
City of Scappoose

Housing Needs Analysis

November 2017

Prepared for:
City of Scappoose

***Final* REPORT**

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1. Introduction

This report presents Scappoose’s Housing Needs Analysis for the 2018 to 2038 period. It is intended to comply with statewide planning policies that govern planning for housing and residential development, including Goal 10 (Housing), and OAR 660 Division 8. The methods used for this study generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1996).

The City of Scappoose has not updated its residential Comprehensive Plan policies since the City’s last periodic review in 1991. The city has changed considerably since then. Since 2000, Scappoose added nearly 1,800 residents, accounting for one-quarter of the growth in Columbia County over that period. At the same time, Scappoose added about 700 new dwelling units. In addition, Scappoose’s population has grown a little older on average and has become slightly more ethnically diverse since 2000, consistent with statewide trends.

Scappoose will change even more with development of the Oregon Manufacturing Innovation Center (OMIC). OMIC will initially consist of a Research and Development Center and a Training Center. The Research and Development Center will be focused on growing Oregon’s existing metals manufacturing industry. The Oregon Training Center will serve students with industry-sponsored skilled apprenticeships, supporting advanced careers in engineering and advanced manufacturing. Partners and tenants at OMIC will initially include the Boeing Company, Oregon State University, Portland State University, Portland Community College, and the Oregon Institute of Technology.

This report provides Scappoose with a factual basis to update the Housing Element of the City’s Comprehensive Plan, zoning code, and to support future planning efforts related to housing and options for addressing unmet housing needs in Scappoose. It provides information that informs future planning efforts, including development and redevelopment initially in the future. It provides the City with information about the housing market in Scappoose and describes the factors that will affect housing demand in Scappoose in the future, such as changing demographics. This analysis will help decision makers understand whether Scappoose has enough land to accommodate growth over the next 20 years.

Framework for a Housing Needs Analysis

Economists view housing as a bundle of services for which people are willing to pay: shelter certainly, but also proximity to other attractions (job, shopping, recreation), amenities (type and quality of fixtures and appliances, landscaping, views), prestige, and access to public services (quality of schools). Because it is impossible to maximize all these services and simultaneously minimize costs, households must, and do, make tradeoffs. What they can get for their money is influenced both by economic forces and government policy. Moreover, different households will value what they can get differently. They will have different preferences, which in turn are a function of many factors like income, age of household head, number of people and children in the household, number of workers and job locations, number of automobiles, and so on.

Thus, housing choices of individual households are influenced in complex ways by dozens of factors and the housing market in the Portland region, Columbia County, and Scappoose are the result of the individual decisions of hundreds of thousands of households. These points help to underscore the complexity of projecting what types of housing will be built in Scappoose between 2018 and 2038.

The complex nature of the housing market was demonstrated by the unprecedented boom and bust during the past decade. This complexity does not eliminate the need for some type of forecast of future housing demand and need, with the resulting implications for land demand and consumption. Such forecasts are inherently uncertain. Their usefulness for public policy often derives more from the explanation of their underlying assumptions about the dynamics of markets and policies than from the specific estimates of future demand and need. Thus, we start our housing analysis with a framework for thinking about housing and residential markets, and how public policy affects those markets.

Statewide planning Goal 10

The passage of the Oregon Land Use Planning Act of 1974 (ORS Chapter 197) established the Land Conservation and Development Commission (LCDC) and the Department of Land Conservation and Development (DLCD). The Act required the Commission to develop and adopt a set of statewide planning goals. Goal 10 addresses housing in Oregon and provides guidelines for local governments to follow in developing their local comprehensive land use plans and implementing policies.

At a minimum, local housing policies must meet the requirements of Goal 10 and the statutes and administrative rules that implement it (ORS 197.295 to 197.314, ORS 197.475 to 197.490, and OAR 600-008).¹ Goal 10 requires incorporated cities to complete an inventory of buildable residential lands and to encourage the availability of adequate numbers of housing units in price and rent ranges commensurate with the financial capabilities of its households.

Goal 10 defines needed housing types as “housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels.” ORS 197.303 defines needed housing types:

- (a) Housing that includes, but is not limited to, attached and detached single-family housing and multiple family housing for both owner and renter occupancy;
- (b) Government assisted housing;²
- (c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490; and
- (d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions.

¹ ORS 197.296 only applies to cities with populations over 25,000.

² Government assisted housing can be any housing type listed in ORS 197.303 (a), (c), or (d).

DLCD provides guidance on conducting a housing needs analysis in the document *Planning for Residential Growth: A Workbook for Oregon's Urban Areas*, referred to as the Workbook.

Scappoose must identify needs for all of the housing types listed above as well as adopt policies that increase the likelihood that needed housing types will be developed. This housing needs analysis was developed to meet the requirements of Goal 10 and its implementing administrative rules and statutes.

Organization of this Report

The rest of this document is organized as follows:

- **Chapter 2. Residential Buildable Lands Inventory** presents the methodology and results of Scappoose's inventory of residential land.
- **Chapter 3. Historical and Recent Development Trends** summarizes the state, regional, and local housing market trends affecting Scappoose's housing market.
- **Chapter 4. Demographic and Other Factors Affecting Residential Development in Scappoose** presents factors that affect housing need in Scappoose, focusing on the key determinants of housing need: age, income, and household composition. This chapter also describes housing affordability in Scappoose relative to the larger region.
- **Chapter 5. Housing Need in Scappoose** presents the forecast for housing growth in Scappoose, describing housing need by density ranges and income levels.
- **Chapter 6. Residential Land Sufficiency within Scappoose** estimates Scappoose's residential land sufficiency needed to accommodate expected growth over the planning period.

2. Residential Buildable Lands Inventory

This chapter provides a summary of the residential buildable lands inventory (BLI) for the Scappoose UGB. This buildable lands inventory analysis complies with statewide planning Goal 10 policies that govern planning for residential uses. The full buildable lands inventory completed by ECONorthwest is presented in Appendix A.

First, the analysis established the residential land base (parcels or portion of parcels with appropriate zoning), classified parcels by buildable status, identified/deducted environmental constraints, and lastly summarized total buildable area by Plan Designation.

Definitions

ECONorthwest developed the buildable lands inventory with a tax lot database from Columbia County GIS. Maps produced for the buildable lands inventory used a combination of City GIS data, adopted maps, and visual verification to verify the accuracy of County data. The tax lot database is current as of November 2016. The inventory builds from the database to estimate buildable land for Plan Designations that allow residential uses. The following definitions were used to identify buildable land for inclusion in the inventory:

- *Vacant land.* Tax lots that have no structures or have buildings with very little improvement value are considered vacant. For the purpose of this inventory, lands with improvement values under \$10,000 are considered vacant (not including lands that are identified as having mobile homes).
- *Partially vacant land.* Partially vacant tax lots are those occupied by a use but which contain enough land to be developed further. Consistent with the safe harbor established in OAR 660-024-0050 (2)(a), tax lots that are one-half acre or larger are considered partially vacant.³ This was refined through visual inspection of recent aerial photos.
- *Developed land.* Developed land is developed at densities consistent with zoning and has improvements that make it unlikely to redevelop during the analysis period. Lands not classified as vacant or partially vacant are considered developed. In addition, tax lots that provide required parking for adjacent parcels—as identified through review by City of Scappoose staff—are also considered developed.

³ Under the safe harbor established in OAR 660-024-0050 (2)(a), the infill potential of developed residential lots of one-half acre or more may be determined by subtracting one-quarter acre (10,890 square feet) for the existing dwelling and assuming that the remainder is buildable land. The RBLI used this methodology.

Development constraints

Consistent with state guidance on buildable lands inventories, ECONorthwest deducted the following constraints from the buildable lands inventory and classified those portions of tax lots that fall within the following areas as constrained, unbuildable land.

- *Lands within floodplains.* Flood Insurance Rate Maps from the Federal Emergency Management Agency (FEMA) were used to identify lands in floodways and 100-year floodplains.
- *Land within natural resource protection areas.* The 2009 Oregon Wetlands Coverage from the Oregon Spatial Data Library was used to identify areas within wetlands. A 25-foot buffer was added to all wetlands areas. In addition, riparian corridors (defined as lands within 50 feet of rivers) are considered undevelopable. These wetlands and riparian buffers are consistent with Scappoose Zoning Code 17.85 and 17.89.
- *Land with slopes over 25%.* Lands with slopes over 25% are considered unsuitable for residential development.

Buildable Lands Inventory Results

Land Base

Exhibit 1 shows residential land in Scappoose by classification (development status). The results show that the Scappoose UGB has 1,294 total acres in residential Plan Designations. (This includes the Commercial designation, which allows residential uses). Of the 1,294 acres in the UGB, about 685 acres (53%) are in classifications with no development capacity, and the remaining 608 acres (47%) have development capacity before development constraints are applied.

Exhibit 1. Residential acres by classification and Plan Designation, Scappoose UGB, 2016

| Plan Designation | Partially | | | Total Acres | Percent of Total |
|----------------------|------------|------------|------------|--------------|------------------|
| | Vacant | Vacant | Developed | | |
| General Residential | 14 | 14 | 145 | 174 | 13% |
| Suburban Residential | 121 | 392 | 352 | 865 | 67% |
| Manufactured Home | 3 | 14 | 70 | 86 | 7% |
| Commercial | 27 | 24 | 118 | 169 | 13% |
| Total Acres | 164 | 444 | 685 | 1,294 | 100% |
| Percent of Total | 13% | 34% | 53% | 100% | |

Source: Appendix A

Note: The numbers in the table may not sum to the total as a result of rounding.

Exhibit 2 shows land in all residential Plan Designations by development and constraint status. After development constraints have been applied, about 53% of Scappoose’s total residential land (684 acres) is built, 22% (283 acres) is constrained, and 25% (327 acres) is buildable.

Exhibit 2. Residential land by comprehensive Plan Designation and constraint status, Scappoose UGB, 2016

| Plan Designation | Tax Lots | Total Acres | Acres with No | | Total |
|-------------------------|--------------|--------------|----------------------|-------------------|-------------------------------|
| | | | Development Capacity | Constrained Acres | Unconstrained Buildable Acres |
| General Residential | 772 | 174 | 129 | 32 | 12 |
| Suburban Residential | 1,624 | 865 | 373 | 231 | 260 |
| Manufactured Home | 157 | 86 | 66 | 8 | 12 |
| Commercial | 218 | 169 | 116 | 11 | 42 |
| Total | 2,770 | 1,294 | 684 | 283 | 327 |
| Percent of Total | | 100% | 53% | 22% | 25% |

Source: Appendix A

Note: “Acres with no development capacity” consists of developed parcels and the built portion of partially vacant parcels.

Note: The numbers in the table may not sum to the total as a result of rounding.

Vacant Buildable Land

Exhibit 3 shows buildable acres (e.g., acres in tax lots after constraints are deducted) for vacant and partially vacant land by Plan Designation. Of Scappoose’s 327 buildable residential acres, about 33% are in tax lots classified as vacant, and 67% are in tax lots classified as partially vacant. About 80% of Scappoose’s buildable residential land is in Suburban Residential Plan Designations.

Exhibit 4 (on the following page) maps Scappoose’s buildable vacant and partially vacant residential land.

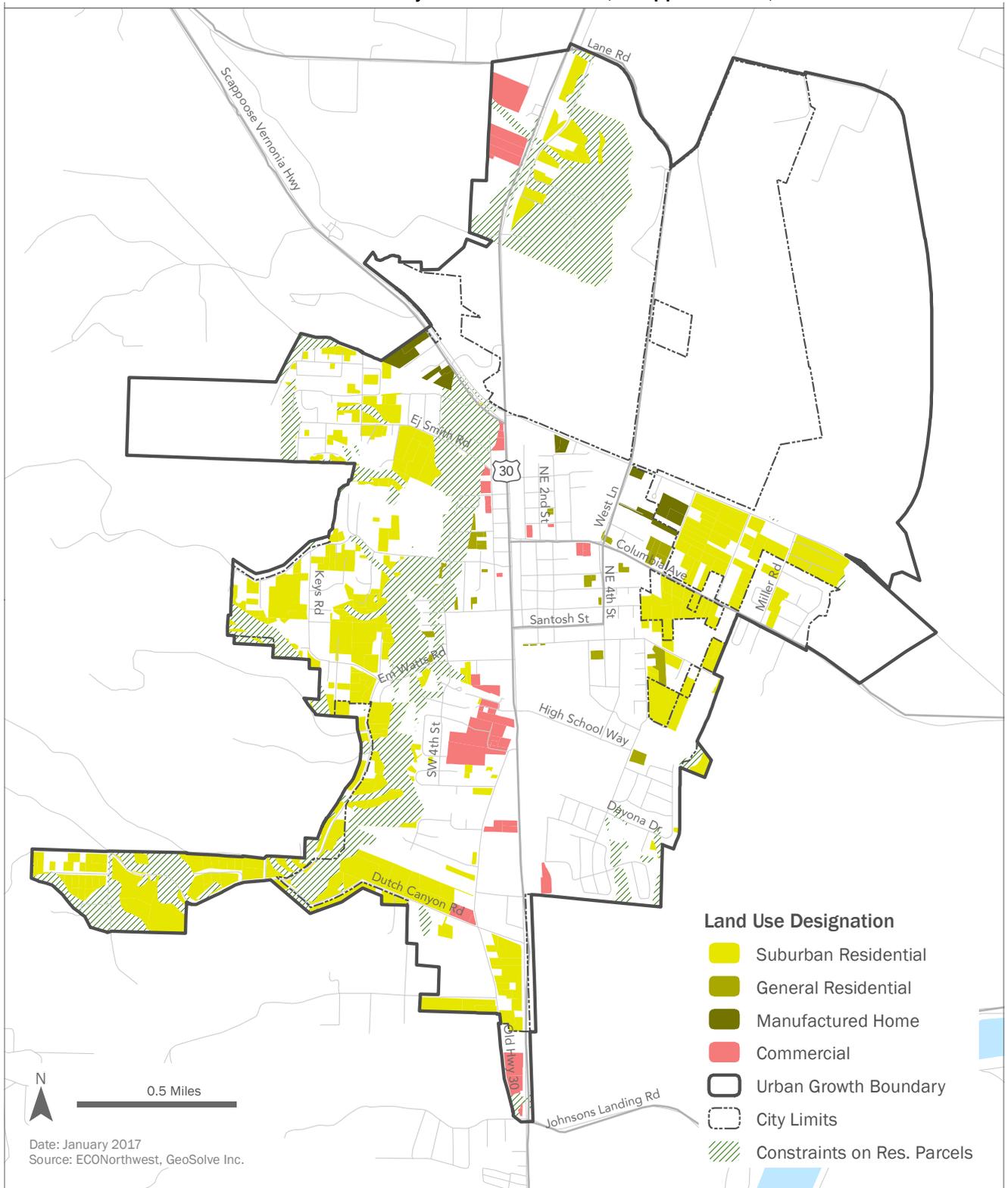
Exhibit 3. Buildable acres in vacant and partially vacant tax lots by Plan Designation and zoning, Scappoose UGB, 2016

| Plan Designation | Unconstrained | | Total |
|-----------------------------|------------------------|----------------------------|-------------------------------|
| | Partially Vacant Acres | Unconstrained Vacant Acres | Unconstrained Buildable Acres |
| General Residential | 2.8 | 9.3 | 12.1 |
| A-1 | 0.0 | 2.0 | 2.0 |
| A-1 PD | 0.0 | 0.2 | 0.2 |
| R-1 | 1.3 | 3.4 | 4.7 |
| R-4 | 1.4 | 3.7 | 5.2 |
| Suburban Residential | 187.3 | 73.2 | 260.5 |
| PA-80 | 1.1 | 0.4 | 1.5 |
| R-1 | 51.6 | 27.3 | 78.9 |
| R-10 | 72.5 | 24.1 | 96.6 |
| R-4 | 37.0 | 19.9 | 56.9 |
| RR-5 | 25.0 | 1.5 | 26.5 |
| Manufactured Home | 9.5 | 2.7 | 12.2 |
| MH | 6.0 | 2.7 | 8.7 |
| MHR | 3.5 | 0.0 | 3.5 |
| Commercial | 18.0 | 24.2 | 42.2 |
| C | 0.9 | 2.7 | 3.7 |
| C-3 | 1.9 | 0.0 | 1.9 |
| CS-I | 0.0 | 0.1 | 0.1 |
| EC | 7.0 | 14.8 | 21.8 |
| RIPD | 0.1 | 0.0 | 0.1 |
| RR-5 | 8.1 | 6.5 | 14.5 |
| Total | 218 | 109 | 327 |
| Percent of Total | 67% | 33% | 100% |

Source: Appendix A

Note: The numbers in the table may not sum to the total as a result of rounding.

Exhibit 4. Unconstrained Vacant and Partially Vacant Residential, Scappoose UGB, 2016



3. Historical and Recent Development Trends

Analysis of historical development trends in Scappoose provides insight into the functioning of the local housing market. The mix of housing types and densities, in particular, are key variables in forecasting future land need. The specific steps are described in Task 2 of the DLCD *Planning for Residential Lands Workbook* as:

1. Determine the time period for which the data will be analyzed
2. Identify types of housing to address (all needed housing types)
3. Evaluate permit/subdivision data to calculate the actual mix, average actual gross density, and average actual net density of all housing types

This HNA examines changes in Scappoose’s housing market from January 2000 to December 2016. We selected this time period because it provides information about Scappoose’s housing market before and after the national housing market bubble’s growth and deflation. In addition, data about Scappoose’s housing market during this period is readily available from sources such as the Census and the City building permit database.

The HNA presents information about residential development by housing type. There are multiple ways that housing types can be grouped. For example, they can be grouped by:

1. Structure type (e.g., single-family detached, apartments, etc.)
2. Tenure (e.g., distinguishing unit type by owner or renter units)
3. Housing affordability (e.g., units affordable at given income levels)
4. Some combination of these categories

For the purposes of this study, we grouped housing types based on: (1) whether the structure is stand-alone or attached to another structure and (2) the number of dwelling units in each structure. The housing types used in this analysis are:

- **Single-family detached** includes single-family detached units, manufactured homes on lots and in mobile home parks, and accessory dwelling units.
- **Single-family attached** is all structures with a common wall where each dwelling unit occupies a separate lot, such as row houses or townhouses.
- **Multifamily** is all attached structures (e.g., duplexes, tri-plexes, quad-plexes, and structures with five or more units) other than single-family detached units, manufactured units, or single-family attached units.

Data Used in this Analysis

Throughout this analysis, we use data from multiple sources, choosing data from well-recognized and reliable data sources. One of the key sources for data about housing and household data is the U.S. Census. This report primarily uses data from two Census sources:

- The **Decennial Census**, which is completed every ten years and is a survey of all households in the U.S. The Decennial Census is considered the best available data for information such as demographics (e.g., number of people, age distribution, or ethnic or racial composition), household characteristics (e.g., household size and composition), and housing occupancy characteristics. As of the 2010 Decennial Census, it does not collect more detailed household information, such as income, housing costs, housing characteristics, and other important household information. Decennial Census data is available for 2000 and 2010.
- The **American Community Survey (ACS)**, which is completed every year and is a sample of households in the U.S. From 2011 through 2015, the ACS sampled an average of 3.5 million households per year, or about 2.6% of the households in the nation. The ACS collects detailed information about households, such as: demographics (e.g., number of people, age distribution, ethnic or racial composition, country of origin, language spoken at home, and educational attainment), household characteristics (e.g., household size and composition), housing characteristics (e.g., type of housing unit, year unit built, or number of bedrooms), housing costs (e.g., rent, mortgage, utility, and insurance), housing value, income, and other characteristics.

In general, this report uses data from the 2011-2015 ACS for Scappoose. Where information is available, we report information from the 2000 and 2010 Decennial Census.

The foundation of the housing needs analysis is the population forecast for Scappoose from the Oregon Population Forecast Program by the Portland State University Population Research Center.

Trends in Housing Mix

This section provides an overview of changes in the mix of housing types in Scappoose and compares Scappoose to selected cities, Columbia County, and Oregon. These trends demonstrate the types of housing developed in Scappoose historically. Unless otherwise noted, this chapter uses data from the 2000 and 2010 Decennial Census and the 2011-2015 American Community Survey 5-Year Estimates.

This section shows the following trends in housing mix in Scappoose:

- **Scappoose’s housing stock is predominantly single-family detached housing units.** Eighty-two percent of Scappoose’s housing stock is single-family detached, 15% is multifamily, and 3% is single-family attached (e.g., townhouses). This proportion of single-family housing is much larger than the average for the Portland region (63%) but is lower than for Columbia County (87%).
- **Since 2000, Scappoose’s housing mix has shifted toward single-family housing.** Scappoose’s housing stock grew by about 28% (more than 550 new units) between 2000 and the 2011-2015 period. The mix of housing types also shifted slightly between 2000 and 2011-2015. The percentage of single-family housing types (attached and detached) increased from 81% in 2000 to 85% in 2011-2015.
- **Single-family detached housing accounted for the majority of new housing growth in Scappoose between 2000 and 2016.** Eighty-seven percent of new housing permitted between 2000 and 2016 was single-family detached housing.

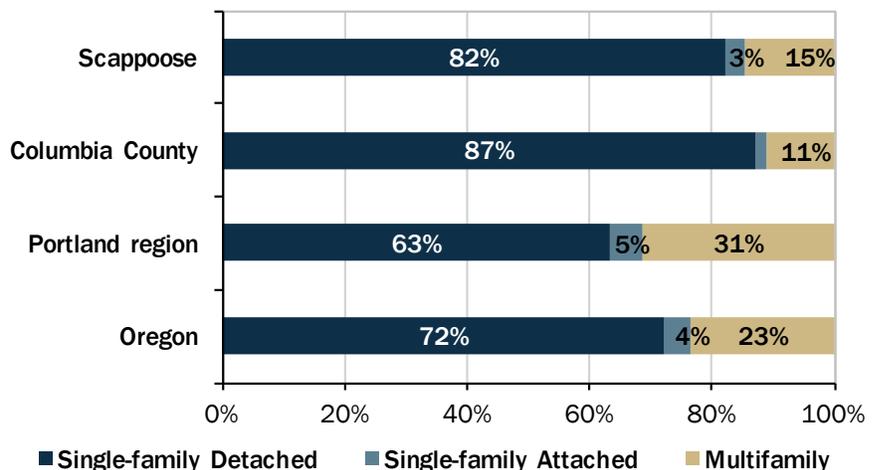
Housing Mix

About 82% of Scappoose’s housing stock is single-family detached.

Scappoose has a larger share of multifamily housing than Columbia County, but a smaller share than the Portland region or the State.

Exhibit 5. Housing Mix, 2011-2015

Source: Census Bureau, 2011-2015 ACS Table B25024



The mix of housing in Scappoose shifted slightly toward single-family housing between 2000 and 2011-2015.

The percentage of single-family attached housing increased slightly, the share of multifamily units declined.

Scappoose had 2,578 dwelling units in the 2011-2015 period. About 2,116 were single-family detached, 88 were single-family attached, and 374 were multifamily.

The total number of dwelling units in Scappoose increased by 557 dwelling units from 2000 to 2011-15.

This amounted to a 28% increase over the analysis period.

