



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

DECEMBER 2019

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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

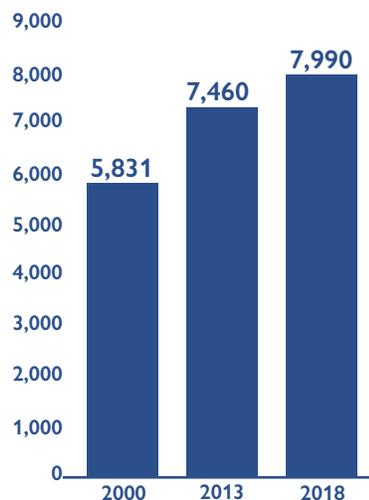
Population and housing characteristics are useful for better understanding Hood River and the people who live here. Characteristics such as population growth, age of residents, and ethnicity provide useful information about how the characteristics of Hood River's households and people have changed since 2013.

Unless otherwise noted, all data in this document are from the U.S. Census 2013-2017 American Community Survey.

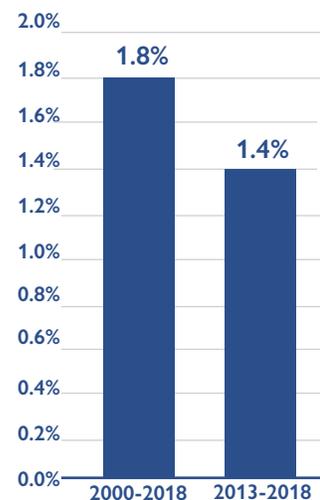
Since 2014, Hood River had a 1.4% Annual Average growth rate.

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

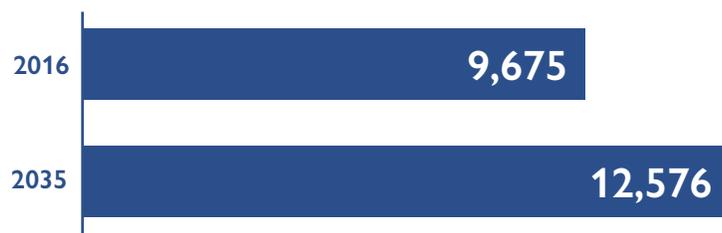
Source: Annual Population Estimates, Portland State University's Population Research Center

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%.

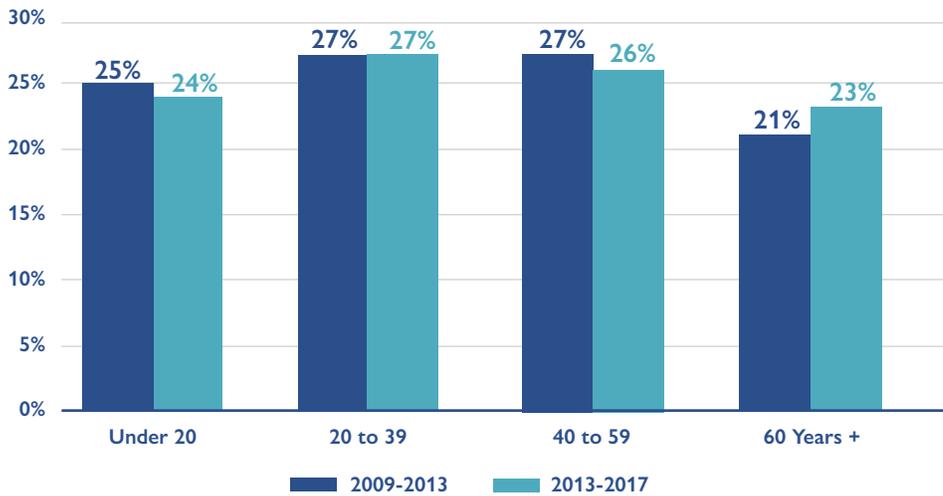
POPULATION FORECAST, URBAN GROWTH BOUNDARY, 2016-2035

