COUNCIL BILL NO. 3115

ORDINANCE NO. 2576

AN ORDINANCE ADOPTING AN UPDATED HOUSING NEEDS ANALYSIS INTO THE WOODBURN COMPREHENSIVE PLAN (LA 2019-02)

WHEREAS, Oregon Revised Statutes (ORS) 197.175 requires cities to prepare, adopt and implement comprehensive plans consistent with statewide planning goals adopted by the Land Conservation and Development Commission (LCDC); and

WHEREAS, Oregon Statewide Planning Goal 10 "Housing" is to provide for the housing needs of citizens of the state; and

WHEREAS, ORS 197.295-314 & 197.475-490 and Oregon Administrative Rules (OAR) 660-008 implement Goal 10, and the OAR requires that cities have housing needs analyses to ensure opportunity for the provision of adequate numbers of needed housing units, the efficient use of buildable land within urban growth boundaries (UGBs), and to provide greater certainty in the development process so as to reduce housing costs.; and

WHEREAS, ORS 197.296 requires cities to establish a buildable lands inventory (BLI) as part of a housing needs analysis (HNA); and

WHEREAS, The City of Woodburn applied for technical assistance to analyze and report on Woodburn housing needs, and on June 28, 2018, DLCD notified the City that it selected Woodburn from among a large applicant pool; and

WHEREAS, As part of the administration of technical assistance, on September 10, 2018 the City Council authorized the City to enter into a memorandum of understanding (MOU) with DLCD; and

WHEREAS, The MOU outlined project deliverables, set interim and final due dates, provided for minimum oversight by the Planning Commission serving as the project advisory committee, and stated that the objectives were to analyze housing needs, compile a documented and adoption-ready HNA, and complete the following deliverables:
1. A housing needs projection;
2. A BLI;
3. An residential lands needs analysis (RLNA); and

4.   Identification of measures for accommodating needed housing; and

WHEREAS, the Planning Commission as the project steering committee held several work sessions; and

WHEREAS, staff and the consultant FCS Group hosted two meetings of a technical advisory group (TAG); and

WHEREAS, staff and the consultant held two public open houses; and

WHEREAS, the City duly complied with the MOU; and

WHEREAS, on September 26, 2019, the Planning Commission held a public hearing and recommended that the Council adopt the HNA; and

WHEREAS, on October 28, 2019, the Council held a work session, tentatively approved the HNA based upon removal of Appendix B "Draft Policies and Actions" that contains recommended measures, and requested this Ordinance effecting the amendment; and

WHEREAS, on December 9, 2019, the Council held a public hearing, reviewed the record, heard testimony, and approves this Ordinance effecting the amendment (LA 2019-02) that adopts the HNA as part of the Woodburn Comprehensive Plan, Volume II; **NOW, THEREFORE,**

THE CITY OF WOODBURN ORDAINS AS FOLLOWS:

Section 1.   The Woodburn Comprehensive Plan is amended to repeal and replace the previously adopted Housing Needs Analysis (HNA), and adopt a new HNA as provided in attached Exhibit "A".

Section 2.   The HNA supplements adopted documents composing Volume II of the Comprehensive Plan that includes background information that serves as the basis for Volume I goals and policies and their administration.

Section 3. The legislative action taken by the Ordinance is explained and justified by the Analysis and Findings contained in attached Exhibit "B".

Approved as to form: _____   12/9/2019
                                City Attorney   Date

Page - 2 - Council Bill No. 3115
            Ordinance No. 2576

Approved: _____

Eric Swenson, Mayor

Passed by the Council   December 9, 2019

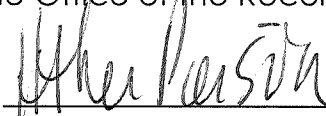Submitted to the Mayor   December 10, 2019

Approved by the Mayor   December 11, 2019

Filed in the Office of the Recorder   December 11, 2019

ATTEST: _____

Heather Pierson, City Recorder
City of Woodburn, Oregon

City of Woodburn

Housing Needs Analysis

Final

Dec. 9, 2019

Ordinance No. 2576
Exhibit A

Acknowledgements

Michael Freels, Energy Analyst, Oregon Department of Energy

Eugene Labunsky, developer through West Coast Home Solutions

Benjamin Gutierrez, Assistant Store Director, WinCo Foods

Adam Lisiewski, WinCo Foods

Project Consultants

FCS GROUP

TABLE OF CONTENTS

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Section I. INTRODUCTION

This report presents Woodburn's Housing Needs Analysis (HNA) for the 2019 to 2039 period. It is intended to comply with statewide planning policies that govern planning for housing and residential development, including Goal 10 (Housing) and Oregon Administrative Rules (OAR) 660 Division 8. It provides the City with a factual basis to update the Housing Element of the Woodburn Comprehensive Plan and the Woodburn Development Ordinance (WDO), and to support future planning efforts related to housing and options for addressing unmet housing needs.

Future planning efforts, including development and redevelopment will be informed by this report as it provides the City with information about the housing market in Woodburn and describes the factors that will affect future housing demand, such as changing demographics. This analysis will help decision makers understand whether the City has enough residential land to accommodate growth over the next 20 years.

This process included a series of technical advisory group (TAG) meetings coupled with public engagement sessions, and Planning Commission work sessions to receive feedback and provide revisions to the final housing needs analysis draft.

The City of Woodburn and FCS Group solicited public input from the Planning Commission serving as an ad-hoc Project Advisory Committee. The Planning Commission as of this writing met three times December 13, 2018, March 14, 2019, and May 23, 2019 to discuss project assumptions, results, and implications and is scheduled to have a second workshop on July 25, 2019 to continue discussion of HNA recommended measures. The project relied on the Planning Commission to review draft products and provide input at key points (e.g. before recommendations and decisions were made and before draft work products were finalized).

The project required many assumptions and policy choices that the committee needed to vet and agree upon, as these choices affect current and future residents. In short, local review and community input were essential to developing a locally appropriate housing needs analysis and housing strategy.

Public Engagement

The city and consultants solicited input from the general public at two public open houses. The first open house, held on February 28, 2019 at the Woodburn Public Library, solicited comments on the preliminary results of the housing needs analysis including the buildable lands inventory. The second public open house, held on May 13, 2019 at Success Alternative High School, solicited comments on the final results of the housing needs analysis and housing strategy including recommended measures.

Housing Needs Analysis Structure

Goal 10 and Oregon Regulatory Requirements

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

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

Goal 10 defines needed housing types as "all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes." ORS 197.303 defines needed housing types:

(a) Housing that includes, but is not limited to, attached and detached single-family housing and multiple family housing for both owner and renter occupancy.

(b) Government assisted housing.[1]

(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.

(e) Housing for farmworkers.

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

1. Project the number of new housing units needed in the next 20 years.

2. Identify relevant national, state, and local demographic and economic trends and factors that may affect the 20-year projection of structure type mix.

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

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3. Describe the demographic characteristics of the population and, if possible, the housing trends that relate to demand for different types of housing.

4. Determine the types of housing that are likely to be affordable to the projected households based on household income.

5. Determine the needed housing mix and density ranges for each plan designation and the average needed net density for all structure types.

6. Estimate the number of additional needed units by structure type.

ORS 197.296 specifically applies to cities with 25,000 or more population, this statute is followed to determine housing needs for Woodburn, (2017 population 26,965). This analysis incorporates 20-year population growth for the Woodburn Urban Growth Boundary (UGB) based on forecasts provided by Portland State University's Population Research Center.

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

Report Organization

This report provides the technical basis of findings that support proposed housing policy recommendations and subsequent actions that the city will take to update its Comprehensive Plan and the Woodburn Development Ordinance (WDO). Each section of this report provides current data, assumptions and results that comprise all findings and conclusions:

I. Introduction.

II. Housing Needs Projection: provides a demographic overview and summary of market trends influencing housing growth in Woodburn.

III. Buildable Land Inventory: identifies vacant, partially vacant and redevelopable residential land within the Woodburn Urban Growth Boundary (UGB), and accounts for constraints to get to a final determination of capacity to meet 20-year needs.

IV. Land Needs Reconciliation: This section compares expected land demand to vacant land supply to meet housing mix and densities described in the HNA.

V. Draft Findings and Recommendations: highlights key findings and draft policy recommendations and actions the City should consider to address housing needs.

VI. Glossary: list of key terms used in the housing needs analysis.

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Section II. HOUSING NEEDS

PROJECTION

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The housing needs forecast is a 20-year projection from the base year of 2019 through year 2039 to accommodate population growth for the Woodburn UGB. This section of the report will describe the characteristics of the future demand for housing in the City over the planning period.

Methodology

The methodology for projecting housing needs 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.

Regional (Marion County) and local (City or UGB) population, households, income and market characteristics are described in this report 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 the City of Woodburn. Where trends or long-range projections 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.

Demographics and Socioeconomics

Demographic trends are important for a thorough understanding of the dynamics of the Woodburn housing market. This section documents demographic, socioeconomic, and other trends relevant to Woodburn at the national, state, and regional levels.

Demographic trends provide a context for growth in a region; factors such as age, income, migration, and other trends show how communities have grown and how they will shape future growth. Characteristics such as age and ethnicity are indicators of how the population has grown in the past and provide insight into factors that may affect future growth.

Population

The City of Woodburn recorded a record-high population of 24,685 in 2017 (estimate by PSU). Taking into account residents living in unincorporated Marion County but inside the UGB, the total Woodburn UGB population is estimated at approximately 26,965.

Since the year 2000, Woodburn has grown at a relatively faster pace than Marion County as a whole (**Exhibit 2.1**).

Long-range population forecasts (prepared by PSU) anticipate 8,845 new residents will be added to the Woodburn UGB, a subset of the 74,892 added to Marion County by year 2039. This equates to an annual average growth rate (AGR) of 1.4% and a 12.1% "capture rate" of future County-wide population growth for the Woodburn UGB (see **Exhibit 2.2**).

Exhibit 2.1: Population Trends (2000-2017)

	2000	2010	2017	AGR 2000-2017
Woodburn City	20,100	24,080	24,685	1.2%
Marion County	284,834	315,335	339,200	1.0%
Oregon	3,421,399	3,837,300	4,141,100	1.1%

Source: U.S. Census Bureau and Portland State University Population Research Center.

Abbreviations: AGR - Annual Growth Rate

Exhibit 2.2: Population Projections (2019-2039)

	Estimate 2019	Forecast 2039	Proj. Change 20 Years	Proj. AGR (2019 - 2039)
Wooburn UGB	26,965	35,810	8,845	1.4%
Marion County	344,341	419,233	74,892	1.0%
Oregon	4,224,122	5,151,616	927,494	1.0%

Source: Portland State University Population Research Center

Forecasts of Oregon's County Populations and Components of Change, 2017-2068.

Compiled by FCS Group. AGR = average annual growth rate.

Income and General Characteristics

Median household and family income levels in Woodburn are below those observed in Marion County and the state. This may be partially attributable to the combination of lower-wage agricultural and service jobs within the City and a relatively high concentration of young families in Woodburn (**Exhibit 2.3-2.4**).

Exhibit 2.3: Households by Income Level, 2017

	City of Woodburn	Marion County	Oregon
Median Household Income	$47,042	$53,828	$56,119
Median Family Income	$50,330	$62,694	$69,031
Household Income Level			
$0 to $29,999	28.3%	25.7%	26.4%
$30,000 to $49,999	23.6%	20.8%	18.4%
$50,000 to $99,999	37.0%	34.0%	31.5%
$100,000 or more	11.0%	19.6%	23.8%
Total Households	**100%**	**100%**	**100%**

Source: 2013-2017 American Community Survey 5-Year Estimates for

City of Woodburn, Marion County, and State of Oregon (Tables B19001)

Woodburn has a diverse mix of older and younger residents with a notable concentration of young residents, especially when compared with Marion County and Oregon. As indicated in **Exhibit 2.4**, Woodburn has a relatively high share of residents under 19 years of age.

Exhibit 2.4: Population by Age Cohort, 2017

Age Range	City of Woodburn	Marion County	Oregon
0 to 19	33.9%	27.9%	24.1%
20 to 44	31.2%	33.0%	33.5%
45 to 64	21.0%	24.4%	26.5%
65 and older	13.9%	14.6%	15.9%
Total	**100%**	**100%**	**100%**

Source: 2013-2017 American Community Survey 5-Year Estimates (Table DP05)

Housing Inventory and Tenancy

The current housing inventory, mix and tenancy sheds light on existing conditions locally as well as market demand preferences. According to current estimates by the U.S. Census, American Community Survey, the City of Woodburn had 8,273 housing units as of 2017.

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

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

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

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

For the purposes of this study, we grouped housing types based on: (1) whether the structure is stand-alone or attached to another structure and (2) the number of dwelling units in each structure. The housing types used in this analysis are consistent with needed housing types as defined in ORS 197.303:

- **Single-family detached** includes single-family detached units, manufactured homes on lots and in mobile home parks, and accessory dwelling units.
- **Single-family attached** is all structures with a common wall where each dwelling unit occupies a separate lot, such as row houses or townhouses.

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- **Multifamily** is all attached structures (e.g., duplexes, tri-plexes, quad-plexes, and structures with five or more units) other than single-family detached units, manufactured units, or single-family attached units.

Like most Oregon cities, single-family detached housing is the most prevalent classification in Woodburn, representing 67% of the housing stock. The remaining housing units in Woodburn include multi-family units (15% of the inventory), townhomes and plexes (9%), and mobile homes/other units (9%), as shown in **Exhibits 2.5-2.6**.

Exhibit 2.5: Existing Housing Mix and Tenancy, 2013-2017, City of Woodburn
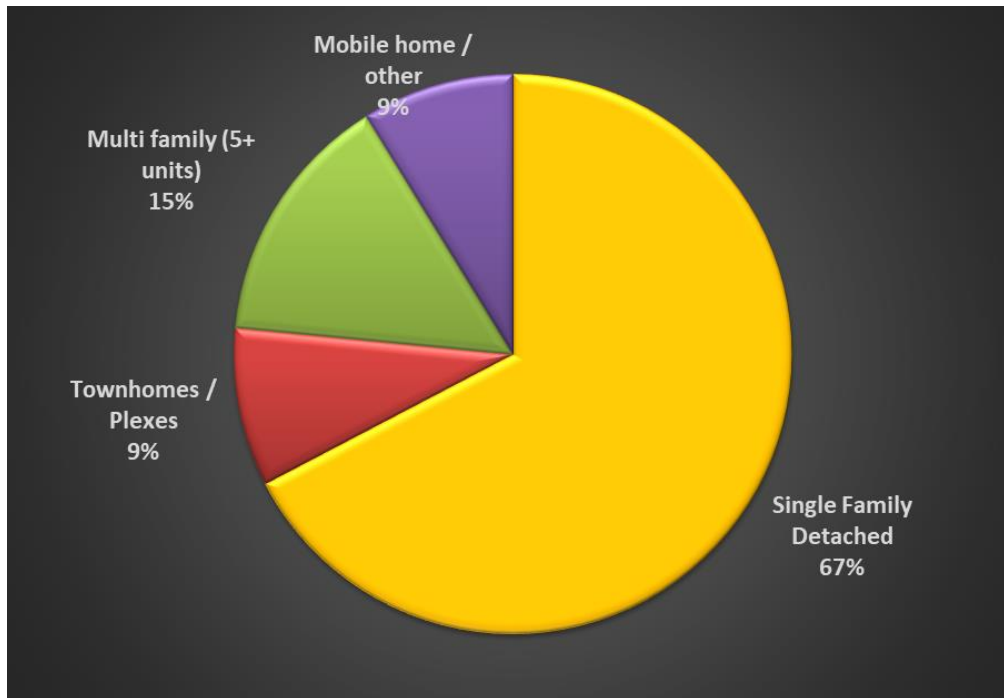
Source: U.S. Census, American Community Survey, 2013-2017.

Owner-occupied housing units in the City of Woodburn account for 59% of the housing inventory while renter-occupied units account for 36% with vacant housing units constituting the balance. Most homeowners reside in single-family detached units (86%) or manufactured homes/other units (11%). The majority of renters also reside in single-family housing units closely followed by multi-family housing units (apartments) and lastly townhouses/plexes (**Exhibits 2.6-2.7**).

