CITY OF OREGON CITY
CITY COMMISSION REGULAR MEETING
AGENDA

Commission Chambers, Libke Public Safety Facility, 1234 Linn Ave, Oregon City
Wednesday, December 01, 2021 at 7:00 PM

EXECUTIVE SESSION OF THE CITY COMMISSION:

The Executive Session will begin after the adjournment of the City Commission Regular Meeting.

i. PURSUANT TO ORS 192.660(2)(e): to conduct deliberations with persons designated by the governing body to negotiate real property transactions.

REGULAR MEETING OF THE CITY COMMISSION

Ways to participate in this public meeting:

- *Attend in person, location listed above*
- *Register to provide electronic testimony (email recorderteam@orcity.org or call 503-496-1509 by 3:00 PM on the day of the meeting to register)*
- *Email recorderteam@orcity.org (deadline to submit written testimony via email is 3:00 PM on the day of the meeting)*
- *Mail to City of Oregon City, Attn: City Recorder, P.O. Box 3040, Oregon City, OR 97045*

1. CONVENE MEETING AND ROLL CALL

2. FLAG SALUTE

3. CEREMONIES AND PROCLAMATIONS

4. CITIZEN COMMENTS

Citizens are allowed up to 3 minutes to present information relevant to the City but not listed as an item on the agenda. Prior to speaking, citizens shall complete a comment form and deliver it to the City Recorder. The City Commission does not generally engage in dialog with those making comments but may refer the issue to the City Manager. Complaints shall first be addressed at the department level prior to addressing the City Commission.

5. PRESENTATIONS

6. ADOPTION OF THE AGENDA

7. CONSENT AGENDA

This section allows the City Commission to consider routine items that require no discussion and can be approved in one comprehensive motion. An item may only be discussed if it is pulled from the consent agenda.

7a. Resolution No. 21-46, Revisions to Extend the Parklet & Private Property Restaurant/Retail Program from December 1, 2021 to May 31, 2022

7b. Resolution No. 21-52, Certifying the Election Results for the November 2, 2021 Special Election

7c. Public Improvement Contract with Black Rock Underground, LLC for the Sanitary Sewer I/I Rehabilitation – Rivercrest Basin Project: Phase 1 (CI 20-010)

7d. Public Improvement Contract with Black Rock Underground LLC for the 4th and 6th Streets Utility Replacement Projects (CI 21-013)

7e. Amendment No. 1 to the Personal Services Agreement with Wallis Engineering for the 2021 Sanitary Sewer Rehabilitation – Washington Street and 99E Project (CI 21-004)

7f. Personal Services Agreement with Air Filter Exchange for Quarterly Maintenance of City HVAC Systems

7g. Personal Services Agreement with Plan B Cost Consultancy LLC for Project Management and Owner Representative Services

7h. Minutes of the June 8, 2021 Joint Work Session with the Planning Commission

7i. Minutes of the September 29, 2021 Special Meeting

7j. Minutes of the October 6, 2021 Regular Meeting

7k. Minutes of the October 12, 2021 Work Session

8. PUBLIC HEARINGS

8a. First Reading of Ordinance 21-1014 GLUA 21-00057 and LEG 21-00004: Legislative Application for Housing Needs Analysis

9. GENERAL BUSINESS

9a. Officially Adopting the Name of “Hazel Grove Park” for the Park Informally Named Filbert Run Park

9b. Resolution No. 21-55, Adjusting Solid Waste Collection and Disposal Rates Effective February 1, 2022

10. COMMUNICATIONS

City Manager

Commissioners

Mayor

11. ADJOURNMENT

PUBLIC COMMENT GUIDELINES

Complete a Comment Card prior to the meeting and submit it to the City Recorder. When the Mayor/Chair calls your name, proceed to the speaker table, and state your name and city of residence into the microphone. Each speaker is given three (3) minutes to speak. To assist in tracking your speaking time, refer to the timer on the table.

As a general practice, the City Commission does not engage in discussion with those making comments.

Electronic presentations are permitted but shall be delivered to the City Recorder 48 hours in advance of the meeting.

ADA NOTICE

The location is ADA accessible. Hearing devices may be requested from the City Recorder prior to the meeting. Individuals requiring other assistance must make their request known 48 hours preceding the meeting by contacting the City Recorder's Office at 503-657-0891.

Agenda Posted at City Hall, Pioneer Community Center, Library, City Website.

Video Streaming & Broadcasts: The meeting is streamed live on the Oregon City's website at www.orcity.org and available on demand following the meeting. The meeting can be viewed on Willamette Falls Television channel 28 for Oregon City area residents as a rebroadcast. Please contact WFMC at 503-650-0275 for a programming schedule.

CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: City Commission **Agenda Date:** 12/01/2021

From: Public Works Director John M. Lewis, PE

SUBJECT:

Resolution No. 21-46, Revisions to Extend the Parklet & Private Property Restaurant/Retail Program from December 1, 2021 to May 31, 2022

STAFF RECOMMENDATION:

Approve Resolution No. 21-46, authorizing revisions to extend the Parklet & Private Property Restaurant/Retail program.

EXECUTIVE SUMMARY:

In response to COVID-19, the City Commission adopted a pilot program to allow temporary outdoor dining/retail in parking spaces in the right-of-way (parklets) and on private property from July 16, 2020 to November 30, 2021. As COVID-19 and variants thereof remain a risk, Resolution No. 21-46 would extend the program to May 31, 2022. The Resolution would also retain the waiving of the fees for Renewable Right-of-Way Permits Fees, and parklet and private parking lot applications would remain at $25 per year.

At the October 6, 2021, City Commission meeting, the proposed resolution was amended with a vote of 3-2 to extend the program to May 31, 2022, and to retain the waiving of permit fees and retain the cost of application fees.

This agenda item ensures the approval of the resolution as requested by the majority of the City Commission.

BACKGROUND:

On March 23, 2020, Governor Brown issued Executive Order 20-12, Stay Home, Save Lives, which closed non-essential businesses and severely limited others that were still able to remain open, including restaurants which prohibited on-premises food consumption. Since that time, many businesses have experienced loss of business through reduction of sales, social distancing, and closures.

On July 15, 2020, the City Commission adopted a parklet and outdoor dining/retail services pilot program from July 16, 2020, to November 30, 2020, excluding the winter months. The program allowed temporary outdoor dining/retail use of on-street parking stalls in the right-of-way and in private parking lots. On October 21, 2020, the City Commission extended the timeframe so that businesses could utilize the program in the winter months. On March 17, 2021, the City Commission adopted revisions to the program in response to community feedback which expanded the flexibility of the program including allowing onsite retail/restaurants to be located throughout private property, such as patios or decks. The program had an expiration date of November 30, 2021.

At the October 6, 2021, City Commission meeting, the proposed resolution was amended with a vote of 3-2 to extend the program to May 31, 2022, and to retain the waiving of permit fees and retain the cost of application fees.

There are currently 4 parklets permitted and in operation (Arch Bridge, Ingrid's, Nebbiolo {parklet} and Nebbiolo {sidewalk diversion}), 20 businesses permitted for sidewalk seating, and 6 businesses permitted for private parking lot seating. No businesses have outstanding applications seeking this type of seating at this time, though some are in code enforcement.

OPTIONS:

1. Approve Resolution No. 21-46
2. Recommend staff return with modifications
3. Do not approve Resolution No. 21-46

BUDGET IMPACT:

Amount: $0.00

FY(s): FY 21-22

Funding Source(s): N/A

RESOLUTION NO. 21-46

A RESOLUTION TO ALLOW TEMPORARY PARKLETS IN THE RIGHT-OF-WAY AND TEMPORARY PRIVATE PROPERTY OUTDOOR DINING AND RETAIL

WHEREAS, the State of Oregon has placed restrictions on the use of commercial spaces due to the pandemic known as COVID-19; and

WHEREAS, providing an opportunity for businesses to expand their operations outdoors, either in the public right-of-way or private property, will generate greater pedestrian activity, help increase business patronage and overall interest in the area, and off-set some of the losses resulting from the spacing minimums required to reduce the spread of COVID-19; and

WHEREAS, temporary parklets are public spaces located in the public right-of-way that provide increased outdoor dining capacity; and

WHEREAS, temporary private property outdoor dining and retail activities will also provide additional seating or retail display space for local restaurants, bars, and retail businesses; and

WHEREAS, to be successful, parklets and private property outdoor dining and retail must adequately address infrastructure and parking impacts, be tied to a specific location, be safe for the public to use, be easily maintained by the permittee, be for a limited and certain term, and be capable of easy and fast installation and removal; and

WHEREAS, Oregon City Municipal Code ("OCMC") Section 12.04.120 identifies requirements for temporary obstructions in the right-of-way; OCMC Section 12.04.130 sets forth the requirements for sidewalk sales; and OCMC Titles 15.28, 16, and 17 include planning standards such as minimum and maximum off-street parking requirements; and

WHEREAS, the City Commission approved Resolution 20-22 temporarily allowing these uses from July 16, 2020 to November 30, 2020, and again from March 15, 2021, to November 30, 2021, with a fee of $25 per year after March 14. Resolution 20-30 allowed the business that submitted a permit by November 30 to continue the use from December 1, 2020, to March 14, 2021, without additional review. Resolution 21-15 updated the standards for parklets and private property restaurants and retail from March 17, 2021, to November 30, 2021; and

WHEREAS, this Resolution will continue to waive the engineering and planning fees that otherwise would apply to a request to expand or alter a business into the right-of-way or private parking lot as approved in Resolution 20-22 and Resolution 20-30, except that they shall be subject to a fee of $25 per business for each application type; and

WHEREAS, this Resolution will extend the pilot program an additional six months to May 31, 2022, as identified in Exhibit A; and

WHEREAS, after the facilities are initially permitted, additional review and permitting is required each year and any time that changes are proposed. Each review requires submittal of a separate application and associated fee.

NOW, THEREFORE, OREGON CITY RESOLVES AS FOLLOWS:

Section 1. The City adopts Exhibit A, the Oregon City COVID-19 Recovery Assistance Program (the "Program"), which authorizes parklets on a limited basis within the MUD zone extending along 7th Street between Singer Hill Road and Jackson Street, and the use of private parking lots on a limited basis throughout the City.

Section 2. All engineering and planning fees that otherwise would apply to a request to expand or alter a business into the right-of-way or private parking lot consistent with the Program terms shall be waived, and instead, shall be subject to a fee of $25 per business for each application type.

Section 3. All applicable engineering standards set forth in OCMC 12.04.120 and 12.04.130 for all temporary obstructions relating to restaurant, bar seating, and retail sales within the public right-of-way that otherwise complies with the Program shall be waived during the duration of the program.

Section 4. All applicable land use planning standards set forth in in OCMC Titles 15.28, 16, and 17 for development on private property necessary to accommodate temporary outdoor dining and retail that otherwise complies with the Program shall be waived during the duration of the program.

Section 5. Authorizations granted pursuant to this resolution are temporary and may occur only from December 1, 2021, to May 31, 2022.

Section 6. The City Commission shall review the program for continuance with respect to the public health concerns in effect at the time and the State mandates that are in effect at the time prior to May 31, 2022.

Section 7. This resolution shall take effect immediately upon its adoption by the City Commission.

Approved and adopted at a regular meeting of the City Commission held on the 1st day of December 2021.

RACHEL LYLES SMITH, Mayor

Attested to this 1st day of December 2021:

Jakob Wiley, Assistant City Recorder

Approved as to legal sufficiency:

City Attorney

Exhibit A: Oregon City COVID-19 Recovery Assistance Program December 1, 2021 – May 31, 2022

City of Oregon City
625 Center Street | PO Box 3040 | Oregon City OR 97045
Ph: (503) 657-0891 | Fax (503) 657-7892

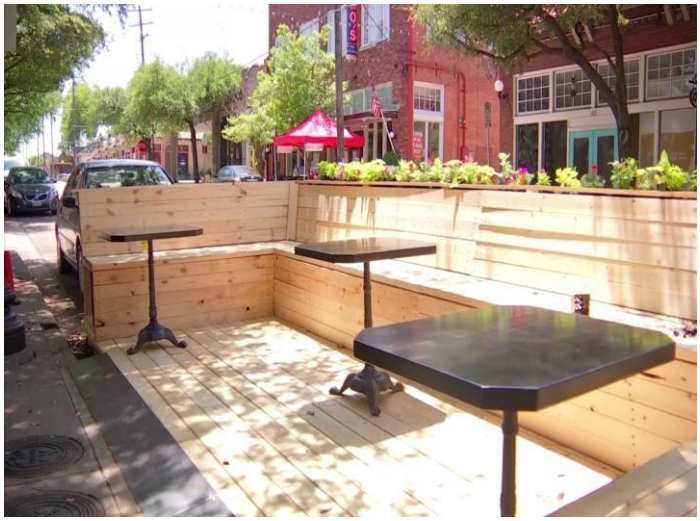
Oregon City COVID-19 Recovery Assistance Program: ~~March 17~~December 1, 2021 – May 31, ~~2021~~2022

Due to the COVID-19 pandemic, the City of Oregon City supports alternative ways to help increase patronage of local businesses effected by physical distancing requirements. This program includes temporarily allowing the following with restrictions:

- **Parklet Pilot Program:** Restaurants in certain locations downtown and along 7th Street to temporarily use adjacent on-street parking for outdoor temporary use as an extension of dining; and
- **Private Property Outdoor Dining and Retail Program:** Retail and Restaurants throughout the City to use up to half their parking lot or other locations on private property, such as decks or patios, for additional retail and/or dining.

~~Both programs are temporary from July 16, 2020 – November 30, 2020 (with an extension over the winter for those who had previously submitted an application) and again from March 15, 2021-November 30, 2021.~~ This guide applies to both programs from ~~March 17~~December 1, 2021 to May 31, 2022~~1~~.

Parklet Pilot Program



Restaurants in the Mixed Use Downtown District and along 7th Street (Singer Hill Road to Jackson Street) may construct a parklet in adjacent on-street parking areas to allow expanded outdoor dining.

These expanded seating areas called "parklets" will allow restaurants throughout the business community to temporarily increase seating capacity and safely serve more customers, while maintaining social distancing, by locating chairs

and tables along sidewalks, in on-street parking areas. See Exhibit 2 for conceptual drawings.

ELIGIBILITY OF BUSINESSES

Eating and drinking establishments within the Mixed Use Downtown (MUD) District and within a block of 7th Street (from Singer Hill Road to Jackson Street).

PARKLET LOCATIONS

The parklet program limits the number of allowed parklets per block as necessary to accommodate for ADA accessibility for pedestrians, protect accessible parking and no-parking areas such as loading zones. ADA parking spaces may be relocated temporarily if ADA standards can continue to be met.

1. Location

A parklet must be located within an existing on-street parking stall abutting or partially abutting the business utilizing the parklet. Only one parklet may utilize one parking stall; however, multiple parklets are allowed per business, per frontage if neighboring property owners and businesses approve of additional parklets. Businesses may work together to create a parklet using two or more on-street parking stalls if the businesses are adjacent to each other. In addition, any business may allow customers of other nearby business to utilize the parklet.

2. Approval

A parklet shall only be located in designated on-street parking areas that have been approved by the City of Oregon City after careful review and authorization via a Parklet Permit. The property owner, any additional building tenants, along with all other businesses located adjacent to and immediately abutting within the same block of the parklet must provide written consent supporting the request.

3. Posted Speed Limit

A parklet may be established along roadways where the posted speed limit is 25 mph or less.

4. Parking Zones

Parklets are prohibited in accessible parking spaces and the accessible aisle adjacent to the accessible spaces and no parking zones. See Exhibit 1 for locations that are prohibited from parklet use in downtown; areas marked in red. ADA parking spaces may be relocated temporarily if ADA standards can continue to be met.

TERM OF USE

Parklets are to be temporary in construction and ~~. They may be assembled March 15 through November 30. Permits will be for this period only, pending review and approval. This means parklets must not be installed before March 15, unless otherwise authorized, and~~ must be completely removed on or before May 31, 2022 ~~of each year~~.

GENERAL GUIDELINES

- Public parklets must be located adjacent to the applicant's business.
- If all accessibility and design requirements are met, installation of a parklet platform is not required, provided that existing pavement is not damaged or otherwise altered.
- Design for easy removal. The parklet will sit on top of the existing street surface. Because parklets may sit on top of critical infrastructure and utilities such as gas lines, sewer and water mains, etc., they need to be designed for easy removal in case of an emergency.
- No additional signage is allowed within or on the parklet other than those required by law.
- Maintenance and litter removal are the responsibility of the applicant/owner. Failure to maintain the parklet may result in the revocation of the permit.
- No audio systems or other sound amplification devices are permitted for incorporation in the design of any parklet and shall not be used on any parklet.
- No smoking or vaping is permitted within a parklet at any time.
- ADA Guidelines must be met at all times.
- If applicable, the applicant is responsible for obtaining separate Oregon Liquor Control Commission (OLCC) permits.
- If applicable, the applicant is responsible for following food safety guidelines as well as Center for Disease Control (CDC) guidelines regulated by the Oregon Health Authority.
- If applicable, the applicant is responsible for following fire safety guidelines as regulated by Clackamas Fire District #1.
- Permits are required annually to retain or add seating as a parklet, on a sidewalk, or in a private parking lot.

MAINTENANCE OF THE PARKLET

The parklet will be owned and maintained by the applicant. The applicant is responsible for all costs associated with the design development, construction, installation, maintenance, and removal of the parklet. Approval of an application obligates the applicant to keep the parklet free of debris, grime, and graffiti, and to keep all plants in good health.

The permit requires that the facility is swept daily and debris is removed from under (if applicable) and around the parklet a minimum of once a week. A maintenance plan and agreement are required to ensure
compliance.

PARKLET DESIGN STANDARDS

The following design standards ensure that all parklets are safe, accessible, attractive, and functional.

1. <u>BASE AND DECKING</u>

If proposed, parklet decking must be designed such that the parklet has a vertical lip of no more than ¼-inch as it connects to the curb and may not have more than a ½ inch gap from the curb. The cross slope from the curb to the street must not exceed 2%. This means that most parklets will likely have an elevated base decking. The submitted design must demonstrate that the deck is compliant with ADA accessibility requirements including at least one ADA-compliant access point for each parking space used.

The parklet platform may not be attached to or damage the street and must be easily assembled and disassembled. Any damage to the street is the responsibility of the applicant.

The parklet platform must be designed to allow for curbline stormwater drainage and include a minimum twelve (12") inch gutter bar. The parklet platform must be designed to not allow debris to collect underneath the deck.

2. <u>PARKLET FOOTPRINT</u>

A buffer is required in the locations in which the parklet abuts adjacent on-street parking stalls. For parallel parking there must be a twenty-four (24") inch setback on either end of the parklet, adjacent to parallel parking, and to the roadway. Wheel stops may be used but are not required.

For diagonal and perpendicular spaces, the edge of the parklet must be set back eighteen (18") inches from the adjacent parking space on either side. This setback space must be included within the parklet space, and not be taken from the adjacent space.

For multiple businesses adjacent to each other or businesses that received approval from the City and neighboring properties to install multiple parklets, adjoining stalls are allowed without a buffer.

3. BUFFER

Parklet design must include a physical continuous physical barrier along the street able to withstand impact while maintaining clear visual sightlines to the street.

To protect a parklet located on a parallel parking space from parking maneuvers, substantial planters, weighted bollards, or other structures that can withstand light vehicular impact, must be installed on either end of the parklet and at the street edge. Cones or Type II barricades are not acceptable. Parklets occupying diagonal parking spaces are not required to have such substantial edge materials, except for the side and corners at the street edge. Additional traffic safety items may be added to the final design by City staff.

Barriers and fencing may not extend into the street side setback zone or bolted into the street. If portable fencing is used, each section must be connected together. If cable is used for the barrier, spacing between cables cannot exceed 6-inches.

A reflective delineator post must be placed at the outer corners of the parking space/parklet, 6-inches from the wheel stops. Delineator posts must be 36-inches tall, cylindrical, white, flexible, and must include reflective striping.

4. VERTICAL ELEMENTS

Vertical elements, such as planters and umbrellas over tabletops, should be included so that the facility is visible to vehicles. Umbrellas or sails cannot be placed within 20 feet of a stop sign and must be contained within the parklet.

Applicants with overhead canopies, sails, or similar must demonstrate that the structures have the ability to withstand wind loads equal to the standards which apply on private property. Covers comprised of more substantial materials such as wood or metal are not allowed.

Applicants proposing a cover must demonstrate that visual obstruction to adjacent businesses, both to storefronts and identifying signage, is minimized.

5. MATERIALS

The use of high quality, durable materials capable of withstanding prolonged use is required. Examples include wood and metal. Pallets, construction fencing, or chain link are not allowed.

Surface materials: loose particles, such as sand or loose stone, are not permitted on the parklet. A non-slip surface is required.

6. SEATING

Everyone should be able to travel adjacent sidewalks and enjoy parklets. Furniture must be able to accommodate a minimum of one accessible space per parklet. To accommodate for

social distancing measures currently in place, tables, including their seating, and circulation areas must be a minimum of 6 feet from one another.

7. LIGHTING

Lighting that extends across the sidewalk must be a minimum of 8 feet above the sidewalk. Any single lighting source more than 40 watts shall be shielded.

8. HEATING APPLIANCES

Portable outdoor gas-fired heating appliances (such as propane heaters) shall be approved by Clackamas Fire District #1.

9. SIDEWALK DIVERSIONS

In place of a parklet, a business may choose to install a sidewalk diversion which must meet ADA guidelines, by made of durable materials, using slip resistant materials, and be protected similarly with substantial planters, weighted bollards, or other structures that can withstand light vehicular impact.

Barriers and fencing may not extend into the street side setback zone or bolted into the street. If portable fencing is used, each section must be connected together. If cable is used for the barrier, spacing between cables cannot exceed 6-inches.

A reflective delineator post must be placed at the outer corners of the parking space/sidewalk diversion, 6-inches from the wheel stops. Delineator posts must be 36-inches tall, cylindrical, white, flexible, and must include reflective striping.

Example of a sidewalk diversion

APPLICATION

An application for a Parklet Permit is required and must be approved before installation of the parklet. Once the parklet is constructed, an inspection is required to verify compliance with the approved application. Applications will be accepted on a rolling basis. A parklet applicant must comply with the applicable standards and agree to the terms of the Indemnity and Release Agreement required as part of the application including Liability Insurance covering Permittee's activity described in the Release.

PARKLET PERMIT FEE

During the ~~initial~~ pilot program year of December 1, 2021 to May 31, 2022, a $25 parklet fee will be required per year for each application type (parklet or private parking lot seating)~~, but the sidewalk fee will be waived~~. Parklets and Sidewalk Seating shall follow Renewable Right of Way Permit fees set by Resolution in the Engineering Fee Schedule effective at the time of application unless those fees have been waived by the City Commission.

LIABILITY INSURANCE

A parklet applicant must maintain general liability insurance in the amount no less than $2 million per occurrence/$4 million aggregate throughout the term of the parklet permit, in accordance with the Indemnity and Release Agreement obligations and City of Oregon City standards.

SITE PLAN

A design document is required at the time of application submittal. A complete set of proposal drawings is required in order to be considered for approval. This site plan/design

will help staff understand how your parklet would fit within the street. The site plan does not need to be drawn by a design professional, it can be a done by hand or computer, and

shows the exact location of the parklet, the area around the parklet, the proposed layout and dimensions, and where parklet amenities (e.g., seating and landscape features) would be placed. Staff will determine if your selected site is appropriate for a parklet and how the parklet would integrate into the neighborhood context.

EXHIBIT 1

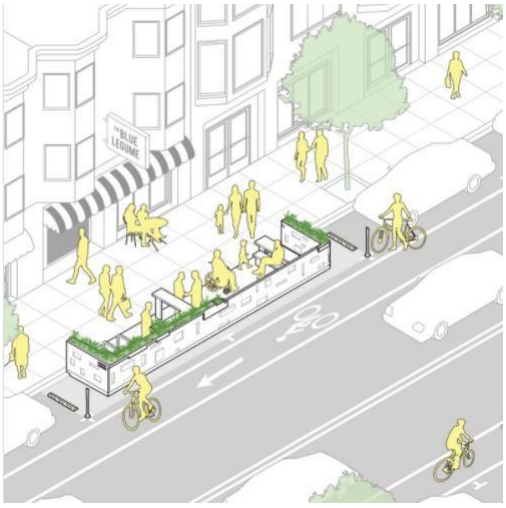
Main Street from 6th Street to Hwy 99E

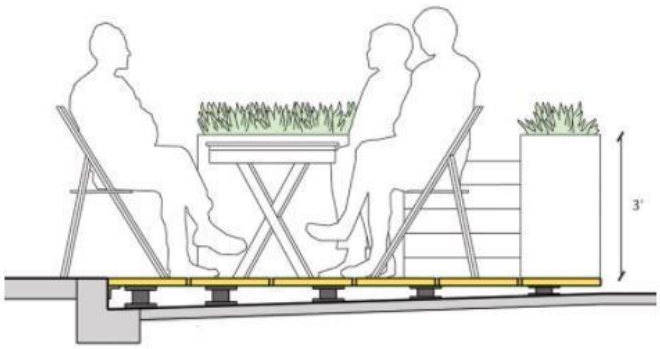
Main Street from 6th Street to 8t Street

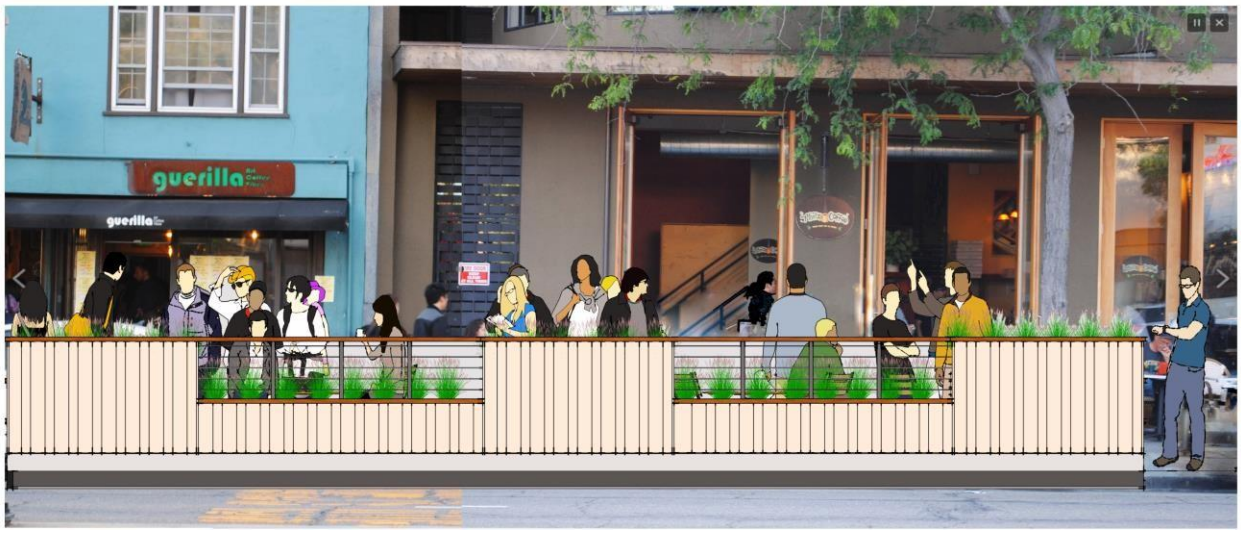
Main Street from 8th Street to 10th Street

Main Street from 10th Street to 11th Street

EXHIBIT 2 – Possible Options







Private Property Outdoor Dining and Retail Program

The following temporary program is designed to support local restaurants/bars and retail subject to COVID-19 minimum spacing requirements. The purpose of the program is to temporarily allow the use of up to half of a private parking lot or other areas on private property, such as patios or decks, for outdoor seating or retail use. Simply placing furniture on an existing patio or deck is not subject to compliance with this program, however, tents or other shade structures placed on a patio or deck require compliance with this program unless approved through a Site Plan and Design Review.

This program is temporary. Outdoor dining and retail areas constructed in compliance with these provisions must be completely removed on or before May 31, 2022~~may be assembled from July 16, 2020 – November 30, 2020 and again from March 15, 2021-November 30, 2021. Temporary facilities that submitted a permit by November 30, 2020 were allowed to continue use, from December 1, 2020 to March 14, 2021~~. The minimum parking requirements as well as other applicable land use standards are suspended and replaced with the requirements within this policy.

DESIGN STANDARDS

1. <u>SIZE</u>

Up to 50% of the parking spaces in a parking lot on the same property as a restaurant/bar or retail business may be converted to outdoor dining/retail space. Within shopping centers, where a lot serves more than one business, the 50% limit applies to the shopping center parking lot as a whole.

2. <u>DESIGN</u>

a. To protect the outdoor dining or retail area from parking maneuvers, substantial planters, weighted bollards, or other structures that can withstand light vehicular impact must be installed between vehicular areas and the expanded outdoor space. Cones or Type II barricades are not acceptable. A physical barrier is not required for outdoor seating/retail areas which are separated from parking lots or auto travel lanes by a raised curb, bollards, landscaping, or other continuous existing physical barrier.
b. Minimum required landscaping shall not be removed.
c. Required pedestrian walkways shall be maintained.

d. An unlimited number of temporary tents, umbrellas, or and other shade structures are allowed within the expanded outdoor area with documentation demonstrating they are secured to the ground or otherwise protected from movement. The structures may be any size.
e. No use of the ADA stall(s) or adjacent striping is allowed.
f. No change to the vehicular ingress/egress of the site is allowed.
g. The following minimum clearance must be maintained within the parking lot:
   8 feet above sidewalks/pedestrian accessways
   No cords, structures, sails, coverings, or similar may cover or extend across a space for vehicle maneuvering or parking.
h. Any single lighting source more than 40 watts shall be shielded. Excessive lighting may be deemed a nuisance.
i. If seating is provided, a minimum of one accessible (ADA) seat shall be provided per parklet.

3. <u>MATERIALS</u>

a. The outdoor dining area shall be designed for easy removal.
b. No installation of gravel, sand, or other surface materials is allowed.
c. No chain link, pallets, or construction fencing is allowed.

4. <u>OTHER STANDARDS</u>

a. Approval from the property owner is required.
b. Approval from the Building Department and Clackamas County Fire District #1 is required.
c. Applications must be submitted to the Planning Division.
d. A fee of $25 each year will be charged for participation in this program.

5. PERMIT SUBMITTAL REQUIREMENTS

An application for the Private Property Outdoor Dining and Retail Program is required and must be approved before installation. Once construction is complete, an inspection is required to verify compliance with the approved application

✓ Application Form
✓ Site Plan drawing or sketch including:
   - Footprint of the proposed outdoor dining/retail area
   - Building footprints and entrances
   - Existing parking stalls
   - Existing driveways
   - Proposed vehicle circulation diagram
   - Location of barricades around outdoor dining/retail area

If an owner wishes to continue use of the outdoor dining or retail area after the closure of this program, the owner shall be responsible for obtaining proper approvals as well as compliance with all applicable standards in the Oregon City Municipal Code.

City of Oregon City
625 Center Street | PO Box 3040 | Oregon City OR 97045
Ph: (503) 657-0891 | Fax (503) 657-7892

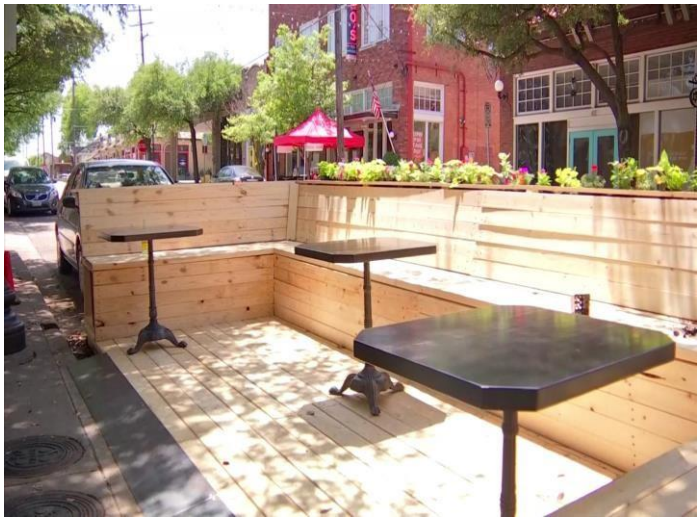
Oregon City COVID-19 Recovery Assistance Program: December 1, 2021 – May 31, 2022

Due to the COVID-19 pandemic, the City of Oregon City supports alternative ways to help increase patronage of local businesses effected by physical distancing requirements. This program includes temporarily allowing the following with restrictions:

- **Parklet Pilot Program:** Restaurants in certain locations downtown and along 7th Street to temporarily use adjacent on-street parking for outdoor temporary use as an extension of dining; and
- **Private Property Outdoor Dining and Retail Program:** Retail and Restaurants throughout the City to use up to half their parking lot or other locations on private property, such as decks or patios, for additional retail and/or dining.

This guide applies to both programs from December 1, 2021 to May 31, 2022.

Parklet Pilot Program



Restaurants in the Mixed Use Downtown District and along 7th Street (Singer Hill Road to Jackson Street) may construct a parklet in adjacent on-street parking areas to allow expanded outdoor dining.

These expanded seating areas called "parklets" will allow restaurants throughout the business community to temporarily increase seating capacity and safely serve more customers, while maintaining social distancing, by locating chairs and tables along sidewalks, in on-street parking areas. See Exhibit 2 for conceptual drawings.

ELIGIBILITY OF BUSINESSES

Eating and drinking establishments within the Mixed Use Downtown (MUD) District and within a block of 7th Street (from Singer Hill Road to Jackson Street).

PARKLET LOCATIONS

The parklet program limits the number of allowed parklets per block as necessary to accommodate for ADA accessibility for pedestrians, protect accessible parking and no-parking areas such as loading zones. ADA parking spaces may be relocated temporarily if ADA standards can continue to be met.

1. Location

A parklet must be located within an existing on-street parking stall abutting or partially abutting the business utilizing the parklet. Only one parklet may utilize one parking stall; however, multiple parklets are allowed per business, per frontage if neighboring property owners and businesses approve of additional parklets. Businesses may work together to create a parklet using two or more on-street parking stalls if the businesses are adjacent to each other. In addition, any business may allow customers of other nearby business to utilize the parklet.

2. Approval

A parklet shall only be located in designated on-street parking areas that have been approved by the City of Oregon City after careful review and authorization via a Parklet Permit. The property owner, any additional building tenants, along with all other businesses located adjacent to and immediately abutting within the same block of the parklet must provide written consent supporting the request.

3. Posted Speed Limit

A parklet may be established along roadways where the posted speed limit is 25 mph or less.

4. Parking Zones

Parklets are prohibited in accessible parking spaces and the accessible aisle adjacent to the accessible spaces and no parking zones. See Exhibit 1 for locations that are prohibited from parklet use in downtown; areas marked in red. ADA parking spaces may be relocated temporarily if ADA standards can continue to be met.

TERM OF USE

Parklets are to be temporary in construction and must be completely removed on or before May 31, 2022.

GENERAL GUIDELINES

- Public parklets must be located adjacent to the applicant's business.
- If all accessibility and design requirements are met, installation of a parklet platform is not required, provided that existing pavement is not damaged or otherwise altered.
- Design for easy removal. The parklet will sit on top of the existing street surface. Because parklets may sit on top of critical infrastructure and utilities such as gas lines, sewer and water mains, etc., they need to be designed for easy removal in case of an emergency.
- No additional signage is allowed within or on the parklet other than those required by law.
- Maintenance and litter removal are the responsibility of the applicant/owner. Failure to maintain the parklet may result in the revocation of the permit.
- No audio systems or other sound amplification devices are permitted for incorporation in the design of any parklet and shall not be used on any parklet.
- No smoking or vaping is permitted within a parklet at any time.
- ADA Guidelines must be met at all times.
- If applicable, the applicant is responsible for obtaining separate Oregon Liquor Control Commission (OLCC) permits.
- If applicable, the applicant is responsible for following food safety guidelines as well as Center for Disease Control (CDC) guidelines regulated by the Oregon Health Authority.
- If applicable, the applicant is responsible for following fire safety guidelines as regulated by Clackamas Fire District #1.
- Permits are required annually to retain or add seating as a parklet, on a sidewalk, or in a private parking lot.

MAINTENANCE OF THE PARKLET

The parklet will be owned and maintained by the applicant. The applicant is responsible for all costs associated with the design development, construction, installation, maintenance, and removal of the parklet. Approval of an application obligates the applicant to keep the parklet free of debris, grime, and graffiti, and to keep all plants in good health.
The permit requires that the facility is swept daily and debris is removed from under (if applicable) and around the parklet a minimum of once a week. A maintenance plan and agreement are required to ensure
compliance.

PARKLET DESIGN STANDARDS

The following design standards ensure that all parklets are safe, accessible, attractive, and functional.

1. BASE AND DECKING

If proposed, parklet decking must be designed such that the parklet has a vertical lip of no more than ¼-inch as it connects to the curb and may not have more than a ½ inch gap from the curb. The cross slope from the curb to the street must not exceed 2%. This means that most parklets will likely have an elevated base decking. The submitted design must demonstrate that the deck is compliant with ADA accessibility requirements including at least one ADA-compliant access point for each parking space used.

The parklet platform may not be attached to or damage the street and must be easily assembled and disassembled. Any damage to the street is the responsibility of the applicant.

The parklet platform must be designed to allow for curbline stormwater drainage and include a minimum twelve (12") inch gutter bar. The parklet platform must be designed to not allow debris to collect underneath the deck.

2. PARKLET FOOTPRINT

A buffer is required in the locations in which the parklet abuts adjacent on-street parking stalls. For parallel parking there must be a twenty-four (24") inch setback on either end of the parklet, adjacent to parallel parking, and to the roadway. Wheel stops may be used but are not required.

For diagonal and perpendicular spaces, the edge of the parklet must be set back eighteen (18") inches from the adjacent parking space on either side. This setback space must be included within the parklet space, and not be taken from the adjacent space.

For multiple businesses adjacent to each other or businesses that received approval from the City and neighboring properties to install multiple parklets, adjoining stalls are allowed without a buffer.

3. BUFFER

Parklet design must include a physical continuous physical barrier along the street able to withstand impact while maintaining clear visual sightlines to the street.

To protect a parklet located on a parallel parking space from parking maneuvers, substantial planters, weighted bollards, or other structures that can withstand light vehicular impact, must be installed on either end of the parklet and at the street edge. Cones or Type II barricades are not acceptable. Parklets occupying diagonal parking spaces are not required to have such substantial edge materials, except for the side and corners at the street edge. Additional traffic safety items may be added to the final design by City staff.

Barriers and fencing may not extend into the street side setback zone or bolted into the street. If portable fencing is used, each section must be connected together. If cable is used for the barrier, spacing between cables cannot exceed 6-inches.

A reflective delineator post must be placed at the outer corners of the parking space/parklet, 6-inches from the wheel stops. Delineator posts must be 36-inches tall, cylindrical, white, flexible, and must include reflective striping.

4. VERTICAL ELEMENTS

Vertical elements, such as planters and umbrellas over tabletops, should be included so that the facility is visible to vehicles. Umbrellas or sails cannot be placed within 20 feet of a stop sign and must be contained within the parklet.

Applicants with overhead canopies, sails, or similar must demonstrate that the structures have the ability to withstand wind loads equal to the standards which apply on private property. Covers comprised of more substantial materials such as wood or metal are not allowed.

Applicants proposing a cover must demonstrate that visual obstruction to adjacent businesses, both to storefronts and identifying signage, is minimized.

5. MATERIALS

The use of high quality, durable materials capable of withstanding prolonged use is required. Examples include wood and metal. Pallets, construction fencing, or chain link are not allowed.

Surface materials: loose particles, such as sand or loose stone, are not permitted on the parklet. A non-slip surface is required.

6. SEATING

Everyone should be able to travel adjacent sidewalks and enjoy parklets. Furniture must be able to accommodate a minimum of one accessible space per parklet. To accommodate for social distancing measures currently in place, tables, including their seating, and circulation areas must be a minimum of 6 feet from one another.

7. LIGHTING

Lighting that extends across the sidewalk must be a minimum of 8 feet above the sidewalk. Any single lighting source more than 40 watts shall be shielded.

8. HEATING APPLIANCES

Portable outdoor gas-fired heating appliances (such as propane heaters) shall be approved by Clackamas Fire District #1.

9. SIDEWALK DIVERSIONS

In place of a parklet, a business may choose to install a sidewalk diversion which must meet ADA guidelines, by made of durable materials, using slip resistant materials, and be protected similarly with substantial planters, weighted bollards, or other structures that can withstand light vehicular impact.

Barriers and fencing may not extend into the street side setback zone or bolted into the street. If portable fencing is used, each section must be connected together. If cable is used for the barrier, spacing between cables cannot exceed 6-inches.

A reflective delineator post must be placed at the outer corners of the parking space/sidewalk diversion, 6-inches from the wheel stops. Delineator posts must be 36-inches tall, cylindrical, white, flexible, and must include reflective striping.

Example of a sidewalk diversion

APPLICATION

An application for a Parklet Permit is required and must be approved before installation of the parklet. Once the parklet is constructed, an inspection is required to verify compliance with the approved application. Applications will be accepted on a rolling basis. A parklet applicant must comply with the applicable standards and agree to the terms of the Indemnity and Release Agreement required as part of the application including Liability Insurance covering Permittee's activity described in the Release.

PARKLET PERMIT FEE

During the pilot program year of December 1, 2021 to May 31, 2022, a $25 parklet fee will be required per year for each application type (parklet or private parking lot seating). Parklets and Sidewalk Seating shall follow Renewable Right of Way Permit fees set by Resolution in the Engineering Fee Schedule effective at the time of application unless those fees have been waived by the City Commission.

LIABILITY INSURANCE

A parklet applicant must maintain general liability insurance in the amount no less than $2 million per occurrence/$4 million aggregate throughout the term of the parklet permit, in accordance with the Indemnity and Release Agreement obligations and City of Oregon City standards.

SITE PLAN

A design document is required at the time of application submittal. A complete set of proposal drawings is required in order to be considered for approval. This site plan/design will help staff understand how your parklet would fit within the street. The site plan does not need to be drawn by a design professional, it can be a done by hand or computer, and

shows the exact location of the parklet, the area around the parklet, the proposed layout and dimensions, and where parklet amenities (e.g., seating and landscape features) would be placed. Staff will determine if your selected site is appropriate for a parklet and how the parklet would integrate into the neighborhood context.

EXHIBIT 1

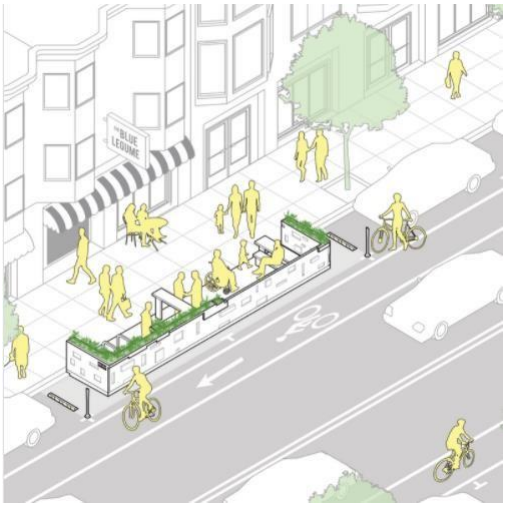
Main Street from 6th Street to Hwy 99E

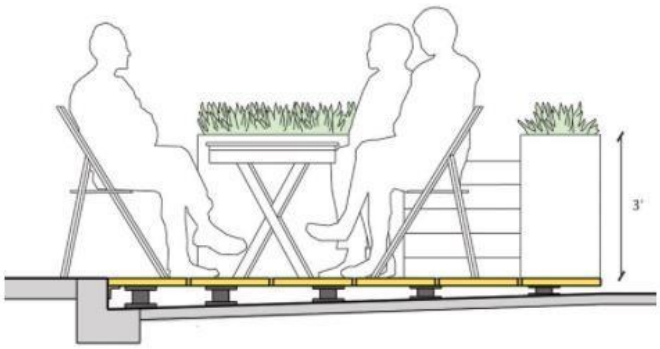
Main Street from 6th Street to 8t Street

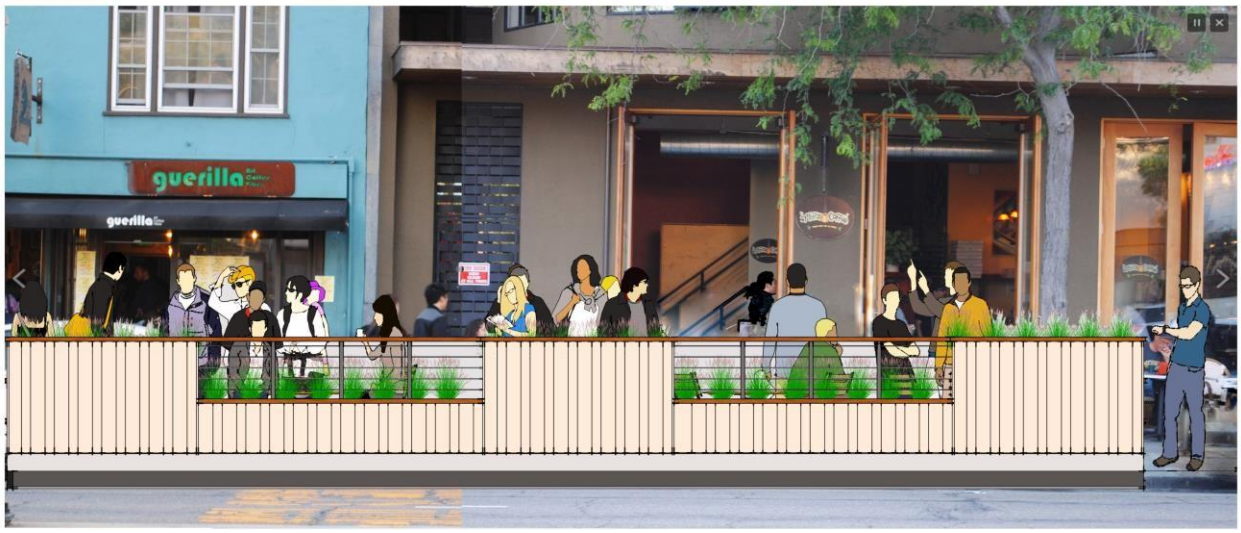
Main Street from 8th Street to 10th Street

Main Street from 10th Street to 11th Street

EXHIBIT 2 – Possible Options







Private Property Outdoor Dining and Retail Program

The following temporary program is designed to support local restaurants/bars and retail subject to COVID-19 minimum spacing requirements. The purpose of the program is to temporarily allow the use of up to half of a private parking lot or other areas on private property, such as patios or decks, for outdoor seating or retail use. Simply placing furniture on an existing patio or deck is not subject to compliance with this program, however, tents or other shade structures placed on a patio or deck require compliance with this program unless approved through a Site Plan and Design Review.

This program is temporary. Outdoor dining and retail areas constructed in compliance with these provisions must be completely removed on or before May 31, 2022. The minimum parking requirements as well as other applicable land use standards are suspended and replaced with the requirements within this policy.

DESIGN STANDARDS

1. <u>SIZE</u>

Up to 50% of the parking spaces in a parking lot on the same property as a restaurant/bar or retail business may be converted to outdoor dining/retail space. Within shopping centers, where a lot serves more than one business, the 50% limit applies to the shopping center parking lot as a whole.

2. <u>DESIGN</u>

a. To protect the outdoor dining or retail area from parking maneuvers, substantial planters, weighted bollards, or other structures that can withstand light vehicular impact must be installed between vehicular areas and the expanded outdoor space. Cones or Type II barricades are not acceptable. A physical barrier is not required for outdoor seating/retail areas which are separated from parking lots or auto travel lanes by a raised curb, bollards, landscaping, or other continuous existing physical barrier.
b. Minimum required landscaping shall not be removed.
c. Required pedestrian walkways shall be maintained.
d. An unlimited number of temporary tents, umbrellas, or and other shade structures are allowed within the expanded outdoor area with documentation

demonstrating they are secured to the ground or otherwise protected from movement. The structures may be any size.

e. No use of the ADA stall(s) or adjacent striping is allowed.
f. No change to the vehicular ingress/egress of the site is allowed.
g. The following minimum clearance must be maintained within the parking lot:
   8 feet above sidewalks/pedestrian accessways
   No cords, structures, sails, coverings, or similar may cover or extend across a space for vehicle maneuvering or parking.
h. Any single lighting source more than 40 watts shall be shielded. Excessive lighting may be deemed a nuisance.
i. If seating is provided, a minimum of one accessible (ADA) seat shall be provided per parklet.

3. <u>MATERIALS</u>

a. The outdoor dining area shall be designed for easy removal.
b. No installation of gravel, sand, or other surface materials is allowed.
c. No chain link, pallets, or construction fencing is allowed.

4. <u>OTHER STANDARDS</u>

a. Approval from the property owner is required.
b. Approval from the Building Department and Clackamas County Fire District #1 is required.
c. Applications must be submitted to the Planning Division.
d. A fee of $25 each year will be charged for participation in this program.

5. PERMIT SUBMITTAL REQUIREMENTS

An application for the Private Property Outdoor Dining and Retail Program is required and must be approved before installation. Once construction is complete, an inspection is required to verify compliance with the approved application

✓ Application Form
✓ Site Plan drawing or sketch including:
   - Footprint of the proposed outdoor dining/retail area
   - Building footprints and entrances
   - Existing parking stalls
   - Existing driveways
   - Proposed vehicle circulation diagram
   - Location of barricades around outdoor dining/retail area

If an owner wishes to continue use of the outdoor dining or retail area after the closure of this program, the owner shall be responsible for obtaining proper approvals as well as compliance with all applicable standards in the Oregon City Municipal Code.

RESOLUTION NO. 21-15

A RESOLUTION TO ALLOW TEMPORARY PARKLETS IN THE RIGHT-OF-WAY AND TEMPORARY PRIVATE PROPERTY OUTDOOR DINING AND RETAIL

WHEREAS, the State of Oregon has placed restrictions on the use of commercial spaces due to the pandemic known as COVID-19; and

WHEREAS, providing an opportunity for businesses to expand their operations outdoors, either in the public right-of-way or private property, will generate greater pedestrian activity, help increase business patronage and overall interest in the area, and off-set some of the losses resulting from the spacing minimums required to reduce the spread of COVID-19; and

WHEREAS, temporary parklets are public spaces located in the public right-of-way that provide increased outdoor dining capacity; and

WHEREAS, temporary private property outdoor dining and retail activities will also provide additional seating or retail display space for local restaurants, bars, and retail businesses; and

WHEREAS, to be successful, parklets and private property outdoor dining and retail must adequately address infrastructure and parking impacts, be tied to a specific location, be safe for the public to use, be easily maintained by the permittee, be for a limited and certain term, and be capable of easy and fast installation and removal; and

WHEREAS, Oregon City Municipal Code ("OCMC") Section 12.04.120 identifies requirements for temporary obstructions in the right-of-way, OCMC Section 12.04.130 sets forth the requirements for sidewalk sales and OCMC Titles 15.28, 16 and 17 includes planning standards such as minimum and maximum off-street parking requirements; and

WHEREAS, the City Commission approved Resolution 20-22 temporary allowing these uses from July 16, 2020 to November 30, 2020 and again from March 15, 2021 to November 30, 2021 with a fee of $25 per year after March 14th. Resolution 20-30 allowed the business that submitted a permit by November 30th, to continue the use from December 1, 2020 to March 14, 2021 without additional review; and

WHEREAS, this Resolution will update the standards for parklets and private property restaurants and retail from March 17, 2021 to November 30, 2021 year as identified in Exhibit A; and

WHEREAS, after the facilities are initially permitted, additional review is required for the March 15, 2021-November 30, 2021 year as well as any time changes are proposed. Each review requires submittal of a separate application and associated fee.

NOW, THEREFORE, OREGON CITY RESOLVES AS FOLLOWS:

Section 1. The City hereby allows Exhibit A, The Oregon City COVID-19 Recovery Assistance Program (the "Program"), which authorizes parklets on a limited basis within the Mixed-Use Downtown (MUD) zone extending along 7th Street between Singer Hill Road and Jackson Street and the use of private parking lots on a limited basis throughout the City.

Section 2. All engineering and planning fees that otherwise would apply to a request to expand or alter a business into the right-of-way or private parking lot consistent with the Program terms shall be waived and instead, shall be subject to a fee of $25 per business for each application type.

Section 3. All applicable engineering standards set forth in OCMC 12.04.120 and 12.04.130 for all temporary obstructions relating to restaurant, bar seating and retail sales within the public right-of-way that otherwise complies with the Program shall be waived for the period of March 17, 2021 to November 30, 2021.

Section 4. All applicable land use planning standards set forth in in OCMC Titles 15.28, 16 and 17 for development on private property necessary to accommodate temporary outdoor dining and retail in private parking lots that otherwise complies with the Program shall be waived for the period of March 17, 2021 to November 30, 2021.

Section 5. Authorizations granted pursuant to this resolution are temporary and may occur only from March 17, 2021 to November 30, 2021.

Section 6. This resolution shall take effect immediately upon its adoption by the City Commission.

Approved and adopted at a regular meeting of the City Commission held on the 17th day of March 2021.

Rocky Smith Jr.

ROCKY SMITH, Commission President

Attested to this 17th day of March 2021:

Kattie Riggs

Kattie Riggs, City Recorder

Approved as to legal sufficiency:

Carrie

City Attorney

Attachments:
Exhibit A - Oregon City COVID-19 Recovery Assistance Program March 17, 2021 – November 30, 2021

City of Oregon City
625 Center Street | PO Box 3040 | Oregon City OR 97045
Ph: (503) 657-0891 | Fax (503) 657-7892

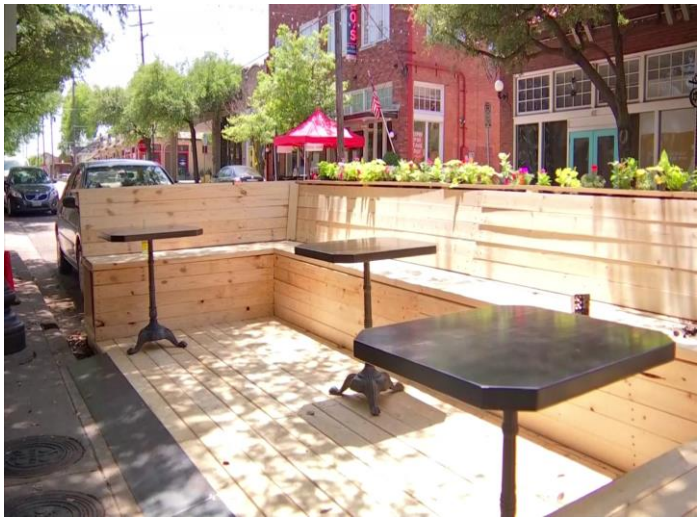
Oregon City COVID-19 Recovery Assistance Program: March 17, 2021 – November 30, 2021

Due to the COVID-19 pandemic, the City of Oregon City supports alternative ways to help increase patronage of local businesses effected by physical distancing requirements. This program includes temporarily allowing the following with restrictions:

- **Parklet Pilot Program:** Restaurants in certain locations downtown and along 7th Street to temporarily use adjacent on-street parking for outdoor temporary use as an extension of dining; and
- **Private Property Outdoor Dining and Retail Program:** Retail and Restaurants throughout the City to use up to half their parking lot or other locations on private property, such as decks or patios, for additional retail and/or dining.

Both programs are temporary from July 16, 2020 – November 30, 2020 (with an extension over the winter for those who had previously submitted an application) and again from March 15, 2021-November 30, 2021. This guide applies to both programs from March 17, 2021 to November 30, 2021.

Parklet Pilot Program



Restaurants in the Mixed Use Downtown District and along 7th Street (Singer Hill Road to Jackson Street) may construct a parklet in adjacent on-street parking areas to allow expanded outdoor dining.

These expanded seating areas called "parklets" will allow restaurants throughout the business community to temporarily increase seating capacity and safely serve more customers, while maintaining social distancing, by locating chairs and tables along sidewalks, in on-street parking areas. See Exhibit 2 for conceptual drawings.

ELIGIBILITY OF BUSINESSES

Eating and drinking establishments within the Mixed Use Downtown (MUD) District and within a block of 7th Street (from Singer Hill Road to Jackson Street).

PARKLET LOCATIONS

The parklet program limits the number of allowed parklets per block as necessary to accommodate for ADA accessibility for pedestrians, protect accessible parking and no-parking areas such as loading zones. ADA parking spaces may be relocated temporarily if ADA standards can continue to be met.

1. Location

A parklet must be located within an existing on-street parking stall abutting or partially abutting the business utilizing the parklet. Only one parklet may utilize one parking stall; however, multiple parklets are allowed per business, per frontage if neighboring property owners and businesses approve of additional parklets. Businesses may work together to create a parklet using two or more on-street parking stalls if the businesses are adjacent to each other. In addition, any business may allow customers of other nearby business to utilize the parklet.

2. Approval

A parklet shall only be located in designated on-street parking areas that have been approved by the City of Oregon City after careful review and authorization via a Parklet Permit. The property owner, any additional building tenants, along with all other businesses located adjacent to and immediately abutting within the same block of the parklet must provide written consent supporting the request.

3. Posted Speed Limit

A parklet may be established along roadways where the posted speed limit is 25 mph or less.

4. Parking Zones

Parklets are prohibited in accessible parking spaces and the accessible aisle adjacent to the accessible spaces and no parking zones. See Exhibit 1 for locations that are prohibited from parklet use in downtown; areas marked in red. ADA parking spaces may be relocated temporarily if ADA standards can continue to be met.

TERM OF USE

Parklets are to be temporary in construction. They may be assembled March 15 through November 30. Permits will be for this period only, pending review and approval. This means parklets must not be installed before March 15, unless otherwise authorized, and must be completely removed on or before November 30 of each year.

GENERAL GUIDELINES

- Public parklets must be located adjacent to the applicant's business.
- If all accessibility and design requirements are met, installation of a parklet platform is not required, provided that existing pavement is not damaged or otherwise altered.
- Design for easy removal. The parklet will sit on top of the existing street surface. Because parklets may sit on top of critical infrastructure and utilities such as gas lines, sewer and water mains, etc., they need to be designed for easy removal in case of an emergency.
- No additional signage is allowed within or on the parklet other than those required by law.
- Maintenance and litter removal are the responsibility of the applicant/owner. Failure to maintain the parklet may result in the revocation of the permit.
- No audio systems or other sound amplification devices are permitted for incorporation in the design of any parklet and shall not be used on any parklet.
- No smoking or vaping is permitted within a parklet at any time.
- ADA Guidelines must be met at all times.
- If applicable, the applicant is responsible for obtaining separate Oregon Liquor Control Commission (OLCC) permits.
- If applicable, the applicant is responsible for following food safety guidelines as well as Center for Disease Control (CDC) guidelines regulated by the Oregon Health Authority.
- If applicable, the applicant is responsible for following fire safety guidelines as regulated by Clackamas Fire District #1.

MAINTENACE OF THE PARKLET

The parklet will be owned and maintained by the applicant. The applicant is responsible for all costs associated with the design development, construction, installation, maintenance, and removal of the parklet. Approval of an application obligates the applicant to keep the parklet free of debris, grime, and graffiti, and to keep all plants in good health.
The permit requires that the facility is swept daily and debris is removed from under (if applicable) and around the parklet a minimum of once a week. A maintenance plan and agreement are required to ensure
compliance.

PARKLET DESIGN STANDARDS

The following design standards ensure that all parklets are safe, accessible, attractive, and functional.

1. BASE AND DECKING

If proposed, parklet decking must be designed such that the parklet has a vertical lip of no more than ¼-inch as it connects to the curb and may not have more than a ½ inch gap from the curb. The cross slope from the curb to the street must not exceed 2%. This means that most parklets will likely have an elevated base decking. The submitted design must demonstrate that the deck is compliant with ADA accessibility requirements including at least one ADA-compliant access point for each parking space used.

The parklet platform may not be attached to or damage the street and must be easily assembled and disassembled. Any damage to the street is the responsibility of the applicant.

The parklet platform must be designed to allow for curbline stormwater drainage and include a minimum twelve (12") inch gutter bar. The parklet platform must be designed to not allow debris to collect underneath the deck.

2. PARKLET FOOTPRINT

A buffer is required in the locations in which the parklet abuts adjacent on-street parking stalls. For parallel parking there must be a twenty-four (24") inch setback on either end of the parklet, adjacent to parallel parking, and to the roadway. Wheel stops may be used but are not required.

For diagonal and perpendicular spaces, the edge of the parklet must be set back eighteen (18") inches from the adjacent parking space on either side. This setback space must be included within the parklet space, and not be taken from the adjacent space.

For multiple businesses adjacent to each other or businesses that received approval from the City and neighboring properties to install multiple parklets, adjoining stalls are allowed without a buffer.

3. BUFFER

Parklet design must include a physical continuous physical barrier along the street able to withstand impact while maintaining clear visual sightlines to the street.

To protect a parklet located on a parallel parking space from parking maneuvers, substantial planters, weighted bollards, or other structures that can withstand light

vehicular impact, must be installed on either end of the parklet and at the street edge. Cones or Type II barricades are not acceptable. Parklets occupying diagonal parking spaces are not required to have such substantial edge materials, except for the side and corners at the street edge. Additional traffic safety items may be added to the final design by City staff.

Barriers and fencing may not extend into the street side setback zone or bolted into the street. If portable fencing is used, each section must be connected together. If cable is used for the barrier, spacing between cables cannot exceed 6-inches.

A reflective delineator post must be placed at the outer corners of the parking space/parklet, 6-inches from the wheel stops. Delineator posts must be 36-inches tall, cylindrical, white, flexible, and must include reflective striping.

4. VERTICAL ELEMENTS

Vertical elements, such as planters and umbrellas over tabletops, should be included so that the facility is visible to vehicles. Umbrellas or sails cannot be placed within 20 feet of a stop sign and must be contained within the parklet.

Applicants with overhead canopies, sails, or similar must demonstrate that the structures have the ability to withstand wind loads equal to the standards which apply on private property. Covers comprised of more substantial materials such as wood or metal are not allowed.

Applicants proposing a cover must demonstrate that visual obstruction to adjacent businesses, both to storefronts and identifying signage, is minimized.

5. MATERIALS

The use of high quality, durable materials capable of withstanding prolonged use is required. Examples include wood and metal. Pallets, construction fencing, or chain link are not allowed.

Surface materials: loose particles, such as sand or loose stone, are not permitted on the parklet. A non-slip surface is required.

6. SEATING

Everyone should be able to travel adjacent sidewalks and enjoy parklets. Furniture must be able to accommodate a minimum of one accessible space per parklet. To accommodate for social distancing measures currently in place, tables, including their seating, and circulation areas must be a minimum of 6 feet from one another.

7. LIGHTING

Lighting that extends across the sidewalk must be a minimum of 8 feet above the sidewalk. Any single lighting source more than 40 watts shall be shielded.

8. HEATING APPLIANCES

Portable outdoor gas-fired heating appliances (such as propane heaters) shall be approved by Clackamas Fire District #1.

9. SIDEWALK DIVERSIONS

In place of a parklet, a business may choose to install a sidewalk diversion which must meet ADA guidelines, by made of durable materials, using slip resistant materials, and be protected similarly with substantial planters, weighted bollards, or other structures that can withstand light vehicular impact.

Barriers and fencing may not extend into the street side setback zone or bolted into the street. If portable fencing is used, each section must be connected together. If cable is used for the barrier, spacing between cables cannot exceed 6-inches.

A reflective delineator post must be placed at the outer corners of the parking space/sidewalk diversion, 6-inches from the wheel stops. Delineator posts must be 36-inches tall, cylindrical, white, flexible, and must include reflective striping.

Example of a sidewalk diversion

APPLICATION

An application for a Parklet Permit is required and must be approved before installation of the parklet. Once the parklet is constructed, an inspection is required to verify compliance with the approved application. Applications will be accepted on a rolling basis. A parklet applicant must comply with the applicable standards and agree to the terms of the Indemnity and Release Agreement required as part of the application including Liability Insurance covering Permittee's activity described in the Release.

PARKLET PERMIT FEE

During the initial pilot program, a $25 parklet fee will be required per year, but the sidewalk fee will be waived.

LIABILITY INSURANCE

A parklet applicant must maintain general liability insurance in the amount no less than $2 million per occurrence/$4 million aggregate throughout the term of the parklet permit, in accordance with the Indemnity and Release Agreement obligations and City of Oregon City standards.

SITE PLAN

A design document is required at the time of application submittal. A complete set of proposal drawings is required in order to be considered for approval. This site plan/design will help staff understand how your parklet would fit within the street. The site plan does not need to be drawn by a design professional, it can be a done by hand or computer, and shows the exact location of the parklet, the area around the parklet, the proposed layout and dimensions, and where parklet amenities (e.g., seating and landscape features) would be placed. Staff will determine if your selected site is appropriate for a parklet and how the parklet would integrate into the neighborhood context.

EXHIBIT 1

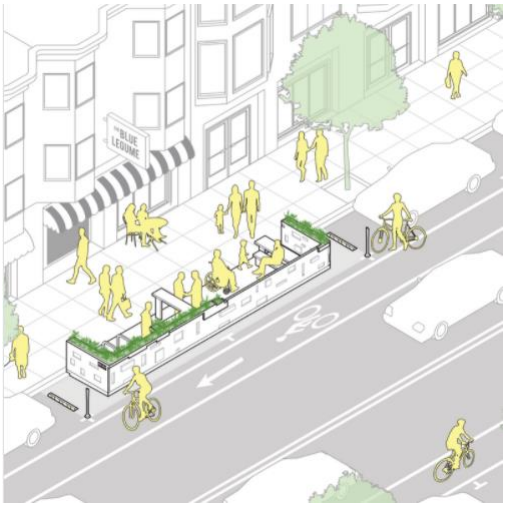
Main Street from 6th Street to Hwy 99E

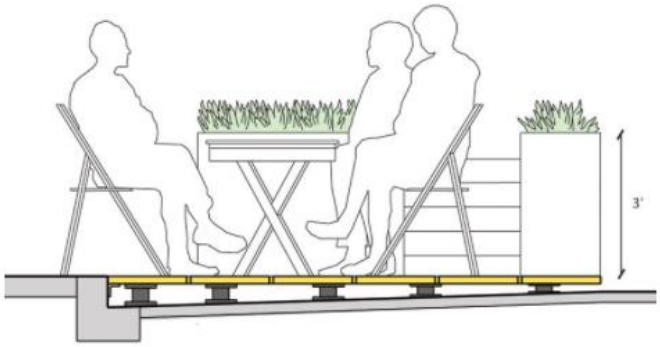
Main Street from 6th Street to 8t Street

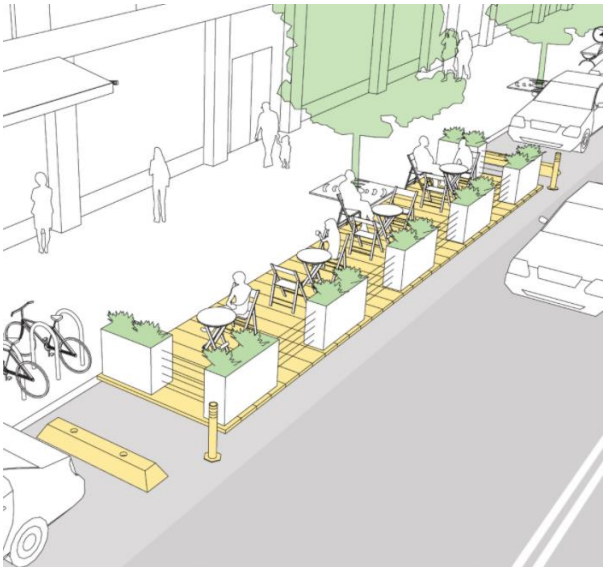
Main Street from 8th Street to 10th Street

Main Street from 10th Street to 11th Street

EXHIBIT 2 – Possible Options







Private Property Outdoor Dining and Retail Program

The following temporary program is designed to support local restaurants/bars and retail subject to COVID-19 minimum spacing requirements. The purpose of the program is to temporarily allow the use of up to half of a private parking lot or other areas on private property, such as patios or decks, for outdoor seating or retail use. Simply placing furniture on an existing patio or deck is not subject to compliance with this program, however, tents or other shade structures placed on a patio or deck require compliance with this program unless approved through a Site Plan and Design Review.

This program is temporary. Outdoor dining and retail areas constructed in compliance with these provisions may be assembled from July 16, 2020 – November 30, 2020 and again from March 15, 2021-November 30, 2021. Temporary facilities that submitted a permit by November 30, 2020 were allowed to continue use, from December 1, 2020 to March 14, 2021. The minimum parking requirements as well as other applicable land use standards are suspended and replaced with the requirements within this policy.

DESIGN STANDARDS

1. <u>SIZE</u>

Up to 50% of the parking spaces in a parking lot on the same property as a restaurant/bar or retail business may be converted to outdoor dining/retail space. Within shopping centers, where a lot serves more than one business, the 50% limit applies to the shopping center parking lot as a whole.

2. <u>DESIGN</u>

a. To protect the outdoor dining or retail area from parking maneuvers, substantial planters, weighted bollards, or other structures that can withstand light vehicular impact must be installed between vehicular areas and the expanded outdoor space. Cones or Type II barricades are not acceptable. A physical barrier is not required for outdoor seating/retail areas which are separated from parking lots or auto travel lanes by a raised curb, bollards, landscaping, or other continuous existing physical barrier.
b. Minimum required landscaping shall not be removed.
c. Required pedestrian walkways shall be maintained.

d. An unlimited number of temporary tents, umbrellas, or and other shade structures are allowed within the expanded outdoor area with documentation demonstrating they are secured to the ground or otherwise protected from movement. The structures may be any size.
e. No use of the ADA stall(s) or adjacent striping is allowed.
f. No change to the vehicular ingress/egress of the site is allowed.
g. The following minimum clearance must be maintained within the parking lot:
   8 feet above sidewalks/pedestrian accessways
   No cords, structures, sails, coverings, or similar may cover or extend across a space for vehicle maneuvering or parking.
h. Any single lighting source more than 40 watts shall be shielded. Excessive lighting may be deemed a nuisance.
i. If seating is provided, a minimum of one accessible (ADA) seat shall be provided per parklet.

3. MATERIALS

a. The outdoor dining area shall be designed for easy removal.
b. No installation of gravel, sand, or other surface materials is allowed.
c. No chain link, pallets, or construction fencing is allowed.

4. OTHER STANDARDS

a. Approval from the property owner is required.
b. Approval from the Building Department and Clackamas County Fire District #1 is required.
c. Applications must be submitted to the Planning Division.
d. A fee of $25 each year will be charged for participation in this program.

5. PERMIT SUBMITTAL REQUIREMENTS

An application for the Private Property Outdoor Dining and Retail Program is required and must be approved before installation. Once construction is complete, an inspection is required to verify compliance with the approved application

- ✓ Application Form
- ✓ Site Plan drawing or sketch including:
  - Footprint of the proposed outdoor dining/retail area
  - Building footprints and entrances
  - Existing parking stalls
  - Existing driveways
  - Proposed vehicle circulation diagram
  - Location of barricades around outdoor dining/retail area

If an owner wishes to continue use of the outdoor dining or retail area after the closure of this program, the owner shall be responsible for obtaining proper approvals as well as compliance with all applicable standards in the Oregon City Municipal Code.

CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: City Commission **Agenda Date:** 12/01/2021

From: Assistant City Recorder Jakob Wiley

SUBJECT:

Resolution No. 21-52, Certifying the Election Results for the November 2, 2021 Special Election

STAFF RECOMMENDATION:

Staff recommends the City Commission approve Resolution No. 21-52, Certifying the Election Results for the November 2, 2021 Special Election and accept the Canvass of Votes for ballot measures 3-576 and 3-578.

EXECUTIVE SUMMARY:

There was a General Election held on November 2, 2021. The certified results were received from Clackamas County – Elections Division on Monday, November 22, 2021. The Commission is now asked to certify those results and make them apart of their proceedings through this resolution.

BACKGROUND:

On Tuesday, November 2, 2021, Oregon City voters cast votes for ballot measures 3-576 and 3-578. The Oregon City Charter of 1982, Chapter 6, Elections, Section 27, Canvass of Returns, states in part the following:

"...The results of all elections shall be entered into the record of the proceedings of the Commission. The entry shall state the total number of votes cast at the election, the votes cast for each person and for and against each proposition..."

On the December 1, 2021 City Commission agenda is the Canvass of Votes as prepared by the Office of the Clackamas County Clerk - Elections Division and which is on file with the City Recorder. The Canvass shows the following outcome of votes for the ballot measures.

Ballot Measure 3-576, Authorize the City to Borrow Funds for Water System Improvements	
YES	**3,664**
NO	3,320
Ballot Measure 3-578, Authorizes Temporary Water Rate Increases Above 3% Annual Charter Limit	
YES	2,166
NO	**4,811**

OPTIONS:

1. Approve Resolution No. 21-52.
2. Deny Resolution No. 21-52 and provide staff direction.

RESOLUTION NO. 21-52

A RESOLUTION CERTIFYING THE RESULTS OF THE NOVEMBER 2, 2021 GENERAL ELECTION FOR THE CITY OF OREGON CITY

WHEREAS, Chapter VI, Section 27 of the Oregon City Charter requires election results to be made a matter of record in the proceedings of the City Commission; and

WHEREAS, the election results from the November 2, 2021 General Election have been certified by the Office of the Clackamas County Clerk Elections Division.

NOW, THEREFORE, OREGON CITY RESOLVES AS FOLLOWS:

Section 1. The certified election results attached incorporated herein as "Exhibit A" and are hereby made a part of the record of proceedings of the City Commission.

Section 2. This resolution is effective immediately upon adoption by the City Commission.

Approved and adopted at a regular meeting of the City Commission held on the 1st day of December 2021.

RACHEL LYLES SMITH,
Mayor

Attested to this 1st day of December 2021:

Jakob S. Wiley, Assistant City Recorder

Approved as to legal sufficiency:

City Attorney

Canvass Results Report

Official

Run Time 10:18 AM

Run Date 11/22/2021

Clackamas County

November 2,2021 Special Election

11/2/2021

Page 12

Official R

Registered Voters
42231 of 128278 = 32.92%

Precincts Reporting
43 of 43 = 100.00%

Measure 3-576 City of Oregon City: Authorizes the City to Borrow Funds for Water System Improvements

Precinct	Yes	No	Cast Votes	Undervotes	Overvotes	Miscellaneous Write-ins	Vote by Mail Ballots Cast	Total Ballots Cast	Registered Voters	Turnout Percentage
002	926	648	1,574	7	0	0	1,581	1,581	6,554	24.12%
003	1,163	1,047	2,210	13	0	0	2,223	2,223	8,396	26.48%
004	48	40	88	0	0	0	88	88	301	29.24%
005	399	331	730	3	0	0	733	733	3,192	22.96%
006	879	1,013	1,892	9	0	0	1,901	1,901	5,758	33.01%
007	246	232	478	0	0	0	478	478	2,054	23.27%
010	3	9	12	0	0	0	12	12	26	46.15%
Totals	**3,664**	**3,320**	**6,984**	**32**	**0**	**0**	**7,016**	**7,016**	**26,281**	**26.70%**

CERTIFIED COPY OF THE ORIGINAL
SHERRY HALL, COUNTY CLERK

BY: Sherry Hall

COUNTY OF CLACKAMAS STATE OF OREGON

Canvass Results Report

Official

Run Time 10:18 AM

Run Date 11/22/2021

Clackamas County

November 2,2021 Special Election

11/2/2021

Official R

Registered Voters
42231 of 128278 = 32.92%

Precincts Reporting
43 of 43 = 100.00%

Measure 3-578 City of Oregon City: Authorizes Temporary Water Rate Increases Above 3% Annual Charter Limit

Precinct	Yes	No	Cast Votes	Undervotes	Overvotes	Miscellaneous Write-ins	Vote by Mail Ballots Cast	Total Ballots Cast	Registered Voters	Turnout Percentage
002	583	991	1,574	7	0	0	1,581	1,581	6,554	24.12%
003	680	1,527	2,207	13	3	0	2,223	2,223	8,396	26.48%
004	31	55	86	2	0	0	88	88	301	29.24%
005	223	505	728	5	0	0	733	733	3,192	22.96%
006	493	1,402	1,895	6	0	0	1,901	1,901	5,758	33.01%
007	153	322	475	3	0	0	478	478	2,054	23.27%
010	3	9	12	0	0	0	12	12	26	46.15%
Totals	**2,166**	**4,811**	**6,977**	**36**	**3**	**0**	**7,016**	**7,016**	**26,281**	**26.70%**

CERTIFIED COPY OF THE ORIGINAL
SHERRY HALL, COUNTY CLERK

BY: Sherry Hall

COUNTY OF CLACKAMAS STATE OF OREGON

CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: City Commission **Agenda Date:** 12/01/2021

From: Public Works Director John M. Lewis, PE

SUBJECT:

Public Improvement Contract with Black Rock Underground, LLC for the Sanitary Sewer I/I Rehabilitation – Rivercrest Basin Project: Phase 1 (CI 20-010)

STAFF RECOMMENDATION:

Award the bid and authorize the City Manager to execute the Public Improvement Contract with Black Rock Underground, LLC in the amount of $787,000.00 for construction of the Sanitary Sewer I/I Rehabilitation – Rivercrest Basin Project: Phase 1 (CI 20-010).

EXECUTIVE SUMMARY:

The Sanitary Sewer I/I Rehabilitation – Rivercrest Basin Project: Phase 1 aims to reduce subsurface water entering the sanitary sewer collection system by way of rehabilitation or reconstruction of aging infrastructure.

BACKGROUND:

The City's 2014 Sanitary Sewer Master Plan calls for an Infiltration and Inflow (I/I) Abatement Program to reduce surface and subsurface water that is entering the sanitary sewer collection system. I/I is a problem because clean water is being conveyed to the wastewater treatment plant and the additional flow can raise rates unnecessarily to the customers. Infiltration typically occurs through holes, cracks, joint failures, and faulty connections in pipes or manholes because of age or disturbance.

The City has identified the Rivercrest Neighborhood as one of the areas where the sanitary system shows leakage and excessive flow resulting from I/I. This calls for a sanitary sewer rehabilitation project. The rehabilitation project is considered a pilot project to better confirm the effects of various elements of the project. Rehabilitation will include approximately 14,000 linear feet of mainline sewer pipes that range in size from 4-inch to 10-inch, 38 manholes, and approximately 214 sewer service laterals in City right-of-way. Trenchless methods such as pipe bursting and cured-in-place pipe (CIPP)

lining of the mainlines and laterals were taken into consideration during the design phase.

During design, the City decided to split the project into multiple phases based on methods of rehabilitation or replacement to achieve better bid results. The different methods of rehabilitation require specialty contractors to perform the work, therefore, the approach is to package the plans such that bids came from contractors appropriate for the work. Phase 1 of the project includes CIPP lining of the sewer mainlines, service laterals, installation of cleanouts, and three new manholes. Construction will occur only in City right-of-way or within public utility easements.

On October 22 and 25, 2021, the project was advertised in the *Daily Journal of Commerce* and the City bid site in accordance with City and State contracting procedures. The bid opening was held on November 18, 2021, and three (3) bids were received. Staff and Century West Engineering reviewed the bids and determined that Black Rock Underground, LLC was the low responsive bidder. The bid from Jesse Rodriguez Constriction was rejected since they used the original bid form, not the revised form provided in Addendum No. 1. The contract award value is seven hundred eighty-seven thousand dollars ($787,000.00).

The list below includes the bidders and bid amounts received for this project:

Black Rock Underground, LLC	$787,000.00
Jessie Rodriguez Construction	$806,322.00
Iron Horse, LLC	$932,800.00
Engineer’s Estimate	$790,225.00

The apparent low bidder was 0.4% lower than the engineer’s estimate.

OPTIONS:

1. Authorize the City Manager to execute the Contract.
2. Authorize the City Manager to execute the Contract with specific modifications.
3. Deny the Contract. If the Commission chooses to deny the Contract, staff requests direction on how to proceed.

BUDGET IMPACT:

Amount:	$787,000.00
FY(s):	2021-2022
Funding Source(s):	Sewer Fund

CENTURY WEST ENGINEERING

November 19, 2021

Bob Balgos
City of Oregon City
625 Center Street
Oregon City, Oregon 97045

Re: Sanitary Sewer I/I Rehabilitation - Rivercrest Basin Project: Phase 1
OC Project No. CI 20-010
Recommendation to Award

Dear Bob:

On November 18, 2021, three (3) bids were received to construct the above referenced project. The bids ranged from $787,000.00 to $932,800.00, with the Engineer's estimate of probable construction cost identified as $790,225.00.

The lowest responsive and responsible bid was submitted by Black Rock Underground of Beaverton, Oregon in the amount of $787,000.00.

After bid opening, it was discovered that Jesse Rodriguez Construction did acknowledge Addendum 1, issued on November 11, 2021, however, did not fill out the revised bid form that accompanied Addendum 1. Per Section 00120.30 of the Special Provisions, "The Agency will not be responsible for failure of Bidders to receive Addenda..... Bids may be rejected if opened and found by the Agency not to be based on Addenda issued before Bids were opened." For this reason, the bid received from Jessie Rodriguez Construction has been determined to be non-responsive and therefore rejected.

Based upon review of the bid submissions received and verification of the required bid documents, Century West Engineering recommends that the City award the contract to:

Black Rock Underground

Sincerely,

Rawley Voorhies, PE
Project Manager

5500 Meadows Road, Suite 250
Lake Oswego, OR 97035
503.419.2130 office
503.639.2710 fax

City of Oregon City
Sanitary Sewer I/I Rehabilitation - Rivercrest Basin Project: Phase 1
Bid Tabulation
Date: 11/18/21 2:00 PM

Apparent Low | Other Bidders | Non-Responsive

Item	Description	Units	Quantity	Engineers Estimate Unit Price	Engineers Estimate Extended	Black Rock Underground LLC Unit Price	Black Rock Underground LLC Extended	Iron Horse LLC Unit Price	Iron Horse LLC Extended	Jesse Rodriguez Construction Unit Price	Jesse Rodriguez Construction Extended	
1	Extra Work As Authorized	LS	1	$ 25,000.00	$ 25,000.00	$ 25,000.00	$ 25,000.00	$ 25,000.00	$ 25,000.00	$ 25,000.00	$ 25,000.00	
2	Mobilization	LS	1	$ 80,000.00	$ 80,000.00	$ 130,940.00	$ 130,940.00	$ 20,000.00	$ 20,000.00	$ 66,000.00	$ 66,000.00	
3	Temporary Work Zone Traffic Control and Pedestrian Control Complete	LS	1	$ 45,000.00	$ 45,000.00	$ 25,000.00	$ 25,000.00	$ 80,000.00	$ 80,000.00	$ 20,000.00	$ 20,000.00	
4	Erosion Control	LS	1	$ 6,000.00	$ 6,000.00	$ 20,000.00	$ 20,000.00	$ 2,800.00	$ 2,800.00	$ 10,000.00	$ 10,000.00	
5	Rock Excavation	CY	20	$ 250.00	$ 5,000.00	$ 70.00	$ 1,400.00	$ 150.00	$ 3,000.00	$ 150.00	$ 3,000.00	
6	Boulder Excavation	CY	20	$ 250.00	$ 5,000.00	$ 50.00	$ 1,000.00	$ 150.00	$ 3,000.00	$ 150.00	$ 3,000.00	
7	CIPP Liner, 6-Inch	LF	440	$ 40.00	$ 17,600.00	$ 65.00	$ 28,600.00	$ 80.00	$ 35,200.00	$ 75.00	$ 33,000.00	
8	CIPP Liner, 8-Inch	LF	5390	$ 40.00	$ 215,600.00	$ 42.00	$ 226,380.00	$ 52.00	$ 280,280.00	$ 43.00	$ 231,770.00	
9	CIPP Liner, 10-Inch	LF	670	$ 60.00	$ 40,200.00	$ 55.00	$ 36,850.00	$ 57.00	$ 38,190.00	$ 51.00	$ 34,170.00	
10	Reinstate Sewer Lateral	EA	100	$ 350.00	$ 35,000.00	$ 160.00	$ 16,000.00	$ 150.00	$ 15,000.00	$ 250.00	$ 25,000.00	
11	Lateral Connection Sealing	EA	32	$ 750.00	$ 24,000.00	$ 640.00	$ 20,480.00	$ 1,200.00	$ 38,400.00	$ 626.00	$ 20,032.00	
12	Sewer Lateral Replacement, 0 to 3 Feet	EA	32	$ 2,750.00	$ 88,000.00	$ 2,800.00	$ 89,600.00	$ 4,200.00	$ 134,400.00	$ 3,000.00	$ 96,000.00	
13	4-Inch Sewer Lateral, Each Additional Foot	LF	460	$ 55.00	$ 25,300.00	$ 115.00	$ 52,900.00	$ 82.00	$ 37,720.00	$ 75.00	$ 34,500.00	
14	6-Inch Sewer Lateral, Each Additional Foot	LF	180	$ 65.00	$ 11,700.00	$ 35.00	$ 6,300.00	$ 82.00	$ 14,760.00	$ 80.00	$ 14,400.00	
15	Mainline Video Inspection	LF	13000	$ 5.00	$ 65,000.00	$ 2.00	$ 26,000.00	$ 3.00	$ 39,000.00	$ 3.00	$ 39,000.00	
16	Video Inspection of Sewers, Laterals	EA	100	$ 150.00	$ 15,000.00	$ 200.00	$ 20,000.00	$ 240.00	$ 24,000.00	$ 275.00	$ 27,500.00	
17	CLSM Backfill	CY	20	$ 85.00	$ 1,700.00	$ 250.00	$ 5,000.00	$ 250.00	$ 5,000.00	$ 200.00	$ 4,000.00	
18	Cleanouts, Main Line	EA	6	$ 1,750.00	$ 10,500.00	$ 2,000.00	$ 12,000.00	$ 3,000.00	$ 18,000.00	$ 1,800.00	$ 10,800.00	
18a	Cleanouts, Service	EA	28	$ 1,750.00	$ 49,000.00	$ 600.00	$ 16,800.00	$ 2,100.00	$ 58,800.00	$ 1,800.00	$ 50,400.00	
19	Concrete Sanitary Sewer Manholes	EA	3	$ 5,000.00	$ 15,000.00	$ 7,500.00	$ 22,500.00	$ 13,000.00	$ 39,000.00	$ 12,500.00	$ 37,500.00	
20	Trench Resurfacing, Extra	SF	4250	$ 2.50	$ 10,625.00	$ 1.00	$ 4,250.00	$ 5.00	$ 21,250.00	$ 5.00	$ 21,250.00	
TOTAL (ITEMS 1 TO 20)					$ 790,225.00	-0.4%	$ 787,000.00	18.0%	$ 932,800.00	2.0%	$ 806,322.00	1

Note: 1. Jessie Rodriguez did not utilize the Addendum 1 bid form, issued November 11, 2021. As a result, no price was provided for Item 18a. The price provided for Item 18 has been extended to 18a to reflect the Total Base Bid of $806,322.00 that was submitted. Per Section 00120.30 of the Special Provisions, the bid has been rejected.

SANITARY SEWER I/I REHABILITATION - RIVERCREST BASIN PROJECT: PHASE 1

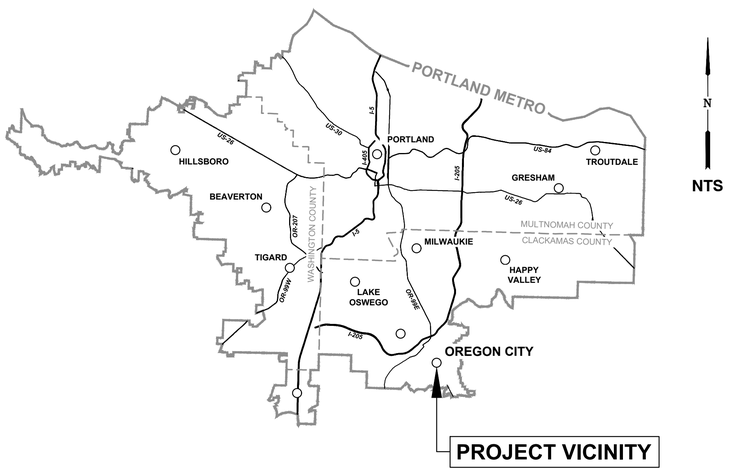
CITY OF OREGON CITY, OR

OC PROJECT #: CI 20-010

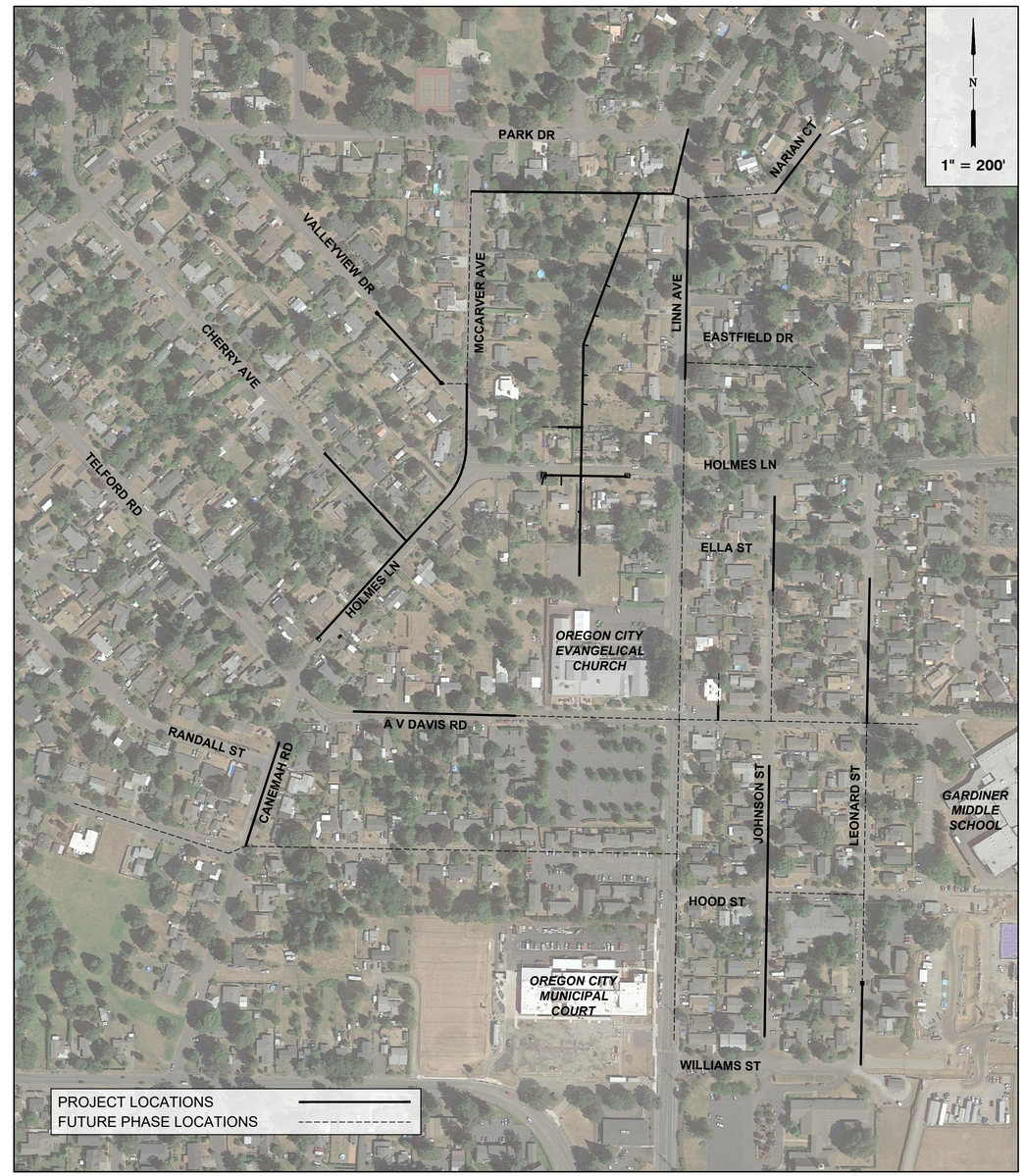
POTENTIAL UNDERGROUND FACILITY OWNERS "ONE CALL" UTILITY NOTIFICATION CENTER 1-800-332-2344 OR 811

CALL BEFORE YOU DIG

VICINITY MAP



LOCATION MAP



PROJECT CONTACTS

CITY OF OREGON CITY
BOB BALGOS, P.E.
625 CENTER STREET
OREGON CITY, OR 97045
T: 503-974-5518
E: bbalgos@orcity.org

CENTURY WEST ENGINEERING
RAWLEY VOORHIES, P.E.
5500 MEADOWS ROAD, #250
LAKE OSWEGO, OR 97035
T: 503-419-2130
E: rvoorhies@centurywest.com

UTILITY CONTACTS

BEAVER CREEK TELEPHONE/DIRECTLINK
ERIC KHELER
T: 503.266.8223
E: eric.kehler@cbsoregon.com

CENTURY LINK (LUMEN)
DAVID DODD
T: 503.242.8849
E: david.dodd@centurylink.com

COMCAST
BRENT CHRISTIANSEN
T: 503.347.0854
E: brent.christiansen@comcast.com

CLACKAMAS COUNTY TRAFFIC MAINTANENCE
JONATHAN MCDOWELL
T: 503.970.8989
E: jonathanmcd@co.clackamas.or.us

LIGHTSPEED NETWORKS
WINFRIED VOGT
T: 503.414.0475
E: wvogt@lsnetworks.net

OREGON CITY SANITARY AND STORM
ERIC HAND
T: 503.657.8241
E: ehand@oregoncity.com

OREGON CITY STREET SYSTEM
JAYSON THORNBERG
T: 503.657.8241
E:jthornberg@orcity.org

OREGON CITY WATER SYSTEM
KEVIN HANKS
T: 503.657.8241
E: khanks@orcity.org

NW NATURAL
RICH GIRARD
T: 503.226.4211 EXT. 2967
E: r2g@nwnatural.com

PORTLAND GENERAL ELECTRIC
ROSS CHICHOSZ
T: 503.669.3331
E: ross.cichosz@pgn.com

ZAYO GROUP
BRIAN DAVIDSON
T: 360.558.4215
E: brian.davidson@zayo.com

ATTENTION EXCAVATORS:

OREGON LAW REQUIRES THE CONTRACTOR TO FOLLOW RULES ADOPTED BY THE OREGON UTILITY NOTIFICATION CENTER. THOSE RULES ARE SET FORTH IN OAR 952-001-0010 THOUGH OAR 952-001-0090. THE CONTRACTOR MAY OBTAIN COPIES OF THESE RULES FROM THE CENTER BY CALLING (503) 232-1987 OR BY ACCESSING THE INTERNET AT www.state.or.us/government.htm. THE CONTRACTOR MUST NOTIFY THE CENTER AT LEAST 2 BUSINESS DAYS, BUT NOT MORE THAN 10 BUSINESS DAYS, BEFORE COMMENCING AN EXCAVATION. CALL (503) 246-6699.

Item 7c.

REGISTERED PROFESSIONAL ENGINEER 72543PE OREGON JAN. 8, 2008 RAWLEY D. VOORHIES
EXPIRES: 6/30/2022

CENTURY WEST ENGINEERING
PORTLAND OFFICE
5500 MEADOWS ROAD, SUITE 250
LAKE OSWEGO, OR 97035
503.419.2130 OFFICE
503.639.2710 FAX

DESIGNED BY : RDV
DRAWN BY : AJF

CITY OF OREGON CITY, OREGON
SANITARY SEWER I/I REHABILITATION
OC PROJECT #: CI 20-010
RIVERCREST BASIN - PHASE 1
COVER SHEET

REVISIONS

REV #	DATE	DESCRIPTION

OREGON CITY

CITY OF OREGON CITY
PUBLIC WORKS DEPARTMENT
APPROVAL FOR CONSTRUCTION
☐ APPROVED AS SUBMITTED

SIGNATURE
NAME:
DATE:
APPROVAL EXPIRES 6 MONTHS AFTER DATE ABOVE

PRINTED: 10/22/2021

OC RECORD DRAWING #:
XXXXXX.XX

DRAWING NUMBER:
G1.1

SHEET 1 OF

CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: City Commission **Agenda Date:** 12/01/2021

From: Public Works Director John M. Lewis, PE

SUBJECT:

Public Improvement Contract with Black Rock Underground LLC for the 4th and 6th Streets Utility Replacement Projects (CI 21-013)

STAFF RECOMMENDATION:

Award the bid and authorize the City Manager to execute the Public Improvement Contract with Black Rock Underground, LLC in the amount of $317,000.00 for construction of the 4th and 6th Streets Utility Replacement Projects (CI 21-013).

EXECUTIVE SUMMARY:

The 4th and 6th Street Utility Replacement Projects will replace the waterline, water services, and fire hydrants between High Street and Center Street and the storm system on 4th Street between High Street and Center Street.

BACKGROUND:

In 2019, the City contracted with RH2 to provide design and construction administration services for the High Street Water Storm System Improvements Project (CI 19-015). Due to water fund concerns, the project has been divided into three separate projects. This current project will complete the final project work designed in 2019. This project will replace the existing waterline, water services, and fire hydrants on 4th and 6th Streets between High Street and Center Street. In addition, the existing storm system on 4th Street between High Street and Center Street will be replaced.

On October 25 and 27, 2021, the project was advertised in the *Daily Journal of Commerce* and the City bid site in accordance with City and State contracting procedures. The bid opening was held on November 17, 2021, and eight (8) bids were received. Staff and RH2 Engineers reviewed the bids and determined that Black Rock Underground LLC was the low responsive bidder. The contract award value is three hundred seventeen thousand dollars ($317,000.00).

There was one non-responsive (NR) bid received from ICON Construction and Development. ICON failed to acknowledge the addendum that was issued and submitted their bid on the incorrect bid form.

The list below includes the bidders and bid amounts received for this project:

Black Rock Underground, LLC	$317,000.00
Lawson Corp	$319,995.00
Green Mountain Excavation, LLC	$321,961.00
Trench Line Excavation, Inc.	$323,839.00
M. L. Houck Construction Co.	$338,739.00
Nutter Corporation	$369,523.22
Jesse Rodriguez Construction, LLC	$381,452.00
ICON Construction and Development (NR)	$249,339.00
Engineer's Estimate	$336,500.00

OPTIONS:

1. Authorize the City Manager to execute the Contract.
2. Authorize the City Manager to execute the Contract with specific modifications.
3. Deny the Contract. If the Commission chooses to deny the Contract, staff requests direction on how to proceed.

BUDGET IMPACT:

Amount:	$317,000.00
FY(s):	2021
Funding Source(s):	Water Fund, Storm Fund, and PMUF

SECTION III A

CONTRACT AGREEMENT

This Agreement, made and entered into this _____ day of _____, 20___, between the CITY OF OREGON CITY ("CITY"), acting by and through the City Commission and **BLACK ROCK UNDERGROUND, LLC** ("CONTRACTOR").

Witnesseth, that the CONTRACTOR and the CITY, for the considerations stated herein, agree as follows:

ARTICLE I - Scope of Work

The CONTRACTOR hereby agrees to furnish all of the materials, equipment and labor necessary, and to perform all of the work for the project entitled: **4th Street and 6th Streets Utility Replacement (CI 21-013)** in accordance with the contract documents which are hereby made a part of this agreement.

The contract documents consist of:

Invitation to Bid Scope of Work Instructions to Bidders Bid Proposal and Bid Schedule Compliance with ORS 279C.840 Resident Bidder Status Certification of Drug Testing Program Non-Collusion Statement Asbestos Certification Registrations Certification of Non-Discrimination Certification of Compliance with Tax Law Bidder Responsibility Form Bid Bond First Tier Subcontractor Disclosure Form Customer Service Acknowledgment Form Contract Agreement Oregon City Public Improvement Standard Conditions	Statutory Conditions to Contract Agreement Performance Bond Payment Bond State of Oregon Statutory Public Works Bond General Conditions Prevailing Wage Rates for Public Works Contracts in Oregon, dated July 1, 2021 Prevailing Wage Apprenticeship Rates dated July 1, 2021 Prevailing Wage Rate Amendments, dated August 1, 2021 Definitions of Covered Occupations for Public Works Contracts in Oregon dated July 1, 2018 Special Provisions Contract Drawings City of Oregon City Standard Details Technical Specifications 2018 Oregon Standard Specifications for Construction (ODOT and APWA) as referenced by these documents Addenda: Addenda #1 posted 11/29/21 All items included within these Contract Documents.

The order of items cited above does not constitute an order of precedence different than that established in the special or standard specifications. Equivalent titles, which may be substituted for the above listed items, are included as if specifically named.

ARTICLE II - Time of Completion

The project shall be complete within **90 calendar days** from the Beginning of Contract Time as identified in 00180.50(c) of the Special Provisions.

ARTICLE III – Contract Amount

The Contract Amount for the work covered by this Agreement is estimated to be **three hundred seventeen thousand dollars and no cents ($317,000.00)**.

ARTICLE IV - Warranty and Quality of Work

In addition to all other warranties, express or implied, that are part of this Agreement, the Contractor expressly warrants to the City for a period of one year from acceptance of the work by the City that all materials and equipment furnished under this contract will be new, unless otherwise specified, and that the work will be of good quality, free from faults and defects and in conformance with the City's specifications. Work that does not conform to these standards shall be considered defective.

Contractor shall, at its own expense, make good and repair any and all defects arising from faulty workmanship or materials, if the defective work is discovered within the one-year warranty period and notice thereof is given to the Contractor within 60 days after the expiration of the warranty period. If required by the City, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment used to repair the defect.

In witness whereof, the parties hereto have executed this agreement, the day and year first above written.

CITY OF OREGON CITY

by: _____
Anthony J. Konkol III
City Manager

by: _____
John M. Lewis, P.E.
Public Works Director

Approved as to Legal Sufficiency:

by: _____
City Attorney

City Commission Award Date:

_____

BLACK ROCK UNDERGROUND, LLC

_____
Printed Name

by: _____
Authorized signature

_____
Title

_____
Federal Taxpayer ID Number

Address:

_____

_____

_____

RH2 ENGINEERING
Portland
5335 Meadows Road, Suite 420
Lake Oswego, OR 97035
1.800.720.8052 / rh2.com

November 18, 2021

Mr. John Burrell
Project Manager
City of Oregon City
625 Center Street
Oregon City, OR, 97045

Sent via: *Email*

Subject: **4th and 6th Streets Utility Replacement (CI 21-013) Recommendation for Award**

Dear Mr. Burrell:

The bids for the 4th and 6th Streets Utility Replacement project were opened as advertised on Wednesday, November 17, 2021, at 2:00 PM, at Oregon City's City Hall. Of the eight (8) bids received, ICON Construction and Development (ICON) submitted the low bid at $249,339, following by Black Rock Underground, LLC at $317,000. A summary of the bid totals is provided below:

1.	ICON Construction and Development	$249,339.00
2.	Black Rock Underground, LLC	$317,000.00
3.	Lawson Corp	$319,995.00
4.	Green Mountain Excavation, LLC	$321,961.00
5.	Trench Line Excavation, Inc.	$323,839.00
6.	M.L. Houck Construction Co.	$338,739.00
7.	Nutter Corporation	$369,523.22
8.	Jesse Rodriguez Construction, LLC	$381,452.00

After bid opening and reading, it was discovered that ICON did not acknowledge Addendum No. 1, issued on November 9th, 2021 and did not include their bid on the revised Bid Proposal and Bid Schedule as required in Addendum 1 and are subject to rejection as stated in Addendum 1. The bid received from ICON used an older form. Section 00120.30 of the Special Provisions allows for rejection of a bid as follows: "Bids may be rejected if opened and found by the Agency not to be based on Addenda issued before Bids were opened". For these reasons, the bid received from ICON has been determined to be non-responsive and therefore is rejected.

WASHINGTON LOCATIONS
Bellingham
Bothell (Corporate)
East Wenatchee
Issaquah
Richland
Tacoma

OREGON LOCATIONS
Medford
Portland

A detailed bid tabulation is attached for your reference. A review of the bids shows that Black Rock Underground's low responsive bid was approximately 5.8 percent lower than the engineer's estimate of $336,500.00. The second lowest responsive bid, from Lawson Corp, was approximately 4.9 percent lower than the engineer's estimate. The average of the responsive bids received was approximately $338,930.

Based on a review of the bid submissions received RH2 recommends that the City award the contract to Black Rock Underground, LLC.

If you have any questions or would like to discuss anything further regarding this recommendation or the bid results, please contact me at (503) 446-5949 or dnichols@rh2.com. Thank you for the opportunity to assist you with this project.

Sincerely,

David Nichols, P.E.
Project Manager
DCN/jrb
Enclosures or Attachments:

4th and 6th Streets Utility Replacement Bid Tabulation

City of Oregon City
4th and 6th Streets Utility Replacement
Bid Tabulation
Date: 11/17/21 2:00 PM

Apparent Low | Other Bidders | Non-Responsive Bidder

Item	Description	Units	Quantity	Engineers Estimate Unit Price	Engineers Estimate Extended	Black Rock Underground, LLC Unit Price	Black Rock Underground, LLC Extended	Lawson Corp Unit Price	Lawson Corp Extended	Green Mountain Excavation LLC Unit Price	Green Mountain Excavation LLC Extended	Trenchline Excavation, Inc. Unit Price	Trenchline Excavation, Inc. Extended	ML Houck Construction Co. Unit Price	ML Houck Construction Co. Extended	Nutter Corporation Unit Price	Nutter Corporation Extended	Jesse Rodriguez Construction, LLC Unit Price	Jesse Rodriguez Construction, LLC Extended	ICON Construction and Development Unit Price	ICON Construction and Development Extended
1	Mobilization	LS	1	$ 30,590.00	$ 30,600.00	$ 32,814.00	$ 32,814.00	$ 19,000.00	$ 19,000.00	$ 25,500.00	$ 25,500.00	$ 30,000.00	$ 30,000.00	$ 33,000.00	$ 33,000.00	$ 36,500.00	$ 36,500.00	$ 38,100.00	$ 38,100.00	$ 10,000.00	$ 10,000.00
2	Work Zone Traffic Control, Complete	LS	1	$ 15,000.00	$ 15,000.00	$ 10,000.00	$ 10,000.00	$ 8,000.00	$ 8,000.00	$ 20,000.00	$ 20,000.00	$ 4,000.00	$ 4,000.00	$ 14,075.00	$ 14,075.00	$ 32,000.00	$ 32,000.00	$ 22,350.00	$ 22,350.00	$ 6,000.00	$ 6,000.00
3	Erosion and Sediment Control	LS	1	$ 2,500.00	$ 2,500.00	$ 8,000.00	$ 8,000.00	$ 2,800.00	$ 2,800.00	$ 2,000.00	$ 2,000.00	$ 1,500.00	$ 1,500.00	$ 5,540.00	$ 5,540.00	$ 8,000.00	$ 8,000.00	$ 2,000.00	$ 2,000.00	$ 2,500.00	$ 2,500.00
4	Construction Survey Work	LS	1	$ 5,500.00	$ 5,500.00	$ 4,500.00	$ 4,500.00	$ 6,500.00	$ 6,500.00	$ 4,100.00	$ 4,100.00	$ 5,800.00	$ 5,800.00	$ 7,150.00	$ 7,150.00	$ 4,500.22	$ 4,500.22	$ 6,500.00	$ 6,500.00	$ 5,000.00	$ 5,000.00
5	Rock Excavation	CY	200	$ 100.00	$ 20,000.00	$ 65.00	$ 13,000.00	$ 150.00	$ 30,000.00	$ 135.00	$ 27,000.00	$ 100.00	$ 20,000.00	$ 150.00	$ 30,000.00	$ 120.00	$ 24,000.00	$ 235.00	$ 47,000.00	$ 150.00	$ 30,000.00
6	Boulder Excavation	CY	100	$ 80.00	$ 8,000.00	$ 55.00	$ 5,500.00	$ 75.00	$ 7,500.00	$ 75.00	$ 7,500.00	$ 75.00	$ 7,500.00	$ 101.00	$ 10,100.00	$ 80.00	$ 8,000.00	$ 150.00	$ 15,000.00	$ 100.00	$ 10,000.00
7	10" PVC Storm Pipe, Class B Backfill	LF	37	$ 115.00	$ 4,300.00	$ 90.00	$ 3,330.00	$ 117.00	$ 4,329.00	$ 95.00	$ 3,515.00	$ 138.00	$ 5,106.00	$ 116.00	$ 4,292.00	$ 122.00	$ 4,514.00	$ 122.00	$ 4,514.00	$ 100.00	$ 3,700.00
8	12" PVC Storm Pipe, Class B Backfill	LF	239	$ 125.00	$ 29,900.00	$ 100.00	$ 23,900.00	$ 79.00	$ 18,881.00	$ 120.00	$ 28,680.00	$ 120.00	$ 28,680.00	$ 106.00	$ 25,334.00	$ 119.00	$ 28,441.00	$ 129.00	$ 30,831.00	$ 105.00	$ 25,095.00
9	Concrete Manholes, 48" Diameter	EA	1	$ 6,000.00	$ 6,000.00	$ 3,000.00	$ 3,000.00	$ 5,150.00	$ 5,150.00	$ 5,500.00	$ 5,500.00	$ 7,000.00	$ 7,000.00	$ 5,035.00	$ 5,035.00	$ 5,600.00	$ 5,600.00	$ 7,125.00	$ 7,125.00	$ 5,500.00	$ 5,500.00
10	Catch Basins, Type G-2	EA	2	$ 4,100.00	$ 8,200.00	$ 1,500.00	$ 3,000.00	$ 4,300.00	$ 8,600.00	$ 2,700.00	$ 5,400.00	$ 2,200.00	$ 4,400.00	$ 3,130.00	$ 6,260.00	$ 2,000.00	$ 4,000.00	$ 3,325.00	$ 6,650.00	$ 3,400.00	$ 6,800.00
11	Connection to Existing Structures	EA	2	$ 2,000.00	$ 4,000.00	$ 3,900.00	$ 7,800.00	$ 1,000.00	$ 2,000.00	$ 1,500.00	$ 3,000.00	$ 5,000.00	$ 10,000.00	$ 1,350.00	$ 2,700.00	$ 2,500.00	$ 5,000.00	$ 500.00	$ 1,000.00	$ 2,200.00	$ 4,400.00
12	Abandon Existing Pipe	LF	438	$ 12.00	$ 5,300.00	$ 4.50	$ 1,971.00	$ 5.00	$ 2,190.00	$ 7.00	$ 3,066.00	$ 13.00	$ 5,694.00	$ 12.00	$ 5,256.00	$ 20.00	$ 8,760.00	$ 30.00	$ 13,140.00	$ 3.00	$ 1,314.00
13	Adjustment of Communication Structures	EA	3	$ 1,000.00	$ 3,000.00	$ 750.00	$ 2,250.00	$ 345.00	$ 1,035.00	$ 560.00	$ 1,680.00	$ 1,840.00	$ 5,520.00	$ 575.00	$ 1,725.00	$ 900.00	$ 2,700.00	$ 1,650.00	$ 4,950.00	*NO BID*	
14	Temporary Trench Resurfacing, 2-Inches Depth	SY	285	$ 30.00	$ 8,600.00	$ 95.00	$ 27,075.00	$ 42.00	$ 11,970.00	$ 22.00	$ 6,270.00	$ 35.00	$ 9,975.00	$ 17.00	$ 4,845.00	$ 13.00	$ 3,705.00	$ 35.00	$ 9,975.00	$ 40.00	$ 11,400.00
15	Level 2, 1/2-inch ACP Mixture	TON	473	$ 150.00	$ 71,000.00	$ 170.00	$ 80,410.00	$ 155.00	$ 73,315.00	$ 143.00	$ 67,639.00	$ 124.00	$ 58,652.00	$ 155.00	$ 73,315.00	$ 143.00	$ 67,639.00	$ 134.00	$ 63,382.00	*NO BID*	
16	Retrofit Concrete Sidewalk Ramps	EA	1	$ 8,000.00	$ 8,000.00	$ 3,900.00	$ 3,900.00	$ 7,150.00	$ 7,150.00	$ 5,800.00	$ 5,800.00	$ 11,200.00	$ 11,200.00	$ 7,375.00	$ 7,375.00	$ 5,500.00	$ 5,500.00	$ 8,540.00	$ 8,540.00	*NO BID*	
17	6" Potable Water Pipe, Fittings and Couplings with Restrained Joints and Class B Backfill	EA	393	$ 110.00	$ 43,300.00	$ 100.00	$ 39,300.00	$ 100.00	$ 39,300.00	$ 137.00	$ 53,841.00	$ 104.00	$ 40,872.00	$ 83.00	$ 32,619.00	$ 148.00	$ 58,164.00	$ 95.00	$ 37,335.00	$ 95.00	$ 37,335.00
18	Connection to Existing Main at 4th Street and High Street	EA	1	$ 4,300.00	$ 4,300.00	$ 5,000.00	$ 5,000.00	$ 6,500.00	$ 6,500.00	$ 3,200.00	$ 3,200.00	$ 6,400.00	$ 6,400.00	$ 5,664.00	$ 5,664.00	$ 3,600.00	$ 3,600.00	$ 3,650.00	$ 3,650.00	$ 3,800.00	$ 3,800.00
19	Connection to Existing Main at 4th Street and Center Street	EA	1	$ 7,000.00	$ 7,000.00	$ 2,500.00	$ 2,500.00	$ 6,750.00	$ 6,750.00	$ 3,200.00	$ 3,200.00	$ 6,800.00	$ 6,800.00	$ 9,141.00	$ 9,141.00	$ 7,000.00	$ 7,000.00	$ 8,255.00	$ 8,255.00	$ 7,600.00	$ 7,600.00
20	Connection to Existing Main at 6th Street and High Street	EA	1	$ 4,300.00	$ 4,300.00	$ 2,300.00	$ 2,300.00	$ 6,500.00	$ 6,500.00	$ 3,200.00	$ 3,200.00	$ 6,600.00	$ 6,600.00	$ 5,664.00	$ 5,664.00	$ 3,300.00	$ 3,300.00	$ 4,320.00	$ 4,320.00	$ 3,700.00	$ 3,700.00
21	Connection to Existing Main at 6th Street and Center Street	EA	1	$ 5,500.00	$ 5,500.00	$ 2,700.00	$ 2,700.00	$ 6,975.00	$ 6,975.00	$ 3,200.00	$ 3,200.00	$ 7,400.00	$ 7,400.00	$ 7,696.00	$ 7,696.00	$ 3,700.00	$ 3,700.00	$ 5,760.00	$ 5,760.00	$ 5,800.00	$ 5,800.00
22	Fire Hydrant Assembly, with 6-inch Gate Valve	EA	1	$ 5,200.00	$ 5,200.00	$ 5,800.00	$ 5,800.00	$ 6,250.00	$ 6,250.00	$ 6,000.00	$ 6,000.00	$ 6,300.00	$ 6,300.00	$ 5,975.00	$ 5,975.00	$ 7,100.00	$ 7,100.00	$ 7,235.00	$ 7,235.00	$ 7,100.00	$ 7,100.00
23	1" Water Service Replacement	EA	6	$ 3,000.00	$ 18,000.00	$ 2,250.00	$ 13,500.00	$ 2,300.00	$ 13,800.00	$ 1,720.00	$ 10,320.00	$ 3,200.00	$ 19,200.00	$ 2,218.00	$ 13,308.00	$ 3,100.00	$ 18,600.00	$ 2,455.00	$ 14,730.00	$ 2,100.00	$ 12,600.00
24	1" Service PRV Assembly	EA	6	$ 1,100.00	$ 6,600.00	$ 675.00	$ 4,050.00	$ 2,000.00	$ 12,000.00	$ 1,625.00	$ 9,750.00	$ 650.00	$ 3,900.00	$ 1,550.00	$ 9,300.00	$ 1,200.00	$ 7,200.00	$ 1,235.00	$ 7,410.00	$ 800.00	$ 4,800.00
25	1" Double Check Valve Assembly	EA	2	$ 1,200.00	$ 2,400.00	$ 700.00	$ 1,400.00	$ 1,750.00	$ 3,500.00	$ 1,300.00	$ 2,600.00	$ 670.00	$ 1,340.00	$ 1,685.00	$ 3,370.00	$ 1,000.00	$ 2,000.00	$ 850.00	$ 1,700.00	$ 1,200.00	$ 2,400.00
26	Extra Work as Authorized	LS	1	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00
TOTAL (ITEMS 1 TO 26)					$ 336,500.00	-5.8%	$ 317,000.00	-4.9%	$ 319,995.00	-4.3%	$ 321,961.00	-3.8%	$ 323,839.00	0.7%	$ 338,739.00	9.8%	$ 369,523.22	13.4%	$ 381,452.00	#VALUE!	*N/A*

CITY OF OREGON CITY

4th & 6th Streets Utility Replacement Project

Project Number CI 21-013

September 2021

CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: City Commission **Agenda Date:** 12/01/2021

From: Public Works Director John M. Lewis, PE

SUBJECT:

Amendment No. 1 to the Personal Services Agreement with Wallis Engineering for the 2021 Sanitary Sewer Rehabilitation – Washington Street and 99E Project (CI 21-004)

STAFF RECOMMENDATION:

Authorize the City Manager to execute Amendment No. 1 to the Personal Services Agreement with Wallis Engineering for the 2021 Sanitary Sewer Rehabilitation – Washington Street and 99E Project (CI 21-004) in the amount of $32,914.68.

EXECUTIVE SUMMARY:

Amendment No. 1 for modifications to the scope of work on the 2021 Sanitary Sewer Rehabilitation – Washington Street and 99E Project.

BACKGROUND:

On March 23, 2021, the City entered into a Personal Services Agreement with Wallis Engineering, in the amount of $48,103.87 for design and bidding services of the 2021 Sanitary Sewer Rehabilitation – Washington Street and 99E Project. The City has identified a number of sanitary sewer pipes within the system that require more maintenance than is typical, due largely to aging pipes and structural defects. Cured-in-place-pipe lining is the preferred method to rehabilitate the existing pipes where possible, but some point repairs are expected for structural failures. Many of the manholes connected to these pipe segments also require rehabilitation or replacement. The project area is located on Washington Street and two sections on Highway 99E that will require night work.

Design of the 2021 Sanitary Sewer Rehabilitation – Washington Street and 99E Project began in April 2021. As work progresses on the project, the following modifications have been identified and negotiated with the consultant.

Amendment No. 1, for a total of $32,914.68 includes the following:

- $12,195.24 for the additional design services to add the Latourette Street and Dimick Street sewers to the contract documents.
- $20,719.44 for topographic survey and monumentation for the Washington Street sewer project area and the 7th and 99E sewer project area.

Over the course of this project, the City has added a variety of work items, all of which provide value to the community. The original contract price was awarded at $48,103.87. The net increase of Amendment No. 1 is $32,914.68, resulting in a contract price with amendments equal to $81,018.55.

OPTIONS:

1. Authorize the City Manager to execute the Amendment.
2. Authorize the City Manager to execute the Amendment with specific modifications.
3. Deny the Amendment. If the Commission chooses to deny the Amendment, staff requests direction on how to proceed.

BUDGET IMPACT:

Amount:	$32,914.68
FY(s):	2021/22
Funding Source(s):	Sewer Fund

Point of Contact: Bob Balgos
Term of Contract: March 23, 2021 – December 31, 2022

CITY OF OREGON CITY
Amendment No. 1 to Personal Services Agreement

2021 SANITARY SEWER REHABILITATION – WASHINGTON STREET AND 99E

This is an Amendment to the Personal Services Agreement by and between the City of Oregon City (hereinafter City), and **WALLIS ENGINEERING PLLC, LLC**, hereinafter called "PS Consultant," which was previously entered into on **March 23, 2021** ("Contract") for **2021 SANITARY SEWER REHABILITATION – WASHINGTON STREET AND 99E** and

Whereas, the parties wish to amend the Contract as set forth below:

WITNESSETH:

1. The **Scope of Work** is hereby amended as follows:

   The Scope of Work is amended as identified in Exhibit A1: Scope of Work.

2. The **Duration of Contract** is hereby amended as follows:

   The Duration of Contract is being extended from December 31, 2021, to **December 31, 2022.**

3. The **Payment Provisions** are hereby amended as follows:

   For provision of revision of fee schedule described above, the contract price shall be increased by an amount not to exceed **thirty-two thousand nine hundred and fourteen dollars and sixty-eight cents ($32,914.68).** The total not to exceed amount of the Agreement shall be **eighty-one thousand eighteen dollars and fifty-five cents ($81,018.55).**

All other provisions of the Personal Services Agreement referenced above shall remain in full force and effect.

CITY OF OREGON CITY

By: _____
John M. Lewis, P.E.
Title: Public Works Director

DATED: _____, 20____.

WALLIS ENGINEERING, PLLC, LLC

By: _____

Name: _____

Title: _____

DATED: _____, 20____.

Point of Contact: Bob Balgos
Term of Contract: March 23, 2021 – December 31, 2022

By: _____
Anthony J. Konkol III
Title: City Manager

DATED: _____, 20____.

ORIGINAL CITY COMMISSION APPROVAL (IF APPLICABLE):

DATE: _____

APPROVED AS TO LEGAL SUFFICIENCY:

By: _____
City Attorney

\\depot\Departments\PublicWorks\CIP_PS_RFQ_RFP\CIP_Open\CI 21-004 2021 Sanitary Sewer Rehab - Washington St & 99E\CONSULTANT\Contract\Amendments\Amendment 1\2021-03-23 Wallis Engineering PLLC LLC Amend 1 2022-06-30.docx

wallis *engineering

EXHIBIT A1: SCOPE OF WORK

Supplemental Agreement #1
City of Oregon City | 2021 Sanitary Sewer Rehabilitation
October 2021 | WE #1507A

PROJECT DESCRIPTION AND GENERAL SCOPE

The City of Oregon City (City) has identified a number of sanitary sewer pipes within their system that require more maintenance than is typical, due largely to aging pipes and structural defects. The City prefers to use CIPP lining to rehabilitate the existing pipes where possible, but some point repairs are expected for structural failures. Many of the manholes connected to these pipe segments also require rehabilitation or replacement. This project includes the rehabilitation of the sanitary system as described below:

Washington Street. The project area includes two 8-inch concrete pipe segments with a total length of approximately 288 feet located on Washington Street between 14th Street and 15th Street. Three service laterals are connected to the sanitary sewer main within the limits and will need be reconnected. One of the service laterals is believed to connect directly to a manhole. No manhole rehabilitation is anticipated.

7th Street & Highway 99E. This project area includes five 8-inch concrete pipe segments with a total length of 270 feet located between 7th Street and 8th Street and Hwy 99E, including the sewer crossing Hwy 99E before discharging the WES trunk line adjacent to the Willamette River. There are no laterals in this project area and manhole rehabilitation is anticipated for up to five manholes.

6th Street & Highway 99E. This project area includes four concrete and vitrified clay pipe segments including both 6-inch and 8-inch diameters for a total length of 550 feet located on Hwy 99E between Main Street and 6th Street. There are an unknown number of service laterals in this project area. Manhole rehabilitation or replacement is anticipated for up to five manholes.

The 2021 Sanitary Sewer Rehabilitation project consists of evaluating the condition of the existing sanitary sewer pipes and manholes, identifying rehabilitation or replacement options, coordination with ODOT for work in ODOT Right-of-Way, and preparing contract documents necessary to competitively bid the project.

CONTRACT DURATION

Contract term shall be extended to December 31, 2022.

SUPPLEMENTAL NO 1. SCOPE OF WORK

This supplemental scope of work includes additional data collection and design efforts to prepare contract documents for the project areas included in the original scope of work based on the *Final Rehabilitation Recommendations Memorandum* dated July 21, 2021. This supplemental scope of work also includes additional design services to add the Latourette Street and Dimick Street sewers to the contract documents as summarized below:

Latourette Street. The project area includes two 8-inch concrete pipe segments with a total length of approximately 513 feet located on Latourette Street between Caulfield Street and south of Sommer Street. Multiple service laterals are connected to the sanitary sewer main within the limits and will need be reconnected. No manhole rehabilitation is anticipated.

Dimick Street. This project area includes five 8-inch concrete pipe segments with a total length of 970 feet located between Caulfield Street and the south end of Dimick Street. Multiple service laterals are connected to the sanitary sewer main within the limits and will need be reconnected. No manhole rehabilitation is anticipated.

TASK 1 PROJECT MANAGEMENT AND ADMINISTRATION *(SUPPLEMENTED)*

1.1 Project Management and Administration (Supplemented)

Provide additional management, coordination, and direction to the project design team to complete the project based on the extended project schedule. This task will include preparation of a revised project schedule showing all major tasks, meetings, and review milestones, updated as schedule changes occur throughout the project. Wallis will continue to prepare monthly status reports and schedule updates to be included with consultant invoices.

Task 1 Assumptions:

- Design phase is revised to extend through January 2022, with bidding expected in January/February 2022.

TASK 2 DESIGN PHASE WORK (SUPPLEMENTED)

Task 2.1.1 Topographic Survey (New Subtask)

Compass will prepare topographic site maps for the Washington Street sewer project area and the 7th and 99E sewer project area to complete improvements based on the *Final Rehabilitation Recommendations Memorandum* dated July 21, 2021. Survey mapping within the existing Right of Way will include the following:

- Right of way lines (obtained from City GIS) and found monuments.
- Existing road improvements and surface features from curb to curb.
- Underground public and private utilities as marked from a utility locate "one-call."
- Existing storm and sanitary sewer information including rim, inverts and pipe size/material adjacent and downstream of the mapping location.
- Reflectorless data collection will be utilized on 99E and no impacts to traffic are anticipated.
- Traffic control plans will be prepared and submitted to the City for review approval for all work on Washington Street. Traffic control will be provided during survey work on Washington Street.

Task 2.1.2 Monumentation (New Subtask)

Compass will complete monumentation research, verify positions of existing monuments, prepare Pre-Construction record of surveys (if necessary) and file the record of survey with the County. Post construction monumentation work is not included.

2.3 Recommendations Memorandum (Supplemented)

Provide rehabilitation recommendations for Latourette and Dimick Street south of Caufield Street.

2.4.1 50% Design Documents (Supplemented)

Plans will be prepared to 50% design level for sewer rehabilitation and replacement work as determined in previous phases and will include the added sewer segments on Latourette and Dimick Street. New gravity sewer installation is anticipated along Washington Street and portions of the 7th Street and 99E project segment as a result of the *Final Rehabilitation Recommendations Memorandum* dated July 21, 2021.

The revised list of anticipated plan sheets is below:

Description	Sheets	Running Total
Cover, Drawing Index	1	1
Legend, General Notes, Traffic Control Notes and Phasing	1	2
OR 99E Traffic Control Plans	3	5
Typical Sections	1	6
Plan Sheet – Washington Street	1	7
Plan Sheet – 7th Street & Highway 99E	2	9
Plan Sheet – 6th Street & Highway 99E	2	11
Plan Sheet – Latourette Street	2	13
Plan Sheet – Dimick Street	2	15
Details	3	18

2.5 90% Design Documents (Supplemented)

The 90% Submittal will include the additional sewer segments on Latourette and Dimick Street.

2.6 Final Design Documents (Supplemented)

The Final Submittal will include the additional sewer segments on Latourette and Dimick Street.

Task 2 Assumptions:

- No potholing will be required for identifying lateral depths.

Task 2 Deliverables:

- Topographic mapping of each project location in AutoCAD format.

Supplemental #1 Fee Estimate

City of Oregon City | 2021 Sanitary Sewer Rehabilitation

October 2021 | WE# 1507A

		EM3	EM1	PE2	SE1	T3	A6	A4	A3	Wallis Labor	Expenses		Compass	Total Cost
		$189.07	$176.25	$130.32	$101.48	$115.36	$111.09	$94.00	$83.32					
Task 1	**Project Management and Administration**													
1.1	Project Management and Administration		4				4	4		$ 1,525.36	$ -		$ -	$ 1,525.36
	TASK 1 SUBTOTAL	**0**	**4**	**0**	**0**	**0**	**4**	**4**	**0**	**$ 1,525.36**	**$ -**		**$ -**	**$ 1,525.36**
Task 2	**Design Phase Work**													
2.1.1	Topographic Survey		2			4				$ 813.94			$ 14,520.00	$ 15,333.94
2.1.2	Monumentation		2							$ 352.50			$ 5,033.00	$ 5,385.50
2.3	Recommendations Memorandum		2	4	6					$ 1,482.66	$ 50.00	(M)	$ -	$ 1,532.66
2.4.1	50% Design Documents	1	8	16		8				$ 4,607.07	$ -		$ -	$ 4,607.07
2.5	90% Design Documents	1	2	8	4	8		2		$ 3,100.93	$ -		$ -	$ 3,100.93
2.6	Final Design Documents		2	4		4		1		$ 1,429.22			$ -	$ 1,429.22
	TASK 2 SUBTOTAL	**2**	**18**	**32**	**10**	**24**	**0**	**3**	**0**	**$ 11,786.32**	**$ 50.00**		**$ 19,553.00**	**$ 31,389.32**
	Project Subtotal	**2**	**22**	**32**	**10**	**24**	**4**	**7**	**0**	**$ 13,311.68**	**$ 50.00**		**$ 19,553.00**	**$ 32,914.68**

Depending on availability, actual staff usage may not match the above estimated hours breakdown. Billing rates for all staff are listed in the Rate Schedule.

FEE SUMMARY	
Wallis Labor	$ 13,311.68
Wallis Expenses	$ 50.00
(M) = Mileage at current IRS Rate, (P) = Printing	
Subconsultants	
Compass	*$ 19,553.00*
TOTAL BUDGET	**$ 32,914.68**

wallis engineering

RATE SCHEDULE

Rate Schedule good through December, 31, 2021

Title	Range	
Associate Engineer	$150.61	$150.61
Senior Engineer	$206.16	$206.16
Engineering Manager I - VI	$176.25	$202.95
Project Engineer I - IX	$124.98	$174.11
Staff Engineer I - IV	$101.48	$122.84
Engineering Intern I - III	$63.02	$69.43
Designer	$119.64	$145.27
Landscape Architect	$133.52	$133.52
Construction Manager	$122.84	$122.84
Inspector I - II	$94.00	$110.02
Technician I-IV	$83.32	$121.77
Administrative I – VI	$50.20	$111.09

These hourly rates include in-house office expenses, photocopying, and other incidental items. Mileage will be reimbursed at the current standard IRS rate. Outside expenses will be billed at cost plus 10%.

Point of Contact: Bob Balgo
Term of Contract: March 23, 2021 through December 31, 2021

CITY OF OREGON CITY
PERSONAL SERVICES AGREEMENT

2021 SANITARY SEWER REHABILITATION – WASHINGTON STREET AND 99E

This PERSONAL SERVICES AGREEMENT ("Agreement") is entered into between the CITY OF OREGON CITY ("City") and **WALLIS ENGINEERING PLLC, LLC** ("Consultant").

RECITALS

A. City requires services that Consultant is capable of providing under the terms and conditions hereinafter described.

B. Consultant is able and prepared to provide such services as City requires under the terms and conditions hereinafter described.

The parties agree as follows:

AGREEMENT

1. Term. The term of this Agreement shall be from the date the contract is fully executed until **December 31, 2021**, unless sooner terminated pursuant to provisions set forth below. However, such expiration shall not extinguish or prejudice City's right to enforce this Agreement with respect to (i) breach of any warranty; or (ii) any default or defect in Consultant's performance that has not been cured.

2. Compensation. City agrees to pay Consultant on a time-and-materials basis for the services required. Total compensation, including reimbursement for expenses incurred, shall not exceed **forty-eight thousand, one hundred and three and 87/100 dollars ($48,103.87).**

3. Scope of Services. Consultant's services under this Agreement shall consist of services as detailed in Exhibit A, attached hereto and by this reference incorporated herein.

4. Standard Conditions. This Agreement shall include all of the standard conditions as detailed in Exhibit B, attached hereto and by this reference incorporated herein.

5. Schedule. The components of the project described in the Scope of Services shall be completed according to Term, above.

6. Integration. This Agreement, along with the description of services to be performed attached as Exhibit A and the Standard Conditions to Oregon City Personal Services Agreement attached as Exhibit B, contain the entire agreement between and among the parties, integrate all the terms and conditions mentioned herein or incidental hereto, and supersede all prior written or oral discussions or agreements between the parties or their predecessors-in-interest with respect to all or any part of the subject matter hereof.

7. Notices. Any notices, bills, invoices, reports or other documents required by this Agreement shall be sent by the parties by United States mail, by hand delivery or by electronic means. All notices shall be in writing and shall be effective when delivered. If mailed, notices shall be deemed effective forty-eight (48) hours after mailing, unless sooner received.

To the City:

City of Oregon City
PO Box 3040
625 Center Street
Oregon City, OR 97045
Attention: John M. Lewis

To Consultant:

WALLIS ENGINEERING, PLLC, LLC
251 W. 4th Street, Suite 200
Vancouver, WA 98660
Attention: Wes Wegner

Consultant shall be responsible for providing the City with a current address. Either party may change the address set forth in this Agreement by providing notice to the other party in the manner set forth above.

8. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the state of Oregon without resort to any jurisdiction's conflicts of law, rules or doctrines.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly *appointed officers on this* 23rd *day of* March, 2021.

CITY OF OREGON CITY

By: _____
John M. Lewis, P.E.
Title: Public Works Director

DATED: 3-18-21, 2021.

By: _____
Anthony J. Konkol III
Title: City Manager

DATED: 3.18.21, 20___.

APPROVED AS TO LEGAL SUFFICIENCY:

By: _____
City Attorney

WALLIS ENGINEERING PLLC, LLC

By: _____

Name: Jane Vail

Title: Principal Engineer

DATED: March 23, 2021.

\\depot\departments\PublicWorks\CIP_PS_RFQ_RFP\CIP_Open\CI 21-004 2021 Sanitary Sewer Rehab - Washington St & 99E\CONSULTANT\Contract\CI 21-004 - PSA with Wallis Engineering.docx

PROJECT DESCRIPTION AND GENERAL SCOPE

The City of Oregon City (City) has identified a number of sanitary sewer pipes within their system that require more maintenance than is typical, due largely to aging pipes and structural defects. The City prefers to use CIPP lining to rehabilitate the existing pipes where possible, but some point repairs are expected for structural failures. Many of the manholes connected to these pipe segments also require rehabilitation or replacement. This project includes the rehabilitation of the sanitary system as described below:

Washington Street. The project area includes two 8-inch concrete pipe segments with a total length of approximately 288 feet located on Washington Street between 14th Street and 15th Street. Three service laterals are connected to the sanitary sewer main within the limits and will need be reconnected. One of the service laterals is believed to connect directly to a manhole. No manhole rehabilitation is anticipated.

7th Street & Highway 99E. This project area includes five 8-inch concrete pipe segments with a total length of 270 feet located between 7th Street and 8th Street and Hwy 99E, including the sewer crossing Hwy 99E before discharging the WES trunk line adjacent to the Willamette River. There are no laterals in this project area and manhole rehabilitation is anticipated for up to five manholes.

6th Street & Highway 99E. This project area includes four concrete and vitrified clay pipe segments including both 6-inch and 8-inch diameters for a total length of 550 feet located on Hwy 99E between Main Street and 6th Street. There are an unknown number of service laterals in this project area. Manhole rehabilitation or replacement is anticipated for up to five manholes.

The 2021 Sanitary Sewer Rehabilitation project consists of evaluating the condition of the existing sanitary sewer pipes and manholes, identifying rehabilitation or replacement options, coordination with ODOT for work in ODOT Right-of-Way, and preparing contract documents necessary to competitively bid the project. The project schedule assumes construction will take place in the summer of 2021 and the design phase will be completed from February to June 2021.

CONTRACT DURATION

Contract term shall be from the date contract is fully executed until December 31, 2021.

SPECIFIC SCOPE OF WORK

TASK 1 PROJECT MANAGEMENT AND ADMINISTRATION

1.1 Project Management and Administration

Provide management, coordination, and direction to the project design team to complete the project.

Prepare project schedules outlining design and deliverable milestones. Prepare monthly status reports and schedule updates to be included with consultant invoices. Coordinate project team meetings and prepare meeting agendas and minutes.

This task assumes the following meetings:

- 50% Design Review Meeting
- 90% Design Review Meeting

1.2 ODOT Coordination

Coordinate the proposed improvements with ODOT and obtain the necessary permits for construction.