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

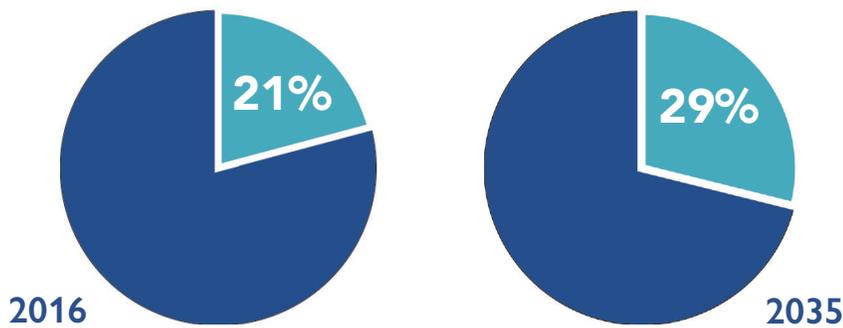


A growing percentage of Hood River's population is over 60 years old.

Since completion of the HNA, the growing age group were people 60 years and older.

POPULATION AGED 60 & OLDER, HOOD RIVER COUNTY, 2016 & 2035

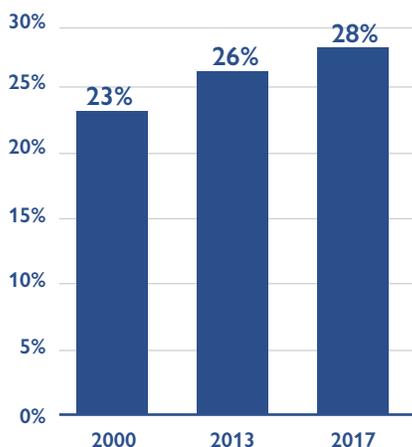
Source: Oregon Population Forecast Program, Portland State University's Population Research Center, June 30, 2016



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.

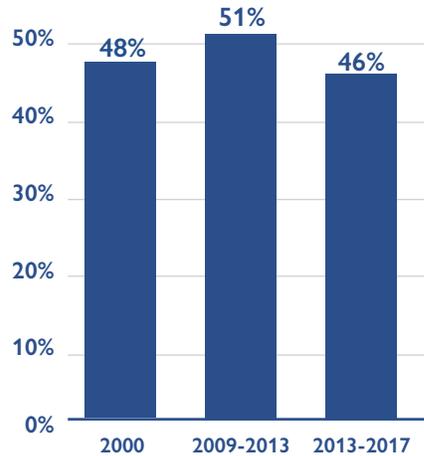
Between 2009-2013 and 2013-2017, Hood River's median gross monthly rent increased 29% to \$1,004 above the State median monthly rent of \$988.

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

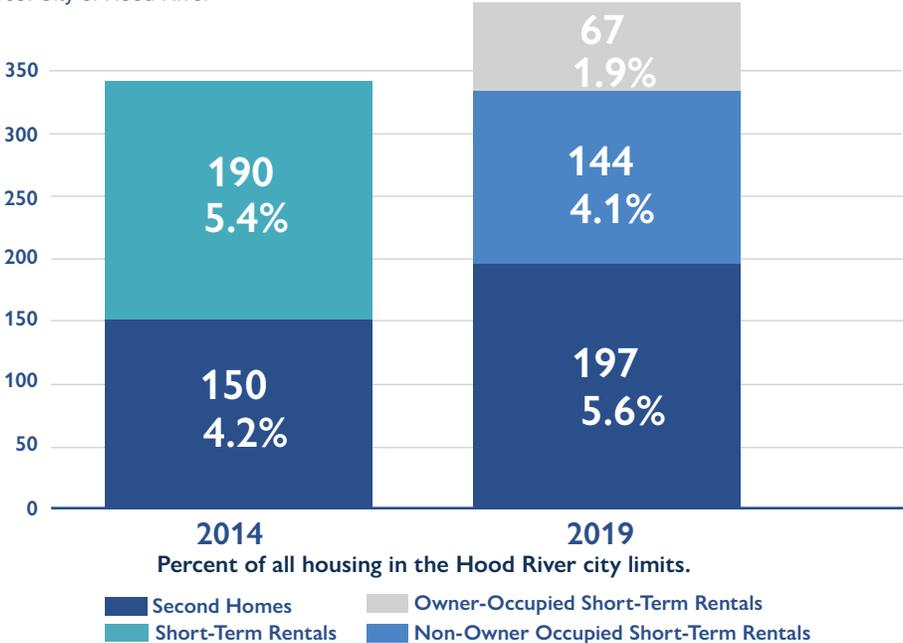
Source: 2019 rent survey conducted by ECONorthwest

