



CITY OF HOOD RIVER

PLANNING DEPARTMENT

211 2nd Street, Hood River, OR 97031 Phone: 541-387-5210

August 29, 2022

TO: Hood River Planning Commission
FROM: Dustin Nilsen, Planning Director
RE: Additional Materials: Conditional Use and Rezone Open Record Submission –
715 Cascade Avenue, File No. 2022-31

The September 19th, 2022, agenda for the Planning Commission meeting shall include the continuation of a hearing and request to approve a zone change and Conditional Use approval for a Mixed-Use Residential Development, File No. 2022-31.

At the hearing on August 15th, 2022, in response to a request to keep the record open for an additional 7 days, the Planning Commission established the following open record schedule:

Monday, August 22nd – Deadline for new evidence & written arguments.

Monday, August 29th – Deadline for written arguments responding to arguments & evidence submitted during as part of the record (no new evidence).

Tuesday, September 6th – Deadline for applicant's final written rebuttal on all issues (no new evidence)

Public comment on the matter is closed and no additional testimony will be allowed at the September 19th meeting. The Planning Commission will deliberate the item based on the record and render a decision.

To review the original Planning Commission packet regarding the hearing, please refer to the [August 15th, 2022 Planning Commission meeting date](#) on the Public Meetings page of the City's website.

The materials submitted for the first open record periods on or before August 22nd are listed below and can be accessed in the "Packet" under the [September 19th, 2022 Planning Commission meeting date](#) on the Public Meetings page.

- 1) Email from Shayla Fleischer with request to amend testimony to incorporate by reference Smale Steffey Written Objection to Request for Rezone dated 8/12/2022, (8/15/2022)
- 2) Letter from Jeff McCaw, (8/15/2022)
- 3) Email from Mike Kitts, (8/15/2022)
- 4) Email from Ed Elsasser, (8/16/2022)
- 5) Letter from Andrew McElderry, (8/17/2022)
- 6) Email from Jeanine Chen with request to amend testimony to incorporate by reference Smale Steffey Written Objection to Request for Rezone dated 8/12/2022, (8/20/2022)
- 7) Written Testimony from Carolyn Smale and Ross Steffey, (8/22/2022)
- 8) Email from Margo Blosser with one (1) exhibit, (8/22/2022)
- 9) Email from Reco Prianto, (8/22/2022)
- 10) Email from Robert and Theresa Beard with request to amend testimony to incorporate by reference Smale Steffey Written Objection to Request for Rezone dated 8/12/2022, (8/22/2022)

- 11) Email from Shayla Fleischer (8/22/2022)
- 12) Memo from Hood River Engineering Department, (8/15/2022)
- 13) Applicant's Planning Commission Open Record Period Submission of new evidence and materials (12 exhibits) for File No. 2022-33, (8/22/2022)

The arguments submitted on or before August 29, 2022 are listed below and can be accessed in the "Packet" attachment under the [September 19th, 2022 Planning Commission meeting date](#) on the Public Meetings page.

- 1) Supplemental Written Testimony from Carolyn Smale with one (1) exhibit, (8/24/2022)

The applicant's final written rebuttal, to be submitted on or before September 6th, 2022, will be posted on the City's website under the September 19th, 2022 Planning Commission meeting date and linked or emailed to the Planning Commission.

From: [Shayla Fleischer](#)
To: [Dustin Nilsen](#)
Subject: Re: Zone Change and Proposed Development 715 Cascade Ave
Date: Monday, August 22, 2022 6:28:37 PM

To: Hood River Planning Department

From: Shayla M. Fleischer
721 Cascade Ave
Hood River, OR
97031

Date: August 22, 2022

Re: Zone Change and Proposed Development

Tax Lot: 6500, 6501 & 6502

City File Number 2022-31

Dear Planning Department,

Thank you for allowing a 7 day period so that I may submit testimony I intended to present during the City Planning meeting held on August 15, 2022.

During the meeting held on August 15, I stated that I was concerned that the letter sent out on July 15, 2022 by the Hood River planning department was flawed, and did not meet the requirements. I tried to address this in person at the Planning Department on July 22, 2022 but the building was closed to the public. I called the planning department from outside the building and made a complaint.

Scale:

The scale of this building is Non Conforming.

The applicant consciously chose not to address the scale of the building during his presentation. He attempted to mitigate the scale of the building by employing his architect to describe feeble attempts such as inadequate building cutbacks.

None of this architectural trickery can justify a five story building with retail and zero setbacks, juxtaposed to a classic and quaint R2 neighborhood. This developer is not keeping with the scale of surrounding properties. The entire block to the North of proposed development is C2, yet this development is in line with its R2 neighborhood. Lach Litwer's own testimony was he wanted to be a "good neighbor".

I have a huge concern and strong case in that my quality of life and value of my property will be greatly diminished. This is also the case should this property ever be developed as C1. The value for any property within this block would be diminished because they cannot match them pound for pound.

No property on Cascade street will ever be able to match this building's scale because of lot sizes and grade rule.

We will all be ants to an elephant.

I'm greatly concerned for my neighbors in all directions of this development as they will be impacted.

1. Size of building in this neighborhood
2. 0 setbacks on Cascade
3. Retail in this block. (Bette's hours start at 6:00 am) Patrons could potentially be parking on our streets this early.
4. Parking

This block and surrounding

blocks are already used by The Lodge, Employees of Hood River businesses and guests of home owners. The Lodge only has a HANDFUL of vacation rentals and they advertise off street parking. They are zoned C2 and are already utilizing off street parking. Should more owners of The Lodge choose to do Vacation Rentals, they will lose their off street parking. Lach Litwer failed to have actual numbers in regards to this, his statement was “ Most of The Lodge units are vacation rentals “ Their future parking for vacation rentals should be taken into consideration in terms of where will they park. The parking study conducted fails to address the dire parking situation in this area. Listen to the people who are challenged by it on a daily basis, regardless of the time of year. These are my neighbors, these are real issues. I have had conversations with many of them struggling with parking years prior to this application. Parking problems on 7th streets down to 10th, all along Cascade and Columbia. I have photos of the same 7 employee cars parked on a daily basis on my street. I have had to call the city a dozen times because I can't access my driveway or walkway. I had to paint my walkway. My neighbors had to put up No Parking signs. Any study done circa Covid does not adequately address real parking issues on these streets.

Big Picture

Lach Litwer in his testimony on 8/15/2022 made it very clear he is serving the best interest of his shareholders in the form of profit. His online professional description pitches a business plan that reaps profit for ten years then liquidates yielding further returns.

His only argument to persuade the city to approve of such a project as C2 is his testimony that he is providing “attainable housing” for the community. Mr. Litwer made it very clear in his testimony that he has no mechanism to screen or ensure his residences will be purchased or rented by individuals that truly need “attainable ” housing. There will be no way to regulate this practice.

In short, this is an unfavorable risk (inappropriate scale for location) to benefit (“attainable housing”) ratio. Mr. Litwer seeks to maximize profit by maximizing density at the communities expense. Hood River will have to live with this “giant” long after Mr. Litwer has liquidated 715 Cascade for himself and share holders.

As leaders in this community please see this for what it really is.

I'm on our summer vacation with my entire family, it's a 3 hour time difference.

Again, I want to thank the city planners who have taken the time to walk this neighborhood and get feel for it's surroundings an idea of the actual scale of this building and it's impact it will have in the future.

Sincerely,

Shayla Fleischer

Sent from my iPhone

From: [Shayla Fleischer](#)
To: [Dustin Nilsen](#)
Subject: Re: Zone Change From Office /Residential to General Commercial
Date: Monday, August 15, 2022 4:10:21 PM
Attachments: [8 12 22 Smale Steffey Written Testimony 715 Cascade File No. 2022-31.pdf](#)

To: Hood River Planning Commission

From : Shayla M Fleischer
721 Cascade avenue
Hood River, OR 97031

Date : 8/15/22

Re: Notice of public hearing
Tax lot: 6500,6501 & 6502

City File Number 2022-31

Request for Rezone from C1 to C2 and
Application for a 54' high and 22+ mixed use building.

I Shayla M. Fleischer would like to append my written and verbal testimony opposing the zone change proposal, File Number No. 2022-31 With the Ross Steffey and Carolyn Smale written testimony (attached) and incorporate herein.

I am resubmitting my concerns with an addendum from a fellow neighbor.

Please confirm receipt of this email correspondence. Thank you.

Sincerely,

Shayla M Fleischer

Sent from my iPhone



(541) 386-4950
1820 Cascade Avenue
Hood River, Oregon 97031
www.printitsignmedia.com
order@printitinc.com

August 15, 2002

Dear Dustin Nilsen - City Planner,

I am writing to support the proposed development of Parking Lot 715 Cascade Ave., Hood River, OR 97031.

Currently it is hard for us to hire employees because of the cost of living and lack of low to middle income housing. More housing like this would help us find and retain employees. We used to be a staff of 5 people and currently only have 3.

I also have relatives that work for the County and they are having a hard time finding housing that they can afford and that is why I am writing this letter.

Please feel free to contact me with any questions.

Thanks for your time!


Jeff McCaw
President

From: kitmich@aol.com
To: [Dustin Nilsen](#)
Subject: Re: Lach Litwer
Date: Monday, August 15, 2022 5:20:24 PM
Attachments: [image001.png](#)

My name is Mike Kitts. I spent from 1995 to 2020 developing and selling over 400 units of workforce housing in this town. it was a challenge, but satisfying to get nurses, teachers, and working families into something they could afford. So I know a little bit about affordable housing and how increasingly difficult it is to produce.

Anyone attempting to provide affordable rentals in Hood River should be encouraged, not challenged, it's hard enough already.

Our family corner on 5th and Oak st. employs close to fifty people in peak season. Half of those employees are high school kids and Mikes Ice Cream wouldn't exist without them, but they still live at home.

Our biggest issue is trying to staff The Ruddy Duck and Hood River Common House. My daughter runs the Ruddy Duck and is faced with closing a couple days a week or opening later every day. Bette's has been on that corner since the 70's and now closes two days a week. You'll hear the same story from every employer in this town.

I think multi unit rentals should be allowed in all neighborhoods for efficiency and diversity.

Survey after survey show that people don't want to see sprawl and they don't want to see density, that doesn't leave much.

As with most new developments some people will be more affected than others. The overall need of the community should take precedent.

Thank you, Mike Kitts

-----Original Message-----

From: Dustin Nilsen <D.Nilsen@cityofhoodriver.gov>
To: kitmich@aol.com <kitmich@aol.com>
Sent: Mon, Aug 15, 2022 3:18 pm
Subject: RE: Lach Litwer

We will have much opposition. And expect a great deal in the verbal and written record.

Dustin Nilsen, AICP (He, Him, ÉI)

Director of Planning & Zoning

City of Hood River • CityofHoodRiver.gov

211 2nd Street • Hood River, OR 97031 • P 541.387.5210



From: kitmich@aol.com <kitmich@aol.com>

Sent: Monday, August 15, 2022 3:17 PM

To: Dustin Nilsen <D.Nilsen@cityofhoodriver.gov>

Subject: Lach Litwer

Dustin, how would I sign up to give testimony to support Lach's project?

Do you expect a much opposition?

Would it be more effective to submit written testimony right now?

Thanks, Mike Kitts

From: [Ed Elsasser](#)
To: [Dustin Nilsen](#)
Subject: 715 Oak Zoning change proposal
Date: Tuesday, August 16, 2022 8:17:01 PM

Hi Dustin,

I want to thank the planning department and the city council for the meeting last night and appreciate your patience with all involved. From my perspective it turned out to be a bit of a developer filibuster but I think in many ways that served its purpose.

As I was restricted to only 3 minutes to speak I'm attaching my notes for the record on what I planned to say. The key take away from last night is that the developer failed to address any of the criteria required for zone change in the city code.

Beyond that he couldn't even think of any reason for the zone change request on half the project (North lot 5600). Failure to meet these criteria should be grounds to deny this application.

Thanks for allowing me this opportunity to speak on this project. I'm Ed Elsasser owner of 708 Oak St. right next door to this project. I'm opposed to the zone change for a number of reasons and will keep my comments brief.

Let me begin by saying our property value will be negatively impacted by this project. We will lose significant portions of our view. If the C-2 zoning is extended to the next lot over (which this same developer seems to be working on) we will have no views. Our Hillside and river vistas will be replaced by the back side of these apartments. Our building is oriented to take advantage of the vistas and it would radically alter our business. I invite to come to our property step inside and assess the view issues for yourself and if you want I'll meet you there.

On to the project... the developer states in their application the key reasoning for the C-2 change.

"THE CHANGE IS REQUESTED TO ALLOW A GREATER DENSITY OF WORK-FORCE CENTERED HOUSING TO MEET THE CITY'S DRAMATIC SHORTAGE"

One look at their plans and you know this doesn't look like work force housing. It's way too expensive of a project for that. I think it's a ruse to get the zoning changed. It's also not like any of the other projects the developer has done which are stick framed one and two story houses. This project has way more costs like, an elevator, interior sprinklers, a lobby, seismic requirements and most of all expensive land. Last night the developer noted they didn't know the cost and wouldn't comment on what rents might be. Their application also doesn't say how many units would even be work force only "significant number".

The applicant fails to meet the City of Hood River Code criteria for a zoning change. Which reads as follows:

A variance may be granted if it meets all of the following criteria.

1. There are unique or unusual circumstances which apply to the site which do not typically apply elsewhere.

This property is not unique. There are blocks of this C1 zoning between 7th and 8th it was designed as a transition from the downtown C2 zoning to the R2 of the neighborhood starting on 8th street. Planning cannot create privilege for this one owner without others in C1 wanting the same thing. As I referenced the next property over has already told me they want C2 as well.

2. The proposal's benefits will be greater than any negative impacts on the development of the adjacent lawful uses;

First since the developer won't commit to any rent pricing or to even any number of units that might be work force there really aren't any concrete benefits to this project at all.

There are in essence 2 properties/projects so it's necessary to separate at this point. Lot 5600 on Oak street has the existing 12 unit apartment building. There is no hardship here they are leaving this as is with minor parking improvements. There is no reason to change zoning it functions perfectly as C1 and there would be zero benefit to the community of changing it to C2. Negatively the C2 project below on the south lot would take away their required 18 parking spots and leave them with 9 and block the view.

Lots 5601 & 5602 get the new proposed building. Let me just hit on a couple of key items I see and save time for others. 1) 5 stories makes it Hood Rivers tallest building. Being on the edge of C1 zone its going to tower over it's neighbors and be out of balance with the downtown area and erode the residential transition as planned. (As I read the

plans it's actual total height is about 59 feet including roof structures. C2 zoning max is 45 but I understand that other factors may allow them to build higher).

This building will create 21 new residences on this lot plus retail and provide what amounts to a net loss of parking for both properties that will be inadequate. Parking is already tight and this will send it next level. I have been through this in NW Portland on NW 24th ave. Just a few years back you could always find a street spot near by and the area just had great neighborhood feel. In came new projects without adequate parking and now it's very difficult to park. It created a much different vibe, people fighting for parking spots with neighbors, congestion from cars driving around in circles and homeless car campers hiding in the densely packed streets. Better planning would have prevented it. I know the city of Hood River allows fee payment in lieu of parking but it doesn't solve anything.

3. The circumstances or conditions have not been willfully or purposely self-imposed.

Not sure I understand this criteria item but the developers recently purchased this and they should have been well aware of the C1 zoning.

4. The variance requested is the minimum variance which would alleviate the hardship.

No this type of residential development is completely allowed in the current C1 zoning. As C1 it would be more appropriately scaled to its surroundings and would not degrade the value of neighboring properties like mine. As I read it C2 requires mixed use with residential. That mix is supposed to be 50% commercial 50% residential and does not fit the developers plan.

In conclusion: This is an important decision. Changing the zoning to C2 would be a windfall for the developers. But it comes at the expense of neighbors and I would argue all of Hood river. We all appreciate Hood Rivers small town charm. It's a big reason why

my family is here. This property rezone is a gateway drug for the rest of the C1 buffer zone to ask for the fair treatment and become C2. Once this happens there isn't any going back it will forever change the community.

Thank you for your time.



Hood River Cinemas

Skylight Entertainment Inc.
107 Oak Ave.
Hood River, Or. 97031
(541) 386-1448
Email; andrewm@skylighttheater.com

August 11, 2022

Dear planning commission;

It is my understanding that Lac Litwer will submit a proposal to construct a new, mixed use structure consisting of 21 apartment units. As Hood River has grown, dramatically, in popularity, the local workforce housing has been displaced by second home purchases. No one can deny that Hood River is in desperate need of workforce housing. New apartment complexes are just the first step in addressing this need. It is visible in the fact that many businesses, restaurants in particular, are already closed several days a week. Simply put, we cannot find the people to fill the shifts because the people cannot find affordable local housing.

In the last couple of years my employees have been coming from as far away as Goldendale to work for my businesses. I must say that I count myself extremely fortunate as I own 30 apartments located at the corner of 30th and Oak. Only recently, as units have opened up, have I been able to provide some housing for my employees. Still we are able to maintain our employment level, but, we have been unable to increase it due, in no small part, to the lack of local housing.

The proposed parcel is perfect in location, size, and proximity to similar uses. The parcel abuts an apartment complex to the south and a short term employee housing complex to the east. The parcel is within walking distance to both commercial and industrial zones teeming with life and in desperate need of employees.

As a private investor, I believe that his company could move this project along faster than any government entity. Hood River is way past due for a new apartment complex. I trust the planning commission will assist in guiding this project to fruition.

Regards,

William A. McElderry
President Skylight Entertainment Inc.

From: Jeanine Chen <chenjeanine@gmail.com>
Sent: Saturday, August 20, 2022 4:20 PM
To: Dustin Nilsen
Cc: Planning
Subject: Notice of public hearing Tax lots 6500, 6501 & 6502 City File Number 2022-31
Attachments: 8_12_22 Smale Steffey Written Testimony 715 Cascade File No. 2022-31.pdf

To: Hood River Planning Commission

From: Jeanine and Terry Chen, 707 OAK ST., Hood River, Or 97031

Date: 8/20/22

Regarding: Notice of public hearing
Tax lots 6500, 6501 & 6502
City File Number 2022-31
Request for Rezone from C-1 to C-2 & Application for a 54 foot height and 21 plus mixed use building

We (Jeanine and Terry Chen) oppose the zone change proposal, File No. 2022-31. We are pleading for you to oppose this zone change in order to preserve the spirit with which this town was built on. We came to live here for its magic and charm and the incredible unobstructed views it lends us.

We (Jeanine and Terry Chen) would like to append our written testimony opposing the zone change proposal, File No. 2022-31 with the Ross Steffey and Caroline Smale written testimony (attached) and hereby incorporated herein.

I would also like to request "proof" that this email be put on the record as "RECORDED".

TO: Hood River Planning Commission
FR: Carolyn R. Smale & Ross Steffey, 808 Cascade Ave., Hood River, OR 97031
DT: August 22, 2022
RE: Supplemental Written Testimony
Notice of Public Hearing – Tax Lots 6500, 6501 & 6502
City File No. 2022-31
Request for Rezone from C-1 to C-2 &
Application for a 54 foot high 21 plus unit mixed use building

PLACE IN RECORD

I am writing to supplement my oral testimony given on August 15, 2022 and to supplement the written testimony submitted by Ross Steffey and me on August 12, 2022. As you found out on August 15th, this rezone has a huge emotional impact on both of us and we truly believe that it will urbanize the City of Hood River to such an extent that our small town feel will be lost.

This submission will be divided into three parts. Part 1 is what I was prepared to read at the hearing but got side tracked first by the three minute limit (thank you for letting me go longer) and the fact that I was not permitted to be on video like the applicant. Part 2 is addition argument as to why the rezone must be denied. Part 3 are objections to the site plan review if the rezone is granted.

I do thank you for leaving the record open on this important decision and appreciate that you all are giving this matter the time, thought and energy it requires.

PART 1: WHAT CAROLYN WAS GOING TO SAY ON AUGUST 15, 2022

I hope you all have read my and Ross' submission in its entirety and took the time to visit the sight and the neighborhood to the west. It has been confirmed by the city that our written

testimony is part of the record so my oral statement will summarize and expand on that testimony.

OPENING

The city is faced with an extremely important zoning decision that if approved will forever urbanize the small town life that so many of us here today love about living here. It is so important that I am objecting to this hearing being held via Zoom especially as covid restrictions are waning even more.

LEGAL

The requested rezone of the subject property does not meet the approval criteria set out in Section 17.08.030 of the Hood River Municipal Code because it is incompatible and harmful to the surrounding area and there is enough suitable adequate land available without rezoning the applicant's C-1 property to C-2 so the request must be denied. The block the subject property is sited on is a transition block from the C-2 zoning of downtown Hood River. The block the subject property is located on allows for a transition from general commercial to office commercial to residential – the way zoning is supposed to work – C-2 next to C-1 and C-1 next to R3 and R2.

Westerly from 8th Street, it is almost all one and two story single family residential with a couple of town homes and a large house converted to apartments. Easterly from 7th Street on Cascade there are a couple of single family homes but largely it is short term vacation rentals and office space.

None of the buildings in the entire downtown area are 54 feet from the street and 5 stories tall. Putting something that size on the subject property is incompatible. The current

C-1 zoning also provides for parking in lieu and allows for a multi-family residential development limited to 35 feet (which would be 44 feet due to the “slope”) and this is sufficient. Further, the applicant fails to mention that the property borders an R-2 residential neighborhood that is mostly single family homes but rather implies that the subject property is not near any residentially zoned property.

There is currently an adequate supply of suitable land both in in the downtown core and the heights business district so that changing the zoning on the edge of residential neighborhood is not permitted. The applicant has not demonstrated a lack of suitable land so the commission MUST deny the request. From memory, I came up with 25 sites that are suitable and ask that you refer to our written testimony. There are probably more.

What the commission should note is that none of the parcels in our written testimony boarder a large R-2 neighborhood consisting of older small single family homes. The development at 1306 Taylor was zoned C-2 and borders one block of residential homes to the west and on the west end of that block, the city public works yard is across the street along with Firehouse down below. It is not the same at all.

In addition to 1306 Taylor there are two other large apartment complexes in the works: Rand Road and 230 Clearwater. Rand Road is mandated to be low rents per HUD. The developers of 1306 Taylor also state it will be workforce housing but there is no mandate; however, Ben and Maui are long term residents of Hood River that need housing for their own businesses so I have more confidence in them than this Capital group that the rents will be affordable.

Maybe for once the city can exercise some caution and restraint and see the effect of these developments before approving a zoning change that would allow a mixed use complex

that is so far out of line with the surrounding neighborhood and properties. Further the property owners of 705 and 709 Cascade stated they want a rezone to C-2 also which would put full on C-2 right next to R-2.

The applicant does mention the lack of R-3 land but since C-1 allows more development than R-3 this argument does nothing to support its application. If the applicant wants to rezone to R-3 there is no objection; however, given that R-3 would require 1.5 parking spaces per unit with no in lieu (as the C-1 allows) and has more restrictive set back requirements, the applicant is trying to pull one over on all of us to get a rezone by arguing rezoning from C-1 to C-2 helps with the lack of R-3 land to develop multi-family housing on. This is ridiculous.

The city just revamped zoning to increase density so it could have changed the C-1 requirements for residential development to allow more residential units in C-1. ***The city had an opportunity with the recent extensive zoning changes to allow more residential on C-1 and it did not.*** Now this private for profit investment commercial real estate development company wants to end run around this with a zone change. If they wanted C-2 property, they should have purchased C-2 property. I also find it a bit odd that the prior owner could never get approval of any development so I guess it is more who you know than what you know. If any of you have a conflict of interest or any type of financial or personal relationship with the applicant or any of its members, you need to disclose it now. *(pause 10)*

It is also ridiculous that in the City of Hood River Notice of Public Hearing dated July 15, 2022 the photo of the Map of Location of Request has a big yellow arrow pointing to Oak Street. The proposed complex is to be built on Cascade not Oak. This is outright deceptive and I have spoken with people who think the 54 foot wall will face Oak. This letter notice is defective. The hearing needs to be re noticed correctly.

Some of those that support this complex cite the need for low and moderate income housing and workforce housing. There is nothing that mandates any price point or length of tenancy. Price will be market and most likely something I could not afford. Portland has rules that if you have more than 20 residential units a certain percentage must, that is, are required by law, to be low income housing. The profit margins are so much better for private development with no mandate that some developers get around this by proposing a few separate 19 unit buildings vs. one larger one. *Anyway, to my knowledge Hood River has no such mandate and until it does, this zoning request must be denied because there is nothing that mandates any affordability.*

The current C-1 allows for the development of (quote) Multi-family dwellings for residential use.(unquote) HRMC 17.03.040 B.4. Since C-1 allows more than what the R-3 allows there is no possible way the applicant can demonstrate the lack of suitable land for multi-family dwellings because the applicant's land is suitable at its current zoning thus this rezone must be denied.

EMOTIONAL

This massive building hurts my heart and has already impacted my emotional well-being. I do not understand how someone that objects to development in the valley because it is incompatible with the agriculture way of life has NO comprehension of how this large building with general commercial is incompatible with the small town neighborhood it borders on the west. This attitude of let's just fill up town like it is New York City is not the solution to our housing issues. You all make me feel like a second class citizen whose voice and observations are ignored and useless.

I live in Hood River because I want to live in a small town, not a big city. The current C-1 zoning protects that way of life while C-2 will destroy it. We do not want or need you to bring your big city ideas to us.

We want reasonable development that is compatible with our small town way of life. We worked hard to purchase our house and are still working hard to maintain it. Unlike the applicants and some on the commission, it is our only house. We love our home and our neighbors and our neighborhood and will fight to protect it.

Unlike the West Linn applicant, we have been in the neighborhood for 25 years. I still consider myself a new comer. I have walked at least 4 times a week from our home on 8th and Cascade to my office in downtown for those 25 years. I do not need a study or some Jonny come lately developer telling me what is compatible with our neighborhood. I and my other neighbors know what is incompatible and harmful and this rezone is incompatible and harmful. This request to change the zoning to increase density and commercial use by outsiders that have no idea about our neighborhood is so incompatible that it will make me sad everyday as I walk by it. A small piece of my soul and the soul of Hood River will be taken if this complex is allowed to be developed on C-2 zoning. Please make the responsible and neighborly decision and deny the applicant's zone change request.

PART 2: ADDITIONAL POINTS

CORRECTION

Even though I walk by it almost every day, I forgot that Promotion Wetsuits has a store front at 416 Cascade and then there is the Post Office. Promotion has limited foot traffic and nice side yard. The Post Office has a setback. The parking on this block allows for short term

parking so folks can get in and out of the Post Office. These two buildings and commercial uses are very different than what the applicant is proposing and neither borders any residential homes.

OTHER POINTS

1. Lack of Transparency

I wanted to see the other developments that the applicant mentioned in its presentation and to take another look at the ones shown on at the hearing on August 15, 2022. The ones shown at the hearing are much smaller than this one and more compatible with the neighboring properties so I wanted to see what else Capital has built. Through LinkedIn I found Columbia Gorge Capital and clicked on the website columbiagorgecapital.com but it says it is a private site. I closed my browser and reopened it to put in columbiagorgecapital.com and same thing, private. It is concerning to me that Capital wants us to trust what it is saying about what it going to build and that it will only hold on to it for 10 years (which is not very long, we have been in the same house since 1999) when there is no information about them or their other developments/projects on line. You can find out all sorts of stuff, good and not so good, about us on the internet and our websites are public.

2. Disclosure of Investors

The applicant stated it had investors. The owner of the property is CGC II, LLC and the applicant developer is Columbia Gorge Capital, LLC. These are related LLCs with what appears to be no more than two individuals as members (Cathal Blake and Lach Litwer). All the members of both these LLCs need to be disclosed. Further any investors need to be disclosed so that the commissioners and then later the council members can do a proper conflict of interest disclosure of all the members and the investors. LLCs with

few members like these two are directed by their investors. If the investor wants higher profits to ensure a return on their investment or to make more money then this will change the direction of what Mr. Litwer is proposing. Investors are not interested in being nice and renting for less than market. We all know that by definition investors care about money: making lots of it and keeping it.

3. Me Too, I Want C-2:

The written and oral testimony in the record is that the owners of both 705 Cascade and 709 Cascade want to rezone to C-2. We (the neighborhood including the mother of the owner of 705 Cascade and the current owner of 709 Cascade) opposed the rezone of the property that Evoke (fna Naked) Winery now occupies from C-1 to C-2, 708 Oak Street. One of the reasons we opposed the rezone of 708 Oak Street is that it would have a negative future impact as it would serve as the basis for other properties to ask to be rezoned from C-1 to C-2 because future applicants like Capital would argue that there is already C-2 zoned property on the block making it compatible. Local attorney Mike Fitzsimons argued it would be a slippery slope and was told that that was a logical fallacy. Well 20 years later that logical fallacy is now our true reality.

4. 708 Cascade Rezone From C-1 to C-2 Drastically Different and Included 112 7th Street (this was one rezone not two)

- a. The original reason for the rezone was to move Holsteins Coffee (where Ground is now) to this location so the applicants argued that it would close early and there would be no night time hours. Once the rezone was granted, surprise, a nice dinner restaurant, Congusto, opened with nighttime hours (so you see why I don't trust what Capital is saying, I knew the proponents of this rezone and still like

them). It then turned into Salon Vizo which fit the space well and is now Evoke Winery.

- b. No new building was being proposed although when the partners split, the lot was split and 112 7th Street was built which housed Pacific Rim Roasters (industrial) and now houses Columbia Gorge Confection (retail and manufacturing) along with a short term rental for the 2nd and 3rd Floors.
 - c. It is very unlikely that anyone would ever tear down either of these buildings to build something 45 – 54 feet high with no set back.
 - d. IT HAS 14 ONSITE PARKING SPACES: as many as this developer is providing for two commercial units and 21 residential units.
 - e. 708 Oak is ONE story from Oak and two stories from 7th.
 - f. 112 7th is three stories with a relatively small foot print.
 - g. One building is on Oak Street and the other is on 7th.
 - h. 708 Oak has setbacks and a front porch.
 - i. 112 7th does not have a front set back; however, unlike Cascade, there is not much foot traffic on 7th. There is significant foot traffic on Cascade and a setback makes for more pleasant and safer commute by foot.
 - j. The entrance to both buildings is on 7th Street, not Cascade
5. The Lodge Condos are C-2 so we should be C-2 too fails as a legal basis for the rezone.

The zoning of the Lodge Condos is irrelevant to this decision to rezone. This decision to rezone is based on compatibility. The Lodge Condos are compatible with the neighborhood to the west and provide a nice transition from general commercial to multi-family housing to single family housing. The Lodge condos consist of a mix of owner

occupied, long term renters, seasonal owner occupied (the owner of the VW Rilata that shows up every summer) and short term rentals. These are setback from Cascade with greenery, ivy, trees, bushes and grass on Cascade. They seem taller on the Columbia side because of the bank they sit on but there is nice wall of ivy (we rented 714 Columbia when we first moved to Hood River). Additionally, there is a large parking lot and the northeast corner was left undeveloped allowing for views and light, both of which the applicant's structure diminish. The Lodge Condos are significantly smaller in size and mass than what could be put on current C-2 zoning and what Capital is proposing. The zoning of C-2 was "smaller" and more restrictive when the Lodge was built so it cannot be used as a comparison now. Keeping the zoning at C-1 ensures a smaller building, compatible with both the Lodge Condos and the single family residential to the west. If Capital wants build a building like one of the Lodge buildings on the empty lot that is just fine with us.

6. Capital Cannot Prove Compatibility Based on Other General Commercial Near By:

There are very few retail and restaurants in the surrounding area. I addressed 6th Street Bistro and Promotion earlier. The applicant mentioned Columbia Gorge Confections as retail on the block in support of additional commercial use. This is in the middle of 7th Street. This establishment seems to do most of their business on line and pre-order. The applicant stated in the zoom meeting it wanted a coffee shop. When 708 Oak was rezoned for a coffee shop, we got a dinner restaurant. General commercial of retail, restaurants and bars, and incidental industrial, have no place on Cascade west of 7th Street. General commercial is not compatible when the next block to the west is all

residential. This is why it is zoned C-1 in the first place. This is why it must remain zoned C-1.

7. Three Story Office/Medical Building with No Parking is the only thing we can build if it is kept C-1 Fails as a Legal Argument

- a. This is not a basis to approve a rezone.
- b. I also don't know who would propose such a thing in Hood River. You would never get any tenants. Lessees want a place to park for their customers and themselves, especially a medical facility with clients that may have limited mobility. Any medical or office building will have some parking plus it will not be 54 feet and quiet after 5pm and if a dentist, closed on Wednesdays. I would much rather have this be built (well I would be stuck with it since there is not too much to legally object to).
- c. The applicant could have requested a zone change to C-2 and proposed just a residential complex per HRMC 17.030.050 B.5 or C.1 and limited the height to 35 feet (44 feet with the slope) but instead choose to add commercial and tower above us all at 54 feet. If you are a workforce housing builder, what is the deal with the commercial? To me it just shows your greed trumps the happiness and well-being of those that live near the complex. The mass and height allowed and the general commercial of C-2 is incompatible with the surrounding area and the request must be denied.

8. Bicycles in Lieu of Cars:

I, like Mr. Litwer, love bikes but this has nothing to do with the rezone. Neither does the number of parking spaces. What has to do with the rezone is the effect of traffic to be generated by the commercial and residential use and how that harms the surrounding area

because the rezone cannot be harmful. I really don't see how with 21 units you are not getting at least 21 cars and the traffic that goes along with that. I am objecting to the increased in and out of cars parking on Cascade, people circling the block looking for spaces and the overall crankiness of people that can't find a parking space. In addition to the residential drivers, there is the commercial use which if it is a coffee shop will bring many more cars in and out on Cascade. Keeping the zoning at C-1 limits this traffic. The additional general commercial and additional residential units that C-2 would allow makes Cascade less safe and thus this complex is harmful to the neighborhood and the rezone must be denied.

9. .8 Acres or .46 Acres:

Mr. Nilsen mentioned the parcel was .8 acres. The letter notice says .46. Which is it? If it is .8 then the letter notice is defective and must be reissued.

10. Covenant to Prohibit STR:

This has nothing to do with the rezone decision. I am not a fan of the STR but a covenant that applicant will not have them does not seem legal or enforceable. Even if it were enforceable it would only be enforceable against the current owner. It could not be a covenant that runs with the land binding future purchasers. Capital said it holds on to property short term, 10 years, so this cannot be counted on. Further, our affordable housing solutions need to be long term and generational not just 10 years.

11. Lack of affordable housing impacting employers

This cannot have any impact in your decision to rezone as it is not a basis in the code to approve or deny a rezone. Further, antidotal tid bits are not evidence. There is no real evidence in the record that supports this allegation. The cost of housing is only one

factor in the inability of employers to find employees. There had been a massive shift in the culture of work. Many want to find other ways to live rather than working full time. Many that had the lower paying “thankless” jobs pre covid and that are now hard to fill either found a different job they like better or figured out they do not really need to work as much. I participate in a panel discussion with the bankruptcy court about 15 years ago that was discussing that in the near future, the United States is going to have a shortage of workers for lower wage paying jobs. Well it is here. This complex is not going to solve the issue with the lack of workers because it is much more complex than the cost of housing.

12. 724 Oak Street and 712 Cascade Avenue

These are two single family homes that border the applicants’ property. The increase in mass and height allowed by a change to C-2 will dwarf these two homes leaving them in the shadows. A zone change is not compatible with these properties and will diminish the value of both of these properties as single family homes. Because the value of these properties will be diminished, the rezone request must be denied.

**PART THREE: IF COMMISSION FINDS IN FAVOR OF THE ZONE CHANGE
THE FOLLOWING OBJECTIONS ARE PRESENTED**

1. Additional Height Because of the Slope: I am preserving for the record an objection that the slope of the property allows an additional 9 feet from the Cascade sidewalk. I am not an engineer and do not understand the drawings. The parcel that the complex is proposed to be built on looks relatively flat to me. The man made hill on the north end of the Cascade parking lot should not be included in any calculation of this slope. I would ask

the commissioners take a look at this. I believe Bill Irving has a good grasp of this and would ask the he review this. This may be the reason that they want the entire parcel to be C-2 rather than just the parcel the complex is to be built on.

2. HRMC 17.030.050 G.3. “No commercial structure shall exceed a height of 45 feet.”

This is a commercial structure so per this section of the code, even with the slope, it cannot be 5 stories/54 feet. Why have this part in the code if does not mean anything in additional to part G.2?

3. Commercial Use Allows for a Subjective Review of the Impact, HRMC 17.06.030, part 2

A. I disagree with the city attorney that the residential part gets objective review based on the Oregon housing statue and that the commercial gets subjective review. The applicants are asking for commercial use to get an additional story so the entire complex must be reviewed as commercial and subject to the more rigorous subjective standard. If the applicant wanted the objective standard, it should have proposed all residential. You don't get to split the baby. You want commercial, you open yourself up to subjective standards. For all the reasons set out in all of our testimony this complex is harmful to the neighborhood characteristics and livability and must be changed to conform to the neighborhood in both size and use.

B. If the city attorney's position is correct, the commercial part of this development must be removed because for all the reasons set out in all our testimony, the commercial part of this complex is harmful to the neighborhood characteristics and livability.

CONCLUSION

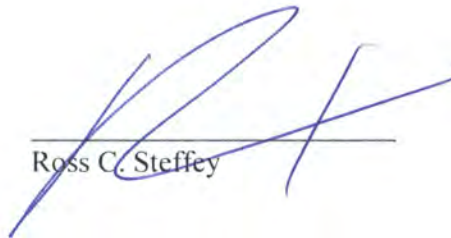
We ask the commissioners keep in mind that this rezone is not about providing housing; it is about being able to build something at the maximum limits our zoning allows next to an R-2 neighborhood. If this commission wants to be responsible for setting the precedent of allowing C-2 right next to R-2 there is nothing I can say to change that. Such a precedent would mean that no neighborhood is safe from a complex of this size, mass and commercial use being built in it. Allowing this rezone is not only incompatible and harmful to the surrounding area, it sets a dangerous precedent making it incompatible and harmful with the entire town.

Please take in all the information presented to you and think long and hard about how this rezone will change and the effect it will have to the surrounding area, especially the neighborhood to the west, as you deliberate.

Respectfully Submitted,



Carolyn R. Smale



Ross C. Steffey

From: Jennifer Gray
Sent: Monday, August 22, 2022 12:47 PM
To: Dustin Nilsen
Cc: Ami Santillan
Subject: FW: Comments for Zone Change -File 2022 -31
Attachments: 20220822_111738.jpg

From: Margo Blosser <marymblosser@gmail.com>
Sent: Monday, August 22, 2022 12:19 PM
To: Jennifer Gray <J.Gray@cityofhoodriver.gov>
Subject: Comments for Zone Change -File 2022 -31

Dear Planning Commission Members,

I do not want to see Hood River continue the trend of being a community where only wealthy people can live. But with that said, we should not pursue the worthy goals of affordable housing by harming adjoining property owners and significantly changing the character of our downtown core, for a development that does not commit to 100 % of the units to be affordable housing.

Although the developer has said that these units will not be short-term rentals, his good intentions will surely not be enough to stand up to the massive amount of money that could be made. The building can be sold, a change of use permit obtained, and the multi-family units converted to condos, which allow short-term rentals outright without a primary residence requirement in commercial zones. **Profits usually win out over good intentions.**

There are several approval criteria that the application does not meet, the most significant being in *17.08.40 "zone or plan changes may be approved if the difference will not be **unreasonably harmful or incompatible with existing uses.** "*

Think very carefully about the harm that your vote will do to the long term resident that lives next to this property. I tried to think of any buildings that are 55 feet high in Hood River; the only one that came to mind was the old Sprint building, which is a five -story building. I would encourage the Commisioners to go stand at the North side of the building and look up and think about living next to a structure that big and tall and what that does to the live ability and property values of adjacent owners.

There is not a 5 story building in the downtown area and although there are Townhouses on East Sherman that are exceptually tall, this is a C1 zone with building heights limited to 35 feet.

17.08.40 -2 states that "There is a public need for the change, and this identified need will be served by changing the zone or plan designation for the subject property(ies)"

Although there is an undeniable need for affordable housing this does not mean we should allow development proposals that do not fit the character of Hood River by allowing a massive 55-foot

structure, that do not commit to 100 % of the units to being used for affordable housing, do not have adequate parking and do not provide deed restrictions to prevent conversion to condos that can be rented as short-term rentals.

Several community members have spoken out on the behalf of the developer and this tells me that he is an intelligent person who can design a development that is a better fit for Hood River.

Please do not approve the zone change or the conditional use permit.

Respectfully,
Margo Blosser
423 East 3rd
HoodRiver, Or.

5 story building - Old Sprint Building



From: Reco Prianto <reco@calichi.com>
Sent: Monday, August 22, 2022 2:47 PM
To: Planning
Cc: Agnes Kienitz
Subject: File No. 2022-31 - 715 Cascade Ave AC / CUP

Hello, I am writing to reiterate my concerns regarding the application to rezone the property at 716 Oak Street and 715 Cascade Avenue. I own a small civil engineering company that works throughout the Western United States focused primarily on affordable housing, K-12 schools, amongst other areas of development and community projects. I have a direct window into the discussions that happen behind closed doors about development plans for properties. Some of the items the developer discussed in his presentation are textbook diversionary to bring up words and items that they know will build support for their case such as bike parking, walkability, safety, "workforce housing", etc. What really shown through on their presentation to me were the things that they did not focus on such as willingness to agree to limits on rent, what was the plan for future development for the Oak Street lot, the fact that they are paying for in-lieu parking in a downtown core that already has significant parking issues, amongst other issues. I present the following concerns and considerations as you deliberate the project:

1. The block between 7th and 8th street has always been a C1 buffer between the R2 zoning to the West and the C2 zoning to the East. By approving this rezone to C2, the City is choosing to eliminate this buffer and choosing to allow the tallest building in Hood River to be built adjacent to an existing single family home at 8th & Cascade. This decision will change the use of the C1 buffer zone. I believe that eventually all of the properties on this block will file for a zone change once the character of the block is changed through this ultra-dense use. Denser development equals higher use and profits for the owner / developer. It is also concerning that the developer is asking for a zone change for the 716 Oak Street existing apartments even though they have not current plans to redevelop. This is an odd request and would eliminate most of the neighborhoods ability to comment and or stop redevelopment of this project at a later date if the rezoning is granted. The whole point of the process is to ensure that Hood River has a say in how Hood River is developed. Let them come in for a rezone of this property when they have a reason to rezone it with concrete development plans.
2. I am very concerned with the developer's statement that this project is for workforce housing but has no actual guarantees on rent limits, who can rent the units, etc. If this is truly workforce housing and the developer's mission, then they should not have any issues with conditioning onto the project limitations on use, sale of units, etc.
3. I am concerned with the developers decision to pay for the majority of the required parking via in-lieu fee. Hood River has had parking issues for many years. Allowing a rezone to build more housing, which is also needed, but then to push the parking out into the public streets is going to exacerbate the parking deficiencies in the City. The developer pointed out a number of public lots in the vicinity including the train station that is 8 blocks away. I don't see someone parking at the Hood River train station, and you would know better than I on the availability of parking in the city lots close to the project. I currently rent 3 parking spaces in the city lots and was told that is all that I could get last time I inquired on acquiring more permits.

Thank you for your consideration,

Reco Prianto | P.E., LEED AP,
QSD+QSP

Principal

Office (510) 250-7877

Mobile (415) 260-2452

Portland Office (541) 716-0444

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From: [Robert Beard](#)
To: [Dustin Nilsen](#)
Cc: [Theresa Beard](#)
Subject: Re: Planning commission Meeting file 2022-31 post Aug 15 planning commission meeting and continuence.
Date: Monday, August 22, 2022 4:46:04 PM
Attachments: [8 12 22 Smale Steffey Written Testimony 715 Cascade File No. 2022-31.pdf](#)

From: Robert Beard rmbeng@icloud.com
Subject: Planning commission Meeting file 2022-31

TO: Hood River Planning Department – Hood River Planning Commission and City Council

SUBJECT: Additional Written Testimony concerning FILE NO: 2022-31, A proposed zoning change from C1 to C2 of Lot: 03N10E25CDTax Lot # 6500,6502 that is the subject of the hearing Monday, August 15th, 2023 at 5:30 pm that was continued for further evaluation.

FROM: Town Home Owners Robert and Theresa Beard at 703 Oak St., Hood River, Oregon, 97031

WRITTEN TESTIMONY: To whom it may concern:

Further to our earlier testimony, and following the applicants proposal presentation and following review of the meeting documents, the following comments are provided:

1. We remain opposed to any rezoning in the subject block across from our property.
2. The design proposed is massive and, archetectual features proposed provide for higher roof line for elevator access and solar panels.
3. if approved, is only likely to be phase 1 of further 45' height high rise development projects both on the property and adjacent to it.
4. It will destroy the desriability of antique homes in the block.
5. Only ½ of the Cascadia Townhomes are currently vacation rentals, contrary to the views expressed by the applicant.
6. A parking space we pay for from the city in front of our house is already frequently used for illegal public parking, with the proposed project, it would get even worse.
7. Street parking in the area is extremely limited already during the peak summer months.
8. Distant rental parking at locations like the railroad parking lot are too far away to be practical. We recently saw all the new signage there, but they are too distant from the site.
9. There are other under utilized locations in current C2 areas for such

projects.

10. The sewer processing plant impact does not seem to be accounted for in the engineering study, only the new local sewer branch line the applicant would be paying for. What about tax payer sewage treatment plant cost and expansion that would be a cost of this project.
11. There are many real estate and block owners indicated to be in favor of the proposed project, because of it would be a big windfall value increase to the subject properties. Only the Evoke property owner indicated he was against the zoning change and the ownership of property is transitory and possibly when that property is turned over could lead to a significant height and mass over kill within the C2 classification, if there are many in the area like the proposed.
12. The applicant is only interested in a 10 year plan and then likely sell and on to other projects. The city will be saddled with this monstrosity forever. The city must look past the initial desired worker housing claims and consider the long term fit in the area.
13. The proposed building is about equivalent to the largest down town building and does not belong in this neighborhood.
14. Development and improvement of the property under the C1 requirements is encouraged. The current property is an eye sore.
15. Hood River has substantial public transportation for such a worthy project in the far heights or far out west.
16. We do not want Portland across the street from us, sorry, not in our front yard.

Please make our stated position known to the pertinent decision makers on the matter and decline the proposed commercial zoning change.

Sincerely,

Robert and Theresa Beard

Sent from my iPhone

On Aug 13, 2022, at 12:50 PM, Robert Beard <rmbeng@icloud.com> wrote:

Please find attached a document I am appending to my earlier written, verbal and e mail testimony provided 8/12/2022, opposing the zoning change proposal, File No. 2022-31. Along with the attached document, I agree fully with the Ross Steffey and Caroline Smale written testimony and I fully endorse all of the concerns expressed in this attachment and incorporate it herein.

Sent from my iPhone

Begin forwarded message:

From: Robert Beard <rmbeng@icloud.com>
Date: August 12, 2022 at 5:00:26 PM PDT
To: d.nilsen@cityofhoodriver.gov
Cc: Theresa Beard <tmbeard2003@yahoo.com>
Subject: Planning commission Meeting file 2022-31

From: Robert Beard rmbeng@icloud.com
Subject: Planning commission Meeting file 2022-31

TO: Hood River Planning Department – Hood River Planning Commission and City Council

SUBJECT: Written Testimony concerning FILE NO: 2022-31, A proposed zoning change from C1 to C2 of Lot: 03N10E25CDTax Lot # 6500,6502 that is the subject of a hearing Monday, August 15th, 2023 at 5:30 pm.

FROM: Town Home Owners Robert and Theresa Beard at 703 Oak St., Hood River, Oregon, 97031

WRITTEN TESTIMONY: To whom it may concern:

We purchased our C1 town home in 2019. The property was expensive the surrounding area very attractive with light relatively low height buildings and some light commercial and residential uses. Traffic other than Route 30 is relatively moderate, but not too bad.

We are opposed to any rezoning in the block across from our property. The design proposed is massive and, if approved, is only likely to be phase 1 of further 45' height high rise development projects directly across from our property along Oak street. Although this project is mainly off of Cascade, and indicates little development on Oak St., it is a Trojan Horse type project to further development on the lot in question. The existing two / three story apartment building directly off of the Oak St, curb line is older and dilapidated and ripe for a high rise replacement.

The subject block has many antique homes and the massive proposed 5 story building would significantly increase traffic in the area, way out of proportion common to the immediate local area. This type of development and congestion is what we moved away from to live in Hood River.

Robert is a Responsible Managing Employee (RMI) for a Corporation with an Oregon Business License and Oregon Commercial General Contractor Level 1 License (Lic. # 233504) we work with significant commercial ocean observatory projects and wave generating test bed projects on the Oregon coast. The company that I support would never propose such a large scale project in an established older relatively low density historic community.

We are wondering why we were not formally notified about this large scale development, it seems like we would be within a radius of concern. We were alerted by a concerned citizen with property in the area. In the future, we believe we should be notified more formally of such major commercial usage changes.

Please make our stated position known to the pertinent decision makers on the matter and decline the proposed commercial zoning change.

Sincerely,

Robert and Theresa.

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From: [Shayla Fleischer](#)
To: [Dustin Nilsen](#)
Subject: Re: Zone Change and Proposed Development 715 Cascade Ave
Date: Monday, August 22, 2022 6:28:37 PM

To: Hood River Planning Department

From: Shayla M. Fleischer
721 Cascade Ave
Hood River, OR
97031

Date: August 22, 2022

Re: Zone Change and Proposed Development

Tax Lot: 6500, 6501 & 6502

City File Number 2022-31

Dear Planning Department,

Thank you for allowing a 7 day period so that I may submit testimony I intended to present during the City Planning meeting held on August 15, 2022.

During the meeting held on August 15, I stated that I was concerned that the letter sent out on July 15, 2022 by the Hood River planning department was flawed, and did not meet the requirements. I tried to address this in person at the Planning Department on July 22, 2022 but the building was closed to the public. I called the planning department from outside the building and made a complaint.

Scale:

The scale of this building is Non Conforming.

The applicant consciously chose not to address the scale of the building during his presentation. He attempted to mitigate the scale of the building by employing his architect to describe feeble attempts such as inadequate building cutbacks.

None of this architectural trickery can justify a five story building with retail and zero setbacks, juxtaposed to a classic and quaint R2 neighborhood. This developer is not keeping with the scale of surrounding properties. The entire block to the North of proposed development is C2, yet this development is in line with its R2 neighborhood. Lach Litwer's own testimony was he wanted to be a "good neighbor".

I have a huge concern and strong case in that my quality of life and value of my property will be greatly diminished. This is also the case should this property ever be developed as C1. The value for any property within this block would be diminished because they cannot match them pound for pound.

No property on Cascade street will ever be able to match this building's scale because of lot sizes and grade rule.

We will all be ants to an elephant.

I'm greatly concerned for my neighbors in all directions of this development as they will be impacted.

1. Size of building in this neighborhood
2. 0 setbacks on Cascade
3. Retail in this block. (Bette's hours start at 6:00 am) Patrons could potentially be parking on our streets this early.
4. Parking

This block and surrounding

blocks are already used by The Lodge, Employees of Hood River businesses and guests of home owners. The Lodge only has a HANDFUL of vacation rentals and they advertise off street parking. They are zoned C2 and are already utilizing off street parking. Should more owners of The Lodge choose to do Vacation Rentals, they will lose their off street parking. Lach Litwer failed to have actual numbers in regards to this, his statement was “ Most of The Lodge units are vacation rentals “ Their future parking for vacation rentals should be taken into consideration in terms of where will they park. The parking study conducted fails to address the dire parking situation in this area. Listen to the people who are challenged by it on a daily basis, regardless of the time of year. These are my neighbors, these are real issues. I have had conversations with many of them struggling with parking years prior to this application. Parking problems on 7th streets down to 10th, all along Cascade and Columbia. I have photos of the same 7 employee cars parked on a daily basis on my street. I have had to call the city a dozen times because I can't access my driveway or walkway. I had to paint my walkway. My neighbors had to put up No Parking signs. Any study done circa Covid does not adequately address real parking issues on these streets.

Big Picture

Lach Litwer in his testimony on 8/15/2022 made it very clear he is serving the best interest of his shareholders in the form of profit. His online professional description pitches a business plan that reaps profit for ten years then liquidates yielding further returns.

His only argument to persuade the city to approve of such a project as C2 is his testimony that he is providing “attainable housing” for the community. Mr. Litwer made it very clear in his testimony that he has no mechanism to screen or ensure his residences will be purchased or rented by individuals that truly need “attainable ” housing. There will be no way to regulate this practice.

In short, this is an unfavorable risk (inappropriate scale for location) to benefit (“attainable housing”) ratio. Mr. Litwer seeks to maximize profit by maximizing density at the communities expense. Hood River will have to live with this “giant” long after Mr. Litwer has liquidated 715 Cascade for himself and share holders.

As leaders in this community please see this for what it really is.

I'm on our summer vacation with my entire family, it's a 3 hour time difference.

Again, I want to thank the city planners who have taken the time to walk this neighborhood and get feel for it's surroundings an idea of the actual scale of this building and it's impact it will have in the future.

Sincerely,

Shayla Fleischer

Sent from my iPhone



CITY OF HOOD RIVER

Engineering Department | (541) 386-2383

1200 18th Street, Hood River, OR 97031 | engineering@cityofhoodriver.gov

ENGINEERING DEPARTMENT COMMENTS

THIS IS NOT A PERMIT

August 15, 2022

Applicant: Lach Litwer, Columbia Gorge Capital, LLC
Owner Name: CGC II, LLC
Site Address: 715 Cascade Ave
Legal Description: 03N10E25CD Tax Lot 6500, 6501, & 6502
Subject: Zone Change and Site Land Use Application
File #:

Based on the pre-application meeting held on 7/21/2021 and based on the conceptual site plans dated 6/3/2021, Public Works and Engineering have the following comments:

- 1. General:** These comments are not an exhaustive list and should be used as a preliminary idea for the applicant to understand the requirements for development. These comments do not include engineering specifications or other more specific requirements of the City of Hood River (COHR). Other Engineering Standards and code specifications will be applicable at the time of engineered plan review, construction site/ROW permit application, building permit application, and/or Hood River County plumbing permit. Please refer to the Hood River Engineering Standards (HRES) found on the City's website at the following link: <https://cityofhoodriver.gov/engineering/engineering-standards/>
- 2. General:** Refer to the City of Hood River Municipal Code (HRMC), Hood River Engineering Standards (HRES), Transportation System Plan (TSP), and I-84 Exit 62/63/64 Interchange Area Management Plan (IAMP) for more information and an exhaustive list of all City requirements (<https://cityofhoodriver.gov/>). The current code and/or standard at the time of permit submittal shall govern. Please review the 2019 Engineering Standards to ensure all standards are met.

General: The City will assess System Development Charges (SDC) for water, stormwater, sanitary sewer, and transportation at time of permit issuance when land use changes. SDC fees can be found on the City's website at the following link: <https://cityofhoodriver.gov/wp-content/uploads/bsk-pdf-manager/2021/06/FY-21-22-Fee-Schedule-for-web.pdf>

- 3. General:** Preliminary detailed engineering plans and preliminary stormwater management report are required at Planning Application submittal. A Construction Site/Right-of-Way permit is required for this development. Prior to Construction Site/Right-of-Way permit application submittal, a pre-submittal meeting with the Public Works & Engineering Department is required. A complete application to the Engineering Department includes a completed permit application form, two (2) hard copies of civil drawings, one (1) hard copy of the stormwater management report, one (1) copy of the Site Development Engineers Cost Estimate, one (1) digital copy of all items, and payment of all applicable fees. Plans shall be prepared following the drafting standards and all required elements outlined in the HRES. Any proposed design exception to the HRES should be discussed with the City Engineer prior to

the plan submittal, followed by a written request explaining why the exception should be approved at the time of plan submittal.

4. **General:** A ten foot (10') public utility easement (PUE) is required along all frontage of public streets just outside of the ROW. Exceptions to this requirement must be coordinated with the appropriate private dry utility companies. No above ground utility structures will be allowed within the City ROW.
5. **General:** The Oregon Department of Environmental Quality requires a National Pollutant Discharge Elimination System (NPDES) 1200 – C permit for all projects that disturb one acre or more. Contact the Bend regional DEQ office at 541-388-6146 for permit application forms and more information.
6. **General:** A representative of the design engineer, referred to as the Resident Engineer, shall be on site nearly every day throughout the construction of public/right of way (ROW) improvements in order to perform the duties of the Resident Engineer as described in the HRES. No exceptions will be made to this requirement, including allowing the Contractor to perform the RE's duties.
7. **General:** Waivers of Remonstrance, when allowed, shall be per City Standard form. The waiver of remonstrance waives the applicant's and their heirs, successors and assigns' right to object to the formation of a local improvement district for any street improvements necessary now or in the future that benefit the subject tract of land, signed by the owner(s) of the tract. A waiver of remonstrance for water, sanitary and storm improvements Oak Street must be recorded in the deed records for Hood River County before building permit authorization. Water, sanitary and storm improvements in Oak Street are anticipated to be constructed in years 2025-2026 (plus or minus one year).
8. **General:** The applicant is required to enter a deferred improvements agreement for street, water, sanitary, and storm improvements in Cascade Ave. The applicant is to pay a proportionate share for future improvements via an improvement agreement with the City. Improvement Agreements, when allowed, shall be per City Standard form. The Improvement Agreement obligates the applicant and their heirs, successors and assigns to pay for and/or construct the improvement at such time as the City requests. An Improvement Agreement must be recorded in the deed records of Hood River County before building permit authorization. Road and public utility improvements in Cascade Avenue are anticipated to be constructed in years 2023-2024 (plus or minus one year).
9. **General:** All onsite utility lines within tax lots 6500, 6501 and 6502 including, but not limited to, those required for electric, communication, lighting and cable television services, and related facilities shall be placed underground, except for surface mounted transformers, surface mounted connection boxes and meter cabinets which may be placed above ground, temporary utility service facilities during construction, and high-capacity electric lines operating at 50,000 volts or above.
10. **Frontage Improvements:** The applicant is required to construct ADA compliant public sidewalks and driveways per HRES along the property's frontage on both Oak and Cascade Avenue. These improvements may need to extend up to 25' past the properties frontage for adequate transition.

11. **Frontage Improvements:** The City's TSP classifies Cascade Ave as a collector road. The TSP states collector streets (Figure 6D – Neighborhood Collector) are to have a standard required 60-foot ROW width. Per the TSP, the half-street section for Cascade Ave includes a 10-foot paved travel lane, 6.5-foot paved parking, two-foot (2') curb and gutter, 5-foot planting strip, and 6-foot setback sidewalks. The existing conditions are not compliant with the City Standards for collector streets. The existing ROW is approximately 60 feet and pavement width varies approximately 34-39-feet. The improvements required by the applicant shall include a 6' sidewalk, 5' planter strip, 2' curb and gutter and a minimum of 3' of pavement replacement along any reconstructed curb lines. Street improvements shall be extended a minimum of 25 feet beyond the limits of the project when transitions to existing conditions are necessary. The existing street parking can remain along the frontage.
12. **Frontage Improvements:** Cascade Ave is classified as a collector per the City's TSP. Per HRMC Table 13.28-A, the minimum spacing between driveways and public streets is 100 feet. The proposed driveway is located approximately 80 feet of 8th Street, when measured as straight full height curb from the end of driveway curb wing to end of intersection curb return. The nearest existing driveway to the east of this site is approximately 65', when measured as straight full height curb from the end of driveway curb wing to end of driveway curb wing. The applicant will need to request a design exception from the City Engineer.
13. **Frontage Improvements:** The City's TSP classifies Oak Ave/Historic Columbia River Highway US 30 as a minor arterial road. The TSP states minor arterial roads (Figure 6A – US 30 - 13th St to 7th St) are to have a standard required 53-foot ROW width. Per the TSP, the half-street section for Oak Ave includes a 12-foot paved travel lane, 3.5-foot paved shoulder, two-foot (2') curb and gutter, 3-foot planting strip, and 6-foot setback sidewalks. The existing conditions are not compliant with the City Standards for minor arterial roads. The existing ROW is approximately 60 feet and pavement width is approximately 34-feet. The improvements required by the applicant shall include a 6' sidewalk, 5' planter strip, 2' curb and gutter and a minimum of 3' of pavement replacement along any reconstructed curb lines. Street improvements shall be extended a minimum of 25 feet beyond the limits of the project when transitions to existing conditions are necessary.
14. **Frontage Improvements:** The applicant shall be required to consolidate the two existing entrances on Oak Street into one entrance. The existing Oak Street driveways do not meet the 300-foot spacing standard. The Oak Street block length between 8th Street and 9th Street is 300 feet, which would not allow any driveways based on the spacing standard. The proposed single site driveway on Oak Street would be approximately 85 feet from 8th Street and 170 feet from 9th Street. While the proposed site design does not meet the spacing standard, it will remove one driveway and increase the spacing from 8th Street.
15. **Frontage Improvements:** Trash enclosure should be located where it can be easily accessed by a garbage truck without affecting traffic on Cascade Avenue.
16. **Transportation:** This site is in the Interchange Management Zone for exit 63. A TAL dated 10/28/2021 has been submitted for the zone change. The TAL shows the proposed rezone is anticipated to have 11 PM peak trips (8 net new trips) and add no more than two evening peak hour trips to any IAMP study intersection, well below the 25 or more weekday evening peak hour trip threshold requiring additional analysis per HRMC 17.20.060I. A separate TAL dated 8/11/2022 has been submitted for the proposed mixed-use development. The proposed development is estimated to generate a daily total of 241 trips, 22 total a.m. peak trips, and 24

total p.m. peak trips. The daily trips generated are less than 250 trips, and the peak hour trips are less than 25 trips, meaning that the proposed expansion is expected to fall below the thresholds set in place by the City to trigger a full TIA.

17. **Grading:** Any grading, contouring, on-site surface drainage, and/or construction of on-site surface water storage facilities shall take place so that there is no adverse effect on neighboring properties, public rights-of-way, or the public storm drainage system. Graded areas shall be replanted as soon as possible after construction to prevent erosion.
18. **Stormwater:** Public Storm, 8” Clay, is available in Cascade Ave. The City’s Stormwater Master Plan shows the existing 8-inch storm pipe is undersized and needs to be replaced with a 24-inch pipe as part of CIP #20. The applicant’s proportionate share shall be part of the improvement agreement.
19. **Stormwater:** The site is altering more than 6,000 SF of impervious area: a stormwater management plan as described in the HRES will be required for this development. Provide water quality and quantity treatment for new and reconstructed impervious areas. Pre-development conditions for redevelopment will be fair, forest ground cover type per HRES 8.5.A. See HRES Chapter 8 for stormwater standards.
20. **Water:** Public Water, 6” Cast Iron, is available on Cascade Avenue.
21. **Water:** The applicant will need to install a new fire hydrant along the frontage of Cascade Avenue.
22. **Water:** The City has determined that the existing water main on Cascade Avenue may have fire flow capacity issues. The applicant is to conduct a hydrant flow test to see if there is sufficient capacity to serve the development. The existing hydrant at the NW corner of Cascade Ave and 8th St shall be flow tested and a theoretical fire flow at 20 psi shall be provided to the City with the submittal of Construction Site/ROW permit application. A temporary upgrade may need to be installed until such time that the deferred improvements along Cascade Avenue are completed. The applicant’s proportionate share shall be part of the improvement agreement.
23. **Sanitary Sewer:** Public Sanitary Sewer, 8” Clay, is available in Cascade Ave. The City anticipates replacing this sanitary sewer in 2023-2024 (plus or minus one year). The applicant’s proportionate share shall be part of the improvement agreement.
24. **Sanitary Sewer:** The City, as well as the current Oregon Plumbing Specialty Code (OPSC), requires that all FSEs have an adequately sized grease interceptor(s). The interceptor(s) shall be connected to all plumbing fixtures in the food preparation area including floor drains (not just the prewash sink).
25. **Sanitary Sewer:** In general, grease interceptors sized per the OPSC will need to be pumped or cleaned every 1 to 1.5 months. The City recommends installation of grease interceptors that are large enough to only require being cleaned every 90 days. The applicant is encouraged to talk to their mechanical contractor to determine what their estimated grease cleaning frequency shall be. A useful link to estimate the pumping frequency of the FSE for various grease interceptor sizes can be found at <http://schierproducts.com/sizing>

26. **Sanitary Sewer:** Per HRMC 12.03.260 (a) states that “Discharges into the city system shall be subject to periodic inspection sampling and an analysis of character and concentration of discharge. The inspection sampling and analysis shall be made as often as deemed necessary by the City Engineer.” HRMC 12.03.260 (c) also states: “Proper sampling locations shall be provided by the owner and access to the sampling locations shall be granted to the City Engineer at any reasonable time, upon request.” Therefore, FSE’s shall install an external monitoring port for City staff to inspect flows and fats, oils, and grease (FOG) emitting from the FSE. The applicant must provide the City a sampling location with unfettered and safe access as determined by the City Engineer. The location shall allow for easy access to the applicant’s effluent for flow measurements and sampling as determined by the City Engineer. The applicant shall sign a right-of-entry agreement as supplied by the City, which will give the City legal right to enter the applicant’s property to access the sampling station to perform inspections of the applicant’s effluent as deemed necessary by the City Engineer or his representatives. If an outside grease interceptor is provided, it can be used as a monitoring port if the outlet of the grease interceptor is easily accessible and visible from the ground. If an outside grease interceptor is not provided or the outlet cannot be easily inspected then an external monitoring port shall be provided. Contact public works for the sampling port details.
27. **Sanitary Sewer:** Existing facilities performing improvements shall provide a covered containment area for their trash enclosure. If an area drain with a connection to a grease trap and the sanitary sewer is deemed infeasible by the City Engineer, then the FSE shall create a FOG containment area with an inward sloping floor and a catch basin sump to capture leaking fluids from the trash enclosure. The configuration shall be designed so that several inches of FOG shall be trapped in the containment area without any leaving the area. The containment area shall be frequently inspected and manually cleaned. The FSE shall work with the solid waste collection company to insure adequate accessibility. In no case shall FOG be allowed to enter the City’s stormwater system, directly or indirectly.
28. **Sanitary Sewer:** The FSE shall designate where their Yellow Grease shall be stored. If it is not to be stored inside the building or in the trash containment area, then the FSE shall create an additional containment area for the Yellow Grease conforming to the same requirements of the trash enclosures. In no case shall FOG be allowed to enter the City’s stormwater system, directly or indirectly.

Thank you,

Wade Seaborn, PE
City Engineer

Andrey Chernishov, PE, CWRE
City of Hood River Engineering



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A WORKFORCE HOUSING COMPANY

August 22, 2022

Planning Commission
City of Hood River
211 2nd Street
Hood River, OR 97031

Dear Commissioners,

Please accept my appreciation for the time you've committed to considering our petition to rezone the property located at 715 Cascade Ave in downtown Hood River. Through this process my team and I have had the opportunity to listen to a range of feedback from yourselves and our community, some supportive of our proposal and some expressing concerns. We've given a great deal of thought to this feedback and would like to offer our responses for your further consideration.

Question 1: Might these apartments become Short Term Rentals (STRs) like several Condos across Cascade at The Lodge or some of the Ethan Beck townhomes on Oak?

Answer 1: While we've expressed our disinterest in operating apartment rentals as STRs, we hear the trepidation expressed about the proliferation of STRs displacing available homes. We volunteer to accept a condition of approval stipulating that we will not apply for a STR license for any of the units in the rezoned. This is an unprecedented offer that to our knowledge, no developer has ever offered in Hood River and demonstrates our commitment to building rental housing availability in our community.

Question 2: Won't the developer just wait until after the rezoning is granted then knock down the existing 12 units on Oak and put another larger new building there?

Answer 2: We've done the analysis regarding whether it makes sense to keep the existing multifamily building on Oak St. It does not make sense financially for us to demolish a functional existing structure that has a reasonable number of occupied units. We are willing to commit, again via a condition of approval, to leaving the existing structure in place for ten years barring unforeseen disaster (EG: fire, flood, earthquake, etc) that renders its ongoing operation untenable.

Question 3: Is the mixed use application of the building beneficial? Does the extra height that is allowed for mixed use under C-2 zoning make a difference in terms of the number of dwellings and or quality of life for renters?



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Answer 3: The mixed-use design of this building allows for three significant benefits to the community and to tenants. Please see architectural design sheet A.12 for illustrations of top floor layout and sheet A.07 for parking concept.

1. The top story includes 3,177 square feet of residence space (not counting common areas). As proposed, these residences include (1) one-bedroom apartment, (2) two-bedroom apartments, and (1) three-bedroom for a total of four dwellings. During the past decade, during which more than 1300 residents have moved to the city of Hood River, to our knowledge 32 new multifamily dwellings have been constructed. We are not only not keeping up, we are falling behind, and four dwellings available for long term rental is meaningful.
2. The top story also includes 485 square feet of common roof deck which will be available to all residents as a shared outdoor amenity. This deck will be ADA accessible and enjoys a beautiful view of the Columbia River Gorge. It is a key amenity for renters who as a demographic are too often priced out of homes with this view in our community.
3. The ten-foot height allowance makes feasible a podium structure which allows parking to be located to the rear of the building, and also frees space for 7 on-site parking spots (including one ADA) under the building's Southern elevation.

Question 4: Comments were noted from the landlord owning the C-1 zoned single family detached rental dwelling at the corner of 8th and Cascade, as well as the Hawaii resident who owns the C-2 zoned lot currently rented to Evoke Winery whether the zone change from C-1 to C-2 would increasing massing and thereby affect the neighborhood feel and potentially views.

Answer 4: The current zoning (C-1), allows for significantly larger footprints than what is proposed. To mitigate the effect of the marginal 10 feet of height, and to reduce the apparent mass of the building from its frontage on Cascade Ave, particularly to the West, a significant setback was introduced reducing the apparent height of the building from Cascade. The benefit of this design approach is illustrated below:



2204 Sherman Ave, Hood River, OR 97031

Phone: 503.887.4372



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Question 4: What about parking? Some feedback expressed concern that street parking would be inadequate, particularly during tourism season.

Answer 4: As workforce housing developers, we are focused on how to provide housing availability. This is why we focus on (e)bike accessibility for renters, car share availability on site, and still provide 72% of our units with on-site parking spots.

Much ink has been spilled by policy organizations over how off-street parking requirements raise housing costs (up to 17% according to Housing Policy Debate, 2016), create heat deserts, and are dramatically overbuilt. For specific discussion on the parking requirement debate, please see publications submitted to the record by Pew (document [PewParking.pdf](#)), The American Planning Association ([PlanningParking.pdf](#)), and a nice summary article that ran in The Atlantic titled [How Parking Destroys Cities \(ParkingDestroys.pdf\)](#).

More directly applicable is the fact that there is demonstrably plenty of parking available. In Hood River's municipal parking lots, including the Columbia lot less than 1 block from our proposed site, there are **65 monthly spots** available right now for anyone who does not want to utilize street parking (see document titled [Monthlyparking.pdf](#)). This indicates that if some our residents don't want to, or cannot find street parking to use, they can have an off-street option for \$25/month per car readily available.

If it were deemed that residential parking is heavily impacted during peak season by tourists that allowing apartment dwelling residents to utilize street parking was rendered impractical, there is an existing (though unused) ordinance available to remedy the problem. HRMC 10.42 authorizes the establishment of Residential Parking Districts in which street parking would be limited to permanent residents displaying permits attesting to their residential status. This would stabilize the number of vehicles seeking to park in residential districts and eliminate the perception of street parking shortage.

From: Doris Contreras <D.Contreras@cityofhoodriver.gov>
Subject: RE: Monthly parking at municipal facilities
Date: August 19, 2022 at 9:37 AM
To: Lash Ulmer <lulm@columbiagorgecapital.com>

Good Morning,
Of course !

Front lot = 21 spaces, currently 0 available
State lot= 28 spaces, Currently 0 available
Cascade lot =25 spaces, we oversell by 25 spots and currently 0 available
Columbia lot= 180 spaces. Currently about 43 spaces available
Road side Metered permits = 20 active, not selling any more.
Oak ST. APT = 16 active apartments (only for Oak ST Apartments)
Cascade Lofts= 4 spaces. Currently 0 available

Hope this works !
Thank You.

Doris Contreras

Parking/ TLT Clerk
211 2nd Street ·
Hood River, OR 97031 ·
P 541-387-5260
CityofHoodRiver.gov





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A note on equity and current as well as historic barriers to housing. Practitioners in housing affordability and policy makers alike are familiar with the challenge NIMBY activism represents. According to the Urban Institute (see [Urban.pdf](#)) the home ownership gap since the great recession has increased to its highest level in 50 years, standing at 30.1%. Stated plainly, policies and outcomes that result in lower levels of available rental housing disproportionately impact Americans of color (see [BPJ.pdf](#)).

Indeed, our current Hood River apartment building is tenanted by a significantly greater percentage of BIPOC residents than the city at large. Also notable is that persons who rely the most heavily on multifamily housing such as young adults, and people and families experiencing employment insecurity, are least empowered to advocate for the housing they need. I sincerely believe that our project can and will move us closer to our shared objective of reducing housing insecurity in Hood River for all of our citizens, not just those fortunate enough to have a secure and affordable place to live already.

Cal and I, along with our architect and building crew are a team of housing professionals who are passionate about, and dedicated to building better livable communities. There is only one way that we as a community will continue to be the vibrant, energetic, and interesting place that we love to call home. That is if our children can decide when they grow up that for them, Hood River can be more than a memory of a happy childhood. If we don't make space for them, that won't happen.

I hope we've answered the questions we received adequately and I look forward to responding to any follow on items during the following phases of this process.

Very Respectfully,

Lach R. Litwer



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Multifamily Residences At 715 Cascade Ave.

Proposal For Conditional Use & Commercial Zoning Adjustment

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- Downtown Business District
- Not Historic District
- 21 New Residences
 - 1bd
 - 2bd
 - 3bd
- 12 Existing Residences
 - 1bd
 - 2bd
- 716 Square Feet Retail
- Parking below and behind
- Existing Apartments Remain
- Existing Tenants Stay

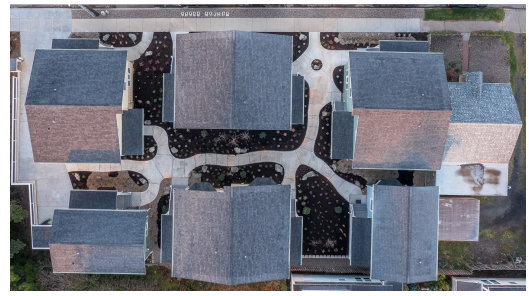


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A Few Notes About Us!

Public or private funding, who are we, what have we done, why do we do it, and are we secretly Airbnb?





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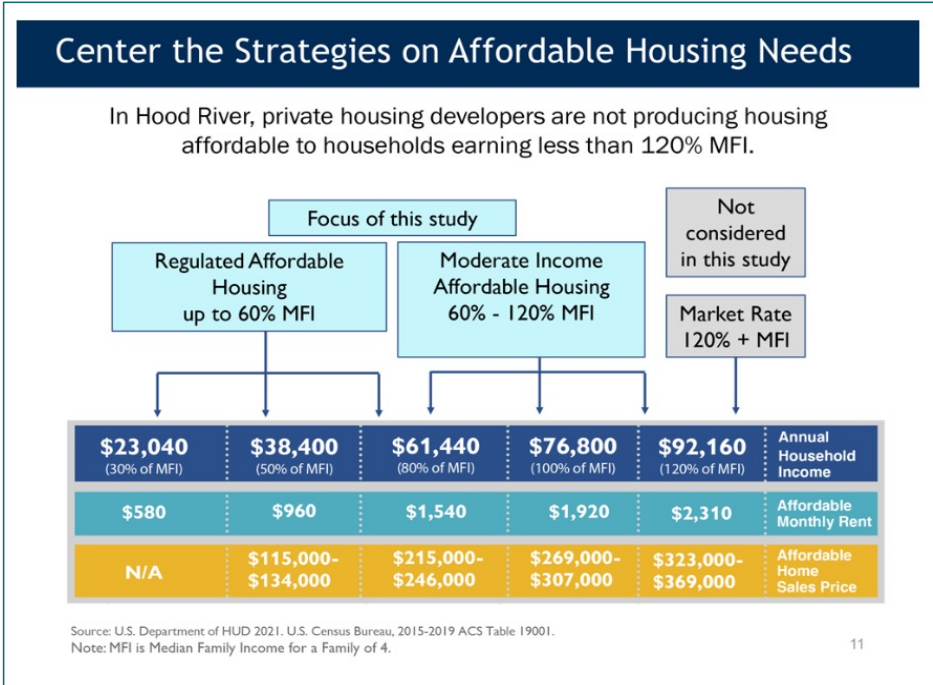
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Existing 12 Units rent range: \$1150- \$1400

Hood River Workforce Housing Affordability

- 100% FMI= \$1920
- 80% FMI= \$1536
- 60% FMI= \$1152



Graphic from City of Hood River, Affordable Housing Strategy:
<https://cityofhoodriver.gov/planning/affordable-housing-strategy/>

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What Does C-1 (Current Zoning) Development Allow?

- Short Term Rentals
- Furnished Units and B&Bs
- Professional Office Buildings
- Residential (limited capacity)
- Day Care Facilities
- Paid Parking
- Medical Facilities
- Utilities & Pumping Substations



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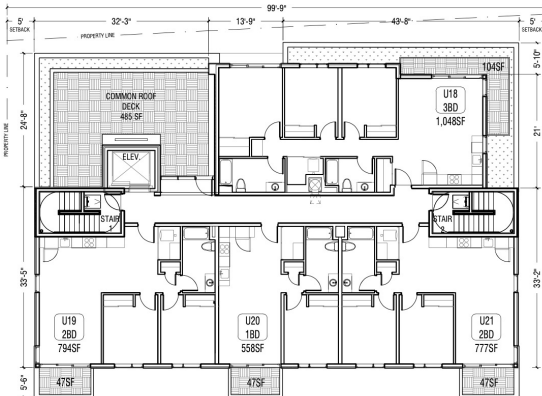
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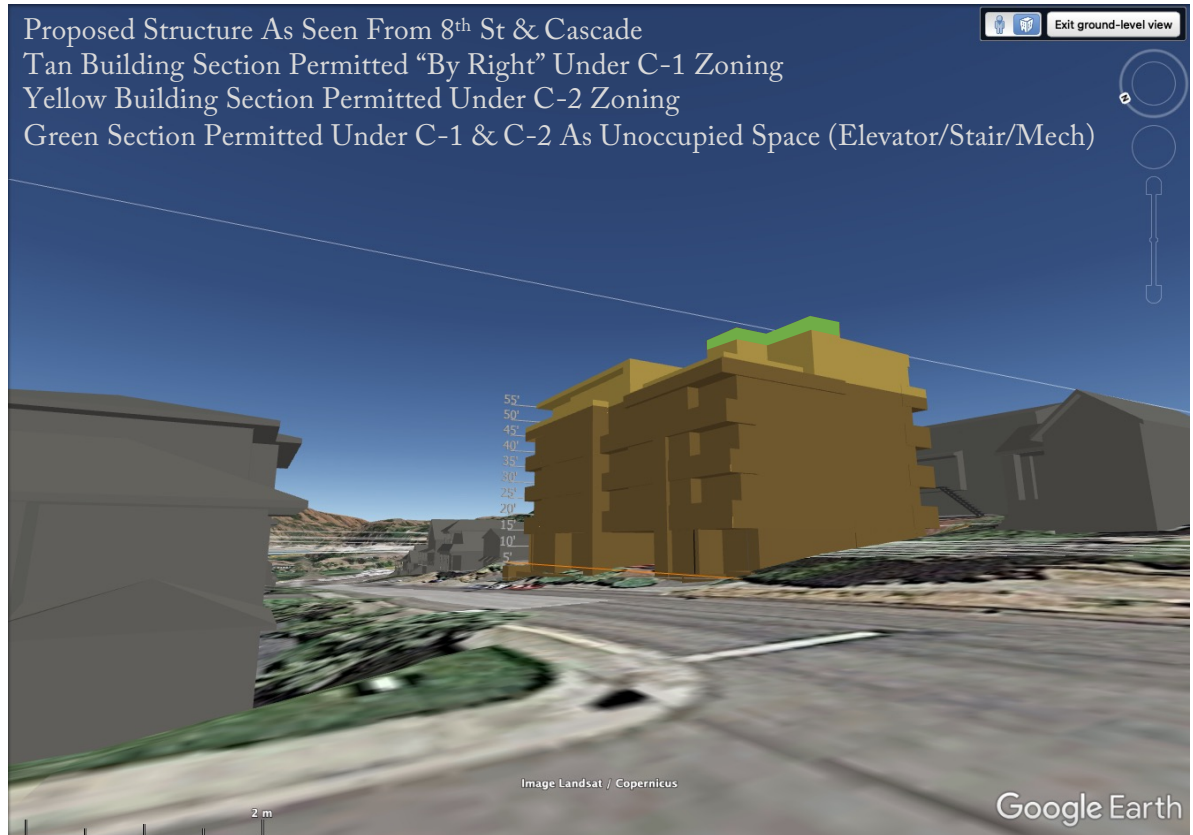
What Does C-1 (Current Zoning) Development Allow?

C-2 Enables 4 Additional Rental Units (one 3BR, two 2BR, one 1BR) As Well As Common Roof Deck.

C-2 Does Not Significantly Alter The Building's Apparent Mass.



Proposed Structure As Seen From 8th St & Cascade
Tan Building Section Permitted "By Right" Under C-1 Zoning
Yellow Building Section Permitted Under C-2 Zoning
Green Section Permitted Under C-1 & C-2 As Unoccupied Space (Elevator/Stair/Mech)



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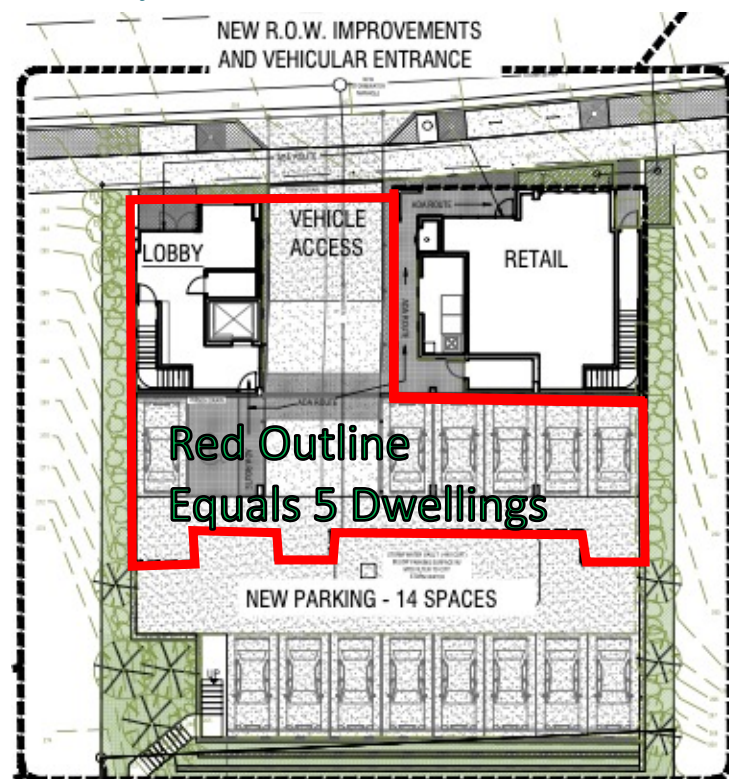
Why Are We Here Today?

Reason #1 Why Rezone?

- Density = Affordability
- C-1 Max Units Allowed = 3 New Dwellings
- C-2 Max Units Feasible = 21 New Dwellings
- C-2 No Max Unit Cap or Min-SQFT/unit rule

Reason #2 Why Mixed Use?

- Preserves On Site Parking
- Protects Residential Unit Count
- Possible Amenity For Residents
- Creates Driveway, Without Cutting Residences



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Why Are We Here Today?



Podium Design Preserves Parking
Mixed Use Height Bonus Preserves Dwellings

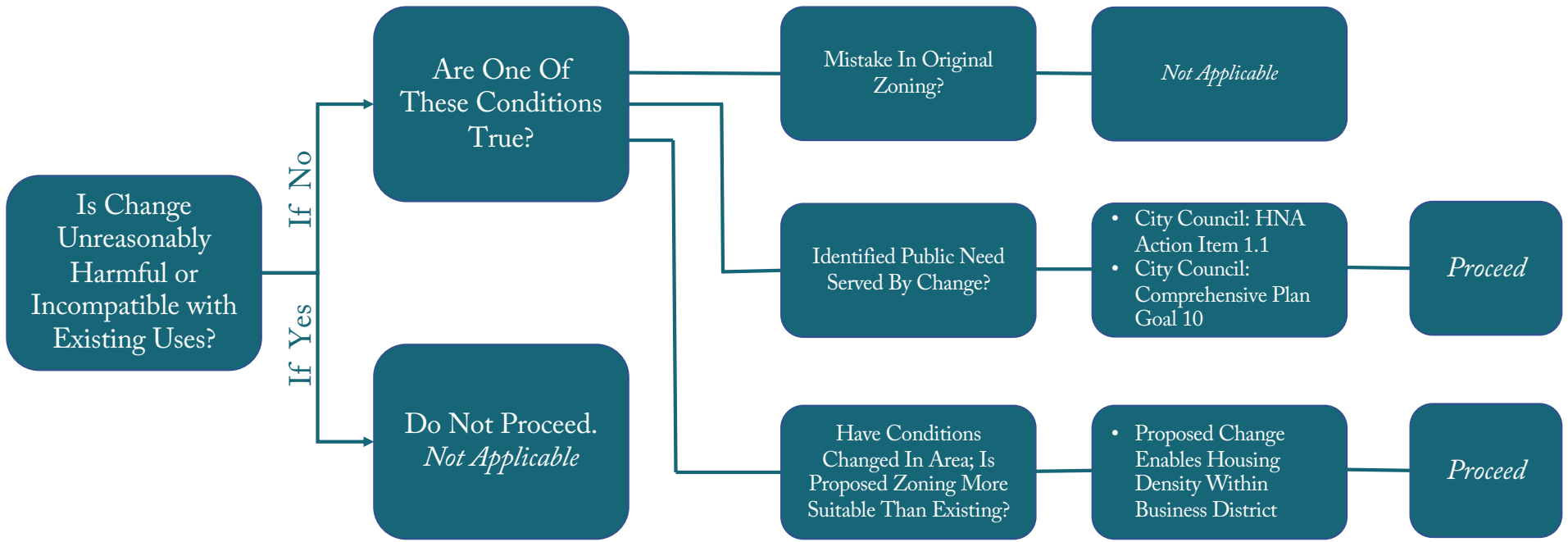


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Quasi-Judicial Zone Change Criteria: 17.08.040

Zone changes may be approved if **subjective criteria** met:



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Criteria 1:

Q: Is Change Unreasonably Harmful Or Incompatible With Existing Uses?

A: Proposed Site Is Surrounded By C-2 and C-1 with compatible & similar uses.
Existing uses include :

- 1) Proposed Site
- 2) Evoke Winery
- 3) Hood River Suites Hotel
- 4) Bed & Breakfast
- 5) The Lodge, 28 Condo Multifamily & Short Term Rentals
- 6) Legacy SFD Residence
- 7) Existing Multifamily
- 8) Confectioner
- 9) Ethan Beck Townhomes & Short Term Rentals



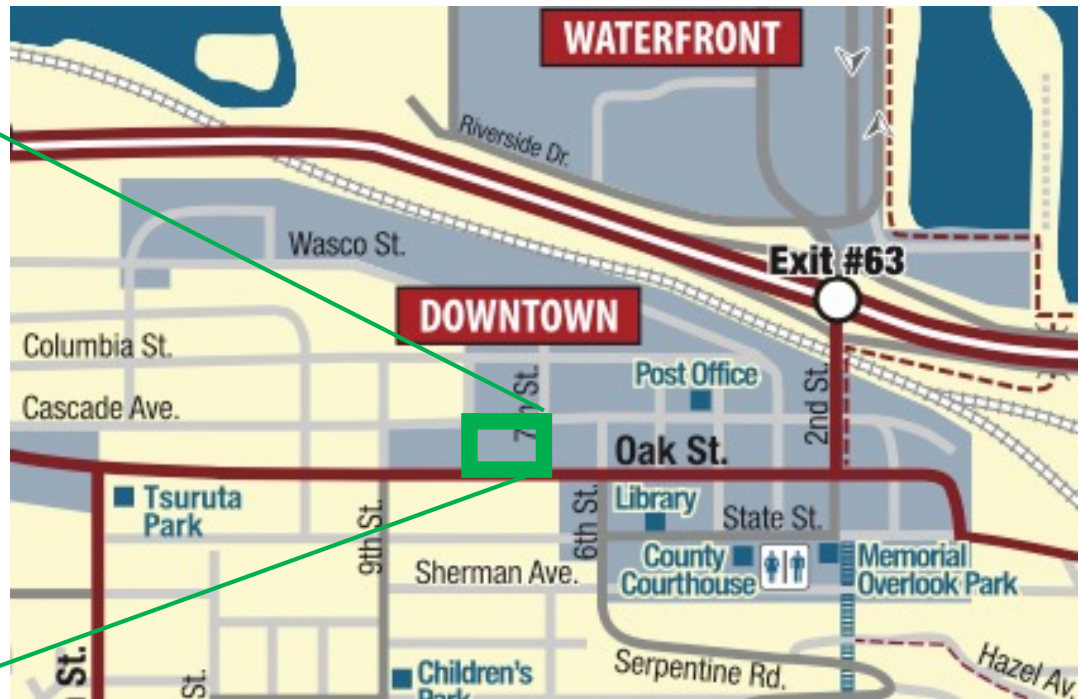
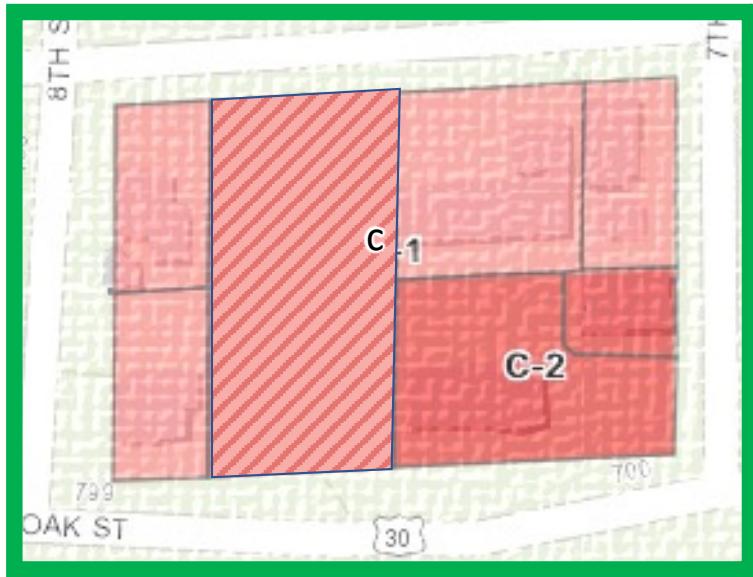
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Downtown Business District

Is Mixed Use Development Appropriate?



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Criteria 2:

Are One Of These Conditions True?

Mistake In Original Zoning?

Not Applicable

Identified Public Need Served By Change?

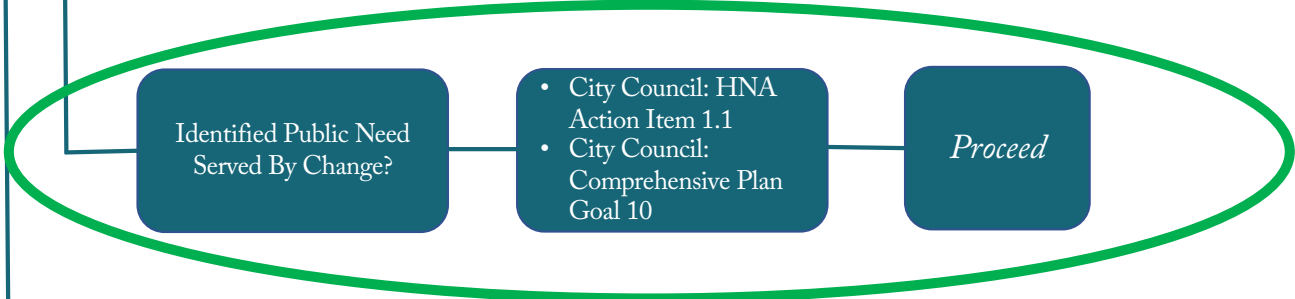
- City Council: HNA Action Item 1.1
- City Council: Comprehensive Plan Goal 10

Proceed

Have Conditions Changed In Area; Is Proposed Zoning More Suitable Than Existing?

- Proposed Change Enables Housing Density Within Business District

Proceed



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Criteria 2:

Identified Public Need
Served By Change?

- City Council: HNA Action Item 1.1
- City Council: Comprehensive Plan Goal 10

Proceed

Identified Public Need

Housing Needs Analysis Need:
297 dwellings to be located in C-2 on
upper stories of mixed use buildings

HNA Action Item 1.1 directs the city to:
“identify land land to rezone to allow
moderate and high-density single family
detached and multi-family development”

Is Need Served?

