

## HOUSING ELEMENT

### (Goal 10)

#### 1. HOUSING IN TILLAMOOK COUNTY

##### 1.1 OVERVIEW

Housing planning is necessary if the comprehensive plan is to respond to community needs. It serves as an important counterbalance to planning for resource conservation.

The housing plan identifies existing housing needs and problems and estimates future housing needs. Housing needs are translated into land needs from which appropriate zoning can be determined. In addition, the housing plan provides the data base necessary for satisfying the requirements of Housing Assistance Plans and Community Development Block Grant Applications.

A substantial amount of data is required for determining housing needs. ~~Data on housing need is divided into four sections in this chapter of the Housing Element. The first section describes the current housing supply and contains information on housing type, building trends, vacancy rates, cost, condition, and assisted housing. The second section describes present housing needs and contains information on population and households, household size, tenure, household income, place of employment and desired place of residence, desired housing type, community and rural living preferences, and "special households". The third section describes existing housing problems such as undersupply, poor condition, unaffordability, crowding, lack of variety and problems of "special households". The final section estimates housing needs in the year 2000. The 2019 Housing Needs Analysis is included as Appendix A.~~

##### ~~1.2 EXISTING HOUSING SUPPLY~~

~~Several aspects of Tillamook County's housing supply are analyzed below including numbers and types of housing units, building trends, vacancy rates, housing cost, housing condition, and numbers of assisted housing units. Where sufficient information is available, these aspects of the housing supply are presented for each housing market area.~~

##### ~~a. Housing Type~~

~~It is important to know how many housing units there are in the County in order to determine whether supply is adequate to meet current needs and how many additional units are needed to meet anticipated future needs.~~

~~The housing supply is comprised of three basic housing types: single family dwellings (conventional detached homes), multiple family dwellings (condominiums, apartments, duplexes, etc) and Mobile homes. Since each of these housing types meets particular needs, it is important to analyze the supply of each type.~~

~~TABLE 4~~

~~1980 Estimated Housing Supply by Housing Type and Market Area~~

Market Area	Type of Structure (Number of Units)			Total
	Single Family	Multiple Family	Mobile Home	
South	1,217	74	77	1,368
South-Central	1,195	63	272	1,530
Central Coast	1,020	54	71	1,145
Central Inland	2,625	851	258	3,734

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North-Central	2,519	231	364	3,114
North	1,723	124	143	1,990
TOTAL	40,290	1,397	1,185	42,881

Source: Adapted from 1970 Census and building and mobile home permit records.

**TABLE 2**  
Distribution of Housing Types Within and Among Market areas, 1980

Market Area	Type of Structure							
	Single Family		Multiple Family		Mobile Home		Total	
	% Housing Type	%-Market Area Units	% Housing Type	%-Market Area Units	% Housing Type	%-Market Area Units	% Housing Type	%-Market Area Units
South	11.8	89.0	5.3	5.4	6.5	6.6	10.6	100.0
South Central	11.6	78.1	4.5	4.1	22.9	17.8	11.9	100.0
Central Coast	9.9	89.4	3.9	4.7	6.0	6.2	8.9	100.0
Central Inland	25.5	70.3	60.9	22.8	21.8	6.9	29.0	100.0
North Central	24.5	80.9	16.5	7.4	30.7	11.7	24.2	100.0
North	16.7	86.6	8.9	6.2	12.1	7.2	15.4	100.0
TOTAL	100.0	80.0	100.0	10.8	100.0	9.2	100.00	100.0

Source: Adapted from Table 1

**TABLE 3**  
Building Trends by Market Area and Housing Type, 1970-1980

Market Area	Type of Structure							
	Single Family		Multiple Family		Mobile Home		Total	
	Numerical Increase	Percentage Increase	Numerical Increase	Percentage Increase	Numerical Increase	Percentage Increase	Numerical Increase	Percentage Increase
South	526	76.4	15	25.4	42	120.0	583	74.3
South Central	561	88.5	23	57.5	239	724.2	823	115.4
Central Coast	337	49.3	10	22.7	41	136.7	388	51.2
Central Inland	331	14.4	120	16.4	150	138.9	601	19.2
North Central	802	46.7	85	58.2	292	405.6	1,170	60.9
North	992	1.36	62	100.0	116	429.6	1,170	142.7
TOTAL	3,549	52.6	315	29.1	880	288.5	4,744	58.3

Source: Building Permits - Tillamook County Building Department, Oregon Department of Commerce  
Mobile Home Permits - Tillamook County Planning Department, Tillamook County Assessor

Table 1 shows the housing supply in 1980 for each market area and the County as a whole. As can be seen, there were approximately 12,881 housing units in the County in 1980. The Central Inland and North Central areas contain more than half of this number.

Table 2 shows the distribution of housing types within and among the market areas. Single family dwellings comprise the bulk of the housing supply, 80.0 percents. The second most abundant housing type includes multiple family dwellings with 10.8 percent of the total supply. The majority of these housing units, 61 percent, are located in the Central Inland market area which includes the City of Tillamook. The North Central area has the second largest number of these housing units, 16.5 percent. Mobile homes are the least abundant type of housing in the County. They comprise 9.2 percent of the total supply and are concentrated in the Central Inland and the North Central market areas.

b. Building Trends

Changes in the housing supply between 1970 and 1978 are shown in Table 3 for each market area and each type of housing. The total housing supply had increased by 58.3 percent during that time period. Housing supply grew the fastest in the North market area, 142.7 percent. The South, South Central and North Central market areas also grew at a faster rate than the County average. The greatest amount of growth occurred in the North Central market area. This is almost equaled by the amount of growth in the North market area. The Central Coast market area had the smallest amount of growth. The South market area had the second smallest amount of growth.

The growth of the mobile home supply, 288.5 percent, is particularly striking. This represents a large numerical increase in units as well as a large proportional increase. Although only 3.7 percent of all housing units were mobile homes in 1970, approximately 18.5 of all housing growth occurred County wide but was particularly high in the South Central, North Central and North market areas.

Single family homes were by far the predominant type of housing built since 1970. Table 4 shows that 74.8 percent of the total housing increase was in single family dwellings. The South, Central Coast, and North market areas have particularly high proportions of their housing growth in this type of housing units. Most of the growth of the single family housing supply occurred in the North Central and North market areas.

Mobile homes contributed 18.6 percent of the County's housing growth. Most of these were sited in the North Central market area. A significant proportion were also located in the South and Central Coast market areas.

**Table 4**

Distribution of Increase of Housing Types Within and Among Market Areas, 1970-1980

Market Area	Type of Structure							
	Single Family		Multiple Family		Mobile Home		Total	
	% Housing Type Increase Among Market Areas	% Market Area Units Increase	% Housing Type Increase Among Market Areas	% Market Area Units Increase	% Housing Type Increase Among Market Areas	% Market Area Units Increase	% Housing Type Increase Among Market Areas	% Market Area Units Increase
South	14.8	90.2	4.7	2.6	4.8	7.2	12.3	100.0
South Central	15.8	68.2	7.3	2.8	27.1	29.0	17.3	100.0
Central Coast	9.5	86.8	3.2	2.6	4.7	10.6	8.2	100.0
Central Inland	9.3	55.4	38.1	20.0	17.0	24.9	12.7	100.0
North Central	22.6	68.0	27.0	7.2	33.2	24.8	24.8	100.0
North	28.0	84.8	19.7	5.3	13.2	9.9	24.7	100.0
TOTAL	100.0	74.8	100.0	6.6	100.0	18.6	100.0	100.0

Source: Table 3

c. Vacancy Rates

The housing supply must exceed the number of households in order to assure sufficient housing choice and price stability. If there is no surplus of vacant housing or if the surplus is very small, the price of housing is unnecessarily increased and housing choice is diminished. If the surplus is too large however, owners have a difficult time affording maintenance of their property.

Ideally, vacancy rate information for each type of housing at each cost level for each market area would be most useful. Unfortunately, such information is very difficult and costly to obtain and it has not been obtained for Tillamook County. At best, a Countywide rate for rental and sales housing can be given.

Vacancy rates can be very variable in a recreational county like Tillamook because there is a large supply of absentee owned housing that can serve the permanent or seasonal housing market. When the demand for housing is greatest during the summer, the vacancy rates are quite low while they raise in the winter when demand falls off. A housing market analysis by the State Housing Division concluded that the vacancy rate in November of 1977 was 3 percent for rental housing and 2.5 percent for sales housing.\* It appears as though the rate for sales housing is at the desired level but that the rate for rental housing may be low.

We can get some indication of whether there are any large discrepancies in vacancy rates in each of the market areas by comparing population growth of each market area between 1970 and 1980 with the growth in housing supply shown in Table 4. According to the U.S. Census (See Table 3 in the Population Element), the Nehalem, Beaver, and Neckowin Census County Divisions grew at the greatest rates. These areas roughly correspond to the South, South Central, and North market areas. Table 3 shows that these areas also showed the greatest growth rate in housing supply. Based on this information, we would not suspect that there are vacancy rate problems in any particular area.

d. Cost

It is important that the comprehensive plan and zoning designate a sufficient amount of land for housing types at densities that County residents can afford. Information about housing costs is necessary in order to determine the quantities of land needed to be zoned for each type.

According to a market study done by the State Housing Division in 1977, the average price of a three bedroom home in Tillamook County ranged from 42,000 to 46,000 dollars.\* The minimum price for a new home was approximately 34,000 dollars.\* Two bedroom apartment were renting at from 155 to 300 dollars per month with the average being 255 dollars.\*

The cost of housing for owners and renters in 1978 is shown in Table 5 for each market area and the County as a whole. The median housing cost for the County (underlined in the table) was in the \$200 to \$249 per month bracket. This median hold true for all of the market areas except for the North Central area where it was in the \$150 to \$199 bracket.

The price of housing has risen rapidly between 1970 and 1978. For the state as a whole, the price of new housing rose at a rate of 13 percent between 1972 and 1977. Both the price of single family homes and rents have risen at similar rates in Tillamook county. Rents for instance, rose from an average of 70 dollars per month in 1970 to 225 dollars per month in 1977.\* This is an increase of 221 percent, an annual increase of 10.4 percent. The median value of for sale housing rose from 11,834 dollars in 1970 to 44,000 dollars in 1977, assuming that value in 1977 is the same as the average price of a new home. This is an increase of 272 percent in seven years, an annual increase of 13.4 percent.

The rapid increase in the price of housing is probably part of the reason why the supply of mobile homes has grown so suddenly over that same time period. The

average price of a mobile home with land was about 91 percent of the cost of an average new home in 1979.\*

**TABLE 5**

Monthly Housing Costs, Percentage of Market Area Population in Each Cost Bracket

Market Area	Housing Cost Bracket									TOTAL
	\$0 to \$49	\$50 to \$99	\$100 to \$149	\$150 to \$199	\$200 to \$249	\$250 to \$299	\$300 to \$399	\$400 to \$499	\$500 or more	
South	3.0	10.5	13.4	13.4	13.4	19.4	11.9	9.0	6.0	100.0
South Central	0.7	9.0	20.9	17.1	12.7	7.5	17.9	8.2	6.0	100.0
Central Coast	3.8	11.4	10.1	17.7	21.5	11.4	13.9	6.4	3.8	100.0
Central Inland	1.9	7.3	11.6	17.7	15.4	14.1	16.0	9.4	6.6	100.0
North Central	1.9	15.4	15.4	19.2	14.7	12.8	13.5	4.5	2.6	100.0
North	0	8.4	20.5	16.3	15.7	9.6	12.7	10.8	6.0	100.0
Undetermined Rural	2.1	11.4	14.3	10.0	12.2	13.6	20.7	5.7	10.0	100.0
TOTAL	1.7	10.0	14.6	16.8	15.0	12.7	15.5	7.9	5.8	100.0

Note: In all of the tables adapted from A Survey of the Housing Situation in Tillamook County, the responses from the communities were aggregated into market areas. Certain rural responses were not located sufficiently to allow aggregation with any particular market area.

Source: Richard Ragatz, A Survey of the Housing Situation in Tillamook County, p. 75.

e. Condition

Knowledge of housing condition can help in determining the living standards of County residents and the amount of housing that will need to be replaced in the future.

According to the County's housing assistance plan there were 1,685 substandard housing units in the County in 1978. Twenty-one point five percent of all owner occupied housing units, 1,399 and 17.5 percent of all renter occupied units, 286, were substandard.\*

The County's housing survey provides some additional data on housing condition. Nine point eight percent of the survey respondents indicated that their housing needs many repairs.\* Table 6 shows how people responded to questions about specific repair needs. About a third of the respondents indicated that their home needs exterior paint. About one quarter need insulation or roof repairs. Foundation, plumbing or electrical repairs are needed by about 15 percent of the homes.

**TABLE 6**

## Housing Items in Need of Repair

	Respondents	
	Number	Percent
Exterior painting	525	36.1
Insulation	405	27.9
Roof	363	25.0
Replace windows	274	18.9
Plumbing	254	17.5
Foundation repairs	222	15.3
Electrical	216	14.9
Heating system	184	12.7
Stairs and railings	78	5.4
Installation of aids for the handicapped	30	2.1
Other	165	11.4
None	325	22.4

Source: Richard Ragatz, "A Survey of the Housing Situation", p. 29

Table 7 provides another indication of housing condition in the County. It can be seen that just over 15 percent of the homes have no concrete foundation. Although this type of construction is currently used in some flood prone areas and hillsides, in general older homes are the ones without foundations.

**TABLE 7**

## Percentage of Homes With Concrete Foundation, Indoor Toilet and Electricity

Market Area	Homes with Concrete Foundation	Homes with Indoor Toilet	Homes with Electricity
South	73.1	100.0	100.0
South Central	74.3	98.5	100.0
Central Coast	91.5	98.9	98.9
Central Inland	88.2	100.0	99.4
North Central	81.2	100.0	100.0
North	91.1	100.0	100.0
Undetermined Rural	83.7	100.0	99.3
TOTAL	84.6	98.8	99.6

Source: Richard Ragatz, A Survey of the Housing Situation in Tillamook County, p. 86.

It is difficult to mortgage such a home and other problems are likely to be present. The proportion of homes without foundations provides an indication of the condition of housing in an area. Table 7 indicates that housing condition in the Central Coast, Central Inland, and North areas is better than in the County as a whole. Table 7 also indicates that almost all of the homes in the County have indoor toilets and electricity. Housing age also provides an indication of the condition of the County's housing supply. Although the useful life of a home depends on the quality of construction and maintenance, older homes tend to be more deteriorated than newer homes. Currently 23.8 percent of the County's housing units are more than 40 years old. (See Table 8). By the year 2000 4,846 housing units, or 24 percent of the housing

supply, will be more than 50 years old. A significant number of housing units will need replacement or substantial repair by the year 2000.

f. Assisted Housing

Assisted housing is an important safety net for families that can't afford safe and sanitary housing at market rates.

There are currently 149 housing units allocated to the County for rental assistance. By far the bulk of these, 107 units, are assisted through HUD Section 8 funding. Tenants in this housing pay no more than 25 percent of their income for rent. The program is limited to household earning less than 80 percent of the median income for the County. There are 10 additional rental units rehabilitated with Section 8 financing. Section 8 units are spread throughout the County but the majority, 75 units, are located in the City of Tillamook. Recently, 12 new Section 8 units were built in Nehalem.

**TABLE 8**

Age of Housing in Tillamook County, 1980.

Year Structure Built	Number of Structures	Percent of Total Structures
1971-1980	5,051	39.2
1960-1970	4,491	41.6
1950-1959	4,493	41.6
1940-1949	4,784	43.8
1939 or earlier	3,062	23.8
TOTAL	12,881	100.0

Source: 1970 Census and Table 3.

There are also 32 rental assistance units financed through the FmA Section 515 program. This program finances public or private sponsors who construct or substantially rehabilitate rental or cooperative housing for low and moderate income families and elderly persons. All of these units are located in the City of Tillamook.

There are also owner occupied assisted housing units in Tillamook County. Recently, the County received a grant for rehabilitation of 16 owner occupied housing units through the Community Development Block Grant program. This will make available \$5,000 to \$7,000 for rehabilitation of individual houses. There are also 9 unit rehabilitations financed through the Farmers Home Administration 504 program. There are 122 of these units throughout the County of which 32 are located in the City of Tillamook.

Housing supply information only becomes meaningful when it is compared with housing need. Relevant information on housing need includes number of households, household size, tenure, household income, place of employment, desired place of residence, desired housing type, and characteristics of "special households". "Special households" include the elderly, minorities, the handicapped, large families, and female headed households. These groups have historically had a more difficult time meeting their housing needs, and are the focus of federal housing assistance programs.

a. Population and Households

Tillamook County has two populations, permanent and seasonal. The permanent population; maintains their primary residence in the County while

the seasonal population maintains primary residences outside of the County and second homes for visitation within the County. As can be seen in Table 9, approximately 21,000 people are permanent residents of the County. Another 8,452 are seasonal residents. The permanent population accounts for 71.5 percent of the total. This table also shows that there are an estimated 8,780 permanent households and 3,380 seasonal households in the County.

Both seasonal and permanent populations grew considerably over the past decade. The permanent population grew by 17.4 percent over that period while the seasonal population grew at more than twice that rate, 38 percent. The seasonal population comprised approximately one quarter of the population in 1970 but contributed 43 percent of the County's peak population growth.\*

**TABLE 9**

1980 Estimates of Permanent and Seasonal Households, Housing Units and Population by Market Area and Urban Growth Boundary

Area	Households & Housing Units			Population		
	Permanent Households	Seasonal Households	Housing Units	Permanent Population	Seasonal Population	Peak Population
South	513	778	1368	1167	1945	3112
–Neskowin	168	228	411	367	570	937
–Pacific City	294	374	708	665	935	1600
–Remainder	59	176	249	135	440	575
South Central	1147	297	1630	3052	743	3795
–Cloverdale	135	2	145	359	5	364
–Remainder	1012	295	1385	2693	738	3431
Central Coast	548	533	1145	1159	1333	2492
–Netarts/Oceanside	490	412	956	1052	1030	2082
–Remainder	58	121	189	107	303	410
Central Inland	3328	197	3734	8846	493	9339
–Tillamook	1994	0	2109	4692	0	4692
–Remainder	1337	197	1625	4154	493	4647
North Central	1976	964	3114	4396	2410	6806
–Bay City/Garibaldi/						
–Rockaway	1504	779	2418	3369	1948	5317
Twin Rocks/Barview	60	62	129	113	155	268
–Remainder	412	123	567	914	307	1221
North	1268	611	1990	2287	1528	3815
–Wheeler/Nehalem/						
–Manzanita	714	451	1234	1443	1127	2570
–Neahkahnie	125	155	297	211	348	559
–Remainder	429	5	459	633	53	686
<b>TOTAL</b>	<b>8780</b>	<b>3380</b>	<b>12,884</b>	<b>20,907</b>	<b>8452</b>	<b>29,359</b>

Source: Population and Economic Element

The distribution of permanent and seasonal population and households within each market area is shown in Table 10. It can be seen that the South Central and Central Inland market areas have the strongest orientation towards permanent residents. In the South and Central Coast market areas, the seasonal population and household exceed the permanent population and households.



The distribution of population and households among County market areas is shown in Table 11. Most of the County's permanent population is in the Central Inland and North Central market areas. The North Central and South market areas have the highest proportions of the County's seasonal population. The South Central and Central Inland areas have the lowest proportions of the seasonal population.

The average household size in the County has dropped steadily since 1970. At that time, according to the U.S. Census Bureau, the average household size was 2.92. In 1980, the U.S. Census Bureau reports the average to be 2.5 persons per household. This rate of decline is faster than the rate for the State but the decline is similar. The State average dropped from 2.941 in 1970 to 2.670 in 1978 to 2.6 in 1980.

**TABLE 10**

Proportion of Permanent and Seasonal Population and Households

Market Area	Population		Households	
	Permanent	Seasonal	Permanent	Seasonal
South	37.5	62.5	39.7	60.3
South Central	80.4	19.6	79.4	20.6
Central Coast	46.5	53.5	50.7	49.3
Central Inland	94.7	5.3	94.4	5.6
North Central	64.6	35.4	67.2	32.8
North	59.9	40.1	67.5	32.5
<b>TOTAL</b>	<b>71.2</b>	<b>28.8</b>	<b>72.2</b>	<b>27.8</b>

Source: Table 9

**TABLE 11**

Proportion of the County's Permanent and Seasonal Households that are in Each Market Area

Market Area	Population		Households	
	Permanent	Seasonal	Permanent	Seasonal
South	5.6	23.0	5.8	23.0
South Central	14.6	8.8	13.1	8.8
Central Coast	5.5	15.8	6.2	15.8
Central Inland	42.3	5.8	37.9	5.8
North Central	21.0	28.5	22.5	28.5
North	11.0	18.1	14.5	18.1
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Table 9

Household size is smaller in communities that have large retirement populations. For instance, the average household sizes in Neahkahnie, Manzanita, Rockaway, Wheeler, Oceanside, and Netarts are 1.7, 1.8, 2.0, 2.1 and 2.1 respectively.\* The average household size in each market area is shown on Table 12.

c. Tenure

Most County residents, 83.1 percent, own the dwelling they live in as is shown in Table 13. This county average is exceeded in the North and in undetermined rural areas. Lightly lower proportion of residents own their homes in the South, Central Coast, Central Inland and north Central market areas.

It appears as though the proportion of homeowners has increased over the past decade. According to the 1970 Census, of the 6,130 occupied housing units, 72.8 percent were owner occupied. The many units counted as vacant (mainly because of absentee vacation home ownership) makes it difficult to rely on this trend however.

**TABLE 12**

Average Household Size in Market Areas

Market Area	Persons Per Household
South	2.27
South Central	2.66
Central Coast	2.11
Central Inland	2.66
North Central	2.22
North	1.80

Source: Adapted from 1980 Census Preliminary Report

**TABLE 13**

Existing and Preferred Tenure of County Residents

Market Area	Existing Tenure		Preferred Tenure	
	Own	Rent	Own	Rent
South	80.6	49.4	98.5	1.5
South Central	83.1	46.9	96.3	3.7
Central Coast	74.4	25.6	93.9	6.1
Central Inland	81.1	40.9	96.0	4.0
North Central	79.7	20.3	95.6	4.4
North	89.9	40.4	95.8	4.2
Undetermined Rural Area	87.8	42.2	97.1	2.9
TOTAL	83.1	46.9	96.2	3.8

Source: Richard Ragatz, A Survey of the Housing Situation in Tillamook County, pp 77,78.

More residents would prefer to own their homes than currently do. According to the housing survey, 96.2 percent of County residents would prefer to own their homes. The desire to own a home is uniformly high throughout the County as is shown in Table 13. In none of the market areas is there a higher proportion of people owning their home than desiring to do so.

d. Household Income

Incomes in the County are far below what they average in Oregon as a whole. In 1977 the median family income was 13,363 dollars in the County

compared to the state average of 16,768 dollars. The County ranked 32<sup>nd</sup> among Oregon counties in median income.

