider and analyze all four factors, but the city can weigh and balance those factors based upon a set of findings and policy judgments which, unless they are without merit, will be upheld on judicial review.

In addition to meeting these state requirements, the City will want to consider other factors in this process such as:

- Will potential expansion areas have direct access to roads, sewer or water lines or will they be even more difficult or costly to serve with these facilities than land proposed to be removed from the UGB?
- Will areas proposed for inclusion be in relative proximity to commercial and other services? This is particularly important if new areas are proposed for higher density development.
- Will the areas have any other practical barriers or impediments to residential development or conflict with other strategies to meet future housing needs?

## 2. Rezone Land

One potential strategy to address a deficit of residential land, or of a certain category of residential land, is for the City to initiate a rezoning process. As identified in the Housing and Residential Land Needs Assessment, the City of Umatilla does not have a deficit of residential land in general or in a specific category of residential land, so there is not a basis for rezoning land to meet citywide residential land

supply needs. However, there is a relatively smaller surplus of land available for multi-family development. There is a projected need for 10 acres of land for multi-family housing, and there are 14 acres of buildable land, primarily in the R3 – Multi-Family Residential Zone. If growth rates are higher than projected, then it is more likely the City will experience a deficit of land zoned for multi-family housing than for single-family detached or medium density housing.

It is recommended that the City research opportunities to rezone land from the R1 or R2 zone to the R3 zone in order to expand the supply of land for multi-family housing. In considering the most appropriate location for rezoning land, the city should use the following criteria or factors:

- **Proximity to existing high-density areas.** Extending an existing area of high-density land would reduce impacts on the transition between lower and higher density areas and could increase the level or potential for support from surrounding property owners.
- **Proximity to services.** Ideally, higher density areas should be close to supporting commercial areas (such as downtown Umatilla) and other services (schools, parks, etc.) to help ensure that residents can easily access these services and daily needs.
- **Size and ownership.** The City should prioritize relatively large sites (3-10 acres) and sites under a single ownership or smaller number of owners. Larger sites will be more attractive for development and provide more flexibility for site design. Sites with fewer owners will make it easier to acquire land.

An alternative to rezoning lands into the R3 zone is to increase the allowed density of the R2 zone to ensure that larger multi-family developments (more than 5 units) can also be built in this zone. This alternative is addressed under Strategy #3, below.

### 3. Increase Allowed Density in Existing Zones

This study found that the City of Umatilla has a sufficient supply of residential land if land is built at or near the planned density levels, based on existing zoning. Increasing allowed density in existing zones is not strictly necessary to meet projected housing needs within the existing UGB, however, there are two key benefits to allowing higher densities that should be considered:

- **Housing affordability.** Smaller lot sizes and higher densities allow for some of the major costs of development—such as acquiring land and building infrastructure—to be divided among more units. This decreases the per-unit cost of development and can enable lower sale prices or rental rates.
- **Efficiency of land use and infrastructure provision.** Higher density also helps to ensure that residential land is used efficiently. If growth rates accelerate more quickly than projected, then it will be more important for the City to efficiently use land within the existing UGB. It is also more efficient for the City to provide and maintain roads, sewer, and water systems (on a per-unit basis) to higher density development.

The City's Zoning Ordinance regulates density primarily through minimum lot size requirements in residential zones. Potential amendments to minimum lot size standards are presented in Table 3. These amendments are intended to allow for higher density development while considering the existing character and stated purpose of the zone. Minimum lot width, lot depth, or setback standards may also need to be modified to ensure they are consistent with any changes to minimum lot size standards.

*Table 3. Potential Minimum Lot Size Amendments*

Zone	Existing Minimum Lot Size	Proposed Minimum Lot Size
R1 – Single-Family Residential	Single-Family Detached: 8,000 sq. ft.	Single-Family Detached: 5,000-7,000 sq. ft. Duplex: 5,000-7,000 sq. ft. (same as SFD) <sup>2</sup>
R2 – Medium Density Residential	Single-Family Detached: 5,000 sq. ft. Duplex and Multi-Family: 1 dwelling per 3,500 sq. ft	Single-Family Detached: 5,000 sq. ft. Duplex: 5,000 sq. ft. Triplex: 5,000 sq. ft. <sup>1</sup> Multi-Family: 1 dwelling per 2,500 sq. ft
R3 – Multi-Family Residential	Single-Family Attached: 5,000 sq. ft. Multi-Family: 1 dwelling per 2,000 sq. ft	Single-Family Attached: 2,000 sq. ft. Duplex: 4,000 sq. ft. <sup>2</sup> Triplex: 4,000 sq. ft. <sup>1</sup> Multi-Family: 1 dwelling per 1,500 sq. ft
R4 – Downtown Residential	Single-Family Attached: 2,000 sq. ft. Multi-Family: 1 dwelling per 2,000 sq. ft	Single-Family Attached: 2,000 sq. ft. Duplex: 4,000 sq. ft. <sup>2</sup> Triplex: 4,000 sq. ft. <sup>1</sup> Multi-Family: 1 dwelling per 1,500 sq. ft

<sup>1</sup> Triplexes currently defined as Multi-Family, recommendation is to define separately, see Strategy #5

<sup>2</sup> Duplexes not currently permitted. Recommendation is to make a permitted use, see Strategy #5.

#### 4. Establish Minimum Density Standards

As identified in this study, the City of Umatilla has a sufficient supply of residentially zoned land to meet the projected 20-year housing needs. However, it remains important that the buildable land be used efficiently by developing at or near the maximum density of the zoning district, particularly if there is a chance that growth rates will exceed the projections.

The most direct method to ensure land is used efficiently is to adopt minimum density standards for each residential zone. A minimum density standard would prohibit residential developments that do not meet the intent of the zone.<sup>1</sup> For example, large lot, detached homes would be prohibited in a higher density residential zone, but the minimum density standard may allow for smaller lot detached houses,

<sup>1</sup> Additionally, the City may prohibit housing types that are not consistent with the purpose of the zone. For example, in the City's higher density zones, such as the R3 – Multi-Family Residential and R-4 Downtown Residential zone, the City prohibits detached single-family dwellings and manufactured dwellings on individual lots.

cottage cluster housing, or townhomes. The minimum density standard can be tailored to local conditions and needs but is most effective if it is set at between 50 and 80 percent of the maximum density standard in the zone. Potential minimum density standards for each of Umatilla’s zones is presented in Table 4.

*Table 4. Potential Minimum Density Standards*

<b>Zone</b>	<b>Existing Minimum Lot Size</b>	<b>Proposed Minimum Density</b>
R1 – Single-Family Residential	Single-Family Detached: 8,000 sq. ft. <i>Equivalent density: ~4 units/net acre</i>	Minimum Density: 3 units/net acre
R2 – Medium Density Residential	Single-Family Detached: 5,000 sq. ft. Duplex and Multi-Family: 1 dwelling per 3,500 sq. ft <i>Equivalent density: ~9 units/net acre</i>	Minimum Density: 6 units/net acre
R3 – Multi-Family Residential	Single-Family Attached: 5,000 sq. ft. Multi-Family: 1 dwelling per 2,000 sq. ft <i>Equivalent density: ~16 units/net acre</i>	Minimum Density: 12 units/net acre
R4 – Downtown Residential	Single-Family Attached: 2,000 sq. ft. Multi-Family: 1 dwelling per 2,000 sq. ft <i>Equivalent density: ~16 units/net acre</i>	Minimum Density: 12 units/net acre

## 5. Code Updates to Support a Variety of Housing Types

This study found that the City of Umatilla has sufficient land zoned for single-family detached housing, medium density housing, and multi-family housing. However, there are opportunities to support development of a variety of housing types by reducing unnecessary barriers, providing more flexibility, and tailoring standards to fit a variety of housing types.

There are some housing types that are can be more difficult to develop because development code standards do not address unique characteristics of this housing type or the standards are unnecessarily restrictive. These types include Accessory Dwelling Units (ADUs), cottage cluster housing, duplexes, triplexes, and townhomes. These housing types are considered part of “missing middle housing” because they fall between high density apartments and low density, detached single-family housing. If regulated appropriately, these housing types can be compatible with detached, single-family houses and, therefore, could be permitted outright in most residential zones.

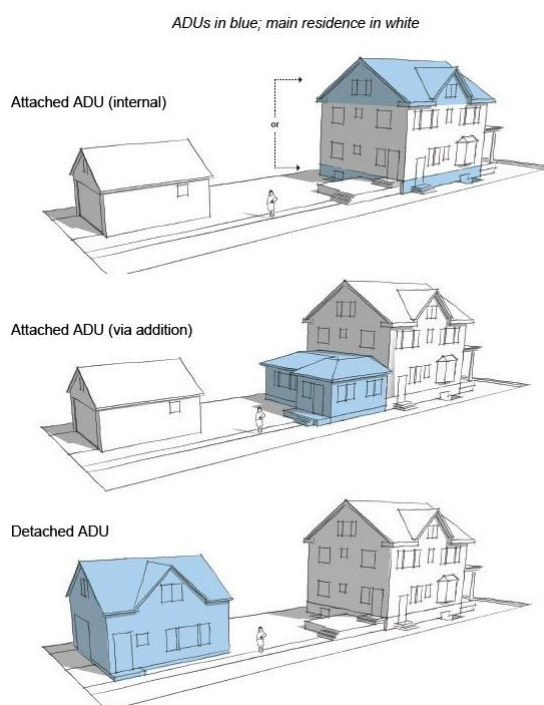
Another common characteristic of these housing types is that they are often smaller individual dwelling units. Given the demographic trends summarized in this study, and the ongoing challenge of providing enough housing options for people with moderate incomes, smaller sized, modest housing units will

continue to be an important need in the City of Umatilla. As demonstrated by the Housing and Residential Land Needs Assessment, there is a need for ownership housing options for households with incomes between \$35,000-\$100,000. Due to the costs of land, infrastructure, and construction, it can be difficult for builders to produce new single-family detached housing that is affordable to households at this income level. These “middle housing” types can be more feasible to provide for this income level because they require less land per unit and can be more efficient to serve with infrastructure.

### *Accessory Dwelling Units*

An Accessory Dwelling Unit (ADU) is a secondary dwelling unit on the same lot as a single-family house that is smaller than the primary dwelling. ADUs can come in three forms: a detached structure, an attached addition, or a conversion of internal living space in the primary dwelling (Figure 9). As ADUs are often invisible from the street or may be perceived as a part of the primary dwelling, they offer a method of increasing density with minimal visual impact on the character of the neighborhood.

*Figure 9. Types of ADUs*



Source: City of St. Paul, MN

ADUs are a viable housing option with several benefits:

- Building and renting an ADU can raise income for a homeowner and help offset the homeowner’s mortgage and housing costs.
- ADUs can add to the local supply of rental units and can provide a relatively affordable rental option for a person or household that prefers living in a detached unit rather than an apartment or other attached housing.



- ADUs offer flexibility for homeowners to either rent the unit or to host a family member. The proximity to the main house can be particularly beneficial for hosting an elderly family member that may need care and assistance.

The state legislature recently adopted a statute that requires cities with a population of over 2,500 and counties with a population over 10,000 to allow ADUs outright on any lot where single-family housing is allowed. This requirement applies to the City of Umatilla. The City complies with this requirement by allowing ADUs in the R1 and R2 zones, where single-family detached houses are allowed.

The Oregon Department of Land Conservation and Development has published a model code for ADUs. The model code is intended to provide basic regulations while ensuring that the standards do not present unnecessary barriers. Umatilla's standards are generally supportive of ADU development; however, the following two amendments are recommended to better support development of ADUs:

- **Number of ADUs (10-11-11.A).** Consider allowing two ADUs on the same lot if one of the ADUs is internal or an attached addition. In these cases, the internal ADU would not be visible from the street and would have a minimal impact on the visual character of the property.
- **Off-Street Parking (10-11-11.E).** Do not require an off-street parking space for the ADU in addition to the spaces required for the primary dwelling. On some lots, it can be difficult or costly to provide an additional parking space if the house and lot were not designed to provide more parking spaces than required at the time of construction.

### *Cottage Clusters*

Cottage clusters are groups of small, detached homes, usually oriented around a common green or courtyard. The units may be located on individual lots that are individually owned or the property may be structured as a condominium with common ownership of the land and private ownership of the houses.

*Figure 10. Example of a Cottage Cluster Development*



Cottage clusters are growing more popular and their development potential is significant. They provide many of the same features of conventional detached houses, but in a smaller footprint, with shared common areas, and arranged in a way that can facilitate a more community-oriented environment (see Figure 10). Cottage clusters can be developed on relatively small lots, as access and parking is shared and the units are relatively small, usually between 500 and 1,200 square feet. The visual character of cottage clusters—detached dwellings with substantial shared yard space—is generally compatible with neighborhoods of detached homes.

A cottage cluster project would be difficult to develop in the City of Umatilla today because it would need variances or adjustments to multiple standards, such as minimum lot size, minimum lot width, setbacks, and density. To support cottage cluster development, it is recommended that cottage cluster housing be defined as an allowed housing type and a specific set of standards developed. Cottage clusters should be permitted through an administrative review process with clear and objective standards. The following are some best practices for creating cottage cluster standards:

- **Density bonus in exchange for maximum unit size.** Allow for increased densities over the base zone in exchange for a cap on the size of individual dwelling units. This combination allows for more dwelling units while ensuring an efficient use of land and compatibility with detached houses on larger lots.
- **Low minimum unit size.** Given maximum house sizes of 1,000-1,200 square feet, allow a wide range of sizes—even as small as 400 square feet—and consider allowing both attached and detached housing.
- **Flexible ownership arrangements.** Do not require a single ownership structure; allow the site to be divided into individual lots, built as rental units on one lot, or developed as condominiums.
- **Supportive lot standards.** Ensure that minimum lot size, setbacks and building coverage requirements do not prohibit cottage cluster development on smaller lots.
- **Balanced design standards.** Draft basic design requirements that ensure neighborhood compatibility and efficient use of land, but that are not so specific as to restrict the ability to adapt to varying neighborhood contexts.

#### *Duplexes, Triplexes, and Townhomes*

Duplexes, triplexes, and townhomes are forms of attached housing that can be compatible with detached, single-family housing while allowing for smaller, more affordable units. The City of Umatilla defines duplexes as “Two-Family Dwellings,” includes triplexes in the definition of “Multi-Family Dwellings,” and uses the term “attached single-family residences” for townhomes. In addition to the minimum lot size adjustments identified under Strategy #3, the following code updates are recommended to better support development of these housing types:

- **Permit Duplexes in the R1 Zone.** There is substantial amount of buildable land that is zoned R1 (approximately 570 acres). There may be opportunities to provide more flexibility in this zone by

allowing duplexes along with single-family housing. Additionally, as identified above in relation to Strategy #3, it is recommended to allow duplexes on the same minimum size of lot as single-family detached houses but to limit the overall size of the building through a maximum lot coverage, maximum Floor Area Ratio (FAR), or maximum unit size standard. If the City requires duplexes to be built on larger lots then this can result in a structure that is larger than most detached houses in the area, because the builder is likely to maximize the floor area of the structure. Allowing duplexes on the same size lots while limiting the size of the structure encourages smaller individual dwelling units and building sizes that are more compatible with single-family houses.

- **Permit Duplexes in the R3 and R4 Zones.** Duplexes are not currently permitted in the R3 and R4 zones, though these zones permit townhomes and multi-family development. A duplex can be built at density level equivalent to a townhome or even a lower density apartment development if it is allowed to be built on a smaller lot. Thus, it is appropriate to allow duplexes in these zones to provide this option where existing lot sizes or market demand may call for this housing type.
- **Regulate Triplexes separately from Multi-Family.** It is recommended to separate triplexes from the definition of Multi-Family Dwellings so they may be regulated separately, where appropriate. This approach is used in the recommended minimum lot size amendments under Strategy #3.

### *Tiny Homes*

Tiny homes have no formal definition, but generally are considered detached dwellings that are less than 400 square feet in size. The demand for tiny houses has grown considerably in recent years and they appeal to a diverse range of people and households. Some are attracted to the prospect of a low-cost, low-impact lifestyle, even if they could potentially afford a conventional home. Local governments and non-profits have also begun to experiment with using tiny homes as either temporary/transitional or permanent shelter for people with very low incomes or those experiencing homelessness.

From a regulatory perspective, one of the key challenges for tiny homes is how they are classified and permitted under the building code. Tiny homes can be built to comply with several different construction standards, and the construction standard they are built to should be considered in determining where and how they can be sited pursuant to the zoning and development code. Broadly, tiny homes can be classified as either intended to be sited permanently or temporarily.<sup>2</sup>

- Permanent tiny homes are attached to an approved foundation. Permanent tiny homes may be built either to the conventional building code—the Oregon Residential Specialty Code (ORSC)—

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<sup>2</sup> For more information on building codes and tiny homes, see this policy brief from the state Legislative and Policy Research Office: <https://www.oregonlegislature.gov/lpro/Publications/Background-Brief-Tiny-Home-Regulation-2018.pdf>

or to the standards that apply to manufactured homes, the U.S. Department of Housing and Urban Development Manufactured Home Construction and Safety Standards (HUD).

- Temporary tiny homes are mounted to a chassis or frame which may have wheels and is intended to be relatively mobile. Temporary tiny homes designed for movement on public highways are built to the standards that apply to Recreational Vehicles (RVs), particularly “Park Trailer” or “Park Model” recreational vehicles.

*Figure 11. Proposed Tiny House Cluster in Bend, Oregon (The Hiatus)*



Additionally, tiny homes may be proposed to be sited as a primary dwelling on an individual lot, as an Accessory Dwelling Unit (ADU), or in a cluster with other tiny homes. Table 5 lays out the various scenarios under which a tiny home may be proposed and identifies key land use and development code considerations. These scenarios should be reviewed with consultation from the local building official as to the appropriate siting for tiny homes. Additionally, public input should be sought on the standards that will guide the location and design of tiny homes in the community under each scenario.<sup>3</sup>

*Table 5. Land Use and Development Code Considerations for Tiny Homes*

		Construction Standard	
		Permanent (ORSC/HUD)	Temporary (RV/Park Model Standards)
Proposed Siting	Primary dwelling unit	<ul style="list-style-type: none"> <li>• If built to ORSC standard, then it is equivalent to a “stick-built” single-family dwelling, but smaller.</li> <li>• If built to HUD standard for manufactured homes, must be permitted wherever “stick-built” single-family homes are permitted.</li> </ul>	<ul style="list-style-type: none"> <li>• Typically prohibited by municipal ordinances related to residential occupancy of vehicles.</li> <li>• The City has discretion to allow temporary siting of individual tiny homes, but should address number allowed, location,</li> </ul>

<sup>3</sup> More information about the regulation of tiny homes is available in this American Planning Association Knowledge Base article: <https://planning.org/knowledgebase/tinyhousing/>

		Construction Standard	
		Permanent (ORSC/HUD)	Temporary (RV/Park Model Standards)
	Accessory dwelling unit	<ul style="list-style-type: none"> <li>If built to ORSC standard, then it is equivalent to a “stick-built” ADU, but smaller.</li> <li>If built to HUD standard for manufactured homes, City has discretion as to whether to allow manufactured homes to be sited as ADUs. If aesthetics of conventional manufactured homes is a concern, then City may adopt design standards addressing features such as roof pitch and siding materials.</li> </ul>	sanitation, and electricity. For example, the City of Portland has deprioritized enforcement of the city’s zoning code to allow the siting of temporary tiny homes in specified locations. <sup>4</sup>
	Cluster/village	<ul style="list-style-type: none"> <li>This format is equivalent to the “cottage cluster” development type. It is recommended that Cities adopt a specific set of standards for cottage clusters. If the City desires to support tiny homes within clusters, then it should evaluate if any standards present barriers to tiny homes, such as minimum unit size standards.</li> <li>The City has discretion as to whether to allow tiny homes built to the HUD standard to be sited in a cottage cluster. However, if the development is proposed to be classified as a manufactured dwelling park, consistent with state requirements, then it must be permitted wherever multi-family dwellings are permitted.</li> </ul>	This format is functionally equivalent to a Recreational Vehicle (RV) park. The City has discretion to define where RV parks are allowed and under what standards. If the City desires to support more widespread use of temporary tiny homes in clusters, then the City should develop standards that are consistent with the standards that apply to RV parks, while allowing for adjustments necessary for tiny home clusters, where appropriate.

## 6. Reduce Unnecessary Barriers to Housing Development

Some code standards can present unnecessary barriers to housing development by restricting options and adding costs to a project where more efficient solutions may be feasible. These standards often include minimum parking requirements, maximum height restrictions, architectural design standards, minimum open space requirements, or public works design standards. Based on a preliminary review of the City of Umatilla’s zoning code, the following standards may present barriers and should be reviewed more closely:

- Maximum Height – R3 and R4 Zones (10-3C-4.D and 10-3D-4D).** The maximum height in the R3 and R4 zones is 35 feet. This height allowance will allow for 3-story buildings, though it may be difficult for some building types and roof designs to fit within this limit. Given that the R3 and R4 zones are intended to higher density development, it may be appropriate to increase the height limit to 45 feet, which would allow for all types of 3-story buildings and most 4-story buildings.

<sup>4</sup> See here for more information: <https://www.portlandoregon.gov/bds/article/659268>



- Minimum parking requirements (10-9-3).** Many developers will include off-street parking as a marketable amenity regardless of the code requirement. However, in some cases, the level of off-street parking required may exceed what the market would otherwise provide and may be unnecessary to effectively accommodating parking needs. This can become an obstacle to housing development because off-street parking lots consume land, reducing developable area on a site and net density, and can render a project economically infeasible. The City requires 2 spaces per single-family detached dwelling and 1 space per unit in a single-family attached dwelling. For duplexes, triplexes, and multi-family development, the City requires 2 spaces for the first 4 units, then 1.5 spaces for each additional dwelling unit in the same structure. A general reduction to 1 space per unit for all dwellings would reduce the potential for parking standards to present a barrier to new development. The City may also consider allowing on-street parking along the frontage of a development to be credited toward off-street parking requirements.
- Street widths.** Street right-of-way consumes land, reducing the area within a site for housing development, and required street dedication and construction is a significant expense associated with development. Street standards are found in Chapter 4, Design and Improvement Requirements, in the Umatilla Land Division Ordinance. The typical local residential street is expected to have a 60 foot right-of-way with 36 feet of pavement.<sup>5</sup> The required standard local street width in Umatilla is slightly wider than the “best practices” standards provided in the Model Development Code and User’s Guide for Small Cities (Model Code).<sup>6</sup> The Model Code recommends minimum local street widths, where parking is permitted on both sides, be 28 feet of pavement within a 44- to 64-foot right-of-way. The City may consider reviewing this standard as part of a public process that considers transportation needs.

## 7. Regulatory Incentives for Affordable or Workforce Housing

As noted above, some development regulations can present obstacles or add costs to housing developments. These obstacles are particularly challenging for developments built by housing authorities, non-profit developers, or even for-profit developers that are attempting to build units affordable to people with lower or moderate incomes.<sup>7</sup> In order to support developments that include units affordable to moderate- or low-income households, the City can offer concessions on regulatory standards. The concessions should be offered in exchange for the development dedicating a minimum

<sup>5</sup> Note that pursuant to the City’s Minimum Street Standards (Land Division Ordinance Section 11-4-2(C)), rights-of-way and pavement widths may be reduced when a low density (R-1 and R-2) development’s anticipated traffic volume is less than 500 vehicle trips per day for.

<sup>6</sup> See <https://www.oregon.gov/LCD/TGM/Pages/Model-Code.aspx>. State model code standards are similar to the recommended widths illustrated in the Transportation Growth Management Neighborhood Street Design Guidelines [https://www.oregon.gov/lcd/Publications/NeighborhoodStreetDesign\\_2000.pdf](https://www.oregon.gov/lcd/Publications/NeighborhoodStreetDesign_2000.pdf)

<sup>7</sup> For classification of low or moderate income, see the Housing and Residential Land Needs Assessment, p. 24

proportion of the units to be regulated as affordable to people with lower or moderate income. The incentives typically include relief from certain development standards such as parking, setbacks, or density. Examples include the following:

- **Parking reductions.** In general, research shows that households with lower incomes tend to have lower car ownerships and driving rates, particularly when residents have ready access to shopping and other opportunities and services. A number of jurisdictions in Oregon provide reductions in off-street parking requirements for developments that are affordable to households with low or moderate incomes. Typically, developments must commit to providing affordable units over a significant length of time (20-60 years).
- **Height or density bonuses.** Some cities allow higher density or greater height in exchange for a commitment to provide housing units that are affordable to households with low or moderate incomes. Height bonuses are typically in terms of number of stories (e.g., one story in an area with an existing height limit of 35 or 45 feet). Density bonuses are typically stated in terms of a percentage of units (e.g., 10-20% is a common threshold). The amount of the bonus can be tied to the affordability levels provided and/or to the number of affordable units. Additionally, setback and bulk standards may be allowed to vary to accommodate the added density or to reduce development costs.
- **Allow flexibility in how affordable units are provided.** In some cases, it may be advantageous to construct the affordable units on a different site than the primary development that is receiving the concession. It may also make sense for the development to purchase existing market-rate units and convert them to affordable units. Allowing flexibility in how the units are provided can also widen the appeal of the program.

## INCENTIVES

Described below are a variety of incentives related to housing development. The City of Umatilla should identify local goals for the types of housing the community is trying to incentivize when weighing the merits of pursuing the following incentives.

### 1. System Development Charge (SDC) Reductions, Exemptions, or Deferrals

Waiver, exemption or deferment of SDC's or development fees directly reduces the soft costs of development to applicants for desired housing types. Development fees are not regulated by state law and cities have significant leeway to waive, reduce, or defer these fees. These fees may typically be applied by planning, building or engineering departments. SDC's face more statutory limitations and other hurdles to implementation. Generally, the reductions should be applied to housing types that demonstrate a similar reduction in demand for services or impacts (e.g. smaller units, multi-family vs. single family, ADU's, housing types that generate less traffic, etc.) However, state law does not directly address reductions that are not justified on these bases. The impacts of SDC or fee waivers will differ by

jurisdiction depending on the size of the local charges. The magnitude of the fiscal impact will mirror how much of a benefit this incentive really provides to the developer.

Some jurisdictions offer full or partial SDC exemptions for affordable housing developments or subsidize them with funding from another source (e.g. urban renewal or general fund). A related type of program can allow developers of affordable housing to defer or finance payment of SDCs, which can reduce up-front costs and financing costs for the developer.

With deferral or financing or SDCs, the fiscal impacts to the City and its partners is minimal because charges are eventually paid. The period of repayment should not be a detriment to public agencies that operate on indefinite timelines. A financing program can be more beneficial to the property owner because SDC's are paid gradually, rather than in a lump sum soon after the completion of the project. However, a financing program also brings additional administrative requirements and costs to the City to track and collect payments over time.

## **2. Expedited Development Review**

Jurisdictions can search for ways to reduce time and costs of the review and permitting process to developers building desired housing types. This incentive can be accomplished by reducing review times, consolidating steps in the process, and reducing or simplifying submittal requirements. In few industries is the old adage that “time is money” more true than in the development industry. The developer is often tying up capital and/or paying interest on loans during the pre-development process. Any reduction in process time translates into reduced costs and greater certainty to the developer and their partners.

Streamlining the process can involve an internal audit of the process to ensure it is efficient for both staff and applicants. This might involve making all permits available in one location with one main contact, providing clear and accessible information on requirements, and also allowing enough flexibility to consider innovative or new forms of development. Streamlining the review and permitting process is usually administratively feasible, though the greatest obstacle is often staff resources to expedite some projects when staff is already busy and/or limited in size. While City review processes could be streamlined, other regulatory review processes also impact the length of the permitting process. For example, state permitting of wetland fill or removal would also need to be streamlined to have a meaningful impact on permit review processes where wetlands are potentially impacted.

Recent statewide legislation also requires that cities with a population over 5,000, and counties with a population over 25,000 allow for 100-day review and decision on qualified affordable housing applications. This applies to the city of Umatilla and to the extent the city has not already complied with these requirements, they should update their land use application and review procedures to provide for the shortened timeline for qualified applications.



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### 3. Tax Exemptions and Abatements

Tax exemptions or abatements offer another financial incentive to developers that can improve the long-term economic performance of a property and improve its viability. This can be a substantial incentive, but a city or county will forego taxes on the property, generally for ten years. Other taxing jurisdictions are not included, unless they agree to participate. Tax exemption programs are authorized by the state for specific purposes:

- Non-profit Low Income Housing (ORS 307.540 – 307.548): Exemptions for non-profit suppliers of affordable housing
- Low-Income Rental Housing (307.515 – 307.523): Broader exemption for projects that include affordable housing that can apply to private developers.
- Homeownership, Rehabilitation in Cities (307.651 – 307.687): An exemption to encourage new development and home renovation for owner (not rental) units of 120% median home price or less.
- Tax Freeze for Property Rehabilitation (ORS 308.450 – 308.481): A program that allows the owner of single-family or multi-family properties to complete renovations on a property, while freezing the assessed value at the prior level.
- Vertical Housing (ORS 307.841 – 307.867): An incentive for housing developments of two or more stories. This partial exemption grows larger with each additional floor of housing provided.
- Multiple-Unit Housing (in transit areas) (ORS 307.600 – 307.637): Intended for town centers and transit areas. May have limited use in rural counties, but may apply where there is regular transit service.

Tax abatements or exemptions alleviate property taxes on certain types of development, often for a set period of time. Exemptions can be a very strong tool to incentivize affordable housing and make proposed projects more viable, depending on how the exemptions are structured

## FUNDING SOURCES AND USES

### 1. Public-Private Partnerships (PPPs) and Community Land Trusts

Most of the strategies discussed below fall under the umbrella of **public/private partnerships** that include a broad range of projects where the public contributes to private or non-profit development. The public involvement usually entails providing some financial incentive or benefit to the development partner in return for the partner's agreement that the development will provide some public benefit for a specified length of time. These partnerships can be used to encourage a wide range of public goals, including certain development forms, affordability levels, public space (plazas, parks), environmental features, mixed uses, etc.

A key barrier to meeting housing needs in Umatilla County has been the lack of development capacity to build the types of housing needed to serve local workers. In addition, owners of large developable properties have not been ready to sell or develop their land for housing. These factors have limited the pace and volume of housing development in the County. Partnerships with local or regional developers, builders and property owners will be a key to encouraging and realizing housing development goals in the area.

The benefit of public/private partnerships is that a city or county does not have to build internal expertise in development, property management, or complicated affordable housing programs. Partner agencies or companies with experience in these types of projects benefit from public contributions, making the projects more feasible.

Public contributions to partnerships with other agencies or companies tend to take the form of a financial contribution (grant or loan), fee or SDC waivers, building adjacent off-site improvements, or tax exemptions or abatements. Many of these tools are detailed in this report. Potential partners in the area include Umatilla County Housing Authority, Habitat for Humanity, CAPECO, the Port, active builders in the region, and key landowners.

**Community Land Trusts (CLT)** is a model wherein a community organization owns land and provides long-term ground leases to low-income households to purchase the homes on the land, agreeing to purchase prices, resale prices, equity capture, and other terms. This model allows low-income households to become homeowners and capture some equity as the home appreciates, but ensures that the home remains affordable for future homebuyers. CLTs may also lease land to affordable housing developers for the development of rental housing or may develop and manage rental housing themselves. Land trusts are typically run as non-profits, with support from the public sector and philanthropy, and could be linked to a land bank. Land trusts can be focused on homeownership or rental units.

Given the distinctive legal structure of CLT's it is likely best for public agencies and its cities to consider partnering with a non-profit community organization to administer this program. The cities can help identify key opportunities for this model and help to capitalize the efforts of its partner. Other CLT's working in different parts of Oregon include Proud Ground and Habitat for Humanity. The latter organization is not a CLT per se but uses a similar approach to maintaining the affordability of the homes it builds largely through volunteer labor. Initial inquiries to these organizations regarding their interest in operating in Umatilla County and the type of support they typically seek from local governments would be an important first step in implementing this strategy.

## **2. Land Acquisition and Banking**

**Land acquisition** is a tool to secure sites for affordable housing. Public agencies can identify locations where prices are going up and acquire land before the market becomes too competitive, with the intention to use the land for affordable housing. The ability to identify promising sites within these

locations and act quickly and efficiently in acquiring them can tip the scales to make an affordable housing development financially feasible.

**Land banking** is the acquisition and holding of properties for extended periods without immediate plans for development, but with the intent that properties eventually be developed for affordable housing. Land banks are often are quasi-governmental entities created by municipalities to effectively manage and repurpose an inventory of underused, abandoned, or foreclosed property. Public agencies or larger nonprofits may be better equipped than small community development corporations to do both land acquisition and banking.

Control of a key site gives a public agency ultimate say in what happens in that location. Typically, a development partner is eventually identified to develop the site, and the value of the property provides a significant incentive that the city can contribute to the project. Through reduced property transfer, the city can ensure that the development meets public goals such as affordable housing, multi-family housing, mixed uses, etc. The discounted land may also allow development forms that would not typically be economically feasible to become viable. Acquisition of new land may be expensive, but reuse of surplus public land may be possible with little new cost to the public agency.

### 3. Construction Excise Tax

A construction excise tax (CET) is a tax on construction projects that can be used to fund affordable housing. According to state statutes, the tax may be imposed on improvements to real property that result in a new structure or additional square footage in an existing structure. Cities and counties may levy a CET on residential construction for up to 1% of the permit value; or on commercial and industrial construction, with no cap on the rate of the CET.

The allowed uses for CET funding are defined by the state statutes. The City may retain 4% of funds to cover administrative costs. The funds remaining must be allocated as follows, if the City uses a residential CET:

- 50% must be used for developer incentives (e.g. fee and SDC waivers, tax abatements, etc.)
- 35% may be used flexibly for affordable housing programs, as defined by the jurisdiction.
- 15% flows to Oregon Housing and Community Services (OHCS) for homeowner programs.

If the City implements a CET on commercial or industrial uses, 50% of the funds must be used for allowed developer incentives and the remaining 50% are unrestricted.

To date, eight jurisdictions (Portland, Corvallis, Cannon Beach, Hood River County, Hood River City, and Newport) have passed local CETs under the new state statutes, and many others are considering adopting the tool.

The primary advantage of a CET is that it would provide a source of funding for other programs or measures aimed at helping subsidize the cost of affordable housing in the community, either through

city-led programs or those implemented by private or non-profit partners. In addition, once a CET is established, it would be straightforward to administer through the development permitting process. On the down side, CET increases development costs in an environment where many developers are already seeking relief from systems development charges, so it could impact development feasibility and increase the costs of housing more generally. However, by structuring the policy with offsetting incentives or tools to reduce development barriers, the City could potentially limit the impact on feasibility for certain projects.

Establishing a construction excise tax would necessitate that the City Council pass a new City ordinance. The City should work closely with the development and housing community in developing the fee structure. Implementing programs would need to be developed, and possibly coordinated with housing partners.

#### **4. Tenant Protection Programs and Policies**

Tenant protections include local regulations and enforcement programs that provide protections for tenants of existing affordable housing and low-cost market rate (LCMR) housing against evictions, excessive rent increases, discrimination, and health and safety violations. Tenant protections can also provide various types of assistance to renters. The purpose of these protections is help tenants of affordable units to access and retain their housing, particularly for very low-income and other vulnerable community members. Tenant protections can be implemented through policies and/or programs. The Oregon State Legislature is currently in the process of reviewing Senate Bill 608, which would regulate some tenant protection policies statewide. With the exception of rent regulation, local jurisdictions have the ability create tenant protection regulations that go beyond state requirements as long as they do not conflict with them. Homeowner protection programs could include education as well as financial and technical assistance to stabilize and combat predation of low- and moderate-income homeowners. Rent stabilization legislation was adopted by the State of Oregon during the 2019 legislative session and the state will essentially administer associated programs. The remainder of this section focuses on other types of tenant protection programs.

**Notification for No-Cause Evictions.** Under the provisions of ORS 90.427, landlords are required to give 30- or 60-day notification of no-cause evictions. Previously, some jurisdictions, including Portland and Milwaukie, increased the no-cause eviction notice to 90-day. However, Senate Bill 608, mandates a 90-day notice for no-cause eviction statewide. Senate Bill 608 was passed on February 28, 2019 and is effective immediately.

**Renter Relocation Assistance.** These programs require landlords to pay a set amount to assist tenants when lease conditions change—such as no-cause eviction, substantial rent increase, or not receiving the option to renew a lease. Relocation assistance programs have been implemented by the cities of Portland, OR and Vancouver, BC during the last several years. Recent state legislation also addresses these programs.

**Rental Registration.** These programs allow jurisdictions to keep an accurate inventory of residential rentals. A well-maintained inventory can help improve notification of changes to local landlord-tenant laws. Also, the program helps monitor and protect tenants while requiring more responsibility and accountability from landlords.

**Rental Inspection Program.** Rental inspection programs monitor rentals to protect tenants and require more accountability from landlords. Inspection programs can be combined with a registration program or stand-alone. Also, the types of housing or dwellings that are required to register for the program can vary to all housing, affordable housing, multi-family housing, or other criteria. Several Oregon jurisdictions have rental inspection programs, including the cities of Gresham and Salem.

Several of these programs require relatively significant administrative time and resources and may not be appropriate for the City at this time but could be considered for implementation in the future.

## **5. Subsidized Affordable Housing**

For the lowest-income renters to secure housing that is affordable typically requires some type of rental subsidy to reduce the cost of rent. These programs typically take the form of affordable properties, where the rent of all or a portion of the units is maintained at a lower-than-market level or the renter is only required to pay a set percentage of their income towards rent despite the nominal rent level. Another form of subsidy is through a housing choice voucher assigned to the household which is portable.

Subsidized affordable housing is most often offered through a government or non-profit agency that has established the provision of housing to low-income households as part of their stated mission. Housing Authorities such as Umatilla County Housing Authority are often one of the largest, if not the largest providers of affordable housing in any given area. Housing Authorities administer many of the largest HUD affordable housing programs including public housing, project-based Section 8, and Section 8 vouchers. Housing Authorities also often serve the lowest income renters, often qualifying as “extremely low income” or earning 30% or less of the Area Median Income.

Other non-profit agencies also specialize in providing subsidized rental housing. Often these properties or units are affordable to those at somewhat higher income levels than public housing, and may focus on a specific population such as seniors or farmworkers. Properties built by non-profit housing agencies often require a complex combination of programs, tax credits, and other financing to complete the development.

Like many communities across the state, the cities of Umatilla County have a significant unmet need for more affordable rental housing. Cities can support the development and maintenance of subsidized affordable housing by ensuring that the Comprehensive Plan states support and that the zoning code and other standards do not place obstacles to the development of affordable housing where similar

market-rate structures are permitted. The incentives and tools discussed in this report can be used by cities to provide some funding or cost reductions to agencies that are building affordable housing.

## **6. Financial Assistance & Homebuyer Education Programs**

There is a wide range of programs intended to provide incentives to property owners and builders to build and maintain housing stock (in addition to the state-authorized tax incentives discussed above). These tools can be used to maintain housing affordability or to help keep residents in their homes. These programs are typically aimed at property owners or renters, but public agencies can be well versed in these resources and ensure that public incentives can dovetail with these programs to have maximum impact. These programs include:

### **Homebuyer Education Classes (CAPECO)**

- Classes for first time homebuyers are offered throughout the state sponsored by Oregon Housing and Community Services. In Umatilla County, CAPECO offers classes and one-on-one counseling to teach the basics of the home buying process, including housing choice, spending plan, and financing.

### **Greater Eastern Oregon Development Corporation (GEODC)**

- Northeast Regional Housing Rehabilitation Loan Program: This program provides 0% interest, deferred payment loans to qualified homeowners to rehabilitate and maintain housing so households can stay in place and lower-cost housing stock can remain in service. This program is funded through Community Development Block Grant funding among other sources.

### **USDA Housing Programs**

The USDA provides a wide range of rural housing and community development grants and loans that may be applicable in some or all of Umatilla County. Many of these programs are aimed directly at providing financing in areas and for projects that have difficulty gaining financing from other sources.