HNA Action Item 1.1: When
selecting land to rezone, the City of
Hood River should focus on land
that is vacant, along transportation
corridors, with existing water
service, and in areas with current or
planned access to retail and services

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Criteria 2:

Identified Public Need
Served By Change?

- City Council: HNA
Action Item 1.1
- City Council:
Comprehensive Plan
Goal 10

Proceed

Identified Public Need

Is Need Served?

Goal 10: Applicable Goals And Policies

- To Provide For The Housing Needs Of The Citizens Of Hood River.
- The City Will Promote And Encourage The Maintenance Of Existing Housing, The Rehabilitation Of Older Housing, And The Development Of A Mixture Of Sound, Adequate, New Housing Types To Meet The Needs Of All Segments Of The Population.
- The Application Of New Technology, Greater Freedom Of Design, Increased Population Densities, And Economy Of Land Use Will Be Encouraged.

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Criteria 3:

Are One Of These Conditions True?

Mistake In Original Zoning?

Not Applicable

Identified Public Need Served By Change?

- City Council: HNA Action Item 1.1
- City Council: Comprehensive Plan Goal 10

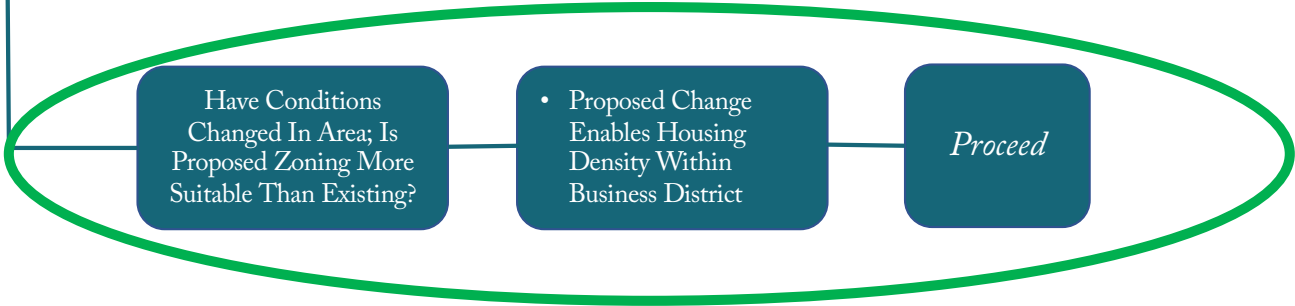
Proceed



Have Conditions Changed In Area; Is Proposed Zoning More Suitable Than Existing?

- Proposed Change Enables Housing Density Within Business District

Proceed



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Criteria 3:

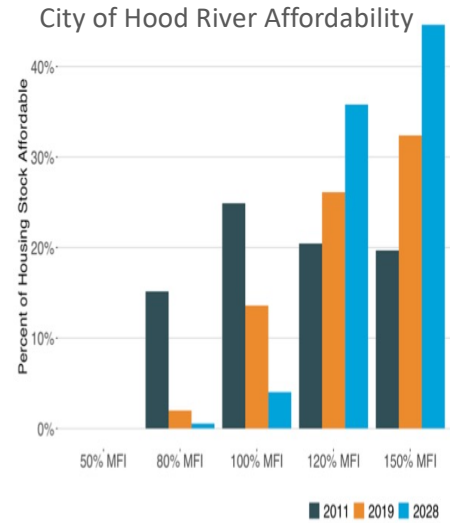
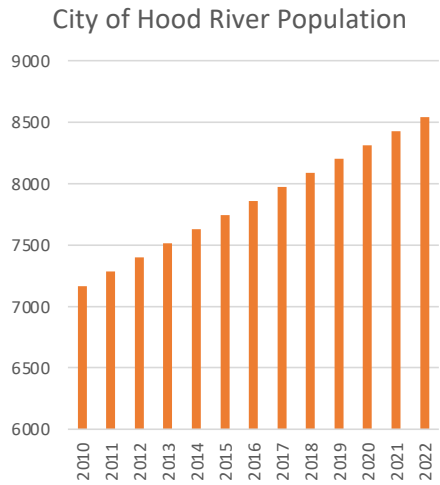
Have Conditions Changed In Area; Is Proposed Zoning More Suitable Than Existing?

- Proposed Change Enables Housing Density Within Business District

Proceed

Have Conditions Changed?

Is Proposed Zoning More Suitable?



C-2 Zoning Is More Suitable

- No Min SQF Per Dwelling
- Enables Densification & Multifamily Housing Called For In Goal 10.
- Equals 18 more units than C1 here

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17.08.040 Criteria

Are **One** Of These Conditions True?

Mistake In Original Zoning?

Not Applicable

Identified Public Need Served By Change?

- City Council: HNA Action Item 1.1
- City Council: Comprehensive Plan Goal 10

Proceed



Have Conditions Changed In Area; Is Proposed Zoning More Suitable Than Existing?

- Proposed Change Enables Housing Density Within Business District

Proceed



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Additional Factors:

Public Health

Safety

Welfare

Character Of Area

Peculiar Suitability For Particular Purpose

Conservation Of Property Values

Direction Of Building Development

Stability >

Quality & Safety >

Affordability >

Neighborhood >

HEALTH OUTCOMES
&
HEALTH CARE COSTS

<https://www.healthaffairs.org/doi/10.1377/hpb20180313.396577/>

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Attainable Housing Promotes Positive Health Outcomes

<https://www.healthaffairs.org/doi/10.1377/hpb20180313.396577/>

Stability Pathway > Within a population of nearly 10,000 people in Oregon with unstable housing, the provision of affordable housing [decreased Medicaid expenditures](#) by 12 percent. At the same time, use of outpatient primary care increased by 20 percent and emergency department use declined by 18 percent for this group.

Quality & Safety > In-home exposure to lead irreversibly [damages the brains and nervous systems](#) of children. Substandard housing conditions such as water leaks, poor ventilation, dirty carpets, and pest infestation have been [associated with poor health](#) outcomes, most notably those related to asthma. Additionally, [exposure to high or low temperatures](#) is correlated with adverse health events, including cardiovascular events—particularly among the elderly. [Residential crowding](#) has also been linked to both physical illness (for example, infectious disease) and psychological distress



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Attainable Housing Promotes Positive Health Outcomes

Affordability Pathway > Given a choice between paying for Healthcare, Nutrition, or Housing, housing is usually is the highest priority bill for families. Health, education, and professional attainment outcomes, particularly for children are dramatically enhanced when affordable housing is available.

Neighborhood> Access to safe transportation (particularly no-car), groceries, and parks highly correlated with good outcomes. Social characteristics such as segregation, crime, and social capital are less visible, but potentially more determinative in outcomes for children. This neighborhood is the right place for moderate income housing such as this.

For Further Reading On the Nexus Between Housing Affordability And Health Outcomes, Please See The Health Policy Brief Titled “Culture Of Health” Submitted With This Document To The Record As: “HPB.pdf”

Or Visit:

<https://www.healthaffairs.org/doi/10.1377/hpb20180313.396577/>



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Additional Factors:

Public Health



Safety



Welfare

Character Of Area

Lifetime Odds Of Death By Cause, US 2020

Motor-Vehicle Crash: 1 in 101

Pedestrian Incident: 1 in 541

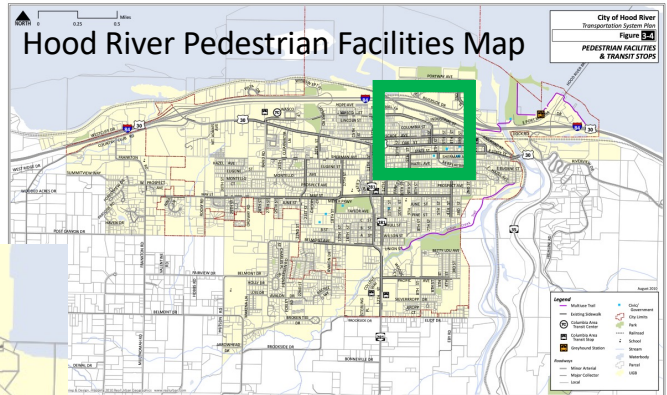
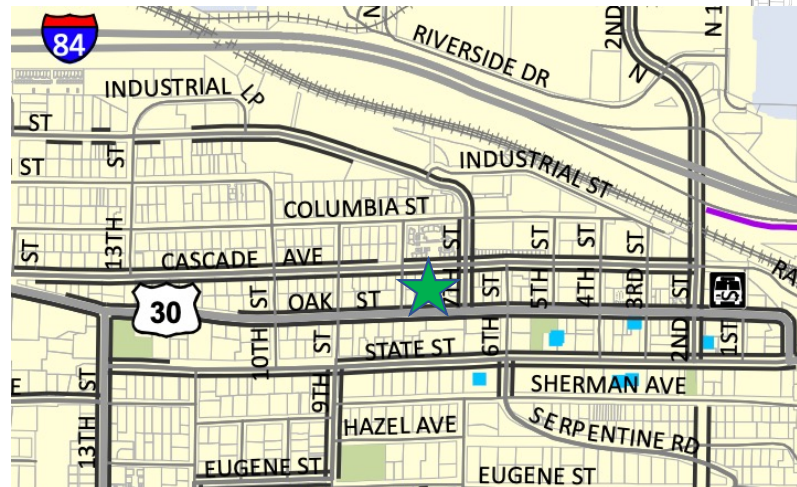
Bicyclist: 1 in 3,396

<https://injuryfacts.nsc.org/all-injuries/preventable-death-overview/odds-of-dying/>

Peculiar Suitability For Particular Purpose

Conservation Of Property Values

Direction Of Building Development



Safety Strategy #1

Reduce Number Of Vehicle Trips

Safety Strategy #2

Site Housing With Pedestrian Infrastructure Such As Sidewalks

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Additional Factors:

Public Health



Safety

Welfare

Character Of Area

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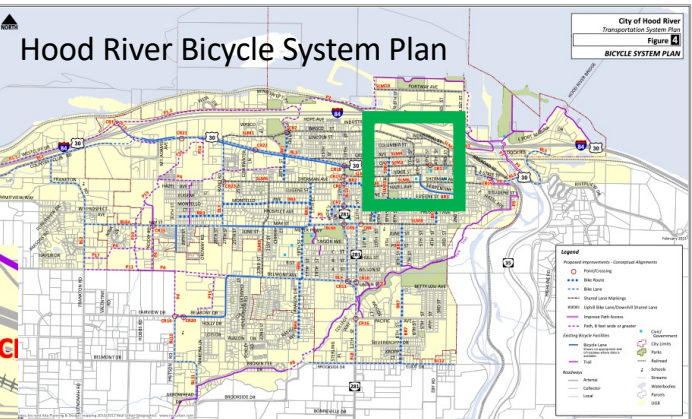
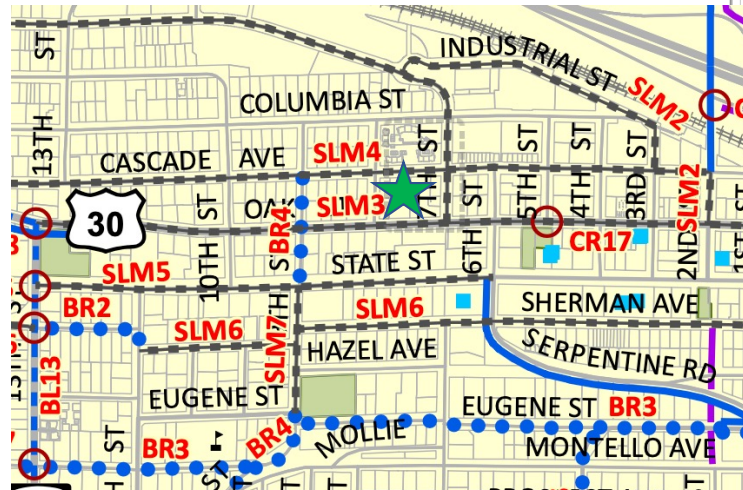
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Peculiar Suitability For Particular Purpose

Conservation Of Property Values

Direction Of Building Development



Safety Strategy #3

Increase Bike Access For Renters

Safety Strategy #4

Site Housing With Marked Or Dedicated Bike Lanes

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Additional Factors:

Public Health



Safety



Welfare

Character Of Area

Peculiar Suitability For
Particular Purpose

Conservation Of
Property Values

Direction Of Building
Development

Welfare Is Not A Defined Term In Code. However;

- Too Many Residents With Insecure/Expensive Housing
- Too Many Businesses That Can't Attract/Retain Employees
- Density Is The Only Path To Avoid Unconstrained Sprawl

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Additional Factors:

Public Health



Safety



Welfare

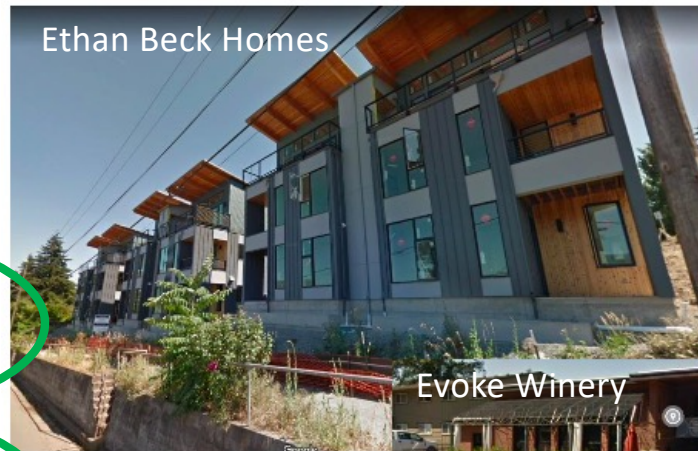


Character Of Area

Peculiar Suitability For Particular Purpose

Conservation Of Property Values

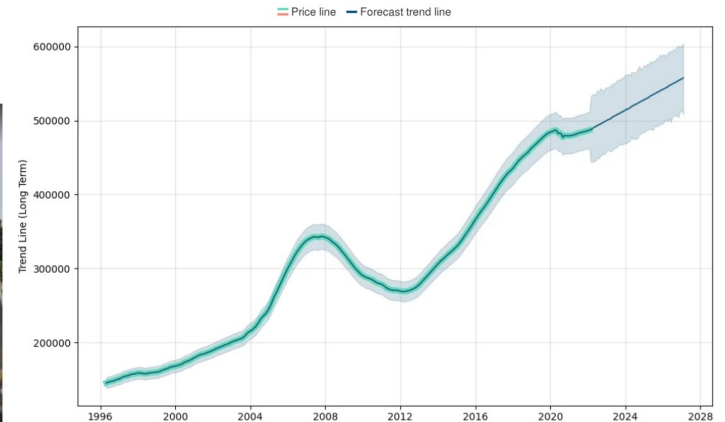
Direction Of Building Development



Ethan Beck Homes



Evoke Winery



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Additional Factors:

Public Health



Safety



Welfare



Character Of Area

Peculiar Suitability For Particular Purpose

Conservation Of Property Values



Direction Of Building Development



HNA Action Item 1.1: When selecting land to rezone, the City of Hood River should focus on land that is vacant, along transportation corridors, with existing water service, and in areas with current or planned access to retail and services



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Additional Factors:

Public Health ✓

Safety ✓

Welfare ✓

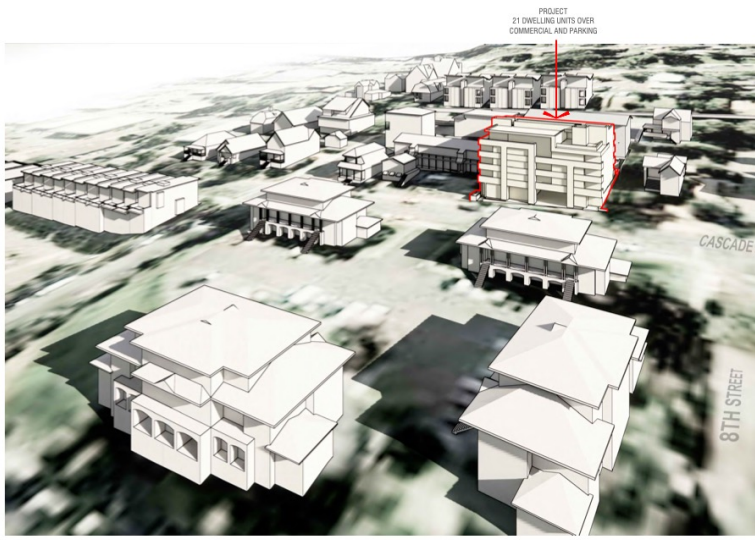
Character Of Area

Peculiar Suitability For Particular Purpose ✓

Conservation Of Property Values ✓

Direction Of Building Development ✓

Mixed Use Character In the Downtown Business District



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17.08.040: Additional Factors:

Public Health



Safety



Welfare



Character Of Area



Peculiar Suitability For
Particular Purpose



Conservation Of
Property Values



Direction Of Building
Development



The Hearing Body Shall Consider Factors Pertinent To The Preservation And Promotion Of The Public Health, Safety, And Welfare, Including, But Not Limited To:

- The Character Of The Area Involved.
- It's Peculiar Suitability For Particular Uses.
- Conservation Of Property Values; And The Direction Of Building Development.

Petitioner Submits Additional Factors Are Addressed

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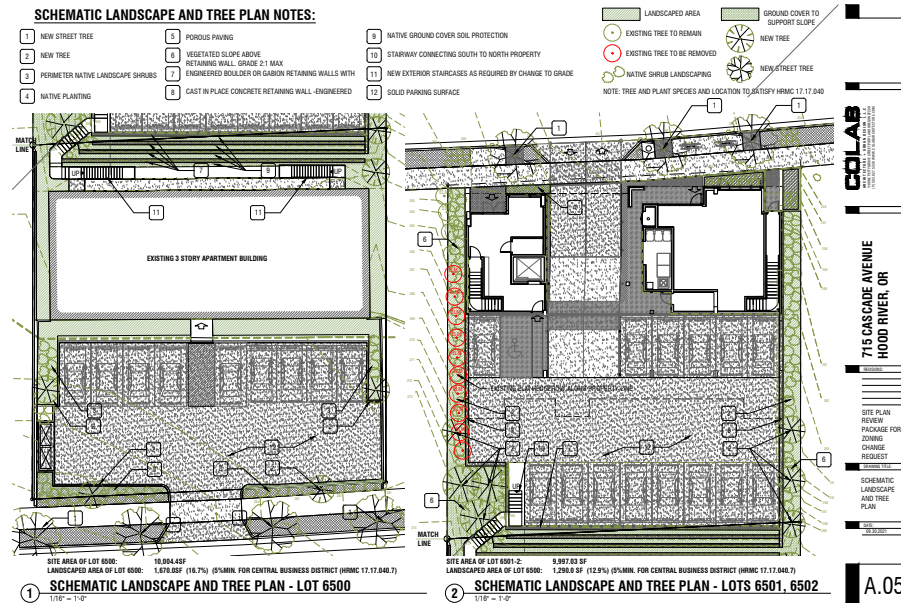


Landscaping And Development Standards: 17.17

As A Proposed Conditional Use, Landscaping Requirements Apply:

Key Considerations

- Requirement: (986 SQFT) 5%
- Proposed: 2,960 SQFT
- Cascade & Oak Frontages
- New Sidewalks And Street Trees
- Native Trees, Shrubs, And Groundcover



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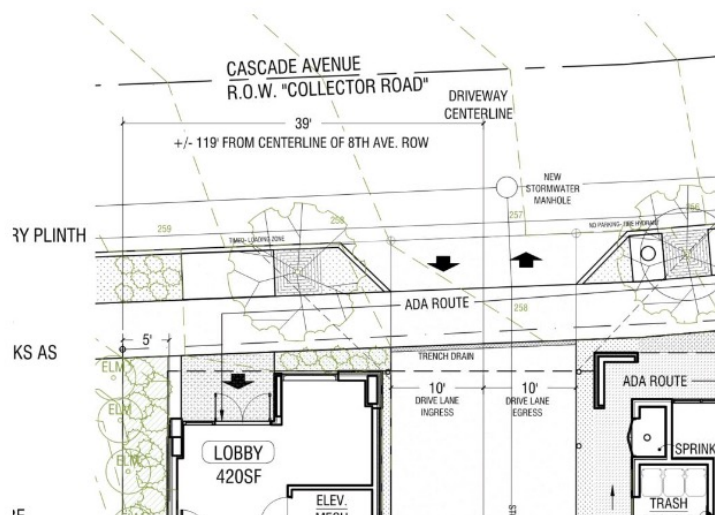


Transportation Circulation & Access Management: 17.20

Because Proposal Affects Public Transport Systems, These Standards Apply:

Standards

- Access Spacing
- Joint And Cross Access
- Driveway Design
- Phased Development
- Nonconforming Access Features & Reverse Frontage
- Access Within IAMP Overlay Zone
- Bicycle Parking



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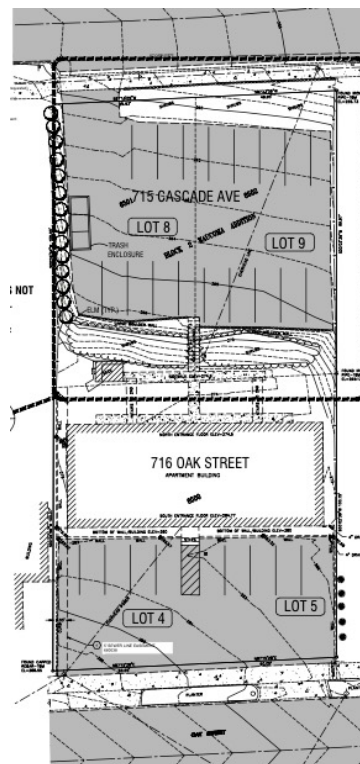


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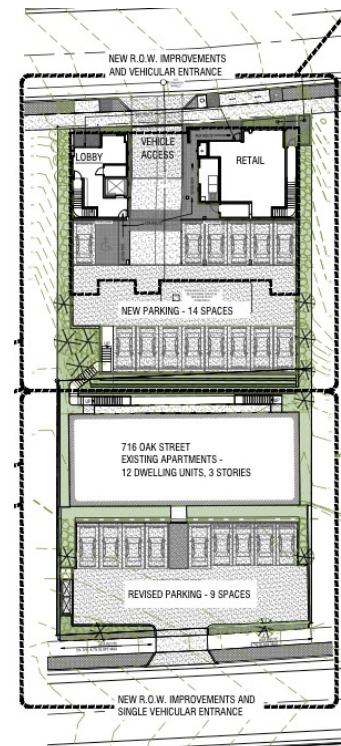
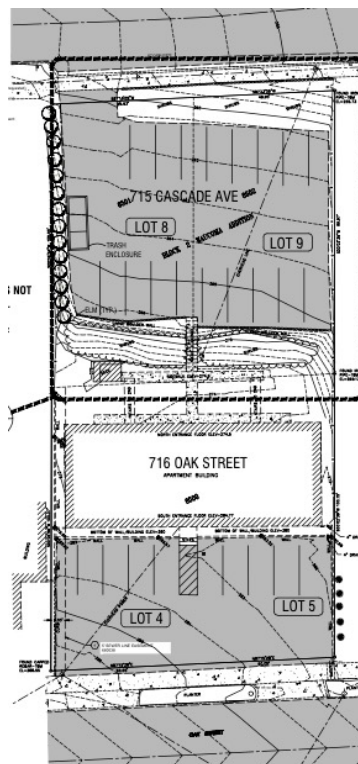


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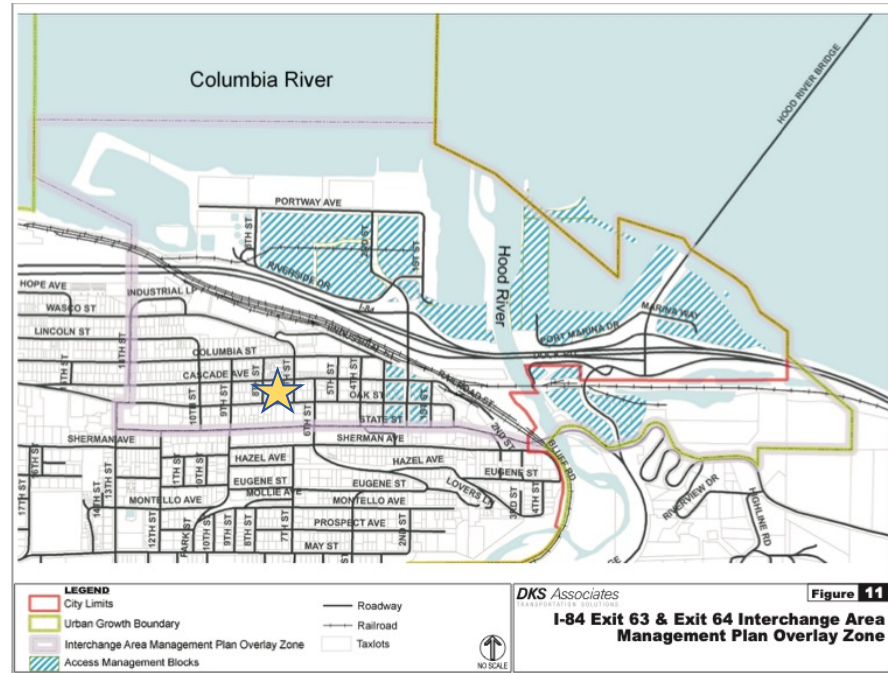


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COLUMBIA GORGE CAPITAL

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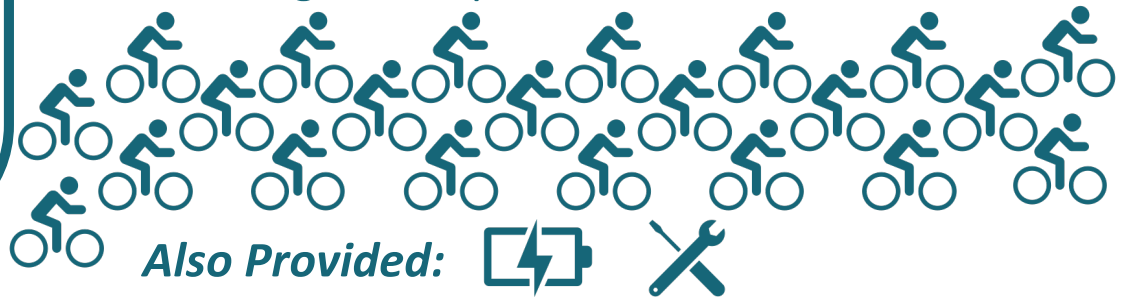
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Use Categories	Specific Uses	Long-term Spaces (Covered or Enclosed)	Short-term Spaces (Near Building Entry)
Residential Categories			
Household Living	Multi-family	1 per 4 units	2, or 1 per 20 units

Required Long-Term Spaces (21 Units):



Provided Long-Term Spaces:



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Site Plan Review (17.16) Triggered By Proposed Conditional Use (17.06)

Site Plan Review For Needed Housing Requires These **Clear And Objective Criteria** To Be Met:

Conditional Use Approval

- Impact
 - Harmful Effects
 - Bicycle & Pedestrian Circulation, Access And Safety
- Nuisance
- Plan Consistency
- Scale
- Transportation
- Landscaping
- Performance Bonds
- Burden of Proof
- Final Plans

Site Plan Review

- Natural Features
- Grading
- Public Facilities
- Traffic And Circulation
- Storage
- Equipment Storage
- Orientation
- Parking



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The Fine Print:

Harmful Effects Is Not A Clear And Objective Standard: Limited Applicability To Housing Project (ORS 197.303)

Retail Component consists of <4% of total floor area, of limited impact.

However, Measures Taken To Mitigate Impact Include:

- Designed To Avoid Neighbor's North Views
- Fully Enclosed Trash & Recycling
- Building Cladding Chosen to Reference Both Commercial/Residential Design Aesthetic
- Top Story & Corner Units Cut Back To Reduce Massing
- Parking Located Entirely At Building Rear

Bicycle & Pedestrian Circulation Access And Safety Addressed Previously

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Nuisance:

Detriment To Health, Safety, Or Welfare Of Specified Individual Or Public At Large.

This Proposed Development Will Not Cause Any Odors, Vibrations, Or Traffic Beyond Normal And Expected In C-1 Or C-2 Zoned Areas. Construction To Occur In Compliance With HRMC 8.08.040.A

Plan Consistency

Proposal Provides Approximately 7% Of The Mixed Use Multifamily Called For In The HNA. It Is Consistent (As Previously Discussed) With HNA AI 1.1, And Goal 10 Comprehensive Plan Objectives As Approved By City Council.



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- Final Plans

Scale, Clear And Objective Requirements:

- Configuration Towards The Street
- Landscaping Improvements
- Parking For Residents
- Proximity To Open Space
- Proximity To Transit And Services
- Shared Access & Pedestrian and Landscape Facilities In ROW



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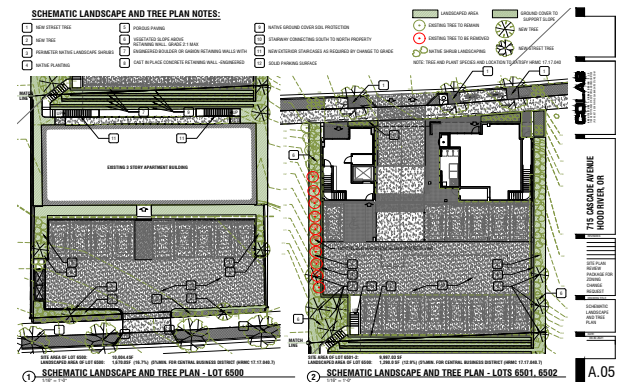
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Building Is Configured Toward The Street

Landscaping Discussed Previously In HRMC 17.17



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- Shared Access & Pedestrian and Landscape Facilities In ROW



- 23 Off Street Spots
- 1 Additional Dedicated ADA Off Street Spot
- Parking Ratio: .72 HRMC 17.24 & Ordinance 2056: 23/44 Onsite And 21 In-Lieu
- 22 Indoor (e)Bike parking spots w/ power
- EV Charging
- Car Sharing

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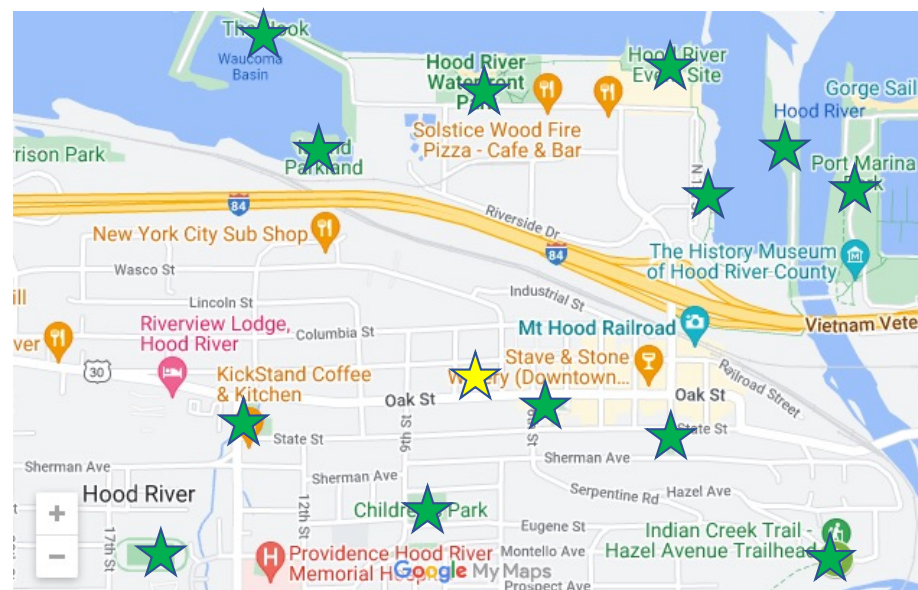
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- Proximity To Open Space
- Proximity To Transit And Services
- Shared Access & Pedestrian and Landscape Facilities In ROW

Lots Of Parks & Open Spaces In Walking Distance





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- Shared Access & Pedestrian and Landscape Facilities In ROW

- Oak Street Arterial Corridor
 - Cascade Ave Collector Street
 - 7th St
 - Wasco Street
- Access Through
 - Public Transit
 - Dedicated Bike Lanes
 - Pedestrian Infrastructure
- Services & Employers < 1 Mile
 - Safeway .9 miles
 - May Street Elementary .7 miles
 - Providence Hospital .6 miles
 - Downtown Businesses < .3 miles

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- Final Plans

Site Plan Review

- Natural Features
- Grading
- Public Facilities
- Traffic And Circulation
- Storage
- Equipment Storage
- Design
- Orientation
- Parking



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720 SW WASHINGTON STREET, SUITE 500, PORTLAND, OR 97205 • 503.243.3500 • DKSASSOCIATES.COM

TRAFFIC ASSESSMENT LETTER

DATE: August 11, 2022

TO: Lach R. Litwer | Columbia Gorge Capital

FROM: Reah Flisakowski, PE | DKS Associates

SUBJECT: Hood River 715 Cascade Avenue Mixed Use – Traffic Assessment Letter

SUMMARY

The proposed development is estimated to generate a daily total of 241 trips, 22 total a.m. peak trips, and 24 total p.m. peak trips. The daily trips generated are less than 250 trips, and the peak hour trips are less than 25 trips, meaning that the proposed expansion is expected to fall below the thresholds set in place by the city to trigger a full TIA.

The driveways to Cascade Avenue and Oak Street do not meeting City access spacing standards. However, the proposed locations are preferred to the existing site driveways. No safety issues are anticipated with the proposed driveway locations.

Note: TAL Not Received In Time For Prior Consideration By Full City Staff – Applicant Amenable To Continuance If Desired

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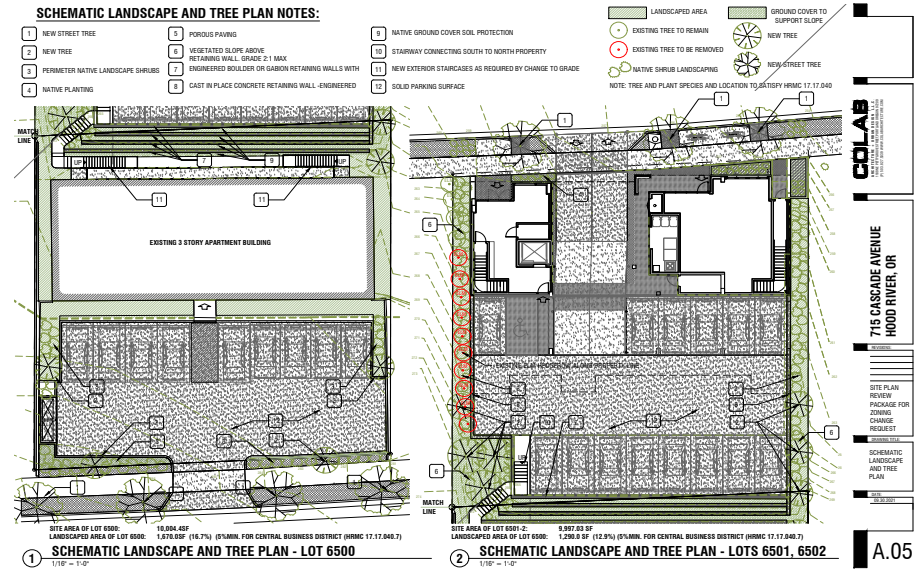
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- Nuisance ✓
- Plan Consistency ✓
- Scale ✓
- Transportation ○
- Landscaping ○
- Performance Bonds
- Burden of Proof
- Final Plans

Landscaping Discussed Previously In HRMC 17.17





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Site Plan Review (17.16) Triggered By Proposed Conditional Use (17.06)

Site Plan Review For Needed Housing Requires These **Clear And Objective Criteria** To Be Met:

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 - Nuisance ✓
 - Plan Consistency ✓
 - Scale ✓
 - Transportation ○
 - Landscaping ✓
 - Performance Bonds ✓
 - Burden of Proof
 - Final Plans

Proposer Agrees To Procure Performance Bonds As Required



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- Plan Consistency ✓
- Scale ✓
- Transportation ○
- Landscaping ✓
- Performance Bonds ✓
- Burden of Proof ✓
- Final Plans ✓

Application Materials Intended To Demonstrate Compliance With Applicable Standards. Applicant Will Work With City As Needed To Promulgate And Meet Any Conditions Of Approval Deemed Desirous.









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 - Performance Bonds 
 - Burden of Proof 
 - Final Plans 

Applicant Is Responsible For Gaining Review And Approval From City Staff For Final Plans Prior To Final Site Development.






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Site Plan Review

- Natural Features
- Grading
- Public Facilities
- Traffic And Circulation
- Storage
- Equipment Storage
- Design
- Orientation
- Parking

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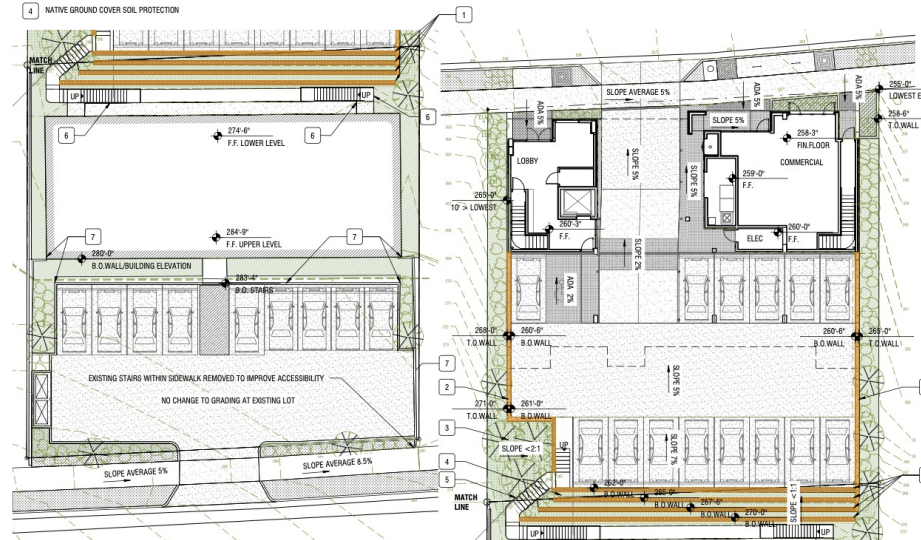
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SCHEMATIC GRADING AND RETAINING WALL PLAN

- | | |
|---|---|
| 1 ENGINEERED BOULDER OR GABION RETAINING WALLS WITH | 5 STAIRWAY CONNECTING SOUTH TO NORTH PROPERTY |
| 2 CAST IN PLACE CONCRETE RETAINING WALL - ENGINEERED | 6 NEW EXTERIOR STAIRCASES AS REQUIRED BY CHANGE TO GRADE |
| 3 VEGETATED SLOPE ABOVE RETAINING WALL. GRADE 2:1 MAX | 7 EXISTING RETAINING WALLS - NOT MODIFIED AS PART OF THIS SCOPE |
| 4 NATIVE GROUND COVER SOIL PROTECTION | |

EXISTING GRADING AND DRAINAGE:
EXISTING UP HILL LOTS 4:5 DRAIN STORMWATER VIA SURFACE INFILTRATION AND SURFACE SHEETING DOWN SLOPE TO LOTS 8 & 9. THE EXISTING FLOW WILL BE TAKEN INTO TERRACED SLOPE AND ALLOWED TO INFILTRATE. SURGES CAUSING SATURATION WILL BE COMMUNICATED TO NEW STORMWATER VAULT VIA FRENCH DRAINS ALONG NEW RETAINING WALLS.

- LANDSCAPED AREA
- IMPERVIOUS SURFACE
- CONCRETE RETAINING WALL
- STONE/GABION RETAINING WALL



1 SCHEMATIC GRADING AND RETAINING WALL PLAN - LOT 6500
1/16" = 1'-0"

2 SCHEMATIC GRADING AND RETAINING WALL PLAN - LOTS 6501, 6502
1/16" = 1'-0"

COLLAB
 715 CASCADE AVENUE
 HOOD RIVER, OR
 SITE PLAN REVIEW PACKAGE FOR ZONING CHANGE REQUEST
 SCHEMATIC GRADING AND RETAINING WALL PLAN
 DATE: 08/20/2024
A.07

COLUMBIA GORGE CAPITAL

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Site Plan Review (17.16) Triggered By Proposed Conditional Use (17.06)

Site Plan Review For Needed Housing Requires These **Clear And Objective Criteria** To Be Met:

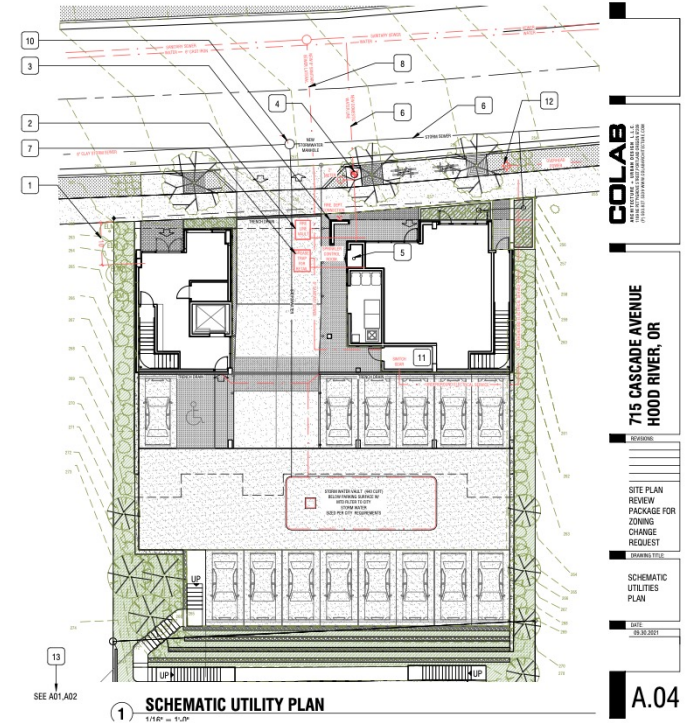
Site Plan Review

- Natural Features
- Grading
- Public Facilities
- Traffic And Circulation
- Storage
- Equipment Storage
- Design
- Orientation
- Parking



SCHEMATIC UTILITIES PLAN NOTES:

- 10' UTILITY EASEMENT ALONG ROW NOT MET DUE TO NO SETBACK AT FRONT PROPERTY LINE PER C-2 ZONE. OWNER TO COORDINATE WITH APPROPRIATE DRY UTILITIES.
- FIRE LINE VAULT
- FIRE DEPARTMENT CONNECTION
- NEW FIRE HYDRANT
- SPRINKLER CONTROL ROOM
- NEW 2" DOMESTIC WATER SERVICE
- GREASE TRAP FOR RETAIL TENANT
- NEW 8" SANITARY SEWER LATERAL
- EXISTING 8" CLAY STORMWATER MAIN LINE TO BE REPLACED BY 24" PIPE AS PART OF CIP#20
- NEW STORMWATER MANHOLE
- ELECTRICAL SWITCHGEAR
- UNDERGROUND ELECTRICAL SERVICE TO LOTS 6501/6502
- UNDERGROUND EXISTING ELECTRICAL SERVICE TO EXISTING APARTMENT BUILDING ON LOT 6500. SEE A01 AND A02 FOR SITE PLAN.



COLUMBIA GORGE CAPITAL

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Site Plan Review (17.16) Triggered By Proposed Conditional Use (17.06) Site Plan Review For Needed Housing Requires These **Clear And Objective Criteria** To Be Met:

Site Plan Review

- Natural Features
- Grading
- Public Facilities
- **Traffic And Circulation**
- Storage
- Equipment Storage
- Design
- Orientation
- Parking



720 SW WASHINGTON STREET, SUITE 500, PORTLAND, OR 97205 • 503.243.3500 • DKSASSOCIATES.COM

TRAFFIC ASSESSMENT LETTER

DATE: August 11, 2022
TO: Lach R. Litwer | Columbia Gorge Capital
FROM: Reah Flisakowski, PE | DKS Associates
SUBJECT: Hood River 715 Cascade Avenue Mixed Use – Traffic Assessment Letter

SUMMARY

The proposed development is estimated to generate a daily total of 241 trips, 22 total a.m. peak trips, and 24 total p.m. peak trips. The daily trips generated are less than 250 trips, and the peak hour trips are less than 25 trips, meaning that the proposed expansion is expected to fall below the thresholds set in place by the city to trigger a full TIA.

The driveways to Cascade Avenue and Oak Street do not meeting City access spacing standards. However, the proposed locations are preferred to the existing site driveways. No safety issues are anticipated with the proposed driveway locations.

COLUMBIA GORGE CAPITAL

A WORKFORCE HOUSING COMPANY

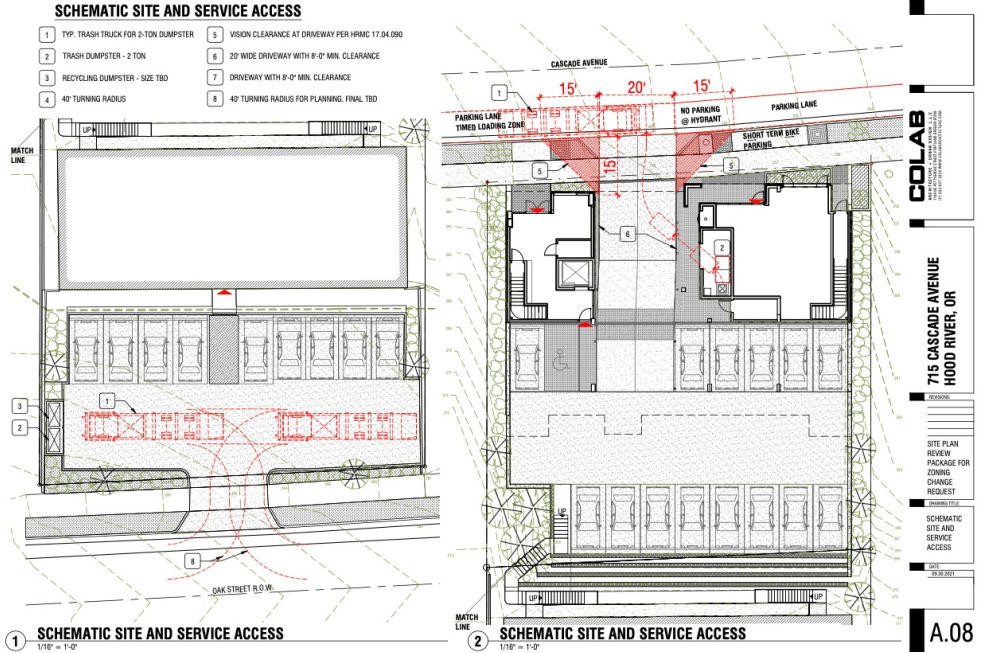


Site Plan Review (17.16) Triggered By Proposed Conditional Use (17.06)

Site Plan Review For Needed Housing Requires These **Clear And Objective Criteria** To Be Met:

Site Plan Review

- Natural Features
- Grading
- Public Facilities
- Traffic And Circulation
- **Storage**
- Equipment Storage
- Design
- Orientation
- Parking



COLUMBIA GORGE CAPITAL

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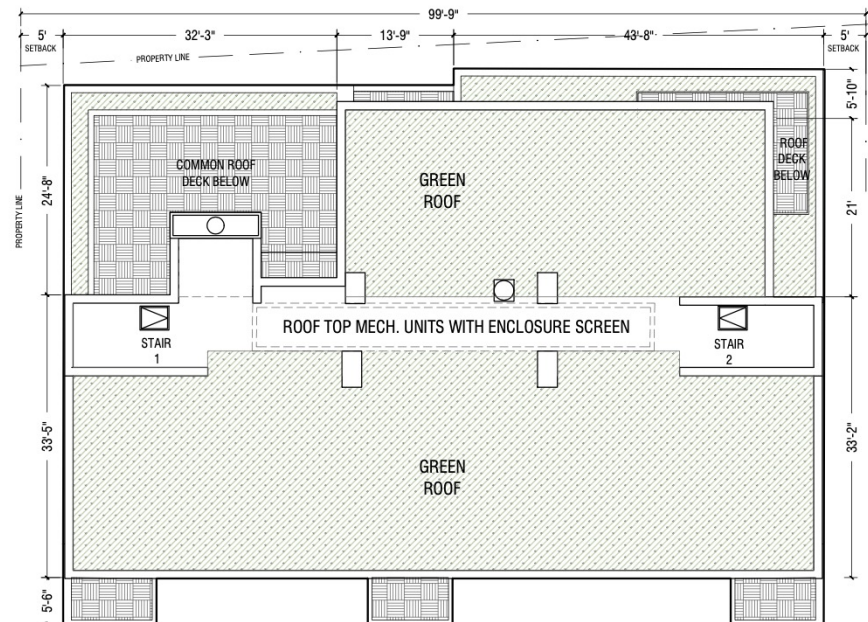


Site Plan Review (17.16) Triggered By Proposed Conditional Use (17.06)

Site Plan Review For Needed Housing Requires These **Clear And Objective Criteria** To Be Met:

Site Plan Review

- Natural Features
- Grading
- Public Facilities
- Traffic And Circulation
- Storage
- Equipment Storage
- Design
- Orientation
- Parking



6

ROOF PLAN

1/16" = 1'-0"



COLUMBIA GORGE CAPITAL

A WORKFORCE HOUSING COMPANY

Site Plan Review (17.16) Triggered By Proposed Conditional Use (17.06)

Site Plan Review For Needed Housing Requires These **Clear And Objective Criteria** To Be Met:

Site Plan Review

- Natural Features
- Grading
- Public Facilities
- Traffic And Circulation
- Storage
- Equipment Storage
- Design
- Orientation
- Parking



1) A Variety Of Detail, Form, And Siting Should Be Used To Provide Visual Interest.

2) Must Include 3 Of These Architectural Details

- Massing
- Offsets
- Materials
- Windows
- Canopies
- Pitched Or Terraced Roof Forms
- Other Architectural Elements

3) No Uninterrupted Façade > 100' in length

COLUMBIA GORGE CAPITAL

A WORKFORCE HOUSING COMPANY



Site Plan Review (17.16) Triggered By Proposed Conditional Use (17.06)
Site Plan Review For Needed Housing Requires These **Clear And Objective Criteria** To Be Met:

**Design & Massing
As Seen At Façade**





COLUMBIA GORGE CAPITAL

A WORKFORCE HOUSING COMPANY

Site Plan Review (17.16) Triggered By Proposed Conditional Use (17.06)
 Site Plan Review For Needed Housing Requires These **Clear And Objective Criteria** To Be Met:

**Materials, Offsets,
 Windows & Roof-forms
 As Seen From Street**



ELEVATION KEY

-  HORIZONTAL SHIPLAP SIDING
PAINTED, SMOOTH, SHADOW REVEAL
-  VERTICAL 1X SCREEN OVER METAL
MESH TO MATCH WINDOW SYSTEM
-  BRICK - RUNNING BOND - BUFF
"ARTISAN" TEXTURED FACE
-  VERTICAL SIDING 9" EXPOSURE
PAINTED, SMOOTH, SHADOW REVEAL

1 NORTH ELEVATION
 1/16" = 1'-0"



COLUMBIA GORGE CAPITAL

A WORKFORCE HOUSING COMPANY

Site Plan Review (17.16) Triggered By Proposed Conditional Use (17.06)

Site Plan Review For Needed Housing Requires These **Clear And Objective Criteria** To Be Met:

Site Plan Review

- Natural Features ✓
- Grading ✓
- Public Facilities ✓
- Traffic And Circulation ✓
- Storage ✓
- Equipment Storage ✓
- Design ✓
- Orientation ✓
- Parking ✓

1) A Variety Of Detail, Form, And Siting Should Be Used To Provide Visual Interest. ✓

2) Must Include 3 Of These Architectural Details

- Massing ✓
- Offsets ✓
- Materials ✓
- Windows ✓
- Canopies
- Pitched Or Terraced Roof Forms ✓
- Other Architectural Elements ✓

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COLUMBIA GORGE CAPITAL

A WORKFORCE HOUSING COMPANY



Site Plan Review (17.16) Triggered By Proposed Conditional Use (17.06)

Site Plan Review For Needed Housing Requires These **Clear And Objective Criteria** To Be Met:

Site Plan Review

- Natural Features
- Grading
- Public Facilities
- Traffic And Circulation
- Storage
- Equipment Storage
- Design
- Orientation
- Parking



Entrances To Both The Residences And Commercial Space Open To Cascade Ave. The Orientation Uses The Northern Slope To Reduce Apparent Mass From The South.



COLUMBIA GORGE CAPITAL

A WORKFORCE HOUSING COMPANY



Site Plan Review (17.16) Triggered By Proposed Conditional Use (17.06)

Site Plan Review For Needed Housing Requires These **Clear And Objective Criteria** To Be Met:

Site Plan Review

- Natural Features
- Grading
- Public Facilities
- Traffic And Circulation
- Storage
- Equipment Storage
- Design
- Orientation
- Parking



City of Hood River Downtown Parking Map



Previously Discussed

- 23 Off Street Spots
- 1 Additional Dedicated ADA Off Street Spot
- Parking Ratio: .72 HRMC 17.24 & Ordinance 2056: 23/52 Onsite And 29 In-Lieu
- 22 Indoor (e)Bike parking spots w/ power
- EV Charging
- Car Sharing



COLUMBIA GORGE CAPITAL

A WORKFORCE HOUSING COMPANY

HRMC 17.03.050 – General Commercial (C-2) Zone Facts And Law

Key Findings

- Conditional Uses
- Site Development Requirements
 - Setback Requirements
 - Maximum Building Height
 - Parking Regulations
 - Lighting
 - Signs
 - Landscaping

- Multifamily Mixed Use Is Consistent With HRMC 17.03.050 (C.2)
- Minimum Density Is 6 Units, 33 Proposed With 800 SQFT Of Commercial.
- Site Development Requirements:
 - No Minimum Lot Area
 - Excess Of 50 Feet Frontage On Both Oak And Cascade



COLUMBIA GORGE CAPITAL

A WORKFORCE HOUSING COMPANY

HRMC 17.03.050 – General Commercial (C-2) Zone Facts And Law

Key Findings

- Conditional Uses ✓
- Site Development Requirements ✓
- Setback Requirements
- Maximum Building Height
- Parking Regulations
- Lighting
- Signs
- Landscaping

- Setbacks Required Where Adjacent To Residential Zones
 - No Adjacent Residential Zones
 - Proposed Setback To East And West Are 5' In Excess Of Required Setback.



COLUMBIA GORGE CAPITAL

A WORKFORCE HOUSING COMPANY

HRMC 17.03.050 – General Commercial (C-2) Zone Facts And Law

Key Findings

- Conditional Uses ✓
- Site Development Requirements ✓
- ~~Setback Requirements~~ ✓
- Maximum Building Height ✓
- Parking Regulations
- Lighting
- Signs
- Landscaping

- Maximum Building Height Defined: HRMC 17.01.060
 - Allowed Height For Mixed Use Building: 45'
- Due To Site Slope, Height Measured At 10' From Lowest Point.
 - Proposed Height For Mixed Use Building: 44'



COLUMBIA GORGE CAPITAL

A WORKFORCE HOUSING COMPANY

HRMC 17.03.050 – General Commercial (C-2) Zone Facts And Law





COLUMBIA GORGE CAPITAL

A WORKFORCE HOUSING COMPANY

HRMC 17.03.050 – General Commercial (C-2) Zone Facts And Law

Key Findings

- Conditional Uses ✓
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- ~~Maximum Building Height~~ ✓
- Parking Regulations ✓
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- Signs
- Landscaping

Previously Discussed

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- EV Charging
- Car Sharing

City of Hood River Downtown Parking Map





COLUMBIA GORGE CAPITAL

A WORKFORCE HOUSING COMPANY

HRMC 17.03.050 – General Commercial (C-2) Zone Facts And Law

Key Findings

- Conditional Uses
- Site Development Requirements
- Setback Requirements
- Maximum Building Height
- Parking Regulations
- Lighting
- Signs
- Landscaping



- No Pole Lights
- Wall Sconces And Fixtures Specified In Plans To Be Shielded And Focused To Avoid Glare And Light Pollution
- To Be Addressed In Building Permit



COLUMBIA GORGE CAPITAL

A WORKFORCE HOUSING COMPANY

HRMC 17.03.050 – General Commercial (C-2) Zone Facts And Law

Key Findings

- Conditional Uses ✓
- Site Development Requirements ✓
- Setback Requirements ✓
- Maximum Building Height ✓
- Parking Regulations ✓
- Lighting ✓
- Signs ✓
- Landscaping ✓

- Signs To Comply With HRMC Title 18
- Any Signs Will Be Permitted Prior To Installation
- Landscaping Addressed Previously

COLUMBIA GORGE CAPITAL

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In Conclusion



General
Commercial:
17.03.050



Conditional Use:
17.06



Zone Change:
17.08.040



Site Plan Review:
17.16



Landscaping:
17.17



Transportation:
17.20



Workforce Housing Is Hard, But Worthwhile.

COLUMBIA GORGE CAPITAL

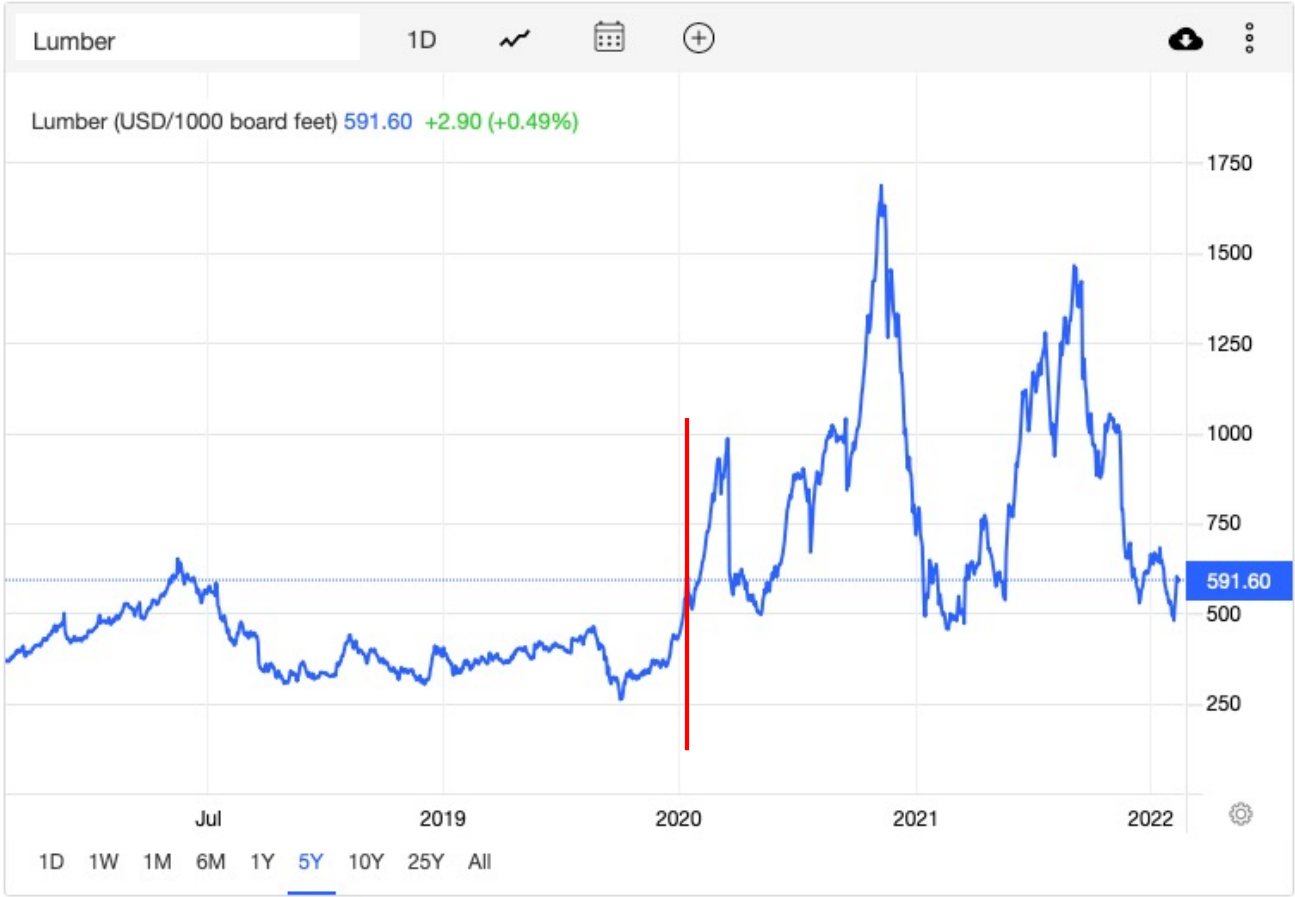
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Backup Slides

COLUMBIA GORGE CAPITAL

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City of Hood River

Housing Needs Analysis

September 2015

Prepared for:
City of Hood River

FINAL REPORT

ECONorthwest
ECONOMICS • FINANCE • PLANNING

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Acknowledgments

ECONorthwest prepared this report for the City of Hood River. ECONorthwest and the City of Hood River thank the many people who helped to develop the Hood River Housing Needs Analysis.

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For over 40 years ECONorthwest has helped its clients make sound decisions based on rigorous economic, planning, and financial analysis. For more information about ECONorthwest: www.econw.com. For more information about this report, please contact:

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1 Introduction

This report is part of the Hood River Housing Needs Analysis. The full study is contained in three documents:

- **Housing Needs Analysis** briefly presents the key findings and conclusions of the residential land study.
- **Hood River Housing Needs Analysis 2015 to 2035** presents the full results of the housing needs analysis (HNA) for the City of Hood River and is intended to comply with statewide planning policies.
- **Hood River Housing Strategy** presents recommendations for revisions to policies in Hood River’s Comprehensive Plan Housing Element and proposed policy actions to meet Hood River’s identified housing needs.

This report presents the Hood River Housing Needs Analysis 2015 to 2035. It is intended to comply with statewide planning policies that govern planning for housing and residential development, Goal 10 and OAR 660-008. The methods used for this study generally follow the *Planning for Residential Growth* workbook, published by the Oregon Transportation and Growth Management Program (1996). Where appropriate, the analysis uses “safe harbor” provisions found in OAR 660-024.

This report provides Hood River with a factual basis to support future planning efforts related to housing and options for addressing unmet housing needs in Hood River. The focus of the HNA is an assessment of whether Hood River has enough land within the City’s Urban Growth Boundary (UGB) to accommodate expected population growth. The report documents the inventory of vacant land in Hood River, based on tax lot data, data about development on each tax lot, and constraints to development (e.g., steep slopes or wetlands).

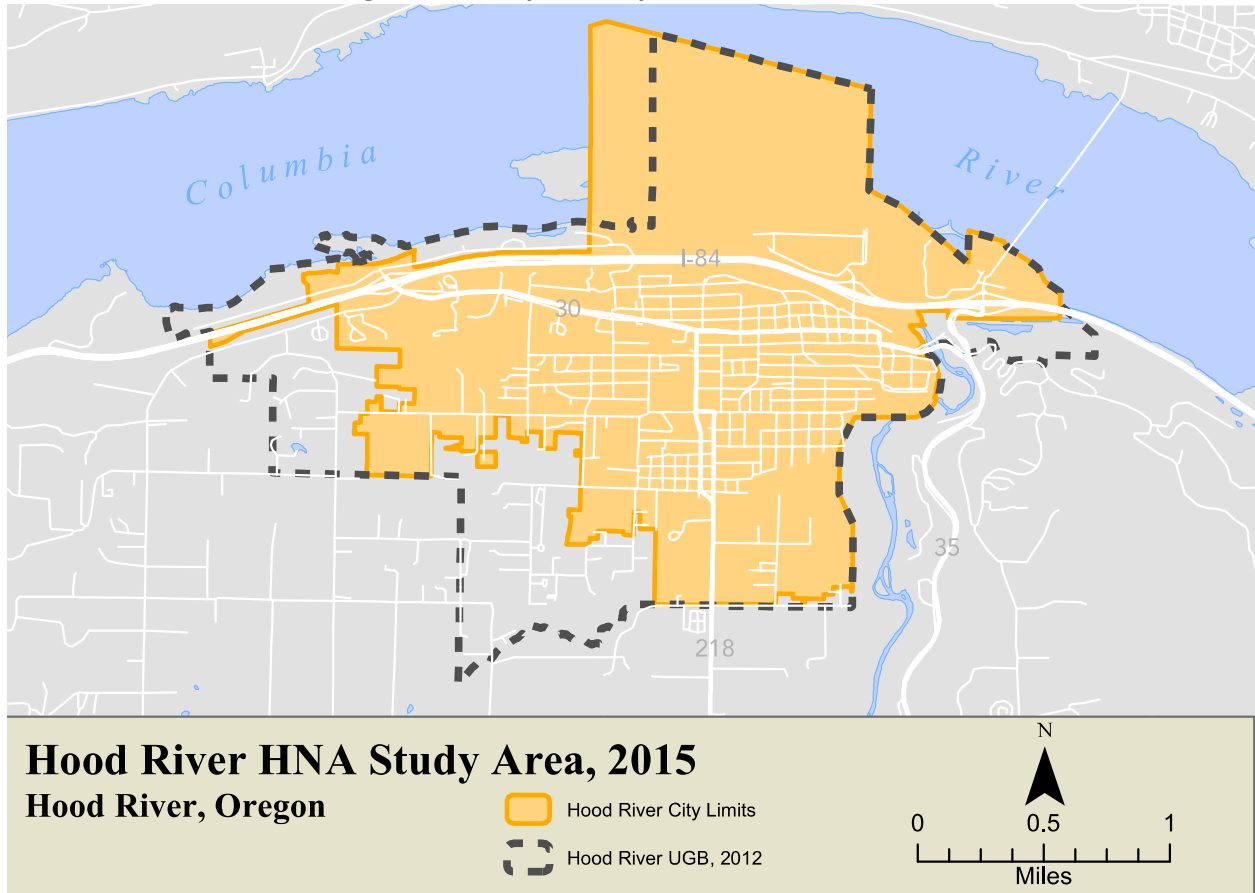
The report includes a forecast of needed housing and land for housing based on expected population growth. The forecast of housing needs considers historical information about Hood River’s housing market, including recent development trends, homeownership trends, and trends in housing prices. The forecast is based on Hood River’s forecast for population growth and considers information about the demographic and socioeconomic characteristics of Hood River’s current residents and trends that may affect housing choice over the 2015 to 2035 period.

A pressing and growing issue in Hood River is development of new and conversion of existing housing for short-term vacation rentals and for second homes. This report provides information about the existing amount of housing used for these purposes and information about historical growth of these types of housing. The conclusions of the HNA discuss the potential impacts of growth of these types of housing on Hood River’s residential land supply.

The report concludes with an assessment of whether Hood River can accommodate expected growth within the UGB and recommendations for changes to residential development policies to promote efficient use of residential land and to better meet housing needs in Hood River.

Exhibit 1 shows the study area for the HNA. This includes land within the Hood River city limits, as well as land outside the city limits but within the UGB in Hood River County.

Exhibit 1. Hood River Housing Needs Analysis Study Area, 2015



Source: ECONorthwest analysis of Hood River County GIS data

GOAL 10 REQUIREMENTS

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

Thus, housing choices of individual households are influenced in complex ways by dozens of factors; and the housing markets in Hood River and in Hood River County are the result of the individual decisions of thousands of households. These points help to underscore the complexity of projecting what types of housing will be built in Hood River between 2015 and 2035.

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

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

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

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

- (a) Housing that includes, but is not limited to, attached and detached single-family housing and multifamily 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; and
- (d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions.

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

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

ORGANIZATION OF THE REPORT

The main document presents a summary of key data and analysis used in the HNA. The appendices present detailed tables and charts for the HNA. This document is organized as follows:

- **Chapter 2. Residential Buildable Lands Inventory** summarizes the inventory of vacant, suitable residential land.
- **Chapter 3. Historical and Recent Development Trends** presents a high-level summary of residential development in Hood River. Detailed tables and charts are presented in Appendix B.
- **Chapter 4. Housing Demand and Need** presents a housing needs analysis consistent with the Planning for Residential Growth Workbook. Detailed tables and charts supporting the demographic and other information discussed in Chapter 4 is presented in Appendix B.
- **Chapter 5. Residential Land Sufficiency** estimates residential land sufficiency in the Hood River UGB needed to accommodate expected growth over the planning period.
- **Appendix A. Residential Buildable Land Inventory Report**
- **Appendix B. Trends Affecting Housing Need in Hood River**

2 Residential Buildable Lands Inventory

This chapter provides a summary of the buildable lands inventory for the Hood River UGB. Appendix A presents the full buildable lands inventory, including the methodology for developing the inventory and the full results of the inventory.

DEFINITIONS

For the purposes of this study, the following definitions were used:

- **Vacant land.** Tax lots that have no structures or have buildings with very little improvement value. For the purpose of this inventory, residential lands with improvement values under \$10,000 are considered vacant.
- **Partially vacant land.** Partially vacant tax lots are those occupied by a use but which contain enough land to be further subdivided without need of rezoning. Residential parcels zoned R-1, R-2, U-R-1, or U-R-2, and one-half acre or more were assumed to be partially-vacant. One-quarter acre (10,890 square feet) of the parcel area was subtracted to account for the existing dwelling, assuming that the remainder is buildable land.
- **Undevelopable land.** Vacant land that is under the minimum lot size for the underlying zoning district, land that has no access or potential access, land that is already committed to other uses by policy, tax lots that are more than 90% constrained, or land used by a home-owners association.
- **Public land.** Lands in public or semi-public ownership are considered unavailable for residential development. This includes lands in Federal, State, County, or City ownership as well as lands owned by churches and other semi-public organizations, such as hospitals. Public lands were identified using the Hood River County Assessment data with a total assessed value of \$0 and aided by using the property owner name. This category only includes public lands that are located in residential zones.
- **Developed land.** Land that is developed at densities consistent with zoning and improvements that make it unlikely to redevelop during the analysis period. Lands not classified as vacant, partially-vacant, or undevelopable are considered developed.

RESIDENTIAL BUILDABLE LAND INVENTORY RESULTS

The Residential Buildable Land Inventory includes a review of the following residential plan designations:¹

City of Hood River Zones and Plan Designations

- Urban Low Density Residential (R-1)
- Urban Standard Density Residential (R-2)
- Urban High Density Residential (R-3)

Hood River County Zones and Plan Designations

- Urban Low Density Residential (U-R-1)
- Urban Standard Density Residential (U-R-2)

Table 1 shows residential land in Hood River by classification (development status). The results show that Hood River has 1,128 total acres in residential plan designations. By classification, about 47% of the land is developed, 23% is partially vacant, 16% is vacant, 9% is public and 5% is undevelopable. About 14% of residential land is in the urban high density designation (R-3); 36% in urban standard density designations (R-2 and U-R-2) and 49% in urban low density designations (R-1 and U-R-1).

Table 1. Residential Land by Classification, Hood River UGB, 2015

Development Status	Plan Designation						Total	Percent of Total
	Inside Hood River city limits			Outside of city limits, within urbanizing area				
	Urban			Urban				
	Urban Low Density Residential (R-1)	Standard Density Residential (R-2)	Urban High Density Residential (R-3)	Urban Low Density Residential (U-R-1)	Standard Density Residential (U-R-2)			
Developed	91	201	103	93	41	529	47%	
Partially Vacant	50	10	11	130	61	262	23%	
Vacant	55	25	20	56	28	184	16%	
Public	35	33	18	7	5	97	9%	
Undevelopable	8	3	10	35	0	56	5%	
Total	239	272	163	320	134	1,128	100%	
Percent of Total	21%	24%	14%	28%	12%	100%		

Source: ECONorthwest analysis of City of Hood River GIS data.

¹ The residential zones in the Hood River UGB are the same as the Comprehensive Plan Designations. Throughout the report, we refer to these areas as Plan Designations because most housing needs analysis evaluate land sufficiency based on Comprehensive Plan Designations.

Table 2 shows buildable acres (i.e., acres in tax lots after constraints are deducted) for vacant and partially vacant land by plan designation. The results show that Hood River has about 318 buildable residential acres. Of this, about half is in tax lots classified as vacant, and half in tax lots classified as partially vacant. More than a third of all buildable residential land (113 acres) is in the urban low density plan designation outside of the UGB (U-R-1) and a quarter (81 acres) is in the urban standard density plan designation also outside of the UGB (U-R-2). Twenty-four percent (76 acres) is in the urban low density plan designation within the UGB (R-1) with the remaining 15% of buildable acreage in the urban standard density (R-2) and urban high density (R-3) designations.

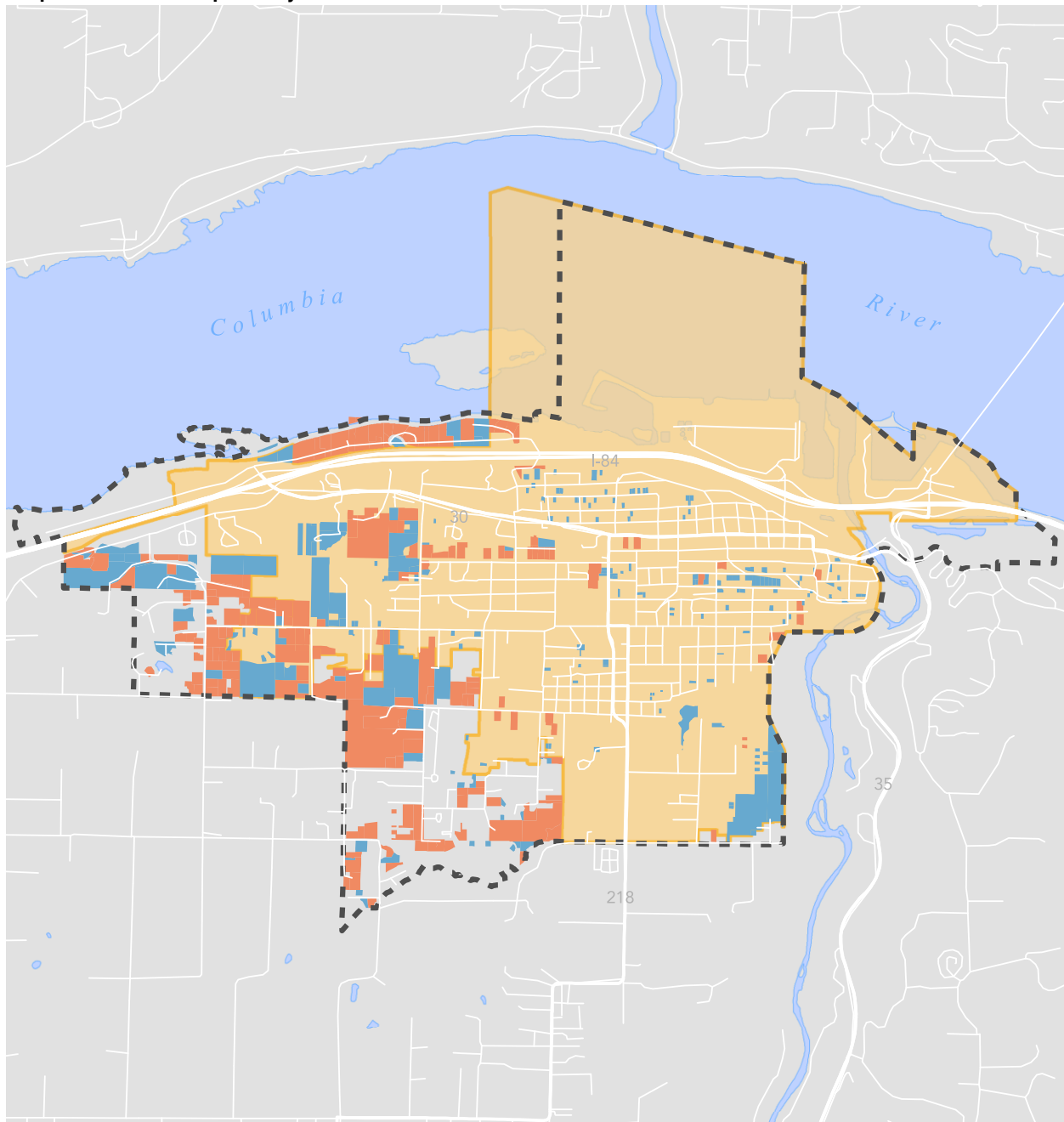
Table 2. Buildable acres in vacant and partially vacant tax lots by plan designation, Hood River UGB, 2015

Development Status	Plan Designation					Total	Percent of Total
	R-1	R-2	R-3	U-R-1	U-R-2		
Partially Vacant	32	6	6	71	54	168	53%
Vacant	44	23	12	42	27	149	47%
Total	76	29	18	113	81	318	100%
Percent of Total	24%	9%	6%	35%	26%	100%	

Source: ECONorthwest analysis of City of Hood River GIS data

Map 2 and Map 3 show vacant and partially vacant residential land in Hood River.

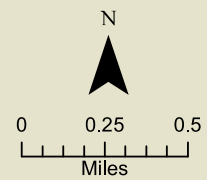
Map 2. Vacant and partially vacant residential land



Hood River Residential BLI Vacant and Partially Vacant Land by Development Status Hood River, Oregon

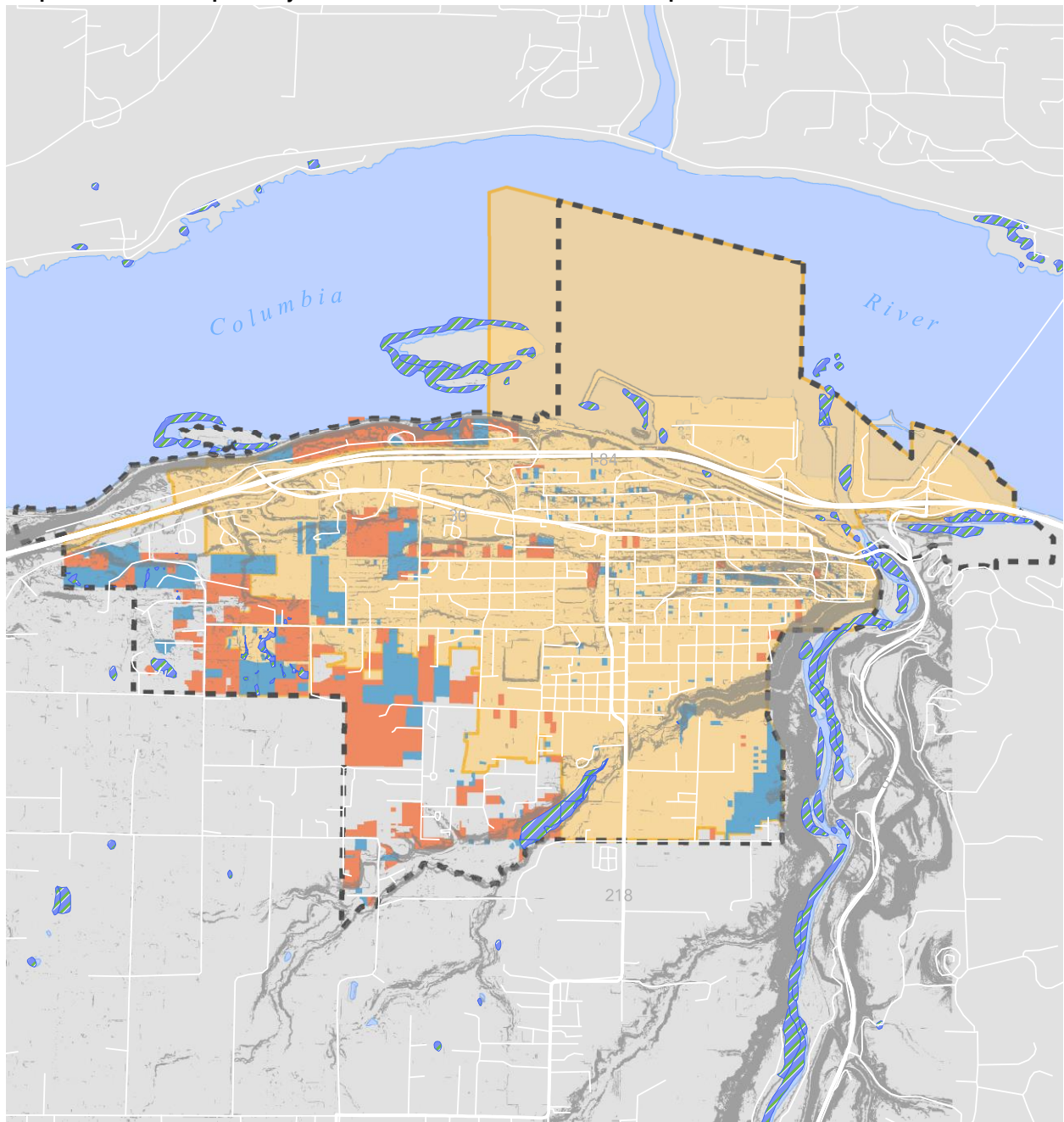
Development Status

- Partially Vacant
- Vacant
- Hood River UGB, 2012
- Hood River City Limits



Source: ECONorthwest analysis of City of Hood River GIS data

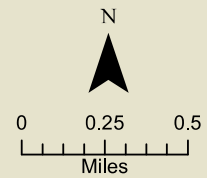
Map 3. Vacant and partially vacant residential land and development constraints



**Hood River Residential BLI
Vacant and Partially Vacant
Land by Development Status
with Constraints**
Hood River, Oregon

Development Status

- Partially Vacant
- Vacant
- Wetlands
- Slopes > 25%
- Hood River City Limits
- Hood River UGB, 2012



Source: ECONorthwest analysis of City of Hood River GIS data

3 Historical and Recent Development Trends

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

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

This HNA examines changes in Hood River's housing market over the 2000 to 2014 period. We selected this time period because it provides information about Hood River's housing market before and after the national housing market bubble's growth and deflation. In addition, data about Hood River's housing market during this period is readily available, from sources such as the 2000 Decennial Census and the City and County's building permit database.

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

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

For the purposes of this study, we grouped housing types based on: (1) whether the structure is stand-alone or attached to another structure and (2) the number of dwelling units in each structure. Tenure and affordability are addressed in Chapter 4. The housing types used in this analysis are:

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

This chapter summarizes historical and recent development trends. These trends are described in more detail in Appendix B.

RESIDENTIAL DEVELOPMENT TRENDS

This section presents information about residential development trends in Hood River over the 2000 to 2014 period. The majority of information in this section is from the U.S. Census Bureau's 2009 to 2013 American Community Survey. The data tables and charts supporting this information are presented in Appendix B.

Single-family housing types make up the largest share of Hood River's housing stock.

- Single-family detached housing accounts for about 62% of Hood River's housing stock.
- Single-family attached housing accounts for about 3% of Hood River's housing stock.
- Multifamily housing accounts for about 35% of Hood River's housing stock.
- Over the 2000 to 2014 period, Hood River issued permits for nearly 955 dwellings within the city limits, with an average of about 64 units permitted each year.
- Fifty-nine percent of new housing permitted in Hood River between 2000 and 2014 was single-family detached (which includes single-family detached and manufactured housing). Over 820 single-family detached dwelling units were permitted over the 15-year period.²
- The City issued permits for 147 single-family attached and 131 multifamily dwelling units over the 15-year period.
- In the Urban Growth Area (UGA), the area between the city limits and the UGB, Hood River County issued permits for 201 single-family detached dwellings from 2000 to 2014.

More than half of the City of Hood River's residents own their home.

- Homeownership rates increased slightly over the last decade. Approximately 48% of housing in Hood River was owner-occupied in 2000 and 51% in the 5-year period from 2009 to 2013.
- Nearly all (94%) of owner-occupied housing was single-family detached.
- Renter-occupied housing was a mixture of multifamily and single-family attached (70%) and single-family attached (30%).

Hood River's vacancy rate is higher than the Hood River County and the State averages.

- In 2009-2013, Hood River's vacancy rate (14.9%) was higher than Hood River County's (12.6%) and much higher than Oregon's (9.6%).
- Hood River has a higher vacancy rate for seasonal, recreational, or occasional use (which roughly equates to secondary and vacation housing) than the State average. In Hood River, 7.7% of all housing was vacant for seasonal, recreational, or occasional use (269 dwelling units) over the 2009-2013 period, compared to the State average of 3.3%.

² Building permit data is from the Hood River City and Hood River County building permit databases.

Average density in Hood River for single-family detached, duplex, tri-plex, and quad-plex housing was 8.2 dwelling units per net acre for housing developed over the 2000 to 2013 period.

- Single-family and duplex/tri-plex/quad-plex densities increased from an average of 6.4 dwelling units per net acre for housing developed between 1993 to 1997 to an average of 10.1 dwelling units per net acre for housing developed over the 2008-2012 period.³
- Single-family and duplex/tri-plex/quad-plex densities averaged a development density of 8.2 dwelling units per net acre over the 2000 to 2013 period.

Average density in Hood River for townhouses and multifamily housing varied from about 14 dwelling units per net acre to nearly 43 dwelling units per net acre over the 2000 to 2014 period.

- Townhouse development averaged 15.3 dwelling units per net acre.
- Multifamily housing averaged 35.4 dwelling units per net acre.
- Development of townhouse and multifamily by zoning district over the 2000 to 2014 period varied by zone:
 - Urban Standard Density Residential (R-2): 14.7 dwelling units per net acre, based on development of 55 units
 - Urban High-density Residential (R-3): 18.3 dwelling units per net acre, based on development of 80 units.
 - Urban Low-density Residential (U-R-1): 9.4 dwelling units per net acre, based on development of 9 units.
 - General Commercial (C-2): 42.6 dwelling units per net acre, based on development of 43 multifamily units.

About 14% of Hood River's residential land is used for public rights-of-way.

- Land used for public rights-of-way (called a net-to-gross factor) averaged 14% across Hood River's residential zones, varying from 8% in the U-R-1 and U-R-2 zones (which have some relatively large areas with few roads) to 23% in R-2. Put another way, 14% of developed residential land in Hood River is in rights-of-way for roads, sidewalks, and other rights-of-way. This is consistent with average amount of land used for rights-of-way in other Oregon cities.

³ This analysis was done for DLCD's UGB Streamlining project, which is in response to HB 2254, developed by professors with University of Oregon's Planning, Public Policy, and Management Department

SHORT-TERM RENTAL AND SECONDARY HOUSING

Hood River is a tourism destination and some of Hood River's housing has long been used by people staying in Hood River for a short period or by people who own second houses in Hood River. The U.S. Census tracks housing that is vacant for these types of uses, referring to them as being vacant for "seasonal, recreational, or occasional use." Census data show:

- **The amount of seasonal and recreational housing has grown in Hood River.** Table B-2 shows that in 2010, 7.7% of Hood River's housing (269 units) was vacant for these uses. The number of units vacant for these types of uses in Hood River increased from 4% of housing in 2000 (105 units).
- **Hood River's percentage of seasonal and recreational housing is relatively high, compared to other non-coastal cities in Oregon.** Figure B-6 shows that in 2010, about 8% of Hood River's housing was used for seasonal and recreational uses, compared to 4% of Bend's housing and 3% of Ashland's housing. The percentage of housing used for seasonal and recreational uses in coastal cities in Oregon ranged from 14% of housing in Newport to 54% of housing in Cannon Beach.

One of the key goals of this report was to quantify more precisely the amount of housing used for short-term rentals and secondary housing in Hood River. This report uses the following definitions to describe these types of non-primary residential uses:

- **Short-term rentals (STRs)** are houses rented to people for a period of 30 days or fewer, generally for vacation uses.
- **Secondary housing** refers to houses that are the secondary residences of people who do not reside in Hood River. Secondary housing may be used for a few weeks of the year by the owners and vacant the rest of the year. Or secondary housing may also be used as a short-term rental. For the purpose of this study, housing that is used primarily by the owner and appears vacant the rest of the year is classified as secondary housing.

Hood River does not currently track the number of dwellings used for each of these purposes. However, the city does track the number of dwellings used for short-term rentals that register to pay transient room tax (TRT), as required by law. As of March 30, 2015, 166 units were registered within Hood River's UGB to pay TRT for short-term rentals.

Hood River city staff used the following methods to identify the number of STRs and secondary housing within the Hood River UGB:

- **Short-term rentals (STRs):** City staff worked with staff at each of the five short-term rental agencies in Hood River to identify all STRs located within the UGB. Staff cross referenced the list of STRs from the rental agencies with those registered to pay TRT, ensuring that all STRs on the TRT list were included in the inventory of STRs (without duplication). Staff also worked with data from on-line rental sites (e.g., AirBnB, VRBO, and Home Away) to include STRs that were not on the list of rentals from the rental

agencies. At each step of the inventory, staff made sure that each STR was in the inventory once, ensuring that there were no duplicates in the inventory of STRs. Staff verified the final inventory of STRs with the rental agency staff.

- **Secondary housing:** City staff worked with Hood River County staff to identify housing with owners both not living at the address and where the owner is not registered to vote in Hood River County. City staff identified secondary housing from that list of dwellings based on water billing data. Dwellings with no usage in February and usage in July were identified as secondary houses. Staff ensured that the list of secondary houses did not include units identified as STRs.

Based on this analysis, Hood River has about 190 dwelling units used as short-term rentals and 150 secondary homes. Together, these 340 units account for 9.6% of Hood River's housing stock.

4 Housing Demand and Need

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

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

This chapter is structured around these steps. It summarizes information presented in tables and charts in Appendix B.

STEP 1: PROJECT THE NUMBER OF NEW HOUSING UNITS NEEDED IN THE NEXT 20 YEARS

Step 1 in the housing needs analysis is to project the number of *new* housing units needed during the planning period. This section describes the key assumptions and presents an estimate of new housing units needed in Hood River between 2015 and 2035. The key assumptions are based on the best available data and may rely on safe harbor provisions, when available.⁴ Trends that may affect these assumptions and Hood River’s housing need are described in Step 2 of the housing needs analysis.

- **Population.** A 20-year population forecast (in this instance, 2015 to 2035) is the foundation for estimating needed new dwelling units. Table B-4 in Appendix B shows that the Hood River UGB will grow from 9,317 people in 2015 to 13,845 people in 2035, adding 4,528 people over the 20-year period.⁵
- **Persons in Group Quarters.** Persons in group quarters do not consume standard housing units: thus, any forecast of new people in group quarters is typically derived from the population forecast for the purpose of estimating housing demand. Group quarters can have a big influence on housing in cities with colleges (dorms), prisons, or a large elderly population (nursing homes). In general, any new requirements for these housing types will be met by institutions (colleges, government agencies, health-care corporations) operating outside what is typically defined as the housing market. Nonetheless, group quarters require residential land. They are typically built at densities that are comparable to that of multiple-family dwellings.
In 2010, 0.8% of the City’s population was in group quarters. **For the 2015 to 2035 period, we assume that 0.8% of new population, 35 people, will be in group quarters.**
- **Household Size.** OAR 660-024 established a safe harbor assumption for average household size – which is the figure from the most-recent decennial Census at the time of the analysis. According to the 2010 Census, the average household size in Hood River in 2010 was 2.39 people. **Thus, for the 2015 to 2035 period, we assume an average household size of 2.39 persons per household.**
- **Vacancy Rate.** The Census defines vacancy as: "Unoccupied housing units are considered vacant. Vacancy status is determined by the terms under which the unit may be occupied, e.g., for rent, for sale, or for seasonal use only." The 2010 Census

⁴ A safe harbor is an assumption that a city can use in a housing needs analysis that the State has said will satisfy the requirements of Goal 14. OAR 660-024 defines a safe harbor as "... an optional course of action that a local government may use to satisfy a requirement of Goal 14. Use of a safe harbor prescribed in this division will satisfy the requirement for which it is prescribed. A safe harbor is not the only way or necessarily the preferred way to comply with a requirement and it is not intended to interpret the requirement for any purpose other than applying a safe harbor within this division."

⁵ This forecast will need to be adopted by the City of Hood River and Hood River County before the HNA is adopted.

It is also based on Keizer’s adopted population forecast for 2032, which is documented in Ordinance number 2012-656, adopted by Keizer on May 7, 2012.

identified vacant through an enumeration, separate from (but related to) the survey of households. The Census determines vacancy status and other characteristics of vacant units by enumerators obtaining information from property owners and managers, neighbors, rental agents, and others.

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

OAR 660-024 established a safe harbor assumption for vacancy rate—which is the figure from the most-recent decennial Census. According to the 2010 Census, Hood River’s vacancy rate was 5.6% in 2010 for housing that is vacant for: “rent, rented, not occupied; for sale only; sold, not occupied.” **For the 2015 to 2035 period, we assume a vacancy rate of 5.6%.**

Table 3 shows the forecast of demand for new dwelling units in the Hood River UGB for the 2015-to-2035 period, based on the assumptions described above. Hood River will have demand for 1,985 new dwelling units over the 20-year period, with an annual average of 99 dwelling units.

Table 3. Forecast of demand for new dwelling units, Hood River UGB, 2015 to 2035

Variable	New Dwelling Units (2015-2035)
Change in persons	4,528
<i>minus</i> Change in persons in group quarters	35
<i>equals</i> Persons in households	4,493
Average household size	2.39
New occupied DU	1,880
<i>times</i> Aggregate vacancy rate	5.6%
<i>equals</i> Vacant dwelling units	105
Total new dwelling units (2015-2035)	1,985
Annual average of new dwelling units	99

Source: Calculations by ECONorthwest

2010 Census data about group quarters, average household size, and vacancy rate.

Note: The annual average number of new units (1,168) is the average number of units over the 20-year period. Development will happen in uneven cycles, with more development some years and less other years.