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Exhibit 2.6: Units by Tenure by Structure Type, 2013-2017, City of Woodburn

Housing Type	Owner-Occupied Dwelling Units	Occupied Dwelling Units	Vacant Units	All Dwelling Units
Single Family Detached	4,217	1,119	235	5,571
Townhomes / Plexes	72	668	20	760
Multi family (5+ units)	-	1,174	39	1,213
Mfg. home / other	614	45	70	729
Total Units	**4,903**	**3,006**	**364**	**8,273**
Distribution	59%	36%	4%	100%

Housing Type	Owner-Occupied Dwelling Units	Occupied Dwelling Units	Vacant Units	All Dwelling Units
Single Family Detached	86%	37%	65%	67%
Townhomes / Plexes	1%	22%	5%	9%
Multi family (5+ units)	0%	39%	11%	15%
Mfg. home / other	13%	1%	19%	9%
Total	100%	100%	100%	100%

Source: American Community Survey, 2013-2017; compiled by FCS GROUP.

Exhibit 2.7: Existing Housing Tenancy, 2013-2017, City of Woodburn
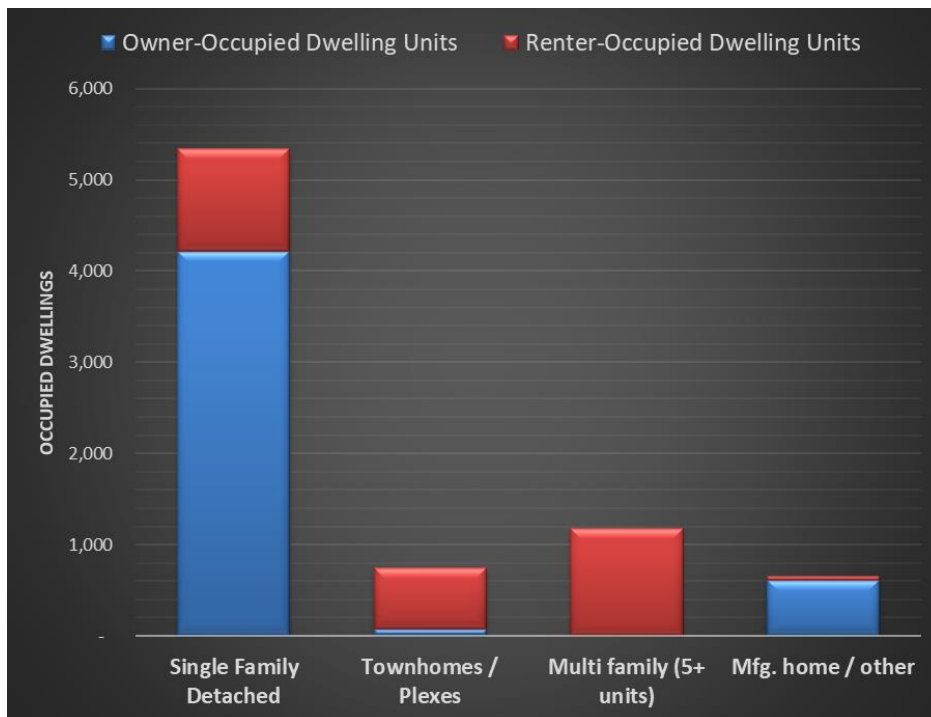
Source: U.S. Census, American Community Survey, 2013-2017.

Affordable Housing Inventory

A 2016-17 statewide study of housing affordability was led by the Oregon Housing and Community Services Department (OHCS) which included all cities and counties, including Marion County and the City of Woodburn. The study included an inventory of existing housing units subsidized by nonprofits, local, state, or federal entities in each community and compared the housing supply to the need (based on an equitable distribution of the total statewide inventory) for subsidized housing.

Overall findings from the subsidized housing inventory/needs analysis for the City of Woodburn and Marion County are reflected in **Exhibit 2.8**. The OHCS study concluded that there were 387 subsidized affordable housing units in Woodburn, which was slightly in excess of the City's equitable statewide (demand) allocation.

Exhibit 2.8: Current Inventory of Subsidized Housing Units

	City of Woodburn	Marion County
Affordable Housing Units in Inventory	387	3,059
Need (Equity) Distribution Percent	0.5%	7.5%
Equitable Distribution of Units	334	4,675
Actual Units / Equitable Distribution of Units	115.8%	65.4%

Source : Oregon Housing and Community Services Housing Needs Versus Inventory Summary

As would be expected, upper-income households tend to own rather than rent, and the opposite is true for lower-income households, as shown in **Exhibit 2.9**.

Exhibit 2.9: Woodburn Tenancy by Income Level, 2017

Qualifying Income Level	Lower-end	Upper-End	Count Owner Occupied	Count Renter Occuped	% Owner Occupied	% Renter Occuped
Upper (120% or more of MFI)	$70,080	or more	1,795	644	36.6%	21.4%
Middle (80% to 120% of MFI)	$46,720	$70,080	1,175	507	24.0%	16.9%
Low (50% to 80% of MFI)	$29,200	$46,720	965	623	19.7%	20.7%
Very Low (30% to 50% of MFI)	$17,520	$29,200	658	421	13.4%	14.0%
Extremely Low (less than 30% of MFI)	$17,520	or less	309	812	6.3%	27.0%
Total			4,903	3,006	100%	100%

Source: US Census Bureau 2013 - 2017 ACS (Table S2503), compiled by FCS GROUP

An evaluation of renter income levels versus available housing inventory indicates that there is a current shortfall or gap in available rental housing inventory in Woodburn at the upper- and lower-price points (**Exhibit 2.10**). This is understandable at the lowest price points where there is almost always more demand than supply. The fact that there is more housing demand for good quality rentals than what is in the current supply reflects an aging housing inventory and demonstrates strong potential market demand for new apartments that rent for $1,250-$1,875 per month (for 2+ bedrooms).

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Exhibit 2.10: Rental Housing Gaps, City of Woodburn, 2017

Median Household Income Range	Renter-Occupied Housing Units	Affordable Monthly Rent Costs *	Estimated Available Rental Units	Housing (Gap) or Surplus
$75,000 or more:	553	$1,875	272	(281)
$50,000 to $74,999:	423	$1,250-$1,875	455	32
$35,000 to $49,999:	629	$875-$1,250	963.75	335
$20,000 to $34,999:	402	$500-$875	819	417
Less than $20,000:	812	Less than $500	408	(404)
Zero or Negative Income	187	Require Subsidy	88	(99)
Total	**3,006**	**-**	**3,006**	**-**

Source: US Census Bureau 2013 - 2017 ACS

* Calculated as 30% of income range based on HUD guidelines

Housing Market Analysis

As mentioned previously most of the housing in Woodburn is classified as single-family detached units. New housing construction permits issued by the City indicate that 400 permits were issued over the seven-year time frame (Jan. 2012 to Dec. 2018). As indicated in **Exhibit 2.11**, about 67% of new construction was for single family detached homes. The remaining 33% was for multifamily apartments and other housing types.

Exhibit 2.11: Woodburn Housing Inventory (2010-2017)

City of Woodburn Housing Inventory (2012 - 2018)				
	2012 ACS	**2017 ACS**		
Owner Occupied	3,490	3,318		
Renter Occupied	2,595	2,739		
Vacant	484	706		
Total	**6,569**	**6,763**		
Owner Occupied %	57.4%	54.8%		
Renter Occupied %	42.6%	45.2%		
Total	**100.0%**	**100.0%**		
	2012 ACS	**2012-18 permits***	**2018 Est.**	
Single-Family Detached	5,187	269	5,456	
Townhome/Plexes	1,095	4	1,099	
Multifamily	1,615	101	1,716	
Mobile Home	654	26	680	
Total	**8,551**	**400**	**8,951**	

Source: U.S. Census Bureau, and American Community Survey; and City of Woodburn.

2013 to 2017 (Tables DP04, B25077 and B25064). | * housing growth based on permits issued by City.

Median home values in the City at the end of 2017 were $167,500, while median rents jumped to $936, according to the U.S. Census, American Community Survey 2013-2017 data.

In comparison to other housing markets, Woodburn home prices now appear to be increasing more quickly at a rate of 14.8 percent year-over-year (November 2017 and November 2018). As indicated in **Exhibit 2.12**, median home sales prices in Woodburn increased to $256,000 in November 2018.

The observed home sales prices in Woodburn still lag behind comparable cities including Newberg, Salem, Silverton and Wilsonville in terms of media home sales prices.

Exhibit 2.13: Median Home Sales Price Trends in Selected Markets

	Nov-17	Nov-18	Change %
Woodburn	$223,000	$256,000	14.8%
Newberg	$318,000	$342,000	7.5%
Salem	$239,000	$264,000	10.5%
Silverton	$271,000	$305,000	12.5%
Wilsonville	$443,000	$457,000	3.2%

Source: Zillow.com; analysis by FCS 11/09/18.

Factors affecting housing needs

There is a linkage between demographic characteristics and housing choice. As shown in **Exhibit 2.13** 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 are much more likely to choose multifamily housing options (such as apartments or plexes) than 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.

Exhibit 2.13: Housing Life Cycle
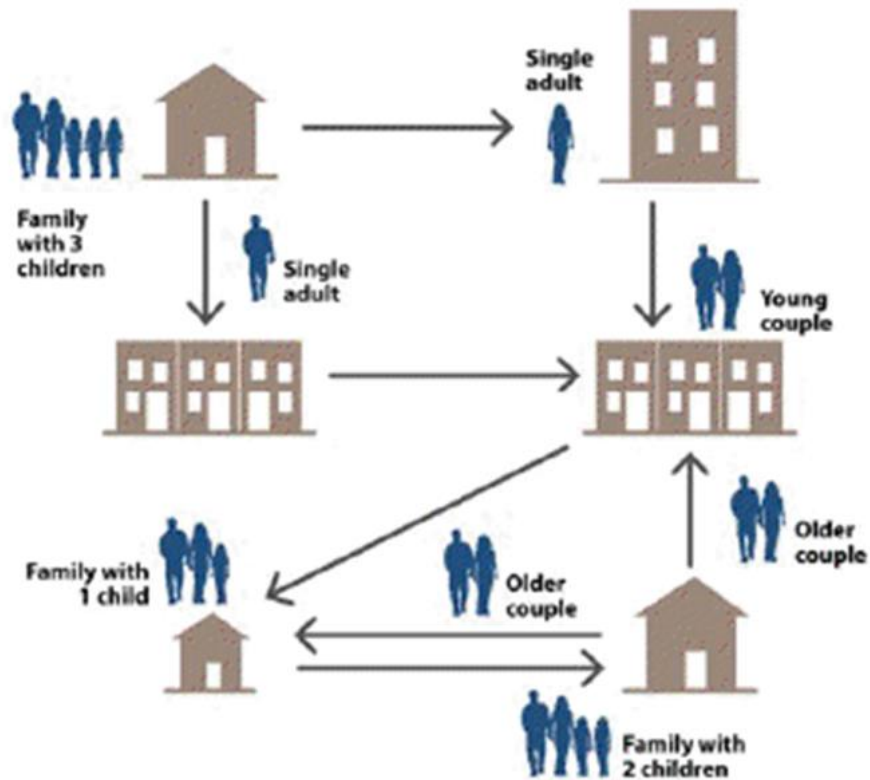
The relationship between demographic changes, income levels and housing needs can be used to forecast future housing needs. The primary demographic age cohorts are shown in **Exhibit 2.14** and described below.

Exhibit 2.14
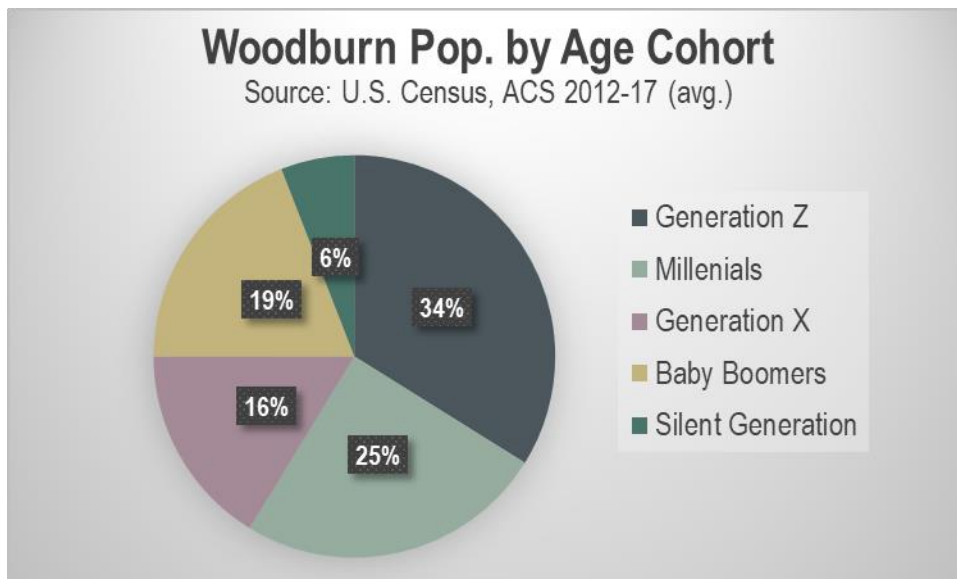
Silent Generation (those born before 1925 to 1945)

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 6% of the city's population in 2017 and is projected to be the fastest growing segment over the next 20 years. As they reach their 80s some desire to move into assisted living facilities with nearby health care services and transit access.

Baby Boom Generation (born 1946 to 1964)

Baby boomers (currently age 55 to 74) accounted for 19% of Woodburn residents in 2017, up from 15% in 2010. 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" until after age 80, then may downsize or move in with family members (sometimes opting to reside in accessory dwellings off the main house).

Generation X (born 1965 to 1980)

Gen X is the demographic cohort following the baby boomers and preceding the Millennials. This cohort (currently includes people between age 39 to 54) accounted for 16% of the Woodburn residents in 2017, and is expected to overtake the baby boom cohort in numbers within the next decade. GenX households often include families with children, and many prefer to live in single family detached dwellings at various price points.

Millennials (born 1980 to early 2000s)

Millennials (currently in their twenties or thirties) accounted for 25% of the Woodburn residents in 2017, and is second only to the Generation Z segment in numbers. This segment is expected to increase more slowly than the overall population over the next few decades. 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. This is Woodburn's largest demographic segment and accounted for 34% of the Woodburn residents in 2017. It includes children living primarily with GenXers and Baby Boomers. This segment has been increasing in Woodburn over the past several years, but this growth may slow considerable in the future as GenXers are delaying starting families and tend to have fewer children than past generations.

Hispanic and other ethnic groups

The largest single ethnic group in Woodburn by far includes the Hispanic/Latino segment, which is spread among all demographic cohorts. Woodburn's Hispanic/Latino population accounted for 56% of its residents in 2017, down from 59% in 2010, according to the U.S. Census and American Community Survey data. While the overall growth may slow in comparison to the past, it is still projected to be the fastest growing racial/ethnic group over the next few decades.

Housing affordability considerations

When preparing a residential land need analysis, it is important to consider housing affordability issues facing Woodburn today. Like many communities in Oregon and the U.S., income levels in

Woodburn are generally not keeping up with housing prices and rents; thereby creating a housing affordability challenge.

The median home price in Woodburn was $272,500 (2019, 1st Q), which is higher than the Marion County median home price, but lower than the statewide average (see **Exhibit 2.15**).

Exhibit 2.15

Median Home Price, Woodburn, Marion County, Oregon, 2019
Source: Zillow, 2019

$272,500	$217,100	$346,100
Woodburn	Marion County	Oregon
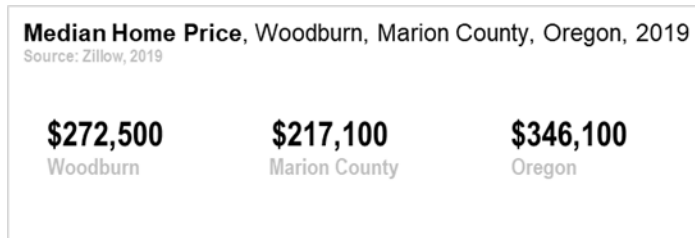
Rents in Woodburn are also above the Marion County average. According to the U.S. Census, American Community Survey: 2012-2017 (average), the median gross rent in Woodburn ($936/month) was about 6 percent above the county average (**Exhibit 2.16**).