The County housing survey found that the median household income in 1978 was in the 1,000 to 1,199 dollars per month range. This is equivalent to a yearly income of from 12,000 dollars to 14,399 dollars. This median is consistent throughout the County except in the North Central area where it is in the 800 to 999 dollar range (9,600 dollars to 11,999 dollars per year). The distribution of household incomes for the County and each market area are shown in Table 14 (median income is underlined).

The median income in 1969 was 8,414 dollars. By 1978 it had risen to 13,363 dollars. This represents an annual increase of 4.7 percent per year.\*

**TABLE 14**

Distribution of Monthly Household Incomes Within Market Areas

Market Area	Income								
	Less than \$200	\$200 to \$399	\$400 to \$599	\$600 to \$799	\$800 to \$999	\$1000 to \$1199	\$1200 to \$1599	\$1600 to \$1999	\$2000 or more
South	3.0	6.4	40.6	43.6	42.4	<u>9.4</u>	18.2	10.6	16.7
South Central	2.3	6.1	8.3	9.9	17.4	<u>21.2</u>	15.9	10.6	8.3
Central Coast	3.8	10.3	6.4	15.4	11.5	<u>24.4</u>	12.8	10.3	5.1
Central Inland	1.7	4.1	8.5	9.8	13.7	<u>15.8</u>	17.5	12.3	16.6
North Central	0.8	6.4	<u>10.9</u>	11.6	<u>13.1</u>	12.7	17.5	8.8	9.2
North	1.1	2.8	8.3	16.4	17.8	14.4	12.8	7.8	18.9
Undetermined Rural	4.4	7.9	12.9	8.6	10.7	<u>15.7</u>	22.9	7.1	12.8
TOTAL	1.7	5.4	11.1	11.4	14.0	<u>15.7</u>	17.0	10.1	13.6

Source: Richard Ragatz, *A Survey of the Housing Situation in Tillamook County*, p. 75.

Eighty percent of the median income is the standard established by the U.S. Department of Housing and Urban Development to determine eligibility for housing assistance. In Tillamook County, this corresponds to a monthly household income of 865 dollars, a yearly income of 10,380 dollars. Approximately 34 percent of County households earn less than this amount. About 43 percent of the households in the North Central area earn less than this amount. Communities having greater than the County average of lower income households include Bay City, Garibaldi, Hebo, Nedonna, Nehalem, Netarts, Pacific City, Twin Rocks, and Wheeler.\*

e. Place of Employment and Desired Place of Residence

The housing market areas were delineated in part based on employment and living patterns. These patterns are shown in Table 15. In most market areas the principal wage earner works in the market area in which he or she lives. The exception to this is in the Central Coast market area where principal wage earners work primarily in the Central Inland market area. The association between place of employment and place of work is particularly strong in the Central Inland market area. It is much weaker in the other market areas. In the North Central market area, a little more than half of the principal wage earners work in the same market area. Wage earners in undetermined rural areas have work locations that are split primarily between the Central Inland and rural locations.

**TABLE 15**

Distribution of Employment Locations of Principal Wage Earners

Market Area of Residence	Market Area of Employment							Total
	North	North Central	Central Inland	Central Coast	South Central	South	Rural	
North	67.2	5.8	17.8	0	0	0	8.2	100.0
North Central	4.9	56.6	32.8	0.8	1.6	0	3.3	100.0
Central inland	0.6	2.8	88.9	0.9	2.2	0.3	4.3	100.0
Central Coast	0	2.6	74.3	15.4	0	0	7.7	100.0
South Central	0	0	22.4	1.3	67.1	1.3	7.9	100.0
South	0	0	8.1	0	27.0	62.2	2.7	100.0
Undetermined Rural	6.6	1.3	42.1	1.3	4.0	2.6	42.1	100.0

Source: Richard Ragatz, A Survey of the Housing Situation in Tillamook County, pp 88-99

This table suggests that the Central Inland area is the major employment location. Of all the survey respondents that answered this question, 56.4 percent worked in the Central Inland market area. The North Central area provided the second largest proportion of jobs but this was only 11.4 percent of the total.

There is a strong association between where people live and where they would prefer to live. The question on the survey was "where would you prefer to live to be closer to work". The distribution of answers appears as though people were responding where they would prefer to work to be closer to where they live. This is shown in Table 16. For instance, 48.3 percent of the respondents living in the Central Coast area would prefer to live in the Central Coast area to be closer to work. However, Table 15 showed that only 15.4 percent of the principal wage earners worked in the Central Coast area. From this it appears as though other determinants other than work are important in determining where people live. Many would prefer to have their jobs near where they currently live. In all but the Central Inland and South Central areas, a greater proportion of the respondents would prefer to work where they are currently living.

f. Desired Housing Type

The overwhelming majority of County residents would prefer to live in single family dwellings. As can be seen in Table 17 90.7 percent of County residents would prefer to live in single family residences. This high average is sustained in all of the market areas. Mobile homes are the next preferred type of dwelling with a County average of 5.8 percent for the survey respondents. The average is higher in the North Central and South Central areas.

**TABLE 16**

Distribution of Desired Living Locations

Market Area of Residence	Market Area of Employment							Total
	North	North Central	Central Inland	Central Coast	South Central	South	Rural	

		Central	Inland	Coast	Central			
North	78.7	6.4	8.5	2.4	0	0	8.2	100.0
North-Central	6.2	75.3	11.1	2.5	0	4.2	3.7	100.0
Central-inland	1.1	3.4	87.1	1.1	1.1	0	6.2	100.0
Central-Coast	6.9	10.3	27.6	48.3	0	0	6.9	100.0
South-Central	0	0	21.3	8.5	65.9	0	4.3	100.0
South	0	0	0	0	24.0	68.0	8.0	100.0
Undetermined Rural	0	0	12.1	0	9.1	3.0	75.8	100.0

Source: Richard Ragatz, A Survey of the Housing Situation in Tillamook County, pp 100-114

**TABLE 17**

Distribution of Preferences of Market Area Households for Dwelling Types

Market Area	Preferred Type of Dwelling					Total
	Single Family	Mobile Home	Apartment	Duplex	Other	
South	89.5	3.0	0	3.0	4.5	100.0
South-Central	89.0	8.9	0.7	0.7	0.7	100.0
Central-Coast	86.6	4.9	2.4	2.4	3.7	100.0
Central-Inland	92.7	4.2	0.8	1.0	1.3	100.0
North-Central	89.3	8.5	1.1	0.7	0.4	100.0
North	89.3	5.3	2.4	1.2	1.8	100.0
Other Rural	92.8	5.8	0	0.7	0.7	100.0
TOTAL	90.7	5.8	1.0	1.1	1.4	100.0

Source: Richard Ragatz, A Survey of the Housing Situation in Tillamook County, p. 7

g. Community and Rural Living Preferences

It is necessary to determine the proportion of people who would prefer to live in urban setting, rural communities, non-community settings. Here rural is defined as it is in the statewide planning goals as lands suitable for sparse settlement, small farms, and acreage homesites. Non-community and community locations each have their own advantages. Non-community locations have the advantages of space and less congestion. Community locations, urban and rural, have the advantages of services proximity, less grounds upkeep, and sociability. It is necessary to determine these preferences in order to accurately determine the amount of land that should be zoned for community and rural residences.

The housing survey did not provide any information on the relative preferences of County households for rural and community locations. These preferences however can be inferred from past patterns of development in the County. For the purposes of determining these preferences it was assumed that only people living on lots larger than half an acre represent rural non-community living preferences. Smaller lots in rural settings are not rural lots. For a while they have the appearance of being so because surrounding undeveloped lots provide a rural setting. Once neighboring properties develop, these small lots reveal their true community character.

An analysis of building permits for lot size was done by the County Planning Department for the five year period including 1975 and 1979. Building permits issued for lots smaller than a half acre in unincorporated areas were considered to represent community preference. Other permits represent a rural living preference. The results are shown in Table 18. This table shows that 31 percent of the County's households prefer a rural non community location. The preference for these locations is significantly higher in the South Central and Central Inland areas, 63 percent and 44 percent respectively. In the South, Central Coast, North Central and North market area the preference is predominantly for community locations and varies between 83 and 85 percent.

h. Special Household

Information on several types of households is important for housing planning and for meeting national requirements for the completion of a Housing Assistance Plan. These households include the elderly, female heads of household, disabled or handicapped heads of household, low income households, large families and minority households.

**TABLE 18**

Rural and Community Living Preferences

Market Area	Community Preference	Rural Preference
South	85%	15%
South Central	37%	63%
Central Coast	83%	17%
Central Inland	56%	44%
North Central	85%	15%
North	84%	16%
TOTAL	68%	31%

Source: Tillamook County Planning Department

**ELDERLY.** The County has a large elderly population. People who are 65 or older, make 10.9 percent of the County's population.\* Tillamook ranks fifth among Oregon counties in the relative size of this population group.\*

The distribution of age of household head by market area is shown in Table 19. Over a third of the County's household heads are 60 years old or older. It can be seen that a greater proportion of household heads older than 60 are found in the Central Coast, North Central, and North market areas.

Table 20 shows the percentage of household heads in each market area who are retired. County wide, 36.2 percent of all household heads are retired. Only in the Central Inland market area is there a smaller percentage.

As could be expected, households with older household heads have lower incomes than the average for the County. This is shown in Table 21. Their housing expenses are also correspondingly lower (See Table 22). It does not appear from these tables that the elderly as a whole are any worse off in meeting housing expenses than are County residents as a whole. However, elderly households who are in need do deserve special consideration since they may have fewer options for meeting their needs.

**TABLE 19**

Age of Household Head by Market Area

Market Area	Age								Total
	Less than 15	16-18	19-24	25-34	35-44	45-59	60-74	75+	
South	1.7	0	5.0	20.0	16.6	31.7	21.6	3.4	100.0
South Central	0	0	8.2	14.4	17.7	30.7	21.7	7.3	100.0
Central Coast	0	0	1.3	22.9	11.2	18.9	40.4	5.3	100.0
Central Inland	1.1	1.7	4.5	23.8	17.0	24.1	23.7	4.1	100.0
North Central	1.2	1.2	3.6	13.0	15.0	27.5	32.6	5.9	100.0
North	1.2	1.2	2.4	11.6	10.1	26.8	39.3	7.4	100.0
Undetermined Rural	0	0	0	25.2	14.5	33.6	19.1	7.6	100.0
County	1.0	1.0	3.8	18.6	14.9	26.3	28.3	6.1	100.0

Source: Richard Ragatz, *A Survey of the Housing Situation in Tillamook County*, p. 71

**TABLE 20**

Percentage of Household Heads Who Are Retired by Market Area

Market Area	Retired Household Heads
South	44.8
South Central	37.5
Central Coast	47.6
Central Inland	22.7
North Central	39.5
North	46.4
Undetermined Rural	36.2
County	36.2

Source: Richard Ragatz, *A Survey of the Housing Situation in Tillamook County*, p. 72

**TABLE 21**

Monthly Income\*, By Age of Household Head

Income	Age		
	All Respondents (Percent)	60 to 74 (Percent)	75 and Over (Percent)
Less than \$200	1.8	2.5	10.5
\$200 to \$399	6.2	11.6	22.4
\$400 to \$599	12.0	17.4	27.7
\$600 to \$799	11.8	17.1	11.8
\$800 to \$999	14.1	16.9	13.2

\$1,000 to \$1,999	<u>15.5</u>	<u>12.7</u>	<u>6.6</u>
\$1,200 to \$1,599	16.7	9.4	2.6
\$2,000 or more	<u>12.1</u>	<u>7.2</u>	<u>2.6</u>
TOTAL	100.0	100.0	100.0

\* Note: Median income category is underlined.

Source: Richard Ragatz, A Survey of the Housing Situation in Tillamook County, p. 86.

**TABLE 22**

Monthly Housing Costs\*, By Age of Household Head

Income	Age		
	All Respondents (Percent)	60 to 74 (Percent)	75 and Over (Percent)
\$0 to \$49	4.8	<u>2.2</u>	<u>5.3</u>
\$50 to \$99	10.0	<u>17.4</u>	<u>31.6</u>
\$100 to \$149	<u>15.5</u>	<u>23.6</u>	<u>27.6</u>
\$150 to \$199	16.5	<u>16.6</u>	14.5
\$200 to \$249	<u>14.4</u>	<u>14.3</u>	6.6
\$250 to \$299	12.5	8.4	2.6
\$300 to \$399	15.2	8.7	5.3
\$400 to \$499	8.0	5.3	3.5
\$500 or more	6.1	3.5	2.6
TOTAL	100.0	100.0	100.0

\* Note: Median income category is underlined.

Source: Richard Ragatz, A Survey of the Housing Situation in Tillamook County, p. 43

**FEMALE HEADED HOUSEHOLDS.** Approximately 18.1 percent of the County's households are headed by a woman. (See Table 23.) A higher percentage is found in the South and North market areas.

Female headed households may have more difficulty meeting housing needs because women have lower average earnings than men. Table 24 shows this income disparity. The median income for female headed households is in the 600 to 799 dollars per month range, whereas the median for male headed households is in the 1000 to 1199 dollar range.

To an extent, lower incomes can be adjusted for by selecting cheaper housing. Table 25 shows that female headed households have compensated in this manner. However, the difference in housing cost is not as great as the difference in income. It appears therefore that female headed households on the average must spend a greater proportion of their incomes on housing than male headed households.

**DISABLED HOUSEHOLD HEADS.** Of all households in the County, approximately 11.3 percent have household heads who are disabled (See Table 26). A higher proportion of disabled household heads are found in the South, North Central, and undetermined rural areas of the County.

As can be expected, the disabled tend to have lower incomes than the non-disabled. Table 27 shows this different in income to be quite considerable. The median income for households with disabled household heads is in the



600 to 799 dollar range while the median for households with non-disabled household heads is in the 1000 to 1199 dollar range.

Households with disabled household head have partially compensated for lower incomes by living in cheaper housing. (See Table 28) However, as was the case with female headed households, it appears as though the households with a disabled household head pay a greater share of their incomes on housing than do household with a non-disabled household head.

**TABLE 23**

Percentage of Households That Are Female Headed by Market Area

Market Area	Female Headed Household
South	23.9
South Central	14.7
Central Coast	18.3
Central Inland	18.3
North Central	18.1
North	23.2
Undetermined Rural	9.4
TOTAL	18.1

Source: Richard Ragatz, A Survey of the Housing Situation in Tillamook County, p. 22

**TABLE 24**

Monthly Income\*, By Sex of Household Head

Income	Sex	
	Male	Female
Less than \$200	0.5	8.3
\$200 to \$399	3.2	14.6
\$400 to \$599	7.6	24.0
\$600 to \$799	10.3	17.7
\$800 to \$999	14.5	10.4
\$1,000 to \$1,999	17.0	12.0
\$1,200 to \$1,599	20.7	6.3
\$1,600 to \$1,999	11.8	4.2
\$2,000 or more	14.4	2.5
TOTAL	100.0	100.0

\*Note: Median income is underlined.

Source: Richard Ragatz, A Survey of the Housing Situation in Tillamook County, p. 46

**TABLE 25**

Monthly Housing Costs\*, By Sex of Household Head

Costs	Sex	
	Male	Female
\$0 to \$49	4.5	3.1
\$50 to \$99	7.5	16.2
\$100 to \$149	13.6	16.8
\$150 to \$199	15.0	22.0
\$200 to \$249	15.5	14.7

\$250 to \$299	44.1	5.2
\$300 to \$399	16.7	14.4
\$400 to \$499	9.8	4.2
\$500 or more	6.3	3.7
TOTAL	100.0	100.0

\*Note: Median housing cost is underlined.

Source: Richard Ragatz, A Survey of the Housing Situation in Tillamook County, p. 49

**LARGE FAMILIES.** Large families can have difficulty in finding adequately sized housing as well as affordable housing. It is particularly difficult for lower income families. The distribution of different household sizes in 1978 is shown in Table 29. As of 1980, the average household size in the County was 2.5 persons per household. Table 12 shows that smaller household sizes are found in the communities which also have large retirement populations, including Neahkahnie, Manzanita, Rockaway, Wheeler, Oceanside and Netarts.

In Tillamook County, larger families tend to have larger incomes. (See Table 30) This is probably the result of a number of factors. The income differential seems to adequately compensate for the increase housing cost that large families must pay. Table 31 shows that incomes appear to keep pace with housing costs. Families with 2 to 4 members appear to be better off in terms of household incomes and housing costs.

**TABLE 26**

Percentage of Household Heads Who Are Disabled by Market Area

Market Area	Disabled Household Heads
South	14.9
South Central	11.0
Central Coast	6.4
Central Inland	7.3
North Central	15.5
North	11.0
Undetermined Rural	12.2
TOTAL	11.3

Source: Richard Ragatz, A Survey of the Housing Situation in Tillamook County, p. 73

**TABLE 27**

Monthly Income\*, By Whether Household Head is Disabled

Income	Whether Disabled	
	Yes	No
Less than \$200	2.8	1.1
\$200 to \$399	12.4	4.9
\$400 to \$599	27.6	9.3
\$600 to \$799	11.7	11.3
\$800 to \$999	16.6	13.5

\$1,000 to \$1,999	<u>8.3</u>	<u>17.1</u>
\$1,200 to \$1,599	<u>11.0</u>	<u>18.4</u>
\$1,600 to \$1,999	<u>2.8</u>	<u>11.0</u>
\$2,000 or more	<u>6.8</u>	<u>13.4</u>
TOTAL	100.0	100.0

\*Note: Median incomes are underlined.

Source: Richard Ragatz, A Survey of the Housing Situation in Tillamook County, p. 52

**TABLE 28**

Monthly Housing Cost\*, By Whether Household Head is Disabled

Costs	Whether Disabled	
	Yes	No
\$0 to \$49	<u>2.4</u>	<u>4.3</u>
\$50 to \$99	<u>13.0</u>	<u>8.9</u>
\$100 to \$149	<u>20.7</u>	<u>14.3</u>
\$150 to \$199	<u>15.7</u>	<u>16.0</u>
\$200 to \$249	<u>9.3</u>	<u>16.0</u>
\$250 to \$299	<u>10.7</u>	<u>12.9</u>
\$300 to \$399	<u>13.6</u>	<u>16.0</u>
\$400 to \$499	<u>7.9</u>	<u>8.3</u>
\$500 or more	<u>5.0</u>	<u>6.2</u>
TOTAL	100.0	100.0

\*Note: Median housing cost is underlined.

Source: Richard Ragatz, A Survey of the Housing Situation in Tillamook County, p. 54

**TABLE 29**

Persons in Household

Number of Persons	Percentage of Households
1	16.2
2	45.8
3	12.9
4	16.2
5 or 6	7.9
7 or more	1.0

Source: Richard Ragatz, A Survey of the Housing Situation in Tillamook County, p. 22

**TABLE 30**

Monthly Income\*, By Family Size

Income	Family Size		
	1	2 to 4	5 or more
Less than \$200	9.1	0.3	0
\$200 to \$399	19.2	3.9	2.7
\$400 to \$599	20.7	10.5	5.2
\$600 to \$799	14.9	12.2	4.3
\$800 to \$999	13.5	14.7	12.2
\$1,000 to \$1,999	11.1	16.1	15.6

\$1,200 to \$1,599	<u>6.7</u>	18.4	<u>23.5</u>
\$1,600 to \$1,999	3.4	10.4	16.5
\$2,000 or more	1.4	13.5	20.0
TOTAL	100.0	100.0	100.0

\*Note: Median incomes are underlined.

Source: Richard Ragatz, A Survey of the Housing Situation in Tillamook County, p. 56

**TABLE 31**

Monthly Housing Costs, By Family Size

Costs	Family Size		
	1	2 to 4	5 or more
\$0 to \$49	4.0	4.7	0.9
\$50 to \$99	19.1	8.8	6.2
\$100 to \$149	20.6	15.0	3.5
\$150 to \$199	<u>20.1</u>	15.4	11.5
\$200 to \$249	14.6	13.9	10.6
\$250 to \$299	7.0	<u>12.2</u>	14.3
\$300 to \$399	11.1	15.7	<u>23.0</u>
\$400 to \$499	2.0	8.4	15.0
\$500 or more	1.5	5.9	15.0

\*Note: Median housing cost is underlined.

Source: Richard Ragatz, A Survey of the Housing Situation in Tillamook County, p. 59

~~MINORITY HOUSEHOLDS. Not much information is available on minority households in the County because they comprise a very small portion of the County total. The County's housing survey did not identify race of the respondent.~~

~~According to the 1980 Census advance counts, only 2.0 percent of the County's population, 432 people, was found to be non white including American Indians, Oriental, and Blacks. There are also an estimated 209 people of Spanish origin in the County, 0.99 percent of the population. The largest percentage of the County's minority population, 46.9 percent, resides in the Tillamook Census County Division (CCD). Residing in the Bay City, Beaver, Nehalem, and Neskowin CCD's are 19.8, 10.3, 9.4 and 13.6 percent of the minority population, respectively. Given the amount of data available, it is difficult to draw any conclusions about housing for this population group.~~

~~LOW INCOME HOUSEHOLDS. Table 14 shows the distribution of monthly household income in the County in each market area. Eighty percent of the median income is the standard established by the U.S. Department of Housing and Urban Development to determine eligibility for housing assistance. In Tillamook County, this corresponds to a monthly household income of 865 dollars, as yearly income of 10,380 dollars. Approximately 34 percent of the households in the North Central area earn less than this amount. Communities having a greater than the County average of lower income households include Bay City, Garibaldi, Hebo, Nedonna, Nehalem, Netarts, Pacific City, Twin Rocks and Wheeler.~~

~~1.4 ANALYSIS OF EXISTING HOUSING PROBLEMS~~

~~The comprehensive plan needs to recognize existing housing problems as well as future housing needs. An analysis of existing housing problems can also help determine what~~

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problems are likely to exist in the future. Although the County may be able to provide little direct assistance with meeting housing needs, it can assure that its development regulations do not hinder people in providing their housing needs.

A summary of existing housing problems is shown in Table 32. It can be seen that the major housing problem is with the amount of income that is spent on housing. Approximately a quarter of the housing survey respondents felt that this was a problem. Additional discussion on housing problems follows. The topics discussed include housing supply, housing condition, affordability, crowding, housing variety, and the needs of special populations.

a. **SUPPLY**

It appears as though there is an insufficient supply of rental housing in the County to meet housing needs. The rental vacancy rate is probably somewhere between 3 and 6 percent. The general standard for a vacancy rate that provides sufficient housing choice is 6 percent. The standard for Tillamook County should probably be higher since the recreational nature of much of the County's housing demand puts strains on the supply during the summer tourist season.

**TABLE 32**

Extent of Housing Problems

Item	Respondents	
	Number	Percent
Too much of family income spent for housing	372	25.6
Not enough space in house	184	12.7
Housing needs many repairs	143	9.8
Inadequate neighborhood facilities	128	8.8
Neighborhood is run down	120	8.3
Too much space in house	71	4.9
Location is too far from shopping, schools, jobs	42	2.9
Would rather be living in another community	33	2.3

Source: Richard Ragatz, "A Survey of the Housing Situation", p. 28

The supply of for sale housing appears to be adequate to meet housing demands. The vacancy rate is probably somewhere between 2 and 2.5 percent. A desirable rate is 2 percent.