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



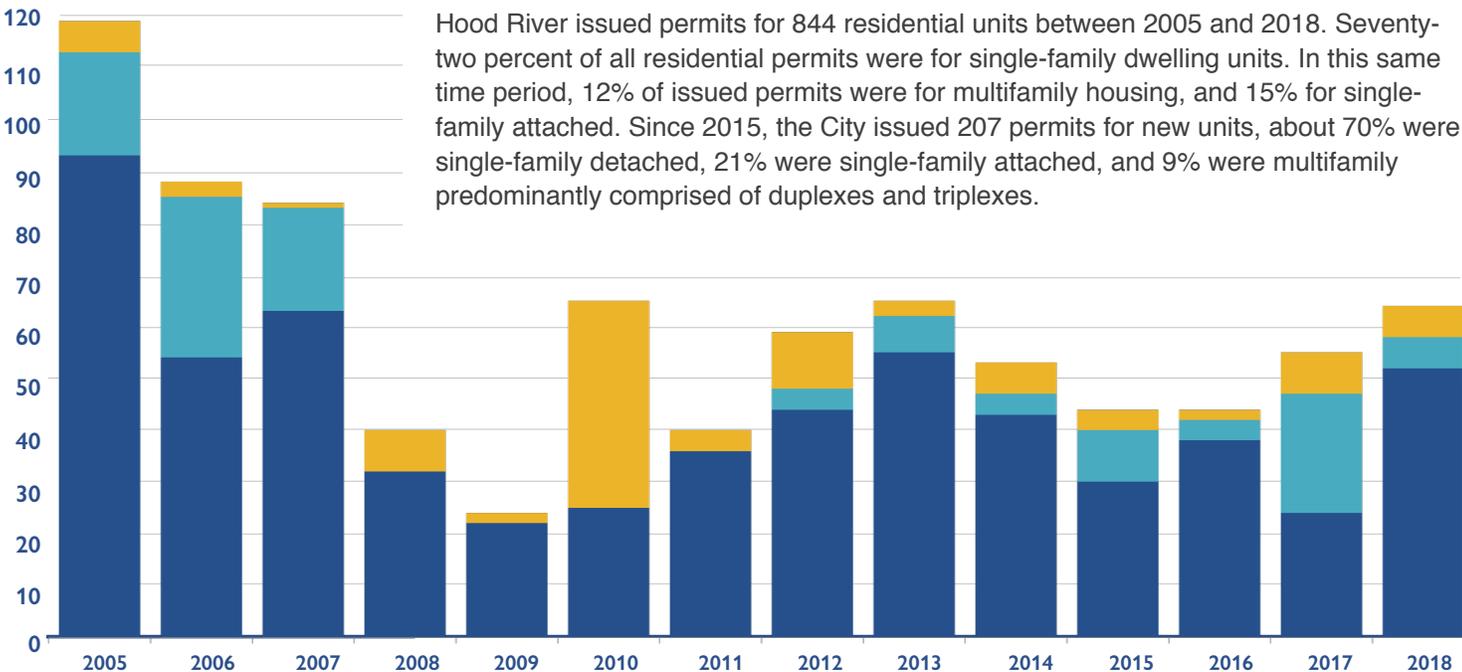
SINGLE-FAMILY DETACHED



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:

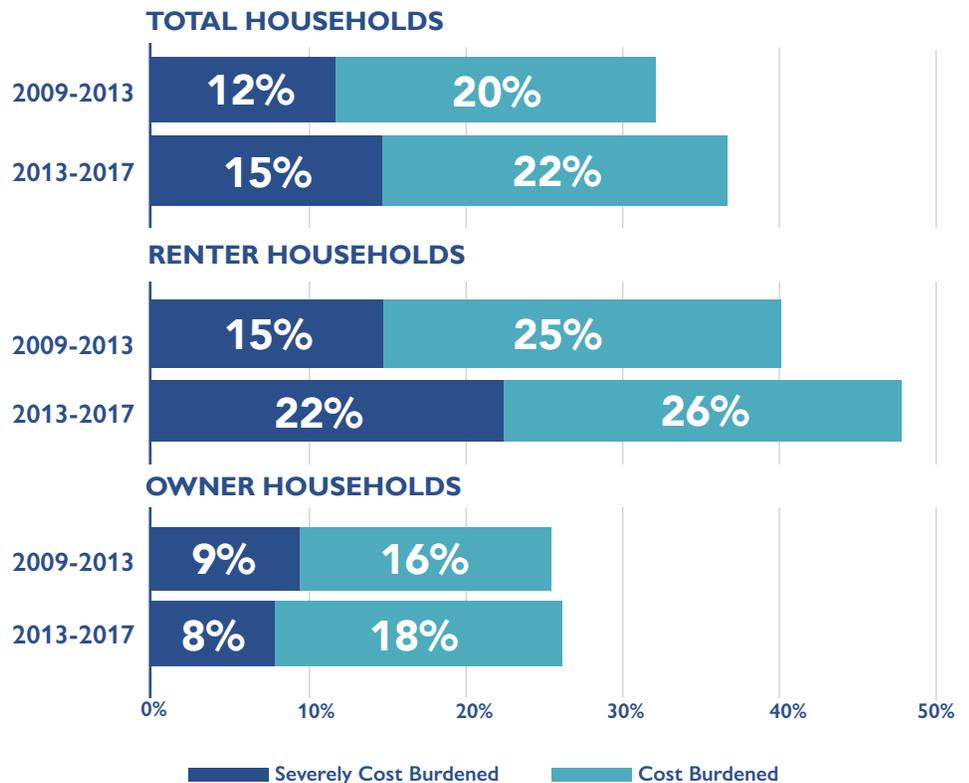
- Hood River will have an ongoing need for housing affordable to lower- and moderate-income households, or those who are within less than 120% MFI, who make less than \$75,000.
- Homeownership rates in Hood River declined recently to 46% and more than half, about 54% of Hood River households are renters.
- 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.