STEP 2: IDENTIFY RELEVANT NATIONAL, STATE, AND LOCAL DEMOGRAPHIC AND ECONOMIC TRENDS AND FACTORS THAT MAY AFFECT THE 20-YEAR PROJECTION OF STRUCTURE TYPE MIX

This section presents summaries of housing market and demographic trends that may affect Hood River's housing market over the planning period, including national, state, and regional trends.

National Trends

Appendix B presents a full review of national housing trends. This brief summary builds on previous work by ECONorthwest, the Urban Land Institute (ULI) reports, and conclusions from *The State of the Nation's Housing, 2014* report from the Joint Center for Housing Studies of Harvard University. The Harvard report summarizes the national housing outlook as follows:

"With promising increases in home construction, sales, and prices, the housing market gained steam in early 2013. But when interest rates notched up at mid-year, momentum slowed. This moderation is likely to persist until job growth manages to lift household incomes. Even amid a broader recovery, though, many hard-hit communities still struggle and millions of households continue to pay excessive shares of income for housing."

Several challenges to a strong domestic housing market remain. Demand for housing is closely tied to jobs and incomes, which are taking longer to recover than in previous cycles. While trending downward, the number of underwater homeowners, delinquent loans, and vacancies remains high. *The State of the Nation's Housing* report projects that it will take several years for market conditions to return to normal and, until then, the housing recovery will likely unfold at a moderate pace.

National housing market trends include:⁶

- **Post-recession recovery slows down.** Despite strong growth in the housing market in 2012 and the first half of 2013, by the first quarter of 2014, housing starts and existing home sales were both down by 3% from the same time a year before, while existing home sales were down 7% from the year before. Increases in mortgage interest rates and meager job growth contributed to the stall in the housing market.
- **Continued declines in homeownership.** After 13 successive years of increases, the national homeownership rate declined each year from 2005 to 2013, and is currently at about 65%. The Urban Land Institute projects that homeownership will continue to decline to somewhere in the low 60% range.
- **Housing affordability.** In 2012, more than one-third of American households spent more than 30% of income on housing. Low-income households face an especially dire

⁶ These trends are based on information from: (1) The Joint Center for Housing Studies of Harvard University's publication "The State of the Nation's Housing 2013," (2) Urban Land Institute, "2011 Emerging Trends in Real Estate," and (3) the U.S. Census.

hurdle to afford housing. Among those earning less than \$15,000, more than 80% paid over 30% of their income and almost 70% of households paid more than half of their income. For households earning \$15,000 to \$29,000, more than 60% were cost burdened, with about 30% paying more than half of their income on housing.

- **Changes in housing characteristics.** National trends show that the size of single-family and multifamily units, and the number of household amenities (e.g., fireplace or two or more bathrooms) has increased since the early 1990s. Between 1990 and 2013 the median size of new single-family dwellings increased 25% nationally from 1,905 square feet to 2,384 square feet and 18% in the western region from 1,985 square feet to 2,359 square feet. Moreover, the percentage of units smaller than 1,400 square feet nationally decreased from 15% in 1999 to 8% in 2013. The percentage of units greater than 3,000 square feet increased from 17% in 1999 to 29% of new one-family homes completed in 2013.

In addition to larger homes, a move towards smaller lot sizes is seen nationally. Between 2009 and 2013, the percentage of lots less than 7,000 square feet increased from 26% of lots to 30% of lots. Similarly, in the western region, the share of lots less than 7,000 square feet increased from 43% to 48% of lots.

- **Long-term growth and housing demand.** The Joint Center for Housing Studies forecasts that demand for new homes could total as many as 13.2 million units nationally between 2015 and 2025. Much of the demand will come from Baby Boomers, Millennials,⁷ and immigrants.
- **Changes in housing preference.** Housing preference will be affected by changes in demographics, most notably the aging of the Baby Boomers, housing demand from the Millennials, and growth of foreign-born immigrants. Baby Boomers' housing choices will affect housing preference and homeownership, with some boomers likely to stay in their home as long as they are able and some preferring other housing products, such as multifamily housing or age-restricted housing developments.

In the near-term, Millennials and new immigrants may increase demand for rental units. The long-term housing preference of Millennials and new immigrants is uncertain. They may have different housing preferences as a result of the current housing market turmoil and may prefer smaller, owner-occupied units or rental units. On the other hand, their housing preferences may be similar to the Baby Boomers, with a preference for larger units with more amenities. Recent surveys about housing preference suggest that Millennials want affordable single-family homes in areas that offer transportation alternatives to cars, such as suburbs or small cities with walkable neighborhoods.⁸

⁷ Millennials are, broadly speaking, the children of Baby Boomers, born from the early 1980's through the early 2000's.

⁸ Davis, Hibbits, & Midghal Research, "Metro Residential Preference Survey," May 2014. The American Planning Association, "Investing in Place; Two generations' view on the future of communities."

State Trends

Oregon's 2011-2015 *Consolidated Plan* includes a detailed housing needs analysis as well as strategies for addressing housing needs statewide.⁹ The plan concludes that "Oregon's changing population demographics are having a significant impact on its housing market." It identified the following population and demographic trends that influence housing need statewide. Oregon is:

- Facing housing cost increases due to higher unemployment and lower wages, as compared to the nation.
- Since 2005, is experiencing higher foreclosure rates compared with the previous two decades.
- Losing federal subsidies on about 8% of federally-subsidized Section 8 housing units.
- Losing housing value throughout the State.
- Losing manufactured housing parks, with a 25% decrease in the number of manufactured home parks between 2003 and 2010.
- Increasingly older, more diverse, and has less affluent households.¹⁰

2014.

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

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

⁹ http://www.ohcs.oregon.gov/OHCS/HRS_Consolidated_Plan_5yearplan.shtml

¹⁰ State of Oregon *Consolidated Plan 2011 to 2015*.

http://www.oregon.gov/ohcs/hd/hrs/consplan/2011_2015_consolidated_plan.pdf

Regional and Local Demographic Trends

Hood River has a growing population. Hood River's growing population will drive future demand for housing in Hood River over the planning period.

- Hood River grew by more than 2,800 people, a 61% increase in population, at an average annual rate of 2.1% over the 1990 to 2013 period.
- Hood River grew at a faster rate than the nation as a whole (1.0% per year), Oregon (1.4% per year), and Hood River County (1.4%) over this period.
- Population in the Hood River UGB is forecast to grow by 4,528 people between 2015 and 2035, at a 2.0% average annual growth rate.

Hood River's population is younger than the state, on average. Hood River has a larger share of young people, including young families with children, and a relatively small share of people over 40 years. If Hood River continues to attract young residents, then it will continue to have demand for housing for families, especially housing affordable to younger families with moderate incomes. Recent studies suggest that growth in younger residents (e.g., Millennials) will result in increased demand for both affordable single-family detached housing, as well as increased demand for affordable townhouses and multifamily housing. Growth in this population will result in increased demand for both ownership and rental opportunities, with an emphasis on housing that is comparatively affordable.

- In 2009-2013, the median age in Hood River was 34.4 years old, compared to the State median of 38.7.
- Compared to the state of Oregon as a whole, a higher percentage of Hood River's population is younger than 40 years old, and a lower percentage is older than 40.
- More than 16% of Hood River's population is under 10 years old, as compared to 12% statewide.
- The largest demographic in Oregon is the Millennials (born between 1981 and 2000), accounting for 27% of the State's population. About 30% of Hood River's population is made up by Millennials. In 2015, Millennials are between 15 to 34 years old and by 2035, they will be 35 to 54 years old. State forecasts for Hood River County show people in this age group growing by 2,800 people between 2015 and 2035.¹¹

Hood River's population is growing older. Although Hood River has a smaller share of people over 40 years old than the State average, Hood River's population is growing older, consistent with State and national trends. Demand for housing for retirees will grow over the planning period, as the Baby Boomers continue to age and retire.

Growth in the number of seniors will have the biggest impacts on demand for new housing through demand for housing types specific to seniors, such as assisted living facilities or age-restricted developments. These households will make a variety of housing choices, including:

¹¹ Oregon Office of Economic Analysis. Demographic forecasts
http://www.oregon.gov/DAS/OEA/docs/demographic/pop_by_ageandsex.xls

remaining in their homes as long as they are able, downsizing to smaller single-family homes (detached and attached) or multifamily units, or moving into group housing (such as assisted living facilities or nursing homes), as their health fails.

- The fastest growing age group over the 2000 to 2009-2013 period in Hood River was people aged 45 years and older, with the most growth in people aged 45 to 64.
- In Hood River, the population aged 45 to 64 grew by nearly 668 people (a 62% increase) between 2000 and 2009-2013.
- From 2000 to 2009-2013, the population age group aged 5 to 17 grew nearly 30 percent.
- State forecasts of growth by age group in Hood River County show the share of population that is 60 years and older is forecast to increase from 21% of the population in 2015 to 28% of the population in 2035. In comparison, the share of population 60 years and older in Oregon is forecast to increase from 23% to 27% of the population.¹²

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

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

- In 2009-2013, Hispanic and Latino population accounted for 26% of Hood River's total population, compared to the State average of 12%.
- Hood River's Hispanic and Latino population grew by more than 559 people (41%) over the 2000 to 2009-2013 period.

Hood River's average household size is lower than State averages.

- In 2010, Hood River's average household size was 2.39 persons per household, compared with an average of 2.64 for Hood River County and 2.47 persons per household for the State as a whole.
- The size of households in Hood River grew slightly over the ten-year period between 2000 and 2010 (2.38 to 2.39). Over the same period, the average household size in the Hood River County fell from 2.70 to 2.64, while the State's average fell from 2.51 to 2.47.

¹² Oregon Office of Economic Analysis. Demographic forecasts
http://www.oregon.gov/DAS/OEA/docs/demographic/pop_by_ageandsex.xls

Hood River has a similar percentage of households with children, as well as single-person and non-family households.

- Hood River has a similar share of households with children (27%) compared to the State average (27%) and Hood River County (30%).
- Hood River had a larger share of single-person households (35%) than the Hood River County (24%).
- Hood River has a larger share of non-family households (44%) than Hood River County (33%).

Homeownership and household size are related with age. The relationships between age, income, and homeownership are well-documented.¹³ In general, as population ages, income and homeownership rates increase, plateauing around age 60 to 65. This trend is present in Hood River’s housing market. While homeownership decreases after age 74, many people continue to live in an owner-occupied dwelling until they are unable to do so. However, household size decrease and rental rates increase with age. As Hood River’s population ages, there may be more demand for smaller owner-occupied dwellings, rental housing, and housing for seniors.

- More than half of householders aged 35 and older were homeowners. Homeownership increases with age until 74 years old.
- After age 75, homeownership decreases.
- Householders younger than 35 years were more likely to be renters.
- Householders 75 years and older were more likely to be homeowners in single-person households.

¹³ The research about the relationship between demographics and housing demand is based on numerous articles and sources of information about housing, including:

The Case for Multifamily Housing. Urban Land Institute. 2003

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

C. Rombouts. *Changing Demographics of Homebuyers and Renters.* Multifamily Trends. Winter 2004.

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

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

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

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

Hood River is part of a complex, interconnected regional economy. An important part of the City’s vision for housing is providing more opportunities for people who work in Hood River to live in Hood River. This issue is most significant for households with relatively low income, who cannot reasonably afford rental or ownership housing in Hood River. The City has some opportunities to influence whether people who work in Hood River live in Hood River, predominantly through zoning to allow for production of affordable housing types, such as small single-family detached housing, townhouses, and multifamily housing. In addition, the City can implement policies that reduce the cost of developing housing and can act as a partner in development of affordable housing.

However, the factors that affect households’ choices of where to locate are complex. They include: access to work shopping, recreation, and friends and family; quality of public service, especially schools; preferences for neighborhoods with specific characteristics; housing costs; preferences for housing and land with specific characteristics.

The planning and economics literature is inconclusive on the relative weight of site and structure characteristics in housing location choice. No one disagrees that travel time is an important variable that households consider when making a residential location choice. Casual observation of the choices of one's self and one's acquaintances confirms the point; the field of urban economics is based on the presumed tradeoff between travel time and land prices (which generally decrease with distance from places that a lot of people want to be).

- Commuting is typical throughout the region: 66% of Hood River’s working residents commuted outside the city, and about 58% of those who work in the city live outside the city itself.
- Commuting is common between Hood River, White Salmon, and Bingen. Interviews with stakeholders indicate that there is significant commuting between these cities. A primary reason that some households that work in Hood River choose to live in White Salmon and Bingen, rather than Hood River is that affordable housing is more available in White Salmon and Bingen. Other reasons, such as differences in state tax policy or community characteristics, may contribute to where households choose to live.

Hood River and Hood River County are home to a substantial number of farmworkers.¹⁴

Farm workers are “an individual whose principal employment is in agriculture on a seasonal basis, who has been so employed within the last twenty-four months.” Farmworkers include people employed in field agriculture, other agriculture (such as nursery and greenhouses), and food processing. Farmworkers may be migrant or they may have a permanent residence. Hood River County has an estimated 7,500 farmworkers, about 2,500 of whom are migrant workers.

Farmworker households may include multiple farmworkers, as well as people employed in

¹⁴ Information in this paragraph is from: *Oregon Update Migrant and Seasonal Farmworker Enumeration Profiles Study, Final*, by Alice C. Larson, Ph.D., completed in May 2013.

other industries. On average, farmworker households in Oregon have an average household size of 4.1 persons per household.

Discussion with stakeholders who work with farmworkers in Hood River County confirmed that more than half (and probably about 60%) of farmworkers in the County live in the County year-around. The income for farmworkers households in Hood River County is generally \$25,000 to \$30,000 per household, assuming there are at least two full-time workers in the household. This household income is considerably below the County average income.

Some farmworkers live at the farms where they work, especially for workers at larger farms. Farmworkers have difficulty finding affordable housing in Hood River County, including in the City of Hood River. A household earning about \$25,000 would be able to afford rent of about \$625 per month. As discussed in the following sections, the average rent in Hood River is considerably higher than this. As a result, the majority of housing affordable to farmworker households in Hood River is government-subsidized housing.¹⁵

¹⁵ This information is based on interviews with Jean Godfrey, the Executive Director of Columbia Food Growers and a member of the Oregon Farmworker Housing Facilitation Team. We also spoke with Theresa Wingard, the Oregon Housing and Community Services facilitator for the Oregon Farmworker Housing Facilitation Team.

STEP 3: DESCRIBE THE DEMOGRAPHIC CHARACTERISTICS OF THE POPULATION AND, IF POSSIBLE, HOUSING TRENDS THAT RELATE TO DEMAND FOR DIFFERENT TYPES OF HOUSING

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

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

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

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

- **Growth in housing will be driven by growth in population.** Between 2000 and 2013 Hood River's population (within its city limits) grew by 1,629 people (28%). The population in Hood River's UGB is expected to grow by 4,528 people (49%) between 2015 and 2035.
- **On average, future housing will look a lot like past housing.** That is the assumption that underlies any trend forecast, and one that allows some quantification of the composition of demand for new housing. As a first approximation, the next three to five years of residential growth will look a lot like the last three to five years.
- **If the future differs from the past, it is likely to move in the direction (on average) of smaller units and more diverse housing types.** Most of the evidence suggests that the bulk of the change will be in the direction of smaller average house and lot sizes for single-family housing.

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

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

- *The Baby Boomer's population is continuing to age.* By 2035, people 60 years and older will account for 28% of the population in Hood River County (up from 21% in 2015). The changes that affect Hood River's housing demand as the population ages are that household sizes decrease and homeownership rates decrease.
- *Millennials will continue to age.* By 2035, Millennials will be roughly between about 35 years old to 55 years old. As they age, generally speaking, their household sizes will increase and homeownership rates will peak by about age 55. Between 2015 and 2035, Millennials will be a key driver in demand for housing for families with children.
- *Hispanic and Latino population will continue to grow.* The U.S. Census projects that by about 2040, Hispanic and Latino population will account for more than one-quarter of the nation's population. The share of Hispanic and Latino population in the western U.S. is likely to be higher. Hispanic and Latino population already account for more than one quarter of Hood River's population. In addition, Hispanic and Latino population is generally younger than the U.S. average, with many Hispanic and Latino people belonging to the Millennial generation.

Hispanic and Latino population growth will be an important driver in growth of housing demand, both for owner- and renter-occupied housing. Growth in Hispanic and Latino population will drive demand for housing for families with children. Given the lower income for Hispanic and Latino households, especially first generation immigrants, growth in this group will also drive demand for affordable housing, both for ownership and renting.¹⁷

In summary, an aging population, increasing housing costs, housing affordability concerns for Millennials and the Hispanic and Latino populations, and other variables are factors that support the conclusion of need for a smaller and less expensive units and a broader array of housing choices.

¹⁷ The following articles describe housing preferences and household income trends for Hispanic and Latino families, including differences in income levels for first, second, and third generation households. In short, Hispanic and Latino households have lower median income than the national averages. First and second generation Hispanic and Latino households have median incomes below the average for all Hispanic and Latino households. Hispanic and Latino households have a strong preference for homeownership but availability of mortgages and availability of affordable housing are key barriers to homeownership for this group.

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

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

Millennials and immigrants will drive demand for affordable housing types, including demand for small, affordable single-family units (many of which may be ownership units) and for affordable multifamily units (many of which may be rental units).

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

STEP 4: DETERMINE THE TYPES OF HOUSING THAT ARE LIKELY TO BE AFFORDABLE TO THE PROJECTED HOUSEHOLDS BASED ON HOUSEHOLD INCOME.

Hood River's household income is comparable to state averages. Income is a key determinant of housing affordability. Since 2000, Hood River's median household income has increased (in inflation-adjusted dollars).

- Hood River's median household income (\$48,858) was about 3% lower than the state median (\$50,200) in 2009-2013.
- Inflation-adjusted household income increased in Hood River from about \$43,400 in 2000 to \$48,900 in 2009-2013 (in 2013 dollars). This goes against state and regional trends. Over the same time period, the median inflation-adjusted household income fell from \$57,000 to \$50,000 for the State as a whole.
- Hood River has a smaller share of its population below the federal poverty line in 2009-2013 (13.2%) than the State average (16.2%).
- Poverty rates in Hood River fell from 17% of the population below poverty in 2000 to only 13% in the period from 2009-2013. This is consistent with regional trends; Hood River County saw a similar drop from 14% to 12% over the same period. However in these years, the poverty rate in Oregon increased from 12% to 16%.

Homeownership is increasingly expensive in Hood River. Sales prices for housing in Hood River increased substantially over the 2000 to 2014 period, consistent with national trends. While housing prices fell sharply in 2009, by 2014 the average sales price was about equal to the sales price at the highest point in the housing bubble, with a median sales price of about \$300,000.

- The median sales price in Hood River was \$318,000 in 2008, decreasing to a low of \$255,00 in 2012. The median sales price in Hood River for 2014 was \$309,000, decreasing to \$284,000 in February 2015. It is not clear whether this decrease is indicative of a longer-term trend or a short-term change in price.
- In 2009-2013, the typical value of an owner-occupied house was 6.4 times median household income. This is a substantial increase from 4.5 times median household

income in 2000. In comparison, the typical value of an owner-occupied house in Oregon in the 2009-2013 period was 4.7 times median household income, up from 3.6 in 2000.

Rental costs grew more slowly than income and home values.

- Rental costs have remained relatively constant over the 2000 to 2009-2013 period in Hood River, growing only 3% in inflation-adjusted dollars, while household incomes have increased (12%) and home values have gone up (29%) over the same period.
- A market analysis completed in 2012 showed market-rate multifamily rents in Hood River to average about \$960. One-bedroom units had rents ranging from \$660 to \$935, two-bedroom units rented for \$720 to \$960, and three bedroom units rented for \$825 to \$1,740.¹⁸
- Stakeholders (with primary housing rental agencies) report that rent for single-family homes ranges from \$700 to \$2,000 per month. Apartment rents range from \$500 to \$700 monthly for studio/one-bedroom units and \$750 to \$900 for two-bedroom units.

Approximately one-third of Hood River's households have affordability problems. Rental costs grew more slowly than income, but growth in home values have outpaced the region and the state, generating an affordability problem, particularly in regards to home ownership.

- Thirty-two percent of Hood River's households were cost burdened (i.e., paid more than 30% of their income on rent or homeownership costs) in 2009-2013. This is lower than Hood River County (35%) and the state average (40%).
- Roughly 40% of Hood River's renter households were cost burdened in 2009-2013. About 15% of renters were severely cost burdened (i.e., paid more than 50% of their income on rent).
- Twenty-five percent of Hood River's homeowners were cost burdened in 2009-2013. About 9% of homeowners were severely cost burdened (i.e., paid more than 50% of their income on homeownership costs).
- More than 25% of the city's households could not afford a studio apartment according to HUD's estimate of \$683 as fair market rent.
- About 35% of households in Hood River could not afford a two-bedroom apartment at HUD's fair market rent level of \$845.
- A household earning median family income (\$64,000) could afford a home valued up to about \$160,000.

Future housing affordability will depend on the relationship between income and housing price. The key question, which is difficult to answer based on historical data, is whether housing prices will continue to outpace income growth.

¹⁸ "Rental Housing Needs Assessment, Hood River," prepared for Columbia Cascade Housing Corporation, August 30, 2012.

STEP 5: DETERMINE THE NEEDED HOUSING MIX AND DENSITY RANGES FOR EACH PLAN DESIGNATION AND THE AVERAGE NEEDED NET DENSITY FOR ALL STRUCTURE TYPES.

Table 3 presents a forecast of new housing in Hood River's UGB for the 2015-2035 period. This section determines the needed mix and density for new housing developed over this 20-year period in Hood River.

Table 4 shows that, in the future, the need for new housing developed in Hood River will include more housing generally more affordable, with some housing located in walkable areas with access to services.

- Demographic changes suggest moderate increases in demand for attached single-family housing and multifamily housing. The key demographic trends that will affect Hood River's future housing needs are: (1) the aging of the Baby Boomers, (2) aging of the Millennials, and (3) continued growth in Hispanic and Latino population. Growth of these groups has the following implications for housing need in Hood River:
 - *Baby Boomers.* Growth in the number of seniors will have the biggest impacts on demand for new housing through demand for housing types specific to seniors, such as assisted living facilities or age-restricted developments. These households will make a variety of housing choices, including: remaining in their homes as long as they are able, downsizing to smaller single-family homes (detached and attached) or multifamily units, or moving into group housing (such as assisted living facilities or nursing homes), as their health fails. Minor increases in the share of Baby Boomers who downsize to smaller housing will result in increased demand for single-family attached and multifamily housing. Some Baby Boomers may prefer housing in walkable neighborhoods, with access to services.
 - *Millennials.* Growth in this population will result in increased demand for both ownership and rental opportunities, with an emphasis on housing that is comparatively affordable. Millennial households will need each of the types of housing shown in Table 4. Some Millennials may prefer to locate in traditional single-family detached housing, at the edges of Hood River's UGB. Some Millennials will prefer to locate in housing closer to Downtown or in walkable neighborhoods, possibly choosing small single-family detached houses, townhouses, or multifamily housing. These households will be a primary driver of increased demand for smaller, less expensive housing types.
 - *Hispanic and Latino population.* Growth in the number of Hispanic and Latino households will result in increased demand for housing of all types, both for ownership and rentals, with an emphasis on housing that is comparatively affordable. Hispanic and Latino households are more likely to be larger than average, with more children and possibly with multigenerational households. The types of housing that are most likely to be affordable to the majority of Hispanic and Latino households are existing lower-cost single-family housing, single-

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

- About one-third of Hood River's households have affordability problems, suggesting a need for more affordable housing types. About 35% of Hood River's households could not afford a two-bedroom apartment at HUD's fair market rent level of \$845. A household earning median family income (\$64,000) could afford a home valued up to about \$160,000, which is considerably below the median sales price for single-family housing of about \$300,000 in Hood River.

Continued increases in housing costs may increase demand for denser housing (e.g., multifamily housing or smaller single-family housing) or locating outside of Hood River. To the extent that denser housing types are more affordable than larger housing types, continued increases in housing costs will increase demand for denser housing.

- Some people who work in Hood River but live outside of the city would choose to move to Hood River if housing was available that was affordable to these workers. These households are more likely to need smaller, more affordable housing types, such as townhouses or multifamily housing. Anecdotal information suggests that workers in Hood River may have a very difficult time finding year-round rental housing, both housing that is affordable for low- and moderate-income households but also housing that is affordable to households with higher income. This suggests that Hood River needs more rental housing of all types. Multifamily housing and townhouses are more likely to be rental housing than single-family detached housing. However, about half of townhouses are currently used as short-term rentals or secondary homes.

The analysis in this report (summarized above) shows that in Hood River, the city needs to grow housing of all types but particularly needs an increase in housing that is relatively affordable, both market-rate affordable housing and government-subsidized affordable housing. The types of housing that will be more affordable, over time, are smaller-scale single-family detached, townhouses, and multifamily housing. The mix in Table 4 is consistent with an increase in the percentage of these types of housing developed over the 20-year period.

Table 4 presents the forecast of new housing in Hood River by type of housing. The forecast of housing by type of housing is different from Hood River's historical mix. The mix of Hood River's existing housing stock is: 62% single-family detached, 3% single-family attached, and 35% multifamily housing.¹⁹

¹⁹ 2009-2013 American Community Survey, U.S. Census

Table 4. Forecast of needed housing by housing type, Hood River UGB, 2015 to 2035

	New Dwelling Units (2015-2035)
Total new dwelling units (2015-2035)	1,985
Dwelling units by structure type	
Single-family detached	
Percent single-family detached DU	55%
equals Total new single-family detached DU	1,092
Single-family attached	
Percent single-family attached DU	10%
equals Total new single-family attached DU	199
Multifamily	
Percent multifamily detached DU	35%
Total new multifamily DU	694
equals Total new dwelling units (2015-2035)	1,985

Source: ECONorthwest
 Note: DU is dwelling unit.

Table 5 allocates needed housing to plan designations in Hood River. The allocation is based, in part, on the types of housing allowed in the zoning designations in each plan designation. The allocation also reflects assumptions about development in commercial plan designations. Table 5 shows:

- **Urban Low Density Residential (R-1)** will accommodate new single-family detached housing.
- **Urban Standard Density Residential (R-2)** will accommodate a mixture of new single-family detached housing, single-family attached, and lower density multifamily housing, such as duplexes.
- **Urban High Density Residential (R-3)** will primarily accommodate multifamily, with a small amount of single-family detached and single-family attached housing.
- **General Commercial (C-2)** allows multifamily housing as a permitted use and will accommodate a substantial amount of multifamily housing.²⁰
- **Urban Low Density Residential (U-R-1)** will accommodate the majority of new single-family detached housing.
- **Urban Standard Density Residential (U-R-2)** will accommodate a mixture of new single-family detached housing, single-family attached, and lower density multifamily housing, such as duplexes.

²⁰ The Hood River Economic Opportunities Analysis (June 2011) identified a surplus of 46 acres of C-2 land (in the Medium growth scenario), beyond the land needed to accommodate growth over the 20-year period.

Table 5. Allocation of needed housing by housing type and plan designation, Hood River UGB, 2015 to 2035 period

	Plan Designation						Total
	Urban Low Density Residential (R-1)	Urban Standard Density Residential (R-2)	Urban High Density Residential (R-3)	General Commercial (C-2)	Urban Low Density Residential (U-R-1)	Urban Standard Density Residential (U-R-2)	
Dwelling Units							
Single-family detached	278	79	20	-	437	278	1,092
Single-family attached	-	40	20	-	-	139	199
Multifamily	-	40	258	297	-	99	694
Total	278	159	298	297	437	516	1,985
Percent of Units							
Single-family detached	14%	4%	1%	0%	22%	14%	55%
Single-family attached	0%	2%	1%	0%	0%	7%	10%
Multifamily	0%	2%	13%	15%	0%	5%	35%
Total	14%	8%	15%	15%	22%	26%	100%

Source: ECONorthwest
 Note: DU is dwelling unit.

Table 6 presents the assessment of needed density for housing built in Hood River over the 2015 to 2035 period. The assessment of needed density is based on a number of factors: (1) the types of housing and development densities allowed in each Plan Designation, (2) historical densities achieved in each Plan Designation since 2000,²¹ (3) the densities by type of plan designation described in OAR 660-024-0040(8)(f) Table 1,²² and (4) the range of housing need by income identified in Table 7, which includes need for housing for high income households to low- and very-low-income households.

Table 6 shows the following needed densities, in net and gross acres:²³

- **Urban Low Density Residential (R-1):** 6.0 dwelling units per acre, with 12% of land used for rights-of-way,²⁴ resulting in a density of 5.3 dwelling units per gross acre. The historical density of for single-family detached dwellings, duplexes, tri-plexes, and quad-plexes developed between 2000 and 2013 was 8.2 dwelling units per net acre.²⁵ This analysis assumes that only single-family detached housing will be built in R-1, at densities consistent with densities allowed in R-1.
- **Urban Standard Density Residential (R-2):** 10.0 dwelling units per acre, with 23% of land used for rights-of-way, resulting in a density of 7.7 dwelling units per gross acre. The historical density of for single-family attached and multifamily housing developed in R-2 between 2000 and 2014 was 14.7 dwelling units per net acre. This analysis assumes that mixture of new single-family detached housing, single-family attached, and multifamily will be built in R-2, at densities consistent with densities allowed in R-2. The needed density is lower than the historical density of multifamily development because of the types housing allocated to R-2 includes lower-density housing types, such as single-family detached.

²¹ While the analysis of historical densities provides useful information, it has some limitations. The analysis of historical development densities for single-family housing also includes development of denser housing types, such as duplexes, tri-plexes, and quad-plexes. While this is the best available information about single-family and ‘plex development, it likely overstates development densities for single-family detached housing. In addition, the analysis of historical density for multifamily housing is based on a limited number of new dwellings, including about 135 townhomes and 50 multifamily units. As a result, the historical density analysis provides guidance for future densities but does not provide sufficient information to determine future needed densities on its own.

²² While Hood River does not use the safe harbor in OAR 660-024-0040(8)(f) Table 1, the City did consider the densities described in Table 1. Hood River’s needed densities fit within the ranges described in Table 1. <http://www.oregon.gov/LCD/docs/adminrules/div024a.pdf>

²³ OAR 660-024-0010(6) uses the following definition of net buildable acre. “Net Buildable Acre” “...consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads.” While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

²⁴ The assumptions about land needed for rights-of-way are based on the historical percentages of land needed for rights-of-way, shown in Appendix B.

²⁵ These housing types are grouped together into one category in county assessor files, which was the source information about development by year for the density analysis.

- **Urban High Density Residential (R-3):** 21 dwelling units per acre, with 19% of land used for rights-of-way, resulting in a density of 17.0 dwelling units per gross acre. The historical density for single-family attached and multifamily housing developed in R-3 between 2000 and 2014 was 18.3 dwelling units per net acre. This analysis assumes that housing developed in R-3 will develop at slightly higher densities over the 20-year planning period, given the expected increase in demand for denser housing of all types.
- **Urban Low Density Residential (U-R-1):** assumptions about development in U-R-1 are consistent with assumptions about development in R-1, assuming that land in U-R-1 will develop to urban levels of density.
- **Urban Standard Density Residential (U-R-2):** assumptions about development in U-R-2 are consistent with assumptions about development in R-2, assuming that land in U-R-2 will develop to urban levels of density.
- **General Commercial (C-2):** 31 dwelling units per net acre, with 19% of land used for rights-of-way, resulting in a density of 25.0 dwelling units per gross acre. The historical density for multifamily housing developed in R-3 between 2000 and 2014 was 42.6 dwelling units per net acre. This analysis assumes that housing developed in C-2 will continue to develop at relatively high densities. However, given minimum density of 11 dwelling units per acre, development in C-2 may be a little less dense than in the past.

Table 6. Needed density for housing built in the Hood River UGB, 2015 to 2035 period

	Net Density (du/acre)	Percentage of Land for Rights-of-Way	Gross Density (du/acre)
Urban Low Density Residential (R-1)	6.0	12%	5.3
Urban Standard Density Residential (R-2)	10.0	23%	7.7
Urban High Density Residential (R-3)	21.0	19%	17.0
Urban Low Density Residential (U-R-1)	6.0	12%	5.3
Urban Standard Density Residential (U-R-2)	10.0	23%	7.7
Commercial (C-2)	31.0	19%	25.0

Source: ECONorthwest

Note: DU is dwelling unit.

Note: Gross density for C-2 is rounded from 25.1 dwelling units per acre to 25.0 dwelling units per acre.

Need for government assisted and manufactured housing

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

- **Government-subsidized housing.** Government-subsidies can apply to all housing types (e.g., single family detached, apartments, etc.). Hood River allows development of government-assisted housing in all residential plan designations, with the same development standards for market-rate housing. This analysis assumes that Hood River will continue to allow government housing in all of its residential plan designations. Because government assisted housing is similar in character to other housing (with the

exception being the subsidies), it is not necessary to develop separate forecasts for government-subsidized housing.

- **Manufactured housing on lots.** Hood River allows manufactured homes on lots in in the R-1, R-2, and R-3 Zones. Hood River does not have special siting requirements for manufactured homes. Since manufactured homes are subject to the same siting requirements as site-built homes, it is not necessary to develop separate forecasts for manufactured housing on lots.
- **Manufactured housing in parks.** OAR 197.480(4) requires cities to inventory the mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial or high density residential development. According to the Oregon Housing and Community Services' Manufactured Dwelling Park Directory,²⁶ Hood River has two manufactured home parks within the City, with 78 spaces and no vacant spaces, both of which are located in the General Commercial Zone.

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

- Table 3 shows that Hood River area will grow by 1,985 dwelling units over the 2015 to 2035 period.
- Analysis of housing affordability (in Table 7) shows that about 31% of Hood River's new households will be low income, earning 50% or less of the region's median family income. One type of housing affordable to these households is manufactured housing.
- Manufactured housing in parks accounts for about 2% (about 78 dwelling units) of Hood River's current housing stock.
- National, state, and regional trends during the 2000 to 2010 period showed that manufactured housing parks were closing, rather than being created. For example, between 2003 and 2010, Oregon had a statewide decrease of 25% in the number of manufactured home parks.
- The long-term trend that will lead to the closure of manufactured home parks is the result of manufactured home park landowners selling or redeveloping their land for uses with higher rates of return, rather than lack of demand for spaces in manufactured home parks. Manufactured home parks contribute to the supply of low-cost affordable housing options, especially for affordable homeownership. The trend in the closure of manufactured home parks increases the shortage of manufactured home park spaces. Without some form of public investment to

²⁶ Oregon Housing and Community Services, Oregon Manufactured Dwelling Park Directory, <http://o.hcs.state.or.us/MDPCRParcs/ParkDirQuery.jsp>

encourage continued operation of existing manufactured home parks and construction of new manufactured home parks, this shortage will continue.

Table 7 shows that the households most likely to live in manufactured homes in parks are those with incomes between \$19,000 and \$32,000 (30% to 50% of median family income), although households in other income categories may live in manufactured homes in parks. Assuming that about 2% of Hood River's new single-family detached households choose to live in manufactured housing parks, the city may need about 40 new manufactured home spaces. At an average of 8 dwelling units per net acre, this results in demand for about 5 acres of land.

Manufactured home park development is an allowed use in all residential zones in Hood River's UGB. However, development of a new manufactured home parks in Hood River over the planning period is unlikely, given rising housing and land prices in Hood River, as well as the relatively small supply of vacant residential land. The land needed for development of a manufactured housing park is part of the forecast in Table 5.

STEP 6: ESTIMATE THE NUMBER OF ADDITIONAL NEEDED UNITS BY STRUCTURE TYPE

The next step in the housing needs analysis is the estimation of units by structure type and evaluating income as it relates to housing affordability. Table 7 shows an estimate of needed dwelling units by income level for the 2015-2035 period. Although income will change over the 20-year planning period, Table 7 assumes that the percentage of households in each market segment will remain relatively stable. The analysis uses market segments consistent with HUD income level categories and Hood River County's Median Family Income (MFI) estimate of \$64,000 in 2014.

The analysis shows that about 31% of households in Hood River have incomes considered relatively high (above 120% of Median Family Income) and that about 31% of the housing need in the 2015-2035 period will derive from households in these categories. The analysis also shows that 31% of Hood River's households could be considered low or very low income and that about 31% of the housing need in the 2015-2035 period will derive from households in these categories.

Table 7. Estimate of needed dwelling units by income level, Hood River, 2015-2035

Market Segment by Income	Income range	New Households 2015-2035		Financially Attainable Products	
		Number of Households	Percent of Households	Owner-occupied	Renter-occupied
High (120% or more of MFI)	\$76,800 or more	615	31%	All housing types; moderate and higher prices	All housing types; moderate and higher prices
Upper Middle (80%-120% of MFI)	\$51,200 to \$76,800	357	18%	Small single-family with lower values; single-family attached; duplexes; manufactured	All housing types; lower values
Lower Middle (50%-80% of MFI)	\$32,000 to \$51,200	397	20%	Manufactured on lots and in parks; single-family attached; duplexes	Single-family attached; detached; manufactured on lots; apartments
Low (30%-50% or less of MFI)	\$19,200 to \$32,000	357	18%	Manufactured in parks	Apartments; manufactured in parks; duplexes; government assisted housing
Very Low (Less than 30% of MFI)	Less than \$19,200	258	13%	None	Apartments, market-rate and subsidized; other government assisted housing

Source: Analysis by ECONorthwest;
 Number of households by income range from the 2009-2013 American Community Survey, Table B19001
 Income range based on HUD's 2014 Median Family Income of \$64,000

5 Residential Land Sufficiency

This chapter presents an evaluation of the sufficiency of vacant residential land in Hood River to accommodate expected residential growth over the 2015 to 2035 period. This chapter includes an estimate of residential development capacity (measured in new dwelling units) and an estimate of Hood River’s ability to accommodate needed new housing units for the 2015 to 2035 period, based on the analysis in the housing needs analysis. This chapter also documents land needed for public and semi-public uses in residential areas, such as parks or churches. The chapter ends with a discussion of the conclusions and recommendations for the housing needs analysis.

RESIDENTIAL DEVELOPMENT CAPACITY

This section presents a summary of the analysis used to estimate Hood River’s residential development capacity.

Framework for the capacity analysis

The BLI provides a *supply* analysis (buildable land by type) and the preceding section provides a *demand* analysis (population and growth leading to demand for more residential development). The comparison of supply and demand allows the determination of land sufficiency.

There are two ways to get estimates of supply and demand into common units of measurement so that they can be compared: (1) housing demand can be converted into acres, or (2) residential land supply can be converted into dwelling units. A complication of either approach is that not all land has the same characteristics. Factors such as zone, slope, parcel size and shape, can all affect the ability of land to accommodate housing. Methods that recognize this fact are more robust and produce more realistic results. This analysis uses the second approach: it estimates the ability of vacant residential lands within the UGB to accommodate new housing. This analysis, sometimes called a “capacity analysis,”²⁷ can be used to evaluate different ways that vacant residential land may build out by applying different assumptions.

²⁷ There is ambiguity in the term *capacity analysis*. It would not be unreasonable for one to say that the “capacity” of vacant land is the maximum number of dwellings that could be built based on density limits defined legally by plan designation or zoning, and that development usually occurs—for physical and market reasons—at something less than full capacity. For that reason, we have used the longer phrase to describe our analysis: “estimating how many new dwelling units the vacant residential land in the UGB is likely to accommodate.” That phrase is, however, cumbersome, and it is common in Oregon and elsewhere to refer to that type of analysis as “capacity analysis,” so we use that shorthand occasionally in this memorandum.

Capacity analysis results

The capacity analysis estimates the development potential of vacant residential land to accommodate new housing based on the needed densities by the housing type categories shown in Table 6.

Table 8 shows that **Hood River’s vacant residential land has capacity to accommodate approximately 2,460 new dwelling units**, based on the following assumptions:

- **Buildable residential land.** The capacity estimates build from the number of buildable acres in residential Plan Designations as shown in Chapter 2.
- **Needed densities.** The capacity analysis assumes development will occur at needed densities (as opposed to historical observed densities). Those densities were derived from historical levels and the needed densities shown in Table 6. They are as follows:
 - Urban Low Density Residential, R-1 and U-R-1. The assumed density for these Plan Designations was 6.0 per net acre and 5.3 per gross acre.
 - Urban Standard Density Residential, R-2 and U-R-2. The assumed density for these Plan Designations was 10.0 per net acre and 7.7 per gross acre.
 - Urban High Density Residential, R-3. The assumed density for this Plan Designation was 21.0 per net acre and 17.0 per gross acre.
 - Commercial, C-2. The assumed density for this Plan Designation was 31.0 per net acre and 25.0 per gross acre.
- **Land for rights-of-way.** The capacity analysis also uses net-to-gross factors to make deductions for rights-of-way, as described in Table 6. The gross densities described above are the result of deductions for land for rights-of-way.

Table 8 presents the residential capacity estimates based on the assumptions described above. The results show that Hood River has capacity for 2,460 dwellings.

Table 8. Estimated housing development potential on vacant residential lands, number of dwelling units, Hood River UGB

	Plan Designation						Total
	Urban Low Density Residential (R-1)	Urban Standard Density Residential (R-2)	Urban High Density Residential (R-3)	General Commercial (C-2)*	Urban Low Density Residential (U-R-1)	Urban Standard Density Residential (U-R-2)	
Vacant & Partially Vacant Land (gross acres)	76	29	18	12	113	81	330
Density Assumption (du/gross acre)	5.3	7.7	17.0	25.0	5.3	7.7	7.5
Capacity (new dwelling units)	405	227	307	300	597	624	2,460

Source: ECONorthwest
Note: DU is dwelling unit.

The estimated capacity in Table 8 includes assumptions about infill occurring in Hood River over the 2015 to 2035 period. More than half of the capacity in residential Plan Designations is from partially vacant land. We assume that, over the 20-year period, much of the partially vacant land will infill and develop at urban densities.

Much of Hood River's opportunity for redevelopment will be in commercial areas, with redevelopment or reuse of underutilized buildings, or in urban renewal areas. Hood River has opportunities for development of mixed-use buildings in the C-2 Plan Designation, as shown in Table 8. Hood River may have opportunities for redevelopment as part of urban renewal in The Heights Urban Renewal District.

LAND NEEDED FOR OTHER USES

Cities need to provide land for uses other than housing and employment. Public facilities such as schools, governments, churches, parks, and other non-profit organizations will expand as population increases. Many communities have specific standards for parks. School districts typically develop population projections to forecast attendance and the need for additional facilities. All of these uses will potentially require additional land as a city grows.

Previous sections estimated land demand for housing and employment; this section considers other uses that consume land and must be included in land demand estimates. Demand for these lands largely occurs independent of market forces. Many can be directly correlated to population growth.

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

- **Lands needed for public facilities.** This includes lands for city offices and maintenance facilities, state and state facilities, ports, substations, and other related public facilities. Land needs are estimated using acres per 1,000 persons for all lands of these types.
- **Lands needed for parks and open space.** The estimates use a parkland need based on discussions with the Hood River Valley Parks and Recreation District Director about plans for parks within the Hood River UGB.
- **Lands needed for semi-public uses.** This includes churches, non-profit organizations, and related semi-public uses. The analysis includes land need assumptions using acres per 1,000 persons for all lands of these types.

Table 9 shows land in public and semi-public uses by type for public and semi-public uses in residential land designations:

- **Lands needed for public operations and facilities.** In 2015, Hood River had 0.4 acres of land used for public facilities in residential Plan Designations. Table 9 shows that, assuming that this land demand remains the same, Hood River will need about 2 acres of land for public facilities in residential designations.

- **Lands needed for semi-public uses.** . In 2015, Hood River had 5.2 acres of land used for semi-public uses in residential Plan Designations. These uses were predominantly churches and non-profit organizations, including the hospital. Table 9 assumes that Hood River will continue to need land for semi-public uses but that it will need a smaller number of acres per 1,000 people because Hood River will not need new major facilities like a hospital over the 20-year planning period. Based on 4.0 acres per 1000 people, Hood River will need about 18 acres of land for public facilities in residential designations.

Table 9. Summary of public and semi-public uses and future need by type, Hood River UGB

	2015		2015-2035	
	Acres	Acres per 1,000 people	Acres per 1,000 people	Needed Acres
Public Facilities	3.8	0.4	0.4	1.9
Semi-Public	47.6	5.2	4.0	18.1
Total	51.5	5.6	4.4	20.0

Source: Hood River County Assessor, analysis by ECONorthwest

In addition to the 20 acres of land need shown in Table 9, Hood River will need about 30 acres of land for parks. According to discussions with the Hood River Valley Parks and Recreation District Director, Lori Stirn, Hood River will need about 5 acres of land for neighborhood parks within the UGB. In addition, the District is planning for development of a 25-acre sports facility inside of the Hood River UGB, which will include development of ball fields and other sports facilities identified as needed in *2012-2022 Parks and Recreation Master Plan*.²⁸

Table 9 does not include land for schools, as the Hood River County School District owns land where the District plans to site new schools in the foreseeable future. The School District is in the process of preparing a 10-year Facilities Plan, which will address plans for new schools on District-owned lands. In the longer-term, the District may need to acquire additional lands for a new high school but the location of a new high school is currently unknown. The District has no plans for acquiring that site in the foreseeable future and plans for a new high school would not be developed until the next update to the District’s Facilities Plan. As a result, the School District does not have an identified additional land need within the Hood River UGB at this time.²⁹

²⁸ The *2012-2022 Parks and Recreation Master Plan* was not adopted by the City of Hood River.

²⁹ Based on a discussion with Dan Goldman, Superintendent, Hood River County School District.

RESIDENTIAL LAND SUFFICIENCY

The last step in the analysis of the sufficiency of residential land within Hood River is to compare the demand for housing by Plan Designation (Table 5) with the capacity of land by Plan Designation (Table 8).

- **Urban Low Density Residential (R-1).** Hood River has surplus capacity for about 127 dwelling units or about 24 gross acres of land.
- **Urban Standard Density Residential (R-2).** Hood River has surplus capacity for about 68 dwelling units or about 9 gross acres of land.
- **Urban High Density Residential (R-3).** Hood River has surplus capacity for about 127 dwelling units or about 24 gross acres of land.
- **Urban Low Density Residential (U-R-1).** Hood River has surplus capacity for about 160 dwelling units or about 30 gross acres of land.
- **Urban Standard Density Residential (U-R-2).** Hood River has surplus capacity for about 108 dwelling units or about 14 gross acres of land.
- **General Commercial (C-2).** The capacity of the C-2 Plan Designation is estimated to be 300 dwelling units but the capacity could be higher, depending on housing market pressure. While Hood River’s economic opportunities analysis showed a surplus of land in C-2, the City should manage C-2 land both for employment uses and for multistory multifamily housing. Without residential development in C-2, Hood River would have a deficit of land for multifamily development.

Table 10 shows that Hood River has enough land to accommodate residential development at the needed densities, with land surpluses ranging from 9 acres in R-2 to 30 acres in U-R-1.

- **Urban Low Density Residential (R-1).** Hood River has surplus capacity for about 127 dwelling units or about 24 gross acres of land.
- **Urban Standard Density Residential (R-2).** Hood River has surplus capacity for about 68 dwelling units or about 9 gross acres of land.
- **Urban High Density Residential (R-3).** Hood River has surplus capacity for about 9 dwelling units or about one gross acre of land.
- **Urban Low Density Residential (U-R-1).** Hood River has surplus capacity for about 160 dwelling units or about 30 gross acres of land.
- **Urban Standard Density Residential (U-R-2).** Hood River has surplus capacity for about 108 dwelling units or about 14 gross acres of land.
- **General Commercial (C-2).** The capacity of the C-2 Plan Designation is estimated to be 300 dwelling units but the capacity could be higher, depending on housing market pressure. While Hood River’s economic opportunities analysis showed a surplus of land in C-2, the City should manage C-2 land both for employment uses and for multistory multifamily housing. Without residential development in C-2, Hood River would have a deficit of land for multifamily development.

Table 10. Comparison of capacity of existing residential land with demand for new dwelling units, Hood River UGB, 2015-2035

	Plan Designation						Total
	Urban			General Commercial (C-2)	Urban		
	Urban Low Density Residential (R-1)	Standard Density Residential (R-2)	Urban High Density Residential (R-3)		Urban Low Density Residential (U-R-1)	Standard Density Residential (U-R-2)	
Capacity	405	227	307	300	597	624	2,460
Needed New Units	278	159	298	297	437	516	1,985
Surplus (Deficit) dwelling units	127	68	9	3	160	108	475
Surplus (Deficit) acres	24	9	1	0	30	14	78

Source: ECONorthwest
 Note: DU is dwelling unit.

The analysis of land needed for public and semi-public uses (Table 9) shows that Hood River will need about 50 acres of land for public and semi-public land needs over the 2015-2035 period. Based on the analysis in Table 10, Hood River has sufficient land within the UGB to accommodate these land needs. While small-scale public and semi-public uses, such as churches or small parks, public and semi-public uses that need large parcels, such as the sports facility, may find it more difficult to identify an appropriate site.

Potential Land Need for Short-term Rentals and Secondary Housing

Growth of short-term vacation rentals and secondary housing are not accounted for in the analysis of residential land sufficiency in Table 10. The analysis of existing short-term vacation rentals and secondary housing concluded that between 8% and 10% of Hood River’s housing stock is used for short-term rental or secondary housing. About half of this housing is used for short-term rentals and half is used for secondary housing.

The impact of growth of these housing types on Hood River’s supply of residential land will depend on how many new short-term rentals and secondary housing units are newly built in Hood River. The analysis below shows the potential impact of development of short-term rentals and secondary housing beyond the forecast in Table 3 for growth of 1,985 new dwelling units resulting from population growth between 2015 to 2035.

- **Short-term rentals and secondary housing growth is 5% beyond the forecast.** This additional growth would result in 94 additional units (beyond the forecast for 1,985 new units).³⁰ As a result, Hood River would have an approximately 15-acre surplus of land in the following Plan Designations: R-1, R-2, U-R-1, and U-R-2. Hood River would have a small deficit (less than one acre) in R-3.
- **Short-term rentals and secondary housing growth is 10% beyond the forecast.** This additional growth would result in 188 additional units (beyond the forecast for 1,985

³⁰ In each of these variations on growth of new short-term vacation rentals and secondary homes, we assumed that: (1) all 50 acres of land for public and semi-public would develop over the planning period, (2) the mix of new short-term vacation rentals and secondary homes would be about the same as the needed housing mix (Table 4), with some single-family detached units, some townhouses, and some multifamily units, and (3) the density of this housing would be about the same as the needed density (Table 6).

new units). As a result, Hood River would have an approximately 5 acre surplus of land in the following Plan Designations: R-1, R-2, U-R-1, and U-R-2. Hood River would have a small deficit (about two acres) in R-3.

- **Short-term rentals and secondary housing growth is 15% beyond the forecast.** This additional growth would result in 282 additional units (beyond the forecast for 1,985 new units). As a result, Hood River would have an approximately 5-acre deficit of land in the following Plan Designations: R-1, R-2, U-R-1, and U-R-2. Hood River would have a small deficit (about four acres) in R-3.
- **Short-term rentals and secondary housing growth is 20% beyond the forecast.** This additional growth would result in 376 additional units (beyond the forecast for 1,985 new units). As a result, Hood River would have an approximately 15-acre deficit of land in the following Plan Designations: R-1, R-2, U-R-1, and U-R-2. Hood River would have a small deficit (about five acres) in R-3.

In each of the variations to the forecast for housing growth, Hood River has a small deficit of land for multifamily housing (R-3). This deficit might be accommodated through growth in the C-2 Plan Designation. If Hood River has growth of more than about 220 to 250 additional dwelling units for short-term rentals or secondary housing, the city will begin to have a deficit of land in the R-1, R-2, U-R-1, and U-R-2 Plan Designations.

While the variations above focus on growth of newly developed short-term rentals or secondary housing, conversion of existing housing used by year-round residents will have a similar effect of reducing housing availability for people who live (or would like to live) in Hood River year-round. Conversion of existing housing to these uses may result in increased demand for housing development for year-round residents, consuming Hood River's residential land base more quickly. Alternatively, conversion of existing housing to these uses may reduce housing options for people who want to live in Hood River, potentially having effects such as increasing housing prices or rents or increasing commuting.

CONCLUSIONS AND RECOMMENDATIONS

The key finding for the housing needs analysis is that Hood River's supply of land for residential development is very tight. While Hood River has sufficient land to accommodate expected growth over the 2015 to 2035 period, Hood River does not have much land beyond what is needed to accommodate this growth. The key conclusions from the housing needs analysis are:

- **Hood River's policies generally comply with Goal 10, except for regulation of townhouse development.** With one key exception, Hood River's policies comply with Goal 10 requirements. The exception is that Hood River's zoning code only allows townhouses in R-2 and R-3, where they are a conditional use. Single-family attached housing is needed housing type in Hood River. Needed housing types must be regulated through clear and objective standards and conditional uses allow for subjective standards in the review process that are not clear and objective.

The city must adopt standards for townhomes in the R-2 and R-3 zoning districts that are clear and objective, and that do not restrict the development of townhomes through unreasonable cost or delay. The city can craft clear and objective standards that address the types of issues that lead Hood River to adopt the current standards for townhome development, such as their use for short-term rental housing. For example, the city may want to limit development of townhomes in key areas or regulate the use of townhomes for short-term rentals. As long as such standards are clear and objective, and not unreasonably restrictive, they are permissible.

The regulation of townhouses in Hood River as a conditional use is, in part, a reaction to a substantial amount of development of townhouses for short-term rental housing. We recommend that the City evaluate options to regulate townhouses using clear and objective standards. The City may want to limit development of townhouses in key areas or regulate the use of townhouses for short-term rentals.

The City plans to address this issue as part of the upcoming project to revise key parts of Hood River's residential development policies in response to the issues identified in the housing needs analysis. The City plans to begin that project in Fall 2015.

- **Hood River has limited opportunities for future expansion of the UGB.** While this project did not include consideration of a UGB expansion, the City has considered UGB expansion in the past for other land uses. The city is surrounded by the Columbia River Gorge National Scenic Area and by farmland. Expansion in either of these areas will be extremely complicated and difficult.

Expanding into the National Scenic Area will require coordination with the Columbia River Gorge Commission, an agency with representatives from Oregon, Washington, each of the six counties within the National Scenic Area, and the U.S. Forest Service. Expansion into the National Scenic Area may require federal legislation to authorize an expansion of urban uses into the Area.

State law discourages expansion onto farmlands and requires that all other alternatives, such as increasing development capacity within the existing UGB or expansion onto

non-farmlands, be exhausted or found infeasible before expansion onto farmlands. Expansion onto farmlands will require coordination with local and regional stakeholders, some of whom strongly oppose expansion onto farmlands.

Given the complexities of any UGB expansion and the added complexities of expanding Hood River's UGB, we recommend that the City consider policies to use land within Hood River's UGB efficiently.

- **Hood River has a limited supply of residential land.** Hood River's residential land supply is essentially enough land to meet expected growth of new residents in Hood River over the next 20 years. If Hood River grows more quickly than the forecast for growth, then the city may not have enough land to accommodate additional growth. The following factors may affect consumption and availability of residential land in Hood River over the next 20 years:

- *Vacation rentals and secondary homes will require additional residential land for development.* The analysis of short-term rentals and secondary housing show that between 8% and 12% of Hood River's existing housing stock is used for these types of housing. The forecast for growth (Table 8) and sufficiency of land (Table 10) do not account for growth of short-term rentals and secondary housing. Growth of these types of housing will depend on numerous factors ranging from the health of the national economy, growth in tourism in Hood River and the mid-Columbia Gorge, development of other overnight accommodations (bed and breakfasts, hotels, and motels), and trends in the short-term rental market.

The addition of more than about 220 to 250 additional short-term rentals and secondary housing units would consume Hood River's "surplus" residential land. We recommend that the City monitor changes in the number of short-term rentals and secondary housing units, both existing units and newly built units, to assess the impact on the city's residential land base.

- *Timing of development of land that is within the UGB but outside the city limits will affect the availability of land for development.* About 60% of Hood River's vacant and partially vacant residential land (194 acres) is in U-R-1 or U-R-2, in the area that is within the UGB but outside the city limits. About 66 acres of this land is actively being used for agriculture (i.e., these areas have a farm deferral), with 61 acres of this land concentrated in a few parcels in U-R-2.

The City is required by the Goal 10 rules to assume that this land will be developed at some point over the 20-year planning period. However, if the landowners choose not to develop the lands for 7 to 10 years (or longer), the supply of available residential land for development in Hood River may become more constrained, especially for single-family detached and single-family attached housing. The effect may be increases in housing prices, especially if land prices increase or existing housing prices increase as a result of the constraints of land and housing supply.

We recommend that the City monitor residential land development closely and plan for upgrades to urban infrastructure (especially roads, water, and wastewater) to ensure a supply of development-ready residential land. This process will require

the City to continue to coordinate with other stakeholders, such as the County, the School District, and landowners.

- **Hood River has a very limited supply of land for multifamily development.** Hood River has about 18 acres of vacant and partially vacant R-3 land. Hood River is able to accommodate more than half of the City's need for multifamily land on residential land within the UGB. Accommodating the remaining land requires assuming that some land zoned C-2 will develop with housing, as part of a mixed-use development. The policy implications of Hood River's limited supply of multifamily land are:
 - *The City will need to use R-3 land as efficiently as possible.* We recommend that the City consider adopting policies to allow and possibly require higher development densities in R-3. These policies could include: increasing height limitations to allow for four-story buildings in selected areas, setting a minimum density in R-3 (e.g., a minimum density of 10 or 12 dwelling units per acre), or disallowing single-family detached housing in R-3.
 - *The City may want to consider rezoning land to increase the supply of land for multifamily development.* We recommend that the City identify opportunities to rezone land from R-1 and R-2 to R-3.
 - *The City will need to manage residential development in C-2 carefully.* While the 2011 economic opportunities analysis identified a surplus of land zoned C-2, ensuring the long-term availability of land for employment development is important. In the Waterfront Area, residential uses are required to be combined with other commercial uses in the same structure. We recommend that the City evaluate policies to ensure the preservation of land in C-2 for both residential and employment uses, such as requiring all residential land in C-2 to be combined with commercial uses. In addition, we recommend that the City consider policies to increase land use efficiency in C-2, such as increasing the minimum density of 11 dwelling units per acre or increasing height limitations to allow for four-story buildings in selected areas.
- **Hood River will need to continue to encourage efficient use of land for single-family development.** While development of single-family detached and single-family attached housing in Hood River already occurs in efficient development patterns, we recommend that the City implement policies to increase land use efficiency. Examples of such policies for predominantly single-family development include: allowing smaller lot sizes in R-1 (e.g., 5,000 square foot lots), allowing two dwellings per 5,000 square foot lot in R-2 regardless of the type of unit, or developing a cottage code to allow for development of small denser single-family detached housing.
- **Hood River has an existing deficit of affordable housing.** Hood River's housing prices, especially ownership prices, have increased substantially since 2000. For example, the median home value was 6.4 times median income in 2013, up from 4.5 in 2000. More than a third of Hood River households are unable to afford the fair market rent (\$845) on a two-bedroom rental in Hood River. In addition, half of the workers at businesses in Hood River live outside of the city or in nearby communities.

The City's policy options for providing opportunities to build housing, especially affordable housing (both market-rate and government-subsidized affordable housing) are limited. The most significant way that the City can encourage development of housing is through ensuring that enough land is zoned for residential development, eliminating barriers to residential development where possible, and providing infrastructure in a cost-effective way.

We recommend that the City consider other policy options to encourage development of comparatively affordable housing, such as: identifying surplus city land for development of government-subsidized housing (working with Mid-Columbia Housing Authority), working with stakeholders to support a community land trust, using funding tools (like tax increment financing) to support residential development or infrastructure necessary for residential development, and evaluating the use of a tax abatement program to support multifamily housing development.

The final conclusion of the housing needs analysis is that Hood River can take policy options to address the issues identified in this report, as recommended above. The Housing Strategy makes recommendations on policies that Hood River should implement, based on the analysis in this report and discussions with the project Technical Advisory Committee. We recommend that the Hood River Planning Commission and City Council review and evaluate the recommendations in the Housing Strategy and give their staff direction to implement those strategies, as the decision makers find appropriate.

Appendix A. Residential Buildable Lands Inventory

The general structure of the buildable land (supply) analysis is based on the DLCD HB 2709 workbook “*Planning for Residential Growth – A Workbook for Oregon’s Urban Areas,*” which specifically addresses residential lands. The buildable lands inventory uses methods and definitions that are consistent with OAR 660-009 and OAR 660-024. ECO used 2015 data for this report. The following provides an overview of the buildable land inventory methodology and results.

OVERVIEW OF THE METHODOLOGY

The buildable lands analysis was completed through several sequential steps. First, the analysis established the residential land base (parcels or portion of parcels with appropriate zoning), classified parcels by buildable status, identified deducted environmental constraints, and lastly summarized total buildable area by plan designation.

Data used for the analysis was provided by the Hood River County GIS Department. Specific data used included city boundaries, tax lots, zoning, National Wetland Inventory wetlands, and a digital elevation model (to calculate slopes). The analysis also used Federal Emergency Management Administration Q3 flood hazard data. The tax lot data was current as of January 2015.

DEFINITIONS

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

- **Vacant land.** Tax lots that have no structures or have buildings with very little improvement value. For the purpose of this inventory, residential lands with improvement values under \$10,000 are considered vacant.
- **Partially vacant land.** Partially vacant tax lots are those occupied by a use but which contain enough land to be further subdivided without need of rezoning. Residential parcels zoned R-1, R-2, U-R-1, and U-R-2 one-half acre or more were assumed to be partially-vacant. One-quarter acre (10,890 square feet) of the parcel area was subtracted to account for the existing dwelling and assuming that the remainder is buildable land.
- **Undevelopable land.** Vacant land that is under the minimum lot size for the underlying zoning district, land that has no access or potential access, land that is already committed to other uses by policy, or tax lots that are more than 90% constrained, or land used by a home-owners association.
- **Public land.** Lands in public or semi-public ownership are considered unavailable for residential development. This includes lands in Federal, State, County, or City ownership as well as lands owned by churches and other semi-public organizations,

such as hospitals. Public lands were identified using the Hood River County Assessment data with a total assessed value of \$0 and aided by using the property owner name. This category only includes public lands that are located in residential plan designations.

- **Developed land.** Land that is developed at densities consistent with zoning and improvements that make it unlikely to redevelop during the analysis period. Lands not classified as vacant, partially-vacant, or undevelopable are considered developed.

Following the initial classification of parcels, we visually scanned the result based using aerial photos to look for anomalies. Results were also sent to the City of Hood River to review and identify miss-classifications based on outdated data and better on-the-ground knowledge.

DEVELOPMENT CONSTRAINTS

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

- Lands within floodways. We used FEMA FIRM maps to identify lands in floodways. No parcels with residential Plan Designations fell within a floodway. As a result, no land was deducted for this constraint.
- Lands in regulated wetlands. We used National Wetlands Inventory data to identify wetlands.
- Land with slopes over 25%. We calculated steep slopes using a digital elevation model file to identify areas with slopes over 25%, which is consistent with the Division 9 rule.

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

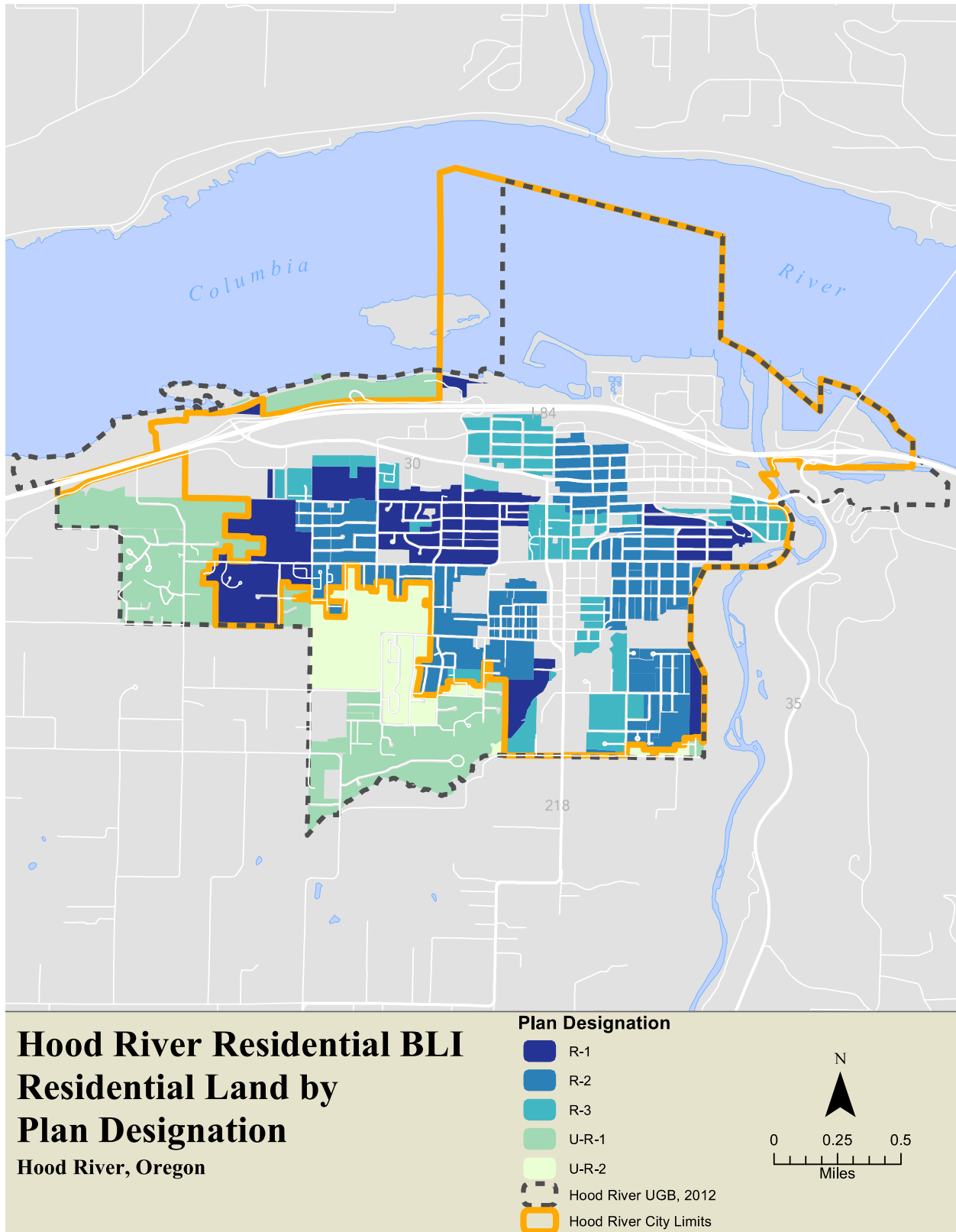
City of Hood River Plan Designations

- ☉ Urban Low-density Residential (R-1)
- ☉ Urban Standard Density Residential (R-2)
- ☉ Urban High-density Residential (R-3)

Hood River County Plan Designations

- Urban Low-density Residential (U-R-1)
- Urban Standard Density Residential (U-R-2)

Map A-1: Residential Plan Designations, Hood River UGB, 2015



Source: ECONorthwest analysis of Hood River County GIS data

RESIDENTIAL BUILDABLE LAND INVENTORY RESULTS

Table A-1 shows residential land in Hood River by classification (development status). The results show that Hood River has 1,128 total acres in residential plan designations. By classification, about 47% of the land is developed, 23% is partially vacant, 16% is vacant, 9% is public and 5% is undevelopable. About 14% of residential land is in the urban high density designation (R-3); 36% in urban standard density designations (R-2 and U-R-2) and 49% in urban low density designations (R-1 and U-R-1).

Table A-1. Residential Land by Classification, Hood River UGB, 2015

Development Status	Plan Designation						Total	Percent of Total
	Inside Hood River city limits			Outside of city limits, within urbanizing area				
	Urban			Urban				
	Urban Low Density Residential (R-1)	Standard Density Residential (R-2)	Urban High Density Residential (R-3)	Urban Low Density Residential (U-R-1)	Standard Density Residential (U-R-2)			
Developed	91	201	103	93	41	529	47%	
Partially Vacant	50	10	11	130	61	262	23%	
Vacant	55	25	20	56	28	184	16%	
Public	35	33	18	7	5	97	9%	
Undevelopable	8	3	10	35	0	56	5%	
Total	239	272	163	320	134	1,128	100%	
Percent of Total	21%	24%	14%	28%	12%	100%		

Source: ECONorthwest analysis of City of Hood River GIS data

Table A-2 shows land in all residential plan designations by development and constraint status. Hood River has 1,128 acres in 3,447 tax lots in residential plan designations. About 58% of total residential land (653 acres) is built, 14% (158 acres) is constrained, and 28% (318 acres) is buildable. Notably, 60% of buildable land is in urban low density (R-1 and U-R-1) plan designations.

Table A-2. Residential Land by Plan Designation

Plan Designation	Tax Lots	Total Acres	Built Acres	Constrained Acres	Buildable Acres
R-1	526	239	121	41	76
R-2	1,402	272	226	17	29
R-3	744	163	115	30	18
U-R-1	543	320	139	69	113
U-R-2	220	134	52	2	81
Total	3,447*	1,128	653	158	318
Percent of Total		100%	58%	14%	28%

Source: ECONorthwest analysis of City of Hood River GIS data

*The total number of tax lots includes 12 tax lots which fall under more than one plan designation. Their acreage has been broken up into the given categories accordingly.

Table A-3 shows buildable acres (e.g., acres in tax lots after constraints are deducted) for vacant and partially vacant land by plan designation. The results show that Hood River has about 318

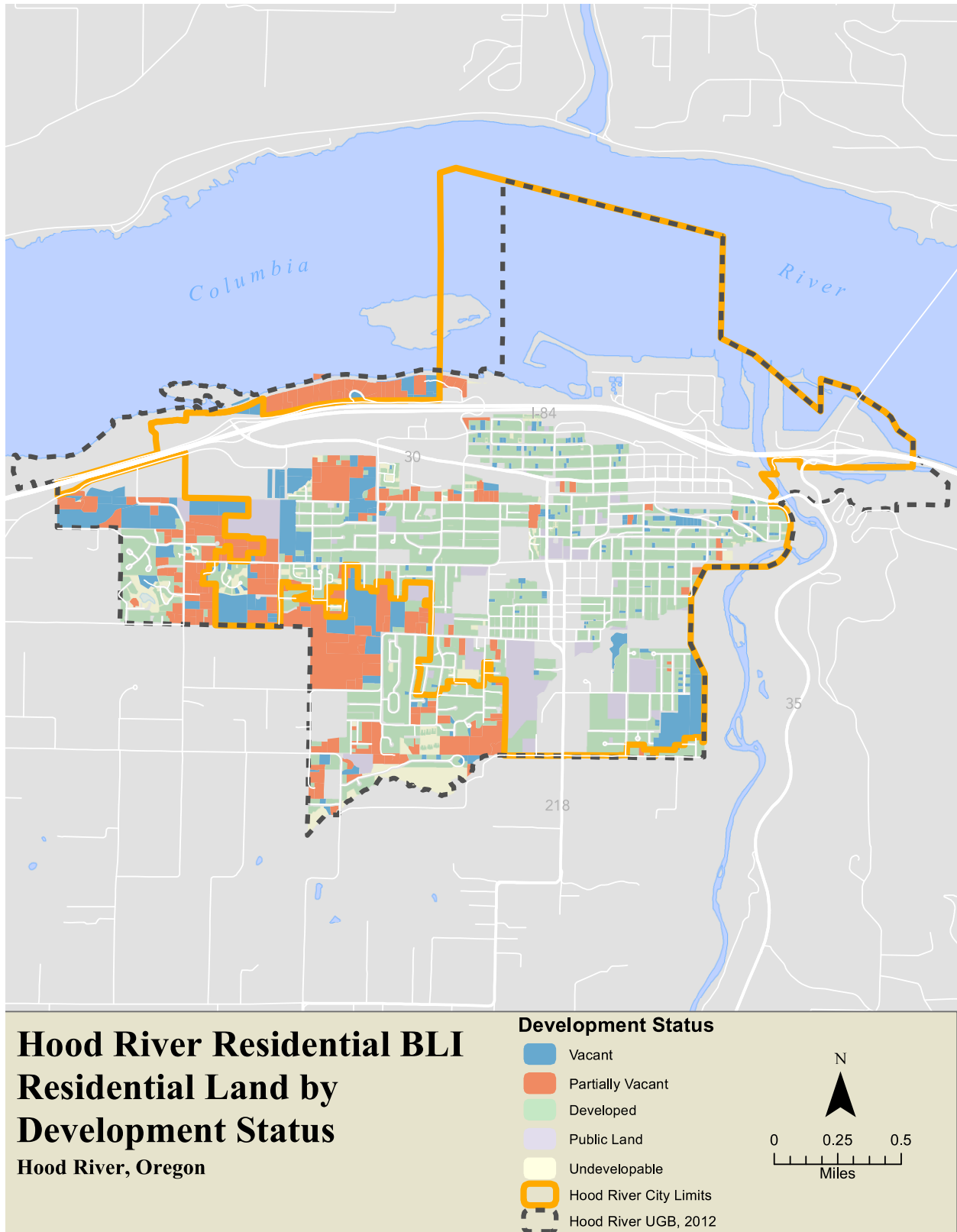
buildable residential acres. Of this, about half is in tax lots classified as vacant, and half in tax lots classified as partially vacant. More than a third of all buildable residential land (113 acres) is in the urban low density plan designation outside of the UGB (U-R-1) and more than a quarter (81 acres) is in the urban standard density plan designation also outside of the UGB (U-R-2). Twenty-four percent (76 acres) is in the urban low density plan designation within the UGB (R-1) with the remaining 15% of buildable acreage in the urban standard density (R-2) and urban high density (R-1) designations.

Table A-3. Buildable acres in vacant and partially vacant tax lots by plan designation, Hood River UGB, 2015

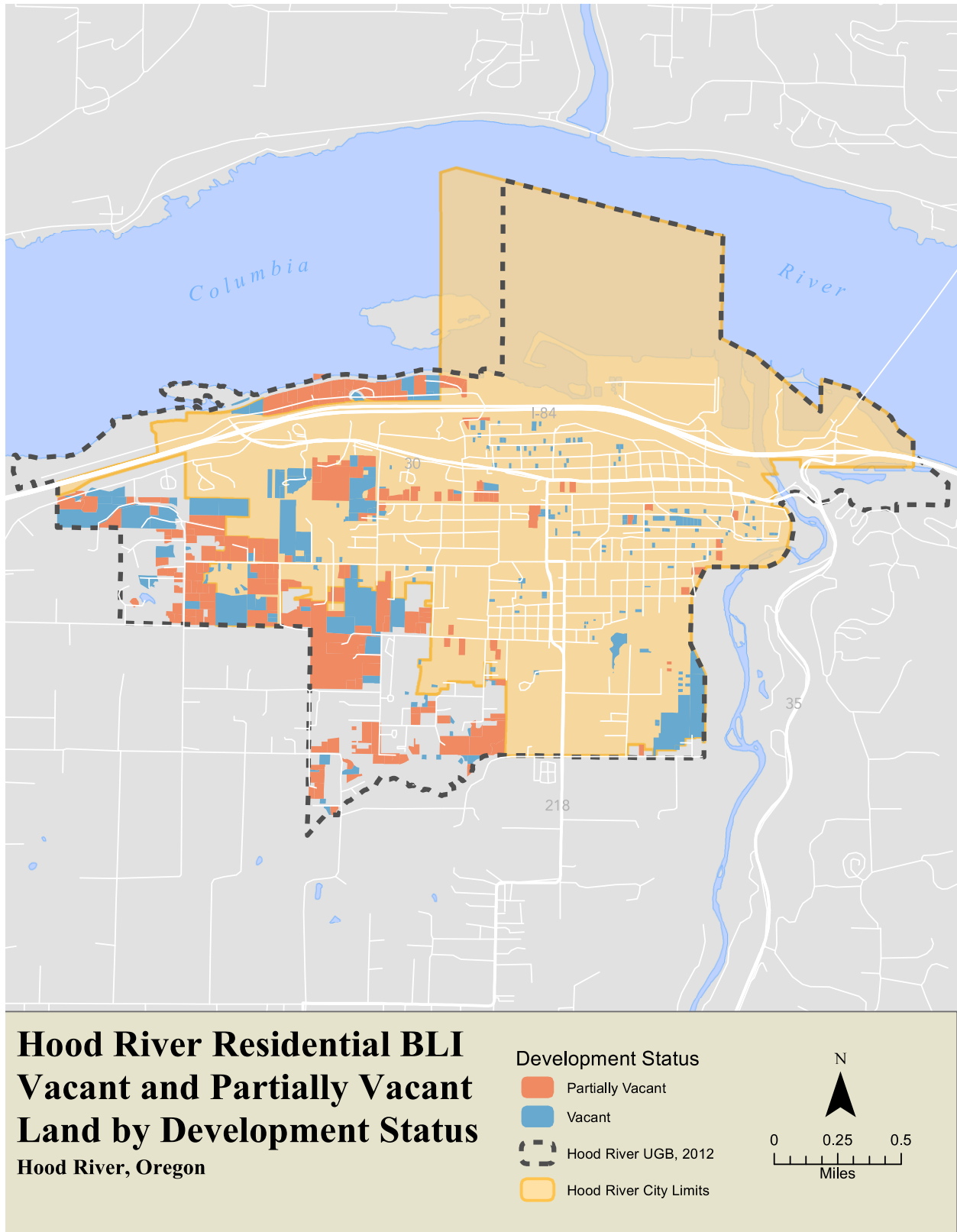
Development Status	Plan Designation					Total	Percent of Total
	R-1	R-2	R-3	U-R-1	U-R-2		
Partially Vacant	32	6	6	71	54	168	53%
Vacant	44	23	12	42	27	149	47%
Total	76	29	18	113	81	318	100%
Percent of Total	24%	9%	6%	35%	26%	100%	

Source: ECONorthwest analysis of City of Hood River GIS data

Map A-2: Residential land by development status

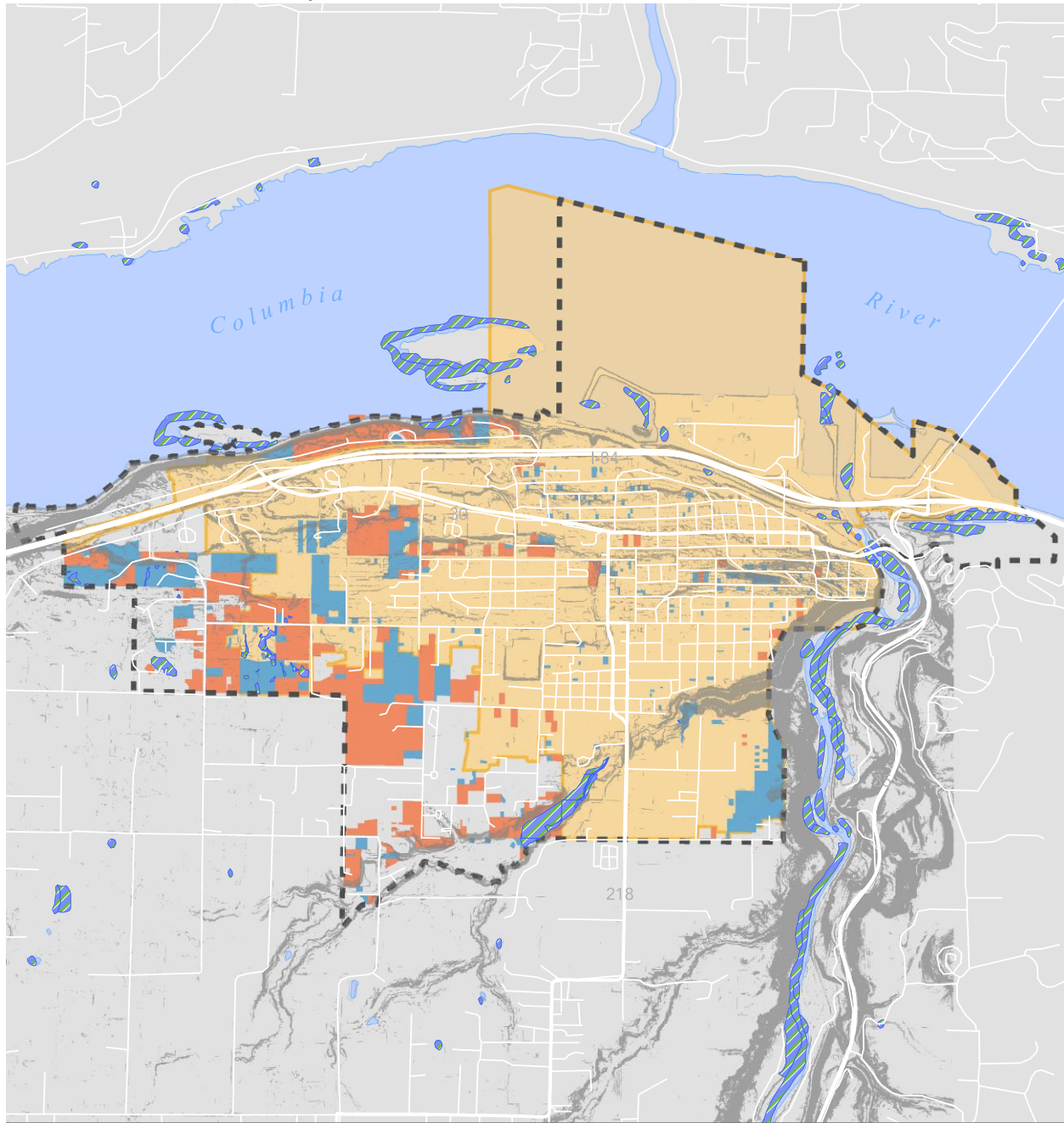


Map A-3: Vacant and partially vacant residential land.



Source: ECONorthwest analysis of City of Hood River GIS data

Map A-4: Vacant and partially vacant residential land and development constraints

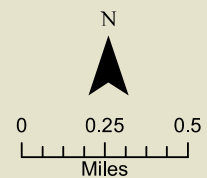


Hood River Residential BLI Vacant and Partially Vacant Land by Development Status with Constraints

Hood River, Oregon

Development Status

- Partially Vacant
- Vacant
- ▨ Wetlands
- Slopes > 25%
- Hood River City Limits
- Hood River UGB, 2012



Source: ECONorthwest analysis of City of Hood River GIS data

Appendix B. Trends Affecting Housing Need in Hood River

HISTORICAL AND RECENT DEVELOPMENT TRENDS

Analysis of historical development trends in Hood River provides insights into how the local housing market functions. The intent of the analysis is to understand how local market dynamics may affect future housing—particularly the mix and density of housing by type. The housing mix and density by type are also key variables in forecasting future land need. The specific steps are described in Task 2 of the DLCD *Planning for Residential Lands* Workbook:

1. Determine the time period for which the data must be gathered
2. Identify types of housing to address (at a minimum, all needed housing types identified in ORS 197.303)
3. Evaluate permit/subdivision data to calculate the actual mix, average actual gross density, and average actual net density of all housing types

This HNA examines changes over the 2000 to 2014 period in Hood River’s housing market. We selected this time period because it provides information about Hood River’s housing market before and after the national housing market bubble’s growth and deflation. In addition, data about Hood River’s housing market is readily available, from sources such as the 2000 Decennial Census and the City and County’s building permit database.

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

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

The reason for choosing these categories of housing type for the analysis is that they meet the requirements for the definition of needed housing types in ORS 197.303.

Data used in this analysis

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

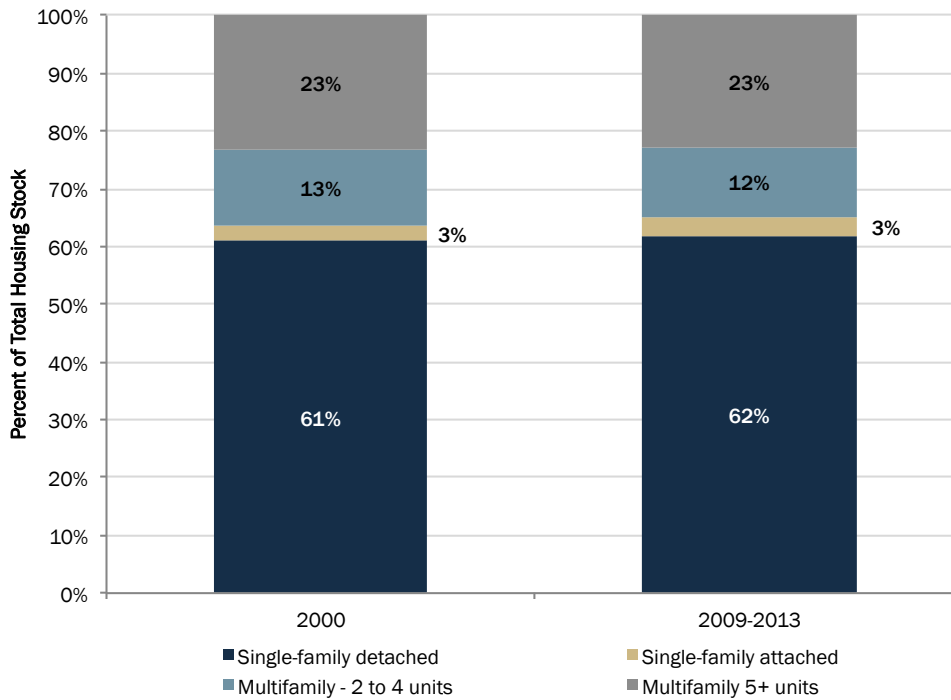
- The **Decennial Census**, which is completed every ten years and is a survey of all households in the U.S. The Decennial Census is considered the best available data for information such as demographics (e.g., number of people, age distribution, or ethnic or racial composition), household characteristics (e.g., household size and composition), and housing occupancy characteristics. As of the 2010 Decennial Census, it does not collect more detailed household information, such as income, housing costs, housing characteristics, and other important household information. Decennial Census data is available for 1990, 2000, and 2010.
- The **American Community Survey (ACS)**, which is completed every year and is a sample of households in the U.S. The 2013 ACS sampled about 3.5 million households in 2013 or about 2.5% of the households in the nation. The ACS collects detailed information about households, such as: demographics (e.g., number of people, age distribution, ethnic or racial composition, country of origin, language spoken at home, and educational attainment), household characteristics (e.g., household size and composition), housing characteristics (e.g., type of housing unit, year unit built, or number of bedrooms), housing costs (e.g., rent, mortgage, utility, and insurance), housing value, income, and other characteristics.

In general, this report uses data from the 2013 ACS for Hood River. Where information is available, we report information from the 2010 Decennial Census.

Trends in housing mix in Hood River

Figure B-1 shows change in the mix of housing stock for Hood River (city limits) 2000, 2010, and 2009 to 2013 based on U.S. Census data. Hood River's mixture of housing has remained relatively stable since 2000, with slightly more than 60% of Hood River's housing in single-family detached housing types. About 3% of Hood River's housing stock is single-family attached and 35% is multifamily. The variation in the precise share of housing types is a result of the fact that the Census and American Community Survey are based on a survey of households, rather than substantial changes in Hood River's housing stock.

Figure B-1. Dwelling units by type, percentage of all housing stock, Hood River, 2000 and 2009 to 2013



Source: U.S. Census, 2000, SF3 H30; U.S. Census, ACS 2009-2013, B25024

Table B-1 and Figure B-2 show that the mix of housing developed over the 2000 to 2014 period was predominantly single-family housing (including single-family detached, single-family attached, and manufactured housing).

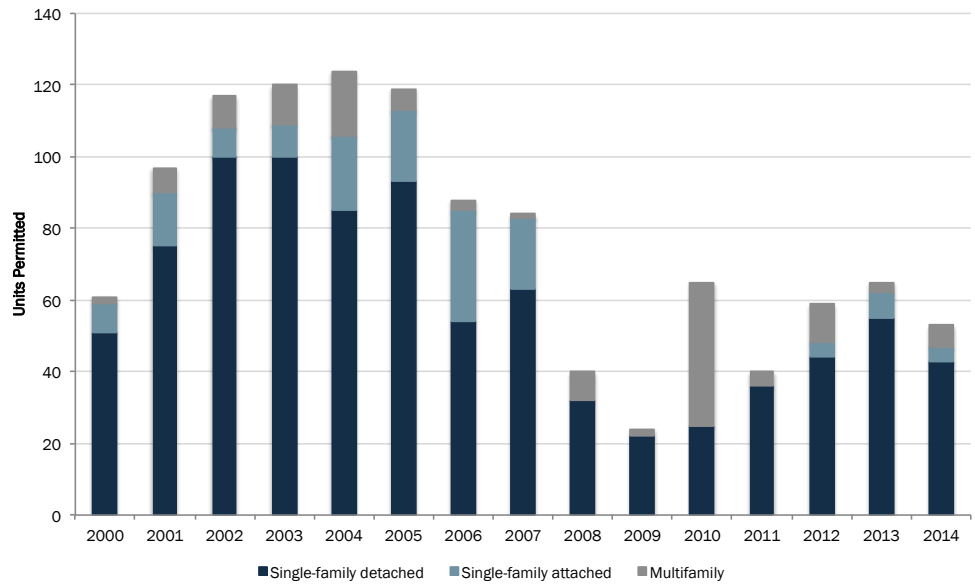
Over the entire 2000 to 2014 period, Hood River issued permits for more than 1,100 dwelling units, with about 83 permits issued per year. About 76% of dwellings permitted were single-family (detached and manufactured) and 11% were multifamily. An annual average of 83 dwelling units were permitted annually between 2000 and 2014.

Table B-1. Building permits by type of unit, Hood River, 2000 to 2014

Units Permitted	2000 - 2014	Percent of Total in City and UGA
Hood River City Limits		
Single-family detached	677	59%
Single-family attached	147	13%
Multifamily	131	11%
Sub-total	955	83%
Urban Growth Area		
Single-family detached	201	17%
Total	1,156	100%
Annual Average	83	

Source: City of Hood River and Hood River County Building Permit Databases

Figure B-2. Building permits by type of unit, Hood River portion of the UGB, 2000 to 2014

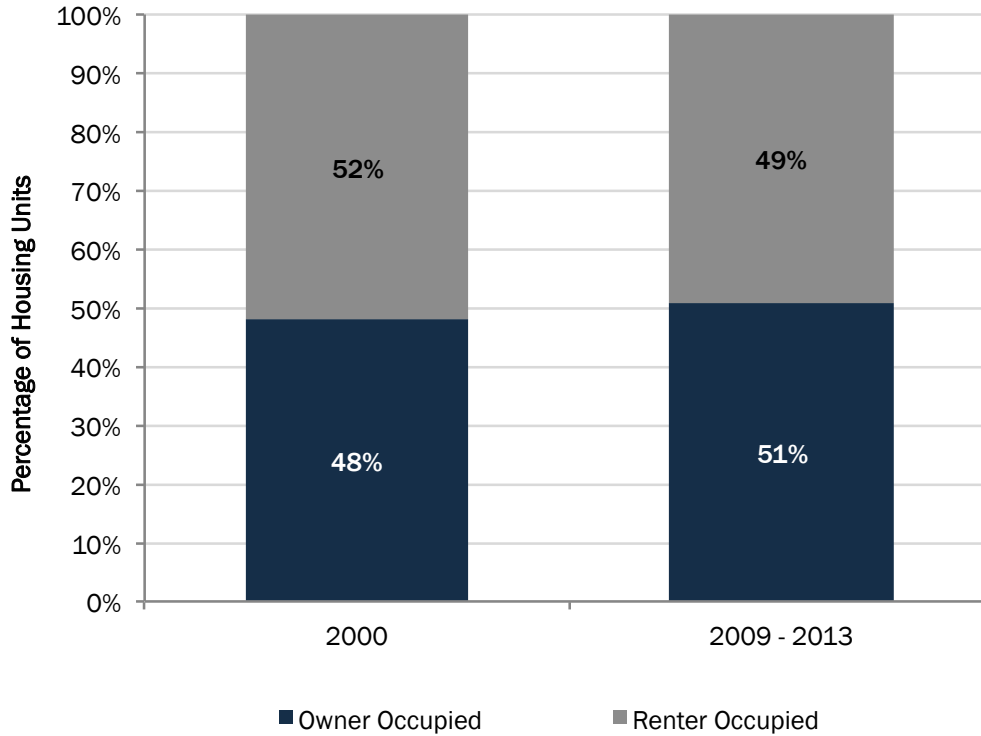


Source: City of Hood River and Hood River County Building Permit Databases

Trends in Tenure

Figure B-3 shows change in tenure for the City of Hood River over the 2000 to 2009-2013 period. The overall homeownership rate increased slightly, from 48% in 2000 to 51% by 2009-2013.

