
Town of Lakeview and City of Paisley

Housing Needs Analyses

June 2019

Prepared for:

Town of Lakeview and City of Paisley

FINAL REPORT

ECONorthwest
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Executive Summary

This report presents a housing needs analysis consistent with requirements of Statewide Planning Goal 10 and OAR 660-008. The methods used for this study generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1996).

The primary goals of the housing needs analysis were to (1) project the amount of land needed to accommodate the future housing needs of all types within the Lakeview and Paisley Urban Growth Boundary (UGB), (2) evaluate the existing residential land supply within the Lakeview and Paisley UGB to determine if it is adequate to meet that need, (3) to fulfill state planning requirements for a twenty-year supply of residential land, and (4) identify policy and programmatic options for the City to meet identified housing needs.

What are the key housing needs in Lakeview and Paisley?

Following are several key issues identified in the housing needs analysis:

- **Lakeview and Paisley’s housing market is strongly impacted by the housing market in Lake County.** Lakeview and Paisley’s populations have declined since 1990, despite a 0.5% average annual population growth in Lake County from 1990 to 2017. About 46% of residents who live in Lakeview also work in Lakeview. About 7% of people who work in Paisley also live in Paisley. On average, incomes for residents living in both Lakeview and Paisley are higher than Lake County.

According to available data, median home sales prices in Lakeview were stable at about \$85,000 in 2017 and 2018. Median gross rental costs in Lakeview is similar to rents in Lake County, while median rental costs in Paisley are lower than Lakeview and Lake County. Lakeview and Paisley both have a relatively small share of housing that is multifamily housing (about 11% of all housing in Lakeview and 5% of all housing in Paisley).

A sizeable portion of the housing inventory in both communities are vacant. This is likely due to the issues Lakeview and Paisley face with housing conditions. Population growth will not drive demand for new housing over the 20-year analysis period, but it is likely that the need for demolition and replacement of units will drive housing development activity.

- **Demographic and economic trends will drive demand for relatively affordable attached single-family housing and multifamily housing in Lakeview and Paisley.** The key demographic trends that will affect Lakeview and Paisley’s future housing needs are: (1) the aging of the Baby Boomers, (2) aging of the Millennials, and (3) continued growth in the Latinx population.
 - *Baby Boomers.* By 2040, people 60 years and older will account for 43% of the population in Lake County (up from 37% in 2020). As the Baby Boomers age,

growth of retirees will drive demand for housing types specific to seniors, such as small and easy-to-maintain dwellings, assisted living facilities, or age-restricted developments.

- *Millennials.* The forecast for Lake County shows a shift in Millennials from about 17% of the population in 2020 to about 25% of the population in 2040. Growth in this population will result in increased demand for both ownership and rental opportunities. Millennials will be a key driver in demand for housing that is comparatively affordable and housing for families with children.
- *Latinx population.* Lakeview became more ethnically diverse, while the population identifying as Latinx declined slightly in Paisley. The Latinx population in Lakeview grew from 6% of the total population in 2000 to 10% of the total population in the 2012-2016 period. Growth in the number of Latinx households (particularly in Lakeview) will result in increased demand for housing of all types, both for ownership and rentals, with an emphasis on housing that is comparatively affordable. Latinx household sizes are more likely to be larger than average, with more children and possibly with multigenerational households.
- **Lakeview has an existing lack of affordable housing and both Lakeview and Paisley have a deficit of higher-amenity housing.** Lakeview and Paisley’s key challenge over the next 20 years is providing opportunities for development of all types of housing, from lower- to higher-cost single-family housing to lower-cost and market-rate multifamily housing.
 - About a third of Lakeview and about a quarter of Paisley households cannot afford a two-bedroom apartment at HUD’s fair market rent level of \$697 for Lake County.
 - In 2018, a household needed to earn \$13.40 an hour to afford a two-bedroom rental unit in Lake County.
 - Lakeview currently has a deficit of housing units that are affordable to households earning less than \$15,000. Lakeview also has a deficit of higher amenity housing units for households earning \$50,000 or more per year.
 - Paisley currently has a deficit of higher-amenity housing units that are affordable to households earning more than \$35,000.
 - About 32% of Lakeview’s households are cost burdened, with 44% of renters and 18% of homeowners paying more than 30% of their income on housing. About 14% Paisley’s households are cost burdened, with 17% of renters and 13% of homeowners paying more than 30% of their income on housing.

How much growth is Lakeview and Paisley planning for?

A 20-year population forecast (in this instance, 2019 to 2039) is the foundation for estimating the number of new dwelling units needed. Exhibit 1 and

Exhibit 2 show population forecasts for Lakeview and Paisley for the 2019 to 2039 period. The forecasts show that Lakeview and Paisley's populations will stay relatively static over the 20-year period.

Exhibit 1. Population Forecast, Lakeview UGB, 2019 to 2039

Source: Oregon Population Forecast Program, Portland State University, Population Research Center, June 2018.

3,175	3,173	-2	-0.1%
Residents in	Residents in	New residents	Percent Change
2019	2039	2019 to 2039	-0.003%
			AAGR

Exhibit 2. Population Forecast, Paisley UGB, 2019 to 2039

Source: Oregon Population Forecast Program, Portland State University, Population Research Center, June 2018.

266	275	9	3%
Residents in	Residents in	New residents	Percent Change
2019	2039	2019 to 2039	0.17%
			AAGR

The housing needs analysis assumes that Lakeview and Paisley's population will decline by two residents and Paisley's population will grow by nine residents, over the 2019 to 2039 period.

How much buildable residential land does Lakeview and Paisley currently have?

Exhibit 3 and Exhibit 4 show buildable residential acres by plan designation, after excluding constrained and unbuildable land. The results show that Lakeview has about 331 net buildable acres in residential plan designations. Of this, about 71% are in tax lots classified as vacant, and 29% are in tax lots classified as partially vacant. Buildable land in residential and multiple family Plan Designations together comprising 86% (284 acres) of total remaining buildable lands. Of Paisley's 83 unconstrained buildable residential acres, about 35% are in tax lots classified as vacant, and 65% are in tax lots classified as partially vacant. Buildable land in residential Plan Designation comprises 43% (36 acres) of total remaining buildable lands.

Exhibit 3. Buildable acres in vacant and partially vacant tax lots by plan designation, Lakeview UGB, 2018

Source: Lake County, ECONorthwest analysis.

Plan Designation	Total Buildable acres	Buildable acres on vacant lots	Buildable acres on partially vacant lots
Central Commercial	0	0	0
Highway Commercial	46	45	0
Residential	271	183	88
Residential - Multiple Family	13	8	6
Total	331	236	95

Exhibit 4. Buildable acres in vacant and partially vacant tax lots by plan designation, Paisley UGB, 2018

Source: Lake County, ECONorthwest analysis.

Plan Designation	Total Buildable acres	Buildable acres on vacant lots	Buildable acres on partially vacant lots
Commercial	2	2	0
Residential	36	2	34
Rural Center	45	25	20
Total	83	29	55

How much housing will Lakeview and Paisley need?

Housing demand in Lakeview will not be driven by population growth, meaning the Town does not need new dwelling units to accommodate population change between 2019 and 2039. Population growth in Paisley results in the city needing four new dwelling units over the 20-year analysis period. Given Paisley’s forecasted housing mix, all four new dwelling units will likely be single-family detached homes.

Both Lakeview and Paisley’s housing market is composed of aging housing stock (of which the majority of housing in Lakeview was built in the 1950’s and the majority of housing Paisley was built in the 1950s or 1980s). These findings suggest a need for higher-quality housing of all types, resulting in many of these homes potentially needing rehabilitation, or alternatively, demolition and redevelopment.

How much land will be required for housing?

Lakeview does not show a need for new housing over the 20-year planning period, and results in Lakeview having sufficient land to accommodate housing in each residential zoning designation.

Paisley’s 83 acres of vacant and partially vacant land (in the residential and rural community plan designations) has the capacity to accommodate 245 to 318 new dwelling units. Paisley has demand for four new housing units and has sufficient land to accommodate housing over the 2019 to 2039 period.

Exhibit 5 shows that Paisley has a surplus of capacity in each residential plan designations:

- **Residential:** Paisley has a surplus of capacity for about 140 to 178 dwelling units with about 41 gross acres of land to accommodate growth over the 2019 to 2039 period.
- **Rural Community:** Paisley has a surplus of capacity for about 155 to 196 dwelling units with about 44 gross acres of land to accommodate growth.

Exhibit 5. Comparison of capacity of existing residential land with demand for new dwelling units and land surplus or deficit, Paisley UGB, 2019 to 2039

Source: Buildable Lands Inventory; Calculations by ECONorthwest.

Plan Designation	Capacity (Dwelling Units)		Demand (Dwelling Units)	Remaining Capacity (Dwelling Units)		Land Sufficiency (Acres)	
	Low Est.	High Est.		Low Est.	High Est.	Low Est.	High Est.
Residential	142	180	2	140	178	41.2	41.4
Rural Community	157	198	2	155	196	44.3	44.5
Total	300	378	4	296	374	85.8	86.0

In summary, Lakeview and Paisley have sufficient land to accommodate residential growth over the 20-year period.

What are the Key Findings of the Housing Needs Analysis?

The key findings for Lakeview’s Housing Needs Analysis are that:

- Lakeview’s population is forecast to decline over the analysis period.
- The forecast for flat population growth suggests that Lakeview has no demand for new dwelling units over the planning period.
- Lakeview will have need for housing development over the planning period. The poor condition of existing housing will require rehabilitation or replacement of some existing housing. In addition, demographic changes will drive need for a wider variety of housing types, such as housing for seniors with universal design standards, multifamily housing, or small-lot, single-family housing that is comparatively affordable.
- Poor housing conditions are one of Lakeview’s primary housing issues. Nearly 55% of Lakeview’s housing was built before 1950. Only 20% of Lakeview’s housing was built since 1990. While age of housing does not necessarily indicate housing condition problems, the age of Lakeview’s housing stock plays a role in the poor condition of housing. Discussions with stakeholders in Lakeview confirmed that poor housing conditions is a substantial problem in Lakeview. The poor conditions are found in all types of housing but especially mobile homes or manufactured housing, as well as stick-built single-family detached housing. Actions that address housing condition will be key to addressing Lakeview’s housing needs.
- Lack of good condition housing is a barrier to economic development. Several large employers have difficulty attracting workers to Lakeview because of the lack of housing choices and the poor housing conditions. People have difficulty finding rental or ownership opportunities for housing in good condition. For example, the Forest Service has between 30 and 50 openings for jobs they would like to fill in Lakeview but

encounter difficulty in attracting workers because of a lack of housing. Staffing the Red Rock Biofuels manufacturing facility, which is expected to have about 40 permanent workers, may be challenging because of the lack of housing.

- Lakeview employers often have seasonal workers (present in the late spring through early fall), such as Forest Service or BLM employees or wildfire fighters. The increase in demand for housing from seasonal housing strains the already overly tight housing market. There is insufficient housing for seasonal workers in Lakeview.
- Lakeview has a deficit of housing affordable to current extremely low-income and low-income residents. Lakeview also needs housing affordable to higher-income households as the community lacks higher-amenity housing.
- Lakeview has a large surplus of capacity for all types of housing, but serviceability of land is a significant barrier to residential development.
- Lakeview has relatively little land for multifamily development. Lakeview only has 13 acres of land in the Residential Multifamily zone. Much of this land is in an area with slopes, making it more difficult to develop multifamily housing.

The key findings for Paisley’s Housing Needs Analysis are that:

- Paisley’s population is forecast to grow marginally over the analysis period. Paisley’s UGB is forecast to grow by nine people from 266 people in 2019 to 275 people in 2039.
- Paisley has demand for four new dwelling units over the analysis period. The four units will likely be single-family detached housing.
- Paisley will have need for housing development over the planning period. The aging of the Baby Boomers and the household formation of the Millennials increase need for a wider variety of housing types, such as housing for seniors with universal design standards or small-lot, single-family housing that is comparatively affordable. Further, Paisley’s existing need for housing for middle-income and high-income households indicates a need for a wider range of higher-amenity housing types, especially for homeowners.
- Paisley has a need for housing affordable to extremely-low and very-low income households and higher-income households.
- Paisley has sufficient land to accommodate new housing, but landowners may be reluctant to develop. Paisley has capacity for about 140 to 180 dwelling units in the Residential zone and another 155 to about 200 in the Rural Community zone. Discussions with stakeholders suggest that landowners are reluctant to sell or develop their land. Achieving more residential development may require the City to work with landowners, as they become willing to sell or develop their land.

1. Introduction

This report presents Lakeview and Paisley’s Housing Needs Analysis for the 2019 to 2039 period. It is intended to comply with statewide planning policies that govern planning for housing and residential development, including Goal 10 (Housing) and OAR 660 Division 8. The methods used for this study generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1996).

The Town of Lakeview has not updated its residential Comprehensive Plan policies since 1980. The Town of Lakeview has changed some since then. Lakeview declined from 2,770 people in 1980 to 2,300 people in 2017. This is a loss of 470 people or -17% growth. Since 2000, Lakeview’s population has grown a little younger on average. Lakeview has also become more ethnically diverse, consistent with statewide trends.

The City of Paisley has not updated its residential Comprehensive Plan policies since 1980. The city has changed some since then. Paisley declined from 348 people in 1980 to 270 people in 2017. This is a loss of 73 people or -21% growth. Since 2000, Paisley’s population has grown older on average, consistent with statewide trends. At the same time, housing costs have risen faster than incomes, making housing less affordable.

This report provides Lakeview and Paisley with a factual basis to update the Housing Element of the community’s Comprehensive Plan, and to support future planning efforts related to housing and options for addressing unmet housing needs in Lakeview and Paisley. This report provides information that informs future planning efforts, including development and redevelopment. This report provides the communities with information about the housing market in Lakeview and Paisley and describes the factors that will affect future housing demand in Lakeview and Paisley, such as changing demographics. This analysis will help decision makers understand whether Lakeview and Paisley have enough land to accommodate growth over the next 20 years.

Framework for a Housing Needs Analysis

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

Thus, housing choices of individual households are influenced in complex ways by dozens of factors and the housing market in Lake County and Lakeview and Paisley are the result of the

individual decisions of hundreds of households. These points help to underscore the complexity of projecting what types of housing will be built in Lakeview and Paisley between 2019 and 2039.

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

Statewide Planning Goal 10

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 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).¹ 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 urban growth boundary 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.²
- (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.

¹ ORS 197.296 only applies to cities with populations over 25,000.

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

(e) Housing for farmworkers.

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

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

Public Process

At the broadest level, the purpose of the project was to understand how much Lakeview and Paisley will grow over the next 20 years. The project can be broken into two components (1) technical analysis, and (2) housing strategies. Both benefit from public input. The technical analysis required a broad range of assumptions that influence the outcomes; the housing strategy is a series of high-level policy choices that will affect Lakeview and Paisley residents.

The intent of the public process was to establish broad public engagement throughout the project as work occurs. Public engagement was accomplished through various avenues. We discuss the two primary avenues below.

Project Advisory Committee Engagement

The Town of Lakeview, City of Paisley, and ECONorthwest solicited public input from an ad-hoc Project Advisory Committee. The Project Advisory Committee met five times³ to discuss project assumptions, results, and implications. The project relied on the Project Advisory Committee to review draft products and provide input at key points (e.g. before recommendations and decisions were made and before draft work products were finalized).

The project required many assumptions and policy choices that the committee needed to vet and agree upon, as these choices affect current and future residents. In short, local review and community input were essential to developing a locally appropriate and politically viable housing needs analysis and housing strategy.

Public Engagement

The Town of Lakeview, City of Paisley, and ECONorthwest solicited input from the general public at two public meetings. The first meeting, held on March 20, 2019, solicited comments on the preliminary results of the housing needs analysis. The second public meeting, held on May 15, 2019, solicited comments on the final results of the housing needs analysis and housing strategy.

³ Project Advisory Committee meeting dates: January 16, 2019; February 13, 2019; March 20, 2019; April 10; and June 5, 2019.

Organization of this Report

The rest of this document is organized as follows:

- **Chapter 2. Residential Buildable Lands Inventory** presents the methodology and results of Lakeview and Paisley’s inventory of residential land.
- **Chapter 3. Historical and Recent Development Trends** summarizes the state, regional, and local housing market trends affecting Lakeview and Paisley’s housing market.
- **Chapter 4. Demographic and Other Factors Affecting Residential Development in Lakeview and Paisley** presents factors that affect housing need in Lakeview and Paisley, focusing on the key determinants of housing need: age, income, and household composition. This chapter also describes housing affordability in Lakeview and Paisley relative to the larger region.
- **Chapter 5. Housing Need in Lakeview and Paisley** presents the forecast for housing growth in Lakeview and Paisley, describing housing need by density ranges and income levels.
- **Chapter 6. Residential Land Sufficiency within Lakeview and Paisley** estimates Lakeview and Paisley’s residential land sufficiency needed to accommodate expected growth over the planning period.
- **Appendix A. Residential Buildable Lands Inventory** provides an overview of the buildable land inventory methodology and results.

2. Residential Buildable Lands Inventory

The general structure of the standard method BLI analysis is based on the DLCD HB 2709 workbook “*Planning for Residential Growth – A Workbook for Oregon’s Urban Areas,*” which specifically addresses residential lands. The steps and sub-steps in the supply inventory are:

1. Calculate the gross vacant acres by plan designation, including fully vacant and partially vacant parcels.
2. Calculate gross buildable vacant acres by plan designation by subtracting unbuildable acres from total acres.
3. Calculate net buildable acres by plan designation, subtracting land for future public facilities from gross buildable vacant acres.
4. Calculate total net buildable acres by plan designation by adding redevelopable acres to net buildable acres.

The methods used for this study are consistent with many others completed by ECONorthwest that have been acknowledged by DLCD and LCDC. A detailed discussion of the methodology used in this study is provided in Appendix A. The BLIs for Lakeview and Paisley includes all residential land designated in the comprehensive plan within the Lakeview UGB and Paisley UGB. From a practical perspective, this means that all lands within tax lots identified by the Lake County Assessor’s Office that fall within the UGBs were inventoried. ECO used the most recent tax lot shapefile from the Lake County for the analysis. The inventory then builds from the tax lot-level database to estimates of buildable land by plan designation.

Residential Buildable Land Inventory Results

Land Base

As defined above, the land base for the Lakeview residential BLI includes all tax lots in the urban growth boundary (UGB) in residential plan designations. Exhibit 6 shows the land base by generalized plan designation in the UGB. There are 2,300 tax lots in the land base, accounting for 1,826 acres. There are three tax lots that are split between two or more plan designations like residential and residential – multiple family.

Exhibit 6. Land base by plan designation, Lakeview UGB, 2018

Plan Designation	Number of taxlots	Percent	Total taxlot acreage	Percent
Central Commercial	118	5%	36	2%
Highway Commercial	514	22%	509	28%
Residential	1,666	72%	1,250	68%
Residential - Multiple Family	7	0%	32	2%
Total	2,300	100%	1,826	100%

Source: Lake County, ECONorthwest analysis

*The sum tax lots do not equal the total number of tax lots due to split plan designations.

The land base for the Paisley residential BLI includes all tax lots in the urban growth boundary (UGB) in residential plan designations. Exhibit 7 shows the land base by generalized plan designation in the UGB. There are 199 tax lots in the land base, accounting for 212 acres.

Exhibit 7. Land base by plan designation, Paisley UGB, 2018

Plan Designation	Number of taxlots	Percent	Total taxlot acreage	Percent
Commercial	29	15%	6	3%
Residential	22	11%	51	24%
Rural Center	148	74%	154	73%
Total	199	100%	212	100%

Source: Lake County, ECONorthwest analysis

Development Status

Exhibit 8 and Exhibit 9 show total acres in tax lots classified by development status for Lakeview and Paisley. We used a rule-based classification (defined in the methods and definitions in Appendix A) to define an initial development status. Then, we used a rapid visual assessment method to confirm this development status using aerial imagery.

Exhibit 8. Development status before constraints are applied, by plan designation, Lakeview UGB, 2018

Plan Designation	Total acres on vacant taxlots	Total acres on partially vacant taxlots	Total committed acres		
			Developed	Undevelopable	Public or exempt
Central Commercial	1	0	13	2	21
Highway Commercial	219	22	233	4	31
Residential	513	133	336	8	260
Residential - Multiple Family	17	12	0	0	2
Total	750	167	582	14	314

Source: Lake County, ECONorthwest analysis

Exhibit 9. Development status before constraints are applied, by plan designation, Paisley UGB, 2018

Plan Designation	Total acres on vacant taxlots	Total acres on partially vacant taxlots	Total committed acres		
			Developed	Undevelopable	Public or exempt
Commercial	2	0	5	0	0
Residential	2	44	5	0	0
Rural Center	62	61	29	0	2
Total	66	105	39	0	2

Source: Lake County, ECONorthwest analysis

Exhibit 10 and Exhibit 11 show development status with constraints applied and resulting in buildable acres. Of the 1,826 total acres in the Lakeview land base, 569 are committed acres, 926 are constrained acres, and 331 are buildable acres.

The buildable lands inventory identifies the following as constraints that prohibit development: floodways and floodplains, wetlands, and steep slopes above 25%. Vacant or partially vacant land with these constraints are considered unavailable for development and removed from the inventory of buildable land.

Exhibit 10. Development status with constraints, by plan designation, Lakeview UGB, 2018

Plan Designation	Total acres	Committed acres	Constrained acres	Buildable acres
Central Commercial	36	22	14	0
Highway Commercial	509	141	322	46
Residential	1,250	404	574	271
Residential - Multiple Family	32	2	16	13
Total	1,826	569	926	331

Source: Lake County, ECONorthwest analysis

Of the 212 total acres in the Paisley land base, 34 are committed acres, 95 are constrained acres, and 83 are buildable acres.

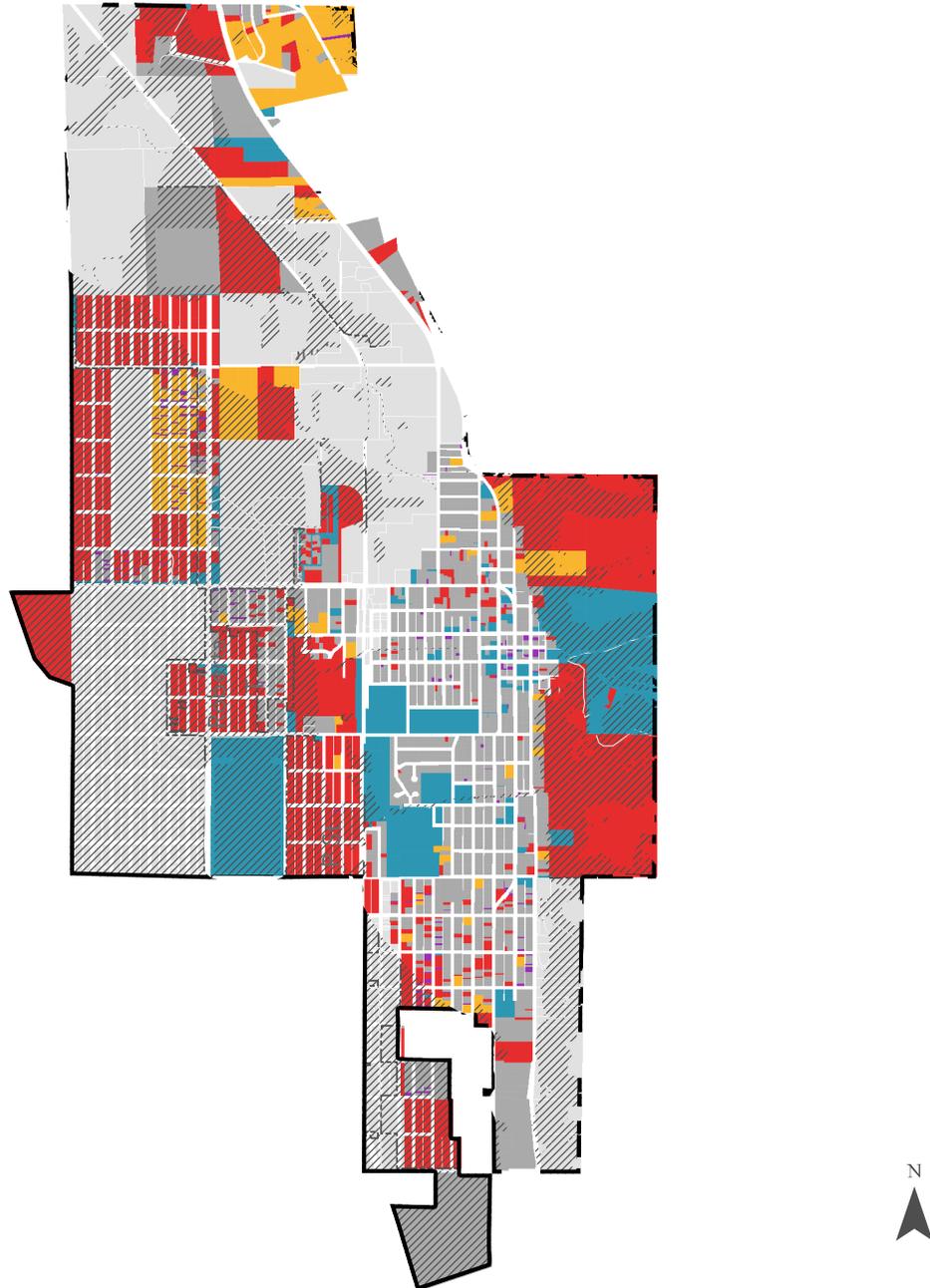
Exhibit 11. Development status with constraints, by plan designation, Paisley UGB, 2018

Plan Designation	Total acres	Committed acres	Constrained acres	Buildable acres
Commercial	6	5	0	2
Residential	51	4	11	36
Rural Center	154	25	84	45
Total	212	34	95	83

Source: Lake County, ECONorthwest analysis

Exhibit 12 and Exhibit 13 show residential land by development status with constraints overlaid.

Lakeview HNA Buildable Lands Inventory Development Status



019
Source: ECONorthwest; Town of Lakeview; Lake County

Paisley HNA Buildable Lands Inventory

Development Status



nty

Vacant Buildable Land

Exhibit 14 and Exhibit 15 show buildable acres (i.e., acres in tax lots after constraints are deducted) for vacant and partially vacant land by plan designation. Of Lakeview’s 331 unconstrained buildable residential acres, about 71% are in tax lots classified as vacant, and 29% are in tax lots classified as partially vacant. Lakeview has about 331 buildable acres in residential designations, 271 acres of which is in Residential.

Exhibit 14. Buildable acres in vacant and partially vacant tax lots by plan designation, Lakeview UGB, 2018

Plan Designation	Total Buildable acres	Buildable acres on vacant lots	Buildable acres on partially vacant lots
Central Commercial	0	0	0
Highway Commercial	46	45	0
Residential	271	183	88
Residential - Multiple Family	13	8	6
Total	331	236	95

Source: Lake County, ECONorthwest analysis.

Of Paisley’s 83 unconstrained buildable residential acres, about 35% are in tax lots classified as vacant, and 65% are in tax lots classified as partially vacant. Paisley has about 83 buildable acres in residential designations, 36 acres of which is in Residential.