Assumption:

- Design phase of the project is assumed to be March 2021 – May 2021.
- Bidding and Construction phase is assumed to be June 2021 – September 2021. Construction phase services are not included in this scope of work and will be addressed as part of a contract amendment if services are requested.
- City project manager or agents will complete all stakeholder coordination, public involvement, and lead and obtain all necessary permits.
- Wallis will coordinate the proposed work with ODOT and obtain utility and traffic control permits as needed for the work. A total of 16 hours is assumed to coordinate, apply and obtain the necessary ODOT permits.

Deliverables:

- Monthly status reports, schedule updates, and invoices.
- Meeting agendas and minutes.

TASK 2 DESIGN PHASE WORK

This task includes design and plan preparation for the replacement or rehabilitation of the sanitary sewer system at the identified locations. Included is preparing contract documents necessary to competitively bid the project. The plan and profile contract drawings will be scaled at 1” = 20’H and 1” = 5’V. The City’s standard details will be utilized and supplemented with project specific details as required. The contract will be a unit-based contract structure following the 2018 ODOT Standard Specifications for Construction and amended with project specific special provisions. Specific design subtasks are listed below:

2.1 Data Collection, Evaluation, and Base Mapping

Review as-built/record drawings, pipe inspection videos, existing mapping, aerial photos, GIS provided by the City and private utility providers. Conduct site investigation of the project areas to verify mapping accuracy, examine the condition of manholes. Prepare a project base map utilizing City GIS data and measurements taken on site.

2.2 Utility Notification

Notify private utility providers of the proposed improvements and coordinate to determine if any of the proposed sanitary sewer work will be in conflict with existing private utilities. Maps of the project areas will be sent to each private utility. The maps will be followed up with phone conversations and a letter or email to each utility.

2.3 Recommendations Memorandum

Summarize the sewer evaluations in a memorandum and provide recommended rehabilitation improvements for each project area. The memorandum will include graphical representation of existing sewer pipe deficiencies and identify recommended methods of sewer rehabilitation. A brief narrative comparing steam cured CIPP and UV light cured CIPP will be included.

2.4 50% Design Documents

Plans will be prepared to 50% design level for sewer rehabilitation and replacement work as determined in previous phases. Drawing format will be AutoCAD Civil 3D 2018+, and will be prepared using standard City title block as provided by the City. Plans will include the following:

- Plans and detail sheets. This includes utility improvement plans, erosion control plans, demolition plans, and sewer bypass plans as deemed necessary.
- Traffic control, phasing and coordination details.
- Erosion control plans prepared to meet City standards.
- The following is the anticipated list of plan sheets:

Description	Sheets	Running Total
Cover, Drawing Index	1	1
Legend, General Notes, Traffic Control Notes and Phasing	1	2
OR 99E Traffic Control Plans	2	4
Typical Sections	1	5
Plan Sheet – Washington Street	1	6
Plan Sheet – 7th Street & Highway 99E	1	7
Plan Sheet – 6th Street & Highway 99E	2	9
Details	3	12

A 50% engineer's opinion of cost will be prepared.

2.5 90% Design Documents

The City's 50% submittal review comments will be incorporated into the 90% plans. Wallis will submit a PDF file of half size plan sheets, specifications, and an engineer's opinion of cost for City review.

2.6 Final Design Documents

The City's 90% submittal review comments will be incorporated into the final plans and specifications and a master set of signed contract documents will be provided to the City in PDF format to distribute through its online bidding system. A final engineer's opinion of cost will be submitted.

Assumptions:

- The City will provide City GIS information in AutoCAD format and available as-builts/record drawings for use by Wallis Engineering.
- The City will provide information on historical sewer maintenance issues.
- The City will provide invert elevations or depth to invert for all pipe segments to be rehabilitated.
- The City will provide sufficient video of all sanitary sewer segments needed to evaluate rehabilitation options.
- The City will identify all active sanitary sewer laterals within the limits of pipe rehabilitation/replacement.
- Lateral rehabilitation will be limited to short CIPP liners at the connection points.

- No sewer capacity or modeling of existing systems is required.
- No upsizing of existing lines anticipated.

Deliverables:

- Project base map in AutoCAD format.
- Utility contact list.
- Recommendations Memorandum.
- 50% Design Plans and Estimate.
- 90% Design Plans, Specifications, and Estimate.
- Final Contract Documents.

TASK 3 BIDDING SERVICES

Wallis Engineering will provide bidding services to the City, including responding to bidder's questions and preparing addenda. Following the opening of bids, the bid tab and summary sheet of all bidder questions and responses will be provided to the City. The apparent low bidder's documents, bonds, and licenses will be reviewed prior to recommending award to the City. A total of 12 hours is allotted to this task, and the City will be notified immediately if additional time is needed.

Assumptions:

- The City will distribute the contract documents, maintain a planholders list, and distribute addenda as needed.

Deliverables:

- Addenda as necessary.
- Recommendation to Award.

TASK 4 CONSTRUCTION SERVICES – *Not included at this time*

Fee Estimate

City of Oregon City | 2021 Sanitary Sewer Rehabilitation

February 2021 | WE# 1507A

		EM3	EM1	PE5	PE2	SE1	T3	A6	A4	A3	Wallis Labor	Expenses		Total Cost
		$189.07	$176.25	$149.54	$130.32	$101.48	$115.36	$111.09	$94.00	$83.32				
Task 1	**Project Management and Administration**													
1.1	Project Management and Administration		20		10			8	2		$ 5,904.92	$ -		$ 5,904.92
1.2	ODOT Coordination				16						$ 2,085.12	$ -		$ 2,085.12
	TASK 1 SUBTOTAL	**0**	**20**	**0**	**26**	**0**	**0**	**8**	**2**	**0**	**$ 7,990.04**	**$ -**		**$ 7,990.04**
Task 2	**Design Phase Work**													
2.1	Data Collection, Evaluation, and Base Mapping		4		20	8	12				$ 5,507.56	$ 40.00	(M)	$ 5,547.56
2.2	Utility Notification				4						$ 521.28	$ -		$ 521.28
2.3	Recommendations Memorandum	1	2		8				2		$ 1,772.13	$ -		$ 1,772.13
2.4	50% Design Documents	2	12		40		20		2		$ 10,201.14	$ -		$ 10,201.14
2.5	90% Design Documents	4	16		50	16	24		4		$ 14,860.60	$ -		$ 14,860.60
2.6	Final Design Documents	2	8		24		8		2		$ 6,026.70	$ 50.00	(P)	$ 6,076.70
	TASK 2 SUBTOTAL	**9**	**42**	**0**	**146**	**24**	**64**	**0**	**10**	**0**	**$ 38,889.41**	**$ 90.00**		**$ 38,979.41**
Task 3	**Bidding Services**													
3.1	Bidding Services		2		6						$ 1,134.42	$ -		$ 1,134.42
	TASK 3 SUBTOTAL	**0**	**2**	**0**	**6**	**0**	**0**	**0**	**0**	**0**	**$ 1,134.42**	**$ -**		**$ 1,134.42**
	Project Subtotal	**9**	**64**	**0**	**178**	**24**	**64**	**8**	**12**	**0**	**$ 48,013.87**	**$ 90.00**		**$ 48,103.87**

Depending on availability, actual staff usage may not match the above estimated hours breakdown. Billing rates for all staff are listed in the Rate Schedule.

FEE SUMMARY		
Wallis Labor	$	48,013.87
Wallis Expenses	$	90.00
(M) = Mileage at current IRS Rate, (P) = Printing		
TOTAL BUDGET	**$**	**48,103.87**

wallis engineering

RATE SCHEDULE

Rate Schedule good through December, 31, 2021

Title	Range	
Associate Engineer	$150.61	$150.61
Senior Engineer	$206.16	$206.16
Engineering Manager I - VI	$176.25	$202.95
Project Engineer I - IX	$124.98	$174.11
Staff Engineer I - IV	$101.48	$122.84
Engineering Intern I - III	$63.02	$69.43
Designer	$119.64	$145.27
Landscape Architect	$133.52	$133.52
Construction Manager	$122.84	$122.84
Inspector I - II	$94.00	$110.02
Technician I-IV	$83.32	$121.77
Administrative I – VI	$50.20	$111.09

These hourly rates include in-house office expenses, photocopying, and other incidental items. Mileage will be reimbursed at the current standard IRS rate. Outside expenses will be billed at cost plus 10%.

STANDARD CONDITIONS TO OREGON CITY PERSONAL SERVICES AGREEMENT

1. Consultant Identification. Consultant shall furnish to City its taxpayer identification number, as designated by the Internal Revenue Service, or Consultant's social security number, as City deems applicable.

2. Payment.

(a) Invoices submitted in connection with this Agreement shall be properly documented and shall identify the pertinent agreement and/or purchase order numbers.

(b) City agrees to pay Consultant within thirty (30) days after receipt of Consultant's itemized statement. Amounts disputed by City may be withheld pending settlement.

(c) City certifies that sufficient funds are available and authorized for expenditure to finance the cost of the services to be provided pursuant to this Agreement.

(d) City shall not pay any amount in excess of the compensation amounts set forth in this Agreement, nor shall City pay Consultant any fees or costs that City reasonably disputes.

3. Independent Consultant Status.

(a) Consultant is an independent consultant and is free from direction and control over the means and manner of providing labor or services, subject only to the specifications of the desired results.

(b) Consultant represents that it is customarily engaged in an independently established business and is licensed under ORS chapter 671 or 701, if the services provided require such a license. Consultant maintains a business location that is separate from the offices of the City and bears the risk of loss related to the business as demonstrated by the fixed price nature of the contract, requirement to fix defective work, warranties provided and indemnification and insurance provisions of this Agreement. Consultant provides services for two or more persons within a 12-month period or routinely engages in advertising, solicitation or other marketing efforts. Consultant makes a significant investment in the business by purchasing tools or equipment, premises or licenses, certificates or specialized training and Consultant has the authority to hire or fire persons to provide or assist in providing the services required under this Agreement.

(c) Consultant is responsible for obtaining all assumed business registrations or professional occupation licenses required by state or local law (including applicable City or Metro business licenses as per Oregon City Municipal Code Chapter 5.04). Consultant shall furnish the tools or equipment necessary for the contracted labor or services. Consultant agrees and certifies that:

(d) Consultant is not eligible for any federal social security or unemployment insurance payments. Consultant is not eligible for any PERS or workers' compensation benefits from compensation or payments made to Consultant under this Agreement.

(e) Consultant agrees and certifies that it is licensed to do business in the State of Oregon and that, if Consultant is a corporation, it is in good standing within the State of Oregon.

4. Early Termination.

(a) This Agreement may be terminated without cause prior to the expiration of the agreed-upon term by mutual written consent of the parties or by the City upon ten (10) days written notice to the Consultant, delivered by certified mail, email, or in person.

(b) Upon receipt of notice of early termination, Consultant shall immediately cease work and submit a final statement of services for all services performed and expenses incurred since the date of the last statement of services.

(c) Any early termination of this Agreement shall be without prejudice to any obligation or liabilities of either party already accrued prior to such termination.

(d) The rights and remedies of the City provided in this Agreement and relating to defaults by Consultant shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

5. No Third-Party Beneficiaries. City and

STANDARD CONDITIONS TO OREGON CITY PERSONAL SERVICES AGREEMENT

Consultant are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide, any benefit or right, whether directly or indirectly or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement.

6. Payment of Laborers; Payment of Taxes.

(a) Consultant shall:

(i) Make payment promptly, as due, to all persons supplying to Consultant labor and materials for the prosecution of the services to be provided pursuant to this Agreement.

(ii) Pay all contributions or amounts due to the State Accident Insurance Fund incurred in the performance of this Agreement.

(iii) Not permit any lien or claim to be filed or prosecuted against the City on account of any labor or materials furnished.

(iv) Be responsible for all federal, state, and local taxes applicable to any compensation or payments paid to the Consultant under this Agreement and, unless Consultant is subject to back-up withholding, the City will not withhold from such compensation or payments any amount(s) to cover Consultant's federal or state tax obligation.

(v) Pay all employees at least time and one-half for all overtime worked in excess of forty (40) hours in any one week, except for individuals excluded under ORS 653.100 to 653.261 or under 29 U.S.C. §§ 201 to 209 from receiving overtime.

(b) If the Consultant fails, neglects or refuses to make prompt payment of any claim for labor or services furnished by any person in connection with this Agreement as such claim becomes due, the City may pay such claim to the person furnishing the labor or services and shall charge the amount of the payment against funds due or to become due to the Consultant by reason of this Agreement.

(c) The payment of a claim in this manner shall not relieve Consultant or Consultant's surety from obligation with respect to any unpaid claims.

(d) Consultant and subconsultants, if any, are subject employers under the Oregon workers' compensation law and shall comply with ORS 656.017, which requires provision of workers' compensation coverage for all workers.

7. Subconsultants and Assignment. Consultant shall neither subcontract any of the work, nor assign any rights acquired hereunder, without obtaining prior written approval from the City. The City, by this Agreement, incurs no liability to third persons for payment of any compensation provided herein to the Consultant.

8. Access to Records. City shall have access to all books, documents, papers and records of Consultant that are pertinent to this Agreement for the purpose of making audits, examinations, excerpts and transcripts.

9. Ownership of Work Product; License. All work products of Consultant that result from this Agreement (the "Work Products") are the exclusive property of City. In addition, if any of the Work Products contain intellectual property of Consultant that is or could be protected by federal copyright, patent, or trademark laws, or state trade secret laws, Consultant hereby grants City a perpetual, royalty-free, fully paid, nonexclusive and irrevocable license to copy, reproduce, deliver, publish, perform, dispose of, use and re-use, in whole or in part (and to authorize others to do so), all such Work Products and any other information, designs, plans, or works provided or delivered to City or produced by Consultant under this Agreement. The parties expressly agree that all works produced (including, but not limited to, any taped or recorded items) pursuant to this Agreement are works specially commissioned by City, and that any and all such works shall be works made for hire in which all rights and copyrights belong exclusively to City. Consultant shall not publish, republish, display or otherwise use any work or Work Products resulting from this Agreement without the prior written agreement of City.

10. Compliance With Applicable Law.

STANDARD CONDITIONS TO OREGON CITY PERSONAL SERVICES AGREEMENT

Consultant shall comply with all federal, state, and local laws and ordinances applicable to the services to be performed pursuant to this Agreement, including, without limitation, the provisions of ORS 279B.220, 279C.515, 279B.235, 279B.230 and 279B.270. Without limiting the generality of the foregoing, Consultant expressly agrees to comply with (i) Title VI of the Civil Rights Act of 1964; (ii) Section V of the Rehabilitation Act of 1973; (iii) the Americans With Disabilities Act of 1990 (Pub. L No. 101-336), ORS 659.425, and all regulations and administrative rules established pursuant to those laws; and (iv) all other applicable requirements of federal and state civil rights and rehabilitation and other applicable statutes, rules and regulations.

11. Professional Standards. Consultant shall be responsible, to the level of competency presently maintained by others practicing in the same type of services in City's community, for the professional and technical soundness, accuracy and adequacy of all services and materials furnished under this authorization.

12. Modification, Supplements or Amendments. No modification, change, supplement or amendment of the provisions of this Agreement shall be valid unless it is in writing and signed by the parties hereto.

13. Indemnity and Insurance.

(a) Indemnity. Consultant acknowledges responsibility for liability arising out of Consultant's negligent performance of this Agreement and shall hold City, its officers, agents, Consultants, and employees harmless from, and indemnify them for, any and all liability, settlements, loss, costs, and expenses, including attorney fees, in connection with any action, suit, or claim caused ~~or alleged to be caused~~ by the negligent acts, omissions, activities or services by Consultant, or the agents, Consultants or employees of Consultant provided pursuant to this Agreement.

(b) Workers' Compensation Coverage. Consultant certifies that Consultant has qualified for workers' compensation as required by the State of Oregon. Consultant shall provide the Owner, within ten (10) days after execution of this Agreement, a certificate of insurance evidencing coverage of all subject workers under Oregon's workers' compensation statutes. ~~The insurance certificate and policy shall indicate that the policy shall not be terminated by the insurance carrier without thirty (30) days' advance written notice to City.~~ All agents or Consultants of Consultant shall maintain such insurance.

(c) Comprehensive, General, and Automobile Insurance. Consultant shall maintain comprehensive general and automobile liability insurance for protection of Consultant and City and for their directors, officers, agents, and employees, insuring against liability for damages because of personal injury, bodily injury, death, and broad-form property damage, ~~including loss of use~~, and occurring as a result of, ~~or in any way related to~~, Consultant's operation, each in an amount not less than $2,000,000 combined, single-limit, per-occurrence/$4,000,000 annual aggregate. Such insurance shall name City as an additional insured, with the stipulation that this insurance, as to the interest of City, shall not be invalidated by any act or neglect or breach of this Agreement by Consultant.

(d) Errors and Omissions Insurance Consultant shall provide City with evidence of professional errors and omissions liability insurance for the protection of Consultant and its employees, insuring against bodily injury and property damage arising out of Consultant's negligent acts, omissions, activities or services in an amount not less than $500,000 combined, single limit. Consultant shall maintain in force such coverage for not less than three (3) years following completion of the project. Such insurance shall include contractual liability.

Within ten (10) days after the execution of this Agreement, Consultant shall furnish City a certificate evidencing the dates, amounts, and types of insurance that have been procured pursuant to this Agreement. ~~Consultant will provide for not less than thirty (30) days' written notice to City before the policies may be revised, canceled, or allowed to expire. Consultant shall not alter the terms of any policy without prior written authorization from City.~~ The provisions of this subsection apply fully to Consultant and its Consultants and agents.

STANDARD CONDITIONS TO OREGON CITY PERSONAL SERVICES AGREEMENT

14. Legal Expenses. In the event legal action is brought by City or Consultant against the other to enforce any of the obligations hereunder or arising out of any dispute concerning the terms and conditions hereby created, the losing party shall pay the prevailing party such reasonable amounts for attorney fees, costs, and expenses as may be set by a court. "Legal action" shall include matters subject to arbitration and appeals.

15. Severability. The parties agree that, if any term or provision of this Agreement is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected.

16. Number and Gender. In this Agreement, the masculine, feminine or neuter gender, and the singular or plural number, shall be deemed to include the others or other whenever the context so requires.

17. Captions and Headings. The captions and headings of this Agreement are for convenience only and shall not be construed or referred to in resolving questions of interpretation or construction.

18. Hierarchy. The conditions contained in this document are applicable to every Personal Services Agreement entered into by the City of Oregon City in the absence of contrary provisions. To the extent there is a conflict, the terms of the Personal Services Agreement will control over the terms of the standard conditions. To the extent there is a conflict between the terms of the standard conditions and any other document, including the scope of services, the terms of the standard conditions shall control those other terms.

19. Calculation of Time. All periods of time referred to herein shall include Saturdays, Sundays and legal holidays in the State of Oregon, except that, if the last day of any period falls on any Saturday, Sunday or legal holiday, the period shall be extended to include the next day that is not a Saturday, Sunday or legal holiday.

20. Notices. Any notices, bills, invoices, reports or other documents required by this Agreement shall be sent by the parties by United States mail, postage prepaid, or personally delivered to the addresses listed in the Agreement attached hereto. All notices shall be in writing and shall be effective when delivered. If mailed, notices shall be deemed effective forty-eight (48) hours after mailing, unless sooner received.

21. Nonwaiver. The failure of City to insist upon or enforce strict performance by Consultant of any of the terms of this Agreement or to exercise any rights hereunder shall not be construed as a waiver or relinquishment to any extent of its rights to assert or rely upon such terms or rights of any future occasion.

22. Information and Reports. Consultant shall, at such time and in such form as City may require, furnish such periodic reports concerning the status of the project, such statements, certificates, approvals, and copies of proposed and executed plans and claims, and other information relative to the project as may be requested by City. Consultant shall furnish City, upon request, with copies of all documents and other materials prepared or developed in relation with or as a part of the project. Working papers prepared in conjunction with the project are the property of City, but shall remain with Consultant. Copies as requested shall be provided free of cost to City.

23. City's Responsibilities. City shall furnish Consultant with all available necessary information, data, and materials pertinent to the execution of this Agreement. City shall cooperate with Consultant in carrying out the work herein and shall provide adequate staff for liaison with Consultant.

24. Arbitration.

All disputes arising out of or under this Agreement shall be timely submitted to nonbinding mediation prior to commencement of any other legal proceedings. The subsequent measures apply if disputes cannot be settled in this manner.

(a) Any dispute arising out of or under this Agreement shall be determined by binding arbitration.

(b) The party desiring such arbitration shall give written notice to that effect to the other party

STANDARD CONDITIONS TO OREGON CITY PERSONAL SERVICES AGREEMENT

and shall in such notice appoint a disinterested person of recognized competence in the field as arbitrator on its behalf. Within fifteen (15) days thereafter, the other party may, by written notice to the original party, appoint a second disinterested person of recognized competence as arbitrator on its behalf. The arbitrators thus appointed shall appoint a third disinterested person of recognized competence, and the three arbitrators shall, as promptly as possible, determine such matter, provided, however, that:

(i) If the second arbitrator is not appointed as described above, then the first arbitrator shall proceed to determine such matter; and

(ii) If the two arbitrators appointed by the parties are unable to agree, within fifteen (15) days after the second arbitrator is appointed, on the appointment of a third arbitrator, they shall give written notice of such failure to agree to the parties and, if the parties fail to agree on the selection of the third arbitrator within fifteen (15) days after the arbitrators appointed by the parties give notice, then, within ten (10) days thereafter, either of the parties, on written notice to the other party, may request such appointment by the presiding judge of the Clackamas County Circuit Court.

(c) Each party shall each be entitled to present evidence and argument to the arbitrators. The determination of the majority of the arbitrators or the sole arbitrator, as the case may be, shall be conclusive on the parties, and judgment on the same may be entered in any court having jurisdiction over the parties. The arbitrators or the sole arbitrator, as the case may be, shall give written notice to the parties, stating the arbitration determination, and shall furnish to each party a signed copy of such determination. Arbitration proceedings shall be conducted pursuant to ORS 33.210 et seq. and the rules of the American Arbitration Association, except as provided otherwise.

(d) Each party shall pay the fees and expenses of the arbitrator appointed by such party and one-half of the fees and expenses of the third arbitrator, if any.

25. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the state of Oregon without resort to any jurisdiction's conflicts of law, rules or doctrines.

CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: City Commission **Agenda Date:** 12/01/2021

From: Assistant Parks and Recreation Director- Denise Conrad

SUBJECT: Quarterly HVAC Filter Maintenance-City-wide Facilities

Personal Services Agreement with Air Filter Exchange for Quarterly Maintenance of City HVAC Systems

STAFF RECOMMENDATION:

Staff recommends approval of contract with Air Filter Exchange to maintain the City facilities HVAC systems on a quarterly basis.

EXECUTIVE SUMMARY:

Filter Exchange was the low quote fulfilling the preventative maintenance scope of work for quarterly HVAC system maintenance for city facilities.
Based on the low quote, staff is seeking approval of the contract with Air Filter Exchange for the period of December 2021-December 2023 for $59,082.88

BACKGROUND:

Staff developed a scope of work consistent with the preventative maintenance care of the HVAC systems for City facilities. Three quotes were sought through site visits and inventory of the 55 units needs for the following buildings:
Train Depot, Cemetery, City Hall, End of the Trail, Pioneer Center, Planning and Building Department, Swimming Pool, Public Works Operations (Center Street) Ermatinger House, Library and Robert Libke Public Safety Building

Three quotes were received. The low quote being Air Filter Exchange.

Robert Lloyd Sheet Metal quoted $12,400.00 per quarter which totals $99,200.00 over the contract period of two years.

Trotter and Morton quoted $7,539.00 per quarter which totals $60,312.00 over the contract period of two years.

Air Filter Exchange (our existing service company) quoted $7,385.36 per quarter which totals $59,082.88 over the contract period of two years.

Due to Covid protocols and best practices, Facilities staff are using higher rated filters where possible. If the higher rated filters would create insufficient air flow, facilities have retained the recommended filters for those units. Filters are being changed four times a year versus the pre-Covid times of three times a year.

OPTIONS:

1. Approve contract with Air Filter Exchange
2. Ask staff for more support information
3. Deny contract approval

BUDGET IMPACT:

Amount:	$59,082.88
FY(s):	21/22-22/23
Funding Source(s):	General Fund

Point of Contact: Anne Crandal
Term of Contract: January 1, 2022-December 31, 2023

CITY OF OREGON CITY
PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICES AGREEMENT ("Agreement") is entered into between the CITY OF OREGON CITY ("City") and Air Filter Exchange("Contractor").

RECITALS

A. City requires services that Contractor is capable of providing under the terms and conditions hereinafter described.

B. Contractor is able and prepared to provide such services as City requires under the terms and conditions hereinafter described.

The parties agree as follows:

AGREEMENT

1. Term. The term of this Agreement shall be from the date the contract is fully executed until December 31, 2023 , unless sooner terminated pursuant to provisions set forth below. However, such expiration shall not extinguish or prejudice City's right to enforce this Agreement with respect to (i) breach of any warranty; or (ii) any default or defect in Contractor's performance that has not been cured.

2. Compensation. City agrees to pay Contractor on a time-and-materials basis for the services required. Total compensation, including reimbursement for expenses incurred, shall not exceed $ 59,082.88. ($ 7385.36 per occurrence of quarterly service.) **Contract quarter defined as**; Each quarterly period of January through March, April through June, July through September, and October through December, and is the delivery time of services.

3. Scope of Services. Contractor's services under this Agreement shall consist of services as detailed in Exhibit A, attached hereto and by this reference incorporated herein.

4. Standard Conditions. This Agreement shall include all of the standard conditions as detailed in Exhibit B, attached hereto and by this reference incorporated herein.

5. Integration. This Agreement, along with the description of services to be performed attached as Exhibit A and the Standard Conditions to Oregon City Professional Services Agreement attached as Exhibit B, contain the entire agreement between and among the parties, integrate all the terms and conditions mentioned herein or incidental hereto, and supersede all prior written or oral discussions or agreements between the parties or their predecessors-in-interest with respect to all or any part of the subject matter hereof.

6. Notices. Any notices, bills, invoices, reports or other documents required by this Agreement shall be sent by the parties by United States mail, postage prepaid, or professionally delivered to the addresses below. All notices shall be in writing and shall be effective when delivered. If mailed, notices shall be deemed effective forty-eight (48) hours after mailing, unless sooner received.

City of Oregon City - Contract

Exhibit A

City of Oregon City
PO Box 3040
Oregon City, OR 97045

AIR FILTER EXCHANGE

PO Box 3466
Gresham, OR 97030
971-300-6087
CCB# 224404

Amtrak Station	**$109.00**	Standard Capacity
Cemetery	**$109.00**	Standard Capacity
City Hall Filters	**$564.00**	Merv-13
EOT Filters	**$495.00**	Standard Capacity
Pioneer Center Filters	**$715.00**	Merv-13
Planning Department Ceiling	**$677.00**	Merv-13
Planning Department Roof Top	**$140.00**	Merv-13
Swimming Pool Filters	**$189.00**	Standard Capacity
Public Works Filters	**$249.00**	Standard Capacity
Ermatinger House	**$69.00**	Merv-13
Total	***$3,316.00***	

Library		
RTU HRV OUT	$140.36	
RTU HRV IN	$347.00	
Ceiling Filters	$1,373.00	
Basement	$170.00	
Total	***$2,030.36***	Merv-13

Oregon City Police Department	**$2,039.00**	Merv-13

Grand Total	**$7,385.36**	

Service Includes:
Replace filters every three months (Quarterly)
Blow out condensate drain and clean (P-Traps)
Clean burner as needed
Inspect bearings and belts
Visually inspect for leaks and cracks
Tighten electrical connections
Inspect safety controls
Cycle heating and cooling to ensure equipment function

**If a belt needs to be replaced there will be an additional fee.*
*(*A type belts - $25 / B type belts - $29) includes installation*

To the City:

City of Oregon City
PO Box 3040
625 Center Street
Oregon City, OR 97045
Attention: City Manager

To Contractor:

Air Filter Exchange
PO Box 3466
Gresham, OR 97030
971-300-6087

Contractor shall be responsible for providing the City with a current address. Either party may change the address set forth above for purposes of notices under this Agreement by providing notice to the other party in the manner set forth above.

7. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the state of Oregon without resort to any jurisdiction's conflicts of law, rules or doctrines.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly appointed officers on this 1st day of November 2021.

CITY OF OREGON CITY

By: Anne Crandall.
Anne Crandall
Title: Facilities Maintenance Specialist.

DATED: November 1, 2021.

By: Denise Conrad.
Denise Conrad
Title: Assistant Parks and Recreation Director.

DATED: November 21, 2021.

By: _____.
Kendall Reid
Title: Parks and Recreation Director.

DATED: _____.

Contractor

By: _____

Title: _____

DATED: _____.

By: _____.
Tony Konkol
Title: City Manager.

DATED: _____.

STANDARD CONDITIONS TO OREGON CITY PERSONAL SERVICES AGREEMENT

1. Contractor Identification. Contractor shall furnish to City its taxpayer identification number, as designated by the Internal Revenue Service, or Contractor's social security number, as City deems applicable.

2. Payment.

(a) Invoices submitted in connection with this Agreement shall be properly documented and shall identify the pertinent agreement and/or purchase order numbers.

(b) City agrees to pay Contractor within thirty (30) days after receipt of Contractor's itemized statement. Amounts disputed by City may be withheld pending settlement.

(c) City certifies that sufficient funds are available and authorized for expenditure to finance the cost of the services to be provided pursuant to this Agreement.

(d) City shall not pay any amount in excess of the compensation amounts set forth in this Agreement, nor shall City pay Contractor any fees or costs that City reasonably disputes.

3. Independent Contractor Status.

(a) Contractor is an independent contractor and is free from direction and control over the means and manner of providing labor or services, subject only to the specifications of the desired results.

(b) Contractor represents that it is customarily engaged in an independently established business and is licensed under ORS chapter 671 or 701, if the services provided require such a license. Contractor maintains a business location that is separate from the offices of the City and bears the risk of loss related to the business as demonstrated by the fixed price nature of the contract, requirement to fix defective work, warranties provided and indemnification and insurance provisions of this Agreement. Contractor provides services for two or more persons within a 12 month period or routinely engages in advertising, solicitation or other marketing efforts. Contractor makes a significant investment in the business by purchasing tools or equipment, premises or licenses, certificates or specialized training and Contractor has the authority to hire or fire persons to provide or assist in providing the services required under this Agreement.

(c) Contractor is responsible for obtaining all assumed business registrations or professional occupation licenses required by state or local law (including applicable City or Metro business licenses as per Oregon City Municipal Code Chapter 5.04). Contractor shall furnish the tools or equipment necessary for the contracted labor or services. Contractor agrees and certifies that:

(d) Contractor is not eligible for any federal social security or unemployment insurance payments. Contractor is not eligible for any PERS or workers' compensation benefits from compensation or payments made to Contractor under this Agreement.

(e) Contractor agrees and certifies that it is licensed to do business in the State of Oregon and that, if Contractor is a corporation, it is in good standing within the State of Oregon.

4. Early Termination.

(a) This Agreement may be terminated without cause prior to the expiration of the agreed-upon term by mutual written consent of the parties or by the City upon ten (10) days written notice to the Contractor, delivered by certified mail, email, or in person.

(b) Upon receipt of notice of early termination, Contractor shall immediately cease work and submit a final statement of services for all services performed and expenses incurred since the date of the last statement of services.

(c) Any early termination of this Agreement shall be without prejudice to any obligation or liabilities of either party already accrued prior to such termination.

(d) The rights and remedies of the City provided in this Agreement and relating to defaults by Contractor shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

5. No Third-Party Beneficiaries. City and

STANDARD CONDITIONS TO OREGON CITY PERSONAL SERVICES AGREEMENT

Contractor are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide, any benefit or right, whether directly or indirectly or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement.

6. Payment of Laborers; Payment of Taxes.

(a) Contractor shall:

(i) Make payment promptly, as due, to all persons supplying to Contractor labor and materials for the prosecution of the services to be provided pursuant to this Agreement.

(ii) Pay all contributions or amounts due to the State Accident Insurance Fund incurred in the performance of this Agreement.

(iii) Not permit any lien or claim to be filed or prosecuted against the City on account of any labor or materials furnished.

(iv) Be responsible for all federal, state, and local taxes applicable to any compensation or payments paid to the Contractor under this Agreement and, unless Contractor is subject to back-up withholding, the City will not withhold from such compensation or payments any amount(s) to cover Contractor's federal or state tax obligation.

(v) Pay all employees at least time and one-half for all overtime worked in excess of forty (40) hours in any one week, except for individuals excluded under ORS 653.100 to 653.261 or under 29 U.S.C. §§ 201 to 209 from receiving overtime.

(b) If the Contractor fails, neglects or refuses to make prompt payment of any claim for labor or services furnished by any person in connection with this Agreement as such claim becomes due, the City may pay such claim to the person furnishing the labor or services and shall charge the amount of the payment against funds due or to become due to the Contractor by reason of this Agreement.

(c) The payment of a claim in this manner shall not relieve Contractor or Contractor's surety from obligation with respect to any unpaid claims.

(d) Contractor and subcontractors, if any, are subject employers under the Oregon workers' compensation law and shall comply with ORS 656.017, which requires provision of workers' compensation coverage for all workers.

7. SubContractors and Assignment. Contractor shall neither subcontract any of the work, nor assign any rights acquired hereunder, without obtaining prior written approval from the City. The City, by this Agreement, incurs no liability to third persons for payment of any compensation provided herein to the Contractor.

8. Access to Records. City shall have access to all books, documents, papers and records of Contractor that are pertinent to this Agreement for the purpose of making audits, examinations, excerpts and transcripts.

9. Ownership of Work Product; License. All work products of Contractor that result from this Agreement (the "Work Products") are the exclusive property of City. In addition, if any of the Work Products contain intellectual property of Contractor that is or could be protected by federal copyright, patent, or trademark laws, or state trade secret laws, Contractor hereby grants City a perpetual, royalty-free, fully paid, nonexclusive and irrevocable license to copy, reproduce, deliver, publish, perform, dispose of, use and re-use, in whole or in part (and to authorize others to do so), all such Work Products and any other information, designs, plans, or works provided or delivered to City or produced by Contractor under this Agreement. The parties expressly agree that all works produced (including, but not limited to, any taped or recorded items) pursuant to this Agreement are works specially commissioned by City, and that any and all such works shall be works made for hire in which all rights and copyrights belong exclusively to City. Contractor shall not publish, republish, display or otherwise use any work or Work Products resulting from this Agreement without the prior written agreement of City.

10. Compliance With Applicable Law.

STANDARD CONDITIONS TO OREGON CITY PERSONAL SERVICES AGREEMENT

Contractor shall comply with all federal, state, and local laws and ordinances applicable to the services to be performed pursuant to this Agreement, including, without limitation, the provisions of ORS 279B.220, 279C.515, 279B.235, 279B.230 and 279B.270. Without limiting the generality of the foregoing, Contractor expressly agrees to comply with (i) Title VI of the Civil Rights Act of 1964; (ii) Section V of the Rehabilitation Act of 1973; (iii) the Americans With Disabilities Act of 1990 (Pub. L No. 101-336), ORS 659.425, and all regulations and administrative rules established pursuant to those laws; and (iv) all other applicable requirements of federal and state civil rights and rehabilitation and other applicable statutes, rules and regulations.

11. Professional Standards. Contractor shall be responsible, to the level of competency presently maintained by others practicing in the same type of services in City's community, for the professional and technical soundness, accuracy and adequacy of all services and materials furnished under this authorization.

12. Modification, Supplements or Amendments. No modification, change, supplement or amendment of the provisions of this Agreement shall be valid unless it is in writing and signed by the parties hereto.

13. Indemnity and Insurance.

(a) Indemnity. Contractor acknowledges responsibility for liability arising out of Contractor's negligent performance of this Agreement and shall hold City, its officers, agents, Contractors, and employees harmless from, and indemnify them for, any and all liability, settlements, loss, costs, and expenses, including attorney fees, in connection with any action, suit, or claim caused or alleged to be caused by the negligent acts, omissions, activities or services by Contractor, or the agents, Contractors or employees of Contractor provided pursuant to this Agreement.

(b) Workers' Compensation Coverage. Contractor certifies that Contractor has qualified for workers' compensation as required by the State of Oregon. Contractor shall provide the Owner, within ten (10) days after execution of this Agreement, a certificate of insurance evidencing coverage of all subject workers under Oregon's workers' compensation statutes. The insurance certificate and policy shall indicate that the policy shall not be terminated by the insurance carrier without thirty (30) days' advance written notice to City. All agents or Contractors of Contractor shall maintain such insurance.

(c) Comprehensive, General, and Automobile Insurance. Contractor shall maintain comprehensive general and automobile liability insurance for protection of Contractor and City and for their directors, officers, agents, and employees, insuring against liability for damages because of personal injury, bodily injury, death, and broad-form property damage, including loss of use, and occurring as a result of, or in any way related to, Contractor's operation, each in an amount not less than $2,000,000 combined, single-limit, per-occurrence/annual aggregate. Such insurance shall name City as an additional insured, with the stipulation that this insurance, as to the interest of City, shall not be invalidated by any act or neglect or breach of this Agreement by Contractor.

14. Legal Expenses. In the event legal action is brought by City or Contractor against the other to enforce any of the obligations hereunder or arising out of any dispute concerning the terms and conditions hereby created, the losing party shall pay the prevailing party such reasonable amounts for attorney fees, costs, and expenses as may be set by a court. "Legal action" shall include matters subject to arbitration and appeals.

15. Severability. The parties agree that, if any term or provision of this Agreement is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected.

16. Number and Gender. In this Agreement, the masculine, feminine or neuter gender, and the singular or plural number, shall be deemed to include the others or other whenever the context so requires.

17. Captions and Headings. The captions and headings of this Agreement are for convenience only and shall not be construed or referred to in resolving questions of interpretation or construction.

STANDARD CONDITIONS TO OREGON CITY PERSONAL SERVICES AGREEMENT

18. Hierarchy. The conditions contained in this document are applicable to every Personal Services Agreement entered into by the City of Oregon City in the absence of contrary provisions. To the extent there is a conflict, the terms of the Personal Services Agreement will control over the terms of the standard conditions. To the extent there is a conflict between the terms of the standard conditions and any other document, including the scope of services, the terms of the standard conditions shall control those other terms.

19. Calculation of Time. All periods of time referred to herein shall include Saturdays, Sundays and legal holidays in the State of Oregon, except that, if the last day of any period falls on any Saturday, Sunday or legal holiday, the period shall be extended to include the next day that is not a Saturday, Sunday or legal holiday.

20. Notices. Any notices, bills, invoices, reports or other documents required by this Agreement shall be sent by the parties by United States mail, postage prepaid, or personally delivered to the addresses listed in the Agreement attached hereto. All notices shall be in writing and shall be effective when delivered. If mailed, notices shall be deemed effective forty-eight (48) hours after mailing, unless sooner received.

21. Nonwaiver. The failure of City to insist upon or enforce strict performance by Contractor of any of the terms of this Agreement or to exercise any rights hereunder shall not be construed as a waiver or relinquishment to any extent of its rights to assert or rely upon such terms or rights of any future occasion.

22. Information and Reports. Contractor shall, at such time and in such form as City may require, furnish such periodic reports concerning the status of the project, such statements, certificates, approvals, and copies of proposed and executed plans and claims, and other information relative to the project as may be requested by City. Contractor shall furnish City, upon request, with copies of all documents and other materials prepared or developed in relation with or as a part of the project. Working papers prepared in conjunction with the project are the property of City, but shall remain with Contractor. Copies as requested shall be provided free of cost to City.

23. City's Responsibilities. City shall furnish Contractor with all available necessary information, data, and materials pertinent to the execution of this Agreement. City shall cooperate with Contractor in carrying out the work herein and shall provide adequate staff for liaison with Contractor.

24. Arbitration.

All disputes arising out of or under this Agreement shall be timely submitted to nonbinding mediation prior to commencement of any other legal proceedings. The subsequent measures apply if disputes cannot be settled in this manner.

(a) Any dispute arising out of or under this Agreement shall be determined by binding arbitration.

(b) The party desiring such arbitration shall give written notice to that effect to the other party and shall in such notice appoint a disinterested person of recognized competence in the field as arbitrator on its behalf. Within fifteen (15) days thereafter, the other party may, by written notice to the original party, appoint a second disinterested person of recognized competence as arbitrator on its behalf. The arbitrators thus appointed shall appoint a third disinterested person of recognized competence, and the three arbitrators shall, as promptly as possible, determine such matter, provided, however, that:

(i) If the second arbitrator is not appointed as described above, then the first arbitrator shall proceed to determine such matter; and

(ii) If the two arbitrators appointed by the parties are unable to agree, within fifteen (15) days after the second arbitrator is appointed, on the appointment of a third arbitrator, they shall give written notice of such failure to agree to the parties and, if the parties fail to agree on the selection of the third arbitrator within fifteen (15) days after the arbitrators appointed by the parties give notice, then, within ten (10) days thereafter, either of the parties, on written notice to the other party, may request such appointment by the presiding

STANDARD CONDITIONS TO OREGON CITY PERSONAL SERVICES AGREEMENT

judge of the Clackamas County Circuit Court.

(c) Each party shall each be entitled to present evidence and argument to the arbitrators. The determination of the majority of the arbitrators or the sole arbitrator, as the case may be, shall be conclusive on the parties, and judgment on the same may be entered in any court having jurisdiction over the parties. The arbitrators or the sole arbitrator, as the case may be, shall give written notice to the parties, stating the arbitration determination, and shall furnish to each party a signed copy of such determination. Arbitration proceedings shall be conducted pursuant to ORS 33.210 et seq. and the rules of the American Arbitration Association, except as provided otherwise.

(d) Each party shall pay the fees and expenses of the arbitrator appointed by such party and one-half of the fees and expenses of the third arbitrator, if any.

25. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the state of Oregon without resort to any jurisdiction's conflicts of law, rules or doctrines.

CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: City Commission **Agenda Date:** 12/01/2021

From: Assistant Parks and Recreation Director- Denise Conrad

SUBJECT:

Personal Services Agreement with Plan B Cost Consultancy LLC for Project Management and Owner Representative Services

STAFF RECOMMENDATION:

Staff recommends approval of contract with Plan B Cost Consultancy LLC in the amount of $75,880.00.

EXECUTIVE SUMMARY:

Based on the evaluations of submissions for the RFQ for WGNA-Project Management Services/Owner Representation, Plan B Cost Consultancy LLC was rank highest for understanding of the project approach and understanding.
Subsequent negotiation of fees and scope were in line with other projects that Plan B has contracted with the City.

Having worked with the City on other projects, the Parks and Recreation Department Team was unanimous in their decision to move forward with a contract.

BACKGROUND:

The Parks and Recreation Department has been laden with a torrent of natural disasters, time constrained capital projects, and staffing shortages. To conform to the deadlines and the outline of the WES Good Neighbor Agreement, it was determined to seek outside resources to assist in this biennium's WES Good Neighbor Agreement projects.

The Project Management Services/Owner's Representative RFQ (request for qualifications) posted in the Daily Journal of Commerce October 18th and 20th. Submissions were due on November 5, 2021. Two submissions were obtained. Staffing scored the submission and unanimously scored Plan B Cost Consultancy higher.

Staff discussed fees and scope of work along with a site visit to River Access Park.

Scope of work, fees, and a Not to Exceed cost was established at $75,880.

Plan B has had/has project management/owner representation contracts with the Robert Libke Public Safety Building with our Police Department and with the Engineering and Operations Center with Public Works. Plan B's experience in the City provides them an understanding of Oregon City process as well as having worked with WES in the past.

We will be working as a team with Plan B to accomplish WES Good Neighbor projects and provide compliance to the agreement objectives.

OPTIONS:

1. Approve contract with Plan B Cost Consultancy LLC for $75,880.00
2. Ask staff for more support information
3. Deny contract approval

BUDGET IMPACT:

Amount: $75,880.00

FY(s): 21/22-22/23

Funding Source(s): General Fund-WES Good Neighbor Agreement Funding

Point of Contact: _____
Term of Contract: _____

CITY OF OREGON CITY
PERSONAL SERVICES AGREEMENT

This PERSONAL SERVICES AGREEMENT ("Agreement") is entered into between the CITY OF OREGON CITY ("City") and Plan B Cost Consultancy LLC ("Consultant").

RECITALS

A. City requires services that Consultant is capable of providing under the terms and conditions hereinafter described.

B. Consultant is able and prepared to provide such services as City requires under the terms and conditions hereinafter described.

The parties agree as follows:

AGREEMENT

1. Term. The term of this Agreement shall be from the date the contract is fully executed until June 30, 2023, unless sooner terminated pursuant to provisions set forth below. However, such expiration shall not extinguish or prejudice City's right to enforce this Agreement with respect to (i) breach of any warranty; or (ii) any default or defect in Consultant's performance that has not been cured.

2. Compensation. City agrees to pay Consultant on a time-and-materials basis for the services required. Total compensation, including reimbursement for expenses incurred, shall not exceed $75,880.00.

3. Scope of Services. Consultant's services under this Agreement shall consist of services as detailed in Exhibit A, attached hereto and by this reference incorporated herein.

4. Standard Conditions. This Agreement shall include all of the standard conditions as detailed in Exhibit B, attached hereto and by this reference incorporated herein.

5. Integration. This Agreement, along with the description of services to be performed attached as Exhibit A and the Standard Conditions to Oregon City Personal Services Agreement attached as Exhibit B, contain the entire agreement between and among the parties, integrate all the terms and conditions mentioned herein or incidental hereto, and supersede all prior written or oral discussions or agreements between the parties or their predecessors-in-interest with respect to all or any part of the subject matter hereof.

6. Notices. Any notices, bills, invoices, reports or other documents required by this Agreement shall be sent by the parties by United States mail, postage prepaid, or personally delivered to the addresses below. All notices shall be in writing and shall be effective when delivered. If mailed, notices shall be deemed effective forty-eight (48) hours after mailing, unless sooner received.

To the City:	City of Oregon City PO Box 3040 625 Center Street Oregon City, OR 97045 Attention: City Manager
To Consultant:	**Plan B Cost Consultancy LLC** 696 McVey Avenue, Suite 202 Lake Oswego, OR 97034 Office: 503 734 1377 | fax 503 907 5229 info@PlanBconsult.net1

Consultant shall be responsible for providing the City with a current address. Either party may change the address set forth above for purposes of notices under this Agreement by providing notice to the other party in the manner set forth above.

7. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the state of Oregon without resort to any jurisdiction's conflicts of law, rules or doctrines.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly appointed officers on this 1st day of December 2021.

CITY OF OREGON CITY

By: _____
Anthony J. Konkol, III
Title: City Manager

DATED: _____, 20___.

By: _____
Kendall Reid
Title: Parks and Recreation Director

APPROVED AS TO LEGAL SUFFICIENCY:

By: _____
City Attorney

PLAN B COST CONSULTANCY LLC

By: _____

Title: _____

DATED: _____, 20___.

PLANB
A CUMMING COMPANY

696 McVey Avenue, Su
Lake Oswego, OR
Office: 503 734 1377 | fax 503 907 5229
info@PlanBconsult.net | PlanBconsult.net

November 22, 2021

Denise Conrad
Assistant Parks and Recreation Director
City of Oregon City
625 Center Street, Oregon City, OR 97045

RE: PlanB Fee Proposal – WGNA Owner's Representative and Project Management Services

Dear Denise:

Thank you for giving PlanB/Cumming the opportunity to continue working with you on the above-mentioned project. We very much appreciate our relationship with the City of Oregon City and its staff.

PlanB/Cumming has a long history of working collaboratively with owners and developers across the United States. Our team members are skilled in fostering an atmosphere of innovation, responsibility, responsiveness, and honest communication.

Our proactive approach, along with our communication skills, helps keep the entire team ever mindful of budget, risk, and schedule parameters. We will work closely with all stakeholders within the team to ensure your project is delivered in a way that exceeds your expectations.

Further to your request for provision of PlanB/Cumming's owner's representative and project management services related to supporting the WGNA program as outlined in the RFP process, please find the following documents, for your review:

1) Project Understanding
2) Scope of Services and Fee

If we can answer any further questions, please do not hesitate to contact us.

Respectfully submitted,

Gerard Mulrooney
Managing Director
PlanB Cost Consultancy LLC
A Cumming Group Company

PLAN B
A CUMMING COMPANY

696 McVey Avenue, Su
Lake Oswego, OR
Office: 503 734 1377 | fax 503 907 5229
info@PlanBconsult.net | PlanBconsult.net

Owner's Representative and Project Management Proposal

1. Section 1 – PROJECT UNDERSTANDING

We understand the scope of work includes supporting the City of Oregon City's Parks and Recreations Department and to be the principal point of contact for all scopes of work assigned to us.

The City of Oregon City intends to complete all qualified Good Neighbor projects. It is our understanding the projects are in concept form at this point. Projects will need to be fully vetted, undergo review as needed, permitting as needed, involve additional consultants as needed and follow the input of the community/public along with the educational/media component of the Agreement.

2. Section 2 – SCOPE OF SERVICES and FEE

Proposed Base Scope Services Include:

- Act as the principal point of contact and liaison between the potential architects, contractors and other potential consultants, and vendors throughout the project.
- Act and advocate for the City's and WES's interests in quality, timeliness, and cost-effective construction while maintaining professional relationships with contractors and other service providers.
- Be responsible for assuring the projects meet the Agreement criteria and monitor progress on all aspects of the projects in every phase and ensuring the project/s are completed at the lowest possible cost and highest degree of functionality and quality
- Incorporate in-house cost management and schedule management services where required.
- Provide administrative, management, and related services as required to coordinate work of the contractors with each other and with the activities, responsibilities of meeting the Agreement, reporting, and education/media components.

Our project managers and support staff will be providing services based on our current understanding for the following Not to Exceed sum:

Role:	Rate:	Hours:	Total Fee:
Senior Project Manager	$145.00	384	$55,680.00
Senior Cost Manager	$140.00	80	$11,200.00
Senior Schedule Manager	$150.00	60	$9,000.00
Project Management Support	$160.00	-	$0.00
Total Fee			**$75,880.00**

PLAN B
A CUMMING COMPANY

696 McVey Avenue, Su
Lake Oswego, OR
Office: 503 734 1377 | fax 503 907 5229
info@PlanBconsult.net | PlanBconsult.net

Fees are valid for 90 days from the date of this proposal. Should any of the above tasks be deleted from our scope of services, or additional scope be added we reserve the right to adjust the remaining fees to reflect possible resultant changes to the scope of the remaining service.

Please note we will require written authorization to proceed, and acceptance of the proposed contract attached to this letter. We are excited to work with you to provide comprehensive cost management services and look forward to the opportunity to add value to your project. We will treat each scope of work on a Time and Material basis and no more than allocated above. We typically bill each client within the first four days of the following month. All invoices will be submitted with backup to the hours and personal used on each scope. Once our proposal is approved, we can confirm a start date for this exercise.

Should this proposal be acceptable, please sign and return:

Authorized Signature: _____

Print Name: _____

Print Title: _____

Date: _____

STANDARD CONDITIONS TO OREGON CITY PERSONAL SERVICES AGREEMENT

1. Contractor Identification. Contractor shall furnish to City its taxpayer identification number, as designated by the Internal Revenue Service, or Contractor's social security number, as City deems applicable.

2. Payment.

(a) Invoices submitted in connection with this Agreement shall be properly documented and shall identify the pertinent agreement and/or purchase order numbers.

(b) City agrees to pay Contractor within thirty (30) days after receipt of Contractor's itemized statement. Amounts disputed by City may be withheld pending settlement.

(c) City certifies that sufficient funds are available and authorized for expenditure to finance the cost of the services to be provided pursuant to this Agreement.

(d) City shall not pay any amount in excess of the compensation amounts set forth in this Agreement, nor shall City pay Contractor any fees or costs that City reasonably disputes.

3. Independent Contractor Status.

(a) Contractor is an independent contractor and is free from direction and control over the means and manner of providing labor or services, subject only to the specifications of the desired results.

(b) Contractor represents that it is customarily engaged in an independently established business and is licensed under ORS chapter 671 or 701, if the services provided require such a license. Contractor maintains a business location that is separate from the offices of the City and bears the risk of loss related to the business as demonstrated by the fixed price nature of the contract, requirement to fix defective work, warranties provided and indemnification and insurance provisions of this Agreement. Contractor provides services for two or more persons within a 12 month period or routinely engages in advertising, solicitation or other marketing efforts. Contractor makes a significant investment in the business by purchasing tools or equipment, premises or licenses, certificates or specialized training and Contractor has the authority to hire or fire persons to provide or assist in providing the services required under this Agreement.

(c) Contractor is responsible for obtaining all assumed business registrations or professional occupation licenses required by state or local law (including applicable City or Metro business licenses as per Oregon City Municipal Code Chapter 5.04). Contractor shall furnish the tools or equipment necessary for the contracted labor or services. Contractor agrees and certifies that:

(d) Contractor is not eligible for any federal social security or unemployment insurance payments. Contractor is not eligible for any PERS or workers' compensation benefits from compensation or payments made to Contractor under this Agreement.

(e) Contractor agrees and certifies that it is licensed to do business in the State of Oregon and that, if Contractor is a corporation, it is in good standing within the State of Oregon.

4. Early Termination.

(a) This Agreement may be terminated without cause prior to the expiration of the agreed-upon term by mutual written consent of the parties or by the City upon ten (10) days written notice to the Contractor, delivered by certified mail, email, or in person.

(b) Upon receipt of notice of early termination, Contractor shall immediately cease work and submit a final statement of services for all services performed and expenses incurred since the date of the last statement of services.

(c) Any early termination of this Agreement shall be without prejudice to any obligation or liabilities of either party already accrued prior to such termination.

(d) The rights and remedies of the City provided in this Agreement and relating to defaults by Contractor shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

5. No Third-Party Beneficiaries. City and

STANDARD CONDITIONS TO OREGON CITY PERSONAL SERVICES AGREEMENT

Contractor are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide, any benefit or right, whether directly or indirectly or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement.

6. Payment of Laborers; Payment of Taxes.

(a) Contractor shall:

(i) Make payment promptly, as due, to all persons supplying to Contractor labor and materials for the prosecution of the services to be provided pursuant to this Agreement.

(ii) Pay all contributions or amounts due to the State Accident Insurance Fund incurred in the performance of this Agreement.

(iii) Not permit any lien or claim to be filed or prosecuted against the City on account of any labor or materials furnished.

(iv) Be responsible for all federal, state, and local taxes applicable to any compensation or payments paid to the Contractor under this Agreement and, unless Contractor is subject to back-up withholding, the City will not withhold from such compensation or payments any amount(s) to cover Contractor's federal or state tax obligation.

(v) Pay all employees at least time and one-half for all overtime worked in excess of forty (40) hours in any one week, except for individuals excluded under ORS 653.100 to 653.261 or under 29 U.S.C. §§ 201 to 209 from receiving overtime.

(b) If the Contractor fails, neglects or refuses to make prompt payment of any claim for labor or services furnished by any person in connection with this Agreement as such claim becomes due, the City may pay such claim to the person furnishing the labor or services and shall charge the amount of the payment against funds due or to become due to the Contractor by reason of this Agreement.

(c) The payment of a claim in this manner shall not relieve Contractor or Contractor's surety from obligation with respect to any unpaid claims.

(d) Contractor and subcontractors, if any, are subject employers under the Oregon workers' compensation law and shall comply with ORS 656.017, which requires provision of workers' compensation coverage for all workers.

7. SubContractors and Assignment. Contractor shall neither subcontract any of the work, nor assign any rights acquired hereunder, without obtaining prior written approval from the City. The City, by this Agreement, incurs no liability to third persons for payment of any compensation provided herein to the Contractor.

8. Access to Records. City shall have access to all books, documents, papers and records of Contractor that are pertinent to this Agreement for the purpose of making audits, examinations, excerpts and transcripts.

9. Ownership of Work Product; License. All work products of Contractor that result from this Agreement (the "Work Products") are the exclusive property of City. In addition, if any of the Work Products contain intellectual property of Contractor that is or could be protected by federal copyright, patent, or trademark laws, or state trade secret laws, Contractor hereby grants City a perpetual, royalty-free, fully paid, nonexclusive and irrevocable license to copy, reproduce, deliver, publish, perform, dispose of, use and re-use, in whole or in part (and to authorize others to do so), all such Work Products and any other information, designs, plans, or works provided or delivered to City or produced by Contractor under this Agreement. The parties expressly agree that all works produced (including, but not limited to, any taped or recorded items) pursuant to this Agreement are works specially commissioned by City, and that any and all such works shall be works made for hire in which all rights and copyrights belong exclusively to City. Contractor shall not publish, republish, display or otherwise use any work or Work Products resulting from this Agreement without the prior written agreement of City.

10. Compliance With Applicable Law.

STANDARD CONDITIONS TO OREGON CITY PERSONAL SERVICES AGREEMENT

Contractor shall comply with all federal, state, and local laws and ordinances applicable to the services to be performed pursuant to this Agreement, including, without limitation, the provisions of ORS 279B.220, 279C.515, 279B.235, 279B.230 and 279B.270. Without limiting the generality of the foregoing, Contractor expressly agrees to comply with (i) Title VI of the Civil Rights Act of 1964; (ii) Section V of the Rehabilitation Act of 1973; (iii) the Americans With Disabilities Act of 1990 (Pub. L No. 101-336), ORS 659.425, and all regulations and administrative rules established pursuant to those laws; and (iv) all other applicable requirements of federal and state civil rights and rehabilitation and other applicable statutes, rules and regulations.

11. Professional Standards. Contractor shall be responsible, to the level of competency presently maintained by others practicing in the same type of services in City's community, for the professional and technical soundness, accuracy and adequacy of all services and materials furnished under this authorization.

12. Modification, Supplements or Amendments. No modification, change, supplement or amendment of the provisions of this Agreement shall be valid unless it is in writing and signed by the parties hereto.

13. Indemnity and Insurance.

(a) Indemnity. Contractor acknowledges responsibility for liability arising out of Contractor's negligent performance of this Agreement and shall hold City, its officers, agents, Contractors, and employees harmless from, and indemnify them for, any and all liability, settlements, loss, costs, and expenses, including attorney fees, in connection with any action, suit, or claim caused or alleged to be caused by the negligent acts, omissions, activities or services by Contractor, or the agents, Contractors or employees of Contractor provided pursuant to this Agreement.

(b) Workers' Compensation Coverage. Contractor certifies that Contractor has qualified for workers' compensation as required by the State of Oregon. Contractor shall provide the Owner, within ten (10) days after execution of this Agreement, a certificate of insurance evidencing coverage of all subject workers under Oregon's workers' compensation statutes. The insurance certificate and policy shall indicate that the policy shall not be terminated by the insurance carrier without thirty (30) days' advance written notice to City. All agents or Contractors of Contractor shall maintain such insurance.

(c) Comprehensive, General, and Automobile Insurance. Contractor shall maintain comprehensive general and automobile liability insurance for protection of Contractor and City and for their directors, officers, agents, and employees, insuring against liability for damages because of personal injury, bodily injury, death, and broad-form property damage, including loss of use, and occurring as a result of, or in any way related to, Contractor's operation, each in an amount not less than $2,000,000 combined, single-limit, per-occurrence/annual aggregate. Such insurance shall name City as an additional insured, with the stipulation that this insurance, as to the interest of City, shall not be invalidated by any act or neglect or breach of this Agreement by Contractor.

14. Legal Expenses. In the event legal action is brought by City or Contractor against the other to enforce any of the obligations hereunder or arising out of any dispute concerning the terms and conditions hereby created, the losing party shall pay the prevailing party such reasonable amounts for attorney fees, costs, and expenses as may be set by a court. "Legal action" shall include matters subject to arbitration and appeals.

15. Severability. The parties agree that, if any term or provision of this Agreement is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected.

16. Number and Gender. In this Agreement, the masculine, feminine or neuter gender, and the singular or plural number, shall be deemed to include the others or other whenever the context so requires.

17. Captions and Headings. The captions and headings of this Agreement are for convenience only and shall not be construed or referred to in resolving questions of interpretation or construction.

STANDARD CONDITIONS TO OREGON CITY PERSONAL SERVICES AGREEMENT

18. Hierarchy. The conditions contained in this document are applicable to every Personal Services Agreement entered into by the City of Oregon City in the absence of contrary provisions. To the extent there is a conflict, the terms of the Personal Services Agreement will control over the terms of the standard conditions. To the extent there is a conflict between the terms of the standard conditions and any other document, including the scope of services, the terms of the standard conditions shall control those other terms.

19. Calculation of Time. All periods of time referred to herein shall include Saturdays, Sundays and legal holidays in the State of Oregon, except that, if the last day of any period falls on any Saturday, Sunday or legal holiday, the period shall be extended to include the next day that is not a Saturday, Sunday or legal holiday.

20. Notices. Any notices, bills, invoices, reports or other documents required by this Agreement shall be sent by the parties by United States mail, postage prepaid, or personally delivered to the addresses listed in the Agreement attached hereto. All notices shall be in writing and shall be effective when delivered. If mailed, notices shall be deemed effective forty-eight (48) hours after mailing, unless sooner received.

21. Nonwaiver. The failure of City to insist upon or enforce strict performance by Contractor of any of the terms of this Agreement or to exercise any rights hereunder shall not be construed as a waiver or relinquishment to any extent of its rights to assert or rely upon such terms or rights of any future occasion.

22. Information and Reports. Contractor shall, at such time and in such form as City may require, furnish such periodic reports concerning the status of the project, such statements, certificates, approvals, and copies of proposed and executed plans and claims, and other information relative to the project as may be requested by City. Contractor shall furnish City, upon request, with copies of all documents and other materials prepared or developed in relation with or as a part of the project. Working papers prepared in conjunction with the project are the property of City, but shall remain with Contractor. Copies as requested shall be provided free of cost to City.

23. City's Responsibilities. City shall furnish Contractor with all available necessary information, data, and materials pertinent to the execution of this Agreement. City shall cooperate with Contractor in carrying out the work herein and shall provide adequate staff for liaison with Contractor.

24. Arbitration.

All disputes arising out of or under this Agreement shall be timely submitted to nonbinding mediation prior to commencement of any other legal proceedings. The subsequent measures apply if disputes cannot be settled in this manner.

(a) Any dispute arising out of or under this Agreement shall be determined by binding arbitration.

(b) The party desiring such arbitration shall give written notice to that effect to the other party and shall in such notice appoint a disinterested person of recognized competence in the field as arbitrator on its behalf. Within fifteen (15) days thereafter, the other party may, by written notice to the original party, appoint a second disinterested person of recognized competence as arbitrator on its behalf. The arbitrators thus appointed shall appoint a third disinterested person of recognized competence, and the three arbitrators shall, as promptly as possible, determine such matter, provided, however, that:

(i) If the second arbitrator is not appointed as described above, then the first arbitrator shall proceed to determine such matter; and

(ii) If the two arbitrators appointed by the parties are unable to agree, within fifteen (15) days after the second arbitrator is appointed, on the appointment of a third arbitrator, they shall give written notice of such failure to agree to the parties and, if the parties fail to agree on the selection of the third arbitrator within fifteen (15) days after the arbitrators appointed by the parties give notice, then, within ten (10) days thereafter, either of the parties, on written notice to the other party, may request such appointment by the presiding

STANDARD CONDITIONS TO OREGON CITY PERSONAL SERVICES AGREEMENT

judge of the Clackamas County Circuit Court.

(c) Each party shall each be entitled to present evidence and argument to the arbitrators. The determination of the majority of the arbitrators or the sole arbitrator, as the case may be, shall be conclusive on the parties, and judgment on the same may be entered in any court having jurisdiction over the parties. The arbitrators or the sole arbitrator, as the case may be, shall give written notice to the parties, stating the arbitration determination, and shall furnish to each party a signed copy of such determination. Arbitration proceedings shall be conducted pursuant to ORS 33.210 et seq. and the rules of the American Arbitration Association, except as provided otherwise.

(d) Each party shall pay the fees and expenses of the arbitrator appointed by such party and one-half of the fees and expenses of the third arbitrator, if any.

25. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the state of Oregon without resort to any jurisdiction's conflicts of law, rules or doctrines.

Oregon City/Gladstone/WES

DRAFT Project Good Neighbor
Project Idea List

DRAFT Date: April 2, 2018

Project #'s are RTP and TSP Project numbers

Capital and/or One Time Expenses

Project #	Document	Project Name	Project Location	Total Estimated Cost	Year of Cost
W2 (A)	TSP	Main Street Sidewalk Infill	OR 99E to Cove Phase 1	included in project D90	2016
W2 (B)	TSP	Main Street Sidewalk Infill	Cove Phase 1 to 17th Street	included in project D90	2016
W4 & B7	TSP	Agnes Avenue Sidewalk Infill & Bike Lanes	Main Street to Washington Street	$2,255,000	2016
S1	TSP	Main Street Shared-Use Path	Clackamette Park to 17th Street	included in project D90	2016
C1	TSP	Clackamette Drive Crossing	Clackamette Park overflow lot to the Clackamette Park entrance	$35,000	2016
C2	TSP	Main Street Crossing	I-205 Shared Use Path to south of Main Street	$35,000	2016
R1	2004 Trails Master Plan	Clackamas River Trail: High Rocks Bridge - Oregon City Bridge	Regional trail would connect to existing I-205 path over the High Rocks Bridge and follow the Clackamas River, traverse Clackamette Cove, and link to on-street facilities on Main Street and the proposed McLoughlin Blvd. Promenade to the Oregon City bridge.	$501,401	2004
R6	2004 Trails Master P	Trolley Trail Bridge: Portland Avenue (Gladstone) - Oregon City Limits	Regional trail would connect the proposed regional Trolley Trail to the Clackamas River Trail via an old railroad bridge spanning the Clackamas River.	Unknown	2004
R7	2004 Trails Master P	Willamette Greenway Trail	Regional trail would follow the Willamette River from the confluence of the Clackamas and Willamette rivers to Canby. Some portions would be a rail with trail, others will be a shared use path or on-street facilities.	$1,119,825	2004
		Water Quality & Habitat Enhancements	Various opportunities along both sides of the Clackamas River & throughout the Cove area waterfront. Upstream limits would be above High Rocks (I 205 Bridge) and the downstream limits would be the Willamette River		
		Gladstone Water Intake Property due diligence and eventual property transfer to Oregon City	Oregon City side of the Clackamas River, inside the Gladstone City Limits, and east of the 99E (McLoughlin Blvd) bridge		
	FY21-23	North Park peninsula clean-up	The long peninsula which connects near the North Park and separates the Cove from the Clackamas River. Generally located the behind TriCity Treatment Plant.	$ 25,000.00	
	FY21-22	Tree Hazard Work	River Access through Cove	$ 100,000.00	
	FY21-23	Clackamette Park Master Plan & Associated Projects	Various.	$ 60,000.00	
	FY21-23	Invasive Removals	River Access, North Park area through Cove	$ 40,000.00	
	FY21-23	Asphalt/Concrete Repair	River Access, Clackamette to Jon Storm	$ 150,000.00	
	Remove	Clackamas River Gravel Bar Dredging	On the Clackamas River Just upstream of the mouth to the Cove.		
	FY21-23	Willamette River Waterfront Enhancements	Various - Jon Storm Park Waterfront Erosion' Pathway paving between Jon Storm Park and the Clackamette Park.	$ 70,000.00	
	FY21-23	Sportcraft Ramp-bumpers	Sportcraft Boat Ramp past Jon Storm	$ 30,000.00	
	FY21-23	Parks and Recreation Master Plan	Master Plan for system-portion to be in WES area	$ 25,000.00	
		I-205/OR 213 Tri City TP Screening/Plantings	City and ODOT between I-205 & Agnes Avenue.		
		Decant Facility	Somewhere yet to be determined inside Clackamas County but unidentified at this time.		
		Willamette Terrace Plantings	Along the river bank, below the terrace, between Sport Craft Landing and 10th Street		
		Washington Street Shared Use Path	Washington Street east of Treatment Plant (Old 82nd Street),		
			Total Capital and One Time Expenses:	**$**	

Maintenacne and On-going Expenses					
		North Park peninsula clean-up	The long peninsula which connects near the North Park and separates the Cove from the		
		Clackamas River. Generally located the behind TriCity Treatment Plant.			
		Clackamette Park Trail Maintenance			
		Cove Esplanade Maintenance			
		North Park Maintenance			
		WFLP Riverwalk Maintenance			
		High Rocks Area Maintenance			
			Total Maintenance & On-going Expenses:	**$**	

Notes	Schedule Complete By	Go?
Northside Only, East of 99E. Need to create cost estimate for just sidewalk.		
Eastside Only. Need to create cost estimate for just sidewalk.		
Eastside Only. Need to create cost estimate.		
Confirm what this is, how is different from sidewalks & bike lanes		
Much of this exists today in one form or another. Also the S1, W2A and W2Bcollectively represent the R1 Project. Shared Use Path, on-street Page 54 of the Oregon Trails Master Plan		
Gladstone received a grant for the concept planning for this project.		
Gladstone currently has the property for sale.		
Removal of clematis & other invasive plants. Heavy homeless use in Summer.		
Hazard limb removal and dead tree removals with permitting		
Master Plan timing in 2018-2021. Boat ramp and RV Park-Initiating Jan 2022 Funding impact only		
Removal of clematis & other invasive plants. Heavy homeless use in Summer.		
Curbs, sidewalk concrete panels, asphalt path Cove, Clackamette to Jon Storm-NROD/OHW-Permitting		
Existing permit for removal of 9000 CY of material which is well under the volume needed but could also make a difference is Cove Water Quality. **Lamprey Sensitive Biological area-will not be permitted**		
May be projects in conjunction with ODOT and the I-205 project; WES new effluent outfall; Listed in the 2004 Trails Master Plan (Project L36)-Permitting OHW		
Bumpers on the ramp need replacing and deck boards need replacment		
Master Plan for system-		
May be a land use condition of approval for the Phase II TP Expansion		
Regional need		
Fill in tree plantings that have died.		
Better delineated sidewalk or path on south side.		

Removal of clematis & other invasive plants. Heavy homeless use in Summer.		

CITY OF OREGON CITY
CITY COMMISSION JOINT WORK SESSION WITH THE PLANNING COMMISSION
DRAFT MINUTES

Virtual Meeting
Tuesday, June 08, 2021 at 6:00 PM

CONVENE JOINT WORK SESSION

Mayor Rachel Lyles Smith convened the meeting at 6:06 PM.

ROLL CALL

PRESENT: 5 - Mayor Rachel Lyles Smith, Commissioner Adam Marl, Commissioner Denyse McGriff, Commissioner Frank O'Donnell, and Commissioner Rocky Smith, Jr.

PLANNING: 4 - Chair Dirk Schlagenhaufer, Commissioner Greg Stoll, Commissioner Daphne Wuest, and Commissioner Mike Mitchell

ABSENT: 2 - Commissioner Christ Staggs and Commissioner Patti Gage

STAFFERS: 8 - City Manager Tony Konkol, Asst. City Recorder Jakob Wiley, Community Development Director Laura Terway, Sr. Planner Pete Walter, Finance Director Matt Zook, Public Works Director John Lewis, Library Director Greg Williams, and Police Chief Jim Band

DISCUSSION ITEM

1. Comprehensive Plan Update: Review Draft OC2040 Vision Statement

Pete Walter, Senior Planner, introduced the item. Steve Faust, 3J Consulting, presented an update on the OC2040 Comprehensive Planning process and outreach efforts. Mr. Faust discussed the community conversations conducted with eighteen local groups and organizations, and other outreach processes involving an online survey, paper mailer and interactive posters.

Mr. Faust discussed what participants love about Oregon City today from rarely mentioned to frequently mentioned. This including access to rural recreation, diversity, family friendly, small town with a rural feel, proximity to Portland and big city amenities, variety and support of local businesses.

The recap of Proposed Topic Areas (PAT) was reviewed and the four sections (healthy communities, resilient economy, connected infrastructure and protected environment) and the resulting section outlines make up the draft OC2040 Vision Statements for each of the topic areas.

Mayor Lyles Smith asked if the four topic areas comprised the draft statement and Mr. Walter indicated that was correct. Mayor Lyles Smith commented she would like to see the topic area of healthy communities changed to livable communities in the first section.

Commissioner Wuest wanted a comment added that the Oregon Trail pioneers were looking for opportunities and we have abundant opportunities now and perhaps an emphasis on health in the healthy communities section.

Chair Schlagenhaufer agreed with the prior comments on health and also would like to see mention of the other tribes that have cultural roots in this area. Commissioner Mitchell would like to see more emphasis on "art" in the first section and "communities" changed to "community." Commissioner Wuest would like to see an addition of tourism mentioned in the resilient economy section.

Commissioner McGriff mentioned additional verbiage regarding tourism was composed in an earlier PAT meeting and could be included. Commissioner Mitchell commented there should be verbiage added that emphasizes the historical and cultural aspects of Oregon City that can draw tourists here. Commissioner Smith felt there needed to be more emphasis on tourism in the section. Mayor Lyles felt the wording around the Willamette Falls project described as, "an economic engine in 2040" should be changed and that an emphasis on just tourism should be expanded. Commissioner O'Donnell agreed with Mayor Lyles Smith's comments.

Chair Schlagenhaufer had suggestions to improve the language on public access and transit and emphasize the small-town feel. There was discussion about inclusion around communication infrastructure, broadband and responsible growth while maintaining the small-town feel.

Mayor Lyles Smith had suggestions for some of the verbiage in the protected environment section and that Willamette Falls does not inspire hiking and biking, since there are no bike or hike trails there. Mr. Faust provided an explanation as to how they go about composing the section language to purposely include local places and landmarks so it is not entirely generic. Commissioner Stoll commented that he agreed with the Mayor's prior comment and that the activities should include a reference to fishing. Chair Schlagenhaufer suggested adding "visitors" to one sentence that only referenced residents.

Commissioner O'Donnell agreed with Chair Schlagenhaufer's comment and that the section needs general editing to reflect the realities of the area. Mr. Walter reviewed the next steps in the process, with the second joint work session to be held on July 13, 2021.

Commissioner Mitchell provided an update on some editing and readability enhancements that was suggested at the last PAT session. Chair Schlagenhaufer also provided some editing suggestions. Commissioner McGriff also provided some editing information based on the last PAT session.

Communications

There were no communications.

ADJOURNMENT

Mayor Lyles Smith adjourned the meeting at 6:53 PM.

Respectfully submitted,

_____

Jakob S. Wiley, Assistant City Recorder

CITY OF OREGON CITY
CITY COMMISSION SPECIAL MEETING
DRAFT MINUTES

Commission Chambers, Libke Public Safety Facility, 1234 Linn Ave, Oregon City
Wednesday, September 29, 2021 at 7:00 PM

EXECUTIVE SESSION OF THE CITY COMMISSION:

The Executive Session was held immediately following the City Commission Special Meeting.

a. PURSUANT TO ORS 192.660(2)(h): To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

b. PURSUANT TO ORS 192.660(2)(e): to conduct deliberations with persons designated by the governing body to negotiate real property transactions.

7:00 PM - SPECIAL MEETING OF THE CITY COMMISSION

1. CONVENE MEETING AND ROLL CALL

Mayor Lyles Smith convened the meeting at 7:02 PM.

PRESENT: 5 - Mayor Rachel Lyles Smith, Commissioner Adam Marl, Commissioner Denyse McGriff, Commissioner Frank O'Donnell, and Commissioner Rocky Smith, Jr.

STAFFERS: 8 - City Manager Tony Konkol, Public Works Director John Lewis, Community Development Director Laura Terway, Assistant City Recorder Jakob Wiley, Parks & Recreation Director Kendall Reid, Human Resources Director Patrick Foiles, City Attorney Bill Kabeiseman, and Assistant to the City Manager Lisa Oreskovich

2. CITIZEN COMMENTS

Karla Laws, representing Barkley Hills Neighborhood Association, provided a public comment regarding frustration with power imbalances between neighborhood associations, the city, the city attorney, and land use applicants.

Mayor Lyles Smith commented that there have been multiple complaints about city staff regarding these appeals and that they will be reviewed and outcomes will be discussed at a future meeting.

3. PUBLIC HEARINGS

3a. AP 21-00004 and AP-21-00005, Two appeals of Planning Files GLUA-21-00002: SP-21-00001 / LL-21-00002 for a Lot Line Adjustment and Site Plan and Design Review for a 60-Unit Residential Condominium Project on Holmes Lane - Neighborhood Association Fee Waiver Request Associated with One Appeal

Mayor Lyles Smith noted that the record for the item was closed. Mr Kabeiseman, City Attorney, noted an email sent to the City Commission from Catherine Pieslewicz was an ex parte contact and asked if the City Commissioners had any other ex parte contacts, bias, or conflicts of interest. Commissioner Marl had ran into Mr. Donnelly at the grocery store but only thanked him attending the long meetings. Mr. Kabeiseman noted that common interactions that don't involve the substance of the matter are fine.

Commissioner Marl commented that although he had not been vocal on this topic during the earlier meeting he was engaged and saw both sides of this appeal and thanked the neighborhood association for their involvement in the process.

Commissioner O'Donnell commented that he thoroughly reviewed the documentation regarding the two appeals and that the concerns of the neighborhood were heard.

Mayor Lyles Smith commented that these two appeals have shed light on the difficulties the neighborhood associations experience in the land use planning process and the stringent regulations that citizens have to experience during the hearings and appeals process.

Commissioner McGriff commented on some of the traffic issues associated with the site and that some of the issues can be mitigated.

Ms. Terway provided information on bike parking at the complex.

Also discussed with Ms. Terway was the public notice process, the retention of large trees, and stormwater placement.

Motion was made by Commissioner Marl, seconded by Commissioner McGriff, to deny AP 21-00004 and AP-21-00005 and approve GLUA-21-00002: SP-21-00001 / LL-21-00002 with the conditions as identified in the revised staff report dated September 22, 2021 and to reject the inclusion of a late citizen comment received via email from the record. The motion carried with the following vote:

Yea: 4 - Mayor Lyles Smith, Commissioner Marl, Commissioner O'Donnell, and Commissioner McGriff

Nay: 1 - Commissioner Smith

There was consensus to allow additional discussion of community engagement with neighborhood associations.

Commissioner McGriff commented on the citizen involvement process and the importance of residents to participate and influence land use decisions in their neighborhoods.

Commissioner O'Donnell commented that he agreed with Commissioner McGriff's comments and he advocates creating or amending an existing Community Development position to provide citizen education regarding the land use process and voice their perspectives.

Commissioner Marl commented that as the liaison to the Citizen Involvement Committee, he was concerned regarding comments from neighborhood association chairs on not being heard or appreciated by the city and there should be continuing conversations with the neighborhood associations on public process. Commissioner Marl also agreed with the comments made by Commissioner McGriff and O'Donnell.

4. ADJOURNMENT

Mayor Lyles Smith adjourned the meeting at 7:41 PM

Respectfully submitted,

_____

Jakob Wiley, Assistant City Recorder

CITY OF OREGON CITY
CITY COMMISSION REGULAR MEETING
DRAFT MINUTES

Commission Chambers, Libke Public Safety Facility, 1234 Linn Ave, Oregon City
Wednesday, October 06, 2021 at 7:00 PM

REGULAR MEETING OF THE CITY COMMISSION

1. CONVENE MEETING AND ROLL CALL

Mayor Lyles Smith called the meeting to order at 7:07 PM.

PRESENT: 5 - Mayor Rachel Lyles Smith, Commissioner Adam Marl, Commissioner Denyse McGriff, Commissioner Frank O'Donnell, and Commissioner Rocky Smith, Jr.

STAFFERS: 11 - City Manager Tony Konkol, Asst. City Recorder Jakob Wiley, Community Development Director Laura Terway, Parks & Rec. Director Kendall Reid, City Attorney Bill Kabeiseman, Human Resources Director Patrick Foiles, Asst. to the City Manager Lisa Oreskovich, Public Works Director John Lewis, Finance Director Matt Zook, Library Director Greg Williams, Economic Development Manager James Graham

2. FLAG SALUTE

3. CEREMONIES AND PROCLAMATIONS

4. CITIZEN COMMENTS

Paul Edgar, resident of Oregon City, requested that more education be provided to citizens for land use processes and historic preservation.

William Gifford, resident of Oregon City, discussed the cooperation between the City and the Clackamas Community College for their bond projects. Mr. Gifford thanked staff for their unheralded work behind the scenes.

Jim Deaver, resident of Milwaukie and representing Living Hope Church, discussed stormwater fees and efforts to address storm drain overcharges. He asked for justice in this matter.

Ken Foster, resident of Oregon City, concurred that the stormwater fees needed to be addressed expediently. The charges impacted what the church could do in the community.

Ken Baysinger, representative of the Canemah Neighborhood Association, discussed a request for a quiet zone in Canemah due to excessive train noise and provided a letter for the record.

Danielle Walsh, business owner in Oregon City, discussed receiving a debt collection notice for parking tickets that she didn't know existed. She discussed how code enforcement was harming businesses and customers on Main Street. She asked to work together on possible changes to the City's parking policies.

5. PRESENTATIONS

5a. Oregon City Operations Complex Development Project – October 2021 Update

John Lewis, Public Works Director, introduced the topic.

Gerry Mulrooney, PlanB Consultancy, gave an update on the Oregon City Operations Complex project. He gave a project overview, key events since the last update, construction progress to date, project timelines, project budget, and next steps.

Mr. Lewis explained the elements that had been reused in the project.

6. ADOPTION OF THE AGENDA

The agenda was adopted as presented.

7. CONSENT AGENDA

Motion made by Commissioner McGriff, seconded by Commissioner Marl, to adopt the consent agenda. The motion carried by the following vote:

Yea: Mayor Lyles Smith, Commissioner Marl, Commissioner McGriff, Commissioner O'Donnell, and Commissioner Smith

7a. OLCC: Liquor License Application – El Hempe Spirits, Inc., 412 Beavercreek Road, Suites 617 and 618, Oregon City

7b. Personal Services Agreement with Portland Engineering, Inc. for the Oregon City Operations Center Wonderware HMI (Human Machine Interface) Relocation

7c. Personal Services Agreement with RH2 Engineers for the 4th and 6th Streets Utility Replacement Project (CI 21-013)

7d. Municipal Court Judge Employment Agreement

7e. Minutes of the August 18, 2021 Regular Meeting

7f. Minutes of the September 1, 2021 Regular Meeting

8. PUBLIC HEARINGS

8a. First Reading of Ordinance No. 21-1015: An Ordinance Approving GLUA-21-00005: Emergency Annexation AN-21-00001 and Zone Change ZC-21-00002 to R-6 for Approximately 1.05 Acres Located at 19630 S. McCord Road

Mayor Lyles Smith opened the public hearing.

Laura Terway, Community Development Director, presented the staff report. This was a request for an emergency annexation and zone change to R-6 for property on S McCord Rd. It was 1.05 acres with a single family home and accessory structures. She explained the background and process on this emergency annexation request. The application complied with the criteria and the property had been connected to water and sewer. Staff recommended approval with conditions. The application met the criteria for SB 1573 and did not require a vote of the people.

Bill Kabeiseman, City Attorney, read the quasi-judicial hearing statement. He asked if the Commission had any ex parte contacts, bias, conflicts of interests, or any other statements to declare. There were none.

There was concern that the zone change did not go to the Planning Commission for review because it was an emergency annexation and what that might mean for future annexations that were larger in size.

Commissioner McGriff did not think what happened constituted an emergency.

Dan Berge, applicant, explained the processes he had to go through with the County and City and delays due to Covid and finding a contractor to do the work.

Ms. Terway confirmed public notice had been given for this hearing.

Mr. Berge said he went to the neighborhood association and they were unanimously in approval. Other R-6 zoning surrounded the property.

Mayor Lyles Smith closed the public hearing.

Commissioner McGriff thought zone changes should be considered separately in emergency annexations.

Motion made by Commissioner Marl, seconded by Commissioner O'Donnell, to approve the first reading of Ordinance No. 21-1015: an ordinance approving GLUA-21-00005: Emergency Annexation AN-21-00001 and Zone Change ZC-21-00002 to R-6 for approximately 1.05 acres located at 19630 S. McCord Road. The motion carried by the following vote:

Yea: 4 - Mayor Lyles Smith, Commissioner Marl, Commissioner O'Donnell, and Commissioner Smith

Abstain: 1 - Commissioner McGriff

9. GENERAL BUSINESS

9a. Resolution No. 21-46, Revisions to Extend the Parklet & Private Property Restaurant/Retail from November 20, 2021 to November 30, 2022 and Eliminate Some Temporary Fee Reductions

Ms. Terway said this resolution would extend the parklet and private property restaurant/retail programs to November 2022. There were four parklets currently permitted and operating, six outdoor dining/retail uses currently permitted and operating, and 20 businesses currently permitted for rights-of-way. These uses all had temporary reduced permit fees. Staff recommended going back to the normal fees for parklets and sidewalk seating and to keep the outdoor dining/retail on private property at $25 per year.

There was discussion regarding where the parklets were located, how the programs were leaning towards being permanent rather than temporary, extending it for six months and reviewing it at that time, how a year would allow businesses to recoup their investment and be ready for the relaunch of the City for the upcoming tourist season, not raising the fees if it was only for six months, and properties that were not in compliance.

Motion made by Commissioner O'Donnell, seconded by Commissioner Marl, to approve revised Resolution No. 21-46, changing the date to extend the parklet and private property restaurant/retail programs to May 31, 2022 and reviewing the programs at that time and making no changes to the fees. The motion passed by the following vote:

Yea: 3 - Mayor Lyles Smith, Commissioner Marl, and Commissioner O'Donnell,

Nay: 2 - Commissioner McGriff and Commissioner Smith

9b. Water Ballot Measures – Update and Outreach

Mr. Lewis, Public Works Director, said there were two water ballot measures on the November ballot.

Patty Nelson, Special Projects Senior Engineer, presented the information that was being given to neighborhood associations about the ballot measures. She explained the age of the water pipes in the City, how wildfires and the ice storm affected the water supply, the City's approach to repair and upgrade the oldest and most likely to fail parts, water system funding, proposed ballot measures to borrow up to $38 million and temporarily increase water rates up to 3% annually above the City Charter limit for six years, requirement in the City Charter for voter approval to borrow money, how the City Charter limited water rate increases to no more than 3% annually without voter approval, websites with more information, and outreach provided.

9c. Complaints Against City Manager

Patrick Foiles, Human Resources Director, said complaints had been filed against the City Manager by two residents of the Barclay Hills Neighborhood Association. The Commission had reviewed the complaints and needed to give staff direction for how to proceed and if the allegations warranted an outside investigation.

There was discussion regarding the need for transparency and objectivity in the process, whether or not an outside investigation was needed or if the information that was provided was sufficient, time and cost of an investigation, and which allegations, if any, would need to be further investigated.

Motion made by Commissioner McGriff, seconded by Commissioner Marl, that a formal investigation was not needed regarding the complaints against the City Manager. The motion passed by the following vote:

Yea: 3 - Mayor Lyles Smith, Commissioner Marl, and Commissioner McGriff

Nay: 2 - Commissioner O'Donnell and Commissioner Smith

Commissioner McGriff said bad behavior towards anyone was unacceptable. They needed to all pull in the same direction to make the community a better place to live.

Commissioner Marl encouraged citizens to continue the dialogue and involvement with the City Commission.

Mayor Lyles Smith also encouraged citizens to stay involved. Processes and operations needed to be improved and they would be looking into that.

10. COMMUNICATIONS

11. City Manager

There were no City Manager communications.

12. Commissioners

Commissioner McGriff acknowledged Pam Bloom from B&B Leasing as a Hometown Hero. She discussed the importance of historic resources.

Commissioner Marl said he was asked to be a member of the Childcare Task Force and they would have their first meeting later this month.

Commissioner Smith said homecoming would be next week and the parade would be held on October 15, 2021.

13. Mayor

There were no Mayor communications.

14. ADJOURNMENT

Mayor Lyles Smith adjourned the meeting at 9:47 PM.

Respectfully submitted,

_____

Jakob Wiley, Assistant City Recorder

CITY OF OREGON CITY
CITY COMMISSION WORK SESSION - REVISED
DRAFT MINUTES

Commission Chambers, Libke Public Safety Facility, 1234 Linn Ave, Oregon City
Tuesday, October 12, 2021 at 6:00 PM

EXECUTIVE SESSION OF THE CITY COMMISSION:

The Executive Session began immediately following the City Commission Work Session.

1. PURSUANT TO ORS 192.660(2)(e): to conduct deliberations with persons designated by the governing body to negotiate real property transactions.

6:00 PM - CITY COMMISSION WORK SESSION

CONVENE WORK SESSION AND ROLL CALL

Mayor Lyles Smith convened the meeting at 6:02 PM.

PRESENT: 5 - Mayor Rachel Lyles Smith, Commissioner Rocky Smith, Commissioner Denise McGriff, Commissioner Frank O'Donnell, Commissioner Adam Marl

STAFFERS: 1 - City Manager Tony Konkol, Asst. City Recorder Jakob Wiley, Community Development Director Laura Terway, Econ. Dev. Manager James Graham, Library Director Greg Williams, Finance Director Matt Zook, Parks & Rec. Director Kendall Reid, Public Works Director John Lewis, City Attorney Bill Kabeiseman, Human Resources Director Patrick Foiles, Asst. to the City Manager Lisa Oreskovich and Building Official Mike Roberts

FUTURE AGENDA ITEMS

1. List of Future Work Session Agenda Items

Mayor Lyles Smith and Mr. Konkol discussed an upcoming work session topic on mayoral appointments.

Commissioner O'Donnell asked when there would be a discussion on the Willamette Falls Trust and the four regional partners and also the Historic Review Board. There was discussion on scheduling joint meetings with city boards and committees and scheduling a meeting with the Historic Review Board in January 2022.

DISCUSSION ITEMS

2. Abandoned Building Regulations

Ms. Terway introduced this topic. Mike Roberts, Building Official, discussed the City's regulations and processes for regulating abandoned buildings. The Building Division regulates the "dangerous buildings" as defined in chapter 15.24 of the Municipal Code and Code Enforcement regulates nuisances as defined in Title 8 of the Municipal Code. The City's regulations are consistent with that of other jurisdictions; however, the City could take additional action if needed.

Commissioner McGriff asked what the specific process was for dealing with abandoned buildings. Mr. Roberts outlined the process which includes the initial contact with the property owner all the way through actions taken by Code Enforcement.

Commissioner McGriff commented her concerns on properties that are abandoned and the time it takes to resolve with the owner, or in some cases, demolish after legal proceedings. Chief Band commented on properties that the Police Department has worked with the Building Department and Code Enforcement to resolve. There was discussion regarding certain properties and that the owners are conducting repairs, but over an extensive amount of time.

Commissioner O'Donnell liked the example of City of Happy Valley regarding abandoned buildings, which requires the property owner to register each year for a fee, which encourages the owner to keep the property active. Mr. Roberts provided details on dealing with structurally unsound buildings.

Mayor Lyles Smith asked if all actions are complaint driven and Ms. Terway responded that is the majority of cases, but there are times when building staff and code enforcement do visually survey areas for issues. Commissioner Smith cited examples of city owned buildings that have had unresolved issues for many years and felt that City shouldn't be going after private properties until they deal with their own facilities. Mr. Marl commented that he also liked the approach Happy Valley has taken by requiring registration of abandoned buildings.

Ms. Terway explained that if the City would like to further regulate abandoned buildings to encourage their occupancy, removal, or improvement, there are a variety of tools which can be implemented. Ms. Terway's examples included: fines/registration of abandoned buildings, revise the municipal code to require more property maintenance or discourage abandonment of buildings, use of urban renewal or general city funds to purchase or improve properties, and other economic development tools or programs to help incentivize properties which are not economically performing.

Commissioner O'Donnell commented on the lack of interaction between departments on the same property issue. Ms. Terway indicated there is existing mechanisms within the city for departments to collaborate to resolve a property issue and that this does happen often. James Graham, Economic Development Manager, suggested to include non-performing commercial structures in the discussion and cited examples of what other cities do in order to make businesses viable again.

Mayor Lyles Smith commented that she agreed with Commissioner Smith's earlier comment and that the City should take care of their own buildings to set the standard.

There was consensus that staff would further research the abandoned property registration process implemented by Happy Valley and other jurisdictions dealing with abandoned properties and report back at a future meeting.

3. Homeless Internal Strategy

James Band, Police Chief, presented this goal, which is to define the strategies Oregon City will adopt in addressing the issues related to homelessness in the community.

Chief Band discussed that what Oregon City is experiencing is part of a regional problem with the homeless population count changing daily. People living homeless are as diverse as any other group. The City does not discriminate against people because they are homeless. The City's police response is focused on behaviors. Most people encountered on the street every day are unwilling to take services and housing options.

Community strategies include having the homeless outreach officer response to address problems in neighborhoods and businesses. The behavioral health specialist is a resource to City facilities, the business community, and neighborhoods. Camp and trash cleanups have been done with code enforcement staff and hired vendors. The City has coordinated with stakeholders in strategic problem-

solving involving ODOT, METRO, Clackamas County, Father's Heart and LEAD. The City code has been updated to address the codification of the Boise and Grants Pass cases, which dealt with how those cities negatively dealt with their homeless populations. The Arta Potty Program has been discontinued due to issues with the vendor.

Chief Band reviewed what is currently being done with short-term/temporary housing for the homeless including the hotel program which is paid by FEMA funds. The current cost per bed is about $40k annually ($110/night). Chief Band also discussed the current permanent housing program which includes the Rapid Re-Housing (RRH) or short-term rent assistance. For cases with lower barriers to rehousing there is long-term rent assistance and permanent supportive housing (PSH).

Mayor Lyles Smith asked what the next steps were for building the strategy and Chief Band responded that the City currently provides services to residents and business owners in dealing with homelessness issues and what is needed is to identify services and solutions for those in the city that are homeless. Chief Band suggested the remaining piece is whether the City would pursue involvement in housing solutions for the homeless.

Mayor Lyles Smith commented on the many ideas discussed previously on different roles the City could play, with worker sponsorships, relocating the My Father's Heart facility and others. Chief Band would like to see the City take on several of the solution pieces and do them well, knowing that it will not end the homeless situation in the City. Chief Band suggested more interaction with the County Commission on working towards broad community solutions.

Mayor Lyles Smith commented that the City has previously worked with the County on the Housing Implementation Plan, as part of the Metro Housing Bond and that there were no further conversation points left. There was further discussion regarding whether or not Metro funds were still available.

Commissioner Marl asked if the City would be reimbursed from the County for current homeless services the City is providing. Mr. Konkol and Chief Band provided some background on the services provided by the current behavioral health specialist and the need for additional support and that the City may ultimately pursue going after funding from the State. Commissioner Marl would like the City Commission to be vocal supporters regarding supported services and that there is not a true partnership with the County.

Mayor Lyles Smith commented on the issues regarding the Metro Housing Bond and the reduced amount of funds Clackamas County has received. There was further discussion on future funding. Commissioner McGriff felt there should be additional staff for the homeless liaison position so hours of service can be expanded to seven days a week and also a one-stop facility in the City where the homeless can receive expanded services.

Mayor Lyles Smith felt there is a need for public restrooms in the downtown area. Chief Band commented there are success stories regarding homelessness and asked the Commissioners what should be prioritized. Commissioner McGriff felt there needs to be an effort to establish public restrooms and other cities should be surveyed as to needs for homeless services to ascertain common needs. Commissioner Smith supports the current efforts and also the need for public restrooms. Mayor Lyles Smith would like to see a group organized to brainstorm and compose a strategy.

Commissioner O'Donnell felt there should be a regional solution, but housing may not be the major part of it. Commissioner O'Donnell supports a service center approach and felt what the City has done so far has been very good.

The City Commission took a break from 8:00 PM to 8:07 PM.

4. Oregon City Sidewalk Replacement Assistance Program

The goal of the Oregon City Sidewalk Replacement Assistance Program is to address sidewalk panels that have been lifted by street trees, to prevent the associated sidewalk trip hazards in a timely manner, and to assist property owners with the related replacement costs.

Mr. Lewis reviewed the history of the sidewalk issues throughout the city and an outline of the test program, which would allow for retroactive coverage. There is a proposed $200,000 allotment for the program. Applicants can apply once a year. There is the option of a single permit or neighborhood group permit rates.

Commissioner Smith asked what assistance was provided in prior sidewalk repair incidents in years past. Mr. Lewis did not recall the City providing prior assistance but Chief Band and Commissioner McGriff remembered an incident in the Tower Vista neighborhood, where street trees were allowed to be removed because of the damage that was caused. Commissioner Smith commented that there should be a separate tier for incidents that the City was responsible for the tree selection that caused the sidewalk lifting. There was discussion regarding past incidents and how they were handled.

Mayor Lyles Smith asked if a study had been done as to when the authorized tree list was changed per neighborhood and Ms. Terway responded that a citywide analysis had not been done, only for the Park Place neighborhood. Ms. Terway also commented that there were occasions when street trees were planted that were not on the tree list, provided that a certified arborist approved them. The Natural Resources Committee is finalizing recommendations on the street list that may include non-tree options for narrow parking strips.

The Commission had consensus on allowing public comment although this was a work session.

Tom Geil, resident of Oregon City, provided comment on the sidewalk issue and that residents will need financial assistance with tree removal prior to any sidewalk repair, due to residents not working due to COVID. There is also the issue of trees planted that are adjacent to fire hydrants and streetlights.

Mr. Lewis responded to Mr. Geil's comments and provided the history of street tree and sidewalk installations and that inspections of trees/sidewalk was not always consistent and part of subdivision approval.

Ms. Terway commented that street tree plantings sometimes would not be done according to the original plans, due to placement of street lights, etc.

Mayor Lyles Smith and Commissioner Smith discussed how far back research should be done to incorporate early incidents of sidewalk lifting. It was recommended to staff to do a look back and and see if the City was consistent in providing resident assistance in prior incidents. The Mayor and Mr. Lewis discussed how the individual incidents under the TEST program would be prioritized.

The Mayor and Ms. Terway discussed extending the Friends of Trees program in coordination with the sidewalk program.

The Mayor and Mr. Lewis discussed options and workarounds of paying vendors upfront in some situations as homeowners may not have funds and the desire to see the City own the problem that was created by the City instructing developers to plant trees that subsequently caused sidewalk damage.

Commissioner O'Donnell asked about the location of water meters in relation to street trees and Mr. Lewis indicated that the water meters went in first in developments and the street trees went in later with no standards as far as proximity to the meter.

The Commissioners, Mr. Konkol, Mr. Lewis and Mr. Graham discussed permit cost and if a letter of credit presented to contactors might work and the details and obstacles of implementing.

Commissioner McGriff commented that tree growers may not have trees available due to the high volume of tree replacements that are occurring due to the ice storm earlier in the year.

Commissioner Marl asked clarification on the tree replacement program and Mr. Lewis indicated that would be a program at a future date.

Mayor Lyles Smith commented that she liked the direction the proposed program was headed and made suggestions for further refinement.

Chief Band asked for clarification on what code enforcements role should be going forward, given the current situation with sidewalks and there was discussion regarding when there should/should not be enforcement regarding the sidewalks and the replacement of trees and when leniency is appropriate.

Mr. Konkol asked for clarification on the "look back" on the sidewalk/street trees issue and there was discussion on the timeline and program details.

There was consensus for staff to return to the City Commission at a future meeting with further refinement of the proposed test program.

CITY MANAGER'S REPORT

There was no City Manager report.

COMMISSION COMMITTEE REPORTS

A. Beavercreek Employment Area Blue Ribbon Committee - *Commissioner Frank O'Donnell*

No updates were provided.

B. Citizen Involvement Committee Liaison - *Commissioner Adam Marl*

No updates were provided.

C. Clackamas County Coordinating Committee (C4) - Appointed: *Mayor Rachel Lyles Smith* Alternate: *Commissioner Adam Marl*

C4 had a retreat with the main topic regarding regional transit.

D. Clackamas County I-205 Tolling Diversion Committee - Appointed: *Commissioner Adam Marl* Alternate: *Commissioner Frank O'Donnell*

The committee has not met.

E. Clackamas Heritage Partners - *Commissioner Rocky Smith, Jr.*

No updates were provided.

F. Clackamas Water Environment Services Policy Committee – Appointed: *Commissioner Rocky Smith, Jr.*

No updates were provided.

G. Downtown Oregon City Association Board - *Commissioner Denyse McGriff*

They will be holding a retreat on October 20th.

H. Metro Policy Advisory Committee (MPAC) - Appointed: *Mayor Rachel Lyles Smith* Alternate: *Commissioner Denyse McGriff*

Commissioner McGriff presented the City's housing needs report to the committee.

I. OC 2040 Project Advisory Team - Appointed: *Commissioners Adam Marl and Denyse McGriff*

Stakeholder sessions have been held. A survey will be sent out to the stakeholders to refine the input that was given.

J. Oregon Governor's Willamette Falls Locks Commission – Appointed: *Mayor Rachel Lyles Smith*

Mayor Lyles Smith just received her appointment to the commission. The commission is working on sunseting before the new authority agency starts.

K. Oregon City Tourism Stakeholder's Group - Appointed: *Commissioners Frank O'Donnell and Rocky Smith, Jr.*

Commissioner O'Donnell would like to see Mr. Graham provide a presentation to the Commission on tourism.

L. Oregon City/West Linn Pedestrian and Bicycle Bridge Concept Plan Project Advisory Committee - Appointed: *Commissioner Denyse McGriff*

The committee has not met. Commissioner McGriff would like to see several joint meetings with West Linn each year going forward.

M. South Fork Water Board (SFWB) - *Mayor Rachel Lyles Smith, and Commissioners Frank O'Donnell and Rocky Smith, Jr.*

They discussed the upgrading of the treatment plant.

N. Willamette Falls and Landings Heritage Area - Appointed: *Commissioner Denyse McGriff* Alternate: *Commissioner Frank O'Donnell*

They have hired a new executive director. Upcoming diversity workshops will be held.

O. Willamette Falls Legacy Project Liaisons - *Mayor Rachel Lyles Smith and Commissioners Frank O'Donnell*

This had been discussed at the beginning of the meeting.

ADJOURNMENT

Mayor Lyles Smith adjourned the meeting at 9:58 PM.

Respectfully submitted,

_____
Jakob S. Wiley, Assistant City Recorder

CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: City Commission **Agenda Date:** 11/3/2021

From: Interim Planning Manager, Christina Robertson-Gardiner

SUBJECT:

First Reading of Ordinance 21-1014 GLUA 21-00057 and LEG 21-00004: Legislative Application for Housing Needs Analysis

STAFF RECOMMENDATION:

Staff recommends the City Commission approve the first reading of Ordinance 21-1014 and GLUA 21-00057 and LEG 21-00004.

EXECUTIVE SUMMARY:

The City is working on a Housing Needs Analysis (HNA), which includes maps, housing data, and forecasts on demographic and socioeconomic trends to understand how much housing will be needed in the future and if we have enough available land to accommodate the community's needs. The study estimates the number and needs of new households as well as the amount of new housing units that could be potentially constructed. This technical analysis will help the community understand whether Oregon City has enough land to accommodate growth over the next 20 years and if any housing policy changes are needed.

The draft study found that Oregon City should plan for the growth of 7,435 new dwelling units over the next 20 years. Much of the growth in housing will be driven by growth in households. The City will meet Metro's requirements for net density and housing mix but has a slight shortage of land for high-density housing and an unmet need for affordable housing. The City may address the unmet needs through policies though should continue to monitor housing over time.

The Planning Commission recommended the City Commission unanimously recommended the City Commission approve the proposal on October 25, 2021.

At the November 17, 2021 City Commission Hearing, the City Commission requested additional information related to dwelling units and population projection and concern for the wording of the demographic and economic trends paragraph of page ii of the executive summary.

Beth Goodman, Senior Policy Advisor and Project Director at ECONorthwest provided additional background and suggested revisions to the HNA, which are attached to the Agenda.

BACKGROUND:

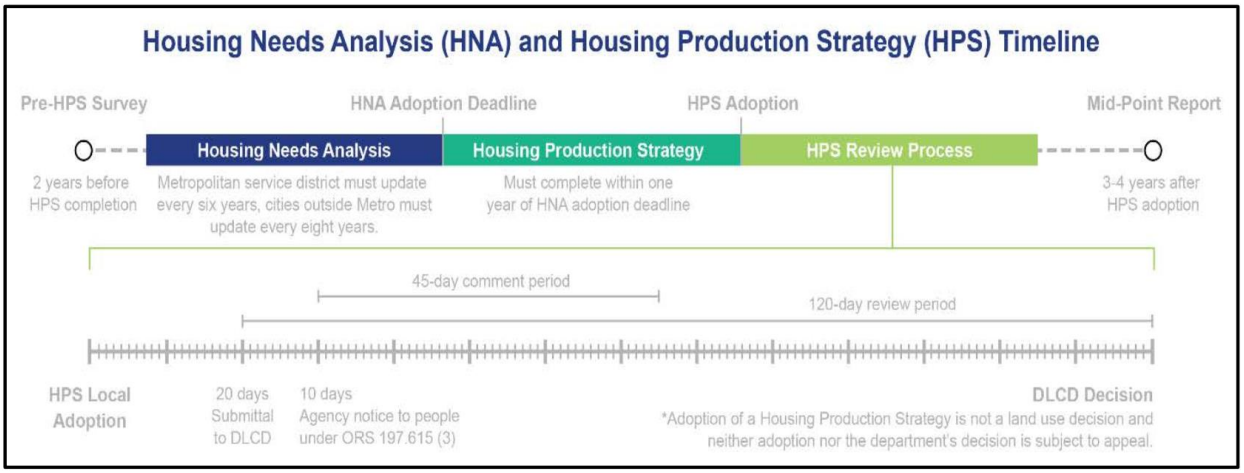
The City is working on a Housing Needs Analysis (HNA) which includes maps, housing data, and forecasts on demographic and socioeconomic trends to understand how much housing will be need in the future and if we have enough available land to accommodate the community's needs. The study estimates the number and needs of new households as well as the amount of new housing units that could be potentially constructed. This technical analysis will help the community understand whether Oregon City has enough land to accommodate growth over the next 20 years and if any housing policy changes are needed.

The HNA includes a map identifying land with minimal constraints that could be developed with a residential use if the property owner chooses to do so. The map is not intended to show where development will occur or the specific type or density of development, but to inform a reasonably accurate estimate of the amount of future housing opportunities citywide.

The draft study found that Oregon City should plan for the growth of 7,435 new dwelling units over the next 20 years. Much of the growth in housing will be driven by growth in households. The City will meet Metro's requirements for net density and housing mix but has a slight shortage of land for high-density housing and an unmet need for affordable housing. The City may address the unmet needs through policies though should continue to monitor housing over time. The study will be used to inform housing policy and projects in the future.

The Housing Needs Analysis will be used to inform future housing policies, such as the Oregon City Comprehensive Plan (OC 2040). The Planning Commission recommended the City Commission unanimously recommended the City Commission approve the proposal on October 25, 2021.

In 2020, the Land Conservation and Development Commission (LCDC) adopted Oregon Administrative Rules implementing a Housing Capacity Analysis Schedule. These Oregon Administrative Rules requires Oregon City update our Housing Needs Analysis every six years, effective 2022. If the proposed HNA is not adopted prior to December 31, 2021, the City will be required to revise the HNA in compliance with HB 2003 prior to December 31, 2022 and complete a Housing Production Strategy by December 31, 2023. If the City adopts the proposed HNA prior to the end of 2021, the next HNA update is not required for 6 years.



The City Commission recognized a need to support housing options in the City. The Commission identified the following goals within the 2021-2023 biennium goals related to housing:

- Prepare a plan to identify and implement housing strategies, tools, and opportunities that work best for Oregon City
- Update our code to provide additional housing opportunities in Oregon City

OPTIONS:

1. Approve the first reading of Ordinance No. 21-1014 and GLUA 21-00057 and LEG 21-00004.
2. Continue Ordinance No. 21-1014 and GLUA 21-00057 and LEG 21-00004 to the December 15, 2021 City Commission hearing with instructions for additional information or changes.

ORDINANCE NO. 21-1014

AN ORDINANCE OF THE CITY OF OREGON CITY AMENDING THE OREGON CITY COMPREHENSIVE PLAN BY REPEALING A 2002 HOUSING STUDY AND REPLACING IT WITH A 2021 HOUSING NEEDS ANALYSIS AS AN ANCILLARY DOCUMENT

WHEREAS, Oregon Revised Statutes (ORS) 197.175 requires cities to prepare, adopt, and implement comprehensive plans consistent with statewide planning goals adopted by the Land Conservation and Development Commission (LCDC); and

WHEREAS, Oregon Statewide Planning Goal 10 "Housing" is to provide for the housing needs of citizens of the state; and

WHEREAS, ORS 197.295-314 & 197.475-490 and Oregon Administrative Rules (OAR) division 660-008 implement Goal 10, and the administrative rule requires that cities have housing needs analyses 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, ORS 197.296 requires cities to establish a buildable lands inventory (BLI) as part of a housing needs analysis (HNA); and

WHEREAS, the City's currently effective Comprehensive Plan includes an HNA that was completed in 2002 and adopted in 2004;

WHEREAS, the proposed HNA was subject to extensive public review, including being presented or noticed to a number of public advisory groups including the OC 2040 Project Advisory Team, an OC 2040 Summit, the OC 2040 website, a project website, a public notice, the Development Stakeholders Committee, Neighborhood Associations, the Citizen Involvement Committee, and a joint work session between the City Commission and the Planning Commission; and

WHEREAS, the Planning Commission held a public hearing on October 25, 2021 and recommended adoption of the proposed HNA to the City Commission; and

WHEREAS, the City Commission held public hearings on November 3, 2021, November 17, 2021 and December 1, 2021 and found that the proposed HNA complies with the applicable criteria for Legislative approval as discussed in the Staff Report and Recommended Findings for File LEG-21-00001.

NOW, THEREFORE, OREGON CITY ORDAINS AS FOLLOWS:

Section 1. The City of Oregon City Comprehensive Plan is amended to repeal and replace the 2002 Housing Study (adopted in 2004), and adopt a new Housing Needs Analysis as provided in attached Exhibit " A".

Section 2. The Commission adopts the Analysis and Findings for GLUA 21-00057 and LEG 21-00004 to explain how the HNA complies with applicable law and to justify the policy choices within the HNA.

Read for the first time at a regular meeting of the City Commission held on the _____ Day of _____, 2021, and the City Commission finally enacted the foregoing ordinance this _____day of _____, 2021.

_____
RACHEL LYLES SMITH, Mayor

Attested to this day of ,

_____
City Recorder

Approved as to legal sufficiency:

_____
City Attorney

City of Oregon City
2021—2041 Housing Needs Analysis

November 2021

Prepared for: City of Oregon City

Final Report

ECONorthwest
ECONOMICS · FINANCE · PLANNING

KOIN Center
222 SW Columbia Street
Suite 1600
Portland, OR 97201
503-222-6060

This page intentionally blank

Table of Contents

EXECUTIVE SUMMARY ..... **I**

1. INTRODUCTION **1**

FRAMEWORK FOR A HOUSING NEEDS ANALYSIS 1
ORGANIZATION OF THIS REPORT 5

2. BUILDABLE LANDS INVENTORY **6**

DEFINITIONS 6
DEVELOPMENT CONSTRAINTS 7
BUILDABLE LANDS INVENTORY RESULTS 8

3. HISTORICAL AND RECENT DEVELOPMENT TRENDS **14**

DATA USED IN THIS ANALYSIS 15
TRENDS IN HOUSING MIX 17
TRENDS IN HOUSING DENSITY 18
TRENDS IN TENURE 19
VACANCY RATES 21
PUBLICLY SUPPORTED HOUSING 22
MANUFACTURED HOMES 23

4. DEMOGRAPHIC AND OTHER FACTORS AFFECTING RESIDENTIAL DEVELOPMENT IN OREGON CITY **24**

DEMOGRAPHIC AND SOCIOECONOMIC FACTORS AFFECTING HOUSING CHOICE 25
REGIONAL AND LOCAL DEMOGRAPHIC TRENDS THAT MAY AFFECT HOUSING NEED IN OREGON CITY 36
REGIONAL AND LOCAL TRENDS AFFECTING HOUSING AFFORDABILITY 50

5. HOUSING NEED IN OREGON CITY **66**

PROJECT NEW HOUSING UNITS NEEDED IN THE NEXT 20 YEARS 66

6. OREGON CITY'S RESIDENTIAL LAND SUFFICIENCY **77**

CAPACITY ANALYSIS 77
RESIDENTIAL LAND SUFFICIENCY 79
FINDINGS AND RECOMMENDATIONS 80

APPENDIX A: BUILDABLE LANDS INVENTORY METHODOLOGY **83**

METHODOLOGY 83

This page intentionally blank

Executive Summary

This report presents Oregon City's Housing Needs Analysis (HNA) for the 2021 to 2041 period. It is intended to comply with statewide planning policies that govern planning for housing and residential development, including Goal 10 (Housing), OAR 660 Division 7, and OAR 660 Division 8. The methods used for this study generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1996).

Oregon City is currently in the process of updating the city's Comprehensive Plan as part of the OC2040 Comprehensive Plan Update. Part of this process includes updating the Housing Element with recent information about Oregon City's housing market and forecasted housing needs, along with data on Oregon City's demographic and socioeconomic trends. In 2019, Oregon City participated in a preliminary housing needs analysis process through the development of the Clackamas County HNA. This report builds on the information presented for Oregon City in that project and provides updated data where necessary.

Oregon City grew from 14,968 people in 1990 to 35,570 people in 2019. This is an addition of 19,242 people or 131% growth. During the 2015 to 2020 period, median housing prices in Oregon City increased from about $350,000 in 2015 to $545,000 in 2021, a 55% increase consistent with sales price growth in Clackamas County. Rates of cost burden in Oregon City varied from 28% for homeowners and 50% for renters (35% of overall) in the 2012-2016 American Community Survey (ACS) 5-year estimate period.

This report provides Oregon City with a factual basis to update the City's Comprehensive Plan and zoning code, and to support future planning efforts related to housing as well as options for addressing unmet housing needs in Oregon City. This report provides information to inform future planning efforts, including development and redevelopment. This report provides the City with information about the housing market in Oregon City and describes the factors that will affect future housing demand in Oregon City, such as changing demographics. This analysis will help decision makers understand whether Oregon City has enough land to accommodate growth over the next 20 years.

What are the key housing needs in Oregon City?

- **Demographic and economic trends will drive demand for affordable and diverse housing in Oregon City.** Key demographic and economic trends affecting Oregon City's future housing needs are the aging of the baby boomers, the aging of the Millennials and Generation Z, and the continued growth in the Latinx population.
- **Housing affordability is a growing challenge in Oregon City.** Housing affordability is a challenge in most of the Portland Metro region in general, and Oregon City is affected by these regional trends. Housing prices are increasing faster than incomes in Oregon City and Multnomah County, which is consistent with state and national challenges. Oregon City has a modest supply of multifamily housing with 5 or more units (about 13% of the city's housing stock), but half of renter households are cost burdened (50%). The households who are most likely to be cost burdened[1] are those with an income below 50% of Clackamas County's median family income (MFI) for a family of four ($92,000).
  - Oregon City's key challenge over the next 20 years is providing opportunities for the development of relatively affordable housing (both for households with an income below 60% of MFI ($55,200), who will need income-restricted housing, and for households with incomes of 60% to 120% of MFI ($55,200 to $110,000), who can afford some market-rate housing) of all types, such as lower-cost single-family housing, cottage, townhouses and duplexes, tri- and quadplexes, market-rate multifamily housing, and government-subsidized affordable multifamily housing.
- **Oregon City lacks enough housing that is affordable, both for renter and homeowners.** About 35% of Oregon City's households are cost burdened (paying 30% or more of their household income on housing costs). About 50% of Oregon City's **renters** are cost burdened and about 28% of Oregon City's **homeowners** are cost burdened. Oregon City's level of cost burden is similar to other communities in Clackamas County. Oregon City is one of the less affordable cities for homeownership in the Portland region, households at middle and high incomes (between $74,000 to $110,000) are less able to afford housing in Oregon City.
- **About 33% of Oregon City's households are renters, 58% of whom live in multifamily housing.** Median rents in Oregon City in 2021 are $1,350 per month, compared to the $1,426 median rent for Clackamas County as a whole.
  - A household earning 50% of Clackamas County's median family income ($46,000) could afford about $1,150 per month in rent, compared with the average effective rent of $1,350. However, about 20% of Oregon City's housing stock is multifamily (including duplexes, triplexes and quadplexes), compared to 32% of the housing in

[1] The Department of Housing and Urban Development's guidelines indicate that households paying more than 30% of their income on housing experience "cost burden," and households paying more than 50% of their income on housing experience "severe cost burden."

the Portland Region. The comparatively small share of multifamily units may constrain opportunities to rent in Oregon City.

- **Housing sales prices increased in Oregon City over the last five years at a slightly faster rate than entire County.** A household earning 100% of Clackamas County's median family income could afford a home valued between about $322,000 to $368,000, which is less than the median home sales price of about $545,000 in Oregon City. A household can start to afford median home sale prices at about 148% of Oregon City's median household income.

How much household growth is Oregon City planning for?

Oregon City's number of households within its city limits and UGB area (i.e., Planning Area) is projected to grow by over 7,435 households between 2021 and 2041, at an annual growth rate of 372 units per year.

Exhibit 1. Forecast of Household Growth, Oregon City Planning Area, 2021 to 2041
Source: Metro's *2050 Household Distributed Forecast*, 2021.

14,778	22,213	7,435
Households in 2021	Households in 2041	New households 2021-2041

How much housing will Oregon City need?

The housing types used in this analysis are consistent with needed housing types as defined in ORS 197.303:

- **Single-family detached** includes single-family detached units, manufactured homes on lots and in mobile home parks, cottage clusters, and accessory dwelling units.
- **Single-family attached** is all structures with a common wall where each dwelling unit occupies a separate lot, such as row houses or townhouses.
- **Duplexes, Triplexes, and Quadplexes** are a subset of multifamily attached structures that contain two, three or four living units generally on the same lot.
- **Multifamily** is all other attached structures with five or more units, other than single-family detached units, manufactured units, duplexes, triplexes, quadplexes, or single-family attached units.

To accommodate the city's forecasted household growth, Oregon City needs to plan for 7,435 new dwelling units between 2021 and 2041. About 3,717 units of new housing will be single-family detached (50%); 1,487 units of new housing will be single-family attached (20%); 744 units of new housing will be duplexes, triplexes, or quadplexes (10%); and about 1,487 units will be multifamily housing with five or more units per structure (30%).

How much land will be required for housing?

In total, Oregon City is forecast to grow by 7,435 dwelling units and has capacity for 7,266 dwelling units. Exhibit 2 shows a comparison of Oregon City's land capacity within the planning area with demand for new units by plan designation. It shows that Oregon City has no surplus or deficit of capacity in the low and medium density residential and mixed-use plan designations, and a deficit of 169 dwelling units (or 8 acres) of high density residential land.

Exhibit 2. Comparison of Capacity of Existing Residential and Selected Commercial Land with Demand for New Dwelling Units and Land Surplus or Deficit, Oregon City Planning Area, 2021 to 2041
Source: Buildable Lands Inventory; Calculations by ECONorthwest.

Plan Designation	Capacity (Dwelling Units)	Demand (Dwelling Units)	Comparison (Capacity minus Demand)	Land Surplus or Deficit (Gross Acres)
Low Density Residential	2,116	2,116	0	0
Medium Density Residential	3,159	3,159	0	0
High Density Residential	1,108	1,277	(169)	(8)
Mixed Use	883	883	0	0
Total	**7,266**	**7,435**		

What are the key findings of the Housing Needs Analysis?

The key findings of the Oregon City Housing Needs Analysis are that:

- **Finding: Growth in housing will be driven by growth in households.** The number of households in Oregon City's Planning Area is forecast to grow from 14,778 households to 22,213 households, an increase of 7,435 households between 2021 and 2041.
- **Finding: Oregon City is planning for growth of 7,435 new dwelling units.** To accommodate the 7,435 dwelling units over the 20-year planning period, Oregon City will average 372 new dwelling units annually, and will plan for more single-family attached and multifamily dwelling units in the future to meet the city's housing needs. Historically, about 73% of Oregon City's housing was single-family detached. New housing in Oregon City is forecast to be 50% single-family detached, 20% single-family attached, 10% duplexes, triplexes, and quadplexes, and 20% multifamily. This housing mix both meets the requirements for housing mix for cities in Metro (OAC 660-007) and is supported by the changes in the housing market described below.

  The factors driving the shift in types of housing needed in Oregon City include changes in demographics and decreases in housing affordability. The aging of senior populations and the household formation of young adults will drive demand for renter and owner-occupied housing, such as small single-family detached housing, townhouses, duplexes, and apartments/condominiums. Both groups may prefer housing in walkable neighborhoods, with access to services.

  - **Recommendation**: Oregon City should monitor land available in all plan designations, as there is no surplus (or deficit) of land in the low and medium density residential plan designations. Additionally, the City may look for opportunities for redevelopment on underutilized land to address the deficit of high density residential land and limited capacity of mixed use land.
- **Oregon City is meeting Metro's requirements for net density and housing mix.** OAR 660-007-0035 sets specific density targets for cities in the Metro UGB. Oregon City's average density target is eight dwelling units per net buildable acre. Based on the findings in Chapter 6, Oregon City is exceeding this average density target at an average net density of 9.5 dwelling units per net acre.

  OAR 660-007 also requires that cities within the Metro UGB "provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing." Chapter 5 shows that for the 2021-2041 planning period Oregon City is assuming that 20% of new dwelling units will be single-family attached, 10% of new units will be duplexes, triplexes, or quadplexes, and 20% of new units will be multifamily.

- **Recommendation:** Oregon City should continue to monitor future development to evaluate resulting densities and housing mix in comparison to the planned units described in this report.

- **Finding: Oregon City has unmet need for affordable housing.** About 34% of Oregon City's households are cost burdened, with 50% of renters cost burdened and 28% of owners cost burdened. Oregon City's level of cost burden is similar to other communities in Clackamas County. Oregon City's unmet housing needs include:

  Renter housing. The average asking rent for multifamily housing in Oregon City in 2021 was about $1,350, which is affordable to households earning about 60% of the median family income (about $55,200). About one-third of Oregon City's households have incomes below this level and cannot afford the average rent. As shown in the rates of cost burden, many of these renter households are cost burdened. Oregon City will continue to have unmet renter housing needs, both for existing households and for new households.

  Owner-occupied housing. The median home sales price in April 2021 was about $545,000, which is affordable to households earning about 148% of the median family income (about $136,300). Oregon City is one of the less affordable cities for homeownership in the Portland region, households at middle and high incomes (between $74,000 to $110,000) are less able to afford housing in Oregon City. One way to increase the supply of affordable owner-occupied housing is to increase opportunities for development of the middle-income housing described above.

  - **Recommendation**: Without diversification of housing types, lack of affordability will continue to be a problem, possibly growing in the future if incomes continue to grow at a slower rate than housing costs. Under the current conditions, 1,545 of the forecasted new households will have incomes of $46,000 (in 2020 dollars) or less (50% of MFI income or less). These households cannot afford market-rate housing without government subsidy. Another 1,228 new households will have incomes between $46,000 and $74,000 (50% to 80% of MFI).

    Oregon City will need to provide opportunities for affordable housing development for both rental and ownership over the 20-year period, and the City should look for opportunities for affordable housing development for all housing types.

- **Finding: Oregon City will need to meet the requirements of House Bill 2001.** The legislature passed House Bill 2001 in the 2019 Legislative Session. The bill requires cities within the Metro UGB to allow "middle" housing types in low-density residential zones. The bill defines middle housing types as duplexes, triplexes, quadplexes, cottage clusters, and townhouses.

  - **Recommendation**: The City should continue the process of developing and adopting zoning code to comply with these requirements.

- **Finding: Oregon City is currently in the process of a Comprehensive Plan Update.** This 2021 HNA report presents updated information related to Oregon City's Housing

Element of the Comprehensive Plan. Additionally, changes in Oregon City's demographics have presented a need for a greater variety of housing types. In 2019, Oregon City participated in a preliminary housing needs analysis process through the development of the Clackamas County Housing Needs Analysis. This report builds on the information presented for Oregon City in that project and provides updated data where necessary.

- **Recommendation**: Oregon City should adopt this HNA report as an appendix to the Comprehensive Plan. HB 2003 requires that Oregon City update its HNA every six years to analyze what housing is needed for current and future residents for a 20-year period.

  Oregon City has identified a project to start within a year to look at non-zoning strategies to support the development of housing (including affordable housing). This initial study will allow the consideration of additional tools and partnerships in advance of a Housing Production Strategy (HPS) according to the guidance in HB 2003. An HPS includes consideration of additional information about the housing needs of underserved communities and engagement with underserved communities about potential approaches to meeting their needs.

1. Introduction

This report presents Oregon City's Housing Needs Analysis (HNA) for the 2021 to 2041 period. It is intended to comply with statewide planning policies that govern planning for housing and residential development, including Goal 10 (Housing), OAR 660 Division 7, and OAR 660 Division 8. The methods used for this study generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1996).

Oregon City is currently in the process of updating the city's Comprehensive Plan as part of the OC2040 Comprehensive Plan Update. Part of this process includes updating the Housing Element with recent information about Oregon City's housing market and forecasted housing needs, along with data on Oregon City's demographic and socioeconomic trends. In 2019, Oregon City participated in a preliminary housing needs analysis process through the development of the Clackamas County HNA. This report builds on the information presented for Oregon City in that project and provides updated data where necessary.

This document presents a forecast of housing growth in Oregon City for the 2021 to 2041 period. Oregon City will be required to update this analysis in six years, by December 31, 2027, per the requirements of OAR 660-008. The information in this report is intended to provide Oregon City with a factual basis to update the Housing Element of the City's Comprehensive Plan and Development Code and support future planning efforts related to housing and options for addressing unmet housing needs in Oregon City. This report provides information that informs future planning efforts, including development and redevelopment. It provides the City with information about the housing market in Oregon City and describes the factors that will affect future housing demand in Oregon City, such as changing demographics. This analysis will help decision makers understand whether Oregon City has enough land to accommodate growth over the next 20 years.

Framework for a Housing Needs Analysis

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

Thus, housing choices of individual households are influenced in complex ways by dozens of factors. The housing markets in Clackamas County and Oregon City are the result of the individual decisions of thousands of households. These points help to underscore the

complexity of projecting what types of housing will be built in Oregon City between 2021 and 2041. These housing types include single-family detached, single-family attached, and multifamily (including duplexes, triplexes, and quadplexes, in addition to buildings with more than five units). This report discusses these housing types in detail, as well as the range of affordability issues that will affect Oregon City households in the 2021 to 2041 period.

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

Statewide Planning Goal 10

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

At a minimum, local housing policies must meet the requirements of Goal 10 and the statutes and administrative rules that implement it (ORS 197.295 to 197.314, ORS 197.475 to 197.490, and OAR 600-008).[2] 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. Jurisdictions located in the Metro Urban Growth Boundary (UGB) are also required to comply with Metropolitan Housing in OAR 660-007 and Title 7 of Metro's Urban Growth Management Functional Plan in the Metro Code (3.07 Title 7).

Goal 10, through ORS 197.303, defines needed housing types as "all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the city with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes." ORS 197.303 defines needed housing types:

(a) Housing that includes, but is not limited to, attached and detached single-family housing and multiple family housing for both owner and renter occupancy.

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

(b) Government-assisted housing.[3]

(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.

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

The Metropolitan Housing Rule

OAR 660-007 (the Metropolitan Housing rule) is designed to "assure opportunity for the provision of adequate numbers of needed housing units and the efficient use of land within the Metropolitan Portland (Metro) urban growth boundary." OAR 660-0070-005(12) provides a Metro-specific definition of needed housing:

> "Needed Housing" defined. Until the beginning of the first periodic review of a local government's acknowledged comprehensive plan, "needed housing" means housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels.

The Metropolitan Housing Rule also requires cities to develop residential plan designations:

> (1) Plan designations that allow or require residential uses shall be assigned to all buildable land. Such designations may allow nonresidential uses as well as residential uses. Such designations may be considered to be "residential plan designations" for the purposes of this division. The plan designations assigned to buildable land shall be specific so as to accommodate the varying housing types and densities identified in OAR 660-007-0030 through 660-007-0037.

OAR 660-007 also specifies the mix and density of new residential construction for cities within the Metro UGB:

> "Provide the <u>opportunity</u> for at least 50 percent of new residential units to be attached single family housing or multiple family housing or justify an alternative percentage based on changing circumstances" (OAR 660-007-0030 (1).

OAR 660-007-0035 sets specific density targets for cities in the Metro UGB. Oregon City's average density target is eight dwelling units per net buildable acre.[4]

---

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

[4] OAR 660-024-0010(6) defines net buildable acres as "43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads."

Metro Urban Growth Management Functional Plan

The Metro Urban Growth Management Functional Plan describes the policies that guide development for cities within the Metro UGB to implement the goals in the Metro 2040 Plan.

Title 1: Housing Capacity

Title 1 of Metro's Urban Growth Management Functional Plan is intended to promote efficient land use within the Metro UGB by increasing the capacity to accommodate housing capacity. Each city is required to determine its housing capacity based on the minimum number of dwelling units allowed in each zoning district that allows residential development and maintain this capacity.

Title 1 requires that a city adopt minimum residential development density standards by March 2011. If the jurisdiction did not adopt a minimum density by March 2011, the jurisdiction must adopt a minimum density that is at least 80% of the maximum density.

Title 1 provides measures to decrease development capacity in selected areas by transferring the capacity to other areas of the community. This may be approved as long as the community's overall capacity is not reduced.

Metro's *2017 Compliance Report* concludes that Oregon City is in compliance for the City's Title 1 responsibilities.

Title 7: Housing Choice

Title 7 of Metro's Urban Growth Management Functional Plan is designed to ensure the production of affordable housing in the Metro UGB. Each city and county within the Metro region is encouraged to voluntarily adopt an affordable housing production goal.

Each jurisdiction within the Metro region is required to ensure that their comprehensive plans and implementing ordinances include strategies to:

- Ensure the production of a diverse range of housing types;
- Maintain the existing supply of affordable housing, increase opportunities for new affordable housing dispersed throughout their boundaries; and
- Increase opportunities for households of all income levels to live in affordable housing (3.07.730).

Metro's *2017 Compliance Report* concludes that Oregon City is in compliance for the City's Title 7 responsibilities.

Title 11: Planning for New Urban Areas

Title 11 of Metro's Urban Growth Management Functional Plan provides guidance on the conversion of land from rural to urban uses. Land brought into the Metro UGB is subject to the

provisions of section 3.07.1130 of the Metro Code, which requires lands to be maintained at rural densities until the completion of a concept plan and annexation into the municipal boundary.

The concept plan requirements directly related to residential development are to prepare a plan that includes:

(1) A mix and intensity of uses that make efficient use of public systems and facilities;

(2) A range of housing for different types, tenure, and prices that addresses the housing needs of the governing city; and

(3) Identify goals and strategies to meet the housing needs for the governing city in the expansion area.

Organization of This Report

The rest of this document is organized as follows:

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

2. Buildable Lands Inventory

This chapter provides a summary of the residential buildable lands inventory (BLI) for Oregon City. This buildable lands inventory analysis complies with statewide planning Goal 10 policies that govern planning for residential uses. The detailed methodology used to complete the buildable lands inventory is presented in Appendix A.

Oregon Administrative Rules provide guidance on conducting residential BLIs:

> **OAR 660-008-0005(2):**
>
> *"Buildable Land" means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses. Publicly owned land is generally not considered available for residential uses. Land is generally considered "suitable and available" unless it:*
>
> > *(a) Is severely constrained by natural hazards as determined under Statewide Planning Goal 7;*
> >
> > *(b) Is subject to natural resource protection measures determined under Statewide Planning Goals 5, 6, 15, 16, 17 or 18;*
> >
> > *(c) Has slopes of 25 percent or greater;*
> >
> > *(d) Is within the 100-year flood plain; or*
> >
> > *(e) Cannot be provided with public facilities.*

First, the analysis established the residential land base (parcels or portion of parcels with appropriate zoning), then it classified parcels by buildable status, identified/deducted environmental constraints, and lastly summarized total buildable area by plan designation. The results of the BLI presented in this chapter reflect updates since the 2019 analysis completed for Oregon City as part of the Clackamas County Regional Housing Need Analysis.

Definitions

ECONorthwest completed the BLI for Oregon City and relied on the following key definitions. Detailed descriptions of these definitions are included in the methodology for each study area but are based on the general definitions below.

- **Vacant land.** Tax lots that have no structures or have buildings with very little improvement value are considered vacant. The status of vacant lots was verified in aerial imagery and City and County staff review.
- **Partially vacant land.** Partially vacant tax lots are those occupied by a use, but which contain enough land to be developed further. Generally, these are lots that have more

than a half-acre of buildable land, after removing constraints and developed land from the total acreage. This was refined through visual inspection of recent aerial photos.

- **Public land.** Lands in public ownership are considered unavailable for residential development.[5] This includes lands in federal, state, county, or city ownership, These lands are identified using Metro's definitions and categories.
- **Developed land.** Lands not classified as vacant, partially vacant, or public are considered developed. Developed land includes lots with redevelopment capacity, which are also included in BLI. The unit capacity of redevelopable lots is based on Metro's estimates.
- **Buildable land.** As described in the statute definition above, buildable residential land is the portions of vacant or partially vacant lots that have development capacity, less development constraints.

Development Constraints

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

- *Lands within floodplains and floodways*. Flood Insurance Rate Maps from the Federal Emergency Management Agency (FEMA) were used to identify lands in floodways and 100-year floodplains, as well as lands identified in Metro's Title 3 Stream and Floodplain Protection Plan.
- *Land within natural resource protection areas*. The combined regional and national wetlands shapefile, available from Metro RLIS, was used to identify areas within wetlands. Riparian corridors and other natural resource areas identified in Oregon City's Natural Resource Overlay District were considered undevelopable for the purposes of this inventory.
- *Land with slopes over 25%*. Lands with slopes over 25% were considered unsuitable for residential development.
- *Land in geologic hazard areas.* Lands in areas designated within Oregon City's Geologic Hazards Overlay were considered undevelopable for the purposes of this inventory.

[5] Other exempt lands owned by semi-public entities, such as churches, private schools, and other non-profit organizations, were not included in the Public land classification. These lands were classified using the same method as other residential lands and were classified as vacant, partially vacant, developed, or unbuildable. Lands with a cemetery use and owned by a semi-public entity (e.g., church) were classified as developed.

Buildable Lands Inventory Results

Land Base

The land base for the Oregon City residential BLI includes all tax lots in the city limits and the city's UGB areas in residential plan designations. Per Goal 10, this includes all lots (or portions of lots) with residential and other nonemployment plan designations where residential uses are planned for and allowed by the implementing zones. This BLI includes lands in the following generalized plan designations:

- Residential – Low Density
- Residential – Medium Density
- Residential – High Density
- Mixed Use – Corridor
- Mixed Use – Downtown
- General Commercial

Exhibit 3 shows the land base by generalized plan designation in city limits and UGB areas. There are 12,350 tax lots in the land base, accounting for 5,206 acres.

Exhibit 3. Residential Tax Lots and Acres by Plan Designation, Oregon City, City Limits and UGB Areas, 2020
Source: Metro BLI; ECONorthwest analysis.

