

**CITY of LA GRANDE
ORDINANCE NUMBER 3250
SERIES 2020**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LA GRANDE, UNION COUNTY,
OREGON, AMENDING THE STATEWIDE GOAL CHAPTERS 10 OF THE CITY OF LA GRANDE
COMPREHENSIVE PLAN; RECODIFYING THE COMPREHENSIVE PLAN; REPEALING ORDINANCE
NUMBER 3208, SERIES 2013, AND ALL OTHER ORDINANCES OR PARTS OF ORDINANCES IN
CONFLICT HEREWITH; AND DECLARING AN EFFECTIVE DATE**

WHEREAS, Oregon Revised Statutes (ORS) 197.296 and Oregon Administrative Rules (OAR) 660-008 implement Goal 10 - Housing, and the OAR requires that cities have a housing needs analysis to ensure opportunity for the provision of adequate numbers of needed housing units, the efficient use of buildable land within urban growth boundaries (UGBs), and to provide greater certainty in the development process so as to reduce housing costs; and,

WHEREAS, in 2018, the Oregon Legislature passed House Bill 4006 which allocated funding to the Oregon Department of Land Conservation and Development (DLCD) for the purpose of providing technical assistance to local governments in increasing the affordability of housing within the boundary of the local governments; and,

WHEREAS, in July 2018, the City of La Grande was awarded technical assistance funding by the DLCD to conduct a housing capacity analysis, also known as a housing needs analysis (HNA), which included updating the City of La Grande's buildable lands inventory, assessing housing needs over the next 20 years, recommending housing production incentive options, and updating elements of the Goal 10 – Housing Chapter of the City of La Grande Comprehensive Plan; and,

WHEREAS, said technical assistance was awarded in anticipation of draft rules planned for adoption by the Oregon Legislature in 2019, which requires cities with a population of 10,000 or more to adopt updated housing needs analyses (HNAs) and establishes deadlines for the adoption of HNAs; and,

WHEREAS, in partnership with the DLCD, the City of La Grande contracted with FCS Group to conduct a HNA, which was completed in June 2019 and intended to be adopted by the City to replace the Goal 10 – Housing Chapter of the City's Comprehensive Plan; and,

WHEREAS, in 2019, the Oregon Legislature passed House Bill 2003 which required the DLCD to establish a schedule for all Oregon cities with a population of 10,000 or more to adopt updated housing needs analyses (HNAs), with said established schedule requiring the City of La Grande to adopt an updated HNA by December 31, 2022.

THE CITY OF LA GRANDE ORDAINS AS FOLLOWS:

Section 1. The Comprehensive Plan text is hereby amended and recodified as provided in Exhibit A, attached hereto and by this reference incorporated herein as if fully set forth.

Section 2. The City Council of the City of La Grande, Union County, Oregon, shall and hereby does adopt the Findings of Fact and Conclusions of Law in the City Council Staff Report, dated December 2, 2020.

Section 3. Ordinance Number 3208, Series 2013, and all other Ordinances or Parts of Ordinances in conflict herewith shall be and hereby are repealed.

Section 4. SEVERABILITY. If any court of competent jurisdiction declares any Section of this Ordinance invalid, such decision shall be deemed to apply to that Section only and shall not affect the validity of the Ordinance as a whole or any part thereof other than the part declared invalid.

Section 5. EFFECTIVE DATE. This Ordinance shall become effective thirty (30) days after its adoption by the City Council of the City of La Grande, Union County, Oregon, and its approval by the Mayor; specifically, January 1, 2021.

ADOPTED AND APPROVED on this Second (2nd) day of December, 2020, by Six (6) of Six (6) Councilors present and voting.



Stephen E. Clements, Mayor

ATTEST:



Stacey Stockhoff
Acting City Recorder



Housing Needs Analysis

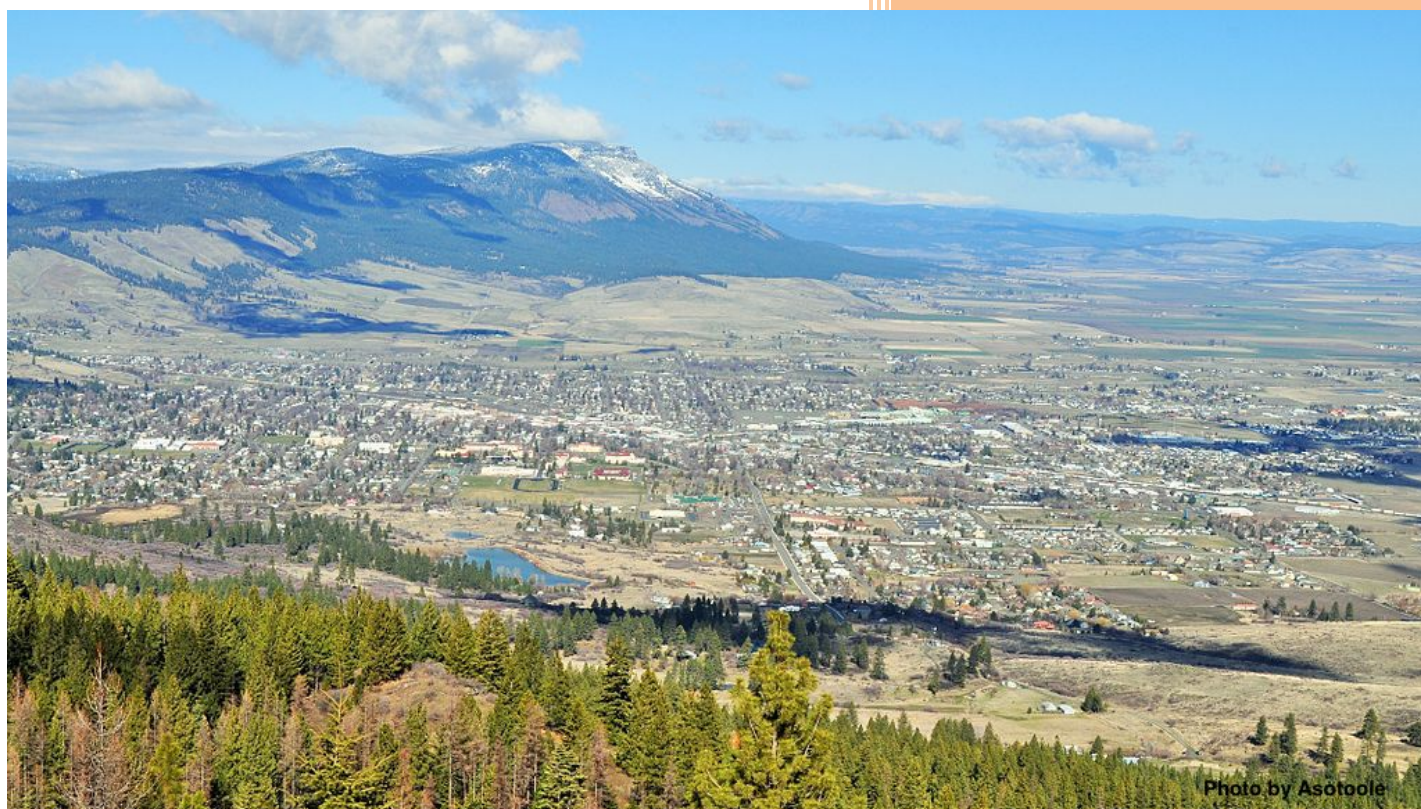


Photo by Asotoole

This project is funded by Oregon general fund dollars through the Department of Land Conservation and Development. The contents of this document do not necessarily reflect the views or policies of the State of Oregon.

June 12, 2019

ACKNOWLEDGEMENTS

This work is made possible through the sincere input by City staff and the La Grande Planning Commission. We specifically recognize and appreciate the time and attention dedicated to this work by the following people.

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FCS GROUP

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Section I. INTRODUCTION

The La Grande Housing Needs Analysis (HNA) is intended to serve as a basis for the City of La Grande to document new information regarding the city's buildable land inventory (BLI), population and employment trends, and development policies aimed at providing adequate land within the urban growth boundary (UGB) to handle the next 20 years of population growth.

OREGON REGULATORY REQUIREMENTS

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

At a minimum, local housing policies must meet the applicable requirements of Goal 10 and the statutes and administrative rules that implement it (ORS 197.295 to 197.314, ORS 197.475 to 197.490, and OAR 600-008).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 UGB at price ranges and rent levels that are affordable to households within the county with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes." ORS 197.303 defines needed housing types:

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

- (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.
- (e) Housing for farmworkers.

HNA METHODOLOGY

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

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

While ORS 197.296 specifically applies to cities with 25,000 or more population, this statute is generally followed to determine housing needs for La Grande (population 14,240). This analysis incorporates 20-year population growth for the La Grande Urban Growth Boundary (UGB) based on forecasts provided by Portland State University's Population Research Center.

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

REPORT ORGANIZATION

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

I. Introduction.

II. Trends and Forecasts: provides a demographic overview and summary of market trends influencing housing growth in La Grande.

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

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

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

VI. Glossary: list of key terms used in the housing needs analysis.

Please refer to the Glossary for a list of terms used in the Housing Needs Analysis.

Section II. TRENDS AND FORECASTS

Nestled in the Grande Ronde Valley of the Blue Mountains, La Grande is located at the junction of Interstate I-84 and OR 82 and serves as the Union County seat. The town selected the name “La Grande” in 1863 at the suggestion of a Frenchman who was enamored by the area’s scenic beauty.



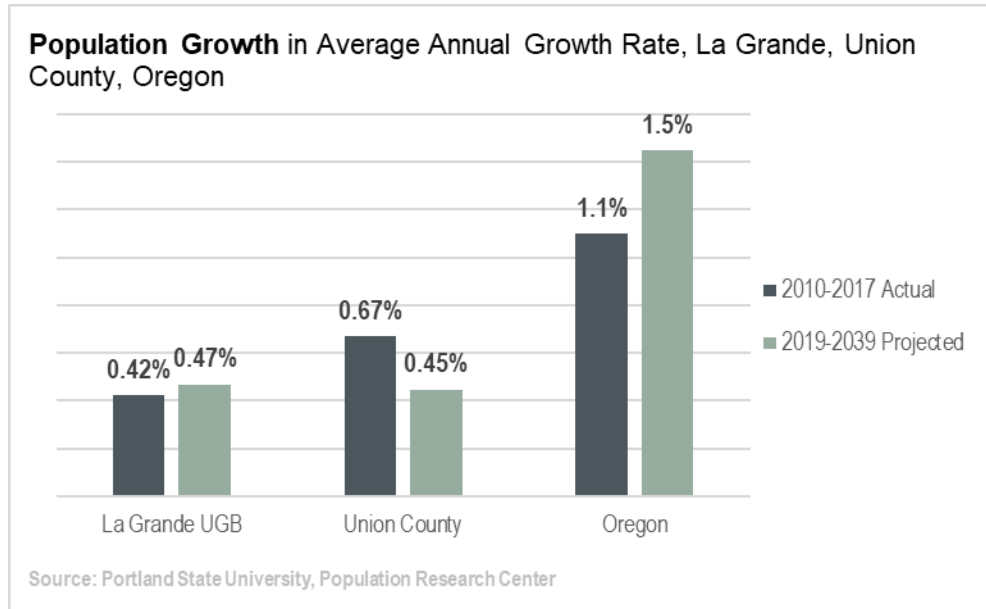
POPULATION

National migration patterns are generating faster population growth for Oregon in comparison to the rest of the nation. However, La Grande is facing much lower growth than the rest of the state. According to the U.S. Census Bureau, population in the Western U.S. is projected to grow at an average annual rate of 1.6%, compared to 1.0% nationally over the next 20 years.

While Oregon continues to experience population growth from natural increases as well as immigration, many of the communities east of the Cascades have not benefited from this influx. The same is true for the City of La Grande. La Grande has experienced relatively slow growth in the past few decades.

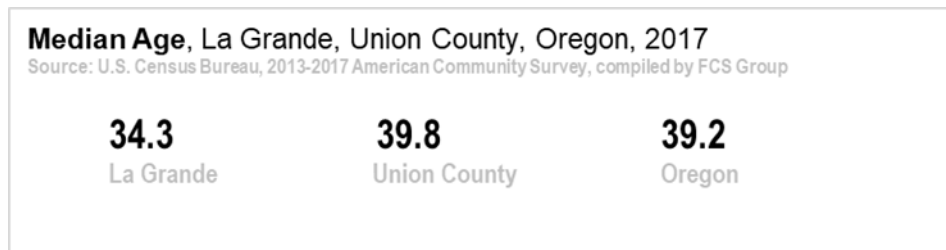
Population within the La Grande UGB is projected to grow from 14,240 to 15,632 over the next 20 years (0.47% avg. annual growth rate), according to Portland State University Population Research Center. As indicated in **Exhibit 2.1**, this growth rate forecast is lower than that of Oregon as a whole, but is projected to slightly outpace that of Union County. As the population of La Grande increases, local demand for all types of housing will also increase.

Exhibit 2.1



La Grande has a relatively high share of younger residents (under age 19) and a lower share of older residents (over age 65) in comparison with Union County and Oregon. The median age of local residents was 34.3 in 2017, which is measurably less than the County and State average. The presence of Eastern Oregon University (EOU) with a student body of 3,741 (in 2015) contributes to the relatively low median age (see **Exhibit 2.2**).

Exhibit 2.2



La Grande also has a relatively small average household size, evidenced by that fact that there are 2.18 people per housing unit, well below the State average of 2.32 (see **Exhibit 2.3**).

Exhibit 2.3

Average Number of People per Unit, La Grande, Union County, Oregon, 2017

Source: U.S. Census Bureau, 2013-2017 American Community Survey, compiled by FCS Group

2.18

La Grande

2.21

Union County

2.32

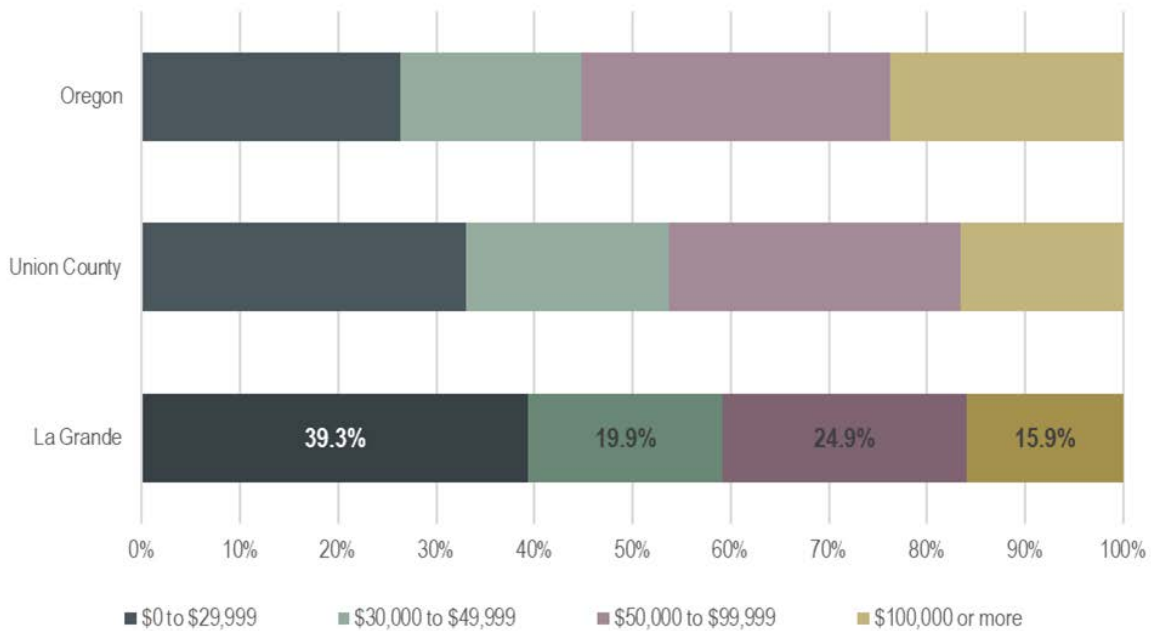
Oregon

INCOME

Median household income in La Grande (\$40,750) is below Union County (\$46,228) and well below Oregon (\$56,119). As shown in **Exhibit 2.4**, La Grande has a relatively high number of low-income residents earning less than \$30,000 per year, and a relatively small share of mid and upper income residents earning more than \$50,000.

Exhibit 2.4

Income, La Grande, Union County, Oregon 2017



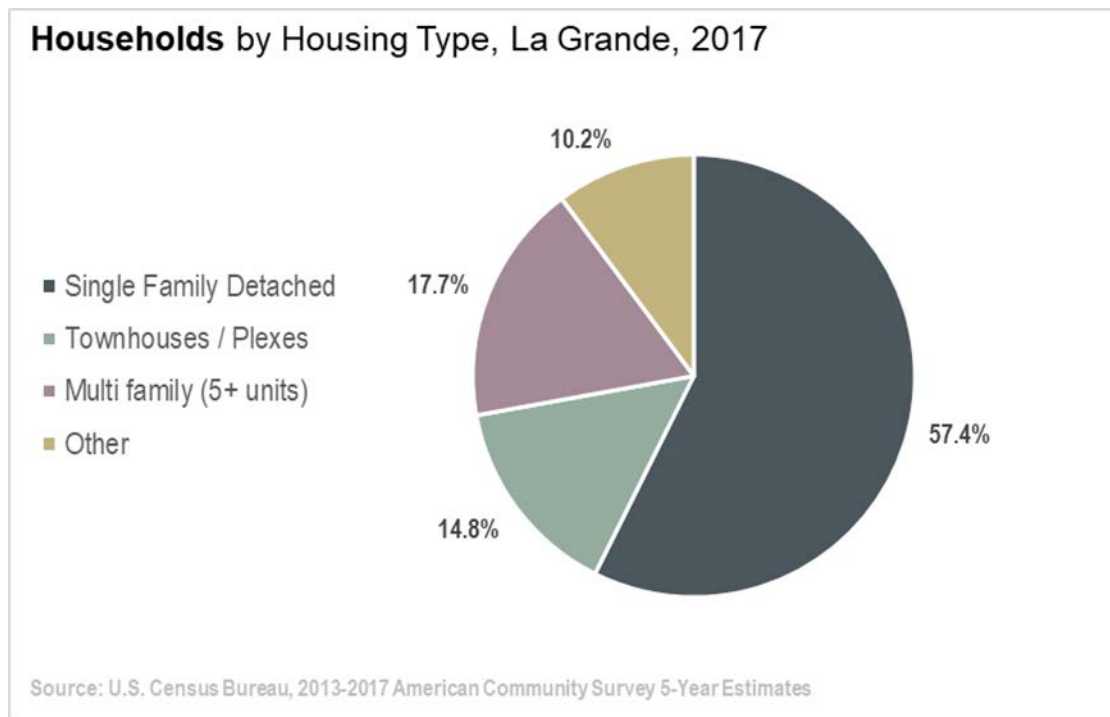
Source: U.S. Census Bureau, 2013-2017 American Community Survey (Table B19001), compiled by FCS Group

EXISTING HOUSING CHARACTERISTICS

An analysis of historical development trends and local housing market dynamics provides insight regarding how the housing market functions.

Like many rural cities, the existing housing stock in La Grande is dominated by single family detached (low density development) which accounts for over a half of the inventory. Townhomes/plexes (medium density development) comprise 15% of the inventory. Multifamily apartments and condos (with more than 5 units per structure) make up 18% of the inventory. Mobile homes and other housing types account for the remaining 10% of the inventory (see **Exhibit 2.5**).

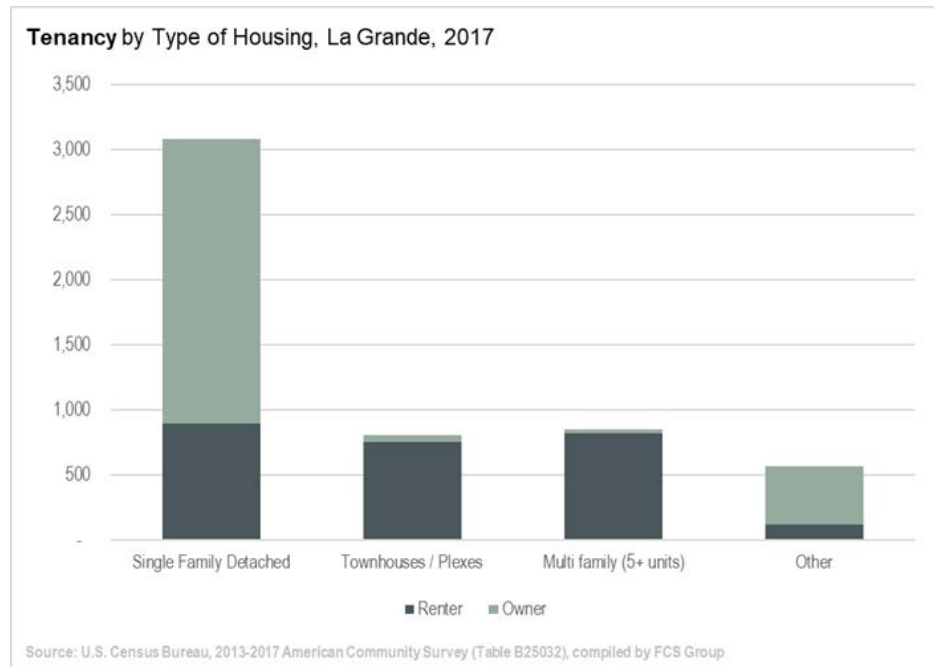
Exhibit 2.5



Housing Tenancy and Occupancy

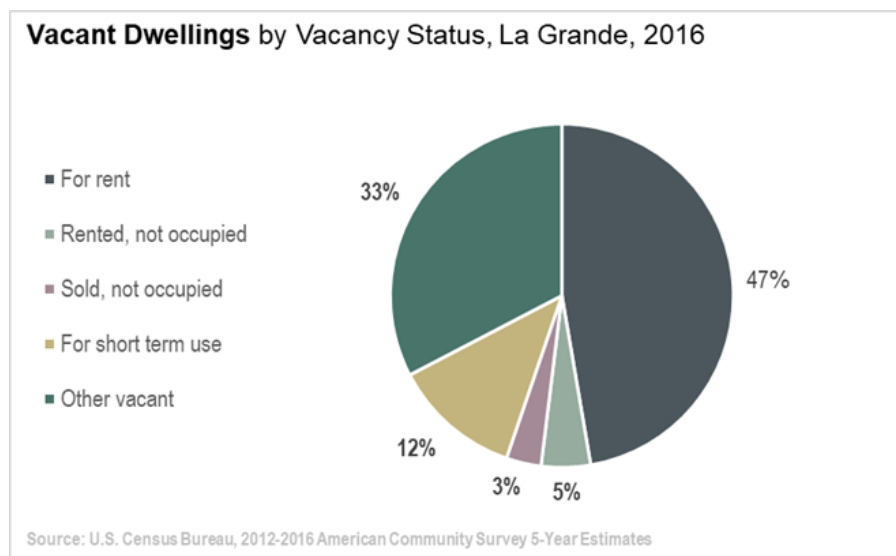
The majority of homeowners in La Grande reside in single family detached homes or mobile homes (as well as manufactured housing) and most renters reside in townhomes/plexes and multifamily (apartment) units (see **Exhibit 2.6**).

Exhibit 2.6



According to the U.S. Census, American Community Survey, as of 2016 the overall housing vacancy rate in La Grande was about 11% overall. Vacancy rates have since declined and the estimated vacancy rate for year-round apartment housing is currently estimated at 6% (see **Exhibit 2.7**). These estimates exclude Eastern Oregon University on-campus student housing. Regional housing agencies report zero vacancies with a 6-month wait list for government-assisted rental housing.

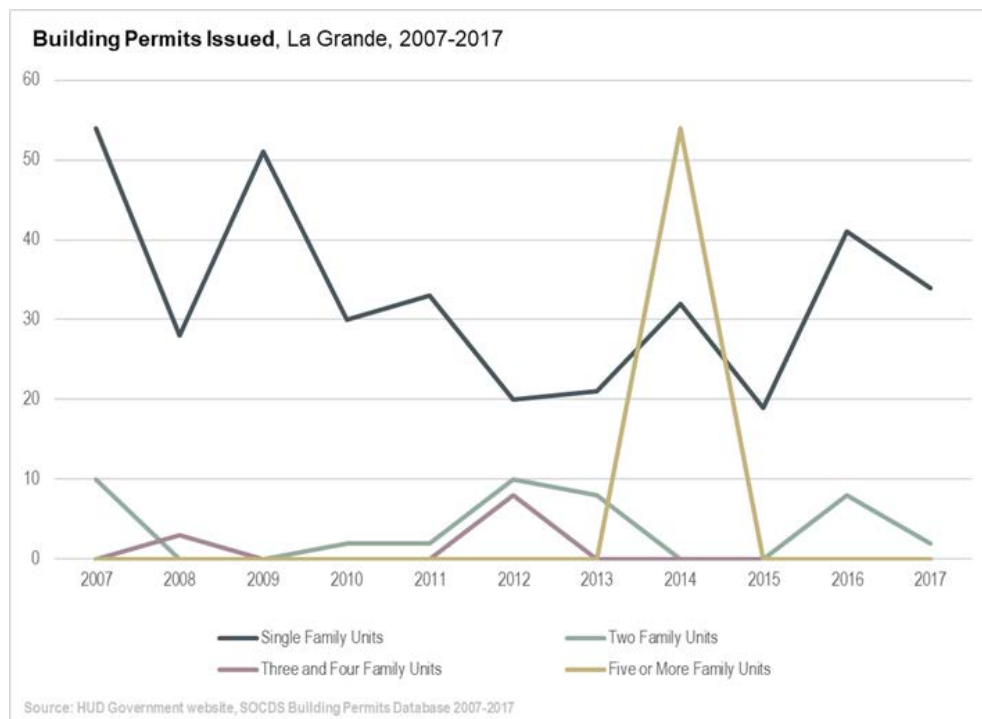
Exhibit 2.7



Construction Permitting Activity

Single family development has dominated the construction patterns in La Grande. Since 2007, La Grande issued an average of 33 single family permits for new construction annually. This is contrasted with an average of 9.7 new construction permits per year of all other types. A graph of the number of permits issued is provided in **Exhibit 2.8**.

