
City of Canby Housing Needs Analysis

ACCEPTED BY CITY COUNCIL SEPTEMBER 18, 2019

Prepared for:

City of Canby

FINAL REPORT

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1. INTRODUCTION

This report presents a Housing Needs Analysis, which includes a buildable lands analysis, for the city of Canby. Consistent with State requirements, the analysis uses a 20-year planning period of 2019 to 2039. It is intended to comply with statewide planning policies that govern planning for housing and residential development, including Goal 10 (Housing), ORS 197.296, OAR 660 Division 8, and other applicable statutes and rules.

The City of Canby adopted its Comprehensive Plan in 1984. The city has changed considerably since then. Canby grew from 8983 people in 1990 to 16,600 people in 2017. This is an addition of 7677 people, or 85% growth. Since 2000, Canby's population has grown a bit older. Between 2000 and 2012-2016 Canby's median age increased by 3 years. 13% of the population were over 62 in 2000 compared to 18.2% in 2017. Canby's population has become more diverse. The Hispanic and Latinx (gender neutral term) population increased by 4% between 2000 and the 2012-2016 time period. Housing costs continue to increase. During the 2012-2016 time period, 27% of Canby **homeowners** were cost burdened (homeowners pay more than 30% of their income for housing). Of the 27% cost burdened home owners, 21% were severely cost burdened (homeowners pay more than 50% of their income for housing).

Renter households do not fare as well as owner households. Between 2012 and 2016, 49% of **renter** households were cost burdened, and 33% of those renter households were severely cost burdened. Providing future housing choices for all income levels will become increasingly complex and challenging.

Canby last completed a Land Needs Analysis in 1999 (OTAK). This study provides a current factual basis from which to update the housing element of Canby's Comprehensive Plan and Zoning Code. The Analysis will assist the City of Canby in its efforts to provide housing options to meet the needs of its residents.

This report provides the City with information about the housing market in Canby and describes the factors that may affect future housing demand in Canby, such as changing demographics. This analysis will help decision makers understand whether Canby has enough land in each residential zoning designation to accommodate growth over the next 20 years.

Methodology

The methods used for the housing needs analysis generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1997). Although ORS 197.296 applies specifically to cities of 25,000 people or more, the statute is generally followed to determine the housing needs for Canby. Exhibit 1 illustrates the process for conducting a housing needs analysis.

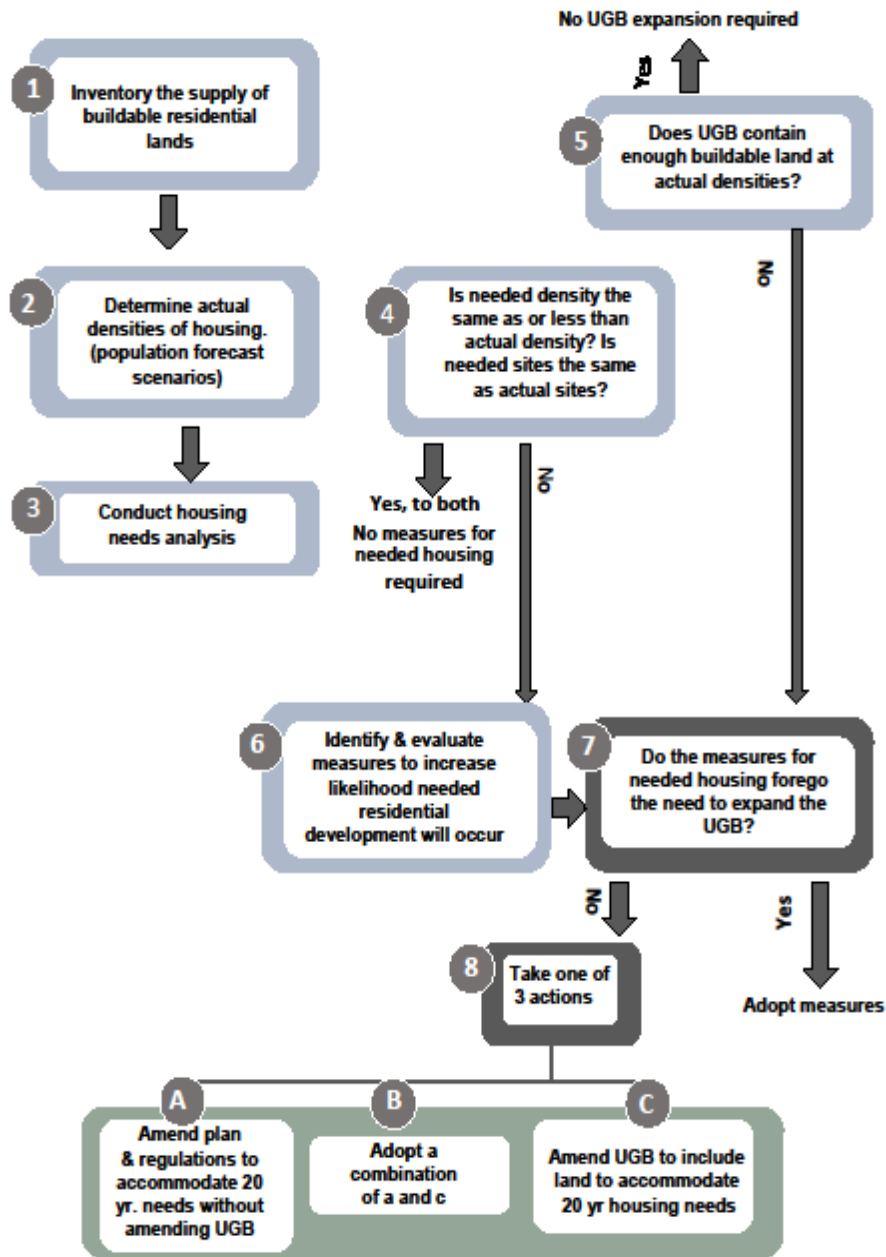
Goal 10 and ORS 197.303 describe “needed housing” as housing types that meet the need for housing within the Urban Growth Boundary at specific price ranges and rent levels.

The following is a list of housing types which must be included:

- Attached single family dwelling units and multiple family housing for both owners and renters;
- Government assisted housing;
- Mobile home or manufactured dwelling parks;
- Manufactured homes on individual lots planned and zoned for single family residential use that are in addition to lots within designated manufactured housing parks;
- Housing for farm workers.

Portland State University is the agency that provides population forecasts. The City of Canby used that agency and also coordinated with Clackamas County’s recently completed Housing Needs Analysis.

Exhibit 1: Housing Needs Analysis Process



2. RESIDENTIAL BUILDABLE LANDS INVENTORY

This chapter present the housing needs analysis for the City of Canby. This analysis in intended to address the requirements for planning needed housing in urban areas for small cities (population less than 25,000). The methodology and process is described in exhibit 1 on page 5.

Definitions

City of Canby staff developed the buildable lands inventory with the tax lot database from Clackamas County GIS. Maps produced for the buildable lands inventory used a combination of GIS data, adopted maps, the City's Land Use Files, Clackamas County Building permit data, and visual/aerial verification to verify the accuracy of county data. The tax lot database is current as of December 2018. The following definitions were used to identify buildable land for inclusion in the inventory:

- *Vacant land.* Tax lots that have no structures or have buildings with very little improvement value are considered vacant. For the purpose of this inventory, lands with improvement values under \$10,000 are considered vacant (not including lands that are identified as having mobile homes).
- *Partially vacant land.* Partially vacant tax lots are those occupied by a use, but which contain enough land to be developed further. Consistent with the safe harbor established in OAR 660-024-0050 (2)(a), tax lots that are one-half acre or larger are considered partially vacant. This was refined through visual inspection of recent aerial photos, and if necessary site visits.
- *Developed land.* Developed land is developed at densities consistent with zoning and has improvements that make it unlikely to redevelop during the analysis period. Lands not classified as vacant or partially vacant are considered developed.
- *Re-developable land.* Land designated for two-family or multi-family residential use that have single family residences and where the ratio of improvement-to-land value is less than 1:1. Properties that have very old homes are also considered likely to redevelop. Canby had very few of these properties and they were included in the partially vacant calculation.

Development Constraints

Consistent with state guidance on buildable lands inventories, Canby deducted the following constraints from the buildable lands inventory and classified those portions of tax lots that fall within the following areas as constrained, unbuildable land:

- *Lands within floodways and floodplains.* Flood Insurance Rate Maps from the Federal Emergency Management Agency (FEMA) were used to identify lands in floodways and 100-year floodplains.
- *Land within wetlands.* Canby has a local wetlands inventory, plus we reviewed the data from the National Wetlands Inventory (NWI) and wetlands located within public parks to identify wetland constraints
- *Land with slopes over 25%.* Lands with slopes over 25% are considered unsuitable for residential development.
- *Land within landslide hazards.* Canby's landslide map was used to identify landslide hazards. In Canby, this data overlapped with our steep slope data.

Buildable Lands Inventory Results

Properties with development constraints (described above), properties that are developed and have no development capacity; properties in public ownership (local, state, and federal), church property and future ROW requirements have been removed from the database. Vacant, partially vacant, re-developable, and developed lands were initially identified using the classifications described in the Definitions section. Staff conducted a site by site review to determine what portion of each partially vacant parcel was potentially developable. Exhibit 2 shows the results for the buildable lands analysis. The Canby UGB has 353.05 acres in Low Density Residential designation (63%); 70.88 acres in Medium Density Residential designation (17%); 32.67 acres in High Density Residential designation (5.8%); 99.66 in Mixed Density Residential designation (17.7%) and 5.08 acres in Residential Commercial designation (0.9%). The results are for net buildable acres.

Vacant and Partially Vacant Buildable Lands

Exhibit 2 shows buildable residential acres by Plan Designation after all constraints, including ROW have been removed. Canby has 561.34 acres of buildable residential acres. 54 % of the buildable land is classified as vacant and 46% classified as partially vacant (includes re-developable). The majority of vacant and partially vacant acres are designated LDR.

Exhibit 2. Buildable residential acres in vacant and partially vacant tax lots by Plan Designation Canby UGB, 2018

Source: Data from Clackamas County GIS, Analysis by Canby. Note: The numbers in the table may not sum to the total as a result of rounding.

Plan Designation	Vacant	Partially Vacant	Total Acres	% of Total
Low Density Residential (LDR)*	211.28	141.77	353.05	62.9%
Medium Density Residential (MDR)	41.97	28.91	70.88	12.6%
High Density Residential (HDR)	26.62	6.05	32.67	5.8%
Mixed Density Residential **	23.73	75.93	99.66	17.8%
Residential Commercial (RC)	0	5.08	5.08	0.9%
Total Acres	303.6	257.74	561.34	
<i>Total Acres minus WVCC</i>	<i>154.1</i>		<i>407.24</i>	

* Willamette Valley Country Club is designated PR-Private Recreation, but is zoned R-1 (Low Density Residential). Since there is no incentive to up zone it to match the Comprehensive Plan designation (PR), the City and DLCD have agreed to consider it available for future residential development.

** See Appendix A: Recommendations and Policy Considerations

Exhibit 3 on the following page graphically shows vacant and partially vacant (including re-developable) residential tax lots in Canby as of December 2018. Note: The partially vacant (and re-developable) tax lots depicted on the map in Exhibit 3, show entire tax lots. Partially vacant acre calculations were completed using the actual tax lot database. Those numbers are shown in Exhibit 2 above.

Insert map Exhibit 3 here: Vacant and partially vacant residential acres

3. HISTORICAL AND RECENT DEVELOPMENT TRENDS

DLCD's *Planning for Residential Lands Workbook* describes the specific steps for forecasting future capacity and land needs to accommodate capacity

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

The Housing Need Analysis (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., subsidized housing or units affordable at given income levels).
4. Some combination of these categories.

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

- **Single-family detached** includes single-family detached units, manufactured homes on lots and in mobile home parks, and accessory dwelling units.
- **Single-family attached** is all structures with a common wall where each dwelling unit occupies a separate lot, such as row houses or townhouses.
- **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. Canby's Development Code defines multifamily as 3 or more units.

In Canby, government assisted housing (ORS 197.303(b)) and housing for farmworkers (ORS 197.303(e)) can be any of the housing types listed above.

Data Used in this Analysis

Throughout this analysis (including the subsequent Chapter 4), we used data from multiple sources, choosing data from well-recognized and reliable data sources. One of the key sources for 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 2010, the Decennial Census 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.
- The **American Community Survey (ACS)**, which is completed every year and is a *sample* of households in the U.S. From 2012 to 2016 or 2013 to 2017, the ACS sampled an average of 3.5 million households per year, or about 2.6% and 2.9% of the households in the nation. 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.
- **Canby Building** permit database, which includes information on permits issued at the City of Canby from 1977 to 2017.
- **Redfin and Zillow**, which are online platforms providing real estate and property owner data. We use these sources to collect housing sale price data in aggregate and by property.
- **Clackamas County Regional Housing Needs Analysis**. Canby used data from this study to validate our results and to make sure Canby's analysis did not conflict with the County analysis. The County Study provided current market trends at the local, state, and federal levels and was an invaluable resource.
- **Clackamas County's GIS data**. Clackamas County shares its GIS data base with the City of Canby. Maps in this report were created by City Staff using the County GIS database. Staff used the GIS database to identify constrained lands, verify building permit data, and identify partially vacant land and lands with redevelopment potential

The foundation of the housing needs analysis is the population forecast for from the Oregon Population Forecast Program. This HNA uses the forecast for Canby that was included in the Clackamas County Regional Housing Needs Analysis 2019-2039.

Trends in Housing Mix

This section provides an overview of changes in the mix of housing types in Canby and compares Canby to Clackamas County and to Oregon. These trends demonstrate the types of housing developed in Canby historically. Unless otherwise noted, this chapter uses data from the 2000 and 2010 Decennial Census, and either the 2012-2016 or the 2013-2017 American Community Survey 5-Year Estimates.

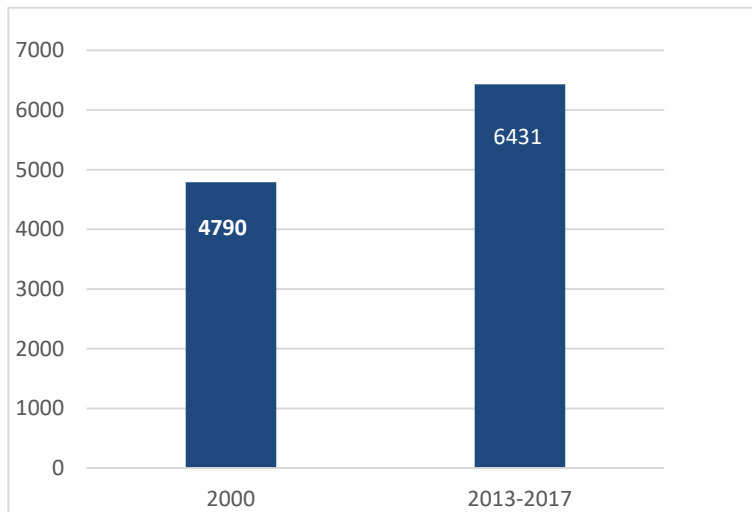
This section shows the following trends in housing mix in Canby:

- **Canby’s housing stock is predominantly single-family detached housing units.** Sixty-four percent of Canby’s housing stock is single-family detached, 21% is multifamily, and 7% is single-family attached (e.g., townhouses).
- **Over 75% of Canby’s housing stock is at least 20 years old.** Forty Nine percent of housing stock was constructed between 1990 and 2009.
- **Since 2000, Canby’s housing mix has remained relatively similar with a slight shift in multifamily unit composition.** Canby’s housing stock grew by about 34% (about 1,641 new units) between 2000 and the 2013-2017 period.
- **Single-family detached housing accounted for 57% of new housing growth in Canby between 2007 and 2018.** 64% percent of new housing permitted between 2000 and 2018 was single-family detached housing and 35% was multifamily.

Housing Mix

Exhibit 4. Dwelling Units, Canby 2000-2013-2017

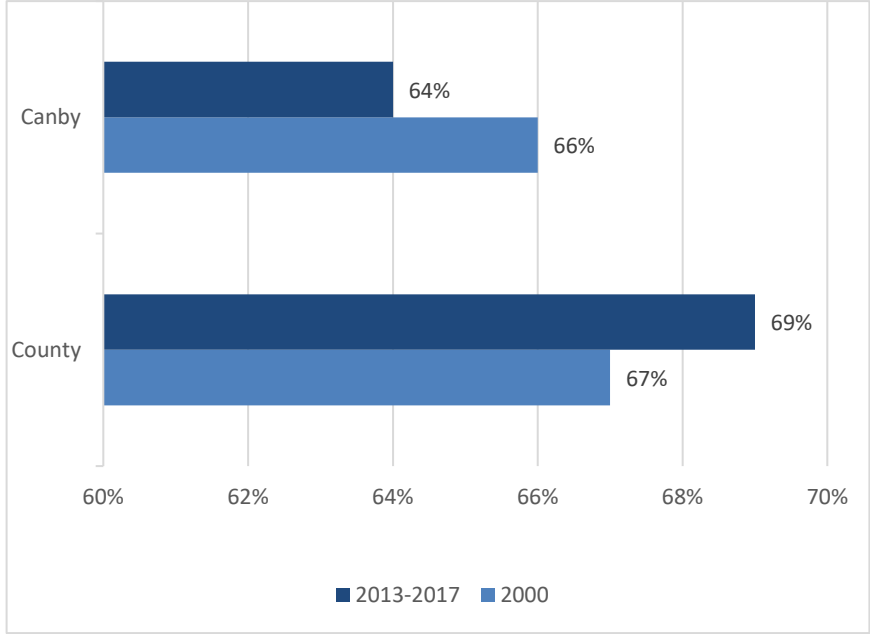
Source: Census, 2000 Decennial Census, and 2013-2017 ACS



Canby has added 1641 new dwelling units from 2000 to 2013-2017, a 34% increase.

Exhibit 5. Single Family DUs 2000-2013-2017 Clackamas County and Canby

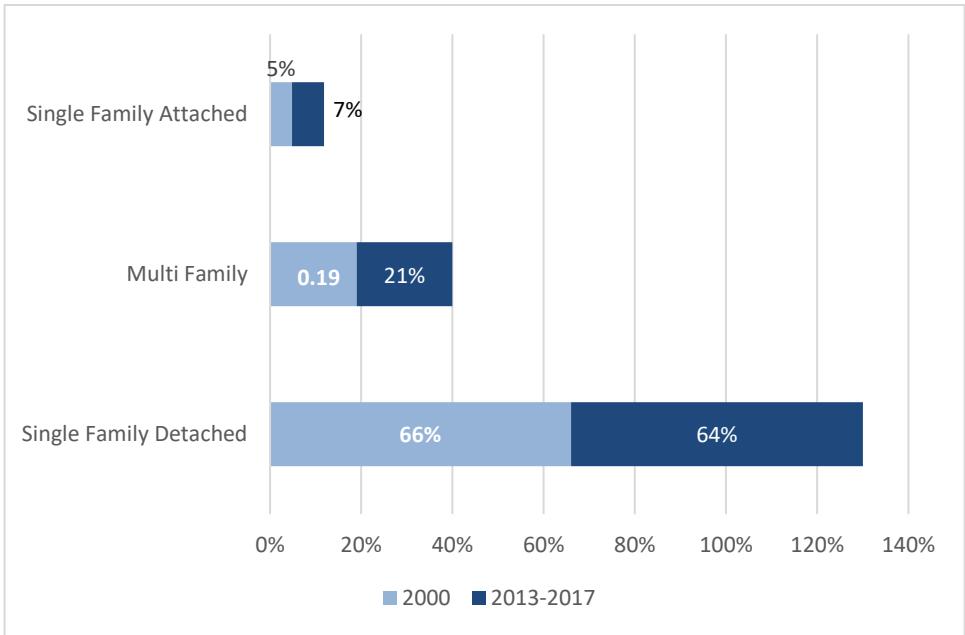
Source: US Decennial Census 2000, ACS 2013-2017



Canby’s housing mix has remained fairly consistent over time, but has shifted slightly towards more multi-family. Clackamas County has a higher percentage of Single Family Dwellings than Canby. From 2000 to County’s percentage of single family residential increase, while Canby’s decreased.

Exhibit 6. Housing Mix Canby 2000-2013-2017

Source: US Decennial Census 2000; ACS 2013-2017



Canby’s mix of housing shifted towards attached single family and multi-family units from 2000 to 2013- 2017. The percent of single family dwelling units decreased by 2% over the same time period.

Building Permit Data

Housing construction in general is often a boom or bust cycle. Canby’s residential development is impacted by the cyclic nature of residential construction. It is therefore useful to look at the housing construction cycles over the long term to better understand the difficulty with projecting housing needs. Between 1977 (our earliest in house electronic database) and 2018 Canby permitted, on average, 98 building permits annually. If however we select the time period 2007 to 2018, Canby permitted on, average, 38 residential building permits annually. The decrease reflects the impact of the last recession on our local housing construction industry. The housing needs analysis attempts to project housing needs for the next 20 years. Looking at our past 20 years of permitting shows that, on average, the City permitted 88 residential dwelling units annually. Exhibits 8 and 9 demonstrate the cyclic nature of residential construction in Canby. Canby’s records documented single family, multi-family and manufactured dwelling units. Attached single family were not separately tracked. We have tracked attached housing through Census Data and ACS data.

