

Housing Matters

February 8, 2022

Agenda

- I. Terms
- II. Where We Stand
- III. Doing the Math
- IV. Housing Strategy Status
- V. Tools
- VI. What We've Learned
- VII. Next Steps



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Comprehensive Plan: Housing Policies

1. In order to maintain the city's village character and its diverse population, the city will encourage the development of housing which meets the needs of a variety of age and income groups, as well as groups with special needs.
3. To the extent possible, the city shall endeavor to accommodate affordable housing in a manner that disperses it throughout the community rather than concentrating it at specific locations.
6. The City recognizes the importance of its existing residential neighborhoods in defining the character of the community and will strive to accommodate new residential development in a manner that is sensitive to the scale, character and density of the existing residential development pattern.
10. The City will encourage the preservation of the older housing stock.
14. The City, in conjunction with the Cannon Beach Historical Society, should establish a voluntary program for protecting buildings with local historic merit.



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Comprehensive Plan: Economy Policies

2. The three major sectors of the city's economy are tourism, the second home industry and retirement. The city anticipates that these sectors will continue to constitute the majority of the city's economy. The city's efforts will be directed toward enhancing these economic sectors in a manner that results in the desired balance between the residential and resort elements of the community.
10. The city will consider actions which will support the needs of the retirement community.
11. The city will consider actions that will diversify the local economy where those businesses are compatible with the city's small-town character.



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Terms of use

Affordable Housing

- Housing is considered “affordable” by HUD when a household spends no more than 30% of its annual income on housing costs.
- Mortgage lenders typically require that households spend no more than a set percentage of income on mortgage payments, taxes, and insurance.
- HUD guidelines are directed to serve households at or below the 60% Area Median Income level.

Workforce Housing

- Homeownership and rental housing that is reasonably affordable to middle income employees including retail salespeople, office and service workers, and public employees such as police officers, firefighters, and teachers who are integral to a community but too often cannot afford to live in the communities they serve.
- Urban Land Institute defines workforce housing as being affordable to households earning between 60 and 120 percent of the area median income.



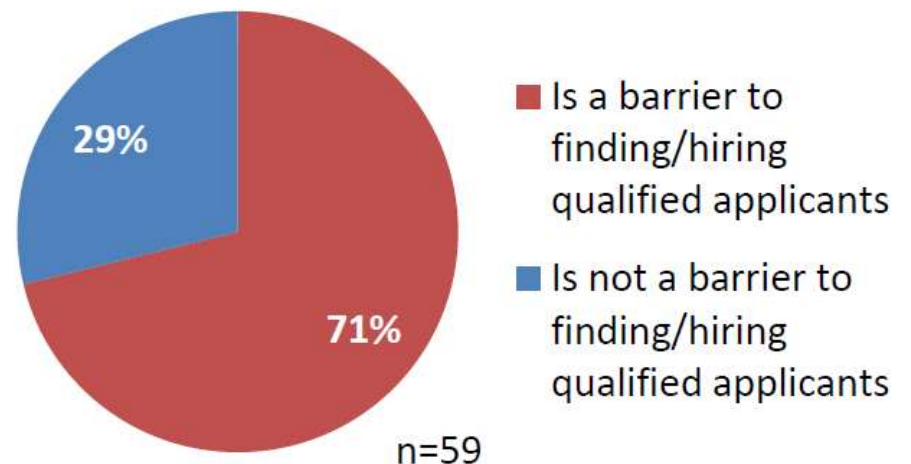
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2014 Housing Report

Employers' Views on Housing

- The majority of local employers (79%) said that finding housing is a problem for their employees.
- A majority of employers (64%) who believe that affordable housing is a problem have at least one employee with a 20 minute or longer commute.

Do you think your employees' ability to find quality, affordable housing is a barrier to finding qualified applicants?



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2014 Cannon Beach Housing Survey – Housing Development Center

2016 Housing Report

Vision Statement

“To forge a housing plan that encourages and facilitates the creation of long-term workforce rental housing in Cannon Beach – identifying long term and short term strategies and solutions that are inclusive of all in the workforce.”

Refining the Problem Definition: Because of the extensive work completed previously, specifically the 2013 and 2014 housing reports/surveys already on hand, the Task Force began with a fairly advanced sense of what the problem is:

“People who work in Cannon Beach cannot afford to live in Cannon Beach; this has become a strain not only on local employers but on the community itself...which needs an array of residents/families to maintain its social balance and economic well-being.”

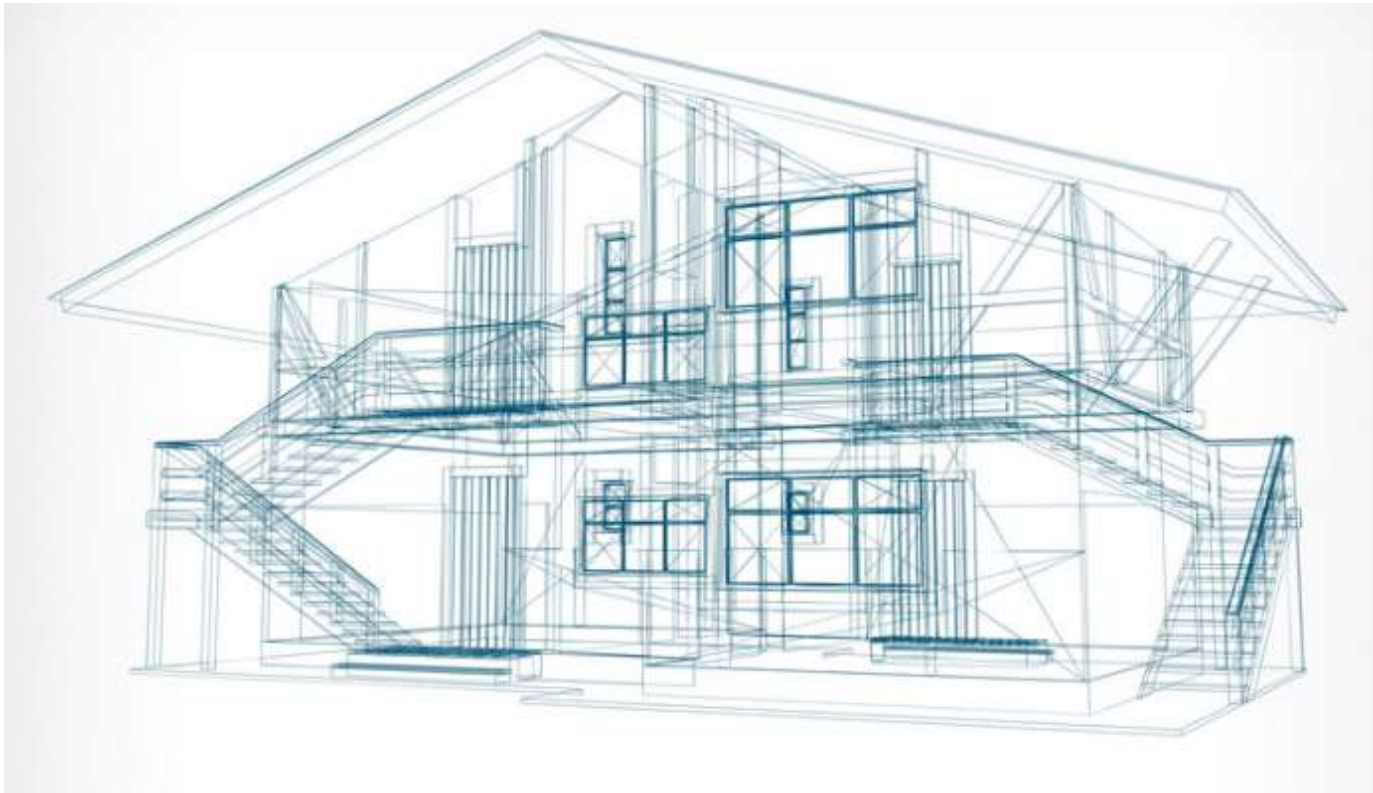


Affordable Housing

*2016 City of Cannon Beach Affordable Housing Task Force Report on Findings and Deliberation
Affordable Housing Needs Assessment and Implementation Plan*

