

# Canby Housing Needs Analysis

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January 2023

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City of  
**Canby**

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# Acknowledgements

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## Table of Contents

Acknowledgements .....	ii
Introduction .....	1
Oregon Regulatory Requirements .....	1
Methodology .....	2
Process .....	2
Report Organization.....	3
Housing Need Projection .....	4
Methodology .....	4
Demographic and Socio-Economics.....	4
Population .....	4
Socio-economic Characteristics .....	5
Housing Inventory and Tenancy .....	6
Housing Market Characteristics.....	8
Housing Needs .....	11
Summary of Housing Needs .....	11
Housing Demand by Dwelling Type and Tenancy.....	12
Buildable Land Inventory .....	14
Methodology .....	14
Residential Land Base.....	14
Land Classifications .....	15
Development Constraints.....	16
Residential Buildable Land Inventory Results.....	17
Total Developable Residential Land.....	18
Buildable Land by Lot Size .....	18
Residential Land Need Analysis.....	21

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<b>Methodology .....</b>	<b>21</b>
<b>Housing Need Forecast .....</b>	<b>22</b>
<b>Residential Land Need Summary.....</b>	<b>22</b>
<b>UGB Sufficiency Analysis.....</b>	<b>23</b>
<b>Findings and Recommendations .....</b>	<b>25</b>
<b>Key Findings.....</b>	<b>25</b>
<b>Housing Policy Recommendations .....</b>	<b>25</b>

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# Introduction

The Canby Housing Needs Analysis (HNA) is intended to serve as a basis for the City of Canby to document new information regarding the city’s Buildable Land Inventory (BLI), population and housing trends, and development policies aimed at providing adequate land within the urban growth boundary (UGB) to accommodate the next 20 years of population growth.

## Oregon Regulatory Requirements

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

At a minimum, local housing policies must meet the applicable requirements of Goal 10 and the statutes and administrative rules that implement it (ORS 197.295 to 197.314, ORS 197.475 to 197.490, and OAR 600-008).<sup>1</sup> Goal 10 requires incorporated cities to complete an inventory of buildable residential lands. Goal 10 also requires cities to encourage the numbers of housing units in price and rent ranges commensurate with the financial capabilities of its households. Goal 10 defines needed housing types as “all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an UGB at price ranges and rent levels that are affordable to households within the county with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes.” ORS 197.303 defines needed housing types:

- (a) Housing that includes, but is not limited to, attached and detached single-family housing and multiple family housing for both owner and renter occupancy.
- (b) Government assisted housing.<sup>2</sup>
- (c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490.
- (d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions.
- (e) Housing for farmworkers.

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<sup>1</sup> ORS 197.296 only applies to cities with populations over 25,000.

<sup>2</sup> Government assisted housing can be any housing type listed in ORS 197.303 (a), (c), or (d).

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## Methodology

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.

## Process

The HNA process was initiated at a kickoff management of City staff and the consultant in January 2022. These Project Management Team members continued to meet on regular basis over the course of the project to track progress on key tasks and deadlines, identify unanticipated issues and develop alternative approaches as needed.

A Housing Advisory Committee (HAC) appointed by the City met four times over the course of the project. The HAC reviewed and provided comments on key materials and made recommendations related to housing implementation policies.

- At meeting #1 in March 2022, the HAC discussed the Community Engagement Plan and Housing Needs Projection.
- At meeting #2 in June 2022, the HAC viewed a presentation on the Residential Buildable Land Inventory and Residential Land Need Analysis.
- At meeting #3 in September 2022, the HAC reviewed Housing Policy Options.
- At meeting #4 in January 2023, the HAC reviewed the Draft HNA and land efficiency measures.

All HAC meetings were advertised and open to the public.

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## Report Organization

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

**I. Introduction.**

**II. Housing Need Projection:** provides a demographic overview and summary of market trends influencing housing growth in Canby.

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

**IV. Land Sufficiency Analysis:** this section compares expected land demand to vacant land supply to meet housing mix and densities described in the HNA.

**V. Findings and Recommendations** highlights key findings and draft housing policy recommendations.

# Housing Need Projection

## Methodology

The methodology for projecting housing needs within the Canby UGB includes consideration of demographic and socio-economic trends, housing market characteristics and long-range population growth projections.

Regional (Clackamas County) and local (City or UGB) population, households, income and market characteristics are described in this memorandum using data provided by the U.S. Census Bureau (Census and American Community Survey), the U.S. Department of Housing and Urban Development (HUD), Oregon Department of Housing and Community Services (OHCS), Portland State University (PSU) and the City of Canby. Where trends or long-range projections are provided by an identified data source, this analysis includes extrapolations or interpolations of the data to arrive at a base year (2022 estimate) and forecast year (2043 projection). The result of this forecast translates population growth into households and households into housing need by dwelling type, tenancy (owner vs. renter) and affordability level.

## Demographic and Socio-Economics

### Population

The City of Canby attained a record-high population of 18,979 people in 2022 (July 1 estimate by PSU). Clackamas County, Oregon’s third largest in terms of population had an estimated 425,316 year-round residents. Prior to 2010, Canby was growing over twice as fast as the county average. However, during the most recent decade (2010 to 2021) population growth in Canby slowed down considerably as remaining buildable land became less abundant (Exhibit 1).

**Exhibit 1: Population Trends (2000-2020)**

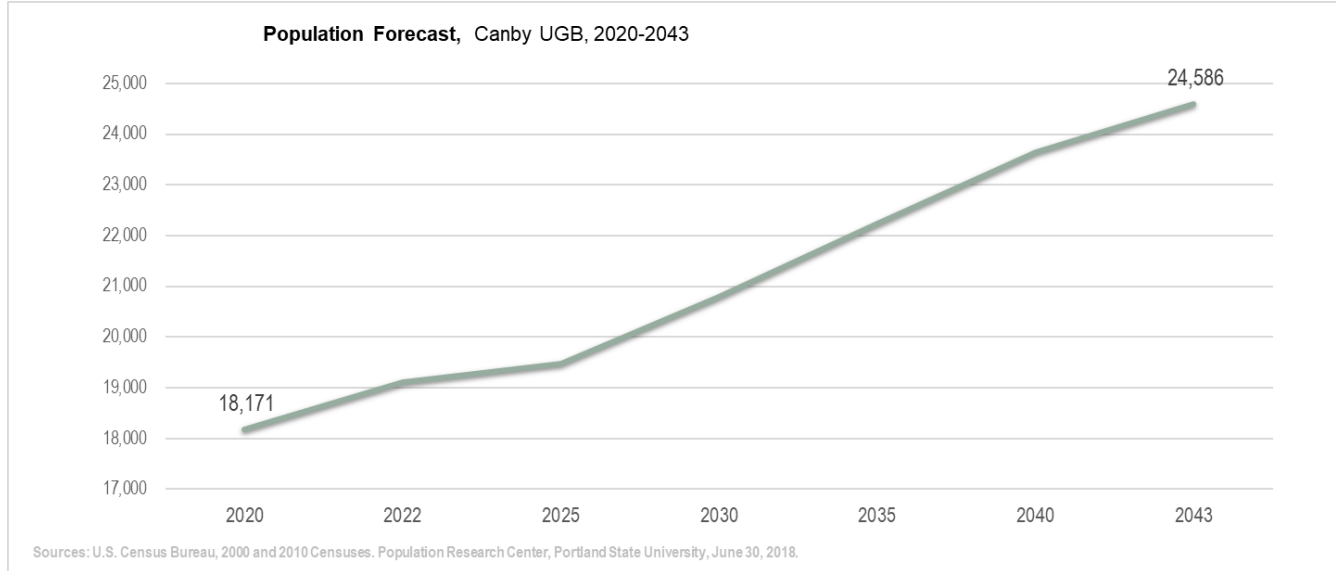
	Population Estimates, Clackamas and City of Canby , 2000-2021				Annual Growth Rate	
	2000	2010	2020	2021	2000-2010	2010-2021
Clackamas	338,391	375,992	422,185	425,316	1.06%	1.13%
Canby UGB	13,323	17,097	18,171	18,413	2.53%	0.68%
City of Canby	12,790	15,829	17,210	18,171	2.15%	1.26%

**Sources :** *Population Research Center, Portland State University, April 15, 2020*  
*U.S. Census Bureau, PL94-171 redistricting data files.*



Long-range population forecasts prepared by PSU anticipate that 5,931 residents will be added to the Canby Urban Growth Boundary (UGB) over the next 20 years. This equates to a projected annual average growth rate (CAGR) of 1.3% for the UGB (see Exhibit 2).

