

**August 13, 2019 City of Umatilla Planning Commission
Supplemental Packet**



Exhibit B

LAND USE PLANNING
TRANSPORTATION PLANNING
PROJECT MANAGEMENT

MEMORANDUM

Residential Buildable Lands Inventory (BLI) **FINAL** West Umatilla County Housing Study

DATE March 29, 2019
TO West Umatilla County Housing Study Project Management Team and Advisory Committee
FROM Darci Rudzinski, Jamin Kimmell, and Brandon Crawford, Angelo Planning Group
CC File

The cities of Stanfield, Echo, and Umatilla have received a grant from the Department of Land Conservation and Development (DLCDC) to enable technical assistance for the purpose of increasing the supply and affordability of housing within the boundaries of each of the cities. This grant project, the West Umatilla County Housing Study, will provide complete products needed to update comprehensive plans and zoning codes, or adopt other housing strategies, to help ensure that each of the cities can satisfy its housing needs. The expected outcome of this grant project is a Housing Needs Analysis (HNA) that includes: a housing needs projection, a Buildable Lands Inventory (BLI), a Residential Lands Needs Analysis (RLNA), and identified measures for accommodating needed housing.

A critical input into an HNA is an inventory of buildable residential land in the study area. The purpose of this memo is to summarize the methodology and initial results of a residential BLI for the three subject cities. The memo explains the BLI methodology step-by-step, then presents the results in a series of tables and maps.

METHODOLOGY

Step 1 – Identify Environmental Constraints

In order to estimate the amount of land that may be buildable for residential uses, it is necessary to remove any areas where development is constrained and not feasible due to environmental resources, hazards, or topography. The following environmentally constrained areas were removed from the BLI:

- **Floodplains:** FEMA Special Flood Hazard areas were removed from the BLI in accordance with development restrictions found in each city's land use ordinance or development code. This includes the floodways in all cities, the 100-year floodplain in all cities, and the 500-year floodplain in Stanfield.

- **Wetlands:** All wetlands mapped by the U.S. Department of Fish and Wildlife for the National Wetland Inventory were removed from the inventory, consistent with adopted Goal 5 protections for these wetlands in each city's comprehensive plan and zoning code.
- **Steep Slopes:** Lidar elevation data from the Oregon Department of Geology and Mineral Industries (DOGAMI) was used to estimate areas with slopes over 25 percent. In accordance with Oregon Administrative Rules (OAR) that define buildable land, all areas with slopes of over 25 percent were removed from the BLI.¹
- **Powerline Easements:** Portland General Electric power transmission lines run through the City of Umatilla. There are easements associated with each of the lines on several properties in the City. The easements were classified as a constraint due to development restrictions within them, and they were therefore removed from the BLI.

These lands were combined and then overlaid with Umatilla County tax lot data to estimate the amount of land in each parcel where development is limited by these environmental constraints. Constrained areas were deducted from the gross area of the parcel to estimate the area of the parcel that is unconstrained and potentially buildable.

An additional constraint that was identified but not removed from the BLI is Archaeological Resource Site 35UM1. This area is located north of downtown Umatilla and has been identified as an archaeological site with cultural and historic significance (also known as the "Old Town Site"). The area is a known pre-historic and Native American settlement. Detailed mapping of the boundaries of the area have not been prepared and the degree to which the archaeological resources affect the development capacity of the land is unclear.

Step 2 – Classify Parcels by Development Status

Each parcel in the Urban Growth Boundary (UGB) of each city was classified based on the potential for new development on the parcel. This classification is intended to separate parcels that have capacity for development from those that do not. The classification is based on the amount of unconstrained area on the parcel and the valuation of improvements (buildings, other structures). Improvement values are sourced from Umatilla County Tax Assessor data. The following five categories identify the "development status" of parcels and were used to classify parcels:

- **Developed:** Parcels that have an improvement value of more than \$10,000 and do not meet the definition of Partially Vacant or Constrained.
- **Constrained:** Parcels with less than 3,000 square feet unconstrained land. These parcels are assumed to not be developable due to the small area on the lot that is potentially buildable.
- **Partially Vacant:** Parcels that meet the state definition as Partially Vacant under the "Simplified UGB Method" for residential buildable land inventories.² These parcels are at

¹ See OAR 660-008-0005(2).

² OAR 660-038-0060 - Buildable Lands Inventory (BLI) for Residential Land within the UGB

(3) The city must identify all partially vacant lots and parcels with a residential comprehensive plan designation, as follows:

least a half-acre in size and contain an existing structure worth more than \$10,000 but may have some capacity for additional development. The amount of potentially buildable area on a parcel was estimated based on the type of structure, value of structure, and size of parcel, as follows:

- All parcels with a single-family dwelling that were more than a half-acre in size were classified Partially Vacant, and a quarter-acre was removed from the unconstrained area of these parcels to account for the existing dwelling. If less than a quarter acre of unconstrained land remained after removing a quarter-acre of land for the existing dwelling, then the parcel was classified as Developed.
- Parcels with an existing multi-family structure, commercial structure, farm building, or other non-residential structure were manually classified as Partially Vacant or Developed based on the size of the parcel relative to the value of the improvements. Larger parcels (more than 3 acres) with low improvement values were generally classified Partially Vacant, while smaller parcels or parcels with high improvement values were classified Developed. A quarter-acre was removed from all parcels classified as Partially Vacant. The Simplified UGB Method requires cities to review aerial imagery for each of these parcels to estimate the remaining buildable area. With assistance from staff, this level of refinement may be possible for Draft 2 of the BLI.
- **Vacant**: Parcels with more than 3,000 square feet of unconstrained land and improvement value less than \$10,000. These parcels have sufficient area for development and little to no improvements.
- **Difficult to Serve**: These parcels either meet the definition of Vacant or Partially Vacant; however, due to a variety of factors, may be difficult or infeasible to serve with adequate infrastructure to support urban development. No parcels were classified as Difficult to Serve in the BLI. For the purposes of this analysis, these parcels will be considered potentially buildable, but the lack of infrastructure and expense of providing infrastructure to these sites may present a major barrier to development.

The results of this analysis are presented in Tables 1-3 in this memo. Table 1 and Table 2 provide a summary of the amount of residential and commercial land in the three cities by development status. While the focus of this study is residential land, a summary of land available in commercial zones is provided for context because most commercial zones allow residential development.

(a) For lots and parcels at least one-half acre in size that contain a single-family residence, the city must subtract one-quarter acre for the residence, and count the remainder of the lot or parcel as vacant land, and

(b) For lots and parcels at least one-half acre in size that contain more than one single-family residence, multiple-family residences, non-residential uses, or ancillary uses such as parking areas and recreational facilities, the city must identify vacant areas using an orthophoto or other map of comparable geometric accuracy. For the purposes of this identification, all publicly owned park land shall be considered developed. If the vacant area is at least one-quarter acre, the city shall consider that portion of the lot or parcel to be vacant land.

Housing unit projections are not provided for commercial zones, however, as each city should be able to meet housing needs through adequate provision of residentially zoned lands.

Step 3 – Estimate Net Buildable Lands and Housing Unit Capacity

The final step of the BLI is to estimate the capacity for new housing units on each parcel. There are four steps in the calculation:

- **Unconstrained Acres:** The amount of land remaining in each parcel after deducting any constrained areas and, on Partially Vacant parcels, a quarter-acre general reduction for existing structures.
- **Net Buildable Acres:** The amount of unconstrained land in each parcel is reduced by 25% to account for land needed for public facilities (primarily streets) to support new development.
- **Projected Density:** For each residential zone, a projected density (units per net buildable acre) was identified based on the housing types that are permitted in the zone, minimum lot size standards, and maximum density standards. Parcels that span multiple zones (i.e., split zoned) were divided based on zone boundaries and housing unit capacity was calculated for each portion of the parcel. The projected density levels are presented in Table 4. These assumptions are generally consistent with the approach for the Simplified UGB Method.
- **Housing Unit Capacity:** The projected density is multiplied by the net buildable acres to estimate the housing unit capacity of each parcel. Finally, the housing unit capacity of each parcel was rounded down to a whole number to reflect the actual maximum allowable number of units that could be permitted.

Table 3 in the *Results* section of this memo breaks down this data by city, showing the number of unconstrained acres and the housing capacity in residential zones for each jurisdiction. Figure 1 graphically depicts the amount of vacant and partially vacant land available for areas that are unconstrained in each of the cities; Figure 2 shows the number of residential units (housing capacity) that can potentially be accommodated on vacant and partially vacant land in each city.

RESULTS

Table 1. BLI Summary by Development Status, Residential Zones, All Cities

Development Status	Total Parcels	Gross Acres	Constrained Acres³	Unconstrained Acres
Constrained	444	140	136	--
Developed	1,959	848	142	--
Public	69	536	132	
<i>Total Not Buildable</i>	<i>2,472</i>	<i>1,524</i>	<i>410</i>	<i>--</i>
Difficult to Serve	--	--	--	--
Partially Vacant	166	665	70	554
Vacant	460	1,430	180	1,257
Total Potentially Buildable	626	2,095	250	1,812

Table 2. BLI Summary by Development Status, Commercial Zones, All Cities

Development Status	Total Parcels	Gross Acres	Constrained Acres	Unconstrained Acres
Constrained	142	24	23	--
Developed	147	134	7	--
Public	13	7	1	
<i>Total Not Buildable</i>	<i>302</i>	<i>165</i>	<i>31</i>	<i>--</i>
Difficult to Serve	--	--	--	--
Partially Vacant	3	3	0	3
Vacant	93	172	27	145
Total Potentially Buildable	96	175	27	148

³ Constrained acres for "Partially Vacant" does not include the quarter-acre deducted from each parcel to account for single-family dwellings.

Table 3. Unconstrained Acres and Housing Unit Capacity by Jurisdiction, Residential Zones

Jurisdiction	Unconstrained Acres				Housing Unit Capacity			
	Difficult to Serve	Partially Vacant	Vacant	Total	Difficult to Serve	Partially Vacant	Vacant	Total
Echo	--	53	58	111	--	310	229	539
Stanfield	--	161	287	448	--	951	1,696	2,647
Umatilla	--	340	912	1,252	--	318	3,342	3,660
Total	--	554	1,257	1,811	--	1,579	5,267	6,846