Clatsop County Housing Strategy

July 2019



Affordable Housing

Land Supply

Clatsop County Housing Strategies | Part 2: Recommendations

Based on the findings of this study, there is enough land overall within Clatsop County as a whole to meet future population and housing needs on a County-wide basis. However, the relative ability of individual jurisdictions to meet these needs varies to a large degree. In addition, the location of vacant land, natural resource constraints, ownership patterns, and land prices create challenges to the future development of land in a way that meets local housing needs, particularly for lower and moderate income households and workers. Following is a summary of strategies recommended to address issues of land supply.

1. Ensure land zoned for higher density uses is not developed at lower densities.
2. Further study the potential need for a UGB amendment in Seaside to help meet South County housing needs.
3. Refine BLI data and results.
4. Further assess and address infrastructure issues.



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Policy & Development Code

Clatsop County Housing Strategies | Part 2: Recommendations

Broad land supply policies and decisions are not the only lever by which Clatsop County jurisdictions can affect the housing market and housing needs. Comprehensive plan policies and development code regulations can directly influence housing development by reducing regulatory complexity, removing unnecessary obstacles, and encouraging specific housing types. The following strategies were identified based on a review of each jurisdiction's existing comprehensive plan and development code. These strategies are grounded in the assessment of local policy and regulatory documents, and are informed by the conditions and needs identified in the housing needs analysis and buildable land inventory. The strategies are conceptual ideas for potential changes that are broadly applicable; however, they should be tailored to address specific needs and concerns within each community.

1. Adopt supportive and inclusive Comprehensive Plan policies
2. Establish minimum density standards
3. Revise maximum density, height or bulk standards in higher density residential zones
4. Support high density housing in commercial zones
5. Streamline and right-size minimum off-street parking requirements
6. Facilitate 'missing middle' housing types in all residential zones
7. Encourage cottage cluster housing
8. Promote Accessory Dwelling Units
9. Incentivize affordable and workforce housing
10. Limit short-term rental uses in residential zones



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Development Incentives

Clatsop County Housing Strategies | Part 2: Recommendations

The following market-based strategies can provide incentives to encourage developers to build desired housing types by helping to reduce costs of development. While the bulk of development costs are set by private market labor and material costs, these steps can provide incentives on the margin to facilitate development. Given the housing needs across the county, these steps can be used to encourage attached dwelling types, and can also be applied to accessory dwelling units to encourage infill development. All of these incentives come at some costs to the public through waived revenue from fees and taxes and/or staff costs. Therefore, these programs should be carefully calibrated to balance revenue loss versus public benefit.

1. Streamline permitting and review process
2. System development charge or fee waivers, exemption or deferrals
3. Tax exemptions and abatements



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Funding Tools & Uses

Clatsop County Housing Strategies | Part 2: Recommendations

This section discusses potential funding tools available to local jurisdictions to participate in efforts to preserve existing housing and encourage desired housing types, as well as potential ways to use funding to meet housing goals. While prior sections of this report have discussed policy or regulatory approaches, creating funds dedicated to housing programs would allow the region to exert greater control and leverage over development activity.

1. Tax increment financing (urban renewal)
2. Construction excise tax
3. Affordable housing bond (regional or local)
4. Public private partnerships
5. Housing preservation fund
6. Land acquisition/use public lands
7. Community land trust
8. Regional housing coordination



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Regional Collaboration & Capacity Building

Clatsop County Housing Strategies | Part 2: Recommendations

The findings of this study underscore the regional nature of the housing market in Clatsop County. While the County is made up of distinct cities, unincorporated communities, and rural areas, employment opportunities and housing needs do not stop at these jurisdictional boundaries. Achieving a balance of housing and jobs within each community can help to increase the odds that more people can live where they work. At the same time, existing development patterns, geo-physical constraints, and regional economic forces will almost certainly continue to perpetuate significant cross-commuting and economic interdependence between communities in the County. There are several benefits to institutionalizing regional collaboration and coordination on housing-related policies and programs.

1. Regulatory consistency
2. Funding strategies may be more effective if implemented at the regional level
3. Planning and coordination



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Where We Stand

Sea Lark Apartments

- 8 Units, Constructed in 2018
- Deed restricted to prevent converting the multifamily dwelling to condominium use or similar individual ownership arrangement or use as a short term rental, for ten years.
- Rent controlled, increases based on HUD reports, approximately \$50/month annually.



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Incentives for Development

- Permit fee waiver
 - \$19,207 total value

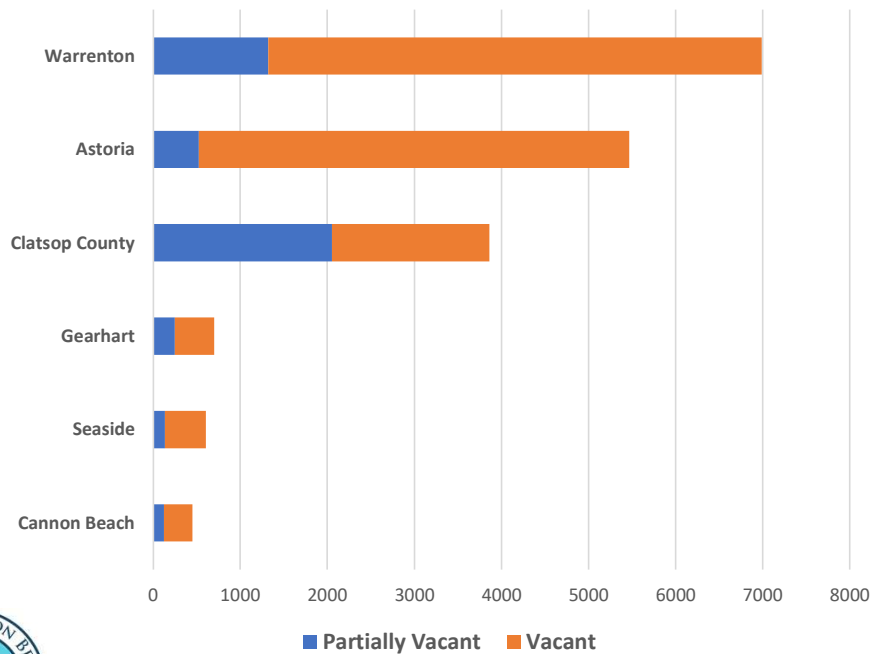
Affordable Housing Funding

- Generated through permit fees
 - Current fund: \$255,000
 - \$50,000 annual average

