

# City of Canby Housing Needs Analysis

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November 30, 2023

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City of  
**Canby**

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# Introduction

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

## Oregon Regulatory Requirements

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

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

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

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

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

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## Methodology

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

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

## Process

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

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

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

All HAC meetings were advertised and open to the public.

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## Report Organization

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

**I. Introduction.**

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

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

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

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

# Housing Need Projection

## Methodology

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

Regional (Clackamas County) and local (City or UGB) population, households, income and market characteristics are described in this memorandum using data provided by the U.S. Census Bureau (Census and American Community Survey), the U.S. Department of Housing and Urban Development (HUD), Oregon Department of Housing and Community Services (OHCS), Portland State University (PSU) and the City of Canby. Where trends or long-range projections are provided by an identified data source, this analysis includes extrapolations or interpolations of the data to arrive at a base year (2022 estimate) and forecast year (2043 projection).<sup>3</sup> The result of this forecast translates population growth into households and households into housing need by dwelling type, tenancy (owner vs. renter) and affordability level.

## Demographic and Socio-Economics

### Population

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

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

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

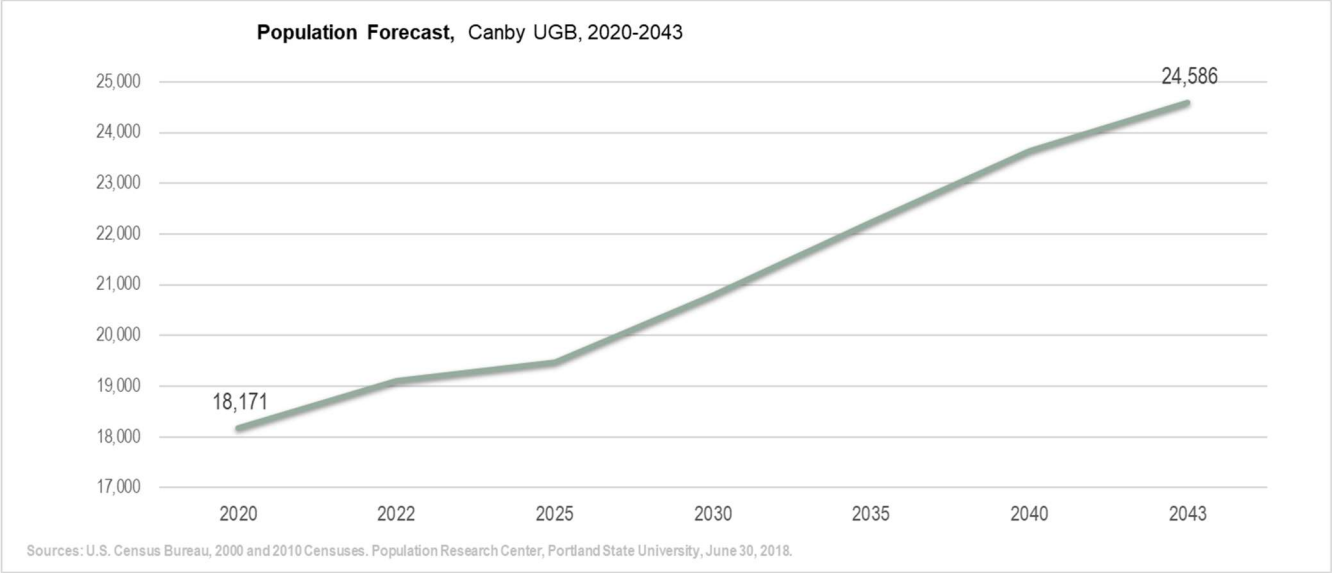
**Sources :** *Population Research Center, Portland State University, April 15, 2020*  
*U.S. Census Bureau, PL94-171 redistricting data files.*

<sup>3</sup> The time frame for this analysis assumes a 20-year forecast period between Dec. 31, 2022 and Jan. 1, 2043.



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

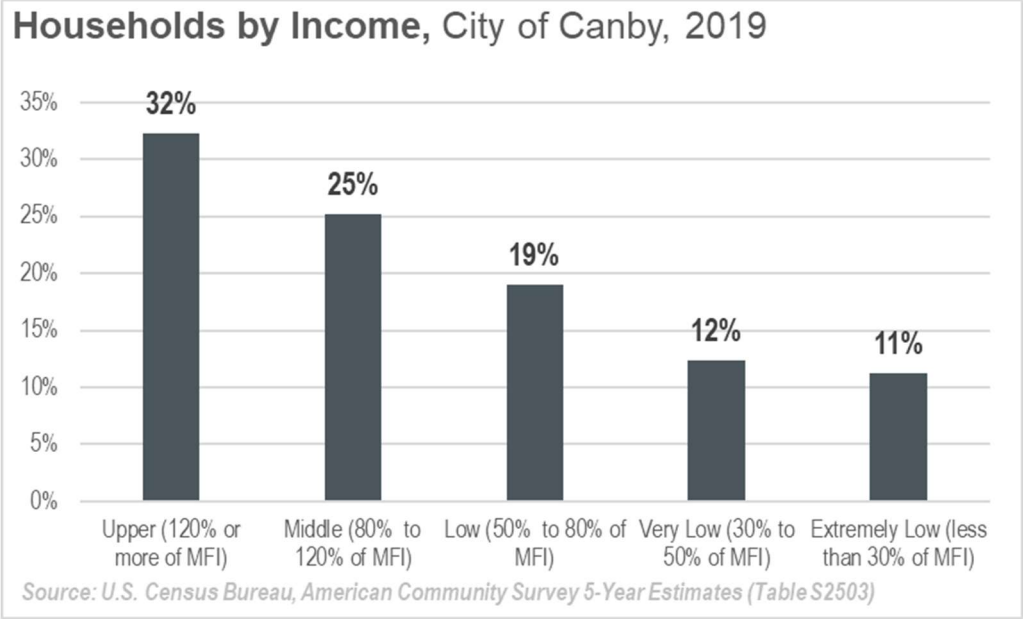
**Exhibit 2: Canby UGB Population Forecast (2020-2043)**



**Socio-economic Characteristics**

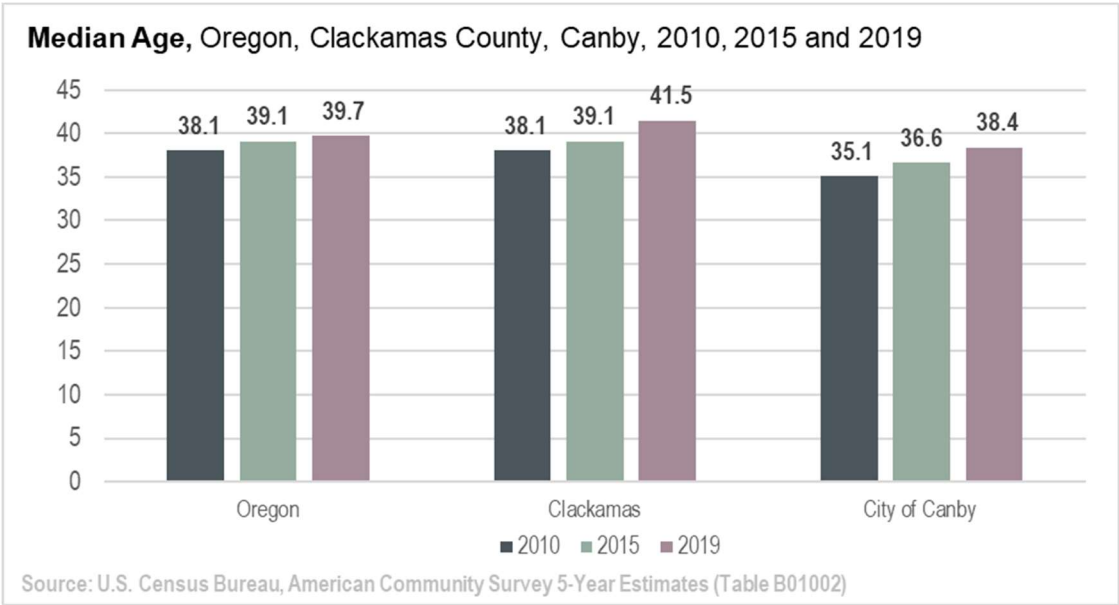
In 2019, the median family income (MFI) in Clackamas County was \$80,484. As shown below in Exhibit 3, nearly one third of the households in Canby earn over 120% of the MFI (\$96,581 or above).