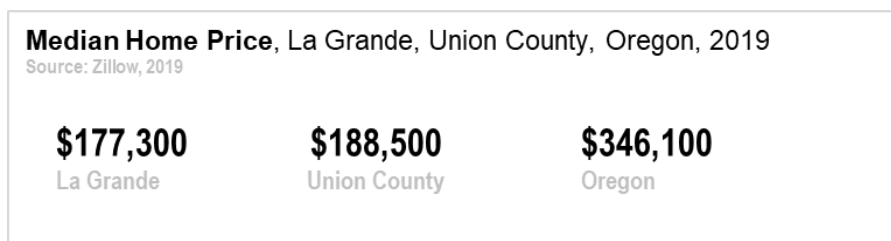
Exhibit 2.8



HOUSING AFFORDABILITY

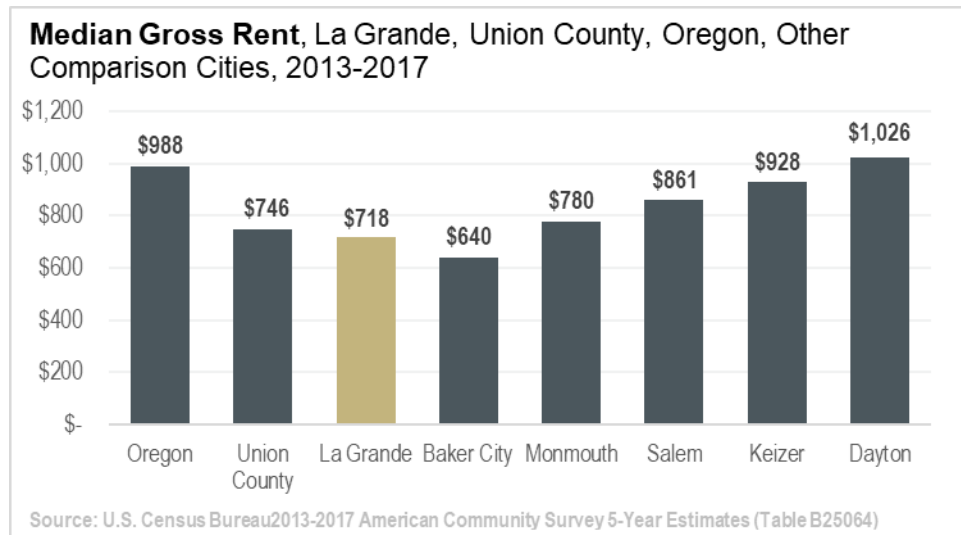
The median home price in La Grande was \$177,300 (2019, 1st Q), which compares favorably to median homes prices in Union County and Oregon, as a whole (see **Exhibit 2.9**).

Exhibit 2.9



Housing rents are also relatively low in La Grande. Rents in La Grande are about 4% lower than the Union County average, and nearly 30% lower than rents in Oregon as a whole (see **Exhibit 2.10**).

Exhibit 2.10



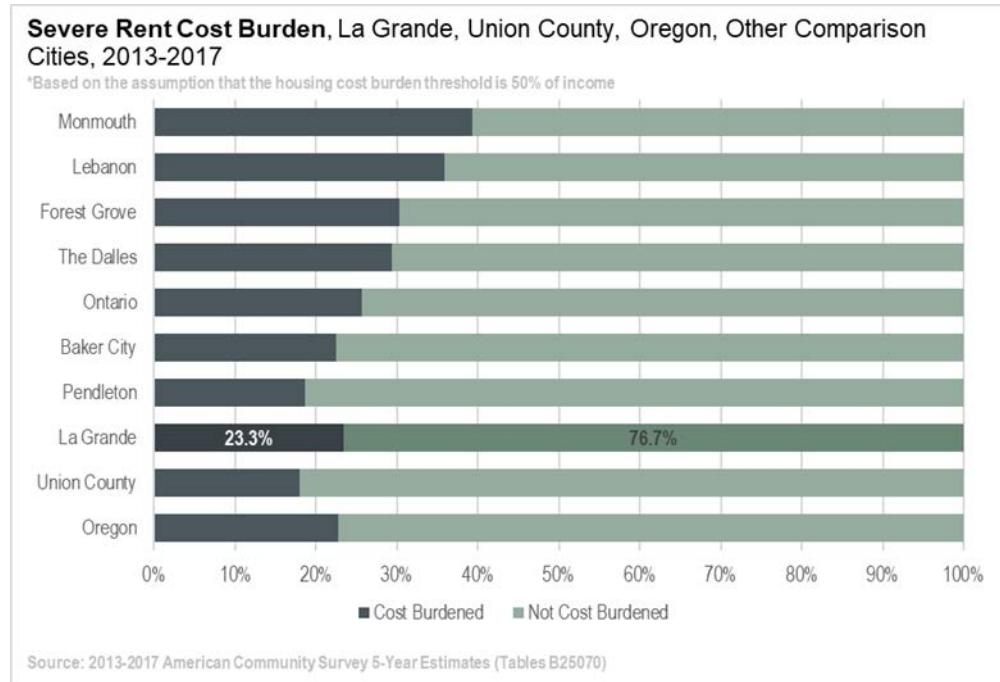
Housing Cost Burdens

While housing prices and rents in La Grande are low in comparison to many areas, the below average household income levels are creating a housing affordability challenge for many residents at this time.

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

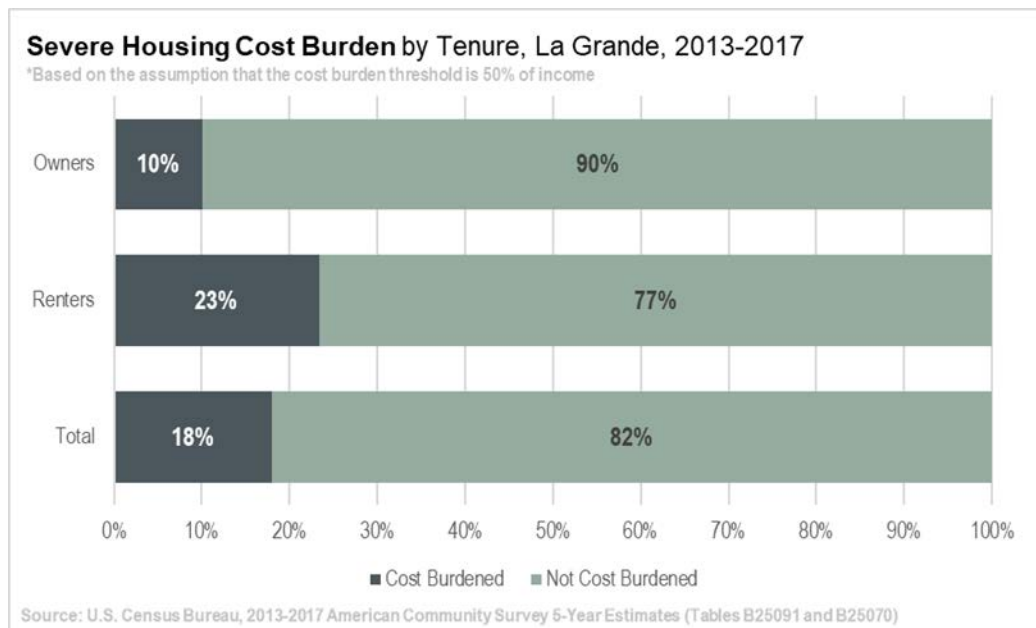
By these standards almost 1 in 4 renters in La Grande are severely cost burdened. This places La Grande slightly above the statewide average, and above the Union County average by 5 percentage points (see **Exhibit 2.11**).

Exhibit 2.11



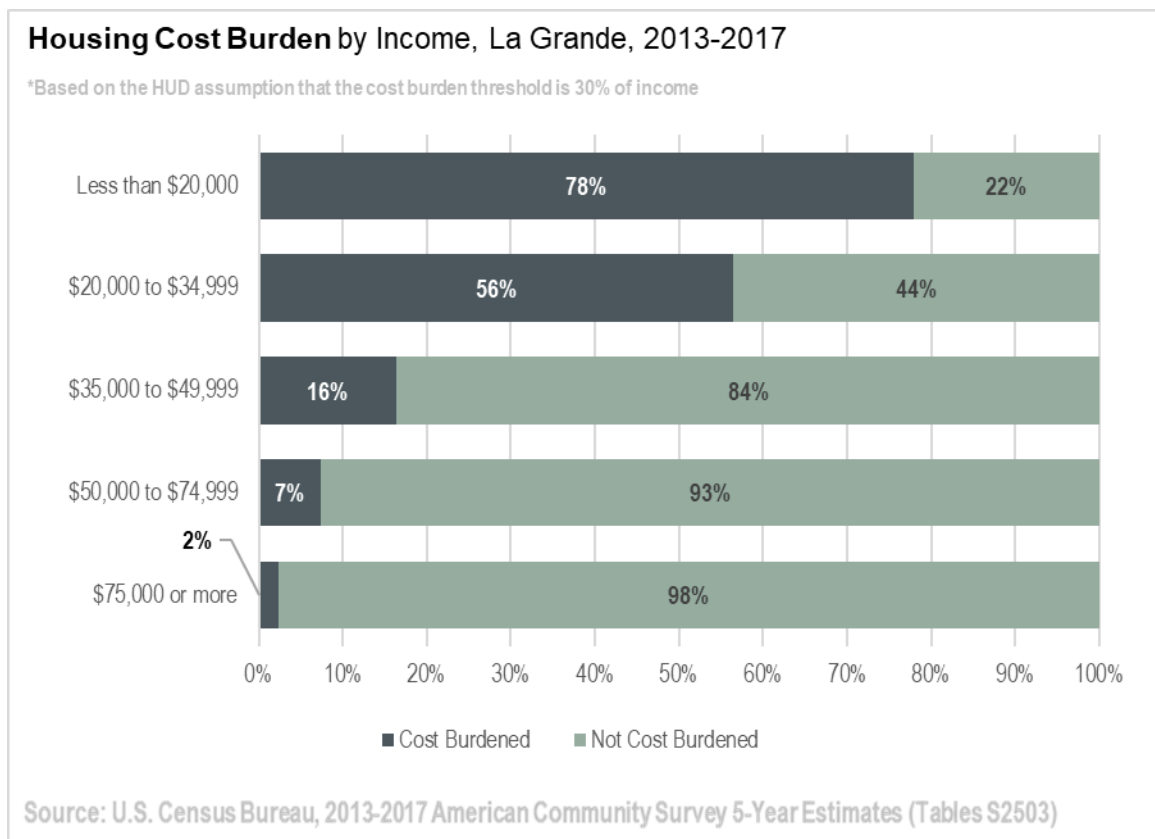
In contrast to renters, only 1 in 10 homeowners with a mortgage are severely cost burdened. Overall, 18% of all households in La Grande are severely cost burdened (see **Exhibit 2.12**).

Exhibit 2.12



When comparing households by income levels, it is clear that the greatest housing cost burden is faced by those earning less than \$35,000. About 2 in 3 households earning less than \$35,000 face housing cost burden (see **Exhibit 2.13**).

Exhibit 2.13



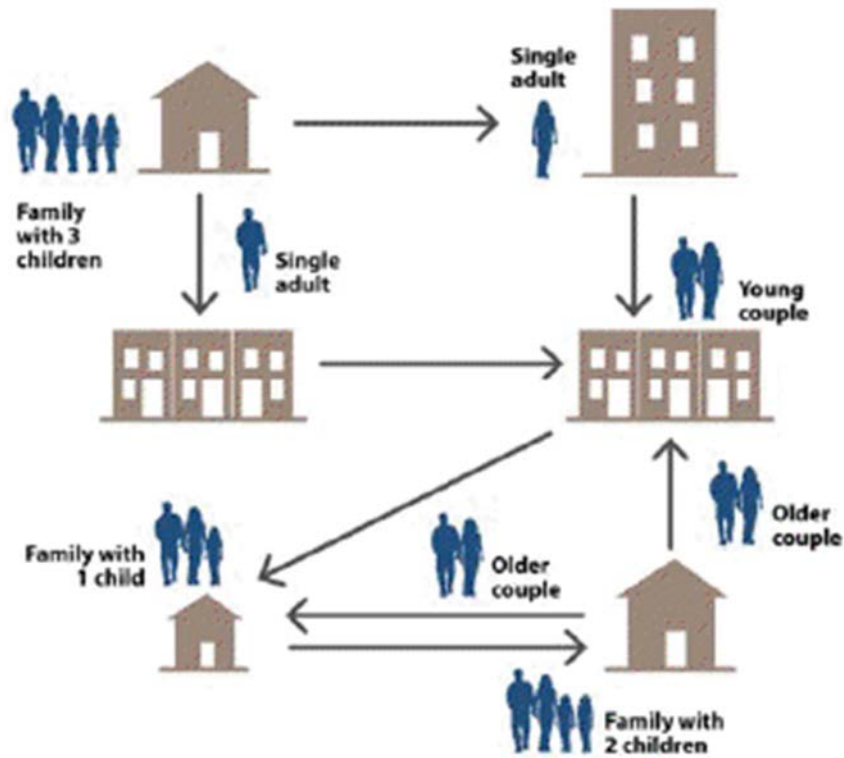
HOUSING NEEDS

Factors Affecting Housing Needs

There is a linkage between demographic characteristics and housing choice. As shown in **Exhibit 2.14**, housing needs change over a person's lifetime. Other factors that influence housing include:

- Homeownership rates increase as income rises.
- Single family detached homes are the preferred housing choice as income rises.
- Renters are much more likely to choose multifamily housing options (such as apartments or plexes) than single-family housing.
- Very low income households (those earning less than 50% of the median family income) are most at-risk for becoming homeless if their economic situation worsens (see **Exhibit 2.14**).

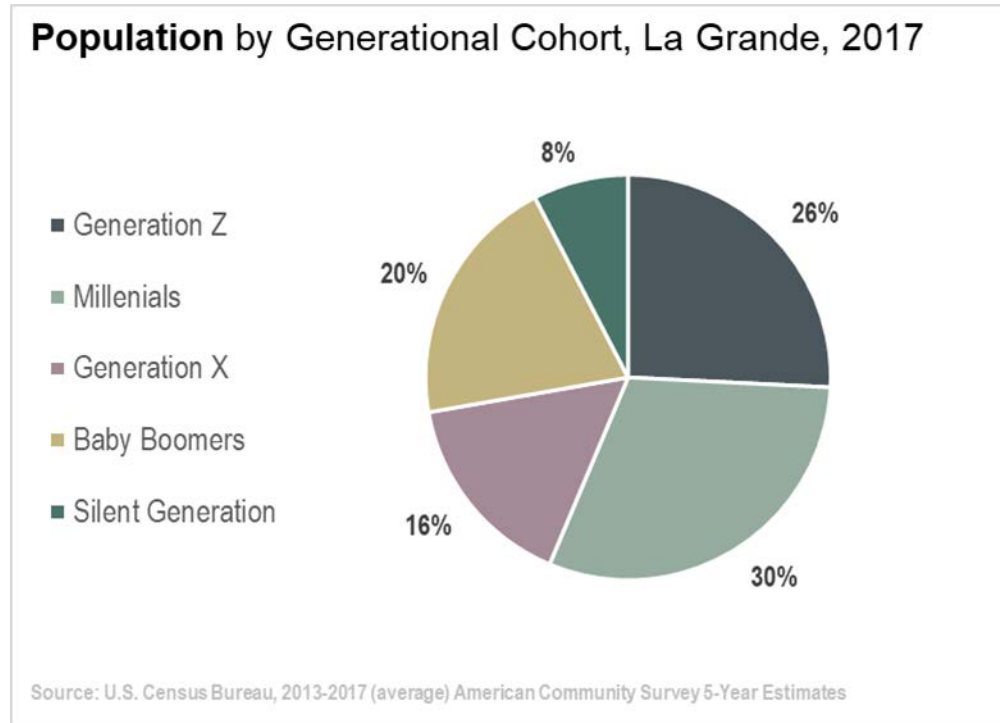
Exhibit 2.14



The relationship between demographic changes, income levels and housing needs can be used to forecast future housing needs.

The primary demographic cohorts in La Grande are shown in **Exhibit 2.15** and described below.

Exhibit 2.15



Greatest/Silent Generation (those born before 1925 to 1945)

This includes retirees better than age 74, who were raised during the Great Depression, Word War I or World War II. This cohort currently accounted for 8% of the city’s population in 2017 and is projected to be the fastest growing segment over the next 20 years. As they reach their 80s some desire to move into assisted living facilities with nearby health care services and transit access.

Baby Boom Generation (those born 1946 to 1964)

Baby boomers (currently age 55 to 74) accounted for 20% of La Grande’s residents in 2017, up from 18% in 2010. The boomer population segment has been growing more rapidly than the other cohorts over the past 10 years and many are now entering their retirement years. Boomers usually prefer to “age in place” until after age 80, then may downsize or move in with family members (sometimes opting to reside in accessory dwellings off the main house).

Generation X (born early 1965 to 1980)

GenX is the demographic cohort following the baby boomers and preceding the Millennials. This cohort (currently includes people between age 39 to 54) accounted for 16% of La Grande's residents in 2017, and has been trending upwards over the past several years. GenX households often include families with children, and many prefer to live in single family detached dwellings at various price points.

Millennials (born early 1980s to early 2000s)

Millennials (currently in their twenties or thirties) accounted for 30% of the La Grande residents in 2017, and its numbers overtook the Baby Boomers in recent years. This segment is expected to increase more slowly than the overall population over the next few decades. Younger millennials tend to rent as they attend Eastern Oregon University, establish their careers, and/or pay back student loans. Working millennials often become first-time homebuyers, opting to purchase smaller single family detached homes or townhomes.

Generation Z (born mid-2000s or later)

GenZ includes residents age 19 or less, which accounted for 26% of the La Grande residents in 2017. This segment mostly includes children living with GenXers or younger Baby Boomers, and has been decreasing in numbers in La Grande over the past several years. This trend is forecasted to continue as people are delaying starting families and tend to have fewer children than past generations.

Families with Children

This category includes a subset of the baby boomers and millennials, and also includes householders between the age of 40 and 55. Taken as a whole, this category constitutes the majority of La Grande's population and is expected to increase moderately over the next two decades. Families prefer to live in a variety of single family housing options (detached homes or townhomes/plexes) at price points commensurate with their family income.

Housing Need Forecast

The future (20 year) housing need forecast for La Grande takes into account demographic and socio-economic factors. During the HNA planning process, the consultant team worked closely with the Housing Committee, DLCD, and City planning staff to formulate and evaluate various methods for forecasting La Grande's housing mix. The recommended housing mix is intended to address the changing household demographic and socio-economic patterns which will address the demand for a

variety of housing types that are attainable at all income levels.³

The housing forecast also anticipates there to be:

- A decrease in average household size as younger residents delay starting families, and older residents become empty nesters and consider downsizing from single family detached homes into apartments, condominiums or other forms of shared living arrangements.
- An increase in renters, as younger residents prefer to rent for longer periods as they pay off debt and save money for down payments.
- A need for more affordable housing at price points that are attainable to households earning less than 120% of the area's median income level. This would support greater demand for government assisted housing options, as well market-rate rentals and home ownership options, such as duplexes, townhomes, cottage homes, and manufactured dwellings.

Based on the projected population growth and housing market conditions, La Grande is expected to add 1,392 people and that will require 795 net new dwelling units over the next 20 years.

As indicated in **Exhibit 2.16**, the 20-year projected housing need is expected to consist of: 318 owner-occupied dwellings and 477 renter-occupied dwellings. The types of housing that are most suited to meet qualifying income levels for home ownership vary by family income level.

The housing mix that addresses future demand consists of approximately: 336 single-family detached homes, 115 townhomes/duplexes, 200 multifamily housing units and 100 manufactured housing units. There will also be some "group quarters" housing demand for about 44 people that require shared living arrangements (includes congregate care or group housing).⁴

³ For additional background on the various housing forecast methods considered, please refer to the La Grande HNA, Task 4 Memorandum, dated June 2019.

⁴ Group housing also includes transitional housing, farmworker housing, and off-campus student housing.

Exhibit 2.16

Projected 20-year Net New Housing Need by Tenancy, La Grande UGB

Housing Type	Owner-Housing	Renter-Housing	Total
Single Family Detached	226	110	336
Townhomes / Plexes	19	96	115
Multi family (5+ units)	3	197	200
Mobile/manufactured housing	70	30	100
Group quarters	-	44	44
Total	318	477	795

Housing Type	Owner-Housing	Renter-Housing	Total
Low Density*	310	125	436
Medium Density**	6	153	159
High Density	2	198	200
Total	318	477	795

* includes mobile homes. ** Includes townhomes, plexes and group quarters.

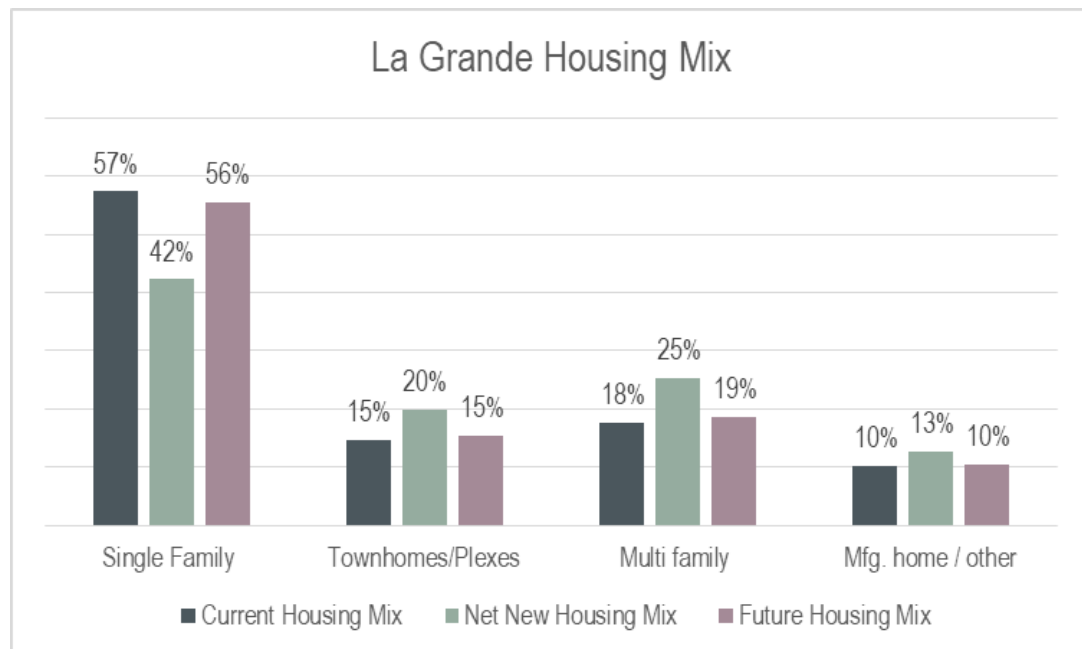
** Includes multifamily structures with 5+ units.

Note: numbers may not add exactly due to rounding.

Source: FCS GROUP based on Task 2 and Task 4 analysis.

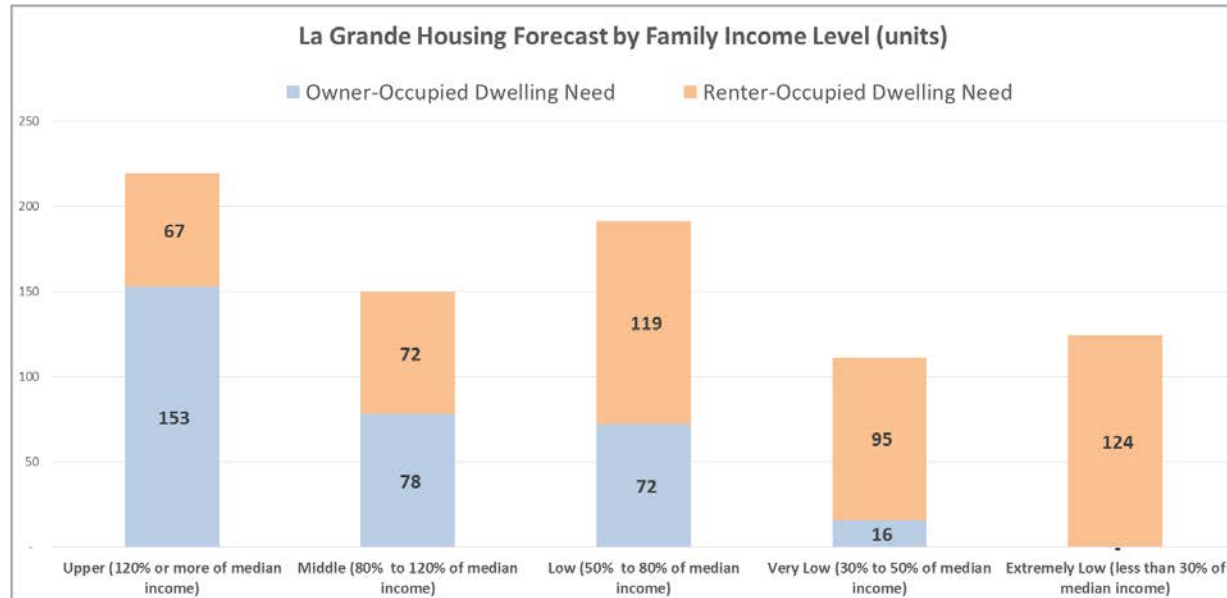
As indicated in **Exhibit 2.17** this new housing mix will include a lower share of single family detached housing than is currently in La Grande today, and a relatively greater share of townhomes/plexes and multifamily apartments.