Buildable Lands Study

Clatsop County

Housing Unit Capacity by Community



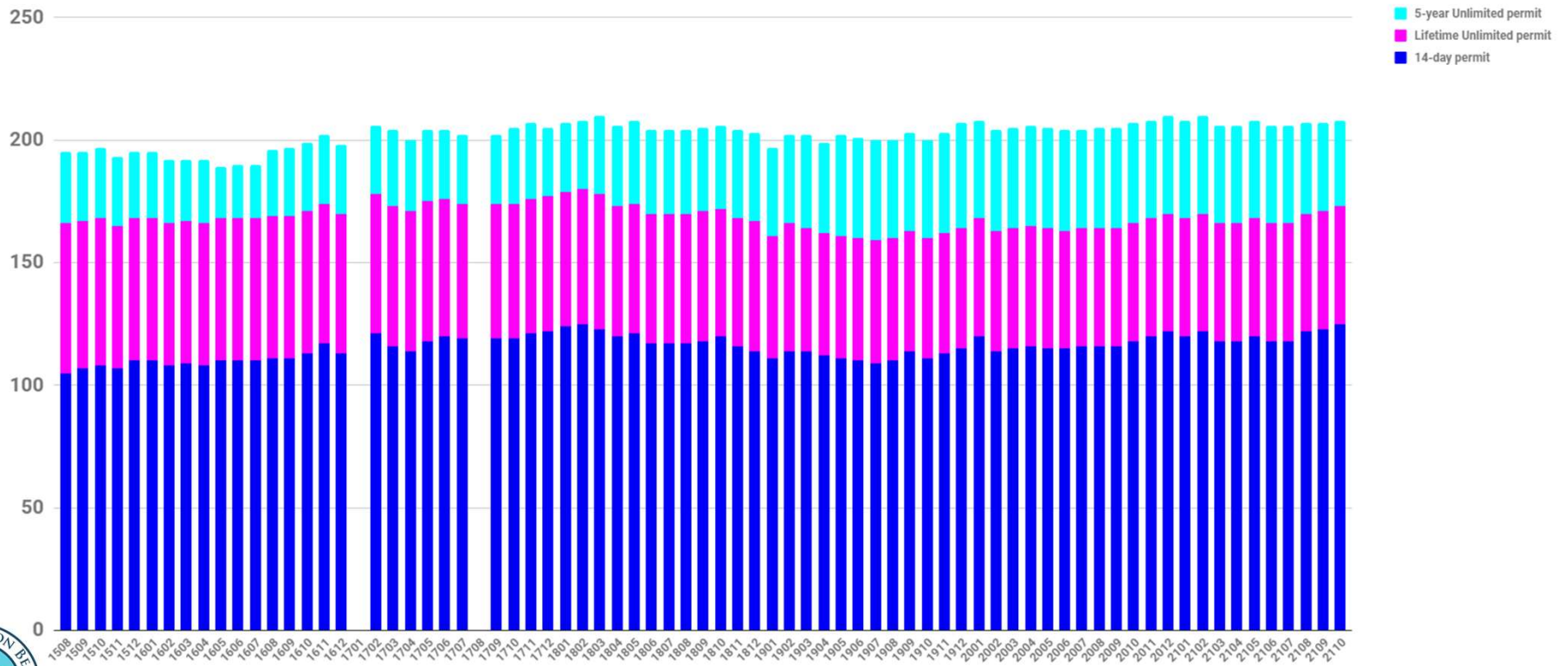
Jurisdiction	Potentially Buildable Acres		Housing Unit Capacity	
	Partially Vacant	Vacant	Partially Vacant	Vacant
Astoria	22	331	524	4,943
Cannon Beach	37	86	123	329
Clatsop County	3,239	4,175	2,054	1,806
Gearhart	71	146	249	452
Seaside	15	69	136	469
Warrenton	113	392	1,321	5,607