Exhibit 7. Building permits in Canby; 2000 through December 2018

Source: Canby Planning and Building Department

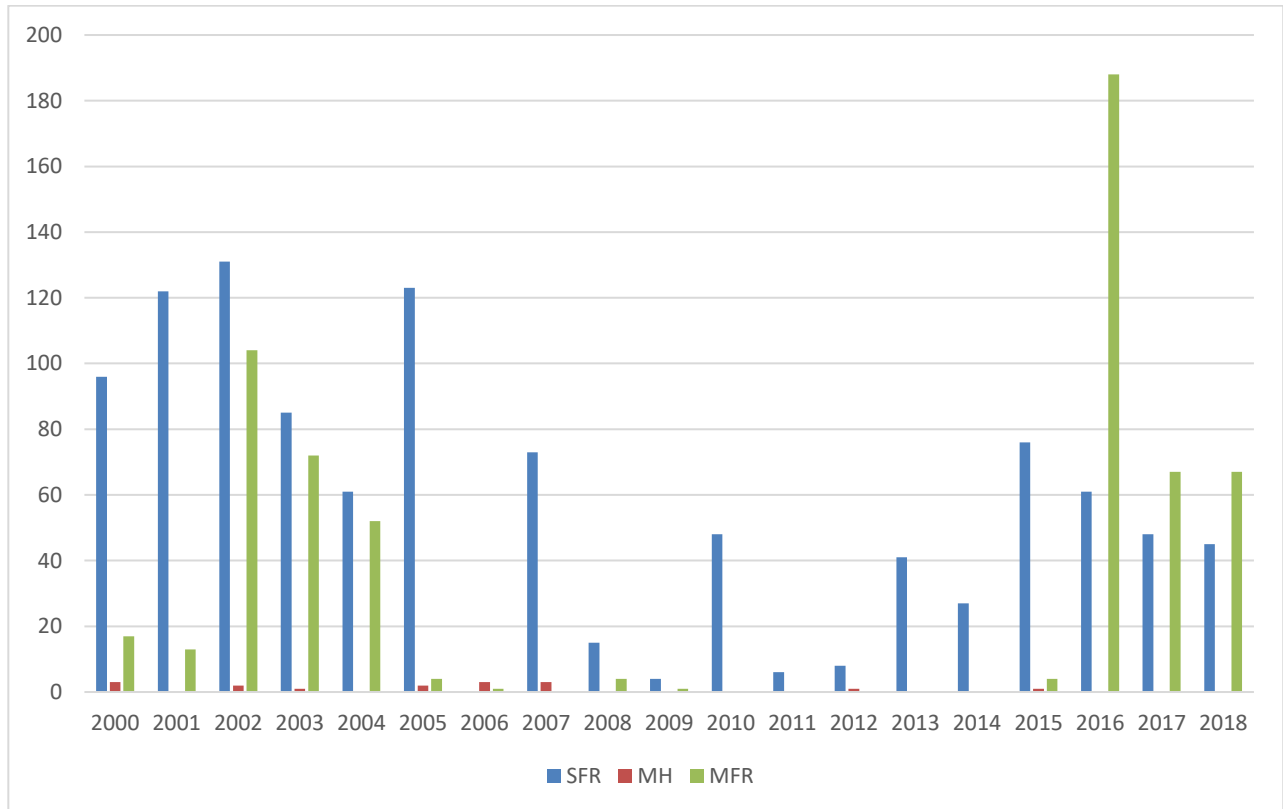
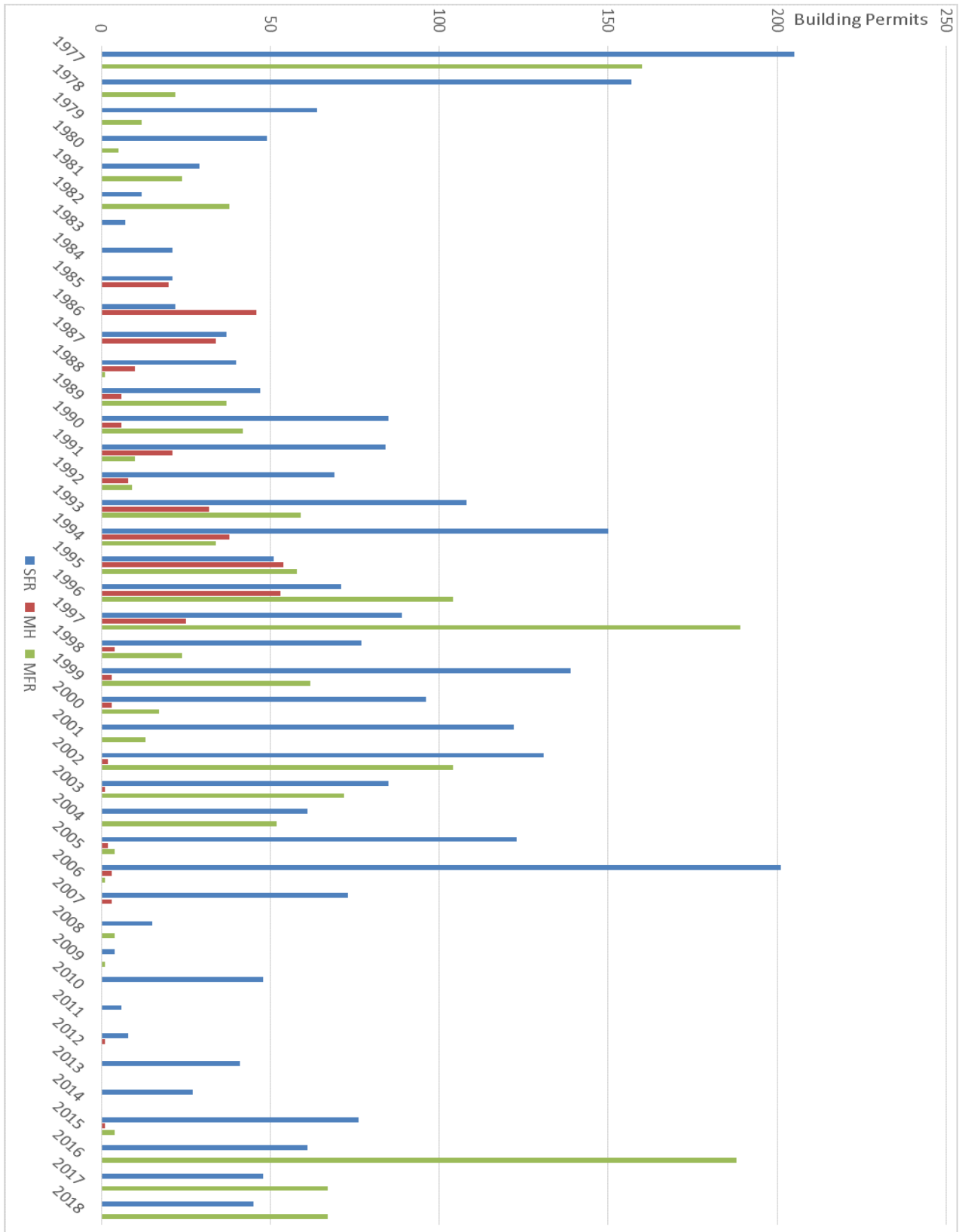


Exhibit 8. Building Permits, Canby 1977-2018

Source: Canby Planning and Building Department.



Residential Development in Commercial Zones

Canby has 69 new apartment units located in a mixed use development in our Downtown Commercial zone. The existing homes in this zone are gradually steadily and being converted to commercial use.

Housing Density

Housing density was calculated based on The City of Canby’s Planning and Building permit database. Between 2000 and 2018, Canby permitted 1,881 new dwelling units. Of the 1,803 new units, 1271 units were single-family (68%) and 594 units were multifamily (32%).

Exhibit 9. Net Density by Comp Plan Designation and Actual Average Net Density: 2000-2018

Source: City of Canby Building Permit Database.

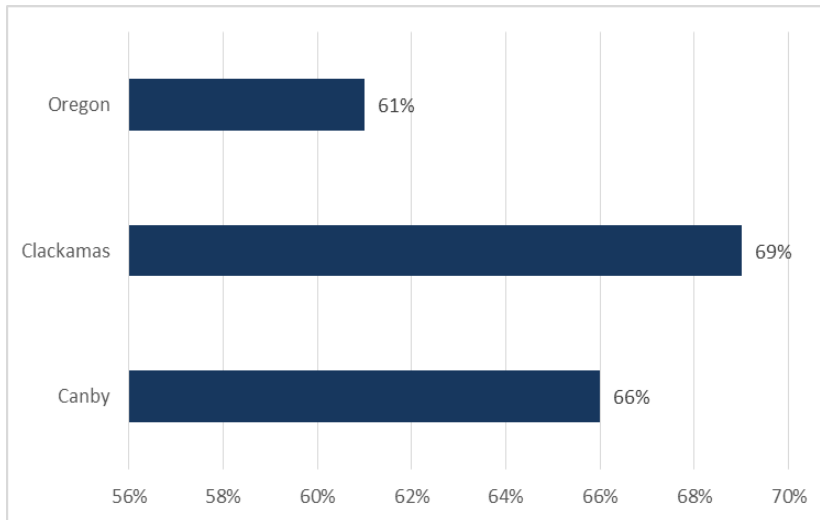
Comp Plan Designation	Average Actual Net Density	Comp Plan Density
Low Density Residential	5.6	4.7
Medium Density Residential	7.7	8
High Density Residential	16.9	14

Trends in Tenure

Housing tenure describes whether a dwelling is owner- or renter-occupied. Homeownership in Canby stayed relatively stable between 2000 and 2013-2017. In 2000, 66% of Canby’s households were homeowners. This increased slightly to 67% between the 2010 and 2013-2017 period. Two thirds of Canby’s households live in owner occupied dwelling units, while a third live in multi-family housing.

Exhibit 10. Homeownership for Occupied Housing Units, Canby, Clackamas County, Oregon 2013-2017

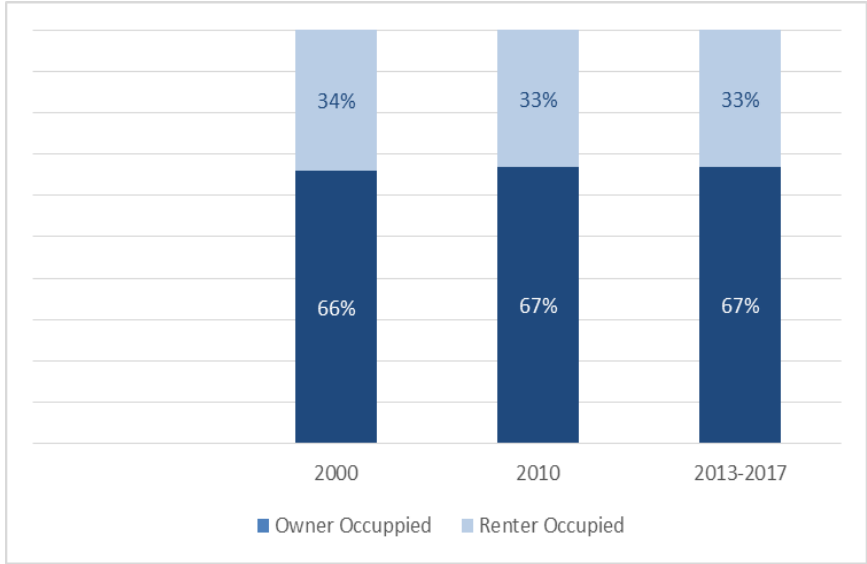
Source: ACS 2013-20117 Table B24003



The homeownership rate in Canby is 3% lower than for Clackamas County, but higher than the state of Oregon. Homeownership rates in Canby have remained relatively stable over time.

Exhibit 11. Tenure, Occupied Housing Units, Canby, 2000, 2010, 2013-2017

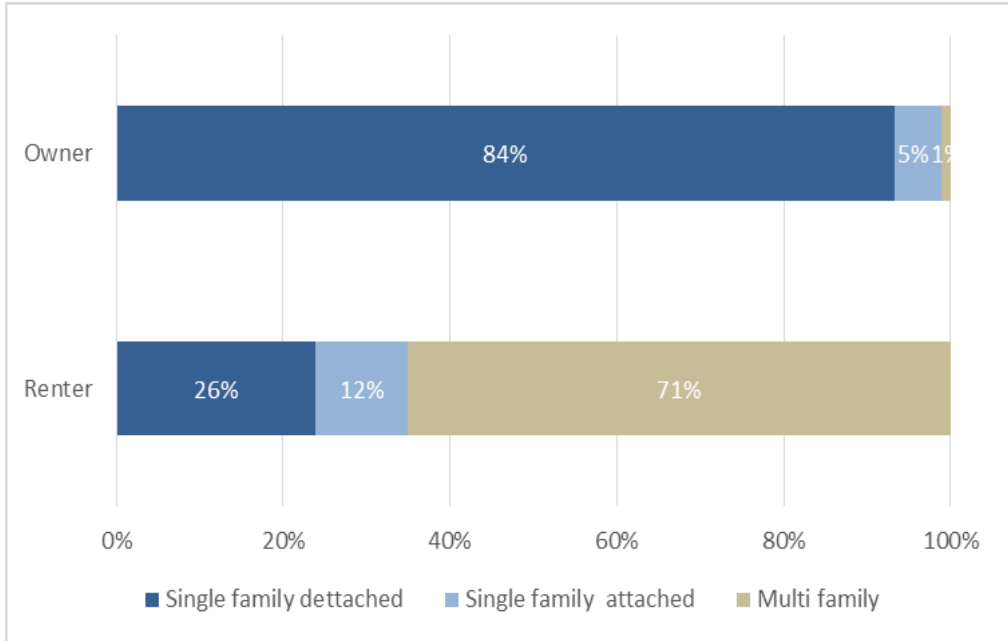
Source: US Decennial Census 2000, 2010, ACS 2013-2017 B24003.



The percentage of households in Canby owning or renting has remained consistent from 2000 to 2013-2017. Over two thirds of occupied housing units are owner occupied.

Exhibit 12. Occupied Housing Units by Type and Tenure 2013-2017

Source: ACS 2013-2017 B25032



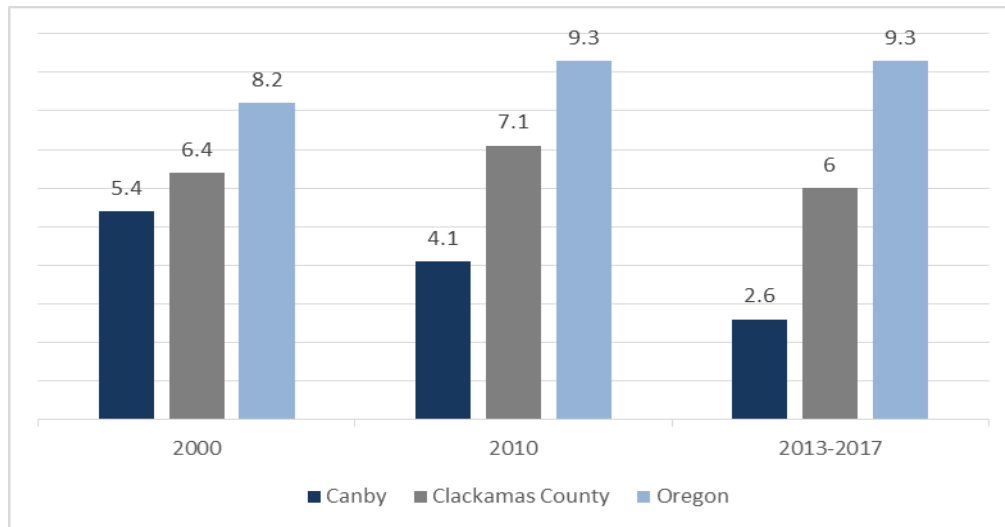
The overwhelming majority of Canby homeowners live in detached single family units. Renters predominantly live in multi-family units. Only 26% of renters live in detached single family units.

Vacancy Rates

The Census gathers information from property owners and managers, neighbors, rental agents and other to determine vacancy rates. The Census defines vacancy as “unoccupied units”.

Exhibit 13. Percentage of Housing Units Vacant: Canby, Clackamas County, Oregon 2010-2013-2017

Source: 2010 Decennial Census; ACS 2013-2017



Canby’s vacancy rate has been steadily dropping. Between 2000 and 2013-2017 Canby’s vacancy rate dropped by nearly 3%. By comparison, rates for both the State of Oregon and Clackamas County have only varied slightly.

Government-Assisted Housing

Governmental agencies and nonprofit organizations offer a range of housing assistance to low- and moderate-income households in renting or purchasing a home. There are seven government assisted housing developments and properties in Canby.

Source: Oregon housing and Community Services

- **The Meadows at Hope Villages** has 49 units of affordable housing for seniors.
- **Canby Village** has 52 units of affordable housing for seniors and families.
- **Carriage Court Apartments** has 30 unit of affordable housing.
- **Casa Verde Apartments** has 26 units of affordable housing for families
- **Greenbriar Apartments** has 86 units of affordable housing for families.
- **Canby West** has 24 units of affordable housing for seniors and families.
- **Cascade House** has 86 unit of affordable housing for families.
- **4759 13th Ave N** has 1 unit of affordable housing for families.

Manufactured Homes

Cities are required to plan for manufactured homes—both on lots and in parks (ORS 197.475-492). 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. Exhibit 14 below represents the inventory of mobile and manufactured home parks within Canby in November 2018.

Manufactured homes provide a more affordable option for housing in Canby, especially for new families and retirees. There were 429 owner occupied manufactured homes in Canby in 2013-2017. Although manufactured homes in parks are initially more affordable, occupants are still subject to rent increases as the property is not owned by the occupant.

Canby has five manufactured home parks with 459 spaces. As of November 2018 only 13 spaces were vacant. Canby had 786 mobile homes in 2000, and 813 mobile homes in the 2012-2016 period, an increase of 27 dwellings. According to Census data, 97% of the mobile homes in Canby were owner-occupied in the 2012-2016 period.

**Exhibit 14. Mobile/Manufactured Home Inventory within Canby UGB
November 2018.**

Source: Oregon Manufactured Dwelling Park Directory

Name	Location	Type	Total Spaces	Vacant Spaces	Zone
Canby Manor	835 SE 1st St Ave	55+	57	1	R2
Elmwood MHC	1400 S Elm St	55+	112	1	R1
Pine Crossing	1111 SE 3rd Ave	Family	74	0	R2
Redwood Estates	620 SE 2nd Ave	55+	72	0	R2
Village on the Lochs	1655 S Elm Street	Family	144	11	R1
Totals			459	13	

4. DEMOGRAPHIC AND OTHER FACTORS AFFECTING RESIDENTIAL DEVELOPMENT IN CANBY

Demographic trends provide important context for better understanding the housing market in Canby. Canby exists in a regional economy; trends in the region impact the local housing market. This chapter documents demographic, socioeconomic, and other trends relevant to Canby at the national, state, and regional levels.

To provide context, we compare Canby to Clackamas County and Oregon. We also compare Canby to nearby cities where appropriate. Characteristics such as age and ethnicity are indicators of how the population has grown in the past and provide insight into factors that may affect future growth.

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.

Demographic and Socioeconomic Factors Affecting Housing Choice

Analysts typically describe housing demand as the *preferences* for different types of housing (e.g., single-family detached or apartment), and *the ability to pay* for that housing (the ability to exercise those preferences in a housing market by purchasing or renting housing; in other words, income or wealth).

Many demographic and socioeconomic variables affect housing choice. However, the literature about housing markets finds that age of the householder, size of the household, and income are most strongly correlated with housing choice.

- **Age of householder** is the age of the person identified (in the Census) as the head of household. Households make different housing choices at different stages of life.
- **Size of household** is the number of people living in the household. Younger and older people are more likely to live in single-person households. People in their middle years are more likely to live in multiple person households (often with children).
- **Income** is the household income. Income is probably the most important determinant of housing choice.

National Trends

Below is a brief summary on national housing trends that impact housing choices compiled by ECONorthwest and included in the Clackamas County Housing Needs Analysis 2019-2039.

The Urban Land Institute (ULI) reports, and conclusions from *The State of the Nation's Housing, 2018* report from the Joint Center for Housing Studies of Harvard University. The Harvard report summarizes the national housing outlook as follows:

“By many metrics, the housing market is on sound footing. With the economy near full employment, household incomes are increasing and boosting housing demand. On the supply side, a decade of historically low single-family construction has left room for expansion of this important sector of the economy. Although multifamily construction appears to be slowing, vacancy rates are still low enough to support additional rentals. In fact, to the extent that growth in supply outpaces demand, a slowdown in rent growth should help to ease affordability concerns.”

However, challenges to a strong domestic housing market remain. High mortgage rates make housing unaffordable for many Americans, especially younger Americans. In addition to rising housing costs, wages have also failed to keep pace, worsening affordability pressures. Single-family and multifamily housing supplies remain tight, which compound affordability issues.

The State of the Nation's Housing report emphasizes the importance of government assistance and intervention to keep housing affordable moving forward. Several challenges and trends shaping the housing market are summarized on the following page:

- **Moderate new construction and tight housing supply, particularly for affordable housing.** New construction experienced its eighth year of gains in 2017 with 1.2 million units added to the national stock. Estimates for multifamily starts range from 350,000 to 400,000 (2017). The supply of for sale homes in 2017 averaged 3.9 months, below what is considered balanced (six months) and lower cost homes are considered especially scarce. The State of the Nation’s Housing report cites lack of skilled labor, higher building costs, scarce developable land, and the cost of local zoning and regulation as impediments to new construction.
- **Demand shift from renting to owning.** After years of decline, the national homeownership rate increased from a 50-year low of 62.9% in 2016 to 63.7% in 2017. Trends suggest homeownership among householders aged 65 and older have remained strong and homeownership rates among young adults have begun stabilizing after years of decline.
- **Housing affordability.** In 2016, almost one-third of American households spent more than 30% of their income on housing. This figure is down from the prior year, bolstered by a considerable drop in the owner share of cost-burdened households. Low-income households face an especially dire hurdle to afford housing. With such a large share of households exceeding the traditional standards for affordability, policymakers are focusing efforts on the severely cost-burdened. Among those earning less than \$15,000, more than 70% of households paid more than half of their income on housing.
- **Long-term growth and housing demand.** The Joint Center for Housing Studies forecasts that nationally, demand for new homes could total as many as 12 million units between 2017 and 2027. Much of the demand will come from Baby Boomers, Millennials, and immigrants. The Urban Land Institute cites the trouble of overbuilding in the luxury sector while demand is in mid-priced single-family houses affordable to a larger buyer pool.
- **Changes in housing preference.** Housing preference will be affected by changes in demographics; most notably, the aging of the Baby Boomers, housing demand from Millennials, and growth of immigrants.

 - *Baby Boomers.* The housing market will be affected by continued aging of the Baby Boomers, the oldest of whom were in their seventies in 2018 and the youngest of whom were in their fifties in 2018. Baby Boomers’ housing choices will affect housing preference and homeownership. Research shows that “older people in western countries prefer to live in their own familiar environment as long as possible,” but aging in place does not only mean growing old in their own homes. A broader definition exists which explains that aging in place also means “remaining in the current community and living in the residence of one’s choice.” Therefore, some Boomers are likely to stay in their home as long as they are able, and some will prefer to move into other housing products, such as multifamily housing or age-restricted housing developments, before they move into to

a dependent living facility or into a familial home. Moreover, “the aging of the U.S. population, [including] the continued growth in the percentage of single-person households, and the demand for a wider range of housing choices in communities across the country is fueling interest in new forms of residential development, including tiny houses.”

