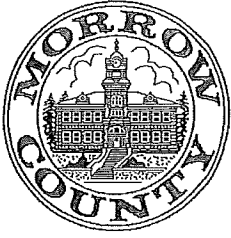


Housing Work Session



PLANNING DEPARTMENT

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October 16, 2020

MEMO

TO: Planning Commission

FROM: Tamra Mabbott, Planning Director *Tamra*

RE: Rural Residential 10-acre Zone

Based on meetings and materials of previous meetings, Planning Commission and staff engaged in robust discussions about issues and opportunities for a RR-10 zone in Morrow County. In an effort to help answer some unresolved questions about how and where the RR 10 Zone would be applied, staff is sharing a number of documents for your consideration. I would like to speak briefly about items I - IV at the October 27th meeting and then answer questions and have a discussion with commission members before the commission talks further about revised code language (Item V) and next steps (Item VI).

- I. Statewide Planning Goal 10 – Housing. The focus of Goal 10 is creating opportunities for housing in urban areas. See attached or here:
<https://www.oregon.gov/lcd/OP/Pages/Goal-10.aspx>
- II. Oregon Administrative Rules (OAR 660-004-0000) Interpretation of Goal 2 Exception Process apply to an application to rezone resource lands for any other use. The standards are rigorous. See attached or here:
<https://secure.sos.state.or.us/oard/displayDivisionRules.action?selectedDivision=3054>
- III. Local (Morrow County Zoning Ordinance) Section 8.040 Article 8 Amendments. These county standards apply to any zone change and require an evaluation of how the zone change will affect “public services and facilities ...including but not limited to, water availability relevant to both quantity and quality, waste and storm water management, other public services and streets and roads.” MCZO 8.040B attached and here:
https://www.co.morrow.or.us/sites/default/files/fileattachments/planning/page/8931/zoning_art_8_10-01-13.pdf
- IV. 2019 Morrow County Housing Strategies Report and role of cities to provide housing. See attached memo for Morrow County.
- V. Discussion about draft Zone – word changes. See attached drafts.
- VI. Next Steps – Legislative process overview.

Oregon's Statewide Planning Goals & Guidelines

GOAL 10: HOUSING

OAR 660-015-0000(10)

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

Buildable lands for residential use shall be inventoried and plans shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.

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

Government-Assisted Housing -- means housing that is financed in whole or part by either a federal or state housing agency or a local housing authority as defined in ORS 456.005 to 456.720, or housing that is occupied by a tenant or tenants who benefit from rent supplements or housing vouchers provided by either a federal or state housing agency or a local housing authority.

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

Manufactured Homes -- means structures with a Department of Housing and Urban Development (HUD) label certifying that the structure is constructed in accordance with the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 USC 5401 et seq.), as amended on August 22, 1981.

Needed Housing Units -- means housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels. On and after the beginning of the first periodic review of a local government's acknowledged comprehensive plan, "needed housing units" also includes government-assisted housing. For cities having populations larger than 2,500 people and counties having populations larger than 15,000 people, "needed housing units" also includes (but is not limited to) attached and detached single-family housing, multiple-family housing, and manufactured homes, whether occupied by owners or renters.

GUIDELINES

A. PLANNING

1. In addition to inventories of buildable lands, housing elements of a comprehensive plan should, at a minimum, include: (1) a comparison of the distribution of the existing population by income with the distribution of available housing units by cost; (2) a determination of vacancy rates, both overall and at varying rent ranges and cost levels; (3) a determination of expected housing demand at varying rent ranges and cost levels; (4) allowance for a variety of densities and types of residences in each community; and (5) an inventory of sound housing in urban areas including units capable of being rehabilitated.

2. Plans should be developed in a manner that insures the provision of appropriate types and amounts of land within urban growth boundaries. Such land should be necessary and suitable for housing that meets the housing needs of households of all income levels.

3. Plans should provide for the appropriate type, location and phasing of public facilities and services sufficient to support housing development in areas presently developed or undergoing development or redevelopment.

4. Plans providing for housing needs should consider as a major determinant the carrying capacity of the air, land and water resources of the planning area. The land conservation and development actions provided for by such plans should not exceed the carrying capacity of such resources.

B. IMPLEMENTATION

1. Plans should provide for a continuing review of housing need projections and should establish a process for accommodating needed revisions.

2. Plans should take into account the effects of utilizing financial incentives and resources to (a) stimulate the rehabilitation of substandard housing without regard to the financial capacity of the owner so long as benefits accrue to the occupants; and (b) bring into compliance with codes adopted to assure safe and sanitary housing the dwellings of individuals who cannot on their own afford to meet such codes.

3. Decisions on housing development proposals should be expedited when such proposals are in

accordance with zoning ordinances and with provisions of comprehensive plans.

4. Ordinances and incentives should be used to increase population densities in urban areas taking into consideration (1) key facilities, (2) the economic, environmental, social and energy consequences of the proposed densities and (3) the optimal use of existing urban land particularly in sections containing significant amounts of unsound substandard structures.

5. Additional methods and devices for achieving this goal should, after consideration of the impact on lower income households, include; but not be limited to: (1) tax incentives and disincentives; (2) building and construction code revision; (3) zoning and land use controls; (4) subsidies and loans; (5) fee and less-than-fee acquisition techniques; (6) enforcement of local health and safety codes; and (7) coordination of the development of urban facilities and services to disperse low income housing throughout the planning area.

6. Plans should provide for a detailed management program to assign respective implementation roles and responsibilities to those governmental bodies operating in the planning area and having interests in carrying out the goal.

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Chapter 660

Division 8

INTERPRETATION OF GOAL 10 HOUSING

660-008-0000

Purpose

(1) The purpose of this division is to ensure opportunity for the provision of adequate numbers of needed housing units, the efficient use of buildable land within urban growth boundaries, and to provide greater certainty in the development process so as to reduce housing costs. This division is intended to provide standards for compliance with Goal 10 "Housing" and to implement ORS 197.303 through 197.307.

(2) OAR chapter 660, division 7, Metropolitan Housing, is intended to complement and be consistent with OAR chapter 660, division 8 and Statewide Planning Goal 10 Housing (OAR 660-015-0000(10)). Should differences in interpretation between division 8 and division 7 arise, the provisions of division 7 shall prevail for cities and counties within the Metro urban growth boundary.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.295 - 197.314 & 197.475 - 197.490

History:

LCDD 2-2012, f. & cert. ef. 2-14-12

LCDD 3-2004, f. & cert. ef. 5-7-04

LCDC 3-1982, f. & ef. 7-21-82

660-008-0005

Definitions

For the purpose of this division, the definitions in ORS 197.015, 197.295, and 197.303 shall apply. In addition, the following definitions shall apply:

(1) "Attached Single Family Housing" means common-wall dwellings or rowhouses where each dwelling unit occupies a separate lot.

(2) "Buildable Land" means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses. Publicly owned land is generally not considered available for residential uses. Land is generally considered "suitable and available" unless it:

- (a) Is severely constrained by natural hazards as determined under Statewide Planning Goal 7;
- (b) Is subject to natural resource protection measures determined under Statewide Planning Goals 5, 6, 15, 16, 17 or 18;
- (c) Has slopes of 25 percent or greater;
- (d) Is within the 100-year flood plain; or
- (e) Cannot be provided with public facilities.

(3) "Detached Single Family Housing" means a housing unit that is free standing and separate from other housing units.

(4) "Housing Needs Projection" refers to a local determination, justified in the plan, of the mix of housing types, amounts and densities that will be:

(a) Commensurate with the financial capabilities of present and future area residents of all income levels during the planning period;

(b) Consistent with any adopted regional housing standards, state statutes and Land Conservation and Development Commission administrative rules; and

(c) Consistent with Goal 14 requirements.

(5) "Multiple Family Housing" means attached housing where each dwelling unit is not located on a separate lot.

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

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

(b) Government assisted housing;

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

(d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions; and

(e) Housing for farmworkers.

(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.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.295 - 197.314 & 197.475 - 197.490

History:

LCDD 2-2012, f. & cert. ef. 2-14-12

LCDD 3-2008, f. & cert. ef. 4-18-08

LCDD 3-2004, f. & cert. ef. 5-7-04

LCDC 3-1990, f. & cert. ef. 6-6-90

LCDC 3-1982, f. & ef. 7-21-82

660-008-0010

Allocation of Buildable Land

The mix and density of needed housing is determined in the housing needs projection. Sufficient buildable land shall be designated on the comprehensive plan map to satisfy housing needs by type and density range as determined in the housing needs projection. The local buildable lands inventory must document the amount of buildable land in each residential plan designation.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.295 - 197.314 & 197.475 - 197.490

History:

LCDD 2-2012, f. & cert. ef. 2-14-12

LCDC 3-1982, f. & ef. 7-21-82

660-008-0015

Clear and Objective Approval Standards Required

(1) Except as provided in section (2) of this rule, a local government may adopt and apply only clear and objective standards, conditions and procedures regulating the development of needed housing on buildable land. The standards, conditions and procedures may not have the effect, either in themselves or cumulatively, of discouraging needed housing through unreasonable cost or delay.

(2) In addition to an approval process for needed housing based on clear and objective standards, conditions and procedures as provided in section (1) of this rule, a local government may adopt and apply an optional alternative approval process for applications and permits for residential development based on approval criteria regulating, in whole or in part, appearance or aesthetics that are not clear and objective if:

(a) The applicant retains the option of proceeding under the approval process that meets the requirements of section (1);

(b) The approval criteria for the alternative approval process comply with applicable statewide land use planning goals and rules; and

(c) The approval criteria for the alternative approval process authorize a density at or above the density level authorized in the zone under the approval process provided in section (1) of this rule.

(3) Subject to section (1), this rule does not infringe on a local government's prerogative to: (a) Set approval standards under which a particular housing type is permitted outright; (b) Impose special conditions upon approval of a specific development proposal; or

(c) Establish approval procedures.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.295 - 197.314 & 197.475 - 197.490

History:

LCDD 2-2012, f. & cert. ef. 2-14-12

LCDC 3-1982, f. & ef. 7-21-82

660-008-0020

Specific Plan Designations Required

(1) Plan designations that allow or require residential uses shall be assigned to all buildable land. Such designations may allow nonresidential uses as well as residential uses. Such designations may be considered to be "residential plan designations" for the purposes of this division. The plan designations assigned to buildable land shall be specific so as to accommodate the varying housing types and densities identified in the local housing needs projection.

(2) A local government may defer the assignment of specific residential plan designations only when the following conditions have been met:

(a) Uncertainties concerning the funding, location and timing of public facilities have been identified in the local comprehensive plan;

(b) The decision not to assign specific residential plan designations is specifically related to identified public facilities constraints and is so justified in the plan; and

(c) The plan includes a time-specific strategy for resolution of identified public facilities uncertainties and a policy commitment to assign specific residential plan designations when identified public facilities uncertainties are resolved.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: 197.295 - 197.314 & 197.475 - 197.490

History:

LCDD 2-2012, f. & cert. ef. 2-14-12

LCDD 5-1999, f. & cert. ef. 7-2-99

LCDC 3-1982, f. & ef. 7-21-82

660-008-0025

The Rezoning Process

A local government may defer rezoning of land within an urban growth boundary to maximum planned residential density provided that the process for future rezoning is reasonably justified. If such is the case, then:

(1) The plan shall contain a justification for the rezoning process and policies which explain how this process will be used to provide for needed housing.

(2) Standards and procedures governing the process for future rezoning shall be based on the rezoning justification and policy statement, and must be clear and objective and meet other requirements in OAR 660-008-0015.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.295 - 197.314 & 197.475 - 197.490

History:

LCDD 2-2012, f. & cert. ef. 2-14-12

LCDC 3-1982, f. & ef. 7-21-82

660-008-0030

Regional Coordination

(1) Each local government shall consider the needs of the relevant region in arriving at a fair allocation of housing types and densities.

(2) The local coordination body shall be responsible for ensuring that the regional housing impacts of restrictive or expansive local government programs are considered. The local coordination body shall ensure that needed housing is provided for on a regional basis through coordinated comprehensive plans.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.295 - 197.314 & 197.475 - 197.490

History:

LCDD 2-2012, f. & cert. ef. 2-14-12

LCDC 3-1982, f. & ef. 7-21-82

660-008-0035

Substantive Standards for Taking a Goal 2, Part II Exception Pursuant to ORS 197.303(3)

(1) A local government may satisfy the substantive standards for exceptions contained in Goal 2, Part II, upon a demonstration in the local housing needs projection, supported by compelling reasons and facts, that:

(a) The needed housing type is being provided for elsewhere in the region in sufficient numbers to meet regional needs;

(b) Sufficient buildable land has been allocated within the local jurisdiction for other types of housing which can meet the need for shelter at the particular price ranges and rent levels that would have been met by the excluded housing type; and

(c) The decision to substitute other housing types for the excluded needed housing type furthers the policies and objectives of the local comprehensive plan, and has been coordinated with other affected units of government.

(2) The substantive standards listed in section (1) of this rule shall apply to the ORS 197.303(3) exceptions process in lieu of the substantive standards in Goal 2, Part II.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.295 - 197.314 & 197.475 - 197.490

History:

LCDD 2-2012, f. & cert. ef. 2-14-12

LCDC 3-1982, f. & ef. 7-21-82

660-008-0040

Restrictions on Housing Tenure

Any local government that restricts the construction of either rental or owner occupied housing shall include a determination of housing need according to tenure as part of the local housing needs projection.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.295 - 197.314 & 197.475 - 197.490

History:

LCDD 2-2012, f. & cert. ef. 2-14-12

LCDC 3-1982, f. & ef. 7-21-82

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Land Conservation and Development Department

Chapter 660

Division 4

INTERPRETATION OF GOAL 2 EXCEPTION PROCESS

660-004-0000

Purpose

(1) The purpose of this division is to interpret the requirements of Goal 2 and ORS 197.732 regarding exceptions. This division explains the three types of exceptions set forth in Goal 2 "Land Use Planning, Part II, Exceptions." Rules in other divisions of OAR 660 provide substantive standards for some specific types of goal exceptions. Where this is the case, the specific substantive standards in the other divisions control over the more general standards of this division. However, the definitions, notice, and planning and zoning requirements of this division apply to all types of exceptions. The types of exceptions that are subject to specific standards in other divisions are:

(a) Standards for a demonstration of reasons for sanitary sewer service to rural lands are provided in OAR 660-011-0060(9);

(b) Standards for a demonstration of reasons for urban transportation improvements on rural land are provided in OAR 660-012-0070;

(c) Standards to determine irrevocably committed exceptions pertaining to urban development on rural land are provided in OAR 660-014-0030, and standards for demonstration of reasons for urban development on rural land are provided in OAR 660-014-0040.

(2) An exception is a decision to exclude certain land from the requirements of one or more applicable statewide goals in accordance with the process specified in Goal 2, Part II, Exceptions. The documentation for an exception must be set forth in a local government's comprehensive plan. Such documentation must support a conclusion that the standards for an exception have been met. The conclusion shall be based on findings of fact supported by substantial evidence in the record of the local proceeding and by a statement of reasons that explains why the proposed use not allowed by the applicable goal, or a use authorized by a statewide planning goal that cannot comply with the approval standards for that type of use, should be provided for. The exceptions process is not to be used to indicate that a jurisdiction disagrees with a goal.

(3) The intent of the exceptions process is to permit necessary flexibility in the application of the Statewide Planning Goals. The procedural and substantive objectives of the exceptions process are to:

(a) Assure that citizens and governmental units have an opportunity to participate in resolving plan conflicts while the exception is being developed and reviewed; and

(b) Assure that findings of fact and a statement of reasons supported by substantial evidence justify an exception to a statewide goal.

(4) When taking an exception, a local government may rely on information and documentation prepared by other groups or agencies for the purpose of the exception or for other purposes, as substantial evidence to support its findings of fact. Such information must be either included or properly incorporated by reference into the record of the local exceptions proceeding. Information included by reference must be made available to interested persons for their review prior to the last evidentiary hearing on the exception.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.040, 197.712, 197.717, 197.732 & 197.736

History:

LCDD 3-2011, f. & cert. ef. 3-16-11
 LCDD 1-2011, f. & cert. ef. 2-2-11
 LCDD 6-2006, f. 7-13-06, cert. ef. 7-14-06
 LCDD 2-2006, f. & cert. ef. 2-15-06
 LCDC 1-1984, f. & ef. 2-10-84
 LCDC 9-1983, f. & ef. 12-30-83
 LCDC 5-1982, f. & ef. 7-21-82

660-004-0005

Definitions

For the purpose of this division, the definitions in ORS 197.015 and the Statewide Planning Goals shall apply. In addition, the following definitions shall apply:

(1) An "Exception" is a comprehensive plan provision, including an amendment to an acknowledged comprehensive plan, that:

(a) Is applicable to specific properties or situations and does not establish a planning or zoning policy of general applicability;

(b) Does not comply with some or all goal requirements applicable to the subject properties or situations; and

(c) Complies with ORS 197.732(2), the provisions of this division and, if applicable, the provisions of OAR 660-011-0060, 660-012-0070, 660-014-0030 or 660-014-0040.

(2) "Resource Land" is land subject to one or more of the statewide goals listed in OAR 660-004-0010(1)(a) through (g) except subsections (c) and (d).

(3) "Nonresource Land" is land not subject to any of the statewide goals listed in OAR 660-004-0010(1)(a) through (g) except subsections (c) and (d). Nothing in these definitions is meant to imply that other goals, particularly Goal 5, do not apply to nonresource land.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.015, 197.732 & 197.736

History:

LCDD 3-2011, f. & cert. ef. 3-16-11
 LCDD 1-2011, f. & cert. ef. 2-2-11
 LCDD 3-2004, f. & cert. ef. 5-7-04
 LCDC 9-1983, f. & ef. 12-30-83
 LCDC 5-1982, f. & ef. 7-21-82

660-004-0010

Application of the Goal 2 Exception Process to Certain Goals

(1) The exceptions process is not applicable to Statewide Goal 1 "Citizen Involvement" and Goal 2 "Land Use Planning." The exceptions process is generally applicable to all or part of those statewide goals that prescribe or restrict certain uses of resource land, restrict urban uses on rural land, or limit the provision of certain public facilities and services. These statewide goals include but are not limited to:

(a) Goal 3 "Agricultural Lands"; however, an exception to Goal 3 "Agricultural Lands" is not required for any of the farm or nonfarm uses allowed in an exclusive farm use (EFU) zone under ORS chapter 215 and OAR chapter 660, division 33, "Agricultural Lands", except as provided under OAR 660-004-0022 regarding a use authorized by a statewide planning goal that cannot comply with the approval standards for that type of use;

(b) Goal 4 "Forest Lands"; however, an exception to Goal 4 "Forest Lands" is not required for any of the forest or nonforest uses allowed in a forest or mixed farm/forest zone under OAR chapter 660, division 6, "Forest Lands";

(c) Goal 11 "Public Facilities and Services" as provided in OAR 660-011-0060(9);

(d) Goal 14 "Urbanization" as provided for in the applicable paragraph (I)(c)(A), (B), (C) or (D) of this rule:

(A) An exception is not required for the establishment of an urban growth boundary around or including portions of an incorporated city;

(B) When a local government changes an established urban growth boundary applying Goal 14 as it existed prior to the amendments adopted April 28, 2005, it shall follow the procedures and requirements set forth in Goal 2 "Land Use Planning," Part II, Exceptions. An established urban growth boundary is one that has been acknowledged under ORS 197.251, 197.625 or 197.626. Findings and reasons in support of an amendment to an established urban growth

9

boundary shall demonstrate compliance with the seven factors of Goal 14 and demonstrate that the following standards are met:

(i) Reasons justify why the state policy embodied in the applicable goals should not apply (This factor can be satisfied by compliance with the seven factors of Goal 14);

(ii) Areas that do not require a new exception cannot reasonably accommodate the use;

(iii) The long-term environmental, economic, social and energy consequences resulting from the use at the proposed site with measures designed to reduce adverse impacts are not significantly more adverse than would typically result from the same proposal being located in areas requiring a goal exception other than the proposed site; and

(iv) The proposed uses are compatible with other adjacent uses or will be so rendered through measures designed to reduce adverse impacts.

(C) When a local government changes an established urban growth boundary applying Goal 14 as amended April 28, 2005, a goal exception is not required unless the local government seeks an exception to any of the requirements of Goal 14 or other applicable goals;

(D) For an exception to Goal 14 to allow urban development on rural lands, a local government must follow the applicable requirements of OAR 660-014-0030 or 660-014-0040, in conjunction with applicable requirements of this division;

(e) Goal 16 "Estuarine Resources";

(f) Goal 17 "Coastal Shorelands"; and

(g) Goal 18 "Beaches and Dunes."

(2) The exceptions process is generally not applicable to those statewide goals that provide general planning guidance or that include their own procedures for resolving conflicts between competing uses. However, exceptions to these goals, although not required, are possible and exceptions taken to these goals will be reviewed when submitted by a local jurisdiction. These statewide goals are:

(a) Goal 5 "Natural Resources, Scenic and Historic Areas, and Open Spaces";

(b) Goal 6 "Air, Water, and Land Resources Quality";

(c) Goal 7 "Areas Subject to Natural Hazards";

(d) Goal 8 "Recreational Needs";

(e) Goal 9 "Economic Development";

(f) Goal 10 "Housing" except as provided for in OAR 660-008-0035, "Substantive Standards for Taking a Goal 2, Part II, Exception Pursuant to ORS 197.303(3)";

(g) Goal 12 "Transportation" except as provided for by OAR 660-012-0070, "Exceptions for Transportation Improvements on Rural Land";

(h) Goal 13 "Energy Conservation";

(i) Goal 15 "Willamette River Greenway" except as provided for in OAR 660-004-0022(6); and

(j) Goal 19 "Ocean Resources."

(3) An exception to one goal or goal requirement does not ensure compliance with any other applicable goals or goal requirements for the proposed uses at the exception site. Therefore, an exception to exclude certain lands from the requirements of one or more statewide goals or goal requirements does not exempt a local government from the requirements of any other goal(s) for which an exception was not taken.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.732

History:

LCDD 3-2011, f. & cert. ef. 3-16-11

LCDD 1-2011, f. & cert. ef. 2-2-11

LCDD 3-2008, f. & cert. ef. 4-18-08

LCDD 4-2005, f. & cert. ef. 6-28-05

LCDD 3-2004, f. & cert. ef. 5-7-04

LCDC 6-1988, f. & cert. ef. 9-29-88

LCDC 3-1988(Temp), f. & cert. ef. 8-5-88

LCDC 2-1987, f. & ef. 11-10-87

LCDC 3-1984, f. & ef. 3-21-84

LCDC 1-1984, f. & ef. 2-10-84
 LCDC 9-1983, f. & ef. 12-30-83
 LCDC 5-1982, f. & ef. 7-21-82

660-004-0015**Inclusion as Part of the Plan**

(1) A local government approving a proposed exception shall adopt, as part of its comprehensive plan, findings of fact and a statement of reasons that demonstrate that the standards for an exception have been met. The reasons and facts shall be supported by substantial evidence that the standard has been met.

(2) A local government denying a proposed exception shall adopt findings of fact and a statement of reasons that demonstrate that the standards for an exception have not been met. However, the findings need not be incorporated into the local comprehensive plan.

Statutory/Other Authority: ORS 197.040
 Statutes/Other Implemented: ORS 197.732

History:

LCDD 3-2011, f. & cert. ef. 3-16-11
 LCDD 1-2011, f. & cert. ef. 2-2-11
 LCDC 9-1983, f. & ef. 12-30-83
 LCDC 5-1982, f. & ef. 7-21-82

660-004-0018**Planning and Zoning for Exception Areas**

(1) Purpose. This rule explains the requirements for adoption of plan and zone designations for exceptions. Exceptions to one goal or a portion of one goal do not relieve a jurisdiction from remaining goal requirements and do not authorize uses, densities, public facilities and services, or activities other than those recognized or justified by the applicable exception. Physically developed or irrevocably committed exceptions under OAR 660-004-0025 and 660-004-0028 and 660-014-0030 are intended to recognize and allow continuation of existing types of development in the exception area. Adoption of plan and zoning provisions that would allow changes in existing types of uses, densities, or services requires the application of the standards outlined in this rule.

(2) For "physically developed" and "irrevocably committed" exceptions to goals, residential plan and zone designations shall authorize a single numeric minimum lot size and all plan and zone designations shall limit uses, density, and public facilities and services to those that satisfy (a) or (b) or (c) and, if applicable, (d):

(a) That are the same as the existing land uses on the exception site;

(b) That meet the following requirements:

(A) The rural uses, density, and public facilities and services will maintain the land as "Rural Land" as defined by the goals, and are consistent with all other applicable goal requirements;

(B) The rural uses, density, and public facilities and services will not commit adjacent or nearby resource land to uses not allowed by the applicable goal as described in OAR 660-004-0028; and

(C) The rural uses, density, and public facilities and services are compatible with adjacent or nearby resource uses;

(c) For uses in unincorporated communities, the uses are consistent with OAR 660-022-0030, "Planning and Zoning of Unincorporated Communities", if the county chooses to designate the community under the applicable provisions of OAR chapter 660, division 22;

(d) For industrial development uses and accessory uses subordinate to the industrial development, the industrial uses may occur in buildings of any size and type provided the exception area was planned and zoned for industrial use on January 1, 2004, subject to the territorial limits and other requirements of ORS 197.713 and 197.714.

(3) Uses, density, and public facilities and services not meeting section (2) of this rule may be approved on rural land only under provisions for a reasons exception as outlined in section (4) of this rule and applicable requirements of OAR 660-004-0020 through 660-004-0022, 660-011-0060 with regard to sewer service on rural lands, OAR 660-012-0070 with regard to transportation improvements on rural land, or OAR 660-014-0030 or 660-014-0040 with regard to urban development on rural land.

(4) "Reasons" Exceptions:

(a) When a local government takes an exception under the "Reasons" section of ORS 197.732(1)(c) and OAR 660-004-0020 through 660-004-0022, plan and zone designations must limit the uses, density, public facilities and services, and activities to only those that are justified in the exception.

(b) When a local government changes the types or intensities of uses or public facilities and services within an area approved as a "Reasons" exception, a new "Reasons" exception is required.

(c) When a local government includes land within an unincorporated community for which an exception under the "Reasons" section of ORS 197.732(1)(c) and OAR 660-004-0020 through 660-004-0022 was previously adopted, plan and zone designations must limit the uses, density, public facilities and services, and activities to only those that were justified in the exception or OAR 660-022-0030, whichever is more stringent.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197. 732 - 197.734

History:

LCDD 1-2016, f. & cert. ef. 2-10-16

LCDD 3-2011, f. & cert. ef. 3-16-11

LCDD 1-2011, f. & cert. ef. 2-2-11

LCDD 7-2006, f. 10-13-06, cert. ef. 10-23-06

LCDD 8-2005, f. & cert. ef. 12-13-05

LCDD 3-2004, f. & cert. ef. 5-7-04

LCDD 4-1998, f. & cert. ef. 7-28-98

LCDC 1-1986, f. & ef. 3-20-86

LCDC 9-1983, f. & ef. 12-30-83

660-004-0020

Goal 2, Part II(c), Exception Requirements

(1) If a jurisdiction determines there are reasons consistent with OAR 660-004-0022 to use resource lands for uses not allowed by the applicable Goal or to allow public facilities or services not allowed by the applicable Goal, the justification shall be set forth in the comprehensive plan as an exception. As provided in OAR 660-004-0000(1), rules in other divisions may also apply.

(2) The four standards in Goal 2 Part II(c) required to be addressed when taking an exception to a goal are described in subsections (a) through (d) of this section, including general requirements applicable to each of the factors:

(a) "Reasons justify why the state policy embodied in the applicable goals should not apply." The exception shall set forth the facts and assumptions used as the basis for determining that a state policy embodied in a goal should not apply to specific properties or situations, including the amount of land for the use being planned and why the use requires a location on resource land;

(b) "Areas that do not require a new exception cannot reasonably accommodate the use." The exception must meet the following requirements:

(A) The exception shall indicate on a map or otherwise describe the location of possible alternative areas considered for the use that do not require a new exception. The area for which the exception is taken shall be identified;

(B) To show why the particular site is justified, it is necessary to discuss why other areas that do not require a new exception cannot reasonably accommodate the proposed use. Economic factors may be considered along with other relevant factors in determining that the use cannot reasonably be accommodated in other areas. Under this test the following questions shall be addressed:

(i) Can the proposed use be reasonably accommodated on nonresource land that would not require an exception, including increasing the density of uses on nonresource land? If not, why not?

(ii) Can the proposed use be reasonably accommodated on resource land that is already irrevocably committed to nonresource uses not allowed by the applicable Goal, including resource land in existing unincorporated communities, or by increasing the density of uses on committed lands? If not, why not?

(iii) Can the proposed use be reasonably accommodated inside an urban growth boundary? If not, why not?

(iv) Can the proposed use be reasonably accommodated without the provision of a proposed public facility or service? If not, why not?

(C) The "alternative areas" standard in paragraph B may be met by a broad review of similar types of areas rather than a review of specific alternative sites. Initially, a local government adopting an exception need assess only whether those similar types of areas in the vicinity could not reasonably accommodate the proposed use. Site specific comparisons are not required of a local government taking an exception unless another party to the local proceeding describes specific sites that can more reasonably accommodate the proposed use. A detailed evaluation of specific alternative sites is thus not required unless such sites are specifically described, with facts to support the assertion that the sites are more reasonable, by another party during the local exceptions proceeding.

(c) "The long-term environmental, economic, social and energy consequences resulting from the use at the proposed site with measures designed to reduce adverse impacts are not significantly more adverse than would typically result from

the same proposal being located in areas requiring a goal exception other than the proposed site." The exception shall describe: the characteristics of each alternative area considered by the jurisdiction in which an exception might be taken, the typical advantages and disadvantages of using the area for a use not allowed by the Goal, and the typical positive and negative consequences resulting from the use at the proposed site with measures designed to reduce adverse impacts. A detailed evaluation of specific alternative sites is not required unless such sites are specifically described with facts to support the assertion that the sites have significantly fewer adverse impacts during the local exceptions proceeding. The exception shall include the reasons why the consequences of the use at the chosen site are not significantly more adverse than would typically result from the same proposal being located in areas requiring a goal exception other than the proposed site. Such reasons shall include but are not limited to a description of: the facts used to determine which resource land is least productive, the ability to sustain resource uses near the proposed use, and the long-term economic impact on the general area caused by irreversible removal of the land from the resource base. Other possible impacts to be addressed include the effects of the proposed use on the water table, on the costs of improving roads and on the costs to special service districts;

(d) "The proposed uses are compatible with other adjacent uses or will be so rendered through measures designed to reduce adverse impacts." The exception shall describe how the proposed use will be rendered compatible with adjacent land uses. The exception shall demonstrate that the proposed use is situated in such a manner as to be compatible with surrounding natural resources and resource management or production practices. "Compatible" is not intended as an absolute term meaning no interference or adverse impacts of any type with adjacent uses.

(3) If the exception involves more than one area for which the reasons and circumstances are the same, the areas may be considered as a group. Each of the areas shall be identified on a map, or their location otherwise described, and keyed to the appropriate findings.

(4) For the expansion of an unincorporated community described under OAR 660-022-0010, including an urban unincorporated community pursuant to OAR 660-022-0040(2), the reasons exception requirements necessary to address standards 2 through 4 of Goal 2, Part II(c), as described in of subsections (2)(b), (c) and (d) of this rule, are modified to also include the following:

(a) Prioritize land for expansion: First priority goes to exceptions lands in proximity to an unincorporated community boundary. Second priority goes to land designated as marginal land. Third priority goes to land designated in an acknowledged comprehensive plan for agriculture or forestry, or both. Higher priority is given to land of lower capability site class for agricultural land, or lower cubic foot site class for forest land; and

(b) Land of lower priority described in subsection (a) of this section may be included if land of higher priority is inadequate to accommodate the use for any one of the following reasons:

(A) Specific types of identified land needs cannot be reasonably accommodated on higher priority land;

(B) Public facilities and services cannot reasonably be provided to the higher priority area due to topographic or other physical constraints; or

(C) Maximum efficiency of land uses with the unincorporated community requires inclusion of lower priority land in order to provide public facilities and services to higher priority land.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.732

History:

LCDD 3-2011, f. & cert. ef. 3-16-11

LCDD 1-2011, f. & cert. ef. 2-2-11

LCDD 3-2004, f. & cert. ef. 5-7-04

LCDC 8-1994, f. & cert. ef. 12-5-94

LCDC 9-1983, f. & ef. 12-30-83

LCDC 5-1982, f. & ef 7-21-82

660-004-0022

Reasons Necessary to Justify an Exception Under Goal 2, Part II(c)

An exception under Goal 2, Part II(c) may be taken for any use not allowed by the applicable goal(s) or for a use authorized by a statewide planning goal that cannot comply with the approval standards for that type of use. The types of reasons that may or may not be used to justify certain types of uses not allowed on resource lands are set forth in the following sections of this rule. Reasons that may allow an exception to Goal 11 to provide sewer service to rural lands are described in OAR 660-011-0060. Reasons that may allow transportation facilities and improvements that do not meet the requirements of OAR 660-012-0065 are provided in OAR 660-012-0070. Reasons that rural lands are irrevocably committed to urban levels of development are provided in OAR 660-014-0030. Reasons that may justify the establishment of new urban development on undeveloped rural land are provided in OAR 660-014-0040.

(1) For uses not specifically provided for in this division, or in OAR 660-011-0060, 660-012-0070, 660-014-0030 or 660-014-0040, the reasons shall justify why the state policy embodied in the applicable goals should not apply. Such

reasons include but are not limited to the following:

(a) There is a demonstrated need for the proposed use or activity, based on one or more of the requirements of Goals 3 to 19; and either

(A) A resource upon which the proposed use or activity is dependent can be reasonably obtained only at the proposed exception site and the use or activity requires a location near the resource. An exception based on this paragraph must include an analysis of the market area to be served by the proposed use or activity. That analysis must demonstrate that the proposed exception site is the only one within that market area at which the resource depended upon can reasonably be obtained; or

(B) The proposed use or activity has special features or qualities that necessitate its location on or near the proposed exception site.

(2) Rural Residential Development: For rural residential development the reasons cannot be based on market demand for housing except as provided for in this section of this rule, assumed continuation of past urban and rural population distributions, or housing types and cost characteristics. A county must show why, based on the economic analysis in the plan, there are reasons for the type and density of housing planned that require this particular location on resource lands. A jurisdiction could justify an exception to allow residential development on resource land outside an urban growth boundary by determining that the rural location of the proposed residential development is necessary to satisfy the market demand for housing generated by existing or planned rural industrial, commercial, or other economic activity in the area.

(3) Rural Industrial Development: For the siting of industrial development on resource land outside an urban growth boundary, appropriate reasons and facts may include, but are not limited to, the following:

(a) The use is significantly dependent upon a unique resource located on agricultural or forest land. Examples of such resources and resource sites include geothermal wells, mineral or aggregate deposits, water reservoirs, natural features, or river or ocean ports;

(b) The use cannot be located inside an urban growth boundary due to impacts that are hazardous or incompatible in densely populated areas; or

(c) The use would have a significant comparative advantage due to its location (e.g., near existing industrial activity, an energy facility, or products available from other rural activities), which would benefit the county economy and cause only minimal loss of productive resource lands. Reasons for such a decision should include a discussion of the lost resource productivity and values in relation to the county's gain from the industrial use, and the specific transportation and resource advantages that support the decision.

(4) Expansion of Unincorporated Communities: For the expansion of an Unincorporated Community defined under OAR 660-022-0010(10) the requirements of subsections (a) through (c) of this section apply:

(a) Appropriate reasons and facts may include findings that there is a demonstrated need for additional land in the community to accommodate a specific rural use based on Goals 3-19 and a demonstration that either:

(A) The use requires a location near a resource located on rural land; or

(B) The use has special features necessitating its location in an expanded area of an existing unincorporated community, including:

(i) For industrial use, it would have a significant comparative advantage due to its location such as, for example, that it must be near a rural energy facility, or near products available from other activities only in the surrounding area, or that it is reliant on an existing work force in an existing unincorporated community;

(ii) For residential use, the additional land is necessary to satisfy the need for additional housing in the community generated by existing industrial, commercial, or other economic activity in the surrounding area. The plan must include an economic analysis showing why the type and density of planned housing cannot be accommodated in an existing exception area or urban growth boundary, and is most appropriate at the particular proposed location. The reasons cannot be based on market demand for housing, nor on a projected continuation of past rural population distributions.

(b) The findings of need must be coordinated and consistent with the comprehensive plan for other exception areas, unincorporated communities, and urban growth boundaries in the area. For purposes of this subsection, "area" includes those communities, exception areas, and urban growth boundaries that may be affected by an expansion of a community boundary, taking into account market, economic, and other relevant factors.

(c) Expansion of the unincorporated community boundary requires a demonstrated ability to serve both the expanded area and any remaining infill development potential in the community, at the time of development, with the level of facilities determined to be appropriate for the existing unincorporated community.

(5) Expansion of Urban Unincorporated Communities: In addition to the requirements of section (4) of this rule, the expansion of an urban unincorporated community defined under OAR 660-022-0010(9) shall comply with OAR 660-

022-0040.

(6) Willamette Greenway: Within an urban area designated on the approved Willamette Greenway Boundary maps, the siting of uses that are neither water-dependent nor water-related within the setback line required by section C.3.k of Goal 15 may be approved where reasons demonstrate the following:

(a) The use will not have a significant adverse effect on the greenway values of the site under consideration or on adjacent land or water areas;

(b) The use will not significantly reduce the sites available for water-dependent or water-related uses within the jurisdiction;

(c) The use will provide a significant public benefit; and

(d) The use is consistent with the legislative findings and policy in ORS 390.314 and the Willamette Greenway Plan approved by the commission under ORS 390.322.

(7) Goal 16 – Water-Dependent Development: To allow water-dependent industrial, commercial, or recreational uses that require an exception in development and conservation estuaries, an economic analysis must show that there is a reasonable probability that the proposed use will locate in the planning area during the planning period, considering the following:

(a) Goal 9 or, for recreational uses, the Goal 8 Recreation Planning provisions;

(b) The generally predicted level of market demand for the proposed use;

(c) The siting and operational requirements of the proposed use including land needs, and as applicable, moorage, water frontage, draft, or similar requirements;

(d) Whether the site and surrounding area are able to provide for the siting and operational requirements of the proposed use; and

(e) The economic analysis must be based on the Goal 9 element of the County Comprehensive Plan and must consider and respond to all economic needs information available or supplied to the jurisdiction. The scope of this analysis will depend on the type of use proposed, the regional extent of the market and the ability of other areas to provide for the proposed use.

(8) Goal 16 – Other Alterations or Uses: An exception to the requirement limiting dredge and fill or other reductions or degradations of natural values to water-dependent uses or to the natural and conservation management unit requirements limiting alterations and uses is justified, where consistent with ORS chapter 196, in any of the circumstances specified in subsections (a) through (e) of this section:

(a) Dredging to obtain fill for maintenance of an existing functioning dike where an analysis of alternatives demonstrates that other sources of fill material, including adjacent upland soils or stockpiling of material from approved dredging projects, cannot reasonably be utilized for the proposed project or that land access by necessary construction machinery is not feasible;

(b) Dredging to maintain adequate depth to permit continuation of the present level of navigation in the area to be dredged;

(c) Fill or other alteration for a new navigational structure where both the structure and the alteration are shown to be necessary for the continued functioning of an existing federally authorized navigation project such as a jetty or a channel;

(d) An exception to allow minor fill, dredging, or other minor alteration of a natural management unit for a boat ramp or to allow piling and shoreline stabilization for a public fishing pier;

(e) Dredge or fill or other alteration for expansion of an existing public non-water-dependent use or a nonsubstantial fill for a private non-water-dependent use (as provided for in ORS 196.825) where:

(A) A Countywide Economic Analysis based on Goal 9 demonstrates that additional land is required to accommodate the proposed use;

(B) An analysis of the operational characteristics of the existing use and proposed expansion demonstrates that the entire operation or the proposed expansion cannot be reasonably relocated; and

(C) The size and design of the proposed use and the extent of the proposed activity are the minimum amount necessary to provide for the use.

(f) In each of the situations set forth in subsections (7)(a) to (e) of this rule, the exception must demonstrate that the proposed use and alteration (including, where applicable, disposal of dredged materials) will be carried out in a manner that minimizes adverse impacts upon the affected aquatic and shoreland areas and habitats.