Generalized Plan Designation	Number of taxlots	Percent	Total taxlot acreage	Percent
Residential				
Residential - Low Density	9,528	77%	3,206	62%
Residential - Medium Density	1,379	11%	1,006	19%
Residential - High Density	606	5%	294	6%
Mixed Use/Commercial				
Mixed Use - Corridor	501	4%	267	5%
Mixed Use - Downtown	265	2%	300	6%
General Commercial	71	1%	133	3%
Total	**12,350**	**100%**	**5,206**	**100%**

Development Status

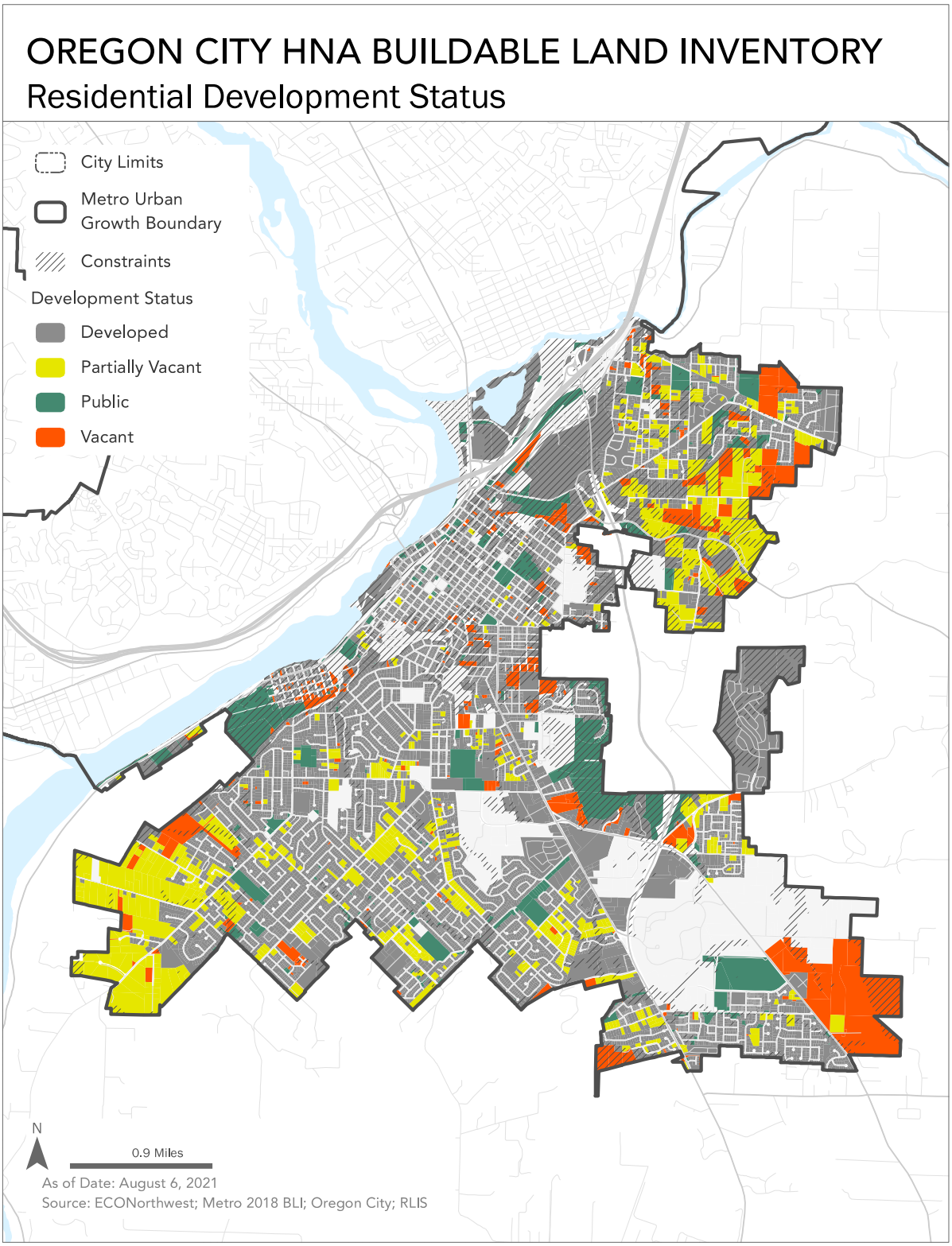
This analysis relied on Metro BLI's classifications (defined in the methods and definitions above) to define an initial development status. ECONorthwest then used a rapid visual assessment method to confirm this development status using aerial imagery. After city staff reviewed the classifications, ECONorthwest applied the development constraints to calculate unconstrained buildable land. Exhibit 4 shows development status with constraints applied and resulting in buildable acres. Of the 5,206 total acres in the land base, 2,710 are committed acres, 1,563 are constrained acres, and 933 are buildable acres.

Exhibit 4. Development Status with Constraints by Plan Designation, Oregon City, City Limits and UGB Areas, 2020
Source: Metro BLI; ECONorthwest analysis.

Generalized Plan Designation	Total Acres	Committed Acres	Constrained Acres	Buildable Acres
Residential				
Residential - Low Density	3,206	1,876	877	453
Residential - Medium Density	1,006	388	276	342
Residential - High Density	294	151	81	62
Mixed Use				
Mixed Use - Corridor	267	137	55	75
Mixed Use - Downtown	300	37	262	1
General Commercial	133	121	12	-
Total	**5,206**	**2,710**	**1,563**	**933**

Exhibit 5 shows residential land by development status with constraints overlaid.

Exhibit 5. Residential Land by Development Status, Oregon City, City Limits and UGB Areas, 2020



Vacant Buildable Land

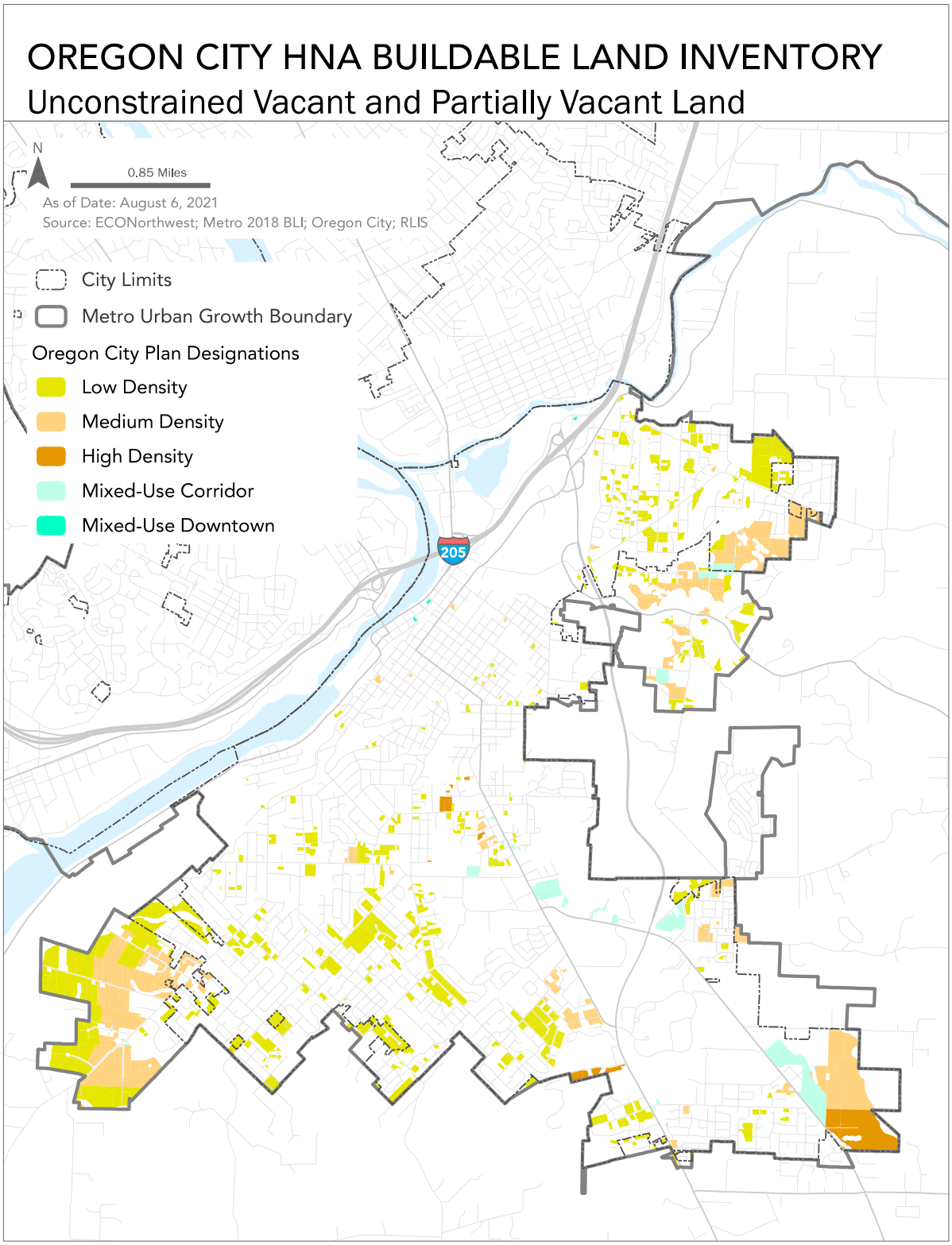
Exhibit 6 shows buildable acres (i.e., acres in tax lots after constraints are deducted) for vacant and partially vacant land by plan designation. Of Oregon City's 933 unconstrained buildable residential acres, about 36% are in tax lots classified as vacant and 64% are in tax lots classified as partially vacant.

Exhibit 6. Buildable Acres in Vacant and Partially Vacant Tax Lots by Plan Designation, Oregon City, City Limits and UGB Areas, 2020
Source: Metro; ECONorthwest analysis.

Generalized Plan Designation	Buildable Acres on Vacant Lots	Buildable Acres on Partially Vacant Lots	Total Buildable Acres
Residential			
Residential - Low Density	97	356	453
Residential - Medium Density	120	222	342
Residential - High Density	52	10	62
Mixed Use			
Mixed Use - Corridor	63	12	75
Mixed Use - Downtown	1	-	1
Total	**333**	**600**	**933**

Exhibit 7 shows Oregon City's buildable vacant and partially vacant residential land.

Exhibit 7. Unconstrained Vacant and Partially Vacant Residential Land, Oregon City, City Limits and UGB Areas, 2020



Redevelopment Potential

Over the 20-year study period a share of developed lots is likely to redevelop within new buildings. To account for the development capacity on these developed lots, Metro identifies a subset of developed lots as "redevelopable." Metro has created two "filters" to identify lots with the potential to redevelop—a threshold method and historic probability method. For the Oregon City BLI, ECONorthwest used the estimate of redevelopable units on developed lots, as identified based on the threshold method,[6] which is based on discussion with Metro staff.[7]

The result of this analysis for Oregon City is presented in Exhibit 8.

Exhibit 8. Estimate of housing units on potentially redevelopable lots by plan designation, Oregon City, City Limits and UGB Areas, 2019
Source: Metro BLI, using 2016 data to calculate redevelopment potential.

Plan Designation	Estimated Redevelopment Units
Residential	
Low Density Residential	660
Medium Density Residential	233
High Density Residential	733
Commercial	
Central Commercial	1,496
General Commercial	2,604
Total	**5,726**

[6] Threshold Method. This method identifies lots where redevelopment would result in a net increase of 50% more than the current number of units on the site. The method uses property value thresholds where it is economically viable to for a lot to redevelop at this intensity. For suburban areas in the regional UGB the threshold is $10 per square foot of property value for multifamily structures and $12 per square foot for mixed use structures. If a lot's current property value is below these thresholds, it is assumed to have the potential to redevelop.

[7] The capacity of partially vacant lots (where the lot could be further developed under current development standards without demolishing existing structures) is accounted for in the unconstrained buildable acres.

3. Historical and Recent Development Trends

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

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

This Housing Needs Analysis examines changes in Oregon City's housing market from 2000 to 2017, as well as residential development from 2000 to 2018. We selected this time period because (1) the period provides information about Oregon City's housing market before and after the national housing market bubble's growth and deflation, as well as the more recent increase in housing costs and (2) data about Oregon City's housing market during this period was readily available from sources such as the Census and RLIS.

The Housing Needs Analysis presents information about residential development by housing type. There are multiple ways that housing types can be grouped. For example, they can be grouped by:

1. Structure type (e.g., single-family detached, apartments, etc.).
2. Tenure (e.g., distinguishing unit type by owner or renter units).
3. Housing affordability (e.g., subsidized housing or units affordable at given income levels).
4. Some combination of these categories.

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

- **Single-family detached** includes single-family detached units, manufactured homes on lots and in mobile home parks, and accessory dwelling units.
- **Single-family attached** is all structures with a common wall where each dwelling unit occupies a separate lot, such as row houses or townhouses.
- **Multifamily** is separated into two subgroups of attached structures other than single-family detached units, manufactured units, or single-family attached units. The two

subgroups are defined as: (1) duplexes, triplexes, and quadplexes and (2) multifamily buildings with five or more units.

In Oregon City, government-assisted housing (ORS 197.303[b]) and housing for farmworkers (ORS 197.303[e]) can be any of the housing types listed above, as these housing types are regulated in the Oregon City Development Code in the same manner as any other housing type.

Data Used in This Analysis

Throughout this report, we used data from multiple well-recognized and reliable data sources. One of the key sources for housing and household data is the U.S. Census. This report primarily uses data from two Census sources:

- The **Decennial Census**, which is completed every ten years and is a survey of *all* households in the U.S. The Decennial Census is considered the best available data for information such as demographics (e.g., number of people, age distribution, or ethnic or racial composition), household characteristics (e.g., household size and composition), and housing occupancy characteristics. As of 2010, the Decennial Census does not collect more detailed household information, such as income, housing costs, housing characteristics, and other important household information. Decennial Census data is available for 2000 and 2010.
- The **American Community Survey (ACS)**, which is completed every year and is a *sample* of households in the U.S. From 2012 to 2016, the ACS sampled an average of 3.5 million households per year, or about 3% of the households in the nation. The ACS collects detailed information about households, such as: demographics (e.g., number of people, age distribution, ethnic or racial composition, country of origin, language spoken at home, and educational attainment), household characteristics (e.g., household size and composition), housing characteristics (e.g., type of housing unit, year unit built, or number of bedrooms), housing costs (e.g., rent, mortgage, utility, and insurance), housing value, income, and other characteristics.
- Metro's **RLIS** database, which provides tax lot data for jurisdictions within the three-county Metro Area (including Clackamas County). We use RLIS data tax lot data for as a proxy for building permit data for Oregon City.
- Metro's **2050 Distributed Forecast** for household and population growth was updated in March 2021 for Oregon City. We used this information to report projected population growth and as the basis for the household forecast in Chapter 5.
- **Property Radar and Redfin** databases, which are online platforms providing real estate and property owner data. We use these sources to collect housing sale price data in aggregate and by property.

In general, this report uses data from the 2012-2016 and 2014-2018 ACS 5-year estimates.[8] Where information is available and relevant, we report information from the 2000 and 2010 Decennial Census. Among other data points, this report includes population, income, and housing price data from the Oregon Office of Economic Analysis, the Oregon Bureau of Labor and Industries, the United States Department of Housing and Urban Development, RLIS, Costar, Redfin, and Property Radar. It also uses the Oregon Department of Housing and Community Services affordable housing inventory and Oregon's Manufactured Dwelling Park inventory.

It is worth commenting on the methods used for the American Community Survey.[9] The American Community Survey (ACS) is a national survey that uses continuous measurement methods. It uses a sample of about 3.54 million households to produce annually updated estimates for the same small areas (census tracts and block groups) formerly surveyed via the decennial census long-form sample. It is also important to keep in mind that all ACS data are estimates that are subject to sample variability. This variability is referred to as "sampling error" and is expressed as a band or "margin of error" (MOE) around the estimate.

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

[8] For safe harbor assumptions, such as housing mix in Chapter 5, we use the most recent ACS 5-year estimates (2015-2019).

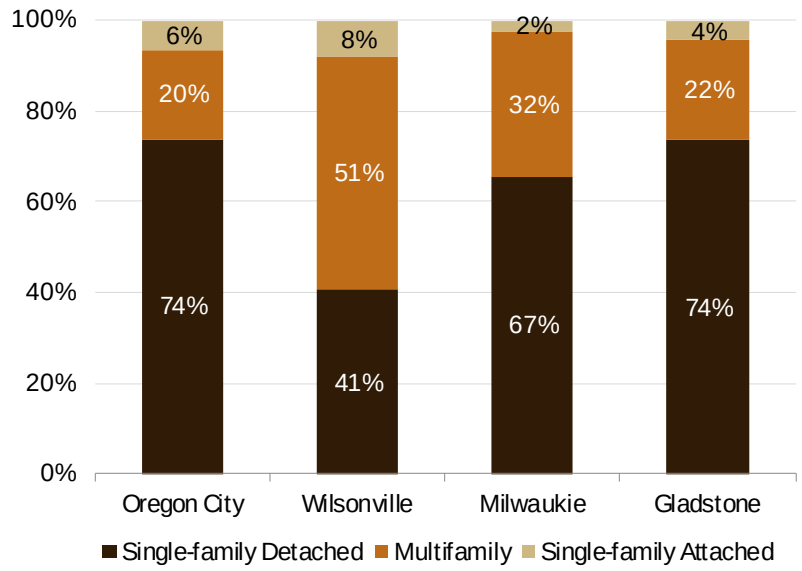
[9] A thorough description of the ACS can be found in the Census Bureau's publication "What Local Governments Need to Know." https://www.census.gov/library/publications/2009/acs/state-and-local.html

Trends in Housing Mix

About 74% of Oregon City's housing stock was single-family detached.

Exhibit 9. Housing Mix, Oregon City, Wilsonville, Milwaukie, Gladstone 2013-2017

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



Seventy-five percent of Clackamas County's housing stock was single-family detached.

Clackamas County had a smaller share of multifamily housing than the Portland Region and Oregon, but a similar share of multifamily housing compared to Oregon City.

Exhibit 10. Housing Mix, Clackamas County, Portland Region, Oregon, 2013-2017

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

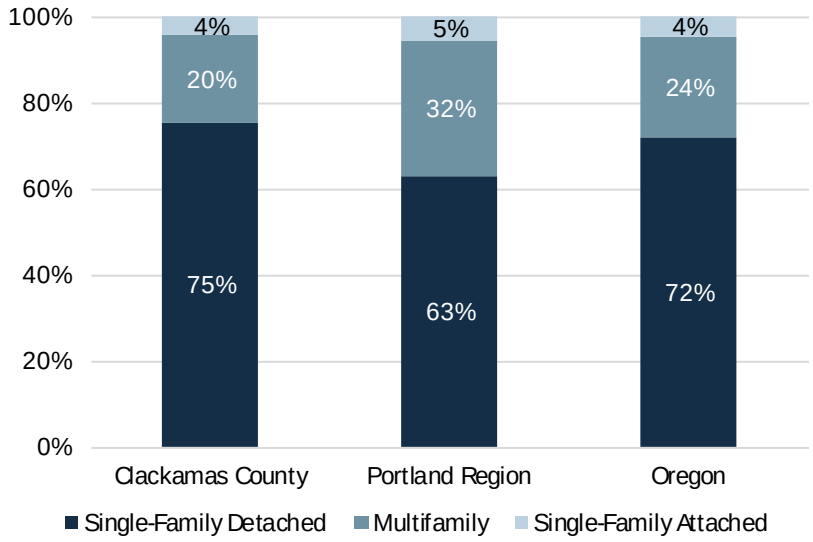
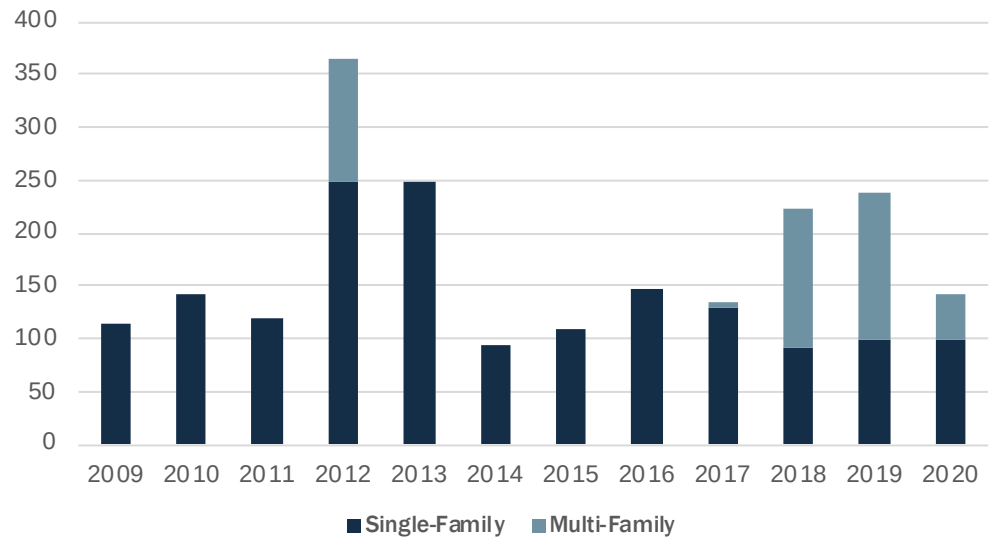


Exhibit 11 shows that over the 2009 to 2020 period, Oregon City had construction of 2,073 dwelling units, with an average of 173 units built per year. Of these units, about 79% were for single-family dwelling units.

Exhibit 11. New Residential Dwelling Units Built by Housing Type, Oregon City, 2009 through 2020
Source: Oregon City.



Trends in Housing Density

This section shows historic densities for new residential construction by housing type and by Plan Designation. To conduct the analysis, we used the RLIS database (a proxy for building permit data). Exhibit 12 shows that Oregon City's average housing density, of units built between 2000 to 2020, was 6.6 dwelling units per net acre. In this period, the average density for multifamily housing was 17.4 units per net acre with an average lot size of 0.77 acres; the average density for single family housing was 6.3 units per net acre with an average lot size of 0.16 acres.

Exhibit 12. Average Density of New Residential Construction Permitted by Type of Unit and Plan Designation, Oregon City, 2000 through 2020
Source: RLIS. Note: DU is dwelling unit.

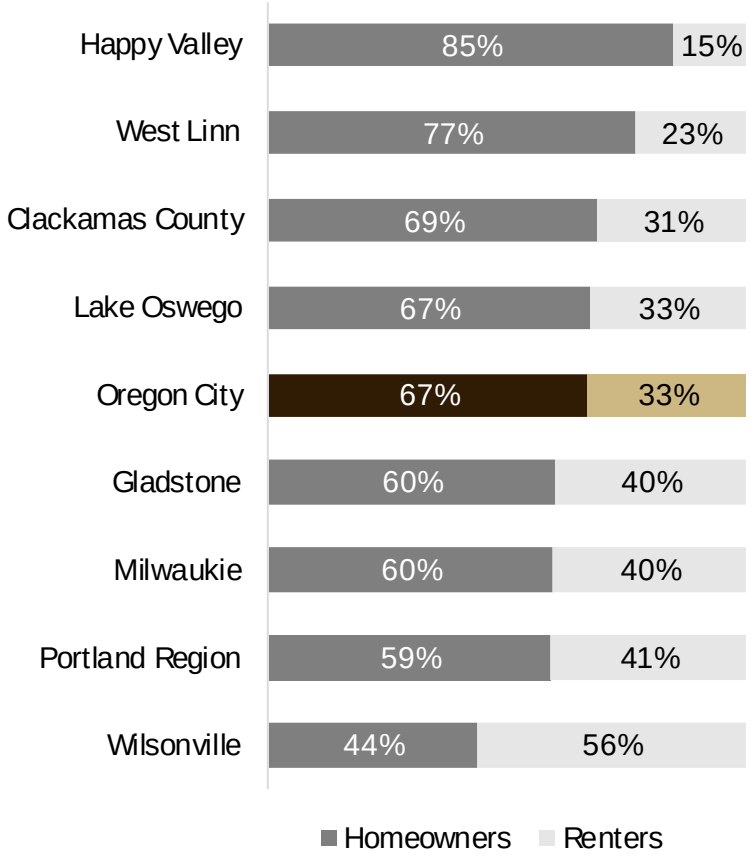
Plan Designations	Single Family Dwelling Units			Multifamily Dwelling Units			Total, Combined		
	Units	Acres	Net Density	Units	Acres	Net Density	Units	Acres	Net Density
Residential	**3,540**	**565**	**6.3**	**230**	**14**	**16.9**	**3,770**	**578**	**6.5**
Low Density	2,628	495	5.3	14	7	2.1	2,642	502	5.3
Medium Density	500	47	10.6	20	2	12.5	520	49	10.7
High Density	412	23	18.2	196	5	37.0	608	28	21.8
Commercial	**23**	**1**	**21.1**	**64**	**3**	**19.3**	**87**	**4**	**19.8**
Commercial	-	-	-	15	1	19.5	15	1	19.5
Mixed Use Corridor	23	1	21.1	49	3	19.3	72	4	19.8
Total	**3,563**	**566**	**6.3**	**294**	**17**	**17.4**	**3,857**	**583**	**6.6**

Trends in Tenure

Housing tenure describes whether a dwelling is owner- or renter-occupied.

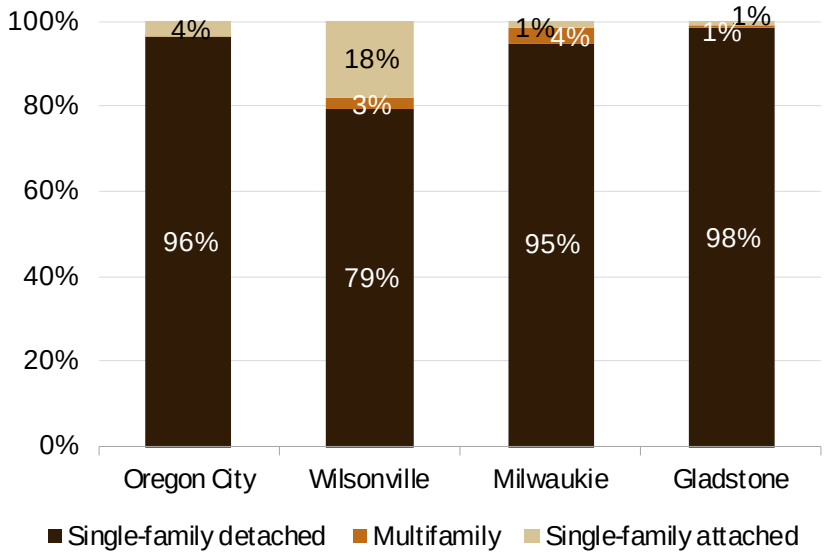
In the 2012-2016 period, Oregon City had a homeownership rate of 67%, which was slightly below Clackamas County's homeownership rate of 69%.

Exhibit 13. Housing Tenure, Oregon City and Comparison Areas, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS Table B25032.



Nearly all homeowners in Oregon City (96%) lived in single-family detached housing.

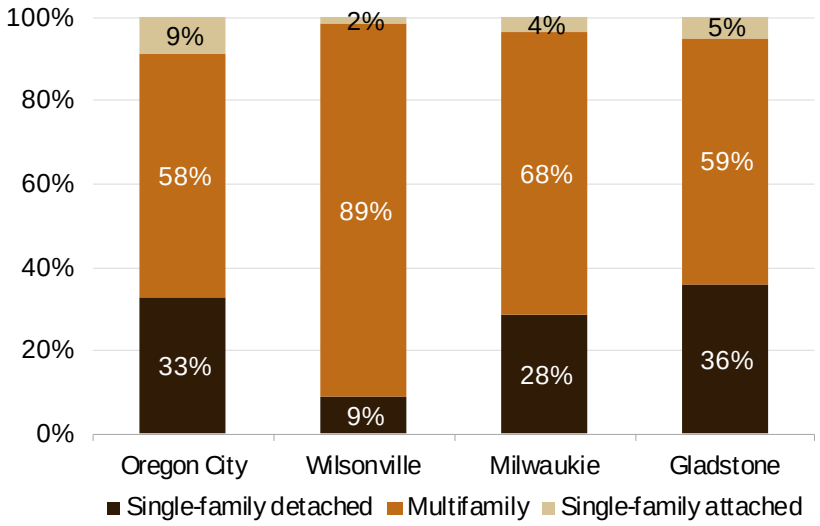
Exhibit 14. Types of units occupied by Homeowners, Oregon City, Wilsonville, Milwaukie, Gladstone, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS Table B25032.



Nearly 60% of renters in Oregon City lived in multifamily housing.

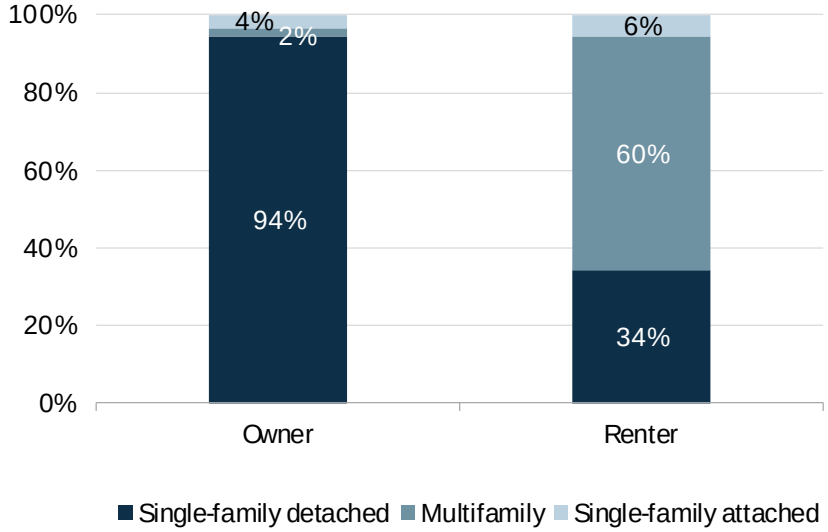
In Oregon City, a third of renters lived in single-family detached housing.

Exhibit 15. Types of Units Occupied by Renters, Oregon City, Wilsonville, Milwaukie, Gladstone, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS Table B25032.



Like Oregon City, most of Clackamas County's homeowners (94%) lived in single-family detached housing.

Exhibit 16. Types of Units Occupied by Homeowners and Renters, Clackamas County, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS Table B25032.



Vacancy Rates

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

According to the 2013-2017 Census, vacancy rates by jurisdiction were:[10]

- Oregon: 9.3%
- Portland Region 5.5%
- Clackamas County: 6.0%
- **Oregon City: 3.6%**

[10] Source: U.S. Census Bureau, 2013-2017 ACS, Table B25032.

Publicly Supported Housing

Oregon City had 634 publicly supported, affordable units. Most of these units were available for families.

Exhibit 17. Publicly Supported Housing, Oregon City, June 2020
Source: Oregon Housing and Community Services.

Development Name	Total Units	Restricted Units	Population Served
Birchwood Dr	6	6	Family
Hughes St	1	1	Family
Forest Ridge Ln	1	1	Family
Salmonberry Dr	1	1	Family
6th St	4	4	Family
Clairmont Way	1	1	Family
Molalla Ave	6	6	Family
S Redland Rd	1	1	Family
Lafayette Ave	2	2	Family
Whitney Ln	1	1	Family
Latourette St	1	1	Family
Hilda St	1	1	Family
Buchanan St	2	2	Family
Prospect St	1	1	Family
Clackamas Heights	100	99	Family
Fisher Ridge	19	18	Family
Kingsberry Heights	260	260	Family
Meadowlark	15	15	Family
Oregon City Terrace	47	47	Family
Oregon City View Manor	100	100	Family
Our Apartment	4	4	Family
Pleasant Avenue Veteran Housing	24	24	Veterans
Rosewood Terrace	38	38	Family
Totals	**636**	**634**	**-**

Manufactured Homes

Manufactured homes provide a source of affordable housing. They also provide a form of homeownership that can be made available to low- and moderate-income households. Cities are required to plan for manufactured homes—both on lots and in parks (ORS 197.475-492).

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

OAR 197.480(4) requires cities to inventory mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high-density residential development. In 2006, Oregon City adopted regulations related to manufactured home park closures.[11] This section presents the inventory of mobile and manufactured home communities for Oregon City as of May 2020.

Oregon City had four manufactured home communities within its UGB.

Within these parks, there were a total of 885 spaces, 9 of which were vacant as of May 2020.

Exhibit 18. Inventory of Mobile/Manufactured Home Communities, Oregon City, May 2020

Source: Oregon Manufactured Dwelling Park Directory.

Name	Location	Type	Total Spaces	Vacant Spaces	Zone
Char-Diaz Estates	13678 Char-Diaz Dr	55+	22	0	R3.5
Cherry Lane	20248 Highway 213	55+	66	0	R3.5
Clairmont Mtg Housing Park	13531 Clairmont Way	Family	189	0	R3.5
Mount Pleasant Mobile Home Park	18780 Central Point Rd	Family	68	2	R3.5
Country Village Estates	14630 South Village Court	Family	499	7	County
Forest Park Mobile Village	18830 S Hwy 99E	Family	41	0	County
Totals			885	9	

[11] OCMC 15.52.

4. Demographic and Other Factors Affecting Residential Development in Oregon City

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

Demographic trends provide a context for growth in a region; factors such as age, income, migration, and other trends show how communities have grown and how they will shape future growth. To provide context, we compare Oregon City to Clackamas County, the Portland region (defined as Clackamas, Multnomah, and Washington Counties), and Oregon. We also compare Oregon City to nearby cities where appropriate. Characteristics such as age and ethnicity are indicators of how the population has grown in the past and provide insight into factors that may affect future growth.

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

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

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

Demographic and Socioeconomic Factors Affecting Housing Choice[12]

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

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

- **Age of householder** is the age of the person identified (in the Census) as the head of household. Households make different housing choices at different stages of life. This chapter discusses generational trends, such as housing preferences of Baby Boomers, people born from about 1946 to 1964, Millennials, people born from about 1980 to 2000, and Generation Z, people born between 1997 and 2012.[13] (Generation X, the generation between Baby Boomers and Millennials, is a smaller age group and does not generally drive housing demand.)
- **Size of household** is the number of people living in the household. Younger and older people are more likely to live in single-person households. People in their middle years are more likely to live in multi-person households (often with children).
- **Household income** is probably the most important determinant of housing choice. Income is strongly related to the type of housing a household chooses (e.g., single-family detached, duplex, or a building with more than five units) and to household tenure (e.g., rent or own).

---

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

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

D. Myers and S. Ryu, *Aging Baby Boomers and the Generational Housing Bubble*, Journal of the American Planning Association, Winter 2008.

George Galster. People Versus Place, People and Place, or More? New Directions for Housing Policy, Housing Policy Debate, 2017.

Herbert, Christopher and Hrabchak Molinsky. "Meeting the Housing Needs of an Aging Population," 2015.

J. McIlwain, *Housing in America: The New Decade,* Urban Land Institute, 2010.

L. Lachman and D. Brett, *Generation Y: America's New Housing Wave,* Urban Land Institute, 2010.

Schuetz, Jenny. Who is the new face of American homeownership? Brookings, 2017.

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

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

[13] The range of years that define generations vary across sources. We have referenced the general age range for Millennials and Generation Z, and some years may overlap depending on the definition.

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

National Trends[14]

This brief summary on national housing trends builds on previous work by ECONorthwest as well as Urban Land Institute (ULI) reports and conclusions from *The State of the Nation's Housing* report from the Joint Center for Housing Studies of Harvard University. The Harvard report (2020) summarizes the national housing outlook as follows:

> Given the profound impact of the pandemic on how US households live and work, there is plenty of reason to believe that it could bring meaningful changes to housing markets. With millions of people forced to work remotely, employers and employees alike may find this an attractive option even after the pandemic ends. If so, demand would likely increase for homes large enough to provide office space, as well as easy access to outdoor spaces to exercise and socialize. And if long commutes are no longer everyday requirements, many households may move to lower-density areas where housing is less expensive. However, a major shift in residential development patterns is far from certain. What is certain is that the need for more housing of all types, locations, and price points will persist. In the near term, the outlook for housing markets is bright, fueled by very low interest rates as well as unabated demand from more affluent households. If the pandemic persists, however, it will remain a serious drag on the labor market and wage growth, and ultimately on household formations. Still, the pandemic's negative impact on markets should be relatively muted given historically tight conditions on the supply side.

However, challenges to a strong domestic housing market remain. Rising mortgage rates, the tight credit market, and limited inventory of entry-level homes make housing unaffordable for many Americans, especially younger Americans. In addition to rising housing costs, wages have also failed to keep pace, worsening affordability pressures. Single-family and multifamily housing supplies remain tight, which compound affordability issues. *The State of the Nation's Housing* report emphasizes the importance of government assistance and intervention to keep housing affordable moving forward. Several challenges and trends shaping the housing market are summarized below:

- **Bounce back in residential construction led by single-family starts.** New construction made a sharp comeback in summer 2020 led by single-family construction. Single-family starts in 2020 began at about a 900,000-unit annual rate (the fastest pace since the Great Recession), before dipping to a below 700,000-unit annual rate in April due to the COVID-19 pandemic. Then, single-family starts hit a 1.1-million-unit annual rate in September 2020—marking it as the strongest month for single-family homebuilding in

[14] These trends are based on information from (1) the Joint Center for Housing Studies of Harvard University's publication "The State of the Nation's Housing 2020," (2) Urban Land Institute, "2021 Emerging Trends in Real Estate," and (3) the U.S. Census.

over 13 years. Multifamily unit starts also continued to climb, increasing by 7.5% from about 374,000 units in 2018 to about 402,000 units in 2019. Notably, 2019 marked the first year since 1988 that multifamily starts topped 400,000. In 2019, home sales averaged 3.9 months which is below what is considered balanced (six months), with lower-cost and moderate-cost homes experiencing the tightest inventories. *The State of the Nation's Housing* report cited lack of skilled labor, rising construction costs, land use regulations (particularly density restrictions), and development fees as constraints on new construction.

- **Demand shift from renting to owning.** After years of decline, the national homeownership rate increased slightly from 64.4% in 2018 to 64.6% in 2019. Trends suggest the recent homeownership increases are among householders of all age groups; however, new growth in homeownership since the post-Great Recession low of 2013 resulted from households with higher incomes. About 88% of net new growth (2013 to 2019) was among households with incomes of $150,000 or more.
- **Housing affordability.** Despite a recent downward trend, 37.1 million American households spent more than 30% of their income on housing in 2019 which is 5.6 million more households than in 2001. Renter households experienced cost-burden at more than double the rate of homeowners (46% versus 21%) with the number of cost-burdened renters exceeding cost-burdened homeowners by 3.7 million in 2019. Affordability challenges continued to move up the income ladder, with the share of cost-burdened middle-income households increasing slightly from 2018 to 2019 even as the share of low-income households experiencing cost-burden declined slightly over the same period. Households under the age of 25 and over the age of 85 had the highest rates of housing cost-burden.
- **Long-term growth and housing demand.** The Joint Center for Housing Studies forecasts that, nationally, demand for new homes could total as many as 12 million units between 2018 and 2028[15]. Much of the demand will come from Baby Boomers, Millennials,[16] and immigrants. The Urban Land Institute cites the trouble of overbuilding in the luxury sector while demand is in mid-priced single-family houses affordable to a larger buyer pool.
- **Growth in rehabilitation market.**[17] Aging housing stock and poor housing conditions are growing concerns for jurisdictions across the United States. With almost 80% of the nation's housing stock at least 20 years old (and 40% at least 50 years old), Americans are spending in excess of $400 billion per year on residential renovations and repairs. As

[15] The Joint Center for Housing Studies of Harvard University. The State of the Nation's Housing 2019.

[16] According to the Pew Research Center, Millennials were born between the years of 1981 to 1996 and Generation Z were born between 1997 to 2012 (inclusive). Read more about generations and their definitions here: http://www.pewresearch.org/fact-tank/2018/03/01/defining-generations-where-millennials-end-and-post-millennials-begin/.

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

housing rehabilitation becomes the go-to solution to address housing conditions, the home remodeling market has grown more than 50% since the recession ended—generating 2.2% of national economic activity (in 2017).

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

- **Declining residential mobility.**[18] Residential mobility rates have declined steadily since 1980. Nearly one in five Americans moved every year in the 1980s, compared to one in ten Americans between 2018 and 2019. While reasons for decline in residential mobility are uncertain, contributing factors include demographic, housing affordability, and labor-related changes. For instance, as Baby Boomers and Millennials age, mobility rates are expected to fall as people typically move less as they age. Harvard University's Research Brief (2020) also suggests that increasing housing costs could be preventing people from moving if they are priced out of desired neighborhoods or if they prefer to stay in current housing as prices rise around them. Other factors that may impact mobility include: the rise in dual-income households (which complicates job-related moves), the rise in work-from-home options, and the decline in company-funded relocations. While decline in mobility rates span all generations, they are greatest among young adults and renters, two of the more traditionally mobile groups.
- **Changes in housing preference.** Housing preference will be affected by changes in demographics, most notably: the aging of Baby Boomers, housing demand from Millennials and Generation Z, and growth of immigrants.
  - *Baby Boomers.* In 2020, the oldest members of this generation were in their seventies and the youngest were in their fifties. The continued aging of the Baby Boomer generation may affect the housing market. In particular, Baby Boomers' may influence housing preference and homeownership trends. Preferences (and needs) may vary for Boomers' moving through their 60s, 70s, and 80s (and beyond). They will require a range of housing opportunities. For example, "aging baby boomers are increasingly renters-by-choice, [preferring] walkable, high-energy, culturally evolved communities."[19] Many seniors are also moving to planned retirement destinations earlier than expected as they experience the benefits of work-from-home trends (accelerated by COVID-19). Additionally, the supply of caregivers is decreasing as people in this cohort move from giving care to needing care, making more inclusive, community-based, congregate settings more important. Senior households earning different incomes may make distinct housing choices. For

[18] Frost, R. (2020). "Are Americans stuck in place? Declining residential mobility in the US." Joint Center for Housing Studies of Harvard University's Research Brief.

[19] Urban Land Institute. Emerging Trends in Real Estate, United States and Canada. 2019.

instance, low-income seniors may not have the financial resources to live out their years in a nursing home and may instead choose to downsize to smaller, more affordable units. Seniors living in proximity to relatives may also choose to live in multigenerational households.

Research shows that "older people in western countries prefer to live in their own familiar environment as long as possible," but aging in place does not only mean growing old in their own homes.[20] A broader definition exists which defines aging in place as "remaining in the current community and living in the residence of one's choice."[21] Some Baby Boomers are likely to stay in their home as long as they are able, and some will prefer to move into other housing products, such as multifamily housing or age-restricted housing developments, before they move into to a dependent living facility or into a familial home. Moreover, "the aging of the U.S. population, [including] the continued growth in the percentage of single-person households, and the demand for a wider range of housing choices in communities across the country is fueling interest in new forms of residential development, including tiny houses."[22]

- *Millennials.* Over the last several decades, young adults have increasingly lived in multigenerational housing—more so than older demographics.[23] However, as Millennials move into their early- to mid-thirties, postponement of family formation is ending and millennials are likely to prefer a wide range of housing types in urban or suburban areas, including detached, single family homes and multifamily housing types in walkable neighborhoods.

  At the beginning of the 2007–2009 recession, Millennials only began to form their own households. Today, Millennials are driving much of the growth in new households, albeit at slower rates than previous generations. As this generation continues to progress into their homebuying years, they may seek out affordable, modest-sized homes. This will prove challenging as the market for entry-level, single-family homes has remained stagnant. Although construction of smaller homes (< 1,800 sq. ft.) increased in 2019, they only represented 24% of single-family units.

  Millennials' average wealth may remain far below Boomers and Gen Xers, and student loan debt will continue to hinder consumer behavior and affect retirement savings. As of 2020, Millennials comprised 38% of home buyers, while Gen Xers

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

[21] *Ibid.*

[22] American Planning Association. Making Space for Tiny Houses, Quick Notes.

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

comprised 23% and Boomers 33%.[24] "By the year 2061, it is estimated that $59 trillion will be passed down from boomers to their beneficiaries," presenting new opportunities for Millennials (as well as Gen X and Gen Z).[25]

- *Generation Z.* In 2020, the oldest members of Generation Z were in their early 20s and the youngest in their early childhood years. By 2040, Generation Z will be between 25 and 40 years old. While they are more racially and ethnically diverse than previous generations, when it comes to key social and policy issues they look very much like Millennials. Generation Z was set to inherit a strong economy and record-low unemployment.[26] However, because the long-term economic impacts of COVID-19 are unknown, Generation Z may now be looking at an uncertain future.

  While researchers do not yet know how Generation Z will behave in adulthood, many expect they will follow patterns of previous generations. A segment is expected to move to urban areas for reasons similar to previous cohorts (namely, the benefits that employment, housing, and entertainment options bring when they are in close proximity). However, this cohort is smaller than Millennials (67 million vs. 72 million) which may lead to slowing real estate demand, including in city centers.

- *Immigrants.* Research on foreign-born populations shows that immigrants, more than native-born populations, live in multigenerational housing for a variety of reasons. Still, immigration and increased homeownership among minorities could also play a key role in accelerating household growth over the next 10 years. Current Population Survey estimates indicate that the number of foreign-born households rose by nearly 400,000 annually between 2001 and 2007, and they accounted for nearly 30% of overall household growth. Beginning in 2008, the influx of immigrants was staunched by the effects of the Great Recession. After a period of declines, the foreign-born population again began contributing to household growth, despite a decline in immigration rates in 2019. The Census Bureau's estimates of net immigration in 2019 indicate that 595,000 immigrants moved to the United States from abroad, down from 1.2 million immigrants in 2017–2018. However, as noted in *The State of the Nation's Housing* (2020) report, "because the majority of immigrants do not immediately form their own households upon arrival in the country, the drag on household growth from lower immigration only becomes apparent over time."

- *Diversity.* The growing diversity of American households will have a large impact on the domestic housing markets. Over the coming decade, minorities will make up a

[24] National Association of Realtors. (2020). 2020 Home Buyers and Sellers Generational Trends Report, March 2020. Retrieved from: https://www.nar.realtor/research-and-statistics/research-reports/home-buyer-and-seller-generational-trends

[25] PNC. (n.d.). Ready or Not, Here Comes the Great Wealth Transfer. Retrieved from: https://www.pnc.com/en/about-pnc/topics/pnc-pov/economy/wealth-transfer.html

[26] Parker, K. & Igielnik, R. (2020). On the cusp if adulthood and facing an uncertain future: what we know about gen Z so far. Pew Research Center. Retrieved from: https://www.pewsocialtrends.org/essay/on-the-cusp-of-adulthood-and-facing-an-uncertain-future-what-we-know-about-gen-z-so-far/

larger share of young households and constitute an important source of demand for both rental housing and small homes. The growing gap in homeownership rates between White and Black households as well as the larger share of minority households that are cost burdened warrant consideration. White households had a 73% homeownership rate in 2019 compared to a 43% rate for Black households. This 30-percentage point gap is the largest disparity since 1983. Although homeownership rates are increasing for some minorities, Black and Latinx households are more likely to have suffered disproportionate impacts of the pandemic and forced sales could negatively impact homeownership rates. This, combined with systemic discrimination in the housing and mortgage markets and lower incomes relative to White households, leads to higher rates of cost burden for minorities —43% for Black, 40% for Latinx, 32% for Asian and 25% for White in 2019. As noted in *The State of the Nation's Housing (2020)* report, "the impacts of the pandemic have shed light on the growing racial and income disparities in the nation between the nation's haves and have-nots are the legacy of decades of discriminatory practices in the housing market and in the broader economy."

- **Changes in housing characteristics.** The U.S. Census Bureau's Characteristics of New Housing Report (2019) presents data that show trends in the characteristics of new housing for the nation, state, and local areas. Several long-term trends in the characteristics of housing are evident from the New Housing Report:[27]
  - *Larger single-family units on smaller lots.* Between 1999 and 2019, the median size of new single-family dwellings increased by 13% nationally, from 2,028 sq. ft. to 2,301 sq. ft., and 14% in the western region from 2,001 sq. ft. in 1999 to 2,279 sq. ft in 2019. Moreover, the percentage of new units smaller than 1,400 sq. ft. nationally decreased by more than half, from 16% in 1999 to 7% in 2019. The percentage of units greater than 3,000 sq. ft. increased from 17% in 1999 to 25% of new one-family homes completed in 2019. In addition to larger homes, a move toward smaller lot sizes was seen nationally. Between 2009 and 2019, the percentage of lots less than 7,000 sq. ft. increased from 25% to 33%.
  - *Larger multifamily units.* Between 1999 and 2019, the median size of new multifamily dwelling units increased by 3.4% nationally. In the western region, the median size decreased by 1.9%. Nationally, the percentage of new multifamily units with more than 1,200 sq. ft. increased from 28% in 1999 to 35% in 2019 and increased from 25% to 27% in the western region.
  - *Household amenities.* Across the United States since 2013, an increasing number of new units had air-conditioning (fluctuating year by year at over 90% for both new single-family and multifamily units). In 2000, 93% of new single-family houses had two or more bathrooms, compared to 96% in 2019. The share of new multifamily units with two or more bathrooms decreased from 55% of new multifamily units to

[27] U.S. Census Bureau, Highlights of Annual 2019 Characteristics of New Housing. Retrieved from: https://www.census.gov/construction/chars/highlights.html

45%. As of 2019, 92% of new single-family houses in the United States had garages for one or more vehicles (from 89% in 2000). Additionally, if work from home dynamics become a more permanent option, then there may be rising demand for different housing amenities such as more space for home offices or larger yards for recreation.

- *Shared amenities*. Housing with shared amenities grew in popularity, as it may improve space efficiencies and reduce per-unit costs and/or maintenance costs. Single-room occupancies (SROs), cottage clusters, cohousing developments, and multifamily products are common housing types that take advantage of this trend.[28] Shared amenities may take many forms and include shared bathrooms, kitchens, other home appliances (e.g., laundry facilities, outdoor grills), security systems, outdoor areas (e.g., green spaces, pathways, gardens, rooftop lounges), fitness rooms, swimming pools, tennis courts, and free parking.[29]

State Trends

In August 2019, the State of Oregon passed statewide legislation -- Oregon House Bill 2001 and 2003. **House Bill 2001 (HB2001)** required many Oregon communities to accommodate middle housing within single-family neighborhoods. "Medium Cities"—those with 10,000 to 25,000 residents outside the Portland metro area—are required to allow duplexes on each lot or parcel where a single-family home is allowed. "Large Cities"—those with over 25,000 residents and nearly all jurisdictions in the Portland metro urban growth boundary (UGB)—must meet the same duplex requirement as well as allow triplexes, fourplexes, townhomes, and cottage clusters in all areas that are zoned for residential use and allow single-family homes. Oregon City has recently made a variety of amendments to the development code to allow more housing types and is currently working through the process of making adjustment to comply with HB 2001 which will be implemented by July 2022.

Middle housing is generally built at a similar scale as single- family homes but at higher residential densities. It provides a range of housing choices at different price points within a community.

House Bill 2003 (HB2003) envisions Oregon's housing planning system is reformed from a singular focus (on ensuring adequate available land) to a more comprehensive approach that also achieves these critical goals: (1) support and enable the construction of sufficient units to accommodate current populations and projected household growth and (2) reduce geographic

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

[29] Urbsworks. (n.d.). Housing Choices Guidebook: A Visual Guide to Compact Housing Types in Northwest Oregon. Retrieved from: https://www.oregon.gov/lcd/Publications/Housing-Choices-Booklet_DIGITAL.pdf

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

disparities in access to housing (especially affordable and publicly supported housing). In that, HB 2003 required the development of a methodology for projecting *regional* housing need and allocate that need to local jurisdictions. It also expanded local government responsibilities for planning to meet housing need by requiring cities to develop and adopt Housing Production Strategies.[30]

Prior to the passage of these bills, Oregon developed its *2016–2020 Consolidated Plan* which includes a detailed housing needs analysis as well as strategies for addressing housing needs statewide. The plan concluded that "a growing gap between the number of Oregonians who need affordable housing, and the availability of affordable homes has given rise to destabilizing rent increases, an alarming number of evictions of low- and fixed- income people, increasing homelessness, and serious housing instability throughout Oregon." It identified the following issues that describe housing need statewide:[31]

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

[30] This Housing Needs Analysis is not required to comply with HB 2003 because it will be adopted prior to January, 2022. The City is expected to comply with HB 2003 at the next HNA which is anticipated in six years.

[31] These conclusions are copied directly from the report: Oregon's 2016–2020 Consolidated Plan. Retrieved from: http://www.oregon.gov/ohcs/docs/Consolidated-Plan/2016-2020-Consolidated-Plan-Amendment.pdf.

- In 2019, minimum wage in Oregon[32] was $11.25, compared to $12.50 in the Portland Metro, and $11.00 for nonurban counties.

Oregon developed its *Statewide Housing Plan* in 2018. The Plan identified six housing priorities to address in communities across the State over the 2019 to 2023 period (summarized below). In August 2020, Oregon Housing and Community Services (OHCS) released a summary of their progress.[33] The following section includes summaries and excerpts from their status report:

- **Equity and Racial Justice.** *Advance equity and racial justice by identifying and addressing institutional and systemic barriers that have created and perpetuated patterns of disparity in housing and economic prosperity.*

  OHCS built internal organizational capacity through staff trainings on Equity and Racial Justice (ERJ) and hired an Equity, Diversity and Inclusion Manager. OHCS established a workgroup to support equity in their data system and approved an internal organizational structure to advance and support ERJ within all areas of OHCS. Now, OHCS is developing funding mechanisms to encourage culturally specific organizations to increase services to underserved communities and to increase the number and dollar amounts of contracts awarded to minority, women, and emerging small businesses (MWESBs).

- **Homelessness.** *Build a coordinated and concerted statewide effort to prevent and end homelessness, with a focus on ending unsheltered homelessness of Oregon's children and veterans.*

  The Homeless Services Section (HSS) made progress in building a foundation for planning and engagement across intersecting economic, social, and health systems. The OHCS Veteran Leadership team established recurring information-sharing sessions with federal, state, and local partners. HSS convened Oregon Homeless Management Information System (HMIS) stakeholders to build recommendations and co-construct a path toward a new HMIS implementation and data warehouse. HSS established successful workflows to analyze demographic data of people entering/exiting the homeless service system.

- **Permanent Supportive Housing.** *Invest in permanent supportive housing (PSH), a proven strategy to reduce chronic homelessness and reduce barriers to housing stability.*

  OHCS funded 405 of their 1,000 PSH-unit targets. Almost half of these units were the result of the NOFA tied to the first PSH Institute cohort.

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

[33] This section uses many direct excerpts from the OHCS Statewide Housing Plan Year One Summary August 2020 Report to HSC. Oregon Statewide Housing Plan, Status Reports. https://www.oregon.gov/ohcs/Documents/swhp/SWHP-Report-Y1-Summary.pdf

- **Affordable Rental Housing.** *Work to close the affordable rental housing gap and reduce housing cost burden for low-income Oregonians.*

  OHCS implemented a new electronic application and widespread adoption of system work modules. They also established a capacity building team to assess and recommend opportunities for growth in their development priorities and began training and technical assistance to potential PSH and rural developers. OHCS increased their units by 8,408 representing 22.8% of their 25,000 unit 5-year target.

- **Homeownership.** *Provide more low- and moderate-income Oregonians with the tools to successfully achieve and maintain homeownership, particularly in communities of color.*

  OHCS pursued a strategy to align programs with the needs of communities of color, improved their Homeownership Center framework and Down Payment Assistance product, began developing their TBA program and focused on low-cost homeownership through manufactured housing. Additionally, they began developing the Restore Health and Safety program and re-opening the Oregon Homeownership Stabilization Initiative (OHSI) program. OHCS also supported the Joint Task Force on Racial Equity in Homeownership and advocating for additional funds to support communities of color. OHCS provided 678 mortgage lending products of their 6,500 5-Year goal with 170 going to households of color.

- **Rural Communities.** *Change the way OHCS does business in small towns and rural communities to be responsive to the unique housing and service needs and unlock the opportunities for housing development.*

  OHCS focused on developing a better understanding of rural community needs and increasing rural capacity to build more affordable housing. OHCS hired a full-time capacity building analyst who has conducted outreach to key stakeholders across the state representing rural communities and developed a strategy to address those needs. OHCS has funded 532 units in rural communities, out of a total of 2,543 units in the 5-year goal (21% of target).

Regional and Local Demographic Trends that May Affect Housing Need in Oregon City

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

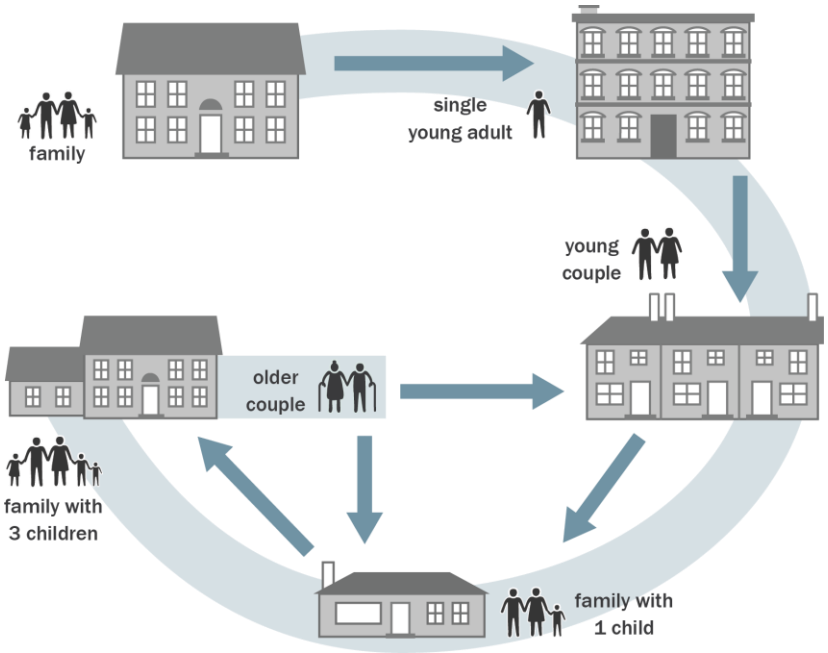
An individual's housing needs change throughout their life, with changes in income, family composition, and age. The types of housing needed by a 20-year-old college student differ from the needs of a 40-year-old parent with children, or an 80-year-old single adult. As Oregon City's population ages,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

Housing needs and preferences may change over time, such as with changes in marital status and size of family. Changes in income, which may change over a person's life with age, strongly influence the types of housing selected.

Families of different sizes need different types of housing. Changes in income is also a key factor in housing demand.

This graphic illustrates an example of changes in housing needs across a person's life

Exhibit 19. Effect of Demographic Changes on Housing Need
Source: ECONorthwest, adapted from Clark, William A.V. and Frans M. Dieleman. 1996. Households and Housing. New Brunswick, NJ: Center for Urban Policy Research.



Growing Population

Oregon City, like Wilsonville, has grown quickly over the last 30 years with its population more than doubling from 1990 to 2019.

Exhibit 20. Population, Oregon City, Gladstone, Wilsonville, Milwaukie, 1990-2019

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

			Change 1990 to 2019		
	1990	2019	Number	Percent	AAGR
Oregon City	14,698	35,570	19,242	131%	3.4%
Gladstone	10,152	11,905	1,353	13%	0.5%
Wilsonville	7,106	25,635	15,764	222%	4.8%
Milwaukie	18,692	20,535	1,813	10%	0.4%

Oregon City's population within the urban growth boundary is projected to grow by 6,410 people between 2019 and 2039, at an average annual growth rate of 0.8%.

Exhibit 21. Forecast of Population Growth, Oregon City city limits, 2021–2041[34]

Source: 2020-2050 Distributed Forecast (March 2021) Oregon Metro Research Center.

36,891	46,743	9,852	27% increase
Residents in 2021	Residents in 2041	New residents 2021-2041	1.19% AAGR

[34] Metro develops population forecasts for Oregon City's city limits, as shown in Exhibit 21. The dwelling unit forecast shown in Exhibit 60 includes the forecast for Oregon City's planning area, which includes the city limits and urban growth management area. Metro does not develop a population forecast for the urban growth management areas, so they are not included in Exhibit 21.

The reason for inclusion forecast of new dwelling units in these TAZ (in Exhibit 60) is that Oregon City has large areas that are currently planned for housing growth that are outside the city limits and will be annexed into the city. These include the South End Concept Plan area and the Park Place Concept Plan. These areas are included in the buildable land inventory, requiring including the growth expected in these areas in the forecast for new dwelling units in Exhibit 60.

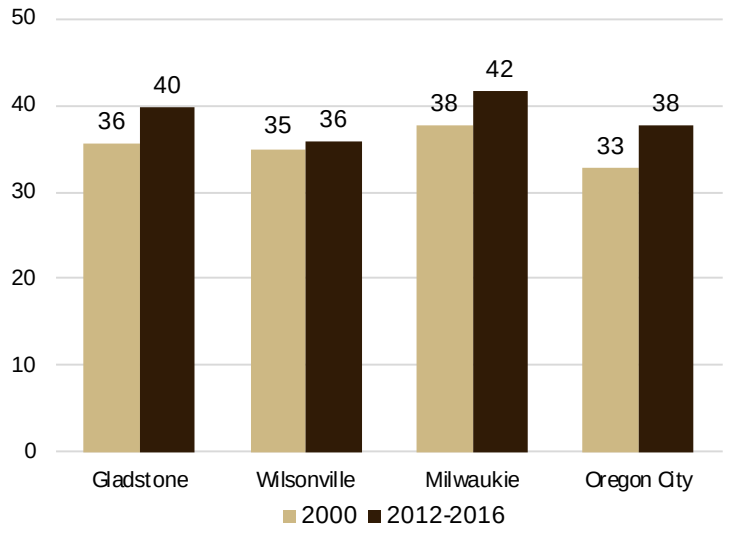
To compare the forecast of new population forecast for the 2021-2041 period with forecast of new dwelling units, one must compare the number of population growth within the city limits (9,852 new residents) with the new dwelling unit forecast in Exhibit 60 for the city limits (5,792 new dwelling units). A comparison of the two suggests an average household size of about 1.7 persons per dwelling unit, reflecting decreases in household size in the future with expected growth of more single-person households.

Aging Population

From 2000 to 2012-2016, Oregon City's median age increased by five years from 33 to 38.

Exhibit 22. Median Age, Years, Oregon City, Gladstone, Wilsonville, Milwaukie, 2000 to 2012-2016

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

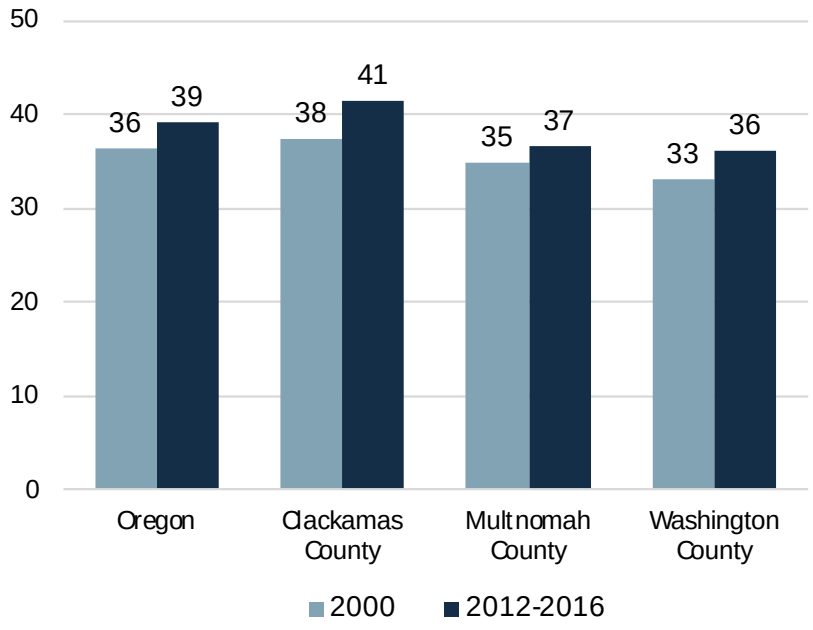


From 2000 to 2012-2016, Clackamas County's median age increased by three years.

The median age of Clackamas County residents is slightly higher than the media age of nearby regions (Clackamas and Washington County).

Exhibit 23. Median Age, Years, Oregon, Clackamas County, Multnomah County, Washington County, 2000 to 2012-2016

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

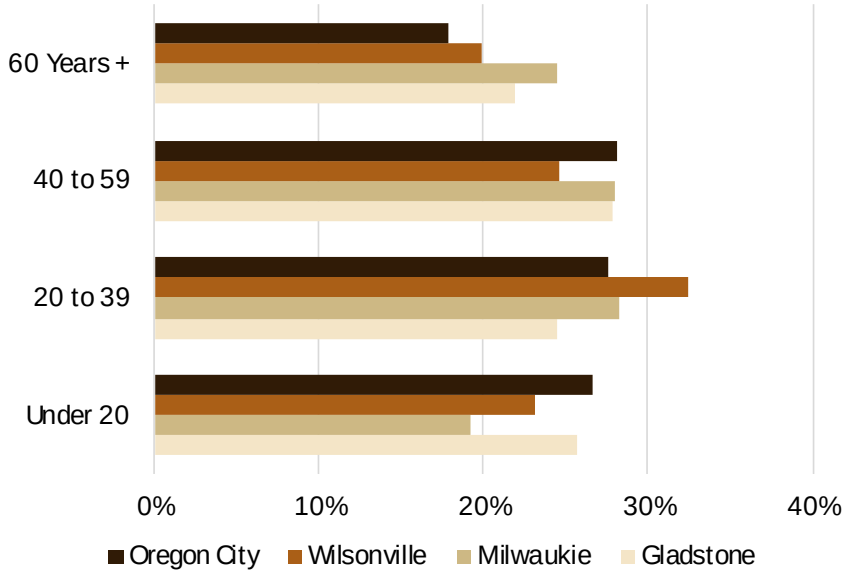


The majority of residents in Oregon City were between 20 to 59 years old.

Oregon City had a lower share (18%) of residents over 60 years of age than other comparator cities.

Exhibit 24. Population Distribution by Age, Oregon City, Gladstone, Wilsonville, Milwaukie, 2012-2016

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

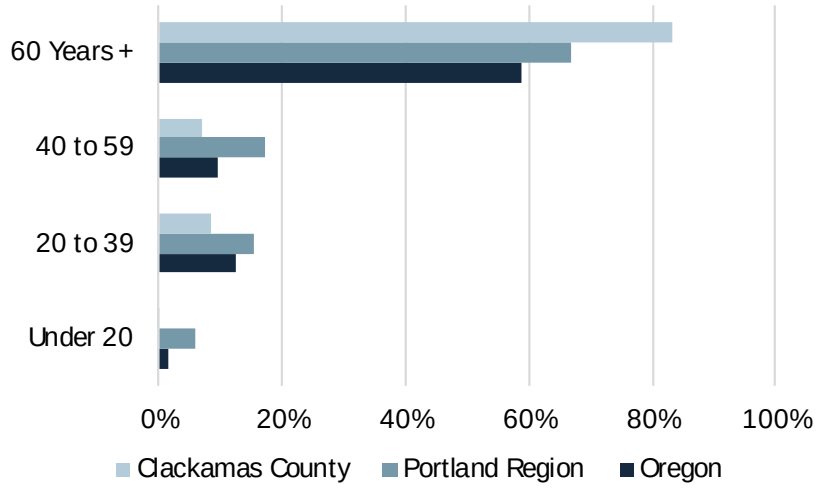


The senior population in Clackamas County (those aged 60 and older) grew faster than any other age cohort. From 2000 to the 2012-2016 period, the population aged 60 and older grew by 83% in Clackamas County, compared to 67% in the Portland Region, and 59% in Oregon. By 2040, people over 60 in Clackamas County will account for 27% of the population.

Between 2000 and 2012-2016, all age groups in Clackamas County grew in size. The most substantial change was growth in residents aged 60 and older.

Exhibit 25. Population Growth by Age, Clackamas County, Portland Region, Oregon, 2000 to 2012-2016

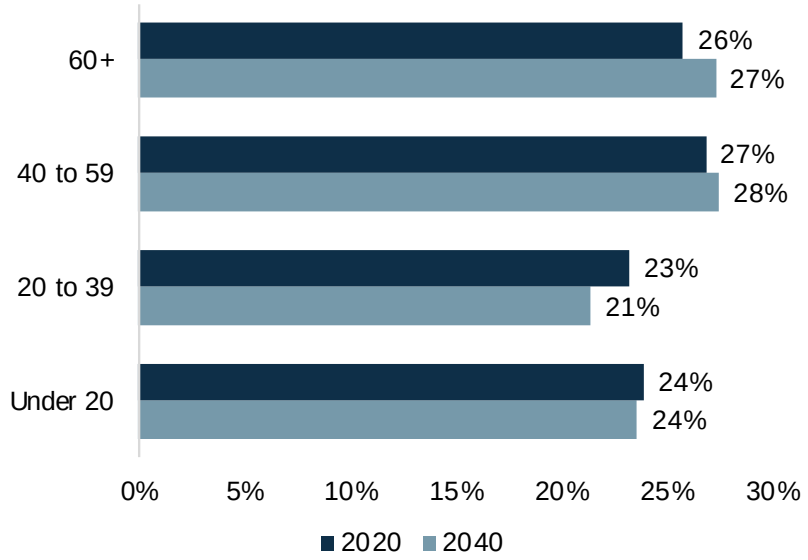
Source: U.S. Census Bureau, 2000 Decennial Census Table P012 and 2012-2016 ACS, Table B01001.



By 2040, Clackamas County residents over the age of 40 will make up 55% of the County's total population.

Exhibit 26. Population Growth by Age Group, Clackamas County, 2020 to 2040

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



Growth in Latinx Population

The U.S. Census Bureau forecasts that at the national level, the Latinx (e.g., Latino/a and Hispanic) population will continue growing faster than most other non-Latinx population over the planning period. The Latinx population will increase 93% from 2016 to 2060 and foreign-born Latinx population will increase by about 40% in that same time.[35]

Continued growth in the Latinx population will affect Oregon City's housing needs in a variety of ways. Growth in first and, to a lesser extent, second and third generation Latinx immigrants, will increase demand for larger dwelling units to accommodate the, on average, larger household sizes for these households. In that, Latinx households are twice likely to include multiple generations households than the general populace.[36] In third and later generations of Hispanic or Latino immigrant households, size typically decreases and housing needs become similar to overall housing needs for households within the community.

According to the *State of Hispanic Homeownership* report from the National Association of Hispanic Real Estate Professionals,[37] the Latinx population accounted for 31.4% of the nation's net new household formations in 2019, up 2.8 percentage points from 2017. The rate of homeownership for Latinx households increased from 45.6% in 2015 to 47.5% in 2019. In that time (2015 to 2019), Latinx households were the only demographic that increased their rate of homeownership.

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

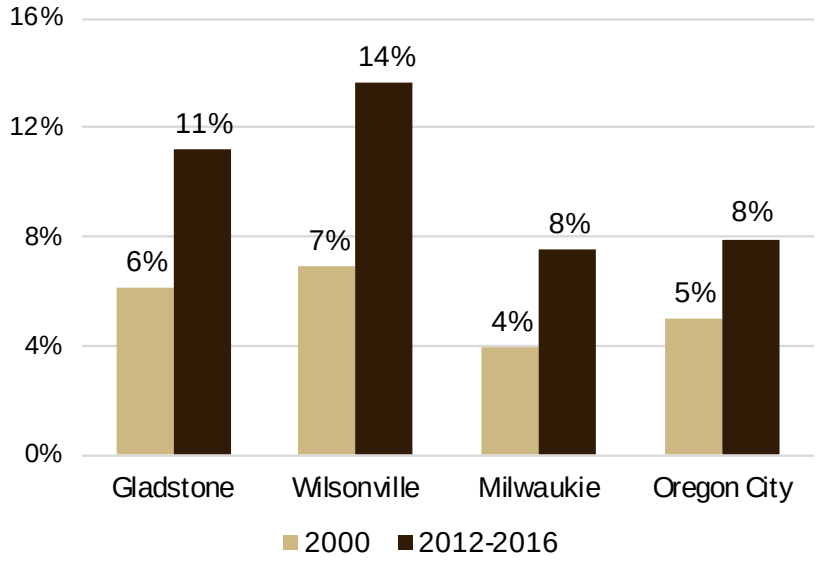
[36] Pew Research Center. *Second-Generation Americans: A Portrait of the Adult Children of Immigrants*, February 7, 2013, Appendix 8. Retrieved from: http://www.pewsocialtrends.org/2013/02/07/appendix-1-detailed-demographic-tables/.

National Association of Hispanic Real Estate Professionals (2019). *2019 State of Hispanic Homeownership Report*. Retrieved from: https://nahrep.org/shhr/

[37] National Association of Hispanic Real Estate Professionals (2019). *2019 State of Hispanic Homeownership Report*. Retrieved from: https://nahrep.org/downloads/2018-state-of-hispanic-homeownership-report.pdf

Between 2000 and 2012-2016, the share of the population that identified as Latinx increased by 3% in Oregon City.

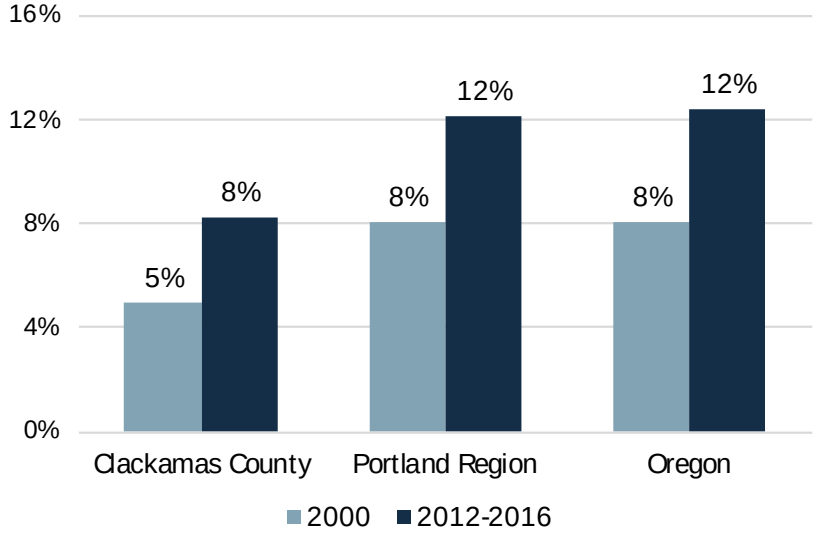
Exhibit 27. Latinx Population as a Percent of the Total Population, Oregon City, Gladstone, Wilsonville, Milwaukie, 2000 to 2012-2016
Source: U.S. Census Bureau, 2000 Decennial Census Table P008, 2012-2016 ACS Table B03002.



The share of Clackamas County's population that was Latinx increased by 3% between 2000 and 2012-2016.

Comparatively, the share of Latinx increased by 4% in the Portland Region and in Oregon.

Exhibit 28. Latinx Population as a Percent of the Total Population, Clackamas County, Portland Region, Oregon, 2000 to 2012-2016
Source: U.S. Census Bureau, 2000 Decennial Census Table P008, 2012-2016 ACS Table B03002.

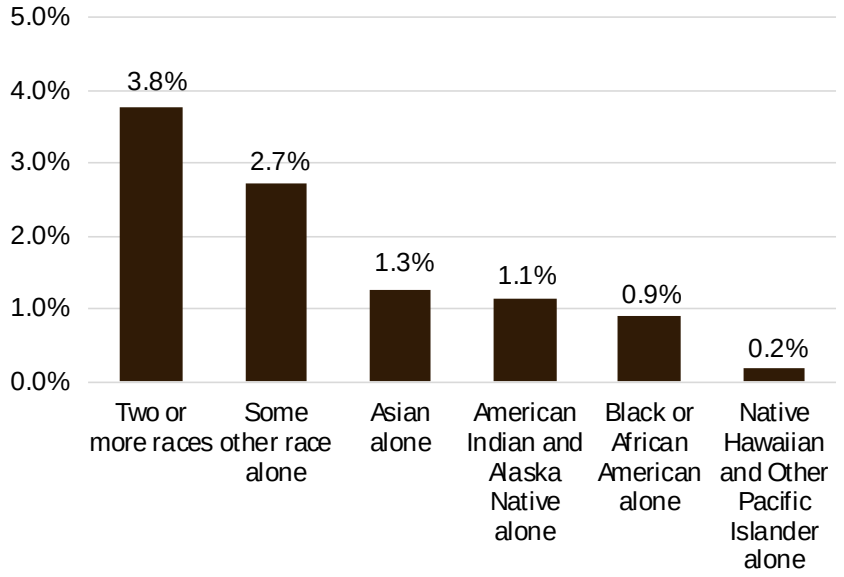


Racial Diversity

About 90% of Oregon City's population identified as White-alone.

The next largest population group identified as Two or More Races (3.8%).

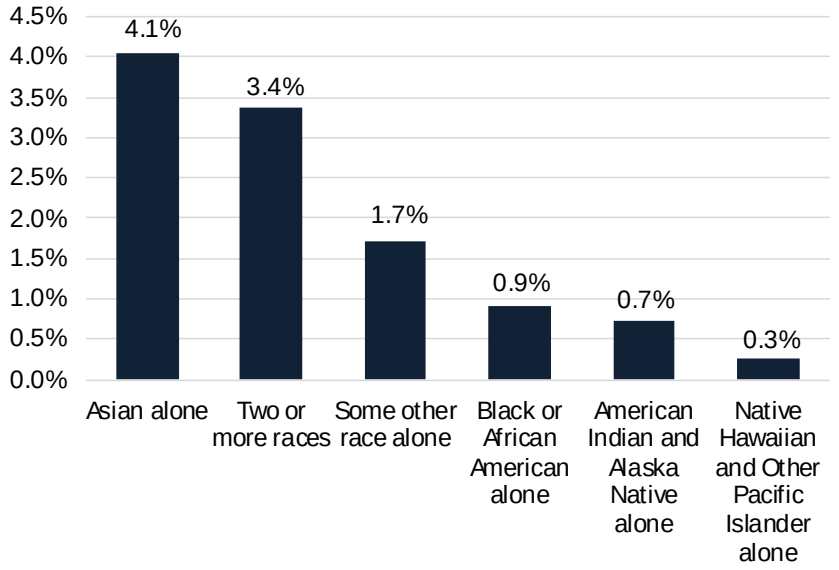
Exhibit 29. Population by Race (excluding White Alone) as a Percent of Total Population, Oregon City, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS Table B02001.



About 89% of Clackamas County's population identified as White-alone.

The next largest population group identified as Asian-alone (4.1%).

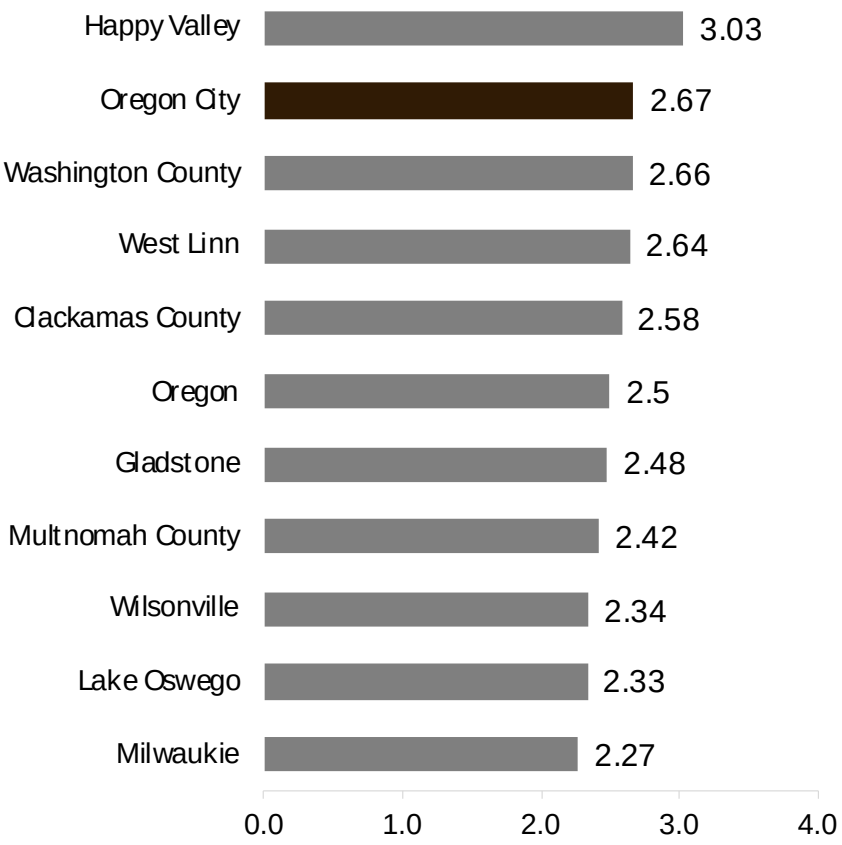
Exhibit 30. Population by Race (excluding White Alone) as a Percent of Total Population, Clackamas County, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS Table B02001.



Household Size and Composition

In the 2013-2017 period, Oregon City's average household size was 2.67 persons per household.

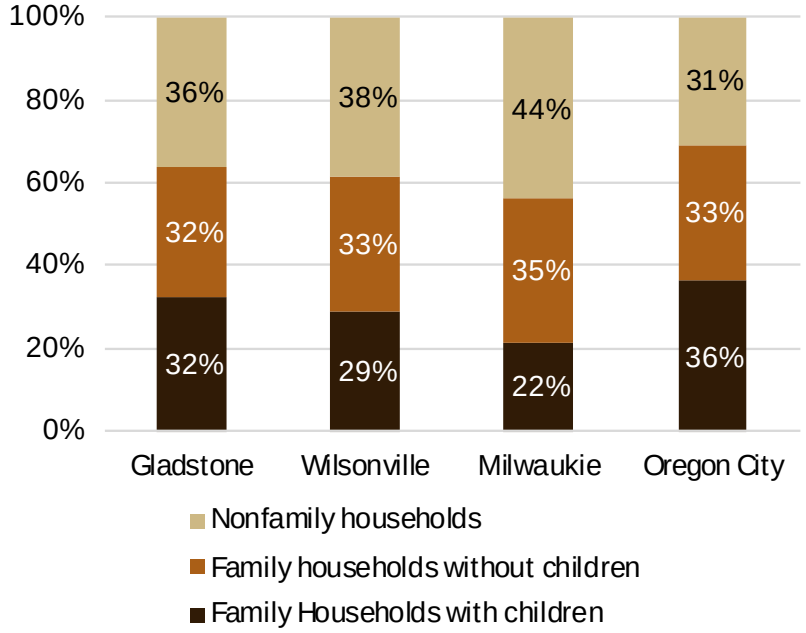
Exhibit 31. Average Household Size, 2013-2017
Source: U.S. Census Bureau, 2013-2017 ACS 5-year estimate, Table B25010.



In the 2012-2016 period, 36% of Oregon City households were non-family households (e.g., single-person households or households composed of roommates).

Exhibit 32. Household Composition, Oregon City, Wilsonville, Milwaukie, Oregon City, 2012-2016

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



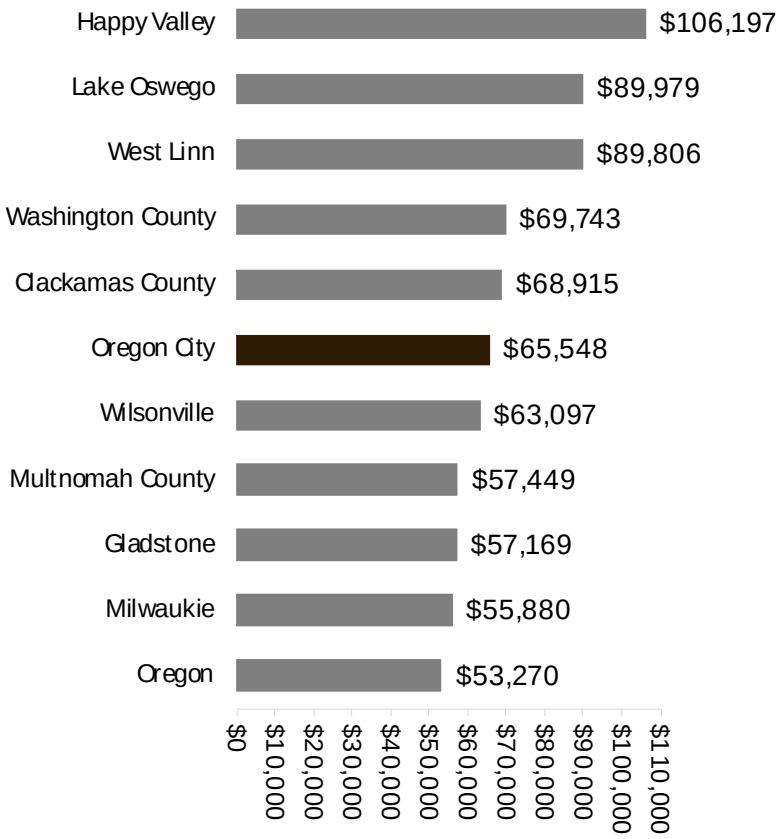
Income of Residents

Income is a key determinant in housing choice and households' ability to afford housing.

In the 2012-2016 period, Oregon City's median household income (MHI) was $65,548.

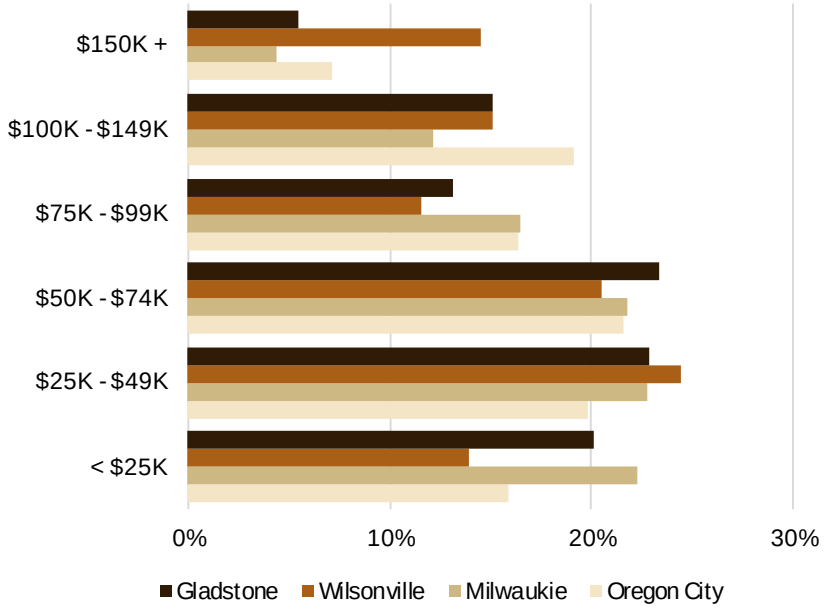
Oregon City's MHI was slightly below Clackamas County's MHI of $68,915.

Exhibit 33. Median Household Income, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS 5-year estimate, Table B25119.



In Oregon City, 26% of households earned $100,000 or more.

Exhibit 34. Household Income, Oregon City, Gladstone, Wilsonville, Milwaukie, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS 5-year estimate, Table B19001.



Commuting Trends

Oregon City is part of the complex, interconnected economy of Clackamas County and the greater Portland region.

Oregon City is part of an interconnected regional economy.

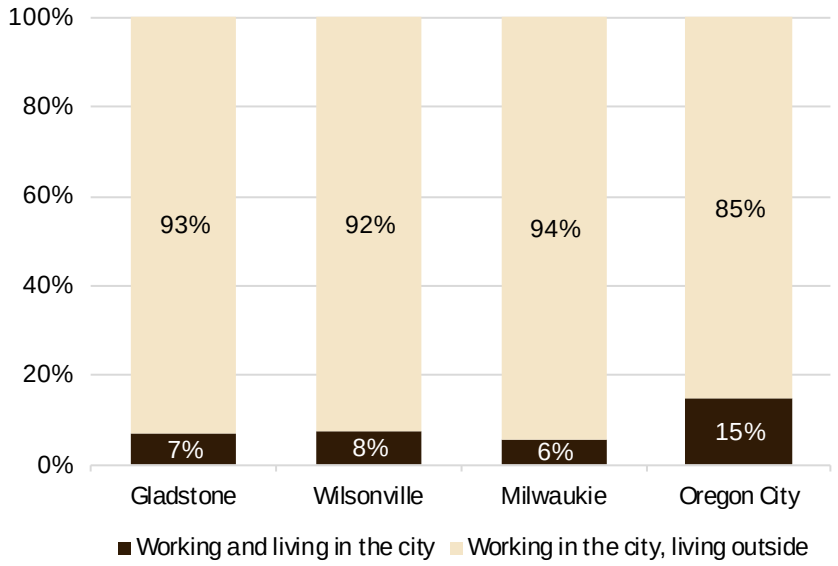
More than 12,000 people commute into Oregon City for work, and almost 14,000 people living in Oregon City commute out of the city for work.

About 2,000 people both live and work in the City.

Exhibit 35. Commuting Flows, Oregon City, 2015
Source: U.S. Census Bureau, Census On the Map.

Of the people who work in Oregon City, 85% live outside of the city.

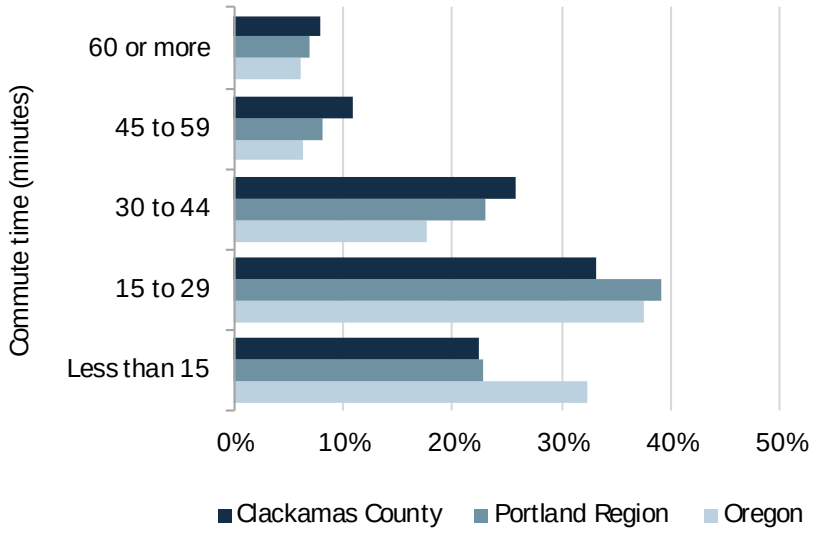
Exhibit 36. Commuting Flows of People Who Work in Oregon City, Gladstone, Wilsonville, Milwaukie, 2015
Source: U.S. Census Bureau, Census On the Map.



The majority of residents in Clackamas County, the Portland Region, and Oregon had a commute time that took less than 30 minutes.

In Clackamas County, 56% of residents had a commute time of less than 30 minutes, compared to 62% for the Portland Region and 70% for Oregon.

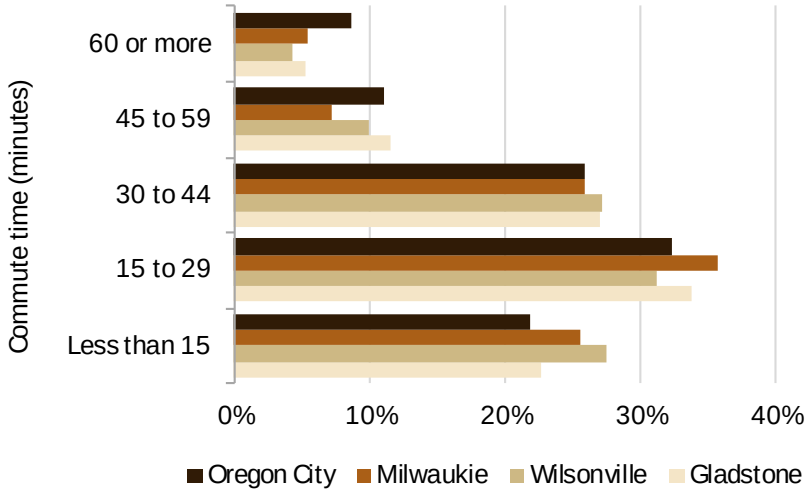
Exhibit 37. Commute Time by Place of Residence, Clackamas County, Portland Region, Oregon, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS 5-year estimate, Table B08303.



The majority of residents in Oregon City had commute times of less than 30 minutes.

Exhibit 38. Commute Time by Place of Residence, Oregon City, Gladstone, Wilsonville, Milwaukie, 2012-2016

Source: U.S. Census Bureau, 2012-2016 ACS 5-year estimate, Table B08303.



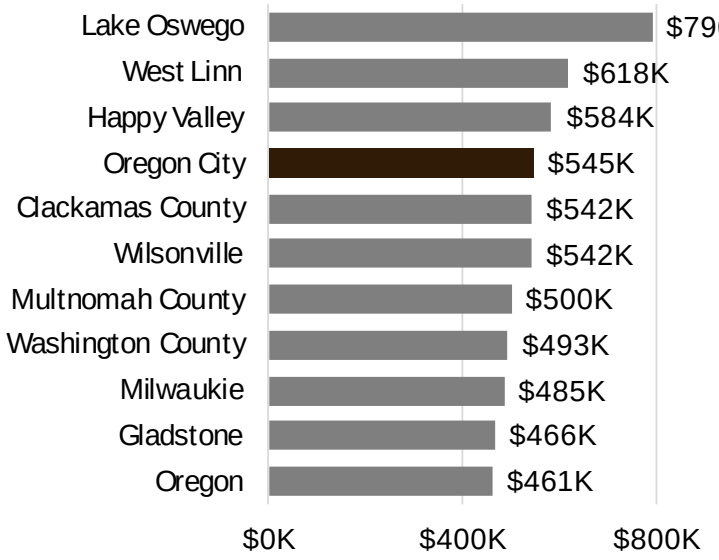
Regional and Local Trends Affecting Housing Affordability

This section describes changes in sales prices, rents, and housing affordability by jurisdiction.

Changes in Housing Costs

In April 2021, Oregon City had a median home sales price of $545k, which was below that of some other city comparators and similar to Clackamas County ($542k), but well above the state's median of $461k.

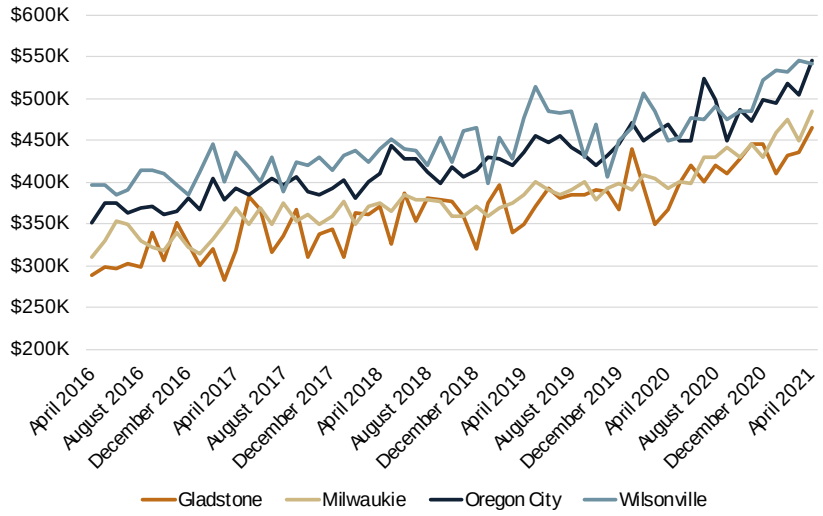
Exhibit 39. Median Home Sale Price, April 2021
Source: Redfin.



Median home sales prices in Oregon City have increased since April 2016.

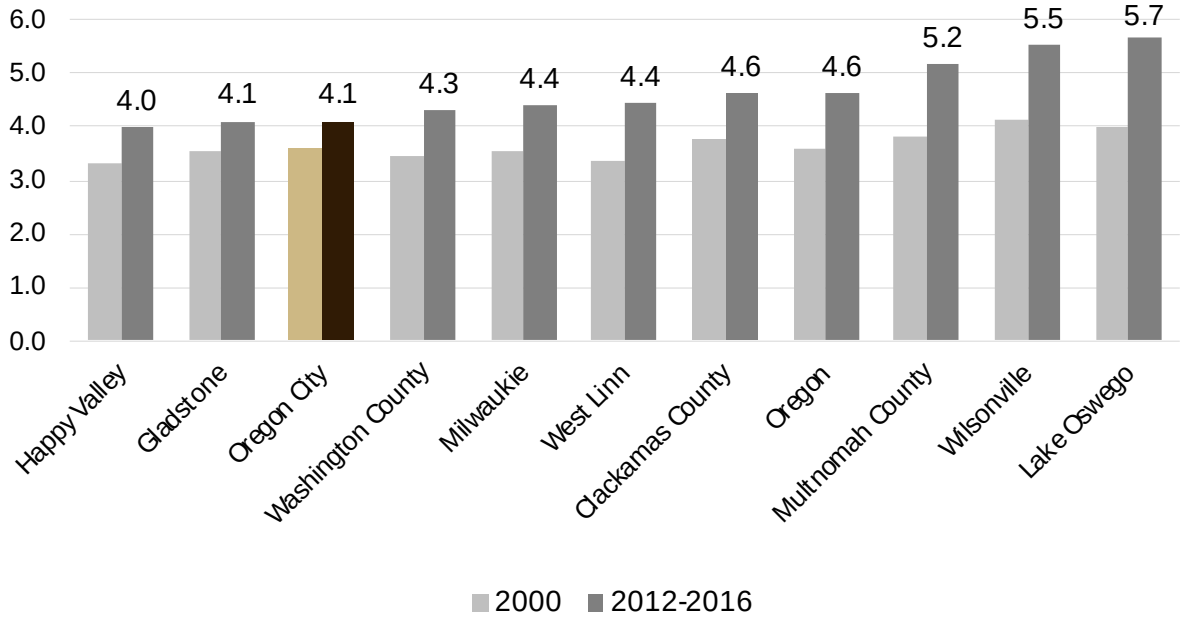
In April of 2021, Oregon City had a median home sales price of $545k.

Exhibit 40. Median Sales Price, Gladstone, Wilsonville, Milwaukie, Oregon City, April 2016 – April 2021
Source: Redfin.



Since 2000, housing costs in nearly all Clackamas County geographies increased faster than incomes. Oregon City's median housing value to household income increased from 3.6 to 4.1.

Exhibit 41. Ratio of Median Housing Value to Median Household Income, 2000 to 2012-2016[38]
Source: U.S. Census Bureau, 2000 Decennial Census, Tables HCT012 and H085, and 2012-2016 ACS, Tables B19013 and B25077.



[38] This ratio compares the median value of housing in Clackamas County (and other places) to the median household income.

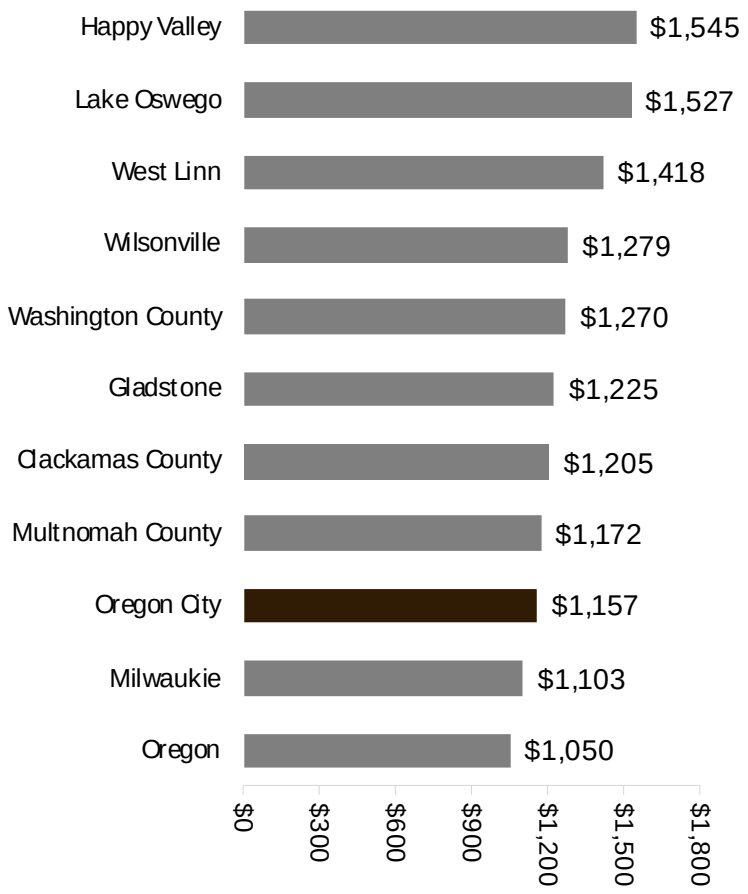
Rental Costs

The median gross rent in Oregon City was $1,157.

In the 2014-2018 period, rent in Oregon City was comparable to the median rent for Clackamas County as a whole.

Exhibit 42. Median Gross Rent, Oregon City and Comparison Areas, 2014-2018

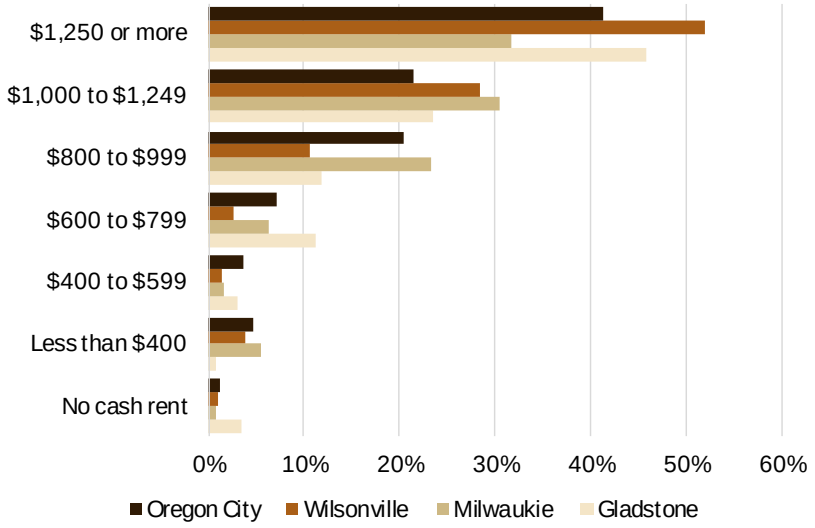
Source: U.S. Census Bureau, 2014-2018 ACS 5-year estimate, Table B25064.



In Oregon City, nearly two-thirds of renters paid more than $1,000 a month in rent.

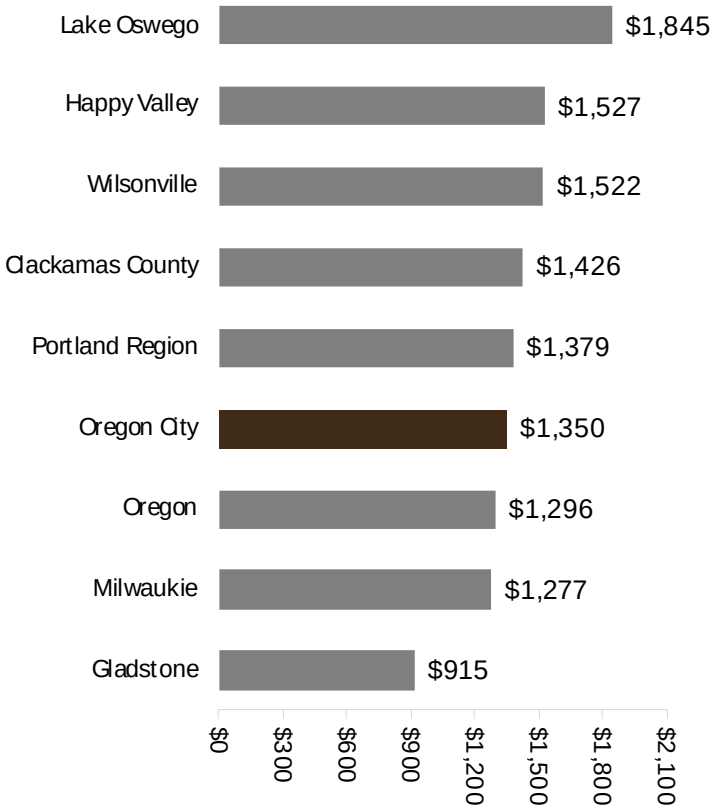
Exhibit 43. Gross Rent, Oregon City, Gladstone, Wilsonville, Milwaukie, 2014-2018

Source: U.S. Census Bureau, 2014-2018 ACS Table B25063.



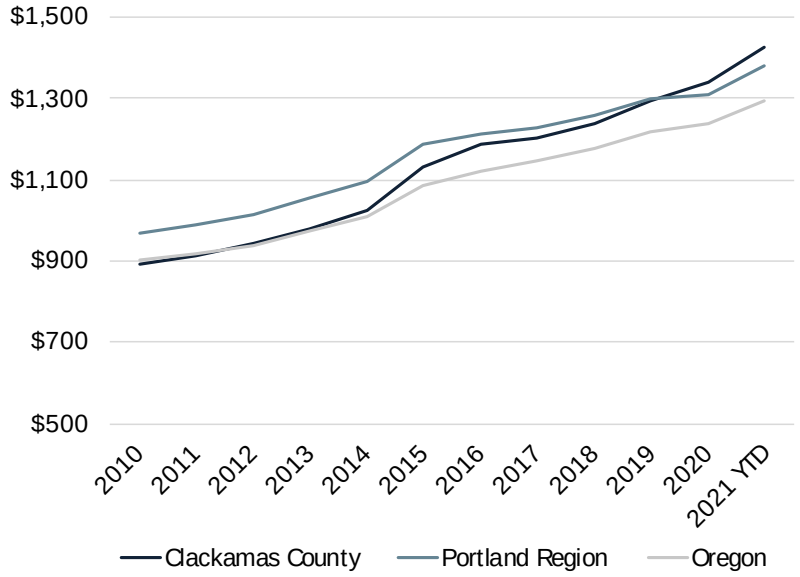
Oregon City's average multifamily rent was slightly lower than Clackamas County's average rent.

Exhibit 44. Average Effective Multifamily Rent, Oregon City and Comparison Areas, June 2021
Source: Costar.



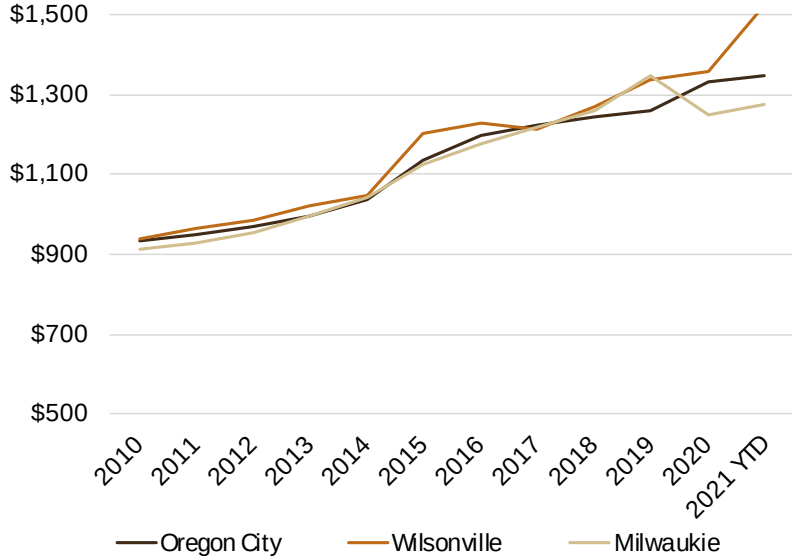
From 2010 to June 2021, average effective rents per unit increased from $894 to $1,436 in Clackamas County, $970 to $1,379 in the Portland Region, and $903 to $1,296 in Oregon.

Exhibit 45. Average Effective Multifamily Rent, Clackamas County, Portland Region, Oregon, 2010 through June 2021
Source: Costar.



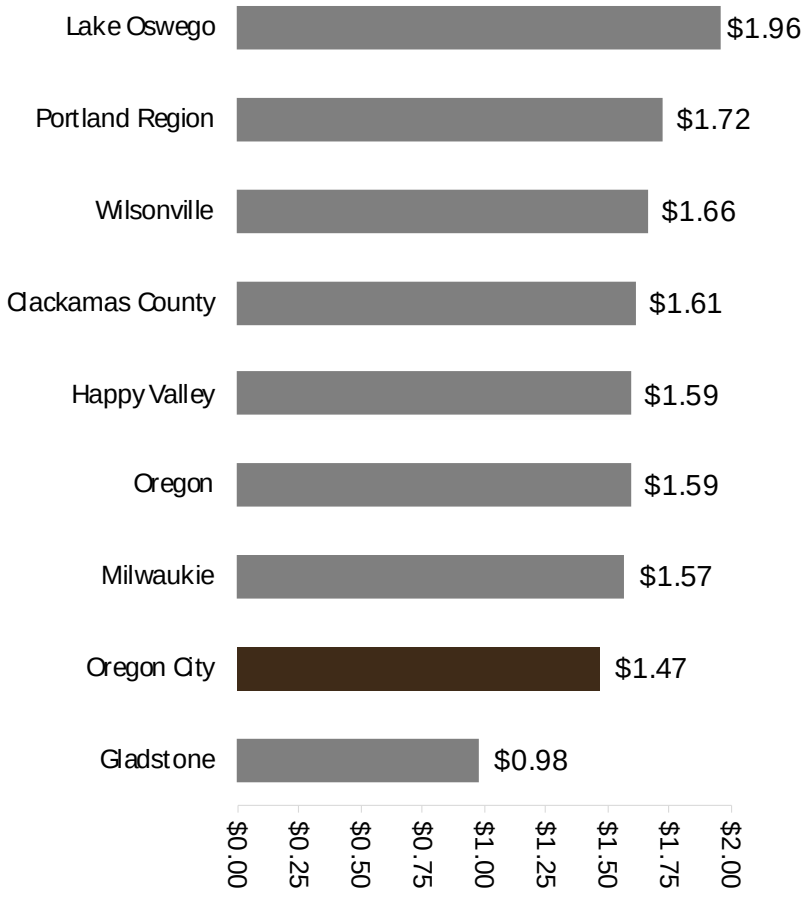
From 2010 to 2021, average effective rent per unit increased from $933 to $1,350 in Oregon City, $940 to $1,522 in Wilsonville, and $914 to $1,277 in Milwaukie

Exhibit 46. Average Effective Multifamily Rent, Oregon City, Wilsonville, Milwaukie, 2010 through June 2021
Source: Costar.



In June 2021, Oregon City's average effective multifamily rent per sq. ft. was $1.47.

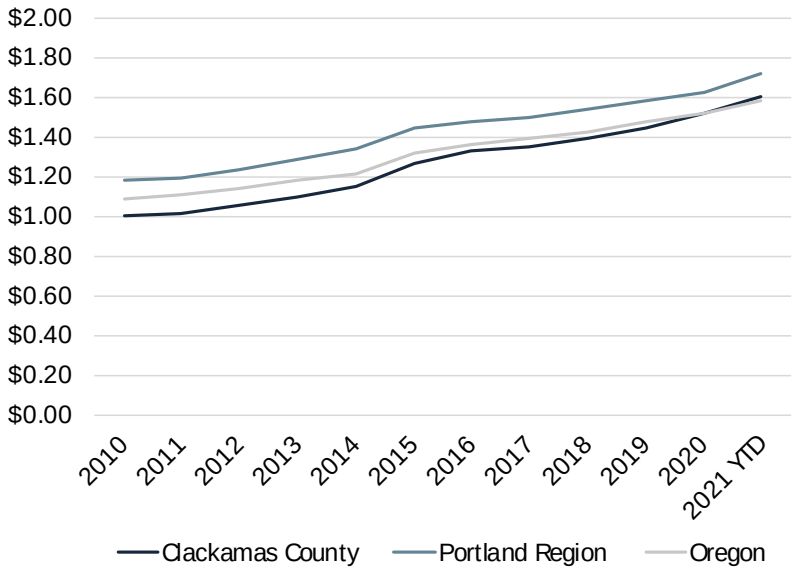
Exhibit 47. Average Effective Multifamily Rent per Square Foot, Oregon City and Comparison Areas, June 2021
Source: Costar.



From 2010 to June 2021, average effective rent per square foot increased from $1.00 to $1.61 in Clackamas County, $1.18 to $1.72 in the Portland Region, and $1.09 to $1.59 in Oregon.

Exhibit 48. Average Effective Multifamily Rent per Square Foot, Clackamas County, Portland Region, Oregon, 2010 through June 2021

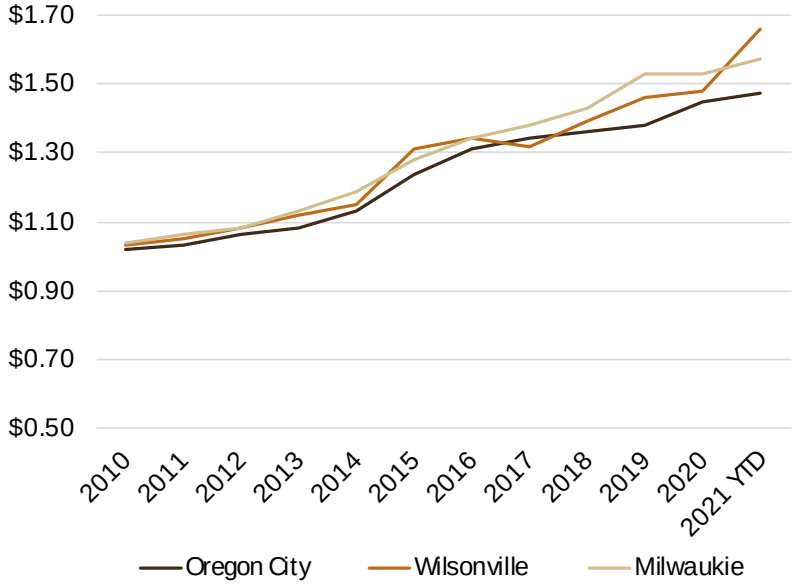
Source: Costar.



From 2010 to June 2021 average effective rent per square foot increased from $1.02 to $1.47 in Oregon City, $1.03 to $1.66 in Wilsonville, and $1.04 to $1.57 in Milwaukie.

Exhibit 49. Average Effective Multifamily Rent per Square Foot, Oregon City, Wilsonville, Milwaukie, 2010 through June 2021

Source: Costar.



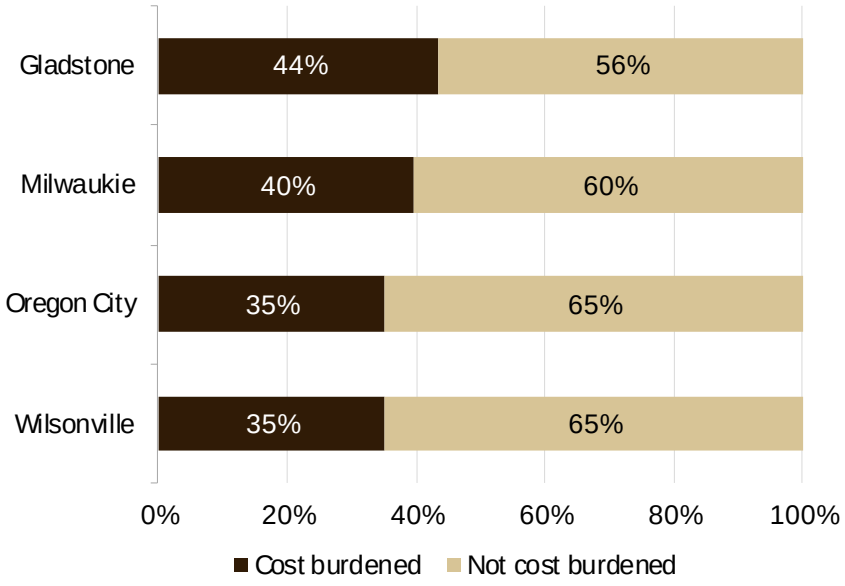
Housing Affordability

A typical standard used to determine housing affordability is that a household should pay no more than a certain percentage of household income for housing, including payments and interest or rent, utilities, and insurance. The Department of Housing and Urban Development's guidelines indicate that households paying more than 30% of their income on housing experience "cost burden," and households paying more than 50% of their income on housing experience "severe cost burden." Using cost burden as an indicator for housing affordability is consistent with the Goal 10 requirement to provide housing that is affordable to all households in a community.

Over a third of Oregon City's residents were cost burdened in the 2012-2016 period.

Exhibit 50. Housing Cost Burden by Tenure, Oregon City, Gladstone, Wilsonville, and Milwaukie, 2012-2016

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

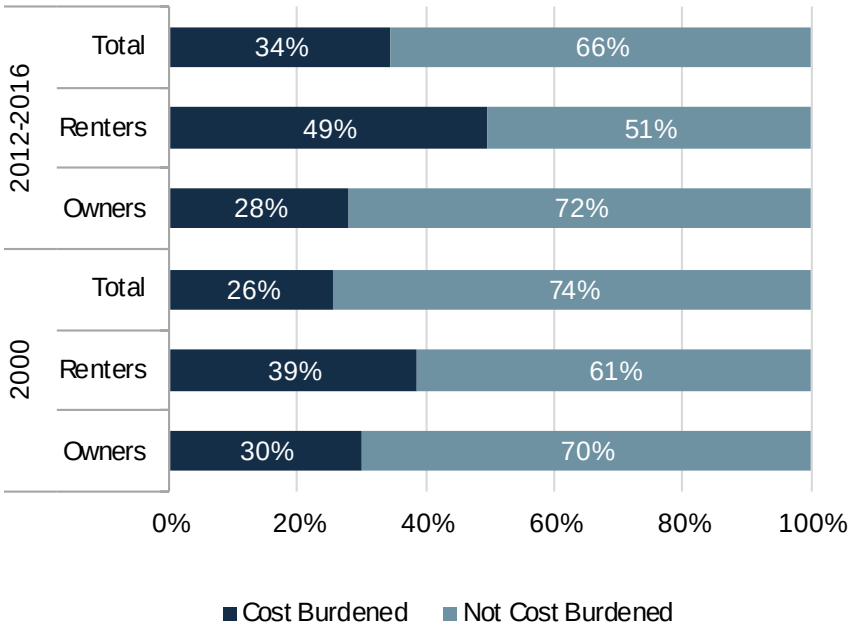


Across Clackamas County, renters were more likely to be cost burdened than homeowners.

Between the 2000 and 2012-2016 time period, the share of total cost-burdened households rose from 26% in 2000 to 34% in 2012-2016.

Exhibit 51. Housing Cost Burden by Tenure, Clackamas County, 2000, 2012-2016

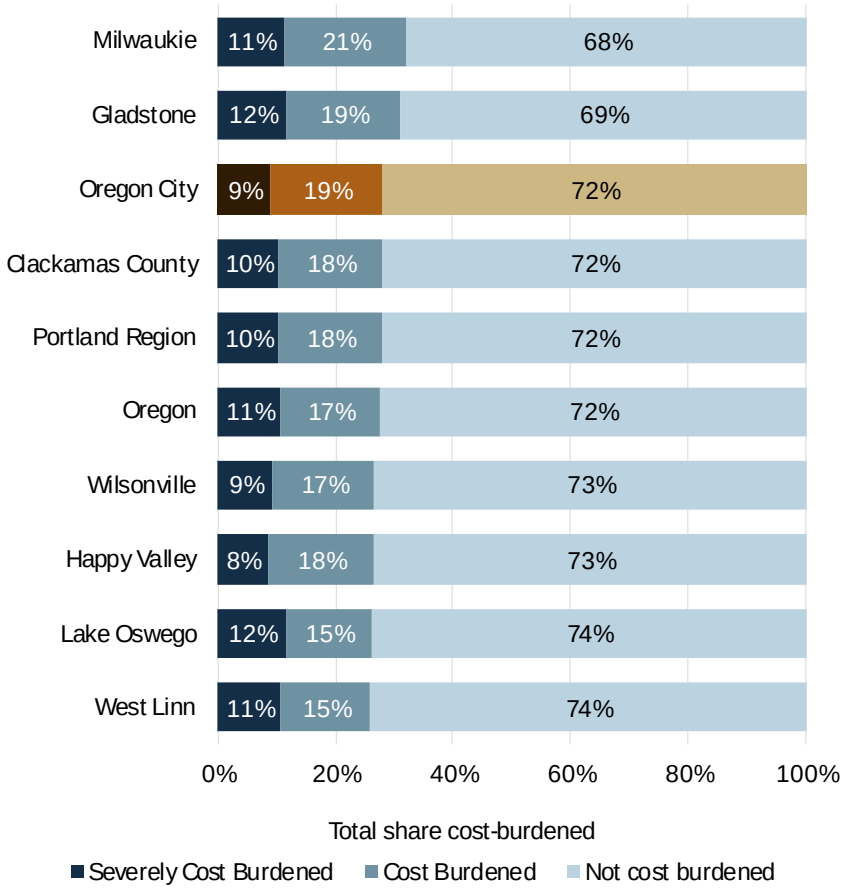
Source: U.S. Census Bureau, 2000 Census Table H069, 2012-2016 ACS Tables B25091 and B25070.



Nearly 30% of Oregon City's cost burdened homeowner households were cost burdened, spending more than 30% or more of their income on housing costs.

Nine percent of the city's homeowner households were *severely* cost burdened, spending 50% or more of their income on housing costs.

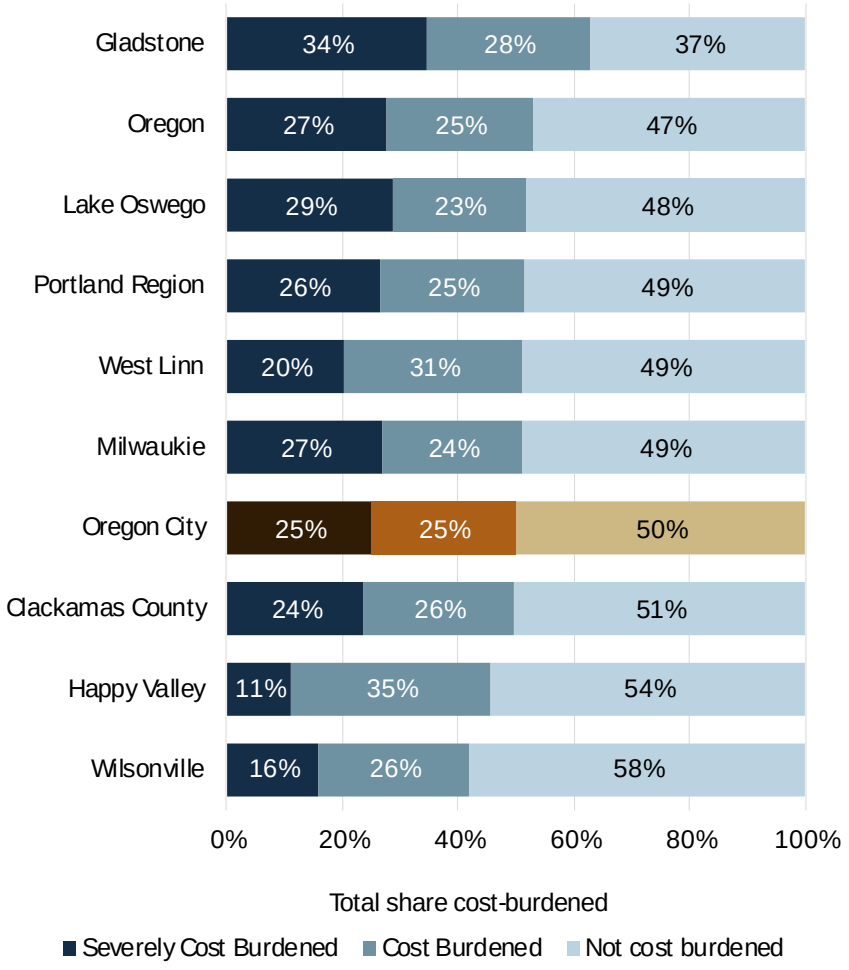
Exhibit 52. Cost Burden Rates for Homeowner Households, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS Table B25091.



Half of Oregon City's renter households were cost burdened, spending 30% of their income on housing costs.

Twenty-five percent of the city's renter households were *severely* cost burdened, spending 50% or more of their income on housing costs.

Exhibit 53. Cost Burden Rates for Renter Households, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS Table B25070.



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

- A household is defined as cost burdened if the household's housing costs exceed 30% of the household's income. The remaining 70% of income is expected to be spent on non-discretionary expenses, such as food or medical care, and on discretionary expenses. Households with higher incomes may be able to pay more than 30% of their income on housing without impacting the household's ability to pay for necessary non-discretionary expenses.
- Cost burden compares income to housing costs and does not account for accumulated wealth. As a result, the estimate of how much a household can afford to pay for housing does not include the impact of a household's accumulated wealth. For example, a household of retired people may have relatively low income but may have accumulated assets (such as profits from selling another house) that allow them to purchase a house that would be considered unaffordable to them based on the cost burden indicator.

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

Fair Market Rent for a 2-bedroom apartment in Clackamas County is $1,495.

Exhibit 54. HUD Fair Market Rent (FMR) by Unit Type, Clackamas County,[39] 2020

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

$1,192	$1,289	$1,495	$2,157	$2,625
Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom

A household must earn at least $28.75 per hour to afford a two-bedroom unit in Clackamas County.

Before taxes, a full-time job at $28.75 per hour is an annual salary of $59,800.

Exhibit 55. Affordable Housing Wage, Clackamas County, 2020

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

$28.75 per hour

Affordable Housing Wage for two-bedroom Unit in Clackamas County

[39] HUD reports 2020 fair market rents and median family income from the Portland-Vancouver-Beaverton MSA for Clackamas County.

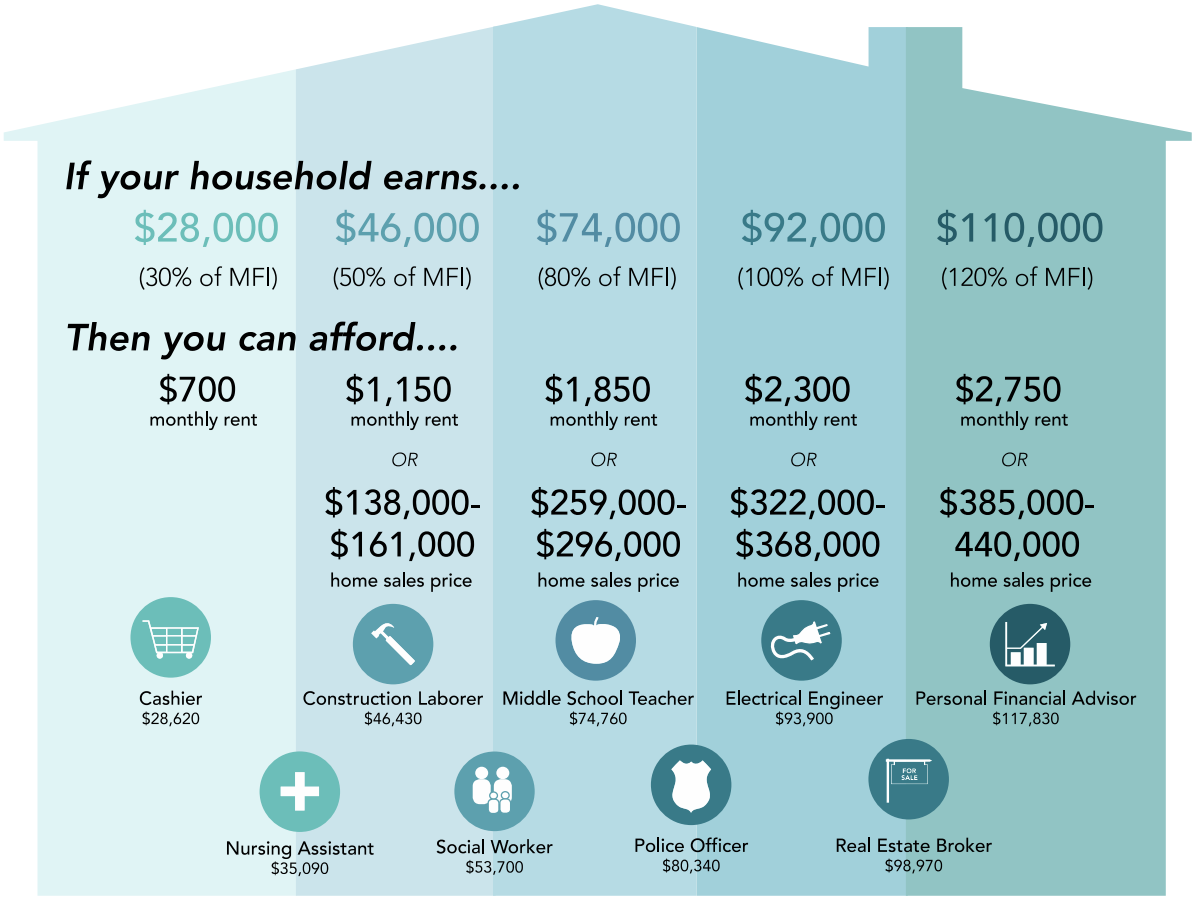
Exhibit 56 shows housing affordability based on incomes for Clackamas County. The regional Median Family Income (MFI) is used by HUD as a way to understand the differences in housing affordability in different places across the nation. In Clackamas County (and the rest of the Portland region), the MFI for a family of four is $92,000. A household earning the median family income ($92,000) can afford a monthly rent of about $2,300 or a home roughly valued between $322,000 and $368,000.

A household would need to have income of about $136,000, or 148% of MFI for Clackamas County to afford a house at the Oregon City's median home sale price of $545,000. About 18% of households in Oregon City can afford housing at this cost.

A household would need to have income of about $60,000 (about 65% of MFI) to afford the average asking rent for multifamily housing of nearly $1,350, plus basic utilities like power, heat, and water. About 64% of households in Oregon City can afford housing at this cost.

Exhibit 56. Financially Attainable Housing, by Median Family Income (MFI) for Clackamas County ($92,100), Clackamas County, 2020

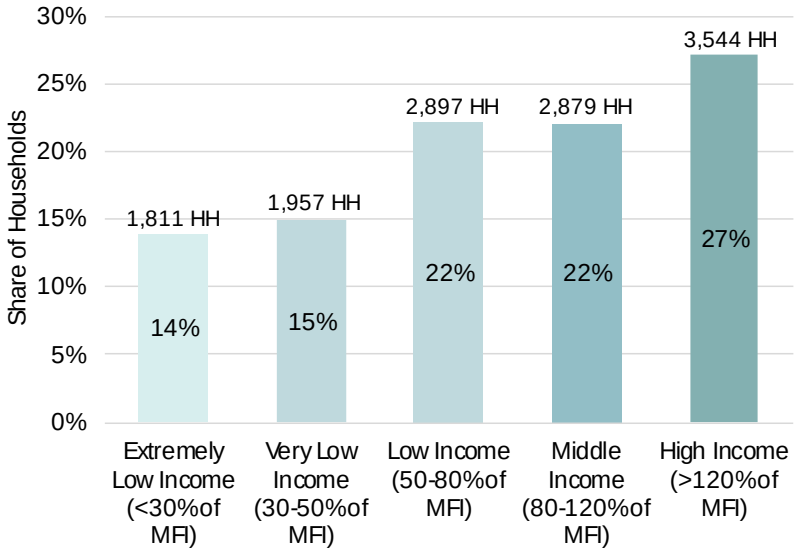
Source: U.S. Department of Housing and Urban Development 2020. U.S. Census Bureau, 2014-2018 ACS Table 19001. *Note: MFI is Median Family Income; Clackamas County MFI is determined by HUD for the Portland MSA.*



In Oregon City, about half (51%) of all households in Oregon City earned 80% or more of Clackamas County's median family income.

Exhibit 57. Share of Households, by Median Family Income (MFI) for Clackamas County ($92,100), Oregon City, 2020

Source: U.S. Department of Housing and Urban Development, Clackamas County, 2020. U.S. Census Bureau, 2014-2018 ACS Table 19001.



Nearly a third (32%) of Clackamas County households earned 120% or more of median family income of $92,100.

Exhibit 58. Share of Households, by Median Family Income (MFI) for Clackamas County ($92,100), 2020

Source: U.S. Department of Housing and Urban Development, Clackamas County, 2020. U.S. Census Bureau, 2014-2018 ACS Table 19001.

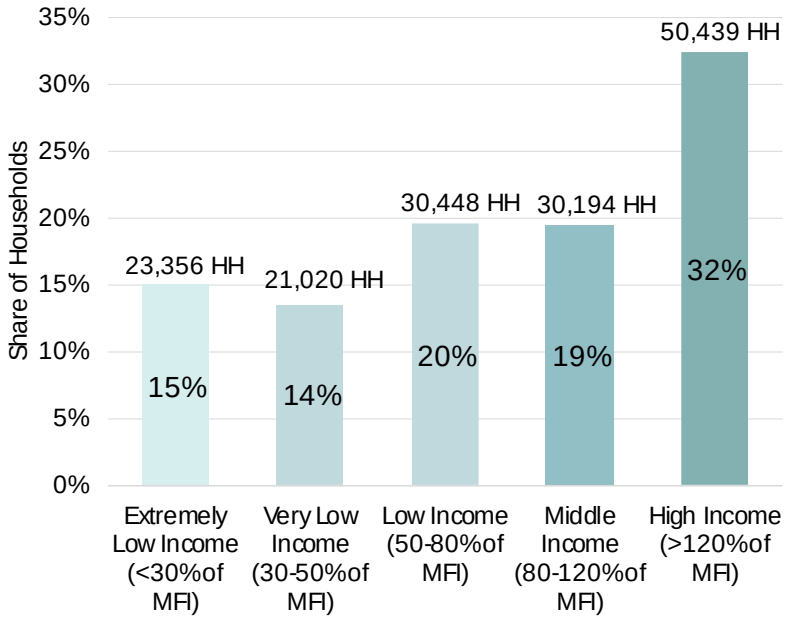
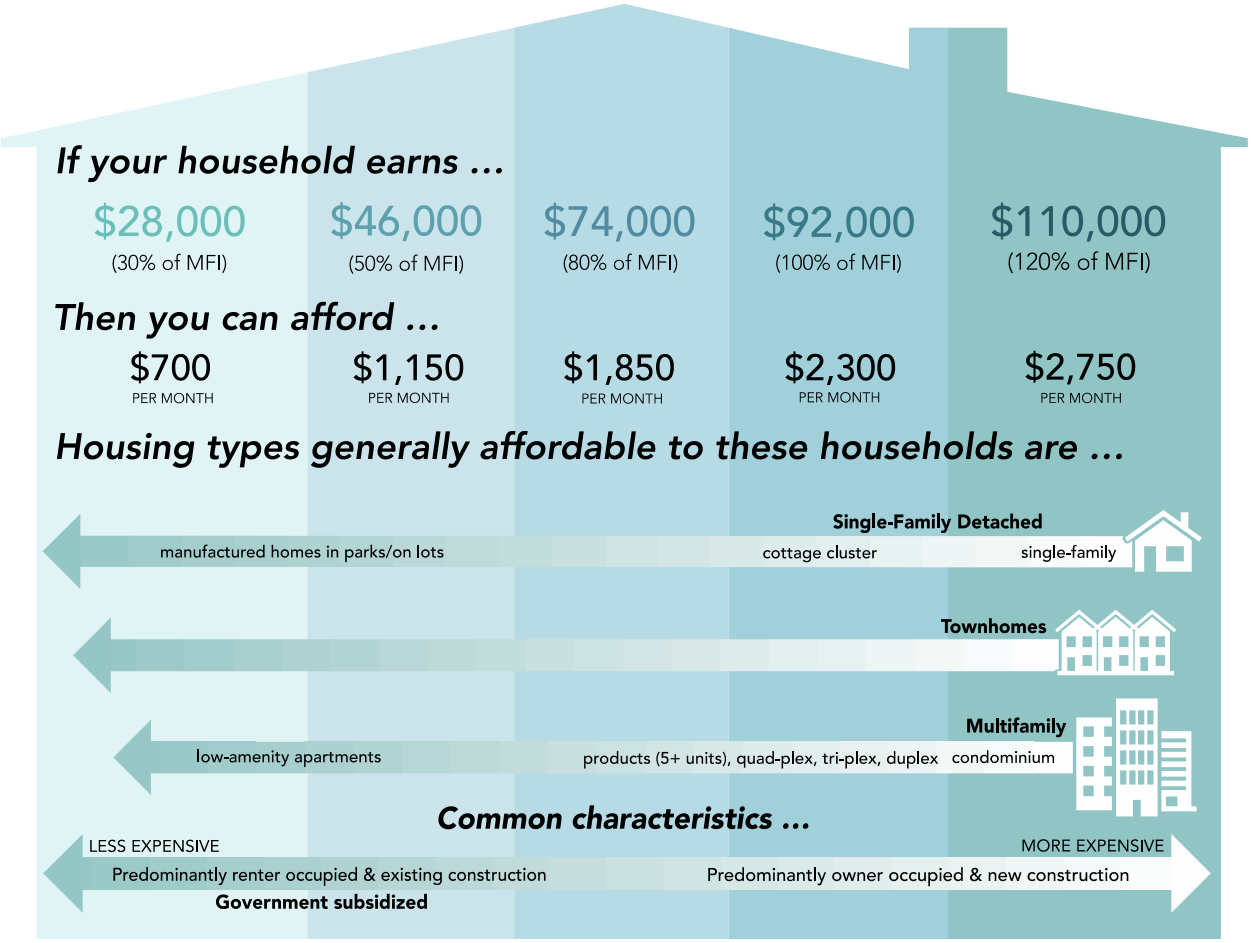


Exhibit 59 illustrates the types of financially attainable housing by income level. Generally speaking, lower-income households will be renters occupying existing housing. Newly built housing will be a combination of renters (most likely in multifamily housing) and homeowners. The types of housing affordable for the lowest-income households are limited to government-subsidized housing, manufactured housing, lower-cost single-family housing, and multifamily housing. The range of financially attainable housing increases with increased income.