- Farm Labor Direct Loans and Grants
- Housing Preservation & Revitalization Demonstration Loans and Grants
- Housing Preservation Grants
- Multi-Family Housing Direct Loans
- Multi-Family Housing Loan Guarantees
- Multi-Family Housing Rental Assistance
- Single Family Housing Direct Loans
- Single Family Housing Loan Guarantees

- 
- Mutual Self-Help Housing Technical Assistance Grants (to orgs to implement Habitat-for-Humanity model)
  - Rural Housing Site Loans (to purchase sites for low- and moderate-income housing)

Regional or local housing coordinators should maintain familiarity with these programs and consider the ways that other programs can leverage these resources to amplify the total incentives



# West Umatilla County Housing Study

Residential Lands Needs Analysis and Housing Strategies

Advisory Committee Meeting # 3

May 30, 2019



LAND USE PLANNING  
TRANSPORTATION PLANNING  
PROJECT MANAGEMENT



# Agenda










1. Introductions (5 min)
2. Project Scope and Schedule (5 min)
3. Residential Lands Needs Analysis Review (10 min)
4. Housing Strategies Discussion (60 min)
5. Next Steps (10 min)

# Project Scope



# Project Schedule



	December	January	February	March	April	May	June
<b>Meetings</b>  AC  Public				 			 
<b>Housing Needs Projection</b>	Draft				Final		
<b>Buildable Lands Inventory</b>	Draft				Final		
<b>Residential Land Needs Analysis</b>					Draft	Final	
<b>Measures to Accommodate Needed Housing</b>					Draft		Final

# Residential Lands Needs Analysis: Overview



CITIES	20-Year Housing Need	NEEDED HOUSING ACREAGE			BUILDABLE RES. ACREAGE			Surplus Acreage
		Low Density	Medium Density	Multi-Family	Low Density	Medium Density	Multi-Family	
Echo UGB	19	3	0	0	86	1	24	107
Stanfield UGB	45	4	0	1	393	11	44	443
Umatilla UGB	1,151	163	21	9	1,036	203	14	1,060

# Comprehensive Plan Policies



## Fundamental Housing Policies

- Support Statewide Planning Goal 10
- Emphasize affordable housing needs
- Support partnerships
- Encourage a variety of housing types
- Support mixed use development
- Affirm Fair Housing Goals
- Support ADUs
- Support flexible zoning
- Address land supply goals
- Support development of manufactured housing
- Support maintenance and rehabilitation of existing housing

*+ Additional policies tailored to local issues and priorities*

# Housing Strategies: Overview



## Land Supply and Regulatory Strategies

1. UGB Expansion or Adjustment (“Swap”)
2. Rezone Land
3. Increase Allowed Density in Existing Zones
4. Establish Minimum Density Standards
5. Code Updates to Support a Variety of Housing Types
6. Reduce Unnecessary Barriers to Housing Development
7. Regulatory Incentives for Affordable and Workforce Housing

## Financial Incentives

1. System Development Charge Exemptions or Deferrals
2. Expedited Development Review
3. Tax Exemptions and Abatements

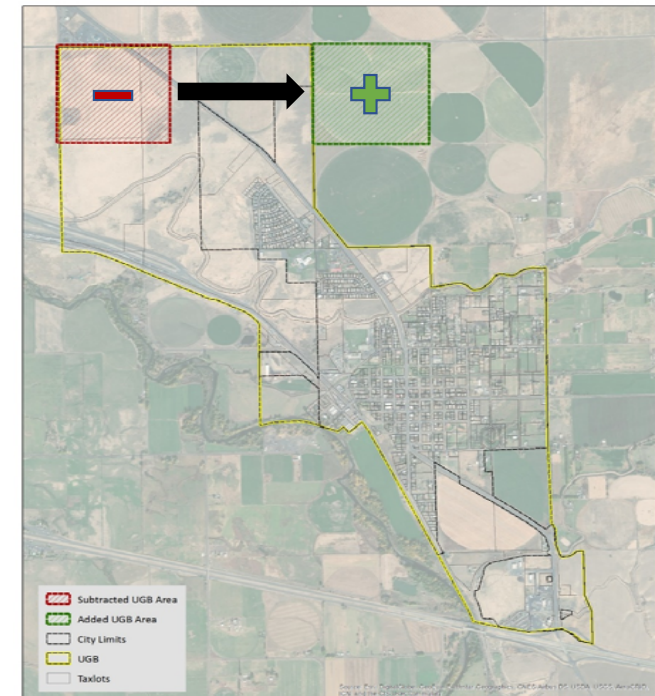
## Funding Sources and Uses

1. Public-Private Partnerships (PPPs) and Community Land Trusts
2. Tenant Protection Programs and Policies
3. Land Acquisition and Banking
4. Construction Excise Tax
5. Financial Assistance Programs

# UGB Expansion or Adjustment (“Swap”)



- UGB expansion not required to meet 20-year housing needs. Prior to future expansion, need to:
  - Adopt efficiency measures
  - Demonstrate insufficient supply of land in UGB
- Consider opportunities for a UGB swap if it would result in net increase in available residential land
  - Must identify equivalent supply of land in terms of capacity for development
  - Must complete a locational analysis, meet Goal 14 criteria for expansion areas
  - Consider proximity to public facilities, commercial services, developability of the land

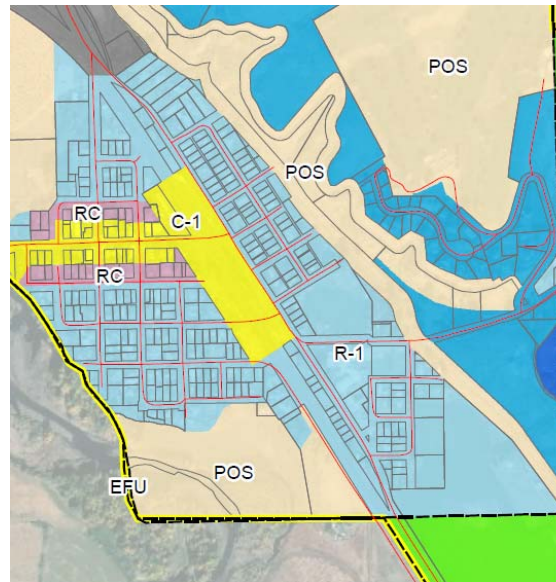


**UGB Swap (example)**

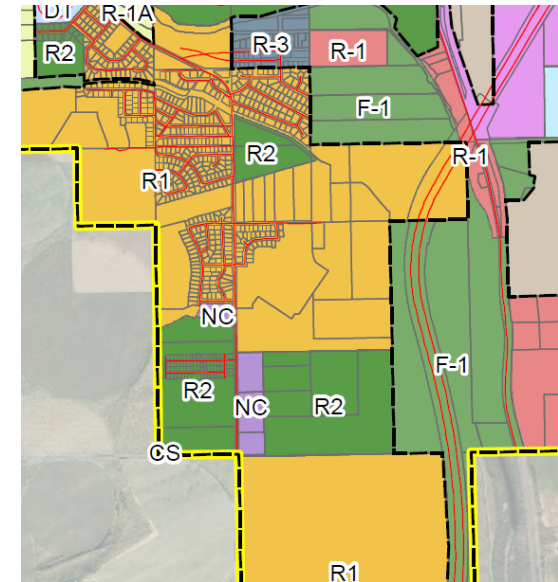
# Rezone Land



- **Echo:** Consider following rezoning strategies:
  - Rezone land near the town center from R1 to R3.
  - Rezone land from R4 or F1 to R2 or R1 when it is annexed into the City.
- **Stanfield:** N/A
- **Umatilla:** Research opportunities to rezone land from the R1/R2 to R3 zone in order to expand the supply of land for multi-family housing



Echo R1 zone near town center



Umatilla R1 and R2 zoning



# Increase Allowed Density



- Benefits of higher density
  - Housing affordability
  - Efficiency of land use and providing infrastructure
- Best practice recommendations
  - Single-family detached: Minimum lot size no more than 5,000-6,000 sq. ft.
  - Duplexes and triplexes: Allow on the same size lot as single-family detached for compatibility and affordability
  - Townhomes: Minimum lot size no more than 2,500 sq. ft.
  - Multi-Family: Same size lot as single-family for first three units, plus 800-1,500 square feet per each additional unit

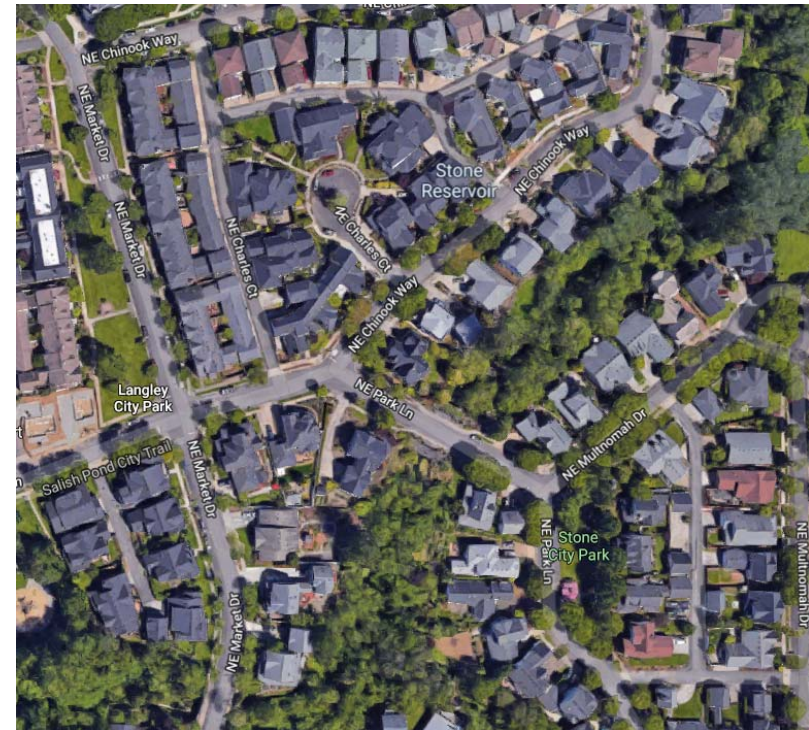


**McNary Neighborhood with 5,000 sq. ft. lots**

# Establish Minimum Density Standards



- Ensure efficient use of land that meets the intent of the zone
- Typically set at 50%-80% of the maximum density of the zone
- **Echo:** N/A
- **Stanfield:** Currently established at 3 units/ac
- **Umatilla:** Proposed standards:
  - R1 zone: 3 units/net acre
  - R2 zone: 6 units/net acre
  - R3 and R4 zone: 12 units/net acre



Example of a neighborhood with a mix of housing types (Fairview Village, Gresham)

# Code Updates to Support a Variety of Housing Types



- **Accessory Dwelling Units (ADUs):**
  - Allow outright in all residential zones with special standards
  - Do not require owner occupancy
  - Do not require additional parking space
- **Cottage Clusters:**
  - Allow outright in all residential zones with special standards
  - Provide a density bonus in exchange for size cap
  - Supportive lot size and setback standards
  - Allow as individual lots or multi-family
- **Duplexes, Triplexes, and Townhomes:**
  - Allow duplexes and triplexes on same size lot as single-family detached
  - Cap total size or width of structure for compatibility in single-family zones
  - Permit as townhome lots or one lot



**ADU**



**Cottage Cluster**



**Plexes**



**Townhomes**



# Remove Unnecessary Barriers to Development



- **All jurisdictions: Minimum off-street parking requirements**
  - Parking is a significant cost in development
  - Excessive parking requirements can render a development project infeasible to build
  - Best practices:
    - Require no more than 1 space per unit
    - Allow a credit for on-street parking
    - Allow additional reductions for developments that provide certain amenities or features
    - Allow additional reductions in certain zones/areas
- **Echo:** Evaluate park land dedication requirement
- **Stanfield:** Evaluate and modify design standards related to articulation and window coverage



Surface parking lots can cost **\$1,500** to **\$5,500** per space, and parking garages can cost \$18,000 to \$45,000 per space in construction costs alone

Source: [“Costs of Mismanaged Parking”](#), DLCD

# Regulatory Incentives



- Code standards can add costs, so concessions on standards can present substantial benefits
- Provide concessions on code standards in exchange for development of income-restricted affordable housing units
- Pick a target income level:
  - 80% of median income = low income (“workforce”)
  - 50% of median income = very low income
  - 30% of median income = extremely low income
- Identify standards for which a concession would be a significant benefit: height, parking, density, open space.
- Allow development provide units in multiple ways:
  - On-site, new construction
  - Off-site, new construction or preservation/conversion
  - Fee-in-lieu



Tri-Harbor Landing, affordable housing in Umatilla



Hacienda West, workforce housing in Hermiston

# Financial Incentives



- **System Development Charge Reductions, Exemptions or Deferrals**
  - Reductions: Consider scaling by unit size/type
  - Exemptions: Target desired housing (affordable units, ADUs), must be offset
  - Deferral or financing: Significant benefit, less fiscal impact
- **Expedited Development Review**
  - “Time is money”: faster review can reduce softs costs, such as interest
  - Requires upfront work to audit process, may require more staff resources
  - Target to desired housing types or locations
  - Umatilla: State law requires decision on affordable housing in <100 days
- **Tax Exemptions and Abatements**
  - Substantial benefit, but reduced revenues for ~10 years
  - Only applies to city or county property taxes
  - Must be state-authorized for specific types of development

<b>Project Revenues</b>	
Number of Units	50
Average Sale Per Unit	\$ 400,000
Gross Sales	\$ 20,000,000
Less Commissions, Fees	- \$ 800,000
<b>Net Project Revenues</b>	<b>\$ 19,200,000</b>
<b>Project Costs</b>	
Land Acquisition	\$ 2,575,000
Planning, Design & Approvals	\$ 600,000
Sitework & Building Construction	\$ 12,175,000
Amenities, Off-Site Costs	\$ 100,000
Management & Overhead	\$ 1,760,500
<b>Total Project Costs</b>	<b>\$ 17,210,500</b>
<b>Net Cash Flow Before Financing</b>	<b>\$ 1,989,500</b>
<b>Financing Interest</b>	<b>\$ 1,102,400</b>
<b>Net Cash Flow to Developer</b>	<b>\$ 887,100</b>
Cash Investment	\$ 1,020,600
<b>Total Cash-On-Cash Return</b>	<b>86.9 %</b>
<b>Annualized Cash-On-Cash Return</b>	<b>19.9 %</b>
<b>Internal Rate of Return</b>	<b>22.4 %</b>

## Hypothetical development pro-forma

# Funding Sources and Uses



- **Public-Private Partnerships (PPPs) and Community Land Trusts (CLTs)**
  - PPP: Public contribution to a project for a public benefit
    - Contribution: Grant or loan, fee waiver, funding public improvements, land dedication
    - Benefit: Desired development type or location, affordable units, public space, environmental
  - CLT: Community organization owns land, low-income household owns housing unit
    - Long-term “ground lease” to low-income household reduces cost of ownership, gain equity
    - Community organization retains control of sale and use
- **Land Acquisition and Banking**
  - Identify sites in areas where prices are rising, acquire with intent to use for affordable housing
  - Hold properties for extended periods with intent to use for affordable housing (“patient capital”)
  - When appropriate, develop through a public-private partnership

# Funding Sources and Uses



- **Tenant Protection Programs and Policies**
  - State laws: rent stabilization requirements, 90-day notification for no-cause evictions
  - Other options for local programs: Renter relocation assistance, rental unit registration, rental inspection program
- **Construction Excise Tax**
  - Tax on construction projects used to fund affordable housing development
  - Residential: Up to 1% of the permit value; Commercial/Industrial: No limit
  - Allowed uses: Defined by statute, generally no more than 50% can be used on incentives
  - Dedicated funding source, but should consider offsetting costs to developers
- **Financial Assistance Programs**
  - Homebuyer Education Classes (CAPECO)
  - Greater Eastern Oregon Development Corporation (GEODC)
  - USDA Housing Programs



# Next Steps



- Incorporate your feedback with further input from City staff
- Finalize Housing Strategies Report and “Adoption Ready” Comprehensive Plan Housing Element
  - ✓ Findings
  - ✓ Comprehensive Plan Housing Policies
  - ✓ Land Supply and Regulatory Strategies
  - ✓ Incentives
  - ✓ Funding Sources and Uses
- Project complete by June 30, 2019



6/4/19

**To:** Project Management Team  
**From:** Darci Rudzinski and Jamin Kimmel, Angelo Planning Group  
**Re:** West Umatilla Housing Needs Analysis and Buildable Lands Inventory Advisory Committee Meeting and Public Open House Summary

---

Advisory Committee Meeting: 4:00 PM & Public Meeting: 6:30 PM  
Stafford Hansell Government Center, Hermiston  
May 30, 2019

### Advisory Committee Attendees

Kelly Nobles, Umatilla Planning Commission  
Anthony Potts, Ambience Homes, Tri-Cities  
Tracy Hunter, Realtor, EXP Realty in Hermiston  
Eujeana Hampton, Mayor of Echo  
Steve Otzenberger, Chair of Stanfield Planning Commission  
Susan Whelan, City Council member, City of Stanfield

Project Management Team in attendance:  
Tamra Mabbott: Community Development Director, Umatilla  
Blair Larsen: City of Stanfield, City manager  
David Slaght: City of Echo  
Jamin Kimmell: Angelo Planning Group  
Darci Rudzinski: Angelo Planning Group

Darci Rudzinski welcomed attendees and shared that objective of the State grant-supported project is to provide a housing needs analysis for the cities of Umatilla, Stanfield and Echo. She reminded everyone that their first meeting and the first public open house in March of this year focused on the analysis and results of a buildable lands inventory (BLI) and housing needs study. The second meeting in April, presided over by Brendan Buckley of Johnson Economics and attended via phone by the rest of the consultant team, reviewed the outcome of the reconciliation of future housing needs and land supply. This is the final section of the Housing and Residential Land Needs Assessment report for each city; the outcome of this exercise will be discussed tonight. The last part of the project, and the focus of tonight's meetings, is to consider comprehensive plan policy changes and strategies to provide housing in each jurisdiction.

Darci asked that people introduce themselves and share one way that they would like to see their jurisdiction advance housing opportunities in the area. Ideas included:

- Address the disparity between income and home prices. Housing should be affordable and safe. Currently we're not paving the way to produce housing for the next generation of home buyers.
- Fix some of our zoning. The Umatilla Planning Commission has identified some concerns already, but we need to focus on things that need to be addressed, things we know we should have in the code.
- We don't have the housing in any capacity. Don't see the inventory for allowing people to shift for upsizing or downsizing.
- Provide for more housing opportunities but don't sacrifice livability ("Keep Echo Echo").
- Inventory is low; want to get more homes without compromising livability.
- Stanfield wants to make sure we get our share of new housing. This is a shared market between the Cities, with commuting across cities being common, but we want to have our share of growth coming to the area. Need to get the strategies in place to keep the city attractive to realtors and buyers.
- Stanfield is an attractive enough city that someone would want to build there. Urban Renewal is also part of the solution, as older houses need help.
- Growth and beautification of Stanfield. Encouraging to see what is happening with the community.
- The closure of Union Pacific Yard/Machine Shop means that close to 200 people may be leaving, putting more houses on the market.
- There's a connection between livability and housing. Umatilla will be following up with an Economic Opportunities Analysis.
- A lot of W. County residents are less concerned about where (which city) they live.
- Higher wage jobs are leaving, although jobs are still available in the area – Union Pacific leaving maybe a blip.
- Amazon is buying property, creating job opportunities.

Darci recapped the project scope and schedule. She noted that holding this meeting in May puts the project a little ahead of schedule. The consultants' work will be completed in June.

Jamin Kimmell gave an overview of the Residential Needs Analysis, describing the slide that depicted demand for land in acres to satisfy housing need, broken out in low, medium and multi-family housing categories. He noted the surplus the cities have in land available for future housing. He also acknowledged that there is some concern about population forecasts being too low. He reiterated that for this analysis the cities are required to use figures from Portland State University, which is responsible for generating the official State population forecasts.

There is no deficit in land to accommodate the 20-year need in each city and the surplus is ample with the exception of land for multifamily in Umatilla, where the projected surplus is only 5 acres. Anthony Potts remarked that 11 acres of R-2, medium density (which allows some multi-family) will be developed as single family. Darci noted that inventories are a moving target and that you have to settle on a forecast and inventory in order to make some policy decisions. She pointed out that there were some modifications to the BLI regarding the developability of specific lots since the Advisory Committee first reviewed the analysis. David Slaght remarked that Echo still doesn't agree with the conclusions. Darci noted that, as discussed at the first meeting, there are opportunities to review and revise the population projections with the State/PSU.

Jamin reviewed what was fundamental to include in a local comprehensive plan in order to be consistent with Statewide Planning Goal 10 and address local housing needs. The baseline findings of the Residential Lands Needs Analysis, as included in the Housing Strategies Report (Report), and revised housing policies will update each jurisdiction's comprehensive plan. The findings and community response to the strategies will help tailor this future update. The approach in the Report is in Table 1, which lists fundamental policy topic areas, identifies if it is addressed in city comprehensive plan policy, and provides sample language on how it could be improved or included. Darci noted that policies not only memorialize each city's goals for housing, they also help guide future decision-making and can be helpful support for grant requests. The Advisory Committee should come back to this list to help identify what to emphasize for their jurisdiction after discussing the housing strategies.

Jamin next reviewed the housing strategies under the following three categories: Land Supply and Regulatory Strategies, Financial Incentives, and Funding Sources and Uses. Since there is no land supply deficit identified, a UGB expansion is hard to support. Blair Larson asked how much sway the City would have with the State if the current pace of growth continues and results in exhausting the land supply in 3-4 years. The consultants responded that if cities see that growth, it should be reflected in future PSU numbers. Cities may revisit housing needs if rapid growth exhausts the housing inventory/land supply sooner than expected, which would be a justification for updating the BLI and possibly getting funding to help with a future planning project. Tamra Mabbot said that cities will also see how accurate 2020 Census will be, which could affect the findings of a future housing needs analysis. Jamin said that a more supportable approach than expansion may be a UGB swap; if an equivalent supply of land in terms of capacity can be found outside the UGB, land inside the UGB could be removed and taken out of the inventory in exchange. While the Report doesn't identify specific land, it does lay out the process for completing a UGB swap. Such an action would have to be consistent with Statewide Planning Goal 14, Urbanization.

Steve Otzenberger noted that when Stanfield upgraded the sewer plant, the growth projection in 1996 was for 150 homes. The concern is that growth will outpace infrastructure. Darci said that Goal 10-related planning was definitely tied to infrastructure, but that providing and sizing facilities involves other considerations beyond the housing study.

Rezoning to allow for more or different types of housing is another tool to consider. Jamin mentioned Echo's situation, where there is an opportunity to rezone land currently outside of city limits to urban densities upon annexation. For Umatilla, there may be opportunities to convert some land in the R1/R2 zones to R3 in order to expand the supply of land for multi-family. Blair clarified that Stanfield has one residential zone, where single family, triplex, duplex, and townhomes are permitted. The City has a Multi-family subzone, as well as a manufactured home park (single-wide; double- and triple-wides are allowed in other zones). Kelly Nobles noted that Umatilla's zoning hierarchy, where each higher density zone allows all the uses in lower density zones. The downside is that lower density housing may use the supply where higher density housing types are planned/allowed.

In discussing the potential for increasing allowed densities, Jamin clarified that Minimum Density Standards suggested in the Report are usually applied to subdivisions and are typically 50-80% of the maximum density. Stanfield applies this already. Minimum density standards are proposed for Umatilla; as an example, to meet the minimum density requirement in a R3 or R4 zone, you would need to build apartments. This tool would allow for diversity of housing types within a subdivision, as long as the minimum density is achieved. Anthony urged the cities to revisit street standards, as wider streets impact cost. As an example, Umatilla's local street right-of-way standards are 60' vs. Kennewick's 40'. Tamra noted that the City Manager has discretion to modify standards up to a certain percent. Kelly cited an example where street widths were sized to include utility easements. Anthony said that developments can have utility easements next to the right-of-way, but on private property side. He requested a comparison of standards required by neighboring cities. Darci noted the cost and environmental impacts of larger streets and cited a Transportation Growth Management guidebook (Neighborhood Street Width Guidelines) that provides suggested street dimensions.

Blair said the Stanfield's streets that were laid out in 1810 were very generous and that property owners think they have larger yards that they actually do. City doesn't want that land, or need it, and thinks it could be vacated where it abuts developed land. This may make sense where the housing stock is ripe for redevelopment. The biggest barrier is that utility lines already run through these areas. He would like to identify under what circumstances the City would support street vacation.

Jamin explained that increasing allowed density allows development costs to be spread across more units and can result in more efficiencies re: infrastructure. The specific recommendations are in the Report, but the general recommendation is to include minimum lot size of 5,000-6,000 sq. ft. He noted that Stanfield's code is pretty close to that standard. Kelly inquired whether a triplex is considered multi-family. Jamin responded that it depends on the jurisdiction, but generally the recommendation is to treat triplexes differently, because they can theoretically fit in well in single family zones. Cities may not want to apply the same multi-family standards to a triplex. Kelly noted that in the building code a triplex is treated as multifamily.

Jamin discussed the scale of these housing types, noting that builders will want to maximize the building footprint. The Report recommends allowing duplexes and triplexes on the same size lot as single-family homes. Some cities are allowing these building types in all zones on the same size lot as single-family homes, but controlling the overall size of the building. Some use a floor-area-ratio requirement, where the size of building is a ratio of the land/parcel. Darci clarified that “townhome” is a housing type, but “condo” pertains to ownership and is not regulated in development codes. Jamin noted that the Multi-family densities in the three cities are pretty close to the recommended already; the most significant changes suggested are to single family changes.

The Advisory Committee next discussed how their cities could support a variety of housing types. The group had a lively discussion regarding ADUs, including the moniker “mother in law” unit, suggesting they are for family members. Darci clarified that they do not need to be limited to housing family members. They can be suitable in size and price-range for a variety of different situations and needs. In response relaxing parking requirements to facilitate these housing types, Tamra clarified that Umatilla requires one off-street parking space for the ADU, but they don’t have a sense for how it’s working yet. The consultants spoke to the cost of requiring parking and the difficulty in retrofitting existing/built lots with a new housing unit + parking. Size is also typically limited, suggesting that one- or two- bedroom ADU’s would be more common, which might support accommodating required parking on street. The number of ADU’s may also be limited on a block, depending on the size of existing lots and the development pattern of existing housing. Committee members discussed requiring parking for ADUs, but allowing that to be on street, if it is wide enough, or allowing tandem parking. Anthony noted that some existing housing doesn’t have off-street parking currently.

Kelly mentioned his difficulty in getting ADUs permitted outside city limits, but within the UGB, due to required DEQ permits. Darci mentioned the State’s Regional Solutions program that can address cross-agency issues. Tamra noted that it is not a good idea to have high density on septic.

Stanfield has ownership occupancy requirements for ADUs and they require separate water meters for units on the same parcel. Darci clarified that one of the ways to encourage ADUs is eliminate the ownership requirement to allow for both the primary home and the ADU to be rented. Anthony was in favor of keeping home ownership costs down, citing personal experience where it was against requirements to rent to two people on the same property.

Jamin discussed other housing types, including cottage clusters, where homes are similar in character to single-family but tend to be smaller, with common areas. Currently, the higher densities of this type of housing doesn’t meet city requirements. Because they are built on less land, they can be more affordable. Anthony noted that how parking is provided could be an issue. Jamin noted that capping the size of the housing unit can make this type of development feel less dense.

Regarding manufactured (single-wide) homes, size limitations may restrict this housing type from being an “ADU,” as well as requirements that they be on foundations. Blair shared that Stayton allows single-wide manufactured homes only in manufactured home parks. Tracy Hunter noted that financing is an issue for manufactured homes and that for appraisals it is difficult to establish comps. There is State guidance for building “tiny homes.” Kelly asked how this type of housing is meant for the rental market. Darci said not necessarily, but the objective is to provide more opportunity for housing – more choices for different income levels and different stages of life.

In discussing removing unnecessary barriers to development, the cities will need to consider balancing the need for housing and other community needs, such as providing off-street parking. Jamin clarified that the recommendation is not to eliminate the park land dedication requirement in Echo, but that it is high and the City may want to revisit how it impacts land available for housing and housing cost. Cities should still require good quality design, but may be able to relax standards a little.

Jamin next covered regulatory incentives and the opportunities cities could consider to relax requirements in exchange for substantial benefits related to specific housing types or housing costs. Cities could target these regulatory concessions to need; based on the housing needs analyses, there are some needs in every category of housing. An example is where development includes a certain number of units that are affordable.

Jamin also pointed out the role financial incentives can play in providing housing, as well as funding sources that can help offset lost revenue. One idea discussed was deferring system development charges (SDCs), allowing developers to pay over time, in installments, in order to more easily finance development. Anthony asserted that it would be helpful if developers could delay SDCs, or pay them along with building permits, instead of at the construction phase of development. Blair noted that Stanfield’s charges are due with the building permit, or until occupied if is a rental property.

Jamin noted that the financial incentives and funding sources listed and explained in the Report all require some up-front administrative work. In response to Anthony’s question regarding how many new homes are needed in each jurisdiction, in each income bracket, Jamin pointed him to Johnson Economics’ work on the Housing and Residential Land Needs Assessment. Housing Needs, Section IV Future Housing Needs. Blair noted that a construction excise tax would have the opposite effect of promoting housing development. Darci stressed that since there are no identified deficits, the strategies and programs explored in the Report should be considered a menu of options for the cities to preemptively plan for future housing.

Darci wrapped up the meeting by saying the next step for the consultant team is to finalize the Report and provide the cities with language to update the comprehensive plans’ housing elements,

including draft policy language. The project management team will have a final call on June 5 to discuss these final products.

*The public meeting followed the Advisory Committee (AC) meeting but there were no attendees.*



**From:** [Darci Rudzinski](#)  
**To:** ["W. Blair Larsen"; Tamra Mabbott; Diane; STENBECK Phil; Jamin Kimmell; Brendan Buckley; Brandon Crawford; dave@centurytel.net](#)  
**Cc:** [Brendan Buckley](#)  
**Subject:** W. Umatilla Housing PMT Call  
**Date:** Tuesday, June 04, 2019 10:40:00 AM  
**Attachments:** [image001.png](#)  
[W Umatilla AC 3 May Public Mtg Notes.docx](#)

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Hi everyone! We're working on amendments to the Housing Strategies Report so that it includes "adoption ready" sections suitable for updating each city's comprehensive plan. We hope to walk through one Report's track changes tomorrow on the call, so please use the Goto link in the calendar invite so we can share our screen with you.

Agenda:

- Debrief on AC #3/Open House – summary notes attached!
- Final ("Adoption Ready") HNA – in drop box  
<https://www.dropbox.com/home/West%20Umatilla%20County%20Housing%20Study/Final%20HNA>
- Housing Strategies Report – discuss proposed amendments
  - Housing Findings (Section 2) - *introduction, Table 4 replaced, strategies table*
  - Comprehensive Plan Policies (Section 3) - *proposed policies*
  - Other Housing Measures - *street width ("reduce barriers"), tiny homes*
- Final Steps
  - Updated/amended Reports to cities by 6/7.
  - Final comments due to APG 6/14.



**Darci Rudzinski, AICP / Principal**

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Source: The Columbian

## **CITY OF ECHO, OR**

### **HOUSING AND RESIDENTIAL LAND NEEDS ASSESSMENT (OREGON STATEWIDE PLANNING GOAL 10)**

#### **20-YEAR HOUSING NEED 2019 - 2039**

Prepared For:  
CITY OF ECHO, OREGON  
June 2019

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## INTRODUCTION

This analysis outlines a forecast of housing need within the City of Echo. Housing need and resulting land need are forecast to 2039 consistent with 20-year need assessment requirements of periodic review. This report presents a housing need analysis (presented in number and types of housing units) and a residential land need analysis, based on those projections.

The primary data sources used in generating this forecast were:

- Portland State University Population Research Center
- U.S. Census
- Environics Analytics Inc.<sup>1</sup>
- Oregon Employment Department
- Umatilla County GIS
- Other sources are identified as appropriate.

This analysis reflects the coordinated population forecast from the Oregon Population Forecast Program, at the Population Research Center (PRC) at PSU. State legislation passed in 2013 made the PRC responsible for generating the official population forecasts to be used in Goal 10 housing analyses in Oregon communities outside of the Portland Metro area (ORS 195.033). The population forecasts used in this analysis were generated in 2016.

***This project is 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.***

## I. CITY OF ECHO DEMOGRAPHIC PROFILE

### SUMMARY

The following table (Figure 1.1) presents a profile of City of Echo demographics from the 2000 and 2010 Census. This includes the city limits of Echo, as well as areas currently included within the Urban Growth Boundary (UGB). It also presents the estimated population of this area as of 2018 from PSU estimates.

- Echo is a City of an estimated 710 people (City), and 750 people (UGB), located in Umatilla County in Northeastern Oregon.
- Based on the UGB population, Echo is roughly the 175<sup>th</sup> largest city in the state by population, but similar in size to many other small towns. Within Umatilla County, Echo is the ninth largest town, and roughly one third the size of nearby Stanfield.
- Echo has experienced modest growth, growing 9% since 2000. In contrast, Umatilla County and the state experienced population growth of 14% and 21% respectively. The City of Umatilla and Hermiston to the north grew a more robust 45% and 37% respectively. (US Census and PSU Population Research Center)

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<sup>1</sup> Environics Analytics Inc. is a third-party company providing data on demographics and market segmentation. It licenses data from the Nielson Company which conducts direct market research including surveying of households across the nation. Nielson combines proprietary data with data from the U.S. Census, Postal Service, and other federal sources, as well as local-level sources such as Equifax, Vallassis and the National Association of Realtors. Projections of future growth by demographic segments are based on the continuation of long-term and emergent demographic trends identified through the above sources.

- Echo was home to an estimated 288 households in 2018, an increase of roughly 46 households since 2000. The percentage of families grew slightly between 2000 and 2018 from 70% to 72% of all households. Average household size also grew during this period. The city has a larger share of family households than Umatilla County (68%) and the state (63%).
- Echo's estimated average household size is 2.60 persons, falling somewhat since 2010. This is lower than the Umatilla County average of 2.67 but higher than the statewide average of 2.47.

**FIGURE 1.1: ECHO DEMOGRAPHIC PROFILE**

<b>POPULATION, HOUSEHOLDS, FAMILIES, AND YEAR-ROUND HOUSING UNITS</b>					
	<b>2000 (Census)</b>	<b>2010 (Census)</b>	<b>Growth 00-10</b>	<b>2018 (PSU)</b>	<b>Growth 10-18</b>
Population <sup>1</sup>	655	738	12.7%	750	1.6%
Households <sup>2</sup>	242	259	7.1%	288	11.3%
Families <sup>3</sup>	169	187	11%	209	12%
Housing Units <sup>4</sup>	254	288	13%	300	4%
Group Quarters Population <sup>5</sup>	7	0	-100%	0	0%
Household Size (non-group)	2.68	2.85	6%	2.60	-9%
Avg. Family Size	3.18	3.22	1%	3.13	-3%
<b>PER CAPITA AND MEDIAN HOUSEHOLD INCOME</b>					
	<b>2000 (Census)</b>	<b>2010 (Census)</b>	<b>Growth 00-10</b>	<b>2018 (Proj.)</b>	<b>Growth 10-18</b>
Per Capita (\$)	\$15,879	\$23,428	48%	\$20,634	-12%
Median HH (\$)	\$34,464	\$52,708	53%	\$46,375	-12%

SOURCE: Census, PSU Population Research Center, and Johnson Economics

Census Tables: DP-1 (2000, 2010); DP-3 (2000); S1901; S19301

<sup>1</sup> From PSU Population Research Center, Population Forecast Program, final forecast for Umatilla Co. (2016)

<sup>2</sup> 2018 Households = (2018 population - Group Quarters Population)/2018 HH Size

<sup>3</sup> Ratio of 2018 Families to total HH is based on 2016 ACS 5-year Estimates

<sup>4</sup> 2018 housing units are the '10 Census total plus new units permitted from '10 through '18 (source: Census, Cities)

<sup>5</sup> Ratio of 2018 Group Quarters Population to Total Population is kept constant from 2010.

## **A. POPULATION GROWTH**

Since 2000, Echo has grown by roughly 65 people within the UGB, or 9% in 18 years. This is a slower growth rate than was seen in the rest of the county (14%), and the state (21%). In comparison, the population of Stanfield grew by an estimated 10% during this period, and the city of Umatilla grew by 47%.

## **B. HOUSEHOLD GROWTH & SIZE**

As of 2018, the city has an estimated 288 households. Since 2000, Echo has added an estimated 46 households, or 19%. A household is defined as all the persons who occupy a single housing unit, whether or not they are related.

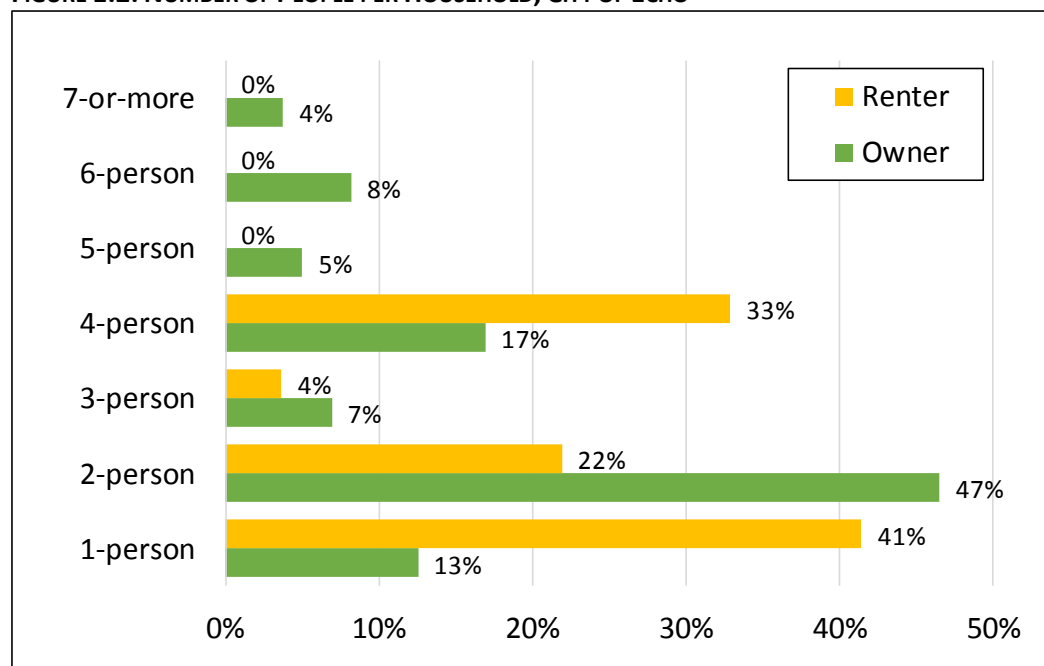
Household growth was faster than population growth reflecting that the average household size has fallen somewhat. There has been a general trend in Oregon and nationwide towards declining household size as birth rates have fallen, more people have chosen to live alone, and the Baby Boomers have become empty nesters.

While this trend of diminishing household size is expected to continue nationwide, there are limits to how far the average can fall. Echo has reflected this trend in recent decades.

Echo's average household size of 2.60 people is smaller than Umatilla County (2.67).

Figure 1.2 shows the share of households by the number of people for renter and owner households in 2017 (latest available), according to the Census. Renter households are more likely to have a single person, or four persons, pointing to a bifurcation of single renters, and family households. Owner households are more likely to have two persons, but also larger households.

**FIGURE 1.2: NUMBER OF PEOPLE PER HOUSEHOLD, CITY OF ECHO**



SOURCE: US Census, JOHNSON ECONOMICS LLC  
Census Tables: B25009 (2017 ACS 5-yr Estimates)

### C. FAMILY HOUSEHOLDS

As of the 2017 ACS, 72% of Echo households were family households, stable from 2010, and up slightly from 2000 (70%). The total number of family households in Echo is estimated to have grown by only a few since 2000.

The Census defines family households as two or more persons, related by marriage, birth or adoption and living together. In 2017, family households in Echo had an average size of 3.13 people.