Exhibit 6. Change in Housing Mix, Scappoose, 2000 and 2011-15

Source: Census Bureau, 2000 Decennial Census, SF3 Table H030, and 2011-2015 ACS Table B25024

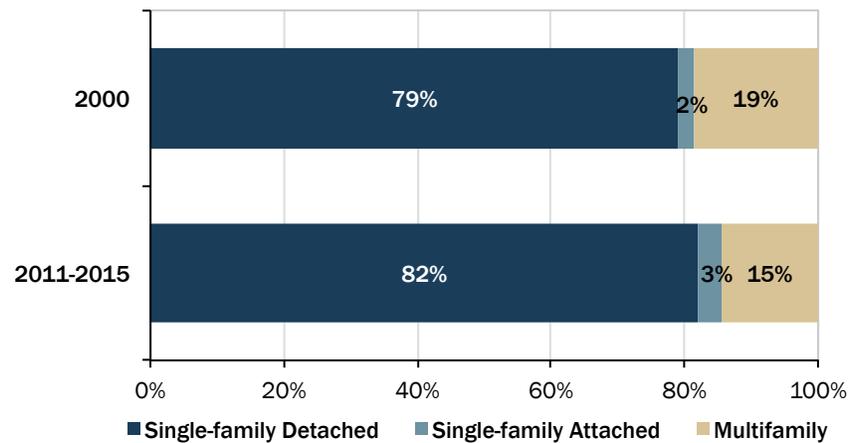
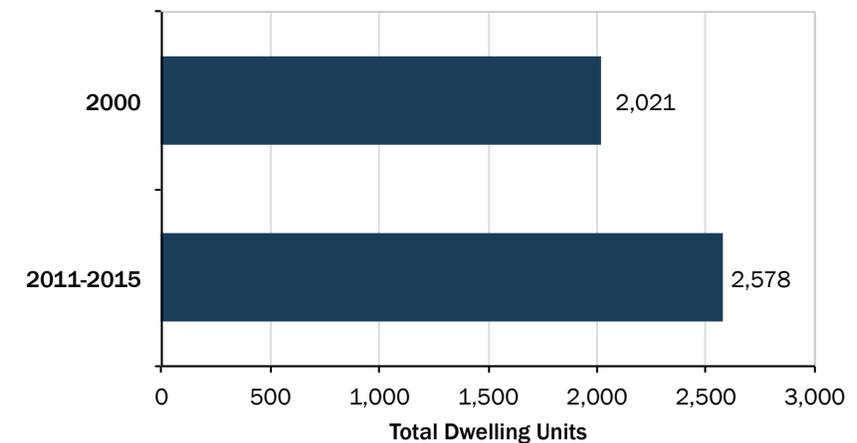


Exhibit 7. Total Dwelling Units, Scappoose, 2000 and 2011-15

Source: Census Bureau, 2000 Decennial Census, SF3 Table H030, and 2011-2015 ACS Table B25024.



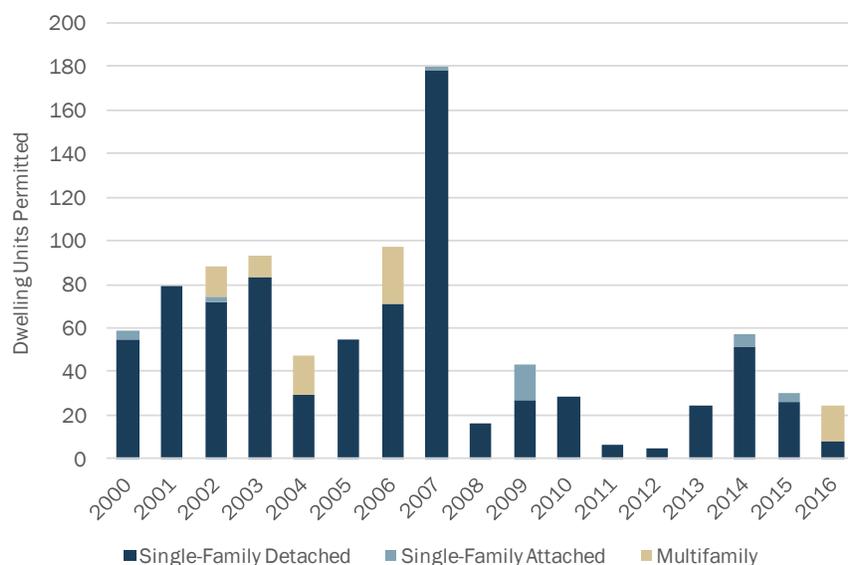
Building Permits

Over the 2000 to 2016 period, Scappoose issued permits for 931 dwelling units, with an average of 55 permits issued annually.

About 87% of dwellings permitted were single-family detached, 4% were for single-family attached housing, and 9% were multifamily.

Exhibit 8. Building Permits by Type of Unit, Scappoose, 2000 through 2016

Source: City of Scappoose.



Between 2013 and 2017, Scappoose also had building permits for four multifamily developments with a total of 50 units in the Commercial or Expanded Commercial designations, all within the Downtown Overlay.

Trends in Tenure

Housing tenure describes whether a dwelling is owner- or renter-occupied. This section shows:

- **About 71% of Scappoose's households own their own home.** In comparison, 73% of Columbia County households and 54% of Multnomah County households are homeowners.
- **Homeownership in Scappoose is similar to the county average, and well above the averages for the Portland region and the state.**
- **Homeownership in Scappoose stayed relatively stable between 2000 and 2011-2015.** In 2000, 72% of Scappoose households were homeowners. This dropped slightly to 69% in 2010 and was 71% in 2011-2015.
- **Nearly all Scappoose homeowners (99%) live in single-family detached housing, while many renters (48%) live in multifamily housing.**

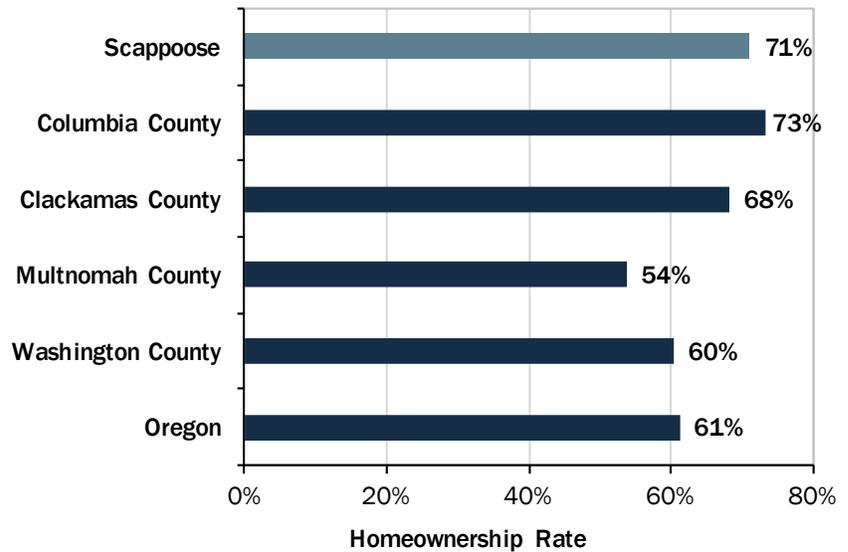
The implications for the forecast of new housing are: (1) opportunities for rental housing in Scappoose are limited, given that nearly half of renters live in multifamily housing and limited multifamily housing has been built in Scappoose since 2000, and (2) there may be opportunities to encourage development of a wider variety of affordable attached housing types for homeownership, such as townhomes.

Scappoose has a similar homeownership rate to Columbia County, but a higher rate than the counties in the Portland region.

About 71% of Scappoose households live in owner-occupied dwelling units.

Exhibit 9. Homeownership for Occupied Units, Scappoose, Columbia County, Clackamas County, Multnomah County, Washington County, Oregon 2011-15

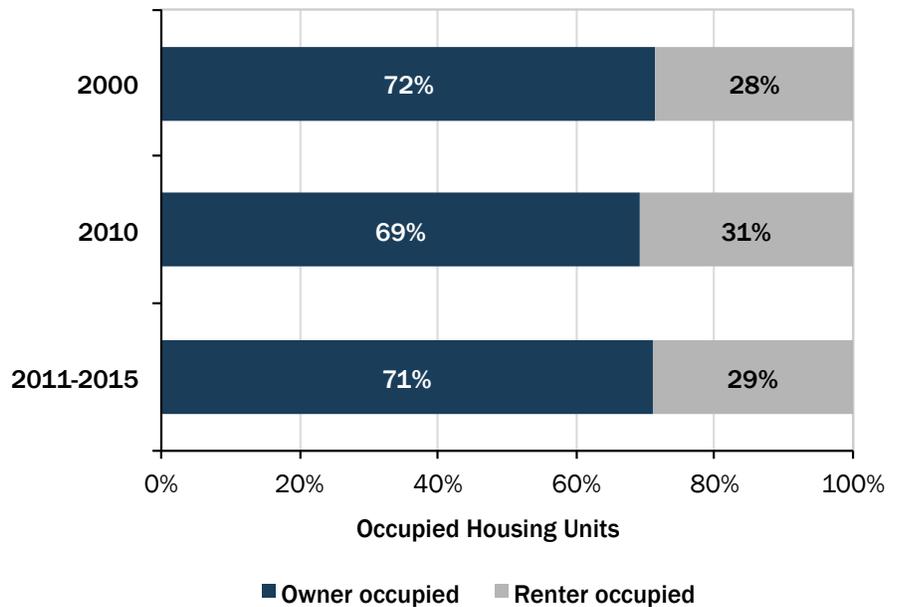
Source: Census Bureau, 2011-2015 ACS Table B24003



The homeownership rate in Scappoose has remained stable at about 70% since 2000.

Exhibit 10. Tenure, Occupied Units, Scappoose, 2011-2015

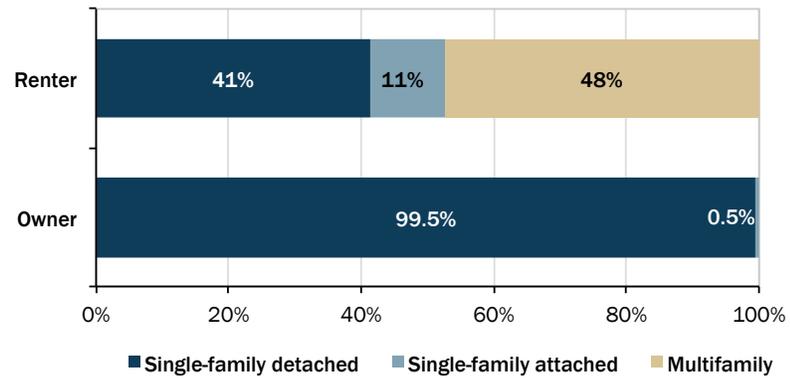
Source: Census Bureau, 2000 Decennial Census SF1 Table H004, 2010 Decennial Census SF1 Table H4, 2011-15 ACS Table B24003



Nearly all homeowners live in single-family detached housing.

In comparison, nearly half of Scappoose households that rent live in multifamily housing.

Exhibit 11. Housing Units by Type and Tenure, Scappoose, 2011-2015
Source: Census Bureau, 2011-2014 ACS Table B25032



Vacancy Rates

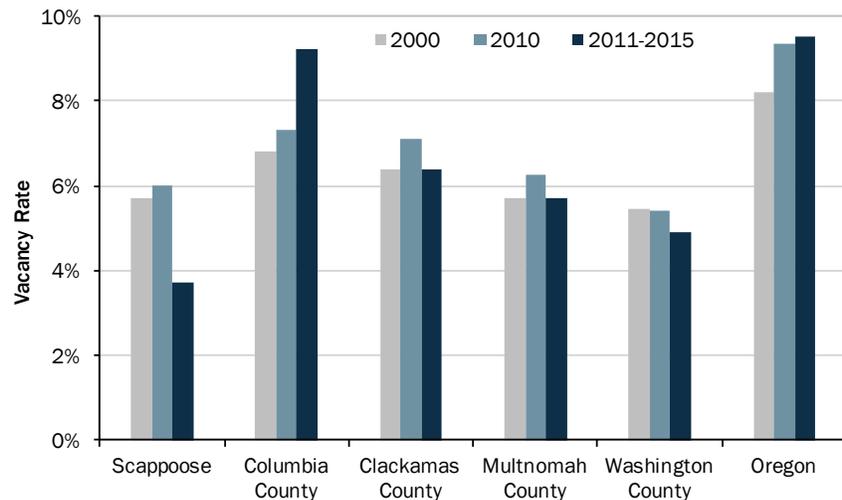
The Census defines vacancy as: "Unoccupied housing units are considered vacant. Vacancy status is determined by the terms under which the unit may be occupied, e.g., for rent, for sale, or for seasonal use only." The 2010 Census identified vacancy through an enumeration, separate from (but related to) the survey of households. The Census determines vacancy status and other characteristics of vacant units by enumerators obtaining information from property owners and managers, neighbors, rental agents, and others.

From 2000 to 2011-2015, the vacancy rate in Scappoose has consistently been lower than that of Columbia County and the State.

From 2000 to 2010, Scappoose’s vacancy rate rose from 5.7% to 6.0%, but still stood below that of the county and state.

For the 2011-2015 period, the vacancy rate in Scappoose was below that of Columbia County, the Portland region counties, and Oregon.

Exhibit 12. Percent of Housing Units that are Vacant, 2000, 2010, 2011-2015
Source: Census Bureau, 2000 Decennial Census SF1 Table QT-H1, 2010 Decennial Census SF1 Table QT-H1, 2011-15 ACS Table B25002



Government-assisted housing programs

Governmental agencies and nonprofit organizations offer a range of housing assistance to low- and moderate-income households in renting or purchasing a home. There are two government-assisted housing developments in Scappoose:

- **Senior Victorian Apartments** has 21 units of affordable units for low-income seniors.
- **Sycamore View Apartments** has 22 units of affordable units for farm workers.

Manufactured Homes

Manufactured homes have provided a source of affordable housing in Scappoose. They provide a form of homeownership that can be made available to low- and moderate-income households. Cities are required to plan for manufactured homes—both on lots and in parks (ORS 197.475-492).

Generally, manufactured homes in parks are owned by the occupants who pay rent for the space. Monthly housing costs are typically lower for a homeowner in a manufactured home park for several reasons, including the fact that property taxes levied on the value of the land are paid by the property owner rather than the manufactured home owner. The value of the manufactured home generally does not appreciate in the way a conventional home would, however. Manufactured home homeowners in parks are also subject to the mercy of the property owner in terms of rent rates and increases. It is generally not within the means of a manufactured homeowner to relocate another manufactured home to escape rent increases. Living in a park is desirable to some because it can provide a more secure community with on-site managers and amenities, such as laundry and recreation facilities.

Scappoose had 162 mobile homes in 2000, and 200 mobile homes in the 2011-15 period, an increase of 38 dwellings. According to Census data, 91% of the mobile homes in Scappoose were owner-occupied in the 2011-2015 period.

OAR 197.480(4) requires cities to inventory the mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial or high-density residential development. Exhibit 13 presents the inventory of mobile and manufactured home parks within Scappoose in 2016.

Scappoose has two manufactured home parks within the UGB with a total of 62 spaces, one of which is vacant.

Exhibit 13. Inventory of Mobile/Manufactured Home Parks, Scappoose UGB, 2016

Source: Oregon Manufactured Dwelling Park Directory

| Name | Type | Total Spaces | Vacant Spaces | Zone or Plan Designation |
|---------------------------------|--------|--------------|---------------|--------------------------|
| Crown Park | Family | 22 | 1 | MH Zone |
| Green Meadows Mobile Home Court | Family | 40 | 0 | SR Designation |

4. Demographic and Other Factors Affecting Residential Development in Scappoose

Demographic trends are important for a thorough understanding of the dynamics of the Scappoose housing market. Scappoose exists in a regional economy; trends in the region impact the local housing market. This chapter documents demographic, socioeconomic, and other trends relevant to Scappoose at the national, state, and regional levels.

Demographic trends provide a context for growth in a region; factors such as age, income, migration and other trends show how communities have grown and how they will shape future growth. To provide context, we compare Scappoose to Columbia County and the Portland region (defined here as Clackamas County, Multnomah County, and Washington County). We also compare Scappoose to nearby cities (Banks, Beaverton, Cornelius, Forest Grove, Hillsboro, North Plains, Portland, and St. Helens) where appropriate. Characteristics such as age and ethnicity are indicators of how population has grown in the past and provide insight into factors that may affect future growth.

A recommended approach to conducting a housing needs analysis is described in *Planning for Residential Growth: A Workbook for Oregon's Urban Areas*, the Department of Land Conservation and Development's guidebook on local housing needs studies. As described in the workbook, the specific steps in the housing needs analysis are:

1. Project the number of new housing units needed in the next 20 years.
2. Identify relevant national, state, and local demographic and economic trends and factors that may affect the 20-year projection of structure type mix.
3. Describe the demographic characteristics of the population and, if possible, the housing trends that relate to demand for different types of housing.
4. Determine the types of housing that are likely to be affordable to the projected households based on household income.
5. Determine the needed housing mix and density ranges for each plan designation and the average needed net density for all structure types.
6. Estimate the number of additional needed units by structure type.

This chapter presents data to address steps 2, 3, and 4 in this list. Chapter 5 presents data to address steps 1, 5, and 6 in this list.

Demographic and Socioeconomic Factors Affecting Housing Choice ⁴

Analysts typically describe housing demand as the *preferences* for different types of housing (i.e., single-family detached or apartment), and *the ability to pay* for that housing (the ability to exercise those preferences in a housing market by purchasing or renting housing; in other words, income or wealth).

Many demographic and socioeconomic variables affect housing choice. However, the literature about housing markets finds that age of the householder, size of the household, and income are most strongly correlated with housing choice.

- **Age of householder** is the age of the person identified (in the Census) as the head of household. Households make different housing choices at different stages of life. This chapter discusses generational trends, such as housing preferences of Baby Boomers, people born from about 1946 to 1964, and Millennials, people born from about 1980 to 2000.
- **Size of household** is the number of people living in the household. Younger and older people are more likely to live in single-person households. People in their middle years are more likely to live in multiple person households (often with children).
- **Income** is the household income. Income is probably the most important determinant of housing choice. Income is strongly related to the type of housing a household chooses (e.g., single-family detached, duplex, or a building with more than five units) and to household tenure (e.g., rent or own).

⁴ The research in this chapter is based on numerous articles and sources of information about housing, including:

Davis, Hibbits, & Midghal Research, "Metro Residential Preference Survey," May 2014.

The American Planning Association, "Investing in Place; Two generations' view on the future of communities." 2014

"Access to Public Transportation a Top Criterion for Millennials When Deciding Where to Live, New Survey Shows," Transportation for America.

"Survey Says: Home Trends and Buyer Preferences," National Association of Home Builders International Builders

The Case for Multi-family Housing. Urban Land Institute. 2003

E. Zietz. *Multi-family Housing: A Review of Theory and Evidence*. Journal of Real Estate Research, Volume 25, Number 2. 2003.

C. Rombouts. *Changing Demographics of Homebuyers and Renters*. Multi-family Trends. Winter 2004.

J. McIlwain. *Housing in America: The New Decade*. Urban Land Institute. 2010.

D. Myers and S. Ryu. *Aging Baby Boomers and the Generational Housing Bubble*. Journal of the American Planning Association. Winter 2008.

M. Riche. *The Implications of Changing U.S. Demographics for Housing Choice and Location in Cities*. The Brookings Institution Center on Urban and Metropolitan Policy. March 2001.

L. Lachman and D. Brett. *Generation Y: America's New Housing Wave*. Urban Land Institute. 2010.

This chapter focuses on these factors, presenting data that suggests how changes to these factors may affect housing need in Scappoose over the next 20 years.

National Trends ⁵

This brief summary on national housing trends builds on previous work by ECONorthwest, the Urban Land Institute (ULI) reports, and conclusions from *The State of the Nation's Housing, 2016* report from the Joint Center for Housing Studies of Harvard University. The Harvard report summarizes the national housing outlook as follows:

“With household growth finally picking up, housing should help boost the economy. Although homeownership rates are still falling, the bottom may be in sight as the lingering effects of the housing crash continue to dissipate. Meanwhile, rental demand is driving the housing recovery, and tight markets have added to already pressing affordability challenges. Local governments are working to develop new revenue sources to expand the affordable housing supply, but without greater federal assistance, these efforts will fall far short of need.”

The U.S. housing market has recovered substantially from the crash, but there are still some challenges ahead.

- **Household growth should spur the economy.** In 2015, the economy neared full employment and incomes began to climb. Household growth returned to its expected pace, and new home construction was up by 11 percent. Household growth continues to gain momentum, and the housing sector should be an engine of growth.
- **Lowest homeownership.** Homeownership rate has fallen to its lowest level in a half-century. Foreclosures are a factor in low homeownership rates, and 9.4 million homes were forfeited through foreclosures from the start of the housing crash, 2007-2015. Foreclosures have slowed recently, but tight mortgage credit is not helping the transition into owning a home either.
- **Housing affordability.** In 2014, more than one-third of American households spent more than 30% of income on housing. Low-income households face an especially dire hurdle to afford housing. Among those earning less than \$15,000, more than 83% paid over 30% of their income and almost 70% of households paid more than half of their income. For households earning \$15,000 to \$29,000, more than 65% were cost burdened, with about 30% paying more than half of their income on housing.
- **Long-term growth and housing demand.** The Joint Center for Housing Studies forecasts that demand for new homes could total as many as 13.2 million units nationally between 2015 and 2025. Much of the demand will come from Baby Boomers, Millennials,⁶ and immigrants.

⁵ These trends are based on information from: (1) The Joint Center for Housing Studies of Harvard University's publication "The State of the Nation's Housing 2016," (2) Urban Land Institute, "2014 Emerging Trends in Real Estate," and (3) the U.S. Census.

⁶ There is no precisely agreed on definition for when the Millennial generation started. Millennials are, broadly speaking, the children of Baby Boomers, born from the early 1980's through the early 2000's.

- **Changes in housing preference.** Housing preference will be affected by changes in demographics, most notably the aging of the Baby Boomers, housing demand from the Millennials, and growth of foreign-born immigrants.
 - *Baby Boomers.* The housing market will be affected by continued aging of the Baby Boomers, the oldest of whom were in their late 60s in 2015 and the youngest of whom were in their early 50s in 2015. Baby Boomers' housing choices will affect housing preference and homeownership, with some boomers likely to stay in their home as long as they are able and some preferring other housing products, such as multifamily housing or age-restricted housing developments.
 - *Millennials.* As Millennials age over the next 20 years, they will be forming households and families. In 2015, the oldest Millennials in their mid-20s and the youngest in their mid-teens. By 2035, Millennials will be between 35 and 55 years old.

Millennials were in the early period of household formation at the beginning of the 2007-2009 recession. Across the nation, household formation fell to around 600,000 to 800,000 in the 2007-2013 period, well below the average rate of growth in previous decades. Despite sluggish growth recently, several demographic factors indicate increases in housing growth to come. The Millennial generation is the age group most likely to form the majority of new households. While low incomes have kept current homeownership rates among young adults below their potential, Millennials may represent pent-up demand that will release when the economy fully recovers. As Millennials age, they may increase the number of households in their 30s by 2.4 to 3.0 million through 2025.

- *Immigrants.* Immigration and increased homeownership among minorities will also play a key role in accelerating household growth over the next 10 years. The Census' Current Population Survey estimates indicate that the number of foreign-born households rose by nearly 400,000 annually between 2001 and 2007, and accounted for nearly 30 percent of overall household growth. Beginning in 2008, the influx of immigrants was stanchied by the effects of the Great Recession. After a period of declines, however, the foreign born are again contributing to household growth. Census Bureau estimates of net immigration in 2013-2014 indicate an increase of 995,944 persons over the previous year.

The growing diversity of American households will have a large impact on the domestic housing markets. Over the coming decade, minorities will make up a larger share of young households, and constitute an important source of demand for both rental housing and small homes. This makes the growing gap in homeownership rates between whites and blacks and whites and Hispanics troubling. Since 2001, the difference in homeownership rates between whites and blacks rose from 25.9 to 29.8 in 2014. Similarly, the gap between white and Hispanic homeownership rates increased since 2008, from 25% to 26% in 2014. This growing gap between racial and ethnic groups will hamper the country's

homeownership rate as minority households constitute a larger share of the housing market.