No market areas stand out as having an insufficient supply of housing. A comparison of population and housing growth reveals that market areas that have had the greatest growth in population have also had the greatest growth in housing supply.

b. **CONDITION**

Housing condition is a significant problem in the County. A large proportion of housing units are currently in substandard condition, 21.5 percent of owner occupied units and 17.5 percent of renter occupied units. Almost 15 percent of the County's homes have no concrete foundation. A substantial number of housing units will need to be replaced or rehabilitated within the next twenty years. By the year 2000, 4,846 housing units will be more than 50 years old. This is about 24 percent of the needed housing supply.

c. **AFFORDABILITY**

Almost a quarter of the County's households feel that they are paying too much for housing. A common standard for determining housing affordability is total monthly housing cost should not exceed 25 percent of household income. This standard has been used for determining mortgages and in determining fair rents for subsidized housing. In recent years, standard percentage has risen as housing prices have increased and a greater number of people have been unable to meet the standard. The relationship between housing costs and household incomes in the County is shown in Table 33. The percentage of County households in each income group and each housing cost category are listed. The heavy line in the table indicates the 25 percent cutoff. Approximately 32.8 percent of the County's households are paying more than 25 percent of their monthly income on housing. The percentage of households within each income group that pay more than 25 percent of their income for housing is shown in Table 34. As can be expected, a higher proportion of the lower income groups pay more than 25 percent of their incomes for housing.

**TABLE 33**

Monthly Housing Costs\*, By Monthly Income  
(Total Sample)

Cost	Less than \$200	\$200 to \$399	\$400 to \$599	\$600 to \$799	\$800 to \$999	\$1000 to \$1199	\$1200 to \$1599	\$1600 to \$1999	\$2000 or more
\$0 to \$49	0.2	0.5	0.2	0.4	0.4	0.2	0.4	0.4	0.2
\$50 to \$99	0.8	1.4	1.9	1.8	1.3	1.5	0.5	0.5	0.2
\$100 to \$149	0.1	1.2	3.1	2.3	2.1	2.3	1.6	1.5	1.4
\$150 to \$199	0.4	0.8	2.9	2.9	2.5	2.7	2.2	0.8	2.0
\$200 to \$249	0.2	0.8	1.7	1.8	3.0	2.5	2.5	1.2	0.8
\$250 to \$299	0.1	0.6	0.8	0.7	2.2	2.0	2.8	1.7	2.0
\$300 to \$399	0	0.5	1.0	1.6	1.6	2.9	3.9	1.6	2.1
\$400 to \$499	0	0.1	0.4	1.1	0.5	1.0	2.3	1.8	1.8
\$500 or more	0	0.2	0.4	0.4	0.8	0.8	0.9	1.1	1.7

\*Note: Percentages below shaded areas represent households spending more than 25% of their monthly incomes on housing.

Source: Richard Ragatz, A Survey of the Housing Situation in Tillamook County, p. 37

**TABLE 34**

Percent of Households in Each Housing Bracket Paying  
More than 25 Percent of Income for Housing

Monthly Income	Percent of H/H Paying Over 25 Percent of Income for Housing
Less than \$200	89.9
\$200 to \$399	68.7
\$400 to \$599	58.3
\$600 to \$799	36.6
\$800 to \$999	36.1
\$1,000 to \$1,199	29.5
\$1,200 to \$1,599	19.4

\$1,600 to \$1,999	11.0
\$2,000 or more	14.3

Source: Richard Ragatz, "A Survey of the Housing Situation", p. 14

d. CROWDING

The standard for crowding used by the U.S. Department of Housing and Urban Development is 1.01 or more persons per room. Table 35 shows the distribution of household size and number of rooms in the house. Three point nine percent of the County's households live in units that are overcrowded. Although 12.7 percent of the respondents to the County housing survey felt that there is not enough space in their home (Table 32) it does not appear as though crowding is a major problem in the County.

**TABLE 35**

Number of Rooms, By Number of Occupants\*  
(Total Sample)

Rooms	Number of Occupants							
	1	2	3	4	5	6	7	8
1	0.7	0.2	0.1	0	0.1	0	0	0
2	1.8	2.3	0.2	0.9	0.1	0.1	0	0
3	2.8	4.1	1.0	0.9	0.2	0	0.1	0
4	3.4	7.8	2.3	1.8	0.3	0.2	0	0
5	4.4	11.8	2.4	2.9	0.8	0.1	0.2	0.1
6	1.5	8.6	2.6	3.5	0.8	0.3	0	0.1
7	1.0	6.0	2.0	2.4	1.1	0.5	0	0
8	0.3	2.8	0.8	1.8	0.9	0.3	0	0.1
9	0.5	2.1	1.7	2.3	1.6	0.7	0.4	0.2

\*Note: Numbers in the shaded area indicate crowded conditions.

Source: Richard Ragatz, A Survey of the Housing Situation in Tillamook County, p. 62

e. VARIETY

It does not appear that there is a problem with the supply of a sufficient number of dwellings of the types that are preferred by Tillamook County households. There may be a problem however with households being able to afford the type of dwellings that they prefer. For example, Table 17 shows that 90.7 percent of the households prefer to have a single family dwelling. Only 78.9 percent of the dwellings in the County are single family dwellings. This probably indicates that there is an undersupply of this type of housing at prices that Tillamook County residents can afford. Also, although 5.8 percent of County households would prefer to live in mobile homes, these comprise 8.9 percent of the housing supply. It is likely that many of the households preferring single family homes are choosing mobile homes as an alternative because of lower cost.

f. SPECIAL HOUSEHOLDS

**ELDERLY.** The elderly can experience housing problems resulting from low incomes, their inability to do maintenance, and from a lack of mobility. Although the elderly do on the average earn less than other County residents, they also on the average pay less for housing. It does not appear that a disproportionate number overpay for housing. Even so, there still would be a

substantial number who do pay more than 25 percent of the income on housing. This can be a special burden because the elderly have less options for meeting housing needs because of physical and social barriers.

It does not appear that the elderly are living in substandard housing to any greater extent than the population as a whole.\* The elderly have a greater preference for mobile homes and apartments than the population as a whole. This is probably due to the lower cost and maintenance requirements of such housing. Since the elderly also are more likely to have difficulty in traveling, it is important that there be sufficient land for this type of housing in community areas near public and commercial services.

**FEMALE HEADED HOUSEHOLDS.**—Approximately 18 percent of County households are female headed. These households have substantially lower incomes than male headed households. They also spend less for housing but the difference does not compensate for their lower incomes. Although female headed households spend less on housing they are no more likely to live in substandard housing.\*

Basically because of lower incomes, female headed households express a greater preference for apartments and duplexes than County households as a whole.\* In addition, a higher percentage of female headed households rent than male headed households.\*

The main problem appears to be with the disparity in the percentage of income that female headed households have to pay for housing. This disparity is likely to increase as housing prices increase unless female incomes rise in relation to male incomes. We may see more female households forced into substandard or crowded housing in the future.

**DISABLED HOUSEHOLD HEADS.**—Households with disabled household heads have lower monthly incomes than households with non-disabled household heads. Although they also spend less for housing it does not compensate for the income differential. It also appears as though the disabled inhabit a larger proportion of substandard housing.\*

The disabled can also have problems finding housing that can accommodate their disability; for instance housing that is accessible for wheelchairs. Since the disabled have lower incomes it can be especially difficult for them to meet their housing needs.

**LARGE FAMILIES.**—Large families especially if they have low incomes may have a difficult time finding sufficiently sized affordable housing. Although large family households pay more for housing in the County, they as a group also tend to earn considerably more. However, these large families that do have low incomes may have problems finding affordable housing that meets their needs. Seven point nine percent of the large families in the County earn less than \$600 per month and 24.4 percent earn less than \$1,000 per month.

**LOW INCOME HOUSEHOLDS.**—Low income households have difficulty finding affordable housing. Table 34 shows that a larger proportion of low income households spend more than 25 percent of their incomes on housing. Almost 90 percent of those earning less than 200 dollars per month pay more than 25 percent of their income on housing. It does not appear however, that lower income families live in substandard housing to any greater extent.\*



The planning process must assure that there is a sufficient supply of buildable land recognized as being appropriate for residential use either through zoning or other means. If building is not allowed on enough land, the price of housing will rise and it will become increasingly difficult for households to meet their housing needs.

A projection of housing needs is the starting point for determining this land need. The projection is combined with information on the physical capability of land to be built on, the availability of land for development, and development requirements to determine land needs.

There are a variety of needs to be satisfied and the projection must attempt to account for these if it is to be a useful planning tool. The Housing Goal (Goal 10) lists some of these needs: price ranges and rent levels, location, type, density. The following projection estimates housing needs for various locations and types of housing. Needs for housing of various price ranges, rent levels, and densities are not directly estimated because these are a function of housing location and housing type. For example, mobile homes and apartments are less expensive types of housing than site built single family structures. Also, density of development is related to rural and urban locations and housing type.

The primary purpose of this projection is to determine housing needs in unincorporated areas of the County. Estimates of need in incorporated areas have been developed by each city with coordination through the County's population projection. The following projection does show projected needs in incorporated areas because this is part of the methodology. Differences with city projections can be expected as a result of differing assumptions about household size, tenancy, and housing type mix.

This projection is for the year 2000. It should be considered as a rough estimate based on the evaluation of current trends. Undoubtedly many social and economic changes will occur in the next twenty years that will alter housing trends and should prompt the re-evaluation of housing needs.

a. Projection Method

The foundation of the housing need projection is the population projection found in the Population Element of the comprehensive plan and reproduced here as Table 36. It can be seen that this projection is broken down into six general geographic areas and into urban and rural locations in each area. The housing projection translates this into the numbers of housing units of each type in each location.

The first step in the translation uses projected household sizes to convert population into housing. Then, with vacancy rate factors, the number of needed housing units is determined. These units will be of three types, single family site built structures, multiple family structures, and mobile homes. The number of additional units of each type is determined by applying a ratio of housing type to the estimation of additional housing units needed. Finally, the total projected housing units of each type is determined by adding the housing increase to the estimation of present supply.

**TABLE 36**

Projected Permanent, Seasonal, and Peak Population  
-by Market Area and Urban Growth Boundary

Area	Permanent Population	Seasonal Population	Peak Population
------	----------------------	---------------------	-----------------

<b>South</b>	4768	3909	5677
Neskowin	571	4238	1809
Pacific City	972	4936	2008
Remainder	225	735	960
<b>South Central</b>	4141	1347	4588
Cloverdale	472	67	539
Remainder	3669	1280	4949
<b>Central Coast</b>	4864	2800	4664
Netarts/Oceanside	4461	4883	3344
Remainder	403	917	1320
<b>Central Inland</b>	11280	806	12086
Tillamook	6055	175	6230
Remainder	5225	631	5856
<b>North Central</b>	6310	4405	10715
Bay City/Rockaway/Garibaldi	4817	3456	8274
Twin Rocks/Barview	292	342	634
Remainder	1201	606	1807
<b>North</b>	3552	3827	6397
Wheeler/Nehalem/Manzanita	2325	3032	4357
Neahkahnne	371	512	883
Remainder	856	283	1139
<b>Total</b>	28915	46094	45009

Source: Population Element

b. Projected Average Household Size and Projected Number of Households.

The average household size in the County has declined over the last decade as it has in Oregon and the entire nation. This is a reflection of increasing divorces, later marriages, an increased proportion of childless couples and the rapid growth of the 15 to 24 and the 65 and over age groups.

In 1970 the average household size was 2.92 persons per household. By 1980 it had declined to 2.50 persons per household. This is a change of approximately 14 percent.

It is unlikely that household size will continue to decline at her same rate. If it did, there would only be an average of 1.8 persons per household by the year 2000. With housing prices rising rapidly in relation to incomes as they are, the smaller household will be faced with an intolerable economic burden.

It is assumed that household size will continue to decline but by only 10 percent over the next 20 years. The projected household size in each market area is shown in Table 37.

This table is the result of decreasing all the present estimated household sizes in each market area by 10 percent. (See Table 12)

The projected number of housing is determined by dividing projected household size into projected population. The results are shown in Table 38.

c. Projected Vacancy Rates and Number of Housing Units Needed

The housing supply must exceed the number of households in order to assure sufficient housing choice and price stability. If there is no surplus of vacant housing or if the surplus is very small, the price of housing is unnecessarily increased and

housing choice is diminished. If the surplus is too large however owners have a difficult time affording maintenance of their property.

The amount of surplus is measured by the vacancy rate. As a general rule, a desirable vacancy rate for rental housing is 6 percent. Owner occupied housing should have a vacancy rate of 2 percent. These standards are based on the number of moves made over a one to two month period.\*

**TABLE 37**

Projected Average Household Sizes for Market Areas

Market Area	Persons per Household
South	2.04
South Central	2.39
Central Coast	1.90
Central Inland	2.39
North Central	2.00
North	1.62

Source: See Text.

**TABLE 38**

Projected Number of Permanent and Seasonal Households for Market Areas

Market Area	Households		
	Permanent	Seasonal	Total
South	867	1737	2604
South Central	1733	599	2332
Central Coast	984	1244	2225
Central Inland	4720	358	5078
North Central	3155	1958	5113
North	2193	1701	3894
<b>Total</b>	<b>13,649</b>	<b>7,597</b>	<b>21,246</b>

Source: See text.

The overall desired vacancy rate is an average of these two whose size depends on the proportion of owners and renters in the community.

The vacancy rate that is desirable currently is closer to 2 percent than to 6 percent because of the high proportion of homeowners in the County, 83.1 percent. (See Table 13) The desired rate in the year 2000 depends on the future owner/renter ratio.

Conflicting forces will determine future tenancy. There are strong desires for home ownership in the County. 96.2 percent of the respondents to the County's housing survey indicated that they would prefer to own their home. (See Table 13) However, rising housing prices relative to incomes and high interest rates are making home ownership increasingly difficult. Rising prices will tend to increase the relative proportion of renters. Shifts to lower cost housing such as mobile homes and condominiums may help maintain levels of home ownership despite increasing prices.

It appears as though the proportion of homeowners has increased over the past decade. According to the 1970 Census, of the 6,130 occupied housing units, 72.8 percent were owner occupied. The many units counted as vacant (mainly because

of absentee vacation home ownership) makes it difficult to be sure of this ownership trend however.

Because of the conflicting forces and trends involved, it is assumed that present tenancy ratios will carry over for the next 20 years.

The desired future vacancy rates resulting from the tenancy ratios are shown in Table 39.

Table 39 also show the total number of housing units needed to assure the desired housing surplus and the number of housing units that need to be added to the current housing stock. (Table 1 shows the current housing stock.)

d. Number of Needed Housing Units of Each Housing Type

Rising housing costs will tend to favor the construction of mobile homes and multi-family dwellings. Table 3 shows dramatically the public's increase readiness to buy mobile homes over the past decade. It is assumed that the proportion of single family dwellings constructed over the next 20 years will decline and that the proportion of mobile homes and multi-family structures will increase.

Table 4 shows the mix of housing units added to the housing stock over the past decade. Table 40 shows the projected mix of housing additions. The numbers of additional housing units of each type are shown in Table 41.

**TABLE 39**

Desirable vacancy Rates and total and Additional Housing Units Needed, Year 2000

Market Area	Desirable Vacancy Rate (Percent)	Total Needed Housing Units	Housing Supply 1980	Needed Additional Housing Units
South	2.78	2678	1368	1310
South Central	2.68	2396	1530	866
Central Coast	3.02	2294	1145	1149
Central Inland	2.28	5194	3734	1460
North Central	2.81	4007	3114	893
North	2.40	3990	1990	2000
<b>Total</b>	2.60	20,559	12,881	7,678

Source: See text.

**TABLE 40**

Projected Mix of Housing Additions, 1980-2000

Market Area	Type of Structure			Total
	Single Family	Multiple Family	Mobile Home	
South	86.0	5.0	9.0	100.0
South Central	50.0	2.0	48.0	100.0
Central Coast	79.0	5.0	16.0	100.0
Central Inland	55.0	25.0	20.0	100.0
North Central	55.0	10.0	35.0	100.0
North	79.0	5.0	16.0	100.0

Source: See text.

**TABLE 41**

Number of Projected Housing Unit Additions of Each Housing Type, 1980-2000

Added Housing Units				
Market Area	Single Family	Multiple Family	Mobile Home	Total
South	4127	65	418	4310
South Central	433	17	416	866
Central Coast	908	57	184	1149
Central Inland	803	365	292	1460
North Central	491	89	313	893
North	1580	100	320	2000
<b>Total</b>	<b>5342</b>	<b>693</b>	<b>1643</b>	<b>7678</b>

Source: See text.

Table 42 apportions housing units among subareas of each market area. The units are apportioned in proportion to projected population. It is assumed that all multiple family units will be added in urban growth boundaries. The distribution of single family and mobile home units is adjusted accordingly.

Finally, Table 43 shows the total number of housing units of each type needed to house the projected population in the year 2000.

**TABLE 42**

Projected additional Housing Units of Each Type, 1980-2000

Added Housing Units				
Market Area	Single Family	Multiple Family	Mobile Home	Total
<b>South</b>	4127	65	418	4310
Neskowin	367	26	36	418
Pacific City	571	40	60	671
Remainder	199	0	22	221
<b>South Central</b>	433	17	416	866
Cloverdale	44	17	40	101
Remainder	389	0	376	765
<b>Central Coast</b>	908	57	184	1149
Netarts/Oceanside	638	57	129	824
Remainder	270	0	55	325
<b>Central Inland</b>	803	365	292	1460
Tillamook	286	365	401	752
Remainder	517	0	191	708
<b>North Central</b>	491	89	313	893
Bay City/Rockaway/Garibaldi	369	83	237	689
Twin Rocks/Barview	28	6	18	52
Remainder	94	0	58	152
<b>North</b>	1580	100	320	2000
Wheeler/Nehalem/Manzanita	1067	83	215	1365
Neahkahnie	216	17	43	276
Remainder	297	0	62	359

Source: See text.

**TABLE 43**

Projected Total Housing Units

Total Housing Units				
Market Area	Single Family	Multiple Family	Mobile Home	Total
South	2343	134	201	2678
South Central	4484	67	845	2396
Central Coast	4916	408	270	2294
Central Inland	3416	1225	553	5194
North Central	2855	336	816	4007
North	3257	213	520	3990
<b>Total</b>	16,271	2,083	3,205	20,559

Source: See text.

## 2. STATE HOUSING PLANNING REQUIREMENTS

### 2.1 OVERVIEW

State housing planning requirements are embodied in the Housing Goal (Goal 10) of the statewide planning goals. The purpose of this goal is "to provide for the housing needs of citizens of the state". Specific requirements of the goal include conducting a buildable land survey and encouraging the availability of a sufficient number of housing units to meet housing needs.

The Housing Goal is integrally related to Goal 11, Public Services and Facilities, and to Goal 14, Urbanization. The availability of services is essential to meeting housing needs. Without sewer and water service, development densities are limited and the cost of housing is increased. Low and moderate cost housing is dependent on achieving relatively high densities and so satisfaction of this housing need is dependent on the availability of sewer and water.

Most housing needs will be met within urban growth boundaries. Certainly, most low- and moderate-cost housing will be located there. The urbanization Goal requires that the location of an urban growth boundary be based on housing need among other things.

### 2.2 PURPOSE OF THE HOUSING GOAL, GOAL 10

The purpose of the Housing Goal is "to provide for housing needs of citizens of the state".\* Counties and cities must zone sufficient land to meet these needs. There is a trade-off between retaining land for resource use and providing land to meet housing needs and so the Housing Goal serves as a counter-balance to applicable resource protection goals, Goal 3, Goal 4, etc.

There are three key phrases in this goal that deserve further discussion: (1) provide for, (2) housing needs, or needed housing, and (3) citizens of the state. The phrase "provide for" is clarified in the next sentence of the Housing goal as "encourage the availability of adequate numbers of housing units". Suggestions for accomplishing this goal listed in the state guidelines include:

- 1) Tax incentives and disincentives;
- 2) building and construction code revisions;
- 3) zoning and land use controls;
- 4) subsidies and loans;
- 5) fee and less-than-fee acquisition techniques;

- 6) enforcement of local health and safety codes, and
- 7) coordination of the development of urban facilities and services to disperse low income housing throughout the planning area.\*

The term "housing need" is not defined in this goal or elsewhere in the statewide planning goals. Need is a relative term that depends on the circumstances in which it is employed. A discussion of the definition of need and the way in which it is interpreted in Tillamook County is included in the Urbanization Element, Section 3.6.

"Needed Housing" means housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels, including at least the following housing types:

(a) Attached and detached single-family housing and multiple family housing for both owner and renter occupancy;

(b) Government assisted housing;

(c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490;

(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; and

(e) Housing for farmworkers.

The term "citizens of the state" refers to the requirement that local governments consider housing needs for the region in which they are located. One of the purposes of the Goal is to stop communities from excluding households based on income. For example, even a community currently comprised entirely of single family homes which is located in a region where there is a need for multiple family homes must provide for its fair share of multi-family housing.

## 2.3 BUILDABLE LANDS INVENTORY

The Housing Goal requires local governments to inventory buildable lands which are defined to be "lands in urban and urbanizable areas that are suitable, available, and necessary for residential use".\* Buildable lands therefore are inventoried within urban growth boundaries. They are not simple vacant land since much vacant land is not useable because it is publicly owned, unserviceable, unsafe to build on, or is too small to be built on.

Although there are numerous factors that need to be considered when evaluating buildable land, there are no specific standards for determining whether land is buildable or not. The determination of what is buildable depends a great deal on the amount of environmental risk that a community is willing to assume and the amount of money that the private developer is willing to spend to mitigate environmental hazards. Factors that affect buildable land include:

- a) Topographic and soil conditions such as slope;
- b) Flood plain and hazard considerations such as erosion, flooding, ground movements, ground and surface water pollution and industrial pollution;
- c) Market suitability considerations such as land ownership (public or private), market availability, cost of providing services and facilities;
- d) Availability of public facilities and services;

e) Conflicting land uses.\*

It is also insufficient to inventory buildable land irrespective of zoning. In order to assure that there is enough buildable land to meet housing needs for each housing type, buildable land must be inventoried by zone. This has been stated in a policy adopted by the Land Conservation and Development Commission termed the St. Helens Housing Policy.

"Where a need has been shown for housing within an urban growth boundary at particular price ranges and rent levels, housing types determined to meet that need shall be permitted in a zone or zones with sufficient buildable land to satisfy that need. This policy shall not be construed as an infringement on a community's prerogative to 1) set approval standards under which a particular housing type is permitted outright, 2) impose special conditions upon approval of a specific development proposal, or 3) establish approval procedures. However, approval standards, special conditions, and the procedures applicable to both 1) must be clear and objective and 2) must not have the effect, either of themselves or cumulatively, of discouraging such as through unreasonable cost or delay, the needed housing type."\*

Although buildable lands inventories are only required for incorporated areas, the County is inventorying buildable lands for unincorporated areas to assure that housing needs are being met in these areas. (See also sections 2.5 and 3.1) These inventories are included in the Justification Element of the plan.