Exhibit 59. Types of Financially Attainable Housing by Median Family Income (MFI) for Clackamas County ($92,100), Oregon City, 2020

Source: U.S. Department of Housing and Urban Development, Clackamas County, 2020. *Note: MFI is Median Family Income; Clackamas County MFI is determined by HUD for the Portland MSA.*



5. Housing Need in Oregon City

Project New Housing Units Needed in the Next 20 Years

The results of the Housing Needs Analysis are based on (1) Metro's official household forecast for growth in Oregon City over the 20-year planning period, (2) information about Oregon City's housing market relative to Clackamas County and the Portland region, and (3) the demographic composition of Oregon City's existing population and expected long-term changes in the demographics of Clackamas County.

Forecast for Housing Growth

A 20-year household forecast (in this instance for 2021 to 2041) is the foundation for estimating the number of new dwelling units needed. The forecast for Oregon City is based on Metro's 2050 Household Distributed Forecast, 2021. Oregon City's city limits and UGB areas[40] will grow from 14,778 households in 2021[41] to 22,213 households in 2041, an increase of 7,435 households.[42]

Oregon City will have demand for 7,435 new dwelling units over the 20-year period, with an annual average growth of 372 dwelling units.

Exhibit 60. Forecast of Demand for New Dwelling Units, Oregon City Planning Area, 2021 to 2041[43]

Source: Metro's *2050 Household Distributed Forecast*, March 2021. Calculations by ECONorthwest.

Variable	New Dwelling Units (2021-2041)		
	City Limits	UGB Areas	Oregon City Planning Area (Total)
Household Forecast 2021	13,796	982	14,778
Household Forecast 2041	19,588	2,625	22,213
Total New Dwelling Units (2021-2041)	**5,792**	**1,643**	**7,435**
Annual Average of New Dwelling Units	**290**	**82**	**372**

[40] The UGB areas include the forecasted household growth in TAZs 726, 733, and 740.

[41] Metro's *2050 Household Distributed Forecast* shows that in 2020 the Oregon City city limits and UGB areas had 14,492 households. The Metro forecast shows these areas growing to 24,207 households in 2045, an average annual growth rate of 2.1% for the 25-year period. Using this growth rate, ECONorthwest extrapolated the forecast to 2021 (14,778 households) and 2041 (22,213 households).

[42] This forecast is based on Oregon City city limits' and UGB areas' official household forecast from Metro for the 2021 to 2041 period.

[43] The dwelling unit forecast shown in Exhibit 60 includes the forecast for Oregon City's planning area, which includes the city limits and urban growth management area. The reason for inclusion forecast of new dwelling units in these TAZ is that Oregon City has large areas that are currently planned for housing growth that are outside the city limits and will be annexed into the city. These include the South End Concept Plan and the Park Place Concept Plan areas. These areas are included in the buildable land inventory, requiring including the growth expected in these areas in the forecast for new dwelling units in Exhibit 60.

Housing Units Needed

Exhibit 60 and Exhibit 61 presents a forecast of new housing in Oregon City's Planning Area for the 2021 to 2041 period. This section determines the mix and density needed to meet State requirements (OAR 660-007) and meet the housing needs of Oregon City residents.

The preliminary conclusion for Oregon City is that, over the next 20-years, the need for new housing developed in Oregon City will generally include a wider range of housing types and housing that is more affordable. This conclusion is based on the following findings:

- **Oregon City's housing mix, like Clackamas County's, is predominately single-family detached.** In the 2015-2019 period, 73% of Oregon City's housing was single-family detached, 7% was single-family attached, 6% was duplexes, triplexes, and quadplexes, and 13% was multifamily.
- **Demographic changes across the Portland Region (and in Oregon City) suggest increases in demand for single-family attached housing and multifamily housing.** The key demographic trends that will affect Oregon City's future housing needs are:
  - *The Baby Boomer's population is continuing to age.* The changes that affect Oregon City's housing demand as the population ages are that household sizes and homeownership rates decrease. The majority of Baby Boomers are expected to remain in their homes as long as possible, downsizing or moving when illness or other issues cause them to move. Demand for specialized senior housing, such as age-restricted housing or housing in a Continuum of Care from independent living to nursing home care, may grow in Oregon City.
  - *Millennials* and *Generation Z will continue to form households and make a variety of housing choices.* As Millennials and Generation Z age, generally speaking, their household sizes will increase, and their homeownership rates will peak by about age 55. Between 2020 and 2040, Millennials and Generation Z will be a key driver in demand for housing for families with children. The ability to attract these younger households will depend on the City's availability of affordable renter and ownership housing. It will also depend on the location of new housing in Oregon City as many Millennials prefer to live in more walkable neighborhoods.[44] The decline in homeownership among the Millennial generation has more to do with financial barriers rather than the preference to rent.[45] Housing preferences for Generation Z are not yet known but it is reasonable that they will also need affordable housing, both for rental and later in life for ownership.
  - *Latinx population will continue to grow.* Latinx population growth will be an important driver in growth of housing demand, both for owner- and renter-occupied housing.

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

[45] Ibid.

Growth in the Latinx population will drive demand for housing for families with children. Latinx households are disproportionately cost burdened when compared to the statewide average, in part because of lower household incomes. Growth in Latinx households will also drive demand for affordable housing, both for ownership and renting, both for smaller units for one- and two-person households but also for larger family households, including multigenerational households.

- **About 35% of Oregon City's households are cost burdened (paying 30% or more of their household income on housing costs).**[46] About 50% of Oregon City's **renters** are cost burdened and about 28% of Oregon City's **homeowners** are cost burdened. Cost burden rates in Oregon City are very similar to those in the Portland Region.
- **About 33% of Oregon City's households are renters, 58% of whom live in multifamily housing.** Median rents in Oregon City are $1,053 per month, compared to the $1,091 median rent for Clackamas County as a whole.
  - A household earning 50% of Clackamas County's median family income ($46,000) could afford about $1,150 per month in rent, compared with the average effective rent of $1,350. However, about 19% of Oregon City's housing stock is multifamily (2+ units), compared to 32% of the housing in the Portland Region. The comparatively small share of multifamily units may constrain opportunities to rent in Oregon City.
- **Housing sales prices increased in Oregon City over the last three years at a slightly faster rate than entire County.** From April 2016 to April 2021, the median housing sale price increased by $194,600 (65%), from $352,000 to $545,000.[47] At the same time, the median housing home sale price in Clackamas County increased by $171,700 (56%), from $371,000 to $542,000.[48] Oregon City has a lower average rent than other nearby jurisdictions, but the city's home prices are higher than most jurisdictions, Clackamas County, and the Portland Region overall.
  - A household earning 100% of Clackamas County's median family income could afford a home valued between about $322,000 to $368,000, which is less than the median home sales price of about $545,000 in Oregon City. A household can start to afford median home sale prices at about 148% of Oregon City's median household income.

These factors suggest that Oregon City needs a broader range of housing types with a wider range of price points than are currently available in Oregon City's housing stock. This includes providing opportunity for development of housing types such as: smaller single-family

[46] The Department of Housing and Urban Development's guidelines indicate that households paying more than 30% of their income on housing experience "cost burden," and households paying more than 50% of their income on housing experience "severe cost burden."

[47] Redfin

[48] Redfin.

detached housing (e.g., cottages or small-lot single-family detached units), townhouses, duplexes and quad-plexes, small apartment buildings, and larger apartment buildings.

Exhibit 61 presents a forecast for housing growth in the Oregon City's city limits during the 2021 to 2041 period. The projection is based on the following assumptions:

- Metro's growth forecast show that Oregon City will need 7,435 new dwelling units over the 20-year period.
- The assumptions about the mix of housing in Exhibit 61 are consistent with the requirements of OAR 660-007[49]:
  - **About 50% of new housing will be single-family detached**, **in medium and low-density areas**, a category which includes manufactured housing and cottage clusters. In 2015-2019, 73% of Oregon City's housing was single-family detached. Single-family detached housing includes traditional single-family detached units, manufactured homes (on individual lots and in parks), accessory dwelling units, and other detached housing types such as cottage housing.
  - **Nearly 20% of new housing will be single-family attached units in low, medium, and high-density areas.** In 2015-2019, 7% of Oregon City's housing was single-family attached. Single-family attached housing includes townhouses and row houses.
  - **About 10% of new housing will be duplexes, triplexes, and quadplexes in low, medium, and high-density areas.** In 2015-2019, 6% of Oregon City's housing was duplexes, triplexes, and quadplexes.
  - **About 30% of new housing will be in multifamily buildings with five or more units in high density and mixed-use areas**. In 2015-2019, 13% of Oregon City's housing was multifamily in structures with five or more units.

The City recently updated its zoning code to allow for a greater variety of housing types and remove and reduce barriers within the development regulations for missing middle housing. Corner duplexes, internal conversions, accessory dwelling units, and cottage clusters are allowed outright in low density areas. Duplexes, tri-plexes, quad-plexes, and single-family attached units are also permitted outright in medium density areas. Duplexes, tri-plexes, quad-plexes, attached housing, and internal conversions are processed with clear and objective standards in the same manner as a detached single-family home. In addition, the code redefined multifamily housing from structures with three or more units, to structures with five or more units per lot. The City is currently going through a process to review the zoning code for compliance with HB 2001, which will result in additional opportunities for housing types.

[49] OAR 660-007-0030(1) requires that most Metro cities "…provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing…"

Oregon City will have demand for 7,435 new dwelling units over the 20-year period, 50% of which are forecast to be single-family detached housing.

Exhibit 61. Forecast of Demand for New Dwelling Units, Oregon City Planning Area, 2021 to 2041
Source: Calculations by ECONorthwest. DU = Dwelling Unit

Variable	Mix of New Housing Units (2021-2041)
Needed new dwelling units (2021-2041)	7,435
Single-family detached	
Percent single-family detached DU	50%
equals Total new single-family detached DU	3,717
Single-family attached	
Percent single-family attached DU	20%
equals Total new single-family attached DU	1,487
Duplex, Triplex, Quadplex	
Percent duplex, triplex, quadplex	10%
equals Total new duplex, triplex, quadplex DU	744
Multifamily (5 or more units)	
Percent multifamily	20%
Total new multifamily DU	1,487
equals Total new dwelling units (2021-2041)	**7,435**

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

Exhibit 62 allocates housing to plan designations in Oregon City. The allocation is based, in part, on the types of housing allowed in the zones of each plan designation.

Exhibit 62 shows:

- **Low Density Residential (R-10, R-8, R-6)** land will accommodate new single-family detached housing, accessory dwelling units, internal conversions, corner duplexes, and cluster housing. Single-family attached are allowed with a Master Plan. The City will review allowing duplexes, triplexes, and quadplexes in these zones, as part of complying with HB 2001.
- **Medium Density Residential (R-3.5, R-5)** land will accommodate new single-family detached housing, accessory dwelling units, internal conversions, duplexes, corner duplexes, single-family attached, tri-plexes, quad-plexes, and cluster housing. Multi-family is allowed in a Master Plan.
- **High Density Residential (R-2)** land will accommodate accessory dwelling units for existing single-family detached units, internal conversions, duplexes, corner duplexes, single-family attached units, triplexes, quadplexes, cluster housing, and multifamily housing.

- **Mixed Use (MUD, MUC 1, MUC 2, NC, HC, WFDD)** land, depending on the zone, will accommodate townhouses, duplexes, triplexes, quadplexes, multifamily with five or more units, and live/work units.

Exhibit 62. Allocation of Housing by Housing Type and Plan Designation, Oregon City Planning Area, 2021 to 2041
Source: ECONorthwest.

Housing Type Allocations	Plan Designations				Total
	Low Density	Medium Density	High Density	Mixed Use	
Dwelling Units					
Single-family detached	2,007	1,710	-	-	3,717
Single-family attached	74	967	446	-	1,487
Duplex, Triplex, Quadplex	35	333	153	223	744
Multifamily (5+ units)	-	149	678	660	1,487
Total	**2,116**	**3,159**	**1,277**	**883**	**7,435**
Percent of Units					
Single-family detached	27%	23%	0%	0%	50%
Single-family attached	1%	13%	6%	0%	20%
Duplex, Triplex, Quadplex	0%	4%	2%	3%	10%
Multifamily (5+ units)	0%	2%	9%	9%	20%
Total	**28%**	**42%**	**17%**	**12%**	**100%**

Exhibit 63 converts between net acres and gross acres[50] to account for land needed for rights-of-way by plan designation in Oregon City, based on Metro's methodology of existing rights-of-way.[51]

- **Low Density Residential:** Average density in this plan designation was historically 5.3 dwelling units per net acre. The density shown for low density residential in Exhibit 63 includes a 3% increase (5.4 dwelling units per net acre) from the historic density, consistent with the density changes allowed for complying with HB 2001.[52] This results in assuming a 5.4 future density in tax lots smaller than 0.38 acres, as no land is needed for rights-of-ways based on Metro's assumptions. For lots between 0.38 and 1.0 acres the

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

[51] Metro's methodology about net-to-gross assumptions are that: (1) tax lots under 3/8 acre assume 0% set aside for future streets; (2) tax lots between 3/8 acre and 1 acre assume a 10% set aside for future streets; and (3) tax lots greater than an acre assumes an 18.5% set aside for future streets. The analysis assumes an 18.5% assumption for future streets.

[52] Oregon City plans to comply with HB2001 and has recently made a variety of amendments to the development code to allow more housing types. The City is currently working through the process of making adjustment to comply with HB 2001 which will be implemented by July 2022.

future density will be 4.9 dwelling units per gross acre and for lots larger than 1.0 acres the future density will be 4.4 dwelling units per gross acre.

- **Medium Density Residential:** Average density in this plan designation was historically 10.7 dwelling units per net acre. The density shown for medium density residential in Exhibit 63 includes a 3% increase (11.0 dwelling units per net acre) from the historic density, consistent with the density changes allowed for complying with HB 2001.[53] This results in assuming a 11.0 future density in tax lots smaller than 0.38 acres, as no land is needed for rights-of-ways based on Metro's assumptions. For lots between 0.38 and 1.0 acres the future density will be 9.9 dwelling units per gross acre and for lots larger than 1.0 acres the future density will be 9.0 dwelling units per gross acre.
- **High Density Residential:** Average density in this plan designation was historically 21.8 per net acre. For lots smaller than 0.38 acres, the future density will be 21.8 dwelling units per gross acre. For lots between 0.38 and 1.0 acres the future density will be 19.6 dwelling units per gross acre and for lots larger than 1.0 acres the future density will be 17.8 dwelling units per gross acre.
- **Mixed Use:** Average density in this plan designation was historically 19.8 dwelling units per net acre in tax lots smaller than 0.38 acres and no land is needed for rights-of-ways based on Metro's assumptions. For lots between 0.38 and 1.0 acres the future density will be 17.9 dwelling units per gross acre and for lots larger than 1.0 acres the future density will be 16.2 dwelling units per gross acre.

Exhibit 63. Future Housing Densities and Land for Rights-of-Way, Oregon City Planning Area
Source: ECONorthwest. *Note: DU is dwelling unit.*

Plan Designation	Tax Lots Smaller than 0.38 acre			Tax Lots ≥ 0.38 and ≤ 1.0 acre			Tax Lots larger than 1.0 acre		
	Net Density (DU/net acre)	% for Rights-of-Way	Gross Density (DU/gross acre)	Net Density (DU/net acre)	% for Rights-of-Way	Gross Density (DU/gross acre)	Net Density (DU/net acre)	% for Rights-of-Way	Gross Density (DU/gross acre)
Low Density Residential	5.4	0%	5.4	5.4	10%	4.9	5.4	18.5%	4.4
Medium Density Residential	11.0	0%	11.0	11.0	10%	9.9	11.0	18.5%	9.0
High Density Residential	21.8	0%	21.8	21.8	10%	19.6	21.8	18.5%	17.8
Mixed Use	19.8	0%	19.8	19.8	10%	17.9	19.8	18.5%	16.2

[53] Oregon City plans to comply with HB2001 and has recently made a variety of amendments to the development code to allow more housing types. The City is currently working through the process of making adjustment to comply with HB 2001 which will be implemented by July 2022.

Housing Need by Income Level

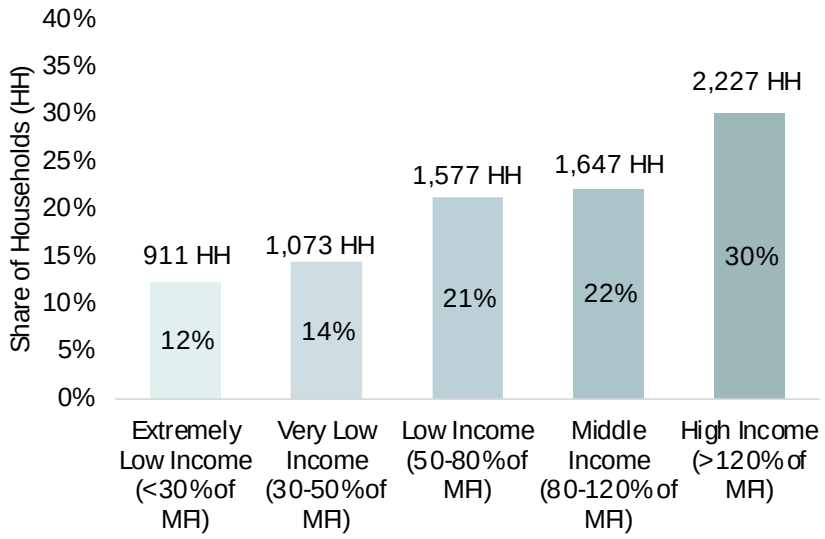
The next step in the housing needs analysis is to develop an estimate of need for housing by income and housing type. This analysis requires an estimate of the income distribution of current and future households in the community. Estimates presented in this section are based on (1) secondary data from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

Exhibit 64 based on American Community Survey data about income levels for existing households in Oregon City. Income is categorized into market segments consistent with HUD income level categories, using Clackamas County's 2020 Median Family Income (MFI) of $92,100. Exhibit 64 is based on current household income distribution, assuming that approximately the same percentage of households will be in each market segment in the future.[54]

About 26% of Oregon City's future households will have income below 50% of Clackamas County's median family income (less than $46,000 in 2020 dollars) and about 43% will have incomes between 50% and 120% of the county's MFI (between $46,000 and $110,000).

Exhibit 64. Future (New) Households, by Median Family Income (MFI) for Clackamas County ($92,100), Oregon City Planning Area, 2021 to 2041

Source: U.S. Department of Housing and Urban Development. U.S. Census Bureau, 2015-2019 ACS Table 19001.



[54] For example, 30% of Oregon City's households had income above 120% of the Clackamas County Median Family Income in 2015-2019. This analysis assumes that 30% of the 7,435 new households that grow in Oregon City 2021-2041 will have incomes over 120% of the Clackamas County Median Family Income.

Need for Government Assisted, Farmworker, and Manufactured Housing

ORS 197.303, 197.307, 197.312, and 197.314 requires cities to plan for government-assisted housing, farmworker housing, manufactured housing on lots, and manufactured housing in parks (communities).

- **Government-subsidized housing.** Government subsidies can apply to all housing types (e.g., single family detached, apartments, etc.). Oregon City allows development of government-assisted housing in all residential plan designations, with the same development standards for market-rate housing. This analysis assumes that Oregon City will continue to allow government housing in all of its residential plan designations. Because government assisted housing is similar in character to other housing (with the exception being the subsidies), it is not necessary to develop separate forecasts for government-subsidized housing.
- **Farmworker housing.** Farmworker housing can also apply to all housing types and the City allows development of farmworker housing in all residential plan designations, with the same development standards as market-rate housing. This analysis assumes that Oregon City will continue to allow this housing in all of its residential plan designations. Because it is similar in character to other housing (with the possible exception of government subsidies, if population restricted), it is not necessary to develop separate forecasts for farmworker housing.
- **Manufactured housing on lots.** Oregon City allows manufactured homes on lots in the zones which single-family detached housing is allowed. Oregon City does not have special siting requirements for manufactured homes. Since manufactured homes are subject to the same siting requirements as site-built homes, it is not necessary to develop separate forecasts for manufactured housing on lots.
- **Manufactured housing in communities.** OAR 197.480(4) requires cities to inventory the mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high-density residential development. According to the Oregon Housing and Community Services' Manufactured Dwelling Park Directory,[55] Oregon City has four manufactured home parks within city limits,[56] with 345 spaces. Oregon City has two manufactured home parks within the UGB,[57] with 540 spaces.[58] The proposed code amendments will allow an opportunity for new manufactured housing parks to be created as well as expansion of existing facilities.

[55] Oregon Housing and Community Services, Oregon Manufactured Dwelling Park Directory, http://o.hcs.state.or.us/MDPCRParks/ParkDirQuery.jsp

[56] Clairmont, Mt. Pleasant, Cherry Lane, and Char Diaz Estate

[57] Forest Park, Country Village

[58] City of Oregon City, with space count from Oregon Housing and Community Services, Oregon Manufactured Dwelling Park Directory, http://o.hcs.state.or.us/MDPCRParks/ParkDirQuery.jsp

ORS 197.480(2) requires Oregon City to project need for manufactured dwelling communities based on: (1) population projections, (2) household income levels, (3) housing market trends, and (4) an inventory of manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high density residential.

- Exhibit 60 shows that Oregon City will need 7,435 dwelling units over the 2021 to 2041 period.
- Analysis of housing affordability shows that about 27% of Oregon City's new households will be extremely- or very-low income, earning 50% or less of the region's median family income. One type of housing affordable to these households is manufactured housing.
- Manufactured housing in communities accounts for about 2.5% (about 345 dwelling units) of Oregon City's current housing stock.
- National, state, and regional trends since 2000 showed that manufactured housing parks are closing, rather than being created. For example, between 2000 and 2015, Oregon had 68 manufactured parks close, with more than 2,700 spaces.
- The households most likely to live in manufactured homes in parks are those with incomes between $27,630 and $46,050 (between 30% to 50% of MFI), which include 14% of Oregon City's households. However, households in other income categories may live in manufactured homes in parks
- The national and state trends of the closure of manufactured home parks, and the fact that no new manufactured home parks have opened in Oregon in over the last 15 years, demonstrate that development of new manufactured home parks in Oregon City is unlikely. However, some existing parks in Oregon City have expanded to increase the number of spaces in the park.
- If the City does have need for a new manufactured home park, that would be for about 145 new units (2.5% of new units), which at about 10 to 12 dwelling units per acre (based on standards for single-family dwellings in the R-3.5 zone) will need 12 to 15 acres of land. Oregon City can accommodate this in their existing vacant buildable land base in the Medium Density Residential plan designation.
- Our conclusion from this analysis is that development of new manufactured home parks in Oregon City (and most of the Portland Region) over the planning period is unlikely. It is, however, likely that manufactured homes will continue to locate on individual lots in Oregon City, and existing parks may reconfigure to accommodate more units. The forecast of housing assumes that no new manufactured home parks will be opened in Oregon City over the 2021 to 2041 period. The forecast includes new manufactured homes on lots in the category of single-family detached housing.
- Over the next 20 years (or longer) one or more manufactured home parks may close in Oregon City. This may be a result of manufactured home park landowners selling

or redeveloping their land for uses with higher rates of return, rather than lack of demand for spaces in manufactured home parks. Manufactured home parks contribute to the supply of low-cost affordable housing options, especially for affordable homeownership.

- In addition to statewide regulation of the closure of manufactured home parks designed to lessen the financial difficulties of this closure for park residents, Oregon City also has locally adopted manufactured home park closure regulations. In the case of manufactured home park closures, the City has a role to play in ensuring that there are opportunities for housing for the displaced residents. The City's primary roles are to ensure that there is sufficient land zoned for new multifamily housing and to reduce barriers to residential development to allow for development of new, relatively affordable housing. The City may use a range of policies to encourage development of relatively affordable housing, such as allowing a wider range of moderate density housing (e.g., duplexes or 3-4 plexes) in the Low-Density and Medium-Density zones, designating more land for multifamily housing, removing barriers to multifamily housing development, using tax credits to support affordable housing production, developing an inclusionary zoning policy, or partnering with a developer of government-subsidized affordable housing.

6. Oregon City's Residential Land Sufficiency

This section presents an evaluation of the sufficiency of vacant residential land in Oregon City to accommodate expected residential growth over the 2021 to 2041 period. This section includes an estimate of residential development capacity (measured in new dwelling units) and an estimate of Oregon City's ability to accommodate needed new housing units for the 2021 to 2041 period, based on the analysis in the housing needs analysis.

Capacity Analysis

The comparison of supply (buildable land) and demand (population and growth leading to demand for more residential development) allows the determination of land sufficiency.

There are two ways to calculate estimates of supply and demand into common units of measurement to allow their comparison: (1) housing demand can be converted into acres, or (2) residential land supply can be converted into dwelling units. A complication of either approach is that all land has different characteristics – factors such as zone, slope, parcel size, and shape can affect the land's ability to accommodate housing. Methods that recognize this fact are more robust and produce more realistic results. This analysis uses the second approach: it estimates the ability of vacant residential lands within the city limits to accommodate new housing. This analysis, sometimes called a "capacity analysis,"[59] can be used to evaluate different ways that vacant residential land may build out by applying different assumptions.

Oregon City Capacity Analysis Results for Vacant and Partially Vacant Land

The capacity analysis estimates the development potential of vacant residential land to accommodate new housing, based on the needed densities by the housing type categories shown in Exhibit 63.

Exhibit 65 shows that **vacant land in Oregon City's Planning Area has capacity to accommodate approximately 7,266 new dwelling units**, based on the following assumptions:

- **Vacant and partially vacant buildable residential land.** The capacity estimates start with the number of buildable acres in residential plan designations and zones that allow residential uses.

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

- **Residential densities.** The capacity analysis assumes development will occur at historical densities. Those densities were derived from the densities shown in Exhibit 63.
- **Average net density.** Exhibit 65 shows capacity and densities in gross acres. OAR 660-007 requires that Oregon City provide opportunity for development of housing at an overall average density of eight dwelling units per net acre. The average net density of buildable residential land in Exhibit 65 is 9.5 dwelling units per net acres and 8.0 dwelling units per gross acre.
- **Capacity on mixed use land.** The estimate of capacity includes land in the mixed use plan designations (including zones that allow residential uses). Because not all mixed use land will develop as a residential use, we assumed that 70% of the buildable land in the mixed use plan designation will develop as residential.

Exhibit 65. Estimate of Residential Capacity on Unconstrained Vacant and Partially Vacant Buildable Land, Oregon City Planning Area, 2021 to 2041

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

Plan Designation	Tax Lots Smaller than 0.38 acre			Tax Lots ≥ 0.38 and ≤ 1.0 acre			Tax Lots larger than 1.0 acre			Total, combined	
	Buildable Acres	Density Assumption (DU/gross acre)	Capacity (Dwelling Units)	Buildable Acres	Density Assumption (DU/gross acre)	Capacity (Dwelling Units)	Buildable Acres	Density Assumption (DU/gross acre)	Capacity (Dwelling Units)	Buildable Acres	Capacity (Dwelling Units)
Low Density Residential	77	5.4	415	95	4.9	465	281	4.4	1,236	453	2,116
Medium Density Residential	23	11.0	253	39	9.9	386	280	9.0	2,520	342	3,159
High Density Residential	1	21.8	21	1	19.6	19	60	17.8	1,068	62	1,108
Mixed Use	3	19.8	55	7	17.9	125	43	16.2	703	53	883
Total	**104**	**-**	**744**	**142**	**-**	**995**	**664**	**-**	**5,527**	**910**	**7,266**

Residential Land Sufficiency

The next step in the analysis of the sufficiency of residential land within Oregon City is to compare the demand for housing by plan designation (Exhibit 62) with the capacity of land by plan designation (Exhibit 65).

Exhibit 66 shows that Oregon City has sufficient land to accommodate development all plan designations.

- Low density residential and medium density residential plan designations have enough land to accommodate growth, with no surplus or deficit of capacity.
- High density residential does not enough land to accommodate growth, with a deficit of 169 dwelling units of capacity, or 8 acres.
- Mixed use has enough land to accommodate growth, assuming that 70% of the buildable land in this plan designation will develop with residential uses.

Exhibit 66. Comparison of Capacity of Existing Residential Land with Demand for New Dwelling Units and Land Surplus or Deficit, Oregon City, City Limits, 2021 to 2041
Source: Buildable Lands Inventory; Calculations by ECONorthwest. *Note: DU is dwelling unit.*

Plan Designation	Capacity (Dwelling Units)	Demand (Dwelling Units)	Comparison (Capacity minus Demand)	Land Surplus or Deficit (Gross Acres)
Low Density Residential	2,116	2,116	0	0
Medium Density Residential	3,159	3,159	0	0
High Density Residential	1,108	1,277	(169)	(8)
Mixed Use	883	883	0	0
Total	**7,266**	**7,435**		

Findings and Recommendations

The key findings of the Oregon City Housing Needs Analysis are that:

- **Finding: Growth in housing will be driven by growth in households.** The number of households in Oregon City's Planning Area is forecast to grow from 14,778 households to 22,213 households, an increase of 7,435 households between 2021 and 2041.
- **Finding: Oregon City is planning for growth of 7,435 new dwelling units.** To accommodate the 7,435 dwelling units over the 20-year planning period, Oregon City will average 372 new dwelling units annually, and will plan for more single-family attached and multifamily dwelling units in the future to meet the city's housing needs. Historically, about 73% of Oregon City's housing was single-family detached. New housing in Oregon City is forecast to be 50% single-family detached, 20% single-family attached, 10% duplexes, triplexes, and quadplexes, and 20% multifamily. This housing mix both meets the requirements for housing mix for cities in Metro (OAC 660-007) and is supported by the changes in the housing market described below.

  The factors driving the shift in types of housing needed in Oregon City include changes in demographics and decreases in housing affordability. The aging of senior populations and the household formation of young adults will drive demand for renter and owner-occupied housing, such as small single-family detached housing, townhouses, duplexes, and apartments/condominiums. Both groups may prefer housing in walkable neighborhoods, with access to services.

  - **Recommendation**: Oregon City should monitor land available in all plan designations, as there is no surplus (or deficit) of land in the low and medium density residential plan designations. Additionally, the City may look for opportunities for redevelopment on underutilized land to address the deficit of high density residential land and limited capacity of mixed use land.
- **Oregon City is meeting Metro's requirements for net density and housing mix.** OAR 660-007-0035 sets specific density targets for cities in the Metro UGB. Oregon City's average density target is eight dwelling units per net buildable acre. Based on the findings in Chapter 6, Oregon City is exceeding this average density target at an average net density of 9.5 dwelling units per net acre.

  OAR 660-007 also requires that cities within the Metro UGB "provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing." Chapter 5 shows that for the 2021-2041 planning period Oregon City is assuming that 20% of new dwelling units will be single-family attached, 10% of new units will be duplexes, triplexes, or quadplexes, and 20% of new units will be multifamily.

- **Recommendation:** Oregon City should continue to monitor future development to evaluate resulting densities and housing mix in comparison to the planned units described in this report.

- **Finding: Oregon City has unmet need for affordable housing.** About 34% of Oregon City's households are cost burdened, with 50% of renters cost burdened and 28% of owners cost burdened. Oregon City's level of cost burden is similar to other communities in Clackamas County. Oregon City's unmet housing needs include:

  Renter housing. The average asking rent for multifamily housing in Oregon City in 2021 was about $1,350, which is affordable to households earning about 60% of the median family income (about $55,200). About one-third of Oregon City's households have incomes below this level and cannot afford the average rent. As shown in the rates of cost burden, many of these renter households are cost burdened. Oregon City will continue to have unmet renter housing needs, both for existing households and for new households.

  Owner-occupied housing. The median home sales price in April 2021 was about $545,000, which is affordable to households earning about 148% of the median family income (about $136,300). Oregon City is one of the less affordable cities for homeownership in the Portland region, households at middle and high incomes (between $74,000 to $110,000) are less able to afford housing in Oregon City. One way to increase the supply of affordable owner-occupied housing is to increase opportunities for development of the middle-income housing described above.

  - **Recommendation**: Without diversification of housing types, lack of affordability will continue to be a problem, possibly growing in the future if incomes continue to grow at a slower rate than housing costs. Under the current conditions, 1,545 of the forecasted new households will have incomes of $46,000 (in 2020 dollars) or less (50% of MFI income or less). These households cannot afford market-rate housing without government subsidy. Another 1,228 new households will have incomes between $46,000 and $74,000 (50% to 80% of MFI).

    Oregon City will need to provide opportunities for affordable housing development for both rental and ownership over the 20-year period, and the City should look for opportunities for affordable housing development for all housing types.

- **Finding: Oregon City will need to meet the requirements of House Bill 2001.** The legislature passed House Bill 2001 in the 2019 Legislative Session. The bill requires cities within the Metro UGB to allow "middle" housing types in low-density residential zones. The bill defines middle housing types as duplexes, triplexes, quadplexes, cottage clusters, and townhouses.

  - **Recommendation**: The City should continue the process of developing and adopting zoning code to comply with these requirements.

- **Finding: Oregon City is currently in the process of a Comprehensive Plan Update.** This 2021 HNA report presents updated information related to Oregon City's Housing

Element of the Comprehensive Plan. Additionally, changes in Oregon City's demographics have presented a need for a greater variety of housing types. In 2019, Oregon City participated in a preliminary housing needs analysis process through the development of the Clackamas County Housing Needs Analysis. This report builds on the information presented for Oregon City in that project and provides updated data where necessary.

- **Recommendation**: Oregon City should adopt this HNA report as an appendix to the Comprehensive Plan. HB 2003 requires that Oregon City update its HNA every six years to analyze what housing is needed for current and future residents for a 20-year period.

  Oregon City has identified a project to start within a year to look at non-zoning strategies to support the development of housing (including affordable housing). This initial study will allow the consideration of additional tools and partnerships in advance of a Housing Production Strategy (HPS) according to the guidance in HB 2003. An HPS includes consideration of additional information about the housing needs of underserved communities and engagement with underserved communities about potential approaches to meeting their needs.

Overall, Oregon City has worked to increase the supply of housing over the past few years by removing and reducing barriers in the zoning code and allowing a wider variety of housing types throughout the City. Though there is no need to rezone land for housing based on this analysis, the City should continue to watch the supply of housing and look for opportunities to increase types of housing and affordability. Affordability of housing will continue to be challenging for many in Oregon City over the long-run.

Appendix A: Buildable Lands Inventory Methodology

A key initial component of the Housing Needs Analysis is conducting a buildable lands inventory (BLI). This appendix summarizes the methods ECONorthwest used to conduct the residential BLI for Oregon City.

Oregon Administrative Rules provide guidance on conducting residential BLIs:

> **OAR 660-008-0005(2):**
>
> *"Buildable Land" means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses. Publicly owned land is generally not considered available for residential uses. Land is generally considered "suitable and available" unless it:*
>
> > *(a) Is severely constrained by natural hazards as determined under Statewide Planning Goal 7;*
> >
> > *(b) Is subject to natural resource protection measures determined under Statewide Planning Goals 5, 6, 15, 16, 17 or 18;*
> >
> > *(c) Has slopes of 25 percent or greater;*
> >
> > *(d) Is within the 100-year flood plain; or*
> >
> > *(e) Cannot be provided with public facilities.*

The methods used for conducting the Oregon City BLI are consistent with Oregon statutes. The Oregon City BLI presented in this analysis aligns with the methods and definitions in the 2019 Clackamas County Regional Housing Needs Analysis, with updated classifications to reflect development since 2019.

Methodology

The BLI is based on the data and methods used by Metro. Metro is required to complete a BLI for land within the regional UGB every six years. The agency finished an updated BLI (based on 2016 data) in November 2018 for the 2018 Urban Growth Report (UGR). The methods used for inventorying lands in Oregon City attempt to be consistent with Metro's results while also updating the results to account for new development since the 2019 BLI was completed for the Clackamas County Regional Housing Needs Analysis and other local conditions, such as unique environmental constraints.

Study Area

The BLI for the Oregon City (city limits and UGB areas) includes all residential land designated in the Comprehensive Plan.[60] ECONorthwest used the tax lot shapefile from Metro's 2018 BLI (2016 tax lot base data), with attention to lots that subdivided since 2016 based on local staff identification. City staff then reviewed these areas and identified lots that should be excluded or included for their jurisdiction based on future planning or errors in GIS data.

Inventory Steps

The BLI consists of several steps:

1. Generating UGB "land base"
2. Classifying land by development status
3. Identify constraints
4. Verify inventory results
5. Tabulate and map results

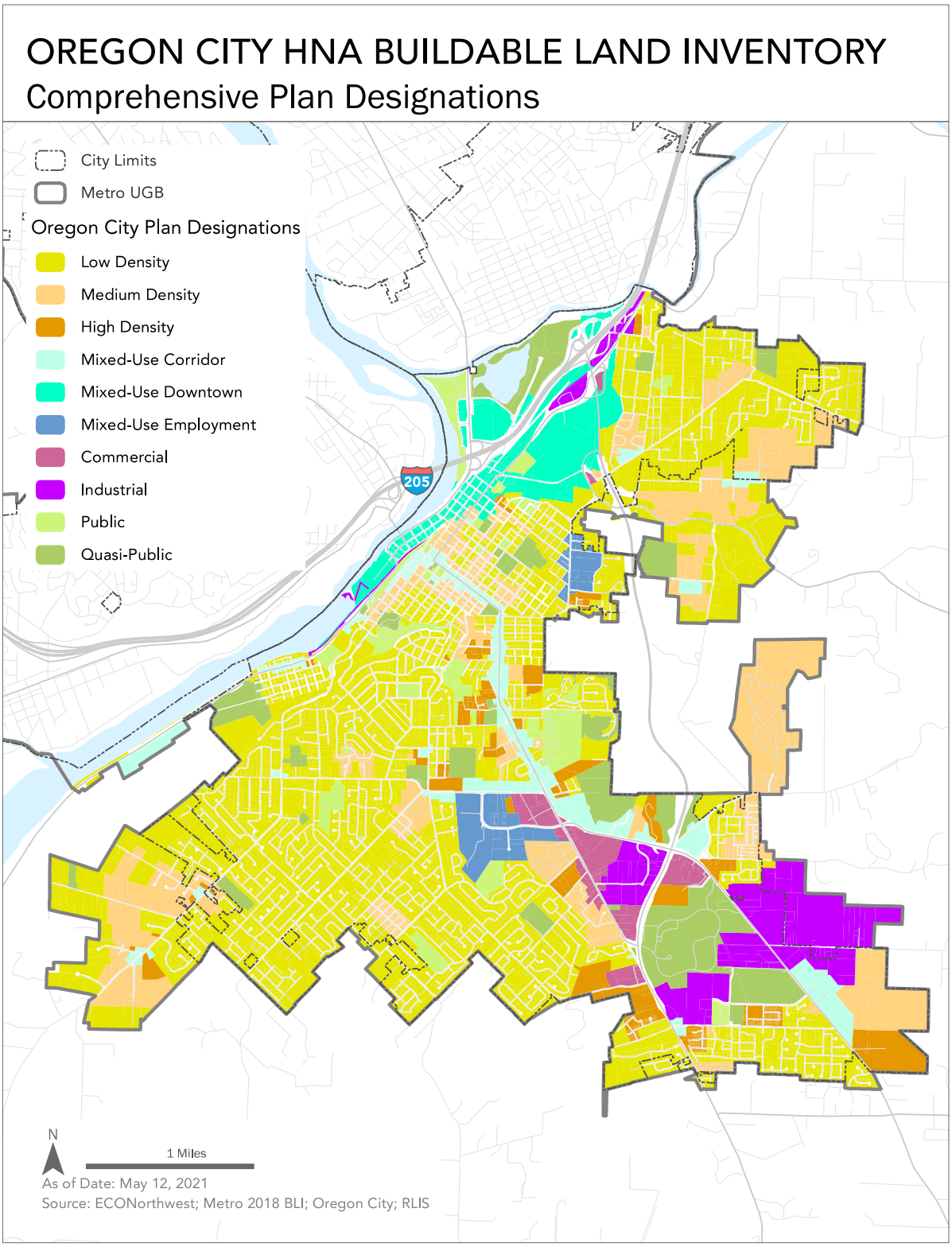
Step 1: Generate "Land Base"

Per Goal 10 this involves selecting all of the tax lots with residential and other nonemployment plan designations where residential uses are planned for and allowed by the implementing zones.

Exhibit 67 shows the residential plan designations included in the BLI.

[60] ECONorthwest reviewed local plan information for Oregon City based on 2020 RLIS data. Residential comprehensive plan designations remained the same since the 2019 BLI.

Exhibit 67. Residential Land Base by Plan Designation, Oregon City, City Limits and UGB Areas, 2020
Source: ECONorthwest.



Step 2: Classify Lands

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

- Vacant
- Partially vacant
- Public
- Developed

ECONorthwest used the classifications determined through Metro's model, as outlined below.

Development Status	Definition	Statutory Authority
Vacant	Tax lots designated as vacant by Metro based on the following criteria: 1) Fully vacant based on Metro aerial photo 2) Tax lots with less than 2,000 square feet developed AND developed area is less than 10% of lot 3) Lots 95% or more vacant from GIS vacant land inventory	OAR 660-008-0006(2) (2) "Buildable Land" means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available, and necessary for residential uses.
Partially Vacant	Single-family tax lots that are 2.5 times larger than the minimum lot size and a building value less than $300,000 **or** lots that are 5 times larger than the minimum lots size (no threshold for building value). These lots are considered to still have residential capacity. For this analysis, we are classifying these lots as partially vacant. We assume that 0.25 acres of the lot is developed, and the remaining land is available for development, less constraints.	OAR 660-008-0006(2)
Public	Lands in public ownership are considered unavailable for residential development. This includes lands in federal, state, county, or city ownership. These lands are identified using Metro's definitions and categories.	OAR 660-008-0005(2) - Publicly owned land is generally not considered available for residential uses.
Developed	Lands not classified as vacant, partially vacant, or public are considered developed.	OAR 660-008-0006(2) (2) "Buildable Land" means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available, and necessary for residential uses.

Step 3: Identify Constraints

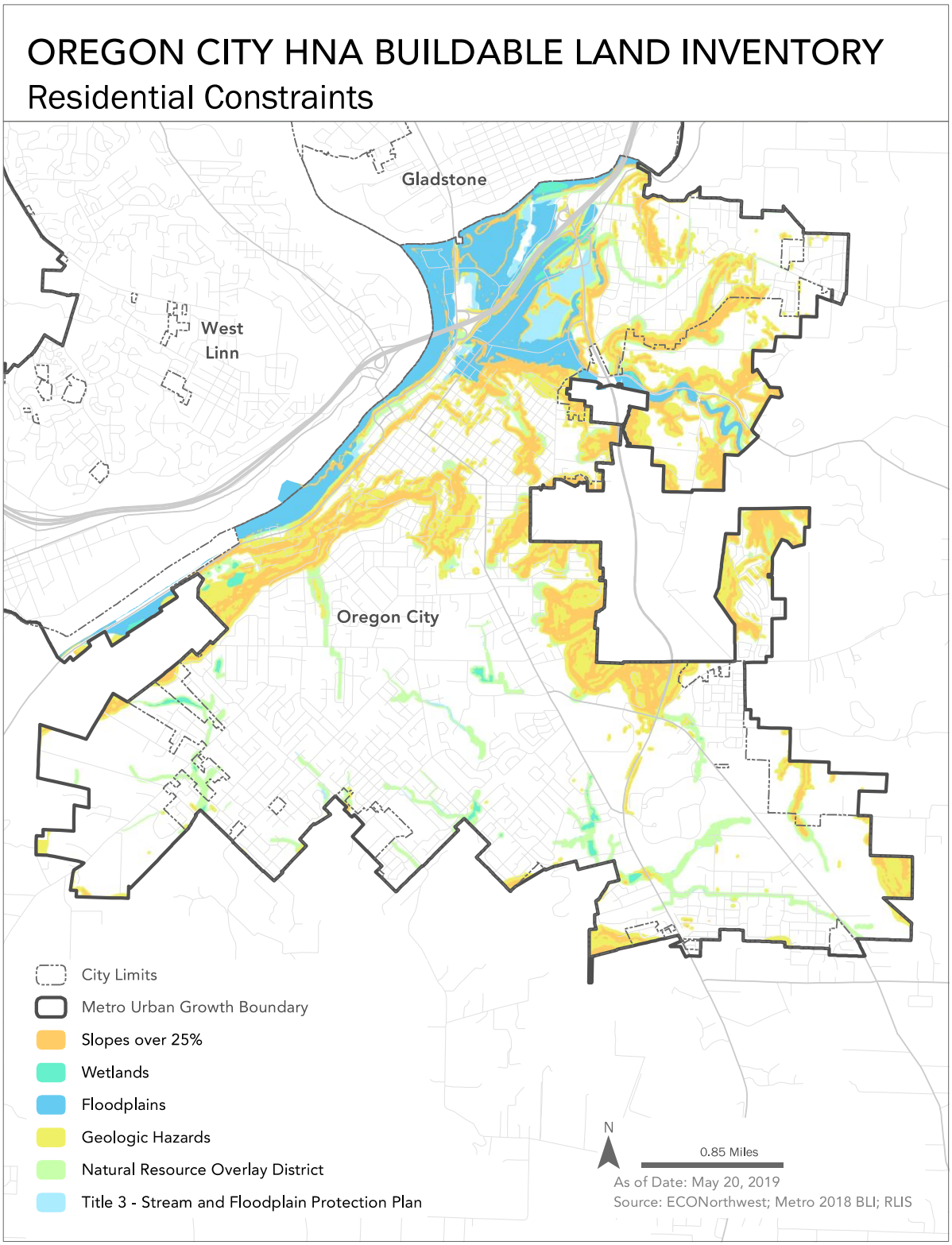
Consistent with OAR 660-008-0005(2) guidance on residential buildable lands inventories, ECONorthwest deducted certain lands with development constraints from vacant lands. Unless cities identified alternative constraints (as identified below), the constraints we used are summarized in the table below.

Constraint	Statutory Authority	Threshold	File name
Goal 5 Natural Resource Constraints			
Regulated wetlands	OAR 660-008-0005(2)	Regulated wetlands	RLIS Wetlands layer
Natural Resources Overlay District	OAR 660-008-0005(2)	Areas in the natural resource overlay district	Overlay district layer
Landslide Hazards	OAR 660-008-0005(2)	Areas in the geologic hazards overlay	Overlay zone layer
Natural Hazard Constraints			
Floodways	OAR 660-008-0005(2	Lands within FEMA FIRM identified floodway	Title 3 floodplain/floodway layer
100-Year Floodplain	OAR 660-008-0005(2	Lands within FEMA FIRM 100-year floodplain	Title 3 floodplain/floodway layer
Steep Slopes	OAR 660-008-0005(2	Slopes greater than 25%	slopes25_Area

These areas are considered as prohibitive constraints (unbuildable) as shown in Exhibit 68. These areas are deducted from lands that are identified as vacant to determine the buildable portion of vacant lots. In addition, we applied any local specific environmental constraints identified by cities that also prohibit the development of vacant lots. These local constraints should clearly limit development potential in the local development code.

The lack of access to water, sewer, power, road or other key infrastructure cannot be considered a prohibitive constraint unless it is an extreme condition. These tax lots are currently unserviced but could potentially become serviced over the twenty-year planning period.

Exhibit 68. Residential Development Constraints, Oregon City, City Limits and UGB Areas, 2020



Step 4: Verification

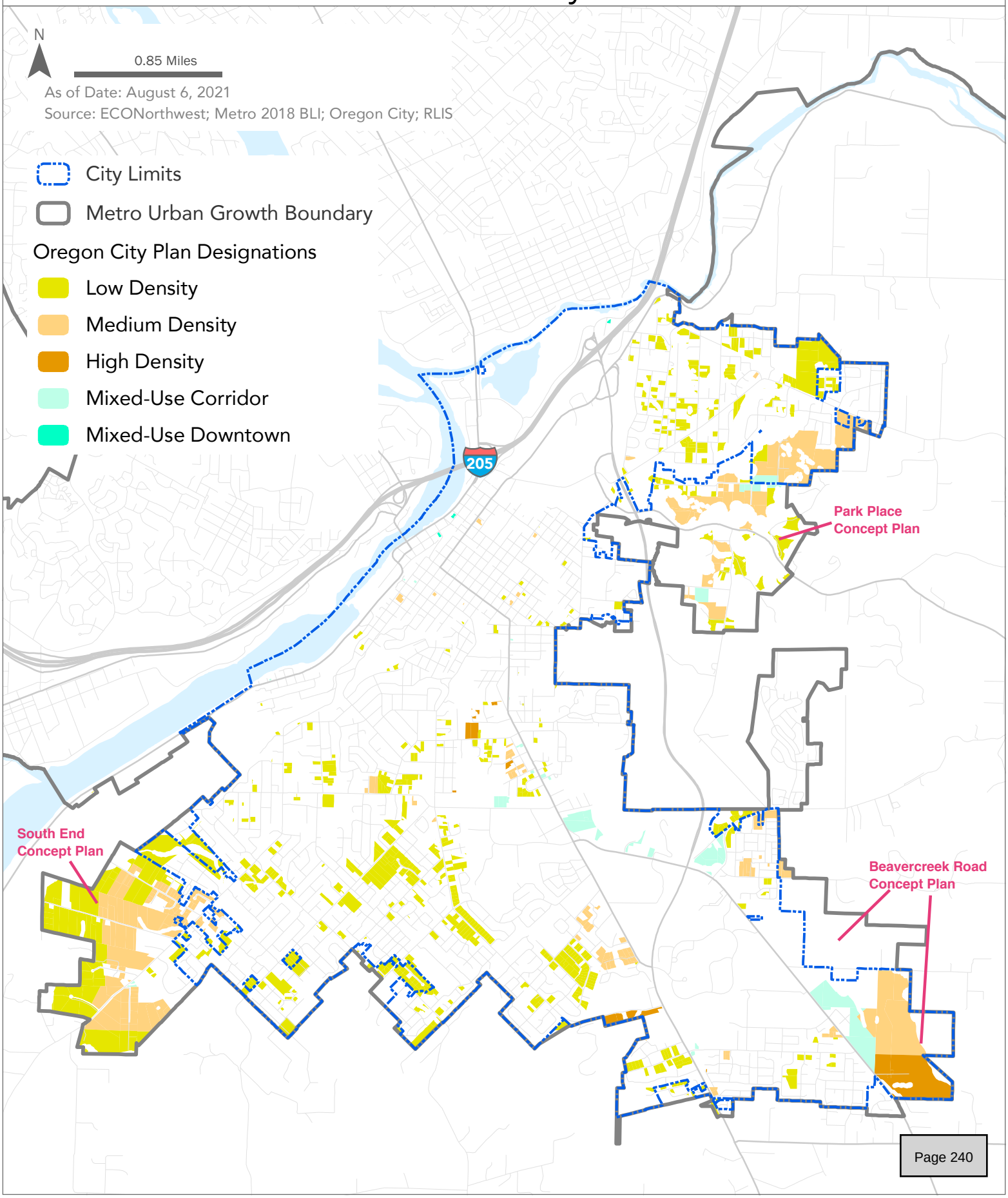
ECONorthwest used a multistep verification process to review development status in Oregon City. The first verification step included a "rapid visual assessment" of land classifications using GIS and recent aerial photos. The rapid visual assessment involved reviewing classifications overlaid on recent aerial photographs to verify uses on the ground. We reviewed all tax lots included in the inventory using the rapid visual assessment methodology. The second round of verification involved City staff verifying the rapid visual assessment output. We amended the BLI based on City staff review and comments, and the 2020 BLI update (since the 2019 BLI) considered areas developed in the past year based on permit information and local confirmation from City staff.

Step 5: Tabulation and Mapping

The results are presented in tabular and map format in Chapter 2.

OREGON CITY HNA BUILDABLE LAND INVENTORY

Unconstrained Vacant and Partially Vacant Land



From: Beth Goodman
To: Christina Robertson-Gardiner
Cc: Margaret Raimann
Subject: Oregon City HNA
Date: Tuesday, November 23, 2021 12:18:21 PM
Attachments: OC Vacant Land Map with Annotations.pdf

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Christina -

Below are links to the revised document (because the files are big for email). I've also included an annotated version of the BLI map to show the differences between city limits and the Oregon City Planning Area, mentioned in the questions below

- Redline HNA -- https://www.dropbox.com/s/q33c5xf8dl8blix/Oregon%20City%20HNA%20_2021_11_23_Final%20Redline.pdf?dl=0
- Clean HNA -- https://www.dropbox.com/s/9w57u75wx23gx3i/Oregon%20City%20HNA%20_2021_11_23_Final_Clean.docx?dl=0

Please tell me if you need anything further.

Beth

The City Commission asked the following questions about the Oregon City Housing Needs Analysis (HNA). We have made changes to the HNA, as noted below, to respond to these questions and clarify these issues in the HNA.

1. Provide redline response to the Mayor's previous question on page ii (demographic and economic trends), remove the last sentence and explain why not specific to OC.

> **Question:** If you are using county demographic vs city in other portions of the document, make sure that it is called out.
>
> **Answer:** We have made a change on page ii of the HNA to remove the reference to "access to a range of household types for people of color." That was based on County and Statewide data, rather than Oregon City-specific data. We show County data in many other places in the document but also show Oregon City-specific data as well.

2. Clear up question relating to population vs household numbers using same geographic areas.

> **Question:** Why do the population forecasts in Exhibit 21 not match well with the forecast of new dwelling units in Exhibit 60?
>
> **Answer:** The population and new dwelling unit forecasts are both done by Metro. The population forecasts are only available by city limit. The dwelling unit forecast is available by city limit and Transportation Analysis Zones (TAZ). In the forecast of new dwelling units in Exhibit 60, we show the forecast for new dwelling units within the city limits (5,792 new dwelling units) and for areas outside the city limits (within the Metro UGB) in TAZ that are within Oregon City's urban growth management area (1,643 new dwelling units).
>
> The reason we include forecast of new dwelling units in these TAZ are because Oregon City has large areas that are currently planned for housing growth that are outside the city limits and will be annexed into

the city eventually. These include the South End Concept Plan area and the Park Place Concept Plan. See the attached map showing Oregon City's buildable land. Since we included these areas in the buildable land inventory, we also needed to count the growth expected in these areas. The choice to include these area in the buildable lands inventory was made in discussions with staff, based on the fact that these areas have existing concept plans. We worked with staff to make sure that the forecast of new housing growth in these areas from the Metro forecast was consistent with the Concept Plans.

To compare the forecast of new population forecast for the 2021-2041 period with forecast of new dwelling units, one must compare the number of population growth within the city limits (9,852 new residents) with the new dwelling unit forecast in Exhibit 60 for the city limits (5,792 new dwelling units). A comparison of the two suggests an average household size of about 1.7 persons per dwelling unit, reflecting decreases in household size in the future with expected growth of more single-person households.

We added footnotes to Exhibit 21 and Exhibit 60 to explain this.

3. Forecast of housing by tenure (owner/renter).

Question: Is there an assumption projected of renter vs owner occupied? Why is it include/not included?

Answer: There is not an assumption about future owner/renter occupancy. At this point, it is too early to know how much missing middle housing may be owner or renter occupied. Adding such an assumption would be unsupported at this point, given that the requirements around middle housing types are new and it is not clear what will be built over the next year and what ownership will be. The City can influence ownership rates for missing middle housing by developing policies that supports development of owner-occupied missing middle housing.

4. How to use the HNA and its long-term purpose.

Question: Do you have a standard “how to use this document over time language.” Will the City be limited in its policy choices by the HNA for the next 20 years?

Answer: We added a little bit about the purpose of the HNA on page 1 of the document. The HNA replaces the 2002 Oregon City HNA. So, it provides more timely information about the City's housing market characteristics and expected growth. The HNA will be used as the factual basis to make changes the City Commission chooses to make to the City's Comprehensive Plan policies, changes to the Development Code, changes to the zoning map, or other policy changes.

The State now requires that cities within the Metro UGB revise their HNA every 6 years. So, the City will develop a new HNA for adoption into its Comprehensive Plan for growth over the 2027-2047 period by December 31, 2027.

Beth Goodman (she | her | hers)
Senior Policy Advisor and Project Director

ECONorthwest
222 SW Columbia, Suite 1600, Portland, OR 97201
Direct 541.505.7203 | goodman@econw.com | econw.com

Portland | Seattle | Los Angeles | Boise

City of Oregon City

2021—2041 Housing Needs Analysis

~~August~~ November 2021

Prepared for: City of Oregon City

Final Report

ECONorthwest
ECONOMICS · FINANCE · PLANNING

KOIN Center
222 SW Columbia Street
Suite 1600
Portland, OR 97201
503-222-6060

This page intentionally blank

Table of Contents

EXECUTIVE SUMMARY ..... **I**

1. INTRODUCTION **1**

Framework for a Housing Needs Analysis 1
Organization of This Report 5

2. BUILDABLE LANDS INVENTORY **6**

Definitions 6
Development Constraints 7
Buildable Lands Inventory Results 8

3. HISTORICAL AND RECENT DEVELOPMENT TRENDS **14**

Data Used in This Analysis 15
Trends in Housing Mix 17
Trends in Housing Density 18
Trends in Tenure 19
Vacancy Rates 21
Publicly Supported Housing 22
Manufactured Homes 23

4. DEMOGRAPHIC AND OTHER FACTORS AFFECTING RESIDENTIAL DEVELOPMENT IN OREGON CITY **24**

Demographic and Socioeconomic Factors Affecting Housing Choice 25
Regional and Local Demographic Trends that May Affect Housing Need in Oregon City 36
Regional and Local Trends Affecting Housing Affordability 50

5. HOUSING NEED IN OREGON CITY **65**

Project New Housing Units Needed in the Next 20 Years 65

6. OREGON CITY'S RESIDENTIAL LAND SUFFICIENCY **76**

Capacity Analysis 76
Residential Land Sufficiency 78
Findings and Recommendations 79

APPENDIX A: BUILDABLE LANDS INVENTORY METHODOLOGY **82**

Methodology 82

This page intentionally blank

Executive Summary

This report presents Oregon City's Housing Needs Analysis (HNA) for the 2021 to 2041 period. It is intended to comply with statewide planning policies that govern planning for housing and residential development, including Goal 10 (Housing), OAR 660 Division 7, and OAR 660 Division 8. The methods used for this study generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1996).

Oregon City is currently in the process of updating the city's Comprehensive Plan as part of the OC2040 Comprehensive Plan Update. Part of this process includes updating the Housing Element with recent information about Oregon City's housing market and forecasted housing needs, along with data on Oregon City's demographic and socioeconomic trends. In 2019, Oregon City participated in a preliminary housing needs analysis process through the development of the Clackamas County HNA. This report builds on the information presented for Oregon City in that project and provides updated data where necessary.

Oregon City grew from 14,968 people in 1990 to 35,570 people in 2019. This is an addition of 19,242 people or 131% growth. During the 2015 to 2020 period, median housing prices in Oregon City increased from about $350,000 in 2015 to $545,000 in 2021, a 55% increase consistent with sales price growth in Clackamas County. Rates of cost burden in Oregon City varied from 28% for homeowners and 50% for renters (35% of overall) in the 2012-2016 American Community Survey (ACS) 5-year estimate period.

This report provides Oregon City with a factual basis to update the City's Comprehensive Plan and zoning code, and to support future planning efforts related to housing as well as options for addressing unmet housing needs in Oregon City. This report provides information to inform future planning efforts, including development and redevelopment. This report provides the City with information about the housing market in Oregon City and describes the factors that will affect future housing demand in Oregon City, such as changing demographics. This analysis will help decision makers understand whether Oregon City has enough land to accommodate growth over the next 20 years.

What are the key housing needs in Oregon City?

- **Demographic and economic trends will drive demand for affordable and diverse housing in Oregon City.** Key demographic and economic trends affecting Oregon City's future housing needs are the aging of the baby boomers, the aging of the Millennials and Generation Z, and the continued growth in the Latinx population~~, and access to a range of housing types for people of color~~.
- **Housing affordability is a growing challenge in Oregon City.** Housing affordability is a challenge in most of the Portland Metro region in general, and Oregon City is affected by these regional trends. Housing prices are increasing faster than incomes in Oregon City and Multnomah County, which is consistent with state and national challenges. Oregon City has a modest supply of multifamily housing with 5 or more units (about 13% of the city's housing stock), but half of renter households are cost burdened (50%). The households who are most likely to be cost burdened[1] are those with an income below 50% of Clackamas County's median family income (MFI) for a family of four ($92,000).
  - Oregon City's key challenge over the next 20 years is providing opportunities for the development of relatively affordable housing (both for households with an income below 60% of MFI ($55,200), who will need income-restricted housing, and for households with incomes of 60% to 120% of MFI ($55,200 to $110,000), who can afford some market-rate housing) of all types, such as lower-cost single-family housing, cottage, townhouses and duplexes, tri- and quadplexes, market-rate multifamily housing, and government-subsidized affordable multifamily housing.
- **Oregon City lacks enough housing that is affordable, both for renter and homeowners.** About 35% of Oregon City's households are cost burdened (paying 30% or more of their household income on housing costs). About 50% of Oregon City's **renters** are cost burdened and about 28% of Oregon City's **homeowners** are cost burdened. Oregon City's level of cost burden is similar to other communities in Clackamas County. Oregon City is one of the less affordable cities for homeownership in the Portland region, households at middle and high incomes (between $74,000 to $110,000) are less able to afford housing in Oregon City.
- **About 33% of Oregon City's households are renters, 58% of whom live in multifamily housing.** Median rents in Oregon City in 2021 are $1,350 per month, compared to the $1,426 median rent for Clackamas County as a whole.
  - A household earning 50% of Clackamas County's median family income ($46,000) could afford about $1,150 per month in rent, compared with the average effective rent of $1,350. However, about 20% of Oregon City's housing stock is multifamily

[1] The Department of Housing and Urban Development's guidelines indicate that households paying more than 30% of their income on housing experience "cost burden," and households paying more than 50% of their income on housing experience "severe cost burden."

(including duplexes, triplexes and quadplexes), compared to 32% of the housing in the Portland Region. The comparatively small share of multifamily units may constrain opportunities to rent in Oregon City.

- **Housing sales prices increased in Oregon City over the last five years at a slightly faster rate than entire County.** A household earning 100% of Clackamas County's median family income could afford a home valued between about $322,000 to $368,000, which is less than the median home sales price of about $545,000 in Oregon City. A household can start to afford median home sale prices at about 148% of Oregon City's median household income.

How much household growth is Oregon City planning for?

Oregon City's number of households within its city limits and UGB area (i.e., Planning Area) is projected to grow by over 7,435 households between 2021 and 2041, at an annual growth rate of 372 units per year.

Exhibit 1. Forecast of Household Growth, Oregon City Planning Area, 2021 to 2041
Source: Metro's *2050 Household Distributed Forecast*, 2021.

14,778	22,213	7,435
Households in 2021	Households in 2041	New households 2021-2041

How much housing will Oregon City need?

The housing types used in this analysis are consistent with needed housing types as defined in ORS 197.303:

- **Single-family detached** includes single-family detached units, manufactured homes on lots and in mobile home parks, cottage clusters, and accessory dwelling units.
- **Single-family attached** is all structures with a common wall where each dwelling unit occupies a separate lot, such as row houses or townhouses.
- **Duplexes, Triplexes, and Quadplexes** are a subset of multifamily attached structures that contain two, three or four living units generally on the same lot.
- **Multifamily** is all other attached structures with five or more units, other than single-family detached units, manufactured units, duplexes, triplexes, quadplexes, or single-family attached units.

To accommodate the city's forecasted household growth, Oregon City needs to plan for 7,435 new dwelling units between 2021 and 2041. About 3,717 units of new housing will be single-family detached (50%); 1,487 units of new housing will be single-family attached (20%); 744 units of new housing will be duplexes, triplexes, or quadplexes (10%); and about 1,487 units will be multifamily housing with five or more units per structure (30%).

How much land will be required for housing?

In total, Oregon City is forecast to grow by 7,435 dwelling units and has capacity for 7,266 dwelling units. Exhibit 2 shows a comparison of Oregon City's land capacity within the planning area with demand for new units by plan designation. It shows that Oregon City has no surplus or deficit of capacity in the low and medium density residential and mixed-use plan designations, and a deficit of 169 dwelling units (or 8 acres) of high density residential land.

Exhibit 2. Comparison of Capacity of Existing Residential and Selected Commercial Land with Demand for New Dwelling Units and Land Surplus or Deficit, Oregon City Planning Area, 2021 to 2041

Source: Buildable Lands Inventory; Calculations by ECONorthwest.

Plan Designation	Capacity (Dwelling Units)	Demand (Dwelling Units)	Comparison (Capacity minus Demand)	Land Surplus or Deficit (Gross Acres)
Low Density Residential	2,116	2,116	0	0
Medium Density Residential	3,159	3,159	0	0
High Density Residential	1,108	1,277	(169)	(8)
Mixed Use	883	883	0	0
Total	**7,266**	**7,435**		

What are the key findings of the Housing Needs Analysis?

The key findings of the Oregon City Housing Needs Analysis are that:

- **Finding: Growth in housing will be driven by growth in households.** The number of households in Oregon City's Planning Area is forecast to grow from 14,778 households to 22,213 households, an increase of 7,435 households between 2021 and 2041.
- **Finding: Oregon City is planning for growth of 7,435 new dwelling units.** To accommodate the 7,435 dwelling units over the 20-year planning period, Oregon City will average 372 new dwelling units annually, and will plan for more single-family attached and multifamily dwelling units in the future to meet the city's housing needs. Historically, about 73% of Oregon City's housing was single-family detached. New housing in Oregon City is forecast to be 50% single-family detached, 20% single-family attached, 10% duplexes, triplexes, and quadplexes, and 20% multifamily. This housing mix both meets the requirements for housing mix for cities in Metro (OAC 660-007) and is supported by the changes in the housing market described below.

  The factors driving the shift in types of housing needed in Oregon City include changes in demographics and decreases in housing affordability. The aging of senior populations and the household formation of young adults will drive demand for renter and owner-occupied housing, such as small single-family detached housing, townhouses, duplexes, and apartments/condominiums. Both groups may prefer housing in walkable neighborhoods, with access to services.

  - **Recommendation**: Oregon City should monitor land available in all plan designations, as there is no surplus (or deficit) of land in the low and medium density residential plan designations. Additionally, the City may look for opportunities for redevelopment on underutilized land to address the deficit of high density residential land and limited capacity of mixed use land.
- **Oregon City is meeting Metro's requirements for net density and housing mix.** OAR 660-007-0035 sets specific density targets for cities in the Metro UGB. Oregon City's average density target is eight dwelling units per net buildable acre. Based on the findings in Chapter 6, Oregon City is exceeding this average density target at an average net density of 9.5 dwelling units per net acre.

  OAR 660-007 also requires that cities within the Metro UGB "provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing." Chapter 5 shows that for the 2021-2041 planning period Oregon City is assuming that 20% of new dwelling units will be single-family attached, 10% of new units will be duplexes, triplexes, or quadplexes, and 20% of new units will be multifamily.

- **Recommendation:** Oregon City should continue to monitor future development to evaluate resulting densities and housing mix in comparison to the planned units described in this report.

- **Finding: Oregon City has unmet need for affordable housing.** About 34% of Oregon City's households are cost burdened, with 50% of renters cost burdened and 28% of owners cost burdened. Oregon City's level of cost burden is similar to other communities in Clackamas County. Oregon City's unmet housing needs include:

  Renter housing. The average asking rent for multifamily housing in Oregon City in 2021 was about $1,350, which is affordable to households earning about 60% of the median family income (about $55,200). About one-third of Oregon City's households have incomes below this level and cannot afford the average rent. As shown in the rates of cost burden, many of these renter households are cost burdened. Oregon City will continue to have unmet renter housing needs, both for existing households and for new households.

  Owner-occupied housing. The median home sales price in April 2021 was about $545,000, which is affordable to households earning about 148% of the median family income (about $136,300). Oregon City is one of the less affordable cities for homeownership in the Portland region, households at middle and high incomes (between $74,000 to $110,000) are less able to afford housing in Oregon City. One way to increase the supply of affordable owner-occupied housing is to increase opportunities for development of the middle-income housing described above.

  - **Recommendation**: Without diversification of housing types, lack of affordability will continue to be a problem, possibly growing in the future if incomes continue to grow at a slower rate than housing costs. Under the current conditions, 1,545 of the forecasted new households will have incomes of $46,000 (in 2020 dollars) or less (50% of MFI income or less). These households cannot afford market-rate housing without government subsidy. Another 1,228 new households will have incomes between $46,000 and $74,000 (50% to 80% of MFI).

    Oregon City will need to provide opportunities for affordable housing development for both rental and ownership over the 20-year period, and the City should look for opportunities for affordable housing development for all housing types.

- **Finding: Oregon City will need to meet the requirements of House Bill 2001.** The legislature passed House Bill 2001 in the 2019 Legislative Session. The bill requires cities within the Metro UGB to allow "middle" housing types in low-density residential zones. The bill defines middle housing types as duplexes, triplexes, quadplexes, cottage clusters, and townhouses.

  - **Recommendation**: The City should continue the process of developing and adopting zoning code to comply with these requirements.

- **Finding: Oregon City is currently in the process of a Comprehensive Plan Update.** This 2021 HNA report presents updated information related to Oregon City's Housing

Element of the Comprehensive Plan. Additionally, changes in Oregon City's demographics have presented a need for a greater variety of housing types. In 2019, Oregon City participated in a preliminary housing needs analysis process through the development of the Clackamas County Housing Needs Analysis. This report builds on the information presented for Oregon City in that project and provides updated data where necessary.

- **Recommendation**: Oregon City should adopt this HNA report as an appendix to the Comprehensive Plan. HB 2003 requires that Oregon City update its HNA every six years to analyze what housing is needed for current and future residents for a 20-year period.

  Oregon City has identified a project to start within a year to look at non-zoning strategies to support the development of housing (including affordable housing). This initial study will allow the consideration of additional tools and partnerships in advance of a Housing Production Strategy (HPS) according to the guidance in HB 2003. An HPS includes consideration of additional information about the housing needs of underserved communities and engagement with underserved communities about potential approaches to meeting their needs.

1. Introduction

This report presents Oregon City's Housing Needs Analysis (HNA) for the 2021 to 2041 period. It is intended to comply with statewide planning policies that govern planning for housing and residential development, including Goal 10 (Housing), OAR 660 Division 7, and OAR 660 Division 8. The methods used for this study generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1996).

Oregon City is currently in the process of updating the city's Comprehensive Plan as part of the OC2040 Comprehensive Plan Update. Part of this process includes updating the Housing Element with recent information about Oregon City's housing market and forecasted housing needs, along with data on Oregon City's demographic and socioeconomic trends. In 2019, Oregon City participated in a preliminary housing needs analysis process through the development of the Clackamas County HNA. This report builds on the information presented for Oregon City in that project and provides updated data where necessary.

This document presents a forecast of housing growth in Oregon City for the 2021 to 2041 period. Oregon City will be required to update this analysis in six years, by December 31, 2027, per the requirements of OAR 660-008. The information in this report is intended to provide ~~This report provides~~ Oregon City with a factual basis to update the Housing Element of the City's Comprehensive Plan and Development Code and support future planning efforts related to housing and options for addressing unmet housing needs in Oregon City. This report provides information that informs future planning efforts, including development and redevelopment. It provides the City with information about the housing market in Oregon City and describes the factors that will affect future housing demand in Oregon City, such as changing demographics. This analysis will help decision makers understand whether Oregon City has enough land to accommodate growth over the next 20 years.

Framework for a Housing Needs Analysis

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

Thus, housing choices of individual households are influenced in complex ways by dozens of factors. The housing markets in Clackamas County and Oregon City are the result of the individual decisions of thousands of households. These points help to underscore the

complexity of projecting what types of housing will be built in Oregon City between 2021 and 2041. These housing types include single-family detached, single-family attached, and multifamily (including duplexes, triplexes, and quadplexes, in addition to buildings with more than five units). This report discusses these housing types in detail, as well as the range of affordability issues that will affect Oregon City households in the 2021 to 2041 period.

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

Statewide Planning Goal 10

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

At a minimum, local housing policies must meet the requirements of Goal 10 and the statutes and administrative rules that implement it (ORS 197.295 to 197.314, ORS 197.475 to 197.490, and OAR 600-008).[2] 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. Jurisdictions located in the Metro Urban Growth Boundary (UGB) are also required to comply with Metropolitan Housing in OAR 660-007 and Title 7 of Metro's Urban Growth Management Functional Plan in the Metro Code (3.07 Title 7).

Goal 10, through ORS 197.303, defines needed housing types as "all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the city with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes." ORS 197.303 defines needed housing types:

(a) Housing that includes, but is not limited to, attached and detached single-family housing and multiple family housing for both owner and renter occupancy.

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

(b) Government-assisted housing.[3]

(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.

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

The Metropolitan Housing Rule

OAR 660-007 (the Metropolitan Housing rule) is designed to "assure opportunity for the provision of adequate numbers of needed housing units and the efficient use of land within the Metropolitan Portland (Metro) urban growth boundary." OAR 660-0070-005(12) provides a Metro-specific definition of needed housing:

> "Needed Housing" defined. Until the beginning of the first periodic review of a local government's acknowledged comprehensive plan, "needed housing" means housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels.

The Metropolitan Housing Rule also requires cities to develop residential plan designations:

> (1) Plan designations that allow or require residential uses shall be assigned to all buildable land. Such designations may allow nonresidential uses as well as residential uses. Such designations may be considered to be "residential plan designations" for the purposes of this division. The plan designations assigned to buildable land shall be specific so as to accommodate the varying housing types and densities identified in OAR 660-007-0030 through 660-007-0037.

OAR 660-007 also specifies the mix and density of new residential construction for cities within the Metro UGB:

> "Provide the <u>opportunity</u> for at least 50 percent of new residential units to be attached single family housing or multiple family housing or justify an alternative percentage based on changing circumstances" (OAR 660-007-0030 (1).

OAR 660-007-0035 sets specific density targets for cities in the Metro UGB. Oregon City's average density target is eight dwelling units per net buildable acre.[4]

---

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

[4] OAR 660-024-0010(6) defines net buildable acres as "43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads."

Metro Urban Growth Management Functional Plan

The Metro Urban Growth Management Functional Plan describes the policies that guide development for cities within the Metro UGB to implement the goals in the Metro 2040 Plan.

Title 1: Housing Capacity

Title 1 of Metro's Urban Growth Management Functional Plan is intended to promote efficient land use within the Metro UGB by increasing the capacity to accommodate housing capacity. Each city is required to determine its housing capacity based on the minimum number of dwelling units allowed in each zoning district that allows residential development and maintain this capacity.

Title 1 requires that a city adopt minimum residential development density standards by March 2011. If the jurisdiction did not adopt a minimum density by March 2011, the jurisdiction must adopt a minimum density that is at least 80% of the maximum density.

Title 1 provides measures to decrease development capacity in selected areas by transferring the capacity to other areas of the community. This may be approved as long as the community's overall capacity is not reduced.

Metro's *2017 Compliance Report* concludes that Oregon City is in compliance for the City's Title 1 responsibilities.

Title 7: Housing Choice

Title 7 of Metro's Urban Growth Management Functional Plan is designed to ensure the production of affordable housing in the Metro UGB. Each city and county within the Metro region is encouraged to voluntarily adopt an affordable housing production goal.

Each jurisdiction within the Metro region is required to ensure that their comprehensive plans and implementing ordinances include strategies to:

- Ensure the production of a diverse range of housing types;
- Maintain the existing supply of affordable housing, increase opportunities for new affordable housing dispersed throughout their boundaries; and
- Increase opportunities for households of all income levels to live in affordable housing (3.07.730).

Metro's *2017 Compliance Report* concludes that Oregon City is in compliance for the City's Title 7 responsibilities.

Title 11: Planning for New Urban Areas

Title 11 of Metro's Urban Growth Management Functional Plan provides guidance on the conversion of land from rural to urban uses. Land brought into the Metro UGB is subject to the

provisions of section 3.07.1130 of the Metro Code, which requires lands to be maintained at rural densities until the completion of a concept plan and annexation into the municipal boundary.

The concept plan requirements directly related to residential development are to prepare a plan that includes:

(1) A mix and intensity of uses that make efficient use of public systems and facilities;

(2) A range of housing for different types, tenure, and prices that addresses the housing needs of the governing city; and

(3) Identify goals and strategies to meet the housing needs for the governing city in the expansion area.

Organization of This Report

The rest of this document is organized as follows:

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

2. Buildable Lands Inventory

This chapter provides a summary of the residential buildable lands inventory (BLI) for Oregon City. This buildable lands inventory analysis complies with statewide planning Goal 10 policies that govern planning for residential uses. The detailed methodology used to complete the buildable lands inventory is presented in Appendix A.

Oregon Administrative Rules provide guidance on conducting residential BLIs:

> **OAR 660-008-0005(2):**
>
> *"Buildable Land" means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses. Publicly owned land is generally not considered available for residential uses. Land is generally considered "suitable and available" unless it:*
>
> > *(a) Is severely constrained by natural hazards as determined under Statewide Planning Goal 7;*
> >
> > *(b) Is subject to natural resource protection measures determined under Statewide Planning Goals 5, 6, 15, 16, 17 or 18;*
> >
> > *(c) Has slopes of 25 percent or greater;*
> >
> > *(d) Is within the 100-year flood plain; or*
> >
> > *(e) Cannot be provided with public facilities.*

First, the analysis established the residential land base (parcels or portion of parcels with appropriate zoning), then it classified parcels by buildable status, identified/deducted environmental constraints, and lastly summarized total buildable area by plan designation. The results of the BLI presented in this chapter reflect updates since the 2019 analysis completed for Oregon City as part of the Clackamas County Regional Housing Need Analysis.

Definitions

ECONorthwest completed the BLI for Oregon City and relied on the following key definitions. Detailed descriptions of these definitions are included in the methodology for each study area but are based on the general definitions below.

- **Vacant land.** Tax lots that have no structures or have buildings with very little improvement value are considered vacant. The status of vacant lots was verified in aerial imagery and City and County staff review.
- **Partially vacant land.** Partially vacant tax lots are those occupied by a use, but which contain enough land to be developed further. Generally, these are lots that have more

than a half-acre of buildable land, after removing constraints and developed land from the total acreage. This was refined through visual inspection of recent aerial photos.

- **Public land.** Lands in public ownership are considered unavailable for residential development.[5] This includes lands in federal, state, county, or city ownership, These lands are identified using Metro's definitions and categories.
- **Developed land.** Lands not classified as vacant, partially vacant, or public are considered developed. Developed land includes lots with redevelopment capacity, which are also included in BLI. The unit capacity of redevelopable lots is based on Metro's estimates.
- **Buildable land.** As described in the statute definition above, buildable residential land is the portions of vacant or partially vacant lots that have development capacity, less development constraints.

Development Constraints

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

- *Lands within floodplains and floodways*. Flood Insurance Rate Maps from the Federal Emergency Management Agency (FEMA) were used to identify lands in floodways and 100-year floodplains, as well as lands identified in Metro's Title 3 Stream and Floodplain Protection Plan.
- *Land within natural resource protection areas*. The combined regional and national wetlands shapefile, available from Metro RLIS, was used to identify areas within wetlands. Riparian corridors and other natural resource areas identified in Oregon City's Natural Resource Overlay District were considered undevelopable for the purposes of this inventory.
- *Land with slopes over 25%*. Lands with slopes over 25% were considered unsuitable for residential development.
- *Land in geologic hazard areas.* Lands in areas designated within Oregon City's Geologic Hazards Overlay were considered undevelopable for the purposes of this inventory.

[5] Other exempt lands owned by semi-public entities, such as churches, private schools, and other non-profit organizations, were not included in the Public land classification. These lands were classified using the same method as other residential lands and were classified as vacant, partially vacant, developed, or unbuildable. Lands with a cemetery use and owned by a semi-public entity (e.g., church) were classified as developed.

Buildable Lands Inventory Results

Land Base

The land base for the Oregon City residential BLI includes all tax lots in the city limits and the city's UGB areas in residential plan designations. Per Goal 10, this includes all lots (or portions of lots) with residential and other nonemployment plan designations where residential uses are planned for and allowed by the implementing zones. This BLI includes lands in the following generalized plan designations:

- Residential – Low Density
- Residential – Medium Density
- Residential – High Density
- Mixed Use – Corridor
- Mixed Use – Downtown
- General Commercial

Exhibit 3 shows the land base by generalized plan designation in city limits and UGB areas. There are 12,350 tax lots in the land base, accounting for 5,206 acres.

Exhibit 3. Residential Tax Lots and Acres by Plan Designation, Oregon City, City Limits and UGB Areas, 2020
Source: Metro BLI; ECONorthwest analysis.

Generalized Plan Designation	Number of taxlots	Percent	Total taxlot acreage	Percent
Residential				
Residential - Low Density	9,528	77%	3,206	62%
Residential - Medium Density	1,379	11%	1,006	19%
Residential - High Density	606	5%	294	6%
Mixed Use/Commercial				
Mixed Use - Corridor	501	4%	267	5%
Mixed Use - Downtown	265	2%	300	6%
General Commercial	71	1%	133	3%
Total	**12,350**	**100%**	**5,206**	**100%**

Development Status

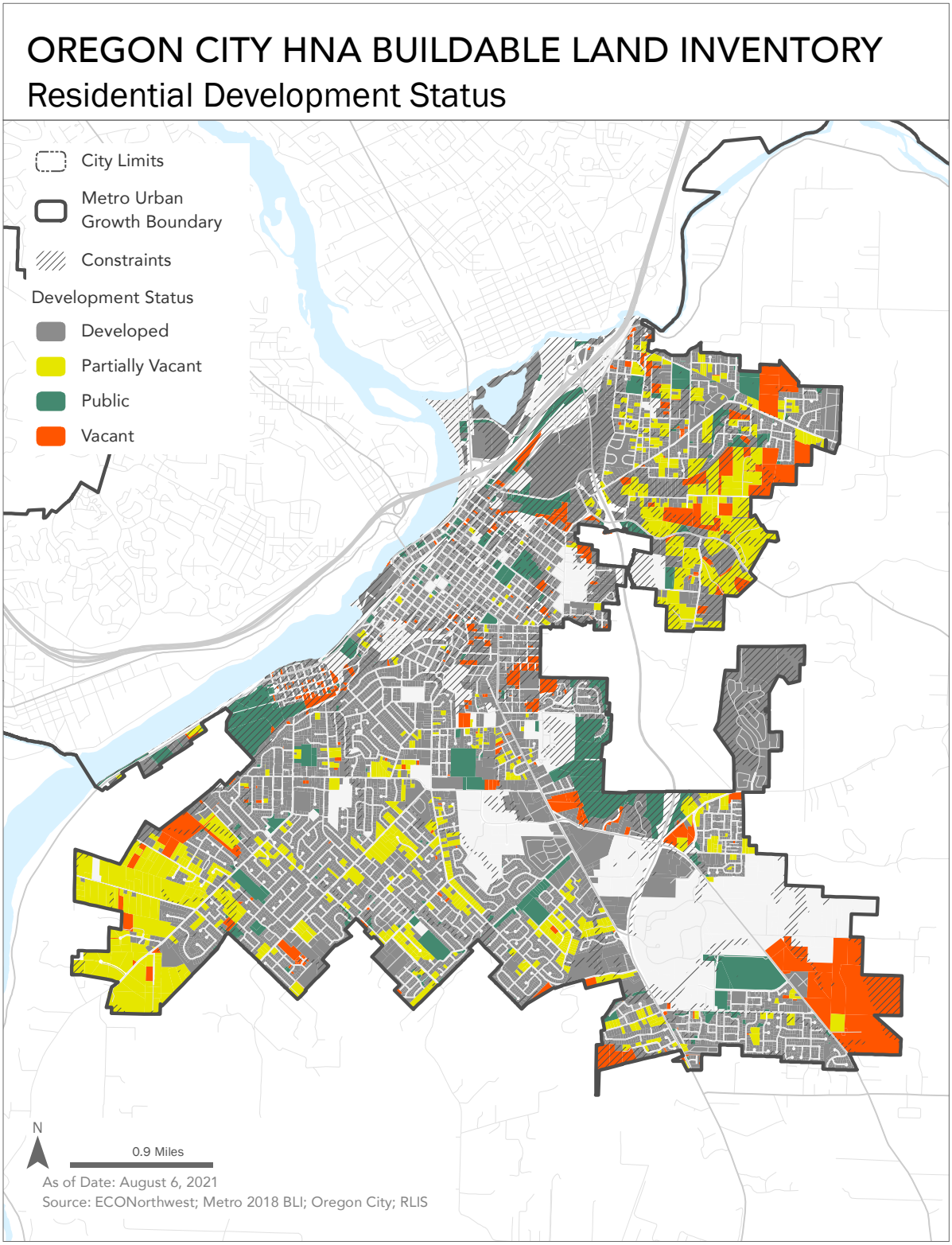
This analysis relied on Metro BLI's classifications (defined in the methods and definitions above) to define an initial development status. ECONorthwest then used a rapid visual assessment method to confirm this development status using aerial imagery. After city staff reviewed the classifications, ECONorthwest applied the development constraints to calculate unconstrained buildable land. Exhibit 4 shows development status with constraints applied and resulting in buildable acres. Of the 5,206 total acres in the land base, 2,710 are committed acres, 1,563 are constrained acres, and 933 are buildable acres.

Exhibit 4. Development Status with Constraints by Plan Designation, Oregon City, City Limits and UGB Areas, 2020
Source: Metro BLI; ECONorthwest analysis.

Generalized Plan Designation	Total Acres	Committed Acres	Constrained Acres	Buildable Acres
Residential				
Residential - Low Density	3,206	1,876	877	453
Residential - Medium Density	1,006	388	276	342
Residential - High Density	294	151	81	62
Mixed Use				
Mixed Use - Corridor	267	137	55	75
Mixed Use - Downtown	300	37	262	1
General Commercial	133	121	12	-
Total	**5,206**	**2,710**	**1,563**	**933**

Exhibit 5 shows residential land by development status with constraints overlaid.

Exhibit 5. Residential Land by Development Status, Oregon City, City Limits and UGB Areas, 2020



Vacant Buildable Land

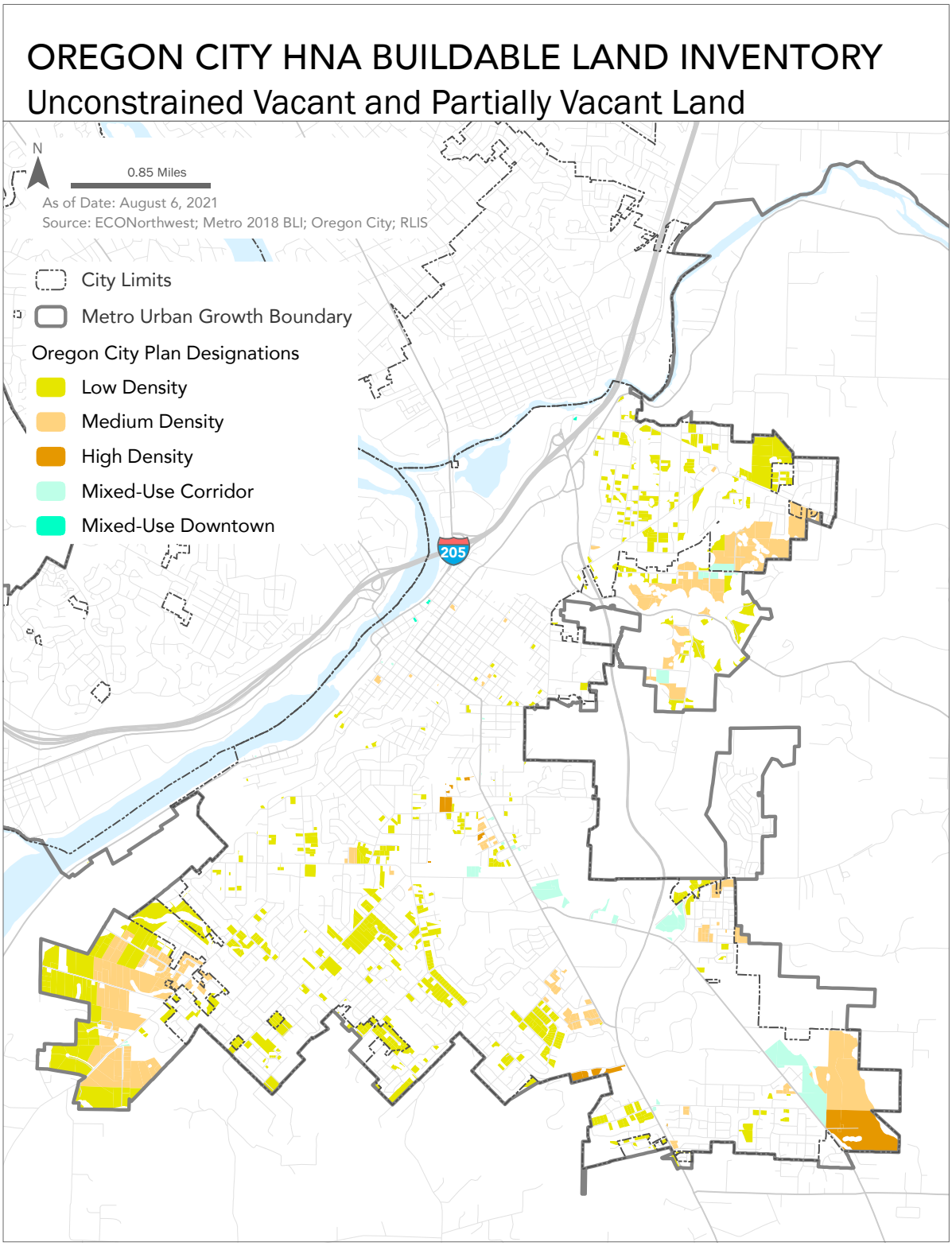
Exhibit 6 shows buildable acres (i.e., acres in tax lots after constraints are deducted) for vacant and partially vacant land by plan designation. Of Oregon City's 933 unconstrained buildable residential acres, about 36% are in tax lots classified as vacant and 64% are in tax lots classified as partially vacant.

Exhibit 6. Buildable Acres in Vacant and Partially Vacant Tax Lots by Plan Designation, Oregon City, City Limits and UGB Areas, 2020
Source: Metro; ECONorthwest analysis.

Generalized Plan Designation	Buildable Acres on Vacant Lots	Buildable Acres on Partially Vacant Lots	Total Buildable Acres
Residential			
Residential - Low Density	97	356	453
Residential - Medium Density	120	222	342
Residential - High Density	52	10	62
Mixed Use			
Mixed Use - Corridor	63	12	75
Mixed Use - Downtown	1	-	1
Total	**333**	**600**	**933**

Exhibit 7 shows Oregon City's buildable vacant and partially vacant residential land.

Exhibit 7. Unconstrained Vacant and Partially Vacant Residential Land, Oregon City, City Limits and UGB Areas, 2020



Redevelopment Potential

Over the 20-year study period a share of developed lots is likely to redevelop within new buildings. To account for the development capacity on these developed lots, Metro identifies a subset of developed lots as "redevelopable." Metro has created two "filters" to identify lots with the potential to redevelop—a threshold method and historic probability method. For the Oregon City BLI, ECONorthwest used the estimate of redevelopable units on developed lots, as identified based on the threshold method,[6] which is based on discussion with Metro staff.[7]

The result of this analysis for Oregon City is presented in Exhibit 8.

Exhibit 8. Estimate of housing units on potentially redevelopable lots by plan designation, Oregon City, City Limits and UGB Areas, 2019
Source: Metro BLI, using 2016 data to calculate redevelopment potential.

Plan Designation	Estimated Redevelopment Units
Residential	
Low Density Residential	660
Medium Density Residential	233
High Density Residential	733
Commercial	
Central Commercial	1,496
General Commercial	2,604
Total	**5,726**

[6] Threshold Method. This method identifies lots where redevelopment would result in a net increase of 50% more than the current number of units on the site. The method uses property value thresholds where it is economically viable to for a lot to redevelop at this intensity. For suburban areas in the regional UGB the threshold is $10 per square foot of property value for multifamily structures and $12 per square foot for mixed use structures. If a lot's current property value is below these thresholds, it is assumed to have the potential to redevelop.

[7] The capacity of partially vacant lots (where the lot could be further developed under current development standards without demolishing existing structures) is accounted for in the unconstrained buildable acres.

3. Historical and Recent Development Trends

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

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

This Housing Needs Analysis examines changes in Oregon City's housing market from 2000 to 2017, as well as residential development from 2000 to 2018. We selected this time period because (1) the period provides information about Oregon City's housing market before and after the national housing market bubble's growth and deflation, as well as the more recent increase in housing costs and (2) data about Oregon City's housing market during this period was readily available from sources such as the Census and RLIS.

The Housing Needs Analysis presents information about residential development by housing type. There are multiple ways that housing types can be grouped. For example, they can be grouped by:

1. Structure type (e.g., single-family detached, apartments, etc.).
2. Tenure (e.g., distinguishing unit type by owner or renter units).
3. Housing affordability (e.g., subsidized housing or units affordable at given income levels).
4. Some combination of these categories.

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

- **Single-family detached** includes single-family detached units, manufactured homes on lots and in mobile home parks, and accessory dwelling units.
- **Single-family attached** is all structures with a common wall where each dwelling unit occupies a separate lot, such as row houses or townhouses.
- **Multifamily** is separated into two subgroups of attached structures other than single-family detached units, manufactured units, or single-family attached units. The two

subgroups are defined as: (1) duplexes, triplexes, and quadplexes and (2) multifamily buildings with five or more units.

In Oregon City, government-assisted housing (ORS 197.303[b]) and housing for farmworkers (ORS 197.303[e]) can be any of the housing types listed above, as these housing types are regulated in the Oregon City Development Code in the same manner as any other housing type.

Data Used in This Analysis

Throughout this report, we used data from multiple well-recognized and reliable data sources. One of the key sources for housing and household data is the U.S. Census. This report primarily uses data from two Census sources:

- The **Decennial Census**, which is completed every ten years and is a survey of *all* households in the U.S. The Decennial Census is considered the best available data for information such as demographics (e.g., number of people, age distribution, or ethnic or racial composition), household characteristics (e.g., household size and composition), and housing occupancy characteristics. As of 2010, the Decennial Census does not collect more detailed household information, such as income, housing costs, housing characteristics, and other important household information. Decennial Census data is available for 2000 and 2010.
- The **American Community Survey (ACS)**, which is completed every year and is a *sample* of households in the U.S. From 2012 to 2016, the ACS sampled an average of 3.5 million households per year, or about 3% of the households in the nation. The ACS collects detailed information about households, such as: demographics (e.g., number of people, age distribution, ethnic or racial composition, country of origin, language spoken at home, and educational attainment), household characteristics (e.g., household size and composition), housing characteristics (e.g., type of housing unit, year unit built, or number of bedrooms), housing costs (e.g., rent, mortgage, utility, and insurance), housing value, income, and other characteristics.
- Metro's **RLIS** database, which provides tax lot data for jurisdictions within the three-county Metro Area (including Clackamas County). We use RLIS data tax lot data for as a proxy for building permit data for Oregon City.
- Metro's **2050 Distributed Forecast** for household and population growth was updated in March 2021 for Oregon City. We used this information to report projected population growth and as the basis for the household forecast in Chapter 5.
- **Property Radar and Redfin** databases, which are online platforms providing real estate and property owner data. We use these sources to collect housing sale price data in aggregate and by property.

In general, this report uses data from the 2012-2016 and 2014-2018 ACS 5-year estimates.[8] Where information is available and relevant, we report information from the 2000 and 2010 Decennial Census. Among other data points, this report includes population, income, and housing price data from the Oregon Office of Economic Analysis, the Oregon Bureau of Labor and Industries, the United States Department of Housing and Urban Development, RLIS, Costar, Redfin, and Property Radar. It also uses the Oregon Department of Housing and Community Services affordable housing inventory and Oregon's Manufactured Dwelling Park inventory.

It is worth commenting on the methods used for the American Community Survey.[9] The American Community Survey (ACS) is a national survey that uses continuous measurement methods. It uses a sample of about 3.54 million households to produce annually updated estimates for the same small areas (census tracts and block groups) formerly surveyed via the decennial census long-form sample. It is also important to keep in mind that all ACS data are estimates that are subject to sample variability. This variability is referred to as "sampling error" and is expressed as a band or "margin of error" (MOE) around the estimate.

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

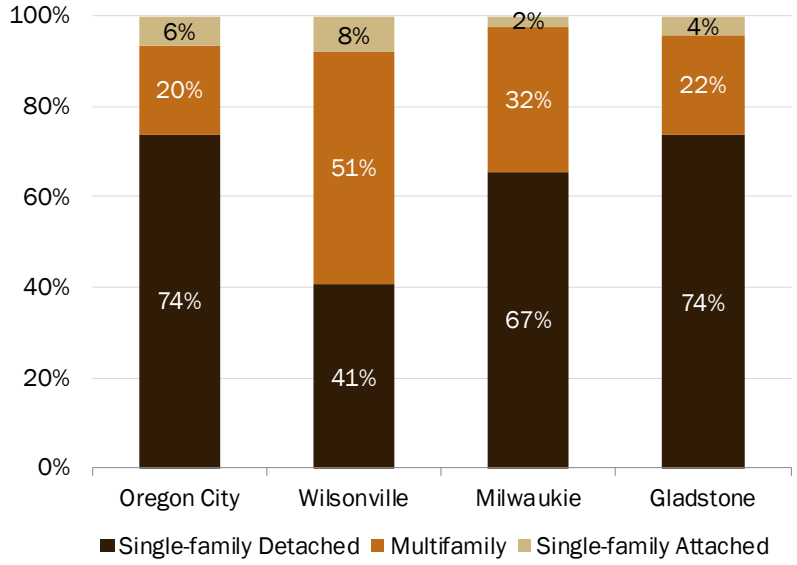
[8] For safe harbor assumptions, such as housing mix in Chapter 5, we use the most recent ACS 5-year estimates (2015-2019).

[9] A thorough description of the ACS can be found in the Census Bureau's publication "What Local Governments Need to Know." https://www.census.gov/library/publications/2009/acs/state-and-local.html

Trends in Housing Mix

About 74% of Oregon City's housing stock was single-family detached.

Exhibit 9. Housing Mix, Oregon City, Wilsonville, Milwaukie, Gladstone 2013-2017
Source: U.S. Census Bureau, 2013-2017 ACS Table B25024.



Seventy-five percent of Clackamas County's housing stock was single-family detached.

Clackamas County had a smaller share of multifamily housing than the Portland Region and Oregon, but a similar share of multifamily housing compared to Oregon City.

Exhibit 10. Housing Mix, Clackamas County, Portland Region, Oregon, 2013-2017
Source: U.S. Census Bureau, 2013-2017 ACS Table B25024.

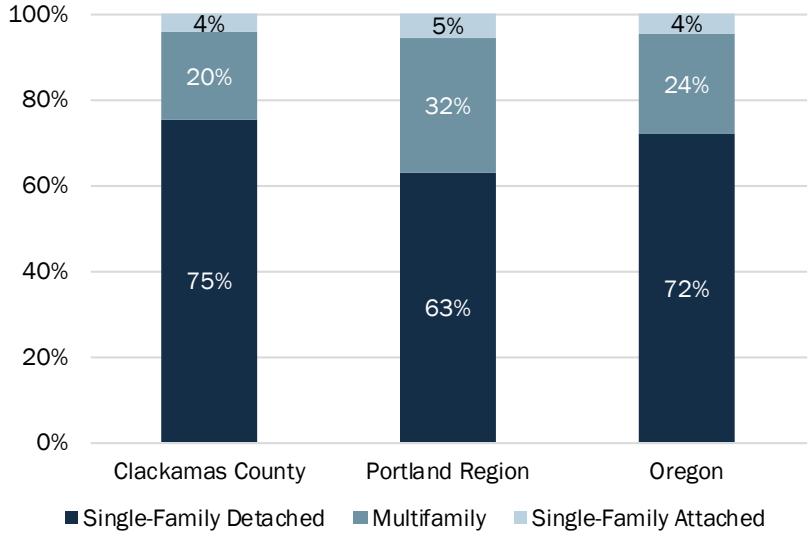
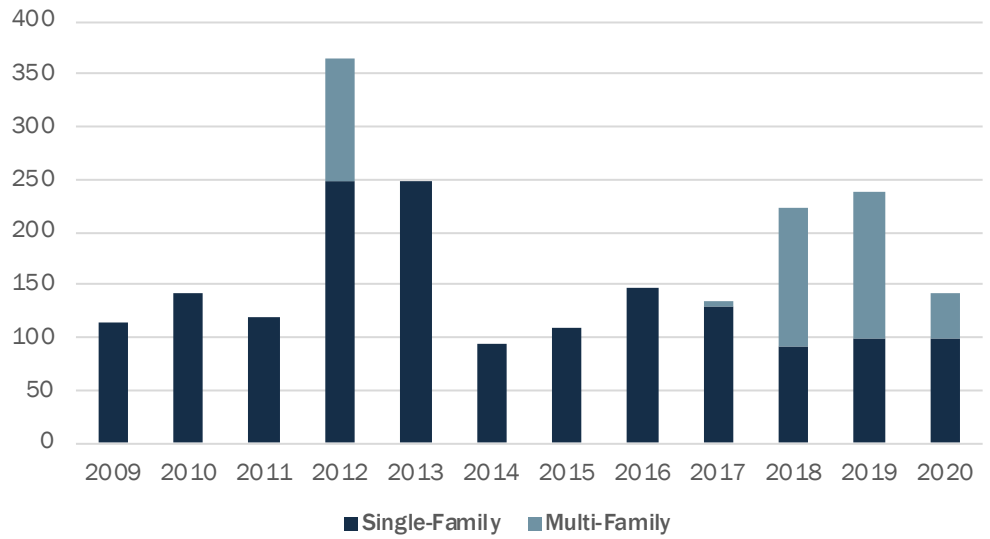


Exhibit 11 shows that over the 2009 to 2020 period, Oregon City had construction of 2,073 dwelling units, with an average of 173 units built per year. Of these units, about 79% were for single-family dwelling units.

Exhibit 11. New Residential Dwelling Units Built by Housing Type, Oregon City, 2009 through 2020
Source: Oregon City.



Trends in Housing Density

This section shows historic densities for new residential construction by housing type and by Plan Designation. To conduct the analysis, we used the RLIS database (a proxy for building permit data). Exhibit 12 shows that Oregon City's average housing density, of units built between 2000 to 2020, was 6.6 dwelling units per net acre. In this period, the average density for multifamily housing was 17.4 units per net acre with an average lot size of 0.77 acres; the average density for single family housing was 6.3 units per net acre with an average lot size of 0.16 acres.

Exhibit 12. Average Density of New Residential Construction Permitted by Type of Unit and Plan Designation, Oregon City, 2000 through 2020
Source: RLIS. Note: DU is dwelling unit.

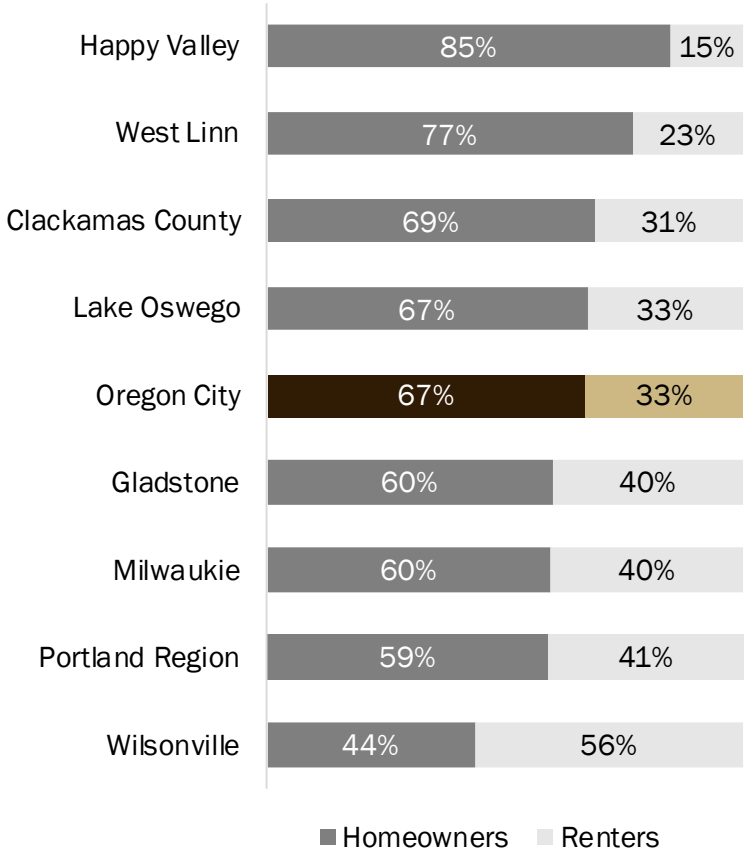
Plan Designations	Single Family Dwelling Units			Multifamily Dwelling Units			Total, Combined		
	Units	Acres	Net Density	Units	Acres	Net Density	Units	Acres	Net Density
Residential	**3,540**	**565**	**6.3**	**230**	**14**	**16.9**	**3,770**	**578**	**6.5**
Low Density	2,628	495	5.3	14	7	2.1	2,642	502	5.3
Medium Density	500	47	10.6	20	2	12.5	520	49	10.7
High Density	412	23	18.2	196	5	37.0	608	28	21.8
Commercial	**23**	**1**	**21.1**	**64**	**3**	**19.3**	**87**	**4**	**19.8**
Commercial	-	-	-	15	1	19.5	15	1	19.5
Mixed Use Corridor	23	1	21.1	49	3	19.3	72	4	19.8
Total	**3,563**	**566**	**6.3**	**294**	**17**	**17.4**	**3,857**	**583**	**6.6**

Trends in Tenure

Housing tenure describes whether a dwelling is owner- or renter-occupied.

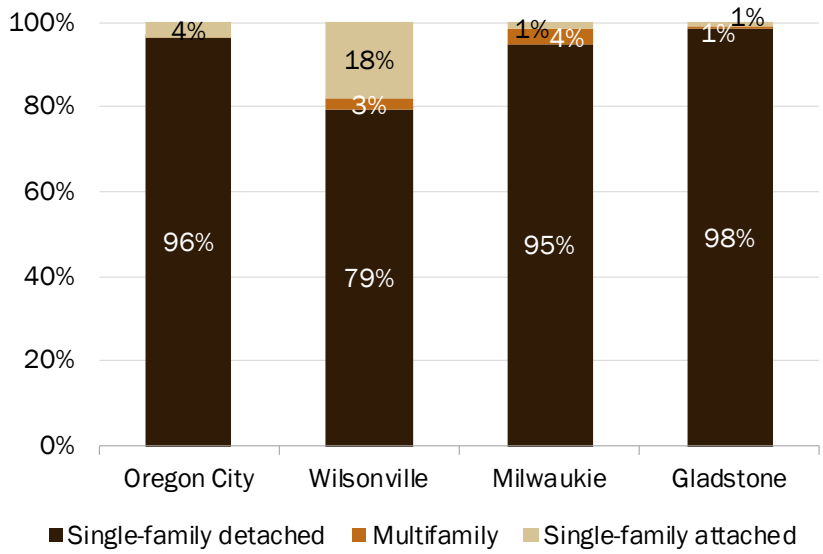
In the 2012-2016 period, Oregon City had a homeownership rate of 67%, which was slightly below Clackamas County's homeownership rate of 69%.

Exhibit 13. Housing Tenure, Oregon City and Comparison Areas, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS Table B25032.



Nearly all homeowners in Oregon City (96%) lived in single-family detached housing.

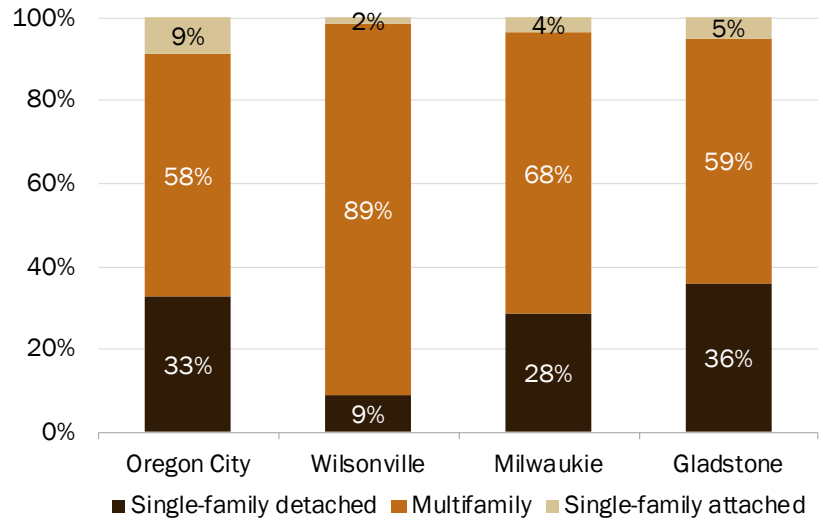
Exhibit 14. Types of units occupied by Homeowners, Oregon City, Wilsonville, Milwaukie, Gladstone, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS Table B25032.



Nearly 60% of renters in Oregon City lived in multifamily housing.

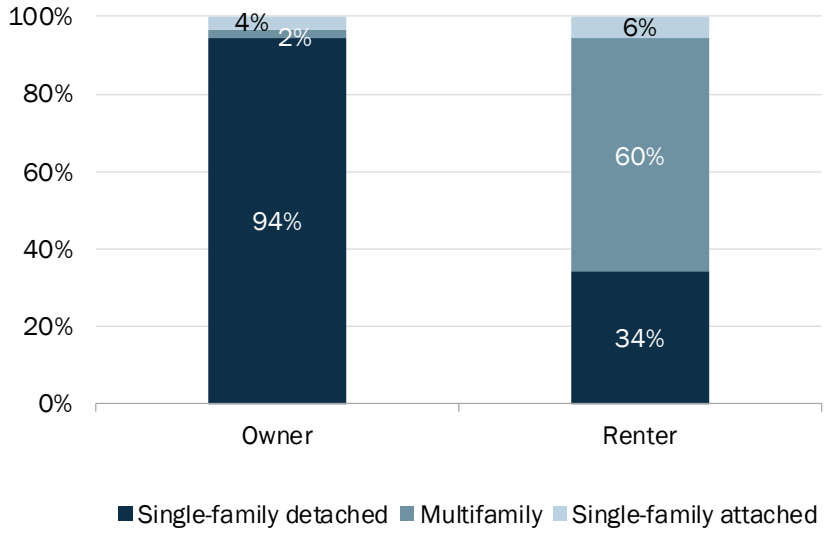
In Oregon City, a third of renters lived in single-family detached housing.

Exhibit 15. Types of Units Occupied by Renters, Oregon City, Wilsonville, Milwaukie, Gladstone, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS Table B25032.



Like Oregon City, most of Clackamas County's homeowners (94%) lived in single-family detached housing.

Exhibit 16. Types of Units Occupied by Homeowners and Renters, Clackamas County, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS Table B25032.



Vacancy Rates

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

According to the 2013-2017 Census, vacancy rates by jurisdiction were:[10]

- Oregon: 9.3%
- Portland Region 5.5%
- Clackamas County: 6.0%
- **Oregon City: 3.6%**

[10] Source: U.S. Census Bureau, 2013-2017 ACS, Table B25032.

Publicly Supported Housing

Oregon City had 634 publicly supported, affordable units. Most of these units were available for families.

Exhibit 17. Publicly Supported Housing, Oregon City, June 2020
Source: Oregon Housing and Community Services.

Development Name	Total Units	Restricted Units	Population Served
Birchwood Dr	6	6	Family
Hughes St	1	1	Family
Forest Ridge Ln	1	1	Family
Salmonberry Dr	1	1	Family
6th St	4	4	Family
Clairmont Way	1	1	Family
Molalla Ave	6	6	Family
S Redland Rd	1	1	Family
Lafayette Ave	2	2	Family
Whitney Ln	1	1	Family
Latourette St	1	1	Family
Hilda St	1	1	Family
Buchanan St	2	2	Family
Prospect St	1	1	Family
Clackamas Heights	100	99	Family
Fisher Ridge	19	18	Family
Kingsberry Heights	260	260	Family
Meadowlark	15	15	Family
Oregon City Terrace	47	47	Family
Oregon City View Manor	100	100	Family
Our Apartment	4	4	Family
Pleasant Avenue Veteran Housing	24	24	Veterans
Rosewood Terrace	38	38	Family
Totals	**636**	**634**	**-**

Manufactured Homes

Manufactured homes provide a source of affordable housing. They also provide a form of homeownership that can be made available to low- and moderate-income households. Cities are required to plan for manufactured homes—both on lots and in parks (ORS 197.475-492).

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

OAR 197.480(4) requires cities to inventory mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high-density residential development. In 2006, Oregon City adopted regulations related to manufactured home park closures.[11] This section presents the inventory of mobile and manufactured home communities for Oregon City as of May 2020.

Oregon City had four manufactured home communities within its UGB.

Within these parks, there were a total of 885 spaces, 9 of which were vacant as of May 2020.

Exhibit 18. Inventory of Mobile/Manufactured Home Communities, Oregon City, May 2020

Source: Oregon Manufactured Dwelling Park Directory.

Name	Location	Type	Total Spaces	Vacant Spaces	Zone
Char-Diaz Estates	13678 Char-Diaz Dr	55+	22	0	R 3.5
Cherry Lane	20248 Highway 213	55+	66	0	R 3.5
Clairmont Mtg Housing Park	13531 Clairmont Way	Family	189	0	R 3.5
Mount Pleasant Mobile Home Park	18780 Central Point Rd	Family	68	2	R 3.5
Country Village Estates	14630 South Village Court	Family	499	7	County
Forest Park Mobile Village	18830 S Hwy 99E	Family	41	0	County
Totals			885	9	

[11] OCMC 15.52.

4. Demographic and Other Factors Affecting Residential Development in Oregon City

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

Demographic trends provide a context for growth in a region; factors such as age, income, migration, and other trends show how communities have grown and how they will shape future growth. To provide context, we compare Oregon City to Clackamas County, the Portland region (defined as Clackamas, Multnomah, and Washington Counties), and Oregon. We also compare Oregon City to nearby cities where appropriate. Characteristics such as age and ethnicity are indicators of how the population has grown in the past and provide insight into factors that may affect future growth.

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

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

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

Demographic and Socioeconomic Factors Affecting Housing Choice[12]

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

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

- **Age of householder** is the age of the person identified (in the Census) as the head of household. Households make different housing choices at different stages of life. This chapter discusses generational trends, such as housing preferences of Baby Boomers, people born from about 1946 to 1964, Millennials, people born from about 1980 to 2000, and Generation Z, people born between 1997 and 2012.[13] (Generation X, the generation between Baby Boomers and Millennials, is a smaller age group and does not generally drive housing demand.)
- **Size of household** is the number of people living in the household. Younger and older people are more likely to live in single-person households. People in their middle years are more likely to live in multi-person households (often with children).
- **Household income** is probably the most important determinant of housing choice. Income is strongly related to the type of housing a household chooses (e.g., single-family detached, duplex, or a building with more than five units) and to household tenure (e.g., rent or own).

---

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

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

D. Myers and S. Ryu, *Aging Baby Boomers and the Generational Housing Bubble*, Journal of the American Planning Association, Winter 2008.

George Galster. People Versus Place, People and Place, or More? New Directions for Housing Policy, Housing Policy Debate, 2017.

Herbert, Christopher and Hrabchak Molinsky. "Meeting the Housing Needs of an Aging Population," 2015.

J. McIlwain, *Housing in America: The New Decade,* Urban Land Institute, 2010.

L. Lachman and D. Brett, *Generation Y: America's New Housing Wave,* Urban Land Institute, 2010.

Schuetz, Jenny. Who is the new face of American homeownership? Brookings, 2017.

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

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

[13] The range of years that define generations vary across sources. We have referenced the general age range for Millennials and Generation Z, and some years may overlap depending on the definition.

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

National Trends[14]

This brief summary on national housing trends builds on previous work by ECONorthwest as well as Urban Land Institute (ULI) reports and conclusions from *The State of the Nation's Housing* report from the Joint Center for Housing Studies of Harvard University. The Harvard report (2020) summarizes the national housing outlook as follows:

> Given the profound impact of the pandemic on how US households live and work, there is plenty of reason to believe that it could bring meaningful changes to housing markets. With millions of people forced to work remotely, employers and employees alike may find this an attractive option even after the pandemic ends. If so, demand would likely increase for homes large enough to provide office space, as well as easy access to outdoor spaces to exercise and socialize. And if long commutes are no longer everyday requirements, many households may move to lower-density areas where housing is less expensive. However, a major shift in residential development patterns is far from certain. What is certain is that the need for more housing of all types, locations, and price points will persist. In the near term, the outlook for housing markets is bright, fueled by very low interest rates as well as unabated demand from more affluent households. If the pandemic persists, however, it will remain a serious drag on the labor market and wage growth, and ultimately on household formations. Still, the pandemic's negative impact on markets should be relatively muted given historically tight conditions on the supply side.

However, challenges to a strong domestic housing market remain. Rising mortgage rates, the tight credit market, and limited inventory of entry-level homes make housing unaffordable for many Americans, especially younger Americans. In addition to rising housing costs, wages have also failed to keep pace, worsening affordability pressures. Single-family and multifamily housing supplies remain tight, which compound affordability issues. *The State of the Nation's Housing* report emphasizes the importance of government assistance and intervention to keep housing affordable moving forward. Several challenges and trends shaping the housing market are summarized below:

- **Bounce back in residential construction led by single-family starts.** New construction made a sharp comeback in summer 2020 led by single-family construction. Single-family starts in 2020 began at about a 900,000-unit annual rate (the fastest pace since the Great Recession), before dipping to a below 700,000-unit annual rate in April due to the COVID-19 pandemic. Then, single-family starts hit a 1.1-million-unit annual rate in September 2020—marking it as the strongest month for single-family homebuilding in

[14] These trends are based on information from (1) the Joint Center for Housing Studies of Harvard University's publication "The State of the Nation's Housing 2020," (2) Urban Land Institute, "2021 Emerging Trends in Real Estate," and (3) the U.S. Census.

over 13 years. Multifamily unit starts also continued to climb, increasing by 7.5% from about 374,000 units in 2018 to about 402,000 units in 2019. Notably, 2019 marked the first year since 1988 that multifamily starts topped 400,000. In 2019, home sales averaged 3.9 months which is below what is considered balanced (six months), with lower-cost and moderate-cost homes experiencing the tightest inventories. *The State of the Nation's Housing* report cited lack of skilled labor, rising construction costs, land use regulations (particularly density restrictions), and development fees as constraints on new construction.

- **Demand shift from renting to owning.** After years of decline, the national homeownership rate increased slightly from 64.4% in 2018 to 64.6% in 2019. Trends suggest the recent homeownership increases are among householders of all age groups; however, new growth in homeownership since the post-Great Recession low of 2013 resulted from households with higher incomes. About 88% of net new growth (2013 to 2019) was among households with incomes of $150,000 or more.
- **Housing affordability.** Despite a recent downward trend, 37.1 million American households spent more than 30% of their income on housing in 2019 which is 5.6 million more households than in 2001. Renter households experienced cost-burden at more than double the rate of homeowners (46% versus 21%) with the number of cost-burdened renters exceeding cost-burdened homeowners by 3.7 million in 2019. Affordability challenges continued to move up the income ladder, with the share of cost-burdened middle-income households increasing slightly from 2018 to 2019 even as the share of low-income households experiencing cost-burden declined slightly over the same period. Households under the age of 25 and over the age of 85 had the highest rates of housing cost-burden.
- **Long-term growth and housing demand.** The Joint Center for Housing Studies forecasts that, nationally, demand for new homes could total as many as 12 million units between 2018 and 2028[15]. Much of the demand will come from Baby Boomers, Millennials,[16] and immigrants. The Urban Land Institute cites the trouble of overbuilding in the luxury sector while demand is in mid-priced single-family houses affordable to a larger buyer pool.
- **Growth in rehabilitation market.**[17] Aging housing stock and poor housing conditions are growing concerns for jurisdictions across the United States. With almost 80% of the nation's housing stock at least 20 years old (and 40% at least 50 years old), Americans are spending in excess of $400 billion per year on residential renovations and repairs. As

[15] The Joint Center for Housing Studies of Harvard University. The State of the Nation's Housing 2019.

[16] According to the Pew Research Center, Millennials were born between the years of 1981 to 1996 and Generation Z were born between 1997 to 2012 (inclusive). Read more about generations and their definitions here: http://www.pewresearch.org/fact-tank/2018/03/01/defining-generations-where-millennials-end-and-post-millennials-begin/.

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

housing rehabilitation becomes the go-to solution to address housing conditions, the home remodeling market has grown more than 50% since the recession ended—generating 2.2% of national economic activity (in 2017).

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

- **Declining residential mobility.**[18] Residential mobility rates have declined steadily since 1980. Nearly one in five Americans moved every year in the 1980s, compared to one in ten Americans between 2018 and 2019. While reasons for decline in residential mobility are uncertain, contributing factors include demographic, housing affordability, and labor-related changes. For instance, as Baby Boomers and Millennials age, mobility rates are expected to fall as people typically move less as they age. Harvard University's Research Brief (2020) also suggests that increasing housing costs could be preventing people from moving if they are priced out of desired neighborhoods or if they prefer to stay in current housing as prices rise around them. Other factors that may impact mobility include: the rise in dual-income households (which complicates job-related moves), the rise in work-from-home options, and the decline in company-funded relocations. While decline in mobility rates span all generations, they are greatest among young adults and renters, two of the more traditionally mobile groups.
- **Changes in housing preference.** Housing preference will be affected by changes in demographics, most notably: the aging of Baby Boomers, housing demand from Millennials and Generation Z, and growth of immigrants.
  - *Baby Boomers.* In 2020, the oldest members of this generation were in their seventies and the youngest were in their fifties. The continued aging of the Baby Boomer generation may affect the housing market. In particular, Baby Boomers' may influence housing preference and homeownership trends. Preferences (and needs) may vary for Boomers' moving through their 60s, 70s, and 80s (and beyond). They will require a range of housing opportunities. For example, "aging baby boomers are increasingly renters-by-choice, [preferring] walkable, high-energy, culturally evolved communities."[19] Many seniors are also moving to planned retirement destinations earlier than expected as they experience the benefits of work-from-home trends (accelerated by COVID-19). Additionally, the supply of caregivers is decreasing as people in this cohort move from giving care to needing care, making more inclusive, community-based, congregate settings more important. Senior households earning different incomes may make distinct housing choices. For

[18] Frost, R. (2020). "Are Americans stuck in place? Declining residential mobility in the US." Joint Center for Housing Studies of Harvard University's Research Brief.

[19] Urban Land Institute. Emerging Trends in Real Estate, United States and Canada. 2019.

instance, low-income seniors may not have the financial resources to live out their years in a nursing home and may instead choose to downsize to smaller, more affordable units. Seniors living in proximity to relatives may also choose to live in multigenerational households.

Research shows that "older people in western countries prefer to live in their own familiar environment as long as possible," but aging in place does not only mean growing old in their own homes.[20] A broader definition exists which defines aging in place as "remaining in the current community and living in the residence of one's choice."[21] Some Baby Boomers are likely to stay in their home as long as they are able, and some will prefer to move into other housing products, such as multifamily housing or age-restricted housing developments, before they move into to a dependent living facility or into a familial home. Moreover, "the aging of the U.S. population, [including] the continued growth in the percentage of single-person households, and the demand for a wider range of housing choices in communities across the country is fueling interest in new forms of residential development, including tiny houses."[22]

- *Millennials.* Over the last several decades, young adults have increasingly lived in multigenerational housing—more so than older demographics.[23] However, as Millennials move into their early- to mid-thirties, postponement of family formation is ending and millennials are likely to prefer a wide range of housing types in urban or suburban areas, including detached, single family homes and multifamily housing types in walkable neighborhoods.

  At the beginning of the 2007–2009 recession, Millennials only began to form their own households. Today, Millennials are driving much of the growth in new households, albeit at slower rates than previous generations. As this generation continues to progress into their homebuying years, they may seek out affordable, modest-sized homes. This will prove challenging as the market for entry-level, single-family homes has remained stagnant. Although construction of smaller homes (< 1,800 sq. ft.) increased in 2019, they only represented 24% of single-family units.

  Millennials' average wealth may remain far below Boomers and Gen Xers, and student loan debt will continue to hinder consumer behavior and affect retirement savings. As of 2020, Millennials comprised 38% of home buyers, while Gen Xers

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

[21] *Ibid.*

[22] American Planning Association. Making Space for Tiny Houses, Quick Notes.

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

comprised 23% and Boomers 33%.[24] "By the year 2061, it is estimated that $59 trillion will be passed down from boomers to their beneficiaries," presenting new opportunities for Millennials (as well as Gen X and Gen Z).[25]

- *Generation Z.* In 2020, the oldest members of Generation Z were in their early 20s and the youngest in their early childhood years. By 2040, Generation Z will be between 25 and 40 years old. While they are more racially and ethnically diverse than previous generations, when it comes to key social and policy issues they look very much like Millennials. Generation Z was set to inherit a strong economy and record-low unemployment.[26] However, because the long-term economic impacts of COVID-19 are unknown, Generation Z may now be looking at an uncertain future.

  While researchers do not yet know how Generation Z will behave in adulthood, many expect they will follow patterns of previous generations. A segment is expected to move to urban areas for reasons similar to previous cohorts (namely, the benefits that employment, housing, and entertainment options bring when they are in close proximity). However, this cohort is smaller than Millennials (67 million vs. 72 million) which may lead to slowing real estate demand, including in city centers.

- *Immigrants.* Research on foreign-born populations shows that immigrants, more than native-born populations, live in multigenerational housing for a variety of reasons. Still, immigration and increased homeownership among minorities could also play a key role in accelerating household growth over the next 10 years. Current Population Survey estimates indicate that the number of foreign-born households rose by nearly 400,000 annually between 2001 and 2007, and they accounted for nearly 30% of overall household growth. Beginning in 2008, the influx of immigrants was staunched by the effects of the Great Recession. After a period of declines, the foreign-born population again began contributing to household growth, despite a decline in immigration rates in 2019. The Census Bureau's estimates of net immigration in 2019 indicate that 595,000 immigrants moved to the United States from abroad, down from 1.2 million immigrants in 2017–2018. However, as noted in *The State of the Nation's Housing* (2020) report, "because the majority of immigrants do not immediately form their own households upon arrival in the country, the drag on household growth from lower immigration only becomes apparent over time."

- *Diversity.* The growing diversity of American households will have a large impact on the domestic housing markets. Over the coming decade, minorities will make up a

[24] National Association of Realtors. (2020). 2020 Home Buyers and Sellers Generational Trends Report, March 2020. Retrieved from: https://www.nar.realtor/research-and-statistics/research-reports/home-buyer-and-seller-generational-trends

[25] PNC. (n.d.). Ready or Not, Here Comes the Great Wealth Transfer. Retrieved from: https://www.pnc.com/en/about-pnc/topics/pnc-pov/economy/wealth-transfer.html

[26] Parker, K. & Igielnik, R. (2020). On the cusp if adulthood and facing an uncertain future: what we know about gen Z so far. Pew Research Center. Retrieved from: https://www.pewsocialtrends.org/essay/on-the-cusp-of-adulthood-and-facing-an-uncertain-future-what-we-know-about-gen-z-so-far/

larger share of young households and constitute an important source of demand for both rental housing and small homes. The growing gap in homeownership rates between White and Black households as well as the larger share of minority households that are cost burdened warrant consideration. White households had a 73% homeownership rate in 2019 compared to a 43% rate for Black households. This 30-percentage point gap is the largest disparity since 1983. Although homeownership rates are increasing for some minorities, Black and Latinx households are more likely to have suffered disproportionate impacts of the pandemic and forced sales could negatively impact homeownership rates. This, combined with systemic discrimination in the housing and mortgage markets and lower incomes relative to White households, leads to higher rates of cost burden for minorities —43% for Black, 40% for Latinx, 32% for Asian and 25% for White in 2019. As noted in *The State of the Nation's Housing (2020)* report, "the impacts of the pandemic have shed light on the growing racial and income disparities in the nation between the nation's haves and have-nots are the legacy of decades of discriminatory practices in the housing market and in the broader economy."

- **Changes in housing characteristics.** The U.S. Census Bureau's Characteristics of New Housing Report (2019) presents data that show trends in the characteristics of new housing for the nation, state, and local areas. Several long-term trends in the characteristics of housing are evident from the New Housing Report:[27]
  - *Larger single-family units on smaller lots.* Between 1999 and 2019, the median size of new single-family dwellings increased by 13% nationally, from 2,028 sq. ft. to 2,301 sq. ft., and 14% in the western region from 2,001 sq. ft. in 1999 to 2,279 sq. ft in 2019. Moreover, the percentage of new units smaller than 1,400 sq. ft. nationally decreased by more than half, from 16% in 1999 to 7% in 2019. The percentage of units greater than 3,000 sq. ft. increased from 17% in 1999 to 25% of new one-family homes completed in 2019. In addition to larger homes, a move toward smaller lot sizes was seen nationally. Between 2009 and 2019, the percentage of lots less than 7,000 sq. ft. increased from 25% to 33%.
  - *Larger multifamily units.* Between 1999 and 2019, the median size of new multifamily dwelling units increased by 3.4% nationally. In the western region, the median size decreased by 1.9%. Nationally, the percentage of new multifamily units with more than 1,200 sq. ft. increased from 28% in 1999 to 35% in 2019 and increased from 25% to 27% in the western region.
  - *Household amenities.* Across the United States since 2013, an increasing number of new units had air-conditioning (fluctuating year by year at over 90% for both new single-family and multifamily units). In 2000, 93% of new single-family houses had two or more bathrooms, compared to 96% in 2019. The share of new multifamily units with two or more bathrooms decreased from 55% of new multifamily units to

[27] U.S. Census Bureau, Highlights of Annual 2019 Characteristics of New Housing. Retrieved from: https://www.census.gov/construction/chars/highlights.html

45%. As of 2019, 92% of new single-family houses in the United States had garages for one or more vehicles (from 89% in 2000). Additionally, if work from home dynamics become a more permanent option, then there may be rising demand for different housing amenities such as more space for home offices or larger yards for recreation.

- *Shared amenities*. Housing with shared amenities grew in popularity, as it may improve space efficiencies and reduce per-unit costs and/or maintenance costs. Single-room occupancies (SROs), cottage clusters, cohousing developments, and multifamily products are common housing types that take advantage of this trend.[28] Shared amenities may take many forms and include shared bathrooms, kitchens, other home appliances (e.g., laundry facilities, outdoor grills), security systems, outdoor areas (e.g., green spaces, pathways, gardens, rooftop lounges), fitness rooms, swimming pools, tennis courts, and free parking.[29]

State Trends

In August 2019, the State of Oregon passed statewide legislation -- Oregon House Bill 2001 and 2003. **House Bill 2001 (HB2001)** required many Oregon communities to accommodate middle housing within single-family neighborhoods. "Medium Cities"—those with 10,000 to 25,000 residents outside the Portland metro area—are required to allow duplexes on each lot or parcel where a single-family home is allowed. "Large Cities"—those with over 25,000 residents and nearly all jurisdictions in the Portland metro urban growth boundary (UGB)—must meet the same duplex requirement as well as allow triplexes, fourplexes, townhomes, and cottage clusters in all areas that are zoned for residential use and allow single-family homes. Oregon City has recently made a variety of amendments to the development code to allow more housing types and is currently working through the process of making adjustment to comply with HB 2001 which will be implemented by July 2022.

Middle housing is generally built at a similar scale as single-family homes but at higher residential densities. It provides a range of housing choices at different price points within a community.

House Bill 2003 (HB2003) envisions Oregon's housing planning system is reformed from a singular focus (on ensuring adequate available land) to a more comprehensive approach that also achieves these critical goals: (1) support and enable the construction of sufficient units to accommodate current populations and projected household growth and (2) reduce geographic

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

[29] Urbsworks. (n.d.). Housing Choices Guidebook: A Visual Guide to Compact Housing Types in Northwest Oregon. Retrieved from: https://www.oregon.gov/lcd/Publications/Housing-Choices-Booklet_DIGITAL.pdf

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

disparities in access to housing (especially affordable and publicly supported housing). In that, HB 2003 required the development of a methodology for projecting *regional* housing need and allocate that need to local jurisdictions. It also expanded local government responsibilities for planning to meet housing need by requiring cities to develop and adopt Housing Production Strategies.[30]

Prior to the passage of these bills, Oregon developed its *2016–2020 Consolidated Plan* which includes a detailed housing needs analysis as well as strategies for addressing housing needs statewide. The plan concluded that "a growing gap between the number of Oregonians who need affordable housing, and the availability of affordable homes has given rise to destabilizing rent increases, an alarming number of evictions of low- and fixed- income people, increasing homelessness, and serious housing instability throughout Oregon." It identified the following issues that describe housing need statewide:[31]

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

[30] This Housing Needs Analysis is not required to comply with HB 2003 because it will be adopted prior to January, 2022. The City is expected to comply with HB 2003 at the next HNA which is anticipated in six years.

[31] These conclusions are copied directly from the report: Oregon's 2016–2020 Consolidated Plan. Retrieved from: http://www.oregon.gov/ohcs/docs/Consolidated-Plan/2016-2020-Consolidated-Plan-Amendment.pdf.

- In 2019, minimum wage in Oregon[32] was $11.25, compared to $12.50 in the Portland Metro, and $11.00 for nonurban counties.

Oregon developed its *Statewide Housing Plan* in 2018. The Plan identified six housing priorities to address in communities across the State over the 2019 to 2023 period (summarized below). In August 2020, Oregon Housing and Community Services (OHCS) released a summary of their progress.[33] The following section includes summaries and excerpts from their status report:

- **Equity and Racial Justice.** *Advance equity and racial justice by identifying and addressing institutional and systemic barriers that have created and perpetuated patterns of disparity in housing and economic prosperity.*

  OHCS built internal organizational capacity through staff trainings on Equity and Racial Justice (ERJ) and hired an Equity, Diversity and Inclusion Manager. OHCS established a workgroup to support equity in their data system and approved an internal organizational structure to advance and support ERJ within all areas of OHCS. Now, OHCS is developing funding mechanisms to encourage culturally specific organizations to increase services to underserved communities and to increase the number and dollar amounts of contracts awarded to minority, women, and emerging small businesses (MWESBs).

- **Homelessness.** *Build a coordinated and concerted statewide effort to prevent and end homelessness, with a focus on ending unsheltered homelessness of Oregon's children and veterans.*

  The Homeless Services Section (HSS) made progress in building a foundation for planning and engagement across intersecting economic, social, and health systems. The OHCS Veteran Leadership team established recurring information-sharing sessions with federal, state, and local partners. HSS convened Oregon Homeless Management Information System (HMIS) stakeholders to build recommendations and co-construct a path toward a new HMIS implementation and data warehouse. HSS established successful workflows to analyze demographic data of people entering/exiting the homeless service system.

- **Permanent Supportive Housing.** *Invest in permanent supportive housing (PSH), a proven strategy to reduce chronic homelessness and reduce barriers to housing stability.*

  OHCS funded 405 of their 1,000 PSH-unit targets. Almost half of these units were the result of the NOFA tied to the first PSH Institute cohort.

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

[33] This section uses many direct excerpts from the OHCS Statewide Housing Plan Year One Summary August 2020 Report to HSC. Oregon Statewide Housing Plan, Status Reports. https://www.oregon.gov/ohcs/Documents/swhp/SWHP-Report-Y1-Summary.pdf

- **Affordable Rental Housing.** *Work to close the affordable rental housing gap and reduce housing cost burden for low-income Oregonians.*

  OHCS implemented a new electronic application and widespread adoption of system work modules. They also established a capacity building team to assess and recommend opportunities for growth in their development priorities and began training and technical assistance to potential PSH and rural developers. OHCS increased their units by 8,408 representing 22.8% of their 25,000 unit 5-year target.