- o *Millennials.* Over the last several decades, young adults increasingly lived in multi-generational housing and increasingly more so than older demographics. Despite this trend, as Millennials age over the next 20 years, they will be forming households and families. In 2018, the oldest Millennials were in their late-30s and the youngest were in their late-teens. By 2040, Millennials will be between 40 and 60 years old.

At the beginning of the 2007-2009 recession Millennials only started forming their own households. Today, Millennials are driving much of the growth in new households, albeit at slower rates than previous generations. From 2012 to 2017, millennials formed an average of 2.1 million net new households each year. Twenty-six percent of Millennials aged 25 to 34 lived with their parents (or other relatives) in 2017.

Millennials’ average wealth may remain far below Boomers and Gen Xers and student loan debt will continue to hinder consumer behavior and affect retirement savings. As of 2015, Millennial’s comprised 28% of active home buyers, while Gen Xers comprised 32% and Boomers 31%. That said, over the next 15 years, nearly \$24 trillion will be transferred in bequests,” presenting new opportunities for Millennials (as well as Gen Xers).

- *Immigrants.* Research on foreign-born populations find that immigrants, more than native-born populations, prefer to live in multi-generational housing. Still, immigration and increased homeownership among minorities could also play a key role in accelerating household growth over the next 10 years. Census Bureau estimates indicate that the number of foreign-born households rose by nearly 400,000 annually between 2001 and 2007, and they accounted for nearly 30% 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. The Census Bureau’s estimates of net immigration in 2017–2018 indicate that 1.2 million immigrants moved to the U.S. from abroad, down from 1.3 million immigrants in 2016–2017 but higher than the average annual pace of 850,000 during the period of 2009–2011. However, if recent Federal policies about immigration are successful, growth in undocumented and documented immigration could slow and cause a drag on household growth in the coming years.
- o *Diversity.* 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. The growing gap in Homeownership rates between whites and blacks, as well as the larger share of minority households that are cost burdened warrants consideration. Since 1994, the difference in homeownership rates between whites and blacks rose by 1.9 percentage points to 29.2% in 2017. Alternatively, the gap between white and Hispanic/Latinx homeownership rates, and white and Asian homeownership rates, both decreased during this period but remained sizable at 26.1 and 16.5 percentage points, respectively. Although homeownership rates are increasing for some minorities, large shares of minority households are more likely to live in high-cost metro areas. This, combined with lower incomes than white households, leads to higher rates of cost burden for minorities- 47% for blacks, 44% for Hispanics, 37% for Asians/others, and 28% for whites in 2015.

- Changes in housing characteristics. The U.S. Census Bureau’s Characteristics of New Housing Report (2017) 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:¹⁶
 - *Larger single-family units on smaller lots.* Between 1999 and 2017, the median size of new single-family dwellings increased by 20% nationally, from 2,028 sq. ft. to 2,426 sq. ft., and 20% in the western region from 2,001 sq. ft. in 1999 to 2,398 sq. ft. in 2017. Moreover, the percentage of new units smaller than 1,400 sq. ft. nationally, decreased by more than half, from 15% in 1999 to 6% in 2017. The percentage of units greater than 3,000 sq. ft. increased from 17% in 1999 to 25% of new one-family homes completed in 2017. In addition to larger homes, a move towards smaller lot sizes is seen nationally. Between 2009 and 2017, the percentage of lots less than 7,000 sq. ft. increased from 25% to 31% of lots.
 - *Larger multifamily units.* Between 1999 and 2017, the median size of new multiple family dwelling units increased by 5.3% nationally and 2.4% in the Western region. Nationally, the percentage of new multifamily units with more than 1,200 sq. ft. increased from 28% in 1999 to 33% in 2017 and increased from 25% to 28% in the Western region.
 - *Household amenities.* Across the U.S. and since 2013, an increasing number of new units had air-conditioning (fluctuating year by year at over 90% for both new single-family and multi-family units). In 2000, 93% of new single-family houses had two or more bathrooms, compared to 97% in 2017. The share of new multifamily units with two or more bathrooms decreased from 55% of new multifamily units to 45%. As of 2017, 65% of new single-family houses in the U.S. had one or more garage (from 69% in 2000).

State Trends

Oregon's 2016-2020 Consolidated Plan includes a detailed housing needs analysis as well as strategies for addressing housing needs statewide. The plan concludes that changing population demographics will have significant impact on the housing market.

Oregon is facing:

- Growing disparity between the increase in housing costs and the increase in wages.
- Limited supply of rental housing affordable for low and moderate income households.
- Extremely low vacancy rates.
- Expiration of nearly half of subsidies on housing units that are currently federally subsidized through HUD programs.
- Increasing homelessness
- Dearth of housing units for the elderly and people with disabilities
- Aging population
- Increasing diversity with less affluent households.

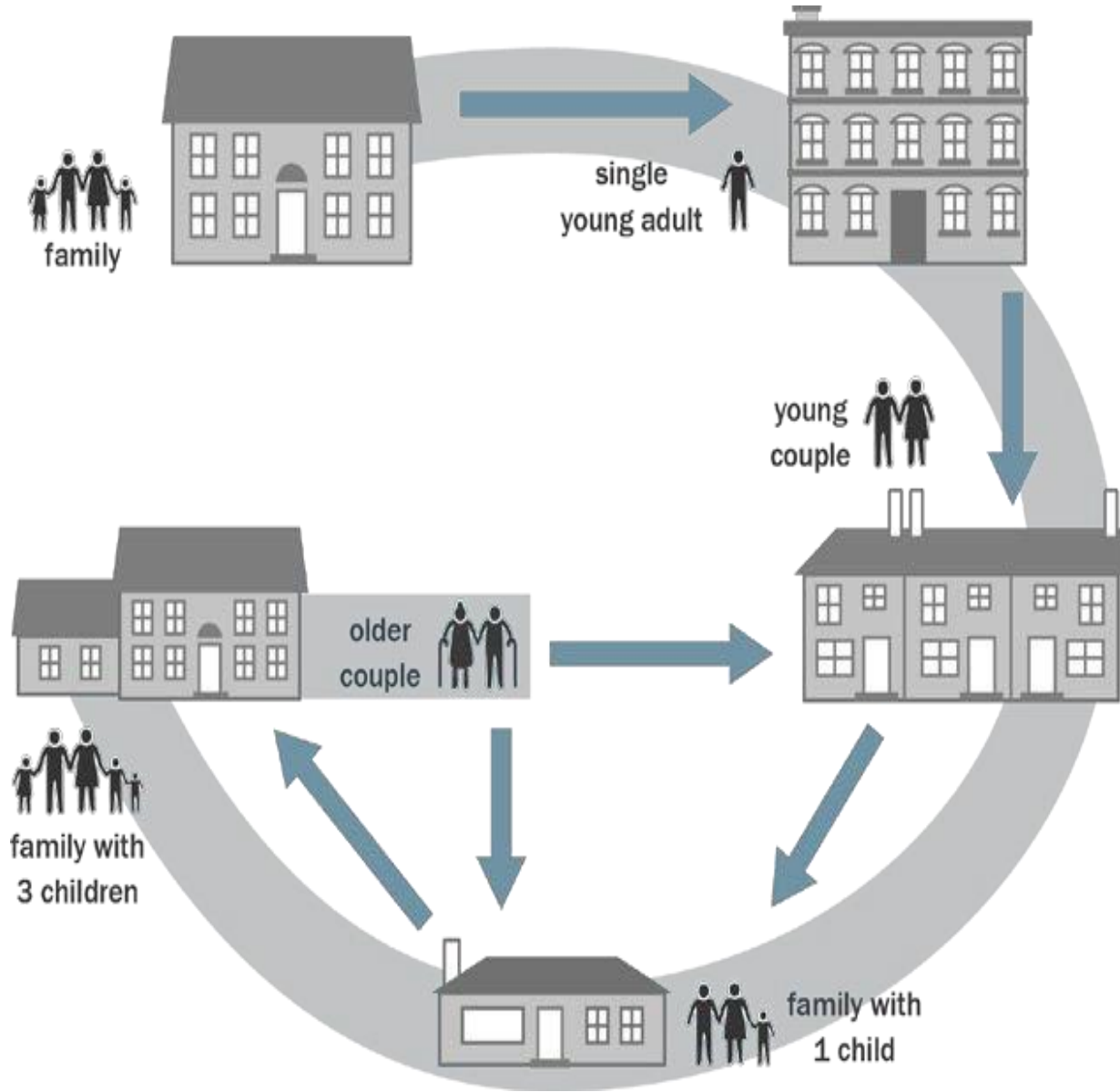
Regional and Local Demographic Trends That May Affect Housing Need in Canby

As stated previously, there is a linkage between demographic characteristics and housing choices. Housing needs also change over time as illustrated in the graphic below. Other factors that influence housing choices include:

- As household incomes increase, so does the preference for detached single family homes.
- As household incomes increase, homeownership rates increase
- Very low income households (those earning less than 50% of MFI) are most at risk for becoming homeless if their economic situation worsens.
- Renters are more likely to choose multi-family housing options than single family dwellings.

Exhibit 15. Effect of demographic changes on housing need

Source: Adapted from Clark, William A.V. and Frans M. Dieleman. 1996. Households and Housing. New Brunswick, NJ: Center for Urban Policy Research.



Growing Population

Canby’s population grew by 85% between 1990 and 2017. Canby added about 7,677 new residents, at an average annual growth rate of 2.3%. Canby’s population grew at a faster rate than the county, Oregon, or the Nation.

Exhibit 16. Population Growth, 1990-2017

Source: US Decennial Census 1990, 2000, ACS 2013-2017.

			Change 1990 to 2017		
	1990	2017	Number	Percent	AAGR
U.S.	248,709,873	325,719,178.00	77,009,305	31%	1.0%
Oregon	2,842,321	4,141,100	1,298,779	46%	1.4%
Clackamas County	280,873	412,672	131,799	47%	1.4%
Canby	9115	16,600	7,677	85%	2.3%

Exhibit 16 shows that Canby’s population within the UGB is projected to grow by 6803 people between 2019 and 2039, at an average annual growth rate of 1.6%.

Exhibit 17. Forecast of Population Growth, Canby UGB 2019-2039

Source: Oregon Population Forecast Program, Portland State University, Population Research Center, June 2017.

18,546	25,349	6,903	37% increase
Residents in 2019	Residents in 2039	New Residents 2019-2039	1.6% AAGR

Aging Population

This section shows two key characteristics of Canby’s population, with implications for future housing demand in Canby:

- Seniors.** The median age in Canby is younger than Clackamas County and the state of Oregon. However, the over 65 age group is expected to increase over the planning period.
- Demand for housing for retirees will grow over the planning period, as the Baby Boomers continue to age and retire. The impact of growth in seniors in Canby will depend, in part, on whether older people already living in Canby continue to reside here as they retire and whether Canby attracts people nearing or in retirement, consistent with the expected changes in Clackamas County’s age distribution. Research shows, in general, most retirees prefer to age in place by continuing to live in their current home and community as long as possible.

Growth in the number of seniors will result in demand for housing types specific to seniors, such as small and easy-to-maintain dwellings, assisted living facilities, or age-restricted developments. Senior 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 declines.

- **Canby has a modest share of younger people.** Between 2000 and 2013-2017 Canby's share of people 18 and under has decreased by 4.3%. In that same time period the share of persons 62 and over increased by nearly 5%.

People currently aged 18 to 38 are referred to as the Millennial generation and account for the largest share of population in Oregon. By 2040, Millennials will be about 40 to 60 years of age. The forecast for Clackamas County shows a small decline in Millennials from about 26% of the population in 2020 to about 23% of the population in 2040. The percentage of Millennials in Canby have remained fairly stable over time, as is shown in Exhibit 19 on page 29.

Canby's ability to attract and retain people in this age group will depend, in large part, on whether the city has opportunities for housing that both appeals to and is affordable to Millennials. Retaining (or attracting) Millennials, will depend on availability of housing types (such as townhouses, cottages, duplexes and similar scale-multifamily housing, and apartments).

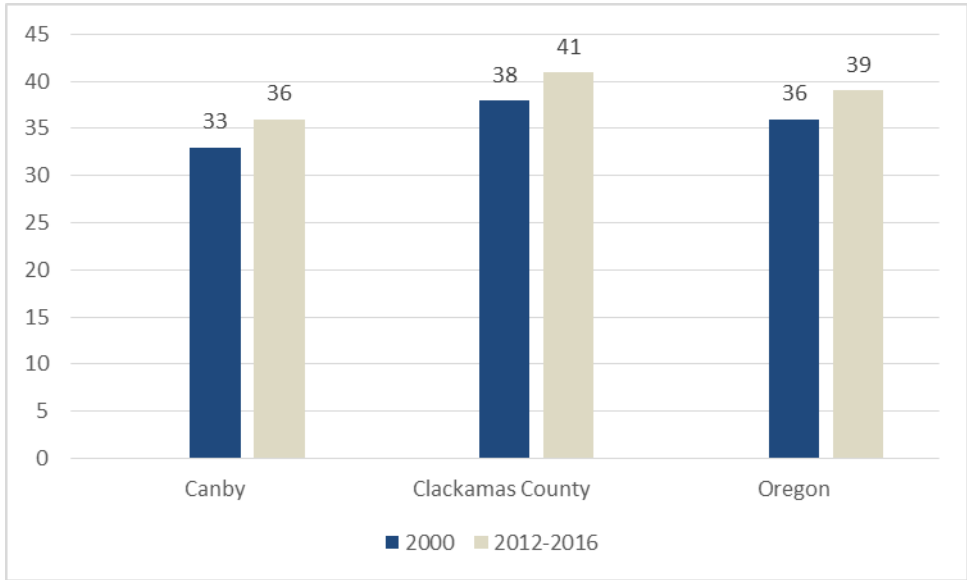
In the near-term, Millennials may increase demand for rental units. As Millennials age, their preference for detached single family dwellings increase. Millennials also prefer to live where they have shorter commuting times. Canby fits this profile as 48% of Canby commuters drive less than 10 miles on their commute. 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.

There is potential for attracting new residents to housing in Canby's commercial areas, especially if the housing is relatively affordable and located in proximity to services.

From 2000 to 2012-2016, Canby’s median age increased from 33 to 36years.

Exhibit 18. Median Age, Years, 2000 to 2012-2016

Source: U.S. Census Bureau, 2000 Decennial Census Table B01002, 2012-2016 ACS, Table B01002.



Between the 2000 and 2013-2017 time period Canby’s population under 5 actually declined by nearly 3%. The largest increases from 2000-2013-2017 were in the 45-64 and over 65 age groups.

Exhibit 19. Population Growth by Age, Canby 2000-2013-2017

Source: Decennial Census; ACS 2013-2017 DPO5

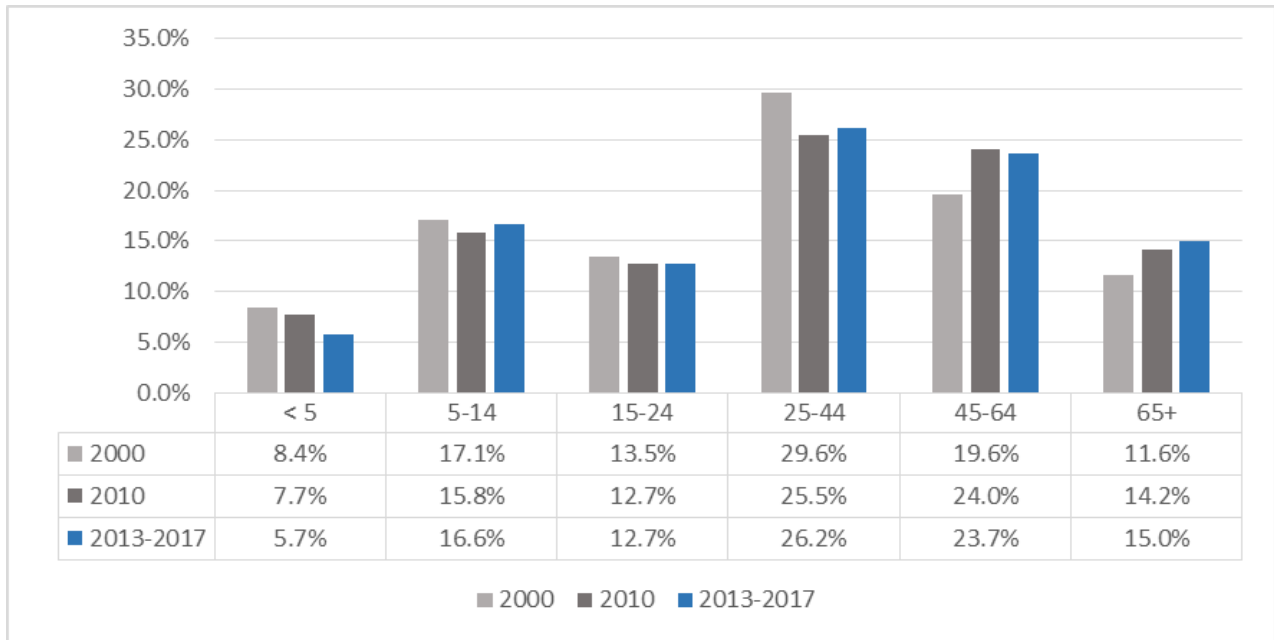
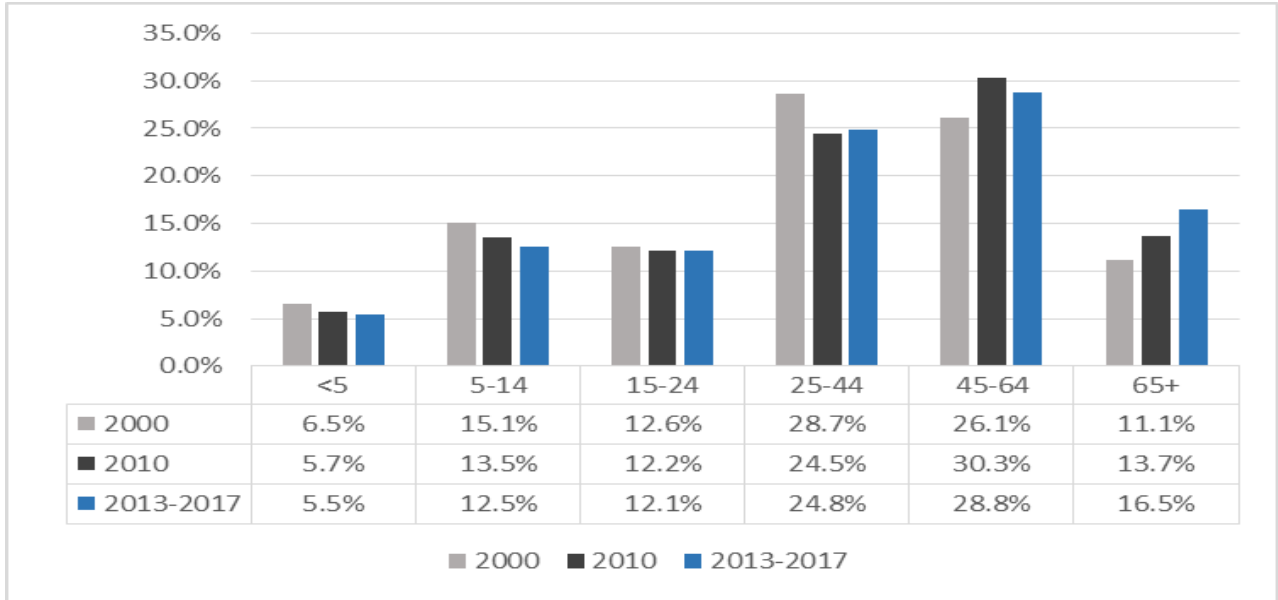


Exhibit 20. Population Growth by Age Groups, Clackamas County, 2000,2010,2013-2017

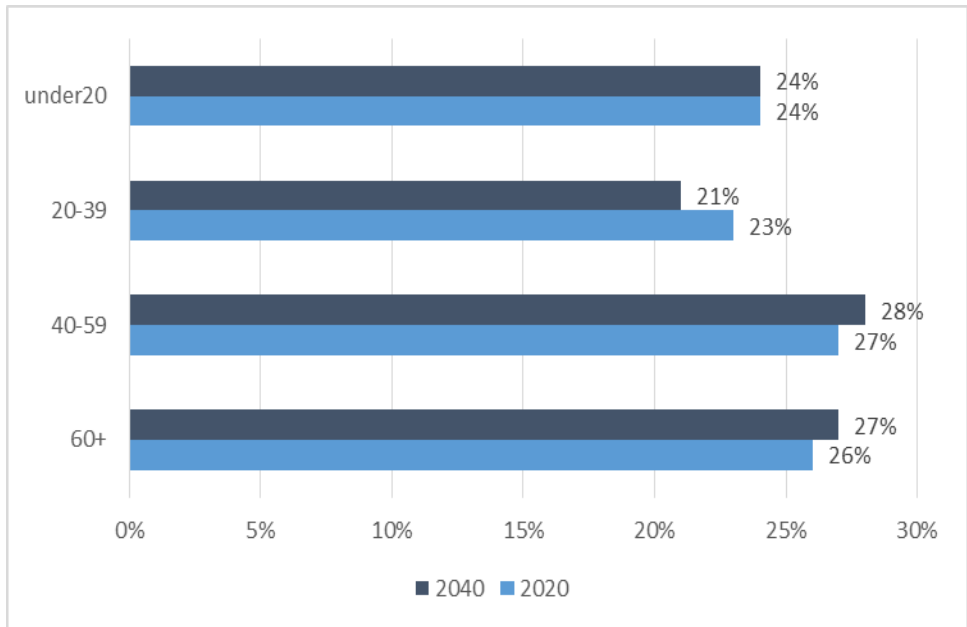
Source: US Decennial Census 2000, 2010 Table DP-1, ACS 2013-2017 DP05



The under 5 age group also declined in Clackamas County between 2000 and 2013-2017, and increased in the 45-64 and over 65 age groups. Canby held relatively steady in the 5-14 age group which decreased by 3% in Clackamas County.

Exhibit 21. Population Growth by Age Group, Clackamas County, 2020-2040

Source: Portland State University, Population Research Center, Clackamas County Forecast, June 2017.



By 2040, it is forecasted that Clackamas County residents aged 40 and older will make up 55% of the county's total population. This accounts for a 4% increase from the county's 2017 age group estimate.

Millennials are the largest age group in Oregon, followed by the Baby Boomers. By 2039 Millennials will be between 35 and 54 years old. Boomer will be 75 to 93 years old.