## 2.4 ENCOURAGE THE AVAILABILITY OF ADEQUATE NUMBERS OF HOUSING UNITS

The other requirement of the Housing Goal is to "encourage the availability of adequate numbers of housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density".\* The County can encourage the availability of housing in a number of ways listed in sections 2.2 and 3.2.

A surplus of housing units and of building sites is necessary if housing needs are to be met. This surplus is necessary in order to assure that the housing market operates properly and housing costs don't get unnecessarily inflated. A discussion of necessary vacancy rates to ensure proper operating conditions of the housing market is included in Section 1.5.

The phrase "commensurate with the financial capabilities of Oregon's households" indicates that the County should zone a sufficient amount of buildable land for housing types that County households can afford. The County can also make housing more affordable by reducing the impact of governmental regulations on the price of housing and by supporting housing assistance programs for people that are under a severe burden to meet their housing needs in the marketplace. This phrase also indicates that communities must consider the financial capabilities of households in the surrounding area not just their locality. Communities must provide their fair share of low- and moderate-income housing needs for the region in which they are located.

## 2.5 APPLICABILITY OF THE HOUSING GOAL TO URBAN AND RURAL AREAS

There are two interpretations regarding whether the Housing Goal applies to areas outside of urban growth boundaries. The State Land Use Board of Appeals and the Oregon Court of Appeals have interpreted Goal 10 to mean that all housing needs are to be met within urban growth boundaries.\* This interpretation results from the definition of buildable lands which only includes lands within urban growth boundaries. The second interpretation recognizes



the legitimacy of rural housing needs as well as urban needs. According to this interpretation, only the buildable lands inventory requirement is limited to land within urban growth boundaries. (See Section 2.1 of Land Use Plan Element.)

The following excerpt from the amicus brief of the Real Estate Loan Fund for the case of SLCD z. Tillamook County Board of Commissioners LUBA No. 81-004, demonstrates that the second interpretation of the applicability of the Housing Goal is both logical and consistent with past LCDC decision.

"Goal 10 requires two things. The first is an inventory of buildable lands. Since the goal defines 'buildable lands' as 'land in urban and urbanizable areas that are suitable, available, and necessary for residential use', this inventory requirement applies only within urban growth boundaries. This is certainly reasonable, since a large proportion of the land within urban growth boundaries will eventually be put to residential use, whereas, in any conceivable instance, only a relatively small portion of the land outside of urban growth boundaries will be used for residential purposes. Furthermore, the designation of land outside of urban growth boundaries for residential purposes will almost always (unless the land is non-resource land) require exceptions from Goals 3 and/or 4. The justification of such exceptions will itself require consideration of whether the areas are 'suitable, available and necessary for residential use'. Thus, it is unreasonable to conclude that, because Goal 10's buildable land inventory requirement applies only within urban growth boundaries, all housing needs MUST be satisfied within urban growth boundaries.

In addition, the second requirement of Goal 10, that 'plans shall encourage the availability of adequate numbers of housing units . . . and allow for flexibility of housing location, type and density', is not limited by the goal to land within urban growth boundaries. LCDC, in reviewing county comprehensive plans for compliance with Goal 10, has frequently referred to whether or not the County has provided for its rural housing needs. See, e.g. LCDC, Deschutes County continuance Order, Staff Report of March 26, 1980, page 33; LCDC, Wasco County Continuance Order, Staff Report of July 21, 1980, page 41. Also LCDC has acted specifically to delete from a hearings officer's recommendation the statement that 'Goal 10 does not apply to rural agricultural and forest lands'. 1000 Friends of Oregon v. Multnomah County, LCDC No. 77-031, Final Order of February 25, 1980, page 3; supplemental Recommendation Merits, revised September 28, 1979, page 27.

Thus, although certain provisions of Goal 10 and other goals (such as the resource protection provisions of Goals 3, 4, 5, 16 and 17; energy conservation provisions of Goal 13) can be said to encourage the provision of needed housing within urban growth boundaries, there is nothing in the goals requiring that ALL housing needs be satisfied within urban growth boundaries.\*\*

## 2.6 PUBLIC SERVICES AND FACILITIES AND HOUSING

The provision of public services and facilities especially sewer and water, is essential for meeting housing needs. The provision of sewer and water allows the development of high density low- and moderate-income housing. Without sewer and water, development is practically limited to low-density single-family residences. Goal 11, Public Services and Facilities, is therefore integrally related to the Housing Goal.

The purpose of Goal 11 is 'to plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development'.\* The County has no direct control of sewer or water. In unincorporated areas, these services are provided by independent service districts. The County can make recommendations to districts, assist them in finding financing and approve or disapprove annexations. The County has limited powers to implement the Service Goal as it relates to housing.

## 2.7 URBANIZATION AND HOUSING

It is clear that the intent of the statewide planning goals is to encourage the concentration of growth within urban growth boundaries. Although not all housing can be provided within urban growth boundaries, most will be. (See Section 3.1 and Table 42). And certainly, most low and moderate cost housing opportunities will be within urban growth boundaries because of the higher development densities that are made possible by sewer and water.

Goal 14, Urbanization, requires that urban growth boundaries must be based on, among other things, the need for housing. Sufficient land must be included in the urban growth boundary to meet long-range urban population growth requirements. Whether this requirement is met would be demonstrated through the buildable lands inventory. (The buildable lands inventory for the County is included in the Justification Element.) This inventory is required for land within urban growth boundaries include information on the amount of land available by zone. (See Section 2.3)

## 2.8 OTHER LEGISLATIVE DIRECTIVES

The legislature has twice affirmed the goal of the state to assist in providing reasonably priced housing to Oregonians. This was done through the passage of House Joint Resolution 8 (HJR 8) in 1977 and Senate Joint Resolution 8 (SJR 8) in 1979.

HJR 8 established the goal of affordable housing for Oregonians. In response to this resolution, the legislature formed the Joint Interim Legislative Task Force on Housing costs. [The report of the task force was published in October 1978.](#) The charge to this committee was as follows:

"House Joint Resolution 8, adopted by the 1977 legislature, established a broad statewide housing policy. The resolutions declared that the basic housing goal of the state should be 'to allow people living in Oregon to choose housing that meets their basic needs at a price they can afford'.

The task force shall examine the status of the housing industry in Oregon, keeping in mind that guidelines provided by HJR 8, and shall make recommendations to the legislature which will help prevent increased cost of housing."\*

[The report of the task force was published in October 1978. Their recommendations on land use are included in Appendix A of this element.](#) Appendix B includes a recommended revision of the Housing Goal made by the task force. These recommendations if they are implemented locally or by the state will affect planning by local governments.

SJR 8 stated the legislature's intent to see that local governments adequately provide for mobile home development. It directs the Land Conservation and Development Commission to make special effort to [insureensure](#) that local governments provide for mobile homes, on individual lots, in subdivisions and in parks in their comprehensive plans. The legislature has recognized that mobile homes provide a means of satisfying affordable housing needs in the face of rising housing costs.

## 3. HOUSING FINDINGS AND POLICIES

### 3.1 APPLICABILITY OF THE HOUSING GOAL TO URBAN AND RURAL AREAS (See Section 2.1 of Land Use Plan Element for expanded discussion.)

#### FINDINGS

There are conflicting interpretations on whether the Housing Goal applies to areas outside of urban growth boundaries as well as inside. The Oregon Court of Appeals and the Land Use Board of Appeals has stated that the Housing Goal only applies to lands within urban growth boundaries. The Land Conservation and Development Commission, however, has referred to rural housing needs in its plan reviews. The latter interpretations the one that can reasonably meet housing needs in Tillamook County. Tillamook County cannot comply with the purpose of the Housing Goal "to provide for the housing needs of the citizens of the state" if those needs can only be provided for within urban growth boundaries.

The issue of whether all housing needs are to be met with urban growth boundaries is complicated by the literal interpretation of Goal 14 that urban growth boundaries are to be applied only to incorporated cities. This leaves 3 market areas, the South, South Central, and Central Coast without any incorporated cities to meet housing needs. About a quarter of the County's permanent population and about 48 percent of the peak population lives in these market areas. (See Table 9) Also, the South and South Central areas grew at the fastest rate in the County over the past decade. (See Section 1.2c)

The most southerly community in the County, Neskowin, is a 40-minute drive from the City of Tillamook, the nearest incorporated community. Clearly, it is unreasonable to expect that needs for housing in this community and others in the south end of the County can or should be met in the City of Tillamook.

To accommodate urban housing needs in the south end of the County, urban growth boundaries are being placed around functionally urban unincorporated communities. (See Sections 3.2 and 3.3 in the Urbanization Element.) However, even these communities along with the incorporated communities cannot meet all the County's housing needs. About 16 percent of the county's wage earners work outside of these communities and their urban growth boundaries.\* For example, the Port of Tillamook Bay industrial park situated approximately two miles south of the City of Tillamook is a major employment location in the County. Louisiana Pacific, the largest industrial employer in the County, and Exact Electronics, the fifth largest employer, are both located in the industrial park. Therefore, 16 percent of the present population and probably more in the future, may need to live outside of urban growth boundaries if they are to live near where they work.

Commented [TF2]: HNA P8 Exhibit 2.1 states 55% (14,621 / 26,348)

There is also a preferential need for rural development. (See Section 2.1 in the Land Use Planning Element for an expanded discussion.) Larger acreage ownership is a tradition in Tillamook County and larger acreages cannot be accommodated in urban areas (See Section 3.3 in the Urbanization Element). Certainly the Statewide Goals don't state that larger acreage residential land needs are not appropriate. If that were the case, then housing need would simply be a need for shelter and this could be accommodated solely with high rises using a minimal amount of land.

## POLICY

Tillamook County interprets the Housing Goal (Goal 10) as applying to all areas of the County, not just to incorporated areas and their urban growth boundaries. Given the County's circumstances, this is the only reasonable non-contradictory interpretation of the goal.

3.2 The County can encourage the availability of housing to meet needs by:

- 1) zoning a sufficient amount of land for needed housing types,
- 2) encouraging cities and service districts to service a sufficient amount of land to meet housing needs, and
- 3) minimizing the effect of regulations on housing cost.

Although the marketplace will meet most of the County's housing needs, there are some needs for lower cost housing that it cannot fulfill. Publicly assisted housing can help meet this need although it comprises only a small proportion of the total housing supply. (See Section 1.2f) The County can help meet this need by supporting the efforts of agencies responsible for providing housing assistance. (See Section 3.9)

#### POLICY

Tillamook County will plan to meet housing needs by encouraging the availability of adequate numbers of housing units at price ranges and rent levels which are commensurate with the financial capabilities of Tillamook County's households and allow for flexibility of housing location, type and density while preserving the County's resource base.

### 3.3 ENCOURAGING THE USE OF UNDERSIZED LOTS IN URBAN AREAS

#### FINDINGS

The minimum lot size in the existing zoning ordinance is 6000 square feet. Many lots have been platted at less than this minimum previous to the adoption of the ordinance. An inventory of the County in the winter of 1979 and 1980 determined that there are 3,412 of these lots of which 1,977, 58 percent are vacant. In areas where sewer is available, many of these lots are buildable with the major restrictions being lot size, width and yard requirements. These requirements have the purpose of assuring adequate light and air to dwellings, vision on public roads, off street parking, open space for recreation, and of keeping congestion on streets within levels acceptable to the community.

Substandard parcels represent an important asset to the County that justifies making exceptions to zoning requirements. Public benefits in the form of lower housing costs, increased service utilization, reduced services costs, and reduced need to utilize resource land for housing will result from allowing the use of these lots.

The current zoning ordinance allows exceptions to lot size requirements for parcels greater than 3,000 square feet. The use of undersized lots can be further increased by expanding the scope of this exception while maintaining setback standards which are essential to the public interest such as assuring sufficient off-street parking, maintaining fire safety, and maintaining vision clearance near roads and driveways.

#### POLICY

Tillamook County will revise its zoning ordinance to make pre-existing substandard lots more available while protecting essential public interest such as emergency access, adequate off-street parking, and adequate vision on public streets.

### 3.4 REDUCING LOT SIZE REQUIREMENTS

#### FINDINGS

Tillamook County's minimum lot sizes are 7,500 square feet and 6,000 square feet in its urban areas. The 6,000 square feet requirement is not comparable to the lotting pattern of many subdivisions in the County which still have undeveloped lots. These subdivisions are platted with lot sizes of 2,500 square feet or multiples thereof. Minimum lot size of 6,000 square feet does not utilize this lotting pattern to its best advantage. A 10,000 square foot parcel comprised of two 5,000 square foot lots could only be used for one dwelling with a 6,000 square foot minimum but could be used for two dwellings if the minimum were 5,000 square feet.

Besides allowing more efficient use of existing lots, the smaller minimum will allow greater use of unplatted land without appreciable loss of light, air vision or the ability to accommodate off-street parking. A 6,000 square foot lot size results in a net density of 5.4 dwelling units per acre if it is assumed that 25 percent of the area is used by roads. Under the same circumstances, the 5,000 square foot lots will result in a net density of 6.5 units per acre. The 60 foot by 100 foot, 6,000 square foot lot will allow 3,000 square foot of lot coverage within the required 20 foot front and rear setbacks and the 5 foot setbacks on each side. The 5,000 square foot lot with 50 by 100-foot dimensions would under the same circumstances allow a lot coverage of 2,400 square feet. With these conditions and assuming that the maximum lot coverage is used, the 5,000 square foot pattern only has 3.7 percent less open space per acre, not including roads.

Decreasing the minimum lot size will have several public benefits including increasing service utilization and reducing household service costs. It will also reduce the pressure for urban expansion and the need for converting resource land for housing. Perhaps the main benefit however is in increasing the affordability of housing in the face of housing costs that are rising faster than incomes.

Currently about a third of the County's households are spending more than a quarter of their incomes on housing. This percentage is bound to rise in the future as prices increase relative to incomes. The price of a single family home has risen by 13 percent annually over the past decade. Rents have increased by 10 percent annually. The median income for the County for the decade has only increased by 4.7 percent annually. This has made the possibility of owning a home even more difficult for County residents.

The state housing goal, Goal 10, requires that local plans and ordinances "encourage the availability of adequate numbers of housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households". The County can help meet this requirement by reducing the minimum lot size to 5,000 square feet. In doing this, the County would be also making its lot size requirements comparable with those of the cities of Manzanita, Nehalem, Wheeler, Garibaldi, Bay City and Tillamook.

**POLICY**

Tillamook County will reduce its lot sizes in its medium and high density urban residential to 5,000 square feet if sewer is available in order to increase the utilization of land within urban growth boundaries.

**3.5 FLEXIBILITY OF SUBDIVISION STANDARDS FOR RESIDENTIAL DEVELOPMENTS IN MODERATELY AND STEEPLY SLOPING AREAS AND ENCOURAGING CLUSTER DEVELOPMENT**

**FINDINGS**

If Tillamook County is to preserve its agricultural land for agriculture, then most future development will have to occur in the foothills of the County. Hillside development however is relatively expensive. The following table prepared by the Salem Home Builders Association for a presentation to the Mid-Willamette Valley Council of Governments in September of 1976 shows how the cost of housing typically increases with slope.

<b>% of Slope</b>	<b>Added Cost of Home</b>
0-5%	No added cost
6-8%	10 to 12%
8-12%	50%
12-15%	50 to 75%
18% plus	100% and more

Costs increase because the amount of grading for cuts and fills for roads and foundations increase with increasing slopes. It is also more difficult to site utilities and dwellings on steeper slopes.

On hillsides, costs can be minimized by building with the topography of the land so that grading and siting difficulties are minimized. In addition, if road widths and lengths are minimized, the amount of grading needed is reduced. Clustering dwellings and minimizing setbacks can also make it easier to design with the land and minimize grading and construction costs. By incorporating provisions in the subdivision ordinance to allow flexibility for development in hillside areas, the County can help reduce housing costs and minimize the amount of disturbance of hillside landscapes.

It is important that this flexibility does not harm the public health, safety and welfare in other ways, however. Roads still need to provide adequate access for emergency vehicles. This means that if roads are narrower, mandatory off-street parking will be necessary. Such flexibility would not increase the potential of geologic hazard either.

#### POLICY

Tillamook County will encourage the utilization of moderately and steeply sloping land by providing for flexibility in subdivision standards for setbacks and the location of sidewalks and utilities. Cluster development is encouraged in these areas. Standards shall assure emergency access, off street parking. Adequate vision on public streets, adequate storm drainage and no increase in geologic hazards.

### 3.6 URBAN AND RURAL PLANNED DEVELOPMENTS

#### FINDINGS

Planned developments increase densities locally and leave large areas of land undeveloped as open space. In urban areas this type of development is advantageous because site limitations can be worked around, and development densities can be achieved that would not be possible with standard subdivision design. Planned development also allows more efficient planning of roads and utilities. As a result, housing prices and the impacts of development on the public are reduced. In rural areas, planned developments also have advantages such as reduced service and road requirements, larger buffers adjacent to resource lands, greater flexibility to fit development in with the surrounding environment, and better management of groundwater supplies and sewage disposal.

#### POLICY

Tillamook County encourages the use of planned developments in urban and rural areas in order to efficiently use land, provide public services efficiently, and reduce the impact of residential development on natural resources.

### 3.7 PRESERVING OPTIONS FOR FUTURE INCREASED DENSITIES IN RURAL DEVELOPMENT AREAS

Areas of low-density residential development can be difficult to convert to higher densities if future circumstances make sewerage and the expansion of urban development reasonable. Places where low density development may be transitory to urban development include some unincorporated communities such as Cape Meares, Beaver and Tierra Del Mar, rural residential zoned areas near urban growth boundaries, and areas within urban growth boundaries that are not yet serviced with sewer and water.

There are advantages to low density development patterns that maintain options for future conversion to higher densities. These include more efficient utilization of land and services and more reasonably priced housing.

The effect of planning on density conversion is illustrated in the following diagrams. Where house siting is planned, through deed restrictions; or other means, options are preserved for efficiently dividing properties into smaller lots. Where house siting is not planned it is more difficult to divide lots and achieve high densities.

### **PLANNED HOUSE SITING**

**BEFORE SEWER**

**AFTER SEWER**

**BEFORE SEWER**

**AFTER SEWER**

Another possibility for preserving density conversion opportunities is illustrated below. Land is parceled at high densities and some lots are reserved for replacement drainfields with easements. When sewer becomes available, replacement drainfields are no longer necessary and the undeveloped lots become available for development.

### **REPLACEMENT DRAINFIELD EASEMENTS**

**BEFORE SEWER  
POLICY**

**AFTER SEWER**

In urban and rural areas where there is a possibility of conversion to urban development, the County will encourage development that can be efficiently converted to higher densities.

**3.8 INCREASING OPPORTUNITIES FOR MULTI-FAMILY RESIDENTIAL DEVELOPMENT**

**FINDINGS**

Encouraging multi-family residential development such as duplexes, triplexes and townhouses instead of conventional single family dwellings can have important benefits for the County. With densities no greater than would be present in a single family residential development, multi-family development could offer less expensive housing, less disturbance of the landscape, and less impact on surrounding properties.

In many areas such as steep hillsides multi-family zoning is inappropriate because the high densities allowed by the zoning are detrimental to the surrounding areas. Problems include storm water runoff, potential for sliding, and traffic generation. Multi-family development at single family residential densities, however, could occur without these problems while contributing important community benefits.

Multi-family development offers cost savings in land preparation and construction. Clustering allows placing housing units on the portion of a site that is most easily built on. Land grading and the amount of pavement can be reduced. Common wall construction reduces the amount of materials and labor in construction. It also results in more energy efficient dwellings.

This type of housing can help in meeting needs for affordable housing in Tillamook County. In addition, opportunities for home ownership in the County can be increased through condominium or cooperative ownership of multi-family structures.

**POLICY**

Tillamook County will modify its zoning ordinance to increase possibilities for construction multi-family housing in ~~medium density urban~~ residential zones. |

**3.9 MOBILE HOME SITING OPPORTUNITIES**

**FINDINGS**

Dramatic increases in housing prices relative to incomes has increased the importance of mobile homes as a housing option. The dramatic increase in Tillamook County's supply of mobile homes relative to conventional homes shows that County residents have responded to the price advantage of mobile homes. (See Table 3)

Mobile homes cost substantially less than conventional homes and afford more people the possibility of home ownership. In 1976 the U.S. Census Bureau found that for the Western United States the average monthly housing cost for mobile homes is 17 percent less than the average for conventional homes.\* In addition, the lower purchase price of mobile homes allows more people to buy because required down payments are smaller.



Traditionally there has been resistance to the siting of mobile homes in many communities. This resistance is based on notions that mobile homes are unsafe, unsightly and that they depreciate with age. These notions are no longer true.

Construction standards for mobile homes have improved since 1972 when Oregon started requiring that mobile homes meet the standards of the American National Standards Institute (ANSI). Similar nationwide standards were adopted by the Department of Housing and Urban Development in 1976. These standards are just as strict with regard to safety as the Oregon Building Code.\* The federal mobile home code is more strict than the building code with regard to fire safety.\*

Mobile homes are becoming more attractive as the manufactured housing industry gains experience and the market for mobile homes expands. Double-wide and triple-wide mobile homes are becoming increasingly common and increasingly indistinguishable from site built homes. The minimum cost site built home is no better in appearance than the average double-wide mobile home.

Better construction standards, greater attractiveness and increased marketability have reversed the pattern of mobile home depreciation with age that was typical with older model mobile homes. It is now typical for mobile homes to appreciate in value with age especially if they are located on an individual lot. A study by the Foremost Financial Service Corporation found that single-wide mobile homes depreciate over the first three years and then appreciate every year after they are sited.\*

Mortgage lenders have responded to this trend by treating mobile homes more like conventional homes for loan purposes.

The price advantage of mobile homes has decreased over the [past decade](#) years primarily because of increases in site rents. These rent increases are partly due to higher standards in mobile home parks but are primarily due to restrictive zoning which shows or stops the creation of more sites.\* A survey of mobile home dealers in Oregon conducted during the summer of 1978 revealed that 1,000 mobile home sales a month in the state were broken off because the buyer could not locate a space for the home. \*

There is no evidence currently available that restrictive zoning has limited mobile home placement in Tillamook County but mobile home placement records show that most mobile home placements occurred in the South Central, Central, and North Central market areas. (See Table 4) Considerable areas of land in unincorporated areas have been zoned for mobile homes as an outright use. About 77 percent of mobile homes have been placed in unincorporated areas over the past decade. It appears as though mobile home placement has been more limited by incorporated city governments in the County. Only 23 percent of mobile home placements occurred there. The cities of Tillamook, Rockaway, Wheeler, and Manzanita had particularly low number of mobile home sitings. These cities had about 24 percent of building placements but only 4 percent of mobile home placements.\*

Regardless of past limitations of mobile home siting that might have been caused by zoning, it is important that the revised comprehensive plan and zoning designate a sufficient amount of land for mobile homes as an outright use. Mobile home owners need sufficient opportunities to choose where they wish to live and no community should be forced to accommodate an unbalanced housing mix because other communities fail to meet their responsibilities.