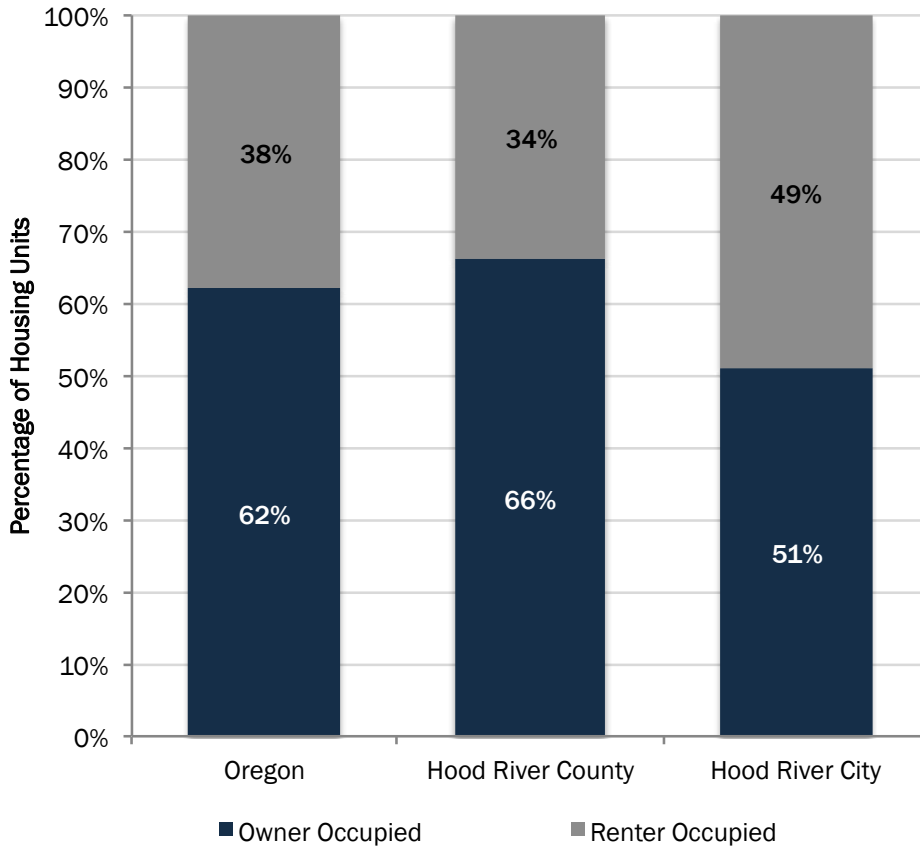
Figure B-3. Tenure, occupied units, Hood River, 2000 and 2009-2013



Source: U.S. Census 2000, SF3 H032; U.S. Census, ACS 2009-2013, B25003

Figure B-4 shows tenure (owner versus renter occupied housing units) for the City of Hood River, Hood River County, and Oregon during the 2009-2013 period. About half of households in the City of Hood River live in owner-occupied dwelling units, compared with 66% of households in Hood River County and 62% of Oregon households.

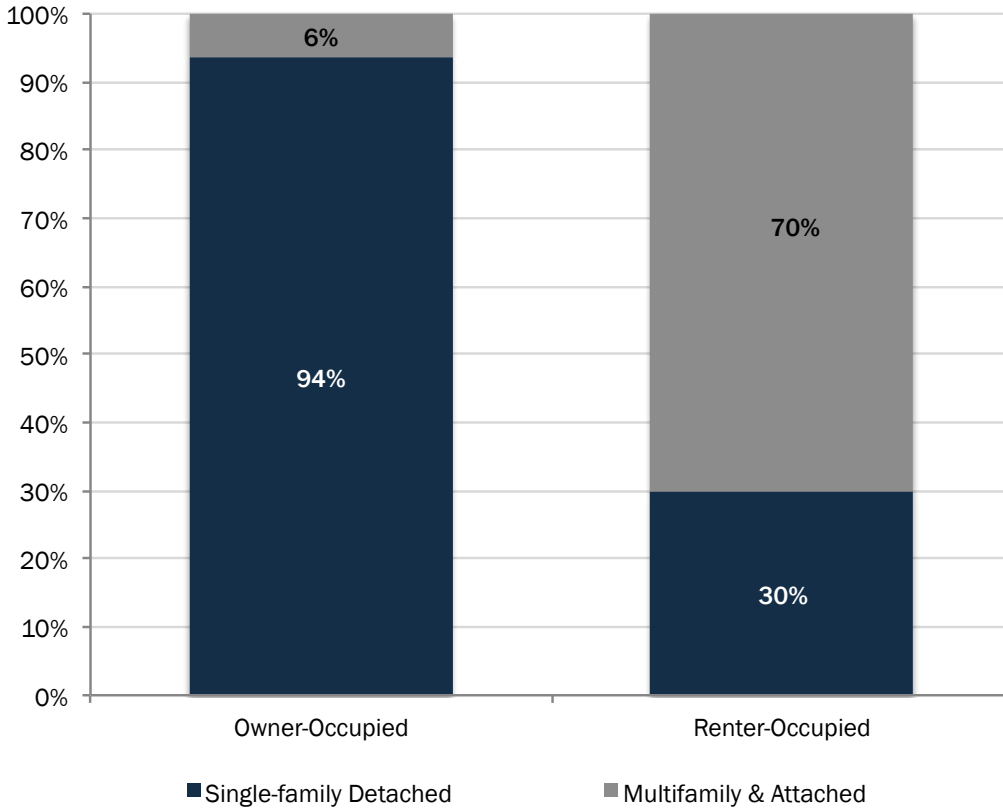
Figure B-4. Tenure, occupied units, City of Hood River, Hood River County, and Oregon, 2009-2013



Source: U.S. Census, ACS 2009-2013, B25003

Figure B-5 shows the types of dwelling units in Hood River in 2009-2013 by tenure (owner/renter-occupied). As seen in the figure, 94% of owner-occupied dwelling units are single-family detached units, while 6% are multi-family units and single-family attached. Among renter-occupied units, 70% are multi-family attached units, while 30% are single-family detached.

Figure B-5. Housing units by type and tenure, Hood River, 2009-2013



Source: U.S. Census, ACS 2009-2013, B25032

Vacancy Rates

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

Table B-2 shows vacancy rates in Oregon, Hood River County, and the City of Hood River between 2000 and 2010. Vacancy rates increased in each jurisdiction during this period. In 2010, Hood River had a relatively high vacancy rate (14.4%) compared to the Hood River County (11.8%) and Oregon (9.3%).

Vacancy rates for housing that is for rent, rented but not occupied, sold, or sold but not occupied were 5.6% in Hood River, 3.3% in Hood River County, and 4.3% in Oregon.

Table B-2 also shows the number and percent of dwellings that are vacant for seasonal, recreational, or occasional use. These units roughly equate to units that are secondary or vacation housing.³¹ In 2010, Hood River had 269 dwelling units that were vacant for seasonal, recreational, or occasional use, up from 105 units in 2000. These vacant units accounted for 7.7% of Hood River's housing stock in 2010.

³¹ The 2010 Census Summary File 1 Technical Documentation (September 2012) defined housing that is vacant seasonal, recreational, or occasional use as:

"These are vacant units used or intended for use only in certain seasons or for weekends or other occasional use throughout the year. Seasonal units include those used for summer or winter sports or recreation, such as beach cottages and hunting cabins. Seasonal units also may include quarters for such workers as herders and loggers. Interval ownership units, sometimes called shared-ownership or time-sharing condominiums, also are included here."

Table B-2. Vacancy rate, Oregon, Hood River County, Hood River, 2000 to 2010

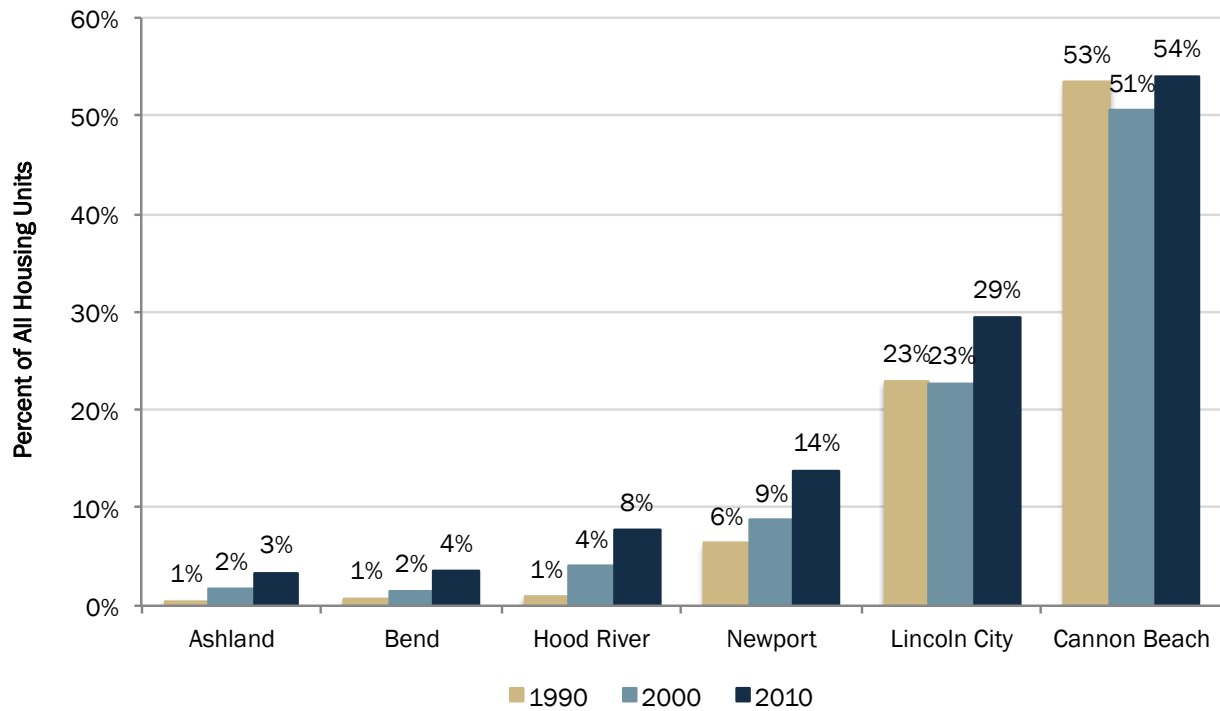
	Oregon		Hood River County		Hood River	
	Units	Percent of total dwellings	Units	Percent of total dwellings	Units	Percent of total dwellings
2000						
Vacant For:						
For rent	37,482	2.6%	97	1.2%	46	1.7%
For sale only	20,349	1.4%	67	0.9%	22	0.8%
Rented or sold, not occupied	7,158	0.5%	31	0.4%	15	0.6%
For seasonal, recreational, or occasional use	36,850	2.5%	227	2.9%	105	4.0%
For migrant workers	333	0.0%	51	0.7%	0	0.0%
Other vacant	16,814	1.2%	97	1.2%	28	1.1%
Total Vacant	118,986	8.2%	570	7.3%	216	8.2%
2010						
Vacant For:						
For rent	40,193	2.4%	164	1.8%	114	3.3%
For sale only	24,191	1.4%	108	1.2%	65	1.9%
Rented or sold, not occupied	7,009	0.4%	32	0.3%	14	0.4%
For seasonal, recreational, or occasional use	55,473	3.3%	497	5.4%	269	7.7%
For migrant workers	461	0.0%	101	1.1%	0	0.0%
Other vacant	29,297	1.7%	196	2.1%	39	1.1%
Total vacant	156,624	9.3%	1,098	11.8%	501	14.4%

Source: U.S. Census, 2000, SF1 DP-1 and H0005; U.S. Census, 2010, SF1 DP-1 and H5

Figure B-6 presents the percent of total housing units that are vacant for seasonal, recreational, or occasional use, for 1990, 2000, and 2010 for Hood River and selected cities in Oregon. In Hood River, this share rose from 1% in 1990 to 4% in 2000 and 8% in 2010. Ashland, Bend, Lincoln City, and Newport have also experienced significant growth in the share of housing units that are vacant for seasonal use since 1990. Cannon Beach, on the other hand, has remained relatively constant around 90% and 73% respectively.

In 2010 Hood River's share, 8%, was higher than that of Ashland or Bend, at 3% and 4%, respectively. However, some of the other selected cities had a significantly greater share of vacant units devoted to seasonal, recreational, or occasional use. Those include, Newport (14%), Lincoln City (29%), and Cannon Beach (54%).

Figure B-6. Percent of Housing Units Vacant for Seasonal, Recreational, or Occasional Use, Selected Oregon Cities, 1990, 2000, and 2010



Source: U.S. Census Bureau, H5, H1; Social Explorer

Density

Housing density is the density of housing by structure type, expressed in dwelling units per net or gross acre.³² The U.S. Census does not track residential development density. Professors with the University of Oregon's Planning, Public Policy, and Management recently completed analysis of residential development for the Department of Land Conservation and Development (DLCD) for all cities in Oregon.³³

This analysis examined residential development for single-family detached dwellings, duplexes, tri-plexes, and quad-plexes.³⁴ It found that development densities in Hood River have increased over time for these housing types. Densities increased over time as follows:

- 1993 to 1997: 6.4 dwelling units per net acre
- 1998 to 2002: 7.2 dwelling units per net acre
- 2003 to 2007: 8.0 dwelling units per net acre
- 2008 to 2012: 10.1 dwelling units per net acre

Hood River's development density was relatively high in the 2008 to 2012 period, especially when compared with other cities of similar size, with densities generally between 4 to 8 dwelling units per acre. Over the 2000 to 2013 period, Hood River's density for single-family and 'plex housing averaged 8.2 dwelling units per net acre.

ECONorthwest developed a separate analysis of townhouse and multifamily density for housing developed over the 2000 to 2014 period.³⁵ That analysis showed the following development densities for townhouse and multifamily housing:

- **Townhouses** (single-family attached) housing developed at a density of about 15.3 dwelling units per net acre, based on permits for development of 136 townhouses.
- **Multifamily** housing developed at a density of 35.4 dwelling units per net acre, based on development of 52 multifamily units.
- Development of townhouse and multifamily by zoning district varied:

³² OAR 660-024-0010(6) uses the following definition of net buildable acre. "Net Buildable Acre" "...consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads." While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

³³ This analysis was done for DLCD's UGB Streamlining project, which is in response to HB 2254. Additional information about the project is available from:

<http://www.oregon.gov/LCD/Pages/UGB-Streamlining.aspx>

³⁴ These housing types are grouped together into one category in county assessor files, which was the source information about development by year for the density analysis.

³⁵ ECONorthwest based on analysis on building permits in Table B-1. The analysis required City staff and ECONorthwest to individually geocode the location of each building permit. As a result, most but not all townhouse and multifamily building permits issued between 2000 and 2014 were included in this analysis.

- Urban Standard Density Residential (R-2): 14.7 dwelling units per net acre, based on development of 55 units
- Urban High-density Residential (R-3): 18.3 dwelling units per net acre, based on development of 80 units.
- Urban Low-density Residential (U-R-1): 9.4 dwelling units per net acre, based on development of 9 units.
- General Commercial (C-2): 42.6 dwelling units per net acre, based on development of 43 multifamily units.

Analysis of developed residential areas in Hood River showed the following amounts of land that were used for rights-of-way, such as streets and sidewalks, as of 2014:

- Overall average was 14% of developed land in rights-of-way.
- R-1: 12% of developed land was in rights-of-way
- R-2: 23% of developed land was in rights-of-way
- R-3: 19% of developed land was in rights-of-way
- U-R-1: 8% of developed land was in rights-of-way
- U-R-2: 8% of developed land was in rights-of-way

It is reasonable to expect that similar amounts of land will be in rights-of-way in the future in the R-1, R-2, and R-3 Plan Designations. For the U-R-1 and U-R-2 Plan Designations, it is reasonable to expect that land needed for rights-of-way will be more similar to R-1 and R-2, as these areas develop at urban densities.

NATIONAL HOUSING TRENDS

The overview of national, state, and local housing trends builds from previous work by ECONorthwest, Urban Land Institute (ULI) reports, and conclusions from *The State of the Nation's Housing, 2014* report from the Joint Center for Housing Studies at Harvard University.³⁶ The Harvard report summarizes the national housing outlook as follows:

“With promising increases in home construction, sales, and prices, the housing market gained steam in early 2013. But when interest rates notched up at mid-year, momentum slowed. This moderation is likely to persist until job growth manages to lift household incomes. Even amid a broader recovery, though, many hard-hit communities still struggle and millions of households continue to pay excessive shares of income for housing.”

Several challenges to a strong domestic housing market remain. Demand for housing follows trends in jobs and incomes, which are taking longer to recover than in previous cycles. While trending downward, the numbers of underwater homeowners, delinquent loans, and vacancies remain high. *The State of the Nation's Housing* report projects that it will take several years for market conditions to return to normal and, until then, the housing recovery will likely unfold at a moderate pace.

Trends in housing development

The single-family housing market began strong in 2013, but by the arrival of 2014, housing starts were down 3% and new home sales had fallen 7% from the year before. The *State of the Nation's Housing Report* attributes most of the decline to increases in mortgage interest rates and meager improvements in employment and wages.

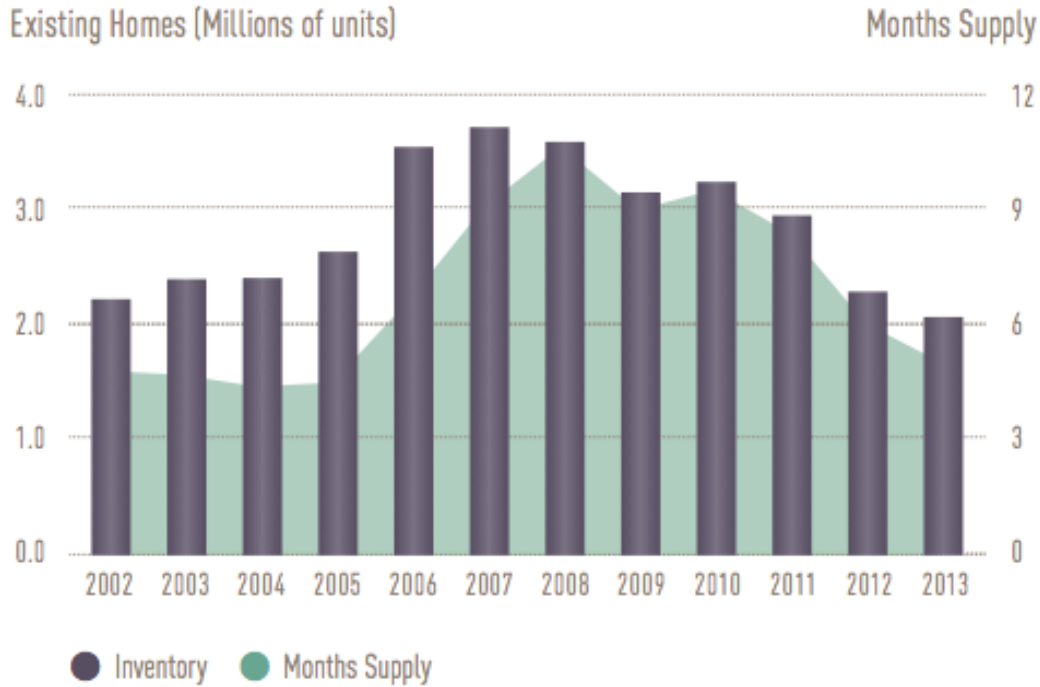
Thirty-year mortgage interest rose in 2014, bucking a downward trend. After falling to a low of around 3.4% in 2013, rates rose to around 5% in 2014. The rise of mortgage interest rates increased the cost of investment in a home and contributed to the fall in the rate of housing starts. In addition to the rise of mortgage interest rates, “steady but unspectacular job growth” presented a fundamental obstacle to the housing market’s progress, according to the report. Employment grew, but slowly, and incomes continued to fall. As long as job and wage growth remain slow, potential homebuyers will not create sufficient demand for robust growth in the housing market.

Other recent trends in the housing market included: home inventories remained low (homes now spend less than six months on the market), investors purchased fewer distressed properties, the renter market grew, and a larger share of young people chose to live with their parents.

³⁶ The State of the Nation's Housing, Harvard University, 2014, accessed January 2014.
http://www.jchs.harvard.edu/research/state_nations_housing

Supplies of existing homes for sale remained low in 2013, which may reflect the unwillingness or inability of owners to sell at current prices (Figure B-3). As home prices return to levels that are more acceptable to sellers, more homes will go on the market.

Figure B-7. Inventories of Homes for Sale Against Months Supply, 2002-2013

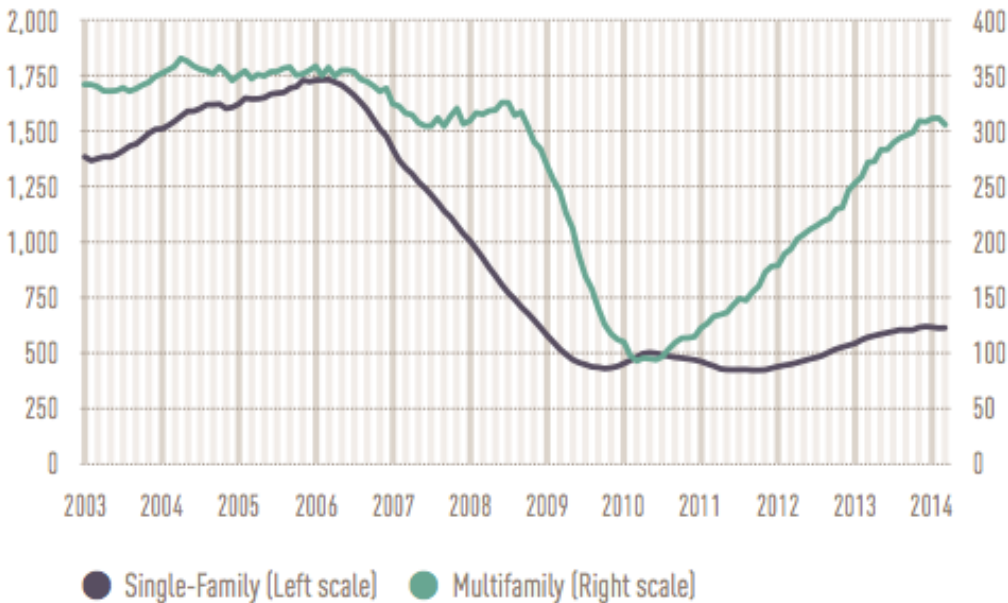


Source: The State of The Nation's Housing, 2014, The Joint Center for Housing Studies of Harvard University, p. 10. <http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/sonhr14-color-full.pdf>.

Multifamily home construction continued robust growth for a third consecutive year. Multifamily starts increased 25% to over 300,000 in 2013, approaching pre-recession levels of around 350,000. In contrast to strong multifamily housing growth, single-family home starts grew slowly, at only about 15%, well below pre-recession levels of production: less than 620,000 starts in 2013, compared to over 1.5 million in 2006. These growth trends are shown in Figure B-8.

Figure B-8. Housing Starts, 2003-2014

Starts (Thousands of units)

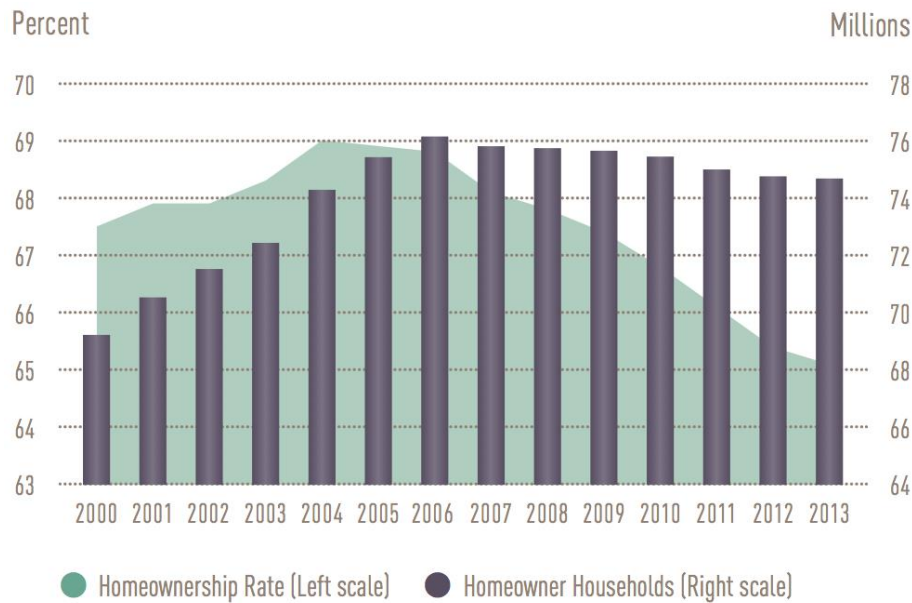


Source: The State of The Nation's Housing, 2014, The Joint Center for Housing Studies of Harvard University, p. 10. <http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/sonhr14-color-full.pdf>.

Long run trends in home ownership and demand

The housing market downturn and foreclosure crisis had an immediate and potentially lasting impact on homeownership. After 13 successive years of increases, the national homeownership rate declined each year from 2005 to 2013, and is currently at approximately 65%. However, while the rate declined again in 2013, it was the smallest drop since 2008. As seen in Figure B-9, the US homeownership rate fell only 0.3 percentage points.

Figure B-9. Homeownership Rates and the Number of Homeowner Households, 2000-2013



Source: The State of The Nation’s Housing, 2014, The Joint Center for Housing Studies of Harvard University, p. 10. <http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/sonhr14-color-full.pdf>.

The long-term market outlook shows that homeownership is still the preferred tenure. While further homeownership gains are likely during the next decade, they are not assured. Additional increases depend, in part, on the effect of foreclosures on potential owner’s ability to purchase homes in the future, as well as whether the conditions that have led to homeownership growth can be sustained.

The Joint Center for Housing Studies indicates that demand for new homes could total as many as 13 million units nationally between 2015 and 2025. The location of these homes may differ from recent trends, which favored lower-density development on the urban fringe and suburban areas. The Urban Land Institute identifies the markets that have the most growth potential as “global gateway, 24-hour markets,” which are primary coastal cities with international airport hubs (e.g., Washington D.C., New York City, San Francisco, or Seattle). Development in these areas may be nearer city centers, with denser infill types of development.³⁷

The Joint Center for Housing Studies also indicates that demand for higher density housing types exists among certain demographics. They conclude that because of persistent income disparities, as well as the movement of the Millennials into young adulthood, housing demand may shift away from single-family detached homes toward more affordable multifamily apartments, town homes, and manufactured homes.

³⁷ Urban Land Institute, “2011 Emerging Trends in Real Estate” and “2012 Emerging Trends in Real Estate”

Home rental trends

Nationally, the rental market continues to grow. In 2013, the number of households living in rental units increased by half a million, marking the ninth consecutive year of expansion. In addition to growth in rentals in 2013, the million-plus annual increases observed in 2011 and 2012 puts current growth rates on pace to easily surpass the record 5.1 million gain in the 2000s.

Rental markets across the country have been tightening, pushing up rents across the majority of markets. Rental vacancy rates also continued to drop in 2013, both nationwide and in most metros. The US rental vacancy rate stood at 8.3% in 2013 and, while this is the lowest level observed since 2001, this was still high relative to the 7.6% averaged in the 1990s.

Over the longer term, the Joint Center for Housing expects demand for rental housing to continue to grow. Minorities will be the largest driver of rental demand because they are on average younger and less likely to own homes than whites. Demographics will also play a role. Growth in young adult households will increase demand for moderately priced rentals, in part because the oldest Millennials reached their late-20s around 2010. Meanwhile, growth among those between the ages of 45 and 64 will lift demand for higher-end rentals.

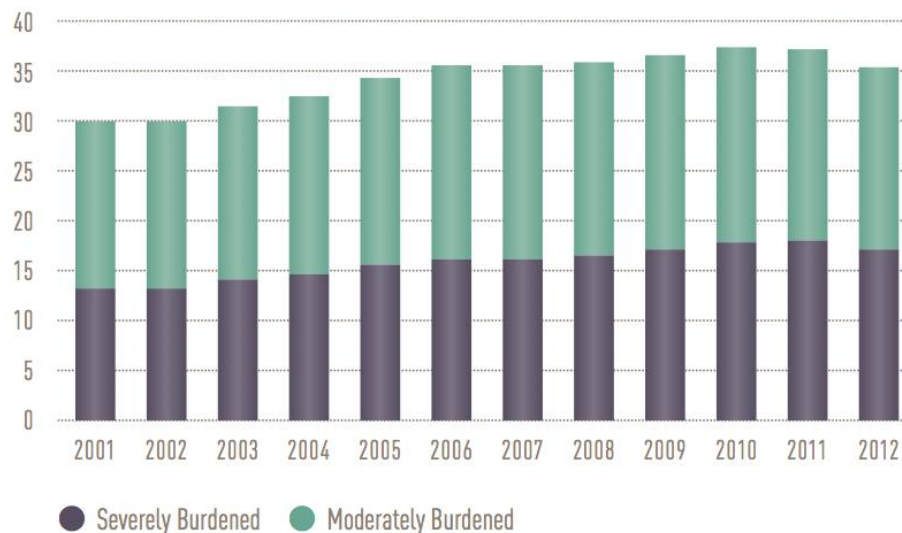
As the homeownership market recovers, the growth in renter households will likely slow. Since much of the increased demand for rental housing has been met through the conversion of single-family homes to rentals, future market adjustments may come from a return of these units to owner-occupancy. Additionally, the echo-boom generation should provide strong demand for rental units in the coming years.

Trends in housing affordability

Many homeowners pay a disproportionate share of their income on housing, with 35% of households in the U.S. who are cost burdened.³⁸ While the share of households that are cost burdened fell by about 4% in 2012, the share of households that were cost burdened increase between 2001 and 2011 (Figure B-10). More than 15% of U.S. households are severely cost burdened.

Figure B-10. Share of Cost-burdened Households, 2001-2012

Share of Households (Percent)



Source: The State of The Nation's Housing, 2014, The Joint Center for Housing Studies of Harvard University, p. 10. <http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/sonhr14-color-full.pdf>.

The Joint Center for Housing Studies points to widening income disparities, decreasing federal assistance, and depletion of inventory through conversion or demolition as three factors exacerbating the lack of affordable housing. While the Harvard report presents a relatively optimistic long-run outlook for housing markets and for homeownership, it points to the significant difficulties low- and moderate-income households face in finding affordable housing and preserving the affordable units that do exist.

According to the Joint Center for Housing Studies, these statistics understate the true magnitude of the affordability problem because they do not capture the tradeoffs people make to hold down their housing costs. For example, these figures exclude people who live in crowded or structurally inadequate housing units. They also exclude the growing number of households that move to locations distant from work where they can afford to pay for housing, but must spend more for transportation to work. Among households in the lowest expenditure quartile, those living in affordable housing, spent an average of \$100 more on transportation per

³⁸ Households are considered cost burdened if they spent 30% or more of their gross income on housing costs. Households who spent 50% or more of their gross income on housing costs are considered severely cost burdened.

month in 2010 than those who are severely housing cost-burdened. With total average monthly outlays of only \$1,000, these extra travel costs could amount to roughly 10 percent of the entire household budget.

Demographic trends in housing preference

Demographic changes likely to affect the housing market and homeownership are:

- The aging of the Baby Boomers, the oldest of whom were in their late-60's in 2012.
- Housing choices of younger Baby Boomers, who were in their early to mid-50's in 2010.
- The children of Baby Boomers, called the Millennials, who ranged from their late teens to late twenties in 2012.
- Immigrants and their descendants, who are a faster growing group than other households in the U.S.³⁹

The aging of the Baby Boomers will affect housing demand over the next decades. People prefer to remain in their community as they age.⁴⁰ The challenges that aging seniors face in continuing to live in their community include: changes in healthcare needs, loss of mobility, the difficulty of home maintenance, financial concerns, and increases in property taxes.⁴¹ Not all of these issues can be addressed through housing or land use policies. Communities can address some of these issues through adopting policies that:

- Diversify housing stock to allow development of smaller, comparatively easily-maintained houses in single-family zones, such as single-story townhouses, condominiums, and apartments.
- Allow commercial uses in residential zones, such as neighborhood markets.
- Allow a mixture of housing densities and structure types in single-family zones, such as single-family detached, single-family attached, condominiums, and apartments.
- Promote the development of group housing for seniors that are unable or do not choose to continue living in a private house. These facilities could include retirement communities for active seniors, assisted living facilities, or nursing homes.
- Design public facilities so that they can be used by seniors with limited mobility. For example, design and maintain sidewalks so that they can be used by people in wheelchairs or using walkers.

Household formation fell to around 600,000 to 800,000 in the 2007-2013 period, well below the average rate of growth in previous decades. Despite sluggish growth recently, several demographic factors indicate increases in housing growth to come. The Millennial generation

³⁹ Urban Land Institute, "2011 Emerging Trends in Real Estate"

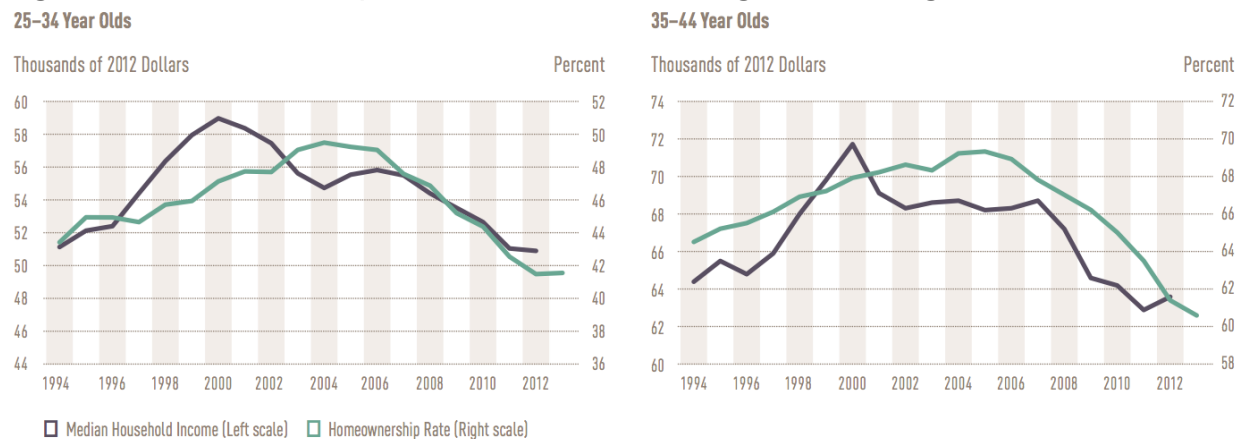
⁴⁰ A survey conducted by the AARP indicates that 90% of people 50 years and older want to stay in their current home and community as they age. See <http://www.aarp.org/research>.

⁴¹ "Aging in Place: A toolkit for Local Governments" by M. Scott Ball.

(those born after 1985) is the age group most likely to form the majority of new households. While low incomes have kept current homeownership rates among young adults below their potential, Millennials may represent pent-up demand that will release when the economy fully recovers. As Millennials age, they may increase the number of households in their 30s by 2.4 to 3.0 million over the through 2025.

While the population of young adults between 20 and 29 years grew in the 2003-2013 decade by more than 4 million from the previous decade, the rate at which members of this age group formed their own households fell. As a result, household growth has not kept pace with overall population growth. Even if today’s low household formation rates were to persist, however, the aging of the Millennials into their 30s will likely raise household headship rates due to lifecycle effects. About 60% of all 35–44 year-olds head an independent household, compared with less than 42% of all 25–34 year-olds. Thus, the Millennial generation, more populous than the Baby Boomers, is expected to be the primary driver of new household formation over the next twenty years.

Figure B-11. Homeownership Rates and Incomes for Young and Middle-Aged Adults, 1994-2012



Source: The State of The Nation’s Housing, 2014, The Joint Center for Housing Studies of Harvard University, p. 10. <http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/sonhr14-color-full.pdf>.

It is currently unclear what housing choices the Millennials will make. Some studies suggest that their parents’ negative experience in the housing market, with housing values dropping so precipitously and so many foreclosures, will make Millennials less likely to become homeowners. In addition, high unemployment and underemployment may decrease Millennials’ earning power and ability to save for a down payment. It is not clear, however, that Millennials’ housing preferences will be significantly different from their parents over the long run.

Recent surveys suggest that as Millennials age and form families, they will increasingly prefer to live in single-family homes in suburban locations. A recent survey by the National Association of Homebuilders finds that roughly three-quarters of Millennials want to live in a single-family home and would prefer to live in a suburb, compared to just 10% that would prefer to live in a city center.

Other recent surveys suggest that Millennials prefer to live in walkable communities, where there are alternatives to driving. According to surveys from the American Planning Association and Transportation For America, at least three quarters of Millennials want their city to offer opportunities to live and work without relying on a car. While Millennials may choose housing that satisfies these preferences, the cost of living will place parameters on their housing choices. According to the APA survey, 71% percent of Millennials rated affordable housing as a high priority for metro areas.

In coming years Millennials will pursue homes that provide a combination of space, “walkability,” and affordability. They will demonstrate these preferences in the market soon: according to the APA survey, more than half of Millennials consider themselves at least somewhat likely to move within the next five years.⁴²

From 2004 to 2013, homeownership rates for 25-34 year olds and 35-44 year olds fell by around 8% and 9% respectively, with ownership rates for people 25 to 54 years old at the lowest point since recordkeeping started in 1976 (Figure B-11). Nonetheless, the 25 and 34 year-old age group still makes up the majority of first-time homebuyers. Young adults in this cohort make up 54.3 percent of first-time homebuyers. Their majority among first-time homebuyers means that their ability to buy homes will play an important role in growth of the housing market in the near future.

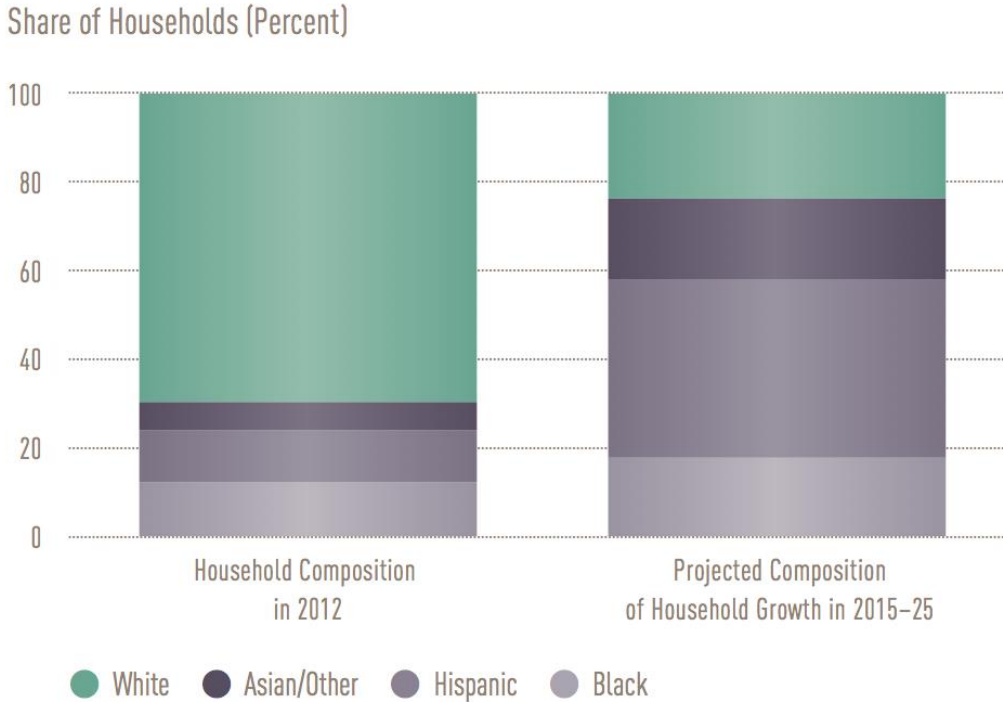
The fall in homeownership among young adults results largely from the decline in income. Approximately 6 million more individuals between 20 and 29 years earned less than \$25,000 than in 2003, while the number of those earning between \$25,000 and \$50,000 fell by over a million. Furthermore, the share of households younger than 30 years with student loan debt increased by more than 7% since 2007, from 33.9% to 41.0%.

According to the Joint Center for Housing Studies, immigration and increased homeownership among minorities will also play a key role in accelerating household growth over the next 10 years. Current Population Survey estimates indicate that the number of foreign-born households rose by nearly 400,000 annually between 2001 and 2007, and accounted for nearly 30 percent of overall household growth. Beginning in 2008, the influx of immigrants was stanchied by the effects of the Great Recession. After a period of declines, however, the foreign born are again contributing to household growth. Census Bureau estimates of net immigration in 2011–12 indicate an increase of 110,000 persons over the previous year, to a total of nearly 900,000. Furthermore, as shown in Figure B-12, the Harvard report forecasts that minorities will make up about 76% of the household growth between 2015 and 2025. The greater diversity

⁴² The American Planning Association, “Investing in Place; Two generations’ view on the future of communities.” 2014. “Survey Says: Home Trends and Buyer Preferences,” National Association of Home Builders International Builders Show, accessed January, 2015, <http://www.buildersshow.com/Search/isesProgram.aspx?id=17889&fromGSA=1>. “Access to Public Transportation a Top Criterion for Millennials When Deciding Where to Live, New Survey Shows,” Transportation for America, accessed January 2015, http://t4america.org/wp-content/uploads/2014/04/Press-Release_Millennials-Survey-Results-FINAL-with-embargo.pdf.

among young adults partly explains the increased share of growth that will belong to minorities. For example, about 45% of Millennials are minorities, compared to 28% of Baby Boomers.

Figure B-12. Share of Households by Racial/Ethnic Group, 2012 and 2015-25



Source: The State of

The Nation's Housing, 2014, The Joint Center for Housing Studies of Harvard University, p. 10.
<http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/sonhr14-color-full.pdf>.

The growing diversity of American households will have a large impact on the domestic housing markets. Over the coming decade, minorities will make up a larger share of young households, and constitute an important source of demand for both rental housing and small homes. This makes the growing gap in homeownership rates between whites and blacks and whites and Hispanics troubling. Since 2001, the difference in homeownership rates between whites and blacks rose from 25.9 to 29.5 in 2013. Similarly the gap between white and Hispanic homeownership rates increased since 2008, from below 26%, to over 27% in 2013. This growing gap between racial and ethnic groups will hamper the country's homeownership rate as minority households constitute a larger share of the housing market.

Trends in Housing Characteristics

The U.S Census Bureau's Characteristics of New Housing Report (2013) presents data that show trends in the characteristics of new housing for the nation, state, and local areas. Several long-term trends in the characteristics of housing are evident from the New Housing Report:⁴³

- **Larger single-family units on smaller lots.** Between 1990 and 2013 the median size of new single-family dwellings increased 25% nationally from 1,905 sq. ft. to 2,384 sq. ft., and 19% in the western region from 1,985 sq. ft. to 2,359 sq. ft. Moreover, the percentage of units fewer than 1,400 sq. ft. nationally decreased by almost half, from 15% in 1999 to 8% in 2012. The percentage of units greater than 3,000 sq. ft. increased from 17% in 1999 to 29% of new one-family homes completed in 2013. In addition to larger homes, a move towards smaller lot sizes is seen nationally. Between 1990 and 2013, the percentage of lots less than 7,000 sq. ft. increased from 27% of lots to 36% of lots.
- **Larger multifamily units.** Between 1999 and 2013, the median size of new multiple family dwelling units increased by 2% nationally and 3% in the western region. The percentage of new multifamily units with more than 1,200 sq. ft. increased from 28% in 1999 to 32% in 2013 nationally, and increased from 25% to 32% in the western region.
- **More household amenities.** Between 1990 and 2013, the percentage of single-family units built with amenities such as central air conditioning, 2 or more car garages, or 2 or more baths all increased. The same trend in increased amenities is seen in multifamily units.

During the recession, the trend towards larger units with more amenities faltered. Between 2007 and 2009, for example, the median size of new single-family units decreased by 6% throughout the nation, including in the West. In addition, the share of new units with amenities (e.g., central air conditioning, fireplaces, 2 or more car garages, or 2 or more bath) all decreased slightly during this time. With the recovery, however, housing sizes have been increasing annually; median housing sizes increased by 12% between 2009 and 2013 nationwide, and 10% in the western region. The short term, post-recession trends regarding amenities are mixed, but generally appear to be increasing (albeit more slowly than housing sizes).

It appears that the decreases in unit size and amenities were a short-term trend, resulting from the housing crisis. However, numerous articles and national studies suggest that these changes may indicate a long-term change in the housing market, resulting from a combination of increased demand for rental units because of demographic changes (e.g., the aging of the baby boomers, new immigrants, and the echo-boomers), as well as changes in personal finance and availability of mortgages.⁴⁴

These studies may be correct and the housing market may be in the process of a long-term change, with some fluctuations over time in unit size and amenities. On the other hand, long-term demand for housing may not be substantially affected by the current housing market. The

⁴³ <https://www.census.gov/construction/chars/highlights.html>

⁴⁴ These studies include "Hope for Housing?" by Greg Filsram in the October 2010 issue of Planning and "The Elusive Small-House Utopia" by Andrew Rice in the New York Times on October 15, 2010.

echo-boomers and new immigrants may choose single-family detached housing and mortgages may become easier to obtain.

Studies and data analysis have shown a clear linkage between demographic characteristics and housing choice. This is more typically referred to as the linkage between lifecycle and housing choice and is documented in detail in several publications. Analysis of data from the Public Use Microsample (PUMS) in the 2000 Census helps to describe the relationship between selected demographic characteristics and housing choice. Key relationships identified through this data include:

- Homeownership rates increase as income increases;
- Homeownership rates increase as age increases;
- Choice of single-family detached housing types increases as income increases;
- Renters are much more likely to choose multiple family housing types than single-family; and
- Income is a stronger determinate of tenure and housing type choice for all age categories.

STATE DEMOGRAPHIC TRENDS

Oregon's *2011-2015 Consolidated Plan* includes a detailed housing needs analysis as well as strategies for addressing housing needs statewide.⁴⁵ The plan concludes that, "Oregon's changing population demographics are having a significant impact on its housing market." It identified the following population and demographic trends that influence housing need statewide. Oregon is:

- Facing housing cost increases due to higher unemployment and lower wages, when compared to the nation.
- Experiencing higher foreclosure rates since 2005, compared with the previous two decades.
- Losing federal subsidies on about 8% of federally subsidized Section 8 housing units.
- Losing housing value throughout the State.
- Losing manufactured housing parks, with a 25% decrease in the number of manufactured home parks between 2003 and 2010.
- Increasingly older, more diverse, and has less affluent households.⁴⁶

⁴⁵ http://www.ohcs.oregon.gov/OHCS/HRS_Consolidated_Plan_5yearplan.shtml

⁴⁶ State of Oregon *Consolidated Plan 2011 to 2015*.

http://www.oregon.gov/ohcs/hd/hrs/consplan/2011_2015_consolidated_plan.pdf

REGIONAL AND LOCAL DEMOGRAPHIC TRENDS

Regional demographic trends largely follow the statewide trends discussed above, but provide additional insight into how demographic trends might affect housing in Hood River.

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

The following section presents data tables. In a few places, additional explanatory text is included. For the most part, the text describing the implications of the tables is in the main part of the document.

Growing population

Hood River has a growing population. Table B-3 shows population growth for the U.S, Oregon, Hood River County, and Hood River, as well as Bingen and White Salmon, between 1990 and 2013.

Table B-3. Population in the U.S., Oregon, Hood River County, and Hood River, 1990-2013

Area	Population			Change 1990 to 2013		
	1990	2000	2013	Number	Percent	AAGR
U.S.	248,790,925	281,421,906	316,128,839	67,337,914	27%	1.0%
Oregon	2,842,337	3,421,399	3,919,020	1,076,683	38%	1.4%
Hood River County	16,903	20,411	23,295	6,392	38%	1.4%
Hood River City	4,632	5,831	7,460	2,828	61%	2.1%
Bingen, WA	645	672	955	310	48%	1.7%
White Salmon, WA	1,861	2,193	2,066	205	11%	0.5%

Source: Portland State University, Population Research Center; U.S. Census Bureau, Annual Estimates of the Population for the United States, Regions, States, and Puerto Rico (U.S.); U.S. Census Bureau (WA)

Note: AAGR is average annual growth rate. 2013 data for Washington cities are from the 5-year U.S. Census Bureau, American Community Survey.

A 20-year population forecast (in this instance, 2015 to 2035) is the foundation for estimating needed new dwelling units. The City of Hood River has an adopted population forecast but that forecast only includes population within the Hood River City limits. ECONorthwest staff worked with Hood River staff to update the adopted forecast to include population within the city limits and the urbanizing area (the areas between the City limits and the UGB), to create a forecast for the entire Hood River UGB. The forecast, presented in Table B-4, uses the following assumptions:

- **Population base.** The starting point for the forecast is the population base in the Hood River UGB in 2014, which was 9,134 people. This estimate is based on:
 - *City limits population.* The city limits population is based on the 2014 Certified Population Estimate for Hood River from the Portland State University's Population Research Center.⁴⁷ **In 2014, Hood River's Certified Population Estimate was 7,545 people.**

⁴⁷ http://www.pdx.edu/prc/sites/www.pdx.edu/prc/files/2014_Certified_Pop_Est_Web_97_Version.xls

- Urbanizing area population. An update to the Hood River Transportation System Plan (TSP) estimated that there were 656 dwellings in the urbanizing area. At an estimated 2.25 persons per household, the urbanizing area had a population of 1,475. According to Hood River County building permit data, 50 new dwellings were built in the urbanizing area between 2007 and 2014, resulting in 113 additional residents in the urbanizing area. **In 2014, we estimate that the urbanizing area had a population of 1,589 people.**
- **Growth rate.** The adopted population forecast assumed that Hood River would grow at 2.0% per year over the 2007 to 2035 period. **The forecast in Table B-4 assumes that the Hood River UGB will grow at 2% per year.**⁴⁸

Table B-4. Population forecast, Hood River UGB, 2015 to 2035

Year	Hood River UGB
2015	9,317
2035	13,845
Change 2015 to 2035	
Population	4,528
Percent cha	49%
AAGR	2.00%

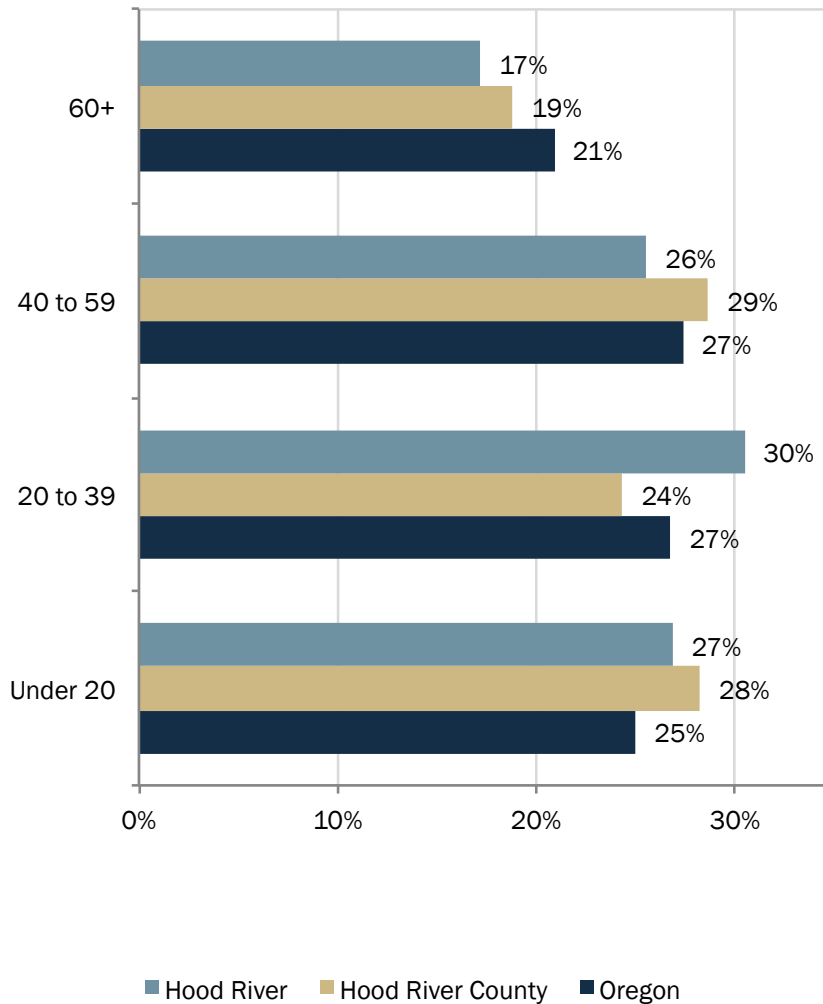
Source: 2014 population is based on the 2014 Certified Population Estimate for Hood River from the Portland State University's Population Research Center
Calculations by ECONorthwest

⁴⁸ The forecast of 2% growth rate is very close to Hood River's actual growth rate. Over the 1990 to 2013 period, Hood River grew at an average annual growth rate of 2.1% and over the 2000 to 2013 period, Hood River grew at an average annual growth rate of 1.9%. Comparing the adopted forecast for Hood River's city limits with PSU's certified forecast for 2014, the forecast is only 163 people above the actual growth. Given the depth of the recent recession, it is not surprising that Hood River grew a little slower than the forecast over the 2007 to 2014 period.

Aging population

In 2009-2013, the median age in Hood River was 34.4 years old, compared to the median of 37.6 in Hood River County and the State average of 38.7. Figure B-13 shows the populations of Oregon, Hood River County, and Hood River by age.

Figure B-13. Population distribution by age, Oregon, Hood River County, and Hood River, 2009-2013



Source: U.S. Census, ACS 2009-2013, B01001

Table B-5 shows population by age in Hood River for 2000 and 2009-2013.

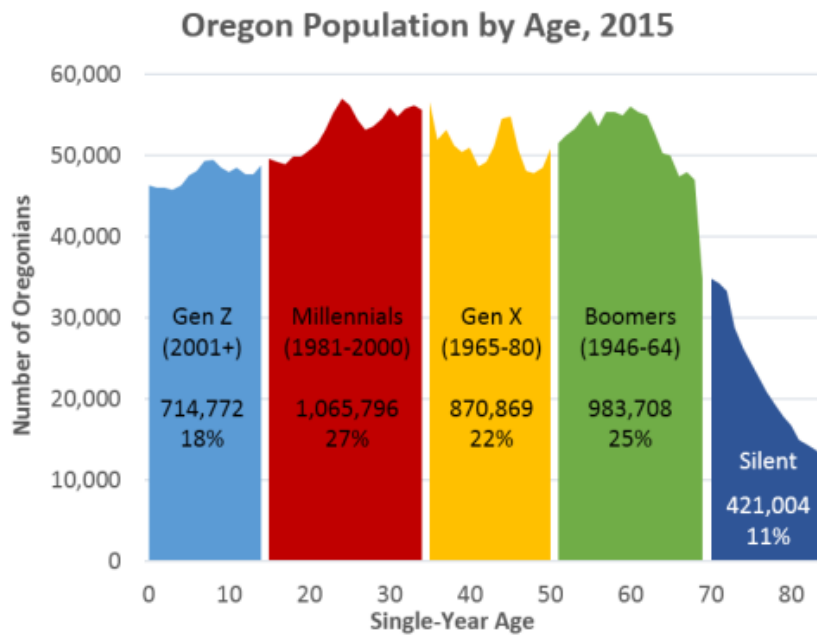
Table B-5. Population by age, Hood River, 2000 and 2009-2013

Age Group	2000		2009 - 2013		Change 2000 to 2009 - 2013		
	Number	Percent	Number	Percent	Number	Percent	Share
Under 5	478	8%	495	7%	17	4%	-1%
5-17	1,048	18%	1,344	19%	296	28%	1%
18-24	563	10%	644	9%	81	14%	-1%
25-44	1,901	33%	2,046	28%	145	8%	-4%
45-64	1,076	18%	1,744	24%	668	62%	6%
65 and over	765	13%	941	13%	176	23%	0%
Total	5,831	100%	7,214	100%	1,383	24%	0%

Source: U.S. Census, 2000, SF1; U.S. Census, ACS 2009-2013, B01001

Figure B-14 shows the population distribution by generation and age in Oregon in 2015. The largest groups are the Millennials (27% of Oregon’s population) and the Baby Boomers (25% of Oregon’s population). By 2035, the end of the planning period for this analysis, Millennials will be between 35 and 54 years old. Baby Boomers will be 71 to 89 years old.

Figure B-14. Population Distribution by Generation and Age, Oregon, 2015

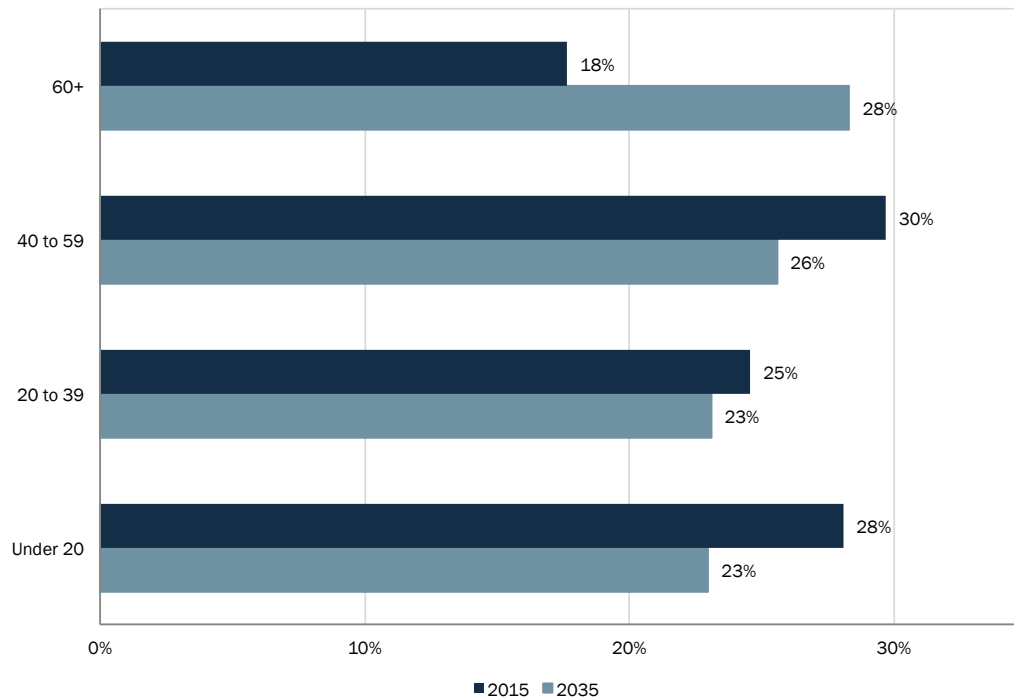


Source: Oregon Office of Economic Analysis

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

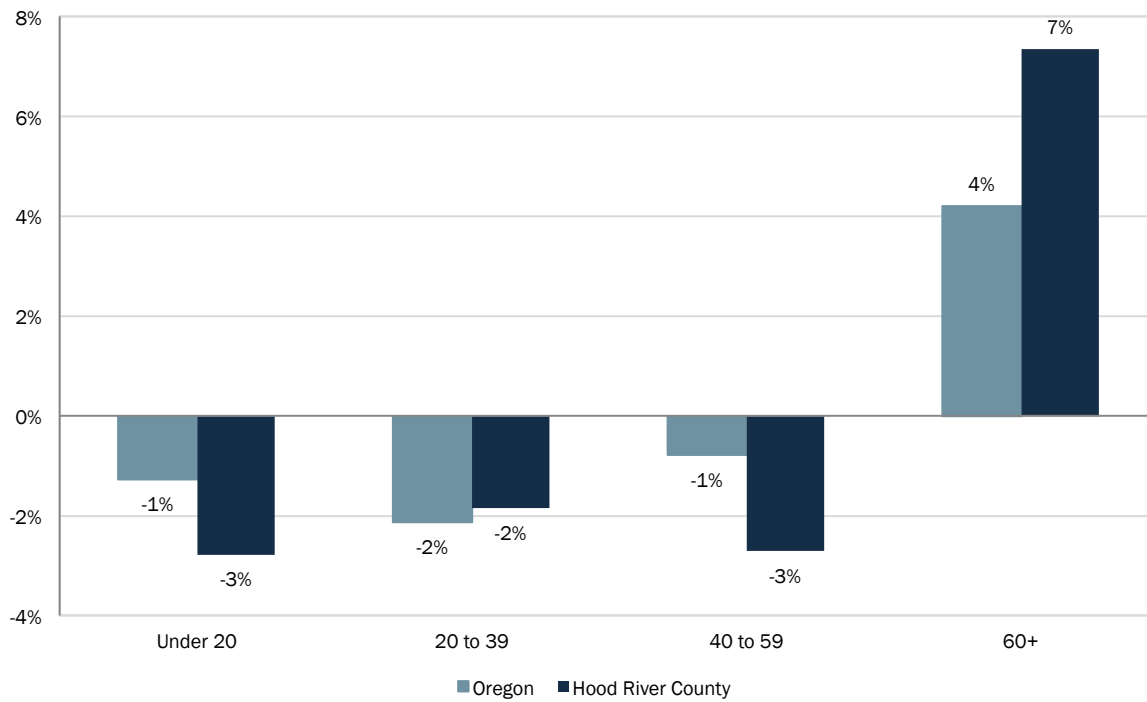
Figure B-15 shows the Office of Economic Analysis’s (OEA) forecast of population change by age group, 2015 to 2035, for Hood River County. Figure B-16 shows the change in each age group’s share of the total population over the same period.

Figure B-15. Current and projected population by age, Hood River County, 2015 and 2035



Source: Oregon Office of Economic Analysis.
http://www.oregon.gov/DAS/OEA/docs/demographic/pop_by_ageandsex.xls

Figure B-16. Change in share of population by age group, Oregon, Hood River County, 2015 to 2035



Source: Oregon Office of Economic Analysis. http://www.oregon.gov/DAS/OEA/docs/demographic/pop_by_ageandsex.xls

Increased ethnic diversity

Table B-6 shows the change in the size of the Hispanic or Latino population in Oregon, Hood River County, and Hood River between 2000 and 2009-2013.

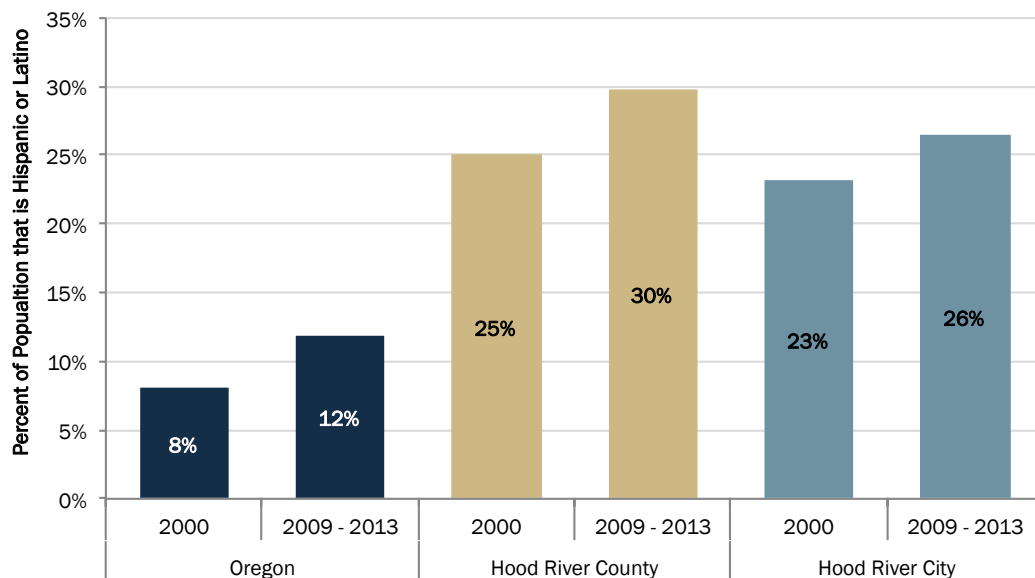
Table B-6. Change in Hispanic or Latino population, Oregon, Hood River County, and Hood River, in 2000 and 2009-2013

	Oregon	Hood River County	Hood River
2000			
Total Population	3,421,399	20,411	5,831
Hispanic or Latino	275,314	5,107	1,351
Percent Hispanic or Latino	8%	25%	23%
2009 - 2013			
Total Population	3,868,721	22,427	7,214
Hispanic or Latino	461,901	6,687	1,910
Percent Hispanic or Latino	12%	30%	26%
	Oregon	Hood River County	Hood River
Change 2000 to 2009 - 2013			
Hispanic or Latino Population	186,587	1,580	559
Percentage Increase	68%	31%	41%
Increase in share of population	4%	5%	3%

Source: U.S. Census, 2000, SF1; U.S. Census, ACS 2009-2013, B03002

Figure B-17 shows the percentage of the total population that is of Hispanic or Latino origin for Oregon, Hood River County, and Hood River in 2000 and 2009-2013.

Figure B-17. Hispanic or Latino population by percentage, Oregon, Hood River County, Hood River, in 2000 and 2009-2013



Source: U.S. Census, 2000, P4; U.S. Census, ACS 2009-2013, B03002

Household size and composition

Household size

Table B-7 displays average household sizes in Oregon, Hood River County, and Hood River in 2000 and 2010.

Table B-7. Average household size, Oregon, Hood River County, and Hood River, 2000 to 2010

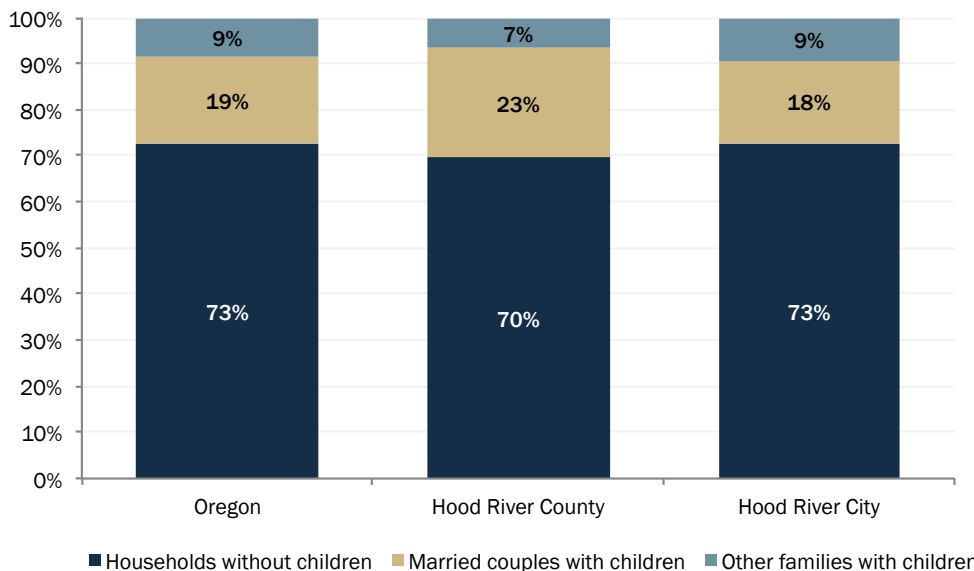
	Oregon	Hood River County	Hood River
2000			
Average household size	2.51	2.70	2.38
Owner-occupied units	2.61	2.60	2.28
Renter-occupied units	2.32	2.88	2.46
2010			
Average household size	2.47	2.64	2.39
Owner-occupied units	2.53	2.65	2.56
Renter-occupied units	2.36	2.61	2.23
Change 2000 to 2010			
Average household size	-0.04	-0.06	0.01
Owner-occupied units	-0.08	0.05	0.28
Renter-occupied units	0.04	-0.27	-0.23

Source: U.S. Census, 2000, SF1 H12; U.S. Census, 2010, SF1 H12

Household composition

Figure B-18 shows household composition in Oregon, Hood River County, and Hood River in 2009-2013.

Figure B-18. Household composition, Oregon, Hood River County, and Hood River, 2009-2013

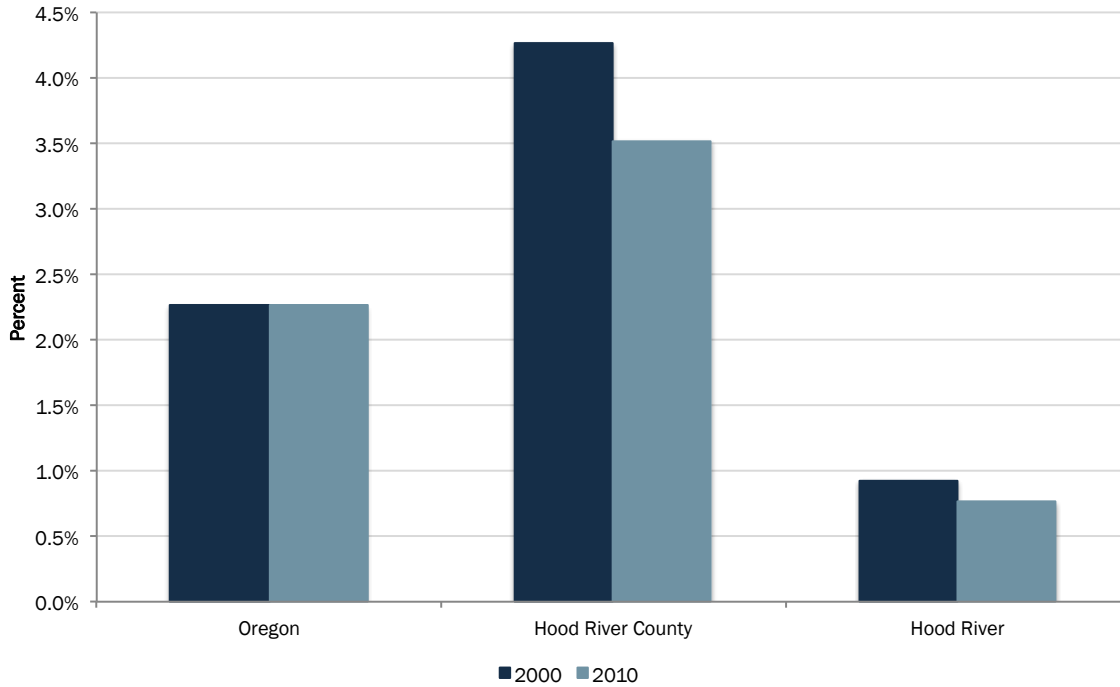


Source: U.S. Census, ACS 2009-2013, B25115 and B25010

Group Quarters

Table B-8 shows the population living in group quarters in Oregon, Hood River County, and Hood River in 2000 and 2010.

Table B-8. Percent of Population in group quarters, Oregon, Hood River County, and Hood River, 2000 to 2010



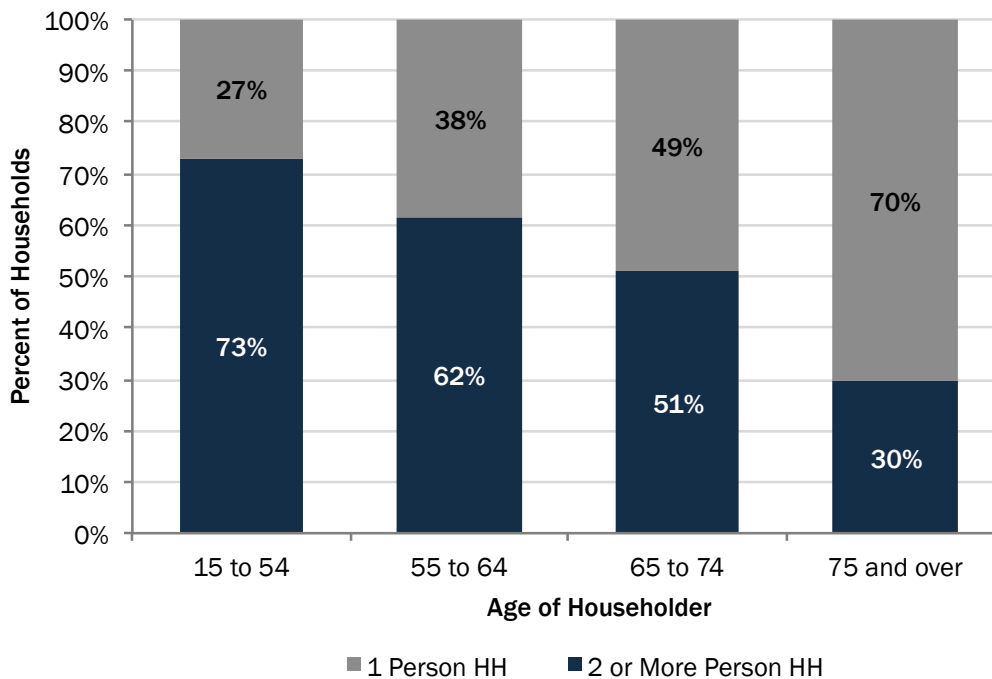
Source: U.S. Census, 2000, SF1 P1 and P12; U.S. Census, 2010, SF1 P12

Demographics and changes in housing choice

Housing needs change throughout a person's life, with changes in income, family composition, and age. The types of housing needed by a 20-year-old college student are different than the needs of a 40-year-old parent with children, or an 80-year-old single-person.

Figure B-19 shows households by household size and age of householder in Hood River in 2009-2013.

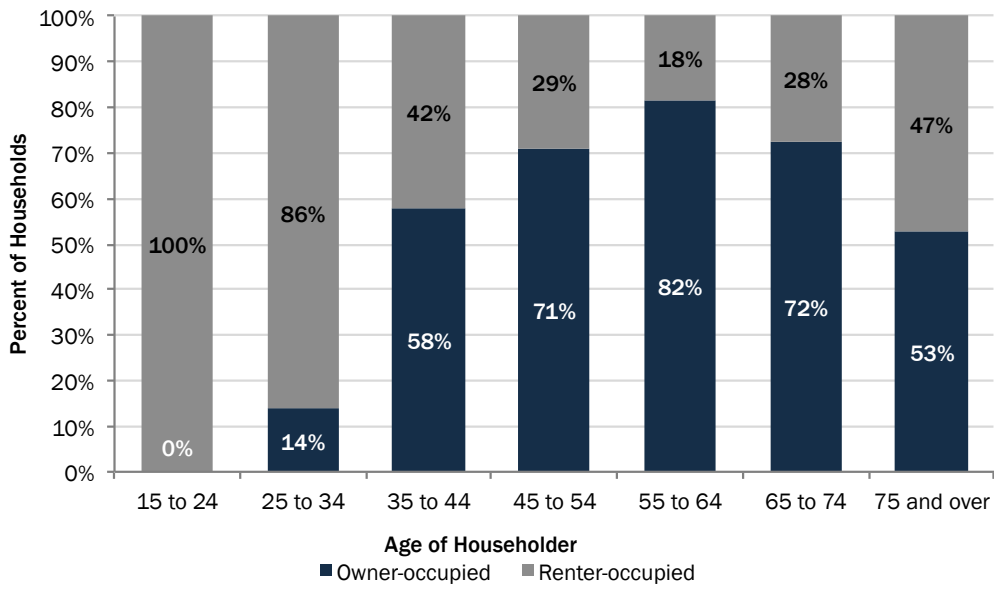
Figure B-19. Households by household size and age of householder, Hood River, 2009-2013



Source: U.S. Census, ACS 2009-2013, B25116

Figure B-20 shows households by tenure and age of householder in Hood River in 2009-2013.

Figure B-20. Households by tenure and age of householder, Hood River, 2009-2013



Source: U.S. Census, ACS 2009-2013, B25007

Commuting trends

Table B-9 shows the places where Hood River residents were employed in 2011.

Table B-9. Places where residents of Hood River were employed, 2011

Location	Number	Percent
County		
Hood River County, OR	1,977	59%
Wasco County, OR	237	7%
Multnomah County, OR	211	6%
Klickitat County, WA	121	4%
Clackamas County, OR	97	3%
Washington County, OR	81	2%
Skamania County, WA	61	2%
Marion County, OR	58	2%
Umatilla County, OR	45	1%
Deschutes County, OR	38	1%
All Other Locations	422	13%
Total	3,348	100%
Cities		
Hood River city, OR	1,165	35%
The Dalles city, OR	227	7%
Portland city, OR	152	5%
Odell CDP, OR	84	3%
White Salmon city, WA	50	1%
Gresham city, OR	45	1%
Salem city, OR	34	1%
Bend city, OR	26	1%
Bingen city, WA	25	1%
Milwaukie city, OR	23	1%
All Other Locations	1,517	45%
Total	3,348	100%

Source: U.S. Census Bureau, Center for Economic Studies, LEHD OnTheMap, <http://lehdm3.did.census.gov/themap3/>

Table B-10 shows where employees of firms located Hood River lived in 2011.

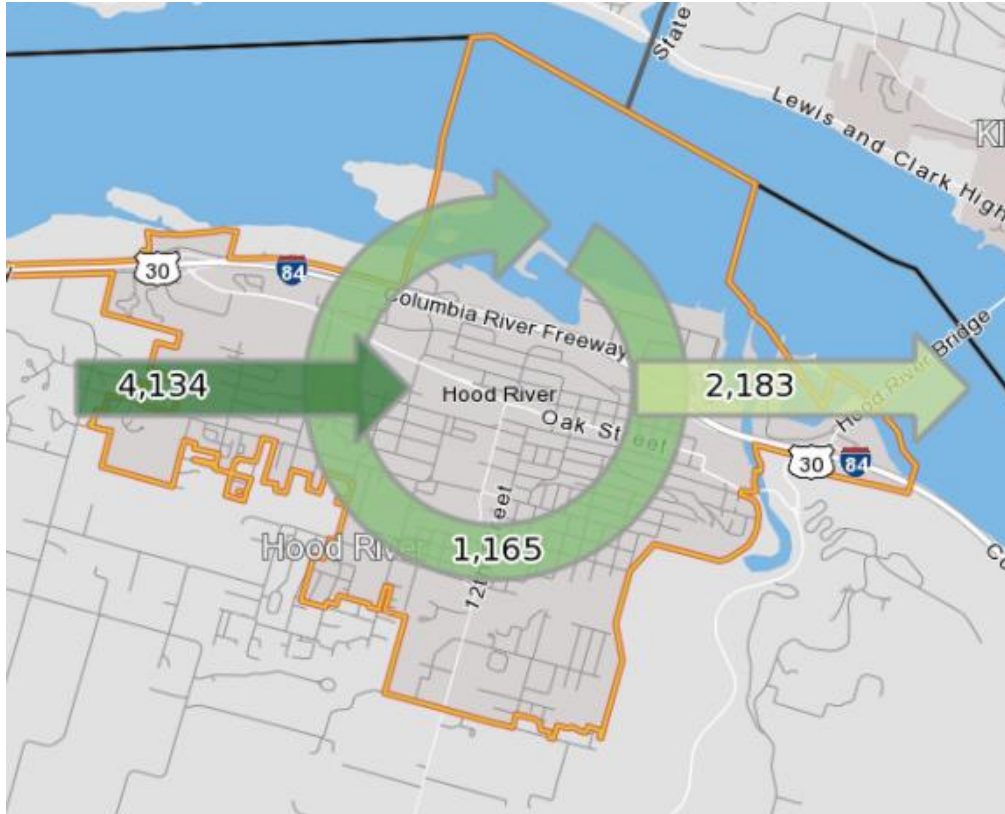
Table B-10. Places where workers in Hood River lived, 2011

Location	Number	Percent
County		
Hood River County, OR	2,743	52%
Wasco County, OR	608	11%
Klickitat County, WA	372	7%
Multnomah County, OR	218	4%
Clackamas County, OR	163	3%
Skamania County, WA	150	3%
Umatilla County, OR	117	2%
Washington County, OR	82	2%
Marion County, OR	63	1%
Cowlitz County, WA	59	1%
All Other Locations	724	14%
Total	5,299	100%
Cities		
Hood River city, OR	1,165	22%
The Dalles city, OR	350	7%
Odell CDP, OR	196	4%
Portland city, OR	156	3%
Chenoweth CDP, OR	79	1%
Cascade Locks city, OR	65	1%
White Salmon city, WA	61	1%
Gresham city, OR	49	1%
Dallesport CDP, WA	34	1%
Carson CDP, WA	33	1%
All Other Locations	3,111	59%
Total	5,299	100%

Source: U.S. Census Bureau, Center for Economic Studies, LEHD OnTheMap, <http://lehdmap3.did.census.gov/themap3/>

Figure B-21 presents the commuting flows for primary jobs in Hood River, Oregon. As displayed in the graphic, 4,134 people are employed in Hood River, but live outside of the city; 2,183 people live in Hood River, but are employed outside of the city; and 1,165 people live and work in Hood River.

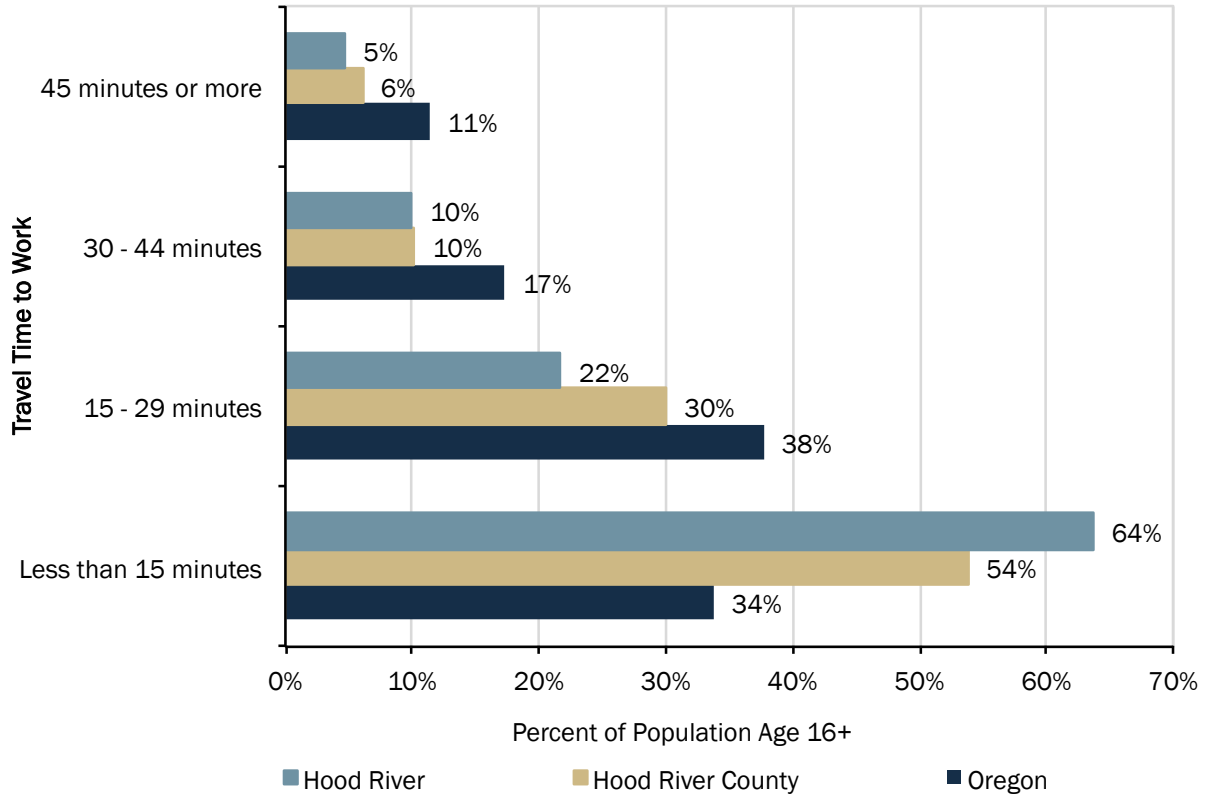
Figure B-21. Commuting Flows in Hood River, 2011



Source: U.S. Census Bureau, Center for Economic Studies, LEHD OnTheMap, <http://lehdmap3.did.census.gov/themap3/>

Commute times in Hood River tend to be shorter than those in Hood River County and in Oregon as a whole. Sixty-four percent of Hood River residents travel less than 15 minutes to get to work, as compared to 54% of Hood River County residents, and only 34% of people across the State. On the other end of the spectrum, only 5% of Hood River residents travel more than 45 minutes or more to work, as compared to 6% in Hood River County, and 11% statewide.

Figure B-22. Commuting Time in Oregon, Hood River County, and Hood River, 2009-2013



Source: U.S. Census Bureau, ACS 2009-2013, B08303

MANUFACTURED HOMES

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

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

Hood River had 133 mobile homes in 2000 and 42 mobile homes in the period from 2009 to 2013, a decrease of 91 dwellings. According to Census data, roughly 67% of the mobile homes in Hood River were owner-occupied in 2009-2013.

OAR 197.480(4) requires cities to inventory the mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial or high-density residential development. Table B-11 presents the inventory of mobile and manufactured home parks within Hood River in 2015. The results show that Hood River had three manufactured home parks in the UGB with a total of 78 spaces and no vacant spaces.

Table B-11. Inventory of Mobile/Manufactured Home Parks, Hood River, 2015

Name	Location	Park Type	Total Spaces	Vacant Spaces
Gorge Trailer Park (Oak Crest Mobile Home Village)	1823 Cascade Ave	Family	24	0
Hood River Mobile Manor	3300 Cascade Ave	Family	48	0
God's Little Acre	3391 Avalon Dr	Family	6	0

Note: Used Google Maps to identify borders of Hood River City.

Source: Oregon Manufactured Dwelling Park Directory, <http://o.hcs.state.or.us/MDPCRParcs/ParkDirQuery.jsp>

GOVERNMENT-ASSISTED HOUSING PROGRAMS

Governmental agencies and nonprofit organizations offer a range of housing assistance to low- and moderate-income households in renting or purchasing a home including. The Mid-Columbia Housing Authority provides services to Hood River County, as well as Sherman and Wasco Counties in Oregon and Skamania and Klickitat Counties in Washington.

The Mid-Columbia Housing Authority manages the Housing Choice Voucher program for its participating counties. This program allows very low-income families (including elderly and disabled) to choose where they live by providing rental certificates that limit tenants' rent to 30% of their monthly income. The Housing Choice Voucher program is one of the key tools available to provide financial support low-income households.

About 78 households in Hood River County are Housing Choice Voucher recipients, accounting for about 10% of the total participating households in the five counties served by the Mid-Columbia Housing Authority. Fewer households in Hood River County are Housing Choice Voucher recipients than would be expected based on the fact that Hood River County accounts for about 20% of the population in the five-county area. One reason that Hood River County has fewer Housing Choice Voucher participants than expected may be that rents in Hood River are higher than qualifying rents (as set by HUD) for the Housing Choice Voucher program.

Table B-12 shows government-subsidized housing development in Hood River. There are 382 subsidized units in Hood River, with 84% of units in ten developments that have 15 or more units per development. The populations served by subsidized housing include: families, farmworkers, and the elderly.

Table B-12. Government Subsidized Housing Development, Hood River, 2015

Development Name	Total Units	Affordable/ Regulated Units	Population(s) Served
Indian Creek Village	56	56	Families
Indian Creek Court	48	48	Families
Hood River Crossing Apts	40	40	Families and Farmworkers
Wind River Place Apts	32	32	Families
Bella Vista Apts	28	28	Families
Dethman Manor	27	27	Elderly
The Riverside	26	26	Families
WyEast Vista Apartments	25	25	Families and Farmworkers
Casa De Alma	20	20	Farmworkers
Thomsen Orchards	18	18	Farmworkers
M Goe & Son Inc	8	8	Farmworkers
Nakamura Orchards Labor Camp	7	7	Farmworkers
Oates Orchards	6	6	Farmworkers
Parkhurst House (ALF)	30	6	Assisted Living Facility
BLM Inc.	4	4	Farmworkers
Sunset Orchard	4	4	Farmworkers
Benton	3	3	
Gays Farm Labor Camp	3	3	Farmworkers
Mallon Farmworker Housing	3	3	Farmworkers
Rodrigo Carrillo	3	3	Farmworkers
Columbia Ag Inc	2	2	Farmworkers
Robert Benton	2	2	Farmworkers
Tamura Orchards	2	2	Farmworkers
Bone Drive	1	1	Farmworkers
C & D Orchards	1	1	Farmworkers
Cascade Orchards	1	1	Farmworkers
Endow Farm	1	1	Farmworkers
Hanners Orchards	1	1	Farmworkers
Moore Orchards	1	1	Farmworkers
Orchard Lands	1	1	Farmworkers
Sunburst Orchards	1	1	Farmworkers
Wimmers' Orchards	1	1	Farmworkers
Total	406	382	

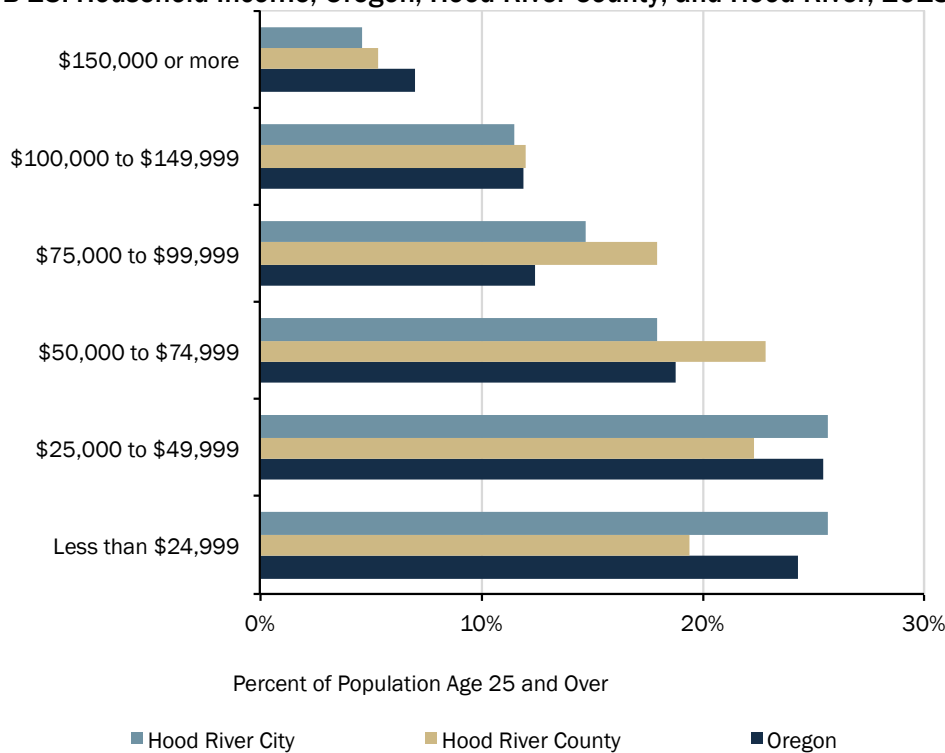
Source: Oregon Affordable Housing Inventory from the Oregon Housing and Community Services Departments, with edits by Joel Madsen, Executive Director of the Mid-Columbia Housing Authority.

INCOME AND AFFORDABILITY OF HOUSING

This section summarizes regional and local income, and housing cost trends. Income is a key determinant in housing choice and a household’s ability to afford housing. A review of historical income and housing price trends provides insight into the local and regional housing markets.

Hood River had a slightly lower median household income in 2009-2013 (\$48,858) than that of Hood River County (\$56,725) and Oregon as a whole (\$50,229). Figure B-23 shows the distribution of household income in Oregon, Hood River County, and Hood River in 2009-2013.

Figure B-23. Household Income, Oregon, Hood River County, and Hood River, 2013



Source: U.S. Census, ACS 2009-2013, B19001

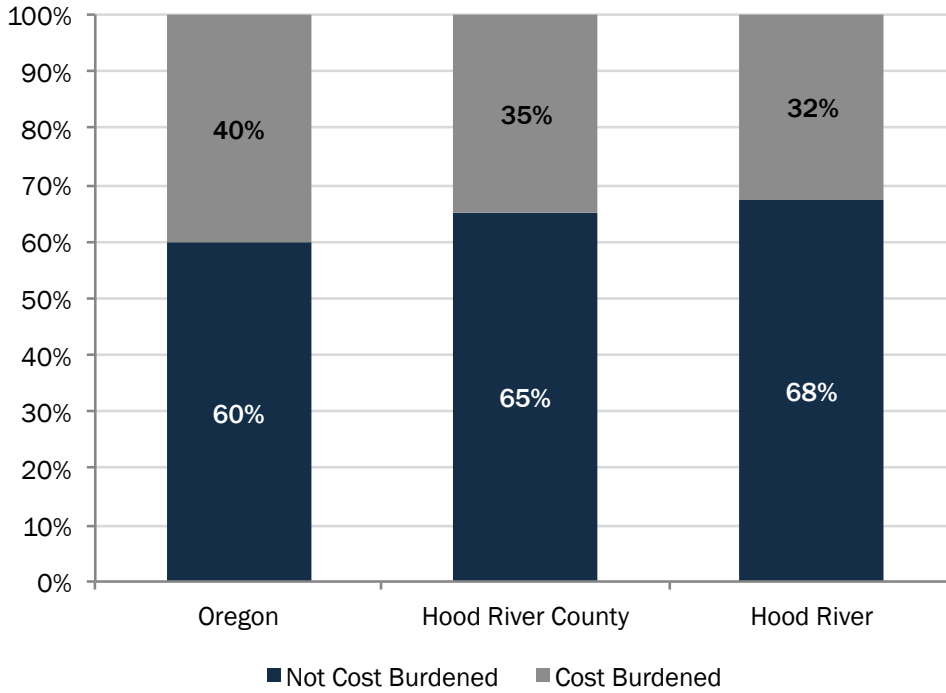
A typical standard used to determine housing affordability is that a household should pay no more than a certain percentage of household income for housing, including payments and interest or rent, utilities, and insurance. HUD guidelines indicate that households paying more than 30% of their income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

According to the U.S. Census, nearly 569 households in Hood River—or 32%—paid more than 30% of their income for housing expenses in 2009-2013. About 40% of renter households in Hood River were cost burdened, compared with 25% of owner households. In comparison, 40%

of Oregon's households were cost burdened in 2009-2013, with 54% of renter households and 32% of owner households cost burdened.