- **Changes in housing characteristics.** The U.S. Census Bureau’s Characteristics of New Housing Report (2016) presents data that show trends in the characteristics of new housing for the nation, state, and local areas. Several long-term trends in the characteristics of housing are evident from the New Housing Report:⁷
 - *Larger single-family units on smaller lots.* Between 1990 and 2015 the median size of new single-family dwellings increased 30% nationally from 1,905 sq. ft. to 2,467 sq. ft., and 23% in the western region from 1,985 sq. ft. to 2,435 sq. ft. Moreover, the percentage of units smaller than 1,400 sq. ft. nationally decreased by almost half, from 15% in 1999 to 8% in 2015. The percentage of units greater than 3,000 sq. ft. increased from 17% in 1999 to 33% of new one-family homes completed in 2015. In addition to larger homes, a move toward smaller lot sizes is seen nationally. Between 1990 and 2015, the percentage of lots less than 7,000 sq. ft. increased from 27% of lots to 30% of lots.
 - *Larger multifamily units.* Between 1999 and 2015, the median size of new multiple family dwelling units increased by 3% nationally and 1% in the western region. The percentage of new multifamily units with more than 1,200 sq. ft. increased from 28% in 1999 to 30% in 2015 nationally, and went from 25% to 24% in the western region.
 - *More household amenities.* Between 1990 and 2015, the percentage of single-family units built with amenities such as central air conditioning, 2 or more car garages, or 2 or more baths all increased. The same trend in increased amenities is seen in multifamily units.

State Trends

Oregon’s 2016-2020 Consolidated Plan includes a detailed housing needs analysis as well as strategies for addressing housing needs statewide.⁸ The plan concludes that “Oregon’s changing population demographics are having a significant impact on its housing market.” It identified the following population and demographic trends that influence housing need statewide.

Oregon is facing:

- Housing cost increases that far surpass wage growth.
- Limited supply of rental housing at prices that are affordable to moderate and low income households.
- Extremely low vacancy rates in some parts of the state, due to population growth, lack of new unit production, and increase in rental households due to foreclosures.

⁷ <https://www.census.gov/construction/chars/highlights.html>

⁸ State of Oregon 2016-2020 Consolidated Plan. <https://www.oregon.gov/ohcs/docs/Consolidated-Plan/2016-2020-Consolidated-Plan.pdf>

- Expiration of subsidies on about 49% of housing units that are currently federally subsidized by the Section 8 or HUD Multifamily Assistance programs.
- Increasing homelessness and housing instability.
- Lack of housing stock suitable for the elderly and people with disabilities.
- Increasingly older, more diverse, and has less affluent households.

Regional and Local Demographic Trends that may affect housing need in Scappoose

Demographic trends that might affect the key assumptions used in the baseline analysis of housing need are: (1) the aging population, (2) changes in household size and composition, and (3) increases in diversity.

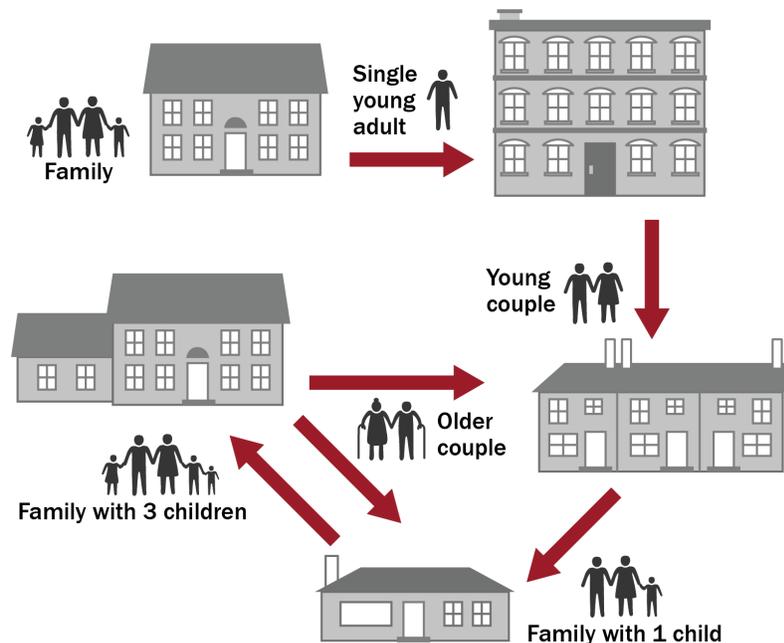
An individual's housing needs change throughout their life, with changes in income, family composition, and age. The types of housing needed by a 20-year-old college student differ from the needs of a 40-year-old parent with children, or an 80-year-old single adult. As Scappoose's population ages, different types of housing will be needed to accommodate older residents. The housing characteristics by age data below reveal this cycle in action in Scappoose.

Housing needs and preferences change in predictable ways over time, with changes in marital status and size of family.

Families of different sizes need different types of housing.

Exhibit 14. Effect of demographic changes on housing need

Source: ECONorthwest, adapted from Clark, William A.V. and Frans M. Dieleman. 1996. *Households and Housing*. New Brunswick, NJ: Center for Urban Policy Research.



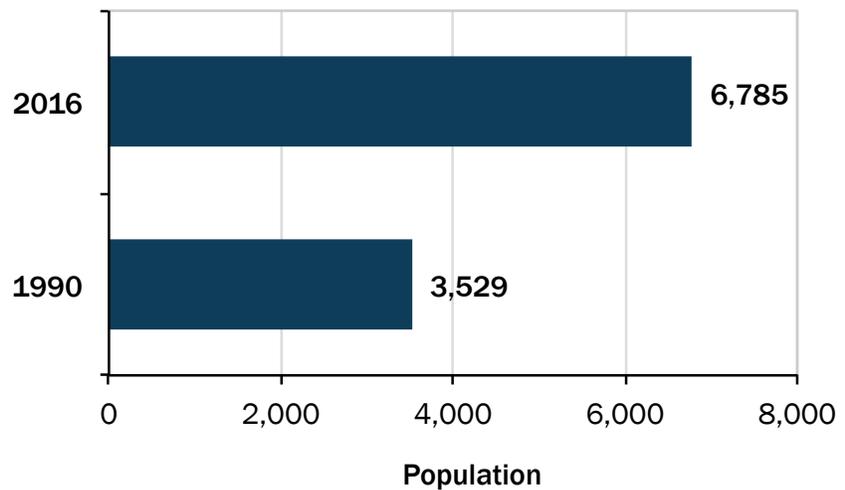
Growing population

Scappoose's population grew by 92% between 1990 and 2016, adding more than 3,200 new residents. Over this period, Scappoose's population grew at an average annual growth rate of 2.5%. **Scappoose's population growth will drive future demand for housing in Scappoose over the planning period.**

Since 1990, Scappoose's population has grown by roughly 3,256 people.

Exhibit 15. Population, Scappoose, 1990 - 2015

Source: US Decennial Census 1990, and PSU Population Research Center.



From 1990 to 2016, Scappoose's population grew by 92% and accounted for 25% of population growth in Columbia County.

Exhibit 16. Population Growth, 1990 - 2016

Source: US Decennial Census 1990, 2000, 2010. PSU Population Research Center, Population Estimates and Reports, <http://www.pdx.edu/prc/population-reports-estimates>.

| | | | |
|-------------------------|-------------------------------|-------------------------------|----------------------|
| 92% Scappoose | 35% Columbia County | 52% Portland region | 43% Oregon |
|-------------------------|-------------------------------|-------------------------------|----------------------|

Scappoose's population grew at a faster rate than that of the county, region, and state.

Exhibit 17. Annual Average Rate of Growth, 1990 - 2016

Source: US Decennial Census 1990, 2000, 2010. PSU Population Research Center, Population Estimates and Reports, <http://www.pdx.edu/prc/population-reports-estimates>.

| | | | |
|--------------------------|--------------------------------|--------------------------------|-----------------------|
| 2.5% Scappoose | 1.2% Columbia County | 1.6% Portland region | 1.4% Oregon |
|--------------------------|--------------------------------|--------------------------------|-----------------------|

Scappoose is projected to grow by 3,265 people between 2018 and 2038, at an average annual growth rate of 1.8%.⁹

Exhibit 18. Forecast of Population Growth, Scappoose UGB, 2018 – 2038

Source: Oregon Population Forecast Program, Portland State University, Population Research Center.

| | | | |
|----------------|----------------|-------------------------|---------------------------------------|
| 7,686 | 10,951 | 3,265 | 42% increase |
| people 2018 | people 2038 | New people 2018-2038 | 1.8% Average Annual Growth Rate |

Aging Population

This section shows two key characteristics of Scappoose’s population, with implications for future housing demand in Scappoose:

- **Seniors.** Scappoose currently has a smaller share of elderly residents than Columbia County and state averages. As Scappoose’s elderly population grows, it will have increasing demand for housing that is suitable for elderly residents.

Demand for housing for retirees will grow over the planning period, as the Baby Boomers continue to age and retire. The State forecasts share of residents aged 60 years and older will account for 35% of Columbia County’s population, compared to around 21% in 2010.

The impact of growth in seniors in Scappoose will depend, in part, on whether older people already in Scappoose continue to live in there as they retire. National surveys show that, in general, most retirees prefer to age in place by continuing to live in their current home and community as long as possible.¹⁰

Growth in the number of seniors will result in demand for housing types specific to seniors, such as small and easy-to-maintain dwellings, assisted living facilities, or age-restricted developments. Senior households will make a variety of housing choices, including: remaining in their homes as long as they are able, downsizing to smaller single-family homes (detached and attached) or multifamily units, or moving into group housing (such as assisted living facilities or nursing homes), as their health declines. The challenges aging seniors face in continuing to live in their community include: changes in healthcare needs, loss of mobility, the difficulty of home maintenance, financial concerns, and increases in property taxes.¹¹

- **Scappoose has a larger proportion of younger people than the county, Portland region, and State.** About 28% of Scappoose’s population is under 20 years old, compared to 26% of Columbia County’s population and the Portland region and State

⁹ This forecast of population growth is based on Scappoose’s official population forecast from the Oregon Population Forecast Program. ECONorthwest extrapolated the population forecast for 2017 (to 2018) and 2035 (to 2038) based on the methodology specified in the following file (from the Oregon Population Forecast Program website): http://www.pdx.edu/prc/sites/www.pdx.edu.prc/files/Population_Interpolation_Template.xlsx

¹⁰ A survey conducted by the AARP indicates that 90% of people 50 years and older want to stay in their current home and community as they age. See <http://www.aarp.org/research>.

¹¹ “Aging in Place: A toolkit for Local Governments” by M. Scott Ball.

averages of 25%. The forecast for population growth in Columbia County shows the number of people under 20 years old decreasing from 24% of the population in 2017 to 22% of the population by 2035.

People currently aged 15 to 35 are referred to as the Millennial generation and account for the largest share of population in Oregon. By 2035, they will be aged 35 to 55. The forecast for Columbia County shows growth in Millennials from 22% of the population in 2017 to 28% of the population in 2035.

In addition, the Oregon Manufacturing Innovation Center will be built in Scappoose over the next few years. The programs at the Center are expected to attract students from the Portland region and across Oregon. Some students will choose to live in Scappoose (but there is no estimate of the number of students at this point). Many of the students will be Millennials. In addition, the Center will attract faculty and staff, many of whom may be Millennials.

Scappoose's ability to attract people in this age group will depend, in large part, on whether the city has opportunities for housing that both appeals to and is affordable to Millennials. Retaining (or attracting) Millennials, such as those attending school at the Oregon Manufacturing Innovation Center, will depend on availability of housing types such as townhouses, cottages, duplexes and similar scale-multifamily housing, and apartments.

In the near-term, Millennials may increase demand for rental units. The long-term housing preference of Millennials is uncertain. Research suggests that Millennials' housing preferences may be similar to the Baby Boomers, with a preference for smaller, less costly units. Recent surveys about housing preference suggest that Millennials want affordable single-family homes in areas that offer transportation alternatives to cars, such as suburbs or small cities with walkable neighborhoods.¹²

A recent survey of people living in the Portland region shows that Millennials prefer single-family detached housing. The survey finds that housing price is the most important factor in choosing housing for younger residents.¹³ The survey results suggest Millennials are more likely than other groups to prefer housing in an urban neighborhood or town center. While this survey is for the Portland region, it shows similar results as national surveys and studies about housing preference for Millennials.

Growth in Millennials in Scappoose will result in increased demand for both affordable single-family detached housing (including cottages), as well as increased demand for affordable townhouses and multifamily housing. Growth in this population will result in increased demand for both ownership and rental

¹² The American Planning Association, "Investing in Place; Two generations' view on the future of communities." 2014.

"Access to Public Transportation a Top Criterion for Millennials When Deciding Where to Live, New Survey Shows," Transportation for America.

"Survey Says: Home Trends and Buyer Preferences," National Association of Home Builders International Builders

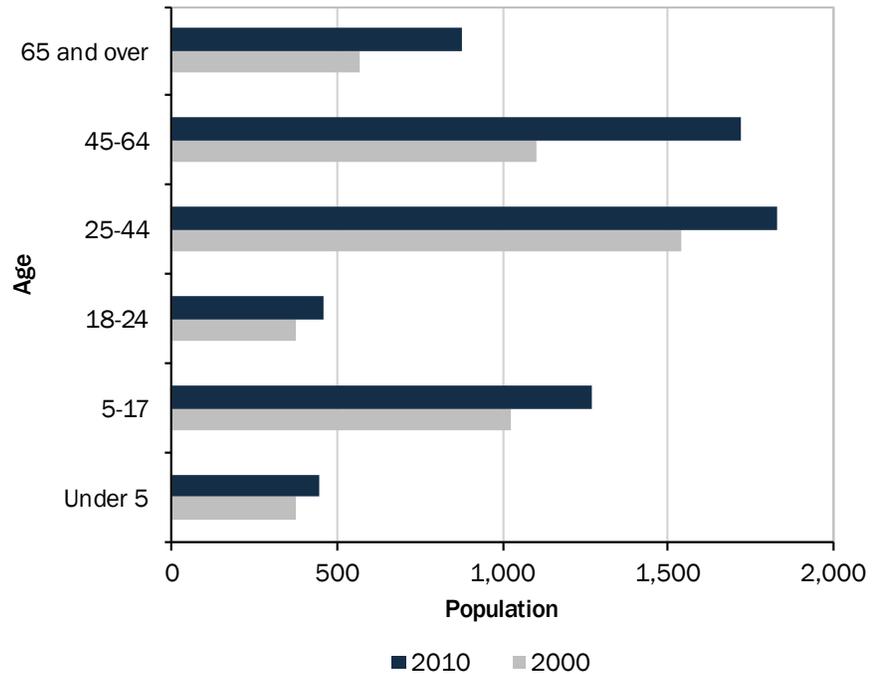
¹³ Davis, Hibbits, & Midghal Research, "Metro Residential Preference Survey," May 2014.

opportunities, with an emphasis on housing that is comparatively affordable. There is potential for attracting new residents to housing in Scappoose’s commercial areas, especially if the housing is relatively affordable and located in proximity to services.

Between 2000 and 2010, all age groups in Scappoose grew in size, with the largest increase in residents aged 45-64.

Exhibit 19. Population Growth by Age, 2000 to 2010

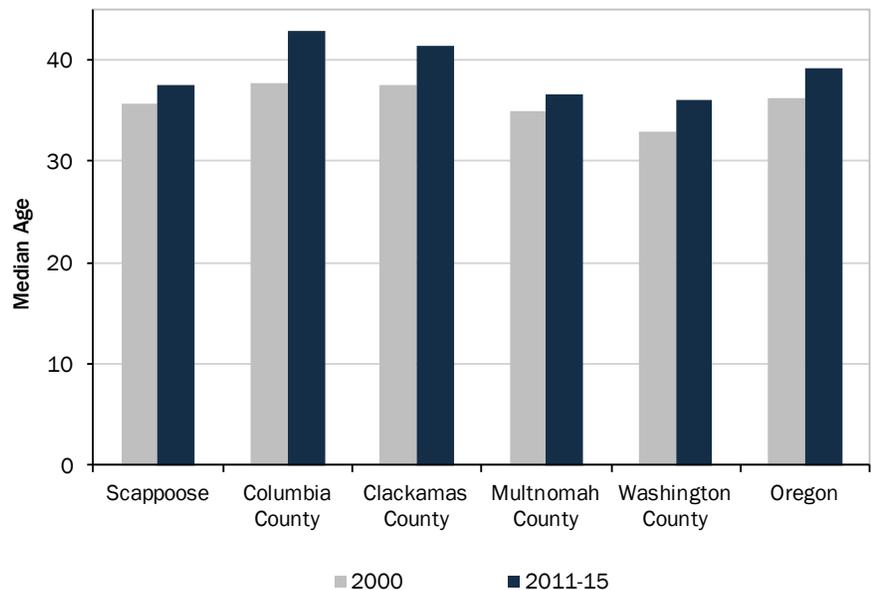
Source: US Census Bureau, 2000 Decennial Census Table P012, 2010 Decennial Census Table P12.



From 2000 to 2011-2015, Scappoose’s median age increased from 35.7 to 37.5 years.

Exhibit 20. Median Age, Years, 2000 to 2011-15

Source: US Census Bureau, 2000 Decennial Census Table B01002, 2011-15 ACS, Table B01002.

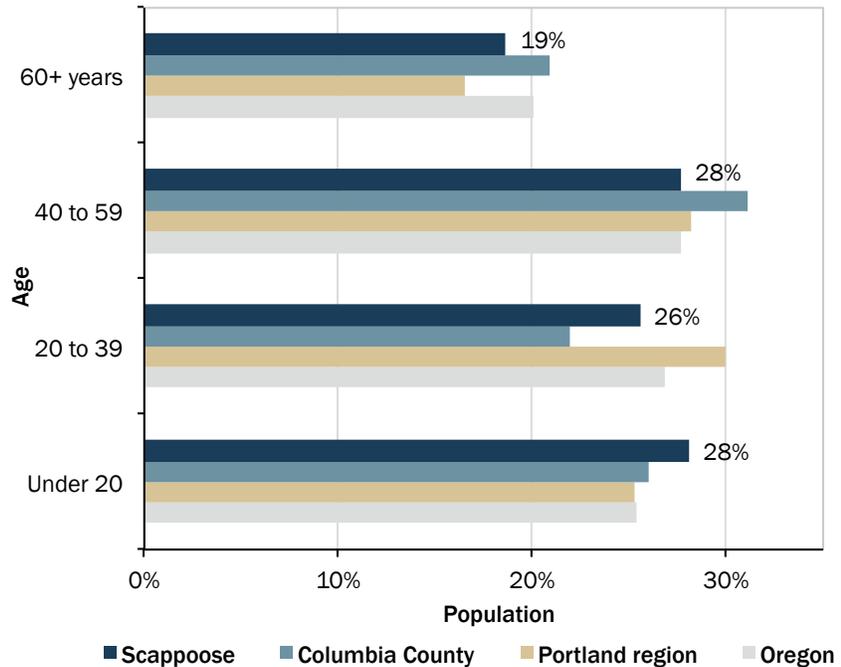


In 2010, about 53% of Scappoose residents were aged between 20 and 59.

Scappoose has a smaller share of people over 60 than the county or state.

About 28% of Scappoose’s population is under 20 years old, compared to 26% of Columbia County’s population and the Portland region and State averages of 25%.

Exhibit 21. Population Distribution by Age, 2010
Source: US Census Bureau, 2010 Decennial Census Table P12.

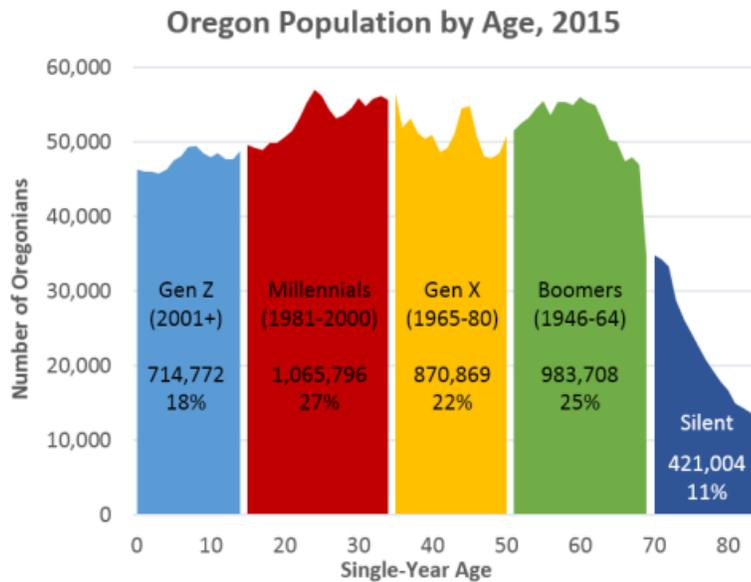


Oregon’s largest age groups are the Millennials and the Baby Boomers.

By 2035, Millennials will be between 35 and 54 years old. Baby Boomers will be 71 to 89 years old.

Exhibit 22. Population Distribution by Generation and Age, Oregon, 2015

Source: Oregon Office of Economic Analysis, “Population, Demographics, and Generations” by Josh Lehner, February 5, 2015. <http://oregoneconomicanalysis.com/2015/02/05/population-demographics-and-generations/>



Source: Oregon Office of Economic Analysis

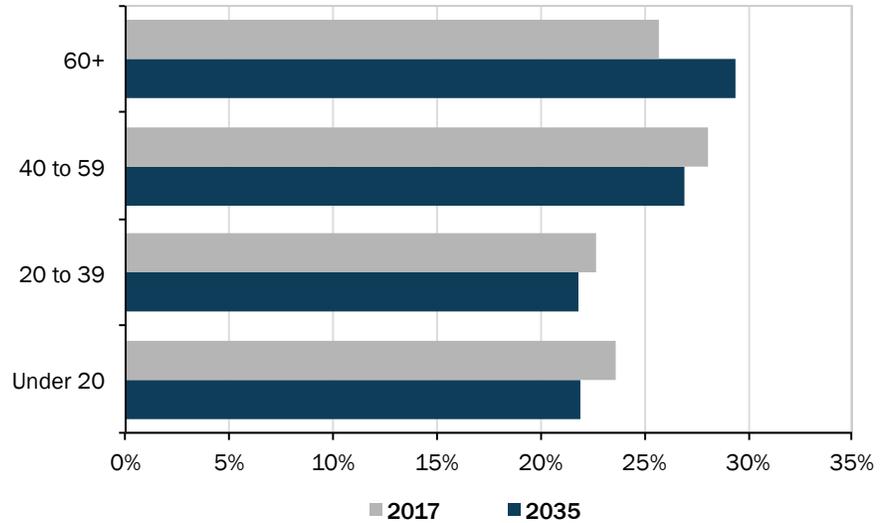
Fifty-percent of population growth in Columbia County will be people 60 years and older.

Exhibit 23. Fastest-growing Age Groups, Columbia County, 2017 - 2035
 Source: Portland State University, Population Research Center, Columbia County Forecast, June 30, 2017

| Under 20 | 20-39 Yrs | 40-59 Yrs | 60+ Yrs |
|--------------|--------------|--------------|--------------|
| 12% | 17% | 21% | 50% |
| 1,115 People | 1,589 People | 1,917 People | 4,596 People |

People over age 40 will continue to account for more than half of the population in Columbia County through 2035.

Exhibit 24. Population Growth by Age Group, Columbia County, 2017 - 2035
 Source: Portland State University, Population Research Center, Columbia County Forecast, June 30, 2017



Increased Ethnic Diversity

Scappoose is becoming more ethnically diverse. The Hispanic and Latino population grew from 2.5% of Scappoose's population in 2000 to 5.1% of the population in the 2011-2015 period, adding more than 228 new Hispanic and Latino residents. The populations of Scappoose and Columbia County are less ethnically diverse than the Portland region or Oregon.