Exhibit 2.16

Median Gross Rent, Woodburn, Marion County, Oregon, Other Comparison Cities, 2013-2017

City	Median Gross Rent
Oregon	$988
Marion	$879
Woodburn	$936
Monmouth	$780
Salem	$861
Keizer	$928
Dayton	$1,026

Source: U.S. Census Bureau 2013-2017 American Community Survey 5-Year Estimates (Table B25064)

Housing cost burdens

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

As shown in **Exhibit 2.17**, households earning less than $20,000 are experiencing the greatest hardship with respect to housing cost burdens. Nearly 4 out of 5 households with income less than $35,000 are housing cost burdened. And nearly half of the households with income between $35,000 and $50,000 are cost burdened.

Exhibit 2.17

Housing Cost Burden by Income, Woodburn, 2013-2017
*Based on the HUD assumption that the cost burden threshold is 30% of income

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates (Tables S2503)
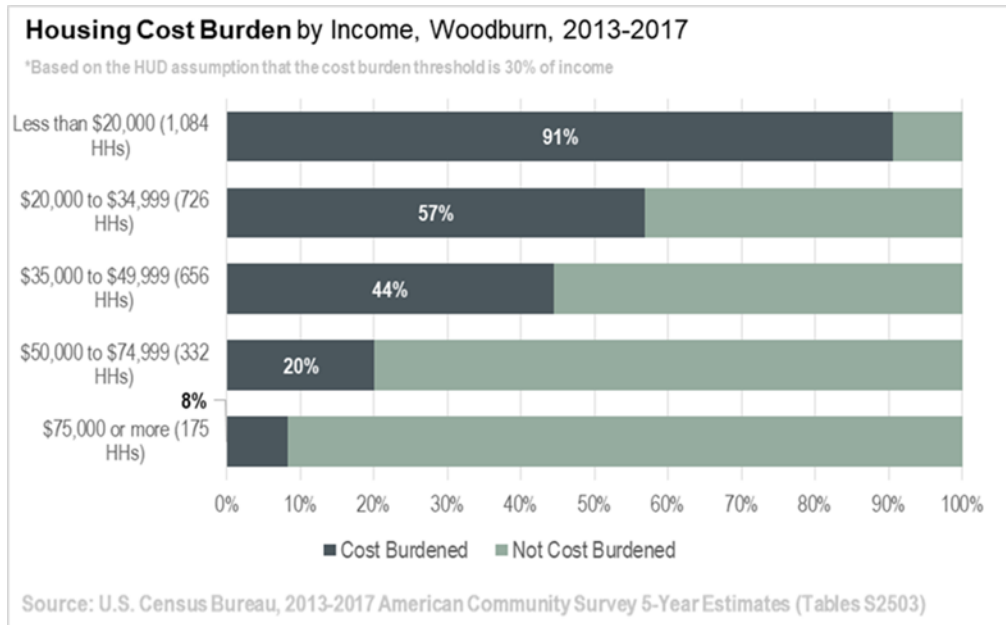
Overall, in 2017, about 19% of the households in Woodburn were cost burdened. An analysis of severe rent burdens in Woodburn indicates that 26% of the renters and 12% of the homeowners are paying more than 50% of their income on housing costs (see **Exhibit 2.18**).

Exhibit 2.18

Severe Housing Cost Burden by Tenure, Woodburn, 2013-2017
*Based on the assumption that the cost burden threshold is 50% of income

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates (Tables B25091 and B25070)
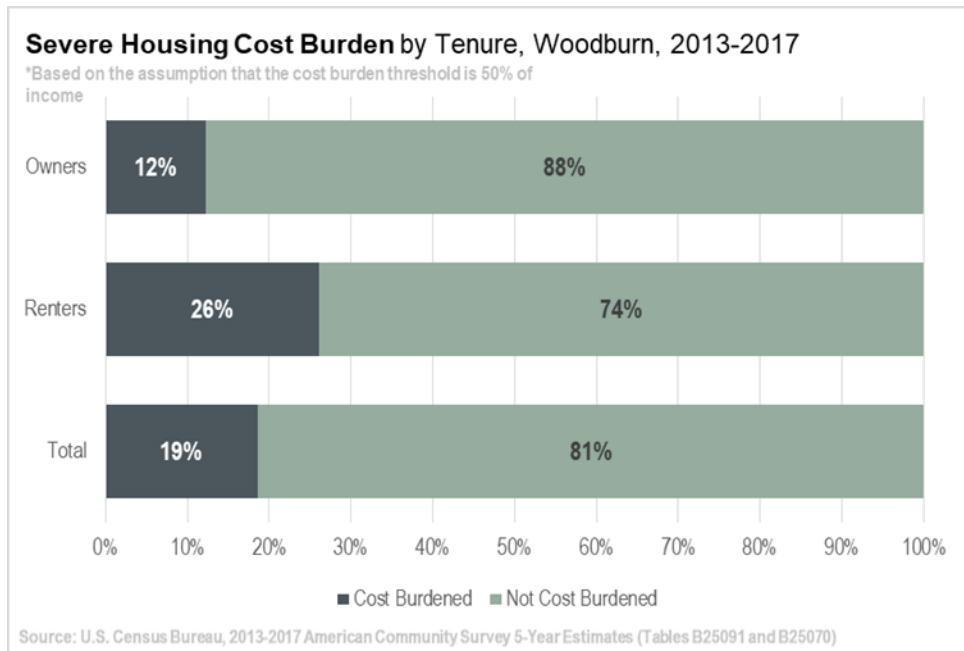
Woodburn is one of many cities in Oregon where over 25% of renter households spend more than half of their income on rent. Below is a comparison chart of other cities in the region, as well as Marion County and the State of Oregon as a whole **(Exhibit 2.19).**

Exhibit 2.19

Severe Rent Cost Burden, Woodburn, Marion County, Oregon, Other Comparison Cities, 2013-2017
*Based on the assumption that the housing cost burden threshold is 50% of

Source: 2013-2017 American Community Survey 5-Year Estimates (Tables B25091 and B25070)
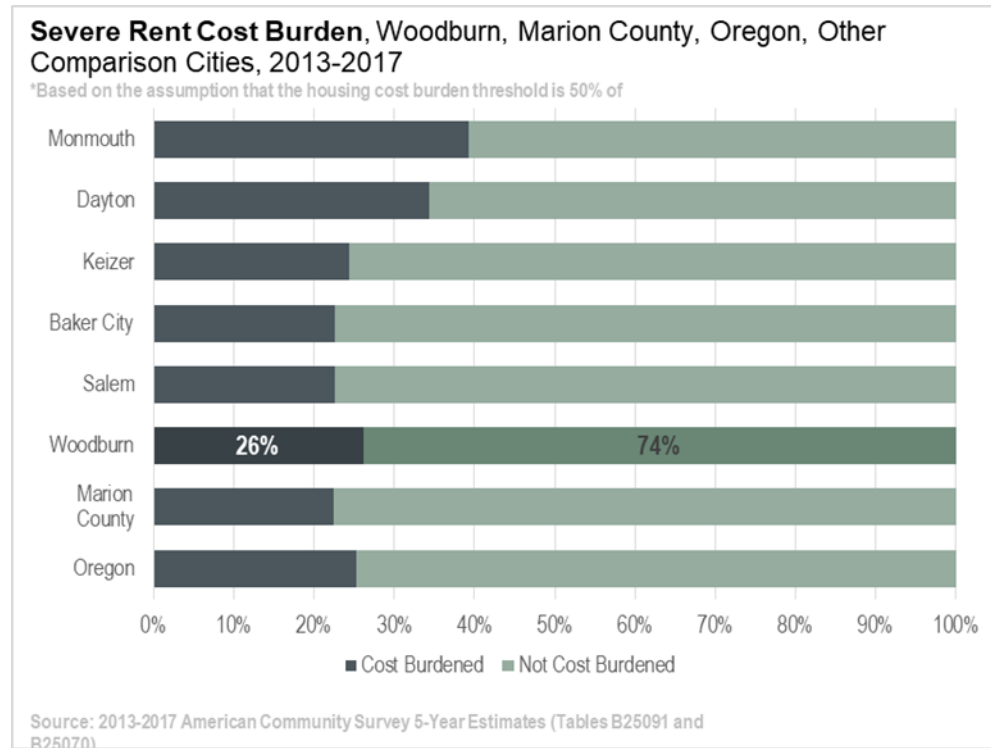
Housing Needs Forecast

The housing needs analysis for Woodburn includes an assessment of population growth forecasts, market trends and housing characteristics. The analysis of housing mix scenarios (summarized in Section 4) results in a 20-year housing demand forecast of 3,012 dwelling units.

To determine the appropriate mix of future housing demand, it is important to consider changing demographic and socio-economic conditions, such as:

- Owner-occupied single family detached housing, including standard as well as small lot housing types is expected to remain the largest housing segment in the future, but its share of the overall housing inventory will decrease. This segment is driven largely by the projected increase in the number of Gen X and Millennial households with children. While current median home prices in Woodburn are higher than the Marion County median, home prices in Woodburn are over $100,000 below median home prices in the southern portion of the Portland Region. For duel-earning households whose inhabitants work in different communities (such as Salem and Portland), Woodburn is a nice central location in which to buy a home.

- Demand for rental housing is expected to increase significantly in the future in light of the projected population growth, low rental vacancy rates (below 3%), and relatively low income levels in comparison to housing purchase prices. According to U.S. Census American Community Survey: 2013-2017 data, Woodburn's median household income was 13% below that of Marion county while median home prices were 26% higher, and median rents were 6.5% higher. Renting is expected to be the most viable housing option for about 4 in 10 households in the future.

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As indicated in the following exhibits, the future net new housing demand by tenancy assumes that 1,333 (44%) of the units are owner occupied and 1,679 (56%) are renter occupied. This would represent an increase in renter households with a measured change in the current tenancy mix, which is currently 62% owners and 38% renters, according to the U.S. Census, American Community Survey (2013-2017 average).

The expected housing types required to meet the market characteristics of demand segments discussed previously is shown in **Exhibit 2.20.** The recommended future net new housing mix includes:

- 1,563 single family detached units (low density);

- 320 townhomes/plexes (medium density);

- 1,129 apartments (including 329 medium-density garden-court apartments and 800 higher-density apartments).

This forecast includes 20 units of shared housing units for people in non-institutional group quarters. The non-institutional group quarters housing forecasts reflect the number of units (with multiple people per unit) for future residents in congregate care, farmworker dwellings and transitional housing. This does not include institutionalized residents such as people in hospitals or correctional facilities.

Exhibit 2.20

Proj. Housing Needs by General Classifications, Woodburn UGB, 2019-2039

Housing Classification	Owner Units	Renter Units	Total Dwelling Units
Low-density (single family detached, mfg. housing)	1,258	305	1,563
Medium-density			
Townhomes, plexes, group quarters	10	310	320
Garden apartments (@16 dus/acre)	30	299	329
Higher-density apartments (@31 dus/acre)	24	776	800
Grand Total	**1,322**	**1,690**	**3,012**

Note: numbers may not exactly add due to rounding.

Source: Woodburn HNA, Housing Needs Forecast (Task 2 and Task 4) findings, June 2019.

A comparison between the current housing mix and the baseline housing forecast is provided in **Exhibit 2.21.** The findings indicate that the share of single-family detached housing is projected to decrease from 69% (current inventory) to 64% (future inventory in 20 years), while the share of multifamily housing in Woodburn is projected to increase from 19% (current inventory) to 24% future inventory).

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Exhibit 2.21

Current and Proj. Housing Mix, Woodburn UGB

Source: Woodburn HNA recommended housing needs forecast, May 2019.
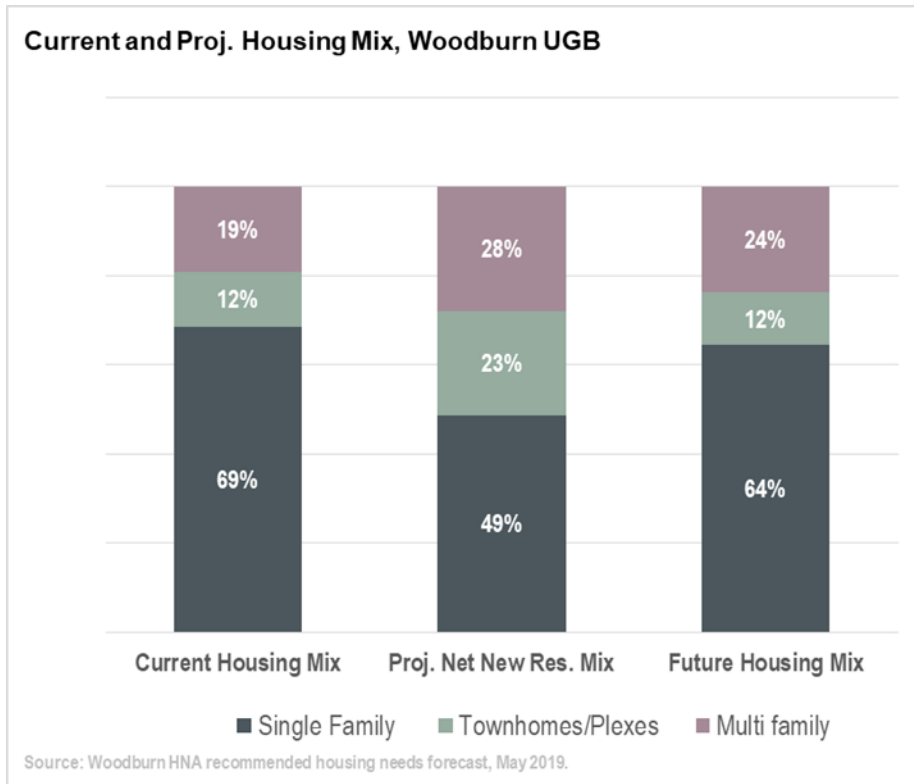
The current market gap for rental housing is a key reason why the future housing need forecast expects the share of apartments to increase significantly, and the share of renters to increase from 38% (current share of renters) to 43% (projected future share of renters), as shown in **Exhibit 2.22.**

Exhibit 2.22

Existing and Projected Housing Needs by Tenancy, Woodburn UGB

FCS GROUP
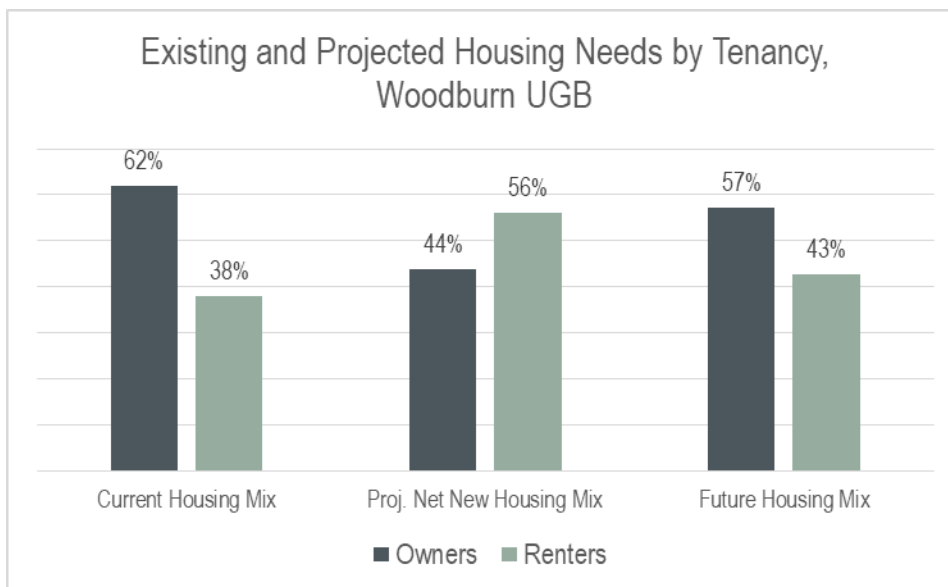
The types of housing that is most suited to meet qualifying income levels for home ownership vary by family income level. The recommended distribution of future demand by price level is shown in **Exhibit 2.23**.