### D. HOUSING UNITS

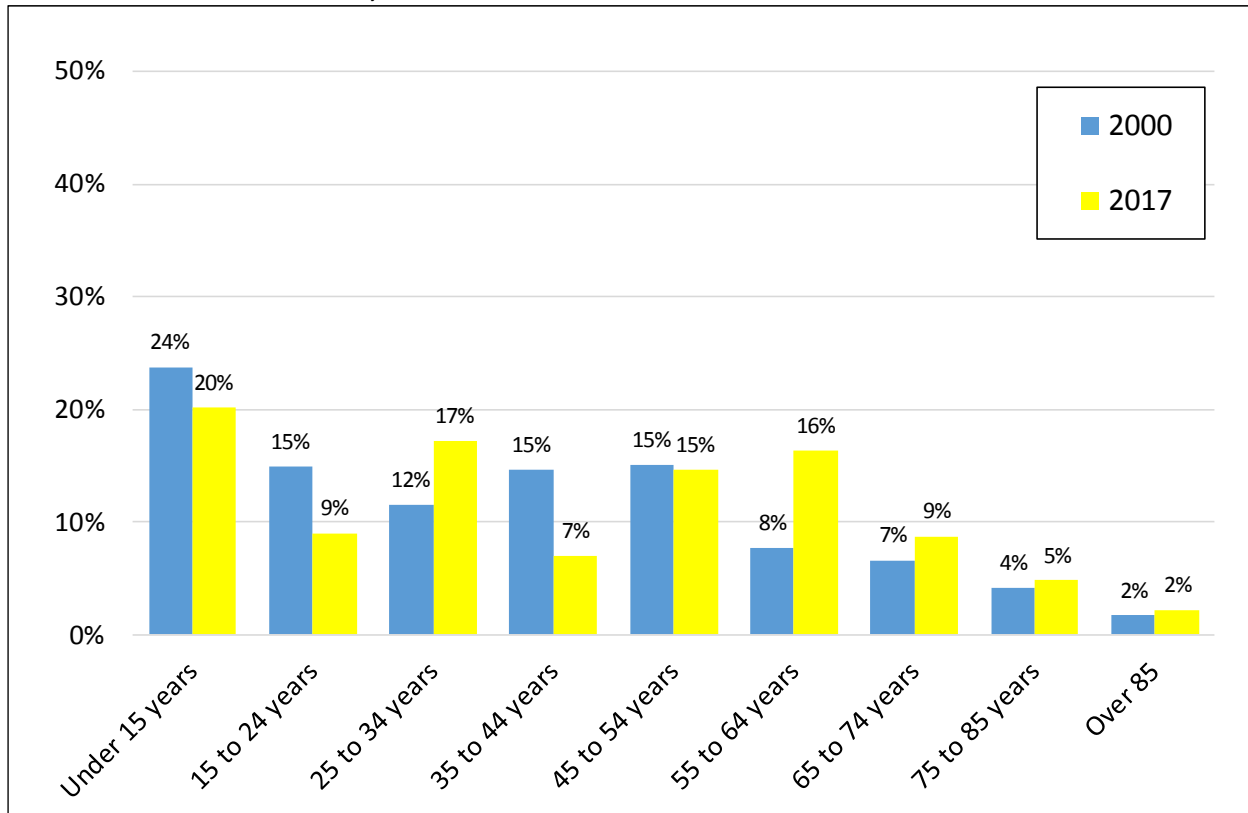
Data from the City of Echo and the US Census indicate that the city added little new housing units since 2000 within the UGB, meaning that households are generally living in the same housing stock as prior generations. At the same time, the city has added roughly 10 households, meaning existing housing is more occupied and the vacancy rate has fallen.

As of 2018, the city had an estimated housing stock of roughly 300 units for its 288 estimated households. This translates to a low estimated vacancy rate of 4%.

## E. AGE TRENDS

The following figure shows the share of the population falling in different age cohorts between the 2000 Census and the most recent 5-year estimates. As the chart shows, there is a general trend of younger age cohorts falling as share of total population, while older cohorts have grown in share. This is in keeping with the national trend caused by the aging of the Baby Boom generation. At the same time, the share of people aged from 25 to 34 years of age has grown.

**FIGURE 1.3: AGE COHORT TRENDS, 2000 - 2017**

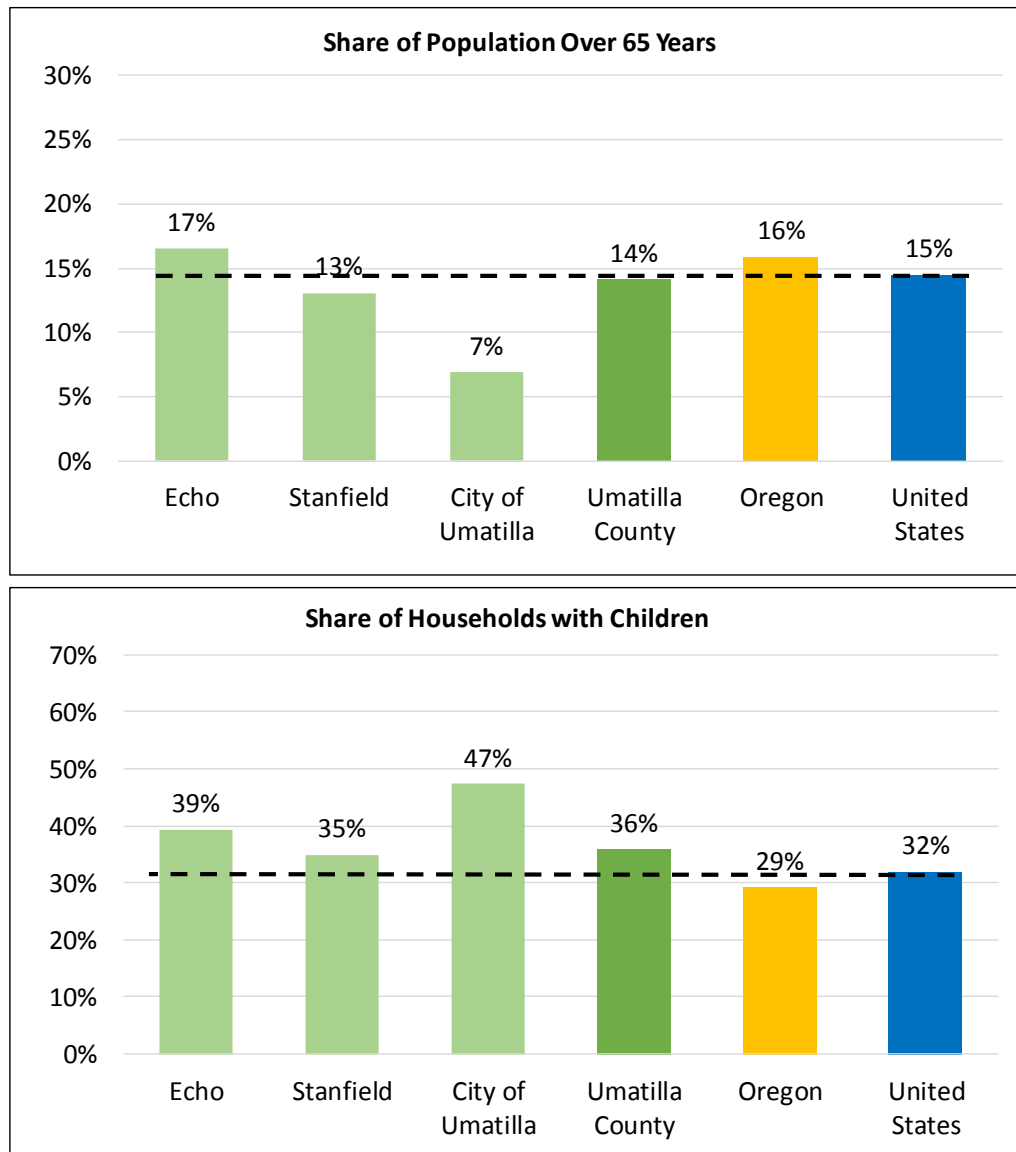


SOURCE: US Census, JOHNSON ECONOMICS LLC

Census Tables: QT-P1 (2000); S0101 (2017 ACS 5-yr Estimates)

- The cohorts that grew in share during this period were those aged 55 and older. Still an estimated 84% of the population is under 65 years of age.
- In the 2017 ACS, the local median age was an estimated 34 years, compared to 36 years in Umatilla County, and 39 years in Oregon.
- Figure 1.4 presents the share of households with children, and the share of population over 65 years for comparison. Compared to state and national averages, Echo has both a smaller share of households with children and population over 65.

**FIGURE 1.4: SHARE OF HOUSEHOLDS WITH CHILDREN/ POPULATION OVER 65 YEARS (ECHO)**



SOURCE: US Census, JOHNSON ECONOMICS LLC  
Census Tables: B11005; S0101 (2017 ACS 5-yr Estimates)

## F. INCOME TRENDS

The following figure presents data on income trends in Echo.

**FIGURE 1.5: INCOME TRENDS, 2000 – 2018**

<b>PER CAPITA AND MEDIAN HOUSEHOLD INCOME</b>					
	<b>2000</b>	<b>2010</b>	<b>Growth</b>	<b>2018</b>	<b>Growth</b>
	<b>(Census)</b>	<b>(Census)</b>	<b>00-10</b>	<b>(Proj.)</b>	<b>10-18</b>
Per Capita (\$)	\$15,879	\$23,428	48%	\$20,634	-12%
Median HH (\$)	\$34,464	\$52,708	53%	\$46,375	-12%

SOURCE: Census, PSU Population Research Center, and Johnson Economics  
Census Tables: DP-1 (2000, 2010); DP-3 (2000); S1901; S19301

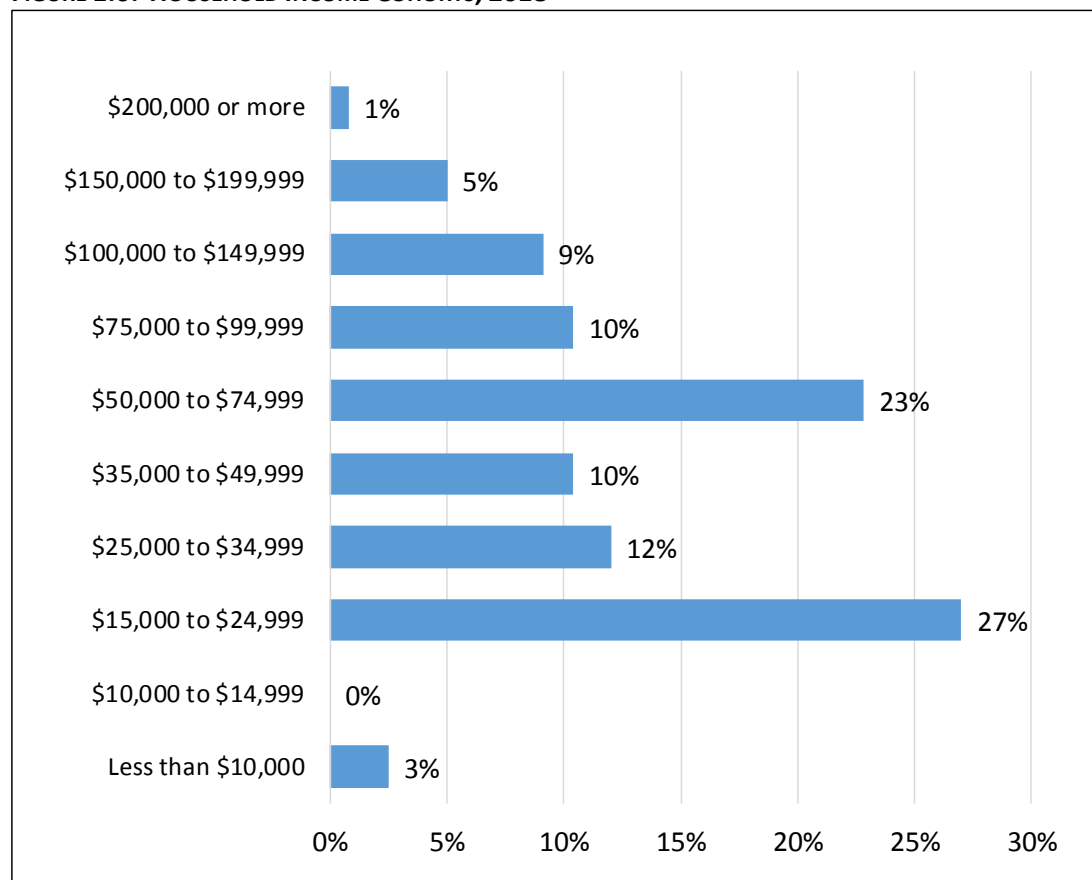


- Echo's estimated median household income was \$46,375 in 2018. This is lower than the estimated median in 2010, and the Umatilla County median of \$50,100.
- Echo's per capita income is roughly \$20,650.
- Median income has grown an estimated 35% between 2000 and 2018, in real dollars. Inflation was an estimated 45% over this period, so as is the case regionally and nationwide, the local median income has not kept pace with inflation.

Figure 1.6 presents the estimated distribution of households by income as of 2017. The largest income cohorts are those households earning between \$15k and \$25k, and those earning \$50k to \$75k.

- 52% of households earn less than \$50k per year, while 48% of households earn \$50k or more.
- 30% of households earn \$25k or less.

**FIGURE 1.6: HOUSEHOLD INCOME COHORTS, 2018**



SOURCE: US Census  
Census Tables: S1901 (2017 ACS 5-yr Est.)

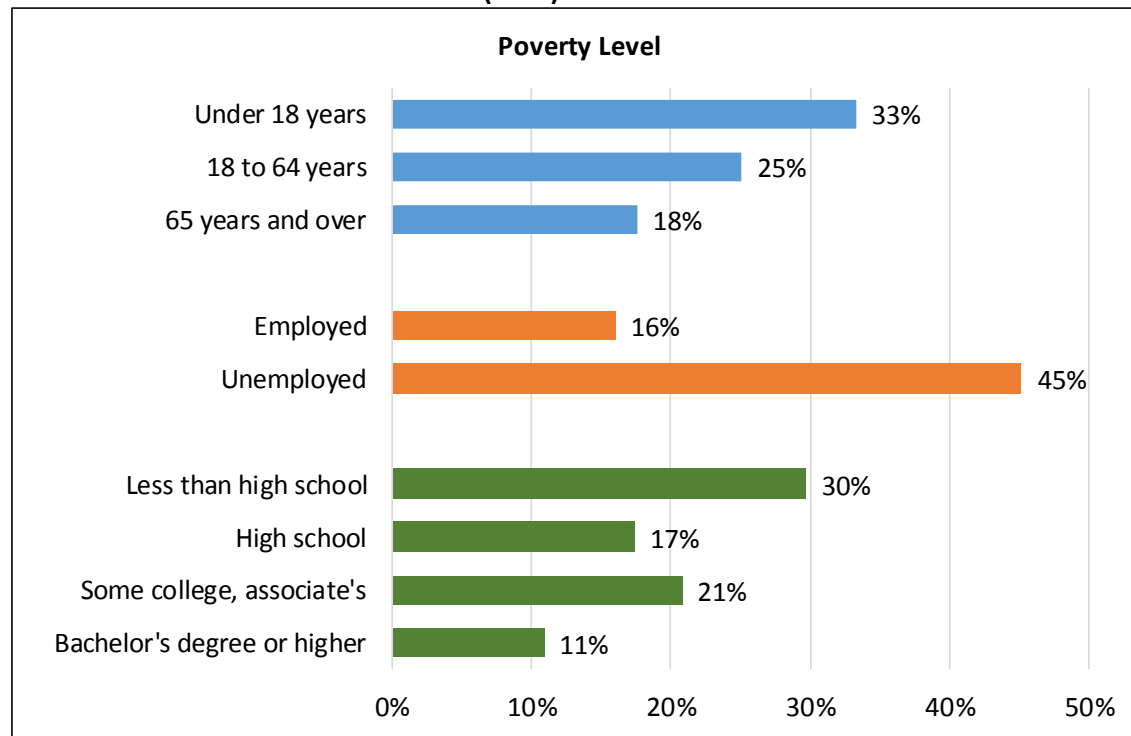
## G. POVERTY STATISTICS

According to the US Census, the official poverty rate in Echo is an estimated 26% over the most recent period reported (2017 5-year estimates).<sup>2</sup> This is roughly 175 individuals in Echo. In comparison, the official poverty rate in Umatilla County, and at the state level are both 17%. In the 2013-17 period:

<sup>2</sup> Census Tables: S1701 (2017 ACS 5-yr Estimates)

- The elevated poverty rate in Echo is likely due to the share of lower-cost housing and aging households on fixed income.
- Echo poverty rate is highest among children at 33%. The rate is 25% among those 18 to 64 years of age. The rate is lowest for those 65 and older at 18%.
- For those without a high school diploma the poverty rate is 30%. For those with a high school diploma only, the rate is 17%.
- Among those who are employed the poverty rate is 16%, while it is 45% for those who are unemployed.
- Information on affordable housing is presented in the following section of this report.

**FIGURE 1.7: POVERTY STATUS BY CATEGORY (ECHO)**



SOURCE: US Census  
Census Tables: S1701 (2017 ACS 5-yr Est.)

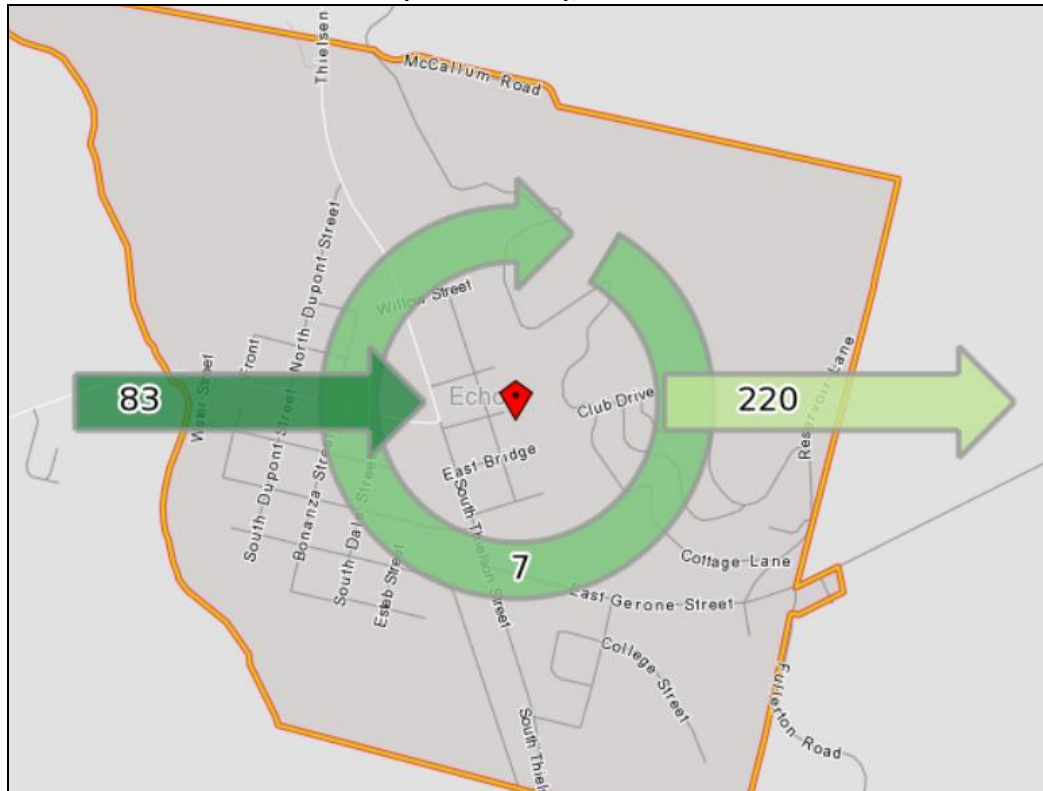
## H. EMPLOYMENT LOCATION TRENDS

This section provides an overview of employment and industry trends in Echo that are related to housing.

**Commuting Patterns:** The following figure shows the inflow and outflow of commuters to Echo according to the Census Employment Dynamics Database. As of 2015, the most recent year available, the Census estimated there were 90 jobs located in Echo. Relatively few are held by local residents, while over 80 employees commute into the city from elsewhere. This pattern is fairly common among many smaller communities. While Census data is incomplete, it seems that most local workers commuting into the city live in Hermiston, Stanfield, or unincorporated areas.

Of the estimated 230 employed Echo residents, 97% of them commute elsewhere to employment. Most of these residents commute to Hermiston, Stanfield or Pendleton.

**FIGURE 1.8: COMMUTING PATTERNS (PRIMARY JOBS), ECHO**



Source: US Census Longitudinal Employer-Household Dynamics

**Jobs/Household Ratio:** Echo features a jobs-to-households ratio of 0.3 jobs per household. There are an estimated 90 jobs in the city of Echo, and an estimated 227 Echo residents in the labor force. This represents 0.4 jobs per working adult, meaning that Echo is tipped towards the housing side of the jobs/housing balance.

## II. CURRENT HOUSING CONDITIONS

The following figure presents a profile of the current housing stock and market indicators in Echo. This profile forms the foundation to which current and future housing needs will be compared.

### A. HOUSING TENURE

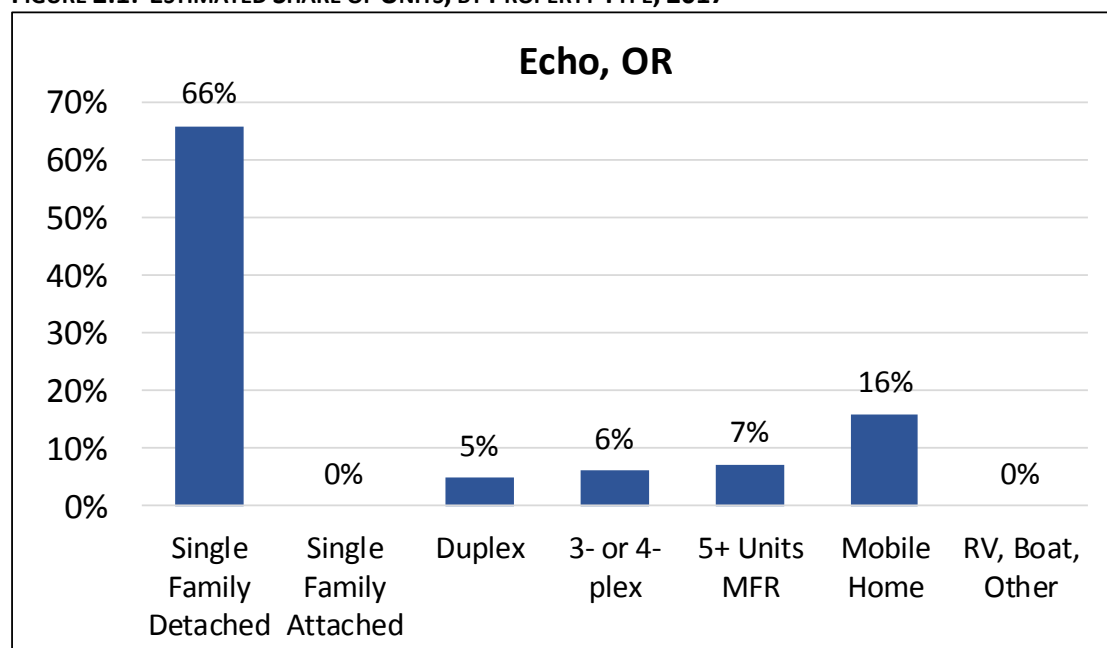
Echo has a greater share of owner households than renter households. The 2017 American Community Survey estimates that 64% of occupied units were owner occupied, and 36% renter occupied. The ownership rate in Echo has fallen from 69% since 2000. During this period the statewide rate fell from 64% to 62%. Nationally, the homeownership rate has nearly reached the historical average of 65%, after the rate climbed from the late 1990's to 2004 (69%).

The estimated ownership rate is higher in Umatilla County (66%) and lower statewide (61%).

### B. HOUSING STOCK

As shown in Figure 1.1, Echo UGB had an estimated 300 housing units in 2018, with a vacancy rate of 4% (includes ownership and rental units).

**FIGURE 2.1: ESTIMATED SHARE OF UNITS, BY PROPERTY TYPE, 2017**



SOURCE: City of Echo, Census ACS 2017

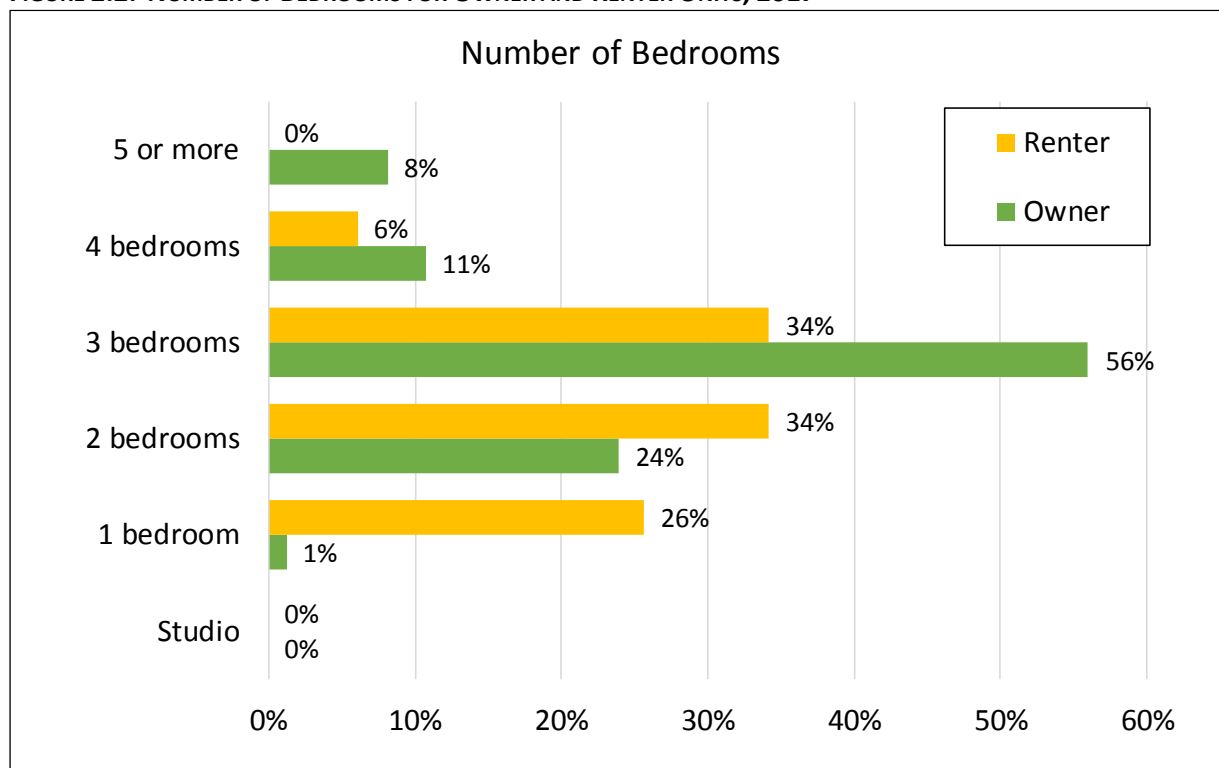
Figure 2.1 shows the estimated number of units by type in 2017. Detached single-family homes represent an estimated 66% of housing units.

Units in larger apartment complexes of 5 or more units represent 7% of units, and other types of attached homes represent 11% of units. (Attached single family generally includes townhomes, some condo flats, and plexes which are separately metered.) Mobile homes represent 16% of the inventory.

### C. NUMBER OF BEDROOMS

Figure 2.2 shows the share of units for owners and renters by the number of bedrooms they have. In general, owner-occupied units are more likely to have three or more bedrooms, while renter occupied units are more likely to have two or fewer bedrooms.

**FIGURE 2.2: NUMBER OF BEDROOMS FOR OWNER AND RENTER UNITS, 2017**



SOURCE: US Census  
Census Tables: B25042 (2017 ACS 5-year Estimates)

#### D. UNITS TYPES BY TENURE

As Figure 2.3 and 2.4 show, a large share of owner-occupied units (80.5%) are detached homes, or mobile homes (19.5%). Renter-occupied units are more distributed among a range of structure types. 50% of rented units are estimated to be detached homes or mobile homes, while the remainder are some form of attached unit. And estimated 20% of rental units are in larger apartment complexes.

**FIGURE 2.3: CURRENT INVENTORY BY UNIT TYPE, FOR OWNERSHIP AND RENTAL HOUSING**

#### OWNERSHIP HOUSING

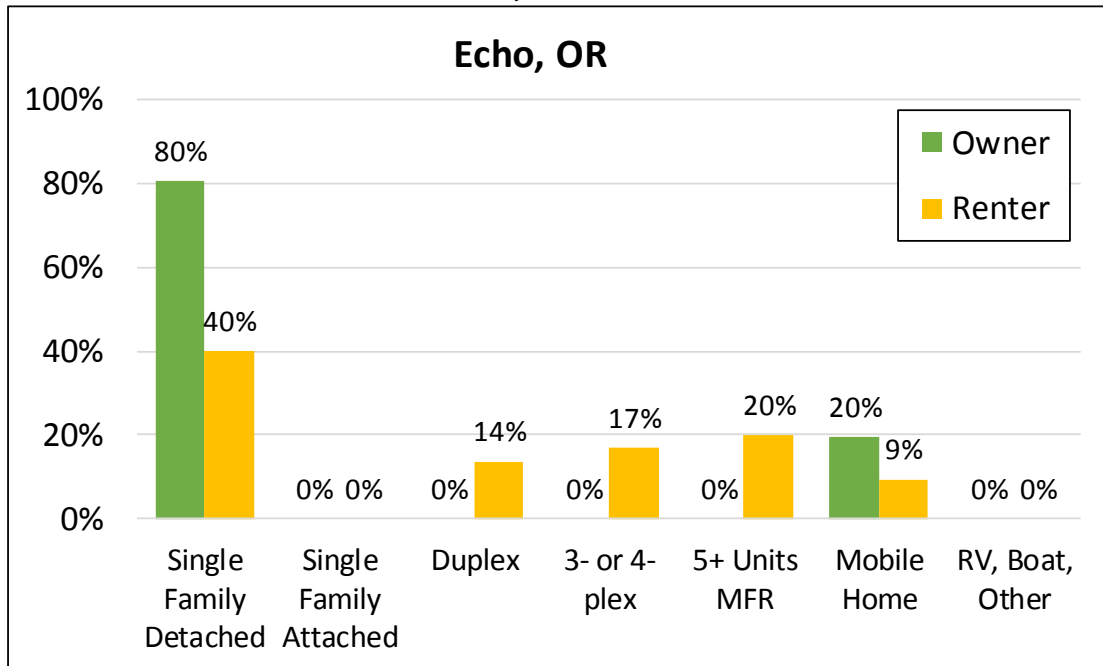
OWNERSHIP HOUSING								
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units
Totals:	159	0	0	0	0	39	0	197
Percentage:	80.5%	0.0%	0.0%	0.0%	0.0%	19.5%	0.0%	100.0%

#### RENTAL HOUSING

RENTAL HOUSING								
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units
Totals:	70	0	11	6	5	10	0	103
Percentage:	68.4%	0.0%	10.5%	6.3%	5.3%	9.5%	0.0%	100.0%

Sources: US Census, JOHNSON ECONOMICS, CITY OF ECHO

**FIGURE 2.4: CURRENT INVENTORY BY UNIT TYPE, BY SHARE**

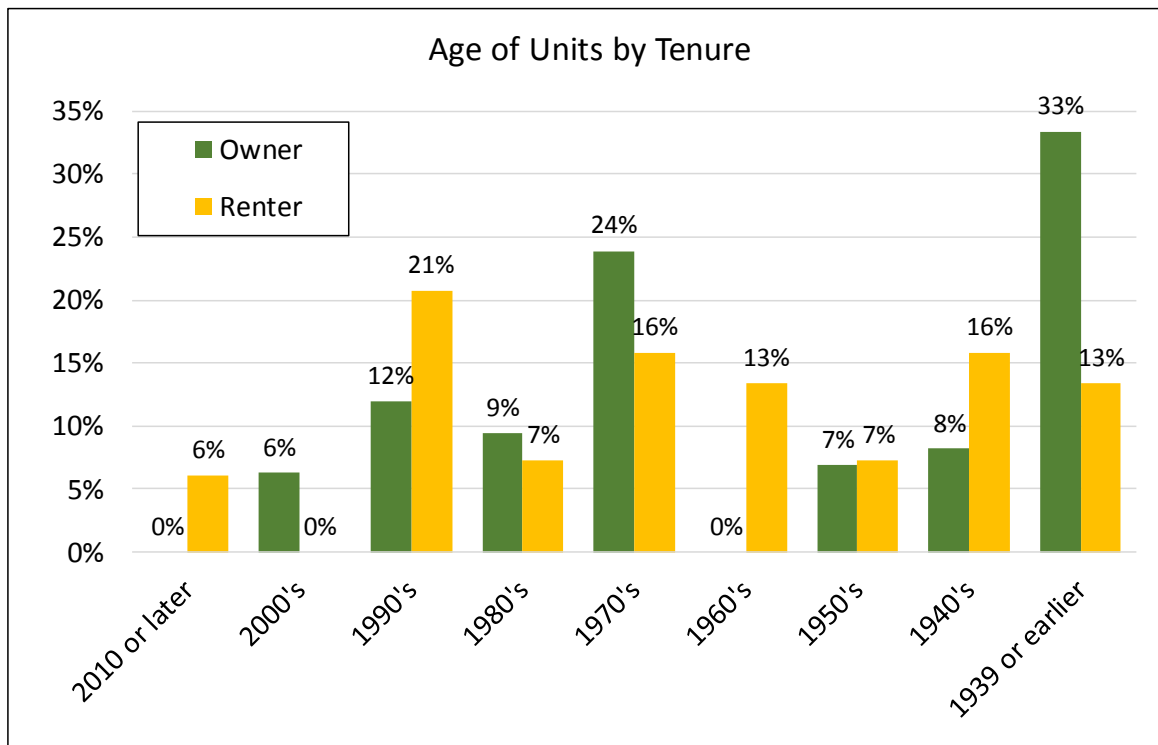


Sources: US Census, JOHNSON ECONOMICS, CITY OF ECHO

## E. AGE OF HOUSING STOCK

Echo's housing stock reflects the pattern of development in the area. 93% of the housing stock is pre-2000 with the remainder being post-2000. Roughly 50% of the housing stock dates from the 1960's or earlier, with a large share of housing from the 1940's or prior. The following figure shows that owners are more likely to live in older housing, while rental housing is more evenly distributed across age ranges.

**FIGURE 2.5: AGE OF UNITS FOR OWNERS AND RENTERS**



SOURCE: US Census  
Census Tables: B25036 (2017 ACS 5-year Estimates)

## F. HOUSING COSTS VS. LOCAL INCOMES

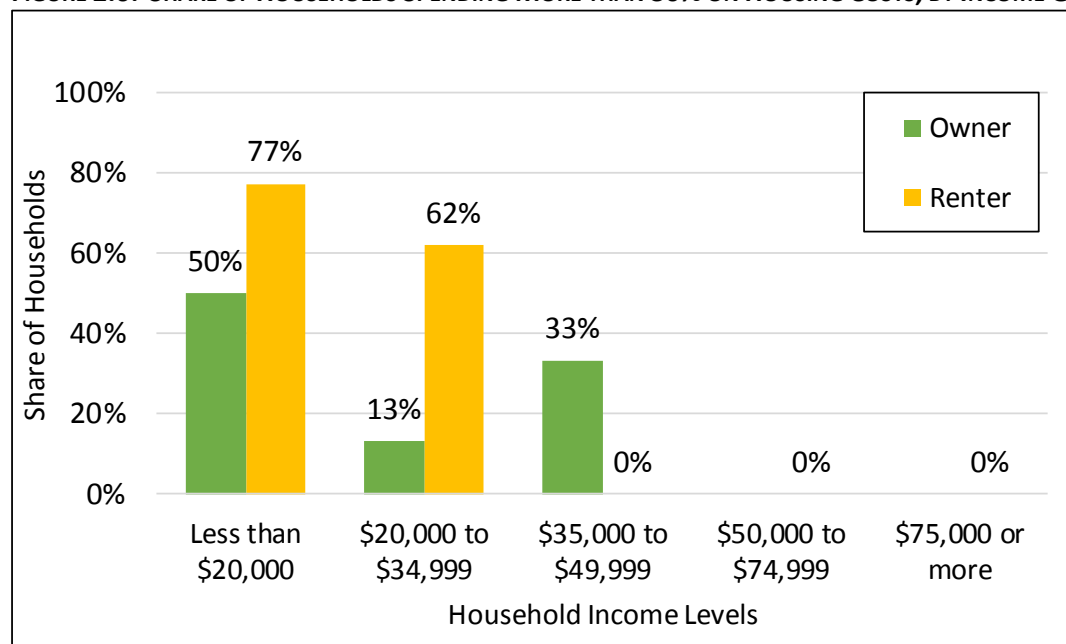
Figure 2.6 shows the share of owner and renter households who are paying more than 30% of their household income towards housing costs, by income segment. (Spending 30% or less on housing costs is a common measure of “affordability” used by HUD and others, and in the analysis presented in this report.)

As one would expect, households with lower incomes tend to spend more than 30% of their income on housing, while incrementally fewer of those in higher income groups spend more than 30% on their incomes on housing costs. Of those earning less than \$20,000, an estimated 50% of owner households spend more than 30% of income on housing costs and 77% of renters.

Even roughly 33% of those households earning \$35,000 to \$49,000 pay more than 30% of income towards housing costs. Only those earning more than \$50,000 do not pay more than 30%.

In total, the US Census estimates that 24% of Echo households pay more than 30% of income towards housing costs (2017 American Community Survey, B25106)

**FIGURE 2.6: SHARE OF HOUSEHOLDS SPENDING MORE THAN 30% ON HOUSING COSTS, BY INCOME GROUP**



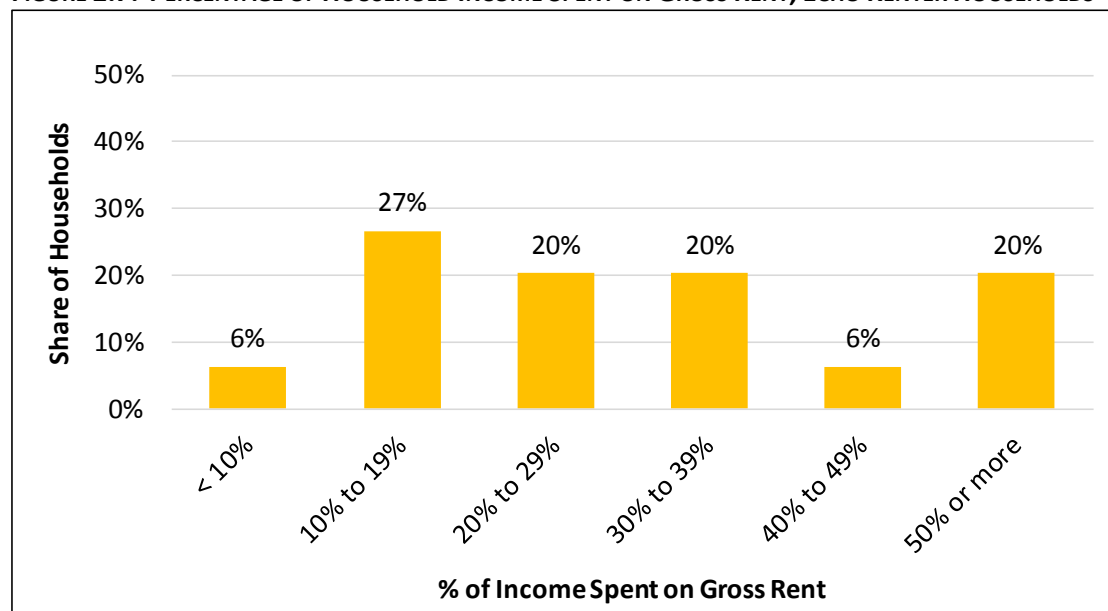
Sources: US Census, JOHNSON ECONOMICS

Census Table: B25106 (2017 ACS 5-yr Estimates)

The following figures shows the percentage of household income spent towards gross rent for local renter households only. This more fine-grained data shows that 46% of renters spending more than 30% of their income on rent, with an estimated 20% of renters are spending 50% or more of their income.

Renters are disproportionately lower income relative to homeowners. The burden of housing costs are felt more broadly for these households, and as the analysis presented in later section shows there is a need for more affordable rental units in Echo, as in most communities.