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



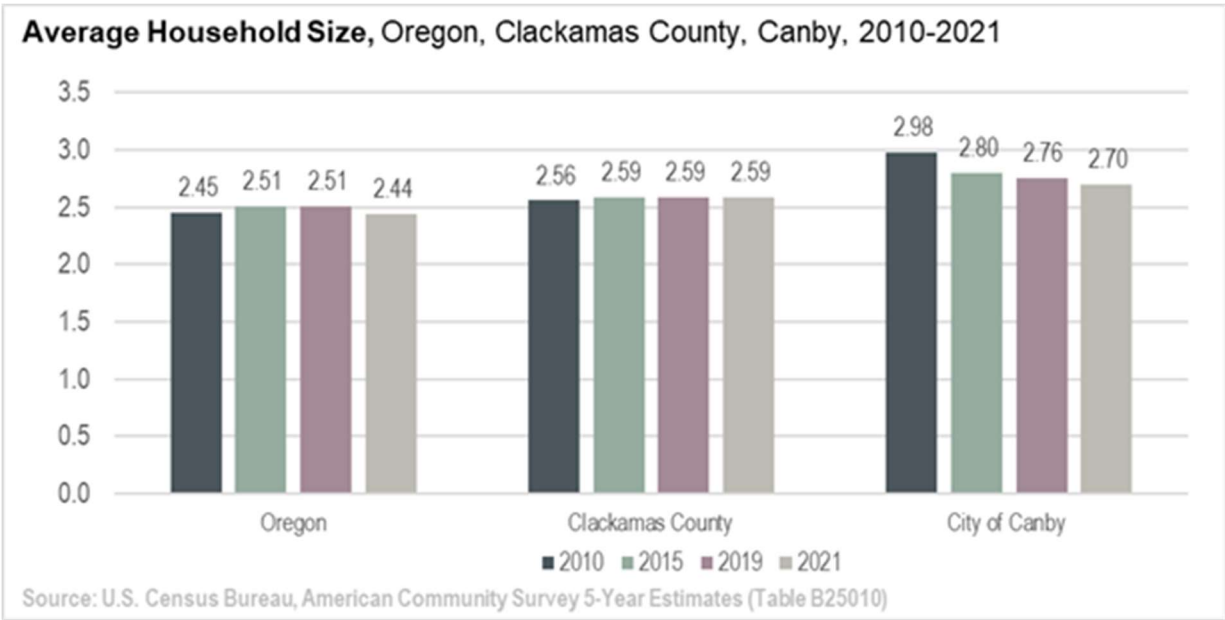
The median age in Canby (38.4) is below the Clackamas County average (41.5) and below the statewide average (39.7) as well (**Exhibit 4**).

**Exhibit 4: Median Age, 2010-2019**



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

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

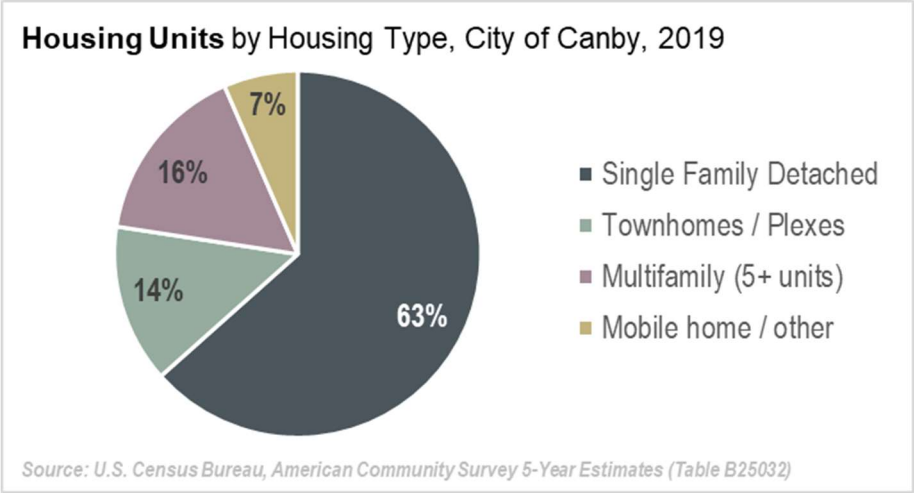


**Housing Inventory and Tenancy**

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

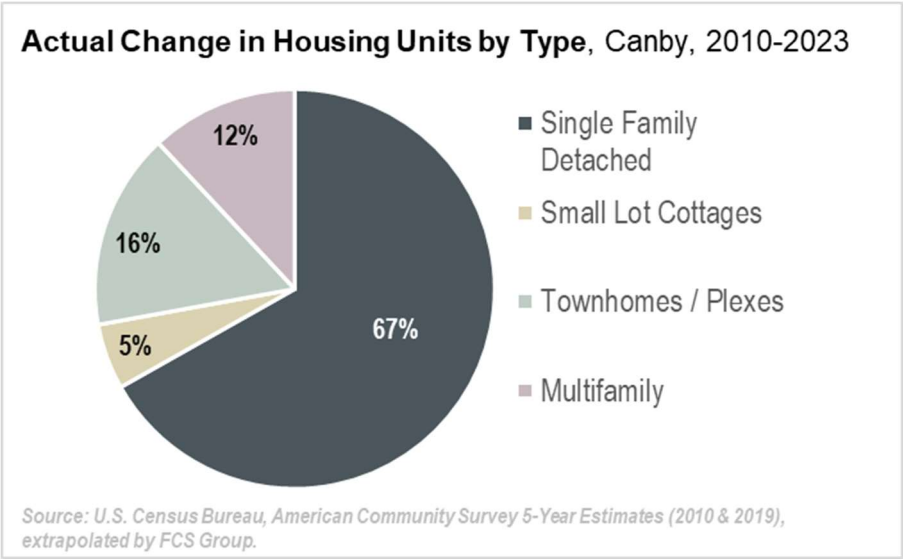
Like most cities with under 50,000 residents, single-family detached housing is the most prevalent housing type representing 63% of the housing stock. The remaining inventory in Canby includes multi-family (16%), townhomes/plexes (14%), and mobile homes (7%), as shown in Exhibit 6A.