Exhibit 2.23

Woodburn Owner-Occupied Housing Needs: 2019-2039

Family Income Level	Upper Range of Qualifying Income	Upper Range of Home Price*	Estimated Distribution of Owner-Occupied Units	Projected Owner-Occupied Units Needed	Attainable Housing Products
Upper (120% or more of MFI)	Greater than $70,080	Greater than $436,000	36.6%	484	Standard Homes
Middle (80% to 120% of MFI)	$70,080	$436,000	26.4%	349	Small and Standard Homes, Townhomes
Low (50% to 80% of MFI)	$46,720	$334,650	35.0%	463	Small Homes, Townhomes, Mfgd. Homes, Plexes
Very Low (30% to 50% of MFI)	$29,200	$209,300	2.0%	26	Govt. Assisted
Extremely Low (less than 30% of MFI)			0.0%	0	
Total			**100.0%**	**1,322**	

Note: numbers may not exactly due to rounding.

*Assumes 30% of income is used for mortgage payment, 20% downpayment, 6% interest, 30-year mortgage for middle and upper-income housing, and 5% downpayment for low and very-low income housing.

Source: Woodburn HNA analysis, Task 2 and Task 4 findings, June 2019.

The rental housing needs forecast for by affordability level is shown in **Exhibit 2.25**. The rental housing need is fairly evenly distributed among the family income segments.

Exhibit 2.24

Woodburn Rental-Occupied Housing Needs: 2019-2039

Family Income Level	Upper Range of Qualifying Income	Upper Range of Monthly Rent*	Estimated Distribution of Units	Projected Renter-Occupied Units Needed	Attainable Housing Products
Upper (120% or more of MFI)	Greater than $70,080	Greater than $1,752	21%	362	Standard Homes, Townhomes
Middle (80% to 120% of MFI)	$70,080	$1,752	17%	285	Small Homes, Townhomes, Apartments
Low (50% to 80% of MFI)	$46,720	$1,168	21%	350	Small Homes, Townhomes, Mfgd. Homes, Plexes, Apts.
Very Low (30% to 50% of MFI)	$29,200	$730	21%	355	ADUs, Govt. Assisted Apts.
Extremely Low (less than 30% of MFI)			20%	338	Govt. Assisted Apts.
Total			**100%**	**1,690**	

Assumes 30% of income is used for rental payments.

Source: Woodburn HNA analysis, Task 2 and Task 4 findings, June 2019.

For comparison purposes, the current U.S. Housing and Urban Development fair market rents within Marion County range from $658 for an efficiency (studio) unit to $1,707 for a four-bedroom unit (**Exhibit 2.25**).

Exhibit 2.25

HUD Fair Market Rent (FMR) by Unit Type, Marion County, 2019
Source: U.S. Department of Housing and Urban Development

$658	$736	$972	$1,405	$1,707
Efficiency	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom

ORS 197.303 defines needed housing, in part, as "all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes, as those terms are defined by the United States Department of Housing and Urban Development under 42 U.S.C. 1437a." Per HUD standards, low income households are those making 80% or less of median family income (MFI), very low income households make between 30% and 50% of MFI, and extremely low income households make 30% or less of MFI.

Using 2017 MFI statistics, the monthly attainable housing cost for low-income families in Woodburn is as follows:

- Extremely Low Income, $438 or less
- Very Low Income, $438 to $730
- Low Income, $730 to $1,168

If families within these classifications pay more than these amounts they will be "rent burdened" to some degree.

Exhibit 2.26: Woodburn Housing Cost Analysis (Based on Marion County Median Family Income)

Marion County Median Family Income Level (2017)*	$58,400	
Available Monthly Rent or Payment (@30% of income level)	**Lower-end**	**Upper-End**
Upper (120% or more of MFI)	$1,752	or more
Middle (80% to 120% of MFI)	$1,168	$1,752
Low (50% to 80% of MFI)	$730	$1,168
Very Low (30% to 50% of MFI)	$438	$730
Extremely Low (less than 30% of MFI)	$438	or less
Approximate Attainable Home Price**	**Lower-end**	**Upper-End**
Upper (120% or more of MFI)	$436,000	or more
Middle (80% to 120% of MFI)	$291,000	$436,000
Low (50% to 80% of MFI)	$182,000	$291,000
Very Low (30% to 50% of MFI)	$109,000	$182,000
Extremely Low (less than 30% of MFI)	$109,000	or less

Notes:

* based on Housing and Urban Development thresholds for Marion County in 2017

** assumes 20% down payment on 30-year fixed mortgage at 4.0% interest.

Source: analysis by FCS Group using Housing and Urban Development, and US Census data.

Summary of Housing Needs Forecast

Based on the population projections detailed earlier, the new housing demand within the Woodburn UGB amounts to 3,012 housing units over the next 20 years. This housing need forecast assumes that the current share of group quarters population and housing vacancy levels remain constant.

The projected number of housing units that would be suited to meet affordable median family income levels for owners and renters is summarized in **Exhibit 2.27.**

Exhibit 2.27

Projected Housing Need by Tenancy and Income Level, Woodburn, 2019-2039

Source: Woodburn HNA recommended housing needs forecast, June 2019.
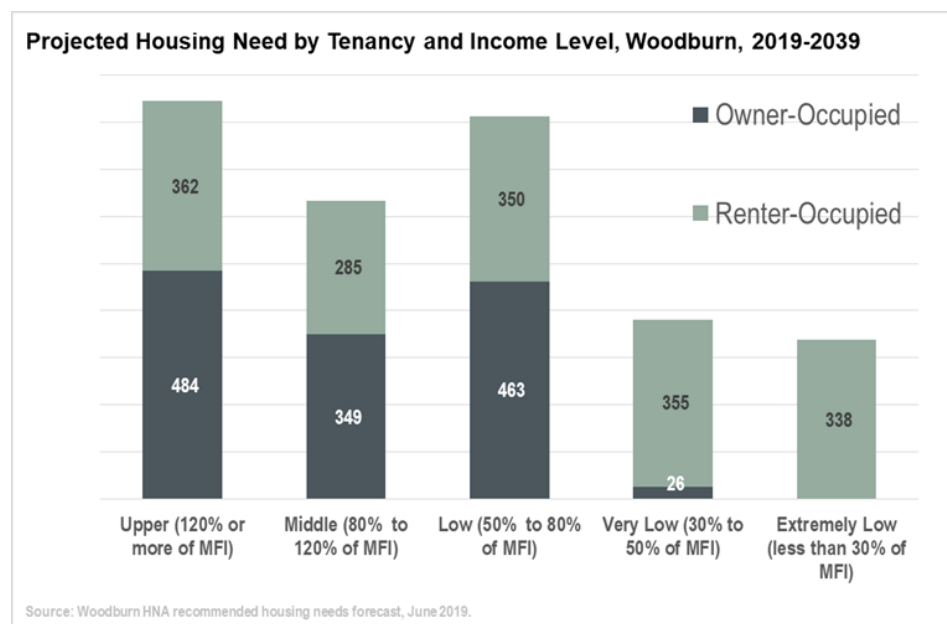
Housing Density Levels

The Woodburn city planning staff reviewed: history of building permits issued (years 2012-2018), recent development applications; and local development and zoning code provisions to document allowed densities and expected future average density levels (as measured in dwelling units per net acre).[2] As indicated in **Exhibit 2.28**, there are four general housing classifications: low-density, medium-density, high-density, and commercial/mixed-use that were considered in this analysis.

Single family detached housing is primarily provided in the RS, R1S, and RSN zones. (See WDO 2.02 for residential zoning district details.) These zones currently allow 5.2 to 10.89 dwellings per acre and permit the development of all housing types: detached, attached/townhomes, duplexes, accessory dwellings, multifamily/apartments and manufactured homes.

The low-density single family also includes homes with small lots and buildings within common lots, including cottage home parks and accessory dwellings, as well as manufactured home parks. According to the *Housing Choices Guide Book* (for housing resources see the Oregon DLCD website: https://www.oregon.gov/lcd/UP/Pages/Housing-Resources.aspx), cottage cluster developments are ideal for smaller households as an alternative to standard single family homes and apartments. They are often built in clusters of 5 to 25 units at densities ranging from 5 to 35 units per acre (note the maximum allowable RSN density in Woodburn is currently 10.89 units per acre). The overall expected average density for single family detached housing in Woodburn is 6 units per acre.

Townhomes and plexes are classified as medium-density housing and are permitted in all residential zone districts; and allowed outright in the mixed use and commercial zone districts. The RM district focuses primarily on medium density development, with allowed densities ranging from 6 to 16 dwellings per acre. The overall expected average density levels for townhomes/plexes in Woodburn is 12 units per acre for townhomes and 16 units per acre for garden court apartments.

Higher-density apartments are typically constructed as multifamily developments with 5 or more units per structure. Multifamily dwellings are permitted in all residential and mixed use and commercial zones. The allowable density ranges from 10 to 22 units per acre in the RMN zone, and 12 to 32 units per acre in the DDC, CO, CG, NNC, and MUV zones. (See WDO 2.03 for commercial zoning district details.) The overall expected average density for higher density apartments in Woodburn is 31 units per acre.

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[2] The City of Woodburn recorded construction permits for 400 dwellings between Jan. 2012 and Dec. 2018, including 269 single family units, 101 multifamily units, 26 manufactured homes and 4 townhome/plex units.

Exhibit 2.28 Allowed and Expected Development Density by Housing Type, City of Woodburn

Relative Housing Density	Housing Types	Local Zoning Classifications	Allowed Density (DU per acre)	Expected Avg. Density (DU per acre)
Low Density Single family detached	Single family detached	RS, R1S, RSN	5.2 – 10.89	6
Medium Density	Small lot single family, townhomes, plexes, cottages, garden apartments	RM	6 - 16	12 (townhomes/plexes) 16 (garden apts.)
High Density	Apartments, condos	RMN (Nodal Multi-Family Residential)	10 - 22	22
Commercial and Mixed Use	Apartments or condos with commercial	DDC (Downtown Development & Conservation), CO (Commercial Office), CG (Commercial General), NNC (Nodal Neighborhood Commercial), MUV (Mixed Use Village)	12 – 32 with exceptions to DDC and NNC which have neither minimum or maximum	31

Note: Exhibit 2.28 relative housing density categories derived from Oregon Administrative Rule (OAR) 660-038-0060.

Development density (measured in terms of dwelling units per net buildable acre of land area) along with projected housing demand is used to calculate residential land needs. As indicated in **Exhibit 2.28** and **Appendix A**, the Woodburn development code allows a range in development densities depending upon residential and commercial and mixed-use land use zones. City of Woodburn planning staff has estimated average densities for each zone type based on current development permitting activity and their professional judgement.

Section III. Buildable Land Inventory

In accordance with OAR 660-008-0005 (2), an estimate of buildable land inventory (BLI) within the Woodburn Urban Growth Boundary (UGB) has been created to determine that amount of land available to meet housing needs. The BLI analysis uses the most current Geographic Information Systems (GIS) data provided available for the Woodburn UGB (specific GIS data sources are shown in **Exhibit 3.1**).

Buildable Land Inventory Methodology

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

1. Calculate gross acres by plan designation, including classifications for fully vacant and partially-vacant parcels. This step entails "clipping" all of the tax lots that are bisected by the current UGB to eliminate land outside current UGB from consideration for development at this time. City staff input was provided to provide a level of quality assurance to review output is consistent with OAR 660-008-0005(2).

2. Calculate gross buildable acres by plan designation by subtracting land that is constrained from future development, such as such as existing public right-of-way, parks and open space, steep slopes, and floodplains.

3. Calculate net buildable acres by plan designation, by subtracting future public facilities such as roads, schools and parks from gross buildable acres.

4. Determine total net buildable acres by plan designation by considering potential redevelopment locations and mixed-use development opportunity areas.

Exhibit 3.1: Woodburn BLI Data Sources

Dataset Name	Type	Description	Source
City Limits	GIS Layer	Woodburn City Limits Boundary	City of Woodburn
UGB	GIS Layer	Urban Growth Boundary	City of Woodburn
WB Zoning	GIS Layer	City of Woodburn Zoning Designations	City of Woodburn
WB Comp Plan	GIS Layer	City of Woodburn and UGB Comprehensive Plan Designations	City of Woodburn
mczoning	GIS Layer	Marion County Zoning Designations	City of Woodburn
Taxlots	GIS Layer	Taxlots with Assessed Value and Property Class Code	City of Woodburn
RCWOD	GIS Layer	Riparian Corridor Wetland Overlay District	City of Woodburn
FEMA 100 Year Floodplain	GIS Layer	FEMA Floodways and 100-yr. Floodplains	City of Woodburn
Wetlands	GIS Layer	Siginificant Wetlands	City of Woodburn
PropertyClass	Tabular	Property Class and Linked Coding	Marion County Assessor[1]
NAIP 2016	GIS Service	Web service providing aerial imagery	Oregon-GEO[2]

1 - http://www.co.marion.or.us/AO/Pages/datacenter.aspx
2 - http://imagery.oregonexplorer.info/arcgis/services

The detailed steps used to create the land inventory are described below.

Residential Land Base

The residential land base reflects current Woodburn Comprehensive Plan land use designations. The Comprehensive Plan map for the Woodburn UGB is provided as **Exhibit 3.2**.

Properties that are within the residential land base include the following Comprehensive Plan classifications:

Residential Land Use Classifications

- Low-Density Residential (RS, R1S, RSN)

- Medium-Density Residential (RM)

- High Density Residential (RMN)

Higher density residential classifications include commercial and mixed-use zone classifications which currently allow multifamily development, the following Comprehensive Plan classifications are included in the residential land base:

Commercial and Mixed-Use Land Use Classifications

	Commercial and Mixed-Use Zoning Classifications
DDC	Downtown Development & Conservation
CO	Commercial Office
CG	Commercial General
NNC	Nodal Neighborhood Commercial
MUV	Mixed Use Village