Exhibit 2.17



The housing forecast takes into account median family income housing attainability levels that assume 30% of income is devoted to housing costs. As shown in **Exhibit 2.18**, this forecast results in a greater share of ownership housing for middle and upper income categories, and a larger share of renter housing for low, very low and extremely income categories.

Exhibit 2.18



The owner-occupied housing that's suited to meet qualifying income levels is shown in **Exhibit 2.19**.

Exhibit 2.19

Family Income Level	Upper Range of Qualifying Income	Upper Range of Home Price*	Attainable Housing Products	Estimated Distribution of Owner-Occupied Units	Projected Owner-Occupied Units Needed
Upper (120% or more of median income)	N/A	\$330,000 or more	Standard Homes	48%	153
Middle (80% to 120% of median income)	\$66,580	\$330,000	Small and Standard Homes, Townhomes	25%	78
Low (50% to 80% of median income)	\$44,386	\$264,000	Small Homes, Townhomes, Mfgd. Homes, Plexes	23%	72
Very Low (30% to 50% of median income)	\$27,742	\$164,400	Govt. Assisted	5%	15
Extremely Low (less than 30% of median income)	\$16,645	\$98,400	Govt. Assisted	0%	0
Total				100%	318

**Assumes 30% of income is used for mortgage payment, 20% downpayment, 6% interest, 30-year mortgage for middle and upper-income households, and 0% downpayment for lower-income households.*

The rental housing forecast that's consistent with qualifying income levels is shown in **Exhibit 2.20**.

Exhibit 2.20

Family Income Level	Upper Range of Qualifying Income	Upper Range of Monthly Rent*	Attainable Housing Products	Estimated Distribution of Units	Renter-Occupied Units Needed
Upper (120% or more of median income)	N/A	\$1,387 or more	Standard Homes, Townhomes	14%	67
Middle (80% to 120% of median income)	\$66,580	\$1,387	Small Homes, Townhomes, Apartments	15%	72
Low (50% to 80% of median income)	\$44,386	\$925	Small Homes, Townhomes, Mfgd. Homes, Plexes, Apts.	25%	119
Very Low (30% to 50% of median income)	\$27,742	\$578	ADUs, Govt. Assisted Apts.	20%	95
Extremely Low (less than 30% of median income)	\$16,645	\$416	Govt. Assisted Apts.	26%	124
Total				100%	477

*Assumes 30% of income is used for rental payments. La Grande HNA Task 4 findings, June 2019.

Currently, the fair market rents within Union County range from \$470 for an efficiency (studio) unit to \$1,207 for a four-bedroom unit.

HUD Fair Market Rent (FMR) by Unit Type, Union County, 2019				
Source: U.S. Department of Housing and Urban Development				
\$470	\$553	\$732	\$1,058	\$1,207
Efficiency	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom

Section III. BUILDABLE LAND INVENTORY

In accordance with OAR 660-008-0005 (2), an estimate of buildable land inventory (BLI) within the La Grande Urban Growth Boundary (UGB) has been created to determine that amount of land available to meet housing needs. The BLI analysis uses the most current Geographic Information Systems (GIS) data provided available for the La Grande UGB (specific GIS data sources are shown in **Exhibit 3.1**).

BUILDABLE LAND INVENTORY METHODOLOGY

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

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

Exhibit 3.1

Dataset Name	Type	Description	Source
City_Limits_La_Grande	GIS Layer	La Grande City Limits Boundary	City of La Grande
UGB_La_Grande	GIS Layer	Urban Growth Boundary for areas outside of La Grande city limits	City of La Grande
Urban_Renewal_Area_La_Grande	GIS Layer	Urban Renewal Areas for areas inside of La Grande city limits	City of La Grande
Zoning_La_Grande	GIS Layer	City of La Grande Zoning Designations	City of La Grande
Floodplain_2012	GIS Layer	FEMA 100-yr. Floodplains and Floodways	City of La Grande
Grande_Ronde_River_LaGrande	GIS Layer	Grand Ronde river corridor	City of La Grande
Riparian_Corridor	GIS Layer	Riparian corridors with buffers for stream and river features	City of La Grande
Geohazard	GIS Layer	Layer of geological hazards - steep slopes over 25%	City of La Grande
Taxlot	GIS Layer	Taxlots for City of La Grande and UGB.	Union County Assessor
tblAssessor	Tabular	Related table with valuation and property class coding data	Union County Assessor
OSIP 2017	GIS Service	Web service providing aerial imagery	Oregon-GEO ¹

¹ - <http://imagery.oregonexplorer.info/arcgis/services>

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

Residential Land Base

The residential land base reflects current La Grande Comprehensive Plan land use designations. The Comprehensive Plan map for the La Grande UGB is provided as **Exhibit 3.2**.

Properties that are within the residential land base include the following base zone classifications:

Residential Land Use Classifications

- Hillside Development (HD)
- Rural Residential (RR-1)
- Low-Density Residential (R-1)
- Medium-Density Residential (R-2)
- High Density Residential (R-3)
- Residential Professional (R-P)

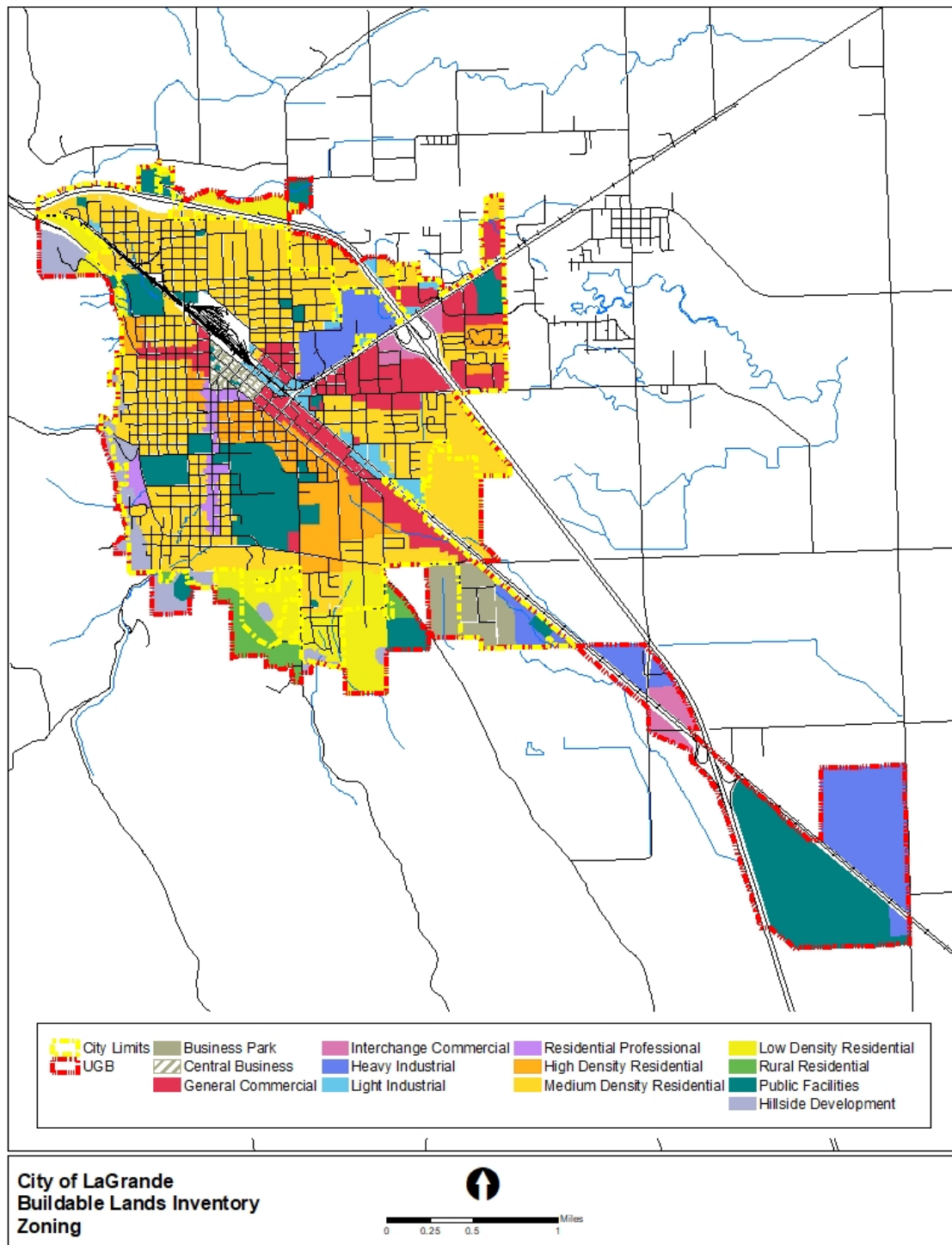
In addition, since commercial and mixed-use zone classifications allow housing development, the following commercial base zone classifications are included in the residential land base:

Commercial and Mixed-Use Land Use Classifications

- Central Business (CB)
- General Commercial (GC)

For analysis purposes, each of these classifications have been grouped into residential development categories that represent the expected level of development based on the housing types/densities that are permitted by the City (housing types must be permitted outright or by conditional development approval). This includes: low, medium and high density residential categories; as well as a commercial/mixed use category (which allows a mix of low, medium and high density housing).

Exhibit 3.2. City of La Grande Zoning Designations



Land Classifications

The next step includes classifying each tax lot (parcel) into one of the following categories.

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

Partially vacant land: Properties that are occupied by a use (e.g., a home or building structure with value over \$10,000) but have enough land to be subdivided without the need for rezoning. This determination is made using tax assessor records and aerial photography. For lots with existing buildings, it is assumed that ¼ acre (10,890 sq. ft.) is retained by each existing home, and the remainder is included in the part vacant land inventory.

Vacant Undersized: Properties that are vacant or part-vacant with less than 3,000 sq. ft. of land area. This category is excluded from the vacant land inventory since these lots are not likely large enough to accommodate new housing units. However, it is possible that some may be suitable for accessory dwelling units (ADUs).

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

Public and Constrained (unbuildable) land: Properties which are regarded as unlikely to be developed because they are restricted by existing uses such as: public parks, schools, ballfields, roads and public right-of-way (ROW); common areas held by Home Owners Associations, cemeteries; and power substations. In cases where public-owned land does not fall into one of the above-mentioned categories and is planned or zoned to allow housing, those tax lots are included in the vacant or part-vacant residential land inventory.

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

Development Constraints

The BLI methodology for identifying and removing development constraints is consistent with state guidance on buildable land inventories per OAR 660-008-0005(2). By definition, the BLI is intended to include land that is “suitable, available, and necessary for residential uses.”

“Buildable Land” includes residential designated land within the UGB, including vacant, part vacant and land that is likely to be redeveloped; and suitable, available and necessary for residential uses. Public-owned land is generally not considered to be available for residential use unless the underlying zoning permits housing.

Land is considered to be “suitable and available” unless it:

- Is severely constrained by natural hazards as determined by the Statewide Planning Goal 7;
- Is subject to natural resource protection measures determined under Statewide Planning Goals 5, 6, 15, 16, 17 or 18;
- Has slopes over 25 percent;
- Is within the 100-year flood plain; or
- Cannot be provided or served with public facilities (no land was identified in this category).

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

- Land within floodplains. This includes lands in flood-hazard areas (the 100-year floodplain).
- Land within Parks and Natural areas that are protected from future development.
- Land with slopes greater than 25%.

Exhibits 3.3-3.5 illustrate these types of “environmental” constraints.

Exhibit 3.3. Floodplains and Floodways

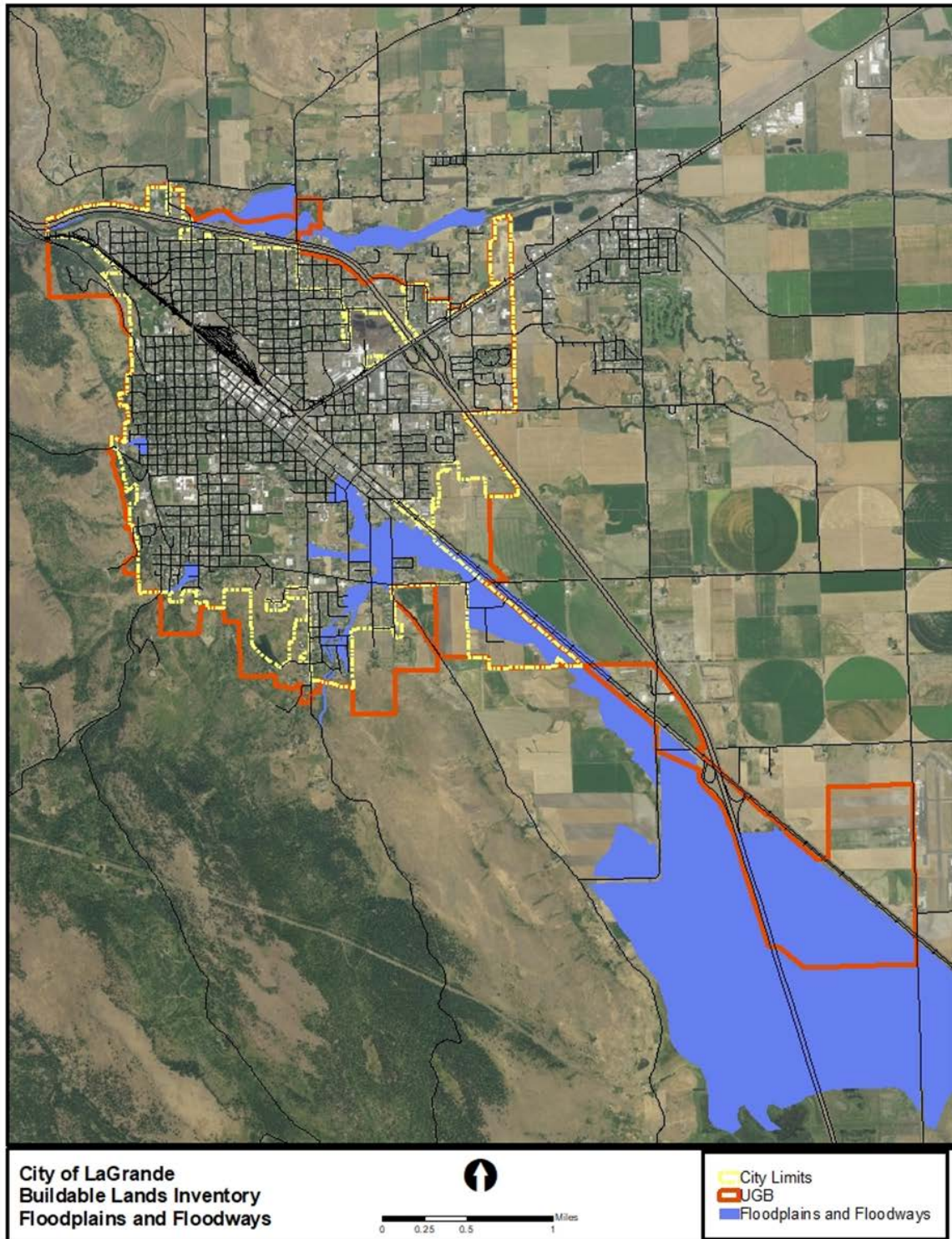


Exhibit 3.4. Steep Slopes

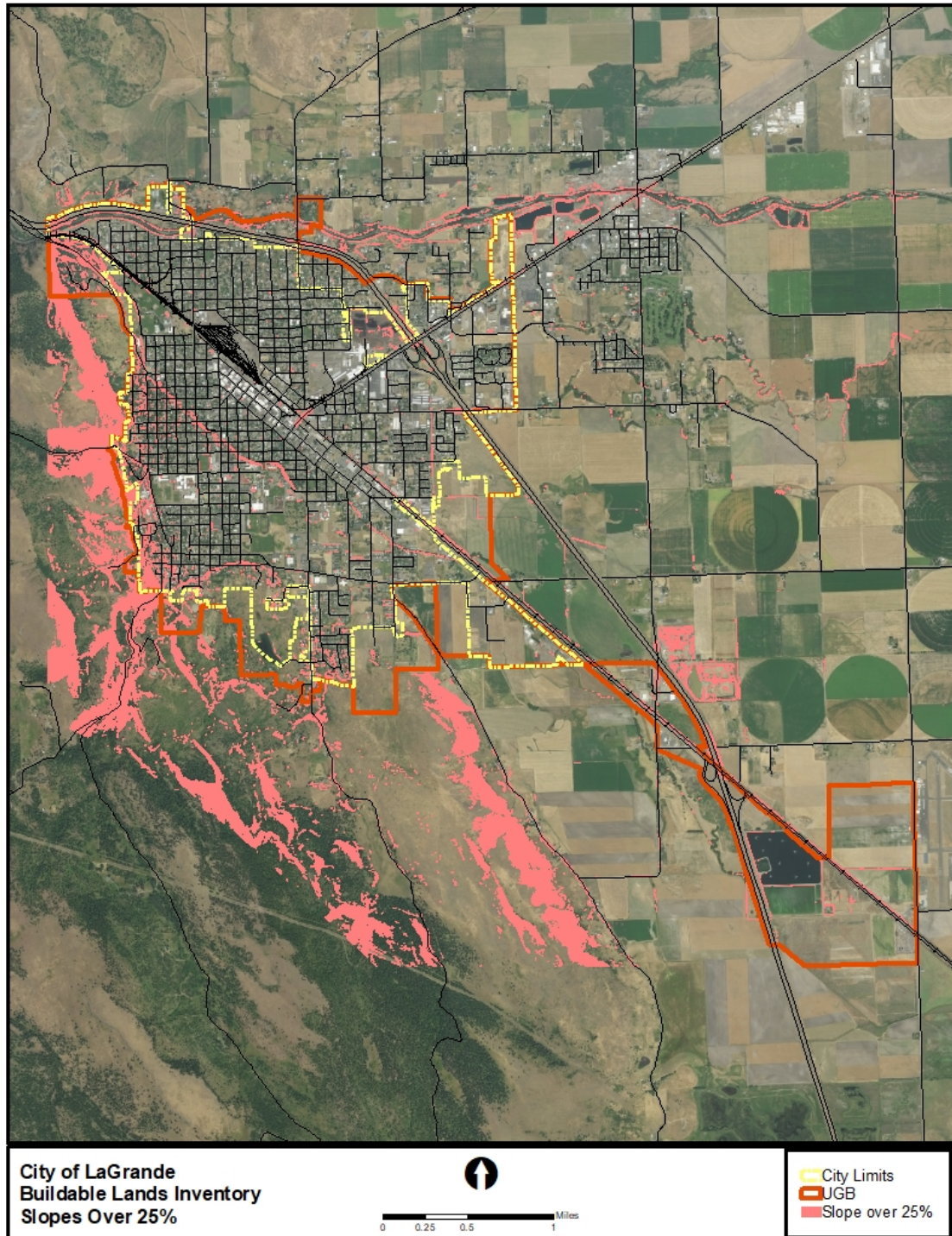
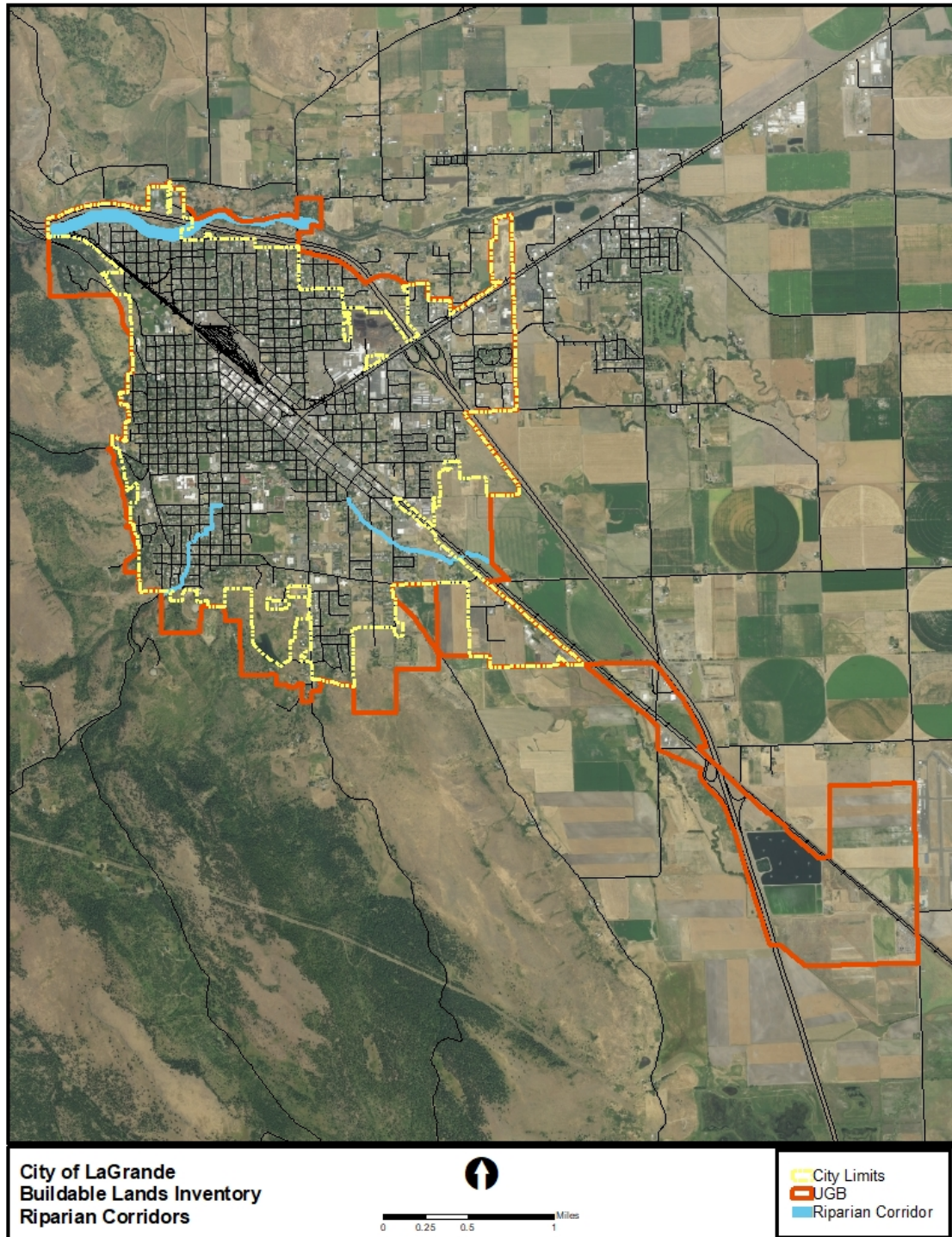


Exhibit 3.5 Riparian Corridors



RESIDENTIAL BUILDABLE LAND INVENTORY RESULTS

Land Base

As noted above, the residential land base for the BLI includes all tax lots in the UGB with residential, commercial and mixed-use land use designations. A summary of the land base by generalized plan designation is provided in **Exhibit 3.6**. The findings indicate that there are 4,973 tax lots in the land base with 2,118 gross acres.

Exhibit 3.6

Generalized Plan Designation	Number of		Total Gross	
	Taxlots	Percent	Acres	Percent
Low-Density Residential	410	8%	560	26%
Medium-Density Residential	3,252	65%	905	43%
High-Density Residential	532	11%	138	6%
Commercial/Mixed Use	779	16%	515	24%
Total	4,973	100%	2,118	100%

Source: City of La Grande; FCS GROUP.

Development Status

Before the deduction of environmental constraints, the residential land base has been classified by development status to estimate land that is “committed” and not likely to be developed for additional residential uses. These definitions include residential land that is developed, tax lots that exempt residential development, public-ownership, and public right-of-way⁵, as described previously (results are summarized in **Exhibit 3.7**).

⁵ Includes right-of-way that is defined as a tax lot in the GIS database, which exempts residential development. This includes most major existing right-of-way which is excluded from the buildable land base.

Exhibit 3.7

Generalized Plan Designation	Acres on Vacant Taxlots	Acres on Part-Vacant Taxlots	Total Vacant & Part-Vacant Acres	Developed, non-residential and other constrained acres			
				Developed or Non-Res Land Base	Public/Unbuildable	Undersized (less than 3,000 SF)	Total Committed Acres
Low-Density Residential	243	47	290	264	6	0.10	271
Medium-Density Residential	189	19	208	688	9	0.31	697
High-Density Residential	12	3	15	113	9	0.31	122
Commercial/Mixed Use	12	2	14	478	23	0.07	501
Total	456	71	527	1,544	46	1	1,591

Source: City of La Grande GIS data, FCS GROUP analysis.

Buildable Land After Constraints and Public Facilities

The BLI methodology calculates the residential land base after accounting for the environmental constraints described previously. The findings indicate that out of a total of 2,118 gross acres, 1,591 acres are committed (derived from **Exhibit 3.7**) and 44 acres are environmentally constrained (derived from **Exhibit 3.8**).