## POLICY

Tillamook County will designate a sufficient amount of land to meet needs for siting mobile homes in urban and rural areas in mobile home parks and on individual lots. The County will work with incorporated cities to provide an equitable distribution of mobile home sites.

3.10 SUPPORT EFFORTS OF NORTHWEST OREGON HOUSING AUTHORITY TO PROVIDE ASSISTED HOUSING EQUITABLY DISTRICTED THROUGHOUT THE COUNTY

FINDINGS

Although federal and state housing assistance programs only help a small proportion of Tillamook County's households, this help is never-the-less needed. There are housing needs that can not be met solely through the market place without any governmental assistance. Approximately 34 percent of the County's households in 1978 earned 865 dollars a month or less, the standard for determining eligibility for assistance by the Department of Housing and Urban Development. Of those households, approximately 48 percent pay more than 25 percent of their monthly income on housing. About 13 percent pay more than 50 percent of their monthly income on housing (4.4 percent of all County households).

Special households such as the elderly and handicapped can have extra difficulties meeting their housing needs. These households typically have lower incomes than the population as a whole. They may have special needs in house design or location. These needs are difficult to meet with low incomes.

There can be a tendency on the part of government to segregate assisted housing to one area of the community. This is unfair to residents of those areas because it can change the character of their community. It is also unfair for the residents of assisted housing because they may be forced to live away from jobs or commercial services. It is important for assisted housing to be distributed fairly throughout the County according to need.

POLICY

Tillamook County supports the efforts of the Northwest Oregon Housing Authority and other housing agencies to meet the needs of the County's low-income population. The County encourages an equitable distribution of assisted housing units in accordance with the needs of low-income households.

3.11 SUPPORT PROGRAMS TO REHABILITATE HOUSING

FINDINGS

A substantial number of housing units in the County require rehabilitation. Approximately 28 percent of housing units in the County are over 40 years old and many are in substandard condition. About 21 percent of owner-occupied housing and 18 percent of renter occupied housing is in substandard condition. Many of these units are suitable for rehabilitation.

There will be substantial needs for housing rehabilitation in the future. By the year 2000, 4,846 housing units, or about 24 percent of the housing supply at that time, will be more than 50 years old.

A number of public programs are currently being used to rehabilitate housing in the County. These include HUD Section 8, FmHA Section 504 and a Community Development Block Grant (See Section 1.2f). Only a small proportion of total needs, 33 housing units, are being met through these programs.

Housing rehabilitation before deterioration becomes too advanced is cheaper than housing replacement. It is a cost-effective way that the County's housing supply can be maintained.

POLICY

Commented [TF3]: Repair Grants and Loans

Tillamook County will cooperate with the Northwest Oregon Housing Authority and other housing agencies to develop programs for rehabilitating all types of housing including mobile homes. The County will make information available about these programs.

### 3.12 MAINTAINING A HOUSING DATA BASE

#### FINDINGS

Comprehensive plans are dynamic, not static and must be continually updated if they are to continue to meet local needs. Population and housing projections are, at best, educated guesses assuming that past trends will continue into the future. The accuracy of these projections depends on the validity of the assumptions that underly the projection and the amount of change that is occurring in a community. Where change is rapid, it is more difficult to project population. Also, projections are increasingly inaccurate as they progress further into the projection period.

If plans are to continue to provide for housing needs then they must continue to reflect those needs. This requires the maintenance of a data base to indicate when the plan is not filling its purpose and what changes to the plan are necessary in order to continue to meet housing needs. A good data base would include information on buildable land supply, housing supply and condition, vacancy rates, housing costs, population and household growth, and household income.

#### POLICY

Tillamook County will work with city governments, the Clatsop-Tillamook Intergovernmental Council, and the Northwest Oregon Housing Authority to maintain and update a housing inventory for the County.

[Appendix A: Tillamook County Housing Needs Analysis](#)



# Tillamook County

## Housing Needs Analysis

December 27, 2019

## ACKNOWLEDGEMENTS

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This work is made possible through input provided by County staff and the Tillamook County Housing Commission. We specifically recognize and appreciate the time and attention dedicated to this work by the following participants.

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Bill Baertlein, (Tillamook County Commission Vice Chair, Liaison to County Housing Commission)

Mary Faith Bell (Tillamook County Commissioner)

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Barbara McLaughlin (North County)

Gale Ousele (South County)

Erin Skaar (Non-Profit)

Mayor Suzanne Weber (City of Tillamook)

John Southgate, Strategic Partner, Project Coordinator

### Interviews and Work sessions

During the course of this assignment, FCS GROUP collected information gleaned from the following property owners, business owners, developers, and local planning commissions. We sincerely thank these individuals and collective bodies for sharing their time and attention.

- Todd Bouchard, developer/local resident
- Julie Garver, Director, Innovative Housing, Inc. (nonprofit housing developer)
- Thomas Kemper, nonprofit housing developer
- Jeff Schons and Mary Jones, Pacific City property owners/developers/business owners
- Paul Wyntergreen, City of Tillamook, City Manager
- Manzanita City Planning Commission
- Bay City Planning Commission

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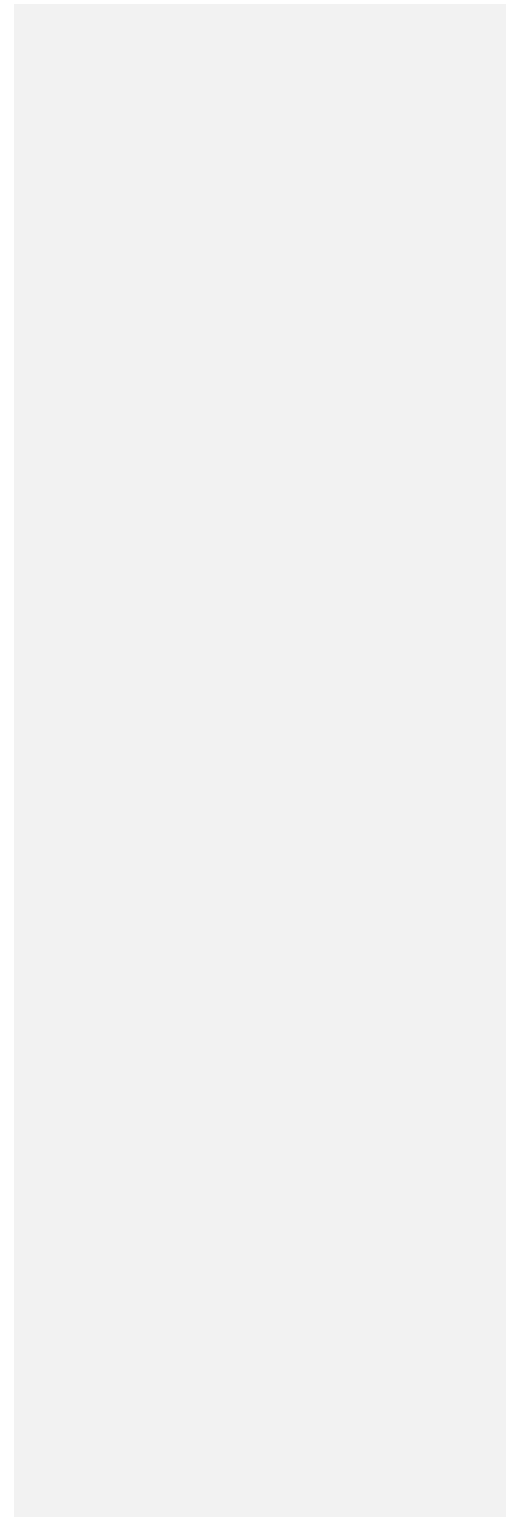
Victor Tran, Associate

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## Section I. INTRODUCTION

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Tillamook County is widely known for its dramatic coastline, misty beaches and award winning dairy and seafood products. Tillamook County is located along the breathtaking northern Oregon Coast within 50 miles from the Portland and Salem metro regions.

Like many coastal communities, portions of Tillamook County are experiencing strong housing demand by part-time seasonal residents, especially in coastal “resort” communities. Over the past decade, new housing production has not nearly kept pace with the demand generated by permanent residents and seasonal home owners. With the majority of its housing, now controlled by part-time residents, vacancy rates have plunged to near zero and rents/prices have increased to record levels. This has led to a severe housing affordability challenge that is exacerbated by: environmental flood zone and agricultural land use constraints; limited vacant land area with adequate water, sewer and roadway infrastructure; and a growing service economy with limited family wage job opportunities. These challenges continue to mount as employers struggle to fill job positions since workers are faced with very limited housing choices.

The Tillamook Housing Needs Analysis (HNA) is being conducted to ensure that the County can plan for coordinated housing growth in line with community preferences and market forces. The HNA includes the following:

- A determination of 20-year housing needs based upon long-term growth forecast of demand by permanent and seasonal population increases.
- An analysis of buildable vacant, part-vacant and re-developable land inventory (BLI) for land that’s planned to accommodate housing.
- Identification of new housing goals, objectives, and policy actions that address housing opportunities.





## Section II. MARKET TRENDS AND FORECASTS

This section of the HNA includes a forecast of housing needed to accommodate expected year round and seasonal population growth for Tillamook County. The housing needs forecast represents a 20-year projection from the base year (2019) through year 2039. These technical findings are also consistent with the State of Oregon requirements for determining housing needs per Oregon land use planning Goals 10 and 14, OAR Chapter 660, Division 8, and applicable provision of ORS 197.295 to 197.314 and 197.475 to 197.490, except where noted.

### II.A. METHODOLOGY

The methodology for forecasting housing needs for Tillamook County considers a mix of demographic and socio-economic trends, housing market characteristics and long-range population growth projections. Population is a primary determinate for household formations—which in-turn drives housing need. Given the significance of coastal tourism and visitation, the demand for second homes and short-term rentals is also an important determinate in understanding future housing needs. County-wide population, households, income and housing characteristics are described in this section using available data provided by reliable sources, such as the U.S. Census Bureau (Census and American Community Survey), the U.S. Department of Housing and Urban Development (HUD), Oregon Department of Housing and Community Services, Portland State University (PSU) and Tillamook County's Planning and Community Development department. Where trends and forecasts are provided by an identified data source, FCS GROUP has included extrapolations or interpolations of the data to arrive at a base year (2019 estimate) and forecast year (2039 projection).

The housing need forecast translates population growth into households and households into housing need by dwelling type, tenancy (owner vs. renter) and affordability level.

### II.B. DEMOGRAPHICS AND SOCIO-ECONOMICS

#### Population

Since the year 2000, Tillamook County's permanent year-round population (including local cities) increased 8.6%, from 24,262 residents in 2000 to 26,348 in 2019. Population within Tillamook County is projected to increase to 29,284 over the next 20 years (0.5% avg. annual growth rate).

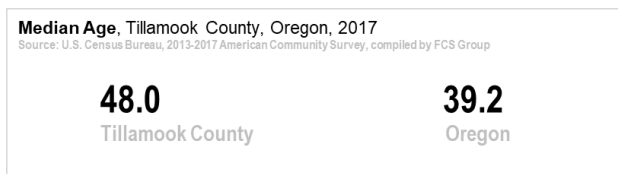
As population increases, the demand for all types of housing will increase. This HNA supports long-range planning focused on expanding the local housing inventory to accommodate baseline population growth.



The long-range population forecast prepared by PSU's Population Research Center (PRC) expects 2,936 additional people to be added to Tillamook County by year 2039. This equates to an annual average growth rate (AGR) of 0.5%. Baseline population growth forecasts for Tillamook County and its incorporated areas is shown below in **Exhibit 2.1**.

**Exhibit 2.1 Population Growth Forecast**

Tillamook County has a relatively older population in comparison to the Oregon average. In Tillamook County, nearly 24% of the population is 65 or older, compared to 16% for Oregon as a whole. The median age of residents in Tillamook County was 48 in 2017, compared with the State average of 39.2.



Tillamook County's average household size is 2.41 people per occupied household, which is slightly less than the statewide average of 2.5.

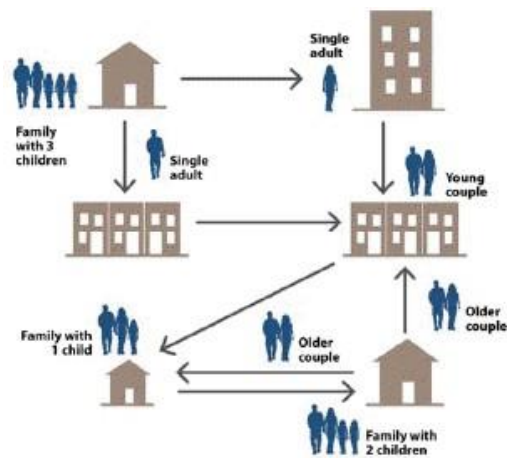


### Factors Affecting Housing Demand

There is a clear linkage between demographic characteristics and housing choice. As shown in the figure below, housing needs change over a person's lifetime. Other factors that influence housing include:

- Homeownership rates increase as income rises.
- Single family detached homes are the preferred housing choice as income rises.
- Renters usually have lower incomes than owners and are much more likely to choose multifamily housing options (such as apartments or plexes) over single-family housing.
- Very low-income households (those earning less than 50% of the median family income) are most at-risk for becoming homeless if their economic situation worsens.
- The housing available to households earning between 50% and 120% of the median family income is crucial to middle-income residents, and is often referred to "missing middle" housing stock or "workforce housing."
- Seasonal housing demand by part time residents will continue to occur primarily in coastal communities that provide access to recreational areas and services.

#### Housing Life Cycle



**Key definitions:**

**“Households”** consist of all people that occupy a housing unit.

**“Family”** is a group two or more people (one of whom is the householder) related by birth, marriage, or adoption and residing together.

The relationship between demographic changes and housing needs can be used to forecast future housing needs. Three main demographic changes affecting housing in Tillamook County include:

**Generational Cohorts**

As people age, their housing requirements change with time. Exhibit 2.2 summarizes the current (2017) distribution of major generational cohorts of people living in Tillamook County.

**Greatest/Silent Generation (those born before 1925 to 1945)**

This includes retirees better than age 74, who were raised during the Great Depression, Word War I or World War II. This cohort currently accounted for 9% of the county’s population in 2017. As they reach their 80s some move into assisted living facilities with convenient health care services and transit access. Meanwhile, others will leave the county to be closer to family or medical services.

**Baby Boom Generation (those born 1946 to 1964)**

Baby boomers (currently age 55 to 74) accounted for 32% of Tillamook County residents in 2017. The boomer population segment has been growing more rapidly than the other cohorts over the past 10 years and many are now entering their retirement years. Boomers usually prefer to “age in place” but may downsize or move in with family members, sometimes opting to reside in accessory dwellings off the main house.

**Generation X (born early 1965 to 1980)**

Gen X (currently includes people between age 39 to 54) accounted for 17% of Tillamook County residents in 2017. GenX households often include families with children, and many prefer to live in single family detached dwellings at various price points.

**Millennials (born early 1980s to early 2000s)**

Millennials (currently in their twenties or thirties) accounted for 21% of Tillamook County residents in 2017. Younger millennials tend to rent as they establish their careers and/or payback student loans. Working millennials often become first-time homebuyers, opting to purchase smaller single-family detached homes or townhomes.

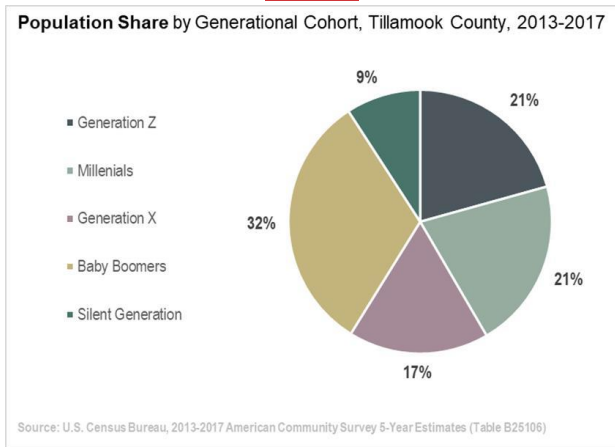
**Generation Z (born mid-2000s or later)**

GenZ includes residents age 19 or less, which accounted for 21% of Tillamook County residents in 2017. This segment mostly includes children living with Gen Xers or Millennials.

**Families with Children living at home**

This category includes a subset of Baby Boomers, Gen Xers and millennials. Taken as a whole, this category constitutes a significant proportion of Tillamook County’s population; and is expected to increase moderately over the next two decades. Families prefer to live in a variety of housing types (detached homes or townhomes/plexes) at price points commensurate with their family income.

**Exhibit 2.2**



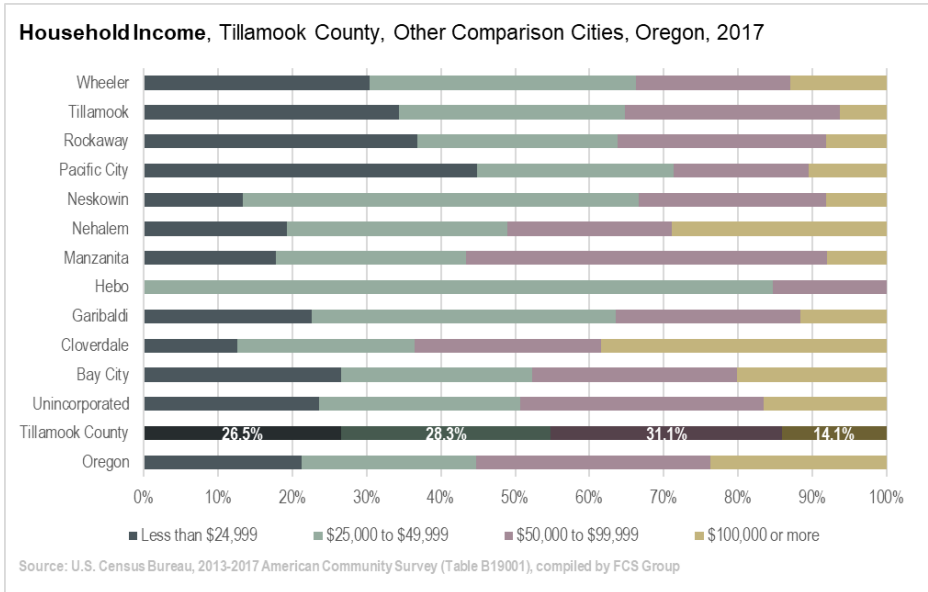
**Income Characteristics**

The median household income in Tillamook County (\$45,061) is well below incomes observed statewide in Oregon (\$56,119).

As shown in Exhibit 2.3, Tillamook County in comparison with Oregon, has a higher share of low-income residents (earning less than \$30,000), and a lower share of middle- and upper-income residents (those earning more than \$50,000). Countywide incomes vary significantly between communities, with Hebo, Pacific City, Rockaway and City of Tillamook residents having relatively lower incomes compared with Manzanita and Nehalem.

It should be noted that this analysis focuses on local cities and Census Defined Places, since those are the communities for which comparative data are available. There are additional small communities in Tillamook county, such as Oceanside, Netarts and Beaver, which do not have readily available statistics. While such small communities are vital, they are referenced here within the unincorporated county area.

**Exhibit 2.3**



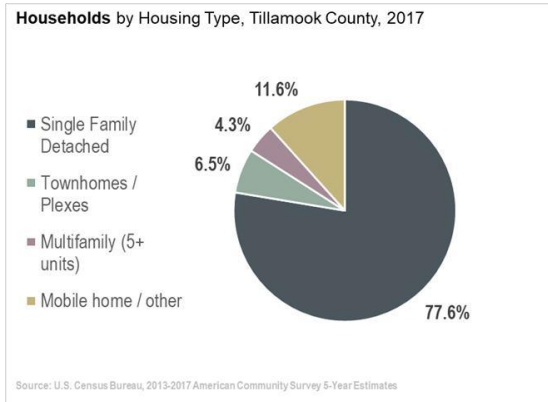
## II.C. EXISTING HOUSING CHARACTERISTICS

An analysis of historical development trends and local housing market dynamics provides insight regarding how the housing market functions. Findings indicate that changes in demographic and socio-economic patterns over the next two decades will result in a shift in housing demand from what is now predominantly single-family detached housing to wider mix of housing types.

### Housing Inventory and tenancy

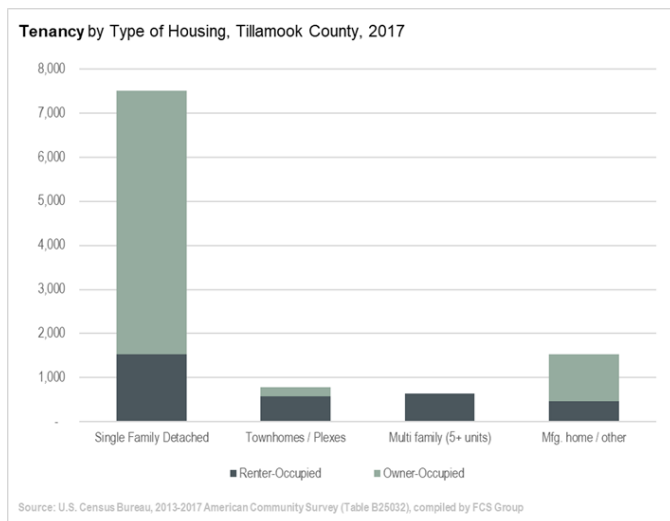
The existing housing stock in Tillamook County is dominated by single family detached (low density development) which accounts for just over three-fourths of the inventory. This is well above the state average of 63.7%. Mobile homes/other housing types comprise the remaining 11.6% of the inventory. Townhomes/plexes (medium density development) accounts for 6.5% of the inventory. Multifamily apartments and condos (with more than 5 units per structure) currently comprise only 4.3% of the inventory (see **Exhibit 2.4**).

**Exhibit 2.4**



The overall housing tenancy in Tillamook County mirrors the Oregon statewide average, with 69% of the permanent residents owning their homes, and the remaining 31% renting. As shown in Exhibit 2.5, most homeowners reside in single family detached homes or mobile homes (including manufactured housing). Renters occupy all types of housing, and constitute the majority of demand for townhomes/plexes and multifamily apartments.