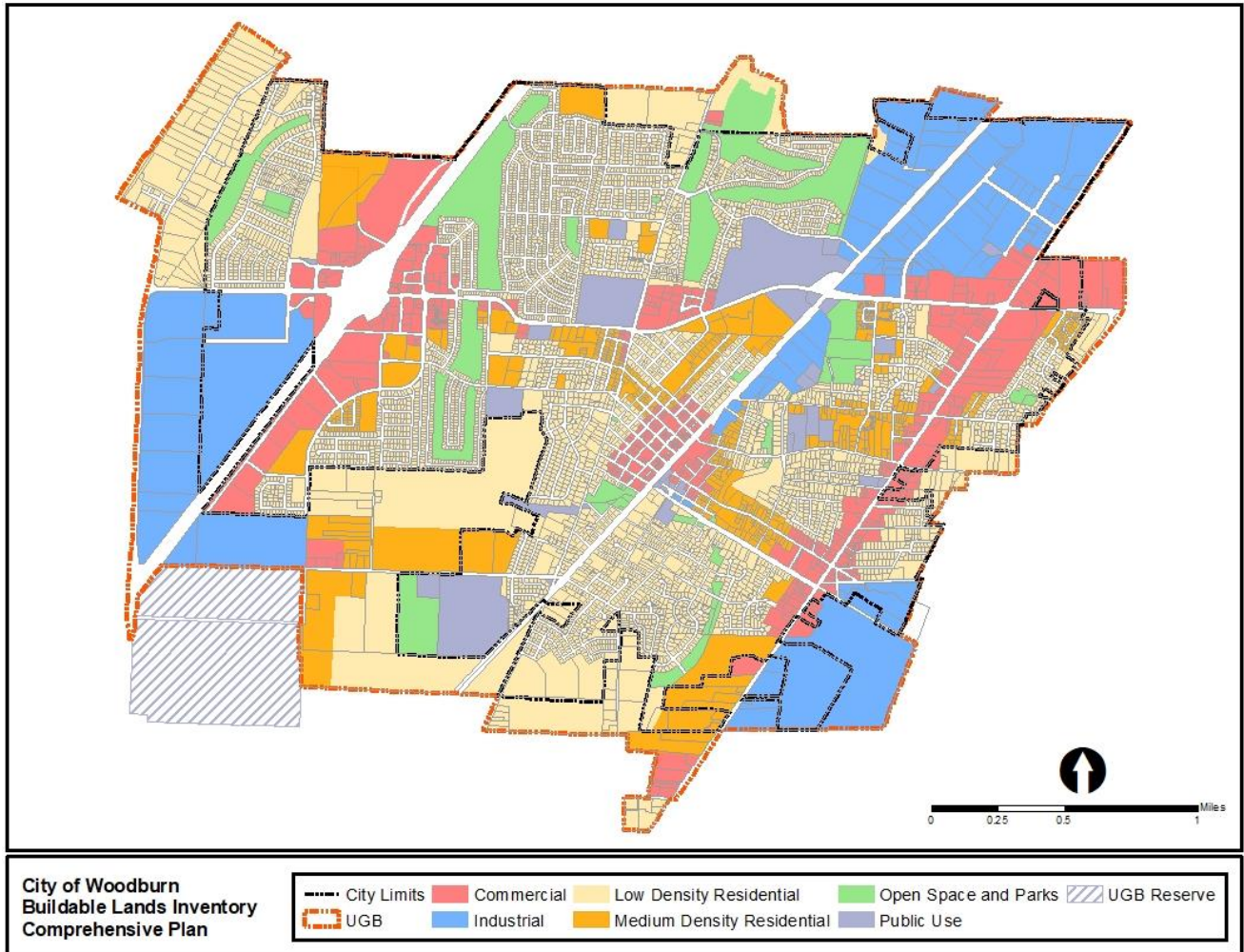*For additional information on allowed uses within these zones, please refer to:*

- *Woodburn Development Ordinance (WDO) Table 2.03A, E1, E3, & E4.*

- *Woodburn Development Ordinance (WDO) Table 2.03A, E4. The DDC zoning district covers downtown Woodburn and is described in 3.07.07B.12.a.; the DDC also establishes that downtown development has no minimum off-street parking requirement.*

For analysis purposes, each of these land use classifications have been grouped into residential development categories that represent the expected level of development based on the housing types/densities that are permitted by the City (housing types must be permitted outright or by conditional development approval). This includes: low, medium and high density residential categories; as well as a commercial/mixed use category (which allows a mix of low, medium and high density housing).

This analysis assumes that all of the vacant and part-vacant residential land base will be available for future housing development and can be served with adequate public facilities, including roads, water, sanitary sewer, and storm water systems.

Draft BLI findings and results were reviewed by City Staff and subjected to public review, then refined accordingly based on the input received.

Exhibit 3.2. City of Woodburn Comprehensive Plan Designations

City of Woodburn
Buildable Lands Inventory
Comprehensive Plan

-·-·- City Limits	▨ Commercial	▨ Low Density Residential
▨ UGB	▨ Industrial	▨ Medium Density Residential

▨ Open Space and Parks	▨ UGB Reserve
▨ Public Use	

Land Classifications

The next step includes classifying each tax lot (parcel) into one of the following categories.

- **Vacant land**: Properties with no structures or have buildings with very little value. For purpose of the BLI, residential lands with improvement value less than $10,000 are considered vacant. These lands were also subjected to review using aerial photography; and if the land is in a committed use such as a parking lot, an assessment has been made to determine if it is to be classified as vacant, part vacant or developed.

- **Partially vacant land:** Properties that are occupied by a use (e.g., a home or building structure with value over $10,000) but have enough land to be subdivided without the need for rezoning. This determination is made using tax assessor records and aerial photography. For lots with existing buildings, it is assumed that ¼ acre (10,890 sq. ft.) is retained by each existing home, and the remainder is included in the part vacant land inventory.

- **Vacant Undersized:** Properties that are vacant or part-vacant with less than 3,000 sq. ft. of land area. This category is excluded from the vacant land inventory since these lots are not likely large enough to accommodate new housing units. However, it is possible that some may be suitable for accessory dwelling units (ADUs).

- **Developed & Non-Residential Land Base:** Properties unlikely to yield additional residential development for one of two reasons: they possess existing building structures at densities that are unlikely to redevelop over the planning period; or they include parcels with Comprehensive Land Use Plan designations that do not permit housing development.

- **Public and Constrained (unbuildable) land**: Properties which are regarded as unlikely to be developed because they are restricted by existing uses such as: public parks, schools, ballfields, roads and public right-of-way (ROW); common areas held by Homeowners Associations, cemeteries; and power substations. In cases where public-owned land does not fall into one of the above-mentioned categories and is planned or zoned to allow housing, those tax lots are included in the vacant or part-vacant residential land inventory.

These tax lot classifications were validated using aerial photos, building permit data, and assessor records. Preliminary results were refined based on City staff and public input received during the Housing Needs Analysis (HNA) planning process.

Development Constraints

The BLI methodology for identifying and removing development constraints is consistent with state guidance on buildable land inventories per OAR 660-008-0005(2). By definition, the BLI is intended to include land that is "suitable, available, and necessary for residential uses."

"Buildable Land" includes residential designated land within the UGB, including vacant, part vacant and land that is likely to be redeveloped; and suitable, available and necessary for residential uses. Public-owned land is generally not considered to be available for residential use unless the underlying zoning permits housing.

Land is considered to be "suitable and available" unless it:

● Is severely constrained by natural hazards as determined by the Statewide Planning Goal 7;

● Is subject to natural resource protection measures determined under Statewide Planning Goals 5, 6, 15, 16, 17 or 18;

● Has slopes over 25 percent;

● Is within the 100-year flood plain; or

● Cannot be provided or served with public facilities (no land was identified in this category[3]).

Based on state guidelines and data provided by the City of Woodburn, the following constraints have been deducted from the residential lands inventory.

● Land within waterbodies and floodways. Lands identified within waterbodies and floodways per the FEMA FIRM maps.

● Land within floodplains. This includes lands in flood-hazard areas (the 100-year floodplain).

● Land within wetlands. This includes areas identified as significant wetlands in the Woodburn Comprehensive Plan.

● Land within natural resource protection measures. This includes riparian wetland overlay districts that are identified in the Woodburn Comprehensive Plan.

● Land with slopes greater than 25%. However, no land was identified as having steep slopes.

Exhibits 3.3-3.5 illustrate these types of "environmental" constraints.

[3] This conclusion is based upon the 2005 Woodburn Public Facilities Plan
(http://www.ci.woodburn.or.us/sites/default/files/%2810-31%29052005PublicFacilitiesPlan.pdf)

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Exhibit 3.3. Floodplains and Floodways

City Of Woodburn
Buildable Lands Inventory
Floodways

Legend:
City Limits
Urban Growth Boundary
Floodways

Exhibit 3.4. Wetlands

City Of Woodburn
Buildable Lands Inventory
Significant Wetlands
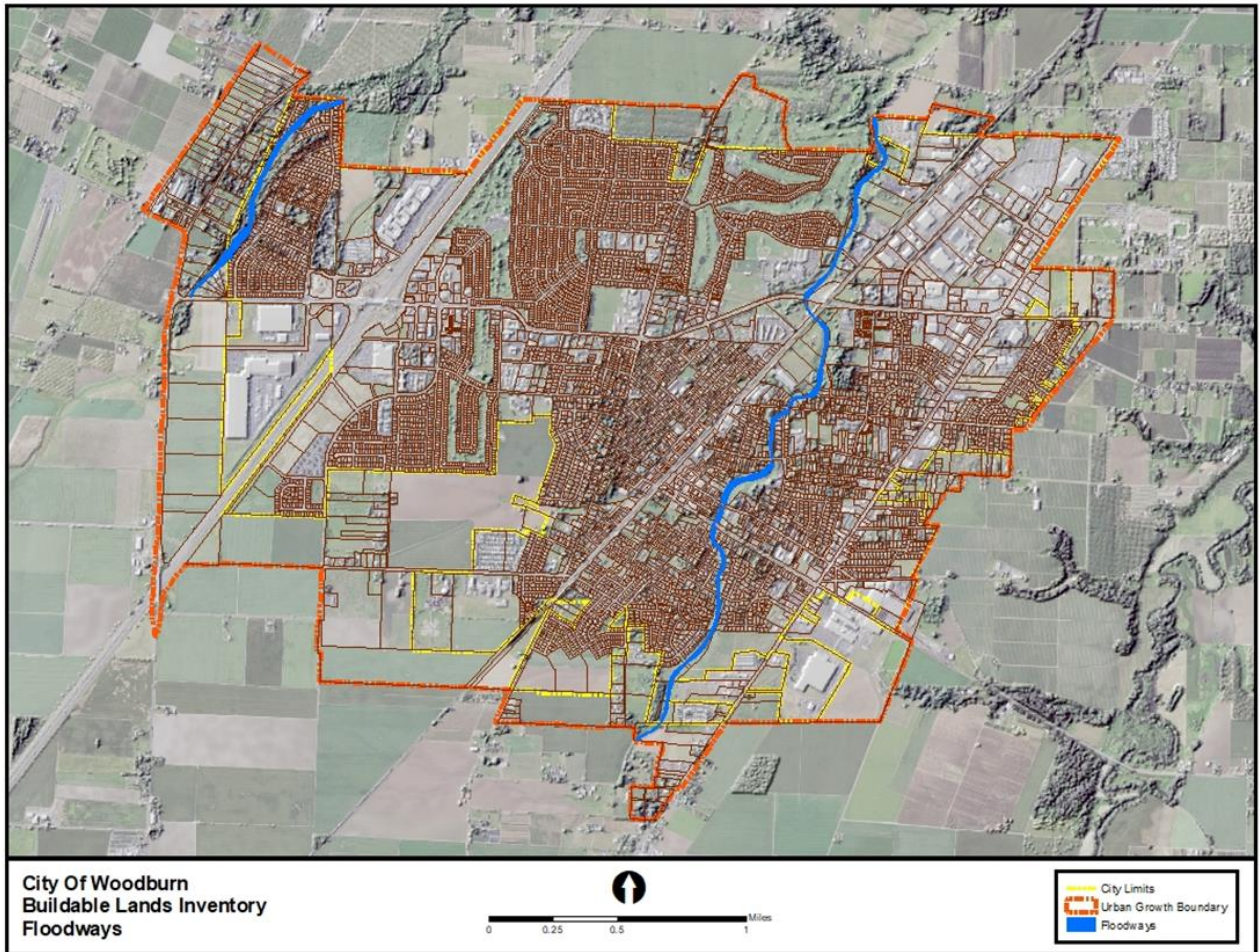
City Limits
Urban Growth Boundary
Significant Wetlands
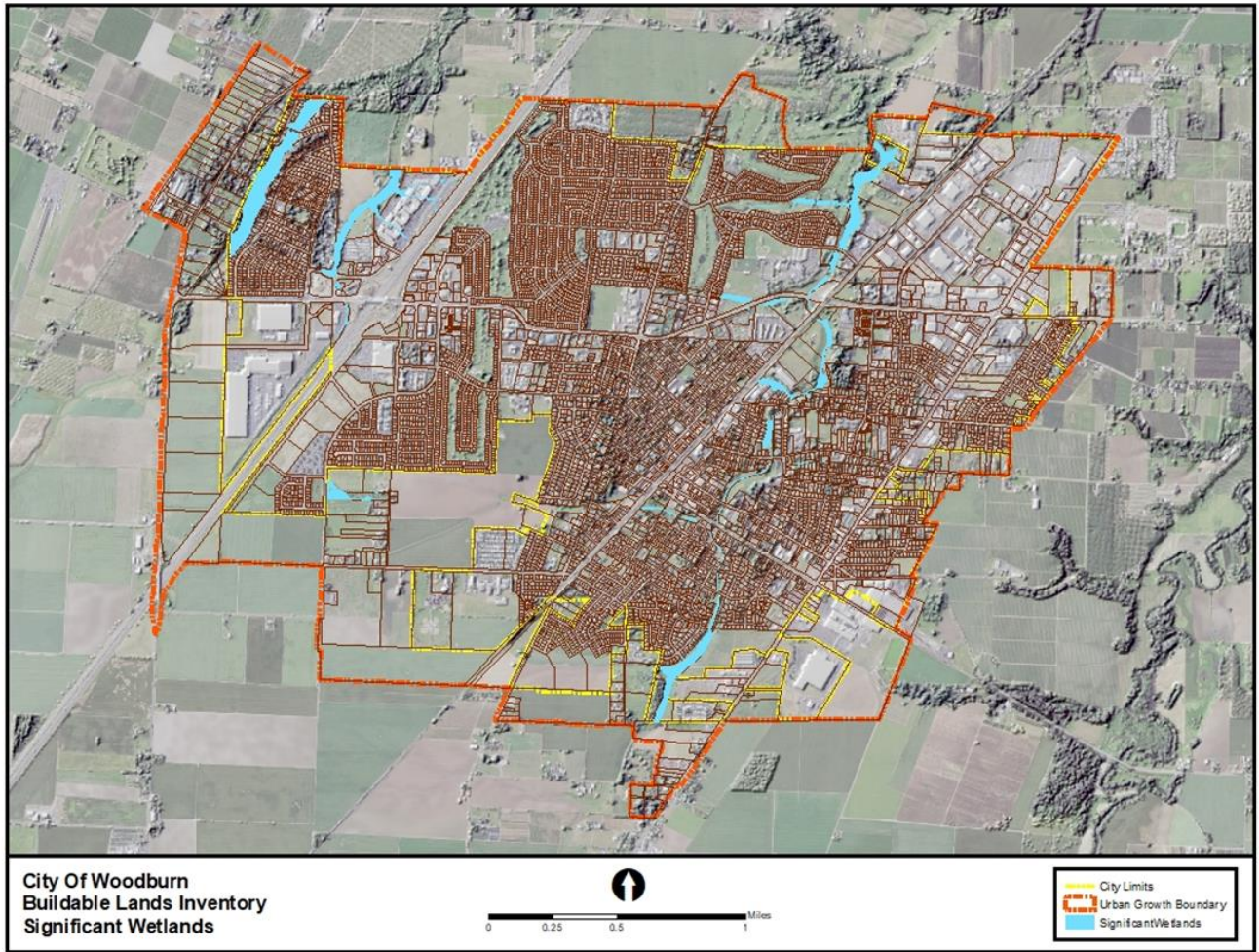
Exhibit 3.5. Riparian Wetlands Overlay District

City Of Woodburn
Buildable Lands Inventory
Riparian Corridors & Wetlands Overlay District