Continued growth in the Hispanic and Latino population will affect Scappoose's housing needs in a variety of ways.¹⁴ Growth in first and, to a lesser extent, second and third generation Hispanic and Latino immigrants will increase demand for larger dwelling units to accommodate the, on average, larger household sizes for these households. Households for Hispanic and Latino immigrants are more likely to include multiple generations, requiring more space than smaller household sizes. As Hispanic and Latino households integrate over generations, household size typically decreases and their housing needs become similar to housing needs for all households.

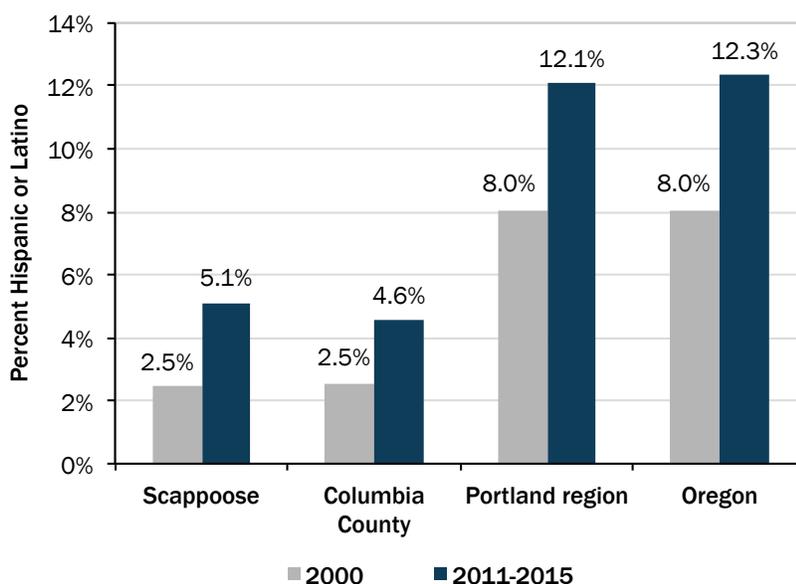
Growth in Hispanic and Latino households will result in increased demand for housing of all types, both for ownership and rentals, with an emphasis on housing that is comparatively affordable.

Scappoose's Hispanic/Latino population more than doubled between 2000 and 2011-2015.

Scappoose is less ethnically diverse than the Portland region or State.

Exhibit 25. Hispanic or Latino Population as a Percent of the Total Population, 2000 to 2011-2015

Source: US Census Bureau, 2000 Decennial Census Table P008, 2011-2015 ACS Table B03002.



¹⁴ The following articles describe housing preferences and household income trends for Hispanic and Latino families, including differences in income levels for first, second, and third generation households. In short, Hispanic and Latino households have lower median income than the national averages. First and second generation Hispanic and Latino households have median incomes below the average for all Hispanic and Latino households. Hispanic and Latino households have a strong preference for homeownership but availability of mortgages and availability of affordable housing are key barriers to homeownership for this group.

Pew Research Center. *Second-Generation Americans: A Portrait of the Adult Children of Immigrants*, February 7, 2012.

National Association of Hispanic Real Estate Professionals. *2014 State of Hispanic Homeownership Report*, 2014.

Household size and composition

Scappoose’s household size and composition show that households in Scappoose are somewhat different from the county, Portland region, and statewide averages. Scappoose’s households are larger, and a larger percentage are family households with children.

Scappoose’s average household size is above that of the county and the state.

Exhibit 26. Average Household Size, 2011-2015

Source: US Census Bureau, 2011-2015 ACS Table B25010.

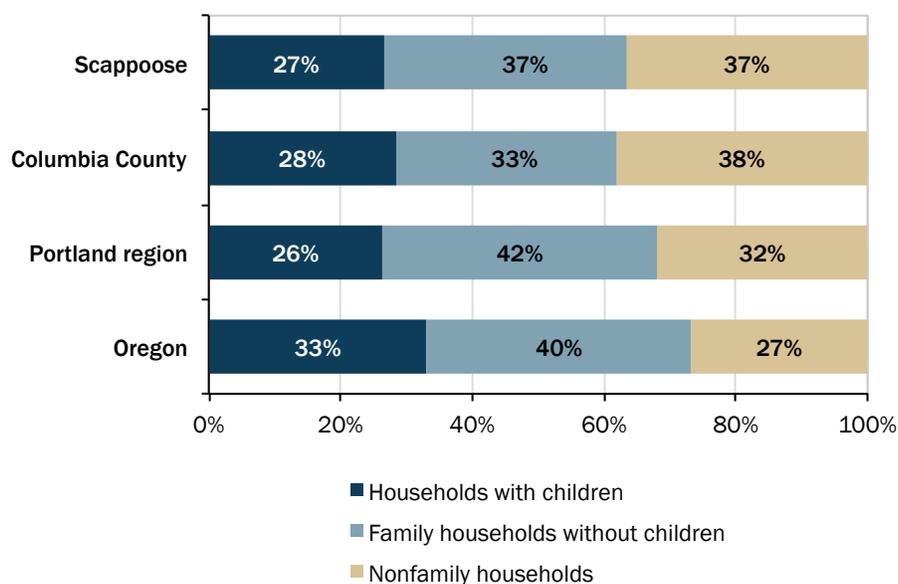
| | | | | | |
|--|--|---|---|--|---|
| 2.73 Persons Scappoose | 2.60 Persons Columbia County | 2.59 Persons Clackamas County | 2.41 Persons Multnomah County | 2.60 Persons Washington County | 2.50 Persons Oregon |
|--|--|---|---|--|---|

Scappoose has a larger share of households with children than Columbia County or Oregon.

About 33% of Scappoose households have children, compared with 26% of Columbia County households and 26% of Portland region households.

Exhibit 27. Household Composition, 2011-2015

Source: US Census Bureau, 2011-2015 ACS, Table DP02.



Income of Scappoose Residents

Income is one of the key determinants in housing choice and households' ability to afford housing. Income for people living in Scappoose is higher than the average in Columbia County and state average.

In the 2011-15 period, Scappoose's median household income was above that of the county and the state.

Scappoose's median household income was \$61,444.

Exhibit 28. Median Household Income, 2011-2015

Source: US Census Bureau, 2011-2015 ACS Table B25119

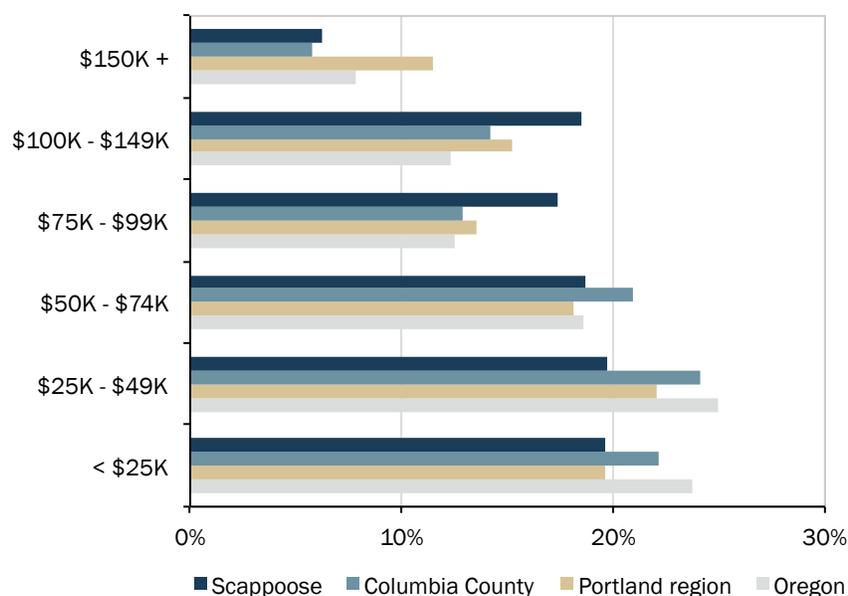


Scappoose has fewer households that make less than \$50,000 than the county, Portland region, or state.

For the 2011-2015 period, about 39% of Scappoose households made less than \$50,000 per year, compared with 42% of the Portland region, 46% of Columbia County, and 49% of the state.

Exhibit 29. Household Income, Scappoose, Columbia County, Portland region, Oregon, 2011-2015

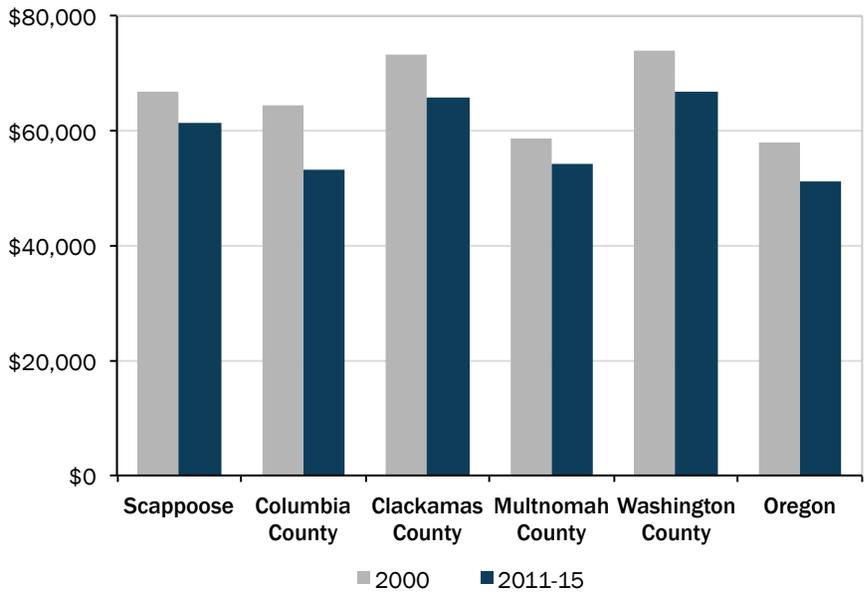
Source: US Census Bureau, 2011-2015 ACS, Table B19001



After adjusting for inflation, Scappoose's median household income decreased by 8% from 2000 to 2011-15, from \$66,780 to \$61,440 per year.

Exhibit 30. Median Household Income, Oregon, Portland region, Columbia County, Scappoose, 2000 to 2011-15, Inflation-adjusted

Source: US Census Bureau, 2000 Decennial Census, Table HCT012, 2011-2015 ACS Table B25119



Commuting trends

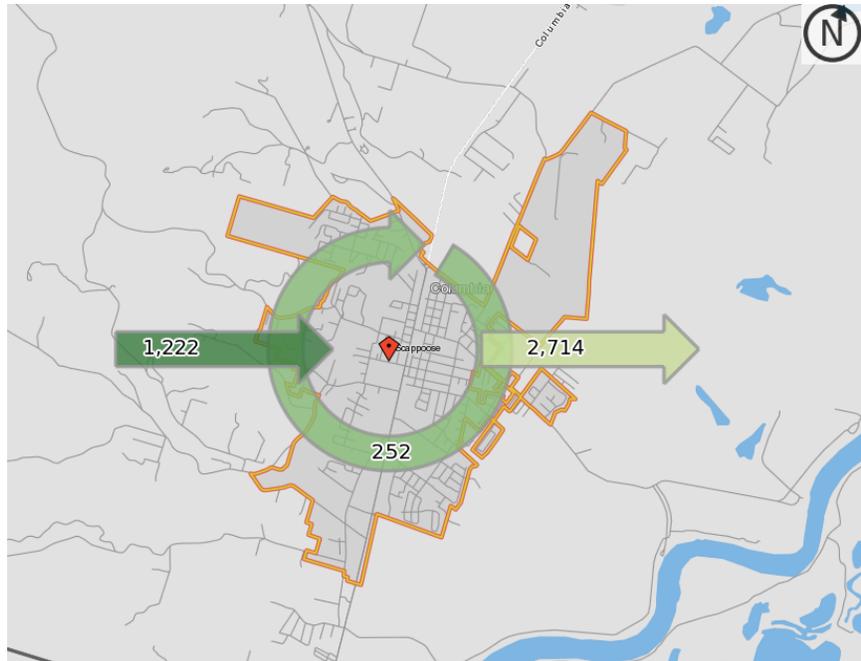
Scappoose is part of the complex, interconnected economy of Columbia County and the Portland region. Of the more than 1,470 people who work in Scappoose, more than 83% of workers commute into Scappoose from other areas, most notably St. Helens, Portland, and unincorporated Columbia County. More than 2,700 residents of Scappoose commute out of the city for work, many of them to Portland.

Scappoose is part of an interconnected regional economy.

More than 1,200 people commute into Scappoose for work, and more than 2,700 people living in Scappoose commute out of the city for work.

Exhibit 31. Commuting Flows, Scappoose, 2014

Source: US Census Bureau, Census On the Map.



About 17% of people who work at businesses located in Scappoose also live in Scappoose.

The remainder commute from St. Helens, Portland, and other parts of Columbia County and the Portland region.

Exhibit 32. Places Where Workers at Businesses in Scappoose Lived, 2014

Source: US Census Bureau, Census On the Map.



More than 80% of Scappoose residents work outside Columbia County.

Thirty-seven percent of residents of Scappoose work in Portland, and 8% in Hillsboro. Nine percent of Scappoose residents live and work in Scappoose.

Most Scappoose residents have a commute time that takes more than 30 minutes.

About 38% of Scappoose residents have commute times less than 30 minutes, compared to the Portland region average of 63%.

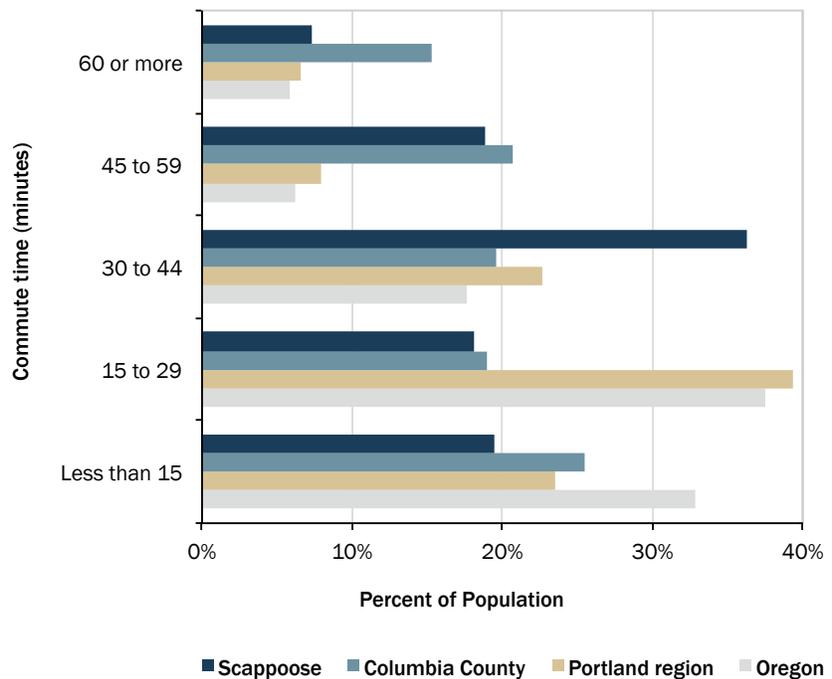
Exhibit 33. Places Where Scappoose Residents were Employed, 2014

Source: US Census Bureau, Census On the Map.



Exhibit 34. Commute Time by Place of Residence, Scappoose, Columbia County, Portland region, Oregon, 2011-2015

Source: US Census Bureau, 2011-2015 ACS Table B08303.



Regional and Local Trends Affecting Affordability in Scappoose

This section describes changes in sales prices, rents, and housing affordability in Scappoose, Columbia County, and the Portland region since 2000.

Changes in housing costs

With a median sales price of \$275,000 in 2016, Scappoose’s housing sales prices are slightly higher than the Columbia County average, but lower than most other comparison cities. In general, Scappoose’s housing prices moved with changes in housing price throughout the region.

Scappoose’s median home sales price is above the county average.

Exhibit 35. Median Home Sale Price, Scappoose and Columbia County, 2016

Source: Columbia County Assessor



Scappoose’s median home sale price was below most nearby cities in the region.

In comparison to other cities nearer to Portland, housing prices in Scappoose are comparatively lower.

Exhibit 36. Median Sales Price, Scappoose-area Geographies, 2016

Source: Columbia County Assessor, Zillow, Property Radar.

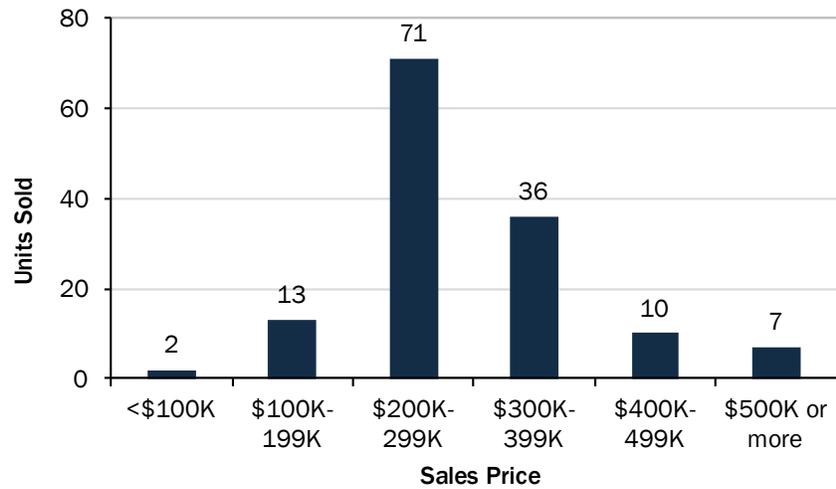


In 2016, more than half of homes sold in Scappoose cost between \$200,000-300,000.

About 10% of homes sold for less than \$200,000, while 38% sold for more than \$300,000.

Exhibit 37. Distribution of Home Sale Prices, Scappoose, 2016

Source: Columbia County Assessor

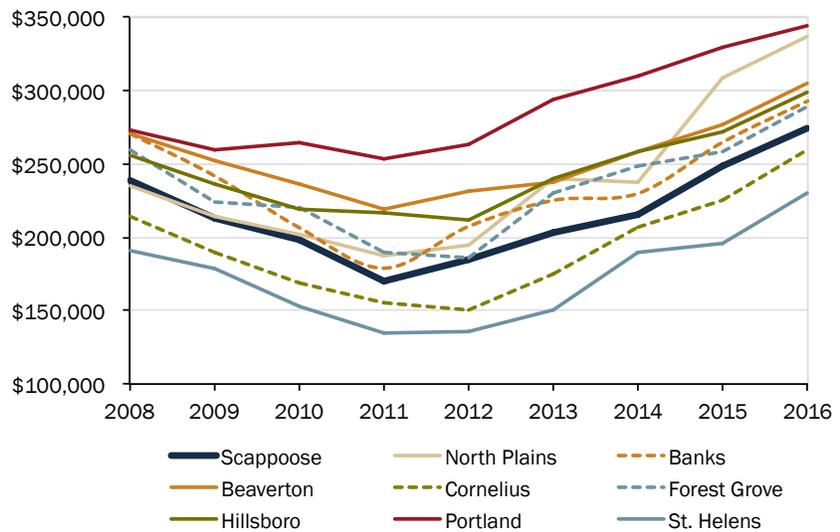


Between 2008-2016, home sales prices in Scappoose followed similar trends to other nearby cities.

Median home sales prices in Scappoose declined between 2008 and 2011 but have increased by \$35,000 or 15% since 2012.

Exhibit 38. Median Sales Price, Scappoose and comparison cities, 2008-2016

Source: Columbia County Assessor, Zillow, Property Radar

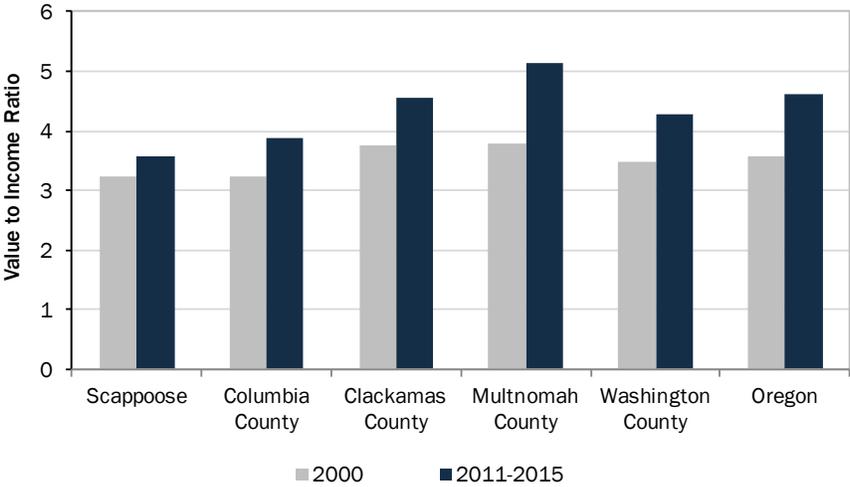


Since 2000, housing costs in Scappoose have increased faster than incomes, but to a lesser degree than in counties in the Portland region.

The median value of a house in Scappoose was 3.2 times the median household income in 2000, and 3.6 times by the 2011-2015 period. This change shows that housing prices grew faster than incomes. This decrease in housing affordability was smaller in Scappoose than in counties in the Portland region.

Exhibit 39. Ratio of Median Housing Value to Median Household Income, 2000 to 2011-15¹⁵

Source: US Census Bureau, 2000 Decennial Census, Tables HCT012 and H085, and 2011-2015 ACS, Tables B19013 and B25077



¹⁵ This ratio compares the median value of housing in Scappoose and other places to the median household income. Inflation-adjusted median owner values in Scappoose increased from \$216,266 in 2000 to \$219,300 in 2011-15. Over the same period, median income decreased from \$66,784 to \$61,444.

Changes in rental costs

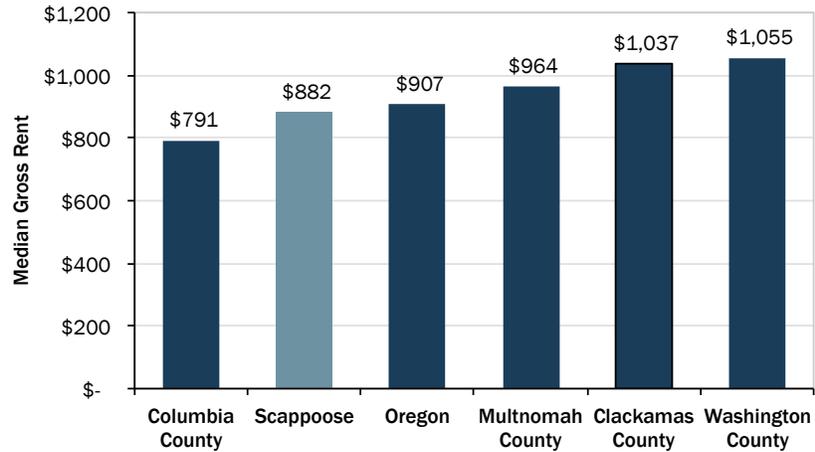
Rent costs in Scappoose are higher than average for Columbia County and are similar to statewide averages. The following charts show gross rent (which includes the cost of rent plus utilities) for Scappoose in comparison to counties in the region.

The median gross rent in Scappoose is \$882.

Rent in Scappoose is higher than Columbia County average but lower than the averages in the Portland region.