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Short Term Rentals

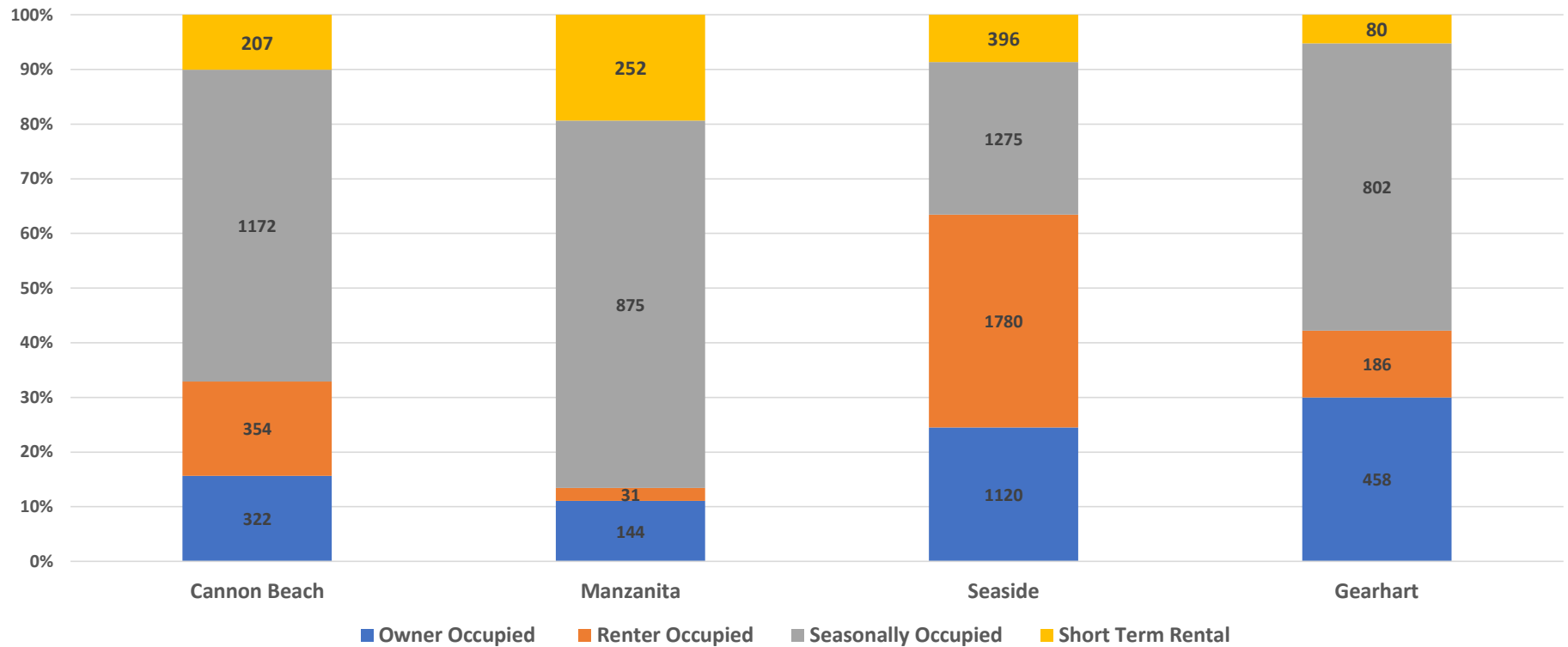
Cannon Beach STR Totals



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STR Context Comparison

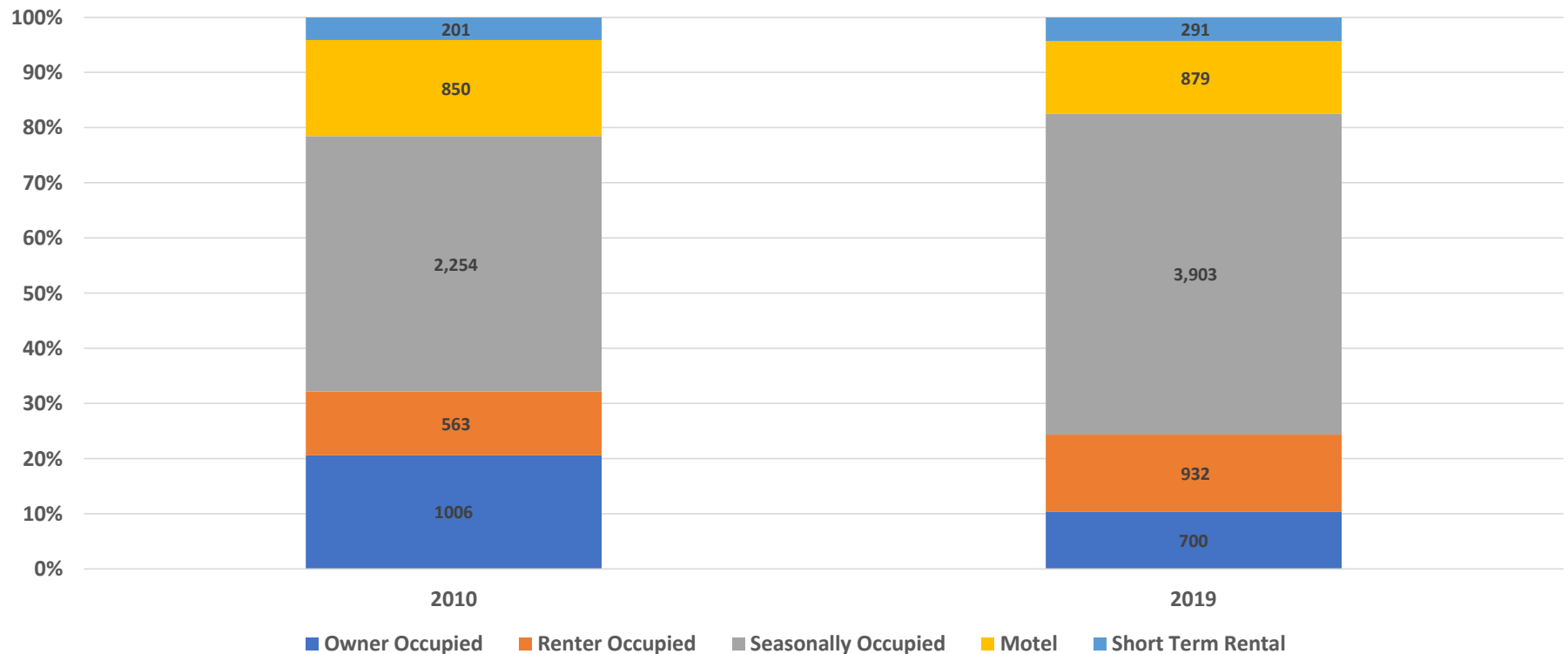
2017 5-Year American Community Survey



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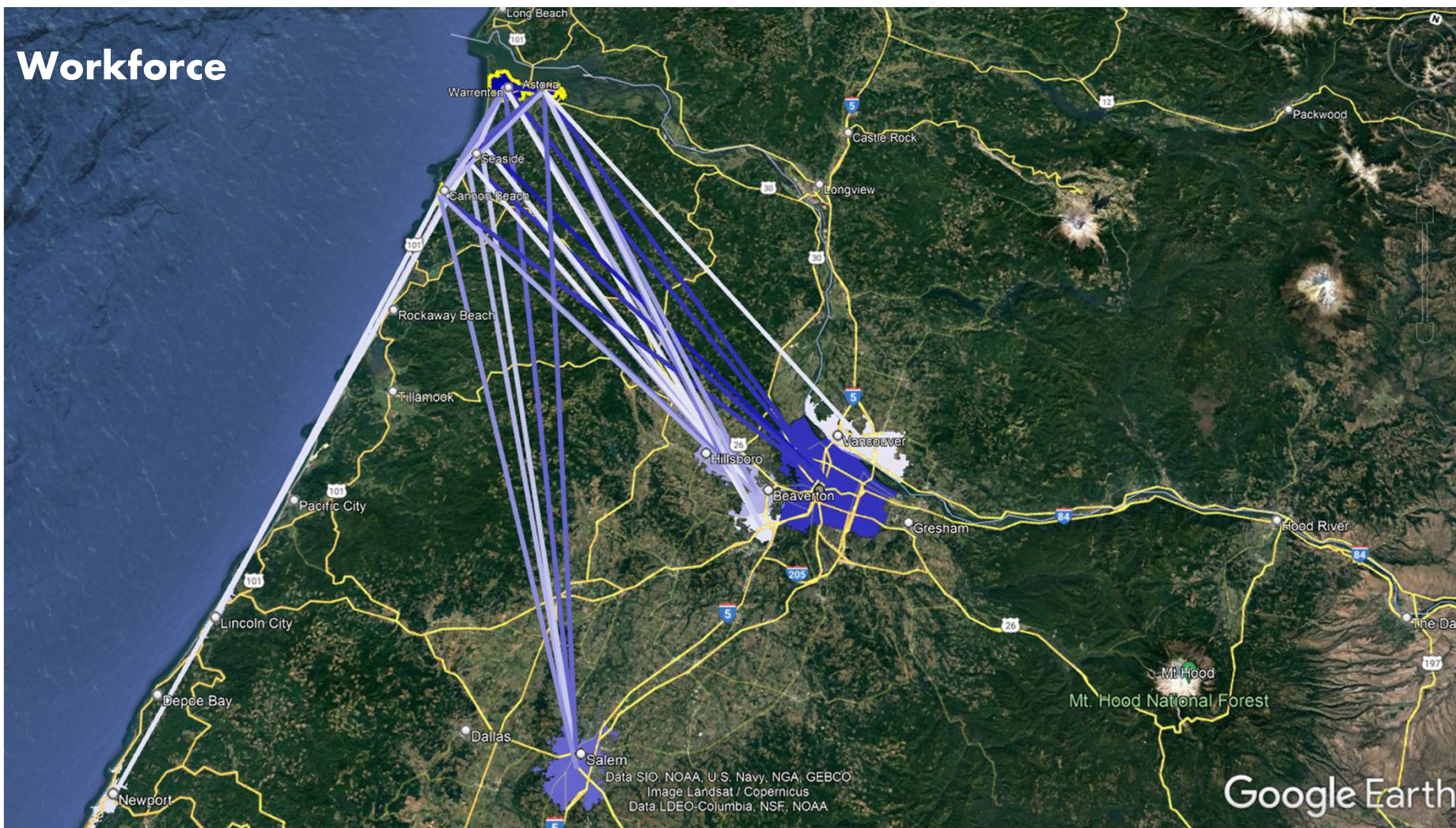
Bed Availability by Tenure Type