Figure B-24 shows the percentage of the population experiencing housing cost burdens in Oregon, Hood River County, and Hood River in 2009-2013.

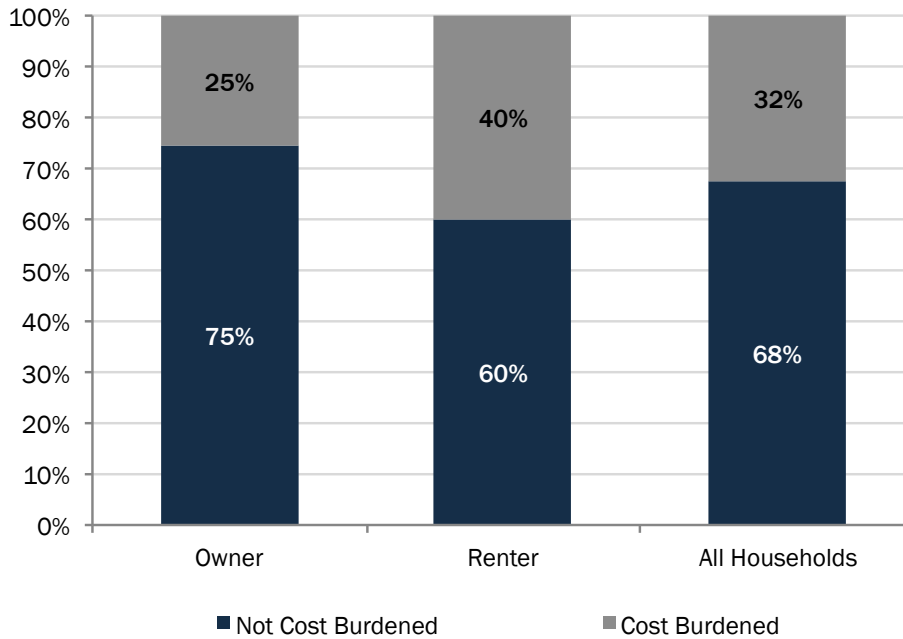
Figure B-24. Housing cost burden, Oregon, Hood River County, and Hood River, 2009-2013



Source: U.S. Census, ACS 2009-2013, B25070 and B25091

Figure B-25 shows housing cost burden, by tenure, for Hood River households in 2012.

Figure B-25. Housing cost burden by tenure, Hood River, 2009-2013



Source: U.S. Census, ACS 2009-2013, B25070 and B25091

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

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

Cost burden is only one indicator of housing affordability. Another way of exploring the issue of financial need is to review wage rates and housing affordability.

Table B-13 shows an illustration of affordable housing wage and rent gap for households in Hood River at different percentages of median family income (MFI). The data are for a typical

family of four. The results indicate that a household must earn \$14.63 an hour to afford a two-bedroom unit according to HUD's market rate rent estimate.

Table B-13. Illustration of affordable housing wage and rent gap by HUD income categories for a two-bedroom rental unit, Hood River County, 2014

Value	Minimum Wage	50% MFI	80% MFI	100% MFI	120% MFI
Annual Hours	2,080	2,080	2,080	2,080	2,080
Derived Hourly Wage	\$9.25	\$15.38	\$24.62	\$30.77	\$36.92
Annual Wage	\$19,240	\$32,000	\$51,200	\$64,000	\$76,800
Annual Affordable Rent	\$6,413	\$10,667	\$17,067	\$21,333	\$25,600
Monthly Affordable Rent	\$534	\$889	\$1,422	\$1,778	\$2,133
HUD Fair Market Rent (2 Bedroom)	\$845	\$845	\$845	\$845	\$845
Is HUD Fair Market Rent Higher Than The Monthly Affordable Rent?	Yes	No	No	No	No
Rent Paid Monthly OVER 30% of Income	\$311	n/a	n/a	n/a	n/a
Rent Paid Annually OVER 30% of Income	\$3,727	n/a	n/a	n/a	n/a
Percentage of Income Paid OVER 30% of Income for Rent	23%	n/a	n/a	n/a	n/a
Percentage of Income Spent on Housing	53%	32%	20%	16%	13%
For this area what would the "Affordable Housing Wage" be?	\$14.63	\$14.63	\$14.63	\$14.63	\$14.63
The Affordable Housing Wage Gap IS:	\$5.38	n/a	n/a	n/a	n/a

Source: U.S. Department of Housing and Urban Development, <http://www.huduser.org/portal/datasets/fmr.html>

MFI: Median family income, FMR: Fair market rent

Note: 30% of MFI corresponds to an hourly wage (\$8.05) below the minimum wage, so this table does not show that category of income.

Table B-14 shows a rough estimate of affordable housing cost and units by income levels for Hood River in 2014 based on Census data about household income, the value of owner-occupied housing in Hood River, and rental costs in Hood River. Several points should be kept in mind when interpreting this data:

- Affordable monthly housing costs and estimate of affordable purchase prices are based on HUD income standards and assume that a household will not spend more than 30% of household income on housing costs. Some households pay more than 30% of household income on housing costs, generally because they are unable to find more affordable housing or because wealthier households are able to pay a larger share of income for housing costs.
- HUD's affordability guidelines for Fair Market Rent are based on median family income and provide a rough estimate of financial need. These guidelines may mask other barriers to affordable housing such as move-in costs, competition for housing from higher-income households, and availability of suitable units. They also ignore other important factors such as accumulated assets, purchasing housing as an investment, and the effect of down payments and interest rates on housing affordability.
- Households compete for housing in the marketplace. In other words, affordable housing units are not necessarily available to low-income households. For example, if an area has a total of 50 dwelling units that are affordable to households earning 30% of median family income, 50% of those units may already be occupied by households that earn more than 30% of median family income.

The data in Table B-14 indicate that in 2015:

- More than 25% of the region's households could not afford a studio apartment according to HUD's estimate of \$683 as fair market rent;

- About 35% of households in Hood River could not afford a two-bedroom apartment at HUD's fair market rent level of \$845;
- A household earning median family income (\$64,000) could afford a home valued up to about \$160,000.

Table B-14. Rough estimate of housing affordability, Hood River, 2009-2013

Income Level	Number of HH	Percent	Affordable Monthly Housing Cost	Crude Estimate of Affordable Purchase Owner-Occupied Unit	Est. Number of Owner Units	Est. Number of Renter Units	Surplus (Deficit)	HUD Fair Market Rent (FMR) in 2015
Less than \$10,000	156	5%	\$0 to \$250	\$0 to \$25,000	38	18	(100)	
\$10,000 to \$14,999	121	4%	\$250 to \$375	\$25,000 to \$37,000	33	58	(30)	
\$15,000 to \$24,999	495	16%	\$375 to \$625	\$37,500 to \$62,500	19	397	(79)	
\$25,000 to \$34,999	356	12%	\$625 to \$875	\$62,500 to \$87,500	48	403	95	Studio: \$683 1 bdrm: \$713
\$35,000 to \$49,999	416	14%	\$875 to \$1,250	\$87,500 to \$125,000	27	333	(56)	2 bdrm: \$845 3 bdrm: \$1,245
\$50,000 to \$74,999	541	18%	\$1,250 to \$1,875	\$125,000 to \$187,500	116	182	(243)	4 bdrm: \$1,377
Hood River County MFI (\$64,000)			\$1,600	\$160,000				
\$75,000 to \$99,999	443	15%	\$1,875 to \$2,450	\$187,500 to \$245,000	121	68	(254)	
\$100,000 to \$149,999	347	12%	\$2,450 to \$3,750	\$245,000 to \$375,000	680	14	347	
\$150,000 or more	139	5%	More than \$3,750	More than \$375,000	455	5	320	
Total	3,014	100%			1,536	1,478	0	

Sources: U.S. Census, ACS 2009-2013; HUD Section 8 Income Limits, HUD Fair Market Rent.

Based on Oregon Housing & Community Services. Housing Strategies Workbook: *Your Guide to Local Affordable Housing Initiatives*, 1993.

Notes: FMR-Fair market rent; bdrm - bedrooms

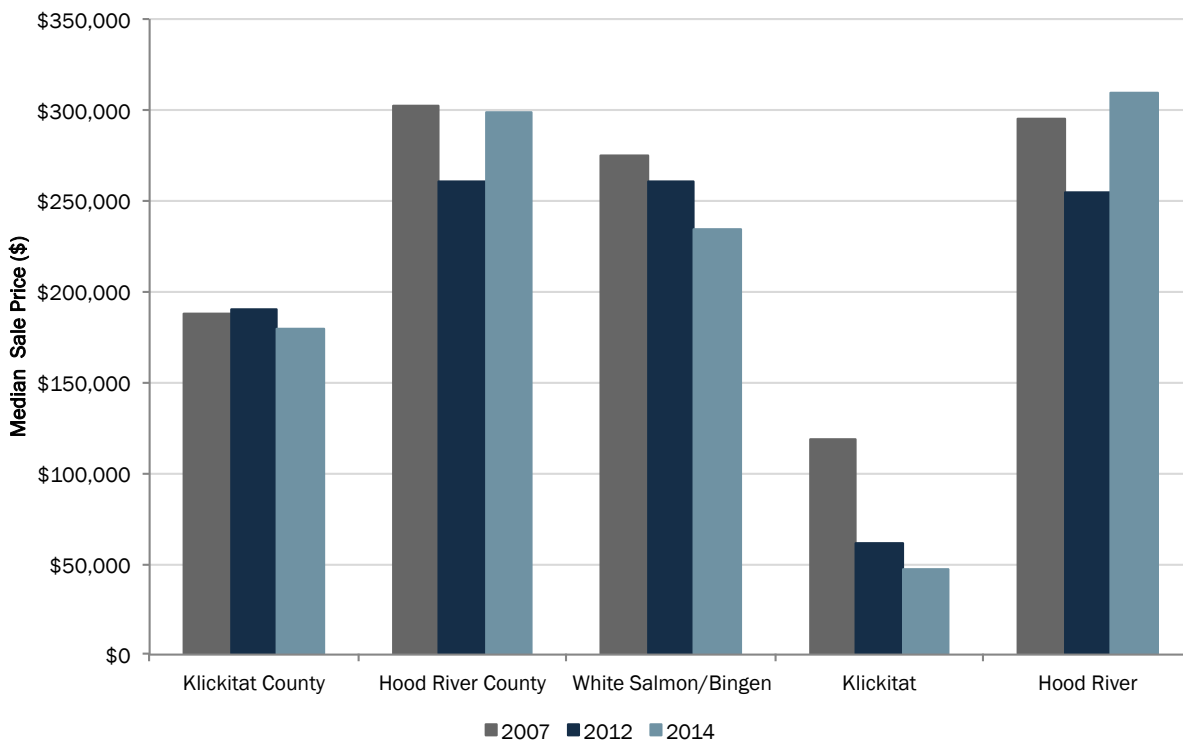
The conclusion based on the data presented in Table B-14 is that in Hood River had a deficit of over 200 affordable housing units for households that earn less than \$25,000 annually. Hood River also has a deficit of housing affordable to people earning \$35,000 to \$100,000. The fact that most households have housing suggests that many of these households are cost burdened (consistent with information Figure B-24). The next section examines changes in housing cost between 2000 and 2013.

Changes in housing cost

Ownership costs

Regional Multiple Listing Service (RMLS) provides property sales data and statistical summaries for many cities and counties across the State. Figure B-26 shows housing median sales price in Hood River and nearby communities at three points in time. In general, housing prices peaked in Oregon communities in about 2007 and were lowest between 2010 and 2012. Across the State of Oregon, the median sale price in many communities is still below its 2007 pre-recession peak. However, housing prices in the City of Hood River have increased faster, with a median sale price in 2014 that is higher than its 2007 pre-recession peak. According to RMLS, the 2014 median sale price was \$309,000 in Hood River, \$234,000 in White Salmon/Bingen and \$47,000 in Klickitat.

Figure B-26. Median Sale Price, Klickitat and Hood River County, White Salmon/Bingen, and Hood River, 2007 – 2014

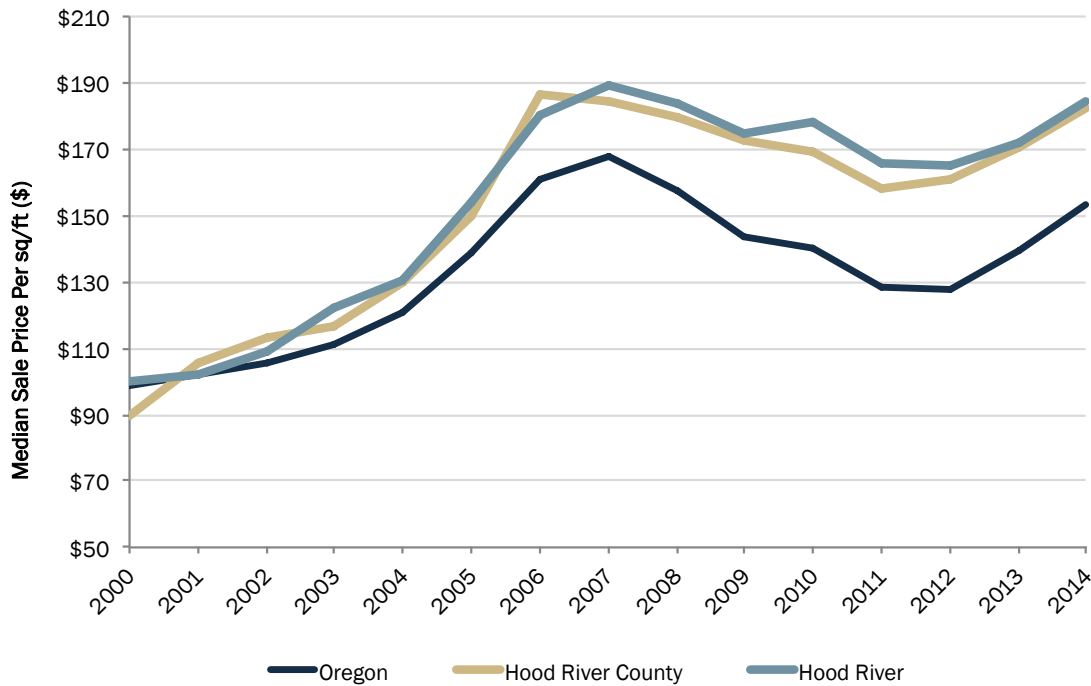


Source: RMLS, Average and Median Sale Price Appreciation by Area

While housing prices in Hood River generally increased since 2013, at the beginning of 2015, they showed slight decreases. In February 2015, median sales prices decreased to \$284,000 in Hood River. It is unclear if this decrease is reflective of a general change in the trend of Hood River's housing prices or of a short-term change in housing prices.

Figure B-27 shows the median sales price per square foot based on data from Zillow for homes in Oregon, Hood River County, and Hood River.⁴⁹ Prices for these geographies have followed similar trends to median home sales prices. For the City of Hood River, the median sales price per square foot rose from \$100 in 2000 to \$184 in 2014, unadjusted for inflation. The statewide average change was slower, rising from \$99 to \$153 over the same time period.

Figure B-27. Median Sales Price Per Square Foot, Oregon, Hood River County, and Hood River, 2000-2014

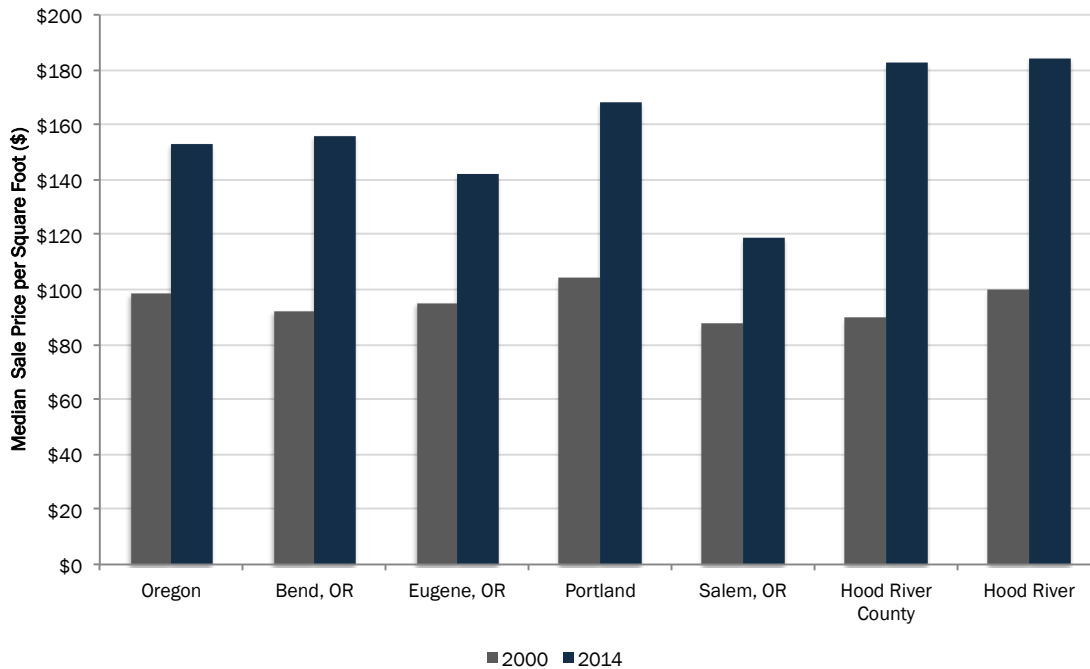


Source: Zillow Real Estate Research, <http://www.zillow.com/research/data/>

In comparison to other Oregon cities, Hood River’s increase in per square foot housing costs is larger than any of the other selected cities, rising \$84 between 2000 and 2014. Over the fourteen-year period, per square foot prices in Portland and Bend increased by \$64, by \$47 in Eugene, and \$32 in Salem.

⁴⁹ RMLS does not provide housing cost per square foot in an easily obtainable format. As a result we used Zillow data for this analysis.

Figure B-28. Median Sales Price per Square Foot of Built Space, Hood River and selected jurisdictions in Oregon, 2014



Source: Zillow Real Estate Research, <http://www.zillow.com/research/data/>

Table B-15 shows a comparison of median household income to housing value. Adjusting for inflation, at the State level, median household income decreased substantially between 2000 and 2009-2013, nearly erasing the gains made in the previous decade, while housing values (after substantial change in the interim) have continued to increase at the end of this period. However, Hood River has seen an even more dramatic increase in housing values, coincided by an increase in median household incomes. The resulting ratio of housing values to income was 6.4 for the City of Hood River in 2009-2013 and 4.7 for State.

Table B-15. Comparison of income and housing value, adjusted for inflation Oregon and Hood River, 2000 and 2009-2013

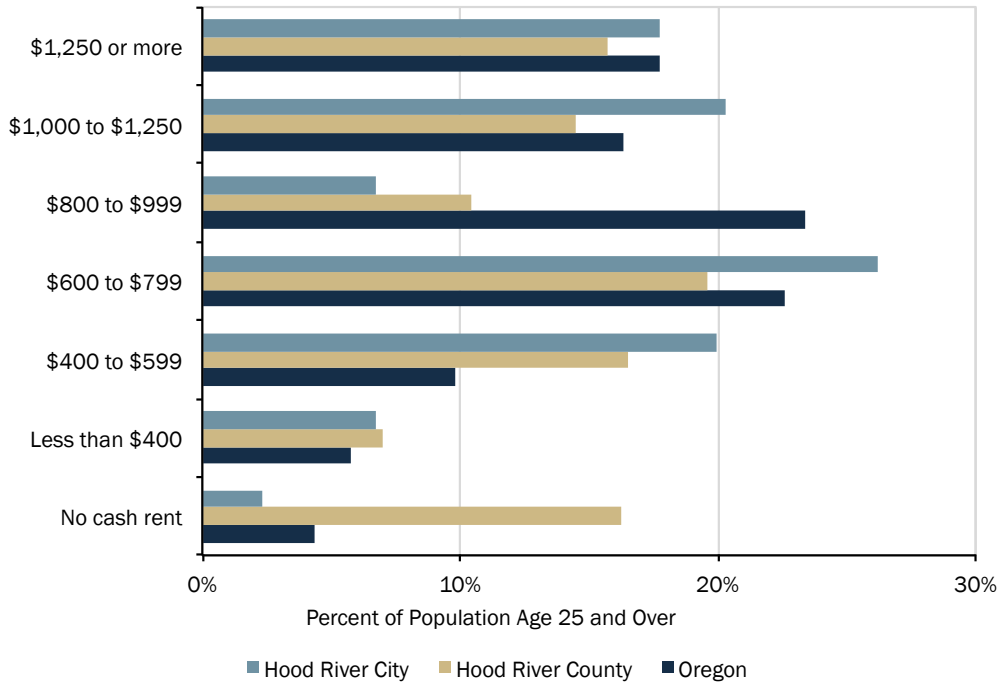
Indicator	Hood River City		Oregon	
	2000	2009 - 2013	2000	2009 - 2013
Median HH Income	\$43,435	\$48,858	\$57,076	\$50,229
Median Owner Value	\$197,160	\$314,200	\$203,872	\$238,000
Ratio of Housing Value to Income	4.54	6.43	3.57	4.74

Source: U.S. Census, 200,0 HC012 H085; U.S. Census, ACS 2009-2013, B19013 and B25077

Housing rental costs

Figure B-29 shows a comparison of gross rent for renter-occupied housing units in Oregon, Hood River County, and Hood River in 2009-2013.⁵⁰

Figure B-29. Gross rent, renter-occupied housing units, Oregon, Hood River County, and Hood River, 2009-2013



Source: U.S. Census, ACS 2009-2013, B25063

Table B-16 shows the gross rent for market-rate multifamily housing in Hood River based on a study completed for the Columbia Cascade Housing Corporation in 2012. The analysis considered rents at 13 multifamily buildings, with a total of 110 units. The average rent was \$960 per month, ranging from a low of \$660 for a one-bedroom unit to a high \$1,740 for a three-bedroom unit.

Table B-16. Market-rate multifamily rent by number of bedrooms, Hood River, 2012

Dwelling size	Gross Rents
One Bedroom	\$660 to \$935
Two Bedroom	\$720 to \$960
Three Bedroom	\$825 to \$1,740
Total Average	\$960

Source: "Rental Housing Needs Assessment, Hood River," prepared for Columbia Cascade Housing Corporation, August 30, 2012.

⁵⁰ The U.S. Census defines gross rent as: "the amount of the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid for by the renter (or paid for the renter by someone else)."



Update on Housing Market & Demographic Changes in Hood River: 2015 to 2019

Changes in the Housing Market and Population in Hood River Since the Completion of the 2015 Hood River Housing Needs Analysis

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INTRODUCTION



Hood River's HNA was developed to meet the requirements of Goal 10.

The key requirements of Goal 10 are that cities: (1) provide appropriate types and amounts of land within their urban growth boundary to accommodate growth of needed housing types and (2) that cities provide opportunities for development of housing that meets the needs of households of all income levels.

In 2015, the City of Hood River completed and adopted the Hood River Housing Needs Analysis (HNA). The key conclusions and assumptions of the Hood River HNA were:

- **Hood River's population was growing, as was housing need.** Hood River was forecast to grow by about 4,500 people at an average annual growth rate of about 2.0% between 2015 and 2035. This growth was forecast to result in development of about 1,985 new dwelling units over the 20-year period.
- **Hood River had just enough land to accommodate growth.** Hood River had enough land to accommodate housing growth. However, public and semi-public uses (such as parks or churches) will require land over the 20-year period. After these land needs are accounted for, Hood River had only 25 acres of residential land that was beyond the forecast of land needed for housing development by 2035.
- **Hood River's HNA made some assumptions about the development of housing that have not yet occurred,** for market reasons or because the City has not enacted the necessary policies to support housing development. The HNA made the following such assumptions about housing growth over the next 20 years and the availability of land based on the requirements of Goal 10:
 - **All land within the Hood River urban growth boundary would be available for development over the 20-year period.** This included more than 60 acres of land that is in active agricultural use. Goal 10 requires cities assume that all vacant land within an urban growth boundary without development, like land in agricultural use, are assumed to develop within the 20-year planning period. Most (likely all) land that was in active agricultural use in 2015 continues to be actively used for agriculture, decreasing the land base for developing new housing.
 - **The HNA assumed that 35% of newly built housing would be multifamily but little multifamily housing has developed.** Little multifamily housing has developed since 2015. And what has developed was triplexes, rather than multistory apartment buildings. The lack of multifamily housing development is resulting in little development of new year-round, long-term rental housing.
 - **The HNA did not account for future development of second homes or short-term rentals, as these are not considered needed housing types under Goal 10.** Hood River's new regulations about short-term rentals has resulted in development of fewer (or no) homes for short-term rentals, except in commercial zones where new short-term rentals (without owner-occupants) is allowed. However, second homes continue to be a common use of housing in Hood River and some new housing has been developed or converted to use as a second home.
 - **The HNA showed that Hood River had a substantial existing need for new affordable housing.** The HNA showed that more than 30% of Hood River's existing households had income below 50% of the County's Median Family Income (less than \$32,000 per year) and that Hood River had a deficit of more than 200 dwelling units that were affordable to households with income in that range. No housing affordable in this income range has been built in Hood River since 2015.

- **Hood River's supply of land for multifamily development was very limited.** Vacant land in Hood River's R-3 zone (where multifamily housing is allowed to develop) was very limited. The HNA assumed that 15% of new housing (all multifamily housing) would be developed in commercial areas. Little or no new multifamily housing development has occurred in commercial zones since 2015.
- **Hood River has limited options for future expansion of the Urban Growth Boundary (UGB).** Hood River is surrounded by the Columbia River Gorge National Scenic Area and by high-quality farmland. Expansion in either of these areas will be extremely complicated and difficult and is likely to take years, if not decades.
- **Hood River had an existing deficit of affordable housing.** Hood River's housing prices, especially ownership prices, increased substantially since 2000. About one-third of households were cost burdened (paying 30% or more of their gross income on rent), with 40% of renters cost burdened and 25% of homeowners cost burdened.

Since 2015, population has continued to grow and housing has become more unaffordable. Hood River continues to struggle with providing opportunities for development of housing affordable to those making \$75,000 (or 120% of MFI) or less). Based on permitting records and numbers Hood River has not kept up with housing production and needs forecasted in the Housing Needs Analysis. Key changes in Hood River's housing market since 2015 are:

- **Hood River's population forecast is for slower growth.** A more recent population forecast for Hood River shows that—for the 2016 to 2035 period—Hood River is forecast to grow by 2,900 people at an average annual growth rate of 1.4%.
- **Hood River's population has grown.** Between 2013 and 2018, Hood River's population grew about the same as the updated forecast rate of 1.4%.
- **Housing costs have increased, as have the rates of cost burdened households.** Housing sales prices increased by about \$116,700 or 37% between 2014 to 2019. Rent costs have increased to a median monthly rent of \$1,550 per month. Overall cost burden for all households increased to 37%, with 48% of renters cost burdened and 26% of homeowners cost burdened.
- **Most new housing developed since 2014 was single-family detached.** Of the 207 new dwelling units built between 2014 and 2018, 70% was single-family detached housing, 20% townhouses, and 10% multifamily housing, which included duplex and triplexes, a majority of which became single-family attached homes within a year of construction.

Despite the forecast of slower growth and the development assumptions built into the Housing Needs Analysis, Hood River continues to have the same basic housing problems as it did in 2015, including: (1) a very limited land supply with an extremely complex process for adding more land to the UGB that could take years or a decade to complete (or longer), (2) few opportunities for development of multifamily housing and (as a result) little development of multifamily housing, and (3) continued decrease in housing affordability as a result of rapid increases in housing prices and rent costs. This summary document describes these and related issues in detail.

Hood River continues to have the same basic housing problems in 2019 as it did in 2015:

- (1) a very limited land supply with an extremely complex process for adding more land to the UGB that could take years or a decade to complete (or longer), (2) few opportunities for development of multifamily housing and little development of multifamily housing, and (3) continued decrease in housing affordability as a result of rapid increases in housing prices and rent costs.

Hood River will reach about 14,000 people by 2043, rather than 2035, based on the new population forecast from Portland State University.

This gives Hood River seven more years to identify ways to increase density and use land more efficiently, as recommended in the Housing Needs Analysis.



Hood River's Population and Households

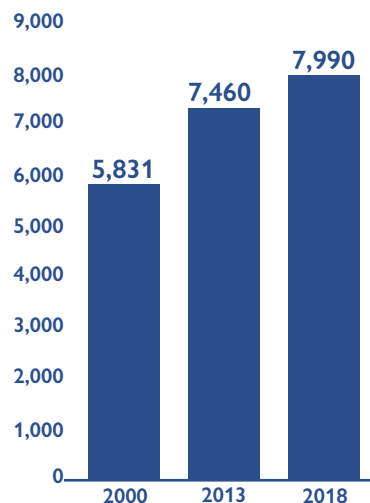
Population and housing characteristics are useful for better understanding Hood River and the people who live here. Characteristics such as population growth, age of residents, and ethnicity provide useful information about how the characteristics of Hood River's households and people have changed since 2013.

Unless otherwise noted, all data in this document are from the U.S. Census 2013-2017 American Community Survey.

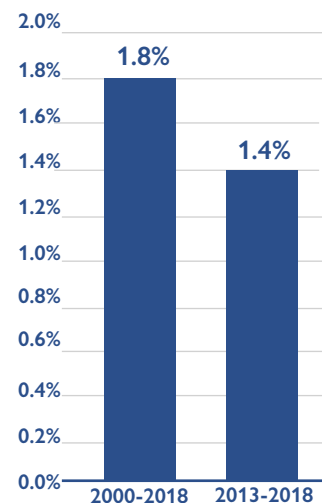
Since 2014, Hood River had a 1.4% Annual Average growth rate.

The City of Hood River's population has increased by 2,180 people since 2000 and 530 since 2013 at an average annual population growth rate of 1.4%.

POPULATION, CITY LIMITS



AVERAGE CITY POPULATION GROWTH PER YEAR, CITY LIMITS*



*including annexations

Source: Annual Population Estimates, Portland State University's Population Research Center

Hood River's updated population forecasts slower growth than the HNA assumed.

By 2035, Hood River's population is expected to increase by 2,900 people, at an average growth rate of 1.4%. The forecast used in the 2015 HNA showed growth at about 4,500 people at an average annual growth rate of 2.0%.

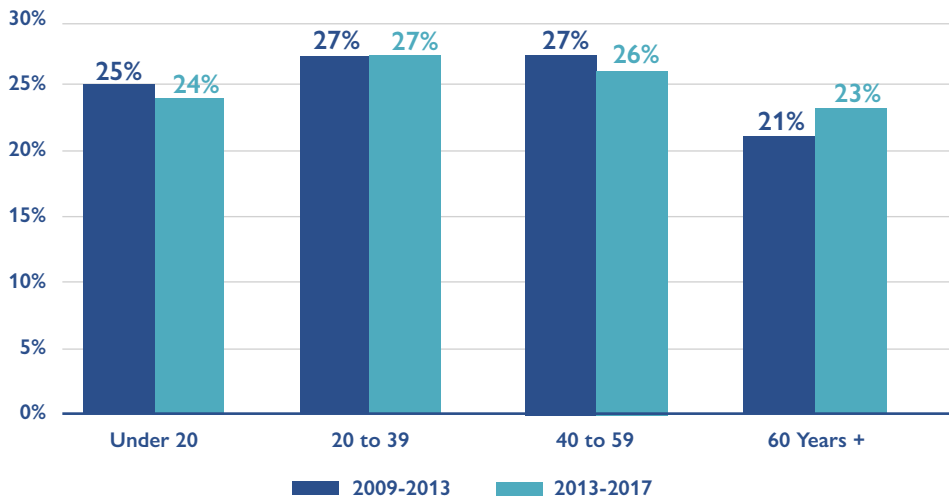
POPULATION FORECAST, URBAN GROWTH BOUNDARY, 2016-2035

Source: Oregon Population Forecast Program, Portland State University's Population Research Center, June 30, 2016



HOOD RIVER'S POPULATION AND HOUSEHOLDS

PERCENT OF POPULATION BY AGE GROUPS, HOOD RIVER, CITY LIMITS, 2009-2013 & 2013-2017

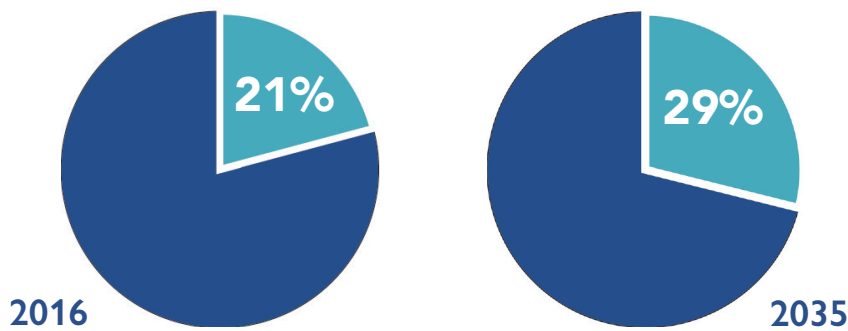


A growing percentage of Hood River's population is over 60 years old.

Since completion of the HNA, the growing age group were people 60 years and older.

POPULATION AGED 60 & OLDER, HOOD RIVER COUNTY, 2016 & 2035

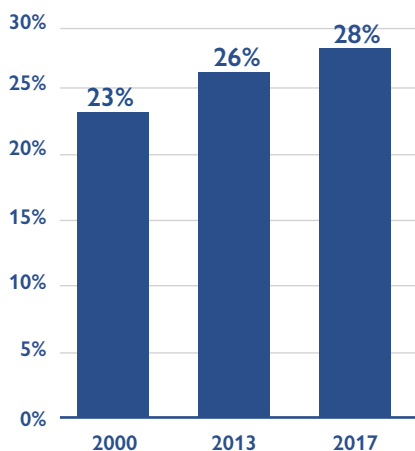
Source: Oregon Population Forecast Program, Portland State University's Population Research Center, June 30, 2016



Hood River's population will continue to age.

Hood River County's population will grow older on average by 2035, an increase of about 3,800 people age 60 years and older.

PERCENT OF POPULATION THAT IS HISPANIC OR LATINO, HOOD RIVER, CITY LIMITS, 2000, 2009-2013, & 2013-2017



Hood River's population is growing more ethnically diverse.

Hood River's population is about twice as ethnically diverse than the State average. Since 2013, the Hispanic or Latino population has increased by 202 people or almost 2%.

HOUSING MARKET

Home ownership rates have declined in recent years.

Hood River's home ownership rates decreased from 51% to 46%.

Housing is becoming more expensive in Hood River.

Hood River's median home sale price increased by \$116,715 or about 37% between 2014 and 2019, well above the State median home sale price of \$337,200. Increases in housing prices slowed after 2016, when Hood River enacted regulations on short-term rentals. It is not clear yet whether these regulations resulted in slowing the increases in housing prices or not.

Over the same period, housing prices in The Dalles increased from about \$160,000 (in 2014) to about \$240,000 (in 2019), an increase of about \$80,000 or about 50%.

Rent costs are increasing in Hood River.

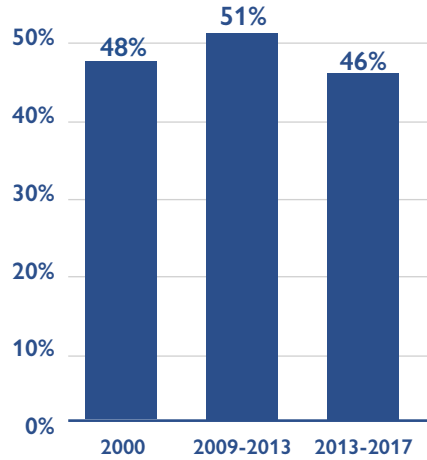
Between 2009-2013 and 2013-2017, Hood River's median gross monthly rent increased 29% to \$1,004 above the State median monthly rent of \$988.

ECONorthwest's survey of monthly rents in 2019 show that rents are considerably higher than Census and HUD estimates of rent.

2019 HUD Fair Market Rent estimate is \$1,106 per month and the 2013-2017 American Community Survey estimate was \$1,004. ECONorthwest's survey only includes market-rate rents (not including subsidized rental housing), which may partially account for the higher rental prices in the survey.

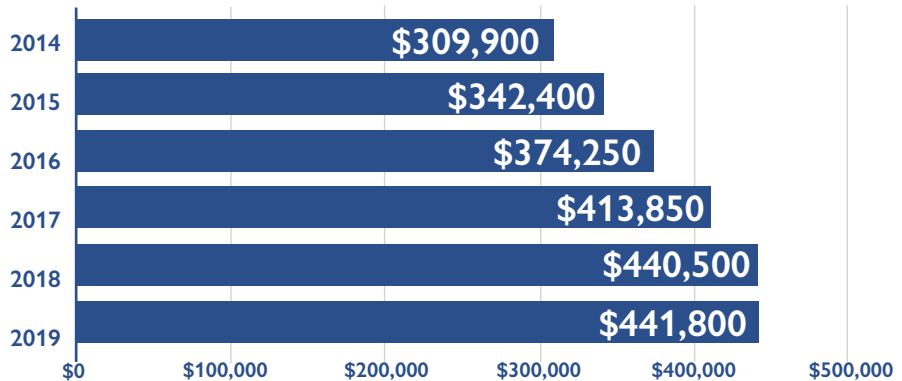
HOMEOWNERSHIP RATES, HOOD RIVER, CITY LIMITS, 2000, 2009-2013, & 2013-2017

Source: U.S. Census 2000, American Community Survey 2009-2013 and 2013-2017



MEDIAN HOME SALES PRICES, HOOD RIVER, CITY LIMITS, 2014-2019

Source: Zillow



MEDIAN GROSS MONTHLY RENT, HOOD RIVER, CITY LIMITS, 2009-2013 & 2013-2017

Note: Gross rent includes the contract rent (the amount an occupant pays to rent the unit) plus the costs of selected utilities such as electricity or natural gas.



MEDIAN MONTHLY RENTS, HOOD RIVER, CITY LIMITS, 2019

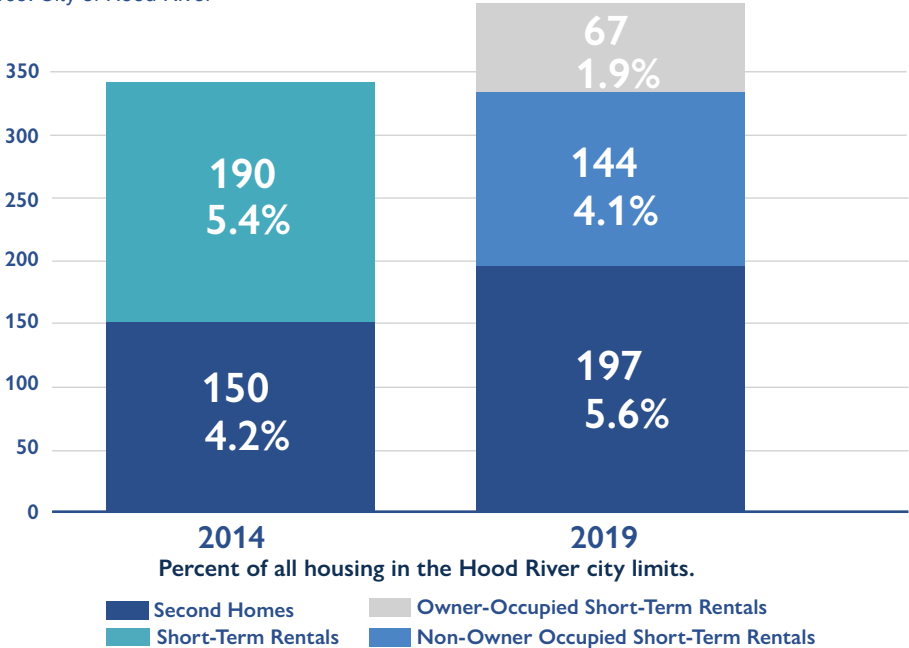
Source: 2019 rent survey conducted by ECONorthwest

ECONorthwest conducted a survey from property leasing agencies in Hood River with properties available for rent in August 2019. The rent survey was conducted only for market rate single-family and multifamily residential properties, and the monthly rate is a weighted average of all property types for rent.



SECONDARY HOMES, HOOD RIVER, CITY LIMITS, 2014 & 2019

Source: City of Hood River



Based on utility and permit analysis, the number of second homes has increased since 2014.

The 2014 HNA estimated that Hood River had about 150 second homes, plus approximately 190 short-term rental units.

In 2016, Hood River started regulating short-term rentals, limiting opportunities for new short-term rentals. As a result, new short-term rentals were limited to owner-occupied units, where only a portion of the unit can be rented out as a short-term rental. Short-term rentals that existed before were allowed to continue to be short-term rentals.

In 2019, 5.6% of units were second homes, 4.1% of housing was non-owner-occupied short term rentals (grandfathered in by the new policy), and 1.9% were owner-occupied short-term rentals.

BUILDING PERMITS ISSUED, HOOD RIVER, CITY LIMITS, 2005-2018

Source: City of Hood River



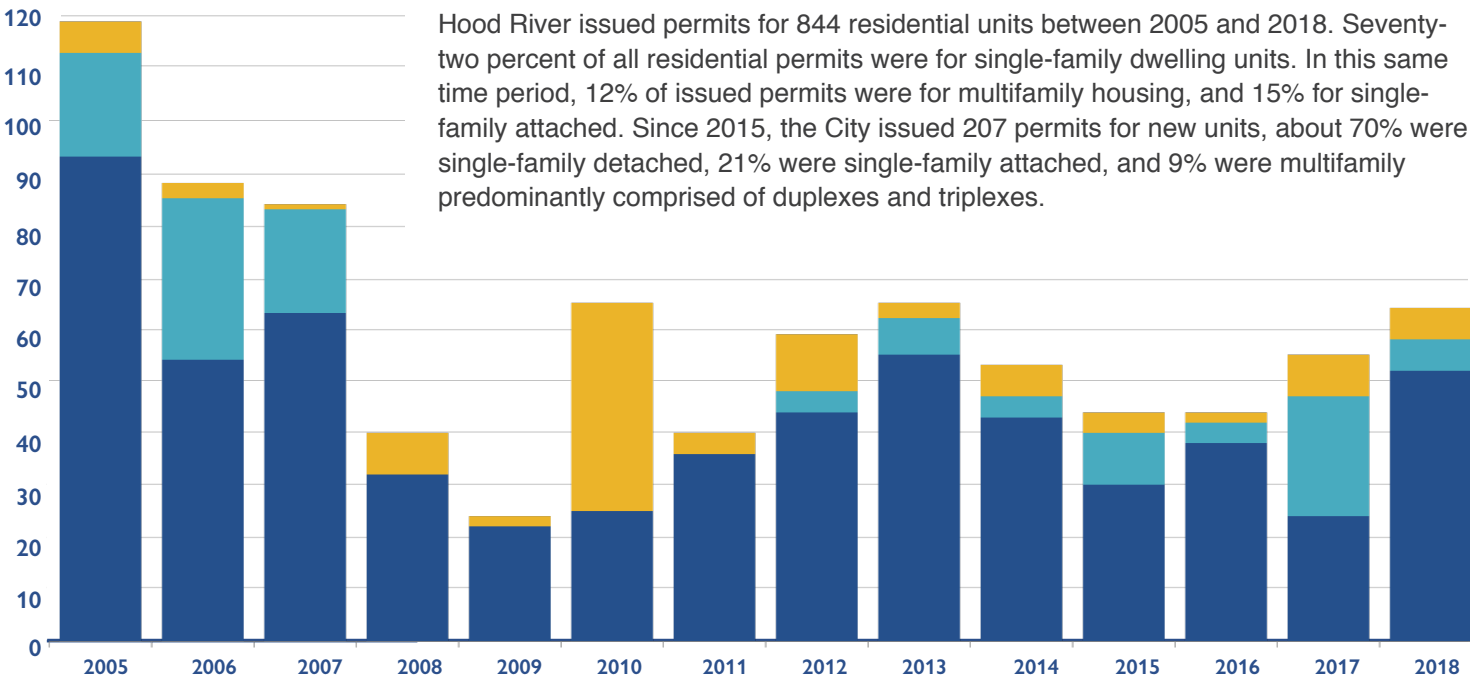
SINGLE-FAMILY DETACHED



SINGLE-FAMILY ATTACHED



MULTIFAMILY



Housing Affordability

The term affordable housing refers to a household’s ability to find housing that is reasonably priced comparable to their income. Housing affordability affects both high- and low-income households and it is an important issue for Hood River and the Columbia Gorge region. Low-income households have fewer resources available to pay for housing and have the most difficulty finding affordable housing. Key points about housing affordability in Hood River include:

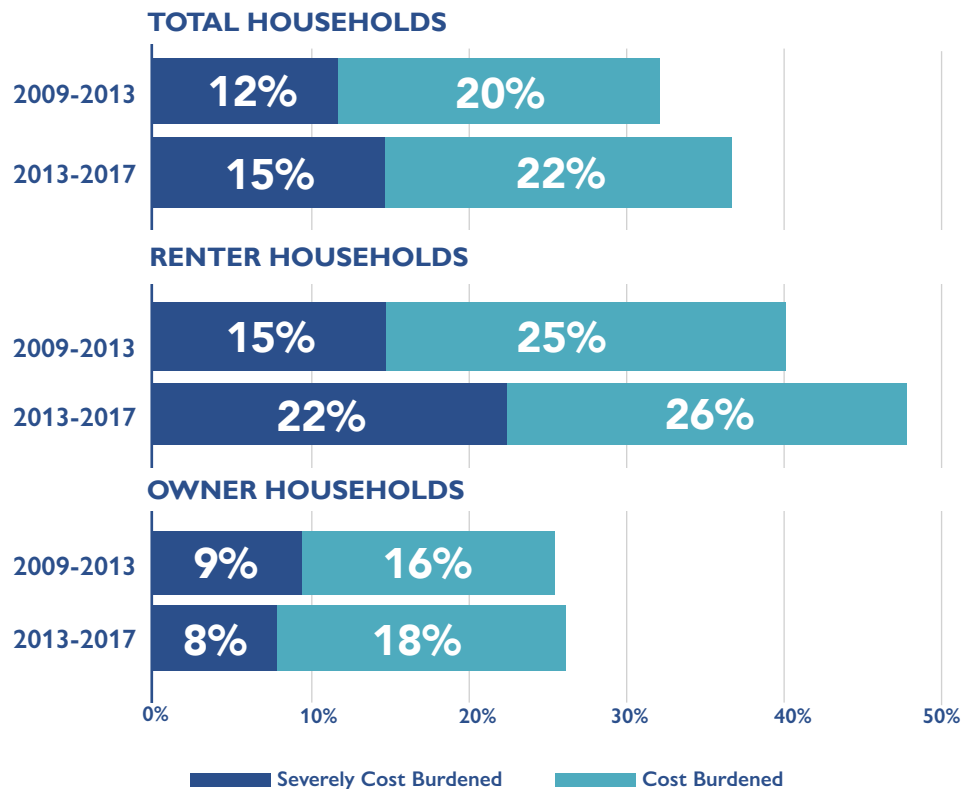
- Hood River will have an ongoing need for housing affordable to lower- and moderate-income households, or those who are within less than 120% MFI, who make less than \$75,000.
- Homeownership rates in Hood River declined recently to 46% and more than half, about 54% of Hood River households are renters.
- The share of all Hood River households that are cost burdened increased from 32% in 2009-2013 to 37% in 2013-2017. The cost burden situation is more severe for renters where about 48% of renters are cost burdened.

Housing is becoming less affordable, especially for renters.

Cost burden increased from 32% of households in 2009-2013 to 37% of households in 2013-2017. Most notably, renter cost burden increased from 40% to 48% of renters over that period. Severely cost burdened renters increased from 15% of renters to 22% of renters.

PERCENT OF HOUSEHOLDS THAT ARE COST BURDENED & SEVERELY COST BURDENED BY OWNERSHIP STATUS, HOOD RIVER, CITY LIMITS 2009-2013 & 2013-2017

Cost-burdened households spend more than 30% of their gross income on housing. Severely cost-burdened households spend more than 50% of their gross income on housing.

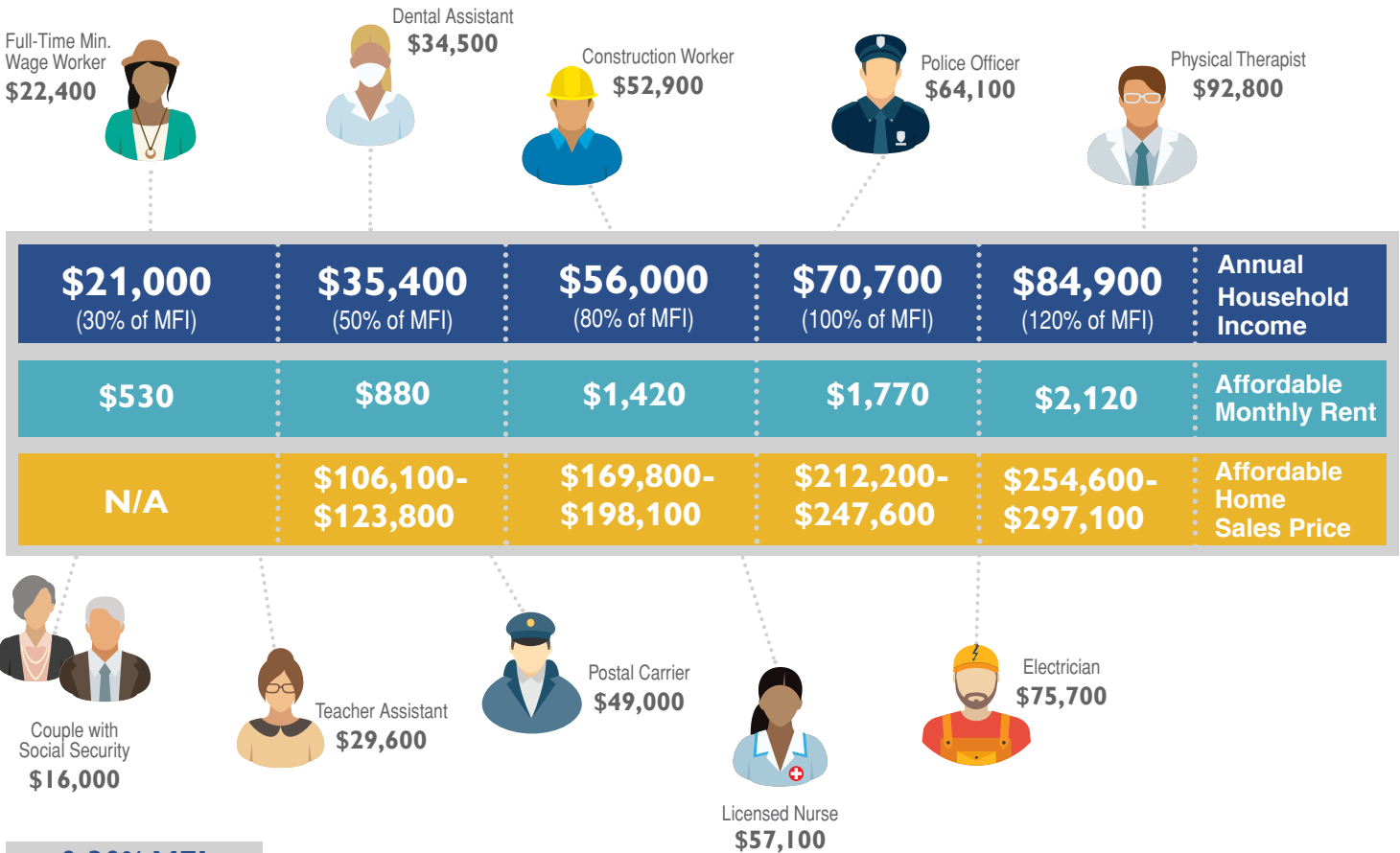


HOUSING AFFORDABILITY

FINANCIALLY ATTAINABLE HOUSING BY MEDIAN FAMILY INCOME, HOOD RIVER, CITY LIMITS, 2019

Source: U.S. Census, ACS 2013-2017; HUD Section 8 Income Limits, HUD Fair Market Rent.

The Median Family Income (MFI) for Hood River County in 2019 was \$70,700 for a family of four people. A household in Hood River would need to earn \$60,000 (about 85% of MFI) to afford the median monthly rent of \$1,550 in Hood River. A household would need to earn about \$110,000 (155% of MFI) to afford the median home sales price of \$441,800 in Hood River.



0-30% MFI

Housing affordable at this level requires an ongoing subsidy, such as rental assistance vouchers, and many households in this income group benefit from support services on-site, which requires additional subsidy. The private market does not provide housing affordable at this level.

30-50% MFI

The private market does not generally build housing affordable to households earning 30% to 50% of MFI. Regulated affordable housing affordable to these households generally requires subsidy to build

50-80% MFI

The private market does not generally build housing affordable to households earning 50% to 80% of MFI without some public contribution to lower development or operational costs. Most people in this income group live in existing rental housing that has become more affordable over time as newer housing (with higher housing costs) has been built in Hood River.

100-120% MFI

The private market builds rental housing affordable to households with incomes above 80% of MFI. In Hood River, newly built rental housing is likely to require income of 85% to 100% of MFI to be affordable, given existing median rents. Households with income above 120% of MFI can start to afford homeownership in most housing markets. In Hood River, a household would need to earn more than 150% of MFI and likely closer to 200% of MFI to afford the cost of housing, with existing housing potentially being more affordable than newly built housing.

Wage Source: Oregon Employment Department

Factors Affecting Housing Need



Studies and data analysis have shown a clear linkage between demographic characteristics and housing choice, as shown in the figure below.

Key relationships include:

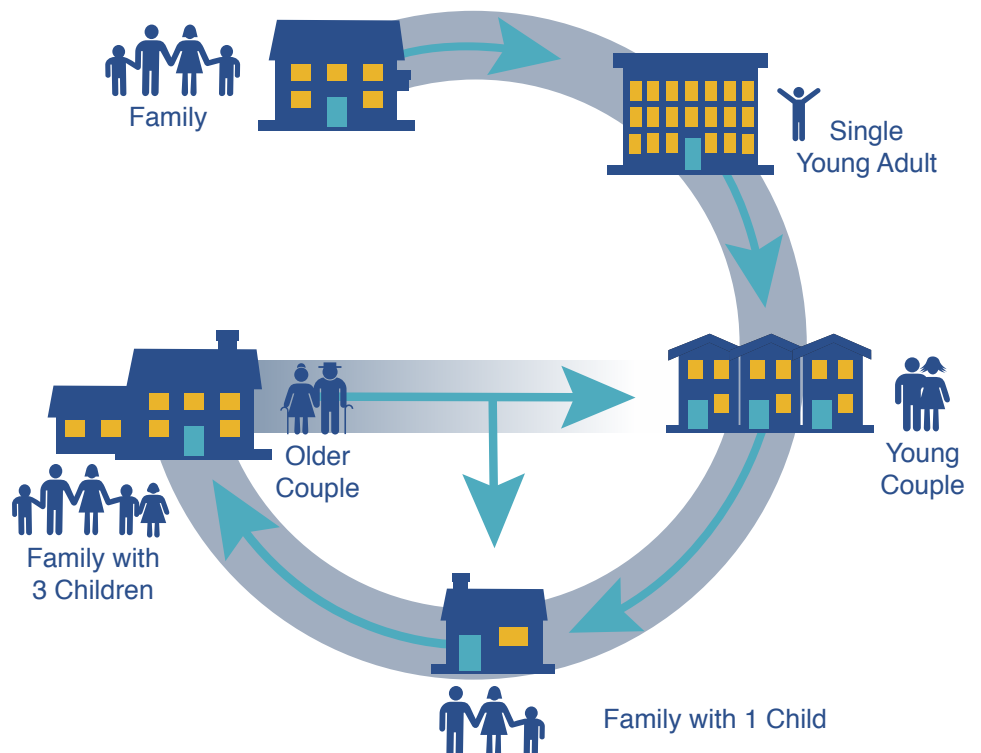
- Housing needs change over a person's lifetime.
- Homeownership rates increase as income increases.
- Homeownership rates increase as age increases.
- Choice of single-family detached housing increases as income increases.
- Renters are more likely to choose multifamily housing than single-family housing because multifamily housing is, on average, more likely to be lower cost than single-family housing. In addition, newly built multifamily housing is more likely to be rental housing than newly built single-family housing.
- Income is a strong determinant of homeownership and housing-type choice for all age categories.

Key determinants of housing choice are income, age, and household composition.

As adults in household age, income generally increases and their household composition changes. Incomes generally increase until retirement, allowing households to afford to spend more on housing as they age. At the same time, household composition changes, generally with the addition of children for younger households and the departure of children for older households. The change in these three factors illustrates the housing life cycle that most households experience in one form or another.

HOUSING LIFE CYCLE

Source: ECONorthwest.



FACTORS AFFECTING HOUSING NEED

The linkages between demographics and housing need can be used to predict future housing need in Hood River. Three demographic trends are particularly important for Hood River:

- **Ageing of Baby Boomer Generation (born 1946 to 1964)**
- **Ageing of the Millennials**
- **Continued growth of the Hispanic/Latino population**

Ageing of the Baby Boomers

Consistent with state and national trends, Hood River's population is growing older. By 2035, 29% of the population of Hood River County is forecast to be 60 and over, up from 21% in 2016.

LIKELY TRENDS AMONG BABY BOOMER HOUSEHOLDS:



Ageing of the Millennials

Hood River's population is younger than the State average and Hood River has a large share of people aged 20-39. Their ability to attract and retain Millennials will depend on availability of affordable owner- and renter-occupied housing.

LIKELY TRENDS AMONG MILLENNIAL HOUSEHOLDS:



Continued Growth of the Hispanic/Latino Population

Hood River's Hispanic/Latino population grew by more than 200 people (2%) between 2009-2013 and 2013-2017. Nationwide, the Hispanic/Latino population is predicted to be the fastest growing racial/ethnic group over the next few decades.

CHARACTERISTICS OF HISPANIC HOUSEHOLDS COMPARED TO NON-HISPANIC HOUSEHOLDS:



Implications for Hood River's Housing:

Need for smaller, lower-cost housing in walkable areas near urban amenities such as shopping and health care services.

Implications for Hood River's Housing:

Need for smaller, lower-cost housing for families, both for owner and renter occupants, such as small single-family detached units, cottage housing, townhouses, and multifamily units.

Implications for Hood River's Housing:

Need for lower-cost renting and ownership opportunities for larger household size that may include multiple children and generations.

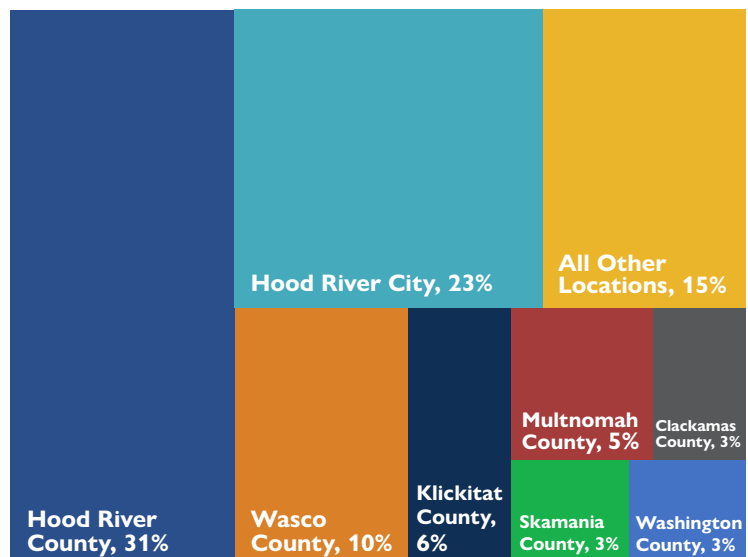
COMMUTING PATTERNS

Three-quarters of people who work at businesses in Hood River live elsewhere.

About 23% of employees work and live in Hood River, the rest—about 77%—commute into Hood River from outside the city with a large share from Hood River County (31%), Wasco County (10%) and the rest from other counties in Oregon and Washington.

ORIGIN OF EMPLOYEES, HOOD RIVER, CITY LIMITS 2017

Source: LEHD Origin-Destination Employment Statistics

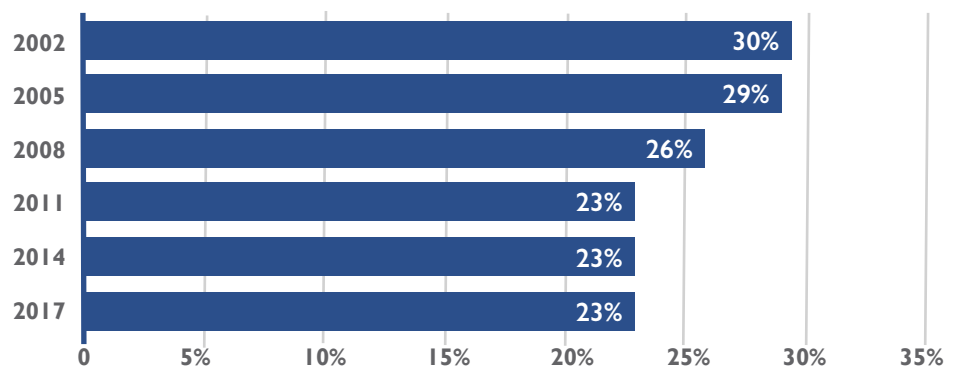


Commuting is increasingly common in Hood River.

In 2002, about 30% of people lived and worked in Hood River, decreasing to 23% by 2017.

PERCENT OF EMPLOYEES WHO LIVE AND WORK IN HOOD RIVER, CITY LIMITS, 2002, 2005, 2008, 2011, 2014, 2017

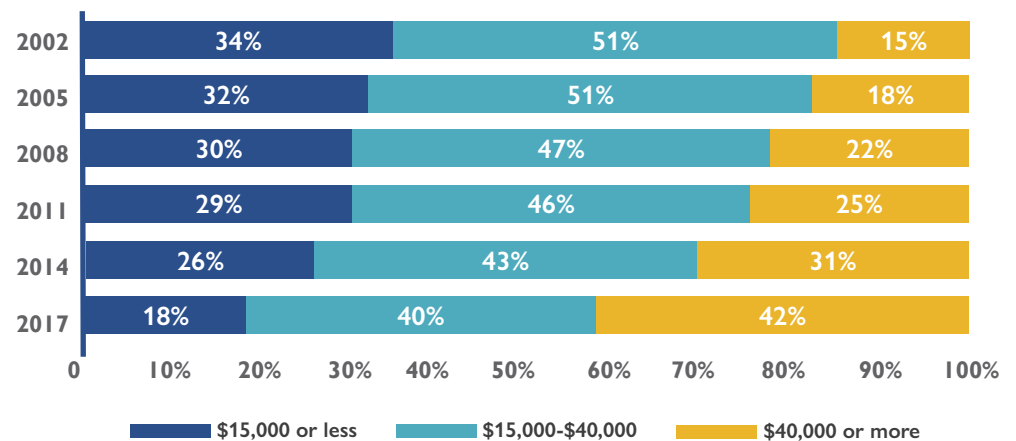
Source: LEHD Origin-Destination Employment Statistics



A majority of employees, about 58% who commute into Hood River have annual incomes of \$40,000 or less.

INCOME OF EMPLOYEES WHO COMMUTE INTO HOOD RIVER, CITY LIMITS, 2002, 2005, 2008, 2011, 2014, 2017

Source: LEHD Origin-Destination Employment Statistics; Nominal dollars



Conclusions

Despite Hood River’s forecast for population growth being slower than the forecast used in the HNA, Hood River continues to have the same problems—some of which have grown worse—with residential land supply in 2019 as it did in 2015:

- The 2015 HNA showed that Hood River had a **very limited land supply**. Since 2015, 207 new dwelling units were permitted, consuming land that was vacant in 2015. Single-family housing continues to be developed in the high-density zone, decreasing the supply of land where multifamily housing can be easily developed. As a result Hood River has less residential land to accommodate growth now than in 2015.
- Hood River has **an extremely complex process for adding more land to the UGB** that could take years or a decade to complete (or longer). In most cities, the process for adding land to the UGB is a known process, although it generally takes substantial effort and time to complete. Hood River’s process is complicated by the fact that Hood River is bordered by the Columbia River (and state line), Columbia River Gorge Scenic Area, and high value farmland. Clearly, the City cannot expand north of the River. Expanding into the Columbia River Gorge Scenic Area would be a complex process, requiring some form of Federal action to allow the expansion. Expanding onto high quality farmland will be challenging because of Oregon’s land use system (which allows expansion onto high quality farmland as a last option) and land use advocates who may fight expansion onto the farmland or the National Scenic Area.

Taken together, these facts mean that Hood River is not just planning for growth over the next 20 years, which is the minimum required by the state of Oregon. Hood River is likely planning for growth over the next 30 to 40 years or longer. Given the complexity of expansion of the Hood River UGB, it is likely to take 5 to 10 years to expand the Hood River UGB, if an expansion is possible. The UGB expansion process in some cities has taken a decade or longer and those cities do not have Hood River’s locational challenges.

According to Oregon’s Statewide Planning Goal 14 (which guides urban growth boundary locations and expansions), Hood River will need to implement policies to increase the efficiency of land use before an UGB expansion could be considered. These requirements combined with Hood River’s locational challenges warrant exceptional steps to use the land within Hood River’s UGB as efficiently as possible. The difficulty in expanding Hood River’s UGB cannot be understated.

Hood River cannot begin planning for expansion of the UGB until the City shows deficits of land to accommodate growth within the UGB, which may not occur for a decade or longer. The HNA made recommendations to begin planning for more efficient use of land, through policies such as rezoning land for multifamily use



Hood River is not just planning for growth over the next 20 years.

Hood River is likely planning for growth over the next 30 to 40 years or longer. If the City waits until it has a deficit of land for residential growth before it begins to implement these types of policies and initiates a UGB expansion, the City will build out its residential land before a UGB expansion process is completed.

CONCLUSIONS

Hood River's HNA was developed to meet the requirements of Goal 10.

The key requirements of Goal 10 are that cities: (1) provide appropriate types and amounts of land within their urban growth boundaries to accommodate growth of needed housing types and (2) that cities provide opportunities for development of housing that meets the needs of households of all income levels.

Hood River has long-term challenges in providing residential land to accommodate growth, beyond 2035. In addition, Hood River has had challenges providing opportunities for development of housing affordable to low- and middle-income households.

Commuting is increasingly common in Hood River.

This increase suggests that people who work at jobs in Hood River are unable to find affordable housing in Hood River. This is true for people with middle and higher wage jobs, as well as those with lower wage jobs.

or moderate increases in density in existing zones. If the City waits until it has a deficit of land for residential growth before it begins to implement these types of policies and initiates a UGB expansion, the City will build out its residential land before a UGB expansion process is completed.

Hood River continues to have the same problems with residential development and housing affordability in 2019 as it did in 2015. The problems are growing in intensity, as demand for housing continues and slow growth in the housing stock results in increases in housing prices.

- Hood River has **few opportunities for development of multifamily housing and little development of multifamily housing**. While the HNA found that Hood River had sufficient land to accommodate growth, it also identified a deficit of land for multifamily land. The HNA assumed that agricultural land would become available for development within the planning period and assumed that multifamily development would occur on commercial land.

The HNA addressed the multifamily land deficit by assuming: (1) more residential development would occur in commercial zones, (2) the City would allow a wider range of housing (from smaller single-family lots to townhouses to multifamily housing), and (3) the City would identify opportunities for development of multifamily housing through policy changes and re-zoning land. These actions are described in the Hood River Housing Strategy. Multifamily development in commercial zones has not occurred and Hood River has not taken policy steps to allow a wider range of housing within the city or policy changes to support more development of multifamily housing.

As a result, since 2015, Hood River has not developed the necessary amount of multifamily housing as described in the Housing Strategy. Between 2015 and 2018, 20 new multifamily units were permitted, 10% of the new housing developed over that period was in the form of duplexes and triplexes that were predominantly converted to single family attached dwellings. Unless the City takes action to support development of multifamily housing, little new multifamily housing will be built to achieve the mix of needed housing. The likely result would be continued increases in housing costs for multifamily housing.

- Hood River's **housing continued to become less affordable** as a result of rapid increases in housing prices and rent costs. Since completion of the HNA, cost burden increased from 32% of households to 37% of households. The largest increase was for renters, increasing from 40% of renters to 48% of renters being cost burdened. The percentage of severely cost burdened renters (those paying 50% or more of their income on housing costs) increased from 15% to 22%.

These statistics show that Hood River's housing is becoming less affordable to all households but especially for renter households. Hood River's limitations for development of multifamily housing, resulting from insufficient residential land for development of multifamily housing and other barriers to development of multifamily housing, will continue to slow multifamily housing

development. The result will likely be continued increases in housing costs for renters.

- Hood River's **commuting patterns are changing**, with fewer people living and working in Hood River in the last 15 years. In 2002, about 30% of people lived and worked in Hood River, decreasing to 23% by 2017. Not only are the number of people who commute to work at a job in Hood River increasing, people with higher wage jobs are commuting in more frequently. In 2002, 15% of commuters had a wage of \$40,000 or more. By 2017, 42% of commuters had a wage of \$40,000 or more.

This increase in commuters and commuters with middle and higher wages suggests that people who work at jobs in Hood River are unable to find affordable housing in Hood River. This is true for people with higher wage jobs, as well as those with lower wage jobs.

The conclusion of this review of the changes in Hood River's housing needs since 2015 is **that Hood River is falling further behind in the Goal 10 requirement to provide opportunities for development of housing that meet the needs of households of all income levels**. Housing prices have increased over time, more people are finding housing unaffordable in Hood River, and more people with higher wages are commuting into Hood River.

While Hood River is able to meet the Goal 10 requirements to plan to accommodate 20 years of residential growth, **there continues to be significant challenges in meeting this goal**. First and foremost, Hood River has a deficit of land for multifamily development and is assuming that multifamily development will occur in commercial zones to fill that deficit, which is not occurring. In addition, Goal 10 requires that the City consider land in active agricultural uses within the UGB as part of its land base. Hood River's vacant land base includes 60 acres of land under active agricultural use. There are currently no signs that this land will convert to residential use. In addition, Hood River continues to be an attractive location for second homes but the HNA did not account for land needed for second homes (because they are not a needed housing type).

Finally, the supply of residential land in Hood River will eventually be developed, whether by 2035 or some years later. Hood River will have a particularly difficult time of expanding its UGB, given the city's location within the Columbia River Gorge and National Scenic Area. The Statewide Planning system will require that the City increase land use efficiency—through the types of strategies presented in the 2015 Housing Strategy—before the City will be able to expand its UGB. Implementing land use efficiencies (such as allowing smaller single-family lots, denser multifamily housing development, and other policies proposed in the Housing Strategy).

These facts all lead to the conclusion that Hood River needs to do more to provide opportunities to develop housing, especially housing that is affordable at all income levels to meet the City's Goal 10 requirements and meet its housing needs over the next 20 years.



Hood River will reach about 14,000 people by 2043, rather than 2035, based on the new population forecast from Portland State University.

This gives Hood River seven more years to identify ways to increase density and use land more efficiently, as recommended in the Housing Needs Analysis.



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IDAHO
Eagles Center
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Hood River Economics of Housing Market Frequently Asked Questions

June 2020

Prepared for: City of Hood River

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As conversations continue about long range growth management policy, the City of Hood River is increasingly hearing questions from community members, civic and institutional leaders, and others regarding how the economics of the regional and local housing market affect the City's current and future supply and affordability of housing. These stakeholders have observed that demand for housing in Hood River outstrips available supply and home prices have risen rapidly. Meanwhile, adding developable land is challenging, given that Hood River is surrounded by the Columbia River and Columbia Gorge National Scenic Area.

In this context, what policies can Hood River consider to support the development of a range of housing types at different price points that match residents' income? Furthermore, how can production of housing play a role in post-COVID-19 economic recovery.

Questions addressed in this FAQ:

This FAQ will address two broad housing market economic topics affecting Hood River:

Factors affecting housing demand:

- What factors influence Hood River's growth and housing market? Will they change over time?
- What might Hood River look like in the future if current development patterns continue?

Effects of housing production:

- How can Hood River increase housing supply to positively impact housing affordability?
- What impact does allowing increased development capacity have on the housing market?
- What's the relationship between SDC's and housing prices?

1. Factors Affecting Demand for Housing in Hood River

What factors influence Hood River’s growth and housing market?
How might those factors change over time?

Hood River’s economy and population is growing. Between 2014 and 2018, Hood River County’s annual wage increased 5.5 percent — the largest increase of all counties in Oregon¹. During this same time period, median household income rose 14 percent². Wage and income growth are strong evidence of the general economic growth that has increased business productivity, personal income, and economic diversity in Hood River.

At the same time, however, median housing prices across all housing types have risen 41 percent, a much larger increase than median incomes or wages³. Housing prices have increased for a variety of interconnected reasons, but primarily because **housing production has not kept pace with demand**. The moderate low supply of housing⁴ has created a shortage of housing that has consequently increased demand and housing prices. While average incomes have grown, so have **wage disparities: the gap between high-income earners and low-income earners has grown**. This exasperates the need for housing that is affordable to a wide range of incomes at the same time that housing production, when it has occurred, has met the needs of only the highest income earning residents. This also makes the existing housing stock less affordable to current residents.

One of the challenges to producing more housing in Hood River is the **availability of land**. For a variety of reasons, expanding Hood River’s Urban Growth Boundary (UGB) will be very difficult. Hood River is surrounded by the Columbia River Gorge National Scenic Area and by farmland which will make expanding its UGB extremely difficult. A UGB expansion process for Hood River could take years to be approved; this long lead time creates challenges for policy to be responsive to growing housing needs.

Housing supply constraints such as the **high cost of labor, high land prices, and tightened financial lending standards from banks** have all contributed to higher development costs. As a result, housing has been underbuilt relative to population growth in the past decade. Even in the nation’s fast-growing metro areas, new housing construction is not keeping pace with demand.

¹ Oregon Office of Economic Analysis. County Wage Growth (Map of the Week). Available from: <https://statelibraryclips.wordpress.com/2019/09/06/county-wage-growth-map-of-the-week/>

² ECONorthwest Analysis. American Community Survey, 2009-2014; 2013-2018 5-year estimates, Table XXX or the City of hood River.

³ ECONorthwest Analysis of housing appreciation, Hood River County Assessor’s Office

⁴ Hood River had a vacancy rate of 6% during the 2013-2017 period, compared to 4% in Oregon

The rise in the number of **second homes** has further decreased the availability of new and existing homes. As housing prices increase and the number of housing units that are affordable decrease, people are pushed to find housing that is affordable to them elsewhere. Increasingly, Hood River's workforce is locating and relocating in other counties or nearby smaller towns where housing is more affordable and traveling further away to continue working in Hood River.

The COVID-19 pandemic has pushed us all into uncharted territory. While it remains unclear how, it will certainly affect housing need and demand in Hood River. Claims filed for unemployment assistance have hit previously unknown heights. Just as in past crises, we know that our lowest-income and historically marginalized communities are likely to experience the worst impacts. Stable housing is needed to stop the spread of COVID-19. However, **changes in employment security lead immediately to housing insecurity for many, and those without housing face even more dire circumstances.**

We are only just beginning to understand how COVID-19 and social distancing might impact housing markets and what opportunities recent federal and local crisis response funding might create. We see three phases of this crisis: (1) the shutdown; (2) the reopening, and (3) the recovery. Oregon is now in the reopening phase, but the pandemic continues. Broadly, ECO has observed several key trends related to the pandemic:

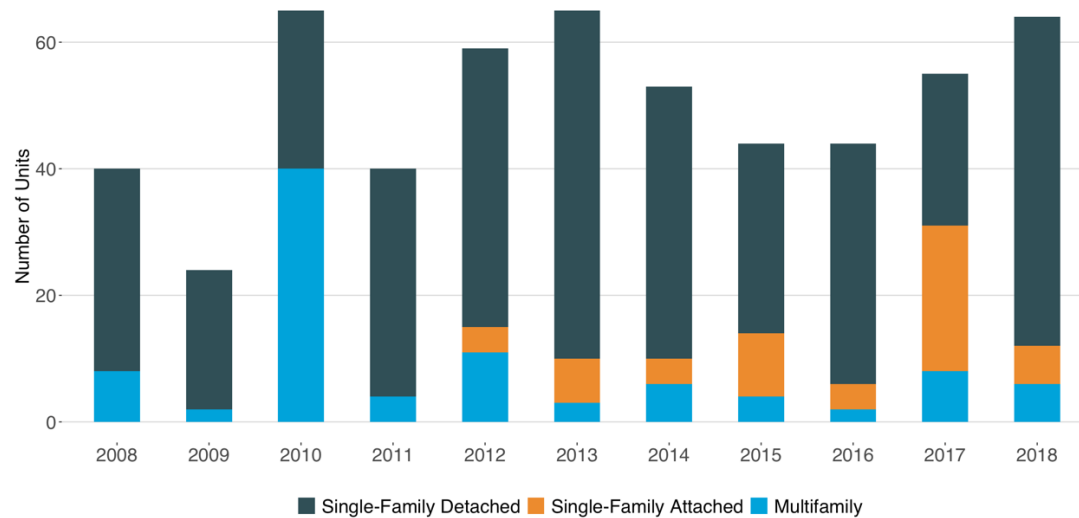
- In the shutdown phase, it appears that the combination of policy decisions and federal relief funding through the [CARES Act](#) may provide substantial relief for renters and homeowners.
- Oregon's eviction moratorium will stabilize some households for the time being, and protect some multifamily property owners.
- During the shutdown period, we expect current and new construction starts to slow or stop.
- While interest rates are low, financial markets—including secondary mortgage markets where residential mortgages are packaged, bought, and sold—[are in turbulence](#).
- Protections in place for home owners and renters are limited, temporary, and do not address back-debt.

It is unclear at this point what the longer-term impacts will be on housing markets and housing production. Our view is the impacts will be contingent on the depth and duration of the pandemic, the continuation of federal support for the unemployed, and the nature and amount of federal and state subsidy to support rebuilding the economy.

What might Hood River look like in the future if current development patterns continue?

Single-family detached homes make up the largest share of new housing development since 2008 (Exhibit 1). This housing type is increasingly unaffordable to most residents and people who work in the City. Without changes to development policies, affordability and land supply challenges will continue and intensify further.

Exhibit 1 Hood River Recent Development Trends, 2008-2018



Source: City of Hood River Permitting Database

Note: Multifamily is separated into two subgroups of attached structures other than single-family detached units, manufactured units, or single-family attached units. The two subgroups are defined as (1) duplexes, triplexes, and quadplexes; and (2) multifamily buildings with five or more units.

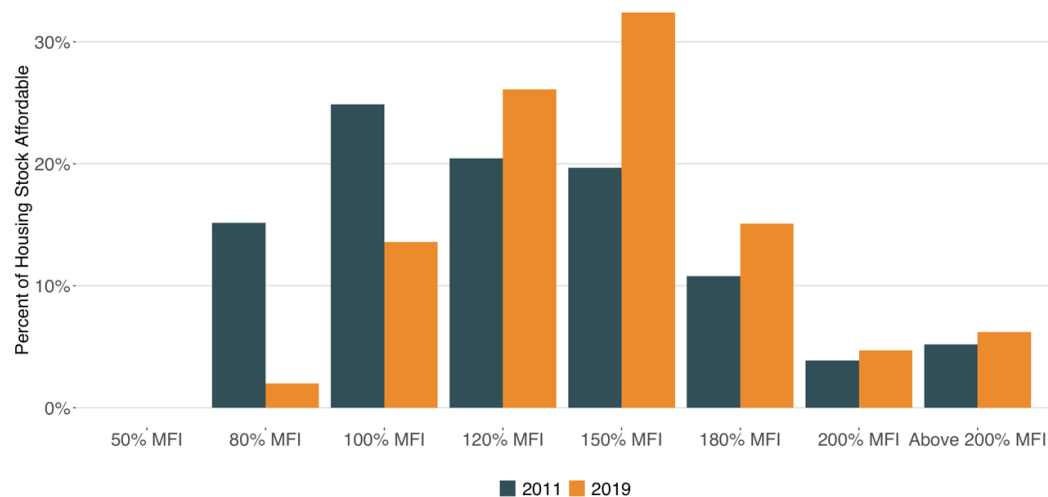
Between 2011 and 2019, the median home sales prices increased 41 percent, or \$148,000, across all housing types in Hood River⁵. In comparison, between 2011 and 2019, median incomes across the county increased 27 percent, or \$16,000. **Home sales prices are rising far more quickly than incomes.** New housing construction is predominantly marketed to households with higher incomes who can afford to purchase single-family detached and secondary homes. This buying power of higher income households is driving the changes in affordability across the City.

Exhibit 2 below shows how increases in home prices has decreased housing affordability over time. **Housing affordability has decreased for families making 100 percent or less of MFI** between 2011 and 2019. In 2011, 40 percent of the housing stock was affordable to families making 100 percent or less of median family income (MFI). In 2019, only 15 percent of the housing stock was affordable to the same families making 100 percent or less of MFI. Housing affordability has brought changes to Hood River, for example:

⁵ Zillow Research. Inventory, listings, and sales. Available from: <https://www.zillow.com/research/data/>

- **More of Hood River’s housing stock is now second homes.** The percent of second homes have increased to 6.4 percent in 2019, up from 4.2 percent in 2014⁶.
- **New residents have more buying power and demand different types of housing.** More than half of new Hood River County residents are from out of state, and on average earn about 18%, or \$11,753, more than county residents⁷.
- **Hood River increasingly imports its workforce.** Only 23 percent of Hood River’s workforce lives in the City limits. The rest of the workforce lives in Hood River County and other neighboring counties in Oregon and Washington. As prices rise, people have to commute farther to work in Hood River
 - **Hood River is increasingly becoming an affluent community.** Demographic changes have shifted toward increasingly older residents with higher incomes and a fewer workforce of working age.

Exhibit 2 Housing Affordability Change, 2011 to 2019



Source: ECONorthwest Analysis of Assessed Real Market Values; Hood River County Records and Assessor Office, 2019; HUD MFI, 2019

Note: the chart x-axis indicates the income range of median family income (MFI) in Hood River (100% MFI represents the median county household income). The y-axis represents the percentage of housing stock that is affordable to families in a specific income range.

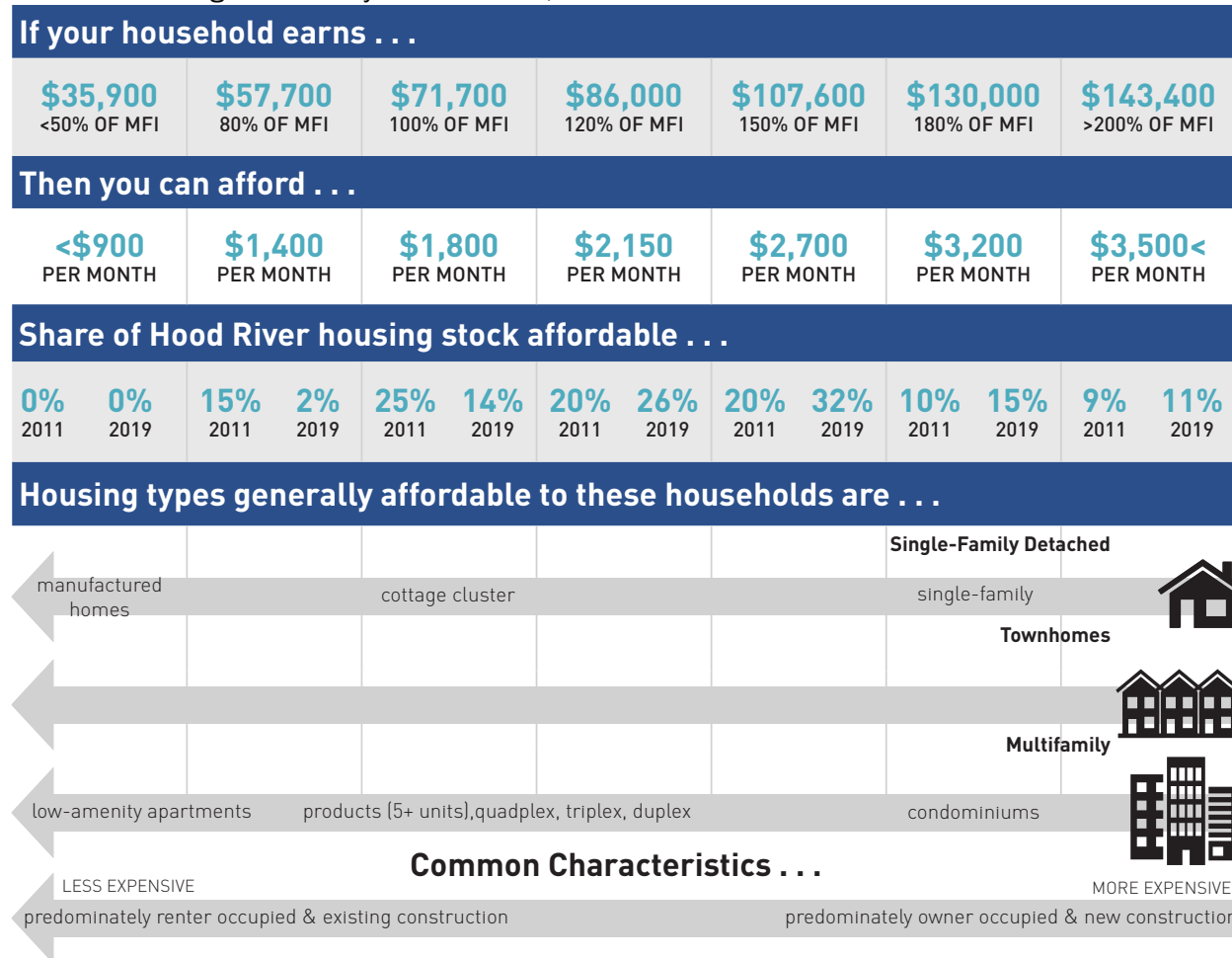
Exhibit 3 below, illustrates how much a household in Hood River can afford to pay for housing and the type of housing that is typically affordable to households with different income levels. In general, households on the lower-end of the income scale can typically afford to pay less for housing than those making 100 percent or more of MFI and the type of housing affordable is predominately renter occupied such as apartments or lower-costs ownership housing like manufactured homes. In contrast, households earning 200 percent or more of MFI can afford to pay more for housing and have a greater number of housing types that they can afford. For

⁶ City of Hood River.

⁷ IRS data for Hood River County.

example, these higher earning households can afford newer construction single-family homes and condominiums, including older housing stock affordable to households with lesser incomes. In a housing market with relatively low new housing construction, higher income households can put downward pressure on other housing types that would be affordable to households with lesser income and increase demand and housing prices.

Exhibit 3 Housing Affordability in Hood River, 2020



Source: ECONorthwest, HUD MFI 2020

Note(s): 1. MFI is based on HUD 2020 MFI income limits for Hood River County.

2. Affordability is calculated based on a household should not pay more than 30% of their income on housing costs.

To understand what affordability could look like in the future, we developed an affordability projection model that estimate what percentage of Hood River’s housing stock will be affordable at different income ranges. Exhibit 4 below shows the projected affordability in 2028.

Housing Stock - refers to all housing units within a geographic area and are not necessarily up for sale currently.

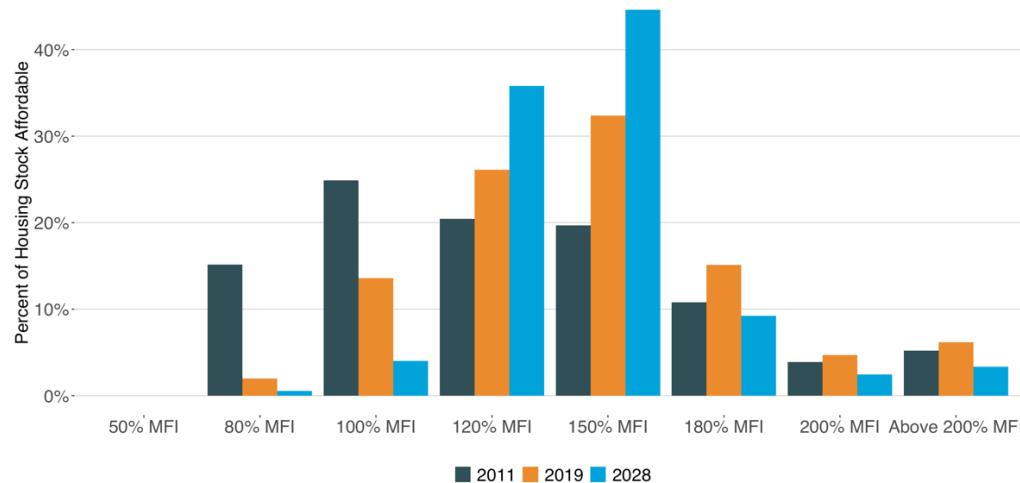
By 2028, if current housing market trends continue, **5 percent of the housing stock will remain affordable to households making 100 percent or less of MFI**, compared to 15 percent in 2019. In the long run, the only way to slow rising home prices and affordability issues is to add housing stock to match household growth. **Without more units available in Hood River’s market, housing will continue to be increasingly unaffordable**, creating a **growing need for highly priced subsidized affordable units**, and **driving workers to live farther and farther away from Hood River**. The current development patterns in Hood River are unsustainable. Hood River had just enough land to accommodate 20 years of growth⁸. Without policy changes, Hood River will face a limited land supply to build and have greater housing affordability issues.

Affordability Projection Model

our model takes into account assessed home values and home appreciation percentages between 2011-2019 to forecast housing affordability. This is a conservative model knowing that home sale prices on average are about 20 percent higher than assessed home values.

Using inputs from development patterns from building permits, home value appreciation, and housing affordability changes since 2011 in Hood River, we developed a projection model that can estimate how housing affordability might look like 8 years from now. Furthermore, our model assumes incomes increasing (at the rate they were) and a status quo development pattern and permitting continuing. These assumptions mean that there will be the same number of housing units constructed yearly, and the same housing construction type of predominantly single-family detached homes

Exhibit 4 Projected Housing Affordability, 2028



Source: ECONorthwest Analysis of Assessed Real Market Values; Hood River County Records and Assessor Office, 2019; HUD MFI, 2019

Note: the chart x-axis indicates the income range of median family income (MFI) in Hood River (100% MFI represents the median county household income). The y-axis represents the percentage of housing stock that is affordable to families in a specific income range.

⁸ Update on Housing Market & Demographic Changes in Hood River: 2015 to 2019

2. Effects of New Housing Production

How can Hood River increase housing supply to positively impact housing affordability?

Building new housing supply, even if it is priced at the high end of the income distribution, can have two important impacts on Hood River's local housing market.

First, building new housing in the high-market segment can keep higher income households from moving down-market and bidding up the price of older housing that would otherwise be affordable to middle- and lower-income households. When there is not enough supply in the high-end of the market segment, demand from higher income households manifests in older housing stock, increasing the demand and prices while further crowding out housing options for lower income households.

Second adding new high-priced housing will, over time, increase the supply of housing that is affordable to middle-income families as the housing stock ages and becomes more affordable. As higher income households move into newer more expensive housing units, the vacated units at lower prices become available, in addition to the steady depreciation of all homes in the market.⁹

Building new market-rate housing alone cannot solve housing affordability issues across all income levels. **Subsidized affordable units** will need to be part of Hood River's solution for the City's lowest-income earners, because the housing market will not produce units at these price points. In all housing markets, the lowest-income households face challenges of cost burdening (often spending 50% or more of their income housing) that require public funding. Subsidies such as housing vouchers for renters or tax credits for developers can help bridge the gap. The City needs to take a proactive role in ensuring that its most vulnerable households can still afford to live and work in the City by partnering with local housing service providers and developers and state entities.

⁹ Rosenthal, Stuart S. 2014. "Are Private Markets and Filtering a Viable Source of Low-Income Housing? Estimates from a "Repeat Income" Model." *The American Economic Review* 104(2): 687-706.

Muth, R. 1972. "A Vintage Model of the Housing Stock." *Regional Science Association* 30: 141-56.

Sweeny, James L. 1974. "A Commodity Hierarchy Model of the Rental Housing Market. *Journal of Urban Economics* 1: 288-323.

Additionally, **middle housing development** is a key strategy for achieving a supply of units that are more affordable to more people. Middle housing development is a mix of residential housing types where the size and number of units fall in between a traditional single-family house and a multifamily apartment building and are compatible in the look and feel with single-family detached homes. Middle housing units are generally smaller, making them more affordable than larger detached units, while requiring less land than current stock of detached housing units.

Even before the COVID-19 pandemic, there was a lack of affordable housing across all income levels, and now it has made housing ever more critical. COVID-19 has had an impact on the production of housing which include construction delays as a result of supply chain interruptions, construction slowdowns, and the inability to issue inspections or permits. These delays will keep housing developers from meeting critical deadlines and will likely increase costs, keeping badly needed housing units from being completed and causing serious business sustainability issues for organizations developing homes.