After allowing for future public facilities and future right-of-way, there are 370 net buildable acres within the residential vacant and part vacant land inventory. The BLI includes 190 acres with low-density plan designations, 151 acres with medium-density designations, 14 acres with high-density designations and 14 acres in commercial and mixed-use designations (see **Exhibit 3.8**).

As noted above, approximately 87% of the buildable land inventory is classified as vacant and 13% is classified as partially vacant land.

Exhibit 3.8

Generalized Plan Designation	Total Acres	Committed Acres	Env. Constrained Acres	Less Future Public Facilities*	Net Buildable Acres
Low-Density Residential	560	271	36	254	190
Medium-Density Residential	905	697	7	202	151
High-Density Residential	138	122	1	14	14
Commercial/Mixed Use	515	501	0	14	14
Total	2,118	1,591	44	484	370

Source: City of La Grande GIS data, FCS GROUP analysis.

* assumes 25% of buildable low and medium density land area is utilized for future public facilities.

Commercial and Mixed-Use Land Assumptions

It should be noted that all vacant and part-vacant commercial and mixed-use land (14 acres in total) is reflected in the table above. This land was included because housing development is a permitted use (i.e. it is allowed on upper floors only) on land with commercial and mixed-use zoning. However, since most commercial and mixed-use zoned land area will be developed for non-residential use (e.g., retail, services, office, etc.), it is assumed by the City of La Grande that only 1% of the commercial and mixed-use land area will be developed as housing over the next 20 years. That assumption will be reflected in the “Residential BLI Results” section of this report below.

Redevelopment Areas

The combination of vacant, part-vacant and redevelopable land area for the residential and commercial/mixed use classifications results in the total La Grande residential buildable land inventory. As shown in **Exhibit 3.9** this is primarily made up of 191.1 acres of low-density land (190.4 acres of vacant land and 0.8 acres of redevelopable land); 151.9 acres of medium-density land (151.2 acres of vacant and 0.7 acres of redevelopable land); and 14.5 acres of high-density land (14.3 acres of vacant and 0.2 acres of redevelopable land).

The commercial and mixed-use land area expected for housing includes 0.2 acres (13.9 acres of vacant land plus 4.5 acres of redevelopment land multiplied by the 1% housing conversion factor). The sum of all categories provides 357.7 acres of buildable residential land within the La Grande UGB.

Exhibit 3.9

Land Classification	Vacant & Part	Redevelopable	Housing	Total Buildable
	Vacant	Land	Development Factor*	Residential Land
Low Density	190.4	0.8	100%	191.1
Medium Density	151.2	0.7	100%	151.9
High Density	14.3	0.2	100%	14.5
Commercial and Mixed Use	13.9	4.5	1%	0.2
Grand Total	370	6.2	-	357.7

Source: derived from prior tables using City of La Grande GIS data.

*Assumes a 3% housing redevelopment rate per City Staff.

Exhibits 3.10 and 3.11 illustrate the buildable vacant and partially vacant buildable land areas for the residential and commercial/mixed-use land base within the La Grande UGB.

Exhibit 3.10

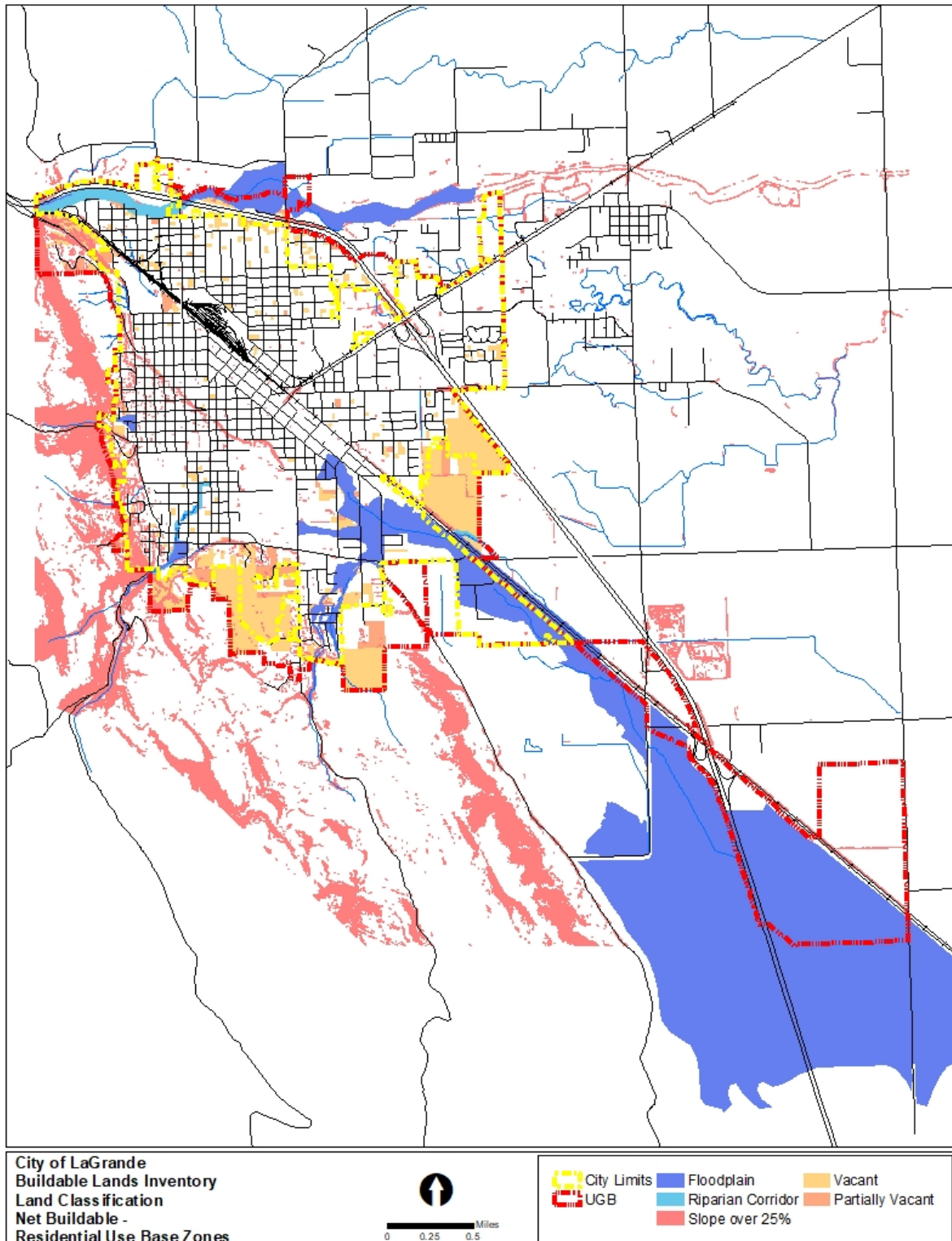
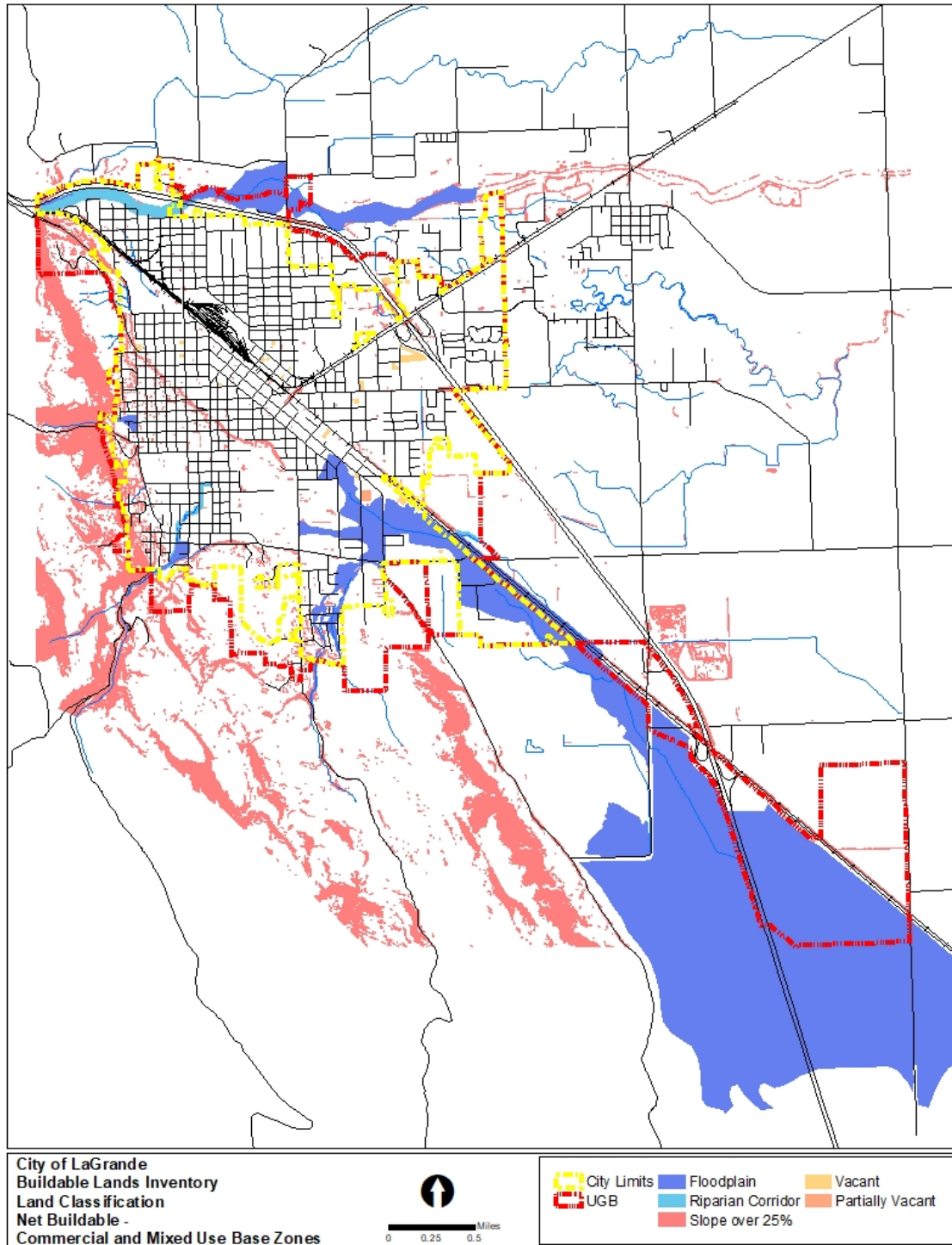


Exhibit 3.11



Section IV. LAND SUFFICIENCY ANALYSIS

This section provides an estimate of residential development capacity (measured in new dwelling units) and an estimate of La Grande's ability to accommodate needed new housing units for the 2019 to 2039 period, based on the analysis in the housing needs.

A comparison of 20-year residential land needs (demand) is made relative to the residential buildable land inventory. This provides a means of reconciling housing land demand with buildable land supply within the La Grande UGB. The evaluation of UGB land requirements to accommodate the planned housing need included three steps.

Step 1 included a determination of the total number of dwelling units by general land use types including low-, medium-, high-density housing types as well as manufactured homes (see Section 2).

Step 2 considered the amount of land required to address this housing demand based on the expected average development density assumptions for zoning designations for each general housing type (see **Exhibit 4.1**).

Step 3 included a comparison between the land need determined in Step 2 to the residential buildable land inventory presented in Section 3 of the HNA.

HOUSING NEEDS

As discussed in Section 2, the forecasted housing mix for La Grande includes 795 housing units. This results in net new housing development as follows:

- Low density: 436 dwellings (including standard and small lot single family detached housing and manufactured housing units)
- Medium density: 159 dwellings (includes townhomes, plexes and group quarters units)
- High density: 200 dwellings (includes apartments and condominiums with 5+ units per structure)

RESIDENTIAL LAND NEEDS

The second step in the reconciliation of land needs estimated the amount of net buildable land area required to address the housing growth forecast. This step applied average expected levels of density (dwellings per acre) to each of the general residential development categories listed in Step 1 to arrive at a total residential land need forecast.

Exhibit 4.1: La Grande Residential Classifications and Density Assumptions

Relative Housing Density	Housing Types	Local Zoning Classifications	Allowed Minimum Density (DU per acre or sq. ft.)	Expected Avg. Density (DU per acre)
Low Density				
	Single family detached	HD (Hillside Residential), R-1, RR-1 (Rural Residential)	1 – 7.3 per acre	1 – 7.3 (4 avg.)
Medium Density				
	Small lot single family, townhomes, plexes, cottages	R-2, R-P (Residential Professional)	5,000 Sq. ft.	7 (avg.)
High Density				
	Apartments, condos	R-3	5,000 Sq. ft.	14 (avg.)
Commercial and Mixed Use				
	Apartments or condos with commercial	CB (Central Business), GC (General Commercial)	N/A	14 (avg.)

UGB SUFFICIENCY ANALYSIS

As shown in **Exhibit 4.2**, the forecasted housing need (795 dwelling units) is expected to require 146 acres of buildable land area. Since the current UGB includes 358 acres, there is an overall residential land surplus of 212 acres at this time.

The BLI findings indicate that the existing amount of vacant and redevelopable land within the La Grande UGB is generally sufficient to accommodate planned 20-year housing needs.

However, when you consider land needs for high density housing (primarily apartments) there is expected to be no remaining surplus of high density land supply after 20 years. This finding indicates that based on analysis of projected incomes and housing costs, La Grande will need to look for opportunities to rezone surplus lower density residential land to high density residential land, where appropriate.

Exhibit 4.2

Reconciliation of Residential Land Need, La Grande UGB

	Recommended Forecast
Net New Dwellings/Units	Hybrid
Low Density*	436
Medium Density**	159
High Density	200
Total	795
Land Need (net acres)	
Low Density*	109
Medium Density**	23
High Density	14
Total	146
Buildable Land Inventory (net acres)	
Low Density*	191
Medium Density**	152
High Density	14
Commercial/Mixed Use	0
Total	358
UGB Land Surplus/Deficit (net acres)	
Low Density*	82
Medium Density**	129
High Density	0
Commercial/Mixed Use	0
Total	212
Adequacy of UGB to meet housing need	adequate

* Includes detached units and mobile homes.

** Includes townhomes, plexes and group quarters.

*** Includes multifamily structures with 5+ units.

Section V. FINDINGS AND RECOMMENDATIONS

As mentioned previously, La Grande's population growth over the next 20 years will result in new households that will require additional housing and residential land.

KEY FINDINGS

Key findings of the housing needs analysis are:

- La Grande's population is forecast to grow at 0.45% per year over the next two decades, adding more than 1,392 new residents.
- Population growth will require the addition of 795 new dwelling units over the next 20 years.
- About 42% of the future housing need will consist of single family detached housing, 45% will be a mix of plexes, townhomes and apartments; and 13% will be comprised of manufactured housing and other housing types.
- The share of low-income households in La Grande (those making 80% or less of the median family income level for Union County) is represented by over 1 in 2 households.
- Almost 1 in 4 renter households are severely rent burdened with over 50% of their income going towards monthly housing costs.
- La Grande has an existing 6 month wait list for affordable housing, and very low (less than 5% vacancy rate) for quality market-rate rental apartments.
- The results of the housing needs analysis indicates that the current UGB is sufficient to accommodate future housing needs.
- Based on an analysis of projected incomes and housing costs, La Grande will need to look for opportunities to rezone surplus lower density residential land to high density residential land, where appropriate

HOUSING POLICY RECOMMENDATIONS

As part of the HNA process, FCS GROUP met with City staff and the HNA Advisory Committee to discuss potential housing policies that cities throughout Oregon have implemented to address various housing issues, which are summarized in OAR 660-038-0190(5) measures to accommodate needed housing in the UGB. In addition, the findings contained in the Oregon DLCD workbook titled "Housing and U" was also discussed.

The purpose of the draft housing element comprehensive plan amendments is to strengthen and renew the City of La Grande's intention to help foster development of a wide variety of housing to meet the needs of the community. The following recommendations are intended to supplement or replace the existing housing policies in the comprehensive plan.

New Housing Goal

To encourage the development of a variety of housing types to meet the needs and desires of the community, and assure that residents of La Grande have the opportunity to live in safe and sanitary housing at a reasonable cost.

New Housing Strategies

Strategy 1: Increase Opportunities for Multifamily Development

- Consider opportunities to rezone surplus lower-density residential land to high-density residential land, where appropriate
- Explore Opportunity Zone investments that include housing component
- Support policies that could utilize urban renewal funding grants or loans to leverage private investment of multiuse housing developments in within downtown
- Encourage higher density development around existing and proposed major commercial areas and near Eastern Oregon University campus

Strategy 2: Develop Affordable Housing

- Identify public-owned properties that could be used for affordable housing
- Partner with nonprofits to leverage local, state and federal grants and Opportunity Zone investments to develop affordable housing
- Utilize urban renewal funding or financing to help leverage downtown housing redevelopment
- Consider deferrals or waivers of SDCs for affordable housing developments
- Create a limited year tax abatement program for development of affordable and market-rate multifamily housing
- Encourage the provision of separate water meters for townhomes and plexes
- Continue to support subsidized water/sewer utility charges for qualifying households

Strategy 3: Enhance Condition of Existing Housing Stock

- Explore creation of a limited year tax abatement program that promotes redevelopment of existing housing stock throughout the city

Strategy 4: Support Measures that Increase Housing Capacity

- Residential development in most areas of the city should be planned at a density of between 5 and 24 units per acre
- Encourage Planned Unit Developments that optimize number of dwelling units
- Reevaluate neighborhood street design standards, amenities and other requirements for Planned Unit Developments to help enhance development feasibility
- Work with federal agencies to revise FEMA floodplain maps

Strategy 5: Address Severe Rent Burdens

- Encourage installation of separate water meters for 2-4 unit plexes
- Continue to provide affordable water/sewer rates for low income households
- Monitor annually the % of severely rent burdened households
- Monitor annually the number of total housing units, regulated affordable units, multifamily units, regulated affordable multifamily units and single family units, and regulated affordable single family units

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Low Density: Lots with the average density of 3-4 dwelling units per acre. Best suited for family housing such as single-family detached homes.

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

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

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

Medium Density: Lots with the average density of 6-12 dwelling units per acre. Best suited for small lot housing such as single family attached, townhomes, plexes and cottages.

Mixed Use: Characterized as two or more residential, commercial, cultural, institutional, and/or industrial uses into one combined building or building(s) on the same parcel of land.

Multi-Family Housing: Stacked flats in a single buildings or groups of buildings on a single lot. Parking is shared, and entrance to units is typically accessed through a shared lobby.

Oregon Administrative Rules (OAR): Administrative Rules are created by most agencies and some boards and commissions to implement and interpret their statutory authority (ORS 183.310(9)). Agencies may adopt, amend, repeal or renumber rules, permanently or temporarily. Every OAR uses the same numbering sequence of a three-digit chapter number followed by a three-digit division number and a four-digit rule number. For example, Oregon Administrative Rules, chapter 166, division 500, rule 0020 is cited as OAR 166-500-0020. (oregon.gov)

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

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

Seasonal dwellings: These units are intended by the owner to be occupied during only certain seasons of the year. They are not anyone's usual residence. A seasonal unit may be used in more than one season; for example, for both summer and winter sports. Published counts of seasonal units also include housing units held for occupancy by migratory farm workers. While not currently intended for year-round use, most seasonal units could be used year-round.

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

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

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

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

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

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

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



City of La Grande

Housing Needs Analysis Volume 2: Technical Appendix



Photo by Asotoole

DRAFT

May 29, 2019

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Section I. INTRODUCTION

The La Grande Housing Needs Analysis (HNA) is intended to serve as a basis for the City to explore and document new information regarding the City's buildable land inventory (BLI), population and employment trends, and development policies and objectives aimed at strengthening the local economy and providing adequate land to handle the next 20 years of growth. The HNA evaluates housing demand, land needs policies to meet state and local housing objectives.

I.A. OREGON REGULATORY REQUIREMENTS

The City of La Grande (City) is in the process of updating the Housing Element of its Comprehensive Land Use Plan. FCS GROUP in conjunction with the Oregon Department of Land Conservation and Development (DLCD) is providing technical assistance to the City by preparing products that will comprise an up-to-date Housing Needs Analysis (HNA) for the City. Major HNA technical work products will include the following:

- A housing needs forecast for the La Grande Urban Growth Boundary (UGB)
- A buildable land inventory (BLI) for residential and mixed-use designations in the UGB
- A residential land needs analysis for accommodating a 20-year housing demand forecast
- Identification of local policy measures for accommodating needed housing

Please refer to the Glossary for a list of terms used in the Housing Needs Analysis.

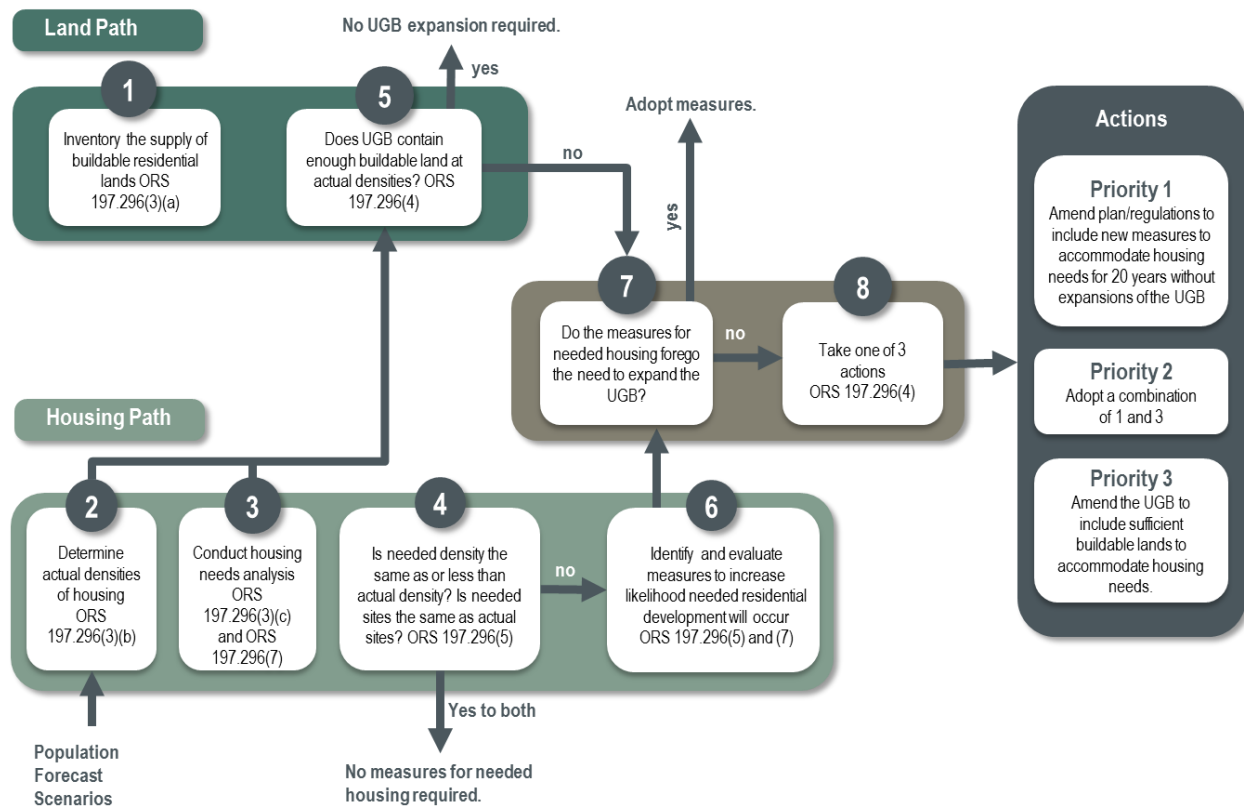
HNA Methodology

The approach used for the La Grande HNA and related steps are illustrated in Exhibit I.2. This approach is consistent with the DLCD Goal 10 administrative rule, the supporting statutes, as well as guidance provided per the DLCD guidebook titled: Planning for Residential Growth (1997).

While ORS 197.296 specifically applies to cities with 25,000 or more population, this statute is generally followed to determine housing needs for La Grande (2017 pop. 13,240). This analysis incorporates 20-year population growth for the La Grande Urban Growth Boundary (UGB) based on forecasts provided by Portland State University's Population Research Center.

The results from the La Grande HNA indicate that no UGB expansion is required at this time to accommodate planned residential development over the next 20-years. "Priority 1" recommended housing policy measures have been identified and described in Volume 1 of the La Grande HNA.

Exhibit I.2: La Grande HNA Methodology and Approach



I.B. REPORT ORGANIZATION

This report provides the technical basis of findings to support proposed economic development and housing policy recommendations. Each section of this report provides current data, assumptions and results that comprise all findings and conclusions:

I. Introduction: summarizes what's considered when updating the housing elements of La Grande's Comprehensive Land Use Plan.

II. Housing Trends and Needs Forecasts: provides a demographic overview and summary of market trends influencing housing growth in La Grande.

III. Buildable Land Inventory: depicts vacant, part vacant and redevelopable residential land within the La Grande UGB, and accounts for unbuildable land constraints. .

IV. Land Needs Reconciliation: forecasts housing growth and residential land needs for various housing types, and compares expected land demand to vacant land supply.

V. Community Input: highlights input obtained from community outreach, interviews and surveys.

VI. Glossary: list of key terms used in the housing needs analysis.

Section II. HOUSING NEEDS PROJECTION

INTRODUCTION

The City of La Grande (City) is in the process of updating the Housing Element of its Comprehensive Land Use Plan. FCS GROUP in conjunction with the Oregon Department of Land Conservation and Development (DLCD) is providing technical assistance to the City by preparing products that will comprise an up-to-date Housing Needs Analysis (HNA) for the City. Major HNA technical work products include the following:

- A housing needs forecast for the La Grande Urban Growth Boundary (UGB)
- A buildable land inventory (BLI) for residential and mixed-use designations in the UGB
- A residential land needs analysis for accommodating a 20-year housing demand forecast
- Identification of local policy measures for accommodating needed housing

This Section addresses the first item listed above by providing a housing needs forecast for long-range planning purposes.