2010 vs. 2019 5-Year American Community Survey



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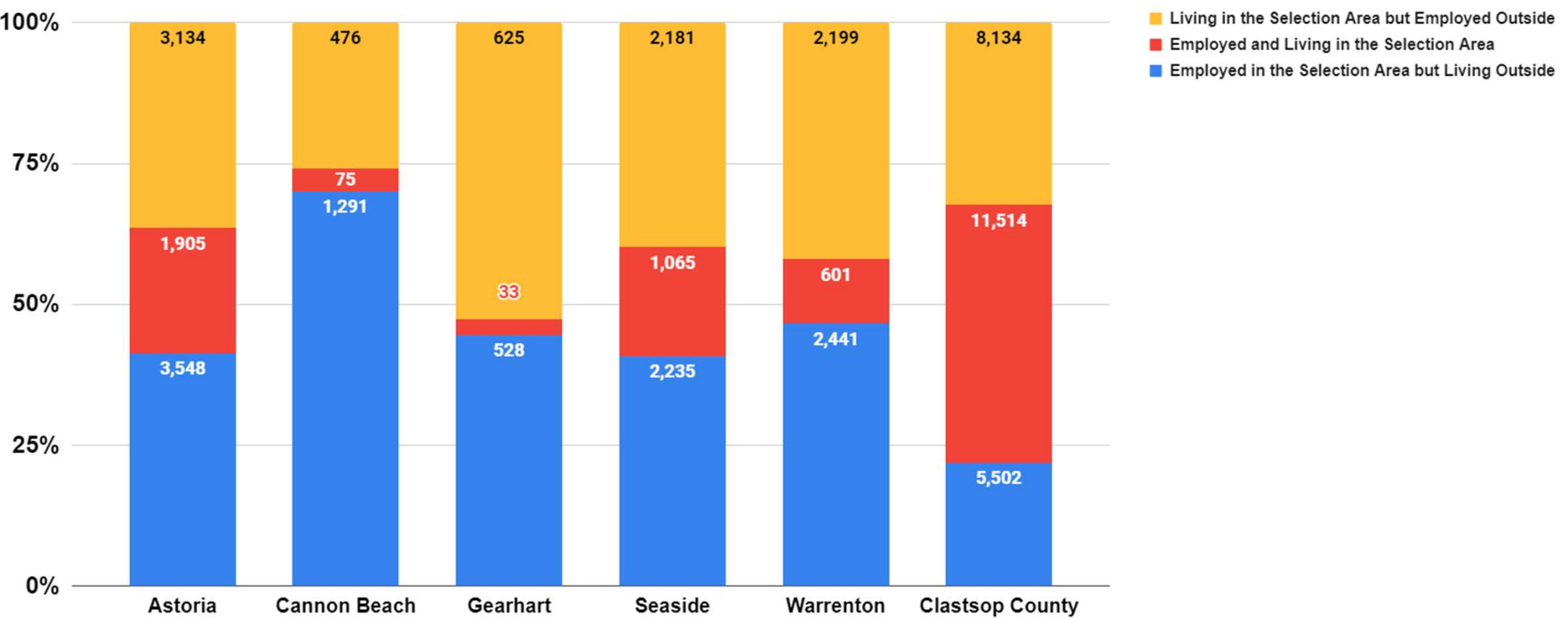
Workforce



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Census Bureau On the Map 2019