City Limits
Urban Growth Boundary
RCWOD
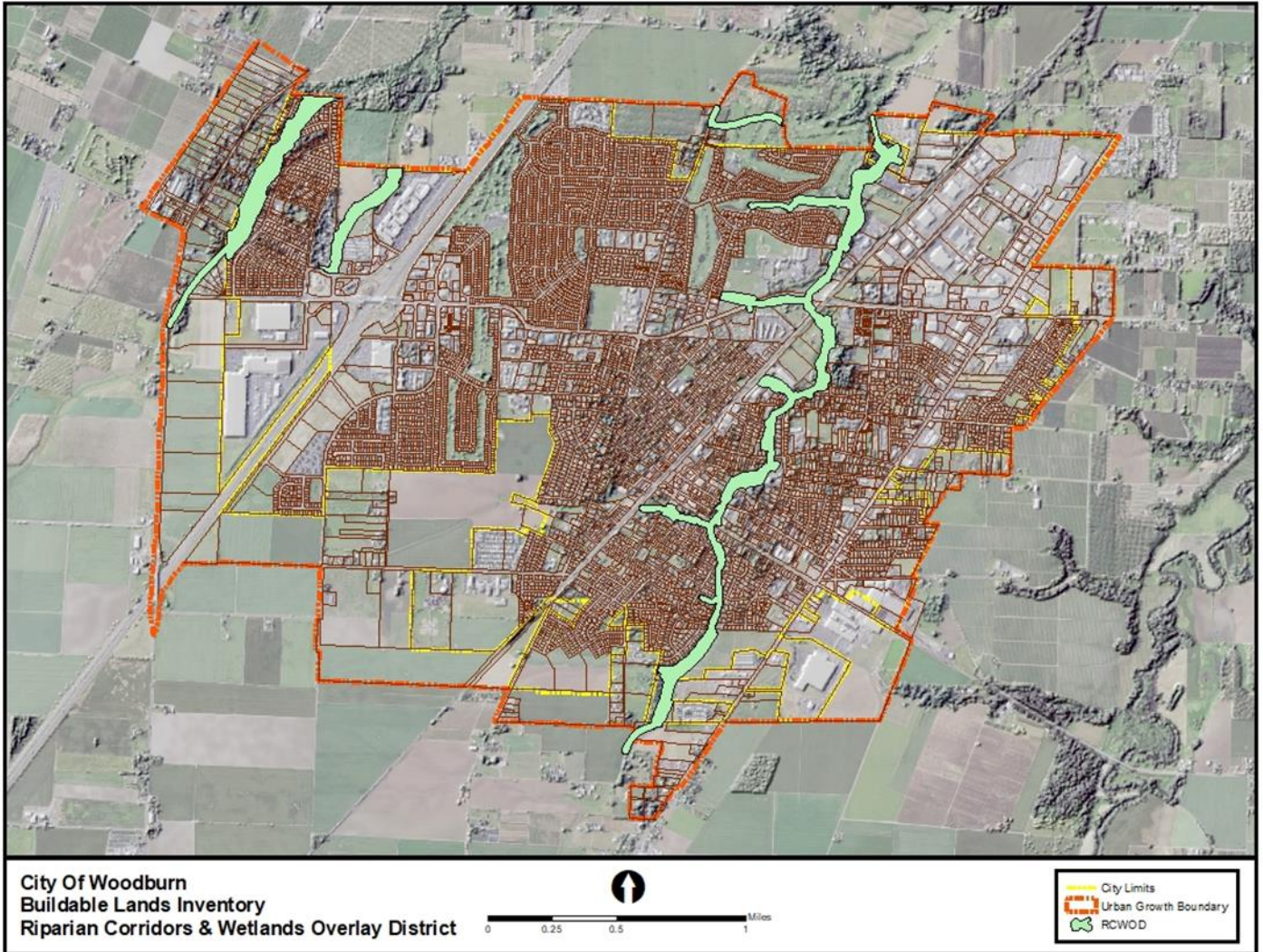
Residential Buildable Land Inventory Results

Land Base

As noted above, the residential land base for the BLI includes all tax lots in the UGB with residential, commercial and mixed-use land use designations. A summary of the land base by generalized plan designation is provided in **Exhibit 3.6**. The findings indicate that there are 13,003 tax lots in the land base with 2,900 gross acres.

Exhibit 3.6: Gross Acreage in Residential Land Base, Woodburn UGB

Generalized Plan Designation	Number of Taxlots	Percent	Total Gross Acres	Percent
Low-Density Residential	5,506	42%	1,988	69%
Medium-Density Residential	671	5%	459	16%
High-Density Residential	-	0%	-	0%
Commercial/Mixed Use	6,826	52%	454	16%
Total	13,003	100%	2,900	100%

Source: City of Woodburn GIS data, FCS GROUP analysis.

Development Status

Before the deduction of environmental constraints, the residential land base has been classified by development status to estimate land that is "committed" and not likely to be developed for additional residential uses. These definitions include residential land that is developed, tax lots that exempt residential development, public-ownership, and public right-of-way[4], as described previously (results are summarized in **Exhibit 3.7**).

Exhibit 3.7: Residential land base before environmental constraints are applied, Woodburn UGB

Generalized Plan Designation	Acres on Vacant Taxlots	Acres on Part-Vacant Taxlots	Total Vacant & Part-Vacant Acres	Developed, non-residential and other constrained acres			
				Developed or Non-Res Land Base	Public/ Unbuildable	Undersized (less than 3,000 SF)	Total Committed Acres
Low-Density Residential	431	162	593	1,340	55	0.90	1,396
Medium-Density Residential	121	46	167	284	8	0.17	292
High-Density Residential	-	-	-	-	0	0.00	-
Commercial/Mixed Use	105	12	117	335	2	0.00	337
Total	658	219	876	1,960	64	1.07	2,025

Source: City of Woodburn GIS data, FCS GROUP analysis.

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[4] Includes right-of-way that is defined as a tax lot in the GIS database, which exempts residential development. This includes most major existing right-of-way which is excluded from the buildable land base.

FCS GROUP

Buildable Land after Constraints and Public Facilities

The BLI methodology calculates the residential land base after accounting for the environmental constraints (described in the prior section), and future public facilities (e.g., streets and roads, parks and school facilities) per safe harbor assumptions allowed under OAR 660-024-0040 (10).[5] The findings indicate that out of a total of 2,900 gross acres, 2,025 acres are committed, and 90 acres are environmentally constrained (see **Exhibit 3.8**).

Approximately 75% of the buildable land inventory is classified as vacant and 25% is classified as partially vacant land.

After allowing for future public facilities and future right-of-way, there are 607 net buildable acres within the vacant and part vacant land inventory. This includes 420 acres with low-density plan designations, 115 acres with medium-density designations, no explicit high-density designations and 72 acres in commercial and mixed-use designations (see **Exhibit 3.8**).

Exhibit 3.8: Vacant and Part-Vacant Residential land base after all constraints, Woodburn UGB, 2019

Generalized Plan Designation	Total Acres	Committed Acres	Env. Constrained Acres	Buildable Acres	Less Future Public Facilities*	Net Buildable Acres
Low-Density Residential	1,988	1,396	31	560	140	420
Medium-Density Residential	459	292	13	153	38	115
High-Density Residential	-	-	-	-	-	-
Commercial/Mixed Use	454	337	45	72	-	72
Total	**2,900**	**2,025**	**90**	**785**	**178**	**607**

Source: City of Woodburn GIS data, FCS GROUP analysis.

* assumes 25% of builable low and medium densitiy land area is utilized for future public facilities.

Commercial and Mixed-Use Land Assumptions

It should be noted that all vacant and part-vacant commercial and mixed-use land (72 acres in total) is included in the table above. This land was included because housing development is a permitted use (i.e. it is allowed) on land with commercial and mixed-use zoning. However, since most commercial and mixed-use zoned land area will be developed for non-residential use (e.g., retail, services, office, etc.), it is assumed by the City of Woodburn that 35% of the commercial and mixed-use land area will be developed as housing over the next 20 years. That assumption will be reflected in the "Residential BLI Results" section of this report below.

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[5] The Woodburn buildable land inventory assumes that 25% of the net buildable land area contained in the low-density and medium-density residential land base is allotted to future land needs for roads, parks and school facilities.

❖ FCS GROUP

Redevelopment Areas

In accordance with OAR 660-024-0050, FCS GROUP also considered "redevelopable" lands, defined as follows by OAR 660-008-0005(7):

> "Redevelopable Land" means land zoned for residential use on which development has already occurred but on which, due to present or expected market forces, there exists the strong likelihood that existing development will be converted to more intensive residential uses during the planning period."

Given the unpredictable nature of real estate development, especially as it relates to residential redevelopment projects resulting in demolition and replacement of existing structures and development of net new housing units, the following broad-based methodology was used to estimate redevelopment potential in Woodburn:

- To comply with the redevelopment definition above, the Woodburn buildable land inventory includes an analysis of developed residential/commercial & mixed-use properties that have existing structures and are located within the Woodburn UGB.

- In order to sharpen the focus on land most likely to "be converted to more intensive residential use during the planning period", the redevelopment land inventory includes: tax lots with over 10,890 square feet (1/4 acre) of buildable land area; and tax lots with "land values" that are greater than "improvement values" based on current county assessor records. As a proxy for "present or expected market forces" which will drive redevelopment, these remaining properties were considered the universe of "redevelopable" lands.

- Like the analysis of vacant and part-vacant lands described in preceding sections, "redevelopable" lands were by low, medium, high density residential and commercial/mixed-use categories based on their underlying comprehensive plan and zoning classifications, and environmental constraints were removed to determine net buildable land area.

- Finally, this analysis assumes a rate of redevelopment which results in net new housing of the properties identified above. Woodburn planning staff recommended a rate of 3% based on redevelopment activity observed in the past. This factor was applied to the total universe of redevelopment land area to determine the net redevelopable land to be included in the Woodburn residential buildable land inventory (**Exhibit 3.9**).

Exhibit 3.9: Redevelopable Land Inventory, Woodburn UGB, 2019

Land Classification	Taxlots	Map Acres	Environmental Constraints	Net Lot Acres	Redevelopable Acres*
Low Density	53	182.3	23.0	159.3	4.8
Medium Density	22	28.9	0.1	28.8	0.9
High Density	0	0.0	0.0	0.0	0.0
Commercial and Mixed Use	79	95.3	0.0	95.3	2.9
Grand Total	154	306.5	23.1	283.4	8.5

Source: City of Woodburn GIS data, FCS GROUP analysis.

*Assumes a 3% redevelopment rate per City Staff.

❖ FCS GROUP

Summary of Residential Buildable Land Inventory

The combination of vacant, partially vacant and redevelopable land area for the residential and commercial/mixed use classifications results in the total Woodburn residential buildable land inventory. The sum of all categories provides 567.1 acres of buildable residential land within the Woodburn UGB. As shown in **Exhibit 3.10** this is primarily made up of 425.1 acres of low-density land (420 acres of vacant land and 4.8 acres of redevelopable land); and 115.9 acres of medium-density land (115 acres of vacant and 0.9 acres of redevelopable land). The commercial and mixed-use land area expected for housing includes 26.1 acres (71.6 net acres of vacant land plus 2.9 acres of redevelopment land) multiplied by the 35% housing conversion factor.[6]

Exhibit 3.10: Summary of Residential Buildable Land Inventory, Woodburn UGB, 2019

Total Residential Buildable Land Inventory, Woodburn UGB				
Land Classification	Vacant & Part Vacant	Redevel-opable Land	Housing Use Factor Assumption	Total Buildable Residential Land
Low Density	420.3	4.8	100%	425.1
Medium Density	115.1	0.9	100%	115.9
High Density	-	0.0	100%	-
Commercial and Mixed Use	71.6	2.9	35%	26.1
Grand Total	607.0	8.5	-	567.1

Source: City of Woodburn Buildable Land Inventory analysis, June 2019.

Exhibits 3.11 and 3.12 illustrate the buildable vacant and partially vacant buildable land areas for the residential and commercial/mixed-use land base within the Woodburn UGB.

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[6] Estimate of residential land use within commercial and mixed-use zones provided by City of Woodburn planning staff based on prior and pending land use plan applications as of June 14, 2019.

Exhibit 3.11: Residential Buildable Land Inventory, Woodburn UGB, 2019

City of Woodburn
Buildable Lands Inventory
Land Classification
Net Buildable -
Residential Base Zones

		Miles
0	0.25	0.5	1

City Limits — Riparian Corridor — Vacant
UGB — Significant Wetlands — Partially Vacant
Floodplains
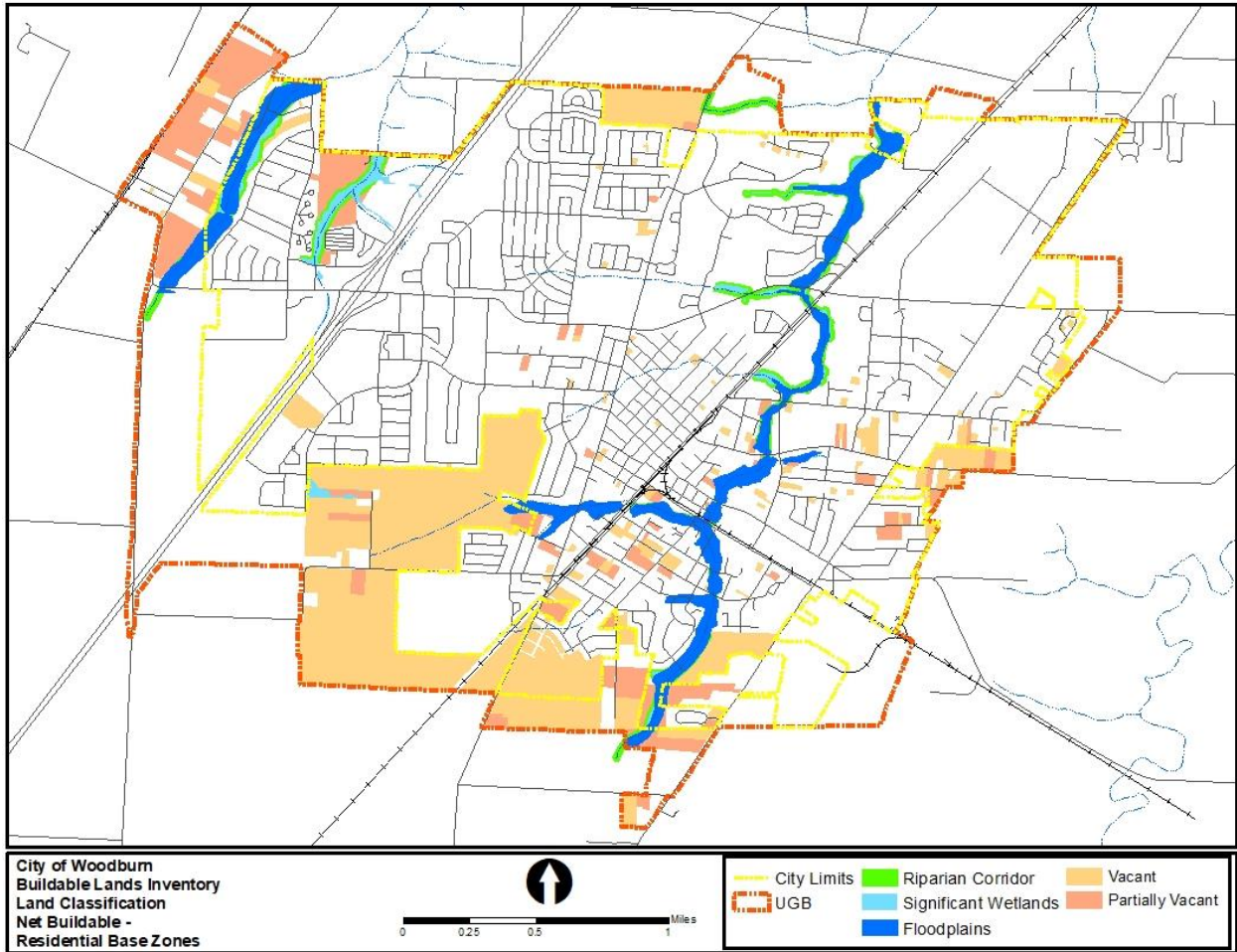
Exhibit 3.12: Commercial and Mixed-Use Buildable Land Inventory, Woodburn UGB, 2019

City of Woodburn
Buildable Lands Inventory
Land Classification
Net Buildable -
Com/Mixed Use Base Zones