Exhibit 15. Buildable acres in vacant and partially vacant tax lots by plan designation, Paisley UGB, 2018

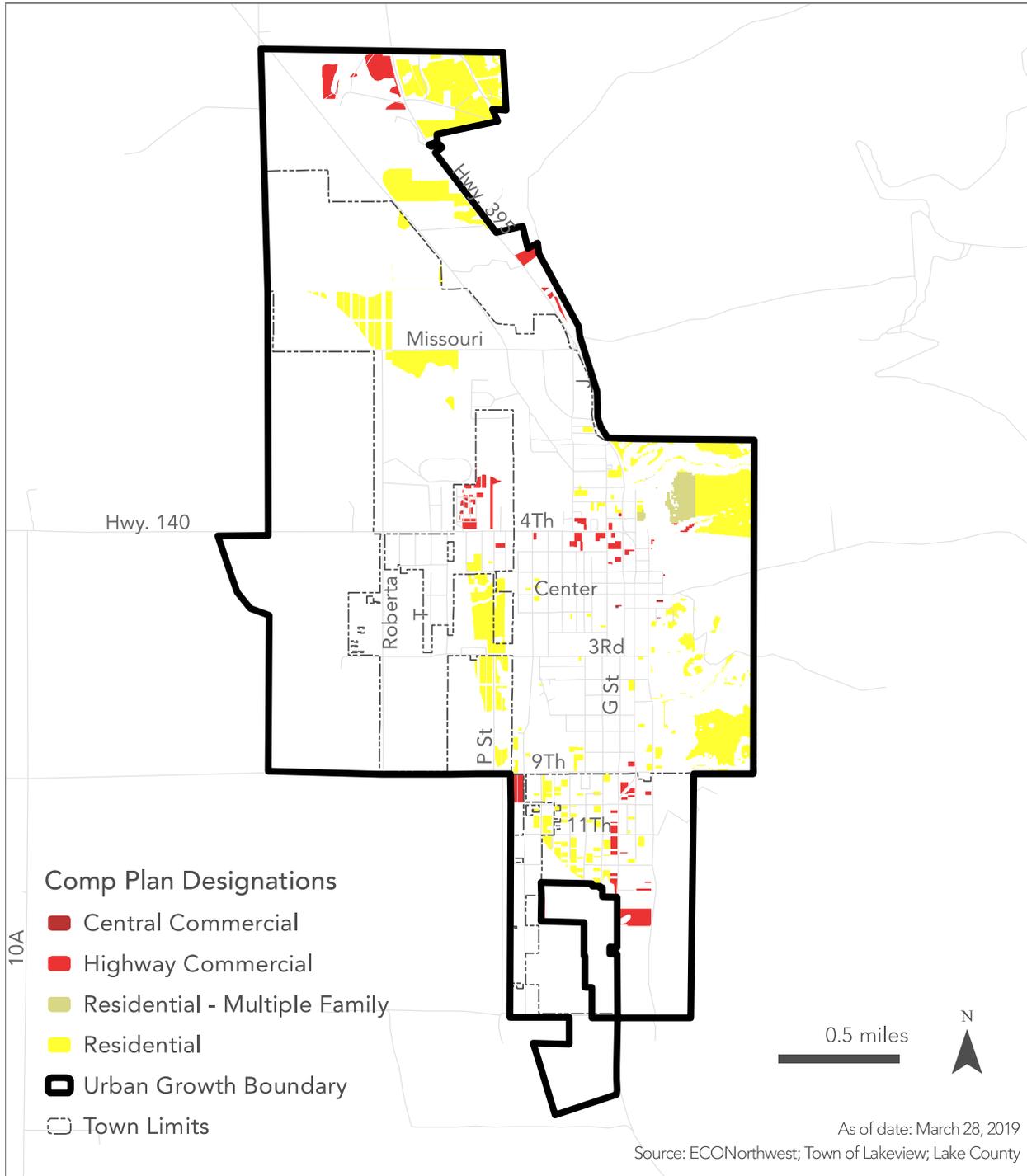
Plan Designation	Total Buildable acres	Buildable acres on vacant lots	Buildable acres on partially vacant lots
Commercial	2	2	0
Residential	36	2	34
Rural Center	45	25	20
Total	83	29	55

Source: Lake County, ECONorthwest analysis. Note: values are rounded.

Exhibit 16 and Exhibit 17 show Lakeview and Paisley’s buildable vacant and partially vacant residential land.

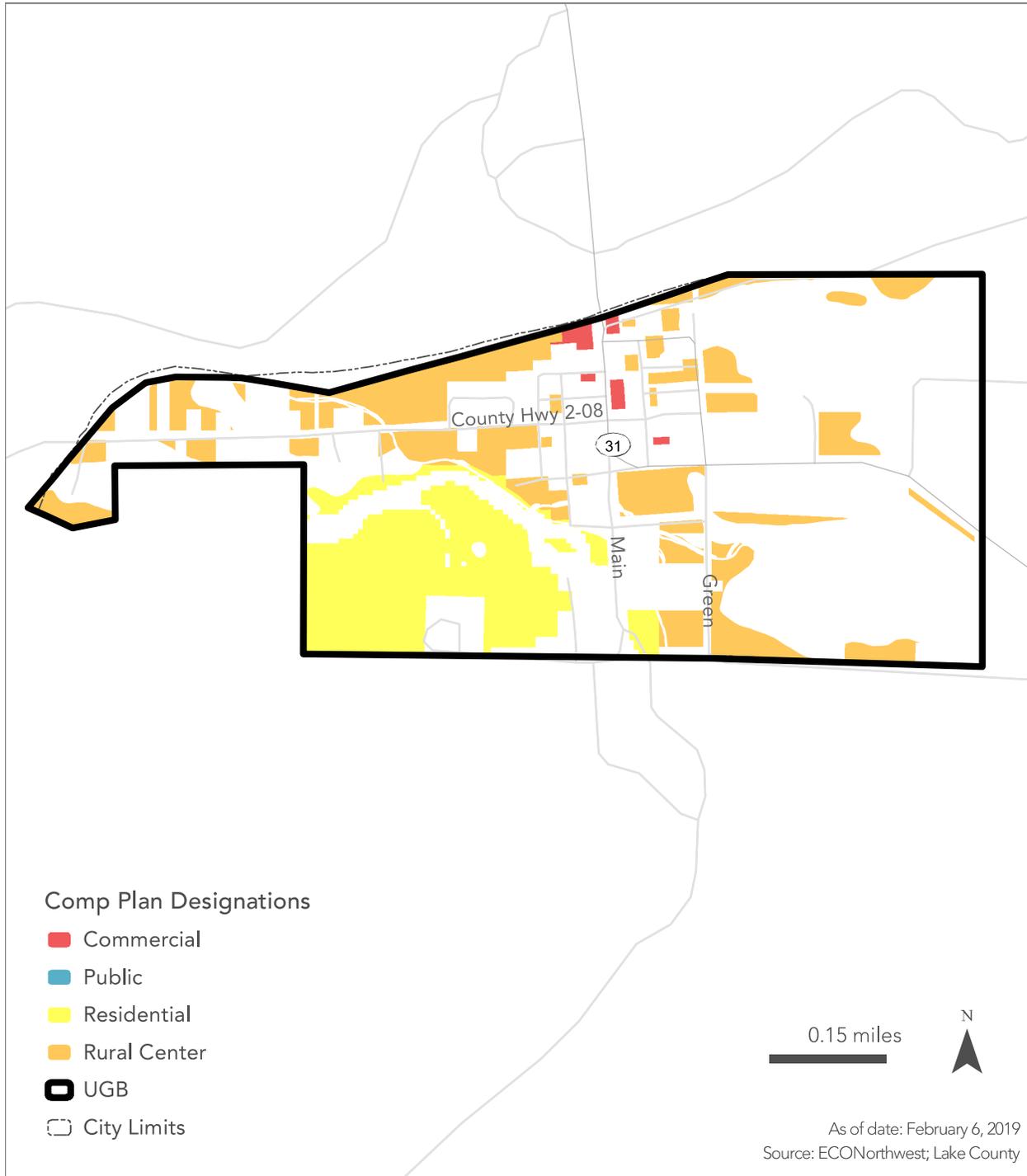
able Lands Inventory

Unconstrained Vacant and Partially Vacant



Paisley Buildable Lands Inventory

Vacant and Partially Vacant Land



3. Historical and Recent Development Trends

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

1. Determine the time period for which the data 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.

This Housing Needs Analysis examines changes in Lakeview and Paisley's housing market from 2000 to 2017. We selected this time period because: the period provides information about Lakeview and Paisley's housing market before and after the national housing market bubble's growth, deflation, and the more recent increase in housing costs. Also, data about Lakeview and Paisley's housing market during this period is readily available from sources such as the Census.

This Housing Needs Analysis 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 197.303:⁴

- **Single-family detached** includes single-family detached units, manufactured homes on lots and in mobile home parks, and accessory dwelling units.

⁴ ORS 197.303 defines needed housing 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 urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes."

- **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.

In Lakeview and Paisley, government assisted housing (ORS 197.303(b)) and housing for farmworkers (ORS 197.303(e)) can be any of the housing types listed above. Analysis within this report discusses housing affordability at a variety of incomes, as required in ORS 197.303.

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 and 2013 to 2017, the ACS sampled an average of 3.5 million households per year, 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.
- The **Multiple Listing Service database for Lakeview**, which provides housing sale price data by property and in aggregate for January – December 2017 and January – December 2018.

This report uses data from the 2012-2016 ACS for Lakeview and Paisley. Where information is available and relevant, we report information from the 2000 and 2010 Decennial Census.

Among other data points, this report includes population, income, and housing price data from the Oregon Office of Economic Analysis, the Oregon Bureau of Labor and Industries, the United States Department of Housing and Urban Development, and Multiple Listing Service. It also

uses the Oregon Department of Housing and Community Services affordable housing inventory and Oregon’s Manufactured Dwelling Park inventory.

The foundation of the housing needs analysis is the population forecast for Lakeview and Paisley from the Oregon Population Forecast Program. The forecast is prepared by the Portland State University Population Research Center.

It is worth commenting on the methods used for the American Community Survey.⁵ The American Community Survey (ACS) is a national survey that uses continuous measurement methods. It uses a sample of about 3.54 million households to produce annually updated estimates for the same small areas (census tracts and block groups) formerly surveyed via the decennial census long-form sample. It is also important to keep in mind that all ACS data are estimates that are subject to sample variability. This variability is referred to as “sampling error” and is expressed as a band or “margin of error” (MOE) around the estimate.

This report uses Census and ACS data because, despite the inherent methodological limits, they represent the most thorough and accurate data available to assess housing needs. We consider these limitations in making interpretations of the data and have strived not to draw conclusions beyond the quality of the data.

Trends in Housing Mix

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

This section shows the following trends in housing mix in Lakeview and Paisley:

- **Lakeview’s housing stock is predominantly single-family detached housing units.** Eighty-seven percent of Lakeview’s housing stock is single-family detached, 11% is multifamily, and 3% is single-family attached (e.g., townhouses).
- **Since 2000, Lakeview’s housing mix has remained relatively stable.** Lakeview’s housing stock grew by about 14% (adding 187 new units) between 2000 and the 2013-2017 period.
- **Paisley’s housing stock is predominately single-family detached housing units.** Ninety-five percent of Paisley’s housing stock is single-family detached, 5% is multifamily, and 0% is single-family attached.
- **Since 2000, Paisley’s housing mix has remained relatively stable with slight growth in multifamily unit composition.** Paisley’s housing stock grew by about

⁵ A thorough description of the ACS can be found in the Census Bureau’s publication “What Local Governments Need to Know.” <https://www.census.gov/library/publications/2009/acs/state-and-local.html>

15% (adding 21 new units) between 2000 and 2013-2017. Paisley experienced growth in multifamily housing, which grew from 1% to 5% of the total housing stock.

- **Single-family detached housing accounted for the majority of new housing growth throughout Lake County between 2000 and 2017.** Ninety-nine percent of new housing permitted in the county between 2000 and 2017 was single-family housing.

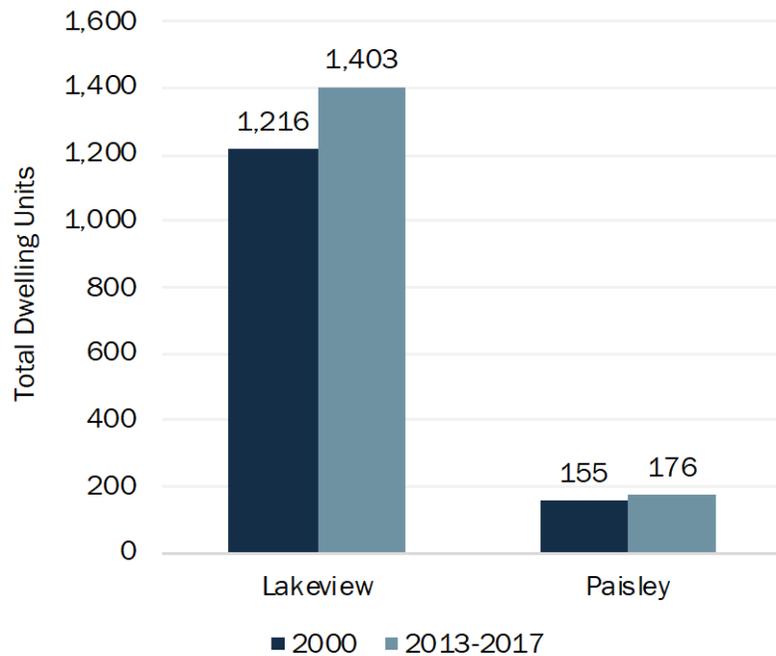
Housing Mix

The total number of dwelling units in Lakeview and Paisley increased by 15% and 14%, respectively, from 2000 to the 2013-2017 period.

Lakeview added 187 units since 2000 and Paisley added 21 units.

Exhibit 18. Total Dwelling Units, Lakeview and Paisley, 2000 and 2013-2017

Source: U.S. Census Bureau, 2000 Decennial Census, SF3 Table H030, and ACS 2013-2017 5-year estimates, Table B25024.



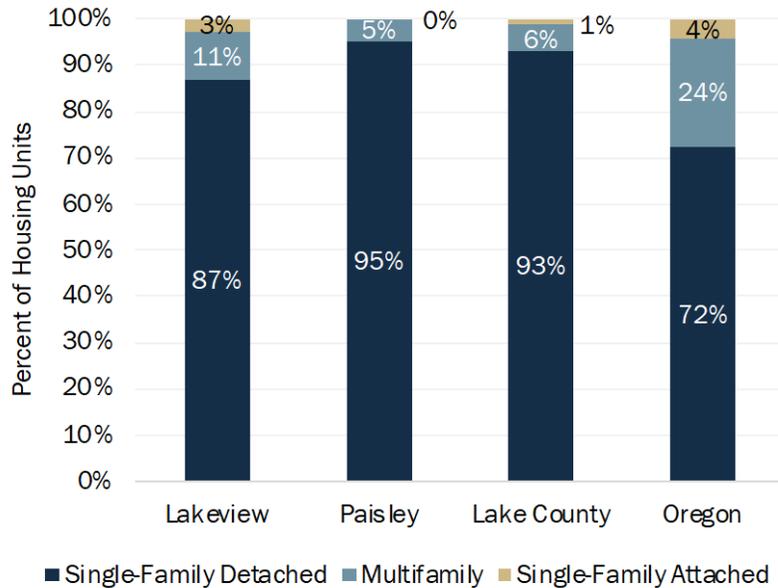
A majority of housing in Lakeview (87%) and Paisley (95%) are single-family detached homes.

About 11% of Lakeview’s housing stock was multifamily housing, compared to 5% in Paisley, and 6% for the County.

About 9% of Lakeview’s housing stock was manufactured or mobile homes.

Exhibit 19. Housing Mix, Lakeview, Paisley, Lake County, and Oregon, 2013-2017

Source: U.S. Census Bureau, ACS 2013-2017 5-year estimates, Table B25024.

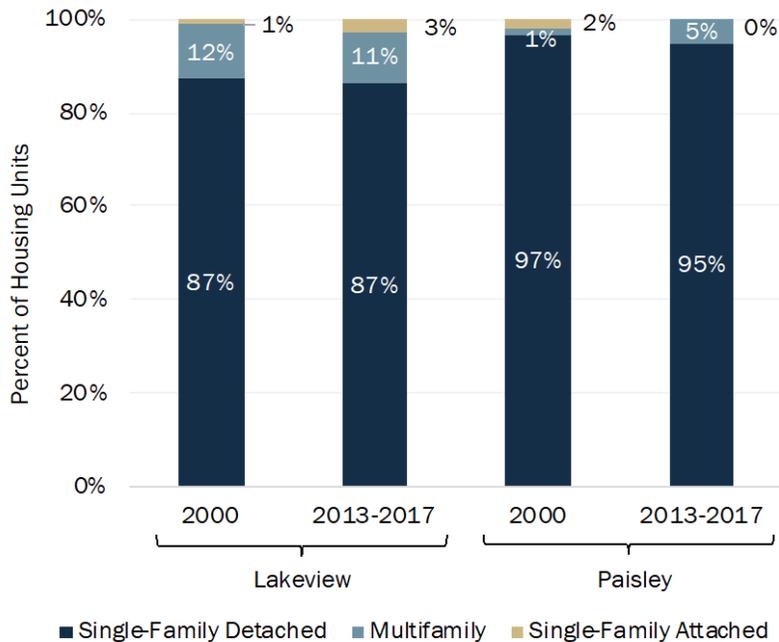


Lakeview and Paisley’s housing mix stayed relatively constant over 2000 to 2013-2017.

Lakeview’s share of single-family attached housing increased from 1% of total housing in 2000 to 3% in the 2013-2017 period.

Exhibit 20. Change in Housing Mix, Lakeview and Paisley, 2000 and 2013-2017

Source: U.S. Census Bureau, 2000 Decennial Census, SF3 Table H030, and ACS 2013-2017 5-year estimates, Table B25024.



Housing Development

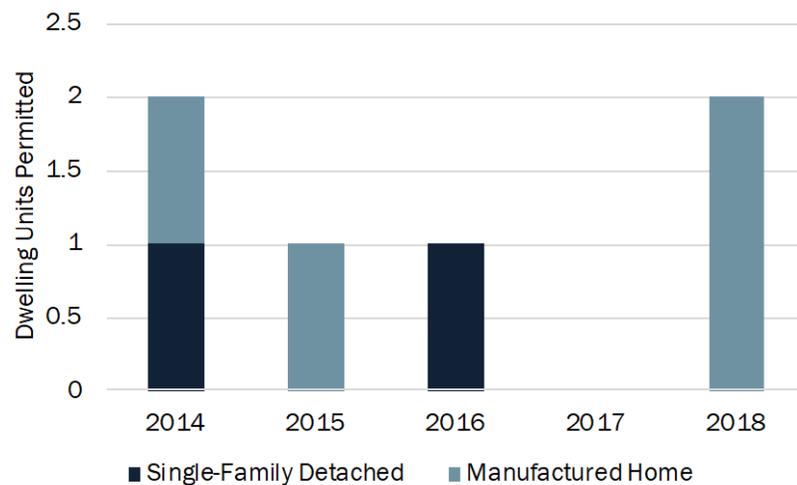
As a proxy to building permits (and to supplement Lakeview's building permits⁶), this section uses data from the 2013-2017 American Community Survey 5-Year Estimates to understand the pace of historical housing development in Lakeview and Paisley. Project stakeholders explain that Lakeview and Paisley both have an older housing stock, with many units in poor condition. Housing condition is Lakeview's primary housing challenge, with so much of the town's housing stock built before 1950 and about 9% of the town's housing stock in manufactured or mobile homes.

Between 2014 and 2018, the Town of Lakeview permitted six new dwelling units, four of which (67%) were manufactured homes.

Between 2014 and 2018, Lakeview did not permit multifamily units.

Exhibit 21. Dwelling Units Permitted, Lakeview, 2014 to 2018

Source: Town of Lakeview.



⁶ The Town of Lakeview platted Creekside Subdivision in 2007. It has seven homes.

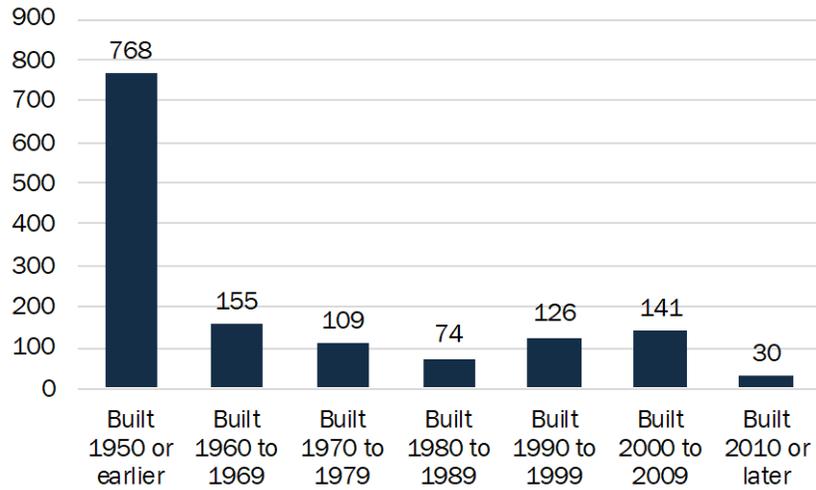
According to the Census, since 2010, 30 housing units were built. Of the 30 units built, 22 were built as of 2014.

Every ten years since 1960, housing development averaged 91 new housing units.

The median year of all structures built was 1958.

Exhibit 22. Year Structure was Built, Lakeview, 2010 or Later - 1950 and earlier

Source: Census Bureau, ACS 2013-2017 5-year estimates, Table B25034.



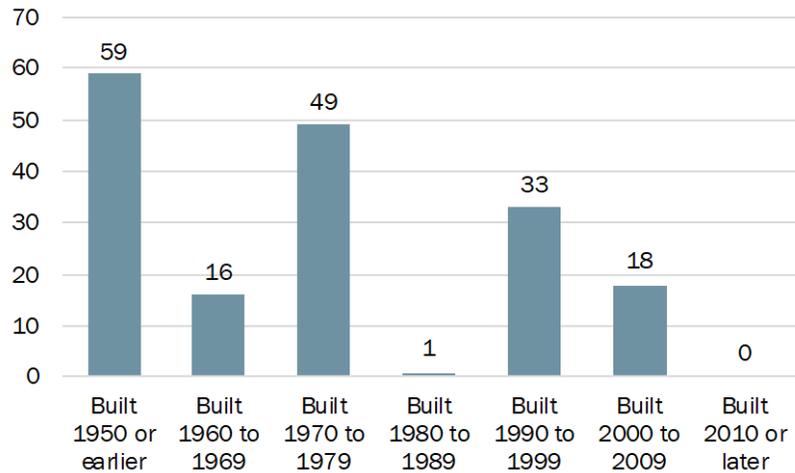
According to the Census, since 2010, no new housing units were built.

Decade to decade, housing development varied in Paisley.

The median year of all structures built was 1973.

Exhibit 23. Year Structure was Built, Paisley, 2010 or Later - 1950 and earlier

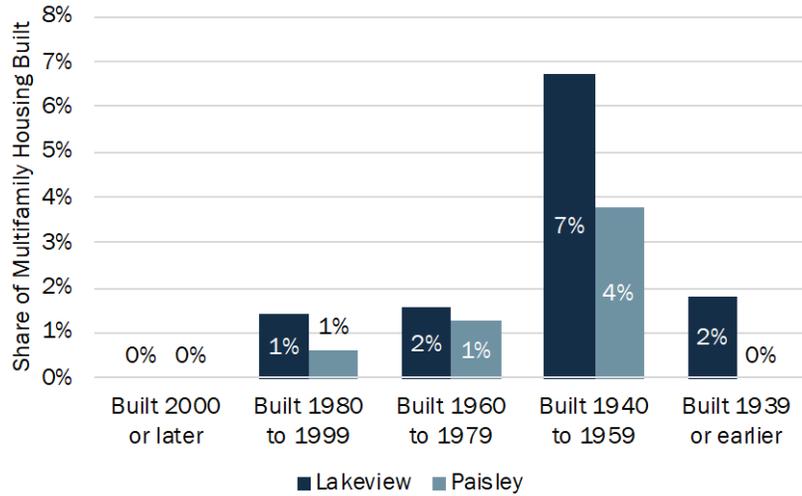
Source: U.S. Census Bureau, ACS 2013-2017 5-year estimates, Table B25034.



A majority of Lakeview and Paisley’s multifamily units were built between 1940 and 1960.

Exhibit 24. Multifamily Structure by Year Built, Lakeview and Paisley, 2010 or Later - 1950 and earlier

Source: U.S. Census Bureau, ACS 2013-2017 5-year estimates, Table B25034.



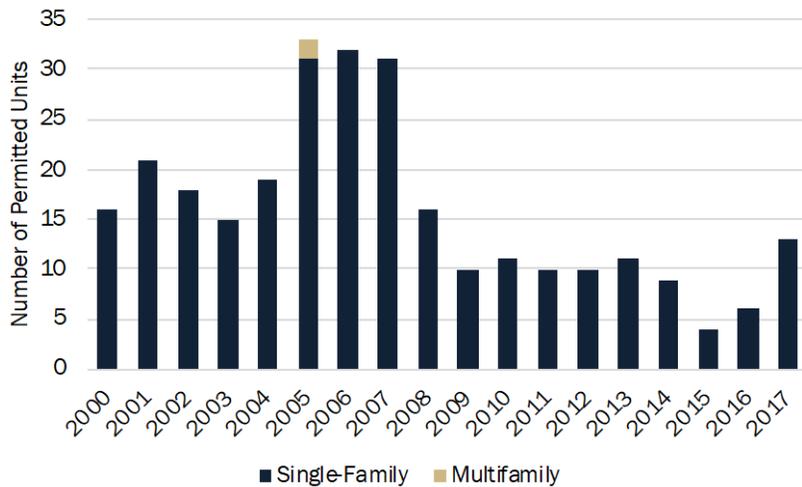
Over the 2000 to 2017 analysis period, jurisdictions across Lake County issued permits for 285 dwelling units, with an annual average of 17 permits issued.

Of these 285 permits, about 99% were permits for single-family dwelling units.

Note: HUD’s permit database for Lakeview and Paisley shows only three permits issued in Paisley and seven permits issued in Lakeview between 2000 and 2017.

Exhibit 25. Housing Units Permitted by Type, Lake County, 2000 to 2017

Source: SOCDs Building Permit Database, U.S. Department of Housing and Urban Development.



Trends in Tenure

Housing tenure describes whether a dwelling unit is owner-occupied or renter-occupied. This section shows:

- **Trends in tenure for Lakeview:**
 - Homeownership rates in Lakeview are lower than homeownership rates in Lake County and Oregon. About 56% of Lakeview households own their own home, compared to 62% of Lake County households and 61% of Oregon households.
 - Homeownership rates in Lakeview decreased between 2000 and 2012-2016. In 2000, 65% of Lakeview households were homeowners, which dropped to 60% in 2010 and 56% in 2012-2016.
 - All Lakeview homeowners (100%) live in single-family detached housing, while 28% of renters live in multifamily housing.