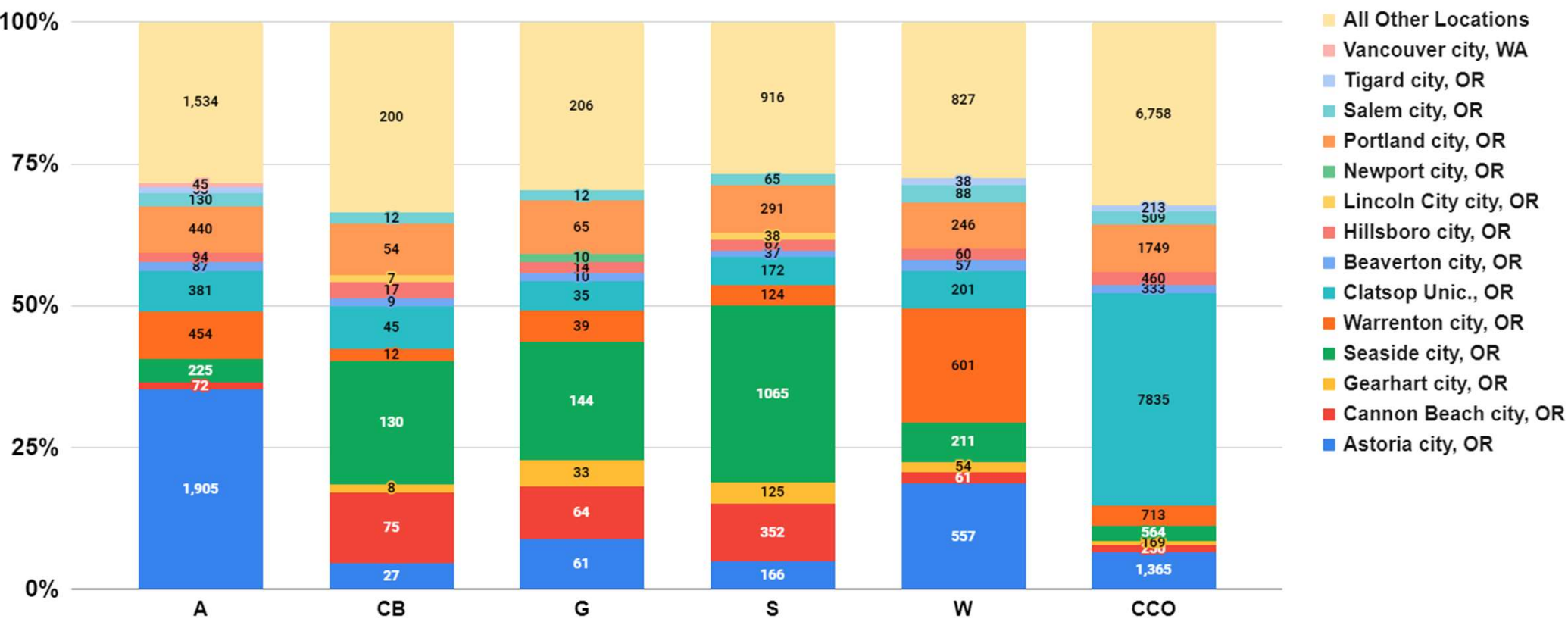
Regional Workforce Commuting 2019



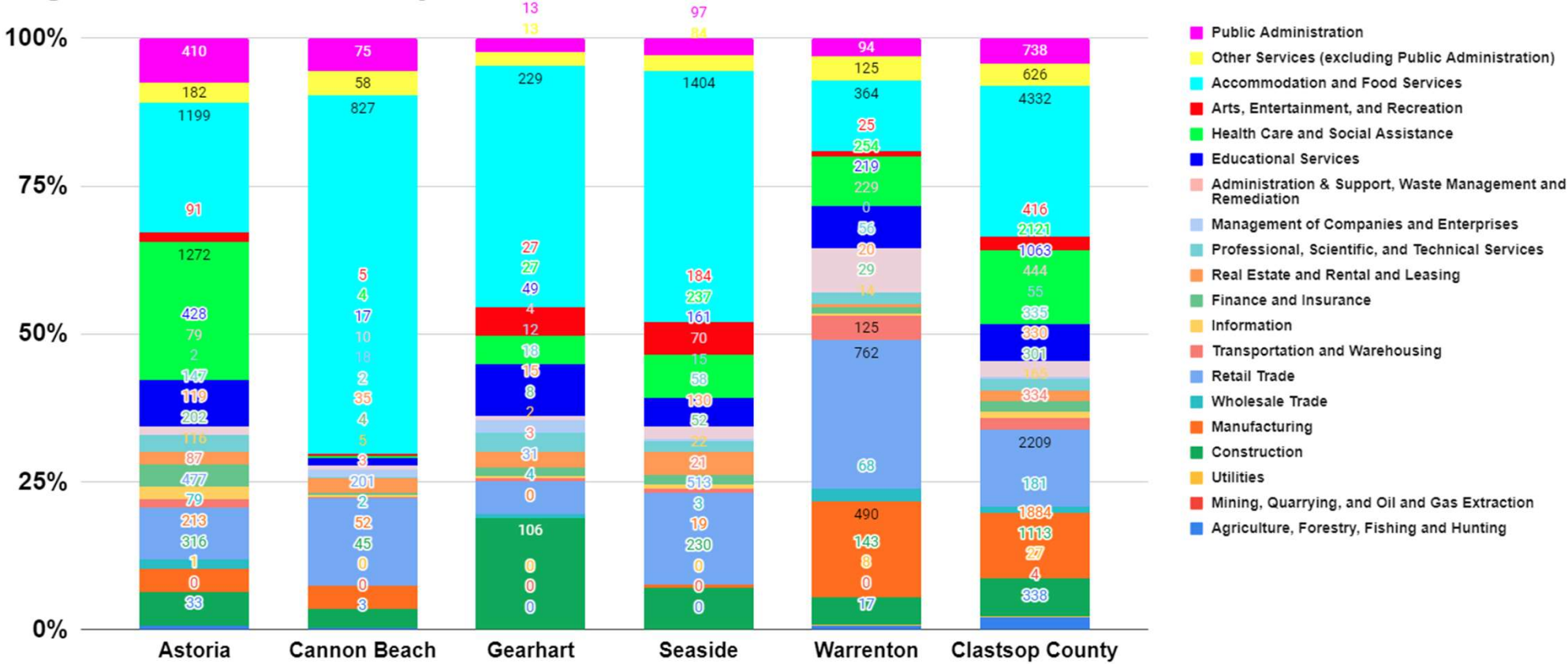
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Census Bureau On the Map 2019

Regional Workforce Commutershed



Regional Workforce Industry

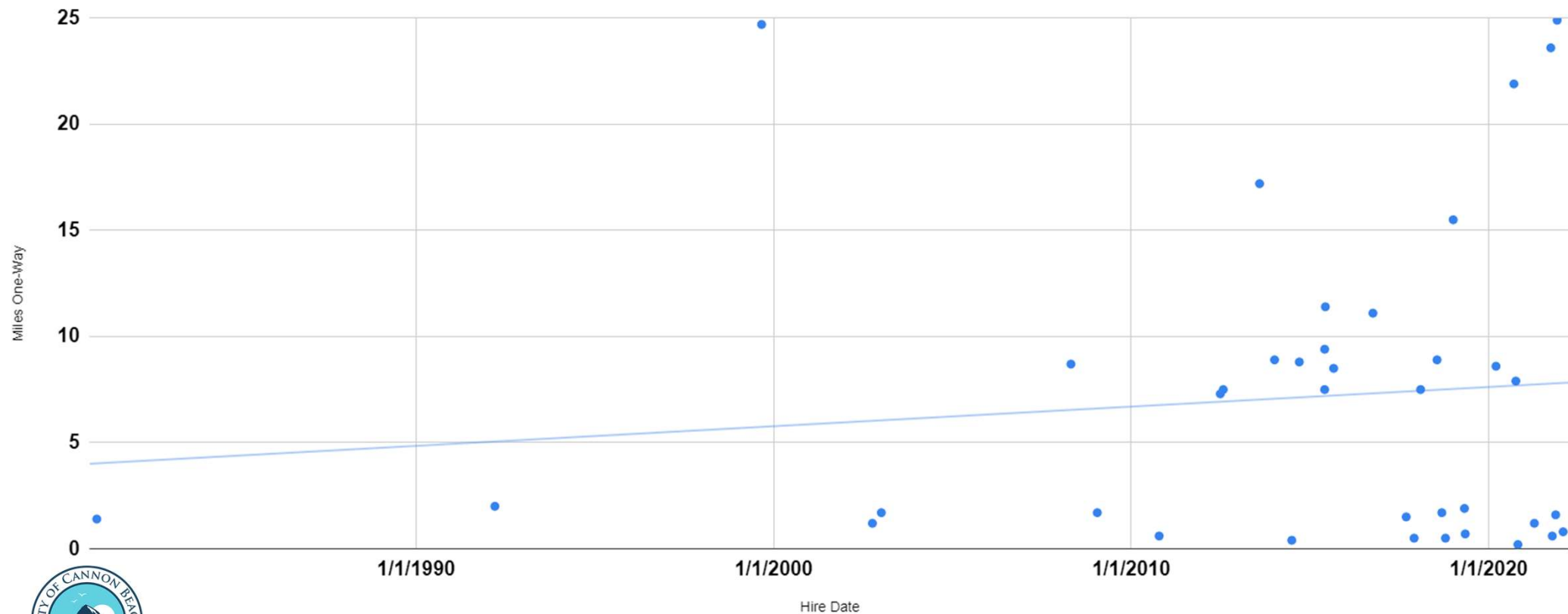


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Census Bureau On the Map 2019