Figure 1. Unconstrained Acres by Jurisdiction, All Cities, Residential Zones

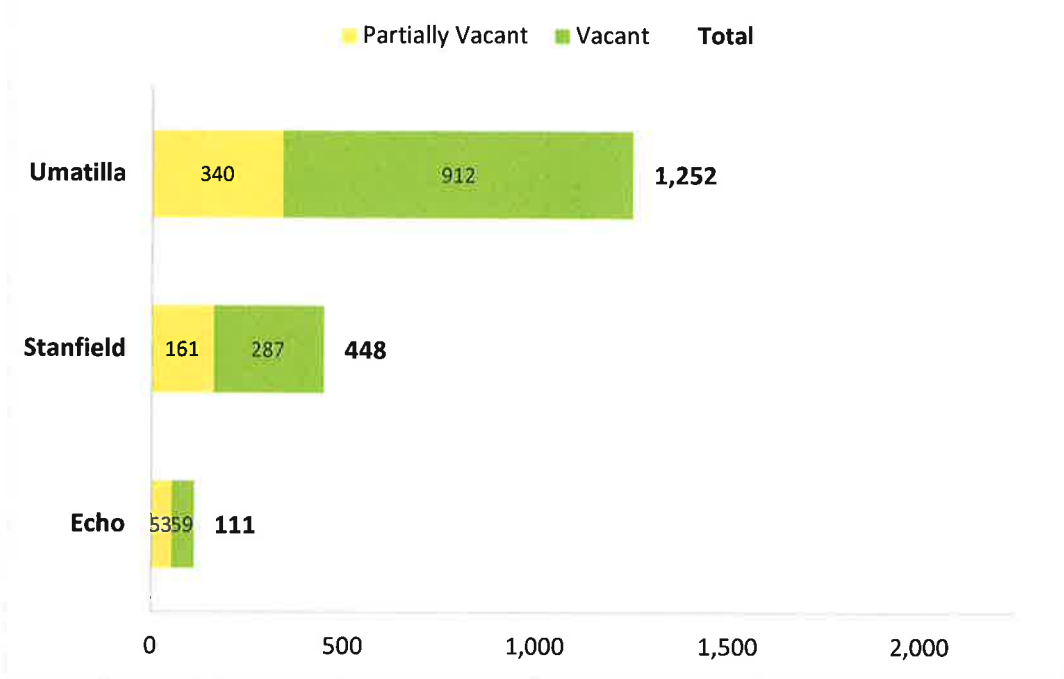


Figure 2. Housing Unit Capacity by Jurisdiction, Residential Zones

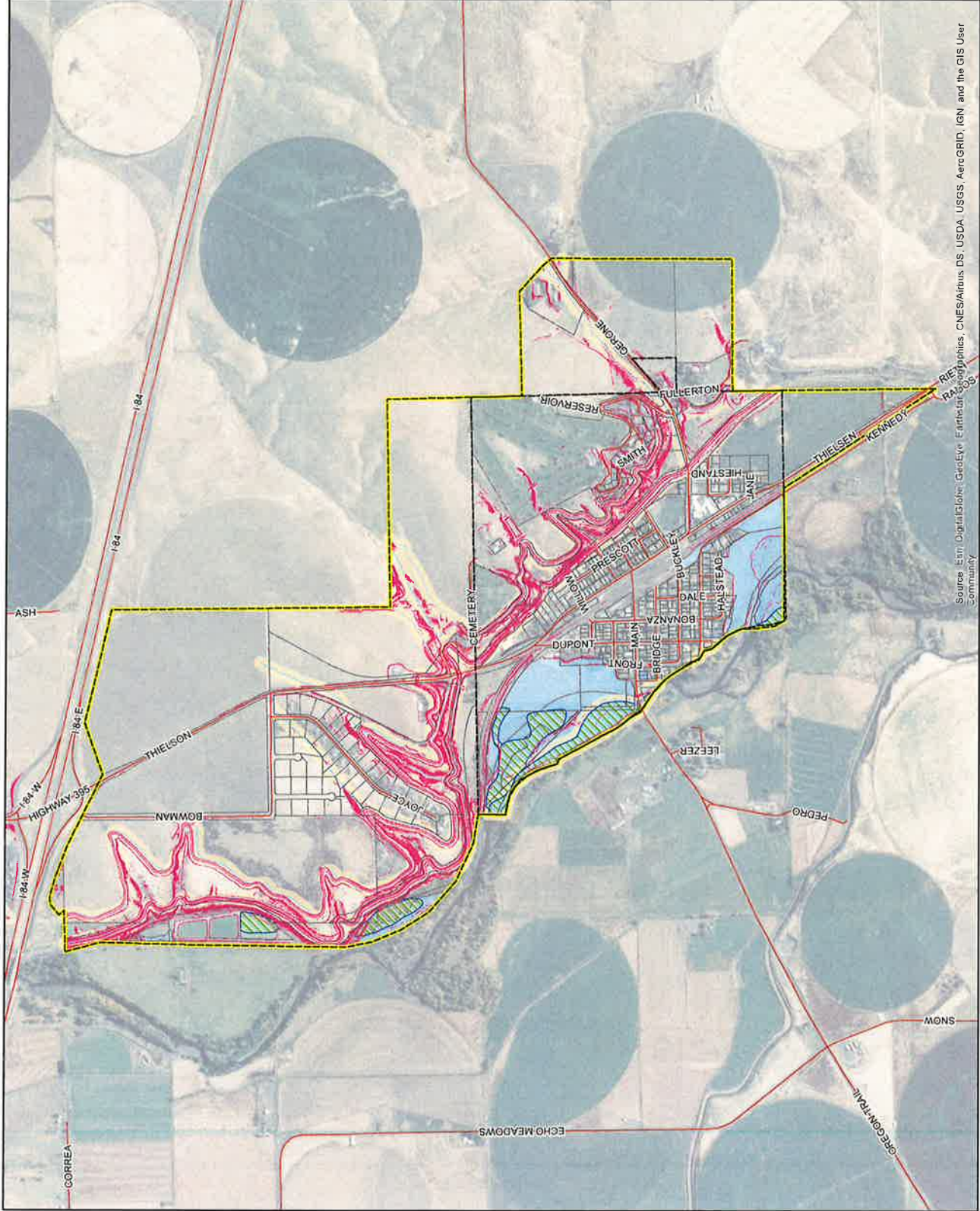
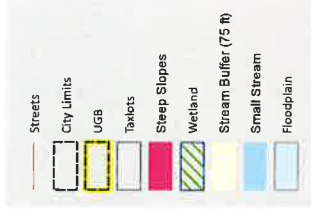


Table 4. Potentially Buildable Acres and Housing Unit Capacity by Zone, Residential Zones

Jurisdiction and Zone	Projected Density (units/net acre)	Unconstrained Acres				Housing Unit Capacity					
		Difficult to Serve	Partially Vacant	Vacant	Total	Share of Total	Difficult to Serve	Partially Vacant	Vacant	Total	Share of Total
Echo											
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%
Subtotal		--	52	58	110	--	--	310	229	539	--
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	--
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	56%
R-1A: Two Acre Residential	2	--	117	36	153	12%	--	157	47	204	6%
R2: Medium Density Residential	8	--	3	200	203	16%	--	14	1,150	1,164	32%
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	--	--	318	3,342	3,660	--

West Umatilla Cities Buildable Lands Inventory

City of Echo: Constraints



Prepared by:
Agriculture Group
Date: 01/24/19

0 0.25 0.5 Miles

Coordinate System:
NAD 1983 UTM Zone 18Q UTM
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Source: Esri, DigitalGlobe, GeoEye, Earthstar, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

**West Umatilla Cities
Buildable Lands Inventory**

**City of Echo:
Zoning**

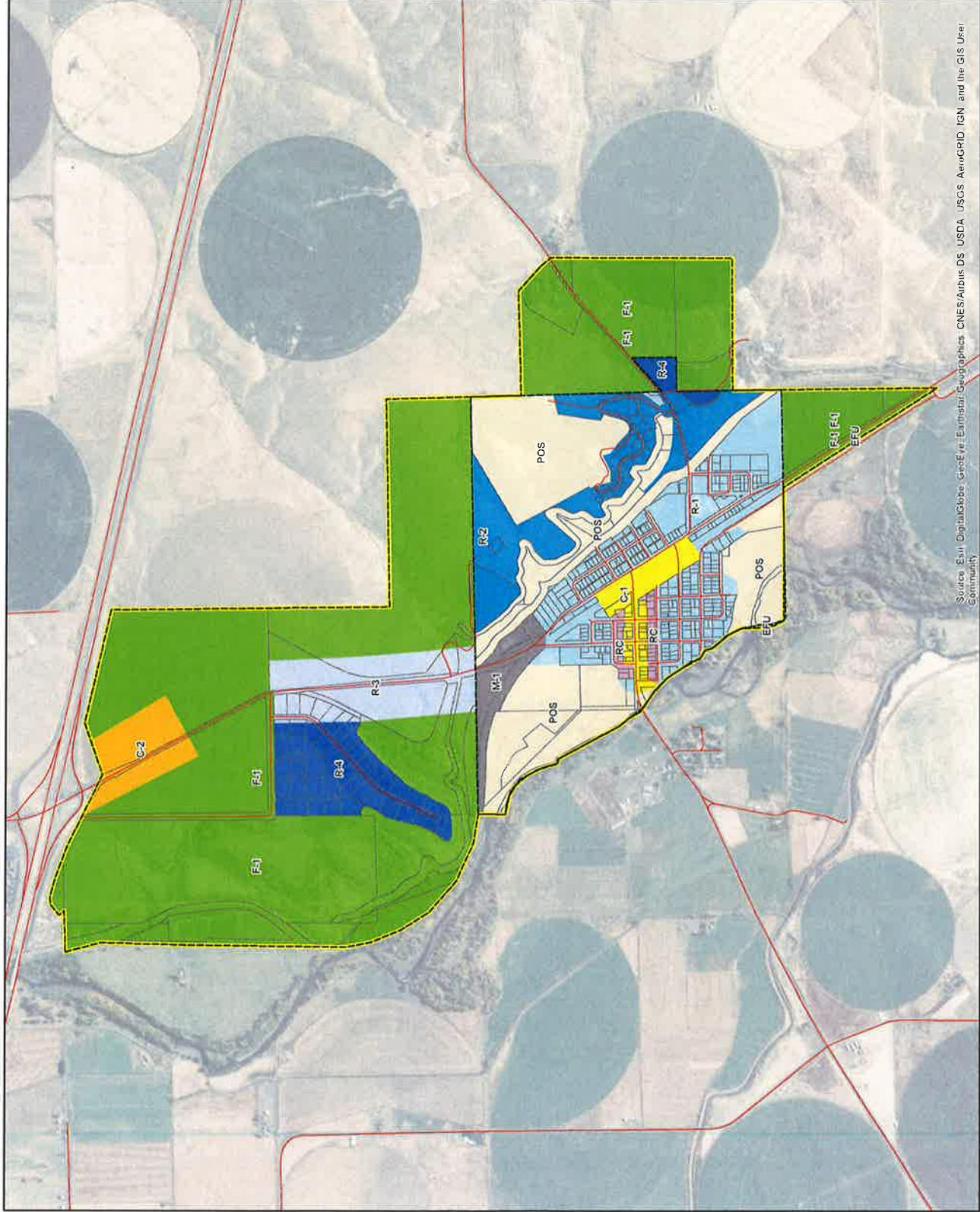


Prepared by
August Planning Group
DATE: 02/20/21



Coordinate System:
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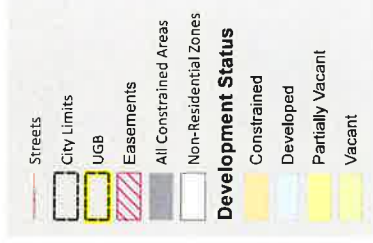
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West Umatilla Cities Buildable Lands Inventory

City of Echo: Development Status

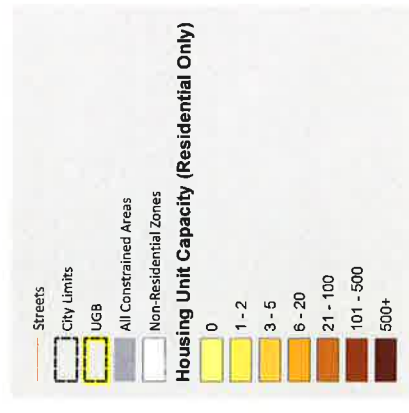


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Source: Data, Digitized by GeoEye, Landstar Geospatial, ESRI, USGS, USGS, Aerial Imagery, etc. City of Echo Community