**Exhibit 2.5**

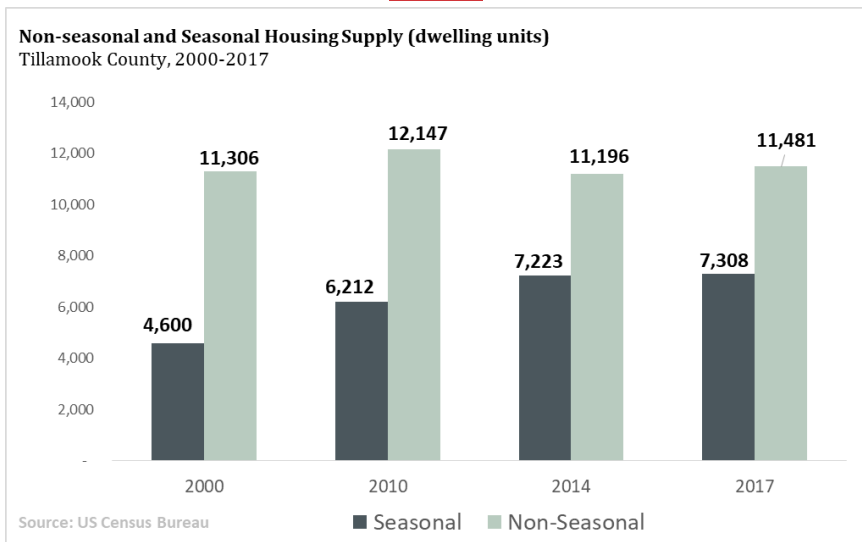


### Seasonal Housing Inventory and Vacancy Rates

The prior housing study that was prepared for Tillamook County, *Creating a Healthy Housing Market for Tillamook County*, March 2017 (by CZB), noted that the housing market in Tillamook County has two distinct parts. There is a **coastal market** with strong demand from upper-income households, investors, second home buyers and retirees. And there is an **interior market** concentrated largely around Tillamook and other inland communities, such as Bay City. This market has a relatively older and less expensive housing inventory, which is more attainable to local residents. The demand for both seasonal housing and year-round non-seasonal demand is rising, as indicated in **Exhibit 2.6**.

Of Tillamook County's 18,789 total housing units, 44%, were classified as having "seasonal ownership" in 2017, up from 38% in 2010, according to the U.S. Census American Community Survey.

**Exhibit 2.6**

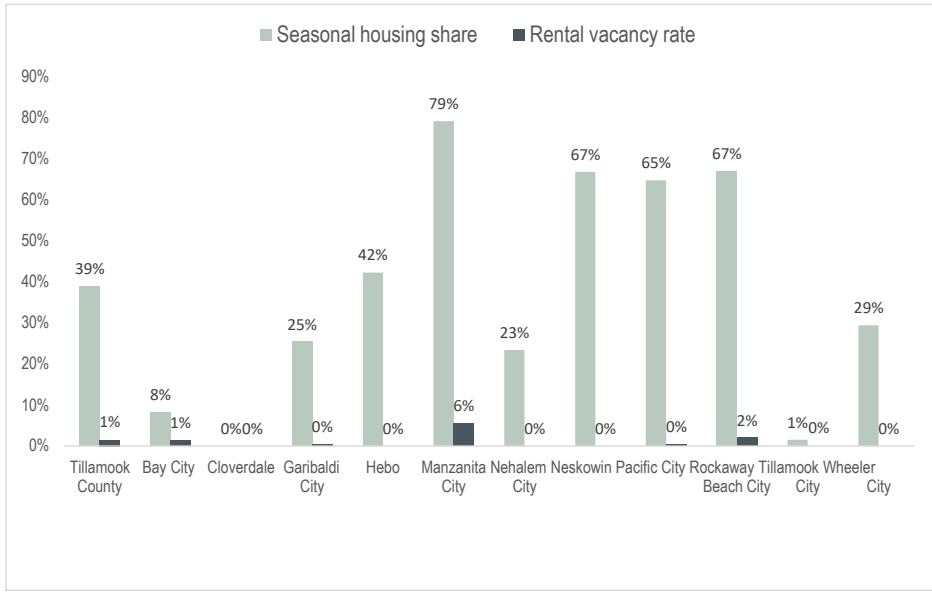


The seasonal housing inventory varies significantly by location, with the City of Tillamook, Bay City and Cloverdale having the lowest rates of seasonal homeownership and coastal resort areas such as Rockaway Beach and Manzanita having the highest levels at 74% and 87%, respectively.

As shown below in **Exhibit 2.7**, the vacancy rates for non-seasonal (year round rental housing) is well below 1% in all areas and near zero in Cloverdale, Gribaldi, Hebo, Nehalem, Neskowin and Wheeler. In comparison, the statewide average housing vacancy rate was 9.3% in 2017.



**Exhibit 2.7 Vacancy Rates by Housing Type**

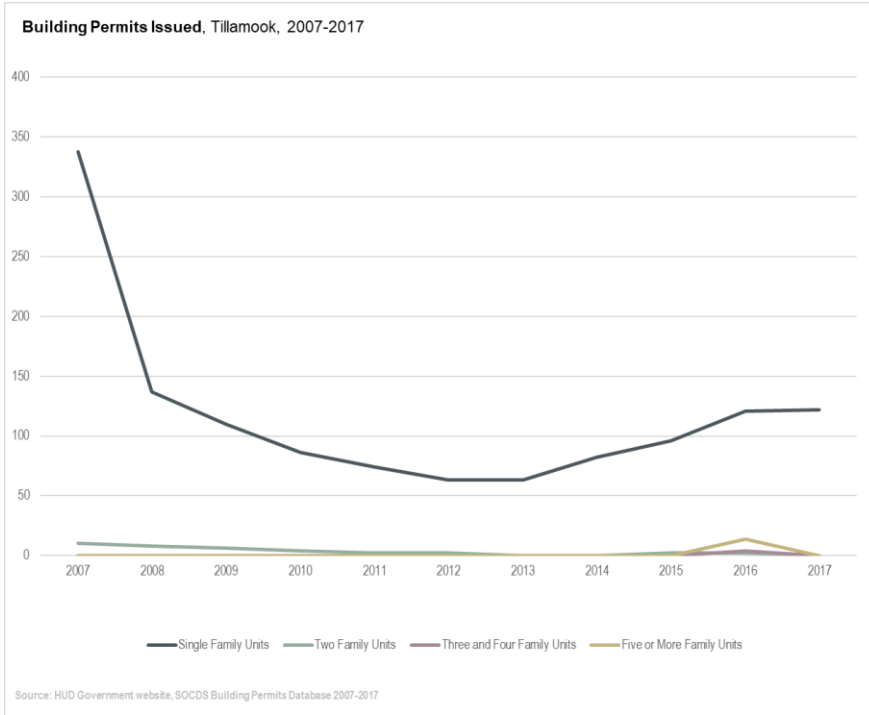


### Housing Construction Permitting Activity

During the past decade new housing construction in Tillamook County has been dominated by single family housing. Despite falling sharply following the recession, the county has issued an average of 117 single family permits annually for new construction since 2007. Issuance of new permits has picked up since its low of 2013 (Exhibit 2.8).

Housing production has not nearly kept up with the pace of demand. Between 2007 and 2017, about 120 new dwellings were added throughout Tillamook County annually with the vast majority as second homes. Most new housing construction has occurred in coastal “resort” towns, such as Manzanita, Neskowin, Pacific City and Rockaway Beach, where 66%-80% of the total housing stock is now owned by part-time residents. During this same time frame, it is estimated that about 80-90 existing dwelling units were converted to seasonal units or short-term vacation rentals each year. As such, the permanent year-round housing inventory in Tillamook County has been decreasing at a time when nearly 60 households were moving into the county each year.

**Exhibit 2.8**



### Housing Affordability

The median home price in Tillamook County was approximately \$323,000 (2019, 1<sup>st</sup> Q), which is slightly below the median home price in Oregon as a whole. As shown in **Exhibit 2.9**, year-over-year, home prices in Tillamook County increased by 12.2% from \$288,000 in 2018 to \$323,000 in 2019.



In general, home values declined following the Great Recession (2009 to 2014), then began a steady ascent. In Tillamook County, it is estimated that median home prices have increased by over 40%

between 2014 and 2019. During this same time frame, median household income levels in Tillamook County increased only 21%; thereby creating a major housing affordability challenge.

Based on active home listings and average sales over the past two years in Tillamook County, there is less than a three month supply of homes priced under \$300,000; and only a four to five month inventory of homes priced \$300,000 to \$500,000. For comparison, a healthy housing market is considered to have a six month housing inventory.

**Exhibit 2.9**

**Homes Sales and Inventory, Tillamook County**

Sales Price Level	Recent Sales (past 2 years)	Avg. Sales Per Month (past 2 years)	Current Listings	Remaining Inventory (months)
Less than \$100,000	175	7.3	4	0.5
\$100,000 to \$199,999	384	16.0	27	1.7
\$200,000 to \$299,999	556	23.2	61	2.6
\$300,000 to \$399,999	421	17.5	70	4.0
\$400,000 to \$499,999	270	11.3	57	5.1
\$500,000 or more	298	12.4	124	10.0
<b>Total</b>	<b>2,104</b>	<b>88</b>		

Source: Zillow.com; analysis by FCS 9/3/19.

**Median Home Price Sales Trends in Select Markets**

	Aug-18	Aug-19	Change %
Tillamook County	\$288,000	\$323,000	12.2%
Bay City	\$213,000	\$244,000	14.6%
Nehalem	\$372,000	\$415,000	11.6%
Neskowin	\$425,000	\$457,000	7.5%
Pacific City	\$292,000	\$323,000	10.6%
Rockaway Beach	\$255,000	\$294,000	15.3%
Tillamook City	\$251,000	\$283,000	12.7%

Source: Zillow.com; analysis by FCS Group 1/24/18.

Median rents are also slightly lower in Tillamook County compared with the Oregon statewide average. However, in many communities within Tillamook County, rents are now on par with or have surpassed the statewide average (Exhibit 2.10).

**Exhibit 2.10**

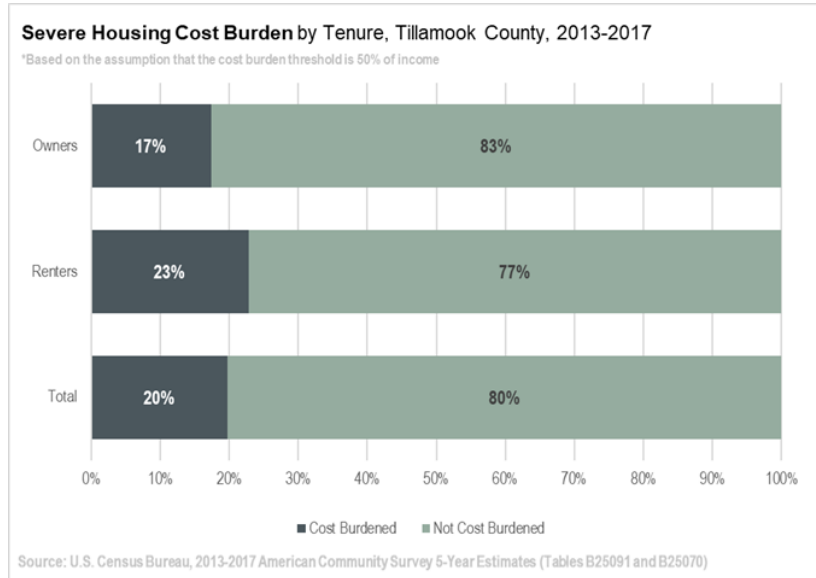


### Housing Cost Burdens

According to the U.S. Housing and Urban Development (HUD) standards, households are considered “cost burdened” if they pay over 30% of their income on housing. Households are “severely cost burdened” if they pay over 50% of their income on housing.

Despite relatively low housing costs, the fact that there limited numbers of family wage jobs makes finding attainably priced housing difficult for many residents. Approximately 23% of the renters and 17% of the owners in Tillamook County are severely cost burdened (see Exhibit 2.11).

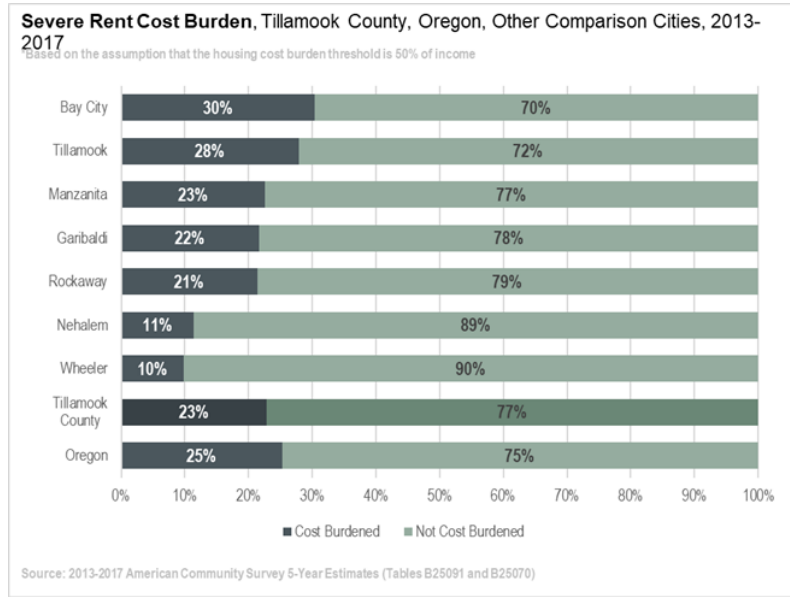
**Exhibit 2.11**



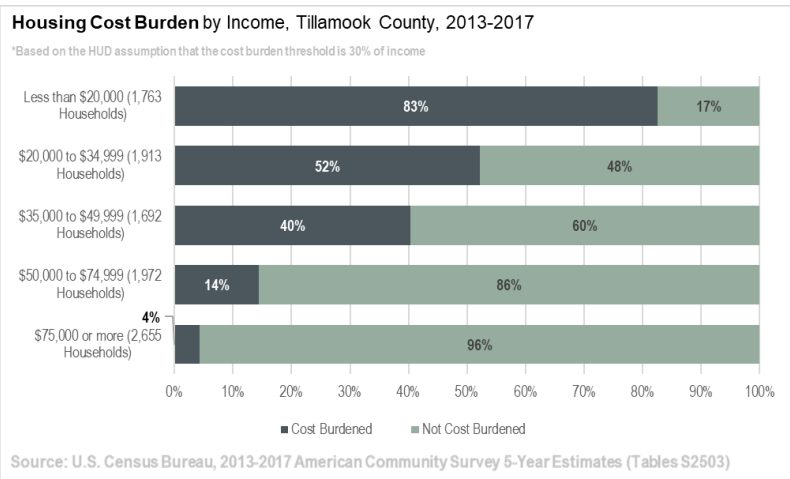
Severe rent burdens vary widely between local areas. For example, Wheeler faces severe rent burden rates of just 10%, while 30% of Bay City renters are severely rent burdened (see Exhibit 2.12).

Exhibit 2.13 further illustrates the link between lower incomes and housing cost burdens. Over 80% of households earning less than \$20,000 were cost burdened in Tillamook County. In fact, almost 60% of households earning less than \$50,000 are paying more than 30% of their income in housing costs.

**Exhibit 2.12**



**Exhibit 2.13**



## Workforce Housing Demand

Representatives from local businesses, school districts, hospitals and emergency service sectors (e.g., police and fire districts) have voiced concern over the lack of attainable housing for their employees. Many workers now travel very long distances to jobs in Tillamook County. According to U.S. Census stats, almost one in four workers in Tillamook County commute greater than 50 miles each way (100 miles per day); which is double the statewide average. Nearly one in three local workers now reside outside Tillamook County.

Note: These findings are based on U.S. Census On-the-Map Longitudinal Employer-Household Dynamics (LEHD) data which are based on tabulated and modeled administrative employer survey data, which are subject to error. The Quarterly Workforce Indicators (QWI), LEHD Origin-Destination Employment Statistics (LODES), Job-to-Job Flows (J2J), and Post-Secondary Employment Outcomes (PSEO) are available online for public use.

Because the estimates are not derived from a probability-based sample, no sampling error measures are applicable. While no direct measurement of these joint effects has been obtained, precautionary steps are taken in all phases of collection and processing to minimize the impact of nonsampling errors.

As indicated in Exhibit 2.14, FCS GROUP has documented market gaps in Tillamook County's available housing inventory. Conversion of homes to seasonal and vacation rentals, low vacancy rates, and inadequate housing construction levels result in market gaps that can only be corrected by supply additions. Based on relatively low market capture rates, as of year 2017, there is a housing gap of approximately 406 units for housing units needed for moderate income households at 50% to 120% of the area median family income (MFI) level.

In addition, there is also a significant market gap for government assisted housing available to households earning less than 50% of the MFI level. This analysis indicates that the market gap for rental housing at this price point equates to over 600 dwellings. In light of inadequate levels of state and federal housing grants, we have assumed a 33% market capture rate or approximately 200 units of low income housing demand is needed at this time.

### Exhibit 2.14 Existing Housing Market Gaps, Tillamook County

#### Current Housing Market Gap for Housing at 50% to 120% MFI or higher, Tillamook County

		Total Dwelling Units	Rental Units	Owner Units
<u>Existing Workers in Tillamook County</u>	<u>9,476</u>			
<u>Long Distance commuters (over 100 miles per day)</u>	<u>2,030</u>			
<u>Market Demand Sensitivity Analysis</u>				
<u>Low Capture Rate</u>	<u>15%</u>	<u>305</u>	<u>152</u>	<u>152</u>
<u>Midpoint Capture Rate</u>	<u>20%</u>	<u>406</u>	<u>203</u>	<u>203</u>
<u>High Capture Rate</u>	<u>25%</u>	<u>508</u>	<u>254</u>	<u>254</u>

Based on U.S. Census Bureau, On-The-Map data for Tillamook County, 2017.

This analysis conservatively assumes that the level of near-term pent up market demand could support development of over 400 units of rental housing, with about half needed for households in the 50% to 120% of the MFI level for Tillamook County.

## II.D. FUTURE HOUSING NEEDS

The methodology includes three housing forecast scenarios which were reviewed and discussed by the Housing Committee. They include:

Scenario A Baseline Forecast

Scenario B Baseline + Workforce Housing Forecast

Scenario C Policy Scenario as modified version of Scenario 2

Scenario D Midpoint of low and high growth forecasts

### Scenario A: Baseline Housing Demand Forecast

The future (20 year) housing forecast for Tillamook County takes into account the population and socioeconomic and housing characteristics described earlier.

The baseline forecast applies the long term population forecast by Portland State University, and assumes that current household size, group quarters demand, vacancy rates and seasonal housing rates remain constant. With the baseline forecast, Tillamook County is projected to add 2,936 people which will require 2,305 new dwellings over the next 20 years. If the future housing demand is distributed within Tillamook County based on the current housing mix, the 20-year housing demand in the unincorporated areas would equate to 510 dwellings, and the various incorporated area UGBs would need to accommodate the remaining 1,795 housing unit (see **Exhibit 2.15**).



**Exhibit 2.15 Scenario A Baseline Forecast**

**Baseline Housing Demand Forecast, Tillamook County, 2019-2039**

	Net New Population <sup>1</sup>	Group Quarters Share	Group Quarters Pop. <sup>1</sup>	Avg. HH Size <sup>2</sup>	Occupied Dwellings <sup>2</sup>	Seasonal & Vacancy Rate <sup>2</sup>	Seasonal & Vacant Dwellings	Total Dwellings Needs (excl. group quarters)
<b>Unincorporated areas</b>	<b>707</b>	<b>2.6%</b>	<b>18.4</b>	<b>2.41</b>	<b>286</b>	<b>44.0%</b>	<b>225</b>	<b>510</b>
Tillamook UGB	796	0.88%	7.0	2.47	319	8.5%	30	349
Nehalem UGB	370	0.00%	-	3.43	108	25.0%	36	144
Bay City UGB	348	0.00%	-	3.43	101	14.6%	17	119
Manzanita UGB	299	0.00%	-	3.43	87	86.6%	562	649
Rockaway Beach UGB	272	0.00%	-	2.27	120	73.7%	336	456
Garibaldi UGB	73	0.75%	0.5	2.62	28	31.8%	13	41
Wheeler UGB	72	1.45%	1.0	2.62	27	29.4%	11	38
<b>Total</b>	<b>2,936</b>	<b>0.9%</b>	<b>27</b>		<b>1,076</b>	<b>53.3%</b>	<b>1,229</b>	<b>2,305</b>

**Notes:** <sup>1</sup> population forecast from PSU Population Research Center, interpolated by FCS GROUP; <sup>2</sup> based on 2017 ACS. Numbers may not add due to rounding.

**Scenario B: Baseline + Workforce Housing Forecast**

This scenario includes the baseline housing forecast based on future growth along with a capture of a portion of the current market gap for workforce housing.

As discussed earlier in this report, there is a demonstrated “market gap” for workforce housing in Tillamook County. In this scenario, it is assumed that the overall housing demand over the next 20 years equates to the baseline demand described in Scenario A plus an additional 400 units of pent up demand for rental housing. This would include approximately 200 units of moderate income rental housing attainable to households earning 50% to 120% of the MFI; and another 200 units for households earning less than 50% of the MFI level.

This forecast scenario assumes that the majority of the housing production would occur in communities that can provide water and sanitary sewer service, with capacity that can be increased as needed to accommodate new housing development. As shown in Exhibit 2.16, the housing forecast under Scenario B equates to 2,730 dwelling units over 20 years.

**Exhibit 2.16 Baseline + Workforce Housing Forecast Scenario B**

	Demand Dist. (Scenario A)	Demand Dist. (Scenario B)	Pent Up Rental	Baseline Total Housing	
			Workforce Housing Need (units)	Housing Need (Scenario A)	Need (Scenario B)
Tillamook UGB	15%	25%	106	349	455
Nehalem UGB	6%	5%	21	144	165
Bay City UGB	5%	5%	21	119	140
Manzanita UGB	28%	10%	43	649	691
Rockaway Beach UGB	20%	10%	43	456	499
Garibaldi UGB	2%	5%	21	41	62
Wheeler UGB	2%	5%	21	38	59
Subtotal UGBs	78%	65%	276	1,795	2,071
Unincorporated areas	22%	35%	149	510	659
<b>Total Dwelling Units</b>	<b>100%</b>	<b>100%</b>	<b>425</b>	<b>2,305</b>	<b>2,730</b>

### Scenario C: Coordinated Policy Forecast

This scenario assumes that same level of overall Countywide housing demand as with Scenario B, but takes into account the fact that many of the coastal communities may have achieved market prices for land and housing that is out of reach for most residents. Small cities and resort communities in Tillamook County may not be capable of accommodating all of the potential market demand. Limiting factors may include inadequate infrastructure (particularly sewer) and environmental risks associated with developing housing in floodways, floodplains and tsunami hazard areas.

As shown in Exhibit 2.17, with this scenario it is assumed that the share of housing demand that will be accommodated within incorporated cities is 59% of total demand, down from about three quarters of total demand in the prior scenarios. Hence, the level of demand that would need to be addressed within unincorporated portions of Tillamook County would increase to 41% of the Countywide housing demand, compared with 22% to 24% in Scenarios A and B.

**Exhibit 2.17 Housing Market Share by Scenario**

	Demand Dist. (Scenario A)	Demand Dist. (Scenario B)	Demand Dist. (Scenario C)	Total Housing Need (Scenario C)
Tillamook UGB	15%	17%	30%	819
Nehalem UGB	6%	6%	5%	137
Bay City UGB	5%	5%	5%	137
Manzanita UGB	28%	25%	5%	137
Rockaway Beach UGB	20%	18%	10%	273
Garibaldi UGB	2%	2%	2%	55
Wheeler UGB	2%	2%	2%	55
Subtotal UGBs	78%	76%	59%	1,611
Unincorporated areas	22%	24%	41%	1,119
<b>Total Dwelling Units</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>2,730</b>

### Comparison of Housing Forecast Scenarios

These findings indicate that the future housing market in Tillamook County is expected to remain strong, barring natural disasters or global or national economic downturns. Population increases due largely to second home investors will likely account for just over half of the future housing demand. In order for housing prices and rents to be attainable to households at 120% or less of the local median income level for the County (\$45,060), for sale housing would need to be priced at \$299,000 or less and rentals priced at \$1,352 or less (per month for 2 bedroom unit). For additional analysis of housing affordability levels, please refer to **Appendix A**.