- **Homeownership.** *Provide more low- and moderate-income Oregonians with the tools to successfully achieve and maintain homeownership, particularly in communities of color.*

  OHCS pursued a strategy to align programs with the needs of communities of color, improved their Homeownership Center framework and Down Payment Assistance product, began developing their TBA program and focused on low-cost homeownership through manufactured housing. Additionally, they began developing the Restore Health and Safety program and re-opening the Oregon Homeownership Stabilization Initiative (OHSI) program. OHCS also supported the Joint Task Force on Racial Equity in Homeownership and advocating for additional funds to support communities of color. OHCS provided 678 mortgage lending products of their 6,500 5-Year goal with 170 going to households of color.

- **Rural Communities.** *Change the way OHCS does business in small towns and rural communities to be responsive to the unique housing and service needs and unlock the opportunities for housing development.*

  OHCS focused on developing a better understanding of rural community needs and increasing rural capacity to build more affordable housing. OHCS hired a full-time capacity building analyst who has conducted outreach to key stakeholders across the state representing rural communities and developed a strategy to address those needs. OHCS has funded 532 units in rural communities, out of a total of 2,543 units in the 5-year goal (21% of target).

Regional and Local Demographic Trends that May Affect Housing Need in Oregon City

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

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

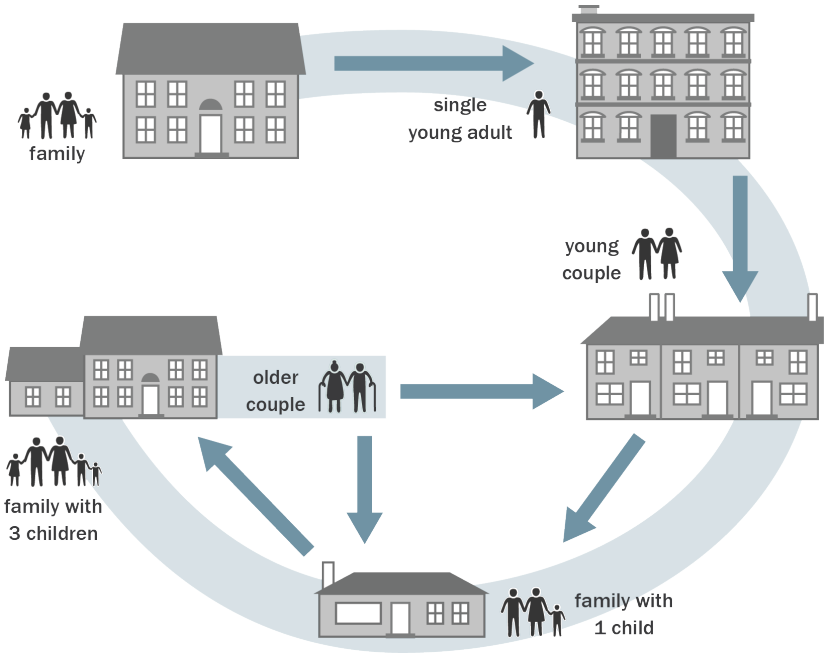
Housing needs and preferences may change over time, such as with changes in marital status and size of family. Changes in income, which may change over a person's life with age, strongly influence the types of housing selected.

Families of different sizes need different types of housing. Changes in income is also a key factor in housing demand.

This graphic illustrates an example of changes in housing needs across a person's life

Exhibit 19. Effect of Demographic Changes on Housing Need

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



Growing Population

Oregon City, like Wilsonville, has grown quickly over the last 30 years with its population more than doubling from 1990 to 2019.

Exhibit 20. Population, Oregon City, Gladstone, Wilsonville, Milwaukie, 1990-2019

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

			Change 1990 to 2019		
	1990	2019	Number	Percent	AAGR
Oregon City	14,698	35,570	19,242	131%	3.4%
Gladstone	10,152	11,905	1,353	13%	0.5%
Wilsonville	7,106	25,635	15,764	222%	4.8%
Milwaukie	18,692	20,535	1,813	10%	0.4%

Oregon City's population within the urban growth boundary is projected to grow by 6,410 people between 2019 and 2039, at an average annual growth rate of 0.8%.

Exhibit 21. Forecast of Population Growth, Oregon City city limits, 2021–2041[34]

Source: 2020-2050 Distributed Forecast (March 2021) Oregon Metro Research Center.

36,891	46,743	9,852	27% increase
Residents in 2021	Residents in 2041	New residents 2021-2041	1.19% AAGR

[34] Metro develops population forecasts for Oregon City's city limits, as shown in Exhibit 21. The dwelling unit forecast shown in Exhibit 60 includes the forecast for Oregon City's planning area, which includes the city limits and urban growth management area. Metro does not develop a population forecast for the urban growth management areas, so they are not included in Exhibit 21.

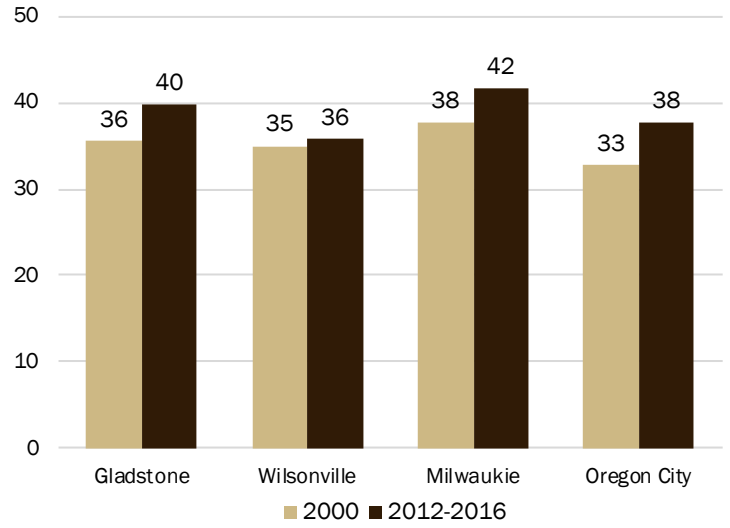
The reason for inclusion forecast of new dwelling units in these TAZ (in Exhibit 60) is that Oregon City has large areas that are currently planned for housing growth that are outside the city limits and will be annexed into the city. These include the South End Concept Plan area and the Park Place Concept Plan. These areas are included in the buildable land inventory, requiring including the growth expected in these areas in the forecast for new dwelling units in Exhibit 60.

To compare the forecast of new population forecast for the 2021-2041 period with forecast of new dwelling units, one must compare the number of population growth within the city limits (9,852 new residents) with the new dwelling unit forecast in Exhibit 60 for the city limits (5,792 new dwelling units). A comparison of the two suggests an average household size of about 1.7 persons per dwelling unit, reflecting decreases in household size in the future with expected growth of more single-person households.

Aging Population

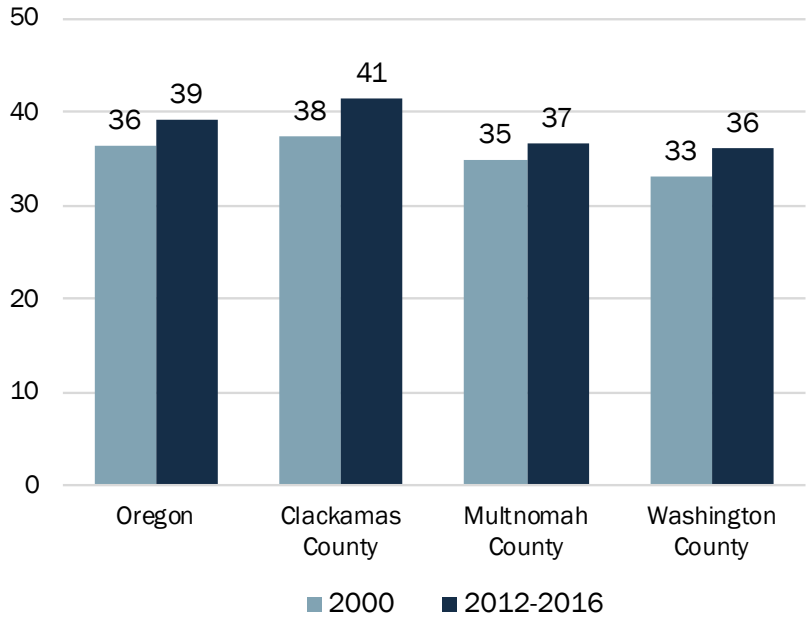
From 2000 to 2012-2016, Oregon City's median age increased by five years from 33 to 38.

Exhibit 22. Median Age, Years, Oregon City, Gladstone, Wilsonville, Milwaukie, 2000 to 2012-2016
Source: U.S. Census Bureau, 2000 Decennial Census Table B01002, 2012-2016 ACS, Table B01002.



From 2000 to 2012-2016, Clackamas County's median age increased by three years. The median age of Clackamas County residents is slightly higher than the media age of nearby regions (Clackamas and Washington County).

Exhibit 23. Median Age, Years, Oregon, Clackamas County, Multnomah County, Washington County, 2000 to 2012-2016
Source: U.S. Census Bureau, 2000 Decennial Census Table B01002, 2012-2016 ACS, Table B01002.

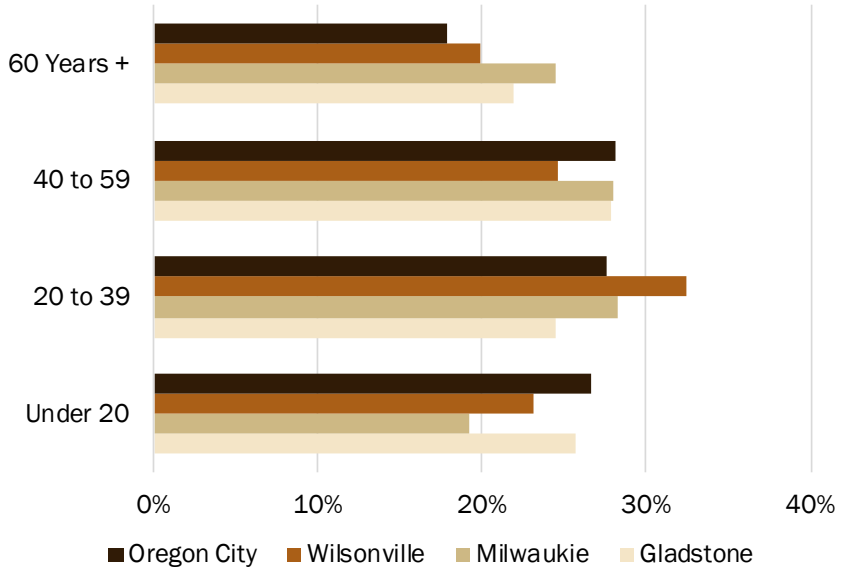


The majority of residents in Oregon City were between 20 to 59 years old.

Oregon City had a lower share (18%) of residents over 60 years of age than other comparator cities.

Exhibit 24. Population Distribution by Age, Oregon City, Gladstone, Wilsonville, Milwaukie, 2012-2016

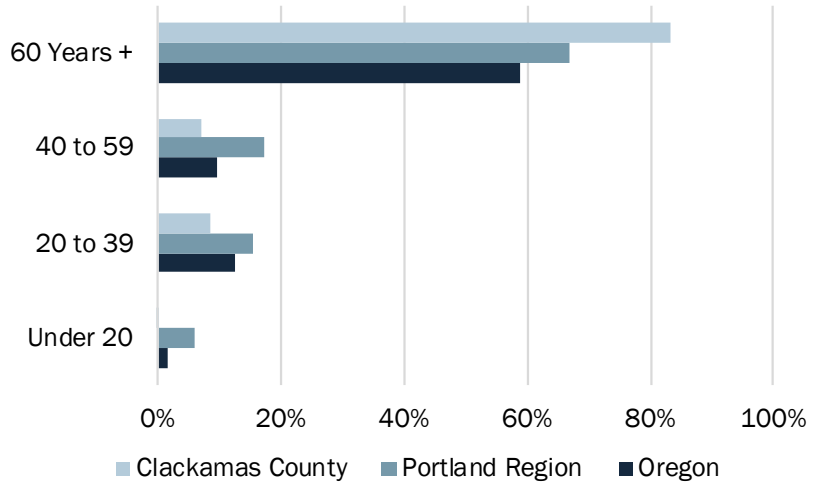
Source: U.S. Census Bureau, 2012-2016 ACS, Table B01001.



The senior population in Clackamas County (those aged 60 and older) grew faster than any other age cohort. From 2000 to the 2012-2016 period, the population aged 60 and older grew by 83% in Clackamas County, compared to 67% in the Portland Region, and 59% in Oregon. By 2040, people over 60 in Clackamas County will account for 27% of the population.

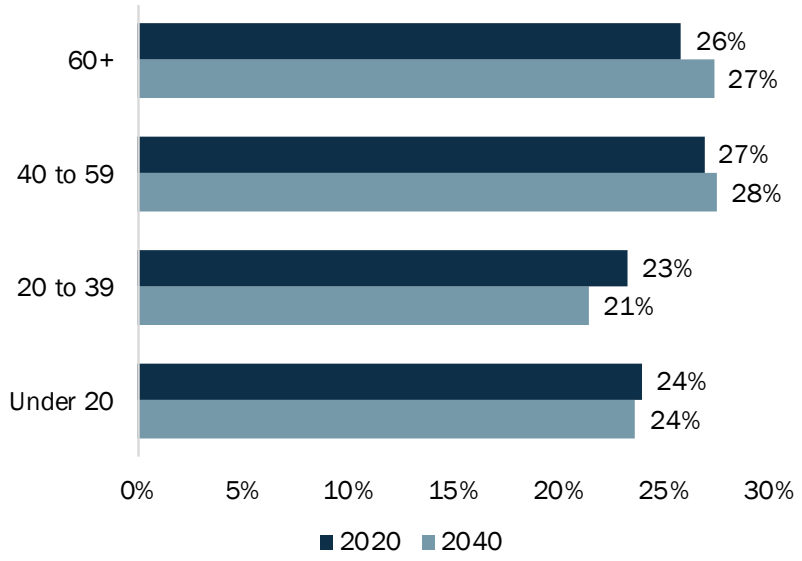
Between 2000 and 2012-2016, all age groups in Clackamas County grew in size. The most substantial change was growth in residents aged 60 and older.

Exhibit 25. Population Growth by Age, Clackamas County, Portland Region, Oregon, 2000 to 2012-2016
Source: U.S. Census Bureau, 2000 Decennial Census Table P012 and 2012-2016 ACS, Table B01001.



By 2040, Clackamas County residents over the age of 40 will make up 55% of the County's total population.

Exhibit 26. Population Growth by Age Group, Clackamas County, 2020 to 2040
Source: Portland State University, Population Research Center, Clackamas County Forecast, June 2017.



Growth in Latinx Population

The U.S. Census Bureau forecasts that at the national level, the Latinx (e.g., Latino/a and Hispanic) population will continue growing faster than most other non-Latinx population over the planning period. The Latinx population will increase 93% from 2016 to 2060 and foreign-born Latinx population will increase by about 40% in that same time.[35]

Continued growth in the Latinx population will affect Oregon City's housing needs in a variety of ways. Growth in first and, to a lesser extent, second and third generation Latinx immigrants, will increase demand for larger dwelling units to accommodate the, on average, larger household sizes for these households. In that, Latinx households are twice likely to include multiple generations households than the general populace.[36] In third and later generations of Hispanic or Latino immigrant households, size typically decreases and housing needs become similar to overall housing needs for households within the community.

According to the *State of Hispanic Homeownership* report from the National Association of Hispanic Real Estate Professionals,[37] the Latinx population accounted for 31.4% of the nation's net new household formations in 2019, up 2.8 percentage points from 2017. The rate of homeownership for Latinx households increased from 45.6% in 2015 to 47.5% in 2019. In that time (2015 to 2019), Latinx households were the only demographic that increased their rate of homeownership.

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

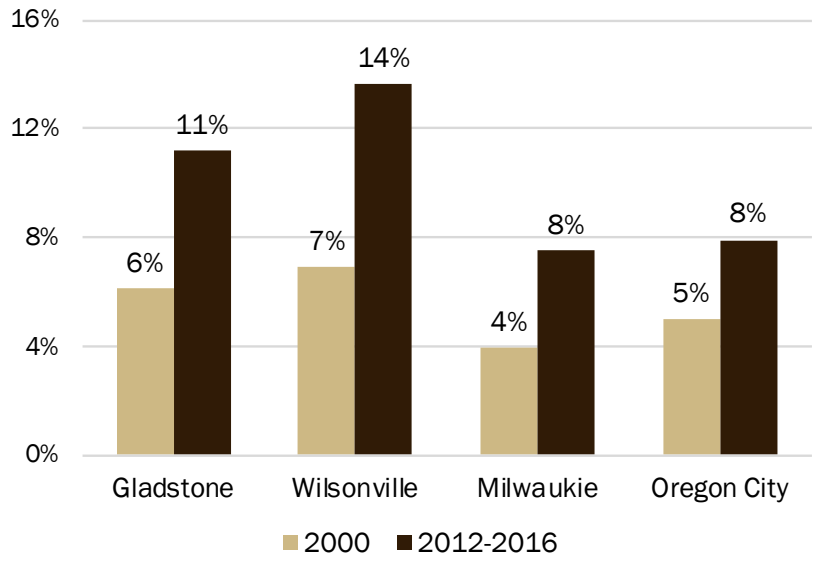
[36] Pew Research Center. *Second-Generation Americans: A Portrait of the Adult Children of Immigrants*, February 7, 2013, Appendix 8. Retrieved from: http://www.pewsocialtrends.org/2013/02/07/appendix-1-detailed-demographic-tables/.

National Association of Hispanic Real Estate Professionals (2019). *2019 State of Hispanic Homeownership Report*. Retrieved from: https://nahrep.org/shhr/

[37] National Association of Hispanic Real Estate Professionals (2019). *2019 State of Hispanic Homeownership Report*. Retrieved from: https://nahrep.org/downloads/2018-state-of-hispanic-homeownership-report.pdf

Between 2000 and 2012-2016, the share of the population that identified as Latinx increased by 3% in Oregon City.

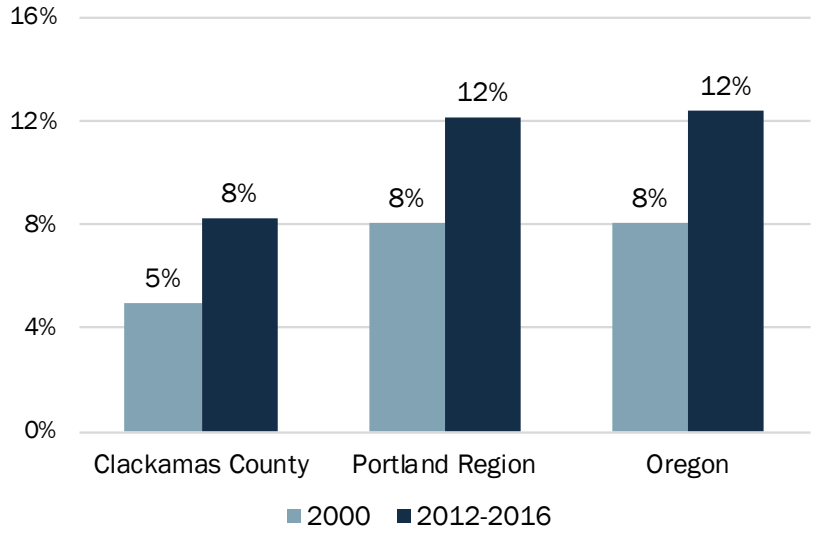
Exhibit 27. Latinx Population as a Percent of the Total Population, Oregon City, Gladstone, Wilsonville, Milwaukie, 2000 to 2012-2016
Source: U.S. Census Bureau, 2000 Decennial Census Table P008, 2012-2016 ACS Table B03002.



The share of Clackamas County's population that was Latinx increased by 3% between 2000 and 2012-2016.

Comparatively, the share of Latinx increased by 4% in the Portland Region and in Oregon.

Exhibit 28. Latinx Population as a Percent of the Total Population, Clackamas County, Portland Region, Oregon, 2000 to 2012-2016
Source: U.S. Census Bureau, 2000 Decennial Census Table P008, 2012-2016 ACS Table B03002.

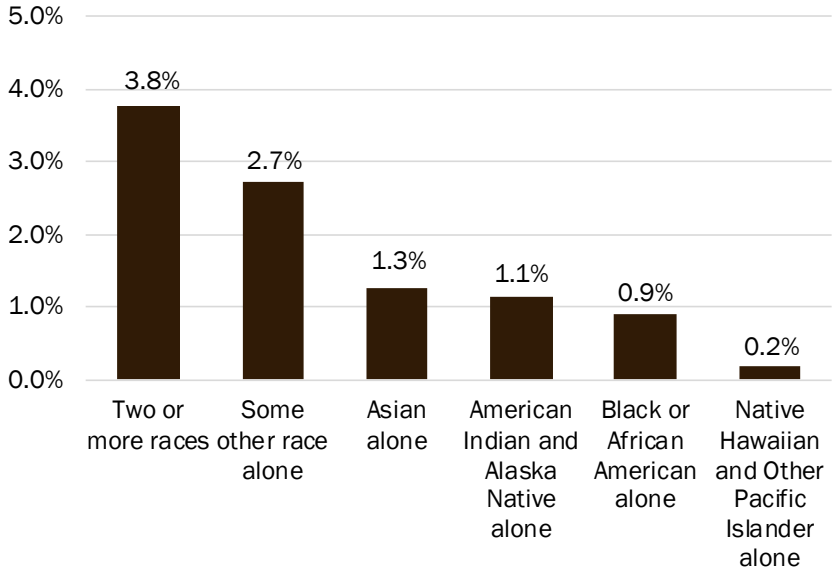


Racial Diversity

About 90% of Oregon City's population identified as White-alone.

The next largest population group identified as Two or More Races (3.8%).

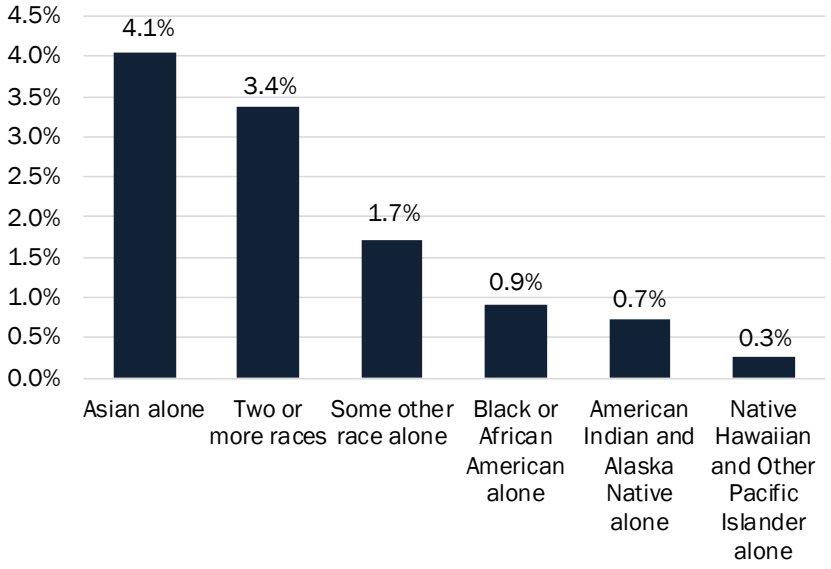
Exhibit 29. Population by Race (excluding White Alone) as a Percent of Total Population, Oregon City, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS Table B02001.



About 89% of Clackamas County's population identified as White-alone.

The next largest population group identified as Asian-alone (4.1%).

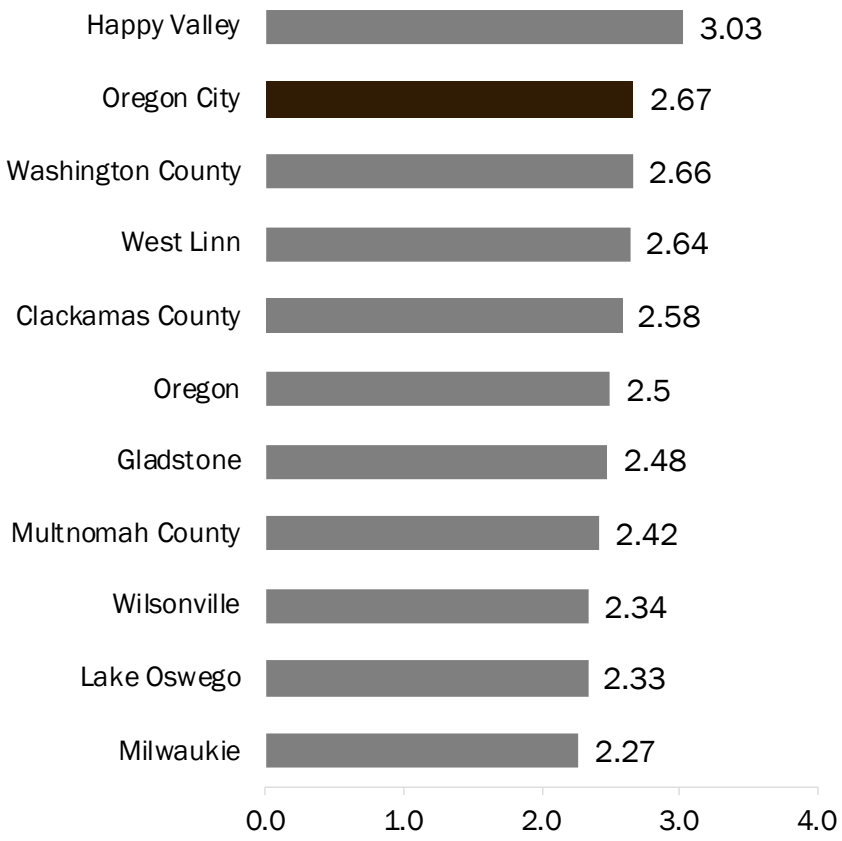
Exhibit 30. Population by Race (excluding White Alone) as a Percent of Total Population, Clackamas County, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS Table B02001.



Household Size and Composition

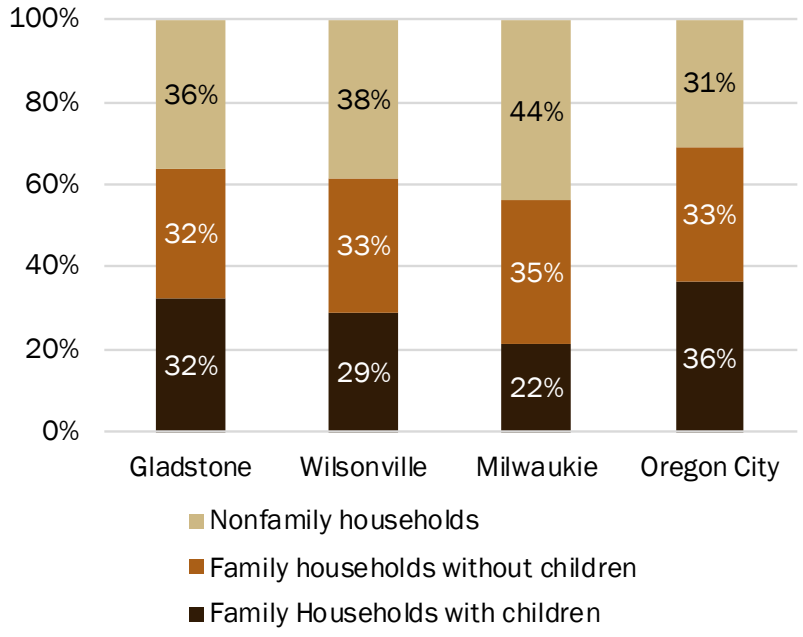
In the 2013-2017 period, Oregon City's average household size was 2.67 persons per household.

Exhibit 31. Average Household Size, 2013-2017
Source: U.S. Census Bureau, 2013-2017 ACS 5-year estimate, Table B25010.



In the 2012-2016 period, 36% of Oregon City households were non-family households (e.g., single-person households or households composed of roommates).

Exhibit 32. Household Composition, Oregon City, Wilsonville, Milwaukie, Oregon City, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS 5-year estimate, Table DP02.



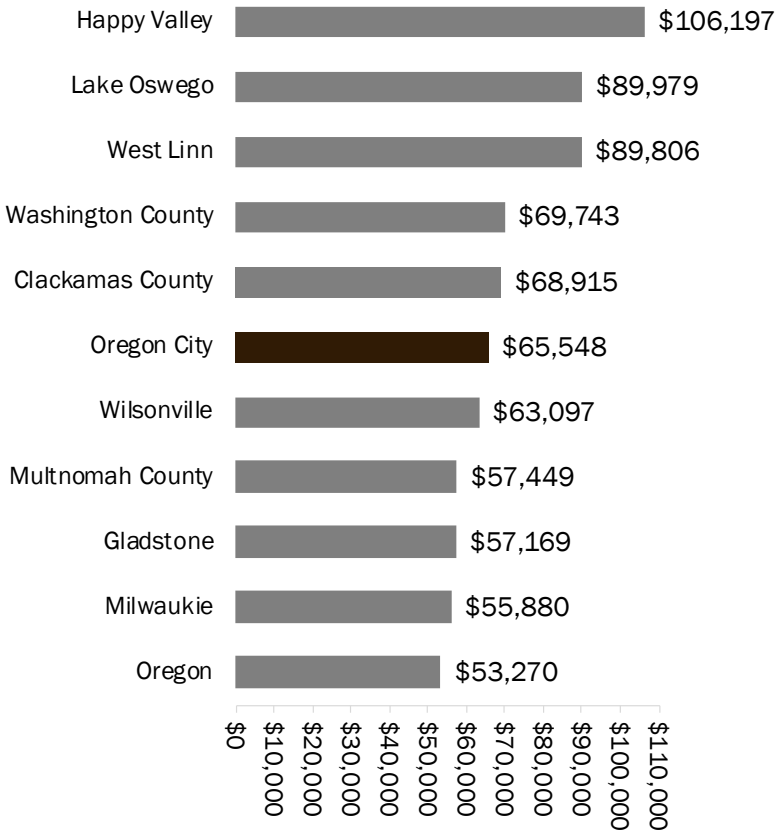
Income of Residents

Income is a key determinant in housing choice and households' ability to afford housing.

In the 2012-2016 period, Oregon City's median household income (MHI) was $65,548.

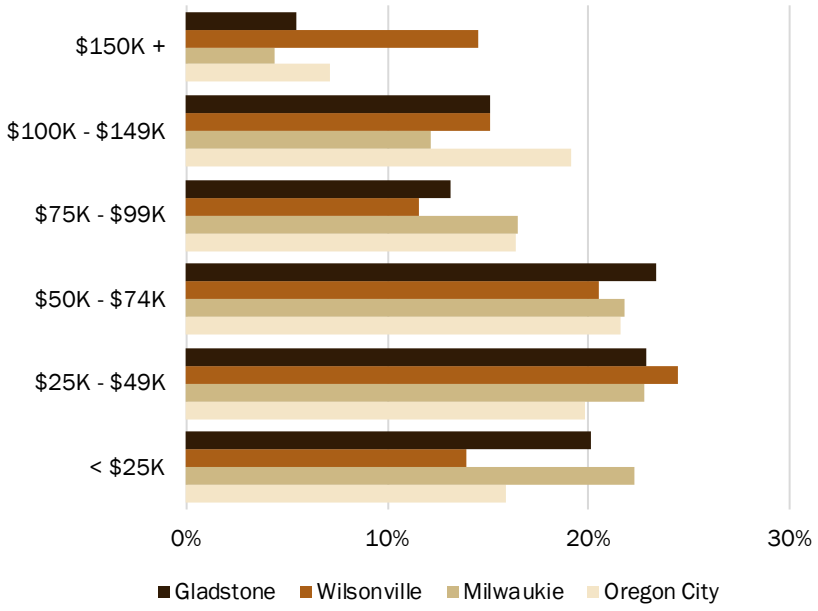
Oregon City's MHI was slightly below Clackamas County's MHI of $68,915.

Exhibit 33. Median Household Income, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS 5-year estimate, Table B25119.



In Oregon City, 26% of households earned $100,000 or more.

Exhibit 34. Household Income, Oregon City, Gladstone, Wilsonville, Milwaukie, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS 5-year estimate, Table B19001.



Commuting Trends

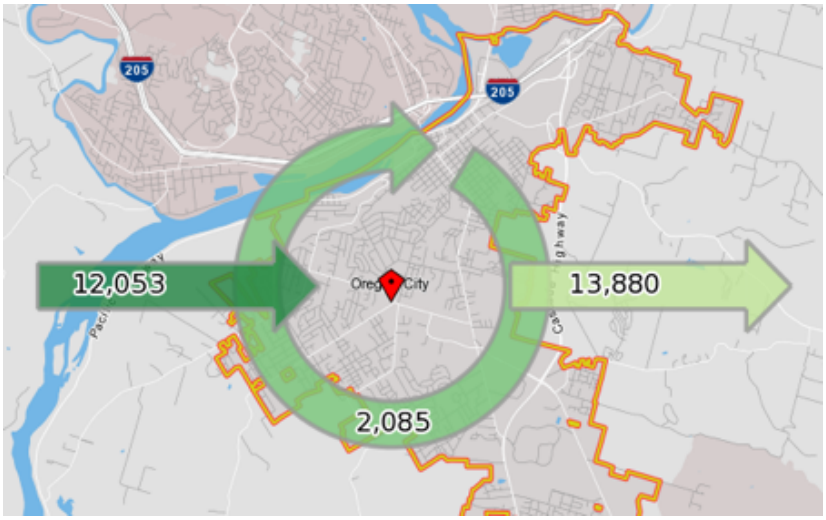
Oregon City is part of the complex, interconnected economy of Clackamas County and the greater Portland region.

Oregon City is part of an interconnected regional economy.

More than 12,000 people commute into Oregon City for work, and almost 14,000 people living in Oregon City commute out of the city for work.

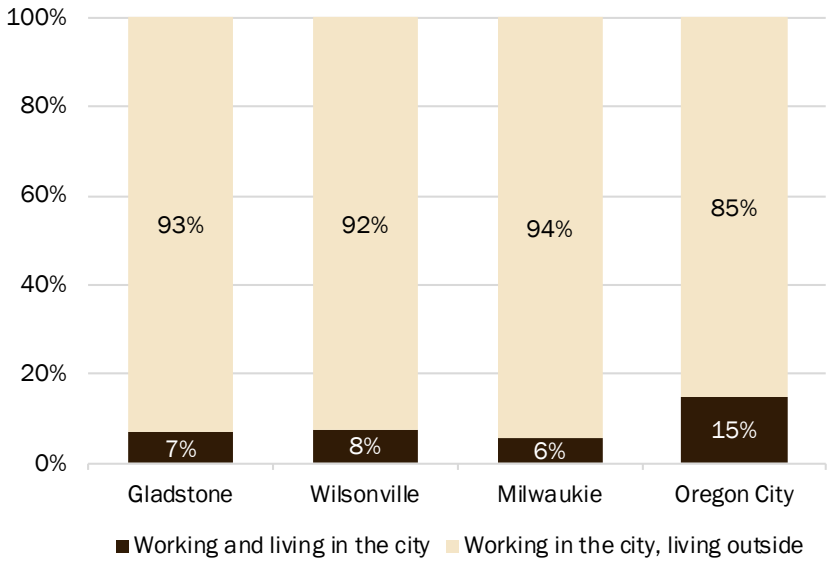
About 2,000 people both live and work in the City.

Exhibit 35. Commuting Flows, Oregon City, 2015
Source: U.S. Census Bureau, Census On the Map.



Of the people who work in Oregon City, 85% live outside of the city.

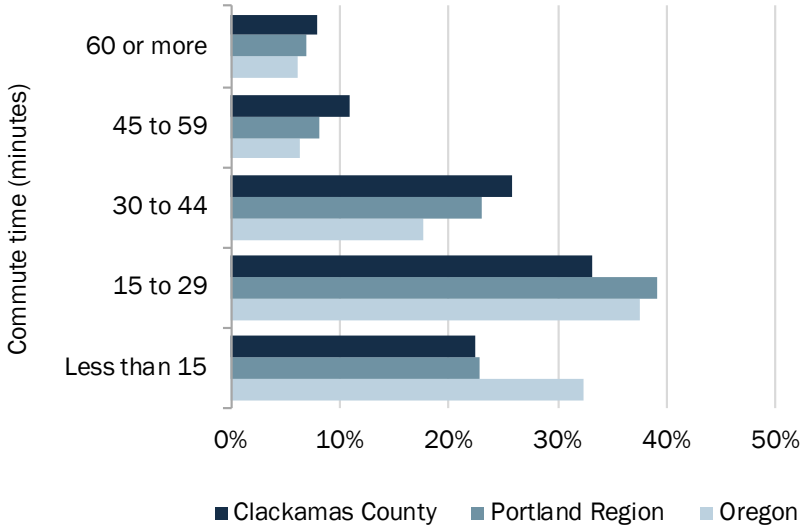
Exhibit 36. Commuting Flows of People Who Work in Oregon City, Gladstone, Wilsonville, Milwaukie, 2015
Source: U.S. Census Bureau, Census On the Map.



The majority of residents in Clackamas County, the Portland Region, and Oregon had a commute time that took less than 30 minutes.

In Clackamas County, 56% of residents had a commute time of less than 30 minutes, compared to 62% for the Portland Region and 70% for Oregon.

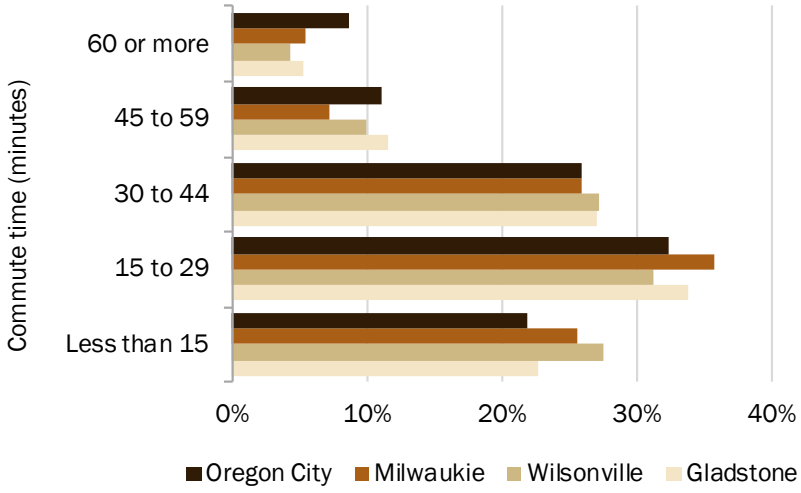
Exhibit 37. Commute Time by Place of Residence, Clackamas County, Portland Region, Oregon, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS 5-year estimate, Table B08303.



The majority of residents in Oregon City had commute times of less than 30 minutes.

Exhibit 38. Commute Time by Place of Residence, Oregon City, Gladstone, Wilsonville, Milwaukie, 2012-2016

Source: U.S. Census Bureau, 2012-2016 ACS 5-year estimate, Table B08303.



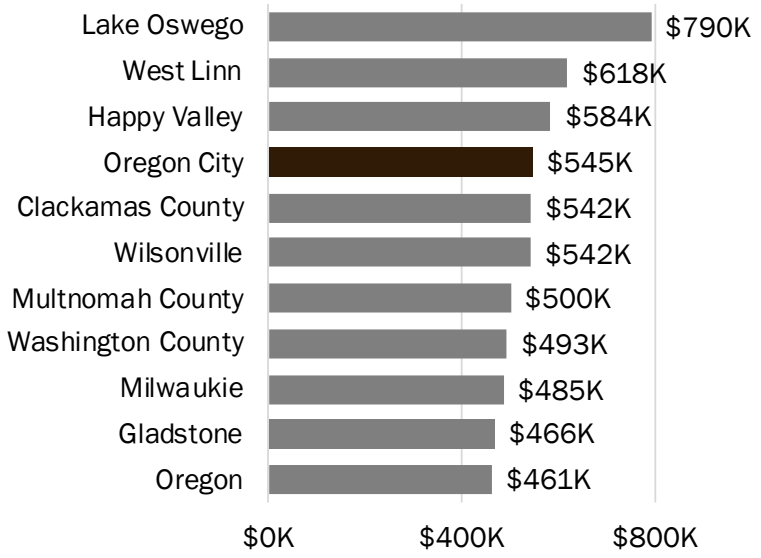
Regional and Local Trends Affecting Housing Affordability

This section describes changes in sales prices, rents, and housing affordability by jurisdiction.

Changes in Housing Costs

In April 2021, Oregon City had a median home sales price of $545k, which was below that of some other city comparators and similar to Clackamas County ($542k), but well above the state's median of $461k.

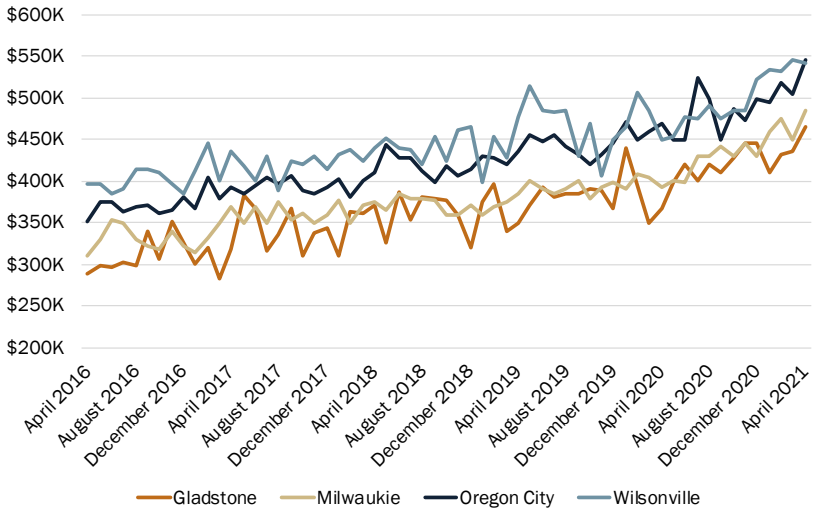
Exhibit 39. Median Home Sale Price, April 2021
Source: Redfin.



Median home sales prices in Oregon City have increased since April 2016.

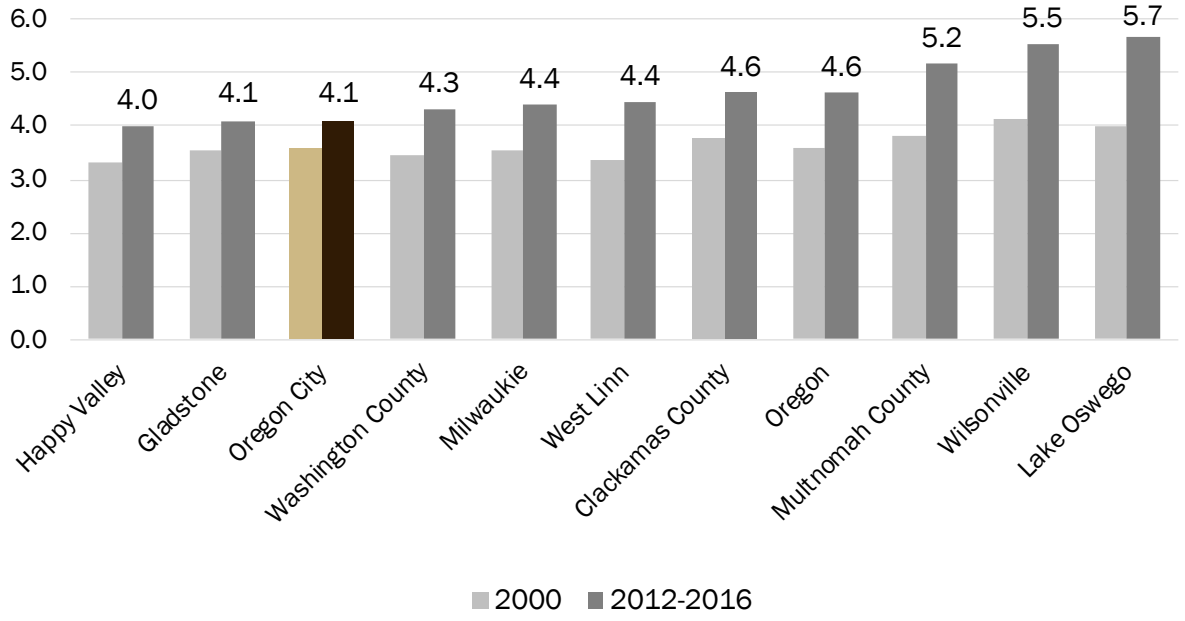
In April of 2021, Oregon City had a median home sales price of $545k.

Exhibit 40. Median Sales Price, Gladstone, Wilsonville, Milwaukie, Oregon City, April 2016 – April 2021
Source: Redfin.



Since 2000, housing costs in nearly all Clackamas County geographies increased faster than incomes. Oregon City's median housing value to household income increased from 3.6 to 4.1.

Exhibit 41. Ratio of Median Housing Value to Median Household Income, 2000 to 2012-2016[38]
Source: U.S. Census Bureau, 2000 Decennial Census, Tables HCT012 and H085, and 2012-2016 ACS, Tables B19013 and B25077.



[38] This ratio compares the median value of housing in Clackamas County (and other places) to the median household income.

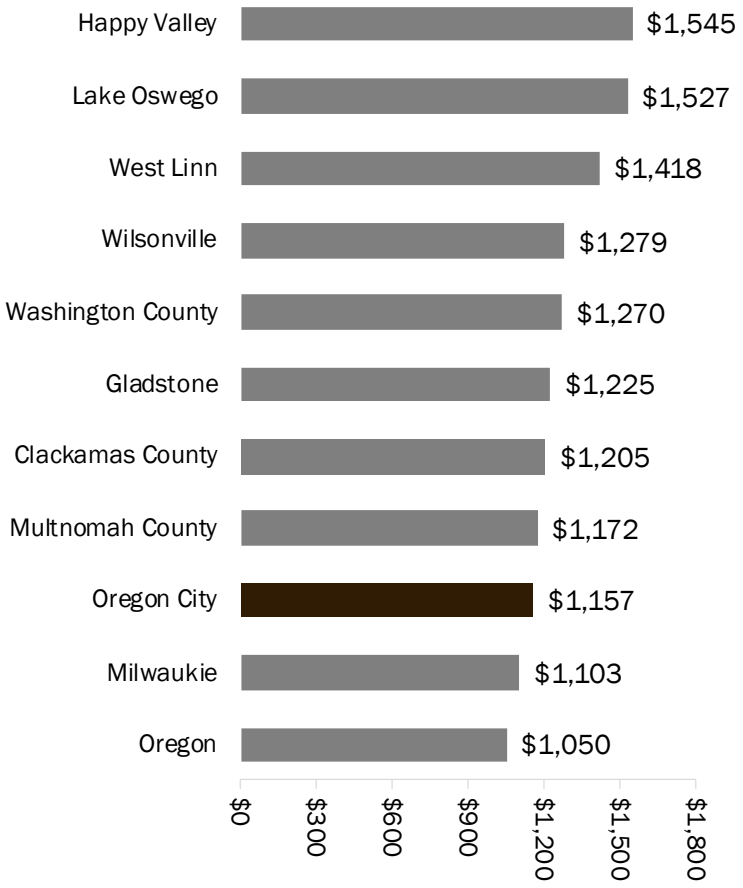
Rental Costs

The median gross rent in Oregon City was $1,157.

In the 2014-2018 period, rent in Oregon City was comparable to the median rent for Clackamas County as a whole.

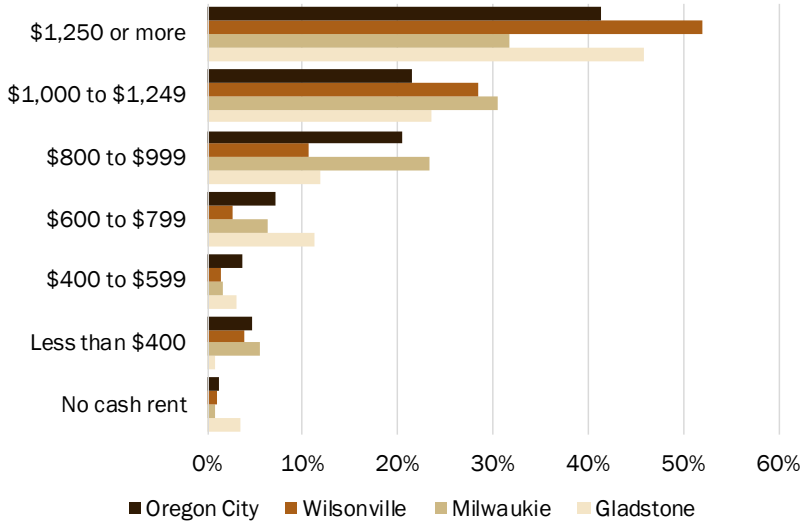
Exhibit 42. Median Gross Rent, Oregon City and Comparison Areas, 2014-2018

Source: U.S. Census Bureau, 2014-2018 ACS 5-year estimate, Table B25064.



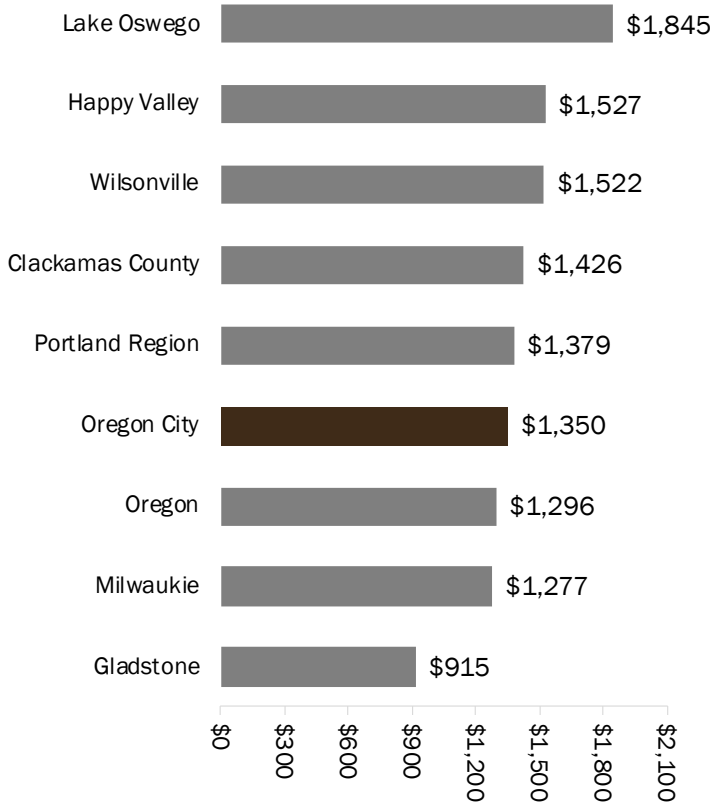
In Oregon City, nearly two-thirds of renters paid more than $1,000 a month in rent.

Exhibit 43. Gross Rent, Oregon City, Gladstone, Wilsonville, Milwaukie, 2014-2018
Source: U.S. Census Bureau, 2014-2018 ACS Table B25063.



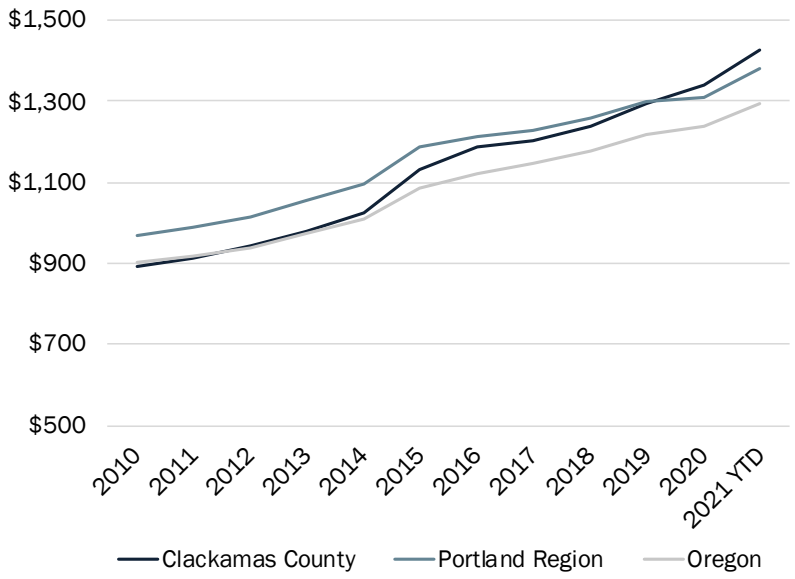
Oregon City's average multifamily rent was slightly lower than Clackamas County's average rent.

Exhibit 44. Average Effective Multifamily Rent, Oregon City and Comparison Areas, June 2021
Source: Costar.



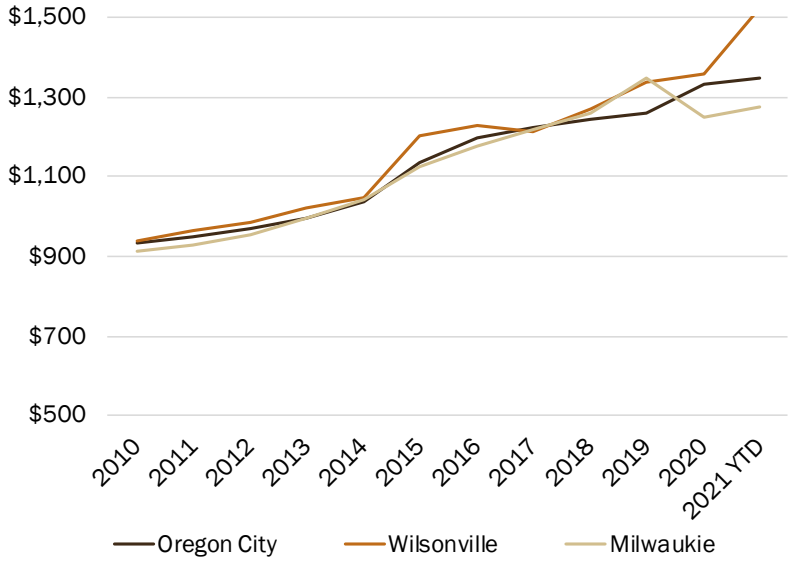
From 2010 to June 2021, average effective rents per unit increased from $894 to $1,436 in Clackamas County, $970 to $1,379 in the Portland Region, and $903 to $1,296 in Oregon.

Exhibit 45. Average Effective Multifamily Rent, Clackamas County, Portland Region, Oregon, 2010 through June 2021
Source: Costar.



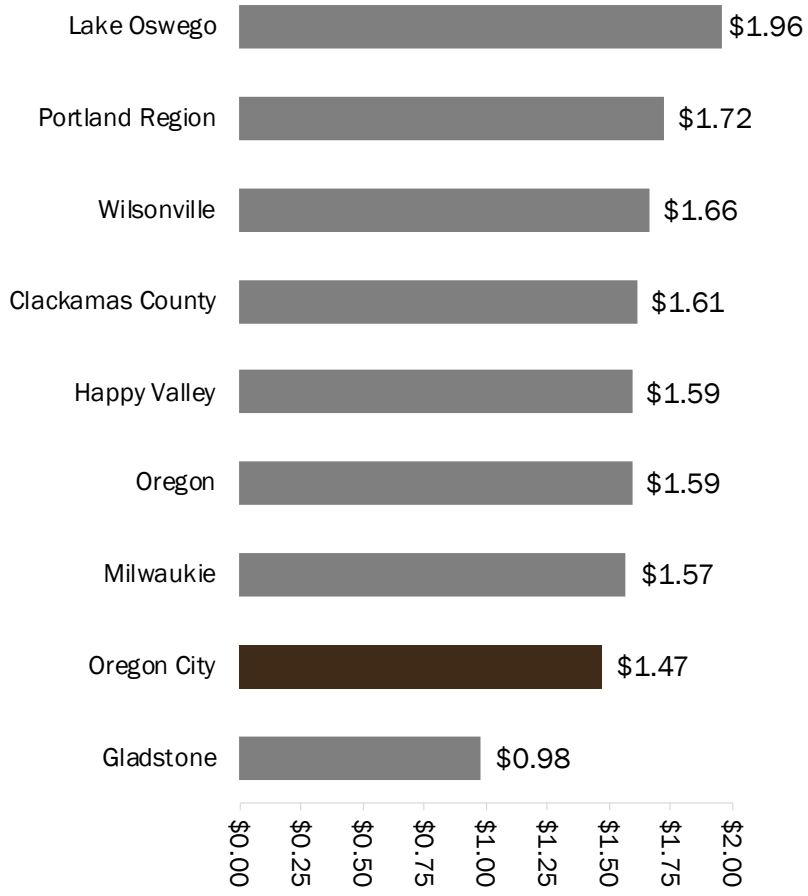
From 2010 to 2021, average effective rent per unit increased from $933 to $1,350 in Oregon City, $940 to $1,522 in Wilsonville, and $914 to $1,277 in Milwaukie

Exhibit 46. Average Effective Multifamily Rent, Oregon City, Wilsonville, Milwaukie, 2010 through June 2021
Source: Costar.



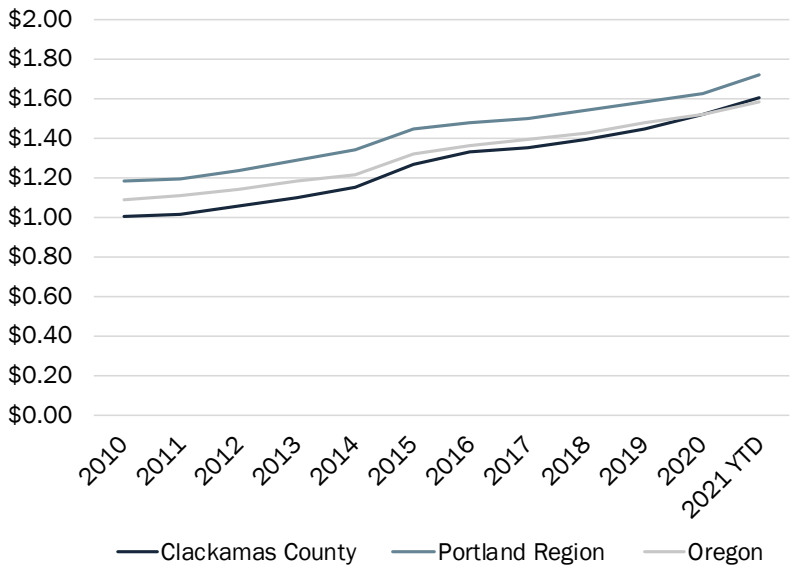
In June 2021, Oregon City's average effective multifamily rent per sq. ft. was $1.47.

Exhibit 47. Average Effective Multifamily Rent per Square Foot, Oregon City and Comparison Areas, June 2021
Source: Costar.



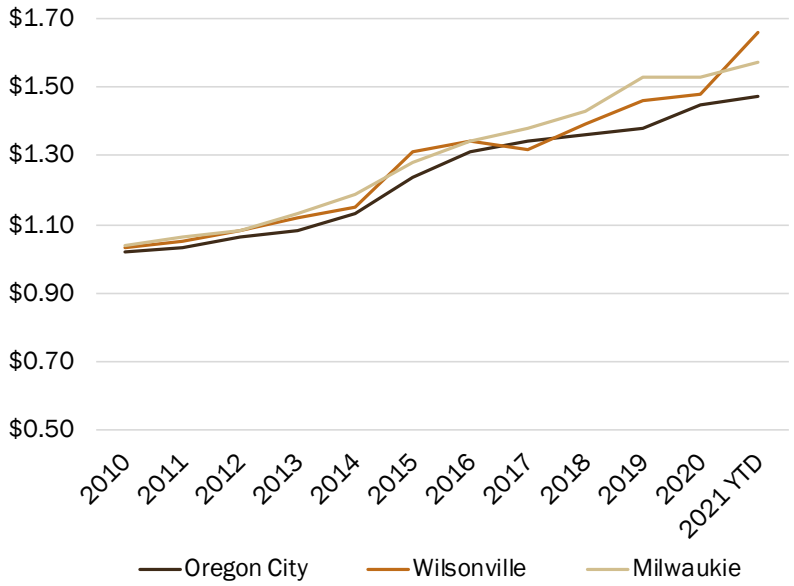
From 2010 to June 2021, average effective rent per square foot increased from $1.00 to $1.61 in Clackamas County, $1.18 to $1.72 in the Portland Region, and $1.09 to $1.59 in Oregon.

Exhibit 48. Average Effective Multifamily Rent per Square Foot, Clackamas County, Portland Region, Oregon, 2010 through June 2021
Source: Costar.



From 2010 to June 2021 average effective rent per square foot increased from $1.02 to $1.47 in Oregon City, $1.03 to $1.66 in Wilsonville, and $1.04 to $1.57 in Milwaukie.

Exhibit 49. Average Effective Multifamily Rent per Square Foot, Oregon City, Wilsonville, Milwaukie, 2010 through June 2021
Source: Costar.

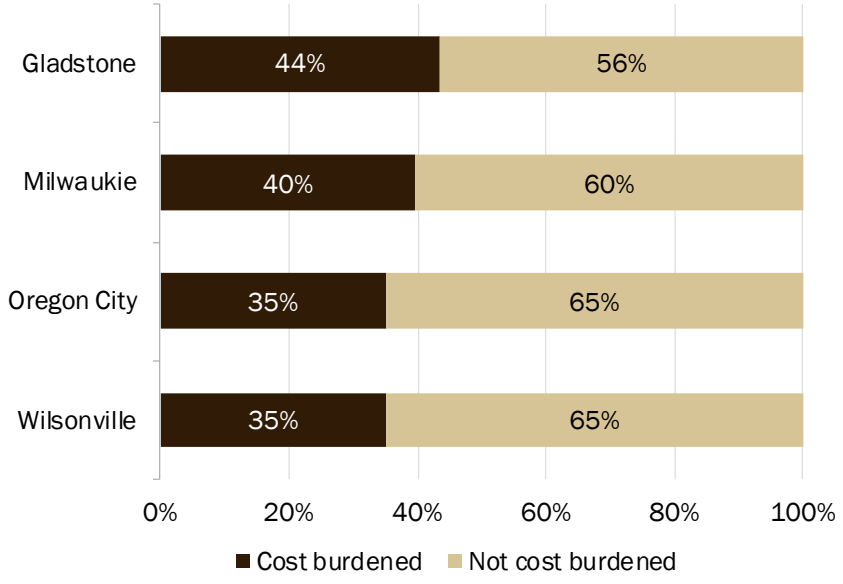


Housing Affordability

A typical standard used to determine housing affordability is that a household should pay no more than a certain percentage of household income for housing, including payments and interest or rent, utilities, and insurance. The Department of Housing and Urban Development's guidelines indicate that households paying more than 30% of their income on housing experience "cost burden," and households paying more than 50% of their income on housing experience "severe cost burden." Using cost burden as an indicator for housing affordability is consistent with the Goal 10 requirement to provide housing that is affordable to all households in a community.

Over a third of Oregon City's residents were cost burdened in the 2012-2016 period.

Exhibit 50. Housing Cost Burden by Tenure, Oregon City, Gladstone, Wilsonville, and Milwaukie, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS Tables B25091 and B25070.

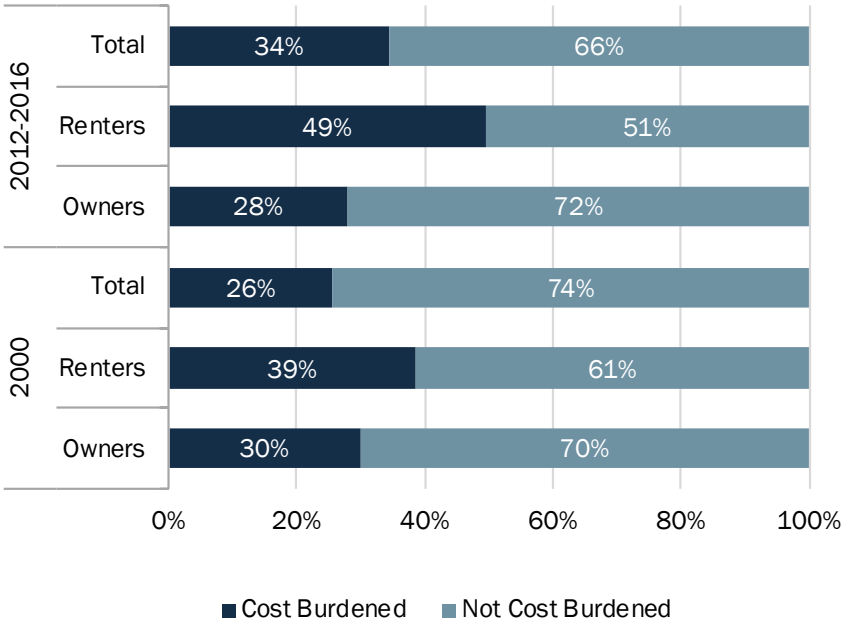


Across Clackamas County, renters were more likely to be cost burdened than homeowners.

Between the 2000 and 2012-2016 time period, the share of total cost-burdened households rose from 26% in 2000 to 34% in 2012-2016.

Exhibit 51. Housing Cost Burden by Tenure, Clackamas County, 2000, 2012-2016

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

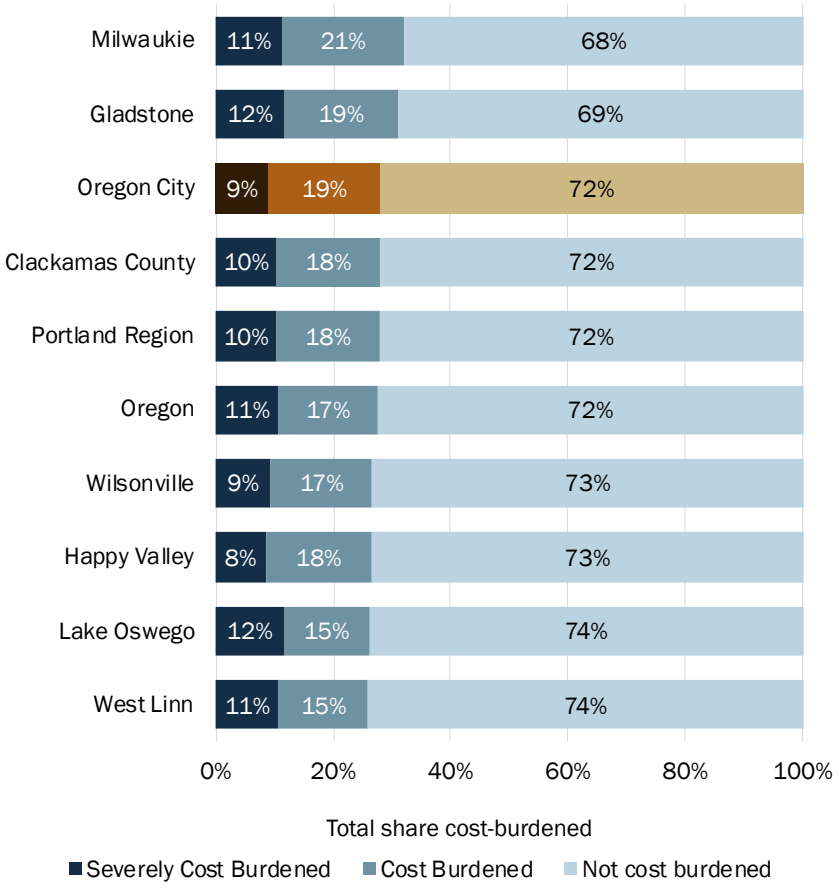


Nearly 30% of Oregon City's cost burdened homeowner households were cost burdened, spending more than 30% or more of their income on housing costs.

Nine percent of the city's homeowner households were *severely* cost burdened, spending 50% or more of their income on housing costs.

Exhibit 52. Cost Burden Rates for Homeowner Households, 2012-2016

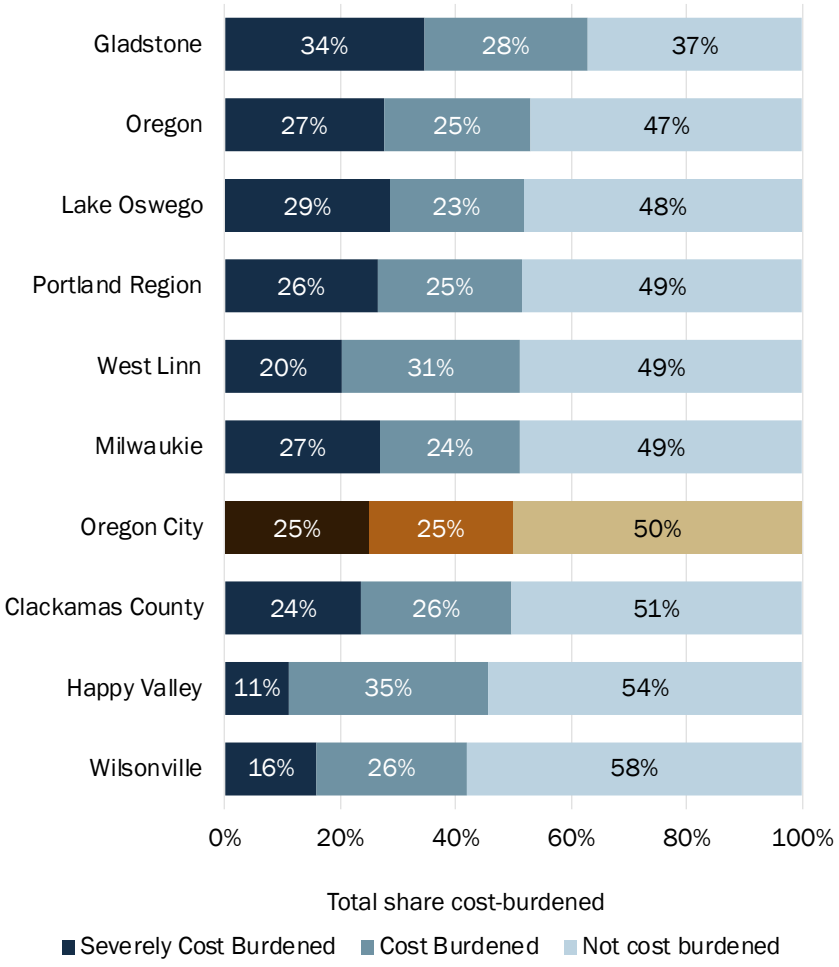
Source: U.S. Census Bureau, 2012-2016 ACS Table B25091.



Half of Oregon City's renter households were cost burdened, spending 30% of their income on housing costs.

Twenty-five percent of the city's renter households were *severely* cost burdened, spending 50% or more of their income on housing costs.

Exhibit 53. Cost Burden Rates for Renter Households, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS Table B25070.



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

- A household is defined as cost burdened if the household's housing costs exceed 30% of the household's income. The remaining 70% of income is expected to be spent on non-discretionary expenses, such as food or medical care, and on discretionary expenses. Households with higher incomes may be able to pay more than 30% of their income on housing without impacting the household's ability to pay for necessary non-discretionary expenses.
- Cost burden compares income to housing costs and does not account for accumulated wealth. As a result, the estimate of how much a household can afford to pay for housing does not include the impact of a household's accumulated wealth. For example, a household of retired people may have relatively low income but may have accumulated assets (such as profits from selling another house) that allow them to purchase a house that would be considered unaffordable to them based on the cost burden indicator.

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

Fair Market Rent for a 2-bedroom apartment in Clackamas County is $1,495.

Exhibit 54. HUD Fair Market Rent (FMR) by Unit Type, Clackamas County,[39] 2020
Source: U.S. Department of Housing and Urban Development.

$1,192	$1,289	$1,495	$2,157	$2,625
Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom

A household must earn at least $28.75 per hour to afford a two-bedroom unit in Clackamas County.

Before taxes, a full-time job at $28.75 per hour is an annual salary of $59,800.

Exhibit 55. Affordable Housing Wage, Clackamas County, 2020
Source: U.S. Department of Housing and Urban Development. Oregon Bureau of Labor and Industries.

$28.75 per hour
Affordable Housing Wage for two-bedroom Unit in Clackamas County

[39] HUD reports 2020 fair market rents and median family income from the Portland-Vancouver-Beaverton MSA for Clackamas County.

Exhibit 56 shows housing affordability based on incomes for Clackamas County. The regional Median Family Income (MFI) is used by HUD as a way to understand the differences in housing affordability in different places across the nation. In Clackamas County (and the rest of the Portland region), the MFI for a family of four is $92,000. A household earning the median family income ($92,000) can afford a monthly rent of about $2,300 or a home roughly valued between $322,000 and $368,000.

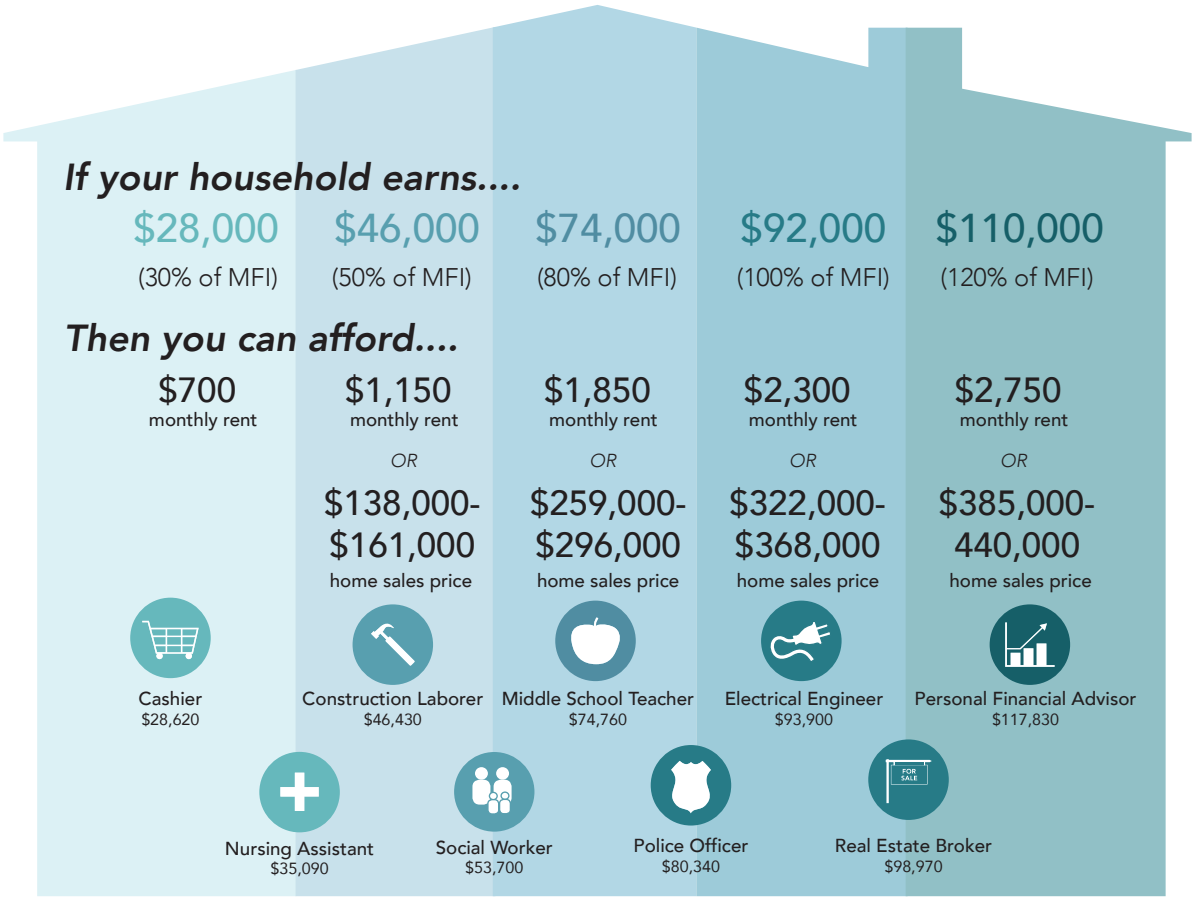
A household would need to have income of about $136,000, or 148% of MFI for Clackamas County to afford a house at the Oregon City's median home sale price of $545,000. About 18% of households in Oregon City can afford housing at this cost.

A household would need to have income of about $60,000 (about 65% of MFI) to afford the average asking rent for multifamily housing of nearly $1,350, plus basic utilities like power, heat, and water. About 64% of households in Oregon City can afford housing at this cost.

Exhibit 56. Financially Attainable Housing, by Median Family Income (MFI) for Clackamas County ($92,100), Clackamas County, 2020

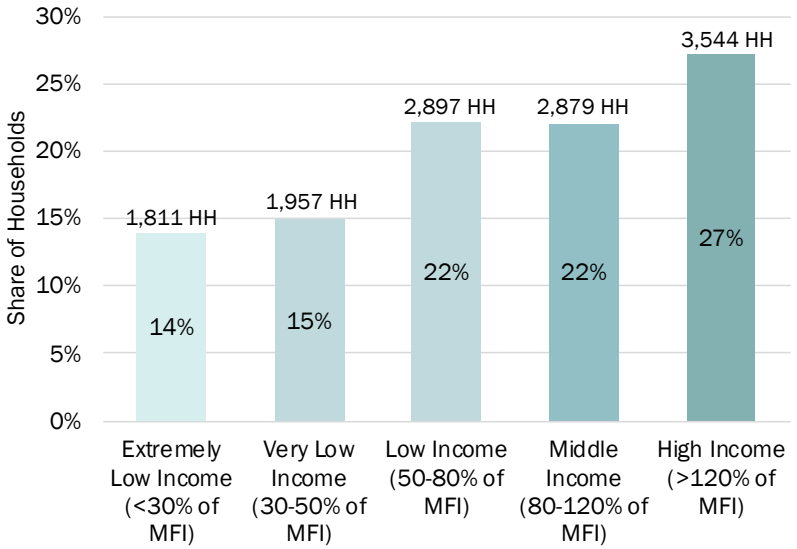
Source: U.S. Department of Housing and Urban Development 2020. U.S. Census Bureau, 2014-2018 ACS Table 19001.

Note: MFI is Median Family Income; Clackamas County MFI is determined by HUD for the Portland MSA.



In Oregon City, about half (51%) of all households in Oregon City earned 80% or more of Clackamas County's median family income.

Exhibit 57. Share of Households, by Median Family Income (MFI) for Clackamas County ($92,100), Oregon City, 2020
Source: U.S. Department of Housing and Urban Development, Clackamas County, 2020. U.S. Census Bureau, 2014-2018 ACS Table 19001.



Nearly a third (32%) of Clackamas County households earned 120% or more of median family income of $92,100.

Exhibit 58. Share of Households, by Median Family Income (MFI) for Clackamas County ($92,100), 2020
Source: U.S. Department of Housing and Urban Development, Clackamas County, 2020. U.S. Census Bureau, 2014-2018 ACS Table 19001.

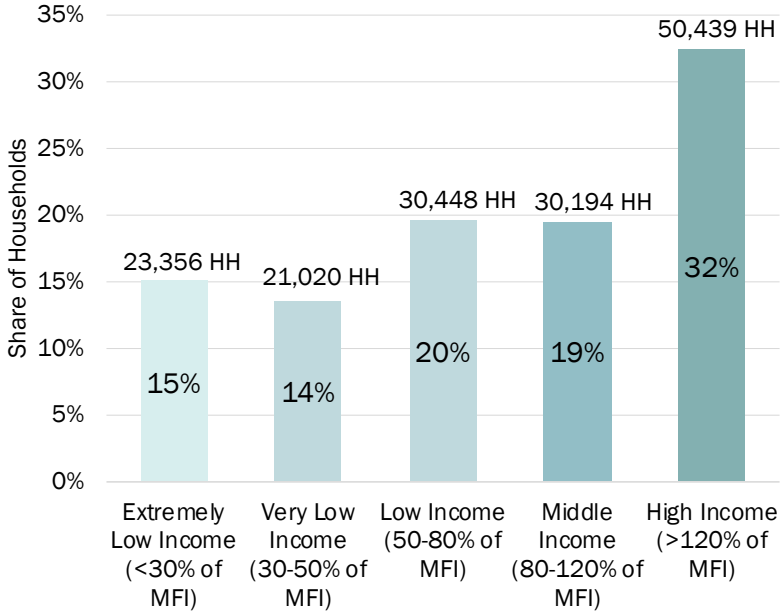
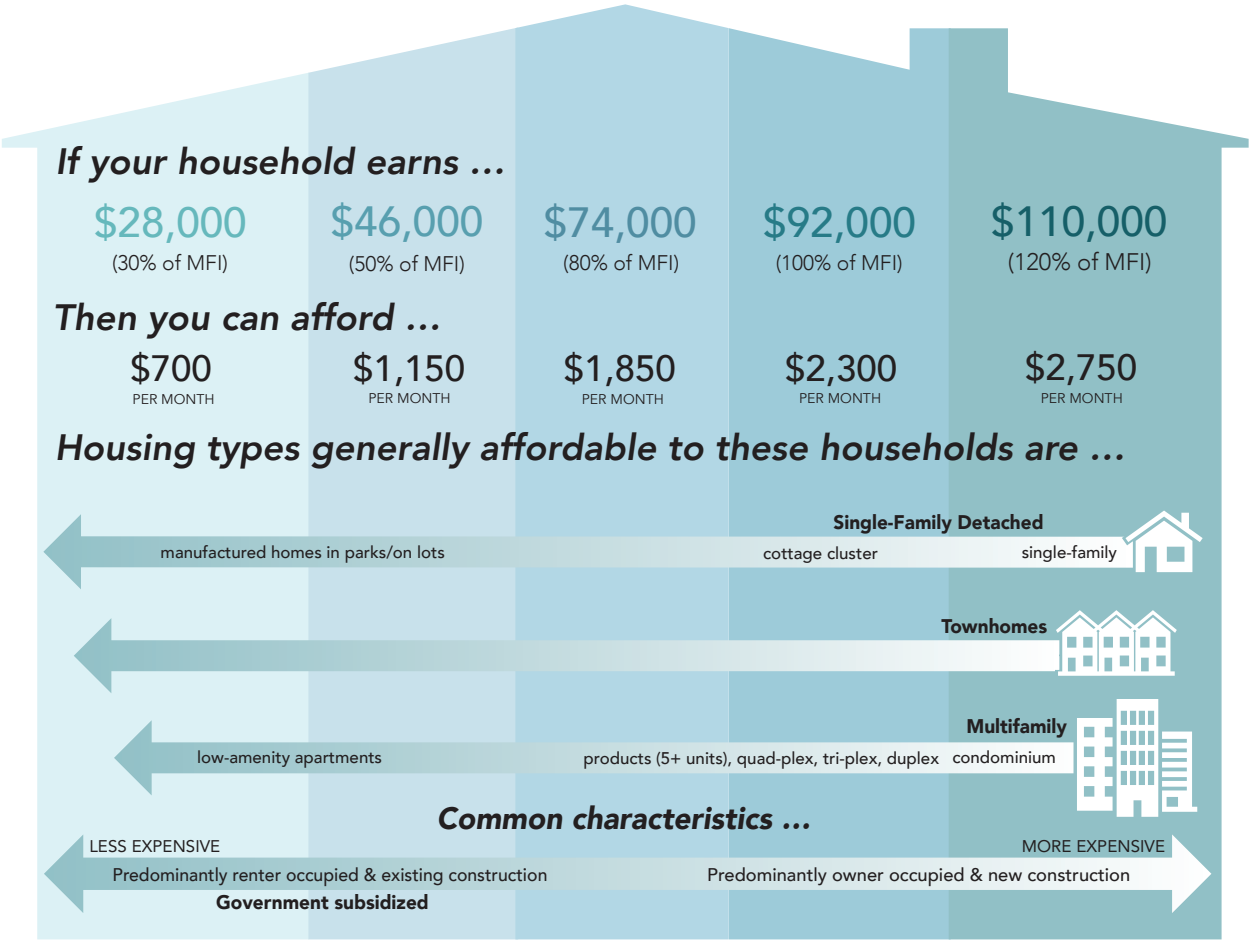


Exhibit 59 illustrates the types of financially attainable housing by income level. Generally speaking, lower-income households will be renters occupying existing housing. Newly built housing will be a combination of renters (most likely in multifamily housing) and homeowners. The types of housing affordable for the lowest-income households are limited to government-subsidized housing, manufactured housing, lower-cost single-family housing, and multifamily housing. The range of financially attainable housing increases with increased income.

Exhibit 59. Types of Financially Attainable Housing by Median Family Income (MFI) for Clackamas County ($92,100), Oregon City, 2020

Source: U.S. Department of Housing and Urban Development, Clackamas County, 2020. *Note: MFI is Median Family Income; Clackamas County MFI is determined by HUD for the Portland MSA.*



5. Housing Need in Oregon City

Project New Housing Units Needed in the Next 20 Years

The results of the Housing Needs Analysis are based on (1) Metro's official household forecast for growth in Oregon City over the 20-year planning period, (2) information about Oregon City's housing market relative to Clackamas County and the Portland region, and (3) the demographic composition of Oregon City's existing population and expected long-term changes in the demographics of Clackamas County.

Forecast for Housing Growth

A 20-year household forecast (in this instance for 2021 to 2041) is the foundation for estimating the number of new dwelling units needed. The forecast for Oregon City is based on Metro's 2050 Household Distributed Forecast, 2021. Oregon City's city limits and UGB areas[40] will grow from 14,778 households in 2021[41] to 22,213 households in 2041, an increase of 7,435 households.[42]

Oregon City will have demand for 7,435 new dwelling units over the 20-year period, with an annual average growth of 372 dwelling units.

Exhibit 60. Forecast of Demand for New Dwelling Units, Oregon City Planning Area, 2021 to 2041[43]
Source: Metro's *2050 Household Distributed Forecast*, March 2021. Calculations by ECONorthwest.

Variable	New Dwelling Units (2021-2041)		
	City Limits	UGB Areas	Oregon City Planning Area (Total)
Household Forecast 2021	13,796	982	14,778
Household Forecast 2041	19,588	2,625	22,213
Total New Dwelling Units (2021-2041)	**5,792**	**1,643**	**7,435**
Annual Average of New Dwelling Units	**290**	**82**	**372**

[40] The UGB areas include the forecasted household growth in TAZs 726, 733, and 740.

[41] Metro's *2050 Household Distributed Forecast* shows that in 2020 the Oregon City city limits and UGB areas had 14,492 households. The Metro forecast shows these areas growing to 24,207 households in 2045, an average annual growth rate of 2.1% for the 25-year period. Using this growth rate, ECONorthwest extrapolated the forecast to 2021 (14,778 households) and 2041 (22,213 households).

[42] This forecast is based on Oregon City city limits' and UGB areas' official household forecast from Metro for the 2021 to 2041 period.

[43] The dwelling unit forecast shown in Exhibit 60 includes the forecast for Oregon City's planning area, which includes the city limits and urban growth management area. The reason for inclusion forecast of new dwelling units in these TAZ is that Oregon City has large areas that are currently planned for housing growth that are outside the city limits and will be annexed into the city. These include the South End Concept Plan and the Park Place Concept Plan areas. These areas are included in the buildable land inventory, requiring including the growth expected in these areas in the forecast for new dwelling units in Exhibit 60.

Housing Units Needed

Exhibit 60 and Exhibit 61 presents a forecast of new housing in Oregon City's Planning Area for the 2021 to 2041 period. This section determines the mix and density needed to meet State requirements (OAR 660-007) and meet the housing needs of Oregon City residents.

The preliminary conclusion for Oregon City is that, over the next 20-years, the need for new housing developed in Oregon City will generally include a wider range of housing types and housing that is more affordable. This conclusion is based on the following findings:

- **Oregon City's housing mix, like Clackamas County's, is predominately single-family detached.** In the 2015-2019 period, 73% of Oregon City's housing was single-family detached, 7% was single-family attached, 6% was duplexes, triplexes, and quadplexes, and 13% was multifamily.
- **Demographic changes across the Portland Region (and in Oregon City) suggest increases in demand for single-family attached housing and multifamily housing.** The key demographic trends that will affect Oregon City's future housing needs are:
  - *The Baby Boomer's population is continuing to age.* The changes that affect Oregon City's housing demand as the population ages are that household sizes and homeownership rates decrease. The majority of Baby Boomers are expected to remain in their homes as long as possible, downsizing or moving when illness or other issues cause them to move. Demand for specialized senior housing, such as age-restricted housing or housing in a Continuum of Care from independent living to nursing home care, may grow in Oregon City.
  - *Millennials* and *Generation Z will continue to form households and make a variety of housing choices.* As Millennials and Generation Z age, generally speaking, their household sizes will increase, and their homeownership rates will peak by about age 55. Between 2020 and 2040, Millennials and Generation Z will be a key driver in demand for housing for families with children. The ability to attract these younger households will depend on the City's availability of affordable renter and ownership housing. It will also depend on the location of new housing in Oregon City as many Millennials prefer to live in more walkable neighborhoods.[44] The decline in homeownership among the Millennial generation has more to do with financial barriers rather than the preference to rent.[45] Housing preferences for Generation Z are not yet known but it is reasonable that they will also need affordable housing, both for rental and later in life for ownership.
  - *Latinx population will continue to grow.* Latinx population growth will be an important driver in growth of housing demand, both for owner- and renter-occupied housing.

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

[45] Ibid.

Growth in the Latinx population will drive demand for housing for families with children. Latinx households are disproportionately cost burdened when compared to the statewide average, in part because of lower household incomes. Growth in Latinx households will also drive demand for affordable housing, both for ownership and renting, both for smaller units for one- and two-person households but also for larger family households, including multigenerational households.

- **About 35% of Oregon City's households are cost burdened (paying 30% or more of their household income on housing costs).**[46] About 50% of Oregon City's **renters** are cost burdened and about 28% of Oregon City's **homeowners** are cost burdened. Cost burden rates in Oregon City are very similar to those in the Portland Region.
- **About 33% of Oregon City's households are renters, 58% of whom live in multifamily housing.** Median rents in Oregon City are $1,053 per month, compared to the $1,091 median rent for Clackamas County as a whole.
  - A household earning 50% of Clackamas County's median family income ($46,000) could afford about $1,150 per month in rent, compared with the average effective rent of $1,350. However, about 19% of Oregon City's housing stock is multifamily (2+ units), compared to 32% of the housing in the Portland Region. The comparatively small share of multifamily units may constrain opportunities to rent in Oregon City.
- **Housing sales prices increased in Oregon City over the last three years at a slightly faster rate than entire County.** From April 2016 to April 2021, the median housing sale price increased by $194,600 (65%), from $352,000 to $545,000.[47] At the same time, the median housing home sale price in Clackamas County increased by $171,700 (56%), from $371,000 to $542,000.[48] Oregon City has a lower average rent than other nearby jurisdictions, but the city's home prices are higher than most jurisdictions, Clackamas County, and the Portland Region overall.
  - A household earning 100% of Clackamas County's median family income could afford a home valued between about $322,000 to $368,000, which is less than the median home sales price of about $545,000 in Oregon City. A household can start to afford median home sale prices at about 148% of Oregon City's median household income.

These factors suggest that Oregon City needs a broader range of housing types with a wider range of price points than are currently available in Oregon City's housing stock. This includes providing opportunity for development of housing types such as: smaller single-family

[46] The Department of Housing and Urban Development's guidelines indicate that households paying more than 30% of their income on housing experience "cost burden," and households paying more than 50% of their income on housing experience "severe cost burden."

[47] Redfin

[48] Redfin.

detached housing (e.g., cottages or small-lot single-family detached units), townhouses, duplexes and quad-plexes, small apartment buildings, and larger apartment buildings.

Exhibit 61 presents a forecast for housing growth in the Oregon City's city limits during the 2021 to 2041 period. The projection is based on the following assumptions:

- Metro's growth forecast show that Oregon City will need 7,435 new dwelling units over the 20-year period.
- The assumptions about the mix of housing in Exhibit 61 are consistent with the requirements of OAR 660-007[49]:
  - **About 50% of new housing will be single-family detached**, **in medium and low-density areas**, a category which includes manufactured housing and cottage clusters. In 2015-2019, 73% of Oregon City's housing was single-family detached. Single-family detached housing includes traditional single-family detached units, manufactured homes (on individual lots and in parks), accessory dwelling units, and other detached housing types such as cottage housing.
  - **Nearly 20% of new housing will be single-family attached units in low, medium, and high-density areas.** In 2015-2019, 7% of Oregon City's housing was single-family attached. Single-family attached housing includes townhouses and row houses.
  - **About 10% of new housing will be duplexes, triplexes, and quadplexes in low, medium, and high-density areas.** In 2015-2019, 6% of Oregon City's housing was duplexes, triplexes, and quadplexes.
  - **About 30% of new housing will be in multifamily buildings with five or more units in high density and mixed-use areas**. In 2015-2019, 13% of Oregon City's housing was multifamily in structures with five or more units.

The City recently updated its zoning code to allow for a greater variety of housing types and remove and reduce barriers within the development regulations for missing middle housing. Corner duplexes, internal conversions, accessory dwelling units, and cottage clusters are allowed outright in low density areas. Duplexes, tri-plexes, quad-plexes, and single-family attached units are also permitted outright in medium density areas. Duplexes, tri-plexes, quad-plexes, attached housing, and internal conversions are processed with clear and objective standards in the same manner as a detached single-family home. In addition, the code redefined multifamily housing from structures with three or more units, to structures with five or more units per lot. The City is currently going through a process to review the zoning code for compliance with HB 2001, which will result in additional opportunities for housing types.

[49] OAR 660-007-0030(1) requires that most Metro cities "…provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing…"

Oregon City will have demand for 7,435 new dwelling units over the 20-year period, 50% of which are forecast to be single-family detached housing.

Exhibit 61. Forecast of Demand for New Dwelling Units, Oregon City Planning Area, 2021 to 2041
Source: Calculations by ECONorthwest. DU = Dwelling Unit

Variable	Mix of New Housing Units (2021-2041)
Needed new dwelling units (2021-2041)	7,435
Single-family detached	
Percent single-family detached DU	50%
equals Total new single-family detached DU	3,717
Single-family attached	
Percent single-family attached DU	20%
equals Total new single-family attached DU	1,487
Duplex, Triplex, Quadplex	
Percent duplex, triplex, quadplex	10%
equals Total new duplex, triplex, quadplex DU	744
Multifamily (5 or more units)	
Percent multifamily	20%
Total new multifamily DU	1,487
equals Total new dwelling units (2021-2041)	**7,435**

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

Exhibit 62 allocates housing to plan designations in Oregon City. The allocation is based, in part, on the types of housing allowed in the zones of each plan designation.

Exhibit 62 shows:

- **Low Density Residential (R-10, R-8, R-6)** land will accommodate new single-family detached housing, accessory dwelling units, internal conversions, corner duplexes, and cluster housing. Single-family attached are allowed with a Master Plan. The City will review allowing duplexes, triplexes, and quadplexes in these zones, as part of complying with HB 2001.
- **Medium Density Residential (R-3.5, R-5)** land will accommodate new single-family detached housing, accessory dwelling units, internal conversions, duplexes, corner duplexes, single-family attached, tri-plexes, quad-plexes, and cluster housing. Multi-family is allowed in a Master Plan.
- **High Density Residential (R-2)** land will accommodate accessory dwelling units for existing single-family detached units, internal conversions, duplexes, corner duplexes, single-family attached units, triplexes, quadplexes, cluster housing, and multifamily housing.

- **Mixed Use (MUD, MUC 1, MUC 2, NC, HC, WFDD)** land, depending on the zone, will accommodate townhouses, duplexes, triplexes, quadplexes, multifamily with five or more units, and live/work units.

Exhibit 62. Allocation of Housing by Housing Type and Plan Designation, Oregon City Planning Area, 2021 to 2041
Source: ECONorthwest.

Housing Type Allocations	Plan Designations				Total
	Low Density	Medium Density	High Density	Mixed Use	
Dwelling Units					
Single-family detached	2,007	1,710	-	-	3,717
Single-family attached	74	967	446	-	1,487
Duplex, Triplex, Quadplex	35	333	153	223	744
Multifamily (5+ units)	-	149	678	660	1,487
Total	**2,116**	**3,159**	**1,277**	**883**	**7,435**
Percent of Units					
Single-family detached	27%	23%	0%	0%	50%
Single-family attached	1%	13%	6%	0%	20%
Duplex, Triplex, Quadplex	0%	4%	2%	3%	10%
Multifamily (5+ units)	0%	2%	9%	9%	20%
Total	**28%**	**42%**	**17%**	**12%**	**100%**

Exhibit 63 converts between net acres and gross acres[50] to account for land needed for rights-of-way by plan designation in Oregon City, based on Metro's methodology of existing rights-of-way. [51]

- **Low Density Residential:** Average density in this plan designation was historically 5.3 dwelling units per net acre. The density shown for low density residential in Exhibit 63 includes a 3% increase (5.4 dwelling units per net acre) from the historic density, consistent with the density changes allowed for complying with HB 2001.[52] This results in assuming a 5.4 future density in tax lots smaller than 0.38 acres, as no land is needed for rights-of-ways based on Metro's assumptions. For lots between 0.38 and 1.0 acres the

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

[51] Metro's methodology about net-to-gross assumptions are that: (1) tax lots under 3/8 acre assume 0% set aside for future streets; (2) tax lots between 3/8 acre and 1 acre assume a 10% set aside for future streets; and (3) tax lots greater than an acre assumes an 18.5% set aside for future streets. The analysis assumes an 18.5% assumption for future streets.

[52] Oregon City plans to comply with HB2001 and has recently made a variety of amendments to the development code to allow more housing types. The City is currently working through the process of making adjustment to comply with HB 2001 which will be implemented by July 2022.

future density will be 4.9 dwelling units per gross acre and for lots larger than 1.0 acres the future density will be 4.4 dwelling units per gross acre.

- **Medium Density Residential:** Average density in this plan designation was historically 10.7 dwelling units per net acre. The density shown for medium density residential in Exhibit 63 includes a 3% increase (11.0 dwelling units per net acre) from the historic density, consistent with the density changes allowed for complying with HB 2001.[53] This results in assuming a 11.0 future density in tax lots smaller than 0.38 acres, as no land is needed for rights-of-ways based on Metro's assumptions. For lots between 0.38 and 1.0 acres the future density will be 9.9 dwelling units per gross acre and for lots larger than 1.0 acres the future density will be 9.0 dwelling units per gross acre.
- **High Density Residential:** Average density in this plan designation was historically 21.8 per net acre. For lots smaller than 0.38 acres, the future density will be 21.8 dwelling units per gross acre. For lots between 0.38 and 1.0 acres the future density will be 19.6 dwelling units per gross acre and for lots larger than 1.0 acres the future density will be 17.8 dwelling units per gross acre.
- **Mixed Use:** Average density in this plan designation was historically 19.8 dwelling units per net acre in tax lots smaller than 0.38 acres and no land is needed for rights-of-ways based on Metro's assumptions. For lots between 0.38 and 1.0 acres the future density will be 17.9 dwelling units per gross acre and for lots larger than 1.0 acres the future density will be 16.2 dwelling units per gross acre.

Exhibit 63. Future Housing Densities and Land for Rights-of-Way, Oregon City Planning Area
Source: ECONorthwest. *Note: DU is dwelling unit.*

Plan Designation	Tax Lots Smaller than 0.38 acre			Tax Lots ≥ 0.38 and ≤ 1.0 acre			Tax Lots larger than 1.0 acre		
	Net Density (DU/net acre)	% for Rights-of-Way	Gross Density (DU/gross acre)	Net Density (DU/net acre)	% for Rights-of-Way	Gross Density (DU/gross acre)	Net Density (DU/net acre)	% for Rights-of-Way	Gross Density (DU/gross acre)
Low Density Residential	5.4	0%	5.4	5.4	10%	4.9	5.4	18.5%	4.4
Medium Density Residential	11.0	0%	11.0	11.0	10%	9.9	11.0	18.5%	9.0
High Density Residential	21.8	0%	21.8	21.8	10%	19.6	21.8	18.5%	17.8
Mixed Use	19.8	0%	19.8	19.8	10%	17.9	19.8	18.5%	16.2

[53] Oregon City plans to comply with HB2001 and has recently made a variety of amendments to the development code to allow more housing types. The City is currently working through the process of making adjustment to comply with HB 2001 which will be implemented by July 2022.

Housing Need by Income Level

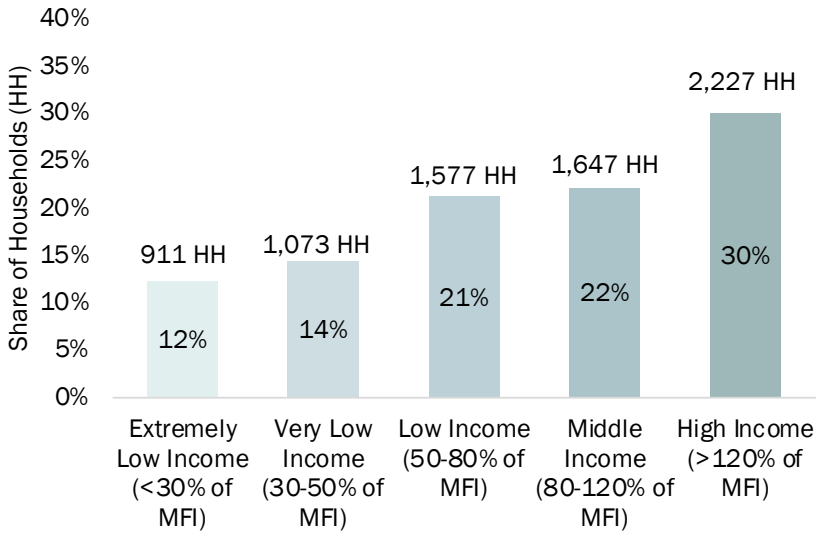
The next step in the housing needs analysis is to develop an estimate of need for housing by income and housing type. This analysis requires an estimate of the income distribution of current and future households in the community. Estimates presented in this section are based on (1) secondary data from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

Exhibit 64 based on American Community Survey data about income levels for existing households in Oregon City. Income is categorized into market segments consistent with HUD income level categories, using Clackamas County's 2020 Median Family Income (MFI) of $92,100. Exhibit 64 is based on current household income distribution, assuming that approximately the same percentage of households will be in each market segment in the future.[54]

About 26% of Oregon City's future households will have income below 50% of Clackamas County's median family income (less than $46,000 in 2020 dollars) and about 43% will have incomes between 50% and 120% of the county's MFI (between $46,000 and $110,000).

Exhibit 64. Future (New) Households, by Median Family Income (MFI) for Clackamas County ($92,100), Oregon City Planning Area, 2021 to 2041

Source: U.S. Department of Housing and Urban Development. U.S. Census Bureau, 2015-2019 ACS Table 19001.



[54] For example, 30% of Oregon City's households had income above 120% of the Clackamas County Median Family Income in 2015-2019. This analysis assumes that 30% of the 7,435 new households that grow in Oregon City 2021-2041 will have incomes over 120% of the Clackamas County Median Family Income.

Need for Government Assisted, Farmworker, and Manufactured Housing

ORS 197.303, 197.307, 197.312, and 197.314 requires cities to plan for government-assisted housing, farmworker housing, manufactured housing on lots, and manufactured housing in parks (communities).

- **Government-subsidized housing.** Government subsidies can apply to all housing types (e.g., single family detached, apartments, etc.). Oregon City allows development of government-assisted housing in all residential plan designations, with the same development standards for market-rate housing. This analysis assumes that Oregon City will continue to allow government housing in all of its residential plan designations. Because government assisted housing is similar in character to other housing (with the exception being the subsidies), it is not necessary to develop separate forecasts for government-subsidized housing.
- **Farmworker housing.** Farmworker housing can also apply to all housing types and the City allows development of farmworker housing in all residential plan designations, with the same development standards as market-rate housing. This analysis assumes that Oregon City will continue to allow this housing in all of its residential plan designations. Because it is similar in character to other housing (with the possible exception of government subsidies, if population restricted), it is not necessary to develop separate forecasts for farmworker housing.
- **Manufactured housing on lots.** Oregon City allows manufactured homes on lots in the zones which single-family detached housing is allowed. Oregon City does not have special siting requirements for manufactured homes. Since manufactured homes are subject to the same siting requirements as site-built homes, it is not necessary to develop separate forecasts for manufactured housing on lots.
- **Manufactured housing in communities.** OAR 197.480(4) requires cities to inventory the mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high-density residential development. According to the Oregon Housing and Community Services' Manufactured Dwelling Park Directory,[55] Oregon City has four manufactured home parks within city limits,[56] with 345 spaces. Oregon City has two manufactured home parks within the UGB,[57] with 540 spaces.[58] The proposed code amendments will allow an opportunity for new manufactured housing parks to be created as well as expansion of existing facilities.

[55] Oregon Housing and Community Services, Oregon Manufactured Dwelling Park Directory, http://o.hcs.state.or.us/MDPCRParks/ParkDirQuery.jsp

[56] Clairmont, Mt. Pleasant, Cherry Lane, and Char Diaz Estate

[57] Forest Park, Country Village

[58] City of Oregon City, with space count from Oregon Housing and Community Services, Oregon Manufactured Dwelling Park Directory, http://o.hcs.state.or.us/MDPCRParks/ParkDirQuery.jsp

ORS 197.480(2) requires Oregon City to project need for manufactured dwelling communities based on: (1) population projections, (2) household income levels, (3) housing market trends, and (4) an inventory of manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high density residential.

- Exhibit 60 shows that Oregon City will need 7,435 dwelling units over the 2021 to 2041 period.
- Analysis of housing affordability shows that about 27% of Oregon City's new households will be extremely- or very-low income, earning 50% or less of the region's median family income. One type of housing affordable to these households is manufactured housing.
- Manufactured housing in communities accounts for about 2.5% (about 345 dwelling units) of Oregon City's current housing stock.
- National, state, and regional trends since 2000 showed that manufactured housing parks are closing, rather than being created. For example, between 2000 and 2015, Oregon had 68 manufactured parks close, with more than 2,700 spaces.
- The households most likely to live in manufactured homes in parks are those with incomes between $27,630 and $46,050 (between 30% to 50% of MFI), which include 14% of Oregon City's households. However, households in other income categories may live in manufactured homes in parks
- The national and state trends of the closure of manufactured home parks, and the fact that no new manufactured home parks have opened in Oregon in over the last 15 years, demonstrate that development of new manufactured home parks in Oregon City is unlikely. However, some existing parks in Oregon City have expanded to increase the number of spaces in the park.
- If the City does have need for a new manufactured home park, that would be for about 145 new units (2.5% of new units), which at about 10 to 12 dwelling units per acre (based on standards for single-family dwellings in the R-3.5 zone) will need 12 to 15 acres of land. Oregon City can accommodate this in their existing vacant buildable land base in the Medium Density Residential plan designation.
- Our conclusion from this analysis is that development of new manufactured home parks in Oregon City (and most of the Portland Region) over the planning period is unlikely. It is, however, likely that manufactured homes will continue to locate on individual lots in Oregon City, and existing parks may reconfigure to accommodate more units. The forecast of housing assumes that no new manufactured home parks will be opened in Oregon City over the 2021 to 2041 period. The forecast includes new manufactured homes on lots in the category of single-family detached housing.
- Over the next 20 years (or longer) one or more manufactured home parks may close in Oregon City. This may be a result of manufactured home park landowners selling

or redeveloping their land for uses with higher rates of return, rather than lack of demand for spaces in manufactured home parks. Manufactured home parks contribute to the supply of low-cost affordable housing options, especially for affordable homeownership.

- In addition to statewide regulation of the closure of manufactured home parks designed to lessen the financial difficulties of this closure for park residents, Oregon City also has locally adopted manufactured home park closure regulations. In the case of manufactured home park closures, the City has a role to play in ensuring that there are opportunities for housing for the displaced residents. The City's primary roles are to ensure that there is sufficient land zoned for new multifamily housing and to reduce barriers to residential development to allow for development of new, relatively affordable housing. The City may use a range of policies to encourage development of relatively affordable housing, such as allowing a wider range of moderate density housing (e.g., duplexes or 3-4 plexes) in the Low-Density and Medium-Density zones, designating more land for multifamily housing, removing barriers to multifamily housing development, using tax credits to support affordable housing production, developing an inclusionary zoning policy, or partnering with a developer of government-subsidized affordable housing.

6. Oregon City's Residential Land Sufficiency

This section presents an evaluation of the sufficiency of vacant residential land in Oregon City to accommodate expected residential growth over the 2021 to 2041 period. This section includes an estimate of residential development capacity (measured in new dwelling units) and an estimate of Oregon City's ability to accommodate needed new housing units for the 2021 to 2041 period, based on the analysis in the housing needs analysis.

Capacity Analysis

The comparison of supply (buildable land) and demand (population and growth leading to demand for more residential development) allows the determination of land sufficiency.

There are two ways to calculate estimates of supply and demand into common units of measurement to allow their comparison: (1) housing demand can be converted into acres, or (2) residential land supply can be converted into dwelling units. A complication of either approach is that all land has different characteristics – factors such as zone, slope, parcel size, and shape can affect the land's ability to accommodate housing. Methods that recognize this fact are more robust and produce more realistic results. This analysis uses the second approach: it estimates the ability of vacant residential lands within the city limits to accommodate new housing. This analysis, sometimes called a "capacity analysis,"[59] can be used to evaluate different ways that vacant residential land may build out by applying different assumptions.

Oregon City Capacity Analysis Results for Vacant and Partially Vacant Land

The capacity analysis estimates the development potential of vacant residential land to accommodate new housing, based on the needed densities by the housing type categories shown in Exhibit 63.

Exhibit 65 shows that **vacant land in Oregon City's Planning Area has capacity to accommodate approximately 7,266 new dwelling units**, based on the following assumptions:

- **Vacant and partially vacant buildable residential land.** The capacity estimates start with the number of buildable acres in residential plan designations and zones that allow residential uses.

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

- **Residential densities.** The capacity analysis assumes development will occur at historical densities. Those densities were derived from the densities shown in Exhibit 63.
- **Average net density.** Exhibit 65 shows capacity and densities in gross acres. OAR 660-007 requires that Oregon City provide opportunity for development of housing at an overall average density of eight dwelling units per net acre. The average net density of buildable residential land in Exhibit 65 is 9.5 dwelling units per net acres and 8.0 dwelling units per gross acre.
- **Capacity on mixed use land.** The estimate of capacity includes land in the mixed use plan designations (including zones that allow residential uses). Because not all mixed use land will develop as a residential use, we assumed that 70% of the buildable land in the mixed use plan designation will develop as residential.

Exhibit 65. Estimate of Residential Capacity on Unconstrained Vacant and Partially Vacant Buildable Land, Oregon City Planning Area, 2021 to 2041

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

Plan Designation	Tax Lots Smaller than 0.38 acre			Tax Lots ≥ 0.38 and ≤ 1.0 acre			Tax Lots larger than 1.0 acre			Total, combined	
	Buildable Acres	Density Assumption (DU/gross acre)	Capacity (Dwelling Units)	Buildable Acres	Density Assumption (DU/gross acre)	Capacity (Dwelling Units)	Buildable Acres	Density Assumption (DU/gross acre)	Capacity (Dwelling Units)	Buildable Acres	Capacity (Dwelling Units)
Low Density Residential	77	5.4	415	95	4.9	465	281	4.4	1,236	453	2,116
Medium Density Residential	23	11.0	253	39	9.9	386	280	9.0	2,520	342	3,159
High Density Residential	1	21.8	21	1	19.6	19	60	17.8	1,068	62	1,108
Mixed Use	3	19.8	55	7	17.9	125	43	16.2	703	53	883
Total	**104**	**-**	**744**	**142**	**-**	**995**	**664**	**-**	**5,527**	**910**	**7,266**

Residential Land Sufficiency

The next step in the analysis of the sufficiency of residential land within Oregon City is to compare the demand for housing by plan designation (Exhibit 62) with the capacity of land by plan designation (Exhibit 65).

Exhibit 66 shows that Oregon City has sufficient land to accommodate development all plan designations.

- Low density residential and medium density residential plan designations have enough land to accommodate growth, with no surplus or deficit of capacity.
- High density residential does not enough land to accommodate growth, with a deficit of 169 dwelling units of capacity, or 8 acres.
- Mixed use has enough land to accommodate growth, assuming that 70% of the buildable land in this plan designation will develop with residential uses.

Exhibit 66. Comparison of Capacity of Existing Residential Land with Demand for New Dwelling Units and Land Surplus or Deficit, Oregon City, City Limits, 2021 to 2041
Source: Buildable Lands Inventory; Calculations by ECONorthwest. *Note: DU is dwelling unit.*

Plan Designation	Capacity (Dwelling Units)	Demand (Dwelling Units)	Comparison (Capacity minus Demand)	Land Surplus or Deficit (Gross Acres)
Low Density Residential	2,116	2,116	0	0
Medium Density Residential	3,159	3,159	0	0
High Density Residential	1,108	1,277	(169)	(8)
Mixed Use	883	883	0	0
Total	**7,266**	**7,435**		

Findings and Recommendations

The key findings of the Oregon City Housing Needs Analysis are that:

- **Finding: Growth in housing will be driven by growth in households.** The number of households in Oregon City's Planning Area is forecast to grow from 14,778 households to 22,213 households, an increase of 7,435 households between 2021 and 2041.
- **Finding: Oregon City is planning for growth of 7,435 new dwelling units.** To accommodate the 7,435 dwelling units over the 20-year planning period, Oregon City will average 372 new dwelling units annually, and will plan for more single-family attached and multifamily dwelling units in the future to meet the city's housing needs. Historically, about 73% of Oregon City's housing was single-family detached. New housing in Oregon City is forecast to be 50% single-family detached, 20% single-family attached, 10% duplexes, triplexes, and quadplexes, and 20% multifamily. This housing mix both meets the requirements for housing mix for cities in Metro (OAC 660-007) and is supported by the changes in the housing market described below.

  The factors driving the shift in types of housing needed in Oregon City include changes in demographics and decreases in housing affordability. The aging of senior populations and the household formation of young adults will drive demand for renter and owner-occupied housing, such as small single-family detached housing, townhouses, duplexes, and apartments/condominiums. Both groups may prefer housing in walkable neighborhoods, with access to services.

  - **Recommendation**: Oregon City should monitor land available in all plan designations, as there is no surplus (or deficit) of land in the low and medium density residential plan designations. Additionally, the City may look for opportunities for redevelopment on underutilized land to address the deficit of high density residential land and limited capacity of mixed use land.
- **Oregon City is meeting Metro's requirements for net density and housing mix.** OAR 660-007-0035 sets specific density targets for cities in the Metro UGB. Oregon City's average density target is eight dwelling units per net buildable acre. Based on the findings in Chapter 6, Oregon City is exceeding this average density target at an average net density of 9.5 dwelling units per net acre.

  OAR 660-007 also requires that cities within the Metro UGB "provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing." Chapter 5 shows that for the 2021-2041 planning period Oregon City is assuming that 20% of new dwelling units will be single-family attached, 10% of new units will be duplexes, triplexes, or quadplexes, and 20% of new units will be multifamily.

- **Recommendation:** Oregon City should continue to monitor future development to evaluate resulting densities and housing mix in comparison to the planned units described in this report.

- **Finding: Oregon City has unmet need for affordable housing.** About 34% of Oregon City's households are cost burdened, with 50% of renters cost burdened and 28% of owners cost burdened. Oregon City's level of cost burden is similar to other communities in Clackamas County. Oregon City's unmet housing needs include:

  Renter housing. The average asking rent for multifamily housing in Oregon City in 2021 was about $1,350, which is affordable to households earning about 60% of the median family income (about $55,200). About one-third of Oregon City's households have incomes below this level and cannot afford the average rent. As shown in the rates of cost burden, many of these renter households are cost burdened. Oregon City will continue to have unmet renter housing needs, both for existing households and for new households.

  Owner-occupied housing. The median home sales price in April 2021 was about $545,000, which is affordable to households earning about 148% of the median family income (about $136,300). Oregon City is one of the less affordable cities for homeownership in the Portland region, households at middle and high incomes (between $74,000 to $110,000) are less able to afford housing in Oregon City. One way to increase the supply of affordable owner-occupied housing is to increase opportunities for development of the middle-income housing described above.

  - **Recommendation**: Without diversification of housing types, lack of affordability will continue to be a problem, possibly growing in the future if incomes continue to grow at a slower rate than housing costs. Under the current conditions, 1,545 of the forecasted new households will have incomes of $46,000 (in 2020 dollars) or less (50% of MFI income or less). These households cannot afford market-rate housing without government subsidy. Another 1,228 new households will have incomes between $46,000 and $74,000 (50% to 80% of MFI).

    Oregon City will need to provide opportunities for affordable housing development for both rental and ownership over the 20-year period, and the City should look for opportunities for affordable housing development for all housing types.

- **Finding: Oregon City will need to meet the requirements of House Bill 2001.** The legislature passed House Bill 2001 in the 2019 Legislative Session. The bill requires cities within the Metro UGB to allow "middle" housing types in low-density residential zones. The bill defines middle housing types as duplexes, triplexes, quadplexes, cottage clusters, and townhouses.

  - **Recommendation**: The City should continue the process of developing and adopting zoning code to comply with these requirements.

- **Finding: Oregon City is currently in the process of a Comprehensive Plan Update.** This 2021 HNA report presents updated information related to Oregon City's Housing

Element of the Comprehensive Plan. Additionally, changes in Oregon City's demographics have presented a need for a greater variety of housing types. In 2019, Oregon City participated in a preliminary housing needs analysis process through the development of the Clackamas County Housing Needs Analysis. This report builds on the information presented for Oregon City in that project and provides updated data where necessary.

- **Recommendation**: Oregon City should adopt this HNA report as an appendix to the Comprehensive Plan. HB 2003 requires that Oregon City update its HNA every six years to analyze what housing is needed for current and future residents for a 20-year period.

  Oregon City has identified a project to start within a year to look at non-zoning strategies to support the development of housing (including affordable housing). This initial study will allow the consideration of additional tools and partnerships in advance of a Housing Production Strategy (HPS) according to the guidance in HB 2003. An HPS includes consideration of additional information about the housing needs of underserved communities and engagement with underserved communities about potential approaches to meeting their needs.

Overall, Oregon City has worked to increase the supply of housing over the past few years by removing and reducing barriers in the zoning code and allowing a wider variety of housing types throughout the City. Though there is no need to rezone land for housing based on this analysis, the City should continue to watch the supply of housing and look for opportunities to increase types of housing and affordability. Affordability of housing will continue to be challenging for many in Oregon City over the long-run.

Appendix A: Buildable Lands Inventory Methodology

A key initial component of the Housing Needs Analysis is conducting a buildable lands inventory (BLI). This appendix summarizes the methods ECONorthwest used to conduct the residential BLI for Oregon City.

Oregon Administrative Rules provide guidance on conducting residential BLIs:

> **OAR 660-008-0005(2):**
>
> *"Buildable Land" means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses. Publicly owned land is generally not considered available for residential uses. Land is generally considered "suitable and available" unless it:*
>
> > *(a) Is severely constrained by natural hazards as determined under Statewide Planning Goal 7;*
> >
> > *(b) Is subject to natural resource protection measures determined under Statewide Planning Goals 5, 6, 15, 16, 17 or 18;*
> >
> > *(c) Has slopes of 25 percent or greater;*
> >
> > *(d) Is within the 100-year flood plain; or*
> >
> > *(e) Cannot be provided with public facilities.*

The methods used for conducting the Oregon City BLI are consistent with Oregon statutes. The Oregon City BLI presented in this analysis aligns with the methods and definitions in the 2019 Clackamas County Regional Housing Needs Analysis, with updated classifications to reflect development since 2019.

Methodology

The BLI is based on the data and methods used by Metro. Metro is required to complete a BLI for land within the regional UGB every six years. The agency finished an updated BLI (based on 2016 data) in November 2018 for the 2018 Urban Growth Report (UGR). The methods used for inventorying lands in Oregon City attempt to be consistent with Metro's results while also updating the results to account for new development since the 2019 BLI was completed for the Clackamas County Regional Housing Needs Analysis and other local conditions, such as unique environmental constraints.

Study Area

The BLI for the Oregon City (city limits and UGB areas) includes all residential land designated in the Comprehensive Plan.[60] ECONorthwest used the tax lot shapefile from Metro's 2018 BLI (2016 tax lot base data), with attention to lots that subdivided since 2016 based on local staff identification. City staff then reviewed these areas and identified lots that should be excluded or included for their jurisdiction based on future planning or errors in GIS data.

Inventory Steps

The BLI consists of several steps:

1. Generating UGB "land base"
2. Classifying land by development status
3. Identify constraints
4. Verify inventory results
5. Tabulate and map results

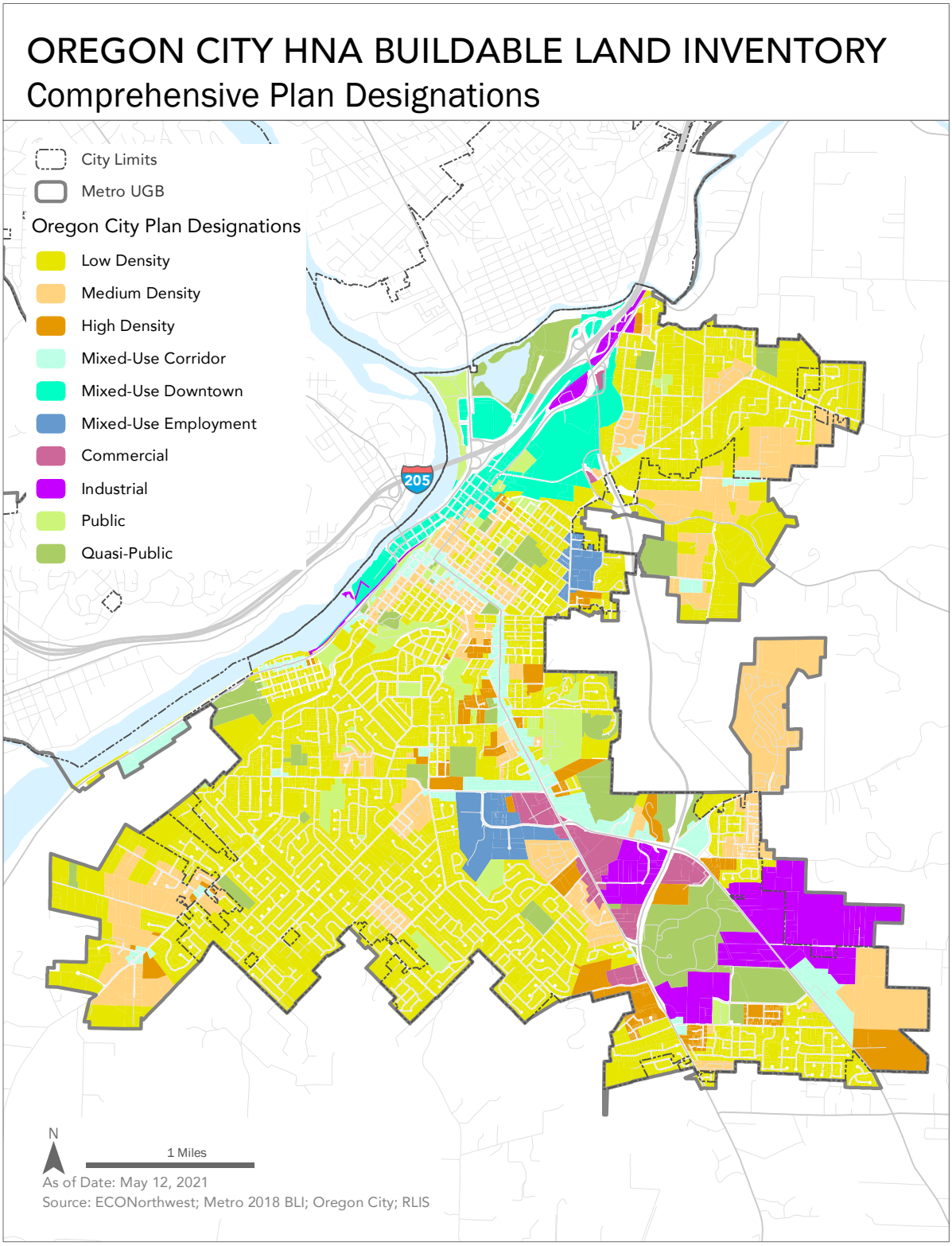
Step 1: Generate "Land Base"

Per Goal 10 this involves selecting all of the tax lots with residential and other nonemployment plan designations where residential uses are planned for and allowed by the implementing zones.

Exhibit 67 shows the residential plan designations included in the BLI.

[60] ECONorthwest reviewed local plan information for Oregon City based on 2020 RLIS data. Residential comprehensive plan designations remained the same since the 2019 BLI.

Exhibit 67. Residential Land Base by Plan Designation, Oregon City, City Limits and UGB Areas, 2020
Source: ECONorthwest.



Step 2: Classify Lands

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

- Vacant
- Partially vacant
- Public
- Developed

ECONorthwest used the classifications determined through Metro's model, as outlined below.

Development Status	Definition	Statutory Authority
Vacant	Tax lots designated as vacant by Metro based on the following criteria: 1) Fully vacant based on Metro aerial photo 2) Tax lots with less than 2,000 square feet developed AND developed area is less than 10% of lot 3) Lots 95% or more vacant from GIS vacant land inventory	OAR 660-008-0006(2) (2) "Buildable Land" means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available, and necessary for residential uses.
Partially Vacant	Single-family tax lots that are 2.5 times larger than the minimum lot size and a building value less than $300,000 **or** lots that are 5 times larger than the minimum lots size (no threshold for building value). These lots are considered to still have residential capacity. For this analysis, we are classifying these lots as partially vacant. We assume that 0.25 acres of the lot is developed, and the remaining land is available for development, less constraints.	OAR 660-008-0006(2)
Public	Lands in public ownership are considered unavailable for residential development. This includes lands in federal, state, county, or city ownership. These lands are identified using Metro's definitions and categories.	OAR 660-008-0005(2) - Publicly owned land is generally not considered available for residential uses.
Developed	Lands not classified as vacant, partially vacant, or public are considered developed.	OAR 660-008-0006(2) (2) "Buildable Land" means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available, and necessary for residential uses.

Step 3: Identify Constraints

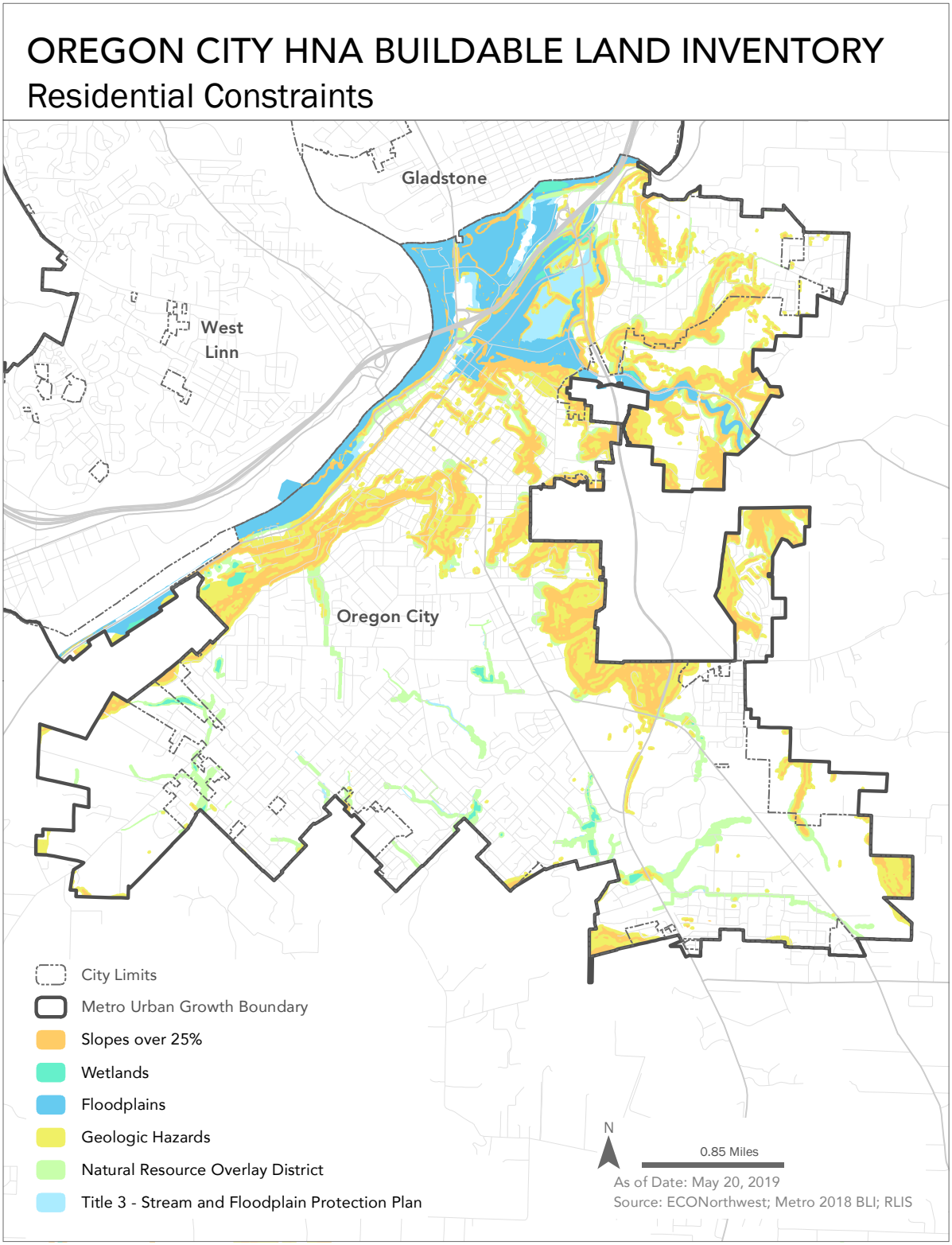
Consistent with OAR 660-008-0005(2) guidance on residential buildable lands inventories, ECONorthwest deducted certain lands with development constraints from vacant lands. Unless cities identified alternative constraints (as identified below), the constraints we used are summarized in the table below.

Constraint	Statutory Authority	Threshold	File name
Goal 5 Natural Resource Constraints			
Regulated wetlands	OAR 660-008-0005(2)	Regulated wetlands	RLIS Wetlands layer
Natural Resources Overlay District	OAR 660-008-0005(2)	Areas in the natural resource overlay district	Overlay district layer
Landslide Hazards	OAR 660-008-0005(2)	Areas in the geologic hazards overlay	Overlay zone layer
Natural Hazard Constraints			
Floodways	OAR 660-008-0005(2	Lands within FEMA FIRM identified floodway	Title 3 floodplain/floodway layer
100-Year Floodplain	OAR 660-008-0005(2	Lands within FEMA FIRM 100-year floodplain	Title 3 floodplain/floodway layer
Steep Slopes	OAR 660-008-0005(2	Slopes greater than 25%	slopes25_Area

These areas are considered as prohibitive constraints (unbuildable) as shown in Exhibit 68. These areas are deducted from lands that are identified as vacant to determine the buildable portion of vacant lots. In addition, we applied any local specific environmental constraints identified by cities that also prohibit the development of vacant lots. These local constraints should clearly limit development potential in the local development code.

The lack of access to water, sewer, power, road or other key infrastructure cannot be considered a prohibitive constraint unless it is an extreme condition. These tax lots are currently unserviced but could potentially become serviced over the twenty-year planning period.

Exhibit 68. Residential Development Constraints, Oregon City, City Limits and UGB Areas, 2020



Step 4: Verification

ECONorthwest used a multistep verification process to review development status in Oregon City. The first verification step included a "rapid visual assessment" of land classifications using GIS and recent aerial photos. The rapid visual assessment involved reviewing classifications overlaid on recent aerial photographs to verify uses on the ground. We reviewed all tax lots included in the inventory using the rapid visual assessment methodology. The second round of verification involved City staff verifying the rapid visual assessment output. We amended the BLI based on City staff review and comments, and the 2020 BLI update (since the 2019 BLI) considered areas developed in the past year based on permit information and local confirmation from City staff.

Step 5: Tabulation and Mapping

The results are presented in tabular and map format in Chapter 2.

OREGON CITY

Planning Division

695 Warner Parrott Road | Oregon City OR 97045
Ph (503) 722-3789 | Fax (503) 722-3880

LEGISLATIVE STAFF REPORT AND RECOMMENDATION

A preliminary analysis of the applicable approval criteria for a legislative proposal is enclosed within the following report.

October 15, 2021

HEARING DATE:	October 25, 2021 - Planning Commission (First Hearing Date)
FILE NUMBER:	GLUA 21-00057 and LEG 21-00004: Legislative Application for Housing Needs Analysis
APPLICANT:	City of Oregon City, PO Box 3040, Oregon City, OR 97045
REQUEST:	The City of Oregon City is proposing to adopt a 2021 Housing Needs Analysis as an ancillary document to the Comprehensive Plan and repeal a previous 2002 housing study.
LOCATION:	Citywide and within Urban Growth Boundary

This legislative application is subject to the Administration and Procedures section of the Oregon City Code set forth in Chapter 17.50. The application and all supporting documents submitted by or on behalf of the applicant are available for inspection at no cost at the Oregon City Planning Division, 695 Warner Parrott Road, during regular business days, 9am- 4pm Monday thru Friday. Copies of these materials may be obtained for a reasonable cost. The staff report, with all the applicable approval criteria, will also be available for inspection seven days prior to the hearing. Any interested party may testify at the public hearing and/or submit written testimony at or prior to the close. Notice of the decision shall be sent to all persons submitting comments and providing a return address. The procedures that govern the hearing will be posted at the hearing and are found in OCMC Chapter 17.50 the City Commission's Rules of Procedure.

I. BACKGROUND:

The enclosed Housing Needs Analysis (HNA) includes housing data and forecasts on demographic and socioeconomic trends to understand how much housing will be need in the future and if we have enough available land to accommodate the community's needs. This technical analysis will help the community understand whether Oregon City has enough land to accommodate growth over the next 20 years and if any housing policy changes are needed.

The housing forecast will repeal and replace the Housing Technical Report (2002), which was adopted in 2004 as an ancillary document to the Comprehensive Plan.

The *Oregon City 2021-2041 Housing Needs Analysis* presents a forecast of future housing growth in Oregon City for the 2021-2041 period. It includes an inventory of buildable residential land within Oregon City and in areas of future expansion for the City (only including areas within the Metro urban growth boundary). The *Housing Needs Analysis* presents information about residential development trends and housing affordability within Oregon City.[1] It provides a foundation for future housing policy decisions.

The draft study found that Oregon City should plan for the growth of 7,435 new dwelling units over the next 20 years. Much of the growth in housing will be driven by growth in households. The City will meet Metro's requirements for net density and housing mix but has a slight shortage of land for high-density housing and an unmet need for affordable housing. The City may address the unmet needs through policies though should continue to monitor housing over time. The study will be used to inform housing policy and projects in the future.

The City Commission recognized a need to support housing options in the City. The study will be used to inform housing policies and actions in the upcoming Comprehensive Plan Update process (OC 2040). OC 2040 will develop policies to respond to the unmet housing needs identified in the Housing Needs Analysis. In addition, the City Commission identified the following goals within the 2021-2023 biennium goals related to housing which the draft HNA will help to inform:

- Prepare a plan to identify and implement housing strategies, tools and opportunities that work best for Oregon City
- Update our code to provide additional housing opportunities in Oregon City

In 2020, the Land Conservation and Development Commission (LCDC) adopted Oregon Administrative Rules implementing a Housing Capacity Analysis Schedule. These Oregon Administrative Rules requires Oregon City update our Housing Needs Analysis every six years, effective 2022. If the proposed HNA is not adopted prior to December 31, 2021, the City will be required to revise the HNA in compliance with HB 2003 prior to December 31, 2022 and complete a Housing Production Strategy by December 31, 2023. If the City adopts the proposed HNA prior to the end of 2021, the next HNA update is not required for 6 years.

II. DECISION-MAKING CRITERIA

[1] The UGB areas include the buildable lands inventory and forecasted household growth in TAZs 726, 733, and 740.

Chapter 17.68 - Zoning Changes and Comprehensive Plan Amendments

17.68.010 - Initiation of the amendment.
A text amendment to the comprehensive plan, or an amendment to the zoning code or map or the Comprehensive Plan map, may be initiated by:
A. A resolution request by the City Commission;
B. An official proposal by the Planning Commission;
C. An application to the Planning Division; or.
D. A Legislative request by the Planning Division.
All requests for amendment or change in this title shall be referred to the Planning Commission.

Finding: Complies as Proposed. The proposal qualifies as initiated as a legislative request by the Planning Division at the direction of the City Commission.

17.68.015 –Procedures.
Applications shall be reviewed pursuant to the procedures set forth in Chapter 17.50.

17.50.170 - Legislative hearing process.
A. Purpose. Legislative actions involve the adoption or amendment of the city's land use regulations, comprehensive plan, maps, inventories and other policy documents that affect the entire city or large portions of it. Legislative actions which affect land use shall begin with a public hearing before the planning commission.