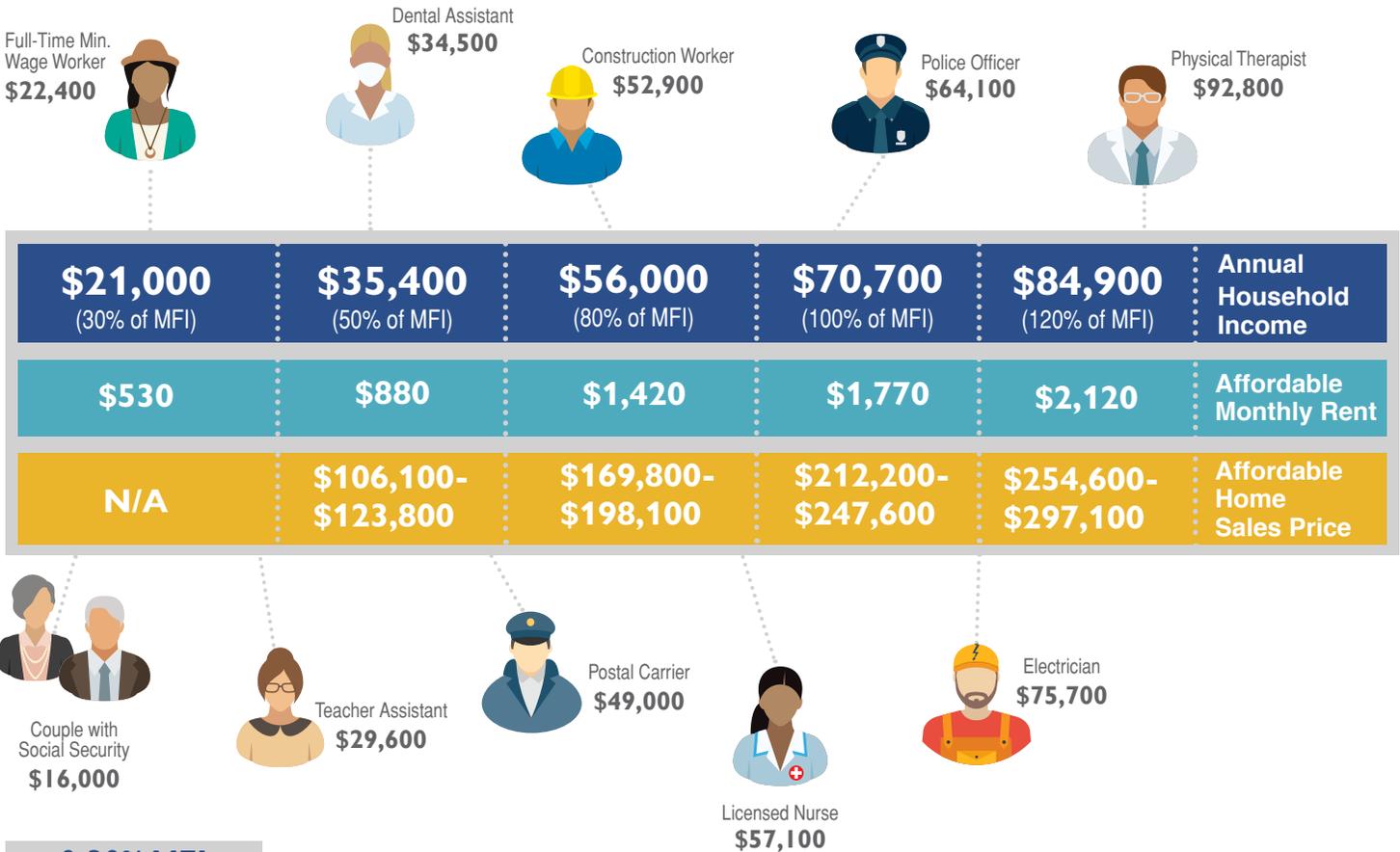


HOUSING AFFORDABILITY

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:

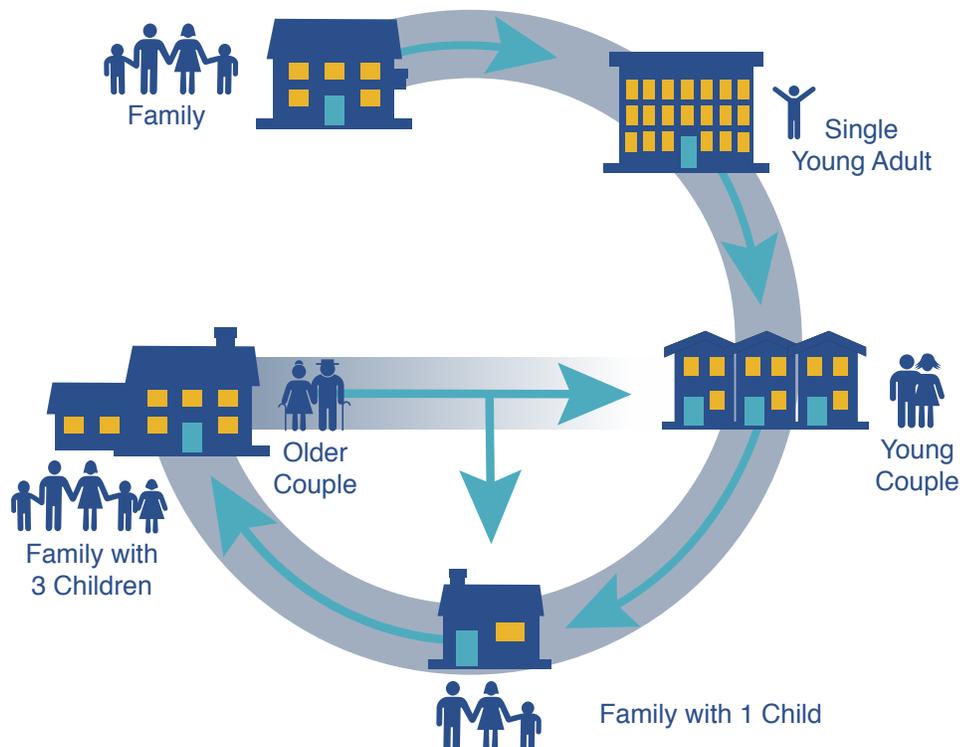
- Housing needs change over a person's lifetime.
- Homeownership rates increase as income increases.
- Homeownership rates increase as age increases.
- Choice of single-family detached housing increases as income increases.
- Renters are more likely to choose multifamily housing than single-family housing 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**

Aging 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:



Aging 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.

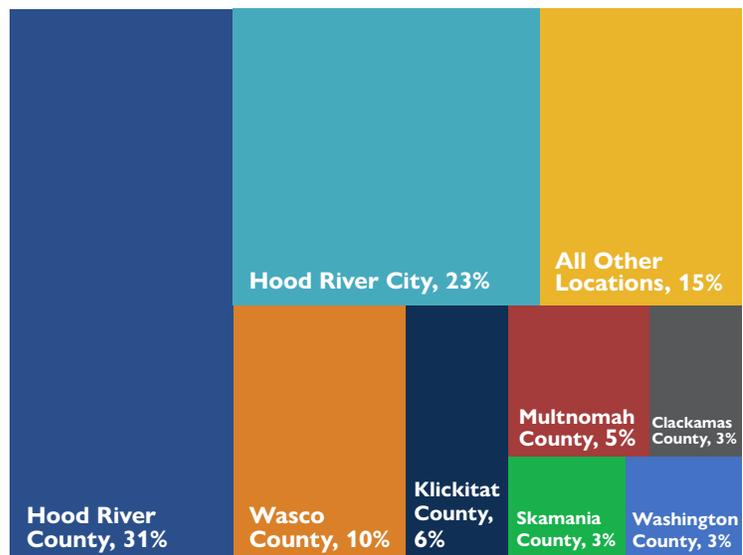
COMMUTING PATTERNS

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

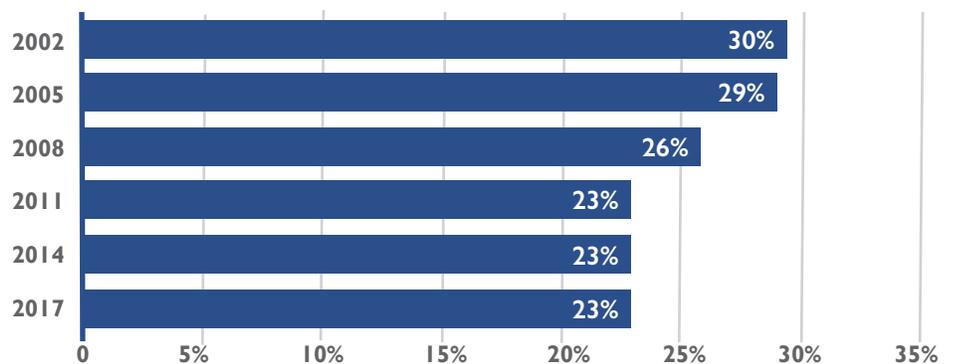


Commuting is increasingly common in Hood River.