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



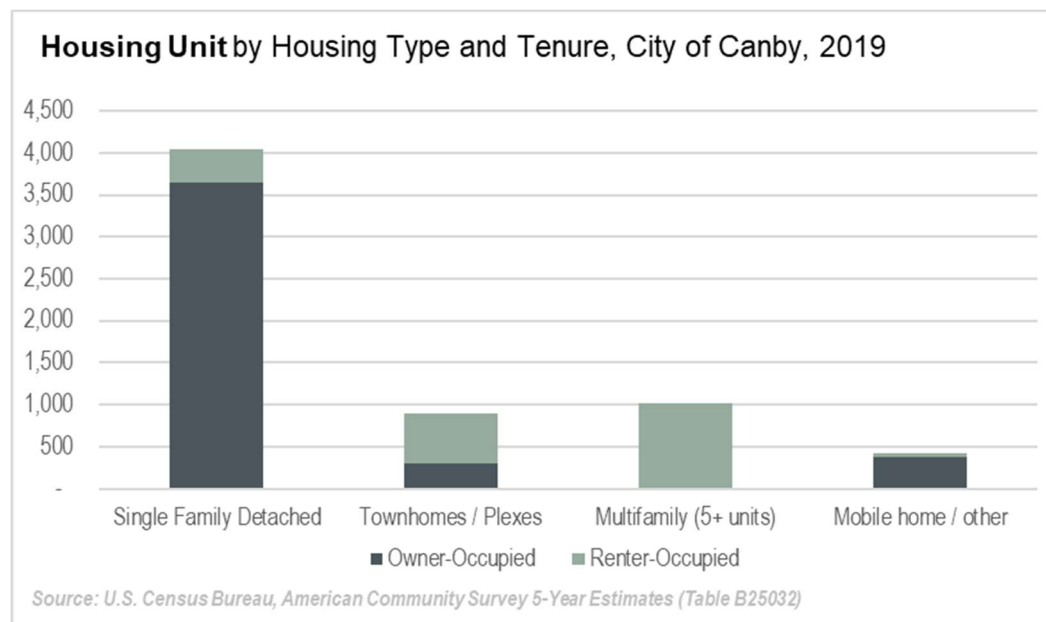
Between 2010 and 2023 the mix of new housing developed in Canby has trended a bit more towards single family detached homes. As indicated in Exhibit 6B, about two-thirds of new housing construction consisted in detached homes, and the remaining one-third was constructed as “middle housing” such as townhomes, duplexes, apartments and manufactured homes. While there has been an increase in the share of single family development, a current “snap shot” of developments in the construction pipeline reveal a trend towards small lot sizes (less than 8,300 net square feet per dwelling) over larger or lot sizes.

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



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

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



## Housing Market Characteristics

To help gauge housing attainability in Canby, local median family income (MFI) levels were evaluated using U.S. Housing and Urban Development (HUD) guidelines. By applying the assumptions shown in Exhibit 8 and 9, based on median family income (MFI) for Clackamas County (\$88,517), HUD guidelines indicate that upper-middle households (with 4 family members) earning 80% of the MFI should be able to afford monthly rents at \$2,656.

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

Assumptions		
Interest Rate (conventional)	7.0%	
Downpayment	5%	
Mortgage duration (Years)	30	
Income Affordability Target Level %	30%	of median income
Property Taxes	0.0125	% of sales price
Mortgage Insurance	0.0085	% of loan amt.
Home Insurance	0.0029	% of sales price

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

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

<b>Clackamas County Median Family Income Level (2021)*</b>	<b>\$88,517</b>	
<b>HUD Qualifying Income Level: Renters</b>	<b>Lower-end</b>	<b>Upper-End</b>
Upper (120% or more of MFI)	\$106,220 or more	
Middle (80% to 120% of MFI)	\$70,814	\$106,220
Low (50% to 80% of MFI)	\$44,259	\$70,814
Very Low (30% to 50% of MFI)	\$26,555	\$44,259
Extremely Low (less than 30% of MFI)	\$26,555 or less	
<b>Attainable Monthly Housing Cost: Renters (@30% of income)</b>	<b>Lower-end</b>	<b>Upper-End</b>
Upper (120% or more of MFI)	\$2,656 or more	
Middle (80% to 120% of MFI)	\$1,770	\$2,656
Low (50% to 80% of MFI)	\$1,106	\$1,770
Very Low (30% to 50% of MFI)	\$664	\$1,106
Extremely Low (less than 30% of MFI)	\$664 or less	

\*Note, this analysis is generally consistent with 2.5-person household size.

\*\* See assumptions provided in supporting table.

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

Monthly housing costs are generally higher for homeowners than renters due to added costs associated with insurance and taxes. If 30% of income is allocated to mortgage interest and principal, using the assumptions stated on Exhibit 10, the expected housing cost for owners at 80% MFI level is \$2,245, which should be sufficient to afford a home priced at \$277,000 (Exhibit 10). Note, this analysis is based on a 5% downpayment; hence the attainable home price would increase to \$317,000 with a 20% down payment.

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

<b>Clackamas County Median Family Income Level (2021)*</b>	<b>\$88,517</b>	
<b>HUD Qualifying Income Level:</b>	<b>Lower-end</b>	<b>Upper-End</b>
Upper (120% or more of MFI)	\$106,220 or more	
Middle (80% to 120% of MFI)	\$70,814	\$106,220
Low (50% to 80% of MFI)	\$44,259	\$70,814
Very Low (30% to 50% of MFI)	\$26,555	\$44,259
Extremely Low (less than 30% of MFI)	\$26,555 or less	
<b>Supportable Housing Price:</b>	<b>Lower-end</b>	<b>Upper-End</b>
Upper (120% or more of MFI)	\$415,000 or more	
Middle (80% to 120% of MFI)	\$277,000	\$415,000
Low (50% to 80% of MFI)	\$173,000	\$277,000
Very Low (30% to 50% of MFI)	\$104,000	\$173,000
Extremely Low (less than 30% of MFI)	\$104,000 or less	
<b>Monthly Housing Costs for Owners:</b>	<b>Lower-end</b>	<b>Upper-End</b>
Upper (120% or more of MFI)	\$3,367 or more	
Middle (80% to 120% of MFI)	\$2,245	\$3,367
Low (50% to 80% of MFI)	\$1,403	\$2,245
Very Low (30% to 50% of MFI)	\$842	\$1,403
Extremely Low (less than 30% of MFI)	\$842 or less	

\*Note, this analysis is generally consistent with 2.5-person household size.

\*\* See assumptions provided in supporting table.

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

Canby home values increased significantly between 2019 and 2022, before tapering down in 2023. As indicated in Exhibit 11, the median home value price index in Canby increased to \$562,000 (as of April 2023), with annual average price increase of 8.2% over the past five years. Other cities in the region have experienced even larger home price increases (Exhibit 11).

**Exhibit 11: Zillow Home Value Price Index in Select Markets**

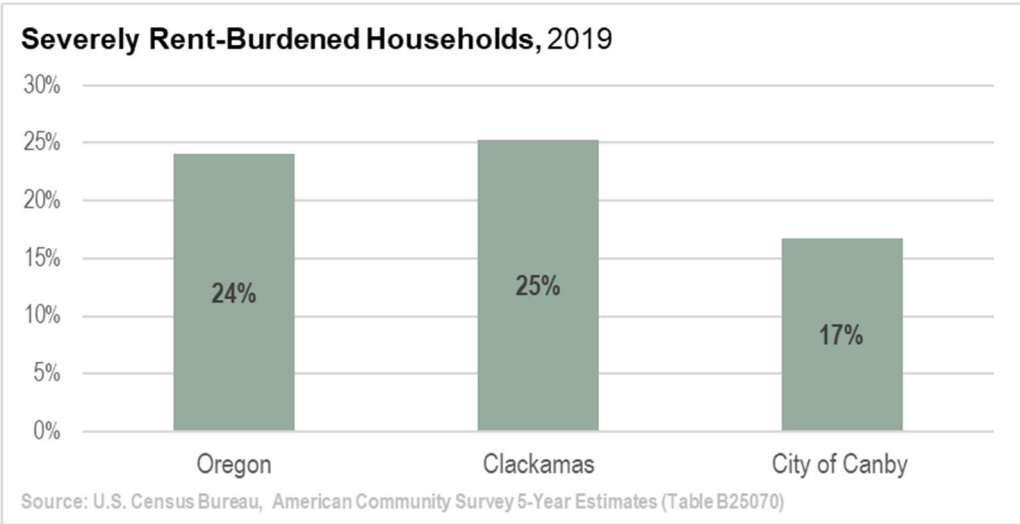
	2019	2020	2021	2022	2023	Annual Change %
Canby	\$432,000	\$463,000	\$560,000	\$581,915	\$561,936	8.2%
Aurora	\$362,000	\$393,000	\$479,000	\$717,490	\$656,116	19.6%
Wilsonville	\$470,000	\$503,000	\$606,000	\$635,102	\$634,357	9.4%
Oregon City	\$446,000	\$479,000	\$579,000	\$596,475	\$582,212	8.3%

**Source:** Zillow.com; Home Value Index for December of each year, April 24, 2023.

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

As shown in Exhibit 12, about 17% of the rental households in Canby were severely cost burdened in 2019, which compares favorably to Clackamas County (25%) and Oregon as a whole (24%).

