JOHNSON
ECONOMICS

Source: City of Warrenton

CITY OF WARRENTON, OR

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

20-YEAR HOUSING NEED
2019 - 2039

Prepared For:
CITY OF WARRENTON, OREGON
January 2019

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INTRODUCTION

This analysis outlines a forecast of housing need within the City of Warrenton. 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
- Clatsop 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 WARRENTON DEMOGRAPHIC PROFILE

SUMMARY

The following table (Figure 1.1) presents a profile of City of Warrenton demographics from the 2000 and 2010 Census. This includes the city limits of Warrenton, 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.

- Warrenton is a City of an estimated 5,325 people (City), and 5,418 people (total in UGB), located in Clatsop County on the North Oregon Coast. An estimated 2% of the population in the UGB lives outside the city limits.
- Based on the UGB population, Warrenton is roughly the 75th largest city in the state by population, though is within range of many other similarly sized cities. Within Clatsop County, Warrenton is the third largest city after Astoria and Seaside.
- Warrenton has experienced strong growth, growing over 30% in population since 2000. In contrast, Clatsop County and the state experienced population growth of 9% and 21% respectively. Within the county, only the smaller town of Gearhart grew at a faster rate, while Seaside grew an estimated 12%

[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.

during this period, and Astoria's population remained essentially flat. (US Census and PSU Population Research Center)

- The Warrenton UGB was home to an estimated 1,987 households in 2018, an increase of roughly 340 households since 2000. The percentage of family households has remained stable between 2000 and 2018 at 67%%. The city has a larger share of family households than Clatsop County (61%) and the state (63%).
- Warrenton's estimated average household size is 2.61 persons, larger than in 2000. This is higher than the Clatsop County average of 2.33 and the statewide average of 2.47.

FIGURE 1.1: WARRENTON DEMOGRAPHIC PROFILE

POPULATION, HOUSEHOLDS, FAMILIES, AND YEAR-ROUND HOUSING UNITS					
	2000 (Census)	2010 (Census)	Growth 00-10	2018 (PSU)	Growth 10-18
Population[1]	4,164	5,072	22%	5,418	7%
Households[2]	1,646	1,982	20%	1,987	0%
Families[3]	1,105	1,310	19%	1,345	3%
Housing Units[4]	1,799	2,196	22%	2,456	12%
Group Quarters Population[5]	66	216	227%	231	7%
Household Size (non-group)	*2.49*	*2.45*	-2%	*2.61*	7%
Avg. Family Size	*3.00*	*2.95*	-2%	*3.04*	3%
PER CAPITA AND MEDIAN HOUSEHOLD INCOME					
	2000 (Census)	2010 (Census)	Growth 00-10	2018 (Proj.)	Growth 10-18
Per Capita ($)	$16,874	$20,619	22%	$24,535	19%
Median HH ($)	$33,472	$35,325	6%	$51,264	45%

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 Clatsop 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, Warrenton has grown by roughly 1,250 people within the UGB, or 30% in 18 years. This is a stronger growth rate than was seen in the rest of the county (9%), and the state (21%).

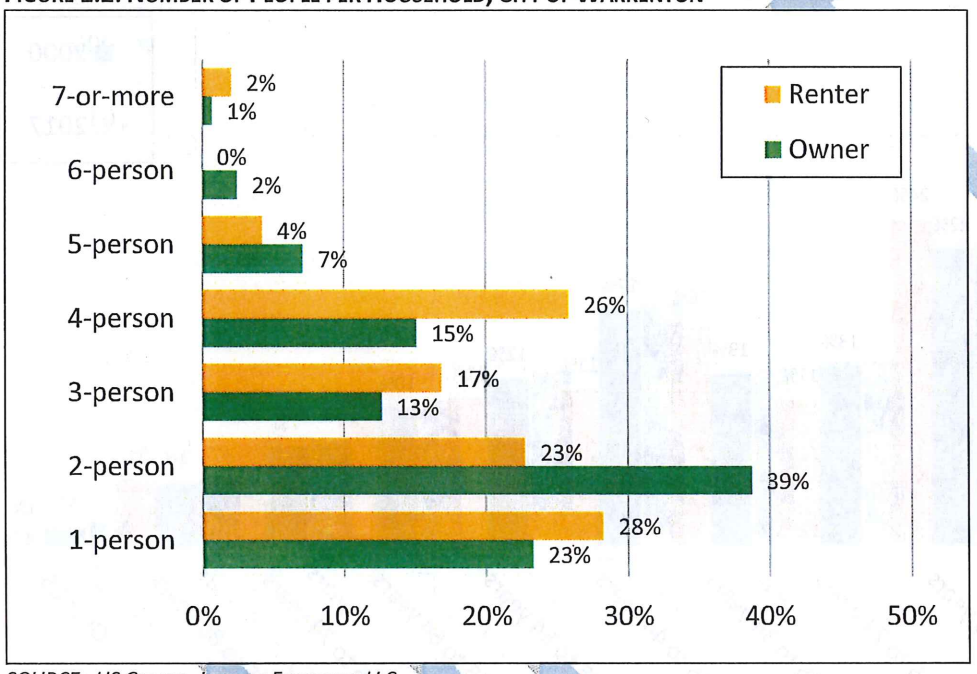
B. HOUSEHOLD GROWTH & SIZE

As of 2018, the city has an estimated 1,987 households. Since 2000, Warrenton has added an estimated 340 households, or 21% 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 the growing average household size, which effectively reduces the total number of households needed to house the population. 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. Warrenton has resisted this trend in recent decades.

Warrenton's average household size of 2.61 people is larger than Clatsop County (2.33). 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 more persons. Owner households are more likely to have smaller households. This is the reverse of the trend seen in many communities, where renter households tend to be smaller. This likely reflects the large number of retiree owners in Warrenton who are more likely to have one or two person households.

FIGURE 1.2: NUMBER OF PEOPLE PER HOUSEHOLD, CITY OF WARRENTON



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

C. FAMILY HOUSEHOLDS

As of the 2017 ACS, 68% of Warrenton households were family households, holding steady from 2000. The total number of family households in Warrenton is estimated to have grown by 240 since 2000. This is 70% 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 Warrenton had an average size of 3.04 people.

D. HOUSING UNITS

Data from the City of Warrenton and the US Census indicate that the city added a little over 358 new housing units since 2010 within the UGB. At the same time, the city has added roughly 340 households, meaning the production of new housing in the community is roughly keeping pace with the growth in households and population.

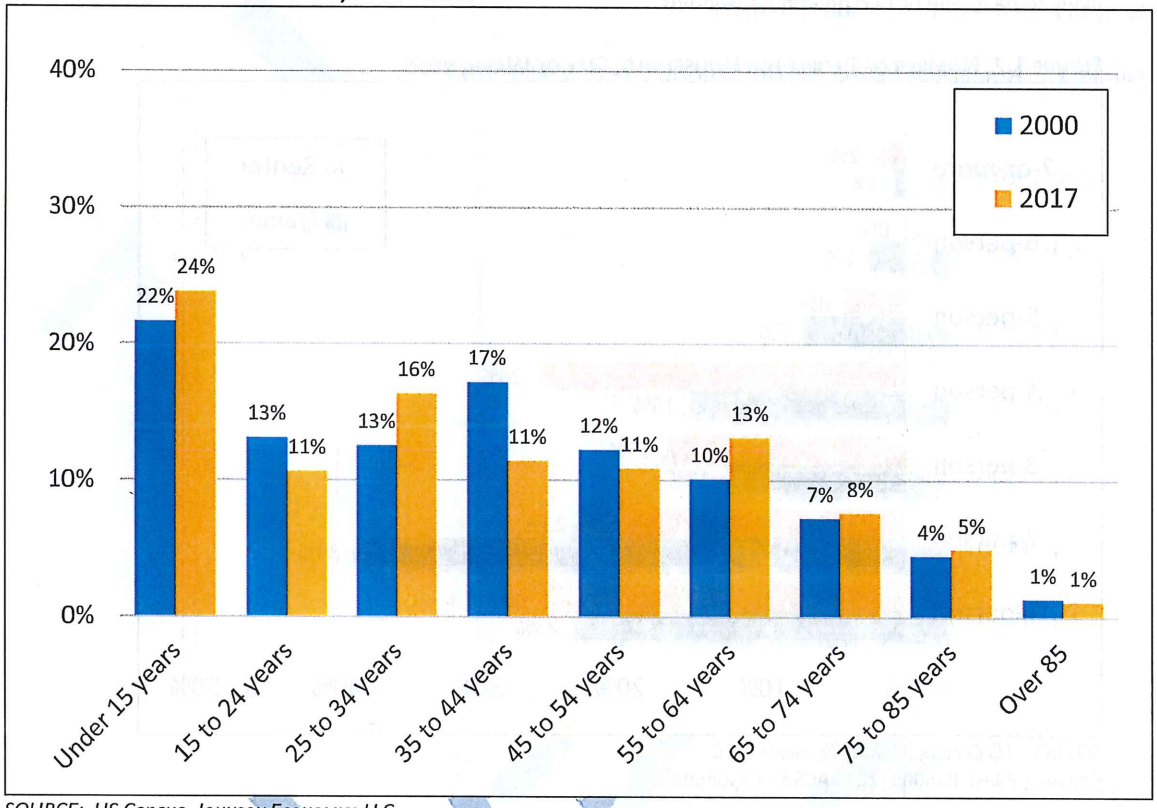
As of 2018, the city had an estimated housing stock of roughly 2,450 units for its 1,987 estimated households. This implies a high vacancy rate of 19%. This high rate is likely caused by two factors: vacation homes and investment

properties; and the relatively high production of new housing in the last two years that is currently being absorbed. Over the long-term, the estimated vacancy rate has been closer to 10%. When newer units are absorbed, the vacancy rate may settle closer to this long-term average.