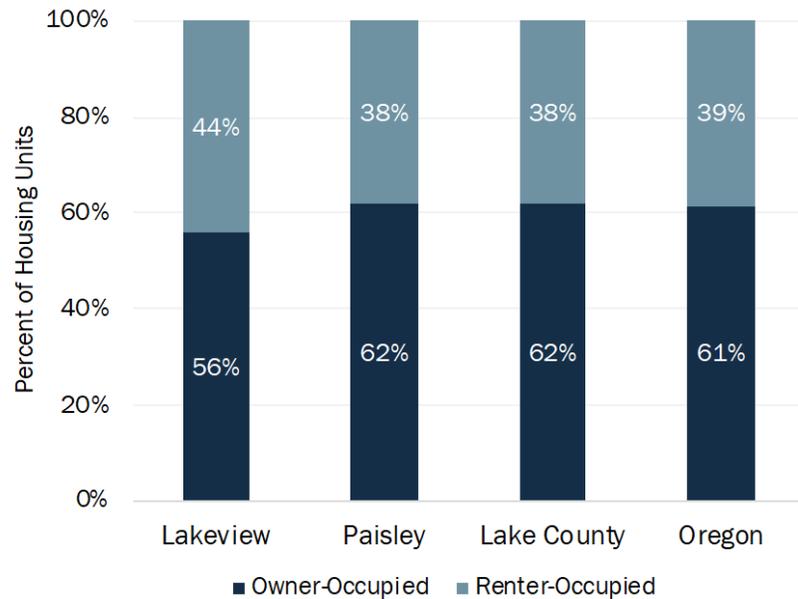
- **Trends in tenure for Paisley:**
 - Homeownership rates in Paisley are similar to rates in Lake County and Oregon. About 62% of Paisley households own their own home, compared to 62% of Lake County households and 61% of Oregon households are homeowners.
 - Homeownership rates in Paisley decreased between 2000 and 2012-2016. In 2000, 67% of Paisley households were homeowners, which dropped to 62% in 2010. Homeownership stayed static at 62% from 2010 to 2012-2016.
 - All Paisley homeowners (100%) live in single-family detached housing, while 13% of renters live in multifamily housing.

For both Lakeview and Paisley, the implications for the forecasts of new housing is that opportunities for rental housing are limited, given the small amount of multifamily or attached housing in both jurisdictions.

The homeownership rate in Paisley (62%) is similar to homeownership in Lake County (62%) and Oregon (61%). The homeownership rate in Lakeview is slightly lower, at 56%.

Exhibit 26. Tenure, Occupied Units, Lakeview, Paisley, Lake County, and Oregon, 2012-2016

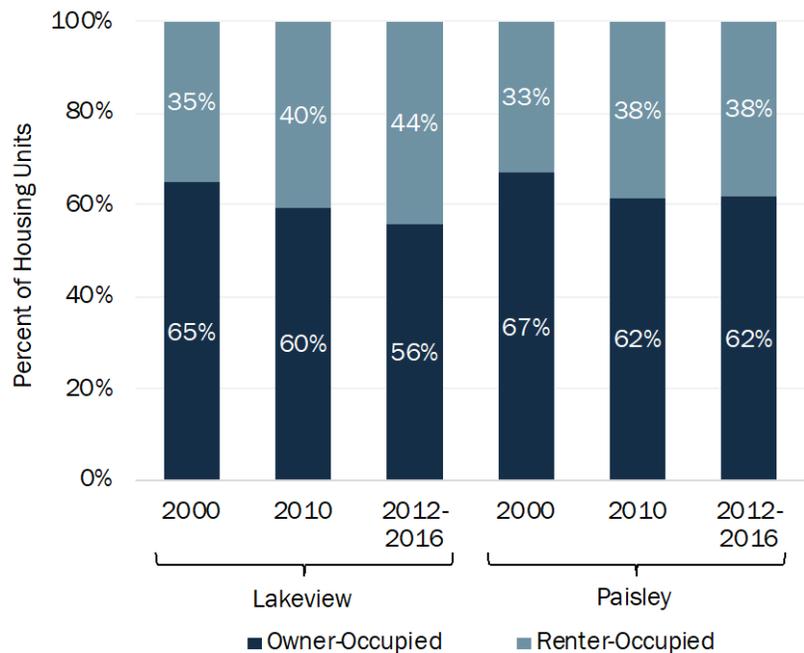
Source: U.S. Census Bureau, ACS 2012-2016 5-year estimates, Table B24003.



Homeownership rates declined in Lakeview from 65% in 2000 to 56% during the 2012-2016 period. Homeownership in Paisley declined from 67% in 2000 to 62% in 2010. It has remained constant since 2010 at 62%.

Exhibit 27. Tenure, Occupied Units, Lakeview and Paisley, 2000, 2010, and 2012-2016

Source: U.S. Census Bureau, 2000 Decennial Census SF1 Table H004, 2010 Decennial Census SF1 Table H4, ACS 2012-2016 5-year estimates, Table B24003.



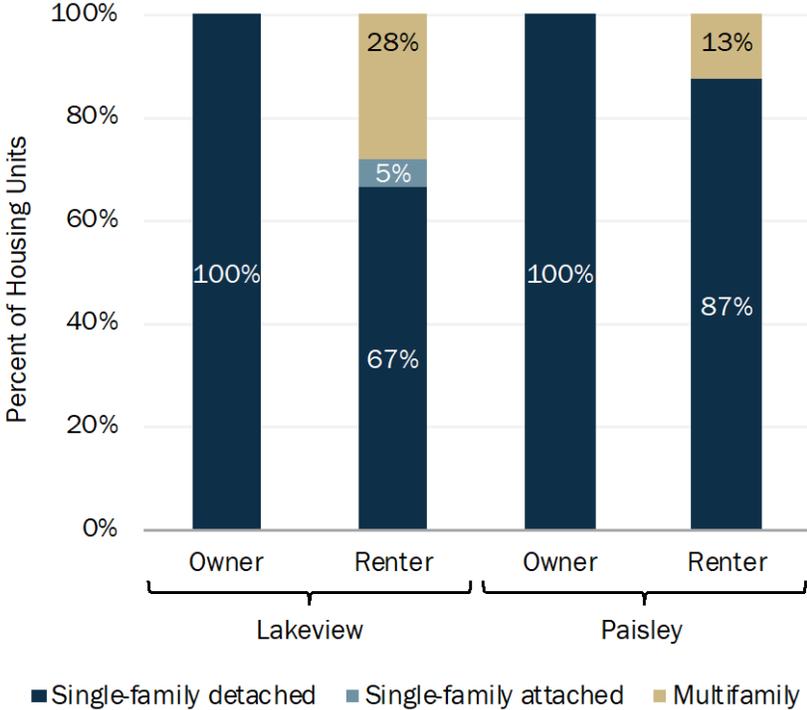
In Lakeview and Paisley, all homeowners live in single-family detached housing.

In Lakeview, 28% of renters live in multifamily units and 5% live in single-family attached units.

In Paisley, 13% of renters live in multifamily units and no renters live in single-family attached units.

Exhibit 28. Housing Units by Type and Tenure, Lakeview and Paisley, 2012-2016

Source: U.S. Census Bureau, ACS 2012-2016 5-year estimates Table B25032.



Vacancy Rates

Housing vacancy is a measure of housing that is available to prospective renters and buyers. It is also a measure of unutilized housing stock. The Census defines vacancy as: "Unoccupied housing units... determined by the terms under which the unit may be occupied, e.g., for rent, for sale, or for seasonal use only." The 2010 Census identified vacancy through an enumeration, separate from (but related to) the survey of households. Enumerators are obtained using information from property owners and managers, neighbors, rental agents, and others.

According to the 2013-2017 Census, the vacancy rate was 9.1% for Lakeview and 9.7% for Paisley, compared to 21.8% for Lake County and 9.3% for Oregon.

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 two government-assisted housing developments in Lakeview:⁷

- Aspen Court has 16 total units and all 16 units are affordable housing for seniors and persons with disabilities.
- Lakeview Commons has 28 total units and 27 of the units are affordable housing for families.

There are no government-assisted housing developments in Paisley.

⁷ Oregon Housing and Community Services. (Nov. 2018). Affordable Housing Inventory in Oregon. Retrieved from: <https://www.oregon.gov/ohcs/Pages/research-multifamily-housing-inventory-data.aspx>.

Manufactured Homes

Manufactured homes provide a source of affordable housing in Lakeview (none are available in Paisley according to the Oregon Manufactured Dwelling Park Directory). They provide a form of homeownership that can be made available to low- and moderate-income households. Cities are required to plan for manufactured homes—both on lots and in parks (ORS 197.475-492).

Generally, manufactured homes in parks are owned by the occupants who pay rent for the space. Monthly housing costs are typically lower for a homeowner in a manufactured home park for several reasons, including the fact that property taxes levied on the value of the land are paid by the property owner, rather than the manufactured home owner. The value of the manufactured home generally does not appreciate in the way a conventional home would, however. Manufactured homeowners in parks are also subject to the mercy of the property owner in terms of rent rates and increases. It is generally not within the means of a manufactured homeowner to relocate to another manufactured home to escape rent increases. Homeowners living in a park is desirable to some because it can provide a more secure community with on-site managers and amenities, such as laundry and recreation facilities.

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 29 presents the inventory of mobile and manufactured home parks within Lakeview as of November 2018. As of December 2018, Paisley had no mobile/manufactured home parks.

Lakeview has four manufactured home parks within its UGB.

Within these parks, there are a total of 96 spaces, 16 of which were vacant as of November 2018.

Exhibit 29. Inventory of Mobile/Manufactured Home Parks, Lakeview UGB, As of November 2018

Source: Oregon Manufactured Dwelling Park Directory.

Name	Location	Type	Total Spaces	Vacant Spaces
Caswell's Mobile Park	1690 South 3rd	Family	8	1
Lakeview Self Storages and Rentals, Inc.	224 N R St.	Family	15	0
Pine Hollow Mobile Home Park	909 South 9th St.	Family	24	1
Western Villa Mobile Home Park	1800 N 4th St.	55+	49	14
Total			96	16

4. Demographic and Other Factors Affecting Residential Development in Lakeview and Paisley

Demographic trends are important for a thorough understanding of the dynamics of the Lakeview and Paisley housing market. Lakeview and Paisley exist in a regional economy; trends in the region impact the local housing market. This chapter documents demographic, socioeconomic, and other trends relevant to Lakeview and Paisley at the national, state, and regional levels.

Demographic trends provide a context for growth in a region; factors such as age, income, migration, and other trends show how communities have grown and how they will shape future growth. To provide context, we compare Lakeview and Paisley to Lake County and Oregon. 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.

This chapter presents data to address steps 2, 3, and 4 in this list. Chapter 5 presents data to address steps 1, 5, and 6 in this list.

Demographic and Socioeconomic Factors Affecting Housing Choice⁸

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. This chapter discusses generational trends, such as housing preferences of Baby Boomers, people born from about 1946 to 1964, and Millennials, people born from about 1980 to 2000.
- **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. Income is strongly related to the type of housing a household chooses (e.g., single-family detached, duplex, or a building with more than five units) and to household tenure (e.g., rent or own).

This chapter focuses on these factors, presenting data that suggests how changes to these factors may affect housing need in Lakeview and Paisley over the next 20 years.

⁸ The research in this chapter is based on numerous articles and sources of information about housing, including:

- D. Myers and S. Ryu, *Aging Baby Boomers and the Generational Housing Bubble*, Journal of the American Planning Association, Winter 2008.
- Davis, Hibbits, & Midghal Research, "Metro Residential Preference Survey," May 2014.
- L. Lachman and D. Brett, *Generation Y: America's New Housing Wave*, Urban Land Institute, 2010.
- George Galster. People Versus Place, People and Place, or More? New Directions for Housing Policy, Housing Policy Debate, 2017.
- Herbert, Christopher and Hrabchak Molinsky. "Meeting the Housing Needs of an Aging Population," 2015.
- J. McIlwain, *Housing in America: The New Decade*, Urban Land Institute, 2010.
- Schuetz, Jenny. Who is the new face of American homeownership? Brookings, 2017.
- 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 Trends⁹

This brief summary on national housing trends builds on previous work by ECONorthwest, 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 below:

- **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 between 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 (Q2) to 63.7% in 2017 (Q2). 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

⁹ These trends are based on information from: (1) The Joint Center for Housing Studies of Harvard University's publication "The State of the Nation's Housing 2018," (2) Urban Land Institute, "2018 Emerging Trends in Real Estate," and (3) the U.S. Census.

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,¹⁰ 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.
- **Growth in rehabilitation market.**¹¹ Aging housing stock and poor housing conditions are growing concerns for jurisdictions across the United States. With almost 80% of the nation's housing stock at least 20 years old (40% at least 50 years old), Americans are spending in excess of \$400 billion per year on residential renovations and repairs. As housing rehabilitation becomes the go to solution to address housing conditions, the home remodeling market has grown more than 50% since the recession ended—generating 2.2% of national economic activity (in 2017).

Despite trends suggesting growth in the rehabilitation market, rising construction costs and complex regulatory requirements pose barriers to rehabilitation. Lower-income households or households on fixed-incomes may defer maintenance for years due to limited financial means, escalating rehabilitation costs. At a certain point, the cost of improvements may outweigh the value of the structure, which may necessitate new responses such as demolition or redevelopment.

- **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. Addressing housing needs for those moving through their 60s, 70s, and 80s (and beyond) will require a range of housing opportunities. For example, “the 82-to-86-year-old cohort dominates the assisted living and more intensive care sector” while new or near-retirees may prefer aging in place or active, age-targeted communities.¹²

¹⁰ According to the Pew Research Center, Millennials were born between the years of 1981 to 1996 (inclusive). Read more about generations and their definitions here: <http://www.pewresearch.org/fact-tank/2018/03/01/defining-generations-where-millennials-end-and-post-millennials-begin/>.

To generalize, and because there is no official generation of millennial, we define this cohort as individuals born between 1980 and 2000.

¹¹ These findings are copied from: Joint Center for Housing Studies. (2019). Improving America's Housing, Harvard University. https://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_Improving_Americas_Housing_2019.pdf

¹² Urban Land Institute (2018). Emerging Trends in Real Estate, United States and Canada.

Characteristics like immigration and ethnicity play a role too as “older Asians and Hispanics are more likely than whites or blacks to live in multigenerational households.”¹³ Senior households earning different incomes may make distinctive housing choices. For instance, low-income seniors may not have the financial resources to live out their years in a nursing home and may instead choose to downsize to smaller, more affordable units. Seniors living in close proximity to relatives may also choose to live in multigenerational households.

- 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.¹⁴ 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.”¹⁵ 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.”¹⁶
- *Millennials*. Over the last several decades, young adults increasingly lived in multi-generational housing – and increasingly more so than older demographics.¹⁷ 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

¹³ Herbert, Christopher and Hrabchak Molinsky (2015). Meeting the Housing Needs of an Aging Population. https://shelterforce.org/2015/05/30/meeting_the_housing_needs_of_an_aging_population/

¹⁴ Vanleerberghe, Patricia, et al. (2017). The quality of life of older people aging in place: a literature review.

¹⁵ Ibid.

¹⁶ American Planning Association. Making Space for Tiny Houses, Quick Notes.

¹⁷ According to the Pew Research Center, in 1980, just 11% of adults aged 25 to 34 lived in a multi-generational family household and by 2008, 20% did (82% change). Comparatively, 17% of adults aged 65 and older lived in a multi-generational family household and by 2008, 20% did (18% change).

retirement savings. As of 2015, Millennials comprised 28% of active home buyers, while Gen Xers comprised 32% and Boomers 31%.¹⁸ 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 finds 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. Current Population Survey 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 an 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.
- *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 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, and 37% for Asians/others, compared to 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

¹⁸ Srinivas, Val and Goradia, Urval (2015). The future of wealth in the United States, Deloitte Insights. <https://www2.deloitte.com/insights/us/en/industry/investment-management/us-generational-wealth-trends.html>

housing for the nation, state, and local areas. Several long-term trends in the characteristics of housing are evident from the New Housing Report:¹⁹

- *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 garages (from 69% in 2000).
- *Shared amenities.* Housing with shared amenities are growing in popularity as it may improve space efficiencies and reduce per unit costs / maintenance costs. Single-Room Occupancies (SROs)²⁰, Cottage Clusters, co-housing developments, and multifamily products are common housing types that take advantage of this trend. Shared amenities may take many forms and include shared: bathrooms; kitchens and other home appliances (e.g. laundry facilities, outdoor grills); security systems; outdoor areas (e.g. green space, pathways, gardens, rooftop lounges); fitness rooms, swimming pools, and tennis courts; and free parking.²¹

¹⁹ U.S. Census Bureau, Highlights of Annual 2017 Characteristics of New Housing. Retrieved from: <https://www.census.gov/construction/chars/highlights.html>.

²⁰ Single-room occupancies are residential properties with multiple single room dwelling units occupied by a single individual. From: U.S. Department of Housing and Urban Development. (2001). *Understanding SRO*. <https://www.hudexchange.info/resources/documents/Understanding-SRO.pdf>

²¹ Urbsworks. (n.d.). Housing Choices Guide Book: A Visual Guide to Compact Housing Types in Northwest Oregon. https://www.oregon.gov/lcd/Publications/Housing-Choices-Booklet_DIGITAL.pdf

Saiz, Albert and Salazar, Arianna. (n.d.). Real Trends: The Future of Real Estate in the United States. Center for Real Estate, Urban Economics Lab.

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 “a growing gap between the number of Oregonians who need affordable housing and the availability of affordable homes has given rise to destabilizing rent increases, an alarming number of evictions of low- and fixed- income people, increasing homelessness, and serious housing instability throughout Oregon.”

It identified the following issues that describe housing need statewide:²²

- For housing to be considered affordable, a household should pay up to one-third of their income toward rent, leaving money left over for food, utilities, transportation, medicine, and other basic necessities. Today, one in two Oregon households pays more than one-third of their income toward rent, and one in three pays more than half of their income toward rent.
- More school children are experiencing housing instability and homelessness. The rate of K-12 homeless children increased by 12% from the 2013-2014 school year to the 2014–2015 school year.
- Oregon has 28,500 rental units that are affordable and available to renters with extremely low incomes. There are about 131,000 households that need those apartments, leaving a gap of 102,500 units.
- Housing instability is fueled by an unsteady, low-opportunity employment market. Over 400,000 Oregonians are employed in low-wage work. Low-wage work is a growing share of Oregon’s economy. When wages are set far below the cost needed to raise a family, the demand for public services grows to record heights.
- Women are more likely than men to end up in low-wage jobs. Low wages, irregular hours, and part-time work compound issues.
- People of color historically constitute a disproportionate share of the low-wage work force. About 45% of Latinos, and 50% of African Americans, are employed in low-wage industries.
- The majority of low-wage workers are adults over the age of 20, many of whom have earned a college degree, or some level of higher education.
- In 2019, the minimum wage in Oregon²³ was \$11.25, \$12.50 in the Portland Metro, and \$11.00 for non-urban counties (which includes Lake County).

²² These conclusions are copied directly from the report: Oregon’s 2016-2020 Consolidated Plan <http://www.oregon.gov/ohcs/docs/Consolidated-Plan/2016-2020-Consolidated-Plan-Amendment.pdf>.

²³ 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's 2018 Statewide Housing Plan identified six housing priorities to address in communities across the State over 2019 to 2023, summarized below. It includes relevant data to help illustrate the rationale for each priority. The 2018 Statewide Housing Plan describes the Oregon Housing and Community Services' (OHCS) goals and implementation strategies for achieving the goals.²⁴

- **Equity and Racial Justice.** *Advance equity and racial justice by identifying and addressing institutional and systemic barriers that have created and perpetuated patterns of disparity in housing and economic prosperity.*
 - Summary of the issue: In Oregon, 26% of people of color live below the poverty line in Oregon, compared to 15% of the White population.
 - 2019-2023 Goal: Communities of color will experience increased access to OHCS resources and achieve greater parity in housing stability, self-sufficiency and homeownership. OHCS will collaborate with its partners and stakeholders to create a shared understanding of racial equity and overcome systemic injustices faced by communities of color in housing discrimination, access to housing and economic prosperity.
- **Homelessness.** *Build a coordinated and concerted statewide effort to prevent and end homelessness, with a focus on ending unsheltered homelessness of Oregon's children and veterans.*
 - Summary of the issue: According to the Point-in-Time count, approximately 14,000 Oregonians experienced homelessness in 2017, an increase of nearly 6% since 2015. Oregon's unsheltered population increased faster than the sheltered population, and the state's rate of unsheltered homelessness is the third highest in the nation at 57%. The state's rate of unsheltered homelessness among people in families with children is the second highest in the nation at 52%.
 - 2019-2023 Goal: OHCS will drive toward impactful homelessness interventions by increasing the percentage of people who are able to retain permanent housing for at least six months after receiving homeless services to at least 85 percent. We will also collaborate with partners to end veterans' homelessness in Oregon and build a system in which every child has a safe and stable place to call home.
- **Permanent Supportive Housing.** *Invest in permanent supportive housing, a proven strategy to reduce chronic homelessness and reduce barriers to housing stability.*
 - Summary of the issue: Oregon needs about 12,388 units of permanent supportive housing to serve individuals and families with a range of needs and challenges.
 - 2019-2023 Goal: OHCS will increase our commitment to permanent supportive housing by funding the creation of 1,000 or more additional permanent

²⁴ Priorities and factoids are copied directly from the report: 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>

supportive housing units to improve the future long-term housing stability for vulnerable Oregonians.

- **Affordable Rental Housing.** *Work to close the affordable rental housing gap and reduce housing cost burden for low-income Oregonians.*
 - Summary of the issue: Statewide, over 85,000 new units are needed to house those households earning below 30% of Median Family Income (MFI) in units affordable to them. The gap is even larger when accounting for the more than 16,000 units affordable at 30% of MFI, which are occupied by households at other income levels.
 - 2019-2023 Goal: OHCS will triple the existing pipeline of affordable rental housing — up to 25,000 homes in the development pipeline by 2023. Residents of affordable rental housing funded by OHCS will have reduced cost burden and more opportunities for prosperity and self-sufficiency.
- **Homeownership.** *Provide more low- and moderate-income Oregonians with the tools to successfully achieve and maintain homeownership, particularly in communities of color.*
 - Summary of the issue: In Oregon, homeownership rates for all categories of people of color are lower than for white Oregonians. For White non-Hispanic Oregonians, the home ownership rate is 63%. For Hispanic and non-White Oregonians, it is 42%. For many, homeownership rates have fallen between 2005 and 2016.
 - 2019-2023 Goal: OHCS will assist at least 6,500 households in becoming successful homeowners through mortgage lending products while sustaining efforts to help existing homeowners retain their homes. OHCS will increase the number of homebuyers of color in our homeownership programs by 50% as part of a concerted effort to bridge the homeownership gap for communities of color while building pathways to prosperity.
- **Rural Communities.** *Change the way OHCS does business in small towns and rural communities to be responsive to the unique housing and service needs and unlock the opportunities for housing development.*
 - Summary of the issue: While housing costs may be lower in rural areas, incomes are lower as well: median family income is \$42,750 for rural counties versus \$54,420 for urban counties. Additionally, the median home values in rural Oregon are 30% higher than in the rural United States and median rents are 16% higher.
 - 2019-2023 Goal: OHCS will collaborate with small towns and rural communities to increase the supply of affordable and market-rate housing. As a result of tailored services, partnerships among housing and service providers, private industry and local governments will flourish, leading to improved capacity, leveraging of resources and a doubling of the housing development pipeline.

Regional and Local Demographic Trends that may affect housing need in Lakeview and Paisley

Demographic trends that might affect the key assumptions used in the baseline analysis of housing need are: (1) the aging population, (2) changes in household size and composition, and (3) increases in diversity.

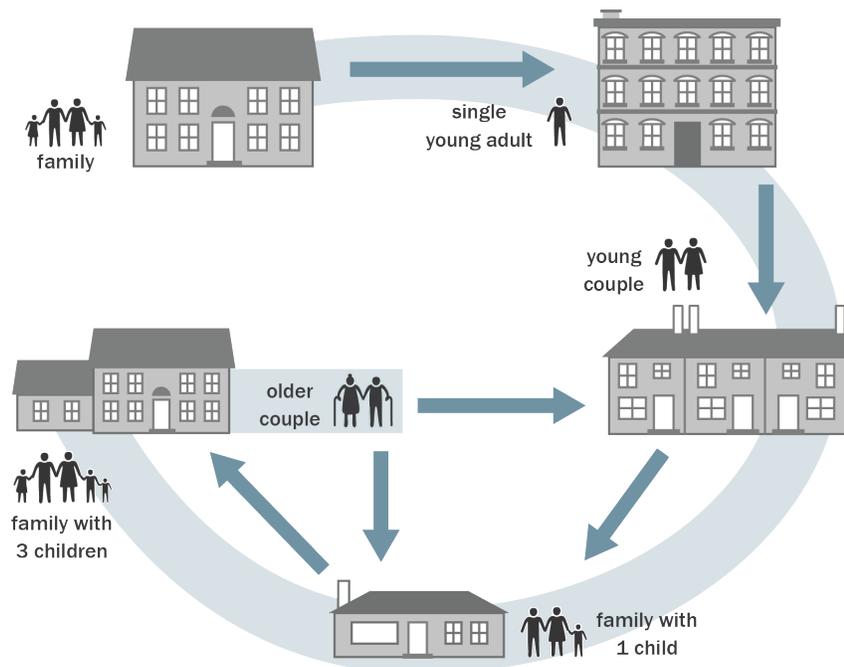
An individual's housing needs change throughout their life, with changes in income, family composition, and age. The types of housing needed by a 20-year-old college student differ from the needs of a 40-year-old parent with children, or an 80-year-old single adult. As Lakeview and Paisley's population ages, different types of housing will be needed to accommodate older residents. The housing characteristics by age data below reveal this cycle in action in Lakeview and Paisley.

Housing needs and preferences change in predictable ways over time, such as with changes in marital status and size of family.

Families of different sizes need different types of housing.

Exhibit 30. Effect of demographic changes on housing need

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



Population

Lakeview and Paisley's declining populations will result in little to no demand for new housing for new residents. Demand for new housing may be driven by condition of existing housing, which may require replacement of existing housing, and changes in demographics (i.e., growth of population over 60 years old) that results in need for different housing.

Lakeview and Paisley's populations have declined since 1990.

Lakeview lost 226 residents from 1990 to 2017, decreasing by 9%. Paisley lost 80 residents from 1990 to 2017, decreasing by 23%.

Exhibit 31. Population, Lakeview, Paisley, Lake County, and Oregon, 1990–2017

Source: U.S. Decennial Census 1990, and Portland State University, Population Research Center.

Geography			Change, 1990 to 2017		
	1990	2017	Number	Percent	AAGR
Oregon	2,842,321	4,141,100	1,298,779	46%	1.4%
Lake County	7,186	8,120	934	13%	0.5%
Lakeview	2,526	2,300	-226	-9%	-0.3%
Paisley	350	270	-80	-23%	-1.0%

Over the planning period, Lakeview's population is forecast to stay relatively static. Lakeview is expected to lose two residents by 2039.