Exhibit 22. Oregon Population by Age, 2018

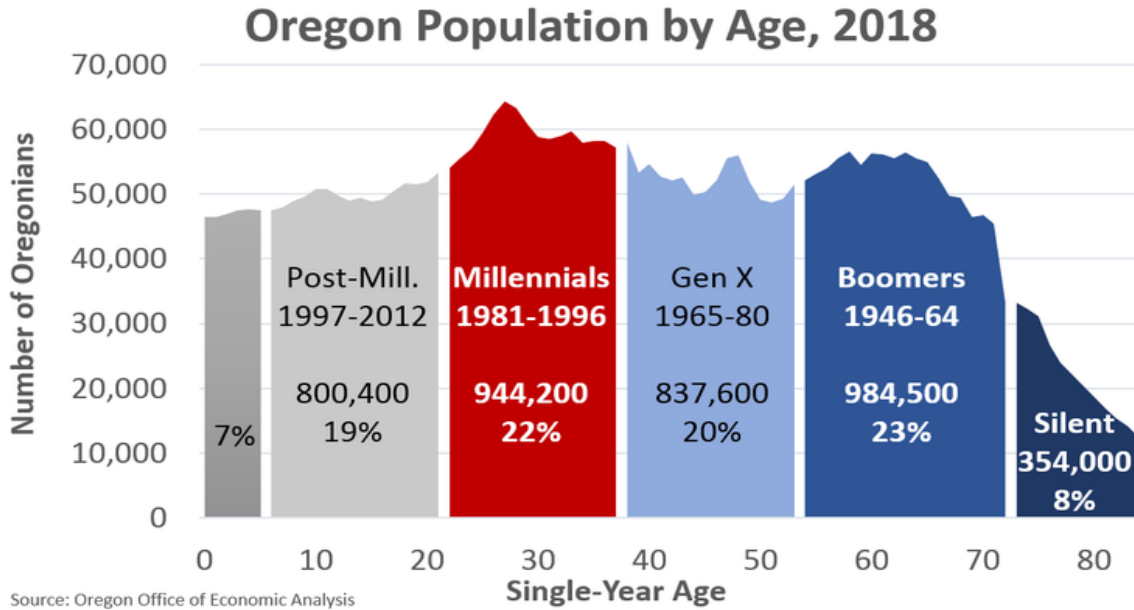
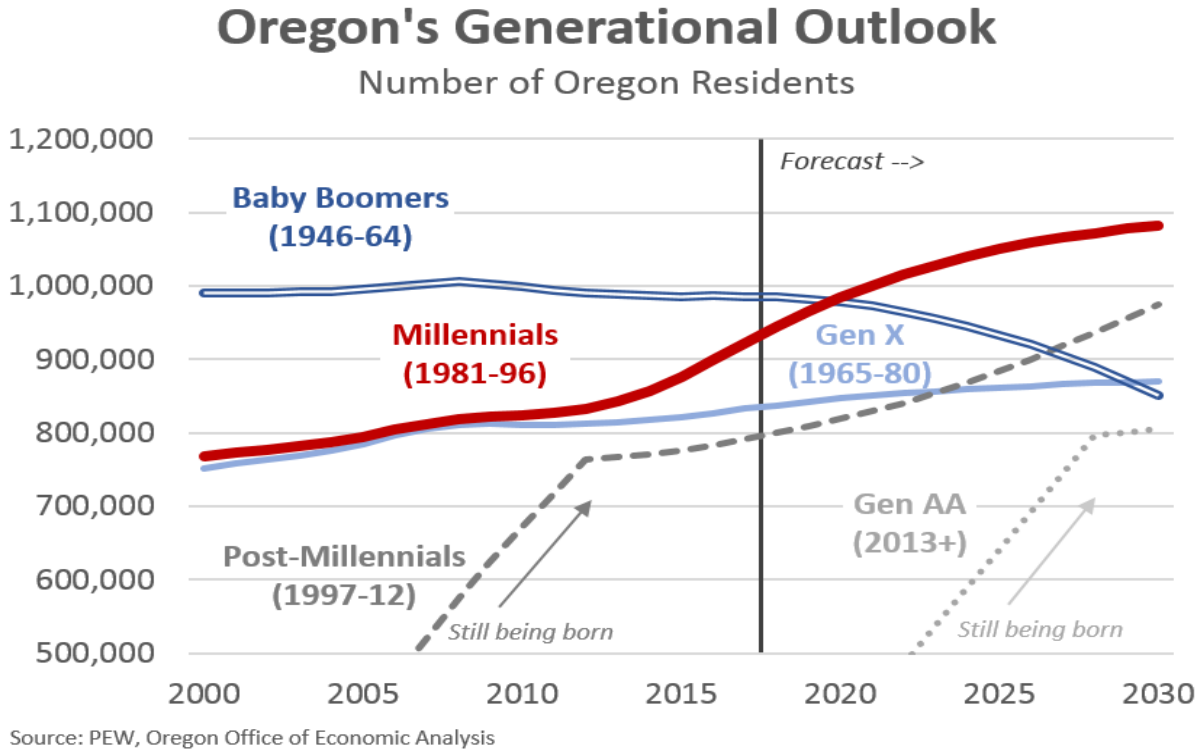


Exhibit 23. Oregon's Generational Outlook, 2000-2030



Increased Ethnic Diversity

Canby is becoming more ethnically diverse. The Hispanic and Latinx population grew from 16% of Canby’s population in 2000 to 20% of the population in the 2012-2016 period.

Canby is more ethnically diverse than Portland Region, Clackamas County and Oregon.

Continued growth in the Hispanic and Latinx population will affect Canby’s housing needs in a variety of ways. Hispanic and Latinx households have on average larger household sizes, and often have multi-generational households. They will need larger dwellings to accommodate their housing needs.

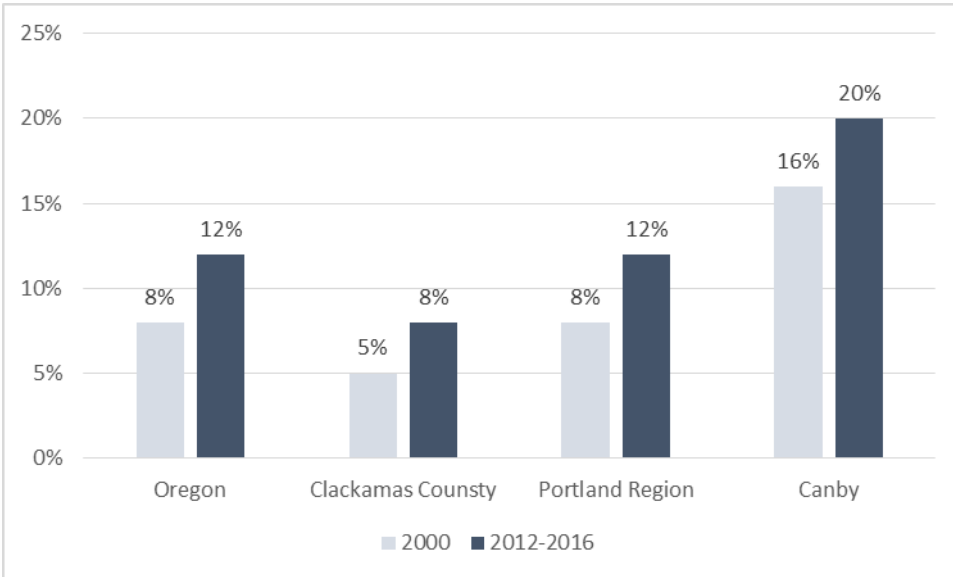
According to the *State of Hispanic Homeownership* report from the National Association of Hispanic Real Estate Professionals, the rate of homeownership for Hispanics increased from 45.4% in 2014 to 46.2% in 2017. The only demographic that increased their rate of homeownership from 2016 to 2017 was Hispanics.

The *State of Hispanic Homeownership* report also cites the lack of affordable housing products as a substantial barrier to homeownership.

As the Hispanic and Latinx population in Canby continues to grow, the preference for larger affordable housing will influence Canby’s housing market. More specifically this will result in increased demand for affordable housing, both for rent and to own.

Exhibit 24. Hispanic and Latinx Population as a Percent of the Total Population, Canby 2000, 2012-2016

Source: U.S. Census Bureau, 2000 Decennial Census Table P008, 2012-2016 ACS Table B03002.



Canby’s Hispanic and Latinx population grew by 4% between 2000 and 2012-2016. Canby is more ethnically diverse than the State, Clackamas County, and the Portland Region.

Household Size and Composition

Canby’s average household size is larger than average household size and in Oregon, Clackamas County and Wilsonville. This may be due to the higher percentage of Latinx population in Canby, who traditionally have large families, and often multi-generational families sharing households.

Exhibit 25. Average Household Size, Canby, Clackamas County Oregon, 2013-2017

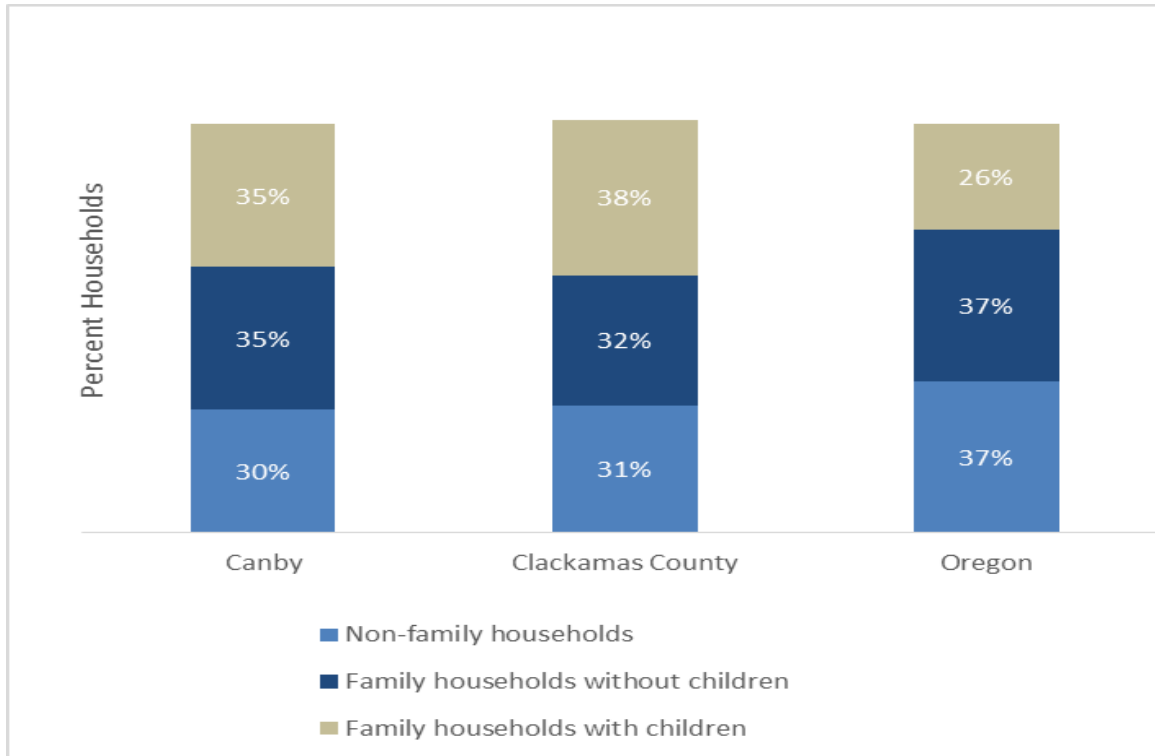
Source: U.S. Census Bureau, 2013-2017 ACS 5-year estimate, Table B2501

2.75 Persons Canby	2.58 Persons Clackamas County	2.34 Persons Wilsonville	2.50 Persons Oregon
-------------------------------------	----------------------------------	-----------------------------	------------------------

Canby has a larger share of households with children than Oregon, but less than Clackamas County.. About 35% of Canby household have no children at home, which is a greater percentage than the County. Canby’s household composition more closely resembles Clackamas County than the State of Oregon.

Exhibit 26. Household Composition, Canby, Clackamas County, Oregon, 2012-2016

Source: U.S. Census Bureau, 2012-2016 ACS 5-year estimate, Table DP02.



Income of Canby Residents

Income is one of the key determinants in housing choice and households' ability to afford housing. Median Household Income for residents living in Canby for the 2012-2016 period was \$62,035.

Exhibit 27. Median Household Income, Canby, Clackamas County, Oregon

Source: US Census, ACS 2012-2016 Table DP03

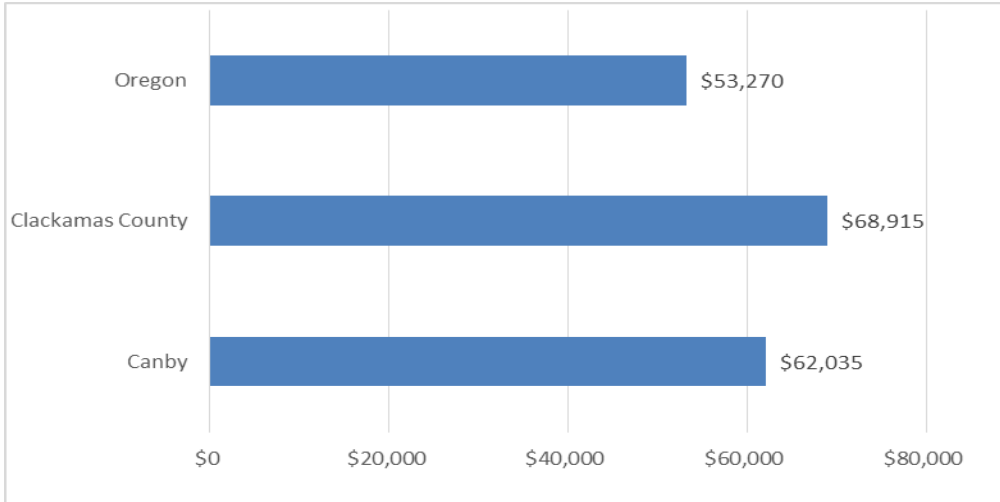
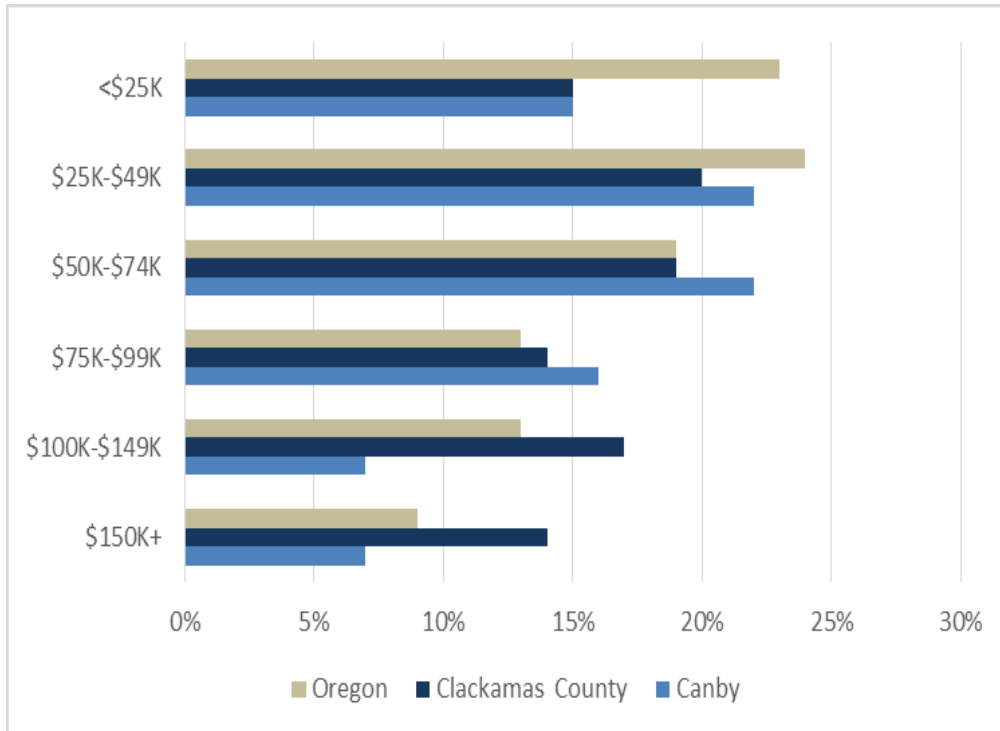


Exhibit 28 shows that over the 2012-2016 period, Canby's median household income (MHI) was above the State, but less than Clackamas County.

Exhibit 28. Household Income, Canby, Clackamas County, Oregon, 2012-2016

Source: U.S. Census Bureau, 2012-2016 ACS 5-year estimate, Table B19001.



Canby has more households earning between \$50,000 and \$99,000 or than either Clackamas County or the State of Oregon. However Canby has fewer households earning over \$150,000 than either the county or the state.

Commuting Trends

Canby is part of the complex economy of Clackamas County. Exhibit 29 on the following page shows that:

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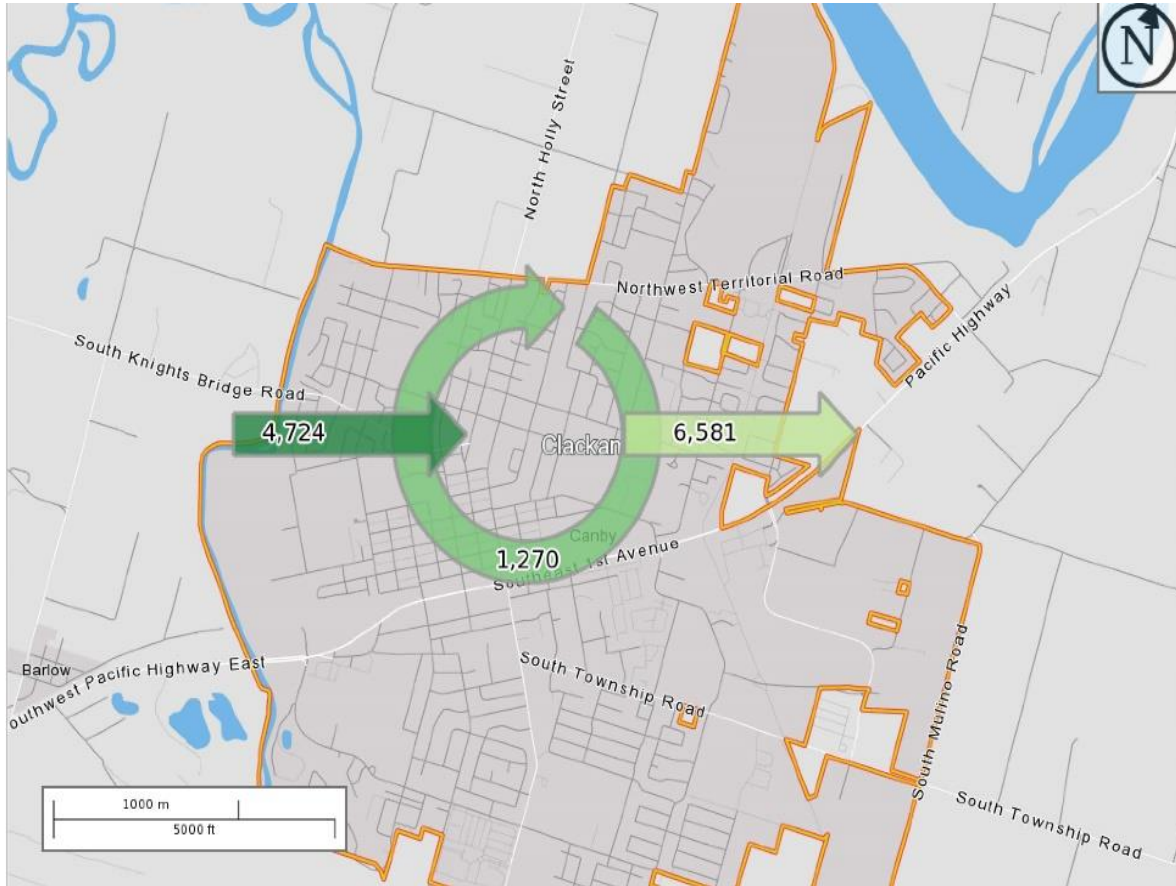
- 4,724 people are employed in Canby, but live elsewhere;
- 6,581 people live in Canby, but are employed elsewhere;
- 1270 people live and work in Canby.
- Over 80% of workers living in Canby leave the city for work elsewhere
- Only 21 % of workers live and work in Canby.

According to the 2015 US Census Bureau On the Map program. 48% of employees in Canby traveled less than 10 miles to work, and 35% travel under 24 miles to work. Less than 9% travel more than 50 miles to work. 6% of Canby residents work in Portland, 5% work in Woodburn and 4% work in Oregon City. The employment destinations are quite varied. Appendix E list the top 25 cities where Canby residents are employed.

The relatively short commute time for Canby residents will be attractive to Millennials, who prefer short commute times, and are projected to be the largest segment of the population looking to purchase new homes during the 20 year planning horizon.

Exhibit 29. Commuting Flows, Canby, 2015

Source: U.S. Census Bureau, Census On the Map.



Of the people **leaving** Canby to work elsewhere:

- 54% are employed in the Service Industry sector
- 25% are employed in the “Goods Producing Industry” sector
- 21% are employed in Trade, Transportation, and Utilities Industry sector

Of the people **commuting in** to Canby for employment:

- 35% are employed in the “Service Industry” sector
- 35% are employed in the “Goods Producing” sector
- 20% are employed in the “Trade, Transportation, and Utilities” sector

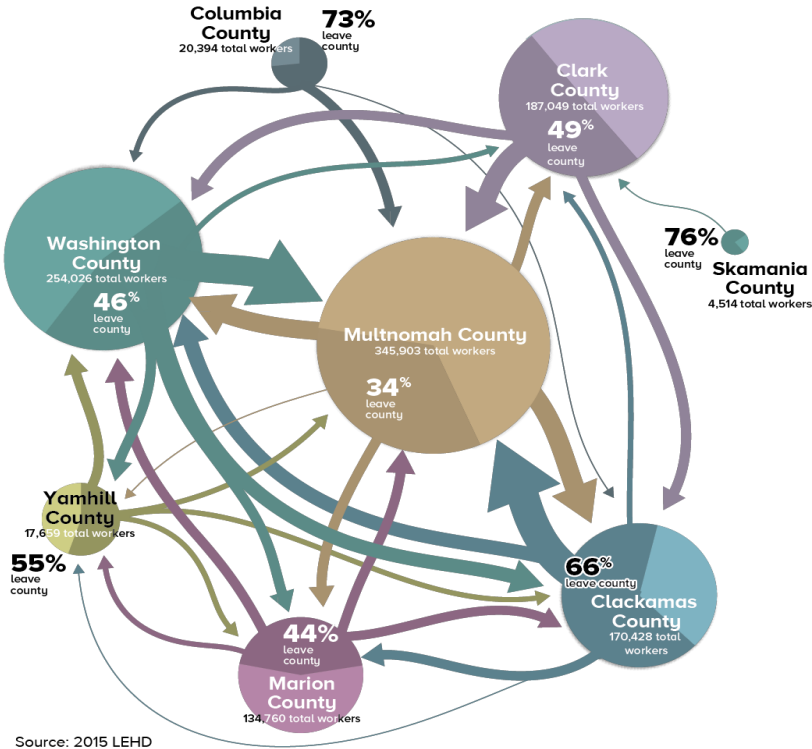
Exhibit 30. Commute time for Canby Employees, 2013-2017

Source: ACS 2012-2017 Table B08303

	Number	Percent
Less than 15 Minutes	2,233	29%
Less than 30 Minutes	4,596	60%
Less than 60 Minutes	7,092	92%
Over 60 Minutes	1,100	14%

In the 2013-2017 period 29% of Canby employees had commute times under 15 minutes, and 60% had commute times less than a half an hour.