Building more housing should be a cornerstone of Hood River’s response to the unfolding economic crisis. Increasing housing production can better meet housing need that existed even before COVID-19 struck. Additionally, housing production could reduce the depth to which the City’s economy slows down. Building more housing employs people in construction jobs (including those along the supply chain). It also adds to the City’s tax base and could also help lessen the tax revenue short falls that several local governments are experiencing during the COVID-19 pandemic crisis.

What is Middle Housing?

Middle housing varies in the number of housing units that it contains; however, they are compatible in the look and feel with single-family homes.

Middle housing types include:

- Townhomes
 - Cottage Cluster
 - Duplex
 - Triplex
 - Fourplex
-

What impact does allowing increased development capacity have on the housing market?

Due to geographic constraints and other land use regulations, the amount of land available to build new housing is and will continue to be limited throughout the region. In Hood River's land use context, increasing the buildable capacity of land is a necessary first step toward increasing housing supply, and creating the financial feasibility of new housing types without expanding outside City limits (UGB). Increasing buildable capacity of land means allowing more units per residential lot (or designating land for residential use that previously did not allow it).

Increasing entitlements also provides a pathway for middle housing to be built. The price of land, the cost to build housing, and what the market is willing to pay for housing all factor into the financial feasibility of what type of housing gets built. If the cost of land is low enough that developers can meet required rates of return, then they will build it. In a housing market where land prices are high, increasing the number of units that can be built on a single lot can lower the cost of land per unit, and ultimately the completed unit's market price – compared to a newer traditional single-family house. Increasing buildable capacity of land can also provide other benefits such as creating more walkable areas, and supporting neighborhood amenities like transportation, retail, parks, and schools.

Getting more housing through increasing buildable capacity of land can vary significantly across different geographies. For example, if a neighborhood is zoned to allow a ten-story building, but demand can only support a two-story building, the result is that developers will only construct a two-story building. As a result, changes to zoning entitlements alone might not be enough to increase the number of housing units, especially affordable units, that the City needs or would like to build. Appropriate policies will need to be developed that incentivizes and/or provides subsidies to allow for affordable housing units built. For example, zoning entitlements can be tied to income restrictions to ensure that new units are affordable to households who work in Hood River but cannot afford to live in the City.

One common concern attributed to increasing the entitlements on a parcel of land is that it will increase the speculative value of land, therefore making it more difficult to build new units, or will result in the creation of wealth for the current landowner. There are several considerations that mitigate the potential for land speculation:

1. Increasing the total value of the land may not increase the cost per unit. Therefore, higher land prices do not necessarily reduce the financial feasibility of adding new units.
2. Without increasing development capacity, prices of land will continue to increase as demand is greater than the supply of units. The counterfactual should always be

Zoning Entitlements Influences Development in Two Ways:

1. It limits land use by separating residential, commercial, industrial, and agricultural zones from one another.
 2. It directs physical built form by prescribing the size of a building, often by setting maximums in terms of height, lot coverage, density, and occupancy, and minimums in terms of unit size, setbacks and parking.
-

considered when discussing policy changes—in this case, it is possible land prices could increase less than they would have otherwise, absent the increase in buildable capacity.

3. Through voluntary incentive policies, additional capacity can be permitted, but need to be purchased through a transfer of development rights program, thereby mitigating the speculative value of the land. Alternatively, additional capacity could be granted at no charge through an inclusionary housing policy that provides development capacity in exchange for producing a rent/price regulated unit.

What’s the relationship between SDCs and housing prices?

Successful housing developers must balance three financial variables: land price, cost of construction, and the market price of housing. The price of land, the cost of building housing, and what the market is willing to pay for housing all factor into the financial feasibility of what housing type developers can build while making a decent return on their investment.

Because SDCs are one-time fees, they are viewed as costs by developers and added to a developer’s budget for construction costs. The primary effect of an SDC and an individual development project is as an added cost to construct the project. In the terms of economics, prices change in response to changes in factors of supply and demand, and SDCs affect primarily the supply (cost) side of the that relationship. They can, however, affect the demand side to the extent that they lead to the building of better infrastructure that provides better services that businesses and housing consumers are willing to pay for—for example sewer compared to septic, or the addition or improvement of a local park.

Reducing the cost of building housing through lowering SDCs does not directly translate to lower housing prices. The price of housing is influenced by demand relative to supply. In a market where demand is high and the cost of building is lower, housing prices will still remain high due to the demand for housing and consumer’s willingness to pay. The effect of reducing SDCs will increase the probability of development – especially middle housing – to achieve financial feasibility because of lower construction costs.

The key when understanding the impact of an SDC on the amount of development is to understand the incidence of the fee—that is to say who pays for the fee—the landowner, the developer, the buyer. The incidence rarely is absorbed entirely by one party, however, the share of who pays varies based on local market conditions and the type of development.

One key distinction in the incidence of the SDC is for single-family homes compared to apartments. For a single-family home developer, they have the option of building more square feet when not constrained by density limits. If they do not change the bedroom and bathroom count, presumably that would not change the SDC amount. In doing so, they are able to decrease the impact of a fixed fee SDC over more square footage, thereby reducing the impact

What are SDCs?

In general, System Development Charges (SDCs) is a one-time fee on new construction or additions imposed by cities and towns. SDCs are an important funding source for cities and towns to pay for new infrastructure.

and increasing the ability to pass on the fee to the buyer. The implication of this is that there is an incentive to increase the price of new homes as SDCs increase. There are three possible market impacts that follow:

1. The market preferences and ability to pay for higher price homes are present, and developers will deliver homes that have higher prices and therefore less affordable to the broad market.
2. The market demand does not support higher price homes, therefore the supply of new construction is decreased.
3. The landowner decreases the price of the land and incurs the full incidence of the increased SDC. In order for this to happen, the lower land price must be a higher and better use than the current use of the property.

Conversely, for apartment development, the incentive structure does not apply in same manner. The relationship between apartment size and rent is non-linear—that is to say as you increase the size of the apartment, the per square foot rent decreases.¹⁰ Developers would be worse off building larger units, so there is not the same ability to distribute a higher fixed SDC and pass it off to the tenant. Therefore the incidence of the SDC is more likely to be paid by the landowner or developer.

¹⁰ Another constraint is that apartment developments are more likely to be constrained by height and FAR limits, so they can not increase the size of the development.



Hood River Affordable Housing Strategy

May 2022



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Executive Summary

Hood River is not meeting its affordable housing needs. Renters, many who have lived in the community for years, have increasingly limited housing options as the area's quality of life continues to attract more residents. Many essential workers live paycheck to paycheck with household budgets that are increasingly burdened by the cost of housing. About 43% of renters in Hood River are cost burdened (i.e., paying 30% or more of their income in rent), with cost burden highest among households with lower incomes. Homeownership is not an option for most people living and working in Hood River, and employers struggle to attract and retain workers because of housing costs and the general scarcity of rental and ownership housing.

Renewed Focus on Affordability

The City of Hood River has an important role in ensuring housing is available for those who live here, at a price point they can afford. The City continues to identify and implement actions to support housing development and increase affordability. In 2021, the City made an ambitious investment by purchasing seven acres of land at 780 Rand Road for the development of affordable housing. The City contracted with a development consultant to identify feasible development scenarios and then solicited an affordable housing developer to finance, design and build affordable housing on the site.

But the City can make only so many direct investments on its own, and Hood River's unique challenges require targeted solutions. The limited land that is available for new development is concentrated on the west side, is not well-organized, is priced at a premium, and often lacks the infrastructure necessary for it to be development ready. In addition, the City controls little land and has no dedicated funding source to acquire more land to make available for development. And, given its size, the City has no dedicated staff working exclusively (or even primarily) on housing issues. This Strategy will help Hood River take the next steps to support affordable housing development.

How can the Strategy increase affordable housing development?

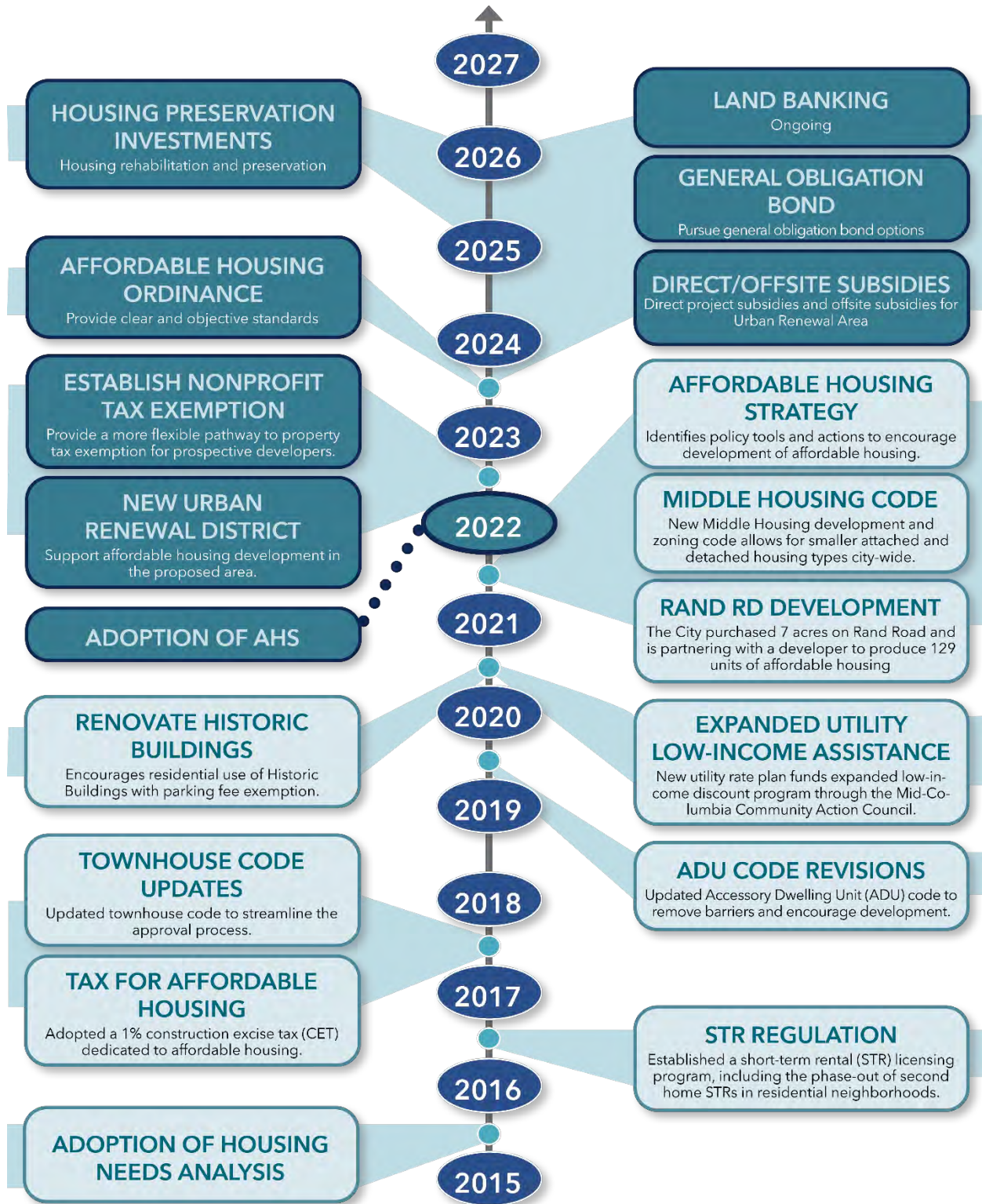
This Strategy identifies and describes actions and implementation steps to address housing affordability and encourages the development and preservation of housing units to better meet residents' affordability needs. With this Strategy, the City has identified a set of actions to support new and existing affordable development. The actions will encourage the development of more diverse housing types, grow partnerships with housing providers and agencies involved in housing issues, and reduce displacement risk for Hood River residents.

Hood River Affordable Housing Strategy, 2022-2027

Strategies	What is it?	How does the strategy help?
A. Provide Offsite Infrastructure Subsidies 2023-2026: first investments made	New road connections, water or sewer pipes, sidewalks, or other infrastructure that make development possible.	Reduces the time, cost and uncertainty of building off-site infrastructure, which can delay housing development and drive up costs.
B. Continue City-led Land Banking 2023-2026: additional investments	The City will purchase land and when ready, sell or give that land to affordable housing developers to build new units.	Provides a source of publicly controlled land for future development. Site control directs the type of development that may occur.
C. Establish Nonprofit Low-Income Rental Housing Tax Exemption 2022: establish program	Offers nonprofit affordable housing developers the ability to receive a property tax exemption without partnering with the housing authority.	Provides an alternative pathway to gain a property tax exemption, which lowers ongoing operating costs for publicly subsidized affordable housing.
D. Provide Direct Project Subsidies for New Construction 2023-2026: first investments made	Subsidies to support new construction, such as for onsite infrastructure (such as internal roads or utility connections), predevelopment costs (e.g., due diligence), serve as lower-cost capital for construction financing (with lower interest rates), or provide direct upfront grants during the development phase in exchange for deeper levels of affordability.	Building affordable housing often costs more than the available funding for the development, leaving a funding gap. Affordable housing developers may need flexible subsidies to fill funding gaps.
E. Continue Housing Rehabilitation / Preservation 2022: STR change 2025+: Potential partnerships	<p>The City's existing Short-term Rental (STR) policy could be changed to limit the number of STR licenses to one per person.</p> <p>The City could fund the rehabilitation of existing low-cost market rate units, in exchange for agreement to ensure housing remains affordable.</p>	<p>Adjustments to the City's STR policy will ensure that multifamily buildings owned by a single entity do not convert to STRs and remain long-term rentals.</p> <p>Making investments in existing buildings provides a lower cost way to ensure preservation of affordability over time.</p>
F. Develop an Affordable Housing Ordinance 2023-2024: expected adoption	Adoption of changes to Hood River's development code that expedite the review and approval of affordable housing development, subject to clear and objective development standards tailored to meet the needs and impacts of affordable housing.	Through the use of clear and objective standards, and process reform the City can reduce risk, uncertainty, and time required for development review.
G. Establish a New Urban Renewal District 2022: expected Westside URD adoption; Heights URD ongoing	The City has prioritized the formation of a new 445-acre Westside Urban Renewal District and implementation of the existing Heights Urban Renewal District. Affordable housing is a key project that could be funded in these areas, alongside transportation connections, new parks, and trails.	Provides a flexible funding tool that can support many of the key strategies identified in the Affordable Housing Strategy.
H. Pursue a General Obligation Bond 2023: planning and stakeholder engagement	Initiate a process to pursue a GO Bond, which is a type of municipal bond that is authorized by voters and repaid through a dedicated property tax levy.	GO Bond revenue would be the primary funding source to directly support the development of affordable housing.

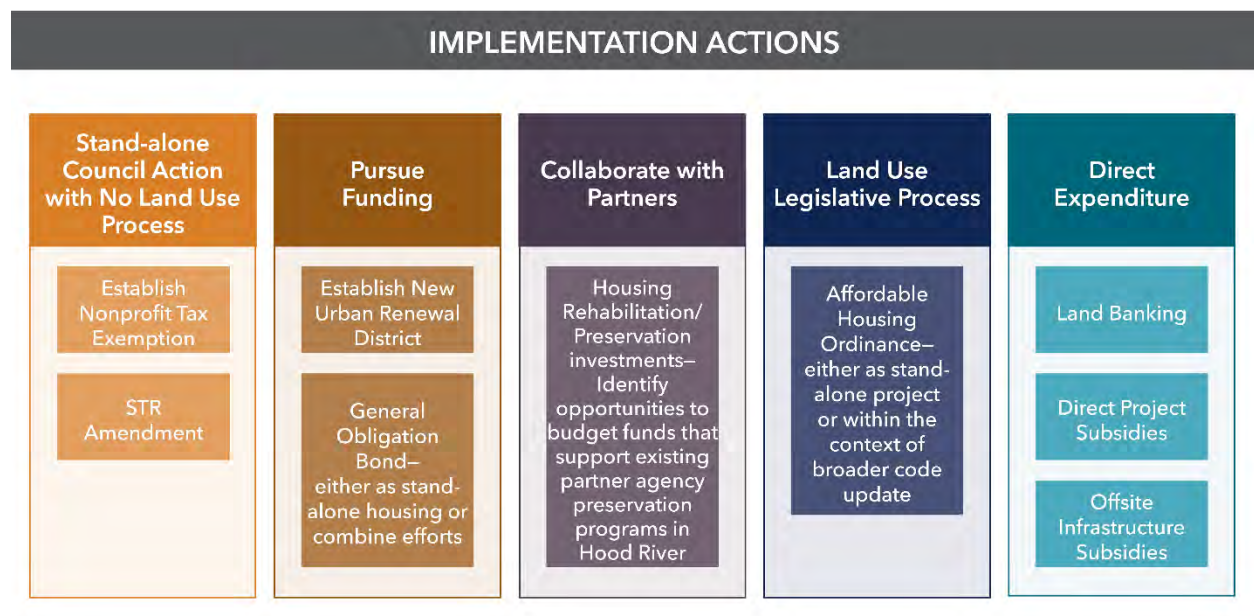
Past, Current, and Future City Efforts to Address Affordable Housing

Since the 2015 adoption of the City's Housing Needs Analysis, the City has worked to recalibrate its housing regulations, aid vulnerable City residents, and make targeted investments in affordable housing.



How will the City implement the Strategy?

Each of the strategies require a different implementation approach, with varying involvement from local partners. Some of the strategies require a stand-alone Council approval process without a land use process (establishing a nonprofit tax exemption or making amendments to the STR regulations) while others will require a land use process that includes mandatory public hearings (affordable housing ordinance). Other strategies will be included as eligible projects under the existing urban renewal planning process that the City has underway. A General Obligation Bond will require time and energy from staff, stakeholders, and Council to develop an investment package that meets community needs. The City will need deeper understanding of potential community support and voter acceptance for a successful General Obligation Bond.



How do these actions help at each stage of the development process?

Delivering housing that is affordable to low-income households requires attention at each step of the development process, from concept to construction and operation. The City's strategies are intended to provide incentives and support at various phases of a development project. The toolkit can help developers at different points in the process overcome obstacles and challenges, making development more financially feasible. The strategies are intended to reduce housing costs and ensure that rents or sales prices are more affordable by making it more financially feasible to build affordable housing.

When these strategies are used by developers of publicly-subsidized affordable housing (housing affordable at 60% or less of MFI), the housing generally includes federal or state funding that require housing to be affordable at income levels of 60% of MFI or less over 30 years or longer. With the long-term affordability ensured, the City should not need to take further steps to ensure that use of these strategies results in long-term affordable housing.

When these strategies are used for development of housing that does not include federal or state funding (i.e., for housing that is affordable above 60% of MFI) the City will need to take additional steps to ensure that the resulting housing is affordable. These steps will likely include agreements between the City and owners of the newly built housing to set an agreed on level of affordability and the length of time that the housing will remain affordable.



How can community partners help?

Realizing this strategy will require additional dedicated resources and funding (beyond the existing Construction Excise Tax) in the form of urban renewal dollars and a general obligation bond. The city has identified strategies that it can use to best support the development of affordable housing, but the delivery requires the participation of key partners who have roles essential to the construction, delivery, and preservation of housing units.

The graphic below shows how each of the partners would play a role in different strategies.

CITY AND PARTNER ROLES						
	City	Urban Renewal Agency	Affordable and Market Developers	Taxing Districts	Local Nonprofit Partners	Employers
Establish New Urban Renewal District	Approve Urban Renewal District Boundaries and Plan	Administer Urban Renewal Plan	Provide input	Consult and confer		
Land Banking	Find and acquire land as funds available (CET, UR, GO Bond)	Implement if included in Urban Renewal Plan	Partner with City to develop with eligible housing			Look for partnership opportunities
Direct Project Subsidies	Implement with Urban Renewal and GO Bond funds	Implement if included in Urban Renewal Plan	Receive for eligible housing developments			
Offsite Infrastructure Subsidies	Implement with Urban Renewal and GO Bond funds	Implement if included in Urban Renewal Plan	Receive for affected housing developments			
Affordable Housing Ordinance	Develop, adopt, and implement		Provide input			
Establish Nonprofit Tax Exemption	Develop, adopt, and implement		Partner with nonprofit to receive exemption	Consider exemption approval	Receive exemption	
Housing Rehab/ Preservation	Provide funds as available				Develop partnership, implement	Look for partnership opportunities
General Obligation Bond	Investigate options, develop concept, vet with stakeholders, send to voters		Build support	Support	Build support	Build support

1. Purpose and Context

Rising housing prices are affecting most communities in Oregon and on the West Coast. Increasing housing prices affect communities in different ways and each community has unique challenges in supporting affordable housing development.

Hood River is no different. Lack of affordable housing has been a problem in Hood River for decades. The 2015 *Hood River Housing Needs Analysis (HNA)* report documented decreasing affordability since at least 2000. Hood River's housing prices increased steadily in the 2000s, dipping with the Great Recession, but continued increasing in the 2010s. By 2021, median home sales prices in Hood River were above \$600,000. Rents also increased over the last couple years with few vacant units on the market, with two-bedroom rental units costing upward of \$1,800 in 2021.

The *Hood River Affordable Housing Strategy (AHS)* builds on the HNA report and the recommendations in the *Hood River Housing Strategy (2015)*. Since completion of the HNA, the City addressed each of the recommendations in the *Housing Strategy*, including:

- **Increasing efficiency of land use within the Hood River UGB** through actions such as updating the town house code, removing barriers for accessory dwelling units, allowing multifamily housing in commercial zones, and adopting a middle housing code.
- **Regulate and manage secondary and short-term rental housing** through developing and implementing comprehensive short-term rental regulations.
- **Developing affordable housing** through identifying publicly owned properties for affordable housing development, establishing a construction excise tax (CET), and partnering with affordable housing organizations to support affordable housing development, in addition to the current City-led effort to develop affordable housing on the Rand Road property.

Many of these actions were envisioned in the 2015 Housing Strategy and some have grown out of the City's ongoing support for development of affordable housing. The AHS picks up on some recommendations from the 2015 Housing Strategy, such as evaluating the use of Urban Renewal to support affordable housing development or land banking, and it recommends new strategies discussed later in the document. Implementation of the recommendations in this AHS report will take several years. When the City revisits affordable housing policy in several years, it is likely that some of the recommendations in the AHS will be implemented and other affordable housing policies not discussed in the AHS may also have been adopted as well. Supporting affordable housing development is an iterative process, given changes to the housing market, Hood River's population, and state and federal laws and resources.

Who needs affordable housing?

For most residents of Hood River, affordable homeownership is out of reach. Rental housing costs are increasingly growing out of reach of many residents in Hood River. Most homeownership units are unaffordable to people who work in Hood River. Workers at Hood River businesses have difficulty finding rental housing that is affordable, from service workers to farmworkers to white-collar workers.

One-third of Hood River's households are paying more than they can afford for housing. This is causing long-term residents to move out of Hood River and is a barrier to businesses trying to hire people in Hood River. Hood River has insufficient housing affordable at all income levels, including income-restricted multifamily rental housing, market-rate single-family or multifamily rental housing, entry-level homes for homeownership (like town houses, cottage housing, or small single-family detached housing), and other opportunities for affordable moderate-sized single-family units for homeownership.

Discussions with stakeholders suggest that the difficulty in finding and retaining affordable housing is affecting people across the income spectrum in Hood River. Some examples of the impact of insufficient affordable housing in Hood River (based on discussions with stakeholders) include:

- Employers report that difficulty in finding any housing, much less affordable housing, affects their ability to hire and retain workers, both at lower-wage jobs but also for middle-wage jobs like nurses or managers and sometimes for higher-wage jobs like surgeons.
- Service providers report that there are urgent, unmet needs for affordable housing for people of color, seniors, people with disabilities, and farmworkers, as well as for low-income households. Like other employers, they find it increasingly difficult to attract workers, such as caregivers, which negatively impacts the people they serve who depend on these workers.
- Community members not only report that they have difficulty finding affordable housing but also that the housing inventory in Hood River does not meet their needs, with units that are in poor condition or too small to meet the needs of their households.

What makes developing affordable housing so difficult?

Hood River also has limited vacant residential land for new development. Most vacant land is located on the west side of Hood River and lacks urban infrastructure like water, sanitary sewer, and roads. Very little of Hood River's vacant residential land allows multifamily development.¹ Some prior attempts to build affordable housing have been met with community opposition, resulting in lengthy delays and appeals of development proposals. The limited

¹ *Hood River Housing Needs Analysis*, 2015, ECONorthwest.

amount of vacant land, cost of servicing vacant land, and delays in the development process all make building housing, especially multifamily rental housing, so expensive that the development is not financially feasible.

What has the City done to address affordable housing to date?

City actions to address housing affordability stretch back into the 1990s. City actions to support affordable housing development in the last five years include the following: In 2017, the City adopted a Construction Excise Tax (CET), which provides dedicated funding to support the development of affordable housing. With these funds, the City purchased seven acres of land adjacent to Rand Road for the development of affordable housing. The City has selected a developer to build affordable housing on this site, is applying for state/federal grants, and anticipates the development will produce 129 units of affordable housing. The development will include 90 units affordable to households at 60% of Median Family Income (MFI) and 39 units affordable to households earning 30% of MFI. At 2021 Income Limits,² a one-bedroom unit will rent at \$846 per month at 60% of MFI and \$423 per month at 30% of MFI. These rent figures include basic utilities.

Additional City actions to support the development of housing, especially affordable housing, include regulating the use of housing for short-term rentals, adopting a middle housing code to support the development of more diverse housing types, making it easier to build accessory dwelling units, and providing low-income utility assistance. Regional partners also have programs that support housing affordability. The Mid-Columbia Housing Authority has a housing voucher program that provides direct financial assistance to renter households. The Columbia Cascade Housing Corporation provides down payment assistance to first-time homebuyers. The Mid-Columbia Community Action Council provides housing assistance to prevent and address homelessness. The Mid-Columbia Center for Living provides housing assistance for people with serious and persistent mental illness. These and other programs are described in this report.

Purpose of the Housing Strategy

The Hood River Affordable Housing Strategy identifies strategies (actions) that the City of Hood River can take to further support development of housing affordable to low- and middle-income households, specifically households with income below 120% of Hood River County's Median Family Income (MFI), as discussed in Chapter 2. Nearly two-thirds of Hood River's households have income below 120% of MFI.

This Affordable Housing Strategy (AHS) proposes strategic actions for the City and its partners to work together to achieve equitable outcomes for all residents of Hood River, with an emphasis on improving outcomes for underserved communities and lower-income households.

² <https://www.oregon.gov/ohcs/compliance-monitoring/Documents/rents-incomes/2021/LIHTC/Hood-River-County-2021-Rent-Income-Limits.pdf>

The strategies included in this report are ones that the City will take a leading role in implementing. The number of actions is limited to those actions that may provide the greatest support for development of affordable housing.

The Hood River City Council adopted the following AHS Goals on August 9, 2021:

- Increase and retain housing opportunities for households with incomes up to 120% of Hood River’s Median Family Income (MFI).
- Engage residents, employers, housing advocates, service providers, and others affected by housing costs to ensure underrepresented voices are included in project outcomes.
- Adopt limited and actionable number of strategies with strong likelihood to result in affordable housing development.
- Ensure strategies address equity.
- Provide clear guidance about the specific policies, tools, and actions the City will use to encourage the development of affordable housing.

Framework for Incorporating Equity into the AHS

Equitable housing goes beyond affordability. It aims to ensure all people have housing choices that are diverse, high quality, physically accessible, and reasonably priced, with access to employment opportunities, services, and amenities. In Hood River, this includes reducing rates of cost burden and increasing access to homeownership, especially for low-income households and vulnerable groups. Hood River intends to support and increase equitable housing outcomes by developing an AHS that accounts for the needs of underrepresented households, including Latinos and other communities of color, farmworkers, seniors, and workers with low pay such as caregivers, hospitality staff, and retail staff. This broad definition of equitable housing includes choices for homes to buy or rent that are reasonably priced (relative to income) and accessible across all ages, household sizes, abilities, and incomes and are convenient to everyday needs such as transit, schools, childcare, food, and parks.

Equity Framework

Exhibit 1 provides an equity framework to increase the consideration of equity in the project process and implementation (including measuring impact).³ Creating equitable processes will help ensure that diverse and underrepresented communities (including vulnerable and low-income communities) are able to influence and inform policy and program development.

Exhibit 1. Affordable Housing Strategy Equity Framework

AHS Process		AHS Plan and Adoption	
Identify Unmet Housing Needs	Engagement Process	AHS Plan Development	Measurement and Analysis
Identify unmet housing needs, such as lower-income cost-burdened households	Engage community members to learn about their priorities, needs, and challenges to affordable housing	Identify outcomes within the AHS that respond to community needs and promote housing stability and choice, particularly for those households with the unmet housing need.	Develop measurements to understand the impact and progress toward increasing equity of the strategies
Identify vulnerable people within Hood River at risk or who could benefit (about 65% of Hood River's population)	Use engagement findings to inform the development and implementation of the project Build community awareness and support through the engagement process		

The AHS was developed using this equity framework. The strategies in the AHS are intended to increase equitable housing outcomes as the City implements the recommendations of the AHS. Appendix B describes the process that City staff and ECONorthwest used to employ the equity framework throughout the development of the AHS.

Task Force and Stakeholder Involvement

A key part of the equity framework was consulting community members to learn about their priorities, needs, and challenges related to affordable housing. The community outreach process for developing the AHS was collaborative and included input from the following groups:

- Project Task Force** – The City of Hood River recruited members to a community advisory Task Force that included renters, housing advocates, service providers, employers, people with lived experience in publicly subsidized affordable rental housing, housing developers (both of affordable housing and market-rate housing), and other community members to ensure diverse perspectives are included in project outcomes. The Task Force met five times over seven months to provide multiple rounds of feedback, advice, and input throughout the development of the AHS, providing greater understanding of unmet housing needs in Hood River, considerations about the

³ Adapted by ECONorthwest for the Hood River AHS from "Making Equity Real in Climate Adaptation and Community Resilience Policies and Programs: A Guidebook," The Greenlining Institute, August 2019.

development of housing in Hood River, and priorities for strategies. Some of the feedback provided from Task Force members included:

- Address the need for both rental and ownership units and a variety of unit types to accommodate different household sizes and stages of life
- Identify who is impacted and why it matters to Hood River; connect the data to people in Hood River
- Focus on realistic strategies with most impact and quick implementation
- Consider reducing/removing regulatory barriers – e.g., parking requirements, streamlining permit review
- Help people retain and improve existing housing that is generally more affordable than new market-rate housing, including manufactured homes
- Correlate subsidies to affordability, with priority for the most affordable units
- Ensure existing multifamily rental housing is not converted to short-term rentals
- **Discussions with stakeholders** – The project included seven listening sessions with stakeholder groups to solicit feedback, including two sessions conducted in Spanish. The discussion groups included:
 - **Service providers** for vulnerable populations, to better understand the range of unmet housing needs for seniors, Native peoples, farmworkers, people with disabilities, families with young children, and others. The feedback from this discussion was about the urgent need for affordable housing, especially for low-income people, communities of color, seniors, people with disabilities, and farmworkers. The advice from this discussion for the development of affordable housing was to focus on the development of a variety of types and sizes of affordable housing, create incentives and work with partners, and look for resources from individuals and businesses in the community.
 - **The Latino community** at Spanish language discussion groups, to better understand the unmet housing needs of Hood River’s Latino community. The feedback from these discussion groups was about the fact that the current inventory of housing in Hood River does not meet the needs of this community, both in terms of unit sizes (being too small) and unit condition (being in poor condition and lacking weatherization). Obstacles to obtaining housing are affordability, language barriers, documentation status, and disabilities. The advice from these discussions was to ensure there are opportunities for and access to financial education, down payment assistance, and more outreach.
 - **Employers** in the Hood River area, with the purpose of better understanding their challenges hiring and retaining employees and potential partnership opportunities. Employers report that employees at all wage levels struggle to find affordable housing in Hood River, including restaurant or hospitality workers and middle-wage to high-wage employees like health-care workers or manufacturing. The

feedback from this discussion was about the difficulties posed by insufficient housing and lack of affordable housing for employers in attracting and retaining staff, including middle- and high-wage staff. Employers expressed interest in working with the City and nonprofit organizations to support development of affordable housing for employees of businesses in Hood River County.

- **Affordable housing developers** to understand the specific challenges to developing affordable housing, including recommendations about policies to support income-restricted housing development affordable to low-income households. This group discussed the need for focus on equity to amend past harms. The advice from this discussion for development of affordable housing was to focus on the most powerful tools for developing affordable housing, including site control, nonprofit tax exemption, flexible off-site infrastructure requirements, and urban renewal.
- **Local housing developers and builders** to understand the unique challenges in developing market-rate housing in Hood River and recommendations about policies to support market-rate housing development affordable to middle-income households. The advice from this group focused on the need for a faster, more certain City review process to lower development costs.
- **Local governmental agencies** to discuss opportunities for partnering and support for incentives to develop affordable housing, including policies that would have property tax revenue implications. Through this discussion, the local government partners acknowledged a great need to address affordable housing. Some local government agencies had concerns about potential revenue decreases from reduced property taxes with some strategies. They acknowledged the need for additional dedicated revenue source(s) to support development of affordable housing.

In addition to the engagement above, the City Council met with staff (and sometimes consultants) four times to provide guidance and feedback on development of the AHPS. The City Council met on April 26 and August 9 of 2021 and January 24, 2022, to discuss the AHPS. The City Council will meet on April 25, 2022, to discuss the draft AHPS.

Structure of the Report

The structure of this report is organized as follows:

- **Chapter 2. Unmet Housing Need in Hood River** summarizes the findings about housing affordability in Hood River, with a focus on housing need at varying income levels and housing needs of specific groups of people. It includes a discussion of approaches to support affordable housing implemented in Hood River by the City and regional partners.
- **Chapter 3. Implementation Framework and Housing Strategies** presents the proposed implementation framework for the AHS and information about each of the proposed housing strategies.

- **Appendix A. Hood River’s Unmet Housing Needs** presents the data and analysis necessary to understand Hood River’s unmet housing needs in more detail.
- **Appendix B. Equity Framework** presents the details of the approach to equity used in developing this report.
- **Appendix C. Advisory Community Task Force Summary** presents details of the of Task Force meeting agendas and key take aways.

2. Unmet Housing Need in Hood River

The Affordable Housing Strategy draws from prior studies to describe unmet housing needs in Hood River.⁴ This project does not present substantial new information, except to update key data that changes quickly (such as housing costs) and to provide new information about housing needs not presented in prior studies.

This chapter presents a summary of unmet housing need in Hood River. Appendix A presents this information in more detail.

Housing Affordability in Hood River

The Affordable Housing Strategy is intended to develop policies and actions that address need for affordable housing in Hood River. The first task in the Affordable Housing Strategy is defining what “affordable housing” means.

Throughout this report, we discuss housing affordability based on Median Family Income (MFI) that are defined by the US Department of Housing and Urban Services (HUD) for Hood River County for a family of four people. The terms used to describe housing affordability by income group are:

- **Extremely Low Income:** Less than 30% of MFI or \$23,040 or less for a family of four
- **Very-Low Income:** 30% to 50% of MFI or \$23,040 to \$38,400 for a family of four
- **Low Income:** 50% to 80% of MFI or \$38,400 to \$61,440 for a family of four
- **Middle Income:** 80% to 120% of MFI or \$61,440 to \$92,160 for a family of four
- **High Income:** 120% of MFI or \$92,160+ for a family of four

This project focuses on housing affordable for households with incomes of less than \$92,160 for a family of four or 120% of MFI. Exhibit 2 shows these incomes and affordable monthly rent and home sales price for these income levels. Exhibit 2 also shows professions and average income levels in Hood River County to help illustrate income levels as they relate to profession.

⁴ The *Hood River Housing Needs Analysis* can be accessed from:

https://cityofhoodriver.gov/wp-content/uploads/bsk-pdf-manager/2019/03/19119_HoodRiverHNA2015Final.pdf

The *Update on Housing Market and Demographic Changes in Hood River: 2015 to 2019* can be accessed from:

https://cityofhoodriver.gov/wp-content/uploads/bsk-pdf-manager/2020/02/ECONW_HoodRiver_Dec2019_Final.pdf

The estimates of affordable monthly rent and affordable home sales price in Exhibit 2 (and throughout this report) assume that a household can afford to pay no more than 30% of their gross income on monthly housing costs.⁵ This is a widely accepted standard set by HUD.

Exhibit 2. Household Income and Affordable Housing by Hood River County's Median Family Income (MFI) of \$76,800 for a Family of Four, 2021

Source: US Department of Housing and Urban Development, Hood River, 2021. Oregon Employment Department

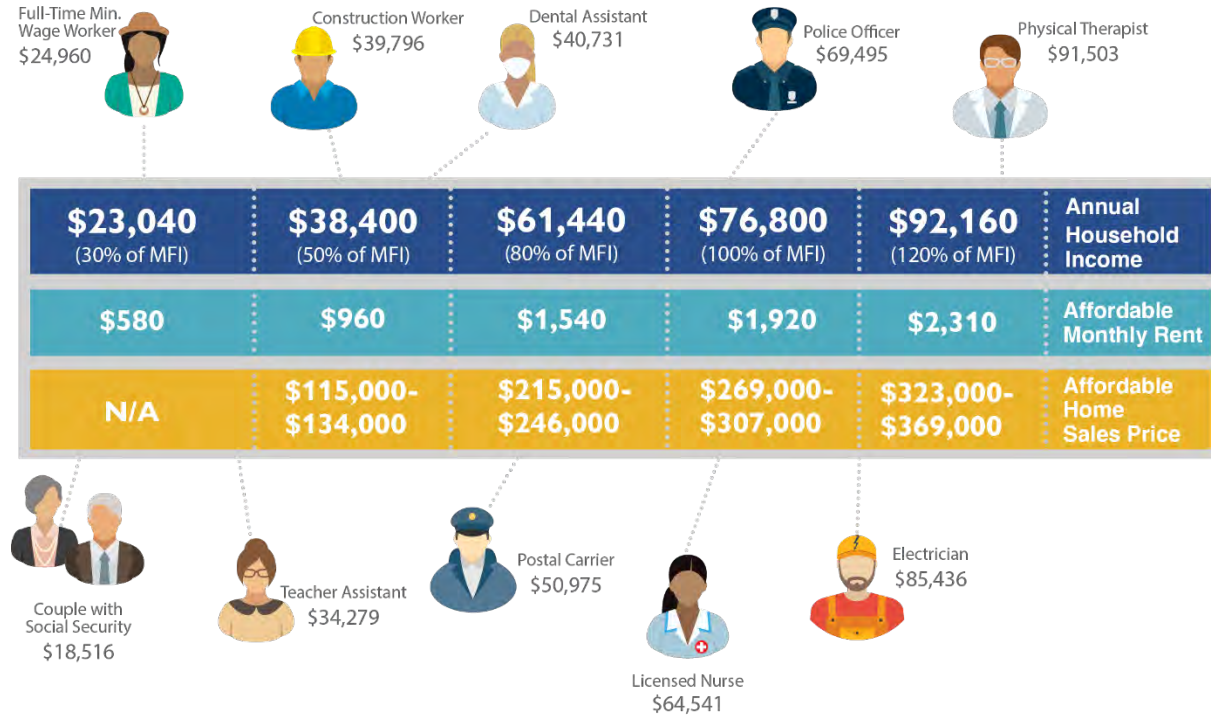


Exhibit 2 illustrates housing affordability for a family of four and shows a few types of jobs and their wages in Hood River. Many households have more than one wage earner. For example, a household with two people working full time at minimum wage would earn about \$50,000, which is about 65% of MFI.

Members of the Task Force who manage businesses or are employers provided additional examples of the income of people working in Hood River, including:

- A barista typically earns about \$45,000 (including tips), which is 59% of MFI.
- A brewery worker typically earns about \$44,000, which is 57% of MFI.
- Pear sorters typically earn about \$30,000, which is 39% of MFI.
- Pear packers typically earn between \$35,000 and \$40,000, which is between 46% and 52% of MFI.

⁵ Monthly rental costs include the cost of rent and selected utilities (such as heat and electricity). Monthly ownership costs include the mortgage payment, property insurance, and selected utilities (such as heat and electricity).

- Forklift drivers for fruit processing typically earn between \$38,000 and \$45,000, which is between 49% and 59% of MFI.
- A person working in the back of house at a restaurant typically earns about \$46,000 (including tips), which is 60% of MFI.
- A waiter at a restaurant earns between \$55,000 and \$75,000 (including tips), which is 72% to 98% of MFI.

Many households are smaller or larger than four people. Exhibit 3 shows how household income and housing affordability vary based on household size. For example, while a household of four with an income of \$23,040 is at 30% of MFI and can afford monthly housing costs of up to \$580, a single-person household with income of \$16,125 is also at 30% of MFI and can afford monthly housing costs of up to \$400. An example household at the upper end of the income limits targeted by this project is a dual-income home with a postal carrier (\$50,975) and dental assistant (\$40,731) with two children.

Exhibit 3. Household Income and Affordable Housing by Hood River County’s Median Family Income (MFI) of \$76,800 with Different Household Sizes, 2021

Source: US Department of Housing and Urban Development, Hood River, 2021. Oregon Employment Department

% of Median Family Income (MFI)	1-person household		2-person household		4-person household		6-person household		KEY
	Income*	Housing Cost**	Income*	Housing Cost**	Income*	Housing Cost**	Income*	Housing Cost**	
30% MFI	\$16,130	\$400	\$18,430	\$460	\$23,040	\$575	\$28,270	\$710	* Annual Income
60% MFI	\$32,260	\$810	\$36,880	\$920	\$46,080	\$1,150	\$53,465	\$1,340	** Affordable Monthly Housing Cost
80% MFI	\$43,010	\$1,075	\$49,170	\$1,230	\$61,440	\$1,535	\$71,290	\$1,780	
100% MFI	\$53,760	\$1,345	\$61,440	\$1,535	\$76,800	\$1,920	\$89,090	\$2,230	
120% MFI	\$64,510	\$1,610	\$73,730	\$1,840	\$92,160	\$2,300	\$106,910	\$2,670	

Throughout this document, we distinguish between two levels of affordable housing:

- **Publicly subsidized affordable housing** is housing that is affordable for households with incomes below 60% of MFI. This housing is most commonly multifamily rental housing, but it can be other types of housing. It is typically housing built by groups like a housing authority or nonprofit affordable housing developers. Funding sources for publicly subsidized affordable housing include state and federal programs, such as the Low-Income Housing Tax Credit (LIHTC). The image to the right is of Mid-Columbia Housing Authority’s Rio Bella Heights development. It is an example of publicly subsidized affordable housing.



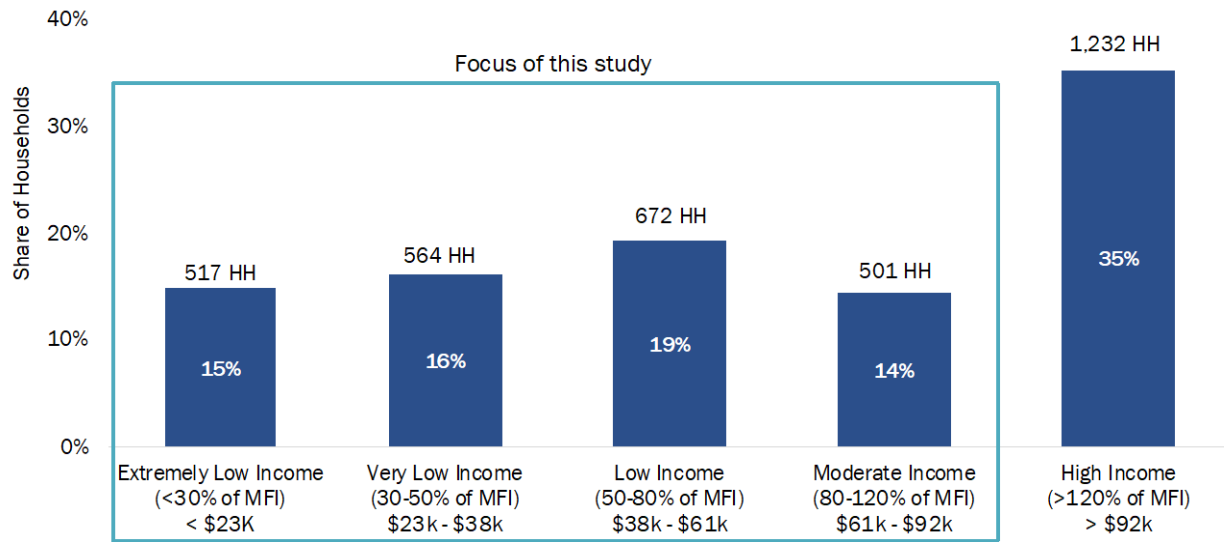
- **Low- and moderate-income affordable housing** is housing that is affordable for households with incomes between 60% and 120% of MFI. This housing is typically built by nonprofit and for-profit housing developers. State and federal funding for this type of housing is less common and subsidies typically come from cities or other affordable housing-oriented nonprofits or organizations.

Exhibit 2 and Exhibit 3 are intended to provide examples of households at a range of incomes and household sizes and the resulting housing costs affordable to these households. Exhibit 4 shows the number of households in each of the groupings of MFI within the City of Hood River. Hood River currently has 2,254 households with incomes below \$92,160. These households are the focus of this study. Most (and perhaps all) of these households have existing housing. But their housing is unaffordable (as discussed below) for many households, especially lower-income households. Some households have already left Hood River because housing was unaffordable for them.

This project focuses on housing affordable for households with incomes of less than \$92,160 for a family of four or 120% of MFI. This includes two-thirds of Hood River's households.

Exhibit 4. Share of Households by Median Family Income (MFI) for Hood River County (\$76,800), City of Hood River, 2019

Source: US Department of HUD, Hood River County, 2021. US Census Bureau, 2015-2019 ACS Table 19001.



One measure of housing affordability is cost burden. A household is defined as cost burdened if their housing costs exceed 30% of their gross income. A household that spends 50% or more of their gross income on housing costs is said to be severely cost burdened. Exhibit 5 shows that 33% of Hood River’s households are cost burdened. Renters are cost burdened most frequently, with 43% of Hood River’s renter households cost burdened and 22% severely cost burdened. Exhibit 17 (in Appendix A) shows that cost burden is most common for renter households with incomes below \$50,000, more than two-thirds of whom are cost burdened.

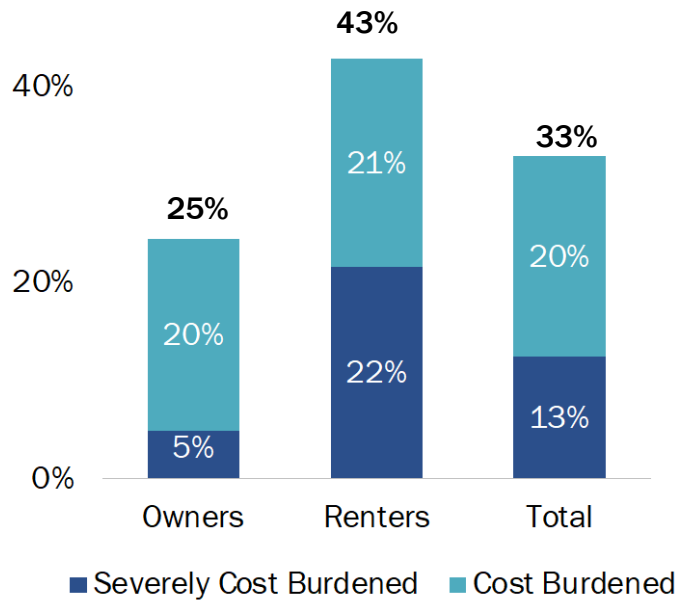
Renters are much more likely to be cost burdened than homeowners.

In the 2015-2019 period, about 43% of Hood River’s renters were cost burdened or severely cost burdened, compared to 25% of homeowners.

About 22% of Hood River’s renters were severely cost burdened (meaning they paid more than 50% of their income on housing costs alone).

Exhibit 5. Housing Cost Burden by Tenure, Hood River, 2015-2019

Source: US Census Bureau, 2015-2019 ACS Tables B25091 and B25070.



Current rental costs and housing sales prices are out of reach for many households in Hood River. For example:

- **Rental costs are relatively high and vacancies are low.** Exhibit 13 in Appendix A shows that rental costs range from \$1,200 to \$1,800 for a two-bedroom unit. A household would need to have an income between \$48,000 and \$72,000 to afford this rent (63% to 94% of MFI). **More than 40% of existing households in Hood River are unable to afford rent of \$1,200 per month and nearly 60% of existing households are unable to afford \$1,800 in rent.**
- **Housing sales prices in Hood River have increased substantially since 2016,** from about \$450,000 in August 2016 to \$626,500 in August 2021 (Exhibit 12 in Appendix A). This is an increase of \$174,000 or 72%. A household would need to have an income of approximately \$155,000 (202% of MFI) to afford the median sales price in Hood River. **Fewer than 15% of Hood River’s households can afford this sales price, putting homeownership out of reach for most households in Hood River, especially sales of newly built housing.**

What was the feedback from stakeholders?

Discussions with stakeholders throughout the project provide anecdotal information about unmet housing needs in Hood River and suggest that the data may understate the urgency of housing affordability problems in Hood River.

Housing for low-income households

Low-income households have incomes below 80% of MFI or \$61,440 for a family of four.

- **Stakeholders report difficulty finding affordable housing for themselves, friends and family, employees, or others.** The problem is especially desperate for renters with lower incomes, who are often unable to find affordable rental housing in Hood River. Some renters report that they have been forced to move multiple times within a year, as their rental units are sold. Stakeholders recommended that the AHS should address need for both affordable rental and homeownership opportunities.
- **Employers report that their employees frequently have difficulty finding affordable housing, either for rental or for ownership.** This is the case for service employees, such as hospitality workers, home health-care givers, or retail workers. Employers report that their middle- and high-wage staff have difficulty finding affordable housing, either for rental or ownership. The lack of affordable housing makes attracting and retaining staff difficult for employees at all levels of wages. Some employees at Hood River businesses live in other cities or areas with lower-cost housing, resulting in higher transportation costs for these households. The high cost of homeownership makes retaining employees who want to own homes difficult because housing is more expensive in Hood River than in most other communities in Oregon.
- **Insufficient amount of rental housing affordable at 80% of MFI and below. This is privately owned rental housing, without income qualification requirements.** The issue is that Hood River does not have enough rental housing to meet demand in Hood River. Households with income between 80% and 120% of MFI may struggle to find rental housing. Stakeholders recommended removing (or reducing) regulatory barriers that make developing housing (at any level of affordability) more difficult.
- **Lack of enough publicly subsidized affordable rental housing that is affordable to households with incomes below 60% of MFI.** These units are owned by nonprofits and other agencies and tenants must be income qualified to rent, having an income of 60% or less of MFI. Hood River does not have enough publicly subsidized affordable housing units to meet need.
- **Need to focus on equity and addressing past harms.** The City should prioritize efforts and resources that support development of the most affordable housing, both greater numbers of affordable units and units that are affordable to households with the greatest challenges.

- **Some people living in publicly subsidized affordable housing may have housing instability if their incomes increase just above income qualifications.** This may result in people having to move out of Hood River because there is not enough lower-cost nonsubsidized rental housing. In addition, there are not enough rentals that accept housing vouchers in Hood River.
- **There are few options for affordable homeownership for households with incomes below 80% of MFI.** The existing homeownership opportunities are generally manufactured housing and units in very poor condition.

Housing for middle-income households

Middle-income households have incomes between 80% and 120% of MFI or \$61,440 to \$92,160 for a family of four.

- **Middle-income renters struggle to find rental housing that meets their needs.** Hood River has a limited supply of rental housing and even middle-income renters struggle to find rental housing that meets their needs.
- **Middle-income households have trouble finding affordable housing.** A household needs to have an income of \$155,000 (or 202% of MFI) to afford the average sales prices of \$625,000 for housing in Hood River. The middle-income households with the highest income may be able to afford a house costing up to \$370,000, which is considerably below the average sales price of housing in Hood River.
- **Retaining workers with middle income is challenging, given the housing constraints.** Middle-income workers include professions such as teachers, nurses, managers, electricians, or police officers. Employers report that they struggle to attract and retain middle-income workers because of the limited housing options in Hood River.

People of color and farmworkers.

Information about the incomes for people of color and farmworkers is scarce. The largest community of color in Hood River is Latino (of any race), which accounts for about 21% of Hood River’s population. Other communities of color are represented in Hood River, including people of two or more races, Black, Asian, and other races.⁶ In addition, Indigenous people live in Hood River County and lived in the area before white settlement. In addition, Hood River County is home to approximately 7,500 farmworkers.⁷

Median household income for Latinos (the largest community of color in Hood River) is nearly \$49,000 or 81% of the citywide average. A household with that income can afford about \$1,200 in rent, which is the lower end of rental costs for a two-bedroom unit.

⁶ Source: US Census American Community Survey.

⁷ The estimate of farmworkers is for 2017, summarized in the draft report for Oregon Housing and Community Services: *Cultivating Home: A Study of Farmworker Housing In Hood River, Marion, Morrow, and Yamhill Counties in Oregon*. The original data source is the National Center for Farmworker Health 2012 and 2017 farmworker population

Incomes are generally lower than average for many communities of color. Exhibit 21 (in Appendix A) shows that median household income is about \$60,500 for all households in Hood River. In comparison, income for Latino households was about \$48,900 (81% of the median household income) and \$34,790 for households with a household head identifying as Two or More Races (57% of the median household income). Farmworker households have lower incomes, often between \$20,000 and \$25,000 per household.⁸

These lower-than-average incomes make finding housing harder. A household with an income of \$48,000 can afford about \$1,200 per month in rent and a household with an income of \$25,000 can afford \$625 per month in rent. Rent for a two-bedroom unit varies from \$1,200 to \$1,800 (Exhibit 13 in Appendix A). Larger units with more bedrooms have higher rents. The rental market in Hood River is tight enough that finding a rental at the lower range of costs is very difficult and often impossible. Given the lower incomes for people of color and the significantly lower-than-average incomes for farmworkers, these groups of people are often priced out of renting in Hood River. Given the average home sales prices, people with these incomes are unable to find affordable homes for ownership in Hood River.

Discussions with service providers confirm what the data above tells us: there is urgent need for affordable housing for communities of color and farmworkers. Discussions with the Latino community suggest that the current housing stock in Hood River is not only unaffordable but often does not meet their needs because unit sizes are too small (especially for multigenerational households) and more affordable units are often in poor condition and energy inefficient.

Obstacles for the Latino community in obtaining housing include language barriers, documentation status, disabilities, and affordability. In addition, the characteristics of existing housing stock in Hood River, such as unit size, do not meet the needs for some Latino households. The discussions with the Latino community indicate that more assistance is needed on the following topics: financial education, better outreach to the Latino community, and down payment assistance. Many of these needs are met by existing programs (shown in Exhibit 7).

Seniors

People over 65 years old have an average income of about \$39,600 (Exhibit 20 in Appendix A) and can afford about \$990 in rent. That is below the average rental costs for all rental units except studio apartments. Discussions with service providers suggest that many seniors want to stay in Hood River but are having difficulty affording

People over 65 years old have an average income of about \$39,600 and can afford about \$990 in rent.

estimates. Some of these farmworkers may be accounted for in the Census' estimate of Latino population in Hood River and Hood River County, but some of these farmworkers may not be accounted for by the Census.

⁸ Draft report for Oregon Housing and Community Services: *Cultivating Home: A Study of Farmworker Housing In Hood River, Marion, Morrow, and Yamhill Counties in Oregon.*

and finding rental housing and many cannot afford senior living centers. In addition, many seniors depend on their home health-care workers to continue living independently.

Caregivers generally have difficulty finding affordable housing in Hood River and commuting costs can easily exceed pay for caregivers. If caregivers are unable to continue working in Hood River, some seniors may be forced to leave Hood River or may be forced into nursing homes (oftentimes located outside of Hood River).

Summary of Hood River's Unmet Housing Needs

Hood River's unmet housing needs include the housing needs of people who are currently living in Hood River and are cost burdened with incomes below 120% of MFI (\$92,160 for a family of four), plus many of the new households with incomes below 120% of MFI who are forecast to move into Hood River by 2035.⁹ Exhibit 6 shows:

- Most households with unmet housing needs have incomes below 50% of MFI, accounting for about 970 households or 60% of existing and new households with unmet housing needs.
- Fewer households have unmet housing needs with higher incomes.
 - About 480 households have (or will have) incomes between 50% and 80% of MFI and are cost burdened, accounting for about one-third of households with unmet housing needs.
 - About 152 households have (or will have) incomes between 80% and 120% of MFI and are cost burdened, accounting for about 9% of households with unmet housing needs.

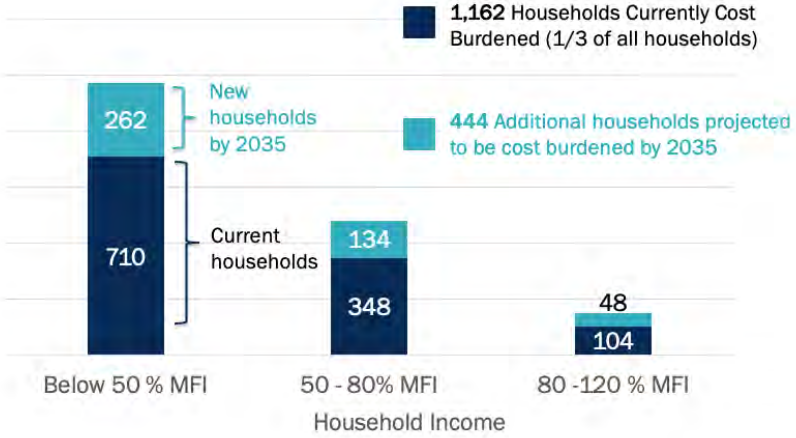
⁹ We estimated the amount of unmet housing need based on existing households and new households who are cost burdened with incomes below 120% of MFI (forecast to grow in the city between 2022 and 2035) based on data from the US Census American Community Survey. Hood River currently has about 3,486 households, 66% of whom have incomes 120% or less of MFI. The *Hood River Housing Needs Analysis* forecasts growth of 1,985 new households between 2015 and 2035. We prorated the forecast for the 13 years between 2022 and 2035, which is 1,290 new households.

The households who will have the greatest unmet housing needs are those with the lowest incomes.

These households include a larger share of people of color, people working in the service industry (such as hospitality workers, home health-care givers, or retail workers), farmworkers, seniors, and other low-income households.

Exhibit 6. Estimate of Households with Unmet Housing Needs, Households with Income Below 120% of MFI, Hood River, 2021

Source: Analysis by ECONorthwest based on information from: US Department of HUD, Hood River County, 2021; US Census Bureau, 2015-2019 ACS; and the Hood River Housing Needs Analysis, 2015.



What housing strategies are already implemented in Hood River?

Since 2008, the City of Hood River has completed and implemented a variety of strategies to support development of affordable housing and all types of housing. Many of these strategies were recommendations from the *Hood River Housing Needs Analysis* report. This section provides a summary of strategies that have been completed or are under implementation by the City of Hood River to support development of affordable housing and all types of housing.

Existing City of Hood River Affordable Housing Strategies

- Construction Excise Tax (CET)** – The City adopted a 1% Construction Excise Tax (CET) dedicated to affordable housing in 2017. A CET is a fee on construction value of developments. The City dedicates its share of CET to affordable housing investments. The City has raised a total of \$638,561 as of FY 2020-21 and is using the CET local program funds to pay back the loan for the purchase of 780 Rand Road (\$326,424 to date). As of late 2021, \$205,292 is available in developer incentives, which likely will be used as development incentives for redevelopment of the Rand Road property. By law, 15% of the funds (\$106,844 to date) is passed through to the State (OHCS). The pass-through funds come back to the city/region through a down payment assistance program administered by Columbia-Cascade Housing Corporation.
- Low-income Utility Assistance** – The City first offered a low-income utility rate discount in 2008. In 2021, the program was expanded to serve renters. Income-eligible renting households can have the value of the City water/sewer discount applied toward their Pacific Power bill. This reaches eligible households on shared meters, such as in an apartment complex or mobile home park. The City provides operational support for

Mid-Columbia Community Action Council (MCCAC) (\$35,000 annually) to provide income verifications and promote low-income assistance program availability, generally.

- **Public Land Disposition** – The City inventoried its publicly owned property with the assistance of a real estate agent and, as of 2021, is positioning properties for sale. The City is working to dispose of some properties and dedicate the funds to development of 780 Rand Road. The City’s real estate agent estimates a sale value of \$400,000.
- **Parcel Assembly/Land banking/Purchase Land** – The City purchased seven acres of land adjacent to Rand Road for the development of affordable housing at a price of \$1.2 million. Leland Consulting Group prepared a development strategy for the land in 2020 and assisted the City with developer selections. The City selected Community Development Partners (CDP) as its preferred developer in 2022. CDP is currently applying for state and federal housing grants. If successfully funded, the City anticipates the development will produce 129 units of affordable housing completed as early as 2025.

Additional efforts to assemble land for affordable housing developments that have not moved forward include:

- The proposed relocation of ODOT maintenance yard, currently located on 2.8 acres on Cascade Avenue, to a site adjacent to Interstate 84. ODOT estimated the cost to the City to move the yard at \$6.5 million. The City determined funds could be used more efficiently elsewhere.
- The City pursued a zone change on a portion of city-owned land currently used as a passive park and disc golf course to facilitate development of affordable housing in partnership with the local housing authority. The change of use for the park was opposed by local residents, and voters passed a charter amendment barring sale or transfer of property rights of any park without a public vote.
- **SDC Deferment** – The municipal code authorizes the City manager to allow deferment of actual payment of an SDC until an agreed later time subject to financial guarantee, interest, and administrative expenses. A deferment allows developers to pay SDCs later in the construction process or after construction is complete, decreasing upfront development costs.
- **SDC Exemption** – The City exempts, either in part or in full, housing that receives federal funding, such as Low-Income Housing Tax Credits, and is deed restricted as income-restricted affordable housing for at least 40 years. This exemption is an effective subsidy because the cost of the system capacity upgrades associated with the eligible housing must be offset with other funds.

Other Housing Policies that Affect All Types of Housing

In addition to the affordable housing strategies listed above, the City has implemented strategies to increase development of all types of housing in the city, some of which may support development of affordable housing. The following is a non-exhaustive list of housing strategies the City has implemented in recent years:

- **Short-Term Rental Regulation** – The City established a licensing program for Short-term Rentals (STRs) which also phased out second home STRs in residential neighborhoods in 2016. After experiencing rapid growth in the number of STRs in the early 2010s, the number of STRs has plateaued between 185 and 205 for the last five years. By 2023, approximately 85 “grandfathered” STRs will be required to come into full compliance with STR regulations, which means either becoming the primary residence of the owner or ceasing short-term rental activities in residentially zoned areas.
- **Middle Housing Code** – In 2021, the City adopted a “Middle Housing Code” to support development of diverse housing types, increase the variety of housing types available for households, provide opportunities for small dwelling units within existing neighborhoods, increase opportunities for homeownership, and provide opportunities for infill development that are compatible with existing neighborhoods ([HRMC 17.25](#)).
- **Encourage residential use in historic buildings** – Provides in-lieu parking fee exemption for reuse of Historic Buildings for residential use. (2020)
- **ADU code update** – Updated standards for Accessory Dwelling Units (ADU) to eliminate primary residency and parking requirements. (2019)
- **Townhouse code update** – Streamlined approval process for town homes. (2017)
- **Reimbursement District** – The City created the option for developers to create reimbursement districts in 2003 via Ordinance 1849 ([HRMC 13.17](#)). Several developers have used this code to help pay for shared public infrastructure.
- **Local Improvement District (LID)** – A Local Improvement District enables a group of property owners to share the cost of a project or infrastructural improvement. The Hood River Municipal Code currently allows Local Improvement Districts to be either initiated by property owners or the City Council ([HRMC 13.16](#)). Local Improvement Districts charge properties within the boundary for their proportional share of public infrastructure.
- **Multifamily housing in C-2 zone** – Multifamily residential development is a permitted use in the City’s General Commercial (C-2) zone (added minimum density standard in 2011).

Affordable Housing Programs in Hood River Implemented by Partners

Community partners already lead affordable housing programs and strategies in Hood River. The strategies in Exhibit 7 have not been included in the list for consideration as part of the AHS project. However, the City is exploring opportunities to support the programs in Exhibit 7.

Exhibit 7. Affordable Housing Programs in Hood River Implemented by Partners

Mid-Columbia Housing Authority (MCHA)	Mid-Columbia Community Action Council (MCCAC)
<ul style="list-style-type: none"> ▪ Housing Choice and Mainstream Voucher (HCV) program: housing subsidy provided to landlords for very low-income, elderly, or disabled individuals and families renting in the private market. ▪ Mainstream Voucher (MSV) Program: housing subsidy provided to landlords for nonelderly persons with disabilities who are homeless, at risk, and exiting institutional settings to rent in the private market. ▪ Housing Access and Supports (HAS): tenant-based rental assistance for low-income individuals with serious and persistent mental illness. ▪ Valley Individual Development Account (VIDA) Program: a matched savings program that matches participant savings with \$3 for every \$1 saved and provides free financial education and support to meeting an asset goal of homeownership, small business start-up or expansion, or postsecondary education or job training. ▪ Family Self-Sufficiency Program: an employment and savings incentive program for low-income families that have housing vouchers or live in publicly subsidized housing. 	<ul style="list-style-type: none"> ▪ Houseless Assistance: shelter and rehousing assistance for individuals facing or experiencing houselessness. ▪ Rent Assistance: tenant-based rental assistance for low-income households. ▪ Supportive Services for Veteran Families (SSVF) Program: support services for low- or no-income veterans and their households to prevent houselessness or acquire permanent housing. ▪ Energy and Utility Assistance: benefits provided toward heating, natural gas, electricity, wood, propane, and oil based on income, household size, and energy usage. ▪ Home Weatherization Assistance: in-home energy efficiency improvement assistance for households with low incomes. Includes insulation, testing, space and water heater repair and replacements.
Columbia Cascade Housing Corporation (CCHC)	Mid-Columbia Center for Living
<ul style="list-style-type: none"> ▪ Down Payment Assistance: offers up to \$15,000 for first-time homebuyers that meet income limits (\$76,800 in Hood River) ▪ Home Repair Program: offers grants of \$20,000 to low- and moderate-income homeowners to be used for health and safety improvements. ▪ Foreclosure Avoidance and Counseling: free counseling for homeowners in foreclosure or pre-foreclosure. ▪ Affordable Housing Development: includes affordable rental and for-sale housing ▪ Financial Literacy and Homebuyer Education programs. 	<ul style="list-style-type: none"> ▪ Housing Access and Supports (HAS): tenant-based rental assistance for low-income individuals with serious & persistent mental illness

3. Implementation Framework and Housing Strategies

Community stakeholders and market research provided insights to the greatest needs and opportunities for affordable housing in Hood River. Throughout the process, the City asked its leaders and partners, **What are the actions we can take in the next five years (2022 through 2026) to address Hood River’s affordable housing needs?**

This section establishes an implementation framework for the Affordable Housing Strategy. It begins with an outline of the City’s housing initiatives, which shows how the strategies fit together to support housing development at different income levels. It also includes a discussion of partners and funding options. It includes the details of the strategies recommended through this project. The section concludes with a discussion of additional issues and recommendations that are not included in the strategies.

Who will the AHS serve?

Most of the strategies and funding tools discussed in this section can be used to meet housing needs at different income levels. This section describes how groupings of strategies, into initiatives, are necessary to work together to meet Hood River’s housing needs.

The City has developed a set of four initiatives that address key housing needs in the city. The initiatives comprise a set of potential city-led strategies, funding sources, and potential partnerships with other entities that help to achieve an overarching goal. By bundling strategies and funding sources, the City acknowledges that several strategies and partnerships are necessary to achieve the City’s housing goals.

Exhibit 8. Hood River Affordable Housing Initiatives

<p>Encourage Production of Publicly Subsidized Affordable Housing Units <i>(affordable to households with incomes less than 60% of MFI)</i></p>	<p>There are few housing options available in Hood River that are affordable to families making less than 60% of area median income (\$46,080 for a family of four). To advance this initiative, the City will offer direct subsidies for off-site infrastructure projects, support projects directly through project-level grants, seek out opportunities for land banking, and implement a new property tax exemption for publicly subsidized units. <i>Key funding sources are Urban Renewal and Voter Approved General Obligation Bond.</i></p>
<p>Remove Barriers to Producing Low- and Moderate-Income Affordable Rental Housing <i>(affordable to households with incomes between 60 and 120% of MFI)</i></p>	<p>To encourage moderate-income rental housing, the City will offer subsidies for off-site infrastructure projects (especially in the proposed Westside Urban Renewal District) and support projects directly through limited project-level grants. The City will create clear and objective standards for housing development and provide more flexibility for the creation of these housing types. <i>Key funding sources are the Urban Renewal District and (to a lesser extent) a General Obligation Bond.</i></p>
<p>Opportunities for Affordable Homeownership <i>(affordable to households with incomes less than 120% of MFI)</i></p>	<p>Homeownership has been out of reach for Hood River’s moderate-income families. This initiative is aimed at households with incomes of less than 120% of MFI. In addition to the strategies outlined for the moderate-income rental housing above, the City will seek to lower the barriers to entry for prospective homeowners through partnerships with Community Land Trusts and affordable housing cooperatives. <i>Key funding sources are the proposed Urban Renewal District and (to a lesser extent) a General Obligation Bond.</i></p>
<p>Preserve Existing Low- and Moderate-Income Affordable Housing <i>(affordable to households with incomes between 60 and 80% of MFI)</i></p>	<p>The City and nonprofit partners will work with the owners of the City’s existing stock of older, market-rate units to rehabilitate units while ensuring permanent affordability in existing low- and moderate-income rental and ownership housing units. <i>Key funding source is the General Obligation Bond.</i></p>

Exhibit 9 matches the proposed strategies with the initiatives.

Exhibit 9. Housing Initiatives and the AHS Strategies

■ Larger investment □ Smaller investment

	Encourage Production of New Publicly Subsidized Affordable Housing Units	Remove Barriers to Producing Low- and Moderate-Income Affordable Rental Housing	Opportunities for Affordable Homeownership	Preserve Existing Low- and Moderate-Income Affordable Housing
Affordable to households making...	Less than 60% MFI (Less than \$46,080/year)	60-120% MFI (\$46,080 - \$92,160/year)	60-120% MFI (\$46,080 - \$92,160/year) ¹⁰	60-80% MFI (\$46,080 - \$61,440/year)
Strategies				
A. Provide Off-Site Infrastructure Subsidies	■	■	■	
B. Continue City-Led Land Banking	■	□	□	□
C. Establish the Nonprofit Low-Income Rental Housing Tax Exemption	■			■
D. Provide Direct Project Subsidies for New Construction	■	□	□	
E. Support Housing Rehabilitation / Preservation				■
F. Develop an Affordable Housing Ordinance	■	■	■	□
Funding Sources				
G. Establish a New Urban Renewal District	■	■	■	□
H. Pursue a General Obligation Bond	■	□	□	■

¹⁰ These estimates of income are for a family of four. Median income varies by household size. For example, 120% of MFI for a single-person household is \$64,510 and 120% of MFI for a family of six people is \$106,900.

Who will implement the strategies?

Actions identified in this plan are those that the City can lead and implement with the support of its partners. The descriptions of the strategies in this chapter call out the partners for each strategy.

When will the City make investments?

This AHS is a 5-year strategy running through 2027. The strategies arose as the best opportunities for responding to immediate needs while also establishing a system for the City to continue its work for the long term. Some of the strategies, like advancing the General Obligation Bond, will take longer to implement.

An important factor for understanding when the City will take action on the items in this plan is the capacity of City staff to work on and implement the strategies. There are currently no staff dedicated to addressing housing issues. If the City hires staff to focus on housing issues, then the strategies in this plan could be implemented faster.

How long will housing be affordable?

There are several mechanisms that can ensure affordability of new publicly subsidized affordable rental housing units. Housing developed by the Mid-Columbia Housing Authority remains affordable as long as it is owned by the Housing Authority. Projects developed with LIHTC credits have built-in guaranteed affordability because LIHTC credits require affordability for 30 years. Community Land Trusts usually have long-term affordability requirements.

Outside of those housing types, the City will need to decide if it will require long-term affordability when investing public funds to support development or preservation of housing. If so, the City could implement a deed restriction (which would require ongoing administration) or a development agreement between the City and property owner. Alternatively, the City could partner with a nonprofit who could use their own enforcement mechanisms to ensure affordability.

The level of affordability restriction should generally increase with the level of public dollars invested in a project. This will likely occur on a case-by-case basis (through development agreements or deed restrictions), but generally the project should have a stronger affordability requirement if the City provides large subsidies or free land.

How will the City monitor progress?

The City will review its progress toward the plan on an annual basis, coinciding with Council work planning. During the review, the City will document the implementation actions taken over the previous year, along with the housing development activity that has occurred. Key questions that Council can consider in its assessment include:

- Are additional actions needed to address new or changing conditions?
- Is staff capacity sufficient to meaningfully advance the strategies?
- What benefits has the City seen from its efforts to date? Are the City’s residents, and especially its lower-income residents and communities of color, seeing a return on the investments that the City has made?

In addition, the City can track indicators of plan progress (see Exhibit 10).

Exhibit 10. Monitoring by Strategy

Strategies	Annual monitoring
Overall Monitoring	<ul style="list-style-type: none"> ▪ Number of affordable units developed by income range ▪ Number of affordable projects developed
A. Provide Off-Site Infrastructure Subsidies	<ul style="list-style-type: none"> ▪ Amount of funding dispersed for off-site infrastructure ▪ Projects & units the off-site infrastructure subsidies support
B. Continue City-Led Land Banking	<ul style="list-style-type: none"> ▪ Number of acres acquired for land banking
C. Establish the Nonprofit Low-Income Rental Housing Tax Exemption	<ul style="list-style-type: none"> ▪ Number of inquiries about tax exemption ▪ Number of projects (and units) granted tax exemption
D. Provide Direct Project Subsidies for New Construction	<ul style="list-style-type: none"> ▪ Amount of funding dispersed for direct project subsidies ▪ Number of projects (and units) receiving direct project subsidies
E. Support Housing Rehabilitation/Preservation Part 1: STR License Update Part 2: Support Existing Efforts	<ul style="list-style-type: none"> ▪ Number of STR licenses for multi-family units in C-1 & C-2 ▪ Amount of funding used for rehabilitation or preservation ▪ Number of units where funding was given for rehabilitation or preservation ▪ New partnerships established or expanded for preservation
F. Develop an Affordable Housing Ordinance	<ul style="list-style-type: none"> ▪ Adopt clear & objective standards for affordable housing development ▪ Number of affordable units built using the new regulations
G. Establish a New Urban Renewal District	<ul style="list-style-type: none"> ▪ Urban Renewal Plan adoption ▪ Amount of funding investments made with urban renewal dollars to support affordable housing ▪ Number of affordable units built using urban renewal dollars
H. Pursue a General Obligation Bond	<ul style="list-style-type: none"> ▪ Pre-vote: Polling results, proposed projects ▪ Post-vote: Investments completed

In addition, the City could monitor current market conditions to help the Council understand the context in which the overall Affordable Housing Strategy is operating:

- Number and type of new homes produced and total within the city over time - tenure, size, sales price/asking rent, and unit type
- Share of rent-burdened residents
- Sales prices and rents for existing homes
- Number, location, and expiration date of regulated affordable units with change in units provided over time

How will the City fund the strategies?

One of the key limitations to implementing the actions in AHS is the availability of funding. Funding is needed not only to build units, preserve affordable housing, and provide access to equitable housing, but also for staff time to implement the Plan. Identifying a set of realistic funding sources is necessary for achieving the vision of affordable housing in Hood River.

A robust set of housing preservation and development programs requires funding sources that are dedicated toward these activities and that are stable and flexible. In addition to existing available funding options, the City will need to pursue new funding sources that can help fund its programs.

- **New Urban Renewal District.** Freezes property tax accumulation in a designated Urban Renewal District until the Urban Renewal District expires or pays off bonds. The Urban Renewal District can include a specific, increased set-aside target and more fully fleshed out set of guidelines for investments in (1) acquisition and rehabilitation of existing affordable units or (2) new construction.
- **New General Obligation Bond.** A stable, dedicated revenue source through increased property tax rates (approved by voters). Cities or other jurisdictions can issue bonds backed by the taxing authority of the jurisdiction to pay for capital construction and improvements. Voters in the Portland Metropolitan area approved a \$652.8 million general obligation bond in 2018. A proportionately sized bond in Hood River would be between 10 and \$20 Million. GO bonds are issued for a specific dollar amount and are paid for over the period of the bond through increased property taxes.
- **Construction Excise Tax (CET) Revenues.** Effective 2017, this tax levies 1% of the permit value to go toward developer incentives (e.g., fee and SDC subsidies, tax abatements, etc.), land acquisition for affordable housing, affordable housing programs (for HHs up to 80% of MFI), and statewide homeowner programs. Revenue from the CET fluctuates with construction activity.¹¹ The City's existing CET is dedicated to debt service incurred to acquire the land for affordable housing at 780 Rand Road. This debt will be repaid in FY2029-30.

¹¹ Hood River's CET is 1% for housing development, which is the maximum amount allowed for residential development. Hood River has a 1% CET for commercial and industrial development, which can be increased under State law.

Other Funding Sources Considered

The City has a variety of other options for locally controlled funding sources that could support affordable housing. While this project did not include a robust funding analysis component, the project team discussed these funding sources with the Task Force.

Exhibit 11 provides an overview of which funding sources advanced to the AHS.

Exhibit 11. Funding Sources Evaluated

Recommendation for Inclusion in the AHS?	Revenue Source	Rationale for Inclusion/Exclusion?
Yes	New General Obligation Bond	Could provide a stable, dedicated revenue source
Yes	New Urban Renewal Area	Could provide a stable, dedicated revenue source in an area with limited existing infrastructure.
Yes	Increase existing Construction Excise Tax (CET) on commercial and industrial development	This is included as a recommendation (rather than a strategy) because the City already has CET.
No	Increase Systems Development Charges	Would place burden on market-rate development
No	Increased lodging tax	Only 25% increased revenue could go to housing; 75% dedicated to tourism promotion
No	Increased marijuana tax	Currently at maximum, pending State changes
No	Increased utility fee	Difficult to target charges, not a large nexus between source and use of funds
No	Increased building and planning permit fees	Sized to project valuation and staffing operational costs and capacity
No	New local option levy	GO Bond is a better option for a locally enabled method to capture property taxes for construction
No	New business license fee	Will hinder local business development
No	New food and beverage tax	Require voter approval, unlikely to pass
No	New sales tax	Not politically feasible
No	New payroll/business income tax	May not be politically feasible
No	New real estate transfer tax	Not legal in Oregon
No	New vacant/second home tax	Untested and possibly not legal in Oregon

Partner Funding Sources

Funding sources available at the local, regional, and state levels can be used to fund several projects and programs, such as new construction of subsidized units, renter supports, weatherization programs, and homeownership support programs. These partner funds will be an important part of how the City will advance its housing priorities. As such, the City should seek to develop closer ties with its regional and state partners, track funding cycles, and understand gaps in funding availability.

- **Employers** indicated that they may be willing to donate to a fund that provides housing for their employees
- **Local donors** (such as wealthy individuals or foundations) might be interested in pooling money in a housing fund, but each donor may have specific requirements for their donations
- **Hood River County** administers its own Construction Excise Tax for Affordable Housing
- **Overlapping Taxing Jurisdictions** may support SDC or property tax exemption waivers. Overlapping taxing jurisdictions include Hood River County, Hood River County School District, Port of Hood River, Columbia Gorge Community College, Columbia Area Transit, and Hood River Valley Parks and Recreation District.
- **Partner Organizations** include a range of organizations and agencies. Key partners include Mid-Columbia Housing Authority (MCHA), Columbia Cascade Housing Corporation (CCHC), Mid-Columbia Community Action Council, and Mid-Columbia Center for Living. Their programs are described in Exhibit 7. Service provider partnerships include (but are not limited to) Mid-Columbia’s Children’s Council, Aging in the Gorge Alliance, Adults and People with Disabilities (part of the Oregon Department of Human Services), Native community organizations such as Nch’ Wana, Next Door, health-care organizations such as Bridges to Health or Mid-Columbia Medical Center, and farmworker advocates such as the Oregon Human Development Corporation.
- **State of Oregon**
 - **Oregon Housing and Community Services (OHCS)** funds low-interest loan programs, grants, and tax credits for affordable multifamily rental housing developments through its Multifamily Housing Finance Section (“Section”). The Section works with local jurisdictions and affordable housing developers to provide financing packages to carry out the department’s mission to develop and preserve affordable housing, linked with appropriate services, throughout Oregon. In addition, OHCS has a variety of programs that support tenants, including home weatherization and emergency rent supports.

Strategies

The remainder of this chapter provides a detailed outline of the proposed strategies.

A Provide Off-Site Infrastructure Subsidies	
Rationale	Lack of off-site infrastructure is a barrier to all types of housing development because it adds uncertainty, time, and cost to development. In particular, review time for off-site infrastructure engineering plans can result in delays, which increase development costs and reduce affordability. Developers typically pay for the costs of building off-site infrastructure, which routinely exceed the cost of SDCs. This results in increased housing development costs and reduction in supply. Having the City rather than developers address infrastructure deficiencies could have the effect of lowering housing costs, if implemented with other strategies that ensure housing will be affordable.
Description	<p>Off-site infrastructure includes new road connections, water or sewer pipes, sidewalks, or other infrastructure. It connects a development site to the city’s larger infrastructure systems, such as the road network or sanitary sewer system. Lack of off-site infrastructure may be a barrier to affordable housing development because development cannot occur until the off-site infrastructure deficiencies are addressed.</p> <p>The City can help to reduce the time and cost of building off-site infrastructure where affordable or moderately priced housing will be developed. The result would be a reduction in the cost of building affordable housing. The City’s options include providing funding to construct the improvement or shifting infrastructure cost burden to rate payers (e.g., by increasing utility fees) and increasing engineering staff capacity to speed up the review process.</p>
City Role	Fund and build the off-site infrastructure and increase engineering staff capacity to speed up the review process.
Partners	Hood River Urban Renewal Agency, Oregon Department of Transportation, developers, property owners, utilities
Anticipated Impact	
Advancing the Initiatives	<p>Income: Emphasis on subsidies for projects below 60% of MFI, with smaller subsidies up to 80% of MFI, with exception of projects in the URA (maybe up to 100% of MFI), which would help to generate tax increment for the TIF District</p> <p>Housing tenure: Rental and Owner</p>
Housing Production Impact	Medium to High , depending on funds available for developing infrastructure.

Implementation

Implementation Steps

- **Identify funding levels** available in the Westside Urban Renewal District and other funding opportunities, such as a General Obligation Bond. The City could also evaluate opportunities for supporting affordable projects in the Heights Urban Renewal District.
- **Develop criteria for granting the subsidy and level of subsidy** to support development of affordable housing by answering the questions below.
- **Identify specific off-site infrastructure improvements** (as part of planning for use of Urban Renewal or General Obligation Bond planning). Through these processes, the City will need to develop a list of potential improvements where development could occur if off-site infrastructure problems are addressed. Developing a list of improvements will involve working with property owners to assess their interest in developing affordable housing.
- **Evaluate staffing needs.** The City will likely need a housing manager or planning analyst with at least some of their time dedicated to implementing the Affordable Housing Strategy and building relationships in the community. This role could be partially funded through urban renewal funds for the work that the staff person would be doing on the Westside.
- **Develop process for evaluation and approval of requests.**

Implementation Questions

The City will need to clarify its investment criteria and level of subsidy by answering the following questions:

- **What level of affordability will the City prioritize for funding?** The options are (1) publicly subsidized housing affordable to households earning less than 60% of MFI, (2) low- and moderate-income affordable housing affordable to households earning between 60% and 120% of MFI, or (3) both.
- **What equity considerations should the City use to evaluate potential off-site subsidies?** Example considerations include how the City can work with stakeholders to understand how to best center community needs, align projects with other needs besides housing, identify and minimize unintended consequences, or prioritize projects with multiple benefits.
- **What requirements should the City have for long-term affordability?** If the City is only paying for off-site infrastructure for publicly subsidized housing, then the housing will remain affordable at 60% or less of MFI for 30 years because of requirements for state and federal funding. However, if the off-site infrastructure serves multiple developments with different affordability levels, then the affordability requirements could be more flexible.
- **What level of subsidy is the City willing to commit to a given project?** Should there be a cap on off-site infrastructure investments for any one site or a cap based on funding per new dwelling unit?
- **What process will the City use to evaluate requests?** The City will need to determine the process for approving requests and who will make these decisions.

	<ul style="list-style-type: none"> ▪ How will the City or URA make the funds available? The City will need to decide if it has a prioritized list of improvements or if the funds will be available on a first-come, first served basis.
Implementation Timeline	<p>The timeline should align with Urban Renewal plans and issuing a General Obligation Bond. In the near term, the City should set up the program by answering the questions above. The City can execute the program when funding is available.</p>
Funding or Revenue Implications	<ul style="list-style-type: none"> ▪ General Obligation Bond ▪ Urban Renewal (limited to offsite improvements within the Urban Renewal District boundaries) ▪ CET, if the City increases the CET rate for commercial and industrial development

B Continue City-Led Land Banking

<p>Rationale</p>	<p>Hood River has a limited land base for housing development, with little opportunity for urban growth boundary expansion. Land control is critical because costs make affordable housing development difficult or financially infeasible. Control of land also allows the owner to determine how land is developed. Land costs account for a substantial portion of the costs of developing housing. Thus, removing or reducing land costs can dramatically lower the costs of developing affordable housing.</p>
<p>Description</p>	<p>Through land banking, the City can provide a pipeline of land for future development and control the type of development that may occur on that land. The City could pursue land banking in two ways:</p> <ul style="list-style-type: none"> ▪ Purchase properties for the purpose of building affordable housing and convey that land to affordable housing developers. ▪ Provide funds to support land banking done by another organization, with the purpose of building affordable housing in the future. <p>Hood River has used land acquisition to support redevelopment by reducing or eliminating the land cost for private developers. The most recent example that the City has undertaken is stewarding the development of 780 Rand Road. The City purchased the property, issued a request for proposals (RFP) for development of affordable housing on the property, and selected a developer to develop housing. The City is currently working with the developer to prepare the property for development and applying for state and federal grants.</p>
<p>City Role</p>	<p>The City could have multiple roles for land banking, including:</p> <ul style="list-style-type: none"> ▪ City-led project with city-owned land banking (like Rand Road property). City can provide funds or land and help with parcel assembly. ▪ Partner-led project with a nonprofit developer or land trust in which City contributes funds or land to the project. City can contribute land to support the affordable housing development. <p>The City may participate in multiple projects over time that involve different types of land banking strategy. The City’s role may vary on different projects, such as assisting with land purchase and assembly, providing funding to support land purchase, or leading another development like 780 Rand Road that includes land banking as well as other strategies.</p>
<p>Partners</p>	<p>Religious institutions, employers, and other public agencies who may have surplus land from time to time. The City might enter a partnership with the Mid-Columbia Housing Authority, a nonprofit housing developer (such as the Columbia Cascade Housing Corporation [CCHC]), or a community land trust to develop housing that will remain affordable over a long period.</p>

Anticipated Impact	
Advancing the Initiatives	<p>Income: Emphasis on subsidies for projects below 60% of MFI, with potential for units up to 120% of MFI to be included (with smaller land write-downs). This may include development of permanent supportive housing, which provides housing and supportive services to residents.</p> <p>Housing tenure: Rental and Owner</p>
Housing Production Impact	<p>High. Relative to other tools, control of land allows for potentially big impact. Land can be acquired cost-effectively if purchased in economic down cycles when land is less expensive, and it can be used to leverage developer investment.</p>
Implementation	
Implementation Steps	<p>Immediate:</p> <ul style="list-style-type: none"> ▪ Identify the City’s land banking investment goals. The City’s broad goal is to efficiently use public resources to support affordable housing development, building on opportunities for affordable housing as they arise. More nuanced questions may arise, which may require a more nuanced understanding of City goals. For instance, is the City willing to donate land to a developer who is building a project that meets the City’s investment criteria or would the City need to sell it? ▪ Consider internal staffing capacity and roles to support land banking, with a focus on the ability to act quickly and flexibly when opportunities arise and seeking opportunities with partners. ▪ Determine potential funding sources. The most likely sources may be a combination of urban renewal, CET (likely a few years down the road when additional CET funding is available), and a GO Bond (if approved). ▪ Identify criteria for purchasing land for land banking and identify potential land that meets that criteria. The criteria could include lot size and ability to assemble adjacent properties, willingness of the owner to sell the property at appraised value, zoning, distance to key amenities, access to transit, or other criteria. ▪ Reach out to other public sector or private sector partners to identify whether they have surplus property that could be used for affordable housing development, identify financial resources the partner organizations could contribute, strategize on how to leverage funding, and consider opportunities for land purchase. ▪ Determine the City’s requirements for long-term affordability and how those requirements should be enforced (e.g., deed restriction) <p>Medium term:</p> <ul style="list-style-type: none"> ▪ Continue scanning the market for potential sites, once funding levels and sources have been determined and criteria have been considered. Partners in the private real estate market will be essential to help track and watch the market. ▪ Investigate off-market properties that could be acquired when funding is available. The City could work with a realtor to support this investigation.

	<p>Sites may include vacant land, properties that are correctly zoned but underutilized, or properties that could be redeveloped.</p> <ul style="list-style-type: none"> ▪ Assemble staff and funding so it can be proactive and deploy quickly when opportunities arise.
Implementation Questions	<ul style="list-style-type: none"> ▪ What City funding is available to support land banking? ▪ What partnerships or partnership opportunities can the City leverage to identify land that can be used for affordable housing development? For example, are there religious institutions or employers with land they are willing to contribute for affordable housing development?
Implementation Timeline	Currently ongoing and for foreseeable future
Funding or Revenue Implications	<ul style="list-style-type: none"> ▪ General Obligation Bond. Land acquisition can be some portion of the overall allocation. This source may come with its own locational or other criteria that the City will need to take into consideration. ▪ Construction Excise Tax. The City can use this source, but the statutory requirements for how funding must be allocated (if the CET is imposed on residential development) limit the amount of CET that can be used for land acquisition. In addition, there is limited capacity for CET given the City’s recent purchase of 780 Rand Road. ▪ Urban Renewal. TIF can only be used for property acquisition projects inside the URA boundary.

C

Establish the Nonprofit Low-Income Rental Housing Tax Exemption

<p>Rationale</p>	<p>One way to make affordable housing projects more feasible for nonprofit affordable housing developers is to lower operational costs, such as property tax costs. Affordable housing owned by a public agency is already exempt from all property taxes, and nonprofits can partner with public agencies to get a tax exemption in some cases. However, this adds complexity to the development. This program would reduce development barriers and lower operating costs for publicly subsidized affordable housing (affordable at 60% of MFI or below).</p>
<p>Description</p>	<p>This program offers one of few options for nonprofit affordable housing development to receive a property tax exemption without partnering with the housing authority. It is best for reducing operating costs for publicly subsidized affordable rental housing developed by nonprofits.</p> <p>What does the exemption apply to? It applies to rental housing for low-income persons that is owned, being purchased by, or operated by a nonprofit.¹² It can apply to land held for affordable housing development, existing affordable housing, or new construction. Both land and improvement value (if any) are exempt.</p> <p>How long does it apply? The property tax exemption can be granted for as long as the property meets eligibility criteria, but the property owner must reapply on an annual basis to demonstrate ongoing eligibility. For land held for future affordable housing development, the City sets a limit on how long the exemption can apply, with the option for property owners to apply for an extension after that time.</p> <p>What taxing districts would participate? The property tax exemption only applies to City property taxes (which account for about 25% of property taxes in Hood River) unless the City gets affirmative support from at least 51% of overlapping taxing districts for the exemption to apply to their tax collections.</p> <p>What are the administrative requirements? This program requires little or no additional monitoring or enforcement of housing affordability because eligibility is limited to nonprofit affordable housing providers and the annual application process (which can be done with a relatively simple form, filled out and notarized by the applicant) provides evidence of eligibility.¹³</p>

¹² Incomes must be at or below 60% of MFI to start and up to 80% of MFI in subsequent years. Recent state legislation allows these properties to use income averaging, as allowed by the US Department of Housing and Urban Development, so that the average income for the property is at or below 60% of MFI.

¹³ The application must describe: the property for which the exemption is requested; the charitable purpose of the project; whether all or a portion of the property is being used for that purpose; how the tax exemption will benefit residents; and how the corporation and the property meet any additional local criteria. It must include a certification of income levels of low income occupants and a declaration that the corporation has been granted exemption from income taxation under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) or 501(c)(4) of the Internal Revenue Code.