Exhibit 32. Forecast of Population Growth, Lakeview UGB, 2019 to 2039

Source: Oregon Population Forecast Program, Portland State University, Population Research Center, June 2018.

3,175	3,173	-2	-0.1%
Residents in 2019	Residents in 2039	New residents 2019 to 2039	Percent Change AAGR
			-0.003%

Over the planning period, Paisley's population is forecast to stay relatively static. Paisley is expected to grow by nine residents by 2039.

Exhibit 33. Forecast of Population Growth, Paisley UGB, 2019 to 2039

Source: Oregon Population Forecast Program, Portland State University, Population Research Center, June 2018.

266	275	9	3%
Residents in 2019	Residents in 2039	New residents 2019 to 2039	Percent Change AAGR
			0.17%

Aging Population

This section shows two key characteristics of Lakeview and Paisley's population, with implications for future housing demand in both communities:

- **Seniors.** Lakeview has a smaller share of seniors (24%) and Paisley has a larger share of seniors (44%) compared to Lake County (31%). While overall population has declined for both Lakeview and Paisley since 1990, those aged 60 years and older have increased. From 2000 to 2012-2016, individuals aged 60 and older increased by 66 people (10%) in Lakeview, 92 people (126%) in Paisley, and 707 people (41%) in Lake County.

Demand for housing for retirees will grow over the planning period, as the Baby Boomers continue to age and retire. The Lake County forecast share of residents aged 60 years and older will grow from 37% of the population in 2020 to 43% of the population in 2040. As Lakeview and Paisley's population continues to age, consistent with County-wide trends, demand for housing that is suitable for seniors will increase.

The impact of growth in seniors in the region will depend, in part, on whether older people already living in the region continue to reside there as they retire and age. National surveys show that, in general, most retirees prefer to age in place by continuing to live in their current home and community as long as possible.²⁵

Growth in the number of seniors throughout Lake County 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. The challenges aging seniors face in continuing to live in their community include changes in healthcare needs, loss of mobility, the difficulty of home maintenance, financial concerns, and increases in property taxes.²⁶

- **Millennials.** People currently aged 18 to 38²⁷ are referred to as the Millennial generation and account for the largest share of population in Oregon.²⁸ By 2040, Millennials will be about 40 to 60 years of age. The forecast for Lake County shows a shift in Millennials from about 18% of the population in 2020 to about 30% of the population in 2040.

Lakeview and Paisley's ability to retain people in this age group will depend, in large part, on whether the community has opportunities for housing that both appeals to and

²⁵ A survey conducted by the AARP indicates that 90% of people 50 years and older want to stay in their current home and community as they age. See <http://www.aarp.org/research>.

²⁶ "Aging in Place: A toolkit for Local Governments" by M. Scott Ball.

²⁷ No formal agreement on when the Millennial generation starts or ends exists. For this report, we define the Millennial generation as individuals born in 1980 through 2000.

²⁸ 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-millennials-end-and-post-millennials-begin/>.

is affordable to Millennials. Retaining Millennials will also depend on availability of housing types (such as townhouses, cottages, duplexes and similar scale-multifamily housing, and apartments), as well as availability of jobs.

In the near-term, Millennials' household formation may increase demand for rental units. The long-term housing preference of Millennials is uncertain. Research suggests that Millennials' housing preferences may be similar to the Baby Boomers, with a preference for smaller, less costly units. 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.²⁹

A recent survey of people living in the Portland region shows that Millennials prefer single-family detached housing. The survey finds that housing price is the most important factor in choosing housing for younger residents.³⁰ The survey results suggest Millennials are more likely than other groups to prefer housing in an urban neighborhood or town center. While this survey is for the Portland region, it shows similar results as national surveys and studies about housing preference for Millennials.

Retention and aging of Millennials in Lakeview and Paisley will result in demand for both affordable single-family detached housing (including cottages), as well as increased demand for affordable townhouses and multifamily housing.

²⁹ The American Planning Association, "Investing in Place; Two Generations' View on the Future of Communities." 2014.

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

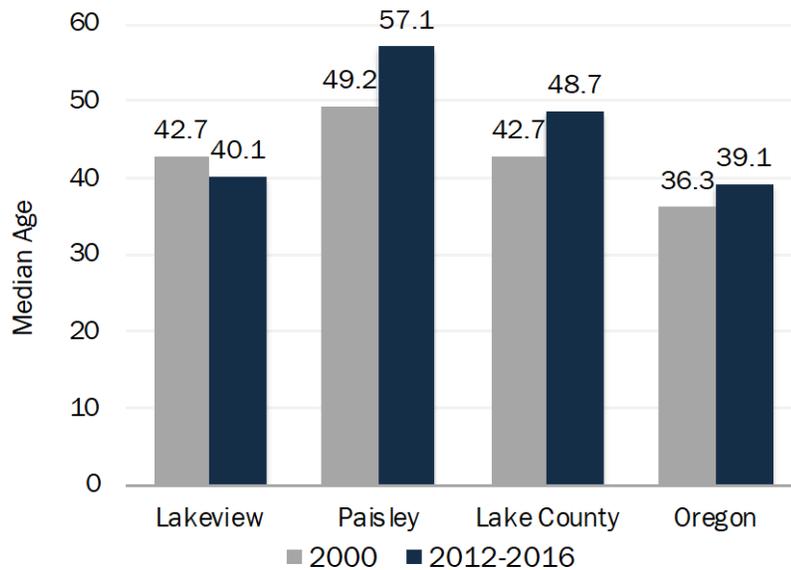
"Survey Says: Home Trends and Buyer Preferences," National Association of Home Builders International Builders

³⁰ Davis, Hibbits, & Midghal Research, "Metro Residential Preference Survey," May 2014.

From 2000 to 2012-2016, median ages in Paisley, Lake County, and Oregon increased while the median age in Lakeview declined.

Exhibit 34. Median Age, Lakeview, Paisley, Lake County, and Oregon, 2000 and 2012-2016

Source: U.S. Census Bureau, 2000 Decennial Census Table B01002; ACS 2012-2016 5-year estimates, Table B01002.



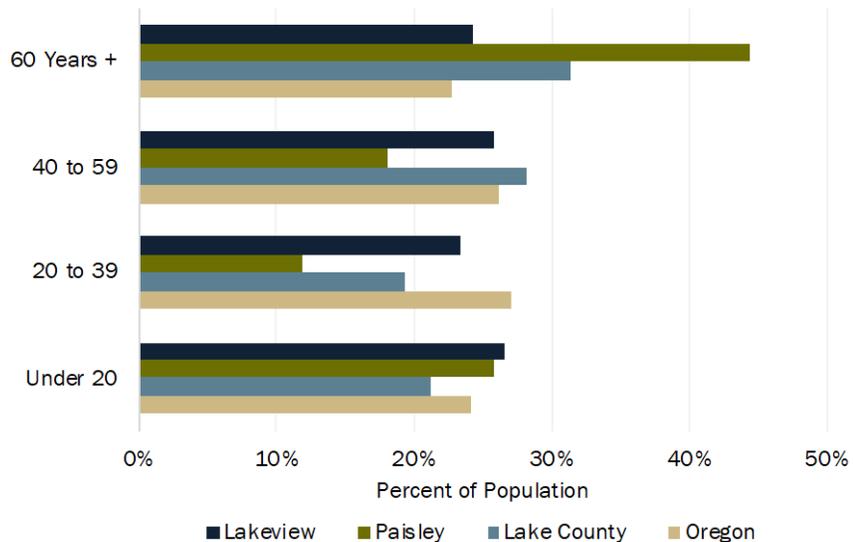
Lakeview, Paisley, Lake County, and Oregon have similar shares of residents under 20 years of age (27%, 26%, 21%, and 24%).

Paisley has a slightly smaller share of residents between 20 and 59 (30%), compared to Lakeview (49%), Lake County (47%), and Oregon (53%).

Paisley has a larger share of residents over 60 years of age (44%), compared to Lakeview (24%), Lake County (31%), and Oregon (23%).

Exhibit 35. Population Distribution by Age Group, Lakeview, Paisley, Lake County, and Oregon, 2012-2016

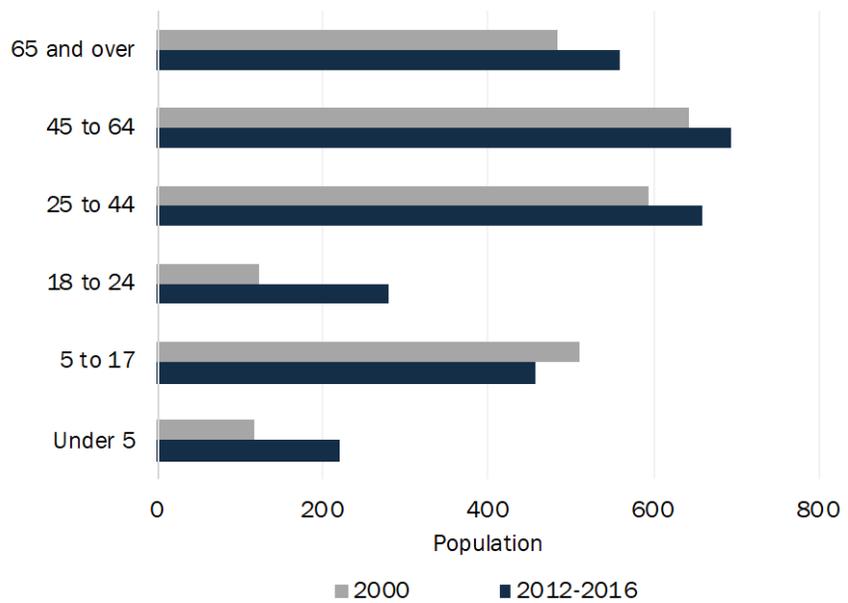
Source: U.S. Census Bureau, ACS 2012-2016 5-year estimates, Table B01001.



Between 2000 and 2012-2016, all age groups in Lakeview grew in size, except for the cohort between the ages of five and 17, which decreased by 11%.

Exhibit 36. Lakeview Population Change by Age Group, 2000 and 2012-2016

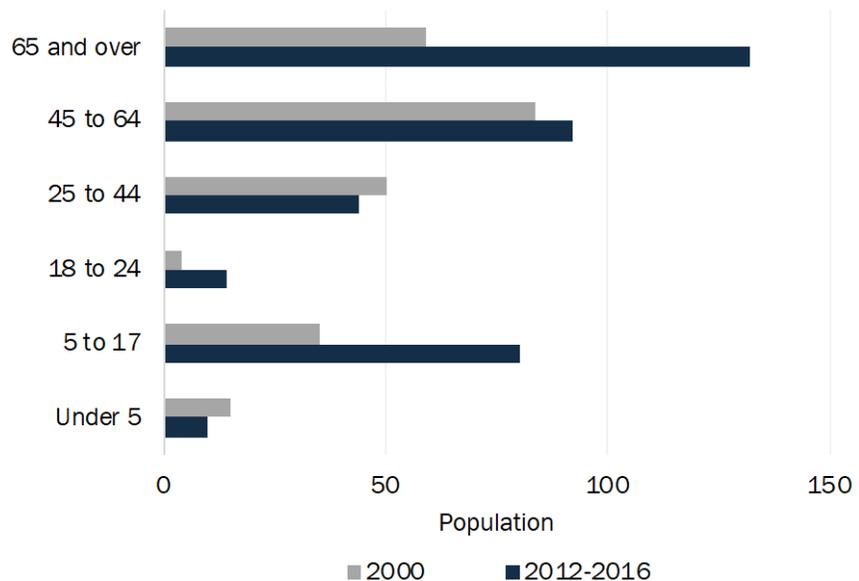
Source: U.S. Census Bureau, 2000 Decennial Census Table P012; ACS 2012-2016 5-year estimates, Table B01001.



Between 2000 and 2012-2016, all age groups in Paisley grew in size, except for the age cohort under five and the age cohort between the ages of 25 to 44, which decreased by 33% and 12%.

Exhibit 37. Paisley Population Change by Age Group, 2000 and 2012-2016

Source: U.S. Census Bureau, 2000 Decennial Census Table P012; ACS 2012-2016 5-year estimates, Table B01001.



All age cohorts will decline from 2020 to 2040 in Lake County with the exception of residents 60 years of age or older.

Exhibit 38. Population Change by Age Group, Lake County, 2020 to 2040

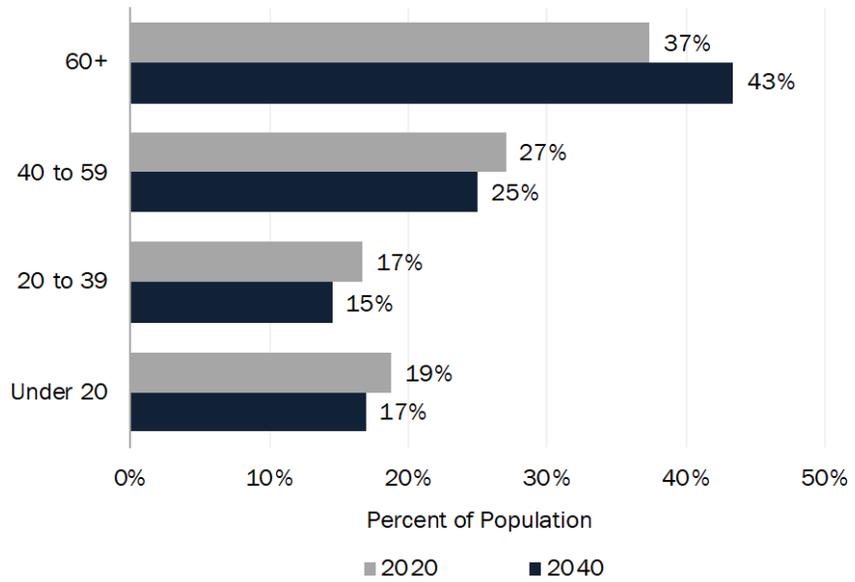
Source: Portland State University, Population Research Center, Lake County Forecast, 2016.

-3%	-7%	-1%	25%
-50 People	-92 People	-16 People	761 People
Under 20	20-39 Yrs	40-59 Yrs	60+ Yrs

By 2040, 43% of residents in Lake County will be over the age of 60.

Exhibit 39. Population Change by Age Group, Lake County, 2020 to 2040

Source: Portland State University, Population Research Center, Lake County Forecast, 2016.



Ethnic Diversity

Lakeview became more ethnically diverse while the population identifying as Latinx remained relatively unchanged in Paisley. The Latinx population grew from about 6% of Lakeview's population in 2000 to about 10% of the population in the 2012-2016 period, adding about 128 new Latinx residents. In Paisley, the Latinx population stayed at 1% from 2000 to 2012-2016, declining by one person. Lakeview, Paisley, and Lake County are less ethnically diverse than Oregon.

The U.S. Census Bureau forecasts that at the national level, the Latinx population will continue growing faster than most other non-Latinx populations between 2019 and 2039. The Census forecasts that the Latinx population will increase 93% from 2016 to 2060 and foreign-born Latinx populations will increase by about 40% in that same time.³¹

Continued growth in the Latinx populations will affect Lakeview and Paisley's housing needs in a variety of ways.³² Growth in first and, to a lesser extent, second and third generation Latinx immigrants, will increase demand for larger dwelling units to accommodate the, on average, larger household sizes for these households. Foreign-born households, including Latinx immigrants, are more likely to include multiple generations, requiring more space than smaller household sizes. As Latinx households integrate over generations, household size typically decreases, and housing needs become similar to housing needs for all households.

According to the *State of Hispanic Homeownership* report from the National Association of Hispanic Real Estate Professionals³³, Latinx accounted for 29% of the nation's household formation in 2017. Household formations, for Latinx homeowners specifically, accounted for 15% of the nation's net homeownership growth. The rate of homeownership for Latinx increased from 45% in 2014³⁴ to 46% in 2017. The only demographic that increased their rate of homeownership from 2016 to 2017 was Latinx.

The *State of Hispanic Homeownership* report also cites the lack of affordable housing products as a substantial barrier to homeownership. The report finds that Latinx households are more likely than non-Latinx households to be nuclear households, comprised of married couples with children, and multiple-generation households in the same home, such as parents and adult children living together.

These housing preferences—affordability and larger household size—will influence the communities housing market (particularly Lakeview's) as the Latinx population continues to

³¹ 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

³² 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/>. National Association of Hispanic Real Estate Professionals. *2017 State of Hispanic Homeownership Report*, 2017.

³³ National Association of Hispanic Real Estate Professionals (2017). *2017 State of Hispanic Homeownership Report*.

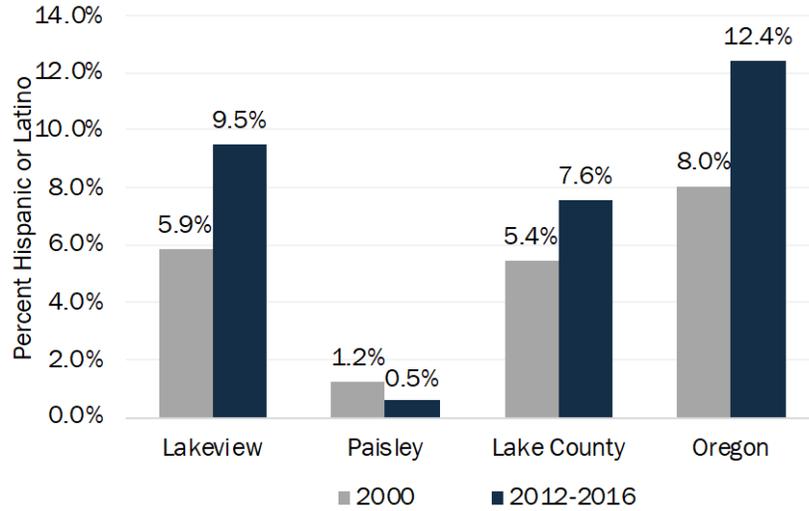
³⁴ National Association of Hispanic Real Estate Professionals (2014). *2014 State of Hispanic Homeownership Report*.

grow.³⁵ Accordingly, growth in Latinx households will result in increased demand for housing of all types, both for ownership and rentals, with an emphasis on housing that is comparatively affordable.

The population identifying as Latinx increased in Lakeview, Lake County, and Oregon from 2000 to 2012-2016, but stayed relatively constant in Paisley (declining slightly).

Exhibit 40. Share of Latinx Population of Total Population, Lakeview, Paisley, Lake County, and Oregon, 2000 to 2012-2016

Source: U.S. Census Bureau, 2000 Decennial Census Table P008, ACS 2012-2016 5-year estimates, Table B03002.



³⁵ National Association of Hispanic Real Estate Professionals (2017). *2017 State of Hispanic Homeownership Report*.

Household Size and Composition

On average, Lakeview and Paisley have smaller households than Oregon but larger households than Lake County. Lakeview and Paisley each have smaller shares of family households with children. Lakeview has a larger share of nonfamily households while Paisley has a larger share of family households without children.

The average household size in Lakeview, Paisley, and Lake County is smaller than Oregon's average household size.

Exhibit 41. Average Household Size, Lakeview, Paisley, Lake County, and Oregon, 2013-2017

Source: U.S. Census Bureau, ACS 2013-2017 5-year estimates, Table B25010.

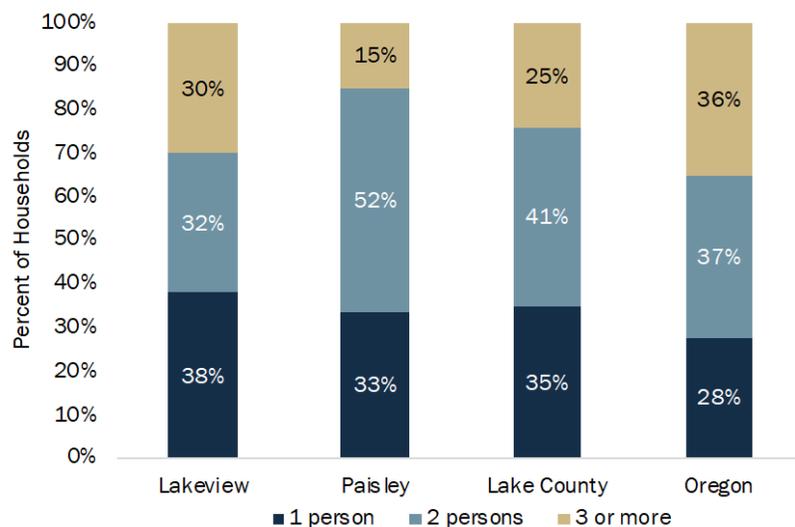


Seventy percent of Lakeview's households are 1- or 2-person households.

Eighty-five percent of Paisley's households are 1- or 2-person households.

Exhibit 42. Household Size, Lakeview, Paisley, Lake County, and Oregon, 2012-2016

Source: U.S. Census Bureau, ACS 2012-2016 5-year estimates, Table B25009.

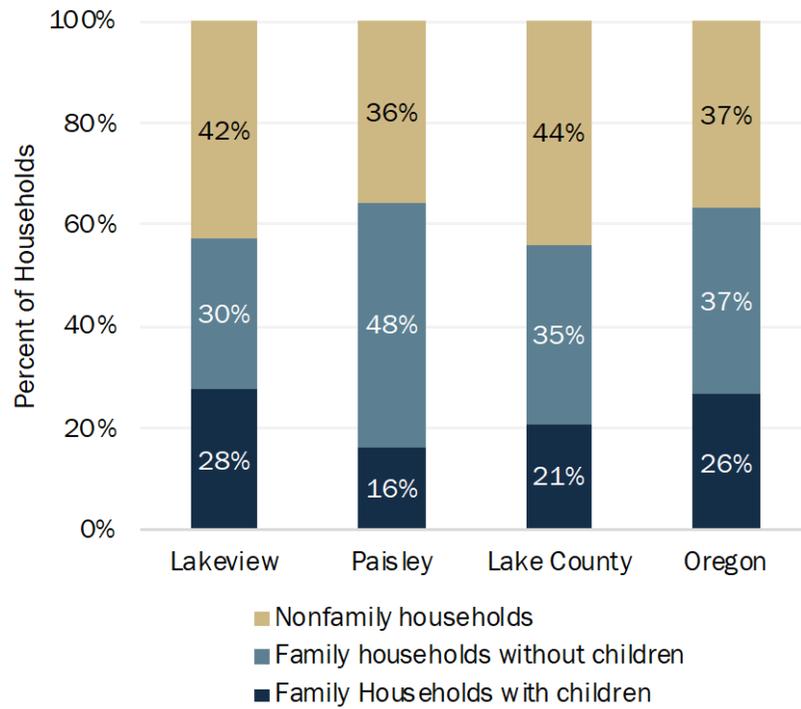


Lakeview and Lake County have a higher proportions of nonfamily households than Paisley and the State.

Paisley has a larger proportion of households without children (at 48%).

Exhibit 43. Household Composition, Lakeview, Paisley, Lake County, and Oregon, 2012-2016

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



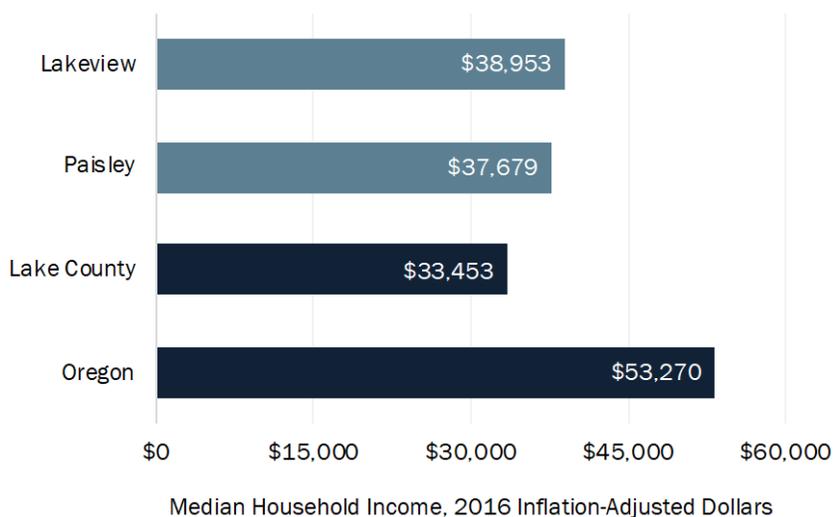
Income of Lakeview and Paisley Residents

Income is one of the key determinants in housing choice and households' ability to afford housing. Income for residents living in Lakeview and Paisley is higher than the Lake County median and lower than the state median.

In the 2012-2016 period, Lakeview and Paisley both had median family incomes (MHIs) below the State's MHI and above the County's MHI.

Exhibit 44. Median Household Income, Lakeview, Paisley, Lake County, and Oregon, 2012-2016

Source: U.S. Census Bureau, ACS 2012-2016 5-year estimates, Table B25119.

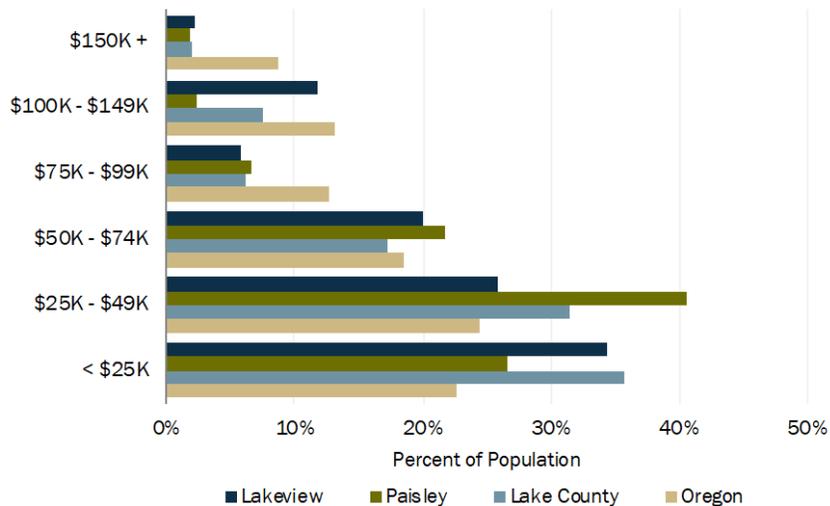


A majority of households in Lakeview, Paisley, and Lake County have incomes less than \$50k per year (60%, 67%, and 67%).

Comparatively 47% of Oregon households make less than \$50k per year.