Exhibit 31. Where Residents of the Greater Portland Area work by County: 2015



Nearly two thirds of the residents in Clackamas County leave the County to work elsewhere.

Source: 2015 LEHD

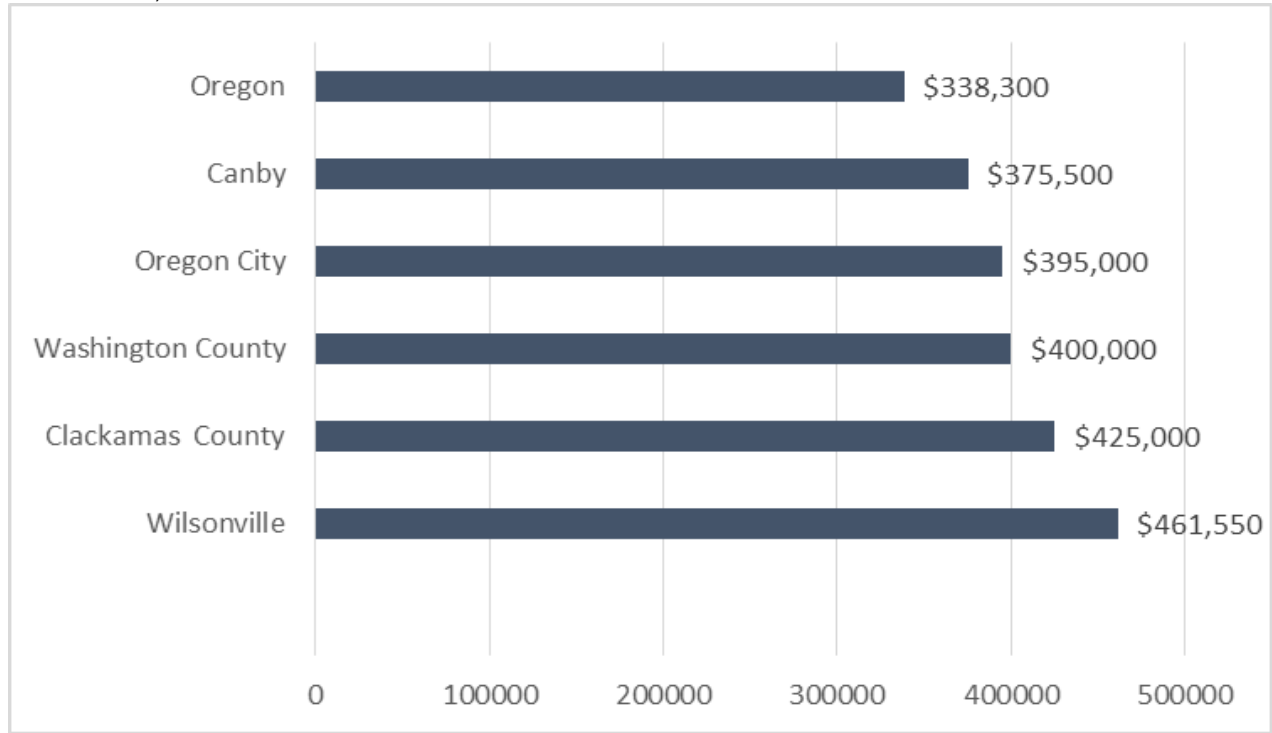
This section describes changes in sales prices, rents, and housing affordability in Canby, Clackamas County, Oregon and comparison cities.

Changes in Housing Costs

With a median sales price of \$375,000 in 2018, Canby’s housing sales were slightly higher than state of Oregon, but still less than Oregon City, Wilsonville, Clackamas County and Washington County.

Exhibit 32. Median Home Sales Price September 2018 Canby, Oregon, Clackamas County, Washington County, Canby, Oregon City

Source: Red Fin, Zillow

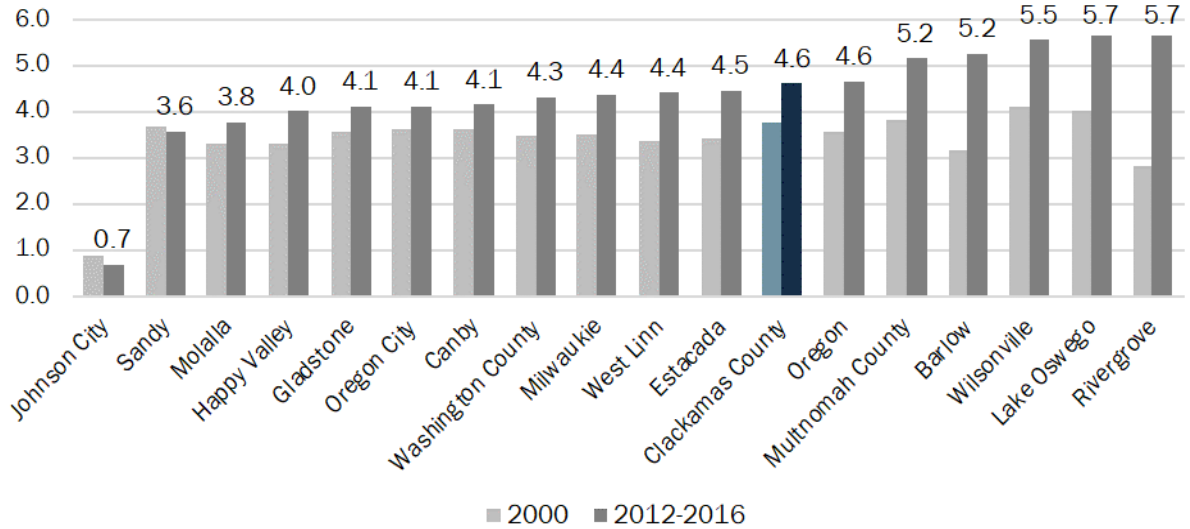


Since 2000, housing costs in nearly all Clackamas County cities increased faster than incomes. In the 2012-2016 period, Clackamas County had a similar home price to income ratio as Oregon. Rivergrove and Lake Oswego had the highest housing to income ratios. In both cities, median home values were 5.7 times median incomes. Sandy and Johnson City were the only two cities to have their home price to income ratios fall from 2000 to 2012-2016

Home values in Canby, Oregon City and Gladstone were 4.1 times median income.

Exhibit 33. Ratio of median Housing Value to Median Household Income, 2000 to 2012-2016

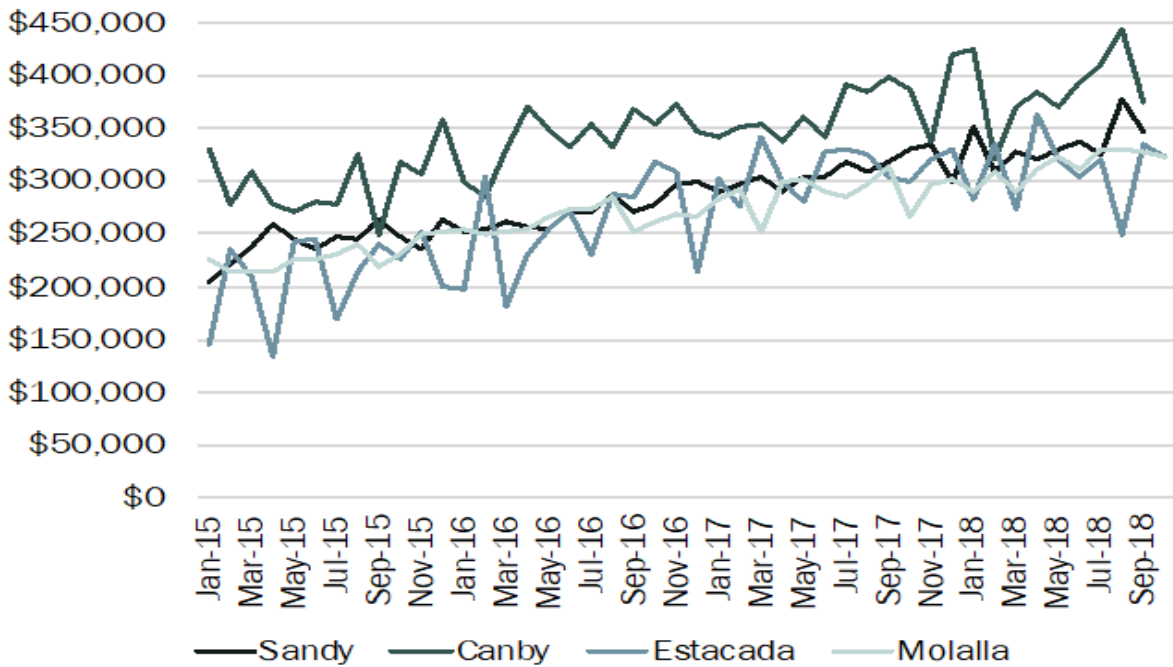
Source US Census, 2000 Decennial, Census, Tables HCT012, ACS 2012-2016



Median home sales prices in Sandy, Canby, Estacada, and Molalla have all increased since January of 2015. In September of 2018, Molalla had a median home sales price of \$324,250, Estacada had a median home sales price of \$329,000 and Sandy and Canby had median home sales prices of \$347,400 and \$375,500.

Exhibit 34. Median Sales Price, Canby, Sandy, Estacada, Molalla January 2015-September 2018

Source: Red Fin, Property Radar



Rental Costs

Rent costs in Canby were lower than the average for Clackamas and Washington County and comparison cities in the 2012-2016 time period. The following charts show gross rent (which includes the cost of rent plus utilities) for Canby in comparison to other cities and counties in the region based on Census data.

Exhibit 35. Median Gross Rent, Canby, Comparison Cities, Counties, (inflated to 2018 dollars), 2012-2016

Source: U.S. Census Bureau, 2012-2016 ACS 5-year estimate, Table B25064.

The 2012-2016 median gross rent in Canby, inflated to 2018 dollars, is \$935.

Rent in Canby was lower than all comparison cities and counties, and closest to Molalla.

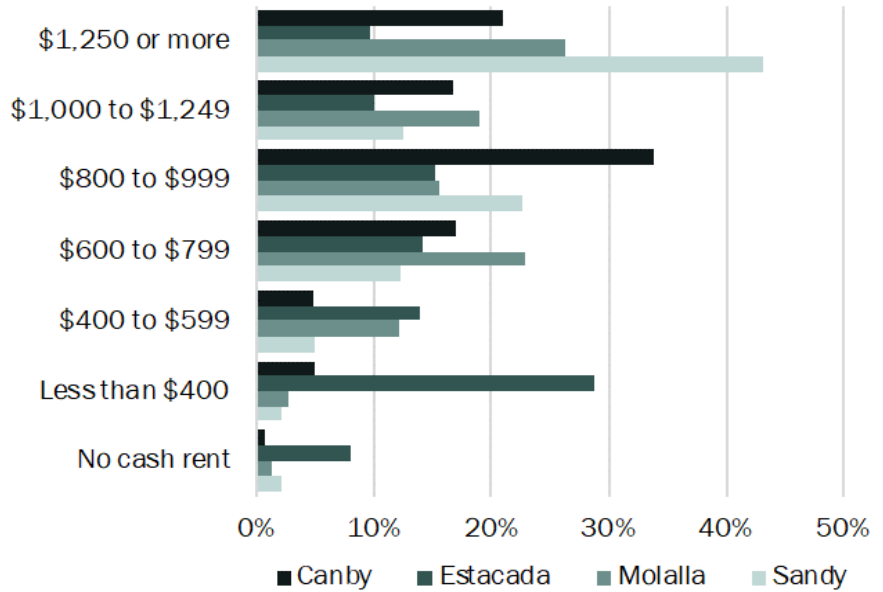
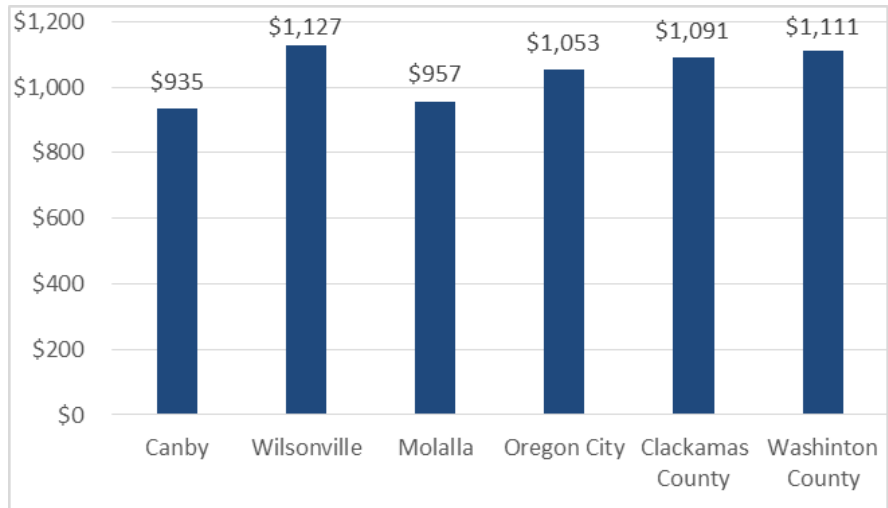


Exhibit 36. Gross Rent, Canby, Sandy, Estacada, Molalla, 2012-2016

Source: U.S. Census Bureau, 2012-2016 ACS Table B25063.

Over one third of renters in Canby pay less than \$1,000 per month. About 20% of Canby's renters paid \$1,250 or more in gross rent per month.



Housing Affordability

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. The Department of Housing and Urban Development’s guidelines indicate that households paying more than 30% of their income on housing experience “cost burdened,” and households paying more than 50% of their income on housing experience “severe cost burden.” Using cost burdened as an indicator is one method of determining how well a city is meeting the Goal 10 requirement to provide housing that is affordable to all households in a community.

27% of Canby’s **homeowner** households are cost burdened, compared to 49% of **renter** households.

About 15% of Canby's households have an income of less than \$25,000 per year (30% of MFI). These households can afford rent of approximately \$600 per month. The approximately 20% of Canby’s households earning 50% of MFI, (41,000) can afford to purchase a home roughly valued between \$123,000 and \$144,000, or pay \$1,018 in rent. Most, but not all, of these households are cost burdened.

Exhibit 37. Housing Cost Burden by Tenure, Clackamas County, 2000, 2012-2016

Source: U.S. Census Bureau, 2000 Census Table H069.2012-2016 ACS Tables B25091 and B25070.

Renters are much more likely to be cost burdened than homeowners. Although the majority of households in Clackamas County were not cost burdened in 2012-2016, cost burdened households increased from 26% in 2000 to 34% in the 2012-2016 time period.

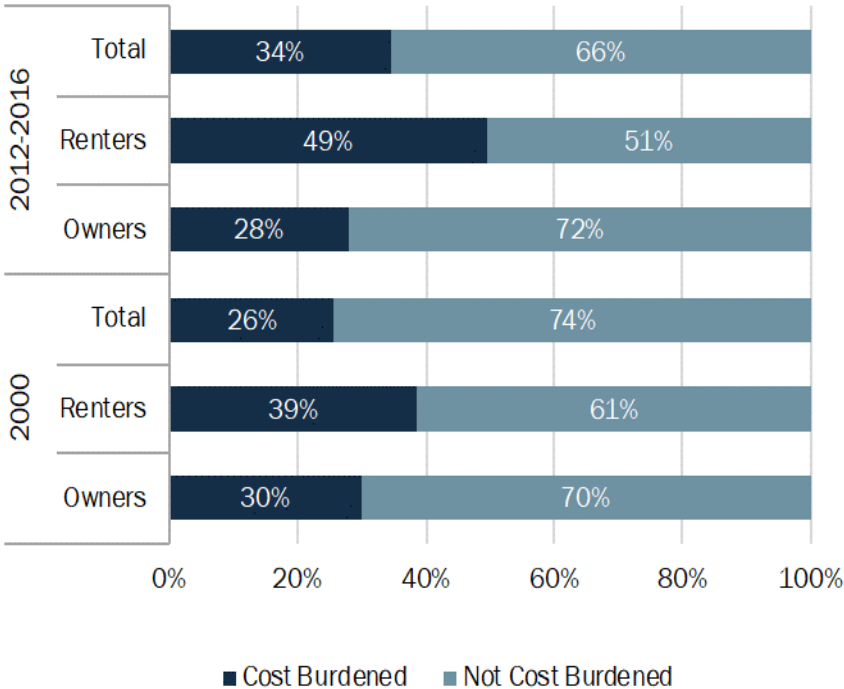


Exhibit 38. Cost Burden Rates for Homeowners, Canby, Comparison Cities, Oregon, Clackamas County 2012-2016

Source: ACS Tables B25091 and B25070

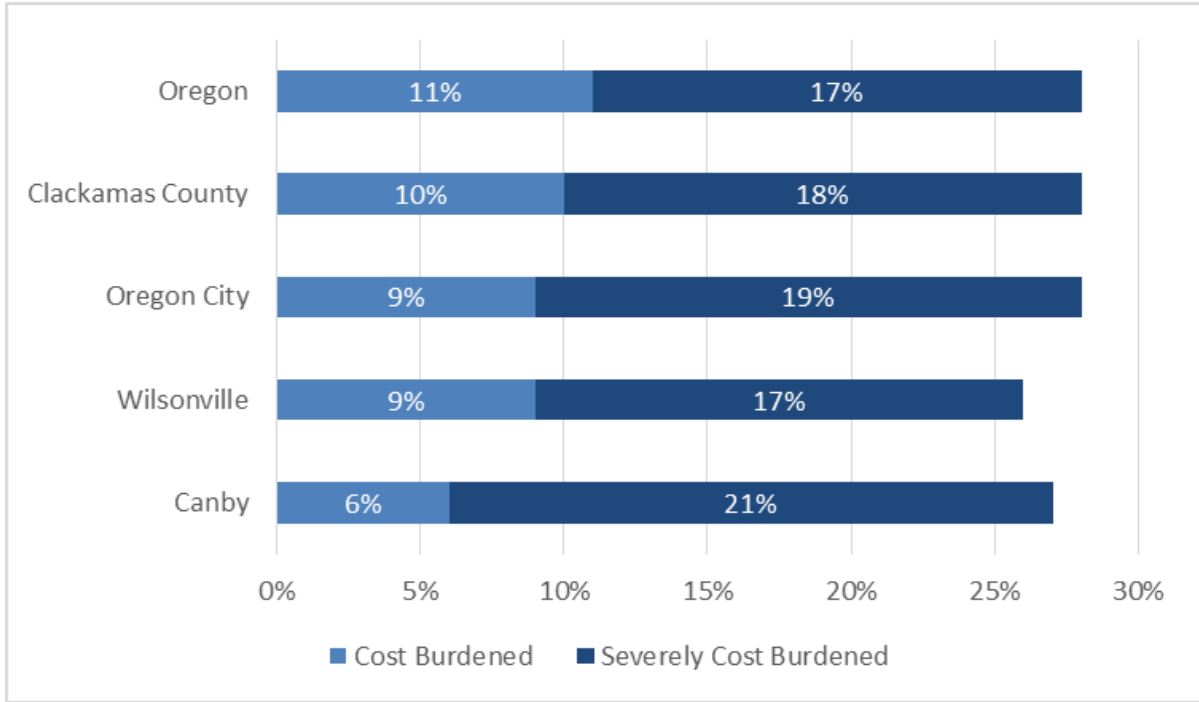


Exhibit 39. Cost Burdened Rates for Renters, Canby, Comparison Cities, Oregon, Clackamas County, 2012-2016

Source: 2012-2016 ACS Tables B25091 and B25070.