Exhibit 40. Median Gross Rent, 2011-2015

Source: US Census Bureau, 2011-2015 ACS Table B25064

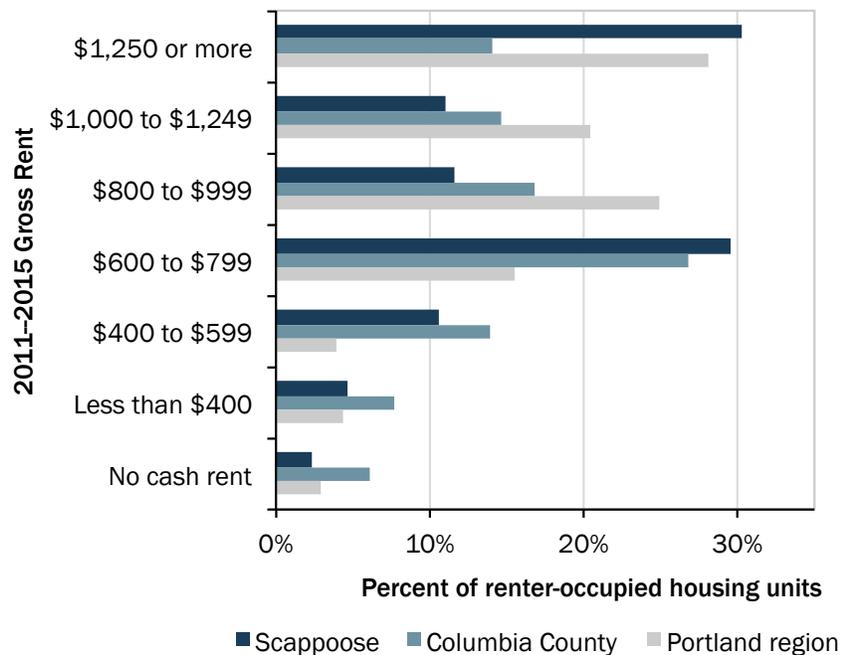


More than half of renters in Scappoose pay less than \$1,000 per month.

About 30% of Scappoose's renters pay \$1,250 or more in gross rent per month, a larger share than Columbia County or the three counties in the Portland region.

Exhibit 41. Gross Rent, Scappoose, 2011-2015

Source: US Census Bureau, 2011-2015 ACS Table B25063



Housing Affordability

A typical standard used to determine housing affordability is that a household should pay no more than a certain percentage of household income for housing, including payments and interest or rent, utilities, and insurance. HUD guidelines indicate that households paying more than 30% of their income on housing experience “cost burden,” and households paying more than 50% of their income on housing experience “severe cost burden.” Using cost burden as an indicator is consistent with the Goal 10 requirement to provide housing that is affordable to all households in a community.

About 27% of Scappoose’s households are cost burdened. About 57% of renter households are cost burdened, compared with 16% of homeowners. Overall, Scappoose has a lower share of cost-burdened households than Columbia County or the Portland region. However, Scappoose has more cost-burdened renter households (57%) than the County (52%) or region (50%).

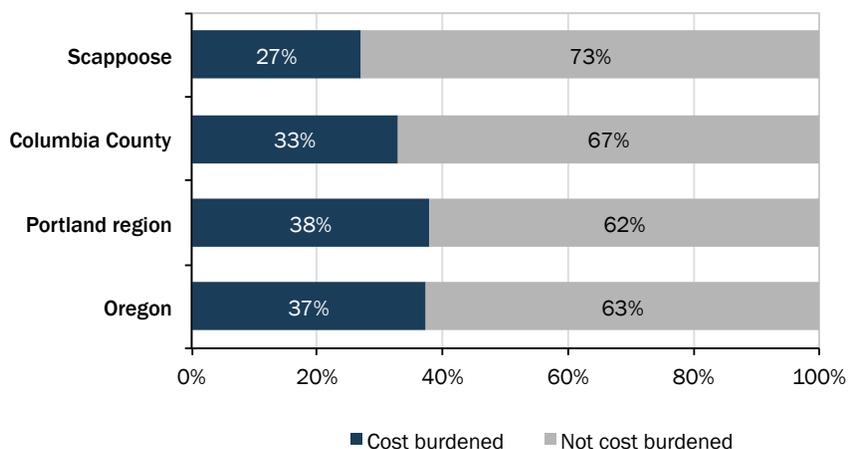
For example, about 20% of Scappoose households have income of less than \$25,000 per year. These households can afford rent of less than \$625 per month, or a home with a value of less than \$62,500. Most, but not all, of these households are cost burdened.

Overall, about 27% of all households in Scappoose are cost burdened.

Scappoose has a lower share of cost burdened households than Columbia County or the Portland region.

Exhibit 42. Housing Cost Burden Scappoose, Columbia County, Portland region, Oregon, 2011-15

Source: US Census Bureau, 2011-2015 ACS Tables B25091 and B25070.



Renters are much more likely to be cost burdened than homeowners.

Cost burden rates are much higher among renters in Scappoose than among homeowners. In the 2011-15 period, about 57% of renters were cost burdened, compared to 16% of homeowners.

Cost burden rates also vary by income. Nearly all renter households that earn less than \$35,000 per year are cost burdened.

Exhibit 43. Housing Cost Burden by Tenure, Scappoose, 2011-15

Source: US Census Bureau, 2011-2015 ACS Tables B25091 and B25070.

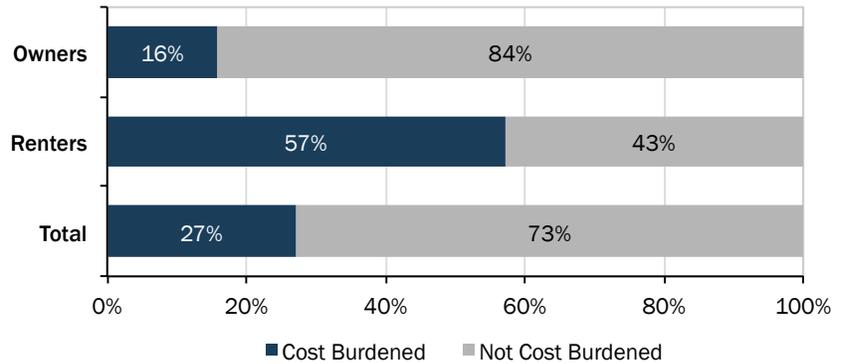
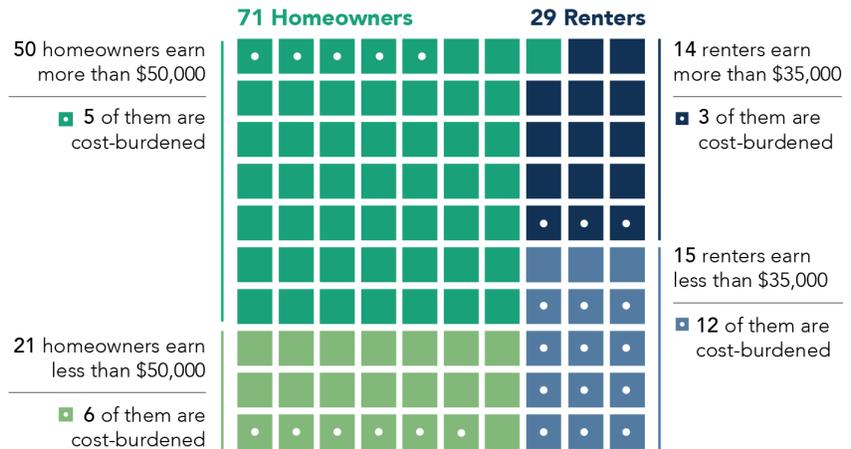


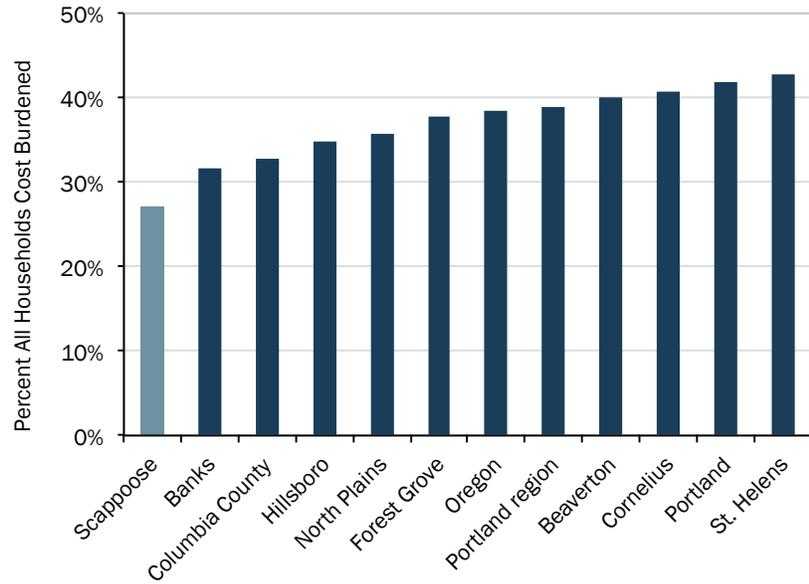
Exhibit 44. Illustration of Cost Burden If all of Scappoose's Households were 100 Residents

Source: US Census Bureau, 2011-15 ACS



Scappoose's overall percentage of cost-burdened households is lower than that of the county, Portland region, and all comparison cities.

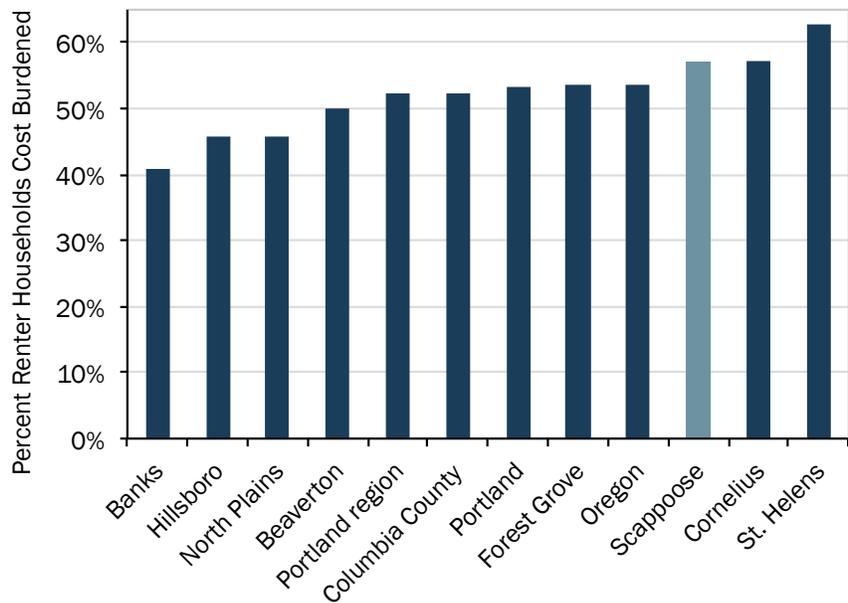
Exhibit 45. Housing Cost Burden, All Households, 2011-2015
Source: US Census Bureau, 2011-15 ACS Tables B25091 and B25070.



While overall cost burden is lower in Scappoose, renter cost burden is more common in Scappoose than in other nearby cities.

About 57% of Scappoose's renter households are cost burdened, which is a higher rate than most nearby cities.

Exhibit 46. Housing Cost Burden, Renter Households, 2011-2015
Source: US Census Bureau, 2011-15 ACS Table B25070.



While cost burden is a common measure of housing affordability, it does have some limitations. Two important limitations are:

- A household is defined as cost burdened if the housing costs exceed 30% of their income, regardless of actual income. The remaining 70% of income is expected to be spent on non-discretionary expenses, such as food or medical care, and on discretionary expenses. Households with higher incomes may be able to pay more than 30% of their income on housing without impacting the household’s ability to pay for necessary non-discretionary expenses.
- Cost burden compares income to housing costs and does not account for accumulated wealth. As a result, the estimate of how much a household can afford to pay for housing does not include the impact of a household’s accumulated wealth. For example, a household with retired people may have relatively low income but may have accumulated assets (such as profits from selling another house) that allow them to purchase a house that would be considered unaffordable to them based on the cost burden indicator.

Cost burden is only one indicator of housing affordability. Another way of exploring the issue of financial need is to review housing affordability at varying levels of household income.

Fair Market Rent for a 2-bedroom apartment in Columbia County is \$1,208.

Exhibit 47. HUD Fair Market Rent (FMR) by Unit Type, Columbia County, 2016

Source: U.S. Department of Housing and Urban Development

| | | | | |
|--------------|----------------|----------------|----------------|----------------|
| \$886 | \$1,021 | \$1,208 | \$1,757 | \$2,109 |
| Studio | 1-Bedroom | 2-Bedroom | 3-Bedroom | 4-Bedroom |

A household must earn at least \$23.23 per hour to afford a two-bedroom unit in Columbia County.

Exhibit 48. Affordable Housing Wage, Columbia County, 2016

Source: U.S. Department of Housing and Urban Development; Oregon Bureau of Labor and Industries

\$23.23/hour

Affordable Housing Wage for two-bedroom Unit in Columbia County

More than a third of Scappoose households have income less than \$48,320 and cannot afford a two-bedroom apartment at Columbia County's Fair Market Rent (FMR) of \$1,208.

Exhibit 49. Financially Attainable Housing, by Median Family Income (MFI) for Columbia County (\$73,300), Scappoose, 2016

Source: U.S. Department of Housing and Urban Development 2016

US Census Bureau, 2011-2015 ACS Table 19001

Note: MFI is Median Family Income, determined by HUD for the Portland region, which includes Columbia County

| % of Col. Co. MFI | <30% | 30%-60% | 60%-80% | 80%-120% | >120% |
|---------------------------------|--|------------------------------------|---|---------------------------------|----------------------------------|
| Annual Income | <\$21,990 | \$21,990-\$43,980 | \$43,980-\$58,640 | \$58,640-\$87,960 | >\$87,960 |
| Monthly Affdbble. Housing Cost | <\$550 | \$550-\$916 | \$916-\$1,466 | \$1,466-\$2,199 | >\$2,199 |
| Percent of Scappoose Households | 16% | 18% | 13% | 19% | 33% |
| Attainable Owner Housing Types | None | Mfg. in parks | Single-family attached; condos; duplexes; manufctrd on lots | All housing types; lower values | All housing types; higher values |
| Attainable Renter Housing Types | Apts; new and used govt assisted housing | Apts; manufctrd in parks; duplexes | Single-family attached; detached; manufctrd on lots; apts | All housing types; lower values | All housing types; higher values |

Exhibit 50 compares the number of households by income with the number of units affordable to those households in Scappoose. Scappoose currently has a deficit of housing affordable to households earning less than \$50,000. The deficit of housing for households earning less than \$50,000 (about 60% of Area Median Income) results in these households living in housing that is more expensive than they can afford. Households in this income range are generally unable to afford market rate rents. When lower cost housing (such as government subsidized housing) is not available, these households pay more than they can afford in rent. This is consistent with the data about renter cost burden in Scappoose.

The housing types that Scappoose has a deficit of are more affordable housing types such as apartments, duplexes, tri- and quad-plexes, manufactured housing, townhomes, and smaller single-family housing.

Exhibit 50. Affordable housing costs and units by income level Scappoose, 2016

Source: US Census Bureau, 2011-15 ACS

Note: MFI is Median Family Income, determined by HUD for the Portland region, which includes Columbia County

Affordable Housing Costs and Units by Income Level, Scappoose, 2015

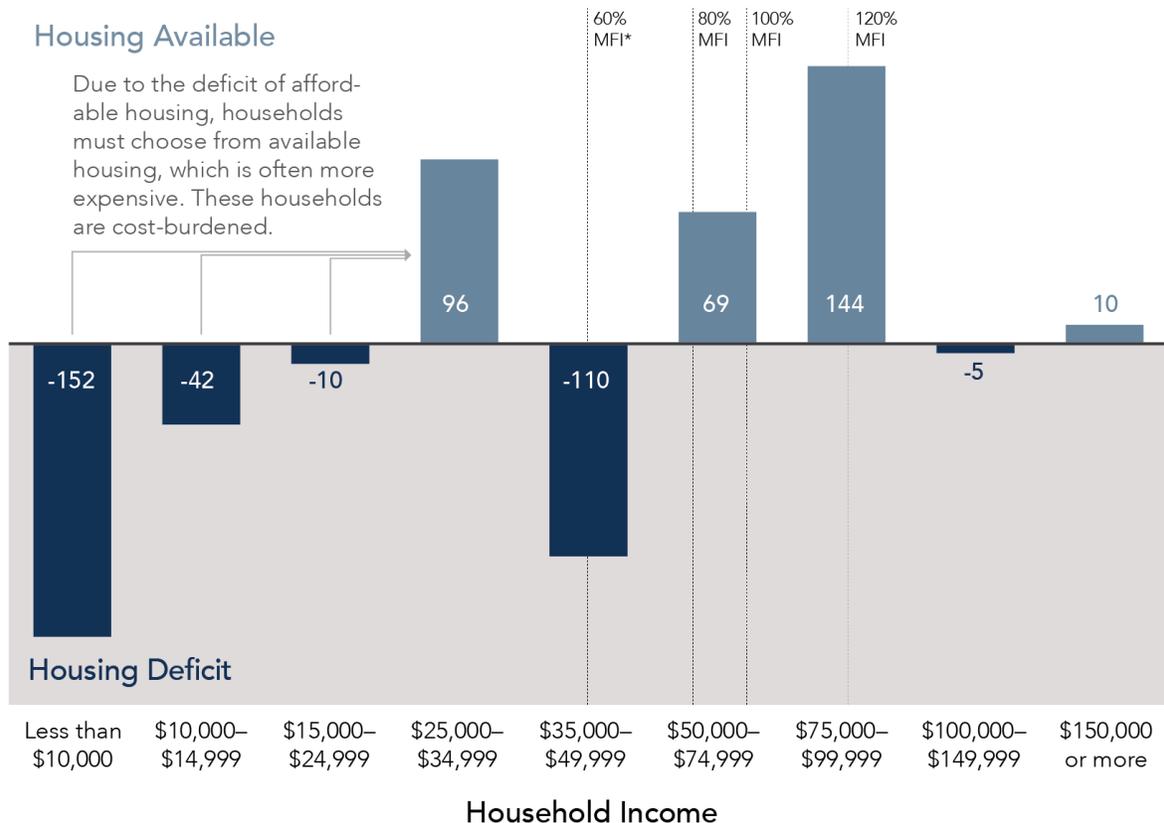
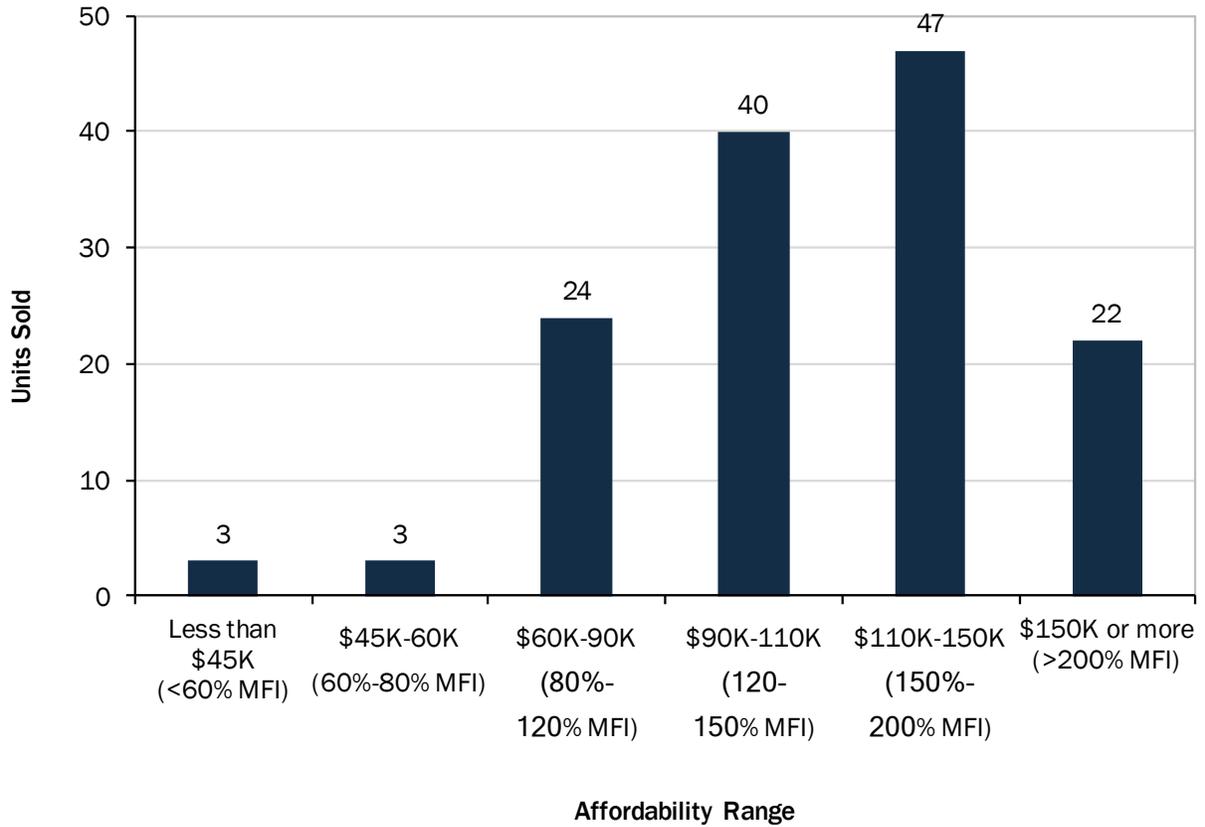


Exhibit 51 shows the distribution of home sales prices by affordability range for 2016. Most housing sold in Scappoose in 2016 had a price affordable to households earning 120% and greater of MFI. About 20% of Scappoose homes sold in 2016 were affordable for people making less than 120% of MFI.

Exhibit 51. Distribution of Home Sales Prices by Affordability Range, Scappoose, 2016.

Source: Columbia County Assessor

Note: MFI is Median Family Income, determined by HUD for the Portland region, which includes Columbia County



Summary of the Factors Affecting Scappoose's Housing Needs

The purpose of the analysis thus far has been to provide background on the kinds of factors that influence housing choice, and in doing so, to convey why the number and interrelationships among those factors ensure that generalizations about housing choice are difficult to make and prone to inaccuracies.

There is no question that age affects housing type and tenure. Mobility is substantially higher for people aged 20 to 34. People in that age group will also have, on average, less income than people who are older. They are less likely to have children. These factors mean that younger households are much more likely to be renters, and renters are more likely to be in multifamily housing.

The data illustrate what more detailed research has shown and what most people understand intuitively: life cycle and housing choice interact in ways that are predictable in the aggregate; age of the household head is correlated with household size and income; household size and age of household head affect housing preferences; income affects the ability of a household to afford a preferred housing type. The connection between socioeconomic and demographic factors and housing choice is often described informally by giving names to households with certain combinations of characteristics: the "traditional family," the "never-marrieds," the "dinks" (dual-income, no kids), the "empty-nesters."¹⁶ Thus, simply looking at the long wave of demographic trends can provide good information for estimating future housing demand.

Thus, one is ultimately left with the need to make a qualitative assessment of the future housing market. The following is a discussion of how demographic and housing trends are likely to affect housing in Scappoose over the next 20 years:

- **Growth in housing will be driven by growth in population.** Between 1990 and 2016 Scappoose's population grew by 3,256 people, nearly doubling the city's population. The population in Scappoose's UGB is forecast to grow from 7,686 to 10,951, an increase of 3,265 people (42%) between 2018 and 2038.¹⁷
- **Housing affordability will be a growing challenge in Scappoose.** Housing affordability is a challenge in the Portland region in general, and Scappoose is affected by these regional trends. Housing prices are increasing faster than incomes in Columbia County and the Portland region, consistent with state and national challenges. Scappoose has a relatively small share of housing that is multifamily housing (about 15% of the City's housing stock), and more than half of renter households are cost burdened. Scappoose's key challenge over the next 20 years is providing opportunities for development of relatively affordable housing of all types, from lower-cost single-family housing to market-rate multifamily housing.

¹⁶ See *Planning for Residential Growth: A Workbook for Oregon's Urban Areas* (June 1997).

¹⁷ This forecast is based on Scappoose's official forecast from the Oregon Population Forecast Program for the 2018 to 2038 period, shown in Exhibit 18.