City Role	Develop ordinance, ongoing implementation through annual application process
Anticipated Impact	
Advancing the Initiatives	Income: 60% of MFI and below ¹⁴ Housing tenure: Rental
Housing Production Impact	Low. The exemption will provide more flexibility for developers of subsidized housing in Hood River to obtain a tax exemption but will not induce housing production on its own.
Implementation	
Next Steps	<ul style="list-style-type: none"> ▪ Conduct Council work session. ▪ Prepare ordinance for Council consideration. ▪ Adopt ordinance or resolution that addresses the provisions of ORS 307.540 to 307.548 to establish the program locally. The statute contains definitions, eligibility criteria, application procedures, and requirements for how the City must review applications and provide notice to the assessor. The City must choose between two available definitions of “low income” provided in statute and set a time limit on the duration of the exemption for land held for future affordable housing (if desired), but the statute provides little else about the program that the City must design. ▪ Conduct outreach with overlapping taxing districts to build support for extending the tax abatement to their tax rolls. This outreach should begin prior to City adoption, but the City may adopt the program for its own taxes with or without support from other taxing districts. The taxing districts that grant exemption (in addition to the City) will be limited to those districts who agree to the exemption, unless the boards of districts representing at least 51% of combined levy agree to the exemption, in which case all districts are included. This 51% could be met by the City in combination with the School District. ▪ Develop application form.
Implementation Timeline	The strategy upon initiation could be completed within six months (or less) as a stand-alone effort.
Funding or Revenue Implications	Nonprofit developers can obtain an exemption through other means (thus reducing revenues to overlapping taxing district), but this could streamline the process because developers would not need to work with the housing authority.

¹⁴ Incomes must be at or below 60% of MFI to start and up to 80% of MFI in subsequent years. Recent state legislation allows these properties to use income averaging, as allowed by the US Department of Housing and Urban Development, so that the average income for the property is at or below 60% of MFI.

D Provide Direct Project Subsidies for New Construction

Rationale	Building affordable housing often costs more than the available funding for the development, leaving a funding gap. Affordable housing developers may need flexible subsidies to fill funding gaps.
Description	<p>The City can help reduce the funding gap by providing direct subsidies to support development of multifamily rental, middle housing, and affordable ownership projects that are affordable to families making up to 120% of MFI in the long term. These subsidies could fund on-site infrastructure (such as internal roads or utility connections), predevelopment costs (e.g., due diligence), serve as lower-cost capital for construction financing (with lower interest rates), or provide direct up-front grants during the development phase in exchange for deeper levels of affordability. The City could fund these using tax increment financing in the proposed Westside Urban Renewal District or an existing urban renewal district, or through a General Obligation Bond.</p> <p>The City already supports long-term publicly subsidized affordable housing by exempting Systems Development Charges for low-income housing that receives federal funding and has at least a 40-year affordability period, per HRMC 12.07.090. The City is directly subsidizing the in-process development of 129 affordable units at 780 Rand Road.</p>
City Role	The City would provide direct funding to support affordable housing development.
Partners	Housing developers, Housing Authority; Urban Renewal Agency
Anticipated Impact	
Advancing the Initiatives	<p>Income: Majority of the subsidies should support units serving 60% of MFI, with support for mixed-income projects serving up to 120% of MFI.</p> <p>Housing tenure: Both rental and ownership</p>
Housing Production Impact	Medium. Depending on the level of funding, the City’s ability to provide locally generated gap funding could help to attract more affordable housing producers to the area.
Implementation	
Implementation Steps	<ul style="list-style-type: none"> ▪ Determine type(s) of new construction subsidy the City will offer: (1) new multifamily rental housing, (2) new affordable missing middle and manufactured, or (3) on-site infrastructure development. ▪ Determine level of affordability the City will prioritize for funding. The options are (1) publicly subsidized housing affordable to households earning less than 60% of MFI, (2) low- and moderate-income affordable housing affordable to households earning between 60% and 120% of MFI, or (3) both.

	<ul style="list-style-type: none"> ▪ Identify requirements the City should have for long-term affordability. ▪ Quantify the level of subsidy the City is willing to commit to on any given project. Should there be a cap on direct project subsidy investments for any one site or a cap based on funding per new dwelling unit? ▪ Identify funding levels available in the proposed Westside Urban Renewal District and other funding opportunities, such as a General Obligation Bond. ▪ Identify specific types of projects to grant direct project subsidies through urban renewal or GO Bond. This process may involve developing criteria to guide project subsidy investments (other than those mentioned above), such as locations for project subsidy, size of development, distance to key amenities, access to transit, and other criteria. The City will need to discuss how equity is addressed in these criteria. ▪ Identify any requirements for development sustainability requirements, such as environmental sustainability or energy efficiency. ▪ Decide whether the City should offer system development charge (SDC) subsidies for development of housing affordable to households earning 60% to 120% of MFI. The City already exempts payment of SDCs for publicly subsidized affordable housing that receives federal funding where housing will remain affordable for at least 40 years (HRMC 12.07). The City Manager may defer payments of SDCs for housing, which could be granted for development of housing affordable to households earning 60% to 120% of MFI (HRMC 12.07).
Implementation Questions	<p>The City will need to clarify its investment criteria and level of subsidy by answering the following questions:</p> <ul style="list-style-type: none"> ▪ What level of affordability will the City prioritize for funding? The options are: (1) publicly subsidized housing affordable to households earning less than 60% of MFI, (2) low- and moderate-income affordable housing affordable to households earning between 60% and 120% of MFI, or (3) both. ▪ What equity considerations should the City use to evaluate eligible projects? Example considerations include how the City can work with stakeholders to understand how to best center community needs, align projects with other needs besides housing, identify and minimize unintended consequences, or attract/prioritize projects with multiple benefits. ▪ What requirements should the City have for long-term affordability? If the City is only subsidizing publicly subsidized housing, then the housing will remain affordable at 60% or less of MFI for 30 years because of requirements for state and federal funding. However, if the project includes a mix of incomes, then the affordability requirements could be more flexible. ▪ What level of subsidy is the City willing to commit to a given project? Should there be a cap on subsidies for any one site or a cap based on funding per new dwelling unit? ▪ What process will the City use to evaluate requests? The City will need to determine the process for approving requests and who will make these decisions. ▪ How will the City or URA make the funds available? The City will need to decide if the funds will be available on a first-come-first-serve basis.

Implementation Timeline	Heights Urban Renewal District – current & ongoing Westside Urban Renewal District – form district & plan before 12/31/2023 GO Bond - TBD
Funding or Revenue Implications	General Obligation Bond Urban Renewal (Urban Renewal funds could be used to contribute to projects that meet Urban Renewal goals)

E Support Housing Rehabilitation/Preservation

Rationale	Residents in low-cost market-rate housing may face rising prices or condition problems that make it unaffordable or uninhabitable. Making investments in existing buildings could provide a lower cost way to ensure preservation of affordability over time. The City should work with partners to preserve as many of these units as possible, as it is one of the most cost-effective ways to ensure affordability.
Description	<p>Part 1: STR License Update: “One Person, One License”</p> <p>The City of Hood River adopted Short-Term Rental (STR) regulations in 2016. These regulations require STRs to be the primary residence of the property owner in residential areas but allow second homes in commercial areas to be used as STRs with fewer limitations.</p> <p>These regulations have effectively halted the growth of STRs in Hood River and reduced neighborhood conflict. However, a concern raised at one of the stakeholder listening sessions is the conversion of existing multifamily long-term rental units into STRs in commercial zones. This trend represents a “backdoor” for multifamily complex owners to convert to de facto hotels without going through a land use process or meeting state standards, such as ADA access.</p> <p>A new policy or rule to limit the number of STR licenses to one per person would address this problem. This “one person, one license” policy will bar entire complexes owned by a single entity from STR conversion while enabling single-unit homeowners to continue to operate without change in commercial zones.</p> <p>Part 2: Support Existing Housing Preservation Efforts</p> <p>The most efficient way for the City to support the rehabilitation of existing housing may be to work with existing programs led by partner organizations. The City could fund the rehabilitation of existing low-cost market-rate units in exchange for an agreement to ensure housing remains affordable. Alternatively, the City could provide funding for its partners to purchase small multifamily structures for preservation. Eligible projects could include multifamily rentals, middle housing, manufactured homes, or single-family units for low-income owners or smaller multifamily buildings with relatively low rents.</p> <p>The City could consider directing funding toward:</p> <ul style="list-style-type: none">▪ MCCAC’s weatherization program, specifically (1) funding items that prevent an owner from using the weatherization program (e.g., pay for a cleaning crew, health-related improvements such as air quality) or (2) enhance MCCAC’s ability to hire contractors to do the weatherization work (training, gap funding to be competitive with private projects, etc.) or support hiring an in-house contractor▪ CCHC’s CDBG Regional Minor Home Repair application – the City could sponsor (as the local government grantee) and commit local resources as leverage to increase competitiveness of application. This can be in the form of rebates or any other funding assistance. The City can target resources to specific housing types (e.g., mobile homes); however, targets or local

	preferences need to be reviewed for compliance and administrative complexity.
City Role	<p>Part 1: STR License Update - Lead the legislative process to revise the Hood River Municipal Code Chapter 5.10 to limit short-term rentals in multifamily residential buildings in commercial zones.</p> <p>Part 2: Support Existing Efforts – Provide funding to support existing programs for major renovations to maintain affordability in City of Hood River.</p>
Partners	Mid-Columbia Housing Authority, Columbia Cascade Housing Corporation, Mid-Columbia Community Action Council, CLTs, other nonprofits, employers
Anticipated Impact	
Advancing the Initiatives	<p>Income: Primarily households with income from 60% to 80% of MFI</p> <p>Housing tenure: Likely mostly rental housing but may also be owner-occupied housing</p>
Housing Production Impact	Medium. Depending on the level of funding, the City’s ability to provide locally generated gap funding could help to spur housing preservation when it might not otherwise have occurred.
Implementation	
Implementation Steps	<p>Part 1: STR License Update</p> <ul style="list-style-type: none"> ▪ Initiate an update to the City’s existing Short-term Rental (STR) regulations to limit the number of STR licenses to one per person in commercial zones. <ul style="list-style-type: none"> ▪ Hold Council work session for scoping ▪ Draft Ordinance for Council consideration ▪ Adopt ordinance to implement the rule change <p>Part 2: Support Existing Efforts</p> <ul style="list-style-type: none"> ▪ Initiate additional conversations with potential partners: <ul style="list-style-type: none"> ▪ MCHA, CCHC, MCCAC ▪ Employers ▪ Nonprofits ▪ Community Land Trusts ▪ Determine potential City role in supporting existing efforts. ▪ If the City moves forward with supporting existing efforts, determine the long-term affordability expectation and depth of affordability required.
Implementation Questions	<p>The City would need to answer the following questions, which may have different answers for each preservation project:</p> <ul style="list-style-type: none"> ▪ What are the opportunities for working with partners who may lead preservation efforts?

	<ul style="list-style-type: none"> ▪ What are the first steps for contributing to preservation efforts? ▪ Are there specific opportunities that the City could explore? ▪ Does the City want to contribute money to fund preservation in collaboration with existing building rehabilitation programs?
Implementation Timeline	<p>Part 1: STR License Update – “One Person, One License” – 2022</p> <p>Part 2: Support Existing Efforts – Once funding source(s) are known</p>
Funding or Revenue Implications	<ul style="list-style-type: none"> ▪ A General Obligation Bond could include preservation projects as eligible investments, which would cost less than new housing to preserve as affordable housing. ▪ Urban Renewal could help to fund preservation projects within the urban renewal boundary

F

Develop an Affordable Housing Ordinance

Rationale	Feedback from the Task Force, developers (of both affordable and market rate housing), and City staff experience with housing development suggests that there are regulatory barriers to developing housing that should be addressed. Regulatory barriers can slow or prevent development of housing, including affordable housing, that is often associated with competitive and fixed funding cycles. Through the use of clear and objective standards and process reform the City can reduce risk, uncertainty, and time required for development review.
Description	<p>Regulatory barriers to affordable housing are a key concern in Hood River and across the State. In 2017, Oregon passed Senate Bill 1051, which prevents cities from denying housing developments that comply with clear and objective standards. Then the Oregon Legislature adopted Senate Bill 8 to require Oregon cities to not only approve certain affordable housing developments but ensure they are allowed density and height bonuses. Some of the allowable densities under Senate Bill 8 would be a significant departure from Hood River’s current land use code.^{15,16} For example, Senate Bill 8 could result in allowing residential buildings in the C-2 zone as tall as 71 feet (more than twice the height currently allowed for residential development).</p> <p>In response to input about reducing regulatory barriers and uncertainties surrounding the impact of state-level initiated reforms, the City can develop its own local Affordable Housing Ordinance to expedite the review and approval of affordable housing development in Hood River, subject to clear and objective development standards tailored to meet the needs and impacts of affordable housing and be shaped to reflect Hood River’s own circumstances, policies, and values. An Affordable Housing Ordinance may incent developers to propose projects that better fit development patterns in Hood River, increase a project’s</p>

¹⁵ The following is the League of Oregon Cities summary of Senate Bill 8:

SB 8 requires local governments to approve the development of certain affordable housing, and not require a zone change or conditional use permit, on land zoned to allow commercial uses, to allow religious assembly, or as public lands. Qualifying land may be owned by a public body or a religious nonprofit. The bill applies to property zoned to allow for industrial uses only if the property is publicly owned, adjacent to lands zoned for residential uses or schools, and not specifically designated for heavy industrial uses. These requirements do not apply to land that a local government determines lacks adequate infrastructure, or on property that: contains a slope of 25% or greater; is within a 100-year floodplain; or is constrained by state land use regulations based on natural disasters and hazards or natural resources. Local governments may still impose development requirements based on siting and design standards and building permits.

SB 8 also includes a statewide density bonus for affordable housing in areas zoned for residential use. A local government may reduce the density or height of a development as necessary to address a health, safety or habitability issue, including fire safety, or to comply with a protective measure adopted pursuant to a statewide land use planning goal. Finally, the bill broadens the ability of applicants developing affordable housing to obtain attorney fees in prevailing appeals before LUBA. SB 8 was signed into law on June 23, 2021, and the bill goes into effect on January 1, 2022.

¹⁶ To read the full text of Senate Bill 8, use the link below.

<https://olis.oregonlegislature.gov/liz/2021R1/Downloads/MeasureDocument/SB8>

	<p>competitive advantage for funding, and deemphasize the need for using Senate Bill 8. An Affordable Housing Ordinance can permit affordable housing as a use by right, similar to the process used to review housing developed using the Middle Housing Code, single family dwellings, or duplexes.</p> <p>Given the complexity of developing a local affordable housing ordinance and limited staff capacity for legislative efforts, this concept may be considered as a stand-alone effort or be included as part of the City’s plan to update Hood River’s development code to include clear and objective standards for all housing, a project already on the Council’s work plan.</p>
City Role	Lead the legislative process to revise the Hood River Municipal Code where it relates to the development of housing.
Partners	N/A
Anticipated Impact	
Advancing the Initiatives	<p>Income: All income levels, with a focus on affordable housing development for households with income below 120% of MFI</p> <p>Housing tenure: Owners and Renters</p>
Housing Production Impact	High. Revision of the zoning code to include clear and objective standards will make it easier to build all housing in Hood River.
Implementation	
Next Steps	<ul style="list-style-type: none"> ▪ Immediate actions: Scope the project with Council to determine whether to pursue an affordable housing ordinance as a stand-alone effort or to evaluate for inclusion in a development code update. ▪ Medium-term actions: Depending on project scope, take steps to hire a consultant to audit the development code to determine scope of code updates, or take steps to draft stand-alone affordable housing ordinance. Discuss potential amendments through Council workshop process and provide opportunities for public input. ▪ Long-term actions: Implement the amended development code through development review. Monitor utilization of the incentives and ask for feedback from developers who may have considered the incentives. Test example developments for what other code amendments may be needed to make the density bonuses and parking reductions more effective.
Implementation Questions	<ul style="list-style-type: none"> ▪ What regulatory changes should be part of the affordable housing ordinance? ▪ What level of affordability will this ordinance apply to? ▪ What requirements, if any, should the City make for long-term affordability and how should those requirements be enforced (e.g., deed restriction)?

	<p>Should the ordinance include a commitment to faster review by the City? If so, the City will need to answer the following questions:</p> <ul style="list-style-type: none"> ▪ Project qualifications: affordability level, duration of affordability, mechanism for enforcement, property ownership, location or zoning ▪ Development standards: parking, density, height, site design requirements, building design review and requirements, sustainability or environmental.
<p>Implementation Timeline</p>	<p>The project, upon initiation could be completed within a calendar year as a stand-alone effort, or if incorporated into a larger code update, would be evaluated as part of a greater project that will span at least two years.</p>
<p>Funding or Revenue Implications</p>	<p>Approximately \$50,000 for consultant services in addition to staff time for audit of more comprehensive development code update. For stand-alone affordable housing ordinance, project could be led by City staff as time allows.</p>

G

Establish a New Urban Renewal District

Rationale	Urban renewal provides a flexible funding tool that can support many of the key strategies identified in the Housing Production Strategy. Since political and geographical barriers direct Hood River’s growth to the west, a new Westside Urban Renewal District could provide a place for much of the city’s household growth over the next few decades. If the City prioritizes affordable housing in a new urban renewal plan, focusing investments on this area could help to reap a substantial amount of new affordable units.
Description	<p>The City of Hood River is exploring the implementation of a new 445-acre Westside Urban Renewal District. Affordable housing is a key project that could be funded in this area, alongside transportation connections, new parks, and trails. In exploring this new Urban Renewal District, the City is implementing several key plans, including the Westside Area Concept Plan, Multi-jurisdictional Parks Master Plan, 2015 Housing Needs Analysis, and 2020 Transportation System Plan Amendment. Each of these plans identified tens of millions of dollars in “off the shelf” capital investments that could help spur new development in the Westside.</p> <p>The existing Heights Urban Renewal District can provide opportunity to support affordable housing development as well.</p>
Funding Objectives	A. Off-Site Subsidies, B. City-Led Land Banking, D. Direct Project Subsidies, E. Housing Rehab/Preservation
City Role	The City Council would adopt and the Urban Renewal Agency Board would implement the plan.
Partners	Overlapping taxing districts, property owners, developers
Implementation	
Next Steps	<ul style="list-style-type: none"> 2022: Create and adopt Urban Renewal Plan; consult with partner taxing districts; form urban renewal district; include direct project subsidies and off-site infrastructure investments as eligible project categories 2023: The City could begin borrowing immediately upon district formation if loans are secured by the City’s full faith and credit. If the Plan is in effect by December 31, 2023, first year of increment will be FY2024-25.
Implementation Timeline	If adopted in 2022, the Urban Renewal Agency could bond immediately if the City pledged its full faith and credit.
Considerations and Potential Risks	<ul style="list-style-type: none"> By including affordable housing in the urban renewal plan, the City should identify whether it wants to set unit production and affordability targets over time or simply include affordable housing as an eligible project category.

	<ul style="list-style-type: none"> ▪ If growth slows down or the market turns, property owners may not want to develop on the same time frame as identified in the urban renewal plan timeline. ▪ The Westside Urban Renewal District currently includes yet-to-be-annexed portions of unincorporated Hood River County. Including these areas will require formal approval by the Hood River County Board of Commissioners. ▪ Investment can only occur within the Urban Renewal District. ▪ In many cases, affordable housing projects are tax exempt, and therefore do not contribute to the growth of tax increment revenues. Investments should be made with this trade-off in mind.
<p>Funding or Revenue Implications</p>	<p>For planning purposes, the City estimates that the Urban Renewal District will generate \$88 million in money for projects over its life span (in 2022 dollars). The share available to support housing could be approximately \$20 to 25 million (28% of total), as well as about \$48 million to support off-site infrastructure investments (55% of total).¹⁷ The potential maximum indebtedness for the URA could be from \$40 million to \$101 million in today’s dollars, depending on growth assumptions, boundaries, and the acceptable life span of the district.</p> <p>The funds generated in the URA could be used to support staffing for implementing the Urban Renewal Plan.</p>

¹⁷ Based on March 14, 2022, memo “Concept Westside District Project Strategies – Discussion” by Elaine Howard Consulting, presented to Hood River City Council

H Pursue a General Obligation Bond

Rationale	A General Obligation (GO) Bond could provide a stable, dedicated revenue source to fund infrastructure to support affordable housing, land acquisition, property acquisition, and direct project subsidies through increased property tax rates. It is the primary funding source that could directly support housing below 60% of MFI.
Description	GO bonds are issued for a specific dollar amount and paid for over the period of the bond through increased property taxes. Because they are legally limited to use for capital investments and require a public vote to enact, these bonds are typically used for major infrastructure investments (such as roadway improvements that benefit all, or nearly all, of a city's residents). However, GO bonds can be used for land acquisition or affordable housing development if the city's residents agree to fund them. Bonds cannot be used for supportive services or for operations. GO bonds are not subject to Measure 5 and 50 rate limits. They can be structured to provide revenue in increments over time, rather than in one large up-front amount.
Funding Objectives	A. Off-Site Subsidies, B. City-Led Land Banking, D. Direct Project Subsidies, E. Housing Rehab/Preservation
City Role	Develop funding plan, conduct polling/engagement, develop ballot initiative, implement projects (if successful)
Partners	Hood River voters, Mid-Columbia Housing Authority, Community Land Trusts
Implementation	
Next Steps	<ul style="list-style-type: none"> ▪ Determine who would lead the bond effort: The City of Hood River could issue a GO Bond, subject to voter approval, or participate in a countywide general obligation bond. There are benefits to Hood River to participating in a countywide bond. In particular, the City's cost of pursuing the bond (which requires a public vote) and administering a program would be lower. ▪ Poll potential voters on project interests. What are the implications of a new GO bond for Hood River's property taxpayers? ▪ Determine desired projects to fund, based on polling results. Should the bond be focused on (1) funding affordable housing projects only (and how much) or (2) affordable housing subsidies and off-site infrastructure investments to support development (and how much)? ▪ Determine reasonable dollar amount for the bond, given the public priorities and funding appetite. ▪ Determine potential City contribution for direct project subsidies. How many units might be acquired or built at various funding levels?

	<ul style="list-style-type: none"> ▪ Consider an equitable distribution of funding. While urban renewal focuses on specific geographic areas, GO Bond funds could be used citywide, which requires the City to think about equitable distribution of the funding. ▪ Timing – Identify appropriate election date to place a bond on the ballot.
Implementation Timeline	Timeline to be determined through additional discussions and Council work plan priorities. At a minimum, the City would start polling and planning for the bond in 2023.
Considerations and Potential Risks	<ul style="list-style-type: none"> ▪ A GO Bond requires a citywide vote. Voters could reject this approach, especially if they view that the projects would not benefit them. ▪ City has more work to do to understand voter opinions, equity considerations, and targeted projects to fund ▪ What are the implications of a new GO bond for Hood River’s property taxpayers? ▪ Identify competing funding measures to assess voter fatigue
Funding or Revenue Implications	<p>Metro Portland passed Measure 102, authorizing a \$653 million GO Bond to build affordable housing, expected to raise Metro area taxes by \$0.24 per \$1,000.¹⁸</p> <p>If the City voters approved similar levy rate to the Metro Bond, the City could generate \$4.1 million (for 20-year bonds) or \$9.0 million (for 30-year bonds), assuming a 3.5% interest rate and 4% annual growth in assessed value.</p> <p>If the rate was increased to match the City’s expiring Fire Station GO Bond, \$0.62 in FY2021-22, the bond size would be \$10.7 million over 20 years or \$23.4 million over 30 years</p>

¹⁸ Source: https://www.oregonlive.com/politics/2018/11/2018_metro_affordable_housing_bond.html

Other Issues and Recommendations

The strategies and funding sources discussed above constitute the major recommendations for strategies to support affordable housing development. Discussions with the Task Force and stakeholders resulted in identification of additional issues or tools that are not accounted for in those strategies. The City can pursue these additional recommendations, outlined below, depending on Council interest and as resources allow.

- **Staff capacity.** An important barrier to implementing the strategies and recommendations in this section is insufficient staff capacity. Hood River’s existing staff lack the capacity to take on all the activities outlined in this document.
Recommendation: Evaluate adding a housing program manager or housing analyst and increasing engineering staff capacity.
- **Improve Communications and Outreach.** A challenge to supporting affordable housing development is making sure that decision makers, stakeholders, and the community have a common understanding of the problem. The City could undertake efforts to increase community outreach, especially with groups who are underrepresented in community conversations and are hard to reach, such as the Latino community. Through this effort the City could provide opportunities for community members to share their stories of housing problems, documenting them in a way to tell the story of unmet housing needs by people who live in Hood River. The City could also provide information to community members about existing programs and actions the City has taken to address affordable housing.
Recommendation: Establish regular outreach efforts to underrepresented communities to provide opportunities for feedback about unmet housing needs and provision of information about housing programs. Staff could tell the stories of underrepresented communities in a report (or an ongoing report) to City Council about unmet housing needs.
- **Funding Opportunities.** Discussions with stakeholders indicated that some employers and perhaps other organizations would be interested in contributing funds for development of affordable housing. While there may be willingness to contribute funds or land to support affordable housing, it may take significant work to make these opportunities reality. The City might need to work with multiple employers to generate significant funding and each employer may have their own requirements for contributing funding. If there are other individuals or organizations in Hood River that want to contribute funds or land, the City would also need to seek them out and negotiate for those donations. The largest barrier to this type of fund and resource raising is lack of staff capacity.
Recommendation: Evaluate whether the City wants to dedicate staff time to seeking affordable housing funding and land donations.
- **Construction Excise Tax.** The City has an existing Construction Excise Tax (CET), which is levied on new residential, commercial, and industrial development. The City is using

CET to fund development of 780 Rand Road. The City already charges the maximum allowed by State law for new residential development (1% of the permit valuation). The City currently charges a CET of 1% of commercial and industrial permit values. The City could increase the CET it charges for commercial and industrial development, as there is no restriction in State law for CET on these uses. An additional 1% charge on commercial and industrial development would average approximately \$45,000 per year in additional CET revenue.

Recommendation: Evaluate increasing the CET for commercial and industrial development.

- **Search for Other Sources of Dedicated Revenue for Affordable Housing.** The report includes several strategies intended to support affordable housing. Exhibit 11 presents additional funding sources that could be used to fund affordable housing development. While some of these sources are not currently viable sources of new funding for affordable housing, some of them could be feasible in the future. For example, if the State changes marijuana tax rates that cities can charge, Hood River could increase its marijuana tax rate and use the additional revenue to support affordable housing development. The City may want to work with other cities and the League of Oregon Cities for changes to Oregon laws to allow for vacant (or second home) tax or a real estate transfer tax.

Recommendation: Continue to identify additional dedicated revenue to support affordable housing development.

- **Support for Existing Programs for Housing Preservation.** The strategies do not include recommendations for programs that duplicate existing programs in Hood River. For example, Mid-Columbia Community Action Council has a weatherization assistance programs and Columbia Cascade Housing Corporation has a home repair program and a down payment assistance program. These programs aid lower-income households to preserve existing housing and help with homeownership. Rather than develop its own programs, the City could devote funding and staff capacity to supporting and growing these local programs. The City will need to be in a position to provide this support through identifying funding, such as an increased CET or GO Bond. For example, the City could support CCHC's down payment assistance programs with the goal of advancing shared equity homeownership opportunities (e.g., community land trust) in the City of Hood River.

Recommendation: Evaluate opportunities to support existing programs that support the City's goal of preserving existing affordable housing and possibly developing new affordable housing.

- **Preservation of Manufactured Home Parks.** The City has explored a role in preserving existing manufactured home parks that may be for sale. The City could help residents form a resident-owned cooperative to purchase the manufactured home park by contributing resources (such as funding and staff assistance) to convene.

Recommendation: Continue to explore opportunities to support preservation of existing manufactured home parks.

- **Long-Term Affordability Requirements.** As discussed in the strategies, new publicly subsidized affordable rental units are typically required to remain affordable for 30 years (because of requirements of the Low-Income Housing Tax Credit program). Community Land Trusts (who could be key partners in affordable homeownership housing) usually have long-term affordability requirements past first sale. Beyond developments that include one of those options, the City will need to decide if it will require long-term affordability. If so, the City could implement a deed restriction, which would require ongoing administration and could take substantial amounts of staff time. Alternatively, the City could partner with a nonprofit who could use their own enforcement mechanisms to ensure affordability.

Recommendation: Evaluate whether the City wants to require long-term affordability for projects that do not have an existing mechanism to ensure long-term affordability. If the City does want to make this requirement, the City should either ensure there is sufficient staff time or partner with a nonprofit to monitor and ensure long-term affordability requirements are met.

- **Systems Development Charges (SDC).** As discussed in prior sections, the City already exempts publicly subsidized housing from paying SDCs and policies to allow for deferment of SDC payments. The City should consider whether it wants to subsidize SDCs for development of other types of affordable housing, such as housing that is affordable to households earning 60% to 120% of MFI. The trade-off in “exempting” some development from paying SDCs is that the SDCs need to be paid for some way, either by the City paying the SDCs using a funding source such as CET or Urban Renewal or by increasing SDCs for all other new housing development. In addition, the City will need to decide whether to require long-term affordability for housing when SDCs are exempted. As discussed above, the long-term affordability of publicly subsidized housing is generally guaranteed for 30 years and CLTs usually ensure housing remains affordable past the first sale (and generally longer). In short, requiring long-term affordability beyond those two types of affordable housing will require either staff time or partnering with a nonprofit to ensure long-term affordability.

Recommendation: Evaluate whether to subsidize SDCs for housing affordable to households with incomes 60% to 120% of MFI.

- **Short-Term Rentals (STRs) in Commercial Areas.** While the City has implemented regulations to limit STRs in residentially zoned areas, it allows unlimited STR licenses for housing units located in commercial areas (the C-1 and C-2 zones). The 2015 Housing Needs Analysis projects that a large amount of Hood River’s new multifamily units will be developed in commercial zones. The existing policy allows existing and newly developed multifamily housing in these areas to be used for STRs, rather than year-round residences. As more multifamily housing is built in commercial areas and if there continues to be high demand for STRs in Hood River, more of these units may be used for STRs. This would exacerbate Hood River’s deficit of rental housing.

Recommendation: Consider policies that limit or otherwise regulate the amount of STRs in commercial areas.

- **Explore the Creation of a Preference Policy for Building Occupancy.** A preference policy could give priority placement to certain housing applicants, which would be administered through referrals from local providers through a formalized relationship. Depending on the City’s equity objectives, those could be people who were displaced/at risk of displacement or local employees. An example of a preference policy in Oregon is at Festers Gardens in Yachats, Oregon, which had a workforce preference and zip code preference. If considering a preference policy, the City must carefully craft it to avoid violating the Fair Housing Act. The policy must not perpetuate segregation or have a disparate impact on people of color or other protected classes like families with children or persons with disabilities.

Recommendation: Discuss possible preference policy with organizations who have implemented such programs, such as CASA of Oregon or Farmworker Housing Development Corporation.

Appendix A: Hood River's Unmet Housing Needs

This chapter provides information to contextualize Hood River's housing needs. It provides an understanding of the issues, before solutions are proposed. This appendix draws its information and findings from other planning efforts, described in the main report. Where appropriate, this appendix also draws on information gathered through the City of Hood River's past engagement efforts with housing producers and consumers, including underrepresented communities.

As a part of providing context to better understand Hood River's housing needs, this appendix presents information about housing in Hood River for race, ethnicity, age, disability status, and other characteristics of the community to understand disproportionate housing impacts on different groups.

Demographic and Socio-Economic Characteristics Affecting Hood River's Housing Needs

This section describes unmet housing needs for people in Hood River by age, race and ethnicity, disability, household size and composition, and household income.

Data Used in This Analysis

Throughout this analysis data is used from multiple well-recognized and reliable data sources. One of the key sources for housing and household data is the US Census. This report primarily uses data from two Census sources:¹⁹

- The **Decennial Census**, which is completed every ten years and is a survey of *all* households in the United States. The Decennial Census is considered the best available data for information such as demographics (e.g., number of people, age distribution, or ethnic or racial composition), household characteristics (e.g., household size and composition), and housing occupancy characteristics. As of 2010, the Decennial Census

¹⁹ It is worth commenting on the methods used for the American Community Survey. The American Community Survey (ACS) is a national survey that uses continuous measurement methods. It uses a sample of about 3.54 million households to produce annually updated estimates for the same small areas (census tracts and block groups) formerly surveyed via the Decennial Census long-form sample. It is also important to keep in mind that all ACS data are estimates that are subject to sample variability. This variability is referred to as "sampling error" and is expressed as a band or "margin of error" (MOE) around the estimate.

This report uses Census and ACS data because, despite the inherent methodological limits, they represent the most thorough and accurate data available to assess housing needs. We consider these limitations in making interpretations of the data and have strived not to draw conclusions beyond the quality of the data.

does not collect more detailed household information, such as income, housing costs, housing characteristics, and other important household information. Decennial Census data is available for 2000 and 2010.²⁰

- The **American Community Survey (ACS)**, which is completed every year and is a *sample* of households in the United States. The ACS collects detailed information about households, including demographics (e.g., number of people, age distribution, ethnic or racial composition, country of origin, language spoken at home, and educational attainment), household characteristics (e.g., household size and composition), housing characteristics (e.g., type of housing unit, year unit built, or number of bedrooms), housing costs (e.g., rent, mortgage, utility, and insurance), housing value, income, and other characteristics.

This report uses data from the 2015-2019 ACS for Hood River and comparison areas primarily.²¹ Where information is available and relevant, we report information from the 2000 and 2010 Decennial Census. Among other data points noted throughout this analysis, this report also includes data from Oregon’s Housing and Community Services Department, the US Department of Housing and Urban Development, Redfin, Property Radar, Costar, and the City of Hood River.

This appendix presents a limited amount of data about Hood River’s demographics and housing need, focusing on housing affordability and a limited selection of demographic data not presented in prior reports. The Hood River Housing Needs Analysis (2015) and the Update on Housing Market and Demographic Changes in Hood River (2019) provide much more information about Hood River.²²

²⁰ The 2020 Census was completed at the end of 2020. However, extenuating circumstances delayed the release of the data and all data is not expected to be available until the summer of 2021 at the earliest, which does not align with the completion time frame of this report.

²¹ The 2015-2019 American Community Estimates were released in mid-December of 2020, after the close of the data gathering window of this report.

²² The Hood River HNA is available from:

https://cityofhoodriver.gov/wp-content/uploads/bsk-pdf-manager/2019/03/19119_HoodRiverHNA2015Final.pdf

The Update on Housing Market and Demographic Changes in Hood River is available at:

https://cityofhoodriver.gov/wp-content/uploads/bsk-pdf-manager/2020/02/ECONW_HoodRiver_Dec2019_Final.pdf

Housing Affordability Considerations

This section describes changes in sales prices, rents, and housing affordability in Hood River and a comparison of geographies.

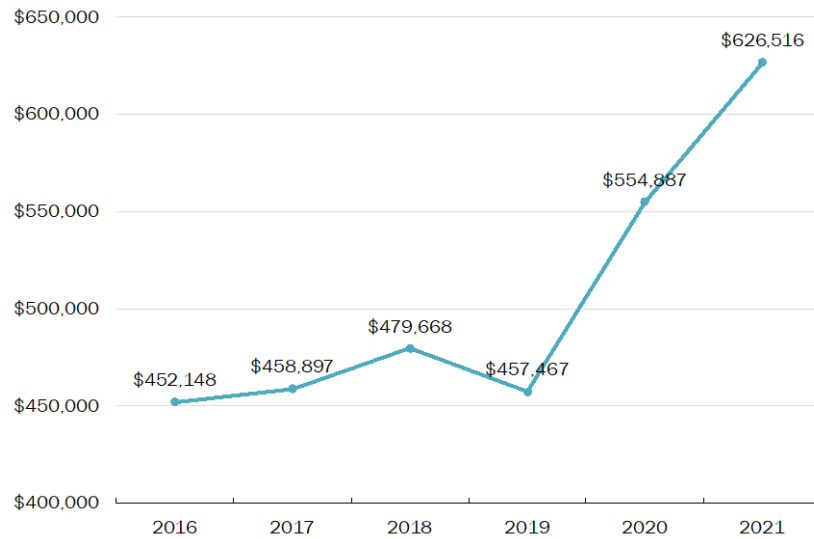
Housing Sales Prices

Sales prices have increased 72% between 2016 and 2021.

Between 2019 and 2021, sales prices increased by over \$174,000.

Exhibit 12. Average Home Sales Price, Hood River, 2016 to August 2021

Source: Redfin



Rental Costs

Rental data is limited for the City of Hood River, and through a series of interviews with local property management companies, ECONorthwest determined a range of likely rents for units by number of bedrooms across the city (Exhibit 13).

Rent prices for units ranged from \$750 to \$2,750.

Exhibit 13. Estimated Rental Costs by Size of Unit, Hood River, 2021

Source: Information from Hood River rental agencies: Nunamaker Property Management, John L. Scott and Gorge Rentals Property Management

# of Bedrooms	Price Range
Studio	\$750 – \$1,300
1-bedroom	\$900 – \$2,000
2-bedrooms	\$1,200 – \$1,800
3-bedrooms	\$1,200 – \$3,000
4+ bedrooms	\$1,600 – \$2,750

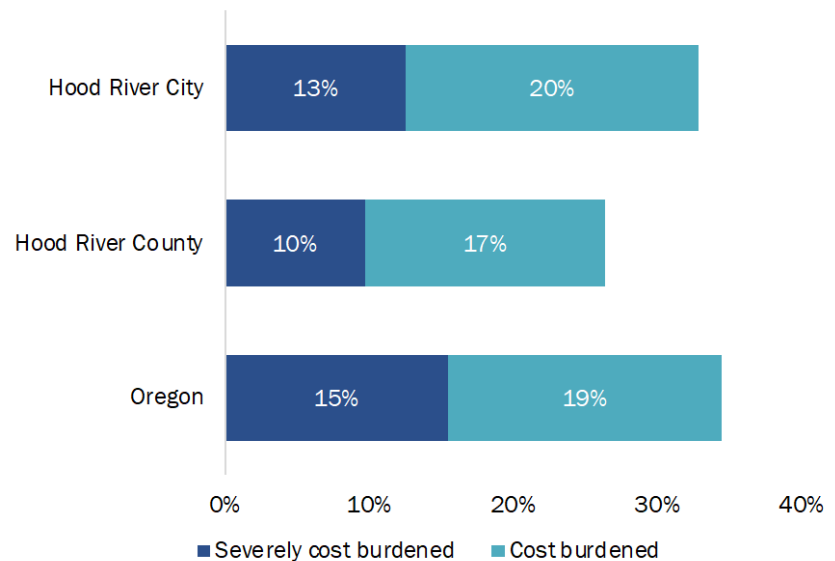
Housing Cost Burden

Overall, about 33% of all households in Hood River were cost burdened.

Hood River had a higher share of cost-burdened households compared to the County.

Exhibit 14. Housing Cost Burden, Hood River, Hood River County, Oregon and Other Comparison Cities, 2015-2019

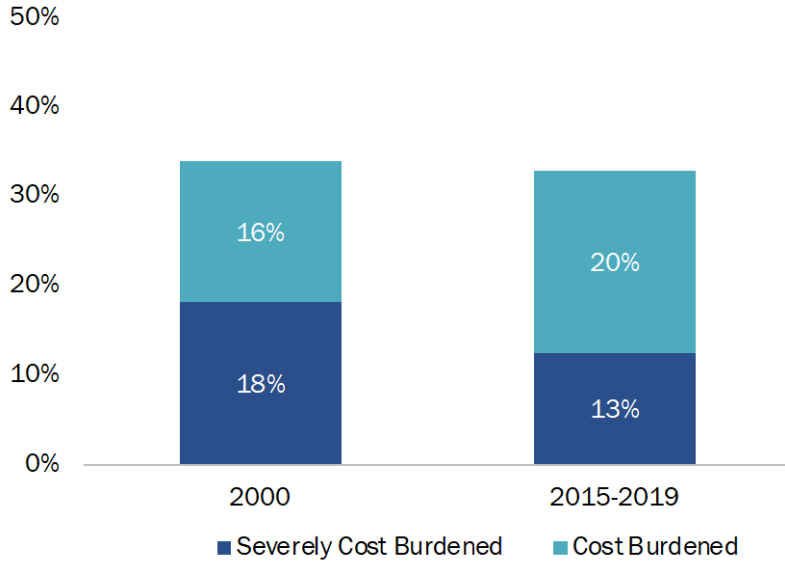
Source: US Census Bureau, 2015-2019 ACS Tables B25091 and B25070.



From 2000 to the 2015-2019 period, the number of cost-burdened and severely cost-burdened households decreased by 1% in Hood River.

Exhibit 15. Change in Housing Cost Burden, Hood River, 2000 to 2015-2019

Source: US Census Bureau, 2000 Decennial Census, Tables H069 and H094 and 2015-2019 ACS Tables B25091 and B25070.



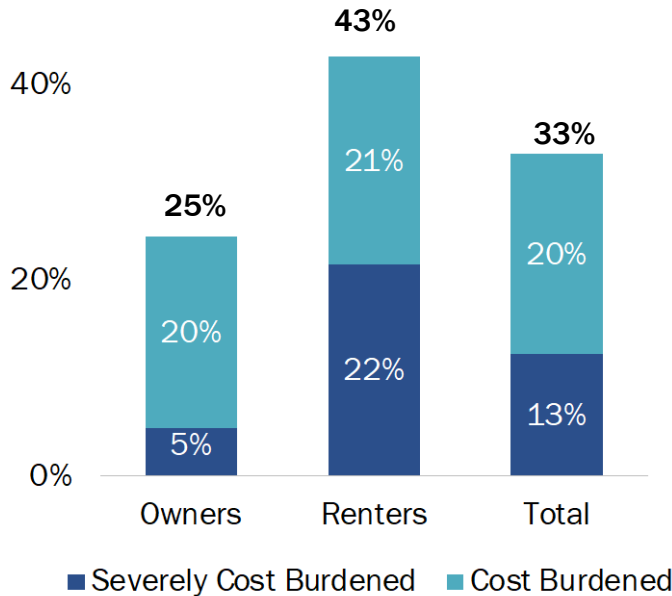
Renters are much more likely to be cost burdened than homeowners.

In the 2015-2019 period, about 43% of Hood River’s renters were cost burdened or severely cost burdened, compared to 25% of homeowners.

About 22% of Hood River’s renters were severely cost burdened (meaning they paid more than 50% of their income on housing costs alone).

Exhibit 16. Housing Cost Burden by Tenure, Hood River, 2015-2019

Source: US Census Bureau, 2015-2019 ACS Tables B25091 and B25070.



Most households earning less than \$35k are cost burdened.

Exhibit 17. Cost-Burdened Renter Households, by Household Income, Hood River, 2015-2019

Source: US Census Bureau, 2015-2019 ACS Table B25074.

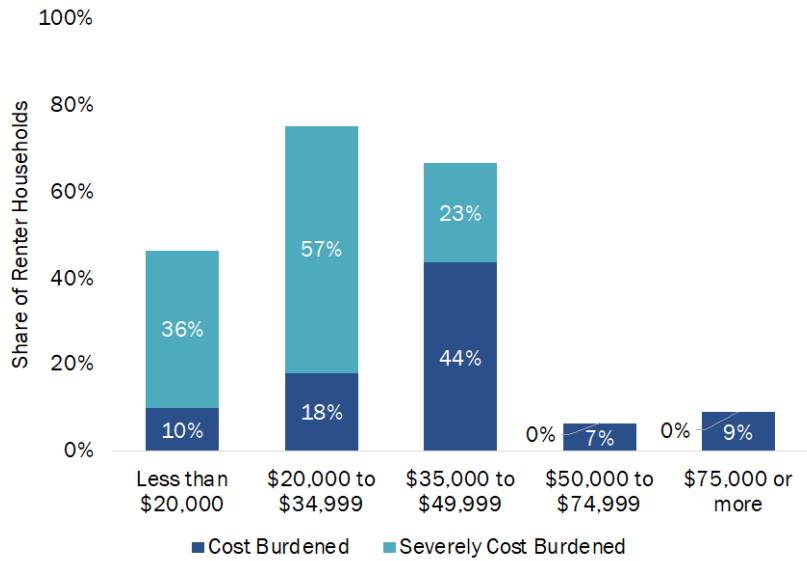
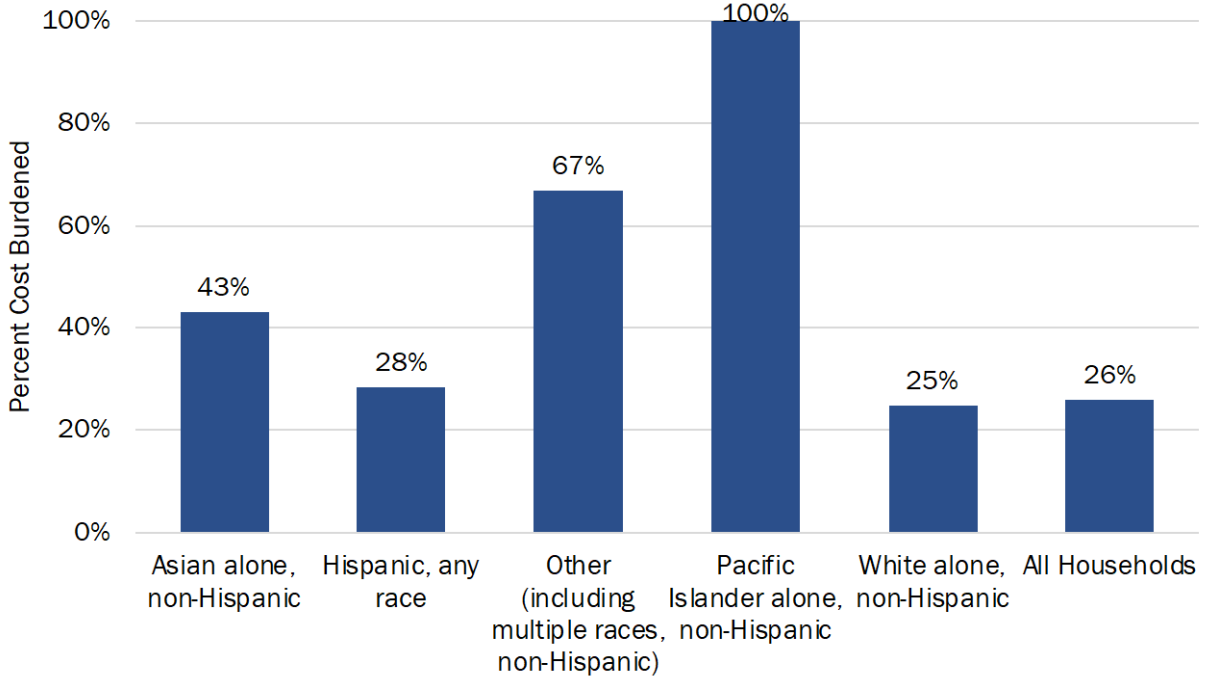


Exhibit 18. Cost-Burdened Households by Race and Ethnicity, Hood River County, 2013-2017

Source: CHAS 2013-2017



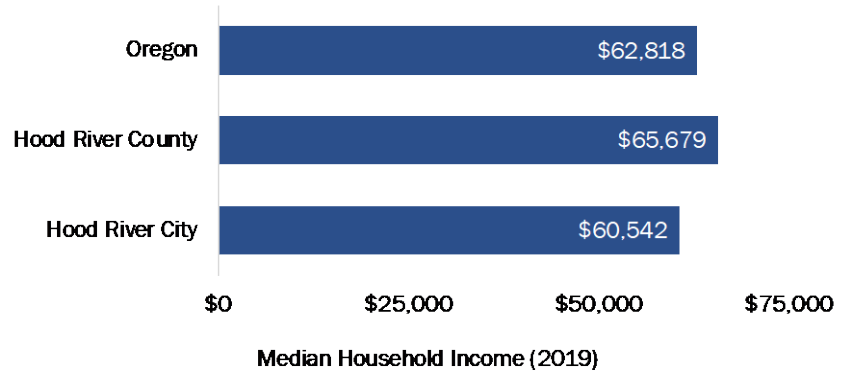
Household Income

Income is one of the key determinants in housing choice and households' ability to afford housing. Income for residents living in Hood River was lower than the County median income and the State median income.

Over the 2015-2019 period, Hood River's median household income (MHI) was \$5,137 less than the County's MHI.

Exhibit 19. Median Household Income, Oregon, Hood River City, Hood River County, 2015-2019

Source: US Census Bureau, 2015-2019 ACS 5-year estimate, Table B25119.

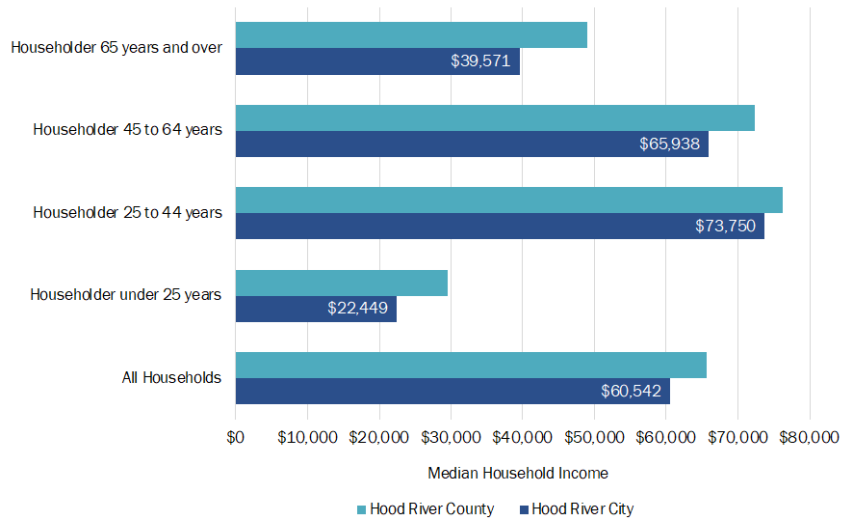


All age groups had median household incomes lower than the County.

Median household income was higher for householders who were 25 to 44 years old.

Exhibit 20. Median Household Income by Age for the Head of Household, Hood River, 2015-2019

Source: US Census Bureau, 2015-2019 ACS 5-year estimate, Table B19049



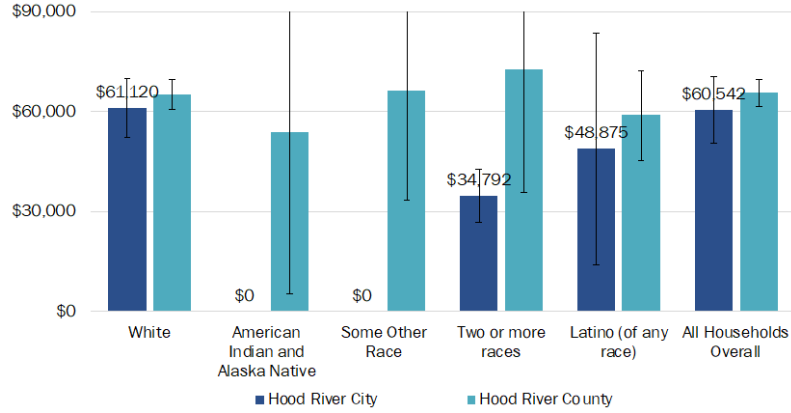
Household income varies among households with different races and ethnicities.

The largest community of color in Hood River is Latinos, who accounted for a bit more than 20% of Hood River’s population in 2019 and a bit more than 30% of Hood River County’s population in 2019.

In Hood River, median household income was proportionately higher for heads of households that identified as White and Some Other Race.

Exhibit 21. Median Household Income by Race and Ethnicity for the Head of Household, Hood River, 2015-2019

Source: US Census Bureau, 2015-2019 ACS 5-year estimate, Table S1901. Note: data was not available for heads of households identifying as a Native Hawaiian or Pacific Islander. Black bars denote the potential upper and lower bound of the estimate using the margin of error reported by the Census.



Appendix B: Equity Framework

The Hood River Affordable Housing Production Strategy has been developed using an equity framework to help the project team understand, analyze, and minimize inequities, barriers to opportunity, and disparities among different populations. The project team employed this framework throughout the project to ensure that incorporate equity considerations in the decision-making processes, including data analyses, findings, and recommendations. The equity framework is intended to improve equity outcomes as the Affordable Housing Production Strategy is implemented.

What do we mean by equity and equitable housing?

Equity

Equity is both an outcome and a process. As an “outcome,” equity means that race or other markers of social identity would no longer predict one’s life outcomes (for instance in health, socioeconomic advantages, educational access, life expectancy, etc.). Achieving that outcome remains a challenge because our economic systems were, often unintentionally, designed and built to maintain inequality—and they continue to do so.

To achieve equitable outcomes, equity is also a process that people undertake to better understand, question, and disrupt historical and contemporary oppressive systems and structures. We can use this process to create policies that are based in equal opportunity and resources, and we can ensure that those most impacted by policies and practices are meaningfully involved in their creation and implementation.

Equitable Housing

Equitable housing goes beyond affordability. It aims to ensure all people have housing choices that are diverse, high quality, energy efficient, physically accessible, and reasonably priced, with access to employment opportunities, services, and amenities. In Hood River, this includes reducing rates of cost burden and increasing access to homeownership, especially for low-income households and vulnerable groups such as Latinos and other communities of color, farmworkers, seniors, and workers with low pay such as caregivers, hospitality staff, and retail staff. This broad definition of equitable housing includes choices for homes to buy or rent that are reasonably priced (relative to income) and accessible across all ages, household sizes, abilities, and incomes and are convenient to everyday needs such as transit, schools, childcare, food, and parks.

Hood River’s goal is to support and increase equitable housing outcomes by developing an AHS that accounts for the needs of households with low income—such as communities of color,

farmworkers, and workers with low wages—recognizes and seeks to mitigate a history of housing discrimination and complies with current state and federal fair housing policy.²³

Equity Framework

The following exhibit provides an equity framework to increase the consideration of equity in both the project process and outcomes.²⁴ Creating equitable processes will help ensure that diverse and underrepresented communities (including vulnerable and low-income communities) are able to influence and inform policy and program development.

AHS Process		AHS Plan and Adoption	
Identify Unmet Housing Needs	Engagement Process	AHS Plan Development	Measurement and Analysis
Identify unmet housing needs, such as lower-income cost-burdened households Identify vulnerable people within Hood River who could benefit (about 65% of Hood River’s population)	Engage community members to learn about their priorities, needs, and challenges to affordable housing Use engagement findings to inform the development and implementation of the project Build community awareness and support through the engagement process	Identify outcomes within the AHS that respond to community needs and promote housing stability and choice, particularly for those households with the unmet housing need.	Develop measurements to understand the impact and progress toward increasing equity of the strategies

²³ Adapted from the Wilsonville Equitable Housing Strategy

²⁴ Adapted by ECONorthwest for the Hood River AHPS from “*Making Equity Real in Climate Adaptation and Community Resilience Policies and Programs: A Guidebook*,” The Greenlining Institute, August 2019.

Who is the focus of equity considerations for this project and why?

The strategies developed through this AHS are aimed at serving low- and moderate-income households and those earning less than 120% Median Family Income (MFI) because the Hood River housing data show a disproportionately large need for housing affordable at these income levels and a high share of cost-burdened households. The private housing market is not producing housing affordable to households with income of less than 120% of MFI. Households with the highest rates of cost burden are households with the lowest incomes, those with incomes below 50% of MFI (or \$38,400 for a family of four). The groups that fall into this category include Latinos and other communities of color, farmworkers, seniors, people with disabilities, families with children, and workers with low pay (such as caregivers, hospitality staff, retail staff, others).

How did we apply the framework to the Hood River AHS?

Given the demonstrated need for housing affordable for households below 120% of MFI (especially for households with income below 50% of MFI), the City Council directed the project management team that housing and income equity should be a central element of this project. This section describes how the Project Management Team (PMT), comprised of City of Hood River staff and the ECONorthwest consulting team, employed the equity framework throughout the AHS project development process and how equity can continue to be a central component through the course of project implementation.

Developing Equitable Goals, Vision, and Values

Identify where there are existing inequities and disparities

- **Define equity lens** – The PMT applied an equity framework during scoping to consider ways to incorporate and promote equity throughout every stage of the project, including structuring the Task Force, gathering and analyzing data, evaluating strategies, and producing the final deliverable.
- **Define target populations and associated housing needs** – After a review of current housing data, the PMT worked with City Council to identify housing needs in Hood River and the associated households, based on income levels, that should be the focus of the project. Given Hood River’s relatively small size, there is limited information available about communities of color, aside from the Latino population. The limited information shows that Latino households have lower than average incomes, at about 80% of the citywide average income. This project focuses on low- and middle-income households but also considers the housing needs of farmworkers and other groups, where information is available.

Identify vulnerable populations that the project seeks to benefit

- **Scope the project** – The scope of the project was limited to focus on producing housing affordable below 120% of MFI, where there is the greatest need and the most residents experiencing cost burden. The private housing market is not producing housing that is affordable (and remains affordable over the long term) for households with income below 120% of MFI.
- **Include approaches to mitigating displacement** – In addition to focusing on production of new housing, the PMT included a focus on affordable housing preservation strategies to avoid further displacement of residents.

Engagement Process

Engage community members to learn about their priorities, needs, and challenges to affordable housing

- **Recruit Task Force**– The Hood River City Council appointed interested community members, representing a wide range of perspectives, to the community advisory Task Force. Members of the Task Force include renters, housing advocates, service providers, employers, people with lived experience in publicly subsidized affordable housing, and other community members to ensure underrepresented voices are included in project outcomes. The Task Force included representatives from the Mid-Columbia Housing Authority, Columbia Cascade Housing Corporation, and Mid-Columbia Community Action Council.
- **Engage with service providers and public partners** – Through the course of the project, the City engaged agencies and organizations with experience working with vulnerable communities in discussions about opportunities to support development of affordable housing. These organizations include service providers (for seniors, health care, families with young children, native communities, farmworkers, and others) and partner public agencies (such as Hood River County, the Hood River School District, the Hood River Parks and Recreation District, the Port of Hood River, the CAT Transit District, and the Columbia Gorge Community College).
- **Discussions with stakeholders** – The PMT arranged discussion and listening sessions with stakeholder to solicit feedback from underrepresented communities in culturally appropriate settings. For example, the City engaged the Latino community in a Spanish language community workshop. In addition, the PMT engaged employers, affordable housing providers, and local housing developers in discussions about unmet housing needs.
- **Create a collaborative process** – The PMT developed and refined the list of strategies through a collaborative process with the Task Force, soliciting multiple rounds of feedback and providing additional information on strategies to Task Force members when requested.

Use engagement findings to inform the development and implementation of the project

- **Build community capacity** – The PMT aimed to build community capacity by educating Task Force members on housing programs by city and community organizations and encouraging members to share and discuss with fellow community members. In addition to encouraging informed discussions with community members, providing education can aid community members in influencing housing policy as the project and other housing efforts develop in Hood River.
- **Seek suggestions** – The PMT sought suggestions and ideas about potential strategies and implementation plans from the Task Force and the groups in the listening sessions, which informed the final AHS product.

Implementation

Identify outcomes that respond to community needs and promote housing stability and choice, particularly for those households with the greatest demonstrated housing need.

As the City moves toward implementation of the AHS, the project can continue to advance equitable outcomes that derive from inclusive processes. Some recommendations for equitable implementation include:

- **Identify funding and implementing projects that center community needs** – The AHS should prioritize funding and implementing projects that focus on community needs, especially for low-income households, including those identified through feedback from community engagement.
- **Identify and minimize unintended consequences** – For instance, further displacement of households with low- and middle-income could be a potential consequence of investment in particular areas. Implementation of the AHS should include a focus on preserving naturally occurring and publicly subsidized affordable housing.
- **Choose projects that involve multiple benefits** – The City could encourage location of affordable housing projects near active transportation routes and parks to promote public health and could promote engagement and contracting with women and minority-owned businesses during project implementation.
- **Continue education and communication** – As the City implements the AHS, they can provide continued opportunities to communicate and engage community members in the AHS implementation.

Measurement and Analysis

Create evaluation guidelines to measure impact and ensure equitable outcomes are achieved

The City should continue to track progress on equity goals as the AHS project is implemented. Some recommendations for measuring and analyzing progress include:

- **Develop and track metrics that reflect vision and goals** – The City should track metrics related to project goals to assess progress. This could include:
 - Number of new housing units produced that are affordable at each income level (below 50%, between 50 and 80 %, and between 80 and 120% of MFI)
- **Communicate progress** – The City should develop a plan to clearly communicate project process to stakeholders and community groups.
- **Promote transparency and accountability** – The City should be transparent in implementing AHS projects to allow stakeholders to understand how programs are being implemented and funds are being used, and it should promote opportunities for feedback on progress.
- **Provide annual written reports** – The City could publish annual (or biennial) written reports that summarize information about the location and footprint of projects funded by the City through CET or the other funding strategies included in the AHS, its objectives, status, and outcomes.
- **Implement the project in a flexible manner** – Whenever possible, the City should be flexible in project implementation to change course when not on track to meet equity outcomes.

Appendix C: Advisory Community Task Force Summary

At the outset of the project, the City Council formed an advisory community task force to provide important community feedback on strategies for this report. The City advertised the opportunity to serve on the task force in both English and Spanish via the City's website, social media, and direct outreach. The City received applications or interest from 34 people with myriad backgrounds and perspectives. The Council appointed 12 people from the pool of applicants who are representative of the community and with an interest in supported affordable housing including:

- Residents of workforce or income-restricted housing,
- Employers with workforces that are impacted by lack of local housing opportunities,
- Service providers that serve residents of affordable and area housing,
- Housing industry providers or producers, and
- Interest groups or informed housing advocates.

This Affordable Housing Production Strategy Advisory Community Task Force met via Zoom five times between September 2021 and March 2022 to discuss potential strategies and provide input on priorities. ECONorthwest staff led presentations and discussions at each of the meetings with City staff participating to answer questions. Meeting agendas and presentations are provided on the City's website.

Overall, the feedback from task force members included:

- The strategies should address the need for both rental and ownership units and a variety of unit types to accommodate different household sizes and stages of life.
- Identify who is impacted and why it matters to Hood River; connect the data to people in Hood River.
- Focus on realistic strategies with most impact and quick implementation
- Consider reducing/removing regulatory barriers – e.g., parking requirements, streamlining permit review.
- Help people retain and improve existing housing that is generally more affordable than new market-rate housing, including manufactured homes.
- Subsidies should correlate to affordability, with priority for the most affordable units.
- Mixed thoughts about whether to package a bond for affordable housing with other city needs.

- Consensus support for taking quick action to ensure long-term rentals in commercial zones are not converted to short-term rentals.
- Highest priority strategies: land banking, affordable housing ordinance, nonprofit tax exemption, and project subsidies for new construction.

In summary, the five Task Force meetings included:

Task Force Meeting #1 – September 15, 2021

Agenda

- Project overview – Project purpose, goals
- Task Force & Project Charter
- Discussion: Hopes for the Project; Concerns about the Project

Discussion Takeaways: Task Force members suggested the report connect the data to people and jobs in Hood River and to varying household sizes. Taskforce members expressed a desire that the project include: worker retention, actionable solutions for increasing density for market-rate and rental housing, more housing that is affordable and sustainable, accounts or stories of people in the community, clarity about how to explain the strategies, an increased focus on rental housing, improved assistance for people to get out of poverty, improved community attitudes and understanding about affordable housing, achievable incentives for affordable housing development, a broader outlook of what of home ownership can look like, and a focus on legally defensible strategies.

Task Force Meeting #2 – October 13, 2021

Agenda

- Overview of Existing Affordable Housing Programs – City & Partner Agencies
- Discussion: Potential Strategies

Discussion Takeaways: The Task Force members’ initial preferences for strategies included: tax exemptions and reduced parking requirements, land banking, Homebuyer Opportunity Limited Tax Exemption (HOLTE), Urban Renewal tax increment financing, land trusts, appropriate zoning (for increased density and multi-family residential), reductions in System Development Charges (SDCs) and permit fees, scaling SDCs to size of unit, increased Construction Excise Tax (CET), General Obligation bonds, density bonuses, expedited permitting, preservation and improvement of existing housing including manufactured homes, grants and loans for affordable housing, leveraging partnerships, and education about housing resources. Several members also asked questions about tiny homes and the City’s Rand Road development.

Task Force Meeting #3 – December 8, 2021

Agenda

- Introduction to Four Housing Initiatives and Strategies for each Initiative
 - Explore Opportunities for Affordable Homeownership
 - Remove Barriers to Producing Moderate-Income Rental Housing
 - Encourage New Regulated Housing Production
 - Preserve Existing Low-Cost Market Rate Housing
- Miro whiteboard tool for discussion
- Affordable Housing Ordinance concept

Discussion Takeaways: Task Force members wanted clarification about whether the initiatives are prioritized. Members expressed general support for the housing ordinance concept, recommended weighing subsidies more heavily toward more affordable (prioritize subsidies for lower-income levels), stated a need for some focus on housing just above 60% AMI, wanted to explore opportunities for loans to low-income people/access to capital, and voiced concern for the condition of existing mobile homes.

Moderate-Income Affordable Rental Housing (60-120%)

	Multiple Unit Property Tax Exemption	Land Banking	Infrastructure and Project Subsidies
How does it work?	Used to incent multifamily housing with particular features or at particular price points by offering qualifying developments a partial property tax exemption for 10 years (or longer, for housing subject to affordability agreements).	Expand the City's current efforts (e.g., Rand Road) to support housing development by reducing or eliminating land cost from development	Provides direct project subsidies to support infrastructure and project developments that meet affordable housing objectives.
Funding strategies	The City is not required to "backfill" funds foregone by MUPT. The City can select the number of projects to approve per year.	Urban Renewal GO Bond	Urban Renewal GO Bond CET
Affordability term	10+ years	Deed restriction or similar approach	Up to 50 years
Key questions remaining	Which taxing jurisdictions would be willing to participate? Would the City want to monitor compliance or offer MUPT in coordination with a nonprofit partner that would take on compliance role?	Where would the City seek out land? Would the City want to set up right of first refusal regulations?	What would be the eligibility thresholds? How would Urban Renewal and GO Bond projects interact? Under what conditions would the City grant SDC subsidies for this type of development?

Parking lot

NATE: different property tax assessment for MF developers

Potential Partnerships

- **Nonprofit developers.** Land write-downs (in parallel with a city land disposition strategy), permit fee or SDC subsidies, and outright subsidies.
- **Other partnerships?**

Nate: market rate apt dev't, hard to find comps for lenders, but now 40-50 being constructed

Nate: providing incentives to overcome small feasibility gaps can help the City overall with its housing supply

• 40% nothing in the model for single parents, single adult, not with kids. Feels like there are not a lot of choices for moderate income except in apartment style projects.

Dispensing smaller units throughout the City (middle housing)

Comments

Ubaldo - if you give \$ to developers you have to make sure that they are held accountable

Ubaldo: Less emphasis on subsidizing developers vs. subsidizing members of the community. Living wages don't reflect income of the community. want to see initiatives that focus on people, want to see adjustment of the incomes reviewed.

SDC subsidies

Absolutely necessary for the City to clarify when/where they can reduce development costs - either SDC's or Proportional share subsidies - Certainly these can be weighted to the outcome.

Megan: SDC subsidies could be included as part of infra and project subsidies

Will there are deferring/waiving SDCs

KENNY: amount of subsidies should be weighted, higher subsidies for more deeply affordable developments.

need a different forum for low income communities,

Pavia: use all the options that we can to get going, but be promoting subsidies for lower end of development and backfill the loss by taxing the high users (breweries, etc)

Audra: don't want to see much subsidy for middle income projects

JENNIFER: should be prioritizing subsidies for lowest income households

Regulated Affordable Rental Housing (Less than 60% AMI / less than \$46k)

	Nonprofit Low Income Housing Limited Tax Exemption	Infrastructure and Project Subsidies	SDC Deferrals / Subsidy	Landbanking
How does it work?	Provides full property tax exemption for new/existing affordable housing owned and operated by a nonprofit organization.	Provides direct project subsidies to support infrastructure and regulated affordable projects.	Subsidizes SDC costs for eligible projects.	Expand the City's current efforts (e.g., Rand Road) to support housing development by reducing or eliminating land cost from development.
Funding strategies	The City is not required to "backfill" funds foregone by these tax exemptions.	GO Bond Urban Renewal (in limited cases)	CET? GO Bond	CET GO Bond
Affordability term	As long as property meets eligibility criteria	50 years, coupled with land banking	TBD	50 years, Deed restriction
Key questions remaining	Which other taxing jurisdictions would be willing to participate?	What criteria must a project meet to receive funding?	Besides affordability level, what other requirements must be met? What else does the City need to do to make this a policy?	N/A

Of the initiatives proposed in the Memo, I am interested in Initiatives #2 and #3 most.

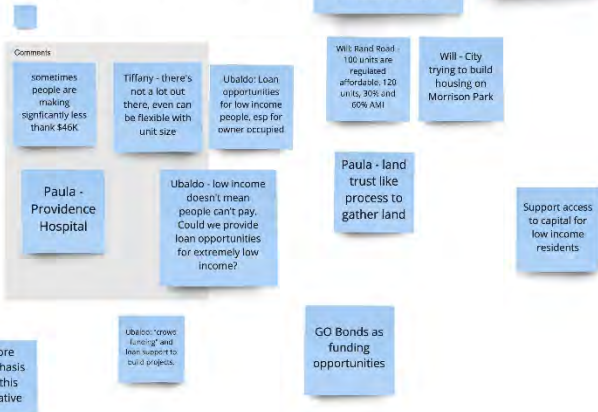
Limitations on GO Bond for ownership?

In future slides, # of people in HH and income

From the beginning of my involvement of the task force, I've strongly believed that rental availability should be our primary focus, and this is a reason that I am not interested in Initiative #1. I've also strongly believed that acquiring new property zoned land for high density housing, and finding clever ways to quickly develop it into high density, and affordable rental housing should be a priority, so this is why I am very interested in initiatives 2 & 3. Initiative #4 seems like it may be a lot of investment for little "new" housing inventory, so I'm lukewarm about it.

Potential Partnerships

- Mid-Columbia Housing Authority
- Columbia Cascade Housing Corporation
- Nonprofit affordable housing developers
- Local banks?
- Individual development accounts
- Other developers of housing affordable to households with income of less than 60% of MFI
- Mid-Columbia Community Action Council
- Others?



ORS 308.701 ORS 308.701 Multi-Unit Rental Housing Subject to Government Restrictions on Use

While I suspect developers who work in OR know about this - it might be worth making sure it is top of mind when we are working on things like Rand Rd - it may offer some runway for a developer that can help.

Looking at areas where City and County are cooperative. County also has CET funds available to spend. The County as the taxing body - also has the ability to work with the framework of the ORS 308.701 to change the assessment criteria where the housing is government provided in some way... it clarity in another note -

Task Force Meeting #4 – February 9, 2022

Agenda

- Recap of Stakeholder Outreach
- Discuss Draft Strategies
- Discuss Funding Tools

Discussion Takeaways: There was general support for land banking and an affordable housing ordinance. For off-site Infrastructure Subsidies, the task force requested the city prioritize subsidies for low-income housing. For direct project subsidies, the task force suggested the subsidies align with the City's top needs and include equity standards with some consideration for workers in priority sectors such as health care. With respect to preservation, there were questions about ability to preserve the mobile home park use on some lands and concerns about how to ensure housing for residents of mobile home parks. A post-meeting survey indicated the highest priorities for Task Force members are: land banking, affordable housing ordinance, nonprofit tax exemption, and project subsidies for new construction.

Task Force Meeting #5 – March 30, 2022

Agenda

- Draft Affordable Housing Strategy Report

Discussion Takeaways: The Task Force offered consensus support for the draft report and the recommended strategies as those with potential for biggest impact. One member suggested referencing community housing or worker housing instead of affordable housing. A couple members expressed concern about feasibility of implementing all the strategies given staff bandwidth and recommended Council prioritize the strategies and take action. There was a suggestion to add more detail about how to operationalize the strategies. Members agreed with prioritizing support for housing for those whose income is less than 60% AMI. A couple members noted agreement that communication with community and community partners is very important. Several members suggested additional graphics in the final report and suggested naming the final report: Affordable Housing Strategy (or Plan) and dropping the word “Production.” There was general consensus support for the concept that government has an obligation to ensure affordability when public funds are invested into the housing and clear consensus support for quick action on “one person, one license” for short-term rentals in multi-family development in commercial zones. Members expressed a mix of thoughts about whether to package a General Obligation bond for affordable housing with other city needs but all agreed that specificity and clarity about how the funds will be used is vital.

THE RACIAL CONTOURS OF YIMBY/NIMBY BAY AREA GENTRIFICATION

Erin McElroy
Andrew Szeto

ABSTRACT

In this article, we trace the emergence of the false YIMBY/NIMBY dialectic now dominant in San Francisco housing rights discourse, studying its constitution and material effects. Specifically, we investigate how racial capitalism is constitutive of both YIMBYism and NIMBYism, drawing upon Cedric Robinson's argument that racialization has always been constitutive of capitalism, and racism is requisite for capitalism's endurance. We make our argument by drawing upon empirical research conducted by the Anti-Eviction Mapping Project (AEMP), a data analysis, oral history, and critical cartography collective of which we are both a part. We also draw upon collaborative research between AEMP and community-based housing rights nonprofits and local housing justice organizing efforts, as well as literary and cultural analysis. Such a methodological approach facilitates the unearthing of the racial logics undergirding YIMBYism, pointing to the need for alternative analytics to theorize and mobilize against heightened forms of racialized dispossession. We begin by outlining San Francisco's YIMBY and NIMBY genealogies, and then proceed to unravel the basic statistical logic underpinning YIMBYism. In doing so, we introduce an additional analytic that we argue is requisite for deconstructing YIMBY algorithms: aesthetic desires of wealthy newcomers. We suggest that the YIMBY "build, baby, build" housing solution fails when architectural and neighborhood fantasies are taken into account. We then study how racialized surveillance informs not only the NIMBY but also the YIMBY gaze, arguing that both camps are ultimately tethered to racial capitalism's liberal legacies.

At the height of San Francisco's hyper-gentrification in 2014, capitalist development groups began coopting anti-displacement grammar, thereby promulgating market-driven solutions for rising rents and eviction rates. Despite the historic roots of pro-development, this new form of San Francisco pro-growth activism emerged as a reaction to a renewed housing justice movement. It was during this time that over a dozen tenant's rights and nonprofit housing development organizations consolidated the Anti-Displacement Coalition, collectively framing the "housing crisis" as increased eviction and homelessness rates. Coalition members called for specific policies such as eviction moratoriums, taxation on real estate speculation, and enforcement of short-term vacation rentals to stop the displacement of long-term working class communities. Through direct action and strong anti-displacement policy advocacy, the Coalition united a renewed movement against gentrification. In reaction, pro-development groups that were amplified by the Bay Area Renters Federation (BARF) initiated a surge of what they called "YIMBYism" against housing justice groups' putative "NIMBYism" (Yes in My Backyard versus Not in My Backyard). While NIMBYism has long been understood as linked to racist and wealthy neighborhood preservation, in this article we assert that despite YIMBYism's framing of housing justice activists as NIMBY, both YIMBYism and NIMBYism shelter similar racist onto-epistemologies.

In 2014, BARF came to fruition after its founder, Sonja Trauss, read a slow-growth critique by then *TechCrunch* reporter Kim-Mai Cutler (2014), which amplified a pro-growth solution to San Francisco's housing crisis. Since its formation, BARF has grown into a larger YIMBY movement. Galvanizing momentum on state and national scales, YIMBYism enjoys support from technocapitalists, developers, politicians, and urban think tanks, trumpeting new development, luxury or otherwise, as the only remedy (Bay Area Renters Federation 2014; Swan 2016; Szeto and Meronek

2017; YIMBYtown 2017). According to Trauss, those opposing new luxury developments in working-class neighborhoods “just got confused” (Hammill 2016). “YIMBYs” blame slow-growth advocates for the reduction of available housing stock, a cutback that they assert drives up property values. As such, YIMBYism grows by mobilizing a common enemy: resisters of new luxury and market-rate housing development. While these resisters are largely rooted in anti-racist politics, YIMBYism renders them racist “NIMBYs.” This discursive strategy conflates wealthy NIMBY property owners who are determined to maintain the “traditional character and culture of their backyards” with housing justice advocates who are fighting evictions and prioritizing affordable housing construction (HoSang 2010).

YIMBYs disseminate their free market remedy into discursive geographies far and wide, participating in national annual conferences such as YIMBYtown, as well as in lobbying efforts in Washington, DC and Sacramento. In San Francisco, however, BARF and its fellow YIMBY cohort endeavor, more than anything, to impact policy. In a January 2016 Planning Commission hearing around the deceptively titled Affordable Housing Density Bonus program, BARF pushed for the implementation of a citywide up-zoning measure. This would facilitate the razing of homes and businesses for the development of market-rate and luxury buildings, eventually offering low-income tenants below market-rate dwellings elsewhere. During the hearing, the San Francisco YIMBY Party’s Policy Director, Brian Hanlon (a white man), proclaimed,

While I’m angry at many so called affordable housing leaders for consistently failing their constituents, I am also angry that by not allowing sufficient housing to be built in San Francisco they’re going to make me complicit in displacing even more vulnerable populations...
When I move to East Oakland, I will most likely be replacing someone who does not look like me.

Hanlon’s ultimatum to poor communities of color—to accept luxury housing construction or else be displaced by this white YIMBY man—echoes the paternalism of pro-development forces during previous waves of dispossession. In this article, we unravel YIMBYism’s racist logic to reveal an underpinning genealogy of NIMBYism. In doing so, we argue that when it comes to racialized housing dynamics, the dialectic between YIMBYism and NIMBYism is fictive.

In what follows, we trace the emergence of this false YIMBY/NIMBY dialectic, studying its constitution and material effects. Specifically, we investigate how racial capitalism is constitutive of YIMBYism, drawing upon Cedric Robinson’s argument that racialization has always been constitutive of capitalism, and racism is requisite for capitalism’s endurance (1983). We make our argument by drawing upon empirical research conducted by the Anti-Eviction Mapping Project (AEMP), a data analysis, oral history, and critical cartography collective of which we are both a part.¹ As a project committed to producing data *with* and not *for* impacted communities (Tallbear 2014), the AEMP endeavors for its work to be useful in thwarting Bay Area racialized dispossession. This paper also draws upon collaborative research between AEMP and community-based housing rights nonprofits and local housing justice organizing efforts, as well as literary and cultural analysis. Such a methodological approach facilitates the unearthing of the racial logics undergirding YIMBYism, pointing to the need for alternative analytics to theorize and mobilize against heightened forms of racialized dispossession.

We begin by outlining San Francisco’s YIMBY and NIMBY genealogies, and then proceed to unravel the basic statistical logic underpinning YIMBYism. In doing so, we introduce an additional analytic that we argue is requisite for deconstructing YIMBY algorithms: aesthetic desires of wealthy newcomers. In doing so, we suggest that the YIMBY “build, baby, build” housing solution fails when architectural and neighborhood fantasies are taken into account. We then study how racialized surveillance informs not only the NIMBY but also the YIMBY gaze, arguing that both camps are ultimately tethered to racial capitalism’s liberal legacies.

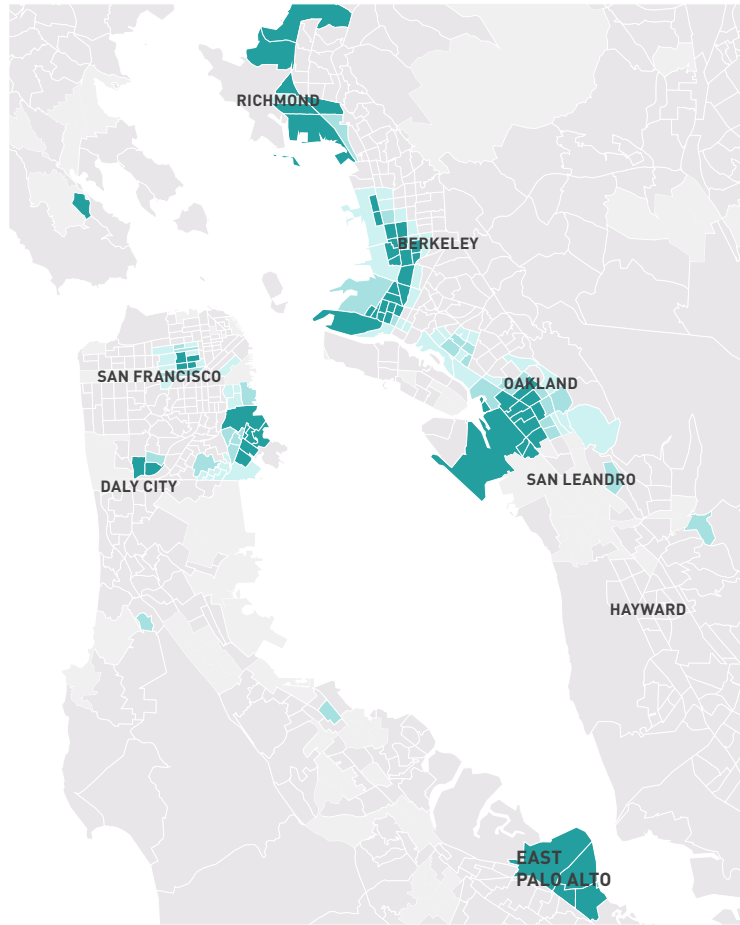
GENEALOGIES

The neoliberal analytics embraced by YIMBY and NIMBY groups have precursors in the San Francisco Bay Area’s development history. The United States urban crises of the 1960s and 1970s, popularly discoursed as the growth of metropolitan decay and blight, were informed by the restructuring of urban and suburban landscapes in the prior era, which

1. The Anti-Eviction Mapping Project is an activist data visualization, data analysis, and digital narrative project founded in 2013 and currently working in San Francisco, Alameda, San Mateo, and Los Angeles Counties, as well as New York City. For more on the project, see Maharawal and McElroy 2017a.

FIGURE 1

BLACK OR AFRICAN AMERICAN POPULATION, 1970



PERCENTAGE

20%

>80%



By the AEMP

(For an interactive map, see <http://www.antievictionmappingproject.net/black.html>)

FIGURE 1

BLACK OR AFRICAN AMERICAN POPULATION, 2015



PERCENTAGE

20%

>80%



By the AEMP

(For an interactive map, see <http://www.antievictionmappingproject.net/black.html>)

generated white flight from urban centers (Sugrue 1996). In the Bay Area, white flight was a response to the Great Migration of African Americans from the South, along with other transnational migrations into urban spaces. During this era, while urban spaces experienced divestment and were rendered racialized ghettos, the “white noose” of the surrounding suburbs became valorized, leading to new forms of exclusionary and racialized space (Self 2003). As Richard Walker and Alex Schafran suggest, “The Bay Area’s liberal reputation belies the degree to which blacks lived in segregated neighborhoods, especially during the first wave of postwar suburbanization” (2015, 24). It was against this racialized and exclusionary spatiality that San Francisco’s slow- and anti-growth movements emerged, opposing what Walker calls the suburban “spatial fix” (2004).

While at first, opposition to the construction of wealthy surrounding enclaves made sense according to anti-racist ethics, it began to make less sense as twentieth-century exurbanization changed forms and as parts of cities became newly desirable and invested in (Schafran 2013, 666). This reinvestment in some urban spaces was paralleled by heightened forms of divestment in others—not to mention failed redevelopment and displacement projects—and led to new forms of racialized exurbanization, pushing poor and working-class communities of color into the suburbs through its racialized practices of increasing mortgages, subprime lending, and carrying out foreclosures (Wyly et al. 2012). Therefore, San Francisco’s Black population began to dramatically decline in the 1980s (see figure 1), diminishing the 1970s’ 13% population to 2015’s 5.5% figure (Anti-Eviction Mapping Project 2016a). In fact, since the 1980s, of all US cities, San Francisco has experienced the fastest declining Black population (Brahinsky 2012).

For instance, the Western Addition and Fillmore, which boasted a 60 percent Black population in the 1940s, were racialized and declared blight in 1948, leading to an “urban renewal” redevelopment project in 1964. Utilizing eminent domain, 60 square blocks were effectively destroyed, displacing 883 businesses, forcing out 4,729 households, and demolishing roughly 2,500 homes (Fulbright 2008). Although people were promised by Justin Herman’s Redevelopment Agency the right to return, the promise was never fulfilled. As the Reverend Amos Brown of the city’s branch of the National Association for the Advancement of Colored People explained, “They wiped out our community, weakened our institutional base and never carried out their promise to bring people back” (Fulbright 2008).

Later, in the 1990s, deteriorating towers were demolished across the country for “mixed-income,” low-density buildings in the name of redevelopment. In effect, countless tenants were evicted in areas previously targeted during urban renewal (Howard 2012; Pattillo 2007; Tracy 2014). Those exurbanized and forced out of San Francisco and other cities, which were now driven by valorized “creative capital,” have been disproportionately low-income communities of color, and it is no coincidence that they later bore the brunt of the subprime mortgage crisis. As research by Elvin Wyly et al. has revealed, foreclosure and delinquency rates in largely minority neighborhoods across the country have been twice as severe as those in white neighborhoods, thereby establishing new “racial meanings of housing in America” (2013, 577).

In San Francisco, each wave of development and displacement that has followed Black communities and communities of color—whether through state abandonment and divestment, redevelopment and gentrification, or exurbanization and foreclosures—demonstrates how racial capitalism underpins these forced dislocations and crises. Yet, as YIMBYs advocate for up-zoning across the city, they mistakenly argue that redlining and segregation are the result of low-density housing policies rather than those predicated upon technologies of speculation and dispossession (Clark 2017; Florida 2016; Lens and Monkkonen 2016). YIMBYism’s demands for up-zoning liberalization as a remedy to contemporary urban segregation neglect these racialized histories, failing to acknowledge how capitalist urbanization has created crises for communities of color in every iteration. By projecting NIMBYism onto these histories, YIMBYism disavows its inherent racism.

It is true that slow- and anti-growth Bay Area histories have contributed to structures of racialized exurbanization by opposing the earlier suburban spatial fix and by attaching to a liberal imaginary of a perfect, quaint city. However, the movement has been more heterogeneous and nuanced than simply that (Hartman and Carnochan 2002). From opposition to Proposition 13² to dissent against lofts of the 1990s and towers of the 2000s, which were developed to meet the housing needs of

2. Many slow-growth advocates also objected to the 1978 Proposition 13, which standardized property taxation and financialized land use, shifting development planning criteria from traditional planning concerns (e.g., proximity to transportation) to the amount of capital a project would contribute to a municipal body. This exacerbated uneven job/housing equations, incentivizing long commutes (a prelude to the contemporary Bay Area commuting mess of today). Thus, opposition to Proposition 13 was a dissent to the upswing of neoliberalism into urban planning.

Silicon Valley venture capital, there have been different iterations of opposition that responded specifically to racialized uneven development (Smith 1982). The International Hotel eviction struggle challenged the mass eviction of Filipino seniors as well as forces of urban redevelopment and “monopoly capitalism” that sought to demolish low-income housing for downtown pro-growth interests (Habal 2005). Also, during the Dot Com Boom, housing activists successfully opposed the Planning Department’s decision to develop Trinity Plaza apartments, which would have led to the eviction of 360 rent-controlled tenants for the construction of 1400 market-rate condominiums (Corburn and Bhatia 2007, 329).

As the historic contours of anti- and slow-growth movements illuminate, while it is one thing to oppose all development, it is quite another to oppose the development of luxury housing for the rich, particularly when development induces or forecasts conditions of racialized gentrification. And this is precisely where the NIMBY/YIMBY dialectic falters. Housing justice advocates fighting to curb evictions and the construction of luxury development embrace not a NIMBY ethos, but rather one opposed to the reproduction and endurance of racial capitalism in housing contexts. YIMBY-ism constructs a NIMBY antagonist who equates public and affordable housing with luxury condos. But this enemy simply does not exist; it has never existed.

Beyond reliance on such enmity fictions, pro-growth supply and demand formulas fall short in their ameliorative attempts. Walker suggests that to understand contemporary drivers of the housing market, rather than buying into the Economics 101 myth of “build, baby, build,” we need to study three other influential conditions: “credit and capital, boom and bust cycles, and the spatial preferences of the elite” (2016). As he argues, housing often requires mortgages and the financial institutions. These incited the country’s most overheated mortgage markets during the housing bubble and have yet to be sufficiently reformed. Further, as much of the venture capital currently penetrating the Bay Area is tied to the global market, a transnational analytic is requisite. Additionally, the Bay Area housing market is dramatically distorted by “the wealthy for exclusive, leafy, space-eating suburbs from Palo Alto to Orinda,” which “reduce overall housing supply by using low-density zoning to block the high-rises and apartments that provide moderate priced homes (not to mention low-income public housing)” (2016). Not all suburbs are equal (Schafran 2013).

Today, while some suburbs have become the destination of those expelled from gentrifying metropolises, others are all too eager to maintain their gated communities and cultures of racialized exclusion.

While YIMBYs blame opponents of luxury development for increased gentrification, Walker argues that the actual “market distortions” fueling the crisis are factors such as speculation, financial excess, tax havens, and inequality. “The day when the runaway privileges of bankers, builders, speculators, wealthy suburbanites, and the rest are reined in,” he writes, “that’s the day the housing crisis will be over” (2016). As his arguments make clear, “build, baby, build” formulas do not remedy displacement and instead contribute to it. Thus, alternate solutions must be considered, from eviction protection to low-income housing construction to community land trust investment. After all, in San Francisco, it has been local community-driven organizing that has historically been most successful at thwarting evictions, not free-market applications.³ As such, YIMBYism reminds us that the violence of racial capitalism has always been obscured under the liberal banners of “progress,” sometimes coded as “renewal” or “redevelopment.” Not only does the discourse of the “housing crisis,” championed by city planners and YIMBY activists, fail to reckon with the centrality of dispossession required for growth, but also with the deep history of racialized liberalism.

ALGORITHMS OF DESIRE

In this section, we unravel the undergirding YIMBY tenets and turn to an analytic often ignored in planning conversations: desire. By desire, we refer to affective predilections that draw renters and owners towards particular neighborhoods and architectures—fantasies that defy traditional planning logics but that nevertheless feed into and co-constitute those of the free market. These structures of desire, we argue, are imbricated within settler culture. We argue that in order to understand current contexts of displacement, one must attend to racialized structures of settler desire and not only neoliberal economics. But first, some basic math to disinter several YIMBY racialized logics.

3. For literature on San Francisco’s long social movement history resisting gentrification and capitalist development see Beitel (2013), Brahinsky (2014), Browne et al. (2005), Carlsson (2004), Habal (2005), Hanhardt (2013), Lai (2012), Maharawal (2014), McElroy (2017), and Tracy (2014).

One of YIMBYism's primary arguments is that increased development, regardless of the type, will ameliorate the lack of Bay Area housing, and thus mitigate displacement pressures. This presumes that San Francisco has a housing shortage. To the contrary, US Census data shows that between 1960 and 2010 the city's population increased by 64,561 people. To meet this growing demand, 91,933 net housing units were built, totaling 1.4 new units per new resident (Welch 2017a). However, many of the units are unaffordable, making the problem less about quantity and more about housing type (Redmond 2017). Arguably, building 50% affordable housing will only ever keep the ratio of affordable to unaffordable what it currently is, and this presumes that affordable housing is not continually lost to evictions—which is not the case. For instance, between 2016 and 2017, 4,697 units were removed from protected affordable status due to condo conversion, evictions, buy-outs, and demolitions (San Francisco Planning Department 2017; Redmond 2017).

San Francisco's own General Plan calls for 60% affordable development to maintain an equitable housing climate, but on average, the city only builds 21% (Redmond 2017). According to the San Francisco Planning Department, by the third quarter of 2016, the City of San Francisco had approved 181% of projected market-rate housing for 2022 (San Francisco Planning Department 2017). Yet, the City only rubber stamped 16% of its low-income requirements (San Francisco Planning Department 2016). Even between 2007 and 2014, the City authorized 109% of requisite market-rate housing, yet only met 27% of its low-income requirements (Welch 2017a). In this way, new market-rate construction creates more of a demand for affordable housing than the market supplies, thereby worsening the crisis. While YIMBYs maintain that high-density development produces cheaper rents as more units can be built per acre, as of 2017, the city's neighborhoods with the highest rents are also the neighborhoods with the most high-rise, high-density buildings. Unlike YIMBYism's "all housing matters" rhetoric, the type of new construction does matter.

YIMBYs also purport that San Francisco progressives and NIMBYs alike have used local zoning and planning laws to keep new and necessary housing from being approved. Calvin Welch reminds us that 50,904 units were approved for development between 1996 and 2015 and 16,000 have been approved since 2010 (San Francisco Planning Department 2015; Welch 2017a). Housing development is clearly being passed. The problem however is that it can take years to build new units, and each year, only a

small percentage of total housing stock enters the bottlenecked market—a market that will likely bust, shattering overconfident construction and home prices.⁴ Therefore, developing new market-rate units hardly seems productive when, instead, we can make existing vacant units available to low-income tenants and fight displacement. Within free market geographies, the poor will always be outbid; supply and demand logic will continually fail to shelter them.

As research conducted by the University of California, Berkeley's Urban Displacement Project (UDP) has determined when analyzing impacts of market and subsidized housing developed in the 1990s on displacement during the 2000s, there is no evidence that market-rate development is effective mitigation (Zuk and Chappel 2016, 3). Further, the project found subsidized housing to be twice as effective as market-rate development regionally (2016, 10). Miriam Zuk and Karen Chappel of the UDP issued their report after California's Legislative Analyst's Office (LAO) incorrectly used data from the UDP's website to argue for the effectiveness of market-rate development in combating displacement. Erroneously, the LAO presumed the effectiveness of filtering, or the process by which older market-rate units become affordable as new units are inserted into the housing market. While filtering may work in some cases, it takes generations. Zuk and Chappel argue, "units may not filter at a rate that meets needs at the market's peak, and the property may deteriorate too much to be habitable" (2016, 3). Filtering, as a stand-in for "trickle down," remains in Welch's words a "Reagan-era supply-side fiction" (2017b). Further, Zuk and Chappel offer, "in many strong-market cities, changes in housing preferences have increased the desirability of older, architecturally significant property, essentially disrupting the filtering process" (2016, 3).