Exhibit 45. Household Income, Lakeview, Paisley, Lake County, and Oregon, 2012-2016

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



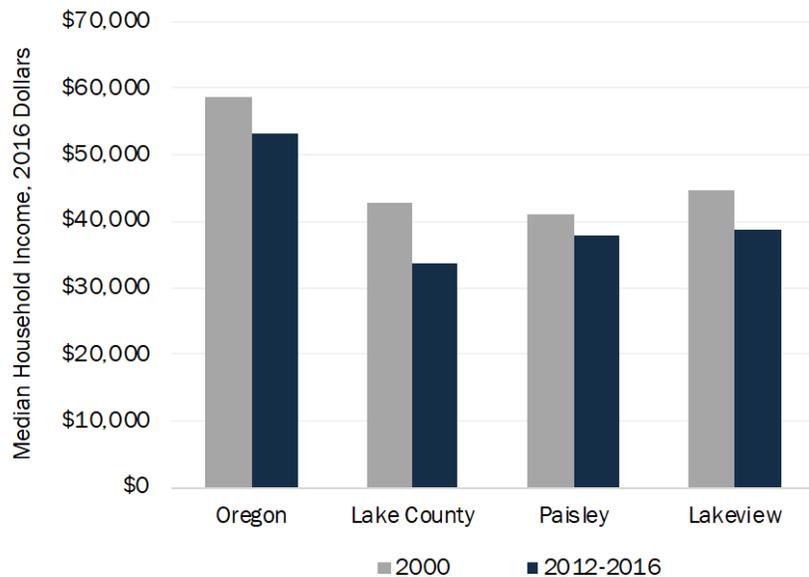
After adjusting for inflation, Lakeview's median household income (MHI) decreased by 13% from \$44,531 in 2000 to \$38,953 in 2012-2016.

Paisley's MHI decreased by 8% from \$41,058 in 2000 to \$37,679 in 2012-2016.

Both Lakeview and Paisley's losses in MHI fell between that of the State (-9%) and the County (-22%).

Exhibit 46. Median Household Income, Lakeview, Paisley, Lake County, and Oregon, 2000 and 2012-2016, 2016 Inflation-adjusted Dollars

Source: U.S. Census Bureau, 2000 Decennial Census, Table HCT012; ACS 2012-2016 5-year estimates, Table B25119.



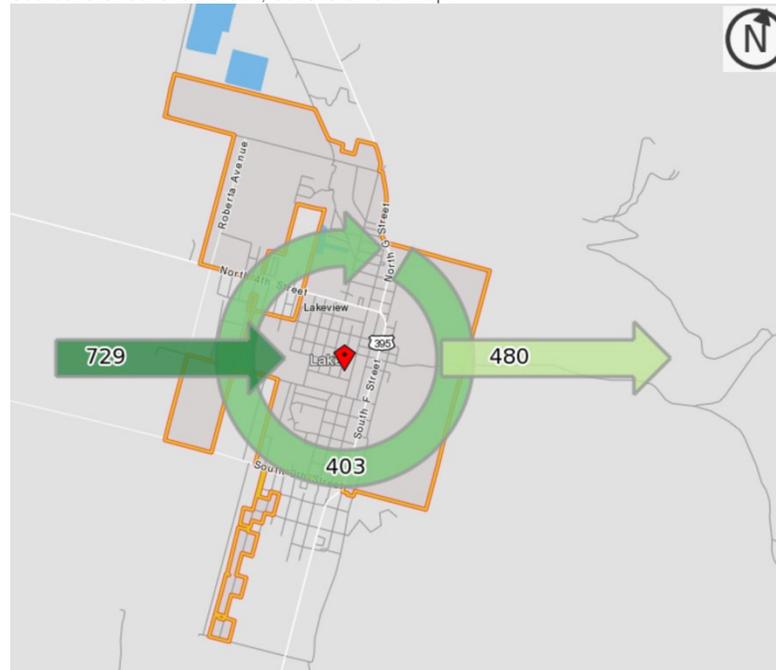
Commuting Trends

Lakeview and Paisley are part of the complex, interconnected economy of Lake County. Of the 1,132 people who work in Lakeview, about 64% of workers commute into Lakeview from other areas, most notably New Pine Creek, Unincorporated Klamath County, and Klamath Falls. Of the 53 residents who work in Paisley, about 94% of workers commute into Paisley from other areas, most notably Bend and Elko. About 480 residents of Lakeview commute out of the town for work, many of them to Klamath Falls, Bend, and Altamont. About 41 residents of Paisley commute out of the city for work, many of them to Lakeview and Boise City.

Fewer people both live and work in Lakeview than commute into or out of the Town. This commuting pattern differs from the larger Lake County in that more people both work and live in Lake County than commute into or out of the County for work.

Exhibit 47. Commuting Flows, Lakeview, 2015

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



About 36% of all people who work in Lakeview also live in Lakeview.

Exhibit 48. Places Where Lakeview Workers Lived,³⁶ 2015

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

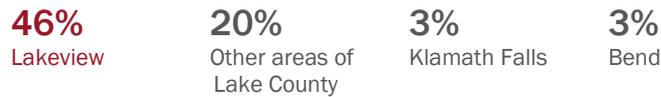


³⁶ In 2015, 1,132 people worked at businesses in Lakeview, with 36% (403) people both employed and living in Lakeview.

About 46% of residents who live in Lakeview also work in Lakeview.

Exhibit 49. Places Where Lakeview Residents were Employed,³⁷ 2015

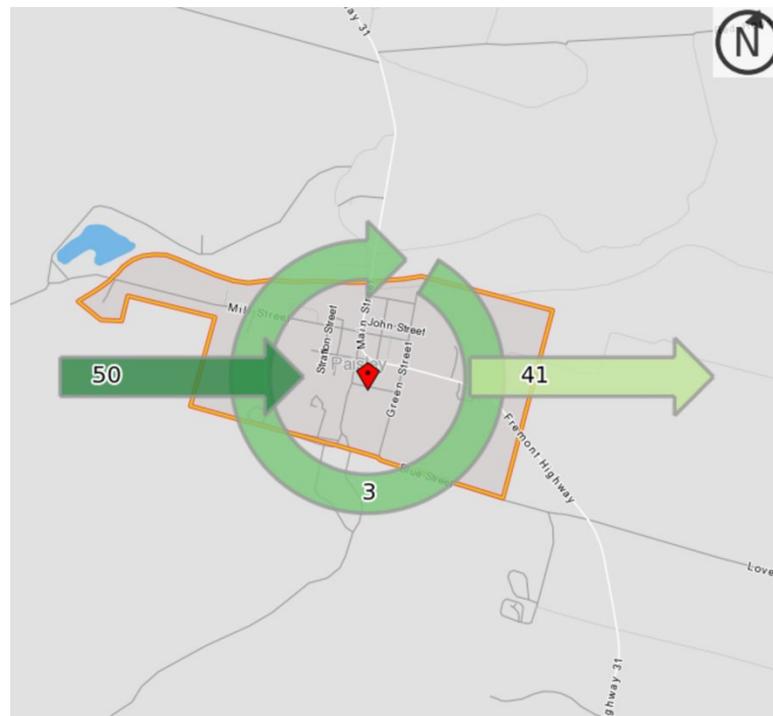
Source: U.S. Census Bureau, Census On the Map.



Fewer people both live and work in Paisley than commute into or out of the City. This commuting pattern, similar to Lakeview, differs from the broader Lake County region.

Exhibit 50. Commuting Flows, Paisley, 2015

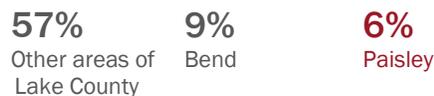
Source: U.S. Census Bureau, Census On the Map.



About 6% of all people who work in Paisley also live in Paisley.

Exhibit 51. Places Where Paisley Workers Lived,³⁸ 2015

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



About 7% of residents who live in Paisley also work in Paisley.

Exhibit 52. Places Where Paisley Residents were Employed,³⁹ 2015

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



³⁷ In 2015, 883 residents of Lakeview worked, with 46% of Lakeview residents (403 people) both living and employed in Lakeview.

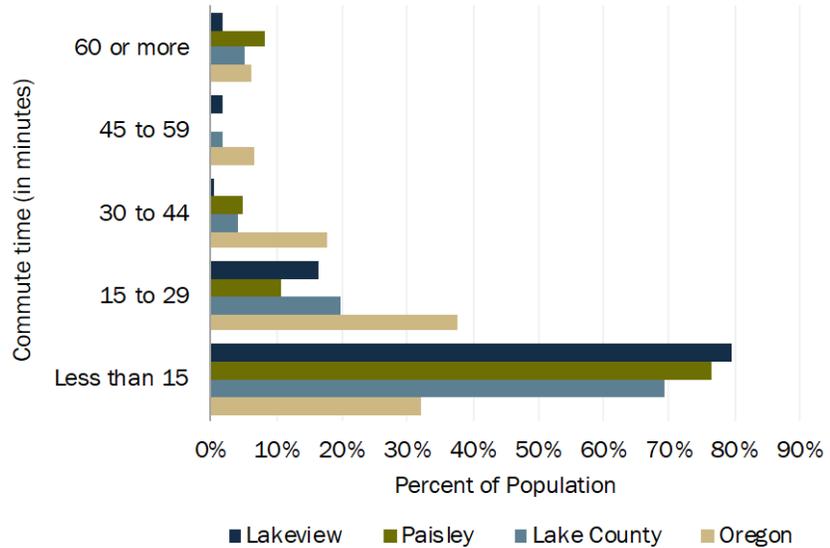
³⁸ In 2015, 53 people worked at businesses in Paisley, with 6% (3) people both employed and living in Paisley.

³⁹ In 2015, 44 residents of Paisley worked, with 7% of Paisley residents (3 people) both living and employed in Paisley.

The vast majority of Lakeview, Paisley, and Lake County residents have a commute time of less than 15 minutes.

Exhibit 53. Commute Time by Place of Residence, Lakeview, Paisley, Lake County, and Oregon, 2012-2016

Source: U.S. Census Bureau, American Community Survey, 2012-2016 5-year estimates, Table B08303.



Regional and Local Trends Affecting Affordability in Lakeview and Paisley

This section describes changes in sales prices, rents, and housing affordability in Lakeview, Paisley, Lake County, and Oregon (where data was available).

Changes in Housing Costs

The median home sales price in Lakeview was \$85,500 in 2017 and \$85,000 in 2018. Lakeview's housing prices fluctuated seasonally between January 2017 and December 2018.

Lakeview's median home sales price stayed static between 2017 and 2018.

Exhibit 54. Median Home Sale Price, Lakeview, 2017 and 2018

Source: Multiple Service Listing.

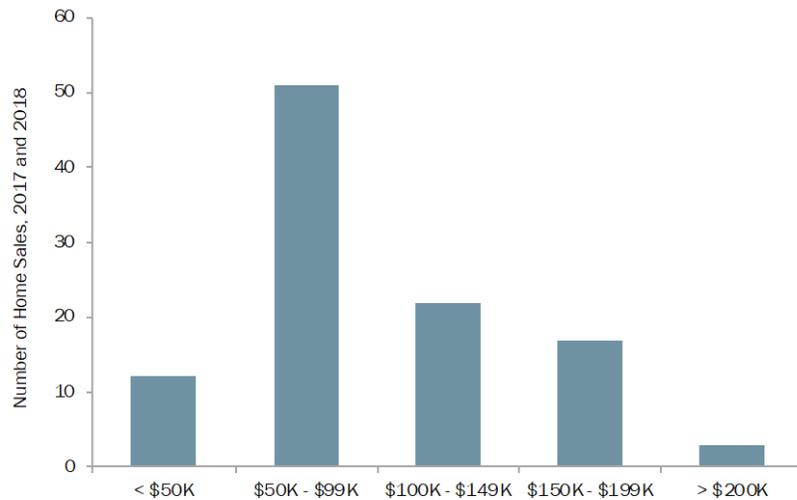


In 2017 and 2018, almost half of homes (49%) sold in Lakeview cost between \$50,000 and \$99,999.

About 40% of homes sold for more than \$100,000 in 2017 and 2018.

Exhibit 55. Distribution of Home Sale Prices, Lakeview, 2017 and 2018

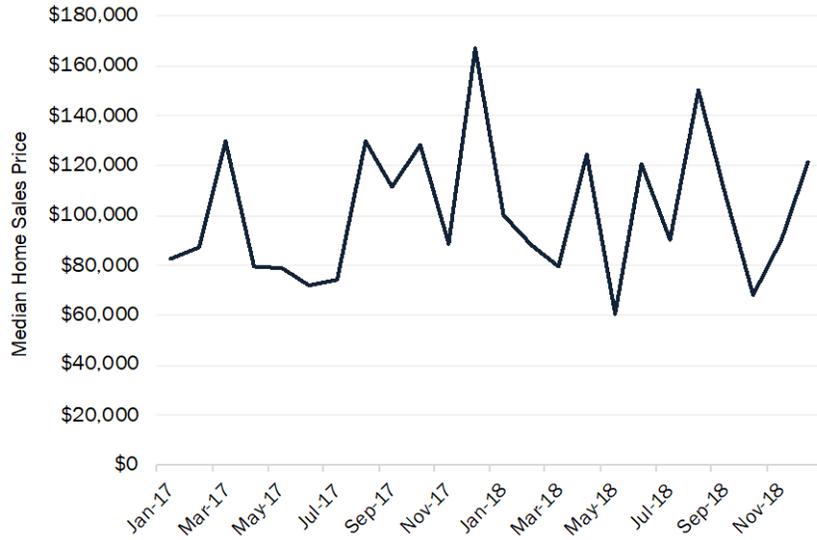
Source: Multiple Service Listing.



Median, monthly housing prices, in 2017 and 2018 in Lakeview, fluctuated between \$61,000 and \$166,750.

Exhibit 56. Median Sales Price, Lakeview, January 2017 – December 2018

Source: Multiple Service Listing.



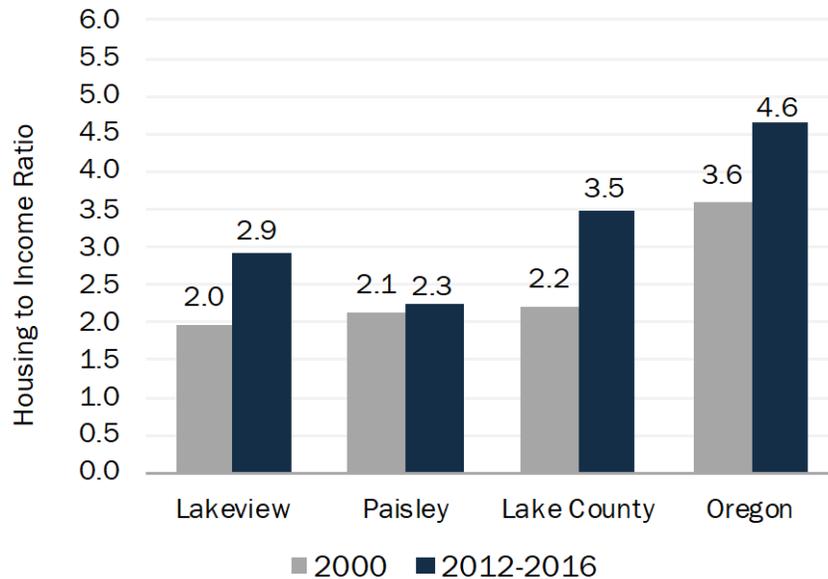
Since 2000, housing values increased faster than incomes in Lakeview, Paisley, Lake County, and Oregon.

Housing prices in Lakeview grew faster than incomes, with the median house value equivalent to two times the median household income in 2000, increasing to 2.9 in 2012-2016.

Housing values and incomes in Paisley grew at about the same rate since 2000.

Exhibit 57. Ratio of Median Housing Value to Median Household Income, Lakeview, Paisley, Lake County, and Oregon, 2000 and 2012-2016⁴⁰

Source: U.S. Census Bureau, 2000 Decennial Census, Tables HCT012 and H085, and ACS 2012-2016 5-year estimates, Tables B19013 and B25077.



⁴⁰ This ratio compares the median value of housing in Lakeview and Paisley (and other places) to the median household income. Inflation-adjusted median owner values in Lakeview decreased slightly from \$87,590 in 2000 to \$113,300 in 2012-2016. Inflation-adjusted median owner values in Paisley decreased slightly from \$87,734 in 2000 to \$113,300 in 2012-2016.

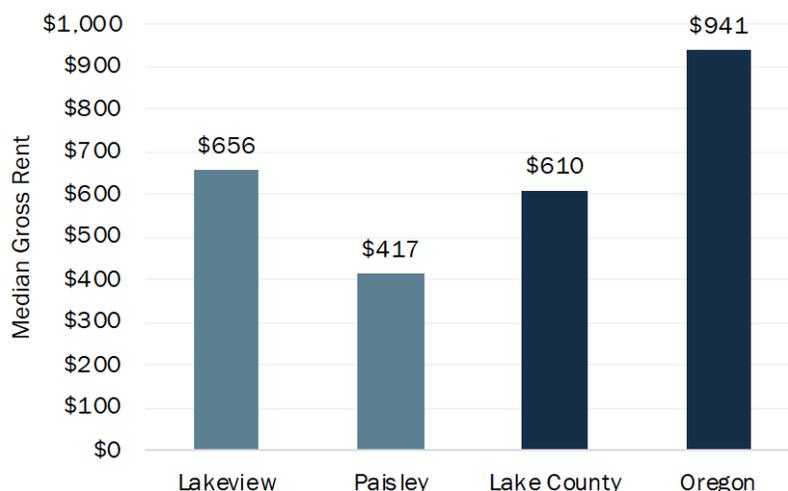
Rental Costs

Rent costs in Lakeview are similar to average rents in Lake County and lower than state averages. Rent costs in Paisley are lower than Lakeview, Lake County, and Oregon. The following charts show gross rent (which includes the cost of rent plus utilities) for Lakeview and Paisley based on Census data.

As of 2012-2016, the median gross rent was **\$656 in Lakeview** and **\$417 in Paisley**.

Exhibit 58. Median Gross Rent, Lakeview, Paisley, Lake County, and Oregon, 2012-2016

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

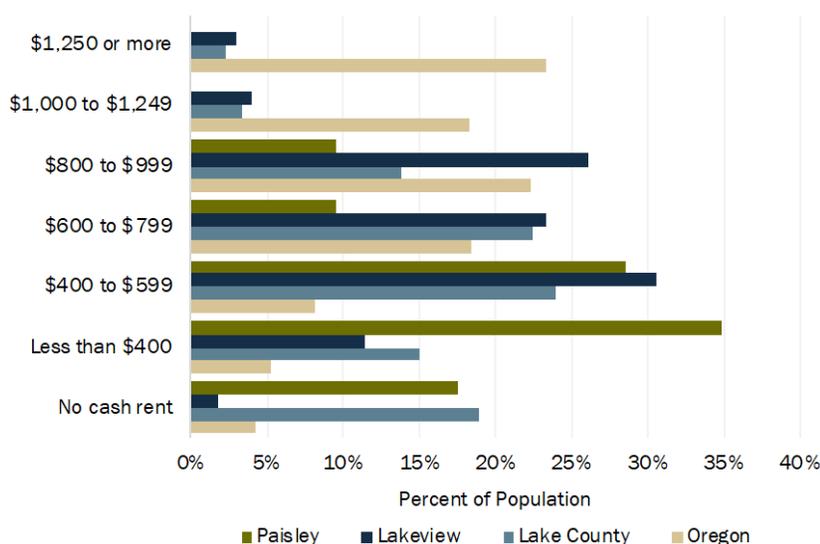


All of Paisley renters (100%) and nearly all of Lakeview renters (93%) pay less than \$1,000 per month in rent.

About 81% of Paisley renters pay less than \$600 per month in rent, compared to 44% of Paisley renters.

Exhibit 59. Gross Rent, Paisley, Lakeview, Lake County, and Oregon, 2012-2016

Source: U.S. Census Bureau, ACS 2012-2016 5-year estimates, Table B25063.



\$85,000 in 2012-2016. Over the same period, median income decreased from \$44,531 to \$38,953 in Lakeview and \$41,058 to \$37,679 in Paisley.

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 burden," and households paying more than 50% of their income on housing experience "severe cost burden." Using cost burden 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.

About 32% of Lakeview's households are cost burdened and 14% of Paisley's households are cost burdened. About 44% of Lakeview renter households are cost burdened, compared to 18% of Lakeview homeowners. In Paisley, about 17% of renter households are cost burdened relative to 13% of homeowners. Overall, Lakeview has a larger share of cost burdened households than Paisley and Lake County, but not as large of a share as Oregon. Lakeview also has more cost-burdened renter households (50%) than Paisley (17%) and Lake County (48%), but not as many as Oregon (53%).

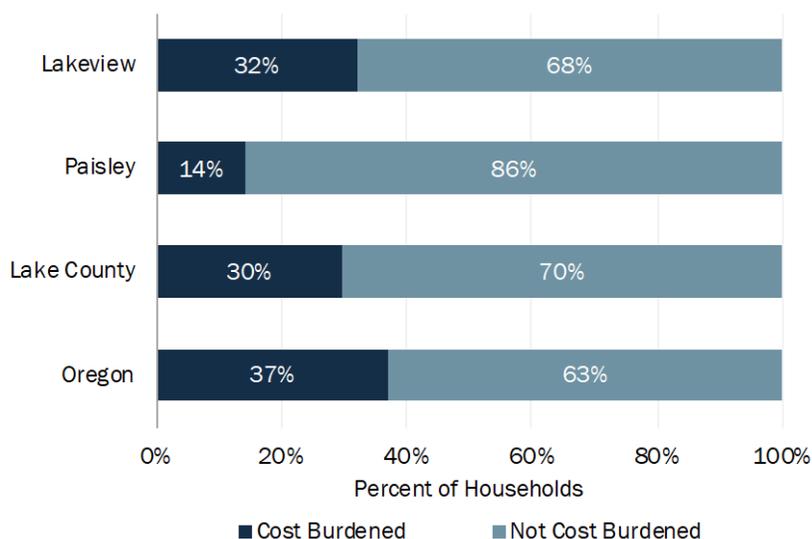
For example, about 34% of Lakeview's households have an income of less than \$25,000 per year. These households can afford rent of less than \$625 per month, or a home with a value of less than \$62,500. Most, but not all, of these households are cost burdened.

A similar percentage of Lakeview and Lake County households are cost burdened (32% and 30%).

Paisley has the lowest share of cost burdened households (14%) and Oregon has the highest (37%) for the 2012-2016 period.

Exhibit 60. Housing Cost Burden, Lakeview, Paisley, Lake County, and Oregon, 2012-2016

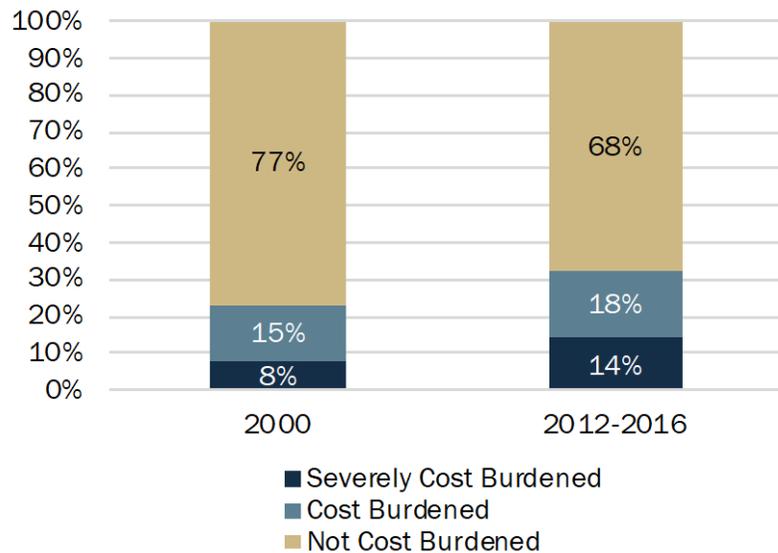
Source: U.S. Census Bureau, ACS 2012-2016 5-year estimates, Tables B25091 and B25070.



The share of cost burdened and severely cost burdened households in Lakeview increased by 9% from 2000 to 2016.

Exhibit 61. Change in Housing Cost Burden, Lakeview, 2000 and 2012-2016

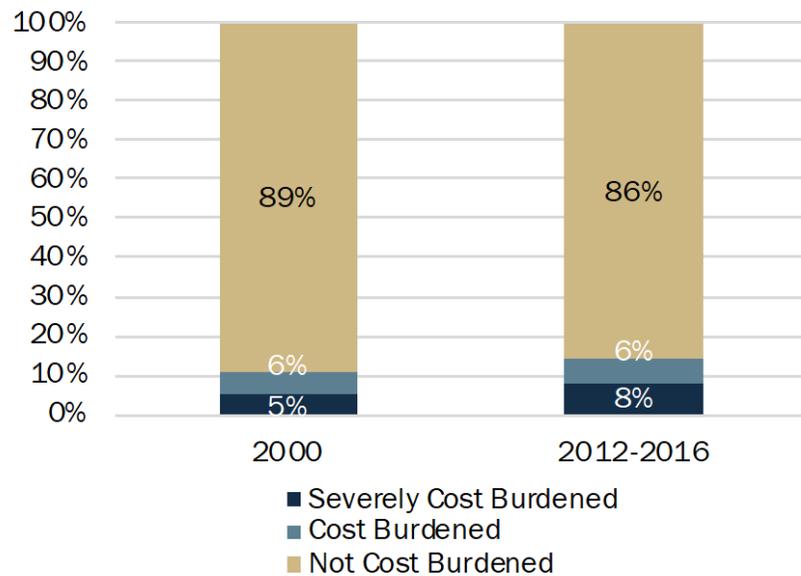
Source: U.S. Census Bureau, 2000 Decennial Census, Table H094 / H069 and ACS 2012-2016 5-year estimates, Tables B25091 / B25070.



The share of cost burdened and severely cost burdened households in Paisley increased by 3% from 2000 to 2016.

Exhibit 62. Change in Housing Cost Burden, Paisley, 2000 and 2012-2016

Source: U.S. Census Bureau, 2000 Decennial Census, Table H094 / H069 and ACS 2012-2016 5-year estimates, Tables B25091 / B25070.

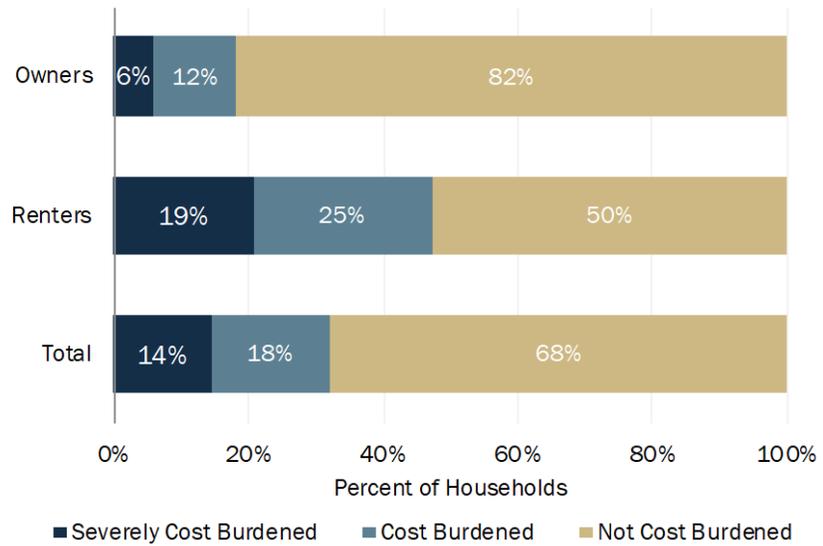


Renters are much more likely to be cost burdened than homeowners in Lakeview.