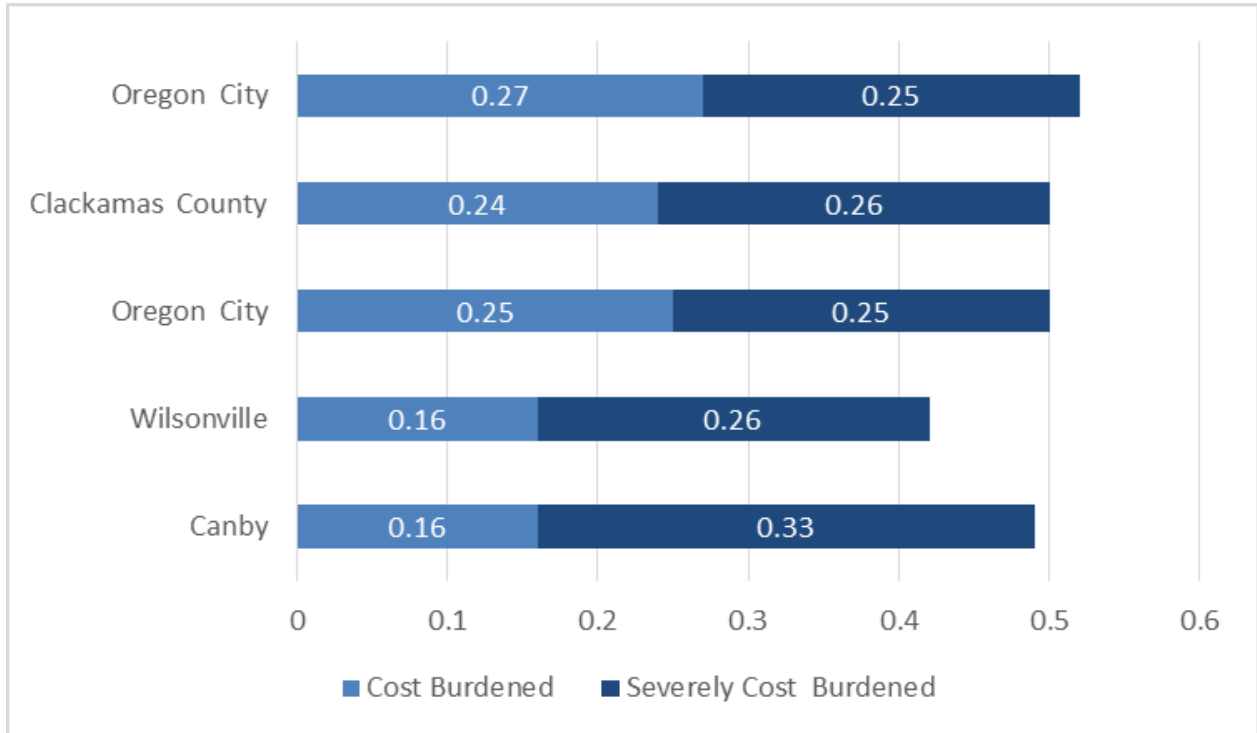
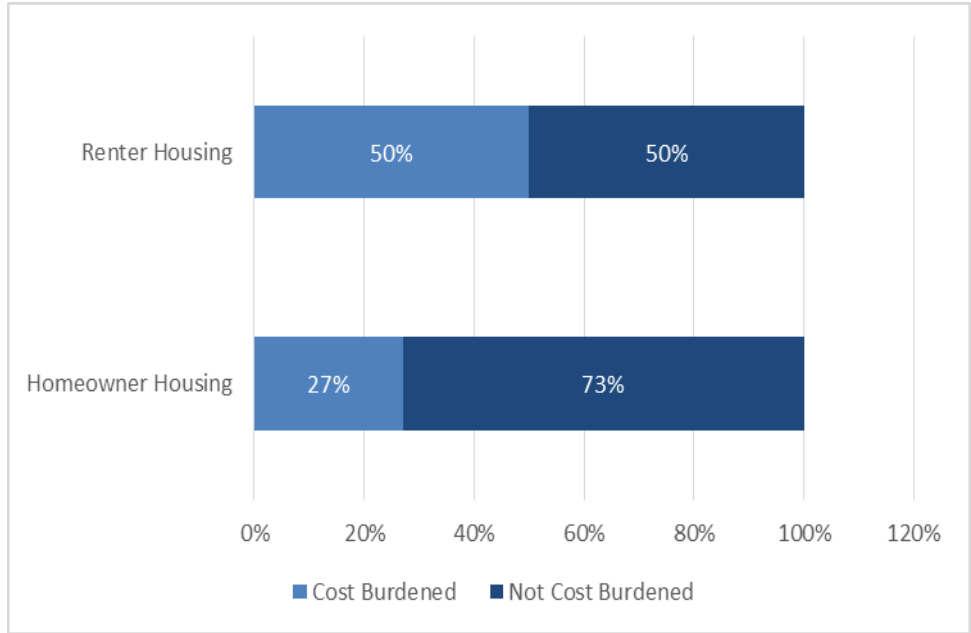


Exhibit 40. Housing Cost Burden by Tenure, Canby 2012-2016

Source; ACS 2012-2016 Table B25091 and B 25070

Cost Burden for renters in Canby is nearly double that of homeowners. Of the total number of cost burdened homeowner households, 75% are severely cost burdened.



Although cost burden is used as a measure of housing affordability it is important to note that households with higher incomes may be able to pay more than 30% of their income on housing without compromising the household’s ability to pay for other non-discretionary expenses

Retirees may have incomes may have relatively low income but may have accumulated wealth that allows them to purchase a home that would normally be unattainable based solely on their retirement income.

Cost burden is one measure of housing affordability. Looking at household income is another way to measure affordability.

Fair Market Rent for a 2 bedroom apartment in Clackamas is \$1,330.

Exhibit 41. HUD Fair Market Rent (FMR) by Unit Type, Clackamas County, 2018

Source: U.S. Department of Housing and Urban Development.

\$1,026	\$1,132	\$1,330	\$1,935	\$2,343
Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom

A household must earn at least \$25.58 per hour to afford a two-bedroom unit in Clackamas County. Before taxes, a full time job at \$25.58/hr. is \$53,200

Exhibit 42. Affordable Housing Wage, Clackamas County, 2018

Source: U.S. Department of Housing and Urban Development; Oregon Bureau of Labor and Industries.

\$25.58/hour

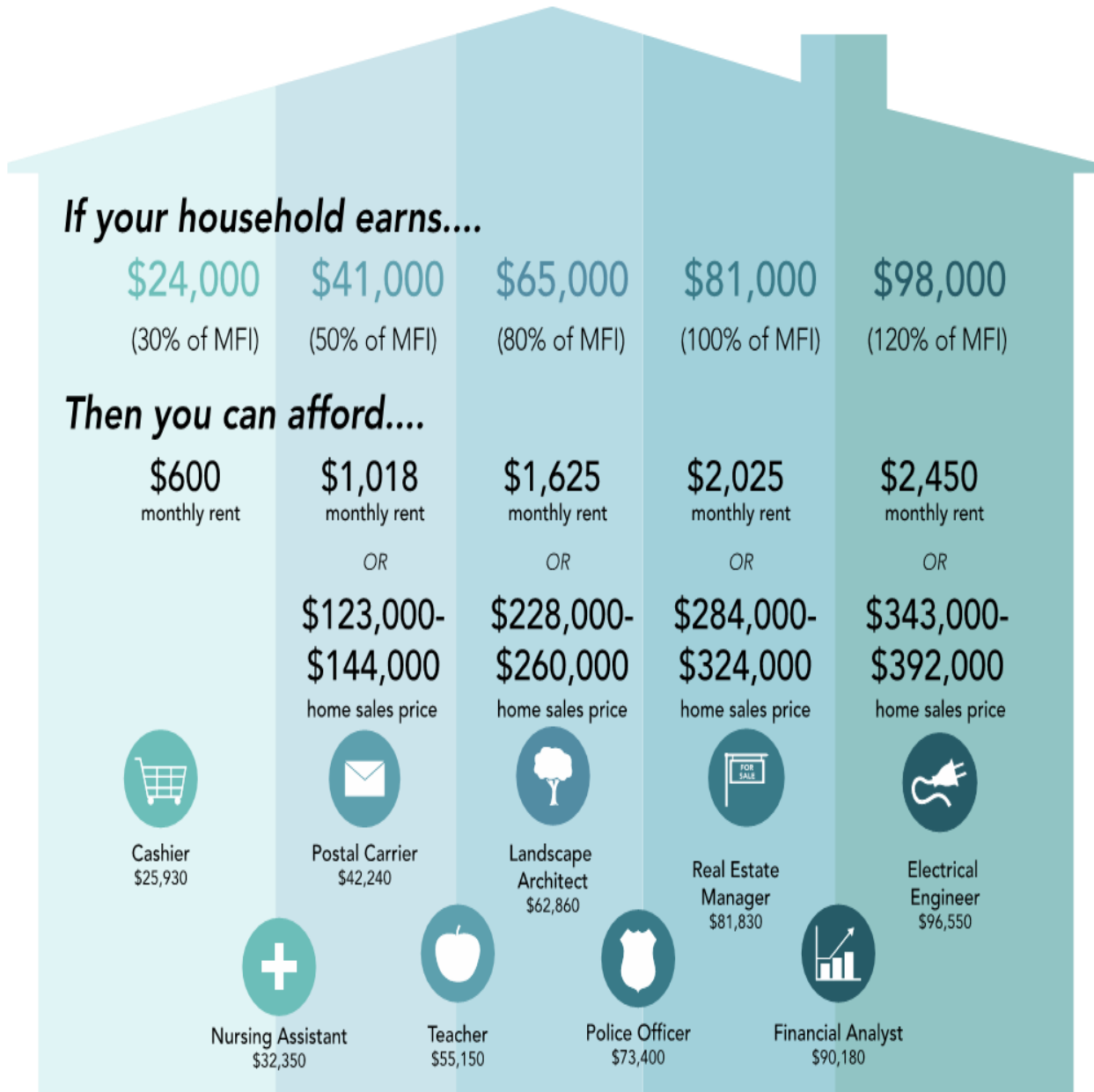
Affordable Housing Wage for two-bedroom Unit in Clackamas County

A Clackamas County household (including Canby) earning the median family income (MFI) of \$81,400 can afford \$2,025 a month in rent, or a home roughly valued between \$284,000 and \$324,000.

Exhibit 43 on the following page show examples of what households can afford to pay for housing based on household incomes. The exhibit also notes income levels as percentage of the Median Family Income for Clackamas County.

Exhibit 43. Financially Attainable Housing By by Median Family Income (MFI) for Clackamas County (\$81,400), Clackamas County, 2018

Source: US Dep. of Housing & Urban Development 2016. US Census Bureau, 2012-2016 ACS Table 19001, Oregon Employment Department. HUD determines MFI for Clackamas County.



72% of Canby’s households earn between 50% and 120% of the Clackamas County MFI. These households could afford to purchase or rent a home in Clackamas County.

Exhibit 44. Share of Households, by Median Family Income (MFI) for Clackamas County, (\$81,400), Canby, 2018

Source: U.S. Department of Housing and Urban Development, Clackamas County, 2018. U.S. Census Bureau, 2012-2016 ACS Table 19001

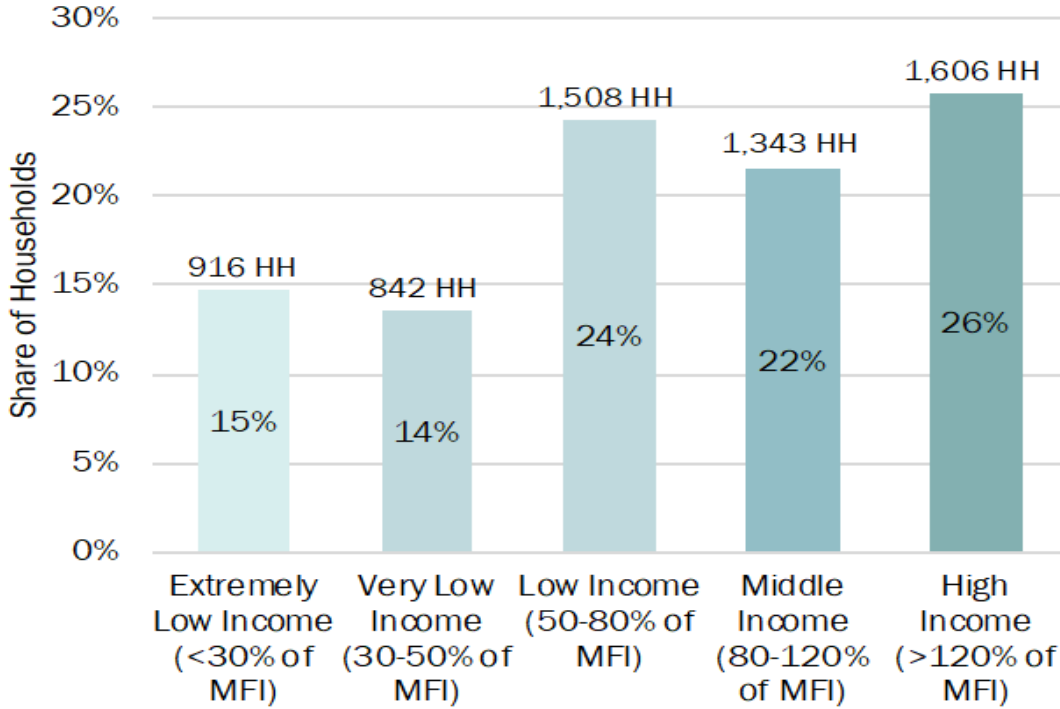
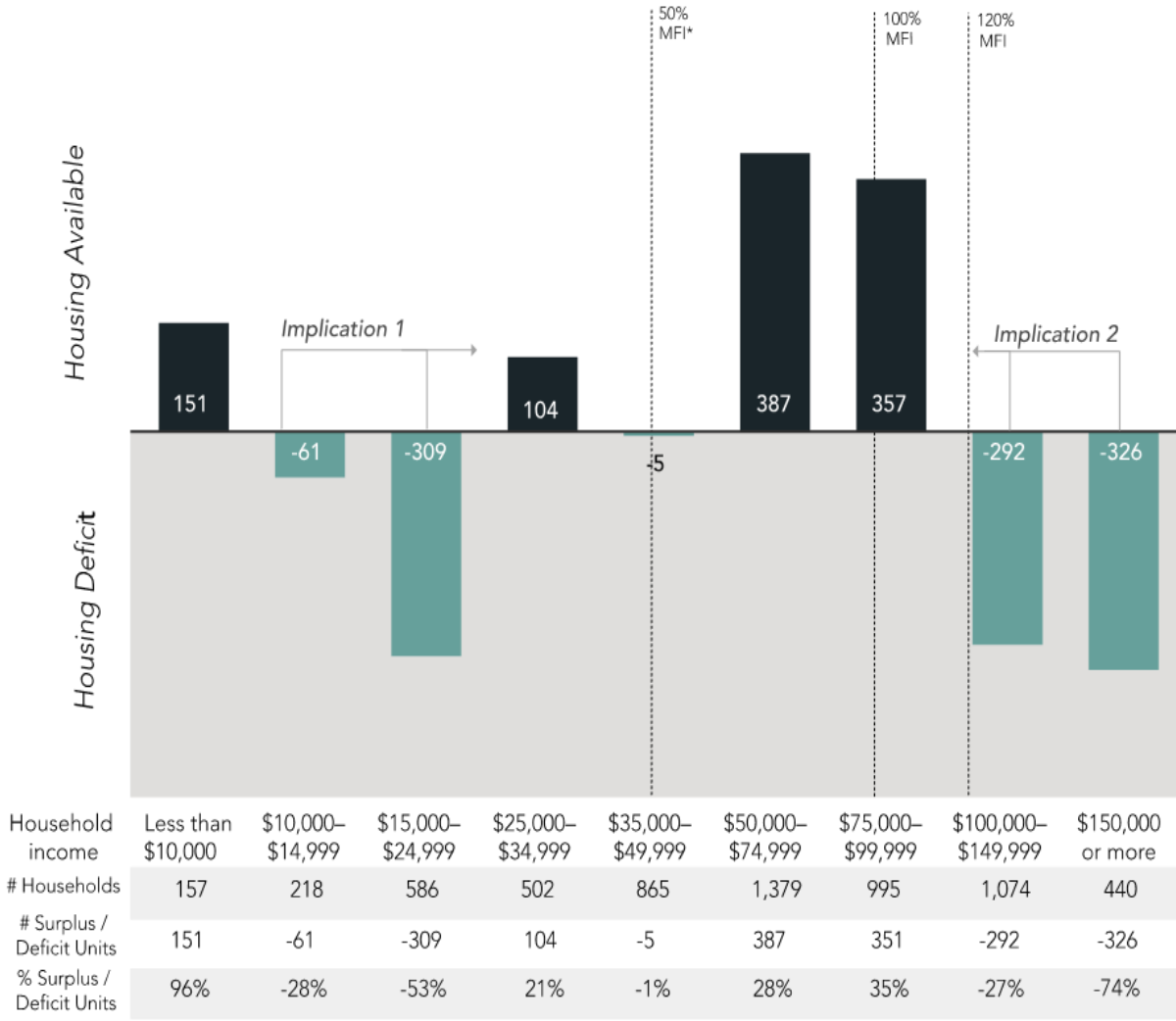


Exhibit 45 on the next page, compares the number of households by income with the number of units affordable to those households in Canby. Canby currently has a deficit of housing affordable to households earning between \$10,000 and \$25,000 and to households earning more than \$100,000. The housing types that Canby has a deficit of are more affordable housing types such as apartments, duplexes, tri- and quad-plexes, manufactured housing, townhomes, and smaller single-family housing. Canby also has a deficit high-amenity housing types such as single-family detached housing and townhomes

Exhibit 45. Affordable Housing Costs and Units by Income Level, Canby, 2018

Source: U.S. Census Bureau, 2012–2016 ACS.. Note: MFI is Median Family Income, determined by HUD for Portland MSA.



*Median Family Income for a family of four

Implication 1

Some lower-incomer households live in housing that is more expensive than they can afford because affordable housing is not available. These households are cost-burdened.

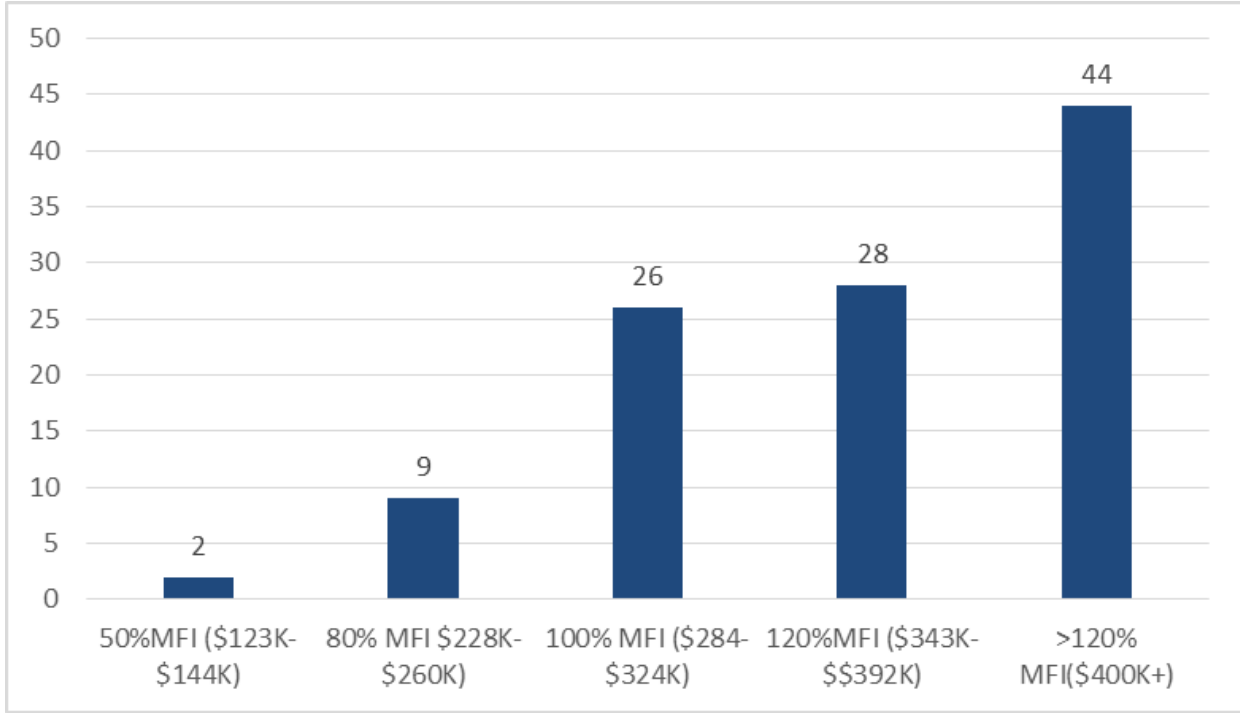
Implication 2

Some higher-income households choose housing that costs less than they can afford. This may be the result of the household's preference or it may be the result of lack of higher-cost and higher-amenity housing that would better suit their preferences.

Exhibit 46 shows the distribution of home sales prices by affordability range for 2018. Most housing sold in Canby 2018 were affordable to households earning between 80% and over 120% % of the Median Family Income (MFI), or a household income of about \$65,000 to 98,000.

Exhibit 46. Distribution of Home Sales Prices by Affordability Range, Canby, 2018

Source: Clackamas County Assessors Data



Summary of the Factors Affecting Canby's Housing Needs

This analysis has attempted to provide information regarding factors that influence housing choice. Younger people will on average have less income than older people or people without children. It follows that younger people are more likely to be renters and thus more likely to live in multi-family housing.

Seniors prefer smaller homes and most prefer to retire in place. Millennials, especially **older** millennials prefer detached single family housing but their desire for short commute trumps their desire for detached single family. Canby is well situated to provide millennials with short commute times. What we know:

Growth in housing will be driven by growth in population. Between 1990 and 2017, Canby's population grew by 7677 people (85% increase). The population in Canby's **UGB** is forecasted to grow from 18546 to 25349, an increase of 6803 people (37%) between 2019 and 2039.

Housing affordability is a growing challenge in Canby. It is a challenge in most of the region in general and Canby is affected by these regional trends. Housing prices are increasing faster than incomes in Canby and Clackamas County, which is consistent with state and national challenges. Canby has a modest share of multifamily housing (under a third of the city's housing stock), but over half of **renter** households are cost burdened. Canby's key challenge over the next 20 years is providing opportunities for development of relatively affordable housing of all types, such as lower-cost single-family detached housing, townhouses and duplexes, market-rate multifamily housing, and government-subsidized affordable housing. Canby also has a deficit of high amenity housing, including single family detached and townhomes.

Without substantial changes in housing policy, on average, future housing will look a lot like past housing. That is the assumption that underlies any trend forecast.

The future may differ from the past. If so, it is likely to move in the direction, of smaller units and more diverse housing types in order to meet the projected demand. 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. This includes providing opportunities for development of smaller single-family detached homes, townhomes, and multifamily housing.

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

- *The Baby Boomer's population is continuing to age.* By 2040, people 60 years and older will account for 27% of the population in Clackamas County (up from 26% in 2017). The changes that affect Canby's housing demand as the population ages are that household sizes and homeownership rates decrease. The majority of Baby Boomers are expected to remain in their homes as long as possible, downsizing or moving when illness or other issues cause them to move. Demand for specialized senior housing, such as age-

restricted housing or housing in a continuum of care from independent living to nursing home care, may grow in Canby.

- *Millennials will continue to form households and make a variety of housing choices.* By 2040, Millennials will be roughly between 40 and 60 years old. As they age, their household sizes most likely will increase, which is typical, and their homeownership rates will peak by about age 55. Between the 2019 and 2039 analysis period, Millennials will be a key driver in demand for housing for families with children. The ability to retain Millennials will depend on the City's availability of affordable renter and ownership housing. It will also depend on the location of new housing in Canby, as many Millennials prefer to live in more urban environments. The decline in homeownership among the Millennial generation has more to do with financial barriers rather than the preference to rent.
- *Hispanic and Latinx population will continue to grow.* The U.S. Census projects that by about 2040, Hispanic and Latino population will account for one-quarter of the nation's population. The share of Hispanic and Latinx population in the Western U.S. is likely to be higher. Hispanic and Latinx population currently accounts for about 20% of Canby's population. In addition, the Hispanic and Latinx population is generally younger than the U.S. average, with many Hispanic and Latinx people belonging to the Millennial generation.