(9) Goal 17 — Incompatible Uses in Coastal Shoreland Areas: Exceptions are required to allow certain uses in Coastal Shoreland areas consistent with subsections (a) through (e) of this section, where applicable:

(a) For purposes of this section, "Coastal Shoreland Areas" include:

(A) Major marshes, significant wildlife habitat, coastal headlands, exceptional aesthetic resources and historic and archaeological sites;

(B) Shorelands in urban and urbanizable areas, in rural areas built upon or irrevocably committed to non-resource use and shorelands in unincorporated communities pursuant to OAR chapter 660, division 22 (Unincorporated Communities) that are suitable for water-dependent uses;

(C) Designated dredged material disposal sites; and

(D) Designated mitigation sites.

(b) To allow a use that is incompatible with Goal 17 requirements for coastal shoreland areas listed in subsection (9)(a) of this rule, the exception must demonstrate:

(A) A need, based on Goal 9, for additional land to accommodate the proposed use;

(B) Why the proposed use or activity needs to be located on the protected site, considering the unique characteristics of the use or the site that require use of the protected site; and

(C) That the project cannot be reduced in size or redesigned to be consistent with protection of the site and, where applicable, consistent with protection of natural values.

(c) Exceptions to convert a dredged material disposal site or mitigation site to another use must also either not reduce the inventory of designated and protected sites in the affected area below the level identified in the estuary plan or be replaced through designation and protection of a site with comparable capacity in the same area.

(d) Uses that would convert a portion of a major marsh, coastal headland, significant wildlife habitat, exceptional aesthetic resource, or historic or archaeological site must use as little of the site as possible and be designed and located and, where appropriate, buffered to protect natural values of the remainder of the site.

(e) Exceptions to designate and protect, for water-dependent uses, an amount of shorelands less than that amount required by Goal 17 Coastal Shoreland Uses Requirement 2 must demonstrate that:

(A) Based on the Recreation Planning requirements of Goal 8 and the requirements of Goal 9, there is no need during the next 20-year period for the amount of water-dependent shorelands required by Goal 17 Coastal Shoreland Uses Requirement 2 for all cities and the county in the estuary. The Goal 8 and Goal 9 analyses must be conducted for the entire estuary and its shorelands, and must consider the water-dependent use needs of all local government jurisdictions along the estuary, including the port authority, if any, and be consistent with the Goal 8 Recreation Planning elements and Goal 9 elements of the comprehensive plans of those jurisdictions; and

(B) There is a demonstrated need for additional land to accommodate the proposed use(s), based on one or more of the requirements of Goals 3 to 18.

(10) Goal 18 — Fore-dune Breaching: A fore-dune may be breached when the exception demonstrates that an existing dwelling located on the fore-dune is experiencing sand inundation and the sand grading or removal:

(a) Does not remove any sand below the grade of the dwelling;

(b) Is limited to the immediate area in which the dwelling is located;

(c) Retains all graded or removed sand within the dune system by placing it on the beach in front of the dwelling; and

(d) Is consistent with the requirements of Goal 18 "Beaches and Dunes" Implementation Requirement 1.

(11) Goal 18 — Fore-dune Development: An exception may be taken to the fore-dune use prohibition in Goal 18 "Beaches and Dunes", Implementation Requirement. Reasons that justify why this state policy embodied in Goal 18 should not apply shall demonstrate that:

(a) The use will be adequately protected from any geologic hazards, wind erosion, undercutting ocean flooding and storm waves, or the use is of minimal value;

(b) The use is designed to minimize adverse environmental effects; and

(c) The exceptions requirements of OAR 660-004-0020 are met.

[Publications: Publications referenced are available from the agency.]

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 195.012, 197.040, 197.712, 197.717 & 197.732

History:

LCDD 3-2011, f. & cert. ef. 3-16-11
 LCDD 1-2011, f. & cert. ef. 2-2-11
 LCDD 9-2006, f. & cert. ef. 11-15-06
 LCDD 6-2006, f. 7-13-06, cert. ef. 7-14-06
 LCDD 2-2006, f. & cert. ef. 2-15-06
 LCDD 3-2004, f. & cert. ef. 5-7-04
 LCDD 7-1999, f. & cert. ef. 8-20-99
 LCDC 8-1994, f. & cert. ef. 12-5-94
 LCDC 4-1985, f. & ef. 8-8-85
 LCDC 3-1984, f. & ef. 3-21-84
 LCDC 1-1984, f. & ef. 2-10-84
 LCDC 9-1983, f. & ef. 12-30-83

660-004-0023**Reasons Necessary to Justify an Exception for a Substantially Developed Subdivision to Receive Transferred Development Credits Under Goal 2, Part II(c)**

Notwithstanding OAR 660-004-0022(2), an exception under Goal 2, Part II(c) may be taken to Goal 3 or Goal 4, or both, to designate a receiving area as provided in OAR chapter 660, division 29 to accommodate dwellings authorized by ORS 195.300 to 195.336 (Measure 49) in a substantially developed subdivision in a farm or forest zone.

(1) For the purposes of this rule, "substantially developed subdivision" has the meaning provided in OAR 660-029-0010.

(2) A county may find that the need for a receiving area that is satisfied by designating a substantially developed subdivision under OAR chapter 660, division 29 is a reason that the state policy embodied in Goal 3 or Goal 4, or both, should not apply to the substantially developed subdivision.

(3) Notwithstanding OAR 660-004-0020(2)(b)(B)(i)-(iv), a county may limit its consideration of areas that do not require a new exception under OAR 660-004-0020(2)(b) to areas that qualify as potential receiving areas under OAR 660-029-0080(1), (4) and (5).

(4) A county may limit its analysis of long-term environmental, economic, social and energy consequences under OAR 660-004-0020(2)(c) to substantially developed subdivisions under OAR 660-029-0080(2).

(5) A county may determine that a substantially developed subdivision that meets the requirements of OAR 660-029-0080 is compatible with other adjacent uses as required by OAR 660-004-0020(2)(d).

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 195.300-195.336 & 197.732; 2007 Oregon Laws & chapter 424

History:

LCDD 3-2015, f. & cert. ef. 4-27-15

660-004-0025**Exception Requirements for Land Physically Developed to Other Uses**

(1) A local government may adopt an exception to a goal when the land subject to the exception is physically developed to the extent that it is no longer available for uses allowed by the applicable goal. Other rules may also apply, as described in OAR 660-004-0000(1).

(2) Whether land has been physically developed with uses not allowed by an applicable goal will depend on the situation at the site of the exception. The exact nature and extent of the areas found to be physically developed shall be clearly set forth in the justification for the exception. The specific area(s) must be shown on a map or otherwise described and keyed to the appropriate findings of fact. The findings of fact shall identify the extent and location of the existing physical development on the land and can include information on structures, roads, sewer and water facilities, and utility facilities. Uses allowed by the applicable goal(s) to which an exception is being taken shall not be used to justify a physically developed exception.

Statutory/Other Authority: ORS 197

Statutes/Other Implemented: ORS 197.732

History:

LCDD 3-2011, f. & cert. ef. 3-16-11
 LCDD 1-2011, f. & cert. ef. 2-2-11
 LCDC 9-1983, f. & ef. 12-30-83
 LCDC 5-1982, f. & ef. 7-21-82

660-004-0028

Exception Requirements for Land Irrevocably Committed to Other Uses

(1) A local government may adopt an exception to a goal when the land subject to the exception is irrevocably committed to uses not allowed by the applicable goal because existing adjacent uses and other relevant factors make uses allowed by the applicable goal impracticable:

(a) A "committed exception" is an exception taken in accordance with ORS 197.732(2)(b), Goal 2, Part II(b), and with the provisions of this rule, except where other rules apply as described in OAR 660-004-0000(1).

(b) For the purposes of this rule, an "exception area" is that area of land for which a "committed exception" is taken.

(c) An "applicable goal," as used in this rule, is a statewide planning goal or goal requirement that would apply to the exception area if an exception were not taken.

(2) Whether land is irrevocably committed depends on the relationship between the exception area and the lands adjacent to it. The findings for a committed exception therefore must address the following:

(a) The characteristics of the exception area;

(b) The characteristics of the adjacent lands;

(c) The relationship between the exception area and the lands adjacent to it; and

(d) The other relevant factors set forth in OAR 660-004-0028(6).

(3) Whether uses or activities allowed by an applicable goal are impracticable as that term is used in ORS 197.732(2)(b), in Goal 2, Part II(b), and in this rule shall be determined through consideration of factors set forth in this rule, except where other rules apply as described in OAR 660-004-0000(1). Compliance with this rule shall constitute compliance with the requirements of Goal 2, Part II. It is the purpose of this rule to permit irrevocably committed exceptions where justified so as to provide flexibility in the application of broad resource protection goals. It shall not be required that local governments demonstrate that every use allowed by the applicable goal is "impossible." For exceptions to Goals 3 or 4, local governments are required to demonstrate that only the following uses or activities are impracticable:

(a) Farm use as defined in ORS 215.203;

(b) Propagation or harvesting of a forest product as specified in OAR 660-033-0120; and

(c) Forest operations or forest practices as specified in OAR 660-006-0025(2)(a).

(4) A conclusion that an exception area is irrevocably committed shall be supported by findings of fact that address all applicable factors of section (6) of this rule and by a statement of reasons explaining why the facts support the conclusion that uses allowed by the applicable goal are impracticable in the exception area.

(5) Findings of fact and a statement of reasons that land subject to an exception is irrevocably committed need not be prepared for each individual parcel in the exception area. Lands that are found to be irrevocably committed under this rule may include physically developed lands.

(6) Findings of fact for a committed exception shall address the following factors:

(a) Existing adjacent uses;

(b) Existing public facilities and services (water and sewer lines, etc.);

(c) Parcel size and ownership patterns of the exception area and adjacent lands:

(A) Consideration of parcel size and ownership patterns under subsection (6)(c) of this rule shall include an analysis of how the existing development pattern came about and whether findings against the goals were made at the time of partitioning or subdivision. Past land divisions made without application of the goals do not in themselves demonstrate irrevocable commitment of the exception area. Only if development (e.g., physical improvements such as roads and underground facilities) on the resulting parcels or other factors makes unsuitable their resource use or the resource use of nearby lands can the parcels be considered to be irrevocably committed. Resource and nonresource parcels created and uses approved pursuant to the applicable goals shall not be used to justify a committed exception. For example, the presence of several parcels created for nonfarm dwellings or an intensive commercial agricultural operation under the provisions of an exclusive farm use zone cannot be used to justify a committed exception for the subject parcels or land adjoining those parcels.

(B) Existing parcel sizes and contiguous ownerships shall be considered together in relation to the land's actual use. For example, several contiguous undeveloped parcels (including parcels separated only by a road or highway) under one ownership shall be considered as one farm or forest operation. The mere fact that small parcels exist does not in itself constitute irrevocable commitment. Small parcels in separate ownerships are more likely to be irrevocably committed if the parcels are developed, clustered in a large group or clustered around a road designed to serve these parcels. Small

parcels in separate ownerships are not likely to be irrevocably committed if they stand alone amidst larger farm or forest operations, or are buffered from such operations;

(d) Neighborhood and regional characteristics;

(e) Natural or man-made features or other impediments separating the exception area from adjacent resource land. Such features or impediments include but are not limited to roads, watercourses, utility lines, easements, or rights-of-way that effectively impede practicable resource use of all or part of the exception area;

(f) Physical development according to OAR 660-004-0025; and

(g) Other relevant factors.

(7) The evidence submitted to support any committed exception shall, at a minimum, include a current map or aerial photograph that shows the exception area and adjoining lands, and any other means needed to convey information about the factors set forth in this rule. For example, a local government may use tables, charts, summaries, or narratives to supplement the maps or photos. The applicable factors set forth in section (6) of this rule shall be shown on the map or aerial photograph.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.732 & 197.736

History:

LCDD 3-2011, f. & cert. ef. 3-16-11

LCDD 1-2011, f. & cert. ef. 2-2-11

LCDC 4-1996, f. & cert. ef. 12-23-96

LCDC 5-1985, f. & ef. 11-15-85

LCDC 9-1983, f. & ef. 12-30-83

LCDC 5-1982, f. & ef. 7-21-82

660-004-0030

Notice and Adoption of an Exception

(1) Goal 2 requires that each notice of a public hearing on a proposed exception shall specifically note that a goal exception is proposed and shall summarize the issues in an understandable manner.

(2) A planning exception takes effect when the comprehensive plan or plan amendment is adopted by the city or county governing body. Adopted exceptions will be reviewed by the Commission when the comprehensive plan is reviewed for compliance with the goals through the acknowledgment or periodic review processes under OAR chapter 660, divisions 3 or 25, and by the Board when a plan amendment is reviewed as a post-acknowledgment plan amendment pursuant to OAR chapter 660, division 18.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.610 - 197.625, 197.628 - 197.646 & 197.732

History:

LCDD 3-2011, f. & cert. ef. 3-16-11

LCDD 1-2011, f. & cert. ef. 2-2-11

LCDC 9-1983, f. & ef. 12-30-83

LCDC 5-1982, f. & ef. 7-21-82

660-004-0035

Appeal of an Exception

(1) Prior to acknowledgment, an exception, or the failure to take a required exception, may be appealed to the Board pursuant to ORS 197.830, or to the Commission as an objection to the local government's request for acknowledgment, pursuant to ORS 197.251 and OAR chapter 660, division 3.

(2) After acknowledgment, an exception taken as part of a plan amendment, or the failure to take a required exception when amending a plan, may be appealed to the Board pursuant to ORS 197.620 and OAR chapter 660, division 18.

(3) After acknowledgment, an exception taken as part of a periodic review work task submitted under OAR 660-025-0130, or failure to take a required exception when amending a plan under periodic review, may be appealed to the Commission pursuant to ORS 197.633 and OAR 660-025-0150.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.610 - 197.625, 197.732 & 197.830

History:

LCDD 3-2011, f. & cert. ef. 3-16-11

LCDD 1-2011, f. & cert. ef. 2-2-11

LCDD 3-2004, f. & cert. ef. 5-7-04

19

LCDC 9-1983, f. & ef. 12-30-83

LCDC 5-1982, f. & ef. 7-21-82

660-004-0040**Application of Goal 14 to Rural Residential Areas**

- (1) The purpose of this rule is to specify how Goal 14 "Urbanization" applies to rural lands in acknowledged exception areas planned for residential uses.
- (2) For purposes of this rule, the definitions in ORS 197.015, the Statewide Planning Goals and OAR 660-004-0005 shall apply. In addition, the following definitions shall apply:
- (a) "Accessory dwelling unit" means a residential structure that is used in connection with or that is auxiliary to a single-family dwelling.
- (b) "Habitable dwelling" means a dwelling that meets the criteria set forth in ORS 215.213(1)(q)(A)-(D) or ORS 215.283(1)(p)(A)-(D), whichever is applicable.
- (c) "Historic home" means a single-family dwelling constructed between 1850 and 1945.
- (d) "Minimum lot size" means the minimum area for any new lot or parcel that is to be created in a rural residential area.
- (e) "New single-family dwelling" means that the dwelling being constructed did not previously exist in residential or nonresidential form. New single-family dwelling does not include the acquisition, alteration, renovation or remodeling of an existing structure.
- (f) "Rural residential areas" means lands that are not within an urban growth boundary, that are planned and zoned primarily for residential uses, and for which an exception to Goal 3 "Agricultural Lands", Goal 4 "Forest Lands", or both has been taken.
- (g) "Rural residential zone currently in effect" means a zone applied to a rural residential area that was in effect on October 4, 2000, and acknowledged to comply with the statewide planning goals.
- (h) "Single-family dwelling" means a residential structure designed as a residence for one family and sharing no common wall with another residence of any type.
- (3)(a) This rule applies to rural residential areas.
- (b) Sections (1) to (9) of this rule do not apply to the creation of a lot or parcel, or to the development or use of one single-family dwelling on such lot or parcel, where the application for partition or subdivision was filed with the local government and deemed to be complete in accordance with ORS 215.427(3) before October 4, 2000.
- (c) This rule does not apply to types of land listed in (A) through (H) of this subsection:
- (A) Land inside an acknowledged urban growth boundary;
- (B) Land inside an acknowledged unincorporated community boundary established pursuant to OAR chapter 660, division 22;
- (C) Land in an acknowledged urban reserve area established pursuant to OAR chapter 660, divisions 21 or 27;
- (D) Land in an acknowledged destination resort established pursuant to applicable land use statutes and goals;
- (E) Resource land, as defined in OAR 660-004-0005(2);
- (F) Nonresource land, as defined in OAR 660-004-0005(3);
- (G) Marginal land, as defined in former ORS 197.247 (1991 Edition); or
- (H) Land planned and zoned primarily for rural industrial, commercial, or public use.
- (4)(a) Sections 1, 3-9 and 13 of this rule took effect on October 4, 2000.
- (b) Some rural residential areas have been reviewed for compliance with Goal 14 and acknowledged to comply with that goal by the department or commission in a periodic review, acknowledgment, or post-acknowledgment plan amendment proceeding that occurred after the Oregon Supreme Court's 1986 ruling in *1000 Friends of Oregon v. LCDC*, 301 Or 447 (Curry County), and before October 4, 2000. Nothing in this rule shall be construed to require a local government to amend its acknowledged comprehensive plan or land use regulations for those rural residential areas already acknowledged to comply with Goal 14 in such a proceeding. However, if such a local government later amends its plan's provisions or land use regulations that apply to any rural residential area, it shall do so in accordance with this rule.
- (5) The rural residential areas described in subsection (2)(f) of this rule are "rural lands". Division and development of such lands are subject to Goal 14, which prohibits urban use of rural lands.
- (6)(a) A rural residential zone in effect on October 4, 2000 shall be deemed to comply with Goal 14 if that zone requires any new lot or parcel to have an area of at least two acres, except as required by section (8) of this rule.
- (b) A rural residential zone does not comply with Goal 14 if that zone allows the creation of any new lots or parcels smaller than two acres. For such a zone, a local government must either amend the zone's minimum lot and parcel size provisions to require a minimum of at least two acres or take an exception to Goal 14. Until a local government amends its land use regulations to comply with this subsection, any new lot or parcel created in such a zone must have an area of at least two acres.
- (7) After October 4, 2000, a local government's requirements for minimum lot or parcel sizes in rural residential areas shall not be amended to allow a smaller minimum for any individual lot or parcel without taking an exception to Goal 14 pursuant to OAR chapter 660, division 14, and applicable requirements of this division.
- (8)(a) The creation of any new lot or parcel smaller than two acres in a rural residential area shall be considered an urban use. Such a lot or parcel may be created only if an exception to Goal 14 is taken. This subsection shall not be construed to imply that creation of new lots or parcels two acres or larger always complies with Goal 14. The question of whether the creation of such lots or parcels complies with Goal 14 depends upon compliance with all provisions of this rule.

- (b) Each local government must specify a minimum lot size for each rural residential area.
- (c) If, on October 4, 2000, a local government's land use regulations specify a minimum lot size of two acres or more, the area of any new lot or parcel shall equal or exceed the minimum lot size that is already in effect.
- (d) If, on October 4, 2000, a local government's land use regulations specify a minimum lot size smaller than two acres, the area of any new lot or parcel created shall equal or exceed two acres.
- (e) A local government may authorize a planned unit development (PUD), specify the size of lots or parcels by averaging density across a parent parcel, or allow clustering of new single-family dwellings in a rural residential area only if all conditions set forth in paragraphs (A) through (H) are met:
- (A) The number of new single-family dwellings to be clustered or developed as a PUD does not exceed 10;
- (B) The number of new lots or parcels to be created for new single-family dwellings does not exceed 10;
- (C) None of the new lots or parcels will be smaller than two acres;
- (D) The development is not to be served by a new community sewer system;
- (E) The development is not to be served by any new extension of a sewer system from within an urban growth boundary or from within an unincorporated community;
- (F) The overall density of the development will not exceed one single-family dwelling for each unit of acreage specified in the local government's land use regulations on October 4, 2000 as the minimum lot size for the area;
- (G) Any group or cluster of two or more single-family dwellings will not force a significant change in accepted farm or forest practices on nearby lands devoted to farm or forest use and will not significantly increase the cost of accepted farm or forest practices there; and
- (H) For any open space or common area provided as a part of the cluster or planned unit development under this subsection, the owner shall submit proof of nonrevocable deed restrictions recorded in the deed records. The deed restrictions shall preclude all future rights to construct a dwelling on the lot, parcel, or tract designated as open space or common area for as long as the lot, parcel, or tract remains outside an urban growth boundary.
- (f) Except as provided in subsection (e) of this section or section (10) of this rule, a local government shall not allow more than one permanent single-family dwelling to be placed on a lot or parcel in a rural residential area. Where a medical hardship creates a need for a second household to reside temporarily on a lot or parcel where one dwelling already exists, a local government may authorize the temporary placement of a manufactured dwelling or recreational vehicle.
- (g) In rural residential areas, the establishment of a new "mobile home park" or "manufactured dwelling park" as defined in ORS 446.003(23) and (30) shall be considered an urban use if the density of manufactured dwellings in the park exceeds the density for residential development set by this rule's requirements for minimum lot and parcel sizes. Such a park may be established only if an exception to Goal 14 is taken.
- (h) A local government may allow the creation of a new parcel or parcels smaller than a minimum lot size required under subsections (a) through (d) of this section without an exception to Goal 14 only if the conditions described in paragraphs (A) through (D) of this subsection exist:
- (A) The parcel to be divided has two or more permanent habitable dwellings on it;
- (B) The permanent habitable dwellings on the parcel to be divided were established there before October 4, 2000;
- (C) Each new parcel created by the partition would have at least one of those permanent habitable dwellings on it; and
- (D) The partition would not create any vacant parcels on which a new dwelling could be established.
- (i) For rural residential areas designated after October 4, 2000, the affected county shall either:
- (A) Require that any new lot or parcel have an area of at least ten acres, or
- (B) Establish a minimum size of at least two acres for new lots or parcels in accordance with the applicable requirements for an exception to Goal 14 in OAR chapter 660, division 14. The minimum lot size adopted by the county shall be consistent with OAR 660-004-0018, "Planning and Zoning for Exception Areas."
- (9)(a) Notwithstanding the provisions of section (8) of this rule, divisions of rural residential land within one mile of an urban growth boundary for any city or urban area listed in paragraphs (A) through (E) of this subsection shall be subject to the provisions of subsections (9)(b) and (9)(c).
- (A) Ashland;
- (B) Central Point;
- (C) Medford;
- (D) Newberg;
- (E) Sandy.
- (b) Any division of rural residential land in an urban reserve area shall be done in accordance with the acknowledged urban reserve ordinance or acknowledged regional growth plan of a city or urban area listed in subsection (9)(a) that:
- (A) Has an urban reserve area that contains at least a twenty-year reserve of land and that has been acknowledged to comply with OAR chapter 660, division 21; or
- (B) Is part of a regional growth plan that contains at least a twenty-year regional urban reserve of land beyond the land contained within the collective urban growth boundaries of the participating cities, and that has been acknowledged through the process prescribed for Regional Problem Solving in ORS 197.652 through 197.658.
- (c) Notwithstanding the provisions of section (8) of this rule, if any part of a lot or parcel to be divided is less than one mile from an urban growth boundary for a city or urban area listed in subsection (9)(a), and if that city or urban area does not have an urban reserve area acknowledged to comply with OAR chapter 660, division 21, or is not part of an acknowledged regional growth plan as described in subsection (b), paragraph (B), of this section, the minimum area of any new lot or parcel there shall be ten acres.
- (d) Notwithstanding the provisions of section (8), if Metro has an urban reserve area that contains at least a twenty-year reserve of land and that has been acknowledged to comply with OAR chapter 660, division 21 or division 27, any land division of rural residential land in that urban reserve shall be done in accordance with the applicable acknowledged

comprehensive plan and zoning provisions adopted to implement the urban reserve.

(e) Notwithstanding the provisions of section (8), if any part of a lot or parcel to be divided is less than one mile from the urban growth boundary for the Portland metropolitan area and is in a rural residential area, and if Metro has not designated an urban reserve that contains at least a twenty-year reserve of land acknowledged to comply with either OAR chapter 660, division 21 or division 27, the minimum area of any new lot or parcel there shall be twenty acres. If the lot or parcel to be divided also lies within the area governed by the Columbia River Gorge National Scenic Area Act, the division shall be done in accordance with the provisions of that act.

(f) Notwithstanding the provisions of section (8) and subsection (9)(e), a local government may establish minimum area requirements smaller than twenty acres for some of the lands described in subsection (9)(e). The selection of those lands and the minimum established for them shall be based on an analysis of the likelihood that such lands will urbanize, of their current parcel and lot sizes, and of the capacity of local governments to serve such lands efficiently with urban services at densities of at least 10 units per net developable acre. In no case shall the minimum parcel area requirement set for such lands be smaller than 10 acres.

(g) A local government may allow the creation of a new parcel, or parcels, smaller than a minimum lot size required under subsections (a) through (f) of this section without an exception to Goal 14 only if the conditions described in paragraphs (A) through (F) of this subsection exist:

(A) The parcel to be divided has two or more permanent, habitable dwellings on it;

(B) The permanent, habitable dwellings on the parcel to be divided were established there before October 4, 2000;

(C) Each new parcel created by the partition would have at least one of those permanent, habitable dwellings on it;

(D) The partition would not create any vacant parcels on which new dwellings could be established;

(E) The resulting parcels shall be sized to promote efficient future urban development by ensuring that one of the parcels is the minimum size necessary to accommodate the residential use of the parcel; and

(F) The parcel is not in an area designated as rural reserve under OAR chapter 660, division 27, except as provided under OAR 660-027-0070.

(h) Notwithstanding the provisions of subsection (g) of this section, a county may allow the creation of lots or parcels as small as two acres without an exception to Goal 14 in an existing rural residential exception area as a designated receiving area for the transfer of Measure 49 development interests, as provided in OAR 660-029-0080 and 660-029-0090.

(10) Notwithstanding any local zoning or local regulation or ordinance pertaining to the siting of accessory dwelling units in rural residential areas, a county may allow an owner of a lot or parcel within an area zoned for rural residential use to construct a new single-family dwelling on the lot or parcel, provided:

(a) The lot or parcel is not located in an area designated as an urban reserve;

(b) The lot or parcel is at least two acres in size;

(c) A historic home is sited on the lot or parcel;

(d) The owner converts the historic home to an accessory dwelling unit upon completion of the new single-family dwelling; and

(e) The accessory dwelling unit complies with all applicable laws and regulations relating to sanitation and wastewater disposal and treatment.

(11) An owner that constructs a new single-family dwelling under section (10) of this rule may not:

(a) Subdivide, partition or otherwise divide the lot or parcel so that the new single-family dwelling is situated on a different lot or parcel from the accessory dwelling unit.

(b) Alter, renovate or remodel the accessory dwelling unit so that the square footage of the accessory dwelling unit is more than 120 percent of the historic home's square footage at the time construction of the new single-family dwelling commenced.

(c) Rebuild the accessory dwelling unit if the structure is lost to fire.

(d) Construct an additional accessory dwelling unit on the same lot or parcel.

(12) For a new single-family dwelling approved under section (10) of this rule a county may:

(a) Require that a new single-family dwelling be served by the same water supply source as the accessory dwelling unit.

(b) Impose additional conditions of approval for construction of a new single-family dwelling or conversion of a historic home to an accessory dwelling unit.

(13) The development, placement, or use of one single-family dwelling on a lot or parcel lawfully created in an acknowledged rural residential area is allowed under this rule and Goal 14, subject to all other applicable laws.

Statutory/Other Authority: ORS 197.040 & 195.141

Statutes/Other Implemented: ORS 195.141, 195.145, 195.300-195.336, 197.175 & 197.732; 2007 OL & ch. 424

History:

LCDD 4-2018, amend filed 04/10/2018, effective 04/11/2018

LCDD 3-2015, f. & cert. ef. 4-27-15

LCDD 3-2011, f. & cert. ef. 3-16-11

LCDD 1-2011, f. & cert. ef. 2-2-11

LCDD 1-2008, f. & cert. ef. 2-13-08

LCDD 3-2004, f. & cert. ef. 5-7-04

LCDD 3-2001, f. & cert. ef. 4-3-01

LCDD 7-2000, f. 6-30-00, cert. ef. 10-4-00

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ARTICLE 8. AMENDMENTS

SECTION 8.010. AUTHORIZATION TO INITIATE AMENDMENTS. An amendment to the text of this Ordinance or to a zoning map may be initiated by the County Court, the County Planning Commission, or by application of a property owner. The request by a property owner for an amendment shall be accomplished by filing an application with the Planning Department using forms prescribed pursuant to Article 9.

SECTION 8.020. PUBLIC HEARINGS ON AMENDMENTS. The Planning Commission shall conduct at least one public hearing on the proposed amendment within 60 days after the amendment is proposed and shall recommend to the County Court approval, disapproval or modified approval of the proposed amendment. After receiving the recommendation of the Planning Commission, the County Court shall hold at least one public hearing on the proposed amendment.

SECTION 8.030. NOTICE. Notice will be provided according to Article 9 of this Ordinance. It will be reasonably calculated to give actual notice to interested persons, including news media as required, and to those which have requested notice, of the time and place for any and all hearings.

SECTION 8.040. CRITERIA. The proponent of the application or permit has the burden of proving justification for its approval. The more drastic the request or the greater the impact of the application or permit on the neighborhood, area, or county, the greater is the burden on the applicant. The following criteria shall be considered by the Planning Commission in preparing a recommendation and by the County Court in reaching their decision.

A. The local conditions have changed and would warrant a change in the zoning of the subject property(ies).

B. The public services and facilities are sufficient to support a change in designation including, but not limited to, water availability relevant to both quantity and quality, waste and storm water management, other public services, and streets and roads.

1. Amendments to the zoning ordinance or zone changes which significantly affect a transportation facility shall assure that land uses are consistent with the function, capacity, and level of service of the facility identified in the Transportation System Plan. This shall be accomplished by one of the following:

a. Limiting allowed land uses to be consistent with the planned function of the transportation facility or roadway;

b. Amending the Transportation System Plan to ensure that existing, improved, or new transportation facilities are adequate to support the proposed land uses consistent with the requirement of the Transportation Planning Rule; or,

c. Altering land use designations, densities, or design requirements to reduce demand for automobile travel to meet needs through other modes.

2. A plan or land use regulation amendment significantly affects a transportation facility if it:

- a. Changes the functional classification of an existing or planned transportation facility;
- b. Changes standards implementing a functional classification;
- c. Allows types or levels of land use that would result in levels of travel or access that are inconsistent with the functional classification of a transportation facility; or
- d. Would reduce the level of service of the facility below the minimal acceptable level identified in the Transportation System Plan. (MC-C-8-98)

C. That the proposed amendment is consistent with unamended portions of the Comprehensive Plan and supports goals and policies of the Comprehensive Plan, that there is a public need for the proposal, and that the need will be best served by allowing the request. If other areas in the county are designated for a use as requested in the application, then a showing of the necessity for introducing that use into an area not now so zoned and why the owners there should bear the burden, if any, of introducing that zone into their area.

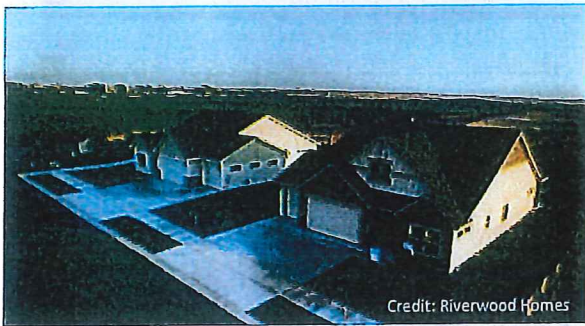
D. The request addresses issues concerned with public health and welfare, if any.

SECTION 8.050. LIMITATIONS ON REAPPLICATIONS. No application of a property owner for an amendment to the text of this ordinance or to the zoning map shall be considered by the Planning Commission within the six (6) month period immediately following denial of a previous application; if in the opinion of the Planning Commission, new evidence or a change of circumstances warrant it, however, the Planning Commission may permit a new application.

SECTION 8.060. FINAL DECISION. The decision of the County Court will be final unless appealed. Eligibility to appeal is governed by Oregon Revised Statute and Oregon Administrative Rule.

MC OR-1-2013

2019 Morrow
County Housing
Strategies Report



MORROW COUNTY HOUSING STRATEGIES REPORT

JUNE 2019

Prepared for Morrow County and the cities of
Boardman, Irrigon, Lone, Heppner and Lexington by
Angelo Planning Group and Johnson Economics



JOHNSON
ECONOMICS

TABLE OF CONTENTS

1. INTRODUCTION AND OVERVIEW.....3
2. HOUSING TRENDS: SUMMARY OF KEY FINDINGS 5
3. LAND SUPPLY STRATEGIES.....7
4. POLICY AND DEVELOPMENT CODE STRATEGIES..... 11
5. INCENTIVES FOR DEVELOPMENT25
6. FUNDING SOURCES AND USES27
7. SUMMARY OF HOUSING STRATEGIES 33

APPENDIX A: HOUSING AND RESIDENTIAL LAND NEEDS ANALYSIS REPORT

APPENDIX B: BUILDABLE LAND INVENTORY MEMO

APPENDIX C: POLICY AND CODE REVIEW MEMO

APPENDIX D: POLICY AND CODE REVISIONS MEMO

APPENDIX E: HEPPNER COTTAGE CLUSTER CODE

1. Introduction and Overview

The purpose of this report is to describe potential strategies for addressing the housing needs of Morrow County and the cities of Boardman, Heppner, Lone, Irrigon, and Lexington. This report builds on a preliminary list of strategies and some of these tools previously prepared and discussed with representatives of the communities in Morrow County.

An outline of strategies described in this report is provided below, organized into four topics, followed by descriptions of each of the strategies and recommendations for their implementation.

- **Land Supply Strategies**
 - Strategy 1: Evaluate and Address Infrastructure Issues
 - Strategy 2: Ensure Land Zoned for Higher Density Uses is not Developed at Lower Densities
 - Strategy 3: Research UGB Expansion or Land Swap Opportunities
 - Strategy 4: Increase Opportunities for Rural Residential Development in the County, Consistent with State Requirements and Local Goals
- **Policy and Code Strategies**
 - Strategy 1: Adopt Supportive and Inclusive Comprehensive Plan Policies
 - Strategy 2: Enhance Local Amenities and Services
 - Strategy 3: Adopt Minimum Density Standards
 - Strategy 4: Incentivize Affordable and Workforce Housing
 - Strategy 5: Facilitate “Missing Middle” Housing Types in All Residential Zones
 - Strategy 6: Support High Density Housing in Commercial Zones Promote Accessory Dwelling Units
 - Strategy 7: Streamline and Right-Size Minimum Off-Street Parking Requirements
 - Strategy 8: Encourage Cottage Cluster Housing
 - Strategy 9: Support Accessory Dwelling Units
- **Incentives for Development**
 - Incentive 1: System Development Charges (SDC) and/or Fee Waivers
 - Incentive 2: Tax Exemptions and Abatements
- **Funding Sources and Uses**
 - Funding Source 1: Construction Excise Tax
 - Funding Source 2: Tax Increment Financing (Urban Renewal)
 - Funding Source 3: Local Housing Development Funds
 - Funding Source 4: Other Property Owner Assistance Programs

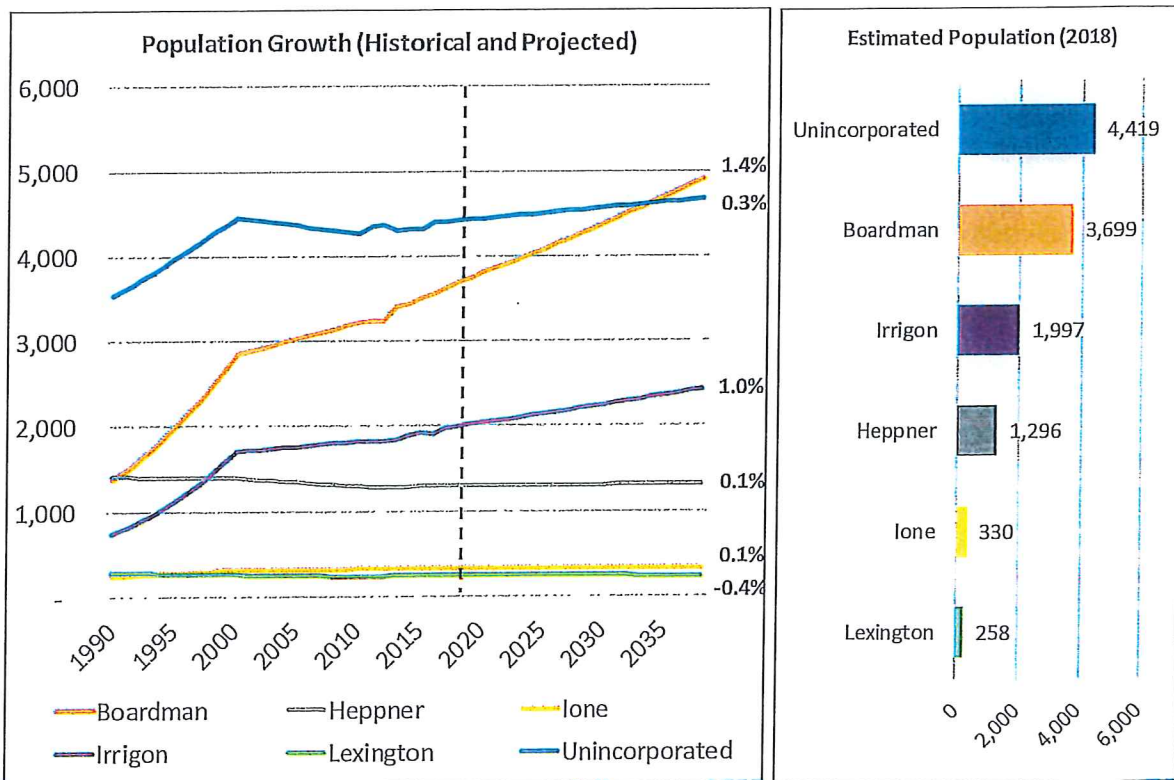
- Funding Use 1: Public/Private Partnerships
- Funding Use 2: Land Acquisition/ Use Public Lands
- Funding Use 3: Community Land Trust
- Funding Use 4: Regional Collaboration & Capacity Building

2. Housing Trends: Summary of Key Findings

This section provides a broad overview of the findings of the Housing Needs Analysis (Appendix A) report, which includes a discussion of demographic and housing trends and 20-year growth projections.

- Growth rates have differed across the Morrow County communities, with Boardman and Irrigon experiencing the most growth, and the small communities to the south experiencing more modest growth. Projected growth rates shown in Figure 1.1 are from the PSU Population Forecasting program.
- The growth rates used in this analysis predict the greatest growth in Boardman at 1.4% annually, and 1% annually in Irrigon which would be in keeping with average state growth since 2000. Other areas are projected to grow more slowly.

FIGURE 1.1: POPULATION GROWTH, HISTORICAL AND PROJECTED



SOURCE: PSU Population Research Center, JOHNSON ECONOMICS LLC

- Compared to the state average, Morrow County has a much larger share of households with children and a smaller share of the population over 65. The smaller rural communities tend to have fewer households with children while, the largest towns have more. Overall, the county population has fewer senior citizens than the statewide average, but the small rural communities have more.

- The ownership rate in Morrow County has fallen slightly from 73% since 2000. During this period the statewide rate fell to 61%. Nationally, the homeownership rate is 65%.
- Housing stock across the county is mostly single-family detached homes and mobile homes, with relatively few attached housing units, though recently more have been developed or proposed.
- Figure 1.2 shows the projected future housing need in 2039, and the number of new housing units needed to accommodate that 20-year need. Boardman and Irrigon are projected to need the most new housing, with smaller communities projected to need less. Unincorporated areas are anticipated to lose some housing as existing areas are annexed to urbanized areas over time.

FIGURE 1.2: PROJECTED FUTURE HOUSING NEED (2039), MORROW COUNTY CITIES

	2018 Hsg. Inventory	2039 Hsg. Need	NEW Units Needed	20-Year Growth
Boardman	1,247	1,788	542	43%
Heppner	607	629	29	5%
Ione	154	155	13	9%
Irrigon	792	945	153	19%
Lexington	101	92	17	16%
Unincorp.	1,717	1,585	-177	-10%
Morrow Co.	4,617	5,195	577	13%

Source: PSU Population Research Center, Johnson Economics

3. Land Supply Strategies

Strategy 1: Evaluate and Address Infrastructure Issues

Applicability: All cities and county; more important in Heppner, Lone, and Lexington

Complexity: High

Details and Recommendations:

A significant amount of vacant land in several cities in Morrow County is in locations that are difficult or infeasible to serve with adequate sewer, water, or road infrastructure. These cities should identify resources to perform more detailed study of the infrastructure needs and challenges for these “difficult to serve” lands. These studies can help to quantify the public investment that may be needed to serve these lands. Alternatively, should these cities choose to amend their UGB to bring in more buildable land, these studies will be necessary for demonstrating, with a sufficient factual base, that the existing vacant land in the UGB is not able to be served with public facilities.