West Umatilla Cities Buildable Lands Inventory

City of Echo: Housing Capacity

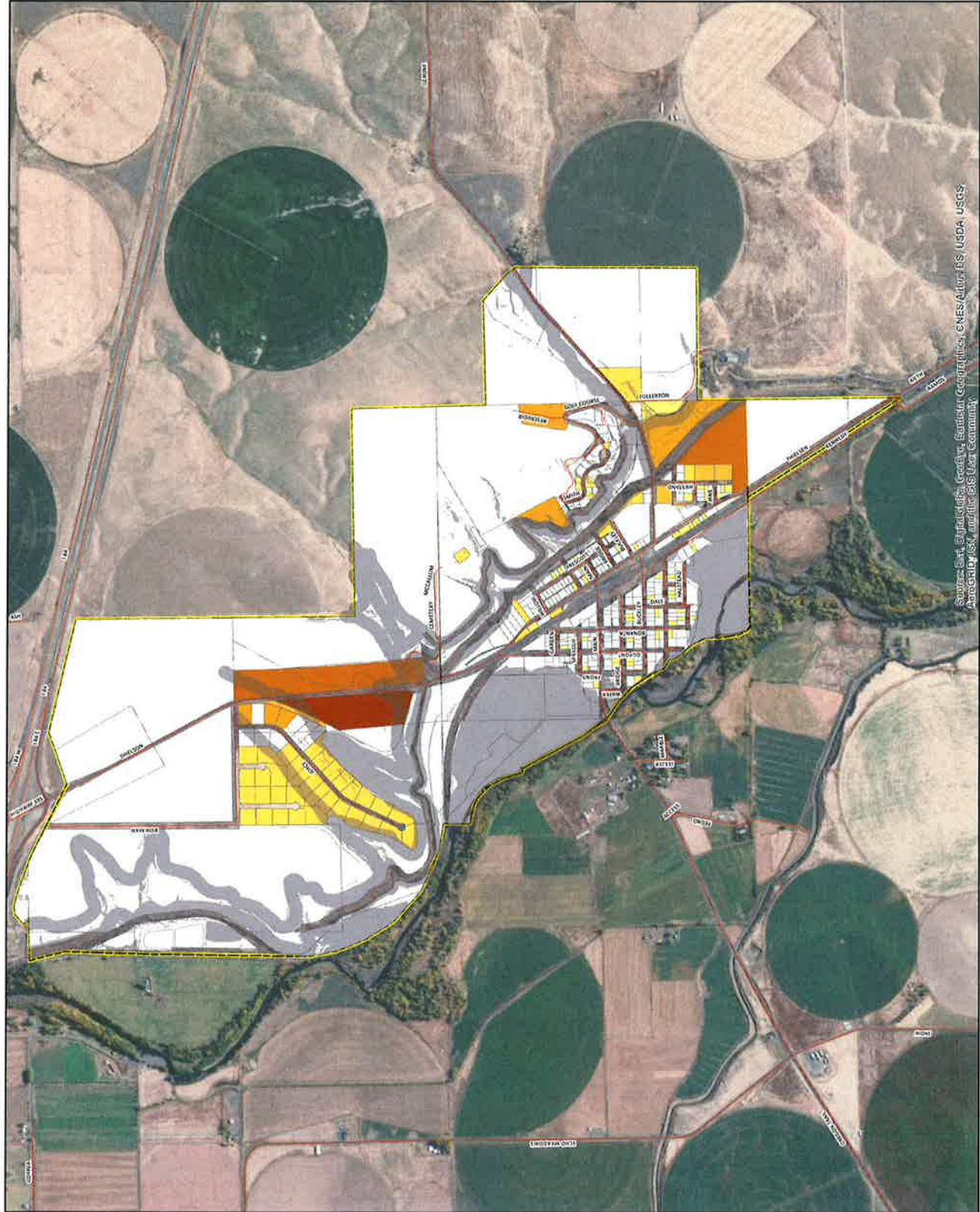


Prepared by:
Johnson Economics
Date: 07/27/18

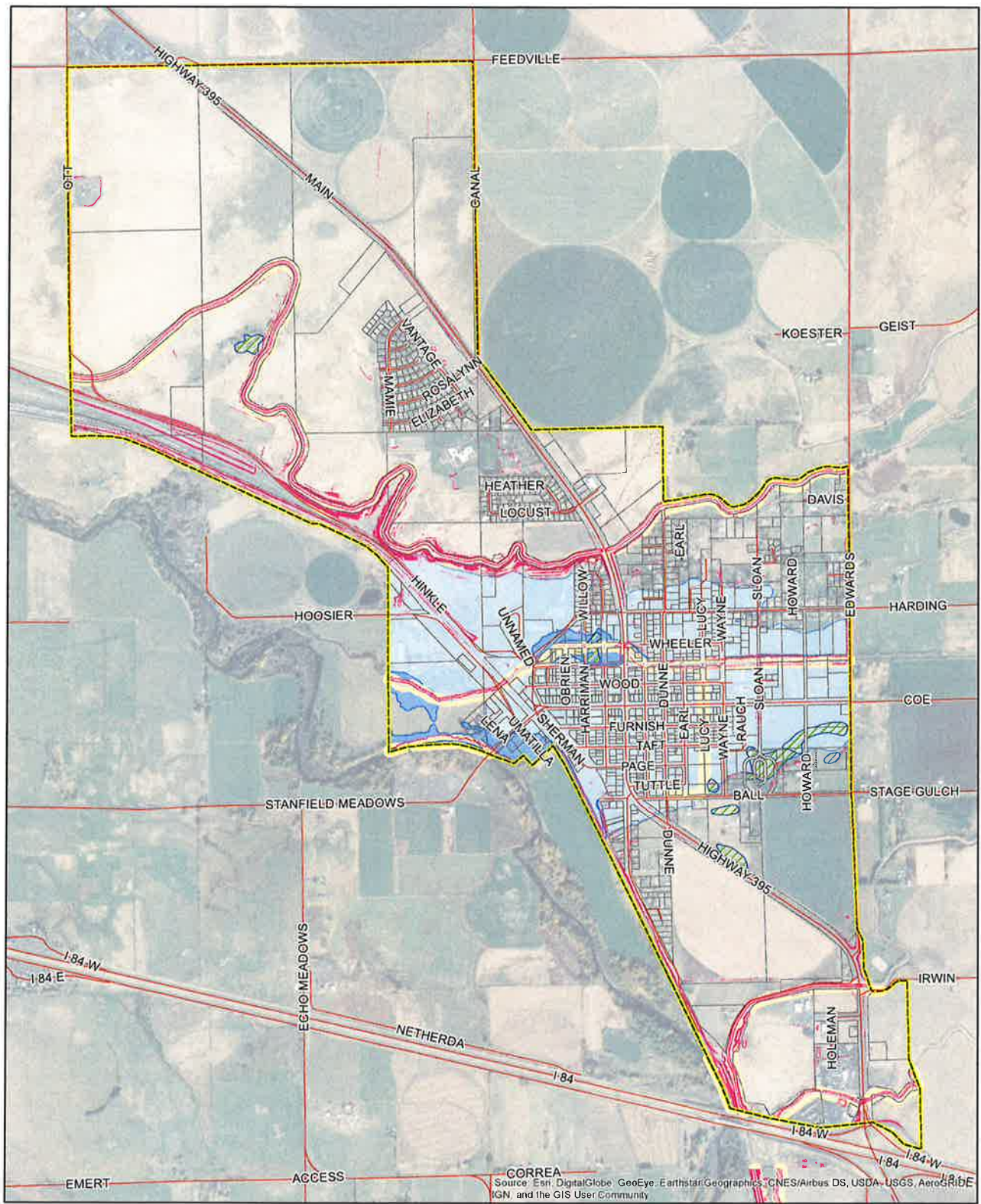


Coordinate System: NAD 1983 StatePlane Oregon North (ft), 1021 Feet Unit

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Source: City of Echo, Johnson Economics, Johnson Economics, ESRI/ArcGIS, USGS, USGS, Aerial Imagery, and the US State Community



**West Umatilla Cities
Buildable Lands Inventory**

- Streets
- City Limits
- UGB
- Taxlots
- Wetland
- Steep Slopes
- Small Stream
- Stream Buffer
- 100 Year Floodplain
- 500 Year Floodplain

**City of Stanfield:
Constraints**

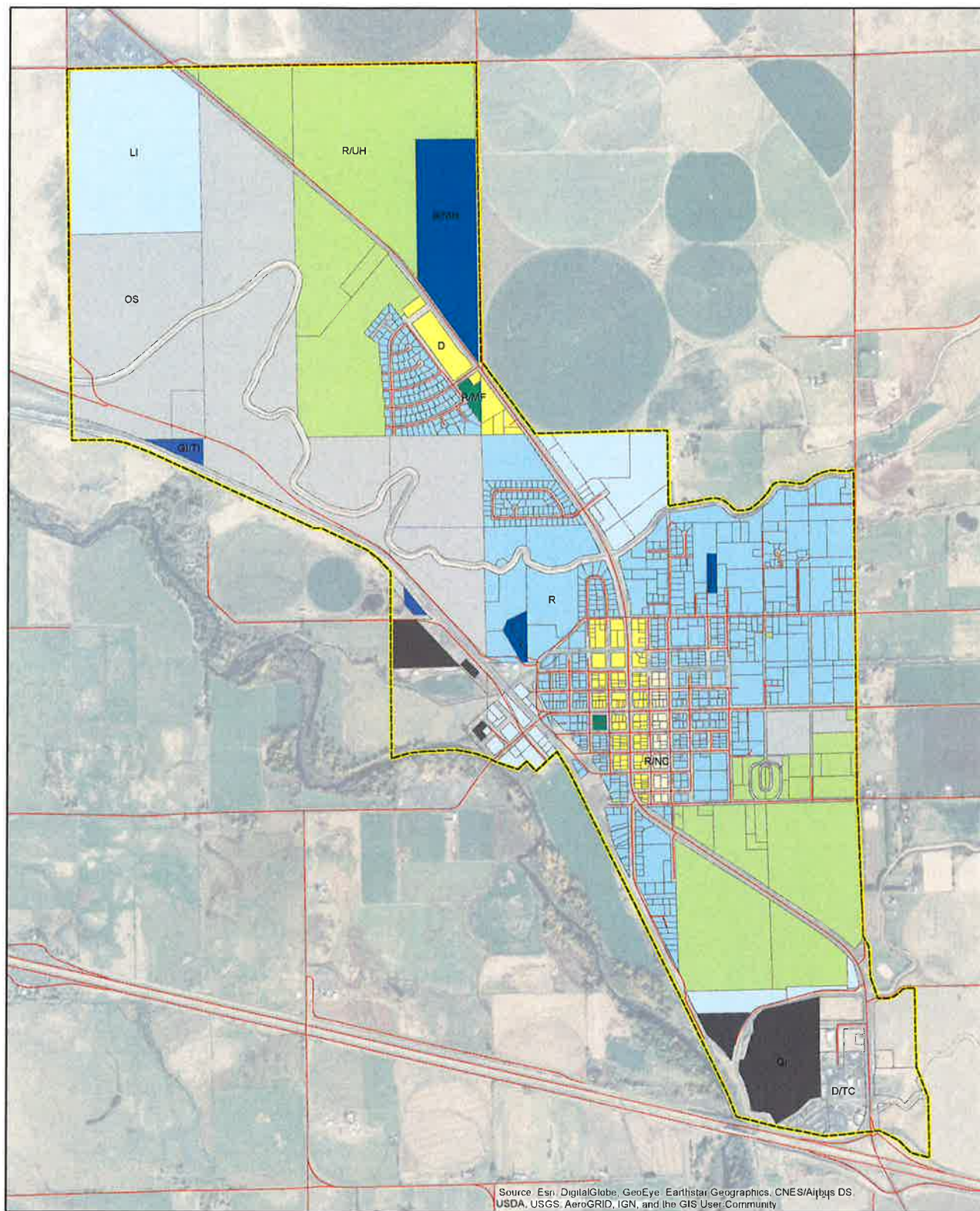
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Coordinate System: NAD 83 FIPS 3147N StatePlane Oregon 5000 Feet Unit

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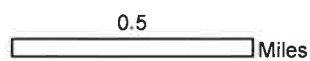


Prepared by:
Angelo Planning Group
Date: 01/11/19



**West Umatilla Cities
Buildable Lands Inventory**

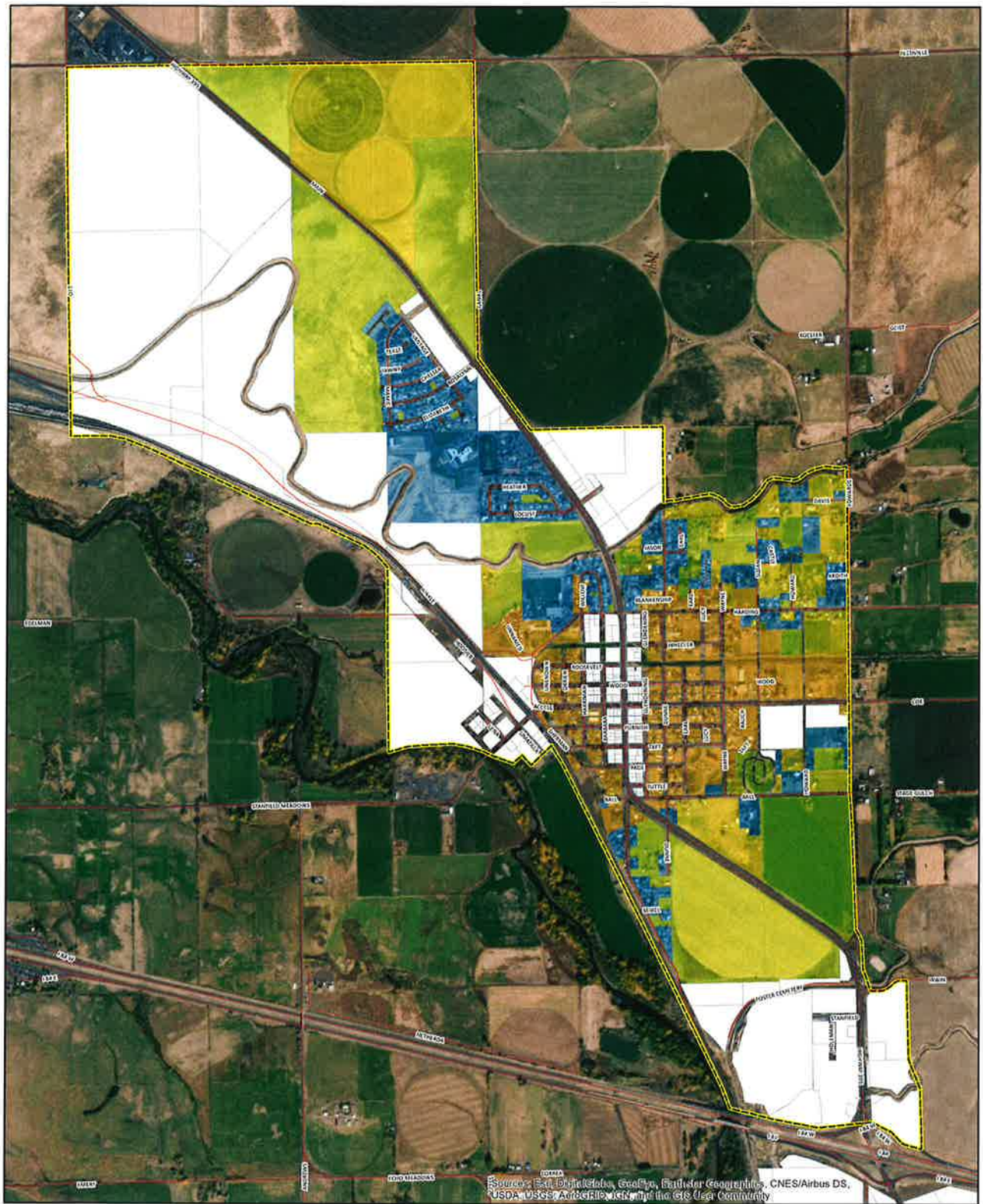
City of Stanfield: Zoning



Coordinate System:
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Spheroid: GRS 1980
Semi-Major Axis: 6378137.0 meters
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Units: Meter
Datum Transformation: NAD 83 to WGS 1984
Vertical Datum: Mean Sea Level - Geoid