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 growth among children, those aged 25 to 34, and those aged 55 and older. Those in the middle age cohorts fell as a share of total population. Going forward, the older age groups are projected to continuing increasing in share, in keeping with the national trend caused by the aging of the Baby Boom generation.

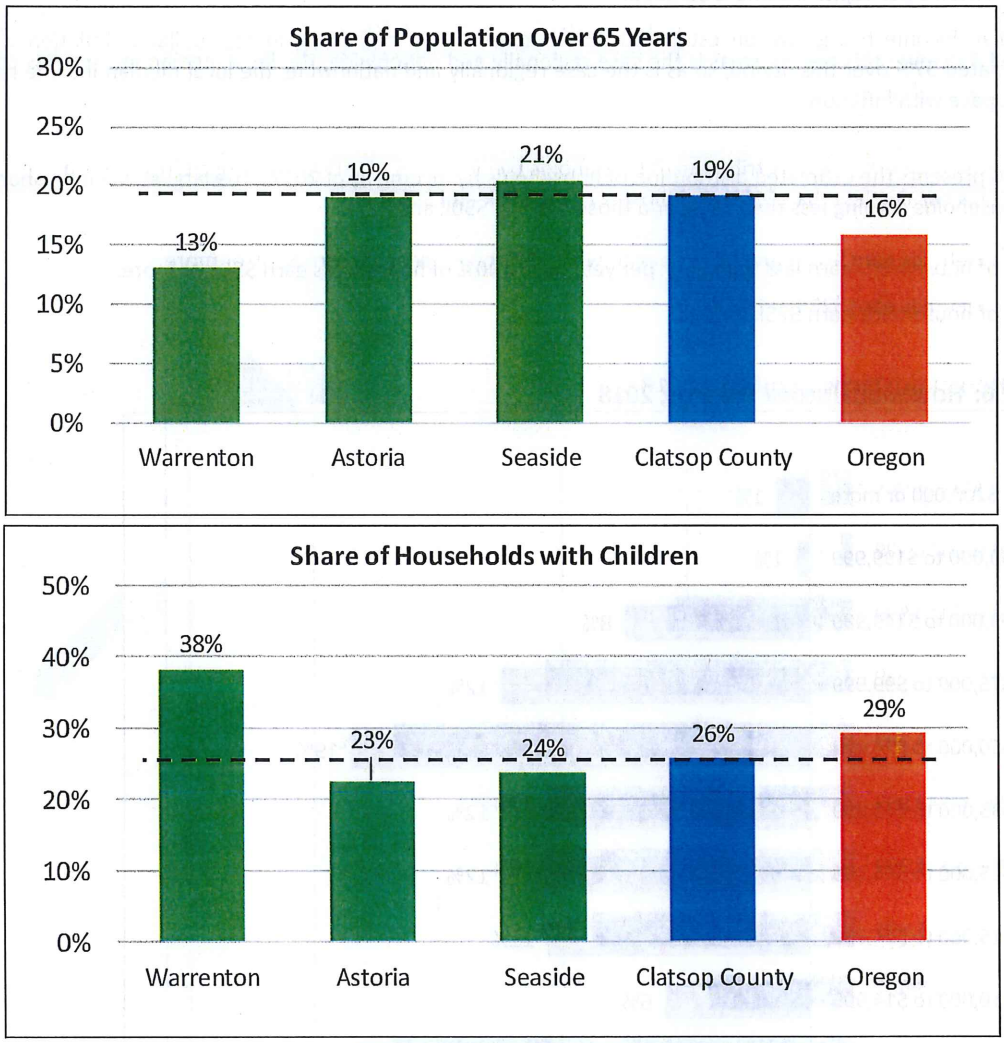
Figure 1.3: Age Cohort Trends, 2000 - 2017



SOURCE: US Census, Johnson Economics LLC
Census Tables: QT-P1 (2000); S0101 (2017 ACS 5-yr Estimates)

- The cohorts that grew in share during this period were those aged 55 and older. Still an estimated 86% of the population is under 65 years of age.
- In the 2017 ACS, the local median age was an estimated 34 years, compared to 44 years in Clatsop 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 county and state averages, Warrenton has a much larger share of households with children and a much smaller share of the population over 65. Among the relatively older, retiree communities of the North Oregon Coast, Warrenton remains a more family-oriented community.

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



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 Warrenton.

FIGURE 1.5: INCOME TRENDS, 2000 – 2018

PER CAPITA AND MEDIAN HOUSEHOLD INCOME					
	2000 (Census)	2010 (Census)	Growth 00-10	2018 (Proj.)	Growth 10-18
Per Capita ($)	$16,874	$20,619	22%	$24,535	19%
Median HH ($)	$33,472	$35,325	6%	$51,264	45%

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

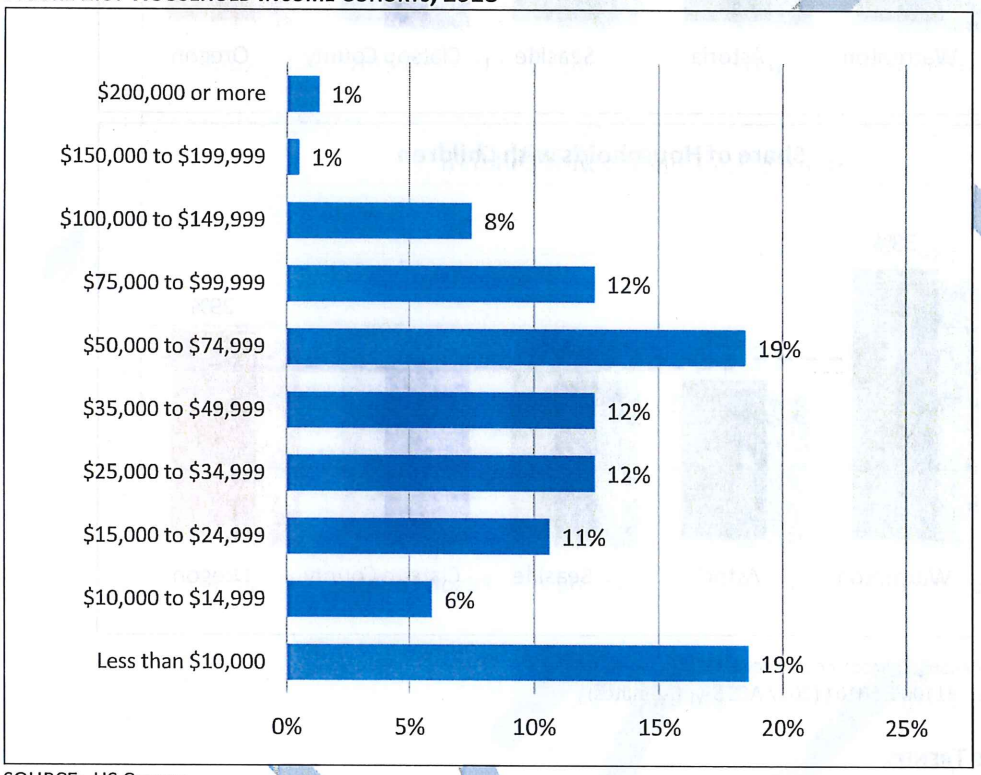
- Warrenton's estimated median household income was $51,300 in 2018. This has risen significantly from the estimated median in 2010, and is higher than the Clatsop County median of $49,800.

- Warrenton's per capita income is $24,500.
- Median income has grown an estimated 53% 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 less than $10k, and those earning $50k and $75k.

- 60% of households earn less than $50k per year, while 40% of households earn $50k or more.
- 36% of households earn $25k or less.

FIGURE 1.6: HOUSEHOLD INCOME COHORTS, 2018



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

G. POVERTY STATISTICS

According to the US Census, the official poverty rate in Warrenton is an estimated 12% over the most recent period reported (2017 5-year estimates).[2] This is roughly 645 individuals in Warrenton. In comparison, the official poverty rate in Clatsop County is also 12%, and at the state level is 17%.