In other communities, this study also indicated that the cities of Lexington and Lone lack wastewater treatment, with individual properties relying on septic systems. In these cases, land in these areas is generally only suitable for single-family detached housing and cannot accommodate denser forms of development unless large open spaces are available on-site or on adjacent property to accommodate septic systems large enough to serve multiple housing units. Efforts to rezone properties or otherwise allow for denser forms of development will prove to be challenging in these areas. Given the supply of residentially zoned land in these communities and future population growth projections there, the amount potential future development may not make it cost-effective to develop a municipal wastewater system and development of such a system is likely to require significant subsidies from state or other agencies. However, other strategies such as package wastewater treatment systems or collection and off-site treatment of wastewater could potentially allow for cost-effective higher intensity development in Lexington and Lone and could be explored as a strategy for meeting a broader array of housing needs in these cities.

Specific recommendations related to this strategy include the following:

Heppner

City staff indicate that the City currently is working on addressing water and sewer service issues with owners of a 22-acre parcel that has capacity for future development. Addressing these issues, in combination with encouraging future infill development on parcels adjacent to existing water and sewer lines will largely address infrastructure needs in Heppner.

Lexington

City staff indicate that the city has had limited success in seeking funding and support for wastewater treatment facilities in the past. In lieu of developing a municipal wastewater treatment system, the City

could consider the following strategies to allow for development of denser forms of housing. It should be noted that these approaches ultimately could be cost-prohibitive at the scale likely for Lexington.

- Investigate the feasibility of using package wastewater treatment systems or the on-site collection and off-site treatment of wastewater. The Oregon Department of Environmental Quality and Multnomah County sanitarian would be a good resource for information about these techniques.
- Identify larger parcels that have adequate space for a common septic field that could treat wastewater from multiple units. Housing units could be clustered and potentially built more economically as attached housing on such sites, with a common drainfield located in open areas on the site. Cottage cluster development, as described under strategy 8, below, is one example of this type of development.

lone

lone staff note that they are pursuing state funding for a wastewater treatment facility. If that effort is successful, it will help address this issue. If not, then the strategies noted for Lexington also would be applicable here.

Strategy 2: Ensure Land Zoned for Higher Density is not Developed at Lower Densities

Applicability: All cities and county

Complexity: High

Details and Recommendations:

Most of the cities in Morrow County allow for development of new single family detached homes in their medium and high-density zones. While having a mix of housing types in these zones is not in and of itself a bad thing, it is important to preserve an adequate supply of land designated for medium and high density for higher density housing forms – townhouses, triplexes, four-plexes and multi-family dwellings. This is particularly true in Irrigon and Boardman where population and projected population growth rates are higher and where denser development can be supported with municipal water and wastewater treatment systems.

This strategy is important from both a land efficiency perspective and to make sure that each city continues to have an adequate supply of land available for these types of housing. Specific actions to implement this strategy include:

- Establish minimum density standards as described in *Policy and Development Code Strategy #2 (next section)*.
- Update development codes to not allow (or prohibit) new single-family detached housing in high density zones.
- Allow single-family detached homes in medium density zones only if they meet minimum density or maximum lot size requirements.

- Allow continued use and repair of single-family homes in these zones and allow conversion of larger single-family homes into multi-unit dwellings (e.g., duplexes or triplexes).

This strategy should be coordinated with *Policy and Development Code Strategy #2*.

Strategy 3: Urban Growth Boundary (UGB) Expansion or Land Swap Opportunities

Applicability: Boardman, Lone, Irrigon, and Lexington

Complexity: High

Details and Recommendations:

UGB Expansions

The findings of our study do not indicate the need for a UGB expansion to accommodate projected housing needs in any of the Morrow County cities. However, in the long term an expansion could be an option if growth rates remain high in places like Boardman. Prior to applying for a UGB expansion, cities will need to complete the following steps:

- Adopt efficiency measures to ensure that land inside the UGB is being used efficiently. Many of the code update recommendations identified for this project are efficiency measures.
- Demonstrate that there is an insufficient supply of buildable land inside the UGB. Due to relatively low projected growth rates in most of the communities in the County, these cities likely will need to demonstrate that existing vacant or partially vacant land in the UGB cannot be served with public facilities.

UGB Swaps

Several Morrow County communities, particularly Boardman and Irrigon have faced limitations on the supply of buildable land because owners of large parcels are uninterested or unwilling to develop or sell their properties for future development. In small communities with a limited number of large developable properties, this can create a significant barrier to development during at least the short and medium term. If owners hold onto their properties without a willingness to develop over the longer term (e.g., decades), it effectively reduces the community's supply of buildable land. At the same time, because property ownership and/or owners' desires to develop can shift over time, the state of Oregon's land use planning framework does not allow cities to exclude such land from their BLIs.

One way to address this situation is to remove such parcels from the UGB and add other properties whose owners are more willing or likely to develop their land for housing. State statutes and administrative rules allow for these UGB "swaps." These exchanges are possible through a process of simultaneously removing and adding land to the UGB to make up for capacity lost by removing land. This process is guided by Oregon Revised Statutes (ORS) 197.764. This ORS section provides specific eligibility requirements and standards for land removed; subsection (3)(b) of this section states that "A local government that approves an application under this section shall either expand the urban growth

boundary to compensate for any resulting reduction in available buildable lands or increase the development capacity of the remaining supply of buildable lands.” In exchanging land inside the UGB for land outside the boundary, cities must identify an equivalent supply of land in terms of the land’s capacity for residential development, taking into account the presence of natural resource constraints and zoning or allowed density.

While permitted, UGB swaps require compliance with a number of requirements applied to other UGB amendments or expansions, including the following:

- **Location of expansion areas.** The location of the land to be added to replace the land being removed. First, use OAR 660-024-0065 to determine appropriate study areas. For a city with a UGB population less than 10,000, the city must consider all land within ½ mile of the existing UGB boundary.
- **Exclusion areas.** In considering expansion areas, the city can exclude areas that cannot be reasonably serviced with public facilities, are subject to significant natural hazards, have a high level of environmental or natural resource value, or are federal lands.
- **Prioritization.** The city needs to prioritize potential expansion areas in terms of rural residential “exception” lands vs. farm and forest lands, with exception lands having first priority.
- **Criteria for evaluating expansion areas.** Cities must look at alternative expansion areas and evaluate them using the four factors for location of UGB expansions found in Goal 14. These include 1) efficient urban form, 2) public facilities, 3) Economic, Social, Environmental, and Energy (ESEE) consequences, and 4) impact on adjacent farm and forest activities in rural areas. The city’s analysis must consider and analyze all four factors, but the city can weigh and balance those factors based upon a set of findings and policy judgments which, unless they are without merit, will be upheld on judicial review.

In addition to meeting these state requirements, the City will want to consider other factors in this process such as:

- Will potential expansion areas have direct access to roads, sewer or water lines or will they be even more difficult or costly to serve with these facilities than land proposed to be removed from the UGB?
- Will areas proposed for inclusion be in relatively close proximity to commercial and other services? This is particularly important if new areas are proposed for higher density development.
- Will the areas have any other practical barriers or impediments to residential development or conflict with other strategies to meet future housing needs?

Strategy 4: Increase Opportunities for Rural Residential Development in the County, Consistent with State Requirements and Local Goals

Applicability: All cities and county

Complexity: High

Details and Recommendations:

The County has indicated that there is an unmet demand for rural residential housing and development and a limited supply of land available, suitable and zoned for these uses in the unincorporated areas of the County. The County's zoning ordinance and map includes three zones for rural residential land – the Rural Residential Zone, Farm Residential Zone, and Suburban Residential Zone 2A. The minimum lot size in the Rural Residential, Farm Residential, and Suburban Residential 2A zones is two acres. The minimum lot size in the Suburban Residential Zone varies within urban growth boundaries, depending on whether the property is served by a municipal sewer and/or water system, with smaller lot sizes allowed when a property is served by one or both systems. The bulk of the vacant and partially vacant land is in the Rural Residential Zone (almost 1,500 acres), with about half this amount in the Suburban Residential Zone, and a much smaller amount (less than 100 acres) in the Suburban Residential 2A Zone. Creative approaches are needed to address this issue.

Rural residential lands located within an incorporated city's urban growth boundary (UGB) are anticipated to urbanize at some point in the future, with annexation into their associated incorporated city limits boundaries. Outside of UGBs, designating lands for rural residential will need to be consistent with Statewide Planning Goals 3, 4, or 14. In some cases, it may be possible to demonstrate that land is eligible for a goal exception based on existing physical development or surrounding land uses that make it impracticable to use the land for agriculture or forestry. Another option is to identify land that does not meet state definitions of "agricultural land" or "forest land" and redesignate for non-resource use. Designating non-resource land does not require a goal 3 or 4 exception but it is necessary to comply with the other Statewide Planning Goals (e.g. Goal 14 to ensure land remains rural, Goal 5 for natural resource protections).

While there may be a demand for this type of development, rural residential development on the edge of a UGB, particularly when development is on lots of one to two acres in size, can be a significant impediment to future redevelopment or infill development of those areas at planned urban densities when those areas are brought into a UGB. Therefore, in concert with any increase in the supply of land zoned for rural residential development or strategy aimed at increasing this type of development, it will be important to minimize future impacts on the potential for future urban infill development. This can be done through a number of strategies:

- **Require larger minimum lot sizes.** Rural residential development on lots of 5-10 acres are typically easier to subdivide and develop at urban densities once they are brought into a UGB, in comparison to one or two acre lots. Per OAR 660-004-0040(8)(i), newly designated rural

residential exception areas must either require a minimum lot size of 10 acres or qualify for an exception to Goal 14.

- **Require that houses be located on the edge of parcels, rather than in the middle.** This also will preserve a larger developable portion of a lot and make future infill and subdivision more feasible.
- **Require “shadow-platting.”** A shadow plat shows how a lot may be subdivided and served with roads, water and sewer facilities in the future. It indicates the proposed location of the initial dwelling and the location of these future facilities, as well as a conceptual plan for how the lot can be subdivided and developed at anticipated urban densities in the future. The “shadow plat” is reviewed to ensure that future development is feasible and recorded as part of the initial development process for use in future subdivision or development processes.

4. Policy and Development Code Strategies

Strategy 1: Adopt Supportive and Inclusive Comprehensive Plan Policies

Applicability: All cities and county

Complexity: Low

Details and Recommendations:

The Housing Element of local Comprehensive Plans establish the policies that guide residential development in each community. These policies are important because they institute aspirational goals and principles for meeting the housing needs of the community. The policies are also important because they establish formal criteria and guidelines for land use decisions that pertain to housing. Per state land use law, individual development applications, single-parcel zone changes, and broader zoning amendments must all demonstrate consistency with the housing policies of the comprehensive plan.

The Policy and Code Review (Appendix C) evaluated the degree to which each comprehensive plan addressed 11 key policy issues. Morrow County jurisdictions generally all addressed Statewide Planning Goal 10, one of the policy issues. The degree to which each comprehensive plan addressed the remaining 10 policy issues varied, however, indicating an opportunity to amend the policies to better address important housing needs and goals that have been identified through this study. These policy issues are wide-ranging and inclusive: they may establish support for broad principles, such as Fair Housing or flexible zoning, or identify the need to provide for specific housing types, such as accessory dwelling units or manufactured homes.

These policy issues are identified in Table 1, and an example policy statement is provided to demonstrate one way to articulate the policy idea. Jurisdictions are encouraged to modify and tailor policy language, with input from community members and decision-makers, to best reflect local needs and conditions. Perhaps most importantly, updating the comprehensive plan to address these housing goals presents an opportunity for the community to consider and find how these issues fit within the broader comprehensive plan policy goals, such as transportation, livability, and economic vitality. For more detail on each policy issue, see Appendix C – Policy and Code Review Memorandum.

Table 1. Recommended Comprehensive Plan Policy Updates

Policy Issue	Applicable Jurisdiction(s)	Example Language
1. Emphasize affordable housing	Heppner, Lexington	<i>The City shall support the creation of housing that is affordable to low- and moderate-income households.</i>
2. Support partnerships	Heppner, Lexington	<i>The City shall seek partnerships with non-profit housing developers and other agencies to create the opportunity to provide moderate-and low-income housing and rehabilitation activities within the City.</i>

Policy Issue	Applicable Jurisdiction(s)	Example Language
3. Affirm Fair Housing goals	Morrow County, Boardman, Heppner, Ione, Lexington	<i>The City shall employ strategies that support the Fair Housing Act and affirmatively further fair housing.</i>
4. Support mixed use development	Heppner, Ione, Lexington, Irrigon	<i>The City shall allow for a mix of residential uses with other compatible uses in appropriate locations.</i>
5. Reference and support ADUs	All	<i>The City shall allow and support the development of Accessory Dwelling Units in all residential zones.</i>
6. Support flexible zoning	Morrow County, Heppner, Ione, Lexington, Irrigon	<i>The City shall provide flexibility in implementing residential zoning standards to support the development of a wide range of housing types while mitigating the impacts of development.</i>
7. Address land supply goals	Heppner, Lexington, Irrigon	<ul style="list-style-type: none"> • <i>The City shall encourage efficient use of residential land within the Urban Growth Boundary</i> • <i>The City shall provide a sufficient amount of residential land to accommodate residential growth.</i> • <i>The City shall regularly monitor and periodically update an inventory of buildable residential land..</i>
8. Support manufactured homes	All	<i>The City shall support the maintenance and development of manufactured homes as an affordable housing choice in appropriate locations.</i>
9. Maintain, repair existing housing	All	<i>The City shall encourage maintenance and rehabilitation of the existing housing stock.</i>
10. Balance housing needs with natural resources & hazards	All	<i>The City shall plan and regulate residential development to meet housing needs while preserving and protecting natural resources and reducing risks associated with natural hazards.</i>

Strategy 2: Enhance Local Amenities and Services

Applicability: All cities and county

Complexity: High

Details and Recommendations:

One of the key findings of the Housing Needs Analysis is that there is a lack of housing options for higher income households in all areas of the County. There are more households with annual incomes over

\$50,000 than there are housing units priced at levels that would be affordable to these households. This means that some of these households may be buying or renting units below the price that would be willing to pay if there were other options available. This may also mean that some higher income households may be choosing to live in other nearby areas if they can more easily find housing options that fit their needs and wants, even if they work in Morrow County. This situation has also been observed in commuting data and through information collected from employers by the Port of Morrow.

In order for developers to choose to invest in new housing projects to meet the needs of these higher income households, they will need to see evidence of strong demand for new housing in communities in Morrow County. Local employment opportunities are one key driver of demand, and the Port of Morrow and surrounding areas have seen robust employment growth in recent years. Another key driver of housing demand is proximity to amenities and services that help to create a livable and attractive place to live. Higher-income workers may be choosing to live in other areas outside the county, particularly the Tri-Cities area in Washington, because they perceive those cities to have a wider variety or higher quality of amenities and services, such as retailers, restaurants, parks and recreation facilities.

If the cities in Morrow County can help to enhance these local amenities and services, it will likely increase demand for housing in the County. In turn, this will stimulate development of housing for these higher-income households. New development targeted at this income segment will not only benefit these higher-income households, with more housing opportunities available for these households, it can open up housing units for moderate- or lower-income households as the higher income households “trade up”. This can lead to healthier housing market conditions for all households.

It is recommended that the cities and county continue to focus planning efforts on enhancing local amenities and services. This may include planning and public investment to support development of local commercial districts with a range of retailers and restaurants. In some communities, these efforts may focus on historic downtowns or “Main Streets”. It also may include improving and expanding local parks, trails, and recreation facilities. The cities and county should continue to work with the Port of Morrow and local employers to understand the amenities and services that are most important to higher income households in order to tailor and prioritize these efforts.

Strategy 3: Establish Minimum Density Standards

Applicability: All cities and county

Complexity: Medium

Details and Recommendations:

As described in the Land Supply section, most Morrow County jurisdictions, and the County, have a sufficient supply of residentially zoned land to meet the projected 20-year housing needs. Land supply conditions vary among the cities, however; and some communities have a more limited supply of buildable residential land, are expecting higher growth rates, or face constraints related to floodplains and slopes. In these communities, it is important that the remaining buildable land be used efficiently by

developing at or near the maximum density of the zoning district. As summarized in the Policy and Code Review (Appendix C), all Morrow County jurisdictions have residential zones that regulate maximum density, either through a minimum lot size and/or a maximum density standard, but no jurisdictions regulate minimum density.

The most direct method to ensure land is used efficiently is to adopt minimum density standards for each residential zone. A minimum density standard would prohibit residential developments that do not meet the intent of the zone. For example, large lot, detached homes would be prohibited in a higher density residential zone, but the minimum density standard may allow for smaller lot detached houses, cottage cluster housing, or townhomes. The minimum density standard can be tailored to local conditions and needs but is most effective if it is set at between 50 and 80 percent of the maximum density standard in the zone. However, the minimum density standard should not require development at a density that cannot be supported by the municipal wastewater and water infrastructure.

Strategy 4: Incentivize Affordable and Workforce Housing

Applicability: All cities and county

Complexity: Medium

Details and Recommendations:

Some development regulations can present obstacles or add costs to housing developments. These obstacles are particularly challenging for developments built by housing authorities, non-profit developers, or even for-profit developers that are attempting to build units affordable to people with lower or moderate incomes. To address this challenge, cities can offer concessions on regulatory standards that can provide meaningful economic value to a development project in exchange for the development dedicating a minimum proportion of the units in the development to be affordable to people with lower or moderate income. The incentives may include expedited permitting or relief from certain development standards such as maximum height, parking, setbacks, minimum open space, or maximum density.

The incentives can be tailored to the specific housing needs of the community. As demonstrated by the Housing Needs Analysis, most cities in Morrow County have a need for more housing units that are affordable to households with moderate incomes, particularly in the range of \$35,000-\$75,000. Housing affordable to this income range is often termed “workforce housing”. There is a need for both ownership and rental housing at these income levels. Regulatory incentives could be provided to developments that propose either ownership or rental housing that will be affordable to this income level.

Each jurisdiction should consider some of the following best practices in designing an incentive program:

- **Ensure units remain affordable over time.** To ensure the units remain affordable at this income level over time, cities often require a restrictive covenant be recorded on the property or management of the property by a non-profit or housing authority.

- **Allow flexibility in the type of regulatory concession that is granted.** The relative value of a regulatory concession will depend on the location, size of lot, existing zoning, and many other factors. It is common to provide either a density or height bonus or a reduction in minimum parking requirements as an incentive, as these are usually valuable concessions. However, allowing the applicant to propose a different regulatory concession, such as reduction in minimum setbacks or lot coverage, can help widen the appeal of the program. The code may require that the developer demonstrate that the concession will result in identifiable cost reductions for the project.
- **Allow flexibility in how affordable units are provided.** In some cases, it may be advantageous to construct the affordable units on a different site than the primary development that is receiving the concession. It may also make sense for the development to purchase existing market-rate units and convert them to affordable units. Allowing flexibility in how the units are provided can also widen the appeal of the program.
- **Provide expedited permitting.** As a result of recently adopted state statute, many developments that include affordable housing units are required to be processed in under 100 days. To ensure compliance with this requirement, and to provide an additional incentive for development of affordable housing, jurisdictions may consider adopting provisions that provide an expedited permitting process for qualifying developments. Expedited permitting can help to reduce soft costs of development, such as holding land and hiring professional services, and reduce uncertainty for prospective developers.

Strategy 5: Facilitate Middle Housing Types in All Residential Zones

Applicability: All cities, but may be challenging in Lone and Lexington

Complexity: Medium

Details and Recommendations:

Given the demographic trends identified in this study, and the ongoing challenge of providing enough housing options for people with moderate incomes, smaller sized, modest housing units will continue to be an important need in Morrow County. As demonstrated by the Housing Needs Analysis, there is a need for ownership housing options for households with incomes between \$35,000-\$75,000. Due to the costs of land, infrastructure, and construction, it can be difficult for builders to produce new single-family detached housing that is affordable to households at this income level. A range of smaller-sized housing options, detached or attached, can be more feasible to provide for this income level because they require less land per unit and can be more efficient to serve with infrastructure.

These housing types include townhomes, duplexes, triplexes, and garden or courtyard apartments. They have been termed “missing middle” housing types because they fall between high density apartment buildings and low density, detached housing. If regulated appropriately, these housing types can be compatible with detached, single-family houses and, therefore, could be permitted outright in these zones. “Middle housing” is a useful concept, but it includes a diverse array of housing types, some of

which may or may not be compatible with all residential zones. The following are three basic best practices for adopting supportive and appropriate standards for middle housing:

- **Tailor the allowance to the location and housing type.** As noted above, missing middle housing types vary in form. Similarly, residential zones and neighborhoods vary widely in existing character. To ensure compatibility, study the existing characteristics of residential areas and select housing types that are most likely to be compatible. For example, a neighborhood that is almost exclusively made up of detached houses may not be a good fit for townhomes, which are usually built in structures that contain 3-8 side-by-side units in a relatively large overall structure. However, duplexes and cottage cluster housing, which have smaller building footprints, may be more compatible.
- **Allow outright.** Some missing middle housing types, such as duplexes and triplexes, are permitted as conditional uses in residential zones in Morrow County jurisdictions. This can present a procedural barrier because developers may avoid the uncertainty and additional cost associated with the land use review process. A more supportive approach is to allow the housing type outright under clear and objective standards.
- **Limit building size to be compatible with detached houses.** The primary compatibility issue for missing middle housing types is the size of the structure compared to detached houses. All Morrow County jurisdictions require duplexes or triplexes to be built on larger lots than single-family, detached houses. If other standards are held constant—such as maximum lot coverage—then this will result in a structure that is larger than most detached houses in the area, because the builder is likely to maximize the floor area of the structure. Alternatively, these jurisdictions may consider allowing a duplex or triplex to be built on the same size lot as a single-family house but limit the overall size of the building through a maximum Floor Area Ratio (FAR) or maximum unit size standard. This encourages smaller individual dwelling units and building sizes that are compatible with single-family houses. This approach may also open up the opportunity for development of these housing types on more existing lots that would not otherwise meet the minimum lot size requirement.

This strategy is likely to be challenging to implement in Lone and Lexington which do not have municipal wastewater systems. Without those systems, densities are limited by the land needed to install a septic system. Without the cost savings from using less land for these development types, their financial feasibility and marketability will be more limited.

Strategy 6: Support High Density Housing in Commercial Zones

Applicability: Boardman, Irrigon, and Heppner; other cities as infrastructure is available

Complexity: Medium

Details and Recommendations:

Most cities in Morrow County have a substantial amount of buildable land in commercial zones, and in some cases that land may be suitable for residential uses. Some of these lands may be more economical

to serve with infrastructure than other residential lands. In addition, bringing more residents in close proximity to commercial services benefits the businesses, by potentially expanding the local customer base, and the residents, by providing convenient and potentially walkable access to daily needs and amenities. As residential development in commercial zones will absorb some commercial land supply, it is important that the residential development be of a higher density. Low density residential development would consume commercial land while offering less value in terms of increasing local customer base and accessibility for residents.

Multi-family housing is allowed as a conditional or permitted use in many commercial zones across the county. However, some regulatory barriers to high density housing in commercial zones may be unnecessary. The following amendments may be appropriate.

- **Allow multi-family housing outright.** In some cities' commercial zones, multi-family housing is allowed with a conditional use permit. For example, multi-family dwellings are allowed as a conditional use in commercial zones in Heppner and Boardman but do not appear to be allowed at all in Irrigon's commercial zone. A conditional use permit can be an additional procedural obstacle to residential development and could discourage it in commercial zones. In lieu of a conditional use permit, which often applies relatively discretionary approval criteria, cities can adopt clear and objective criteria and standards for where and how multi-family housing is permitted. For example, housing may not be permitted on the ground floor of specific streets that are intended for storefront shopping.
- **Consider allowing single-family attached housing.** Townhomes can be developed at densities that would be beneficial to a commercial district and can function well as a transition between a commercial district and detached housing.
- **Allow vertical mixed-use development outright.** Vertical mixed-use development, with residential units above a commercial use, is a traditional and highly valuable form of development as it preserves ground floor commercial space while creating additional housing units. Vertical mixed use is costly and complicated to develop, so its prevalence will be limited, but cities should encourage this form of development in commercial zones.
- **Adopt a minimum density standard.** To ensure that residential development in commercial zones provides the benefits noted above, adopt a minimum density standard that would prohibit detached, lower density housing. This strategy is noted elsewhere in this report as well.

Prior to expanding allowances for residential development in commercial zones, cities should ensure that there is sufficient buildable commercial land to meet projected needs, based on an Economic Opportunities Analysis (EOA) and Statewide Planning Goal 9 Guidelines.

Strategy 7: Streamline and Right-Size Minimum Off-Street Parking Requirements

Applicability: Boardman, Ione, and Lexington

Complexity: Medium

Details and Recommendations:

All jurisdictions in Morrow County require residential developments to provide a minimum number of off-street parking spaces. Given that vehicle travel rates are high and there is no or very limited transit system in the County, it is reasonable to require residential developments to include off-street parking.

Many developers would include off-street parking as a marketable amenity regardless of the code requirement. However, in some cases, the level of off-street parking required may exceed what the market would otherwise provide and may be unnecessary to effectively accommodating parking needs. This can become an obstacle to housing development because off-street parking lots consume land, reducing developable area on a site and net density, and can render a project economically infeasible. This condition is more likely on smaller infill lots. Structured or underground parking is only feasible if rental rates are high enough to offset high construction costs and likely is not financially feasible in Morrow County now or in the foreseeable future. If a development is at the margins of economic feasibility, parking requirements may preclude the development or cause fewer housing units to be built.

Most Morrow County jurisdictions require two off-street parking spaces for a single-family house and between one and two off-street spaces per unit in a duplex or multi-family development. Boardman, Lone, and Lexington require two spaces per unit for all developments. A requirement of two spaces per unit, regardless of the number of units in building, is likely to present an obstacle to some projects that may otherwise be feasible. The *Oregon Model Development Code for Small Cities* recommends a baseline standard of one space per unit. A general reduction to a standard of one or 1.5 spaces per unit is a positive step towards removing a potential obstacle to housing development.

In combination with or in lieu of a general reduction, cities should consider several other methods to reduce the chance that off-street parking requirements are a barrier to housing development, including:

- **Scale requirements by number of bedrooms.** The number of bedrooms in a dwelling unit is more closely correlated with the number of vehicles owned by the household than simply the number of dwelling units. Jurisdictions may allow the option of calculating minimum parking requirements based on the number of bedrooms in each unit. This can benefit multi-family developments with many one bedroom and studio units, which are more likely to have single-person households.
- **Provide a credit for on-street parking.** This provision allows development to reduce the minimum parking requirements based on the number of spaces that can be accommodated along the street frontage of the development. Lower density developments benefit most from this credit because there is more likely street frontage per unit. This credit recognizes that on-street parking will be used and allows for more efficient utilization of site area.
- **Allow for development of narrower streets.** As an alternative to reducing parking requirements, the City could allow for narrower local streets in residential areas, with limited on-street parking. Similar to reducing off-street parking requirements, this would reduce the

overall cost of development and resulting housing. It also would reduce the amount of impervious surface and associated stormwater run-off.

- **Targeted reductions or waivers.** Minimum parking requirements can be reduced for certain geographic areas, for certain uses (such as affordable housing), in exchange for certain amenities (such as open space), or when an applicant can demonstrate that parking demand will be lower than the minimum requirement.

Any reduction of minimum parking requirements should consider impacts on utilization of on-street parking. Where street widths do not allow for on-street parking or on-street parking is heavily utilized in some areas, no reduction or a smaller reduction may be more appropriate.

Strategy 8: Encourage Cottage Cluster Housing

Applicability: Morrow County, Boardman and Irrigon; other cities as infrastructure is available

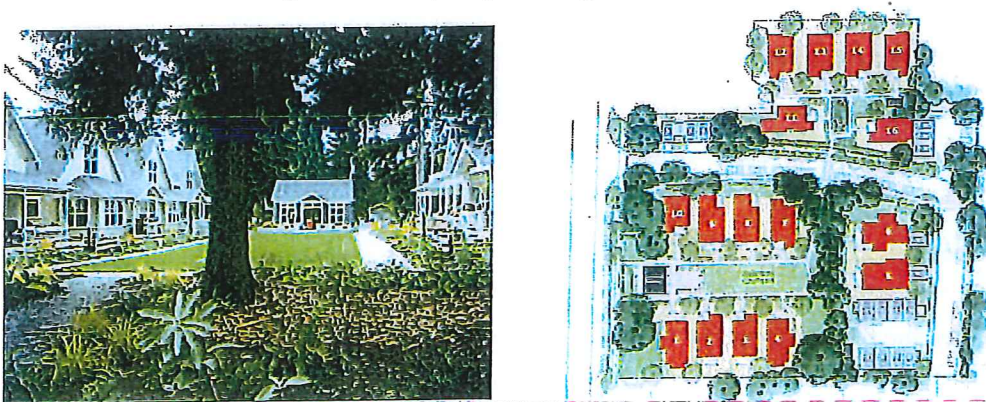
Complexity: Medium

Details and Recommendations:

As described in relation to Strategy 7 (“missing middle” housing), there is a current and projected need for modestly sized housing units to accommodate middle-income or “workforce” households. One way to provide these types of units is by encouraging cottage cluster housing: groups of small, detached homes, usually oriented around a common green or courtyard, located on individual lots, a single lot, or structured as condominiums.

Cottage clusters are growing more popular and the development potential for cottage cluster housing is significant. They provide many of the same features of conventional detached houses, but in a smaller footprint, with shared maintenance responsibilities, and arranged in a way that can facilitate a more community-oriented environment (see Figure 1). Cottage clusters can be developed on relatively small lots, as access and parking is shared and the units are relatively small, usually between 500 and 1,000 square feet. The visual character of cottage clusters, detached dwellings with substantial shared yard space, is compatible with neighborhoods of detached homes.

Figure 1. Example of a Cottage Cluster Development



The City of Heppner has adopted a special set of standards to apply to cottage cluster housing (see Appendix E). Most other Morrow County jurisdictions allow clustering of housing, including in planned unit developments or master planned areas; however, most do not allow for “cottage cluster” developments, with smaller dwellings and higher densities than base standards. The cost, complexity, uncertainty of a master planned development or planned unit development procedure may deter development. For example, Morrow County’s Planned Unit Development (PUD) standards have been identified as difficult to meet by some developers. A more supportive approach is to allow cottage cluster housing outright, subject to clear and objective standards, through a modified PUD application or a special cottage cluster application. The following practices can help ensure the code supports this housing type:

- **Density bonus.** Allow for increased densities over the base zone in exchange for a cap on the size of individual dwelling units. This combination allows for more dwelling units while ensuring an efficient use of land.
- **Low minimum unit size.** Given maximum house sizes of 1,000-1,200 square feet, allow a wide range of sizes—even as small as 400 square feet—and consider allowing both attached and detached housing.
- **Flexible ownership arrangements.** Do not require a single ownership structure; allow the site to be divided into individual lots, built as rental units on one lot, or developed as condominiums.
- **Supportive lot standards.** Ensure that minimum site size, setbacks and building coverage requirements do not prohibit cottage cluster development on smaller lots.
- **Balanced design standards.** Draft basic design requirements that ensure neighborhood compatibility, and efficient use of land, but are not so specific as to restrict the ability to adapt to varying neighborhood contexts.

Similar to promoting missing middle housing types, this strategy may be difficult to implement in Lone and Lexington, in the absence of municipal wastewater treatment systems. Construction of smaller cottage cluster housing would continue to be less expensive than larger detached units on separate lots. However, the amount of land needed for the development in total could be similar unless the area required for septic drainfields is less than with traditional single-family detached homes.

Strategy 9: Promote Accessory Dwelling Units

Applicability: Morrow County, Boardman, Heppner, and Irrigon; other cities as infrastructure is available

Complexity: Low

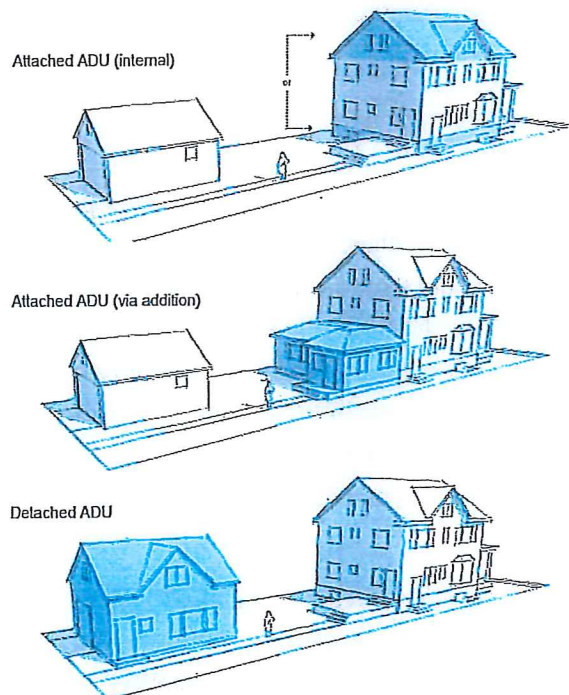
Details and Recommendations:

An Accessory Dwelling Unit (ADU) is a secondary dwelling unit on the same lot as a single-family house that is smaller than the primary dwelling. ADUs can come in three forms: a detached structure, an attached addition, or a conversion of internal living space in the primary dwelling (Figure 2). As ADUs are

often invisible from the street or may be perceived as a part of the primary dwelling, they offer a method of increasing density with minimal visual impact on the character of the neighborhood.

Figure 2. Types of ADUs

ADUs in blue; main residence in white



Source: City of St. Paul, MN

ADUs are a viable housing option with several benefits:

- Building and renting an ADU can raise income for a homeowner and help offset the homeowner's mortgage and housing costs.
- ADUs can add to the local supply of rental units and can provide a relatively affordable rental option for a person or household that prefers living in a detached unit rather than an apartment or other attached housing.
- ADUs offer flexibility for homeowners to either rent the unit or to host a family member. The proximity to the main house can be particularly beneficial for hosting an elderly family member that may need care and assistance.

The state legislature recently adopted a statute that requires cities with a population of over 2,500 and counties with a population over 15,000 to allow ADUs outright on any lot where single-family housing is allowed.¹ In Morrow County, this requirement only applies to Boardman. Still, other jurisdictions may want to encourage ADUs to realize some of the benefits described above. The City of Heppner is the

¹See ORS 197.312(5)

only jurisdiction in Morrow County that explicitly allows ADUs. These code provisions could be a model for other Morrow County jurisdictions that decide to allow ADUs.

The Oregon Department of Land Conservation and Development has published a model code for ADUs. The model code is intended to provide basic regulations while ensuring that the standards do not present unnecessary barriers to development of ADUs. This model code recommends the following provisions:

- **Maximum Size.** Allow the ADU to be up to 900 square feet or 75% of the primary dwelling, whichever is less.
- **Off-Street Parking.** Do not require an off-street parking space for the ADU in addition to the spaces required for the primary dwelling.
- **Owner Occupancy.** Do not require that the owner of the primary dwelling reside either in the primary dwelling or the ADU, as this limits the marketability of a property with an ADU.
- **Design Standards.** Minimize special design standards that apply to the ADU. In particular, requirements for the ADU to be “compatible” with the primary dwelling may be difficult to implement and not always result in a desirable outcome.
- **Number of ADUs.** Consider allowing two ADUs on the same lot if one of the ADUs is internal or an attached addition.

As identified in the Policy and Code Revisions Memo (Appendix D), it is recommended that the cities of Boardman, Irrigon, Lone, and Lexington adopt regulations that allow ADUs and use the DLCD model code or the Heppner code provisions for guidance in developing supportive and appropriate standards. It is also recommended that Morrow County allow for ADUs in appropriate residential zones in the County as authorized by recent state legislation. In Lone, Lexington and the unincorporated portions of the County, standards for ADUs will need to reflect impacts on septic and water supply systems in the absence of municipal water and wastewater treatment and collection systems.

In each jurisdiction, these amendments should be considered as part of a public process with input from residents on how to minimize potential impacts of ADU development.

5. Incentives for Development

Incentive 1: System Development Charges (SDC) and/or Fee Waivers

Applicability: Cities and County

Complexity: Medium

Details and Recommendations:

Waiver, exemption or deferral of SDC's or development fees directly reduces the soft costs of development to applicants for desired housing types. Development fees are not regulated by state law and cities have significant leeway to waive, reduce, or defer these fees. These fees may typically be applied by planning, building or engineering departments. SDC's face more statutory limitations and other hurdles to implementation. Generally, the reductions should be applied to housing types that demonstrate a similar reduction in demand for services or impacts (e.g. smaller units, multi-family vs. single family, ADU's, housing types that generate less traffic, etc.) However, state law does not directly address reductions that are not justified on these bases. The impacts of SDC or fee waivers will differ by jurisdiction depending on the size of the local charges. The magnitude of the fiscal impact will mirror how much of a benefit this incentive really provides to the developer.

Some jurisdictions offer full or partial SDC exemptions for affordable housing developments or subsidize them with funding from another source (e.g. urban renewal or general fund). A related type of program can allow developers of affordable housing to defer or finance payment of SDCs, which can reduce up-front costs and financing costs for the developer.

With deferral or financing of SDCs, the fiscal impacts to the City and its partners is minimal because charges are eventually paid. The period of repayment should not be a detriment to public agencies that operate on indefinite timelines. A financing program can be more beneficial to the property owner because SDC's are paid gradually, rather than in a lump sum soon after the completion of the project. However, a financing program also brings additional administrative requirements and costs to the City to track and collect payments over time.

Incentive 2: Tax Exemptions and Abatements

Applicability: Cities

Complexity: Medium-High

Details and Recommendations:

Tax exemptions or abatements offer another financial incentive to developers that can improve the long-term economic performance of a property and improve its viability. This can be a substantial incentive, but the city or county will forego taxes on the property, generally for ten years. Other taxing jurisdictions are not included, unless they agree to participate. Tax exemption programs are authorized by the state for specific purposes:

- Non-profit Low Income Housing (ORS 307.540 – 307.548): Exemptions for non-profit suppliers of affordable housing
- Low-Income Rental Housing (307.515 – 307.523): Broader exemption for projects that include affordable housing that can apply to private developers.
- Homeownership, Rehabilitation in Cities (307.651 – 307.687): An exemption to encourage new development and home renovation for owner (not rental) units of 120% median home price or less.
- Tax Freeze for Property Rehabilitation (ORS 308.450 – 308.481): A program that allows the owner of single-family or multi-family properties to complete renovations on a property, while freezing the assessed value at the prior level.
- Vertical Housing (ORS 307.841 – 307.867): An incentive for housing developments of two or more stories. This partial exemption grows larger with each additional floor of housing provided.
- Multiple-Unit Housing (in transit areas) (ORS 307.600 – 307.637): Intended for town centers and transit areas. May have limited use in rural counties, but may apply where there is regular transit service.

Tax abatements or exemptions alleviate property taxes on certain types of development, often for a set period of time. Exemptions can be a very strong tool to incentivize affordable housing and make proposed projects more viable, depending on how the exemptions are structured.

6. Funding Sources and Uses

Funding Source 1: Construction Excise Tax

Applicability: Cities and County

Complexity: Medium

Details and Recommendations:

The construction excise tax (CET) is a tax on construction activity of new structures or additional square footage to an existing structure to pay for housing affordable at 80% of AMI or less. Cities or counties may levy a CET on residential construction of up to 1% of the permit value, or on commercial and industrial construction with no limit on the rate.

The allowable uses for CET revenue are set forth in state statute, but they include a set-aside for administration costs, and used by the jurisdiction to recover costs of developer incentives such as fee waivers or tax abatements.