Residency and Commuting

Cannon Beach Workforce Commute Hire Date & Distance to Work

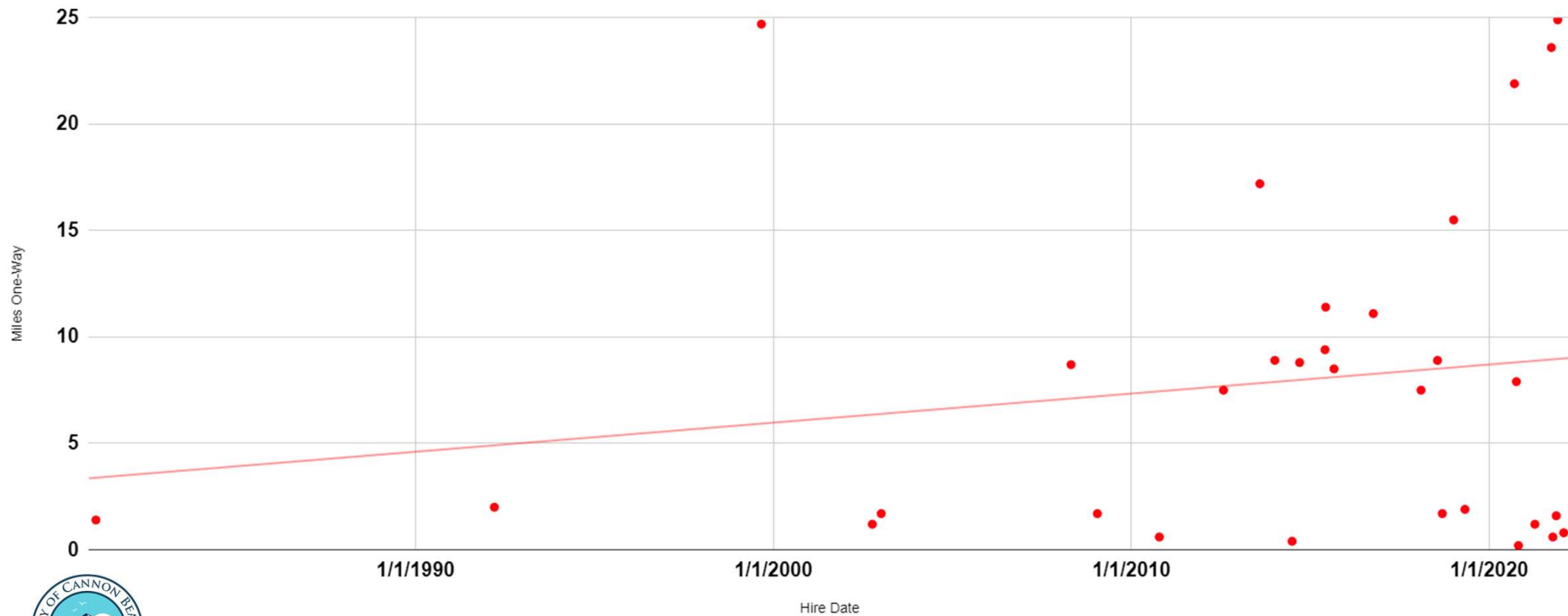


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*Information Taken from City of Cannon Beach employee records and Google Maps
Note: Commute times do not include variables such as traffic or weather*

Residency and Commuting

Cannon Beach City Staff Commute Hire Date & Distance to Work

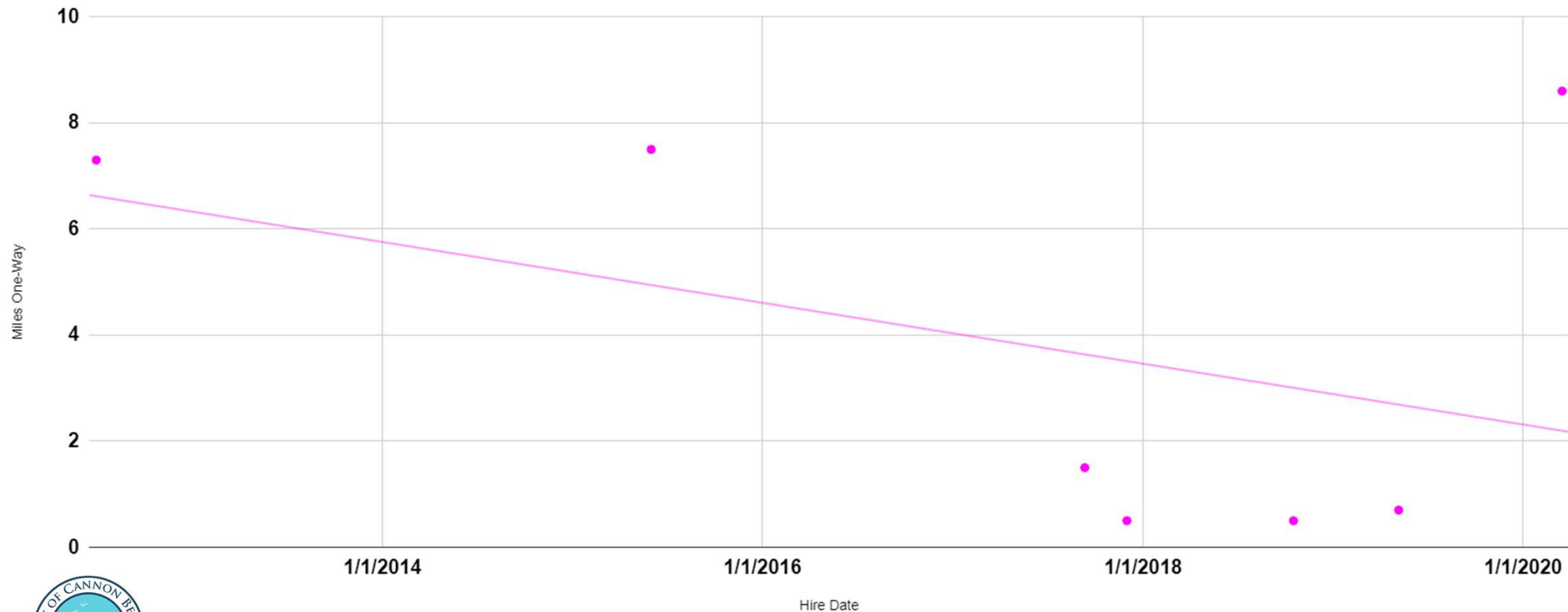


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*Information Taken from City of Cannon Beach employee records and Google Maps
Note: Commute times do not include variables such as traffic or weather*

Residency and Commuting

Cannon Beach Management Commute Hire Date & Distance to Work



Housing Matters

*Information Taken from City of Cannon Beach employee records and Google Maps
Note: Commute times do not include variables such as traffic or weather*

Doing the Math

2021 Clatsop County Income Limits for LIHTC & Tax-Exempt Bonds

Actual 2021 Median Income \$72,900

What should monthly rents be for AMI?

@60%	Monthly Rent	Yearly	Income
1 Bedroom	\$825	\$9,900	\$29,700
2 Bedroom	\$990	\$11,880	\$35,640
3 Bedroom	\$1,143	\$13,716	\$41,148
4 Bedroom	\$1,276	\$15,312	\$45,936
5 Bedroom	\$1,407	\$16,884	\$50,652

Average House for Sale – 2021

1,730 Sq. Ft.

3 Bedrooms, 2 Bathrooms

\$862,000 Sale Price

Calculator

Monthly payment

Purchase budget

☐ Edit taxes & fees *i*

Yearly household income (before taxes)

\$ 72,900 *i*

Monthly debts (credit cards, loans, etc.)

\$ 250 *i*

Down payment

\$ 14,400 *i*

Loan term

30-yr fixed *i*

Interest

4.002 % *i*

State

Oregon *i*

Credit score

700 - 719 *i*

Purchase budget *i*

\$ 288,000

Mortgage amount

\$273,600

Calculated using 30-year
conforming rates.