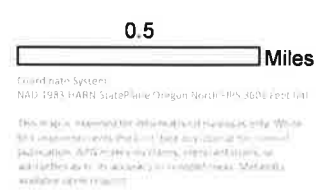


Prepared by:
Angelo Planning Group
Date: 01/14/19

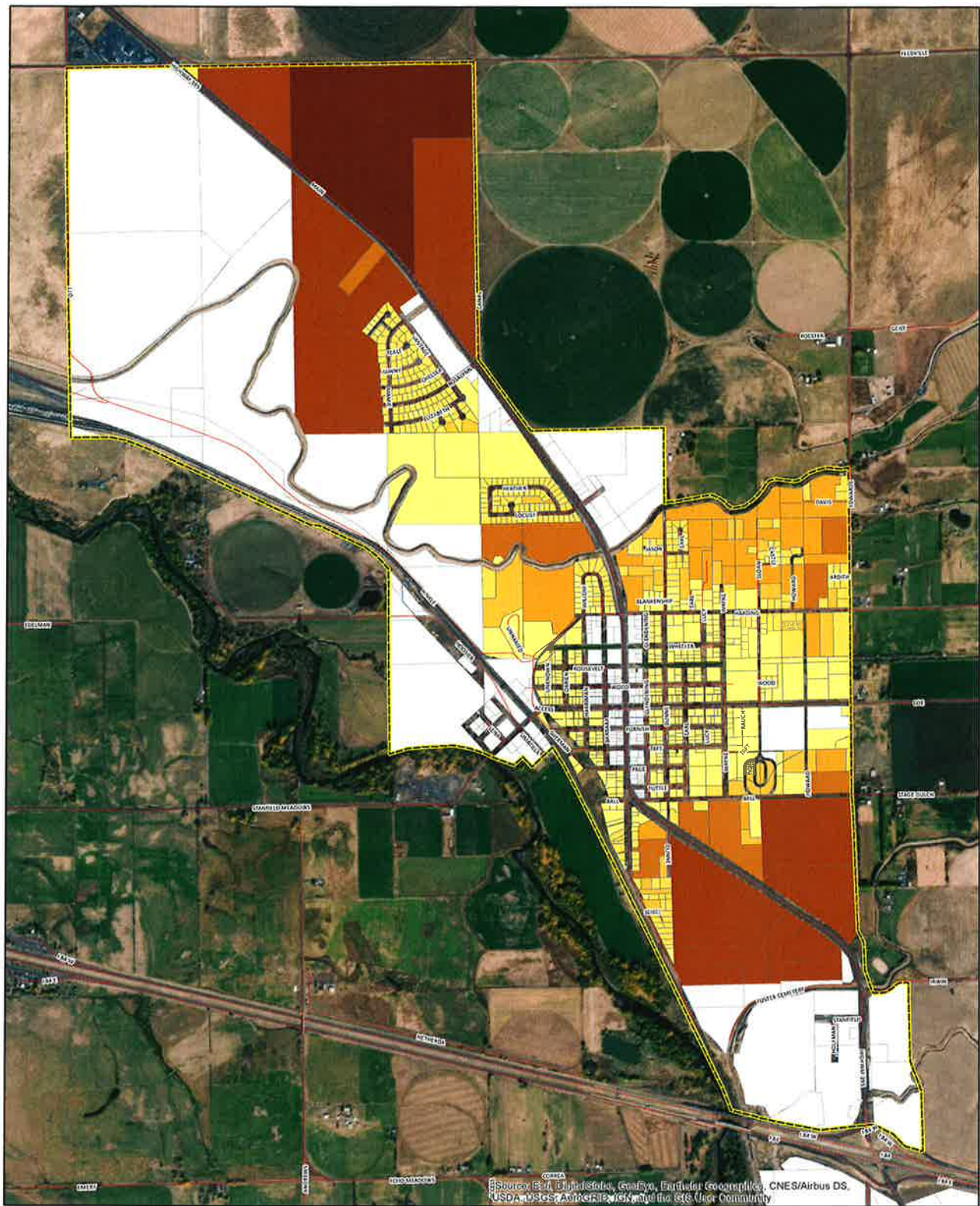


**West Umatilla Cities
Buildable Lands Inventory**

City of Stanfield: Development Status



Prepared by:
Angelo Planning Group
Date: 02/04/19



West Umatilla Cities
Buildable Lands Inventory **City of Stanfield: Housing Capacity**

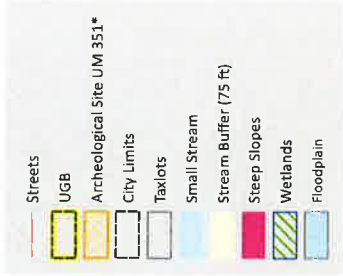




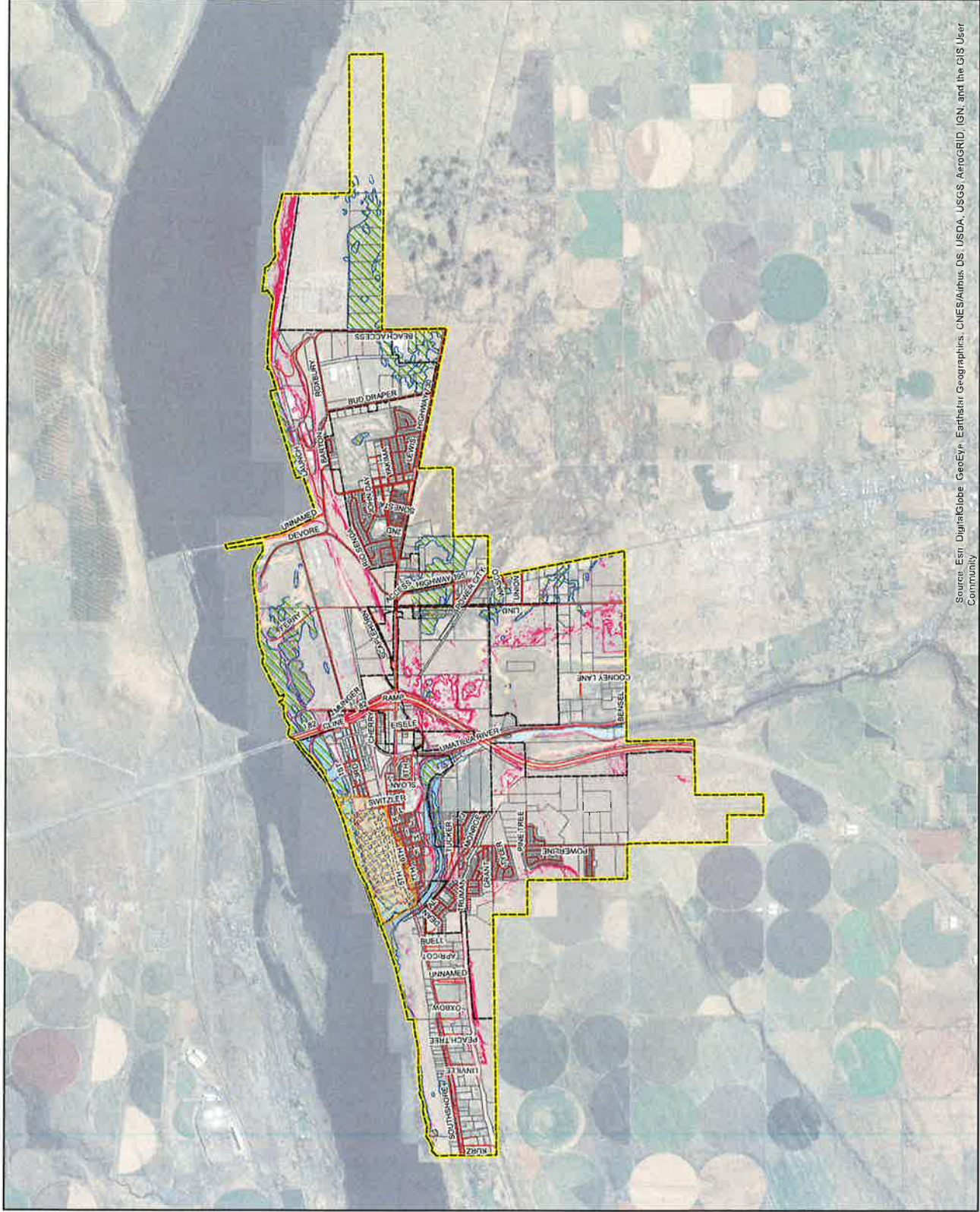
Prepared by
 Angelo Planning Group
 Date: 02/04/19

West Umatilla Cities Buildable Lands Inventory

City of Umatilla: Constraints



*Archeological Site Displays Approximate Boundary

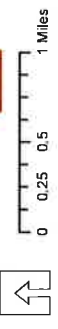


Geographic Version:
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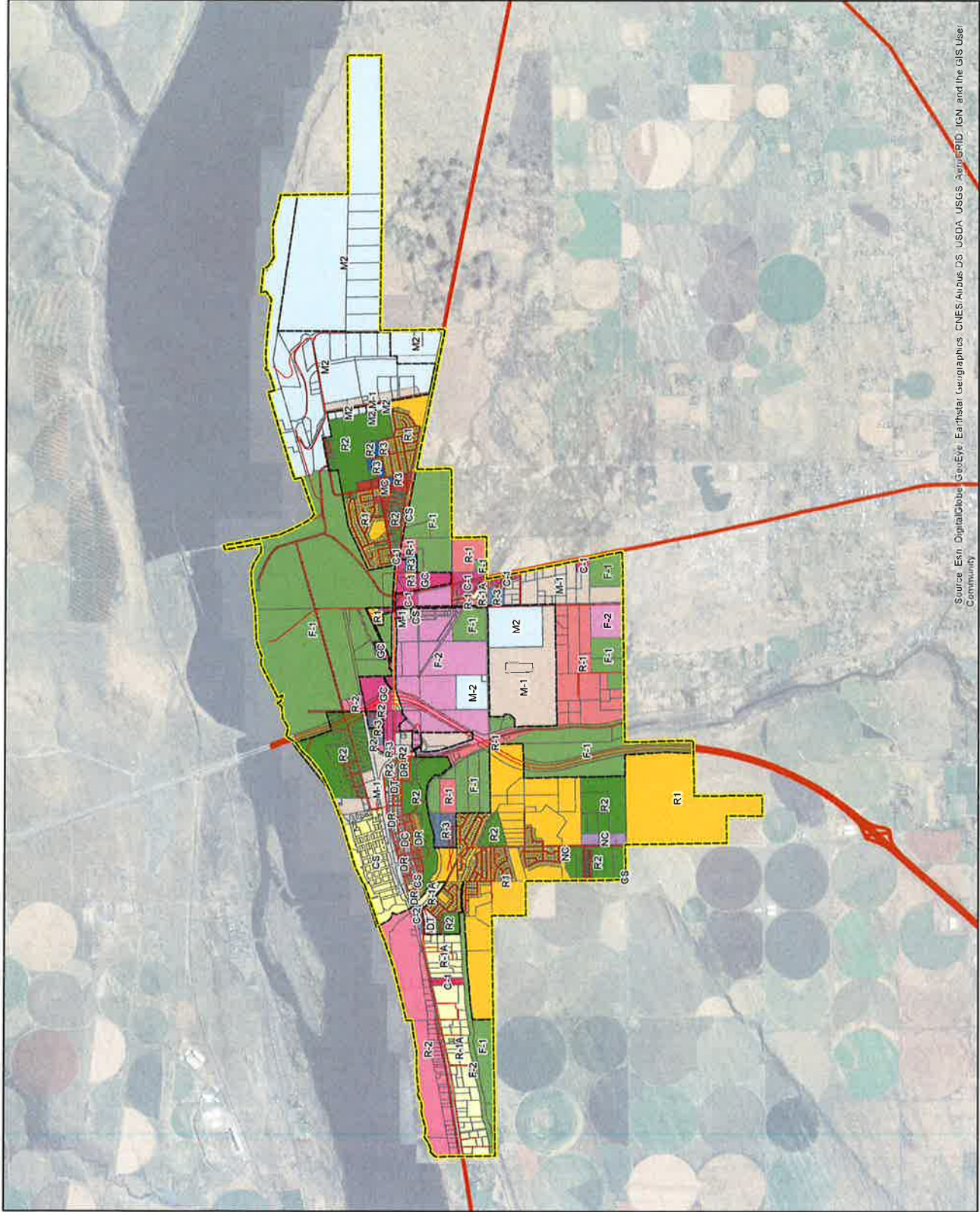
West Umatilla Cities Buildable Lands Inventory

City of Umatilla: Zoning



Coordinate System:
Map Unit: NAD83 UTM Zone 18N UTM
Scale: 1000 Feet

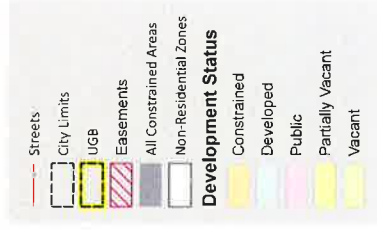
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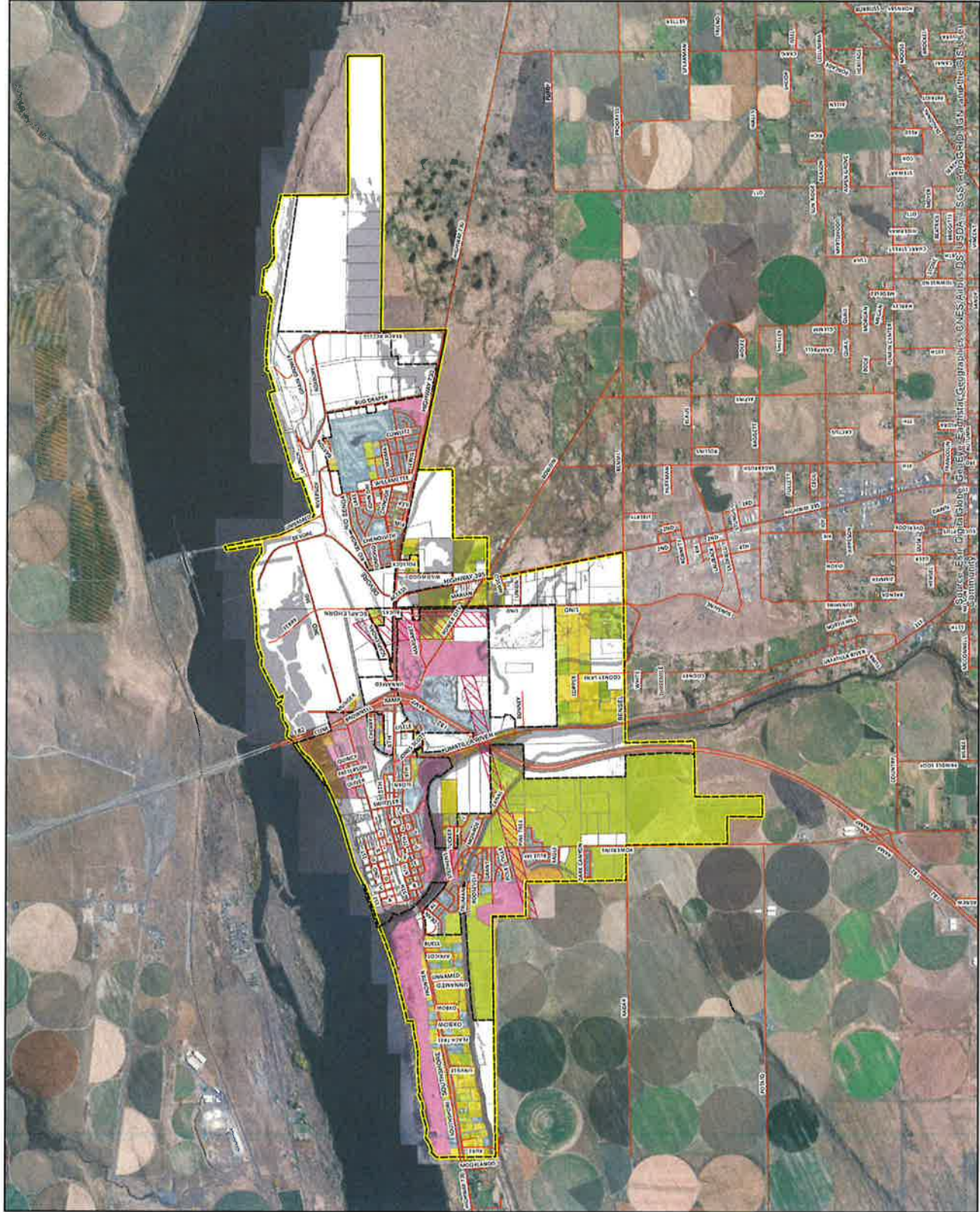
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West Umatilla Cities Buildable Lands Inventory