The housing needs forecast represents a 20-year projection from 2019 through year 2039. These technical findings are also intended to be consistent with State of Oregon requirements for determining housing needs per Oregon land use planning Goals 10 and 14, OAR Chapter 660, Division 8, and applicable provision of ORS 197.295 to 197.314 and 197.475 to 197.490. ORS 197.303 was recently amended by passage of SB 1051 in 2017. Specifically, Section (1) now reads as follows:

“As used in ORS 197.307 (Effect of need for certain housing in urban growth areas), “needed housing” means 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, as those terms are defined by the United States Department of Housing and Urban Development under 42 U.S.C. 1437a.”

Funding for this project was provided to the City of La Grande as a part of statewide legislation (SB 1051) aimed at addressing housing affordability issues throughout Oregon. Namely, the issue of “severely rent burdened” households (those which spend more than 50% of income on rent and utilities), a condition which over 25% of households in La Grande are currently facing.

METHODOLOGY

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

Regional (Union County) and local (City or UGB) population, households, income and market characteristics are described in this section using data provided by sources such as the U.S. Census Bureau (Census and American Community Survey), the U.S. Department of Housing and Urban Development (HUD), Oregon Department of Housing and Community Services (OHCS), Portland State University (PSU) and the City of La Grande. Where trends or long-range projections are provided by an identified data source, FCS GROUP has included extrapolations or interpolations of the data to arrive at a base year (2019 estimate) and forecast year (2039 projection). The result of this forecast translates population growth into households and households into housing needs by dwelling type, tenancy (owner vs. renter) and affordability level.

DEMOGRAPHIC AND SOCIO-ECONOMICS

II.A.1. Population

The City of La Grande recorded an all-time high population of 13,245 year-round residents in 2017 (July 1 estimate by PSU). Taking into account residents living outside the city limits but inside the UGB, the total La Grande UGB population was 14,402 in 2016 (estimate by PSU).

Over the past two decades, La Grande has grown at the same rate as Union County. Average annual population growth in La Grande and Union County maintained 0.4% growth year over year. (**Exhibit 2.1**).

Long-range population forecasts prepared by PSU anticipate approximately 1,392 residents will be added to the La Grande UGB between 2019 and 2039. This equates to an annual average growth rate (AGR) of 0.5% and a 54% “capture rate” of future County-wide population growth for the La Grande UGB (**Exhibit 2.2**).

Exhibit 2.1: Population Trends (2000-2017)

	2000	2010	2017	AGR 2000-2017
La Grande City	12,327	13,082	13,245	0.4%
Union County	24,530	25,748	26,222	0.4%
Oregon	3,421,399	3,837,300	4,141,100	1.1%

Source: U.S. Census Bureau and Portland State University Population Research Center.

Abbreviations: AGR - Annual Growth Rate

Exhibit 2.2: Population Projections (2019-2039)

	Estimate 2019	Forecast 2039	Proj. Change 20 Years	Proj. AGR (2019-39)
La Grande UGB	14,240	15,632	1,392	0.5%
Union County	27,451	30,013	2,562	0.4%
Oregon	4,260,965	5,153,747	892,782	1.0%

Source: Portland State University Population Research Center

Forecasts of Oregon's County Populations and Components of Change, 2017-2068.

Compiled by FCS Group. AGR = average annual growth rate.

II.A.2. Income and General Characteristics

Median household income levels in La Grande are currently below those observed in Union County and Oregon. This may be partially attributable to the combination of lower-wage agricultural and government-sector jobs within the region and a relatively high concentration of college students in La Grande (**Exhibit 2.3 and 2.4**). Median Family income, meanwhile, is slightly higher than the Union County figure. This distinction will be discussed at greater length later in this section.

Exhibit 2.3: Households by Income Level, 2016

	City of La Grande	Union County	Oregon
Median Household Income	\$40,511	\$45,564	\$53,270
Median Family Income	\$57,577	\$57,196	\$65,479
Household Income Level			
\$0 to \$29,999	39.3%	33.1%	26.4%
\$30,000 to \$49,999	19.9%	20.7%	18.4%
\$50,000 to \$99,999	24.9%	29.7%	31.5%
\$100,000 or more	15.9%	16.6%	23.8%
Total Households	100.0%	100.0%	100.0%

Source: 2013-2017 American Community Survey 5-Year Estimates for

City of La Grande, Union County, and State of Oregon (Tables B19001, B19113, B19013)

As indicated in **Exhibit 2.4**, the two youngest cohorts (0-19 and 20-44) represent a larger share of the population in La Grande relative to Oregon and Union County. Meanwhile, the cohorts that traditionally represents retirees (65 and older) is relatively low.

Exhibit 2.4: Population by Age Cohort, 2017

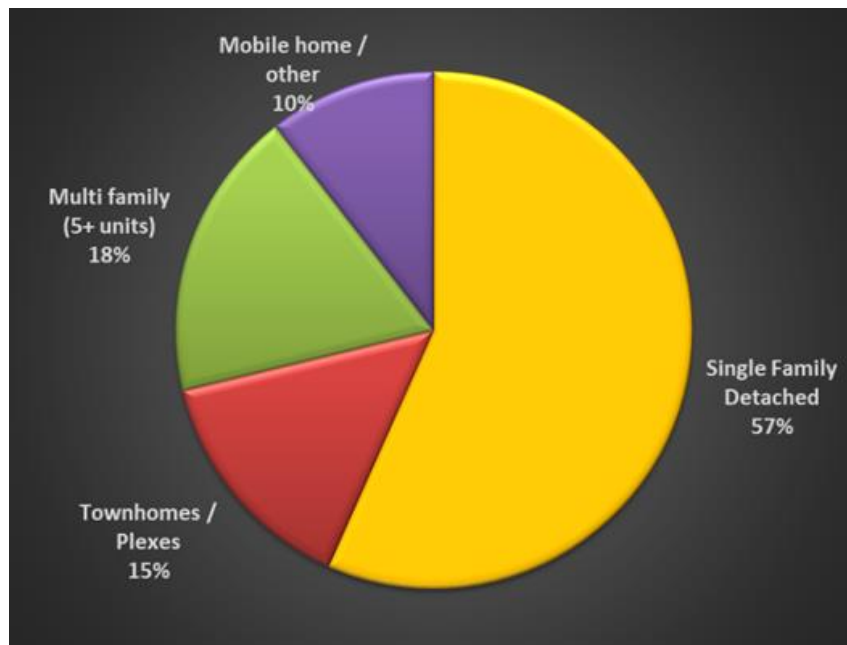
Age Range	La Grande	Union County	Oregon
0 to 19	25.8%	25.4%	24.1%
20 to 44	36.7%	30.4%	33.5%
45 to 64	22.3%	25.4%	26.5%
65 and older	15.2%	18.8%	15.9%
Total	100.0%	100.0%	100.0%

Source: 2013-2017 American Community Survey 5-Year Estimates (Table DP05)

HOUSING INVENTORY AND TENANCY

The current housing inventory, mix and tenancy sheds light on existing conditions locally as well as market demand preferences. According to 2013-2017 ACS estimates, there were 5,966 housing units in the City of La Grande of which 5,315 units were classified as occupied and 651 units were vacant. Like most Oregon cities, single-family detached housing is the most prevalent classification in La Grande, representing 57% of the housing stock. The remaining housing units in La Grande include multi-family units (18% of the inventory), townhomes and duplexes (15%), and mobile homes and other units (10%), as shown in **Exhibits 2.5-2.6**.

Exhibit 2.5: Existing Housing Mix and Tenancy, 2013-2017, City of La Grande



Source: U.S. Census, American Community Survey, 2013-2017.

Owner-occupied housing in the City of La Grande accounts for 46% of the housing inventory while renter-occupied units account for 43%. Most home owners reside in single-family detached units or manufactured homes. Renters primarily reside in multi-family housing units (housing with 5 units or more, townhomes and duplexes (see **Exhibits 2.6 – 2.8**).

It should also be noted that La Grande's existing housing stock is relatively older than most communities. According to Census data, the median age of homes in La Grande is 49 years, compared to the statewide average of 41 years.

Exhibit 2.6: Units by Tenure by Structure Type, 2013-2017, City of La Grande

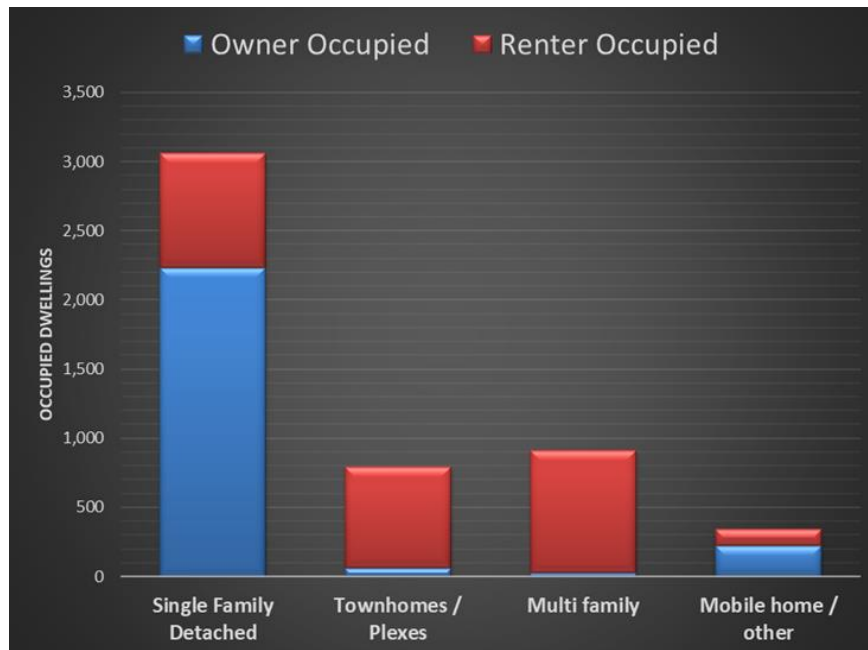
Housing Type	Owner-Occupied Dwelling Units	Renter-Occupied Dwelling Units	Vacant Units	All Dwelling Units
Single Family Detached	2,186	899	339	3,424
Townhomes / Plexes	51	756	73	880
Multi family (5+ units)	29	822	202	1,053
Mfg. home / other	451	121	37	609
Total Units	2,717	2,598	651	5,966
Distribution	46%	44%	11%	100%

Exhibit 2.7: Share of Units by Tenure by Structure Type, 2013-2017, City of La Grande

Housing Type	Owner-Occupied Dwelling Units	Renter-Occupied Dwelling Units	Vacant Units	All Dwelling Units
Single Family Detached	80%	35%	52%	57%
Townhomes / Plexes	2%	29%	11%	15%
Multi family (5+ units)	1%	32%	31%	18%
Mfg. home / other	17%	5%	6%	10%
Total	100%	100%	100%	100%

Source: American Community Survey, 2013-2017; compiled by FCS GROUP.

Exhibit 2.8: Existing Housing Tenancy, 2013-2017, City of La Grande



Source: U.S. Census, American Community Survey, 2013-2017.

II.A.3. Subsidized Housing Inventory

A 2016-17 statewide study of housing affordability was led by the OHCS which included all cities and counties, including Union County and the City of La Grande. The study included an inventory of existing housing units subsidized by nonprofits, local, state, or federal entities in each community and compared the housing supply to the need (based on an equitable distribution of the total statewide inventory) for subsidized housing.

Overall findings from the subsidized housing inventory/needs analysis for the City of La Grande and Union County are reflected in **Exhibit 2.9**. The OHCS study concluded that there were 428 government subsidized affordable housing units in La Grande, which was slightly in excess of the City's equitable statewide (demand) allocation.

Exhibit 2.9: Current Inventory of Subsidized Housing Units

	City of La Grande	Union County
Affordable Housing Units in Inventory	428	548
Need (Equity) Distribution Percent	0.5%	0.7%
Equitable Distribution of Units	334	405
Actual Units / Equitable Distribution of Units	128.1%	135.5%

Source: Oregon Housing and Community Services Housing Needs Versus Inventory Summary

II.A.4. Housing Attainability Income Levels

To help gauge housing attainability, FCS GROUP examined current median family income (MFI) (**Exhibit 2.10**) and median household income (MHI) (**Exhibit 2.11**) level data obtained through the US Census. According to the Census Bureau, the difference between these two indicators is as follows:

“A family consists of two or more people (one of whom is the householder) related by birth, marriage, or adoption residing in the same housing unit.

A household consists of all people who occupy a housing unit regardless of relationship. A household may consist of a person living alone or multiple unrelated individuals or families living together.”

Oregon DLCD guidance for determining housing need by income level requires a housing needs analysis to focus on median family income levels.¹ The 2017 estimate of median family income (MFI) for La Grande was \$55,483. HUD guidelines for housing affordability assume 30% of income is allocated to housing; therefore middle-income families earning 80% of the MFI, a 4-person family

¹ Oregon DLCD guidance noted per email from Kevin Young (DLCD) dated 1/24/19.

should be able to afford monthly rents at \$1,110 or lower and homes priced at less than \$220,000. These price levels should be considered “attainable” to families earning 80% of the local MFI.

Using 2017 MFI income statistics, the monthly affordable housing cost for low-income families in La Grande is as follows:

- Extremely Low Income, \$416 or less
- Very Low Income, \$416 to \$694
- Low Income, \$694 to \$1,110

If families within these classifications pay more than these amounts they will “rent burdened” to some degree.

Exhibit 2.10: La Grande Housing Cost Analysis (Based on Union County Median Family Income)

Union County Median Family Income Level (2017)*		\$55,483
Available Monthly Rent or Payment		
	Lower-end	Upper-End
High (120% or more of MFI)	\$1,664	or more
Upper Middle (80% to 120% of MFI)	\$1,110	\$1,664
Lower Middle (50% to 80% of MFI)	\$694	\$1,110
Low (30% to 50%)	\$416	\$694
Very Low (less than 30% of MFI)	\$416	or less
Approximate Attainable Home Price**		
	Lower-end	Upper-End
High (120% or more of MFI)	\$330,000	or more
Upper Middle (80% to 120% of MFI)	\$220,000	\$330,000
Lower Middle (50% to 80% of MFI)	\$137,000	\$220,000
Low (30% to 50%)	\$82,000	\$137,000
Very Low (less than 30% of MFI)	\$82,000	or less

Note: Assumes affordability threshold of 30% of income to rent/mortgage per HUD guideline

* based on American Community Survey data for City, 2013-17.

** assumes 20% down payment on 30-year fixed mortgage at 6.0% interest.

Source: analysis by FCS Group using Housing and Urban Development guidelines, and US Census data.

In contrast, if the rubric is 2017 MHI statistics, the monthly affordable housing cost for low-income families in La Grande is as follows:

- Extremely Low Income, \$347 or less
- Very Low Income, \$347 to \$578
- Low Income, \$578 to \$925

If households within these classifications pay more than these amounts they will be “rent burdened” to some degree.

Exhibit 2.11: La Grande Housing Cost Analysis (Based on Union County Median Household Income)

Union County Median Household Income Level (2017)*		\$46,228
Available Monthly Rent or Payment (@30% of income level)		Lower-end Upper-End
High (120% or more of MFI)	\$1,387	or more
Upper Middle (80% to 120% of MFI)	\$925	\$1,387
Lower Middle (50% to 80% of MFI)	\$578	\$925
Low (30% to 50%)	\$347	\$578
Very Low (less than 30% of MFI)	\$347	or less
Approximate Attainable Home Price**		Lower-end Upper-End
High (120% or more of MFI)	\$275,000	or more
Upper Middle (80% to 120% of MFI)	\$183,000	\$275,000
Lower Middle (50% to 80% of MFI)	\$115,000	\$183,000
Low (30% to 50%)	\$69,000	\$115,000
Very Low (less than 30% of MFI)	\$69,000	or less

Notes:

* based on American Community Survey data for City, 2013-17.

** assumes 20% down payment on 30-year fixed mortgage at 6.0% interest.

Source: analysis by FCS Group using Housing and Urban Development guidelines, and US Census data.

As would be expected, upper-income households tend to own rather than rent, and the opposite is true for lower-income households, as shown in **Exhibit 2.12**.

Exhibit 2.12: La Grande Tenancy by Income Level

Qualifying Income Level	Lower-end	Upper-End	Count Owner Occupied	Count Renter Occupied	% Owner Occupied	% Renter Occupied
Upper (120% or more of MFI)	\$66,580	or more	1,301	356	47.9%	13.7%
Middle (80% to 120% of MFI)	\$44,386	\$66,580	453	347	16.7%	13.4%
Low (50% to 80% of MFI)	\$27,742	\$44,386	417	610	15.4%	23.5%
Very Low (30% to 50% of MFI)	\$16,645	\$27,742	294	462	10.8%	17.8%
Extremely Low (less than 30% of MFI)	\$16,645	or less	252	822	9.3%	31.6%
Total			2,717	2,598	100%	100%

Source: US Census Bureau 2013 - 2017 ACS (Table S2503), compiled by FCS GROUP

An evaluation of renter income levels versus available housing inventory reveals that there is a current shortfall or gap in La Grande's available rental housing inventory at the higher- and lower-price points (Exhibit 2.13). This is understandable at the lowest price points where there is almost always more demand than supply. The fact that there is more housing demand for good quality rentals than what is in the current supply reflects an aging housing inventory and demonstrates strong "pent up" demand for new apartments that rent for over \$1,250 per month (with 2+ bedroom).

Exhibit 2.13: Rental Housing Gaps, City of La Grande, 2017

Median Household Income Range	Affordable Monthly Rent Costs *	Households that rent	Estimated Available Rental Units	Housing (Gap) or Surplus	Pent Up Demand	Capture Rate for Analysis	Pent Up Housing Demand
\$75,000 or more:	\$1,875	253	58	(195)	(350) market rate gap	50%	175
\$50,000 to \$74,999:	\$1,250-\$1,875	274	119	(155)			
\$35,000 to \$49,999:	\$875-\$1,250	436	565	129			
\$20,000 to \$34,999:	\$500-\$875	606	1,160	554	(333) housing gap	33%	110
Less than \$20,000:	Less than \$500	813	540	(273)			
Zero or Negative Income	Require Subsidy	216	156	(60)			
Total	-	2,598	2,598	-	(683)		285

Source: US Census Bureau 2013 - 2017 ACS

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

HOUSING MARKET ANALYSIS

As mentioned previously, the majority of housing in La Grande is classified as single-family detached units. Recent development patterns suggest a market shift towards townhomes, apartments and manufactured housing types (**Exhibit 2.14**). Single-family detached homes will continue to constitute a plurality of La Grande's housing inventory, though other housing types appear to be increasing their share over the last 17 years.

Median home values in the City at the end of 2017 were \$155,100, while median rents were \$718, according to the U.S. Census. As discussed above, these median values are not affordable to low, very low, and extremely low income households and families. Current housing prices, as measured by average home sales prices and rent levels (detailed in **Exhibits 2.14 and 2.15**), are expected to increase in coming years if vacant inventory begins to decline.

Recent Census data trends indicate that home prices are increasing along with vacancy rates. Housing vacancy rates in the City increased from 8.5% in 2010 to 10.9% in 2017, but now appears to be falling.

Vacancy among La Grande's housing units has shifted significantly in that time:

- Single family detached units now account for over 50% of vacant units in La Grande, up from 27% in 2010 (a change of 204 units).
- Townhomes and plexes, meanwhile, have seen a sharp reduction in share of vacant units, moving from 49% of vacant units in 2010 to just 11% in 2017 (a reduction of 169 units).
- Multifamily housing now accounts for 31% of vacancies in 2017, up from 24% in 2010 (83 units).
- Mobile homes/other now account for 6% of vacancies, up from 0% in 2010 (37 units).

Exhibit 2.14: La Grande Housing Inventory (2010-2017)

	2010 ACS	2017 ACS	Change 2010-2017
Owner Occupied	2,871	2,717	-154
Renter Occupied	2,497	2,598	101
Vacant	496	651	155
Total	5,864	5,966	102
Owner Occupied %	53.5%	51.1%	-2.4%
Renter Occupied %	46.5%	48.9%	2.4%
Total	100.0%	100.0%	-
Vacant Dwellings %	8.5%	10.9%	2.5%
Single-Family Detached	3,346	3,424	78
Townhome/Plexes	478	880	402
Multifamily	930	1,053	123
Mobile Home	511	602	91
Total	5,265	5,959	694
Median Home	\$132,600	\$155,100	\$22,500
Median Gross Rent	\$609	\$718	\$109

Source: U.S. Census Bureau

2013 to 2017 and 2006 to 2010 ACS Surveys (Tables DP04, B25077 and B25064).

In comparison to other regional housing market areas, La Grande home values are increasing at a moderate pace of 6.6% year-over-year (June 2017 to June 2018). As indicated in **Exhibit 2.15**, median home prices in La Grande increased to \$162,000 (June 2018).

Exhibit 2.15: Median Home Sales Price Trends in Selected Markets

	Jun-17	Jun-18	Change %
La Grande	\$152,000	\$162,000	6.6%
Pendleton	\$161,000	\$177,000	9.9%
Baker City	\$139,000	\$156,000	12.2%
Hermiston	\$172,000	\$189,000	9.9%
The Dalles	\$219,000	\$234,000	6.8%

Source: Zillow.com; analysis by FCS 10/13/18.

Housing construction permit volumes obtained from the United States Department of Housing and Urban Development (HUD) indicate that the City issued permits for 470 new residential dwelling units between 2007 and 2017, of which 77% were single family dwellings, 11% were townhomes/plexes, and 11% were multifamily (apartments). Average annual housing absorption for the City during this time frame equated to 47 dwellings per year (see **Exhibit 2.16**).

Exhibit 2.16: Residential Permits Issued by Type, La Grande (2012-2017)

	Single Family Units	Two Family Units	Three and Four Family Units	Five or More Family Units	Total
2007	54	10	0	0	64
2008	28	0	3	0	31
2009	51	0	0	0	51
2010	30	2	0	0	32
2011	33	2	0	0	35
2012	20	10	8	0	38
2013	21	8	0	0	29
2014	32	0	0	54	86
2015	19	0	0	0	19
2016	41	8	0	0	49
2017	34	2	0	0	36
Total	363	42	11	54	470
Avg. Annual	36.3	4.2	1.1	5.4	47

Source: HUD government website, SOCDS Building Permits Database 2007 - 2017 (<https://socds.huduser.gov/permits/>)

HOUSING NEEDS SCENARIOS

Summary of Housing Needs

Based on the population projections detailed earlier and the current average household size estimates of 2.34 people per household (current estimate held constant into the future), the total net new housing demand within the La Grande UGB amounts to 639 housing units over the next 20 years (see **Exhibit 2.17**). This baseline housing need forecast assumes that the current share of group quarters population and housing vacancy rates remain constant.

Exhibit 2.17: Baseline Housing Growth Projection

	Estimate 2019	Forecast 2039	Proj. Change 20 Years	Proj. AGR (2019 - 2039)
La Grande UGB Population	14,240	15,632	1,392	0.47%
Union County Population	27,451	30,013	2,562	0.45%
La Grande Housing Needs				
Group Quarters Population	638	700	62	
Population in Households	13,602	14,932	1,330	
Avg. Household Size	2.34	2.34		
Resident Housing Units	5,813	6,381	568	0.5%
Total Housing Units (baseline)	6,539	7,179	639	0.5%
Seasonal & Vacant Housing Units percent of housing stock	727 11%	798 11%	71 11%	0.5%

Source: Findings based on previous tables. AGR = annual average growth rate.

Baseline Housing Demand by Dwelling Type and Tenancy

This baseline housing need forecast is generally consistent with the observed current mix of housing types throughout La Grande and emerging market trends.

The baseline housing need forecast (shown in **Exhibit 2.18**) assumes that the UGB will accommodate 699 net new dwelling units over the next 20-years. This baseline scenario forecasts housing unit demand to include: 367 single-family detached homes; 94 townhomes/plexes, 113 multifamily units (apartments); and 65 mobile home/manufactured housing units. In addition, the local housing need also includes 61 additional residents that would need to be housed in shared living arrangements, such as dormitories, farm worker housing and other types of shared living arrangements. These housing forecasts may be refined during the HNA process with input from the City, Advisory Committee and the public-at-large.

Exhibit 2.18: Baseline Housing Need Forecast by Structure Type

	Owner-Occupied Dwelling	Renter-Occupied Dwelling	Vacant Units	All Dwelling Units	Projected 20-Year Change (Units)
Housing Tenure Distribution:	41.6%	39.8%	10.0%	100%	639
Housing Type Distribution (Units)					
Single Family Detached	80%	35%	52%	52%	367
Townhomes / Plexes	2%	29%	11%	13%	94
Multi family (5+ units)	1%	32%	31%	16%	113
Mobile/manufactured housing	17%	5%	6%	9%	65
Group Quarters*	0%	0%	0%	9%	61
Total	100%	100%	100%	100%	699

Source: Based on previous tables

It should be noted that these housing forecasts are intended to account for net new housing that would be required to accommodate an increase in population by 1,392 residents, which is consistent with the PSU forecast for the La Grande UGB. Additional housing would likely be required to replace the aging housing stock or to meet current pent up housing needs which have been expressed in prior tables.