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

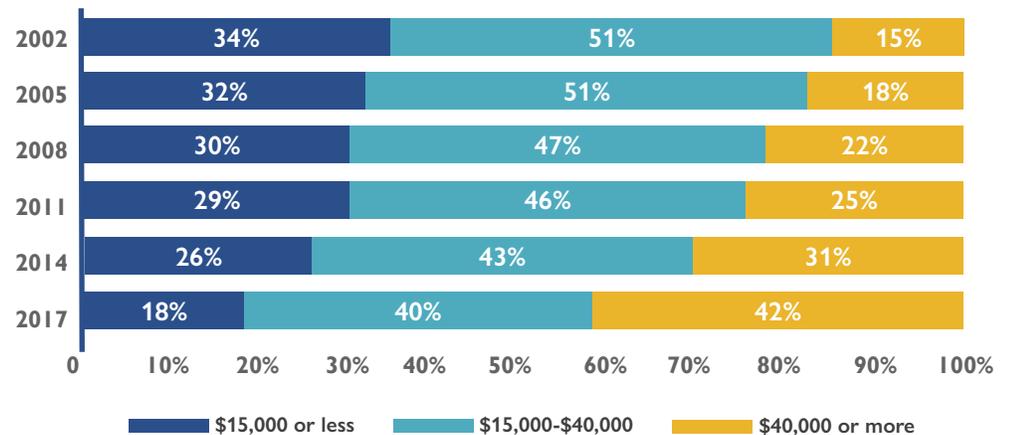
Source: LEHD Origin-Destination Employment Statistics



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.

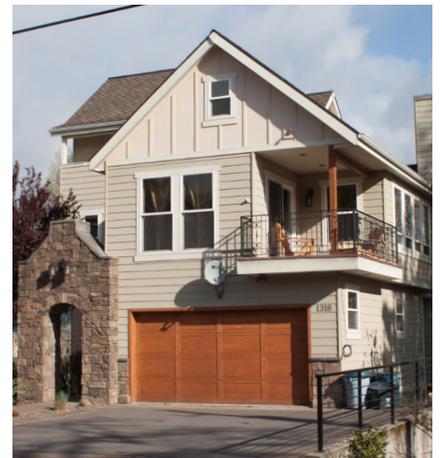
This increase in commuters and commuters with middle and higher wages suggests that people who work at jobs in Hood River are unable to find affordable housing in Hood River. This is true for people with higher wage jobs, as well as those with lower wage jobs.

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).

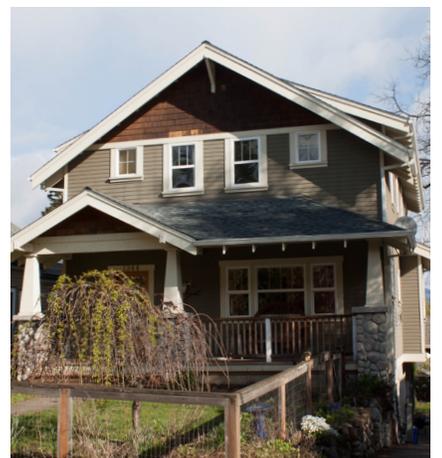
Finally, the supply of residential land in Hood River will eventually be developed, whether by 2035 or some years later. Hood River will have a particularly difficult time of expanding its UGB, given the city's location within the Columbia River Gorge and National Scenic Area. The Statewide Planning 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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