And this brings us to our analytic of desire. We argue that wealthy renters and buyers alike make housing decisions not only based on availability, but also on aesthetic values. For instance, there are speculators such as Zephyr Real Estate's Bonie Spindler who accrue capital by "specializing" in particular architectures—in Spindler's case, Victorians.

4. For instance, in 2014, Calgary experienced an economic boom that excited developers. But the boom busted. As of 2017, 1,500 units were still vacant, 800 of them condos (CBC 2017). While the Bay Area market is not about to bust as Calgary's did, at least not yet, 2016 did witness some possible signs of slowdown (Gumima 2017).

The AEMP has uncovered nineteen no-fault evictions issued by Spindler, many of them Ellis Act evictions,⁵ largely in the Haight. Some of these evictions have displaced senior and disabled tenants. Making a living by “fixing and flipping” Victorians, Spindler caters to homebuyers who are not interested in new condos in South Beach and other areas of new high-density luxury, but rather to those who are interested in living in and capitalizing on Victorian architecture. As part of its crowdsourcing narrative project, a tenant wrote to the AEMP,

Bonnie Spindler may have Ellised 19 units of her own, but she has participated in Ellising hundreds more as a real estate agent at Zephyr. As an example, we were Ellised when she was hired as the agent to sell the building we lived in. She arranged for the fractional financing, sold each condo, and when one unit wouldn't sell because it was not optimal for an owner to live in, she even got her friend and “stager” to purchase the unit and then rent it out exactly two years after the eviction for four times what it was renting for before. She knows the Ellis Act inside out and profits on more than just her 19 units.

As this story of unregulated capitalism and eviction reveals, Spindler's business model is contingent upon a market driven by specialized desire and speculative eviction. Even if her units were adjacent to new luxury condos, the tenants in her buildings still would be evicted as part of her “accumulation by dispossession” strategy (Harvey 2004). Because Spindler's real estate apparatus is undoubtedly bolstered by the free market, the dispossessive techniques that it hinges on will never be thwarted on the market's accord.

Spindler and Zephyr are far from anomalies within San Francisco's speculative landscapes. Local cartographies are redesigned by realtors overnight to materialize topographies desirable to wealthy newcomers. For instance, in 2014 realtor Jennifer Rosdail rebranded Mission and Castro geographies as part of her new “meta-hood,” the “Quad” (2014). The Quad,

5. In San Francisco, evictions are codified as either “fault” or “no-fault.” Fault evictions imply lease-violation, legally giving the landlord cause to evict. No-fault evictions, on the other hand, transpire due to no fault of the tenant, allowing speculators to buy up rent-controlled buildings, evict tenants, flip the buildings, and sell them, as we have seen with numerous Ellis Act Evictions (Tenants Together and the Anti-Eviction Mapping Project 2014). Both fault and no-fault evictions disproportionately impact low-income tenants of color, and both are haunted by racial capitalism's wraiths.

she describes, is home to a new genre of residents, “Quadsters,” or those who “work very hard—mostly in high tech—and make a lot of money.” Further, she describes:

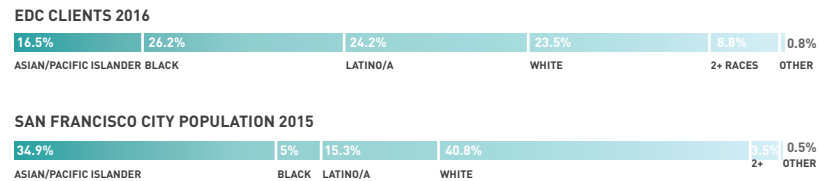
They value time greatly and want to be in a place where they can get to work quickly, meet up with their friends easily, and walk or bike instead of sitting in traffic. They take the Google Bus, the Apple Bus, or another of the reputedly less well [equipped] shuttles like the eBay Bus. They also like to eat really good food, but don't often have time to cook it. And since they work on “campuses,” and are the millennial version of the Cow Hollow “Triangle” dwellers of the 70s and 80s, the name “The Quad” seems a good fit.

By rebranding Mission and Castro geographies, Rosdail engages in toponymical erasure, spatially and intertextually erasing prior neighborhood histories and nomenclatural practices by overlaying new ones, per a growing neoliberal urban trend (Alderman 2008; Rose-Redwood 2008). In doing so, she installs an artificial marketing sieve, drawing the Quad upwards as the most desirous dwelling place for Quadsters, who, according to tech hiring statistics, are 70% male and 60% white on average (Molla and Lightner 2016). Realtors and developers alike speculate upon this demographic. Why would a Quadster live in a condo elsewhere if the Quad defines and meets its desires?

As collaborative work of the AEMP and Eviction Defense Collaborative (EDC) uncovered, Black and Latinx tenants have been overrepresented in the EDC's eviction clinic (which represents 90% of court evictions cases in San Francisco), while white tenants have been underrepresented (figure 2) (Anti-Eviction Mapping Project and Eviction Defense Collaborative 2017, 3).⁶ And yet, YIMBYs are more invested in creating housing for, in Trauss's words, “newcomers who are renters who ended up being white” (Tran 2017). At the time of writing, Trauss is running for District 6 Supervisor – the district that the EDC represented most in 2016 (Anti-Eviction Mapping Project and Eviction Defense Collaborative 2017, 4). This district also contains San Francisco's most economically and

6. In this study, Black tenants were overrepresented by 300% (Anti-Eviction Mapping Project and Eviction Defense Collaborative 2017).

FIGURE 2
EDC CLIENTS BY RACE/ETHNICITY



By the AEMP and EDC [see http://www.antievictionmappingproject.net/EDC_2016.pdf]

racially diverse neighborhoods, the Tenderloin and Treasure Island, both of which are under immense gentrification pressures. For instance, in upcoming years, the radioactive human-made Treasure Island will replace 675 households with 8,000 new ones as part of a greenwashed development plan, leading to the impending displacement and relocation of many who have long been suffering environmental racism on the island (Dillon 2017; Meronek 2015).⁷

Not only do Black and Latinx tenants face eviction pressures most, but they also must endure new forms of racialized appropriation that accompanies speculation. Essence Harden, a third-generation Black Oaklander who recently was displaced from the Bay Area after pouring in immense amounts of labor into refinishing her former home and creating a garden, poignantly critiques that gentrifiers see her creations and what them, but don't care who made them. Further, before leaving, she remembers, "My [new] neighbors would look at me like an alien. That's one of the worst feelings, especially as a Black person" (quoted in Tran 2017). Thus, not only is Harden displaced, but her labor is appropriated by those who alienate her. Appropriation has long been a settler tool, displacing and capitalizing upon space, people, and culture in the name of *terra nullius*, a boundless and promising frontier (Byrd 2011). The appropriation of Harden's work, like Rosdail's appropriation of the Mission, is embedded in settler histories that have long normalized the white inheritance of property.

7. For over a decade, Treasure Island has been a space in which the City of San Francisco sends people it does not know where to put elsewhere, from fire victims to evictees. For instance, in 2015, 100 people were evicted from Yerba Island city-owned housing for the development of 285 luxury units, and then given relocation options on Treasure Island. Many rejected the offer due to known toxicity there. Thus, it is ironic that now that the City is cleaning the island, people are being displaced from it.

While Quadsters desire Quad/Mission living, and while Spindler and her clients fantasize Victorians, there are others who do desire high density luxury condos. However, of these, not only fantasies of primary residency loom. As investigative research by Darwin BondGraham and Tim Redmond has revealed (see figure 3), 39% of 5,212 condos in 23 buildings primarily built after 2000 have been purchased by absentee owners (Anti-Eviction Mapping Project 2017a; Graham and Redmond 2015). In come condos, absentee ownership is over 60%, with primary residences concentrated in surrounding suburbs such as Los Altos Hills, Sausalito, and Lafayette. Further, new units were listed on Airbnb for as much as \$6,000 per night, clearly doing little to ameliorate gentrification. As BondGraham and Redmond conclude, "Rather than satisfy some demand for housing at the top of the market and alleviate the city's affordability crisis, San Francisco's luxury condos instead are being purchased by wealthy buyers who have a virtually bottomless appetite for super-exclusive real estate" (2015). And yet, high-end towers such as these are advocated for by YIMBYs as a means ameliorating gentrification.

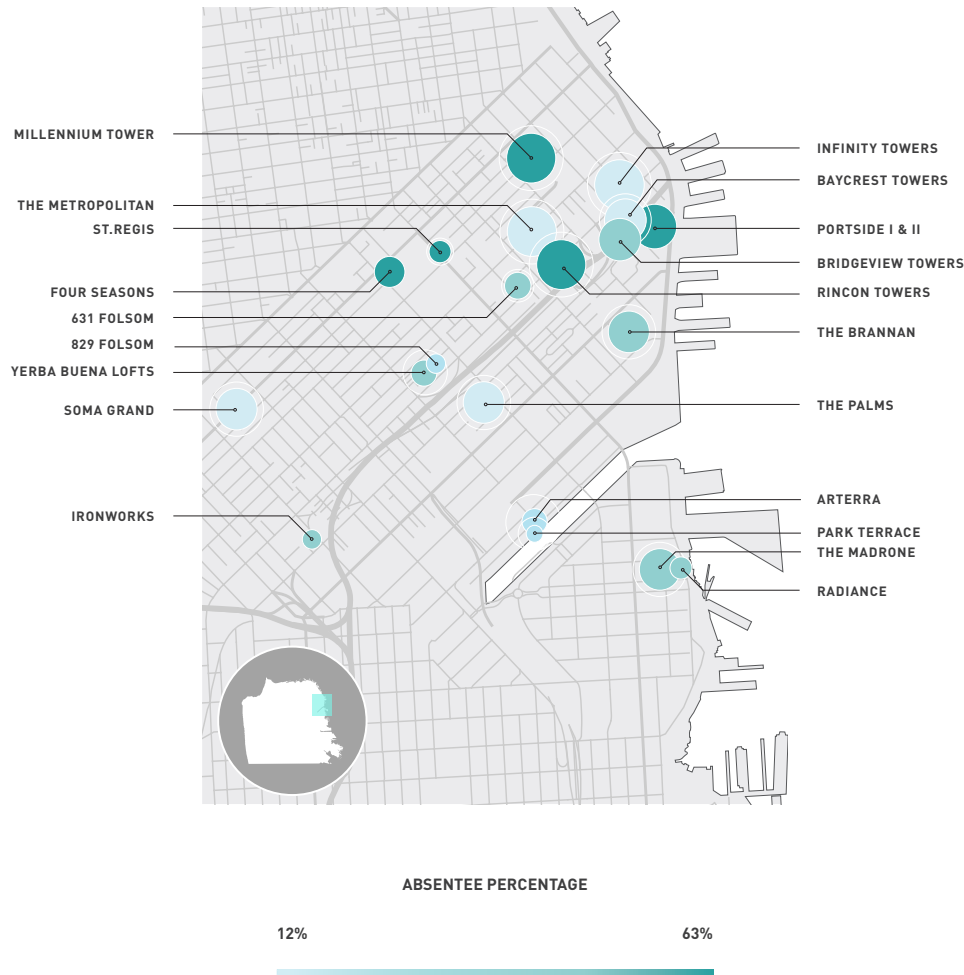
RACIAL GEOGRAPHIES OF THE NIMBY/YIMBY GAZE

The history of racism, segregation, and pathologization is central to any analysis around NIMBYism, and as we argue, also YIMBYism. Here we delineate NIMBY racialized histories, tracing their contours as they surface in YIMBY spatial/racial imaginaries. Focusing on modes of racialized surveillance that accompany gentrification, we argue that for YIMBYs to narrate their enemy as NIMBY obscures how NIMBYism lays the groundwork for YIMBY spatiality.

NIMBYism originated with mid-century white flight and suburban growth, a response to expanding urban migrations of Black communities where white homeowners began guarding suburban enclaves. In 1982, M. J. Dear and S. Martin Taylor wrote their formative "Not on Our Street," studying community stigmatization of a new mental health care facility. Their analytical scholarship on what then became popularized as NIMBYism reflects "how space inherits, and feeds into, the social production of opposition, conflict and the broader maintenance of socio-spatial exclusion" (DeVerteuil 2013, 599). Since then, NIMBYism has increasingly stood in for white suburban homeowner opposition to in-migrations of racialized poor communities (Hubbard 2009; Pulido 2000).

FIGURE 3

ABSENTEE LUXURY OWNERS IN SAN FRANCISCO



By the AEMP, in collaboration with Darwin BondGraham and Tim Redmond
 (see <http://antievictionmap.com/absentee-owners-san-francisco/>)

Central to our argument is that NIMBY racial logics ground those of YIMBYism, particularly in the context of luxury housing development advocacy. For instance, BARF has supported the developer Maximus’s market-rate construction of what would be the largest complex in San Francisco’s Mission District, notoriously referred to as the “Monster in the Mission.” Crucial to 16th Street Plaza development plan is the private contract with Clean Up the Plaza Coalition, intended to rid the plaza of “undesirables.” Led by Jack Davis, a man famous for supporting multiple mayors and development plans, the coalition has overtly characterized plaza occupants as pathogenic and criminal. According to Davis, “When you start mixing it all, then the criminal element can hide within this landscape of poverty. I’m not dissing homeless people, but when you have two to three hundred homeless people, plus the SROs, plus the urine and feces, plus gang violence, it’s unacceptable to me as a person” (quoted in Wong 2014).

In supporting Maximus’s development and efforts to rid poor communities from the area, YIMBYs in fact support NIMBY structures of racialization. That is, YIMBY pro-development requires a racist exclusionary strategy exemplified by NIMBYism. This strategy is tethered to what Christina Hanhardt describes as “two of global capital’s own ‘spatial fixes’: gentrification and mass imprisonment” (Hanhardt 2013, 14). As she writes, “in neighborhoods marked for cycles of disinvestment and then selective reinvestment,” prisons are “built to absorb surpluses of labor, land, and capital” (2013, 14). Poor communities surrounding the plaza become criminalized to make way for new luxury development.

While eviction and development are racialized technologies, so is policing. Broken windows theory, an alibi for police crackdowns on petty crime, is central to processes of urban devalorization and revalorization (Hanhardt 2016). As a New York University Furman Center study uncovered, decreases in “crime” in low-income and POC neighborhoods incentivize migration by high-income and college-educated households (Ellen, Reed, and Horn 2016). Thus, by ridding areas of “criminal activity,” they become more marketable. By analyzing EDC and San Francisco police data (see figures 4 and 5), the AEMP has found that neighborhoods experiencing the highest rates of eviction now are the same ones in which “Quality of Life” infractions have been issued over the last decade. These include absurd citations such as “Danger of Leading an Immoral Life,” disproportionately issued to youth of color.

FIGURE 4
DRUGS POLICE DISTRICT, 2016

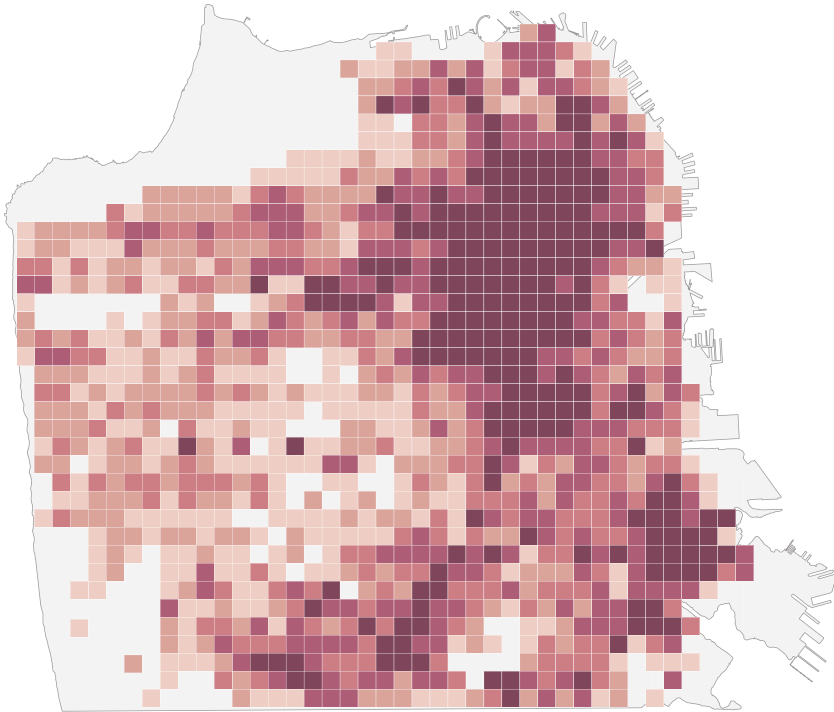


FIGURE 4
GRAFFITI POLICE DISTRICT, 2016

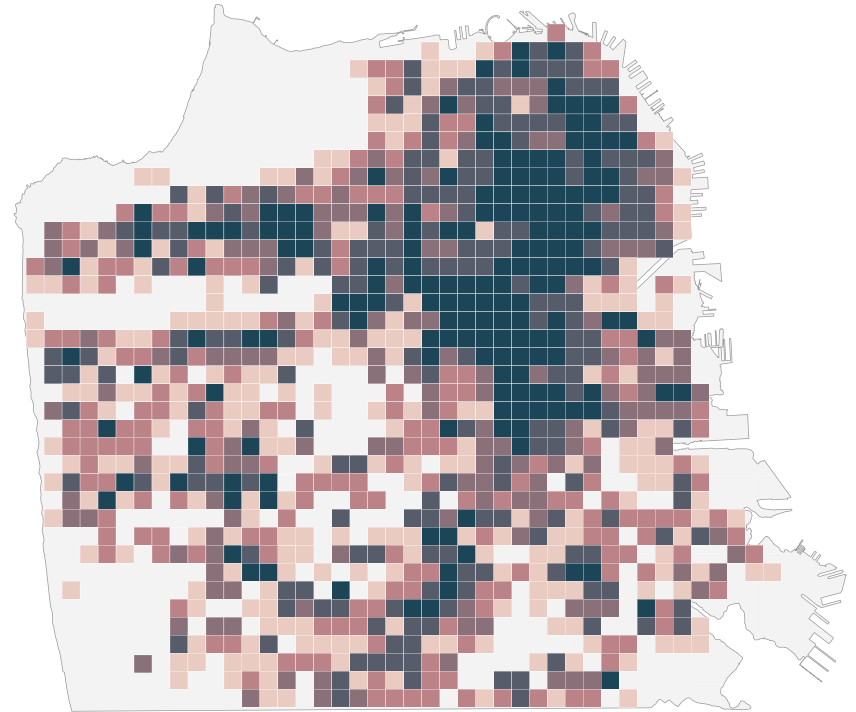
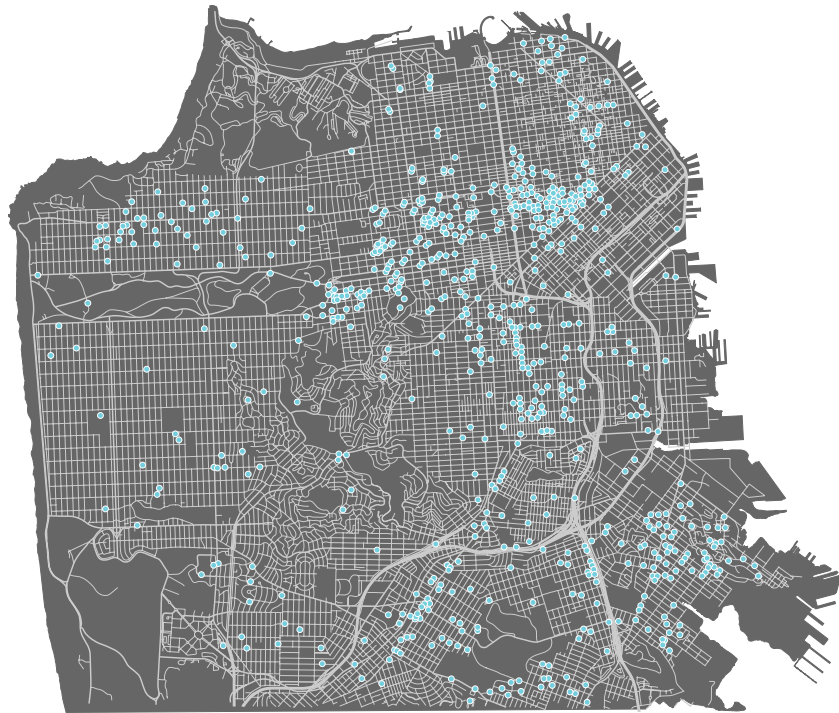
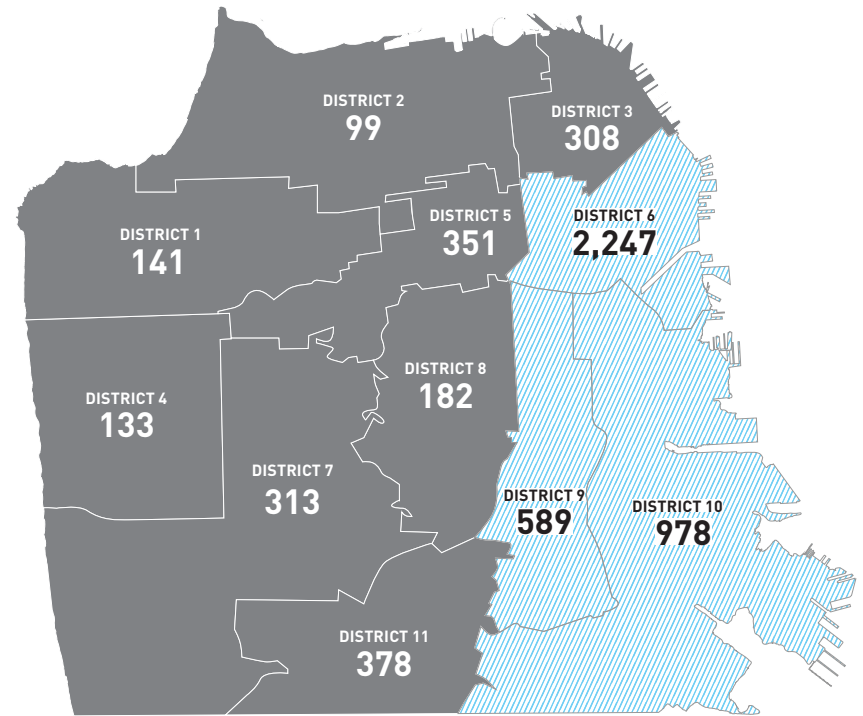


FIGURE 4
IMMORAL LIFE POLICE DISTRICT, 2016



By the AEMP
[see <http://antievictionmap.com/policing-race-and-gentrification>]

FIGURE 5
EDC CASES BY SUPERVISOR DISTRICT, 2016



By the AEMP and EDC
[see www.antievictionmappingproject.net/edc2016.html]

Frequently, in contexts of gentrification, police enact racial terror with outside informants. For instance, in 2014, a Latino Mission resident, Alex Nieto, was murdered by the San Francisco Police Department. The officers responded to one of several phone calls from multiple white men who had observed Alex on Bernal Hill during his work break—the place where he had regularly been taking breaks from the nightclub where he worked as a security guard. The first white man to observe him that March evening, Evan Snow, was a designer new to the neighborhood and racially profiled Alex as a dangerous gang member and tried to maintain distance. But Snow’s dog, Luna, decided that the chips Alex was eating should not be avoided and went after Alex. Alex, distressed by the dog, was then observed by two other white men who were also new to the neighborhood, and also funded by tech. One of them proceeded to call the police, who murdered him upon arrival. As an oral history that the AEMP conducted with Alex’s parents implies, Alex’s murder was a “death by gentrification.”⁸

As Alex’s death reveals, racial profiling is a necessary component of clearing up—out of the backyards of gentrifiers—land for capital accumulation. Thus, it is contradictory that pro-luxury development YIMBY supporters describe their opposition as NIMBY. NIMBYism is, in fact, constitutive of YIMBYism, installing white wealth into working-class neighborhoods of color. As we argue, “build, baby, build” premises fail to recognize that 1) both racialized and class-based violence are instigated by increased market and luxury development, and 2) hospitality to wealthy newcomers looks different than hospitality to poor and working-class racialized collectives. Craig Willse questions, “What does it mean to say that a house is a technology that makes live and lets die?” (Willse 2015, 23). We extend his question to ask, what does it mean that gentrification is a racial technology that makes live and lets die? The gentrifying terrain is not one of “All Lives Matter.”

8. For AEMP’s oral history of Alex Nieto’s parents, Elvira and Refugio, discussing their son’s life and death, listen here: <https://soundcloud.com/anti-evictionmappingproject/sets/elvira-y-refugio-nieto>. For more on the oral history project, see Maharawal and McElroy, 2017a. Also see Rebecca Solnit, 2016, for the phrase “death by gentrification.”

POST-RACIAL LIBERALISM

But how did it come to be that the NIMBY/YIMBY dialectic became popularly flipped on its head, particularly regarding class, race, and space? In analyzing prison construction politics, Anne Bonds argues that “[YIMBY] prison development initiatives are galvanized to maintain geographies of racialized privilege,” and that “like NIMBYism, YIMBYism is a particular form of racism” (2013, 1390). It is this form of racism, we argue, that must be unearthed to conceptualize the contradictions of San Francisco’s “liberal” housing politics.

San Francisco has long been hailed as a liberal paradise, home to a \$15 minimum wage, a sanctuary city policy, and the earliest iteration in the US of same-sex marriage, all relative consensus positions for the city’s residents. But liberal urbanism itself is not opposed to gentrification. On the contrary, urban liberalism worships Jane Jacobs, author of 1961 *Death and Life of Great American Cities* as its patron saint. Jacobs, an advocate of neighborhood charms, low-density, and “a livable, walkable city,” wrote against working-class spaces. As Sharon Zukin critiques, “What Jacobs valued—small blocks, cobblestone streets, mixed-uses, local character—have become the gentrifiers’ ideal. This is not the struggling city of working class and ethnic groups, but an idealized image that plays to middle-class tastes” (2011). As Zukin argues, Jacobs over-values aesthetics and undervalues working-class housing.

At first glance, YIMBYism aligns with Zukin’s critique. As Trauss herself proudly recounts, one of her earliest YIMBY actions was to advocate for the slashing of a tree that had been home to hummingbirds to raze room for the development of 97 apartment units (Hammill 2016). In doing so, she positions BARF as antithetical to Jacob’s liberal urbanism, and against NIMBYism and its hummingbird trees. However, both BARF and Jacobs coalesce in disregard for low-income housing. For instance, BARF’s Hanlon suggests that “if local policymakers seek to prevent displacement and permit in-migration of low-income people, they need to think more about the real estate market and less about publicly subsidized housing” (2017). He continues with a plea to not abandon market-rate housing. This overarching dismissal of public housing in the name of YIMBYism thus appears as NIMBY.

YIMBY narratives of NIMBYism have thus strategically mobilized a unique form of liberalism against housing rights activists' supposed NIMBY "conservatism." In other words, YIMBYs, who advocate for luxury and market-rate housing but not public housing, conflate housing activists' affordability campaigns with NIMBY preservationist battles. These false conflations and binaries, we argue, are best understood within a framework of racial capitalism.

Because private property and dispossession have historically been bound up in systems of racial capitalism, we can never mitigate racialized dispossession through the application of capitalism, as YIMBYs suggest. But racial capitalism has shifted since its first instantiation, a shift that we argue elucidates the violence of liberalism. After World War II, racial capitalism transitioned, in Grace Kyungwon Hong's words, "from managing its crises entirely through white supremacy to also managing its crises through white liberalism, that is, through the incorporation and affirmation of minoritized forms of difference" (2012, 90). While some forms of difference have been well incorporated, perhaps in San Francisco most epitomized by liberal same-sex marriage support, other forms of difference are necessarily rendered surplus and extinguishable. In studying the prison-industrial complex in California, Ruth Wilson Gilmore argues that speculative capitalism requires the growth of surplus populations to feed the bedrock of racial capitalism upon which speculation stands (2007). For instance, San Francisco's pro-development Democratic former supervisor and now openly gay State Assembly member Scott Wiener, proudly condemns Fox News as not "real news" and defends the rights of undocumented immigrants on national television. Yet at the same time, he politically enacts racist terror against the poor, trans/queer, and homeless—liberalism's excesses, or those that Hong describes as "existentially surplus" (2012). As she contextualizes, "To be 'surplus' in this moment is to be valueless, unprotectable, vulnerable, and dead" (2012, 92).

Alex Nieto was rendered as surplus, as are the many homeless people that liberal Jack Davis attempts to raze from the 16th Street Plaza. So are those who Wiener has supported the dispossession of. Repeatedly, he has introduced initiatives to criminalize homelessness, evict tent-dwellers, and displace homeless people's sources of income. Further, he has ignored that in San Francisco, as studies by the Coalition on Homelessness (COH) have revealed, eviction and rental increases lead to conditions of homelessness;

therefore, the best way to decrease homeless concentrations is to thwart evictions and unaffordable housing (2015). As the COH found, 35% of those homeless in San Francisco lost their homes through eviction. In a different study that the AEMP conducted with the EDC, analyzing where 500 people evicted in 2012 ended up post eviction (see figure 6), we found that 14 of those evicted were homeless in San Francisco, and that two people had passed away due to eviction (Anti-Eviction Mapping Project and Eviction Defense Collaborative 2016).

Cases of death by eviction abound. For instance, Jose Luis Góngora Pat, a Mayan immigrant made homeless due to eviction in the Mission, was murdered by the police in 2016 while lying in his tent. This death, also mapped by the AEMP (Anti-Eviction Mapping Project 2016b), transpired weeks after a wave of increased sweeps incited by the Mayor's call to "clean up" houseless people from downtown to make the city more presentable for the Super Bowl 50. This led to increased policing of tent dwellers throughout the city. In endorsing BARF and YIMBYism, both Wiener and the Mayor have made it a policy to weaponize liberalism for the primary benefit of developers, gentrifiers, and tourists. Under the auspices of liberalism, developers must be permitted free reign in San Francisco so that there is "room for everyone." But there is not enough room for everyone. Those positioned as surplus, whether by choice or not, often become geolocated, in Lisa Marie Cacho's words, in the land of the "devalued dead" (2011, 25).

Homelessness and eviction rates have only increased in San Francisco as rents have been raised, and rents are raised when new luxury development infrastructure is introduced via the speculative logic of gentrification. In San Francisco, as the Brookings Institute reported, income inequality is growing almost more rapidly than anywhere else in the county, largely due to the influx of wealth amongst the top 20% (Reidenbach 2016). With more millionaires per capita than any other US metro region (McNeill 2016; Walker 2016), it seems that the problem is trickle-up capitalism rather than trickle-down poverty. As American Community Survey data reveals, in San Francisco, median household income continues to grow for white households, while it vacillates at extremely lower rates for Black and Latinx ones. Further, as we have found, Section 8 housing has been steadily declining in recent years (see figure 7), as landlords capitalize on the rental market and raise rents past voucher eligibility lines, largely impacting tenants of

FIGURE 6

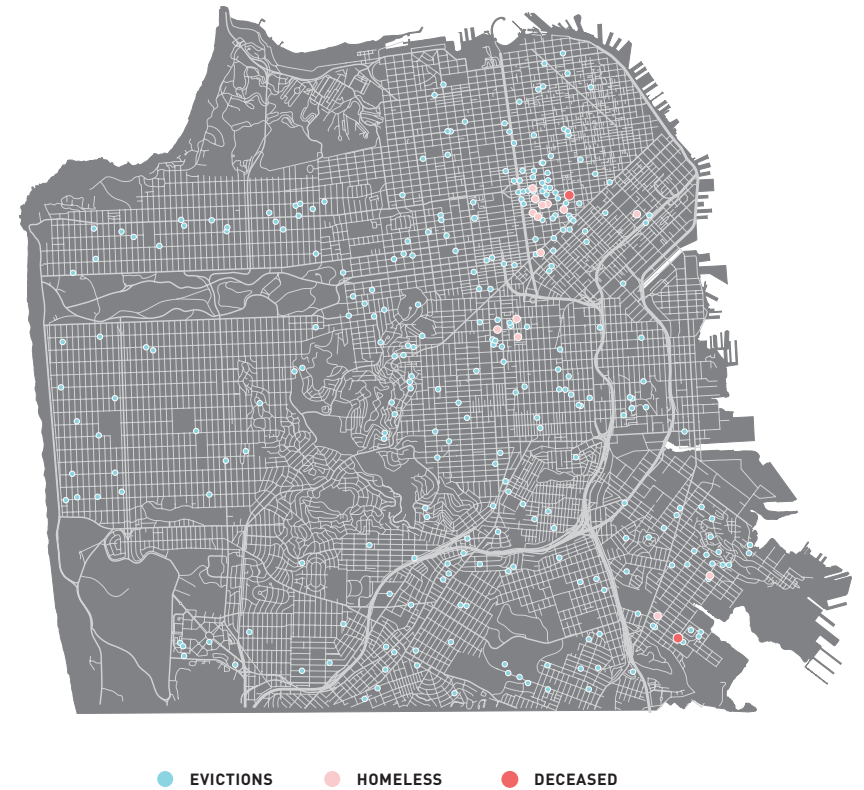
MAPPING RELOCATION AND HOMELESSNESS



By the AEMP
(see <http://arcg.is/24RDGat>)

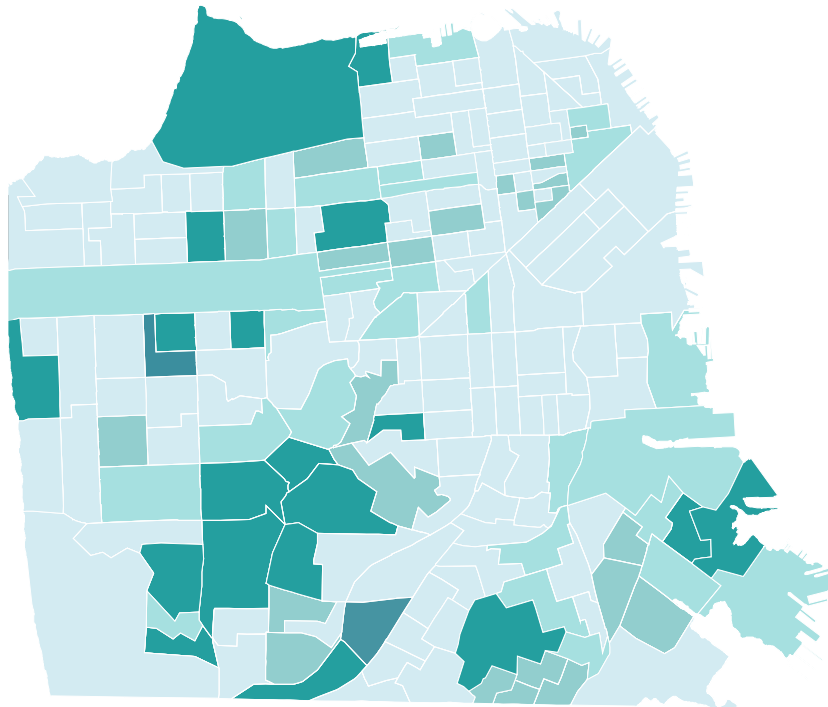
FIGURE 6

EVICTIIONS AND HOMELESSNESS, 2012



By the AEMP
(see <http://arcg.is/24RDGat>)

FIGURE 7
LOSS OF SECTION 8 HOUSING, SAN FRANCISCO, 2015



PERCENTAGE OF ELIGIBLE SECTION 8 VOUCHER

< 0%

> 0.5%

By the AEMP
[see <http://arcg.is/2rTWiP6>]

color (Anti-Eviction Mapping Project 2017b). As histories of racial capitalism have long made it more difficult for racialized residents to pay rents and own property, this is hardly surprising (Hern 2016; Lipsitz 2006; Maharawal and McElroy 2017b).

The necessity of centralizing gentrification’s racialized violence is concretized by the repeated attempts of YIMBYs to infiltrate the local Sierra Club chapter by boosting a slate of three women of color with pro-development agendas.⁹ Nevertheless, while communities of color are disproportionately being pushed into toxic sites such as Treasure Island, pro-density and pro-development projects come to stand in for environmental and racial justice. YIMBYism thus functions, we argue, through what Jodi Melamed describes as neoliberal multiculturalism (2011), or the instituting of new forms of racialized privilege (liberal, multicultural, global citizen) to negotiate value. As a post-World War II phenomenon, neoliberal multiculturalism obscures the ongoing violence of racial capitalism, and instead celebrates diversity. In doing so, it embraces the violence of assimilation; a violence that Lisa Lowe marks as intimately linked to the violence of racialized exclusion and modern liberalism. Race, she describes, is an “enduring remainder of the processes through which the human is universalized and freed by liberal forms, while the peoples who create the conditions of possibility for that freedom are assimilated or forgotten” (2017, 7). By embracing multiculturalism, YIMBYism obscures its neoliberal underpinnings with liberal forms.

To avoid this trap, we argue for the foregrounding of racial capitalism as analytic. In doing so, we can observe that anti-racist housing justice advocates rallying against new luxury condos are not, as YIMBYs likes to suggest, conservative NIMBY homeowners angered by increased height level allowances muddying their bucolic views; rather, these activists are opposed to the racialized dispossessions that luxury condo development inheres. Such projects install new concentrations of wealth into neighborhood pockets, inciting racialized and class-based effects, from augmented eviction rates to racialized surveillance and criminalization.

9. In San Francisco, BARF has become notorious for attempted “disruption” of the governing body not only of the Sierra Club, but also the SF Democratic County Central Committee, solely to approve new development projects. In 2014, the group went as far as to disseminate a slideshow detailing its annual goal to divide rent control from affordable housing advocates, disrupting a historical alliance (Bay Area Renters Federation 2014).

By failing to recognize these effects, the YIMBY movement solidifies a form of post-racial liberalism, suggesting that all people, along with all forms of housing, are the same. As Denise Ferreira da Silva observes, because the very construct of the human is predicated upon racialized exclusionary forms, we will never be post-racial; nor will we ever all be human (2007). Racial difference has always constituted the boundaries of the human, informing racialized histories continuously mapped onto the liberal contemporary (Lowe 2015, 7). Freeing the market will never lead to housing for all; racially dispossessive logics will always haunt the present. Pretending that gentrification will be solved by freeing the market relies upon a post-racial neoliberal imaginary, disavowing ongoing legacies of racialized dispossession.

As we argue, both NIMBYism and YIMBYism are entrenched within the same liberal tradition of racialized/spatialized expropriation and appropriation. By engaging in a YIMBY verses NIMBY understanding of San Francisco's geography, one ignores the racial histories that constitute both. This myopic approach forecloses possibilities of working towards housing justice. How might we refigure our understanding of what resistance to dispossession can look like without reifying systems of liberal violence constitutive of gentrification? How can we think about abolitionist approaches to private property, or about enlivening sites of restitution for those Indigenous peoples whose lands gentrification struggles sit upon? How can we think beyond the fictive NIMBY/YIMBY binary that racial capitalism and post-racial liberalism fuel?

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HOUSING AND HEALTH: AN OVERVIEW OF THE LITERATURE

There is strong evidence characterizing housing's relationship to health. Housing stability, quality, safety, and affordability all affect health outcomes, as do physical and social characteristics of neighborhoods.

The impact of housing on health is now being widely considered by policy makers. Housing is one of the best-researched [social determinants of health](#), and selected housing interventions for low-income people have been found to improve health outcomes and decrease health care costs. As a result, many health care systems, payers, and government entities are seeking to better understand the totality of the health and housing literature to determine where they might intervene effectively. This brief outlines the literature and provides high-level direction for future research and policy agendas.

Four Pathways

Existing evidence on housing and health can be understood as supporting the existence of four pathways by which the former affects the latter (exhibit 1). First, there are papers describing the health impacts of not having a stable home (the stability pathway). Second, there are papers describing the health impacts of conditions inside the home (the safety and quality pathway). A third, smaller set of papers describes the health impacts of the financial burdens resulting from high-cost housing (the affordability pathway). Lastly, a rapidly growing literature describes the health impacts of neighborhoods, including both the environmental and social characteristics of where people live (the neighborhood pathway).

This brief reviews each of the pathways in turn, including examples of both observational studies of housing deficits and interventional studies of possible solutions.

WITH SUPPORT FROM:



THE STABILITY PATHWAY

Observational studies have shown that being without a stable home is detrimental to one's health. People who are chronically homeless face substantially higher morbidity in terms of both [physical and mental health](#) and of [increased mortality](#).

Many people experience **traumas** on the streets or in shelters, which has long-standing adverse impacts on psychological well-being. These and other challenges can result in persistently **high health care expenditures** due to emergency department and inpatient hospital use. Even children who experienced homelessness only while in utero are more likely to be hospitalized **or suffer worse health, compared to their peers.**

People who are not chronically homeless but face housing instability (in the form of moving frequently, falling behind on rent, or couch surfing) are more likely to **experience poor health** in comparison to their

“Housing the homeless has consistently been shown to improve health outcomes.”

stably housed peers. Residential instability **is associated** with health problems among youth, including increased risks of teen pregnancy, early drug use, and depression. A **review of twenty-five studies** that examined the impact of foreclosure on mental health and health behaviors (including substance abuse) found that all of the studies reported that foreclosure was associated with worsened outcomes, including depression, anxiety, increased alcohol use, psychological distress, and suicide. Matthew Desmond’s recent ethnography, *Evicted*, illustrates how the stress of

unstable housing can result in disruptions to employment, social networks, education, and the receipt of social service benefits. The lack of stable housing **can also decrease the effectiveness** of health care by making proper storage of medications difficult or impossible.

In contrast, providing access to stable housing can improve health and reduce health care costs. Within a population of nearly 10,000 people in Oregon with unstable housing, the provision of affordable housing **decreased Medicaid expenditures** by 12 percent. At the same time, use of outpatient primary care increased by 20 percent and emergency department use declined by 18 percent for this group. The health impacts of other means of stabilizing housing, including **rental** and **foreclosure assistance**, have also been rigorously studied in relation to mental health outcomes.

Housing the homeless has consistently been shown to improve health outcomes. In one of several randomized controlled trials of interventions to address homelessness, long-term housing subsidies **had positive impacts** on measures of psychological distress and intimate partner violence. Particularly among chronically homeless people, **having a safe place to stay** can both improve health and decrease health care costs. The extent to which the reductions in health care costs fully offset the costs of housing continues to be **a subject of debate**. The Housing First model, in which chronically homeless people with a diagnosis of a behavioral health condition receive supportive housing, has been shown to be particularly **cost-effective**, with one study finding that the provision of housing generated cost offsets of up to \$29,000 per person per year, after accounting for housing costs.

EXHIBIT 1

Four pathways connecting housing and health



SOURCE: Adapted by the author from Gibson et al. 2011, Sandel et al. 2018, Maqbool et al. 2015, and Braveman et al. 2011.

THE SAFETY AND QUALITY PATHWAY

A number of environmental factors within homes are correlated with poor health. In-home exposure to lead irreversibly **damages the brains and nervous systems** of children. Substandard housing conditions such as water leaks, poor ventilation, dirty carpets, and pest infestation have been **associated with poor health**

outcomes, most notably those related to asthma. Additionally, [exposure to high or low temperatures](#) is correlated with adverse health events, including cardiovascular events—particularly among the elderly. [Residential crowding](#) has also been linked to both physical illness (for example, infectious disease) and psychological distress.

A large number of interventional studies demonstrate the potential for improving health through improved housing quality and safety. Studies in which asthma triggers are removed have repeatedly [demonstrated](#)

“The number of American households that are severely cost-burdened because of rent is expected to reach 13.1 million in 2025.”

[health improvements](#) and cost reductions among both children and adults (see also [here](#) and [here](#)). [Research on smoking bans](#) in public and affordable housing has found reductions in the number of smokers, the number of cigarettes smoked per smoker, and secondhand smoke exposure among nonsmokers. Children in families participating in the federally funded Low Income Home Energy Assistance Program (LIHEAP), which provides financial assistance for home heating, medically necessary home cooling, and emergencies due to weather-related fuel shortages, [were at a healthier weight](#) and at less nutritional risk, compared to their nonparticipant peers. Among community-dwelling older adults, home modifications can reduce falls [by 39 percent](#) when delivered by occupational therapists, and a randomized controlled trial of a standardized package of home safety improvements to decrease fall risk [is ongoing](#).

THE AFFORDABILITY PATHWAY

In 2015, [38.9 million American families](#) spent more than 30 percent of their income on housing, earning them the designation of being “[cost burdened](#)” and

inhibiting their ability to invest in health-generating goods. In the same year, 18.8 million households were “severely cost-burdened” because they spent more than 50 percent of their income on housing, with much of this burden falling on renters rather than owners. If both rents and incomes rise at the rate of inflation, the number of American households that are severely cost-burdened because of rent is expected to reach 13.1 million in 2025, an [11 percent increase](#) from 2015.

In some cases, Americans may choose to spend substantially on housing to live in neighborhoods that provide access to health-promoting features such as schools and parks. However, a lack of affordable housing options can affect families’ ability to make other essential expenses and can create serious financial strains. Low-income families with difficulty paying their rent or mortgage or their utility bills are [less likely](#) to have a usual source of medical care and more likely to postpone needed treatment than those who enjoy more-affordable housing. Severely cost-burdened renters are [23 percent more likely](#) than those with less severe burdens to face difficulty purchasing food. Homeowners who are behind in their mortgage payments are also more likely to [lack a sufficient supply of food](#) and to go without prescribed medications, compared to those who do not fall behind on payments. Conversely, New York City families with affordable rent payments were found to increase their discretionary income by 77 percent, [freeing up funds](#) to spend on health insurance, food, and education or to save for a future down payment on a home.

THE NEIGHBORHOOD PATHWAY

Research on the influence of physical surroundings on health has been ongoing since John Snow’s investigation of [the Broad Street pump](#). In the modern era, researchers have found that the availability of resources such as [public transportation](#) to one’s job, [grocery stores with nutritious foods](#), and [safe spaces to exercise](#) are all correlated with improved health outcomes. Living in close proximity to [high-volume roads](#), in contrast, is a danger to health and can result in increased rates of respiratory diseases such as asthma and bronchitis and increased use

of health care. In one study of neighborhood blight remediation, even walking past a vacant lot that had been “greened” **decreased heart rate significantly**, in comparison to walking past a nongreened vacant lot. The same authors also found that abandoned building and lot remediation significantly reduced firearm violence. Researchers evaluating the creation of a **Safe Routes to School** program in Texas found that the addition of sidewalks, bike lanes, and safe crossings reduced pedestrian and bicyclist injuries 43 percent among children ages 5–19.

Less visible but potentially even more important are neighborhoods’ social characteristics, including measures of segregation, crime, and social capital. Sociologists have conducted crucial research that describes the health impacts of **social and institutional dynamics** of communities. David Williams and Chiquita Collins, in particular, have documented the impact of **neighborhood segregation** on health, suggesting that segregation widens health disparities by determining access to schools, jobs, and health care; influencing health behaviors; and increasing crime rates in neighborhoods of color. Although the preponderance of evidence suggests that racial segregation

“The evidence on the relationship between housing and health is complex but compelling.”

has negative impacts on health, some researchers have reported **health-protective effects** among blacks living in “clustered black neighborhoods.”

An analysis of the **Moving to Opportunity for Fair Housing Demonstration Program** has offered some of most compelling data on the impact of neighborhoods on health. Under this landmark federally funded experiment, people were randomly assigned to groups that either did or did not receive financial and other assistance in moving to lower-poverty areas—a research design that overcame unobservable selec-

tion effects inherent in many previous studies. Adults who moved experienced improvements in long-term mental health and some aspects of physical health (for example, reductions in the prevalence of **obesity and diabetes**) in comparison to peers who remained in high-poverty areas. Nearly two decades after the experiment concluded, Raj Chetty and colleagues found that when children were younger than age thirteen when they moved to a low-poverty neighborhood, their likelihood of attending college and projected lifetime earnings were **significantly improved**.

Evaluation Of Available Research

The weight of evidence is unevenly distributed among the four pathways. There is a great deal of evidence in both the stability and the safety and quality pathways of the risks associated with housing deficits and the potential health gains of providing housing or improving conditions inside the home. However, much of this research is concentrated in urban areas, and suburban and rural areas are frequently neglected. In addition, many of the studied interventions targeted people who were extremely high utilizers of health care without including a control group, which leaves the findings vulnerable to questions about regression to the mean. Finally, researchers reported health impacts more frequently than cost impacts for health systems, payers, or society. More financial analyses of housing interventions are therefore warranted, including examinations of costs related to social services and the criminal justice system.

The affordability pathway may have the least evidence to offer researchers and policy makers. At first blush, the pathway seems intuitive: As economists constantly point out, everything has an opportunity cost. Particularly among Americans with little disposable income, it is not surprising that people skimp on investments in other areas to make housing payments. However, additional studies of how people set priorities among basic needs and make decisions in conditions of scarcity may be useful in informing program and policy design.

Observational research about the neighborhood

pathway has made a strong case that individual-level analyses of risk factors are insufficient for predicting health outcomes. However, even well-designed studies of community-level interventions remain vulnerable to questions about whether causal inference can be established. The Moving to Opportunity evaluations were groundbreaking, in terms of both the randomized approach and the longer time periods used in the research. However, the question of how to address the social dynamics of neighborhoods (including inequality, segregation, and social capital deficits) appears ripe for further research. This will likely require an examination of how US housing

“The role of the government in improving housing cannot be minimized.”

policies have contributed to social inequality and residential segregation.

Finally, the literature would be strengthened by more [natural experiment study designs](#), which require less active manipulation than randomized controlled trials and can isolate the impact of an intervention better than standard regression techniques.

Policy Implications

The evidence on the relationship between housing and health is complex but compelling. The health care sector, businesses, community-based organizations, foundations, and government each have unique roles to play in improving housing conditions in the United States.

The health care sector should continue to explore the extent to which home interventions, such as the well-studied community asthma initiatives, [can make financial sense](#) among other patient populations. Given the shift toward accountable care models and other value-based payments, the financial incentives for health care systems to take broader responsibility for social determinants of health (including housing)

are likely to increase. [Medicaid programs in Oregon, New York, and Massachusetts](#) have endeavored to support health systems in providing housing-related services and, in some cases, [making investments in local housing stock](#). In many instances, health systems have managed to acquire housing-related capabilities through [cross-sector partnerships with community-based organizations](#). Large health care systems may also consider [using community benefit dollars and other institutional resources to create new affordable housing units](#) in their communities.

Private-sector businesses, lenders, and investors can play a variety of roles, particularly via the neighborhood pathway. Banks have long invested in affordable housing as part of their obligations under the Community Reinvestment Act of 1977. Community development financial institutions have a track record of investing in housing as part of comprehensive neighborhood development. Other commercial entities should consider themselves potential anchors for community revitalization (or market opening) projects. The work of the [Healthy Neighborhoods Equity Fund](#) and [Build Healthy Places Network](#) may be especially instructive.

Community development corporations, housing alliances, and neighborhood initiatives will no doubt continue to be the main channels for making the voices of low-income neighborhood residents heard. These entities may be particularly well suited to take on the redevelopment of blighted spaces, organize support for new local policies in public and affordable housing units (such as smoking bans and rent control ordinances), create community-led interventions to lessen social isolation, and lobby policy makers to remain committed to the development of low-income housing.

Health-related foundations must continue to ensure that housing opportunities are distributed equitably. In their role as funders of research, foundations could help create return-on-investment analyses of housing interventions. However, researchers and policy makers alike should be careful in assessing and interpreting such analyses. There may be investments that do not produce a positive return on investment to the health

care sector but that are nevertheless socially desirable. Foundations can and should continue to support the development of affordable housing on the ground that it is an essential contributor to good health.

Despite the best efforts of these actors, the role of the government in improving the stability, safety, quality, and affordability of housing cannot be minimized. Critically, the supply of available housing for low-income families must be increased. [Expanding access to Low-Income Housing Tax Credits](#) is one way in which the government should provide a stimulus to private developers and managers, while the expansion of rental assistance and mobility programs may provide more immediate relief for families facing housing instability. Federal assistance programs such as LIHEAP and other subsidies for household necessities should also be continued. In particular, new policies to support seniors' aging in place may be needed to prevent large-scale institutionalization of aging baby boomers. Finally, federal, state, and local housing policies must be used to combat the per-

sistence of income inequality and racial segregation as urban populations grow and neighborhoods are revitalized.

Three forthcoming *Health Affairs* briefs will explore specific strategies to address both the demand- and supply-side challenges of providing affordable housing. The first, [Housing Mobility Programs And Health Outcomes](#), will focus on the performance and scalability of housing mobility programs. The second and third ([Using The Low-Income Housing Tax Credit To Fill The Rental Housing Gap](#) and [Housing And Health—The Role Of Inclusionary Zoning](#)) will address the potential for low-income tax credits, inclusionary zoning, and other policies to increase the supply of affordable housing.

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From: Doris Contreras D.Contreras@cityofhoodriver.gov 
Subject: RE: Monthly parking at municipal facilities
Date: August 19, 2022 at 8:37 AM
To: Lach Litwer lach@columbiagorgecapital.com



Good Morning,
Of course !

Front lot = 21 spaces. currently 0 available
State lot= 28 spaces. Currently 0 available
Cascade lot =25 spaces, we oversell by 25 spots and currently 0 available
Columbia lot= 180 spaces. Currently about 45 spaces available
Road side Metered permits = 20 active, not selling any more.
Oak ST. APT = 16 active apartments (only for Oak ST Apartments)
Cascade Lofts= 4 spaces. Currently 0 available

Hope this works !
Thank You.

Doris Contreras

Parking/ TLT Clerk

211 2nd Street •
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From: Lach Litwer <lach@columbiagorgecapital.com>
Sent: Friday, August 19, 2022 8:20 AM
To: Doris Contreras <D.Contreras@cityofhoodriver.gov>
Cc: Dustin Nilsen <D.Nilsen@cityofhoodriver.gov>
Subject: Monthly parking at municipal facilities

Good morning Doris,

I'm working on a matter in front of the planning commission that touches on monthly parking availability in lots downtown.

Would you please share how many monthly parking permits are available currently at each of the municipal parking lots today?

Thank you very much for your help with this question.

Best,

Lach

Lach R. Litwer | Principal

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Stateline

Less Parking Could Mean More Housing

STATELINE ARTICLE

June 8, 2022

By: Erika Bolstad

Read time: 7 min



A couple walks through a suburban mixed-use development in McLean, Va., outside Washington, D.C. Spaces in parking garages can cost up to \$60,000 each to build, while a surface parking space can cost \$20,000—an expense often passed along to homebuyers and renters.

Matt McClain/The Washington Post via Getty Images

PORTLAND, Ore. — Citing environmental concerns and a lack of housing, an increasing number of cities and some West Coast states are reconsidering mandates that all homes,

offices and businesses offer a minimum number of parking spots for residents, workers and customers.

Leading the effort is Oregon, which is poised in July to enact permanent statewide land use [rules](#) that would allow eight metro areas to eliminate minimum parking requirements for many homes and businesses. Not far behind is California, where the state Assembly in May passed [legislation](#) that could have a similar effect on some minimum parking rules statewide, if it's passed by the state Senate and signed into law.

Curtailing parking minimums represents a sweeping shift in American attitudes, particularly in California, a state that glorified and typified car culture—and its accompanying urban sprawl. But in both Oregon and California, eliminating minimum parking mandates is seen as a way of encouraging compact, climate-friendly communities that address severe housing shortages by making it easier, safer and more affordable to live and work without a car.

The California legislation would prohibit local governments from imposing or enforcing a minimum parking requirement on residential, commercial or other development if the project is within a half-mile walk of public transit. It's sponsored by Democratic state Assemblymember Laura Friedman of Los Angeles.

"The biggest issue in Los Angeles is homelessness, and people don't necessarily jump to saying, 'Well, maybe the amount of parking that we're requiring in our housing projects has something to do with the cost of that housing,'" Friedman said. "And when you lay it out for them, people have a lightbulb moment where they go, 'Oh yeah, of course. That adds to what it costs to build housing.'"

As in much of the United States, housing shortages in both Oregon and California have led to high home prices, one contributor to the homelessness crisis. In Oregon, [studies](#) show the state is short an estimated 111,000 housing units for its existing population, and must build as many as 30,000 homes a year to catch up and to meet population growth. California Democratic Gov. Gavin Newsom's housing department has [set a goal](#) of building 2.5 million homes over the next eight years.

Parking lots aren't going away any time soon. But planners and developers have long understood that each parking space adds to building costs, and that parking for homes and

businesses is overbuilt nearly everywhere.

[One study](#) of American parking trends by the Mortgage Bankers Association found "a lavish amount of parking" in U.S. cities outside of New York City. Parking spaces outnumber homes 27 to 1 in Jackson, Wyoming, the study found. In Seattle, there are 13 people per acre and 29 parking spaces per acre. And Des Moines, Iowa, has 83,141 households and 1.6 million parking spots.

Estimates vary, but many experts suggest that building individual parking spots starts at \$20,000 for those on surface lots and can cost upward of \$60,000 for underground garages, according to the Parking Reform Network, which tracks efforts nationwide to change the culture of parking. The cost of parking gets bundled into the cost of the home or business, or into rent. Parking also takes up space that could be used for housing, particularly in more walkable or bikeable neighborhoods with good access to mass transit.

Advocates for changes in minimum parking requirements, including Sightline, a left-leaning sustainability think tank, also point out that with denser neighborhoods, more people have access to public transit, which becomes more cost-effective and user-friendly because it can serve more people. Fewer surface parking lots means fewer heat islands, paved areas that absorb heat during the day and release it at night. And fewer cars on the road also means fewer greenhouse gas emissions. If the homes, apartments and businesses will be built anyway, advocates say, why not take an approach that weaves sustainability into housing and transportation planning?

"People understand the argument that we need to prioritize housing for people over parking for cars," Friedman said. "If we're going to have to choose one or the other, I'll choose the housing all day long. And it is a binary choice right now."

Doing away with parking minimums is an "easy, really low-hanging fruit to build on," said Tony Jordan, president of the Parking Reform Network, which is based in Portland. "It's very hard to implement other known strategies for housing affordability or for climate action or for reducing traffic if you're mismanaging your parking, or if you're requiring too much of it."

In Oregon, addressing minimum parking mandates is part of a larger set of rules issued by the state's growth management agency this year to slow greenhouse gas emissions and address

an affordable housing crisis. The rules developed by the Department of Land Conservation and Development are the result of a 2020 executive order by Democratic Gov. Kate Brown directing state agencies to address greenhouse gas reduction goals adopted by the legislature to fight climate change.

Eight of the largest metro areas in the state, including Portland, must name or establish [climate-friendly](#) neighborhoods—typically city and town centers and corridors with high levels of transit. Portland already has rolled back many minimum parking mandates. The rules also require jurisdictions to permit dense housing and mixed-use development even as they limit car-centric land uses.

It's a "comprehensive, integrated approach," said Mary Kyle McCurdy, deputy director of 1000 Friends of Oregon, an anti-sprawl advocacy group with significant influence on land use and environmental matters in the state.

"If you have more compact, walkable, mixed-use areas and you eliminate or reduce those off-street parking requirements, people drive less," McCurdy said. "They might not need to own that second car. Or a car at all. And they certainly use it less often and drive fewer miles. So it's kind of a win-win all around on housing affordability and climate."

Yet many city and county officials outside of Portland remain skeptical, as do business and trade groups. Many cities called on Oregon's Department of Land Conservation and Development to hold off on officially enacting the parking and land use rules until they had more assurance of funding to help plan for the changes.

The Oregon Home Builders Association, the League of Oregon Cities and the Association of Oregon Counties along with the Oregon Home Builders Association, Oregon Realtors and the Oregon Restaurant and Lodging Association and the Farm Bureau all logged objections.

The Oregon Farm Bureau said its members are concerned that the climate-friendly policies will encourage, if not mandate, development patterns that fail to take into consideration how communities are connected through Oregon's road network. The policies may result in reduced road capacity, which could preclude trucks entirely, or increase congestion so much that the trucking industry "will no longer be able to provide efficient and economic service," wrote Mary Anne Cooper, vice president of government and legal affairs for the Oregon

Farm Bureau.

"Not only does freight need our state highway system to move goods, it also needs local streets to traverse the 'last mile' to get freight to its final destination," Cooper wrote. "At a time when our nation is dealing with a crippling supply chain crisis and greater potential for food insecurity nationwide, the congestion caused because of this will further increase delivery times and emissions due to idling in traffic."

The parking mandate discussion can be an entry point to difficult conversations about the effects of car-dominated American life on housing costs and the climate, said Daniel Herriges with Strong Towns, an advocacy organization that studies the effects of post-war North American development patterns.

Oregon's longstanding state laws addressing urban growth make it easier to enact statewide planning changes, but most shifts in parking policy are happening on a city, not statewide, planning level, Herriges said. Cities as disparate as Buffalo, New York; San Diego; Hartford, Connecticut; and Fayetteville, Arkansas, have embraced the movement, widely credited to the 2005 publication of "The High Cost of Free Parking" by the UCLA urban planning scholar Donald Shoup.

Fayetteville, which in 2015 ended minimum parking requirements on all commercial properties, appears to be the first city in the nation to have done so. The move came after planners noticed that minimum parking requirements made it challenging for investors to redevelop some long-vacant downtown properties, which sat on small lots in the city's walkable historic district, adjacent to the University of Arkansas.

When Fayetteville gave commercial property owners the ability to decide the minimum amount of parking necessary, the changes were "anticlimactic," said Jonathan Curth, the city's development services director, who inherited the program from the previous planner. There was no sudden downtown parking shortage—nor was there a rush on new development. Gradually, though, underused properties got turned into active businesses.

The city's zoning codes do have maximum parking: For example, developers who want to exceed them must justify their requests or compensate for the additional heat islands by planting more trees.

"It's hard for people to envision how else the process of getting around your city might look," said Herriges of Strong Towns. "You can see that very clearly in any American suburb today where you go to a Walmart store and the parking lot is bigger than the store itself. Everything about the way that store is configured, the way it's accessed, how it sits on its land, it's all sort of dictated by the parking. Even in urban areas, the form of development that happens in urban contexts is dictated by the parking."

And yet there's tremendous potential in changing parking habits, Herriges said, because it's the biggest determinant of American urban land use patterns. Doing away with parking minimums may be the biggest impediment to creating walkable, urban places with more affordable housing options, he said. But it'll be a long time before it's the mainstream option.

"Most Americans drive to most places, and that's going to be true 20 years from now, there's just no way it isn't," Herriges said. "But we desperately need to make the alternatives more available to more people and at a price point that's available to more people. Parking is the biggest obstacle standing in the way of that."

STATELINE ARTICLE | June 8, 2022

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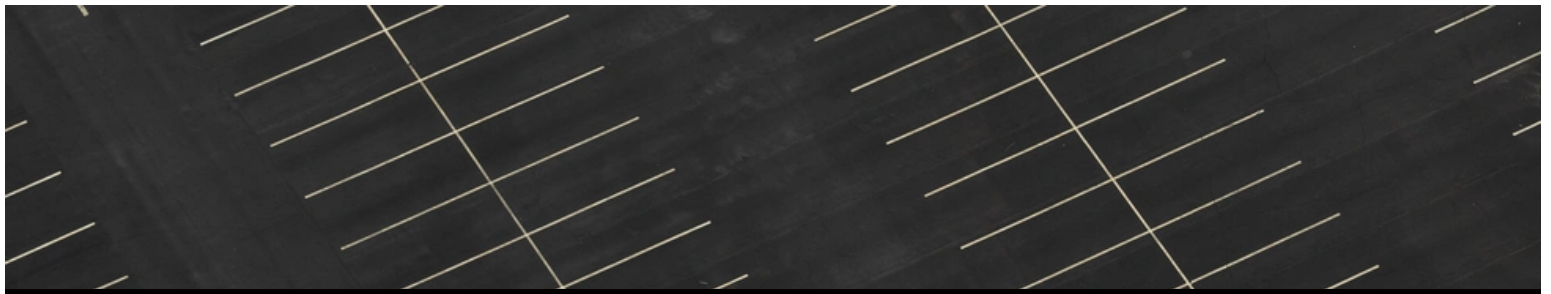
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IDEAS

How Parking Destroys Cities

Parking requirements attack the nature of the city itself, subordinating density to the needs of the car.

By Michael Manville



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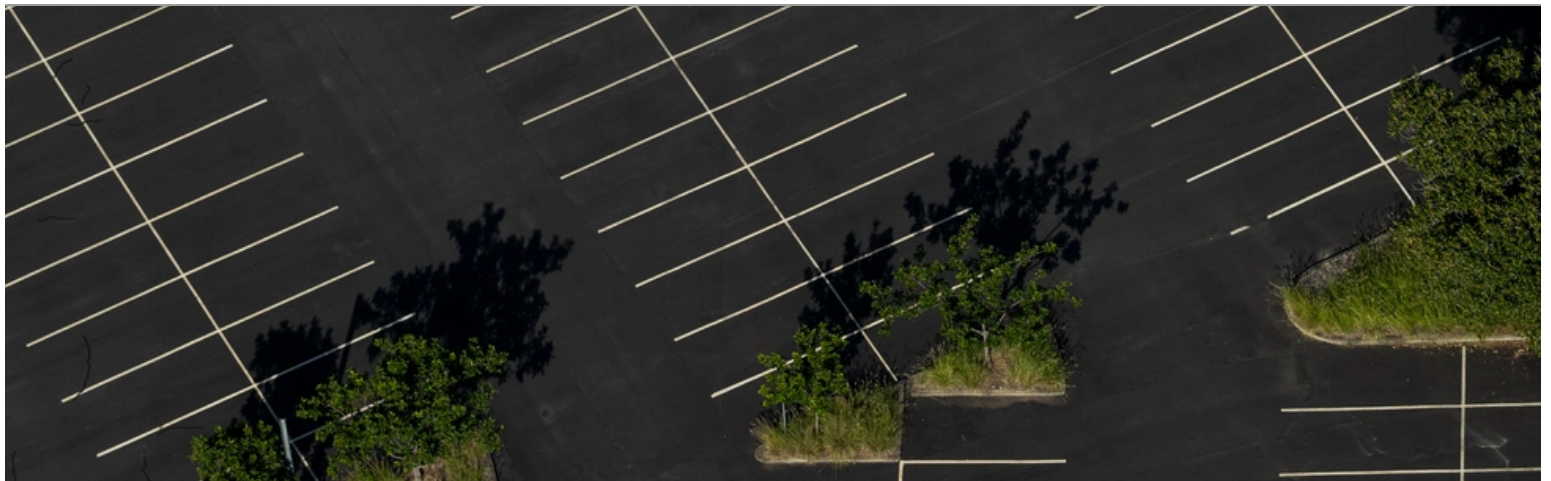
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About the author: *Michael Manville is an associate urban-planning professor at the*

UCLA Luskin School of Public Affairs.

LEWIS MUMFORD WAS SUSPICIOUS of parking. “The right to access every building in a city by private motorcar,” he wrote in *The City in History*, “in an age when everyone owns such a vehicle, is actually the right to destroy the city.” Jane Jacobs, who disagreed with Mumford on many counts, agreed here. Parking lots, she said in *The Death and Life of Great American Cities*, were “border vacuums”: inactive spaces that deadened everything around them.

Mumford and Jacobs published those lines in 1961, when most United States cities were 15 years into an experiment called “minimum parking requirements”: mandates in zoning codes that forced developers to supply parking on-site to prevent curb congestion. In postwar America, development was booming, and neighbors were worried that new residents would make street-parking impossible. Decades later, parking requirements still exist nationwide. In Los Angeles, where I live, new apartment buildings must have at least one parking space per unit; retail buildings need one space per 300 square feet; and restaurants need one space for every 100 square feet of dining area.

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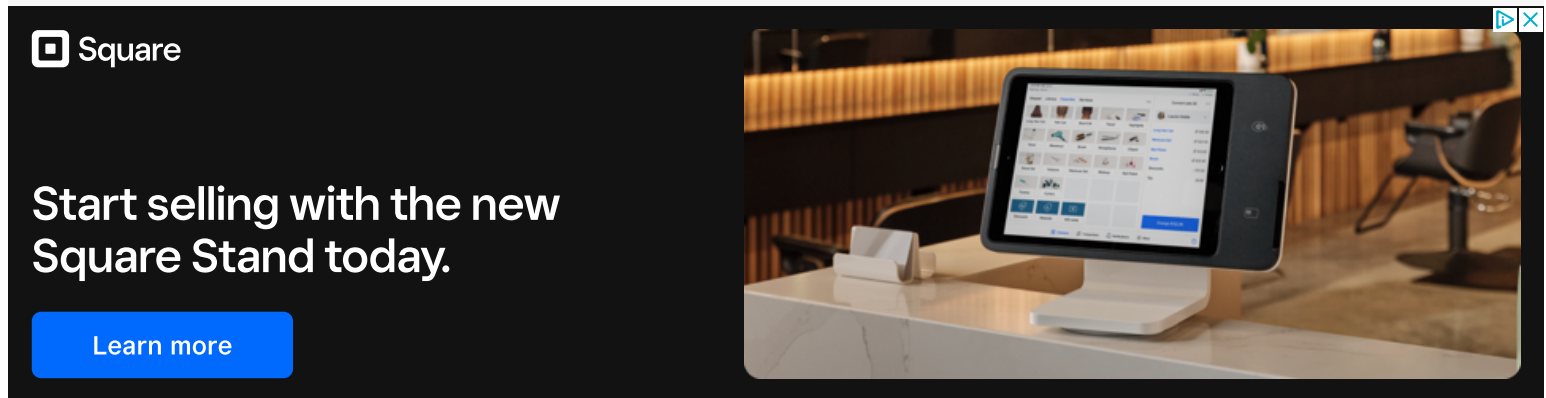
Parking requirements enforce what Mumford decried: the right to access every building by private car. As Mumford predicted, they have been a disaster. American urban history is stained with tragic missteps and shameful injustices, so parking requirements are hardly the worst policy cities have tried. But they are notable for how much needless damage they have caused, over a long period, with few people even noticing.

The trouble with parking requirements is twofold. First, they don't do what they're supposed to, which is prevent curb congestion. Because curb parking is convenient and usually free, drivers fill up the curb first, no matter how much off-street space exists nearby. Second—and more consequential—parking requirements attack the nature of the city itself, by subordinating density to the needs of the car.

CARS REVOLUTIONIZED TRANSPORTATION by promising not just speed, but autonomy. Cars let you go wherever you want, whenever you want, by yourself and by a route of your choosing. But that promise is fulfilled only if everywhere you might go has a place to store the car whenever you arrive. A train drops a passenger off and keeps going. A driver drops a *car* off and keeps going. Thus most trains are mostly moving, while most cars are parked most of the time. The price of the car's convenience, then, is the space it consumes when it *isn't* in motion, and indeed even when it isn't there. Cities designed for cars must set aside space: space to wait for cars, and space to hold them while they wait for their drivers to come back.

Parking minimums take the cost of that space—a cost that should be borne by drivers—and push it onto developers, hiding it in the cost of building. Sometimes this means a project can't be built at all. At other times, it makes projects more expensive: In downtown L.A., parking usually costs developers more than \$50,000 per space to build. Walt Disney Concert Hall, a cultural landmark that is home to the Los Angeles Philharmonic, cost \$274 million to build. Of that total, the underground parking structure, which is not a cultural landmark (it's an underground parking structure), accounted for \$100 million.

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Because parking requirements make driving less expensive and development more so, cities get more driving, less housing, and less of everything that makes urbanity worthwhile. This process is subtle. Many mayors today declare their support for walkable downtowns and affordable units. But cities are built at the parcel, not from mayors' podiums. And parcel by parcel, the zoning code quietly undermines the mayors' grand vision. A commercial requirement of one parking space per 300 square feet means developers will put new retail in a car-friendly, pedestrian-hostile strip mall. And a requirement of one parking space per 100 square feet for restaurants means the typical eating establishment will devote three times as much space to parking as it will to dining. America did not become a country of strip malls and office parks because we collectively lost aesthetic ambition. These developments are ubiquitous because they are the cheapest way to comply with regulations.

Janette Sadik-Khan and Seth Solomonow: Surrendering our cities to cars would be a historic blunder

For each individual project, parking requirements can seem reasonable; in many cases, they mollify worried neighbors. A zoning board in Boston, for example, recently rejected a homeless housing project when nearby residents said it had too little parking. The project might still get built, with fewer units and more

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parking, and perhaps to the casual observer the difference is small. Over many parcels and many decades, however, the units lost and parking spaces gained add up, and the sum of our seemingly reasonable decisions is an unreasonable, unaffordable, and unsustainable city.

Why Soviets Sent Dogs to
Space While Americans Used
Primates

MARINA KOREN

This city, the parking city, can't have rowhouses and townhouses that sit flush with one another and come right up to the street. It can't reuse handsome old buildings that come straight to their lot line, so those buildings stay empty. It can't tuck quirky buildings onto irregularly shaped parcels, so those parcels stay vacant. (Manhattan's famous Flatiron Building is an impossibility in a city with parking requirements.) The parking city is one where people drive into or under buildings, rather than walk up to them. It is a city with listless streets, one that encourages vehicle ownership, depresses transit use, and exudes antagonism toward people without cars.

Large portions of New York, Chicago, Boston, and Philadelphia, if they burned down tomorrow, couldn't be rebuilt, because according to modern zoning, their buildings don't have "enough" parking. Brownstone Brooklyn, after all, is largely devoid of parking; so is Boston's famed North End. Zoning defenders might call this point moot, because those places are different—parking can be scarce because walking and using transit are easy. But walking and using transit are easy, in part, *because* parking is scarce. Transit thrives on density, which parking undermines, and parking and walking don't mix. The short walk to a Manhattan subway stop will take you past attractive store windows, which come right up to a sidewalk largely uninterrupted by driveways. Walk along an L.A. boulevard, by contrast, and you'll get a good view not of stores but of their parking lots, which means in turn that your walk must be careful rather than carefree—lest a car slide out, cross the sidewalk, and run you over. That pleasant experience comes courtesy of L.A.'s zoning.


None of this is an argument against parking. It's an argument against *required* parking. In an age of ostensible concern about global warming, it shouldn't be

illegal to put up a building without parking and market it to people without cars. If neighbors worry that people will move in and park on the street, cities should meter their streets. Curb space is valuable public land. Parking requirements or no, cities will have curb shortages as long as they give the curb away.

There are promising signs of reform. Buffalo, New York, recently abolished its parking requirements. Minneapolis has done the same. San Diego and San Francisco have scaled them back, and California may be on the cusp of rolling them back statewide. In most cities, however, parking requirements still reign unchallenged.

Cars do need parking. But cars need many things, and most get supplied without being mandated. Suppose that tomorrow a mayor proposed minimum gasoline requirements: a set number of fuel pumps on every parcel. Most people would consider that outrageous. They'd observe that the private market supplies gas just fine, that it's not a big deal to travel a small distance for fuel, and that putting pumps on every parcel would just squander valuable land and encourage driving.

They'd be right. But what's true of gas is true of parking too. Sometimes the hardest damage to see is the damage we are already doing. America's disastrous experiment with parking requirements should end.



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Planning October 2018

IN THIS ISSUE:

People Over Parking

People Over Parking

Planners are reevaluating parking requirements for affordable housing.



Carless in Seattle: Plymouth on First Hill's apartments are now home to some of the city's formerly homeless disabled population. Photo courtesy SMR Architects and Plymouth Housing Group.

By Jeffrey Spivak



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Like a lot of cities, Minneapolis has experienced the dual trends of rising multifamily rents and dwindling housing affordability. For years it offered the usual carrots of tax incentives and development subsidies for residential projects with affordable units. But three years ago, it tried a different strategy: The city slashed its multifamily parking requirements in certain parts of town.

The usual ratio of one parking space for every one unit was cut in half for larger apartment projects and was eliminated entirely for projects with 50 or fewer units located near high-frequency transit. Lo and behold, the market mostly responded in the exact ways planners had predicted.

Apartment developers proposed projects with fewer parking spaces. That lowered the cost of construction. So, such projects began offering rents below the market's established levels. New studio apartments, which typically went for \$1,200 per month, were being offered for less than \$1,000 per month.

"There's definitely a new type of residential unit in the market that we haven't seen much before," says Nick Magrino, a Minneapolis planning commissioner who has researched apartment development trends since the parking code change. "Outside of downtown, there's been a lot of infill development with cheaper, more affordable units."

Tinkering with minimum parking requirements is not new. Cities have been fiddling with regulations for decades, sometimes raising them, sometimes lowering them, and sometimes giving variances for specific projects. What's different now is an evolving understanding that urban lifestyles are changing, traditional parking ratios are outdated, and too much supply can be as harmful as too little.

So there's a burgeoning movement of municipalities across the U.S. reducing or eliminating parking requirements for certain locales or certain types of development or even citywide.

"This would have seemed inconceivable just a few years ago," says Donald Shoup, FAICP, a Distinguished Research Professor in UCLA's Department of Urban Planning who has studied and written about parking policies for years and is considered the godfather of the current reform movement. (See an article based on his new book, *Parking and the City*: www.planning.org/planning/2018/oct/parkingpricetherapy/ (/planning/2018/oct/parkingpricetherapy/).)



Carless in Seattle: The mixed use transit-oriented development Artspace Mt. Baker Lofts is located on the Central Link light-rail line. It has bicycle storage and a reserved car-share space, but no parking garage. Photo courtesy SMR Architects and Artspace.

Over the past three years, a Minnesota-based smart-growth advocacy organization called Strong Towns has compiled, through crowdsourcing, more than 130 examples of communities across the country addressing or discussing parking minimum reforms. And that list hasn't captured all the cities taking actions.

Communities are reforming these regulations in a variety of ways.

Some have ditched parking minimums entirely. Buffalo, New York, in early 2017 became the first U.S. city to completely remove minimum parking requirements citywide, applied to developments of less than 5,000 square feet. Late last year Hartford, Connecticut, went a step further and eliminated parking minimums citywide for all residential developments.

Some have targeted their reforms to certain areas or development districts. Lexington, Kentucky, earlier this year scrapped parking requirements in a shopping center corridor to allow the development of new multifamily housing. Spokane, Washington, this past summer eliminated parking requirements for four-plus-unit housing projects in denser parts of the city.

Some have tied new policies specifically to spur affordable housing. Seattle this past spring eliminated parking requirements for all nonprofit affordable housing developments in the city, among other provisions. A couple of years ago, Portland, Oregon, waived parking requirements for new developments containing affordable housing near transit. Also in 2016, New York eliminated parking requirements for subsidized and senior housing in large swathes of the city well served by the subway.

Even some suburbs are doing it. Santa Monica, California, removed parking requirements entirely last year for new downtown developments as part of a new *Downtown Community Plan*. And this year, the Washington, D.C., suburban county Prince George's, Maryland, revised its zoning code to significantly reduce parking minimums.

"We're trying to create a new model of mobility and not emphasize the car as much as we've done in the past," says David Martin, Santa Monica's director of planning and community development.

Building Parking Raises Rent

Parking costs a lot to build, and that cost usually ends up raising tenant rents.

\$5,000: Cost per surface space

\$25,000: Cost per above-ground garage space

\$35,000: Cost per below-ground garage space

\$142: The typical cost renters pay per month for parking

+17%: Additional cost of a unit's rent attributed to parking

Source: Housing Policy Debate, 2016

Catalysts for change

Three primary factors are driving this new reform:

1. CITIES ALREADY HAVE MORE THAN ENOUGH PARKING.

The Research Institute for Housing America, part of the Washington, D.C.-based Mortgage Bankers Association, used satellite imagery and tax records this year to tally parking space totals in different-sized U.S. cities, and determined that outside of New York City, the parking densities per acre far exceeded the population densities.

Meanwhile, two different groups — TransForm, which promotes walkable communities in California, and the Chicago-based Center for Neighborhood Technology, a nonprofit sustainable development advocacy group — have both conducted middle-of-the-night surveys of parking usage at apartment projects on the West Coast and in Chicago, respectively. They consistently found one-quarter to one-third of spaces sat empty. The Chicago center concluded "it is critical to 'right size' parking at a level below current public standards."

2. TRANSPORTATION PREFERENCES ARE SHIFTING.

A variety of converging trends point to the possibility of fewer cars in the future. Fixed-rail transit lines continue to be developed in more urban centers, and millennials are not driving as much as previous generations. Meanwhile, transportation alternatives are proliferating, from passenger services such as Uber to car-sharing services such as Zipcar. Then there's the potential of driverless cars and the expansion of retail delivery services.

3. BOTTOM LINE: WE'RE GOING TO NEED MUCH LESS SPACE TO STORE CARS.

In fact, Green Street Advisors, a commercial real estate advisory firm, analyzed what it calls the "transportation revolution" — encompassing ride-hailing services, driverless cars, etc. — and estimated that U.S. parking needs could decline by 50 percent or more in the next 30 years. (See "Future-Proof Parking," March: www.planning.org/planning/2018/mar/futureproofparking (/planning/2018/mar/futureproofparking/).)

"In the old days, you built an apartment and you expected it needed two cars," says Doug Bibby, president of the National Multifamily Housing Council, an apartment trade association in Washington D.C. "Those parking ratios are outdated and no longer valid in any jurisdiction."

Concerns about housing affordability

With the U.S. economy reasonably strong and most urban crime rates on a long-term decline, housing costs have increasingly emerged as a hot-button issue. In Boston University's nationwide Menino Survey of Mayors last year, housing costs were cited as the number one reason residents move away, and more affordable housing was the top-ranked improvement mayors most wanted to see.

"It's on the minds of mayors now more than it has been in the past," says Kimble Ratliff, the National Multifamily Housing Council's vice president of government affairs.

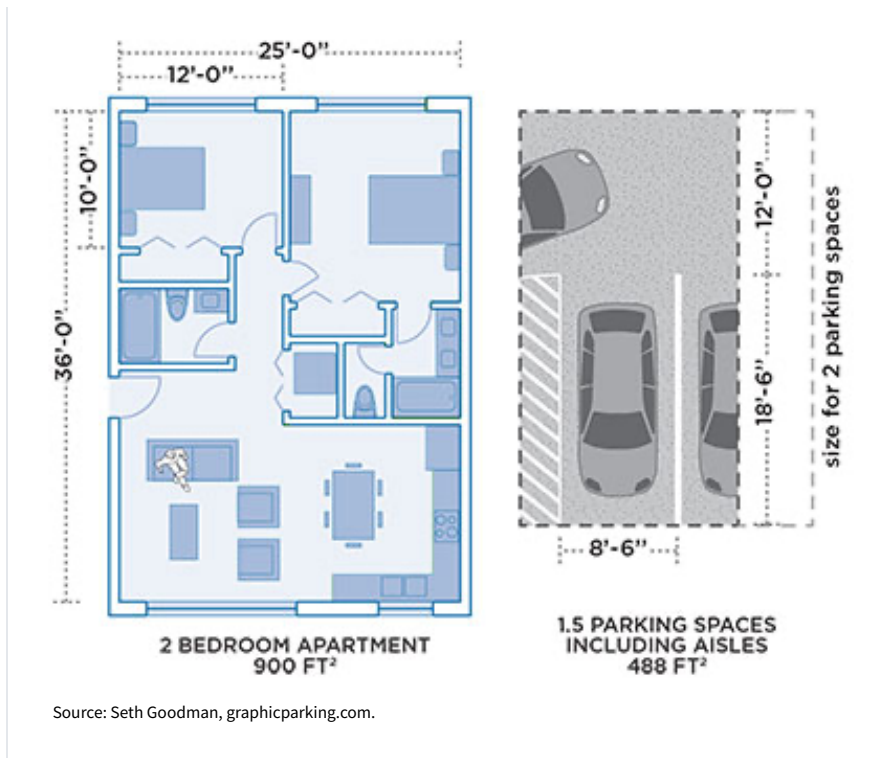
They're concerned because there's ample evidence of a continued national shortage of affordable housing. The latest "State of the Nation's Housing" report from Harvard University's Joint Center for Housing Studies noted that a decade-long multifamily construction boom has increased total occupied rental units by 21 percent, but mainly at the top end of the market. Total units deemed "affordable" — costing less than 33 percent of median income — have remained basically static during the last decade, while the number of extremely low-income renter households has grown by more than 10 percent. The 2018 report concluded that there is a "tremendous pent-up demand for affordable rental housing."

So as cities have searched for ways to generate more affordable housing, parking has emerged as an easy target. Parking ratios are simple to change, and the process doesn't lead to future cost obligations like subsidies do.

That was the approach taken by Seattle this year. "The number one issue facing our city is the lack of housing options and affordability. We're looking to remove any barriers to the supply of housing, and parking is one of them," says Samuel Assefa, the director of Seattle's Office of Planning and Community Development.

Living Space versus Parking Space

The typical median parking required for a two-bedroom apartment in many large North American cities is more than half the size of the apartment itself.



Impacts on housing costs

Planners' shifting strategies toward parking are now supported by a growing body of evidence that parking requirements negatively impact multifamily housing, especially affordable projects.

In a nutshell, building parking costs a lot, and that cost usually ends up raising tenant rents.

Various studies indicate that surface parking lot spaces cost upwards of \$5,000 each, while above-ground parking garages average around \$25,000 per space and below-ground garages average around \$35,000 per space. That can translate into higher rent, particularly in big cities. Two UCLA urban planning professors studied U.S. rental data and reported in the journal *Housing Policy Debate* in 2016 that garage parking typically costs renter households approximately \$142 per month, or an additional 17 percent of a housing unit's rent. Other studies have found even larger impacts on rents.

"That can be a significant burden on lower-income households," says David Garcia, policy director of the Turner Center for Housing Innovation at the University of California–Berkeley.

Changing that equation can help produce additional affordable housing. That's a scenario actually playing out in Portland, Oregon.

In 2016 the Portland Community Reinvestment Initiatives, a nonprofit developer and manager of low-income housing, began planning a 35-unit senior housing project called Kafoury Court. At the time, Portland's code required providing five parking spaces for the project, and the developer was struggling to find financing. But late that year, the city changed its parking requirements, and Kafoury now only needs to provide two spaces.

While that change doesn't seem like much, it allowed the development to be totally redesigned. A first-floor parking garage was no longer needed, so the building has been scaled back from five stories to four stories, which led to cost-saving ripple effects. "This has made the project financially feasible," says PCRI's Julia Metz.

She adds: "We prefer to build houses for people, not cars. When it comes down to choosing space for people or parking, we're going to choose people."

Affordable housing projects, with their lower rent revenue streams, are already challenging to finance. So parking is an increasingly key factor in whether or not a project works financially. But to developers, reducing or removing parking requirements does not mean eliminating

parking supply. It simply allows developers to decide how many spaces to build based on market and locational demand.

"I've had developers say to me, 'Hey, I could make this deal work if I only had to build a garage that's one-third smaller,'" says Greg Willett, chief economist of RealPage, a provider of property management software and services. "Any way you can take costs out of the deal is meaningful."

'The debate is now won'

When it comes to utilizing parking to augment planning and development policies, U.S. cities still have a long way to go to catch up to some European counterparts. Zurich, Switzerland; Copenhagen, Denmark; and Hamburg, Germany, have all capped the total number of allowable parking spaces in their cities. Oslo, Norway — where a majority of center-city residents don't own cars — is pursuing plans to remove all parking spaces from that district, to be replaced by installations such as pocket parks and phone-charging street furniture.

And last year the largest city in North America, Mexico City, eliminated parking requirements for new developments citywide and instead imposed limits on the number of new spaces allowed, depending on the type and size of building.

In the U.S., however, parking is still sacred in many places. Sometimes when parking reductions are proposed for a certain urban district or a specific new development, nearby residents complain it will force new renters to park on their residential streets. Because so many people still own cars, the National Multifamily Housing Council's *2017 Kingsley Renter Preferences Report* ranked parking as renters' second-most desired community amenity, behind only cell-phone reception.

Not surprisingly, then, some places are still demanding more parking, not less. In Boston, for instance, an influx of new residents clamoring for parking in the booming South Boston neighborhood led to zoning code changes in 2016 that require developers to build two-thirds more off-street parking than before.

Nevertheless, the movement to reduce parking is now widespread, involving big cities and small towns, urban districts and suburban locales, affordable housing and market-rate units. "It's pretty well accepted now that reforming parking minimums is a good way to manage cities," says Tony Jordan, founder of Portlanders for Parking Reform, which has advocated for better parking policies. "The debate is now won."

The lessons for planners are, first, to be open to adjusting parking policies in zoning codes and comprehensive plans and, second, to be flexible in crafting new parking limits depending on the location or desired outcome, such as spurring affordable housing development.

"As we update our policies, we as planners need to learn from the past and adjust," says Seattle planning director Assefa. "We constantly need to tweak our policies and face the challenges of what's not necessarily working. More often than not, there's significant space dedicated to the car that is not utilized."

Jeffrey Spivak, a market research director in suburban Kansas City, Missouri, is an award-winning writer specializing in real estate planning, development, and demographic trends.

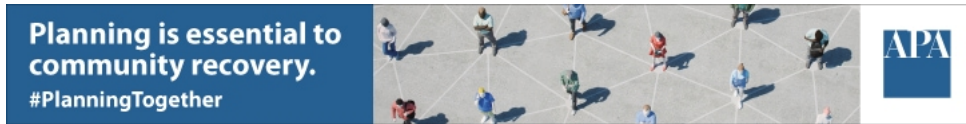
RESOURCES

APA Knowledgebase Collection, "[Rethinking Off-Street Parking Requirements \(/knowledgebase/parkingrequirements\)](https://knowledgebase.parkingrequirements.com/)".

Harvard University Joint Center for Housing Studies' *The State of the Nation's Housing 2018* (<http://hjchs.harvard.edu/state-nations-housing-2018>).

Center for Neighborhood Technology, "[Stalled Out: How Empty Parking Spaces Diminish Neighborhood Affordability \(http://bit.ly/2Mr0bES\)](http://bit.ly/2Mr0bES)".

Strong Towns keeps track of progress on [parking minimum removals across the U.S. \(http://bit.ly/2C1t86k665600\)](http://bit.ly/2C1t86k665600).



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**The following arguments were received after the closure of the record between
August 22th, 2022 and August 29th, 2022**

TO: Hood River Planning Commission
FR: Carolyn R. Smale, 808 Cascade Ave., Hood River, OR 97031
DT: August 24, 2022
RE: Supplemental Written Testimony
Notice of Public Hearing – Tax Lots 6500, 6501 & 6502
City File No. 2022-31
Request for Rezone from C-1 to C-2 &
Application for a 54 foot high 21 plus unit mixed use building

PLACE IN RECORD

I was the only one that attended the applicant's zoom meeting about this project so I did not think others would be objecting so I told the applicant I would not. I, and others, have been vilified by this commission, the former mayor, the current mayor, the majority of the city council and advocacy groups for protecting a park from development. Being the only one on the zoom, I just gave up. If the city planners, commission, mayor and majority of the counsel thought that a large apartment complex was compatible with a park then how could I ever convince them that the increased size, mass and use a change from C-1 to C-2 would allow would be incompatible with our neighborhood without having to take the matter to the Oregon Court of Appeals. This all changed when the letter from the city was sent out with the rendering of the project. My neighbors asked if I was going to object and with that support, I (and my husband Ross) have objected to the rezone.

It should be noted that if the applicant sent out the post card about the project with the rendering on the city's notice, the zoom would have been a packed house. The post card that was sent out is attached and incorporated by this reference. Who does not want what is on that postcard? I thought they were going to build some condos that my sister and her husband would

be able to afford. It just goes to show how gamespersonship and marketing is playing a larger role than being straight forward and factual and that all of us can be fooled.

Well now I am also a NIMBY. I knew that our views and privacy would diminish as things were developed around us but I never thought that I would end up with a development on 7th and Cascade that would be able to look down into our back yard. This is how big this development is and one of the many reasons it is not compatible.

Also, I am not just worried about my back yard. I am worried about the increase in density to the entire town. I objected to the revamp of the zoning code to increase density. I am consistent in my belief that too much concrete and density is not a good thing. People need space, and air and light. People that live in the valley need more space than people that live here in town and people like me that live in this small town need more space than those that live in a larger city. Our housing crisis has multiple root causes and low inventory is only part of that problem so maximizing our building limits to increase inventory cannot be the full solution.

Sacrificing some people's quality of life to help other people's quality of life is not a solution; we must strive to protect everyone. This complex can be built on the smaller scale permitted by C-1 so that it remains compatible with the neighborhood. We cannot all get what we want. I would love to just have it remain a parking lot but that is not realistic. Since the applicant did not offer to reduce the mass and scale or use in its letter of August 22, 2022, the only way this can happen is to keep the zoning C-1 because these applicants are not interested in compromise.

"Very" Respectfully Submitted,



Carolyn R. Smale

YOU'RE INVITED:

Please join us for a presentation on the proposed rezoning from Commercial 1 to Commercial 2 of the lots located at 715 Cascade Ave, Hood River OR. We'll introduce ourselves and discuss our workforce housing proposal for Hood River residents. Tax lots to be discussed are 6500, 6501, and 6502.



Register today at: <https://tinyurl.com/ColumbiaGorgeCapital>
Or request an invitation by phone: (541) 524-4059

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We hope to meet you soon- please feel free to reach out with any questions or thoughts you wish to share.

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