Hispanic and Latinx 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 Latinx households, especially first-generation immigrants, growth in this group will also drive demand for affordable housing, both for ownership and renting.

In summary, an aging population, increasing housing costs (although lower than the region), housing affordability concerns for Millennials and the Hispanic and Latinx populations, and other variables are factors that support the conclusion of need for smaller and less expensive units and a broader array of housing choices. Growth of retirees will drive demand for small single-family detached houses and townhomes for homeownership, townhome and multifamily rentals, age-restricted housing, and assisted-living facilities. Growth in Millennials, Hispanic, and Latinx populations 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).

There is no way to determine with complete certainty what the future holds. The purpose of housing forecasting in this study is to get an approximate idea about the future to assist decision makers with policy choices today. A variety of factors or events could cause growth forecasts to be substantially different.

5. HOUSING NEED IN CANBY

Project New Housing Units Needed in the Next 20 Years

The results of the housing needs analysis are based on: (1) the official population forecast for growth in Canby over the 20-year planning period, (2) information about Canby's housing market relative to Clackamas County, Oregon, and nearby cities, and (3) the demographic composition of Canby's existing population and expected long-term changes in the demographics of Clackamas County.

Forecast for Housing Growth

This section describes the key assumptions and presents an estimate of new housing units needed in Canby between 2019 and 2039. The key assumptions are based on the best available data and may rely on safe harbor provisions, when available.

- **Population.** A 20-year population forecast (in this instance, 2019 to 2039) is the foundation for estimating needed new dwelling units. Canby's UGB will grow from 18,546 persons in 2019 to 25,349 persons in 2039, an increase 6,803 people.
- **Persons in Group Quarters.** Any forecast of new people in group quarters is typically derived from the population forecast for the purpose of estimating housing demand. Generally demands for group quarters are met by institutions outside what is usually defined as the housing market. Densities are usually comparable to multi family dwelling units (e.g. Hope Village in Canby). The 2013-2017 American Community Survey shows that 0.6% of Canby's population (106 people) was in group quarters. **For the 2019 to 2039 period, we assume that 0.6% of Canby's new population 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 2013-2017 American Community Survey, the average household size in Canby was people. **Thus, for the 2019 to 2039 period, we assume an average household size of 2.75 persons.**
- **Vacancy Rate.** The Census defines vacancy as: "unoccupied housing units are considered vacant. OAR 660-024 established a safe harbor assumption for vacancy rate—which is the figure from the most-recent decennial Census. According to the 2013-2017 American Community Survey, Canby's vacancy rate was 2.6%. **For the 2019 to 2039 period, we assume a vacancy rate of 2.6%.**

Housing Units Needed Over the Next 20 Years

Exhibit 47 presents a forecast of new housing in Canby's UGB for the 2019 to 2039 period. This section discusses housing mix and density for the development of new housing developed over this 20-year period in Canby.

Over the next 20-years, the need for new housing developed in Canby will generally include a wider range of housing types and housing that is more affordable.

This conclusion is based on the following information, found in Chapter 3 and 4:

- Canby’s housing mix, like Clackamas County, is predominately single-family detached. In the 2013–2017 period, 64% of Canby’s housing was single-family detached, 7% was single-family attached, and 27% was multifamily. In comparison, the mix of housing for the County was 72% single-family detached, 3% single-family attached, and 25% multifamily.
- Demographic changes across Canby suggest increases in demand for single-family attached housing and multifamily housing. The key demographic trends that will affect Canby’s future housing needs are:
 - The aging of the Baby Boomers. In 2013–2017, 21% of Canby’s population was over 60 years old. Between 2020 and 2040, the share of people over 60 years old is expected to increase in Clackamas County, from 26% of the population to 27% of the population. Canby will be affected by retirement and changing housing needs of seniors. Boomers prefer to “age in place” until after age 80. Many will down size to smaller units or move in to retirement centers or move in with family or opt to live in an accessory dwelling off the main home.
 - The aging of the Millennials. In 2013–2017, over 27% of Canby’s population was between 20 and 40 years old. By 2039 homeownership rates for Millennials will increase as they continue to form their own households. Canby has a larger share of Millennials than the County. Despite the share of Millennials decreasing in the County overall, Canby will likely experience increased demand for relatively affordable housing types, for both ownership and rent, over the planning period.
 - The continued growth in Hispanic and Latinx populations. From 2000 to the 2012–2016 period, the share of Canby’s Hispanic and Latinx population increased from 16% of the population to 20% of the population, an increase of 4%. At the same time, the share of Hispanic and Latinx increased by 3% in Clackamas County and 4% in Oregon. Continued growth in Hispanic and Latinx households will increase the need for larger units (to accommodate larger, sometimes multigenerational households) and relatively affordable housing.
 - Canby’s median household income was \$62,035, about \$6800 less than Clackamas County and about \$8700 higher than the state of Oregon. Approximately 37% of Canby’s households earn less than \$50,000 per year, compared to 35% in Clackamas County and 47% in Oregon.
 - About 27% of Canby’s homeowners are cost burdened (paying 30% or more of their household income on housing costs) and nearly 50% of Canby’s **renters** are cost burdened. Cost burdened renter households account for 16% of Canby’s total households.
 - Housing sales prices continue to increase in Canby. The average sale price in Canby in September of 2018 was \$375,000.
 - Canby needs more affordable housing types, especially for homeowners. 72% of Canby’s households earn between 50% and 120% of the Clackamas County MFI. These households could afford to purchase or rent a home in Clackamas County. This leaves 28% of household unable to afford to rent or own a home in Clackamas County.

A household earning \$41,000 (50% of MFI) could afford a home priced between

\$123,000 and \$144,000, which is well below the average sales price for a home in Canby.

These factors suggest that Canby needs a broader range of housing types with a wider range of price points than are currently available in Canby’s housing stock. This includes providing opportunity for development of housing types across the affordability spectrum such as: single-family detached housing (e.g., small-lot single-family detached units, cottages, “traditional” single-family, and high-amenity single-family), townhouses, duplexes, tri- and quad-plexes, and apartments.

Exhibit 47 shows a forecast of needed housing in the Canby UGB during the 2019 to 2039 period. The projection is based on the following assumptions:

Canby’s official forecast for population growth shows that the City will add 6,803 people over the 20-year period. Exhibit 47 shows that the new population will result in need for 2,358 new dwelling units over the 20-year period.

The assumptions about the needed mix of housing in Exhibit 47:

- o **About 60% of new housing will be single-family detached**, a category which includes manufactured housing. About 69% of Canby’s housing was single-family detached in the 2013-2017 period.
- o **Nearly 7% of new housing will be single-family attached**. About 3% of Canby’s housing was single-family attached in the 2013-2017 period.
- o **About 33% of new housing will be multifamily**. About 27% of Canby’s housing was multifamily in the 2013-2017 period.

Exhibit 47: Forecast of demand for new dwelling units, Canby UGB 2019-239

Source: Calculations by Canby Planning and Development

Canby will have demand for 2396 new dwelling units over the 20-year period, 60% of which will be single-family detached housing.

Variable	New Dwelling Units (2019-2039)
Change in persons	6803
minus Change in persons in group quarters	40
equals persons in households	6763
Average household size	2.75
New occupied dwelling units	2459
times aggregate vacancy rate	.026
equals vacant dwelling units	63
Total new dwelling units (2019-2039)	2,396
Annual average of new dwelling units	119

Canby will have demand for 2,396 new dwelling units over the 20-year period, with an annual average of 119 dwelling units.

The forecast of new units does not include dwellings that will be demolished and replaced. This analysis does not factor those units in; however, it assumes they will be replaced at the same site, and will not create additional demand for residential land.

Exhibit 48 allocates needed housing to plan designations in Canby. The allocation is based, in part, on the types of housing allowed in the zoning designations in each plan designation. Exhibit 60 shows:

- **Low Density Residential** will accommodate new single-family detached housing, including mobile homes.
- **Medium Density Residential** will accommodate new single-family detached housing, single-family attached housing, duplexes, and multifamily housing with three or more units.
- **High Density** will accommodate single-family detached housing, single-family attached housing, duplexes, and multifamily housing with three or more units.
- **Mixed-Use Residential** will accommodate single-family detached housing, single family attached housing, duplexes, and multifamily housing. (See recommendations for Comp Plan Map Amendments for this designation).
- **Commercial (C-1):** will accommodate single-family attached housing, and multifamily housing when in conjunction with a commercial use.

Exhibit 48. Allocation of needed housing by housing type and plan designation, Canby UGB, 2019 to 2039

Source: Canby Planning and Development Department

Comprehensive Plan Designation	Residential Plan Designation				Total
	Low Density (5.5 /Acre)	Medium Density (8/Acre)	High Density (17/Acre)	Commercial	
Dwelling Units					
Single family detached	950	488			1438
Single family attached	8	9	151		168
Multifamily			711	79	790
Total	958	497	862	79	2396

Exhibit 49 shows actual historic densities in net acres.

Exhibit 49. Historic densities, Canby portion of UGB

Source: Canby Planning and Development Department

Comp Plan Designation	Average Net Density	Comp Plan Density
Low Density Residential	5.6	4.7
Medium Density Residential	7.7	8
High Density Residential	16.9	14

Needed Housing by Income Level

The next step in the housing needs analysis is to develop an estimate of need for housing by income and housing type. This analysis requires an estimate of the income distribution of current and future households in the community. Estimates presented in this section are based on (1) secondary data from the Census, and (2) analysis by Canby.

The analysis in Exhibit 50 is based on American Community Survey data about income levels in Canby. Income is categorized into market segments consistent with HUD income level categories, using Clackamas County’s 2018 Median Family Income (MFI) of \$81,400. The Exhibit is based on current household income distribution, assuming that approximately the same percentage of households will be in each market segment in the future.

Exhibit 50. Future (New) Households, by Median Family Income (\$81,400), Canby, 2019 to 2039

	Extremely Low Income <30% MFI	Very Low Income 30-50% MFI	Low Income 40-80% MFI	Middle Income 80-120% of MFI	High Income >120% MFI
Percent	15%	14%	24%	22%	26%
DUs	348	325	557	511	604

Source: Canby Planning; ACS

About 29% of Canby’s future households will have income below 50% of Clackamas County’s median family income (less than \$41,000 in 2016 dollars) and about 72% will have incomes between 50% and 120% of the county’s MFI (between \$41,000,000 and \$98,000). These households can afford to buy a home in Clackamas County.

Need for Government-Assisted, Farmworker, and Manufactured Housing

ORS 197.303, 197.307, 197.312, and 197.314 requires cities to plan for government-assisted housing, farmworker 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.). Canby allows development of government-assisted housing in all residential plan designations, with the same development standards for market-rate housing. This analysis assumes that Canby 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.
- **Farmworker housing.** Farmworker housing can also apply to all housing types and the City allows development of farmworker housing in all residential zones, with the same development standards as market-rate housing. This analysis assumes that Canby will continue to allow farmworker housing in all of its residential zones. Because it is similar in character to other housing (with the possible exception of government subsidies, if population restricted), it is not necessary to develop separate forecasts for farmworker housing.
- **Manufactured housing on lots.** Canby allows manufactured homes on lots in all the zones which allow single-family detached housing. Canby 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, Canby has eight manufactured home parks within the City, with 634 spaces.

ORS 197.480(2) requires Canby 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.

- Canby will grow by 2,322 dwelling units over the 2019 to 2039 period.
- Analysis of housing affordability shows that about 29% of Canby'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 7.3% (about 459 dwelling units) of Canby's current housing stock.

- o National, state, and regional trends since 2000 showed that manufactured housing parks are closing, rather than being created. For example, between 2000 and 2015, Oregon had 68 manufactured parks close, with more than 2,700 spaces. Discussions with several stakeholders familiar with manufactured home park trends suggest that over the same period, few to no new manufactured home parks have opened in Oregon.
 - The households most likely to live in manufactured homes in parks are those with incomes between \$24,000 and \$41,000 (30% to 50% of MFI), which include 14% of Canby's households. However, households in other income categories may live in manufactured homes in parks.

Manufactured home park development is an allowed use in the LDR, MDR and HDR designation. The national and state trends of closure of manufactured home parks, and the fact that no new manufactured home parks have opened in Oregon in over the last 15 years, demonstrate that development of new manufactured home parks in Canby is unlikely.

Staff concludes from this analysis is that development of new manufactured home parks in Canby over the planning period is unlikely over the 2019 to 2039 period. Manufactured homes will most likely continue to locate on individual lots in Canby. The forecast of housing assumes that no new manufactured home parks will be opened in Canby over the 2019 to 2039 period. The forecast includes new manufactured homes on lots in the category of single- family detached housing.

Need for the Population in Group Quarters

Persons in group quarters are generally assumed to be met by institutions operating outside what is typically defined as the housing market. They are typically built with densities that are comparable to that of multi-family housing. Canby deducted persons in group quarters from the needed dwelling units based on Census data. Census data shows that 6 percent or 152 residents may live in group quarters in the planning period.

6. RESIDENTIAL LAND SUFFICIENCY WITHIN CANBY

This chapter presents an evaluation of the sufficiency of vacant residential land in Canby to accommodate expected residential growth over the 2019 to 2039 period. This chapter includes an estimate of residential development capacity (measured in new dwelling units) and an estimate of Canby's ability to accommodate needed new housing units for the 2019 to 2039 period, based on the analysis in the housing needs analysis. The chapter ends with a discussion of the conclusions and recommendations for the housing needs analysis.

Capacity Analysis

The buildable lands inventory was summarized in Chapter 2. It provides an analysis of the supply of buildable lands in the Canby UGB. Chapter 5 provided an analysis of the demand side of the equation. It is the comparison of supply and demand that determines land sufficiency.

Residential Capacity Analysis

The buildable lands inventory summarized in Chapter 2 provides a *supply* analysis (buildable land by type), and Chapter 5 provided 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.

The analysis used in this report estimates the ability of vacant residential lands within the UGB to accommodate new housing. We refer to this in the report as capacity analysis.

Canby 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.

Exhibit 51 on the next page shows that Canby has 561 acres of net developable acres. All constraints, ROW, public ownership etc. have been removed. Please note that the Willamette Valley Country Club is designated PR-Private Recreation on our Comprehensive Plan, but is Zoned R-1 (Low Density Residential). There is no incentive for the property owner to up zone it to match the Comprehensive Plan designation (PR, so it is highly unlikely that it will ever be Zoned PR. After discussions with DLCD, the City and DLCD have agreed to consider it available for future residential development. See Appendix A: Recommendations and Policy Considerations.

Exhibit 51. Capacity by Plan Designation, Canby UGB, 2018

Source: Buildable Lands Inventory; Calculations by Canby

Plan Designation	Vacant	Partially Vacant	Total Acres	% of Total
Low Density Residential (LDR)*	211.28	141.77	353.05	62.9%
Medium Density Residential (MDR)	41.97	28.91	70.88	12.6%
High Density Residential (HDR)	26.62	6.05	32.67	5.8%
Mixed Density Residential **	23.73	75.93	99.66	17.8%
Residential Commercial (RC)	0	5.08	5.08	0.9%
Total Acres	303.6	257.74	561.34	
<i>Total Acres minus WVCC</i>	<i>154.1</i>		<i>407.24</i>	
* Willamette Valley Country Club is designated PR-Private Recreation, but is zoned R-1 (Low Density Residential). Since there is no incentive to upzone it to match the Comprehensive Plan designation (PR) the City and DLCD have agreed to consider it available for residential development. See the recommendations section of this report				
** See the recommendations section of this report.				

Residential Land Sufficiency

The next step in the analysis of the sufficiency of residential land within Canby is to compare the demand for housing by Plan Designation (Exhibit 52) with the capacity of land by Plan Designation.

Exhibit 52. Comparison of Capacity to Demand by Plan Designation

Source: Buildable lands Inventory; Calculations by Canby

Plan Designation	Capacity Acres	Demand Acres	Density Assumption (DU/Net Acre)	Comparison (supply minus demand)
Low Density Residential	452	173	5.5	279
Medium Density Residential	71	62	8	9
High Density Residential	33	51	17	-18
Commercial	13.61*	1	n/a	12.61
Total	556	287		

*Residential is only allowed in RC, DC and HC; not CM. CM acres have been removed from this table

The numbers in Exhibit 52 above reflect the allocation of acres from the Mixed Density Residential designation to the following designations:

LDR-99.66 acres MDR-15 acres HDR-12 acres

The recommendation is to remove the Mixed Density Residential designation from the Comprehensive Plan. This designation was adopted in anticipation of adopting the NE Canby Master Plan. The plan was never adopted and the Mixed Density Residential designation has never been fully explained nor defined. Therefore we are incorporating the acres into more appropriate designations for better clarity and implementation.

Exhibit 52 above, shows that Canby has sufficient land to accommodate residential development in all residential Plan Designations except for High Density Residential. See Appendix A for recommendations to address this deficit.

APPENDIX A – RECOMMENDATIONS AND POLICY CONSIDERATIONS

The following recommendations and policy considerations are based on the results of the Canby Housing Needs Analysis.

Comprehensive Plan Amendments:

- **Remove Mixed Density Residential designation. The new designation would be as follows:**

Highway Commercial HC tax lots:

- 31E 34A00501
- 31E34A00500
- 31E34A00600
- 31E3A00700
- 31E34A00802
- 31E34A00900

Total: Approximately 15 acres, all abutting OR99E

Medium Density Residential MDR tax lot

- 31E34A00400:

Total: approximately 14 acres southeast of Meadow Springs Rd

High Density Residential HDR tax lot

- 31E24A00400:

Total: Approximately 26 acres northwest of Meadow Springs Road

- **Remove Private Recreation Designation from the Willamette Valley Country Club Property and re-designate Low Density Residential LDR:**

Tax lot 31E2800100

Total: Approximately 152 acres

- **Remove Convenience Commercial (CC) designation.** There are no properties designated or zoned or designated Convenience Commercial.
-

- **Remove Residential Commercial (RC) designation.** Re-designate all RC properties except the two tax lots noted below as per the underlying zoning.

Exception tax lots below to be re-designated HDR.

- 41E4D01500 and 41E4D01400
-

Canby will need additional High Density Residential to meet our anticipated future housing demands. It is usually difficult to identify land for higher density residential, but in this case we have a willing property owner. See the Buildable Lands memo for Commercial and Industrial lands for recommendations for rezoning to meet future commercial land needs. (The first three properties listed for Highway Commercial designation are willing property owners). The additional three properties all abut OR99E so it makes sense to include them so we have a contiguous Highway Commercial area. Staff may wish to contact those three property owners in advance of any future public hearing in order to determine if they would be supportive of the Highway Commercial designation for their properties.

The Willamette Valley Country Club is already in the City and is zoned for low density residential (LDR). The Club could sell the property at any time and it could be redeveloped as low density housing. There is currently no incentive to rezone the land to match the Private Recreation designation on the Comprehensive Plan, so it is highly unlikely that it would ever be rezoned for Private Recreation in the future.

- Apply for grants to hire consultants to conduct an Economic Opportunity Analysis for the City. The basic land needs projection conducted by staff for commercial and industrial properties is just one part of that analysis.

Policy Considerations

- Consider allowing duplexes outright in low density residential zone.
 - HB 2001 requires cities with population greater than 10,000 to allow duplexes in lands zoned for single-family dwellings within urban growth boundary. The other requirements of this Bill only applies to cities with populations of 25,000 people or more. As of yet there are no administrative rules for HB2001, so it is still unclear how cities are expected to implement this requirement.
- Consider allowing cottage housing in residential zones as an affordable housing option. Cottage housing is generally defined as a grouping of small, single family dwelling units clustered around a common area and developed with a coherent plan for the entire site. They have gained popularity in recent years as a type of infill development on small sites within existing developed areas.
- Consider inclusionary Zoning. Require residential developments to include a range of housing types by size and price to help meet the housing needs for all age groups and income levels.
- Consider allowing very small homes (500-800 sq. ft.). They can be accommodated as Accessory Dwellings or in small home subdivisions. Detached single family dwellings are preferred by most age groups, but are not affordable to many.
- Consider reducing fees (planning fees and/or SDCs) for affordable housing developments to incentivize their construction.

Housing Strategies Toolkit

Locally-Controlled Funding Sources

Community Development Block Grants (CDBG)

- A federal program administered by Clackamas County Community Development Department. Can be used for acquisition and rehabilitation of existing affordable units as well as new construction.

HOME Investment Partnership Grant

- Federal funds (HUD) distributed to local governments to support homeownership and affordable housing for low and very low income families. Can be used for homeownership programs, tenant based assistance, housing rehab, new construction, site acquisition and improvements, demolition, relocation, or other necessary/reasonable activities related to developing non-luxury housing.

Urban Renewal/Tax Increment Finance (TIF)

(Use limited to projects within URD boundary and maximum indebtedness of URA. Increased Indebtedness or URD boundary expansion would require approval of affected taxing agencies.)

- Redevelopment projects, such as mixed use or infill housing developments
- Land assembly
- Historic preservation

General Obligation Bond

(General Obligation Bonds are secured by the discretionary revenue of the City, including but not limited to property tax revenue and Franchise Fees. This is the revenue source used to fund many of the City's programs (Including public safety and all administrative functions).)

- Provides a stable, dedicated revenue source for affordable housing **through increased property tax rates** *(Repayment of general obligation bonds is from currently identified City revenue. Property tax increases to fund repayment are not permitted except upon voter approval. Voter approved Bonds are typically Revenue Bonds, with repayment tied to the tax increment approved by voters for the debt obligation).* Can use general fund monies on hand or can issue bonds backed by the full faith and credit of the City or pay for desired public improvements.

Construction Excise Tax (CET)

- Local tax assessed on new construction. The tax is assessed as a percent of the value of the improvements for which a building permit is sought, unless the project is exempted from the tax. Senate bill 1533 permits cities to adopt a construction excise tax on the value of new construction projects to raise fund for affordable housing projects. CETs may be assess on residential, commercial/industrial development, or both. The tax is limited to 1% of the permit value on residential, but uncapped on commercial/industrial construction. *(As an example, a 1% tax would impose an additional tax of \$4,500 for a residence with a \$450,000 valuation. Assuming 100 homes per year, the tax could generate \$450,000. Administration is limited to 4%, (or \$18,000), of the amount collected.)* Funds are allocated as follows:
 - 50% for developer incentives

- 35% for affordable housing projects
- 15% to Oregon Housing and Community Services for homeowner programs.