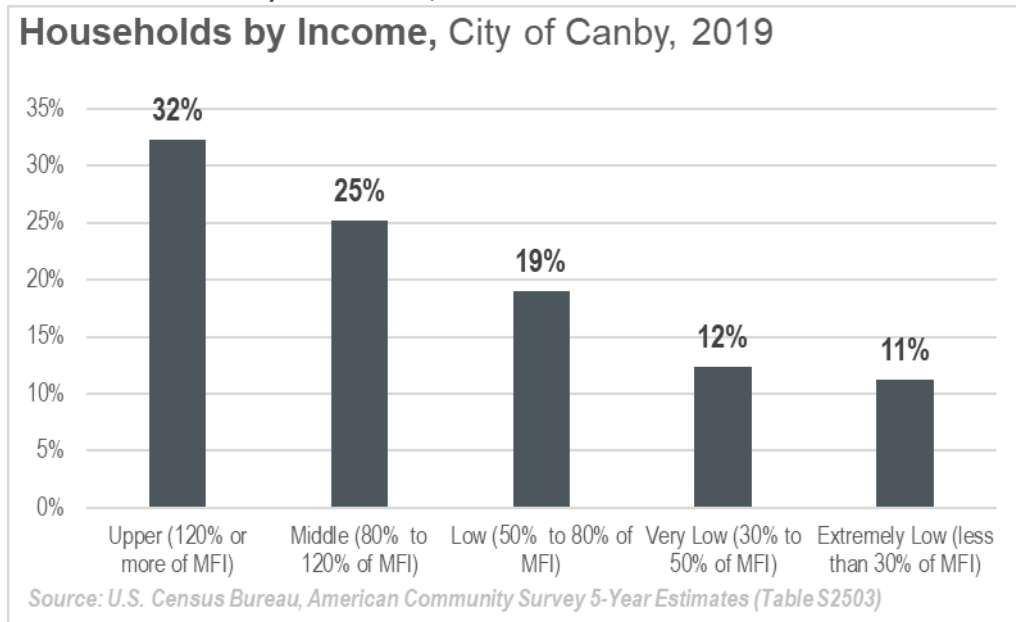
**Exhibit 2: Canby UGB Population Forecast (2020-2043)**



### Socio-economic Characteristics

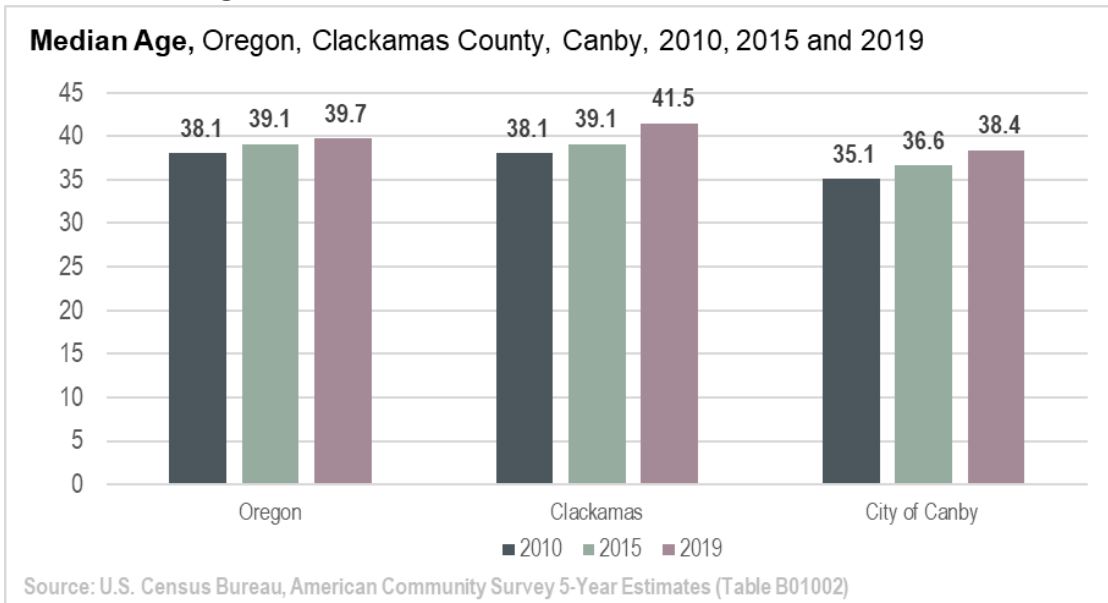
In 2019, the median family income (MFI) in Clackamas County was \$80,484. As shown below in Exhibit 3, nearly one third of the households in Canby earn over 120% of the MFI (\$96,581 or above).

**Exhibit 3: Households by Income Level, 2015-2019**



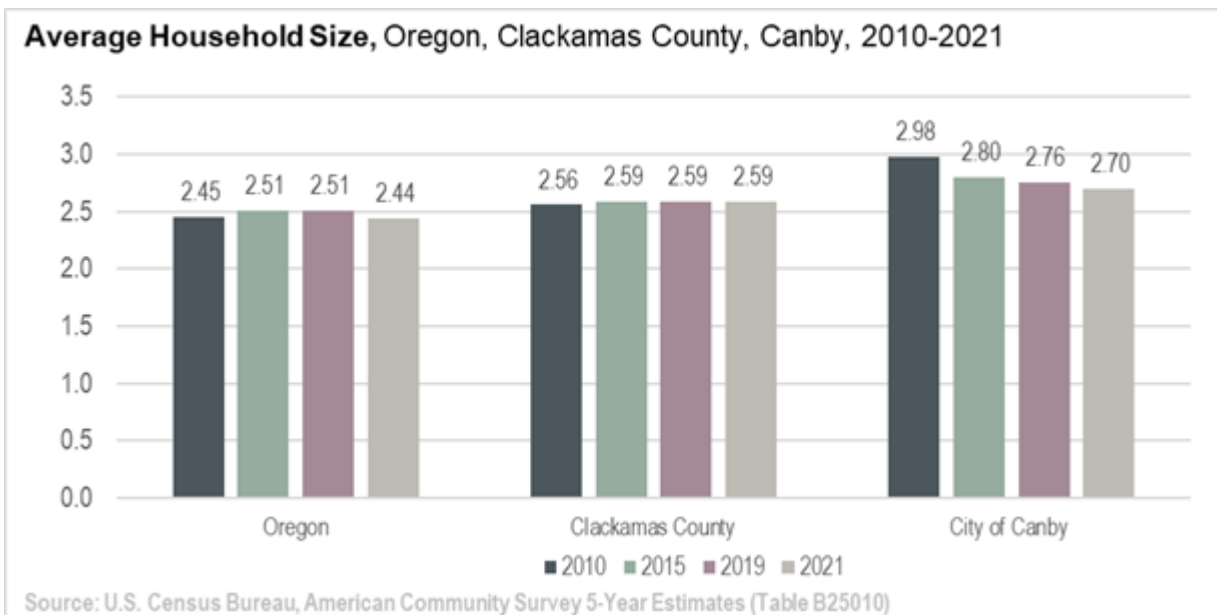
The median age in Canby (38.4) is below the Clackamas County average (41.5) and below the statewide average (39.7) as well (**Exhibit 4**).

Exhibit 4: Median Age, 2010-2019



Average household size in Canby has decreased slightly over the last two decades, from 2.98 in 2010 to 2.7 in 2021. This is well above the statewide average of 2.44 and above the countywide average of 2.59 (Exhibit 5).