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



Input received from stakeholder interviews suggests that rental housing construction in Canby is not keeping up with demand. An evaluation of housing inventory gaps indicates that there is a current shortfall or gap in available rental housing at the upper- and lower-price points (Exhibit 13). This is understandable at the lowest price points where there is always more demand than supply. The fact that there is more housing demand than supply for higher-priced rentals (affordable to those making at least 80% of the MFI) reflects an aging housing inventory and demonstrates strong “pent up” demand for market rate apartments that rent for over \$875 per month.

With favorable housing investment policies, it is likely that there could be near-term market activity for addressing the current estimated 317-unit gap in market rate rental apartments (see Exhibit 13). In addition to this level of pent-up demand for market-rate rentals, it is estimated that at least 180 government subsidized or deed-restricted housing units are needed in Canby.

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

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

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

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

New residential construction in Canby is addressing a portion of the immediate market gap for rentals noted above. As indicated in Exhibit 13B, there are 412 dwellings in various stages of development, including 165 apartments/plexes, 48 townhomes and 199 single family homes.

**Exhibit 13B Canby Development Construction Pipeline**

Housing Type	Comp. Plan Category	Primary Housing Types	Net Acres	# of Dwelling Units	Dwellings per Acre
Single Family Detached	LDR	SFD	49.0	199	4.1
Single Family Attached	MDR	Townhomes	6.2	48	7.7
Multifamily	HDR, DC	Apts.	0.6	5	8.9
Multifamily (Hope Village)	HDR, RC	Apts., & 5 Plexes	11.5	160	13.9
<b>Total</b>			<b>67.3</b>	<b>412</b>	<b>6.1</b>

Source: City of Canby, Nov. 2022.

## Housing Needs

### Summary of Housing Needs

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

- Homeownership rates increase as income rises.
- Single family detached homes are the preferred housing choice as income rises.
- Renters are much more likely to choose multifamily housing options (such as apartments or plexes) than single-family housing.

- Very low-income households (those earning less than 50% of the median family income) are most at-risk for becoming homeless if their economic situation worsens.

Based on the population projections described earlier and the most current household size estimates of 2.7 people per household, the total net new housing need within the Canby UGB over the next 20 years is approximately 2,286, housing units (including 24 units for people living in group quarters) as shown in Exhibit 14. This baseline housing need forecast assumes that the current share of group quarters population (includes people residing in congregate care facilities and housing shelters) and housing vacancy rates remain constant.

**Exhibit 14: Canby Housing Needs Forecast**

Canby UGB Housing Needs Forecast: Safe Harbor			
	2022	2043 forecast	Change
UGB Population	18,655	24,586	5,931
Less Group Quarters Pop. (0.6%)	111	146	35
Pop in Households	18,544	24,440	5,895
Avg. Household Size	2.70	<b>2.70</b>	
Households (year round)	6,872	9,057	2,185
Vacancy and Seasonal Adjustment	3.4%	3.4%	77
Growth-related Housing Demand (dwelling units)	7,115	9,376	<b>2,262</b>
<b>Group Quarters Dwelling Units*</b>			<b>24</b>
<b>Total Housing Units</b>			<b>2,286</b>

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

### Housing Demand by Dwelling Type and Tenancy

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

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

The baseline housing forecast predicts a range in housing types to address market preferences. The housing demand forecast includes: 1,355 single-family detached homes; 369 townhomes/plexes; 385 multifamily units (apartments); and 154 manufactured housing accessory dwellings (Exhibit 15). There will also be demand for approximately 23 units of group quarters housing (such as congregate care, in-patient care, etc.).



The City has recently amended its development code to allow “middle housing” such as townhomes and plexes to be constructed in any R-1 or R-1.5 land use zone. As such, this analysis assumes a “safe harbor” planning assumption that the historical average density (units per acre) of new housing developments increases by 3.0% through infill and redevelopment of existing developed tax lots.

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

	Owner-Occupied Dwelling Units	Renter-Occupied Dwelling Units	Total Dwelling Units	Projected Housing Need (Units)
<b>Housing Tenure Distribution:</b>	<b>67.9%</b>	<b>32.1%</b>	<b>100.0%</b>	
Single Family Detached			59.9%	1,355
Townhomes / Plexes			16.3%	369
Multi family (5+ units)			17.0%	385
Mfg. home/other			6.8%	154
<b>Total percent</b>			<b>100.0%</b>	
<b>Housing Units</b>	<b>1,536</b>	<b>725</b>		<b>2,262</b>
<b>Plus additional Group Quarters Pop.</b>				<b>35</b>
<b>Group Quarters Dwelling Units*</b>				<b>23</b>
<b>Total Housing Units</b>				<b>2,285</b>

Analysis based on preceding tables.

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

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

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

Household Income Level	Owner Occupied Dwelling Units	Renter Occupied Dwelling Units	Total Dwellings	% Mix	Representative Attainable Housing Products
Upper (120% or more of MFI)	615	-	615	27%	Standard Detached Homes
Upper Middle (80% to 120% of MFI)	691	44	735	32%	Small Lot Homes & Cottages
Lower Middle (50% to 80% of MFI)	230	181	412	18%	Townhomes, Plexes & Mfg. Homes
Low (less than 50% of MFI)	-	261	261	12%	Apts., ADUs, Gov't Assisted
Very Low (less than 30% of MFI)	-	239	239	11%	Apts., ADUs & Govt. Assisted Housing
<b>Housing Units</b>	<b>1,536</b>	<b>725</b>	<b>2,262</b>	<b>100%</b>	
<b>Plus Group Quarters Units</b>	<b>-</b>	<b>24</b>	<b>24</b>		Transitional housing & congregate care
<b>Total Dwelling Units</b>	<b>1,536</b>	<b>749</b>	<b>2,286</b>		
<b>Demand Mix</b>	<b>67%</b>	<b>33%</b>	<b>100%</b>		

Source: estimates based on prior tables and stated assumptions.

To accurately forecast the amount of land required to address 20-year housing needs, the overall housing need must be adjusted to account for near-term development that is in the construction pipeline. As shown in Exhibit 17, the remaining housing that is needed after pipeline construction projects are completed includes a 1,874 total housing units.