- **Without substantial changes in housing policy, on average, future housing will look a lot like past housing.** That is the assumption that underlies any trend forecast, and one that allows some quantification of the composition of demand for new housing.

The City's residential policies can impact the amount of change in Scappoose's housing market, to some degree. If the City adopts policies to increase opportunities to build smaller-scale single-family and multifamily housing types, especially multifamily that is affordable to low- and moderate-income households, a larger percentage of new housing developed over the next 20 years in Scappoose may be relatively affordable. Examples of policies that the City could adopt to achieve this outcome include: allowing a wider range of housing types (e.g., duplex or townhouses) in single-family zones, ensuring that there is sufficient land zoned to allow single-family attached multifamily housing development, supporting development of government-subsidized affordable housing, and encouraging multifamily residential development in downtown. The degree of change in Scappoose's housing market, however, will depend on market demand for these types of housing in Columbia County and the Portland region.

- **If the future differs from the past, it is likely to move in the direction (on average) of smaller units and more diverse housing types.** Most of the evidence suggests that the bulk of the change will be in the direction of smaller average house and lot sizes for single-family housing. This includes providing opportunities for development of smaller single-family detached homes, townhomes, and multifamily housing.

Key demographic and economic trends that will affect Scappoose's future housing needs are: (1) the aging of the Baby Boomers, (2) aging of the Millennials, and (3) continued growth in Hispanic and Latino population.

- *The Baby Boomer's population is continuing to age.* By 2035, people 60 years and older will account for 29% of the population in Columbia County (up from 26% in 2017). The changes that affect Scappoose's housing demand as the population ages are that household sizes decrease and homeownership rates decrease. The majority of Baby Boomers are expected to remain in their homes as long as possible, downsizing or moving when illness or other issues cause them to move. Demand for specialized senior housing may grow in Scappoose, such as age-restricted housing or housing in a continuum of care from independent living to nursing home care.
- *Millennials will continue to age.* By 2035, Millennials will be roughly between about 35 years old to 55 years old. As they age, generally speaking, their household sizes will increase and homeownership rates will peak by about age 55. Between 2018 and 2038, Millennials will be a key driver in demand for housing for families with children. Scappoose will have the opportunity to attract Millennials who attend school at the Oregon Manufacturing and Innovation Center. The ability to attract Millennials will depend on availability of affordable renter and ownership housing.
- *Hispanic and Latino population will continue to grow.* The U.S. Census projects that by about 2040, Hispanic and Latino population will account for one-quarter of

the nation's population. The share of Hispanic and Latino population in the western U.S. is likely to be higher. Hispanic and Latino population currently accounts for about 5% of Scappoose's population. In addition, the Hispanic and Latino population is generally younger than the U.S. average, with many Hispanic and Latino people belonging to the Millennial generation.

Hispanic and Latino population growth will be an important driver in growth of housing demand, both for owner- and renter-occupied housing. Growth in Hispanic and Latino population will drive demand for housing for families with children. Given the lower income for Hispanic and Latino households, especially first generation immigrants, growth in this group will also drive demand for affordable housing, both for ownership and renting.¹⁸

In summary, an aging population, increasing housing costs (although lower than the Region), housing affordability concerns for Millennials and the Hispanic and Latino populations, and other variables are factors that support the conclusion of need for smaller and less expensive units and a broader array of housing choices. Growth of retirees will drive demand for small single-family detached houses and townhomes for homeownership, townhome and multifamily rentals, age-restricted housing, and assisted-living facilities. Growth in Millennials and Hispanic and Latino populations will drive demand for affordable housing types, including demand for small, affordable single-family units (many of which may be ownership units) and for affordable multifamily units (many of which may be rental units).

- **No amount of analysis is likely to make the distant future completely certain: the purpose of the housing forecasting in this study is to get an approximate idea about the future so policy choices can be made today.** Economic forecasters regard any economic forecast more than three (or at most five) years out as highly speculative. At one year, one is protected from being disastrously wrong by the sheer inertia of the economic machine. But a variety of factors or events could cause growth forecasts to be substantially different.

¹⁸ The following articles describe housing preferences and household income trends for Hispanic and Latino families, including differences in income levels for first, second, and third generation households. In short, Hispanic and Latino households have lower median income than the national averages. First and second generation Hispanic and Latino households have median incomes below the average for all Hispanic and Latino households. Hispanic and Latino households have a strong preference for homeownership but availability of mortgages and availability of affordable housing are key barriers to homeownership for this group.

Pew Research Center. *Second-Generation Americans: A Portrait of the Adult Children of Immigrants*, February 7, 2012.

National Association of Hispanic Real Estate Professionals. *2014 State of Hispanic Homeownership Report*, 2014.

5. Housing Need in Scappoose

Project New Housing Units Needed in the Next 20 Years

The results of the housing needs analysis are based on: (1) the official population forecast for growth in Scappoose over the 20-year planning period, (2) information about Scappoose’s housing market relative to Columbia County, the Portland region, and nearby cities, and (3) the demographic composition of Scappoose’s existing population and expected long-term changes in the demographics of Columbia County.

Forecast for housing growth

This section describes the key assumptions and presents an estimate of new housing units needed in Scappoose between 2018 and 2038, shown in Exhibit 52. The key assumptions are based on the best available data and may rely on safe harbor provisions, when available.¹⁹

- **Population.** A 20-year population forecast (in this instance, 2018 to 2038) is the foundation for estimating needed new dwelling units. Scappoose will grow from 7,686 persons in 2018 to 10,951 persons in 2038, an increase of 3,265 people.²⁰
- **Persons in Group Quarters.** Persons in group quarters do not consume standard housing units: thus, any forecast of new people in group quarters is typically derived from the population forecast for the purpose of estimating housing demand. Group quarters can have a big influence on housing in cities with colleges (dorms), prisons, or a large elderly population (nursing homes). In general, any new requirements for these housing types will be met by institutions (colleges, government agencies, health-care corporations) operating outside what is typically defined as the housing market. Nonetheless, group quarters require residential land. They are typically built at densities that are comparable to that of multiple-family dwellings.

The 2011-2015 American Community Survey shows that 1.0% of Scappoose’s population was in group quarters. **For the 2018 to 2038 period, we assume that 1.0% of new population, 31 people, will be in group quarters.**

- **Household Size.** OAR 660-024 established a safe harbor assumption for average household size—which is the figure from the most-recent decennial Census at the time of the analysis. According to the 2011-2015 American Community Survey, the

¹⁹ A safe harbor is an assumption that a city can use in a housing needs analysis that the State has said will satisfy the requirements of Goal 14. OAR 660-024 defines a safe harbor as “... an optional course of action that a local government may use to satisfy a requirement of Goal 14. Use of a safe harbor prescribed in this division will satisfy the requirement for which it is prescribed. A safe harbor is not the only way, or necessarily the preferred way, to comply with a requirement and it is not intended to interpret the requirement for any purpose other than applying a safe harbor within this division.”

²⁰ This forecast is based on Scappoose’s official forecast from the Oregon Population Forecast Program for the 2018 to 2038 period, shown in Exhibit 18.

average household size in Scappoose was 2.73 people. **Thus, for the 2018 to 2038 period, we assume an average household size of 2.73 persons.**

- **Vacancy Rate.** The Census defines vacancy as: "Unoccupied housing units are considered vacant. Vacancy status is determined by the terms under which the unit may be occupied, e.g., for rent, for sale, or for seasonal use only." The 2010 Census identified vacant through an enumeration, separate from (but related to) the survey of households. The Census determines vacancy status and other characteristics of vacant units by enumerators obtaining information from property owners and managers, neighbors, rental agents, and others.

Vacancy rates are cyclical and represent the lag between demand and the market's response to demand for additional dwelling units. Vacancy rates for rental and multifamily units are typically higher than those for owner-occupied and single-family dwelling units.

OAR 660-024 established a safe harbor assumption for vacancy rate—which is the figure from the most-recent decennial Census. According to the 2011-2015 American Community Survey, Scappoose's vacancy rate was 3.7%. **For the 2018 to 2038 period, we assume a vacancy rate of 3.7%.**

Scappoose will have demand for 1,229 new dwelling units over the 20-year period, with an annual average of 61 dwelling units.

Exhibit 52. Forecast of demand for new dwelling units, Scappoose UGB, 2018 to 2038

Source: Calculations by ECONorthwest

| | |
|--|--------------|
| Change in persons | 3,265 |
| <i>minus</i> Change in persons in group quarters | 31 |
| <i>equals</i> Persons in households | 3,234 |
| Average household size | 2.73 |
| New occupied DU | 1,185 |
| <i>times</i> Aggregate vacancy rate | 3.7% |
| <i>equals</i> Vacant dwelling units | 44 |
| Total new dwelling units (2018-2038) | 1,229 |
| Annual average of new dwelling units | 61 |

New housing units needed over the next 20 years

Exhibit 52 presents a forecast of new housing in Scappoose's UGB for the 2018-2038 period. This section determines the needed mix and density for new housing developed over this 20-year period in Scappoose.

Exhibit 53 shows that, in the future, the need for new housing developed in Scappoose will include more housing generally more affordable, with some housing located in walkable areas with access to services. This assumption is based on the following findings in the previous chapters:

- Demographic changes suggest moderate increases in demand for attached single-family housing and multifamily housing. The key demographic trends that will affect Scappoose's future housing needs are: (1) the aging of the Baby Boomers, (2) aging of the Millennials, and (3) continued growth in Hispanic and Latino populations. Growth of these groups has the following implications for housing need in Scappoose:
 - *Baby Boomers.* Growth in the number of seniors will have the biggest impacts on demand for new housing through demand for housing types specific to seniors, such as assisted living facilities or age-restricted developments. These households will make a variety of housing choices, including: remaining in their homes as long as they are able, downsizing to smaller single-family homes (detached and attached) or multifamily units, moving into age-restricted manufactured home parks (if space is available), or moving into group housing (such as assisted living facilities or nursing homes), as their health declines. Minor increases in the share of Baby Boomers who downsize to smaller housing will result in increased demand for single-family attached and multifamily housing. Some Baby Boomers may prefer housing in walkable neighborhoods, with access to services.
 - *Millennials.* Over the next 20-years, Millennial households are expected to grow from 22% of the population to 28% of the population. Growth of Millennials in Scappoose may be greater than in the County because of development of the Oregon Manufacturing Innovation Center. Growth in Millennials will result in increased demand for both ownership and rental opportunities, with an emphasis on housing that is comparatively affordable. Some Millennials may prefer to locate in traditional single-family detached housing, at the edges of Scappoose's UGB. Some Millennials will prefer to locate in walkable neighborhoods, possibly choosing small single-family detached houses, townhouses, or multifamily housing.
 - *Hispanic and Latino populations.* Growth in the number of Hispanic and Latino households will result in increased demand for housing of all types, both for ownership and rentals, with an emphasis on housing that is comparatively affordable. Hispanic and Latino households are more likely to be larger than average, with more children and possibly with multigenerational households. The housing types that are most likely to be affordable to the majority of Hispanic and Latino households are existing lower-cost single-family housing, single-family

housing with an accessory dwelling unit, and multifamily housing. In addition, growth in the number of farmworkers will increase need for affordable housing for farmworkers.

- About 27% of Scappoose’s households have affordability problems. Fifty-seven percent of Scappoose’s renters have affordability problems. In 2016, nearly 80% of housing sales were to households with income above 120% of MFI. These factors indicate that Scappoose needs more affordable housing types, especially for renters. A household earning median household income (about \$61,000) could afford a home valued up to about \$200,000, which is below the median sales price for single-family housing of about \$274,000 in Scappoose.

In addition, Scappoose has a small supply of multifamily housing, which accounts for less than one-fifth of the city’s housing stock. The majority of Scappoose’s multifamily buildings are relatively small, as a result of the city’s development code, which restricts multifamily development to structures with eight or fewer units.

Continued increases in housing costs may increase demand for denser housing (e.g., multifamily housing or smaller single-family housing) or locating in less expensive areas in cities like Scappoose that are relatively near but outside of the Portland region. To the extent that denser housing types are more affordable than larger housing types, continued increases in housing costs will increase demand for denser housing.

These findings suggest that Scappoose’s needed housing mix is for a broader range of housing types than are currently available in Scappoose’s housing stock. The types of housing that Scappoose will need to provide opportunity for development of over the next 20-years are described above: smaller single-family detached housing (e.g., cottages or small single-family detached units), manufactured housing, “traditional” single-family detached housing, townhouses, duplexes and quad-plexes, small apartment buildings, and larger apartment buildings.

Exhibit 53 shows a forecast of needed housing in the Scappoose UGB during the 2018 to 2038 period. The projection is based on the following assumptions:

- Scappoose’s official forecast for population growth shows that the City will add 3,265 people over the 20-year period. Exhibit 52 shows that the new population will result in need for 1,229 new dwelling units over the 20-year period.
- The assumptions about the mix of housing in Exhibit 53 are:
 - Sixty-five percent of new housing will be single-family detached, a category which includes manufactured housing. Exhibit 6 shows that 82% of Scappoose’s housing was single-family detached in the 2011-2015 period.
 - Seven percent of new housing will be single-family attached. Exhibit 6 shows that 3% of Scappoose’s housing was single-family attached in the 2011-2015 period, with little change since 2000.

- Ten percent of new housing will be multifamily with 2 to 4 units per structure. Exhibit 6 shows that 8% of Scappoose’s housing was single-family attached in the 2011-2015 period.
- Eighteen percent of new housing will be multifamily with 5 or more units per structure. Exhibit 6 shows that 8% of Scappoose’s housing was single-family attached in the 2011-2015 period.

Scappoose will have demand for 1,229 new dwelling units over the 20-year period, 65% of which will be single-family detached housing.

Exhibit 53. Forecast of demand for new dwelling units, Scappoose UGB, 2018 to 2038

Source: Calculations by ECONorthwest

| | |
|---|--------------|
| Needed new dwelling units (2018-2038) | 1,229 |
| Dwelling units by structure type | |
| <i>Single-family detached</i> | |
| <i>Percent single-family detached DU</i> | 65% |
| <i>equals Total new single-family detached DU</i> | 799 |
| <i>Single-family attached</i> | |
| <i>Percent single-family attached DU</i> | 7% |
| <i>equals Total new single-family attached DU</i> | 86 |
| <i>Multifamily - 2 to 4 du/structure</i> | |
| <i>Percent multifamily 2 to 4 du/structure</i> | 10% |
| <i>equals Total new multifamily 2 to 4 DU</i> | 123 |
| <i>Multifamily - 5+ du/structure</i> | |
| <i>Percent multifamily 5+ du/structure</i> | 18% |
| <i>equals Total new multifamily 5+ DU</i> | 221 |
| Total new dwelling units (2018-2038) | 1,229 |

The forecast of new units does not include dwellings that will be demolished and replaced. This analysis does not factor those units in; it assumes they will be replaced at the same site and will not create additional demand for residential land.

Exhibit 54 allocates needed housing to plan designations in Scappoose. The allocation is based, in part, on the types of housing allowed in the zoning designations in each plan designation by zone. Exhibit 54 shows:

- **Suburban Residential** will accommodate new single-family detached housing, a small amount of single-family attached, and some multifamily housing with 2 to 4 units per structure (like duplexes or 4-plexes).
- **Manufactured** will accommodate new single-family detached housing and a small amount of single-family attached.
- **General Residential** will accommodate all housing types.
- **Commercial** will accommodate multifamily housing with 5 or more units per structure. The assumption about commercial land is based on continuation of historical development of 10 multifamily units per year in Commercial areas.

Exhibit 54. Allocation of needed housing by housing type and plan designation, Scappoose UGB, 2018 to 2038

Source: ECONorthwest

| Comprehensive Plan Designation | Residential Plan Designations | | | Commercial | Total |
|--------------------------------|-------------------------------|-------------------|---------------------|------------|--------------|
| | Suburban Residential | Manufactured Home | General Residential | | |
| Dwelling Units | | | | | |
| Single-family detached | 719 | 68 | 12 | - | 799 |
| Single-family attached | 51 | 10 | 25 | - | 86 |
| Multifamily - 2 to 4 du | 103 | - | 20 | - | 123 |
| Multifamily - 5+ du | - | - | 26 | 195 | 221 |
| Total | 873 | 78 | 83 | 195 | 1,229 |
| Percent of Units | | | | | |
| Single-family detached | 59% | 6% | 1% | 0% | 65% |
| Single-family attached | 4% | 1% | 2% | 0% | 7% |
| Multifamily - 2 to 4 du | 8% | 0% | 2% | 0% | 10% |
| Multifamily - 5+ du | 0% | 0% | 2% | 16% | 18% |
| Total | 71% | 6% | 7% | 16% | 100% |

Exhibit 55 presents the assessment of needed density for housing built in Scappoose over the 2018 to 2038 period. The assessment of needed density is based on a number of factors: (1) the types of housing and development densities allowed in each zone by Plan Designation, (2) existing development by type of housing, and (3) the range of housing need by income Exhibit 56, which includes need for housing for high income households to low- and very-low income households.

Exhibit 55 shows the following needed densities, in net and gross acres.²¹ Exhibit 55 converts between net acres and gross acres to account for land needed for rights-of-way based on empirical analysis of existing rights-of-way by plan designation in Scappoose. For example, in residential development in the Suburban Residential designation, 12% of developed land is in rights-of-way.

- **General Residential:** 22% of land is in rights-of-way. The densities by zone in this Plan Designation area:
 - A-1: 16 dwelling units per acre based on the assumption that new development will average approximately 80% of the maximum density allowed in the zone for multifamily housing (20.5 dwelling units per net acre). Accounting for rights-of-way, new development will occur at 12.5 dwelling units per gross acre.
 - R-1: 5 dwelling units per acre based on the assumption that new development will average more than 80% of the maximum density allowed in the zone for single-family detached housing (5.8 dwelling units per net acre). Accounting for rights-of-way, new development will occur at 3.9 dwelling units per gross acre.
 - R-4: 10.0 dwelling units per acre based on the assumption that new development will average more than 80% of the maximum density allowed in the zone for single-family detached housing (5.8 dwelling units per net acre) and 80% of the maximum density for duplex, tri-plex, and 4-plex (ranging from 9.9 to 11.6 dwelling units per net acre). Accounting for rights-of-way, new development will occur at 7.8 dwelling units per gross acre.
- **Suburban Residential:** 12% of land is in rights-of-way. The densities by zone in this Plan Designation area:
 - R-1: 5 dwelling units per acre based on the assumption that new development will average more than 80% of the maximum density allowed in the zone for single-family detached housing (5.8 dwelling units per net acre). Accounting for rights-of-way, new development will occur at 4.4 dwelling units per gross acre.
 - R-4: 7.5 dwelling units per acre based on the assumption that the majority of new development in this zone will be single-family detached housing and will average more than 80% of the maximum density allowed the zone for single-

²¹ OAR 660-024-0010(6) uses the following definition of net buildable acre. "Net Buildable Acre" "...consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads." While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

family detached housing (5.8 dwelling units per net acre). This zone will also have some single-family attached and multifamily with 2 to 4 dwelling units per structure and 80% of the maximum density for duplex, tri-plex, and 4-plex (80% of maximum density for these housing types ranges from 9.9 to 11.6 dwelling units per net acre). Accounting for rights-of-way, new development will occur at 6.6 dwelling units per gross acre.

- **Manufactured Home:** 15% of land is in rights-of-way. The densities by zone in this Plan Designation area:
 - MH: 7.5 dwelling units per acre based on the assumption that the majority of new development in this zone will be single-family detached housing and will average more than 80% of the maximum density allowed in the zone for single-family detached housing (5.8 dwelling units per net acre). This zone will also have some single-family attached and multifamily with 2 to 4 dwelling units per structure and 80% of the maximum density for duplex, tri-plex, and 4-plex (80% of maximum density for these housing types ranges from 9.9 to 11.6 dwelling units per net acre). Accounting for rights-of-way, new development will occur at 6.4 dwelling units per gross acre.
- **Commercial:** 24% of land is in rights-of-way. The densities by zone in this Plan Designation area:
 - EC: 16 dwelling units per acre based on the assumption that new development will average approximately 80% of the maximum density allowed in the A-1 zone for multifamily housing (20.5 dwelling units per net acre). Accounting for rights-of-way, new development will occur at 12.2 dwelling units per gross acre.

Exhibit 55. Needed density for housing built in the Scappoose UGB, 2018 to 2038

Source: ECONorthwest
 Note: DU is dwelling unit.

| Plan Designation | Average Net Density (du/acre) | Percentage for Rights-of-Way | Average Gross Density (du/acre) |
|-----------------------------|-------------------------------|------------------------------|---------------------------------|
| General Residential | | | |
| A-1 | 16 | 22% | 12.5 |
| R-1 | 5 | 22% | 3.9 |
| R-4 | 7.5 | 22% | 5.9 |
| Suburban Residential | | | |
| R-1 | 5 | 12% | 4.4 |
| R-4 | 7.5 | 12% | 6.6 |
| Manufactured Home | | | |
| MH | 7.5 | 15% | 6.4 |
| Commercial | | | |
| EC | 16 | 24% | 12.2 |

Needed housing by income level

The next step in the housing needs analysis is to develop an estimate of need for housing by income and housing type. This requires an estimate of the income distribution of current and future households in the community. These estimates presented in this section are based on (1) secondary data from the Census, and (2) analysis by ECONorthwest.

The analysis in Exhibit 56 is based on American Community Survey data about income levels in Scappoose, using information shown in Exhibit 49. Income is categorized into market segments consistent with HUD income level categories, using Columbia County's 2017 Median Family Income (MFI) of \$73,300. Exhibit 56 is based on current household income distribution, assuming that approximately the same percentage of households will be in each market segment in the future.

More than one-third of Scappoose's future households will have income below 50% of Columbia County's median family income (less than \$37,000 in 2016 dollars) and about one-third will have incomes between 50% and 120% of the County's median family income (between \$37,000 and \$88,000).

This shows a substantial need for affordable housing types, such as government-subsidized affordable housing, manufactured homes, apartments, townhomes, duplexes, and small single-family homes.

Exhibit 56. Financially Attainable Housing, by Median Family Income (MFI) for Columbia County (\$73,300), Scappoose, 2018-2038

Source: U.S. Department of Housing and Urban Development
US Census Bureau, 2015 ACS Table 19001

| % of Col. Co. MFI | <30% | 30%-50% | 50%-80% | 80%-120% | >120% |
|---------------------------------|--|---------------------------------|--|--|-------------------|
| Annual Income | <\$21,990 | \$21,990-\$36,650 | \$36,650-\$58,640 | \$58,640-\$87,960 | > \$87,960 |
| Monthly Affdble. Housing Cost | <\$550 | \$550-\$916 | \$916-\$1,466 | \$1,466-\$2,199 | > \$2,199 |
| Percent of Scappoose Households | 16% | 18% | 13% | 19% | 33% |
| New Households 2018-2038 | 202 | 223 | 159 | 236 | 410 |
| Attainable Owner Housing Types | None | Mfg. in parks | Single-family attached Condos Duplexes Mfg. on lots | Affordable single-family housing and other housing types | All housing types |
| Attainable Renter Housing Types | Apartment New and used government assisted housing | Apartments Mfg. in parks Duplex | Single-family attached Detached Mfg. on lots Apartments | All housing types | All housing types |

Need for government assisted and manufactured housing

ORS 197.303 requires cities to plan for government-assisted housing, manufactured housing on lots, and manufactured housing in parks.