B. Planning Commission Review.
1. Hearing Required. The planning commission shall hold at least one public hearing before recommending action on a legislative proposal. Any interested person may appear and provide written or oral testimony on the proposal at or prior to the hearing. The community development director shall notify the Oregon Department of Land Conservation and Development (DLCD) as required by the post-acknowledgment procedures of ORS 197.610 to 197.625, as applicable.

C. City Commission Review.
1. City Commission Action. Upon a recommendation from the planning commission on a legislative action, the city commission shall hold at least one public hearing on the proposal. Any interested person may provide written or oral testimony on the proposal at or prior to the hearing. At the conclusion of the hearing, the city commission may adopt, modify or reject the legislative proposal, or it may remand the matter to the planning commission for further consideration. If the decision is to adopt at least some form of the proposal, and thereby amend the city's land use regulations, comprehensive plan, official zoning maps or some component of any of these documents, the city commission decision shall be enacted as an ordinance.
2. Notice of Final Decision. Not later than five days following the city commission final decision, the community development director shall mail notice of the decision to DLCD in accordance with ORS 197.615(2).

Finding: Complies as Proposed. This legislative action has followed the procedures found in OCMC 17.50.170 including meetings with the Citizen Involvement Committee and anticipated meetings with the Planning Commission and City Commission.

17.68.020 - Criteria.

The criteria for comprehensive plan amendment or text or map amendment in the zoning code are set forth as follows:
A. The proposal shall be consistent with the applicable goals and policies of the comprehensive plan;

Finding: Complies as Proposed. This legislative action is consistent with the applicable goals and policies of the comprehensive plan, as detailed in the responses below. Therefore, the proposed amendments are consistent with Criterion (A).

Conformity of the proposal with the city's comprehensive plan;
Goal 1: Citizen Involvement
Goal 1.1 – Citizen Involvement Program

Policy 1.1.1 *Utilize neighborhood associations as the vehicle for neighborhood-based input to meet the requirements of the Land Conservation and Development Commission (LCDC) Statewide Planning Goal 1, Citizen Involvement. The Citizen Involvement Committee (CIC) shall serve as the officially recognized citizen committee needed to meet LCDC Statewide Planning Goal 1.*

Finding: Complies as Proposed. Neighborhood Associations were sent an invitation to comment on the draft HNA as well as an excerpt of the vacant and partially vacant unconstrained map for land within their neighborhood association boundaries for comment on September 15. Notice of this Legislative application was emailed to neighborhood associations and a presentation was given to the Citizen Involvement Committee at their October 4, 2021 meeting.

Goal 1.2 *Community and Comprehensive Planning Ensure that citizens, neighborhood groups, and affected property owners are involved in all phases of the comprehensive planning program.*

Finding: Complies as Proposed. The City of Oregon City held public meetings presenting the results of the *Housing Needs Analysis* report on July 28, 2021, with the OC 2040 Project Advisory Team (PAT) , and on September 7, 2021, with the Oregon City Planning Commission and City Commission. Both meetings provided an opportunity to learn about the analysis, ask questions, and provide input into the outcomes of the analysis. A project website was established, and emailed notice of the draft HNA was sent to the Development Stakeholders Group, neighborhood associations, and Citizen Involvement Committee on September 15. Notice of the application was provided in the October citywide utility bill. In addition, the HNA was presented to the Citizen Involvement Committee at their October 4th meeting, and notice of the HNA was emailed to to neighborhood associations and the Citizen Involvement Committee on October 4.

Policy 1.2.1 *Encourage citizens to participate in appropriate government functions and land-use planning.*

Finding: Complies as Proposed. The City of Oregon City held public meetings presenting the results of the *Housing Needs Analysis* report on July 28, 2021, with the OC 2040 Project Advisory Team (PAT) , and on September 7, 2021, with the Oregon City Planning Commission and City Commission. Both meetings provided an opportunity to learn about the analysis, ask questions, and provide input into the outcomes of the analysis. A project website was established and emailed notice of the draft HNA was sent to the Development Stakeholders Group, neighborhood associations, and Citizen Involvement Committee on September 15. Notice of the application was provided in the October citywide utility bill. In addition, the HNA was presented to the Citizen Involvement Committee at their October 4th meeting, and notice of

the HNA was emailed to the Development Stakeholder Group in October. Notice of this Legislative application was emailed to a variety of agencies, the neighborhood associations, and the Citizen Involvement Committee on October 4.

Goal 1.4 – Community Involvement
Provide complete information for individuals, groups, and communities to participate in public policy planning and implementation of policies.

Finding: Complies as Proposed. The City of Oregon City held public meetings presenting the results of the *Housing Needs Analysis* report on July 28, 2021, with the OC 2040 Project Advisory Team (PAT), and on September 7, 2021, with the Oregon City Planning Commission and City Commission. Both meetings provided an opportunity to learn about the analysis, ask questions, and provide input into the outcomes of the analysis. The draft *Housing Needs Analysis* was made available on the OC 2040 PAT web page and again in the joint Oregon City Planning Commission and City Commission packet. A project website was established, and emailed notice of the draft HNA was sent to the Development Stakeholders Group, neighborhood associations, and Citizen Involvement Committee on September 15. Notice of the application was provided in the October citywide utility bill. In addition, the HNA was presented to the Citizen Involvement Committee at their October 4th meeting and notice of the HNA was emailed to the Development Stakeholder Group in October. Notice of this Legislative application was emailed to a variety of agencies, the neighborhood associations, and the Citizen Involvement Committee on October 4.

Policy 1.4.1 *Notify citizens about community involvement opportunities when they occur.*

Finding: Complies as Proposed. Opportunities to become involved in the PAT meeting were noticed a week in advance of the meeting and the joint Oregon City Planning Commission and City Commission was also noticed. A project website was established and emailed notice of the draft HNA was sent to the Development Stakeholders Group, neighborhood associations, and Citizen Involvement Committee on September 15. Notice of the application was provided in the October citywide utility bill. Notice of this Legislative application was emailed to a variety of agencies, the neighborhood associations, and the Citizen Involvement Committee on October 4.

Comprehensive Plan Section 2 Land Use

Goal 2.1 Efficient Use of Land
Ensure that property planned for residential, commercial, office, and industrial uses is used efficiently and that land is developed following principles of sustainable development.

Finding: Complies as Proposed. The *Housing Needs Analysis* developed an inventory of buildable land where housing is allowed with clear and objective standards. The inventory included all land in residential plan designations, as well as land in the Mixed-Use Corridor, Mixed-Use Downtown, and General Commercial designations. The inventory identified vacant and partially vacant land, excluding land with development constraints that prohibit development. These development constraints included: land within floodplains and floodways, land within natural resource protection areas, land with slopes over 25%, and land in geologic hazards.

The *Housing Needs Analysis* forecast the future of Oregon City's housing mix in accordance with the requirements of OAR 660-007-0030 (1), which says that Oregon City must "…provide the opportunity for

at least 50 percent of new residential units to be attached single-family housing or multiple family housing…" The *Housing Needs Analysis* assumes that 50% of new housing in Oregon City will be single-family detached, 20% will be single-family attached, 10% will be duplex/triplex/quadplex, and 20% will be multi-family with five or more units per structure. In 2015-2019, 73% of Oregon City's housing was single-family detached, 7% was single-family attached, 6% was duplex/triplex/quadplex, and 13% was multi-family with five or more units per structure

The *Housing Needs Analysis* analyzed development densities for development occurring over the 2000 to 2020 period. The *Housing Needs Analysis* analyzed assumed new development would occur at the same densities as it had in the past, with an increase of 3% in densities in residential plan designations to account for the implementation of House Bill 2001, as allowed by ORS 197.296 (6) (b).
The overall average density for development that occurred between 2000 and 2020 was 6.6 dwelling units per acre. Given the existing base of buildable residential land in Oregon City and the assumptions above about housing mix and density, the *Housing Needs Analysis* shows that Oregon City is planning for an overall average of 9.5 dwelling units per net acre.

Through these measures, residential land is used efficiently and developed sustainably.

> ***Goal 2.4 Neighborhood Livability***
> *Provide a sense of place and identity for residents and visitors by protecting and maintaining neighborhoods as the basic unit of community life in Oregon City while implementing the goals and policies of the other sections of the Comprehensive Plan.*

Finding: Complies as Proposed. The *Housing Needs Analysis* builds from existing master plans, such as the Park Place, Thimble Creek, and South End master plans. These plans determined the facilities, connectivity, land uses, and commercial centers in Oregon City. The *Housing Needs Analysis* uses densities from historical development and the densities currently allowed within these master plans and the City's Comprehensive Plan and zoning code.

The *Housing Needs Analysis* accounts for environmental constraints, which reduce the amount of buildable land. These constraints include Goal 5 Natural Resources Constraints (such as regulated wetlands, natural resources overlay district, and landslide hazards) and Natural Hazard Constraints (such as floodways, 100-year floodplain, and steep slopes).

This criterion is met through use of historical development policies, current densities allowed within the master plans and the City's Comprehensive Plan and zoning code, and with exclusion of environmental constraints from the inventory of buildable land. The HNA will not result in any change to the development code or automatic zoning changes.

> ***Goal 2.5 Retail and Neighborhood Commercial***
> ***Policy 2.5.4*** *Encourage the development of successful commercial areas organized as centers surrounded by higher density housing and office uses, rather than as commercial strips adjacent to low-density housing.*

Finding: Complies as Proposed. The *Housing Needs Analysis* assumes that residential development will occur on 70% of vacant unconstrained buildable land in the Mixed-Use Plan Designation at a density of 19.8 dwelling units per net acre, consistent with historical development densities in Mixed-Use over the 2000 to 2020 period. The *Housing Needs Analysis* assumes that Mixed Use areas will develop with a

mixture of residential and commercial uses, both in vertical mixed-use buildings and as a mixed-use district.

Goal 2.7 Oregon City Comprehensive Plan Land-Use Map
Maintain the Oregon City Comprehensive Plan Land-Use Map as the official long-range planning guide for land-use development of the City by type, density and location.

Finding: Complies as Proposed. The *Housing Needs Analysis* uses information about housing mix and density-based both on historical development patterns for the 2000 to 2020 period and the uses currently allowed in the *Oregon City Comprehensive Plan.* The buildable lands inventory identifies vacant, unconstrained buildable land based on the *Oregon City Comprehensive Plan Land-Use Map.*

Policy 2.7.1 *Maintain a sufficient land supply within the city limits and the Urban Growth Boundary to meet local, regional, and state requirements for accommodating growth.*

Finding: Complies as Proposed. The *Housing Needs Analysis* finds that Oregon City[2] has sufficient residential capacity vacant, unconstrained buildable land in the following designations: Low-Density Residential, Medium Density Residential, and Mixed-Use. The *Housing Needs Analysis* finds that Oregon City has a deficit for about 169 dwelling units or 8 acres of land in the High-Density Residential designation.

The *Housing Needs Analysis* recommends that Oregon City monitor land available in all plan designation and may look for opportunities for redevelopment on underutilized land to address the minor deficit of high-density residential land. Through the OC 2040 project, the City will identify opportunities to meet the identified land deficit in the High-Density Residential designation.

Goal 3: Agricultural Lands
Finding: Not Applicable. Goal 3 is not applicable.

Goal 4: Forest Lands
Finding: Not Applicable. Goal 4 is not applicable.

Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources
Finding: Complies as Proposed. Goal 5 requires the City to inventory, protect and conserve natural, scenic, and historic resources within the City. The buildable land inventory conducted as part of the *Housing Needs Analysis* addresses areas that the City has identified as natural resources through its Goal 5 inventory, regional inventories of natural resources, and associated development code requirements intended to protect, conserve or minimize impacts to these resources. The BLI identifies these areas as "constrained" consistent with City development code standards and policies and assumes no for future housing in these areas. Through this analysis process and continued implementation of the City's policies and standards associated with natural resource protection, City staff find the requirements of Goal 5 have been met.

Goal 6: Quality of Air, Water, and Land Resources

[2] Oregon City includes land within the city limits and UGB areas adjacent to Oregon City that are expected to annex into Oregon City in the future. The UGB areas include the buildable lands inventory and forecasted household growth in TAZs 726, 733, and 740.

Finding: Not Applicable. Goal 6 requires local comprehensive plans and implementing measures to be consistent with state and federal regulations. By complying with applicable air, water, and land resource quality policies in the Oregon City Comprehensive Plan, City staff find the requirements of Goal 6 have been properly addressed.

Goal 7: Natural Hazards

Finding: Complies as Proposed. Goal 7 requires that jurisdictions apply appropriate safeguards when planning development in areas that are subject to natural hazards such as flood hazards.

The identified natural hazards in Oregon City are flooding and landslide hazards. Land within the floodway is considered unsuitable for urban development. The alternatives analysis considered lands within the 100-year floodplain, steep slopes, and areas with landslide hazards to be unbuildable and excluded from the inventory of vacant, unconstrained buildable land. The requirements of Goal 7 have been properly addressed.

Goal 8: Parks and Recreation

Finding: Not Applicable. Goal 8 is not applicable.

Goal 9: Economic Development

Finding: Not Applicable. Goal 9 is not applicable.

Goal 10: Housing

Policy 10.1.1 *Maintain the existing residential housing stock in established older neighborhoods by maintaining existing Comprehensive Plan and zoning designations where appropriate.*

Finding: Complies as Proposed. The *Housing Needs Analysis* assumes that vacant, unconstrained buildable land in existing residential Comprehensive Plan Designations will develop at densities consistent with historical development in each designation and the densities currently allowed within these master plans and the City's Comprehensive Plan and zoning code. The *Housing Needs Analysis* does not pose changes to the existing Comprehensive Plan or zoning maps. This criterion is met.

Policy 10.1.3 *Designate residential land for a balanced variety of densities and types of housing, such as single-family attached and detached, and a range of multi-family densities and types, including mixed-use development.*

Finding: Not Applicable. The Oregon City *Comprehensive Plan Land-Use Map* has designated land for a balanced variety of densities and housing types. No changes to the map are proposed. This criterion is met.

Policy 10.1.4 *Aim to reduce the isolation of income groups within communities by encouraging diversity in housing types within neighborhoods consistent with the Clackamas County Consolidated Plan, while ensuring that needed affordable housing is provided.*

Finding: Complies as Proposed. The *Housing Needs Analysis* forecasts increases in housing diversity of housing types in Oregon City as follows: 50% of new housing will be single-family detached (compared with 73% of existing housing stock); 20% of new housing will be single-family attached (compared with 7% of existing housing stock); 10% of new housing will be duplex/triplex/quadplex (compared with 6% of existing housing stock); and 20% of new housing will be multi-family with five or more units per structure (compared with 13% of existing housing stock).

The *Housing Needs Analysis* finds that Oregon City has an unmet need for affordable housing. About 34% of households in Oregon City are cost burdened (i.e., spending 30% or more of their income on housing costs), with 50% of renter households cost-burdened. As the City grows through 2041, the need for affordable housing will grow with population, with about 26% of new households needing housing affordable to households earning less than 50% of Clackamas County's Median Family Income ($46,000) and 21% of new households needing housing affordable to households earning between 50% and 80% of Clackamas County's Median Family Income ($46,000 to $74,000).

The lack of affordability will continue to be a problem, possibly growing in the future if incomes continue to grow at a slower rate than housing costs. The *Housing Needs Analysis* recommends that Oregon City should provide opportunities for affordable housing development for both rental and ownership over the 20-year period, and the City should look for opportunities for affordable housing development for all housing types.

Through the OC 2040 project, Oregon City will develop policies to respond to the unmet need for affordable housing to respond to needs identified in the *Housing Needs Analysis*. This criterion is met.

> ***Goal 10.2*** *Supply of Affordable Housing Provide and maintain an adequate supply of affordable housing.*

Finding: Complies as Proposed. The *Housing Needs Analysis* identifies need for additional affordable housing and recommends the City should develop policies to support production of affordable housing. Through the OC 2040 project, Oregon City will develop policies to respond to the unmet need for affordable housing to respond to the needs identified in the *Housing Needs Analysis*.

> ***Policy 10.2.1*** *Retain affordable housing potential by evaluating and restricting the loss of land reserved or committed to residential use. When considering amendments to the Comprehensive Plan Land-Use Map, ensure that potential loss of affordable housing is replaced.*

Finding: Complies as Proposed. The *Housing Needs Analysis* does not propose actions that will result in loss of land for residential uses or changes to the *Comprehensive Plan Land-Use Map*. This criterion is not applicable.

Goal 11: Public Facilities

Finding: Not Applicable. Goal 11 is not applicable as no changes are proposed to the *Comprehensive Plan Land-Use Map* or zoning map and future development densities are consistent with historical or currently allowed development densities.

Goal 12: Transportation

Finding: Not Applicable. Goal 12 is not applicable as no changes are proposed to the *Comprehensive Plan Land-Use Map* or zoning map and future development densities are consistent with historical or currently allowed development densities.

Goal 13 – Energy

Finding: Not Applicable. Goal 13 is not applicable.

Section 14 Urbanization

Finding: Not Applicable. Goal 14 is not applicable as no change is proposed to the Metro Urban Growth Boundary.

Goal 14.1 Urban Growth Boundary Establish, and amend when appropriate, the Urban Growth Boundary in the unincorporated area around the City that contains sufficient land to accommodate growth during the planning period for a full range of city land uses, including residential, commercial, industrial, and institutional.

Policy 14.1.1 The Urban Growth Boundary shall conform to Title 11 of the Code of the Metropolitan Service District and will provide sufficient land to accommodate 20-year urban land needs, resulting in efficient urban growth and a distinction between urban uses and surrounding rural lands, and promoting appropriate infill and redevelopment in the City

Section 15 Willamette River Greenway

Finding: Not Applicable. Goal 15 is not applicable as no changes are proposed to the *Comprehensive Plan Land-Use Map* or zoning map and future development densities are consistent with historical or currently allowed development densities.

Statewide Planning Goals

Goal 1 Citizen Involvement

Finding: Complies as Proposed. Goal 1 calls for the opportunity for citizens to be involved in all phases of the planning process. The public was provided the opportunity to be involved in the decision-making process regarding the *Housing Needs Analysis* through public meetings (in-person and by video conference), including: (1) the OC 2040 Project Advisory Team (PAT) on July 28, 2021 and (2) a joint work session with the Oregon City Planning Commission and City Commission September 7, 2021. Notice of the project was sent to the neighborhood associations, Citizen Involvement Committee, and the Development Stakeholders Group. The Citizen Involvement Committee will heard a presentation on October 4 and the CIC and neighborhood associations were emailed the legislative notice later the same day.

A project website was established and emailed notice of the draft HNA was sent to the Development Stakeholders Group, neighborhood associations, and Citizen Involvement Committee on September 15. Notice of the application was provided in the October citywide utility bill.

Goal 2 Land Use Planning

Finding: Complies as Proposed. Goal 2 outlines the basic procedures of Oregon's statewide planning program, stating that land use decisions must be made in accordance with comprehensive plans and that effective implementation ordinances must be adopted.

In the process of developing the housing needs analysis, the City inventoried existing residential land uses, projected suitable land needs by land use classifications, and compared these needs with buildable land within Oregon City. The *Housing Needs Analysis* finds that Oregon City has sufficient residential capacity vacant, unconstrained buildable land in the following designations: Low Density Residential, Medium Density Residential, and Mixed Use. The *Housing Needs Analysis* finds that Oregon City has a deficit for about 169 dwelling units or 8 acres of land in the High Density Residential designation. The requirements of Goal 2 are met.

Goal 3: Agricultural Lands

Finding: Not Applicable. Goal 3 is not applicable.

Goal 4: Forest Lands

Finding: Not Applicable. Goal 4 is not applicable.

Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources

Finding: Complies as Proposed. Goal 5 requires the City to inventory, protect and conserve natural, scenic and historic resources within the City. The buildable land inventory conducted as part of the *Housing Needs Analysis* addresses areas that the City has identified as natural resources through its Goal 5 inventory, regional inventories of natural resources, and associated development code requirements intended to protect, conserve or minimize impacts to these resources. The BLI identifies these areas as "constrained" consistent with City development code standards and policies and assumes no for future housing in these areas. Through this analysis process and continued implementation of the City's policies and standards associated with natural resource protection, the requirements of Goal 5 have been met.

Goal 6: Quality of Air, Water, and Land Resources

Finding: Not Applicable. Goal 6 requires local comprehensive plans and implementing measures to be consistent with state and federal regulations. By complying with applicable air, water, and land resource quality policies in the Oregon City Comprehensive Plan, the requirements of Goal 6 have been properly addressed.

Goal 7: Natural Hazards

Finding: Complies as Proposed. Goal 7 requires that jurisdictions apply appropriate safeguards when planning development in areas that are subject to natural hazards such as flood hazards.

The identified natural hazards in Oregon City are flooding and landslide hazards. Land within the floodway is considered unsuitable for urban development. The alternatives analysis considered lands within the 100-year floodplain, steep slopes, and areas with landslide hazards to be unbuildable and excluded from the inventory of vacant, unconstrained buildable land. The requirements of Goal 7 have been properly addressed.

Goal 8 Recreational Needs

Finding: Not Applicable. Goal 8 is not applicable.

Goal 9 Economic Development

Finding: Not Applicable. Goal 9 is not applicable.

Goal 10 Housing

Finding: Complies as Proposed. Goal 10 requires the City to maintain and plan for an adequate supply of land to accommodate 20 years of future growth, providing flexibility in housing location, type, and density to ensure the availability and prices of housing units are commensurate with the needs and financial capabilities of Oregon households. Comprehensive plans are required to include an analysis of local housing needs by type and affordability, an assessment of housing development potential, and an inventory of residential land; contain policies for residential development and supportive services based on that analysis that increase the likelihood that needed housing types will be developed; and provide

for an adequate supply of a variety of housing types consistent with identified policies and meeting minimum density and housing mix requirements (established by OAR 660, Division 007).

The *Housing Needs Analysis*, which is proposed to be adopted as an ancillary document to the Comprehensive Plan, provides information about the factors that could affect housing development, including demographics, affordability trends, workforce housing availability, market health, and regulatory structure. The *Housing Needs Analysis* includes the City's buildable lands inventory for residential within Oregon City and UGB areas outside of the city limits but within the UGB.[3]

The *Housing Needs Analysis* finds that Oregon City has sufficient residential capacity vacant, unconstrained buildable land in the following designations: Low-Density Residential, Medium Density Residential, and Mixed-Use. The *Housing Needs Analysis* finds that Oregon City has a deficit for about 169 dwelling units or 8 acres of land in the High-Density Residential designation.

The *Housing Needs Analysis* is intended to identify unmet housing needs. Future policy work in the OC 2040 project, will identify remedies to the unmet housing needs. The *Housing Needs Analysis* recommends that Oregon City monitor land available in all plan designation and may look for opportunities for redevelopment on underutilized land to address the minor deficit of high-density residential land. Through the OC 2040 project, Oregon City will develop policies to respond to the unmet need for affordable housing to respond to the needs identified in the *Housing Needs Analysis* and the identified land deficit in the High-Density Residential designation.

The proposed HNA will repeal and replace the 2002 housing analysis which was adopted in 2004 as an ancillary document to the Comprehensive Plan. This criterion is met.

Consistency with the Metropolitan Planning Rule

Cities within the Portland Metropolitan region must comply with two requirements related to the capacity of buildable land. Both requirements are found in Oregon Administrative Rule (OAR) 660-007. The two rules state that:

- *Jurisdictions other than small developed cities must either designate sufficient buildable land to provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing or justify an alternative percentage based on changing circumstances. (OAR 660-007-0030 (1))*
- *Clackamas and Washington Counties, and the cities of Forest Grove, Gladstone, Milwaukie, Oregon City, Troutdale, Tualatin, West Linn and Wilsonville must provide for an overall density of eight or more dwelling units per net buildable acre. (OAR 660-007-0035 (2))*

Oregon City is in compliance with both these requirements.

- The *Housing Needs Analysis* forecasts increases in housing diversity of housing types in Oregon City as follows: 50% of new housing will be single-family detached (compared with 73% of existing housing stock); 20% of new housing will be single-family attached (compared with 7% of existing housing stock); 10% of new housing will be duplex/triplex/quadplex (compared with 6%

[3] The UGB areas include the forecasted household growth in TAZs 726, 733, and 740.

of existing housing stock); and 20% of new housing will be multi-family with five or more units per structure (compared with 13% of existing housing stock).

- The *Housing Needs Analysis* shows that Oregon City is planning for an overall average of 9.5 dwelling units per net acre, as a result of the existing base of buildable residential land in Oregon City and the assumptions above about housing mix and density.

This criterion is met.

Goal 11 Public Facilities and Services

Finding: Not Applicable. Goal 11 is not applicable as no changes are proposed to the *Comprehensive Plan Land-Use Map* or zoning map and future development densities are consistent with historical or currently allowed development densities.

Goal 12 Transportation

Finding: Not Applicable. Goal 12 is not applicable as no changes are proposed to the *Comprehensive Plan Land-Use Map* or zoning map and future development densities are consistent with historical or currently allowed development densities.

Goal 13 Energy Conservation

Finding: Not Applicable. Goal 13 is not applicable.

Goal 14 Urbanization

Finding: Not Applicable. Goal 14 is not applicable as no change is proposed to the Metro Urban Growth Boundary, which Oregon City is within.

Goal 15 Willamette River Greenway

Finding: Not Applicable. Goal 15 is not applicable as no changes are proposed to the *Comprehensive Plan Land-Use Map* or zoning map and future development densities are consistent with historical or currently allowed development densities.

Goal 16 Estuarine Resources

Finding: Not Applicable. Goal 16 is not applicable.

Goal 17 Coastal Shorelands

Finding: Not Applicable. Goal 17 is not applicable.

Goal 18 Beaches and Dunes

Finding: Not Applicable. Goal 18 is not applicable.

Goal 19 Ocean Resources

Finding: Not Applicable. Goal 19 is not applicable.

Chapter 17.50 Administration and Procedures

17.50.050 – Pre-application conference.

A. Pre-application Conference. Prior to a Type II – IV or Legislative application, excluding Historic Review, being deemed complete, the applicant shall schedule and attend a pre-application conference with City staff to discuss the proposal, unless waived by the Community Development Director. The purpose of the pre-application conference is to provide an

opportunity for staff to provide the applicant with information on the likely impacts, limitations, requirements, approval standards, fees and other information that may affect the proposal.

1. *To schedule a pre-application conference, the applicant shall contact the Planning Division, submit the required materials, and pay the appropriate conference fee.*
2. *At a minimum, an applicant should submit a short narrative describing the proposal and a proposed site plan, drawn to a scale acceptable to the City, which identifies the proposed land uses, traffic circulation, and public rights-of-way and all other required plans.*
3. *The Planning Division shall provide the applicant(s) with the identity and contact persons for all affected neighborhood associations as well as a written summary of the pre-application conference.*

B. *A pre-application conference shall be valid for a period of six months from the date it is held. If no application is filed within six months of the conference or meeting, the applicant shall schedule and attend another conference before the City will accept a permit application. The Community Development Director may waive the pre-application requirement if, in the Director's opinion, the development has not changed significantly and the applicable municipal code or standards have not been significantly amended. In no case shall a pre-application conference be valid for more than one year.*

C. *Notwithstanding any representations by City staff at a pre-application conference, staff is not authorized to waive any requirements of this code, and any omission or failure by staff to recite to an applicant all relevant applicable land use requirements shall not constitute a waiver by the City of any standard or requirement.*

Finding: Complies as Proposed. The proposed Legislative application held a pre-application conference (PA 21-36) on September 1 including discussion of the review process and applicable criteria.

17.50.055 - Neighborhood association meeting.

Neighborhood Association Meeting. The purpose of the meeting with the recognized neighborhood association is to inform the affected neighborhood association about the proposed development and to receive the preliminary responses and suggestions from the neighborhood association and the member residents.

A. *Applicants applying for annexations, zone change, comprehensive plan amendments, conditional use, Planning Commission variances, subdivision, or site plan and design review (excluding minor site plan and design review), general development master plans or detailed development plans applications shall schedule and attend a meeting with the City-recognized neighborhood association in whose territory the application is proposed no earlier than one year prior to the date of application. Although not required for other projects than those identified above, a meeting with the neighborhood association is highly recommended.*

B. *The applicant shall request via email or regular mail a request to meet with the neighborhood association chair where the proposed development is located. The notice shall describe the proposed project. A copy of this notice shall also be provided to the chair of the Citizen Involvement Committee.*

C. *A meeting shall be scheduled within thirty days of the date that the notice is sent. A meeting may be scheduled later than thirty days if by mutual agreement of the applicant and the neighborhood association. If the neighborhood association does not want to, or cannot meet within thirty days, the applicant shall host a meeting inviting the neighborhood association, Citizen Involvement Committee, and all property owners within three hundred*

feet to attend. This meeting shall not begin before six p.m. on a weekday or may be held on a weekend and shall occur within the neighborhood association boundaries or at a City facility.

D. If the neighborhood association is not currently recognized by the City, is inactive, or does not exist, the applicant shall request a meeting with the Citizen Involvement Committee.

E. To show compliance with this section, the applicant shall submit a copy of the email or mail notice to the neighborhood association and CIC chair, a sign-in sheet of meeting attendees, and a summary of issues discussed at the meeting. If the applicant held a separately noticed meeting, the applicant shall submit a copy of the meeting flyer, postcard or other correspondence used, and a summary of issues discussed at the meeting and submittal of these materials shall be required for a complete application.

Finding: Complies as Proposed. The criterion is not applicable to the Legislative application proposed, however, the Citizen Involvement Committee heard a presentation of the Housing Needs Analysis on October 4.

Metro Requirements

The Metro UGMFP provides tools to meet regional goals and objectives adopted by Metro Council, including the 2040 Growth Concept and the Regional Framework Plan. Under the Metro Charter, the City of Oregon City's Comprehensive Plan and implementing ordinances are required to comply and be consistent with the UGMFP. The UGMFP consists of 11 code titles with policies and compliance procedures for the following topics:

- Title 1: Housing Capacity
- Title 3: Water Quality and Flood Management (not applicable)
- Title 4: Industrial and Other Employment Areas (not applicable)
- Title 6: Centers, Corridors, Station Communities and Main Streets (not applicable)
- Title 7: Housing Choice
- Title 8: Compliance Procedures
- Title 10: Definitions (not applicable)
- Title 11: Planning for New Urban Areas (not applicable)
- Title 12: Protection of Residential Neighborhoods (not applicable)
- Title 13: Nature in Neighborhoods (not applicable)
- Title 14: Urban Growth Boundary (not applicable)

Metro requires "substantial compliance" with requirements in the UGMFP. Per the definition in Title 10, "substantial compliance" means that the City's Comprehensive Plan conforms with the purposes of the performance standards in the functional plan "on the whole." Any failure to meet individual performance standard requirements is considered technical or minor in nature.

The findings below address applicable Titles of the UGMFP. Based on the findings described below, the proposed Comprehensive Plan Amendment substantially complies with all applicable titles of the UGMFP.

Title 1: Housing Capacity

Finding: Complies as Proposed. Title 1 of the UGMFP is intended to promote efficient land use within the Metro urban growth boundary (UGB) by increasing the capacity to accommodate housing. Title 1 requires the City to adopt minimum residential development density standards by March 2011. If the City did not adopt a minimum density by March 2011, the City must adopt a minimum density that is at least 80 percent of the maximum density. Title 1 also provides measures to decrease development capacity in selected areas by transferring the capacity to other areas of the community. This may be approved as long as the community's overall capacity is not reduced.

Oregon City has established minimum densities in its Zoning Code (Title 17: Zoning of the Oregon City Municipal Code) for each residential base zone. These minimum and maximum densities comply with Title 1 for all zones where residential dwelling units are authorized.

The *Housing Needs Analysis* replaces the existing factual basis in the Oregon City Comprehensive Plan and does not reduce densities or make any changes to land use designations or zoning. The *Housing Needs Analysis* assumes increases in housing diversity, with an increase in the share of new housing that will be attached or multi-family housing types. The *Housing Needs Analysis* assumes no decrease in densities and an overall increase in average density resulting from the increase in the future share of attached and multi-family housing types. Further, Metro's 2019 Compliance Report (the most recent report available) concludes that Oregon City is in compliance for the City's Title 1 responsibilities.

Based on the findings above, the *Housing Needs Analysis* is consistent with Title 1.

Title 7: Housing Choice

Finding: Complies as Proposed. Title 7 of Metro's Urban Growth Management Functional Plan is designed to ensure the production of affordable housing in the Metro UGB. Each City and county within the Metro region is encouraged to voluntarily adopt an affordable housing production goal. Each jurisdiction within the Metro region is required to ensure that their comprehensive plans and implementing ordinances include strategies to:

- Ensure the production of a diverse range of housing types;
- Maintain the existing supply of affordable housing, increase opportunities for new affordable housing dispersed throughout their boundaries; and
- Increase opportunities for households of all income levels to live in affordable housing (3.07.730).

The *Housing Needs Analysis* assumes that the diversity of housing types will increase in Oregon City. The *Housing Needs Analysis* shows that Oregon City has sufficient residential capacity vacant, unconstrained buildable land in the following designations: Low-Density Residential, Medium Density Residential, and Mixed Use. The *Housing Needs Analysis* finds that Oregon City has a deficit for about 169 dwelling units or 8 acres of land in the High Density Residential designation. The *Housing Needs Analysis* recommends that Oregon City monitor land available in all plan designation and may look for opportunities for redevelopment on underutilized land to address the minor deficit of high-density residential land.

The *Housing Needs Analysis* finds that Oregon City has an unmet need for affordable housing. About 34% of households in Oregon City are cost burdened (i.e., spending 30% or more of their income on housing costs), with 50% of renter households cost-burdened. As the City grows through 2041, the need

for affordable housing will grow with population, with about 26% of new households needing housing affordable to households earning less than 50% of Clackamas County's Median Family Income ($46,000) and 21% of new households needing housing affordable to households earning between 50% and 80% of Clackamas County's Median Family Income ($46,000 to $74,000).

The *Housing Needs Analysis* is intended to identify unmet housing needs. Future policy work, in the OC 2040 project, will identify remedies to the unmet housing needs. The *Housing Needs Analysis* recommends that Oregon City should provide opportunities for affordable housing development for both rental and ownership over the 20-year period, and the City should look for opportunities for affordable housing development for all housing types. Through the OC 2040 project, Oregon City will develop policies to respond to the unmet need for affordable housing. In addition, Metro's *2019 Compliance Report* concludes that Oregon City is in compliance for the City's Title 7 responsibilities.

Based on the findings above, the *Housing Needs Analysis* is consistent with Title 7.

Title 8: Compliance Procedures

Finding: Complies as Proposed. Title 8 establishes a process for ensuring compliance with the requirements of the UGMFP. An amendment to the City comprehensive plan or land use regulations is deemed to comply with the UGMFP only if the City provided notice to Metro as required by section 3.07.820(a). The City of Oregon City will provide Metro with a copy of the draft *Housing Needs Analysis* via Oregon Department of Land Conservation and Development's Plan Amendments (PAPA) website at least 35 days prior to the first evidentiary hearing.

Based on the findings above, the Comprehensive Plan Amendment is consistent with Title 8.

III. RECOMMENDATION

Based on the findings in this report, staff recommends approval of files GLUA 21-00057 and LEG 21-00004. If the Planning Commission recommends approval to the City Commission, the recommendation will be accompanied by Ordinance 21-1014.

IV. EXHIBITS

1a. Draft Housing Needs Analysis, dated August 30, 2021
1b. Application Materials
2. Public Comments
3. 2002 Housing Resource Document for the City of Oregon City Comprehensive Plan

City of Oregon City

2021—2041 Housing Needs Analysis

August 2021

Prepared for: City of Oregon City

Draft Report

DRAFT

ECONorthwest
ECONOMICS · FINANCE · PLANNING

KOIN Center
222 SW Columbia Street
Suite 1600
Portland, OR 97201
503-222-6060

This page intentionally blank

DRAFT

Table of Contents

EXECUTIVE SUMMARY ..... **I**

1. INTRODUCTION **1**

Framework for a Housing Needs Analysis 1
Organization of This Report 5

2. BUILDABLE LANDS INVENTORY **6**

Definitions 6
Development Constraints 7
Buildable Lands Inventory Results 8

3. HISTORICAL AND RECENT DEVELOPMENT TRENDS **14**

Data Used in This Analysis 15
Trends in Housing Mix 17
Trends in Housing Density 18
Trends in Tenure 19
Vacancy Rates 21
Publicly Supported Housing 22
Manufactured Homes 23

4. DEMOGRAPHIC AND OTHER FACTORS AFFECTING RESIDENTIAL DEVELOPMENT IN OREGON CITY **24**

Demographic and Socioeconomic Factors Affecting Housing Choice 25
Regional and Local Demographic Trends that May Affect Housing Need in Oregon City 36
Regional and Local Trends Affecting Housing Affordability 49

5. HOUSING NEED IN OREGON CITY **64**

Project New Housing Units Needed in the Next 20 Years 64

6. OREGON CITY'S RESIDENTIAL LAND SUFFICIENCY **75**

Capacity Analysis 75
Residential Land Sufficiency 77
Findings and Recommendations 78

APPENDIX A: BUILDABLE LANDS INVENTORY METHODOLOGY **81**

Methodology 81

DRAFT

This page intentionally blank

DRAFT

Executive Summary

This report presents Oregon City's Housing Needs Analysis (HNA) for the 2021 to 2041 period. It is intended to comply with statewide planning policies that govern planning for housing and residential development, including Goal 10 (Housing), OAR 660 Division 7, and OAR 660 Division 8. The methods used for this study generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1996).

Oregon City is currently in the process of updating the city's Comprehensive Plan as part of the OC2040 Comprehensive Plan Update. Part of this process includes updating the Housing Element with recent information about Oregon City's housing market and forecasted housing needs, along with data on Oregon City's demographic and socioeconomic trends. In 2019, Oregon City participated in a preliminary housing needs analysis process through the development of the Clackamas County HNA. This report builds on the information presented for Oregon City in that project and provides updated data where necessary.

Oregon City grew from 14,968 people in 1990 to 35,570 people in 2019. This is an addition of 19,242 people or 131% growth. During the 2015 to 2020 period, median housing prices in Oregon City increased from about $350,000 in 2015 to $545,000 in 2021, a 55% increase consistent with sales price growth in Clackamas County. Rates of cost burden in Oregon City varied from 28% for homeowners and 50% for renters (35% of overall) in the 2012-2016 American Community Survey (ACS) 5-year estimate period.

This report provides Oregon City with a factual basis to update the City's Comprehensive Plan and zoning code, and to support future planning efforts related to housing as well as options for addressing unmet housing needs in Oregon City. This report provides information to inform future planning efforts, including development and redevelopment. This report provides the City with information about the housing market in Oregon City and describes the factors that will affect future housing demand in Oregon City, such as changing demographics. This analysis will help decision makers understand whether Oregon City has enough land to accommodate growth over the next 20 years.

DRAFT

What are the key housing needs in Oregon City?

- **Demographic and economic trends will drive demand for affordable and diverse housing in Oregon City.** Key demographic and economic trends affecting Oregon City's future housing needs are the aging of the baby boomers, the aging of the Millennials and Generation Z, the continued growth in the Latinx population, and access to a range of housing types for people of color.
- **Housing affordability is a growing challenge in Oregon City.** Housing affordability is a challenge in most of the Portland Metro region in general, and Oregon City is affected by these regional trends. Housing prices are increasing faster than incomes in Oregon City and Multnomah County, which is consistent with state and national challenges. Oregon City has a modest supply of multifamily housing with 5 or more units (about 13% of the city's housing stock), but half of renter households are cost burdened (50%). The households who are most likely to be cost burdened[1] are those with an income below 50% of Clackamas County's median family income (MFI) for a family of four ($92,000).
  - Oregon City's key challenge over the next 20 years is providing opportunities for the development of relatively affordable housing (both for households with an income below 60% of MFI ($55,200), who will need income-restricted housing, and for households with incomes of 60% to 120% of MFI ($55,200 to $110,000), who can afford some market-rate housing) of all types, such as lower-cost single-family housing, cottage, townhouses and duplexes, tri- and quadplexes, market-rate multifamily housing, and government-subsidized affordable multifamily housing.
- **Oregon City lacks enough housing that is affordable, both for renter and homeowners.** About 35% of Oregon City's households are cost burdened (paying 30% or more of their household income on housing costs). About 50% of Oregon City's **renters** are cost burdened and about 28% of Oregon City's **homeowners** are cost burdened. Oregon City's level of cost burden is similar to other communities in Clackamas County. Oregon City is one of the less affordable cities for homeownership in the Portland region, households at middle and high incomes (between $74,000 to $110,000) are less able to afford housing in Oregon City.
- **About 33% of Oregon City's households are renters, 58% of whom live in multifamily housing.** Median rents in Oregon City in 2021 are $1,350 per month, compared to the $1,426 median rent for Clackamas County as a whole.
  - A household earning 50% of Clackamas County's median family income ($46,000) could afford about $1,150 per month in rent, compared with the average effective rent of $1,350. However, about 20% of Oregon City's housing stock is multifamily

[1] The Department of Housing and Urban Development's guidelines indicate that households paying more than 30% of their income on housing experience "cost burden," and households paying more than 50% of their income on housing experience "severe cost burden."

DRAFT

(including duplexes, triplexes and quadplexes), compared to 32% of the housing in the Portland Region. The comparatively small share of multifamily units may constrain opportunities to rent in Oregon City.

- **Housing sales prices increased in Oregon City over the last five years at a slightly faster rate than entire County.** A household earning 100% of Clackamas County's median family income could afford a home valued between about $322,000 to $368,000, which is less than the median home sales price of about $545,000 in Oregon City. A household can start to afford median home sale prices at about 148% of Oregon City's median household income.

How much household growth is Oregon City planning for?

Oregon City's number of households within its city limits and UGB area (i.e., Planning Area) is projected to grow by over 7,435 households between 2021 and 2041, at an annual growth rate of 372 units per year.

Exhibit 1. Forecast of Household Growth, Oregon City Planning Area, 2021 to 2041
Source: Metro's *2050 Household Distributed Forecast*, 2021.

14,778	22,213	7,435
Households in 2021	Households in 2041	New households 2021-2041

How much housing will Oregon City need?

The housing types used in this analysis are consistent with needed housing types as defined in ORS 197.303:

- **Single-family detached** includes single-family detached units, manufactured homes on lots and in mobile home parks, cottage clusters, and accessory dwelling units.
- **Single-family attached** is all structures with a common wall where each dwelling unit occupies a separate lot, such as row houses or townhouses.
- **Duplexes, Triplexes, and Quadplexes** are a subset of multifamily attached structures that contain two, three or four living units generally on the same lot.
- **Multifamily** is all other attached structures with five or more units, other than single-family detached units, manufactured units, duplexes, triplexes, quadplexes, or single-family attached units.

To accommodate the city's forecasted household growth, Oregon City needs to plan for 7,435 new dwelling units between 2021 and 2041. About 3,717 units of new housing will be single-family detached (50%); 1,487 units of new housing will be single-family attached (20%); 744 units of new housing will be duplexes, triplexes, or quadplexes (10%); and about 1,487 units will be multifamily housing with five or more units per structure (30%).

DRAFT

How much land will be required for housing?

In total, Oregon City is forecast to grow by 7,435 dwelling units and has capacity for 7,266 dwelling units. Exhibit 2 shows a comparison of Oregon City's land capacity within the planning area with demand for new units by plan designation. It shows that Oregon City has no surplus or deficit of capacity in the low and medium density residential and mixed-use plan designations, and a deficit of 169 dwelling units (or 8 acres) of high density residential land.

Exhibit 2. Comparison of Capacity of Existing Residential and Selected Commercial Land with Demand for New Dwelling Units and Land Surplus or Deficit, Oregon City Planning Area, 2021 to 2041
Source: Buildable Lands Inventory; Calculations by ECONorthwest.

Plan Designation	Capacity (Dwelling Units)	Demand (Dwelling Units)	Comparison (Capacity minus Demand)	Land Surplus or Deficit (Gross Acres)
Low Density Residential	2,116	2,116	0	0
Medium Density Residential	3,159	3,159	0	0
High Density Residential	1,108	1,277	(169)	(8)
Mixed Use	883	883	0	0
Total	**7,266**	**7,435**		

DRAFT

What are the key findings of the Housing Needs Analysis?

The key findings of the Oregon City Housing Needs Analysis are that:

- **Finding: Growth in housing will be driven by growth in households.** The number of households in Oregon City's Planning Area is forecast to grow from 14,778 households to 22,213 households, an increase of 7,435 households between 2021 and 2041.
- **Finding: Oregon City is planning for growth of 7,435 new dwelling units.** To accommodate the 7,435 dwelling units over the 20-year planning period, Oregon City will average 372 new dwelling units annually, and will plan for more single-family attached and multifamily dwelling units in the future to meet the city's housing needs. Historically, about 73% of Oregon City's housing was single-family detached. New housing in Oregon City is forecast to be 50% single-family detached, 20% single-family attached, 10% duplexes, triplexes, and quadplexes, and 20% multifamily. This housing mix both meets the requirements for housing mix for cities in Metro (OAC 660-007) and is supported by the changes in the housing market described below.

  The factors driving the shift in types of housing needed in Oregon City include changes in demographics and decreases in housing affordability. The aging of senior populations and the household formation of young adults will drive demand for renter and owner-occupied housing, such as small single-family detached housing, townhouses, duplexes, and apartments/condominiums. Both groups may prefer housing in walkable neighborhoods, with access to services.

  - **Recommendation**: Oregon City should monitor land available in all plan designations, as there is no surplus (or deficit) of land in the low and medium density residential plan designations. Additionally, the City may look for opportunities for redevelopment on underutilized land to address the deficit of high density residential land and limited capacity of mixed use land.
- **Oregon City is meeting Metro's requirements for net density and housing mix.** OAR 660-007-0035 sets specific density targets for cities in the Metro UGB. Oregon City's average density target is eight dwelling units per net buildable acre. Based on the findings in Chapter 6, Oregon City is exceeding this average density target at an average net density of 9.5 dwelling units per net acre.

  OAR 660-007 also requires that cities within the Metro UGB "provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing." Chapter 5 shows that for the 2021-2041 planning period Oregon City is assuming that 20% of new dwelling units will be single-family attached, 10% of new units will be duplexes, triplexes, or quadplexes, and 20% of new units will be multifamily.

DRAFT

- **Recommendation:** Oregon City should continue to monitor future development to evaluate resulting densities and housing mix in comparison to the planned units described in this report.

- **Finding: Oregon City has unmet need for affordable housing.** About 34% of Oregon City's households are cost burdened, with 50% of renters cost burdened and 28% of owners cost burdened. Oregon City's level of cost burden is similar to other communities in Clackamas County. Oregon City's unmet housing needs include:

  Renter housing. The average asking rent for multifamily housing in Oregon City in 2021 was about $1,350, which is affordable to households earning about 60% of the median family income (about $55,200). About one-third of Oregon City's households have incomes below this level and cannot afford the average rent. As shown in the rates of cost burden, many of these renter households are cost burdened. Oregon City will continue to have unmet renter housing needs, both for existing households and for new households.

  Owner-occupied housing. The median home sales price in April 2021 was about $545,000, which is affordable to households earning about 148% of the median family income (about $136,300). Oregon City is one of the less affordable cities for homeownership in the Portland region, households at middle and high incomes (between $74,000 to $110,000) are less able to afford housing in Oregon City. One way to increase the supply of affordable owner-occupied housing is to increase opportunities for development of the middle-income housing described above.

  - **Recommendation**: Without diversification of housing types, lack of affordability will continue to be a problem, possibly growing in the future if incomes continue to grow at a slower rate than housing costs. Under the current conditions, 1,545 of the forecasted new households will have incomes of $46,000 (in 2020 dollars) or less (50% of MFI income or less). These households cannot afford market-rate housing without government subsidy. Another 1,228 new households will have incomes between $46,000 and $74,000 (50% to 80% of MFI).

    Oregon City will need to provide opportunities for affordable housing development for both rental and ownership over the 20-year period, and the City should look for opportunities for affordable housing development for all housing types.

- **Finding: Oregon City will need to meet the requirements of House Bill 2001.** The legislature passed House Bill 2001 in the 2019 Legislative Session. The bill requires cities within the Metro UGB to allow "middle" housing types in low-density residential zones. The bill defines middle housing types as duplexes, triplexes, quadplexes, cottage clusters, and townhouses.

  - **Recommendation**: The City should continue the process of developing and adopting zoning code to comply with these requirements.

- **Finding: Oregon City is currently in the process of a Comprehensive Plan Update.** This 2021 HNA report presents updated information related to Oregon City's Housing

DRAFT

Element of the Comprehensive Plan. Additionally, changes in Oregon City's demographics have presented a need for a greater variety of housing types. In 2019, Oregon City participated in a preliminary housing needs analysis process through the development of the Clackamas County Housing Needs Analysis. This report builds on the information presented for Oregon City in that project and provides updated data where necessary.

- **Recommendation**: Oregon City should adopt this HNA report as an appendix to the Comprehensive Plan. HB 2003 requires that Oregon City update its HNA every six years to analyze what housing is needed for current and future residents for a 20-year period.

  Oregon City has identified a project to start within a year to look at non-zoning strategies to support the development of housing (including affordable housing). This initial study will allow the consideration of additional tools and partnerships in advance of a Housing Production Strategy (HPS) according to the guidance in HB 2003. An HPS includes consideration of additional information about the housing needs of underserved communities and engagement with underserved communities about potential approaches to meeting their needs.

DRAFT

1. Introduction

This report presents Oregon City's Housing Needs Analysis (HNA) for the 2021 to 2041 period. It is intended to comply with statewide planning policies that govern planning for housing and residential development, including Goal 10 (Housing), OAR 660 Division 7, and OAR 660 Division 8. The methods used for this study generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1996).

Oregon City is currently in the process of updating the city's Comprehensive Plan as part of the OC2040 Comprehensive Plan Update. Part of this process includes updating the Housing Element with recent information about Oregon City's housing market and forecasted housing needs, along with data on Oregon City's demographic and socioeconomic trends. In 2019, Oregon City participated in a preliminary housing needs analysis process through the development of the Clackamas County HNA. This report builds on the information presented for Oregon City in that project and provides updated data where necessary.

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

Framework for a Housing Needs Analysis

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

Thus, housing choices of individual households are influenced in complex ways by dozens of factors. The housing markets in Clackamas County and Oregon City are the result of the individual decisions of thousands of households. These points help to underscore the complexity of projecting what types of housing will be built in Oregon City between 2021 and 2041. These housing types include single-family detached, single-family attached, and multifamily (including duplexes, triplexes, and quadplexes, in addition to buildings with more

DRAFT

than five units). This report discusses these housing types in detail, as well as the range of affordability issues that will affect Oregon City households in the 2021 to 2041 period.

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

Statewide Planning Goal 10

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

At a minimum, local housing policies must meet the requirements of Goal 10 and the statutes and administrative rules that implement it (ORS 197.295 to 197.314, ORS 197.475 to 197.490, and OAR 600-008).[2] 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. Jurisdictions located in the Metro Urban Growth Boundary (UGB) are also required to comply with Metropolitan Housing in OAR 660-007 and Title 7 of Metro's Urban Growth Management Functional Plan in the Metro Code (3.07 Title 7).

Goal 10, through ORS 197.303, defines needed housing types as "all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the city with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes." ORS 197.303 defines needed housing types:

(a) Housing that includes, but is not limited to, attached and detached single-family housing and multiple family housing for both owner and renter occupancy.

(b) Government-assisted housing.[3]

(c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490.

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

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

(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.

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

The Metropolitan Housing Rule

OAR 660-007 (the Metropolitan Housing rule) is designed to "assure opportunity for the provision of adequate numbers of needed housing units and the efficient use of land within the Metropolitan Portland (Metro) urban growth boundary." OAR 660-0070-005(12) provides a Metro-specific definition of needed housing:

> "Needed Housing" defined. Until the beginning of the first periodic review of a local government's acknowledged comprehensive plan, "needed housing" means housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels.

The Metropolitan Housing Rule also requires cities to develop residential plan designations:

> (1) Plan designations that allow or require residential uses shall be assigned to all buildable land. Such designations may allow nonresidential uses as well as residential uses. Such designations may be considered to be "residential plan designations" for the purposes of this division. The plan designations assigned to buildable land shall be specific so as to accommodate the varying housing types and densities identified in OAR 660-007-0030 through 660-007-0037.

OAR 660-007 also specifies the mix and density of new residential construction for cities within the Metro UGB:

> "Provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing or justify an alternative percentage based on changing circumstances" (OAR 660-007-0030 (1).

OAR 660-007-0035 sets specific density targets for cities in the Metro UGB. Oregon City's average density target is eight dwelling units per net buildable acre.[4]

[4] OAR 660-024-0010(6) defines net buildable acres as "43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads."

DRAFT

Metro Urban Growth Management Functional Plan

The Metro Urban Growth Management Functional Plan describes the policies that guide development for cities within the Metro UGB to implement the goals in the Metro 2040 Plan.

Title 1: Housing Capacity

Title 1 of Metro's Urban Growth Management Functional Plan is intended to promote efficient land use within the Metro UGB by increasing the capacity to accommodate housing capacity. Each city is required to determine its housing capacity based on the minimum number of dwelling units allowed in each zoning district that allows residential development and maintain this capacity.

Title 1 requires that a city adopt minimum residential development density standards by March 2011. If the jurisdiction did not adopt a minimum density by March 2011, the jurisdiction must adopt a minimum density that is at least 80% of the maximum density.

Title 1 provides measures to decrease development capacity in selected areas by transferring the capacity to other areas of the community. This may be approved as long as the community's overall capacity is not reduced.

Metro's *2017 Compliance Report* concludes that Oregon City is in compliance for the City's Title 1 responsibilities.

Title 7: Housing Choice

Title 7 of Metro's Urban Growth Management Functional Plan is designed to ensure the production of affordable housing in the Metro UGB. Each city and county within the Metro region is encouraged to voluntarily adopt an affordable housing production goal.

Each jurisdiction within the Metro region is required to ensure that their comprehensive plans and implementing ordinances include strategies to:

- Ensure the production of a diverse range of housing types;
- Maintain the existing supply of affordable housing, increase opportunities for new affordable housing dispersed throughout their boundaries; and
- Increase opportunities for households of all income levels to live in affordable housing (3.07.730).

Metro's *2017 Compliance Report* concludes that Oregon City is in compliance for the City's Title 7 responsibilities.

Title 11: Planning for New Urban Areas

Title 11 of Metro's Urban Growth Management Functional Plan provides guidance on the conversion of land from rural to urban uses. Land brought into the Metro UGB is subject to the

DRAFT

provisions of section 3.07.1130 of the Metro Code, which requires lands to be maintained at rural densities until the completion of a concept plan and annexation into the municipal boundary.

The concept plan requirements directly related to residential development are to prepare a plan that includes:

(1) A mix and intensity of uses that make efficient use of public systems and facilities;

(2) A range of housing for different types, tenure, and prices that addresses the housing needs of the governing city; and

(3) Identify goals and strategies to meet the housing needs for the governing city in the expansion area.

Organization of This Report

The rest of this document is organized as follows:

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

DRAFT

2. Buildable Lands Inventory

This chapter provides a summary of the residential buildable lands inventory (BLI) for Oregon City. This buildable lands inventory analysis complies with statewide planning Goal 10 policies that govern planning for residential uses. The detailed methodology used to complete the buildable lands inventory is presented in Appendix A.

Oregon Administrative Rules provide guidance on conducting residential BLIs:

> **OAR 660-008-0005(2):**
>
> *"Buildable Land" means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses. Publicly owned land is generally not considered available for residential uses. Land is generally considered "suitable and available" unless it:*
>
> > *(a) Is severely constrained by natural hazards as determined under Statewide Planning Goal 7;*
> >
> > *(b) Is subject to natural resource protection measures determined under Statewide Planning Goals 5, 6, 15, 16, 17 or 18;*
> >
> > *(c) Has slopes of 25 percent or greater;*
> >
> > *(d) Is within the 100-year flood plain; or*
> >
> > *(e) Cannot be provided with public facilities.*

First, the analysis established the residential land base (parcels or portion of parcels with appropriate zoning), then it classified parcels by buildable status, identified/deducted environmental constraints, and lastly summarized total buildable area by plan designation. The results of the BLI presented in this chapter reflect updates since the 2019 analysis completed for Oregon City as part of the Clackamas County Regional Housing Need Analysis.

Definitions

ECONorthwest completed the BLI for Oregon City and relied on the following key definitions. Detailed descriptions of these definitions are included in the methodology for each study area but are based on the general definitions below.

- **Vacant land.** Tax lots that have no structures or have buildings with very little improvement value are considered vacant. The status of vacant lots was verified in aerial imagery and City and County staff review.
- **Partially vacant land.** Partially vacant tax lots are those occupied by a use, but which contain enough land to be developed further. Generally, these are lots that have more

DRAFT

than a half-acre of buildable land, after removing constraints and developed land from the total acreage. This was refined through visual inspection of recent aerial photos.

- **Public land.** Lands in public ownership are considered unavailable for residential development.[5] This includes lands in federal, state, county, or city ownership, These lands are identified using Metro's definitions and categories.
- **Developed land.** Lands not classified as vacant, partially vacant, or public are considered developed. Developed land includes lots with redevelopment capacity, which are also included in BLI. The unit capacity of redevelopable lots is based on Metro's estimates.
- **Buildable land.** As described in the statute definition above, buildable residential land is the portions of vacant or partially vacant lots that have development capacity, less development constraints.

Development Constraints

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

- *Lands within floodplains and floodways*. Flood Insurance Rate Maps from the Federal Emergency Management Agency (FEMA) were used to identify lands in floodways and 100-year floodplains, as well as lands identified in Metro's Title 3 Stream and Floodplain Protection Plan.
- *Land within natural resource protection areas*. The combined regional and national wetlands shapefile, available from Metro RLIS, was used to identify areas within wetlands. Riparian corridors and other natural resource areas identified in Oregon City's Natural Resource Overlay District were considered undevelopable for the purposes of this inventory.
- *Land with slopes over 25%*. Lands with slopes over 25% were considered unsuitable for residential development.
- *Land in geologic hazard areas.* Lands in areas designated within Oregon City's Geologic Hazards Overlay were considered undevelopable for the purposes of this inventory.

[5] Other exempt lands owned by semi-public entities, such as churches, private schools, and other non-profit organizations, were not included in the Public land classification. These lands were classified using the same method as other residential lands and were classified as vacant, partially vacant, developed, or unbuildable. Lands with a cemetery use and owned by a semi-public entity (e.g., church) were classified as developed.

DRAFT

Buildable Lands Inventory Results

Land Base

The land base for the Oregon City residential BLI includes all tax lots in the city limits and the city's UGB areas in residential plan designations. Per Goal 10, this includes all lots (or portions of lots) with residential and other nonemployment plan designations where residential uses are planned for and allowed by the implementing zones. This BLI includes lands in the following generalized plan designations:

- Residential – Low Density
- Residential – Medium Density
- Residential – High Density
- Mixed Use – Corridor
- Mixed Use – Downtown
- General Commercial

Exhibit 3 shows the land base by generalized plan designation in city limits and UGB areas. There are 12,350 tax lots in the land base, accounting for 5,206 acres.

Exhibit 3. Residential Tax Lots and Acres by Plan Designation, Oregon City, City Limits and UGB Areas, 2020
Source: Metro BLI; ECONorthwest analysis.

Generalized Plan Designation	Number of taxlots	Percent	Total taxlot acreage	Percent
Residential				
Residential - Low Density	9,528	77%	3,206	62%
Residential - Medium Density	1,379	11%	1,006	19%
Residential - High Density	606	5%	294	6%
Mixed Use/Commercial				
Mixed Use - Corridor	501	4%	267	5%
Mixed Use - Downtown	265	2%	300	6%
General Commercial	71	1%	133	3%
Total	**12,350**	**100%**	**5,206**	**100%**

DRAFT

Development Status

This analysis relied on Metro BLI's classifications (defined in the methods and definitions above) to define an initial development status. ECONorthwest then used a rapid visual assessment method to confirm this development status using aerial imagery. After city staff reviewed the classifications, ECONorthwest applied the development constraints to calculate unconstrained buildable land. Exhibit 4 shows development status with constraints applied and resulting in buildable acres. Of the 5,206 total acres in the land base, 2,710 are committed acres, 1,563 are constrained acres, and 933 are buildable acres.

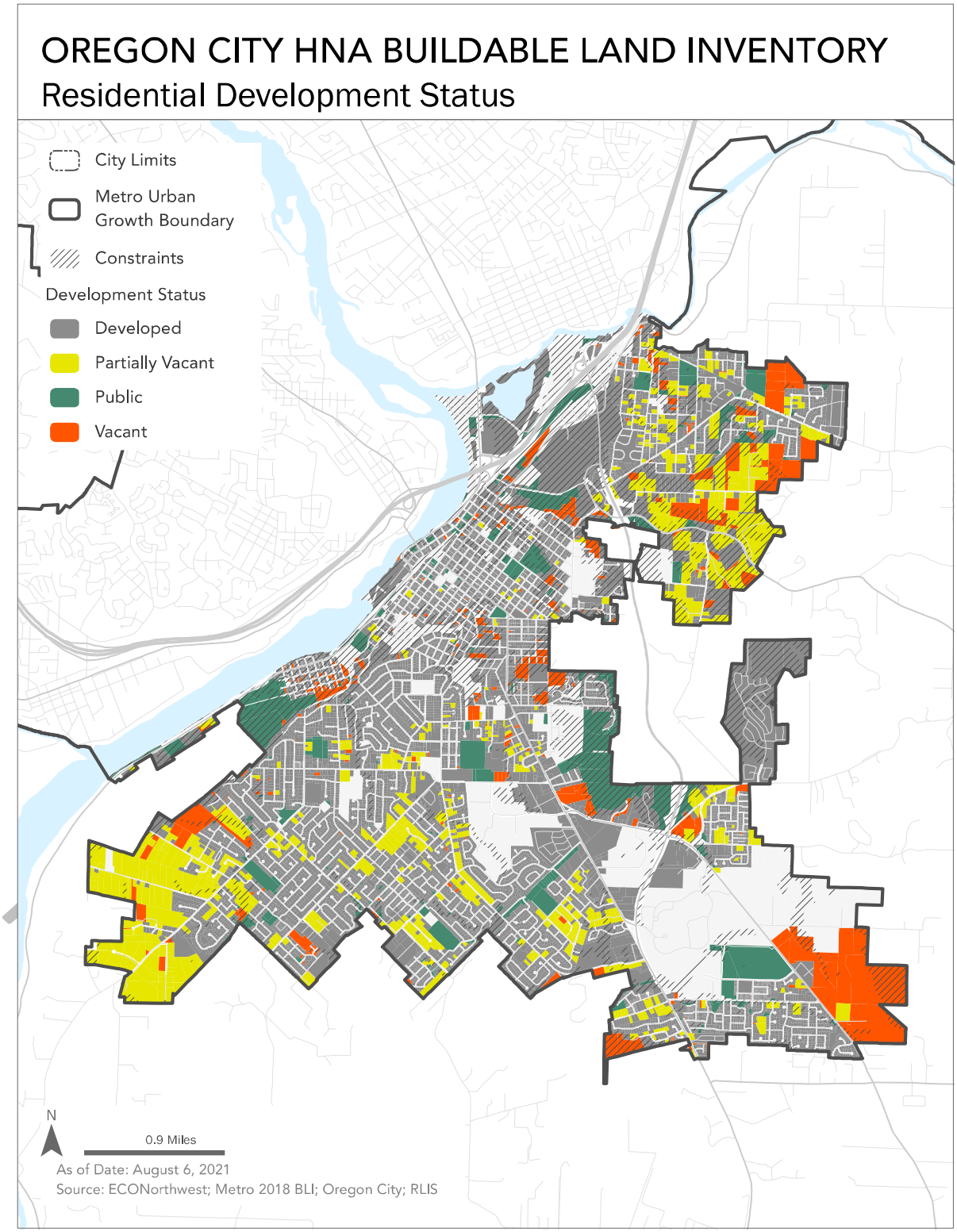
Exhibit 4. Development Status with Constraints by Plan Designation, Oregon City, City Limits and UGB Areas, 2020
Source: Metro BLI; ECONorthwest analysis.

Generalized Plan Designation	Total Acres	Committed Acres	Constrained Acres	Buildable Acres
Residential				
Residential - Low Density	3,206	1,876	877	453
Residential - Medium Density	1,006	388	276	342
Residential - High Density	294	151	81	62
Mixed Use				
Mixed Use - Corridor	267	137	55	75
Mixed Use - Downtown	300	37	262	1
General Commercial	133	121	12	-
Total	**5,206**	**2,710**	**1,563**	**933**

Exhibit 5 shows residential land by development status with constraints overlaid.

DRAFT

Exhibit 5. Residential Land by Development Status, Oregon City, City Limits and UGB Areas, 2020



Vacant Buildable Land

Exhibit 6 shows buildable acres (i.e., acres in tax lots after constraints are deducted) for vacant and partially vacant land by plan designation. Of Oregon City's 933 unconstrained buildable residential acres, about 36% are in tax lots classified as vacant and 64% are in tax lots classified as partially vacant.

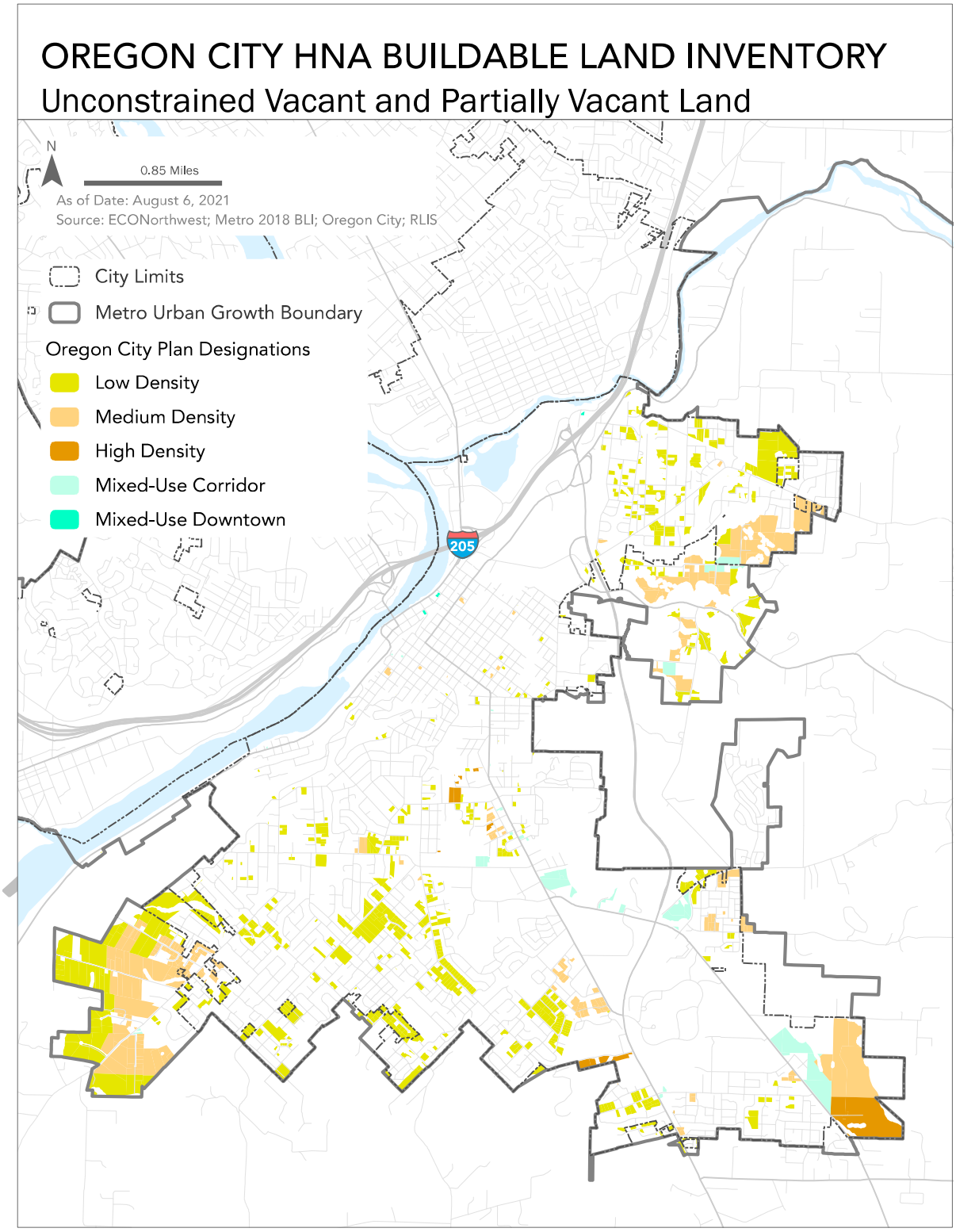
Exhibit 6. Buildable Acres in Vacant and Partially Vacant Tax Lots by Plan Designation, Oregon City, City Limits and UGB Areas, 2020
Source: Metro; ECONorthwest analysis.

Generalized Plan Designation	Buildable Acres on Vacant Lots	Buildable Acres on Partially Vacant Lots	Total Buildable Acres
Residential			
Residential - Low Density	97	356	453
Residential - Medium Density	120	222	342
Residential - High Density	52	10	62
Mixed Use			
Mixed Use - Corridor	63	12	75
Mixed Use - Downtown	1	-	1
Total	**333**	**600**	**933**

Exhibit 7 shows Oregon City's buildable vacant and partially vacant residential land.

DRAFT

Exhibit 7. Unconstrained Vacant and Partially Vacant Residential Land, Oregon City, City Limits and UGB Areas, 2020



Redevelopment Potential

Over the 20-year study period a share of developed lots is likely to redevelop within new buildings. To account for the development capacity on these developed lots, Metro identifies a subset of developed lots as "redevelopable." Metro has created two "filters" to identify lots with the potential to redevelop—a threshold method and historic probability method. For the Oregon City BLI, ECONorthwest used the estimate of redevelopable units on developed lots, as identified based on the threshold method,[6] which is based on discussion with Metro staff.[7]

The result of this analysis for Oregon City is presented in Exhibit 8.

Exhibit 8. Estimate of housing units on potentially redevelopable lots by plan designation, Oregon City, City Limits and UGB Areas, 2019
Source: Metro BLI, using 2016 data to calculate redevelopment potential.

Plan Designation	Estimated Redevelopment Units
Residential	
Low Density Residential	660
Medium Density Residential	233
High Density Residential	733
Commercial	
Central Commercial	1,496
General Commercial	2,604
Total	**5,726**

DRAFT

[6] Threshold Method. This method identifies lots where redevelopment would result in a net increase of 50% more than the current number of units on the site. The method uses property value thresholds where it is economically viable to for a lot to redevelop at this intensity. For suburban areas in the regional UGB the threshold is $10 per square foot of property value for multifamily structures and $12 per square foot for mixed use structures. If a lot's current property value is below these thresholds, it is assumed to have the potential to redevelop.

[7] The capacity of partially vacant lots (where the lot could be further developed under current development standards without demolishing existing structures) is accounted for in the unconstrained buildable acres.

3. Historical and Recent Development Trends

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

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

This Housing Needs Analysis examines changes in Oregon City's housing market from 2000 to 2017, as well as residential development from 2000 to 2018. We selected this time period because (1) the period provides information about Oregon City's housing market before and after the national housing market bubble's growth and deflation, as well as the more recent increase in housing costs and (2) data about Oregon City's housing market during this period was readily available from sources such as the Census and RLIS.

The Housing Needs Analysis presents information about residential development by housing type. There are multiple ways that housing types can be grouped. For example, they can be grouped by:

1. Structure type (e.g., single-family detached, apartments, etc.).
2. Tenure (e.g., distinguishing unit type by owner or renter units).
3. Housing affordability (e.g., subsidized housing or units affordable at given income levels).
4. Some combination of these categories.

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

- **Single-family detached** includes single-family detached units, manufactured homes on lots and in mobile home parks, and accessory dwelling units.
- **Single-family attached** is all structures with a common wall where each dwelling unit occupies a separate lot, such as row houses or townhouses.
- **Multifamily** is separated into two subgroups of attached structures other than single-family detached units, manufactured units, or single-family attached units. The two

DRAFT

subgroups are defined as: (1) duplexes, triplexes, and quadplexes and (2) multifamily buildings with five or more units.

In Oregon City, government-assisted housing (ORS 197.303[b]) and housing for farmworkers (ORS 197.303[e]) can be any of the housing types listed above, as these housing types are regulated in the Oregon City Development Code in the same manner as any other housing type.

Data Used in This Analysis

Throughout this report, we used data from multiple well-recognized and reliable data sources. One of the key sources for housing and household data is the U.S. Census. This report primarily uses data from two Census sources:

- The **Decennial Census**, which is completed every ten years and is a survey of *all* households in the U.S. The Decennial Census is considered the best available data for information such as demographics (e.g., number of people, age distribution, or ethnic or racial composition), household characteristics (e.g., household size and composition), and housing occupancy characteristics. As of 2010, the Decennial Census does not collect more detailed household information, such as income, housing costs, housing characteristics, and other important household information. Decennial Census data is available for 2000 and 2010.
- The **American Community Survey (ACS)**, which is completed every year and is a *sample* of households in the U.S. From 2012 to 2016, the ACS sampled an average of 3.5 million households per year, or about 3% of the households in the nation. The ACS collects detailed information about households, such as: demographics (e.g., number of people, age distribution, ethnic or racial composition, country of origin, language spoken at home, and educational attainment), household characteristics (e.g., household size and composition), housing characteristics (e.g., type of housing unit, year unit built, or number of bedrooms), housing costs (e.g., rent, mortgage, utility, and insurance), housing value, income, and other characteristics.
- Metro's **RLIS** database, which provides tax lot data for jurisdictions within the three-county Metro Area (including Clackamas County). We use RLIS data tax lot data for as a proxy for building permit data for Oregon City.
- Metro's **2050 Distributed Forecast** for household and population growth was updated in March 2021 for Oregon City. We used this information to report projected population growth and as the basis for the household forecast in Chapter 5.
- **Property Radar and Redfin** databases, which are online platforms providing real estate and property owner data. We use these sources to collect housing sale price data in aggregate and by property.

DRAFT

In general, this report uses data from the 2012-2016 and 2014-2018 ACS 5-year estimates.[8] Where information is available and relevant, we report information from the 2000 and 2010 Decennial Census. Among other data points, this report includes population, income, and housing price data from the Oregon Office of Economic Analysis, the Oregon Bureau of Labor and Industries, the United States Department of Housing and Urban Development, RLIS, Costar, Redfin, and Property Radar. It also uses the Oregon Department of Housing and Community Services affordable housing inventory and Oregon's Manufactured Dwelling Park inventory.

It is worth commenting on the methods used for the American Community Survey.[9] The American Community Survey (ACS) is a national survey that uses continuous measurement methods. It uses a sample of about 3.54 million households to produce annually updated estimates for the same small areas (census tracts and block groups) formerly surveyed via the decennial census long-form sample. It is also important to keep in mind that all ACS data are estimates that are subject to sample variability. This variability is referred to as "sampling error" and is expressed as a band or "margin of error" (MOE) around the estimate.

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

DRAFT

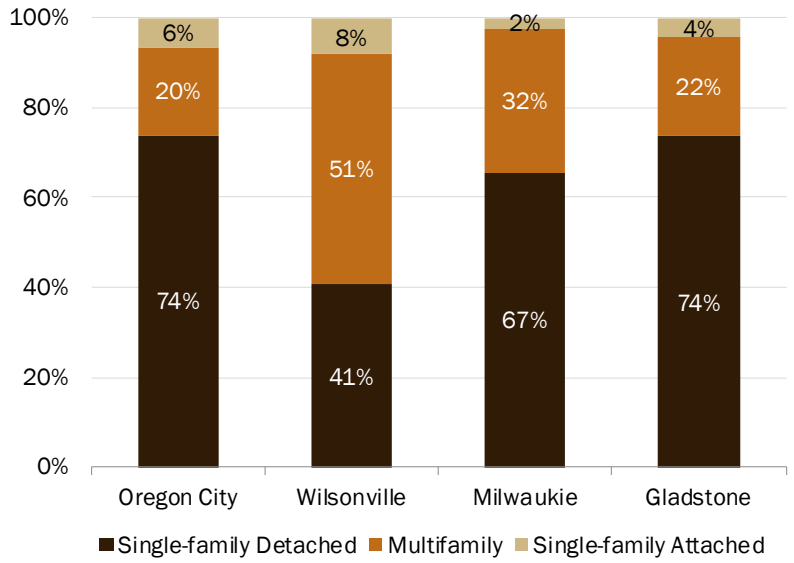
[8] For safe harbor assumptions, such as housing mix in Chapter 5, we use the most recent ACS 5-year estimates (2015-2019).

[9] A thorough description of the ACS can be found in the Census Bureau's publication "What Local Governments Need to Know." https://www.census.gov/library/publications/2009/acs/state-and-local.html

Trends in Housing Mix

About 74% of Oregon City's housing stock was single-family detached.

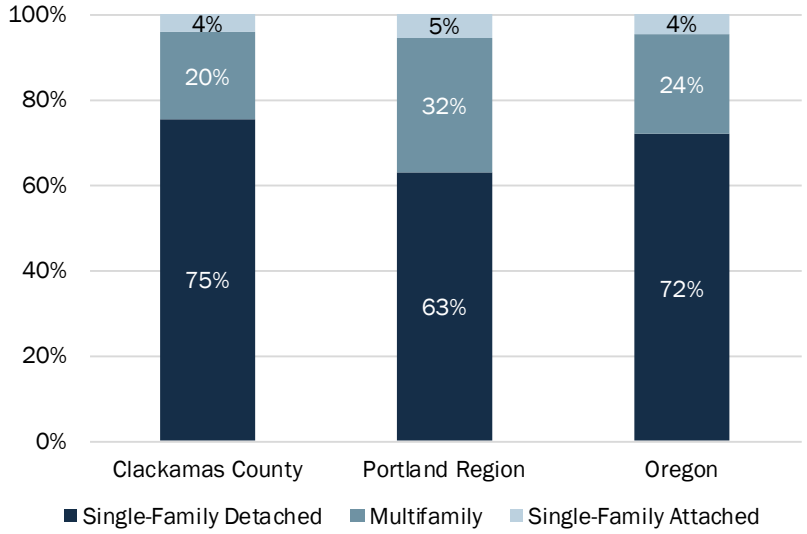
Exhibit 9. Housing Mix, Oregon City, Wilsonville, Milwaukie, Gladstone 2013-2017
Source: U.S. Census Bureau, 2013-2017 ACS Table B25024.



Seventy-five percent of Clackamas County's housing stock was single-family detached.

Clackamas County had a smaller share of multifamily housing than the Portland Region and Oregon, but a similar share of multifamily housing compared to Oregon City.

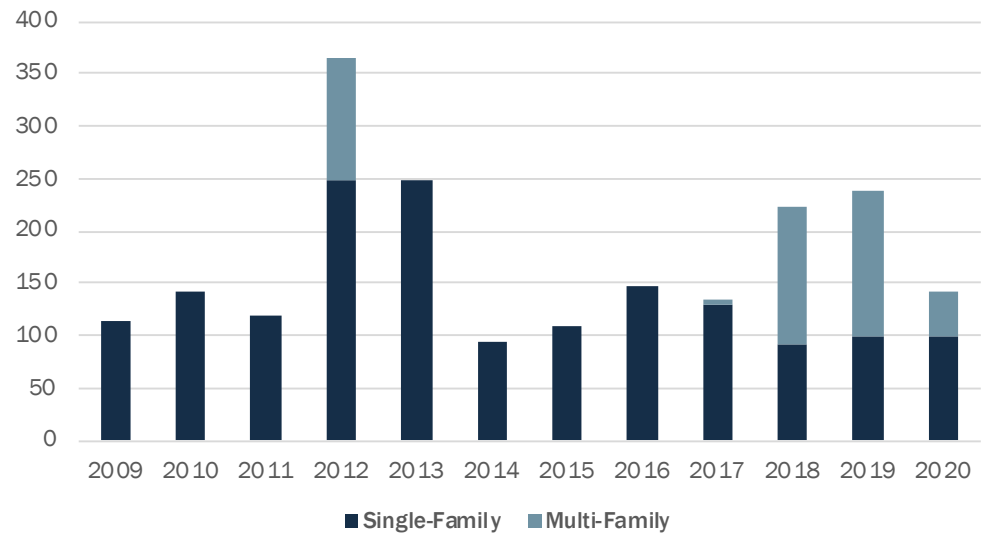
Exhibit 10. Housing Mix, Clackamas County, Portland Region, Oregon, 2013-2017
Source: U.S. Census Bureau, 2013-2017 ACS Table B25024.



DRAFT

Exhibit 11 shows that over the 2009 to 2020 period, Oregon City had construction of 2,073 dwelling units, with an average of 173 units built per year. Of these units, about 79% were for single-family dwelling units.

Exhibit 11. New Residential Dwelling Units Built by Housing Type, Oregon City, 2009 through 2020
Source: Oregon City.



Trends in Housing Density

This section shows historic densities for new residential construction by housing type and by Plan Designation. To conduct the analysis, we used the RLIS database (a proxy for building permit data). Exhibit 12 shows that Oregon City's average housing density, of units built between 2000 to 2020, was 6.6 dwelling units per net acre. In this period, the average density for multifamily housing was 17.4 units per net acre with an average lot size of 0.77 acres; the average density for single family housing was 6.3 units per net acre with an average lot size of 0.16 acres.

Exhibit 12. Average Density of New Residential Construction Permitted by Type of Unit and Plan Designation, Oregon City, 2000 through 2020
Source: RLIS. Note: DU is dwelling unit.

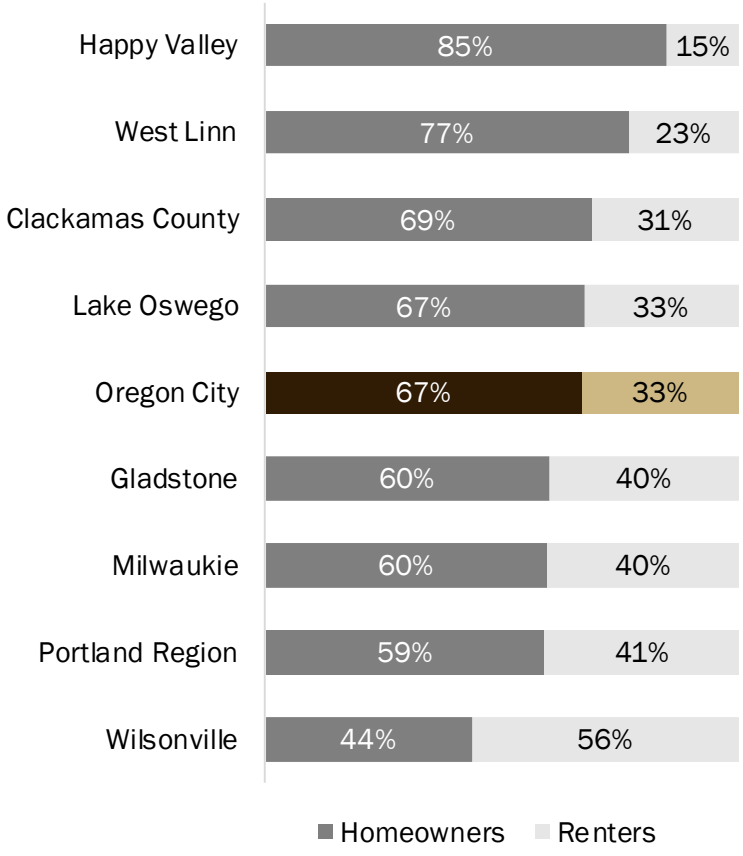
Plan Designations	Single Family Dwelling Units			Multifamily Dwelling Units			Total, Combined		
	Units	Acres	Net Density	Units	Acres	Net Density	Units	Acres	Net Density
Residential	**3,540**	**565**	**6.3**	**230**	**14**	**16.9**	**3,770**	**578**	**6.5**
Low Density	2,628	495	5.3	14	7	2.1	2,642	502	5.3
Medium Density	500	47	10.6	20	2	12.5	520	49	10.7
High Density	412	23	18.2	196	5	37.0	608	28	21.8
Commercial	**23**	**1**	**21.1**	**64**	**3**	**19.3**	**87**	**4**	**19.8**
Commercial	-	-	-	15	1	19.5	15	1	19.5
Mixed Use Corridor	23	1	21.1	49	3	19.3	72	4	19.8
Total	**3,563**	**566**	**6.3**	**294**	**17**	**17.4**	**3,857**	**583**	**6.6**

Trends in Tenure

Housing tenure describes whether a dwelling is owner- or renter-occupied.

In the 2012-2016 period, Oregon City had a homeownership rate of 67%, which was slightly below Clackamas County's homeownership rate of 69%.

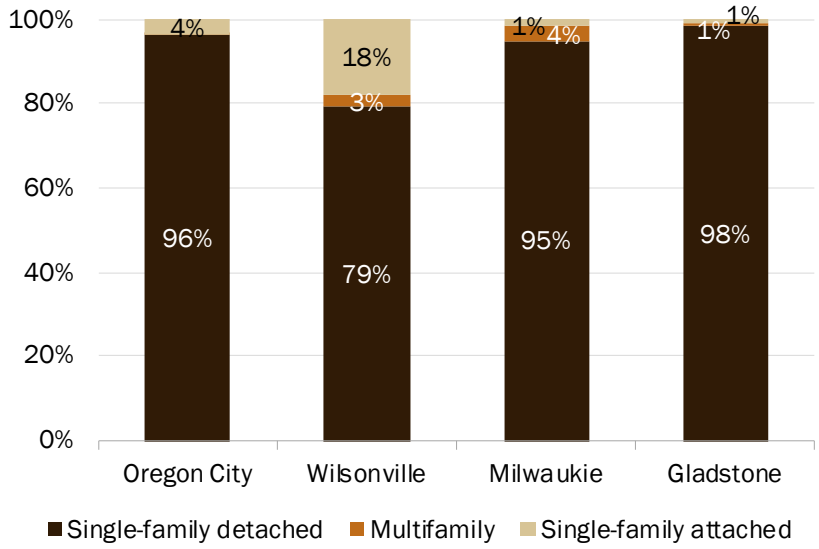
Exhibit 13. Housing Tenure, Oregon City and Comparison Areas, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS Table B25032.



DR

Nearly all homeowners in Oregon City (96%) lived in single-family detached housing.

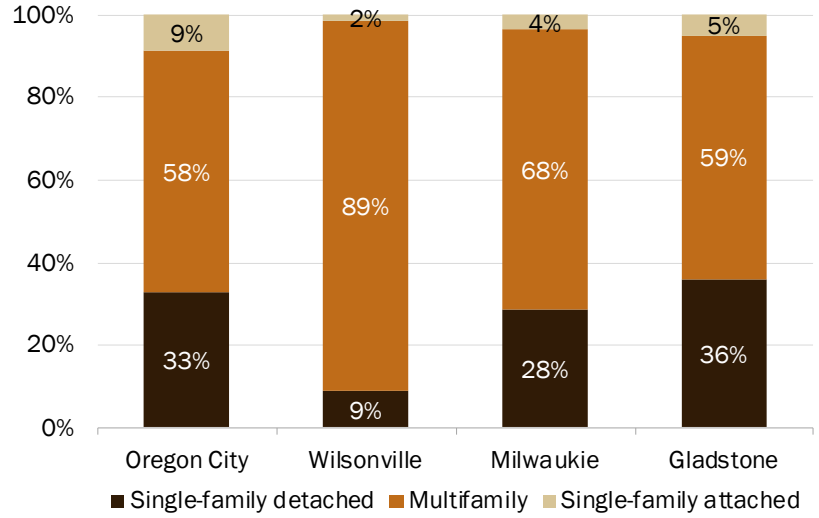
Exhibit 14. Types of units occupied by Homeowners, Oregon City, Wilsonville, Milwaukie, Gladstone, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS Table B25032.



Nearly 60% of renters in Oregon City lived in multifamily housing.

In Oregon City, a third of renters lived in single-family detached housing.

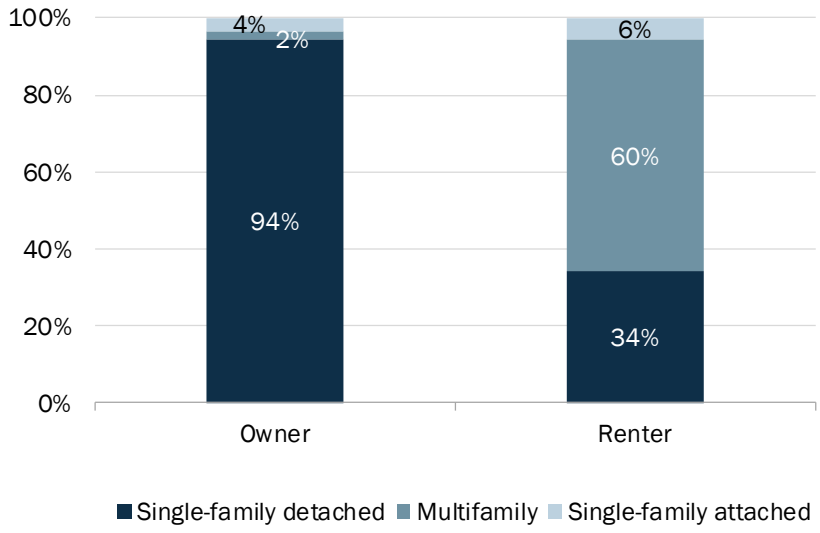
Exhibit 15. Types of Units Occupied by Renters, Oregon City, Wilsonville, Milwaukie, Gladstone, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS Table B25032.



DRAFT

Like Oregon City, most of Clackamas County's homeowners (94%) lived in single-family detached housing.

Exhibit 16. Types of Units Occupied by Homeowners and Renters, Clackamas County, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS Table B25032.



Vacancy Rates

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

According to the 2013-2017 Census, vacancy rates by jurisdiction were:[10]

- Oregon: 9.3%
- Portland Region 5.5%
- Clackamas County: 6.0%
- **Oregon City: 3.6%**

[10] Source: U.S. Census Bureau, 2013-2017 ACS, Table B25032.

Publicly Supported Housing

Oregon City had 634 publicly supported, affordable units. Most of these units were available for families.

Exhibit 17. Publicly Supported Housing, Oregon City, June 2020
Source: Oregon Housing and Community Services.

Development Name	Total Units	Restricted Units	Population Served
Birchwood Dr	6	6	Family
Hughes St	1	1	Family
Forest Ridge Ln	1	1	Family
Salmonberry Dr	1	1	Family
6th St	4	4	Family
Clairmont Way	1	1	Family
Molalla Ave	6	6	Family
S Redland Rd	1	1	Family
Lafayette Ave	2	2	Family
Whitney Ln	1	1	Family
Latourette St	1	1	Family
Hilda St	1	1	Family
Buchanan St	2	2	Family
Prospect St	1	1	Family
Clackamas Heights	100	99	Family
Fisher Ridge	19	18	Family
Kingsberry Heights	260	260	Family
Meadowlark	15	15	Family
Oregon City Terrace	47	47	Family
Oregon City View Manor	100	100	Family
Our Apartment	4	4	Family
Pleasant Avenue Veteran Housing	24	24	Veterans
Rosewood Terrace	38	38	Family
Totals	**636**	**634**	**-**

DRAFT

Manufactured Homes

Manufactured homes provide a source of affordable housing. They also provide a form of homeownership that can be made available to low- and moderate-income households. Cities are required to plan for manufactured homes—both on lots and in parks (ORS 197.475-492).

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

OAR 197.480(4) requires cities to inventory mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high-density residential development. In 2006, Oregon City adopted regulations related to manufactured home park closures.[11] This section presents the inventory of mobile and manufactured home communities for Oregon City as of May 2020.

Oregon City had four manufactured home communities within its UGB.

Within these parks, there were a total of 885 spaces, 9 of which were vacant as of May 2020.

Exhibit 18. Inventory of Mobile/Manufactured Home Communities, Oregon City, May 2020

Source: Oregon Manufactured Dwelling Park Directory.

Name	Location	Type	Total Spaces	Vacant Spaces	Zone
Char-Diaz Estates	13678 Char-Diaz Dr	55+	22	0	R 3.5
Cherry Lane	20248 Highway 213	55+	66	0	R 3.5
Clairmont Mtg Housing Park	13531 Clairmont Way	Family	189	0	R 3.5
Mount Pleasant Mobile Home Park	18780 Central Point Rd	Family	68	2	R 3.5
Country Village Estates	14630 South Village Court	Family	499	7	County
Forest Park Mobile Village	18830 S Hwy 99E	Family	41	0	County
Totals			885	9	

[11] OCMC 15.52.

4. Demographic and Other Factors Affecting Residential Development in Oregon City

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

Demographic trends provide a context for growth in a region; factors such as age, income, migration, and other trends show how communities have grown and how they will shape future growth. To provide context, we compare Oregon City to Clackamas County, the Portland region (defined as Clackamas, Multnomah, and Washington Counties), and Oregon. We also compare Oregon City to nearby cities where appropriate. Characteristics such as age and ethnicity are indicators of how the population has grown in the past and provide insight into factors that may affect future growth.

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

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

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

DRAFT

Demographic and Socioeconomic Factors Affecting Housing Choice[12]

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

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

- **Age of householder** is the age of the person identified (in the Census) as the head of household. Households make different housing choices at different stages of life. This chapter discusses generational trends, such as housing preferences of Baby Boomers, people born from about 1946 to 1964, Millennials, people born from about 1980 to 2000, and Generation Z, people born between 1997 and 2012.[13] (Generation X, the generation between Baby Boomers and Millennials, is a smaller age group and does not generally drive housing demand.)
- **Size of household** is the number of people living in the household. Younger and older people are more likely to live in single-person households. People in their middle years are more likely to live in multi-person households (often with children).
- **Household income** is probably the most important determinant of housing choice. Income is strongly related to the type of housing a household chooses (e.g., single-family detached, duplex, or a building with more than five units) and to household tenure (e.g., rent or own).

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

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

D. Myers and S. Ryu, *Aging Baby Boomers and the Generational Housing Bubble*, Journal of the American Planning Association, Winter 2008.

George Galster. People Versus Place, People and Place, or More? New Directions for Housing Policy, Housing Policy Debate, 2017.

Herbert, Christopher and Hrabchak Molinsky. "Meeting the Housing Needs of an Aging Population," 2015.

J. McIlwain, *Housing in America: The New Decade,* Urban Land Institute, 2010.

L. Lachman and D. Brett, *Generation Y: America's New Housing Wave,* Urban Land Institute, 2010.

Schuetz, Jenny. Who is the new face of American homeownership? Brookings, 2017.

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

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

[13] The range of years that define generations vary across sources. We have referenced the general age range for Millennials and Generation Z, and some years may overlap depending on the definition.

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

National Trends[14]

This brief summary on national housing trends builds on previous work by ECONorthwest as well as Urban Land Institute (ULI) reports and conclusions from *The State of the Nation's Housing* report from the Joint Center for Housing Studies of Harvard University. The Harvard report (2020) summarizes the national housing outlook as follows:

> Given the profound impact of the pandemic on how US households live and work, there is plenty of reason to believe that it could bring meaningful changes to housing markets. With millions of people forced to work remotely, employers and employees alike may find this an attractive option even after the pandemic ends. If so, demand would likely increase for homes large enough to provide office space, as well as easy access to outdoor spaces to exercise and socialize. And if long commutes are no longer everyday requirements, many households may move to lower-density areas where housing is less expensive. However, a major shift in residential development patterns is far from certain. What is certain is that the need for more housing of all types, locations, and price points will persist. In the near term, the outlook for housing markets is bright, fueled by very low interest rates as well as unabated demand from more affluent households. If the pandemic persists, however, it will remain a serious drag on the labor market and wage growth, and ultimately on household formations. Still, the pandemic's negative impact on markets should be relatively muted given historically tight conditions on the supply side.

However, challenges to a strong domestic housing market remain. Rising mortgage rates, the tight credit market, and limited inventory of entry-level homes make housing unaffordable for many Americans, especially younger Americans. In addition to rising housing costs, wages have also failed to keep pace, worsening affordability pressures. Single-family and multifamily housing supplies remain tight, which compound affordability issues. *The State of the Nation's Housing* report emphasizes the importance of government assistance and intervention to keep housing affordable moving forward. Several challenges and trends shaping the housing market are summarized below:

- **Bounce back in residential construction led by single-family starts.** New construction made a sharp comeback in summer 2020 led by single-family construction. Single-family starts in 2020 began at about a 900,000-unit annual rate (the fastest pace since the Great Recession), before dipping to a below 700,000-unit annual rate in April due to the COVID-19 pandemic. Then, single-family starts hit a 1.1-million-unit annual rate in September 2020—marking it as the strongest month for single-family homebuilding in

[14] These trends are based on information from (1) the Joint Center for Housing Studies of Harvard University's publication "The State of the Nation's Housing 2020," (2) Urban Land Institute, "2021 Emerging Trends in Real Estate," and (3) the U.S. Census.

DRAFT

over 13 years. Multifamily unit starts also continued to climb, increasing by 7.5% from about 374,000 units in 2018 to about 402,000 units in 2019. Notably, 2019 marked the first year since 1988 that multifamily starts topped 400,000. In 2019, home sales averaged 3.9 months which is below what is considered balanced (six months), with lower-cost and moderate-cost homes experiencing the tightest inventories. *The State of the Nation's Housing* report cited lack of skilled labor, rising construction costs, land use regulations (particularly density restrictions), and development fees as constraints on new construction.

- **Demand shift from renting to owning.** After years of decline, the national homeownership rate increased slightly from 64.4% in 2018 to 64.6% in 2019. Trends suggest the recent homeownership increases are among householders of all age groups; however, new growth in homeownership since the post-Great Recession low of 2013 resulted from households with higher incomes. About 88% of net new growth (2013 to 2019) was among households with incomes of $150,000 or more.
- **Housing affordability.** Despite a recent downward trend, 37.1 million American households spent more than 30% of their income on housing in 2019 which is 5.6 million more households than in 2001. Renter households experienced cost-burden at more than double the rate of homeowners (46% versus 21%) with the number of cost-burdened renters exceeding cost-burdened homeowners by 3.7 million in 2019. Affordability challenges continued to move up the income ladder, with the share of cost-burdened middle-income households increasing slightly from 2018 to 2019 even as the share of low-income households experiencing cost-burden declined slightly over the same period. Households under the age of 25 and over the age of 85 had the highest rates of housing cost-burden.
- **Long-term growth and housing demand.** The Joint Center for Housing Studies forecasts that, nationally, demand for new homes could total as many as 12 million units between 2018 and 2028[15]. Much of the demand will come from Baby Boomers, Millennials,[16] and immigrants. The Urban Land Institute cites the trouble of overbuilding in the luxury sector while demand is in mid-priced single-family houses affordable to a larger buyer pool.
- **Growth in rehabilitation market.**[17] Aging housing stock and poor housing conditions are growing concerns for jurisdictions across the United States. With almost 80% of the nation's housing stock at least 20 years old (and 40% at least 50 years old), Americans are spending in excess of $400 billion per year on residential renovations and repairs. As

[15] The Joint Center for Housing Studies of Harvard University. The State of the Nation's Housing 2019.

[16] According to the Pew Research Center, Millennials were born between the years of 1981 to 1996 and Generation Z were born between 1997 to 2012 (inclusive). Read more about generations and their definitions here: http://www.pewresearch.org/fact-tank/2018/03/01/defining-generations-where-millennials-end-and-post-millennials-begin/.

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

DRAFT

housing rehabilitation becomes the go-to solution to address housing conditions, the home remodeling market has grown more than 50% since the recession ended — generating 2.2% of national economic activity (in 2017).

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

- **Declining residential mobility.**[18] Residential mobility rates have declined steadily since 1980. Nearly one in five Americans moved every year in the 1980s, compared to one in ten Americans between 2018 and 2019. While reasons for decline in residential mobility are uncertain, contributing factors include demographic, housing affordability, and labor-related changes. For instance, as Baby Boomers and Millennials age, mobility rates are expected to fall as people typically move less as they age. Harvard University's Research Brief (2020) also suggests that increasing housing costs could be preventing people from moving if they are priced out of desired neighborhoods or if they prefer to stay in current housing as prices rise around them. Other factors that may impact mobility include: the rise in dual-income households (which complicates job-related moves), the rise in work-from-home options, and the decline in company-funded relocations. While decline in mobility rates span all generations, they are greatest among young adults and renters, two of the more traditionally mobile groups.
- **Changes in housing preference.** Housing preference will be affected by changes in demographics, most notably: the aging of Baby Boomers, housing demand from Millennials and Generation Z, and growth of immigrants.
  - *Baby Boomers.* In 2020, the oldest members of this generation were in their seventies and the youngest were in their fifties. The continued aging of the Baby Boomer generation may affect the housing market. In particular, Baby Boomers' may influence housing preference and homeownership trends. Preferences (and needs) may vary for Boomers' moving through their 60s, 70s, and 80s (and beyond). They will require a range of housing opportunities. For example, "aging baby boomers are increasingly renters-by-choice, [preferring] walkable, high-energy, culturally evolved communities."[19] Many seniors are also moving to planned retirement destinations earlier than expected as they experience the benefits of work-from-home trends (accelerated by COVID-19). Additionally, the supply of caregivers is decreasing as people in this cohort move from giving care to needing care, making more inclusive, community-based, congregate settings more important. Senior households earning different incomes may make distinct housing choices. For

[18] Frost, R. (2020). "Are Americans stuck in place? Declining residential mobility in the US." Joint Center for Housing Studies of Harvard University's Research Brief.

[19] Urban Land Institute. Emerging Trends in Real Estate, United States and Canada. 2019.

DRAFT

instance, low-income seniors may not have the financial resources to live out their years in a nursing home and may instead choose to downsize to smaller, more affordable units. Seniors living in proximity to relatives may also choose to live in multigenerational households.

Research shows that "older people in western countries prefer to live in their own familiar environment as long as possible," but aging in place does not only mean growing old in their own homes.[20] A broader definition exists which defines aging in place as "remaining in the current community and living in the residence of one's choice."[21] Some Baby Boomers are likely to stay in their home as long as they are able, and some will prefer to move into other housing products, such as multifamily housing or age-restricted housing developments, before they move into to a dependent living facility or into a familial home. Moreover, "the aging of the U.S. population, [including] the continued growth in the percentage of single-person households, and the demand for a wider range of housing choices in communities across the country is fueling interest in new forms of residential development, including tiny houses."[22]

- *Millennials.* Over the last several decades, young adults have increasingly lived in multigenerational housing—more so than older demographics.[23] However, as Millennials move into their early- to mid-thirties, postponement of family formation is ending and millennials are likely to prefer a wide range of housing types in urban or suburban areas, including detached, single family homes and multifamily housing types in walkable neighborhoods.

  At the beginning of the 2007–2009 recession, Millennials only began to form their own households. Today, Millennials are driving much of the growth in new households, albeit at slower rates than previous generations. As this generation continues to progress into their homebuying years, they may seek out affordable, modest-sized homes. This will prove challenging as the market for entry-level, single-family homes has remained stagnant. Although construction of smaller homes (< 1,800 sq. ft.) increased in 2019, they only represented 24% of single-family units.

  Millennials' average wealth may remain far below Boomers and Gen Xers, and student loan debt will continue to hinder consumer behavior and affect retirement savings. As of 2020, Millennials comprised 38% of home buyers, while Gen Xers

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

[21] *Ibid.*

[22] American Planning Association. Making Space for Tiny Houses, Quick Notes.

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

DRAFT

comprised 23% and Boomers 33%.[24] "By the year 2061, it is estimated that $59 trillion will be passed down from boomers to their beneficiaries," presenting new opportunities for Millennials (as well as Gen X and Gen Z).[25]

- *Generation Z.* In 2020, the oldest members of Generation Z were in their early 20s and the youngest in their early childhood years. By 2040, Generation Z will be between 25 and 40 years old. While they are more racially and ethnically diverse than previous generations, when it comes to key social and policy issues they look very much like Millennials. Generation Z was set to inherit a strong economy and record-low unemployment.[26] However, because the long-term economic impacts of COVID-19 are unknown, Generation Z may now be looking at an uncertain future.

  While researchers do not yet know how Generation Z will behave in adulthood, many expect they will follow patterns of previous generations. A segment is expected to move to urban areas for reasons similar to previous cohorts (namely, the benefits that employment, housing, and entertainment options bring when they are in close proximity). However, this cohort is smaller than Millennials (67 million vs. 72 million) which may lead to slowing real estate demand, including in city centers.

- *Immigrants.* Research on foreign-born populations shows that immigrants, more than native-born populations, live in multigenerational housing for a variety of reasons. Still, immigration and increased homeownership among minorities could also play a key role in accelerating household growth over the next 10 years. Current Population Survey estimates indicate that the number of foreign-born households rose by nearly 400,000 annually between 2001 and 2007, and they accounted for nearly 30% of overall household growth. Beginning in 2008, the influx of immigrants was staunched by the effects of the Great Recession. After a period of declines, the foreign-born population again began contributing to household growth, despite a decline in immigration rates in 2019. The Census Bureau's estimates of net immigration in 2019 indicate that 595,000 immigrants moved to the United States from abroad, down from 1.2 million immigrants in 2017–2018. However, as noted in *The State of the Nation's Housing* (2020) report, "because the majority of immigrants do not immediately form their own households upon arrival in the country, the drag on household growth from lower immigration only becomes apparent over time."

- *Diversity.* The growing diversity of American households will have a large impact on the domestic housing markets. Over the coming decade, minorities will make up a

[24] National Association of Realtors. (2020). 2020 Home Buyers and Sellers Generational Trends Report, March 2020. Retrieved from: https://www.nar.realtor/research-and-statistics/research-reports/home-buyer-and-seller-generational-trends

[25] PNC. (n.d.). Ready or Not, Here Comes the Great Wealth Transfer. Retrieved from: https://www.pnc.com/en/about-pnc/topics/pnc-pov/economy/wealth-transfer.html

[26] Parker, K. & Igielnik, R. (2020). On the cusp if adulthood and facing an uncertain future: what we know about gen Z so far. Pew Research Center. Retrieved from: https://www.pewsocialtrends.org/essay/on-the-cusp-of-adulthood-and-facing-an-uncertain-future-what-we-know-about-gen-z-so-far/

larger share of young households and constitute an important source of demand for both rental housing and small homes. The growing gap in homeownership rates between White and Black households as well as the larger share of minority households that are cost burdened warrant consideration. White households had a 73% homeownership rate in 2019 compared to a 43% rate for Black households. This 30-percentage point gap is the largest disparity since 1983. Although homeownership rates are increasing for some minorities, Black and Latinx households are more likely to have suffered disproportionate impacts of the pandemic and forced sales could negatively impact homeownership rates. This, combined with systemic discrimination in the housing and mortgage markets and lower incomes relative to White households, leads to higher rates of cost burden for minorities —43% for Black, 40% for Latinx, 32% for Asian and 25% for White in 2019. As noted in *The State of the Nation's Housing (2020)* report, "the impacts of the pandemic have shed light on the growing racial and income disparities in the nation between the nation's haves and have-nots are the legacy of decades of discriminatory practices in the housing market and in the broader economy."

- **Changes in housing characteristics.** The U.S. Census Bureau's Characteristics of New Housing Report (2019) presents data that show trends in the characteristics of new housing for the nation, state, and local areas. Several long-term trends in the characteristics of housing are evident from the New Housing Report:[27]
  - *Larger single-family units on smaller lots.* Between 1999 and 2019, the median size of new single-family dwellings increased by 13% nationally, from 2,028 sq. ft. to 2,301 sq. ft., and 14% in the western region from 2,001 sq. ft. in 1999 to 2,279 sq. ft in 2019. Moreover, the percentage of new units smaller than 1,400 sq. ft. nationally decreased by more than half, from 16% in 1999 to 7% in 2019. The percentage of units greater than 3,000 sq. ft. increased from 17% in 1999 to 25% of new one-family homes completed in 2019. In addition to larger homes, a move toward smaller lot sizes was seen nationally. Between 2009 and 2019, the percentage of lots less than 7,000 sq. ft. increased from 25% to 33%.
  - *Larger multifamily units.* Between 1999 and 2019, the median size of new multifamily dwelling units increased by 3.4% nationally. In the western region, the median size decreased by 1.9%. Nationally, the percentage of new multifamily units with more than 1,200 sq. ft. increased from 28% in 1999 to 35% in 2019 and increased from 25% to 27% in the western region.
  - *Household amenities.* Across the United States since 2013, an increasing number of new units had air-conditioning (fluctuating year by year at over 90% for both new single-family and multifamily units). In 2000, 93% of new single-family houses had two or more bathrooms, compared to 96% in 2019. The share of new multifamily units with two or more bathrooms decreased from 55% of new multifamily units to

[27] U.S. Census Bureau, Highlights of Annual 2019 Characteristics of New Housing. Retrieved from: https://www.census.gov/construction/chars/highlights.html

DRAFT

45%. As of 2019, 92% of new single-family houses in the United States had garages for one or more vehicles (from 89% in 2000). Additionally, if work from home dynamics become a more permanent option, then there may be rising demand for different housing amenities such as more space for home offices or larger yards for recreation.

- *Shared amenities*. Housing with shared amenities grew in popularity, as it may improve space efficiencies and reduce per-unit costs and/or maintenance costs. Single-room occupancies (SROs), cottage clusters, cohousing developments, and multifamily products are common housing types that take advantage of this trend.[28] Shared amenities may take many forms and include shared bathrooms, kitchens, other home appliances (e.g., laundry facilities, outdoor grills), security systems, outdoor areas (e.g., green spaces, pathways, gardens, rooftop lounges), fitness rooms, swimming pools, tennis courts, and free parking.[29]

State Trends

In August 2019, the State of Oregon passed statewide legislation -- Oregon House Bill 2001 and 2003. **House Bill 2001 (HB2001)** required many Oregon communities to accommodate middle housing within single-family neighborhoods. "Medium Cities"—those with 10,000 to 25,000 residents outside the Portland metro area—are required to allow duplexes on each lot or parcel where a single-family home is allowed. "Large Cities"—those with over 25,000 residents and nearly all jurisdictions in the Portland metro urban growth boundary (UGB)—must meet the same duplex requirement as well as allow triplexes, fourplexes, townhomes, and cottage clusters in all areas that are zoned for residential use and allow single-family homes. Oregon City has recently made a variety of amendments to the development code to allow more housing types and is currently working through the process of making adjustment to comply with HB 2001 which will be implemented by July 2022.

Middle housing is generally built at a similar scale as single-family homes but at higher residential densities. It provides a range of housing choices at different price points within a community.

House Bill 2003 (HB2003) envisions Oregon's housing planning system is reformed from a singular focus (on ensuring adequate available land) to a more comprehensive approach that also achieves these critical goals: (1) support and enable the construction of sufficient units to accommodate current populations and projected household growth and (2) reduce geographic

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

[29] Urbsworks. (n.d.). Housing Choices Guidebook: A Visual Guide to Compact Housing Types in Northwest Oregon. Retrieved from: https://www.oregon.gov/lcd/Publications/Housing-Choices-Booklet_DIGITAL.pdf

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

DRAFT

disparities in access to housing (especially affordable and publicly supported housing). In that, HB 2003 required the development of a methodology for projecting *regional* housing need and allocate that need to local jurisdictions. It also expanded local government responsibilities for planning to meet housing need by requiring cities to develop and adopt Housing Production Strategies.[30]

Prior to the passage of these bills, Oregon developed its *2016–2020 Consolidated Plan* which includes a detailed housing needs analysis as well as strategies for addressing housing needs statewide. The plan concluded that "a growing gap between the number of Oregonians who need affordable housing, and the availability of affordable homes has given rise to destabilizing rent increases, an alarming number of evictions of low- and fixed- income people, increasing homelessness, and serious housing instability throughout Oregon." It identified the following issues that describe housing need statewide:[31]

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

[30] This Housing Needs Analysis is not required to comply with HB 2003 because it will be adopted prior to January, 2022. The City is expected to comply with HB 2003 at the next HNA which is anticipated in six years.

[31] These conclusions are copied directly from the report: Oregon's 201 2020 Consolidated Plan. Retrieved from: http://www.oregon.gov/ohcs/docs/Consolidated-Plan/2016-2020-Consolidated-Plan-Amendment.pdf.

DRAFT

- In 2019, minimum wage in Oregon[32] was $11.25, compared to $12.50 in the Portland Metro, and $11.00 for nonurban counties.

Oregon developed its *Statewide Housing Plan* in 2018. The Plan identified six housing priorities to address in communities across the State over the 2019 to 2023 period (summarized below). In August 2020, Oregon Housing and Community Services (OHCS) released a summary of their progress.[33] The following section includes summaries and excerpts from their status report:

- **Equity and Racial Justice.** *Advance equity and racial justice by identifying and addressing institutional and systemic barriers that have created and perpetuated patterns of disparity in housing and economic prosperity.*

  OHCS built internal organizational capacity through staff trainings on Equity and Racial Justice (ERJ) and hired an Equity, Diversity and Inclusion Manager. OHCS established a workgroup to support equity in their data system and approved an internal organizational structure to advance and support ERJ within all areas of OHCS. Now, OHCS is developing funding mechanisms to encourage culturally specific organizations to increase services to underserved communities and to increase the number and dollar amounts of contracts awarded to minority, women, and emerging small businesses (MWESBs).

- **Homelessness.** *Build a coordinated and concerted statewide effort to prevent and end homelessness, with a focus on ending unsheltered homelessness of Oregon's children and veterans.*

  The Homeless Services Section (HSS) made progress in building a foundation for planning and engagement across intersecting economic, social, and health systems. The OHCS Veteran Leadership team established recurring information-sharing sessions with federal, state, and local partners. HSS convened Oregon Homeless Management Information System (HMIS) stakeholders to build recommendations and co-construct a path toward a new HMIS implementation and data warehouse. HSS established successful workflows to analyze demographic data of people entering/exiting the homeless service system.

- **Permanent Supportive Housing.** *Invest in permanent supportive housing (PSH), a proven strategy to reduce chronic homelessness and reduce barriers to housing stability.*

  OHCS funded 405 of their 1,000 PSH-unit targets. Almost half of these units were the result of the NOFA tied to the first PSH Institute cohort.

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

[33] This section uses many direct excerpts from the OHCS Statewide Housing Plan Year One Summary August 2020 Report to HSC. Oregon Statewide Housing Plan, Status Reports. https://www.oregon.gov/ohcs/Documents/swhp/SWHP-Report-Y1-Summary.pdf

DRAFT

- **Affordable Rental Housing.** *Work to close the affordable rental housing gap and reduce housing cost burden for low-income Oregonians.*

  OHCS implemented a new electronic application and widespread adoption of system work modules. They also established a capacity building team to assess and recommend opportunities for growth in their development priorities and began training and technical assistance to potential PSH and rural developers. OHCS increased their units by 8,408 representing 22.8% of their 25,000 unit 5-year target.

- **Homeownership.** *Provide more low- and moderate-income Oregonians with the tools to successfully achieve and maintain homeownership, particularly in communities of color.*

  OHCS pursued a strategy to align programs with the needs of communities of color, improved their Homeownership Center framework and Down Payment Assistance product, began developing their TBA program and focused on low-cost homeownership through manufactured housing. Additionally, they began developing the Restore Health and Safety program and re-opening the Oregon Homeownership Stabilization Initiative (OHSI) program. OHCS also supported the Joint Task Force on Racial Equity in Homeownership and advocating for additional funds to support communities of color. OHCS provided 678 mortgage lending products of their 6,500 5-Year goal with 170 going to households of color.

- **Rural Communities.** *Change the way OHCS does business in small towns and rural communities to be responsive to the unique housing and service needs and unlock the opportunities for housing development.*

  OHCS focused on developing a better understanding of rural community needs and increasing rural capacity to build more affordable housing. OHCS hired a full-time capacity building analyst who has conducted outreach to key stakeholders across the state representing rural communities and developed a strategy to address those needs. OHCS has funded 532 units in rural communities, out of a total of 2,543 units in the 5-year goal (21% of target).

DRAFT

Regional and Local Demographic Trends that May Affect Housing Need in Oregon City

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

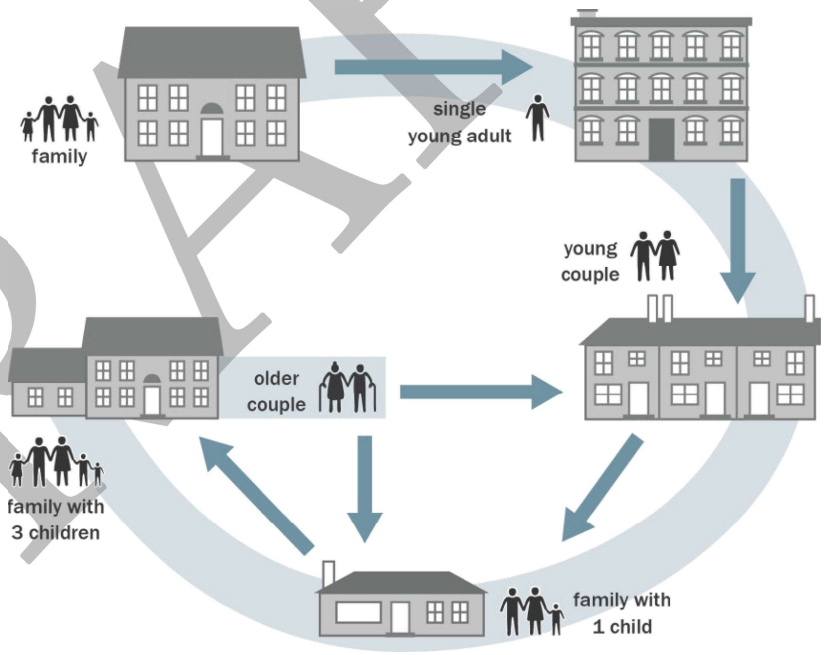
An individual's housing needs change throughout their life, with changes in income, family composition, and age. The types of housing needed by a 20-year-old college student differ from the needs of a 40-year-old parent with children, or an 80-year-old single adult. As Oregon City's population ages,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

Housing needs and preferences may change over time, such as with changes in marital status and size of family. Changes in income, which may change over a person's life with age, strongly influence the types of housing selected.

Families of different sizes need different types of housing. Changes in income is also a key factor in housing demand.

This graphic illustrates an example of changes in housing needs across a person's life

Exhibit 19. Effect of Demographic Changes on Housing Need
Source: ECONorthwest, adapted from Clark, William A.V. and Frans M. Dieleman. 1996. Households and Housing. New Brunswick, NJ: Center for Urban Policy Research.



DRAFT

Growing Population

Oregon City, like Wilsonville, has grown quickly over the last 30 years with its population more than doubling from 1990 to 2019.

Exhibit 20. Population, Oregon City, Gladstone, Wilsonville, Milwaukie, 1990-2019

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

			Change 1990 to 2019		
	1990	2019	Number	Percent	AAGR
Oregon City	14,698	35,570	19,242	131%	3.4%
Gladstone	10,152	11,905	1,353	13%	0.5%
Wilsonville	7,106	25,635	15,764	222%	4.8%
Milwaukie	18,692	20,535	1,813	10%	0.4%

Oregon City's population within the urban growth boundary is projected to grow by 6,410 people between 2019 and 2039, at an average annual growth rate of 0.8%.

Exhibit 21. Forecast of Population Growth, Oregon City, 2021–2041

Source: 2020-2050 Distributed Forecast (March 2021) Oregon Metro Research Center.

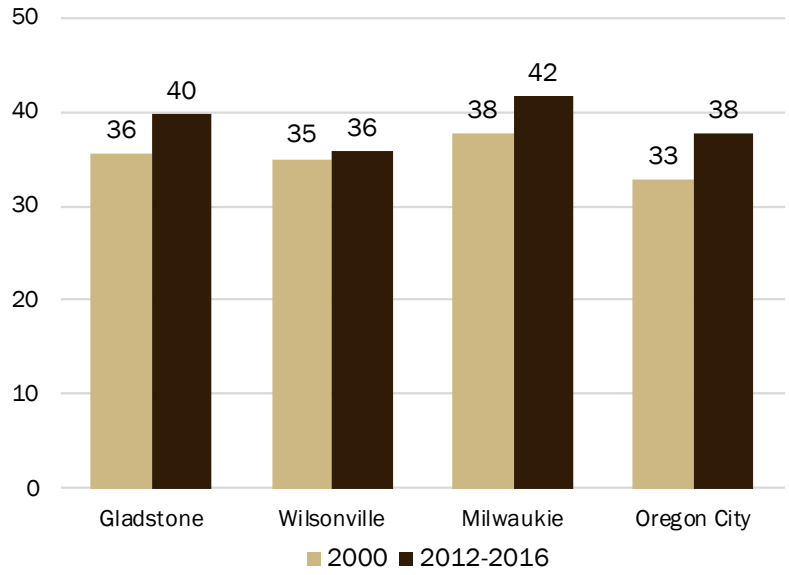
36,891	46,743	9,852	27% increase
Residents in 2021	Residents in 2041	New residents 2021-2041	1.19% AAGR

Aging Population

From 2000 to 2012-2016, Oregon City's median age increased by five years from 33 to 38.

Exhibit 22. Median Age, Years, Oregon City, Gladstone, Wilsonville, Milwaukie, 2000 to 2012-2016

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



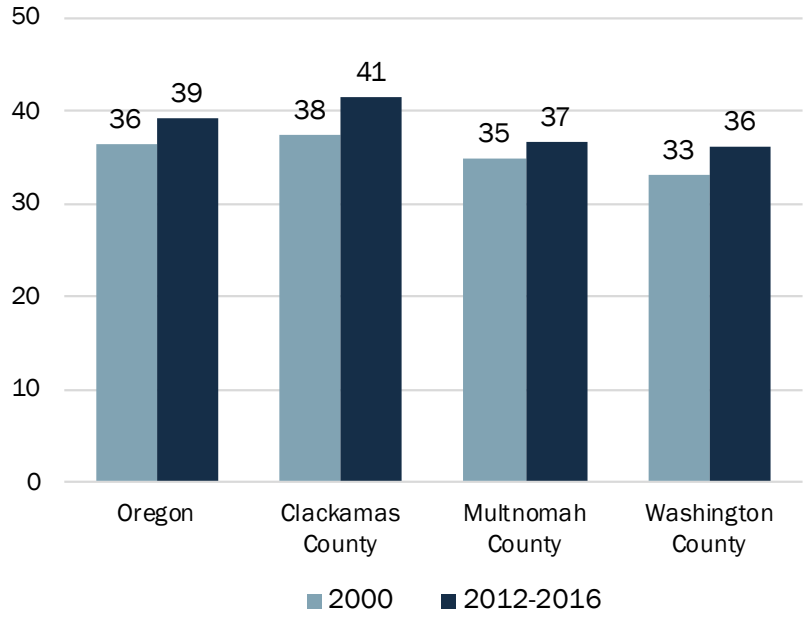
DRAFT

From 2000 to 2012-2016, Clackamas County's median age increased by three years.

The median age of Clackamas County residents is slightly higher than the media age of nearby regions (Clackamas and Washington County).

Exhibit 23. Median Age, Years, Oregon, Clackamas County, Multnomah County, Washington County, 2000 to 2012-2016

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

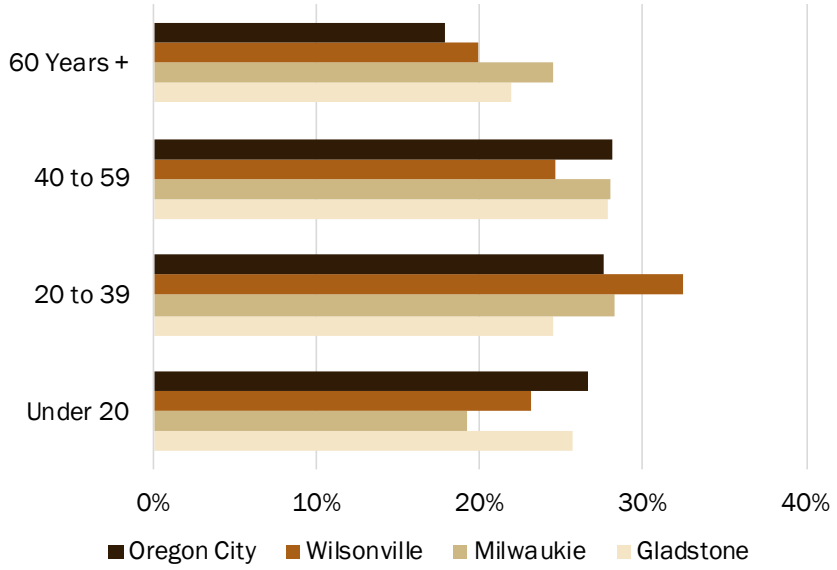


The majority of residents in Oregon City were between 20 to 59 years old.

Oregon City had a lower share (18%) of residents over 60 years of age than other comparator cities.

Exhibit 24. Population Distribution by Age, Oregon City, Gladstone, Wilsonville, Milwaukie, 2012-2016

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

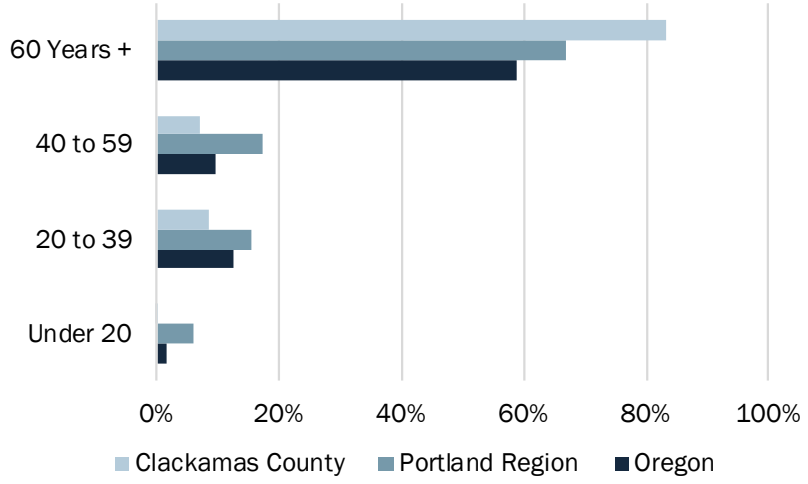


DRAFT

The senior population in Clackamas County (those aged 60 and older) grew faster than any other age cohort. From 2000 to the 2012-2016 period, the population aged 60 and older grew by 83% in Clackamas County, compared to 67% in the Portland Region, and 59% in Oregon. By 2040, people over 60 in Clackamas County will account for 27% of the population.

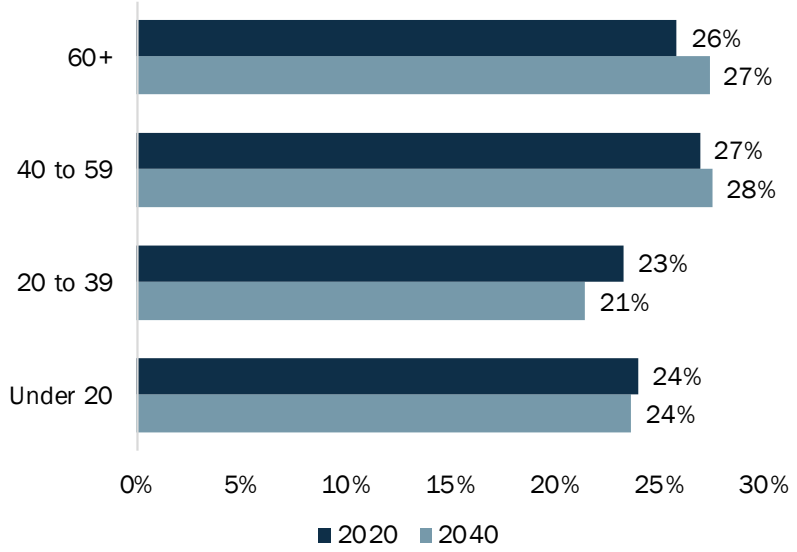
Between 2000 and 2012-2016, all age groups in Clackamas County grew in size. The most substantial change was growth in residents aged 60 and older.

Exhibit 25. Population Growth by Age, Clackamas County, Portland Region, Oregon, 2000 to 2012-2016
Source: U.S. Census Bureau, 2000 Decennial Census Table P012 and 2012-2016 ACS, Table B01001.



By 2040, Clackamas County residents over the age of 40 will make up 55% of the County's total population.

Exhibit 26. Population Growth by Age Group, Clackamas County, 2020 to 2040
Source: Portland State University, Population Research Center, Clackamas County Forecast, June 2017.



DRAFT

Growth in Latinx Population

The U.S. Census Bureau forecasts that at the national level, the Latinx (e.g., Latino/a and Hispanic) population will continue growing faster than most other non-Latinx population over the planning period. The Latinx population will increase 93% from 2016 to 2060 and foreign-born Latinx population will increase by about 40% in that same time.[34]

Continued growth in the Latinx population will affect Oregon City's housing needs in a variety of ways. Growth in first and, to a lesser extent, second and third generation Latinx immigrants, will increase demand for larger dwelling units to accommodate the, on average, larger household sizes for these households. In that, Latinx households are twice likely to include multiple generations households than the general populace.[35] In third and later generations of Hispanic or Latino immigrant households, size typically decreases and housing needs become similar to overall housing needs for households within the community.

According to the *State of Hispanic Homeownership* report from the National Association of Hispanic Real Estate Professionals,[36] the Latinx population accounted for 31.4% of the nation's net new household formations in 2019, up 2.8 percentage points from 2017. The rate of homeownership for Latinx households increased from 45.6% in 2015 to 47.5% in 2019. In that time (2015 to 2019), Latinx households were the only demographic that increased their rate of homeownership.

DRAFT

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

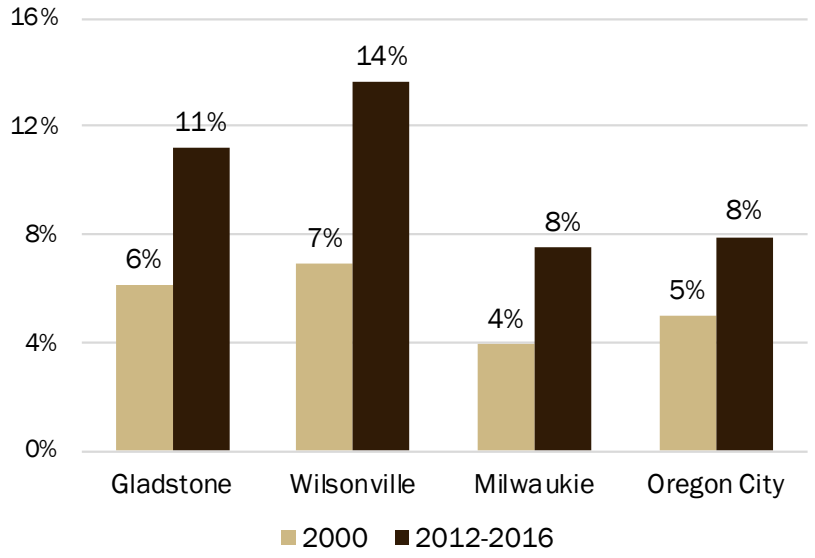
[35] Pew Research Center. *Second-Generation Americans: A Portrait of the Adult Children of Immigrants*, February 7, 2013, Appendix 8. Retrieved from: http://www.pewsocialtrends.org/2013/02/07/appendix-1-detailed-demographic-tables/.

National Association of Hispanic Real Estate Professionals (2019). *2019 State of Hispanic Homeownership Report*. Retrieved from: https://nahrep.org/shhr/

[36] National Association of Hispanic Real Estate Professionals (2019). *2019 State of Hispanic Homeownership Report*. Retrieved from: https://nahrep.org/downloads/2018-state-of-hispanic-homeownership-report.pdf

Between 2000 and 2012-2016, the share of the population that identified as Latinx increased by 3% in Oregon City.

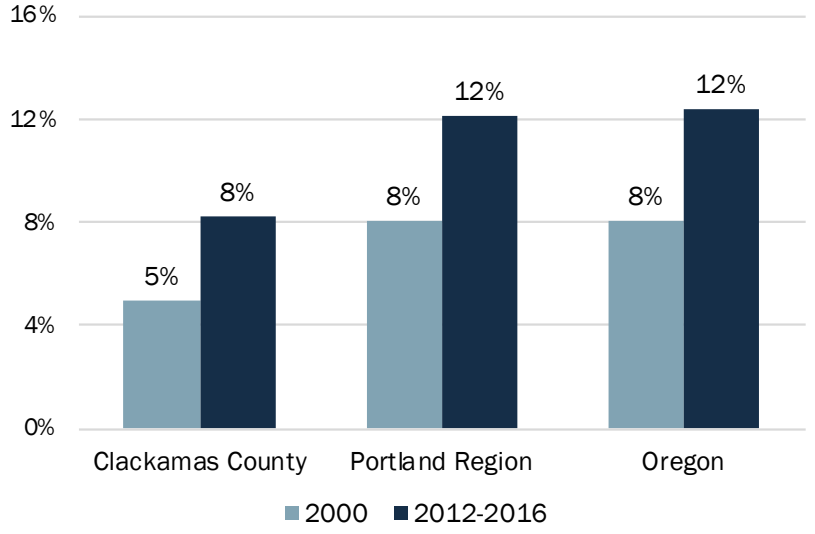
Exhibit 27. Latinx Population as a Percent of the Total Population, Oregon City, Gladstone, Wilsonville, Milwaukie, 2000 to 2012-2016
Source: U.S. Census Bureau, 2000 Decennial Census Table P008, 2012-2016 ACS Table B03002.



The share of Clackamas County's population that was Latinx increased by 3% between 2000 and 2012-2016.

Comparatively, the share of Latinx increased by 4% in the Portland Region and in Oregon.

Exhibit 28. Latinx Population as a Percent of the Total Population, Clackamas County, Portland Region, Oregon, 2000 to 2012-2016
Source: U.S. Census Bureau, 2000 Decennial Census Table P008, 2012-2016 ACS Table B03002.



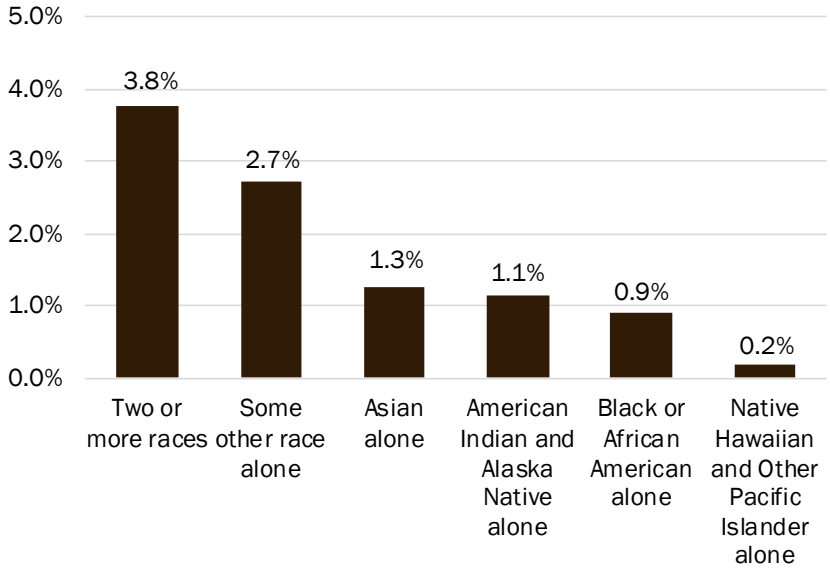
DRAFT

Racial Diversity

About 90% of Oregon City's population identified as White-alone.

The next largest population group identified as Two or More Races (3.8%).