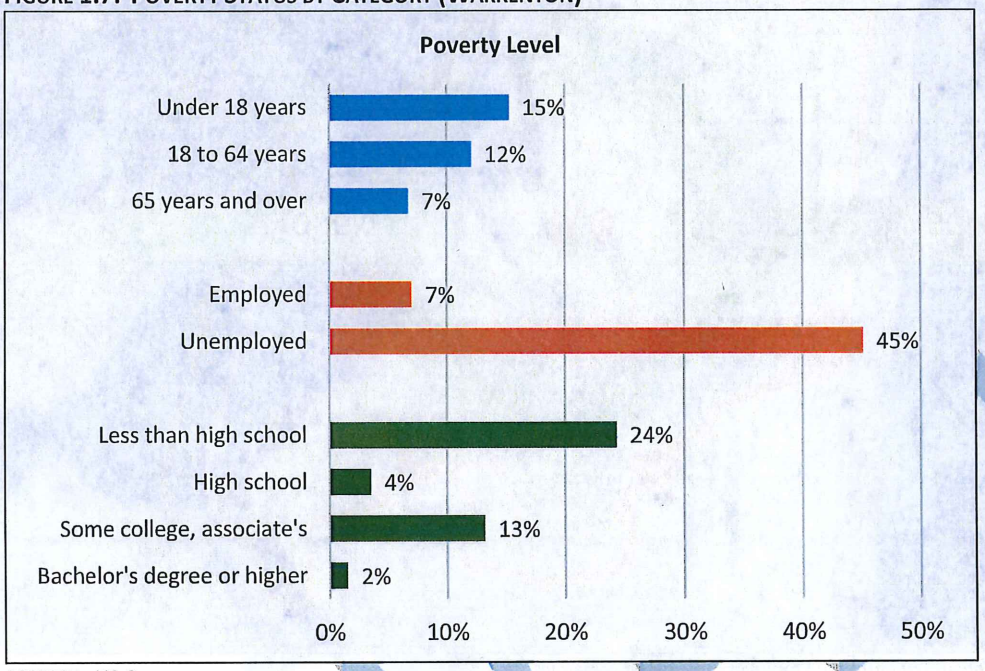
In the 2013-17 period:

- Warrenton's poverty rate is highest among children at 15%. The rate is 12% among those 18 to 64 years of age. The rate is lowest for those 65 and older at 7%.

[2] Census Tables: S1701 (2017 ACS 5-yr Estimates)

- For those without a high school diploma the poverty rate is 24%. For those with a high school diploma only, the estimated rate is 4%. For those with some college education the poverty rate is higher at 13%. This may indicate that some of these individuals are still attending college, and may not work, or work part-time.
- Among those who are employed the poverty rate is 7%, while it is 45% for those who are unemployed.
- Information on affordable housing is presented in the following section of this report.

FIGURE 1.7: POVERTY STATUS BY CATEGORY (WARRENTON)



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

H. EMPLOYMENT LOCATION TRENDS

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

Commuting Patterns: The following figure shows the inflow and outflow of commuters to Warrenton according to the Census Employment Dynamics Database. As of 2015, the most recent year available, the Census estimated there were roughly 2,550 jobs located in Warrenton. Relatively few are held by local residents, while nearly 2,000 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 Astoria, Seaside, or unincorporated areas.

Of the estimated 2,525 employed Warrenton residents, over 77% of them commute elsewhere for employment. Many of these residents commute to Astoria and Seaside.

FIGURE 1.8: COMMUTING PATTERNS (PRIMARY JOBS), WARRENTON

Source: US Census Longitudinal Employer-Household Dynamics

Jobs/Household Ratio: Warrenton features a jobs-to-households ratio of 0.8 jobs per household. There are an estimated 2,550 jobs in the city of Warrenton, and an estimated 2,525 Warrenton residents in the labor force. This represents roughly 1 job per working adult, meaning that Warrenton has a good balance of employment and housing. As noted, it is common for workers to live and work in two different communities. A healthy jobs/housing ratio is an indicator that land uses and employment vs. residential activities are well balanced (i.e. the city is not just a bedroom community). It does not imply that residents will necessarily hold most of these jobs, particularly in an inter-connected region like Clatsop County.

II. CURRENT HOUSING CONDITIONS

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

A. HOUSING TENURE

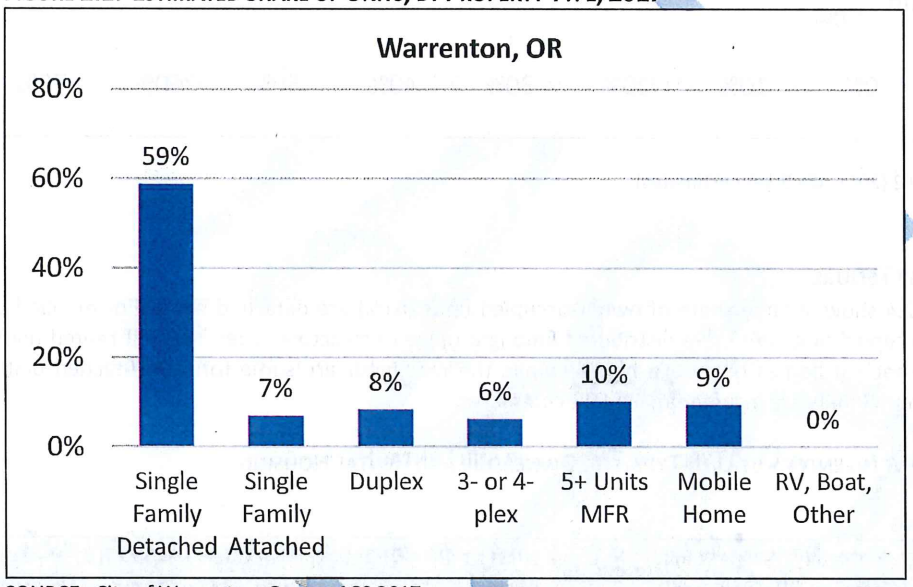
Warrenton has a larger share of owner households than renter households among permanent residents. The 2017 American Community Survey estimates that 56% of occupied units were owner occupied, and 44% renter occupied. The estimated ownership rate is higher in Clatsop County (64%).

The ownership rate in Warrenton has fallen from 65% since 2000. During this period the statewide rate fell from 64% to 61%. Nationally, the homeownership rate has nearly reached the historical average of 65%, after the rate climbed from the late 1990's to 2004 (69%).

B. HOUSING STOCK

As shown in Figure 1.1, Warrenton UGB had an estimated 2,456 housing units in 2018, with an estimated vacancy rate of 19%.

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



SOURCE: City of Warrenton, Census ACS 2017

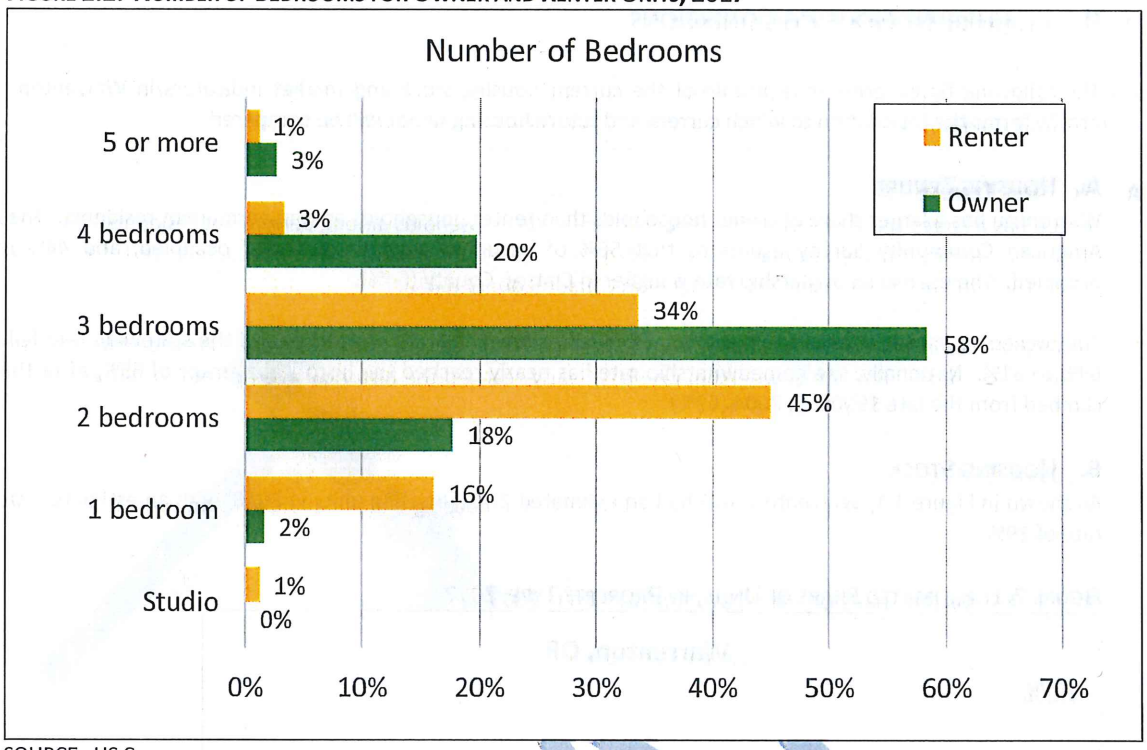
Figure 2.1 shows the estimated number of units by type in 2017. Detached single-family homes represent an estimated 58% of housing units.

Units in larger apartment complexes of 5 or more units represent 10% of units, and other types of attached homes represent an additional 21% of units. (Attached single family generally includes townhomes, some condo flats, and plexes 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. 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 (81%) are detached homes, or mobile homes (12.5%). Renter-occupied units are more distributed among a range of structure types. 36% of rented units are estimated to be detached homes or mobile homes, while the remainder are some form of attached unit. An estimated 23% of rental units are in larger apartment complexes.