City of Umatilla: Development Status

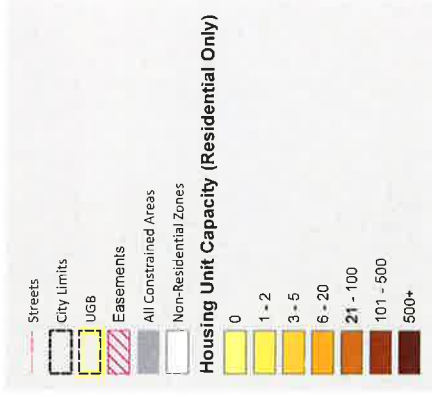


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West Umatilla Cities Buildable Lands Inventory

City of Umatilla: Housing Capacity



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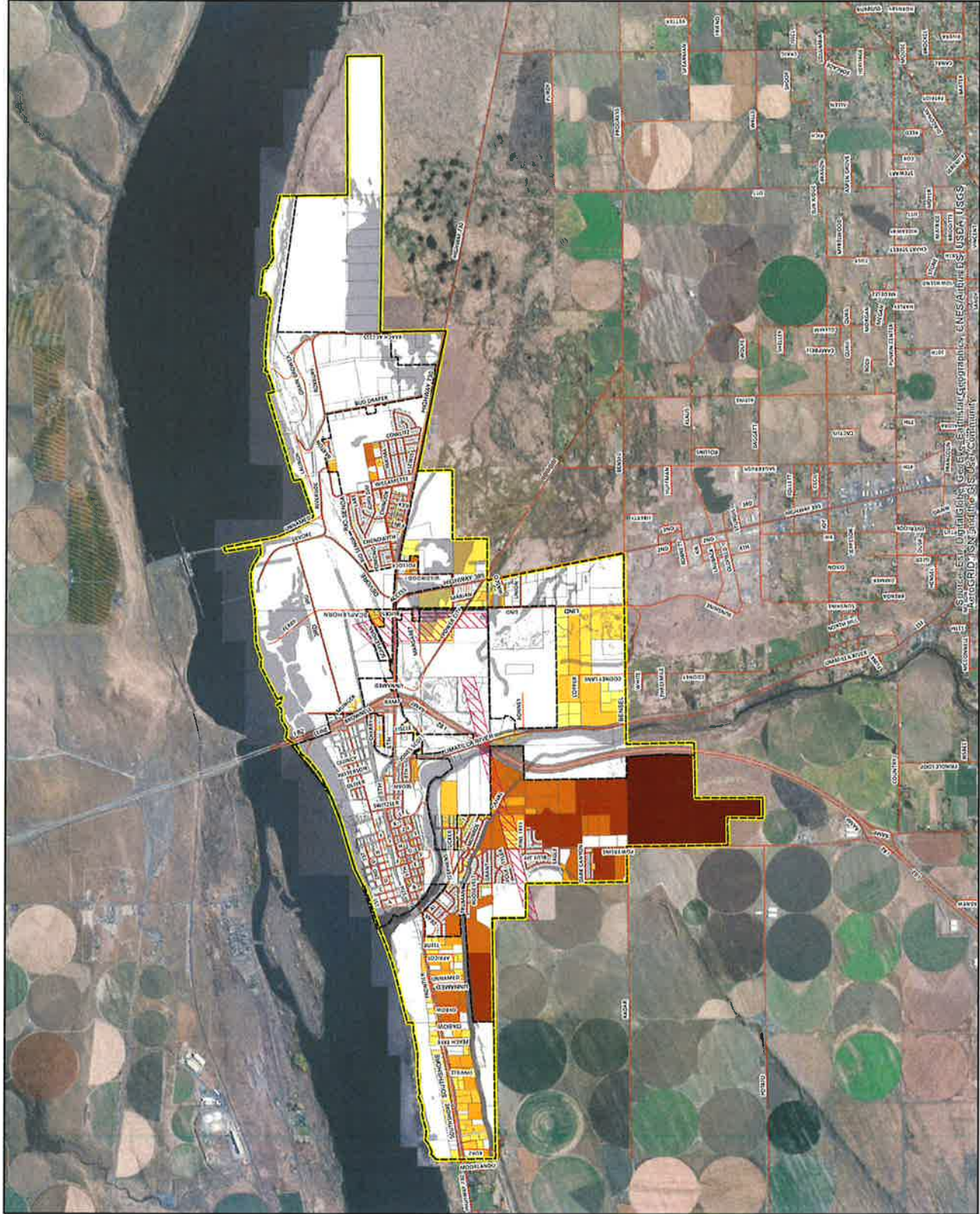


Exhibit C



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.¹
- 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 64th 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)

¹ 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

POPULATION, HOUSEHOLDS, FAMILIES, AND YEAR-ROUND HOUSING UNITS					
	2000	2010	Growth	2018	Growth
	(Census)	(Census)	00-10	(PSU)	10-18
Population ¹	6,008	8,335	38.7%	8,834	6.0%
Households ²	1,691	2,089	23.5%	2,247	7.6%
Families ³	1,317	1,553	18%	1,671	8%
Housing Units ⁴	1,824	2,131	17%	2,240	5%
Group Quarters Population ⁵	697	1,755	152%	1,755	0%
<i>Household Size (non-group)</i>	<i>3.14</i>	<i>3.15</i>	<i>0%</i>	<i>3.15</i>	<i>0%</i>
<i>Avg. Family Size</i>	<i>3.51</i>	<i>3.59</i>	<i>2%</i>	<i>3.59</i>	<i>0%</i>
PER CAPITA AND MEDIAN HOUSEHOLD INCOME					
	2000	2010	Growth	2018	Growth
	(Census)	(Census)	00-10	(Proj.)	10-18
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

¹ From PSU Population Research Center, Population Forecast Program, final forecast for Umatilla Co. (2017)

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

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

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

⁵ 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.

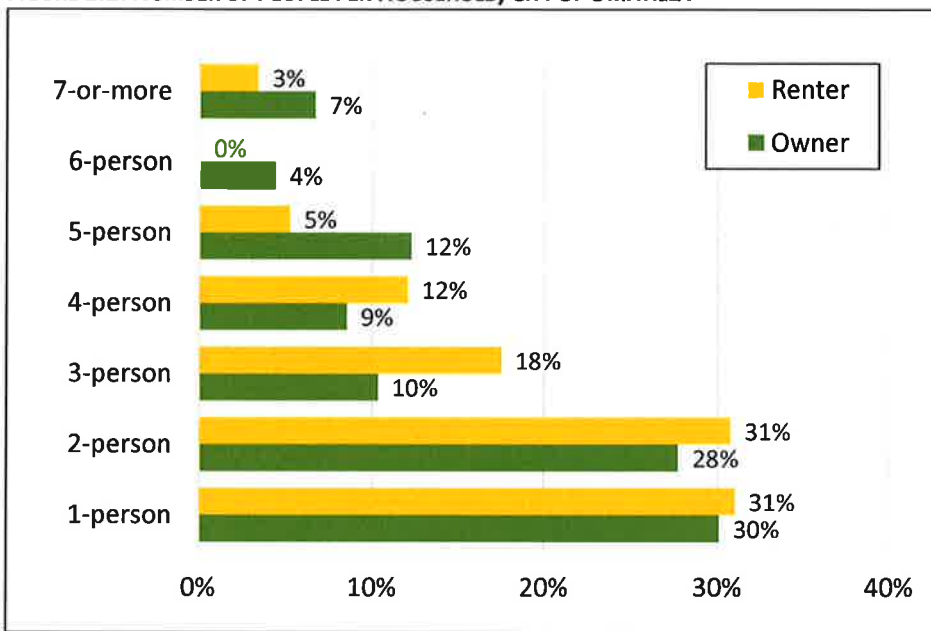
Household growth was slower than population growth reflecting that the share of the population in group housing has grown as the correctional facility has reached capacity. (Group quarters includes living situations that are

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

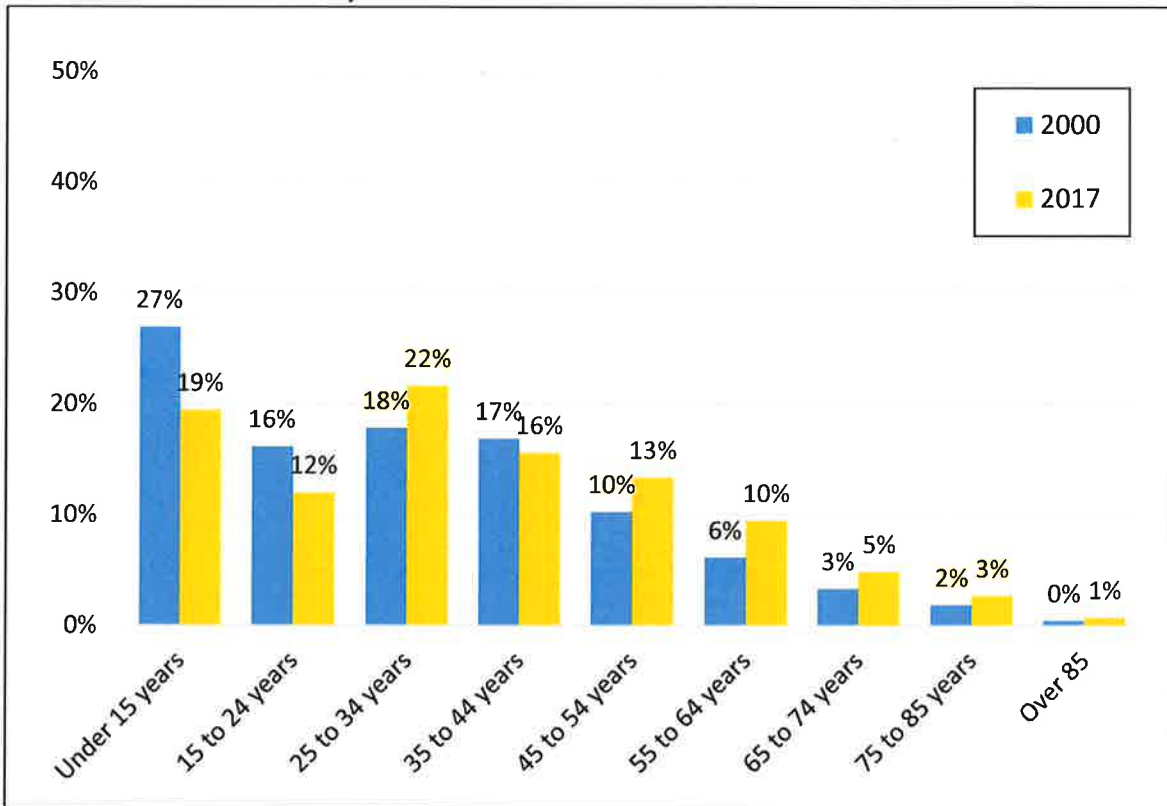
Data from the City of Umatilla and the US Census indicate that the city added a little over 100 new housing units since 2010 within the UGB. At the same time, the city has added roughly 160 households, meaning the growth in households and population is outpacing the production of new housing in the community.

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.