Expected Housing Demand by Dwelling Type and Tenancy

In light of the findings regarding current levels of pent-up housing demand discussed previously, the baseline housing need is expected to be supplemented by pent up apartment demand. The resulting total 20-year housing need for La Grande includes 984 units of housing, as summarized below in **Exhibit 2.19**.

Since Oregon SB 1051 resulted in changes to ORS 197.307 (Effect of need for certain housing in urban growth areas), cities are now required to provide adequate land zoned for residential use or commercial use or use land to meet needs of housing within the UGB at price ranges and rent levels that are affordable to households within the county, including but not limited to households with low incomes, very low incomes and extremely low incomes, as defined by U.S. Housing and Urban

Development. An analysis of net new housing need by income level is provided in below in **Exhibits 2.19.**

Exhibit 2.19: La Grande Total Housing Need Forecast by Income Level and Type

Proj. Households by Income Level	Upper Range of Qualifying Income	Upper Range of Monthly Pmt.*	Owner-Occupied Dwelling Need	Renter-Occupied Dwelling Need	Total Units
Upper (120% or more of MHI)	\$0	more	153	91	244
Middle (80% to 120% of MHI)	\$66,580	\$1,387	78	89	167
Low (50% to 80% of MHI)	\$44,386	\$925	72	156	228
Very Low (30% to 50% of MHI)	\$27,742	\$578	16	118	134
Extremely Low (less than 30% of MHI)	\$16,645	\$416	-	210	210
Total			320	664	984

*Assumes 30% of income is used for rental payments. La Grande HNA draft findings, April 2019.

Section III. BUILDABLE LAND

INVENTORY

OVERVIEW

In accordance with OAR 660-008-0005 (2), an estimate of buildable land inventory (BLI) within the La Grande Urban Growth Boundary (UGB) has been created to determine that amount of land available to meet housing needs. The BLI analysis uses the most current Geographic Information Systems (GIS) data provided available for the La Grande UGB (specific GIS data sources are shown in **Exhibit 3.1**).

Buildable Land Inventory Methodology

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

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

Exhibit 3.1: La Grande BLI Data Sources

Dataset Name	Type	Description	Source
City_Limits_La_Grande	GIS Layer	La Grande City Limits Boundary	City of La Grande
UGB_La_Grande	GIS Layer	Urban Growth Boundary for areas outside of La Grande city limits	City of La Grande
Urban_Renewal_Area_La_Grande	GIS Layer	Urban Renewal Areas for areas inside of La Grande city limits	City of La Grande
Zoning_La_Grande	GIS Layer	City of La Grande Zoning Designations	City of La Grande
Floodplain_2012	GIS Layer	FEMA 100-yr. Floodplains and Floodways	City of La Grande
Grande_Ronde_River_LaGrande	GIS Layer	Grand Ronde river corridor	City of La Grande
Riparian_Corridor	GIS Layer	Riparian corridors with buffers for stream and river features	City of La Grande
Geohazard	GIS Layer	Layer of geological hazards - steep slopes over 25%	City of La Grande
Taxlot	GIS Layer	Taxlots for City of La Grande and UGB.	Union County Assessor
tblAssessor	Tabular	Related table with valuation and property class coding data	Union County Assessor
OSIP 2017	GIS Service	Web service providing aerial imagery	Oregon-GEO ¹

¹ - <http://imagery.oregonexplorer.info/arcgis/services>

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

GENERATE RESIDENTIAL LAND BASE

The residential land base reflects current La Grande Comprehensive Plan land use designations. The Comprehensive Plan map for the La Grande UGB is provided as **Exhibit 2**.

Properties that are within the residential land base include the following base zone classifications:

Residential Land Use Classifications

- High-Density Residential
- Hillside Development
- Low-Density Residential
- Medium-Density Residential
- Residential Professional
- Rural Residential

In addition, since commercial and mixed-use zone classifications allow housing development, the following commercial base zone classifications are included in the residential land base:

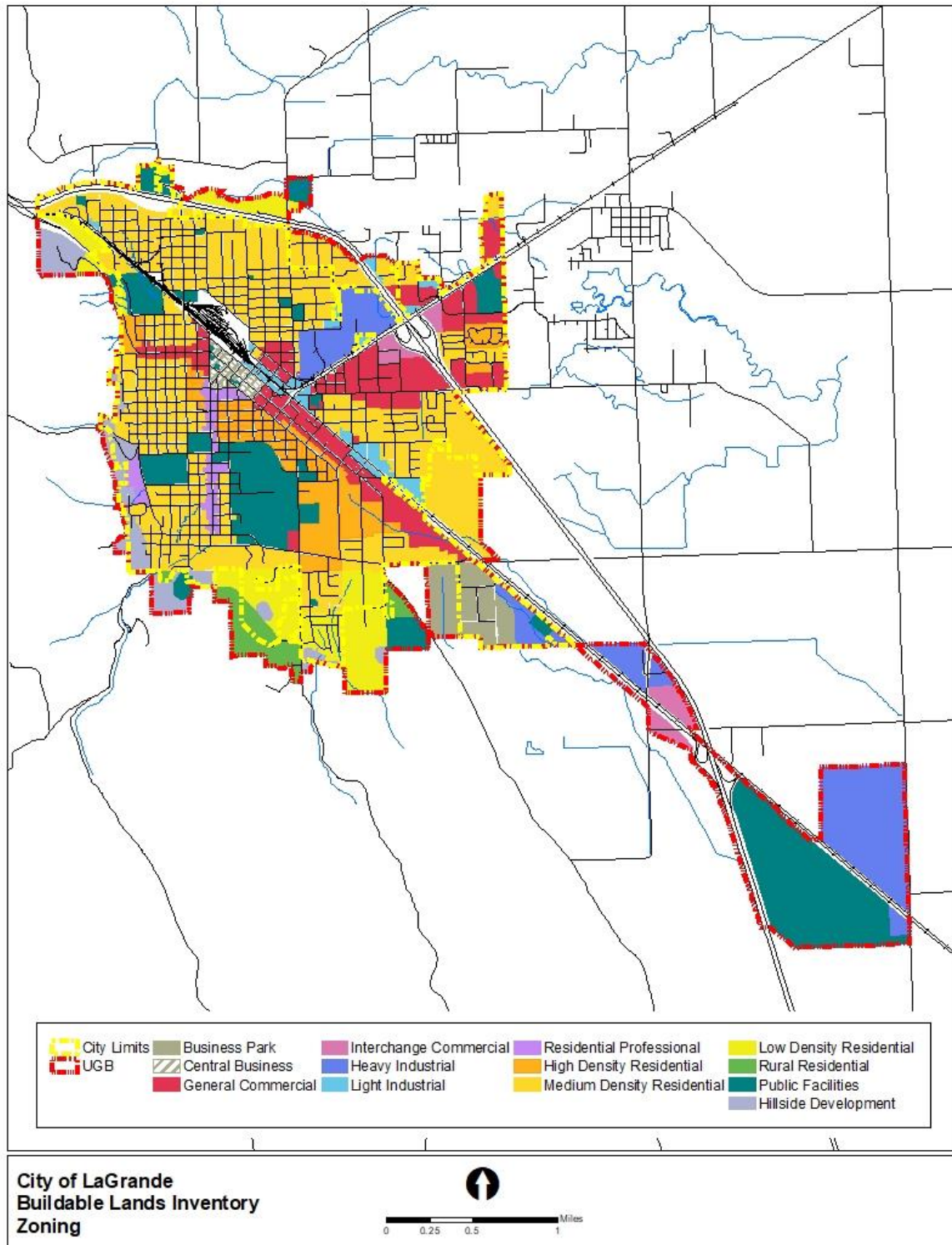
Commercial and Mixed-Use Land Use Classifications

- Central Business
- General Commercial

For analysis purposes, each of these classifications have been grouped into residential development categories that represent the expected level of development based on the housing types/densities that are permitted by the City (housing types must be permitted outright or by conditional development approval). This includes: low, medium and high density residential categories; as well as a commercial/mixed use category (which allows a mix of low, medium and high density housing).

Draft BLI findings and results were reviewed by City Staff and subjected to public review, then refined accordingly based on the input received.

Exhibit 3.2. City of La Grande Zoning Designations



CLASSIFY LANDS

The next step includes classifying each tax lot (parcel) into one of the following categories.

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

Partially vacant land: Properties that are occupied by a use (e.g., a home or building structure with value over \$10,000) but have enough land to be subdivided without the need for rezoning. This determination is made using tax assessor records and aerial photography. For lots with existing buildings, it is assumed that ¼ acre (10,890 sq. ft.) is retained by each existing home, and the remainder is included in the part vacant land inventory.

Vacant Undersized: Properties that are vacant or part-vacant with less than 3,000 sq. ft. of land area. This category is excluded from the vacant land inventory since these lots are not likely large enough to accommodate new housing units. However, it is possible that some may be suitable for accessory dwelling units (ADUs).

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

Public and Constrained (unbuildable) land: Properties which are regarded as unlikely to be developed because they are restricted by existing uses such as: public parks, schools, ballfields, roads and public right-of-way (ROW); common areas held by Home Owners Associations, cemeteries; and power substations. In cases where public-owned land does not fall into one of the above-mentioned categories and is planned or zoned to allow housing, those tax lots are included in the vacant or part-vacant residential land inventory.

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

DEVELOPMENT CONSTRAINTS

The BLI methodology for identifying and removing development constraints is consistent with state guidance on buildable land inventories per OAR 660-008-0005(2). By definition, the BLI is intended to include land that is “suitable, available, and necessary for residential uses.”

“Buildable Land” includes residential designated land within the UGB, including vacant, part vacant and land that is likely to be redeveloped; and suitable, available and necessary for residential uses. Public-owned land is generally not considered to be available for residential use unless the underlying zoning permits housing.

Land is considered to be “suitable and available” unless it:

- Is severely constrained by natural hazards as determined by the Statewide Planning Goal 7;

- Is subject to natural resource protection measures determined under Statewide Planning Goals 5, 6, 15, 16, 17 or 18;
- Has slopes over 25 percent;
- Is within the 100-year flood plain; or
- Cannot be provided or served with public facilities (no land was identified in this category).

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

- Land within floodplains. This includes lands in flood-hazard areas (the 100-year floodplain).
- Land within Parks and Natural areas that are protected from future development.
- Land with slopes greater than 25%.

Exhibits 3.3-3.5 illustrate these types of “environmental” constraints.

Exhibit 3.3. Floodplains and Floodways

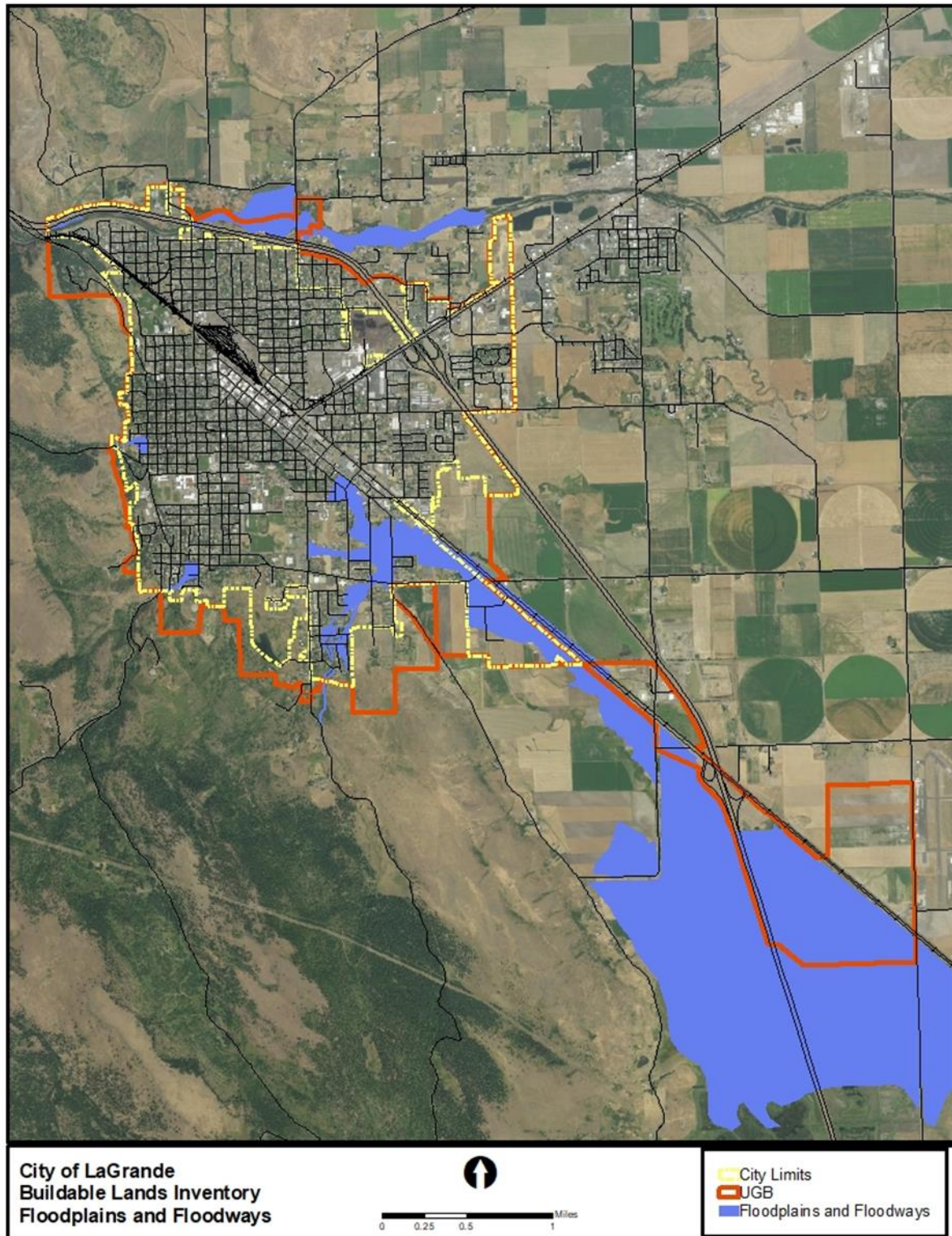


Exhibit 3.4. Steep Slopes

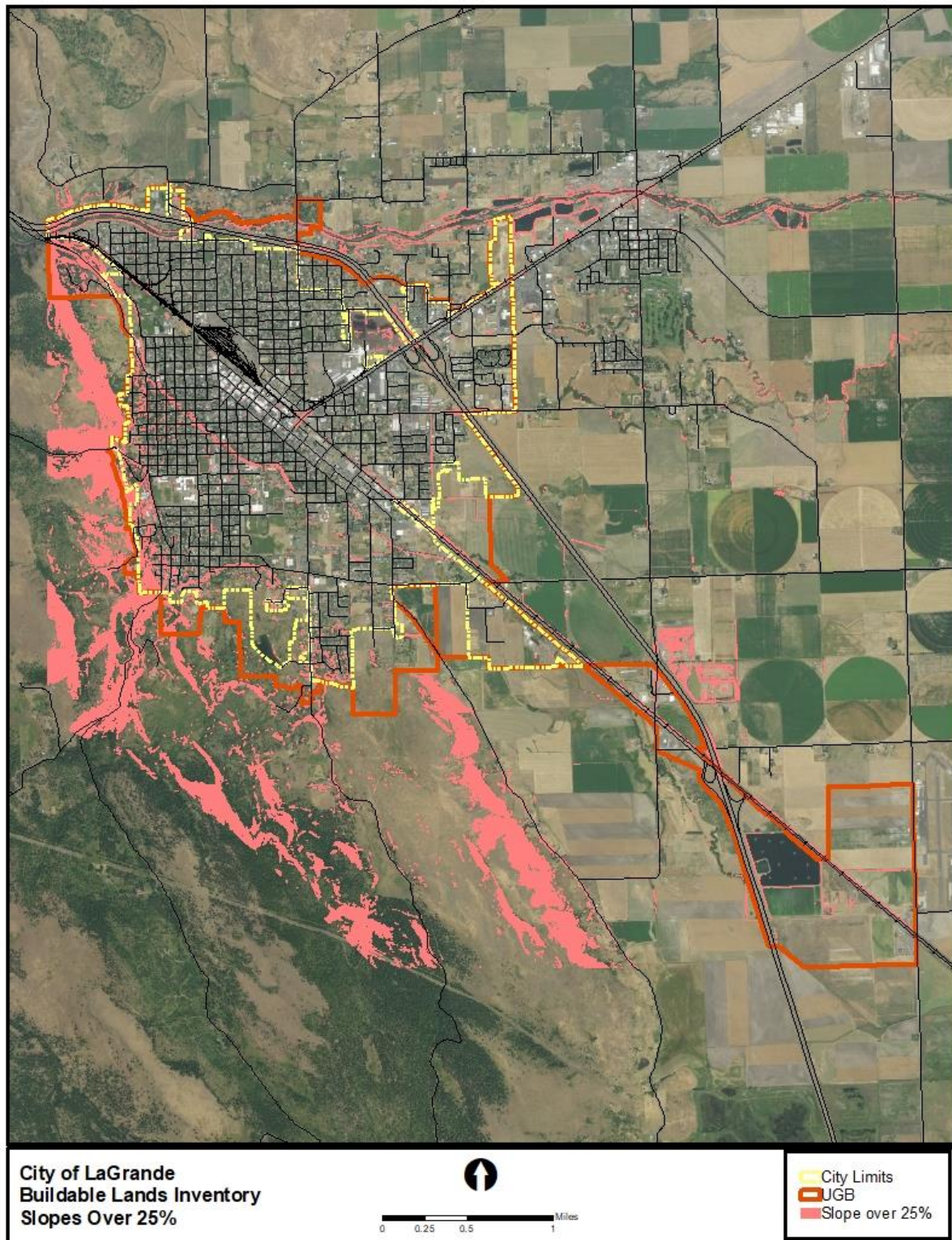
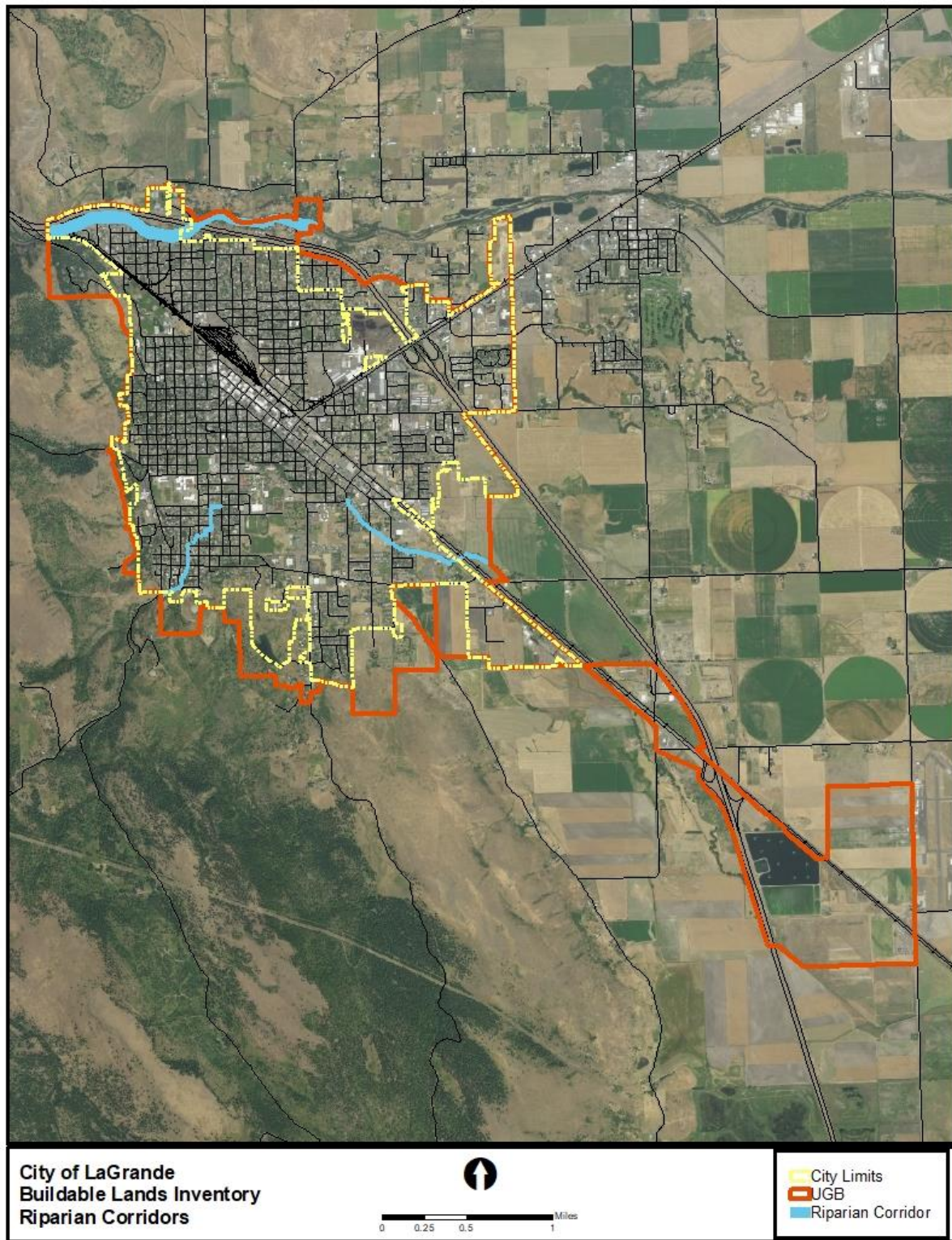


Exhibit 3.5 Riparian Corridors



RESIDENTIAL BUILDABLE LAND INVENTORY RESULTS

Land Base

As noted above, the residential land base for the BLI includes all tax lots in the UGB with residential, commercial and mixed-use land use designations. A summary of the land base by generalized plan designation is provided in **Exhibit 3.6**. The findings indicate that there are 4,973 tax lots in the land base with 2,117 gross acres.

Exhibit 3.6: Gross Acreage in Residential Land Base, La Grande UGB

Generalized Plan Designation	Number of Taxlots	Percent	Total Gross Acres	Percent
Low-Density Residential	410	8%	560	26%
Medium-Density Residential	3,252	65%	905	43%
High-Density Residential	532	11%	138	6%
Commercial/Mixed Use	779	16%	515	24%
Total	4,973	100%	2,118	100%

Source: City of La Grande; FCS GROUP.

Development Status

Before the deduction of environmental constraints, the residential land base has been classified by development status to estimate land that is “committed” and not likely to be developed for additional residential uses. These definitions include residential land that is developed, tax lots that exempt residential development, public-ownership, and public right-of-way², as described previously (results are summarized in **Exhibit 3.7**).

Exhibit 3.7: Residential land base before environmental constraints are applied, La Grande UGB

Generalized Plan Designation	Acres on Vacant Taxlots	Acres on Part-Vacant Taxlots	Total Vacant & Part-Vacant Acres	Developed, non-residential and other constrained acres			
				Developed or Non-Res Land Base	Public/Unbuildable	Undersized (less than 3,000 SF)	Total Committed Acres
Low-Density Residential	243	47	290	264	6	0.10	271
Medium-Density Residential	189	19	208	688	9	0.31	697
High-Density Residential	12	3	15	113	9	0.31	122
Commercial/Mixed Use	12	2	14	478	23	0.07	501
Total	456	71	527	1,544	46	1	1,591

Source: City of La Grande GIS data, FCS GROUP analysis.

² Includes right-of-way that is defined as a tax lot in the GIS database, which exempts residential development. This includes most major existing right-of-way which is excluded from the buildable land base.

Buildable Land After Constraints and Public Facilities

The BLI methodology calculates the residential land base after accounting for the environmental constraints described previously. The findings indicate that out of a total of 2,118 gross acres, 1,591 acres are committed (derived from **Exhibit 3.7**) and 44 acres are environmentally constrained (derived from **Exhibit 3.8**).

After allowing for future public facilities and future right-of-way, there are 370 net buildable acres within the residential vacant and part vacant land inventory. The BLI includes 190 acres with low-density plan designations, 151 acres with medium-density designations, 14 acres with high-density designations and 14 acres in commercial and mixed-use designations (see **Exhibit 3.8**).

As noted above, approximately 87% of the buildable land inventory is classified as vacant and 13% is classified as partially vacant land.

Exhibit 3.8: Residential land base after all constraints, La Grande UGB, 2019

Generalized Plan Designation	Total Acres	Committed Acres	Env. Constrained Acres	Less Future Public Facilities*	Net Buildable Acres
Low-Density Residential	560	271	36	63	190
Medium-Density Residential	905	697	7	50	151
High-Density Residential	138	122	1	-	14
Commercial/Mixed Use	515	501	0	-	14
Total	2,118	1,591	44	114	370

Source: City of La Grande GIS data, FCS GROUP analysis.

* assumes 25% of buildable low and medium density land area is utilized for future public facilities.

Commercial and Mixed-Use Land Assumptions

It should be noted that all vacant and part-vacant commercial and mixed-use land (14 acres in total) is included in the table above. This land was included because housing development is a permitted use (i.e. it is allowed) on land with commercial and mixed-use zoning. However, since most commercial and mixed-use zoned land area will be developed for non-residential use (e.g., retail, services, office, etc.), it is assumed by the City of La Grande that only 3% of the commercial and mixed-use land area will be developed as housing over the next 20 years. That assumption will be reflected in the “Residential BLI Results” section of this report below.