**FIGURE 2.7: PERCENTAGE OF HOUSEHOLD INCOME SPENT ON GROSS RENT, ECHO RENTER HOUSEHOLDS**



Sources: US Census, JOHNSON ECONOMICS  
Census Table: B25070 (2017 ACS 5-yr Estimates)

## G. PUBLICLY-ASSISTED HOUSING

Currently Echo does not have any rent-subsidized properties located in the town.

None of the public housing units operated by the Umatilla County Housing Authority are located in Echo. Most of the Housing Authority's properties are located in Hermiston. The Housing Authority administers 329 housing choice vouchers which may be used in Echo or other communities in the four-county jurisdiction.

**Farmworker Housing:** Echo does not currently have any properties dedicated to agricultural workforce housing.

**Homelessness:** A Point-in-Time count of homeless individuals in Umatilla County conducted in 2017 found 55 homeless individuals on the streets, in shelters, or other temporary and/or precarious housing. *These figures are for the entire county.*<sup>3</sup> This included:

- 24 people in emergency shelter, warming shelter, or transitional housing programs;
- 31 people unsheltered;
- 24% of counted individuals were children;
- 44% of individuals were women or girls, and 54% are male.

An analysis of the ability of current and projected housing supply to meet the needs of low-income people, and the potential shortfall is included in the following sections of this report.

<sup>3</sup> Figures via OHCS



### III. CURRENT HOUSING NEEDS (CITY OF ECHO)

The profile of current housing conditions in the study area is based on Census 2010, which the Portland State University Population Research Center (PRC) uses to develop yearly estimates through 2018. The PRC methodology incorporates the estimated population from within the city limits and an estimated population from those areas within the UGB, but outside of the city limits. To estimate the additional population within the UGB area, the PRC assigned a share of the population from the relevant Census tracts.

**FIGURE 3.1: CURRENT HOUSING PROFILE (2018)**

CURRENT HOUSING CONDITIONS (2018)		SOURCE
Total 2018 Population:	750	PSU Pop. Research Center
- Estimated group housing population:	0 (0% of Total)	US Census
<b>Estimated Non-Group 2018 Population:</b>	<b>750</b> (Total - Group)	
Avg. HH Size:	2.60	US Census
<b>Estimated Non-Group 2018 Households:</b>	<b>288</b> (Pop/HH Size)	
<b>Total Housing Units:</b>	<b>300</b> (Occupied + Vacant)	Census 2010 + permits
Occupied Housing Units:	288 (= # of HH)	
Vacant Housing Units:	12 (Total HH - Occupied)	
Current Vacancy Rate:	3.9% (Vacant units/ Total units)	

Sources: Johnson Economics, City of ECHO, PSU Population Research Center, U.S. Census

\*This table reflects population, household and housing unit projections shown in Figure 1.1

We estimate a current population of roughly 750 residents, living in 288 households (excluding group living situations). Average household size is 2.6 persons.

There are an estimated 300 housing units in the city, with just a few units vacant. The estimated 2018 vacancy rate of housing units is 4%. This includes units vacant for any reason, not just those which are currently for sale or rent.

#### ESTIMATE OF CURRENT HOUSING DEMAND

Following the establishment of the current housing profile, the current housing demand was determined based upon the age and income characteristics of current households.

The analysis considered the propensity of households in specific age and income levels to either rent or own their home (tenure), in order to derive the current demand for ownership and rental housing units and the appropriate housing cost level of each. This is done by combining data on tenure by age and tenure by income from the Census American Community Survey (tables: B25007 and B25118, 2017 ACS 5-yr Estimates).

The analysis takes into account the average amount that owners and renters tend to spend on housing costs. For instance, lower income households tend to spend more of their total income on housing, while upper income households spend less on a percentage basis. In this case, it was assumed that households in lower income bands would *prefer* housing costs at no more than 30% of gross income (a common measure of affordability). Higher income households pay a decreasing share down to 20% for the highest income households.

While the Census estimates that most low-income households pay more than 30% of their income for housing, this is an estimate of current *preferred* demand. It assumes that low-income households prefer (or demand) units affordable to them at no more than 30% of income, rather than more expensive units.

Figure 3.2 presents a snapshot of current housing demand (i.e. preferences) equal to the number of households in the study area (263). The breakdown of tenure (owners vs. renters) is slightly different from the 2017 ACS, as current demographics indicate that more households could likely afford to own their homes if opportunities were available (67% vs.64%).

**FIGURE 3.2: ESTIMATE OF CURRENT HOUSING DEMAND (2018)**

Ownership				
Price Range	# of Households	Income Range	% of Total	Cumulative
\$0k - \$90k	0	Less than \$15,000	0.0%	0.0%
\$90k - \$130k	25	\$15,000 - \$24,999	13.2%	13.2%
\$130k - \$190k	25	\$25,000 - \$34,999	13.0%	26.2%
\$190k - \$210k	24	\$35,000 - \$49,999	12.3%	38.5%
\$210k - \$340k	35	\$50,000 - \$74,999	18.1%	56.6%
\$340k - \$360k	39	\$75,000 - \$99,999	20.4%	77.0%
\$360k - \$450k	20	\$100,000 - \$124,999	10.2%	87.2%
\$450k - \$530k	9	\$125,000 - \$149,999	4.5%	91.7%
\$530k - \$710k	7	\$150,000 - \$199,999	3.8%	95.5%
\$710k +	9	\$200,000+	4.5%	100.0%
<b>Totals:</b>	<b>192</b>		<b>% of All:</b>	<b>66.7%</b>

Rental				
Rent Level	# of Households	Income Range	% of Total	Cumulative
\$0 - \$400	13	Less than \$15,000	14.0%	14.0%
\$400 - \$600	35	\$15,000 - \$24,999	36.1%	50.1%
\$600 - \$900	18	\$25,000 - \$34,999	18.7%	68.8%
\$900 - \$1000	11	\$35,000 - \$49,999	11.2%	80.0%
\$1000 - \$1600	16	\$50,000 - \$74,999	16.2%	96.2%
\$1600 - \$1700	2	\$75,000 - \$99,999	2.6%	98.7%
\$1700 - \$2100	0	\$100,000 - \$124,999	0.0%	98.7%
\$2100 - \$2500	0	\$125,000 - \$149,999	0.0%	98.7%
\$2500 - \$3300	1	\$150,000 - \$199,999	1.3%	100.0%
\$3300 +	0	\$200,000+	0.0%	100.0%
<b>Totals:</b>	<b>96</b>		<b>% of All:</b>	<b>33.3%</b>

<b>All Households</b>
<b>288</b>

Sources: PSU Population Research Center, Environics Analytics., Census, JOHNSON ECONOMICS  
 Census Tables: B25007, B25106, B25118 (2017 ACS 5-yr Estimates)  
 Claritas: Estimates of income by age of householder

The estimated home price and rent ranges are irregular because they are mapped to the affordability levels of the Census income level categories. For instance, an affordable home for those in the lowest income category (less than \$15,000) would have to cost \$90,000 or less. Affordable rent for someone in this category would be \$400 or less.

The affordable price level for ownership housing assumes 30-year amortization, at an interest rate of 5% (significantly more than the current rate, but in line with historic norms), with 15% down payment. These assumptions are designed to represent prudent lending and borrowing levels for ownership households. The 30-year mortgage commonly serves as the standard. In the 2000's, down payment requirements fell significantly, but standards have tightened somewhat since the 2008/9 credit crisis. While 20% is often cited as the standard for most buyers, it is common for homebuyers, particularly first-time buyers, to pay significantly less than this using available programs.

Interest rates are subject to disruption from national and global economic forces, and therefore impossible to forecast beyond the short term. The 5% used here is roughly the average 30-year rate over the last 20 years. The general trend has been falling interest rates since the early 1980's, but coming out of the recent recession, many economists believe that rates cannot fall farther and must begin to climb as the Federal Reserve raises its rate over the coming years.

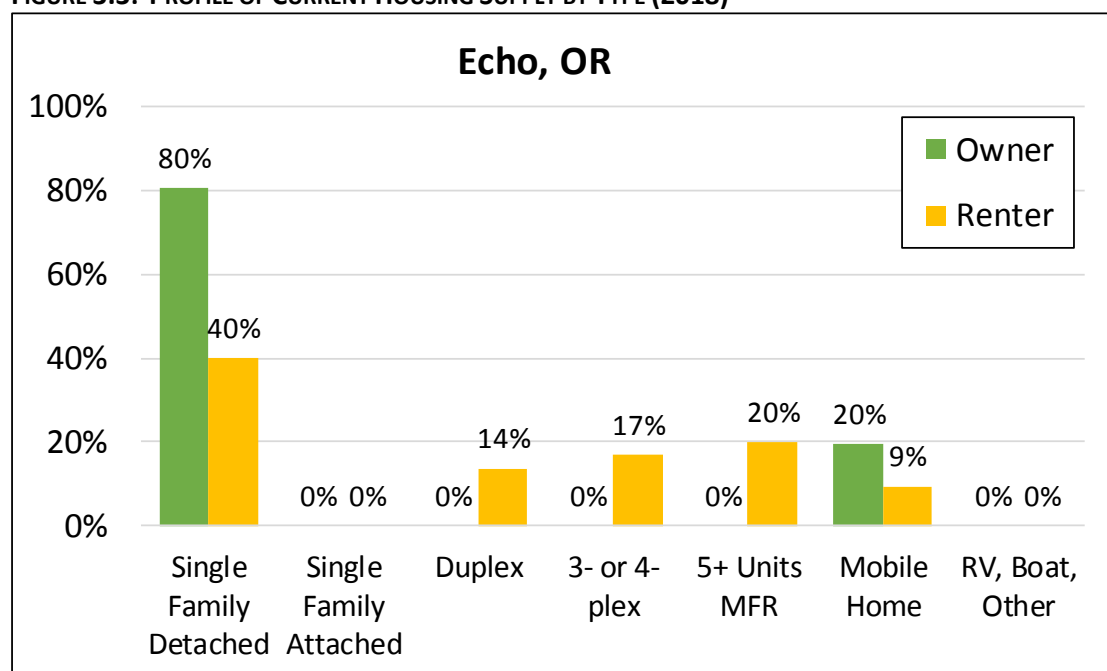
### CURRENT HOUSING INVENTORY

The profile of current housing demand (Figure 3.2) represents the preference and affordability levels of households. In reality, the current housing supply (Figure 3.3 below) differs from this profile, meaning that some households may find themselves in housing units which are not optimal, either not meeting the household's own/rent preference, or being unaffordable (requiring more than 30% of gross income).

A profile of current housing supply in Echo was estimated based on Census data from the most recently available 2017 ACS, which provides a profile of housing types (single family, attached, mobile home, etc.), tenure, housing values, and rent levels. The 5-year estimates from the ACS were used because 3-year and 1-year estimates are not yet available for Echo geography.

- An estimated 64% of housing units are ownership units, while an estimated 36% of housing units are rental units. This is close to the estimated demand profile shown in Figure 3.2, which forecasted a slightly higher ownership rate. (The inventory includes vacant units, so the breakdown of ownership vs. rental does not exactly match the tenure split of actual households.)
- 80.5% of ownership units are detached homes, and 19.5% are mobile homes. Nearly 50% of rental units are single family homes or mobile homes, and 20% are in structures of 5 units or more.
- Of total housing units, an estimated 66% are detached homes, 16% are mobile homes, while 18% are some sort of attached type.
- The affordability of different unit types is an approximation based on Census data on the distribution of housing units by value (ownership) or gross rent (rentals).
- Ownership housing found at the lower end of the value spectrum generally reflect mobile homes, older, smaller homes, or homes in poor condition on small or irregular lots. **It is important to note that these represent estimates of current *property value* or current *housing cost to the owner*, not the current market pricing of homes for sale in the city.** These properties may be candidates for redevelopment when next they sell but are currently estimated to have low value.

**FIGURE 3.3: PROFILE OF CURRENT HOUSING SUPPLY BY TYPE (2018)**



Sources: US Census, JOHNSON ECONOMICS, CITY OF ECHO

**FIGURE 3.4: PROFILE OF CURRENT HOUSING SUPPLY, ESTIMATED AFFORDABILITY (2018)**

Income Range	Ownership Housing		Rental Housing		Share of Total Units
	Affordable Price Level	Estimated Units	Affordable Rent Level	Estimated Units	
Less than \$15,000	\$0k - \$90k	76	\$0 - \$400	9	28%
\$15,000 - \$24,999	\$90k - \$130k	55	\$400 - \$600	35	30%
\$25,000 - \$34,999	\$130k - \$190k	45	\$600 - \$900	18	21%
\$35,000 - \$49,999	\$190k - \$210k	10	\$900 - \$1000	8	6%
\$50,000 - \$74,999	\$210k - \$340k	9	\$1000 - \$1600	33	14%
\$75,000 - \$99,999	\$340k - \$360k	0	\$1600 - \$1700	0	0%
\$100,000 - \$124,999	\$360k - \$450k	2	\$1700 - \$2100	0	1%
\$125,000 - \$149,999	\$450k - \$530k	1	\$2100 - \$2500	0	0%
\$150,000 - \$199,999	\$530k - \$710k	0	\$2500 - \$3300	0	0%
\$200,000+	\$710k +	0	\$3300 +	0	0%
	66%	197	34%	103	

Sources: US Census, PSU Population Research Center, JOHNSON ECONOMICS  
 Census Tables: B25004, B25032, B25063, B25075 (2017 ACS 5-yr Estimates)

#### COMPARISON OF CURRENT HOUSING DEMAND WITH CURRENT SUPPLY

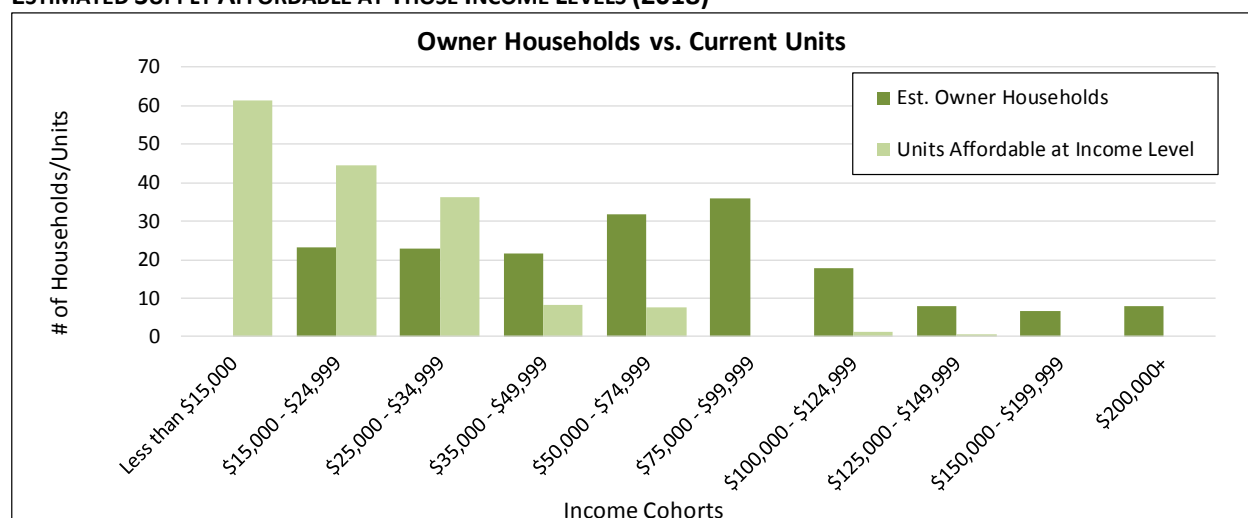
A comparison of estimated current housing *demand* with the existing *supply* identifies the existing discrepancies between needs and the housing which is currently available.

In general, this identifies that there is currently support for more ownership housing at price ranges above \$200,000. This is because most housing in Echo is clustered at the low to middle price points, while analysis of household incomes and ability to pay indicates that some could afford housing at higher price points.

The analysis identifies a well of need for rental units at the lowest price level to serve those households currently paying a high share of their income towards rent. This is a pattern seen in most communities. There are levels of estimated surplus for apartments (\$400 to \$1600 per month). This represents the current average rent prices in Echo, where most units can be expected to congregate. Rentals at more expensive levels generally represent single family homes for rent.

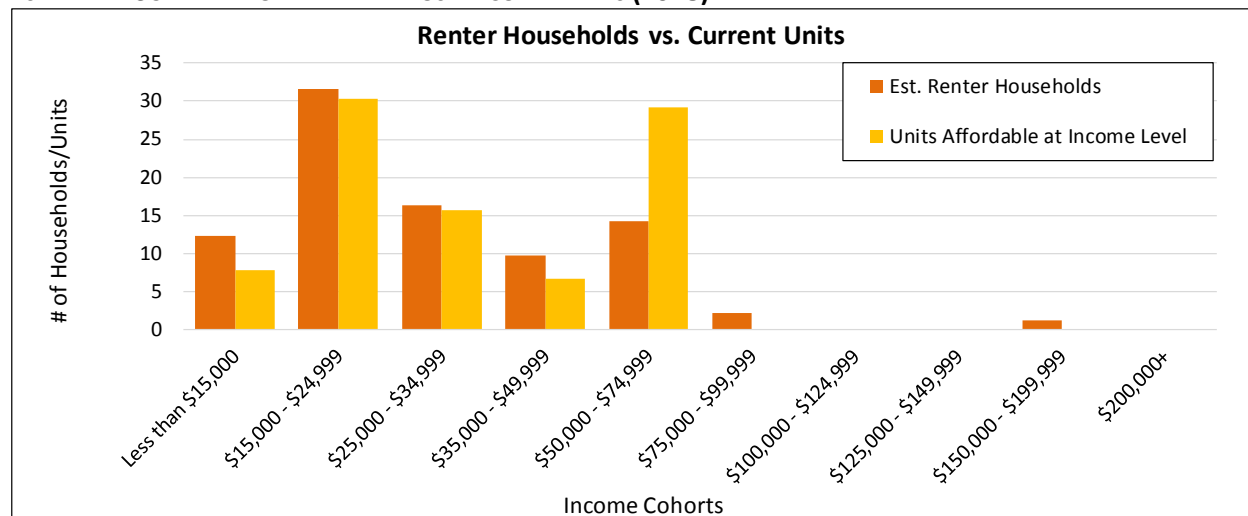
Figures 3.5 and 3.6 present this information in chart form, comparing the estimated number of households in given income ranges, and the supply of units currently affordable within those income ranges. The data is presented for owner and renter households.

**FIGURE 3.5: COMPARISON OF OWNER HOUSEHOLD INCOME GROUPS TO ESTIMATED SUPPLY AFFORDABLE AT THOSE INCOME LEVELS (2018)**



Sources: PSU Population Research Center, City of Echo, Census, JOHNSON ECONOMICS

**FIGURE 3.6: COMPARISON OF RENTER HOUSEHOLD INCOME GROUPS TO ESTIMATED SUPPLY AFFORDABLE AT THOSE INCOME LEVELS (2018)**



Sources: PSU Population Research Center, City of Echo, Census, JOHNSON ECONOMICS

Those price and rent segments which show a “surplus” in Figures 3.5 and 3.6 are illustrating where current property values and market rent levels are in Echo. Housing prices and rent levels will tend to congregate around those price levels. These levels will be too costly for some (i.e. require more than 30% in gross income) or “too affordable” for others (i.e. they have income levels that indicate they could afford more expensive housing if it were available). In general, these findings demonstrate that there are fewer housing opportunities at lower price points than might be considered “affordable” for many renter households. While the community may be able to support some new single family housing at a higher price point.

\* \* \*

The findings of current need form the foundation for projected future housing need, presented in a following section.

## IV. FUTURE HOUSING NEEDS - 2039 (CITY OF ECHO)

The projected future (20-year) housing profile (Figure 4.1) in the study area is based on the current housing profile (2018), multiplied by an assumed projected future household growth rate. The projected future growth is the official forecasted annual growth rate (0.23%) for 2040 generated by the PSU Oregon Forecast Program. This rate is applied to the year 2039. (This represents a 20-year forecast period from the preparation of this report in 2019, though much of the most current data on population and current housing dated to 2018.)

**FIGURE 4.1: FUTURE HOUSING PROFILE (2039)**

PROJECTED FUTURE HOUSING CONDITIONS (2018 - 2039)			SOURCE
2018 Population (Minus Group Pop.)	750		PSU
Projected Annual Growth Rate	0.23%	OR Population Forecast Program	PSU
2039 Population (Minus Group Pop.)	787	(Total 2039 Population - Group Housing Pop.)	
<u>Estimated group housing population:</u>	<u>0</u>	Share of total pop from Census	US Census
<b>Total Estimated 2039 Population:</b>	<b>787</b>		
<b>Estimated Non-Group 2039 Households:</b>	<b>303</b>	(2039 Non-Group Pop./Avg. Household Size)	
New Households 2018 to 2039	14		
Avg. Household Size:	2.60	Projected household size	US Census
<b>Total Housing Units:</b>	<b>319</b>	Occupied Units plus Vacant	
Occupied Housing Units:	303	(= Number of Non-Group Households)	
Vacant Housing Units:	16		
Projected Market Vacancy Rate:	5.0%	(Vacant Units/ Total Units)	

Sources: PSU Population Research Center Oregon Population Forecast Program, Census, JOHNSON ECONOMICS LLC

\*Projections are applied to estimates of 2018 population, household and housing units shown in Figure 1.1

The model projects growth in the number of non-group households over 20 years of roughly 15 households, with accompanying population growth of 40 new residents. (The number of households differs from the number of housing units, because the total number of housing units includes a percentage of vacancy. Projected housing unit needs are discussed below.)

### PROJECTION OF FUTURE HOUSING UNIT DEMAND (2039)

The profile of future housing demand was derived using the same methodology used to produce the estimate of current housing need. This estimate includes current and future households, *but does not include a vacancy assumption. The vacancy assumption is added in the subsequent step.* Therefore the need identified below is the total need for actual households in occupied units (303).

The analysis considered the propensity of households at specific age and income levels to either rent or own their home, in order to derive the future need for ownership and rental housing units, and the affordable cost level of each. The projected need is for *all* 2039 households and therefore includes the needs of current households.

The price levels presented here use the same assumptions regarding the amount of gross income applied to housing costs, from 30% for low income households down to 20% for the highest income households.

The affordable price level for ownership housing assumes 30-year amortization, at an interest rate of 5%, with 15% down payment. Because of the impossibility of predicting variables such as interest rates 20 years into the future, these assumptions were kept constant from the estimation of current housing demand. Income levels and price levels are presented in 2018 dollars.

Figure 4.2 presents the projected occupied future housing demand (current and new households, without vacancy) in 2039.

**FIGURE 4.2: PROJECTED OCCUPIED FUTURE HOUSING DEMAND (2039)**

Ownership				
Price Range	# of Households	Income Range	% of Total	Cumulative
\$0k - \$90k	0	Less than \$15,000	0.0%	0.0%
\$90k - \$130k	27	\$15,000 - \$24,999	13.2%	13.2%
\$130k - \$190k	26	\$25,000 - \$34,999	13.0%	26.2%
\$190k - \$210k	25	\$35,000 - \$49,999	12.3%	38.5%
\$210k - \$340k	37	\$50,000 - \$74,999	18.1%	56.6%
\$340k - \$360k	41	\$75,000 - \$99,999	20.4%	77.0%
\$360k - \$450k	21	\$100,000 - \$124,999	10.2%	87.2%
\$450k - \$530k	9	\$125,000 - \$149,999	4.5%	91.7%
\$530k - \$710k	8	\$150,000 - \$199,999	3.8%	95.5%
\$710k +	9	\$200,000+	4.5%	100.0%
<b>Totals:</b>	<b>202</b>		<b>% of All:</b>	<b>66.7%</b>

Rental				
Rent Level	# of Households	Income Range	% of Total	Cumulative
\$0 - \$400	14	Less than \$15,000	14.0%	14.0%
\$400 - \$600	36	\$15,000 - \$24,999	36.1%	50.1%
\$600 - \$900	19	\$25,000 - \$34,999	18.7%	68.8%
\$900 - \$1000	11	\$35,000 - \$49,999	11.2%	80.0%
\$1000 - \$1600	16	\$50,000 - \$74,999	16.2%	96.2%
\$1600 - \$1700	3	\$75,000 - \$99,999	2.6%	98.7%
\$1700 - \$2100	0	\$100,000 - \$124,999	0.0%	98.7%
\$2100 - \$2500	0	\$125,000 - \$149,999	0.0%	98.7%
\$2500 - \$3300	1	\$150,000 - \$199,999	1.3%	100.0%
\$3300 +	0	\$200,000+	0.0%	100.0%
<b>Totals:</b>	<b>101</b>		<b>% of All:</b>	<b>33.3%</b>

<b>All Units</b>
<b>303</b>

Sources: Census, EnviroNics Analytics, JOHNSON ECONOMICS

It is projected that the homeownership rate in Echo will increase slightly over the next 20 years to 67%, which would remain higher than the current statewide average (62%). The shift to older and marginally higher income households is moderate, but is projected to increase the homeownership rate somewhat. At the same time, the number of lower income households seeking affordable rentals is also anticipated to grow.



## COMPARISON OF FUTURE HOUSING DEMAND TO CURRENT HOUSING INVENTORY

The profile of occupied future housing demand presented above (Figure 4.2) was compared to the current housing inventory presented in the previous section to determine the total future need for *new* housing units by type and price range (Figure 4.3).

*This estimate includes a vacancy assumption.* As reflected by the most recent Census data, and as is common in most communities, the vacancy rate for rental units is typically higher than that for ownership units. An average vacancy rate of 5% is assumed for the purpose of this analysis. This analysis maintains the discrepancy between rental and ownership units going forward, so that the vacancy rate for rentals is assumed to be slightly higher than the overall average, while the vacancy rate for ownership units is assumed to be lower.

**FIGURE 4.3: PROJECTED FUTURE NEED FOR NEW HOUSING UNITS (2039), ECHO**

OWNERSHIP HOUSING									
Unit Type:	Single Family Detached	Single Family Attached	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4- plex	5+ Units MFR				
<b>Totals:</b>	11	0	0	0	0	3	0	<b>14</b>	73.1%
<b>Percentage:</b>	80.5%	0.0%	0.0%	0.0%	0.0%	19.5%	0.0%	100%	

RENTAL HOUSING									
Unit Type:	Single Family Detached	Single Family Attached	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4- plex	5+ Units MFR				
<b>Totals:</b>	4	0	2	0	0	0	0	<b>5</b>	26.9%
<b>Percentage:</b>	69.9%	0.0%	30.0%	0.0%	0.0%	0.0%	0.0%	100%	

TOTAL HOUSING UNITS									
Unit Type:	Single Family Detached	Single Family Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4- plex	5+ Units MFR				
<b>Totals:</b>	15	0	2	0	0	3	0	<b>19</b>	<b>100%</b>
<b>Percentage:</b>	77.7%	0.0%	8.1%	0.0%	0.0%	14.3%	0.0%	100%	

Sources: PSU, City of Echo, Census, Environics Analytics, JOHNSON ECONOMICS

- The results show a need for 19 new housing units by 2039, most of which are ownership units.
- Of the new units needed, roughly 73% are projected to be ownership units, while 27% are projected to be rental units.
- The greatest need for rental units is found at the lowest price points. This reflects the findings shown in Figure 2.7 that a majority of Echo renter households currently pay more than 30% of their income towards housing costs. There is still a strong need for affordable housing.

### Needed Unit Types

In keeping with development trends, and the buildable land available to Echo, single family units are expected to make up the greatest share of new housing development over the next 20 years.

- 77% of the new units are projected to be single family detached homes, 12% are projected to be mobile homes, and only a small share is projected to be some form of attached housing.

- Single family attached units (townhomes on individual lots) are projected to remain rare in the future. These are defined as units on separate tax lots, attached by a wall but separately metered, the most common example being townhome units.
- Duplex units are projected to represent an additional 8% of the total need. Duplex units would include a detached single family home with an accessory dwelling unit on the same lot, or with a separate unit in the home (for instance, a rental basement unit.)
- Given the small overall number of forecasted rental units, there is not projected need for larger apartment complexes.
- 14% of new needed units are projected to be mobile home units, which meet the needs of some low-income households for both ownership and rental.
- Of ownership units, 80.5% are projected to be single-family homes, and 19.5% mobile homes.

### **Needed Affordability Levels**

- The needed affordability levels presented here are based on current 2018 dollars. Over time, incomes and housing costs will both inflate, so the general relationship projected here is expected to remain unchanged.
- The future needed affordability types (2039) reflect the same relationship shown in the comparison of current (2018) need and supply (shown in Figure 3.4). Generally, based on income levels there is a shortage of units in the lowest pricing levels for renter households.
- Figure 4.3 presents the *net NEW* housing unit need over the next 20 years. Due to the slow growth rate in Echo there is not a strong need for *new* rental units in the town over the forecast period.
- HOWEVER, there is also a *current* need for more affordable units. In order for all households, current and new to pay 30% or less of their income towards housing in 2039, a few more affordable rental units would be required. This indicates that some of the current supply, while it shows up as existing available housing, would need to become less expensive to meet the needs of current households.
- There is a lack of new need in the middle of the rental spectrum (\$400 to \$1,600). As was discussed in the comparison of current need and supply, this reflects where the majority of market-rate rent levels are at the current time. As with the 2018 comparison, a future need is projected for both low-rent, but also higher rent units. This analysis shows that some renter households have the ability pay for a larger, newer and/or higher quality unit than may be currently available.
- Projected needed ownership units show that the supply at the lowest end of the spectrum is currently sufficient. (This reflects the estimated *value* of the total housing stock, and not necessarily the average pricing for housing currently for sale.) And the community could support more some housing at higher price points, mostly in ranges above \$200,000.
- Figure 4.4 presents estimates of need at key low-income affordability levels in 2018 and in 2039. There is existing and on-going need at these levels, based on income levels specified by Oregon Housing and Community Services for Umatilla County. The need is not as acute from the “extremely low income” segment (8% of households), but an estimated 42% of households qualify as “low income”.

**FIGURE 4.4: PROJECTED NEED FOR HOUSING AFFORDABLE AT LOW INCOME LEVELS, ECHO**

Affordability Level	Income Level	Current Need (2018)		Future Need (2039)		NEW Need (20-Year)	
		# of HH	% of All	# of HH	% of All	# of HH	% of All
Extremely Low Inc.	30% AMI    \$16,650	21	8%	22	8%	1	5%
Very Low Income	50% AMI    \$27,600	77	29%	81	29%	4	19%
Low Income	80% AMI    \$44,160	111	42%	117	42%	6	27%

Sources: OHCS, Environics Analytics, JOHNSON ECONOMICS

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

## V. RECONCILIATION OF FUTURE NEED (2039) & LAND SUPPLY (CITY OF ECHO)

This section summarizes the results of the Buildable Lands Inventory (BLI). The BLI is presented in detail in an accompanying memo to this report.

The following table present the estimated new unit capacity of the buildable lands identified in the City of Echo UGB. There is a total remaining capacity of 539 units of different types within the study area. Much of this capacity is within the high density residential zone.

**FIGURE 5.1: ESTIMATED BUILDABLE LANDS CAPACITY BY ACREAGE AND NO. OF UNITS (2019)**

Jurisdiction and Zone	Projected Density (units/net acre)	Unconstrained Acres				Housing Unit Capacity			
		Partially Vacant	Vacant	Total	Share of Total	Partially Vacant	Vacant	Total	Share of Total
<b>Echo</b>									
R-1: General Residential	5	10	11	21	19%	38	16	54	10%
R-2: Limited Residential	5	17	19	36	33%	61	64	125	23%
R-3: High Density Residential	18	15	10	24	22%	196	129	325	60%
R-4: Farm Residential	1	11	18	29	26%	2	0	2	0%
RC: Residential Commercial	5	0	1	1	1%	13	20	33	6%
<b>Subtotal</b>		<b>52</b>	<b>58</b>	<b>110</b>	<b>--</b>	<b>310</b>	<b>229</b>	<b>539</b>	<b>--</b>

Source: Angelo Planning Group

The following tables summarize the forecasted future unit need for Echo. These are the summarized results from Section IV of this report.

**FIGURE 5.2: SUMMARY OF FORECASTED FUTURE UNIT NEED (2039)**

TOTAL HOUSING UNITS									
Unit Type:	Single Family Detached	Single Family Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
<b>Totals:</b>	15	0	2	0	0	3	0	<b>19</b>	<b>100%</b>
<b>Percentage:</b>	77.7%	0.0%	8.1%	0.0%	0.0%	14.3%	0.0%	100%	

Sources: PSU Population Research Center, Census, Johnson Economics

### Comparison of Housing Need and Capacity

There is a total forecasted need for roughly 20 units over the next 20 years based on the PSU forecasted growth rate. This is well below the estimated capacity of over 540 units. As Figure 5.3 below demonstrates, there is sufficient capacity to accommodate all projected new unit types. After this need is accommodated, there is an estimated remaining capacity of over 520 additional units, mostly in the high-density residential zone.

The following table shows the same comparison, converting the forecasted residential need and capacity by acres, rather than units. There is a projected need for 4 acres of new residential development, but a buildable capacity of 111 acres.

**FIGURE 5.3: COMPARISON OF FORECASTED FUTURE LAND NEED (2039) WITH AVAILABLE CAPACITY**

<u>LAND INVENTORY VS. LAND NEED</u>	Unit Type			<u>TOTAL</u>
	Single Family Detached	Medium- Density Attached	Multi- Family	
Buildable Land Inventory (Acres):	86	1	24	111
Estimated Land Need (Acres):	3	0	0	4
<b><i>Land Surplus (Inventory - Need:)</i></b>	<b><i>83</i></b>	<b><i>1</i></b>	<b><i>24</i></b>	<b><i>107</i></b>

Sources: Angelo Planning Group, Johnson Economics

**FINDING:** There is currently sufficient buildable capacity within Echo to accommodate projected need. The character of this supply can help guide housing policy and strategy recommendations to be included in subsequent reports and ultimately integrated in the City's updated Comprehensive Plan.



Source: City of Stanfield

## **CITY OF STANFIELD, OR**

### **HOUSING AND RESIDENTIAL LAND NEEDS ASSESSMENT (OREGON STATEWIDE PLANNING GOAL 10)**

#### **20-YEAR HOUSING NEED 2019 - 2039**

Prepared For:  
CITY OF STANFIELD, OREGON  
June 2019

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## INTRODUCTION

This analysis outlines a forecast of housing need within the City of Stanfield. Housing need and resulting land need are forecast to 2039 consistent with 20-year need assessment requirements of periodic review. This report presents a housing need analysis (presented in number and types of housing units) and a residential land need analysis, based on those projections.

The primary data sources used in generating this forecast were:

- Portland State University Population Research Center
- U.S. Census
- Environics Analytics Inc.<sup>1</sup>
- Oregon Employment Department
- Umatilla County GIS
- Other sources are identified as appropriate.

This analysis reflects the coordinated population forecast from the Oregon Population Forecast Program, at the Population Research Center (PRC) at PSU. State legislation passed in 2013 made the PRC responsible for generating the official population forecasts to be used in Goal 10 housing analyses in Oregon communities outside of the Portland Metro area (ORS 195.033). The population forecasts used in this analysis were generated in 2016.

***This project is 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.***

## I. CITY OF STANFIELD DEMOGRAPHIC PROFILE

### SUMMARY

The following table (Figure 1.1) presents a profile of City of Stanfield demographics from the 2000 and 2010 Census. This includes the city limits of Stanfield, as well as areas currently included within the Urban Growth Boundary (UGB). It also presents the estimated population of this area as of 2018 from PSU estimates.

- Stanfield is a City of an estimated 2,185 people (City), and 2,200 people (UGB), located in Umatilla County in Northeastern Oregon.
- Based on the UGB population, Stanfield is roughly the 112<sup>th</sup> largest city in the state by population, but similar in size to many other towns. Within Umatilla County, Stanfield is the sixth largest town.
- Stanfield has experienced modest growth, growing 10% since 2000. In contrast, Umatilla County and the state experienced population growth of 14% and 21% respectively. The City of Umatilla and Hermiston to the north grew a more robust 45% and 37% respectively. (US Census and PSU Population Research Center)

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<sup>1</sup> Environics Analytics Inc. is a third-party company providing data on demographics and market segmentation. It licenses data from the Nielson Company which conducts direct market research including surveying of households across the nation. Nielson combines proprietary data with data from the U.S. Census, Postal Service, and other federal sources, as well as local-level sources such as Equifax, Vallassis and the National Association of Realtors. Projections of future growth by demographic segments are based on the continuation of long-term and emergent demographic trends identified through the above sources.

- The Stanfield UGB was home to an estimated 740 households in 2018, an increase of roughly 75 households since 2000. The percentage of families grew slightly between 2000 and 2018 from 75% to 76% of all households. The city has a larger share of family households than Umatilla County (68%) and the state (63%).
- Stanfield' estimated average household size is 2.97 persons, holding fairly stable sense 2000. This is higher than the Umatilla County average of 2.67 and greater than the statewide average of 2.47.

**FIGURE 1.1: STANFIELD DEMOGRAPHIC PROFILE**

<b>POPULATION, HOUSEHOLDS, FAMILIES, AND YEAR-ROUND HOUSING UNITS</b>					
	<b>2000 (Census)</b>	<b>2010 (Census)</b>	<b>Growth 00-10</b>	<b>2018 (PSU)</b>	<b>Growth 10-18</b>
Population <sup>1</sup>	1,992	2,056	3.2%	2,199	7.0%
Households <sup>2</sup>	666	685	2.9%	740	8.0%
Families <sup>3</sup>	501	516	3%	564	9%
Housing Units <sup>4</sup>	719	740	3%	784	6%
Group Quarters Population <sup>5</sup>	0	0	0%	0	0%
Household Size (non-group)	2.99	3.00	0%	2.97	-1%
Avg. Family Size	3.40	3.42	1%	3.32	-3%
<b>PER CAPITA AND MEDIAN HOUSEHOLD INCOME</b>					
	<b>2000 (Census)</b>	<b>2010 (Census)</b>	<b>Growth 00-10</b>	<b>2018 (Proj.)</b>	<b>Growth 10-18</b>
Per Capita (\$)	\$12,842	\$20,466	59%	\$21,160	3%
Median HH (\$)	\$35,286	\$48,611	38%	\$55,500	14%

SOURCE: Census, PSU Population Research Center, and Johnson Economics

Census Tables: DP-1 (2000, 2010); DP-3 (2000); S1901; S19301

<sup>1</sup> From PSU Population Research Center, Population Forecast Program, final forecast for Umatilla Co. (2017)

<sup>2</sup> 2018 Households = (2018 population - Group Quarters Population)/2018 HH Size

<sup>3</sup> Ratio of 2018 Families to total HH is based on 2016 ACS 5-year Estimates

<sup>4</sup> 2018 housing units are the '10 Census total plus new units permitted from '10 through '18 (source: Census, Cities)

<sup>5</sup> Ratio of 2018 Group Quarters Population to Total Population is kept constant from 2010.

## A. POPULATION GROWTH

Since 2000, Stanfield has grown by just over 200 people within the UGB, or 10% in 18 years. This is a slower growth rate than was seen in the rest of the county (14%), and the state (21%). In comparison, the population of the city of Umatilla grew by 47%.

## B. HOUSEHOLD GROWTH & SIZE

As of 2018, the city has an estimated 740 households. Since 2000, Stanfield has added an estimated 74 households, or 11% growth. A household is defined as all the persons who occupy a single housing unit, whether or not they are related.