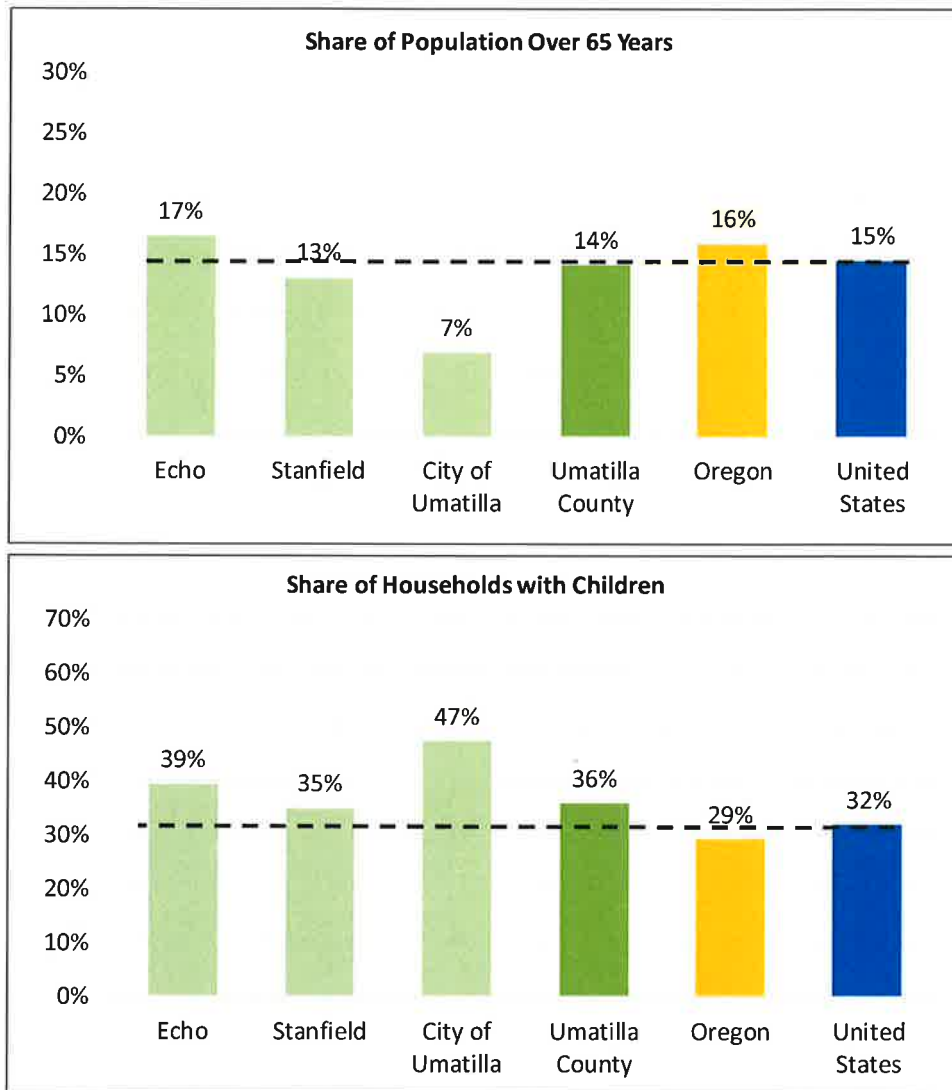
FIGURE 1.3: AGE COHORT TRENDS, 2000 - 2017



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

PER CAPITA AND MEDIAN HOUSEHOLD INCOME					
	2000	2010	Growth	2018	Growth
	(Census)	(Census)	00-10	(Proj.)	10-18
Per Capita (\$)	\$11,469	\$12,267	7%	\$12,864	5%
Median HH (\$)	\$33,844	\$44,643	32%	\$38,796	-13%

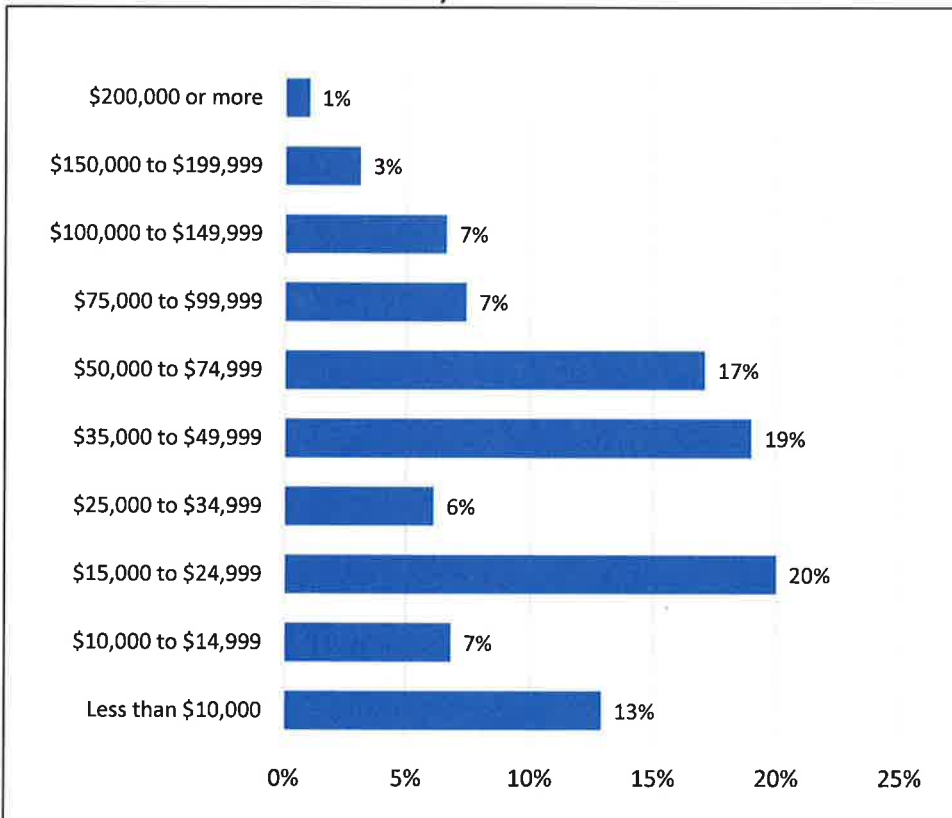
SOURCE: Census, PSU Population Research Center, and Johnson Economics
 Census Tables: DP-1 (2000, 2010); DP-3 (2000); S1901; S19301

- 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.

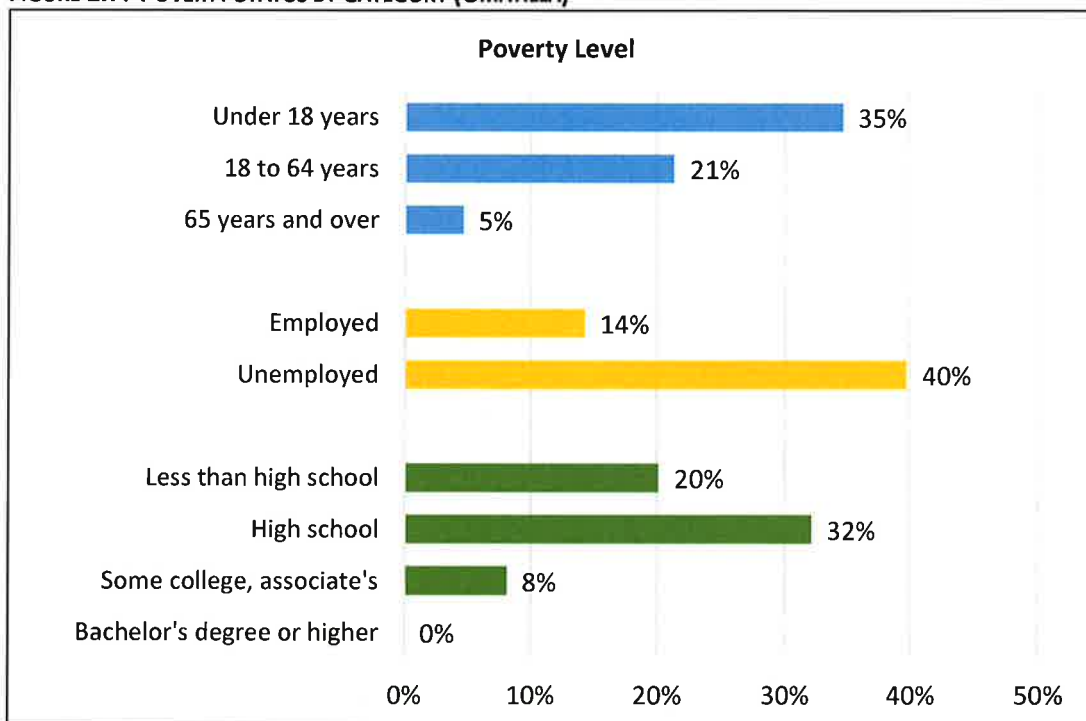
G. POVERTY STATISTICS

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).² 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:

² 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.

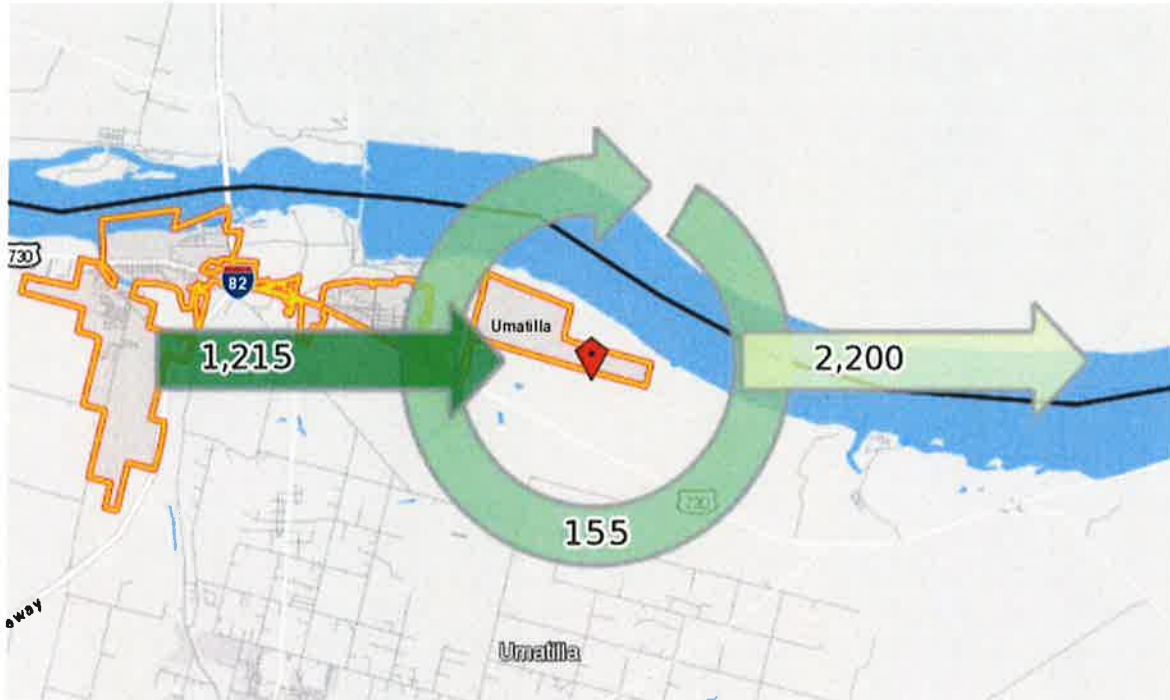
H. EMPLOYMENT LOCATION TRENDS

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

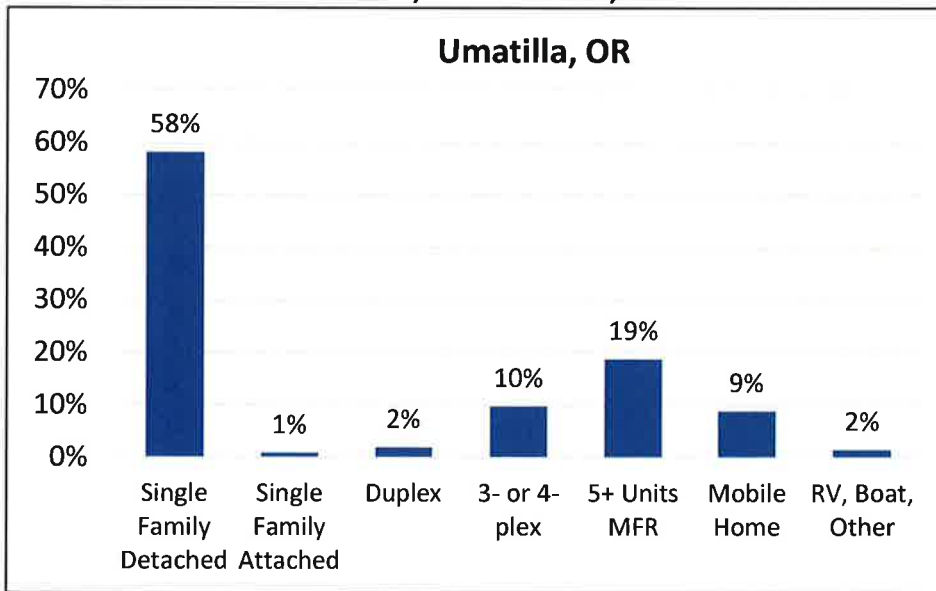
Umatilla has a close to even divide between owner households than renter households. The 2017 American Community Survey estimates that 51% of occupied units were owner occupied, and 49% renter occupied. The ownership rate in Umatilla has fallen from 60% since 2000. During this period the statewide rate 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

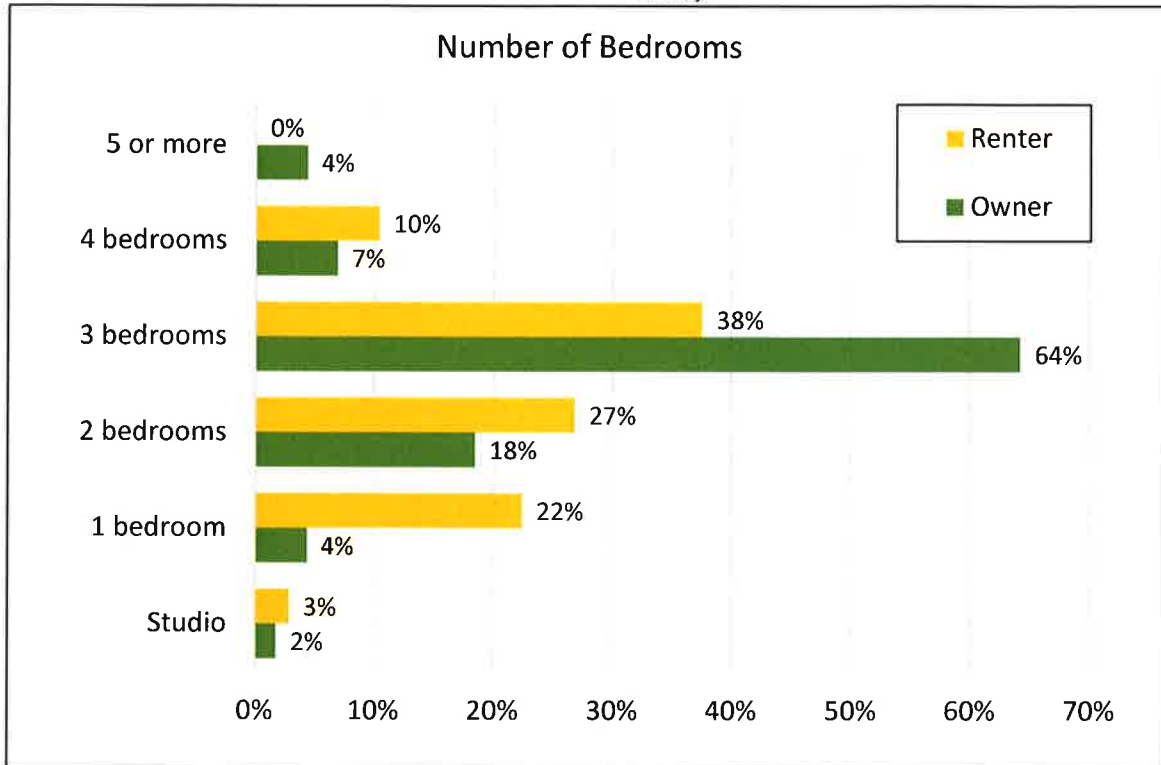
Figure 2.1 shows the estimated number of units by type in 2017. Detached single-family homes represent an estimated 58% of housing units.