Redevelopment Areas

The combination of vacant, part-vacant and redevelopable land area for the residential and commercial/mixed use classifications results in the total La Grande residential buildable land inventory. As shown in **Exhibit 3.9** this is primarily made up of 191.1 acres of low-density land (190.4 acres of vacant land and 0.8 acres of redevelopable land); 151.9 acres of medium-density land (151.2 acres of vacant and 0.7 acres of redevelopable land); and 14.5 acres of high-density land (14.3 acres of vacant and 0.2 acres of redevelopable land). The commercial and mixed-use land area expected for housing includes 0.2 acres (13.9 acres of vacant land plus 4.5 acres of redevelopment land multiplied by the 1% housing conversion factor). The sum of all categories provide 357.7 acres of buildable residential land within the La Grande UGB.

Exhibit 3.9: Summary of Residential Buildable Land Inventory, La Grande UGB, 2019

Land Classification	Vacant & Part Vacant	Redevelopable Land	Housing	Total Buildable Residential Land
			Development Factor*	
Low Density	190.4	0.8	100%	191.1
Medium Density	151.2	0.7	100%	151.9
High Density	14.3	0.2	100%	14.5
Commercial and Mixed Use	13.9	4.5	1%	0.2
Grand Total	370	6.2	-	357.7

Source: derived from prior tables using City of La Grande GIS data.

*Assumes a 3% housing redevelopment rate per City Staff.

Exhibits 3.10 and 3.11 illustrate the buildable vacant and partially vacant buildable land areas for the residential and commercial/mixed-use land base within the La Grande UGB.

Exhibit 3.10: Residential Buildable Land Inventory, La Grande UGB, 2019

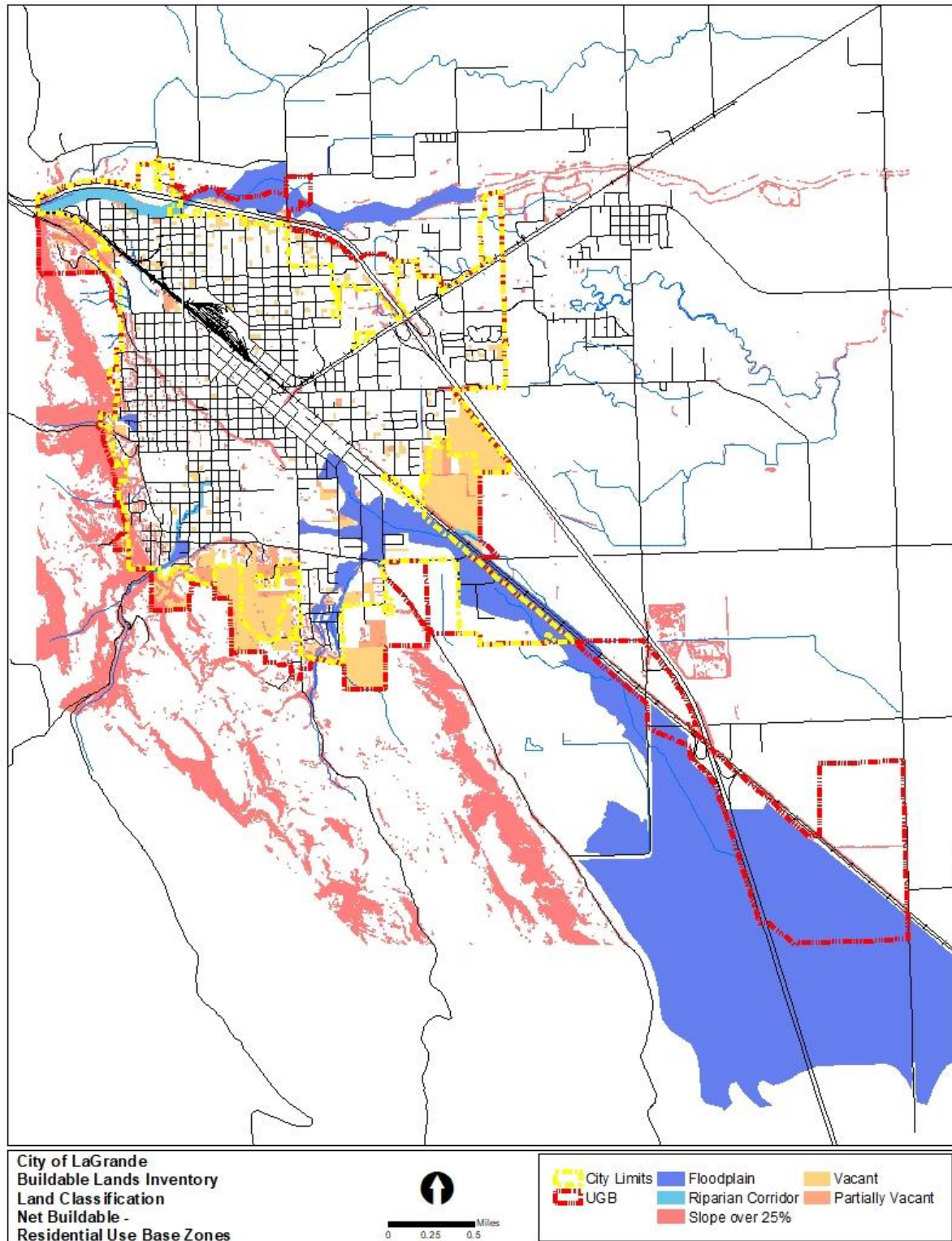
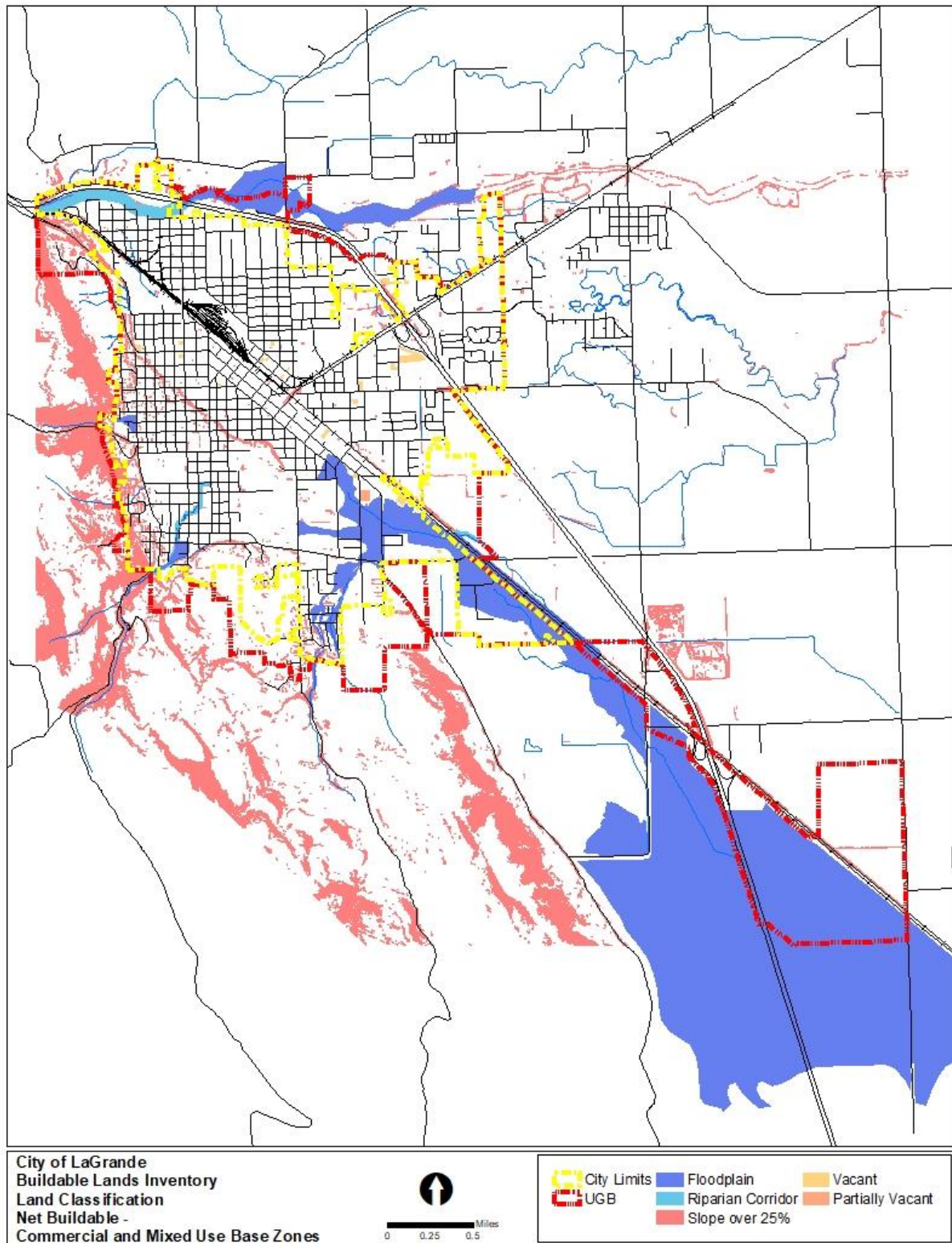


Exhibit 3.11: Commercial and Mixed-Use Buildable Land Inventory, La Grande UGB, 2019



Section IV. LAND NEEDS

RECONCILIATION

METHODOLOGY

The methodology for projecting housing needs within the La Grande UGB takes into account 3 methods that are consistent with safe harbor provisions; and 2 methods that reflect the demographic and socio-economic trends, housing market characteristics and long-range population growth projections described in Task 2 (Housing Needs Forecast).

Findings from Task 3 (Buildable Land Analysis) are also utilized as a means of reconciling housing land demand with buildable land supply within the La Grande UGB.

The steps taken to determine land needs using the safe harbor provisions include the following guidelines contained in OAR 660-024-0040(1)-(8).

This means that the land needs determination must be based upon the coordinated population growth forecast for the urban area as determined under rules in OAR-660-032. For this analysis, the 20-year planning period is 2019-2039.

As indicated in Appendix A1, the population within the La Grande UGB is projected to increase from 14,240 to 15,632, resulting in 1,392 net new residents by 2039.

Relevant findings regarding specific requirements include:

(a) A local government may estimate persons per household for the 20-year planning period using the persons per household for the urban area indicated in the most current data for the urban area published by the U.S. Census Bureau.

The most current estimate of persons per household in the City of La Grande is 2.34 per Appendix A1.

(b) If a local government does not regulate government-assisted housing differently than other housing types, it is not required to estimate the need for government-assisted housing as a separate housing type.

La Grande does not regulate government assisted housing differently than other housing types. All housing is regulated based on the use type (e.g., single family detached, duplex, apartments, etc.). The City does have some group housing, which is government subsidized, which is allowed in all residential zones, similar to single family housing. Group housing may include nursing homes, elderly assisted living, transitional housing (e.g. drug interdiction homes).

(c) If a local government allows manufactured homes on individual lots as a permitted use in all residential zones that allow 10 or fewer dwelling units per net buildable acre, it is not necessary to provide an estimate of the need for manufactured dwellings on individual lots.

La Grande allows manufactured homes on individual lots as a permitted use in all residential zones. Like other housing types, the City requires manufactured housing to meet certain design standards, such as be installed on a permanent foundation and be permanent structures/real property, have covered front porches, include attached garages/carports, etc.

(d) If a local government allows manufactured dwelling parks required by ORS 197.475 to 197.490 in all areas planned and zoned for a residential density of six to 12 units per acre, a separate estimate of the need for manufactured dwelling parks is not required.

La Grande allows manufactured dwelling parks in all areas planned and zoned for residential density of 6 to 12 units per acre, subject to a conditional use permit.

(e) A local government outside of the Metro boundary may estimate its housing vacancy rate for the 20-year planning period using the vacancy rate in the most current data published by the U.S. Census Bureau for that urban area that includes the local government.

The most current estimate of overall housing vacancy in the City of La Grande is 10.9% per Appendix A3.

There are three (3) types of safe harbor methods that are being considered for the determination of housing need for La Grande which are consistent with OAR 660-024-0040(8), including

1. Safe Harbor Combined Housing Mix and Density, Method 1
2. Safe Harbor Incremental Mix, Method 2
3. Safe Harbor Incremental Mix, Method 3

In addition, FCS GROUP has included an additional method that is consistent the housing needs analysis created during Task 2, and localized housing development density assumptions that vary by land use and zoning type:

4. Localized Housing Density, Method 4
5. Localized Housing Density, Method 5

Additional details and findings are provided below.

SAFE HARBOR METHODS

Method 1. Combined Housing Mix and Density, Method 1

This method is described in OAR 660-024-0040(8)(f) and “Table 1” from the rule (included in Appendix B). La Grande is grouped into the category of cities with a future population of 10,001 to 25,000. As indicated in **Exhibit 4.1**, this method assumes 631 net new dwelling units, with a required mix as follows: 55% low-density, 25% medium-density, and 20% high-density.

This method requires an overall (citywide) minimum density within residential base zones of: 5 dwellings per net acre; 7 dwellings/acre for UGB analysis; and the city must allow at least 9 units per acre overall (citywide) on its buildable residential land base. **This method results in an overall UGB residential land need of 90 net buildable acres.**

Exhibit 4.1

Method 1					
Safe Harbor Combined Housing Mix and Density Method 1, Determination of Residential Land Need, La Grande UGB*					
	Particulars	Amount	Units	Source Notes	
1	20-Yr Population Growth Forecast:	15,632	population	Table A1	
2	Is Growth Forecast 10,001 to 25,000?	Yes			
3	20-Yr Population Change	1,392		Table A1	
4	Population in Group Quarters	4.4%	61	population	Table A2
5	Population in Households		1,331	population	calculation
6	Average Household Size	2.34		Table A2	
7	Number of Households		569	households	calculation
8	Vacancy Factor	10.9%	62	population	Table A3
9	Dwelling Units Added		631	dwellings	
10	Dwelling Mix Safe Harbor	Percent	Dwellings		
	Low Density Residential*	55%	347	dwelling	see OAR 660-024-0040(f)
	Medium Density Residential	25%	158	dwelling	see OAR 660-024-0040(f)
	High Density Residential	20%	126	dwelling	see OAR 660-024-0040(f)
	Total	100%	631	dwelling	calculation
11	Dwelling Unit Density Requirements	UGB Land			
		DU/Net Acre***	Need Net Acres		
	Required overall minimum	5		see OAR 660-024-0040(f)	
	Assume for UGB analysis	7	90	net acres	see OAR 660-024-0040(f)
	Zone to Allow	9		see OAR 660-024-0040(f)	

* includes mobile homes.

** Analysis consistent with OAR 60-024-0040(f).

*** This applies to all residential zones within City.

Source: compiled by FCS GROUP.

Method 2. Incremental Mix, Method 2

This method is described in OAR 660-024-0040(8)(h). La Grande is grouped into the category of cities with a future population of 10,001 to 25,000. This method takes into account the existing overall housing density level of 3.6 dwellings per net acre, then factors that up by 25 percent, to 4.5 dwellings/acre for future housing development.

Applying safe harbor housing mix requirements as in Method 1, this method results in the same number of net new housing units as described in Method 1, but at a lower overall housing density (3.5 dwellings per acre). The city would still need to zone to allow at least 9 units per acre overall (citywide) on its buildable residential land base. **This method results in an overall UGB residential land need of 140 net buildable acres (see Exhibit 4.2).**

Exhibit 4.2

Method 2					
Safe Harbor Incremental Mix Method A, Determination of Residential Land Need, La Grande UGB					
					Source Notes
1	Existing Percentage of Density of Developed Land	Existing Dwellings	Housing Mix	Developed Acres***	Current DUs Per Acre
	Low Density Residential*	4,026	68%		Table A3
	Medium Density Residential	880	15%		Table A3
	High Density Residential	1,053	18%		Table A3
	Total	5,959	100%	1,655	Table B1
					3.6
2	Increase Overall Density as follows:	Increase Mix by:			New Overall Density
	Average Increase	25%			4.5
3	Planned Percentage of Housing Mix	Percent	Dwellings		
	Low Density Residential*	55%	347		see OAR 660-024-0040(f)
	Medium Density Residential	25%	158		see OAR 660-024-0040(f)
	High Density Residential	20%	126		see OAR 660-024-0040(f)
	Total	100%	631		calculation
					calculation
3	Zone to allow new housing mix	New Dwellings	Zone to Allow ***	UGB Assumption for Analysis	Max UGB Land Need (Net Acres)
	Low Density Residential*	347	4.0		
	Medium Density Residential	158	7.0		
	High Density Residential	126	16.0		
	Total/Average	631	9.0	4.5	140
					see OAR 660-024-0040(h)

* includes mobile homes.

** Analysis consistent with OAR 60-024-0040(h).

*** This applies to all residential zones within City.

Source: compiled by FCS GROUP.

Method 3. Incremental Mix, Method 3

This method is described in OAR 660-024-0040(8)(i) and “Table 3” from the rule (provided in **Appendix C** for reference). La Grande is grouped into the category of cities with a future population of 10,001 to 25,000. This method takes into account the existing housing mix by residential type (low, medium and high density), and then factors up the mix of medium density housing by 10 percentage points, and high density housing up by 5 percentage points to arrive at a future planned housing mix. This results in a planned housing mix for La Grande as follows: 53% low density, 25% medium density, and 23% high density. This would result in a lower number of low density dwellings and a higher number of high density dwellings than would be planned under the two prior methods.

Applying safe harbor housing density requirements as in Method 1, this method requires 7 units per acre overall, and the city would still need to zone to allow at least 9 units per acre overall (citywide) on its buildable residential land base. **This method results in an overall UGB residential land need of 153 net buildable acres (see Exhibit 4.3).**

Exhibit 4.3

Method 3					
Safe Harbor Incremental Mix Method B, Determination of Residential Land Need, La Grande UGB					
					Source Notes
Existing Percentage of Density of 1 Developed Land	Existing Dwellings	Existing Mix			
Low Density Residential*	4,026	68%			Table A3
Medium Density Residential	880	15%			Table A3
High Density Residential	1,053	18%			Table A3
Total	5,959	100%			Table B1
2 follows:	Increase Mix by:	New Mix			
Low Density Residential*		53%			see OAR 660-024-0040(i)
Medium Density Residential	10%	25%			see OAR 660-024-0040(i)
High Density Residential	5%	23%			see OAR 660-024-0040(i)
Total		100%			calculation
3 Zone to allow new housing mix	Net New Dwellings Expected	Zone to Allow ***	UGB Assumption for Analysis	Max UGB Land Need (Net Acres)	
Low Density Residential*	332	4.0	3.0	111	see OAR 660-024-0040(i)
Medium Density Residential	156	7.0	5.0	31	see OAR 660-024-0040(i)
High Density Residential	143	16.0	13.0	11	see OAR 660-024-0040(i)
Total/Average	631	9.0	7.0	153	see OAR 660-024-0040(i)
* includes mobile homes.					
** Analysis consistent with OAR 60-024-0040(i).					
*** This applies to all residential zones within City.					
Source: compiled by FCS GROUP.					

LOCAL DENSITY AND HOUSING MIX METHODS

In addition to the safe harbor methods for determining residential land needs, two additional methods have been included that forecast the UGB land need based on the local housing market trends and local experience regarding development density.

Method 4. Local Market Demand and Density Forecast, Method A

This method evaluates the land needs based on the projected housing needs described in Task 2, which reflect the future baseline housing demand for dwellings and families living in group quarters (shared living arrangements). This method is consistent with Oregon Administrative Rules for projecting land needs takes into account the expected average development density levels using estimates provided by city planning staff based on local experience. **This method results in 5.0 units per acre overall, and an overall UGB residential land need of 139 net buildable acres** (see Exhibit 4.4).

Exhibit 4.4

Localized Mix and Density Method, Determination of Residential Land Need, La Grande UGB				
				Source Notes
1 Future Housing Need		Net New Dwellings Expected	Planned Mix	
	Low Density Residential*	436	62%	TableC1
	Medium Density Residential**	159	23%	TableC1
	High Density Residential	104	15%	TableC1
	Total	699	100%	
2 Expected Housing Density		DUs per acre***	UGB Land Need (Net Acres)	
	Low Density Residential*	4.0	109	calculation
	Medium Density Residential**	7.0	23	calculation
	High Density Residential	14.0	7	calculation
	Total/Average	5.0	139	calculation

* Includes detached units and mobile homes. ** Includes townhomes, plexes and group quarters.
*** Density assumptions derived from Appendix D.
Source: compiled by FCS GROUP.

Method 5. Local Market Demand and Density Forecast, Method 5

This method for projecting land needs takes into account baseline housing growth (described in Method 4) plus a portion of pent-up housing demand. In addition to the 699 dwellings required to meet the baseline forecast, it is assumed that the market potential also exists to address pent up demand for market rate and government subsidized rental housing. Assumptions regarding current gaps in rental housing inventories are shown in Appendix A, Table C2. For analysis purposes, it is assumed that 50% of the pent-up demand for market-rate apartments (175 units) and 33% of the pent-up demand for government subsidized housing (110 units) are provided over the next 20 years.

This method results in 6.2 units per acre overall, and an overall UGB residential land need of 159 net buildable acres (see Exhibit 4).

This method is a departure from Oregon Administrative Rules this it would likely result in a population growth forecast that exceeds the baseline 20-year population forecast.

Exhibit 4.5

Method 5				
Local Mix and Density Method, Determination of Residential Land Need, La Grande UGB				
				Source Notes
1	Future Housing Need	Net New Dwellings Expected	Planned Mix	
	Low Density Residential*	436	62%	TableC1
	Medium Density Residential**	159	23%	TableC1
	High Density Residential, baseline demand	104	15%	TableC1
	High Density Residential, pent-up demand	285	41%	Table C2
	Total	984	141%	
2	Expected Housing Density	DUs per acre***	UGB Land Need (Net Acres)	
	Low Density Residential*	4.0	109	calculation
	Medium Density Residential**	7.0	23	calculation
	High Density Residential, baseline demand	14.0	7	calculation
	High Density Residential, pent-up demand	14.0	20	calculation
	Total/Average	6.2	159	calculation
* Includes detached units and mobile homes. ** Includes townhomes, plexes and group quarters.				
*** Density assumptions derived from Appendix D.				
Source: compiled by FCS GROUP.				

RECONCILIATION OF RESIDENTIAL LAND NEED/SUPPLY

The reconciliation of UGB residential land needs and land supply is summarized in **Exhibit 4.6**. The results indicate that the current buildable residential land supply within the La Grande UGB (370 net acres) is sufficient for addressing the 20-year land needs under Methods 1-5.

Method 5, however, would result in a greater number of multifamily apartments than the other methods, which in turn would require more land zoned for high-density development.

The ability for the City of La Grande to provide an adequate land supply to address Method 5 would require utilization of 100% of the vacant high density residential land and 100% of the land zoned for commercial and mixed use development to be utilized for apartments. Since most of the vacant commercial/mixed use land will likely be developed with commercial uses (retail and services), such a scenario is unlikely. New land use policies should be considered to encourage additional apartment development on commercial sites to address the housing demand associated with Method 5.

Potential policy measures will be identified and discussed during Task 4 of the Housing Needs Analysis.

Exhibit 4.6

	Method 1	Method 2	Method 3	Method 4	Method 5
Net New Dwellings/Units					
Low Density*	347	332	332	436	436
Medium Density**	158	156	156	159	159
High Density	126	143	143	104	389
Total	631	631	631	699	984
Land Need (net acres)					
Low Density*			111	109	109
Medium Density**			31	23	23
High Density			11	7	28
Total	90	140	153	139	159
Buildable Land Inventory (net acres)					
Low Density*	191	191	191	191	191
Medium Density**	152	152	152	152	152
High Density	14	14	14	14	14
Commercial/Mixed Use	0	0	0	0	0
Total	358	358	358	358	358
UGB Land Surplus/Deficit (net acres)					
Low Density*	-	-	81	82	82
Medium Density**	-	-	121	129	129
High Density	-	-	3	7	(13)
Commercial/Mixed Use	-	-	0	0	0
Total	268	217	205	219	198
Adequacy of UGB to meet housing need	adequate	adequate	adequate	adequate	adequate
Other Notes	Policy measures to encourage apts in commercial zones needed				

* Includes detached units and mobile homes. ** Includes townhomes, plexes and group quarters.

Source: compiled by FCS GROUP.

Appendix A

Table A1
La Grande Population & Housing: Baseline 20-Year Forecast
Population Forecasts

	2016	2020	2025	2030	2035	AGR
Union County	26,222	27,775	28,465	29,078	29,638	0.6%
La Grande UGB	14,042	14,345	14,712	15,056	15,385	0.5%
Oregon	4,141,100	4,252,100	4,516,200	4,768,000	4,995,200	1.3%

Source: Portland State University Population Research Center

Forecasts of Oregon's County Populations and Components of Change, 2010-2050.

Compiled by FCS Group. AGR = average annual growth rate.

	Estimate		Forecast		Proj. Change 20 Years
	2016	2019	2030	2039	
La Grande UGB	14,042	14,240	15,056	15,632	1,392
Union County	27,086	27,451	29,078	30,013	2,562

Source: Portland State University Population Research Center; interpolated by FCS GROUP.

Forecasts of Oregon's County Populations and Components of Change, 2017-2068.

Compiled by FCS Group. AGR = average annual growth rate.

Table A2
Demographics, La Grande and Union County, 2013-2017

	La Grande	Union County
Total population	12,999	25,810
Group quarters population	566	790
share of population in group quarters	4.4%	3.1%
Total households	5,966	11,684
Average household size	2.34	2.43

Source: 2013-2017 American Community Survey (Tables DP04, DP03, DP05, S1101 & B26001)

Table A3
City of La Grande Housing Inventory (2010 - 2017)

	2010 ACS	2017 ACS
Owner Occupied	2,871	2,717
Renter Occupied	2,497	2,598
Vacant	496	651
Total	5,864	5,966
Owner Occupied %	53.5%	51.1%
Renter Occupied %	46.5%	48.9%
Total	100.0%	100.0%
Vacant Dwellings %	8.5%	10.9%
Single-Family Detached	3,346	3,424
Townhome/Plexes	478	880
Multifamily	930	1,053
Mobile Home	511	602
Total	5,265	5,959

Source: U.S. Census Bureau, and American Community Survey

2013 to 2017 (Tables DP04, B25077 and B25064).