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

**Exhibit 17: Projected Housing Demand after Pipeline Construction Units are Built**

Housing Type	20-Year Dwelling Unit Demand before pipeline adjustment	20-Year Dwelling Unit Demand in pipeline*	20-Year Dwelling Unit Demand after pipeline adjustment	% Dist.
Single Family Detached (Standard Lot)	615	60	555	30%
Single Family Small Lot & Cottages	735	139	596	32%
Townhomes / Plexes / Mfg. Homes	412	48	364	19%
Apartments/Other**	524	165	359	19%
<b>Total</b>	<b>2,286</b>	<b>412</b>	<b>1,874</b>	<b>100%</b>

*Note: numbers may not add exactly due to rounding.*

*\*Projects in pipeline have pending buildings permits & reflects Hope Village Master Plan, as of Nov. 2023.*

*\*\* Category also includes group quarters housing demand .*

*\*\*\* Small lots defined as having less than 8,300 sq.ft. or 5.2 units per acre or more.*

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# Buildable Land Inventory

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

## Methodology

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

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

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

### Residential Land Base

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

#### Residential Comprehensive Plan Land Use Classifications

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

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## Residential Zoning Categories

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

These classifications have been kept consistent throughout the analysis.

## Land Classifications

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

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

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

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

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

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

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

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

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

### **Development Constraints**

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

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

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

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

## Buildable Land Inventory Results

A summary of the land base by plan designation is provided in Exhibit 18. The findings indicate there is a total of 1,745 acres land for residential uses in Canby, including 1,304 gross developed acres and 437 buildable acres (includes developments in the construction pipeline). The buildable land inventory includes 114.9 acres of vacant land, 317 part-vacant acres, and 6.7 redevelopable acres.

**Exhibit 18: Residential Land Base by Zone Designation, Canby UGB**

Comprehensive Plan Category	Developed Land*	Buildable Vacant	Constrained Vacant	Buildable Part Vacant	Redevelopment	Total Buildable	Total
HDR - High Density Residential	216	10	(0.0)	10.2	3.7	24	240
MDR - Medium Density Residential	210	11	(0.0)	59.5	0.5	70	280
LDR - Low Density Residential	830	91	2.3	243.9	2.0	337	1,169
RC - Residential Commercial	13	2	-	3.4	0.5	6	19
DC - Downtown Commercial	35	1	(0.0)	0.1	-	1	36
<b>Total</b>	<b>1,304</b>	<b>114.9</b>	<b>2.3</b>	<b>317.0</b>	<b>6.7</b>	<b>438.6</b>	<b>1,745</b>

Source: Canby Buildable Land Inventory; 3J Consulting, Nov. 2023.

\*Developed acreage excluding acreage that falls into part vacant and redevelopment

Significant environmental constraints (slopes, floodplains, wetlands, etc.) are removed from gross vacant acres.

Results summarized in Exhibit 19 indicate that after accounting for development constraints, the remaining residential land inventory is primarily comprised of smaller partially-vacant tax lots. Partially-vacant land includes properties that are occupied by a use (e.g., a home or building structure with value over \$10,000) with enough land to be subdivided without the need for rezoning. Properties with redevelopment potential are occupied properties with a higher land value than the on-site structure. Properties must be at least 20,000 sqft to be considered of interest for redevelopment. After removing environmental constraints there are 317 part-vacant acres that could be subdivided for development and 6.7 acres with redevelopment potential.

**Exhibit 19: Buildable Land Inventory by Lot Size, Canby UGB (includes construction pipeline projects)**

Comprehensive Plan Category	<1 acre lots		1 to 5 acre lots		5 to 10 acre lots		>=10 acre lots		Total	
	Acres	Lots	Acres	Lots	Acres	Lots	Acres	Lots	Acres	Lots
HDR - High Density Residential	5.6	17	12.9	8	5.9	1	-	-	24.4	26
MDR - Medium Density Residential	10.0	54	40.2	23	12.4	2	7.9	1	70.5	80
LDR - Low Density Residential	40.4	119	138.4	82	71.8	14	86.0	3	336.7	218
RC - Residential Commercial	1.6	4	4.3	2	-	-	-	-	5.9	6
DC - Downtown Commercial	1.1	9	-	-	-	-	-	-	1.1	9
<b>Total</b>	<b>58.7</b>		<b>195.8</b>		<b>90.1</b>		<b>93.9</b>		<b>438.6</b>	<b>360</b>
<b>% Distribution of BLI</b>	<b>13%</b>		<b>45%</b>		<b>21%</b>		<b>21%</b>		<b>100%</b>	

Source: Canby Buildable Land Inventory; 3J Consulting, Nov. 22, 2023.

## Developable Residential Land

Exhibit 20 shows the remaining amount of buildable residential land after removing tax lots that are in the development construction pipeline. The Canby UGB has a total gross buildable land inventory of 375 acres, including 287.7 acres of Low Density land, 64.3 acres of Medium Density land, and 23 acres of Higher Density land (includes land designated as HDR, RC and DC).

**Exhibit 20: Remaining Buildable Residential Land, Canby UGB (after removing pipeline developments)**

Gross Buildable Land Inventory after Pipeline Acres removed	<1 acre lots	1 to 5 acre lots	5 to 10 acre lots	>=10 acre lots	Total
HDR - High Density Residential	5.4	12.9	(0.0)	-	18.3
MDR - Medium Density Residential	9.3	34.7	12.4	7.9	64.3
LDR - Low Density Residential	38.8	125.8	71.8	51.3	287.7
RC - Residential Commercial	1.6	2.4	-	-	4.0
DC - Downtown Commercial	0.7	-	-	-	0.7
<b>Total</b>	<b>55.8</b>	<b>175.8</b>	<b>84.2</b>	<b>59.2</b>	<b>375.0</b>
<b>% Distribution</b>	<b>15%</b>	<b>47%</b>	<b>22%</b>	<b>16%</b>	<b>100%</b>

Source: Canby Buildable Land Inventory; 3J Consulting

## Sensitivity Analysis of Development Conversion Rates

In light of the finding that the vast majority (62%) of the remaining residential buildable land inventory within the Canby UGB consists of partially-vacant tax lots under 5 acres in size, it is not likely that all of the property owners of these land holdings will opt to subdivide and develop their land over the next 20 years.

To better understand the rate of “development participation” or conversion of smaller tax lots, the City of Canby Planning Department conducted an evaluation of all subdivisions (any size) and minor partitions (under 1 acre) that have been approved between 2018 and 2023 (November).

These findings are detailed in Appendix A and are summarized in Exhibit 21. Findings denote that the development conversion rate for smaller tax lots (under 5 acres) has accounted for 19% of the overall residential development that has occurred over the past five years, with 3% of the new development occurring on sites less than 1 acre and 16% on 1 to 5 acre tax lots. Lots over 10 acres accounted for 66% of recent residential development activity, and lots of 5 to 10 acres accounted for 16% of the residential development activity in Canby over the past five years.

A sensitivity analysis was conducted to ascertain the amount of buildable land that would be developed under three scenarios, which are summarized below.

Development Conversion Rates	<1 acre lots	1 to 5 acre lots	5 to 10 acre lots	>=10 acre lots
High Scenario @100% conversion	100%	100%	100%	100%
Medium Scenario	20%	60%	90%	95%
Low Scenario	5%	10%	60%	90%

**Exhibit 21: Recently Approved Subdivisions and Minor Partitions, City of Canby**

	Less than 1 acre	1 to 5 acres	5 to 10 acres	Over 10 acres	Total
<b>Subdivisions</b>					
No. of Approvals	7	10	4	4	25
Acres included	2.6	26.7	25.9	109.8	164.9
% Distribution	2%	16%	16%	67%	100%
<b>Minor Partitions</b>					
No. of Approvals	4				4
Acres included	1.7				1.7
% Distribution	100%				100%
<b>Total Acres included</b>	<b>4.3</b>	<b>26.7</b>	<b>25.9</b>	<b>109.8</b>	<b>166.6</b>
<b>% Distribution</b>	<b>3%</b>	<b>16%</b>	<b>16%</b>	<b>66%</b>	<b>100%</b>

Source: analysis of new residential construction permits issued between 2017 and 2023, City of Canby Planning Dept. Aug 2023.