Exhibit 5: City of Canby Average Household Size 2010-2021

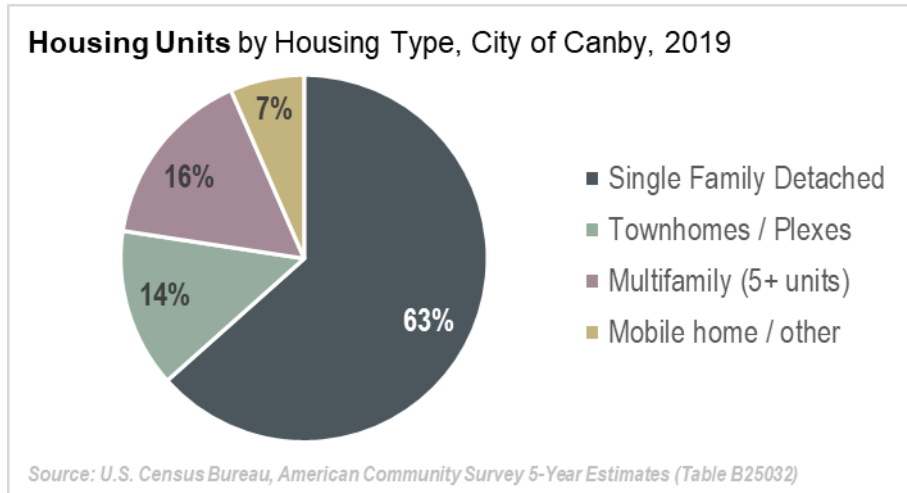


### Housing Inventory and Tenancy

Canby’s existing housing inventory and tenancy sheds light on housing conditions and market demand preferences. In 2019, there were 6,608 housing units in Canby of which 6,383 units were classified as occupied and only 225 units were vacant.

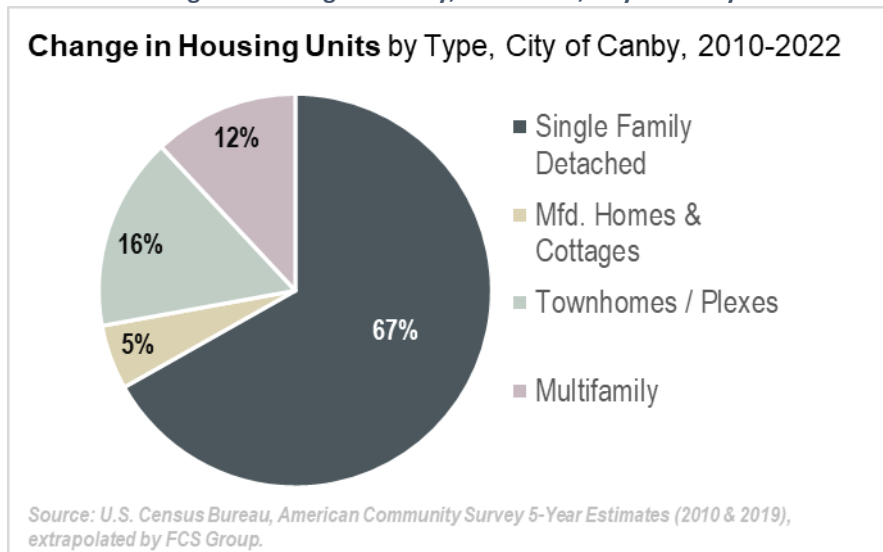
Like most cities with under 50,000 residents, single-family detached housing is the most prevalent housing type representing 63% of the housing stock. The remaining inventory in Canby includes multi-family (16%), townhomes/plexes (14%), and mobile homes (7%), as shown in Exhibit 6A.

**Exhibit 6A: Existing Housing Inventory, 2019, City of Canby**



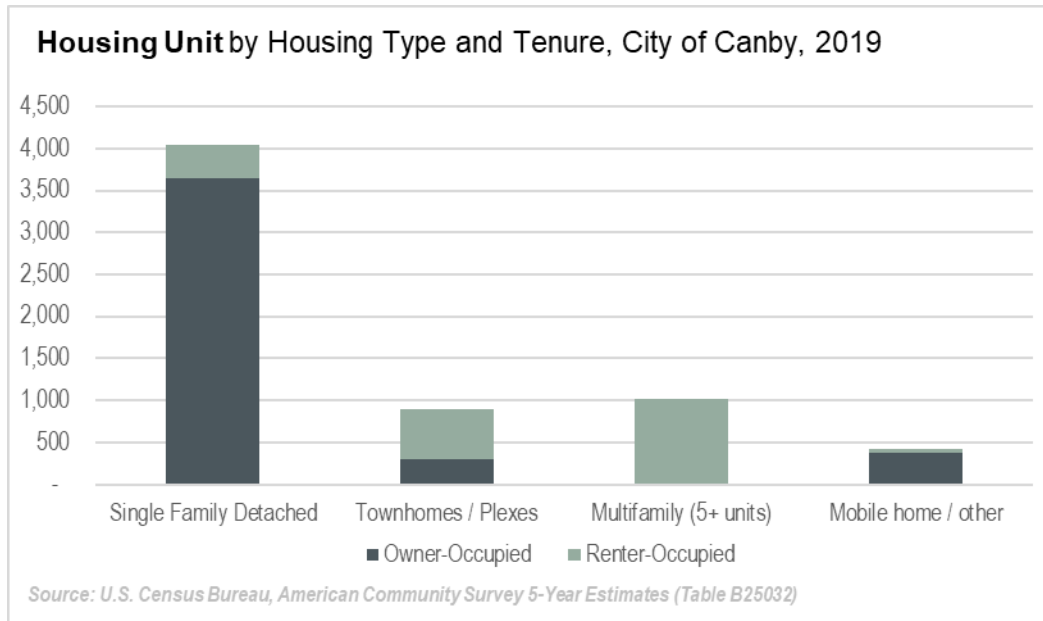
Between 2010 and 2022 the mix of new housing developed in Canby has trended a bit more towards single family detached homes. As indicated in Exhibit 6B, about two-thirds of new housing construction consisted in detached homes, and the remaining one-third was constructed as “middle housing” such as townhomes, duplexes, apartments and manufactured homes.

**Exhibit 6B: Change in Housing Inventory, 2010-2022, City of Canby**



Owner-occupied housing units represent 68% of the occupied housing inventory while renter-occupied units account for the other 32% of the inventory (Exhibit 7). Ownership is most prevalent among single-family detached and manufactured housing types while renters are more likely to favor townhomes, plexes, and multifamily units.

**Exhibit 7: Existing Housing Tenancy, 2019, City of Canby**



## Housing Market Characteristics

To help gauge housing attainability in Canby, local median family income (MFI) levels were evaluated using U.S. Housing and Urban Development (HUD) guidelines. By applying the assumptions shown in Exhibit 8 and 9, based on median family income (MFI) for Clackamas County (\$80,484), HUD guidelines indicate that upper-middle households (with 4 family members) earning 80% of the MFI should be able to afford monthly rents at \$1,610.

**Exhibit 8: Canby Housing Affordability Analysis Assumptions**

Assumptions	
Interest Rate (conventional)	6.00%
Downpayment	5%
Months per Year	12
Mortgage duration (Years)	30
Income Affordability Target Level %	30% median income
Property Taxes	0.0125 % of sales price
Mortgage Insurance	0.0085 % of loan amt.
Home Insurance	0.0029 % of sales price

The rents shown in Exhibit 9 are considered “attainable” if no more than 30% of household income is allocated to housing.