If this strategy is implemented in Morrow County and its communities, it is recommended to be done at a county-wide level to reduce the unintended consequence of making development costs higher in some Morrow County communities than others. Typically, the CET is collected as part of the building permitting process, so this also would make sense from an administrative perspective. If applied in all cities and collected by the county, each city would need to establish some type of intergovernmental agreement guiding collection and distribution of CET revenues. The cities and County also could work together on a strategy for use of the funds that is consistent with statutory requirements, help meet the needs of individual cities, and incorporates a coordinated approach to housing assistance programs, similar to the approach currently implemented through the County's Enterprise Zone program (described below).

Funding Source 2: Tax Increment Financing (Urban Renewal)

Applicability: Selected cities (e.g., Boardman and possibly Irrigon) and county

Complexity: High

Details and Recommendations:

Tax increment financing (TIF) is the mechanism through which urban renewal areas (URA) grow revenue. At the time of adoption, the tax revenues flowing to each taxing jurisdiction from the URA is frozen at its current level. Any growth in tax revenues in future years, due to annual tax increase plus new development, is the "tax increment" that goes to the URA itself to fund projects in the area. Small cities (50k people or less) are allowed to have up to 25% of their land area and assessed value in URAs.

For the most part, these funds must go to physical improvements in the area itself. These projects can include participating in public/private partnerships with developers to build housing, or can be used to complete off-site public improvements that benefit and encourage new development in the area, or

to acquire key sites. The funds can also be used for staff to administer these programs, and to refund waived SDCs.

Urban Renewal requires the jurisdiction to undertake an adopted feasibility study and plan. These documents lay out the boundaries of the URA, the required findings of “blight” (broadly defined) in the area, the projected fiscal performance of the URA, the planned projects that will be undertaken. The URA is overseen by an Urban Renewal Agency which typically is affiliated closely with the jurisdiction itself and may have the same membership as the council or commission.

Urban Renewal is a good tool to use in areas where new development or redevelopment is anticipated. The growth of TIF revenue depends on this growth actually occurring; if a URA remains stagnant, then tax revenues will not grow to fund the planned projects. Therefore, it is advisable that the Urban Renewal agency waits for some sign of growth in the URA, before undertaking the expense of public projects dependent on TIF. That said, once some growth has occurred or seems likely to occur in response to the public expenditure, the Urban Renewal Agency

Many different project types are allowable under the Urban Renewal program though they generally require some physical improvement to occur. These may include financing public infrastructure (new roads, water, sewer, etc.) to an area to allow private development to occur there. These also may include various partnership or incentive programs with other agencies or private developers.

The City of John Day has recently created an innovative URA to help provide incentives for both new housing and renovated housing. The incentives are designed to rebate some of the newly created assessed value directly to the property owner, to make the project more attractive. The URA was created such a way to include much of the City’s vacant developable land for housing, to encourage build-out and ensure that the value of new development is captured by the TIF.

Funding Source 3: Local Housing Development Funds

Applicability: Cities and local and regional partners

Complexity: Medium

Details and Recommendations:

Through the Columbia River Enterprise Zone, funds are collected from local businesses that participate in the tax abatement program. Those funds are then used to fund programs to address a variety of local community needs, including housing. Community development associations within the County use the money at their discretion to implement different housing programs, including a homebuyer down-payment assistance program in Boardman and a duplex project in Heppner.

This is an excellent example of an innovative local funding initiative, coupled with a public private partnership between local government, local employers and others. Continuation of this program and potential expansion of the use of funds for local housing initiatives will continue to be an important component of housing strategies in Morrow County.

The Columbia River Enterprise Zone recently awarded \$3.24 million in grants to a wide range of County partners, to allow them to share in the growth taking place in the zone. Recipients included the Boardman Community Development Association which administers the Homebuyers Incentive Program, the City of Irrigon, and multiple educational and economic development groups. The shared funds are aimed at improving education, community enhancement, emergency services and infrastructure, and housing in Morrow County.

This is an important source of on-going funding for the housing initiatives discussed in this report. In addition to direct assistance to homebuyers and renters, these funds could potentially be used for direct incentives to builders, or to reimburse the city or county for indirect incentives, such as waived SDC's or other fees. In addition, these funds can potentially be used for public infrastructure which can also facilitate development by connecting under-served land.

Funding Source 4: Other Property Owner Assistance Programs

Applicability: Cities and local and regional partners

Complexity: Varied

Details and Recommendations:

There is a wide range of programs intended to provide incentives to property owners and builders to build and maintain housing stock (in addition to the state-authorized tax incentives discussed above.) These programs are typically aimed at property owners or renters, but public agencies can be well versed in these resources and ensure that public incentives can dovetail with these programs to have maximum impact. These programs include:

GEODC

- Northeast Regional Housing Rehabilitation Loan Program: This program provides 0% interest, deferred payment loans to qualified homeowners to rehabilitate and maintain housing so households can stay in place and lower-cost housing stock can remain in service. This program is funded through Community Development Block Grant funding among other sources.

USDA Housing Programs

The USDA provides a wide range of rural housing and community development grants and loans that may be applicable in some or all of Morrow County. Many of these programs are aimed directly at providing financing in areas and for projects that have difficulty gaining financing from other sources.

- Farm Labor Direct Loans and Grants
- Housing Preservation & Revitalization Demonstration Loans and Grants
- Housing Preservation Grants
- Multi-Family Housing Direct Loans

- Multi-Family Housing Loan Guarantees
- Multi-Family Housing Rental Assistance
- Single Family Housing Direct Loans
- Single Family Housing Loan Guarantees
- Mutual Self-Help Housing Technical Assistance Grants (to orgs to implement Habitat-for-Humanity model)
- Rural Housing Site Loans (to purchase sites for low- and moderate-income housing)

Regional or local housing coordinators should maintain familiarity with these programs and consider the ways that other programs can leverage these resources to amplify the total incentives.

Funding Uses 1: Public/Private Partnerships

Applicability: Cities and county

Complexity: Medium

Details and Recommendations:

Most of the strategies discussed below fall under the umbrella of public/private partnerships which include a broad range of projects where the public contributes to private or non-profit development. The public involvement usually entails providing some financial incentive or benefit to the development partner in return for the partner's agreement that the development will provide some public benefit for a specified length of time. These partnerships can be used to encourage a wide range of public goals, including certain development forms, affordability levels, public space (plazas, parks), environmental features, mixed uses, etc.

A key barrier to meeting housing needs in Morrow County has been the lack of development capacity to build the types of housing needed to serve local workers. In addition, owners of large developable properties have not been ready to sell or develop their land for housing. These factors have limited the pace and volume of housing development in the County. Partnerships with local or regional developers, builders and property owners will be a key to encouraging and realizing housing development goals in the area.

The benefit of public/private partnerships is that the city or county does not have to build internal expertise in development, property management, or complicated affordable housing programs. Partner agencies or companies with experience in these types of projects benefit from public contributions, making the projects more feasible.

Public contributions to partnerships with other agencies or companies tend to take the form of a financial contribution (grant or loan), fee or SDC waivers, building adjacent off-site improvements, or tax exemptions or abatements. Many of these tools are detailed in this report. Potential partners in the

area include Umatilla County Housing Authority, Habitat for Humanity, CAPECO, the Port, active builders in the region, and key landowners.

Funding Uses 2: Land Acquisition/ Use Public Lands

Applicability: Cities and county

Complexity: Medium

Details and Recommendations:

Control of a key site gives a public agency ultimate say in what happens in that location. Typically, a development partner is eventually identified to develop the site, and the value of the property provides a significant incentive that the city can contribute to the project. Through reduced property transfer, the city can ensure that the development meets public goals such as affordable housing, multi-family housing, mixed uses, etc. The discounted land may also allow development forms that would not typically be economically feasible to become viable. Acquisition of new land may be expensive, but reuse of surplus public land may be possible with little new cost to the public agency.

Funding Uses 3: Community Land Trust

Applicability: Cities and county

Complexity: Medium

Details and Recommendations:

A community land trust (CLT) is a model wherein a community organization owns the land underlying a housing development and provides long-term ground leases to households to purchase homes on that property. The structure allows the land value to largely be removed from the price of the housing, making it more affordable. The non-profit agency can also set prices at below-market levels, and can set terms with buyers on the eventual resale of the units, sharing price appreciation, and other terms that allow the property to remain affordable for future owners as well.

Given the distinctive legal structure of CLT's it is likely best for public agencies and its cities to consider partnering with a non-profit community organization to administer this program. The cities can help identify key opportunities for this model and help to capitalize the efforts of its partner. Other CLT's working in different parts of Oregon include Proud Ground and Habitat for Humanity. The latter organization is not a CLT per se but uses a similar approach to maintaining the affordability of the homes it builds largely through volunteer labor. Initial inquiries to these organizations regarding their interest in operating in Morrow County and the type of support they typically seek from local governments would be an important first step in implementing this strategy.

Funding Uses 4: Regional Collaboration & Capacity Building

Applicability: Cities and county

Complexity: Medium

Details and Recommendations:

One potential use of funding would be for administration of a more formal central agency or Regional Housing Coordinator position, to serve as central point-of-contact for community partners and the public. As the county and cities consider a more holistic regional approach to housing challenges, this organizational structure would allow for more strategic planning among the cities.

In addition to capacity building within local government, there is a strong need to enhance the capacity of local builders, developers and supporting partners to develop the types of housing needed to serve the local workforce. Furthering this goal should be a primary component of a regional collaborative strategy.

Builders face some serious challenges in smaller markets that are distant from larger population centers. Often the average local income and spending power for housing is lower, meaning a lower profit margin for the builder, while costs are not lower and may be higher due to the need to transport labor and materials to the site. In addition, the number of housing units will be smaller and may take longer for the market to absorb, then building a larger volume of housing in Hermiston or the Tri-Cities. Because of these considerations, building in smaller markets may be profitable to the developer, but not as profitable as alternative projects.

In discussing these obstacles with developers, many advise that public agencies should focus on working with partners on affordable and workforce housing as the best target for their resources. The most programs, funding and statutory tools exist to address this need. At the same time, affordable housing developments have mission-driven measures of success that can be met in smaller markets, without regard for profit margin. Increasingly these housing programs can be targeted at those making 60% to 80% of median income, which will include many working households.

While public agencies and their partners focus on this working class income segment, new private development is likely to focus on the higher end of the market. The provision of all of this new housing supply helps free up older existing units for first-time homebuyers and middle-income renters.

7. Summary of Housing Strategies

Table 2 provides a summary of all of the recommended housing strategies described above. The table identifies the level of complexity of implementation (“High”, “Medium”, or “Low”) and the applicable jurisdictions.

Table 2. Summary of Housing Strategies

Strategy	Applicable Jurisdiction(s)	Level of Complexity
LAND SUPPLY STRATEGIES		
1. Evaluate and Address Infrastructure Issues	All cities and county; more important in Heppner, Ione, and Lexington	High
2. Ensure Land Zoned for Higher Density Uses is not Developed at Lower Densities	All cities and county	High
3. Research UGB Expansion or Land Swap Opportunities	Boardman, Ione, Irrigon, and Lexington	High
4. Increase the Supply of Rural Residential Land in the County	All cities and county	High
POLICY AND CODE STRATEGIES		
1. Adopt Supportive and Inclusive Comprehensive Plan Policies	All cities and county	Low
2. Enhance Local Amenities and Services	All cities and county	High
3. Adopt Minimum Density Standards	All cities and county	Medium
4. Incentivize Affordable and Workforce Housing	All cities and county	Medium
5. Facilitate “Missing Middle” Housing Types in All Residential Zones	All cities, but may be challenging in Ione and Lexington	Medium
6. Support High Density Housing in Commercial Zones Promote Accessory Dwelling Units	Boardman, Irrigon, and Heppner; other cities as infrastructure is available	Medium

Strategy	Applicable Jurisdiction(s)	Level of Complexity
7. Streamline and Right-Size Minimum Off-Street Parking Requirements	Boardman, Ione, and Lexington	Medium
8. Encourage Cottage Cluster Housing	Morrow County, Boardman and Irrigon; other cities as infrastructure is available	Medium
9. Support Accessory Dwelling Units	Morrow County, Boardman, Heppner, and Irrigon; other cities as infrastructure is available	Low
INCENTIVES FOR DEVELOPMENT		
1. System Development Charges (SDC) and/or Fee Waivers	All cities and county	Medium
2. Tax Exemptions and Abatements	Cities	Medium-High
FUNDING SOURCES		
1. Construction Excise Tax	All cities and county	Medium
2. Tax Increment Financing (Urban Renewal)	Selected cities (e.g., Boardman and possibly Irrigon) and county	High
3. Local Housing Development Funds	Cities and local and regional partners	Medium
4. Other Property Owner Assistance Programs	Cities and local and regional partners	Varies
FUNDING USES		
1. Public/Private Partnerships	All cities and county	Medium
2. Land Acquisition/ Use Public Lands	All cities and county	Medium
3. Community Land Trust	All cities and county	Medium
4. Regional Collaboration & Capacity Building	All cities and county	Medium

Appendix A: Housing and Residential Land Needs Analysis Report



**JOHNSON
ECONOMICS**



Source: Morrow County

**MORROW COUNTY, OR
& LOCAL CITIES**

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

**20-YEAR HOUSING NEED
2019 - 2039**

Prepared For:
MORROW COUNTY, OREGON
May 2019

TABLE OF CONTENTS

TABLE OF CONTENTS	1
Introduction	2
I. MORROW COUNTY DEMOGRAPHIC PROFILE	2
A. POPULATION GROWTH	3
B. HOUSEHOLD GROWTH & SIZE	4
C. FAMILY HOUSEHOLDS	5
D. AGE TRENDS	5
E. HOUSEHOLD INCOME & EMPLOYMENT	6
F. POVERTY STATISTICS	10
II. CURRENT HOUSING CONDITIONS	12
A. HOUSING TENURE	12
B. HOUSING STOCK	12
C. NUMBER OF BEDROOMS	13
D. UNITS TYPES BY TENURE	14
E. AGE OF HOUSING STOCK	14
F. HOUSING COSTS VS. LOCAL INCOMES	15
G. PUBLICLY-ASSISTED HOUSING	16
III. CURRENT HOUSING NEEDS (MORROW COUNTY)	17
IV. FUTURE HOUSING NEEDS - 2038 (MORROW COUNTY)	22
V. FUTURE HOUSING NEEDS - 2039 (CITIES)	25
A. Boardman Housing Profile	27
B. Heppner Housing Profile	30
C. Ione Housing Profile	33
D. Irrigon Housing Profile	36
E. Lexington Housing Profile	39

INTRODUCTION

This analysis outlines a forecast of housing need within Morrow County and its local cities. Housing need and resulting land need are forecast to 2039 consistent with 20-year need assessment requirements of periodic review. This report presents a housing need analysis (presented in number and types of housing units) and a residential land need analysis, based on those projections.

The primary data sources used in generating this forecast were:

- Portland State University Population Research Center
- U.S. Census
- Environics Analytics Inc.¹
- Oregon Employment Department
- Morrow County GIS
- Other sources are identified as appropriate.

This analysis reflects the coordinated population forecast from the Oregon Population Forecast Program, at the Population Research Center (PRC) at PSU. State legislation passed in 2013 made the PRC responsible for generating the official population forecasts to be used in Goal 10 housing analyses in Oregon communities outside of the Portland Metro area (ORS 195.033). The population forecasts used in this analysis were generated in 2016.

This project is funded by County and local funds from Morrow County cities, with some contribution from the Department of Land Conservation and Development.

I. MORROW COUNTY DEMOGRAPHIC PROFILE

SUMMARY

The following table (Figure 1.1) presents a profile of Morrow County demographics from the 2000 and 2010 Census. This includes the city limits of Morrow County, as well as areas currently included within the Urban Growth Boundary (UGB). It also presents the estimated population of this area as of 2018 from PSU estimates.

- Morrow County is a county of an estimated 11,927 people, located in northeastern Oregon, on the Columbia River.
- Morrow County is ranked 29th out of 36 Oregon counties in population, after Baker County and before Lake County.
- Morrow County has experienced steady growth, growing over 8% in population since 2000. Within the county, Boardman and Irrigon grew the fastest, with smaller the communities remaining steady or losing some population during this period. (US Census and PSU Population Research Center)

¹ Environics Analytics Inc. is a third-party company providing data on demographics and market segmentation. It licenses data from the Nielson Company which conducts direct market research including surveying of households across the nation. Nielson combines proprietary data with data from the U.S. Census, Postal Service, and other federal sources, as well as local-level sources such as Equifax, Vallassis and the National Association of Realtors. Projections of future growth by demographic segments are based on the continuation of long-term and emergent demographic trends identified through the above sources.

- Morrow County was home to an estimated 4,221 households in 2018, an increase of roughly 430 households since 2000. The percentage of family households has fallen somewhat between 2000 and 2018 from 77% to 75%. The county has a larger share of family households than the state average (63%).
- Morrow County's estimated average household size is 2.82 persons, down slightly since 2000. This is higher than the statewide average of 2.47.

FIGURE 1.1: MORROW COUNTY DEMOGRAPHIC PROFILE

POPULATION, HOUSEHOLDS, FAMILIES, AND YEAR-ROUND HOUSING UNITS					
	2000 (Census)	2010 (Census)	Growth 00-10	2018 (PSU)	Growth 10-18
Population ¹	11,034	11,213	2%	11,927	6%
Households ²	3,791	3,926	4%	4,221	8%
Families ³	2,932	2,961	1%	3,178	7%
Housing Units ⁴	4,293	4,454	4%	4,617	4%
Group Quarters Population ⁵	40	23	-43%	24	6%
<i>Household Size (non-group)</i>	2.90	2.85	-2%	2.82	-1%
<i>Avg. Family Size</i>	3.28	3.25	-1%	3.24	0%
PER CAPITA AND MEDIAN HOUSEHOLD INCOME					
	2000 (Census)	2010 (Census)	Growth 00-10	2018 (Proj.)	Growth 10-18
Per Capita (\$)	\$15,802	\$21,005	33%	\$23,581	12%
Median HH (\$)	\$37,521	\$48,457	29%	\$54,400	12%

SOURCE: Census, PSU Population Research Center, and Johnson Economics

Census Tables: DP-1 (2000, 2010); DP-3 (2000); S1901 (2010 ACS 3-yr Estimates); S19301 (2010 ACS 3-yr Estimates);

¹ From PSU Population Research Center, Population Forecast Program, final forecast for Wasco Co. (6/2016)

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

³ Ratio of 2018 Families to total HH is based on 2017 ACS 5-year Estimates

⁴ 2015 housing units are the 2010 Census total plus new units permitted from '10 through January '18 (source: Census, City of Boardman)

⁵ Ratio of 2018 Group Quarters Population to Total Population is kept constant from 2010.

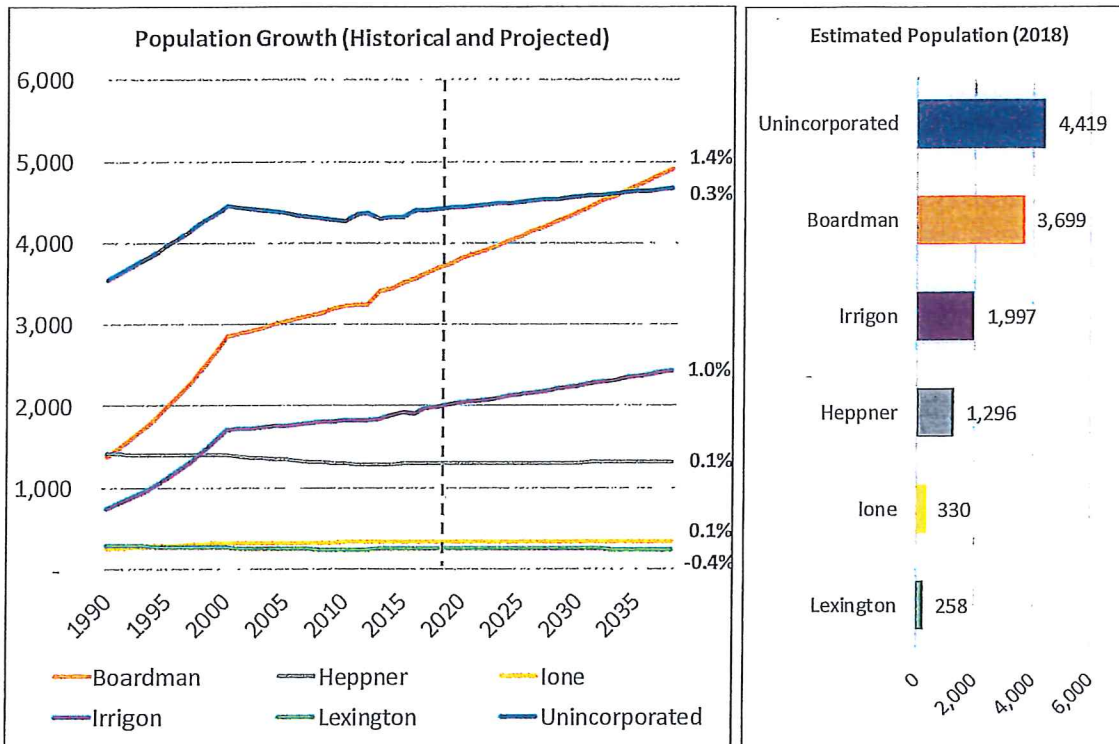
A. POPULATION GROWTH

Since 2000, Morrow County has grown by nearly 900 people, or 8% in 18 years. In contrast the state grew 21% in this time, with most of this growth being the Willamette Valley and Central Oregon regions.

Growth rates have differed across the communities, with Boardman and Irrigon experiencing the most growth, and the small communities to the south experiencing more modest growth. Projected growth rates shown in Figure 1.2 are from the PSU Population Forecasting program, but may be revised during this project.

The growth rates used in this analysis predict the greatest growth in Boardman at 1.4% annually, and 1% annually in Irrigon which would be in keeping with average state growth since 2000. Other areas are projected to grow more slowly.

FIGURE 1.2: POPULATION GROWTH, HISTORICAL AND PROJECTED

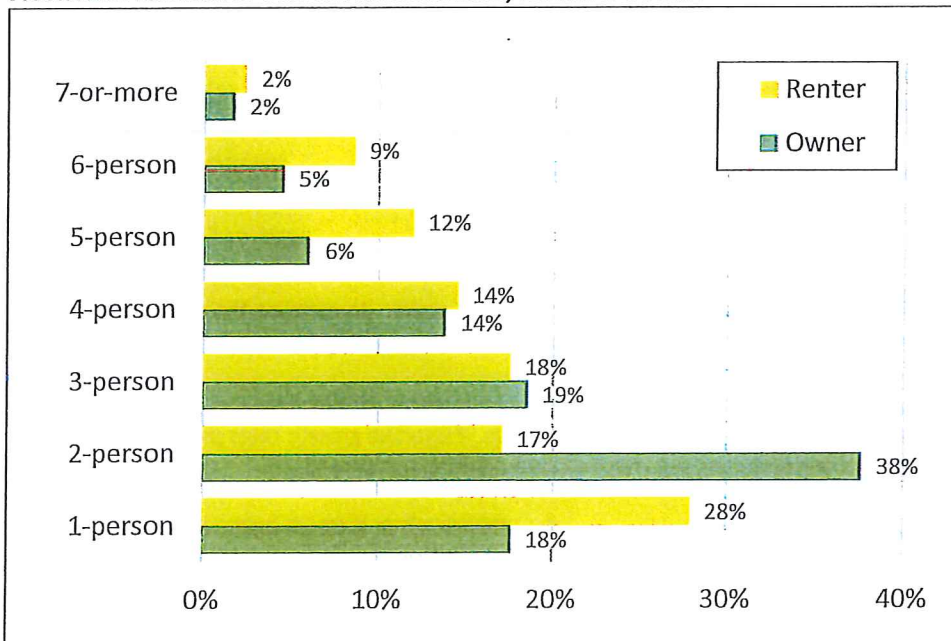


SOURCE: PSU Population Research Center, JOHNSON ECONOMICS LLC

B. HOUSEHOLD GROWTH & SIZE

As of 2018, the county has an estimated 4,221 households. Since 2000, Morrow County has added an estimated 430 households, or 21% growth. A household is defined as all the persons who occupy a single housing unit, whether or not they are related.

FIGURE 1.3: NUMBER OF PEOPLE PER HOUSEHOLD, MORROW COUNTY



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

105

There has been a general trend in Oregon and nationwide towards declining household size as birth rates have fallen, more people have chosen to live alone, and the Baby Boomers have become empty nesters. While this trend of diminishing household size is expected to continue nationwide, there are limits to how far the average can fall. Morrow County has experienced this trends somewhat, but not as starkly as some other areas.

Morrow County's average household size is 2.82 people, while the average size of family households is 3.24 people.

Figure 1.3 shows the share of households by the number of people for renter and owner households in 2017 (latest available), according to the Census. Renter households are more likely to have one person, or four or more persons. Owner households are more likely to have two people. This is the reverse of the trend seen in many communities, where renter households tend to be smaller. The Census indicates that owner households are more likely to be families than renter households, indicating that many renter households may tend to have multiple non-related residents, or they may tend to be larger families than owner families.

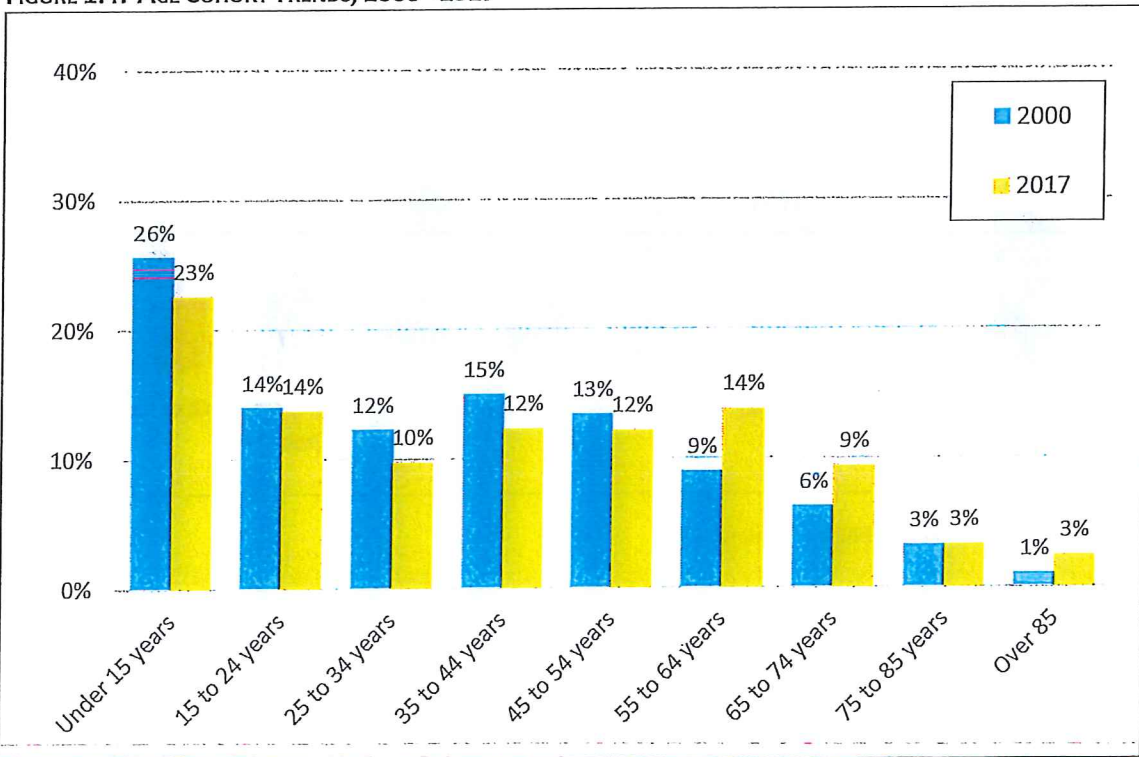
C. FAMILY HOUSEHOLDS

As of the 2017 American Community Survey (ACS), 75% of Morrow County households were family households, falling slightly from 2000 (77%). The total number of family households in Morrow County is estimated to have grown by 247 since 2000. This is 57% of all new households in this period. The Census defines family households as two or more persons, related by marriage, birth or adoption and living together.

D. AGE TRENDS

The following figure shows the share of the population falling in different age cohorts between the 2000 Census and the most recent 5-year estimates. As the chart shows, there is a general trend of growth among older age cohorts, specifically those aged 55 and older. Those in the middle and younger age cohorts fell as a share of total population. Going forward, the older age groups are projected to continue increasing in share, in keeping with the national trend caused by the aging of the Baby Boom generation.

FIGURE 1.4: AGE COHORT TRENDS, 2000 - 2017

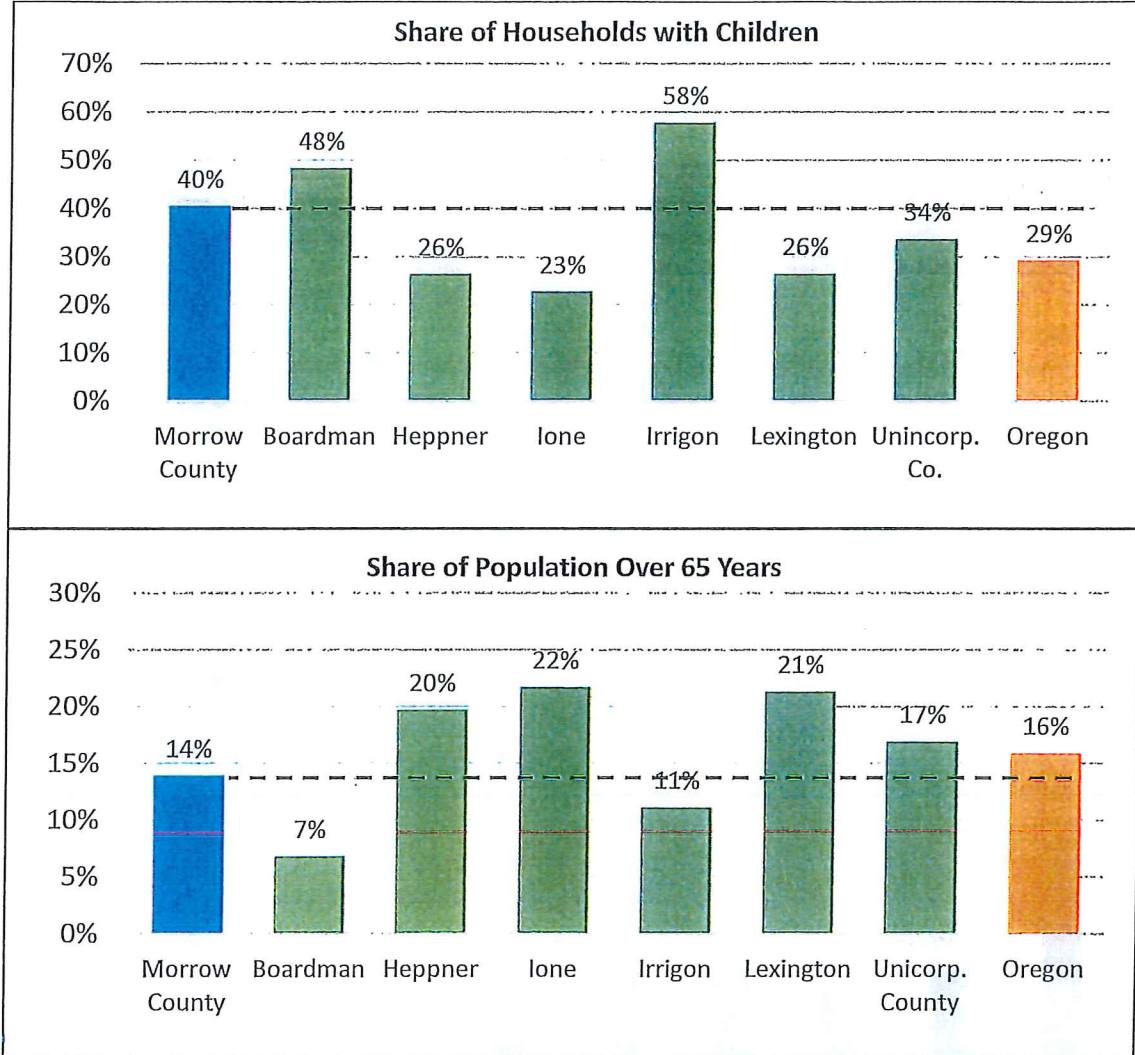


SOURCE: US Census, JOHNSON ECONOMICS LLC
 Census Tables: QT-P1 (2000); S0101 (2017 ACS 5-yr Estimates)

6010

- The cohorts that grew in share during this period were those aged 55 and older. Still an estimated 85% of the population is under 65 years of age.
- Figure 1.5 presents the share of households with children, and the share of population over 65 years for comparison. Compared to the state average, Morrow County has a much larger share of households with children and a smaller share of the population over 65.
- The smaller rural communities tend to have fewer households with children while, the largest towns have more. Overall, the county population has fewer senior citizens than the statewide average, but the small rural communities have more.

FIGURE 1.5: SHARE OF HOUSEHOLDS WITH CHILDREN/ POPULATION OVER 65 YEARS (MORROW COUNTY & CITIES)



Source: US Census
 Census Tables: B11005; S0101 (2017 ACS 5-yr Estimates)

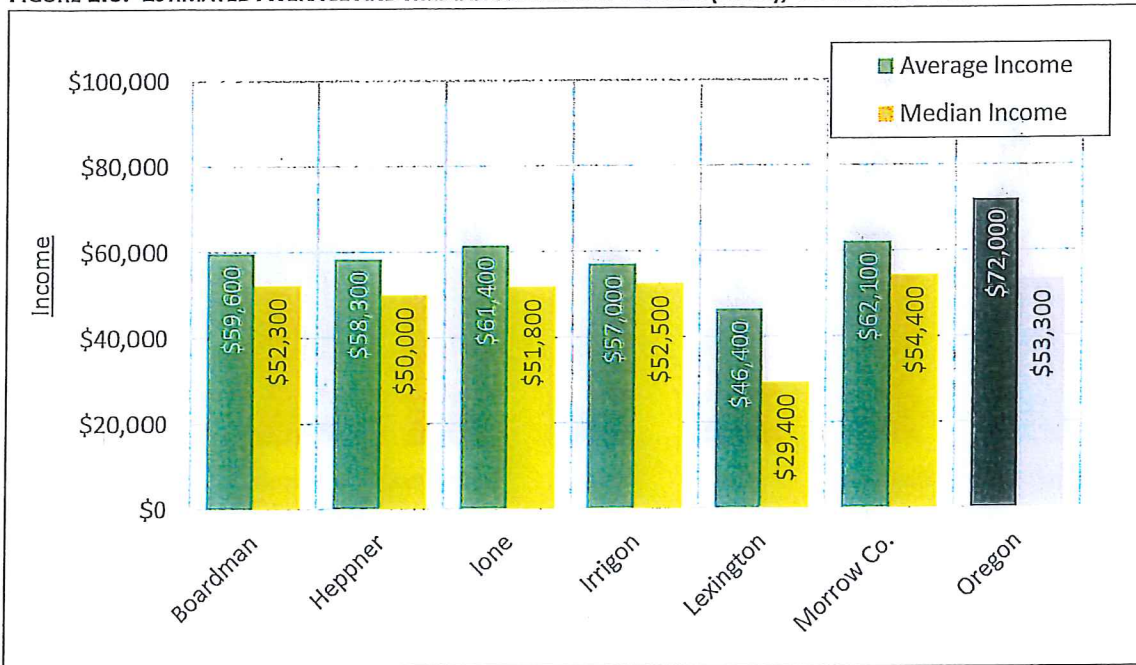
E. HOUSEHOLD INCOME & EMPLOYMENT

County households have average incomes below the state average, but median incomes near the state median. Estimated incomes are fairly even across the county, but a bit higher in Boardman, Lone, Heppner and unincorporated areas (Figure 1.6). Incomes are lower in Lexington.

107

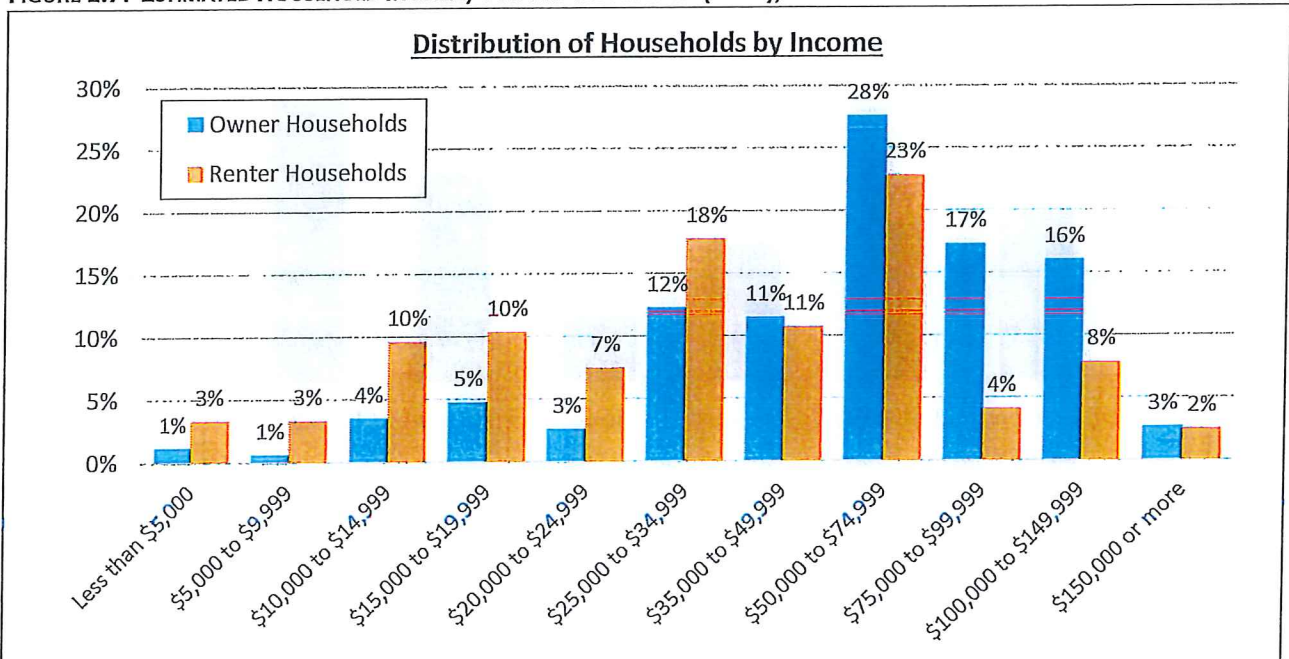
Ownership households tend to have higher incomes than renter households, as is the normal trend (Figure 1.7). However, in both cases the largest single income cohort is the \$50,000 to \$75,000 in keeping with the average and median incomes across the county.

FIGURE 1.6: ESTIMATED AVERAGE AND MEDIAN HOUSEHOLD INCOME (2018), COUNTY AND CITIES



Source: US Census

FIGURE 1.7: ESTIMATED HOUSEHOLD INCOME, OWNERS VS. RENTERS (2016), MORROW COUNTY

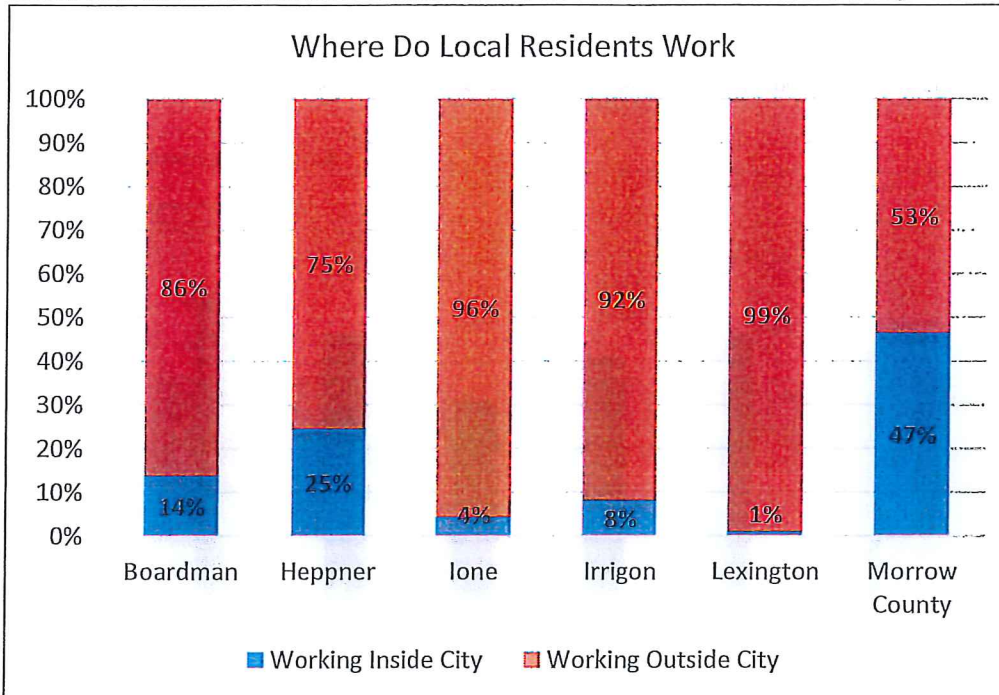


Source: US Census

Residents tend to work outside of their own communities with much cross-commuting around the region. According to Census estimates in most communities, an estimated 75% plus of working residents are working outside of their own city. Many work fairly close, including in unincorporated areas near the city, with only 26% of county commuters reporting a commute of 30 minutes or more.