The household growth rate was similar to population growth reflecting that the average household size remained stable. There has been a general trend in Oregon and nationwide towards declining household size as birth rates have fallen, more people have chosen to live alone, and the Baby Boomers have become empty nesters. While

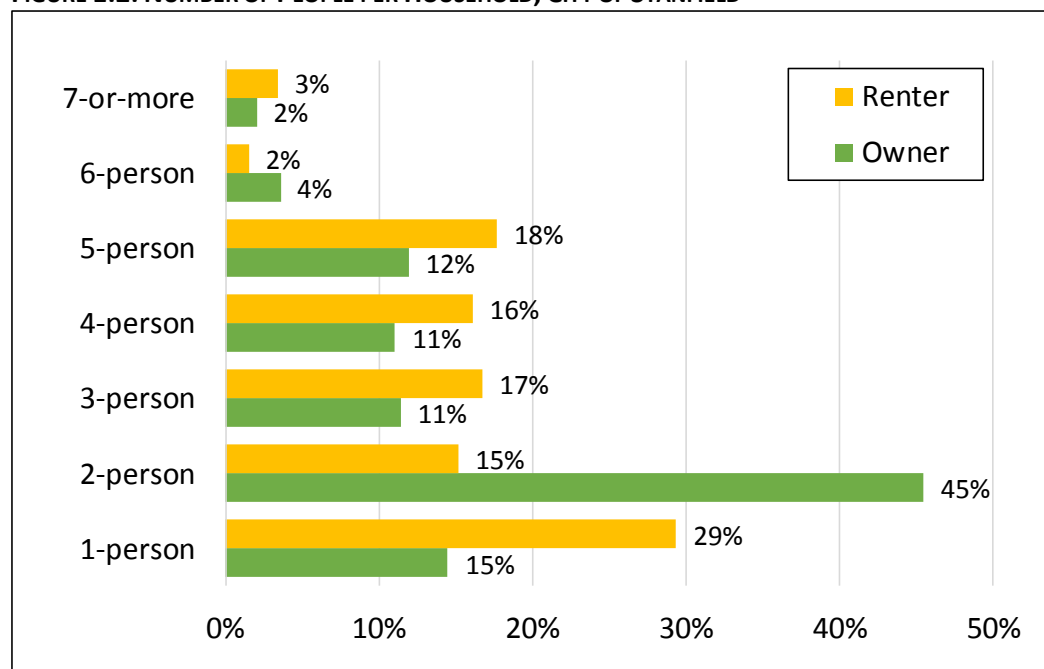


this trend of diminishing household size is expected to continue nationwide, there are limits to how far the average can fall. Stanfield has resisted this trend in recent decades.

Stanfield' average household size of 2.97 people is larger than Umatilla County (2.67).

Figure 1.2 shows the share of households by the number of people for renter and owner households in 2017 (latest available), according to the Census. Renter households are more likely to have a single person, or three or more persons, pointing to a bifurcation of single renters, and family households. Owner households are more likely to have two persons, but also larger households.

**FIGURE 1.2: NUMBER OF PEOPLE PER HOUSEHOLD, CITY OF STANFIELD**



SOURCE: US Census, JOHNSON ECONOMICS LLC  
Census Tables: B25009 (2017 ACS 5-yr Estimates)

### C. FAMILY HOUSEHOLDS

As of the 2017 ACS, 76% of Stanfield households were family households, up slightly from 2000 (75%). The total number of family households in Stanfield is estimated to have grown by 63 since 2000. This is 85% of all new households in this period.

The Census defines family households as two or more persons, related by marriage, birth or adoption and living together. In 2017, family households in Stanfield had an average size of 3.32 people.

### D. HOUSING UNITS

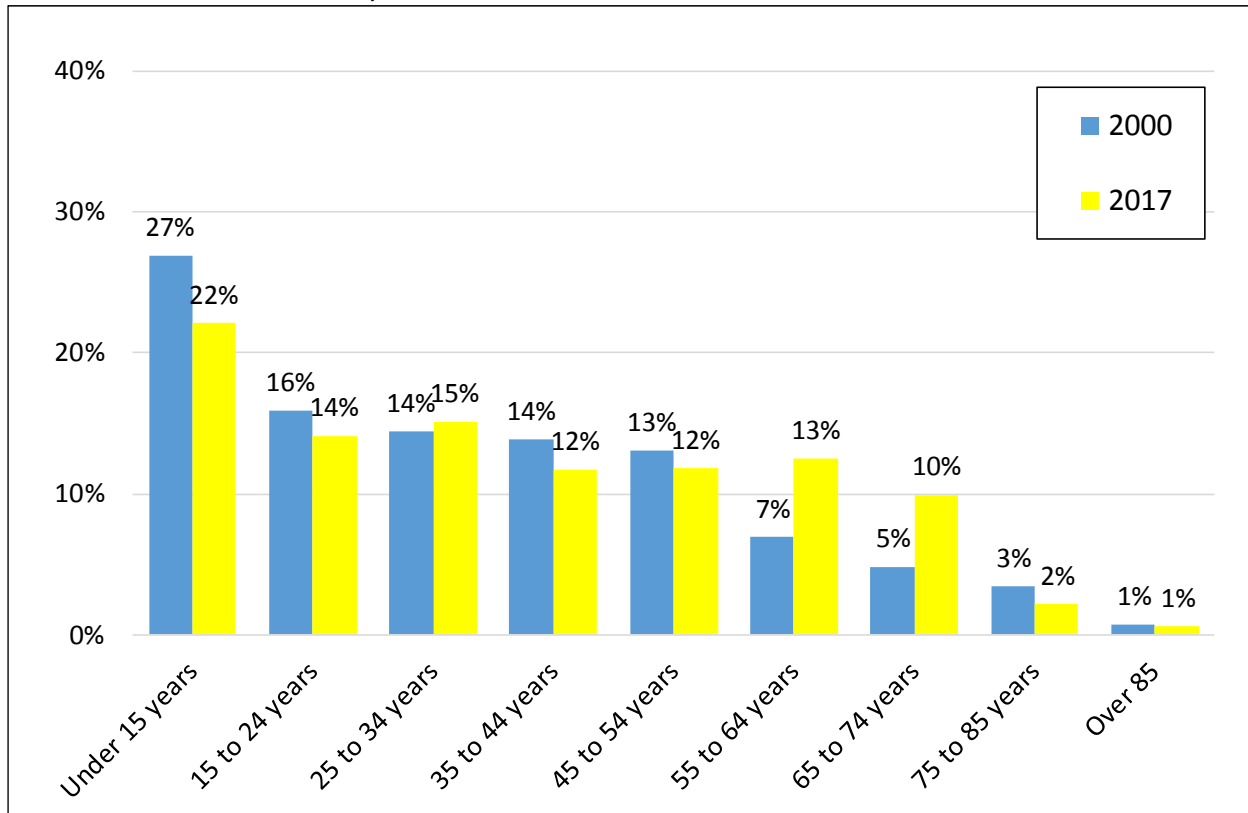
Data from the City of Stanfield and the US Census indicate that the city added 45 new housing units since 2010 within the UGB. At the same time, the city has added roughly 55 households, meaning existing housing is more occupied and the vacancy rate has fallen.

As of 2018, the city had an estimated housing stock of roughly 784 units for its 740 estimated households. This translates to a low estimated vacancy rate of 5.6%.

## E. AGE TRENDS

The following figure shows the share of the population falling in different age cohorts between the 2000 Census and the most recent 5-year estimates. As the chart shows, there is a general trend of younger age cohorts falling as share of total population, while older cohorts have grown in share. This is in keeping with the national trend caused by the aging of the Baby Boom generation. At the same time, the share of people aged from 25 to 34 years of age has grown slightly.

**FIGURE 1.3: AGE COHORT TRENDS, 2000 - 2017**

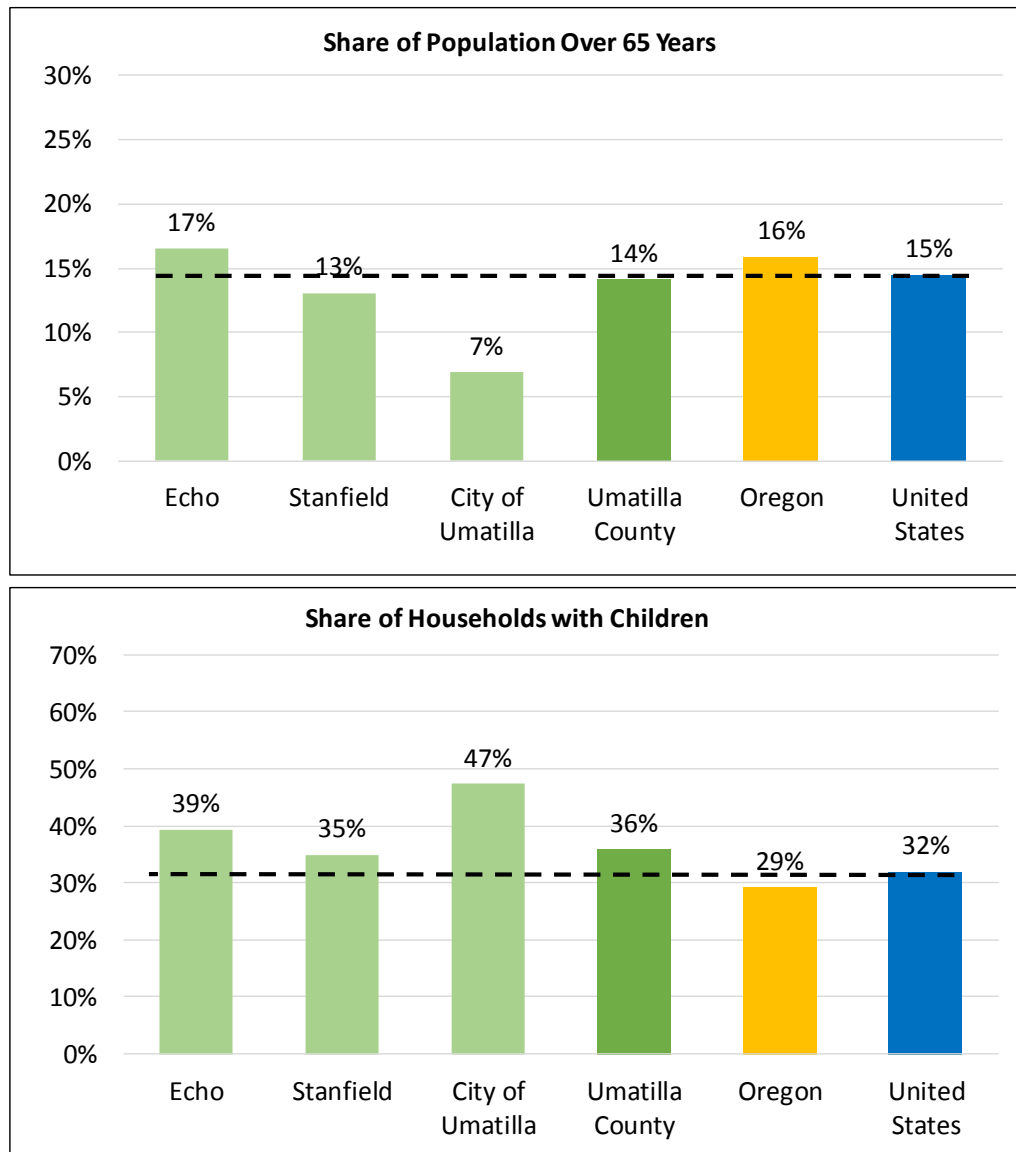


SOURCE: US Census, JOHNSON ECONOMICS LLC

Census Tables: QT-P1 (2000); S0101 (2017 ACS 5-yr Estimates)

- The cohorts that grew in share during this period were those aged 55 and older. Still an estimated 87% of the population is under 65 years of age.
- In the 2017 ACS, the local median age was an estimated 35 years, compared to 36 years in Umatilla County, and 39 years in Oregon.
- Figure 1.4 presents the share of households with children, and the share of population over 65 years for comparison. Compared to state and national averages, Stanfield has a larger share of households with children and a smaller share of the population over 65.

**FIGURE 1.4: SHARE OF HOUSEHOLDS WITH CHILDREN/ POPULATION OVER 65 YEARS (STANFIELD)**



SOURCE: US Census, JOHNSON ECONOMICS LLC  
Census Tables: B11005; S0101 (2017 ACS 5-yr Estimates)

## F. INCOME TRENDS

The following figure presents data on income trends in Stanfield.

**FIGURE 1.5: INCOME TRENDS, 2000 – 2018**

<b>PER CAPITA AND MEDIAN HOUSEHOLD INCOME</b>					
	<b>2000</b>	<b>2010</b>	<b>Growth</b>	<b>2018</b>	<b>Growth</b>
	<b>(Census)</b>	<b>(Census)</b>	<b>00-10</b>	<b>(Proj.)</b>	<b>10-18</b>
Per Capita (\$)	\$12,842	\$20,466	59%	\$21,160	3%
Median HH (\$)	\$35,286	\$48,611	38%	\$55,500	14%

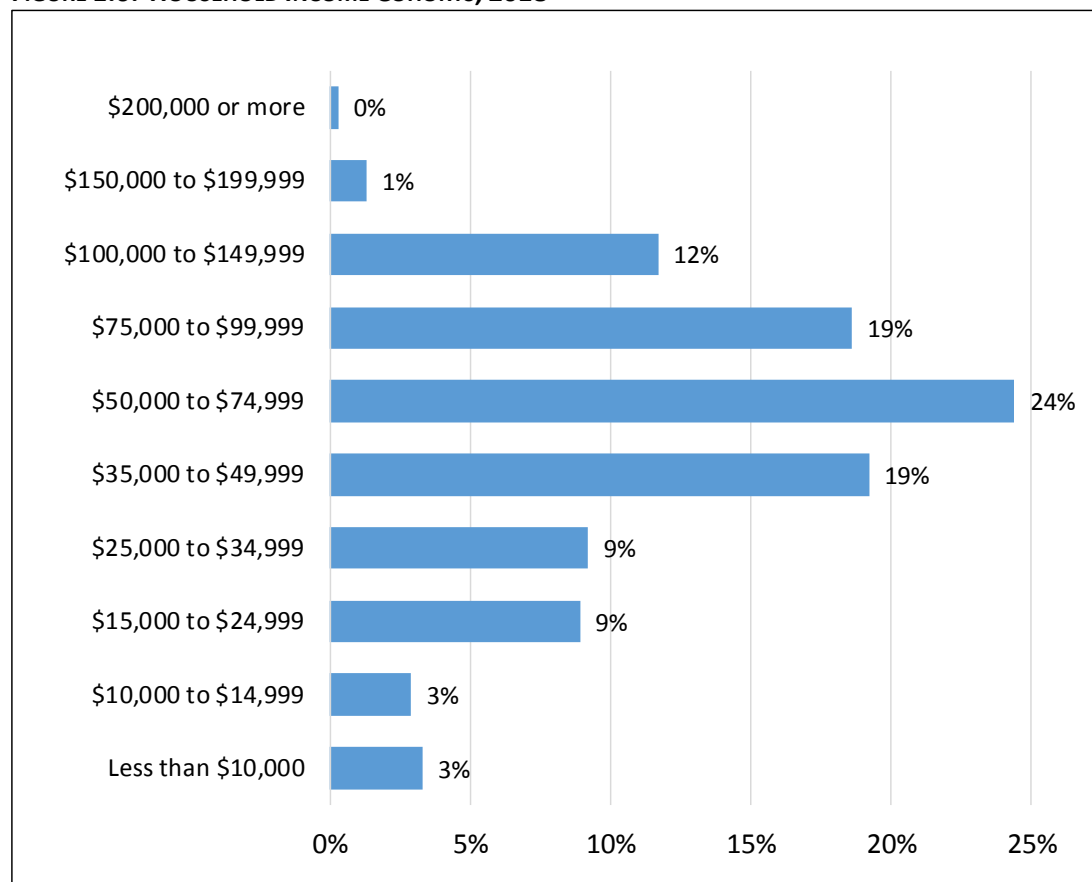
SOURCE: Census, PSU Population Research Center, and Johnson Economics  
Census Tables: DP-1 (2000, 2010); DP-3 (2000); S1901; S19301

- Stanfield’s estimated median household income was \$55,500 in 2018. This has grown significantly from the estimated median in 2010, and is higher than the Umatilla County median of \$50,100.
- Stanfield’s per capita income is roughly \$21,200.
- Median income has grown an estimated 35% between 2000 and 2018, in real dollars. Inflation was an estimated 57% over this period, so as is the case regionally and nationwide, the local median income has not kept pace with inflation.

Figure 1.6 presents the estimated distribution of households by income as of 2017. The largest income cohorts are those households earning between \$50k and \$75k.

- 43% of households earn less than \$50k per year, while 57% of households earn \$50k or more.
- 15% of households earn \$25k or less.

**FIGURE 1.6: HOUSEHOLD INCOME COHORTS, 2018**



SOURCE: US Census  
Census Tables: S1901 (2017 ACS 5-yr Est.)

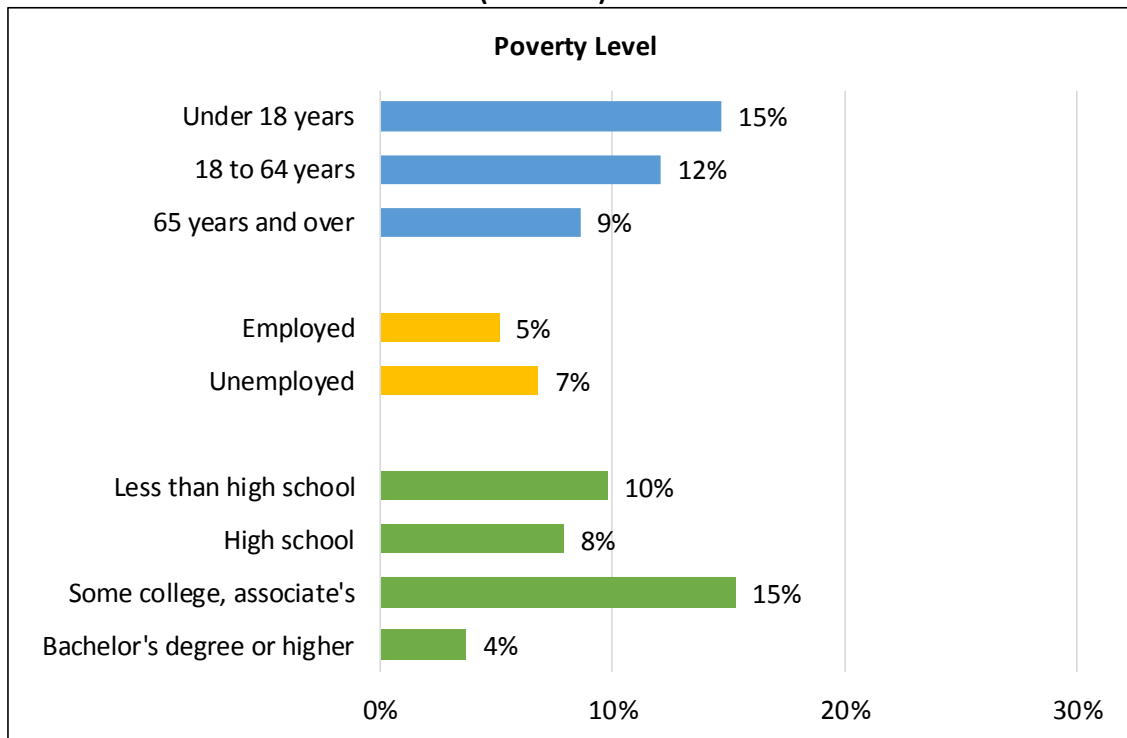
## G. POVERTY STATISTICS

According to the US Census, the official poverty rate in Stanfield is an estimated 12% over the most recent period reported (2017 5-year estimates).<sup>2</sup> This is roughly 325 individuals in Stanfield. In comparison, the official poverty rate in Umatilla County, and at the state level are both 17%. In the 2013-17 period:

<sup>2</sup> Census Tables: S1701 (2017 ACS 5-yr Estimates)

- Stanfield poverty rate is highest among children at 15%. The rate is 12% among those 18 to 64 years of age. The rate is lowest for those 65 and older at 9%.
- For those without a high school diploma the poverty rate is 10%. For those with a high school diploma only, the rate is 8%. For those with some college education, the poverty rate is the highest, likely indicating that some of these individuals are current students, and therefore may temporarily have only part-time or no employment.
- Among those who are employed the poverty rate is 5%, while it is 7% for those who are unemployed.
- Information on affordable housing is presented in the following section of this report.

**FIGURE 1.7: POVERTY STATUS BY CATEGORY (STANFIELD)**



SOURCE: US Census  
Census Tables: S1701 (2017 ACS 5-yr Est.)

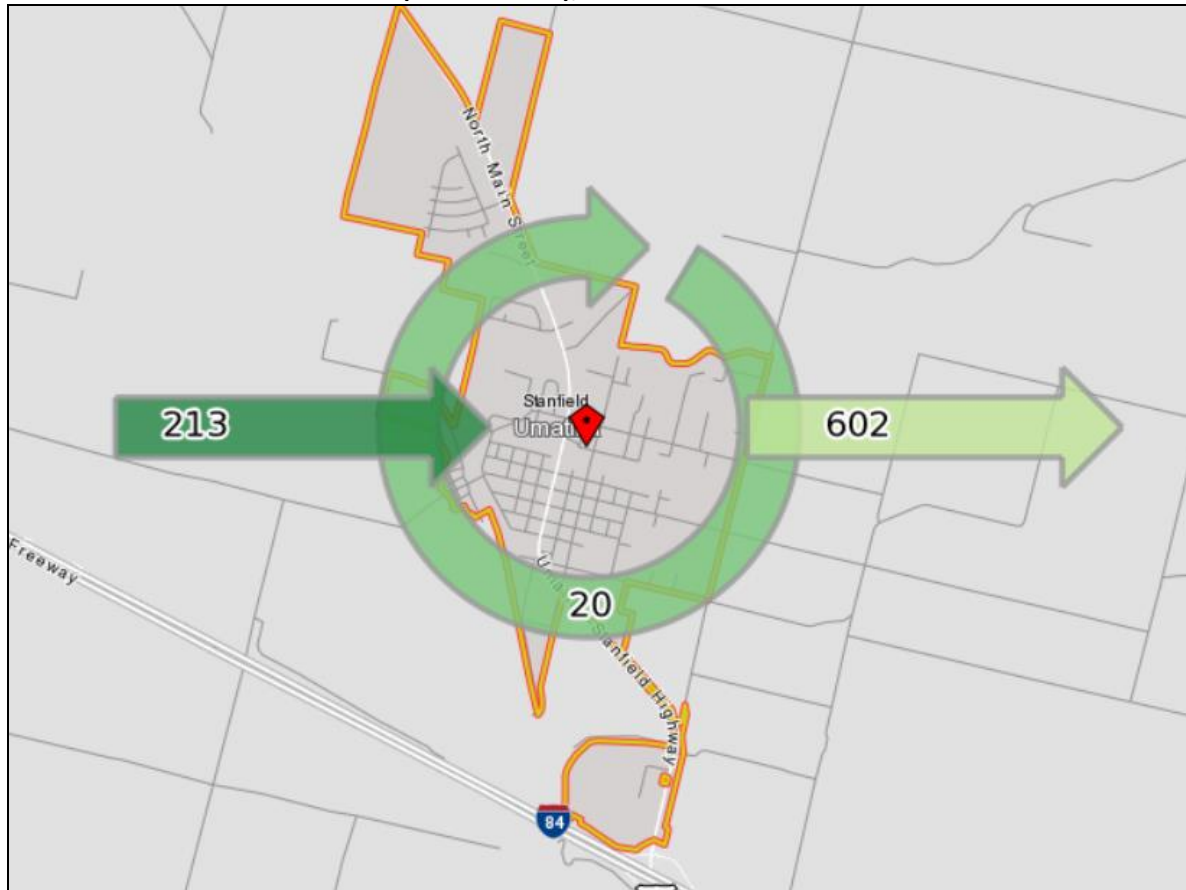
## H. EMPLOYMENT LOCATION TRENDS

This section provides an overview of employment and industry trends in Stanfield that are related to housing.

**Commuting Patterns:** The following figure shows the inflow and outflow of commuters to Stanfield according to the Census Employment Dynamics Database. As of 2015, the most recent year available, the Census estimated there were roughly 225 jobs located in Stanfield. Relatively few are held by local residents, while over 200 employees commute into the city from elsewhere. This pattern is fairly common among many smaller communities. While Census data is incomplete, it seems that most local workers commuting into the city live in Hermiston, Pendleton, Umatilla, or unincorporated areas.

Of the estimated 625 employed Stanfield residents, 97% of them commute elsewhere for employment. Most of these residents also commute to Hermiston, Pendleton or Umatilla.

**FIGURE 1.8: COMMUTING PATTERNS (PRIMARY JOBS), STANFIELD**



Source: US Census Longitudinal Employer-Household Dynamics

**Jobs/Household Ratio:** Stanfield features a jobs-to-households ratio of 0.3 jobs per household. There are an estimated 225 jobs in the city of Stanfield, and an estimated 625 Stanfield residents in the labor force. This represents 0.4 jobs per working adult, meaning that Stanfield is tipped towards the housing side of the jobs/housing balance.

## II. CURRENT HOUSING CONDITIONS

The following figure presents a profile of the current housing stock and market indicators in Stanfield. This profile forms the foundation to which current and future housing needs will be compared.

### A. HOUSING TENURE

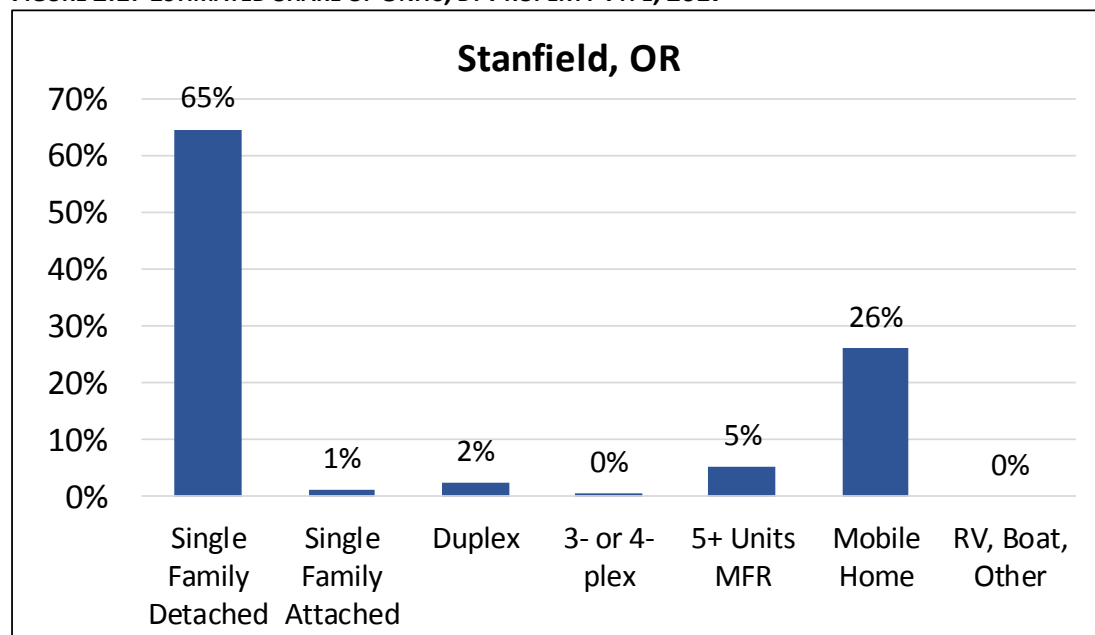
Stanfield has a greater share of owner households than renter households. The 2017 American Community Survey estimates that 62% of occupied units were owner occupied, and 38% renter occupied. The ownership rate in Stanfield has fallen from 70% since 2000. During this period the statewide rate fell from 64% to 62%. Nationally, the homeownership rate has nearly reached the historical average of 65%, after the rate climbed from the late 1990's to 2004 (69%).

The estimated ownership rate is higher in Umatilla County (66%) and lower statewide (61%).

### B. HOUSING STOCK

As shown in Figure 1.1, Stanfield UGB had an estimated 784 housing units in 2018, with a vacancy rate of 6% (includes ownership and rental units).

**FIGURE 2.1: ESTIMATED SHARE OF UNITS, BY PROPERTY TYPE, 2017**



SOURCE: City of Stanfield, Census ACS 2017

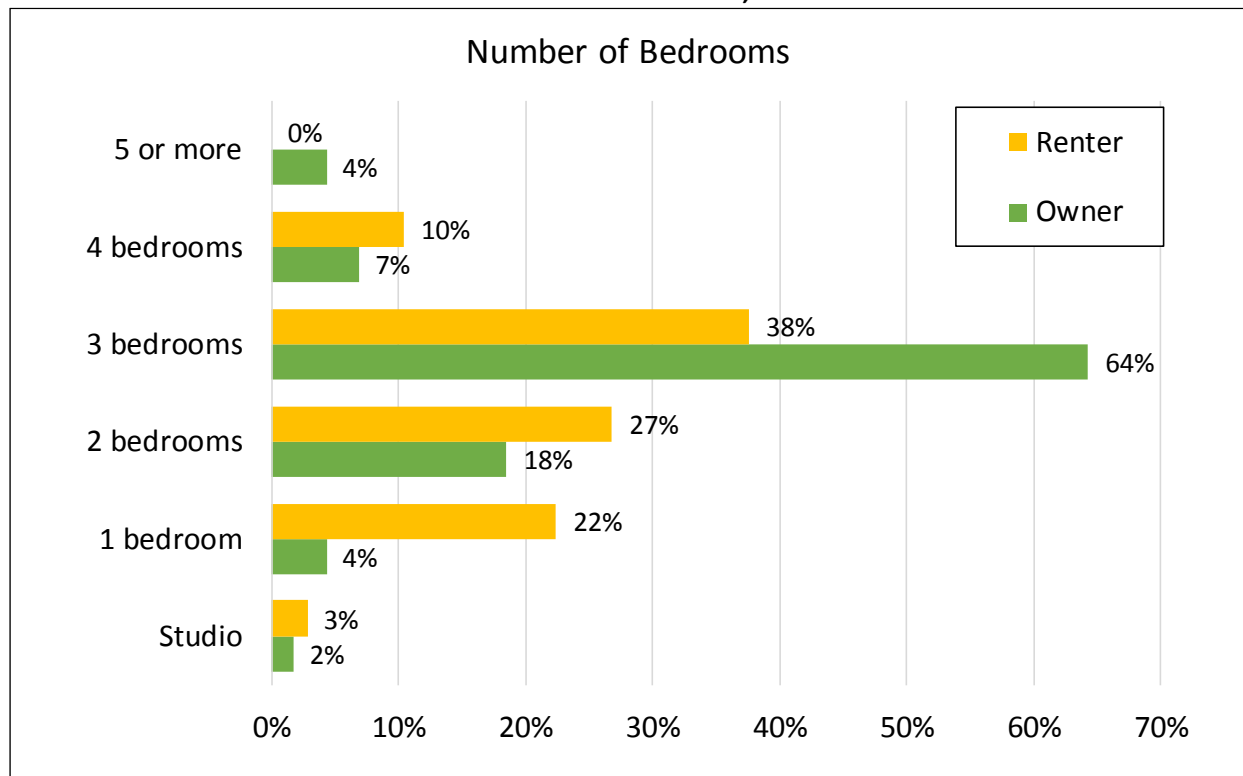
Figure 2.1 shows the estimated number of units by type in 2017. Detached single-family homes represent an estimated 65% of housing units.

Units in larger apartment complexes of 5 or more units represent just 5% of units, and other types of attached homes represent an additional 3% of units. (Attached single family generally includes townhomes, some condo flats, and plexes which are separately metered.) Mobile homes represent 26% of the inventory.

### C. NUMBER OF BEDROOMS

Figure 2.2 shows the share of units for owners and renters by the number of bedrooms they have. In general, owner-occupied units are more likely to have three or more bedrooms, while renter occupied units are more likely to have two or fewer bedrooms.

**FIGURE 2.2: NUMBER OF BEDROOMS FOR OWNER AND RENTER UNITS, 2017**



SOURCE: US Census

Census Tables: B25042 (2017 ACS 5-year Estimates)

#### D. UNITS TYPES BY TENURE

As Figure 2.3 and 2.4 show, a large share of owner-occupied units (69%) are detached homes, or mobile homes (31%). Renter-occupied units are more distributed among a range of structure types. 76% of rented units are estimated to be detached homes or mobile homes, while the remainder are some form of attached unit. And estimated 14% of rental units are in larger apartment complexes.

**FIGURE 2.3: CURRENT INVENTORY BY UNIT TYPE, FOR OWNERSHIP AND RENTAL HOUSING**

##### OWNERSHIP HOUSING

Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units
Totals:	335	0	0	0	0	151	0	485
Percentage:	69.0%	0.0%	0.0%	0.0%	0.0%	31.0%	0.0%	100.0%

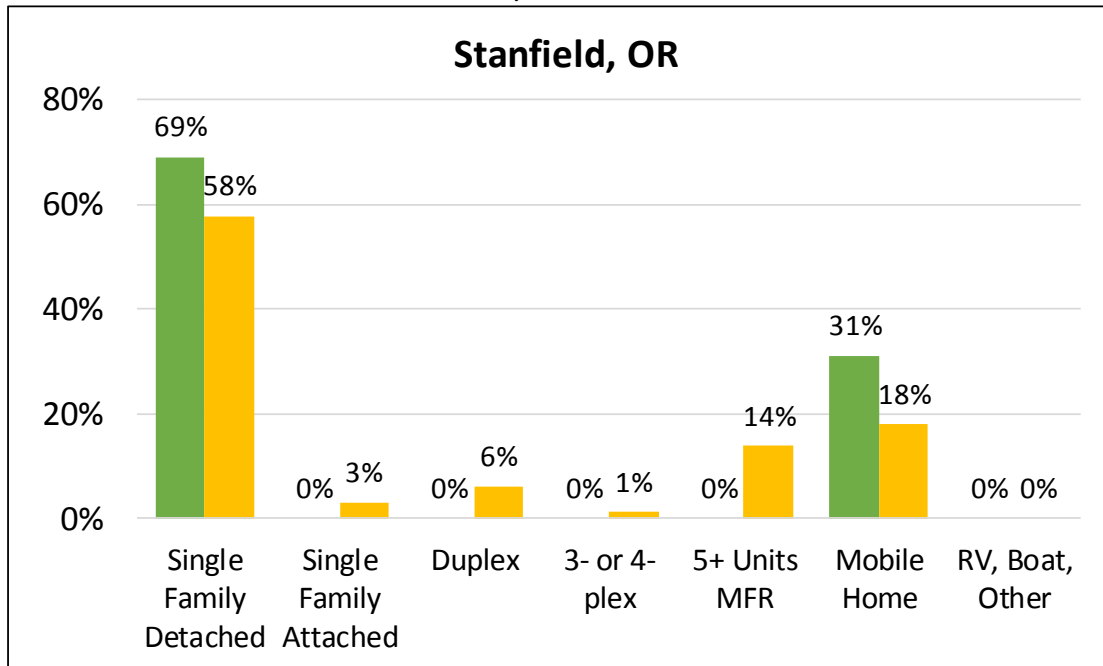
##### RENTAL HOUSING

Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units
Totals:	173	9	18	4	42	54	0	299
Percentage:	57.7%	3.1%	6.2%	1.2%	13.9%	17.9%	0.0%	100.0%

Sources: US Census, JOHNSON ECONOMICS, CITY OF STANFIELD



**FIGURE 2.4: CURRENT INVENTORY BY UNIT TYPE, BY SHARE**

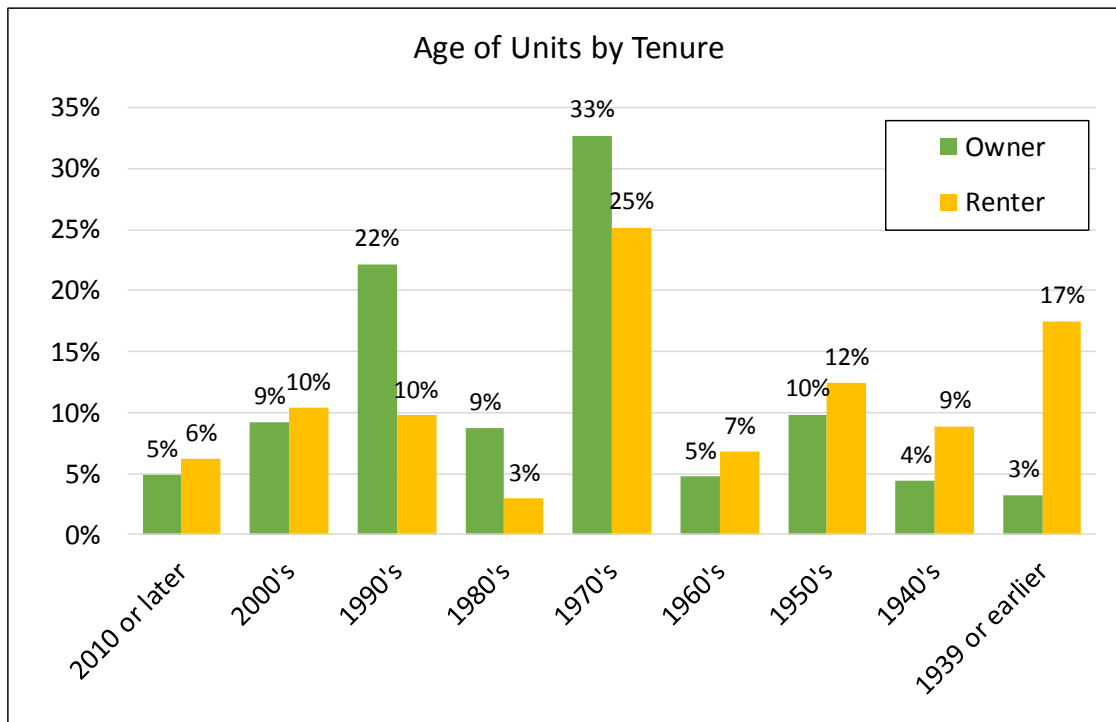


Sources: US Census, JOHNSON ECONOMICS, CITY OF STANFIELD

### E. AGE OF HOUSING STOCK

Stanfield's housing stock reflects the pattern of development in the area. 85% of the housing stock is pre-2000 with the remainder being post-2000. Roughly 30% of the housing stock was built in the 1970's, while another 30% dates from the 1960's or earlier. The following figure shows that owners are more likely to live in newer housing, while rental housing is more likely to live in older housing.

**FIGURE 2.5: AGE OF UNITS FOR OWNERS AND RENTERS**



SOURCE: US Census  
Census Tables: B25036 (2017 ACS 5-year Estimates)

## F. HOUSING COSTS VS. LOCAL INCOMES

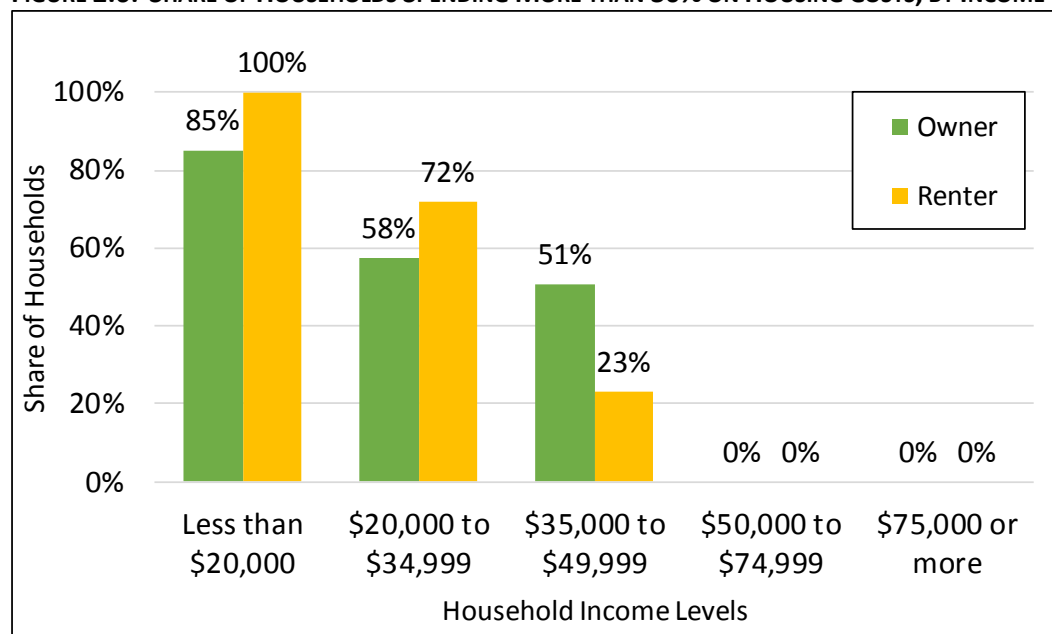
Figure 2.6 shows the share of owner and renter households who are paying more than 30% of their household income towards housing costs, by income segment. (Spending 30% or less on housing costs is a common measure of “affordability” used by HUD and others, and in the analysis presented in this report.)