**Exhibit 2.18** provides a comparison of the housing demand within local areas for each of the three forecast scenarios. The findings indicate a low and high range of housing needs along with a mid-point demand forecast, which is referred to as Scenario D.

**Exhibit 2.18**

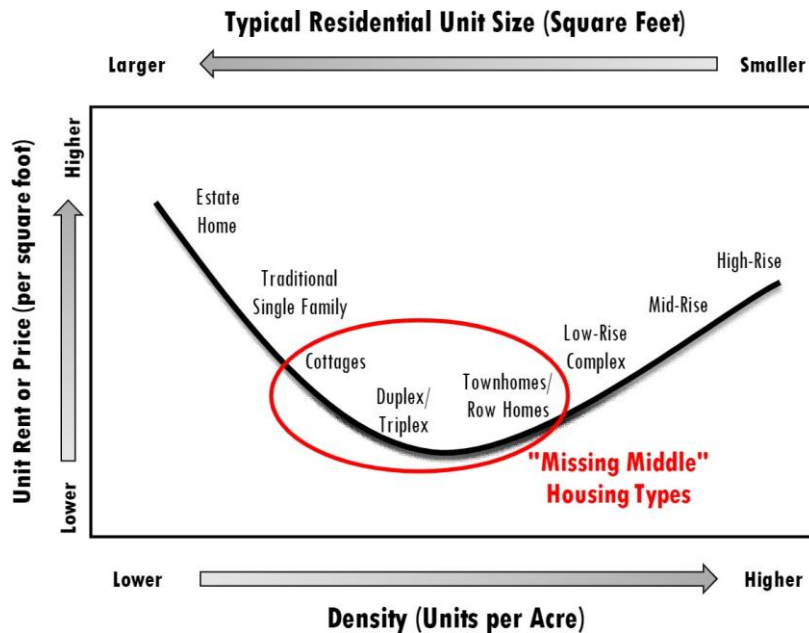
<b>Tillamook County 20-year Housing Forecast Scenarios (dwelling units)</b>			
	<b>Scenario A</b>	<b>Scenario B</b>	<b>Scenario C</b>
<u>Tillamook UGB</u>	<u>349</u>	<u>455</u>	<u>819</u>
<u>Nehalem UGB</u>	<u>144</u>	<u>165</u>	<u>137</u>
<u>Bay City UGB</u>	<u>119</u>	<u>140</u>	<u>137</u>
<u>Manzanita UGB</u>	<u>649</u>	<u>691</u>	<u>137</u>
<u>Rockaway Beach UGB</u>	<u>456</u>	<u>499</u>	<u>273</u>
<u>Garibaldi UGB</u>	<u>41</u>	<u>62</u>	<u>55</u>
<u>Wheeler UGB</u>	<u>38</u>	<u>59</u>	<u>55</u>
<b>Subtotal UGBs</b>	<b>1,795</b>	<b>2,071</b>	<b>1,611</b>
<b>Unincorporated areas</b>	<b>510</b>	<b>659</b>	<b>1,119</b>
<b>Total Dwelling Units</b>	<b>2,305</b>	<b>2,730</b>	<b>2,730</b>
	<b>Low</b>	<b>High</b>	<b>Midpoint (Scenario D)</b>
<u>Tillamook UGB</u>	<u>349</u>	<u>819</u>	<u>584</u>
<u>Nehalem UGB</u>	<u>137</u>	<u>165</u>	<u>151</u>
<u>Bay City UGB</u>	<u>137</u>	<u>140</u>	<u>138</u>
<u>Manzanita UGB</u>	<u>137</u>	<u>691</u>	<u>414</u>
<u>Rockaway Beach UGB</u>	<u>273</u>	<u>499</u>	<u>386</u>
<u>Garibaldi UGB</u>	<u>55</u>	<u>62</u>	<u>58</u>
<u>Wheeler UGB</u>	<u>55</u>	<u>59</u>	<u>57</u>
<b>Subtotal UGBs</b>	<b>1,141</b>	<b>2,435</b>	<b>1,788</b>
<b>Unincorporated areas</b>	<b>510</b>	<b>1,119</b>	<b>815</b>
<b>Total Dwelling Units</b>	<b>1,651</b>	<b>3,554</b>	<b>2,603</b>

Source: prior exhibits.

### Projected Needs by Housing Type

In light of the current housing affordability challenges, the future demand for attainably priced housing within Tillamook County will need to increase measurably in the future. This would require development of affordable “missing middle” housing types, such as market rate and government assisted plexes, townhomes and apartments as well as cottage homes, manufactured homes and accessory dwelling units (ADUs). As shown in Exhibit 2.19, these housing types can be delivered at a lower cost and rent level per square foot than other housing types.

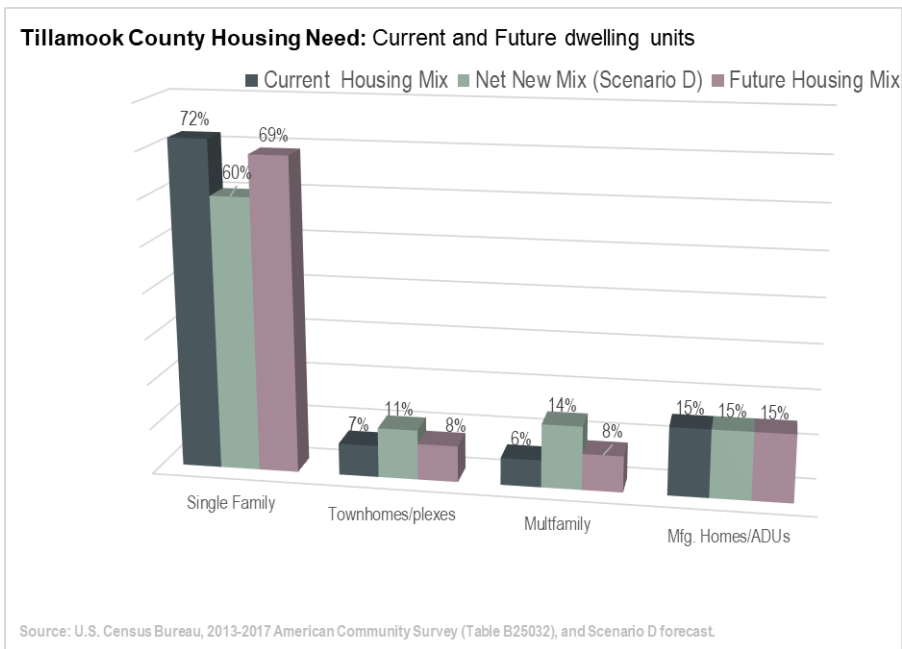
Exhibit 2.19



The forecasted housing mix that addresses future demand will likely consist of: 1,562 single-family detached homes (including cottage homes), 286 townhomes/duplexes/ADUs, 364 multifamily housing units and 390 manufactured housing units (see Exhibit 2.20). There will also be some “group quarters” housing demand for about 30 additional residents that will require shared living arrangements (such as congregate care or interim housing).

The graph below juxtaposes the housing mix in Tillamook County today compared with the projected mix of units to be added in the next twenty years and the overall housing mix observed in the county after twenty years. As shown in **Exhibit 2.21**, the Policy Scenario D would increase the overall share of multifamily, townhomes, and plexes in comparison to the current mix. The share of single family detached housing would decline and the share of manufactured housing would remain relatively constant.

**Exhibit 2.20**



At midpoint of the forecast scenarios (Scenario D), the net new housing need is expected to consist of: 1,796 owner-occupied dwellings and 807 renter-occupied dwellings. As shown in **Exhibit 2.21**, the types of housing that is most suited to meet qualifying income levels for home ownership vary by family income level. The owner and rental housing forecast that's suited to meet qualifying income levels is shown below

**Exhibit 2.21 Current and Future Housing Mix, Scenario D**

	Current Housing Mix	Net New Housing Mix (Policy Scenario C)	Future Housing Mix
Single Family	72%	60%	69%
Townhomes/Plexes	7%	11%	8%
Multi family	6%	14%	8%
Mfg. home / other	15%	15%	15%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

	Current Housing Mix	Net New Housing Mix (Policy Scenario C)	Future Housing Mix
Single Family	7,501	1,562	9,063
Townhomes/Plexes	781	286	1,067
Multi family	641	364	1,005
Mfg. home / other	1,531	390	1,921
<b>Total</b>	<b>10,454</b>	<b>2,603</b>	<b>13,057</b>

**Source:** prior exhibits.

As we consider the demand for housing by affordability level, the vast majority of housing demand needs will be from households at 120% or below of the Median Family Income level for Tillamook County (see **Exhibit 2.22**).

For additional analysis regarding housing affordability price points for owner occupied and renter occupied housing please refer to **Appendix A**.

**Exhibit 2.22 Forecasted Housing Demand by Affordability (Scenario D)**

Approximate Attainable Home Price*	Owner-Occupied	Renter-Occupied	Total	Dist. %	Attainable Housing Products
Upper (120% or more of MFI)	790	166	956	36.7%	Standard Homes, Townhomes, Condos
Upper Middle (80% to 120% of MFI)	647	135	782	30.0%	Small Homes, Townhomes, Apartments
Lower Middle (50% to 80% of MFI)	269	163	433	16.6%	ADUs, Townhomes, Mfgd. Homes
Low (30% to 50% of MFI)	90	190	279	10.7%	Govt. Assisted Apts. & Plexes
Very Low (less than 30% of MFI)	0	153	153	5.9%	Govt. Assisted Apts.
<b>Total</b>	<b>1,796</b>	<b>807</b>	<b>2,603</b>	<b>100.0%</b>	

\*Assumes 30% of income is used for rental or mortgage payments. Derived from Appendix A.

Projected Residential Land Needs

Using the mid-points of the housing demand forecasts, the buildable land that will be needed to accommodate planned housing production is shown in Exhibit 2.23. At the midpoint of the growth forecast scenarios (Scenario D), the overall amount of residential land that will be needed within all of Tillamook County over the next 20 years equates to just over 1,340 buildable acres of land area.

It should be noted that actual gross land needs could be much higher given the limited availability of sewer infrastructure capacity within Tillamook County.

The forecast of residential land that is needed within each local community and incorporated cities is provided below by general land use type (low, medium and high density) for discussion and policy planning purposes.

**Exhibit 2.23**

<b>Tillamook County 20-year Housing Land Need Forecast at Midpoint</b>										
	<b>Housing Mix*</b>					<b>Land Need (Buildable acres)</b>				<b>Total Land Need (buildable acres)</b>
	<b>Total Housing Need (Midpoint)</b>	<b>Very Low Density (single family homes)</b>	<b>Low Density (single family and mfg. homes)</b>	<b>Medium Density (townhomes,plexes)</b>	<b>Higher Density (apartments)</b>	<b>Very Low Density</b>	<b>Low Density</b>	<b>Medium Density</b>	<b>Higher Density</b>	
Tillamook UGB	584	-	292	124	169	-	97	21	14	132
Nehalem UGB	151	-	75	32	44	-	25	5	4	34
Bay City UGB	138	-	69	29	40	-	23	5	3	31
Manzanita UGB	414	-	207	88	120	-	69	15	10	94
Rockaway Beach UGB	386	-	193	82	112	-	64	14	9	87
Garibaldi UGB	58	-	29	12	17	-	10	2	1	13
Wheeler UGB	57	-	28	12	17	-	9	2	1	13
Subtotal UGBs	1,788	-	894	378	518	-	298	63	43	404
Unincorporated areas**	815	407	326	81	-	815	109	14	-	937
<b>Total</b>	<b>2,603</b>	<b>407</b>	<b>1,220</b>	<b>460</b>	<b>518</b>	<b>815</b>	<b>407</b>	<b>77</b>	<b>43</b>	<b>1,341</b>
*Assumes mix and density as follows:										
	<b>City/Town Housing Mix</b>	<b>Unincorp. Area Mix**</b>	<b>Dwellings per acre (avg.)</b>							
Very Low Density*	0%	50%	0.5							
Low Density	50%	40%	3							
Medium Density	21%	10%	6							
Higher Density	29%	0%	12							
<b>Total</b>	<b>100%</b>	<b>100%</b>								
Source: compiled by FCS GROUP based on midpoint of housing forecast scenarios and expected market demand.										



## Section III. BUILDABLE LAND

### INVENTORY

This section includes a summary of the residential buildable land inventory (BLI) in Tillamook County. The focus of this 2019 BLI analysis is on the following geographic areas:

- Tillamook County, unincorporated areas outside existing urban growth boundaries (UGBs)
- Tillamook UGB
- Manzanita UGB
- Bay City UGB

In addition to these locations, this report cites findings from prior adopted plans and BLI studies to ascertain buildable lands in the following locations:

- Garibaldi UGB
- Nehalem UGB
- Rockaway Beach UGB
- Wheeler UGB

### METHODOLOGY

As part of Tillamook County's Housing Needs Analysis process, an estimate of buildable lands was completed to assess the supply of available land for housing development in unincorporated areas as well as three cities that opted to update their land inventories at this time. The Buildable Lands Inventory (BLI) was completed in accordance with OAR 660-008-0005 (2) and guidance provided by the Department of Land Conservation and Development (DLCD).<sup>1</sup>

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<sup>1</sup>While Oregon state regulations pertaining to BLI methods apply only to UGBs of incorporated areas, the same methodology was applied to unincorporated portions of Tillamook County with one exception which was reviewed by the Housing Committee: the removal of 100-year flood zones from the vacant land inventory for unincorporated areas only. The BLIs for incorporated areas assume land within 100-year flood zones is considered to be unconstrained and buildable.

The objective of the residential BLI is to determine the amount of developable land available for future residential housing development. The steps taken to perform this analysis are as follows:

1. Create a unified environmental constraints layer. These are areas where land is unsuitable for development due to natural hazards
2. Generate the residential land base by identifying all taxlots that are zoned to allow residential development (either permitted outright or as a conditional use)
3. Subtract all environmentally constrained land from the residential land base
4. Classify land by development category (vacant, partially vacant, or redevelopable)
5. Calculate total net buildable acres by netting out land needed for public facilities such as roads and utility infrastructure and factoring a redevelopment rate for parcels deemed redevelopable

**Please refer to the separate Tillamook County Residential Buildable Land Inventory reports by Cascadia Partners for additional details regarding the methodology used for each location.**

## ALL AREAS OF THE COUNTY

An estimate of the total buildable land for residential development is provided in **Exhibit 3.1**. The results indicate that overall there is over 3,700 acres of buildable residential land area throughout the county, with the vast majority located in unincorporated areas.

It should be noted that the term density is used to reflect the average number of housing units per buildable acre on a particular site. Density is a relative term that generally reflects the type of housing that a land use zone is planned to accommodate. Based on local construction trends and market activity in Tillamook County, the density and housing types generally fall into the following categories:

- Very Low Density: 1 dwelling per 2 acres on average. Rural development typically relies on septic systems and connections to local water systems.
- Low Density: average of 3 dwellings per acre. Typically single family detached housing or mobile homes.
- Medium Density: 6-9 dwellings per acre. May include duplexes, townhomes and small lot cottage homes.
- High Density: typically 9-18 dwellings per acre. Includes townhomes and apartments.

## TILLAMOOK COUNTY (UNINCORPORATED AREAS)

Based on the BLI finding for the unincorporated portions of Tillamook County shown in **Exhibit 3.2 and Map 3.1**, approximately 2,135 acres of land are available in the residential buildable lands inventory. Not surprisingly, as most of unincorporated Tillamook County is rural, most of the land available falls under low density residential zoning (roughly 54%). Medium density residential and high density residential make up 34% and 10% of the residential buildable lands inventory

respectively. Only 2% of the residential land base is comprised of land zoned as commercial / mixed-use.

Vacant land represents by far the largest opportunity for development, comprising more than 95% of the land available in the buildable lands inventory. While less partially vacant and redevelopable land is available, the location of specific parcels are important as they may represent geographies where development is highly desired (i.e., areas close to commercial cores) or where infrastructure (water and sewer) is available.

**Exhibit 3.1: Summary of Residential Buildable Lands Inventory, Unicorp. Tillamook County (acres)**

Location (BLI Source)	Relative Zoned Housing DensityClass				Total
	Very Low	Low	Medium	High	
County Commercial (Cascadia 2019)	30		25		54
County Residential Zones (Cascadia 2019)	1,710	286	11	11	2,017
Manzanita UGB (Cascadia 2019)		52	69	6	127
Neahkahnie (Cascadia 2019)		13	25	76	114
Nehalem (2018)		207	95	43	345
Nehalem (COG 2007)		36	94	19	149
Neskowin (Cascadia 2019)	235	158	2	0	395
Netarts (Cascadia 2019)		59	56	18	133
Oceanside (Cascadia 2019)		82	1		82
Pacific City (Cascadia 2019)	30	49	34	83	196
Tillamook UGB (Cascadia 2019)	-	-	17	45	62
Wheeler (COG 2007)		61	18		79
<b>Total</b>	<b>2,004</b>	<b>1,001</b>	<b>446</b>	<b>302</b>	<b>3,753</b>

Source: various Tillamook County and local area Buildable Land Inventory studies, as noted.

**Exhibit 3.2: Residential Buildable Lands Inventory, Unincorporated Tillamook County, 2019**

<u>Housing Category</u>	<u>Vacant</u>	<u>Partially Vacant</u>	<u>Redevelopable</u>	<u>Total Buildable</u>
<u>Very low density Residential</u>	<u>1,097</u>	<u>27</u>	<u>21</u>	<u>1,145</u>
<u>Medium Density Residential</u>	<u>694</u>	<u>29</u>	<u>4</u>	<u>727</u>
<u>High Density Residential</u>	<u>205</u>	<u>8</u>	<u>1</u>	<u>214</u>
<u>Commercial / Mixed-use</u>	<u>45</u>	<u>2</u>	<u>1</u>	<u>48</u>
<u>Total:</u>	<u>2,042</u>	<u>66</u>	<u>27</u>	<u>2,135</u>

**Source:** Tillamook County Buildable Land Inventory by Cascadia Partners et al., September 2019.

**Incorporated Cities**

In addition to the 2019 BLI studies by Cascadia Partners and FCS GROUP, other communities in Tillamook County have completed residential buildable land inventories (BLIs) within the last 15 years. The objective of the residential BLI is to determine the amount of developable land available for future residential housing development within the UGB. BLI highlights include the following

- **Tillamook:** draft findings by FCS GROUP/Cascadia Partners indicate that there is a current need for additional low- and medium-density zoned land area within the Tillamook UGB that ranges from approximately 48 to 76 acres of net buildable land area.
- **Nehalem:** according to the City of Nehalem, no residential land shortages were identified for the planning horizon (2007-2027) with an overall residential buildable land surplus of 121.4 acres. The City is in the process of approving a new buildable land inventory which indicates a supply of 377.15 acres of residential land. That BLI work is still in process.
- **Wheeler:** according to the City, no residential land shortages were identified for the planning horizon (2007-2027) with an overall residential buildable land surplus of 66.7 acres.
- **Rockaway Beach:** according to the City of Rockaway Beach, no residential land shortages were identified for the planning horizon (2007-2027) with an overall residential buildable land surplus of 57 acres.
- **Bay City:** Buildable Land Inventory is in process; however Housing Needs Analysis appears to be outdated.

- Manzanita: FCS/Cascadia identified a total land inventory of 122 net acres (residential zones) plus 4 acres of mixed use zoning (BLI adopted by City in Sept. 2019). This level of supply appears to be adequate for meeting the 20 year demand identified earlier in this report (94 acres at midpoint of low and high forecast scenarios).

These findings indicate the City of Tillamook may be able to justify a UGB expansion or a Comprehensive Plan amendment and with changes in zoning to allow for more housing. However, it is unlikely that other cities can do so in the near future.

In light of the significant level of housing demand outside the incorporated cities and their urban growth boundaries, and the desire to encourage more development in those locations, several local and state policy actions are identified in the next Section of this report for additional consideration.



## Section IV. ACTION PLAN

### POLICY RECOMMENDATIONS

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This section summarizes relevant federal and state housing policies and identifies a set of Action Plan recommendations.

#### RECENT POLICIES

Several recent policy changes have occurred at the federal, state and regional level that may affect the future housing supply and demand in Tillamook County.

#### Federal Policies

##### Tax Cuts and Jobs Act

Passed in 2017, the Tax Cuts and Jobs Act initiates large scale federal tax reform. The reform made changes in many ways but most notable was the shift in the federal corporate tax rate, decreasing from 35% to 21%. The new tax cuts also lower most individual income tax rates, including the top marginal rate from 39.6 percent to 37 percent. The lower tax rates potentially affect Tillamook County and its municipalities because it makes tax free municipal bonds and affordable housing tax credits less attractive to investors because the relative advantage of lowering taxable income by investing in tax exempt bonds would decrease in most cases. However, with the adoption of measure 102 (see below), Oregon voters have expressed the need for investing in affordable housing bonds, and these state measures should mitigate the impact of this federal act.

##### Low Income Housing Tax Credits

The Low Income Housing Tax Credits program is a series of tax incentives administered by the IRS to encourage developers to construct affordable housing. Currently the program accounts for the largest source of new affordable housing in the U.S. In securing these credits, developers agree to rent out housing at an affordable level, often below market price (this is referred to as a use restriction). State agencies distribute credits to developers based on a state designed application process. These credits come in two forms, 9% (this raises about 70% of total cost) and 4% (this raises about 30% of the total cost), where 4% tax credits are often complimented with support from state bonds. In Oregon and in Tillamook County's case, Measure 102 (see below) should enable more funding of housing tax credit bonds and strengthen the effect of these tax credits on a for affordable housing development in Tillamook County.

## Oregon Policies

### **Oregon's Statewide Housing Plan: "Breaking New Ground"**

Oregon's 2018 Statewide Housing Plan is a long-term plan designed to increase housing in Oregon. The plan was researched and developed by Oregon Housing Community Services (OHCS) and its implementation will rely on OHCS in conjunction with local governments and private businesses. OHCS is Oregon's housing finance agency and as such the organization issues grants and loans to help facilitate home ownership in the state. OHCS regards housing in Oregon as a statewide crisis. Housing production has failed to keep up with Oregon's population growth therefore demand has outpaced supply, pushing up home prices. From 2000 to 2015, an additional 155,156 housing units would need to have been built throughout Oregon to keep up with demand.<sup>2</sup>

The Statewide Housing Plan calls for over 85,000 new units to be constructed for households earning below 30% of Median Family Income (MFI). The plan is outlined in six priorities and each promotes increased housing supply. Priorities include an increase housing supply that: (1) improves racial equity; (2) combats homelessness; (3) increases housing stability for families; (4) makes rent affordable; (5) proliferates homeownership; and (6) empowers rural communities. With this in mind, OHCS will triple the existing pipeline of affordable rental housing — up to 25,000 homes in the development pipeline by 2023.