Development Code and Permitting Incentives

Expedited and fast Tracked land use and Building Permits

- Expedites land use and building permits for pre-approved development types like affordable housing. *(No specific additional cost associated with this incentive)*

Reduced Parking Requirements.

- A city can adjust the parking requirements for affordable housing projects. *(Currently exists in City's downtown overlay area.)*

Density/Height Bonuses for Affordable Housing

- Allows an increase in building height and/or density for developments that include affordable housing. *(Currently available with an approved variance).*

Incentives for Space-Efficient Housing

- Create density standards that allow for certain types of housing such as cottage clusters, internal division of larger homes, duplexes, and assessor dwelling units.

Affordability Requirements:

Inclusionary Zoning

- Require or incent developers to set aside a certain share of new housing at a price affordable to people of low and middle income. *(Subject to exceptions and requirements of ORS 197.309).*

Programs to fund or reduce costs for housing development or preservation:

Land Acquisition Strategy and Land Banking

- Land banks reduce or eliminate land cost from development. Can be administered by a nonprofit or government entity. They are intended for short term ownership of land.

Pre Development Assistance

- Grants or low interest loans for pre-development activities to reduce upfront costs.

Financing Building Permit and Planning Fees or System Development Charges

- Reduce the impacts of development fees and systems development charges (SDC's) on the development cost for affordable housing by permitting payment over time. *(This program is currently available – See Bancroft Act).*

Reducing or Waiving Building Permit and Planning Fees or System Development Charges.

- Offer reduced or waived SDC's and /or Planning Fees for affordable housing developments. *(Planning fees are partially funded through user fees but primarily supported through the City's General Fund. Building Permit fees are collected and services rendered by Clackamas County - waiving building permit fees would likely result in an equivalent charge from the County to the City.*

- *System Development Charges are calculated based on a project master planning process, and the identification of long term need for infrastructure improvements. Waiver of SDCs would require the identification of alternative sources of funding for needed infrastructure.)*

Grants/Loans for New Development

- Funds to developers of affordable housing.

Grants/Loans for Recapitalization or Capital repairs

- Limited through CDBG program

Property Tax Abatement Programs:

Multi-Unit Housing Tax Exemption

- Through the multiple-unit tax exemption, a jurisdiction can incent diverse housing options in urban centers lacking in housing choices or workforce housing units. Through a competitive process, multiunit projects can receive a property tax exemption for up to ten years on the improvement value of the property. Though the state enables the program, each City has an opportunity to shape the program to achieve its goals by controlling the geography of where the exemption is available, application process and fees, program requirements, criteria (return on investment, sustainability, inclusion of community space, percentage affordable or workforce housing, etc.), and program cap. The City can select projects on a case-by-case basis through a competitive process. *(Exempts a portion of property taxes otherwise collectible over a predesignated period of time on a particular project.)*

Vertical Housing Tax Abatement

This program provides a partial exemption of property taxes for multistory mixed-use housing project for 10 years. *(Canby's Hanlon Development utilized this provision). (Exempts a portion of property taxes otherwise collectible over a predesignated period of time on a particular project.)*

Non-Profit Affordable Housing Property Tax Abatement

The Oregon legislature authorizes a property tax exemption for low-income housing (60% MFI and below initially, though incomes can rise up to 80% of AMI) held by charitable, nonprofit organizations only. It can be applied for land held by a nonprofit for the purposes of affordable housing development. The exemption applies to land and improvements. Tax exemption must be applied for every year, but can continue as long as the property meets the criteria. *(Exempts a portion of property taxes otherwise collectible over a predesignated period of time on a particular project.)*

Low Income rental Housing Property Tax Abatement

The Oregon legislature authorizes a property tax exemption for new rental housing exclusively for low income households (60% MFI and below). Exemption lasts 20 years. Housing need not be owned or operated by a nonprofit entity. . *(Exempts a portion of property taxes otherwise collectible over a predesignated period of time on a particular project.)*

Tax Abatement for New and Rehabilitated Multifamily Rental Housing

Offers a full property tax abatement for up to 10 years for multifamily rental housing affordable at up to 120% of Area Median Income. City sets length of exemption based on percent of units meeting affordability criteria. . *(Exempts a portion of property taxes otherwise collectible over a predesignated period of time on a particular project.)*

Ownership or Sale Requirement: *(Minor administrative costs plus potential indeterminate cost associated with acquiring and/or managing property)*

City Registry of Rental Buildings

- A program that mandates that owners and landlords of multi-unit properties register and or license their businesses. The City can use program to watch for opportunities to preserve housing that may be sold or may see rents increase.

Policies requiring/Incenting Purchase rights to Nonprofits or City

- Policy that would require landlords to notify cities and/or nonprofits of the intent to sell so that the cities/nonprofits have the ability to purchase land/properties before they turn to market rate (important for NOAHs- naturally occurring affordable housing).

Policies Requiring Notification of Expiring Contracts

- Policy requiring that rent-regulated properties coming upon their regulatory expirations notify cities or nonprofits (again to enable cities/nonprofits to purchase the properties before they turn to market rate)

APPENDIX B: CANBY'S HNA FRAMEWORK

Purpose:

To provide a current factual basis of land use information to assist the City in determining if we have an adequate supply of land within our UGB, zoned appropriately, to meet anticipated residential, commercial and industrial needs for the 20 year planning horizon.

Statewide Planning Goal 10 requires us to provide a range of housing types at a range of prices to meet the projected housing needs. ORS 195.036 requires forecasts be managed by a “coordinating body” that establishes and maintains a 20 year population forecast. Clackamas County is the coordinating body for the rural area of the County (areas outside the Metro boundary).

Statewide planning Goal 9 and OAR Chapter 660, division 9 provides guidance for determining commercial and industrial needs for the 20 year planning horizon. The County has not officially coordinated an Economic Opportunities Analysis for rural areas. Canby has not conducted nor contracted for an Economic Opportunity Analysis. Staff highly recommends having an EOA completed for Canby. Staff has conducted a buildable lands inventory for commercial and industrial lands, and estimated future needs based on the Oregon Employment Department Employment Projections by Industry: 2017-2017 for Clackamas County. Canby baseline employment data was provided by Oregon Employment Department. Staff developed location quotients for Canby as way of quantifying how concentrated a particular industry is in Canby as compared to the State of Oregon and the nation. It can reveal what makes a particular region “unique” in comparison to the national average.

The Process: (See Exhibit 1 on page 67)

The coordinated population forecast is the basis for our housing demand projections. We used the population projections provided by Clackamas County's Regional Housing Needs Analysis for 2019-2039.

Housing types were allocated based on our historic, current, and future trends in light of local, regional and national trends.

Commercial and industrial projections are based on the Oregon Employment Department's jobs forecast for Clackamas 2017-2027. The commercial and industrial lands needs projections are not part of an official Economic Opportunities Analysis (EOA). They are provided for informational purposes. Staff recommends the City apply for grants to hire a consultant to conduct an EOA for the City of Canby.

This Study is a best estimate of our anticipated land needs, as we have no way of knowing what is truly on the horizon. Studies are routinely updated in order to address unforeseen changes.

The assumptions used for this study are primarily standard assumptions used by consultants and agencies for Land Needs Studies throughout Oregon, and recommended by DLCD. Some assumptions have been modified to more accurately reflect Canby specific information.

The Basic Assumptions:

Residential Lands. Staff determined actual average densities based on our permit database

LDR: 5.5 DUs per acre

MDR: 8 DUs per acre

HDR : 17 DUs per acre

Removed from gross acres:

Residential

LDR: 20% of land for infrastructure

MDR and HDR: 15% of land for multi-family development

Constraints: (Applied to all lands within UGB)

Wetlands

Landslide areas

Steep slopes > 25%

Lands for: Fire, public parks, public facilities, churches, schools, charitable organizations, city, county, and state owned lands.

The US Decennial Census and the American Community Survey were used throughout the Analysis. Canby has 2.75 persons per dwelling unit, and a .6 percent vacancy rate.

Persons in in group quarters: 6 percent.

Staff used the Clackamas County GIS tax lot database and verified questionable data using aerial photography and/or site visits.

Definitions:

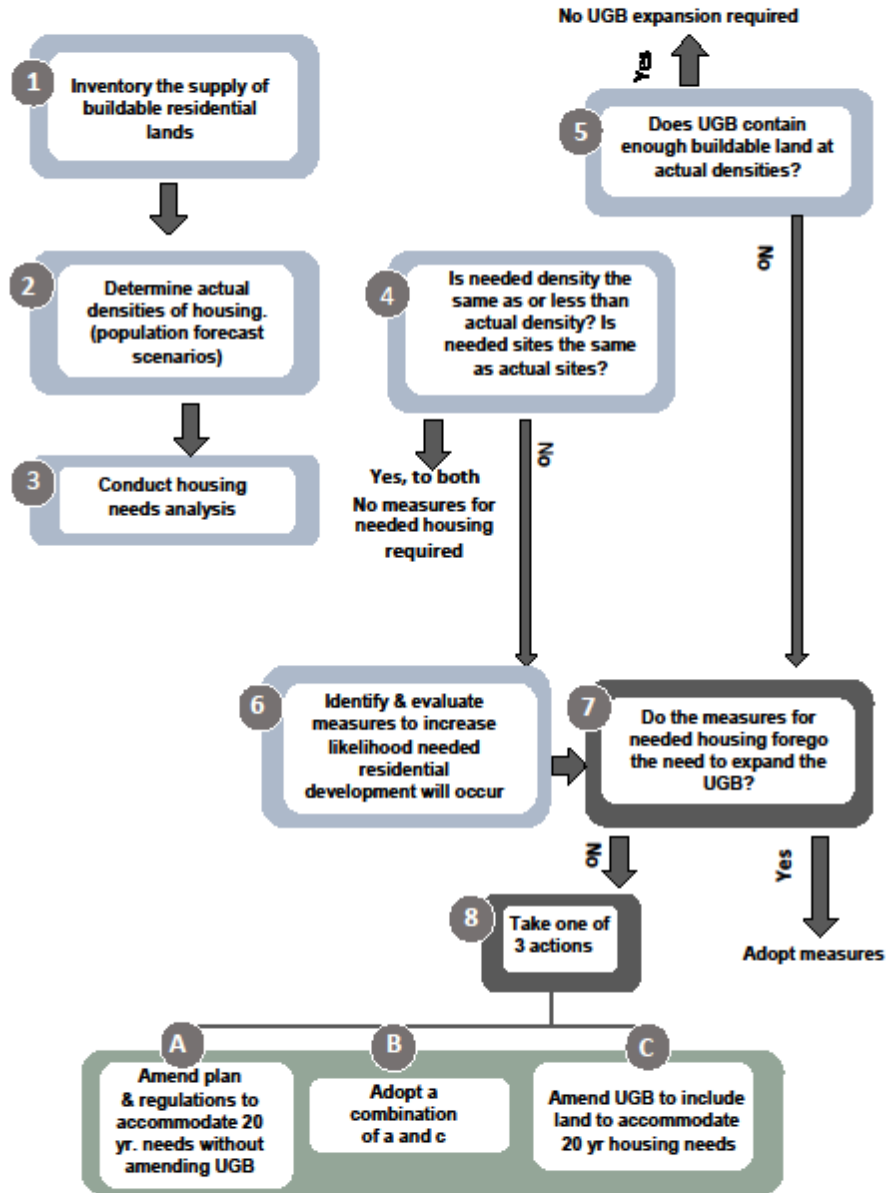
Vacant lands: Land with no structures or structures with values of \$10,000 or less.

Partially Vacant/Potentially Re-developable: Occupied by a use but contain enough land to be further subdivided without need of rezoning.

Deducted .25 acre (10,890 sq. ft.) for existing house.

Developed: Developed consistent with zoning and has improvements that make it unlikely to redevelop.

Exhibit 1: Housing Needs Analysis Process



APPENDIX C: REFERENCE MATERIALS BY CHAPTER

Chapter 1

ORS 197.296 only applies to cities with populations over 25,000.

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

Under the safe harbor established in OAR 660-024-0050 (2)(a), the infill potential of developed residential lots of one-half acre or more may be determined by subtracting one-quarter acre (10,890 sq. ft.) for the existing dwelling and assuming that the remainder is buildable land

Chapter 2

OAR 660-024-0050 (2) (a): Safe harbor established that the infill potential of developed residential lots of one-half acre or more may be determined by subtracting a quarter acre (10,890 sq. ft.) for the existing dwelling and assuming the remainder is buildable land.

Chapter 3

US Census American Community Survey

OAR 660-024-0010(6) uses the following definition of net buildable acre. "Net Buildable Acre" consists of 43,560 sq. ft. of residentially designated buildable land after excluding future rights-of-way for streets and roads.

Chapter 4

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," 2014.

Transportation for America, "Access to Public Transportation a Top Criterion for Millennials When Deciding Where to Live, New Survey Shows," 2014.

National Association of Home Builders International Builders, "Survey Says: Home Trends and Buyer Preferences," 2017.

Urban Land Institute, *The Case for Multi-family Housing*, 2003.

E. Zietz, *Multi-family 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. Multi-family 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.

National Association of Realtors, "National Community and Transportation Preferences Survey" Sept 2017.

Quint, Rose "Housing Preferences Across Generations" March 2016

U.S. Census Bureau, Highlights of Annual 2017 Characteristics of New Housing. Retrieved from: <https://www.census.gov/construction/chars/highlights.html>.

The Joint Center for Housing Studies Harvard University's publication "The State of the Nation's Housing 2018," (2) Urban Land Institute, "2018 Emerging Trends in Real Estate," and (3) the U.S. Census.

<http://www.pewresearch.org/fact-tank/2018/03/01/defining-generations-where-millennials-end-and-post-millennials-begin/>.

Vanleerberghe, Patricia, et al. (2017). The quality of life of older people aging in place: a literature review. Ibid.

Matthew Gardener, Chief Economist, Windermere Real Estate, on 2019 Housing Market: Posted March 18, 2019.

American Planning Association. Making Spaces for Tiny Houses, Quick Notes.

The 2016 Oregon Legislature, Senate Bill 1532, established a series of annual minimum wage rate increases beginning July 1, 2016 through July 1, 2022.
<https://www.oregon.gov/boli/whd/omw/pages/minimum-wage-rate->

Oregon Housing and Community Services (November 2018). Breaking New Ground, Oregon's Statewide Housing Plan, Draft
<https://www.oregon.gov/ohcs/DO/shp/OregonStatewideHousingPlan-PublicReviewDraft-Web.pdf>

The 2016 Oregon Legislature, Senate Bill 1532, established a series of annual minimum wage rate increases beginning July 1, 2016 through July 1, 2022.
<https://www.oregon.gov/boli/whd/omw/pages/minimum-wage-rate-summary.aspx>

Oregon Housing and Community Services (November 2018). Breaking New Ground, Oregon's Statewide Housing Plan, Draft.
<https://www.oregon.gov/ohcs/DO/shp/OregonStatewideHousingPlan-PublicReviewDraft-Web.pdf>

See <http://www.aarp.org/research>.

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

RMLS August 2018 Market Action Report.

Pew Research Center. (March 2018). "Defining generations: Where Millennials end and post-Millennials begin" by Michael Dimock. Retrieved from: <http://www.pewresearch.org/fact-tank/2018/03/01/defining-generations-where->

The American Planning Association, "Investing in Place; Two generations' view on the future of communities."2014.

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U.S. Census Bureau, *Demographic Turning Points for the United States: Population Projections for 2020 to 2060*, pg. 7, https://www.census.gov/content/dam/Census/library/publications/2018/demo/P25_1144.pdf

Pew Research Center. *Second-Generation Americans: A Portrait of the Adult Children of Immigrants*, February 7, 2013, Appendix 8, <http://www.pewsocialtrends.org/2013/02/07/appendix-1-detailed-demographic-tables/>.

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Choi, Hyun June; Zhu, Jun; Goodman, Laurie; Ganesh, Bhargavi; Strochak, Sarah. (2018). Millennial Homeownership, Why is it So Low, and How Can We Increase It? Urban Institute. https://www.urban.org/research/publication/millennial-homeownership/view/full_report

Chapter 5

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."

The Department of Housing and Urban Development's 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

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.

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

ORS 90.645 regulates rules about closure of manufactured dwelling parks. It requires that the landlord must do the following for manufactured dwelling park tenants before closure of the park: give at least one year’s notice of park closure, pay the tenant between \$5,000 to \$9,000 for each manufactured dwelling park space, and cannot charge tenants for demolition costs of abandoned manufactured homes.

Chapter 6

Goal 10: Housing, <https://www.oregon.gov/lcd/OP/Documents/goal10.pdf>

ORS 197.296, https://www.oregonlegislature.gov/bills_laws/ors/ors197.html

OAR 660-008-0005(4)

OAR 660-008,

<https://secure.sos.state.or.us/oard/displayDivisionRules.action?selectedDivision=3058>

Goal 14: Urbanization, <https://www.oregon.gov/lcd/OP/Pages/Goal-14.aspx>

APPENDIX D. DEFINITIONS

Accessory Dwelling Unit (ADU): A small living space located on the same lot as a single-family house.

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

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

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

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

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

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

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

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

High Density: Lots with the average density of 12+ dwelling units per acre. Best suited for multifamily housing such as apartments and condos.

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

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

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

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

Low Density: Lots with the average density of 4.5-5.5 dwelling units per acre. Best suited for family housing such as single family detached homes.

Manufactured Housing: is a type of prefabricated home that is largely assembled on site and then transported to sites of use. The definition of the term in the United States is regulated by federal law (Code of Federal Regulations, 24 CFR 3280): "Manufactured homes are built as dwelling units of at least 320 square feet in size, usually with a permanent chassis to assure the initial and continued transportability of the home. The requirement to have a wheeled chassis permanently attached differentiates "manufactured housing" from other types of prefabricated homes, such as modular homes.

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

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

Medium Density: Lots with the average density of 8 dwelling units per acre. Best suited for small lot housing such as single family attached, townhomes, plexes and cottages.

Multi-Family Housing: 3 or more dwelling units on a single lot.

Oregon Administrative Rules (OAR): Administrative Rules are created by most agencies and some boards and commissions to implement and interpret their statutory authority Every OAR uses the same numbering sequence of a three-digit chapter number followed by a three-digit division number and a four digit rule number. For example, Oregon Administrative Rules, chapter 166, division 500, rule 0020 is cited as OAR 166-500-0020. (oregon.gov)

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

Plexes and Apartments: Multiple units inside one structure on a single lot. Usually each unit has its own entry.

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

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

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

Townhome (also known as row house, etc.): Attached housing units, each on a separate lot, and each with its own entry from a public or shared street or common area.

Urban Growth Boundary (UGB): Under Oregon law, each of the state's cities and metropolitan areas has created an urban growth boundary around its perimeter – a land use planning line to control urban expansion onto farm and forest lands. Canby adopted its UGB in 1984.

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

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

APPENDIX E: WHERE CANBY RESIDENTS ARE EMPLOYED

Source: US Census on the Map

<u>City</u>	<u>Number of Employees</u>	<u>%</u>
Canby	1270	21.2
Portland	361	6.0
Woodburn	291	4.9
Oregon City	246	4.1
Molalla	165	2.8
Salem	148	2.5
Wilsonville	148	2.5
West Linn	96.6	1.6
Newberg	79	1.3
Hubbard	75	1.3
Gresham	72	1.2
Tualatin	72	1.2
Beaverton	61	1.0
Hillsboro	59	1.0
Lake Oswego	55	0.9
Tigard	54	0.9
Beavercreek	53	0.9
Milwaukie	53	0.9
Silverton	49	0.8
Vancouver	48	0.8
Sherwood	46	0.8
Keizer	45	0.8
Mulino	4	0.7
Gladstone	35	0.6
Corvallis	33	0.6
All other	2,339	39.0

APPENDIX F:

2.3% GROWTH SCENARIO

Staff forecasted a 2.3% population growth rate for the 2019-2039 planning period. The results are as follows:

18,546	29,426	10,880	59% increase
Residents in 2019	Residents in 2039	New Residents 2019-2039	2.3% AAGR

10,880 new residents translates in to 3830 additional dwelling units after subtracting persons in group quarters and accounting for the vacancy rate (see Exhibit F1 below).

To accommodate 3830 additional dwelling units, 192 DU's (on average) would need to be constructed each year during the 2019-2039 planning period.

Exhibit F1

Forecast demand for new dwelling units in Canby UGB 2019-2039		
Source: Calculations by Canby Planning and Development		
Variable	New Dwelling Units (2019-2039)	
Change in persons		10,880
minus Change in persons in group quarters		65
equals persons in households		10,815
Average household size		2.75
New occupied dwelling units		3,933
times aggregate vacancy rate		.026
equals vacant dwelling units		102
Total new dwelling units (2019-2039)		3,830
Annual average of new dwelling units		192
* This forecast uses a 2.3% AAGR		

From 1999 through 2018, the City of Canby averaged 104 new DU's each year.

The 1.6% AAGR forecast estimates 119 DU's per year on average for the 2019-2039 planning period.

Exhibit F2 on the following page shows the assumed allocation of the forecasted dwelling units by plan designation.

Exhibit F2: Allocation of new Dwelling Units by Plan Designation

Comprehensive Plan Designation	Residential Plan Designation				Total
	Low Density (5.5 /Acre)	Medium Density (8/Acre)	High Density (17/Acre)	Commercial	
Dwelling Units					
Single family detached	1517	781			2,298
Single family attached	13	14	241		268
Multifamily			1138	126	1,264
Total	1530	795	1379	126	3,830

*Allocation using a 2.3% AAGR

Source: Canby Planning and Development Department

Exhibit F3 shows the results of land supply versus demand if Canby's Average Annual Growth Rate is 2.3%. Willamette Valley Country Club's 152 buildable acres (currently zoned R-1) are included in the capacity acres as that property could be developed as low density residential at any time.

Exhibit F3. Comparison of Supply Versus Demand

Plan Designation	Capacity Acres	Demand Acres	Density Assumption (DU/Net Acre)	Comparison (supply minus demand)
Low Density Residential	452	278	5.5	174
Medium Density Residential	71	99	8	-28
High Density Residential	33	81	17	-48
Commercial	13.61*	2	n/a	11.61
Total	556	460		

*Residential is only allowed in RC, DC and HC; not CM. CM acres have been removed from this table

Source: Canby Planning and Development