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Doing the Math

2021 Clatsop County Income Limits for LIHTC & Tax-Exempt Bonds

Buy Rent Sell Home Loans Agent finder



Manage Rentals Advertise Help Sign in

Clatsop County, OR



Clatsop County OR Real Estate & Homes For Sale

6 Agent listings

4 Other listings

Sort by:



\$150,000
1 bd 1 ba 900 sqft - House for sale
36375 Highway 26, Seaside, OR 97138



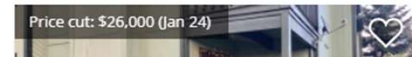
\$218,000
5 bds 2 ba 2,324 sqft - Active
91122 Old Mill Town Rd, Clatskanie, OR 97016
THE BROKER NETWORK, LLC



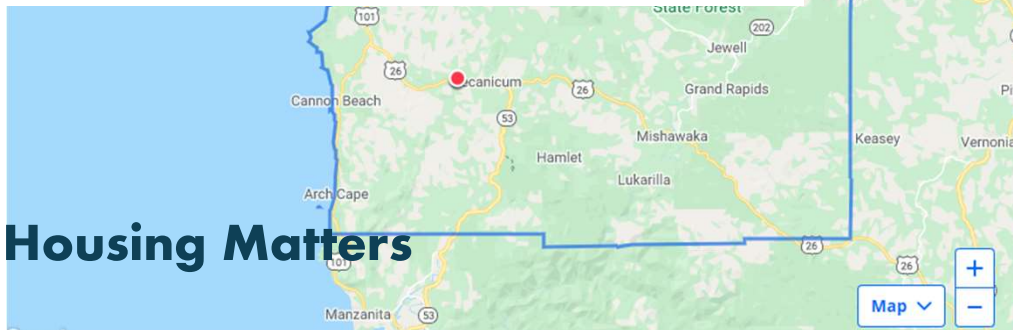
\$225,000
3 bds 2 ba 1,344 sqft - House for sale
43074 Valley Creek Ln, Astoria, OR 97103



\$250,000
3 bds 2 ba 1,400 sqft - House for sale
36367 Highway 26, Seaside, OR 97138



6 for Sale & 1 for Rent



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Doing the Math

2021 Cannon Beach Home Sale Price Analysis

Average House for Sale – 2021

- 1,730 Sq. Ft.
- 3 Bedrooms, 2 Bathrooms
- \$862,000 Sale Price

Hypothetical Cost Breakdown

- 20% Down Payment: \$172,400
- 3.6% Interest Rate, 30 Year Fixed
- \$3,135 Monthly Payment
- Minimum Income: \$131,220 or 198% 2019 Median Family Income



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Methodology: 94 properties were identified through Zillow as having sold in 2021. Dates of sale, property details, and transaction prices were confirmed through the records of the Clatsop County Assessor's Office.

Workforce



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Workforce



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What Other Communities Have Done

Housing Program	Eligibility	Program Summary	Housing Options	Funding Source
APCHA (Aspen Pitkin County Housing Authority) Aspen, CO	Work at least 1,500 hours/year in Pitkin County, primary residence, use as primary residence.	Available to area employees who cannot otherwise afford to own or rent.	Rentals and sales of deed restricted dwelling units.	Property mgmt. & sales fees and a shared annual subsidy from the City & County.
Crested Butte, CO	Restricted to verified employees of Crested Butte/Gunnison Valley area.	Deed restrictions of up to 30% of town's housing stock for locals. Variety of rental unit types.	Rentals and sales of deed restricted dwelling units. Includes mixed use developments.	Sales tax, property tax levy, and short term rental tax.
Park City, UT	Local employees with 81-150% Area Median Income (AMI), all others 80% or less AMI.	Combination of affordable and workforce housing program.	Rentals and sales of deed restricted dwelling units. Includes mixed use developments.	Resort sales tax, property management & sales fees.



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APCHA

Aspen Pitkin County Housing Authority – Aspen, CO

- Total unit inventory: 3,045
 - 1,663 ownership units
 - 1,382 rentals units
- Demand based project planning that uses collaborative public involvement to identify community needs and develop project properties.



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Information from APCHA website

Crested Butte, CO

- 305 deed restricted units
- 25% of town's housing stock with a plan to increase to 30%.
- Utilizes a mix of housing options including single family residences, ADUs, duplexes, multi-family housing, and mixed-use development.



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Information from City of Crested Butte

Park City, UT

- 550 workforce housing units.
- City goal to ensure that at least 15% of the workforce is able to live in Park City.
- 19 projects of various sizes and unit types.
- Requires developers to provide housing units in an amount equivalent to 20% of total. Can be fulfilled through construction, conveyance, or payment in lieu.



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Information from Park City website

What we've learned

- It takes...many tools
- ...a regional approach
- ...partnerships
- ...time & resources
- ...staff...that dedicated workforce we've described above
- ...acknowledgment that another taskforce, committee, consultant, report just doesn't cut it
- ...a secondary market
- ...vision
- ...leadership
- ...specific & measurable goals
- ...focused & implementable strategies
- which result in built units



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Tools: Immediate Needs

- Accessory Dwelling Units (ADUs) as Workforce Housing Units
 - Legislation that allows building permit, SDC and other fees to be covered by Construction Excise Tax (CET), if dedicated to Workforce Housing Program;
 - Stipend or financing to meet gap between AMI & market
 - Exception or Bonus to owners for allowable FAR
- Regional Solutions
 - Convene Regional Elected Officials to Discuss Needs, Goals, Strategies & Next Steps
 - Transferable funds to meet gap financing on Workforce Projects



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NE CORNER - DUANE ST & 16TH ST



NW CORNER - DUANE ST & 15TH ST



SW CORNER - EXCHANGE ST & 15TH ST



SE CORNER - EXCHANGE ST & 16TH ST



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JONES ARCHITECTURE



Community
Development
Partners



NOHA

SITE PHOTOS

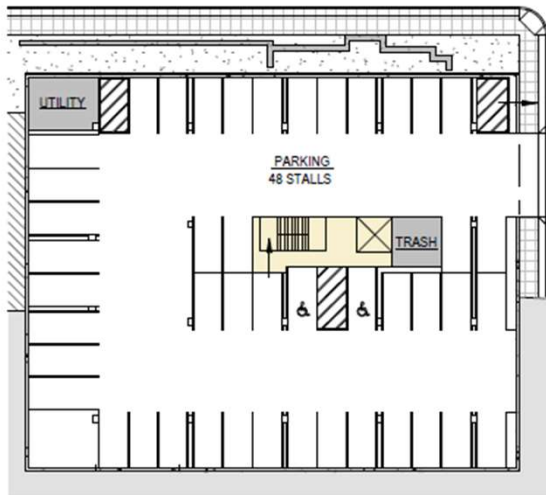
OWENS ADAIR
December 20th, 2021



SITE AREA: 17,665 SF
 BUILDING SF: (ABV GRADE) 34,992 SF
 PARKING : (BELOW GRADE) 16,100 SF
 TOTAL BUILDING SF: 51,092 SF
 GROSS RENTABLE: 34,312 SF
 NET RENTABLE: 28,210 SF
 AMENITY (LOBBY): 680 SF
 EFFICIENCY (UPPER): 82 %

NEW UNITS: 50 TOTAL
 40 1BR
 10 STUDIOS
 1 BED UNIT AVG: 600 SF
 STUDIO AVE: 400 SF

PARKING CALCULATION
 40 1BR @ 1.25/UNIT = 50 STALLS
 10 STUDIOS @ 1 STALL/8 UNITS = 2 STALLS
 TOTAL PARKING REQUIRED: 52 STALLS
 TOTAL PARKING PROVIDED: 55 STALLS



BASEMENT PARKING
 SCALE : 1/32" = 1'-0"



GROUND STORY
 SCALE : 1/32" = 1'-0"



2nd & 3rd STORY
 SCALE : 1/32" = 1'-0"

3 STORY GABLE - 20% STUDIO OPTION

OWENS ADAIR
 December 20th, 2021



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JONES ARCHITECTURE
 Community Development Partners



Tools: Meeting Future Needs

- Complete Code Audit
- Identify policies, programs and projects to address housing needs
- Identify partners and solutions
- Identify strategic growth strategies
 - Where we grow together
 - How we grow together
 - How do we develop transportation, infrastructure and amenities to meet these regional needs



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Next Steps



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