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

OWNERSHIP HOUSING

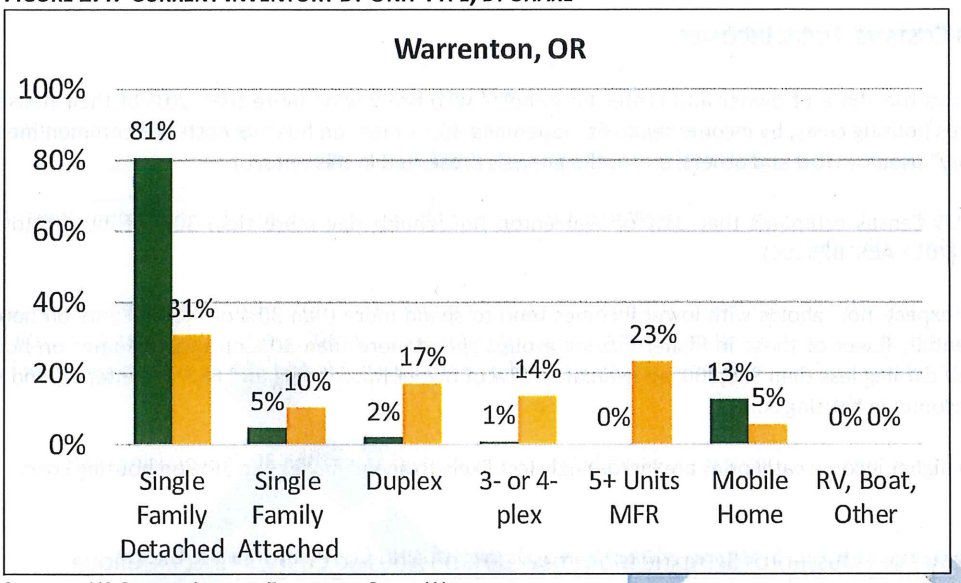
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units
Totals:	1,169	66	23	9	0	182	0	**1,449**
Percentage:	80.7%	4.5%	1.6%	0.6%	0.0%	12.5%	0.0%	100.0%

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:	309	101	172	136	234	55	0	**1,007**
Percentage:	30.7%	10.1%	17.0%	13.5%	23.2%	5.5%	0.0%	100.0%

Sources: US Census, JOHNSON ECONOMICS, CITY OF WARRENTON

FIGURE 2.4: CURRENT INVENTORY BY UNIT TYPE, BY SHARE

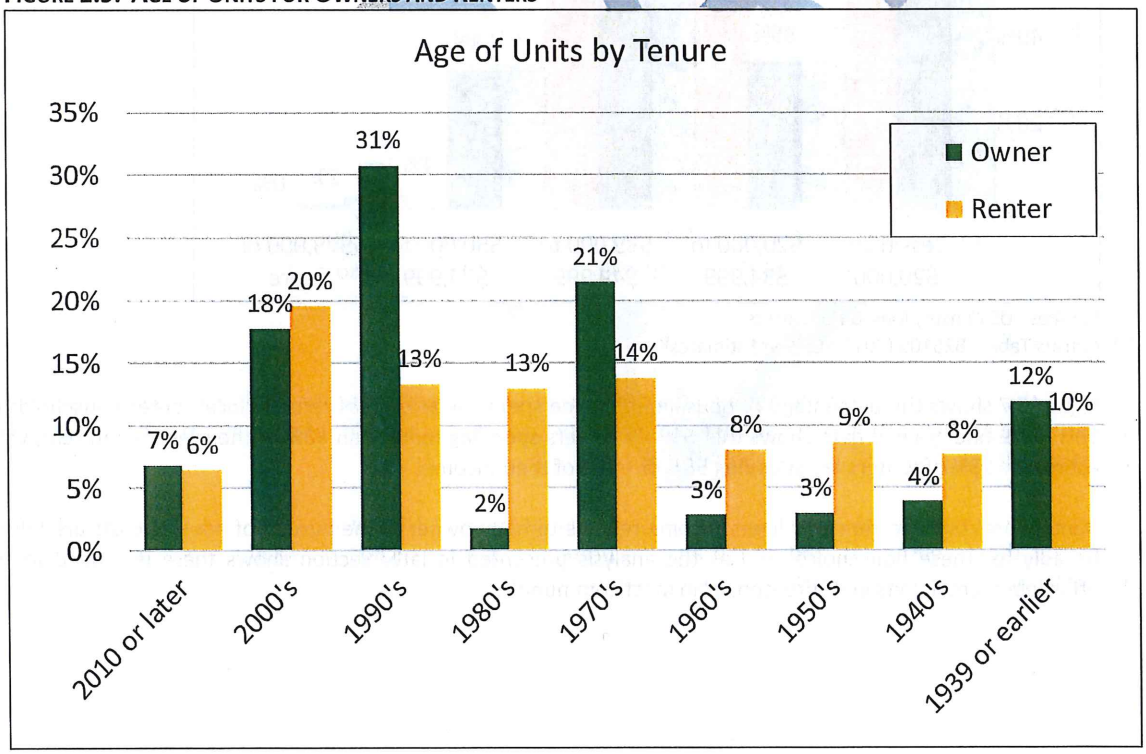


Sources: US Census, JOHNSON ECONOMICS, CITY OF WARRENTON

E. AGE OF HOUSING STOCK

Warrenton's housing stock reflects the pattern of development in the area over time. 75% of the housing stock is pre-2000 with the remainder being post-2000. Roughly a quarter of the stock was built in the 1990's, another quarter in 1970's and 1980's, and another quarter in 1960's and earlier. The following figure shows that owners are more likely to live in newer housing, while rental housing is more evenly distributed among the time periods.

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

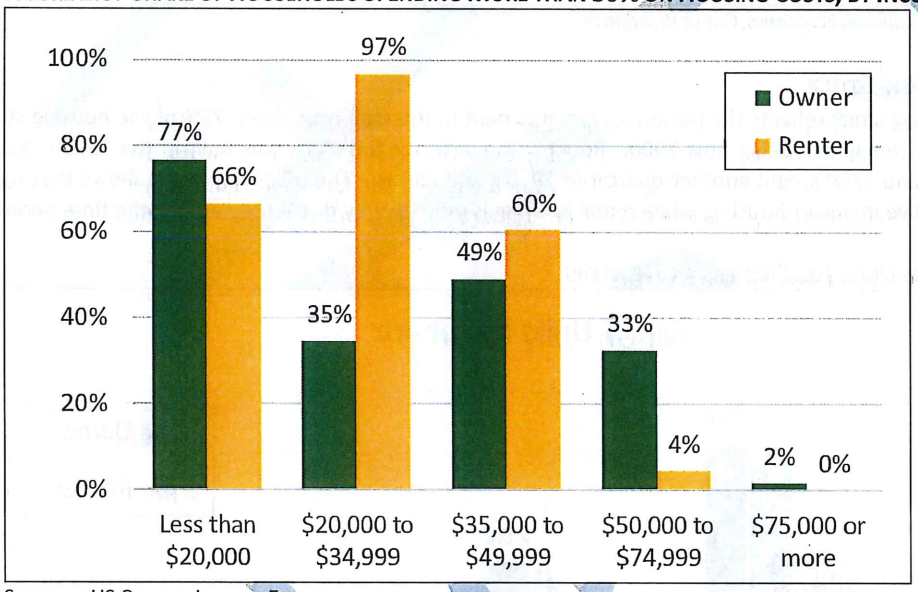
Figure 2.6 shows the share of owner and renter households who are paying more than 30% of their household income towards housing costs, by income segment. (Spending 30% or less on housing costs is a common measure of "affordability" used by HUD and others, and in the analysis presented in this report.)

In total, the US Census estimates that 33% of Warrenton households pay more than 30% of income towards housing costs (2017 ACS, 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 77% of owner households and 66% of renters spend more than 30% of income on housing costs.

Households in higher income categories are increasingly less likely to spend more than 30% on housing costs.

Figure 2.6: Share of Households Spending More than 30% on Housing Costs, by Income Group

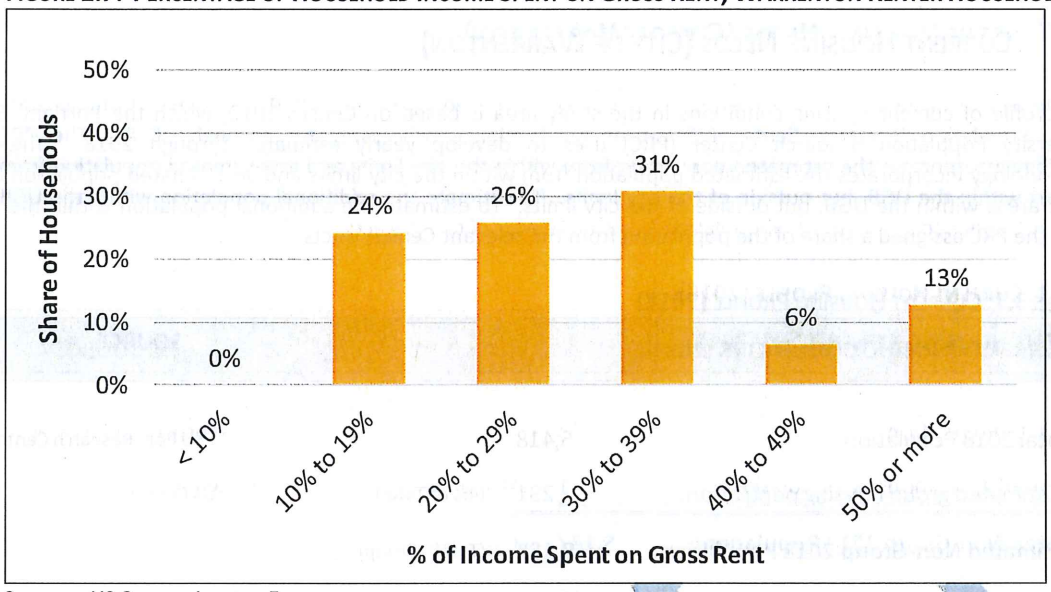


Sources: US Census, Johnson Economics
Census Table: B25106 (2017 ACS 5-yr Estimates)

Figure 2.7 shows the percentage of household income spent towards gross rent for local renter households only. This more fine-grained data shows that 50% of renters spending more than 30% of their income on rent, with an estimated 13% 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 Warrenton, as in most communities.