- **Government-subsidized housing.** Government-subsidies can apply to all housing types (e.g., single family detached, apartments, etc.). Scappoose allows development of government-assisted housing in all residential plan designations, with the same development standards for market-rate housing. This analysis assumes that Scappoose will continue to allow government housing in all of its residential plan designations. Because government assisted housing is similar in character to other housing (with the exception being the subsidies), it is not necessary to develop separate forecasts for government-subsidized housing.
- **Manufactured housing on lots.** Scappoose allows manufactured homes on lots in the R-1 and R-4 zones, which are the zones where single-family detached housing is allowed. Scappoose does not have special siting requirements for manufactured homes. Since manufactured homes are subject to the same siting requirements as site-built homes, it is not necessary to develop separate forecasts for manufactured housing on lots.
- **Manufactured housing in parks.** OAR 197.480(4) requires cities to inventory the mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high density residential development. According to the Oregon Housing and Community Services' Manufactured Dwelling Park Directory,²² Scappoose has two manufactured home parks within the City, with 62 spaces and seven vacant spaces. One manufactured park is within the MH zone and the other is within the SR Plan Designation (outside of the city limits but within the UGB).

ORS 197.480(2) requires Scappoose to project need for mobile home or manufactured dwelling parks based on: (1) population projections, (2) household income levels, (3) housing market trends, and (4) an inventory of manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high density residential.

- Exhibit 52 shows that the Scappoose area will grow by 1,229 dwelling units over the 2018 to 2038 period.
- Analysis of housing affordability (in Exhibit 49) shows that about 35% of Scappoose's new households will be low income, earning 50% or less of the region's median family income. One type of housing affordable to these households is manufactured housing.
- Manufactured housing in parks accounts for about 2.4% (about 62 dwelling units) of Scappoose's current housing stock.

²² Oregon Housing and Community Services, Oregon Manufactured Dwelling Park Directory, <http://o.hcs.state.or.us/MDPCRParcs/ParkDirQuery.jsp>

- National, state, and regional trends since 2000 showed that manufactured housing parks were closing, rather than being created. For example, between 2000 and 2015, Oregon had 68 manufactured parks close, with more than 2,700 spaces. Discussions with several stakeholders familiar with manufactured home park trends suggest that over the same period, few to no new manufactured home parks have opened in Oregon.
- Exhibit 56 shows that the households most likely to live in manufactured homes in parks are those with incomes between \$21,990 and \$36,650 (30% to 50% of median family income), which include 18% of Scappoose households. However, households in other income categories may live in manufactured homes in parks.

Manufactured home park development is an allowed use in the Manufactured Home designation. The national and state trends of closure of manufactured home parks and the fact that no new manufactured home parks have opened in Oregon in over the last 15 years demonstrate that development of new manufactured home parks in Scappoose is unlikely.

Our conclusion from this analysis is that development of new manufactured home parks in Scappoose over the planning period is unlikely over the 2018-2038 period. It is, however, likely that manufactured homes will continue to locate on individual lots in Scappoose. The forecast of housing in Exhibit 53 assumes that no new manufactured home parks will be opened in Scappoose over the 2018-2038 period. The forecast includes new manufactured homes on lots in the category of single-family detached housing.

- Over the next 20 years (or longer) one or more manufactured home parks may close in Scappoose, as a result of manufactured home park landowners selling or redeveloping their land for uses with higher rates of return, rather than lack of demand for spaces in manufactured home parks. Manufactured home parks contribute to the supply of low-cost affordable housing options, especially for affordable homeownership.

While there is statewide regulation of the closure of manufactured home parks designed to lessen the financial difficulties of this closure for park residents,²³ the City has a role to play in ensuring that there are opportunities for housing for the displaced residents. The City's primary role is to ensure that there is sufficient land zoned for new multifamily housing and to reduce barriers to residential development to allow for development of new, relatively affordable housing. The City may use a range of policies to encourage development of relatively affordable

²³ ORS 90.645 regulates rules about closure of manufactured dwelling parks. It requires that the landlord must do the following for manufactured dwelling park tenants before closure of the park: give at least one year's notice of park closure, pay the tenant between \$5,000 to \$9,000 for each manufactured dwelling park space, and cannot charge tenants for demolition costs of abandoned manufactured homes.

housing, such as allowing a wider range of moderate density housing (e.g., duplexes or cottages) in the R-1 and/or R-4 zones, designating more land for multifamily housing, removing barriers to multifamily housing development, using tax credits to support affordable housing production, developing an inclusionary zoning policy, or partnering with a developer of government-subsidized affordable housing.

6. Residential Land Sufficiency within Scappoose

This chapter presents an evaluation of the sufficiency of vacant residential land in Scappoose to accommodate expected residential growth over the 2018 to 2038 period. This chapter includes an estimate of residential development capacity (measured in new dwelling units) and an estimate of Scappoose’s ability to accommodate needed new housing units for the 2018 to 2038 period, based on the analysis in the housing needs analysis. The chapter ends with a discussion of the conclusions and recommendations for the housing needs analysis.

Capacity Analysis

The buildable lands inventory summarized in Chapter 2 (and presented in full in Appendix A) provides a *supply* analysis (buildable land by type), and Chapter 5 provided a *demand* analysis (population and growth leading to demand for more residential development). The comparison of supply and demand allows the determination of land sufficiency.

There are two ways to get estimates of supply and demand into common units of measurement so that they can be compared: (1) housing demand can be converted into acres, or (2) residential land supply can be converted into dwelling units. A complication of either approach is that not all land has the same characteristics. Factors such as zone, slope, parcel size, and shape, can all affect the ability of land to accommodate housing. Methods that recognize this fact are more robust and produce more realistic results. This analysis uses the second approach: it estimates the ability of vacant residential lands within the UGB to accommodate new housing. This analysis, sometimes called a “capacity analysis,”²⁴ can be used to evaluate different ways that vacant residential land may build out by applying different assumptions.

²⁴ There is ambiguity in the term *capacity analysis*. It would not be unreasonable for one to say that the “capacity” of vacant land is the maximum number of dwellings that could be built based on density limits defined legally by plan designation or zoning, and that development usually occurs—for physical and market reasons—at something less than full capacity. For that reason, we have used the longer phrase to describe our analysis: “estimating how many new dwelling units the vacant residential land in the UGB is likely to accommodate.” That phrase is, however, cumbersome, and it is common in Oregon and elsewhere to refer to that type of analysis as “capacity analysis,” so we use that shorthand occasionally in this memorandum.

Scappoose Capacity Analysis Results

The capacity analysis estimates the development potential of vacant residential land to accommodate new housing based on the needed densities by the housing type categories shown in Exhibit 55

Exhibit 57 shows that **Scappoose vacant land has capacity to accommodate approximately 1,628 new dwelling units**, based on the following assumptions:

- **Buildable residential land.** The capacity estimates start with the number of buildable acres in residential Plan Designations as shown in Chapter 2.
- **Needed densities.** The capacity analysis assumes development will occur at needed densities (as opposed to historical observed densities). Those densities were derived from historical levels and the needed densities shown in Exhibit 55.

The capacity estimate in Exhibit 57 assumes that Scappoose adopts changes to the zoning code that allow multifamily development in structures with more than eight units per structure in the A-1 and EC zones.

Exhibit 57. Estimate of residential capacity on unconstrained vacant and partially vacant buildable land, Scappoose UGB, 2016

Source: Buildable Lands Inventory; Calculations by ECONorthwest

Note: DU is dwelling unit.

| Plan Designation | Total Unconstrained Buildable Acres | Density Assumption (DU/Acre) | Capacity (Dwelling Units) |
|-----------------------------|-------------------------------------|------------------------------|---------------------------|
| General Residential | 12.1 | 7.0 | 85 |
| A-1 | 2.2 | 12.5 | 27 |
| R-1 | 4.7 | 3.9 | 18 |
| R-4 | 5.2 | 7.8 | 40 |
| Suburban Residential | 260.5 | 4.9 | 1,270 |
| R-1* | 203.5 | 4.4 | 895 |
| R-4 | 56.9 | 6.6 | 375 |
| Manufactured Home | 12.2 | | 78 |
| MH | 12.2 | 6.4 | 78 |
| Commercial | 16.0 | | 195 |
| EC | 16.0 | 12.2 | 195 |
| Total | 300.7 | 5.4 | 1,628 |

Residential Land Sufficiency

The next step in the analysis of the sufficiency of residential land within Scappoose is to compare the demand for housing by Plan Designation (Exhibit 54) with the capacity of land by Plan Designation (Exhibit 57).

Exhibit 58 shows that Scappoose has sufficient capacity to accommodate housing, with a surplus of capacity for about 397 units in the Suburban Residential designation. This surplus is equivalent to about 81 acres of vacant land.²⁵

Exhibit 58. Comparison of capacity of existing residential land with demand for new dwelling units and land surplus or deficit, Scappoose UGB, 2018-2038

Source: Buildable Lands Inventory; Calculations by ECONorthwest

Note: DU is dwelling unit.

| Plan Designation | Capacity (Dwelling Units) | Demand for New Housing | Comparison (Supply minus Demand) |
|----------------------|------------------------------|---------------------------|--|
| General Residential | 85 | 83 | 2 |
| Suburban Residential | 1,270 | 873 | 397 |
| Manufactured Home | 78 | 78 | - |
| Commercial* | 195 | 195 | 0 |

²⁵ This assumes an average density of 4.9 dwelling units per acre, which is the average density assumption for Suburban Residential in Exhibit 57.

Land needed for public and semi-public uses

Public uses include government facilities (i.e., water or wastewater facilities, schools, or parks) and semi-public uses include churches and fraternal organizations. Land within Scappoose’s UGB has been planned for public and semi-public uses. Land newly brought into the UGB would need to include lands for public and semi-public uses.

For the purpose of estimating land needed for other uses, these lands are classified into three categories:

- **Lands needed for semi-public uses.** This includes churches, non-profit organizations, and related semi-public uses. The analysis includes land need assumptions using acres per 1,000 persons for all lands of these types.
- **Lands needed for public operations and facilities.** This includes lands for city offices and maintenance facilities, state facilities, substations, and other related public facilities. Land needs are estimated using acres per 1,000 persons for all lands of these types.
- **Land needed for schools.** This is land needed by the Scappoose School District, beyond land owned by the District, for new schools.
- **Lands needed for parks and open space.** *The Scappoose Parks Trails & Open Space Plan* describes park and open space land needed to meet existing residents’ parkland needs and for growth between 2018 and 2038.

Exhibit 58 shows that Scappoose has 3.5 acres of land for public operations and facilities in residential plan designations in 2016, at 0.5 acres per 1,000 people. If future needs are consistent with current needs, Scappoose will need 1.6 acres of residential land for public operations and facilities to accommodate growth over the 2018 to 2038 period.

Scappoose has 29.2 acres in residential designations for semi-public uses, averaging 4.3 acres per 1,000 people. Assuming continuation of this land need, Scappoose will need 14 acres of residential land for semi-public uses to accommodate growth over the 2018 to 2038 period.

Exhibit 59. Public and semi-public land uses in 2016 and land needs, Scappoose UGB, 2018-2038

Source: Columbia County Assessor’s database; Calculations by ECONorthwest

| | 2016 | | 2018-2038 | |
|--------------------------------|-------------|------------------------|------------------------|--------------|
| | Acres | Acres per 1,000 people | Acres per 1,000 people | Needed Acres |
| Public Operations & Facilities | 3.5 | 0.5 | 0.5 | 1.6 |
| Semi-Public Uses | 29.2 | 4.3 | 4.3 | 14.0 |
| Total | 32.7 | 4.8 | 4.8 | 15.6 |

The Scappoose Parks Trails & Open Space Plan presents land needed to address the existing deficit of park land and forecasts need for park land to accommodate population growth over the 2018 to 2038 period. Table 3.2.2.4 in the *Plan* shows that Scappoose will need 15.99 acres of park land to address the City's existing deficit of land for parks for Scappoose's existing population. In addition, Scappoose will need an additional 37.31 acres of parkland for growth expected over the 2018 to 2038 period. Table 3.2.2.5 in the *Plan* shows that the 101.9 acres of land within the UGB are zoned for PL-R and planned to accommodate Scappoose's deficit of parkland.²⁶ Land within the PL-R zone was not counted as vacant and buildable for residential development.

The Scappoose School District does have specific plans for school development that will require the District to purchase additional sites for schools at this time.²⁷

In summary, Scappoose will need a total of 15.6 acres of land for public operations and facilities and semi-public uses. This land need is most likely to be accommodated within the surplus of about 81 in Suburban Residential.

²⁶ This analysis assumes that Scappoose will need a level-of-service of 6.25 acres of land per 1,000 people. See section 3.2.2 of *The Scappoose Parks Trails & Open Space Plan* for additional information.

²⁷ Ron Alley, the Curriculum Director, Secondary Education Director, reports that the District plans to update its long range facilities plan in the future.

Conclusions and Recommendations

The key findings of the Scappoose Housing Needs Analysis are that:

- **Scappoose’s population is forecast to grow substantially faster than in the past.** Scappoose is forecast to grow from 7,686 people in 2018 to 10,951 people in 2038, an increase of 3,265 people. This population growth will occur at an average annual growth rate of 1.8%.
- **Scappoose is planning for 1,229 new dwelling units.** The growth of 3,265 people will result in demand for 1,229 new dwelling units over the 20-year planning period, averaging 61 new dwelling units annually.
- **Scappoose will need to plan for more single-family attached and multifamily dwelling units in the future to meet the City’s housing needs.** Historically, about 82% of Scappoose’s housing was single-family detached. While 65% of new housing in Scappoose is forecast to be single-family detached, the City will need to provide opportunities for development of new single-family attached (7% of new housing), new multifamily with 2 to 4 units per structure (10% of new housing), and multifamily with 5 or more units per structure (18% of new housing).
 - The factors driving the shift in types of housing needed in Scappoose include changes in demographics and decreases in housing affordability. The aging of the Baby Boomers and the household formation of the Millennials will drive demand for renter- and owner-occupied housing such as small single-family detached housing, townhouses, duplexes, and apartments. Both groups may prefer housing in walkable neighborhoods, with access to services.
 - Scappoose’s existing deficit of housing affordable for low- and middle-income households indicates a need for a wider range of housing types, especially for renters. About 27% of Scappoose’s households have affordability problems, including a cost burden rate of 57% for renter households (a higher rate than most other cities in the region).
 - Without diversification of housing types, lack of affordability will continue to be a problem, possibly growing in the future if incomes continue to grow at a slower rate than housing costs. Under the current conditions, 413 of the forecast for new households will have incomes of \$36,650 (in 2016 dollars) or less. These households cannot afford market rate housing without government subsidy. And more than 384 new households will have incomes between \$36,650 and \$88,000. The lower-income of these households are generally able to afford market rate rents and some of the higher-income of these households can afford homeownership in Scappoose for housing with lower sales prices. These households will all need access to affordable housing, such as the housing types described above.
- **Scappoose is planning to accommodate the majority of multifamily development in the Expanded Commercial zone.** Multifamily development is an outright permitted use

in the EC zone, with clear and objective standards. Multifamily housing in the EC zone is developed based on standards of the A-1 zoning district.

Over the last five years, about 10 dwellings of multifamily housing developed in Commercial zones per year. The City assumes this trend will continue, especially with removal of the limitation for eight dwelling units per structure in the A-1 and EC zone. Much of the vacant land in the EC zone is along Highway 30 in the south part of the city, adjacent to R-4 zoned land. Multifamily housing development is desirable in this area.

- **Scappoose will need to plan to provide opportunities for development of a wider range of housing types.** Eighty-two percent of the housing in Scappoose’s housing market is single-family detached. While Scappoose will continue to need single-family detached housing in the future, the City’s needed housing mix includes a wider range of housing types, such as small lot single-family housing, townhouses and all types of multifamily housing.

Scappoose’s zoning code presents a number of barriers to developing a wider range of housing types. The most significant barrier is the limitation of eight dwelling units per structure in the A-1 zone for multifamily. Other barriers include: minimum lot sizes for single-family detached housing, limitations on the type of manufactured home allowed in the community, and relatively low height limitations for multifamily buildings.

ECONorthwest’s recommendations to Scappoose for addressing the City’s housing needs are:

- **Scappoose will need to remove barriers to development of multifamily housing.** The key barrier to multifamily housing development is the limitation of eight dwelling units per multifamily structure in the A-1 zone.
- **Scappoose should plan to provide opportunities for development of the housing need identified in this report.** This analysis found that Scappoose’s housing needs are for more development of single-family attached housing and multifamily housing. While the City does not generally have a direct role in housing development, the City’s planning framework sets the context for housing development.

Given the very high rate of cost burden for renters (one of the highest rates in the region) and the small amount of rental housing, Scappoose should focus on providing opportunities for development of multifamily housing and other types of rental housing. The City should evaluate opportunities to lower barriers to development of types of housing that are relatively more affordable (e.g., townhouses and multifamily housing) and ensure that sufficient land is available to accommodate these housing types.

The City may consider partnering with organizations involved in producing affordable housing, such as working with the Community Action Team or Northwest Oregon Housing Authority, to support development of new government subsidized affordable housing in Scappoose.

- **Scappoose should update its Comprehensive Plan policies.** As part of this project, we evaluated and made recommendations for revisions to the City’s residential

Comprehensive Plan policies. We recommend the City adopt the revised policies, as well as this housing needs analysis.

- **Scappoose should update its zoning code to provide opportunities for development of a wider range of housing** This project results in recommendations for the following revisions to Scappoose’s zoning code:
 - Revise the City’s High Density zone (A-1) to allow structures with more than eight units. The City should base the density limitations on allowable densities, such as 20 to 30 dwelling units per acre, and the height of the building. The City should consider increasing the existing 35-foot height limit for multifamily housing in the A-1 zone to allow a three-story building (40 feet tall) or a four-story building (50 feet tall).
 - Develop an ordinance to allow cottage cluster housing. Cottage housing is generally housing of 1,200 square feet or smaller on a small lot. Cottage clusters are generally 4 to 12 units clustered together around open space. The density allowed for cottage housing is generally above that allowed for single-family detached housing, up to twice the density in the underlying zone.
 - Increasing height limits for residential buildings in the EC zone to 60 feet (about 5 stories) for mixed use buildings.
 - Merge the MH and R-4 zones. They have the same development standards but manufactured home parks are only allowed in MH. ORS 197.480 requires that cities allow for manufactured dwelling parks as an allowed use in zones with a residential density of six to 12 dwelling units per acre.
 - Allow smaller lot sizes for single-family detached housing, such as 6,000 square foot lots in the R-1 zone (current minimum lot size is 7,500 square feet) and 5,000 square foot lots in R-4 zone (current minimum lot size is 6,000 square feet).
 - Revise the City’s requirement about accessory dwelling units’ requirement for owner-occupancy of the primary dwelling to allow any tenure in housing with an accessory dwelling unit.
 - Allow more flexibility in the size of manufactured homes allowed on lots outside of manufactured home parks. The City currently requires a manufactured home of not less than two major structural sections and a livable floor area of not less than 1,000 square feet.
 - For parcels partially within the floodplain, encourage development on the areas not within the floodplain by allowing cluster development and density bonuses.
- Scappoose should develop policies to support development of low-income and workforce affordable housing, such as:
 - Collaborate with affordable housing providers to support affordable housing development.

- Develop a tax abatement program, such as the multiple-unit limited tax exemption program, to promote development of affordable and market-rate multifamily housing. The City may choose to evaluate development of a tax abatement program, as part of a longer-term affordable housing strategy.
 - Consider and encourage use of Tax Increment Financing in the Urban Renewal Areas to support government-subsidized and market-rate multifamily housing development. This policy would require development of an Urban Renewal District and Plan.
 - Develop a program to defer systems development charges and other fees for affordable housing development.
 - Identify sources of funding to support government-subsidized affordable housing development.
- **Scappoose should monitor residential land development.** Monitoring residential land development will help the City ensure that there is enough residential land to accommodate the long-term forecast for population growth. We recommend that the City develop and implement a system to monitor the supply of residential land. This includes monitoring residential development (through permits) as well as land consumption (e.g. development on vacant, or redevelopable lands).

Although the City's official population forecast from Portland State University does not explicitly say so, we assume that it does not account for significant growth from the Oregon Manufacturing Innovation Center. Given the significant uncertainty about how much growth the Center will bring to Scappoose and when the growth will occur, it seems reasonable to exclude that growth for now.

However, a new official population forecast will be developed for Scappoose in 2021. We recommend that the City review the forecasts closely and if significantly faster growth is forecast, the City may need to revisit its housing needs analysis to determine if the City has sufficient land to accommodate growth based on the new forecasts.

Appendix A – Residential Buildable Lands Inventory

The general structure of the buildable land (supply) analysis is based on the DLCD HB 2709 workbook *“Planning for Residential Growth – A Workbook for Oregon’s Urban Areas,”* which specifically addresses residential lands. The buildable lands inventory uses methods and definitions that are consistent with OAR 660-009 and OAR 660-024.

This inventory does not use the process outlined in the Division 38 Simplified Urban Growth Boundary Method. OAR 660-038 was adopted in 2016 to provide cities with a simplified method to evaluate and amend urban growth boundaries (UGBs). OAR 660-038-0060 and 0070 describes the process for a simplified residential land inventory within the UGB and OAR 660-038-0120 and 0130 describes a similar process for employment lands. These methods must be used if a city wants to use the Division 38 simplified UGB review pathway. It is our understanding that Scappoose desires to use the traditional pathway. We call attention to the differences because the results of a BLI using the traditional Goal 10/OAR 660-008 pathway does not comply with the Division 38 requirements.

ECONorthwest used 2016 data for this report. The following provides an overview of the buildable land inventory methodology and results.

Overview of the methodology

The Scappoose BLI includes all residential land designated in the comprehensive plan within the Scappoose UGB. From a practical perspective, this means that ECONorthwest inventoried all lands within tax lots identified by the Columbia County Assessor’s Office that fall within the UGB. The inventory then builds from the tax lot-level database to estimates of buildable land by plan designation.

The buildable lands analysis was completed through several sequential steps.

Step 1: Generate “land base.” First, the analysis established the residential land base (parcels or portion of parcels with appropriate zoning). Per Goal 10, this involves selecting all of the taxlots in the Scappoose UGB with residential plan designations or other plan designations that allow residential uses. Plan designations included in the residential inventory were:

- General Residential
- Suburban Residential
- Manufactured Home
- Commercial

Step 2: Classify lands by development status. Next, the analysis classified each parcel into one of the following categories based on development status.

- Developed land
- Vacant land
- Partially vacant land

Step 3: Identify constraints. The next step in the BLI is to identify lands with development constraints. This includes floodways, regulated wetlands, significant Goal 5 resources including required setbacks, and land identified for future public facilities as constrained or committed lands. For a full list of constraints, see Appendix A, Development Constraints. All constraints were merged into a single constraint file, which was then used to identify the area of each tax lot that is constrained. These areas are deducted from lands that were identified as vacant or partially vacant.