In the 2012-2016 period, about 44% of renters were cost burdened, compared to 18% of homeowners.

Exhibit 63. Housing Cost Burden by Tenure, Lakeview, 2012-2016

Source: U.S. Census Bureau, ACS 2012-2016 5-year estimates, Tables B25091 and B25070.

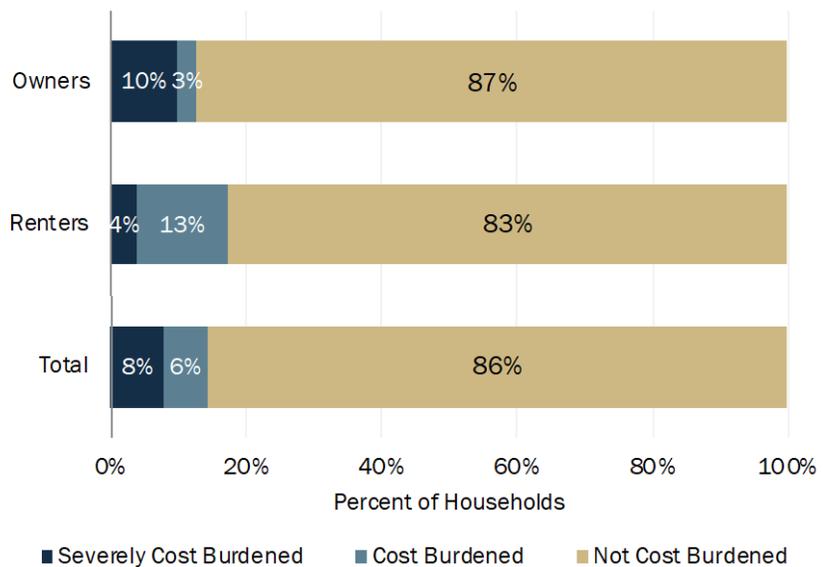


Renters are slightly more likely to be cost burdened than homeowners in Paisley.

In the 2012-2016 period, about 17% of renters were cost burdened, compared to 13% of homeowners.

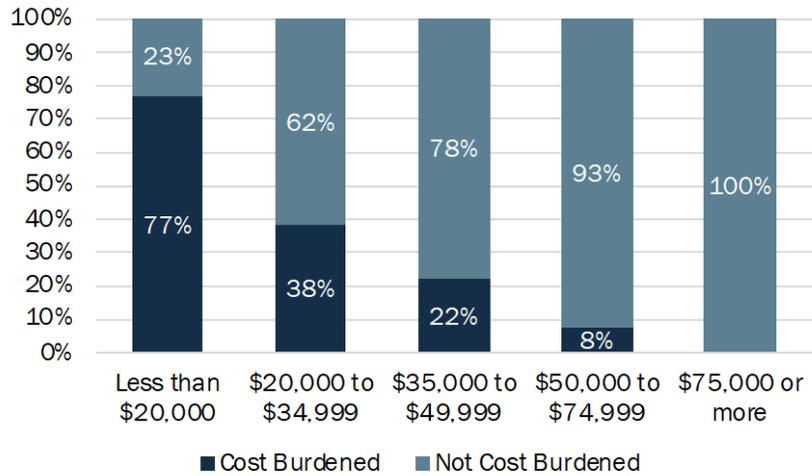
Exhibit 64. Housing Cost Burden by Tenure, Paisley, 2012-2016

Source: U.S. Census Bureau, ACS 2012-2016 5-year estimates, Tables B25091 and B25070.



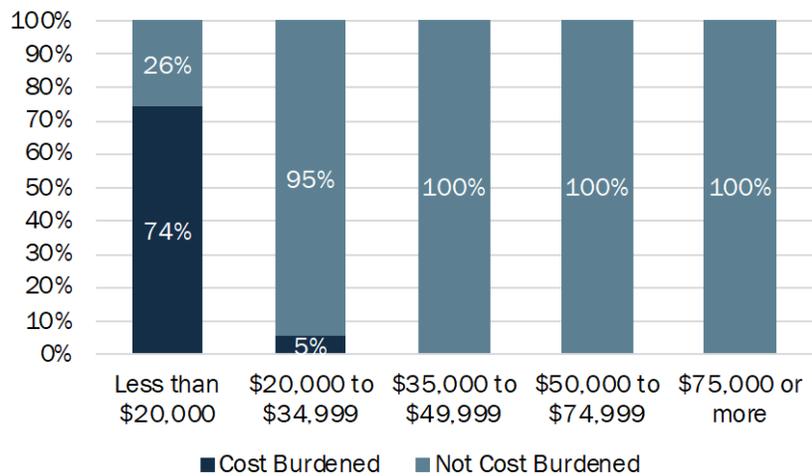
More than two thirds of households in Lakeview earning less than \$20,000 per year are cost burdened.

Exhibit 65. Housing Cost Burden by Income, Lakeview, 2012-2016
 Source: U.S. Census Bureau, ACS 2012-2016 5-year estimates, Table S2503.



Approximately two thirds of households in Paisley earning less than \$20,000 per year are cost burdened.

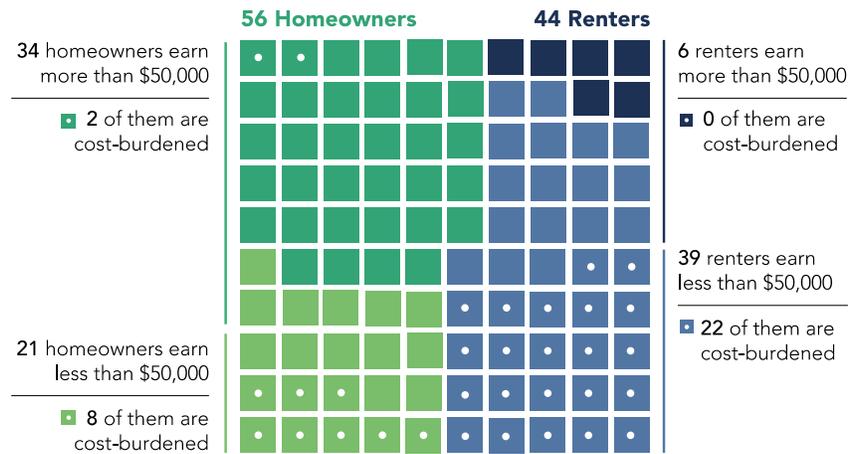
Exhibit 66. Housing Cost Burden by Income, Paisley, 2012-2016
 Source: U.S. Census Bureau, ACS 2012-2016 5-year estimates, Table S2503.



Cost burden rates also vary by income. The majority of Lakeview renter households that earn less than \$50,000 per year are cost burdened (22 out of 39, or about 56%).

Exhibit 67. Illustration of Cost Burden: If all of Lakeview's Households were 100 Residents

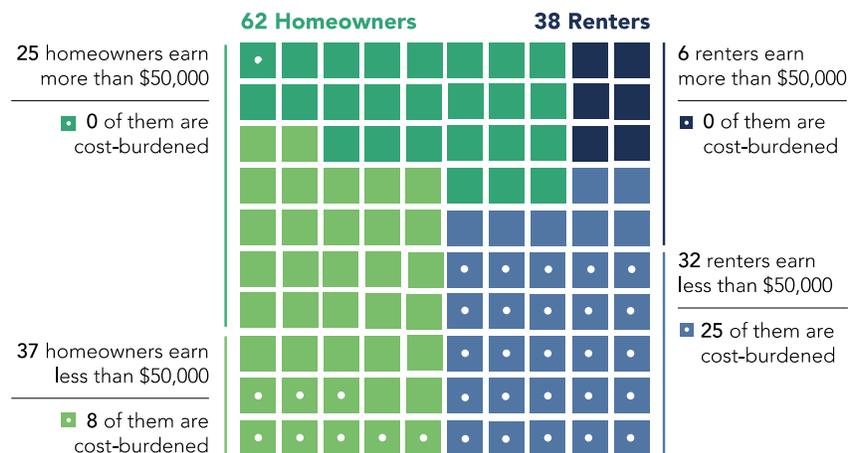
Source: U.S. Census Bureau, ACS 2012-2016 5-year estimates, Table S2503.



Cost burden rates also vary by income. The majority of Paisley renter households that earn less than \$50,000 per year are cost burdened (25 out of 32, or about 78%).

Exhibit 68. Illustration of Cost Burden: If all of Paisley's Households were 100 Residents

Source: U.S. Census Bureau, ACS 2012-2016 5-year estimates, Table S2503.



While cost burden is a common measure of housing affordability, it does have some limitations. Two important limitations are:

- A household is defined as cost burdened if the housing costs exceed 30% of their income, regardless of actual income. The remaining 70% of income is expected to be spent on non-discretionary expenses, such as food or medical care, and on discretionary expenses. Households with higher incomes may be able to pay more than 30% of their income on housing without impacting the household's ability to pay for necessary non-discretionary expenses.
- Cost burden compares income to housing costs and does not account for accumulated wealth. As a result, the estimate of how much a household can afford

to pay for housing does not include the impact of a household's accumulated wealth. For example, a household of retired people may have relatively low income but may have accumulated assets (such as profits from selling another house) that allow them to purchase a house that would be considered unaffordable to them based on the cost burden indicator.

Another way of exploring the issue of financial need is to review housing affordability at varying levels of household income.

Fair Market Rent for a 2-bedroom apartment in Lake County is \$697.

Exhibit 69. HUD Fair Market Rent (FMR) by Unit Type, Lake County, 2018

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

\$445	\$539	\$697	\$927	\$1,209
Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom

A household must earn at least \$13.40 per hour to afford a two-bedroom unit in Lake County at Fair Market Rent.

Exhibit 70. Affordable Housing Wage, Lake County, 2018

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

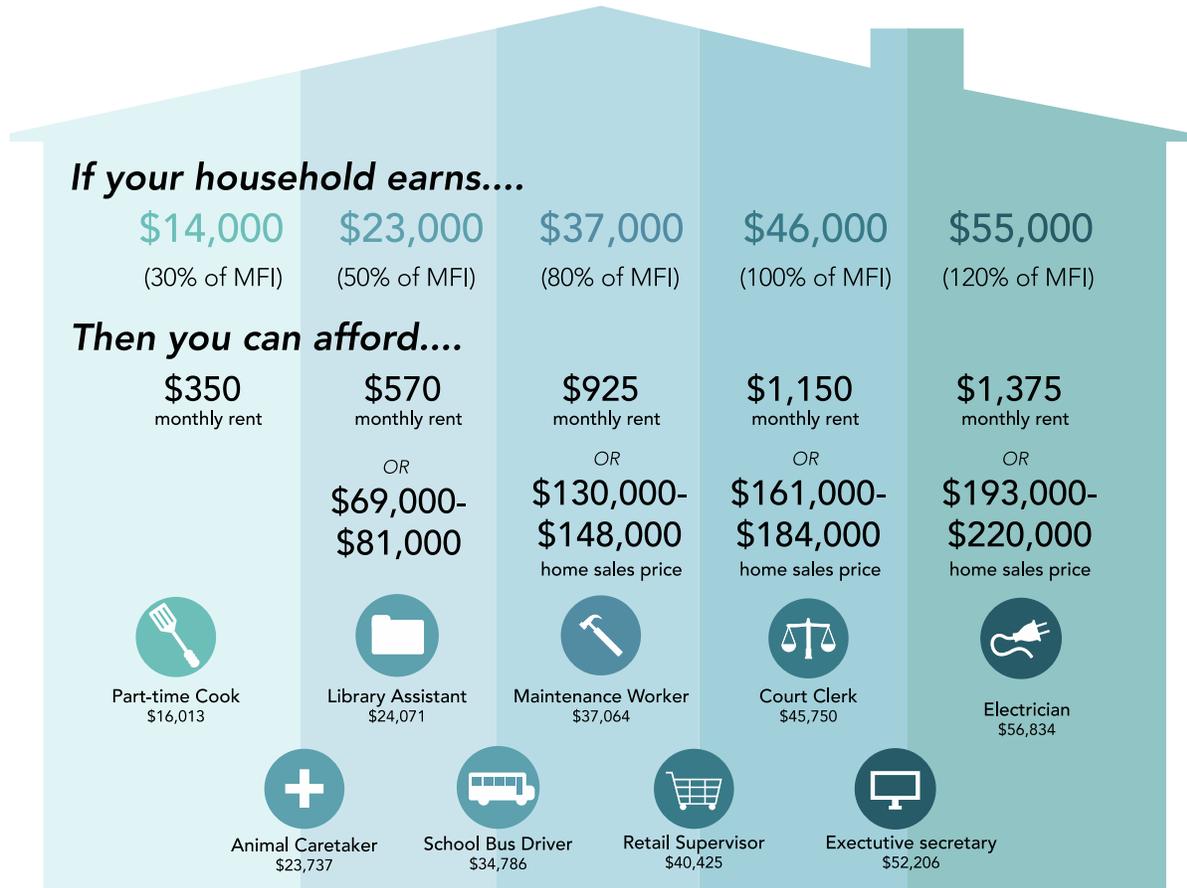
\$13.40/hour

Affordable Housing Wage for two-bedroom Unit in Lake County

A household in Lakeview or Paisley earning median family income (\$46,000) can afford a monthly rent of about \$1,150 or a home roughly valued between \$161,000 and \$184,000.

Exhibit 71. Financially Attainable Housing, by Median Family Income (MFI) for Lake County (\$45,700), Lakeview and Paisley, 2018

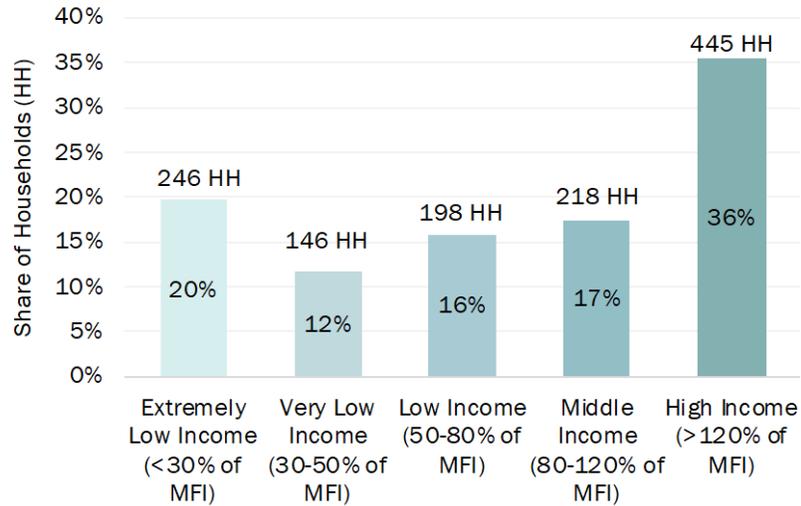
Source: U.S. Department of Housing and Urban Development, 2018. U.S. Census Bureau, ACS 2012-2016 5-year estimates, Table 19001. Oregon Employment Department. Note: MFI is Median Family Income, determined by HUD for Lake County.



About 32% of households in Lakeview are very low or extremely low income (earning less than 50% of MFI or \$22,850 per year).

Exhibit 72. Share of Households, by Median Family Income (MFI) for Lake County (\$45,700), Lakeview, 2016

Source: U.S. Department of Housing and Urban Development, 2018. U.S. Census Bureau, ACS 2012-2016 5-year estimates, Table 19001. Note: MFI is Median Family Income, determined by HUD for Lake County.



About 24% of Paisley households are very low or extremely low income (earning less than 50% of MFI or \$22,850 per year).

Exhibit 73. Share of Households, by Median Family Income (MFI) for Lake County (\$45,700), Paisley, 2016

Source: U.S. Department of Housing and Urban Development, 2018. U.S. Census Bureau, ACS 2012-2016 5-year estimates, Table 19001. Note: MFI is Median Family Income, determined by HUD for Lake County.

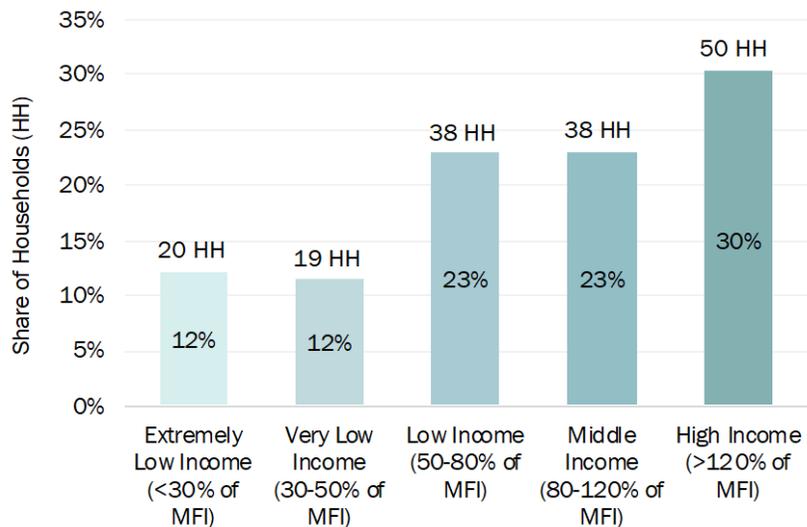


Exhibit 74. Characteristics of Financially Attainable Housing by Median Family Income (MFI) for Lake County (\$45,700)

Source: U.S. Department of Housing and Urban Development, 2018 Oregon Employment Department. Note: MFI is Median Family Income, determined by HUD for Lake County.



Exhibit 75 compares the number of households in Lakeview by income with the number of units affordable to those households in Lakeview. The data suggests that Lakeview currently has a deficit of housing affordable to households earning less than \$15,000/year. Lakeview has a deficit of more affordable housing types such as government-assisted housing (of all types), manufactured housing, and multifamily products (such as apartments, duplexes, and tri- and quad-plexes). Lakeview also has a need for moderate- and high-amenity housing for households earning more than \$50,000/year, such as single-family detached (small-lot, traditional, and high-amenity), townhomes, and higher-end multifamily products.

Exhibit 75. Affordable Housing Costs and Units by Income Level, Lakeview, 2016

Source: U.S. Census Bureau, 2012-2016 ACS. Note: MFI is Median Family Income, determined by HUD for Lake County. MFI for Lake County was \$45,700 in 2018.



*Median Family Income for a family of four

Implication 1

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

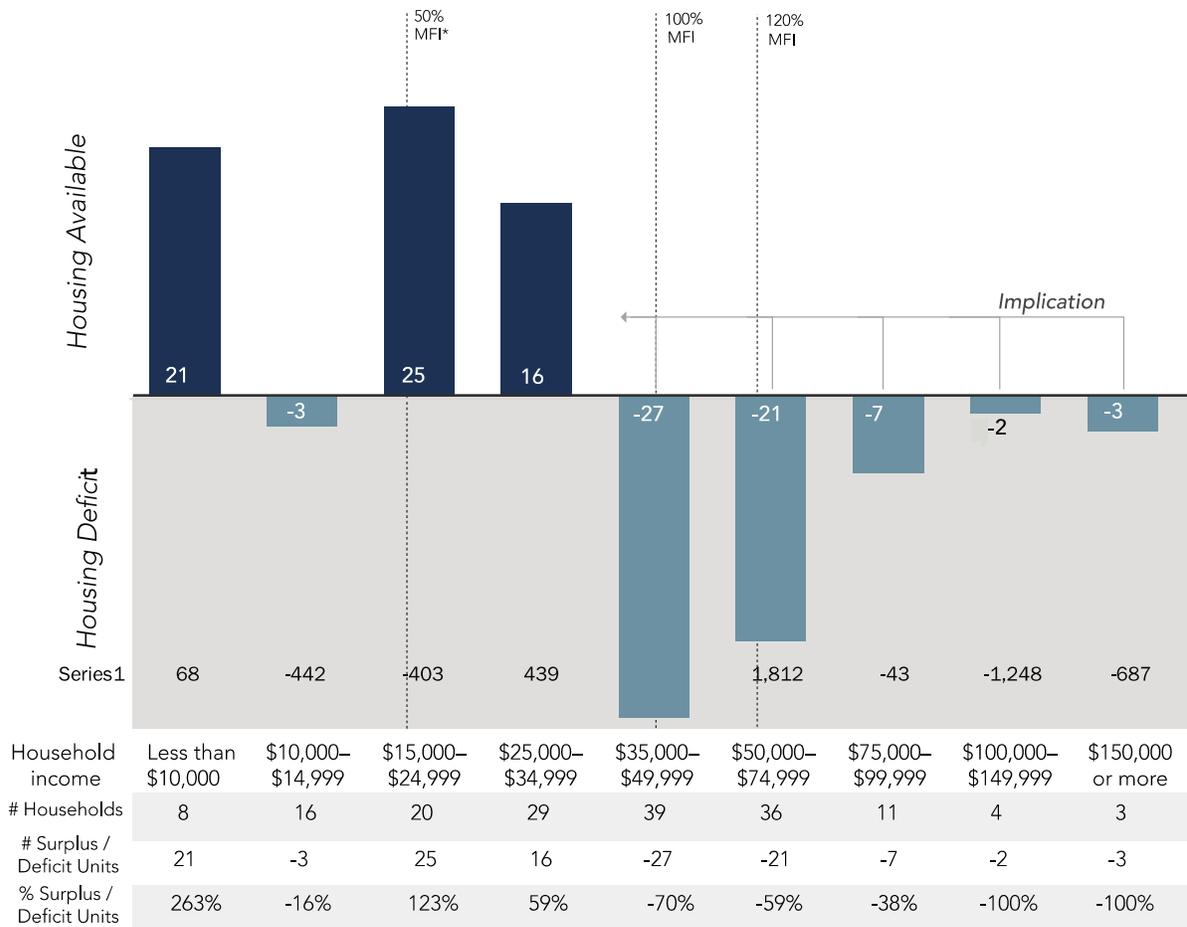
Implication 2

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 a lack of higher-cost and higher-amenity housing that would better suit their preferences.

Exhibit 76 compares the number of households in Paisley by income with the number of units affordable to those households in Paisley. The data suggests that Paisley currently has a need for moderate- and high-amenity housing affordable to households earning more than \$35,000/year. The housing types that Lakeview needs are single-family detached housing (manufactured on lots, small-lot, traditional, and high-amenity), townhomes, and multifamily products (duplexes, tri- and quad-plexes, and apartments).

Exhibit 76. Affordable Housing Costs and Units by Income Level, Paisley, 2016

Source: U.S. Census Bureau, 2012-2016 ACS. Note: MFI is Median Family Income, determined by HUD for Lake County. MFI for Lake County was \$45,700 in 2018.



*Median Family Income for a family of four

Implication

Many 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.

Summary of the Factors Affecting Lakeview and Paisley's Housing Needs

The purpose of the analysis thus far has been to provide background on the kinds of factors that influence housing choice. While the number and interrelationships among these factors ensure that generalizations about housing choice are difficult to make and prone to inaccuracies, it is a crucial step to informing the types of housing that will be needed in the future.

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

The data illustrates what more detailed research has shown and what most people understand intuitively: life cycle and housing choice interact in ways that are predictable in the aggregate; age of the household head is correlated with household size and income; household size and age of household head affect housing preferences; and income affects the ability of a household to afford a preferred housing type. The connection between socioeconomic and demographic factors and housing choice is often described informally by giving names to households with certain combinations of characteristics: the "traditional family," the "never-marrieds," the "dinks" (dual-income, no kids), and the "empty-nesters."⁴¹ Thus, simply looking at the long wave of demographic trends can provide good information for estimating future housing demand.

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

- **Growth in housing is driven by growth in population; yet, Lakeview and Paisley's population is not growing.** Between 1990 and 2017, Lakeview's population declined by 226 people (-9%) and Paisley's population declined by 80 people (-23%). The population in Lakeview's UGB is forecasted to shrink from 3,175 to 3,173, a decrease of two people (-0.1%) between 2019 and 2039.⁴² The population in Paisley's UGB is forecasted to grow from 266 to 275, an increase of 9 people (3%) between 2019 and 2039.
- **Lack of population growth in Lakeview and Paisley does not mean that all housing need in Lakeview and Paisley are met.** Thirty-two percent of Lakeview's households (and 44% of renter households) are cost burdened. In Paisley, 14% of households (17% of renters) are cost burdened. Lakeview has a deficit of 168 dwelling units affordable to households earning less than \$15,000 (about 33% of MFI) and a deficit of 312 dwelling

⁴¹ See *Planning for Residential Growth: A Workbook for Oregon's Urban Areas* (June 1997).

⁴² This forecast is based on Lake County's certified population estimate and official forecast from the Oregon Population Forecast Program for the 2019 to 2039 period, shown in Exhibit 32.

units affordable to households earning more than \$50,000 (about 109% or more of MFI). Paisley has a small deficit of three dwelling units affordable to households earning between \$10,000 and \$15,000 (about 22% to 32% of MFI) and a deficit of 59 dwelling units affordable to households earning more than \$35,000 (about 77% or more of MFI). This suggests that housing values and costs in Paisley are unusually low, which is supported by Census data about housing value.

- **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, and one that is important when trying to address demand for new housing.

Lakeview and Paisley’s residential policies can impact the amount of change in their respective housing markets, to some degree. If Lakeview and Paisley adopt policies to increase opportunities to build smaller-scale single-family and multifamily housing types (particularly multifamily that is affordable to low- and moderate-income households), a larger percentage of new housing developed over the next 20 years in Lakeview and Paisley may begin to address their needs. Examples of policies that Lakeview and Paisley could adopt to achieve this outcome include allowing a wider range of housing types (e.g., duplex or townhouses) in single-family zones, ensuring that there is sufficient land zoned to allow single-family attached and multifamily housing development, and supporting development of government-subsidized affordable housing. The degree of change in Lakeview and Paisley’s housing markets, however, will depend on market demand for these types of housing in Lake County.

- **Lakeview and Paisley need to manage their declining population, while still providing opportunities for meeting the housing needs of people living in the cities.** Population is forecast to decline slightly in Lakeview and grow by a very small amount in Paisley. These changes in population will not generate substantial demand for new housing. However, the housing needs of current residents and the few new residents in the cities may change over time.

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

- *The Baby Boomer’s population is continuing to age.* By 2040, people 60 years and older will account for 43% of the population in Lake County (up from 37% in 2020). The changes that affect Lakeview and Paisley’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 Lakeview and Paisley.
- *Millennials will continue to age.* By 2040, Millennials will be roughly between 40 and 60 years old. As they age, generally speaking, their household sizes will increase, and their homeownership rates will peak by about age 55. Between 2020 and 2040, Millennials will be a key driver in demand for housing for

families with children. The ability to attract Millennials will depend on Lakeview and Paisley's availability of affordable housing for renters and owners. It will also depend on the location of new housing in Lakeview and Paisley as many Millennials prefer to live in more urban environments.⁴³ The decline in homeownership among the Millennial generation has more to do with financial barriers rather than the preference to rent.⁴⁴

- *The Latinx population will continue to grow.* The U.S. Census projects that by about 2040, the Latinx population will account for one-quarter of the nation's population. The share of the Latinx population in the Western U.S. is likely to be higher. The Latinx population currently accounts for about 10% of Lakeview's population and 1% of Paisley's population. In addition, the Latinx population is generally younger than the U.S. average, with many Latinx people belonging to the Millennial generation. Latinx population growth will be an important driver in growth of housing demand, both for owner- and renter-occupied housing. Growth in the Latinx population will drive demand for housing for families with children. Given the lower income for Latinx households, especially first-generation immigrants, growth in this group will also drive demand for affordable housing, both for ownership and renting.⁴⁵

In summary, an aging population, housing affordability concerns for Millennials, growth in 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. This need may be accompanied by replacement of older housing in poor condition, housing that meets new needs of residents (such as housing meeting the needs of seniors), and housing for the small number of people who move into the area.