**Exhibit 9: Canby Affordable Housing Analysis: Renters**

<b>Clackamas County Median Family Income Level (2020)*</b>		
	<b>\$80,484</b>	
<b>HUD Qualifying Income Level: Renters</b>	<b>Lower-end</b>	<b>Upper-End</b>
Upper (120% or more of MFI)	\$96,581 or more	
Middle (80% to 120% of MFI)	\$64,387	\$96,581
Low (50% to 80% of MFI)	\$40,242	\$64,387
Very Low (30% to 50% of MFI)	\$24,145	\$40,242
Extremely Low (less than 30% of MFI)	\$24,145 or less	
<b>Attainable Monthly Housing Cost: Renters</b>	<b>Lower-end</b>	<b>Upper-End</b>
Upper (120% or more of MFI)	\$2,415 or more	
Middle (80% to 120% of MFI)	\$1,610	\$2,415
Low (50% to 80% of MFI)	\$1,006	\$1,610
Very Low (30% to 50% of MFI)	\$604	\$1,006
Extremely Low (less than 30% of MFI)	\$604 or less	

\*Note, this analysis is generally consistent with 4-person household size.

\*\* See assumptions provided in supporting table.

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

Monthly housing costs are generally higher for homeowners than renters due to added costs associated with insurance and taxes. If 30% of income is allocated to mortgage interest and principal, using the assumptions stated on Exhibit 10, the expected housing cost for owners at 80% MFI level is \$2,088, which should be sufficient to afford a home priced at \$279,000 (Exhibit 10).

**Exhibit 10: Canby Affordable Housing Analysis: Homeowners**

<b>Supportable Housing Price: Mortgage Principal &amp; Interest (Annual)</b>	<b>Lower-end</b>	<b>Upper-End</b>
Upper (120% or more of MFI)	\$419,000	or more
Middle (80% to 120% of MFI)	\$279,000	\$419,000
Low (50% to 80% of MFI)	\$174,000	\$279,000
Very Low (30% to 50% of MFI)	\$105,000	\$174,000
Extremely Low (less than 30% of MFI)	\$105,000	or less
<b>Monthly Housing Costs for Owners: PIT &amp; Insurance**</b>	<b>Lower-end</b>	<b>Upper-End</b>
Upper (120% or more of MFI)	\$3,133 or more	
Middle (80% to 120% of MFI)	\$2,088	\$3,133
Low (50% to 80% of MFI)	\$1,304	\$2,088
Very Low (30% to 50% of MFI)	\$784	\$1,304
Extremely Low (less than 30% of MFI)	\$784 or less	
<b>Min. Required Income Level: Owners</b>	<b>Lower-end</b>	<b>Upper-End</b>
Upper (120% or more of MFI)	\$125,317 or more	
Middle (80% to 120% of MFI)	\$83,522	\$125,317
Low (50% to 80% of MFI)	\$52,176	\$83,522
Very Low (30% to 50% of MFI)	\$31,346	\$52,176
Extremely Low (less than 30% of MFI)	\$31,346 or less	

\*Note, this analysis is generally consistent with 4-person household size.

\*\* See assumptions provided in supporting table.

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

Canby home values have increased significantly in recent years. As indicated in Exhibit 11, median home sales prices in Canby increased to \$582,000 (as of December 2022), with annual average price increase of 10.4% over the past three years. Other cities in the region have experienced similar housing price increases (Exhibit 11).

**Exhibit 11: Median Home Sales Price Index in Select Markets**

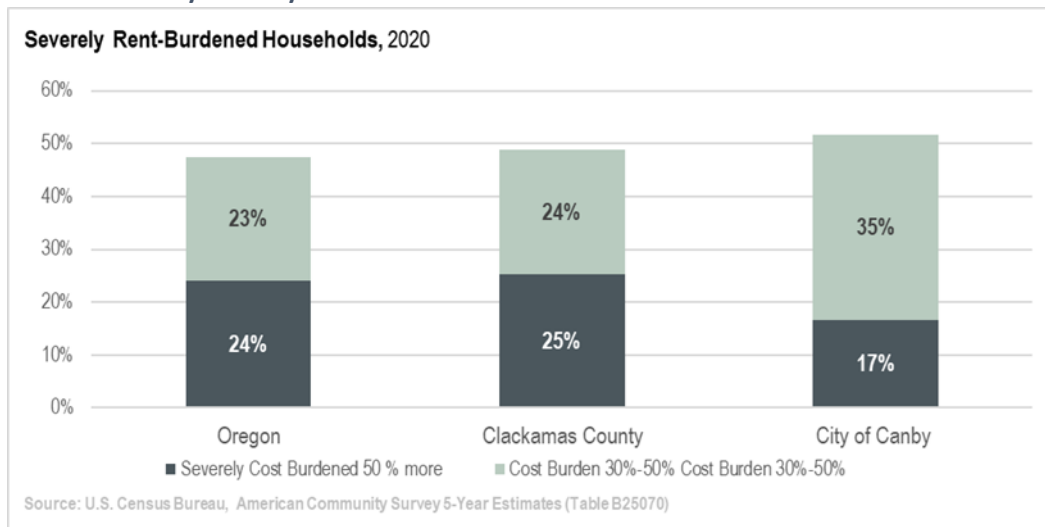
Median Home Price Sales Trends in Select Markets					
	2019	2020	2021	2022	Annual Change %
Canby	\$432,000	\$463,000	\$560,000	\$581,915	10.4%
Aurora	\$362,000	\$393,000	\$479,000	\$717,490	25.6%
Wilsonville	\$470,000	\$503,000	\$606,000	\$635,102	10.6%
Oregon City	\$446,000	\$479,000	\$579,000	\$596,475	10.2%
Butteville	\$313,000	\$345,000	\$416,000	n/a	15.3%

*Source: Zillow.com; Home Value Index for December of each year.*

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

As shown in Exhibit 12, about 17% of the rental households in Canby were severely cost burdened in 2020, which compares favorably to Clackamas County (25%) and Oregon as a whole (24%).

**Exhibit 12: Canby Severely Rent-Burdened Households**



Input received from stakeholder interviews suggests that rental housing construction in Canby is not keeping up with demand. An evaluation of housing inventory gaps indicates that there is a current shortfall or gap in available rental housing at the upper- and lower-price points (Exhibit 13). This is understandable at the lowest price points where there is always more demand than supply. The fact that there is more housing demand than supply for higher-priced rentals (affordable to those making

at least 80% of the MFI) reflects an aging housing inventory and demonstrates strong “pent up” demand for market rate apartments that rent for over \$875 per month.

With favorable housing investment policies, it is likely that there could be near-term market activity for addressing the current estimated 317-unit gap in market rate rental apartments (see Exhibit 13). In addition to this level of pent-up demand for market-rate rentals, it is estimated that at least 180 units of government subsidized housing are needed in the Canby area. If 50% of the market rate rental apartment gap and 25% of the affordable housing gap is addressed through a mix of policy strategies and non-profit investments, the City could quickly absorb approximately 204 rental units.

**Exhibit 13 Rental Housing Gap Analysis, City of Canby**

Median Household Income Range	Affordable Monthly Rent *	Renter-Occupied Households	Rental Units at this Rent Level	Housing Unit (Gap) or Surplus	Pent Up Demand	Capture Rate for Analysis	Housing Capture (units)
\$75,000 or more:	\$1,875	424	317	(107)	(317) market rate gap	50%	159
\$50,000 to \$74,999:	\$1,250-\$1,875	594	384	(210)			
\$35,000 to \$49,999:	\$875-\$1,250	298	785	487			
\$20,000 to \$34,999:	\$500-\$875	399	409	10			
Less than \$20,000:	Less than \$500	313	133	(180)	(180) subsidized housing gap	25%	45
Zero or Negative Income	Requires subsidy	19	19	-			
<b>Total</b>		<b>2,047</b>	<b>2,047</b>	<b>-</b>	<b>(497)</b>		<b>204</b>

Source: U.S. Census Bureau, American Community Survey 2010-2019; FCS GROUP.

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

## Housing Needs

### Summary of Housing Needs

There is a linkage between demographic characteristics and housing choice. Housing needs change over a person’s lifetime. Some factors that influence housing include:

- Homeownership rates increase as income rises.
- Single family detached homes are the preferred housing choice as income rises.
- Renters are much more likely to choose multifamily housing options (such as apartments or plexes) than single-family housing.
- Very low-income households (those earning less than 50% of the median family income) are most at-risk for becoming homeless if their economic situation worsens.