The resulting buildable land inventory that would be expected to convert to new housing development for each of these scenarios is shown in Exhibit 22. After discussion with City staff, it is recommended that the City adopt an HNA policy and related Housing Production Strategies that are consistent with the medium development conversion scenario.

**Exhibit 22: Buildable Land by Lot Size and Development Conversion Scenario, Canby UGB**

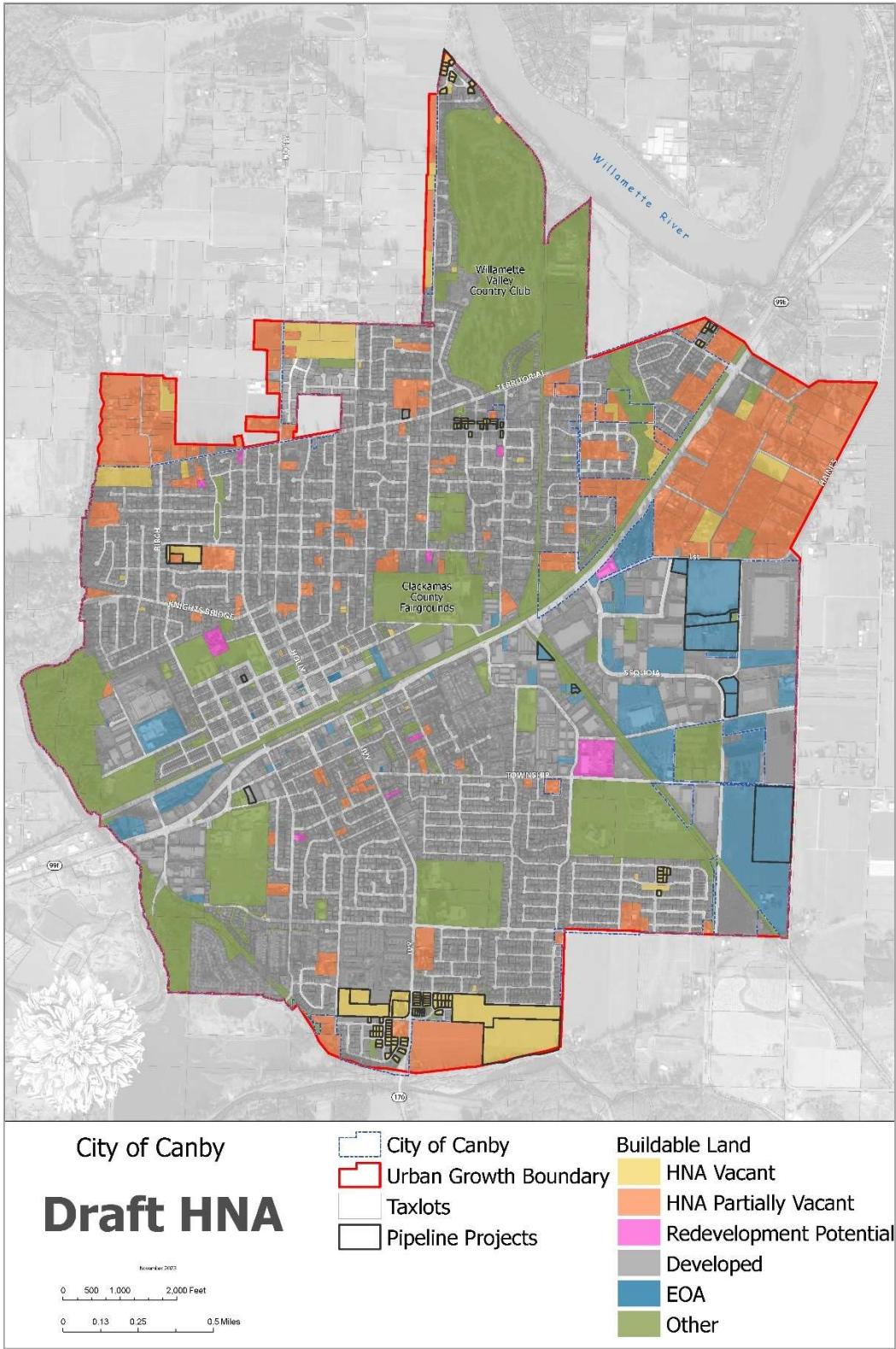
Resulting Level of BLI Development	<1 acre lots	1 to 5 acre lots	5 to 10 acre lots	>=10 acre lots	Total
<b>High Conversion Scenario @100%</b>					
HDR - High Density Residential	5.4 acres	12.9 acres	0.0 acres	0.0 acres	18.3 acres
MDR - Medium Density Residential	9.3 acres	34.7 acres	12.4 acres	7.9 acres	64.3 acres
LDR - Low Density Residential	38.8 acres	125.8 acres	71.8 acres	51.3 acres	287.7 acres
RC - Residential Commercial	1.6 acres	2.4 acres	0.0 acres	0.0 acres	4.0 acres
DC - Downtown Commercial	0.7 acres	0.0 acres	0.0 acres	0.0 acres	0.7 acres
<b>Total</b>	<b>55.8 acres</b>	<b>175.8 acres</b>	<b>84.2 acres</b>	<b>59.2 acres</b>	<b>375.0 acres</b>
<b>Medium Conversion Scenario</b>					
HDR - High Density Residential	1.1 acres	7.8 acres	0.0 acres	0.0 acres	8.8 acres
MDR - Medium Density Residential	1.9 acres	20.8 acres	11.1 acres	7.5 acres	41.3 acres
LDR - Low Density Residential	7.8 acres	75.5 acres	64.7 acres	48.7 acres	196.6 acres
RC - Residential Commercial	0.3 acres	1.4 acres	0.0 acres	0.0 acres	1.8 acres
DC - Downtown Commercial	0.1 acres	0.0 acres	0.0 acres	0.0 acres	0.1 acres
<b>Total</b>	<b>11.2 acres</b>	<b>105.5 acres</b>	<b>75.8 acres</b>	<b>56.2 acres</b>	<b>248.7 acres</b>
<b>Lower Conversion Scenario</b>					
HDR - High Density Residential	0.3 acres	1.3 acres	0.0 acres	0.0 acres	1.5 acres
MDR - Medium Density Residential	0.5 acres	3.5 acres	7.4 acres	7.1 acres	18.5 acres
LDR - Low Density Residential	1.9 acres	12.6 acres	43.1 acres	46.2 acres	103.8 acres
RC - Residential Commercial	0.1 acres	0.2 acres	0.0 acres	0.0 acres	0.3 acres
DC - Downtown Commercial	0.0 acres	0.0 acres	0.0 acres	0.0 acres	0.0 acres
<b>Total</b>	<b>2.8 acres</b>	<b>17.6 acres</b>	<b>50.5 acres</b>	<b>53.3 acres</b>	<b>124.2 acres</b>

Source: prior tables, acres shown reflect remaining land after pipeline developments are subtracted.



Exhibits 23 depicts the residential buildable land inventory (BLI) within Canby's Urban Growth Boundary (UGB) to determine the amount of land available to meet housing needs.

Exhibit 23. Canby Buildable Land Inventory – Comprehensive Plan



# Residential Land Need Analysis

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

## Methodology

The methodology for projecting housing land needs within the Canby UGB builds upon the residential housing needs forecast that was described in the prior section. Exhibit 24 identifies the housing types and expected density levels that are most consistent with the projected housing need for Canby. It should be noted that the distribution of projected housing demand is consistent with the recent trends in actual development permitting activity that has occurred in Canby between 2017 and 2023. In light of the existing market gap that has been identified for apartments it is likely that the City may exceed the baseline forecasts if existing development code and zoning amendments are adopted to foster or incentivize future multifamily housing development.