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



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

G. PUBLICLY-ASSISTED HOUSING

Currently Warrenton is home to 145 rent-subsidized units in six properties. This represents roughly 6% of the city's housing stock. Of these units 95 are intended for families or a mixture of residents, while 50 are aimed at the elderly, disabled or homeless populations.

The Northwest Oregon Housing Authority (NOHA) also administers housing choice vouchers which may be used in Warrenton or other communities in the jurisdiction.

Agricultural Worker Housing: There are no identified housing properties dedicated to agricultural workers in Warrenton.

Homelessness: A Point-in-Time count of homeless individuals in Clatsop County conducted in 2017 found 680 homeless individuals on the streets, in shelters, or other temporary and/or precarious housing. *These figures are for the entire county.*[3] This included:

- The large majority of the counted individuals were unsheltered.
- 37% of counted individuals were children;
- 40% of individuals were women or girls, and 60% were 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 WARRENTON)

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:	5,418		PSU Pop. Research Center
- Estimated group housing population:	231	(4% of Total)	US Census
Estimated Non-Group 2018 Population:	**5,187**	(Total - Group)	
Avg. HH Size:	2.61		US Census
Estimated Non-Group 2018 Households:	**1,987**	(Pop/HH Size)	
Total Housing Units:	**2,456**	(Occupied + Vacant)	Census 2010 + permits
Occupied Housing Units:	1,987	(= # of HH)	
Vacant Housing Units:	469	(Total HH - Occupied)	
Current Vacancy Rate:	19.1%	(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 5,518 residents, living in 1,987 households (excluding group living situations). Average household size is 2.61 persons.

There are an estimated 2,456 housing units in the city, translating to a vacancy rate of 19%. 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 (1,987). 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 (63% vs. 56%).

FIGURE 3.2: ESTIMATE OF CURRENT HOUSING DEMAND (2018)

Ownership				
Price Range	**# of Households**	**Income Range**	**% of Total**	**Cumulative**
$0k - $90k	76	Less than $15,000	6.1%	6.1%
$90k - $130k	148	$15,000 - $24,999	11.8%	17.9%
$130k - $190k	161	$25,000 - $34,999	12.9%	30.9%
$190k - $260k	103	$35,000 - $49,999	8.2%	39.1%
$260k - $300k	131	$50,000 - $74,999	10.5%	49.6%
$300k - $390k	205	$75,000 - $99,999	16.4%	66.1%
$390k - $470k	197	$100,000 - $124,999	15.8%	81.9%
$470k - $580k	105	$125,000 - $149,999	8.5%	90.3%
$580k - $770k	74	$150,000 - $199,999	6.0%	96.3%
$770k +	47	$200,000+	3.7%	100.0%
Totals:	**1,246**		**% of All:**	**62.7%**

Rental				
Rent Level	**# of Households**	**Income Range**	**% of Total**	**Cumulative**
$0 - $400	75	Less than $15,000	10.2%	10.2%
$400 - $600	138	$15,000 - $24,999	18.6%	28.8%
$600 - $900	124	$25,000 - $34,999	16.8%	45.5%
$900 - $1200	176	$35,000 - $49,999	23.7%	69.2%
$1200 - $1400	116	$50,000 - $74,999	15.6%	84.8%
$1400 - $1800	56	$75,000 - $99,999	7.5%	92.3%
$1800 - $2200	36	$100,000 - $124,999	4.9%	97.2%
$2200 - $2700	21	$125,000 - $149,999	2.8%	100.0%
$2700 - $3600	0	$150,000 - $199,999	0.0%	100.0%
$3600 +	0	$200,000+	0.0%	100.0%
Totals:	**741**		**% of All:**	**37.3%**

All Households
1,987

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 Warrenton was estimated based on permit data from the City of Warrenton 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 Warrenton geography.

- An estimated 59% of housing units are ownership units, while an estimated 41% 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.)

- 81% of ownership units are detached homes, and 12.5% are mobile homes. 36% of rental units are either single family homes or mobile homes, and 23% are in structures of 5 units or more.

- Of total housing units, an estimated 60% are detached homes, 10% are mobile homes, while 30% are some sort of attached type.

- The affordability of different unit types is an approximation based on Census data on the distribution of housing units by value (ownership) or gross rent (rentals).

- Most subsidized affordable housing units found in the city is represented by the inventory at the lowest end of the rental spectrum. Ownership housing found at the lower end of the spectrum generally reflect mobile homes, or homes in poor condition on small or irregular lots. These properties may be candidates for redevelopment when next they sell but are currently estimated to have low value.

FIGURE 3.3: PROFILE OF CURRENT HOUSING SUPPLY (2018)

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	% of Units	Cummulative %
$0k - $90k	0	0	0	9	0	170	0	179	12.3%	12.3%
$90k - $130k	0	45	23	0	0	12	0	81	5.6%	17.9%
$130k - $190k	291	20	0	0	0	0	0	312	21.5%	39.4%
$190k - $260k	142	0	0	0	0	0	0	142	9.8%	49.2%
$260k - $300k	435	0	0	0	0	0	0	435	30.0%	79.2%
$300k - $390k	119	0	0	0	0	0	0	119	8.2%	87.4%
$390k - $470k	84	0	0	0	0	0	0	84	5.8%	93.3%
$470k - $580k	18	0	0	0	0	0	0	18	1.3%	94.5%
$580k - $770k	63	0	0	0	0	0	0	63	4.3%	98.8%
$770k +	17	0	0	0	0	0	0	17	1.2%	100.0%
Totals:	1,169	66	23	9	0	182	0	**1,449**	% of All Units:	59.0%
Percentage:	80.7%	4.5%	1.6%	0.6%	0.0%	12.5%	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	% of Units	Cummulative %
$0 - $400	0	0	0	0	11	27	0	38	3.8%	3.8%
$400 - $600	0	0	2	0	58	29	0	89	8.8%	12.6%
$600 - $900	0	12	23	33	35	0	0	102	10.2%	22.8%
$900 - $1200	19	19	35	54	65	0	0	191	19.0%	41.7%
$1200 - $1400	150	70	112	50	65	0	0	446	44.3%	86.0%
$1400 - $1800	68	0	0	0	0	0	0	68	6.7%	92.8%
$1800 - $2200	62	0	0	0	0	0	0	62	6.1%	98.9%
$2200 - $2700	11	0	0	0	0	0	0	11	1.1%	100.0%
$2700 - $3600	0	0	0	0	0	0	0	0	0.0%	100.0%
$3600 +	0	0	0	0	0	0	0	0	0.0%	100.0%
Totals:	309	101	172	136	234	55	0	**1,007**	% of All Units:	41.0%
Percentage:	30.7%	10.1%	17.0%	13.5%	23.2%	5.5%	0.0%	100.0%		

TOTAL HOUSING UNITS									
	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units	% of Units
Totals:	1,478	167	195	145	234	237	0	**2,456**	**100%**
Percentage:	60.2%	6.8%	7.9%	5.9%	9.5%	9.7%	0.0%	100.0%	

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

COMPARISON OF CURRENT HOUSING DEMAND WITH CURRENT SUPPLY

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

In general, this identifies that there is currently support for more ownership housing at price ranges from $90k to $130k, and above $300k. This is because most housing in Warrenton 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 demand for rental units is at the lower end of the rent spectrum, therefore there is a shortage of units priced at $900 or lower is estimated to be sufficient. There is an oversupply of rentals in the $900 to $1,400 range. This range represents the current average rent prices in Warrenton, where most units can be expected to congregate. Rentals at more expensive levels generally represent single family homes for rent.

FIGURE 3.4: COMPARISON OF CURRENT NEED TO CURRENT SUPPLY (2018)

Income Level	Ownership				Rental			
	Price Range	Estimated Current Need	Estimated Current Supply	Unmet (Need) or Surplus	Rent	Estimated Current Need	Estimated Current Supply	Unmet (Need) or Surplus
Less than $15,000	$0k - $90k	76	179	103	$0 - $400	75	38	(37)
$15,000 - $24,999	$90k - $130k	148	81	(67)	$400 - $600	138	89	(49)
$25,000 - $34,999	$130k - $190k	161	312	150	$600 - $900	124	102	(22)
$35,000 - $49,999	$190k - $260k	103	142	39	$900 - $1200	176	191	16
$50,000 - $74,999	$260k - $300k	131	435	303	$1200 - $1400	116	446	331
$75,000 - $99,999	$300k - $390k	205	119	(86)	$1400 - $1800	56	68	12
$100,000 - $124,999	$390k - $470k	197	84	(113)	$1800 - $2200	36	62	25
$125,000 - $149,999	$470k - $580k	105	18	(87)	$2200 - $2700	21	11	(10)
$150,000 - $199,999	$580k - $770k	74	63	(12)	$2700 - $3600	0	0	0
$200,000+	$770k +	47	17	(30)	$3600 +	0	0	0
	Totals:	**1,246**	**1,449**	**202**	**Totals:**	**741**	**1,007**	**266**

Occupied Units:	**1,987**
All Housing Units:	**2,456**
Total Unit Surplus:	**469**

Sources: PSU Population Research Center, Environics Analytics, Census, JOHNSON ECONOMICS
This table is a synthesis of data presented in Figures 3.2 and 3.3.