⁴³ Choi, Hyun June; Zhu, Jun; Goodman, Laurie; Ganesh, Bhargavi; Stochak, 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

⁴⁴ Ibid.

⁴⁵ The following articles describe housing preferences and household income trends for Hispanic and Latino families, including differences in income levels for first, second, and third generation households. In short, Hispanic and Latino households have lower median income than the national averages. First and second generation Hispanic and Latino households have median incomes below the average for all Hispanic and Latino households. Hispanic and Latino households have a strong preference for homeownership, but availability of mortgages and availability of affordable housing are key barriers to homeownership for this group.

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

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

5. Housing Need in Lakeview and Paisley

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 Lakeview and Paisley over the 20-year planning period, (2) information about Lakeview and Paisley's housing market relative to Lake County and Oregon, and (3) the demographic composition of Lakeview and Paisley's existing population and expected long-term changes in the demographics of Lake County.

Lakeview's Projected Housing Need

This section describes the key assumptions and presents an estimate of new housing units needed in Lakeview between 2019 and 2039. The key assumptions are based on the best available data and may rely on safe harbor provisions, when available.⁴⁶

- **Population.** A 20-year population forecast (in this instance, 2019 to 2039) is the foundation for estimating needed new dwelling units. Lakeview's UGB will decline from 3,175 persons in 2019⁴⁷ to 3,173 persons in 2039, a reduction of two people.⁴⁸
- **Persons in Group Quarters.**⁴⁹ Persons in group quarters do not consume standard housing units: thus, any forecast of new people in group quarters is typically derived from the population forecast for the purpose of estimating housing demand. Group quarters can have a big influence on housing in cities with colleges (dorms), prisons, or a large elderly population (nursing homes). In general, any new requirements for these housing types will be met by institutions (colleges, government agencies, health-care corporations) operating outside what is typically defined as the housing

⁴⁶ A safe harbor is an assumption that a city can use in a housing needs analysis that the State has said will satisfy the requirements of Goal 14. OAR 660-024 defines a safe harbor as "... an optional course of action that a local government may use to satisfy a requirement of Goal 14. Use of a safe harbor prescribed in this division will satisfy the requirement for which it is prescribed. A safe harbor is not the only way, or necessarily the preferred way, to comply with a requirement and it is not intended to interpret the requirement for any purpose other than applying a safe harbor within this division."

⁴⁷ Portland State University's population forecast shows that in 2018, the Lakeview and Paisley's urban growth boundary had 3,132 people. We extrapolated from 2018 to get to 3,175 in 2019 using Portland State University's method, a required use.

⁴⁸ This forecast is based on Lakeview UGB's official forecast from the Oregon Population Forecast Program for the 2019 to 2039 period.

⁴⁹ The Census Bureau's definition of group quarters is as follows: A group quarters is a place where people live or stay, in a group living arrangement, that is owned or managed by an entity or organization providing housing and/or services for the residents. The Census Bureau classifies all people not living in housing units (house, apartment, mobile home, rented rooms) as living in group quarters. There are two types of group quarters: (1) Institutional, such as correctional facilities, nursing homes, or mental hospitals and (2) Non-Institutional, such as college dormitories, military barracks, group homes, missions, or shelters.

market. Nonetheless, group quarters require residential land. They are typically built at densities that are comparable to that of multifamily dwellings.

The 2013-2017 American Community Survey shows that 2.9% of Lakeview’s population was in group quarters. **For the 2019 to 2039 period, we assume 2.9% of Lakeview’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 Lakeview was 2.11 people. **Thus, for the 2019 to 2039 period, we assume an average household size of 2.11 persons in Lakeview.**
- **Vacancy Rate.** The Census defines vacancy as: "unoccupied housing units are considered vacant. Vacancy status is determined by the terms under which the unit may be occupied, e.g., for rent, for sale, or for seasonal use only." The 2010 Census identified vacant units through an enumeration, separate from (but related to) the survey of households. The Census determines vacancy status and other characteristics of vacant units by enumerators obtaining information from property owners and managers, neighbors, rental agents, and others.

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

OAR 660-024 established a safe harbor assumption for vacancy rate—which is the figure from the most recent decennial Census. According to the 2013-2017 American Community Survey, Lakeview’s vacancy rate was 9.1%. **For the 2019 to 2039 period, we assume a vacancy rate of 9.1% in Lakeview.**

Population growth will not drive demand for new housing over the 20-year analysis period.

Exhibit 77. Forecast of demand for new dwelling units, Lakeview UGB, 2019 to 2039

Source: Calculations by ECONorthwest.

Variable	New Dwelling Units (2019-2039)
Change in persons	(2)
<i>minus</i> Change in persons in group quarters	-
<i>equals</i> Persons in households	(2)
Average household size	2.11
New occupied DU	(1)
<i>times</i> Aggregate vacancy rate	9.1%
<i>equals</i> Vacant dwelling units	-
Total new dwelling units (2019-2039)	(1)
Annual average of new dwelling units	-

Housing Units Needed Over the Next 20 Years in Lakeview

Exhibit 77 presents a forecast for new housing in Lakeview's UGB for the 2019 to 2039 period. This section determines the future housing mix and density for development of new housing in Lakeview over the 20-year analysis period.

In the future, population growth will not drive demand for new housing developed in Lakeview. Changing demographics and preferences for higher-quality housing will drive demand for a housing stock that better suits the needs of Lakeview residents, and prospective residents.

This assumption is based on the following findings in the previous chapters:

- Demographic changes across Lake County (and in Lakeview) suggest increases in demand for single-family attached housing. The key demographic trends that will affect Lakeview's future housing needs are the aging of the Baby Boomers and household formation of the Millennials. The implications of the trends are increased demand for small older (often single-person) households and increased demand for affordable housing for families, both for ownership and rent.
- The aging of Lakeview's housing stock suggests need for higher-quality housing of all types (single-family detached housing, single-family attached housing, and multifamily housing). About 55% of Lakeview's housing stock was built before 1950, resulting in many of these homes potentially needing rehabilitation, or alternatively, demolition and redevelopment/infill.

Exhibit 78 shows a forecast of needed housing in the Lakeview UGB during the 2019 to 2039 period. The projection is based on the following assumptions:

- Lakeview's official forecast for population growth shows that the Town will decline by two people over the 20-year period. Exhibit 78 shows that the new population will not result in a need for new dwelling units over the 20-year period.
- The assumptions about the mix of housing in Exhibit 78 are:
 - **About 85% of new housing will be single-family detached**, a category which includes manufactured housing. Lakeview's housing stock was 87% single-family detached in the 2013-2017 period.
 - **Nearly 4% of new housing will be single-family attached**. Lakeview's housing stock was 3% single-family attached in the 2013-2017 period.
 - **About 11% of new housing will be multifamily**. Lakeview's housing stock was 11% multifamily in the 2013-2017 period.

Population growth will not drive demand for new housing over the 20-year analysis period.

Exhibit 78. Forecast of demand for new dwelling units, Lakeview UGB, 2019 to 2039

Source: Calculations by ECONorthwest.

Variable	Needed Mix
Needed new dwelling units (2019-2039)	-1
Dwelling units by structure type	
Single-family detached	
Percent single-family detached DU	85%
equals Total new single-family detached DU	-1
Single-family attached	
Percent single-family attached DU	4%
equals Total new single-family attached DU	0
Multifamily	
Percent multifamily	11%
Total new multifamily	0
equals Total new dwelling units (2019-2039)	-1

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. Given the problems with housing conditions in Lakeview, it is likely that demolition and replacement of units may be a significant part of housing development activity in Lakeview over the planning period.

Where Lakeview does have housing development, we assume that development will occur at densities consistent with those allowed by Lakeview’s zoning code. Exhibit 79 shows the following densities, in net and gross acres.⁵⁰ Exhibit 79 converts between net acres and gross acres to account for land needed for rights-of-way based on empirical analysis of existing rights-of-way by plan designation in Lakeview.

- **Residential:** 19% of land is in rights-of-way. The densities in these areas may range from 4.0 to 5.0 dwelling units per net acre based on the development standards in the zoning code, which allows single-family detached housing to develop on a minimum of 6,000 square foot lot sizes. Accounting for rights-of-way, this would be 3.2 to 4.1 dwelling units per gross acre.
- **Residential – Multiple Family:** 19% of land is in rights-of-way. The densities in these areas may range from 12.0 to 16.0 dwelling units per net acre based on the development standards in the zoning code, which allows multifamily development of 10 to 24 dwelling units per acre. Given the limited multifamily development in

⁵⁰ OAR 660-024-0010(6) uses the following definition of net buildable acre. “Net Buildable Acre” “...consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads.” While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

Lakeview, we assume development will occur at the lower end of the range. Accounting for rights-of-way, this would be 9.7 to 13.0 dwelling units per gross acre.

Exhibit 79. Future density for housing built in the Lakeview UGB, 2019 to 2039

Source: ECONorthwest. Note: DU is dwelling unit.

Plan Designation	Average Net Density (DU/Net Acre)		% for Rights-of-Way	Average Gross Density (DU/Gross Acre)	
	Low Est.	High Est.		Low Est.	High Est.
Residential	4	5	19%	3.2	4.1
Residential - Multiple Family	12	16	19%	9.7	13.0

Paisley’s Projected Housing Need

This section describes the key assumptions and presents an estimate of new housing units needed in Paisley between 2019 and 2039. The key assumptions are based on the best available data and may rely on safe harbor provisions, when available.⁵¹

- **Population.** A 20-year population forecast (in this instance, 2019 to 2039) is the foundation for estimating needed new dwelling units. Paisley’s UGB will increase by only nine persons from 266 persons in 2019 to 275 persons in 2039.⁵²
- **Persons in Group Quarters.**⁵³ Persons in group quarters do not consume standard housing units: thus, any forecast of new people in group quarters is typically derived from the population forecast for the purpose of estimating housing demand. Group quarters can have a big influence on housing in cities with colleges (dorms), prisons, or a large elderly population (nursing homes). In general, any new requirements for these housing types will be met by institutions (colleges, government agencies, health-care corporations) operating outside what is typically defined as the housing market. Nonetheless, group quarters require residential land. They are typically built at densities that are comparable to that of multi-family dwellings.

⁵¹ A safe harbor is an assumption that a city can use in a housing needs analysis that the State has said will satisfy the requirements of Goal 14. OAR 660-024 defines a safe harbor as “... an optional course of action that a local government may use to satisfy a requirement of Goal 14. Use of a safe harbor prescribed in this division will satisfy the requirement for which it is prescribed. A safe harbor is not the only way, or necessarily the preferred way, to comply with a requirement and it is not intended to interpret the requirement for any purpose other than applying a safe harbor within this division.”

⁵² This forecast is based on Paisley UGB’s official forecast from the Oregon Population Forecast Program for the 2019 to 2039 period.

⁵³ The Census Bureau's definition of group quarters is as follows: A group quarters is a place where people live or stay, in a group living arrangement, that is owned or managed by an entity or organization providing housing and/or services for the residents. The Census Bureau classifies all people not living in housing units (house, apartment, mobile home, rented rooms) as living in group quarters. There are two types of group quarters: (1) Institutional, such as correctional facilities, nursing homes, or mental hospitals and (2) Non-Institutional, such as college dormitories, military barracks, group homes, missions, or shelters.

The 2013-2017 American Community Survey shows that 2.9% of Paisley’s population was in group quarters. For the 2019 to 2039 period, we assume 2.9% of Paisley’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 Paisley was 2.08 people. Thus, for the 2019 to 2039 period, we assume an average household size of 2.08 persons in Paisley.
- **Vacancy Rate.** The Census defines vacancy as: "unoccupied housing units [that] are considered vacant. Vacancy status is determined by the terms under which the unit may be occupied, e.g., for rent, for sale, or for seasonal use only." The 2010 Census identified vacant units through an enumeration, separate from (but related to) the survey of households. The Census determines vacancy status and other characteristics of vacant units by enumerators obtaining information from property owners and managers, neighbors, rental agents, and others.

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

OAR 660-024 established a safe harbor assumption for vacancy rate—which is the figure from the most recent decennial Census. According to the 2013-2017 American Community Survey, Paisley’s vacancy rate was 9.7%. For the 2019 to 2039 period, we assume a vacancy rate 9.7% in Paisley.

Paisley will have demand for four new dwelling units over the 20-year analysis period.

Exhibit 80. Forecast of demand for new dwelling units, Paisley UGB, 2019 to 2039

Source: Calculations by ECONorthwest.

Variable	New Dwelling Units (2019-2039)
Change in persons	9
<i>minus</i> Change in persons in group quarters	-
<i>equals</i> Persons in households	9
Average household size	2.08
New occupied DU	4
<i>times</i> Aggregate vacancy rate	9.7%
<i>equals</i> Vacant dwelling units	-
Total new dwelling units (2019-2039)	4
Annual average of new dwelling units	-

Housing Units Needed Over the Next 20 Years in Paisley

Exhibit 80 presents a forecast of new housing in Paisley's UGB for the 2019 to 2039 period. This section determines the future housing mix and density for development of new housing in Paisley over the 20-year analysis period.

In the future, population growth will drive demand for four new dwelling units in Paisley. To a larger extent, changing demographics and preferences for higher-quality housing will also drive demand for a housing stock that better suits the needs of Paisley's residents, and prospective residents. This assumption is based on the following findings in the previous chapters:

- Demographic changes across Lake County (and in Paisley) suggest increases in demand for single-family attached housing. The key demographic trends that will affect Paisley's future housing needs are the aging of the Baby Boomers and household formation of the Millennials. The implications of the trends are increased demand for small older (often single-person) households and increased demand for affordable housing for families, both for ownership and rent.
- The aging of Paisley's housing stock suggests need for higher-quality housing of all types (single-family detached housing, single-family attached housing, and multifamily housing). About 70% of Paisley's housing stock was built before 1980 and 34% of Paisley's housing stock was built before 1950. This results in many of these homes needing rehabilitation, or alternatively, demolition and redevelopment/infill.

Exhibit 81 shows a forecast of needed housing in the Paisley UGB during the 2019 to 2039 period. The projection is based on the following assumptions:

- Paisley's official forecast for population growth shows that the City will add nine people over the 20-year period. Exhibit 80 shows that the new population will result in need for four new dwelling units over the 20-year period.
- The assumptions about the mix of housing in Exhibit 81 are:
 - **About 90% of new housing will be single-family detached**, a category which includes manufactured housing. About 95% of Paisley's housing was single-family detached in the 2013-2017 period.
 - **Nearly 5% of new housing will be single-family attached**. About 0% of Paisley's housing was single-family attached in the 2013-2017 period.
 - **About 5% of new housing will be multifamily**. About 5% of Paisley's housing was multifamily in the 2013-2017 period.

Paisley will have demand for four new dwelling units over the 20-year period, all of which will be single-family detached housing.

Exhibit 81. Forecast of demand for new dwelling units, Paisley UGB, 2019 to 2039

Source: Calculations by ECONorthwest.

Variable	Needed Mix
Needed new dwelling units (2019-2039)	4
Dwelling units by structure type	
Single-family detached	
Percent single-family detached DU	90%
equals Total new single-family detached DU	4
Single-family attached	
Percent single-family attached DU	5%
equals Total new single-family attached DU	0
Multifamily	
Percent multifamily	5%
Total new multifamily	0
equals Total new dwelling units (2019-2039)	4

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.

The next step in the analysis is to allocate needed housing to plan designations in Paisley. The allocation is based, in part, on the types of housing allowed in each plan designation. Paisley’s four units of needed single-family detached housing, which may include manufactured housing, could locate in Paisley’s Residential zone or Paisley’s Rural Community zone. These zones also allow two-family dwellings or duplexes.

Exhibit 82 shows the following needed densities, in net and gross acres.⁵⁴ Exhibit 82 converts between net acres and gross acres to account for land needed for rights-of-way based on empirical analysis of existing rights-of-way by plan designation in Paisley.

- **Residential (R):** 15% of land is in rights-of-way. The densities in these areas are 4.0 to 9.0 dwelling units per net acre based on the development standards in the zoning code. Accounting for rights-of-way, this would be 3.4 to 7.7 dwelling units per gross acre.
- **Rural Community (RC):** 13% of land is in rights-of-way. The densities in these areas are 4 and 9 dwelling units per net acre based on the development standards in the zoning code. Accounting for rights-of-way, this would be 3.5 and 7.8 dwelling units per gross acre.

⁵⁴ OAR 660-024-0010(6) uses the following definition of net buildable acre. “Net Buildable Acre” “...consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads.” While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

Exhibit 82. Future density for housing built in the Paisley UGB, 2019 to 2039

Source: ECONorthwest. Note: DU is dwelling unit.

Plan Designation	Average Net Density (DU/Net Acre)		% for Rights-of-Way	Average Gross Density (DU/Gross Acre)	
	Low Est.	High Est.		Low Est.	High Est.
Residential	4	9	15%	3.4	7.7
Rural Community	4	9	13%	3.5	7.8
Average	4	9	14%	3.5	7.8

Needed Housing by Income Level

In general, 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. As demand for new housing is not forecast to grow in Lakeview and forecast to grow by four dwelling units in Paisley, ECONorthwest performed an alternative, more qualitative, assessment of housing need by income.

Lakeview's existing demographics suggest a need for housing types at both ends of the affordability spectrum.

- About 24% of Lakeview's households earn less than 50% of the region's median family income (MFI). Data suggests an approximate 168 dwelling unit deficit of housing affordable to these households, meaning some may be living in housing that costs more than what they can afford. This is consistent with findings that about three-quarters of households earning less than 50% of MFI in Lakeview are cost burdened. Many of these households need more affordable housing, such as: government-assisted housing (of all types), manufactured housing, small single-family detached housing (such as cottages), and multifamily products (such as quad-plexes and small apartments).
- About 36% of Lakeview's households earn more than 120% of the region's MFI. Data suggests an approximate 300 dwelling unit deficit of housing affordable to these households, meaning some may be living in housing that costs less than what they can afford. Many of these households may want to live in higher-amenity housing, such as single-family detached housing on large lots, townhomes, and higher-end multifamily products close to services.

Paisley's existing demographics suggest a need for housing types at the upper end of the affordability spectrum.

- About 37% of Paisley's households earn more than 100% of the region's median family income (MFI). Data suggests an approximate 60 dwelling unit deficit of housing affordable to these households, meaning some may be living in housing that costs less than what they can afford. Many of these households may want to live in higher-amenity housing, such as single-family detached housing on large lots, "traditional"

single-family housing, townhomes, and higher-end multifamily products close to services.

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, single-family attached, and multifamily products). The Town of Lakeview and City of Paisley allows development of government-assisted housing in all residential plan designations, with the same development standards for market-rate housing. This analysis assumes that the communities will continue to allow government-subsidized housing in all of its residential plan designations. Because government-subsidized housing is similar in character to other housing types (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 Town of Lakeview and City of Paisley allows development of farmworker housing in all residential zones, with the same development standards as market-rate housing. This analysis assumes that the communities 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.** Lakeview allows manufactured homes on lots in their residential designation. Lakeview has requirements for the design of manufactured homes on individual lots, such as requiring that the unit be multi-sectional with a floor area of not less than 1,000 square feet and include a garage or carport.⁵⁵ Paisley allows manufactured homes on lots in the R and RC designations. The communities do 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 for either community.
- **Manufactured housing in parks.** OAR 197.480(4) requires communities 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'

⁵⁵ Town of Lakeview Development Code section 2.1.200 C.

Manufactured Dwelling Park Directory,⁵⁶ Lakeview has four manufactured home parks within the town, with 96 spaces. Paisley has no manufactured home parks within the city.

- ORS 197.480(2) requires Lakeview and Paisley 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.
- Lakeview has not forecasted growth in dwelling units over the 2019 to 2039 period. Paisley will grow by four dwelling units over the 2019 to 2039 period.
- Analysis of housing affordability shows that Lakeview currently has 31% and Paisley currently has 24% Very-Low or Extremely-Low Income households, 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% (about 96 dwelling units) of Lakeview's current housing stock, and 0% (no dwelling units) of Paisley's current housing stock.
- 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 \$13,710 and \$22,850 (30% to 50% of MFI), which include 12% of Lakeview's households and 12% of Paisley's households. However, households in other income categories may live in manufactured homes in parks.

In Lakeview, manufactured home park development is an allowed use in the Residential designation. In Paisley, manufactured home park development is not an outright permitted use. 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 Lakeview and Paisley are unlikely.

Our conclusion from this analysis is that development of new manufactured home parks in Lakeview and Paisley is unlikely over the 2019 to 2039 analysis period. It is, however, likely that manufactured homes will continue to locate on

⁵⁶ Oregon Housing and Community Services, Oregon Manufactured Dwelling Park Directory, <http://o.hcs.state.or.us/MDPCRParcs/ParkDirQuery.jsp>

individual lots in these communities. The forecast of housing assumes that no new manufactured home parks will be opened in Lakeview or Paisley over the 2010 to 2039 period. The forecast includes new manufactured homes on lots in the category of single-family detached housing.

- Over the next 20 years (or longer) one or more manufactured home parks may close in Lakeview. This may be a result of manufactured home park landowners selling or redeveloping their land for uses with higher rates of return, rather than lack of demand for spaces in manufactured home parks. Manufactured home parks contribute to the supply of low-cost affordable housing options, especially for affordable homeownership.

While there is statewide regulation of the closure of manufactured home parks designed to lessen the financial difficulties of this closure for park residents,⁵⁷ the Town of Lakeview has a role to play in ensuring that there are opportunities for housing for the displaced residents. The Town's primary roles are to ensure that there is sufficient land zoned for new multifamily housing and to reduce barriers to residential development to allow for development of new, relatively affordable housing. The Town may use a range of policies to encourage development of relatively affordable housing, such as allowing a wider range of moderate density housing types, designating more land for multifamily housing, removing barriers to multifamily housing development, using tax credits to support affordable housing production, or partnering with a developer of government-subsidized affordable housing.

⁵⁷ 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.

6. Residential Land Sufficiency within Lakeview and Paisley

This chapter presents an evaluation of the sufficiency of vacant residential land in Lakeview and Paisley 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 Lakeview and Paisley’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 summarized in Chapter 2 (and presented in full in Appendix A) 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.

There are two ways to calculate estimates of supply and demand into common units of measurement to allow their comparison: (1) housing demand can be converted into acres, or (2) residential land supply can be converted into dwelling units. A complication of either approach is that not all land has the same characteristics. Factors such as zone, slope, parcel size, and shape can affect the ability of land to accommodate housing. Methods that recognize this fact are more robust and produce more realistic results. This analysis uses the second approach: it estimates the ability of vacant residential lands within the UGB to accommodate new housing. This analysis, sometimes called a “capacity analysis,”⁵⁸ can be used to evaluate different ways that vacant residential land may build out by applying different assumptions.

⁵⁸ There is ambiguity in the term *capacity analysis*. It would not be unreasonable for one to say that the “capacity” of vacant land is the maximum number of dwellings that could be built based on density limits defined legally by plan designation or zoning, and that development usually occurs—for physical and market reasons—at something less than full capacity. For that reason, we have used the longer phrase to describe our analysis: “estimating how many new dwelling units the vacant residential land in the UGB is likely to accommodate.” That phrase is, however, cumbersome, and it is common in Oregon and elsewhere to refer to that type of analysis as “capacity analysis,” so we use that shorthand occasionally in this memorandum.

Lakeview's Residential Land Capacity

The capacity analysis estimates the development potential of vacant residential land to accommodate new housing, based on the needed densities by the housing type.

Exhibit 83 shows that Lakeview's vacant land has capacity to accommodate approximately 998 to 1,286 new dwelling units, based on the following assumptions:

- **Buildable residential land.** The capacity estimates start with the number of buildable acres in residential plan designations as shown in Chapter 2.
- **Future densities.** The capacity analysis assumes development will occur at allowed densities, which derive from the densities shown in Exhibit 79.

Exhibit 83. Estimate of residential capacity on unconstrained vacant and partially vacant buildable land, Lakeview UGB, 2019

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note: DU is dwelling unit.

Plan Designation	Total Unconstrained Buildable Acres	Average Gross Density (DU/Gross Acre)		Capacity (Dwelling Units)	
		Low Est.	High Est.	Low Est.	High Est.
Residential	271	3.2	4.1	868	1,112
Residential - Multiple Family	13	9.7	13.0	130	174
Total	285	3.5	4.5	998	1,286

Paisley's Residential Land Capacity

The capacity analysis estimates the development potential of vacant residential land to accommodate new housing, based on the needed densities by the housing type.

Exhibit 84 shows that Paisley's vacant land has capacity to accommodate approximately 245 to 318 new dwelling units, based on the following assumptions:

- **Buildable residential land.** The capacity estimates start with the number of buildable acres in residential plan designations as shown in Chapter 2.
- **Future densities.** The capacity analysis assumes development will occur at allowed densities, which derive from the densities shown in Exhibit 82.

Exhibit 84. Estimate of residential capacity on unconstrained vacant and partially vacant buildable land, Paisley UGB, 2019

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note: DU is dwelling unit.

Plan Designation	Total Unconstrained Buildable Acres	Average Gross Density (DU/Gross Acre)		Capacity (Dwelling Units)	
		Low Est.	High Est.	Low Est.	High Est.
Residential	36	3.4	4.3	123	156
Rural Community	45	2.6	3.5	117	158
Total	82	3.0	3.9	245	318

Residential Land Sufficiency

The next step in the analysis of the sufficiency of residential land within Lakeview and Paisley is to compare the demand for housing by plan designation with the capacity of land by plan designation.

Lakeview’s Residential Sufficiency

Exhibit 77 shows that Lakeview has no demand for new housing units, and results in Lakeview having sufficient land to accommodate housing in each residential zoning designation. Exhibit 83 shows that Lakeview’s vacant land has capacity to accommodate approximately 998 to 1,286 new dwelling units.

Paisley’s Residential Sufficiency

Exhibit 85 shows that Paisley has sufficient land to accommodate development in all residential zoning designations.

Exhibit 85. Comparison of capacity of existing residential land with demand for new dwelling units and land surplus or deficit, Paisley UGB, 2019 to 2039

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note: DU is dwelling unit.