Based on the population projections described earlier and the most current household size estimates of 2.7 people per household, the total net new housing need within the Canby UGB over the next 20 years is approximately 2,287, housing units (including 23 units for people living in group quarters) as shown in Exhibit 14. This baseline housing need forecast assumes that the current share of group quarters population (includes people residing in congregate care facilities and housing shelters) and housing vacancy rates remain constant.

**Exhibit 14: Canby Housing Needs Forecast**

	2022	2043 forecast	Change
UGB Population	18,655	24,586	5,931
Less Group Quarters Pop. (0.6%)	111	146	35
Pop in Households	18,544	24,440	5,895
Avg. Household Size	2.70	2.70	-
Households (year round)	6,872	9,057	2,185
Vacancy and Seasonal Adjustment	3.4%	3.4%	
Growth-related Housing Demand (dwelling units)	7,115	9,377	<b>2,263</b>
<b>Group Quarters Dwelling Units*</b>			<b>23</b>
<b>Total Housing Units</b>			<b>2,286</b>

\* Category includes group quarters housing demand @1.5 persons per dwelling unit.

### Housing Demand by Dwelling Type and Tenancy

This baseline housing need forecast is generally consistent with the observed mix of housing types in Canby with increasing demand for more attainable middle housing types. Additional housing forecast scenarios may be considered during the planning process to anticipate impacts of new policy objectives, such as:

- Local policies aimed at incentivizing middle housing development, such as tax abatement and SDC scaling by home size.
- Changes in low density land use designations to create additional opportunities for middle housing types, such as duplexes and townhomes.
- Ability to provide adequate infrastructure (water, sewer, and road capacity) in a cost-effective manner to accommodate new planned unit developments or single-family subdivisions.

The baseline housing forecast predicts a range in housing types to address market preferences. The housing demand forecast includes: 1,416 single-family detached homes (such as small lot and standard lot subdivisions); 326 townhomes/plexes; 362 multifamily units (apartments); and 158 manufactured housing or cottage homes (Exhibit 15). There will also be demand for approximately 23 units of group quarters housing (such as congregate care, in-patient care, etc.).

The City has recently amended its development code to allow “middle housing” such as duplexes to be constructed in any R-1 zone and plexes and triplexes in the R-1.5 land zone. As such, this analysis assumes a “safe harbor” planning assumption that 3.0% of the 20-year housing need for townhomes/plexes would be met through infill and redevelopment of existing developed tax lots in R-1 and R1.5 zones. This assumption would effectively reduce the overall housing that requires vacant or part-vacant land by 21 dwelling units. As indicated in Exhibit 15, the adjusted 20-year housing forecast that would require vacant or part-vacant land includes 2,266 dwelling units.



**Exhibit 15: Canby Baseline Housing Needs by Tenure & Housing Type**

	Owner- Occupied Dwelling Units	Renter- Occupied Dwelling Units	Total Projected Housing Need (Units)	HB 2001 Middle Housing Adjustment**	Adjusted Housing Need (Units)
<b>Housing Tenure Distribution:</b>	<b>67.9%</b>	<b>32.1%</b>			
Single Family Detached	84.0%	19.0%	1,416	-	1,416
Townhomes / Plexes	7.0%	30.0%	326	(10)	317
Multifamily (5+ units)	2.0%	49.0%	362	(11)	351
Mfg. home/other	7.0%	2.0%	158	-	158
<b>Housing Units</b>	<b>1,537</b>	<b>726</b>	<b>2,263</b>	<b>(21)</b>	<b>2,242</b>
<b>Group Quarters Dwelling Units*</b>			<b>23</b>		<b>23</b>
<b>Total Housing Units</b>			<b>2,286</b>		<b>2,266</b>

\* Category includes group quarters housing demand @1.5 persons per dwelling unit.

\*\* Assumes 3% adjustment in middle housing demand to reflect infill and redevelopment per HB 2001.

Exhibit 16 identifies the types of housing products that are most consistent with the projected housing needs for Canby.

**Exhibit 16: Projected Housing Demand by Income Level, Canby UGB**

Household Income Level	Owner Occupied Dwelling Units	Renter Occupied Dwelling Units	Total Dwellings	Attainable Housing Products
Upper (120% or more of MFI)	1,076	36	1,113	Standard Detached Homes
Upper Middle (80% to 120% of MFI)	353	207	561	Small Lot Homes, Townhomes, Apartments
Lower Middle (50% to 80% of MFI)	108	326	434	Townhomes, Cottage or Mfg'd. Homes, Plexes, Apartments
Low (less than 50% of MFI)	0	109	109	Govt. Assisted & Accessory Dwellings
Very Low (less than 30% of MFI)	0	46	46	Govt. Assisted Housing
<b>Housing Units</b>	<b>1,536</b>	<b>725</b>	<b>2,263</b>	
<b>Plus Group Quarters Units</b>	<b>0</b>	<b>23</b>	<b>23</b>	Transitional housing & congregate care
<b>Total Dwelling Units</b>	<b>1,536</b>	<b>749</b>	<b>2,286</b>	

Source: estimates based on prior tables and stated assumptions.

This housing needs forecast will serve as the basis for forecasting residential land needs for the Canby Urban Growth Boundary.

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# Buildable Land Inventory

In accordance with OAR 660-008-0005 (2) and OAR 660-009-0015 (3), an estimate of buildable land inventory (BLI) within Canby's Urban Growth Boundary (UGB) has been created to determine that amount of land available to meet housing and employment needs. The BLI analysis uses the most current Geographic Information Systems (GIS) data provided available for the Canby UGB.

## Methodology

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

1. Calculate gross acres by plan designation, including classifications for fully vacant and partially-vacant parcels. This step entails "clipping" all of the tax lots that are bisected by the current UGB to eliminate land outside current UGB from consideration for development at this time. City staff input was provided to provide a level of quality assurance to review output is consistent with OAR 660-008-0005(2) and OAR 660-009-0015 (3).
2. Calculate gross buildable acres by plan designation by subtracting land that is constrained from future development, such as such as existing public right-of-way, parks and open space, steep slopes, and floodplains. Canby's Comprehensive Plan call for an additional reduction for wetlands from the buildable land.
3. Calculate net buildable acres by plan designation, by subtracting future public facilities such as roads, schools and parks from gross buildable acres.
4. Determine total net buildable acres by plan designation by taking into account potential redevelopment locations and mixed-use development opportunity areas.

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

### Residential Land Base

The residential land base reflects current Canby Comprehensive Plan land use designations. Properties that are within the residential land base include the following base zone classifications:

#### Residential Comprehensive Plan Land Use Classifications

- Low Density (LDR)
- Medium Density (MDR)
- High Density (HDR)
- Residential Commercial (RC)
- Downtown Commercial (DC)

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## Residential Zoning Categories

- Rural Residential Farm Forest 5-acre (RRFF5, Clackamas County zoning)
- Low Density (R1)
- Medium Density (R1.5)
- High Density (R2)
- Residential Commercial (CR)
- Downtown Commercial (C1)

These classifications have been kept consistent throughout the analysis.

## Land Classifications

The next step in the BLI analysis includes classifying each tax lot (parcel) into one of the following categories. In some cases, tax lots had to be split to accompany different plan classifications. Split tax lots are treated as individual and might go into any of the categories described below.

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

**Partially vacant land:** Properties that are occupied by a use (e.g., a home or building structure with value over \$10,000) but have enough land to be subdivided without the need for rezoning. This determination is made using tax assessor records and satellite imagery. For Single Family lots, it is assumed that ¼ acre (10,890 sq. ft.) is retained by each existing home, and the remainder is included in the part vacant land inventory. For non-single family uses aerial imagery was used to determine the size of the unused portion.

**Redevelopment Potential:** Occupied properties with a higher land value than the on-site structure. Properties must be at least 20,000sqft to be considered of interest for redevelopment.