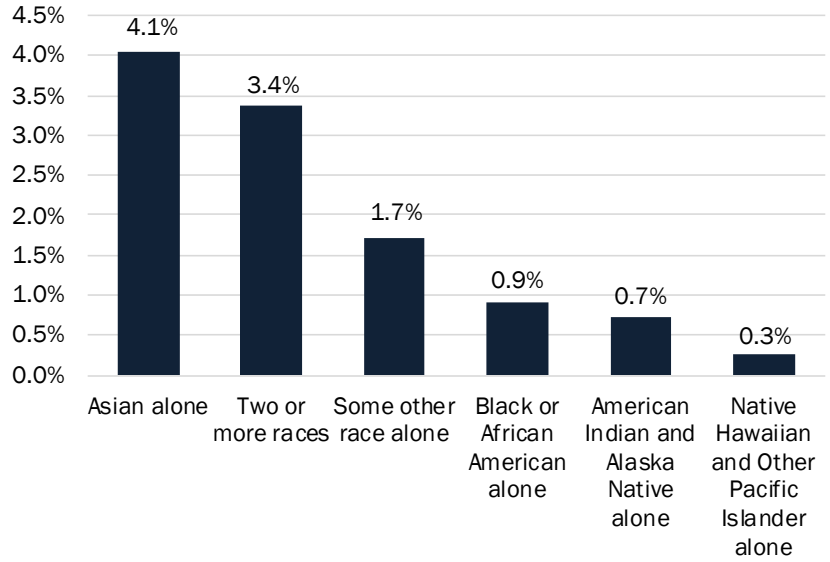
Exhibit 29. Population by Race (excluding White Alone) as a Percent of Total Population, Oregon City, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS Table B02001.



About 89% of Clackamas County's population identified as White-alone.

The next largest population group identified as Asian-alone (4.1%).

Exhibit 30. Population by Race (excluding White Alone) as a Percent of Total Population, Clackamas County, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS Table B02001.

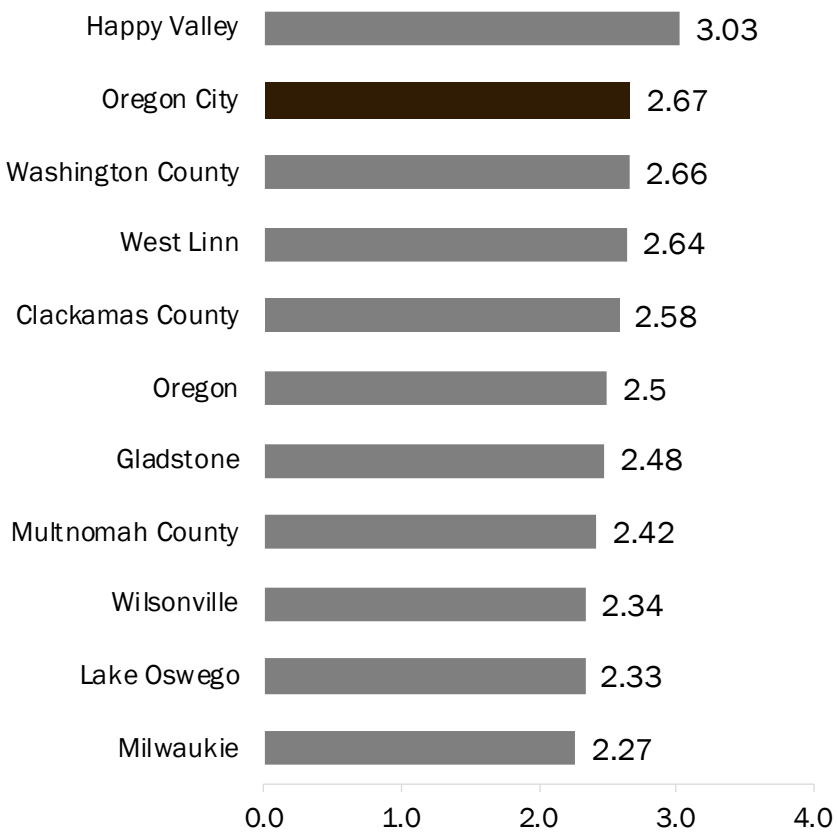


DRAFT

Household Size and Composition

In the 2013-2017 period, Oregon City's average household size was 2.67 persons per household.

Exhibit 31. Average Household Size, 2013-2017
Source: U.S. Census Bureau, 2013-2017 ACS 5-year estimate, Table B25010.

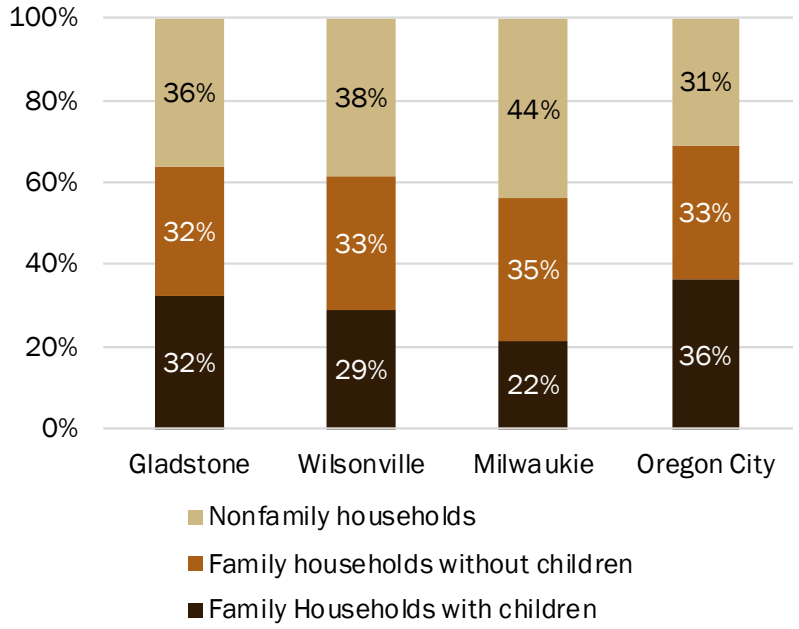


DRAFT

In the 2012-2016 period, 36% of Oregon City households were non-family households (e.g., single-person households or households composed of roommates).

Exhibit 32. Household Composition, Oregon City, Wilsonville, Milwaukie, Oregon City, 2012-2016

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



DRAFT

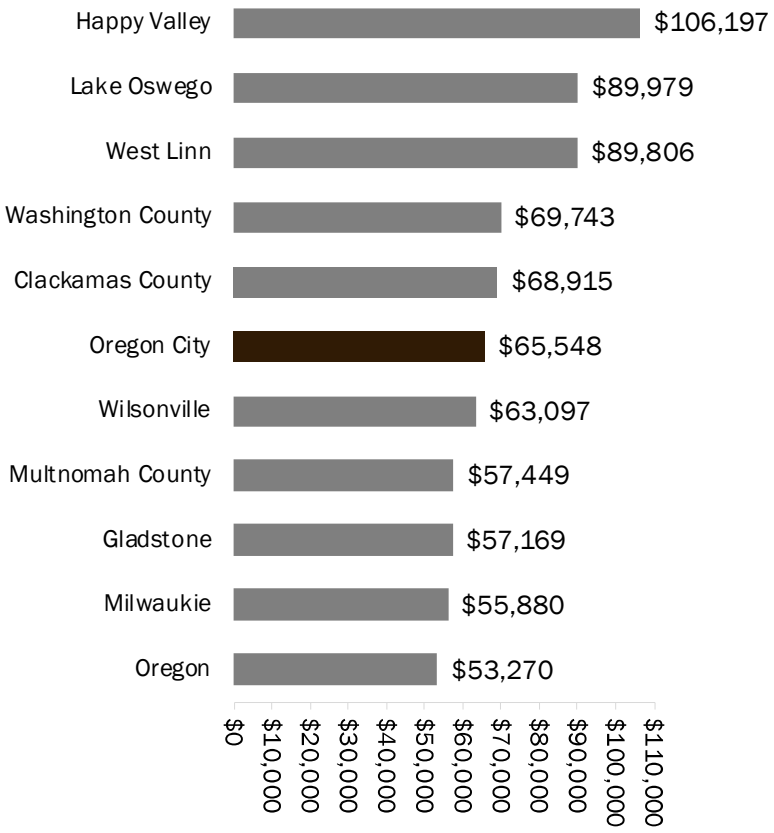
Income of Residents

Income is a key determinant in housing choice and households' ability to afford housing.

In the 2012-2016 period, Oregon City's median household income (MHI) was $65,548.

Oregon City's MHI was slightly below Clackamas County's MHI of $68,915.

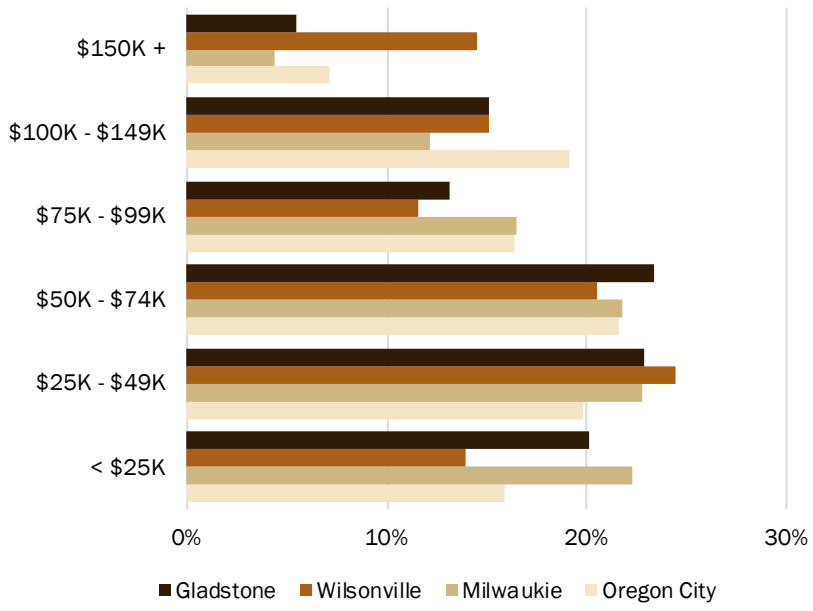
Exhibit 33. Median Household Income, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS 5-year estimate, Table B25119.



DF

In Oregon City, 26% of households earned $100,000 or more.

Exhibit 34. Household Income, Oregon City, Gladstone, Wilsonville, Milwaukie, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS 5-year estimate, Table B19001.



Commuting Trends

Oregon City is part of the complex, interconnected economy of Clackamas County and the greater Portland region.

Oregon City is part of an interconnected regional economy.

More than 12,000 people commute into Oregon City for work, and almost 14,000 people living in Oregon City commute out of the city for work.

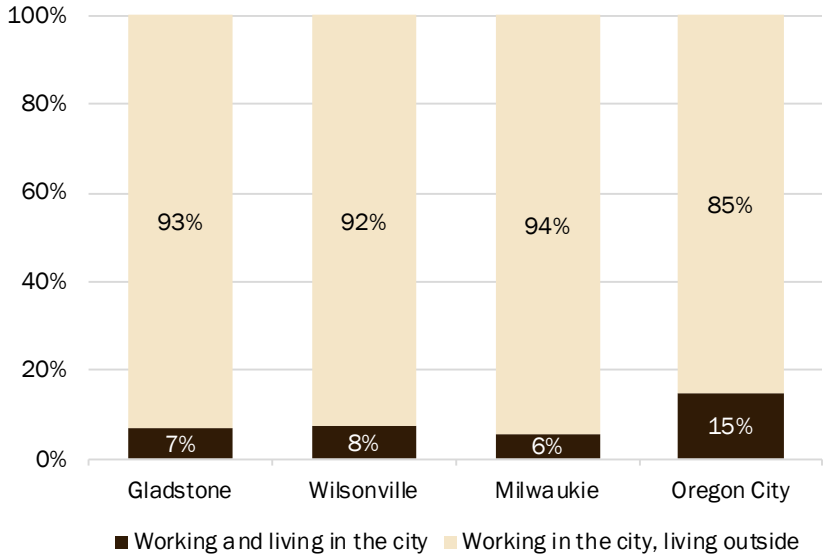
About 2,000 people both live and work in the City.

Exhibit 35. Commuting Flows, Oregon City, 2015
Source: U.S. Census Bureau, Census On the Map.

DRAFT

Of the people who work in Oregon City, 85% live outside of the city.

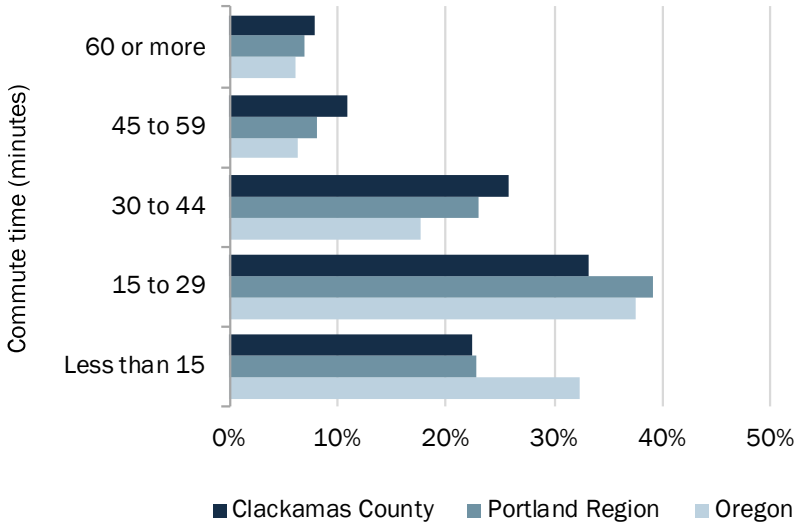
Exhibit 36. Commuting Flows of People Who Work in Oregon City, Gladstone, Wilsonville, Milwaukie, 2015
Source: U.S. Census Bureau, Census On the Map.



The majority of residents in Clackamas County, the Portland Region, and Oregon had a commute time that took less than 30 minutes.

In Clackamas County, 56% of residents had a commute time of less than 30 minutes, compared to 62% for the Portland Region and 70% for Oregon.

Exhibit 37. Commute Time by Place of Residence, Clackamas County, Portland Region, Oregon, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS 5-year estimate, Table B08303.

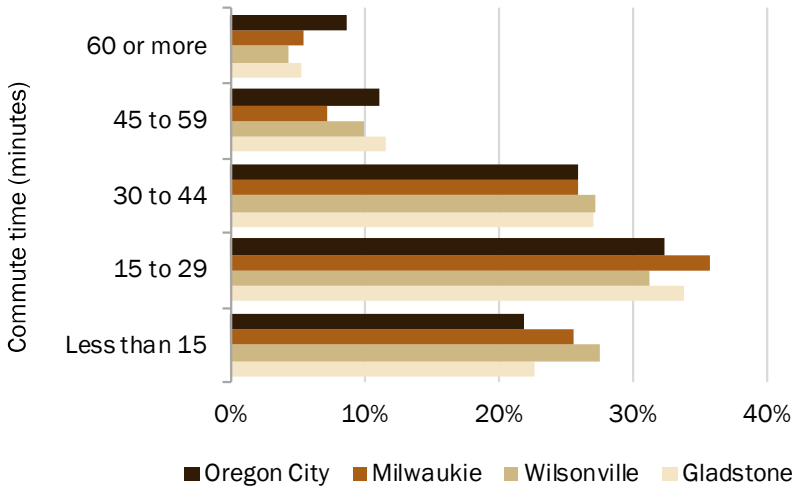


DRAFT

The majority of residents in Oregon City had commute times of less than 30 minutes.

Exhibit 38. Commute Time by Place of Residence, Oregon City, Gladstone, Wilsonville, Milwaukie, 2012-2016

Source: U.S. Census Bureau, 2012-2016 ACS 5-year estimate, Table B08303.



DRAFT

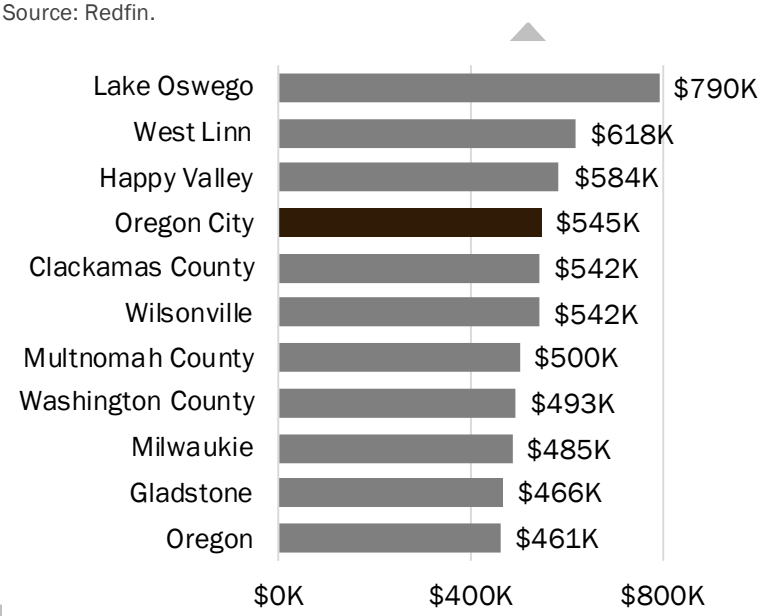
Regional and Local Trends Affecting Housing Affordability

This section describes changes in sales prices, rents, and housing affordability by jurisdiction.

Changes in Housing Costs

In April 2021, Oregon City had a median home sales price of $545k, which was below that of some other city comparators and similar to Clackamas County ($542k), but well above the state's median of $461k.

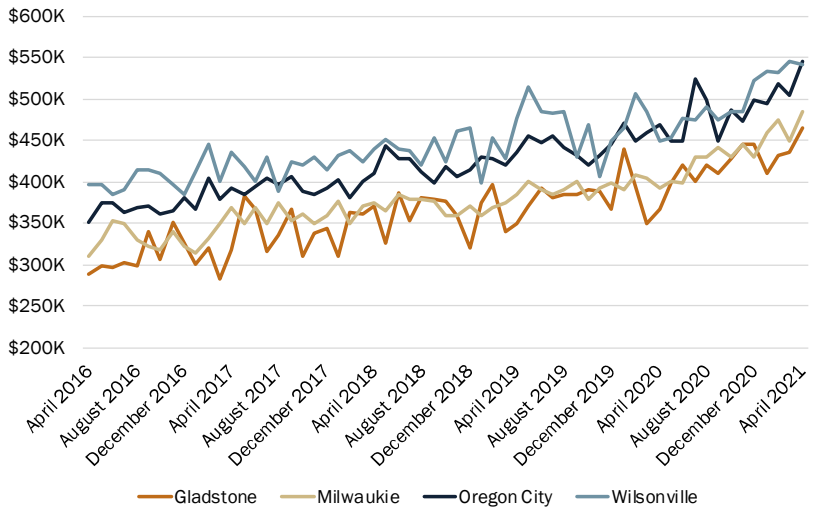
Exhibit 39. Median Home Sale Price, April 2021
Source: Redfin.



Median home sales prices in Oregon City have increased since April 2016.

In April of 2021, Oregon City had a median home sales price of $545k.

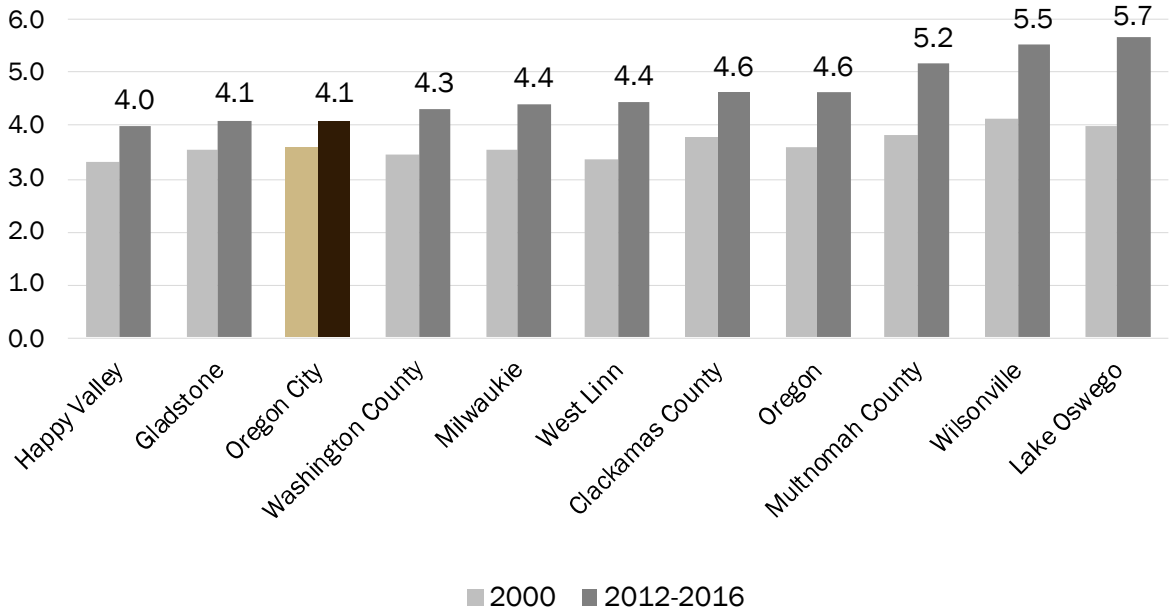
Exhibit 40. Median Sales Price, Gladstone, Wilsonville, Milwaukie, Oregon City, April 2016 – April 2021
Source: Redfin.



DRAFT

Since 2000, housing costs in nearly all Clackamas County geographies increased faster than incomes. Oregon City's median housing value to household income increased from 3.6 to 4.1.

Exhibit 41. Ratio of Median Housing Value to Median Household Income, 2000 to 2012-2016[37]
Source: U.S. Census Bureau, 2000 Decennial Census, Tables HCT012 and H085, and 2012-2016 ACS, Tables B19013 and B25077.



DRA

[37] This ratio compares the median value of housing in Clackamas County (and other places) to the median household income.

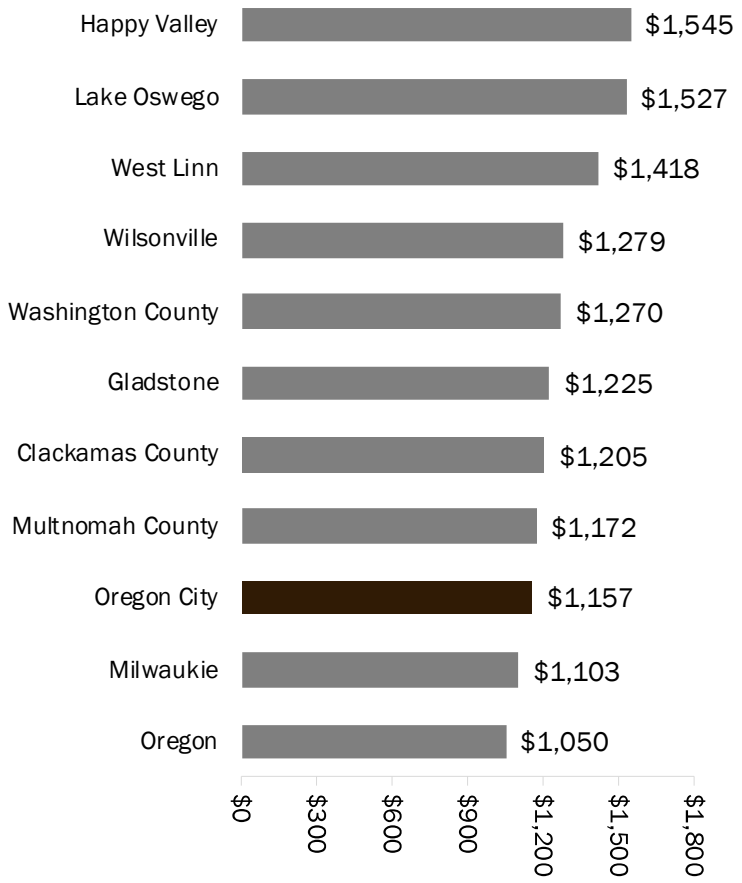
Rental Costs

The median gross rent in Oregon City was $1,157.

In the 2014-2018 period, rent in Oregon City was comparable to the median rent for Clackamas County as a whole.

Exhibit 42. Median Gross Rent, Oregon City and Comparison Areas, 2014-2018

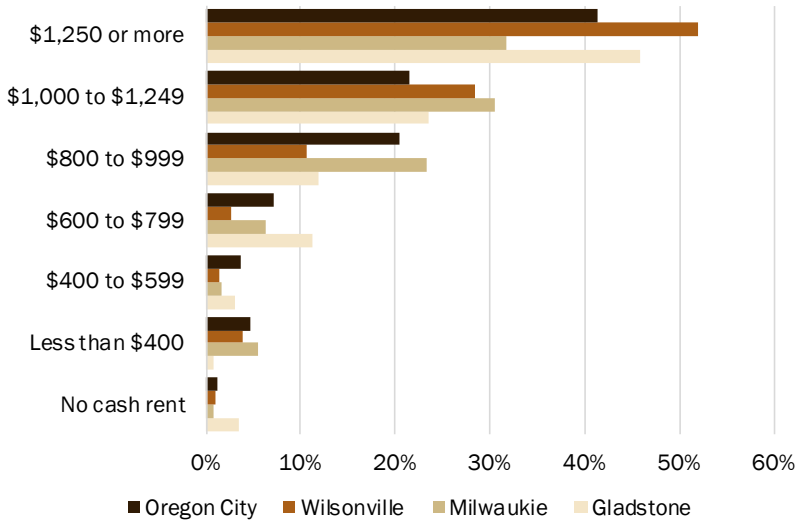
Source: U.S. Census Bureau, 2014-2018 ACS 5-year estimate, Table B25064.



DF

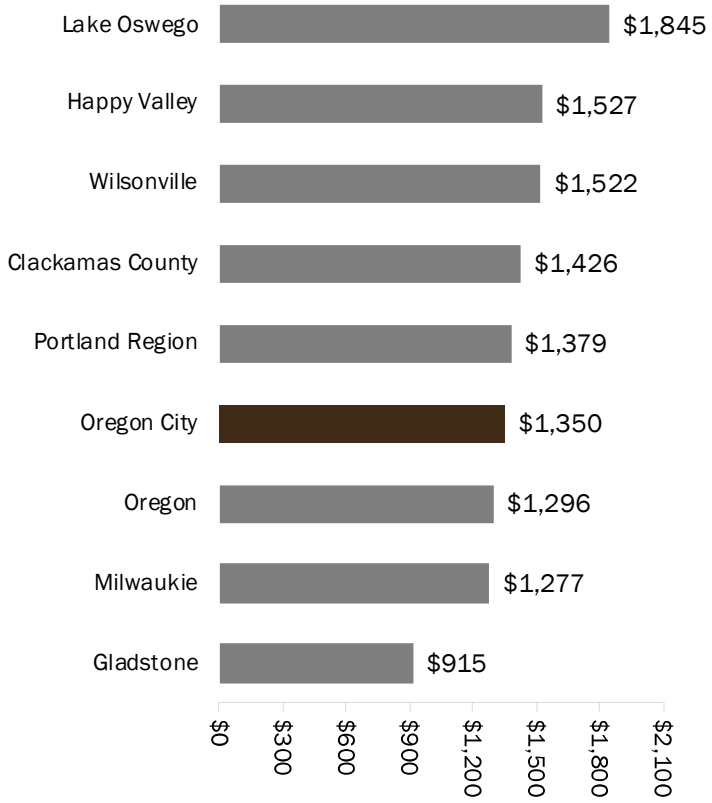
In Oregon City, nearly two-thirds of renters paid more than $1,000 a month in rent.

Exhibit 43. Gross Rent, Oregon City, Gladstone, Wilsonville, Milwaukie, 2014-2018
Source: U.S. Census Bureau, 2014-2018 ACS Table B25063.



Oregon City's average multifamily rent was slightly lower than Clackamas County's average rent.

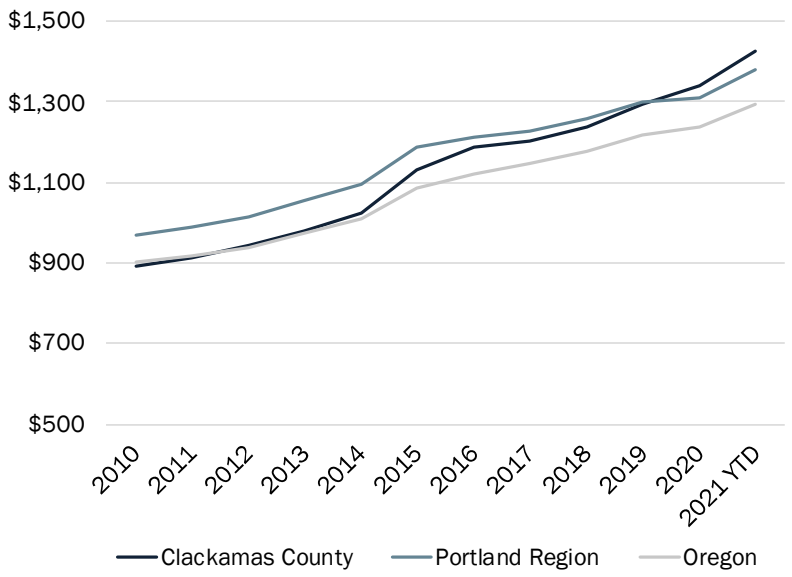
Exhibit 44. Average Effective Multifamily Rent, Oregon City and Comparison Areas, June 2021
Source: Costar.



DRAFT

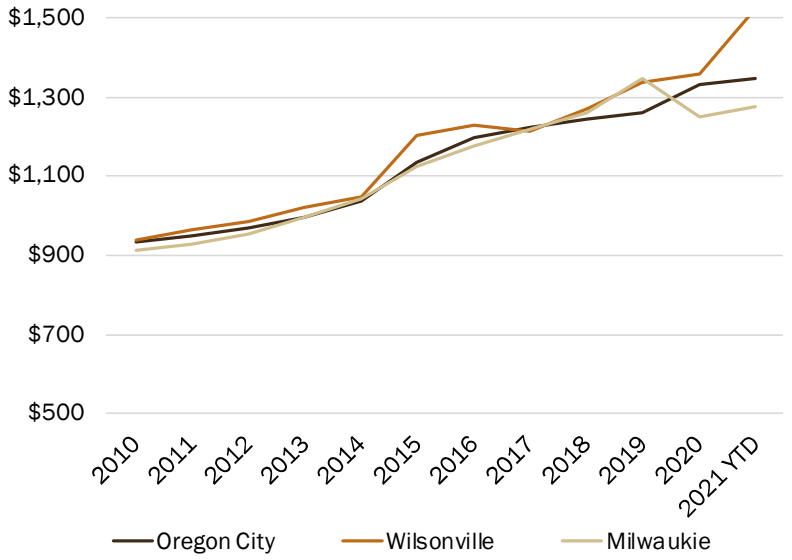
From 2010 to June 2021, average effective rents per unit increased from $894 to $1,436 in Clackamas County, $970 to $1,379 in the Portland Region, and $903 to $1,296 in Oregon.

Exhibit 45. Average Effective Multifamily Rent, Clackamas County, Portland Region, Oregon, 2010 through June 2021
Source: Costar.



From 2010 to 2021, average effective rent per unit increased from $933 to $1,350 in Oregon City, $940 to $1,522 in Wilsonville, and $914 to $1,277 in Milwaukie

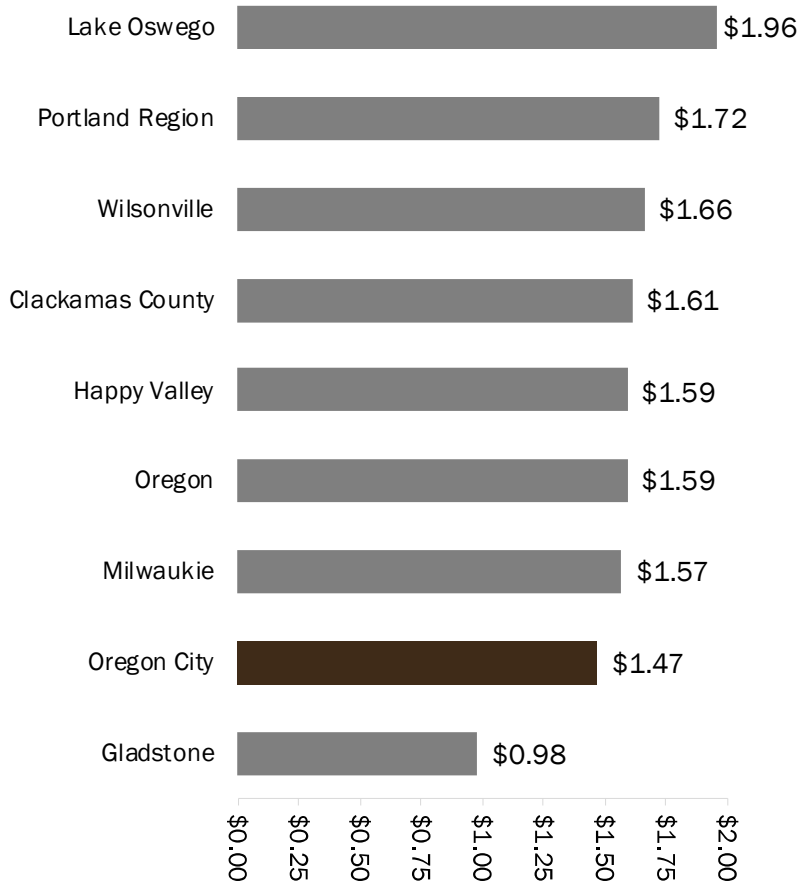
Exhibit 46. Average Effective Multifamily Rent, Oregon City, Wilsonville, Milwaukie, 2010 through June 2021
Source: Costar.



DRAFT

In June 2021, Oregon City's average effective multifamily rent per sq. ft. was $1.47.

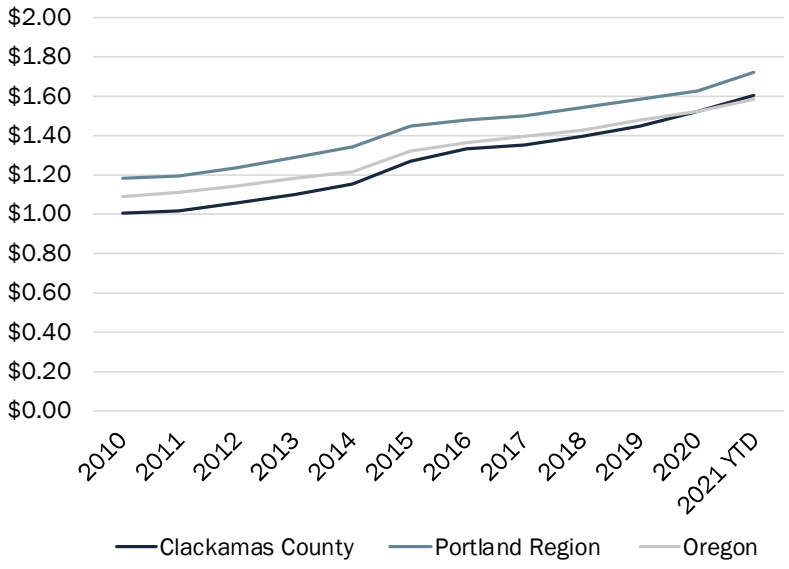
Exhibit 47. Average Effective Multifamily Rent per Square Foot, Oregon City and Comparison Areas, June 2021
Source: Costar.



DRAFT

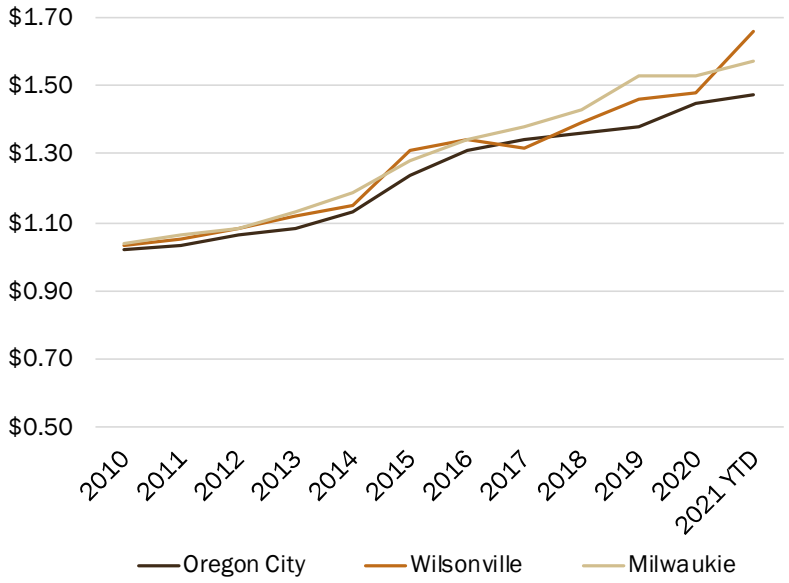
From 2010 to June 2021, average effective rent per square foot increased from $1.00 to $1.61 in Clackamas County, $1.18 to $1.72 in the Portland Region, and $1.09 to $1.59 in Oregon.

Exhibit 48. Average Effective Multifamily Rent per Square Foot, Clackamas County, Portland Region, Oregon, 2010 through June 2021
Source: Costar.



From 2010 to June 2021 average effective rent per square foot increased from $1.02 to $1.47 in Oregon City, $1.03 to $1.66 in Wilsonville, and $1.04 to $1.57 in Milwaukie.

Exhibit 49. Average Effective Multifamily Rent per Square Foot, Oregon City, Wilsonville, Milwaukie, 2010 through June 2021
Source: Costar.



DRAFT

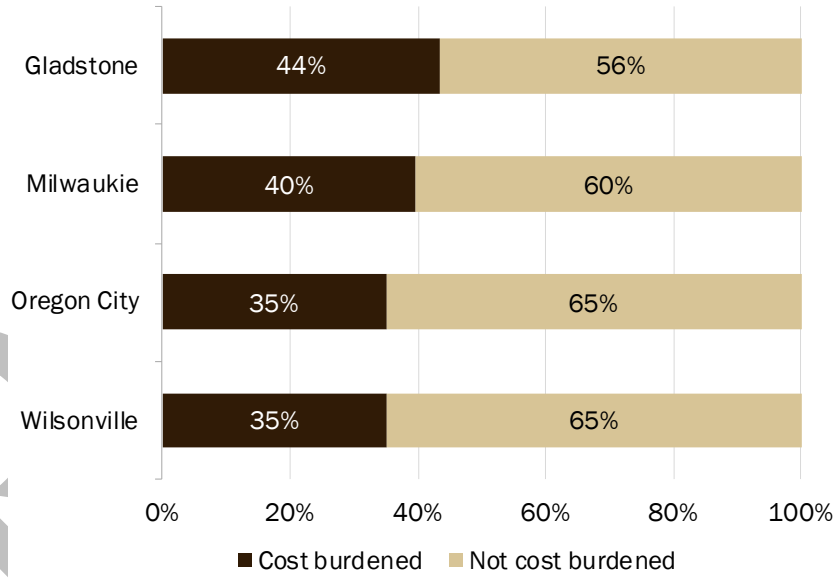
Housing Affordability

A typical standard used to determine housing affordability is that a household should pay no more than a certain percentage of household income for housing, including payments and interest or rent, utilities, and insurance. The Department of Housing and Urban Development's guidelines indicate that households paying more than 30% of their income on housing experience "cost burden," and households paying more than 50% of their income on housing experience "severe cost burden." Using cost burden as an indicator for housing affordability is consistent with the Goal 10 requirement to provide housing that is affordable to all households in a community.

Over a third of Oregon City's residents were cost burdened in the 2012-2016 period.

Exhibit 50. Housing Cost Burden by Tenure, Oregon City, Gladstone, Wilsonville, and Milwaukie, 2012-2016

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



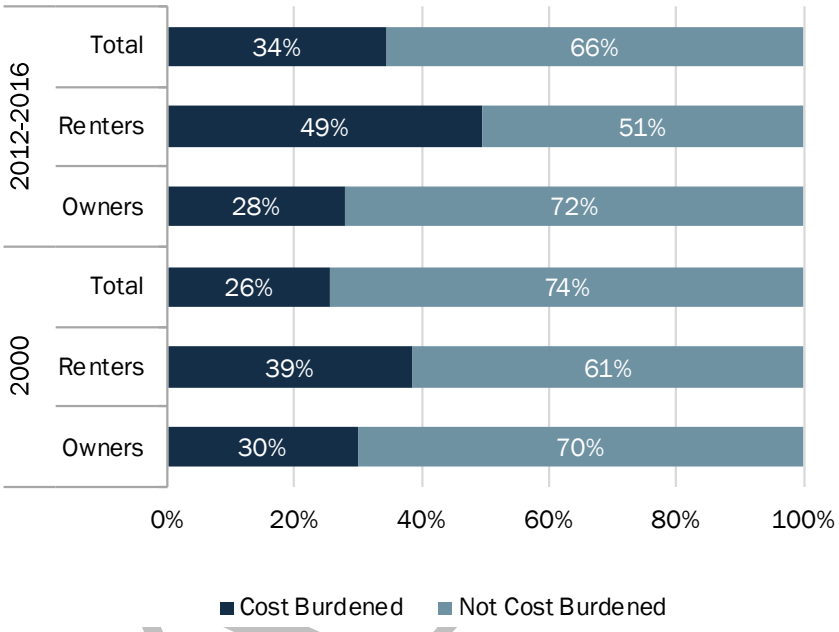
DRAFT

Across Clackamas County, renters were more likely to be cost burdened than homeowners.

Between the 2000 and 2012-2016 time period, the share of total cost-burdened households rose from 26% in 2000 to 34% in 2012-2016.

Exhibit 51. Housing Cost Burden by Tenure, Clackamas County, 2000, 2012-2016

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



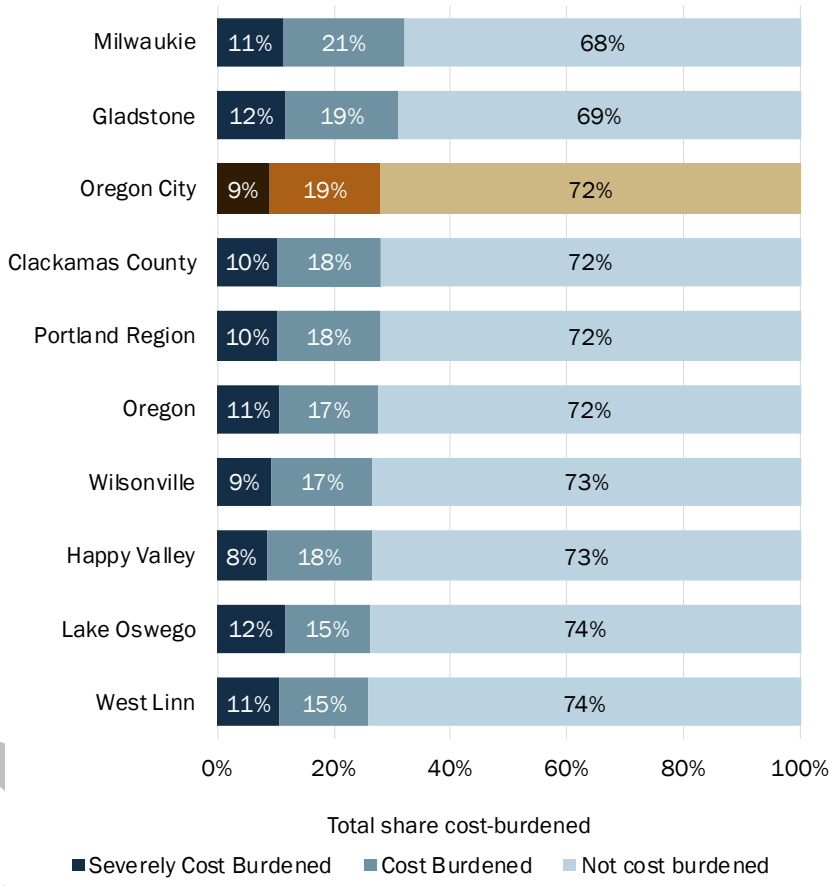
DRAFT

Nearly 30% of Oregon City's cost burdened homeowner households were cost burdened, spending more than 30% or more of their income on housing costs.

Nine percent of the city's homeowner households were *severely* cost burdened, spending 50% or more of their income on housing costs.

Exhibit 52. Cost Burden Rates for Homeowner Households, 2012-2016

Source: U.S. Census Bureau, 2012-2016 ACS Table B25091.

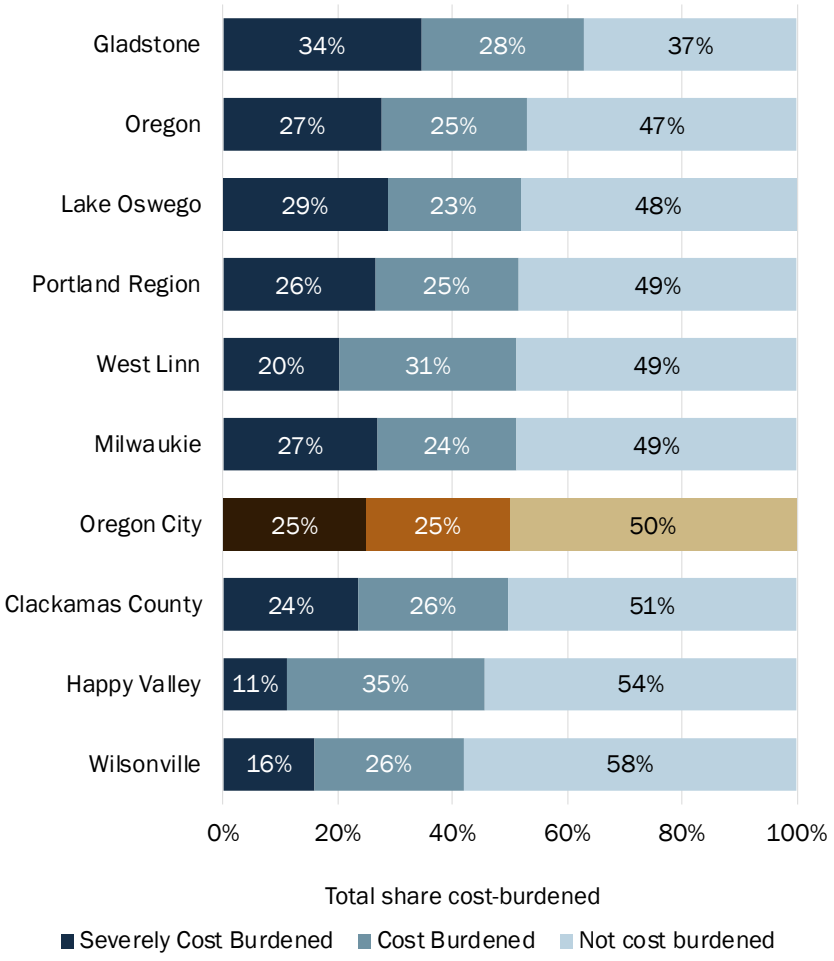


DRAFT

Half of Oregon City's renter households were cost burdened, spending 30% of their income on housing costs.

Twenty-five percent of the city's renter households were *severely* cost burdened, spending 50% or more of their income on housing costs.

Exhibit 53. Cost Burden Rates for Renter Households, 2012-2016
Source: U.S. Census Bureau, 2012-2016 ACS Table B25070.



DR

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

- A household is defined as cost burdened if the household's housing costs exceed 30% of the household's income. The remaining 70% of income is expected to be spent on non-discretionary expenses, such as food or medical care, and on discretionary expenses. Households with higher incomes may be able to pay more than 30% of their income on housing without impacting the household's ability to pay for necessary non-discretionary expenses.
- Cost burden compares income to housing costs and does not account for accumulated wealth. As a result, the estimate of how much a household can afford to pay for housing does not include the impact of a household's accumulated wealth. For example, a household of retired people may have relatively low income but may have accumulated assets (such as profits from selling another house) that allow them to purchase a house that would be considered unaffordable to them based on the cost burden indicator.

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

Fair Market Rent for a 2-bedroom apartment in Clackamas County is $1,495.

Exhibit 54. HUD Fair Market Rent (FMR) by Unit Type, Clackamas County,[38] 2020

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

$1,192	$1,289	$1,495	$2,157	$2,625
Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom

A household must earn at least $28.75 per hour to afford a two-bedroom unit in Clackamas County.

Before taxes, a full-time job at $28.75 per hour is an annual salary of $59,800.

Exhibit 55. Affordable Housing Wage, Clackamas County, 2020

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

$28.75 per hour

Affordable Housing Wage for two-bedroom Unit in Clackamas County

DRAFT

[38] HUD reports 2020 fair market rents and median family income from the Portland-Vancouver-Beaverton MSA for Clackamas County.

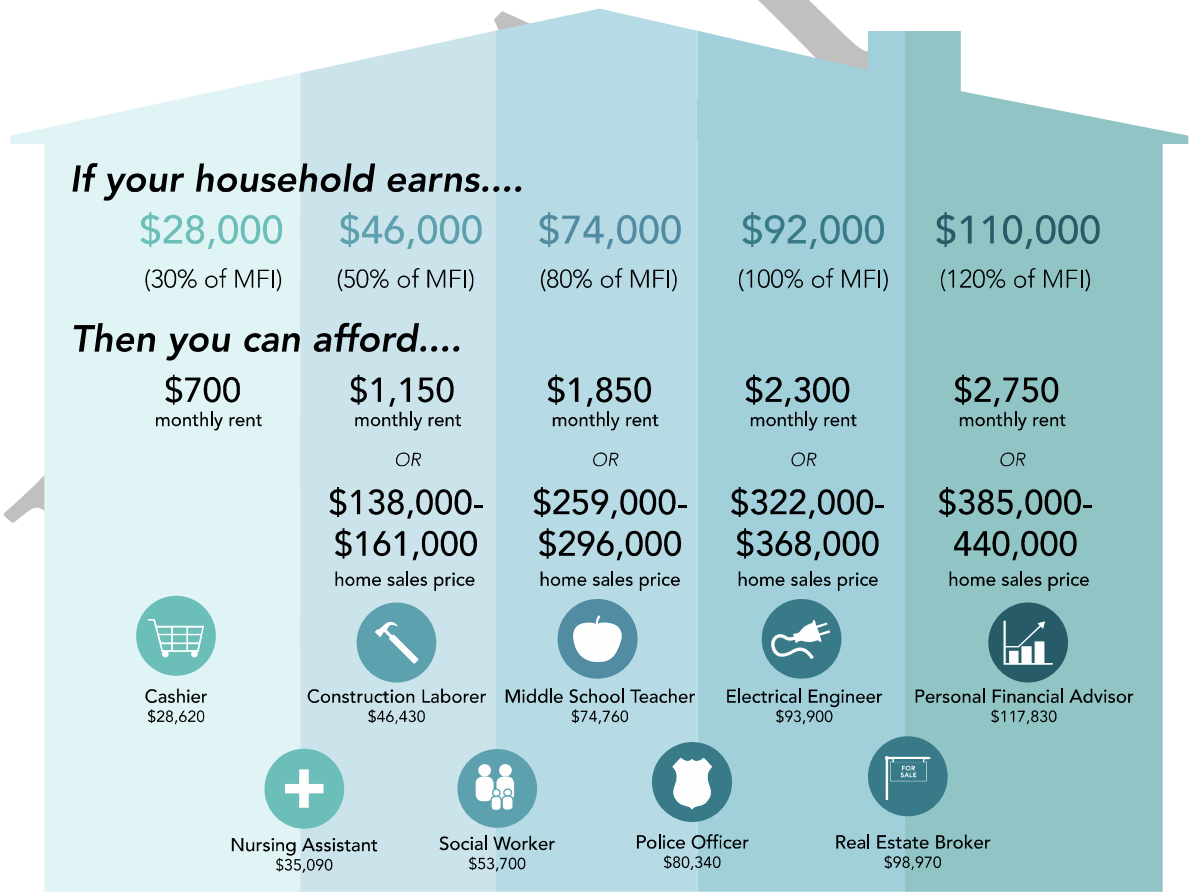
Exhibit 56 shows housing affordability based on incomes for Clackamas County. The regional Median Family Income (MFI) is used by HUD as a way to understand the differences in housing affordability in different places across the nation. In Clackamas County (and the rest of the Portland region), the MFI for a family of four is $92,000. A household earning the median family income ($92,000) can afford a monthly rent of about $2,300 or a home roughly valued between $322,000 and $368,000.

A household would need to have income of about $136,000, or 148% of MFI for Clackamas County to afford a house at the Oregon City's median home sale price of $545,000. About 18% of households in Oregon City can afford housing at this cost.

A household would need to have income of about $60,000 (about 65% of MFI) to afford the average asking rent for multifamily housing of nearly $1,350, plus basic utilities like power, heat, and water. About 64% of households in Oregon City can afford housing at this cost.

Exhibit 56. Financially Attainable Housing, by Median Family Income (MFI) for Clackamas County ($92,100), Clackamas County, 2020

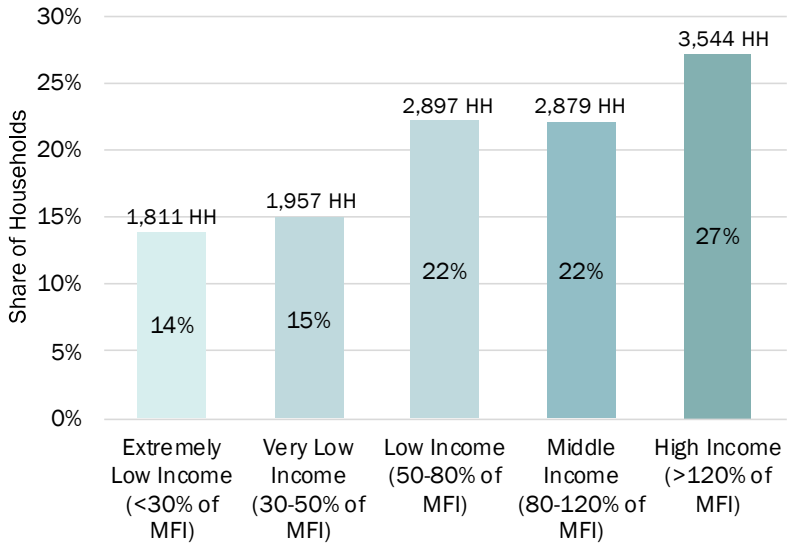
Source: U.S. Department of Housing and Urban Development 2020. U.S. Census Bureau, 2014-2018 ACS Table 19001.
Note: MFI is Median Family Income; Clackamas County MFI is determined by HUD for the Portland MSA.



In Oregon City, about half (51%) of all households in Oregon City earned 80% or more of Clackamas County's median family income.

Exhibit 57. Share of Households, by Median Family Income (MFI) for Clackamas County ($92,100), Oregon City, 2020

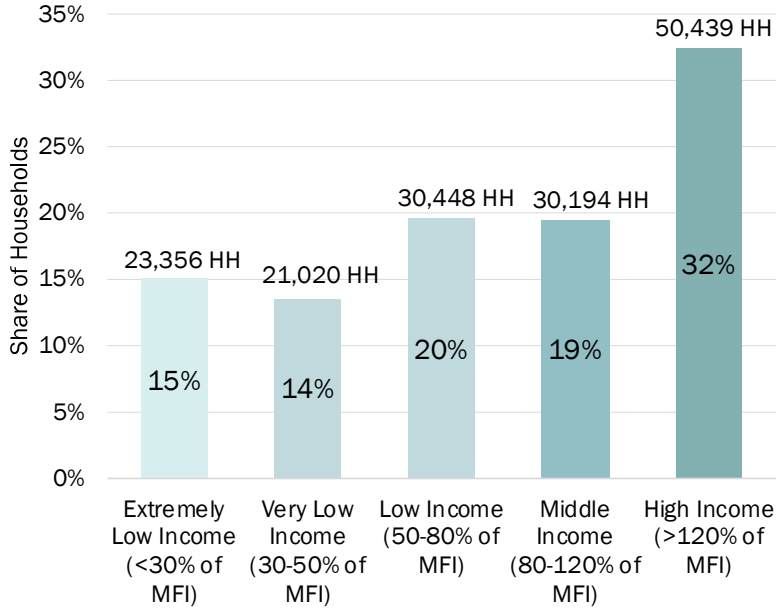
Source: U.S. Department of Housing and Urban Development, Clackamas County, 2020. U.S. Census Bureau, 2014-2018 ACS Table 19001.



Nearly a third (32%) of Clackamas County households earned 120% or more of median family income of $92,100.

Exhibit 58. Share of Households, by Median Family Income (MFI) for Clackamas County ($92,100), 2020

Source: U.S. Department of Housing and Urban Development, Clackamas County, 2020. U.S. Census Bureau, 2014-2018 ACS Table 19001.

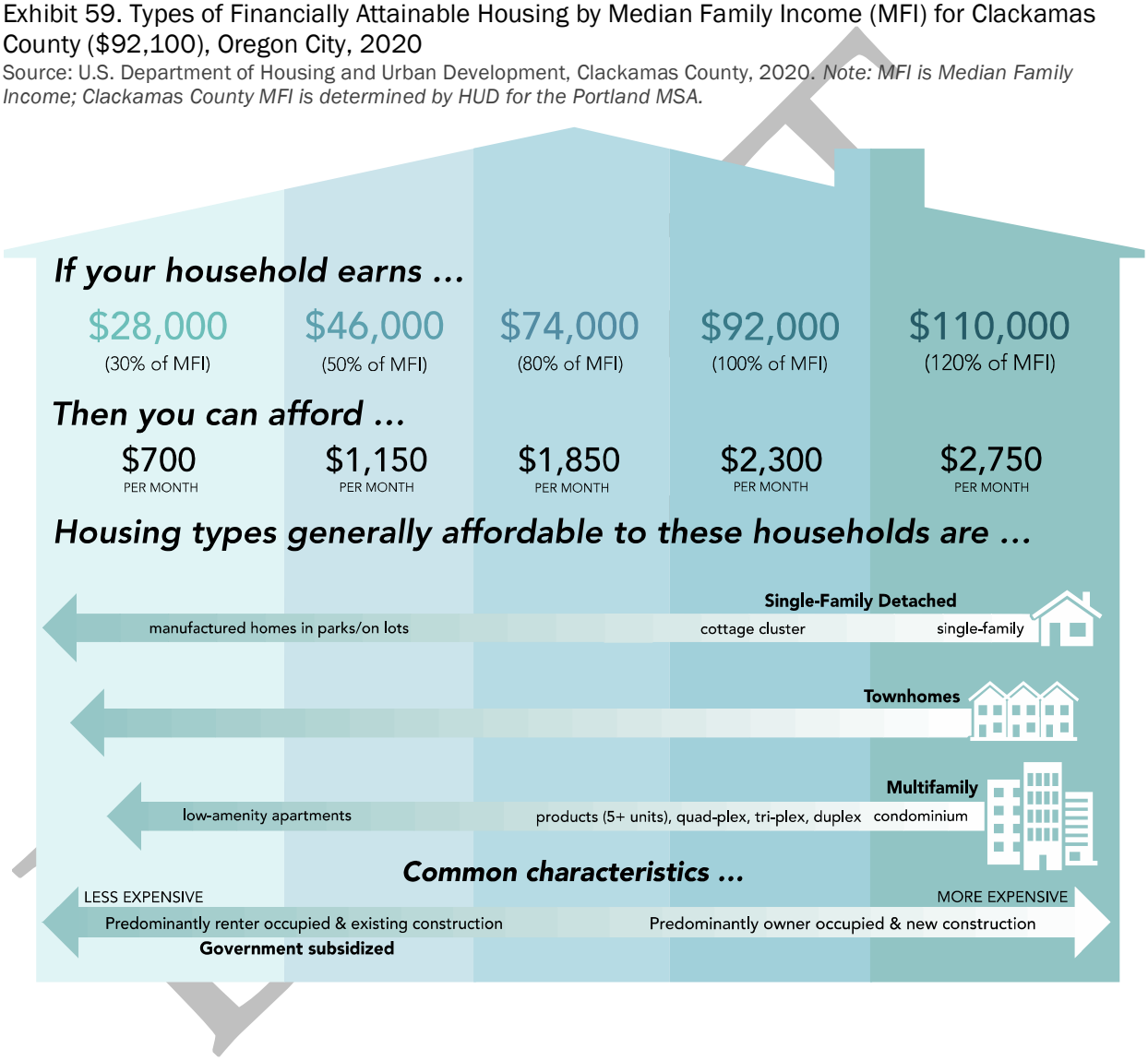


DRAFT

Exhibit 59 illustrates the types of financially attainable housing by income level. Generally speaking, lower-income households will be renters occupying existing housing. Newly built housing will be a combination of renters (most likely in multifamily housing) and homeowners. The types of housing affordable for the lowest-income households are limited to government-subsidized housing, manufactured housing, lower-cost single-family housing, and multifamily housing. The range of financially attainable housing increases with increased income.

Exhibit 59. Types of Financially Attainable Housing by Median Family Income (MFI) for Clackamas County ($92,100), Oregon City, 2020

Source: U.S. Department of Housing and Urban Development, Clackamas County, 2020. *Note: MFI is Median Family Income; Clackamas County MFI is determined by HUD for the Portland MSA.*



5. Housing Need in Oregon City

Project New Housing Units Needed in the Next 20 Years

The results of the Housing Needs Analysis are based on (1) Metro's official household forecast for growth in Oregon City over the 20-year planning period, (2) information about Oregon City's housing market relative to Clackamas County and the Portland region, and (3) the demographic composition of Oregon City's existing population and expected long-term changes in the demographics of Clackamas County.

Forecast for Housing Growth

A 20-year household forecast (in this instance for 2021 to 2041) is the foundation for estimating the number of new dwelling units needed. The forecast for Oregon City is based on Metro's 2050 Household Distributed Forecast, 2021. Oregon City's city limits and UGB areas[39] will grow from 14,778 households in 2021[40] to 22,213 households in 2041, an increase of 7,435 households.[41]

Oregon City will have demand for 7,435 new dwelling units over the 20-year period, with an annual average growth of 372 dwelling units.

Exhibit 60. Forecast of Demand for New Dwelling Units, Oregon City Planning Area, 2021 to 2041
Source: Metro's *2050 Household Distributed Forecast*, March 2021. Calculations by ECONorthwest.

Variable	New Dwelling Units (2021-2041)		
	City Limits	UGB Areas	Oregon City Planning Area (Total)
Household Forecast 2021	13,796	982	14,778
Household Forecast 2041	19,588	2,625	22,213
Total New Dwelling Units (2021-2041)	**5,792**	**1,643**	**7,435**
Annual Average of New Dwelling Units	**290**	**82**	**372**

[39] The UGB areas include the forecasted household growth in TAZs 726, 733, and 740.

[40] Metro's *2050 Household Distributed Forecast* shows that in 2020 the Oregon City city limits and UGB areas had 14,492 households. The Metro forecast shows these areas growing to 24,207 households in 2045, an average annual growth rate of 2.1% for the 25-year period. Using this growth rate, ECONorthwest extrapolated the forecast to 2021 (14,778 households) and 2041 (22,213 households).

[41] This forecast is based on Oregon City city limits' and UGB areas' official household forecast from Metro for the 2021 to 2041 period.

DRAFT

Housing Units Needed

Exhibit 60 and Exhibit 61 presents a forecast of new housing in Oregon City's Planning Area for the 2021 to 2041 period. This section determines the mix and density needed to meet State requirements (OAR 660-007) and meet the housing needs of Oregon City residents.

The preliminary conclusion for Oregon City is that, over the next 20-years, the need for new housing developed in Oregon City will generally include a wider range of housing types and housing that is more affordable. This conclusion is based on the following findings:

- **Oregon City's housing mix, like Clackamas County's, is predominately single-family detached.** In the 2015-2019 period, 73% of Oregon City's housing was single-family detached, 7% was single-family attached, 6% was duplexes, triplexes, and quadplexes, and 13% was multifamily.
- **Demographic changes across the Portland Region (and in Oregon City) suggest increases in demand for single-family attached housing and multifamily housing.** The key demographic trends that will affect Oregon City's future housing needs are:
  - *The Baby Boomer's population is continuing to age.* The changes that affect Oregon City's housing demand as the population ages are that household sizes and homeownership rates decrease. The majority of Baby Boomers are expected to remain in their homes as long as possible, downsizing or moving when illness or other issues cause them to move. Demand for specialized senior housing, such as age-restricted housing or housing in a Continuum of Care from independent living to nursing home care, may grow in Oregon City.
  - *Millennials* and *Generation Z will continue to form households and make a variety of housing choices.* As Millennials and Generation Z age, generally speaking, their household sizes will increase, and their homeownership rates will peak by about age 55. Between 2020 and 2040, Millennials and Generation Z will be a key driver in demand for housing for families with children. The ability to attract these younger households will depend on the City's availability of affordable renter and ownership housing. It will also depend on the location of new housing in Oregon City as many Millennials prefer to live in more walkable neighborhoods.[42] The decline in homeownership among the Millennial generation has more to do with financial barriers rather than the preference to rent.[43] Housing preferences for Generation Z are not yet known but it is reasonable that they will also need affordable housing, both for rental and later in life for ownership.
  - *Latinx population will continue to grow.* Latinx population growth will be an important driver in growth of housing demand, both for owner- and renter-occupied housing.

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

[43] Ibid.

DRAFT

Growth in the Latinx population will drive demand for housing for families with children. Latinx households are disproportionately cost burdened when compared to the statewide average, in part because of lower household incomes. Growth in Latinx households will also drive demand for affordable housing, both for ownership and renting, both for smaller units for one- and two-person households but also for larger family households, including multigenerational households.

- **About 35% of Oregon City's households are cost burdened (paying 30% or more of their household income on housing costs).**[44] About 50% of Oregon City's **renters** are cost burdened and about 28% of Oregon City's **homeowners** are cost burdened. Cost burden rates in Oregon City are very similar to those in the Portland Region.
- **About 33% of Oregon City's households are renters, 58% of whom live in multifamily housing.** Median rents in Oregon City are $1,053 per month, compared to the $1,091 median rent for Clackamas County as a whole.
  - A household earning 50% of Clackamas County's median family income ($46,000) could afford about $1,150 per month in rent, compared with the average effective rent of $1,350. However, about 19% of Oregon City's housing stock is multifamily (2+ units), compared to 32% of the housing in the Portland Region. The comparatively small share of multifamily units may constrain opportunities to rent in Oregon City.
- **Housing sales prices increased in Oregon City over the last three years at a slightly faster rate than entire County.** From April 2016 to April 2021, the median housing sale price increased by $194,600 (65%), from $352,000 to $545,000.[45] At the same time, the median housing home sale price in Clackamas County increased by $171,700 (56%), from $371,000 to $542,000.[46] Oregon City has a lower average rent than other nearby jurisdictions, but the city's home prices are higher than most jurisdictions, Clackamas County, and the Portland Region overall.
  - A household earning 100% of Clackamas County's median family income could afford a home valued between about $322,000 to $368,000, which is less than the median home sales price of about $545,000 in Oregon City. A household can start to afford median home sale prices at about 148% of Oregon City's median household income.

These factors suggest that Oregon City needs a broader range of housing types with a wider range of price points than are currently available in Oregon City's housing stock. This includes providing opportunity for development of housing types such as: smaller single-family

[44] The Department of Housing and Urban Development's guidelines indicate that households paying more than 30% of their income on housing experience "cost burden," and households paying more than 50% of their income on housing experience "severe cost burden."

[45] Redfin

[46] Redfin.

DRAFT

detached housing (e.g., cottages or small-lot single-family detached units), townhouses, duplexes and quad-plexes, small apartment buildings, and larger apartment buildings.

Exhibit 61 presents a forecast for housing growth in the Oregon City's city limits during the 2021 to 2041 period. The projection is based on the following assumptions:

- Metro's growth forecast show that Oregon City will need 7,435 new dwelling units over the 20-year period.
- The assumptions about the mix of housing in Exhibit 61 are consistent with the requirements of OAR 660-007[47]:
  - **About 50% of new housing will be single-family detached**, **in medium and low-density areas**, a category which includes manufactured housing and cottage clusters. In 2015-2019, 73% of Oregon City's housing was single-family detached. Single-family detached housing includes traditional single-family detached units, manufactured homes (on individual lots and in parks), accessory dwelling units, and other detached housing types such as cottage housing.
  - **Nearly 20% of new housing will be single-family attached units in low, medium, and high-density areas.** In 2015-2019, 7% of Oregon City's housing was single-family attached. Single-family attached housing includes townhouses and row houses.
  - **About 10% of new housing will be duplexes, triplexes, and quadplexes in low, medium, and high-density areas.** In 2015-2019, 6% of Oregon City's housing was duplexes, triplexes, and quadplexes.
  - **About 30% of new housing will be in multifamily buildings with five or more units in high density and mixed-use areas**. In 2015-2019, 13% of Oregon City's housing was multifamily in structures with five or more units.

The City recently updated its zoning code to allow for a greater variety of housing types and remove and reduce barriers within the development regulations for missing middle housing. Corner duplexes, internal conversions, accessory dwelling units, and cottage clusters are allowed outright in low density areas. Duplexes, tri-plexes, quad-plexes, and single-family attached units are also permitted outright in medium density areas. Duplexes, tri-plexes, quad-plexes, attached housing, and internal conversions are processed with clear and objective standards in the same manner as a detached single-family home. In addition, the code redefined multifamily housing from structures with three or more units, to structures with five or more units per lot. The City is currently going through a process to review the zoning code for compliance with HB 2001, which will result in additional opportunities for housing types.

[47] OAR 660-007-0030(1) requires that most Metro cities "…provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing…"

DRAFT

Oregon City will have demand for 7,435 new dwelling units over the 20-year period, 50% of which are forecast to be single-family detached housing.

Exhibit 61. Forecast of Demand for New Dwelling Units, Oregon City Planning Area, 2021 to 2041
Source: Calculations by ECONorthwest. DU = Dwelling Unit

Variable	Mix of New Housing Units (2021-2041)
Needed new dwelling units (2021-2041)	7,435
Single-family detached	
Percent single-family detached DU	50%
equals Total new single-family detached DU	3,717
Single-family attached	
Percent single-family attached DU	20%
equals Total new single-family attached DU	1,487
Duplex, Triplex, Quadplex	
Percent duplex, triplex, quadplex	10%
equals Total new duplex, triplex, quadplex DU	744
Multifamily (5 or more units)	
Percent multifamily	20%
Total new multifamily DU	1,487
equals Total new dwelling units (2021-2041)	**7,435**

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

Exhibit 62 allocates housing to plan designations in Oregon City. The allocation is based, in part, on the types of housing allowed in the zones of each plan designation.

Exhibit 62 shows:

- **Low Density Residential (R-10, R-8, R-6)** land will accommodate new single-family detached housing, accessory dwelling units, internal conversions, corner duplexes, and cluster housing. Single-family attached are allowed with a Master Plan. The City will review allowing duplexes, triplexes, and quadplexes in these zones, as part of complying with HB 2001.
- **Medium Density Residential (R-3.5, R-5)** land will accommodate new single-family detached housing, accessory dwelling units, internal conversions, duplexes, corner duplexes, single-family attached, tri-plexes, quad-plexes, and cluster housing. Multi-family is allowed in a Master Plan.
- **High Density Residential (R-2)** land will accommodate accessory dwelling units for existing single-family detached units, internal conversions, duplexes, corner duplexes, single-family attached units, triplexes, quadplexes, cluster housing, and multifamily housing.

DRAFT

- **Mixed Use (MUD, MUC 1, MUC 2, NC, HC, WFDD)** land, depending on the zone, will accommodate townhouses, duplexes, triplexes, quadplexes, multifamily with five or more units, and live/work units.

Exhibit 62. Allocation of Housing by Housing Type and Plan Designation, Oregon City Planning Area, 2021 to 2041
Source: ECONorthwest.

Housing Type Allocations	Plan Designations				Total
	Low Density	Medium Density	High Density	Mixed Use	
Dwelling Units					
Single-family detached	2,007	1,710	-	-	3,717
Single-family attached	74	967	446	-	1,487
Duplex, Triplex, Quadplex	35	333	153	223	744
Multifamily (5+ units)	-	149	678	660	1,487
Total	**2,116**	**3,159**	**1,277**	**883**	**7,435**
Percent of Units					
Single-family detached	27%	23%	0%	0%	50%
Single-family attached	1%	13%	6%	0%	20%
Duplex, Triplex, Quadplex	0%	4%	2%	3%	10%
Multifamily (5+ units)	0%	2%	9%	9%	20%
Total	**28%**	**42%**	**17%**	**12%**	**100%**

Exhibit 63 converts between net acres and gross acres[48] to account for land needed for rights-of-way by plan designation in Oregon City, based on Metro's methodology of existing rights-of-way.[49]

- **Low Density Residential:** Average density in this plan designation was historically 5.3 dwelling units per net acre. The density shown for low density residential in Exhibit 63 includes a 3% increase (5.4 dwelling units per net acre) from the historic density, consistent with the density changes allowed for complying with HB 2001.[50] This results in assuming a 5.4 future density in tax lots smaller than 0.38 acres, as no land is needed for rights-of-ways based on Metro's assumptions. For lots between 0.38 and 1.0 acres the

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

[49] Metro's methodology about net-to-gross assumptions are that: (1) tax lots under 3/8 acre assume 0% set aside for future streets; (2) tax lots between 3/8 acre and 1 acre assume a 10% set aside for future streets; and (3) tax lots greater than an acre assumes an 18.5% set aside for future streets. The analysis assumes an 18.5% assumption for future streets.

[50] Oregon City plans to comply with HB2001 and has recently made a variety of amendments to the development code to allow more housing types. The City is currently working through the process of making adjustment to comply with HB 2001 which will be implemented by July 2022.

future density will be 4.9 dwelling units per gross acre and for lots larger than 1.0 acres the future density will be 4.4 dwelling units per gross acre.

- **Medium Density Residential:** Average density in this plan designation was historically 10.7 dwelling units per net acre. The density shown for medium density residential in Exhibit 63 includes a 3% increase (11.0 dwelling units per net acre) from the historic density, consistent with the density changes allowed for complying with HB 2001.[51] This results in assuming a 11.0 future density in tax lots smaller than 0.38 acres, as no land is needed for rights-of-ways based on Metro's assumptions. For lots between 0.38 and 1.0 acres the future density will be 9.9 dwelling units per gross acre and for lots larger than 1.0 acres the future density will be 9.0 dwelling units per gross acre.
- **High Density Residential:** Average density in this plan designation was historically 21.8 per net acre. For lots smaller than 0.38 acres, the future density will be 21.8 dwelling units per gross acre. For lots between 0.38 and 1.0 acres the future density will be 19.6 dwelling units per gross acre and for lots larger than 1.0 acres the future density will be 17.8 dwelling units per gross acre.
- **Mixed Use:** Average density in this plan designation was historically 19.8 dwelling units per net acre in tax lots smaller than 0.38 acres and no land is needed for rights-of-ways based on Metro's assumptions. For lots between 0.38 and 1.0 acres the future density will be 17.9 dwelling units per gross acre and for lots larger than 1.0 acres the future density will be 16.2 dwelling units per gross acre.

Exhibit 63. Future Housing Densities and Land for Rights-of-Way, Oregon City Planning Area
Source: ECONorthwest. *Note: DU is dwelling unit.*

Plan Designation	Tax Lots Smaller than 0.38 acre			Tax Lots ≥ 0.38 and ≤ 1.0 acre			Tax Lots larger than 1.0 acre		
	Net Density (DU/net acre)	% for Rights-of-Way	Gross Density (DU/gross acre)	Net Density (DU/net acre)	% for Rights-of-Way	Gross Density (DU/gross acre)	Net Density (DU/net acre)	% for Rights-of-Way	Gross Density (DU/gross acre)
Low Density Residential	5.4	0%	5.4	5.4	10%	4.9	5.4	18.5%	4.4
Medium Density Residential	11.0	0%	11.0	11.0	10%	9.9	11.0	18.5%	9.0
High Density Residential	21.8	0%	21.8	21.8	10%	19.6	21.8	18.5%	17.8
Mixed Use	19.8	0%	19.8	19.8	10%	17.9	19.8	18.5%	16.2

[51] Oregon City plans to comply with HB2001 and has recently made a variety of amendments to the development code to allow more housing types. The City is currently working through the process of making adjustment to comply with HB 2001 which will be implemented by July 2022.

Housing Need by Income Level

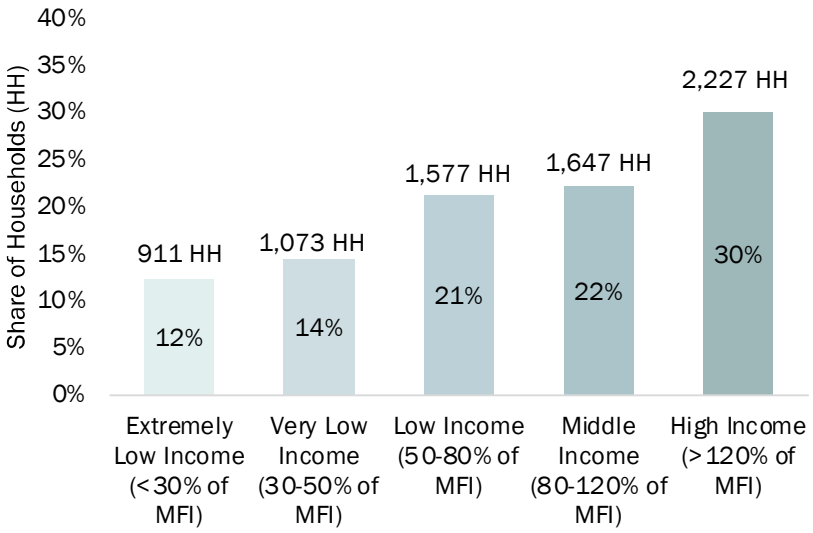
The next step in the housing needs analysis is to develop an estimate of need for housing by income and housing type. This analysis requires an estimate of the income distribution of current and future households in the community. Estimates presented in this section are based on (1) secondary data from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

Exhibit 64 based on American Community Survey data about income levels for existing households in Oregon City. Income is categorized into market segments consistent with HUD income level categories, using Clackamas County's 2020 Median Family Income (MFI) of $92,100. Exhibit 64 is based on current household income distribution, assuming that approximately the same percentage of households will be in each market segment in the future.[52]

About 26% of Oregon City's future households will have income below 50% of Clackamas County's median family income (less than $46,000 in 2020 dollars) and about 43% will have incomes between 50% and 120% of the county's MFI (between $46,000 and $110,000).

Exhibit 64. Future (New) Households, by Median Family Income (MFI) for Clackamas County ($92,100), Oregon City Planning Area, 2021 to 2041

Source: U.S. Department of Housing and Urban Development. U.S. Census Bureau, 2015-2019 ACS Table 19001.



[52] For example, 30% of Oregon City's households had income above 120% of the Clackamas County Median Family Income in 2015-2019. This analysis assumes that 30% of the 7,435 new households that grow in Oregon City 2021-2041 will have incomes over 120% of the Clackamas County Median Family Income.

Need for Government Assisted, Farmworker, and Manufactured Housing

ORS 197.303, 197.307, 197.312, and 197.314 requires cities to plan for government-assisted housing, farmworker housing, manufactured housing on lots, and manufactured housing in parks (communities).

- **Government-subsidized housing.** Government subsidies can apply to all housing types (e.g., single family detached, apartments, etc.). Oregon City allows development of government-assisted housing in all residential plan designations, with the same development standards for market-rate housing. This analysis assumes that Oregon City will continue to allow government housing in all of its residential plan designations. Because government assisted housing is similar in character to other housing (with the exception being the subsidies), it is not necessary to develop separate forecasts for government-subsidized housing.
- **Farmworker housing.** Farmworker housing can also apply to all housing types and the City allows development of farmworker housing in all residential plan designations, with the same development standards as market-rate housing. This analysis assumes that Oregon City will continue to allow this housing in all of its residential plan designations. Because it is similar in character to other housing (with the possible exception of government subsidies, if population restricted), it is not necessary to develop separate forecasts for farmworker housing.
- **Manufactured housing on lots.** Oregon City allows manufactured homes on lots in the zones which single-family detached housing is allowed. Oregon City does not have special siting requirements for manufactured homes. Since manufactured homes are subject to the same siting requirements as site-built homes, it is not necessary to develop separate forecasts for manufactured housing on lots.
- **Manufactured housing in communities.** OAR 197.480(4) requires cities to inventory the mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high-density residential development. According to the Oregon Housing and Community Services' Manufactured Dwelling Park Directory,[53] Oregon City has four manufactured home parks within city limits,[54] with 345 spaces. Oregon City has two manufactured home parks within the UGB,[55] with 540 spaces.[56] The proposed code amendments will allow an opportunity for new manufactured housing parks to be created as well as expansion of existing facilities.

[53] Oregon Housing and Community Services, Oregon Manufactured Dwelling Park Directory, http://o.hcs.state.or.us/MDPCRParks/ParkDirQuery.jsp

[54] Clairmont, Mt. Pleasant, Cherry Lane, and Char Diaz Estate

[55] Forest Park, Country Village

[56] City of Oregon City, with space count from Oregon Housing and Community Services, Oregon Manufactured Dwelling Park Directory, http://o.hcs.state.or.us/MDPCRParks/ParkDirQuery.jsp

ORS 197.480(2) requires Oregon City to project need for manufactured dwelling communities based on: (1) population projections, (2) household income levels, (3) housing market trends, and (4) an inventory of manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high density residential.

- Exhibit 60 shows that Oregon City will need 7,435 dwelling units over the 2021 to 2041 period.
- Analysis of housing affordability shows that about 27% of Oregon City's new households will be extremely- or very-low income, earning 50% or less of the region's median family income. One type of housing affordable to these households is manufactured housing.
- Manufactured housing in communities accounts for about 2.5% (about 345 dwelling units) of Oregon City's current housing stock.
- National, state, and regional trends since 2000 showed that manufactured housing parks are closing, rather than being created. For example, between 2000 and 2015, Oregon had 68 manufactured parks close, with more than 2,700 spaces.
- The households most likely to live in manufactured homes in parks are those with incomes between $27,630 and $46,050 (between 30% to 50% of MFI), which include 14% of Oregon City's households. However, households in other income categories may live in manufactured homes in parks
- The national and state trends of the closure of manufactured home parks, and the fact that no new manufactured home parks have opened in Oregon in over the last 15 years, demonstrate that development of new manufactured home parks in Oregon City is unlikely. However, some existing parks in Oregon City have expanded to increase the number of spaces in the park.
- If the City does have need for a new manufactured home park, that would be for about 145 new units (2.5% of new units), which at about 10 to 12 dwelling units per acre (based on standards for single-family dwellings in the R-3.5 zone) will need 12 to 15 acres of land. Oregon City can accommodate this in their existing vacant buildable land base in the Medium Density Residential plan designation.
- Our conclusion from this analysis is that development of new manufactured home parks in Oregon City (and most of the Portland Region) over the planning period is unlikely. It is, however, likely that manufactured homes will continue to locate on individual lots in Oregon City, and existing parks may reconfigure to accommodate more units. The forecast of housing assumes that no new manufactured home parks will be opened in Oregon City over the 2021 to 2041 period. The forecast includes new manufactured homes on lots in the category of single-family detached housing.
- Over the next 20 years (or longer) one or more manufactured home parks may close in Oregon City. This may be a result of manufactured home park landowners selling

DRAFT

or redeveloping their land for uses with higher rates of return, rather than lack of demand for spaces in manufactured home parks. Manufactured home parks contribute to the supply of low-cost affordable housing options, especially for affordable homeownership.

- In addition to statewide regulation of the closure of manufactured home parks designed to lessen the financial difficulties of this closure for park residents, Oregon City also has locally adopted manufactured home park closure regulations. In the case of manufactured home park closures, the City has a role to play in ensuring that there are opportunities for housing for the displaced residents. The City's primary roles are to ensure that there is sufficient land zoned for new multifamily housing and to reduce barriers to residential development to allow for development of new, relatively affordable housing. The City may use a range of policies to encourage development of relatively affordable housing, such as allowing a wider range of moderate density housing (e.g., duplexes or 3-4 plexes) in the Low-Density and Medium-Density zones, designating more land for multifamily housing, removing barriers to multifamily housing development, using tax credits to support affordable housing production, developing an inclusionary zoning policy, or partnering with a developer of government-subsidized affordable housing.

DRAFT

6. Oregon City's Residential Land Sufficiency

This section presents an evaluation of the sufficiency of vacant residential land in Oregon City to accommodate expected residential growth over the 2021 to 2041 period. This section includes an estimate of residential development capacity (measured in new dwelling units) and an estimate of Oregon City's ability to accommodate needed new housing units for the 2021 to 2041 period, based on the analysis in the housing needs analysis.

Capacity Analysis

The comparison of supply (buildable land) and demand (population and growth leading to demand for more residential development) allows the determination of land sufficiency.

There are two ways to calculate estimates of supply and demand into common units of measurement to allow their comparison: (1) housing demand can be converted into acres, or (2) residential land supply can be converted into dwelling units. A complication of either approach is that all land has different characteristics – factors such as zone, slope, parcel size, and shape can affect the land's ability to accommodate housing. Methods that recognize this fact are more robust and produce more realistic results. This analysis uses the second approach: it estimates the ability of vacant residential lands within the city limits to accommodate new housing. This analysis, sometimes called a "capacity analysis,"[57] can be used to evaluate different ways that vacant residential land may build out by applying different assumptions.

Oregon City Capacity Analysis Results for Vacant and Partially Vacant Land

The capacity analysis estimates the development potential of vacant residential land to accommodate new housing, based on the needed densities by the housing type categories shown in Exhibit 63.

Exhibit 65 shows that **vacant land in Oregon City's Planning Area has capacity to accommodate approximately 7,266 new dwelling units**, based on the following assumptions:

- **Vacant and partially vacant buildable residential land.** The capacity estimates start with the number of buildable acres in residential plan designations and zones that allow residential uses.

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

DRAFT

- **Residential densities.** The capacity analysis assumes development will occur at historical densities. Those densities were derived from the densities shown in Exhibit 63.
- **Average net density.** Exhibit 65 shows capacity and densities in gross acres. OAR 660-007 requires that Oregon City provide opportunity for development of housing at an overall average density of eight dwelling units per net acre. The average net density of buildable residential land in Exhibit 65 is 9.5 dwelling units per net acres and 8.0 dwelling units per gross acre.
- **Capacity on mixed use land.** The estimate of capacity includes land in the mixed use plan designations (including zones that allow residential uses). Because not all mixed use land will develop as a residential use, we assumed that 70% of the buildable land in the mixed use plan designation will develop as residential.

Exhibit 65. Estimate of Residential Capacity on Unconstrained Vacant and Partially Vacant Buildable Land, Oregon City Planning Area, 2021 to 2041

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

Plan Designation	Tax Lots Smaller than 0.38 acre			Tax Lots ≥ 0.38 and ≤ 1.0 acre			Tax Lots larger than 1.0 acre			Total, combined	
	Buildable Acres	Density Assumption (DU/gross acre)	Capacity (Dwelling Units)	Buildable Acres	Density Assumption (DU/gross acre)	Capacity (Dwelling Units)	Buildable Acres	Density Assumption (DU/gross acre)	Capacity (Dwelling Units)	Buildable Acres	Capacity (Dwelling Units)
Low Density Residential	77	5.4	415	95	4.9	465	281	4.4	1,236	453	2,116
Medium Density Residential	23	11.0	253	39	9.9	386	280	9.0	2,520	342	3,159
High Density Residential	1	21.8	21	1	19.6	19	60	17.8	1,068	62	1,108
Mixed Use	3	19.8	55	7	17.9	125	43	16.2	703	53	883
Total	**104**	**-**	**744**	**142**	**-**	**995**	**664**	**-**	**5,527**	**910**	**7,266**

DRAFT

Residential Land Sufficiency

The next step in the analysis of the sufficiency of residential land within Oregon City is to compare the demand for housing by plan designation (Exhibit 62) with the capacity of land by plan designation (Exhibit 65).

Exhibit 66 shows that Oregon City has sufficient land to accommodate development all plan designations.

- Low density residential and medium density residential plan designations have enough land to accommodate growth, with no surplus or deficit of capacity.
- High density residential does not enough land to accommodate growth, with a deficit of 169 dwelling units of capacity, or 8 acres.
- Mixed use has enough land to accommodate growth, assuming that 70% of the buildable land in this plan designation will develop with residential uses.

Exhibit 66. Comparison of Capacity of Existing Residential Land with Demand for New Dwelling Units and Land Surplus or Deficit, Oregon City, City Limits, 2021 to 2041
Source: Buildable Lands Inventory; Calculations by ECONorthwest. *Note: DU is dwelling unit.*

Plan Designation	Capacity (Dwelling Units)	Demand (Dwelling Units)	Comparison (Capacity minus Demand)	Land Surplus or Deficit (Gross Acres)
Low Density Residential	2,116	2,116	0	0
Medium Density Residential	3,159	3,159	0	0
High Density Residential	1,108	1,277	(169)	(8)
Mixed Use	883	883	0	0
Total	**7,266**	**7,435**		

DRAFT

Findings and Recommendations

The key findings of the Oregon City Housing Needs Analysis are that:

- **Finding: Growth in housing will be driven by growth in households.** The number of households in Oregon City's Planning Area is forecast to grow from 14,778 households to 22,213 households, an increase of 7,435 households between 2021 and 2041.
- **Finding: Oregon City is planning for growth of 7,435 new dwelling units.** To accommodate the 7,435 dwelling units over the 20-year planning period, Oregon City will average 372 new dwelling units annually, and will plan for more single-family attached and multifamily dwelling units in the future to meet the city's housing needs. Historically, about 73% of Oregon City's housing was single-family detached. New housing in Oregon City is forecast to be 50% single-family detached, 20% single-family attached, 10% duplexes, triplexes, and quadplexes, and 20% multifamily. This housing mix both meets the requirements for housing mix for cities in Metro (OAC 660-007) and is supported by the changes in the housing market described below.

  The factors driving the shift in types of housing needed in Oregon City include changes in demographics and decreases in housing affordability. The aging of senior populations and the household formation of young adults will drive demand for renter and owner-occupied housing, such as small single-family detached housing, townhouses, duplexes, and apartments/condominiums. Both groups may prefer housing in walkable neighborhoods, with access to services.

  - **Recommendation**: Oregon City should monitor land available in all plan designations, as there is no surplus (or deficit) of land in the low and medium density residential plan designations. Additionally, the City may look for opportunities for redevelopment on underutilized land to address the deficit of high density residential land and limited capacity of mixed use land.
- **Oregon City is meeting Metro's requirements for net density and housing mix.** OAR 660-007-0035 sets specific density targets for cities in the Metro UGB. Oregon City's average density target is eight dwelling units per net buildable acre. Based on the findings in Chapter 6, Oregon City is exceeding this average density target at an average net density of 9.5 dwelling units per net acre.

  OAR 660-007 also requires that cities within the Metro UGB "provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing." Chapter 5 shows that for the 2021-2041 planning period Oregon City is assuming that 20% of new dwelling units will be single-family attached, 10% of new units will be duplexes, triplexes, or quadplexes, and 20% of new units will be multifamily.

DRAFT

- **Recommendation:** Oregon City should continue to monitor future development to evaluate resulting densities and housing mix in comparison to the planned units described in this report.

- **Finding: Oregon City has unmet need for affordable housing.** About 34% of Oregon City's households are cost burdened, with 50% of renters cost burdened and 28% of owners cost burdened. Oregon City's level of cost burden is similar to other communities in Clackamas County. Oregon City's unmet housing needs include:

  Renter housing. The average asking rent for multifamily housing in Oregon City in 2021 was about $1,350, which is affordable to households earning about 60% of the median family income (about $55,200). About one-third of Oregon City's households have incomes below this level and cannot afford the average rent. As shown in the rates of cost burden, many of these renter households are cost burdened. Oregon City will continue to have unmet renter housing needs, both for existing households and for new households.

  Owner-occupied housing. The median home sales price in April 2021 was about $545,000, which is affordable to households earning about 148% of the median family income (about $136,300). Oregon City is one of the less affordable cities for homeownership in the Portland region, households at middle and high incomes (between $74,000 to $110,000) are less able to afford housing in Oregon City. One way to increase the supply of affordable owner-occupied housing is to increase opportunities for development of the middle-income housing described above.

  - **Recommendation**: Without diversification of housing types, lack of affordability will continue to be a problem, possibly growing in the future if incomes continue to grow at a slower rate than housing costs. Under the current conditions, 1,545 of the forecasted new households will have incomes of $46,000 (in 2020 dollars) or less (50% of MFI income or less). These households cannot afford market-rate housing without government subsidy. Another 1,228 new households will have incomes between $46,000 and $74,000 (50% to 80% of MFI).

    Oregon City will need to provide opportunities for affordable housing development for both rental and ownership over the 20-year period, and the City should look for opportunities for affordable housing development for all housing types.

- **Finding: Oregon City will need to meet the requirements of House Bill 2001.** The legislature passed House Bill 2001 in the 2019 Legislative Session. The bill requires cities within the Metro UGB to allow "middle" housing types in low-density residential zones. The bill defines middle housing types as duplexes, triplexes, quadplexes, cottage clusters, and townhouses.

  - **Recommendation**: The City should continue the process of developing and adopting zoning code to comply with these requirements.

- **Finding: Oregon City is currently in the process of a Comprehensive Plan Update.** This 2021 HNA report presents updated information related to Oregon City's Housing

DRAFT

Element of the Comprehensive Plan. Additionally, changes in Oregon City's demographics have presented a need for a greater variety of housing types. In 2019, Oregon City participated in a preliminary housing needs analysis process through the development of the Clackamas County Housing Needs Analysis. This report builds on the information presented for Oregon City in that project and provides updated data where necessary.

- **Recommendation**: Oregon City should adopt this HNA report as an appendix to the Comprehensive Plan. HB 2003 requires that Oregon City update its HNA every six years to analyze what housing is needed for current and future residents for a 20-year period.

  Oregon City has identified a project to start within a year to look at non-zoning strategies to support the development of housing (including affordable housing). This initial study will allow the consideration of additional tools and partnerships in advance of a Housing Production Strategy (HPS) according to the guidance in HB 2003. An HPS includes consideration of additional information about the housing needs of underserved communities and engagement with underserved communities about potential approaches to meeting their needs.

Overall, Oregon City has worked to increase the supply of housing over the past few years by removing and reducing barriers in the zoning code and allowing a wider variety of housing types throughout the City. Though there is no need to rezone land for housing based on this analysis, the City should continue to watch the supply of housing and look for opportunities to increase types of housing and affordability. Affordability of housing will continue to be challenging for many in Oregon City over the long-run.

DRAFT

Appendix A: Buildable Lands Inventory Methodology

A key initial component of the Housing Needs Analysis is conducting a buildable lands inventory (BLI). This appendix summarizes the methods ECONorthwest used to conduct the residential BLI for Oregon City.

Oregon Administrative Rules provide guidance on conducting residential BLIs:

> **OAR 660-008-0005(2):**
>
> *"Buildable Land" means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses. Publicly owned land is generally not considered available for residential uses. Land is generally considered "suitable and available" unless it:*
>
> > *(a) Is severely constrained by natural hazards as determined under Statewide Planning Goal 7;*
> >
> > *(b) Is subject to natural resource protection measures determined under Statewide Planning Goals 5, 6, 15, 16, 17 or 18;*
> >
> > *(c) Has slopes of 25 percent or greater;*
> >
> > *(d) Is within the 100-year flood plain; or*
> >
> > *(e) Cannot be provided with public facilities.*

The methods used for conducting the Oregon City BLI are consistent with Oregon statutes. The Oregon City BLI presented in this analysis aligns with the methods and definitions in the 2019 Clackamas County Regional Housing Needs Analysis, with updated classifications to reflect development since 2019.

Methodology

The BLI is based on the data and methods used by Metro. Metro is required to complete a BLI for land within the regional UGB every six years. The agency finished an updated BLI (based on 2016 data) in November 2018 for the 2018 Urban Growth Report (UGR). The methods used for inventorying lands in Oregon City attempt to be consistent with Metro's results while also updating the results to account for new development since the 2019 BLI was completed for the Clackamas County Regional Housing Needs Analysis and other local conditions, such as unique environmental constraints.

DRAFT

Study Area

The BLI for the Oregon City (city limits and UGB areas) includes all residential land designated in the Comprehensive Plan.[58] ECONorthwest used the tax lot shapefile from Metro's 2018 BLI (2016 tax lot base data), with attention to lots that subdivided since 2016 based on local staff identification. City staff then reviewed these areas and identified lots that should be excluded or included for their jurisdiction based on future planning or errors in GIS data.

Inventory Steps

The BLI consists of several steps:

1. Generating UGB "land base"
2. Classifying land by development status
3. Identify constraints
4. Verify inventory results
5. Tabulate and map results

Step 1: Generate "Land Base"

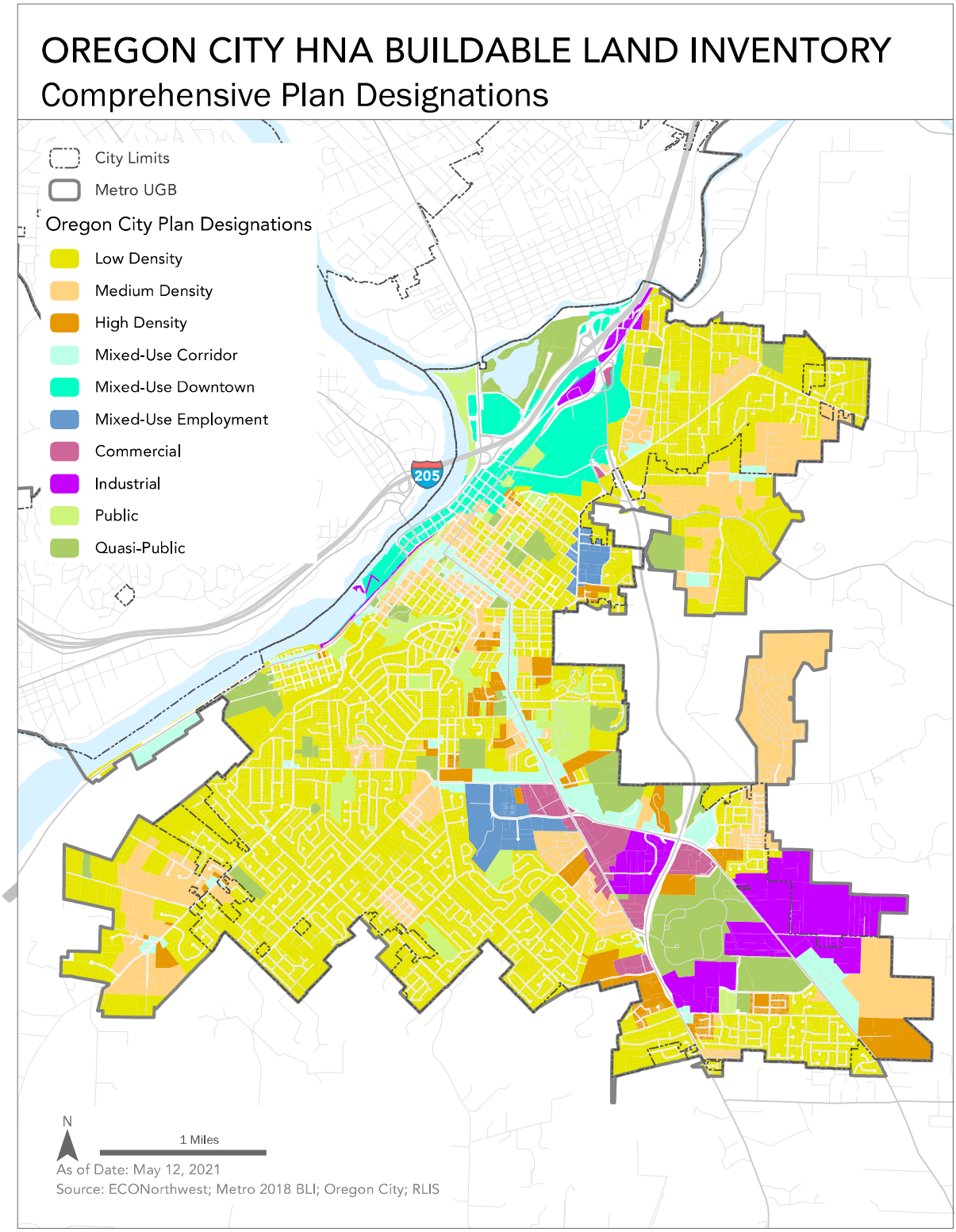
Per Goal 10 this involves selecting all of the tax lots with residential and other nonemployment plan designations where residential uses are planned for and allowed by the implementing zones.

Exhibit 67 shows the residential plan designations included in the BLI.

DRAFT

[58] ECONorthwest reviewed local plan information for Oregon City based on 2020 RLIS data. Residential comprehensive plan designations remained the same since the 2019 BLI.

Exhibit 67. Residential Land Base by Plan Designation, Oregon City, City Limits and UGB Areas, 2020
Source: ECONorthwest.



Step 2: Classify Lands

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

- Vacant
- Partially vacant
- Public
- Developed

ECONorthwest used the classifications determined through Metro's model, as outlined below.

Development Status	Definition	Statutory Authority
Vacant	Tax lots designated as vacant by Metro based on the following criteria: 1) Fully vacant based on Metro aerial photo 2) Tax lots with less than 2,000 square feet developed AND developed area is less than 10% of lot 3) Lots 95% or more vacant from GIS vacant land inventory	OAR 660-008-0006(2) (2) "Buildable Land" means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available, and necessary for residential uses.
Partially Vacant	Single-family tax lots that are 2.5 times larger than the minimum lot size and a building value less than $300,000 **or** lots that are 5 times larger than the minimum lots size (no threshold for building value). These lots are considered to still have residential capacity. For this analysis, we are classifying these lots as partially vacant. We assume that 0.25 acres of the lot is developed, and the remaining land is available for development, less constraints.	OAR 660-008-0006(2)
Public	Lands in public ownership are considered unavailable for residential development. This includes lands in federal, state, county, or city ownership. These lands are identified using Metro's definitions and categories.	OAR 660-008-0005(2) - Publicly owned land is generally not considered available for residential uses.
Developed	Lands not classified as vacant, partially vacant, or public are considered developed.	OAR 660-008-0006(2) (2) "Buildable Land" means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available, and necessary for residential uses.

DRAFT

Step 3: Identify Constraints

Consistent with OAR 660-008-0005(2) guidance on residential buildable lands inventories, ECONorthwest deducted certain lands with development constraints from vacant lands. Unless cities identified alternative constraints (as identified below), the constraints we used are summarized in the table below.

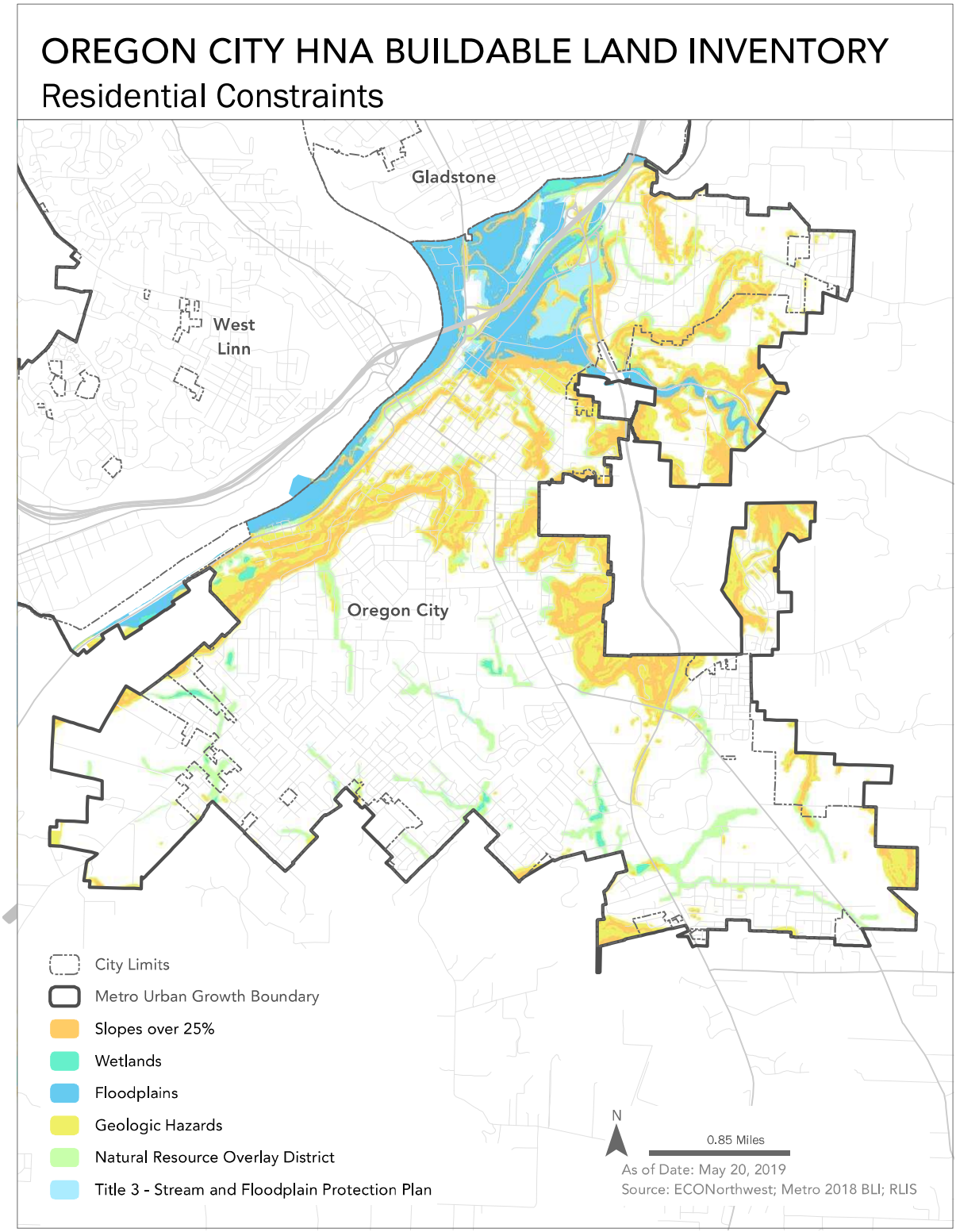
Constraint	Statutory Authority	Threshold	File name
Goal 5 Natural Resource Constraints			
Regulated wetlands	OAR 660-008-0005(2)	Regulated wetlands	RLIS Wetlands layer
Natural Resources Overlay District	OAR 660-008-0005(2)	Areas in the natural resource overlay district	Overlay district layer
Landslide Hazards	OAR 660-008-0005(2)	Areas in the geologic hazards overlay	Overlay zone layer
Natural Hazard Constraints			
Floodways	OAR 660-008-0005(2	Lands within FEMA FIRM identified floodway	Title 3 floodplain/floodway layer
100-Year Floodplain	OAR 660-008-0005(2	Lands within FEMA FIRM 100-year floodplain	Title 3 floodplain/floodway layer
Steep Slopes	OAR 660-008-0005(2	Slopes greater than 25%	slopes25_Area

These areas are considered as prohibitive constraints (unbuildable) as shown in Exhibit 68. These areas are deducted from lands that are identified as vacant to determine the buildable portion of vacant lots. In addition, we applied any local specific environmental constraints identified by cities that also prohibit the development of vacant lots. These local constraints should clearly limit development potential in the local development code.

The lack of access to water, sewer, power, road or other key infrastructure cannot be considered a prohibitive constraint unless it is an extreme condition. These tax lots are currently unserviced but could potentially become serviced over the twenty-year planning period.

DRAFT

Exhibit 68. Residential Development Constraints, Oregon City, City Limits and UGB Areas, 2020



Step 4: Verification

ECONorthwest used a multistep verification process to review development status in Oregon City. The first verification step included a "rapid visual assessment" of land classifications using GIS and recent aerial photos. The rapid visual assessment involved reviewing classifications overlaid on recent aerial photographs to verify uses on the ground. We reviewed all tax lots included in the inventory using the rapid visual assessment methodology. The second round of verification involved City staff verifying the rapid visual assessment output. We amended the BLI based on City staff review and comments, and the 2020 BLI update (since the 2019 BLI) considered areas developed in the past year based on permit information and local confirmation from City staff.

Step 5: Tabulation and Mapping

The results are presented in tabular and map format in Chapter 2.

DRAFT

OREGON CITY
Community Development – Planning
698 Warner Parrott Road | Oregon City OR 97045
Ph (503) 722-3789 | Fax (503) 722-3880

LAND USE APPLICATION FORM

Type I (OCMC 17.50.030.A)
- ☐ Compatibility Review
  - ☐ WRG
  - ☐ Comm. Fac
- ☐ Lot Line Adjustment
- ☐ Non-Conforming Use Review
- ☐ Natural Resource (NROD)
- ☐ Verification
- ☐ Minor Site Plan & Design Review
- ☐ Extension of Approval
- ☐ Historic Review – Remodel
- ☐ Detailed Dev. Plan (DDP)

Type II (OCMC 17.50.030.B)
- ☐ Master Plan / PUD / GDP or Amendment
- ☐ Detailed Development Plan (DDP)
- ☐ Floodplain Review
- ☐ Geologic Hazard Overlay
- ☐ Minor Partition (<4 lots)
- ☐ Minor Site Plan & Design Review
- ☐ Non-Conforming Use Review
- ☐ Site Plan and Design Review / DDP
- ☐ Subdivision (4+ lots)
- ☐ Minor Variance
- ☐ Natural Resource (NROD) Review
- ☐ Public Improvement Modification
- ☐ Willamette Greenway

Type III / IV (OCMC 17.50.030.C & D.)
- ☐ Annexation
- ☐ Code Interpretation / Similar Use
- ☐ Master Plan / PUD / GDP Amendment
- ☐ Conditional Use
- ☐ Comprehensive Plan / Legislative Amendment (Code /Map)
- ☐ Detailed Development Plan DDP
- ☐ Historic Review
- ☐ Municipal Code Amendment
- ☐ Parking Adjustment
- ☐ Variance ☐ Sign Variance
- ☐ Natural Resource (NROD) Review
- ☐ Zone Change (Text/Map)
- ☐ Willamette Greenway

ELD Process (OCMC 17.50.030.E)
- ☐ Expedited Land Division

Legislative Action (OCMC 17.50.170)
- ☑ Legislative

File Number(s):	**Application Date:**
Project Name: Oregon City Housing Needs Analysis	
Proposed Land Use or Activity: Adoption of a Housing Needs Analysis	**# of Lots Proposed (If Applicable):** N/A
Physical Address(es) of Site: citywide	
Clackamas County Map and Tax Lot Number(s): N/A	

Applicant(s)

Applicant(s) Signature:		
Applicant(s) Name Printed: City of Oregon City		Date:
Mailing Address: PO Box 3040, Oregon City, Oregon 97045		
Phone:	Fax:	Email:

Property Owner(s) – See reverse for more than two Owners

Property Owner #1 Same as Above		
Property Owner#1 Signature A. Konkol		
Property Owner#1 Name Printed: A. Konkol		Date: 9-16-21
Mailing Address: 625 Center St		
Ownership Address:		
Phone: 5036570891	Fax:	Email:

Property Owner #2		
Property Owner#2 Signature		
Property Owner#2 Name Printed:		Date:
Mailing Address:		
Ownership Address:		
Phone:	Fax:	Email:

Representative(s)

Representative(s) Signature		
Representative(s) Name Printed:		Date:
Mailing Address:		
Phone:	Fax:	Email:

All signatures represented must have the full legal capacity and hereby authorize the filing of this application and certify that the information and exhibits herewith are correct and indicate the parties willingness to comply with all code requirements.

LEGISLATIVE APPLICATION FOR HOUSING NEEDS ANALYSIS UPDATED 2021

I. BACKGROUND:

Do we have enough opportunities to accommodate our future housing needs?

The enclosed Housing Needs Analysis (HNA) includes housing data and forecasts on demographic and socioeconomic trends to understand how much housing will be need in the future and if we have enough available land to accommodate the community's needs. This technical analysis will help the community understand whether Oregon City has enough land to accommodate growth over the next 20 years and if any housing policy changes are needed.

The housing forecast will repeal and replace the Housing Technical Report (2002) which was adopted in 2004 as an ancillary document to the Comprehensive Plan.

The *Oregon City 2021-2041 Housing Needs Analysis* presents a forecast of future housing growth in Oregon City for the 2021-2041 period. It includes an inventory of buildable residential land within Oregon City and in areas of future expansion for the city (only including areas within the Metro urban growth boundary). The *Housing Needs Analysis* presents information about residential development trends and housing affordability within Oregon City.[1] It provides a foundation for future housing policy decisions.

How will the information be Used?

The City anticipates using the study to inform housing policies and actions in the upcoming Comprehensive Plan Update process (OC 2040). OC 2040 will develop policies to respond to the unmet housing needs identified in the *Housing Needs Analysis,* which are primarily around need for affordable housing and meeting a small deficit (8 acres) of land in the High Density plan designation. In short, the *Housing Needs Analysis* provides the factual basis for understanding housing needs in Oregon City and the OC 2040 project will include development of polices to address these housing needs.

II. DECISION-MAKING CRITERIA

The remainder of this staff report provides additional findings to demonstrate that the proposed annexation code amendments are consistent with applicable approval criteria.

Chapter 17.68 - Zoning Changes and Comprehensive Plan Amendments

17.68.010 - Initiation of the amendment.
A text amendment to the comprehensive plan, or an amendment to the zoning code or map or the Comprehensive Plan map, may be initiated by:
A. A resolution request by the City Commission;
B. An official proposal by the Planning Commission;
C. An application to the Planning Division; or.
D. A Legislative request by the Planning Division.
All requests for amendment or change in this title shall be referred to the Planning Commission.

[1] The UGB areas include the buildable lands inventory and forecasted household growth in TAZs 726, 733, and 740.

Finding: The proposal qualifies as initiated as a legislative request by the Planning Division at the direction of the City Commission.

17.68.015 –Procedures.
Applications shall be reviewed pursuant to the procedures set forth in Chapter 17.50.

17.50.170 - Legislative hearing process.
A. Purpose. Legislative actions involve the adoption or amendment of the city's land use regulations, comprehensive plan, maps, inventories and other policy documents that affect the entire city or large portions of it. Legislative actions which affect land use shall begin with a public hearing before the planning commission.

B. Planning Commission Review.
1. Hearing Required. The planning commission shall hold at least one public hearing before recommending action on a legislative proposal. Any interested person may appear and provide written or oral testimony on the proposal at or prior to the hearing. The community development director shall notify the Oregon Department of Land Conservation and Development (DLCD) as required by the post-acknowledgment procedures of ORS 197.610 to 197.625, as applicable.

C. City Commission Review.
1. City Commission Action. Upon a recommendation from the planning commission on a legislative action, the city commission shall hold at least one public hearing on the proposal. Any interested person may provide written or oral testimony on the proposal at or prior to the hearing. At the conclusion of the hearing, the city commission may adopt, modify or reject the legislative proposal, or it may remand the matter to the planning commission for further consideration. If the decision is to adopt at least some form of the proposal, and thereby amend the city's land use regulations, comprehensive plan, official zoning maps or some component of any of these documents, the city commission decision shall be enacted as an ordinance.
2. Notice of Final Decision. Not later than five days following the city commission final decision, the community development director shall mail notice of the decision to DLCD in accordance with ORS 197.615(2).

Finding: This legislative action will follow the procedures found in OCMC 17.50.170 including meetings with the Citizen Involvement Committee, Planning Commission, and City Commission.

17.68.020 - Criteria.
The criteria for comprehensive plan amendment or text or map amendment in the zoning code are set forth as follows:
A. The proposal shall be consistent with the applicable goals and policies of the comprehensive plan;

Finding: This legislative action is consistent with the applicable goals and policies of the comprehensive plan as detailed in the responses below. Therefore, the proposed amendments are consistent with Criterion (A).

Conformity of the proposal with the city's comprehensive plan;
Goal 1: Citizen Involvement
Goal 1.1 – Citizen Involvement Program

Policy 1.1.1 *Utilize neighborhood associations as the vehicle for neighborhood-based input to meet the requirements of the Land Conservation and Development Commission (LCDC) Statewide Planning Goal 1, Citizen Involvement. The Citizen Involvement Committee (CIC) shall serve as the officially recognized citizen committee needed to meet LCDC Statewide Planning Goal 1.*

Finding: Neighborhood Associations were sent an invitation to comment on the draft HNA as well as an excerpt of the vacant and partially vacant unconstrained map for land within their neighborhood association boundaries for comment on September 15th. In addition, the Citizen Involvement Committee will be provided a presentation at their October 4th meeting.

Goal 1.2 *Community and Comprehensive Planning Ensure that citizens, neighborhood groups, and affected property owners are involved in all phases of the comprehensive planning program.*

Finding: The City of Oregon City held public meetings presenting the results of the *Housing Needs Analysis* report on July 28, 2021, with the OC 2040 Project Advisory Team (PAT) , and on September 7, 2021, with the Oregon City Planning Commission and City Commission. Both meetings provided opportunity to learn about the analysis, ask questions, and provide input into the outcomes of the analysis. A project website was established and emailed notice of the draft HNA was sent to the Development Stakeholders Group, neighborhood associations, and Citizen Involvement Committee on September 15th. Notice of the application was provided in the October citywide utility bill.

Policy 1.2.1 *Encourage citizens to participate in appropriate government functions and land-use planning.*

Finding: The City of Oregon City held public meetings presenting the results of the *Housing Needs Analysis* report on July 28, 2021, with the OC 2040 Project Advisory Team (PAT) , and on September 7, 2021, with the Oregon City Planning Commission and City Commission. Both meetings provided opportunity to learn about the analysis, ask questions, and provide input into the outcomes of the analysis. A project website was established and emailed notice of the draft HNA was sent to the Development Stakeholders Group, neighborhood associations, and Citizen Involvement Committee on September 15th. Notice of the application was provided in the October citywide utility bill.

Goal 1.4 – Community Involvement
Provide complete information for individuals, groups, and communities to participate in public policy planning and implementation of policies.

Finding: The City of Oregon City held public meetings presenting the results of the *Housing Needs Analysis* report on July 28, 2021, with the OC 2040 Project Advisory Team (PAT), and on September 7, 2021, with the Oregon City Planning Commission and City Commission. Both meetings provided opportunity to learn about the analysis, ask questions, and provide input into the outcomes of the analysis. The draft *Housing Needs Analysis* was made available on the OC 2040 PAT web page and again in the joint Oregon City Planning Commission and City Commission packet. A project website was established and emailed notice of the draft HNA was sent to the Development Stakeholders Group, neighborhood associations, and Citizen Involvement Committee on September 15th. Notice of the application was provided in the October citywide utility bill.

Policy 1.4.1 *Notify citizens about community involvement opportunities when they occur.*

Finding: Opportunities to become involved in the PAT meeting was noticed a week in advance of the meeting and the joint Oregon City Planning Commission and City Commission was also noticed. A project website was established and emailed notice of the draft HNA was sent to the Development Stakeholders Group, neighborhood associations, and Citizen Involvement Committee on September 15th. Notice of the application was provided in the October citywide utility bill.

Comprehensive Plan Section 2 Land Use

Goal 2.1 Efficient Use of Land
Ensure that property planned for residential, commercial, office, and industrial uses is used efficiently and that land is developed following principles of sustainable development.

Finding: The *Housing Needs Analysis* developed an inventory of buildable land where housing is allowed with clear and objective standards. The inventory included all land in residential plan designations, as well as land in the Mixed Use Corridor, Mixed Use Downtown, and General Commercial designations. The inventory identified vacant and partially vacant land, excluding land with development constraints that prohibit development. These development constraints included: land within floodplains and flood ways, land within natural resource protection areas, land with slopes over 25%, and land in geologic hazards.

The *Housing Needs Analysis* forecast the future of Oregon City's housing mix in accordance with the requirements of OAR 660-007-0030 (1), which says that Oregon City must "…provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing…" The *Housing Needs Analysis* assumes that 50% of new housing in Oregon City will be single-family detached, 20% will be single-family attached, 10% will be duplex/triplex/quadplex, and 20% will be multifamily with 5 or more units per structure. In 2015-2019, 73% of Oregon City's housing was single-family detached, 7% was single-family attached, 6% was duplex/triplex/quadplex, and 13% was multifamily with 5 or more units per structure

The *Housing Needs Analysis* analyzed development densities for development occurring over the 2000 to 2020 period. The *Housing Needs Analysis* analyzed assumed new development would occur at the same densities as it had in the past, with an increase of 3% in densities in residential plan designations to account for implementation of House Bill 2001, as allowed by ORS 197.296 (6) (b).
The overall average density for development that occurred between 2000 and 2020 was 6.6 dwelling units per acre. Given the existing base of buildable residential land in Oregon City and the assumptions above about housing mix and density, the *Housing Needs Analysis* shows that Oregon City is planning for an overall average of 9.5 dwelling units per net acre.

Through these measures residential land is used efficiently and developed sustainably.

Goal 2.4 Neighborhood Livability
Provide a sense of place and identity for residents and visitors by protecting and maintaining neighborhoods as the basic unit of community life in Oregon City while implementing the goals and policies of the other sections of the Comprehensive Plan.

Finding: The *Housing Needs Analysis* builds from existing master plans, such as the Park Place, Thimble Creek, and South End master plans. These plans determined the facilities, connectivity, land uses, and

commercial centers in Oregon City. The *Housing Needs Analysis* uses densities from historical development and the densities currently allowed within these master plans and the City's Comprehensive Plan and zoning code.

The *Housing Needs Analysis* accounts for environmental constraints, which reduce the amount of buildable land. These constraints include Goal 5 Natural Resources Constraints (such as regulated wetlands, natural resources overlay district, and landslide hazards) and Natural Hazard Constraints (such as floodways, 100-year floodplain, and steep slopes).

This criterion is met through use of historical development policies, current densities allowed within the master plans and the City's Comprehensive Plan and zoning code, and with exclusion of environmental constraints from the inventory of buildable land. The HNA will not result in any change to the development code or automatic zoning changes.

> ***Goal 2.5 Retail and Neighborhood Commercial***
> ***Policy 2.5.4*** *Encourage the development of successful commercial areas organized as centers surrounded by higher density housing and office uses, rather than as commercial strips adjacent to low-density housing.*

Finding: The *Housing Needs Analysis* assumes that residential development will occur on 70% of vacant unconstrained buildable land in the Mixed Use Plan Designation at a density of 19.8 dwelling unit per net acre, consistent with historical development densities in Mixed Use over the 2000 to 2020 period. The *Housing Needs Analysis* assumes that Mixed Use areas will develop with a mixture of residential and commercial uses, both in vertical mixed use buildings and as a mixed use district.

> ***Goal 2.7 Oregon City Comprehensive Plan Land-Use Map***
> *Maintain the Oregon City Comprehensive Plan Land-Use Map as the official long-range planning guide for land-use development of the city by type, density and location.*

Finding: The *Housing Needs Analysis* uses information about housing mix and density based both on historical development patterns for the 2000 to 2020 period and the uses currently allowed in the *Oregon City Comprehensive Plan.* The buildable lands inventory identifies vacant, unconstrained buildable land based on the *Oregon City Comprehensive Plan Land-Use Map.*

> ***Policy 2.7.1*** *Maintain a sufficient land supply within the city limits and the Urban Growth Boundary to meet local, regional, and state requirements for accommodating growth.*

Finding: The *Housing Needs Analysis* finds that Oregon City[2] has sufficient residential capacity vacant, unconstrained buildable land in the following designations: Low Density Residential, Medium Density Residential, and Mixed Use. The *Housing Needs Analysis* finds that Oregon City has a deficit for about 169 dwelling units or 8 acres of land in the High Density Residential designation.

The *Housing Needs Analysis* recommends that Oregon City monitor land available in all plan designation and may look for opportunities for redevelopment on underutilized land to address the minor deficit of

[2] Oregon City includes land within the city limits and UGB areas adjacent to Oregon City that are expected to annex into Oregon City in the future. The UGB areas include the buildable lands inventory and forecasted household growth in TAZs 726, 733, and 740.

high density residential land. Through the OC 2040 project, the City will identify opportunities to meet the identified land deficit in the High Density Residential designation.

Goal 3: Agricultural Lands

Finding: Goal 3 is not applicable.

Goal 4: Forest Lands

Finding: Goal 4 is not applicable.

Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources

Finding: Goal 5 requires the City to inventory, protect and conserve natural, scenic and historic resources within the City. The buildable land inventory conducted as part of the *Housing Needs Analysis* addresses areas that the City has identified as natural resources through its Goal 5 inventory, regional inventories of natural resources, and associated development code requirements intended to protect, conserve or minimize impacts to these resources. The BLI identifies these areas as "constrained" consistent with City development code standards and policies and assumes no for future housing in these areas. Through this analysis process and continued implementation of the City's policies and standards associated with natural resource protection, City staff find the requirements of Goal 5 have been met.

Goal 6: Quality of Air, Water, and Land Resources

Finding: Goal 6 requires local comprehensive plans and implementing measures to be consistent with state and federal regulations. By complying with applicable air, water and land resource quality policies in the Oregon City Comprehensive Plan, City staff find the requirements of Goal 6 have been properly addressed.

Goal 7: Natural Hazards

Finding: Goal 7 requires that jurisdictions apply appropriate safeguards when planning development in areas that are subject to natural hazards such as flood hazards.

The identified natural hazards in Oregon City are flooding and landslide hazards. Land within the floodway is considered unsuitable for urban development. The alternatives analysis considered lands within the 100-year floodplain, steep slopes, and areas with landslide hazards to be unbuildable and excluded from the inventory of vacant, unconstrained buildable land. The requirements of Goal 7 have been properly addressed.

Goal 8: Parks and Recreation

Finding: Goal 8 is not applicable.

Goal 9: Economic Development

Finding: Goal 9 is not applicable.

Goal 10: Housing

Policy 10.1.1 *Maintain the existing residential housing stock in established older neighborhoods by maintaining existing Comprehensive Plan and zoning designations where appropriate.*

Finding: The *Housing Needs Analysis* assumes that vacant, unconstrained buildable land in existing residential Comprehensive Plan Designations will develop at densities consistent with historical development in each designation and the densities currently allowed within these master plans and the City's Comprehensive Plan and zoning code. The *Housing Needs Analysis* does not pose changes to the existing Comprehensive Plan or zoning maps. This criterion is met.

> ***Policy 10.1.3*** *Designate residential land for a balanced variety of densities and types of housing, such as single-family attached and detached, and a range of multi-family densities and types, including mixed-use development.*

Finding: The Oregon City *Comprehensive Plan Land-Use Map* has designated land for a balanced variety of densities and housing types. No changes to the map are proposed. This criterion is met.

> ***Policy 10.1.4*** *Aim to reduce the isolation of income groups within communities by encouraging diversity in housing types within neighborhoods consistent with the Clackamas County Consolidated Plan, while ensuring that needed affordable housing is provided.*

Finding: The *Housing Needs Analysis* forecasts increases in housing diversity of housing types in Oregon City as follows: 50% of new housing will be single-family detached (compared with 73% of existing housing stock); 20% of new housing will be single-family attached (compared with 7% of existing housing stock); 10% of new housing will be duplex/triplex/quadplex (compared with 6% of existing housing stock); and 20% of new housing will be multifamily with five or more units per structure (compared with 13% of existing housing stock).

The *Housing Needs Analysis* finds that Oregon City has unmet need for affordable housing. About 34% of households in Oregon City are cost burdened (i.e., spending 30% or more of their income on housing costs), with 50% of renter households cost burdened. As the City grows through 2041, the need for affordable housing will grow with population, with about 26% of new households needing housing affordable to households earning less than 50% of Clackamas County's Median Family Income ($46,000) and 21% of new households needing housing affordable to households earning between 50% and 80% of Clackamas County's Median Family Income ($46,000 to $74,000).

The lack of affordability will continue to be a problem, possibly growing in the future if incomes continue to grow at a slower rate than housing costs. The *Housing Needs Analysis* recommends that Oregon City should provide opportunities for affordable housing development for both rental and ownership over the 20-year period, and the City should look for opportunities for affordable housing development for all housing types.

Through the OC 2040 project, Oregon City will develop policies to respond to the unmet need for affordable housing to respond to the needs identified in the *Housing Needs Analysis*. This criterion is met.

> ***Goal 10.2*** *Supply of Affordable Housing Provide and maintain an adequate supply of affordable housing.*

Finding: The *Housing Needs Analysis* identifies need for additional affordable housing and recommends the City should develop policies to support production of affordable housing. Through the OC 2040 project, Oregon City will develop policies to respond to the unmet need for affordable housing to respond to the needs identified in the *Housing Needs Analysis*.

Policy 10.2.1 *Retain affordable housing potential by evaluating and restricting the loss of land reserved or committed to residential use. When considering amendments to the Comprehensive Plan Land-Use Map, ensure that potential loss of affordable housing is replaced.*

Finding: The *Housing Needs Analysis* does not propose actions that will result in loss of land for residential uses or changes to the *Comprehensive Plan Land-Use Map*. This criterion is not applicable.

Goal 11: Public Facilities

Finding: Goal 11 is not applicable as no changes are proposed to the *Comprehensive Plan Land-Use Map* or zoning map and future development densities are consistent with historical or currently allowed development densities.

Goal 12: Transportation

Finding: Goal 12 is not applicable as no changes are proposed to the *Comprehensive Plan Land-Use Map* or zoning map and future development densities are consistent with historical or currently allowed development densities.

Goal 13 – Energy

Finding: Goal 13 is not applicable.

Section 14 Urbanization

Finding: Goal 14 is not applicable as no change is proposed to the Metro Urban Growth Boundary.

Goal 14.1 Urban Growth Boundary Establish, and amend when appropriate, the Urban Growth Boundary in the unincorporated area around the city that contains sufficient land to accommodate growth during the planning period for a full range of city land uses, including residential, commercial, industrial, and institutional.

Policy 14.1.1 The Urban Growth Boundary shall conform to Title 11 of the Code of the Metropolitan Service District and will provide sufficient land to accommodate 20-year urban land needs, resulting in efficient urban growth and a distinction between urban uses and surrounding rural lands, and promoting appropriate infill and redevelopment in the city

Section 15 Willamette River Greenway

Finding: Goal 15 is not applicable as no changes are proposed to the *Comprehensive Plan Land-Use Map* or zoning map and future development densities are consistent with historical or currently allowed development densities.

Statewide Planning Goals

Goal 1 Citizen Involvement

Finding: Goal 1 calls for the opportunity for citizens to be involved in all phases of the planning process. The public was provided the opportunity to be involved in the decision-making process regarding the *Housing Needs Analysis* through public meetings (in-person and by video conference), including: (1) the OC 2040 Project Advisory Team (PAT) on July 28, 2021 and (2) a joint work session with the Oregon City Planning Commission and City Commission September 7, 2021. Notice of the project was sent to the neighborhood associations, Citizen Involvement Committee, and the Development Stakeholders Group. The Citizen Involvement Committee will hear a presentation on October 4th.

A project website was established and emailed notice of the draft HNA was sent to the Development Stakeholders Group, neighborhood associations, and Citizen Involvement Committee on September 15th. Notice of the application was provided in the October citywide utility bill.

Goal 2 Land Use Planning

Finding: Goal 2 outlines the basic procedures of Oregon's statewide planning program, stating that land use decisions must be made in accordance with comprehensive plans and that effective implementation ordinances must be adopted.

In the process of developing the housing needs analysis, the City inventoried existing residential land uses, projected suitable land needs by land use classifications, and compared these needs with buildable land within Oregon City. The *Housing Needs Analysis* finds that Oregon City has sufficient residential capacity vacant, unconstrained buildable land in the following designations: Low Density Residential, Medium Density Residential, and Mixed Use. The *Housing Needs Analysis* finds that Oregon City has a deficit for about 169 dwelling units or 8 acres of land in the High Density Residential designation. The requirements of Goal 2 are met.

Goal 3: Agricultural Lands

Finding: Goal 3 is not applicable.

Goal 4: Forest Lands

Finding: Goal 4 is not applicable.

Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources

Finding: Goal 5 requires the City to inventory, protect and conserve natural, scenic and historic resources within the City. The buildable land inventory conducted as part of the *Housing Needs Analysis* addresses areas that the City has identified as natural resources through its Goal 5 inventory, regional inventories of natural resources, and associated development code requirements intended to protect, conserve or minimize impacts to these resources. The BLI identifies these areas as "constrained" consistent with City development code standards and policies and assumes no for future housing in these areas. Through this analysis process and continued implementation of the City's policies and standards associated with natural resource protection, the requirements of Goal 5 have been met.

Goal 6: Quality of Air, Water, and Land Resources

Finding: Goal 6 requires local comprehensive plans and implementing measures to be consistent with state and federal regulations. By complying with applicable air, water and land resource quality policies in the Oregon City Comprehensive Plan, the requirements of Goal 6 have been properly addressed.

Goal 7: Natural Hazards

Finding: Goal 7 requires that jurisdictions apply appropriate safeguards when planning development in areas that are subject to natural hazards such as flood hazards.

The identified natural hazards in Oregon City are flooding and landslide hazards. Land within the floodway is considered unsuitable for urban development. The alternatives analysis considered lands within the 100-year floodplain, steep slopes, and areas with landslide hazards to be unbuildable and excluded from the inventory of vacant, unconstrained buildable land. The requirements of Goal 7 have been properly addressed.

Goal 8 Recreational Needs

Finding: Goal 8 is not applicable.

Goal 9 Economic Development

Finding: Goal 9 is not applicable.

Goal 10 Housing

Finding: Goal 10 requires the City to maintain and plan for an adequate supply of land to accommodate 20 years of future growth, providing flexibility in housing location, type, and density to ensure the availability and prices of housing units are commensurate with the needs and financial capabilities of Oregon households. Comprehensive plans are required to include an analysis of local housing needs by type and affordability, an assessment of housing development potential, and an inventory of residential land; contain policies for residential development and supportive services based on that analysis that increase the likelihood that needed housing types will be developed; and provide for an adequate supply of a variety of housing types consistent with identified policies and meeting minimum density and housing mix requirements (established by OAR 660, Division 007).

The *Housing Needs Analysis*, which is proposed to be adopted as an ancillary document to the Comprehensive Plan, provides information about the factors that could affect housing development, including demographics, affordability trends, workforce housing availability, market health, and regulatory structure. The *Housing Needs Analysis* includes the City's buildable lands inventory for residential within Oregon City and UGB areas outside of the city limits but within the UGB.[3]

The *Housing Needs Analysis* finds that Oregon City has sufficient residential capacity vacant, unconstrained buildable land in the following designations: Low Density Residential, Medium Density Residential, and Mixed Use. The *Housing Needs Analysis* finds that Oregon City has a deficit for about 169 dwelling units or 8 acres of land in the High Density Residential designation.

The *Housing Needs Analysis* is intended to identify unmet housing needs. Future policy work, in the OC 2040 project, will identify remedies to the unmet housing needs. The *Housing Needs Analysis* recommends that Oregon City monitor land available in all plan designation and may look for opportunities for redevelopment on underutilized land to address the minor deficit of high density residential land. Through the OC 2040 project, Oregon City will develop policies to respond to the unmet need for affordable housing to respond to the needs identified in the *Housing Needs Analysis* and the identified land deficit in the High Density Residential designation.

The proposed HNA will repeal and replace the 2002 housing analysis which was adopted in 2004 as an ancillary document to the Comprehensive Plan. This criterion is met.

Consistency with the Metropolitan Planning Rule

Cities within the Portland Metropolitan region must comply with two requirements related to the capacity of buildable land. Both requirements are found in Oregon Administrative Rule (OAR) 660-007. The two rules state that:

[3] The UGB areas include the forecasted household growth in TAZs 726, 733, and 740.

- *Jurisdictions other than small developed cities must either designate sufficient buildable land to provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing or justify an alternative percentage based on changing circumstances. (OAR 660-007-0030 (1))*
- *Clackamas and Washington Counties, and the cities of Forest Grove, Gladstone, Milwaukie, Oregon City, Troutdale, Tualatin, West Linn and Wilsonville must provide for an overall density of eight or more dwelling units per net buildable acre. (OAR 660-007-0035 (2))*

Oregon City is in compliance with both these requirements.

- The *Housing Needs Analysis* forecasts increases in housing diversity of housing types in Oregon City as follows: 50% of new housing will be single-family detached (compared with 73% of existing housing stock); 20% of new housing will be single-family attached (compared with 7% of existing housing stock); 10% of new housing will be duplex/triplex/quadplex (compared with 6% of existing housing stock); and 20% of new housing will be multifamily with five or more units per structure (compared with 13% of existing housing stock).
- The *Housing Needs Analysis* shows that Oregon City is planning for an overall average of 9.5 dwelling units per net acre, as a result of the existing base of buildable residential land in Oregon City and the assumptions above about housing mix and density.

This criterion is met.

Goal 11 Public Facilities and Services

Finding: Goal 11 is not applicable as no changes are proposed to the *Comprehensive Plan Land-Use Map* or zoning map and future development densities are consistent with historical or currently allowed development densities.

Goal 12 Transportation

Finding: Goal 12 is not applicable as no changes are proposed to the *Comprehensive Plan Land-Use Map* or zoning map and future development densities are consistent with historical or currently allowed development densities.