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

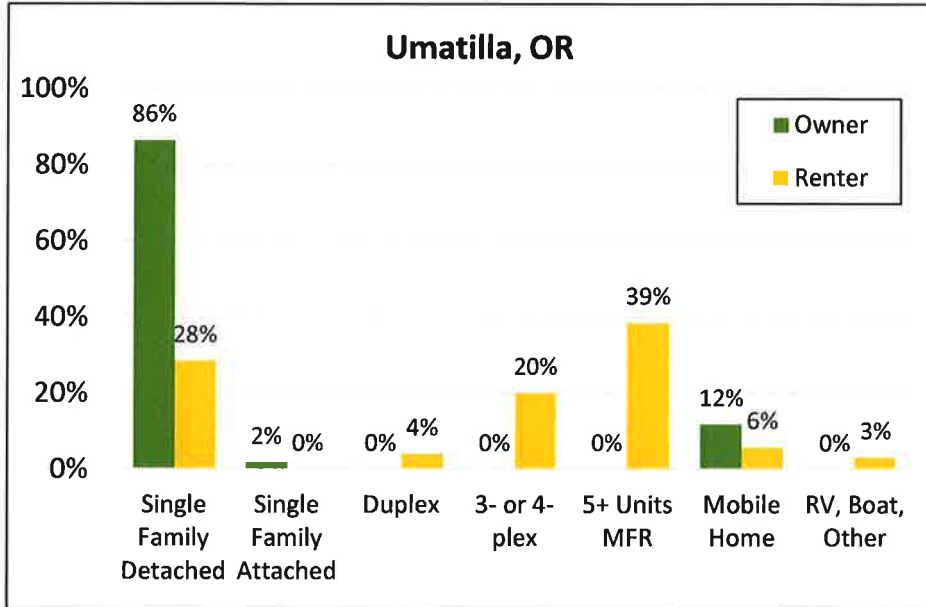
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units
Totals:	1,014	20	0	0	0	139	0	1,173
Percentage:	86.4%	1.7%	0.0%	0.0%	0.0%	11.8%	0.0%	100.0%

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
Totals:	304	0	43	214	411	62	34	1,067
Percentage:	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

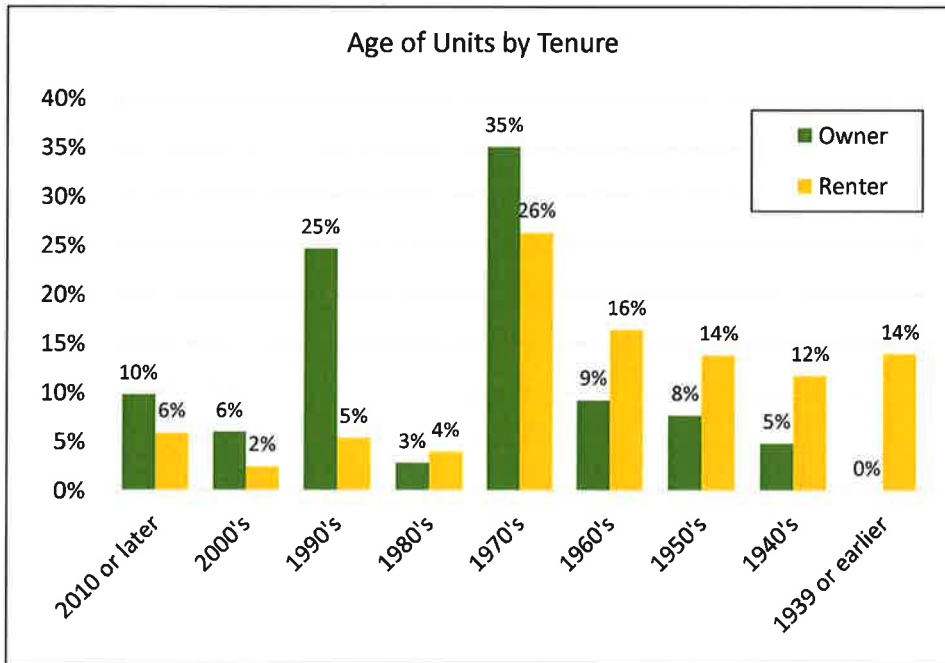


Sources: US Census, JOHNSON ECONOMICS, CITY OF UMATILLA

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

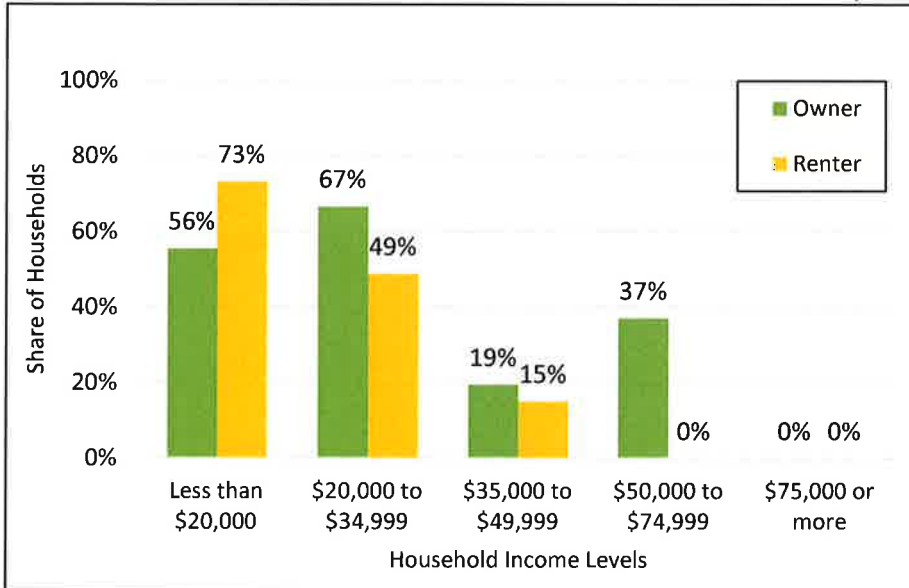
Figure 2.6 shows the share of owner and renter households who are paying more than 30% of their household income towards housing costs, by income segment. (Spending 30% or less on housing costs is a common measure of “affordability” used by HUD and others, and in the analysis presented in this report.)

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

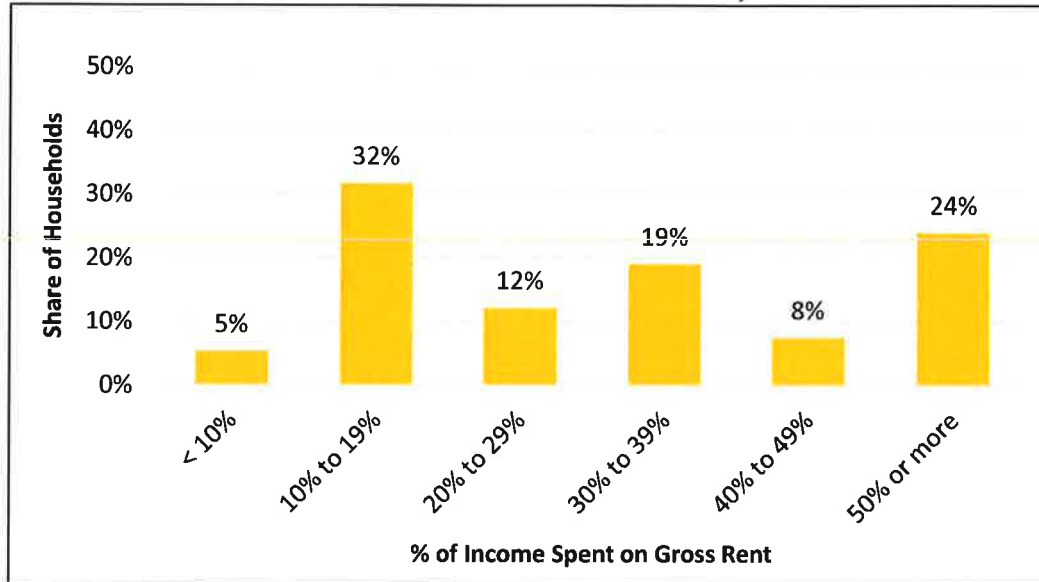


Sources: US Census, JOHNSON ECONOMICS
Census Table: B25106 (2017 ACS 5-yr Estimates)

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.*³ 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.

³ 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
<u>- Estimated group housing population:</u>	<u>1,755</u> (20% of Total)	US Census
Estimated Non-Group 2018 Population:	7,079 (Total - Group)	
Avg. HH Size:	3.15	US Census
Estimated Non-Group 2018 Households:	2,247 (Pop/HH Size)	
Total Housing Units:	2,240 (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%
Totals:	1,314		% of All:	58.5%

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%
Totals:	933		% of All:	41.5%

All Households	2,247
-----------------------	--------------

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.

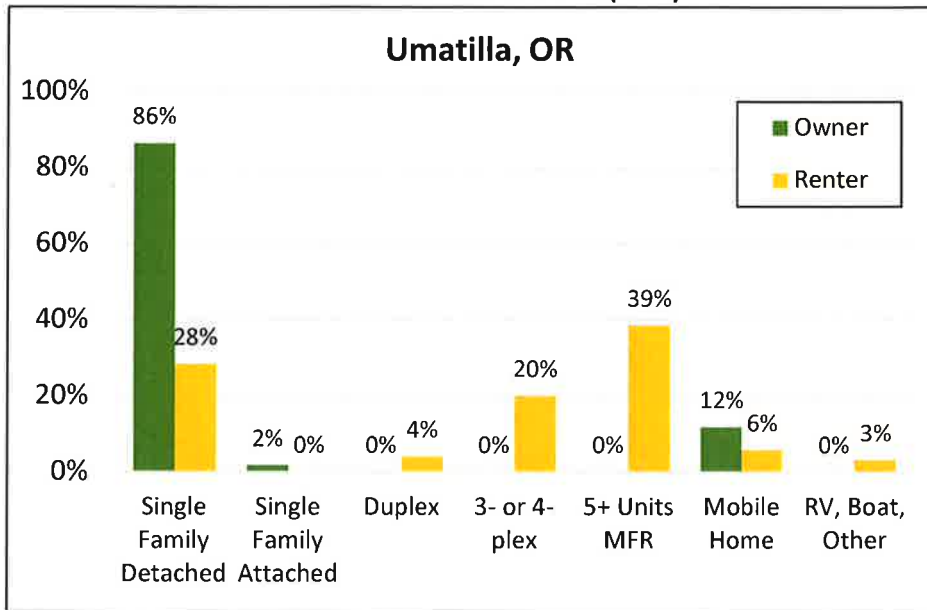
CURRENT HOUSING INVENTORY

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	0% 10% 20% 30% 40%

Sources: PSU Population Research Center, Envirionics 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.