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

**Note:** The Willamette Valley Country Club is categorized as developed. Portions of the property that are zoned for residential use include the club house and parking lot. The golf course is considered an Outdoor Recreation and Conservation Area by Metro.

**Note:** For this draft of the Canby HNA, parcels with “Pipeline Projects” were considered developed. Pipeline Projects were identified by City staff as parcels where building permits or land use approval has been issued. The City received direction from DLCD staff that a parcel must have a building permit to be considered developed. The BLI will be updated accordingly prior to HNA adoption which is not anticipated until 2024.

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**Other:** Properties which are regarded as unlikely to be developed because they are restricted by existing uses such as: public parks, schools, ballfields, roads and public right-of-way (ROW); common areas held by Homeowners Associations, cemeteries, power substations, and constrained by more than 85% of its area.

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

### **Development Constraints**

The BLI methodology for identifying and removing development constraints is consistent with state guidance on buildable land inventories per OAR 660-008-0005(2) and OAR 660-009-0015 (3), as well as 660-038-0070 and 660-038-0130. The BLI is intended to include land that is “suitable, available, and necessary for residential and economic uses.” “Buildable Land” includes residential and economic designated land within the UGB, including vacant, part vacant and land that is likely to be redeveloped; and suitable, available, and necessary for residential uses. Public-owned land is generally not considered to be available for new growth unless the underlying zoning permits it. It should be noted that “available” in this context does not mean that the land is presently on the market. It is assumed in this analysis that such land is expected to come on the market within the 20-year timeframe of this study. Land is “suitable for new development” unless it is:

- Is severely constrained by natural hazards as determined by the Statewide Planning Goal 7;
- Is subject to natural resource protection measures determined under Statewide Planning Goals 5, 6, 15, 16, 17 or 18;
- Has slopes over 25 percent;
- Is within the 100-year flood plain; or
- Cannot be provided or served with public facilities

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

- Open water of at least one-half acre in size.
- Land within the 100-year floodplains. This includes lands in flood-hazard areas as identified by the Flood Prone classification of Canby’s Comprehensive Plan.
- Wetlands identified by the City and identified in the Comprehensive Plan as a barrier for future development.
- Land within Metro’s ORCA (Outdoor Recreation & Conservation Areas) data set.
- Land in public ownership with no development potential.
- Land with slopes greater than 25%.

## Buildable Land Inventory Results

A summary of the land base by plan designation is provided in Exhibit 17. The findings indicate there is a total of 2,187 acres zoned for residential uses in Canby, including 1,493 gross developed acres and 107 gross vacant acres.

**Exhibit 17: Residential Land Base by Zone Designation, Canby UGB**

Zone Designation	Developed	Other	Vacant	Total
Rural Residential	269	24	15	308
Low Density Residential	874	512	67	1453
Medium Density Residential	130	6	12	149
High Density Residential	180	38	12	230
Residential Commercial	11	0	0	11
Downtown Commercial	30	7	1	38
<b>Total</b>	<b>1,493</b>	<b>587</b>	<b>107</b>	<b>2,187</b>

Source: Canby Buildable Land Inventory; 3J Consulting

Other Environmental constraints (slopes, floodplains, wetlands, etc.) are removed from gross vacant acres. Results summarized in Exhibit 18 indicate that after accounting for development constraints, the Canby UGB has 106 acres of vacant buildable residential land.

**Exhibit 18: Vacant Land by Zone Designation, Canby UGB**

Zone Designation	Vacant	Constrained	Buildable Vacant
Rural Residential	15	0	15
Low Density Residential	67	1	66
Medium Density Residential	12	0	12
High Density Residential	12	0	12
Residential Commercial	0	0	0
Downtown Commercial	1	0	1
<b>Total</b>	<b>107</b>	<b>2</b>	<b>106</b>

Source: Canby Buildable Land Inventory; 3J Consulting

In addition to vacant land, the BLI also includes partially-vacant and redevelopable land categories. As noted above, partially-vacant land includes properties that are occupied by a use (e.g., a home or building structure with value over \$10,000) with enough land to be subdivided without the need for rezoning. Properties with redevelopment potential are occupied properties with a higher land value than the on-site structure. Properties must be at least 20,000 sqft to be considered of interest for redevelopment. After removing environmental constraints there are 288 part-vacant acres that could be subdivided for development and 7 acres with redevelopment potential, as shown in Exhibit 19.

**Exhibit 19: Part-Vacant Buildable Land and Future Public Facilities Allowance, Canby UGB**

Zone Designation	Part-Vacant	Redev	Buildable Part-Vacant / Redev
Rural Residential	209	0	209
Low Density Residential	63	3	66
Medium Density Residential	6	0	6
High Density Residential	6	4	10
Residential Commercial	4	0	4
Downtown Commercial	0	0	0
<b>Total</b>	<b>288</b>	<b>7</b>	<b>295</b>

Source: Canby Buildable Land Inventory; 3J Consulting

### Total Developable Residential Land

Exhibit 20 shows the combination of net developable vacant, part-vacant, and redevelopable residential lands in the Canby UGB. The final deduction to the BLI, includes a 25% allowance for future public facilities and future right-of-way. The Canby UGB has a total net buildable land inventory of 302 acres, including 265 acres of Low Density land, 13 acres of Medium Density land, and 20 acres of High Density and Commercial land.

**Exhibit 20: Net Buildable Vacant and Part-Vacant Residential Land, Canby UGB**

Zone Designation	Unconstrained Vacant Land (gross acres)	Part Vacant Land (gross acres)	Redev Land (gross acres)	Total Vacant, Part Vacant & Redevelopment Land (gross acres)	Future Public Facilities Allowance	Total Net Buildable Vacant Land Inventory
Rural Residential	15	209	0	224	(56)	168
Low Density Residential	66	63	3	129	(32)	97
Medium Density Residential	12	6	0	18	(5)	13
High Density Residential	12	6	4	22	(6)	16
Residential Commercial	0	4	0	4	(1)	3
Downtown Commercial	1	0	0	1	0	1
<b>Total</b>	<b>106</b>	<b>288</b>	<b>7</b>	<b>401</b>	<b>98</b>	<b>302</b>

Source: Canby Buildable Land Inventory; 3J Consulting

### Buildable Land by Lot Size

Exhibits 21 and 22 show vacant and part-vacant land broken down by lot size. This is an important consideration given that, for example, a planned unit development yielding dozens of housing units can only occur on a relatively large, contiguous piece of land. The figures below show acreage figures prior to the 25% allowance for public facilities.

Exhibit 21 indicates that buildable vacant land is fairly evenly distributed in terms of acreage, but the vast majority of lots (80%) are less than one acre in size. Also of note is that Canby has only one lot of more than 10 acres and no lots of 15 acres or more.

**Exhibit 21: Gross Vacant Buildable Land by Lot Size, Canby UGB**

Zone Designation	<1 acre		1 - 5 acres		5 - 10 acres		≥10 acres	
	Acres	Lots	Acres	Lots	Acres	Lots	Acres	Lots
<b>Buildable Vacant</b>								
Rural Residential	0	0	15	5	0	0	0	0
Low Density Residential	12	58	18	6	22	3	14	1
Medium Density Residential	0	2	0	0	12	2	0	0
High Density Residential	2	8	3	1	7	1	0	0
Residential Commercial	0	0	0	0	0	0	0	0
Downtown Commercial	1	7	0	0	0	0	0	0
<b>Total</b>	<b>15</b>	<b>75</b>	<b>35</b>	<b>12</b>	<b>40</b>	<b>6</b>	<b>14</b>	<b>1</b>

Source: Canby Buildable Land Inventory; 3J Consulting

Exhibit 22 shows that approximately 62 percent of buildable part-vacant land (180 acres) is on lots of less than five acres. Approximately 90% of part-vacant lots are less than five acres. There are only three lots of 10 acres or more.