As one would expect, households with lower incomes tend to spend more than 30% of their income on housing, while incrementally fewer of those in higher income groups spend more than 30% on their incomes on housing costs. Of those earning less than \$20,000, an estimated 85% of owner households and 100% of renters spend more than 30% of income on housing costs.

Even roughly 37% of those households earning \$35,000 to \$49,000 pay more than 30% of income towards housing costs. Only those earning more than \$50,000 do not pay more than 30%.

In total, the US Census estimates that 30% of Stanfield households pay more than 30% of income towards housing costs (2017 American Community Survey, B25106)

**FIGURE 2.6: SHARE OF HOUSEHOLDS SPENDING MORE THAN 30% ON HOUSING COSTS, BY INCOME GROUP**



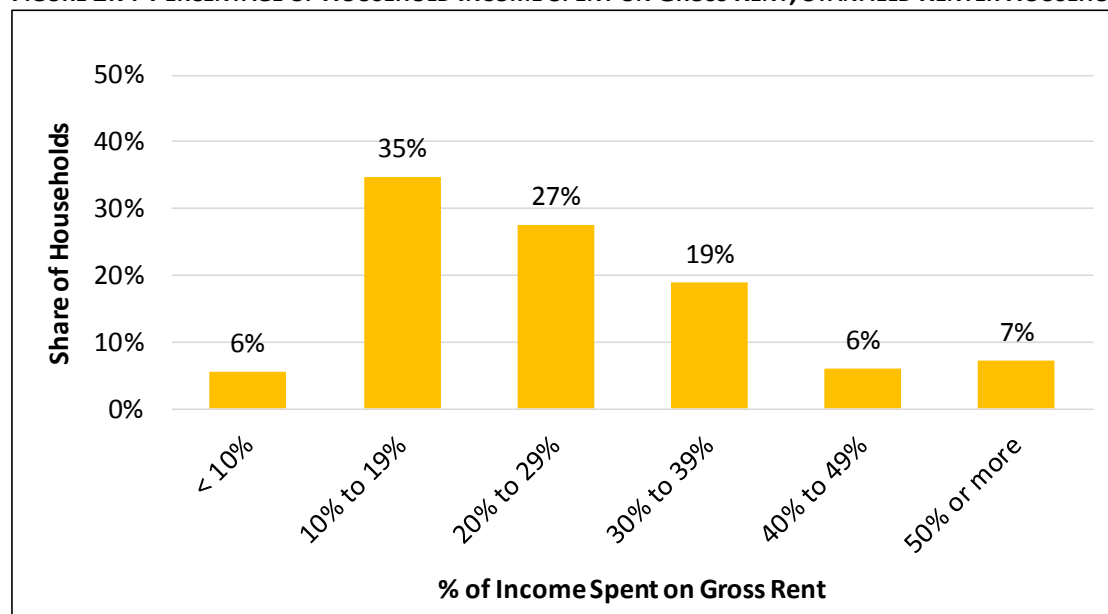
Sources: US Census, JOHNSON ECONOMICS

Census Table: B25106 (2017 ACS 5-yr Estimates)

The following figures shows the percentage of household income spent towards gross rent for local renter households only. This more fine-grained data shows that 32% of renters spending more than 30% of their income on rent, with an estimated 7% of renters are spending 50% or more of their income.

Renters are disproportionately lower income relative to homeowners. The burden of housing costs are felt more broadly for these households, and as the analysis presented in later section shows there is a need for more affordable rental units in Stanfield, as in most communities.

**FIGURE 2.7: PERCENTAGE OF HOUSEHOLD INCOME SPENT ON GROSS RENT, STANFIELD RENTER HOUSEHOLDS**



Sources: US Census, JOHNSON ECONOMICS  
Census Table: B25070 (2017 ACS 5-yr Estimates)

## **G. PUBLICLY-ASSISTED HOUSING**

Currently Stanfield does not have any rent-subsidized properties located in the town.

None of the public housing units operated by the Umatilla County Housing Authority are located in Stanfield. Most of the Housing Authority's properties are located in Hermiston. The Housing Authority administers 329 housing choice vouchers which may be used in Stanfield or other communities in the four-county jurisdiction.

**Farmworker Housing:** Stanfield does not currently have any properties dedicated to agricultural workforce housing.

**Homelessness:** A Point-in-Time count of homeless individuals in Umatilla County conducted in 2017 found 55 homeless individuals on the streets, in shelters, or other temporary and/or precarious housing. *These figures are for the entire county.*<sup>3</sup> This included:

- 24 people in emergency shelter, warming shelter, or transitional housing programs;
- 31 people unsheltered;
- 24% of counted individuals were children;
- 44% of individuals were women or girls, and 54% are male.

An analysis of the ability of current and projected housing supply to meet the needs of low-income people, and the potential shortfall is included in the following sections of this report.

<sup>3</sup> Figures via OHCS

### III. CURRENT HOUSING NEEDS (CITY OF STANFIELD)

The profile of current housing conditions in the study area is based on Census 2010, which the Portland State University Population Research Center (PRC) uses to develop yearly estimates through 2018. The PRC methodology incorporates the estimated population from within the city limits and an estimated population from those areas within the UGB, but outside of the city limits. To estimate the additional population within the UGB area, the PRC assigned a share of the population from the relevant Census tracts.

**FIGURE 3.1: CURRENT HOUSING PROFILE (2018)**

CURRENT HOUSING CONDITIONS (2018)		SOURCE
Total 2018 Population:	2,199	PSU Pop. Research Center
- Estimated group housing population:	0 (0% of Total)	US Census
<b>Estimated Non-Group 2018 Population:</b>	<b>2,199</b> (Total - Group)	
Avg. HH Size:	2.97	US Census
<b>Estimated Non-Group 2018 Households:</b>	<b>740</b> (Pop/HH Size)	
<b>Total Housing Units:</b>	<b>784</b> (Occupied + Vacant)	Census 2010 + permits
Occupied Housing Units:	740 (= # of HH)	
Vacant Housing Units:	44 (Total HH - Occupied)	
Current Vacancy Rate:	5.6% (Vacant units/ Total units)	

\*This table reflects population, household and housing unit projections shown in Figure 1.1

We estimate a current population of roughly 2,199 residents, living in 740 households (excluding group living situations). Average household size is 2.97 persons.

There are an estimated 784 housing units in the city, with just a few units vacant. The estimated 2018 vacancy rate of housing units is 5.6%. This includes units vacant for any reason, not just those which are currently for sale or rent.

#### ESTIMATE OF CURRENT HOUSING DEMAND

Following the establishment of the current housing profile, the current housing demand was determined based upon the age and income characteristics of current households.

The analysis considered the propensity of households in specific age and income levels to either rent or own their home (tenure), in order to derive the current demand for ownership and rental housing units and the appropriate housing cost level of each. This is done by combining data on tenure by age and tenure by income from the Census American Community Survey (tables: B25007 and B25118, 2017 ACS 5-yr Estimates).

The analysis takes into account the average amount that owners and renters tend to spend on housing costs. For instance, lower income households tend to spend more of their total income on housing, while upper income households spend less on a percentage basis. In this case, it was assumed that households in lower income bands would *prefer* housing costs at no more than 30% of gross income (a common measure of affordability). Higher income households pay a decreasing share down to 20% for the highest income households.

While the Census estimates that most low-income households pay more than 30% of their income for housing, this is an estimate of current *preferred* demand. It assumes that low-income households prefer (or demand) units affordable to them at no more than 30% of income, rather than more expensive units.

Figure 3.2 presents a snapshot of current housing demand (i.e. preferences) equal to the number of households in the study area (740). The breakdown of tenure (owners vs. renters) is slightly different from the 2017 ACS, as current demographics indicate that more households could likely afford to own their homes if opportunities were available (65% vs. 62%).

**FIGURE 3.2: ESTIMATE OF CURRENT HOUSING DEMAND (2018)**

Ownership				
Price Range	# of Households	Income Range	% of Total	Cumulative
\$0k - \$90k	33	Less than \$15,000	6.8%	6.8%
\$90k - \$130k	39	\$15,000 - \$24,999	8.1%	15.0%
\$130k - \$190k	32	\$25,000 - \$34,999	6.7%	21.7%
\$190k - \$210k	68	\$35,000 - \$49,999	14.2%	35.9%
\$210k - \$340k	108	\$50,000 - \$74,999	22.4%	58.4%
\$340k - \$360k	109	\$75,000 - \$99,999	22.7%	81.1%
\$360k - \$450k	50	\$100,000 - \$124,999	10.3%	91.4%
\$450k - \$540k	20	\$125,000 - \$149,999	4.2%	95.6%
\$540k - \$710k	16	\$150,000 - \$199,999	3.3%	98.9%
\$710k +	5	\$200,000+	1.1%	100.0%
<b>Totals:</b>	<b>481</b>		<b>% of All:</b>	<b>64.9%</b>

Rental				
Rent Level	# of Households	Income Range	% of Total	Cumulative
\$0 - \$400	28	Less than \$15,000	10.6%	10.6%
\$400 - \$600	40	\$15,000 - \$24,999	15.4%	26.0%
\$600 - \$900	28	\$25,000 - \$34,999	10.8%	36.8%
\$900 - \$1000	58	\$35,000 - \$49,999	22.2%	59.0%
\$1000 - \$1600	48	\$50,000 - \$74,999	18.6%	77.6%
\$1600 - \$1700	35	\$75,000 - \$99,999	13.7%	91.3%
\$1700 - \$2100	14	\$100,000 - \$124,999	5.4%	96.7%
\$2100 - \$2500	5	\$125,000 - \$149,999	1.9%	98.6%
\$2500 - \$3300	2	\$150,000 - \$199,999	0.7%	99.3%
\$3300 +	2	\$200,000+	0.7%	100.0%
<b>Totals:</b>	<b>260</b>		<b>% of All:</b>	<b>35.1%</b>

<b>All Households</b>
<b>740</b>

Sources: PSU Population Research Center, Environics Analytics., Census, JOHNSON ECONOMICS  
 Census Tables: B25007, B25106, B25118 (2017 ACS 5-yr Estimates)  
 Claritas: Estimates of income by age of householder

The estimated home price and rent ranges are irregular because they are mapped to the affordability levels of the Census income level categories. For instance, an affordable home for those in the lowest income category (less than \$15,000) would have to cost \$90,000 or less. Affordable rent for someone in this category would be \$400 or less.

The affordable price level for ownership housing assumes 30-year amortization, at an interest rate of 5% (significantly more than the current rate, but in line with historic norms), with 15% down payment. These assumptions are designed to represent prudent lending and borrowing levels for ownership households. The 30-

year mortgage commonly serves as the standard. In the 2000's, down payment requirements fell significantly, but standards have tightened somewhat since the 2008/9 credit crisis. While 20% is often cited as the standard for most buyers, it is common for homebuyers, particularly first-time buyers, to pay significantly less than this using available programs.

Interest rates are subject to disruption from national and global economic forces, and therefore impossible to forecast beyond the short term. The 5% used here is roughly the average 30-year rate over the last 20 years. The general trend has been falling interest rates since the early 1980's, but coming out of the recent recession, many economists believe that rates cannot fall farther and must begin to climb as the Federal Reserve raises its rate over the coming years.

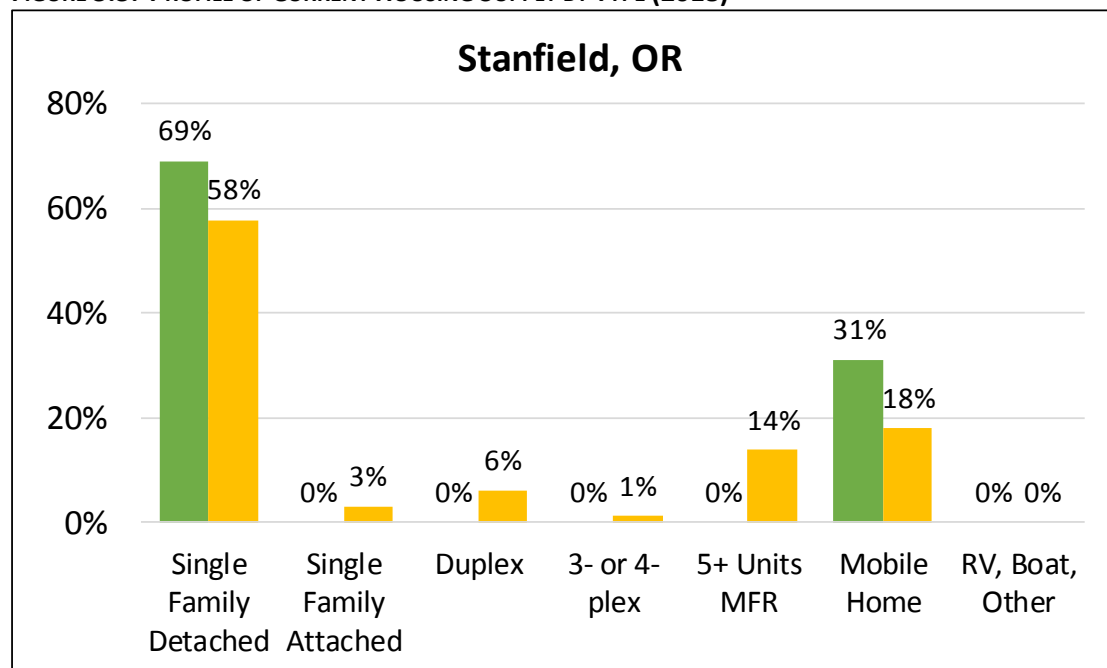
### **CURRENT HOUSING INVENTORY**

The profile of current housing demand (Figure 3.2) represents the preference and affordability levels of households. In reality, the current housing supply (Figure 3.3 below) differs from this profile, meaning that some households may find themselves in housing units which are not optimal, either not meeting the household's own/rent preference, or being unaffordable (requiring more than 30% of gross income).

A profile of current housing supply in Stanfield was estimated based on permit data from the City of Stanfield and Census data from the most recently available 2017 ACS, which provides a profile of housing types (single family, attached, mobile home, etc.), tenure, housing values, and rent levels. The 5-year estimates from the ACS were used because 3-year and 1-year estimates are not yet available for Stanfield geography.

- An estimated 62% of housing units are ownership units, while an estimated 38% of housing units are rental units. This is close to the estimated demand profile shown in Figure 3.2, which forecasted a slightly higher ownership rate. (The inventory includes vacant units, so the breakdown of ownership vs. rental does not exactly match the tenure split of actual households.)
- 69% of ownership units are detached homes, and 31% are mobile homes. Nearly 76% of rental units are either single family homes or mobile homes, and 14% are in structures of 5 units or more.
- Of total housing units, an estimated 65% are detached homes, 26% are mobile homes, while 7% are some sort of attached type.
- The affordability of different unit types is an approximation based on Census data on the distribution of housing units by value (ownership) or gross rent (rentals).
- Any subsidized affordable housing units found in the city would be represented by the inventory found at the lowest end of the rental spectrum. Ownership housing found at the lower end of the spectrum generally reflect mobile homes, or homes in poor condition on small or irregular lots. These properties may be candidates for redevelopment when next they sell but are currently estimated to have low value.

**FIGURE 3.3: PROFILE OF CURRENT HOUSING SUPPLY BY TYPE (2018)**



Sources: US Census, PSU Population Research Center, JOHNSON ECONOMICS  
 Census Tables: B25004, B25032, B25063, B25075 (2017 ACS 5-yr Estimates)

**FIGURE 3.4: PROFILE OF CURRENT HOUSING SUPPLY, ESTIMATED AFFORDABILITY (2018)**

Income Range	Ownership Housing		Rental Housing		Share of Total Units
	Affordable Price Level	Estimated Units	Affordable Rent Level	Estimated Units	
Less than \$15,000	\$0k - \$90k	167	\$0 - \$400	28	25%
\$15,000 - \$24,999	\$90k - \$130k	155	\$400 - \$600	44	25%
\$25,000 - \$34,999	\$130k - \$190k	118	\$600 - \$900	92	27%
\$35,000 - \$49,999	\$190k - \$210k	26	\$900 - \$1000	46	9%
\$50,000 - \$74,999	\$210k - \$340k	11	\$1000 - \$1600	88	13%
\$75,000 - \$99,999	\$340k - \$360k	4	\$1600 - \$1700	0	0%
\$100,000 - \$124,999	\$360k - \$450k	2	\$1700 - \$2100	0	0%
\$125,000 - \$149,999	\$450k - \$540k	1	\$2100 - \$2500	0	0%
\$150,000 - \$199,999	\$540k - \$710k	2	\$2500 - \$3300	0	0%
\$200,000+	\$710k +	0	\$3300 +	0	0%
	62%	485	38%	299	

Sources: PSU Population Research Center, EnviroNics Analytics, Census, JOHNSON ECONOMICS  
 This table is a synthesis of data presented in Figures 3.2 and 3.3.

#### COMPARISON OF CURRENT HOUSING DEMAND WITH CURRENT SUPPLY

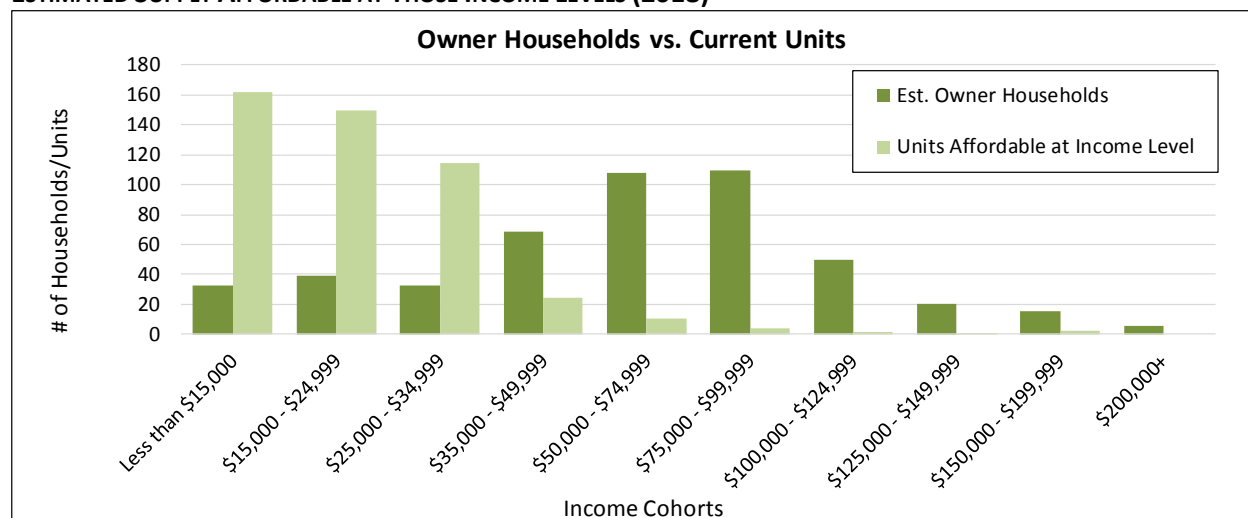
A comparison of estimated current housing *demand* with the existing *supply* identifies the existing discrepancies between needs and the housing which is currently available.

In general, this identifies that there is currently support for more ownership housing at price ranges above \$200,000. This is because most housing in Stanfield is clustered at the low to middle price points, while analysis of household incomes and ability to pay indicates that some could afford housing at higher price points.

The analysis identifies a balance of supply and need at the lowest rent levels, while there is an identified surplus of rentals in the \$600 to \$900. This represents the current average rent prices in Stanfield, where most units can be expected to congregate. Rentals at more expensive levels generally represent single family homes for rent. There is an indication that some renter households could support more units at higher rental levels.

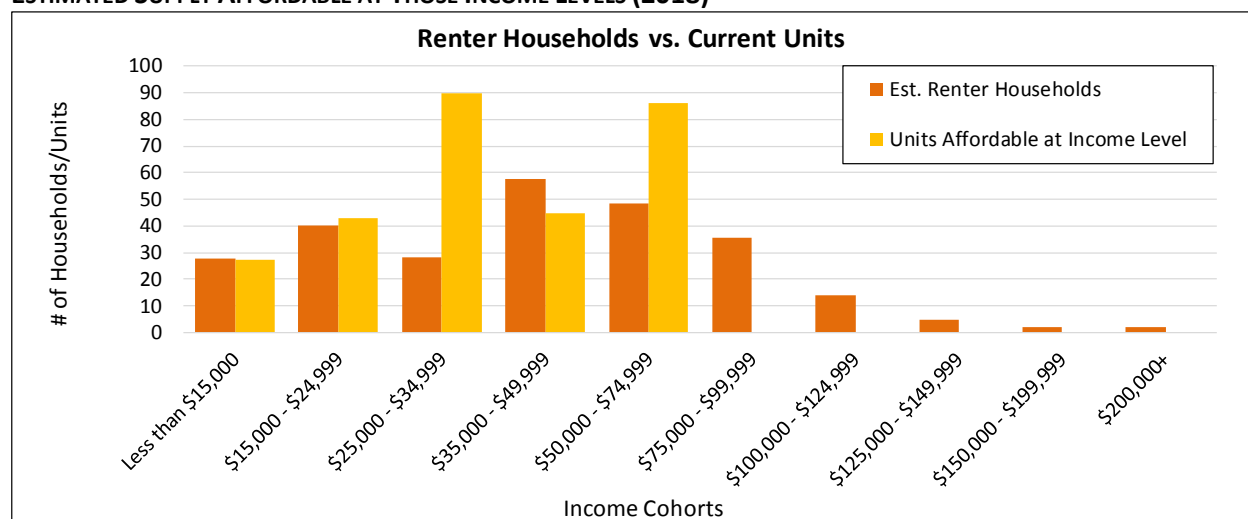
Figures 3.5 and 3.6 present this information in chart form, comparing the estimated number of households in given income ranges, and the supply of units currently affordable within those income ranges. The data is presented for owner and renter households.

**FIGURE 3.5: COMPARISON OF OWNER HOUSEHOLD INCOME GROUPS TO ESTIMATED SUPPLY AFFORDABLE AT THOSE INCOME LEVELS (2018)**



Sources: PSU Population Research Center, City of Stanfield, Census, JOHNSON ECONOMICS

**FIGURE 3.6: COMPARISON OF RENTER HOUSEHOLD INCOME GROUPS TO ESTIMATED SUPPLY AFFORDABLE AT THOSE INCOME LEVELS (2018)**



Sources: PSU Population Research Center, City of Stanfield, Census, JOHNSON ECONOMICS

There are an estimated 44 units more than the current number of households, which reflects the city's current estimated vacancy rate of 6%.



Those price and rent segments which show a “surplus” in Figures 3.5 and 3.6 are illustrating where current property values and market rent levels are in Stanfield. Housing prices and rent levels will tend to congregate around those price levels. These levels will be too costly for some (i.e. require more than 30% in gross income) or “too affordable” for others (i.e. they have income levels that indicate they could afford more expensive housing if it were available). In general, these findings demonstrate that there are fewer housing opportunities at lower price points than might be considered “affordable” for many renter households. While the community may be able to support some new single-family housing at a higher price point.

\* \* \*

The findings of current need form the foundation for projected future housing need, presented in a following section.

## IV. FUTURE HOUSING NEEDS - 2039 (CITY OF STANFIELD)

The projected future (20-year) housing profile (Figure 4.1) in the study area is based on the current housing profile (2018), multiplied by an assumed projected future household growth rate. The projected future growth is the official forecasted annual growth rate (0.24%) for 2040 generated by the PSU Oregon Forecast Program. This rate is applied to the year 2039. (This represents a 20-year forecast period from the preparation of this report in 2019, though much of the most current data on population and current housing dated to 2018.)

**FIGURE 4.1: FUTURE HOUSING PROFILE (2039)**

PROJECTED FUTURE HOUSING CONDITIONS (2018 - 2039)			SOURCE
2018 Population (Minus Group Pop.)	2,199		PSU
Projected Annual Growth Rate	0.30%	OR Population Forecast Program	PSU
2039 Population (Minus Group Pop.)	2,340	(Total 2039 Population - Group Housing Pop.)	
Estimated group housing population:	0	Share of total pop from Census	US Census
<b>Total Estimated 2039 Population:</b>	<b>2,340</b>		
<b>Estimated Non-Group 2039 Households:</b>	<b>788</b>	(2039 Non-Group Pop./Avg. Household Size)	
New Households 2018 to 2039	47		
Avg. Household Size:	2.97	Projected household size	US Census
<b>Total Housing Units:</b>	<b>829</b>	Occupied Units plus Vacant	
Occupied Housing Units:	788	(= Number of Non-Group Households)	
Vacant Housing Units:	41		
Projected Market Vacancy Rate:	5.0%	(Vacant Units/ Total Units)	

Sources: PSU Population Research Center Oregon Population Forecast Program, Census, JOHNSON ECONOMICS LLC

\*Projections are applied to estimates of 2018 population, household and housing units shown in Figure 1.1

The model projects growth in the number of non-group households over 20 years of roughly 47 households, with accompanying population growth of 340 new residents. (The number of households differs from the number of housing units, because the total number of housing units includes a percentage of vacancy. Projected housing unit needs are discussed below.)

### PROJECTION OF FUTURE HOUSING UNIT DEMAND (2039)

The profile of future housing demand was derived using the same methodology used to produce the estimate of current housing need. This estimate includes current and future households, *but does not include a vacancy assumption. The vacancy assumption is added in the subsequent step.* Therefore the need identified below is the total need for actual households in occupied units (788).

The analysis considered the propensity of households at specific age and income levels to either rent or own their home, in order to derive the future need for ownership and rental housing units, and the affordable cost level of each. The projected need is for *all* 2039 households and therefore includes the needs of current households.

The price levels presented here use the same assumptions regarding the amount of gross income applied to housing costs, from 30% for low income households down to 20% for the highest income households.

The affordable price level for ownership housing assumes 30-year amortization, at an interest rate of 5%, with 15% down payment. Because of the impossibility of predicting variables such as interest rates 20 years into the future, these assumptions were kept constant from the estimation of current housing demand. Income levels and price levels are presented in 2018 dollars.

Figure 4.2 presents the projected occupied future housing demand (current and new households, without vacancy) in 2039.

**FIGURE 4.2: PROJECTED OCCUPIED FUTURE HOUSING DEMAND (2039)**

Ownership				
Price Range	# of Households	Income Range	% of Total	Cumulative
\$0k - \$90k	34	Less than \$15,000	6.8%	6.8%
\$90k - \$130k	41	\$15,000 - \$24,999	8.1%	14.9%
\$130k - \$190k	34	\$25,000 - \$34,999	6.7%	21.6%
\$190k - \$210k	72	\$35,000 - \$49,999	14.2%	35.8%
\$210k - \$340k	113	\$50,000 - \$74,999	22.4%	58.3%
\$340k - \$360k	115	\$75,000 - \$99,999	22.8%	81.0%
\$360k - \$450k	52	\$100,000 - \$124,999	10.3%	91.4%
\$450k - \$540k	21	\$125,000 - \$149,999	4.2%	95.6%
\$540k - \$710k	17	\$150,000 - \$199,999	3.3%	98.9%
\$710k +	6	\$200,000+	1.1%	100.0%
<b>Totals:</b>	<b>504</b>		<b>% of All:</b>	<b>64.0%</b>

Rental				
Rent Level	# of Households	Income Range	% of Total	Cumulative
\$0 - \$400	30	Less than \$15,000	10.5%	10.5%
\$400 - \$600	43	\$15,000 - \$24,999	15.3%	25.8%
\$600 - \$900	30	\$25,000 - \$34,999	10.7%	36.6%
\$900 - \$1000	62	\$35,000 - \$49,999	22.0%	58.6%
\$1000 - \$1600	53	\$50,000 - \$74,999	18.7%	77.3%
\$1600 - \$1700	39	\$75,000 - \$99,999	13.8%	91.1%
\$1700 - \$2100	16	\$100,000 - \$124,999	5.5%	96.6%
\$2100 - \$2500	5	\$125,000 - \$149,999	1.9%	98.5%
\$2500 - \$3300	2	\$150,000 - \$199,999	0.8%	99.3%
\$3300 +	2	\$200,000+	0.7%	100.0%
<b>Totals:</b>	<b>284</b>		<b>% of All:</b>	<b>36.0%</b>

<b>All Units</b>
<b>788</b>

Sources: Census, Environics Analytics, JOHNSON ECONOMICS

It is projected that the homeownership rate in Stanfield will increase slightly over the next 20 years to 64%, which would remain higher than the current statewide average (62%). The shift to older and marginally higher income households is moderate but is projected to increase the homeownership rate somewhat. At the same time, the number of lower income households seeking affordable rentals is also anticipated to grow.

## COMPARISON OF FUTURE HOUSING DEMAND TO CURRENT HOUSING INVENTORY

The profile of occupied future housing demand presented above (Figure 4.2) was compared to the current housing inventory presented in the previous section to determine the total future need for *new* housing units by type and price range (Figure 4.3).

*This estimate includes a vacancy assumption.* As reflected by the most recent Census data, and as is common in most communities, the vacancy rate for rental units is typically higher than that for ownership units. An average vacancy rate of 5% is assumed for the purpose of this analysis. This analysis maintains the discrepancy between rental and ownership units going forward, so that the vacancy rate for rentals is assumed to be slightly higher than the overall average, while the vacancy rate for ownership units is assumed to be lower.

**FIGURE 4.3: PROJECTED FUTURE NEED FOR NEW HOUSING UNITS (2039), STANFIELD**

OWNERSHIP HOUSING									
Unit Type:	Single Family Detached	Single Family Attached	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	27	0	1	1	0	13	0	42	76.7%
Percentage:	65.1%	0.0%	2.0%	2.0%	0.0%	31.1%	0.0%	100%	

RENTAL HOUSING									
Unit Type:	Single Family Detached	Single Family Attached	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	2	0	0	0	1	1	0	3	23.3%
Percentage:	13.5%	1.4%	2.2%	0.9%	4.3%	4.9%	0.0%	100%	

TOTAL HOUSING UNITS									
Unit Type:	Single Family Detached	Single Family Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	29	0	1	1	1	14	0	45	100%
Percentage:	63.8%	0.4%	2.5%	2.1%	1.2%	30.0%	0.0%	100%	

Sources: PSU, City of Stanfield, Census, Environics Analytics, JOHNSON ECONOMICS

- The results show a need for 45 new housing units by 2039, nearly all of which are ownership units.
- Of the new units needed, roughly 77% are projected to be ownership units, while 23% are projected to be rental units. This is due to the forecast of a slightly higher homeownership rate in the future.
- The greatest need for rental units is found at the middle price points. This reflects the findings that the demand and supply at the lowest price levels are fairly well matched.
- At the same time, there is also support for some units in the \$900 to \$1,700 category, which is above most current market rents. This shows that there is some support for new, more expensive rental supply. There is also a need for some single-family homes for rent at higher price points.

### Needed Unit Types

The mix of needed unit types shown in Figure 4.3 reflects both past trends and anticipated future trends. Since 2000, detached single family units (including manufactured and mobile homes) have constituted nearly all of the permitted units in Stanfield. In keeping with development trends, and the buildable land available to Stanfield, single family units are expected to make up the greatest share of new housing development over the next 20 years.

- 64% of the new units are projected to be single family detached homes, while 6% is projected to be some form of attached housing, and 30% are projected to be mobile homes.
- Single family attached units (townhomes on individual lots) are projected to meet less than 1% of future need. These are defined as units on separate tax lots, attached by a wall but separately metered, the most common example being townhome units.
- Duplex through four-plex units are projected to represent an additional 5% of the total need. Duplex units would include a detached single family home with an accessory dwelling unit on the same lot, or with a separate unit in the home (for instance, a rental basement unit.)
- Over 1% of all needed units are projected to be multi-family in structures of 5+ attached units.
- 30% of new needed units are projected to be mobile home units, which meet the needs of some low-income households for both ownership and rental.
- Of ownership units, 65% are projected to be single-family homes, and 31% mobile homes.
- About 32% of new rental units are projected to be found in new attached buildings, with 16% projected in rental properties of 5 or more units, and 12% in buildings of two to four units.

### **Needed Affordability Levels**

- The needed affordability levels presented here are based on current 2018 dollars. Over time, incomes and housing costs will both inflate, so the general relationship projected here is expected to remain unchanged.
- The future needed affordability types (2039) reflect the same relationship shown in the comparison of current (2018) need and supply (shown in Figure 3.4). Generally, based on income levels there is a shortage of units in the lowest pricing levels for renter households.
- Figure 4.3 presents the *net NEW* housing unit need over the next 20 years. Due to the slow growth rate in Stanfield there is not a strong need for *new* rental units in the town over the forecast period.
- HOWEVER, there is also a *current* need for more affordable units. In order for all households, current and new to pay 30% or less of their income towards housing in 2039, a few more affordable rental units would be required. This indicates that some of the current supply, while it shows up as existing available housing, would need to become less expensive to meet the needs of current households.
- There is a lack of new need at the lower end of the rental spectrum (\$900 and less). As was discussed in the comparison of current need and supply, this reflects where the majority of market-rate rent levels are at the current time. As with the 2018 comparison, a future need is projected for both mid-rent, but also higher rent units. This analysis shows that some renter households have the ability pay for a larger, newer and/or higher quality unit than may be currently available.
- Projected needed ownership units show that the supply at the lowest end of the spectrum is currently sufficient. (This reflects the estimated *value* of the total housing stock, and not necessarily the average pricing for housing currently for sale.) And the community could support more some housing at higher price points, mostly in ranges above \$200,000.
- Figure 4.4 presents estimates of need at key low-income affordability levels in 2018 and in 2039. There is existing and on-going need at these levels, based on income levels specified by Oregon Housing and Community Services for Umatilla County. The need is not as acute from the “extremely low income” segment (10% of households), but an estimated 32% of households qualify as “low income”.

**FIGURE 4.4: PROJECTED NEED FOR HOUSING AFFORDABLE AT LOW INCOME LEVELS, STANFIELD**

Affordability Level	Income Level		Current Need (2018)		Future Need (2039)		NEW Need (20-Year)	
			# of HH	% of All	# of HH	% of All	# of HH	% of All
Extremely Low Inc.	30% AMI	\$16,650	73	10%	78	10%	5	10%
Very Low Income	50% AMI	\$27,600	155	21%	165	21%	10	22%
Low Income	80% AMI	\$44,160	235	32%	250	32%	15	33%

Sources: OHCS, Environics Analytics, JOHNSON ECONOMICS

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

## V. RECONCILIATION OF FUTURE NEED (2039) & LAND SUPPLY (CITY OF STANFIELD)

This section summarizes the results of the Buildable Lands Inventory (BLI). The BLI is presented in detail in an accompanying memo to this report.

The following table present the estimated new unit capacity of the buildable lands identified in the City of Stanfield UGB. There is a total remaining capacity of 2,650 units of different types within the study area. Much of this capacity is within the residential “urban holding” zone.

**FIGURE 5.1: ESTIMATED BUILDABLE LANDS CAPACITY BY ACREAGE AND NO. OF UNITS (2019)**

Jurisdiction and Zone	Projected Density (units/net acre)	Unconstrained Acres				Housing Unit Capacity			
		Partially Vacant	Vacant	Total	Share of Total	Partially Vacant	Vacant	Total	Share of Total
Stanfield									
R/MF: Residential/Multi-Family	18	0	0	0	0%	0	0	0	0%
R/MH: Residential/MF Park	8	0	44	44	10%	0	265	265	10%
R/NC: Residential/N'hood Comm.	8	0	11	11	2%	0	64	64	2%
R/UH: Residential/Urban Holding	8	34	187	314	70%	758	1,115	1,873	71%
R: Residential	8	127	45	79	18%	193	252	445	17%
Subtotal		161	287	448	--	951	1,696	2,647	--

Source: Angelo Planning Group

The following tables summarize the forecasted future unit need for Stanfield. These are the summarized results from Section IV of this report.

**FIGURE 5.2: SUMMARY OF FORECASTED FUTURE UNIT NEED (2039)**

TOTAL HOUSING UNITS									
Unit Type:	Single Family Detached	Single Family Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
<b>Totals:</b>	29	0	1	1	1	14	0	<b>45</b>	<b>100%</b>
<b>Percentage:</b>	63.8%	0.4%	2.5%	2.1%	1.2%	30.0%	0.0%	100%	

Sources: PSU Population Research Center, Census, Johnson Economics

### Comparison of Housing Need and Capacity

There is a total forecasted need for roughly 45 units over the next 20 years based on the PSU forecasted growth rate. This is well below the estimated capacity of nearly 2,650 units. As Figure 5.3 below demonstrates, there is sufficient capacity to accommodate all projected new unit types. After this need is accommodated, there is an estimated remaining capacity of over 2,600 additional units, mostly in the high-density residential zone.

The following table shows the same comparison, converting the forecasted residential need and capacity by acres, rather than units. There is a projected need for 5 acres of new residential development, but a buildable capacity of 448 acres.

**FIGURE 5.3: COMPARISON OF FORECASTED FUTURE LAND NEED (2039) WITH AVAILABLE CAPACITY**

<u>LAND INVENTORY VS. LAND NEED</u>	Unit Type			<u>TOTAL</u>
	Single Family Detached	Medium- Density Attached	Multi- Family	
Buildable Land Inventory (Acres):	393	11	44	448
Estimated Land Need (Acres):	4	0	1	5
<b><i>Land Surplus (Inventory - Need:)</i></b>	<b><i>389</i></b>	<b><i>11</i></b>	<b><i>43</i></b>	<b><i>443</i></b>

Sources: Angelo Planning Group, Johnson Economics

**FINDING:** There is currently sufficient buildable capacity within Stanfield to accommodate projected need. The character of this supply can help guide housing policy and strategy recommendations to be included in subsequent reports and ultimately integrated in the City's updated Comprehensive Plan.





Source: City of Umatilla

## **CITY OF UMATILLA, OR**

### **HOUSING AND RESIDENTIAL LAND NEEDS ASSESSMENT (OREGON STATEWIDE PLANNING GOAL 10)**

#### **20-YEAR HOUSING NEED 2019 - 2039**

Prepared For:  
CITY OF UMATILLA, OREGON  
June 2019

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## INTRODUCTION

This analysis outlines a forecast of housing need within the City of Umatilla. Housing need and resulting land need are forecast to 2039 consistent with 20-year need assessment requirements of periodic review. This report presents a housing need analysis (presented in number and types of housing units) and a residential land need analysis, based on those projections.

The primary data sources used in generating this forecast were:

- Portland State University Population Research Center
- U.S. Census
- Environics Analytics Inc.<sup>1</sup>
- Oregon Employment Department
- Umatilla County GIS
- Other sources are identified as appropriate.

This analysis reflects the coordinated population forecast from the Oregon Population Forecast Program, at the Population Research Center (PRC) at PSU. State legislation passed in 2013 made the PRC responsible for generating the official population forecasts to be used in Goal 10 housing analyses in Oregon communities outside of the Portland Metro area (ORS 195.033). The population forecasts used in this analysis were generated in 2016.

***This project is 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.***

## I. CITY OF UMATILLA DEMOGRAPHIC PROFILE

### SUMMARY

The following table (Figure 1.1) presents a profile of City of Umatilla demographics from the 2000 and 2010 Census. This includes the city limits of Umatilla, as well as areas currently included within the Urban Growth Boundary (UGB). It also presents the estimated population of this area as of 2018 from PSU estimates.

- Umatilla is a City of an estimated 7,320 people (City), and 8,834 people (UGB), located in Umatilla County in Northeastern Oregon. An estimated 17% of the population in the UGB lives outside the city limits.
- Based on the UGB population, Umatilla is roughly the 64<sup>th</sup> largest city in the state by population. Within Umatilla County, Umatilla is the third largest city after Hermiston and Pendleton.
- Umatilla has experienced rapid growth, growing over 47% in population since 2000. In contrast, Umatilla County and the state experienced population growth of 14% and 21% respectively. The City of Hermiston grew 37% over this period. (US Census and PSU Population Research Center)

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<sup>1</sup> Environics Analytics Inc. is a third-party company providing data on demographics and market segmentation. It licenses data from the Nielson Company which conducts direct market research including surveying of households across the nation. Nielson combines proprietary data with data from the U.S. Census, Postal Service, and other federal sources, as well as local-level sources such as Equifax, Vallassis and the National Association of Realtors. Projections of future growth by demographic segments are based on the continuation of long-term and emergent demographic trends identified through the above sources.