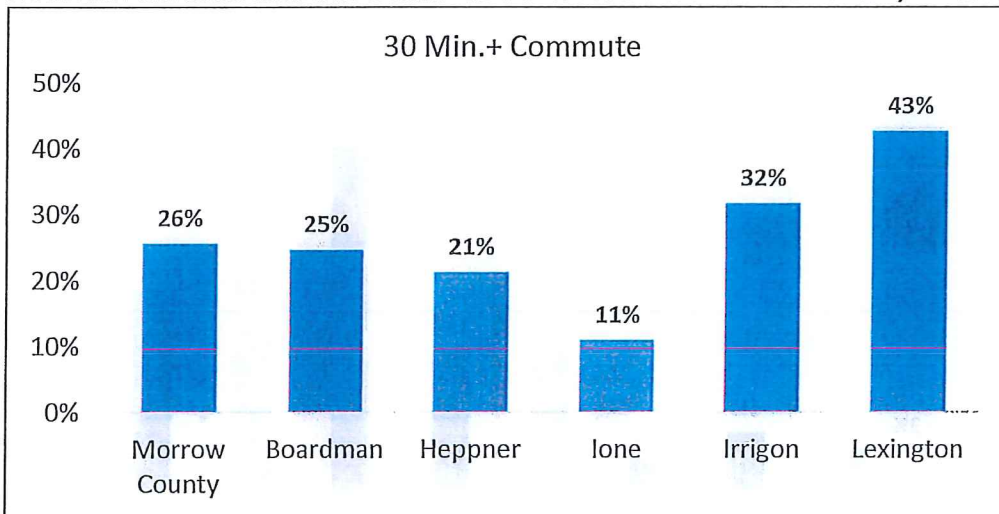
108

FIGURE 1.8: EMPLOYED RESIDENTS WORKING INSIDE OR OUTSIDE OF PLACE OF RESIDENCE, COUNTY AND CITIES



Source: Census Employment Dynamics

FIGURE 1.9: EMPLOYED RESIDENTS WORKING INSIDE OR OUTSIDE OF PLACE OF RESIDENCE, COUNTY AND CITIES

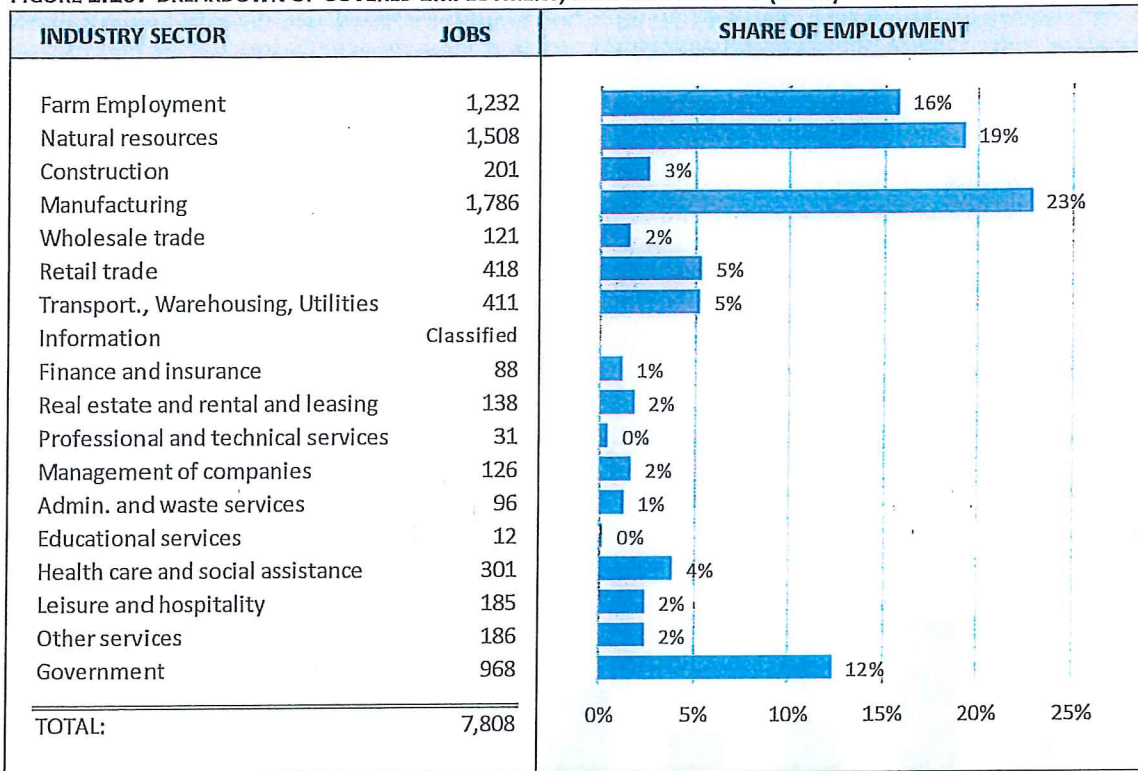


Source: US Census

Figure 1.10 presents a breakdown of estimated employment by industry sector in Morrow County, including farm employment and an estimate of self-employment and other "non-covered" employment.

Morrow County has a largest share of employment in manufacturing (including food processing), natural resources (fishing, forestry, mining and some agricultural jobs), farm employment, and government (including local, state and federal).

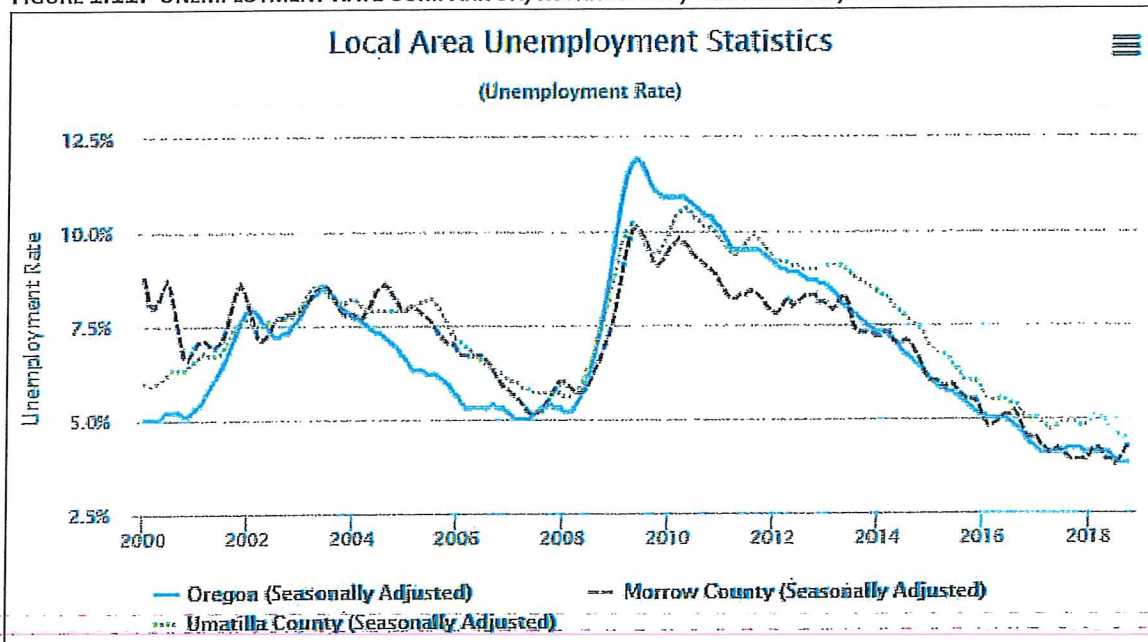
FIGURE 1.10: BREAKDOWN OF COVERED EMPLOYMENT, MORROW COUNTY (2018)



Source: Bureau of Economic Analysis, Oregon Employment Department

Jobs/Household Ratio: Morrow County features an estimated jobs-to-households ratio of 1.85 jobs per household, which means there are a relatively high number of jobs in comparison to households. (There is no “correct” jobs/household ratio, but generally a ratio of 1.0 would mean a balance of employment and residential activity in a jurisdiction. It does not imply that residents will necessarily hold most of these jobs.)

FIGURE 1.11: UNEMPLOYMENT RATE COMPARISON, MORROW CO., UMATILLA CO., AND OREGON



Source: Oregon Employment Department

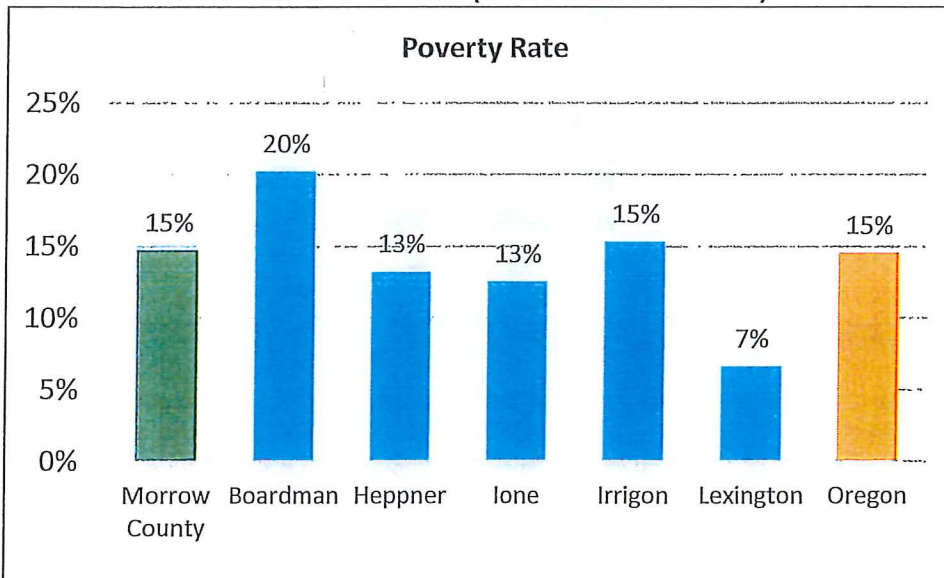
70

The Unemployment rate in Morrow County remained below that of the state during the worst of the last recession (Figure 1.11), peaking at around 10%. Since then it has fallen steadily and is now near the state average of 4% unemployment. The county rate has consistently stayed a bit lower than that of neighboring Umatilla County (4.5%).

F. POVERTY STATISTICS

According to the US Census, the official poverty rate in Morrow County is an estimated 15% over the most recent period reported (2017 5-year estimates).² This is roughly 1,635 individuals in Morrow County. In comparison, the official poverty rate at the state level is also 15%. Figure 1.12 shows a comparison of poverty rate among the county and the cities. The rate is estimated to be higher in Boardman and Irrigon and lower in the smaller communities. The discrepancy between Census data pointing to Lexington's low poverty rate despite low estimated incomes is unexplained.

FIGURE 1.12: POVERTY STATUS BY CATEGORY (MORROW COUNTY & CITIES)

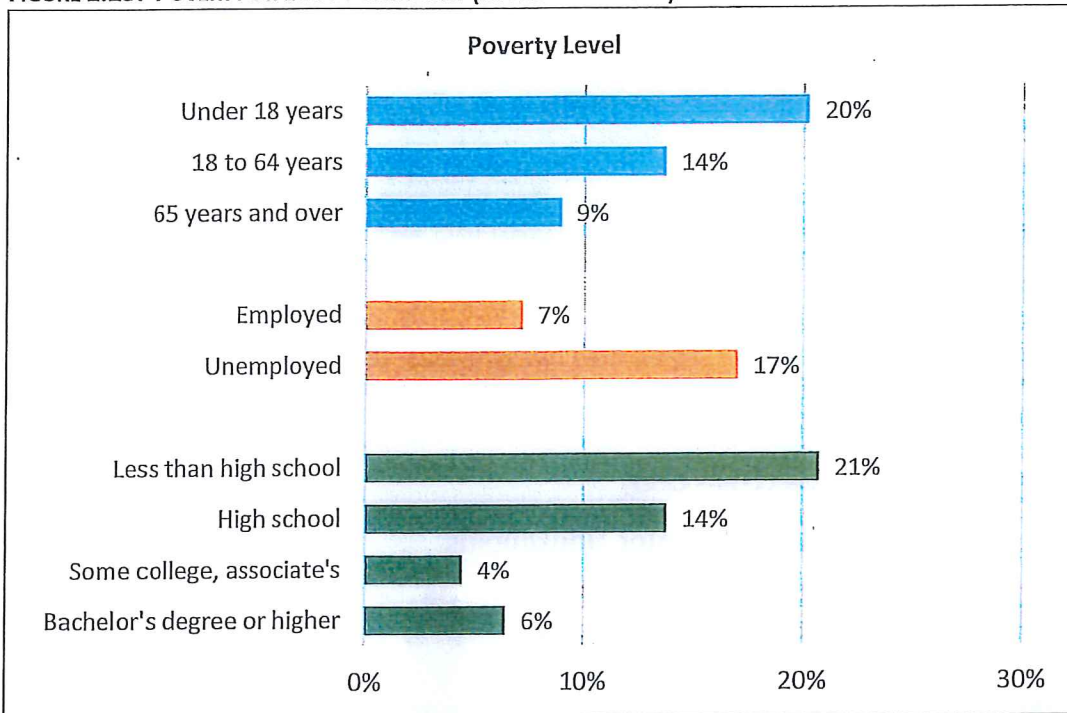


SOURCE: US Census
In the 2013-17 period:

- Morrow County's poverty rate is highest among children at 20%. The rate is 14% among those 18 to 64 years of age. The rate is lowest for those 65 and older at 9%.
- For those without a high school diploma the poverty rate is 21%. For those with a high school diploma only, the estimated rate is 14%. For those with at least some college education the poverty rate is much lower.
- Among those who are employed the poverty rate is 7%, while it is 17% for those who are unemployed.

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

FIGURE 1.13: POVERTY STATUS BY CATEGORY (MORROW COUNTY)



SOURCE: US Census

II. CURRENT HOUSING CONDITIONS

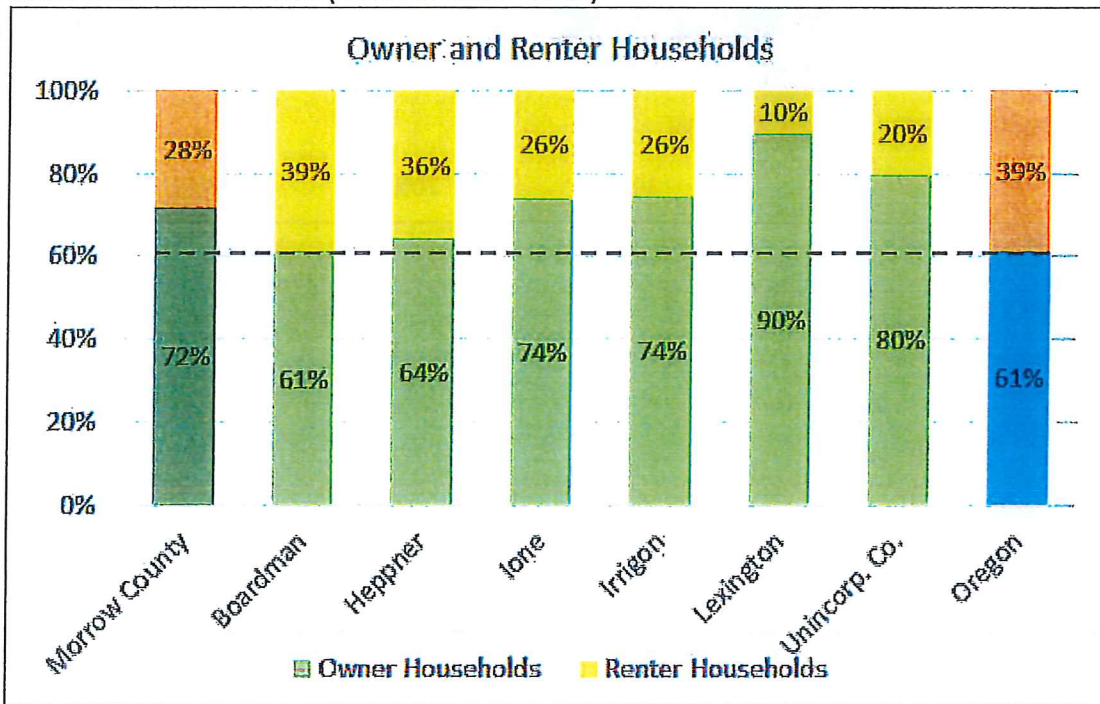
The following figure presents a profile of the current housing stock and market indicators in Morrow County. This profile forms the foundation to which current and future housing needs will be compared.

A. HOUSING TENURE

Morrow County has a larger share of owner households than renter households among permanent residents. The 2017 American Community Survey estimates that 72% of occupied units were owner occupied, and 28% renter occupied. The estimated ownership rate is lower in Boardman and Heppner, and higher in the other communities and unincorporated areas.

The ownership rate in Morrow County has fallen slightly from 73% since 2000. During this period the statewide rate fell from 64% to 61%. Nationally, the homeownership rate has nearly reached the historical average of 65%, after the rate climbed from the late 1990's to 2004 (69%).

FIGURE 2.1: HOUSING TENURE (MORROW COUNTY CITIES)



SOURCE: Census ACS 2017

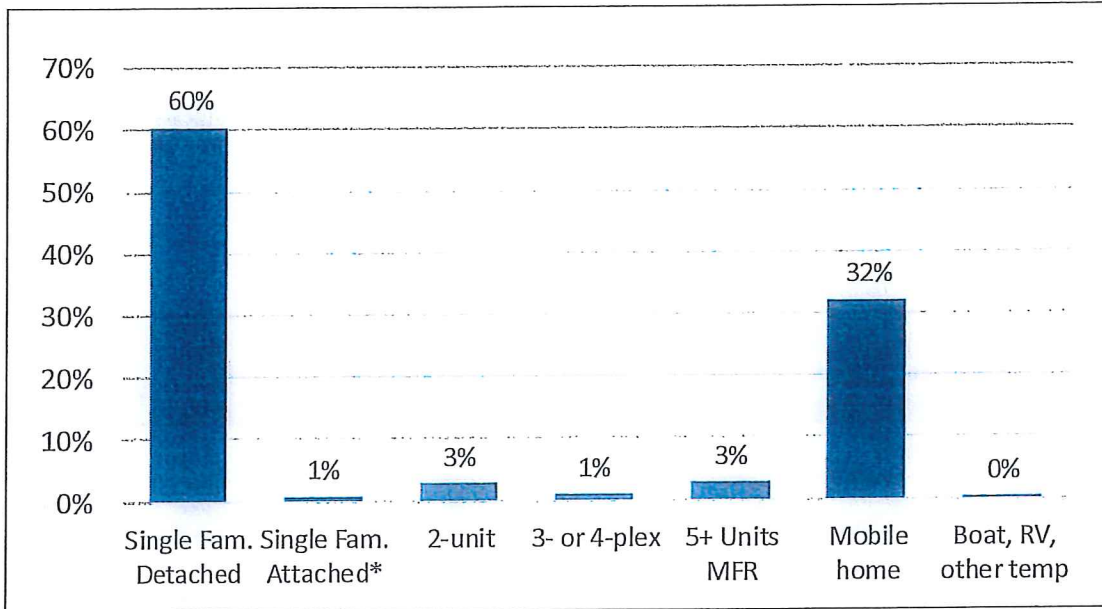
B. HOUSING STOCK

As discussed in Section I, Morrow County UGB had an estimated 4,617 housing units in 2018, with an estimated total vacancy rate of 8%.

Figure 2.2 shows the estimated number of units by type in 2017. Detached single-family homes represent an estimated 60% of housing units, while mobile homes represent an additional 32% of inventory.

Units in larger apartment complexes of 5 or more units represent just 3% of units, and other types of attached homes represent an additional 5% of units. (Attached single family generally includes townhomes, some condo flats, and -plexes which are separately metered.) There is a small share of households living in RV's and other non-traditional or temporary housing.

FIGURE 2.2: ESTIMATED SHARE OF UNITS, BY PROPERTY TYPE, 2017 (MORROW COUNTY)

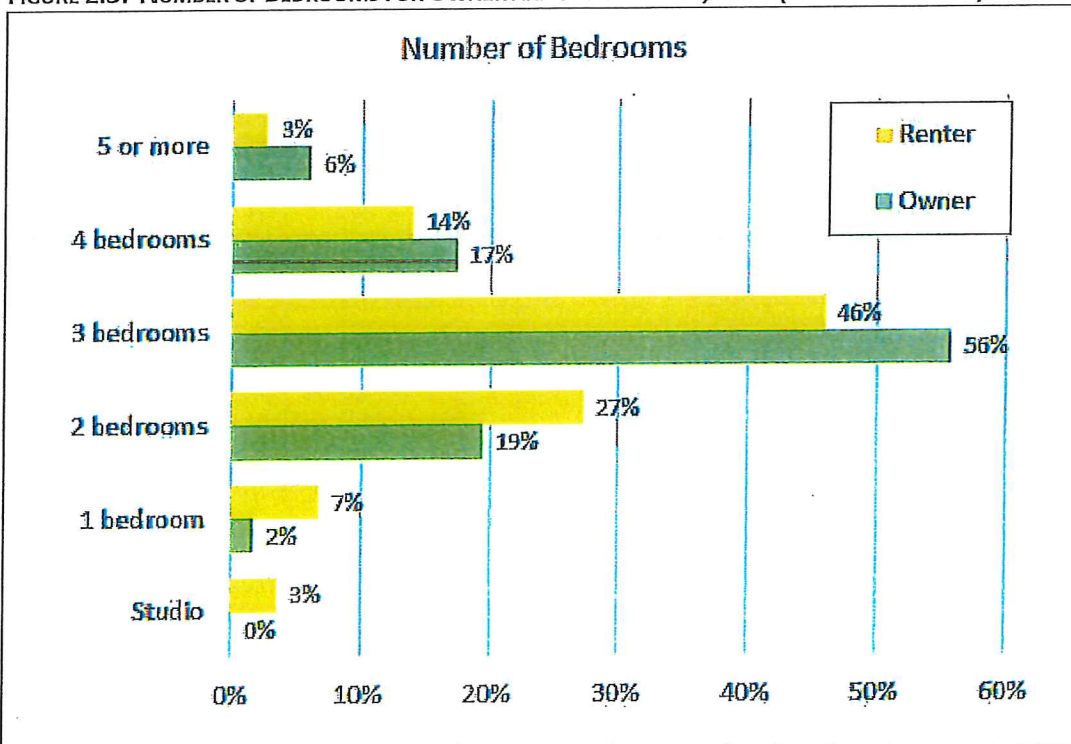


* Census definition includes townhomes/rowhouses and duplexes attached side-by-side, separately metered
 SOURCE: Morrow County, Census ACS 2017

C. NUMBER OF BEDROOMS

Figure 2.3 shows the share of units for owners and renters by the number of bedrooms they have. Owner-occupied units are more likely to have three or more bedrooms, while renter occupied units are more likely to have two or fewer bedrooms.

FIGURE 2.3: NUMBER OF BEDROOMS FOR OWNER AND RENTER UNITS, 2017 (MORROW COUNTY)



SOURCE: US Census
 Census Tables: B25042 (2017 ACS 5-year Estimates)

D. UNITS TYPES BY TENURE

As Figure 2.4 shows, a large share of owner-occupied units (66%) are detached homes, or mobile homes (33%). Renter-occupied units are more distributed among a range of structure types. 74% of rented units are estimated to be detached homes or mobile homes, while the remainder are some form of attached unit. An estimated 11% of rental units are in larger apartment complexes of 5 or more units.

FIGURE 2.4: CURRENT INVENTORY BY UNIT TYPE, FOR OWNERSHIP AND RENTAL HOUSING

OWNERSHIP HOUSING

UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units
			2-unit	3- or 4-plex	5+ Units MFR			
Totals:	2,267	9	12	0	0	1,126	14	3,428
Percentage:	66.1%	0.3%	0.4%	0.0%	0.0%	32.9%	0.4%	100.0%

RENTAL HOUSING

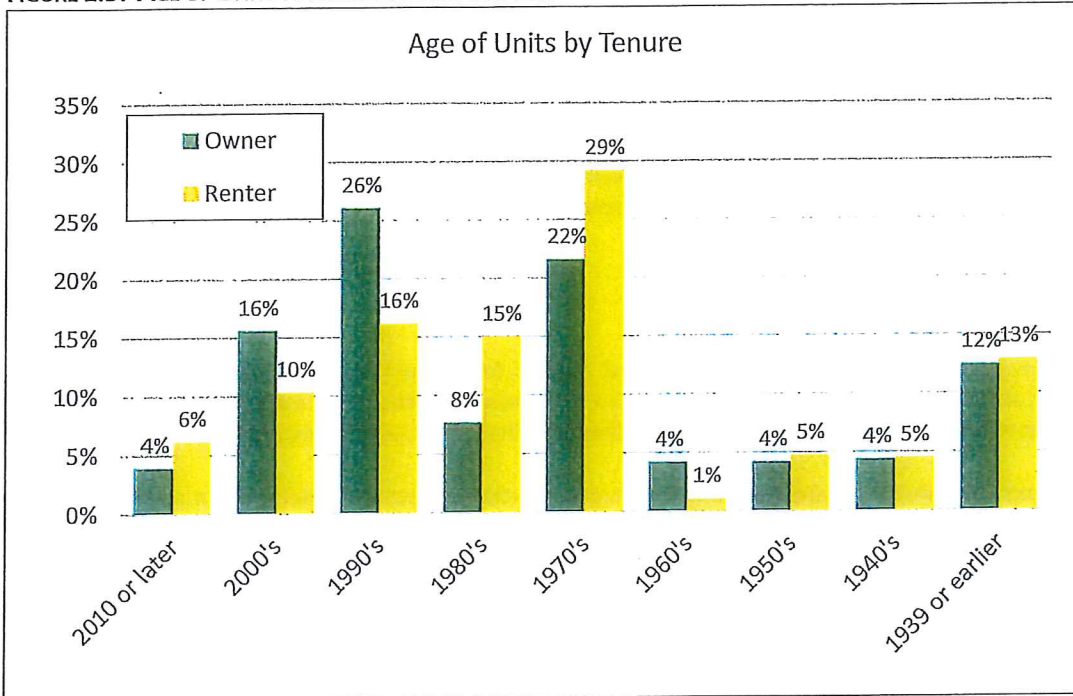
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units
			2-unit	3- or 4-plex	5+ Units MFR			
Totals:	521	28	116	43	130	353	0	1,190
Percentage:	43.8%	2.3%	9.7%	3.6%	10.9%	29.7%	0.0%	100.0%

Sources: US Census, JOHNSON ECONOMICS, MORROW COUNTY

E. AGE OF HOUSING STOCK

Morrow County's housing stock reflects the pattern of development in the area over time. 83% of the housing stock is pre-2000 with the remainder being post-2000. Roughly a third of the stock was built in the 1980's and 1990's, a quarter in 1970's, and another quarter in 1960's and earlier. Figure 2.5 shows that owners are more likely to live in newer housing, while rental housing is more evenly distributed among the time periods.

FIGURE 2.5: AGE OF UNITS FOR OWNERS AND RENTERS

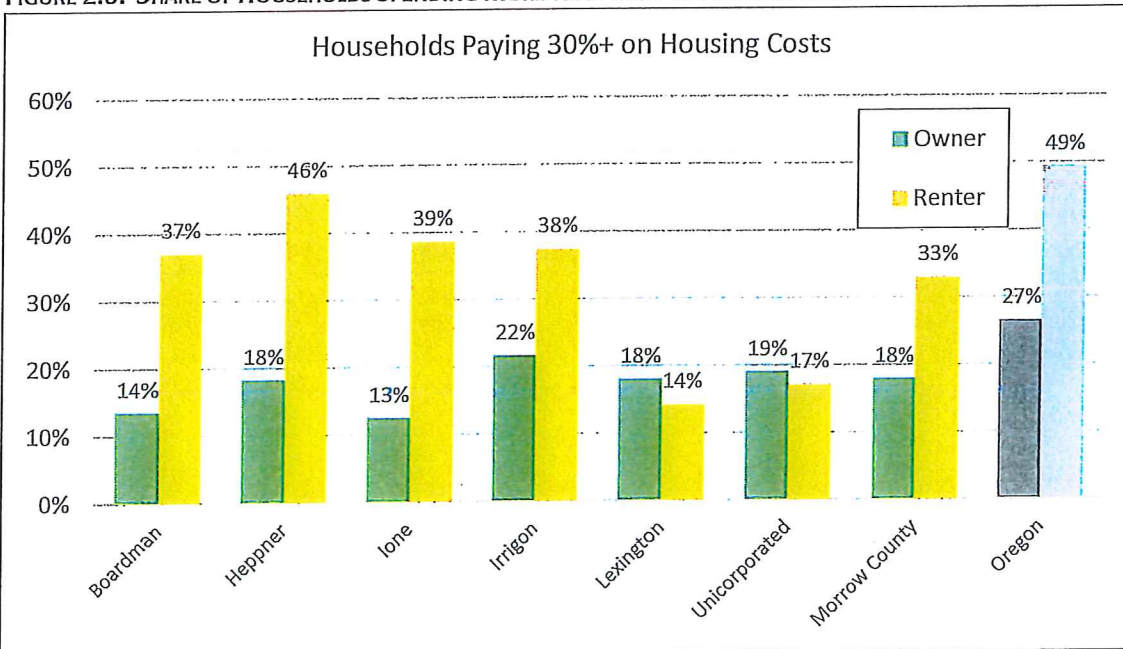


SOURCE: US Census
Census Tables: B25036 (2017 ACS 5-year Estimates)

F. HOUSING COSTS VS. LOCAL INCOMES

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

FIGURE 2.6: SHARE OF HOUSEHOLDS SPENDING MORE THAN 30% ON HOUSING COSTS



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

In comparison to the state, Morrow County and the cities tend to have a lower share of both owner and renter households spending more than 30% of their income on housing costs. Nevertheless, 22% of county households fall within this category.

Renters are disproportionately lower income relative to homeowners. The burden of housing costs are felt more broadly for these households, and as the analysis presented in a later section shows, there is a need for more affordable rental units in Morrow County, as in most communities.

G. PUBLICLY-ASSISTED HOUSING

Currently Morrow County is home to 408 rent-subsidized units in ten properties. This represents over 8% of the county's housing stock. Of these units an estimated 245 are intended for families or a mixture of residents, while the remainder serve specialty populations such as the elderly, disabled or farmworker populations.

The Umatilla County Housing Authority also administers housing choice vouchers which may be used in Morrow County or other counties in the jurisdiction.

Agricultural Worker Housing: There are roughly 175 units intended for farm workers and/or their families in Morrow County. This represents an estimated 15% of the county rental inventory. Other than a small property in Irrigon, all of these are located in Boardman.

Homelessness: A Point-in-Time count of homeless individuals in Morrow County conducted in 2017 found no homeless individuals on the streets, however local agencies and leaders are aware of a homeless population in the community. One challenge in counting these individuals is that Morrow County does not have shelter housing that helps to identify and register homeless individuals and households. The County is working to identify strategies to better capture the number of homeless in the area in the next Point-in-Time count.

III. CURRENT HOUSING NEEDS (MORROW COUNTY)

This section discusses the assessment of current housing needs and explains methodology. This is provided here *at the County-wide level*. Findings for the individual cities are presented at the end of this report, with less explanation of methodology and interim steps.

* * *

The profile of current housing conditions in the study area is based on Census 2010, which the Portland State University Population Research Center (PRC) uses to develop yearly estimates that have been further forecasted to 2018.

FIGURE 3.1: CURRENT HOUSING PROFILE (2018)

CURRENT HOUSING CONDITIONS (2018)		SOURCE
Total 2018 Population:	11,927	PSU Pop. Research Center
- Estimated group housing population:	24 (0.2% of Total)	US Census
Estimated Non-Group 2018 Population:	11,903 (Total - Group)	
Avg. HH Size:	2.82	US Census
Estimated Non-Group 2018 Households:	4,221 (Pop/HH Size)	
Total Housing Units:	4,617 (Occupied + Vacant)	Census 2010 + permits
Occupied Housing Units:	4,221 (= # of HH)	
Vacant Housing Units:	397 (Total HH - Occupied)	
Current Vacancy Rate:	8.6% (Vacant units/ Total units)	

Sources: Johnson Economics, City of Boardman, PSU Population Research Center, U.S. Census

We estimate a current population of roughly 12,000 residents, living in 4,220 households (excluding group living situations). Average household size is 2.8 persons.

There are an estimated 4,617 housing units in the county, with nearly 400 units vacant. The estimated 2018 vacancy rate of housing units is 8.5%. This includes units vacant for any reason, not just those which are currently for sale or rent.

ESTIMATE OF CURRENT HOUSING DEMAND

Following the establishment of the current housing profile, the current housing demand was determined based upon the age and income characteristics of current households.

The analysis considered the propensity of households in specific age and income levels to either rent or own their home (tenure), in order to derive the current demand for ownership and rental housing units and the appropriate housing cost level of each. This is done by combining data on tenure by age and tenure by income from the Census American Community Survey (tables: B25007 and B25118, 2014 ACS 5-yr Estimates).

The analysis takes into account the average amount that owners and renters tend to spend on housing costs. For instance, lower income households tend to spend more of their total income on housing, while upper income households spend less on a percentage basis. In this case, it was assumed that households in lower income bands would *prefer* housing costs at no more than 30% of gross income (a common measure of affordability). Higher income households pay a decreasing share down to 20% for the highest income households.

While the Census estimates that most low-income households pay more than 30% of their income for housing, this is an estimate of current preferred demand. It assumes that low-income households prefer (or demand) units affordable to them at no more than 30% of income, rather than more expensive units.

Figure 3.2 presents a snapshot of current housing demand (i.e. preferences) equal to the number of households in the study area (4,221). The breakdown of tenure (owners vs. renters) reflects the high ownership rate in the county (73% vs.27%).

The estimated home price and rent ranges are irregular because they are mapped to the affordability levels of the Census income level categories. For instance, an affordable home for those in the lowest income category (less than \$15,000) would have to cost \$70,000 or less. Affordable rent for someone in this category would be \$315 or less.

FIGURE 3.2: ESTIMATE OF CURRENT HOUSING DEMAND (2018)

Ownership				
Price Range	Income Range	# of Households	% of Total	Cumulative
\$0k - \$70k	Less than \$15,000	192	6.2%	6.2%
\$70k - \$110k	\$15,000 - \$24,999	245	8.0%	14.2%
\$110k - \$160k	\$25,000 - \$34,999	319	10.4%	24.6%
\$160k - \$200k	\$35,000 - \$49,999	437	14.2%	38.8%
\$200k - \$280k	\$50,000 - \$74,999	754	24.5%	63.3%
\$280k - \$360k	\$75,000 - \$99,999	479	15.6%	78.9%
\$360k - \$450k	\$100,000 - \$124,999	264	8.6%	87.5%
\$450k - \$540k	\$125,000 - \$149,999	210	6.8%	94.3%
\$540k - \$720k	\$150,000 - \$199,999	135	4.4%	98.7%
\$720k +	\$200,000+	40	1.3%	100.0%
Totals:		3,073	% of All:	72.8%

Rental				
Rent Level	Income Range	# of Households	% of Total	Cumulative
\$0 - \$310	Less than \$15,000	179	15.6%	15.6%
\$310 - \$520	\$15,000 - \$24,999	193	16.8%	32.4%
\$520 - \$730	\$25,000 - \$34,999	150	13.1%	45.5%
\$730 - \$930	\$35,000 - \$49,999	170	14.8%	60.4%
\$930 - \$1320	\$50,000 - \$74,999	259	22.6%	82.9%
\$1320 - \$1670	\$75,000 - \$99,999	46	4.0%	86.9%
\$1670 - \$2080	\$100,000 - \$124,999	62	5.4%	92.3%
\$2080 - \$2500	\$125,000 - \$149,999	35	3.1%	95.3%
\$2500 - \$3330	\$150,000 - \$199,999	43	3.7%	99.1%
\$3330 +	\$200,000+	10	0.9%	100.0%
Totals:		1,148	% of All:	27.2%

All Households	4,221
-----------------------	--------------

Sources: PSU Population Research Center, Environics Analytics, Census, JOHNSON ECONOMICS
 Census Tables: B25007, B25106, B25118 (2014 ACS 5-yr Estimates)
 Environics Analytics: Estimates of income by age of householder

CURRENT HOUSING INVENTORY

The profile of current housing demand (Figure 3.2) represents the preference and affordability levels of households. In reality, the current housing supply (Figure 3.3 below) differs from this profile, meaning that some households may find themselves in housing units which are not optimal, either not meeting the household's own/rent preference, or being unaffordable (requiring more than 30% of gross income).

A profile of current housing supply in the county was determined using Census data from the most recently available 2017 ACS, which provides a profile of housing values, rent levels, and housing types (single family, attached, mobile home, etc.)

- An estimated 74% of housing units are ownership units, while an estimated 26% of housing units are rental units. This closely matches the estimated demand profile shown in Figure 3.2. (The inventory includes vacant units, so the breakdown of ownership vs. rental does not exactly match the tenure split of actual households.)
- 66% of ownership units are detached homes, and 33% are mobile homes. 44% of rental units are single family homes, and 30% are mobile homes. An estimated 26% of rental units are some form of attached or multi-family units.
- Of total housing units, an estimated 60% are detached homes, 32% are mobile homes, while only 8% are some sort of attached type.

FIGURE 3.3: PROFILE OF CURRENT HOUSING SUPPLY (2018)

OWNER HOUSING									
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of All Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	2,267	9	12	0	0	1,126	14	3,428	74%
Percentage:	66.1%	0.3%	0.4%	0.0%	0.0%	32.9%	0.4%	100.0%	

RENTAL HOUSING									
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of All Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	521	28	116	43	130	353	0	1,190	26%
Percentage:	43.8%	2.3%	9.7%	3.6%	10.9%	29.7%	0.0%	100.0%	

TOTAL HOUSING UNITS									
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of All Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	2,788	36	128	43	130	1,479	14	4,617	100%
Percentage:	60.4%	0.8%	2.8%	0.9%	2.8%	32.0%	0.3%	100.0%	

Source: Johnson Economics

* Census definition, including townhomes/rowhouses and duplexes attached side-by-side, separately metered

Sources: US Census, PSU Population Research Center, JOHNSON ECONOMICS
 Census Tables: B25004, B25032, B25063, B25075 (2014 ACS 5-yr Estimates)

COMPARISON OF CURRENT HOUSING DEMAND WITH CURRENT SUPPLY

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

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

80

The analysis identifies a need for rental units at the lowest price level to serve those households currently paying a high share of their income towards rent. There are levels of estimated surplus for apartments (\$300 to \$900 per month). This represents the common range of rent prices in the county, where most units can be expected to congregate. Rentals at more expensive levels generally represent single family homes or larger properties for rent.