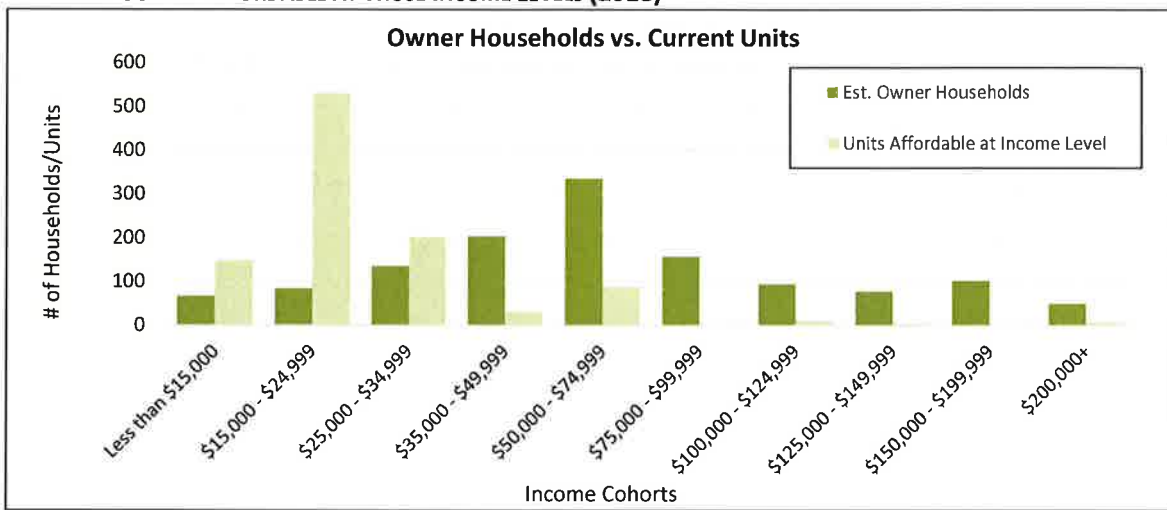
In general, this identifies that there is currently support for more ownership housing at price ranges above \$200,000. This is because most housing in Umatilla is clustered at the low to middle price points, while analysis of household incomes and ability to pay indicates that some could afford housing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

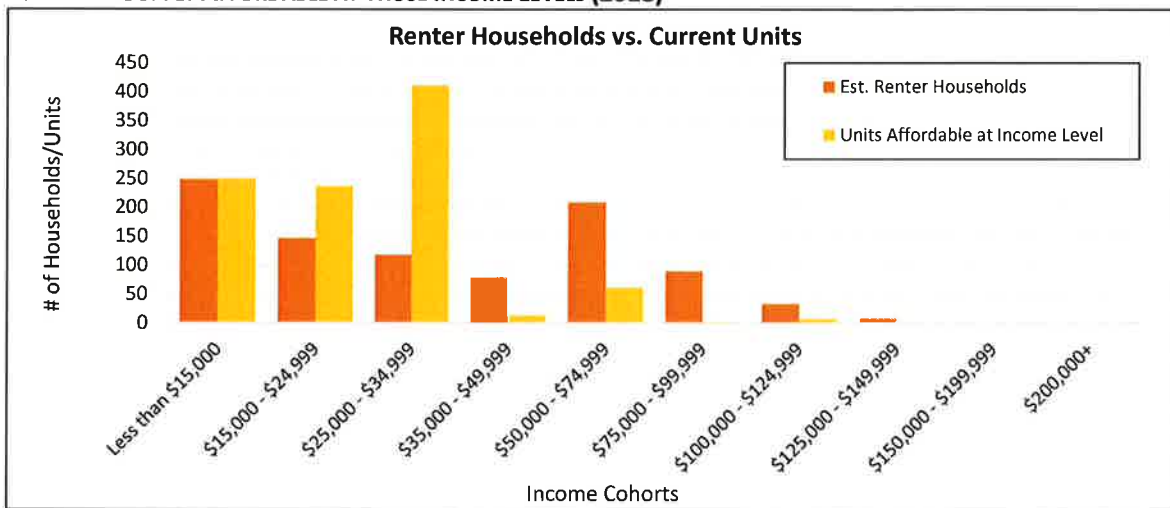
Figures 3.5 and 3.6 present this information in chart form, comparing the estimated number of households in given income ranges, and the supply of units currently affordable within those income ranges. The data is presented for owner and renter households.

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
Total Estimated 2039 Population:	12,664	
Estimated Non-Group 2039 Households:	3,222 (2039 Non-Group Pop./Avg. Household Size)	
New Households 2018 to 2039	974	
Avg. Household Size:	3.15 Projected household size	US Census
Total Housing Units:	3,391 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%
Totals:	1,855		% of All:	57.6%

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%
Totals:	1,366		% of All:	42.4%

All Units
3,222

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				
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

- 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				
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 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
<i>Land Surplus (Inventory - Need:)</i>	<i>873</i>	<i>182</i>	<i>5</i>	<i>1,060</i>

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.

Exhibit D

JUNE 7, 2019

HOUSING STRATEGIES REPORT

CITY OF UMATILLA, OREGON

FINAL



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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.

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.

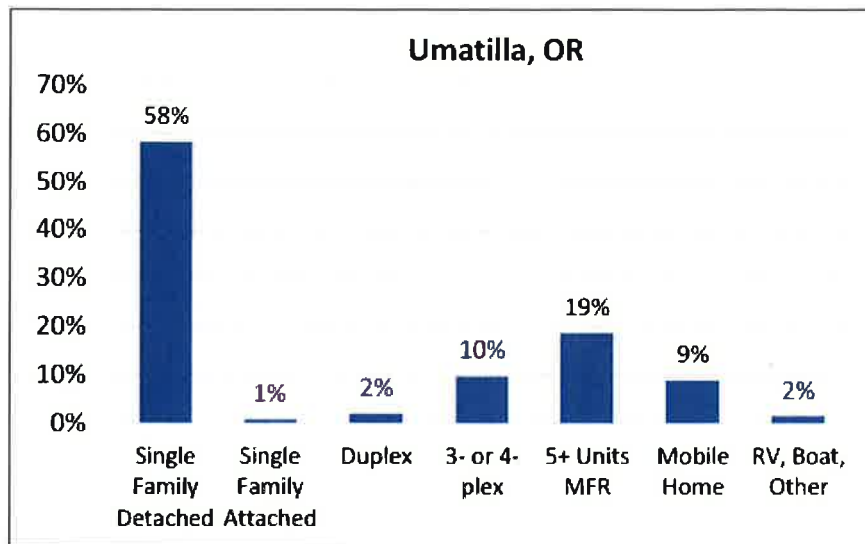
DEMOGRAPHIC CONDITIONS AND TRENDS

- 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



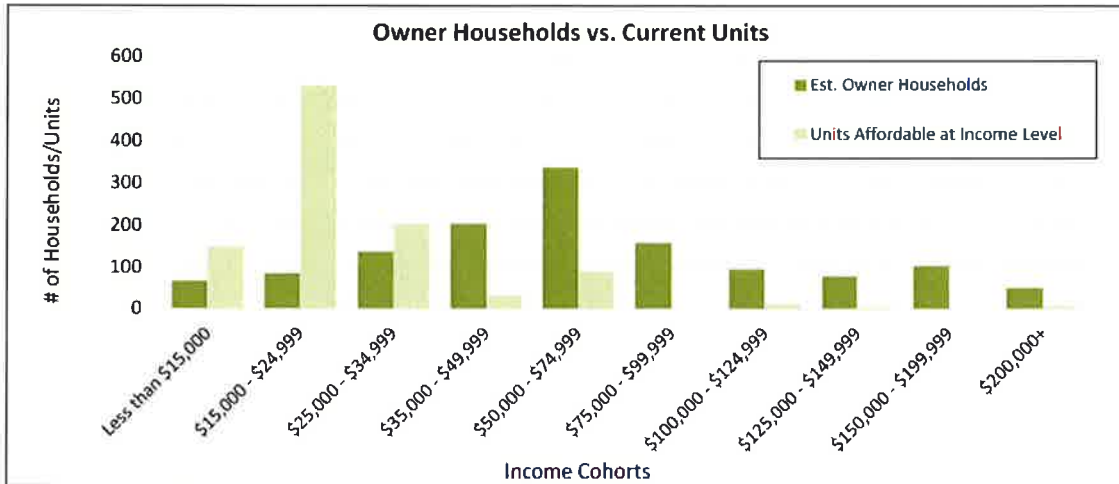
SOURCE: City of Umatilla, Census ACS 2017

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.

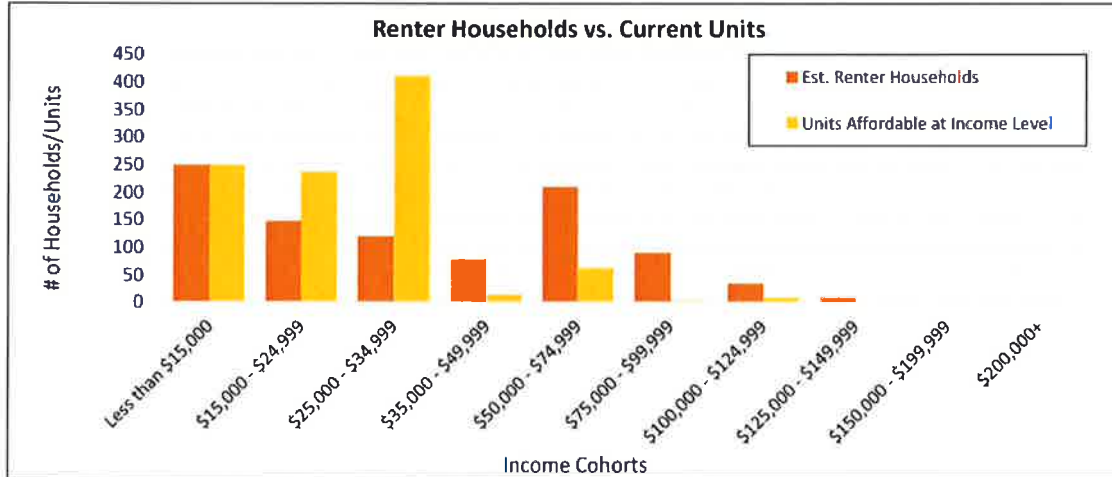
- In general, this identifies that there is currently support for more ownership housing at price ranges above \$200,000. This is because most housing in Umatilla is clustered at the low to middle price points, while analysis of household incomes and ability to pay indicates that some could afford housing 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%
Totals:	1,855		% of All:	57.6%

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%
Totals:	1,366		% of All:	42.4%

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%
Subtotal		340	912	1,253	--	186	3,307	3,493	--

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
Land Surplus (Inventory - Need:)	873	182	5	1,060

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)
Land Supply and Regulatory Strategies	
<p>1. Urban Growth Boundary (UGB) Amendment or Adjustment (Swap) 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.</p>	<p>Expand the supply of land available for housing.</p>
<p>2. Rezone Land 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.</p>	<p>Expand the supply of land available for housing.</p>
<p>3. Increase Allowed Density in Existing Zones 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.</p>	<p>Use residential land efficiently, encourage diversity of housing types.</p>
<p>4. Establish Minimum Density Standards 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.</p>	<p>Use residential land efficiently, encourage diversity of housing types.</p>
<p>5. Code Updates to Support a Variety of Housing Types 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.</p>	<p>Encourage diversity of housing types.</p>
<p>6. 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</p>	<p>Reduce housing development costs and barriers.</p>
<p>7. 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</p>	<p>Reduce housing development costs and barriers, promote construction of new affordable housing</p>
Incentives for Housing Development	
<p>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).</p>	<p>Reduce housing development costs and barriers.</p>

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 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

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.

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

Policy Topic	Existing Goal Language	Example Additional or Alternative Language to Consider
Supports Statewide Planning Goal 10.	N/A	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.”
Emphasizes affordable housing needs	10.9.103: 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.
Supports partnerships	N/A	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.
Encourages a variety of housing types	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.
Supports mixed use development	N/A	Mixed use development will be supported. These developments typically include upper story housing located above retail or commercial uses.
Affirms Fair Housing Goals	10.9.104: 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

Policy Topic	Existing Goal Language	Example Additional or Alternative Language to Consider
Supports ADUs	See 10.9.101	<p>adverse effects on the ability of “protected classes” to obtain housing, consistent with the federal Fair Housing Act.</p> <p>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.</p>
Supports Flexible Zoning	N/A	<p>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.</p>
Addresses Land Supply Goals	10.9.105: The City will re-assess Housing Needs at each Periodic Review. (Ord. 544)	<p>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.</p>
Supports Development of Manufactured Homes	See 10.9.101	<p>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.</p>
Supports maintenance and rehabilitation of existing housing	N/A	<p>Maintenance and rehabilitation of existing housing will be a method used to prevent unsafe conditions and keep affordable housing available within the community.</p>
Regulates Short Term Rentals	N/A	<p>Short term rentals will be regulated to reduce their impact on the supply and affordability of long-term housing.</p>

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.

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.

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) ²
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. ¹ 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. ² Triplex: 4,000 sq. ft. ¹ 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. ² Triplex: 4,000 sq. ft. ¹ Multi-Family: 1 dwelling per 1,500 sq. ft

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

² 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.¹ 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,

¹ 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

Zone	Existing Minimum Lot Size	Proposed Minimum Density
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

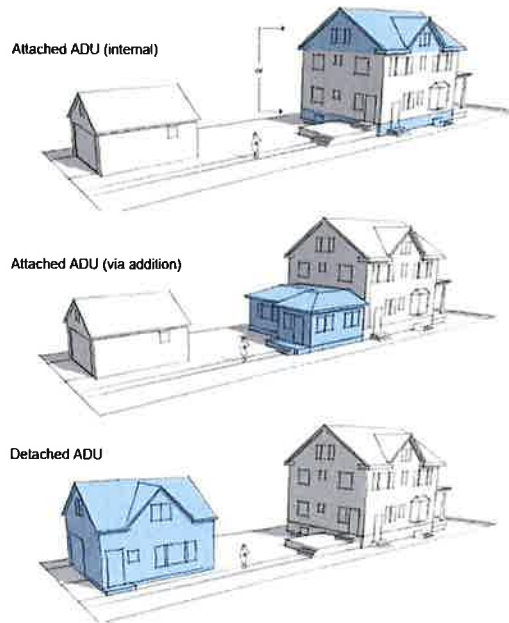
continue to be an important need in the City of Umatilla. As demonstrated by the Housing and Residential Land Needs Assessment, there is a need for ownership housing options for households with incomes between \$35,000-\$100,000. Due to the costs of land, infrastructure, and construction, it can be difficult 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

ADUs in blue, main residence in white



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.²

- 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)—

² 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>