**Exhibit 22: Part Vacant Buildable Land by Lot Size, Canby UGB**

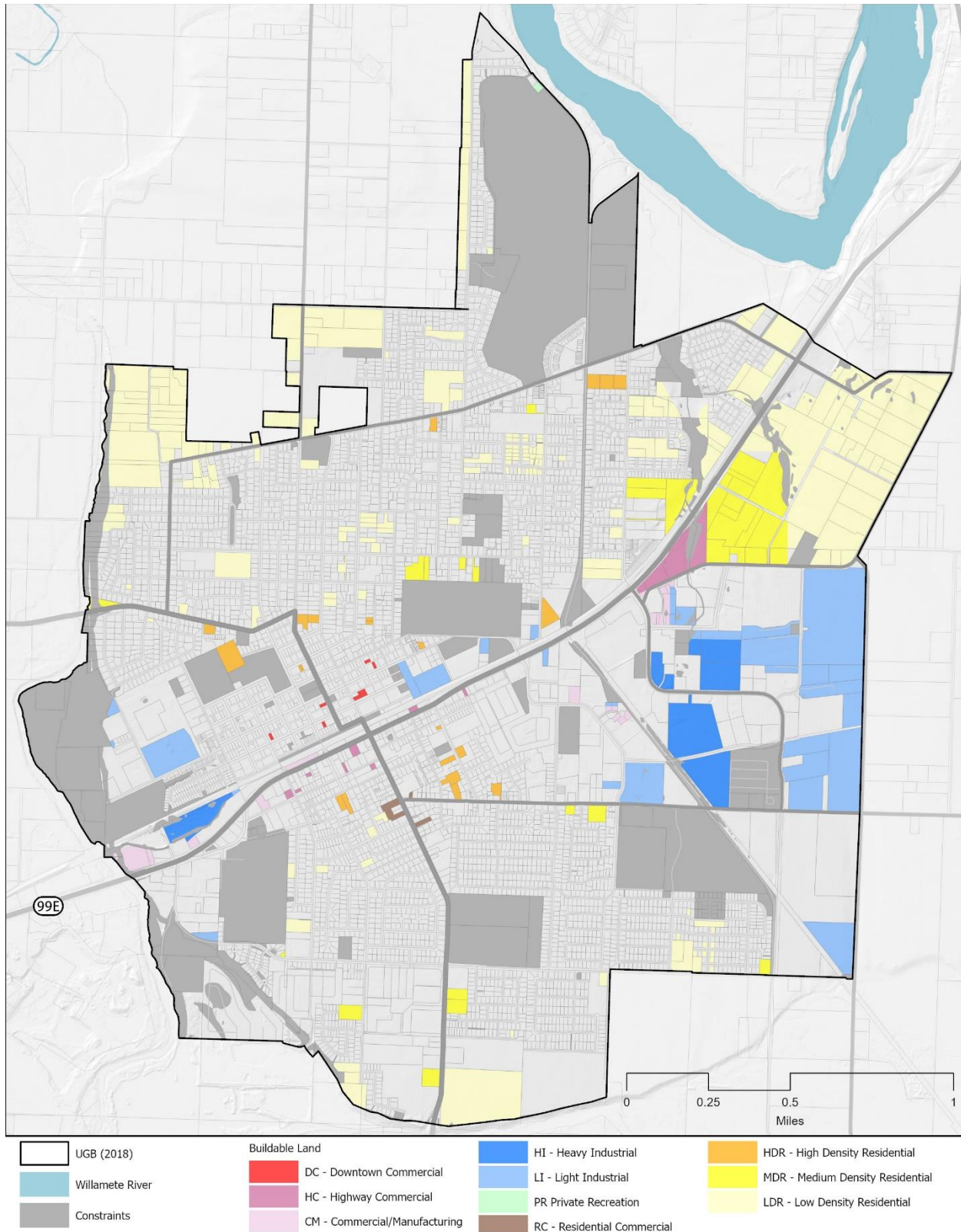
Zone Designation	<1 acre		1 - 5 acres		5 - 10 acres		≥10 acres	
	Acres	Lots	Acres	Lots	Acres	Lots	Acres	Lots
<b>Buildable Part Vacant</b>								
Rural Residential	10	18	110	66	54	10	36	3
Low Density Residential	18	43	26	20	18	4	0	0
Medium Density Residential	0	1	6	4	0	0	0	0
High Density Residential	3	7	3	2	0	0	0	0
Residential Commercial	1	1	4	2	0	0	0	0
Downtown Commercial	0	2	0	0	0	0	0	0
<b>Total</b>	<b>31</b>	<b>72</b>	<b>149</b>	<b>94</b>	<b>73</b>	<b>14</b>	<b>36</b>	<b>3</b>

Source: Canby Buildable Land Inventory; 3J Consulting

Exhibit 23 illustrates an estimate of residential buildable land inventory (BLI) within Canby’s Urban Growth Boundary (UGB) to determine the amount of land available to meet housing needs.



**Exhibit 23. Canby Buildable Land Inventory – Comprehensive Plan**





# Residential Land Need Analysis

This Memorandum summarizes the housing-related land needs forecast for long-range planning purposes. The housing land needs forecast represents a 20-year forecast from 2022 through year 2043. These technical findings are consistent with State of Oregon requirements for determining housing needs per Oregon land use planning Goals 10 and 14, OAR Chapter 660, Division 8, and applicable provision of ORS 197.296 to 197.314 and 197.475 to 197.490.

## Methodology

The methodology for projecting housing land needs within the Canby UGB builds upon the residential housing needs forecast that was described in the prior section. Exhibit 24 identifies the housing types that are most consistent with the projected housing need for Canby. It should be noted that the distribution of projected housing demand is consistent with the recent trends in actual development permitting activity that has occurred in Canby between 2010 and 2023. In light of the existing market gap that has been identified for apartments it is likely that the City may exceed the baseline forecasts if existing development code and zoning amendments are adopted to foster or incentivize future multifamily housing development.

**Exhibit 24: Projected 20-year Housing Needs for Vacant and Part-Vacant Land, Canby UGB**

	Total Projected Housing Need (Units)	HB 2001 Middle Housing Adjustment**	Adjusted Housing Need (Units)
<b>Housing Tenure Distribution:</b>			
Single Family Detached	1,416	-	1,416
Townhomes / Plexes	326	(10)	317
Multifamily (5+ units)	362	(11)	351
Mfg. home/other	158	-	158
<b>Housing Units</b>	<b>2,263</b>	<b>(21)</b>	<b>2,242</b>
<b>Group Quarters Dwelling Units*</b>	<b>23</b>		<b>23</b>
<b>Total Housing Units</b>	<b>2,286</b>		<b>2,266</b>

\* Category includes group quarters housing demand @1.5 persons per dwelling unit.

\*\* Assumes 3% adjustment in middle housing demand to reflect infill and redevelopment per HB 2001.

This Memorandum compares the 20-year residential land needs (demand) relative to the residential buildable land inventory (BLI) that was developed by 3J Consulting. This provides a means of reconciling housing land demand with buildable land supply within the Canby UGB. The evaluation of UGB land requirements to accommodate the planned housing need included three steps.

**Step 1** takes into account the forecasted number of dwelling units by housing type, including single family detached, townhomes and plexes, multifamily, and manufactured homes as well as group quarters population (see Exhibit 1).

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**Step 2** considers the amount of land required to accommodate the future housing demand based on the expected average development density for each general housing type (see Exhibit 25).

**Step 3** includes a comparison (reconciliation) between the land need determined in Step 2 and the residential buildable land inventory presented in Section 3 of the HNA.

## Housing Need Forecast

As discussed above, the forecasted housing mix for Canby includes 2,286 housing units, of which approximately 2,266 dwellings will require vacant or part vacant land. This results in net new housing development on buildable land as follows:

- Single Family Detached: 1,416 dwellings (including standard and small lot single family detached housing)
- Manufactured homes and Cottage housing clusters: 158 dwellings
- Townhomes and Plexes: 317 dwelling units
- Multifamily: 351 dwelling units (includes apartments and condominiums with 5+ units per structure as well as group quarters units).