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

Income Level	Ownership				Rental			
	Price Range	Estimated Current Need	Estimated Current Supply	Unmet (Need) or Surplus	Rent	Estimated Current Need	Estimated Current Supply	Unmet (Need) or Surplus
Less than \$15,000	\$0k - \$70k	192	605	413	\$0 - \$310	179	46	(133)
\$15,000 - \$24,999	\$70k - \$110k	245	527	281	\$310 - \$520	193	221	28
\$25,000 - \$34,999	\$110k - \$160k	319	1,065	746	\$520 - \$730	150	357	207
\$35,000 - \$49,999	\$160k - \$200k	437	511	75	\$730 - \$930	170	324	154
\$50,000 - \$74,999	\$200k - \$280k	754	415	(339)	\$930 - \$1320	259	209	(50)
\$75,000 - \$99,999	\$280k - \$360k	479	110	(369)	\$1320 - \$1670	46	19	(26)
\$100,000 - \$124,999	\$360k - \$450k	264	60	(204)	\$1670 - \$2080	62	10	(52)
\$125,000 - \$149,999	\$450k - \$540k	210	23	(186)	\$2080 - \$2500	35	4	(31)
\$150,000 - \$199,999	\$540k - \$720k	135	34	(101)	\$2500 - \$3330	43	0	(43)
\$200,000+	\$720k +	40	79	38	\$3330 +	10	0	(10)
	Totals:	3,073	3,428	355	Totals:	1,148	1,190	41

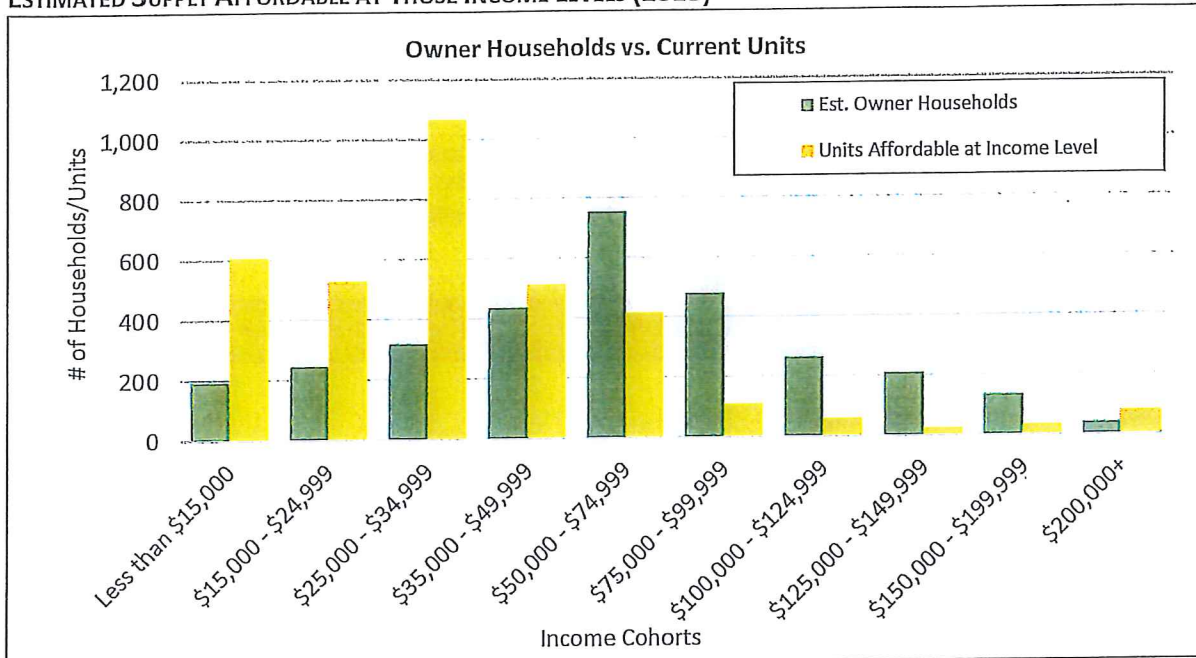
Occupied Units:	4,221
All Housing Units:	4,617
Total Unit Surplus:	397

Sources: PSU Population Research Center, EnviroNics Analytics, Census, JOHNSON ECONOMICS
 This table is a synthesis of data presented in Figures 2.2 and 2.3.

There are an estimated 400 units more than the current number of households, which reflects the County's current estimated vacancy rate of 8.6%. This figure may be distorted by an undercount of migrant and seasonal farm workers, which make up a sizable share of the county population, and tend to be undercounted due to transitory lifestyle, and reluctance to report.

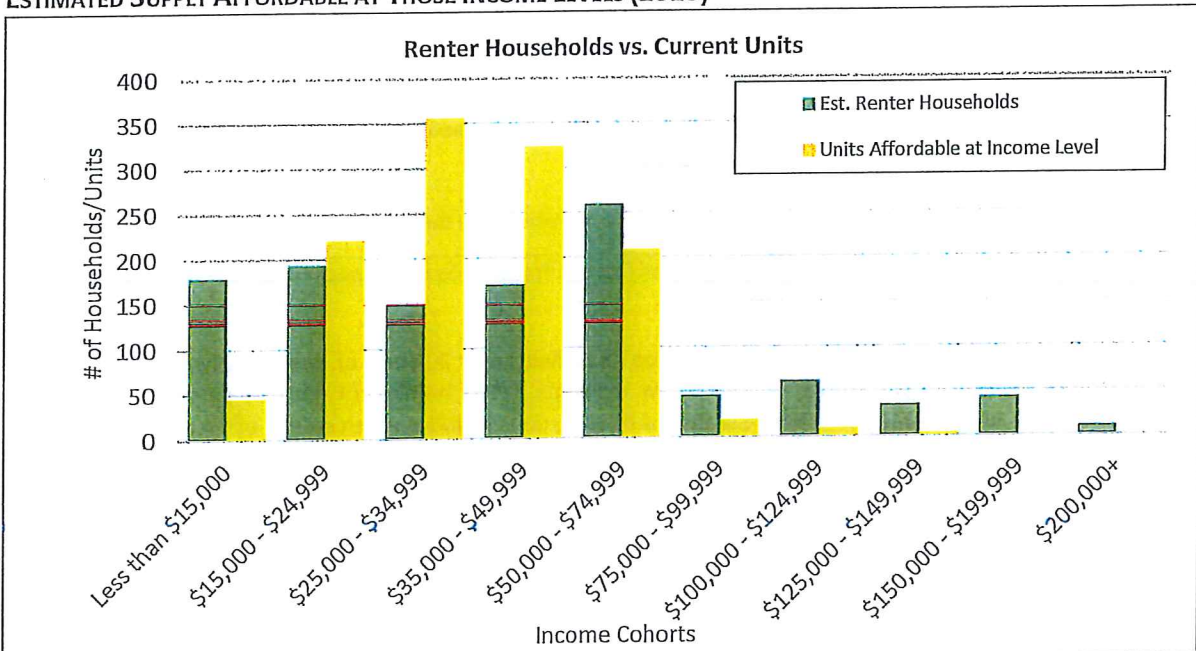
Figures 3.5 and 3.6 (following page) present this information in chart form, comparing the estimated number of households in given income ranges, and the supply of units currently affordable within those income ranges. The data is presented for owner and renter households.

FIGURE 3.5: COMPARISON OF OWNER HOUSEHOLD INCOME GROUPS TO ESTIMATED SUPPLY AFFORDABLE AT THOSE INCOME LEVELS (2018)



Sources: PSU Population Research Center, Environics Analytics, Census, JOHNSON ECONOMICS

FIGURE 3.6: COMPARISON OF RENTER HOUSEHOLD INCOME GROUPS TO ESTIMATED SUPPLY AFFORDABLE AT THOSE INCOME LEVELS (2018)



Sources: PSU Population Research Center, Environics Analytics, Census, JOHNSON ECONOMICS

IV. FUTURE HOUSING NEEDS - 2039 (MORROW COUNTY)

This section discusses the projection of future housing needs and explains methodology. This is provided here *at the County-wide level*. Findings for the individual cities are presented at the end of this report, with less explanation of methodology and interim steps.

* * *

The projected future (20-year) housing profile (Figure 4.1) in the study area is based on the current housing profile, multiplied by an assumed projected future household growth rate. The projected future growth is the official forecasted growth rate for Morrow County generated by the PSU Oregon Forecast Program.

FIGURE 4.1: FUTURE HOUSING PROFILE (2039)

PROJECTED FUTURE HOUSING CONDITIONS (2018 - 2039)		SOURCE
2018 Population (Minus Group Pop.)	11,903	2010 Census, PSU
Projected Annual Growth Rate	0.79%	OR Population Forecast Program, PSU
2038 Population (Minus Group Pop.)	13,925	(Total 2039 Population - Group Housing Pop.)
Estimated group housing population:	29	Share of total pop from 2010 Census, US Census
Total Estimated 2039 Population:	13,954	(PSU forecast), PSU
Estimated Non-Group 2039 Households:	4,938	(2039 Non-Group Pop./Avg. Household Size)
New Households 2018 to 2039	717	
Avg. Household Size:	2.82	Projected household size, US Census
Total Housing Units:	5,195	Occupied Units plus Vacant
Occupied Housing Units:	4,938	(= Number of Non-Group Households)
Vacant Housing Units:	257	
Projected Market Vacancy Rate:	5.0%	(Vacant Units/ Total Units)

Sources: PSU Population Research Center Oregon Population Forecast Program, Census, JOHNSON ECONOMICS LLC

*Projections are applied to estimates of 2018 population.

The model projects growth in the number of non-group households over 20 years of roughly 720 new households, with accompanying population growth of 2,025 new residents. (The number of households differs from the number of housing units, because the total number of housing units includes a percentage of vacancy. Projected housing unit needs are discussed below.)

PROJECTION OF FUTURE HOUSING UNIT DEMAND (2039)

The profile of future housing demand was derived using the same methodology used to produce the estimate of current housing need. This estimate includes current and future households, *but does not include a vacancy assumption*. The vacancy assumption is added in the subsequent step. Therefore the need identified below is the total need for actual households in occupied units (4,938).

The analysis considered the propensity of households at specific age and income levels to either rent or own their home, in order to derive the future need for ownership and rental housing units, and the affordable cost level of each. The projected need is for *all* 2039 households and therefore includes the needs of current households.

FIGURE 4.2: PROJECTED OCCUPIED FUTURE HOUSING DEMAND (2039)

Ownership				
Price Range	Income Range	# of Households	% of Total	Cumulative
\$0k - \$70k	Less than \$15,000	221	6.2%	6.2%
\$70k - \$110k	\$15,000 - \$24,999	284	8.0%	14.2%
\$110k - \$160k	\$25,000 - \$34,999	369	10.4%	24.5%
\$160k - \$200k	\$35,000 - \$49,999	506	14.2%	38.7%
\$200k - \$280k	\$50,000 - \$74,999	874	24.5%	63.3%
\$280k - \$360k	\$75,000 - \$99,999	556	15.6%	78.9%
\$360k - \$450k	\$100,000 - \$124,999	306	8.6%	87.5%
\$450k - \$540k	\$125,000 - \$149,999	243	6.8%	94.3%
\$540k - \$720k	\$150,000 - \$199,999	156	4.4%	98.7%
\$720k +	\$200,000+	47	1.3%	100.0%
Totals:		3,560	% of All:	72.1%

Rental				
Rent Level	Income Range	# of Households	% of Total	Cumulative
\$0 - \$310	Less than \$15,000	213	15.4%	15.4%
\$310 - \$520	\$15,000 - \$24,999	230	16.7%	32.1%
\$520 - \$730	\$25,000 - \$34,999	179	13.0%	45.1%
\$730 - \$930	\$35,000 - \$49,999	204	14.8%	60.0%
\$930 - \$1320	\$50,000 - \$74,999	311	22.6%	82.6%
\$1320 - \$1670	\$75,000 - \$99,999	58	4.2%	86.8%
\$1670 - \$2080	\$100,000 - \$124,999	75	5.4%	92.2%
\$2080 - \$2500	\$125,000 - \$149,999	43	3.1%	95.3%
\$2500 - \$3330	\$150,000 - \$199,999	52	3.8%	99.1%
\$3330 +	\$200,000+	13	0.9%	100.0%
Totals:		1,378	% of All:	27.9%

All Units
4,938

Sources: Environics Analytics, Census, JOHNSON ECONOMICS

It is projected that the homeownership rate in the county will decrease slightly over the next 20 years from 74% to 72%, which remains higher than the current statewide average (61%). This is because the forecasted demographic trends of age and income of future households point to a somewhat growing share of households inclined to rent over the 20 year period.

COMPARISON OF FUTURE HOUSING DEMAND TO CURRENT HOUSING INVENTORY

The profile of occupied future housing demand presented above (Figure 5.2) was compared to the current housing inventory presented in the previous section to determine the total future need for *new* housing units by type and price range (Figure 3.3). *This estimate includes a vacancy assumption.* As reflected by the most recent Census data, and as is common in most communities, the vacancy rate for rental units is typically higher than that for ownership units (7% vs. 3% in 2010).

84

FIGURE 4.3: PROJECTED FUTURE NEED FOR NEW HOUSING UNITS (2039), MORROW COUNTY

OWNER HOUSING									
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of All Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	184	1	1	0	0	93	0	279	48%
Percentage:	66.1%	0.3%	0.4%	0.0%	0.0%	33.2%	0.0%	100.0%	

RENTAL HOUSING									
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of All Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	131	7	29	11	33	89	0	299	52%
Percentage:	43.8%	2.3%	9.7%	3.6%	10.9%	29.7%	0.0%	100.0%	

TOTAL HOUSING UNITS									
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of All Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	315	8	30	11	33	181	0	577	100%
Percentage:	54.6%	1.3%	5.2%	1.9%	5.6%	31.4%	0.0%	100.0%	

Source: Johnson Economics

Needed Unit Types

- The results show a need for nearly 600 net new housing units by 2039.
- Of the new units needed, roughly 48% are projected to be ownership units, while 52% are projected to be rental units.
- 55% of the new units are projected to be single family detached homes, while 14% is projected to be some form of attached housing, and 31% are projected to be mobile homes.
- Of ownership units, 66% are projected to be single-family homes, and 33% mobile homes.
- An estimated 26% of new rental units are projected to be found in new attached buildings, with 11% projected in rental properties of 5 or more units, and 10% in duplexes.
- Mobile homes are projected to remain an important share of Morrow County’s affordable housing base.

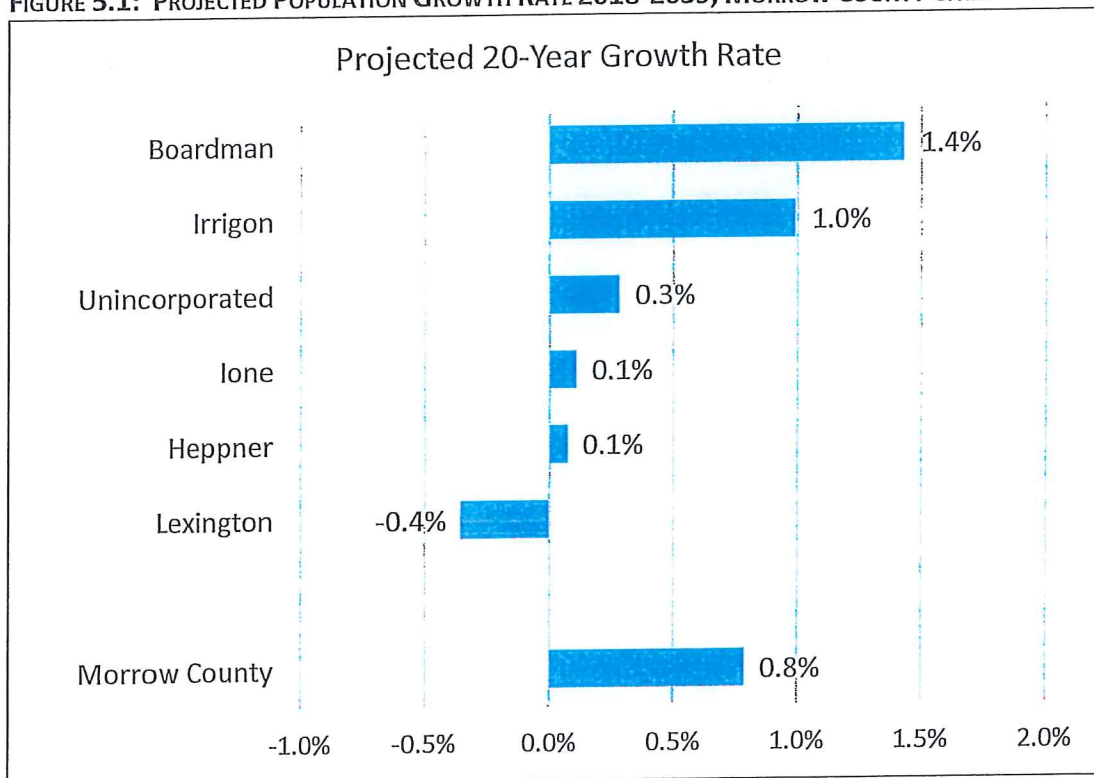
V. FUTURE HOUSING NEEDS - 2039 (CITIES)

This section presents some preliminary housing forecasts for the participating Morrow County cities. The methodology used for this analysis parallels that presented in the previous sections regarding the countywide analysis.

Figure 5.1 shows the local projected growth rate for the Morrow County communities from the PSU Population Forecast Program. Boardman and Irrigon have projected growth rates of near or higher than the statewide growth rate (roughly 1.0%).

Lexington has a negative projected growth rate, while Lone and Heppner have very low growth projected. The impact is that under the methodology used to generate these preliminary housing needs forecasts, these three communities are projected to need only a modest amount of additional housing.

FIGURE 5.1: PROJECTED POPULATION GROWTH RATE 2018-2039, MORROW COUNTY CITIES



Source: PSU Population Research Center, Forecast Program

Figure 5.2 shows the projected future housing need in 2039, and the number of new housing units needed to accommodate that 20-year need. Boardman and Irrigon are projected to need the most new housing, with smaller communities projected to need less.

Based on the PSU projections, unincorporated areas are anticipated to lose some households as existing areas are annexed to urbanized areas over time. However, in reality there is likely to be some continued growth in rural areas, including in some existing unincorporated rural communities.

FIGURE 5.2: PROJECTED FUTURE HOUSING NEED (2039), MORROW COUNTY CITIES

	2018 Hsg. Inventory	2039 Hsg. Need	NEW Units Needed	20-Year Growth
Boardman	1,247	1,788	542	43%
Heppner	607	629	29	5%
Ione	154	155	13	9%
Irrigon	792	945	153	19%
Lexington	101	92	17	16%
Unincorp.	1,717	1,585	-177	-10%
Morrow Co.	4,617	5,195	577	13%

Source: PSU Population Research Center, Johnson Economics

* * *

The following pages present a summary of findings for each of the Morrow County Cities.

A. Boardman Housing Profile

FIGURE A.1: DEMOGRAPHIC PROFILE AND TRENDS (CITY OF BOARDMAN)

POPULATION, HOUSEHOLDS, FAMILIES, AND YEAR-ROUND HOUSING UNITS					
	2000 (Census)	2010 (Census)	Growth 00-10	2018 (PSU)	Growth 10-18
Population ¹	3,169	3,574	13%	4,096	15%
Households ²	948	1,068	13%	1,285	20%
Families ³	763	841	10%	919	9%
Housing Units ⁴	1,051	1,129	7%	1,247	10%
Group Quarters Population ⁵	13	8	-38%	9	15%
Household Size (non-group)	3.33	3.34	0%	3.18	-5%
Avg. Family Size	3.66	3.70	1%	3.74	1%
PER CAPITA AND MEDIAN HOUSEHOLD INCOME					
	2000 (Census)	2010 (Census)	Growth 00-10	2018 (Proj.)	Growth 10-18
Per Capita (\$)	\$12,297	\$16,004	30%	\$18,388	15%
Median HH (\$)	\$32,105	\$42,957	34%	\$52,348	22%

SOURCE: Census, PSU Population Research Center, and Johnson Economics

FIGURE A.2: COMPARISON OF CURRENT HOUSING NEED AND SUPPLY (CITY OF BOARDMAN)

Income Level	Ownership				Rental			
	Price Range	Estimated Current Need	Estimated Current Supply	Unmet (Need) or Surplus	Rent	Estimated Current Need	Estimated Current Supply	Unmet (Need) or Surplus
Less than \$15,000	\$0k - \$70k	63	162	100	\$0 - \$310	50	30	(20)
\$15,000 - \$24,999	\$70k - \$110k	47	107	60	\$310 - \$520	87	103	16
\$25,000 - \$34,999	\$110k - \$160k	85	313	228	\$520 - \$730	58	140	82
\$35,000 - \$49,999	\$160k - \$200k	143	114	(29)	\$730 - \$930	42	176	134
\$50,000 - \$74,999	\$200k - \$280k	224	28	(196)	\$930 - \$1320	85	40	(45)
\$75,000 - \$99,999	\$280k - \$360k	136	0	(136)	\$1320 - \$1670	24	17	(7)
\$100,000 - \$124,999	\$360k - \$440k	58	0	(58)	\$1670 - \$2080	41	0	(41)
\$125,000 - \$149,999	\$440k - \$530k	48	0	(48)	\$2080 - \$2500	26	4	(22)
\$150,000 - \$199,999	\$530k - \$710k	25	0	(25)	\$2500 - \$3330	29	0	(29)
\$200,000+	\$710k +	7	12	5	\$3330 +	8	0	(8)
	Totals:	835	737	(99)	Totals:	450	510	60

Occupied Units:	1,285
All Housing Units:	1,247
Total Unit Surplus:	(39)

Source: Environics, Census, Johnson Economics

FIGURE A.3: FUTURE DEMOGRAPHIC PROFILE, 2039 (CITY OF BOARDMAN)

PROJECTED FUTURE HOUSING CONDITIONS (2018 - 2039)			SOURCE
2018 Population (Minus Group Pop.)	4,087		2010 Census, PSU
Projected Annual Growth Rate	1.34%	OR Population Forecast Program	PSU
2039 Population (Minus Group Pop.)	5,406	(Total 2039 Population - Group Housing Pop.)	
Estimated group housing population:	12	Share of total pop from 2010 Census	US Census
Total Estimated 2039 Population:	5,418	(PSU forecast)	PSU
Estimated Non-Group 2039 Households:	1,700	(2039 Non-Group Pop./Avg. Household Size)	
New Households 2018 to 2039	415		
Avg. Household Size:	3.18	Projected household size	US Census
Total Housing Units:	1,788	Occupied Units plus Vacant	
Occupied Housing Units:	1,700	(= Number of Non-Group Households)	
Vacant Housing Units:	88		
Projected Market Vacancy Rate:	5.0%	(Vacant Units/ Total Units)	

Source: PSU Population Research Center, Census, Johnson Economics

FIGURE A.4: TOTAL HOUSING DEMAND, OCCUPIED AND VACANT, 2039 (CITY OF BOARDMAN)

OWNER HOUSING								
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units
			2-unit	3- or 4-plex	5+ Units MFR			
Totals:	806	13	18	0	0	297	0	1,134
Percentage:	71.1%	1.1%	1.6%	0.0%	0.0%	26.2%	0.0%	100.0%

RENTAL HOUSING								
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units
			2-unit	3- or 4-plex	5+ Units MFR			
Totals:	142	17	134	41	96	225	0	654
Percentage:	21.7%	2.5%	20.5%	6.3%	14.6%	34.3%	0.0%	100.0%

TOTAL HOUSING UNITS								
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units
			2-unit	3- or 4-plex	5+ Units MFR			
Totals:	948	29	152	41	96	522	0	1,788
Percentage:	53.0%	1.6%	8.5%	2.3%	5.4%	29.2%	0.0%	100.0%

Source: PSU, US Census, Envirionics market data, Johnson Economics

89

FIGURE A.5: NET NEW HOUSING DEMAND, 2039 (CITY OF BOARDMAN)

OWNER HOUSING									
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of All Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	283	4	6	0	0	104	0	398	73%
Percentage:	71.1%	1.1%	1.6%	0.0%	0.0%	26.2%	0.0%	100.0%	

RENTAL HOUSING									
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of All Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	31	4	29	9	21	49	0	144	27%
Percentage:	21.7%	2.5%	20.5%	6.3%	14.6%	34.3%	0.0%	100.0%	

TOTAL HOUSING UNITS									
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of All Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	314	8	36	9	21	154	0	542	100%
Percentage:	58.0%	1.5%	6.6%	1.7%	3.9%	28.4%	0.0%	100.0%	

Source: PSU, US Census, Environics market data, Johnson Economics

B. Heppner Housing Profile

FIGURE B.1: DEMOGRAPHIC PROFILE AND TRENDS (CITY OF HEPPNER)

POPULATION, HOUSEHOLDS, FAMILIES, AND YEAR-ROUND HOUSING UNITS					
	2000	2010	Growth	2018	Growth
	(Census)	(Census)	00-10	(PSU)	10-18
Population ¹	1,411	1,306	-7%	1,310	0%
Households ²	589	566	-4%	583	3%
Families ³	402	375	-7%	412	10%
Housing Units ⁴	660	647	-2%	607	-6%
Group Quarters Population ⁵	21	4	-81%	4	0%
<i>Household Size (non-group)</i>	<i>2.36</i>	<i>2.30</i>	<i>-3%</i>	<i>2.24</i>	<i>-3%</i>
<i>Avg. Family Size</i>	<i>2.88</i>	<i>2.78</i>	<i>-3%</i>	<i>2.53</i>	<i>-9%</i>
PER CAPITA AND MEDIAN HOUSEHOLD INCOME					
	2000	2010	Growth	2018	Growth
	(Census)	(Census)	00-10	(Proj.)	10-18
Per Capita (\$)	\$16,729	\$21,124	26%	\$25,231	19%
Median HH (\$)	\$33,421	\$32,833	-2%	\$50,000	52%

SOURCE: Census, PSU Population Research Center, and Johnson Economics

FIGURE B.2: COMPARISON OF CURRENT HOUSING NEED AND SUPPLY (CITY OF HEPPNER)

Income Level	Ownership				Rental			
	Price Range	Estimated Current Need	Estimated Current Supply	Unmet (Need) or Surplus	Rent	Estimated Current Need	Estimated Current Supply	Unmet (Need) or Surplus
Less than \$15,000	\$0k - \$70k	21	75	54	\$0 - \$310	30	3	(27)
\$15,000 - \$24,999	\$70k - \$110k	16	128	112	\$310 - \$520	45	66	21
\$25,000 - \$34,999	\$110k - \$160k	52	113	61	\$520 - \$730	13	62	49
\$35,000 - \$49,999	\$160k - \$200k	62	62	(1)	\$730 - \$930	21	44	23
\$50,000 - \$74,999	\$200k - \$280k	96	20	(76)	\$930 - \$1320	44	25	(20)
\$75,000 - \$99,999	\$280k - \$360k	47	11	(36)	\$1320 - \$1670	25	0	(25)
\$100,000 - \$124,999	\$360k - \$440k	32	0	(32)	\$1670 - \$2080	13	0	(13)
\$125,000 - \$149,999	\$440k - \$530k	27	0	(27)	\$2080 - \$2500	7	0	(7)
\$150,000 - \$199,999	\$530k - \$710k	21	0	(21)	\$2500 - \$3330	4	0	(4)
\$200,000+	\$710k +	6	0	(6)	\$3330 +	1	0	(1)
	Totals:	380	408	27	Totals:	203	199	(3)

Occupied Units:	583
All Housing Units:	607
Total Unit Surplus:	24

Source: Envirionics, Census, Johnson Economics

91

FIGURE B.3: FUTURE DEMOGRAPHIC PROFILE, 2039 (CITY OF HEPPNER)

PROJECTED FUTURE HOUSING CONDITIONS (2018 - 2039)			SOURCE
2018 Population (Minus Group Pop.)	1,306		2010 Census, PSU
Projected Annual Growth Rate	0.12%	OR Population Forecast Program	PSU
2039 Population (Minus Group Pop.)	1,338	(Total 2039 Population - Group Housing Pop.)	
Estimated group housing population:	4	Share of total pop from 2010 Census	US Census
Total Estimated 2039 Population:	1,343	(PSU forecast)	PSU
Estimated Non-Group 2039 Households:	597	(2039 Non-Group Pop./Avg. Household Size)	
New Households 2018 to 2039	15		
Avg. Household Size:	2.24	Projected household size	US Census
Total Housing Units:	629	Occupied Units plus Vacant	
Occupied Housing Units:	597	(= Number of Non-Group Households)	
Vacant Housing Units:	31		
Projected Market Vacancy Rate:	5.0%	(Vacant Units/ Total Units)	

Source: PSU Population Research Center, Census, Johnson Economics

FIGURE B.4: TOTAL HOUSING DEMAND, OCCUPIED AND VACANT, 2039 (CITY OF HEPPNER)

OWNER HOUSING								
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units
			2-unit	3- or 4-plex	5+ Units MFR			
Totals:	379	0	0	0	0	22	0	400
Percentage:	94.6%	0.0%	0.0%	0.0%	0.0%	5.4%	0.0%	100.0%

RENTAL HOUSING								
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units
			2-unit	3- or 4-plex	5+ Units MFR			
Totals:	119	4	10	4	63	28	0	228
Percentage:	52.3%	1.7%	4.6%	1.7%	27.6%	12.1%	0.0%	100.0%

TOTAL HOUSING UNITS								
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units
			2-unit	3- or 4-plex	5+ Units MFR			
Totals:	498	4	10	4	63	49	0	629
Percentage:	79.2%	0.6%	1.7%	0.6%	10.0%	7.9%	0.0%	100.0%

Source: PSU, US Census, Environics market data, Johnson Economics

FIGURE B.5: NET NEW HOUSING DEMAND, 2039 (CITY OF HEPPNER)

OWNER HOUSING									
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of All Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	0	0	0	0	0	0	0	0	0%
Percentage:	94.6%	0.0%	0.0%	0.0%	0.0%	5.4%	0.0%	0.0%	

RENTAL HOUSING									
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of All Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	15	0	1	0	8	3	0	29	100%
Percentage:	52.3%	1.7%	4.6%	1.7%	27.6%	12.1%	0.0%	100.0%	

TOTAL HOUSING UNITS									
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of All Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	15	0	1	0	8	3	0	29	100%
Percentage:	52.3%	1.7%	4.6%	1.7%	27.6%	12.1%	0.0%	100.0%	

Source: PSU, US Census, Environics market data, Johnson Economics

C. Ione Housing Profile

FIGURE C.1: DEMOGRAPHIC PROFILE AND TRENDS (CITY OF IONE)

POPULATION, HOUSEHOLDS, FAMILIES, AND YEAR-ROUND HOUSING UNITS					
	2000 (Census)	2010 (Census)	Growth 00-10	2018 (PSU)	Growth 10-18
Population ¹	329	337	2%	338	0%
Households ²	130	135	4%	144	7%
Families ³	89	92	4%	82	-11%
Housing Units ⁴	142	154	8%	154	0%
Group Quarters Population ⁵	0	0	0%	0	0%
<i>Household Size (non-group)</i>	2.53	2.49	-2%	2.34	-6%
<i>Avg. Family Size</i>	3.09	3.03	-2%	2.95	-3%
PER CAPITA AND MEDIAN HOUSEHOLD INCOME					
	2000 (Census)	2010 (Census)	Growth 00-10	2018 (Proj.)	Growth 10-18
Per Capita (\$)	\$14,531	\$28,164	94%	\$26,954	-4%
Median HH (\$)	\$37,500	\$56,250	50%	\$51,786	-8%

SOURCE: Census, PSU Population Research Center, and Johnson Economics

FIGURE C.2: COMPARISON OF CURRENT HOUSING NEED AND SUPPLY (CITY OF IONE)

Income Level	Ownership				Rental			
	Price Range	Estimated Current Need	Estimated Current Supply	Unmet (Need) or Surplus	Rent	Estimated Current Need	Estimated Current Supply	Unmet (Need) or Surplus
Less than \$15,000	\$0k - \$70k	7	22	15	\$0 - \$310	6	0	(6)
\$15,000 - \$24,999	\$70k - \$110k	8	16	8	\$310 - \$520	7	2	(4)
\$25,000 - \$34,999	\$110k - \$160k	11	50	39	\$520 - \$730	5	10	5
\$35,000 - \$49,999	\$160k - \$200k	15	15	1	\$730 - \$930	6	17	11
\$50,000 - \$74,999	\$200k - \$280k	26	5	(20)	\$930 - \$1320	9	2	(7)
\$75,000 - \$99,999	\$280k - \$360k	16	5	(11)	\$1320 - \$1670	2	0	(2)
\$100,000 - \$124,999	\$360k - \$440k	9	3	(6)	\$1670 - \$2080	2	0	(2)
\$125,000 - \$149,999	\$440k - \$530k	7	1	(6)	\$2080 - \$2500	1	0	(1)
\$150,000 - \$199,999	\$530k - \$710k	5	4	(1)	\$2500 - \$3330	1	0	(1)
\$200,000+	\$710k +	1	1	(1)	\$3330 +	0	0	(0)
	Totals:	105	123	17	Totals:	39	31	(8)

Occupied Units:	144
All Housing Units:	154
Total Unit Surplus:	10

Source: Envirionics, Census, Johnson Economics

FIGURE C.3: FUTURE DEMOGRAPHIC PROFILE, 2039 (CITY OF IONE)

PROJECTED FUTURE HOUSING CONDITIONS (2018 - 2039)		SOURCE
2018 Population (Minus Group Pop.)	338	2010 Census, PSU
Projected Annual Growth Rate	0.11%	OR Population Forecast Program PSU
2039 Population (Minus Group Pop.)	346	(Total 2039 Population - Group Housing Pop.)
Estimated group housing population:	0	Share of total pop from 2010 Census US Census
Total Estimated 2039 Population:	346	(PSU forecast) PSU
Estimated Non-Group 2039 Households:	148	(2039 Non-Group Pop./Avg. Household Size)
New Households 2018 to 2039	3	
Avg. Household Size:	2.34	Projected household size US Census
Total Housing Units:	155	Occupied Units plus Vacant
Occupied Housing Units:	148	(= Number of Non-Group Households)
Vacant Housing Units:	8	
Projected Market Vacancy Rate:	5.0%	(Vacant Units/ Total Units)

Source: PSU Population Research Center, Census, Johnson Economics

FIGURE C.4: TOTAL HOUSING DEMAND, OCCUPIED AND VACANT, 2039 (CITY OF IONE)

OWNER HOUSING								
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units
			2-unit	3- or 4-plex	5+ Units MFR			
Totals:	88	0	0	0	0	20	3	111
Percentage:	79.5%	0.0%	0.0%	0.0%	0.0%	17.9%	2.5%	100.0%

RENTAL HOUSING								
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units
			2-unit	3- or 4-plex	5+ Units MFR			
Totals:	30	0	0	0	0	14	0	45
Percentage:	67.7%	0.0%	0.0%	0.0%	0.0%	32.3%	0.0%	100.0%

TOTAL HOUSING UNITS								
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units
			2-unit	3- or 4-plex	5+ Units MFR			
Totals:	118	0	0	0	0	34	3	155
Percentage:	76.2%	0.0%	0.0%	0.0%	0.0%	22.0%	1.8%	100.0%

Source: PSU, US Census, Envirionics market data, Johnson Economics

FIGURE C.5: NET NEW HOUSING DEMAND, 2039 (CITY OF IONE)

OWNER HOUSING									
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of All Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	0	0	0	0	0	0	0	0	0%
Percentage:	79.5%	0.0%	0.0%	0.0%	0.0%	20.5%	0.0%	0.0%	

RENTAL HOUSING									
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of All Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	9	0	0	0	0	4	0	13	100%
Percentage:	67.7%	0.0%	0.0%	0.0%	0.0%	32.3%	0.0%	100.0%	

TOTAL HOUSING UNITS									
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of All Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	9	0	0	0	0	4	0	13	100%
Percentage:	67.7%	0.0%	0.0%	0.0%	0.0%	32.3%	0.0%	100.0%	

Source: PSU, US Census, Environics market data, Johnson Economics

D. Irrigon Housing Profile

FIGURE D.1: DEMOGRAPHIC PROFILE AND TRENDS (CITY OF IRRIGON)

POPULATION, HOUSEHOLDS, FAMILIES, AND YEAR-ROUND HOUSING UNITS					
	2000	2010	Growth	2018	Growth
	(Census)	(Census)	00-10	(PSU)	10-18
Population ¹	2,000	2,146	7%	2,338	9%
Households ²	664	708	7%	759	7%
Families ³	520	545	5%	613	12%
Housing Units ⁴	716	752	5%	792	5%
Group Quarters Population ⁵	0	0	0%	0	0%
<i>Household Size (non-group)</i>	<i>3.01</i>	<i>3.03</i>	<i>1%</i>	<i>3.08</i>	<i>2%</i>
<i>Avg. Family Size</i>	<i>3.33</i>	<i>3.43</i>	<i>3%</i>	<i>3.37</i>	<i>-2%</i>
PER CAPITA AND MEDIAN HOUSEHOLD INCOME					
	2000	2010	Growth	2018	Growth
	(Census)	(Census)	00-10	(Proj.)	10-18
Per Capita (\$)	\$14,600	\$18,582	27%	\$18,447	-1%
Median HH (\$)	\$35,799	\$52,981	48%	\$52,500	-1%

SOURCE: Census, PSU Population Research Center, and Johnson Economics

FIGURE D.2: COMPARISON OF CURRENT HOUSING NEED AND SUPPLY (CITY OF IRRIGON)

Income Level	Ownership				Rental			
	Price Range	Estimated Current Need	Estimated Current Supply	Unmet (Need) or Surplus	Rent	Estimated Current Need	Estimated Current Supply	Unmet (Need) or Surplus
Less than \$15,000	\$0k - \$70k	45	105	60	\$0 - \$310	22	0	(22)
\$15,000 - \$24,999	\$70k - \$110k	62	160	98	\$310 - \$520	17	16	(1)
\$25,000 - \$34,999	\$110k - \$160k	67	253	187	\$520 - \$730	18	64	46
\$35,000 - \$49,999	\$160k - \$200k	68	36	(32)	\$730 - \$930	42	46	4
\$50,000 - \$74,999	\$200k - \$280k	126	21	(105)	\$930 - \$1320	56	51	(4)
\$75,000 - \$99,999	\$280k - \$360k	88	8	(81)	\$1320 - \$1670	6	3	(3)
\$100,000 - \$124,999	\$360k - \$440k	58	5	(54)	\$1670 - \$2080	0	9	9
\$125,000 - \$149,999	\$440k - \$530k	44	4	(40)	\$2080 - \$2500	0	0	0
\$150,000 - \$199,999	\$530k - \$710k	32	0	(32)	\$2500 - \$3330	0	0	0
\$200,000+	\$710k +	9	11	2	\$3330 +	0	0	0
	Totals:	599	602	3	Totals:	160	190	30

Occupied Units:	759
All Housing Units:	792
Total Unit Surplus:	33

Source: Envirionics, Census, Johnson Economics

FIGURE D.3: FUTURE DEMOGRAPHIC PROFILE, 2039 (CITY OF IRRIGON)

PROJECTED FUTURE HOUSING CONDITIONS (2018 - 2039)			SOURCE
2018 Population (Minus Group Pop.)	2,338		2010 Census, PSU
Projected Annual Growth Rate	0.81%	OR Population Forecast Program	PSU
2039 Population (Minus Group Pop.)	2,768	(Total 2039 Population - Group Housing Pop.)	
Estimated group housing population:	0	Share of total pop from 2010 Census	US Census
Total Estimated 2039 Population:	2,768	(PSU forecast)	PSU
Estimated Non-Group 2039 Households:	899	(2039 Non-Group Pop./Avg. Household Size)	
New Households 2018 to 2039	140		
Avg. Household Size:	3.08	Projected household size	US Census
Total Housing Units:	945	Occupied Units plus Vacant	
Occupied Housing Units:	899	(= Number of Non-Group Households)	
Vacant Housing Units:	47		
Projected Market Vacancy Rate:	5.0%	(Vacant Units/ Total Units)	

Source: PSU Population Research Center, Census, Johnson Economics

FIGURE D.4: TOTAL HOUSING DEMAND, OCCUPIED AND VACANT, 2039 (CITY OF IRRIGON)

OWNER HOUSING								
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units
			2-unit	3- or 4-plex	5+ Units MFR			
Totals:	405	0	0	0	0	329	0	733
Percentage:	55.2%	0.0%	0.0%	0.0%	0.0%	44.8%	0.0%	100.0%

RENTAL HOUSING								
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units
			2-unit	3- or 4-plex	5+ Units MFR			
Totals:	106	14	19	13	0	59	0	212
Percentage:	50.0%	6.8%	9.1%	6.3%	0.0%	27.8%	0.0%	100.0%

TOTAL HOUSING UNITS								
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units
			2-unit	3- or 4-plex	5+ Units MFR			
Totals:	511	14	19	13	0	388	0	945
Percentage:	54.0%	1.5%	2.0%	1.4%	0.0%	41.0%	0.0%	100.0%

Source: PSU, US Census, Environics market data, Johnson Economics

FIGURE D.5: NET NEW HOUSING DEMAND, 2039 (CITY OF IRRIGON)

OWNER HOUSING									
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of All Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	72	0	0	0	0	59	0	131	85%
Percentage:	55.2%	0.0%	0.0%	0.0%	0.0%	44.8%	0.0%	100.0%	