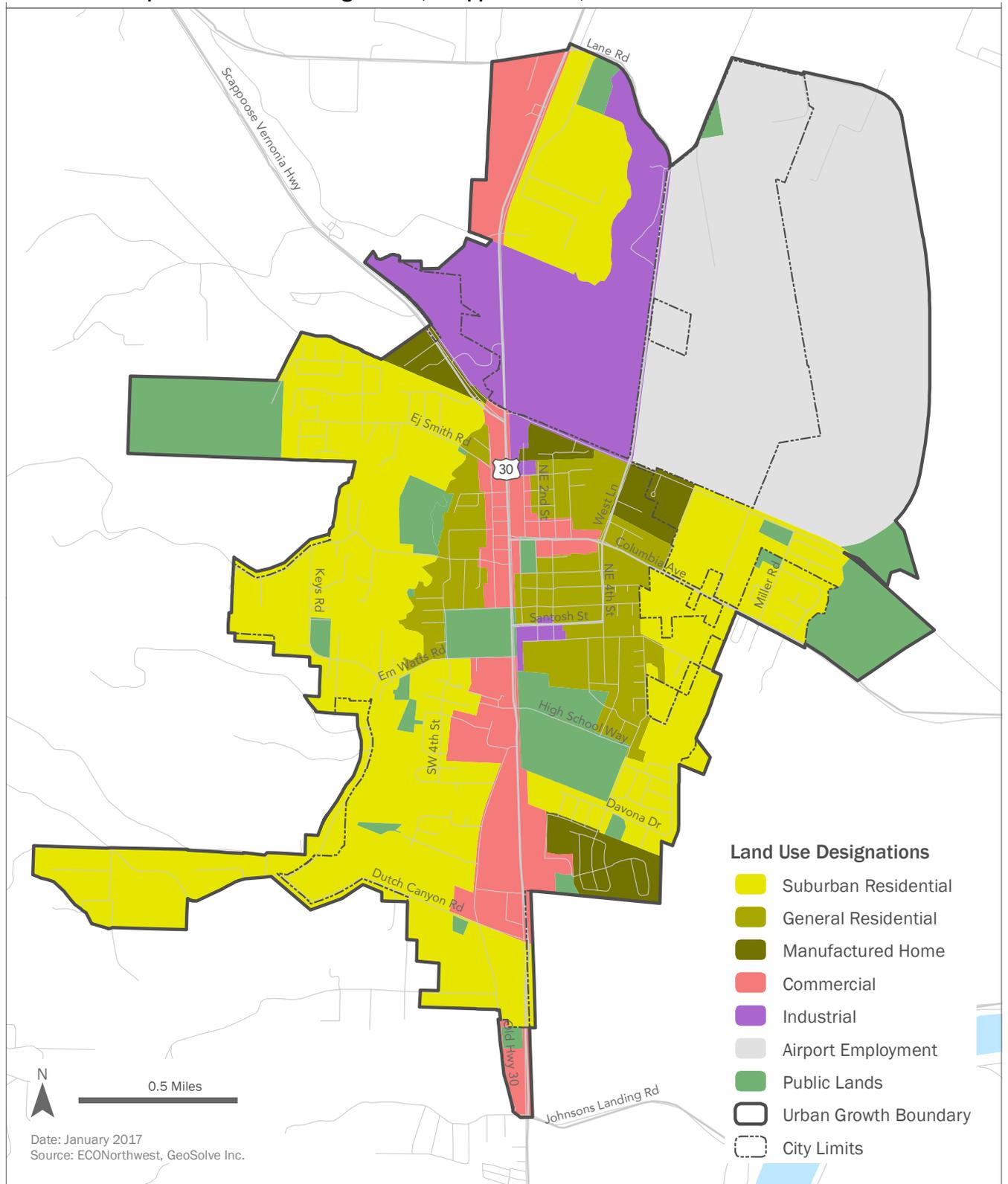
Step 4: Verification. ECONorthwest used a multi-step verification process to ensure the accuracy of the BLI. The first verification step included a “rapid visual assessment” of land classifications using GIS and recent aerial photos to verify uses on the ground. The second round of verification involved City staff verifying the rapid visual assessment output. ECONorthwest amended the BLI based on City staff review and a discussion of the City’s comments.

The inventory was completed primarily using Geographic Information Systems (GIS) mapping technology. The output of this analysis is a database of land inventory information, which is summarized in both tabular and map format. Although data for the inventory was gathered and evaluated at the parcel level, the inventory does not present a parcel - level analysis of lot availability and suitability. The results of the inventory have been aggregated by comprehensive Plan Designations, consistent with state planning requirements. As such, the inventory is considered to be accurate in the aggregate only and not at the parcel level.

Data used for the analysis was provided by the Columbia County GIS Department. Specific data used included city/urban growth boundaries, tax lots, zoning, Oregon Wetlands Cover, and contours (to calculate slopes). The tax lot data was current as of November 2016.

Exhibit 60 (on the following page) shows comprehensive plan designations for the City of Scappoose. This BLI includes lands in the Suburban Residential, General Residential, Manufactured Home, and Commercial Plan Designations.

Exhibit 60. Comprehensive Plan Designations, Scappoose UGB, 2016



Definitions

A key step in the buildable lands analysis is to classify each tax lot into a set of mutually exclusive categories based on development status. For the purpose of this study, all residential tax lots in the UGB are classified into one of the following categories:

- *Vacant land.* Tax lots that have no structures or have buildings with very little improvement value are considered vacant. For the purpose of this inventory, lands with improvement values under \$10,000 are considered vacant (not including lands that are identified as having mobile homes).
- *Partially vacant land.* Partially vacant tax lots are those occupied by a use but which contain enough land to be developed further. Consistent with the safe harbor established in OAR 660-024-0050 (2)(a), tax lots that are one-half acre or larger are considered partially vacant.²⁸ This was refined through visual inspection of recent aerial photos.
- *Developed land.* Developed land is developed at densities consistent with zoning and has improvements that make it unlikely to redevelop during the analysis period. Lands not classified as vacant or partially vacant are considered developed. In addition, taxlots that provide required parking for adjacent parcels—as identified through review by City of Scappoose staff—are also considered developed.

Development constraints

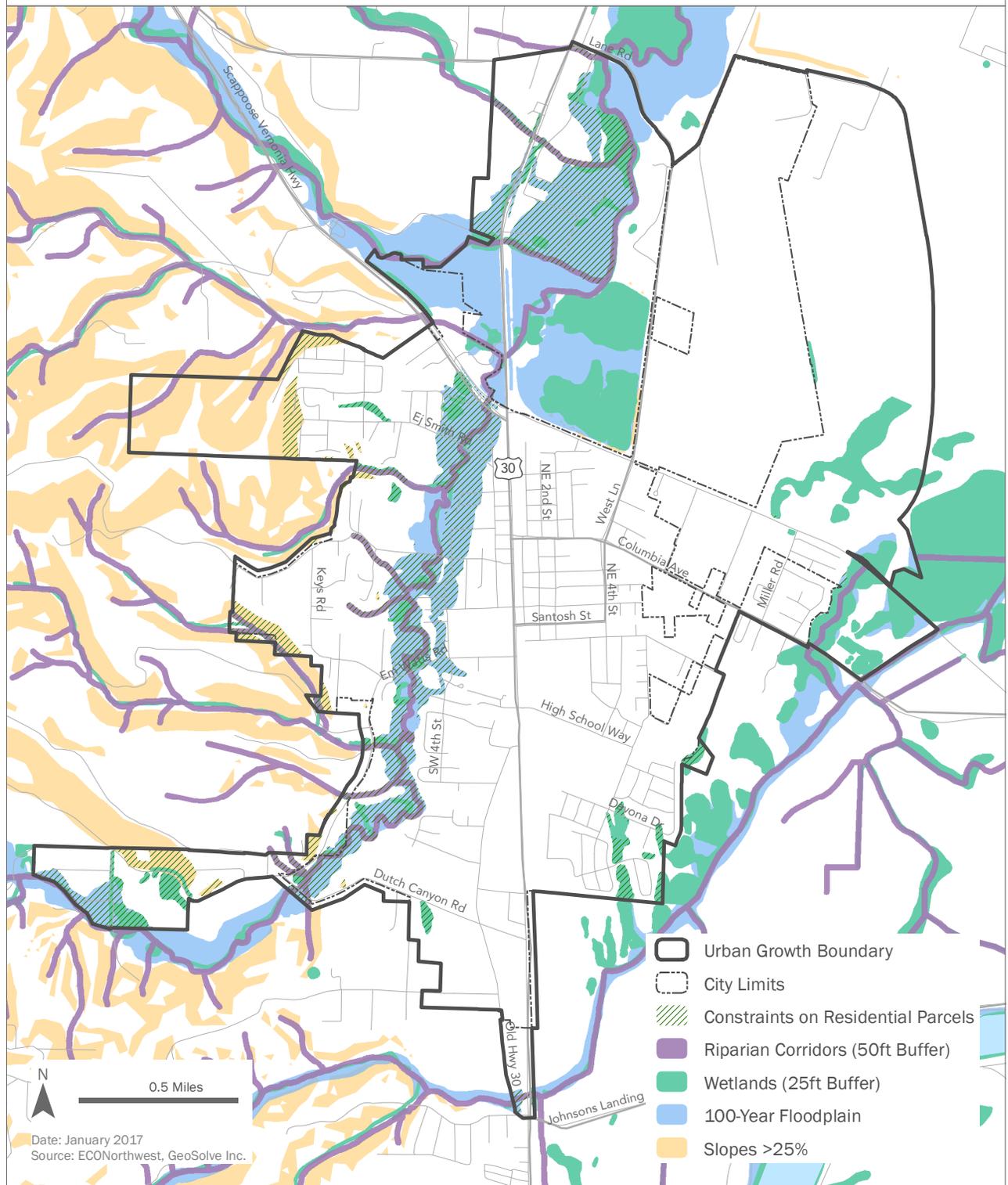
Consistent with state guidance on buildable lands inventories, ECONorthwest deducted portions of residential tax lots that fall within certain constraints from the buildable lands including wetlands and steep slopes. Categories used were consistent with OAR 660-008-0005(2):

- *Lands within floodplains.* Flood Insurance Rate Maps from the Federal Emergency Management Agency (FEMA) were used to identify lands in floodways and 100-year floodplains.
- *Land within natural resource protection areas.* The 2009 Oregon Wetlands Cover was used to identify areas within wetlands. A 25-foot buffer was added to all wetlands areas. In addition, riparian corridors (defined as lands within 50 feet of rivers) are considered undevelopable. These wetlands and riparian buffers are consistent with Scappoose Zoning Code 17.85 and 17.89.
- *Land with slopes over 25%.* Lands with slopes over 25% are considered unsuitable for residential development.

Exhibit 61 maps the development constraints used for the residential BLI.

²⁸ Under the safe harbor established in OAR 660-024-0050 (2)(a), the infill potential of developed residential lots of one-half acre or more may be determined by subtracting one-quarter acre (10,890 square feet) for the existing dwelling and assuming that the remainder is buildable land. The RBLI used this methodology.

Exhibit 61. Development Constraints, Scappoose UGB, 2016



Residential Buildable Land Inventory Results

Land Base

Exhibit 62 shows residential land in Scappoose by classification (development status). The results show that the Scappoose UGB has 1,294 total acres in residential Plan Designations. (This includes the Commercial designation, which allows residential uses). Of the 1,294 acres in the UGB, about 685 acres (53%) are in classifications with no development capacity, and the remaining 608 acres (47%) have development capacity before development constraints are applied.

Exhibit 62. Residential acres by classification and Plan Designation, Scappoose UGB, 2016

| Plan Designation | Partially | | | Total Acres | Percent of Total |
|-------------------------|------------|------------|------------|--------------|------------------|
| | Vacant | Vacant | Developed | | |
| General Residential | 14 | 14 | 145 | 174 | 13% |
| Suburban Residential | 121 | 392 | 352 | 865 | 67% |
| Manufactured Home | 3 | 14 | 70 | 86 | 7% |
| Commercial | 27 | 24 | 118 | 169 | 13% |
| Total Acres | 164 | 444 | 685 | 1,294 | 100% |
| Percent of Total | 13% | 34% | 53% | 100% | |

Source: ECONorthwest

Note: The numbers in the table may not sum to the total as a result of rounding.

Exhibit 63 shows land in all residential Plan Designations by development and constraint status. After development constraints have been applied, about 53% of Scappoose's total residential land (684 acres) is built, 22% (283 acres) is constrained, and 25% (327 acres) is buildable.

Exhibit 63. Residential land by comprehensive Plan Designation and constraint status, Scappoose UGB, 2016

| Plan Designation | Tax Lots | Total Acres | Acres with No | | Total Unconstrained Buildable Acres |
|-------------------------|--------------|--------------|----------------------|-------------------|-------------------------------------|
| | | | Development Capacity | Constrained Acres | |
| General Residential | 772 | 174 | 129 | 32 | 12 |
| Suburban Residential | 1,624 | 865 | 373 | 231 | 260 |
| Manufactured Home | 157 | 86 | 66 | 8 | 12 |
| Commercial | 218 | 169 | 116 | 11 | 42 |
| Total | 2,770 | 1,294 | 684 | 283 | 327 |
| Percent of Total | | 100% | 53% | 22% | 25% |

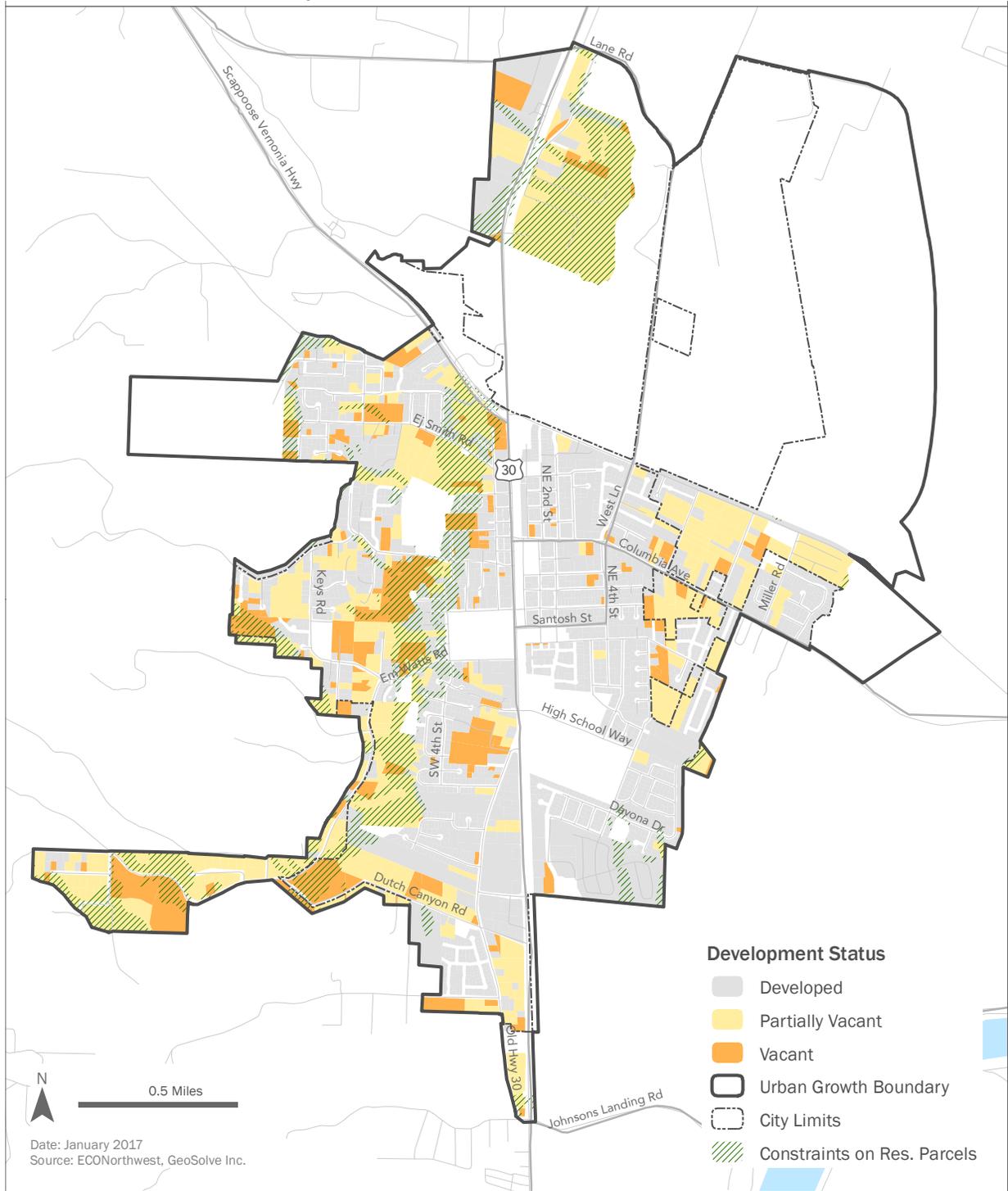
Source: ECONorthwest

Note: "Acres with no development capacity" consists of developed parcels and the built portion of partially vacant parcels.

Note: The numbers in the table may not sum to the total as a result of rounding.

Exhibit 64 (on the following page) shows residential land by development status with constraints overlaid.

Exhibit 64. Residential Land by Development Status, Scappoose UGB, 2016



Vacant Buildable Land

Exhibit 65 shows buildable acres (e.g., acres in tax lots after constraints are deducted) for vacant and partially vacant land by Plan Designation. Of Scappoose’s 327 buildable residential acres, about 33% are in tax lots classified as vacant, and 67% are in tax lots classified as partially vacant. About 80% of Scappoose’s buildable residential land is in Suburban Residential Plan Designations. General Residential and Manufactured Home Plan Designations each have about 4% of Scappoose’s buildable residential land. The remainder is in Commercial Plan Designations.

Exhibit 66 (on the following page) maps Scappoose’s buildable vacant and partially vacant residential land.

Exhibit 65. Buildable acres in vacant and partially vacant tax lots by Plan Designation and zoning, Scappoose UGB, 2016

| Plan Designation | Unconstrained | | Total |
|-----------------------------|------------------------|----------------------------|-------------------------------|
| | Partially Vacant Acres | Unconstrained Vacant Acres | Unconstrained Buildable Acres |
| General Residential | 2.8 | 9.3 | 12.1 |
| A-1 | 0.0 | 2.0 | 2.0 |
| A-1 PD | 0.0 | 0.2 | 0.2 |
| R-1 | 1.3 | 3.4 | 4.7 |
| R-4 | 1.4 | 3.7 | 5.2 |
| Suburban Residential | 187.3 | 73.2 | 260.5 |
| PA-80 | 1.1 | 0.4 | 1.5 |
| R-1 | 51.6 | 27.3 | 78.9 |
| R-10 | 72.5 | 24.1 | 96.6 |
| R-4 | 37.0 | 19.9 | 56.9 |
| RR-5 | 25.0 | 1.5 | 26.5 |
| Manufactured Home | 9.5 | 2.7 | 12.2 |
| MH | 6.0 | 2.7 | 8.7 |
| MHR | 3.5 | 0.0 | 3.5 |
| Commercial | 18.0 | 24.2 | 42.2 |
| C | 0.9 | 2.7 | 3.7 |
| C-3 | 1.9 | 0.0 | 1.9 |
| CS-I | 0.0 | 0.1 | 0.1 |
| EC | 7.0 | 14.8 | 21.8 |
| RIPD | 0.1 | 0.0 | 0.1 |
| RR-5 | 8.1 | 6.5 | 14.5 |
| Total | 218 | 109 | 327 |
| Percent of Total | 67% | 33% | 100% |

Source: ECONorthwest

Note: The numbers in the table may not sum to the total as a result of rounding.

Exhibit 66. Unconstrained vacant and partially vacant land, Scappoose UGB, 2016

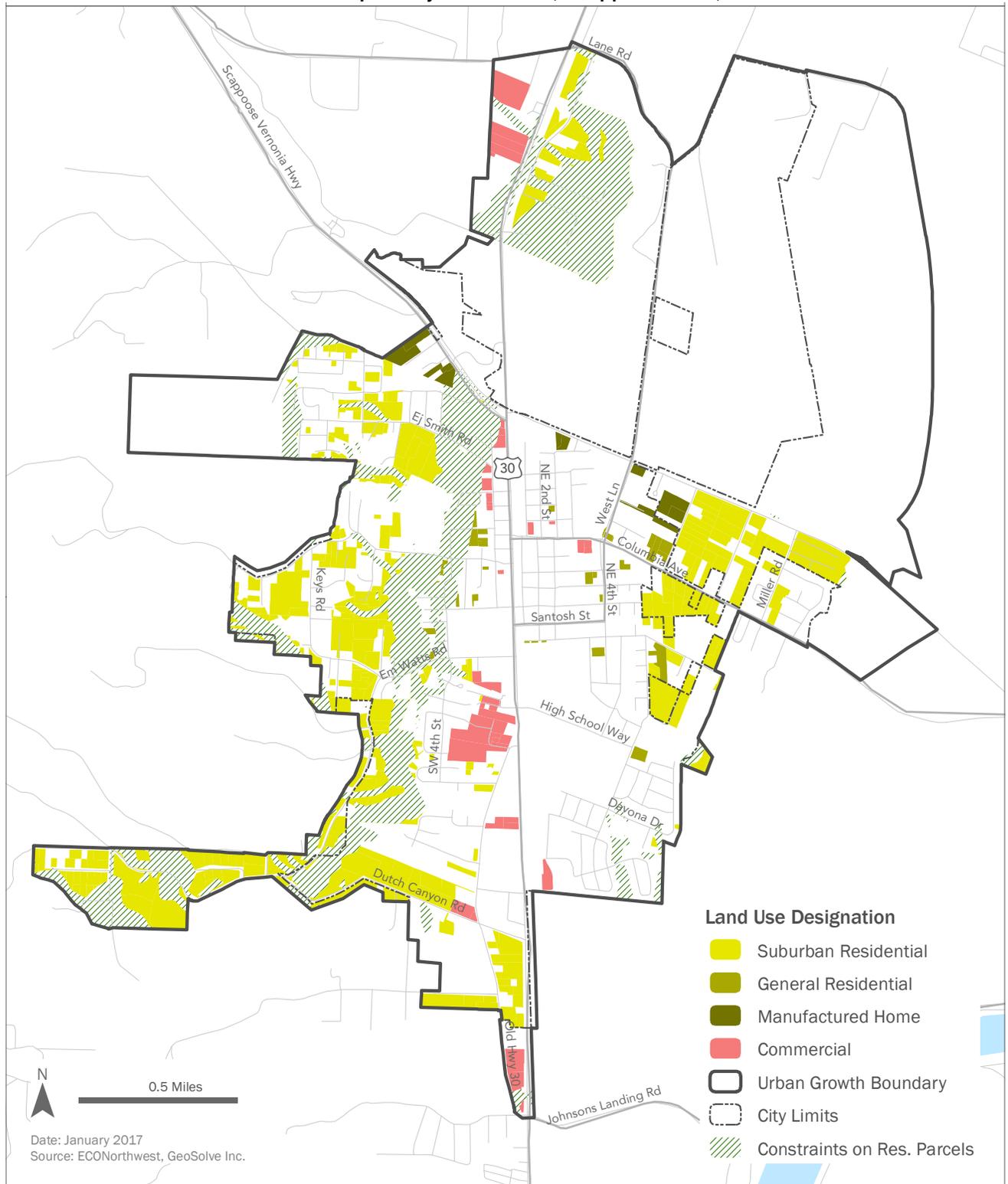


Exhibit 67 shows unconstrained residential buildable land by plan designation and taxlot size. About one-third of Scappoose’s buildable residential acres are in taxlots less than one acre in size. Scappoose has 8 taxlots with more than 5 acres of buildable residential land. These 8 taxlots account for 56 acres (17%) of Scappoose’s total unconstrained buildable acreage.

Exhibit 67. Unconstrained residential buildable acres by plan designation and taxlot size

| Plan Designation | Unconstrained Vacant and Partially Vacant Acre in Taxlots | | | | | Total Unconstrained Buildable Acres |
|----------------------|--|-----------|-----------|-----------|----------|---|
| | <1 | 1-2 | 2-5 | 5-20 | 20+ | |
| Total Acres | 112 | 73 | 86 | 56 | 0 | 327 |
| General Residential | 10 | 0 | 2 | 0 | 0 | 12 |
| Suburban Residential | 86 | 62 | 74 | 39 | 0 | 260 |
| Manufactured Home | 4 | 3 | 5 | 0 | 0 | 12 |
| Commercial | 12 | 8 | 5 | 17 | 0 | 42 |
| Total Taxlots | 337 | 53 | 31 | 8 | 0 | 429 |
| General Residential | 42 | 0 | 1 | 0 | 0 | 43 |
| Suburban Residential | 250 | 46 | 26 | 5 | 0 | 327 |
| Manufactured Home | 9 | 2 | 2 | 0 | 0 | 13 |
| Commercial | 36 | 5 | 2 | 3 | 0 | 46 |

Source: ECONorthwest

Note: The numbers in the table may not sum to the total as a result of rounding.