**Exhibit 24: Projected Housing Density Levels, Canby UGB**

Dwelling Unit Type	Most Typical Plan Designation	Most Applicable Local Zones <sup>1</sup>	Allowable Density (gross DU per Ac)	Historic Density (DU per Net Ac) <sup>3</sup>	HB 2001 Expected Density (DU per Net Ac) <sup>4</sup>	Site Requirements (net buildable acres)
Single Family Detached (Standard Lot)	LDR	R-1, RRFF-5	3 to 6.5+	4.10	4.22	131.4
Single Family (Small Lot)	LDR	R-1, RRFF-5	3 to 6.5+	5.25	5.41	110.1
Townhomes / Plexes <sup>1</sup>	MDR	R-1.5	6 to 12+	7.93	8.16	44.6
Apartments/Other <sup>2</sup>	HDR/All	R-2, DC	14 to 36	20.44	21.06	17.1

Source: derived from prior tables and analysis of approved subdivisions in Canby between 2017 and 2023.

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

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

<sup>3</sup> Actual densities based on analysis of new residential building permits, per City of Canby analysis Aug. 2023.

<sup>4</sup> Assumes 3% increase in historic density after adoption of Housing Production Strategy and HB 2001 housing measures.

<sup>5</sup> Reflects site area required for future public facilities, roads and easements; based on city permitting records.

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

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**Step 1** takes into account the forecasted number of dwelling units by housing type, including single family detached, townhomes and plexes, multifamily, and manufactured homes as well as group quarters population (derived from Exhibit 17).

**Step 2** considers the amount of new dwellings in the construction pipeline and subtracts them from the total housing demand identified in Step 1 (derived from Exhibit 17).

**Step 3** considers the amount of land required to accommodate the future housing demand after subtracting the dwellings being constructed in the development pipeline; and applies the expected development density for each general housing type (see Exhibit 24).

**Step 4** includes a comparison (reconciliation) between the land need determined in Step 3 and the residential buildable land inventory after pipeline construction projects are subtracted from the BLI, as presented in Section 3 of the HNA.

## Housing Need Forecast

As shown earlier in Exhibit 17, the forecasted housing mix for Canby includes 2,286 dwellings that will require vacant or part vacant or redevelopable land. This results in net new housing development on buildable land as follows:

- Single Family Detached: Includes 615 standard lot units and 735 small lot “cottage” homes
- Townhomes, Plexes and Manufactured housing: 412 dwelling units
- Multifamily: 524 dwelling units (includes apartments and condominiums with 5+ units per structure) plus 23 group quarters units).

## Residential Land Need Summary

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

As shown previously in Exhibit 17, the forecasted housing need of 2,286 dwelling units will be partially addressed by 412 units currently in the development pipeline. Once pipeline developments are completed, the remaining housing demand over the next 20 years is expected to consist of 1,874 dwellings. That additional development is expected to require approximately 376.4 net buildable acres of land area.

The next step in the analysis includes adjusting the gross land area to net land area to account for future public facilities (a factor of 10% for multifamily and 25% for other housing types is applied to net land needs to account for roads, utilities and public easements). This results in a total buildable land need of 376.4 acres for planned residential growth.

## Exhibit 25: Canby Residential Land Needs

Dwelling Unit Type	Proj. 20-Year Housing Need (after pipeline units are deducted)	Most Typical Plan Designation	Historic Density (DU per Net Ac) <sup>3</sup>	Expected Avg. Density (DU per Net Ac) <sup>4</sup>	Site Requirements (net buildable acres)	Factor for new Streets & Utilities <sup>5</sup>	Gross Buildable Land Need (acres)
Single Family Detached (Standard Lot)	555	LDR	4.10	4.22	131.4	25%	164.2
Single Family (Small Lot)	596	LDR	5.25	5.41	110.1	25%	137.7
Townhomes / Plexes <sup>1</sup>	364	MDR	7.93	8.16	44.6	25%	55.7
Apartments/Other <sup>2</sup>	359	HDR/All	20.44	21.06	17.1	10%	18.8
<b>Total</b>	<b>1,874</b>				<b>303.2</b>		<b>376.4</b>

Source: derived from prior tables and analysis of approved subdivisions in Canby between 2017 and 2023.

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

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

<sup>3</sup> Actual densities based on analysis of new residential building permits, per City of Canby analysis Aug. 2023.

<sup>4</sup> Assumes 3% increase in historic density after adoption of Housing Production Strategy and HB 2001 housing measures.

<sup>5</sup> Reflects site area required for future public facilities, roads and easements; based on city permitting records.

## UGB Sufficiency Analysis

In order to accommodate the 20-year housing needs, the City will require 376.4 acres of land area (pipeline acreage removed for analysis purposes). As indicated previously in Exhibit 22, the Canby UGB buildable land inventory (BLI) includes 248.7 acres of gross buildable land area (after deducting pipeline construction developments, environmental constraints and exempt uses). This includes tax lots within the UGB that are designated as Low, Medium and High Density Residential, Residential Commercial and Downtown Commercial. The variance between land needs and buildable land inventory results in an overall UGB land deficiency of approximately 127.8 acres of gross buildable land to be designated for residential development (Exhibit 26).

## Exhibit 26: Reconciliation of Residential Land Needs, Medium BLI Conversion Scenario, Canby UGB

Dwelling Unit Type	Most Typical Plan Designation <sup>1</sup>	Buildable Land Requirement (gross acres)	Current Buildable Land Inventory (gross acres) <sup>3</sup>	Net Buildable Land Surplus or (Deficit) after pipeline projects move ahead (acres)	Finding
Single Family Standard Lot	LDR	164.2	196.6	(42.1)	inadequate land supply
Single Family Small Lot & Cottages		137.7		(63.2)	inadequate land supply
Townhomes/Plexes (2-4 units)	MDR	55.7	41.3	(14.4)	inadequate land supply
Apartments/Other <sup>2</sup>	HDR /varies	18.8	10.7	(8.1)	inadequate land supply
<b>Total</b>		<b>376.4</b>	<b>248.7</b>	<b>(127.8)</b>	<b>inadequate land supply</b>

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

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

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

<sup>3</sup> BLI based on medium development participation scenario.

Source: analysis by 3J Consulting, Inc.

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

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Key findings include:

- The most significant Canby UGB land deficiency is in the single family land use designation (LDR) where the BLI inventory is projected to fall short by 105.3 gross buildable acres. In light of recent market trends and housing affordability considerations it is recommended that the majority of the LDR lands be slated for small lot cottages and attached housing development, which is expected to require an additional 63.2 acres of UGB land area. Standard lot detached housing is expected to require an additional 42.1 acres of UGB land area.
- The medium density designation (MDR) has a projected deficiency of approximately 14.4 acres. However, now that the City allows medium density development to occur in lower density zones, this projected deficit could be combined and addressed in the lower density category.
- The multifamily land use designation (HDR) is also projected to have a UGB land deficiency of approximately 8.1 acres. Note, this finding assumes that 100% of the vacant downtown commercial land area (1 acre) is available for residential development.
- In addition to the residential land needs required to accommodate 20 years of population growth, the City will also need to plan for additional land area for parks and community facilities, such as schools and emergency response facilities. While the overall land needs that are required to address such facilities are beyond the scope of this HNA, a preliminary analysis shown in Exhibit 27 indicates that the City should plan to add approximately 59.3 additional acres of parks within its UGB.