The plan proposes increased access to housing through partnerships with community organizations, loans with low interest rates, better access to OHCS resources, funding grants for housing projects, improved technology, and streamlined processes with a foundation of collaboration. Implementation seems to rely on each area's ability to utilize and engage with OHCS as the plan clarifies goals and does not specify implementation policies.

### **Senate Bill 1533**

Enacted by the 2016 Oregon Legislature, this bill aims to promote affordable housing development through local regulations and a new source of funding: the Affordable Housing Construction Excise Tax (CET). The bill allows municipalities to adopt regulations that impose conditions on development for new multifamily structures (20 units or more per project), including: requirements for the inclusions of some affordable housing; or the option of paying an in-lieu fee (construction excise tax) not to exceed \$1 per square foot of floor area for residential, and \$0.50 per square foot for nonresidential structures (with a maximum cap of \$25,000 per building or structure). For new

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<sup>2</sup> Up for Growth, "Housing Underproduction in the U.S.: Economic, Fiscal and Environmental Impacts of Enabling Transit-Oriented Smart Growth to Address America's Housing Affordability Challenge." Up For Growth National Coalition, 2018, 9.



affordable housing projects, this legislation supports special incentives including: full or partial exemption of ad valorem property taxes, SDC waivers or reductions and other incentives.

**Tillamook County voters soundly defeated a local CET ballot measure in 2017, and there is little appetite to pursue another CET at this time.**

#### **Measure 102: Passed by Oregon voters in November 2018**

Measure 102 is intended to empower the collaborative partnerships described in Oregon's Statewide Housing Plan. Measure 102 amends the state's constitution to allow cities and counties to issue bonds for the construction of affordable housing construction without retaining 100% public ownership of the property. The goal is to allow local governments to pursue private public partnerships to better facilitate demand for housing.

## **KEY FINDINGS AND POLICY RECOMMENDATIONS**

Based on the 20-year population growth forecasts for Tillamook County (forecasted increase of 2,936 year-round residents) and seasonal housing and demographic characteristics, **the recommended housing needs for Tillamook County requires 2,305 to 2,603 net new dwelling units.** The Tillamook County Housing Needs Analysis supports a variety of housing is needed over the next 20 years, including approximately 1,692 owner-occupied dwellings and 911 renter-occupied dwellings.

### **Recommended Actions**

Market factors combined with limiting state and local land use policies have led to unprecedented housing challenges facing Tillamook County today. Addressing these challenges will require a coordinated effort by local and state government officials.

**Vacancy rates for long-term rental units are now near zero in most communities in Tillamook County.** While there is a strong and stable level of near term and long term demand for new housing construction throughout Tillamook County, there are very few local builders/developers that are focused on constructing the missing middle housing types needed for the workforce. To attract private investment and development of new workforce housing, a mix of local, state and federal policies, incentives and actions need to occur.

#### **Local Policies and Actions**

**Challenge: Relatively high land and development costs in coastal areas hamper financial viability of developing attainable workforce housing for permanent residents. As a result, Tillamook County has an existing deficit for "missing middle" housing.**

Tillamook County is tied for the second highest rate of economically distressed households in Oregon. Cities including Tillamook and Bay City have the highest share of severe rent burdened households at 28% and 30% of households, respectively.

To help encourage or incentivize construction of missing middle housing priced at 120% or below of the median family income levels, the County should continue to pursue state OHCS housing investment grants and work with local cities to consider the following policies:

### Short-term Actions (1-2 years)

- ✓ Identify public-owned properties (excluding park/open space areas) that could be developed for a mix of housing types.
- ✓ Work with cities and sewer districts to update SDCs so that they are lower for smaller housing units than larger homes. Encourage SDC deferrals so that payments can be deferred for a period of time after building permit issuance for developments that contain deed restricted housing units.
- ✓ Consider a tax abatement program, such as the multiple-unit limited tax exemption program to promote development of affordable housing.
- ✓ Embark on a program that encourages Accessory Dwelling Units (ADUs) and “Cottage Homes” and “Tiny Home Communities” as an allowed use or conditional use within low density zones.
- ✓ Allow “lot size averaging” so that the site of individual lots in a short-plat development can vary from the zoned minimum or maximum density, in a manner that the overall development still meets average lot size requirements.
- ✓ Encouraging upper-level redevelopment and conversions in downtown Tillamook and other locations through financial assistance programs, such as use of urban renewal funds as loans.
- ✓ Tillamook County and its eligible local communities should leverage CDBG funds, state grants and bonds to help communities expand water, sewer and transportation infrastructure within areas planned for workforce housing through establishment of local improvement districts or reimbursement district programs.



### Long-term Actions (2-5 years)

#### Challenge: locations with available sewer capacity are limited to areas such as the city of Tillamook.

- ✓ Support Tillamook UGB expansion and potential rezoning efforts that result in additional housing development opportunities. The current Tillamook UGB contains 98 acres of buildable residential land inventory, yet residential land needs are forecasted to be up to 175 acres. In light of this finding the City and County should identify ways to increase low and medium density housing development opportunities through a UGB expansion
- ✓ Work local sewer and water districts to document their current and planned capacity levels to address future housing needs and inform the county wide housing strategy.

#### Challenge: Tillamook County like many rural locations has a short supply of qualified residential construction workers and specialty contractors. This results in higher housing prices as construction workers and crews must be obtained from the Willamette Valley region and temporarily housed.

- ✓ Facilitate development of trade related certification programs for people interested in residential construction and trades offered by Tillamook Bay Community College and Tillamook High School in partnership with home builders and general contractors.

### State Policies and Potential Actions<sup>3</sup>

#### Challenge: Oregon planning requirements for urban areas hamstring local cities and counties ability to create coordinated and creative housing strategies.

- ✓ Engage DLCD and Oregon Legislature to draft new planning guidelines for rural counties (e.g., population under 50,000) to adopt a coordinated county-wide Housing Needs Strategy. This would enable jurisdictions to prepare housing strategies that meet PSU's baseline forecasts countywide and allows for a localized allocation of housing and population (among cities and rural centers). This regional HNA approach would be intended to reflect unique market conditions and development opportunities and constraints in order to optimize the provision of more attainable housing.
- ✓ Engage DLCD and Oregon Legislature to include new state rules that allow rural development centers (outside UGBs) to rezone land for housing as long as there are adequate public facilities.

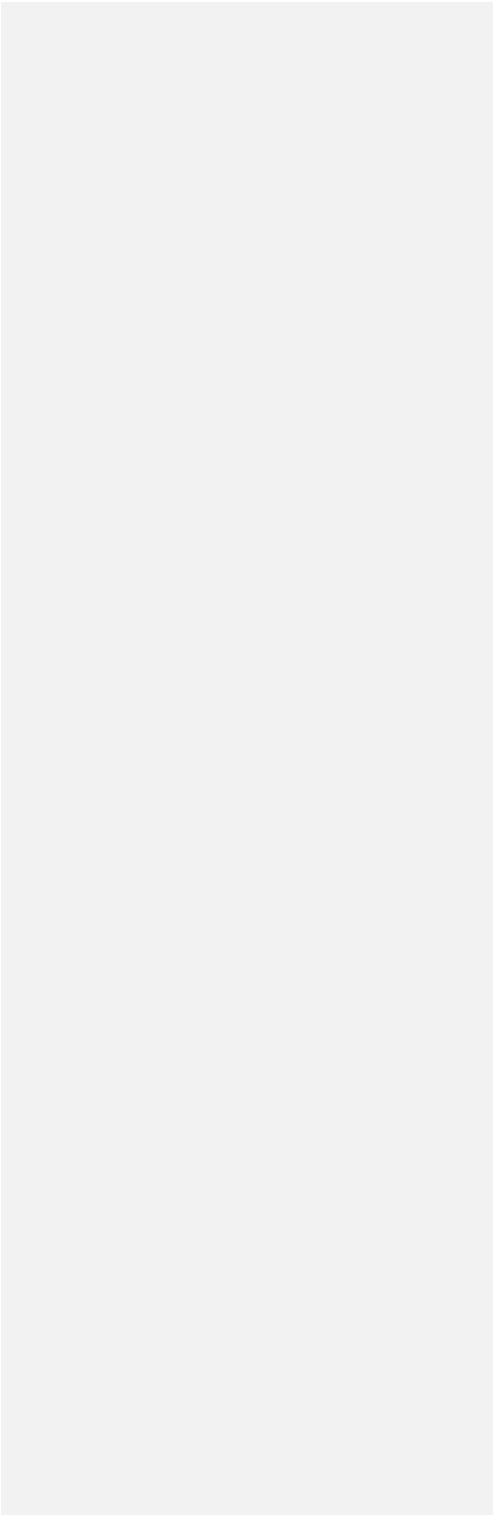
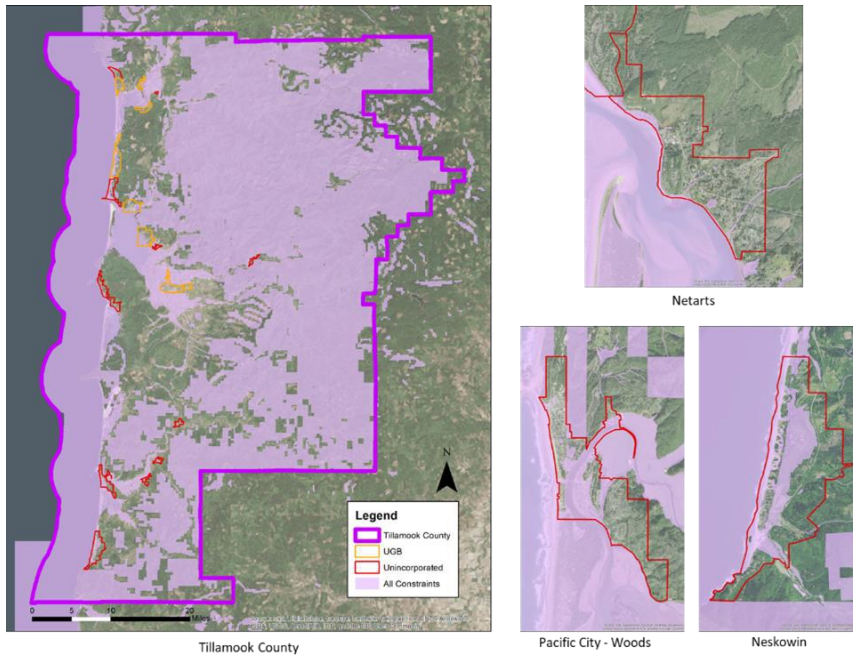
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<sup>3</sup> Input received from DLCD staff regarding current interpretation of state rules applying to local HNAs and Economic Opportunity Analysis (EOA) compliance is provided in Appendix B.

**Challenge:** Tillamook County has a large share of vacant lands in areas that are subject to frequent flooding and agricultural use restrictions. This restricts the amount of development that is likely to occur in rural residential zones (see Map 3.2).

- ✓ The County should pursue Oregon Legislature initiated amendments to the Oregon Administrative Rules to allow property owners to transfer future development rights (TDRs) from environmentally sensitive areas (such as vacant land within floodplains and tsunami hazard zones) and agricultural areas onto receiving areas that are located in communities that can provide adequate public facilities, such as roads, sewer and water services.

**Map 3.2 Constrained Land Areas**



## APPENDIX A. HOUSING ATTAINABILITY ANALYSIS

### Appendix A. Housing Attainability Analysis for Tillamook County

<b>Median Family Income Level (2017)*</b>		
	<b>\$45,061</b>	
<b>Market Segment by Income Level</b>		
	<b>Lower-end</b>	<b>Upper-End</b>
High (120% or more of MFI)		120%
Upper Middle (80% to 120% of MFI)	80%	120%
Lower Middle (50% to 80% of MFI)	50%	80%
Low (30% to 50%)	30%	50%
Very Low (less than 30% of MFI)	30%	
<b>Qualifying Income Level</b>		
	<b>Lower-end</b>	<b>Upper-End</b>
High (120% or more of MFI)	\$54,073	or more
Upper Middle (80% to 120% of MFI)	\$36,049	\$54,073
Lower Middle (50% to 80% of MFI)	\$22,531	\$36,049
Low (30% to 50%)	\$13,518	\$22,531
Very Low (less than 30% of MFI)	\$13,518	or less
<b>Available Annual Housing Payment (@30% of income level)</b>		
	<b>Lower-end</b>	<b>Upper-End</b>
High (120% or more of MFI)	\$16,222	or more
Upper Middle (80% to 120% of MFI)	\$10,815	\$16,222
Lower Middle (50% to 80% of MFI)	\$6,759	\$10,815
Low (30% to 50%)	\$4,055	\$6,759
Very Low (less than 30% of MFI)	\$4,055	or less
<b>Available Monthly Rent or Payment (@30% of income level)</b>		
	<b>Lower-end</b>	<b>Upper-End</b>
High (120% or more of MFI)	\$1,352	or more
Upper Middle (80% to 120% of MFI)	\$901	\$1,352
Lower Middle (50% to 80% of MFI)	\$563	\$901
Low (30% to 50%)	\$338	\$563
Very Low (less than 30% of MFI)	\$338	or less
<b>Approximate Attainable Home Price**</b>		
	<b>Lower-end</b>	<b>Upper-End</b>
High (120% or more of MFI)	\$299,000	or more
Upper Middle (80% to 120% of MFI)	\$199,000	\$299,000
Lower Middle (50% to 80% of MFI)	\$104,000	\$166,000
Low (30% to 50%)	\$62,000	\$104,000
Very Low (less than 30% of MFI)	\$62,000	or less

\* based on U.S. Census American Community Survey 2013-17.

\*\* High and upper middle income levels assume 20% down payment on 30-year fixed mortgage at 5% interest.

\*\* Lower middle and low income levels assume 0% down payment on 30-year fixed mortgage at 5% interest.

Source: Housing and Urban Development guidelines, and U.S. Census data, analysis by FCS Group

**Tillamook County Owner-Occupied Housing Needs, 20-year Forecast\***

Family Income Level	Upper Range of Qualifying Income	Upper Range of Home Price*	Attainable Housing Products	Estimated Distribution of Owner-Occupied Units	Projected Owner-Occupied Units Needed
Upper (120% or more of MFI)	Greater than \$54,073	Greater than \$299,000	Standard Homes	44%	790
Upper Middle (80% to 120% of MFI)	\$54,073	\$299,000	Small Homes, Townhomes	36%	647
Lower Middle (50% to 80% of MFI)	\$36,049	\$166,000	Mfgd. Homes, Plexes	15%	269
Low (30% to 50% of MFI)	\$22,531	\$104,000	Govt. Assisted	5%	90
Very Low (less than 30% of MFI)	\$13,518			0%	0
<b>Total Dwelling Units</b>				<b>100%</b>	<b>1,796</b>

\*Assumes 30% of income is used for mortgage payment, with 5% interest, 30-year term with 20% downpayment for upper middle and high income levels, and 5% downpayment for lower income levels.

**Tillamook County Renter-Occupied Housing Needs, 20-year Forecast\***

Family Income Level	Upper Range of Qualifying Income	Upper Range of Monthly Rent*	Attainable Housing Products	Estimated Distribution of Units	Projected Renter-Occupied Units Needed
Upper (120% or more of MFI)	Greater than \$54,073	Greater than \$1,551	Standard Homes, Townhomes, Condos	21%	166
Upper Middle (80% to 120% of MFI)	\$54,073	\$1,551	Small Homes, Townhomes, Apartments	17%	135
Lower Middle (50% to 80% of MFI)	\$36,049	\$1,034	ADUs, Townhomes, Mfgd. Homes, Plexes, Apts.	20%	163
Low (30% to 50% of MFI)	\$22,531	\$646	Govt. Assisted Apts.	23%	190
Very Low (less than 30% of MFI)	\$13,518	\$388	Govt. Assisted Apts.	19%	153
<b>Total Dwelling Units</b>				<b>100%</b>	<b>807</b>

\*Assumes 30% of income is used for rental payments.

APPENDIX AB: LAND USE RECOMMENDATIONS FOR THE JOINT INTERIM LEGISLATIVE TASK FORCE ON HOUSING COSTS

PROBLEM PRESENTED:

Higher land costs are the major factor in increased housing costs. Contributing to that are inflation and government regulation and delay. 'Time is money' was often repeated. Bureaucratic delays which can be involved with subdivision, development and approval, extend the time the land is held under expensive interim financing, and there the inflation factor takes its toll.

Land use planning is a new concept in Oregon, and the complete process is still developing. The task force took testimony from the Department of Land conservation and Development, 1000 Friends of Oregon, and the League of Oregon Cities. Academic reports on urban growth boundaries, and their impact on the housing market, were discussed. Home builders, city officials and government research specialists presented material on systems development. Charges for services to new developments represent another large cost factor in housing, as local governments are suing those charges in lieu of increasing property taxes to finance those services. (See staff report included in Appendix.)

Innovative subdivision design, substandard lots, planned unity developments, mini-subdivisions, retirement community developments, and lease-hold property arrangements all were discussed before the task force by developers, builders and home building associations.

Policies were adopted which address regulation of land use and the processes which delay development in the following areas:

- Land Conservation and Development Commission
- LCDC Goal #10
- Site Availability
- Subdivision Approval
- System Development Charges

#### TASK FORCE RECOMMENDATIONS

(Land Conservation and Development Commission)

The task force recommends:

1. The Land Conservation and Development Commission should more aggressively seek adequate compliance with the statewide goals and guidelines regarding housing.
2. In rejecting local plans, the Land Conservation and Development Commission must be specific about the reasons for rejection.

3. That the Land Conservation and Development Commission should develop and promulgate brief, clear, minimal standards for the residential elements of local land use regulations.
4. Future legislation relating to land regulation, and the rules promulgated for implementation, should undergo a fiscal impact analysis relative to potential increases which would be created in the end-cost of the land, with an ultimate impact on the cost of housing.
5. Technical assistance should continue to be provided by the Department of Land Conservation and Development to local jurisdictions to monitor the impacts of their comprehensive plans. Technical assistance should be provided for:
  - a. monitoring the supply of buildable lands within the urban growth boundary;
  - b. capital improvement programs for the provision of public facilities within the urban growth boundary;
  - c. fiscal impact analysis for new development;
  - d. coordination of state agencies affecting the provision of housing, including the Housing Division and the Department of Commerce;
  - e. verification and monitoring of the adequacy of urban growth boundaries, housing plans, and economic plans based on 1980 census data;
  - f. maintaining a clearing house of information for planners, citizens and researchers to document how local planners are solving their planning problems; and
  - g. counties, councils of governments, and regional planning bodies, through the housing Division, to determine regional housing needs and 'fair share' responsibilities of member jurisdictions.

(Goal #10)

The task force recommends:

1. That the amendments to the Land Conservation and Development Commission's Goal #10, as presented to the Joint Legislative Committee on Land Use, be supported. (Copy included in Appendix)



2. The allocation of currently serviced land should be reasonably apportioned among different residential uses and densities.
3. That in order to provide more accurate buildable lands inventories by local jurisdictions in their land use planning process, the Land Conservation and Development Commission should provide a standard definition of vacant, buildable and available land.
4. That the Housing Division of the Department of Commerce should develop a statewide market analysis system, develop uniform criteria for identification of buildable lands, and prepare and submit to the Land Conservation and Development Commission an annual report summarizing by jurisdiction, projected number of housing units needed and actual number of units supply. The information should be uniform and supplied to local governments to assist in complying with the statewide housing goal.

(Site Availability)

The task force recommends:

1. That creative land use patterns in flood plain areas be considered to increase the amount of buildable land available. More flexibility in flood plain zonings should be provided, in order to allow the use of marginally affected land, and new dam construction that might have mitigated possible water damage, should also be taken into consideration.
2. That within the urban service boundary there should be available two to three times the sites needed for any building year, either serviced or serviceable to avoid (1) short-run bottlenecks in the market, and (2) reduce the inflationary pressures on land.

(Subdivision Approval)

The task force recommends:

1. That if a specific subdivision proposal is consistent with the local comprehensive plan, goals and zoning ordinances, and an opposing party appeals approval of the subdivision, the appellant should have the burden of proof, not the applicant.
2. That counties be prohibited from requesting waivers of the time limit specified by statute for subdivision approval, and other land use actions.

3. That state statutes be amended so that subdividers would not be prohibited by local jurisdictions from using private engineers for design and supervision of the installation of public services in subdivisions.
4. That the state should consider exempting from the requirements of the Oregon subdivision control law, subdivisions in jurisdictions having acknowledged comprehensive plans or jurisdictions that certify that the 'full service' requirements (ORS 92.337) have been or will be met.
5. A reexamination of the existing development statutes and enabling legislation. Statutes should facilitate and give incentive to development (including higher densities) within the urban growth boundary. Statutes should also encourage performance standards which use non-discretionary criteria.
6. Support of the development of model ordinances which would replace the piecemeal collection of existing ordinances, with a regulatory system which reflects recent court cases and legislation. A model ordinance would help implement the above suggestions. It would also aid local jurisdictions in their administrative procedures. The cost and necessity of existing subdivision improvement standards could be reexamined during the development of a model ordinance.

(System Development Charges)

The task force recommends:

1. That the state should conduct a study of alternatives to the system development charge for communities to finance public services.
2. The study of the feasibility of a statewide capital improvements program. The study would reexamine how priorities are set for providing state and federal funds for public facilities. The provision of major facilities, such as sewer and transportation systems, should be coordinated, not only among services, but according to where growth is projected to occur.

APPENDIX B: RECOMMENDED CHANGES TO THE HOUSING GOAL BY THE  
JOINT INTERIM LEGISLATIVE TASK FORCE ON HOUSING  
COSTS

Goal 10: Housing

To provide for the housing needs of citizens of the state.

Buildable lands for residential use shall be inventoried prior to the establishment of an urban growth boundary pursuant to Goal 14, Urbanization. Plans shall provide for adequate numbers of housing units and sites at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density. At a minimum, plans shall designate buildable lands on which the following residential types will be permitted outright in sufficient amounts to meet needs for these housing types to the year 2000: for the next twenty years:

1. Apartments, both low and high density;
2. mobile homes, mobile home parks, and other manufactured housing; and
3. single family houses, both conventional and attached, at densities consistent with the goal.

Absent natural hazards, plans shall establish no density limitations on residential buildable lands which impair the ability of Oregon households to obtain affordable housing within the planning area.

Development standards, review processes and fees shall be reviewed, and alternatives shall be examined, in order to eliminate unnecessary costs imposed on residential development.

Plans shall contain a housing element including at a minimum: (1) A comparison of the distribution of the existing population by income with the distribution of available housing units by cost; (2) a determination of vacancy rates, both overall and at varying rent ranges and cost levels; (3) a determination of expected housing demand at varying rent ranges and cost levels; (4) allowance for a variety of densities and types of residences in each community; and (5) an inventory of sound housing in urban areas including units capable of being rehabilitated.

Buildable lands - refers to lands in urban and urbanizable areas that are suitable, available and necessary for residential use.

Household - refers to one or more persons occupying a single housing unit.

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