RENTAL HOUSING									
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of All Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	11	2	2	1	0	6	0	22	15%
Percentage:	50.0%	6.8%	9.1%	6.3%	0.0%	27.8%	0.0%	100.0%	

TOTAL HOUSING UNITS									
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of All Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	84	2	2	1	0	65	0	153	100%
Percentage:	54.4%	1.0%	1.3%	0.9%	0.0%	42.4%	0.0%	100.0%	

Source: PSU, US Census, Environics market data, Johnson Economics

E. Lexington Housing Profile

FIGURE E.1: DEMOGRAPHIC PROFILE AND TRENDS (CITY OF LEXINGTON)

POPULATION, HOUSEHOLDS, FAMILIES, AND YEAR-ROUND HOUSING UNITS					
	2000 (Census)	2010 (Census)	Growth 00-10	2018 (PSU)	Growth 10-18
Population ¹	263	238	-10%	265	11%
Households ²	102	94	-8%	101	7%
Families ³	72	70	-3%	67	-4%
Housing Units ⁴	111	101	-9%	101	0%
Group Quarters Population ⁵	0	0	0%	0	0%
Household Size (non-group)	2.58	2.53	-2%	2.63	4%
Avg. Family Size	3.03	2.86	-6%	3.31	16%
PER CAPITA AND MEDIAN HOUSEHOLD INCOME					
	2000 (Census)	2010 (Census)	Growth 00-10	2018 (Proj.)	Growth 10-18
Per Capita (\$)	\$15,802	\$21,005	33%	\$21,743	4%
Median HH (\$)	\$37,521	\$48,457	29%	\$54,386	12%

SOURCE: Census, PSU Population Research Center, and Johnson Economics

FIGURE E.2: COMPARISON OF CURRENT HOUSING NEED AND SUPPLY (CITY OF LEXINGTON)

Income Level	Ownership				Rental			
	Price Range	Estimated Current Need	Estimated Current Supply	Unmet (Need) or Surplus	Rent	Estimated Current Need	Estimated Current Supply	Unmet (Need) or Surplus
Less than \$15,000	\$0k - \$70k	4	30	26	\$0 - \$310	5	0	(5)
\$15,000 - \$24,999	\$70k - \$110k	7	26	20	\$310 - \$520	4	0	(4)
\$25,000 - \$34,999	\$110k - \$160k	10	25	15	\$520 - \$730	2	3	2
\$35,000 - \$49,999	\$160k - \$200k	11	0	(11)	\$730 - \$930	3	0	(3)
\$50,000 - \$74,999	\$200k - \$280k	20	7	(12)	\$930 - \$1320	5	6	2
\$75,000 - \$99,999	\$280k - \$360k	11	2	(9)	\$1320 - \$1670	2	0	(2)
\$100,000 - \$124,999	\$360k - \$450k	6	1	(5)	\$1670 - \$2080	1	0	(1)
\$125,000 - \$149,999	\$450k - \$540k	5	0	(5)	\$2080 - \$2500	0	0	(0)
\$150,000 - \$199,999	\$540k - \$710k	0	0	0	\$2500 - \$3330	4	0	(4)
\$200,000+	\$710k +	0	0	0	\$3330 +	1	0	(1)
	Totals:	74	91	18	Totals:	27	10	(18)

Occupied Units:	101
All Housing Units:	101
Total Unit Surplus:	0

Source: Envirionics, Census, Johnson Economics

FIGURE E.3: FUTURE DEMOGRAPHIC PROFILE, 2039 (CITY OF LEXINGTON)

PROJECTED FUTURE HOUSING CONDITIONS (2018 - 2039)		SOURCE
2018 Population (Minus Group Pop.)	265	2010 Census, PSU
Projected Annual Growth Rate	-0.66% OR Population Forecast Program	PSU
2039 Population (Minus Group Pop.)	231 (Total 2039 Population - Group Housing Pop.)	
Estimated group housing population:	0 Share of total pop from 2010 Census	US Census
Total Estimated 2039 Population:	231 (PSU forecast)	PSU
Estimated Non-Group 2039 Households:	88 (2039 Non-Group Pop./Avg. Household Size)	
New Households 2018 to 2039	-13	
Avg. Household Size:	2.63 Projected household size	US Census
Total Housing Units:	92 Occupied Units plus Vacant	
Occupied Housing Units:	88 (= Number of Non-Group Households)	
Vacant Housing Units:	5	
Projected Market Vacancy Rate:	5.0% (Vacant Units/ Total Units)	

Source: PSU Population Research Center, Census, Johnson Economics

FIGURE E.4: TOTAL HOUSING DEMAND, OCCUPIED AND VACANT, 2039 (CITY OF LEXINGTON)

OWNER HOUSING								
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units
			2-unit	3- or 4-plex	5+ Units MFR			
Totals:	51	0	0	0	0	15	0	66
Percentage:	77.0%	0.0%	0.0%	0.0%	0.0%	23.0%	0.0%	100.0%

RENTAL HOUSING								
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units
			2-unit	3- or 4-plex	5+ Units MFR			
Totals:	11	0	0	0	0	15	0	26
Percentage:	42.9%	0.0%	0.0%	0.0%	0.0%	57.1%	0.0%	100.0%

TOTAL HOUSING UNITS								
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units
			2-unit	3- or 4-plex	5+ Units MFR			
Totals:	62	0	0	0	0	30	0	92
Percentage:	67.3%	0.0%	0.0%	0.0%	0.0%	32.7%	0.0%	100.0%

Source: PSU, US Census, Environics market data, Johnson Economics

FIGURE E.5: NET NEW HOUSING DEMAND, 2039 (CITY OF LEXINGTON)

OWNER HOUSING									
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of All Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	0	0	0	0	0	0	0	0	0%
Percentage:	77.0%	0.0%	0.0%	0.0%	0.0%	23.0%	0.0%	0.0%	

RENTAL HOUSING									
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of All Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	7	0	0	0	0	10	0	17	100%
Percentage:	42.9%	0.0%	0.0%	0.0%	0.0%	57.1%	0.0%	100.0%	

TOTAL HOUSING UNITS									
UNITS:	Single Fam. Detached	Single Fam. Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of All Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	7	0	0	0	0	10	0	17	100%
Percentage:	42.9%	0.0%	0.0%	0.0%	0.0%	57.1%	0.0%	100.0%	

Source: PSU, US Census, Environics market data, Johnson Economics

Appendix B: Buildable Land Inventory Memo



MEMORANDUM

Morrow County Buildable Lands Inventory (BLI) (FINAL)
Morrow County Housing Needs Analysis

DATE April 25, 2019
TO Morrow County HNA PMT and TAC
FROM Matt Hastie and Jamin Kimmell, Angelo Planning Group
CC File

The purpose of this memo is to summarize the methodology and results of a Geographic Information Systems (GIS)-based Buildable Land Inventory for the Morrow County Housing Needs Analysis (HNA). The results inform the strategies and approaches that may be effective and appropriate for increasing the supply or configuration of buildable residential land, which can lead to greater overall housing supply. The memo summarizes the methodology and key findings of the analysis, then presents the results in a series of tables and maps.

METHODOLOGY

Step 1 – Identify Environmental Constraints

In order to estimate lands that may be buildable for residential uses, it is necessary to remove any lands where development is constrained or not feasible due to environmental resources, hazards, or topography. GIS data on location of these constraints was obtained from multiple sources.

- Floodplains: All areas designated in the floodplain or floodway, based on the most recent version of FEMA floodplain maps released in December of 2007.
- Wetlands: All wetlands mapped by the U.S. Department of Fish and Wildlife for the National Wetland Inventory, except where a jurisdiction has adopted a local wetland inventory.
- Steep Slopes: Data from the National Elevation Dataset (NED) was used to estimate the amount of land that is unavailable for development due to slopes of over 25 percent. The amount of buildable land in each parcel was adjusted if it contains steep slopes.

These lands were combined and then overlaid with County taxlots to estimate the amount of land in each parcel where development is limited by these environmental constraints. These constrained areas were deducted from the total area of the parcel to estimate the portion of the parcel that is potentially buildable.

Step 2 – Classify Parcels by Development Status

Each parcel in the county was classified based on the potential for new development on the parcel. This classification is intended to separate parcels that have capacity for development from those that do not. The classification is based on the amount of potentially buildable area on the parcel and the valuation of improvements (buildings, other structures). Improvement values are sourced from Morrow County Tax Assessor data. The following four categories were used to classify parcels:

- Developed: Parcels that have an improvement value of more than \$10,000, but do not meet the definition of Partially Vacant or Constrained.
- Constrained: Parcels with less than 5,000 square feet unconstrained land. These parcels are assumed to not be developable due to the small area on the lot that is potentially buildable.
- Partially Vacant: Parcels that meet the state definition as partially vacant under the “safe harbor” provisions for residential buildable land inventories.¹ These parcels are at least a half-acre in size and have an existing single-family dwelling. A quarter-acre was removed from the buildable area of these parcels to account for the existing dwelling. Parcels with an existing multi-family or nonresidential use were reviewed via aerial imagery to determine if they should be classified as Partially Vacant or Developed.
- Vacant: Parcels with more than 5,000 square feet of unconstrained land and improvement value less than \$10,000. These parcels have sufficient area for development and little to no improvements.
- Difficult to Serve: These parcels either meet the definition of Vacant or Partially Vacant; however, due to a variety of factors, may be difficult or infeasible to serve with adequate infrastructure to support urban development. These parcels were identified based on review by the Technical Advisory Committee. For the purposes of this analysis, these parcels are considered potentially buildable, but the lack of infrastructure and expense of providing infrastructure to these sites may present a major barrier to development.

The classification of each parcel was reviewed by jurisdictional staff and the Technical Advisory Committee and some parcels were re-classified if the parcel was currently under development or had developed recently but was not yet recorded in the assessor data. Other parcels were re-classified if there was a clear error in the assessor data or calculations that led to the initial classification.

¹ OAR 660-024-0050, Land Inventory and Response to Deficiency

(2) As safe harbors, a local government, except a city with a population over 25,000 or a metropolitan service district described in ORS 197.015(13), may use the following assumptions to inventory the capacity of buildable lands to accommodate housing needs:

- (a) The infill potential of developed residential lots or parcels of one-half acre or more may be determined by subtracting one-quarter acre (10,890 square feet) for the existing dwelling and assuming that the remainder is buildable land;
- (b) Existing lots of less than one-half acre that are currently occupied by a residence may be assumed to be fully developed.

Step 3 – Estimate Potentially Buildable Lands and Housing Unit Capacity

Assign parcels to zones

Lands were classified by zone type (residential, commercial, etc.) to estimate the amount of land that is potentially developable that is zoned for residential uses. To do this, all City and County zoning designations were classified into generalized zone types, and each parcel was assigned a zone and zone type. These zone types are Residential, Commercial, Industrial, Resource Lands (Farm and Forest), and Public Facilities. A list of all zones and their classification is provided in Appendix A. Where parcels span multiple zones, the parcel was assigned the zone that covers the centroid (center point) of the parcel.

Estimate housing unit capacity based on zoning

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

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

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

KEY FINDINGS

Key findings of this analysis are summarized below for each jurisdiction:

- **Morrow County.** The unincorporated areas of Morrow County have the greatest amount of buildable residential land among the jurisdictions in the County (about 3,500 acres). However, as most of this land is zoned for low-density, rural residential uses with a density of 1-2 units per net acre. Most of this land is not located in close proximity to the employment centers in the cities, which limits the potential demand for residential construction. Lands that are in close proximity to cities with good transportation access, yet outside UGBs and unable to be served with urban infrastructure, may be good candidates for continued rural housing development.
- **Boardman.** The City of Boardman has the greatest capacity for residential development based on this analysis. The City has approximately 518 acres of buildable residential land and an estimated capacity for approximately 2,056 housing units.
- **Irrigon.** The City of Irrigon has some capacity for residential development with approximately 196 acres of buildable land and zoned capacity for approximately 388 housing units. However, a large share of the buildable land is concentrated in several large parcels that are under farm use and may not be available for development in the short term. Additionally, a few large parcels are constrained or difficult to serve, limiting the housing unit capacity on these parcels.
- **Heppner.** A large share of the buildable land zoned for residential uses in Heppner is located in places that were classified as Difficult to Serve. Approximately 37% of the City's buildable lands are located in such areas, which are predominantly sites that are on hilltops or constrained by slopes. Street access to these sites is costly and difficult. A 2004 study identified that areas above an elevation of approximately 2,100 feet could not be served with water lines. The land within some of these parcels is above this elevation. Nearly all of the land area in the City's R3 zone, the only residential zone that allows for multi-family housing outright, is classified as Difficult to Serve. Thus, 84% of the estimated citywide housing unit capacity is located on Difficult to Serve parcels.
- **Ione.** Similar to Heppner, development is constrained in Ione by steep slopes and floodplains. A large share of the buildable land is located in areas classified Difficult to Serve. There are several potentially buildable parcels in a hilly subdivision in the northeast part of the City, however, the total capacity for residential development is limited by the slopes, transportation access, and availability of water infrastructure.
- **Lexington.** The Town of Lexington faces similar constraints at Ione and Heppner, and most of the capacity for residential units is found in parcels that are classified Difficult to Serve.

The results of this analysis are presented in Tables 1-4 and Figures 1-2 below.

RESULTS

Table 1. Summary of Potentially Buildable Lands, Residential Zones, Countywide

Parcel Status	Total Parcels	Total Acres	Constrained Acres	Potentially Buildable Acres
Constrained	410	227	338	--
Developed	1,984	1,479	81	--
<i>Total Not Buildable</i>	<i>2,394</i>	<i>1,705</i>	<i>419</i>	<i>--</i>
Difficult to Serve	96	774	210	563
Partially Vacant	588	2,195	76	1,968
Vacant	675	2,113	81	2,032
Total Potentially Buildable	1,359	5,082	368	4,563

Table 2. Summary of Potentially Buildable Lands, Commercial Zones, Countywide

Parcel Status	Total Parcels	Total Acres	Constrained Acres	Potentially Buildable Acres
Constrained	135	37	34	--
Developed	217	149	2	--
<i>Total Not Buildable</i>	<i>352</i>	<i>186</i>	<i>36</i>	<i>--</i>
Difficult to Serve	--	--	--	--
Partially Vacant	19	125	0	120
Vacant	117	293	8	285
Total Potentially Buildable	136	418	8	405

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

Jurisdiction	Potentially Buildable Acres			Housing Unit Capacity		
	Difficult to Serve	Partially Vacant	Vacant	Difficult to Serve	Partially Vacant	Vacant
Morrow County	267	1,867	1,321	454	782	660
Boardman	--	19	499		75	1,981
Hepburn	204	36	24	715	90	38
Ione	34	2	20	24	6	16
Irrigon	34	24	138	32	16	340
Lexington	25	19	29	28	10	28
Total	563	1,968	2,032	1,253	979	3,063

Figure 1. Potentially Buildable Acres by Jurisdiction, Cities in Morrow County, Residential Zones

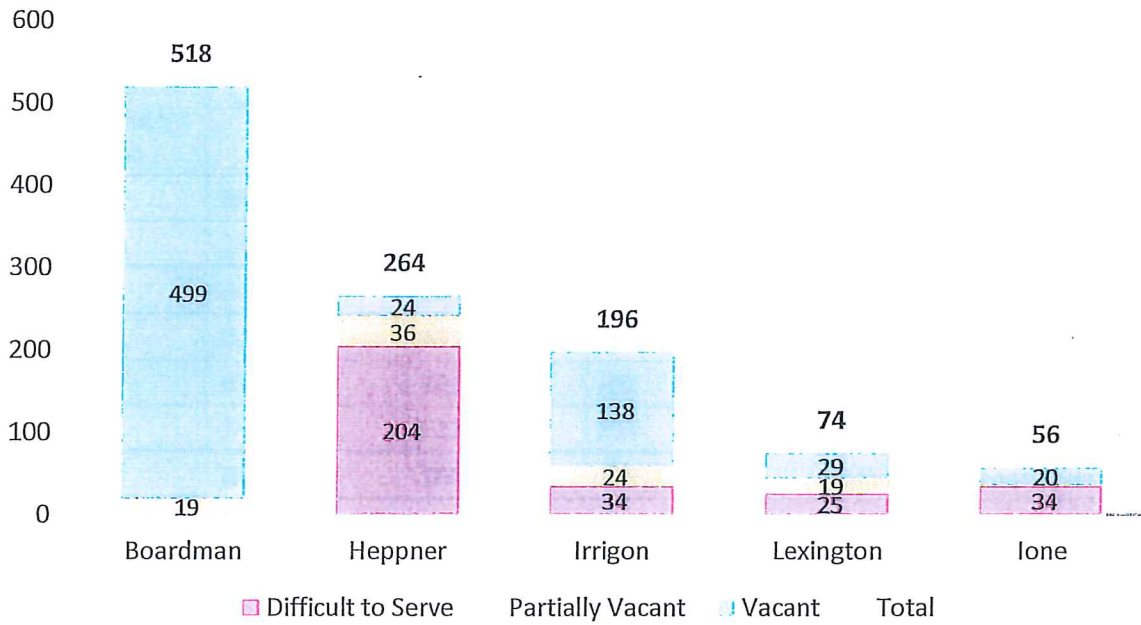


Figure 2. Housing Unit Capacity by Jurisdiction, Residential Zones

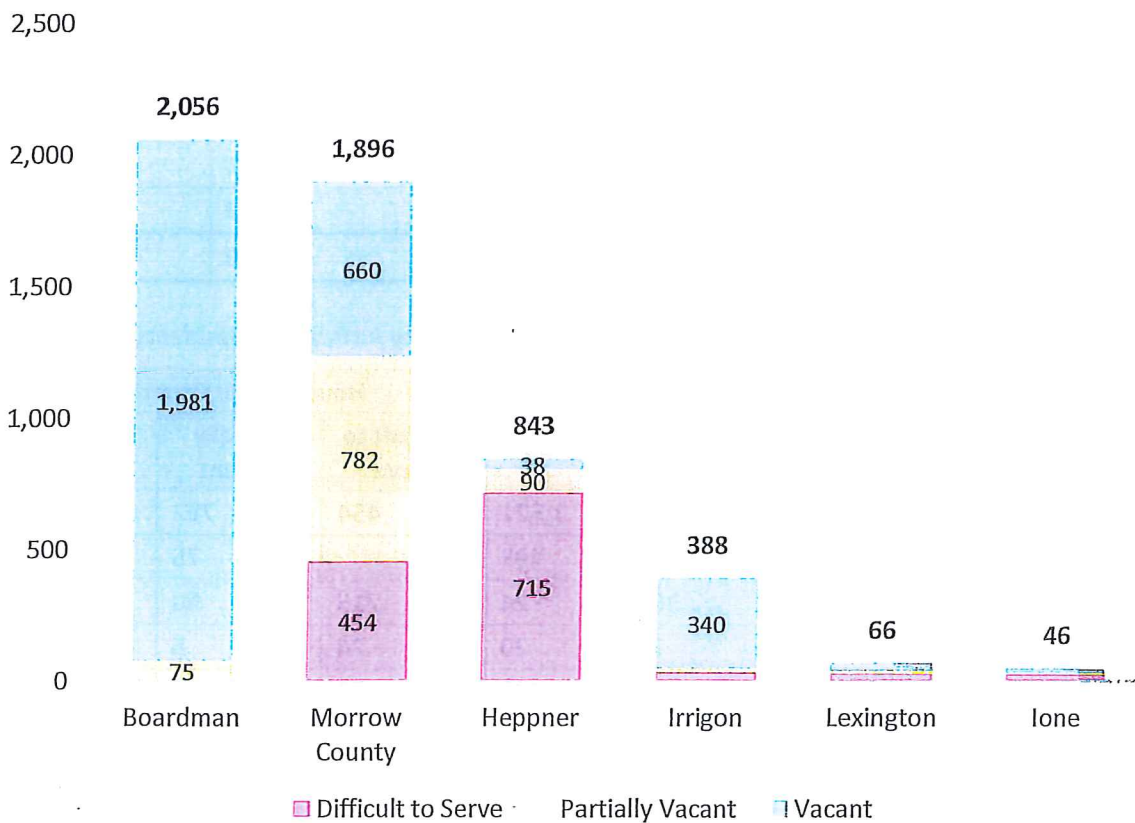


Table 4. Potentially Buildable Acres and Housing Unit Capacity by Zone, Residential Zones

Jurisdiction and Zone	Potentially Buildable Acres				Maximum Density Assumption	Housing Unit Capacity			Share of Total	
	Difficult to Serve	Partially Vacant	Vacant	Total		Difficult to Serve	Partially Vacant	Vacant		Total
Boardman										
R1 - Residential	--	7	417	425	5 units/acre	--	22	1,544	1,566	76%
R2 - Res. Multi-Family SD	--	5	64	69	8 units/acre	--	29	374	403	20%
R3 - Res. Mfg. Home Park SD	--	7	18	25	5 units/acre	--	24	63	87	4%
Subtotal	--	19	499	518	--	--	75	1,981	2,056	--
Hepburn										
R1 - Limited Residential	22	13	9	45	4 units/acre	66	32	19	117	14%
R2 - General Residential	32	21	14	67	4 units/acre	91	50	18	159	19%
R3 - Residential	149	3	1	153	5 units/acre	558	8	1	567	67%
Subtotal	204	36	24	264	--	715	90	38	843	--
Irrigon										
R1 - Limited Residential	--	2	1	4	4 units/acre	--	6	2	8	17%
R2 - General Residential	1	--	17	18	4 units/acre	3	--	14	17	37%
R3 - Farm Residential	33	--	2	34	1 unit/acre	21	--	0	21	46%
Subtotal	34	2	20	56	--	24	6	16	46	--
Lexington										
R - Residential	34	24	138	196	4 units/acre	32	16	340	388	100%
Subtotal	34	24	138	196	--	32	16	340	388	--
Morrow County										
FR - Farm Residential	21	19	26	65	1 unit/acre	13	8	16	37	56%
R - General Residential	4	1	4	8	5 units/acre	15	2	12	29	44%
Subtotal	25	19	29	74	--	28	10	28	66	--
Morrow County										
FR2 - Farm Residential	--	776	476	1,252	1 unit/acre	--	224	148	372	20%
RR - Rural Residential	--	815	639	1,454	1 unit/acre	--	173	172	345	18%
SR - Suburban Residential	267	218	193	678	2 units/acre	454	379	340	1,173	62%
SR2A - Suburban Residential	--	58	12	71	1 unit/acre	--	6	0	6	0%
Subtotal	267	1,867	1,321	3,454	--	454	782	660	1,896	--

110

Appendix C: Policy and Code Review Memo



MEMORANDUM

Policy and Code Review
Morrow County Housing Study

DATE December 11, 2018
TO Morrow County Housing Study Technical Advisory Committee
FROM Matt Hastie, and Jamin Kimmell, Angelo Planning Group
CC Brendan Buckley and Jerry Johnson, Johnson Economics

OVERVIEW

Angelo Planning Group (APG), in partnership with Johnson Economics, is assisting Morrow County with a Housing Study for Morrow County and five of its cities – Boardman, Irrigon, Lone, Lexington and Heppner. The goal of the study is to obtain information about the type, size, location and price of housing required to meet the current and future needs of county residents and to understand the market forces, planning and zoning regulations and local barriers that impact housing development in Morrow County.

As one of the first steps in the study, APG has reviewed the housing policies and zoning or development code standards associated with housing and residential development in the County and cities, including a review of each jurisdiction’s Comprehensive Plan and development code. The remainder of this memo summarizes the results of that review. Subsequent memos will describe potential strategies for addressing any policy gaps or barriers represented by specific development code provisions.

COMPREHENSIVE PLAN POLICIES

APG reviewed each jurisdiction’s Comprehensive Plan to assess whether it includes the following types of supportive policies:

- **Supports Statewide Planning Goal 10.** Comprehensive Plans typically do and should include a general policy that mirrors Statewide Planning Goal 10 (Housing), stating that the overall goal of the jurisdiction is to *“encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.”*

- **Emphasizes affordable housing needs.** Given that meeting the needs of low and moderate income households often requires public intervention or subsidy, it is important to include policies emphasizing the needs of these households.
- **Supports partnerships.** Most Comprehensive Plan housing elements include policies aimed at supporting other public agencies, non-profits and market rate developers who focus on meeting the needs of low and moderate income households and community members with special housing needs.
- **Encourage a variety of housing types.** In addition to a broad goal or policy about meeting a full range of housing needs, Plans often include policies noting the need for a variety of housing types, including single family attached housing, duplexes, triplexes, multi-family housing and townhomes, as well as less traditional forms of housing such as cottage cluster housing and accessory dwelling units.
- **Affirms Fair Housing goals.** Local governments are required to ensure that their housing policies and standards do not discriminate against or have adverse effects on the ability of “protected classes” to obtain housing, consistent with the federal Fair Housing Act.
- **Support for mixed use development.** Some Plans explicitly support the development of mixed use projects, which typically include upper story housing located above retail or commercial uses.
- **Support for accessory dwelling units.** Comprehensive Plans may include policies specifically referencing support for this form of housing. Recent Oregon legislation requires all cities below a certain size to allow for this form of housing outright in all zones where single-family detached housing is allowed.
- **Support flexible zoning.** Some Plans include policies which emphasize the need for zoning to be flexible enough to meet a variety of housing needs and keep costs for such housing down, particularly for housing affordable to low and moderate income households.
- **Address land supply goals.** Many Comprehensive Plans include policies which reference the need to ensure that adequate land is zoned to meet identified housing needs, and to periodically update the jurisdiction’s inventory of such lands.
- **Support development of manufactured homes.** Oregon law requires that all zones that allow for “stick built” single family detached homes also allow for manufactured homes on individual lots. Each jurisdiction must also allow for manufactured home parks in at least one residential zone.

Table 1 summarizes consistency of Morrow County jurisdictions with these policy objectives. As noted, several of the jurisdictions’ Plans include policies that address some of these issues, although gaps are present in most local Comprehensive Plans. Specifically, the following issues are not addressed in any of the jurisdictions:

- Fair Housing goals
- Accessory dwelling units
- Flexible approach to zoning
- Manufactured housing units

Table 1. Comprehensive Plan Policy Review Summary

<i>Policy Issue</i>	<i>Morrow County</i>	<i>Boardman</i>	<i>Hepburn</i>	<i>Ione</i>	<i>Irrigon</i>	<i>Lexington</i>
Supports Goal 10	Yes	Yes	Yes	Yes	Yes	Yes
Emphasizes affordable housing	Yes	Yes	No	Yes	Yes	No
Supports partnerships	Yes	Yes	No	Yes	Yes	No
Encourages variety of housing types	Yes	Yes	Yes	Yes	Yes	Yes
Affirms Fair Housing goals	No specific policy	No specific policy	No specific policy	No specific policy	No specific policy	No specific policy
Supports mixed use development	No specific policy	Yes	No	No	No	No
References ADUs	No	No	No	No	No	No
Supports flexible zoning	No specific policy	Yes	No	No	No	No
Addresses land supply goals	Yes	Yes	No	Yes	No	No
Supports manufactured homes	No specific policy	No specific policy	No specific policy	No specific policy	No specific policy	No specific policy

ZONING AND DEVELOPMENT CODE STANDARDS

In addition to reviewing Comprehensive Plan policies, APG reviewed the zoning ordinance or development code for each jurisdiction and has summarized information about the following type of standards. Summary observations include:

- **Residential zones.** All jurisdictions include a range of zones, with most providing for low, medium and high-density zones, and others providing a greater variety of zones. Most of the County's residential zones are applied to areas within unincorporated communities.
- **Housing types allowed.** All jurisdictions allow for a range of housing types. The mix of housing types allowed within the range of zones varies, as does the application of conditional use requirements to specific types of housing.
- **Manufactured homes.** This type of housing is generally allowed on individual lots as required by state law. Manufactured home parks are allowed in at least one zone in each community as required by state law, although they are subject to conditional use requirements in one or all zones in each jurisdiction, with the exception of Boardman and Heppner.
- **Accessory dwelling units.** These are allowed only in Heppner.
- **Cottage Cluster Housing.** This form of housing is explicitly defined and allowed only in Heppner and possibly in Irrigon, although there are no specific standards for this type of housing in Irrigon.
- **Densities and minimum lot sizes.** These vary somewhat significantly across the communities, with relatively high minimum lot sizes required in most of the jurisdictions, and the density of development constrained significantly by municipal sewer and water capacity in Lone and Lexington.
- **Height standards.** These are relatively consistent across the jurisdictions, with a lower maximum height allowed in Lexington (25').
- **Off-street parking requirements.** All communities require two spaces for single-family detached dwellings. Heppner and Irrigon require fewer spaces for other housing types.
- **Residential design standards.** Most communities do not apply specific architectural design standards to most housing types.

Tables 2 and 3 summarize these requirements in more detail. Table 2 summarizes County requirements, while Table 3 describes requirements for the five cities. Subsequent reports will identify potential barriers associated with these standards and possible development code amendments to address the barriers.

Table 2. Development Code Review Summary, Morrow County

<i>Policy Issue</i>	<i>Rural Resid. (RR1)</i>	<i>Farm Resid.</i>	<i>Suburb. Resid. (SR)</i>	<i>Suburb. Resid. 2A</i>
Housing Types Allowed	SFD, MH, duplex (CU)	SFD, MH, duplex (CU)	SFD, duplex, MF, PUD, MHP (CU)	SFD, MF
Densities/ Minimum lot sizes allowed	2 acres	2 acres	SFD: 7,000 sf, 20,000 sf, or 1 acre ¹ Duplex: 10,000 sf, 30,000 sf, or 1.5 acres ¹ MF: 10,000 + 2,500 sf/unit - 1.5 acres + 7,500 sf/unit ¹	2 acres
Manufactured home parks	No	No	No	No
ADU requirements	Not allowed/no specific standards			
Cottage cluster housing	No specific requirements			
Residential design standards	Only for manufactured homes on individual lots and in parks			
Off-street parking	SF, duplex, triplex: 2 spaces/dwelling; 4 or more units: 1.5 spaces per unit			
Building Heights	30'	30'	35' or 2.5 stories	35' or 2.5 stories

SFD = Single family detached home; MH = manufactured home on individual lot; MH Park = manufactured home park; MF = multi-family housing

Notes:

1. Minimum lot size in the SR and SR-2A zones varies by presence of community water system and/or community wastewater system

Table 3. Development Code Review Summary, Cities

Code Provision	Boardman	Heppner	Ione	Irrigon	Lexington
Zones	R zone, with several sub-districts: <ul style="list-style-type: none"> • Future Urban • MH Park • MF • Sunridge Terrace 	R-1 (Limited Res.) R-2 (General Res.) R3 (Residential)	R-1 (Limited Resid.) R-2 (General Resid.) R-3 (Farm Resid.)	R (Residential)	R (Residential) FR (Farm Residential)
Housing Types Allowed ¹	SFD, MH, duplex, triplex, townhomes, MH Park (MH Park sub-district only), MF (MF sub-district only)	R1: SFD, MH, ADU (proposed), Duplex (CU) R2: SFD, MH, Duplex, ADU (proposed), MF (CU), Cottage Cluster (proposed) R3: Uses in R-2 allowed outright, plus MHP; Cottage Cluster (proposed)	R1: SFD, MH, Duplex, MF (CU) R2: SFD, MH, Duplex, MF, MH Park (CU) R3: SFD, MH, MH Park (CU)	SFD, MH, Duplex (CU), MH (CU), MH park (CU), Cottage Cluster (CU?)	R: SFD, MH, Duplex (CU), MH Park (CU), MF (CU) FR: SFD, MH, MH Park (CU)
Densities/ Minimum lot sizes allowed ⁴	SFD/MH: 6,300-8,000 sf Duplex: 8,000 sf Triplex: 9,000 sf Townhome: 3,000 sf MF: 10,000 sf total (no max density)	R-1: 7,000 sf (SF), 8,000 (duplex) R-2: 5,000 sf (SF), 6,000 sf (duplex), 7,000 SF plus 1,000 sf/additional dwelling unit (3 or more units)	R1: 9,000 sf plus 1,000 sf/additional dwelling – 10 acres R2: Same as R-1 R-3: 1 acre	SFD: 6,000 sf Duplex: 7,000 sf MF: 3,000 sf/unit MH park: 3,000 sf/unit	R: 7,500 (SF) 10,000 (duplex); 12,000 / 3,500/ unit (MF) FR: 1 acre (SFD, MH)

<i>Code Provision</i>	<i>Boardman</i>	<i>Heppner</i>	<i>Ione</i>	<i>Irrigon</i>	<i>Lexington</i>
		R-3: same as R-2			
Manufactured home parks	In MHP sub-district	In R-3	R-2 (CU), R-3 (CU)	As a CU	R, FR (CU)
ADU requirements	None	Proposed: Size: 800 sf Number: 1/lot; only with SFD Own: No Design stds: Privacy, entrances	None	None	None
Cottage cluster housing ²	No specific standards	Specific standards proposed	No specific standards	No specific standards	No specific standards
Residential design standards	Yes for all housing types, except SFD	Yes, menu for all SFD, MH, duplexes	None	Yes, for all housing types	Yes for manufactured homes Basic site design standards for CU
Off-street parking requirements	2/unit, all dwellings	2/unit, all dwellings, except: <ul style="list-style-type: none"> No additional proposed for ADUs 1-1.5/unit plus guest parking proposed for Cottage Cluster 	2/unit, all dwellings	2/unit for SFD, duplexes 1-2/unit for MF, depending on # of bedrooms None for ADUs	2/unit, all dwellings
Building Heights ³	30-35' or 2.5 stories, except MF is 30 feet or 3 stories	35' all zones	35' all zones	35' all types	R: 25' FR: 25'

SFD = Single family detached home; MH = manufactured home on individual lot; MH Park = manufactured home park; MF = multi-family housing

Notes:

1. In addition to the uses listed here, most residential zones allow residential homes and/or residential group uses; some also allow assisted living facilities and/or congregate care facilities.
2. Most jurisdictions allow clustering of housing, including in planned unit development or master planned areas; however, most do not allow for "cottage cluster" developments, with smaller dwelling and higher densities than base standards.
3. Height ranges in Boardman refer to flat roofs vs. pitched roofs.
4. Lot sizes in lone must be larger in the absence of a sewer system or water facilities and in the urban growth area or un-platted areas.

Appendix D: Policy and Code Revisions Memo



MEMORANDUM

Policy and Code Strategies – Preliminary Recommendations Morrow County Housing Study

DATE February 5, 2019
TO Morrow County Housing Study Technical Advisory Committee
FROM Matt Hastie, and Jamin Kimmel, Angelo Planning Group
CC Brendan Buckley and Jerry Johnson, Johnson Economics

OVERVIEW

Angelo Planning Group (APG), in partnership with Johnson Economics, is assisting Morrow County with a Housing Study for Morrow County and five of its cities – Boardman, Irrigon, Lone, Lexington and Heppner. The goal of the study is to obtain information about the type, size, location and price of housing required to meet the current and future needs of county residents and to understand the market forces, planning and zoning regulations and local barriers that impact housing development in Morrow County.

As one of the first steps in the study, APG reviewed the housing policies and zoning or development code standards associated with housing and residential development in the County and cities, including a review of each jurisdiction’s Comprehensive Plan and development code. As a follow-up step, APG has identified potential changes to local policies and code requirements to address local housing needs and barriers. These recommendations will be reviewed with the project Technical Advisory Committee and other community members and further refined based on that review.

COMPREHENSIVE PLAN POLICIES

APG reviewed each jurisdiction’s Comprehensive Plan to assess whether it includes the following types of supportive policies:

- **Supports Statewide Planning Goal 10.** Comprehensive Plans typically do and should include a general policy that mirrors Statewide Planning Goal 10 (Housing), stating that the overall goal of the jurisdiction is to *“encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.”*

- **Emphasizes affordable housing needs.** Given that meeting the needs of low and moderate income households often requires public intervention or subsidy, it is important to include policies emphasizing the needs of these households.
- **Supports partnerships.** Most Comprehensive Plan housing elements include policies aimed at supporting other public agencies, non-profits and market rate developers who focus on meeting the needs of low and moderate income households and community members with special housing needs.
- **Encourage a variety of housing types.** In addition to a broad goal or policy about meeting a full range of housing needs, Plans often include policies noting the need for a variety of housing types, including single family attached housing, duplexes, triplexes, multi-family housing and townhomes, as well as less traditional forms of housing such as cottage cluster housing and accessory dwelling units.
- **Affirms Fair Housing goals.** Local governments are required to ensure that their housing policies and standards do not discriminate against or have adverse effects on the ability of “protected classes” to obtain housing, consistent with the federal Fair Housing Act.
- **Support for mixed use development.** Some Plans explicitly support the development of mixed use projects, which typically include upper story housing located above retail or commercial uses.
- **Support for accessory dwelling units.** Comprehensive Plans may include policies specifically referencing support for this form of housing. Recent Oregon legislation requires all cities below a certain size to allow for this form of housing outright in all zones where single-family detached housing is allowed.
- **Support flexible zoning.** Some Plans include policies which emphasize the need for zoning to be flexible enough to meet a variety of housing needs and keep costs for such housing down, particularly for housing affordable to low and moderate income households.
- **Address land supply goals.** Many Comprehensive Plans include policies which reference the need to ensure that adequate land is zoned to meet identified housing needs, and to periodically update the jurisdiction’s inventory of such lands.
- **Support development of manufactured homes.** Oregon law requires that all zones that allow for “stick built” single family detached homes also allow for manufactured homes on individual lots. Each jurisdiction must also allow for manufactured home parks in at least one residential zone.
- **Support and encourage maintenance and rehabilitation of existing house.** Members of the project TAC recommended that Comprehensive Plans include this type of policy to help ensure that existing housing stock remains in good condition. Incorporating this type of policy will provide policy-level support for programs related to housing rehabilitation.
- **Balance housing needs with natural resource and natural hazard issues.** Members of the project TAC noted that policies, programs and requirements associated with protecting natural resources and addressing natural hazards can impact the location and cost of housing. It is important to balance and integrate policies and requirements related to both sets of topics.

- **Regulate short term rentals.** Many communities, particularly those with high levels of tourism, regulate short-term rental housing to reduce its impact on the supply and affordability of long-term rental housing. This has not been identified as an issues in the Morrow County communities.

As noted in the previous Policy Review Memo, a majority of the jurisdictions' Plans include policies that address these issues, although some gaps are present. Table 1 summarizes recommended policy amendments for selected jurisdictions to address these gaps. In some cases, local development codes address these issues; however, additional Comprehensive Plan policies are still recommended to provide additional policy support for local regulations.

Table 1. Comprehensive Plan Policy Update Summary

Policy Amendment	Morrow County	Boardman	Heppner	Ione	Irrigon	Lexington
Emphasize affordable housing			X			X
Support partnerships			X			X
Affirm Fair Housing goals	X	X	X	X		X
Support mixed use development	X		X	X	X	X
Reference and support ADUs	X	X	X	X	X	X
Support flexible zoning	X		X	X	X	X
Address land supply goals			X		X	X
Support manufactured homes	X	X	X	X	X	X
Maintain, repair existing housing	X	X	X	X	X	X
Balance housing needs with natural resources & hazards	X	X	X	X	X	X

ZONING AND DEVELOPMENT CODE STANDARDS

In addition to reviewing Comprehensive Plan policies, APG reviewed the zoning ordinance or development code for each jurisdiction and summarized information about the following type of standards in the earlier policy review memo. Summary observations include:

- **Residential zones.** Most of the jurisdictions in Morrow County include a range of zones, with most providing for low, medium and high-density zones. Boardman and Irrigon each have one residential designation. Boardman also has several sub-districts within its residential zone; Irrigon does not. While the single zones in those two communities allow for a range of housing types, several types are only allowed as conditional uses. This may be problematic from the standpoint of addressing the state requirements to provide clear and objective standards for needed housing types (now defined as all housing).
- **Housing types allowed.** All jurisdictions allow for a range of housing types. The mix of housing types allowed within the range of zones varies, as does the application of conditional use requirements to specific types of housing. Several changes are recommended, in part to address recent legislation that indicates that all housing types are to be considered needed housing, coupled with existing requirements that require local jurisdictions to provide clear and objective standards for needed housing. In Lone and Lexington, standards will need to address water and sanitary sewer service.
- **Manufactured homes.** This type of housing is allowed outright on individual lots as required by state law in all Morrow County communities. In addition, manufactured home parks are allowed in at least one residential zone in each jurisdiction as required by state law. However, they are allowed only as conditional uses in several jurisdictions which conflicts with the requirements for clear and objective standards for needed housing described above. As a result, code updates are recommended to allow for manufactured home parks as outright allowed uses in several communities.
- **Accessory dwelling units.** These are not allowed in most Morrow County communities, except in Heppner. They should be added to each community's list of allowed uses for single family and potentially other residential zones, with clear and objective standards.
- **Cottage Cluster Housing.** This form of housing is explicitly defined and allowed only in Heppner. It is recommended to be allowed in most other jurisdictions.
- **Densities and minimum lot sizes.** These vary across the communities. Lot sizes and densities appear to be appropriate based on conditions in these communities, including the lack of sanitary sewer facilities in Lone and Lexington and limited water serve in Lexington.
- **Height standards.** These are fairly consistent across the jurisdictions. Changes are recommended to standards in Boardman and Lexington.
- **Off-street parking requirements.** Most communities require two spaces for single-family detached dwellings. Some cities require fewer spaces for other housing types. Modest changes are recommended to help reduce costs associated with off-street parking.