## Residential Land Need Summary

The second step in the reconciliation of land needs estimates the amount of net buildable land area required to address the housing growth forecast. This step applies average density assumptions based on Canby local experience (dwellings per acre) to each of the general residential development categories listed in Step 1 to arrive at a total residential land need forecast.

As shown in Exhibit 25, the forecasted housing need of 2,266 dwelling units (after HB 2001 middle housing adjustment for infill/redevelopment) is expected to require at least 424 net acres of buildable land area. The next step in the analysis includes adjusting the gross land area to net land area to account for future public facilities (25% factor used to account for roads, utilities and easements). This results in a total buildable land need of 530 acres for planned residential growth.

**Exhibit 25: Canby Residential Classifications and Density Assumptions**

Projected 20-year Land Need for Housing, City of Canby UGB: Safe Harbor Scenario								
Dwelling Unit Type	Adjusted 20-Year Housing Need <sup>1</sup>	Applicable Plan Designation	Applicable Local Zones	Allowable Density (gross DU per Ac)	Avg. Development Density (net DU per Ac)	Net Buildable Land Requirement (net acres) <sup>4</sup>	Gross Buildable Land Need (acres) <sup>5</sup>	%
Single Family Detached	1,416	LDR	R-1, RRFF-5	3 to 6.2	4.0	354	443	63%
Mfd. Homes & Cottages	158		<sup>3</sup>	3 to 10	9.0	18	22	7%
Townhomes / Plexes	317	MDR	R-1.5	6 to 12	10.0	32	40	14%
Multifamily (5+ units) <sup>2</sup>	375	HDR, RC	R-2, DC	14 to 36	18.0	21	26	17%
<b>Total</b>	<b>2,266</b>					<b>424</b>	<b>530</b>	<b>100%</b>

Source: derived from Canby Housing Needs Forecast Memorandum; and interpretation of current zoning code and housing development/market conditions.

<sup>1</sup> Analysis assumes HB 2001 safe harbor assumption that 3% of middle housing demand (cottages, townhomes and plexes) is addressed through infill and redevelopment in existing developed (R-1) zones.

<sup>2</sup> Category also includes group quarters housing demand @1.5 persons per dwelling unit.

<sup>3</sup> Manufactured housing is allowed in all residential zones.

<sup>4</sup> Land inventory assumes that all developments in the planning pipeline will have building permits issued prior to adoption.

<sup>5</sup> Assumes 25% of site area required for future public facilities, roads, easements, etc.

## UGB Sufficiency Analysis

As indicated in Exhibit 20, the Canby UGB buildable land inventory (BLI) includes 401 acres of gross buildable land area (after deducting constraints and exempt uses). This includes tax lots within the UGB that are designated as Low, Medium and High Density Residential, Residential Commercial and Downtown Commercial. As of January 2023, there were several residential developments that are in the planning approval “pipeline.” These pipeline developments would effectively remove 72 acres of net land area from the residential BLI. If all of these pipeline developments move forward with a building permit prior to the adoption of this HNA, it would leave approximately 329 acres of gross buildable land that are designated for residential development within the Canby UGB.

**Exhibit 26: Vacant Buildable Land Inventory by Land Use Designation, Canby UGB**

General Land Use Zone Classification	BLI with Pipeline Project Acres	BLI without Pipeline Project Acres	Applicable Zones (primary)*
Single Family Detached	355	312	RRFF5, R1
Mfd. Homes & Cottages			
Townhomes/Plexes (2-4 units)	18	7	R1.5
Multifamily (5+ units)	28	10	R2, CR, C1
<b>Total Buildable Acres</b>	<b>401</b>	<b>329</b>	

Source: analysis by 3J Consulting, Inc.

\*note: manufactured housing units and townhomes/plexes are permitted in all R1 & R1.5 zones.

Since the current UGB has approximately 329 gross buildable acres of residential land supply and the future residential land need forecast is for 530 acres, there is a land area deficit for all types of housing (see Exhibit 27). Key findings include:

- The most significant difference is in the single family land use designation (LDR) where the BLI inventory is projected to fall short by 152 gross acres.
- The medium density designation (MDR) has a projected deficit of approximately 33 acres. However, now that the City allows medium density development to occur in lower density zones, this projected deficit could be combined and added to the lower density category.
- The multifamily land use designation (HDR) is also projected to fall short of demand by approximately 16 acres. Note, this finding assumes that 100% of the vacant downtown commercial land area (1 acre) is utilized for new multifamily development.

**Exhibit 27: Reconciliation of Land Inventory by Land Use Designation, Canby UGB**

<b>Projected 20-year Land Sufficiency for Housing, Canby UGB: Safe Harbor Scenario</b>				
<b>Dwelling Unit Type</b>	<b>Applicable Plan Designation</b>	<b>Gross Buildable Land Requirement (gross acres)</b>	<b>Buildable Land Inventory (gross acres)<sup>3</sup></b>	<b>Buildable Land Surplus or Deficit (acres)</b>
Single Family Detached	LDR	443	312	(152)
Mfd. Homes & Cottages	<sup>1</sup>	22	-	
Townhomes/Plexes (2-4 units)	MDR	40	7	(33)
Multifamily (5+ units) <sup>2</sup>	HDR, RC	26	10	(16)
<b>Total</b>		<b>530</b>	<b>329</b>	<b>(201)</b>

Source: prior tables; and interpretation of current zoning code and housing development/market conditions.

<sup>1</sup> Manufactured housing is allowed in all residential zones.

<sup>2</sup> Category also includes group quarters housing demand.

<sup>3</sup> Land inventory assumes that all developments in the planning pipeline will have building permits issued prior to adoption.

**The BLI findings indicate that the City will need to consider these and various other strategies to accommodate planned 20-year housing needs.**

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# Findings and Recommendations

## Key Findings

Canby's population growth over the next 20 years will result in new households that will require additional housing. Key findings of the housing needs analysis include:

- Canby's population is forecast to grow at 1.3% per year over the next two decades, adding approximately 5,931 new residents.
- Population growth will require the addition of 2,286 new dwelling units between 2023 and 2043.
- The forecasted housing mix that addresses 20-year demand is expected to consist of: 1,416 single-family detached homes, 317 townhomes/plexes, 351 multifamily housing units and 158 manufactured housing or cottage housing units.
- The share of those making 80% or less of the median family income level for Clackamas County (\$80,484) was represented by over 40% of Canby's households in 2019.
- Nearly 1 in 5 renter households in Canby are severely rent burdened with over 50% of their income going towards monthly housing costs.
- The results of the housing needs analysis indicate that the current Canby UGB is not sufficient to accommodate future housing needs. If all of the developments that are currently in the planning pipeline move forward with approval of building permits prior to HNA adoption, the City should consider ways to limit the need for a potential UGB expansion (based on a 201 acre land deficiency finding per current zoning and development regulations).

## Housing Strategy Recommendations

Prior to pursuing a UGB expansion to accommodate future housing needs, the City of Canby must demonstrate that the need cannot reasonably be accommodated on land already inside the UGB. The City is required to evaluate opportunities to provide efficient development of residential land within the existing UGB, also known as "land efficiency measures."

The City of Canby has implemented several land efficiency measures in recent years, including:

- Chapter 16.82 of the Zoning Code has a provision that allows deviations of development standards for "Special Housing Projects for the Elderly or Handicapped."
- Housing in a specifically defined Downtown Core area of the C-1 Zone doesn't have to provide any parking if the development is mixed use.
- The R-2 (High Density) Residential Zone has been amended to require a minimum density of 14 du/ac, preventing lower density development.
- Revised the development code to allow duplexes on lots zoned for single-family detached development.

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The City is preparing a Housing Production Strategy (HPS) concurrent with this Housing Needs Analysis. The purpose of a Housing Production Strategy is to identify specific tools, actions, and policies that the City plans to take to address the housing need identified in the HNA. The City will be considering these and other land efficiency measures in prior to adoption of the HNA scheduled to initiate in June 2024.