Table B1

La Grande UGB total, Residential & Com/Mixed Use Base Zones

Land Classification	Sum of		
	Sum of Map Acres	Environmental Constraints Acres	Sum of Lot Net Acres
Developed	2,220	91	2,129
Partially Vacant	111	13	98
Public or Severely Constrained	204	127	76
Vacant	838	58	780
Vacant Undersized	4	0	3
Grand Total	3,377	290	3,087

Source: La Grande Buildable Land Inventory Methodology Report, Feb. 2019.

Summary of Buildable Residential Land Inventory, La Grande UGB, 2019

Land Classification	Vacant & Part Vacant	Redevelopable Land	Housing	Total Buildable Residential Land
			Development Factor*	
Low Density	190.4	0.8	100%	191.1
Medium Density	151.2	0.7	100%	151.9
High Density	14.3	0.2	100%	14.5
Commercial and Mixed Use	13.9	4.5	1%	0.2
Grand Total	370	6.2	-	357.7

Source: derived from prior tables using City of La Grande GIS data.

*Assumes a 3% housing redevelopment rate per City Staff.

Table C1

Projected 20-year Net New Housing Need by General Land Use, La Grande UGB

Housing Type	Owner-Housing	Renter-Housing	Total
Low Density*	310	125	436
Medium Density**	6	153	159
High Density	3	386	389
Total	320	664	984

* includes mobile homes. ** Includes townhomes, plexes and group quarters.

Source: FCS GROUP based on Task 2 and Task 4 analysis.

Table C2
Analysis of pent-up multifamily housing demand, La Grande UGB

Median Household Income Range	Households that own	Households that rent	Total	Affordable Monthly Rent Costs *	Estimated Available Rental Units	Housing (Gap) or Surplus	Pent Up Demand		Capture Rate for Analysis	Pent Up Housing Demand		
\$75,000 or more:	1,133	253	1,386	\$1,875	58	(195)	(350)	market rate gap	50%	175		
\$50,000 to \$74,999:	499	274	773	\$1,250-\$1,875	119	(155)						
\$35,000 to \$49,999:	325	436	761	\$875-\$1,250	565	129						
\$20,000 to \$34,999:	456	606	1,062	\$500-\$875	1,160	554						
Less than \$20,000:	298	813	1,111	Less than \$500	540	(273)	(333)	subsidized housing gap	33%	110		
Zero or Negative Income	6	216	222	Requires Subsidy	156	(60)						
Total	2,717	2,598	5,315	-	2,598	-	(683)					285

Source: US Census Bureau 2013 - 2017 ACS

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

Appendix B

Table 1: Housing Mix/Density Safe Harbors

A. Coordinated 20- Year Population Forecast	B. Housing Density Safe Harbor Numbers are in Dwelling Units (DU) per net buildable acre	C. Housing Mix Safe Harbor (Percentage of DU that Must be <i>Allowed</i> by zoning)		
		Low Density Residential	Medium Density Residential	High Density Residential
Less than 2,500	<ul style="list-style-type: none"> Required Overall Minimum: 3 Assume for UGB Analysis: 4 Zone to Allow: 6 	70%	20%	10%
2,501 – 10,000	<ul style="list-style-type: none"> Required Overall Minimum: 4 Assume for UGB Analysis: 6 Zone to Allow: 8 	60%	20%	20%
10,001 – 25,000	<ul style="list-style-type: none"> Required Overall Minimum: 5 Assume for UGB Analysis: 7 Zone to Allow: 9 	55%	25%	20%
More than 25,000 but not subject to ORS 197.296	<ul style="list-style-type: none"> Required Overall Minimum: 6 Assume for UGB Analysis: 8 Zone to Allow: 10 	50%	25%	25%

- **Low Density Residential:** A residential zone that *allows* detached single family and manufactured homes and other needed housing types on individual lots in the density range of 2-6 units per net buildable acre (DU/NBA). The specified mix percentage is a maximum; a local government may allow a lower percentage.
- **Medium Density Residential:** A residential zone that *allows* attached single family housing, manufactured dwelling parks and other needed housing types in the density range of 6-12 units per net buildable acre. The specified mix percentage is a minimum; a local government may allow a higher percentage.
- **High Density Residential:** A residential zone that *allows* multiple family housing and other needed housing types in the density range of 12-40 units per net buildable acre. The specified mix percentage is a minimum; a local government may allow a higher percentage.
- **More than 25,000 but not subject to ORS 197.296:** The current population estimate for the city is less than 25,000 but the 20-year population forecast for the UGB is 25,000 or more. This safe harbor is not available for a jurisdiction subject to ORS 197.296 at the time of a UGB amendment.

Appendix C

**Table 3: Methodology to Calculate Housing Mix for the
“Incremental Housing Mix Safe Harbor” in OAR 660-024-0040(8)(i)**

Example 1: The developed housing mix in the UGB currently consists of 93% Low Density, 6% Medium Density and 1% High Density.

Step 1: $5\% + 1\% = 6\%$ High Density Residential

Step 2: $10\% + 6\% = 16\%$ Medium Density Residential

Step 3: Total for Medium and High Density: $6\% + 16\% = 22\%$ Medium and High Density Residential*

Step 4: $100\% - 22\% = 78\%$ Low Density Residential

Under the Alternative Housing Mix **safe harbor** in OAR 660-024-0040(8)(i), buildable land in the UGB must be Zoned to Allow:

Safe Harbor Housing Mix = 78% Low Density, 16% Medium Density and 6% High Density.

Example 2: The developed housing mix in the UGB currently consists of 91% Low Density, 9% Medium Density and 0% High Density

Step 1: $5\% + 0\% = 5\%$ High Density Residential

Step 2: $10\% + 9\% = 19\%$ Medium Density Residential

Step 3: Total for Medium and High Density: $5\% + 19\% = 24\%$ Medium and High Density Residential*

Step 4: $100\% - 24\% = 76\%$ Low Density Residential

Under the Alternative Housing Mix **Safe Harbor** in OAR 660-024-0040(8)(i), buildable land in the UGB must be Zoned to Allow:

Safe Harbor Housing Mix = 76% Low Density, 19% Medium Density and 5% High Density.

* If current housing mix has two tiers instead of three (for example, Low Density Residential and Medium-High Density, or Single-Family and Multi-Family), apply the “Low Density Residential” safe harbor percentage for Low Density Residential or Single-Family, and apply the combined “Medium Density” and “High Density” safe harbor percentages of 10% and 5%, or 15%, to Medium-High Density or Multi-Family.

Section V. ADVISORY COMMITTEE AND PUBLIC INPUT

The La Grande Housing Needs Analysis included opportunities for participation throughout the planning process.

The community participation process is designed to meet the following objectives:

- Provide a forum to share, develop and refine useful information and data.
- Ensure a shared understanding of current conditions, issues, concerns and opportunities.
- Provide avenues for the public, applicable committees, and supporting agencies to be involved.
- Build support for eventual adoption and implementation.

Public and Stakeholder Engagement Activities

Project Advisory Committee

The HNA Project Advisory Committee (PAC) for the La Grande HNA included the City Planning Commission.

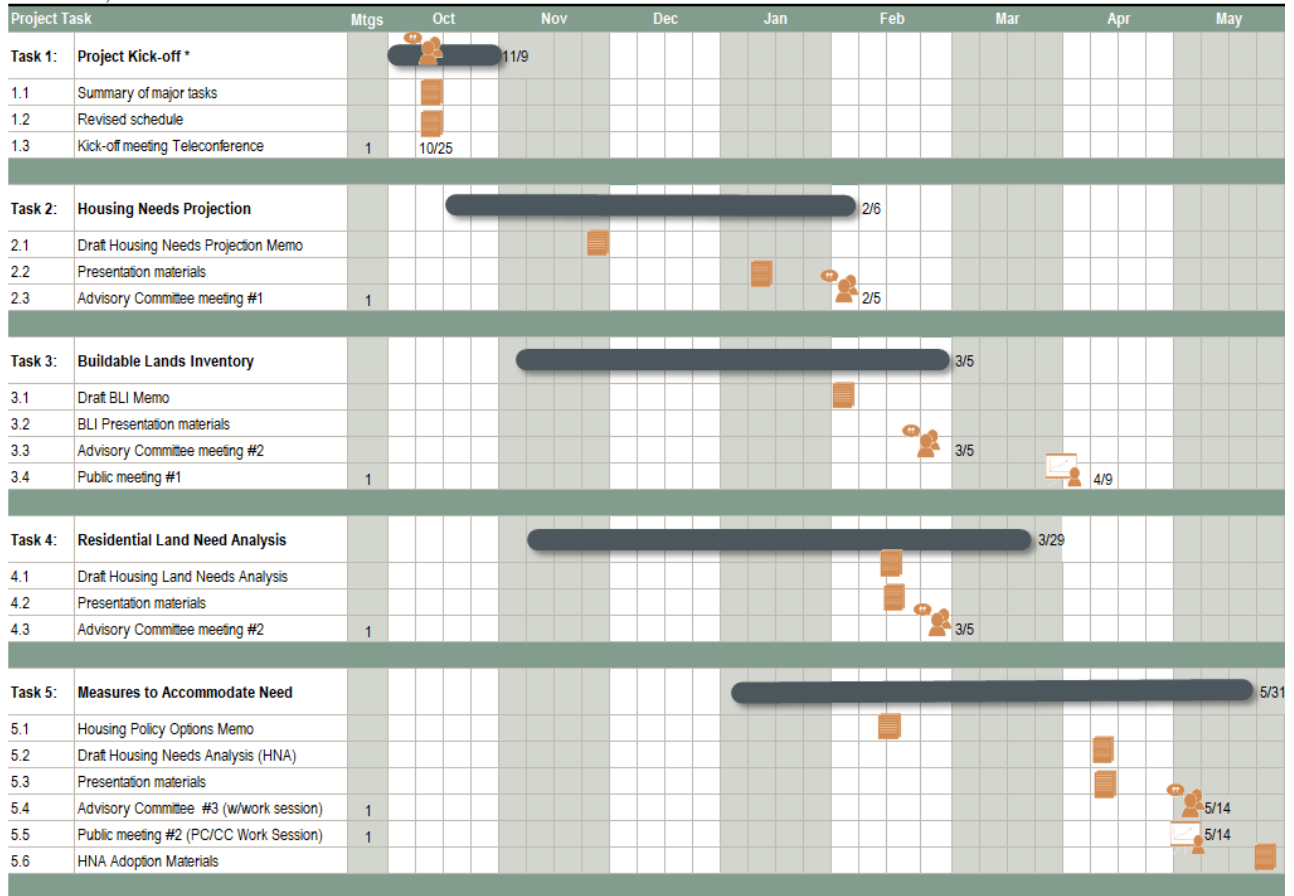
The PAC was charged with providing recommendations on key project issues and decisions, helping shape policy options, guiding stakeholder and community engagement strategies, acting as liaisons to specific constituencies or groups, hosting public events and encouraging community members to participate in the process. The PAC met (3) times during the course of the project.

During each meeting the HNA consultant presented and discussed interim findings, and received input and direction from the PAC and the public.

The overall HNA planning process and work schedule is shown below.

La Grande Housing Needs Analysis, Project Schedule

as of Feb. 8, 2019



ADVISORY COMMITTEE MEETING NO. 1

Meeting Notes

The first La Grande Housing Needs Analysis (HNA) Advisory Committee (AC) meeting was held on February 5 at La Grande City Hall. The meeting agenda and AC membership list is attached; and meeting presentation materials are on file with the City.

Overview/Schedule

Todd Chase reviewed the objectives and expected outcomes of the HNA process.

Phil Stenbeck, Oregon DLCD noted that the HNA process is aimed at long-term planning actions with attention to new local policies and current information (such as a buildable land inventory) that can attract development.

Michael Boquist will confirm future meeting dates for TAC meetings and Public Meeting #1:

- Public Meeting #1 – March 4th, 6:00pm to 7:30pm
- TAC Meeting #2 – March 5th, 9:00am to 10:30am
- TAC Meeting #3 to be held in mid-April.

Issues Discussion

Michael informed meeting attendees that La Grande is undertaking this project for a number of reasons, including the fact that the city has a relatively high share of “rent burdened” households. He noted that rental units are becoming increasingly scarce, a situation exacerbated in part by Eastern Oregon University related student demand for off-campus housing. He noted that there also appears to be a lack of decent-quality for-sale housing as well as market-rate rental units that working professionals are seeking. Michael added that the La Grande Housing Coalition and State Legislative actions (such as Senate Bill 1051) have done much to increase awareness of state and local housing needs.

TAC members noted several housing issues facing La Grande at this time:

- Several attendees detailed the struggle low-income persons and families have with finding available income-restricted housing. They noted that landlords are being more selective with respect to tenants, given the paucity of supply, so prospective renters with poor credit history or other issues are at a severe disadvantage.
- Concern was voiced over the impact that the minimum wage increase will have on families; where slightly higher income levels may put them at risk of no longer being eligible for Section 8 housing assistance.
- Given the lack of affordable housing options it was noted that it is now common to see households “doubled up in all manner of rental housing,” including mobile homes.
- Attendees cited a recent survey that indicated a doubling of homeless population in La Grande over the past few years (up from 25 to 50 persons).
- Military veterans also face significant housing barriers due to various issues, such as PTSD or substance abuse.

- The Union County Warming Station and Warming Station in La Grande have added capacity in have increased in use from seasonal to year-round over the past few years; yet still do not provide enough space to meet local homeless needs.
- It was noted that Section 8 vouchers require significant application costs (\$40) and expire if not used within certain time frames; the process is exhausting and expensive.
- It was indicated that an Eastern Oregon University Campus Master Plan update is underway, and that EOU is focused on-campus needs rather than issues off-campus housing. FCS will follow up with EOU on this issue.

Housing Needs Forecast

- Tim reviewed the results from the Task 2 analysis of housing needs forecast. Over the 20-year timeframe, it is estimated that approximately 699 housing units will be needed to meet the projected 1,392 population increase in La Grande. This needed housing includes 367 single family units, 207 multifamily/townhome units, 65 mobile/manufactured housing units and +/- 60 units of group quarters (which includes dormitories, single room occupancy units and warming station expansions).
- Todd observed that this level of housing growth is required to address 20-year population growth forecasts prepared by PSU. It is likely that actual housing demand could exceed this level since there is likely some pent-up demand as well. Hence, the City will want to revisit these growth forecasts and housing needs every 10 years as part of periodic review of its Comprehensive Plan.
- Questions were asked about the source of the current housing estimates used in the analysis of housing needs. Todd noted that the most current housing supply estimates and vacancy estimates were derived from the U.S. Census, American Community Survey 2013-2017 estimates for the City of La Grande. As such, Census data will vary from estimates provided by other sources, such as the Oregon Department of Housing and Community Services, which provide a different base year or geography (county wide data vs. city data).
- It was also noted that the vacancy rates shown in the Census estimates from 2017 seem high. Tim noted that the estimates are based on median vacancy rates (50% of the units are above and 50% are below this vacancy rate). Current vacancy rates are likely lower than what was reported in 2017, and average vacancy rates may be much lower than median vacancy rates.
- Chris Evans asked about the underlying assumptions contained for the housing rental gap analysis. Tim noted that the state requires an analysis of housing demand by U.S. Housing and Urban Development (HUD) income levels, which does not comport exactly with available data; hence the more granular data provided by the Census must be grouped or aggregated into HUD income categories to comply with HNA requirements.

Draft Buildable Land Inventory Analysis

- Todd described the methodology and findings contained in the draft Buildable Land Inventory (BLI). It was noted that the City staff has already provided comments on the draft and those comments have been reflected in the BLI report.
- Advisory Committee members asked about the potential to consider FEMA floodplain map revisions which could increase available buildable land for housing development. Other attendees asked about the potential to consider commercially-zoned sites for affordable multifamily housing,

particularly within locations that have services nearby, such as hospitals. Todd noted that vacant commercial land is being reflected in the BLI findings since it does allow multifamily housing, and that these concepts would be discussed at the next meeting as part of Task 4.

In addition to the in-person public comments received at the public open house, one comment was received via email (Exhibit A) and is hereby made part of the public record.

With no additional public comments received, the HB 4006 public meeting was adjourned at 10:30 AM

ADVISORY COMMITTEE MEETING NO. 2

The second La Grande Housing Needs Analysis (HNA) Advisory Committee (AC) meeting was held on March 5 at La Grande City Hall. The meeting agenda and AC membership list is attached, although not all members were in attendance; and meeting presentation materials are on file with the City.

Overview/Schedule

- Todd Chase began the meeting by reviewing what has been completed thus far in the process and confirmed that the next AC meeting would occur on April 9th from 9-10:30 am. Additionally, FCS GROUP will present HNA analysis with the Planning Commission that evening at 6 pm.

BLI Discussion

Todd Chase led the discussion of the Buildable Land Inventory (BLI). Todd informs attendees that FCS GROUP has assessed the buildable residential land in La Grande and has compared available land supply with residential land demand figures formulated in Task 2. Todd says that FCS GROUP has concluded that it appears that La Grande will not need to add more land to the UGB in order to accommodate new residential growth over the next 20 years.

Todd did note that La Grande might consider rezoning some residential land for higher density uses based on projected demand figures and current land supply. In particular, the supply of high density residential land in La Grande will likely be developed in the 20-year HNA timeline.

Questions related to the BLI include the following:

- Attendees pointed out that some of the properties identified in the buildable lands map were for sale but at prices far out of line with the La Grande market. They asked if this could make the land unbuildable. Michael pointed out that several developments in La Grande had occurred on properties with similar circumstances and that over time the prices would likely come in line with the market. Todd noted that land prices for residential land cannot typically serve as justification for removing vacant land from the land inventory.
- It was noted that there are large farmer/property owners that do not wish to make that land available for development and wondered if it should be removed or constrained from the vacant land inventory. Both Michael and Phil noted that this is a 20 year analysis, so it is assumed that within that timeframe that land may change ownership and could be developed.

- Attendees pointed out that FEMA floodplain maps are out of date and asked if this is the case with the residential BLI. Michael informs attendees that the floodplain maps are older and that the city is in the process of updating them in conjunction with a separate project.
- Several attendees pointed out that wait lists for subsidized housing in La Grande can range from 4-12 months.
- After discussion of the housing BLI and housing demand methods described in the Task 4 section from FCS GROUP the AC members generally supported Method 5 since it would result in the largest number of total housing units, multifamily units and affordable housing units, and could still be accommodated within the current UGB.
- Chis requested further elaboration of the types of housing units by income levels (rent-burdened) that would be the focus of Method 5.

Policy Discussion

Todd Chase also introduced AC members to a list of policy measures La Grande might consider to address housing issues. He told committee members that the discussion for the next AC meeting would revolve around which of these policies the committee might recommend to the Planning Commission and City Council. The full list is on file with the City. Highlights of the discussion are as follows:

- Generally, attendees supported up-zoning certain properties to increase density, offering system development charge reductions or deferrals for multifamily development, and providing limited tax abatements for desired housing investment (refurbished single-family homes, affordable housing, downtown multifamily).
- When asked for suggestions of policies not included on the list, attendees highlighted adding affordable housing goals associated with urban renewal areas, requiring individual water meters for duplexes, and creating more partnerships between public and private home providers, which leverage state or federal grants.

These policies will be discussed further at the next meeting.

The meeting adjourned at 10:30 AM

Meeting Agenda



**City of La Grande
Housing Needs Analysis Technical Advisory Committee
Meeting #2
Meeting Agenda**

March 5, 2019
9:00 to 10:30 AM

La Grande City Hall

1. Review work completed / schedule
2. Committee discussion topics
 - ✓ Draft buildable lands inventory
 - ✓ Review of draft buildable lands maps
 - ✓ Reconciliation of land supply and demand
 - ✓ Potential policy measures to address housing affordability
3. Next Steps
4. Adjourn

ADVISORY COMMITTEE MEETING NO. 3 AND PLANNING COMMISSION/ PUBLIC MEETING

The third La Grande Housing Needs Analysis (HNA) Advisory Committee (AC) meeting was held on April 9 at La Grande City Hall from 9am to 10:30am. The meeting agenda is attached, and meeting presentation materials and the sign-in sheet are on file with the City. Additionally, a meeting with the La Grande Planning Commission to discuss the HNA progress was held at La Grande City Hall from 6:00pm to 7:30pm.

HNA AC Meeting Input

- Todd Chase (FCS GROUP) began the meeting by reviewing prior meeting input.
- Mr. Chase transitioned to the PowerPoint presentation that included an overview of housing and demographic conditions in La Grande. Topics covered included existing housing stock, analysis of rent burdened populations, housing needs by income and tenancy, buildable residential land supply in La Grande, and how much of that land supply would be needed to accommodate projected housing demand.
- **Overall, AC members were generally supportive of the recommended housing need forecast method 5, and the draft policy recommendations that were presented.**
- Attendees asked Mr. Chase why the level of households experiencing severe rent burden had dropped from 26% in 2016 to 21% in 2017. Mr. Chase pointed out that La Grande added new affordable housing units that helped to alleviate the severe rent burden. Mr. Chase also noted that between 2016 and 2017 the local economy improved along with the national economy, which increased incomes.
- AC member Jen Goodman asked why the analysis assumed La Grande would not capture all pent up demand from lower income residents. Mr. Chase explained that pent up demand reflects an immediate issue that exists at this time and it changes from year to year as people relocate. The ability to meet this all pent up demand for affordable housing is unlikely since it would require a vast amount of government subsidies, which is unlikely to occur for a city of La Grande's size.
- The Committee discussed the inclusion of a policy for reducing parking requirements for multifamily development. The issue is politically sensitive because even with the existing minimum of 1.5 parking spots per unit (for multifamily housing) La Grande residents observed many residents parking on the street. The possibility of reduced parking requirements for transit-adjacent developments was also discussed and seems feasible.
- It was noted that the city's development code requires that parking for apartments must be covered in La Grande, an expense which is perhaps not necessary.

The meeting adjourned at 10:30am.

Planning Commission/Public Meeting Input

After introductions, Mr. Chase presented the PowerPoint shown to the AC earlier in the day to the Planning Commission.

Questions included the following:

A Commission member asked about how the student population at Eastern Oregon University were counted. Mr. Chase said that students living off campus were included in U.S. Census data if they considered themselves year-round residents of La Grande. On-campus students are likely reflected in the group quarters population estimates if they considered themselves La Grande residents.

A Commission member asked Mr. Boquist about the expected rents that will be charged at a new cottage housing cluster for military veterans that is being developed in La Grande. Mike Boquist (City of La Grande Community Development Director) said monthly rents will be below \$500.

Commission members asked about a policy suggesting La Grande investigate how Opportunity Zones could be used to provide housing. Mr. Chase explained that Opportunity Zones are a new investment mechanism aimed at incentivizing real estate development in select areas, including parts of La Grande. The Commission was interested in the possibility of working with developers to utilize Opportunity Zone funding and other sources of state and federal grants to support multifamily housing development.

Commission members asked about the potential for a policy for incentivizing improvements to the existing housing stock. Mr. Chase noted that given the age of the housing stock in La Grande, improvements are necessary to keep housing units habitable. Mr. Boquist added that in La Grande's Urban Renewal areas, funds can be used as loans or matching grants to incentivize rehabilitation of buildings. Outside of those areas a limited property tax abatement could be considered.

Commission members asked if the fiscal impacts of tax abatements for multifamily development would be significant. Mr. Boquist noted that a temporarily reduction in the tax burden of developed properties would have little impact given that the abatements would be limited in duration and would, in theory, incentivize development and market/assessed values over time when the tax abatement sunsets.

The meeting adjourned at 7:30pm.

Section VI. GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Low Density: Lots with the average density of 3-4 dwelling units per acre. Best suited for family housing such as single family detached homes.

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

transportability of the home. The requirement to have a wheeled chassis permanently attached differentiates "manufactured housing" from other types of prefabricated homes, such as modular homes.

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

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

Medium Density: Lots with the average density of 6-12 dwelling units per acre. Best suited for small lot housing such as single family attached, townhomes, plexes and cottages.

Mixed Use: Characterized as two or more residential, commercial, cultural, institutional, and/or industrial uses into one combined building or building(s) on the same parcel of land.

Multi-Family Housing: Stacked flats in a single buildings or groups of buildings on a single lot. Parking is shared, and entrance to units is typically accessed through a shared lobby.

Oregon Administrative Rules (OAR): Administrative Rules are created by most agencies and some boards and commissions to implement and interpret their statutory authority (ORS 183.310(9)). Agencies may adopt, amend, repeal or renumber rules, permanently or temporarily. Every OAR uses the same numbering sequence of a three-digit chapter number followed by a three-digit division number and a four-digit rule number. For example, Oregon Administrative Rules, chapter 166, division 500, rule 0020 is cited as OAR 166-500-0020. (oregon.gov)

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

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

Seasonal dwellings: These units are intended by the owner to be occupied during only certain seasons of the year. They are not anyone's usual residence. A seasonal unit may be used in more than one season; for example, for both summer and winter sports. Published counts of seasonal units also include housing units held for occupancy by migratory farm workers. While not currently intended for year-round use, most seasonal units could be used year-round.

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

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

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

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

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

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

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