- **Residential design standards.** Several communities apply specific architectural design standards to one or more housing types. No changes are recommended at this time.

Table 2 summarizes potential changes for selected jurisdictions. Additional recommendations may be included in a draft Housing Strategies Report.

127

Table 2. Potential Development Code Changes

Code Provision	Boardman	Heppler	Ione	Irrigon	Lexington	Morrow County
Housing Types Allowed	Allow ADUs in all zones	Allow ADUs in all zones Allow duplexes on corner lots in R-1 Allow triplexes in R-2	Allow ADUs in all zones Allow MH Parks outright in R-2 or R-3 zone with clear & objective (C&O) standards	Allow ADUs Establish C&O standards to enable allowing a wider range of housing types outright	Allow ADUs Allow MH Parks outright in R or FR zone with C&O standards Allow MF housing outright in the R zone with C&O standards	Allow duplexes as an outright use where they are currently allowed as a CU, applying specific standards Allow MHPs as an outright use in the SR zone
Densities/ Minimum lot sizes allowed	No changes suggested	No changes suggested	No changes suggested	No changes suggested	No changes suggested	No changes suggested
ADU requirements	Allow and establish standards using DLCD guidelines	No changes suggested	Allow and establish standards using DLCD guidelines	Allow and establish standards using DLCD guidelines	Allow and establish standards using DLCD guidelines	Allow and establish standards using DLCD guidelines
Cottage cluster housing	Allow and create specific standards	No changes suggested	Allow and create specific standards	Allow and create specific standards	Allow and create specific standards	Allow and create specific standards
Off-street parking requirements	Reduce for MF to 1 - 1.5 spaces per unit	No changes suggested	Reduce for MF to 1 - 1.5 spaces per unit	No changes suggested	Reduce for MF to 1 - 1.5 spaces per unit	No changes suggested

<i>Code Provision</i>	<i>Boardman</i>	<i>Heppner</i>	<i>Ione</i>	<i>Irrigon</i>	<i>Lexington</i>	<i>Morrow County</i>
Building Heights	Increase to 35' for MF housing	No changes suggested	No changes suggested	No changes suggested	Increase to 35' for MF housing	No changes suggested

Appendix E: Heppner Cottage Cluster Code



MEMORANDUM

City of Heppner Cottage Cluster Standards – Example Language
Morrow County Housing Study

DATE May 20, 2019
TO Morrow County Housing Study Technical Advisory Committee
FROM Matt Hastie, and Jamin Kimmell, Angelo Planning Group
CC Brendan Buckley and Jerry Johnson, Johnson Economics

The purpose of this memo is to provide example development code language from the City of Heppner's proposed cottage cluster development standards. This code language was drafted in an effort to better facilitate cottage cluster development by creating clear and objective standards and allowing for an administrative land use review. The example language is provided below. Other Morrow County jurisdictions are encouraged to adopt and modify the language for their own zoning and development codes.

11-11-4. CLUSTER DEVELOPMENT PROVISIONS.

A. Purpose.

A cottage cluster development is a small cluster of dwelling units appropriately sized for smaller households and available as an alternative to the development of typical detached single-family and two-family homes on individual lots. Cottage cluster development is intended to address the changing composition of households, and the need for smaller, more diverse, and often, more affordable housing choices. Providing for a variety of housing types also encourages innovation and diversity in housing design and site development, while ensuring compatibility with surrounding single-family residential development. A cottage cluster development is also intended to maintain open space; reduce street and utility construction, and maintenance; separate automobile traffic from residential areas; and reduce site development and housing costs.

B. Description.

Cluster Development is a development technique wherein house sites or structures are grouped closer together with the remainder of the tract left in its natural state or as landscaped open space. Clustering can be carried out in the context of a major or minor partition, subdivision, or through a conditional use. It differs from a Planned Development in that it may be done on a

smaller site, does not necessarily have a mixture of housing types and uses, and is done in a unit, rather than planned phases. Cluster Developments may incorporate single-family structures and their associated uses. Steep slopes, stream banks or other sensitive lands should remain in their natural condition, but may be used in density calculations.

C. Ownership and Parcelization

Cottage cluster developments may be sited on one commonly owned parcel with individual cottages owned in a condominium, cooperative, or similar arrangement, or cottages may be on individual lots with shared amenities and facilities owned in common. Applicants must submit proof that a homeowner's association or other long-term management agreement will be established to ensure the maintenance of development elements in common ownership.

D. Standards

Cottage cluster developments are subject to the following standards:

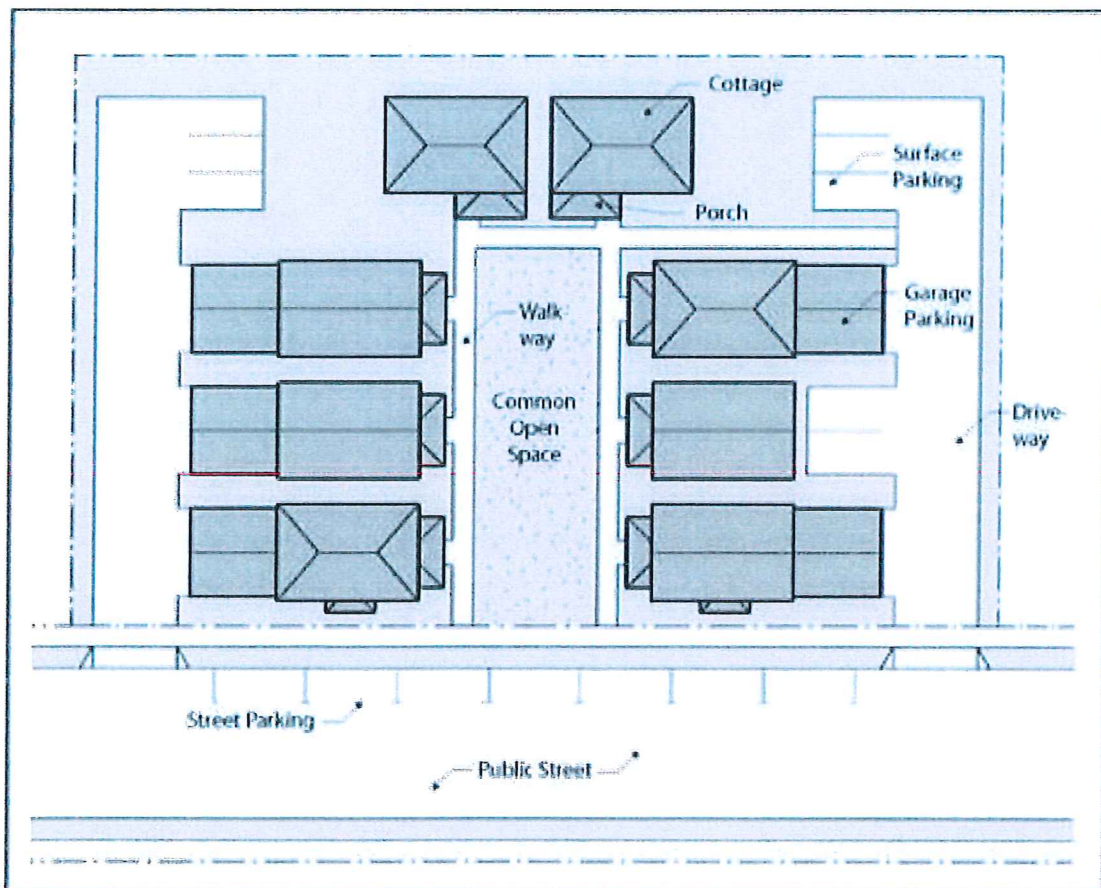
1. Density. Cottages may be built up to the density established for cottage cluster development in the underlying zone.
2. Number of cottages. A cottage cluster development is composed of four (4) to twelve (12) dwelling units.
3. Cottage design, placement and orientation. The cottages in a cottage cluster development are subject to the following standards:
 - a. Maximum floor area. The gross floor area of each cottage shall not exceed 1,250 square feet.
 - b. Maximum footprint. The footprint of each cottage unit shall not exceed 800 square feet, or 1,200 square feet including a garage. A communal garage or parking structure is permitted, and is not subject to the maximum footprint requirements for cottages.
 - c. Average size. The average size of all dwellings combined within a cottage cluster development will be less than 1,050 square feet.
 - d. Maximum height. The height of each cottage shall be the same as required by the underlying zoning and applicable overlay zoning.
 - e. Placement. If cottages differ in size, smaller cottages shall be located adjacent to or in closer proximity than larger cottages to the adjacent public street or River Trail to which the development is oriented.
 - f. Setbacks. The setbacks from adjacent property lines along the perimeter of the cottage cluster development shall be the same as required by the underlying zone. The minimum distance between all structures, including accessory

- structures, shall be in accordance with building code requirements (at least six (6) feet spacing between buildings).
- g. Private open space. Each cottage may have private open space for the exclusive use of the cottage residents. Private open space does not count towards the required common open space.
 - h. Orientation of cottages. Cottages shall be clustered around the common open space. Each cottage shall have a primary entrance and covered porch oriented to the common open space. All cottages shall be within 10 feet from the common open space, measured from the façade of the cottage to the nearest delineation of the common open space. Lots in a cottage cluster development are not required to abut a public right-of-way, except that the parent parcel shall have frontage on a public right-of-way.
 - i. Public street facing facades. Cottages abutting a public right-of-way shall have a secondary entrance or a porch, bay window, or other major architectural feature oriented to the public right-of-way. Garage or carport entrances may not face a public right-of-way.
 - j. Porches. Each cottage shall have a covered open porch that shall be oriented toward the common open space and that shall be at least six (6) feet in depth measured perpendicular to the abutting building facade and at least 60 square feet in area.
4. Community buildings. Cottage cluster developments may include community buildings that provide space for accessory uses such as community meeting rooms, guest housing, exercise rooms, day care, or community eating areas. They shall have a footprint of no more than 800 square feet and may not exceed one story in height. Their design, including the roof lines, shall be similar to and compatible with that of the cottages within the cottage cluster development.
 5. Common open space. Cottage cluster developments shall have a common open space in order to provide a sense of openness and community of residents. Common open space is subject to the following standards:
 - a. Each cottage cluster development shall contain a minimum 2,000 square feet of common open space regardless of the number of cottages in the cluster, and not less than 400 square feet of common open space per cottage.
 - b. The common open space shall be in a single, contiguous, useable piece.
 - c. Cottages shall abut the common open space on at least two sides of the open space.
 - d. The design of the common open space shall not use unusable lot area or projections to meet the requirement for common open space. Unusable lot area includes, but is not limited to, foundation landscaping, enlarged or enhanced parking strips or sidewalks, narrow strips of land, or small dead zones of the lot.
 - e. Parking areas, required yards, private open space, and driveways do not qualify as common open space.
 - f. Provisions for the long-term maintenance of open space shall be provided through a homeowners association or other legal instrument.
 6. Parking. Parking for a cottage cluster development is subject to the following standards:
 - a. Minimum number of parking spaces. Cottage cluster developments shall have at least one parking space for each unit with a gross floor area of 700 feet or less

- and 1.5 parking spaces for each unit with a gross floor area of 701 square feet or more (rounded up to the nearest whole number).
- b. Guest parking. Cottage cluster developments shall have at least 0.5 additional guest parking spaces for each cottage in the development, rounded up to the nearest whole number. These spaces shall be clearly identified as being reserved for guests.
 - c. Reduction in number of required parking spaces. The required number of guest parking spaces may be reduced by the number of on-street parking spaces on public streets adjacent to and immediately abutting the cottage cluster development.
 - d. Clustering and parking structures. Parking areas may be arranged in clusters limited to no more than five contiguous spaces. Clustered parking areas may be covered. Up to two (2) carriage house dwelling units are permitted on the second floor of a parking structure, with a maximum of one (1) carriage house dwelling unit per four (4) cottages (rounded to the nearest whole number). Parking structures may or may not be located on the same lot as the cottage they serve. Parking structures shall not be located within a common open space and are required to be screened from view from common open space areas.
 - e. Parking access. Parking areas shall be accessed only by a private driveway or public alley. No parking space may access a public street directly. No parking space may be between a public street and cottages abutting the public street.
 - f. Design. The design of garages, carports, and parking structures, including the roof lines, windows, and trim, shall be similar to and compatible with that of the cottages within the cottage cluster development.
 - g. Screening. Landscaping or architectural screening at least three feet tall shall separate parking areas and parking structures from the common area and public streets. Solid fencing (e.g., board, cinder block) shall not be allowed as an architectural screen.
 - h. Location. Parking can be grouped and located on a separate lot within 100 feet of an edge of the cottage cluster development.
7. Frontage, access, and walkways.
- a. Frontage. The parent parcel shall have frontage on a public street. If individual lots are created within the cluster development, each lot shall abut the common open space, but is not required to have public street frontage.
 - b. Access. No part of any structure shall be more than 150 feet, as measured by the shortest clear path on the ground, from fire department vehicle access, unless the building has a fire suppression system.
 - c. Walkways. A cottage cluster development shall have sidewalks abutting all public streets. A system of interior walkways shall connect each cottage to the common open space, parking areas, private driveways, any community buildings, the sidewalks abutting any public streets bordering the cottage cluster development, and other pedestrian or shared use facilities. Sidewalks abutting public streets shall meet the width requirements established in the Heppner Engineering Design Standards, and interior walkways shall be at least four (4) feet in width.

8. Interior fences. Fences on the interior of the cottage cluster development shall not exceed three (3) feet in height and shall not consist of solid (e.g., board, cinder block) fencing.
9. Existing structures. On a lot or parcel to be used for a cottage cluster development, an existing detached single-family dwelling that may be nonconforming with respect to the requirements of this section may remain, but the extent of its non-conformity may not be increased. Such dwellings shall count towards the number of cottages allowed in the cottage cluster development.
10. Streets and roads will not be used for density calculations, and will conform to city standards. The decision-making body may allow for reductions in street width where the land is steep, the street serves a limited number of dwellings, and off-street parking requirements are met.
11. Conflicts. In the event of a conflict between this Section and other Sections of the Heppner Development Code, this Section shall control.

Illustrations of cottage cluster development layouts.



Morrow County Comprehensive Plan – Preliminary Draft Goal 10 Amendments

HOUSING ELEMENT

Introduction

Whereas a substantial portion of the County's total housing units are located within the planning areas of various Cities of the County; and whereas individual plans with respective housing elements have been formulated and jointly adopted by each City and the County; therefore, the housing element contained within this "Plan" is relatively general in scope and context. Thereof, the Housing Element of each respective City urban planning area in the County shall be considered an integral part hereof.

An adequate housing stock is a concern in the County. A large portion of the existing units are old, but most are in good repair. There were a total of approximately 2,207 housing units in the County in 1978 according to 1978 data. However, there is considered to be a shortage of suitable units in all parts of the county.

Anticipated growth may even increase the housing shortage in the future. The new Kinzua plant at Heppner generated a critical housing demand. The development of more irrigated tracts will require more housing in all areas.

The County intends to encourage home building by private individuals and interests. Several financial aid programs for building or remodeling are available to individuals through the Farmers Home Administration, as well as the conventional financial institution.

In addition to conventional home construction, modular homes provide a means to meet the increasing housing demand. Modular homes are "manufactured" units that are generally preassembled and trucked to the site. The design of these units has improved a great deal in recent years. Mobile homes are still a common design, but many new units look much like homes built by conventional methods.

Regardless of the construction method, more new homes are and will be needed in the County. The County intends to encourage the development of these dwelling units in existing communities, although the need for some rural housing is recognized whereas the County realizes that not all of its population, present and future, is desirous of residing solely in an "urban" atmosphere. In addition, the County is certainly aware that growth in the agricultural sector will create a continuing demand for employee housing thereof.

Present Housing & Conditions

As set forth hereinbefore, there were an estimated 2,207 housing units in the County in 1978. That number of units is calculated on the basis of a 1978 Certified County population total of 6,400 and an average household size of 2.9 persons (i.e. 6,400 divided by 2.9 = 2,206.89). Utilizing statistics relative to individual cities' populations, number of farms and number of farm laborers employed 150 days or more, it is estimated that approximately 20% of the housing units in the County are located in the rural areas of the County of which 80% are farm related.

A Housing survey conducted in 1977 showed that housing types in the County were comprised of approximately 80% conventional type housing and 20% mobile home. During the period from January

1977 to September 1978, statistics tabulated by the State Department of Commerce showed that of the building permits issued during that time period, the largest number were for mobile homes (28.7%); single-family conventional dwellings (19.8%); modular homes (1.9%); multi-family units (1.9%); and non-residential and alterations the balance. Such statistics are indicative of an increasing trend towards mobile-modular multi housing units.

Other housing survey statistics show that the majority of housing units in the County are in "above average" condition; thereof, 67% of those units surveyed were rated "above average", 24% "average", and only 9% were rated "below average." These ratings are described as:

Above Average: Houses generally in excellent condition and with no apparent structural deficiency.

Average: Houses generally in good condition with possible minor work needed, but no major structural deficiency.

Below Average: Houses generally in deteriorated or dilapidated condition, often with apparent structural deficiency.

Project Housing Demand

The Oregon Department of Commerce, Housing Division, estimated housing demands in Morrow County for April, 1978 through June, 1980. The Table below summarizes the Division's projections for construction of new, non-subsidized housing. It is important to emphasize that these projections do not cover all housing needs for the County during the period — just new, non-subsidized housing needs.

Annual projected totals equal construction of 62 new houses and 67 new apartment units in the County. However, the data also emphasizes housing demand according to affordability. The Division predicts a large demand, 52.0% of the total, for houses under \$55,000. 85% of the demand for new apartments involves one or two bedroom apartments in the \$205' to \$274 per month rental range. Whether the residential construction sector can meet the demand for "affordable" housing remains to be seen.

Table 20
 Estimated Annual Demand for New, Non-Subsidized Housing
 Morrow County
 April 1978 to June 1980

Single-Family Houses

Price Class	Number of Houses	Percent of Total
Under \$45,000	15	24.0
\$45,000 - \$49,999	15	24.0
\$50,000 - \$54,999	5	8.0
\$55,000 - \$59,999	5	8.0

\$60,000 - \$64,999	5	8.0
\$65,000 - \$69,999	0	0.0
\$70,000 - \$74,000	0	0.0
\$75,000 and Over	17	28.0
TOTAL	62	100.0

Multi-Family Units

Gross Monthly Rent	Efficiencies	One Bedroom	Two Bedroom	Three or More Bedroom
Under \$175	5	0	0	0
\$205 - \$214	0	15	0	0
\$215 - \$224	0	5	0	0
\$225 - \$234	0	5	0	0
\$235 - \$244	0	0	15	0
\$245 - \$254	0	0	5	2
\$255 - \$264	0	0	5	0
\$265 - \$274	0	0	5	0
\$275 - \$284	0	0	0	5
TOTAL	5	25	30	7

Source: Projected Housing Demands in Morrow County, Oregon Department of Commerce, Housing Division, 1978.

One alternative for "affordable" housing in the County is manufactured housing. Sources at the Association of Mobile Home Industries predict that as housing costs rise, manufactured housing may present one of the only affordable types of housing for many people, particularly low income or elderly persons. Mobile homes and mobile home parks, if well managed and developed, could also help solve housing problems that occur when temporary populations move into and out of the County, i.e. large construction projects or agricultural harvest populations.

Findings

1. A housing location survey by types outside of the UGB's of the five cities was accomplished in 1978 and continues to be updated on a monthly basis.
2. Morrow County faces a severe problem in housing low and median income families, who comprise a large segment of its labor force.

3. Several large construction projects have occurred in the County, including the Pacific Gas Transmission Line, the P.G.E. Plant, Highway I-82N (Umatilla-Morrow County border), and expansion of facilities at the Port of Morrow. These large projects create special problems for County planning because of the temporary nature of short term, large employment. More projects of this type and scope are expected in the future.

4. Housing projections predict that County demand for residential construction should continue to grow but with an emphasis on "affordable" housing.

County Housing Profile Summary

In 2018-2019, Morrow County worked with cities in the County and a team of consultants to conduct a County-wide housing study, including an analysis of future housing needs, an inventory of buildable residential land, and a set of strategies to address current future housing needs. That effort helped form the basis for the most recent update of this Housing Chapter of the Comprehensive Plan.

Morrow County has an estimated 2018 population of 11,927 (Portland State University (PSU) population estimate). The population in the unincorporated portions of the County (4,419 people) is a significant percentage of the County's total population. In total, the County has grown by roughly 900 people, or 8% since 2000. This growth rate is less than the state overall, which grew by 21% in that same timespan. Despite the slower growth rate than the state, the County and its cities continued growth is indicative of a continued need for more housing, including to meet the needs of local workers and support economic development goals of Morrow County, the Port of Morrow and cities in the County. The communities in the northern portion of the County (Boardman and Irrigon) have seen the highest growth rates during the past two decades, compared to other areas of the County.

Morrow County had an estimated 4,617 housing units in 2018, with an estimated total vacancy rate of 8%, or roughly 400 units. Detached single-family homes represent an estimated 60% of housing units, while mobile homes represent an additional 32% of the inventory. Units in larger apartment complexes of five or more units represent just 3% of units, and other types of attached homes represent an additional 5% of units. (Attached single family generally includes townhomes, some condo flats, and -plexes which are separately metered.) There is a small share of households living in RV's and other non-traditional or temporary housing.

A large share of owner-occupied units (66%) are detached homes, or mobile homes (33%). Renter-occupied units are more distributed among a range of structure types. 74% of rented units are estimated to be detached homes or mobile homes, while the remainder are some form of attached unit. An estimated 11% of rental units are in larger apartment complexes of 5 or more units.

Morrow County's housing stock reflects the pattern of development in the area over time. 83% of the housing stock was built before 2000. Roughly a third of the stock was built in the 1980's and 1990's, a quarter in 1970's, and another quarter in 1960's and earlier. Generally speaking, owners are more likely to live in newer housing, while rental housing is more evenly distributed among the time periods.

In comparison to the state, Morrow County and its cities tend to have a lower share of both owner and renter households spending more than 30% of their income on housing costs. Nevertheless, 22% of county households fall within this category. Renters have disproportionately lower incomes relative to

homeowners. The burden of housing costs are felt more broadly for these households, and there is a need for more affordable rental units in Morrow County, as in most communities in Oregon.

There is support for more ownership housing at price ranges above \$200,000. This is because most housing in the county is clustered at the lower price points, while analysis of household incomes and ability to pay indicates that some residents could afford housing at higher price points. Additionally, there is a need for rental units at the lowest price level to serve those households currently paying a high share of their income towards rent. The County's housing needs analysis indicates a modest surplus of apartments in the \$300 to \$900 per month rent range. This represents the common range of rent prices in the county, where rents for most units fall. Rentals at more expensive levels generally represent single family homes or larger properties for rent.

The County is projected to add roughly 720 new households between 2019 and 2038, with accompanying population growth of 2,025 new residents. (The number of households differs from the number of housing units, because the total number of housing units includes a certain percentage of vacant units . Projected housing unit needs are discussed below.) Moreover, it is projected that the homeownership rate in the county will decrease slightly over the next 20 years from 74% to 72%, which remains higher than the current statewide average (61%). This is because the forecasted demographic trends of age and income of future households point to a somewhat growing share of households inclined to rent over the 20-year period. Based on the PSU projections, unincorporated areas are anticipated to lose some households as existing areas are annexed to urbanized areas over time. However, in reality there is likely to be some continued growth in rural areas, including in some existing unincorporated rural communities.

Findings

- The Housing Needs Analysis results (2019) show need for nearly 600 net new housing units by 2039.
- Of the new units needed, roughly 48% are projected to be ownership units, while 52% are projected to be rental units.
- 55% of the new units are projected to be single family detached homes, while 14% is projected to be some form of attached housing, and 31% are projected to be mobile homes.
- Of ownership units, 66% are projected to be single-family homes, and 33% mobile homes.
- An estimated 26% of new rental units are projected to be found in new attached buildings, with 11% projected in rental properties of five or more units, and 10% in duplexes.
- Mobile homes are projected to remain an important share of Morrow County's affordable housing base.

Strategies to Meet Future Housing Needs

As part of the 2018-19 Morrow County Housing Study, the project team identified a set of strategies that the County and its cities can implement to meet a range of local housing needs to accommodate households of varying sizes, incomes, and other circumstances. Strategies vary in their applicability among different jurisdictions in Morrow County. A list of strategies that may be applicable to the

unincorporated portions of Morrow County follow. Additional information about these strategies can be found in the Morrow County Housing Strategies Report (2019).

- **Land Supply Strategies**
 - Evaluate and Address Infrastructure Issues
 - Ensure Land Zoned for Higher Density Uses is not Developed at Lower Densities
 - Increase the Supply of Rural Residential Land in the County
- **Policy and Code Strategies**
 - Adopt Supportive and Inclusive Comprehensive Plan Policies
 - Enhance Local Amenities and Services
 - Adopt Minimum Density Standards
 - Incentivize Affordable and Workforce Housing
 - Encourage Cottage Cluster Housing
 - Support Accessory Dwelling Units
- **Incentives for Development**
 - System Development Charges (SDC) and/or Fee Waivers
- **Funding Sources and Uses**
 - Construction Excise Tax
 - Local Housing Development Funds
 - Other Property Owner Assistance Programs
 - Public/Private Partnerships
 - Land Acquisition/ Use Public Lands
 - Community Land Trust
 - Regional Collaboration & Capacity Building

Policies

1. ~~¶~~ The County shall create opportunities to increase the supply of housing to allow for the expected population growth and to provide for the housing needs of the citizens of Morrow County.
2. ~~¶~~ The County shall encourage and cooperate with public agencies, non-profit organizations, and private developers-in supporting creation of housing for people with low and moderate incomes.
3. ~~¶~~ The County shall encourage efficient use of residential land housing development to occur within the Urban Growth Boundaries whenever feasible.
4. ~~¶~~ The County shall encourage residential development which provides prospective buyers with a variety of residential lot sizes, diversity of housing types, and a range in prices.

5. The County ~~will~~ shall encourage sponsors of major construction projects in the area to help the County plan for and handle temporary populations of construction employees.
6. The County recognizes that residential housing needs will continue to grow and shall work with cities in the County to provide a sufficient amount of residential land to accommodate residential growth and encourages contractors to consider the projected types of housing needed when they try to supply adequate housing.
7. The County shall emphasize the need for the appropriate type, location and phasing of public facilities and services sufficient to support housing development in areas presently developed or undergoing development or redevelopment.
8. The County (in cooperation with the cities & others) ~~should~~ shall ~~provide for a continuing review of housing need projections and should establish a process for accommodating needed revisions~~ regularly monitor and periodically update an inventory of buildable residential land.
9. Decisions on housing development proposals ~~should~~ shall be expedited when such proposals are in accordance with zoning ordinances and with provisions of comprehensive plans.
10. Ordinances and incentives ~~should~~ shall be used to increase population densities in urban areas, consistent with findings of the 2019 Morrow County Housing Study findings, and taking into consideration (1) key facilities, (2) the economic, environmental, social and energy consequences of the proposed densities, and (3) the optimal use of existing urban land particularly in sections containing significant amounts of unsound substandard structures.
11. The County shall employ strategies that support the federal Fair Housing Act and other state and federal fair housing requirements and affirmatively further fair housing.
12. The County shall allow and support the development of Accessory Dwelling Units in all residential zones, per state law requirements.
13. The County shall provide flexibility in implementing the residential zoning standards to support the development of a wide range of housing types while mitigating the impacts of development.
14. The County shall support the maintenance and development of manufactured homes as an affordable housing choice in appropriate locations.
15. The County shall encourage maintenance and rehabilitation of the existing housing stock.
16. The County shall plan and regulate residential development to meet housing needs while preserving and protecting natural resources and reducing risks associated with natural hazards.

Section 3.037 RR-10 RURAL RESIDENTIAL TEN (RR-10) ZONE

§ 3.037 PURPOSE.

The RR-10 Rural Residential Zone is designed to provide lands to enhance the value of for rural living and maintain a rural residential atmosphere while accommodating the demand for rural residences in areas contiguous to residentially-zoned properties in the County, i.e. municipalities. Lots need to be sufficiently large to accommodate private wells and sewage disposal systems as well as gardens and farm animals. Standards for rural land use and development consistent with desired rural character and the capability of the land and natural resources are provided. The zone is applied to areas committed to non-resource use or needed for rural residential land use as provided for in the Comprehensive Plan.

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When evaluating applications to rezone resource lands for RR 10 Zoning, availability and carrying capacity of water will be considered. Compatibility with adjacent farm and other natural resource use will be considered a priority.

Commented [TM2]: I don't think county wants to limit the RR 10 areas to be contiguous to cities. What would be the purpose? How (what SWPG or OAR or county housing policy) would constrain a landowner and applicant from filing to rezone lands that are not contiguous to a city? Actually, in Oregon, with the UGB concept, it is best to look at protecting lands close to the UGB for future UGB expansion. Those are called "urban reserve" areas. Most rural counties do not have them but it is a tool for long range planning.

§ 3.037 USES PERMITTED.

- A. Uses permitted outright. In a RR-10 Zone, the following uses and their accessory uses are permitted without a zoning permit pursuant to §3.037:
 1. Single-family dwelling on an individual lot, including a mobile home subject to requirements set forth in Section 4.110 of this ordinance.
 2. Farming, subject to the restrictions on animals set forth in subsection (3) of this section, and excluding hog or mink farms, livestock feed or sales yard and slaughter houses.
 3. Utility facility necessary to serve the area or County.
 4. ~~Public parks, recreation area, community or neighborhood center~~ Agri-tourism events as defined in § 1.030. Definitions.
 5. ~~Other public uses or buildings necessary to serve the rural residential needs for the area.~~
- B. Conditional Uses Permitted. In a RR-10 Zone, the following uses and their accessory uses are permitted when authorized in accordance with the requirements set forth by this section and Article 6 of this ordinance.
 1. ~~Golf Course, Public park, recreation area, community or neighborhood center~~
 2. ~~Water supply and treatment facility.~~

Commented [TM3]: I don't think county would want to limit future RR 10 areas to "non resource" lands. First, county does not have a "non resource" zone, only a reference based on ORS/OAR definition of non farm soils. The bar is already very high for a goal 3 exception - does county want to make it higher?

~~3. Sewage disposal and treatment facility.~~

~~4. Solid waste disposal site and facility.~~

~~5. Two family dwelling (duplex).~~

~~1. Home occupations subject to the limitations set forth in Article 6 of this ordinance.~~

~~6.2. Public park, recreation area, community or neighborhood center~~

C. LIMITATIONS ON USE. In Rural Residential ten-acre (RR-10) zone, the number of livestock and/or animals including cattle, horses, goats, sheep, swine, poultry, or fur bearing animals is subject to the density limitations listed in this section.

1. The primary intended use for properties zoned RR-10 is residential. The raising of livestock and/or animals in these zones shall be incidental to the primary use.

2. Livestock and/or Animal densities are as follows:

a. Cattle – two per acre, or

b. Horses, mules, donkeys, llamas – two animals per acre, or

c. Sheep or goats – six animals per acre, or

d. Emu – eight ratite per acre, or

e. Ostrich – four ratite per acre, or

f. Miniature cows, horses, mules and donkeys – four per acre, or

g. Swine – four swine per acre.

3. Cattle, horses, mules, donkeys, llamas, sheep, goats, emu and ostriches can not be kept on a site having an area of less than one-half acre.

4. All swine shall be confined to an area not less than 500 feet from any adjacent residential dwelling (not the property of the owner of the swine).

5. Animal density listed above for livestock, including cattle, horses, mules, donkeys, llamas, sheep, goats, emu and ostrich, also allows two offspring up to six months of age, per animal.

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6. The number of colonies of bees allowed on a property shall be limited to one (1) colony for each 1,000 square feet of lot area.

7. Density for Poultry – twenty fowl per acre, and for fur-bearing animals (rabbits, mink, chinchillas, etc.) – twenty animals per acre. (MC-C-5-98)

Commented [GZ4]:

Commented [TM5R4]: It makes sense to use the same animal density standards here as county has in other rural residential zones.

D. YARD AND SETBACK REQUIREMENTS. In an RR-10 Zone, the following yards and setbacks shall be maintained:

1. The front setback shall be a minimum of 20 feet from a property line fronting on a local minor collector or marginal access street ROW, 30 feet from a property line fronting on a major collector ROW, and 80 feet from an arterial ROW unless other provisions from combining accesses are provided and approved by the County.

Commented [TM6]: We may want to insert language where the setback is from the centerline of the r-o-w so it is abundantly clear where to measure the public r-o-w.

2. There shall be a minimum side yard of 10 feet for all uses, except in the case of a non-residential use adjacent to a residential use the minimum side yard shall be 20 feet.

3. The minimum rear yard shall be 20 feet.

E. DIMENSIONAL STANDARDS. In a RR-10 Zone, the following dimensional standards shall apply:

1. Percent of Lot Coverage. The main building and accessory buildings located on any building site or lot shall not cover in excess of thirty (30) percent of the total lot area.

2. Building Height. No building or structure, nor the enlargement of any building or structure, shall be hereafter erected to exceed two stories or more than thirty (30) feet in height

3. The minimum lot frontage on a public street or private roadway shall be 50 feet, except that a flag lot frontage may be reduced to the width of a required driveway but no less than 20 feet and except for a cul de sac, where the frontage may be reduced to 30 feet.

Commented [GZ7]: See attached Excel spreadsheet for comparisons with other Counties

~~F. OFF STREET PARKING AND LOADING. In an RR-10 Zone, the off street parking and loading shall be provided in accordance with the provisions of Article 4.~~

Commented [GZ8]:

Commented [GZ9]:

G.F. LOT SIZE. The minimum average width of lots shall be 150 feet and have an area not less than ~~2-ten~~ (10) acres.

Commented [TM10]: County does not need to amend TSP. However, each individual application will be required to address Goal 12 and TSP. We could add that language here, i.e. an application will individually need to address SWPG 12.

H.G. TRANSPORTATION IMPACTS – ~~Do we need to amend our TSP?~~

1. Traffic Impact Analysis (TIA). In addition to the other standards and conditions set forth in this section, a TIA will be required for all projects generating more than 400 passenger car equivalent trips per day. Heavy vehicles – trucks, recreational vehicles and buses – will be defined as 2.2 passenger car equivalents. A TIA will include: trips generated by the project, trip distribution for the project, identification of intersections for which the project adds 30 or more peak hour passenger car equivalent trips, and level of service assessment, impacts of the project, and, mitigation of the impacts. If the corridor is a State Highway, use ODOT standards. (MC-C-8-98)

DRAFT

Section 3.042 RR-10 RURAL RESIDENTIAL TEN (RR-10) ZONE

§ 3.042 PURPOSE.

The RR-10 Rural Residential Zone is designed to provide lands for rural living in a rural residential atmosphere. The 10-acre minimum lot size complies with Statewide Planning Goal 14 where parcels are rural in size and are sufficiently large enough to accommodate private wells and sewage disposal systems. Standards for development are consistent with desired rural character and are compatible with adjacent farming and natural resource land management. Gardens and limited livestock are allowed outright in the zone. The RR 10 Zone may be approved when an application for rezoning lands also includes an application for exception to Statewide Planning Goal 3 and Oregon Administrative Rule Chapter 660-004-0000 and Amendment Standards found in Article 8 of the Morrow County Zoning Ordinance. A rezone application must also comply with Statewide Planning Goal 12 Transportation and the County Transportation System Plan (TSP).

§ 3.042 USES PERMITTED.

A. Uses permitted outright. In a RR-10 Zone, the following uses and their accessory uses are permitted with a zoning permit, pursuant to §1.050:

1. Single-family dwelling on an individual lot, including a mobile home subject to requirements set forth in Section 4.110 of this ordinance.
2. Other public or private uses or buildings necessary to serve the rural residential use of the land.

B. Conditional Uses Permitted. In a RR-10 Zone, the following uses and their accessory uses are permitted when authorized in accordance with the requirements set forth by this section and Article 6 of this ordinance.

1. Home occupations subject to the limitations set forth in Article 6 of this ordinance.
2. Public park, trails, recreation area, community or neighborhood center.
3. Agri-tourism events as defined in § 1.030. Definitions.
4. Utility facility necessary to serve the area or County.

C. LIMITATIONS ON USE. In Rural Residential ten-acre (RR-10) zone, the number of livestock and/or animals including cattle, horses, goats, sheep, swine, poultry, or fur bearing animals is subject to the density limitations listed in this section.

1. The primary intended use for properties zoned RR-10 is residential. The raising

of livestock and/or animals in these zones shall be incidental to the primary use.

2. Livestock and/or Animal densities are calculated based on open space of each parcel as follows :

- a. Cattle – two per acre, or
- b. Horses, mules, donkeys, llamas – two animals per acre, or
- c. Sheep or goats – six animals per acre, or
- d. Emu – eight ratite per acre, or
- e. Ostrich – four ratite per acre, or
- f. Miniature cows, horses, mules and donkeys – four per acre, or
- g. Swine – four swine per acre.

3. Cattle, horses, mules, donkeys, llamas, sheep, goats, emu and ostriches can not be kept on a site having an area of less than one-half acre.

4. All swine shall be confined to an area not less than 500 feet from any adjacent residential dwelling (not the property of the owner of the swine). Swine are only allowed seasonally as part of 4 H or FFA projects.

5. Animal density listed above for livestock, including cattle, horses, mules, donkeys, llamas, sheep, goats, emu and ostrich, also allows two offspring up to six months of age, per animal.

6. The number of colonies of bees allowed on a property shall be limited to one (1) colony for each 1,000 square feet of lot area.

9. Density for Poultry – twenty fowl per acre, and for fur-bearing animals (rabbits, mink, chinchillas, etc.) – twenty animals per acre. (MC-C-5-98)

D. YARD AND SETBACK REQUIREMENTS. In an RR-10 Zone, the following yards and setbacks shall be maintained:

1. The front setback shall be a minimum of 20 feet from a property line fronting on a local minor collector or marginal access street ROW, 30 feet from a property line fronting on a major collector ROW, and 80 feet from an arterial ROW unless other provisions from combining accesses are provided and approved by the County.

2. There shall be a minimum side yard of 10 feet for all uses, except in the case of a non-residential use adjacent to a residential use the minimum side yard shall be 20 feet.

3. The minimum rear yard shall be 20 feet.

E. DIMENSIONAL STANDARDS. In a RR-10 Zone, the following dimensional standards shall apply:

1. Percent of Lot Coverage. The main building and accessory buildings located on any building site or lot shall not cover in excess of thirty (30) percent of the total lot area.

2. Building Height. No building or structure, nor the enlargement of any building or structure, shall be hereafter erected to exceed two stories or more than thirty (30) feet in height

3. The minimum lot frontage on a public street or private roadway shall be 50 feet, except that a flag lot frontage may be reduced to the width of a required driveway but no less than 20 feet and except for a cul de sac, where the frontage may be reduced to 30 feet.

F. LOT SIZE. The minimum average width of lots shall be 150 feet and have an area not less than ten (10) acres.

G. TRANSPORTATION IMPACTS –

1. Traffic Impact Analysis (TIA). In addition to the other standards and conditions set forth in this section, a TIA will be required for all land use generating more than 400 passenger car equivalent trips per day. Heavy vehicles – trucks, recreational vehicles and buses – will be defined as 2.2 passenger car equivalents. A TIA will include: trips generated by the project, trip distribution for the project, identification of intersections for which the project adds 30 or more peak hour passenger car equivalent trips, and level of service assessment, impacts of the project, and, mitigation of the impacts. If the corridor is a State Highway, use ODOT standards. (MC-C-8-98)

END