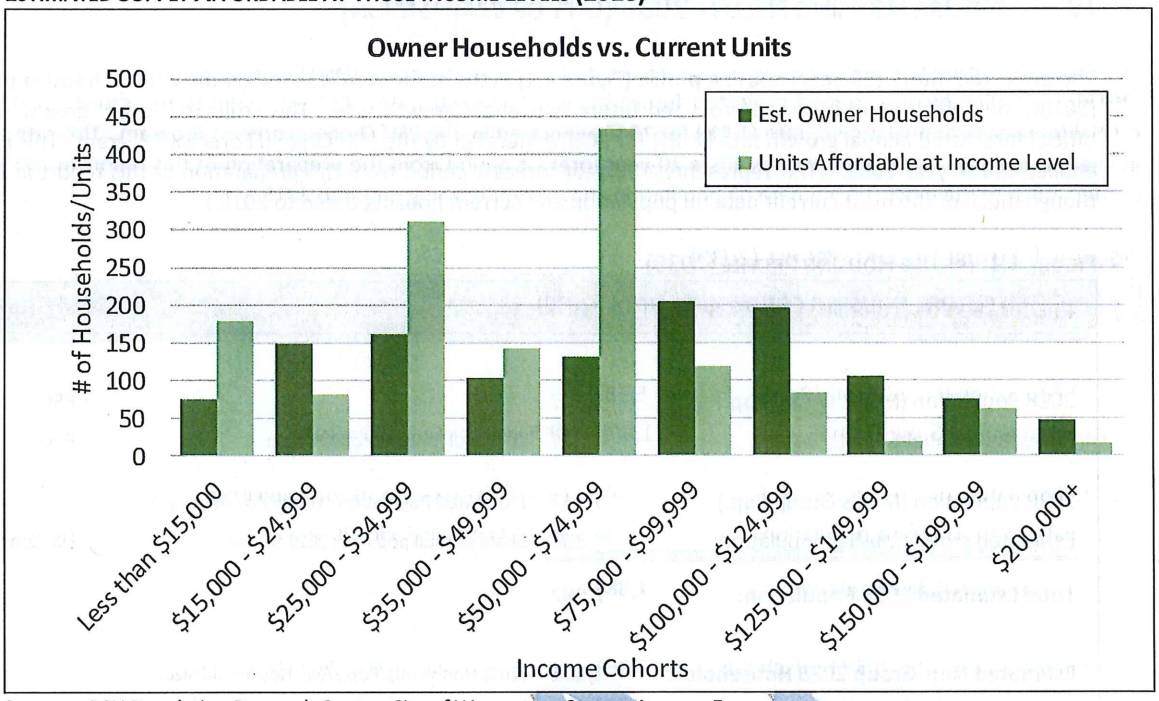
Figure 3.4 is illustrating where current market-level pricing is in Warrenton. Housing prices and rent levels will tend to congregate around those price levels. These levels will be too costly for some (i.e. require more than 30% in gross income) or "too affordable" for others (i.e. they have income levels that indicate they could afford more expensive housing if it were available). In general, these findings demonstrate that there are insufficient housing opportunities at lower price points than might be considered "affordable" for many owner or renter households. The community may also be able to support some new single-family housing at a higher price point.

Figures 3.5 and 3.6 (following page) 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.

* * *

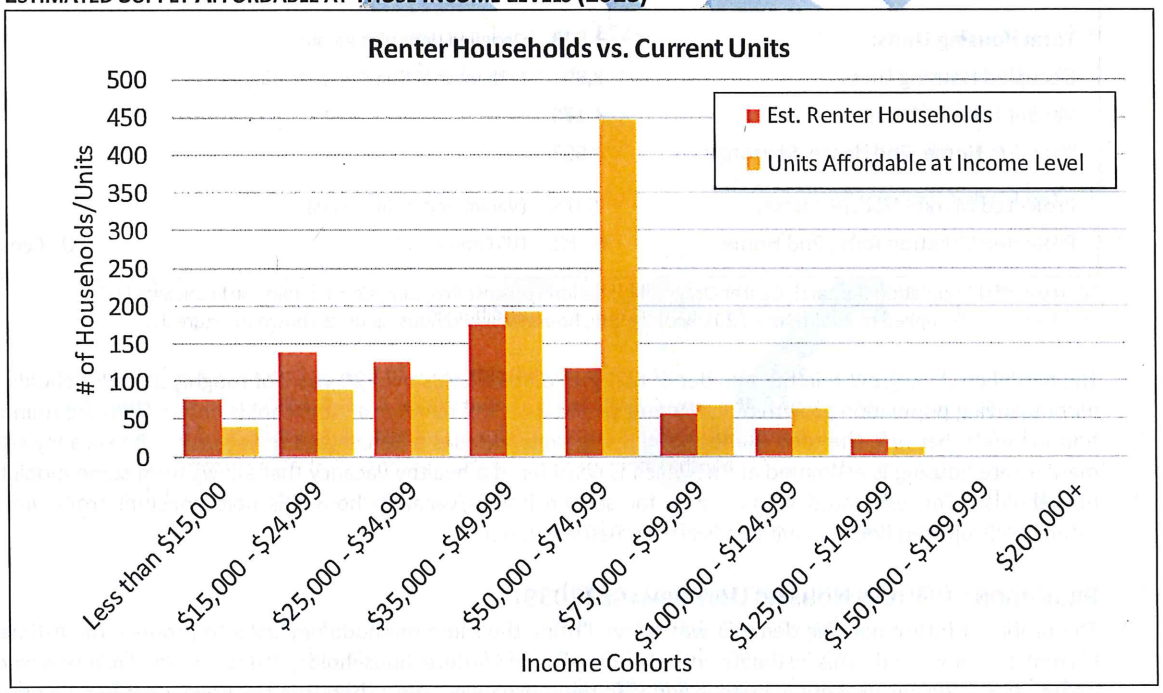
The findings of current need form the foundation for projected future housing need, presented in a following section.

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 Warrenton, 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 Warrenton, Census, JOHNSON ECONOMICS

IV. FUTURE HOUSING NEEDS - 2039 (CITY OF WARRENTON)

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 (1.8%) 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.)	5,187		PSU
Projected Annual Growth Rate	1.80%	OR Population Forecast Program	PSU
2039 Population (Minus Group Pop.)	7,547	(Total 2038 Population - Group Housing Pop.)	
Estimated group housing population:	336	Share of total pop from 2010 Census	US Census
Total Estimated 2038 Population:	**7,882**		
Estimated Non-Group 2038 Households:	**2,891**	(2038 Non-Group Pop./Avg. Household Size)	
New Households 2018 to 2038	904		
Avg. Household Size:	2.61	Projected household size	US Census
Total Housing Units:	**3,573**	Occupied Units plus Vacant	
Occupied Housing Units:	2,891	(= Number of Non-Group Households)	
Vacant Housing Units:	179		
Vacation Home, 2nd Home, Seasonal:	503		
Projected Market Vacancy Rate:	5.0%	(Vacant Units/ Total Units)	
Projected Vacation Rate, 2nd Home:	14.1%	(US Census Est.)	US Census

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 904 households, with accompanying population growth of 2,465 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. The vacancy rate for market-rate housing is estimated at 5%, which is considered a healthy vacancy that allows from some mobility for households. The estimated vacancy rate for second homes/vacation homes is held constant from the 2018 estimate. 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 (2,891).

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	110	Less than $15,000	6.1%	6.1%
$90k - $130k	215	$15,000 - $24,999	11.8%	17.9%
$130k - $190k	235	$25,000 - $34,999	12.9%	30.9%
$190k - $260k	149	$35,000 - $49,999	8.2%	39.1%
$260k - $300k	191	$50,000 - $74,999	10.5%	49.6%
$300k - $390k	298	$75,000 - $99,999	16.4%	66.1%
$390k - $470k	287	$100,000 - $124,999	15.8%	81.9%
$470k - $580k	153	$125,000 - $149,999	8.5%	90.3%
$580k - $770k	108	$150,000 - $199,999	6.0%	96.3%
$770k +	68	$200,000+	3.7%	100.0%
Totals:	**1,814**		**% of All:**	**62.7%**

Rental				
Rent Level	**# of Households**	**Income Range**	**% of Total**	**Cumulative**
$0 - $400	110	Less than $15,000	10.2%	10.2%
$400 - $600	200	$15,000 - $24,999	18.6%	28.8%
$600 - $900	181	$25,000 - $34,999	16.8%	45.5%
$900 - $1200	255	$35,000 - $49,999	23.7%	69.2%
$1200 - $1400	168	$50,000 - $74,999	15.6%	84.8%
$1400 - $1800	81	$75,000 - $99,999	7.5%	92.3%
$1800 - $2200	53	$100,000 - $124,999	4.9%	97.2%
$2200 - $2700	30	$125,000 - $149,999	2.8%	100.0%
$2700 - $3600	0	$150,000 - $199,999	0.0%	100.0%
$3600 +	0	$200,000+	0.0%	100.0%
Totals:	**1,078**		**% of All:**	**37.3%**