City Limits	Riparian Corridor	Vacant
UGB	Significant Wetlands	Partially Vacant
	Floodplains	
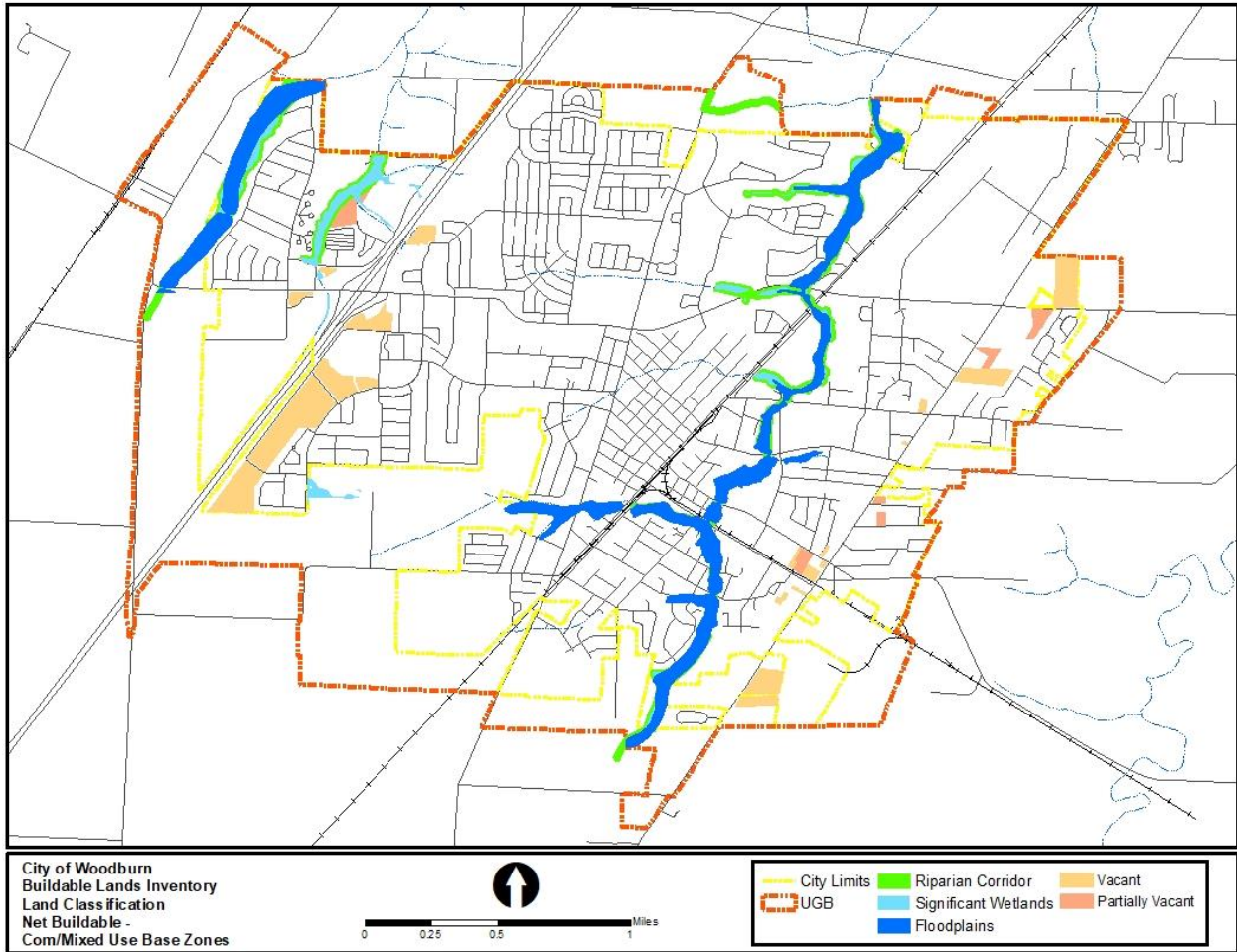
Section IV. Land Needs

Reconciliation

This section provides an estimate of residential development capacity (measured in new dwelling units) and an estimate of Woodburn's ability to accommodate needed new housing units for the 2019 to 2039 period, based on the findings of the housing needs analysis.

A comparison of 20-year residential land needs (demand) is made relative to the residential buildable land inventory. This provides a means of reconciling housing land demand with buildable land supply within the UGB.

Residential Land Needs Forecast Methods

Determining residential land needs requires converting the number of housing units into net acres of land area. This requires an understanding of local development code allowed housing types and density levels, which are grouped into low, medium and high-density levels. As shown previously in Exhibit 2.28, the range of allowable densities and average expected housing density is expressed in dwelling units per acre.

Development density (measured in terms of dwelling units per net buildable acre of land area) along with projected housing demand is used to calculate residential land needs. As indicated in **Appendix A**, the Woodburn development code allows a range in development densities depending upon residential and commercial and mixed-use land use zones. City of Woodburn planning staff has estimated average densities for each zone type based on current development permitting activity and their professional judgement.

Housing Forecast and Residential Land Needs Methods

The HNA planning process included three housing forecast methods.

- Method 1, reflects a "safe harbor" housing forecast and related land needs scenario.

- Method 2, reflects the baseline housing forecast with local density assumptions.

- Method 3 (Hybrid), includes the recommended housing forecast and related land needs based on local density assumptions.

"Safe harbor" means an optional course of action that a local government may use to satisfy a requirement of Goal 14 (urbanization); and if the city needs to expand their urban growth boundary, a safe harbor analysis lends protections from appeals on certain elements. A safe harbor is not the only way or necessarily the preferred way to comply with the requirements of a housing needs analysis. It was employed for the city of Woodburn as an alternative way of looking at residential land need scenarios for the 20 year forecast.

Safe Harbor Method

The steps taken to determine land needs using the safe harbor provisions include the following guidelines contained in OAR 660-024-0040(1)-(8).

Coordinated Population Growth Forecast

The land needs determination for a potential UGB expansion must be based upon the coordinated population growth forecast for the urban area as determined under rules in OAR-660-032. For this analysis, the 20-year planning period is 2019-2039.

According to Portland State University population growth forecast, the population within the Woodburn UGB is projected to increase from 26,965 to 35,810, resulting in 8,845 net new residents by year 2039.

Average Household Size

Relevant findings regarding specific requirements include:

> *(a) A local government may estimate persons per household for the 20-year planning period using the persons per household for the urban area indicated in the most current data for the urban area published by the U.S. Census Bureau.*

> **The most current estimate of persons per household in the City of Woodburn is 3.15 per U.S. Census, American Community Survey: 2013-2017 estimates.**

Local Development Code Provisions

Relevant findings regarding specific requirements include:

> *(b) If a local government does not regulate government-assisted housing differently than other housing types, it is not required to estimate the need for government-assisted housing as a separate housing type.*

> **Woodburn does not regulate government assisted housing differently than other housing types.**

> *(c) If a local government allows manufactured homes on individual lots as a permitted use in all residential zones that allow 10 or fewer dwelling units per net buildable acre, it is not necessary to provide an estimate of the need for manufactured dwellings on individual lots.*

> **Woodburn allows manufactured homes on individual lots as a permitted use in all residential zones that permit fewer than 10 dwelling units per net buildable acre, subject to development standards.**

> *(d) If a local government allows manufactured dwelling parks required by ORS 197.475 to 197.490 in all areas planned and zoned for a residential density of six to 12 units per acre, a separate estimate of the need for manufactured dwelling parks is not required.*

> **Woodburn allows manufactured dwelling parks in all zones which permit 4 to 7 dwelling units per acre.**

Housing Vacancy Rate Assumptions

> *(e) A local government outside of the Metro boundary may estimate its housing vacancy rate for the 20-year planning period using the vacancy rate in the most current data published by the U.S. Census Bureau for that urban area that includes the local government.*

The most current estimate of overall housing vacancy in the City of Woodburn is 4.4% per U.S. Census, American Community Survey, 2013-2017 estimates.

Method 1: Safe Harbor Housing Mix and Density Method

This method is described in OAR 660-024-0040(8)(f) and "Table 1" from the rule. According to the rule, Woodburn is grouped into the category of cities with a population over 25,000.

As indicated in **Exhibit 4.1**, this method assumes 2,932 net new dwelling units, with a required mix as follows: 50% low-density, 25% medium-density, and 25% high-density.

This method requires an overall (citywide) minimum density within residential base zones of: 6 dwellings per net acre; 8 dwellings/acre for UGB analysis; and the city must allow at least 10 units per acre overall (citywide) on its buildable residential land base.

Land needs are determined by dividing the housing need forecast (2,932 dwellings) by 8 dwellings per acre, which results in a potential UGB residential land need of 366 net buildable acres. The Woodburn UGB Buildable Land Inventory analysis determined that the UGB currently has 543 net buildable acres for future residential. Hence, the overall UGB would be sufficient to meet future demand.

Exhibit 4.1

Method 1				
Safe Harbor Combined Housing Mix and Density Method, Determination of Residential Land Need, Woodburn UGB				
	Factor	**Finding**	**Units**	**Source Notes**
1 Current Population Est. (2019)		26,965	population	Table A
2 Is Pop. Over 25,000?	Yes			
3 20-Yr Population Change		8,845		Table A
4 Population in Group Quarters	0.7%	60	population	Table B
Group quarters units	3.0	20	dwelling units	allowance
5 Population in Households		8,786	population	calculation
6 Average Household Size	3.15			Table B
7 Number of Households		2,789	households	calculation
8 Vacancy Factor	4.4%	123	dwellings	Table C
9 Dwelling Units Added		2,932	dwellings	
10 Dwelling Mix Safe Harbor	Percent	Dwellings		
Low Density Residential [1]	50%	1,466	dwellings	see OAR 660-024-0040(f)
Medium Density Residential [2]	25%	733	dwellings	see OAR 660-024-0040(f)
High Density Residential	25%	733	dwellings	see OAR 660-024-0040(f)
Total	**100%**	**2,932**	dwellings	calculation
11 Dwelling Unit Density Requirements	DU/Net Acre [3]	UGB Land Need Net Acres		
Required overall minimum	6			see OAR 660-024-0040(f)
Assume for UGB analysis	**8**	**366**	net acres	see OAR 660-024-0040(f)
Zone to Allow	10			see OAR 660-024-0040(f)

[1] Includes single family detached dwellings, manufactured homes and mobile homes.

[2] Includes townhomes, plexes and group quarters units.

[3] Analysis consistent with OAR 60-024-0040(f). This applies to all residential zones within the City and UGB.

Method 2: Baseline Housing Need Forecast Method

This method includes emerging market trends and forecasts derived from Section 2 and assumes that the average household size declines slightly over the next 20 years. This is done in order to reflect national trends of shrinking household sizes (in large part due to the increasing share of empty nesters and retirees), as well as a recognition that the 3.15 average household size figure derived from the 2017 American Community Survey is the highest observed of any year from 2009 to 2017. The average household size figure in method two moves from 3.15 (current) to 3.07 (future) people per dwelling unit. This results in a housing forecast of 3,012 dwelling units. But unlike the preceding method, this approach takes into account the expected average development density levels based on local market activity and City of Woodburn planning staff assumptions.

The housing mix is as follows: 60.6% low density, 7.0% manufactured housing, 10.6% townhomes/plexes, 10.9% garden apartments, and 10.9% higher-density apartments. Land needs are determined by dividing the housing needs by the average density assumptions as follows:

- Low density: 1,824 dwellings ÷ 6 units/acre = 304 acres

- Mfg. housing (or small lot cottages): 210 dwellings ÷ 8 units/acre = 26 acres

- Medium density townhomes/plexes: 320 dwellings ÷ 12 units/acre = 27 acres

- Medium density garden court apts.: 329 dwellings ÷ 16 units/acre = 21 acres

- Higher density apts.: 329 dwellings ÷ 31 units/acre = 11 acres

Total land requirements equates to 388 net buildable acres (see **Exhibit 4.2**).

Exhibit 4.2

Baseline Housing Need Forecast, Woodburn UGB				
				Source Notes
1 Future Housing Need	Net New Dwellings Expected	Housing Mix		
Low Density Residential [1]				
Single family detached	1,824	60.6%		Woodburn HNA Task 2 findings
Manufactured Housing	210	7.0%		Woodburn HNA Task 2 findings
Medium Density Residential [2]				
Townhomes, Plexes, ADUs	320	10.6%		Woodburn HNA Task 2 findings
Apartments (garden apts.)	329	10.9%		Woodburn HNA Task 2 findings
Higher Density	329	10.9%		Woodburn HNA Task 2 findings
Total	**3,012**	100.0%		
2 Expected Housing Density	DUs per acre [3]	UGB Land Need (Net Acres)		
Low Density Residential [1]				
Single family detached	6.0	304		calculation
Manufactured Housing	8.0	26		calculation
Medium Density Residential [2]				
Townhomes, Plexes, ADUs	12.0	27		calculation
Apartments (garden apts.)	16.0	21		calculation
Higher Density	31.0	11		calculation
Total/Average	**7.8**	**388**		calculation

[1] Includes single family detached dwellings, manufactured homes and mobile homes.
[2] Includes townhomes, plexes and group quarters units.
[3] Density estimates derived from City of Woodburn planning staff, June 2019.

◆ FCS GROUP

Method 3 (Hybrid): Recommended Housing Need Forecast Method

The HNA Advisory Committee and Planning Commission reviewed and discussed the baseline housing forecast and considered current multifamily market gaps described in Section 2. As such, Method 3 was generated to address housing attainability needs and emerging multifamily development opportunities.

Method 3 assumes that the total housing demand required to address population growth is consistent with the overall baseline housing forecast (Method 2) of 3,012 dwelling units. However, the expected medium and high-density housing mix is expected to be like Method 1. Medium and high-density housing has been allocated among three housing types: townhomes/plexes; garden apartments, and higher-density apartments. This results in a net new housing mix as follows: 51.9% low density, 10.6% townhomes/plexes, 10.9% garden apartments, and 26.6% higher density apartments.

Land needs are determined by dividing the housing need forecast by the average density assumptions as follows:

- Low density (includes single family detached and mfg. housing): 1,563 dwellings ÷ 6 units/acre = 261 acres
- Medium density townhomes/plexes: 320 dwellings ÷ 12 units/acre = 27 acres
- Medium density garden apts.: 329 dwellings ÷ 16 units/acre = 21 acres
- Higher density apts.: 800 dwellings ÷ 31 units/acre = 26 acres

Total land requirements equates to 334 net buildable acres (see **Exhibit 4.3**).

Exhibit 4.3

Recommended Housing Mix and Residential Land Needs, Woodburn UGB			
			Source Notes
1 Future Housing Need	Net New Dwellings Expected	Housing Mix	
Low Density Residential [1]	1,563	51.9%	Balance of baseline total dwelling demand forecast
Medium Density Residential [2]			
Townhomes, Plexes, ADUs	320	10.6%	Method 2
Apartments (garden apts.)	329	10.9%	Method 2
Higher Density	800	26.6%	estimate based on pipline projects
Total	**3,012**	**100%**	
2 Expected Housing Density	DUs per acre [3]	UGB Land Need (Net Acres)	
Low Density Residential [1]	6.0	261	calculation
Medium Density Residential [2]			
Townhomes, Plexes, ADUs	12.0	27	calculation
Apartments (garden apts.)	16.0	21	calculation
Higher Density	31.0	26	calculation
Total/Average	**9.0**	**334**	calculation
[1] Includes single family detached dwellings, manufactured homes and mobile homes.			
[2] Includes townhomes, plexes and group quarters units.			
[3] Density estimates derived from City of Woodburn planning staff, June 2019.			

Reconciliation of Land Supply and Demand

A comparison of the 20-year residential land needs (demand) is made relative to the residential buildable land inventory. This provides a means of reconciling residential land demand with the existing buildable land within the Woodburn UGB.

The reconciliation of UGB residential land need and land supply is summarized below. The results indicate that with the recommended housing forecast (Method 3), the Woodburn UGB would plan for 3,012 net new dwellings over the next 20 years. Based on the three methods evaluated, this would require between 333.5 acres (Method 3) and 366.5 acres (Method 1) of net land area. As the Buildable Land Inventory shows the residential land supply to be 567.1 acres, the overall UGB is sufficient to address the 20-year housing need forecast (see **Exhibit 4.4**).

Exhibit 4.4

Reconcilation of Residential Land Need, Woodburn UGB			Recommended
	Method 1: safe harbor housing mix	Method 2: baseline housing mix	Method 3: recommended housing mix
Dwellings/Units			
Low Density [1]	1,466	2,034	1,563
Medium Density [2]	733	649	649
Higher Density	733	329	800
Total	**2,932**	**3,012**	**3,012**
Land Need (net acres)			
Low Density [1]		330.2	260.5
Medium Density [2]		47.2	47.2
Higher Density		10.6	25.8
Total	**366.5**	**388.1**	**333.5**
Buildable Land Inventory (net acres)			
Low Density Residential [1]	425.1	425.1	425.1
Medium Density Residential [2]	115.9	115.9	115.9
Higher Density Residential (Commercial & Mixed Use zones) [3]	26.1	26.1	26.1
Total	**567.1**	**567.1**	**567.1**
UGB Land Surplus/Deficit (net acres)			
Low Density [1]		94.8	164.6
Medium Density [2]		68.7	68.7
Higher Density Residential (Commercial & Mixed Use zones) [3]		15.5	0.3
Total	**200.6**	**179.0**	**233.5**
Adequacy of UGB to meet housing need	adequate	adequate	adequate

[1] Includes single family detached dwellings, manufactured homes and mobile homes.