- The Umatilla UGB was home to an estimated 2,247 households in 2018, an increase of roughly 550 households since 2000. The percentage of families fell slightly between 2000 and 2018 from 78% to 74% of all households. The city has a larger share of family households than Umatilla County (68%) and the state (63%).
- Umatilla's estimated average household size is 3.15 persons, holding fairly stable since 2000. This is higher than the Umatilla County average of 2.67 and the statewide average of 2.47.

**FIGURE 1.1: UMATILLA DEMOGRAPHIC PROFILE**

<b>POPULATION, HOUSEHOLDS, FAMILIES, AND YEAR-ROUND HOUSING UNITS</b>					
	<b>2000 (Census)</b>	<b>2010 (Census)</b>	<b>Growth 00-10</b>	<b>2018 (PSU)</b>	<b>Growth 10-18</b>
Population <sup>1</sup>	6,008	8,335	38.7%	8,834	6.0%
Households <sup>2</sup>	1,691	2,089	23.5%	2,247	7.6%
Families <sup>3</sup>	1,317	1,553	18%	1,671	8%
Housing Units <sup>4</sup>	1,824	2,131	17%	2,240	5%
Group Quarters Population <sup>5</sup>	697	1,755	152%	1,755	0%
Household Size (non-group)	3.14	3.15	0%	3.15	0%
Avg. Family Size	3.51	3.59	2%	3.59	0%
<b>PER CAPITA AND MEDIAN HOUSEHOLD INCOME</b>					
	<b>2000 (Census)</b>	<b>2010 (Census)</b>	<b>Growth 00-10</b>	<b>2018 (Proj.)</b>	<b>Growth 10-18</b>
Per Capita (\$)	\$11,469	\$12,267	7%	\$12,864	5%
Median HH (\$)	\$33,844	\$44,643	32%	\$38,796	-13%

SOURCE: Census, PSU Population Research Center, and Johnson Economics

Census Tables: DP-1 (2000, 2010); DP-3 (2000); S1901; S19301

<sup>1</sup> From PSU Population Research Center, Population Forecast Program, final forecast for Umatilla Co. (2017)

<sup>2</sup> 2018 Households = (2018 population - Group Quarters Population)/2018 HH Size

<sup>3</sup> Ratio of 2018 Families to total HH is based on 2016 ACS 5-year Estimates

<sup>4</sup> 2018 housing units are the '10 Census total plus new units permitted from '10 through '18 (source: Census, Cities)

<sup>5</sup> Ratio of 2018 Group Quarters Population to Total Population is kept constant from 2010.

## A. POPULATION GROWTH

Since 2000, Umatilla has grown by roughly 2,825 people within the UGB, or 47% in 18 years. This is a faster growth rate than was seen in the rest of the county (14%), and the state (21%). In comparison, the population of Hermiston grew by an estimated 37% during this period.

## B. HOUSEHOLD GROWTH & SIZE

As of 2018, the city has an estimated 2,250 households. Since 2000, Umatilla has added an estimated 555 households, or 33% growth. A household is defined as all the persons who occupy a single housing unit, whether or not they are related.

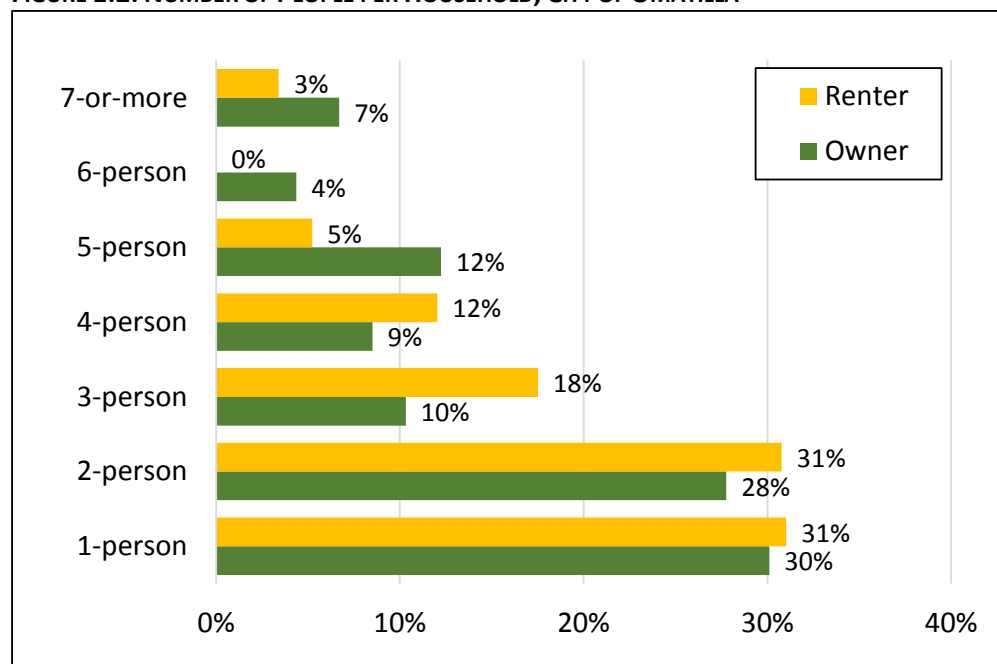
Household growth was slower than population growth reflecting that the share of the population in group housing has grown as the correctional facility has reached capacity. (Group quarters includes living situations that are

often institutional in nature such as prisons, dorms, nursing facilities, shelters, etc.). There has been a general trend in Oregon and nationwide towards declining household size as birth rates have fallen, more people have chosen to live alone, and the Baby Boomers have become empty nesters. While this trend of diminishing household size is expected to continue nationwide, there are limits to how far the average can fall. Umatilla has resisted this trend in recent decades.

Umatilla's average household size of 3.15 people is larger than Umatilla County (2.67). (The 2017 ACS estimates that the average household size has fallen to 2.73 over the last two years. Without confirmation, this estimate seems low, and also would correspond to a growth in the number of households that seems to outnumber the housing supply.)

Figure 1.2 shows the share of households by the number of people for renter and owner households in 2017 (latest available), according to the Census. Renter households are more likely to have three or fewer persons. Owner households are more likely to have larger households.

**FIGURE 1.2: NUMBER OF PEOPLE PER HOUSEHOLD, CITY OF UMATILLA**



SOURCE: US Census, JOHNSON ECONOMICS LLC  
Census Tables: B25009 (2017 ACS 5-yr Estimates)

### C. FAMILY HOUSEHOLDS

As of the 2017 ACS, 74% of Umatilla households were family households, down slightly from 2000 (78%). The total number of family households in Umatilla is estimated to have grown by 350 since 2000. This is 63% of all new households in this period.

The Census defines family households as two or more persons, related by marriage, birth or adoption and living together. In 2017, family households in Umatilla had an average size of 3.59 people.

### D. HOUSING UNITS

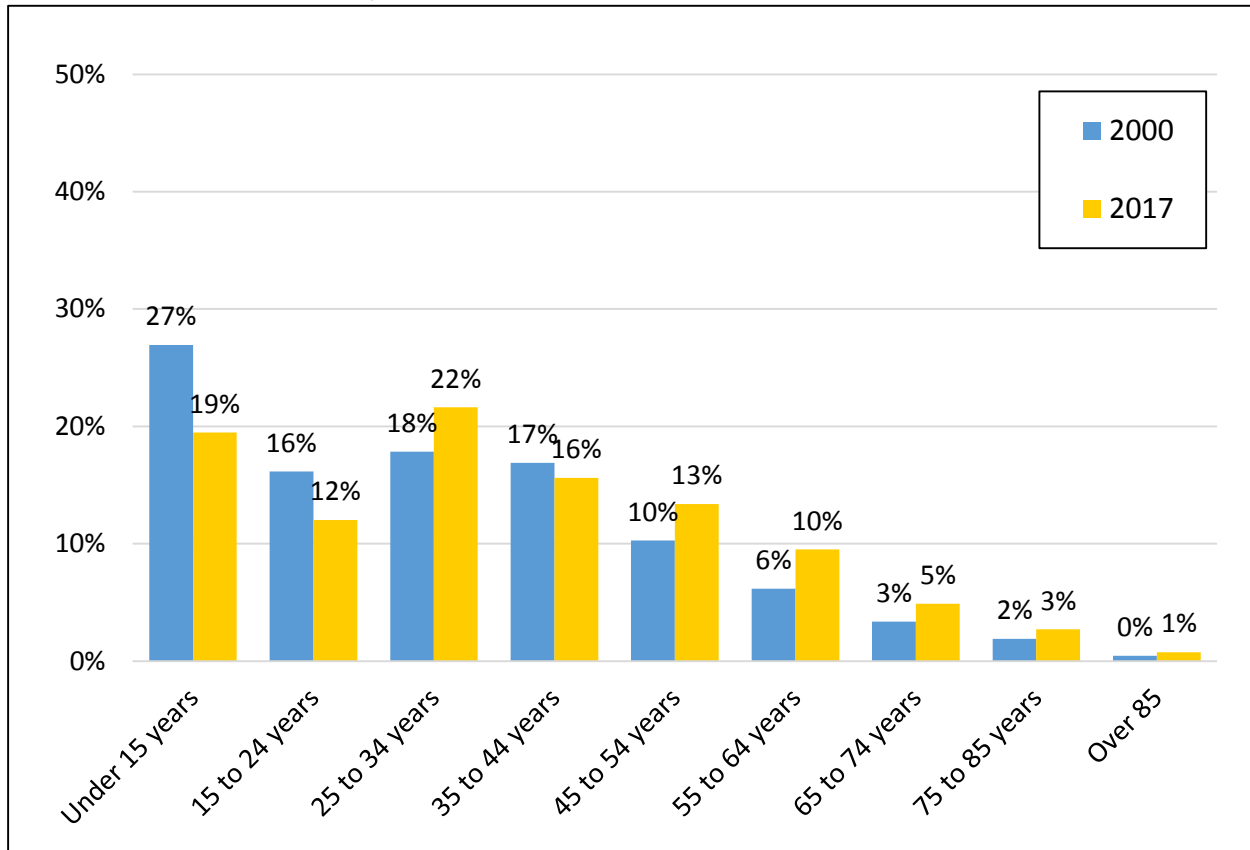
Data from the City of Umatilla and the US Census indicate that the city added a little over 100 new housing units since 2010 within the UGB. At the same time, the city has added roughly 160 households, meaning the growth in households and population is outpacing the production of new housing in the community.

As of 2018, the city had an estimated housing stock of roughly 2,240 units for its 2,247 estimated households. These estimates would mean very low or zero vacancy or unit availability in the community, which may not be literally true, but does indicate more generally that the demand and supply of housing are very nearly balanced currently.

## E. AGE TRENDS

The following figure shows the share of the population falling in different age cohorts between the 2000 Census and the most recent 5-year estimates. As the chart shows, there is a general trend of younger age cohorts falling as share of total population, while older cohorts have grown in share. This is in keeping with the national trend caused by the aging of the Baby Boom generation. At the same time, the share of people aged from 25 to 34 years of age has grown slightly.

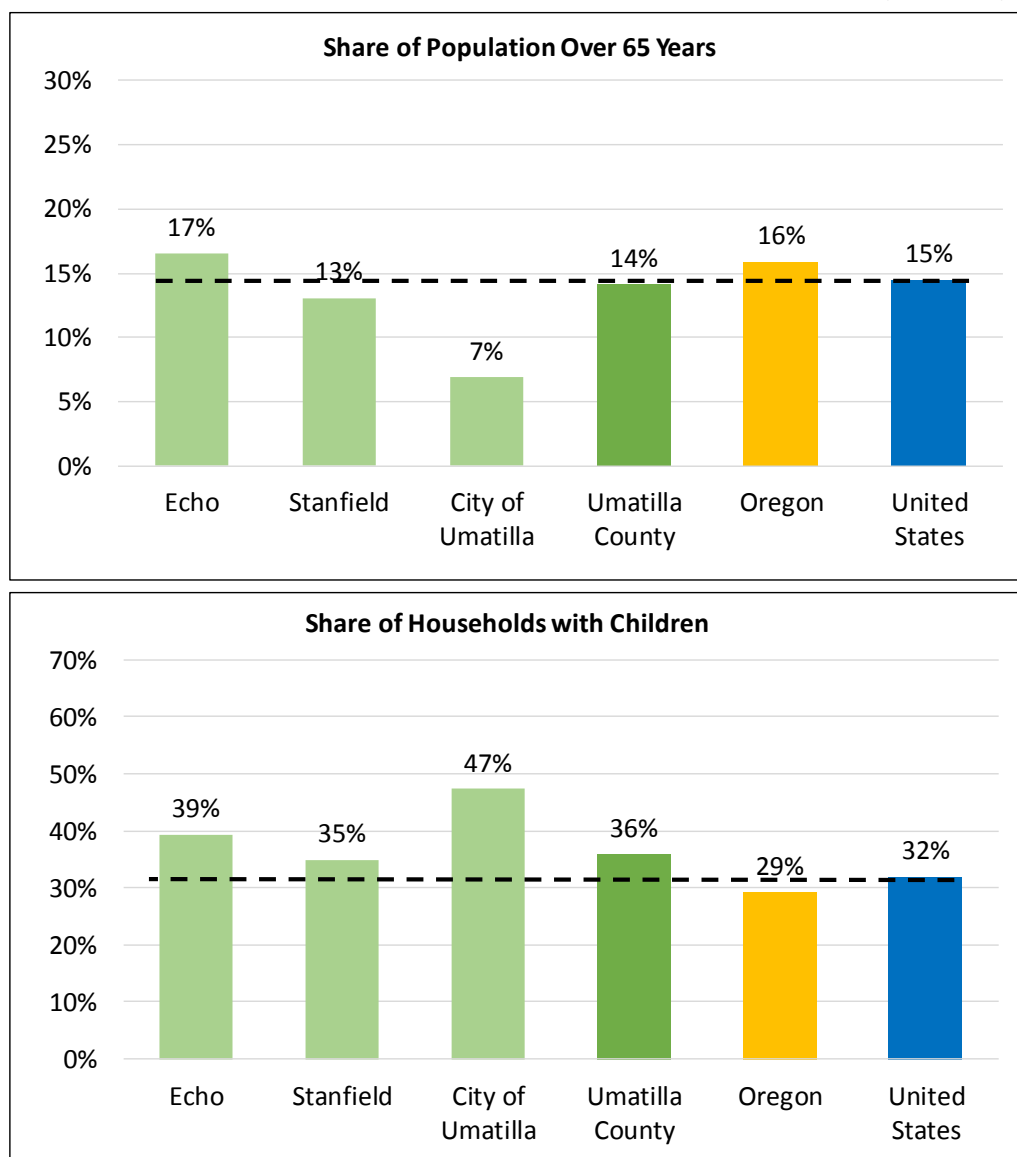
**FIGURE 1.3: AGE COHORT TRENDS, 2000 - 2017**



SOURCE: US Census, JOHNSON ECONOMICS LLC  
Census Tables: QT-P1 (2000); S0101 (2017 ACS 5-yr Estimates)

- The cohorts that grew in share during this period were those aged 45 and older. Still an estimated 92% of the population is under 65 years of age.
- In the 2017 ACS, the local median age was an estimated 32 years, compared to 36 years in Umatilla County, and 39 years in Oregon.
- Figure 1.4 presents the share of households with children, and the share of population over 65 years for comparison. Compared to state and national averages, Umatilla has a much larger share of households with children and a much smaller share of the population over 65.

**FIGURE 1.4: SHARE OF HOUSEHOLDS WITH CHILDREN/ POPULATION OVER 65 YEARS (UMATILLA)**



SOURCE: US Census, JOHNSON ECONOMICS LLC  
Census Tables: B11005; S0101 (2017 ACS 5-yr Estimates)

## F. INCOME TRENDS

The following figure presents data on income trends in Umatilla.

**FIGURE 1.5: INCOME TRENDS, 2000 – 2018**

<b>PER CAPITA AND MEDIAN HOUSEHOLD INCOME</b>					
	<b>2000</b>	<b>2010</b>	<b>Growth</b>	<b>2018</b>	<b>Growth</b>
	<b>(Census)</b>	<b>(Census)</b>	<b>00-10</b>	<b>(Proj.)</b>	<b>10-18</b>
Per Capita (\$)	\$11,469	\$12,267	7%	\$12,864	5%
Median HH (\$)	\$33,844	\$44,643	32%	\$38,796	-13%

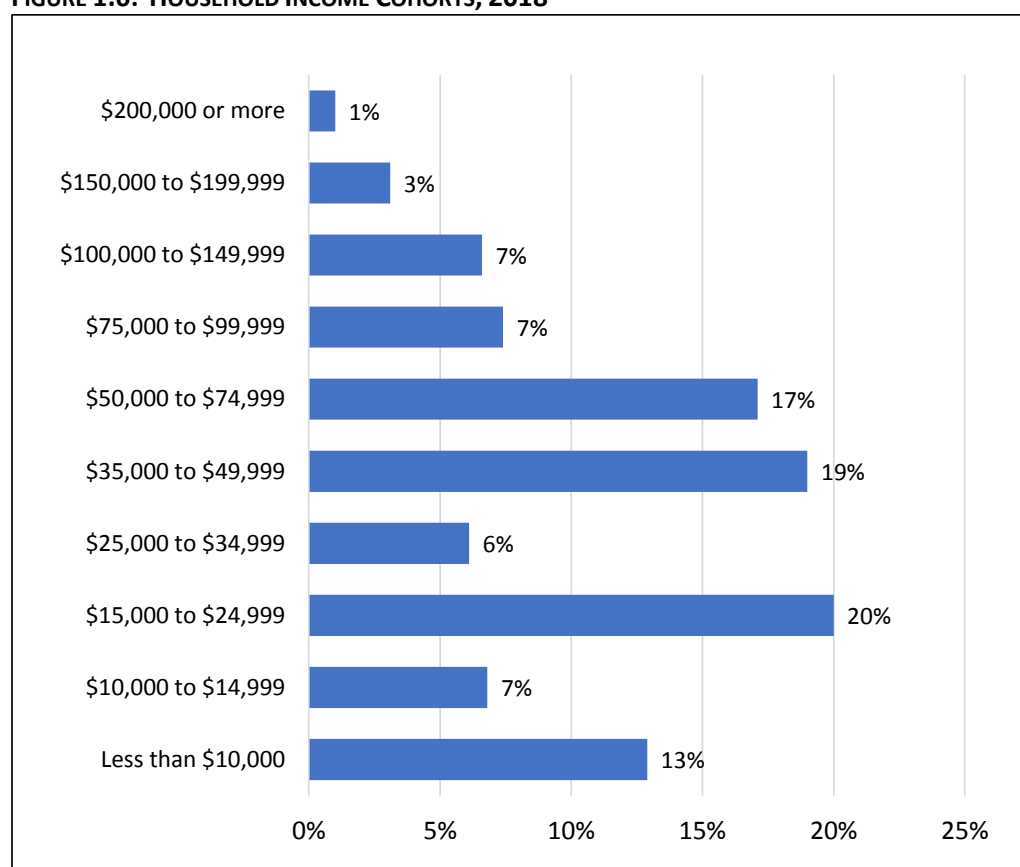
SOURCE: Census, PSU Population Research Center, and Johnson Economics  
Census Tables: DP-1 (2000, 2010); DP-3 (2000); S1901; S19301

- Umatilla's estimated median household income was \$38,800 in 2018. This has fallen significantly from the estimated median in 2010, and is lower than the Umatilla County median of \$50,100.
- Umatilla's per capita income is a low \$12,900.
- Median income has grown an estimated 15% between 2000 and 2018, in real dollars. Inflation was an estimated 57% over this period, so as is the case regionally and nationwide, the local median income has not kept pace with inflation.

Figure 1.6 presents the estimated distribution of households by income as of 2017. The largest income cohorts are those households earning between \$15k and \$25k, and \$35k and \$50k.

- 65% of households earn less than \$50k per year, while 35% of households earn \$50k or more.
- 40% of households earn \$25k or less.

**FIGURE 1.6: HOUSEHOLD INCOME COHORTS, 2018**



SOURCE: US Census  
Census Tables: S1901 (2017 ACS 5-yr Est.)

A 2018 survey of households in the City of Umatilla and Power City area found that 55.9% of the total population qualifies as being low or moderate income. Low income is defined as earning 50% or less of the Area Median Income (AMI). Moderate income is defined as earning between 50% and 80% of AMI.

## G. POVERTY STATISTICS

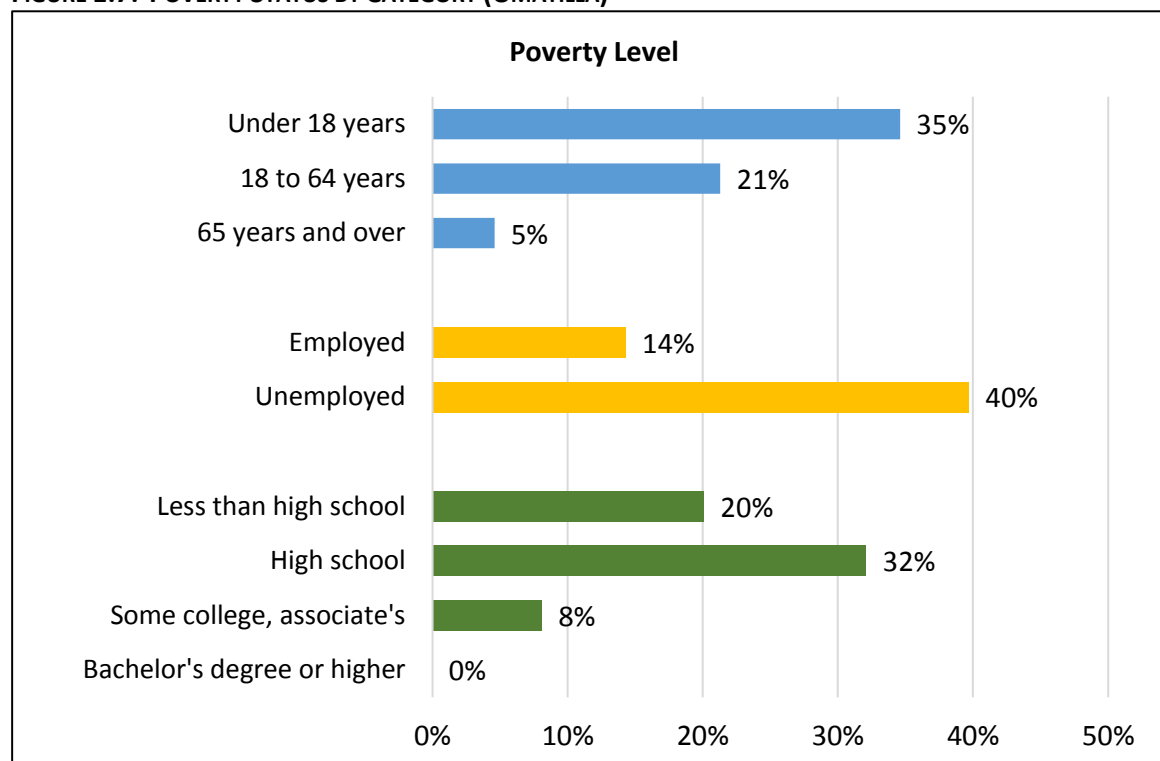
According to the US Census, the official poverty rate in Umatilla is an estimated 24% over the most recent period reported (2017 5-year estimates).<sup>2</sup> This is roughly 1,150 individuals in Umatilla. In comparison, the official poverty rate in Umatilla County, and at the state level are both 17%. In the 2013-17 period:

<sup>2</sup> Census Tables: S1701 (2017 ACS 5-yr Estimates)



- Umatilla poverty rate is highest among children at 35%. The rate is 21% among those 18 to 64 years of age. The rate is lowest for those 65 and older at 5%.
- For those without a high school diploma the poverty rate is 20%. For those with a high school diploma only, the estimated rate is actually higher at 32%. For those with more than high school education, the poverty rate is the lowest.
- Among those who are employed the poverty rate is 14%, while it is 40% for those who are unemployed.
- Information on affordable housing is presented in the following section of this report.

**FIGURE 1.7: POVERTY STATUS BY CATEGORY (UMATILLA)**



SOURCE: US Census  
Census Tables: S1701 (2017 ACS 5-yr Est.)

As mentioned above, 55.9% of the population is estimated to be low or moderate income. This implies that an estimated 4,930 individuals in the UGB live in households that are low or moderate income. This is a separate measure than the official poverty rate.

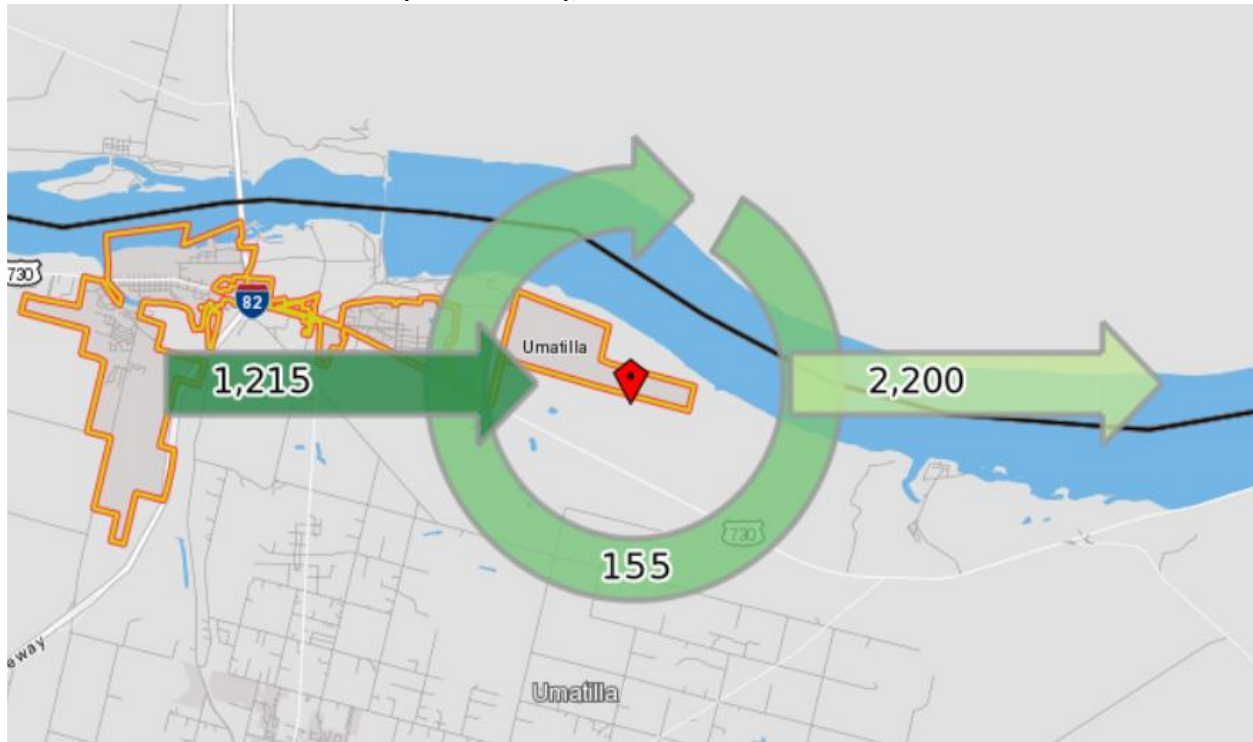
## H. EMPLOYMENT LOCATION TRENDS

This section provides an overview of employment and industry trends in Umatilla that are related to housing.

**Commuting Patterns:** The following figure shows the inflow and outflow of commuters to Umatilla according to the Census Employment Dynamics Database. As of 2015, the most recent year available, the Census estimated there were roughly 1,370 jobs located in Umatilla. Relatively few are held by local residents, while over 1,200 employees commute into the city from elsewhere. This pattern is fairly common among many communities. While Census data is incomplete, it seems that most local workers commuting into the city live in Hermiston, Pendleton, Kennewick, or unincorporated areas.

Of the estimated 2,350 employed Umatilla residents, over 90% of them commute elsewhere for employment. Many of these residents commute to Hermiston, Pendleton or Boardman.

**FIGURE 1.8: COMMUTING PATTERNS (PRIMARY JOBS), UMATILLA**



Source: US Census Longitudinal Employer-Household Dynamics

**Jobs/Household Ratio:** Umatilla features a jobs-to-households ratio of 0.6 jobs per household. There are an estimated 1,370 jobs in the city of Umatilla, and an estimated 2,355 Umatilla residents in the labor force. This represents 0.6 jobs per working adult, meaning that Umatilla is tipped towards the housing side of the jobs/housing balance.

## II. CURRENT HOUSING CONDITIONS

The following figure presents a profile of the current housing stock and market indicators in Umatilla. This profile forms the foundation to which current and future housing needs will be compared.

### A. HOUSING TENURE

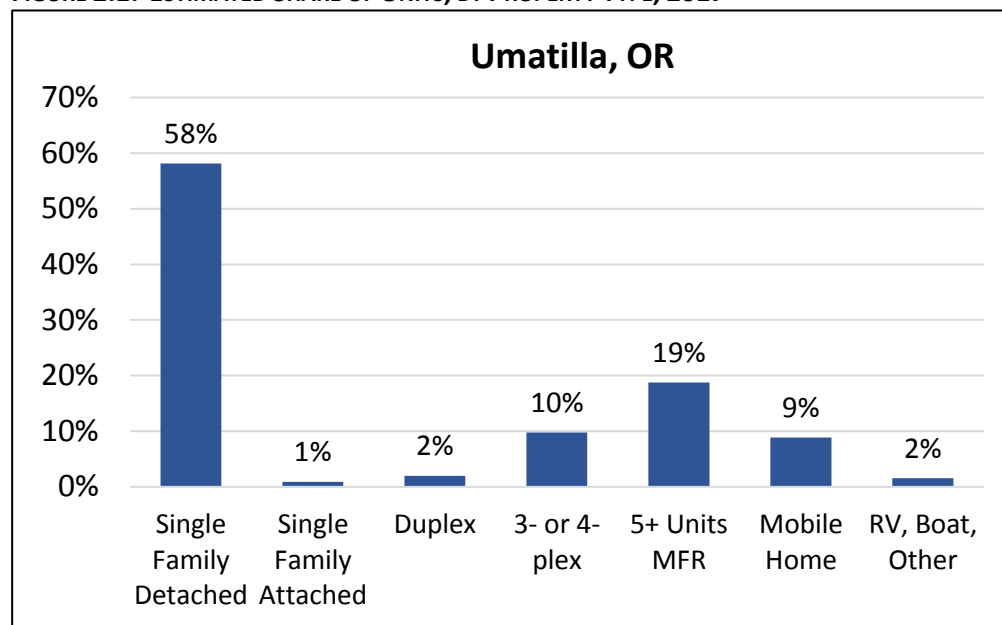
Umatilla has a close to even divide between owner households than renter households. The 2017 American Community Survey estimates that 51% of occupied units were owner occupied, and 49% renter occupied. The ownership rate in Umatilla has fallen from 60% since 2000. During this period the statewide rate fell from 64% to 62%. Nationally, the homeownership rate has nearly reached the historical average of 65%, after the rate climbed from the late 1990's to 2004 (69%).

The estimated ownership rate is higher in Umatilla County (66%) and statewide (61%).

### B. HOUSING STOCK

As shown in Figure 1.1, Umatilla UGB had an estimated 2,240 housing units in 2018, with a very low estimated vacancy rate (includes ownership and rental units).

**FIGURE 2.1: ESTIMATED SHARE OF UNITS, BY PROPERTY TYPE, 2017**



SOURCE: City of Umatilla, Census ACS 2017

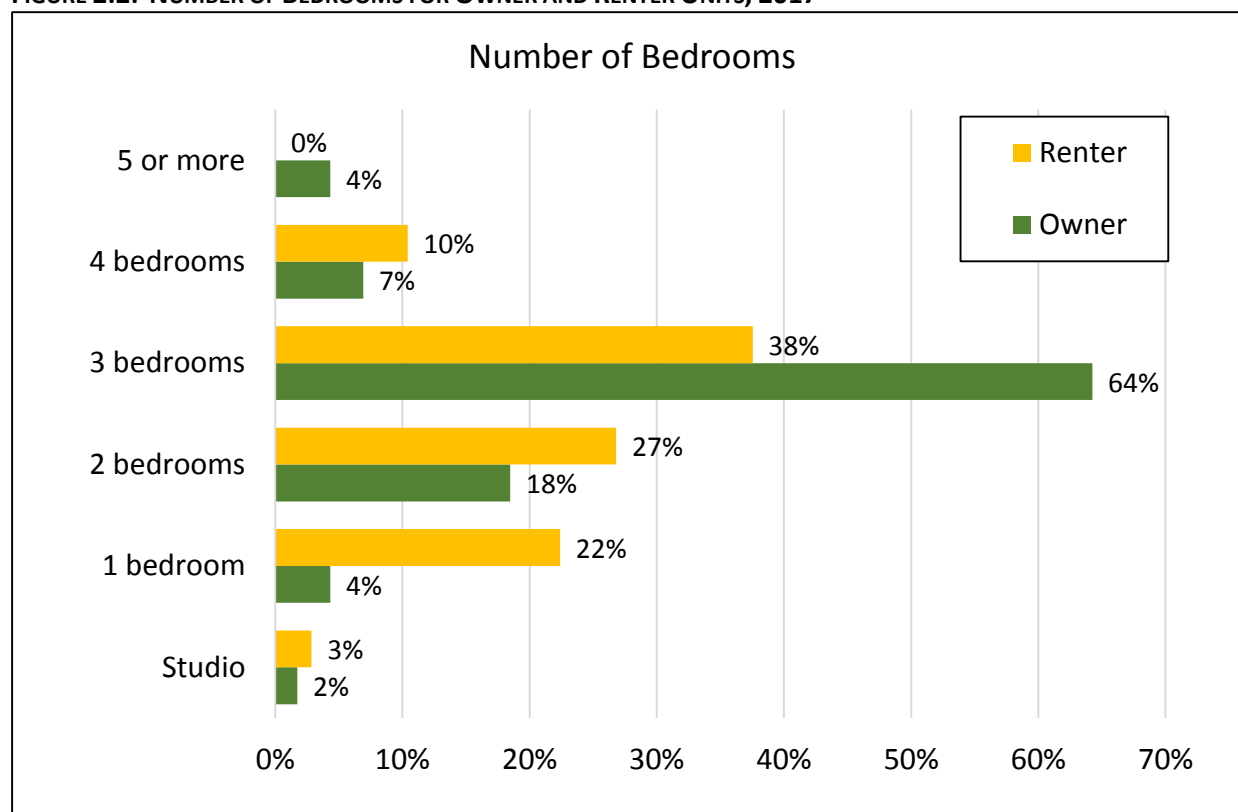
Figure 2.1 shows the estimated number of units by type in 2017. Detached single-family homes represent an estimated 58% of housing units.

Units in larger apartment complexes of 5 or more units represent 19% of units, and other types of attached homes represent an additional 13% of units. (Attached single family generally includes townhomes, some condo flats, and complexes which are separately metered.) Mobile homes represent 9% of the inventory.

### C. NUMBER OF BEDROOMS

Figure 2.2 shows the share of units for owners and renters by the number of bedrooms they have. In general, owner-occupied units are more likely to have three or more bedrooms, while renter occupied units are more likely to have two or fewer bedrooms.

**FIGURE 2.2: NUMBER OF BEDROOMS FOR OWNER AND RENTER UNITS, 2017**



SOURCE: US Census

Census Tables: B25042 (2017 ACS 5-year Estimates)

#### D. UNITS TYPES BY TENURE

As Figure 2.3 and 2.4 show, a large share of owner-occupied units (86%) are detached homes, or mobile homes (12%). Renter-occupied units are more distributed among a range of structure types. 34% of rented units are estimated to be detached homes or mobile homes, while the remainder are some form of attached unit. And estimated 39% of rental units are in larger apartment complexes.

**FIGURE 2.3: CURRENT INVENTORY BY UNIT TYPE, FOR OWNERSHIP AND RENTAL HOUSING**

##### OWNERSHIP HOUSING

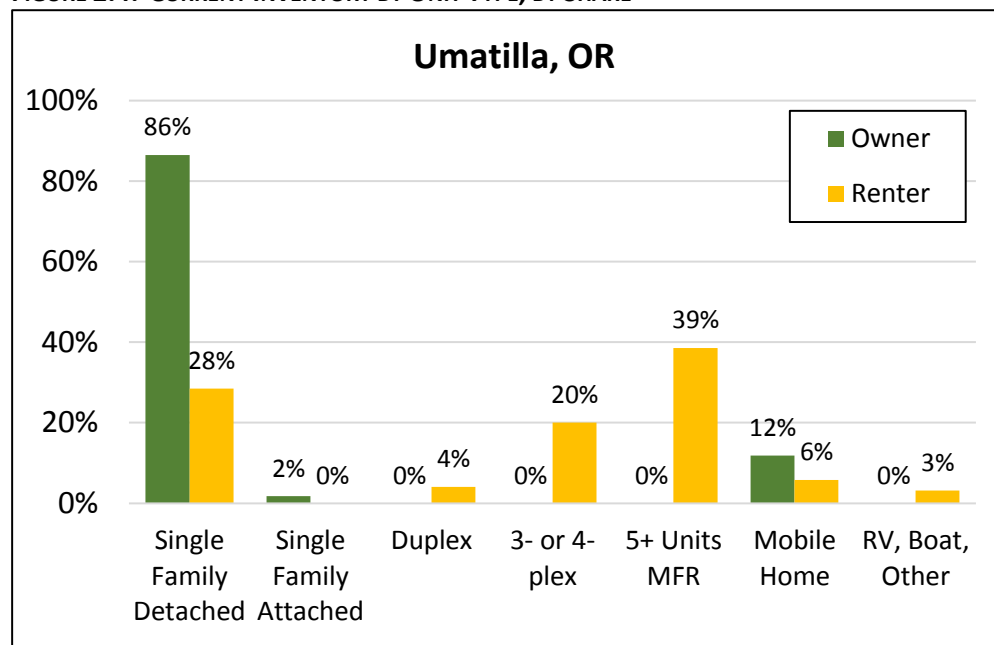
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units
<b>Totals:</b>	1,014	20	0	0	0	139	0	<b>1,173</b>
<b>Percentage:</b>	86.4%	1.7%	0.0%	0.0%	0.0%	11.8%	0.0%	100.0%

##### RENTAL HOUSING

Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units
<b>Totals:</b>	304	0	43	214	411	62	34	<b>1,067</b>
<b>Percentage:</b>	28.4%	0.0%	4.1%	20.1%	38.5%	5.8%	3.1%	100.0%

Sources: US Census, JOHNSON ECONOMICS, CITY OF UMATILLA

**FIGURE 2.4: CURRENT INVENTORY BY UNIT TYPE, BY SHARE**

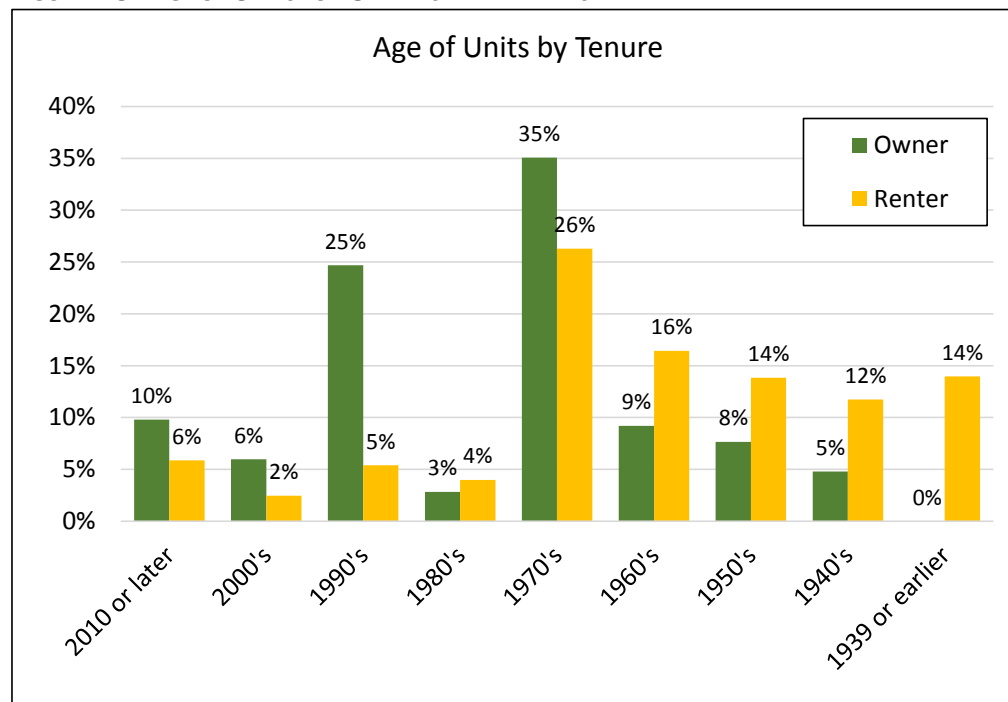


Sources: US Census, JOHNSON ECONOMICS, CITY OF UMATILLA

### E. AGE OF HOUSING STOCK

Umatilla's housing stock reflects the pattern of development in the area. 88% of the housing stock is pre-2000 with the remainder being post-2000. Roughly 31% of the housing stock was built in the 1970's, while another 37% dates from the 1960's or earlier. The following figure shows that owners are more likely to live in newer housing, while rental housing is more likely to live in older housing.