Plan Designation	Capacity (Dwelling Units)		Demand (Dwelling Units)	Remaining Capacity (Dwelling Units)		Land Sufficiency (Acres)	
	Low Est.	High Est.		Low Est.	High Est.	Low Est.	High Est.
Residential	142	180	2	140	178	41.2	41.4
Rural Community	157	198	2	155	196	44.3	44.5
Total	300	378	4	296	374	85.8	86.0

Conclusions

The key findings for Lakeview's Housing Needs Analysis are that:

- **Lakeview's population is forecast to decline over the analysis period.** Lakeview's UGB is forecast to decline by two people from 3,175 people in 2019 to 3,173 people in 2039. This population decline will occur at an average annual growth rate of -0.1%.
- **The forecast for flat population growth suggests that Lakeview has no demand for new dwelling units over the planning period.** The decline of two people will result in no demand for dwelling units between 2019 and 2039. Lakeview does, however, have unmet housing need, as described below.
- **Lakeview will have need for housing development over the planning period.** The poor condition of existing housing will require rehabilitation or replacement of some existing housing. In addition, demographic changes will drive need for a wider variety of housing types, such as housing for seniors with universal design standards, multifamily housing, or small-lot, single-family housing that is comparatively affordable.
- **Poor housing conditions are one of Lakeview's primary housing issues.** Nearly 55% of Lakeview's housing was built before 1950. Only 20% of Lakeview's housing was built since 1990. While age of housing does not necessarily indicate housing condition problems, the age of Lakeview's housing stock plays a role in the poor condition of housing. Discussions with stakeholders in Lakeview confirmed that poor housing conditions is a substantial problem in Lakeview. The poor conditions are found in all types of housing but especially mobile homes or manufactured housing, as well as stick-built single-family detached housing. Actions that address housing condition will be key to addressing Lakeview's housing needs.
- **Lack of good condition housing is a barrier to economic development.** Several large employers have difficulty attracting workers to Lakeview because of the lack of housing choices and the poor housing conditions. People have difficulty finding rental or ownership opportunities for housing in good condition. For example, the Forest Service has between 30 and 50 openings for jobs they would like to fill in Lakeview but encounter difficulty in attracting workers because of a lack of housing. Staffing the Red Rock Biofuels manufacturing facility, which is expected to have about 40 permanent workers, may be challenging because of the lack of housing.

In addition, Lakeview employers often have seasonal workers (present in the late spring through early fall), such as Forest Service or BLM employees or wildfire fighters. The increase in demand for housing from seasonal housing strains the already overly tight housing market. There is insufficient housing for seasonal workers in Lakeview.

- **Lakeview has a deficit of housing affordable to current extremely low-income and low-income residents.** Lakeview's existing deficit of housing affordable to low-income and very-low income households (nearly 400 households) indicates a need for a wider

range of housing types, especially for renters. These households can afford less than \$570 per month in rent and median gross rent in Lakeview is about \$656 (and likely higher, given the age of the rent data, with increases in rental costs since 2012). About 77% of Lakeview's households earning less than \$20,000 per year are cost burdened (paying more than 30% of their income on housing costs).

- **Lakeview also needs housing affordable to low- and middle-income households.** These households earn between \$23,000 and \$55,000 per year. Households at the lower end of this income range likely struggle to find affordable rental housing. Almost 40% of households earning between \$20,000 and \$35,000 are also cost burdened. Households earning \$46,000 and more are likely to be able to afford homeownership, with an average sales price at the end of 2018 of around \$165,000. All households in this category may struggle to find housing in good condition, given the poor condition of much of Lakeview's housing stock.
- **Lakeview lacks higher-amenity housing.** Lakeview also has an absence of higher-amenity housing types for households earning \$50,000 or more per year. Some of these high-income households must choose housing that costs less than what they can afford. They may have housing preferences that are not met by these housing types. Like other households, higher income households may be unable to find housing in good condition.
- **Lakeview has a large surplus of capacity for all types of housing, but serviceability of land is a significant barrier to residential development.** Lakeview has enough unconstrained vacant and partially vacant land to accommodate between 1,000 to 1,300 new households. However, much of the vacant land in Lakeview, especially land in the area between the town limits and UGB (unincorporated areas within the UGB) lack urban infrastructure such as sanitary sewer, municipal water, or roads. The Town will need to focus growth in the near term in areas with vacant land that is serviced, such as areas near the town's center. Over the long term, the Town will need to work with the County and other partners to support development on infrastructure for residential development to occur, as described in the Housing Strategy memorandum.
- **Lakeview has relatively little land for multifamily development.** Lakeview only has 13 acres of land in the Residential Multifamily zone. Much of this land is in an area with slopes, making it more difficult to develop multifamily housing. While this amount of land is sufficient to accommodate some multifamily growth over the next 20-years, its location and topography suggest that it may not provide opportunities for development of new multifamily housing. The Town may want to evaluate whether Residential Multifamily land is in places where there is market demand for multifamily development. The characteristics of Residential Multifamily land (such as topography, access key transportation corridors, or other characteristics) may make these sites less likely to develop.

The Housing Strategy memorandum provides recommendations for policies to these and other issues identified in the Housing Needs Analysis. Lakeview is embarking on updating its

Comprehensive Plan. The Housing Strategy memorandum will provide a starting place for updating the Town's Comprehensive Plan policies for housing.

The key findings for Paisley's Housing Needs Analysis are that:

- **Paisley's population is forecast to grow marginally over the analysis period.** Paisley's UGB is forecast to grow by nine people from 266 people in 2019 to 275 people in 2039. This population growth will occur at an average annual growth rate of 0.17%.
- **Paisley has demand for four new dwelling units over the analysis period.** The four units will likely be single-family detached housing.
- **Paisley will have need for housing development over the planning period.** The aging of the Baby Boomers and the household formation of the Millennials increase need for a wider variety of housing types, such as housing for seniors with universal design standards or small-lot, single-family housing that is comparatively affordable. Further, Paisley's existing need for housing for middle-income and high-income households indicates a need for a wider range of higher-amenity housing types, especially for homeowners.
- **Paisley has a need for housing affordable to extremely-low and very-low income households.** About 24% of Paisley's households have incomes below \$23,000. These households can afford less than \$570 per month in rent and median gross rent in Paisley is about \$417 per month. About 74% of Paisley's households earning less than \$20,000 per year are cost burdened (paying more than 30% of their income on housing costs).
- **Paisley has sufficient land to accommodate new housing, but landowners may be reluctant to develop.** Paisley has capacity for about 140 to 180 dwelling units in the Residential zone and another 155 to about 200 in the Rural Community zone. Discussions with stakeholders suggest that landowners are reluctant to sell or develop their land. Achieving more residential development may require the City to work with landowners, as they become willing to sell or develop their land.

Appendix A – Residential Buildable Lands Inventory

The general structure of the buildable land (supply) analysis is based on the DLCD HB 2709 workbook *“Planning for Residential Growth – A Workbook for Oregon’s Urban Areas,”* which specifically addresses residential lands. The buildable lands inventory uses methods and definitions that are consistent with Goal 10/OAR 660-008. This appendix describes the methodology that ECONorthwest used for this report, based on 2018 data. The results of the BLI are discussed in Chapter 2.

Overview of the Methodology

Following are the statutes and administrative rules that provide guidance on residential BLIs:

OAR 660-008-0005(2):

“Buildable Land” means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses. Publicly owned land is generally not considered available for residential uses. Land is generally considered “suitable and available” unless it:

- (a) Is severely constrained by natural hazards as determined under Statewide Planning Goal 7;*
- (b) Is subject to natural resource protection measures determined under Statewide Planning Goals 5, 6, 15, 16, 17 or 18;*
- (c) Has slopes of 25 percent or greater;*
- (d) Is within the 100-year flood plain; or*
- (e) Cannot be provided with public facilities.*

Inventory Steps

The BLI consists of several steps:

1. Generate UGB “land base”
2. Classify land by development status
3. Identify constraints
4. Verify inventory results
5. Tabulate and map results

Step 1: Generate “land base.”

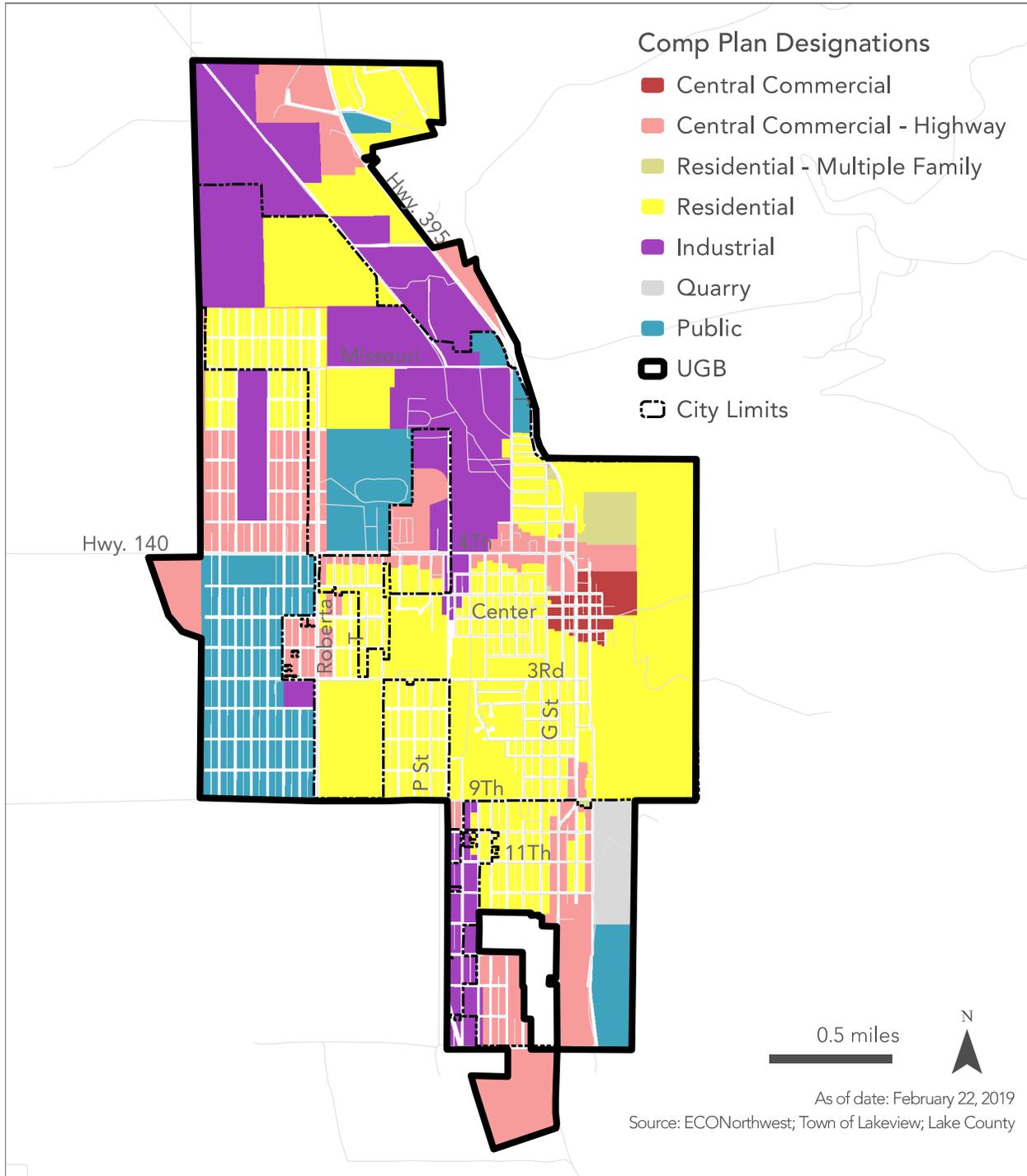
Per Goal 10 this involves selecting all of the tax lots in the Lakeview UGB and Paisley UGB with residential and other non-employment plan designations. Plan designations included in the residential inventory include:

- Lakeview
 - Central Commercial
 - Highway Commercial
 - Residential
 - Residential -Multiple Family
- Paisley
 - Commercial
 - Residential
 - Rural Center

Exhibit 86 and Exhibit 87 show the residential plan designations included in the BLIs.

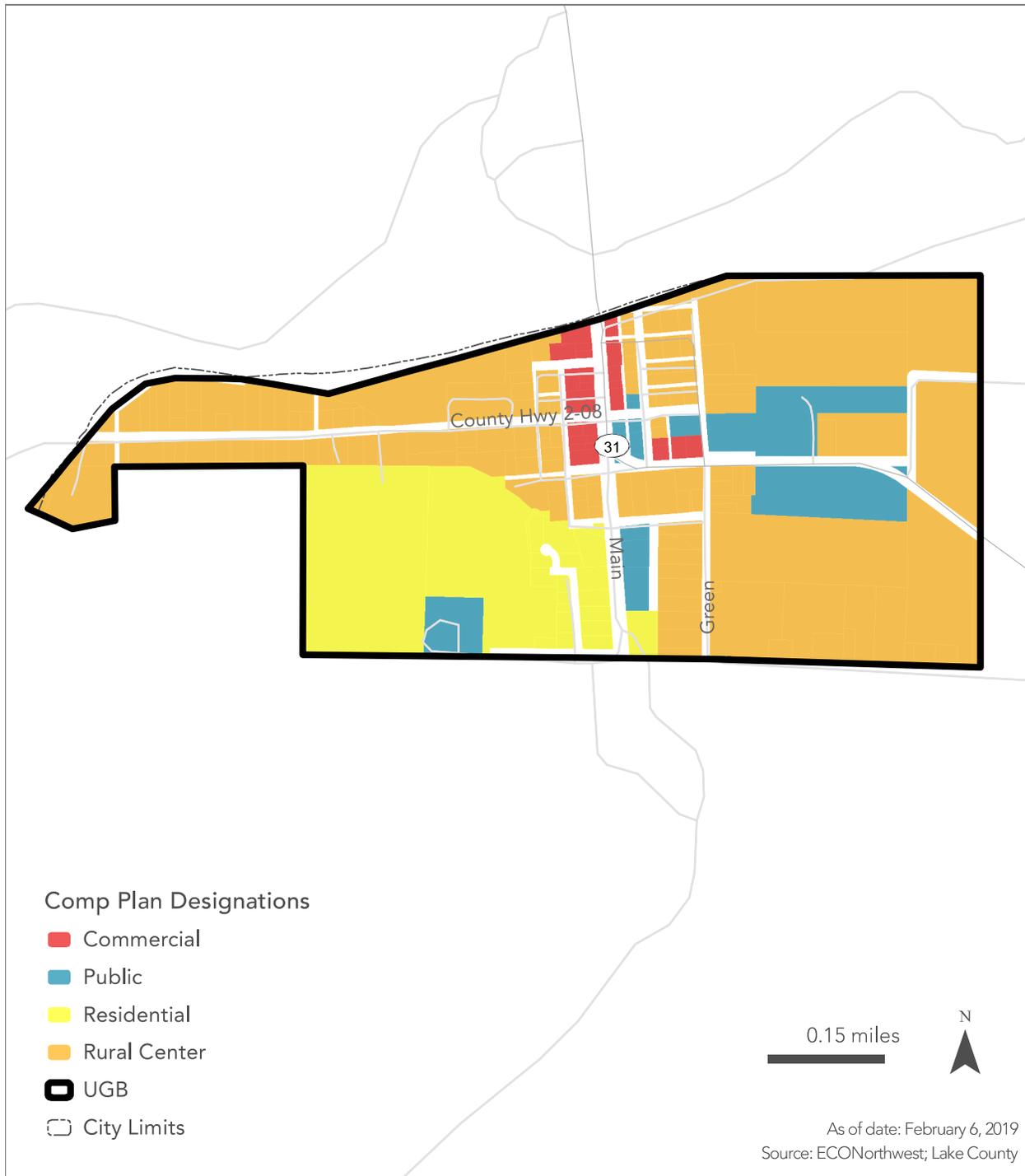
Exhibit 86. Residential land base by plan designation, Lakeview UGB, 2018

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Paisley Buildable Lands Inventory

Comprehensive Plan Designations



Step 2: Classify lands.

In this step, ECONorthwest classified each tax lot with a plan designation that allow residential uses into one of five mutually exclusive categories based on development status:

- Developed land
- Vacant land
- Partially vacant land
- Undevelopable land
- Public or exempt land

ECONorthwest initially identified buildable land and classified development status using a rule-based methodology consistent with the DLCD Residential Lands Workbook and applicable administrative rules. The rules are described below in Exhibit 88.

Exhibit 88. Rules for Development Status Classification

Development Status	Definition	Statutory Authority
Vacant Land	Tax lots that have no structures or have buildings with very little improvement value. For the purpose of this inventory, lands with improvement values of less \$10,000 were considered vacant (not including lands that are identified as having mobile homes).	OAR 660-008-0006(2) (2) "Buildable Land" means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses. Publicly owned land is generally not considered available for residential uses.
Partially Vacant Land	Partially vacant tax lots can use safe harbor established in State statute: <i>The infill potential of developed residential lots or parcels of one-half acre or more may be determined by subtracting one-quarter acre (10,890 square feet) for the existing dwelling and assuming that the remainder is buildable land;</i>	OAR 660-024-0050 (2)(a)
Undevelopable Land	Vacant tax lots less than 5,000 square feet in size were considered undevelopable.	No statutory definition
Public or Exempt Land	Lands in public or semi-public ownership are considered unavailable for residential development. This includes lands in Federal, State, County, or City ownership as well as lands owned by churches and other semi-public organizations and properties with conservation easements. Public lands were identified using the Assessor's property tax exemption codes.	OAR 660-008-0005(2) - Publicly owned land is generally not considered available for residential uses.

Development Status	Definition	Statutory Authority
Developed Land	Land that is developed at densities consistent with zoning and improvements that make it unlikely to redevelop during the analysis period. Lands not classified as vacant, partially-vacant, undevelopable or public or exempt are considered developed.	No statutory definition

Step 3: Identify constraints

As shown in Exhibit 89, the BLI included development constraints consistent with OAR 660-008-0005(2) guidance on residential buildable lands inventories, ECO deducted certain lands with development constraints from the BLI.

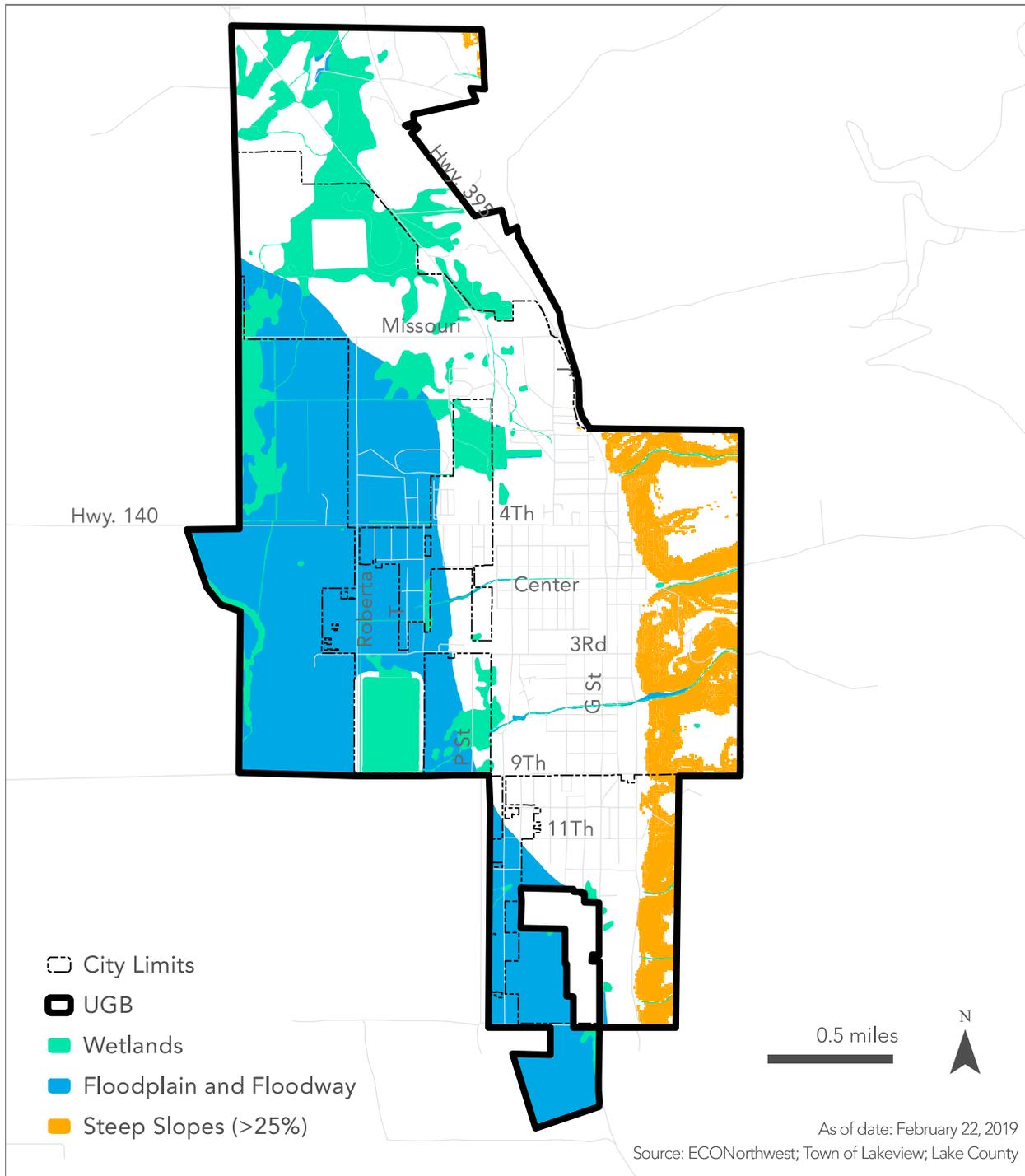
Exhibit 89. Constraints to be included in BLI

Constraint	Statutory Authority	Threshold	File name
Goal 5 Natural Resource Constraints			
Regulated Wetlands	OAR 660-008-0005(2)	Wetlands with a zero foot buffer	Wetlands.shp
Riparian Corridors	OAR 660-015-0000(5)	Zero foot buffer	Rivers.shp and Streams.shp
Natural Hazard Constraints			
Floodways	OAR 660-008-0005(2)	Lands within FEMA FIRM identified floodway	FEMA_100_Year_Flood_Plain.shp
100 Year Floodplain	OAR 660-008-0005(2)	Lands within FEMA FIRM 100-year floodplain	FEMA_100_Year_Flood_Plain.shp
Steep Slopes	OAR 660-008-0005(2)	Slopes greater than 25%	Slope_greater_than_25%.shp

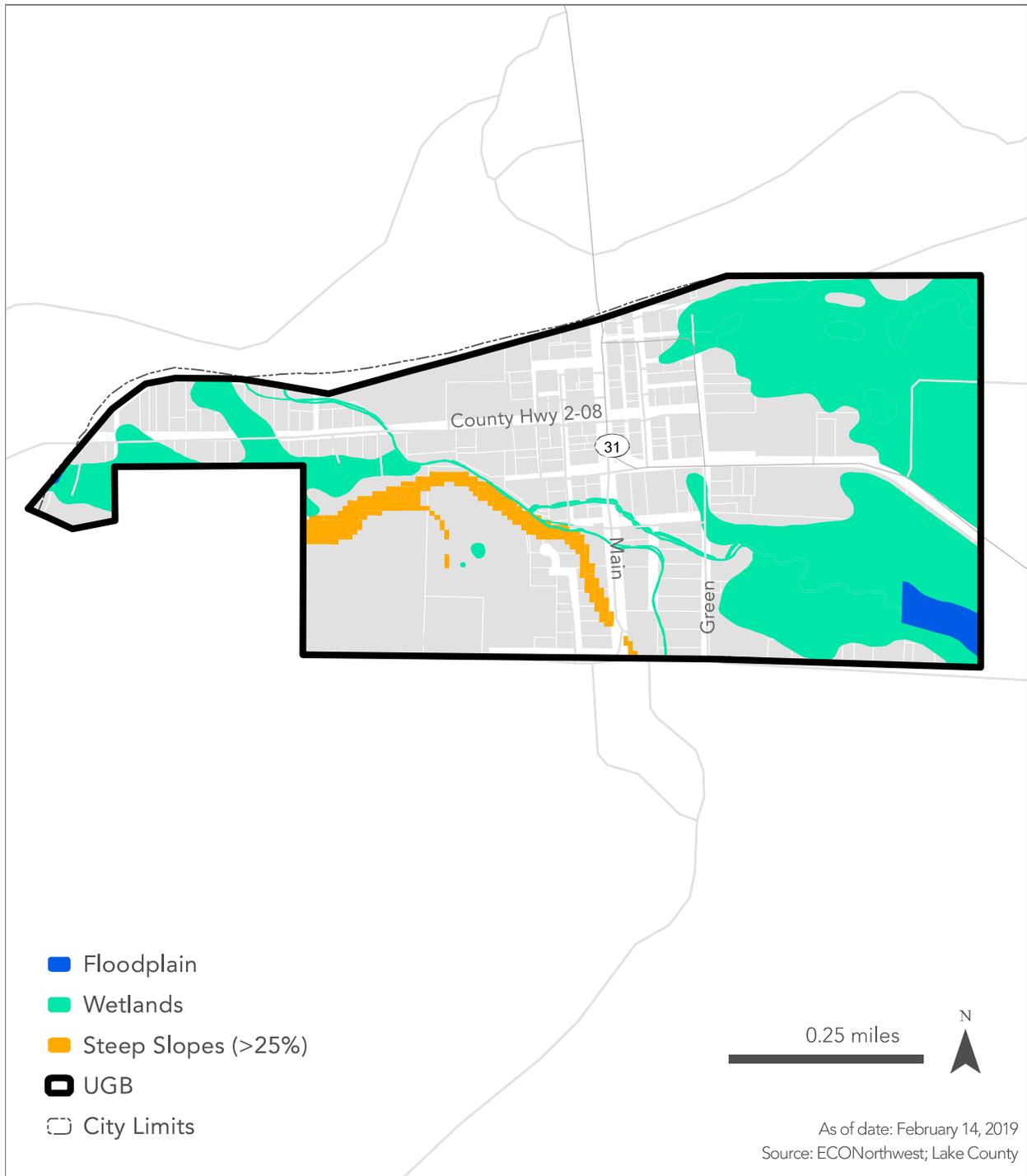
These areas were treated as prohibitive constraints (unbuildable). All constraints were merged into a single constraint file, which was then used to identify the area of each tax lot that is constrained. These areas are shown in Exhibit 90 and Exhibit 91.

Lack of access to water, sewer, power, road or other key infrastructure cannot be considered a prohibitive constraint unless it is an extreme condition. This is because tax lots that are currently unserved could potentially become serviced over the 20-year planning period.

Lakeview HNA Buildable Lands Inventory Residential Constraints



Residential Development Constraints



Step 4: Verification

ECO used a multi-step verification process. The first verification step involved a “rapid visual assessment” of land classifications using GIS and recent aerial photos. The rapid visual assessment involves reviewing classifications overlaid on recent aerial photographs to verify uses on the ground. ECO reviewed all tax lots included in the inventory using the rapid visual assessment methodology. The second round of verification involved City staff verifying the rapid visual assessment output. ECO amended the BLI based on City staff review and a discussion of the City’s comments.

Step 5: Tabulation and mapping

The results are presented in tabular and map format. We included a comprehensive plan map, lands by constraint, lands by plan designation with constraints showing, and vacant and partially vacant lands by plan designation with constraints showing.