All Units
2,891

Sources: Census, Environics Analytics, JOHNSON ECONOMICS

It is projected that the homeownership rate in Warrenton will increase over the next 20 years to 63%, which would roughly equal the current statewide average (62%). The continued shift to older and marginally higher income households 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), WARRENTON

OWNERSHIP HOUSING

Price Range	Single Family Detached	Single Family Attached	Multi-Family: 2-unit	Multi-Family: 3- or 4-plex	Multi-Family: 5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units	% of Units	Cummulative %
$0k - $90k	0	0	0	0	0	0	0	0	0.0%	0.0%
$90k - $130k	0	28	13	6	0	120	0	167	17.5%	17.5%
$130k - $190k	0	0	0	0	0	0	0	0	0.0%	17.5%
$190k - $240k	28	16	2	0	0	0	0	46	4.8%	22.2%
$240k - $320k	0	0	0	0	0	0	0	0	0.0%	22.2%
$320k - $360k	225	0	0	0	0	0	0	225	23.6%	45.8%
$360k - $450k	241	0	0	0	0	0	0	241	25.3%	71.1%
$450k - $540k	151	0	0	0	0	0	0	151	15.8%	86.9%
$540k - $710k	66	0	0	0	0	0	0	66	6.9%	93.8%
$710k +	59	0	0	0	0	0	0	59	6.2%	100.0%
Totals:	771	43	15	6	0	120	0	**955**	% of All Units:	85.5%
Percentage:	80.7%	4.5%	1.6%	0.6%	0.0%	12.5%	0.0%	100.0%		

RENTAL HOUSING

Price Range	Single Family Detached	Single Family Attached	Multi-Family: 2-unit	Multi-Family: 3- or 4-plex	Multi-Family: 5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units	% of Units	Cummulative %
$0 - $400	0	0	0	0	22	9	0	30	18.8%	18.8%
$400 - $600	0	6	14	16	13	0	0	48	29.9%	48.7%
$600 - $900	2	11	14	5	4	0	0	35	21.7%	70.4%
$900 - $1100	32	0	0	0	0	0	0	32	20.0%	90.4%
$1100 - $1500	0	0	0	0	0	0	0	0	0.0%	90.4%
$1500 - $1700	7	0	0	0	0	0	0	7	4.6%	95.0%
$1700 - $2100	0	0	0	0	0	0	0	0	0.0%	95.0%
$2100 - $2500	8	0	0	0	0	0	0	8	5.0%	100.0%
$2500 - $3300	0	0	0	0	0	0	0	0	0.0%	100.0%
$3300 +	0	0	0	0	0	0	0	0	0.0%	100.0%
Totals:	50	16	28	22	38	9	0	**162**	% of All Units:	14.5%
Percentage:	30.6%	10.1%	17.0%	13.5%	23.3%	5.5%	0.0%	100.0%		

TOTAL HOUSING UNITS

	Single Family Detached	Single Family Attached*	Multi-Family: 2-unit	Multi-Family: 3- or 4-plex	Multi-Family: 5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units	% of Units
Totals:	820	60	43	28	38	129	0	**1,117**	**100%**
Percentage:	73.4%	5.3%	3.9%	2.5%	3.4%	11.5%	0.0%	100.0%	

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

- The results show a need for 1,117 new housing units by 2039.
- Of the new units needed, roughly 85.5% are projected to be ownership units, while 14.5% are projected to be rental units. This is due to the forecast of a higher homeownership rate in the future, leading to marginally more need for ownership units than rental units.
- The table shows no new need for ownership housing at the low-end of the pricing spectrum, but in the middle. This is because these are the price levels where a majority of the city's housing is currently found. Therefore, what Figure 4.3 represents is that there may be support for units at higher price points.
- The greatest need for rental units is found at the lowest and middle price points from $0 to $1,100. There is also a need for some single-family homes for rent at higher price points.

Needed Unit Types

The mix of needed unit types shown in Figure 4.3 reflects both past trends and anticipated future trends. Since 2000, detached single family units (including manufactured and mobile homes) have constituted most of the permitted units in Warrenton. In keeping with development trends, and the buildable land available to Warrenton, single family units are expected to make up the greatest share of new housing development over the next 20 years.

- 73% of the new units are projected to be single family detached homes, while 15% is projected to be some form of attached housing, and 12% are projected to be mobile homes.
- 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 6.5% of the total need. Duplex units would include a detached single family home with an accessory dwelling unit on the same lot, or with a separate unit in the home (for instance, a rental basement unit.)
- 4% of all needed units are projected to be multi-family in structures of 5+ attached units.
- 12% 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 12.5% mobile homes. Nearly 4.5% are projected to be attached single-family housing
- 64% of new rental units are projected to be found in new attached buildings, with the remainder being single family or mobile home units.

Needed Affordability Levels

- The needed affordability levels presented here are based on current 2018 dollars. Over time, incomes and housing costs will both experience inflation, 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 in 2039. There is existing and on-going need at these levels, based on income levels specified by Oregon Housing and Community Services for Clatsop County. An estimated 34% of households qualify as at least "low income" or lower on the income scale, while 16% of household qualify as "extremely low income".

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

Affordablilty Level	Income Level		Current Need (2018)		Future Need (2039)		NEW Need (20-Year)	
			# of HH	% of All	# of HH	% of All	# of HH	% of All
Extremely Low Inc.	30% AMI	$16,650	354	16%	507	16%	153	13%
Very Low Income	50% AMI	$27,600	613	27%	879	27%	266	23%
Low Income	80% AMI	$44,160	765	34%	1,097	34%	332	29%

Sources: OHCS, Environics Analytics, JOHNSON ECONOMICS

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

LAND USE PLANNING
TRANSPORTATION PLANNING
PROJECT MANAGEMENT

MEMORANDUM

Residential Buildable Lands Inventory (BLI) DRAFT 1

City of Warrenton Housing Needs Analysis

DATE	February 6, 2019
TO	Warrenton HNA PMT and Planning Commission
FROM	Matt Hastie and Jamin Kimmell, Angelo Planning Group
CC	File

The purpose of this memo is to summarize the methodology and initial results of a preliminary Residential Buildable Land Inventory (BLI) for the City of Warrenton Housing Needs Analysis (HNA). The memo summarizes the methodology of the BLI, then presents the results in a series of tables and maps. The primary purpose of Draft 1 of the BLI is to facilitate a more detailed, parcel-level review of the results. The results presented in the memo are preliminary and may change significantly as the BLI is refined with input from city staff, Planning Commission, and the community.

METHODOLOGY

Step 1 – Identify Environmental Constraints

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

- Flood Hazard Areas: The Warrenton Development Code (Title 16 of the Warrenton Municipal Code) regulates residential development in Special Flood Hazard Areas, as designated by the FEMA Flood Insurance Rate Map (FIRM). Special Flood Hazard Areas in the City of Warrenton are established through the Flood Hazard Overlay District (Chapter 16.88), which designates all areas coded as "A" or "AE" in the overlay district. These areas are more generally referred to as the 100-year floodplain. While residential development is permitted in the Flood Hazard Overlay, it is required to meet certain standards, including elevating the lowest floor above the base flood elevation. The degree to which these standards deter or effectively prohibit residential development will vary by location; however, for the purposes of this analysis, all areas in the overlay are considered constrained and removed from the BLI.

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- Wetlands: Chapter 16.156 of the Warrenton Development Code establishes development standards for wetlands and riparian corridors, in compliance with Statewide Planning Goal 5. This chapter prohibits alteration or development of all wetlands deemed locally significant in the City's local wetland inventory; thus, all locally significant wetlands are considered not buildable and removed from the BLI. This chapter also establishes significant riparian corridors (streams, rivers, sloughs, etc.) in the City and requires setbacks from some of these riparian corridors. Data on these riparian corridors was not available for this draft of the BLI so they were not specifically removed from the buildable lands; however, most if not all of the corridors are either located within a floodplain or one of the City's aquatic zones, and therefore would not be included in the residential BLI.
- Beach and Dune Areas: Chapter 16.100 of the Warrenton Development Code, the Beaches and Dunes Overlay District (BDO), regulates development in "Critical Beach and Dune Shoreland Areas" as designated on the City's Comprehensive Plan map. The BDO prohibits residential development in any area determined to be an active foredune or conditionally stable foredune (Section 16.100.020.C). GIS data on the location of these areas was not available but data was manually created based on the approximate boundaries of the areas in the Comprehensive Plan map (see Appendix A). All area designated "Active" or "Conditionally Stable" were considered not buildable and removed from the BLI.
- 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]

These constrained areas are identified in Figure 3. These lands were combined and then overlaid with City taxlots to estimate the amount of land in each parcel where development in limited by these environmental constraints. These constrained areas were deducted from the gross area of the parcel to estimate the area of the parcel that is unconstrained and potentially buildable.

Step 2 – Classify Parcels by Development Status

Each parcel in the 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 Clatsop County Assessor's Office data from 2017. The following five categories were used to classify parcels:

- 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.

Commented [KC1]: Why 3,000? We might look at 4500 min lot size

Commented [JK2R1]: 3,000 is the threshold used under the simplified UGB method (OAR 660-038-0060). We can apply a higher threshold, but will just have to provide rationale. The minimum lot size of 4,500 makes sense as a rationale.

[1] See OAR 660-008-0005(2).