**FIGURE 2.5: AGE OF UNITS FOR OWNERS AND RENTERS**



SOURCE: US Census

Census Tables: B25036 (2017 ACS 5-year Estimates)

## F. HOUSING COSTS VS. LOCAL INCOMES

Figure 2.6 shows the share of owner and renter households who are paying more than 30% of their household income towards housing costs, by income segment. (Spending 30% or less on housing costs is a common measure of “affordability” used by HUD and others, and in the analysis presented in this report.)

In total, the US Census estimates that 35% of Umatilla households pay more than 30% of income towards housing costs (2017 American Community Survey, B25106)

As one would expect, households with lower incomes tend to spend more than 30% of their income on housing, while incrementally fewer of those in higher income groups spend more than 30% on their incomes on housing costs. Of those earning less than \$20,000, an estimated 56% of owner households and 73% of renters spend more than 30% of income on housing costs.

Roughly 15% of those households earning \$35,000 or more pay more than 30% of income towards housing costs. Only those earning more than \$75,000 do not pay more than 30%.

**FIGURE 2.6: SHARE OF HOUSEHOLDS SPENDING MORE THAN 30% ON HOUSING COSTS, BY INCOME GROUP**



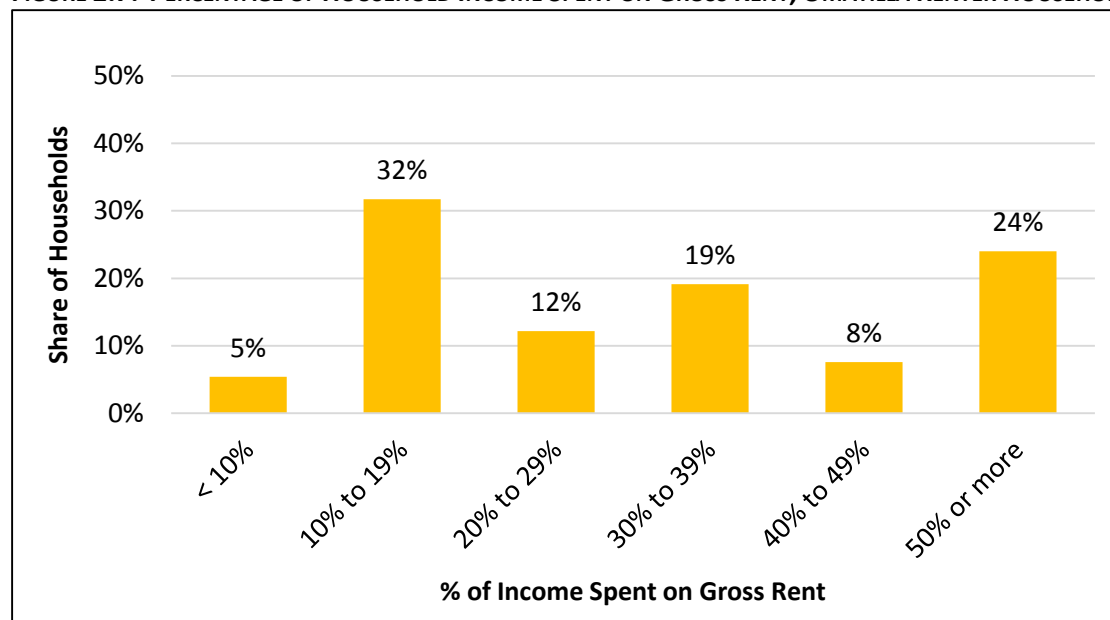
Sources: US Census, JOHNSON ECONOMICS

Census Table: B25106 (2017 ACS 5-yr Estimates)

The following figures shows the percentage of household income spent towards gross rent for local renter households only. This more fine-grained data shows that 51% of renters spending more than 30% of their income on rent, with an estimated 24% of renters are spending 50% or more of their income.

Renters are disproportionately lower income relative to homeowners. The burden of housing costs are felt more broadly for these households, and as the analysis presented in later section shows there is a need for more affordable rental units in Umatilla, as in most communities.

**FIGURE 2.7: PERCENTAGE OF HOUSEHOLD INCOME SPENT ON GROSS RENT, UMATILLA RENTER HOUSEHOLDS**



Sources: US Census, JOHNSON ECONOMICS  
Census Table: B25070 (2017 ACS 5-yr Estimates)

## G. PUBLICLY-ASSISTED HOUSING

Currently Umatilla has two rent-subsidized properties located in the town, with a total of 130 units. Umatilla County Housing Authority operates Tri-Harbor Landing which offers 106 units for families. The Links offers 24 units for seniors.

The Housing Authority also administers 329 housing choice vouchers which may be used in Umatilla or other communities in the four-county jurisdiction.

**Agricultural Worker Housing:** The state of Oregon identifies 58 units dedicated agricultural workforce housing located in the city of Umatilla.

**Homelessness:** A Point-in-Time count of homeless individuals in Umatilla County conducted in 2017 found 55 homeless individuals on the streets, in shelters, or other temporary and/or precarious housing. *These figures are for the entire county.*<sup>3</sup> This included:

- 24 people in emergency shelter, warming shelter, or transitional housing programs;
- 31 people unsheltered;
- 24% of counted individuals were children;
- 44% of individuals were women or girls, and 54% are male.

An analysis of the ability of current and projected housing supply to meet the needs of low-income people, and the potential shortfall is included in the following sections of this report.

<sup>3</sup> Figures via OHCS

### III. CURRENT HOUSING NEEDS (CITY OF UMATILLA)

The profile of current housing conditions in the study area is based on Census 2010, which the Portland State University Population Research Center (PRC) uses to develop yearly estimates through 2018. The PRC methodology incorporates the estimated population from within the city limits and an estimated population from those areas within the UGB, but outside of the city limits. To estimate the additional population within the UGB area, the PRC assigned a share of the population from the relevant Census tracts.

**FIGURE 3.1: CURRENT HOUSING PROFILE (2018)**

CURRENT HOUSING CONDITIONS (2018)		SOURCE
Total 2018 Population:	8,834	PSU Pop. Research Center
- Estimated group housing population:	1,755 (20% of Total)	US Census
<b>Estimated Non-Group 2018 Population:</b>	<b>7,079</b> (Total - Group)	
Avg. HH Size:	3.15	US Census
<b>Estimated Non-Group 2018 Households:</b>	<b>2,247</b> (Pop/HH Size)	
<b>Total Housing Units:</b>	<b>2,240</b> (Occupied + Vacant)	Census 2010 + permits
Occupied Housing Units:	2,247 (= # of HH)	
Vacant Housing Units:	-7 (Total HH - Occupied)	
Current Vacancy Rate:	-0.3% (Vacant units/ Total units)	

\*This table reflects population, household and housing unit projections shown in Figure 1.1

We estimate a current population of roughly 8,834 residents, living in 2,247 households (excluding group living situations). Average household size is 3.15 persons.

There are an estimated 2,247 housing units in the city, essentially equal to the number of households and indicating next to no vacancy. This includes units vacant for any reason, not just those which are currently for sale or rent.

#### ESTIMATE OF CURRENT HOUSING DEMAND

Following the establishment of the current housing profile, the current housing demand was determined based upon the age and income characteristics of current households.

The analysis considered the propensity of households in specific age and income levels to either rent or own their home (tenure), in order to derive the current demand for ownership and rental housing units and the appropriate housing cost level of each. This is done by combining data on tenure by age and tenure by income from the Census American Community Survey (tables: B25007 and B25118, 2017 ACS 5-yr Estimates).

The analysis takes into account the average amount that owners and renters tend to spend on housing costs. For instance, lower income households tend to spend more of their total income on housing, while upper income households spend less on a percentage basis. In this case, it was assumed that households in lower income bands would *prefer* housing costs at no more than 30% of gross income (a common measure of affordability). Higher income households pay a decreasing share down to 20% for the highest income households.



While the Census estimates that most low-income households pay more than 30% of their income for housing, this is an estimate of current *preferred* demand. It assumes that low-income households prefer (or demand) units affordable to them at no more than 30% of income, rather than more expensive units.

Figure 3.2 presents a snapshot of current housing demand (i.e. preferences) equal to the number of households in the study area (2,240). The breakdown of tenure (owners vs. renters) is slightly different from the 2017 ACS, as current demographics indicate that more households could likely afford to own their homes if opportunities were available (58% vs. 51%).

**FIGURE 3.2: ESTIMATE OF CURRENT HOUSING DEMAND (2018)**

Ownership				
Price Range	# of Households	Income Range	% of Total	Cumulative
\$0k - \$90k	67	Less than \$15,000	5.1%	5.1%
\$90k - \$130k	85	\$15,000 - \$24,999	6.4%	11.5%
\$130k - \$190k	136	\$25,000 - \$34,999	10.4%	21.9%
\$190k - \$210k	204	\$35,000 - \$49,999	15.5%	37.4%
\$210k - \$340k	337	\$50,000 - \$74,999	25.6%	63.0%
\$340k - \$360k	158	\$75,000 - \$99,999	12.1%	75.1%
\$360k - \$450k	95	\$100,000 - \$124,999	7.2%	82.3%
\$450k - \$540k	78	\$125,000 - \$149,999	6.0%	88.3%
\$540k - \$710k	103	\$150,000 - \$199,999	7.8%	96.1%
\$710k +	51	\$200,000+	3.9%	100.0%
<b>Totals:</b>	<b>1,314</b>		<b>% of All:</b>	<b>58.5%</b>

Rental				
Rent Level	# of Households	Income Range	% of Total	Cumulative
\$0 - \$400	249	Less than \$15,000	26.6%	26.6%
\$400 - \$600	147	\$15,000 - \$24,999	15.7%	42.4%
\$600 - \$900	118	\$25,000 - \$34,999	12.7%	55.0%
\$900 - \$1000	78	\$35,000 - \$49,999	8.4%	63.4%
\$1000 - \$1600	209	\$50,000 - \$74,999	22.4%	85.8%
\$1600 - \$1700	90	\$75,000 - \$99,999	9.6%	95.4%
\$1700 - \$2100	33	\$100,000 - \$124,999	3.6%	99.0%
\$2100 - \$2500	9	\$125,000 - \$149,999	1.0%	100.0%
\$2500 - \$3300	0	\$150,000 - \$199,999	0.0%	100.0%
\$3300 +	0	\$200,000+	0.0%	100.0%
<b>Totals:</b>	<b>933</b>		<b>% of All:</b>	<b>41.5%</b>

<b>All Households</b>
<b>2,247</b>

Sources: PSU Population Research Center, Environics Analytics., Census, JOHNSON ECONOMICS

Census Tables: B25007, B25106, B25118 (2017 ACS 5-yr Estimates)

Claritas: Estimates of income by age of householder

The estimated home price and rent ranges are irregular because they are mapped to the affordability levels of the Census income level categories. For instance, an affordable home for those in the lowest income category (less than \$15,000) would have to cost \$90,000 or less. Affordable rent for someone in this category would be \$400 or less.

The affordable price level for ownership housing assumes 30-year amortization, at an interest rate of 5% (significantly more than the current rate, but in line with historic norms), with 15% down payment. These assumptions are designed to represent prudent lending and borrowing levels for ownership households. The 30-year mortgage commonly serves as the standard. In the 2000's, down payment requirements fell significantly, but standards have tightened somewhat since the 2008/9 credit crisis. While 20% is often cited as the standard for most buyers, it is common for homebuyers, particularly first-time buyers, to pay significantly less than this using available programs.

Interest rates are subject to disruption from national and global economic forces, and therefore impossible to forecast beyond the short term. The 5% used here is roughly the average 30-year rate over the last 20 years. The general trend has been falling interest rates since the early 1980's, but coming out of the recent recession, many economists believe that rates cannot fall farther and must begin to climb as the Federal Reserve raises its rate over the coming years.

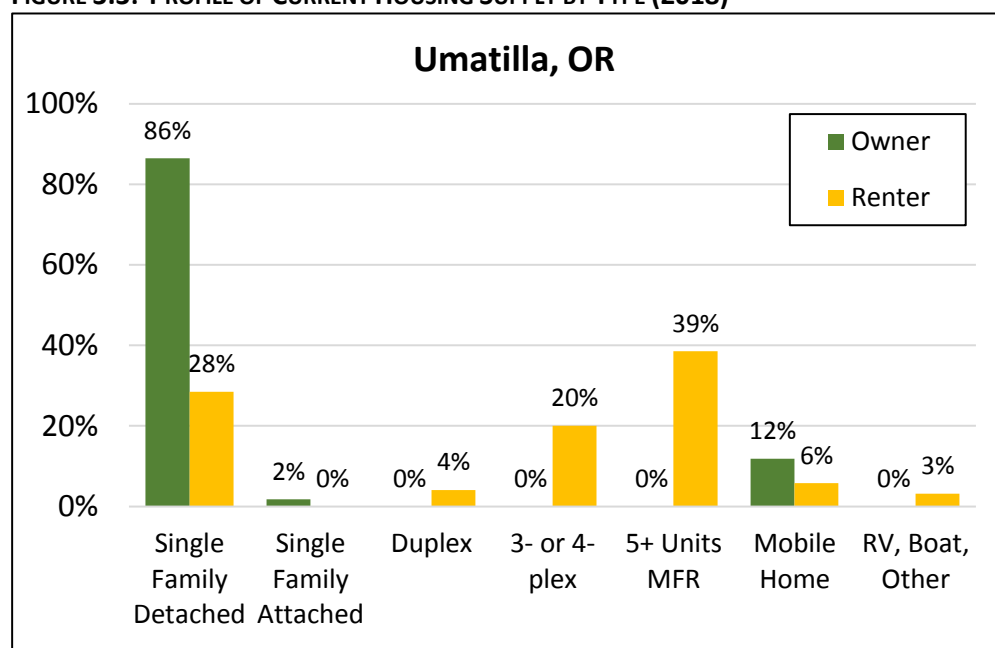
### CURRENT HOUSING INVENTORY

The profile of current housing demand (Figure 3.2) represents the preference and affordability levels of households. In reality, the current housing supply (Figure 3.3 below) differs from this profile, meaning that some households may find themselves in housing units which are not optimal, either not meeting the household's own/rent preference, or being unaffordable (requiring more than 30% of gross income).

A profile of current housing supply in Umatilla was estimated based on permit data from the City of Umatilla and Census data from the most recently available 2017 ACS, which provides a profile of housing types (single family, attached, mobile home, etc.), tenure, housing values, and rent levels. The 5-year estimates from the ACS were used because 3-year and 1-year estimates are not yet available for Umatilla geography.

- An estimated 52% of housing units are ownership units, while an estimated 48% of housing units are rental units. This is close to the estimated demand profile shown in Figure 3.2, which forecasted a slightly higher ownership rate. (The inventory includes vacant units, so the breakdown of ownership vs. rental does not exactly match the tenure split of actual households.)
- 86% of ownership units are detached homes, and 12% are mobile homes. 34% of rental units are either single family homes or mobile homes, and 38% are in structures of 5 units or more.
- Of total housing units, an estimated 59% are detached homes, 9% are mobile homes, while 31% are some sort of attached type. There are a small share of households living in RV units.
- The affordability of different unit types is an approximation based on Census data on the distribution of housing units by value (ownership) or gross rent (rentals).
- Ownership housing found at the lower end of the value spectrum generally reflect mobile homes, older, smaller homes, or homes in poor condition on small or irregular lots. **It is important to note that these represent estimates of current property value or current housing cost to the owner, not the current market pricing of homes for sale in the city.** These properties may be candidates for redevelopment when next they sell but are currently estimated to have low value.

**FIGURE 3.3: PROFILE OF CURRENT HOUSING SUPPLY BY TYPE (2018)**



Sources: US Census, PSU Population Research Center, JOHNSON ECONOMICS  
Census Tables: B25004, B25032, B25063, B25075 (2017 ACS 5-yr Estimates)

**FIGURE 3.4: PROFILE OF CURRENT HOUSING SUPPLY, ESTIMATED AFFORDABILITY (2018)**

Income Range	Ownership Housing		Rental Housing		Share of Total Units
	Affordable Price Level	Estimated Units	Affordable Rent Level	Estimated Units	
Less than \$15,000	\$0k - \$90k	169	\$0 - \$400	270	20%
\$15,000 - \$24,999	\$90k - \$130k	605	\$400 - \$600	257	38%
\$25,000 - \$34,999	\$130k - \$190k	230	\$600 - \$900	447	30%
\$35,000 - \$49,999	\$190k - \$210k	37	\$900 - \$1000	15	2%
\$50,000 - \$74,999	\$210k - \$340k	102	\$1000 - \$1600	66	8%
\$75,000 - \$99,999	\$340k - \$360k	0	\$1600 - \$1700	3	0%
\$100,000 - \$124,999	\$360k - \$450k	14	\$1700 - \$2100	9	1%
\$125,000 - \$149,999	\$450k - \$540k	6	\$2100 - \$2500	0	0%
\$150,000 - \$199,999	\$540k - \$710k	0	\$2500 - \$3300	0	0%
\$200,000+	\$710k +	9	\$3300 +	0	0%
	52%	1,173	48%	1,067	

Sources: PSU Population Research Center, Environics Analytics, Census, JOHNSON ECONOMICS  
This table is a synthesis of data presented in Figures 3.2 and 3.3.

### COMPARISON OF CURRENT HOUSING DEMAND WITH CURRENT SUPPLY

A comparison of estimated current housing *demand* with the existing *supply* identifies the existing discrepancies between needs and the housing which is currently available.

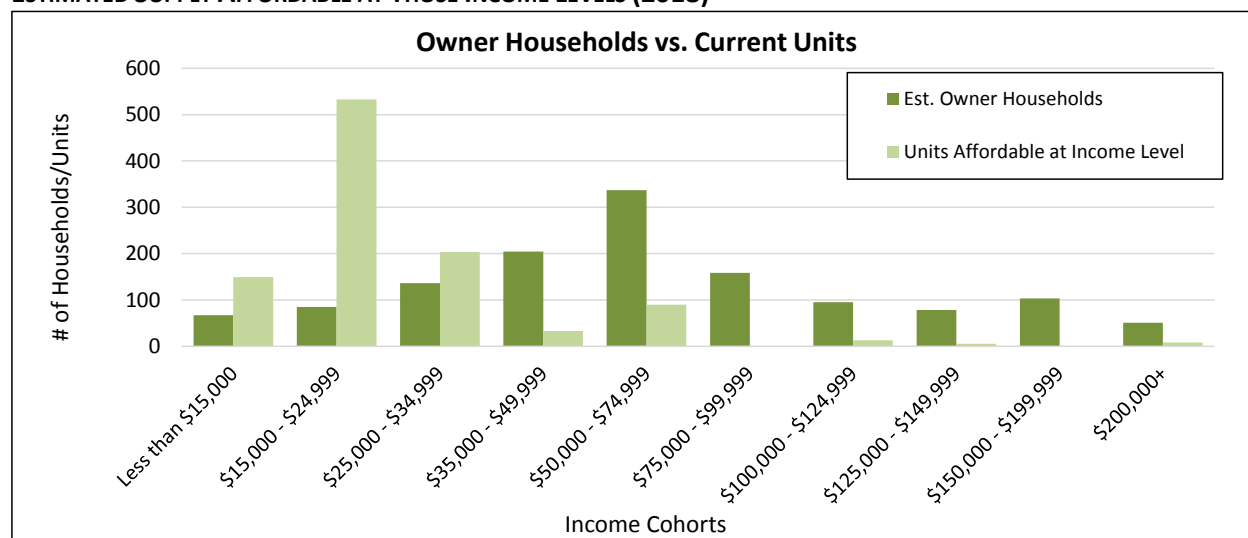
In general, this identifies that there is currently support for more ownership housing at price ranges above \$200,000. This is because most housing in Umatilla is clustered at the low to middle price points, while analysis of household incomes and ability to pay indicates that some could afford housing at higher price points.

The analysis finds that most rental units are currently found at the lower end of the rent spectrum, therefore the supply of units priced at \$900 or lower is estimated to be sufficient. This represents the current average rent prices in Umatilla, where most units can be expected to congregate. There is an indication that some renter households could support more units at higher rental levels. Rentals at more expensive levels generally represent single family homes for rent.

The estimated number of units and number of households is essentially even.

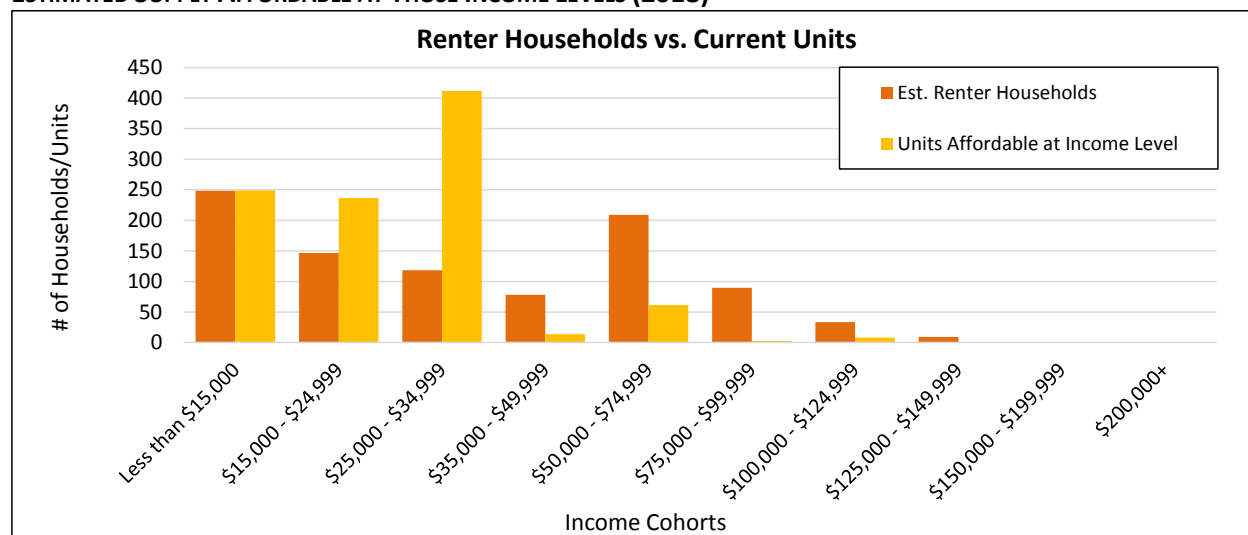
Figures 3.5 and 3.6 present this information in chart form, comparing the estimated number of households in given income ranges, and the supply of units currently affordable within those income ranges. The data is presented for owner and renter households.

**FIGURE 3.5: COMPARISON OF OWNER HOUSEHOLD INCOME GROUPS TO ESTIMATED SUPPLY AFFORDABLE AT THOSE INCOME LEVELS (2018)**



Sources: PSU Population Research Center, City of Umatilla, Census, JOHNSON ECONOMICS

**FIGURE 3.6: COMPARISON OF RENTER HOUSEHOLD INCOME GROUPS TO ESTIMATED SUPPLY AFFORDABLE AT THOSE INCOME LEVELS (2018)**



Sources: PSU Population Research Center, City of Umatilla, Census, JOHNSON ECONOMICS

Those price and rent segments which show a “surplus” in Figures 3.5 and 3.6 are illustrating where current property values and market rent levels are in Umatilla. Housing prices and rent levels will tend to congregate around those price levels. These levels will be too costly for some (i.e. require more than 30% in gross income) or “too affordable” for others (i.e. they have income levels that indicate they could afford more expensive housing if it were available). In general, these findings demonstrate that there are sufficient housing opportunities at lower price points than might be considered “affordable” for many owner or renter households. While the community may be able to support some new single-family housing at a higher price point, or newer units at a higher rent point.

\* \* \*

The findings of current need form the foundation for projected future housing need, presented in a following section.

## IV. FUTURE HOUSING NEEDS - 2039 (CITY OF UMATILLA)

The projected future (20-year) housing profile (Figure 4.1) in the study area is based on the current housing profile (2018), multiplied by an assumed projected future household growth rate. The projected future growth is the official forecasted annual growth rate (1.73%) for 2040 generated by the PSU Oregon Forecast Program. This rate is applied to the year 2039. (This represents a 20-year forecast period from the preparation of this report in 2019, though much of the most current data on population and current housing dated to 2018.)

**FIGURE 4.1: FUTURE HOUSING PROFILE (2039)**

PROJECTED FUTURE HOUSING CONDITIONS (2018 - 2039)			SOURCE
2018 Population (Minus Group Pop.)	7,079		PSU
Projected Annual Growth Rate	1.73%	OR Population Forecast Program	PSU
2039 Population (Minus Group Pop.)	10,148	(Total 2039 Population - Group Housing Pop.)	
Estimated group housing population:	2,516	Share of total pop from Census	US Census
<b>Total Estimated 2039 Population:</b>	<b>12,664</b>		
<b>Estimated Non-Group 2039 Households:</b>	<b>3,222</b>	(2039 Non-Group Pop./Avg. Household Size)	
New Households 2018 to 2039	974		
Avg. Household Size:	3.15	Projected household size	US Census
<b>Total Housing Units:</b>	<b>3,391</b>	Occupied Units plus Vacant	
Occupied Housing Units:	3,222	(= Number of Non-Group Households)	
Vacant Housing Units:	170		
Projected Market Vacancy Rate:	5.0%	(Vacant Units/ Total Units)	

Sources: PSU Population Research Center Oregon Population Forecast Program, Census, JOHNSON ECONOMICS LLC

\*Projections are applied to estimates of 2018 population, household and housing units shown in Figure 1.1

The model projects growth in the number of non-group households over 20 years of roughly 975 households, with accompanying population growth of 3,830 new residents. (The number of households differs from the number of housing units, because the total number of housing units includes a percentage of vacancy. Projected housing unit needs are discussed below.)

### PROJECTION OF FUTURE HOUSING UNIT DEMAND (2039)

The profile of future housing demand was derived using the same methodology used to produce the estimate of current housing need. This estimate includes current and future households, *but does not include a vacancy assumption. The vacancy assumption is added in the subsequent step.* Therefore the need identified below is the total need for actual households in occupied units (3,222).

The analysis considered the propensity of households at specific age and income levels to either rent or own their home, in order to derive the future need for ownership and rental housing units, and the affordable cost level of each. The projected need is for *all* 2039 households and therefore includes the needs of current households.

The price levels presented here use the same assumptions regarding the amount of gross income applied to housing costs, from 30% for low income households down to 20% for the highest income households.

The affordable price level for ownership housing assumes 30-year amortization, at an interest rate of 5%, with 15% down payment. Because of the impossibility of predicting variables such as interest rates 20 years into the future, these assumptions were kept constant from the estimation of current housing demand. Income levels and price levels are presented in 2018 dollars.

Figure 4.2 presents the projected occupied future housing demand (current and new households, without vacancy) in 2039.

**FIGURE 4.2: PROJECTED OCCUPIED FUTURE HOUSING DEMAND (2039)**

Ownership				
Price Range	# of Households	Income Range	% of Total	Cumulative
\$0k - \$90k	92	Less than \$15,000	4.9%	4.9%
\$90k - \$130k	118	\$15,000 - \$24,999	6.4%	11.3%
\$130k - \$190k	192	\$25,000 - \$34,999	10.3%	21.7%
\$190k - \$210k	289	\$35,000 - \$49,999	15.6%	37.2%
\$210k - \$340k	476	\$50,000 - \$74,999	25.6%	62.9%
\$340k - \$360k	224	\$75,000 - \$99,999	12.1%	75.0%
\$360k - \$450k	135	\$100,000 - \$124,999	7.3%	82.2%
\$450k - \$540k	111	\$125,000 - \$149,999	6.0%	88.2%
\$540k - \$710k	146	\$150,000 - \$199,999	7.9%	96.1%
\$710k +	72	\$200,000+	3.9%	100.0%
<b>Totals:</b>	<b>1,855</b>		<b>% of All:</b>	<b>57.6%</b>

Rental				
Rent Level	# of Households	Income Range	% of Total	Cumulative
\$0 - \$400	360	Less than \$15,000	26.4%	26.4%
\$400 - \$600	213	\$15,000 - \$24,999	15.6%	42.0%
\$600 - \$900	173	\$25,000 - \$34,999	12.6%	54.6%
\$900 - \$1000	116	\$35,000 - \$49,999	8.5%	63.1%
\$1000 - \$1600	307	\$50,000 - \$74,999	22.4%	85.6%
\$1600 - \$1700	132	\$75,000 - \$99,999	9.6%	95.2%
\$1700 - \$2100	49	\$100,000 - \$124,999	3.6%	98.8%
\$2100 - \$2500	15	\$125,000 - \$149,999	1.1%	99.9%
\$2500 - \$3300	1	\$150,000 - \$199,999	0.1%	100.0%
\$3300 +	1	\$200,000+	0.0%	100.0%
<b>Totals:</b>	<b>1,366</b>		<b>% of All:</b>	<b>42.4%</b>

<b>All Units</b>
<b>3,222</b>

Sources: Census, EnviroNics Analytics, JOHNSON ECONOMICS

It is projected that the homeownership rate in Umatilla will increase over the next 20 years to 58%, which would remain lower than the current statewide average (62%). The shift to older and marginally higher income households is moderate but is projected to increase the homeownership rate somewhat. At the same time, the number of lower income households seeking affordable rentals is also anticipated to grow.

## COMPARISON OF FUTURE HOUSING DEMAND TO CURRENT HOUSING INVENTORY

The profile of occupied future housing demand presented above (Figure 4.2) was compared to the current housing inventory presented in the previous section to determine the total future need for *new* housing units by type and price range (Figure 4.3).

*This estimate includes a vacancy assumption.* As reflected by the most recent Census data, and as is common in most communities, the vacancy rate for rental units is typically higher than that for ownership units. An average vacancy rate of 5% is assumed for the purpose of this analysis. This analysis maintains the discrepancy between rental and ownership units going forward, so that the vacancy rate for rentals is assumed to be slightly higher than the overall average, while the vacancy rate for ownership units is assumed to be lower.

**FIGURE 4.3: PROJECTED FUTURE NEED FOR NEW HOUSING UNITS (2039), UMATILLA**

OWNERSHIP HOUSING									
Unit Type:	Single Family Detached	Single Family Attached	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
<b>Totals:</b>	621	51	0	0	0	90	0	<b>763</b>	66.3%
<b>Percentage:</b>	81.4%	6.7%	0.0%	0.0%	0.0%	11.8%	0.0%	100%	

RENTAL HOUSING									
Unit Type:	Single Family Detached	Single Family Attached	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
<b>Totals:</b>	79	8	24	86	157	22	12	<b>388</b>	33.7%
<b>Percentage:</b>	20.4%	2.0%	6.1%	22.1%	40.5%	5.8%	3.1%	100%	

TOTAL HOUSING UNITS									
Unit Type:	Single Family Detached	Single Family Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
<b>Totals:</b>	701	59	24	86	157	113	12	<b>1,151</b>	<b>100%</b>
<b>Percentage:</b>	60.9%	5.1%	2.0%	7.4%	13.7%	9.8%	1.1%	100%	

Sources: PSU, City of Umatilla, Census, Environics Analytics, JOHNSON ECONOMICS

- The results show a need for 1,151 new housing units by 2039.
- Of the new units needed, roughly 66% are projected to be ownership units, while 34% are projected to be rental units. This is due to the forecast of a slightly higher homeownership rate in the future.

### Needed Unit Types

The mix of needed unit types shown in Figure 4.3 reflects both past trends and anticipated future trends. Since 2000, detached single family units (including manufactured and mobile homes) have constituted nearly all of the permitted units in Umatilla. In keeping with development trends, and the buildable land available to Umatilla, single family units are expected to make up the greatest share of new housing development over the next 20 years.

- 61% of the new units are projected to be single family detached homes, while 28% is projected to be some form of attached housing, and 10% are projected to be mobile homes, and 1% are expected to be RV or other temporary housing.



- Single family attached units (townhomes on individual lots) are projected to meet 5% of future need. These are defined as units on separate tax lots, attached by a wall but separately metered, the most common example being townhome units.
- Duplex through four-plex units are projected to represent nearly 10% of the total need. Duplex units would include a detached single family home with an accessory dwelling unit on the same lot, or with a separate unit in the home (for instance, a rental basement unit.)
- 14% of all needed units are projected to be multi-family in structures of 5+ attached units.
- 10% of new needed units are projected to be mobile home units, which meet the needs of some low-income households for both ownership and rental.
- Of ownership units, 81% are projected to be single-family homes, and 12% mobile homes. Nearly 7% are projected to be attached single-family housing
- About 70% of new rental units are projected to be found in new attached buildings, with over 40% projected in rental properties of 5 or more units, and 28% in buildings of two to four units.

### **Needed Affordability Levels**

- The needed affordability levels presented here are based on current 2018 dollars. Over time, incomes and housing costs will both inflate, so the general relationship projected here is expected to remain unchanged.
- The future needed affordability types (2039) reflect the same relationship shown in the comparison of current (2018) need and supply (shown in Figure 3.4). Generally, based on income levels there is a shortage of units in the lowest pricing levels for renter households.
- Figure 4.3 presents the *net NEW* housing unit need over the next 20 years. However, there is also a *current* need for more affordable units. In order for all households, current and new to pay 30% or less of their income towards housing in 2039, more affordable rental units would be required. This indicates that some of the current supply, while it shows up as existing available housing, would need to become less expensive to meet the needs of current households.
- There is a finding of some new need at the lowest end of the rental spectrum (\$400 and less).
- Projected needed *ownership* units show that the supply at the lowest end of the spectrum is currently sufficient. (This reflects the estimated *value* of the total housing stock, and not necessarily the average pricing for housing currently for sale.) And the community could support more some housing at higher price points, mostly in ranges above \$200,000.
- Figure 4.4 presents estimates of need at key low-income affordability levels in 2018 and new need. There is existing and on-going need at these levels, based on income levels specified by Oregon Housing and Community Services for Umatilla County, and the recent City of Umatilla Income Survey (2018). An estimated 56% of households qualify as at least “low income” or lower on the income scale, while 16% of household qualify as “extremely low income”. (The income survey used a different terminology of “low and moderate income” for these same income segments.)

**FIGURE 4.4: PROJECTED NEED FOR HOUSING AFFORDABLE AT LOW INCOME LEVELS, UMATILLA**

Affordability Level	Income Level		Current Need (2018)		NEW Need (20-Year)	
			# of HH	% of All	# of HH	% of All
Extremely Low Inc.	30% AMI	\$16,650	354	16%	153	13%
Very Low Income	50% AMI	\$27,600	613	27%	266	23%
Low Income	80% AMI	\$44,160	1,256	56%	545	47%

Sources: OHCS, Environics Analytics, JOHNSON ECONOMICS

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

**Agricultural Worker Housing**

The State of Oregon identifies 58 units dedicated agricultural workforce housing located in four properties the city of Umatilla. This is an estimated 2.6% of the current housing supply.

Assuming that this segment of housing grows at a similar rate to all housing types, this implies a 2039 total of 88 units for the agricultural workforce, or addition of 30 units in this time.

At the same time, the State estimates numbers of migrant and seasonal farm workers (MSFW) in Umatilla County far in excess of the number of units available dedicated to this population. It is fair to estimate that the city of Umatilla, and the rest of the county, could support as much of this housing as can practically be developed given resource limitations. Therefore, continued support for such housing is appropriate.

## V. RECONCILIATION OF FUTURE NEED (2039) & LAND SUPPLY (CITY OF UMATILLA)

This section summarizes the results of the Buildable Lands Inventory (BLI). The BLI is presented in detail in an accompanying memo to this report.

The following table present the estimated new unit capacity of the buildable lands identified in the City of Umatilla UGB. There is a total remaining capacity of 3,493 units of different types within the study area. Much of this capacity is within the single family and medium density residential zones.

**FIGURE 5.1: ESTIMATED BUILDABLE LANDS CAPACITY BY ACREAGE AND NO. OF UNITS (2019)**

Jurisdiction and Zone	Projected Density (units/net acre)	Unconstrained Acres				Housing Unit Capacity			
		Partially Vacant	Vacant	Total	Share of Total	Partially Vacant	Vacant	Total	Share of Total
Umatilla									
DR: Downtown Residential	18	0	4	4	0%	0	41	41	1%
F-2: General Rural	0.05	1	40	41	3%	0	1	1	0%
R-1: Agricultural Residential	0.25	163	63	226	18%	20	4	24	1%
R1: Single-Family Residential	5	11	558	569	45%	34	2,017	2,051	59%
R-1A: Two Acre Residential	0.5	117	36	153	12%	25	12	37	1%
R2: Medium Density Residential	8	3	200	203	16%	14	1,150	1,164	33%
R-2: Suburban Residential	1	36	1	37	3%	16	0	16	0%
R3: Multi-Family Residential	18	5	5	10	1%	60	70	130	4%
R-3: Urban Residential	5	5	5	10	1%	17	12	29	1%
	Subtotal	340	912	1,253	--	186	3,307	3,493	--

Source: Angelo Planning Group

The following tables summarize the forecasted future unit need for Umatilla. These are the summarized results from Section IV of this report.

**FIGURE 5.2: SUMMARY OF FORECASTED FUTURE UNIT NEED (2039)**

TOTAL HOUSING UNITS									
Unit Type:	Single Family Detached	Single Family Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
<b>Totals:</b>	701	59	24	86	157	113	12	<b>1,151</b>	<b>100%</b>
<b>Percentage:</b>	60.9%	5.1%	2.0%	7.4%	13.7%	9.8%	1.1%	100%	

Sources: PSU Population Research Center, Census, Johnson Economics

### Comparison of Housing Need and Capacity

There is a total forecasted need for roughly 1,150 units over the next 20 years based on the PSU forecasted growth rate. This is well below the estimated capacity of nearly 3,500 units. As Figure 5.3 below demonstrates, there is sufficient capacity to accommodate all projected new unit types. After this need is accommodated, there is an estimated remaining capacity of over 2,100 additional units, mostly in the high-density residential zone.

The following table shows the same comparison, converting the forecasted residential need and capacity by acres, rather than units. There is a projected need for 193 acres of new residential development, but a buildable capacity of 1,253 acres.

**FIGURE 5.3: COMPARISON OF FORECASTED FUTURE LAND NEED (2039) WITH AVAILABLE CAPACITY**

<u>LAND INVENTORY VS. LAND NEED</u>	Unit Type			<u>TOTAL</u>
	Single Family Detached	Medium- Density Attached	Multi- Family	
Buildable Land Inventory (Acres):	1,036	203	14	1,253
Estimated Land Need (Acres):	163	21	9	193
<b><i>Land Surplus (Inventory - Need:)</i></b>	<b><i>873</i></b>	<b><i>182</i></b>	<b><i>5</i></b>	<b><i>1,060</i></b>

Sources: Angelo Planning Group, Johnson Economics

**FINDING:** There is currently sufficient buildable capacity within Umatilla to accommodate projected need. The character of this supply can help guide housing policy and strategy recommendations to be included in subsequent reports and ultimately integrated in the City's updated Comprehensive Plan.