[2] Includes townhomes, plexes, garden-court apartments, and group quarters units.

[3] Includes higher density apartments. The phrase "high density" derives from OAR 660-038-0060 and applies to existing zoning districts allowing what Woodburn terms "medium" density of 16 or more units per acre: RMN, DDC, CO, CG, NNC, & MUV.

Woodburn UGB Sufficiency Analysis

The reconciliation analysis also indicates that the UGB has a surplus supply of low-density (94.8-164.6 acres) and medium-density zoned buildable land (68.7 acres) to meet projected residential land needs for single family detached, manufactured housing, townhomes, duplex and garden apartment housing needs.

The findings indicate that the 20-year land need for higher-density apartments exceeds the buildable land inventory for the RMN zone by 38 acres. This deficit could be accommodated within the remaining surplus supply of medium density zones (including the RM zone which currently limits development density to 16 units per acre) and/or some of the vacant commercial buildable lands (which include a total of 72 net buildable acres (according to the Woodburn HNA Buildable Land Inventory, May 2019).

In review of the _2001 Economic Opportunities Analysis for the city of Woodburn_ the demand for commercial land over the 1999-2020 time exceeded the vacant commercial buildable land supply (146 acres).To respond to the need, on December 14, 2015, the city and Marion County jointly approved a remanded and amended version of the Woodburn UGB, which included an additional 23 acres of commercial land.

In conclusion, to fully address high-density land needs, the city will need to identify policy measures to ensure that the forecasted demand for 800 higher density apartments/condos can be accommodated within the UGB. The city can meet this demand on a portion of remaining vacant or redevelopable low or medium density zoned land and vacant commercial zoned land. In order to reduce the conversion of vacant commercial zoned land to higher density apartments, the city may also consider rezoning up to 10 acres of vacant RM land to allow higher densities (e.g., increase allowable density from 16 to 24 units per acre) when certain objective standards are met (e.g., site size/configuration/access, proximity to public transit, etc.) to address the higher density multifamily housing needs.

Section V. Key Findings and Recommendations

KEY FINDINGS FROM THE HOUSING NEEDS ANALYSIS

- Based on the population growth forecasts for the Woodburn UGB (20-year population growth of 8,845 people) and housing and demographic characteristics, the baseline housing needs forecast plans for 3,012 net new dwelling units. A variety of housing is needed over the next 20 years, including 1,322 owner-occupied dwellings and 1,690 renter-occupied dwellings.

- Woodburn's existing policies generally comply with Goal 10. The local development code allows a wide mix of housing types and density ranges (see Appendix A).

- There is sufficient capacity within the current UGB to accommodate planned residential development and related land needs over the next 20 years. The current UGB contains 567 acres of buildable residential land inventory, and residential land needs are forecasted to require 333.5 acres based on the recommended housing mix.

- Woodburn has a need for additional affordable housing. Woodburn has a current unmet need for affordable rental housing and the citywide rental vacancy rate of 3% is very low compared with other communities in Oregon. Also, 26% of renter households in Woodburn are severely rent burdened.

RECCOMMENDED HOUSING ACTIONS

The City will need to optimize the available land within the UGB by considering the following:

1. Continue to encourage medium and high-density development within RM, RMN, DDC, NNC, MUV and appropriate sites within the CO and CG zones.

2. Consider amendments to development code standards regarding setbacks, parking requirements, etc. to ensure full utilization of vacant land for future development.

3. Consider and adopt development code amendments that encourage infill within residential zones and redevelopment within commercial and mixed-use zones.

4. In order to reduce the conversion of vacant commercial zoned land to higher density apartments, the city may also consider rezoning up to 10 acres of vacant or redevelopable low or medium density residential land to allow higher densities (e.g., increase allowable density from 16 to 24 units per acre) when certain objective standards are met (e.g., site size/configuration/access, proximity to public transit, etc.) to address the higher density multifamily housing needs.

To help encourage or incentivize construction of affordable housing priced at 80% or below of the median family income levels, the City should consider the following:

5. Identify public-owned properties that could be used for affordable housing.

6. Partner with local housing authorities or non-profit housing developers to provide offsite infrastructure (sewer, water, road improvements) or parking that supports affordable housing development.

7. Prepare a sliding scale system of System Development Charges (SDCs) which would provide charges that vary by home size and type.

8. Provide policies that allow SDC deferrals for affordable housing developments until a certificate of occupancy is granted.

9. Develop a tax abatement program, such as the multiple-unit limited tax exemption program, to promote development of affordable housing.

10. Consider establishing a local affordable housing construction excise tax to be used to incentivize development of income restricted housing.

Further policies have been recommended, however, due to the limited timeframe of this project, these policies have not been reviewed and approved by the Woodburn Planning Commission. Policies outlined in Appendix B will be discussed with the Planning Commission, refined based on Planning Commission input and summarized in a housing strategies report to follow.

APPENDIX A: EXISTING DEV. CODE

Woodburn HNA Residential Density Assumptions

City Zoning	General HNA Classification	Description	Allowed Dwelling Units/Acre	Expected Avg. Net Housing Density*
RS	Low density	Residential Single Family	Minimum: 5.2 units/acre - 7.26 (Comprehensive Plan Policy Table 1)	6.0
R1S	Low density	Retirement Community Single Family Res.	Minimum: none; max of 12.1 units/acre (WDO Table 2.02D)	0**
RSN	Low density	Nodal Single Family Residential	7.9 units/acre to 10.89 units/acre (Policy Table 1)	9.9
RM	Medium density	Medium Density Residential	10 units/acre to 16 units/acre (Policy Table 1)	15
RMN	High density	Nodal Multi-family Residential	10 units/acre to 22 units/acre (Policy Table 1)	18
DDC	High density	Downtown Development & Conservation	Row house: minimum 12, max of 16 units/acre; Multi-family: no minimum, no max (WDO Table 2.03B)	26
CO	High density	Commercial Office	Stand-alone multi-family: 12 minimum, no max; In mixed-use development: no minimum, max 32 units/acre (WDO Table 2.03D)	31
CG	High density	Commercial General	Row house: minimum 12, max of 24 units/acre; Stand-alone multi-family: 12 minimum, max 32 units/acre; In mixed-use development: no minimum, max 32 units/acre (WDO Table 2.03C)	31
NNC	High density	Nodal Neighborhood Commercial	Row house: minimum 20, no max; Multi-family: minimum 19, no max (WDO Table 2.03F)	18
MUV	High density	Mixed Use Village	Row house: minimum 12, max 32 units/acre; Stand-alone multi-family: 12 minimum, max 32 units/acre; In mixed-use development: no minimum, max 32 units/acre (WDO Table 2.03E)	20.9

* Expected average housing density per net buildable acre on land used for residential development, based on Woodburn city planning staff estimates.

**The R1S zone is limited to a cluster of retirement single-family subdivisions (Woodburn Golf & Estates) that are fully developed and were developed mostly in the 1960s. The City does not intend to designate this zoning district to additional property or developments because the purpose of the zone is to accommodate existing development that pre-dates the minimum lot sizes and setbacks and maximum lot coverages of the Woodburn Zoning Ordinance (WZO; 1973) and the WDO (2002 through present). Therefore, the existing built density of the R1S zone, whatever it is, will remain as is.

GLOSSARY

The definitions below do not necessarily supersede those in ORS, OAR, the WDO, or per WDO 1.02 & 4.02.06B.6.b. the *New Oxford American Dictionary*, 2010 edition.

Accessory Dwelling Unit (ADU): An interior, attached or detached residential structure that is used in connection with or that is accessory to a single-family dwelling. [ORS 197.312(5)(b)].

Buildable Lands Inventory (BLI): An assessment of the capacity of land within the city Urban Growth Boundary to accommodate forecasted housing and employment needs.

Buildable Residential Land: Includes land that is designated for residential development that is vacant and part-vacant and not constrained by existing buildings or environmental issues.

Constrained land: Land that is unavailable for future net new residential development based on one or more factors, such as environmental protections, public lands, floodplains, or steep slopes.

Cost Burdened: Defined by US Department of Housing and Urban Development (HUD) as households who spend over 30% of their income on housing.

Cottages: Small, single-level, detached units, often on their own lots and sometimes clustered around pockets of shared open space. A cottage is typically under 1,000 square feet in footprint.

Density: Defined by the number of housing units on one acre of land.

Development density: Expected number of dwelling units (per acre) based on current zoning designations.

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

High Density: Lots with the average density of 12+ dwelling units per acre [based on OAR 660-038-0060(1)(b)(B)(iii)]. Best suited for multifamily housing such as apartments and condos.

Housing Needs Analysis (HNA): The Housing Needs Analysis consists of four distinct reports that analyze the state of housing supply, housing affordability issues and the City's ability to meet projected housing demand going into 2040.

Housing Unit (or Dwelling Unit): A house, an apartment or other group of rooms, or a single room is regarded as a housing unit when it is occupied or intended for occupancy as separate living quarters; that is, when the occupants do not live and eat with any other person in the structure and there is direct access from the outside or common hall.

Household: Consists of all people that occupy a housing unit.

HUD: Acronym for US Department of Housing and Urban Development, the federal agency dedicated to strengthening and supporting the housing market.

Low Density: Lots with the average density of 3-4 dwelling units per acre [based on OAR 660-038-0060(1)(b)(B)(i)]. Best suited for family housing such as single family detached homes.

Manufactured Housing: is a type of prefabricated home that is largely assembled of site and then transported to sites of use. The definition of the term in the United States is regulated by federal law

(Code of Federal Regulations, 24 CFR 3280): "Manufactured homes are built as dwelling units of at least 320 square feet in size, usually with a permanent chassis to assure the initial and continued transportability of the home. The requirement to have a wheeled chassis permanently attached differentiates "manufactured housing" from other types of prefabricated homes, such as modular homes.

Manufactured Home Park (or manufactured home park): a local zoning designation that is specifically intended to address demand for this housing type. OAR chapter 813, division 007 is adopted to implement section 9, chapter 816, Oregon Laws 2009, and sections 2, 3 and 4, chapter 619, Oregon Laws 2005, as amended by sections 10 to 12, chapter 816, Oregon Laws 2009, and sections 19, and 21, chapter 503, Oregon Laws 2011 for the purpose of regulating manufactured dwelling parks.

Median Family Income (MFI): The median sum of the income of all family members 15 years and older living in the household. Families are groups of two or more people (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.

Medium Density: Lots with the average density of 6-12 dwelling units per acre [based on OAR 660-038-0060(1)(b)(B)(ii)]. Best suited for small lot housing such as single family attached, townhomes, plexes and cottages.

Mixed Use: Characterized as two or more residential, commercial, cultural, institutional, and/or industrial uses into one combined building or building(s) on the same parcel of land.

Multi-Family Housing: Stacked flats in a single buildings or groups of buildings on a single lot. Parking is shared, and entrance to units is typically accessed through a shared lobby. See also WDO 1.02 Definitions, "Dwellings … Multiple-Family Dwelling": A building on a single lot containing three or more dwelling units. Note: This definition does not include row houses, where attached single-family dwelling units are located on separate lots."

Oregon Administrative Rules (OAR): Administrative Rules are created by most agencies and some boards and commissions to implement and interpret their statutory authority (ORS 183.310(9)). Agencies may adopt, amend, repeal or renumber rules, permanently or temporarily. Every OAR uses the same numbering sequence of a three-digit chapter number followed by a three-digit division number and a four-digit rule number. For example, Oregon Administrative Rules, chapter 166, division 500, rule 0020 is cited as OAR 166-500-0020. (oregon.gov)

Oregon Revised Statutes (ORS): The codified laws of the State of Oregon.

Part-vacant land: Unconstrained land that has some existing development, but can be subdivided to allow for additional residential development.

Plexes and Apartments: Multiple units inside one structure on a single lot. Usually each unit has its own entry. See also WDO 1.02 Definitions, "Dwellings … Multiple-Family Dwelling": A building on a single lot containing three or more dwelling units. Note: This definition does not include row houses, where attached single-family dwelling units are located on separate lots."

Seasonal dwellings: These units are intended by the owner to be occupied during only certain seasons of the year. They are not anyone's usual residence. A seasonal unit may be used in more than one season; for example, for both summer and winter sports. Published counts of seasonal units also

include housing units held for occupancy by migratory farm workers. While not currently intended for year-round use, most seasonal units could be used year-round.

Severely Cost Burdened: Defined US Department of Housing and Urban Development (HUD) as households who spend over 50% of their income on housing.

Single Family Attached: Dwelling units that are duplexes without a subdividing property line between the two to four housing units. "Attached" duplexes require a single building permit for both dwelling units. The "attached" units would be addressed with one numerical street address for the overall structure with separate alpha-numeric unit numbers for each dwelling.

Single Family Detached: Free standing residential building**,** unattached, containing separate bathing, kitchen, sanitary, and sleeping facilities designed to be occupied by not more than one family, not including manufactured and mobile homes.

Townhome (also known as duplexes, rowhouse, etc.): Attached housing units, each on a separate lot, and each with its own entry from a public or shared street or common area. See also WDO 1.02 Definitions, "Dwellings … Row House": "A building containing three or more dwelling units, arranged so that each dwelling unit is located on a separate lot. The building often consists of a series of houses of similar or identical design, situated side by side and joined by common walls."

Urban Growth Boundary (UGB): Under Oregon law, each of the state's cities and metropolitan areas has created an urban growth boundary around its perimeter – a land use planning line to control urban expansion onto farm and forest lands.

Vacant housing unit: A housing unit is vacant if no one is living in it at the time of enumeration, unless its occupants are only temporarily absent. Units temporarily occupied at the time of enumeration entirely by people who have a usual residence elsewhere are also classified as vacant.

Vacant land: Vacant and part-vacant land identified within the local buildable land inventory that is not developed and unconstrained for future planned residential development.

Woodburn Development Ordinance (WDO): The land development and zoning code of the City of Woodburn, which the City Council last amended June 24, 2019 via Ordinance No. 2573.

Ordinance No. 2576

Exhibit B: Analyses & Findings

Oregon law requires the City to have a housing needs analysis (HNA) through Oregon Revised Statutes (ORS) 197.175, 197.295-314, & 197.475-490 and Oregon Administrative Rules (OAR) 660-008.

The legislature in response to the national housing affordability crisis during its spring 2018 session allocated $1.73 million to the Department of Land Conservation and Development (DLCD) for housing planning technical assistance via House Bill (HB) 4006, and the enrolled bill allocated funding for the purpose of providing technical assistance to local governments in increasing the affordability of housing and required that DLCD spend the allocation by June 30, 2019.

HB 4006 directed DLCD to prioritize cities with over 10,000 residents and in which 25% or more of rental households are "severely rent-burdened", meaning households that each spend more than 50% of household income (HHI) on rent. Woodburn is such a city.

The City of Woodburn applied for technical assistance to analyze and report on Woodburn housing needs, and on June 28, 2018, DLCD notified the City that it selected Woodburn. As part of the administration of technical assistance, the City entered into a memorandum of understanding (MOU) with DLCD. The City duly complied with the MOU and received an HNA final document that DLCD expects the City to adopt in return for technical assistance.

On October 28, 2019, the Council held a work session, tentatively approved the HNA based upon removal of Appendix B "Draft Policies and Actions" that contains recommended measures, and requested Ordinance 2576 effecting the amendment. Appendix B is not necessary to the HNA, and DLCD has not cited a statute or rule and informed the City that it is required to adopt Appendix B or any of its measures.

Lastly, on December 9, 2019, the Council held a public hearing, reviewed the record, and heard testimony, setting the stage for Legislative Amendment LA 2019-02 to the Woodburn Comprehensive Plan that adopts the HNA as part of Comprehensive Plan, Volume II.