- 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.
- 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 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 the 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 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.
- Developed: Parcels that have an improvement value of more than $10,000, but do not meet the definition of Partially Vacant or Constrained.
- 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 for this draft of the BLI. Input from staff will be used to identify these parcels and they will be classified as such in Draft 2 of the BLI. For the purposes of this analysis, these parcels will

Commented [KC3]: Why 10K? It seems very low for redevelopment potential analysis

Commented [JK4R3]: Same as above – it is based on the OAR. As you'll see in the definition of Partially Vacant, we manually re-classified many "Developed" parcels as Partially Vacant based on improvement values. More refinement of these parcels can be done.

Commented [KC5]: How are ADUS accounted for in analysis? We've only issued two since I've been here

Commented [JK6R5]: If there is an ADU it may affect the amount of buildable land, but we assume the lot needs to have at least a quarter acre to count any of the lot as buildable. On these parcels, even with an ADU, there may be enough residual buildable land to partition.

[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:

(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.

be considered potentially buildable, but the lack of infrastructure and expense of providing infrastructure to these sites may present a major barrier to development.

Commented [KC7]: This is the case for a vast majority of lands on septic systems off Ridge Road

Commented [JK8R7]: Let's attempt to identify these parcels and classify them accordingly for the next draft.

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, for Partially Vacant parcels, a quarter-acre as a 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 to support new development (mostly streets).
- 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 (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 and the zoning designations for each parcel (or portion of parcel) are shown in Figure 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.

Commented [KC9]: We don't have a min/max density in any zoning category; we need to clearly define and require min in RM and RH.

Commented [JK10R9]: The projected density is roughly based off the density regulations but also uses assumptions specified in the OAR.

RESULTS

The results of Draft 1 of the BLI are presented in Tables 1-3 and Figures 1-5. A list of the tables and figures is provided below.

- Table 1: BLI Summary by Development Status, Residential Zones
- Table 2: BLI Summary by Development Status, Commercial Zones
- Table 3: Unconstrained Acres and Housing Unit Capacity by Zone, Residential Zones
- Figure 1: Unconstrained Acres by Zone, Residential Zones
- Figure 2: Housing Unit Capacity by Zone, Residential Zones
- Figure 3: Environmental Constraints Map
- Figure 4: Zoning and Taxlots Map
- Figure 5: Development Status Map
- Figure 6: Housing Unit Capacity Map

Commented [PL11]: These don't appear to be included.

Commented [JK12R11]: They were in the PDF

Table 1. BLI Summary by Development Status, Residential Zones

Development Status	Total Parcels	Gross Acres	Constrained Acres	Unconstrained Acres[3]
Constrained	1139	646	634	--
Developed	1195	473	112	--
Total Not Buildable	*2334*	*1119*	*746*	--
Difficult to Serve	--	--	--	--
Partially Vacant	69	193	97	79
Vacant	401	1161	806	355
Total Potentially Buildable	**470**	**1354**	**903**	**434**

Table 2. BLI Summary by Development Status, Commercial Zones

Development Status	Total Parcels	Gross Acres	Constrained Acres	Unconstrained Acres
Constrained	607	229	226	--
Developed	292	125	9	--
Total Not Buildable	899	354	235	--
Difficult to Serve	--	--	--	--
Partially Vacant	48	53	7	35
Vacant	184	130	31	98
Total Potentially Buildable	**232**	**183**	**38**	**133**

Commented [PL15]: I think that these will be confusing for folks who don't deal with this regularly. As an example: if the gross acres of constrained lands is 646 but the constrained acreage is 634, how are the other 12 acres accounted for? Same with developed lands. Either a bit more explanation in the narrative or another column would address this.

Commented [PL13]: Should this be 96?

Commented [JK14R13]: This is lower than "Gross-Constrained" because an additional deduction is made for PV parcels to account for an existing structure. It is assumed that the existing structure remains and other land on the parcel is developed.

Commented [JK16R15]: Good point, see footnote.

[3] Unconstrained acres are not presented for Constrained or Developed parcels because these parcels are assumed to be entirely constrained or developed, and therefore do not contain any unconstrained (buildable) acres.

Table 3. Unconstrained 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
R40 - Low Density Residential	4	--	41	65	107	25%	--	121	175	296	11%
R10 - Intermediate Density Residential	4	--	8	88	97	22%	--	19	211	230	9%
RGM - R-10 Growth Management Zone	4	--	10	40	50	12%	--	29	102	131	5%
RM - Medium Density Residential	10	--	17	43	59	14%	--	118	283	401	15%
RH - High Density Residential	18	--	2	119	121	28%	--	26	1,549	1,575	60%
	Total	--	**79**	**355**	**434**	--	--	**313**	**2,320**	**2,633**	--

Figure 1. Unconstrained Acres by Zone

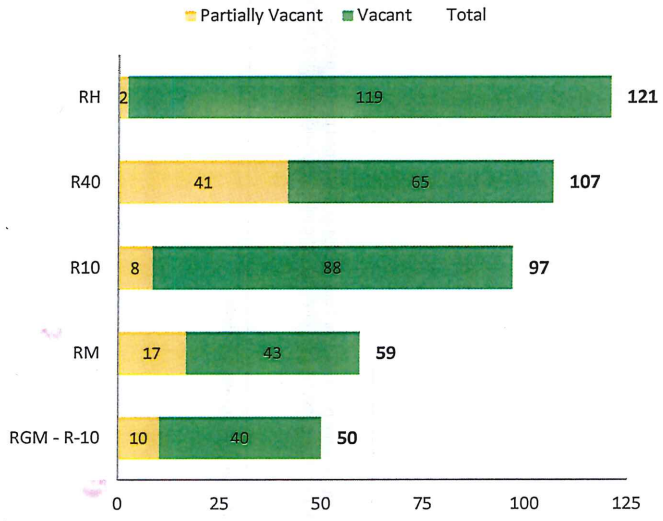
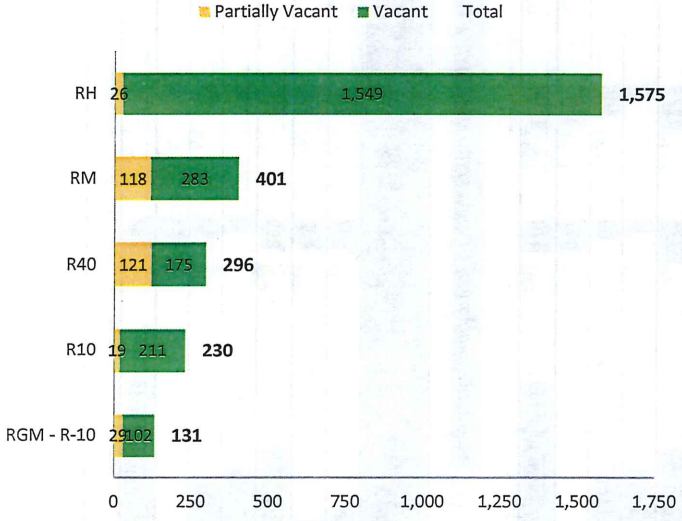
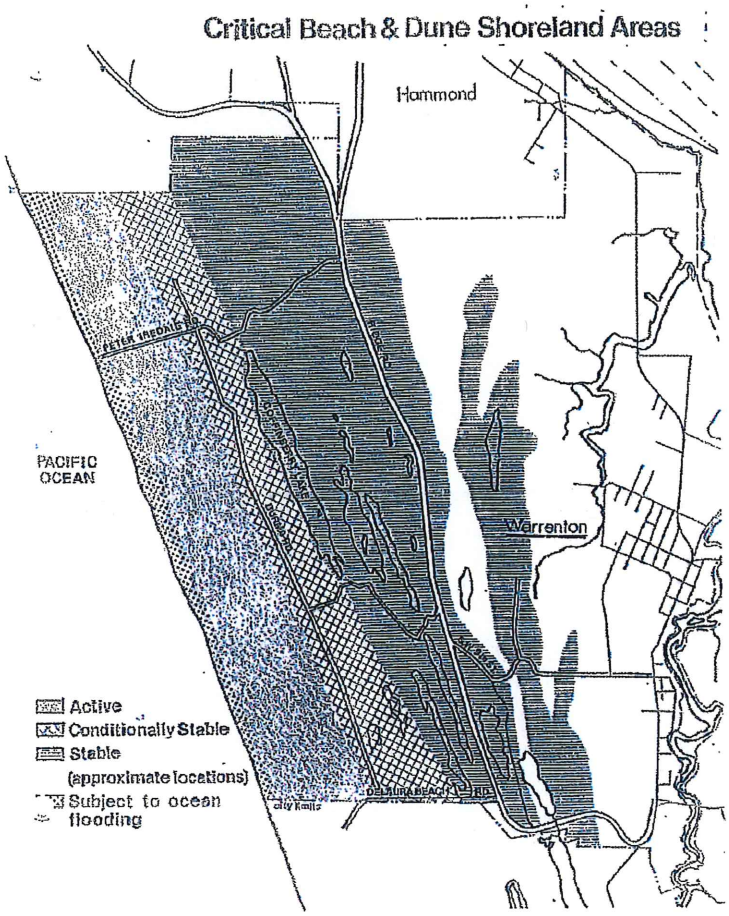


Figure 2. Housing Unit Capacity by Zone



APPENDIX A: MAP OF CRITICAL BEACH AND DUNE AREAS



Source: Article 6 of City of Warrenton Comprehensive Plan