**Exhibit 27: Preliminary Parks Land Needs, Canby UGB**

Proj. New Residential Pop. (20 years)	5,931
Adopted Parks Policy: Level of Service (acres per 1,000 pop.)	10.0
<b>Min. Parks Area Needed (buildable acres)</b>	<b>59.3</b>

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



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# Findings and Recommendations

## Key Findings

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

- Canby's population is forecast to grow at 1.3% per year over the next two decades, adding approximately 5,931 new residents.
- Population growth will require the addition of 2,286 new dwelling units over the next 20 years.
- The forecasted housing mix that addresses 20-year demand is expected to consist of: 615 standard lot detached homes, 735 small lot "cottage" homes; 412 townhomes/plexes/manufactured homes; and 524 apartments or condominiums with 5+ units per structure.
- The share of those making 80% or less of the median family income level for Clackamas County was represented by over 40% of Canby's households in 2019.
- Nearly 1 in 5 renter households in Canby are severely rent burdened with over 50% of their income going towards monthly housing costs.
- The results of the housing needs analysis indicate that if all of the predevelopment projects that are now in the planning pipeline move ahead, the current Canby UGB is not sufficient to accommodate future housing needs. If all of the developments that are currently in the planning pipeline move forward with building permits prior to HNA adoption, the City should consider ways to limit the need for a potential UGB expansion (based on a 127.8 gross acre land deficiency finding per current zoning and development regulations).

## Housing Strategy Recommendations

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

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

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

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The City is preparing a Housing Production Strategy (HPS) concurrent with this Housing Needs Analysis. The purpose of a Housing Production Strategy is to identify specific tools, actions, and policies that the City plans to take to address the housing need identified in the HNA. The City has identified and analyzed 10 strategies in the draft HPS. The City will consider a subset of those strategies, those that can be adopted in the next 1-3 years, as potential land efficiency measures.

**Develop criteria and a process for identifying land to up-zone** (or rezone) to meet the deficit of land for multifamily housing development. The criteria may include considerations of location, transportation access, access to and capacity of infrastructure, site size, development constraints, and other relevant criteria. This policy is recommended because of a developable high-density residential shortfall identified in the Canby Housing Needs Analysis.

**Allow cottages to be developed in clusters with shared central amenities** (such as open spaces) to allow for the development of small single-family detached housing clustered on a lot in the R-1, R-1.5, and R-2 zones. This housing type can provide a range of needed housing. Examples of cottage cluster housing across the state of Oregon include subsidized housing for homeless veterans to market rate developments focused on serving seniors. This policy is recommended because of a need for smaller scale, more affordable housing units.

**Identify opportunities to streamline the process and standards for designing and approving planned developments.** This policy will help to address the need for single-family detached housing in Canby. This policy is recommended so the city can explore ways to reduce the time and monetary costs of producing needed housing in Canby.

**Provide incentives to encourage developers to build planned developments with a variety of housing types,** including incentives to support the development of income-restricted housing. Examples include use of system development charge (SDC) credits for private financing and the use of tax increment financing (through new urban renewal district) for funding system roads and infrastructure. This policy will address the need for high-quality, range of housing types in Canby.

**Create SDC fee schedule that is scaled based on dwelling unit size.** Consider per square foot fees rather than fees per dwelling. This policy will reduce the up-front cost of developing smaller housing units while charging more to larger units, creating a more equitable regime of development fees.

# APPENDIX A

## Analysis of Subdivision Activity

<b>Canby Analysis of Approved Subdivisions, as of Aug 31, 2023</b> by Ryan Potter, May 2023, Updated by E. Porricolo Sept 6, 2023								
Project	Year Approved	Job #	Units	Gross Acres**	Gross Density**	Net Acres*	Net Density*	Status
<b>R-1, Low Density Residential</b>								
Beck Pond	2018	SUB 18-01	69	13.78	5.0	10.38	6.6	Built
Cougar Run	2018	SUB 18-02	23	5.00	4.6	3.83	6.0	Under Construction
Ivy Ridge Estates***	2018	SUB 18-04	90	24.68	3.6	14.29	6.3	Under Construction
DuPont/Territorial Place Estates	2019	SUB 18-05	9	1.96	4.6	1.64	5.5	Under Construction
Hamilton Acres	2019	SUB 18-06	41	9.14	4.5	6.69	6.1	Built
Tofte Farms 6	2019	SUB 19-02	16	4.06	3.9	3.00	5.3	Under Construction
Dodd's Farm	2020	SUB 19-03	82	19.32	4.2	13.95	5.9	Under Construction
Postlewait Estates	2020	SUB 20-01	9	1.95	4.6	1.82	4.9	Built
Northwood Estates 4	2021	SUB 21-01	15	4.45	3.4	3.40	4.4	Public Improvements
Hemmerling aka Territorial Gardens	2021	SUB 21-02/APP 21-02	15	3.17	4.7	2.50	6.0	Under Construction
Mark's Place (R-1 portion only)***	2022	SUB 21-03	150	52.00	2.9	27.07	5.5	Under Construction
Manzanita Apartments (R-1 portion only)	2023	NCS 22-01	0	0.31	0	0.31	0	Under Construction
<b>Average</b>					<b>3.83</b>		<b>5.21</b>	
<b>R-1.5, Medium Density Residential</b>								
Redwood Landing 2	2020	SUB 20-02	29	5.09	5.7	3.74	7.8	Built
Redwood Addition 2 (R-1.5 portion only)	2021	SUB 20-04	12	2.46	4.9	1.46	8.2	Under Construction
Beckwood Place	2021	SUB 20-05	42	6.68	6.3	5.12	8.2	Under Construction
Mark's Place (R-1.5 portion only)***	2022	SUB 21-03	17	2.90	5.9	2.26	7.5	Public Improvements
<b>Average</b>					<b>5.70</b>		<b>7.93</b>	
<b>R-2, High Density Residential</b>								
Trail Crossing Apartments	2017	DR 17-02	58	2.58	22.5	2.52	23.0	Built
Tievoli Apartments	2018	DR 18-01	8	0.56	14.3	0.56	14.3	Built
Pine Place	2018	SUB 18-03	6	0.42	15.8	0.42	14.3	Built
Bergman Square	2019	SUB 19-01	4	0.18	22.2	0.18	22.2	Built
Schneider Square	2020	SUB 20-03	4	0.15	26.7	0.15	26.7	Built
Redwood Addition 2 (R-2 portion only)***	2021	SUB 20-04	32	2.13	15.0	1.78	18.0	Under Construction
State Street Apartments	2021	DR 21-04/APP 21-03	12	0.44	27.3	0.44	27.3	Built
Monen/Wild Hare Rentals	2022	DR 21-12	8	0.52	15.4	0.52	15.4	Built
Manzanita Apartments (R-2 portion only)	2023	NCS 22-01	23	1.01	22.8	1.01	22.8	Under Construction
<b>Average</b>					<b>20.22</b>		<b>20.44</b>	

Source: analysis of new residential construction permits issued between 2017 and 2023, City of Canby Planning Dept.

\*Area of residential lots only.

\*\*Gross land area includes open space, private and public roadways.

\*\*\* Development site includes extraordinary environmental features and open space.

## Analysis of Minor Partitions

### City of Canby, Minor Partitions Resulting in New Housing Units: 2018-2023

	MLP 19-02	MLP 19-01	MLP 18-02	MLP 18-01	Total
Zone	R-1	R-2	R-1	R-2	
Parent Lot Size (acres)	0.49	0.12	0.39	0.74	1.74
Partition Area (acres)	0.47	0.10	0.39	0.74	1.71
Resulting Number of New Lots	2	2	2	2	8
Resulting Number of Developed Lots	2	2	2	2	8
Resulting Standard Lots	2		1	1	4
Resulting Small Lots		2	1		3
Resulting Apartments				8	8

\* analysis considers small lots to be under 8,300 SF.

Source: City of Canby, Planning Department, Nov. 27, 2023.



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