Goal 13 Energy Conservation

Finding: Goal 13 is not applicable.

Goal 14 Urbanization

Finding: Goal 14 is not applicable as no change is proposed to the Metro Urban Growth Boundary, which Oregon City is within.

Goal 15 Willamette River Greenway

Finding: Goal 15 is not applicable as no changes are proposed to the *Comprehensive Plan Land-Use Map* or zoning map and future development densities are consistent with historical or currently allowed development densities.

Goal 16 Estuarine Resources

Finding: Goal 16 is not applicable.

Goal 17 Coastal Shorelands

Finding: Goal 17 is not applicable.

Goal 18 Beaches and Dunes

Finding: Goal 18 is not applicable.

Goal 19 Ocean Resources

Finding: Goal 19 is not applicable.

Chapter 17.50 Administration and Procedures

17.50.050 – Pre-application conference.

A. Pre-application Conference. Prior to a Type II – IV or Legislative application, excluding Historic Review, being deemed complete, the applicant shall schedule and attend a pre-application conference with City staff to discuss the proposal, unless waived by the Community Development Director. The purpose of the pre-application conference is to provide an opportunity for staff to provide the applicant with information on the likely impacts, limitations, requirements, approval standards, fees and other information that may affect the proposal.

1. To schedule a pre-application conference, the applicant shall contact the Planning Division, submit the required materials, and pay the appropriate conference fee.

2. At a minimum, an applicant should submit a short narrative describing the proposal and a proposed site plan, drawn to a scale acceptable to the City, which identifies the proposed land uses, traffic circulation, and public rights-of-way and all other required plans.

3. The Planning Division shall provide the applicant(s) with the identity and contact persons for all affected neighborhood associations as well as a written summary of the pre-application conference.

B. A pre-application conference shall be valid for a period of six months from the date it is held. If no application is filed within six months of the conference or meeting, the applicant shall schedule and attend another conference before the City will accept a permit application. The Community Development Director may waive the pre-application requirement if, in the Director's opinion, the development has not changed significantly and the applicable municipal code or standards have not been significantly amended. In no case shall a pre-application conference be valid for more than one year.

C. Notwithstanding any representations by City staff at a pre-application conference, staff is not authorized to waive any requirements of this code, and any omission or failure by staff to recite to an applicant all relevant applicable land use requirements shall not constitute a waiver by the City of any standard or requirement.

Finding: The proposed Legislative application held a pre-application conference (PA 21-36) on September 1st including discussion of the review process and applicable criteria.

17.50.055 - Neighborhood association meeting.

Neighborhood Association Meeting. The purpose of the meeting with the recognized neighborhood association is to inform the affected neighborhood association about the proposed development and to receive the preliminary responses and suggestions from the neighborhood association and the member residents.

A. *Applicants applying for annexations, zone change, comprehensive plan amendments, conditional use, Planning Commission variances, subdivision, or site plan and design review (excluding minor site plan and design review), general development master plans or detailed development plans applications shall schedule and attend a meeting with the City-recognized neighborhood association in whose territory the application is proposed no earlier than one year prior to the date of application. Although not required for other projects than those identified above, a meeting with the neighborhood association is highly recommended.*

B. *The applicant shall request via email or regular mail a request to meet with the neighborhood association chair where the proposed development is located. The notice shall describe the proposed project. A copy of this notice shall also be provided to the chair of the Citizen Involvement Committee.*

C. *A meeting shall be scheduled within thirty days of the date that the notice is sent. A meeting may be scheduled later than thirty days if by mutual agreement of the applicant and the neighborhood association. If the neighborhood association does not want to, or cannot meet within thirty days, the applicant shall host a meeting inviting the neighborhood association, Citizen Involvement Committee, and all property owners within three hundred feet to attend. This meeting shall not begin before six p.m. on a weekday or may be held on a weekend and shall occur within the neighborhood association boundaries or at a City facility.*

D. *If the neighborhood association is not currently recognized by the City, is inactive, or does not exist, the applicant shall request a meeting with the Citizen Involvement Committee.*

E. *To show compliance with this section, the applicant shall submit a copy of the email or mail notice to the neighborhood association and CIC chair, a sign-in sheet of meeting attendees, and a summary of issues discussed at the meeting. If the applicant held a separately noticed meeting, the applicant shall submit a copy of the meeting flyer, postcard or other correspondence used, and a summary of issues discussed at the meeting and submittal of these materials shall be required for a complete application.*

Finding: The criterion is not applicable to the Legislative application proposed, however, the Citizen Involvement Committee will hear a presentation of the Housing Needs Analysis on October 4th.

Metro Requirements

The Metro UGMFP provides tools to meet regional goals and objectives adopted by Metro Council, including the 2040 Growth Concept and the Regional Framework Plan. Under the Metro Charter, the City of Oregon City's Comprehensive Plan and implementing ordinances are required to comply and be consistent with the UGMFP. The UGMFP consists of 11 code titles with policies and compliance procedures for the following topics:

- Title 1: Housing Capacity
- Title 3: Water Quality and Flood Management (not applicable)
- Title 4: Industrial and Other Employment Areas (not applicable)
- Title 6: Centers, Corridors, Station Communities and Main Streets (not applicable)
- Title 7: Housing Choice
- Title 8: Compliance Procedures
- Title 10: Definitions (not applicable)
- Title 11: Planning for New Urban Areas (not applicable)

- Title 12: Protection of Residential Neighborhoods (not applicable)
- Title 13: Nature in Neighborhoods (not applicable)
- Title 14: Urban Growth Boundary (not applicable)

Metro requires "substantial compliance" with requirements in the UGMFP. Per the definition in Title 10, "substantial compliance" means that the City's Comprehensive Plan conforms with the purposes of the performance standards in the functional plan "on the whole." Any failure to meet individual performance standard requirements is considered technical or minor in nature.

The findings below address applicable Titles of the UGMFP. Based on the findings described below, the proposed Comprehensive Plan Amendment substantially complies with all applicable titles of the UGMFP.

Title 1: Housing Capacity

Finding: Title 1 of the UGMFP is intended to promote efficient land use within the Metro urban growth boundary (UGB) by increasing the capacity to accommodate housing. Title 1 requires the City to adopt minimum residential development density standards by March 2011. If the City did not adopt a minimum density by March 2011, the City must adopt a minimum density that is at least 80 percent of the maximum density. Title 1 also provides measures to decrease development capacity in selected areas by transferring the capacity to other areas of the community. This may be approved as long as the community's overall capacity is not reduced.

Oregon City has established minimum densities in its Zoning Code (Title 17: Zoning of the Oregon City Municipal Code) for each residential base zone. These minimum and maximum densities comply with Title 1 for all zones where residential dwelling units are authorized.

The *Housing Needs Analysis* replaces the existing factual basis in the Oregon City Comprehensive Plan and does not reduce densities or make any changes to land use designations or zoning. The *Housing Needs Analysis* assumes increases in housing diversity, with an increase in the share of new housing that will be attached or multifamily housing types. The *Housing Needs Analysis* assumes no decrease in densities and an overall increase in average density resulting from the increase in future share of attached and multifamily housing types. Further, Metro's 2019 Compliance Report (the most recent report available) concludes that Oregon City is in compliance for the City's Title 1 responsibilities.

Based on the findings above, the *Housing Needs Analysis* is consistent with Title 1.

Title 7: Housing Choice

Finding: Title 7 of Metro's Urban Growth Management Functional Plan is designed to ensure the production of affordable housing in the Metro UGB. Each city and county within the Metro region is encouraged to voluntarily adopt an affordable housing production goal. Each jurisdiction within the Metro region is required to ensure that their comprehensive plans and implementing ordinances include strategies to:

- Ensure the production of a diverse range of housing types;
- Maintain the existing supply of affordable housing, increase opportunities for new affordable housing dispersed throughout their boundaries; and

- Increase opportunities for households of all income levels to live in affordable housing (3.07.730).

The *Housing Needs Analysis* assumes that diversity of housing types will increase in Oregon City. The *Housing Needs Analysis* shows that Oregon City has sufficient residential capacity vacant, unconstrained buildable land in the following designations: Low Density Residential, Medium Density Residential, and Mixed Use. The *Housing Needs Analysis* finds that Oregon City has a deficit for about 169 dwelling units or 8 acres of land in the High Density Residential designation. The *Housing Needs Analysis* recommends that Oregon City monitor land available in all plan designation and may look for opportunities for redevelopment on underutilized land to address the minor deficit of high density residential land.

The *Housing Needs Analysis* finds that Oregon City has unmet need for affordable housing. About 34% of households in Oregon City are cost burdened (i.e., spending 30% or more of their income on housing costs), with 50% of renter households cost burdened. As the City grows through 2041, the need for affordable housing will grow with population, with about 26% of new households needing housing affordable to households earning less than 50% of Clackamas County's Median Family Income ($46,000) and 21% of new households needing housing affordable to households earning between 50% and 80% of Clackamas County's Median Family Income ($46,000 to $74,000).

The *Housing Needs Analysis* is intended to identify unmet housing needs. Future policy work, in the OC 2040 project, will identify remedies to the unmet housing needs. The *Housing Needs Analysis* recommends that Oregon City should provide opportunities for affordable housing development for both rental and ownership over the 20-year period, and the City should look for opportunities for affordable housing development for all housing types. Through the OC 2040 project, Oregon City will develop policies to respond to the unmet need for affordable housing. In addition, Metro's *2019 Compliance Report* concludes that Oregon City is in compliance for the City's Title 7 responsibilities.

Based on the findings above, the *Housing Needs Analysis* is consistent with Title 7.

Title 8: Compliance Procedures

Finding: Title 8 establishes a process for ensuring compliance with requirements of the UGMFP. An amendment to the City comprehensive plan or land use regulations is deemed to comply with the UGMFP only if the City provided notice to Metro as required by section 3.07.820(a). The City of Oregon City will provide Metro with a copy of the draft *Housing Needs Analysis* via Oregon Department of Land Conservation and Development's Plan Amendments (PAPA) website at least 35 days prior to the first evidentiary hearing.

Based on the findings above, the Comprehensive Plan Amendment is consistent with Title 8.

Date/Name	Issue/Comment/Concern	Has this been addressed? How?
10/24/2021 Housing Land Advocates (HLA) and the Fair Housing Council of Oregon (FHCO)	Support for the proposal and thorough report containing detailed Goal 10 findings.	N/A
9/16/21 Amy Wilhite	Concern about properties ability to develop on the north side of Caufield Road with a powerline easement as well as a question about how the study will be adjusted as the process progresses.	The powerlines were not included in the model assumptions of constraints, but the process included staff review of the model output and now the community as well to make sure the output looks right. A map showing the high voltage lines as a reference in the area did not include unreasonable assumptions of additional development in the powerlines except for the one lot which may have a challenge partitioning an additional lot. The powerlines also affected the land in the South End Concept Plan but the density assumptions resulting from the study were reasonable and similar to those anticipated in the South End Concept Plan. The purpose of the buildable lands inventory is to provide an estimate of potential capacity for accommodating new housing under current zoning and within the context of development trends over the last 10+ years. This is not an estimate of maximum capacity but capacity for development of new housing given the types of development that Oregon City has seen in the recent past and within current city policies. While the buildable lands inventory was completed on a lot-by-lot basis, the amount and type of development the City is likely to see is meant to be a city-wide estimate. The map will be reassessed after we receive more public input to determine if the Buildable Lands Inventory (BLI) needs to be recalculated. At this time staff does not recommend recalculating the BLI.
10/5/21 Mike Roberts	Identification that the proposal does not conflict with Building Department interests.	N/A

FAIR HOUSING COUNCIL OF OREGON

October 24, 2021

Oregon City Planning Commission
625 Center Street
Oregon City, OR 97045

RE: GLUA 21-00057 and LEG 21-00004
Amend the Oregon City Comprehensive Plan by repealing a 2002 housing study and adopting a 2021 Housing Needs Analysis as an ancillary document.

Dear Commissioners:

This letter is submitted jointly by Housing Land Advocates (HLA) and the Fair Housing Council of Oregon (FHCO). Both HLA and FHCO are non-profit organizations that advocate for land use policies and practices that ensure an adequate and appropriate supply of affordable housing for all Oregonians.

Both HLA and FHCO support GLUA 21-00057 and LEG 21-00004, and commend the staff for their thorough report containing detailed Goal 10 findings. This staff report will be used as a positive example to assist other cities and jurisdictions. Good luck with the continuation of this project!

Thank you for your consideration of our comments.

Sincerely,

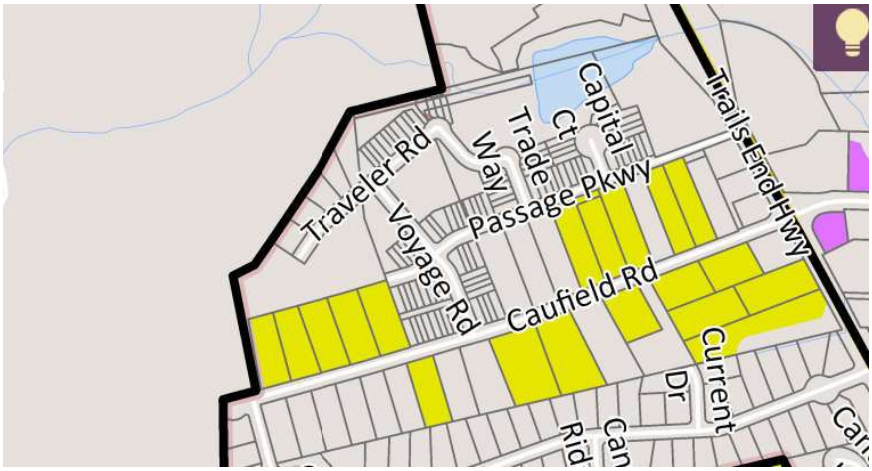
Allan Lazo
Executive Director
Fair Housing Council of Oregon

Cc: Gordon Howard, DLCD

Laura Terway

From: Laura Terway
Sent: Friday, September 24, 2021 4:01 PM
To: Amy
Subject: RE: Draft Oregon City Housing Needs Analysis
Attachments: Standard%20-%208.5x11%20Landscape[2].pdf

Amy,
Thanks for your question about the powerlines, it was a good one! The powerlines were not included in the model assumptions of constraints, but the process included staff reviewing the model output and now the community as well to make sure the output looks right. I have included a map showing the high voltage lines as a reference. For your neighborhood association, there were no unreasonable assumptions of additional development in the powerlines except for the lot at the very end of Caufield Road (furthest from the HWY 213) which I will communicate to the consultant with. In addition we will look at a few of the lots at the end of South End Road a little closer too. Thanks again!



From: Amy <awillhit@yahoo.com>
Sent: Friday, September 17, 2021 11:55 AM
To: Laura Terway <lterway@orcity.org>
Subject: Re: Draft Oregon City Housing Needs Analysis

Sounds great! Thanks for all you do.

Amy

On Friday, September 17, 2021, 9:43 AM, Laura Terway <lterway@orcity.org> wrote:

> Amy,
>
> Thanks for taking a look at the map! I have already starting looking into the matter and will get back to you next week.

The map will be revised after we receive more public input. The intention is to make all the map changes at once and recalculate the results at that time. We will generally know if the comments are significant enough to alter the results in advance. Thanks again and have a great weekend!

Laura Terway, AICP

Community Development Director

City of Oregon City

503.496.1553

From: Amy <awillhit@yahoo.com>
Sent: Thursday, September 16, 2021 1:30 PM
To: Laura Terway <lterway@orcity.org>
Subject: Re: Draft Oregon City Housing Needs Analysis

Hi Laura,

One thing I noticed from the map is that the big power lines run through many of the properties on the North side of Caufield Rd, so I don't believe they could be divided in to buildable lots. I dont remember if that was addressed at the Sept 7 meeting when I watched it. Are there other lots highlighted here that might not be buildable? If so, will those be looked at and the map adjusted as we move forward?

Thanks and Happy Thursday,

Amy

On Thursday, September 16, 2021, 11:47 AM, Laura Terway <lterway@orcity.org> wrote:

> Good Afternoon Gaffney Lane Neighborhood Association,
>
> **Do we have enough opportunities to accommodate our future housing needs?**

The City is working on a Housing Needs Analysis (HNA) which includes maps, housing data, and forecasts on demographic and socioeconomic trends to understand how much housing will be need in the future. This technical analysis will help us understand whether Oregon City has enough land to accommodate growth over the next 20 years and if any housing policy changes are needed.

A draft study found that Oregon City should plan for growth of 7,435 new dwelling units over the next 20 years. Much of the growth in housing will be driven by growth in households. The City will meet Metro's requirements for net density and housing mix, but has a slight shortage of land for high-density housing and an unmet need for affordable housing.

The HNA includes a map identifying land with minimal constraints, such as vacant or a portion of the land is vacant and could be residential use, if the property owner chooses to do so. The map is a tool to visualize and identify an approximation of future housing opportunities. The draft map for the land within your neighborhood association may be found here.

You are invited to:

- Watch a presentation on the draft Housing Needs Analysis at the September 7, 2021 City Commission/Planning Commission Work Session here (starts about 14 minutes into video).

- Join or watch the presentation to the Citizen Involvement Committee 7 p.m., October 4, 2021. Details about the meeting will be posted a week in advance here.

- Send your comments to me at lterway@orcity.org or chat more about the project by calling 503.496.1553.

The Planning Commission and City Commission will review the proposed Housing Needs Analysis prior to adoption. Please do not hesitate to reach out with any questions or concerns. Find more information on the project page here.

What's your Vision for Oregon City?

Laura Terway, AICP

Community Development Director **-** Planning & Building Departments

She/Her/Hers

695 Warner Parrott Road (PO Box 3040), Oregon City, Oregon 97045
Direct 503.496.1553 Office 503.722.3789

www.orcity.org | webmaps.orcity.org | www.rediscoverthefalls.com

Think **GREEN** before you print.

This e-mail is subject to the State Retention Schedule and may be made available to the public.

COVID-19 (Coronavirus) Information

OREGON CITY

Community Development – Planning

695 Warner Parrott Road | Oregon City OR 97045
Ph (503) 722-3789 | Fax (503) 722-3880

LAND USE APPLICATION TRANSMITTAL – RESPONSE FORM

Date: 10/5/21

Land Use Application File Number: GLUA-21-00057 & LEG-21-00004

NAME: Michael G. Roberts

AGENCY: City of Oregon City

EMAIL ADDRESS: mroberts@orcity.org

The land use application material is referred to you for your information, study and official comments. Your recommendations and suggestions will be used to guide the Planning staff when reviewing this proposal. If you wish to have your comments considered and incorporated into the staff report, please return a copy of this form to facilitate the processing of this application and to ensure prompt consideration of your recommendations.

Please check the appropriate spaces below.

☑	The proposal does not conflict with our interests.
☐	The proposal conflicts with our interests for the reasons attached. (Please attach additional information)
☐	The proposal would not conflict our interests if the changes noted below or attached are addressed.

Please add any specific comments below or attach a separate document with more information.

CONTACT THE PLANNING DIVISION IF YOU HAVE ANY QUESTIONS ABOUT THIS APPLICATION

Housing Resource Document for the City of Oregon City Comprehensive Plan

Prepared For:

City of Oregon City
PO Box 3040
320 Warner Milne Road
Oregon City, OR 97045

Prepared By:

David Evans and Associates, Inc
2100 SW River Parkway
Portland, OR 97201

October, 2002

Table of Contents

1 INTRODUCTION 1

2 EXISTING CONDITIONS 1

2.1 DEMOGRAPHICS 1
2.1.1 Population Trends 1
2.1.2 Age 2
2.1.3 Race 3
2.1.4 Group Quarters 4
2.1.5 Poverty 4
2.2 HOUSEHOLDS 5
2.2.1 Household Size 6
2.2.2 Income 6
2.3 HOUSING STOCK 7
2.3.1 Housing Units (Census) 8
2.3.2 Housing Units (Housing survey) 8
2.3.3 Current Housing Mix and Density 12
2.3.4 Condition 13
2.3.5 Housing Availability 14
2.3.6 Cost 14
2.3.7 Owning Versus Renting 17

3 FUTURE HOUSING NEED 18

3.1 PROJECTED LAND CAPACITY 18
3.1.1 Existing Residential Land Supply 18
3.2 METRO AND CLACKAMAS COUNTY CAPACITY ESTIMATES/LAND NEED THROUGH 2017 23
3.3 HOUSING MIX BASED ON DEMOGRAPHICS 25
3.4 LAND NEEDS/SURPLUS BY HOUSING TYPE 27

List of Tables

Table 1. Population Change of Oregon City and other Willamette Valley Jurisdictions 2
Table 2. Age 3
Table 3. Race as a Percentage of Population 3
Table 4. Number and Percentage of People in Group Quarters 4
Table 5. Poverty in Oregon City (2000) 5
Table 6. Household Type in Oregon City 5
Table 7. Average Household Size 6
Table 8. Household Income in Metropolitan Portland and Oregon City (2000) 7
Table 9. Median Household Income (2000) 7
Table 10. Number of Units by Structure Type by Percentage of Total Housing Units 8
Table 11. Number of Existing Units by Type and Zone 10
Table 12. Number of Existing Units by Type and Neighborhood 11
Table 13. Mobile and Manufactured Home Parks 12
Table 14. Percentage of Housing Units by Structure Type within the City Limits (1996-2001) 12
Table 15. Development Density Compared to Maximum Allowable Density (1996-2001) 13
Table 16. Housing Condition in Oregon City 13
Table 17. Current Occupancy and Vacancy Rates in Oregon City 14
Table 18. Average Rent by Number of Bedrooms for Portland and Oregon City 14
Table 19. Median Home Price for Portland and Oregon City (Jan 2002-July 2002) 15
Table 20. Housing Affordability based on Household Income 16
Table 21. Monthly Affordable Housing Costs for Oregon City Residents 17
Table 22. Affordable Housing by Median Household Income 18
Table 23. Vacant Residential Land by Zoning in Oregon City 21
Table 24. Partially Vacant Residential Land by Zoning in Oregon City 22
Table 25. Potentially Redevelopable Residential Land by Zoning in Oregon City 23
Table 26. Capacity Analysis based on Metro and Clackamas County Capacity Estimates 24
Table 27: Actual and Projected Housing Mix 27
Table 28. Housing Need/Surplus with Rezoned Areas 28
Table 29. Potential Changes in Zoning to Meet Density Target 29

List of Figures

On or Follows Page

Figure 1. Oregon City Neighborhood Boundaries 11
Figure 2. Vacant and Partially Vacant Parcels 20
Figure 3. Improvement to Land Value Ratio for Residential Property 23
Figure 4. Percentage of New Housing Units Needed by housing Type for Oregon City 26
Figure 5. Changes to the Comprehensive Plan Map and Zoning Designations 28

1 Introduction

Adequate, affordable housing is one of the most important elements of any community. Housing provides our daily shelter as well as supplying a personal identity to a neighborhood and the community at large. An adequate supply of affordable housing and a variety of housing options to meet the needs of Oregon City residents are important components of a thriving community. Ensuring that all residents are able to secure housing and offering housing choices that attract new residents are ways to build a community's future.

We are largely a nation of homeowners. According to the 2000 Census, nationwide, approximately 66 percent of all households own their homes. In the Portland Metropolitan Area,[1] about 62 percent of all households are owner-occupied; Oregon City is very similar at 60 percent. For the homeowner and the renter, housing costs are a significant economic investment. Housing also plays a vital role in the national economy by generating jobs. For local government, housing is a primary source of income (property taxes) and the major recipient of expenditures to provide public facilities and services (water, sewer, transportation, police and fire).

Oregon City is unique in the region for its role in Oregon history and for the age and diversity of its housing stock. In Oregon City, housing has always been at the center of the community. Many older homes and buildings have historical significance. Therefore, housing planning in the city is aimed at both development of new housing units and preservation or careful redevelopment of older historic housing units. This requires a keen understanding of the current housing stock. Because Oregon City, like many other communities in the Willamette Valley, has grown quickly in the last decade, more units are needed to accommodate new residents, or residents wishing to move into another type of housing.

The Housing Element covers:

- Demographics that gives an overview of Oregon City residents compared to the region;
- Housing Stock that describes the current number of housing units
- Projected Land Capacity that describes the amount of vacant, partially vacant and potentially redevelopable residential land and its projected housing capacity; and
- Land Needs/Surplus that describes the needed housing mix and land needs be housing type.

2 Existing Conditions

2.1 Demographics

2.1.1 Population Trends

Oregon City has experienced population booms and busts over its long history. In the last twenty years Oregon City, like many communities in the Willamette Valley, has seen more accelerated

[1] The Portland Metropolitan Area includes the Multnomah, Clackamas, and Washington Counties, unless otherwise noted. The U.S. Census Bureau considers the three-county area a Primary Statistical Area.

growth, growing faster in the 1990's than in the 1980's. Table 1 illustrates the rate of growth for several communities in the Willamette Valley. Oregon City grew very little in the 1980's, when recession and lack of employment opportunities drew few new residents. In the 1990's, Oregon City began to grow at a much faster rate than it had in the 1980's, and along with other cities in the Willamette Valley, far surpassed the growth rates seen in the 1980's. In the 1990's, Oregon City was one of the fastest growing cities in the Willamette Valley, increasing its size by nearly 82 percent between 1990 and 2000. Clackamas County and the state also grew at much faster rates in the 1990's, increasing in population by approximately 24 percent and 22 percent, respectively.

Table 1. Population Change of Oregon City and other Willamette Valley Jurisdictions

Jurisdiction	1980	1990	% change (1980-1990)	AAGR (1980-1990)	2000	2001	% change (1990-2001)	AAGR (1990-2001)
Oregon	2,633,156	2,842,321	7.9%	0.8%	3,421,399	3,471,000	22.1%	1.8%
Clackamas Co.	241,919	278,850	15.3%	1.4%	338,391	345,150	23.8%	2.0%
Oregon City	14,673	14,698	0.2%	0.0%	25,754	26,680	81.5%	5.6%
Albany	26,511	29,540	11.4%	1.1%	40,852	41,650	41.0%	3.2%
Dallas	8,530	9,422	10.5%	1.0%	12,459	12,650	34.3%	2.7%
Forest Grove	11,499	13,559	17.9%	1.7%	17,708	18,380	35.6%	2.8%
Gladstone	9,500	10,152	6.9%	0.7%	11,450	11,438	12.7%	1.1%
Gresham	33,005	68,249	106.8%	7.5%	90,205	91,420	34.0%	2.7%
Lebanon	10,413	10,950	5.2%	0.5%	12,950	13,190	20.5%	1.7%
McMinnville	14,080	17,894	27.1%	2.4%	26,499	27,500	53.7%	4.0%
Milwaukie	17,931	18,670	4.1%	0.4%	20,550	20,490	9.7%	0.8%
Newberg	10,394	13,086	25.9%	2.3%	18,064	18,280	39.7%	3.1%
Salem	89,233	107,793	20.8%	1.9%	136,924	139,320	29.2%	2.4%
Tualatin	7,483	14,664	96.0%	7.0%	22,791	23,270	58.7%	4.3%
West Linn	11,358	16,389	44.3%	3.7%	22,261	23,090	40.9%	3.2%
Woodburn	11,196	13,404	19.7%	1.8%	20,100	20,410	52.3%	3.9%

Source: U.S. Census (1980, 1990, and 2000 Decennial Census); Portland State University Population Research Center, 2001

2.1.2 Age

The age of a population is a factor in determining what types of housing units are needed. Younger residents are likely to live with families or in apartments. When residents begin to have children, housing needs change from smaller units to single-family homes with rooms for the children to play. When residents no longer need the large house because their children have left, housing needs change again, often when the care of a larger home is burdensome or when more medical care is necessary. Currently, the highest percentage of residents in Oregon City and the Portland Metro area are between 25 and 54, the ages when residents are starting families or have older children still living at home (Table 2). Many residents in this age bracket earn more money as they become established in their careers and are able to afford more expensive housing. Oregon City has a slightly younger population than the Portland Metro area, with a median age of 32.7 compared to the Portland Metro area at 34.9. Oregon City has a higher percentage of residents under 10 than the Portland Metro area, indicating that many Oregon City residents have young families.

Table 2. Age

	Oregon City		Portland PMSA	
Age	Number	Percentage	Number	Percentage
Under 5	2,160	8.4%	108,004	6.9%
5 to 9	2,019	7.8%	109,949	7.0%
10 to14	1,763	6.8%	108,194	6.9%
15 to 19	1,740	6.8%	105,762	6.7%
20 to 24	1,913	7.4%	107,383	6.8%
25 to 34	4,239	16.5%	249,314	15.9%
35 to 44	4,135	16.1%	259,557	16.5%
45 to 54	3,433	13.3%	233,748	14.9%
55 to 59	1,145	4.4%	74,198	4.7%
60 to 64	696	2.7%	51,236	3.3%
65 to 74	1,147	4.5%	80,269	5.1%
75 to 84	931	3.6%	62,108	3.9%
85 and older	433	1.7%	23,049	1.5%
Median Age	32.7		34.9	

Source: 2000 Decennial Census, Profile of Selected Economic Characteristics

2.1.3 Race

Oregon City is less diverse in its racial and ethnic composition than the state or the Portland Metro area; over 90 percent of Oregon City's population is white. Table 3 includes the percentage of residents by race for Oregon, Metropolitan Portland, and Oregon City. Oregon City's minority population is composed primarily of Hispanics or Latinos, with smaller numbers of residents identifying themselves as two or more races. Asian residents make up just over one percent of the city's population. This is less than the Portland Metro area where nearly five percent of the population is Asian. In Oregon City, as in the state and the Portland Metro area, the largest minority group is Hispanic or Latino.

Table 3. Race as a Percentage of Population

	Oregon	Oregon City	Portland MSA
White (%)	83.5%	90.8%	81.6%
Black/African Am.(%)	1.6%	0.6%	2.6%
Am. Indian, Eskimo, Aleut (%)	1.2%	0.9%	0.8%
Asian (%)	2.9%	1.1%	4.5%
Hawaiian/ other Pacific Islander (%)	0.2%	0.1%	0.3%
Some other race (%)	0.1%	0.0%	0.1%
Two or more races (%)	2.4%	2.2%	2.7%
Hispanic/Latino(%)	8.0%	5.0%	7.4%

Source: U.S. Census Bureau, 2000 (SF-1).
Note: The total percentage of Oregon City residents does not equal 100 percent due to rounding.

2.1.4 Group Quarters

Group quarters are not considered standard housing units because the units do not have individual kitchens, but this is still an important source of housing for certain populations. The population in group quarters is broken into institutionalized (prisons, nursing homes, hospitals, etc.) and non-institutionalized (college dormitories, halfway homes, etc.) populations. In Oregon City, about 91 percent of the population in group quarters is institutionalized, either in correctional institutions (61 percent), nursing homes, or assisted living facilities (39 percent). Table 4 shows the total number of people (institutionalized and non-institutionalized) living in group quarters. Oregon City has a higher percentage of its total population in group quarters (3.5 percent) than the Portland Metro Area (1.8 percent). The number of residents seeking housing in groups quarters (nursing or residential care facilities) is likely to increase as the population ages over the next 20 years.

Table 4. Number and Percentage of People in Group Quarters

	1990		2000		1990-2000 Change	
Area	Number	% of Total Population	Number	% of Total Population	Number	Percent Change
Oregon City						
Group Quarters	362	2.5%	903	3.5%	541	149.45%
Total Population	14,698	100.0%	25,754	100.0%	11,056	75.22%
Portland PMSA						
Group Quarters	23,080	1.9%	28,939	1.8%	5,859	25.39%
Total Population	1,239,842	100.0%	1,572,771	100.0%	332,929	26.85%

Source: U.S. Census Bureau, 1990 (STF 1); 2000 Decennial Census, Profile of Selected Economic Characteristics

2.1.5 Poverty

Oregon City residents who fall below the federal poverty level have a more difficult time securing adequate housing those with higher incomes. Table 5 shows the poverty rate for all residents in Oregon City by relationship. Overall, the percentage of individuals below the poverty level in Oregon City is lower than the Portland Metro area, although female householder families are having a harder time making ends meet. The percentage of all families in poverty in Oregon City (6.5 percent) is slightly higher than families in poverty in the Portland Metro area (6.2 percent).

Female-headed households are much more likely to live in poverty than other families. The percentage of female-headed households in Oregon City in poverty is significantly higher than the Portland Metro area, with nearly 25 percent of female-headed households in Oregon City living in poverty. This compares to just over 20 percent in the Portland Metro area as a whole. The biggest concern is female-headed households with children under five. Over 41 percent live below the poverty line in Oregon City compared to about 39 percent for the Portland Metro area.

Table 5. Poverty in Oregon City (2000)

Category	Oregon City	Percent of Population	Portland PMSA	Percent of Population
Individuals	2,173	8.9	147,501	9.5
Persons 18 years and older	1,404	7.8	103,152	8.9
Persons 65 years and older	167	7.5	11,877	7.4
All families	438	6.5	24,605	6.2
With related children under 18	368	10.1	19,860	9.6
With related children under 5	183	11.7	10,939	13
All female householder families	293	24.9	11,529	20.2
With related children under 18	271	32.5	10,569	26.8
With related children under 5	118	41.4	5,355	39.1

Source: 2000 Decennial Census, Profile of Selected Economic Characteristics

2.2 Households

While population characteristics are important, the characteristics of households define residential need. A household is all people living in a residential unit. A single person living alone in an apartment is considered a household, as is a family with children.

The U.S Census distinguishes between family and non-family households. Family households are made up of people related by blood or marriage. Non-family households are made up un-related individuals (roommates). In 1990, Oregon City had 5,479 households with almost 70 percent in family households and about 30 percent in non-family households (Table 6). A comparison of the 2000 Decennial Census to the 1990 Census showed that there was very little change in the breakdown between family and non-family households, even though the 2000 Census reported a 73 percent increase in total households from 5,479 to 9,471 in 2000. Family households did grow slightly faster than non-family households, with single parent households showing the biggest increases.

Table 6. Household Type in Oregon City

	1990		2000		Percent Change 1990-2000
	Number	Percent	Number	Percent	
Total Households	5,479		9,471		72.9%
Family households	3,803	69.4%	6,669	70.4%	75.4%
With own children under 18	2,153	39.3%	3,469	36.6%	61.1%
Married Couples with family	2,946	53.8%	5,024	53.0%	70.5%
With own children under 18	1,565	28.6%	2,410	25.4%	54.0%
Female householder, no husband present	649	11.8%	1,166	12.3%	79.7%
With own children under 18	453	8.3%	769	8.1%	69.8%
Male householder, no wife preset	208	3.8%	479	5.1%	130.3%
With own children under 18	135	2.5%	290	3.1%	114.8%
Non family households	1,676	30.6%	2,802	29.6%	67.2%

Source: U.S. Census, 1990 (STF-1); U.S. Census, 2000 (SF-1); 2000 Decennial Census, Profile of Selected Economic Characteristics

2.2.1 Household Size

Another characteristic that will affect the type of housing needed by a household is its size. Average household size has declined nationally and in Oregon over the past 50 years. Table 7 shows that in 1950, the average household size in Oregon was 3.10, but sharp declines in the 1970's dropped the average household size to 2.60 in 1980. The decline in average household size has slowed over the last 20 years, but has still fallen to 2.51 for Oregon.

Table 7. Average Household Size

	Oregon		Oregon City	
	Average	Percent Change	Average	Percent Change
1950	3.10		2.90	
1960	3.10	0.0%	2.90	0.0%
1970	2.90	-6.5%	2.90	0.0%
1980	2.60	-10.3%	2.66	-8.3%
1990	2.52	-3.1%	2.62	-1.5%
2000	2.51	-0.4%	2.62	0.0%

Source: 1950-1970: "1940-1970 Population and Housing Trends, Cities and Counties of Oregon," Bureau of Government Research and Service, University of Oregon; 1980 Census of Housing, , Bureau of the Census, August 1982; 1990 Census, (Summary of Population and Housing Characteristics); 2000 Census (SF-1)

The Portland Metro area mirrors the state average at 2.51 percent in 2000. Oregon City had a smaller average household size than the state in 1950 (2.90), and also saw sharp declines in the 1970's, but did not decrease as fast as the state. Oregon City has continued to maintain a 2.62 average household size through 2000, the same as in 1990. Smaller household size means more units are needed even if the population remains unchanged.

2.2.2 Income

The most important household characteristic for determining housing need is income. Household income in Oregon City is generally increasing, with the biggest increases at the higher income levels. Table 8 indicates that the majority of Oregon City households earned between $25,000 and $74,999 (about 57 percent), which is similar to the Portland Metro area, where the majority of households (about 52 percent) also earn between $25,000 and $74,999.

In general, household income distribution in Oregon City mirrors the Portland Metro area with differences all less than two percent for each income bracket. The only exception are households earning more than $150,000; 4.6 percent of Portland Metro households earn more than $150,000 but in Oregon City only 1.5 percent of households earn more than $150,000.

Table 8. Household Income in Metropolitan Portland and Oregon City (2000)

	Oregon City	Percent of population	Portland PMSA	Percent of population
Less than $10,000	728	7.7%	42,556	6.9%
$10,000 to 14,999	395	4.2%	31,037	5.0%
$15,000 to 24,999	1,028	10.8%	69,551	11.3%
$25,000 to 34,999	1,322	13.9%	78,424	12.7%
$35,000 to 49,999	1,816	19.1%	105,902	17.2%
$50,000 to 74,999	2,245	23.6%	133,308	21.7%
$75,000 to 99,999	1,217	12.8%	72,099	11.7%
$100,000 to 149,000	599	6.3%	53,649	8.7%
More than $150,000	143	1.5%	28,565	4.6%

Source: 2000 Decennial Census, Profile of Selected Economic Characteristics

Table 9 shows median household income (MHI) for the Portland Metro area and Oregon City. Median household income has increased faster in Oregon City than in the Portland Metro area, although the MHI in Oregon City is still lower than the Portland Metro area. In 2000, Oregon City's median household income was about $46,000 compared to the Portland Metro area, which has a median household income of nearly $47,000.

Table 9. Median Household Income (2000)

Area	Median Household Income
Oregon City	45,531
Portland PMSA	46,789

Source: 2000 Decennial Census, Profile of Selected Economic Characteristics

2.3 Housing Stock

Determining how much and what types of housing will be needed in the next 20 years requires an understanding of what the current housing stock offers. The Residential Housing and Land Inventory is used as the basis for determining the types and number of units that currently exist in Oregon City and the land available to accommodate housing in the future. Housing trends are based on building permit data since 1996.

The demographics section illustrated that Oregon City is a growing community and, if growth continues as expected, more housing units will be required than are now available. How will this growth affect the livability of Oregon City, and what housing options will new residents want? One single type of housing will not meet the needs of every current and future resident; people need different types of housing depending on income, family size, age, etc. To ensure current residents stay and new residents want to move to Oregon City, a range of housing options are necessary.

2.3.1 Housing Units (Census)

The previous sections discussed characteristics and housing needs of Oregon City residents. This section describes housing units available for them. Oregon City has a range of housing types. Table 10 shows the total number of units (both occupied and vacant) by structure type, based on the 2000 Census. The percentage of single-family homes in Oregon City (74 percent) is nearly the same as the Portland Metro area (73 percent). By far the majority of single-family homes are one-unit-detached structures. Other single-family housing types include one-unit-attached (townhouses), duplex (two-unit), and mobile homes. The percentage of the housing stock in each of these structure types is similar to that in the Portland Metro area as a whole.

Table 10. Number of Units by Structure Type by Percentage of Total Housing Units

	Oregon City		Portland PMSA	
	Units	Percentage of total housing units	Units	Percentage of total housing units
Single-family				
one unit-detached	6320	62.2	401,817	61.6
one unit-attached	283	2.8	21,994	3.4
Duplex	603	5.9	19,476	3.0
Mobile home	348	3.4	31,468	4.8
Subtotal	*7554*	*74.0*	*474,755*	*73.0*
Multi Family				
3-4	620	6.1	29,880	4.6
5-9	883	8.7	35,569	5.5
10-19	382	3.8	36,517	5.6
20 or more	726	7.1	73,713	11.3
Subtotal	*2611*	*26.0*	*175,679*	*27.0*
Boat, RV, van etc	0		1,836	
Total	10,165		652,270	

Source: 2000 Decennial Census, Profile of Selected Economic Characteristics Household Characteristics

According to the 2000 Census, multifamily housing (structures with three of more units) account for about 26 percent of all housing in Oregon City and about 27 percent of all housing in the Portland Metro area. Oregon City's multifamily housing is concentrated in smaller complexes with less than ten units, although some newer apartment complexes with more than 20 units also are found in the city. The Portland Metro area also has a number of smaller apartment complexes, but the majority of units are in larger complexes with 20 or more units.

2.3.2 Housing Units (Housing survey)

Additional housing data by structure type was gathered through a parcel level housing survey completed in May 2002. The survey was conducted by walking or driving the entire city within the Oregon City UGB. In areas where it was difficult to determine if there were housing units,

aerial photos were used to confirm the number and type of housing units. Section 2.3.2.1 compares Census housing counts with those gathered in the housing survey.

An inventory of Oregon City housing revealed that housing in the city is fairly well dispersed in the city's neighborhoods (Figure 1).[2] Table 11 shows the number of housing units by type and zone. Table 12 shows the number of housing units by type and area. While nearly all areas have a significant number of units, Hazel Grove/Westling Farm, Hillendale, McLoughlin, Mt. Pleasant and the South End have the highest concentration of residential units. Within these areas, R-10, R-8, and R-6 zones have the highest concentration of single-family detached homes; RA-2, RD-4 and R-6 zones have the highest concentration of multifamily units. Single-family detached residential units are the dominant housing type in Oregon City.[3] A description of zoning districts is in Appendix A.

2.3.2.1 Within City Limits

There are 11,395 housing units within the city limits of Oregon City. Single-family units comprise approximately 76 percent of housing within the city limits, which is slightly higher than the 74 percent that the census data reported for total single-family units.[4,5] The housing survey determined that approximately 19 percent of housing units are multifamily units in structures or complexes with three or more units, compared to the Census data that reported approximately 26 percent of Oregon City housing unit as multifamily. The Census does not count group quarters by unit (it only counts individuals living in group quarters), although the May 2002 housing survey did identify an additional 505 units within the city limits, or about four percent of housing units, as group quarters. These include complexes such as group homes, retirement homes, and congregate care facilities where residents do not have individual kitchens.

Overall, the May 2002 housing survey counted 11,395 housing units within the city limits compared to 10,165 housing units counted in the 2000 Census. If group quarters were removed from the housing survey, the total units would be 10,890. While this is still higher than the Census count, the housing survey includes residential construction after the 2000 Census information was collected.

2.3.2.2 Outside the City Limits but Inside the UGB.

There are 1,162 housing units outside of the Oregon City city limits, but within the urban growth boundary (UGB). All housing units in this area are single-family units. About 55 percent of these homes are more traditional single-family detached homes on larger lots, and about 44 percent of homes are manufactured housing units in parks.

---

[2] City staff used existing neighborhood association boundaries that were slightly modified to include all areas within the UGB.

[3] Total accessory dwelling units were estimated using Metro's methodology (based on 2000 Census data) at 1.8 percent of total single-family detached residential units (not including manufactured or mobile homes in parks). Applied to Oregon City, this equals 142 units, which were included in the overall count of residential units within the UGB.

[4] Single-family units include single-family detached, single-family attached, duplex, mobile homes in parks, and accessory dwelling units.

[5] The 2000 Census counted housing units within the city limits. It does not include housing units outside the city limits, but within the UGB.

2.3.2.3 Overall Housing Units

According to housing survey, there are 12,557 housing units within the Oregon City UGB; about 81 percent are single-family homes. About seven percent of single-family homes are mobile or manufactured homes in parks, with the majority of those parks located outside the city limits but inside the UGB. Oregon City has a number of multifamily units (three or more units), comprising about 17 percent of all units within the UGB. Duplexes (just over five percent of housing units) and multifamily units are primarily located inside the city limits. Group quarters were found in five neighborhoods: Barclay Hills, Gaffney Lane, McLoughlin, New TBA, and Rivercrest. These were mainly nursing or retirement homes, although there were also some congregate homes for residents with physical and/or mental disabilities.

Table 11. Number of Existing Units by Type and Zone

ZONE	Single-Family Residential	Duplex	Manufactured Homes in Parks	Single-Family Residential Attached	Multifamily Residential	ADU	Group Quarters	**Total**
Inside City Limits								
C	38	4	0	0	17	1	108	168
CI	5	0	0	0	0	0	0	5
HC	17	0	0	0	0	0	0	17
LC	19	4	0	0	17	0	0	40
LO	21	6	0	6	174	0	101	308
LOC	26	4	0	0	28	0	0	58
M-1	25	4	0	0	0	0	0	29
NC	8	2	0	0	0	0	0	10
R-10	2,647	76	0	0	4	48	0	2,775
R-6	1,735	129	0	0	290	31	55	2,240
R-6/MH	125	0	0	0	0	2	0	127
R-8	2,220	6	0	0	0	40	5	2,271
RA-2	25	26	0	20	1,215	0	119	1,405
RC-4	324	80	0	0	110	6	63	583
RD-4	192	333	381	46	350	3	54	1,359
Subtotal	*7,427*	*674*	*381*	*72*	*2,205*	*131*	*505*	*11,395*
Outside City Limits								
County	637	2	512	0	0	11	0	1,162
Subtotal	*637*	*2*	*512*	*0*	*0*	*11*	*0*	*1,162*
Total	**8,064**	**676**	**893**	**72**	**2,205**	**142**	**505**	**12,557**

Source: Source: David Evans and Associates, May 2002 Housing Survey
ADU=Accessory dwelling unit

Table 12. Number of Existing Units by Type and Neighborhood

Area	Single-Family Residential	Duplex	Manufactured Homes in Parks	Single-Family Residential Attached	Multifamily Residential	Accessory Dwelling Units	Group Quarters	**Total**
Inside City Limits								
Barclay Hills	273	128	0	0	279	5	108	**793**
Canemah	111	0	0	0	18	2	0	**131**
Caufield	512	0	67	0	200	9	0	**788**
Gaffney Lane	747	4	0	66	434	13	159	**1,423**
Hazel Grove/Westling Farm	460	0	0	0	0	8	0	**468**
Hillendale	805	56	314	0	194	14	0	**1,383**
McLoughlin	800	140	0	0	207	14	63	**1,224**
Mt. Pleasant	608	68	0	6	452	11	0	**1,145**
New TBA	362	20	0	0	146	7	125	**660**
Park Place	604	144	0	0	100	11	0	**859**
Rivercrest	611	8	0	0	65	11	50	**745**
South End	979	102	0	0	0	18	0	**1,099**
Tower Vista	555	4	0	0	110	8	0	**677**
Subtotal	***7,427***	***674***	***381***	***72***	***2,205***	***131***	***505***	***11,395***
Outside of the City Limits						0		
Canemah	5	0	33	0	0	0	0	**38**
Caufield	99	0	479	0	0	2	0	**580**
Gaffney Lane	27	0	0	0	0	0	0	**27**
Hazel Grove/Westling Farm	118	0	0	0	0	2	0	**120**
Hillendale	94	0	0	0	0	2	0	**96**
New TBA	12	2	0	0	0	0	0	**14**
Park Place	104	0	0	0	0	2	0	**106**
South End	178	0	0	0	0	3	0	**181**
Subtotal	***637***	***2***	***512***	***0***	***0***	*11*	***0***	***1,162***
Total	**8,064**	**676**	**893**	**72**	**2,205**	**142**	**505**	**12,557**

Source: David Evans and Associates, May 2002 Housing Survey

2.3.2.4 Manufactured Housing

Oregon state law requires that manufactured homes be allowed anywhere traditional single-family detached homes are permitted, provided they meet specific building codes. The May 2002 housing survey counted manufactured homes on individual lots as single-family detached units. In these instances, the homeowner owns the structure and the land where the home is located.

Oregon City also has designated mobile home parks and manufactured home developments where the homeowner owns the structure, but rents or leases the land where the home is located. These housing developments were counted separately in the housing survey because there are different housing structure requirements for parks. For example, homes in parks are not always required to have a permanent foundation or permanent utilities connections. Table 13 shows designated mobile home and manufactured home parks within Oregon City.

Table 13. Mobile and Manufactured Home Parks

Park Name	Neighborhood	Capacity (units)	Existing Units	Vacant
Mt. Pleasant Mobile Home Park	Hillendale	125	125	0
Clairmont Mobile Home Park	Hillendale	189	189	0
Country Village Estates	Caufield	479	448	31
Cherry Lane Mobile Home Park	Caufield	67	60	7
Mobile Home Park	Canemah	33	33	0

Source: City of Oregon City; David Evans and Associates, Inc.; May 2002 Housing survey

2.3.3 Current Housing Mix and Density

Residential development since 1996 in Oregon City has consisted primarily of single-family detached residential development. Table 14 shows that 82.5 percent of units built since 1996 have been single-family detached, while about 14.5 percent were multifamily units. Manufactured or mobile homes also accounted for about three percent of new units.

Table 14. Percentage of Housing Units by Structure Type within the City Limits (1996-2001)

	Percent of Units
Single-family detached	82.5%
Single-family attached	0.3%
Mobile or manufactured	2.7%
Multifamily	14.5%

Source: Metro, 2002

In order to make efficient use of urban land and infrastructure (water, sewer, streets), Metro urges cities to ensure that housing is built at densities of at least 80 percent, the maximum allowed by zoning. As a part of the Oregon City Functional Compliance Report (1999), the City determined that between 1990 and 1995, the number of households per net developed acre reached 82 percent of the maximum allowable densities for residential zones, which complies with the Metro target for built density.

Table 15. Development Density Compared to Maximum Allowable Density (1996-2001)

Zone	Total Units	Original Parcel Size	Developed Acres (residential)	ROW/ Unbuildable	Net Density	Maximum Density	Percent of Maximum Density (net)
ZONING DESIGNATIONS							
R-10	399	141.3	89.7	57.5%	4.4	4.4	100%
R-6	45	11.6	7.9	46.8%	5.7	7.3	78%
R-6/MH	46	12.7	9.5	33.7%	4.8	6.4	76%
R-8	725	200.8	149.5	34.3%	4.8	5.5	88%
RD-4	88	18.1	14.4	25.7%	6.1	10.9	56%
Total	1,303.0	384.5	271.0	41.9%	4.8		80%

Source: City of Oregon City (July 2002); David Evans and Associates

Table 15 shows residential development permitted through land use actions (subdivisions) since 1996. The majority of new development has occurred in the R-8 and R-10 zoning districts, largely on land annexed since 1996. Developments also appear to be occurring on parcels with more environmental constraints, as the amount of land not developed, especially in the R-10 and R-6 zones, is much higher than in other areas. Regardless of parcel size, the city is achieving 80 percent of maximum residential density citywide. Some zones are reaching closer to the maximum allowable density than others; the R-10 zone has reached 100 percent of the maximum density, where as the RD-4 zone has achieved just 56 percent.

2.3.4 Condition

No housing condition survey has been completed in recent years. Instead, the condition of the current housing stock in Oregon City has been estimated based on the age of the structures. Newer units, ones typically less than 30 years old, will require fewer major repairs (new roof, electrical upgrades, plumbing). Table 16 shows the age of Oregon City housing stock. Almost half of Oregon City homes are older than 30 years, with over a quarter of homes older than 50 years. These homes require more upkeep than the newer homes, costing the homeowner additional money if the home is repaired as needed. About a third of homes are less than ten years old, showing the boom in home construction over the last 10 years.

Table 16. Housing Condition in Oregon City

	Percent
Less than 10 Years old	32%
11 to 20 Years old	3%
21 to 30 Years old	25%
31 to 40 years old	8%
41 to 50 years old	5%
more than 50 years old	26%

Source: Clackamas County Tax Assessor's Office (May, 2002)

2.3.5 Housing Availability

Oregon City and the Portland Metro area are similar in the percentage of renters versus owners, as shown in Table 17. The majority of housing units in both Oregon City and the Portland Metro area are owner-occupied; about 60 percent of housing units in Oregon City are owner-occupied, compared to about 62 percent in the Portland Metro area. Oregon City also has a slightly higher rental vacancy rate at 7.7 percent compared to the Portland Metro area at 6.7 percent. The vacancy rate is a determining factor in the amount of rental units available, A vacancy rate over five percent is considered indicative of a rental market that is adequate to serve the needs of the community. A lower rate may signify a need for more units to meets demand. However, the vacancy rate does not take into account the types of housing that are vacant.

Table 17. Current Occupancy and Vacancy Rates in Oregon City

	Oregon City (percent)	Portland PMSA (percent)
Occupied housing units	93.7	94.2
Owner occupied	59.8	62.0
Renter occupied	40.2	38.0
Vacant housing units	6.3	5.8
Homeowner vacancy rate	3.4	2.3
Rental vacancy rate	7.7	6.7

Source: 2000 Decennial Census, Profile of Selected Economic Characteristics Household Characteristics

2.3.6 Cost

One factor for determining how affordable housing is in Oregon City is to compare average rental cost and cost of homes for sale to median household income. Table 18 and Table 19 show average rents and the median home prices by the number of bedrooms for Oregon City and the Portland Metro area.

Table 18. Average Rent by Number of Bedrooms for Portland and Oregon City

	Oregon City	Portland
Studio	$373	$492
One-bedroom	$500	$600
Two-bedroom	$599	$735
Three-bedroom	$690	$873
Four-bedroom	N/A	$977

Source: Housing Authority of Portland (Portland rental rates); Rental Data.com (Oregon City rental information)

Rents are less expensive in Oregon City (20 to 30 percent lower) than in the Portland Metro area. While this does provide a general indication that renting an apartment in Oregon City is more affordable, it does not take into account the total number of units by price available or by location. Different rental rates and size of available units are not evaluated individually, but it is likely that lower priced rental units are more competitive than higher rents for larger units or units with more amenities.

Home prices in Oregon City are competitive with the Portland Metro area. According to the Regional Multiple Listing Service (RMLS), median home prices in Oregon City have increased as fast as the other parts of the Portland Metro area, especially for homes with three bedrooms. The RMLS reports that the median price for all home types in the Oregon City area is actually higher than the Portland Metro area, although this may be skewed slightly because RMLS includes some rural areas in Oregon City, where larger lots and potentially higher prices could drive the median cost higher. Nevertheless, the majority of homes sold in the last year within the RMLS zone that includes Oregon City reflect a housing market very similar to the Portland Metro area.

Although the median home price (for 2002) for all homes sold is higher in Oregon City, median home price by type and number of bedrooms is generally lower. The median home price for a home with four or more bedrooms is about eight percent lower in Oregon City than the Portland Metro area as a whole. Smaller homes are more comparable, with two and three bedroom homes selling for nearly the same as in the Portland Metro area. Condominiums in Oregon City are about 30 percent less expensive than the region.

Table 19. Median Home Price for Portland and Oregon City (Jan 2002-July 2002)

	Oregon City	Portland
Two-bedroom	$132,000	$135,000
Three-bedroom	$178,000	$169,950
Four-bedroom	$227,031	$245,000
Condominium	$98,500	$129,900
Median (all units)	$184,000	$176,500

Source: Regional Multiple Listing Service (Jan -July 2002)

Note: RMLS does not track Oregon City separately from other rural areas outside of the Portland metro area. Some rural areas outside of the Oregon City UGB are included in median home prices.

The market value for existing housing is only one facet for determining how much home Oregon City residents can afford, or if they can even afford to purchase a home. Income requirements from lenders and savings for a down payment are two stumbling blocks, but affording the monthly mortgage payment on a home can also be a burden. Table 20 compares household income to fair market rents in Clackamas County.[6] Fair market rents are used to assess the average cost of rental housing within each county and are a better indicator of the entire rental housing stock in the region. While average rents in Oregon City are lower than fair market rents in Clackamas County, there is no assurance of availability of these lower rent units. The total number of units at a certain price point is also not accounted for in average rents in Oregon City, so some residents may be forced to live outside the city or pay higher prices more in line with fair market rents.

Housing affordability is based on the percentage of monthly income spent on housing. The Department of Housing and Urban Development (HUD) uses a standard formula to determine affordability, assuming no more than 30 percent of monthly household income is spent on rent or

[6] HUD determines fair market rent based on annual phone survey and other data gathering techniques down to the county level, but does not collect data for smaller geographic units such as Oregon City.

mortgage. Using HUD's formula, over 12 of percent of Oregon City residents cannot afford even a studio apartment, and over 23 percent are not able to afford a two-bedroom apartment.

Table 20. Housing Affordability based on Household Income

	Oregon City	Percent of population	Affordable Housing Cost (30 percent)	HUD Fair Market Rent (2001)
Less than $10,000	728	7.7%	0-$250	Studio: $492 One-bedroom: $606
$10,000 to 14,999	395	4.2%	$250-$375	
$15,000 to 24,999	1,028	10.8%	$375-$625	
$25,000 to 34,999	1,322	13.9%	$625-$875	Two-Bedroom: $747 Three-bedroom: $1,038 Four-Bedroom: $1,127
$35,000 to 49,999	1,816	19.1%	$875-$1,250	
$50,000 to 74,999	2,245	23.6%	$1,250-$1,875	
$75,000 to 99,999	1,217	12.8%	$1,875-$2,500	
$100,000 to 149,000	599	6.3%	$2,500-$3,725	
More than $150,000	143	1.5%	more than $3,750	
	9,493	100.0%		

Source: 2000 Decennial Census, Profile of Selected Economic Characteristics Household Characteristics; HUD; Analysis by David Evans and Associates, Inc.

Although many residents cannot afford even the most basic housing, most Oregon City households can. Households with incomes between $35,000 and $75,000 account for about 43 percent of households and are generally able to afford at least a two-bedroom apartment if not more.

While many Oregon City households are able to afford larger and more expensive housing, households with lower incomes are in a more precarious situation. When rent accounts for more than 30 percent of income, HUD considers the household "cost burdened." Households spending more than 50 percent of monthly income on rent are considered "extremely cost burdened" and likely to be financially stressed by emergencies or even unable to afford basic needs such as food and transportation. HUD breaks low-income households into several categories: extremely low-income (earning 30 percent or less than the median household income); very low-income (earning 50 percent or less than the median household income); and low-income (households earning 80 percent or less than the median households income). Table 21 illustrates what different Oregon City household income levels can afford based on the median household income. Extremely low-income households (earning less than $13,659 annually) cannot afford even a studio in Oregon City. Very low-income households earning less than $22,765 annually and accounting for about one-quarter of Oregon City's population are able to afford only a one-bedroom apartment. In order to find housing, very-low income households may double up or accept substandard units. Low-income residents (earning less than $36,425) can sometimes afford larger units.

Higher income households have a much better chance of securing adequate housing because they can afford to be choosy in both housing type and location. The high percentage of extremely low and very low incomes in Oregon City, in combination with high rental rates and housing costs, reveals an apparent lack of housing for low-income households.

Table 21. Monthly Affordable Housing Costs for Oregon City Residents

	Median Household Income	Affordable Monthly Housing Costs (30 percent of income)			
Percent of Median Household Income		30 percent of MHI	50 percent of MHI	80 percent of MHI	100 percent of MHI
Oregon City	$45,531	$341	$569	$911	$1,138

Source: 2000 Decennial Census, Profile of Selected Economic Characteristics Household Characteristics; Analysis by David Evans and Associates, Inc

The National Low-Income Housing Coalition (NLIHC) estimates that, nationally, 55 percent of low-income households experience cost burden, live in substandard housing, and/or live in overcrowded units. For extremely low-income households (30 percent of MHI), the likelihood that a household experiences some type of housing problem is even higher, at 88 percent.

2.3.7 Owning Versus Renting

Owning a home is often the biggest investment an individual or family will undertake and can provide a level of financial independence for those that can afford it. According to the National Low Income Housing Coalition (NLIHC) and the U.S Census Bureau, home ownership nationwide is on the increase, undoubtedly due to currently very low mortgage interest rates. Those who have not been able to secure loans in the past are now buying homes with little or sometimes no down payment. But getting a loan for a house is only part of the problem, because with a house comes upkeep costs and a mortgage payment that is not easily adjusted. Homeowners with lower incomes are often deeper in debt and more susceptible to market fluctuations. Losing a house due to foreclosure can further complicate an individual or family's chance of securing credit in the future.[7]

According to the NLIHC, households earning less than the area's median income are most susceptible to losing their homes or face a cost burden to pay the mortgage, interest and insurance. For example, households earning 80 percent of the median income will often live in less expensive older homes. Older homes are more expensive to maintain and are often located in poorer neighborhoods where the financial return on a home sale is not as great as more desirable areas. While owning a home does have the potential to create wealth, it also has the potential to exacerbate financial problems. Table 22 shows a general breakdown of owners versus renters and how housing costs affect household stability.

Attempting to determine what a household can afford is difficult because interest rates fluctuate, loan types vary, and property taxes are not the same everywhere. Nevertheless, the National Association of Homebuilders (NAHB) roughly calculated how much income a household would need to buy a home without overburdening it financially. The NAHB estimated that a home costing $150,000 (assuming 10 percent down payment, seven percent mortgage interest and insurance, and overall consuming about 30 percent of household income) would require a median household income of $47, 678. Consider that $150,000 is lower than the median home price in Oregon City and the Portland Metro area (Table 19), and the necessary household

[7] National Low Income Housing Coalition. (2002*). Advocates Guide to Housing and Community Development Policy.*

income is higher than the median household income for both Oregon City and the Portland Metro area (Table 9). Households in Oregon City earning even the median household income may experience some cost burden when buying a home in today's market.

Table 22. Affordable Housing by Median Household Income

Income	Tenure	Owns	Rents
High income (more than 120 percent of MHI)	Own home		
Middle income (120 percent of MHI: $54,637 annually)	Own home		
Median income ($45,531annually)	Likely own home, but may rent		
Low income (80 percent or less of MHI: $36,425 annually)	Own home or rent. May have some cost burden		
Very low-income (50 percent or less of MHI: $22,765 annually)	Likely rent but may own home. Probably are cost burdened. **Eligible for subsidized housing**		
Extremely low-income (30 percent or less of MHI: $13,659 annually)	Rents. **Eligible for subsidized housing**		

Source: 2000 Decennial Census, Profile of Selected Economic Characteristics Household Characteristics; HUD (2002); NLIHC (2002); Clackamas County Housing Authority; Analysis by David Evans and Associates, Inc.

3 Future Housing Need

3.1 Projected land capacity

3.1.1 Existing Residential Land Supply

The City of Oregon City completed a land inventory in May 2002 to determine the existing vacant residential land supply within the City's UGB. The inventory was then integrated with the City's GIS system and Clackamas County's Assessor data, providing parcel level information, including ownership, zoning and comprehensive plan designations.

Oregon City allows residential development in all of its zoning districts; however, not all vacant land identified in the housing survey within the UGB will be available for new residential development. While housing units exist in most zoning districts, vacant, partially vacant, and redevelopable land was only counted in zoning designations where residential development is encouraged. These zoning designations include: LC, R-10, R-6, R-6/MH, R-8, RA-2, RD-4, RC-4, and County.

Within commercial and industrial zoning districts where residential development is not, and should not be, the dominant development type, it was assumed that vacant land identified in the land inventory would be dedicated to other uses. City staff identified which areas would be suitable for residential development and should be included. Land with existing residential designations or existing residential development was broken into the following categories:

1. Vacant land—Parcels with no structures, or parcels with structures with an assessed value less than $10,000 and a parcel area over 4000 sq. ft.

2. Partially vacant—Partially vacant land includes parcels that have at least one residential structure already located on the tax lot, but there is room for more units. Parcels were considered partially vacant if the lot size was at least triple the allowable lot size for the zone. Lots three to five times the minimum lot size were estimated to have room for at least one more unit. Lots more than five or more times the minimum lot size were assumed to develop the same as a vacant parcel for the zone.
3. Undevelopable—Parcels that are already committed to other uses. This includes any parcels with non-residential development (since residential uses are currently allowed in all zones), and parcels that are smaller than 4,000 sq. ft. Undevelopable land also includes parcels that have no vehicular access.
4. Developed residential land—Parcels with residential development and where developed land meets the current zoning designation and where the assessed value of the improvements (all structures) is greater than the assessed value of the land itself.
5. Potentially redevelopable land—Any parcel with a structure(s) or uses (i.e., a storage area), but are either not as intensive as allowed, or the existing assessed value of the improvements is less than the value of the land itself.[8]

3.1.1.1 Vacant Land

Vacant land within the Oregon City UGB is shown in Table 23 and Figure 2. Within the city limits, vacant land is found primarily in five zoning districts: R-10, R-6, R-6/MH, R-8, and RD-4. Overall, Oregon City estimates that approximately 22 percent of vacant land will be dedicated to public or semipublic uses such as schools, parks, and churches, and 15 percent to new roads. In calculating development capacity, it was assumed that parcels smaller than three eighths of an acre are already platted, would not require dedication of new right-of-way, and would use existing public facilities. Parcels with public or semi-public ownership were removed from the vacant lands inventory because it was assumed these parcels would be developed as non-residential uses (i.e., parks, schools, churches, public facilities, etc.).

Many vacant areas within the city limits are constrained because they are within the floodplain, are steep (greater than 25 percent), and/or are within the vegetation corridor near a waterbody or stream. These constraints reduce their development potential, so they were removed from the inventory. For example, nearly all vacant land within the R-6 zoning district is constrained. Although some development could occur on constrained land, vacant R-6 land in the entire city is extremely limited.

Overall, there are approximately 209 vacant buildable acres within the city limits, concentrated in the R-10 (63 percent), R6/MH (13 percent), R-8 (nine percent), and RD-4 zoning districts (seven percent). Assuming new development reaches 80 percent of the current maximum density for each district, 1,215 new units could be constructed within the city limits on vacant land.

[8] To avoid double counting vacant and partially vacant parcels as potentially redevelopable parcels (vacant parcels will have a low or zero ratio, bigger parcels will tend to have a lower ratio and could also be considered redevelopable), only parcels where the building value was greater than $10,000, met the building to land value criteria (less than 1:1), and less than three times the allowable lot size were counted as potentially redevelopable. Parcels with building values less than $10,000 were assumed to be vacant, and parcels greater than three times the allowable lot size were considered partially vacant.

Outside the city limits, but within the UGB, there are approximately 126 vacant buildable acres.[9] These parcels still retain rural zoning densities and when brought into the city limits will be rezoned to more urban densities, likely a combination of R-10, R-8, and R-6 zones. Assuming an average density that is 80 percent of the maximum of a R-8 zone, about 571 additional units could be constructed. This equals 1,787 new units on vacant land within the UGB.

3.1.1.2 Partially Vacant Land

Oregon City has many parcels within the city limits that have one single-family home and are at least three times the minimum lot size, as shown in Table 24 and Figure 2. The majority of these partially vacant parcels are zoned R-10, the largest minimum lot size allowed within the city limits. There are 117 parcels zoned R-10 that are three to five times the minimum lot size and 99 parcels more than five times the minimum lot size. The R-8 and R-6 zones also have a significant number of parcels where locating new units is a possibility. Overall, potentially 223 new units could be constructed on these partially vacant lots within the city limits, assuming one unit is added on lots three to five times the minimum lot size. An additional 961 new units could potentially be built on lots larger than five times the minimum lot size, assuming these parcels are built to 80 percent of the maximum allowable density for the zone.

As with vacant lands between the city limits and UGB, estimating the total number of new housing units possible on under-utilized parcels will depend on the zoning assigned when annexed. Assuming a R-8 zoning density, there are 236 parcels that would be at least three times the minimum lot size. There would be 81 lots between three and five times the minimum lot size and 155 parcel more than five times the minimum lot size. There is the potential for additional 81 units on parcels between three and five times the allowable lot size and potentially another 1,541 units on parcels larger than five times the allowable lot size.[10]

Within the entire UGB, there is the potential for 2,806 new units on partially vacant lots within the UGB.

[9] Vacant parcels that would be designated for non-residential uses (such as Mixed-Use Employment) are not included in total acreage.
[10] Partially vacant parcels that would be designated for non-residential uses (such as Mixed-Use Employment) are not included in total acreage.

Table 23. Vacant Residential Land by Zoning in Oregon City

Classification	Number of tax lots	Gross unconstrained Acreage	total Acreage >3/8 acres (.83)[11]	Less environmental constraints	Park, Schools and Churches Deduction (x.22)	Right of way deduction (x.15)	Gross vacant buildable acres	Max. Units per acre	Development on Parcels less than 3/8 Acres	Potential Dwelling Units (80 percent density)
Within the UGB										
LC [12]	13	1.5	1.2	0.7	0.1	0.1	0.6	7.3	11	14
R-10	146	264.8	219.8	89.4	28.7	15.3	131.5	4.4	72	535
R-6	122	72.6	60.3	58.9	0.3	0.2	13.2	7.3	80	157
R-6/MH	8	38.8	32.2	2.7	6.5	3.5	26.2	6.4	2	136
R-8	92	35.4	29.4	11.3	4.0	2.1	18.0	5.5	73	152
RA-2	10	6.5	5.4	0.4	1.1	0.6	4.4	19.8	3	72
RC-4	10	2.8	2.3	1.1	0.3	0.1	1.3	10.9	9	20
RD-4	15	22.9	19.0	4.0	3.3	1.8	13.9	10.9	7	128
Subtotal	416	445.3	369.6	168.5	44.2	23.5	209.0		257	1,215
Between the City Limits and the UGB										
County	91	226.6	188.1	55.8	29.1	15.5	100.4	5.5	16	571
Total	507	671.9	557.6	224.3	73.3	39.0	336.6		273	1,787

Source: Clackamas County Assessors Office; Analysis by David Evans and Associates, Inc.

[11] The Oregon City Functional Compliance Plan (1999) determined that 83 percent of parcels in Oregon City are over 3/8 acres. Total acres were multiplied by .83 to remove parcels less than 3/8 of an acre, which are already assumed to be platted.

[12] 50 percent of gross vacant unconstrained acres is dedicated to residential uses. There are 2.9 acres of vacant LC land.

Table 24. Partially Vacant Residential Land by Zoning in Oregon City

		For lots 5 times or larger the allowable size					Potential dwelling units (80 percent density) for all lots 5 times the lot size. One additional unit for lots 3-5 times the lot size
Classification	Tax lots 3 to 5 times minimum size	Total tax lots	Total Acres	Maximum Density	Constrained land	Right of way (15%)	
Within the UGB							
LC	0	0	0.0	7.3		0.0	0
R-10	117	99	238.7	4.4	53.1	27.8	672
R-6	60	25	33.2	7.3	19.7	2.0	127
R-6/MH	5	3	5.5	6.4	1.7	0.6	22
R-8	26	48	86.0	5.5	8.1	11.7	317
RA-2	0	1	2.3	19.8	0	0.3	31
RC-4	0	0	0.0	10.9	0	0.0	0
RD-4	15	0	0.0	10.9	0	0.0	15
Subtotal	*223*	*176*	*365.7*		*82.6*	*42.5*	*1,184*
Between the City Limits and the UGB							
County	81	155	470.3	5.5	58.4	61.8	1,622
Total	304	331	836.0		141.0	104.3	2,806

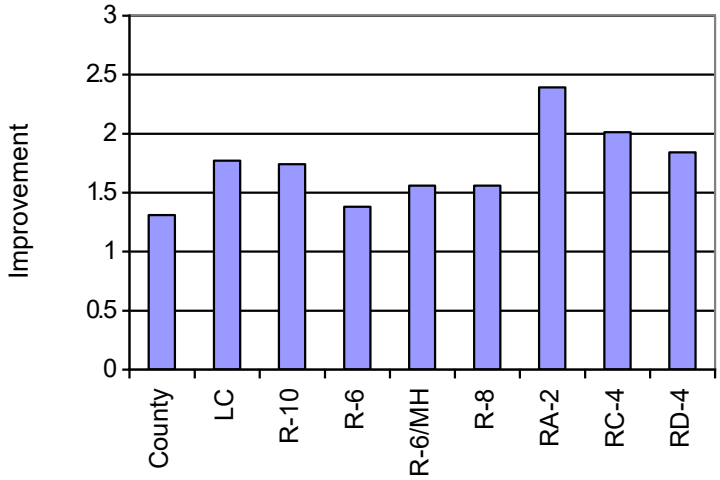
Source: Clackamas County Assessors Office, May 2002; Analysis by David Evans and Associates, Inc.

3.1.1.3 Potentially Redevelopable Land

Identification of parcels that could be redeveloped is based on the value of improvements compared to land value. The value of the structures and other improvements declines over the years if not properly maintained, and the potential for redeveloping the property increases. Figure 3 illustrates the average improvement values by residential zoning districts. Not surprisingly, improvement-to-land-value ratios are highest in zoning districts that allow denser development (RA-2, RC-4, and RD-4 zones). The RA-2 zone has the highest improvement-to-land-value ratio of any residential district. Conversely, less dense zones have lower improvement values, where one unit on a larger lot is the norm. Overall, average improvements in single-family residential zones are about 1.5 times the land value, with zones allowing higher density housing closer to two times the land value.

Parcels falling below the 1:1 building-to–land-value threshold could potentially be redeveloped with newer or higher density uses. However, just because the land is considered redevelopable does not ensure that change will actually occur. Table 25 shows the amount of potentially redevelopable land by zone. In Oregon City, there is less than one acre of land considered highly redevelopable and just over eight acres that have medium redevelopment potential. The majority of redevelopable parcels (about 90 percent) have a low potential and will likely stay in the same use as today. By far the majority of redevelopable parcels are within the R-6 zone, followed by the R-10 zone.

Figure 3. Improvement to Land Value Ratio for Residential Property



Source: Clackamas County Tax Assessor's Office (May 2002)

Table 25. Potentially Redevelopable Residential Land by Zoning in Oregon City

	Building to Land Value			
Redevelopment Potential	0-0.25 (High)	0.26-0.50 (Medium)	0.51-0.99 (Low)	Total Acres
Zoning District				
LC			0.8	0.8
R-10		1	23.5	24.5
R-6	0.8	6.9	48.7	56.4
R-6/MH			0.4	0.4
R-8				0
RA-2		0.3	0.3	0.6
RC-4		0.2	6.1	6.3
RD-4			3.0	3
Total	0.8	8.4	82.8	92

Source: Clackamas County Assessors Office; Analysis by David Evans and Associates, Inc.

3.2 Metro and Clackamas County Capacity Estimates/Land Need through 2017

Oregon City is required to determine its housing capacity within the city limits and outside of the city limits but within the UGB area that is still under Clackamas County jurisdiction. Table 26 shows the amount of expected growth in the region that Metro and Clackamas County believe Oregon City should accommodate and the projected housing capacity (using the current zoning) within the UGB to meet those targets. Within the city or UGB, Metro and Clackamas County estimated that Oregon City should expect to accommodate 9,940 additional units by 2017.

Oregon City has seen considerable growth since the projected capacity estimates were the developed. Between 1994 and 1996, Oregon City determined by reviewing building permits that 1,446 units were built within the UGB. More recent permit data supplied by Metro showed an

additional 2,219 units constructed between 1996 and 2001. This development significantly reduces the dwelling units needed by 2017 to 6,075 units. However, there does not appear to be capacity to accommodate these units within the UGB. Full development of all vacant and partially vacant land would result in 4,593 new units, based on current zoning within the city and an overall R-8 density for county land within the UGB, missing the capacity target by 1,444 units.

Table 26. Capacity Analysis based on Metro and Clackamas County Capacity Estimates

Metro and Clackamas county dwelling unit target capacity	9,940
Credit for development (9/1/94-8/31/96)	(1,446)
Credit for development (8/31/96-Current)	(2,219)
Credit for projected accessory units	(142)
Credit for development on constrained land	(58)
Adjusted dwelling unit target	6,075
Estimated dwelling unit capacity on vacant land	(1,787)
Estimated dwelling unit capacity on partially vacant land	(2,806)
New welling units in manufactured home parks	(38)
Dwelling Unit Capacity Deficiency	***1,444***

These capacity estimates do not reflect plans to permit and encourage increased density in some areas (such as downtown), because the zoning to implement these higher densities is not yet in place. Currently, there is no housing within the downtown area and no land zoned specifically for housing, although the Oregon City Downtown Community Plan (1999) recommends several areas that could accommodate higher-density housing. If this plan is implemented, a considerable number of housing units could be accommodated in the core area of the city.

Oregon City's zoning for residential land within the city limits is primarily R-10 and R-8. This is larger than the average lot size recommended by Metro for urban areas (7,000 sq. ft). There is potential for more housing if zoning were changed and densities increased.

The number of units that could be developed on unincorporated land within the UGB depends on what zoning was assigned to each parcel when it was annexed into the city. Upon annexation, parcels are typically zoned R-10, the lowest density allowed within the city limits. For the purposes of these estimates, vacant county parcels were assumed to develop at an R-8 zoning density. However, some areas could be zoned at higher densities and accommodate additional units.

Underutilized land (or land than is not developed to the maximum allowed density by zoning) actually accounts for more acreage than vacant land in the unincorporated UGB. Underutilized land that is more than five times the allowable lot size was assumed to develop the same as vacant parcels, based on Oregon City's experience where new development on these larger lots is meeting at least 80 percent of the target density for the underlying zone. Redevelopable land is not included in the capacity analysis because of the limited amount of land considered to be highly redevelopable. The number of units that might be constructed would likely be negligible.

3.3 Housing Mix Based on Demographics

Metro and Clackamas County developed a dwelling unit target for Oregon City based on expected regional growth and the amount of vacant land available within the Oregon City UGB, shown in Table 26, not accounting for current and future socioeconomic conditions. While the target assumes that a variety of housing types will be required, it does not determine what the best housing mix would be and how much residents can afford to spend on housing.

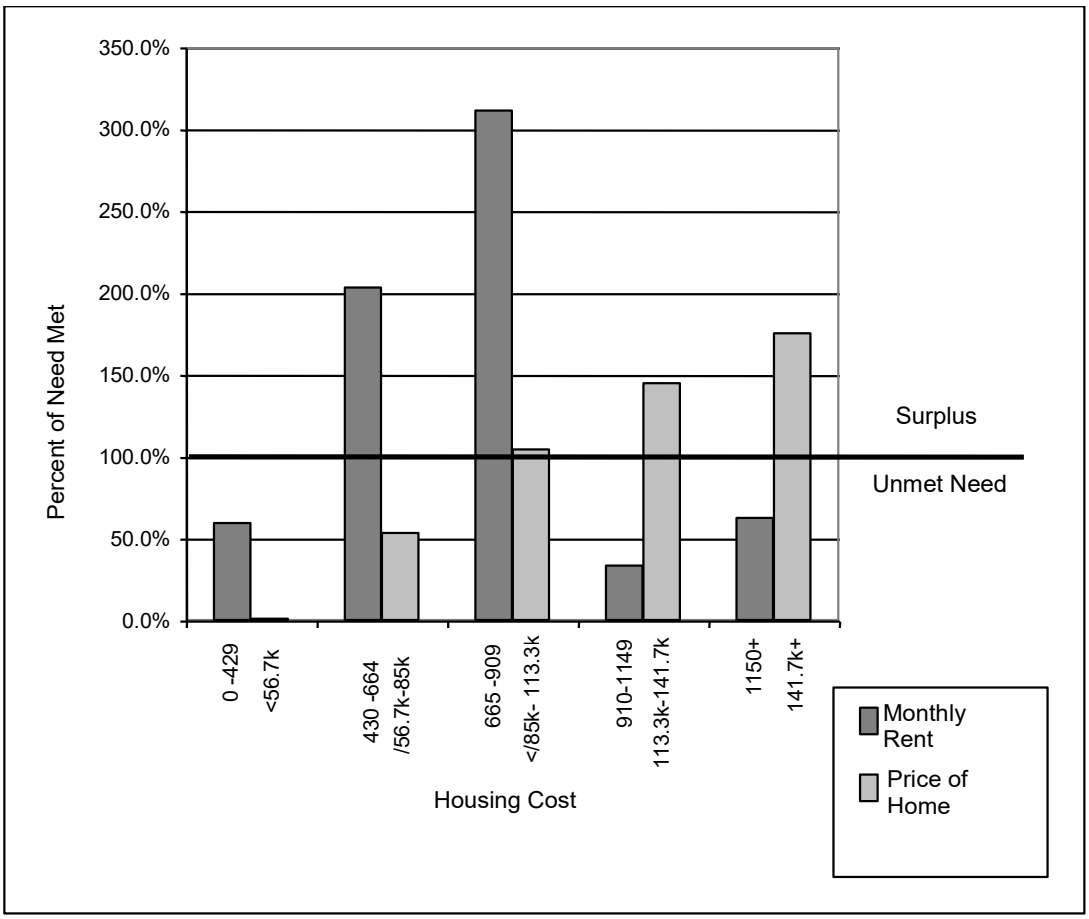
The Oregon Department of Housing and Community Services (HCS) has developed a model that projects housing needs based on the existing housing stock, demographics and anticipated population growth. The model evaluates the existing housing units by structure type and cost, compares those units to local demographics, and estimates the current demand/supply by structure type and price point. The model requires knowledge of existing housing units, tenure, and cost. The existing housing inventory was used as the base for the model, while tenure and cost were extrapolated from the 2000 Census. The model assumes no more than 30 percent of household income is spent on rent or a mortgage.

Figure 4 shows the percentage of new housing units currently needed by price and tenure. According to the model, housing need is met for a particular price point if the existing housing stock meets 100 percent of the need. According to the model, Oregon City has a surplus of rental units in the mid price ranges with monthly rents between $430 to $909. The largest surplus is in the $665 to $909 rent ranges, where need is met by more than three times for that price range, creating a surplus of those units. Oregon City does not meet residents' needs for less expensive rental units or for units costing more than $909 per month. The current housing stock meets just over 50 percent of the estimated need for units with rents less than $429 per month and, for more expensive units, the existing rental stock meets approximately 50 percent of the estimated need.

In addition to rental needs, the model also estimates the need for owner-occupied units. The model shows a surplus of units costing more than $113,300 with a greater surplus in units costing more than $141,700. Oregon City's housing stock meets the city's needs for homes costing between $85,000 and $113,000, but only meets about 50 percent of housing needs for homes priced between $56,700 and $85,000.

Affordable housing is a concern for many Oregon City residents. The model shows just over one-percent of the need is currently met for homes costing less than $56,700, which is not surprising considering a median sale price for homes in Oregon City of $184,000. The number of homes in the low price range is extremely limited, and households that can only afford a home in this range would likely rent rather than buy. Households could afford to own a home only by spending a disproportionate amount on their mortgage payment. In this case, supplying more rental units than owner-occupied units is likely more realistic when comparing the current real estate market, high cost of land, and building materials.

Figure 4. Percentage of New Housing Units Needed by Housing Type for Oregon City



Source: Oregon Housing and Community Services 2002, David Evans and Associates, Inc. 2002

Assessing the current met/unmet needs is the first step in determining a future housing mix that will satisfy the projected population and demographic changes. Table 27 shows two housing mixes based on information gathered through the housing inventory and a projected housing density from the HCS model that would meet housing needs based on tenure and cost. Oregon City's current housing mix is about 80 percent single-family units and about 20 percent multifamily, although building permit data shows that the majority of new units (about 86 percent) are single-family detached homes. About 14 percent of the new units are multifamily dwellings.

The HCS model projects the density mix needed to meet Oregon City's housing needs, and has a higher percentage of units in multifamily than the current housing mix. The model projects a housing mix of about 75 percent single-family housing and about 25 percent multifamily units. The higher number of multifamily units is based on a current unmet need for low cost housing as well as higher priced units. There is a large unmet need for low cost housing for both owners and renters, but due to high housing prices, home ownership is not a realistic option. Most people who can only afford the most inexpensive housing are likely going to rent.

Table 27: Actual and Projected Housing Mix

Housing Type	Current Mix (Housing Inventory)	HCS Model (Projected Mix to Meet Housing Needs)
Single-family	81.4%	74.7%
Single-family	67.9%	63.9%
Duplex	5.9%	4.4%
Manufactured homes in parks	7.6%	6.4%
Multifamily	18.6%	25.3%
Total	100.0%	100.0%

The need for a higher percentage of multifamily units is illustrated in the demographic analysis completed in Section 2, Existing Conditions, the HCS projections showing a need for more affordable housing, and a Metro target capacity that supports higher density development. The majority of units will be single-family, but there is also a need for a higher percentage of units in multifamily uses.

3.4 Land Needs/Surplus by Housing Type

Table 28 shows the needed housing units by housing type and the need/surplus of existing vacant land within the Oregon City UGB. The target capacity for the Oregon City is 6,075 additional units (after reductions for units already constructed). Based on the adjusted target and housing mix recommended in the HCS model, Oregon City should accommodate 4,538 single-family units and 1,537 multifamily units (75 percent single-family and 25 percent multifamily).

The majority of these new units can be accommodated on vacant or partially vacant land within the UGB, but to meet the target capacity Oregon City would need to make some zone changes that increase density. Currently, vacant and partially vacant land zoned for single-family units can accommodate all single-family unit needs with room for over 4800 units, while existing multifamily zoned land could accommodate just 103 units. Therefore, some land should be rezoned to higher density uses the provide the necessary 1,434 units.

The need for higher density development within Oregon City, especially in the downtown area, has already been the focus of extensive planning efforts in an attempt to make downtown a more lively. Higher density developments can support businesses, including restaurants and entertainment businesses that cater to these new residents. The City has developed and adopted the “Oregon City Downtown Community Plan” that recommends mixed uses with 30 units per acre of housing. Other areas where higher density uses (than is currently permitted) may be appropriate are shown in Figure 5 and described in Table 29. Approximately 193 buildable acres would be rezoned; of that about 104 acres would be rezoned for multifamily uses, including a mixed-use area north of downtown.

Table 28. Housing Need/Surplus with Rezoned Areas

		Single-family, Manufactured in Parks, Duplexes	Multifamily	Total
Adjusted Metro Target (Table 26)	6,075			
Future Housing Mix (Table 27)		74.7%	25.3%	100.0%
Metro Target using future housing mix		*4,538*	*1,537*	*6,075*
Potential New Units on Land within the UGB		Single-family Zoning Districts[13]	Multifamily Zoning District[14]	Total
Vacant Land (Table 23)		1,715	72	1,787
Partially Vacant Land (Table 24)		2,775	31	2,806
New Units in Existing Manufactured Home Parks (Table 13)		38	0	38
Total New Units		4,528	103	4,631
Needed Units				
(Need)/Surplus (New units-Metro Target Future Housing Mix)		*(10)*	*(1,434)*	*(1,444)*
Potential New units on rezoned residential land (Table 29)		365	1,510	1,875
Total Units (needed)/surplus		**355**	**76**	**431**

Areas to be rezoned would accommodate primarily multifamily housing units, duplex townhomes and other higher density uses. Some rezoned areas would retain a single-family zoning but at a higher density (e.g. R-10 rezoned to R-8 or R-6). Multifamily housing would only by allowed in the RA-2 zone and in a future MUR zone recommended in the Downtown Plan. New multifamily uses are located in areas with existing multifamily uses or near activity centers, such as Clackamas Community College, and near major thoroughfares where more transportation options are available.

Oregon City meets nearly all land needs for single-family units, but needs more land for multifamily dwellings. Converting 107 acres of single-family land to multifamily uses would accommodate additional 1,510 units, or 76 units more than required. Other rezoned land (about 93 acres) would remain in single-family use but at a higher density. This would generate 365 additional units, or 355 units more than required. Together this would provide 1,875 units, which exceeds Metro's residential target capacity by 431 units.

[13] Single-family zones include LC, R-10, R-8, R-6, R-6/MH, R-8, RC-4, RD-4, and County assumed with a density of R-8.
[14] The only zone identified as multifamily is RA-2

Table 29. Potential Changes in Zoning to Meet Density Target

Area	Existing Zone	New Zone	New Comp. Plan Designation	Gross rezoned unconstrained Acreage	Total existing Units	Less env. constraints	PSC Deduction (x.22)	ROW deduction (x.15)	Total Deduction	Gross vacant buildable acres	Max. Units per acre for current zone	Max. Units per acre for new zone	**Total new units**
1	M-1	MUOR	MUOR	2.7	0	0.0	0.0	0.4	0.4	2.3	0.0	30	**55**
	M-2			11.7	0	0.0	0.0	1.8	1.8	9.9	0.0	30	**239**
	RC-4			0.2	3	0.0	0.0	0.0	0.1	0.1	0.0	30	**3**
	C			17.4	8	0.0	0.0	0.0	0.0	17.4	0.0	30	**418**
2	R-10	RD-4	MR	51.4	13	20.3	6.8	3.6	30.8	20.6	4.4	10.9	**107**
	R-6/MH			8.8	1	1.7	1.6	0.8	4.1	4.7	6.4	10.9	**17**
	County			35.0	0	0.4	7.6	4.0	12.1	22.9	5.5	10.9	**99**
3	R-8	R-8	LR	0.0	0	0.0	0.0	0.0	0.0	0.0	5.5	5.5	**-**
	R-10			30.3	13	17.2	2.9	1.5	21.6	8.7	4.4	5.5	**8**
4	R-10	R-6	LR	18.0	12	10.3	1.7	0.9	12.9	5.1	4.4	7.3	**12**
5	R-6	RD-4	MR	4.0	7	2.5	0.3	0.2	3.0	1.0	7.3	10.9	**3**
6	R-6	RA-2	HR	13.3	12	7.8	1.2	0.6	9.6	3.6	7.3	19.8	**36**
	R-10			6.4	0	4.3	0.5	0.2	5.0	1.4	4.4	19.8	**17**
7	RA-2	RA-2	HR	4.4	2	0.0	1.0	0.5	1.5	2.9	19.8	19.8	**-**
	R-6			12.6	15	0.2	2.7	1.5	4.4	8.2	7.3	19.8	**82**
	LO			2.0	41	0.0	0.0	0.3	0.3	1.7	19.8	19.8	**-**
8	R-10	RD-4	MR	6.1	0	1.0	1.1	0.6	2.7	3.4	4.4	10.9	**17**
9	R-10	RD-4	MR	4.4	2	0.0	1.0	0.5	1.5	2.9	4.4	10.9	**15**
10	R-10	R-8	LR	7.9	0	0.0	1.7	0.9	2.7	5.3	4.4	5.5	**5**
11	County	RA-2	HR	10.2	13	2.8	1.6	0.9	5.3	4.9	5.5	19.8	**56**
12	R-6	RD-4	MR	4.7	6	1.3	0.0	0.5	1.8	2.9	7.3	10.9	**8**
	R-10			5.7	7	0.4	1.2	0.6	2.1	3.5	4.4	10.9	**18**
13	R-10	RA-2	HR	10.4	5	1.1	2.0	1.1	4.2	6.2	4.4	19.8	**76**
14	R-10	RA-2	HR	19.8	3	0.0	4.4	2.3	6.7	13.1	4.4	19.8	**162**
15	R-10	RA-2	HR	20.1	6	3.3	3.7	2.0	8.9	11.2	4.4	19.8	**138**
16	LO	RA-2	HR	0.3	0	0.0	0.0	0.0	0.0	0.3	19.8	19.8	**-**
	R-10			14.5	9	1.6	2.8	1.5	5.9	8.6	4.4	19.8	**105**
	R-6/MH			4.1	3	0.0	0.9	0.5	1.4	2.7	6.4	19.8	**29**
	RD-4			19.9	69	0.0	4.4	2.3	6.7	13.2	10.9	19.8	**94**
17	County	MUE	MUE	84.9	No new residential units								
18	R-6	MUE	MUE	9.6									
19	R-10	RD-4	MR	6.1	1	0.1	1.3	0.7	2.1	4.0	4.4	10.9	**21**
20	R-6/MH	RD-4	MR	9.9	0	1.1	1.9	1.0	4.1	5.8	6.4	10.9	**21**
	R-10			3.9	1	0.0	0.9	0.5	1.3	2.6	4.4	10.9	**13**
Total				460.8	252	77.3	55.3	32.4	165.1	201.2			**1,875**

CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: City Commission **Agenda Date:** 12/01/2021

From: Brent Haverkamp, Filbert Run Naming Committee Lead

SUBJECT:

Officially Adopting the Name of “Hazel Grove Park” for the Park Informally Named Filbert Run Park

STAFF RECOMMENDATION:

Officially name the newly developed neighborhood park “Hazel Grove Park”

EXECUTIVE SUMMARY:

The Parks and Recreation Advisory Committee (PRAC) advised the Parks and Recreation Department to move forward with renaming the newly developed neighborhood park Filbert Run Park. Therefore, the Filbert Run Park Naming Committee was formed based on the parameters listed in the Oregon City Parks and Recreation Park Naming Policy.

The Park has been informally referenced as Filbert Run Park. Filbert Run was the name used as the title for the master planning process, solicitation during the request for proposals for the construction phase, and the deed refers to the property as “Filbert Run”. Therefore, the park was informally named Filbert Run Park.

BACKGROUND:

The Park naming committee consists of 2 members from the Citizen Involvement Committee, 2 members from PRAC, the Parks and Recreation Director, and representatives from the neighborhood association in that area. Because the Hazel Grove/Westling Farm Neighborhood Association does not have an active neighborhood association the committee solicited input and participation from 4 residents who live adjacent to the park.

The committee has met 4 times. During these meetings the group decided on the public engagement process and the mechanism in which participants can submit naming suggestions. Promotion materials were created and distributed through several ways. The marketing material directs participants to a survey where they can submit their

naming suggestion. Attachment A is the flier, and Attachment B is the direct mailer that was sent to 164 residents (600 ft buffer around the park).

Public Outreach Included the Following:
- Postings on City website, Facebook, and Instagram
- In the OC Newsletter that reaches 12,000 residents
- The flier was sent to CIC and all neighborhood association chairs
- A letter was submitted to Oregon City News/Pamplin Media
- A direct mailer (postcard) was sent to 164 neighbors of the park (600ft. buffer)

Timeline and Important Dates:

- Sept 14, 2021, Survey went live
- Oct. 8, 2021, Survey closed
- Sept 20 – 24, 2021, Mailers sent
- Oct. 12, 2021, Committee met again to review naming suggestions
- Oct. 12, 2021, Committee chose final name
- Winter of 2021 Park Scheduled to be at substantial completion.

Response to public engagement:

- There were 52 names submitted. Of those, 27 suggestions were a variation of a Filbert Run, Hazelnut or Hazel Grove and 56.86% were from the Hazel Grove-Westling Farm Neighborhood.

The committee met on Oct. 12, 2021, to vet the suggestions. Firstly, the committee eliminated names that did not fall under the naming parameters which the group developed in a previous meeting. Based on the “Policy for Naming or Changing Names of Parks, Recreation/Cemetery Facilities” the committee set the following parameters: 1) geographical location, 2) prominent features, 3) familiarity to residents, 4) neighborhood specific, and 5) name in common use and recognizable.

After names that did not meet the parameters were eliminated the group discussion focused on the importance of incorporating the suggestions made around Filbert Run, Hazelnut and Hazel Grove, the predominate names gathered from the survey.

There was a strong committee consensus to name the newly developed park “Hazel Grove Park.” The committee felt it honored the neighborhood and their wishes.

OPTIONS:

1. Approve Resolution No. 21-57 as proposed
2. Approve Resolution No. 21-57 with specific changes
3. Deny Resolution No. 21-57 and provide staff with further direction

RESOLUTION NO. 21-57

A RESOLUTION NAMING HAZEL GROVE PARK

WHEREAS, the 3.5 acre undeveloped City park located at Hazelnut Avenue and Kolar Drive in Oregon City is commonly referred to as Filbert Run Park; and

WHEREAS, the City of Oregon City has an official "Policy for Naming or Changing Names of Parks, Recreation and Cemetery Facilities" which prescribes the process by which the City shall consider adopting a permanent name of a park; and

WHEREAS, in following this policy, the Parks and Recreation Advisory Committee designed an ad-hoc park naming committee to consider this issue; and

WHEREAS, after a thorough public engagement process, the park naming committee and the Parks and Recreation Advisory Committee considered various proposed names to recognize the importance of the park and its impact on the community; and

WHEREAS, at its October 28, 2021 meeting, the Parks and Recreation Advisory Committee approved a motion by a unanimous vote to recommend to the City Commission to name the undeveloped park as Hazel Grove Park in honor of the neighborhood in which the park resides and its natural bushes; and

WHEREAS, the Oregon City Commission has reviewed the background information related to this recommendation by the Oregon City Parks and Recreation Advisory Committee.

NOW, THEREFORE, OREGON CITY RESOLVES AS FOLLOWS:

Section 1. The City Commission of the City of Oregon City hereby names the park commonly known as Filbert Run Park the **Hazel Grove Park** and this resolution becomes effective immediately upon adoption.

Approved and adopted at a regular meeting of the City Commission held on the 1st day of December, 2021.

RACHEL LYLES SMITH, Mayor

Attested to this 1st day of December 2021:

Jakob Wiley, Assistant City Recorder

Approved as to legal sufficiency:

City Attorney

CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: City Commission **Agenda Date:** 12/01/2021

From: Public Works Director John M. Lewis, PE

SUBJECT:

Resolution No. 21-55, Adjusting Solid Waste Collection and Disposal Rates Effective February 1, 2022

STAFF RECOMMENDATION:

Adopt Resolution No. 21-55, along with the Solid Waste Collection and Disposal Rate Schedule as set forth in Exhibit A, effective February 1, 2022.

EXECUTIVE SUMMARY:

Ordinance No. 06-1001 was adopted February 1, 2006. Under Ordinance 06-1001, an agreement was entered into between the City of Oregon City and the Oregon City Garbage Company, Inc. (dba B&B Leasing). The City proceeded to develop OCMC 18.20 Solid Waste Collection and Disposal. Under Oregon City Municipal Code (OCMC) Chapter 8.20.030, Oregon City Garbage Company is granted an exclusive right, privilege, and franchise to provide solid waste collection and disposal services within Oregon City.

BACKGROUND:

OCMC Chapter 8.20.130 provides that rates shall be approved by the City Commission. The City Commission shall establish, and as considered necessary from time to time, change rates by resolution. The franchisee is currently requesting a rate increase due to the increased cost of recycling and providing garbage collection services. In determining the appropriate rate to be charged by the franchisee, the City Commission shall consider all appropriate factors, including the following:

A. The cost of performing the service provided by the franchisee;
B. The anticipated increase in the cost of providing this service;
C. The need for equipment replacement and the need for additional equipment to meet service needs; compliance with federal, state, local law, ordinances, and regulations; or technological change;

D. The investment of the franchisee, the value of the business, and the necessity that the franchisee has a reasonable rate of return;
E. The rates charged in other cities of similar size within other relevant jurisdictions for similar service in comparable service areas;
F. The public interest in ensuring reasonable rates to enable the franchisee to provide efficient and beneficial service to the residents and other users of the service;
G. The local wage scales, cost of management facilities, and disposal fees or charges;
H. Any profit or cost savings resulting from recycling, and any additional costs resulting from recycling.

Oregon City's last solid waste collection and disposal rate change was adopted by Resolution No. 18-41 establishing the current rates as shown in Exhibit B. The current request (Exhibit A) for rate adjustment of 5.75% reflects a $1.23 price adjustment due to labor cost, regional disposal fee increases, revenue adjustment, and franchise fees. Also, inflation and labor costs have increased the operational cost, B & B Leasing has included provisions for the commercial food waste program being implemented in 2022. Comparably, after the rate adjustment, Oregon City disposal fees are still the lowest fee in the Metro area. The 20-gallon and 35-gallon residential service have a $0.46 and $0.64 savings compared to other local municipality collection and disposal fees.

The proposed 5.75% rate adjustment is projected to increase the franchise fee revenue by $23,273 over a one-year period.

OPTIONS:

1. Approve Resolution No. 21-55 as proposed.
2. Approve Resolution No. 21-55, with specific modifications.
3. Deny Resolution No. 21-55. If the Commission chooses to deny the Resolution, staff requests direction on how to proceed.

BUDGET IMPACT:

Amount: Estimated 12 Month Revenue Increase $23,273

FY(s): Annual

Funding Source(s): Franchise Fee

RESOLUTION NO. 21-55

A RESOLUTION ADJUSTING SOLID WASTE COLLECTION AND DISPOSAL RATES EFFECTIVE FEBRUARY 1, 2022

WHEREAS, Ordinance No. 06-1001 was adopted February 1, 2006. Under said Ordinance, an agreement was entered into between the City of Oregon City and Oregon City Garbage Company, Inc. (dba B&B Leasing) for a Solid Waste Collection and Disposal Franchise; and

WHEREAS, Chapter 8.20.130 of the Oregon City Municipal Code, provides that rates shall be approved by the City Commission and established by resolution; and

WHEREAS, the Franchisee is currently requesting a rate increase due to increased costs of metro disposal fees and ongoing inflation.

NOW, THEREFORE, OREGON CITY RESOLVES AS FOLLOWS:

Section 1. The rate for solid waste services provided by Oregon City Garbage Company, Inc. (dba B&B Leasing), an Oregon Corporation, shall be set forth in the attached Exhibit A and said rates shall be the maximum rates chargeable by the Franchisee.

Section 2. The new rate schedule set forth in Exhibit A shall be effective February 1, 2022.

Approved and adopted at a regular meeting of the City Commission held on the 1st day of December 2021.

RACHEL LYLES SMITH, Mayor

Attested to this 1st day of December 2021:

Jakob Wiley, Assistant City Recorder

Approved as to legal sufficiency:

City Attorney

Post Office Box 1840
Oregon City, OR 97045
503-656-8403
Fax: 503-656-0320
www.oregoncitygarbageco.com

OREGON CITY GARBAGE Company, Inc.

September 20, 2021

John M. Lewis
Public Works Director
City of Oregon City
625 Center Street
Oregon City, OR 97045

Re: Oregon City Garbage Rate Adjustment

Dear Mr. Lewis,

We are honored to have and to provide solid waste services to the City of Oregon City. Our service goal has been and will continue to be, to provide the highest level and efficient collection service available in the industry. We have automated lift collection vehicles; we provide trash, recycling and yard debris residential collection; trash and recycling commercial collection; and drop box service. Being headquartered here in Oregon City and with many of our employees living in the city we take pride in working with the city to see the parks, cemeteries, vacant lots, etc. looking presentable. During the past year, the employees chose to work and keep their customers on a normal schedule as our equipment could keep them healthy in the smoke and high heat. This is the dedication Oregon City Garbage brings to the City.

Clackamas County reviews the financial results of each franchisee in the County. They contract with an outside consulting group specializing in solid waste financial analysis to perform an analysis of the data submitted. Expenses are adjusted to eliminate costs that are allowed for tax purposes, but not allowed for determining collection fees. The County's policy is to measure the health of the solid waste collection system within a range of 8-12% return on revenues. For 2020 the county collection system was within the range, but City of Oregon City fell below caused by 2 years of inflation and the reduced commercial collections we experienced due to Covid-19.

At this time we are requesting a rate adjustment. Metro has increased solid waste disposal fees; contract wage increases is another larger item and the shortage to return on revenues and the corresponding franchise fee represent the remainder. Please the chart below the breakdown of the percentage increase.

Component	% adjustment needed
Labor	0.85%
Disposal Fee	3.80%
Margin Shortfall	0.88%
Franchise Fee	0.22%
Total Rate Increace Percentage	**5.75%**

We are providing a comparison of the rates in the surrounding County cities and unincorporated County inside the Urban Growth Boundary.

Thank you for your consideration of this rate adjustment.

Very Truly Yours,

Oregon City Garbage

Oregon City Garbage Company, Inc.
Summary of Proposed Rate Adjustments
Effective December 1, 2021

Service		Current Monthly Rates	Proposed Adjustment	Proposed Monthly Rate	Proposed Adjustment %
Residential Cart					
20gal	Weekly	23.03	1.32	24.35	5.75%
35gal	Weekly	28.33	1.63	29.96	5.75%
65gal	Weekly	38.15	2.19	40.34	5.75%
95gal	Weekly	41.25	2.37	43.62	5.75%
35gal	Monthly	13.50	0.78	14.28	5.75%
35gal	Will call	11.45	0.66	12.11	5.75%
Extra 35gal equivalent		7.00	0.30	7.30	4.29%
Yard Debris	extra	3.10	0.05	3.15	1.61%
Yard Debris	yearly	66.00	1.00	67.00	1.52%
Recycling Only		4.50	-	4.50	
Residential Central billing					
20gal	Weekly	21.43	1.27	22.70	5.95%
35gal	Weekly	26.73	1.58	28.31	5.91%
65gal	Weekly	36.55	2.14	38.69	5.86%
95gal	Weekly	39.65	2.32	41.97	5.86%
Commercial Cart					
35gal	Weekly	28.33	1.63	29.96	5.75%
65gal	Weekly	38.15	2.19	40.34	5.75%
95gal	Weekly	41.25	2.37	43.62	5.75%
Commercial Container					
1 1/3 yard	Weekly	150.59	6.34	156.93	4.21%
1 1/2 yard	Weekly	165.41	7.28	172.69	4.40%
2 yard	Weekly	220.05	9.53	229.58	4.33%
3 yard	Weekly	303.87	12.49	316.36	4.11%
4 yard	Weekly	398.04	22.44	420.48	5.64%
5 yard	Weekly	492.21	33.39	525.60	6.78%
6 yard	Weekly	584.80	35.09	619.89	6.00%
8 yard	Weekly	748.21	47.75	795.96	6.38%
Recycling	Weekly	4.00/yd/week		4.00/yd/week	

Oregon City Garbage Company, Inc.
Summary of Proposed Rate Adjustments
Effective December 1, 2021

Service		Current Monthly Rates	Proposed Adjustment	Proposed Monthly Rate	Proposed Adjustment %
Drop Box					
10 yard	Scheduled Service	112.00	10.00	122.00	8.93%
20 yard	Scheduled Service	127.00	5.00	132.00	3.94%
30 yard	Scheduled Service	147.00	5.00	152.00	3.40%
40 yard	Scheduled Service	167.00	5.00	172.00	2.99%
10 yard	<4 Haul/site	142.00	10.00	152.00	7.04%
20 yard	<4 Haul/site	157.00	5.00	162.00	3.18%
30 yard	<4 Haul/site	177.00	15.00	192.00	8.47%
40 yard	<4 Haul/site	197.00	25.00	222.00	12.69%
10-15 yard	Compactor	137.00	10.00	147.00	7.30%
20 yard	Compactor	152.00	5.00	157.00	3.29%
30 yard	Compactor	167.00	5.00	172.00	2.99%
40 yard	Compactor	182.00	5.00	187.00	2.75%
Contaiminated box to Hillsboro		475.00	25.00	500.00	5.26%

SUMMARY OF COMPARATIVE RATES
CLACKAMAS COUNTY *
As of September 1, 2021

Service	Current Oregon City	Proposed Oregon City	Clackamas County Urban	Lake Oswego	West Linn	Milwaukie	Proposed Gladstone
Residential Weekly Pickup							
20 Gal. Cart	23.03	24.35	30.60	25.50	25.32	29.85	24.81
35 Gal. Cart	28.33	29.96	35.05	34.36	30.18	33.85	30.60
65 Gal. Cart	38.15	40.33	45.55	51.07	48.34	43.50	41.60
95 Gal. Cart	41.25	43.62	53.50	53.51	53.15	50.60	45.00
Franchise Fee	4%	4%	5%	5%	5%	5%	5%
35G Fran Fee $	1.13	1.20	1.75	1.72	1.51	1.69	1.53
35 Gal W/O fee	27.20	28.76	33.30	32.64	28.67	32.16	29.07

* The included cities are nearby and inside the Metro's Urban Growth Boundary

Oregon City Garbage Company
Proposed Rates
Effective as of December 1, 2021

Proposed rates

Pickup's per week		1	2	3	4	5	6
Container size							
1-1/3yd		156.93	293.86	430.79	567.72	704.65	
	ea add'l	128.93	257.86	386.79	515.72	644.65	
	Will Call	67.79					
	Extra Pick-Up	49.23					
1-1/2yd		172.69	325.38	478.07	630.76	783.45	
	ea add'l	144.69	289.38	434.07	578.76	723.45	
	Will Call	72.99					
	Extra Pick-Up	53.17					
2yd		229.58	439.16	648.74	858.32	1,067.90	
	ea add'l	201.58	403.16	604.74	806.32	1,007.90	
	Will Call/temporary	95.76					
	Extra Pick-Up	67.40					
3yd		316.36	612.72	909.08	1,205.44	1,501.80	
	ea add'l	288.36	576.72	865.08	1,153.44	1,441.80	
	Will Call/temporary	124.40					
	Extra Pick-Up	89.09					
4yd		420.48	820.96	1,221.44	1,621.92	2,022.40	2,422.88
	ea add'l	392.48	784.96	1,177.44	1,569.92	1,962.40	2,354.88
	Will Call/temporary	158.76					
	Extra Pick-Up	115.12					
5yd		525.60	1,031.20	1,536.80	2,042.40	2,548.00	
	ea add'l	497.60	995.20	1,492.80	1,990.40	2,488.00	
	Will Call/temporary	193.45					
	Extra Pick-Up	141.40					
6yd		630.72	1,241.44	1,852.16	2,462.88	3,073.60	
	ea add'l	602.72	1,205.44	1,808.16	2,410.88	3,013.60	
	Will Call/temporary	228.14					
	Extra Pick-Up	167.68					
8yd		795.96	1,571.92	2,347.88	3,123.84	3,899.80	
	ea add'l	767.96	1,535.92	2,303.88	3,071.84	3,839.80	
	Will Call	282.67					
	Extra Pick-Up	208.99					

City of Oregon City

Drop Box Service Fees

As of December 1, 2021

Rental Fees

Occasional: $7.00 per day after 2 working days at one site or $70.00 per month whichever is less and only if less than one load per week is hauled.

Industrial/Commercial/Multifamily: $55.00 per month each box

Lid Fee

Permanent Box $30.00 per month

Temporary Box $7.50 per week billed on 1st day of delivery for temporary boxes with an attached lid.

Delivery Fee $35.00

Incidental Service Fees: $8.00 per 5 minute increment

Standby Time: Charged when waiting for the box to be cleared, cars to be moved, etc.
Leveling Load: If a driver has to spend time getting the load level to haul it safely.

Wash Out: $30.00 at Metro South
$50.00 if Metro South not available

Assessed when the customer requests the service. Also assessed when drop box is contaminated and requires cleaning before delivering to a new site.

Compactor Turn-around: $20.00 for compactor requiring repositioning on truck to enable collection and tip.

Dry Run: $35.00 assessed when the scheduled collection is prevented because the box is blocked or the customer is not ready.

Disposal Site Rejected load returned to customer: $50.00

Deadhead Round Trip: $35.00 to be used for specialized boxes that cannot be exchanged.

City of Oregon City

Miscellaneous Services

As of December 1, 2021

Reinstatement Fee: $10.00 When service is reinstated after it has been stopped for non-payment of if customer stops and starts more than twice in a calendar year.

Cart Redelivery Fee: $25.00 If cart picked up then service restarted within 12 months for non-payment.

Extra Bags: 1st Small Bag (<20 gallon) $3.50 - $2.00 per additional bag
1st Large Bag (>20 gallon) $4.70 - $3.20 per additional bag

Extra Cart/Can: 20 Gal $3.50
35 Gal $7.00

Trash in Yard Debris Cart: $9.90

Trash in Recycle Cart: $11.15

Temporary Container Rent: $1.10 /per Yard/per day after 3 working days up to 10 days.

Incidental Service Fees: $8.00 per 5 minute increment.

City of Oregon City

Bulky Items

As of December 1, 2021

APPLIANCES (Washer, Dryer, Stove, etc.)	$	20.00
FRIDGE, FREEZER, AC	$	40.00
DENSE FOAM MATTRESS QUEEN OR KING	$	17.50
Box Springs	$	7.50
INTERSPRING OR LIGHT FOAM MATTRESS	$	10.00
COUCH	$	10-$15
CHAIR (OC)	$	7.50-$12
CHAIR (M, G)	$	5.45-$10
TIRE OFF RIM	$	5.00
TIRE ON RIM	$	10.00
CAR BATTERY	$	10.00
FILE CABINET	$	5.00
TREADMILL	$	20.00
TOILET	$	5.00
INSIDE PICKUP	$	5.00
INSIDE PICKUP PER FLIGHT OF STAIRS PER TRIP	$	9.00

Oregon City Garbage Company, Inc.

Summary of Franchise Fee
Effective December 1, 2021

2020	Actual	$286,145.75
2021	Projected	$302,236.98
2022	Estimated	$325,509.98

Post Office Box 1840
Oregon City, OR 97045
503-656-8403
Fax: 503-656-0320
www.oregoncitygarbageco.com

OREGON CITY GARBAGE Company, Inc.

October 26, 2018

Mr. Dan Holladay, Mayor
City of Oregon City
625 Center Street
Oregon City, OR 97045

Re: Oregon City Garbage
Rate Adjustment

Dear Mayor Holladay,

We are honored to have provided solid waste services to the City of Oregon City for many years and look forward to providing services in the years ahead. Our service goal has been and will continue to be, to provide the highest level and efficient collection service available in the industry. We have automated lift collection vehicles and provide trash, recycling and yard debris residential collection; trash and recycling commercial collection; and drop box service. Being headquartered here in Oregon City and with many of our employees living in the city we take pride in working with the city to see the parks, cemeteries, vacant lots, etc. looking presentable.

Clackamas County reviews the financial results of each franchisee in the County. They contract with an outside consulting group specializing in solid waste financial analysis to perform an analysis of the data submitted. Expenses are adjusted to eliminate costs that are allowed for tax purposes, but not allowed for determining collection fees. The County's policy is to measure the health of the solid waste collection system within a range of 8-12% return on revenues. For 2017 the county collection system was within the range although in September of 2017 China stopped buying recycled material from the United States (Attachment A). This caused a complete change in the world market pricing. As such County staff requested a substantial unprecedented increase ($2.80 on a 35gal cart). This is a quote from the staff report.

"The immediate effect on the County's collection system has been an increase in processing costs beginning in September 2017, reaching 375-400% above the cost reflected in our current fees. Costs are expected to remain at this level for the time being. Typically cost increases are gradual enough to absorb them in each review of the prior 12 months of the costs. These recent costs are unanticipated and rose quickly. Although our collection companies have limited ability to 'shop' for the best processing price, MRFs have increased costs across the board or restricted access, to varying degrees. Thus, collectors face a large gap between their costs and existing revenue from fees."

At this time we are requesting a rate adjustment. The recycling change represents 57% of the rate adjustment. Since our last rate adjustment, solid waste disposal has increased by $8.85/ton with $3.19 in the current year and overall the solid waste change is 30% of the rate adjustment. Inflation coverage represents the remaining 13% of the adjustment.

We are providing a comparison of the rates in the surrounding County cities and unincorporated County inside the Urban Growth Boundary.

Thank you for your consideration of this rate adjustment.

Very Truly Yours,

Oregon City Garbage

Oregon City Garbage Company, Inc.
Summary of Proposed Rate Adjustments
Effective January 1, 2019

Service		Current Monthly Rates	Proposed Adjustment	Proposed Monthly Rate	Proposed Adjustment %
Residential Cart					
20gal	Weekly	20.63	2.40	23.03	11.6%
35gal	Weekly	25.83	2.50	28.33	9.7%
65gal	Weekly	35.55	2.60	38.15	7.3%
95gal	Weekly	38.55	2.70	41.25	7.0%
35gal	Monthly	12.21	2.09	14.30	17.1%
35gal	Will call	10.96	0.49	11.45	4.5%
20gal	Will call	8.94		9.10	0.0%
Bag	Will call	5.41	0.59	6.00	10.9%
Extra 35gal equivalent		7.00	-	7.00	0.0%
Yard Debris	extra	3.00	0.10	3.10	3.3%
Yard Debris	yearly	63.60	2.40	66.00	3.8%
Recycling Only		-	4.50	4.50	
Residential Central billing					
20gal	Weekly	19.55	1.88	21.43	9.6%
35gal	Weekly	23.23	3.50	26.73	15.1%
65gal	Weekly	34.20	2.35	36.55	6.9%
95gal	Weekly	38.25	1.40	39.65	3.7%
Commercial Cart					
35gal	Weekly	25.83	2.50	28.33	9.7%
65gal	Weekly	35.55	2.60	38.15	7.3%
95gal	Weekly	38.55	2.70	41.25	7.0%

Oregon City Garbage Company, Inc.
Summary of Proposed Rate Adjustments
Effective January 1, 2019

Service		Current Monthly Rates	Proposed Adjustment	Proposed Monthly Rate	Proposed Adjustment %
Commercial	**Container**				
1 1/3 yard	Weekly	139.62	10.97	150.59	7.9%
1 1/2 yard	Weekly	153.03	12.38	165.41	8.1%
2 yard	Weekly	203.55	16.50	220.05	8.1%
3 yard	Weekly	279.12	24.75	303.87	8.9%
4 yard	Weekly	365.04	33.00	398.04	9.0%
5 yard	Weekly	450.96	41.25	492.21	9.1%
6 yard	Weekly	536.80	48.00	584.80	8.9%
8 yard	Weekly	686.21	62.00	748.21	9.0%
10 yard	Weekly	936.00	75.00	1,011.00	8.0%
Recycling	Weekly	-	4.00	4.00/yd/week	
Drop Box					
10 yard	Scheduled Service	133.10	(21.10)	112.00	-15.9%
20 yard	Scheduled Service	151.20	(24.20)	127.00	-16.0%
30 yard	Scheduled Service	188.80	(41.80)	147.00	-22.1%
40 yard	Scheduled Service	228.80	(61.80)	167.00	-27.0%
10 yard	<4 Haul/site	133.10	8.90	142.00	6.7%
20 yard	<4 Haul/site	151.20	5.80	157.00	3.8%
30 yard	<4 Haul/site	188.80	(11.80)	177.00	-6.3%
40 yard	<4 Haul/site	228.80	(31.80)	197.00	-13.9%
10-15 yard	Compactor	164.05	(27.05)	137.00	-16.5%
20 yard	Compactor	178.00	(26.00)	152.00	-14.6%
30 yard	Compactor	235.50	(68.50)	167.00	-29.1%
40 yard	Compactor	280.00	(98.00)	182.00	-35.0%
Contaiminated box to Hillsboro		300.00	25.00	325.00	8.3%

Oregon City Garbage Company, Inc.

Summary of Franchise Fee
Effective January 1, 2019

2017	Actual	$235,143.75
2018	Projected	$239,653.59
2019	Estimated	$261,333.59

SUMMARY OF COMPARATIVE RATES
CLACKAMAS COUNTY *
As of September 1, 2018

Service	Current Oregon City	Proposed Oregon City	Clackamas County Urban	Lake Oswego	West Linn	Milwaukie	Proposed Gladstone
Residential Weekly Pickup							
20 Gal. Cart	20.63	23.03	28.65	21.20	21.56	28.40	23.35
35 Gal. Cart	25.83	28.33	32.55	30.06	25.70	32.40	28.80
65 Gal. Cart	35.55	38.15	42.05	46.77	41.15	42.05	39.15
95 Gal. Cart	38.55	41.25	49.00	49.21	45.26	49.15	42.35
Franchise Fee	4%	4%	5%	5%	5%	5%	5%
35G Fran Fee $	1.03	1.13	1.63	1.50	1.29	1.62	1.44
35 Gal W/O fee	24.80	27.20	30.92	28.56	24.42	30.78	27.36

* The included cities are nearby and inside the Metro's Urban Growth Boundary

Oregon City Garbage Company
Current rates
Effective as of February 1, 2012

Current rates		**2/1/2012**
Residential		
20gal	Weekly	20.63
35gal	Weekly	25.83
65gal	Weekly	35.55
95gal	Weekly	38.55
35gal	Monthly	12.21
35gal	Will call	10.96
20gal	Will call	8.94
Bag	Will call	5.41
Extra 35gal equivalent		7.00
Yard Debris extra		3.00
Yard Debris yearly		63.00
Recycling Only		0.00
Residential Central billing		
20gal	Weekly	19.55
35gal	Weekly	23.23
65gal	Weekly	34.20
95gal	Weekly	38.25
Commercial		
35gal	Weekly	25.83
65gal	Weekly	35.55
95gal	Weekly	38.55

Oregon City Garbage Company
Proposed Rates
Effective as of January 1, 2019

Proposed rates		
Residential		
20gal	Weekly	23.03
35gal	Weekly	28.33
65gal	Weekly	38.15
95gal	Weekly	41.25
35gal	Monthly	13.50
35gal	Will call	11.45
20gal	Will call	9.10
Bag	Will call	6.00
Extra 35gal equivalent or less		7.00
Yard Debris extra		3.10
Yard Debris yearly		66.00
Recycling Only		4.50
Residential Central billing		
20gal	Weekly	21.43
35gal	Weekly	26.73
65gal	Weekly	36.55
95gal	Weekly	39.65
Commercial		
35gal	Weekly	28.33
65gal	Weekly	38.15
95gal	Weekly	41.25

Oregon City Garbage Company
Current rates
Effective as of February 1, 2012

Current rates		2/1/2012				
Pickup's per week		1	2	3	4	5
Containers						
1-1/3yd		139.62	265.28	390.94	516.59	642.25
	ea add'l	125.66	238.75	351.84	464.93	578.03
	Will Call	55.85				
	Extra Pick-Up	42.41				
1-1/2yd		153.03	290.76	428.48	566.21	703.94
	ea add'l	137.73	261.68	385.64	509.59	633.54
	Will Call	61.21				
	Extra Pick-Up	45.76				
2yd		203.55	386.75	569.94	753.14	936.33
	ea add'l	183.20	348.07	512.95	677.82	842.70
	Will Call/temporary	81.42				
	Extra Pick-Up	58.39				
3yd		279.12	530.33	781.54	1,032.74	1,283.95
	ea add'l	251.21	477.30	703.38	929.47	1,155.56
	Will Call/temporary	111.65				
	Extra Pick-Up	77.28				
4yd		365.04	693.58	1,022.11	1,350.65	1,679.18
	ea add'l	328.54	624.22	919.90	1,215.58	1,511.27
	Will Call/temporary	146.02				
	Extra Pick-Up	98.76				
5yd		450.96	856.82	1,262.69	1,668.55	2,074.42
	ea add'l	405.86	771.14	1,136.42	1,501.70	1,866.97
	Will Call/temporary	180.38				
	Extra Pick-Up	120.24				
6yd		536.80	1,019.92	1,503.04	1,986.16	2,469.28
	ea add'l	483.12	917.93	1,352.74	1,787.54	2,222.35
	Will Call/temporary	214.72				
	Extra Pick-Up	141.70				
8yd		686.21	1,303.80	1,921.39	2,538.98	3,156.57
	ea add'l	617.59	1,173.42	1,729.25	2,285.08	2,840.91
	Will Call	274.48				
	Extra Pick-Up	179.05				
10yd		936.00	1,778.40	2,620.80	3,463.20	4,305.60
	ea add'l	842.40	1,600.56	2,358.72	3,116.88	3,875.04
	Extra Pick-Up	374.40				
Recycling Container	IF no Solid Waste container service	0.00				

Oregon City Garbage Company
Proposed Rates
Effective as of January 1, 2019

Proposed rates							
Pickup's per week		1	2	3	4	5	6
Container size							
1-1/3yd		150.59	286.18	421.77	557.36	692.95	
	ea add'l	131.01	262.03	393.04	524.05	655.07	
	Will Call	66.29					
	Extra Pick-Up	45.15					
1-1/2yd		165.41	315.82	466.23	616.64	767.05	
	ea add'l	143.91	287.81	431.72	575.63	719.53	
	Will Call	71.19					
	Extra Pick-Up	48.85					
2yd		220.05	425.10	630.15	835.20	1,040.25	
	ea add'l	191.44	382.89	574.33	765.77	957.22	
	Will Call/temporary	89.22					
	Extra Pick-Up	62.51					
3yd		303.87	592.74	881.61	1,170.48	1,459.35	
	ea add'l	264.37	528.73	793.10	1,057.47	1,321.83	
	Will Call/temporary	116.88					
	Extra Pick-Up	83.47					
4yd		398.04	781.08	1,164.12	1,547.16	1,930.20	2,313.24
	ea add'l	346.29	692.59	1,038.88	1,385.18	1,731.47	2,077.77
	Will Call/temporary	147.95					
	Extra Pick-Up	107.01					
5yd		492.21	969.42	1,446.63	1,923.84	2,401.05	
	ea add'l	428.22	856.45	1,284.67	1,712.89	2,141.11	
	Will Call/temporary	179.03					
	Extra Pick-Up	130.55					
6yd		584.80	1,154.60	1,724.40	2,294.20	2,864.00	
	ea add'l	508.78	1,017.55	1,526.33	2,035.10	2,543.88	
	Will Call/temporary	209.58					
	Extra Pick-Up	153.70					
8yd		748.21	1,481.42	2,214.63	2,947.84	3,681.05	
	ea add'l	650.94	1,301.89	1,952.83	2,603.77	3,254.71	
	Will Call	263.51					
	Extra Pick-Up	194.55					
10yd		1,011.00	2,007.00	3,003.00	3,999.00	4,995.00	
	ea add'l	879.57	1,759.14	2,638.71	3,518.28	4,397.85	
	Extra Pick-Up	350.23					
Recycling Container	IF no Solid Waste container service	4.00	per YARD per Weekly yards				

Oregon City Garbage Company
Current rates
Effective as of February 1, 2012

Current rates	2/1/2012	
Drop Box Fees		
Permanent	Haul	Disposal
10yd	133.10	Plus Disposal
20yd	151.20	Plus Disposal
30yd	188.80	Plus Disposal
40yd	228.80	Plus Disposal
Occasional		
10yd	133.10	Plus Disposal
20yd	151.20	Plus Disposal
30yd	188.80	Plus Disposal
40yd	228.80	Plus Disposal
Compacted Drop Box Haul Fee		
10-15yd	164.05	Plus Disposal
20yd	178.00	Plus Disposal
30yd	235.50	Plus Disposal
40yd	280.00	Plus Disposal

Oregon City Garbage Company
Proposed Rates
Effective as of January 1, 2019

Proposed rates		
Drop Box Fees		
Permanent	Haul	Disposal
10yd	112.00	Plus Disposal rate with 15% surcharge
20yd	127.00	Plus Disposal rate with 15% surcharge
30yd	147.00	Plus Disposal rate with 15% surcharge
40yd	167.00	Plus Disposal rate with 15% surcharge
Occasional		
10yd	142.00	Plus Disposal rate with 15% surcharge
20yd	157.00	Plus Disposal rate with 15% surcharge
30yd	177.00	Plus Disposal rate with 15% surcharge
40yd	197.00	Plus Disposal rate with 15% surcharge
Compacted Drop Box Haul Fee		
10-15yd	137.00	Plus Disposal rate with 15% surcharge
20yd	152.00	Plus Disposal rate with 15% surcharge
30yd	167.00	Plus Disposal rate with 15% surcharge
40yd	182.00	Plus Disposal rate with 15% surcharge
Contaminated Boxes	325.00	Customer pays Hillsboro Landfill direct

Uniform Drop Box Service Fees:

Rental Charge

Occasional: $7.00 per day after 2 working days at one site or $70.00 per month whichever is less and only if less than one load per week is hauled.

Industrial/Commercial/Multifamily: $55.00 per month each box

Lid Charge $5.00 per week billed on 1st day of delivery for boxes with an attached lid.

Delivery Charge $30.00

Incidental Service Charges: $7.00 per 5 minute increment

Standby Time: Charged when waiting for the box to be cleared, cars to be moved, etc.

Leveling Load: If a driver has to spend time getting the load level to haul it safely.

Wash Out: $30.00 Assessed when the customer requests the service. Also assessed when drop box is contaminated and requires cleaning before delivering to a new site.

Compactor Turn-around: $20.00 for compactor requiring repositioning on truck to enable collection and tip.

Dry Run: $30.00 assessed when the scheduled collection is prevented because the box is blocked or the customer is not ready.

Disposal Site Rejected load returned to customer: $50.00

Deadhead Round Trip: $30.00 to be used for specialized boxes that cannot be exchanged.

Miscellaneous Services

Reinstatement Fee: $10.00 When service is reinstated after it has been stopped for non-payment of if customer stops and starts more than twice in a calendar year.

Cart Redelivery: $15.00 If cart picked up then service restarted within 12 months for non-payment.

Exhibit A

Clackamas County Fee Schedule
For Waste and Recycling Collection Services

Effective: May 1, 2018

URBAN

Residential Service	Monthly Fee	Fee per Pick Up	At House Service[2]
Weekly Pick Up[1] - one cart each for garbage, yard debris and recycling			
20 gallon cart/can	$ 28.65		$ 32.15
35 gallon cart/can	$ 32.55		$ 36.05
60 gallon cart	$ 42.05		N/A
90 gallon cart	$ 49.00		N/A
Occasional extra garbage - 35 gallon		$ 6.05	$ 6.85
Occasional extra yard debris - 35 gallon		$ 3.00	
Monthly Pick Up[4] - one cart/can of garbage; weekly recycling included			
35 gallon cart/can	$ 15.35		$ 16.25
Occasional extra garbage - 35 gallon		$ 6.05	$ 6.85
On-Call Pick Up[4] - one cart/can of garbage			
35 gallon cart/can		$ 14.65	N/A
Other Services and Fees			
Recycling only - weekly	$ 7.20		N/A
Yard debris subscription[3] - weekly	$ 5.70		N/A
Yard debris Permanent 2nd Cart	$ 4.25		N/A
Distance fees	Table 2		
Terrain fee	$ 3.65		
Multifamily Service - for shared containers see commercial fees.			
Weekly Pick Up[1] - one cart/can of garbage and recycling			
Central billing 20 gallon	$ 24.15		$ 26.15
35 gallon	$ 28.05		$ 30.05
Individual billing 20 gallon	$ 25.75		$ 27.75
35 gallon	$ 29.65		$ 31.65
Occasional extra garbage - 35 gallon		6.05	$ 6.85
Bulky waste - furniture, appliances etc.		Table 1	
Additional fees - see Tables 1 and 2			

[1]Greater than one cart/can per week, use multiples of single cart/can fee.

[2] At House Service is when garbage carts/cans are picked up at house instead of curbside/roadside (must be placed within 50 feet of curb/road). At House Service is not available for recycling or yard debris.

[3]Available to customers without weekly garbage service. Requires full year subscription. May be billed annually or monthly, depending on provider.

[4]Putrecibles must not be placed in cart/can in excess of 7 days prior to scheduled collection.

Exhibit A

Effective: May 1, 2018

URBAN

Commercial Containers weekly recycling included

Stops/ Week	Monthly fee for container size in cubic yards					
	1	*Addt'l*	**1 1/3**	*Addt'l*	**1.5**	*Addt'l*
1	$102.18	*$87.74*	$126.89	*$108.73*	$135.29	*$117.14*
2	$196.62	*$169.39*	$246.06	*$212.33*	$262.84	*$226.85*
3	$291.07	*$249.61*	$365.20	*$314.91*	$390.40	*$337.09*
4	$385.51	*$332.70*	$484.36	*$418.11*	$517.93	*$446.55*
5	$479.96	*$412.91*	$603.53	*$520.71*	$645.48	*$559.65*
6	$574.40	*$495.18*	$722.69	*$622.61*	$773.03	*$668.52*

Stops/ Week	Monthly fee for container size in cubic yards					
	2	*Addt'l*	**3**	*Addt'l*	**4**	*Addt'l*
1	$171.74	*$148.64*	$234.60	*$203.66*	$299.62	*$262.08*
2	$335.74	*$291.47*	$456.75	*$397.42*	$586.81	*$513.03*
3	$499.75	*$433.50*	$678.91	*$591.82*	$874.00	*$763.14*
4	$663.75	*$573.18*	$901.06	*$788.27*	$1,161.19	*$1,010.65*
5	$827.77	*$720.25*	$1,123.23	*$981.08*	$1,448.37	*$1,264.72*
6	$991.77	*$860.51*	$1,345.37	*$1,170.59*	$1,735.56	*$1,515.10*

Stops/ Week	Monthly fee for container size in cubic yards					
	5	*Addt'l*	**6**	*Addt'l*	**8**	*Addt'l*
1	$362.31	*$337.56*	$417.93	*$389.46*	$517.40	*$484.39*
2	$711.00	*$662.21*	$822.24	*$767.43*	$1,021.19	*$955.84*
3	$1,059.70	*$984.71*	$1,226.54	*$1,139.11*	$1,524.97	*$1,427.49*
4	$1,408.37	*$1,308.88*	$1,630.85	*$1,517.31*	$2,028.76	*$1,897.15*
5	$1,757.08	*$1,636.01*	$2,035.17	*$1,895.13*	$2,532.55	*$2,359.83*
6	$2,105.76	*$1,965.71*	$2,439.48	*$2,266.76*	$3,036.34	*$2,835.46*

Commercial Carts/Cans[1] - monthly fee; weekly recycling included

One Stop per Week	**One cart/can**	**Two carts/cans**	**Each additional**
35 gallon cart/can	$28.60	$55.00	$24.40
60 gallon cart	$40.00	N/A	N/A
90 gallon cart	$42.85	N/A	N/A
Occasional extra garbage - 35 gallon	N/A	N/A	$5.00
Two Stops per Week			
35 gallon cart/can - 2 stops/wk	$56.60	$108.90	$25.05
Occasional extra garbage - 35 gallon	N/A	N/A	$5.00

Additional fees may apply - see Tables 1, 2 & 3

[1]The use of a cart and the type of customer using a cart for commercial waste collection services shall be at the discretion of the collector.

Exhibit A

Effective: May 1, 2018

R U R A L	Residential Service	Monthly Fee	Fee per Pick Up	At House Service[2]
	Weekly Pick Up[1] - one cart/can of garbage and recycling			
	20 gallon cart/can	$25.48		$28.98
	35 gallon cart/can	$29.35		$32.85
	60 gallon cart	$40.75		N/A
	90 gallon cart	$46.45		N/A
	Occasional extra garbage - 35 gallon		$6.10	$6.90
	Monthly Pick Up[3] - one cart/can garbage; weekly recycling included			
	35 gallon cart/can	$15.75		$16.65
	Occasional extra garbage - 35 gallon		$6.10	$6.90
	On-Call Pick Up[3] - one cart/can of garbage			
	35 gallon cart/can		$14.90	N/A
	Other Services and Fees			
	Recycling only - weekly	$9.85		N/A
	Bulky waste - furniture, appliances etc.		Table 1	
	Distance fees	Table 2		
	Terrain fee	$3.65		
	Multifamily Service - for shared containers see commercial fees.			
	Weekly Pick Up[1] - one cart/can of garbage and recycling			
	Central billing 20 gallon	$23.90		$25.90
	35 gallon	$27.75		$29.75
	Individual billing 20 gallon	$25.48		$27.48
	35 gallon	$29.35		$31.35
	Occasional extra garbage - 35 gallon		$6.10	$6.90
	Bulky waste - furniture, appliances etc.		Table 1	
	Additional fees may apply - see Tables 1 and 2			

[1]Greater than one cart/can per week, use multiples of single cart/can fee.

[2] At House service is when garbage carts/cans are picked up at house instead of roadside (must be within 50 feet of curb/road). At House Service is not available for recycling.

[3]Putrecibles must not be placed in cart/can in excess of 7 days prior to scheduled collection.

Exhibit A

Effective: May 1, 2018

RURAL

Commercial Containers weekly recycling included

Stops/ Week	Monthly fee for container size in cubic yards					
	1	*Addt'l*	**1 1/3**	*Addt'l*	**1.5**	*Addt'l*
1	$116.88	*$ 112.18*	$ 144.27	*$ 139.11*	$ 160.56	*$ 154.92*
2	$224.35	*$ 215.75*	$ 278.31	*$ 269.01*	$ 309.83	*$ 299.73*
3	$331.73	*$ 319.33*	$ 412.28	*$ 398.83*	$ 459.25	*$ 444.60*
4	$439.20	*$ 422.95*	$ 546.39	*$ 528.74*	$ 608.55	*$ 589.35*
5	$546.58	*$ 526.53*	$ 680.40	*$ 658.55*	$ 757.81	*$ 734.26*
6	$663.50	*$ 638.75*	$ 824.60	*$ 797.71*	$ 918.37	*$ 889.12*

Stops/ Week	Monthly fee for container size in cubic yards					
	2	*Addt'l*	**3**	*Addt'l*	**4**	*Addt'l*
1	$203.80	*$ 197.35*	$ 288.83	*$ 280.83*	$ 372.80	*$ 363.35*
2	$394.75	*$ 383.10*	$ 561.70	*$ 547.35*	$ 726.79	*$ 709.84*
3	$585.50	*$ 568.65*	$ 834.57	*$ 813.72*	$ 1,080.79	*$ 1,056.34*
4	$776.29	*$ 754.24*	$ 1,107.44	*$ 1,080.29*	$ 1,434.79	*$ 1,402.84*
5	$967.19	*$ 939.89*	$ 1,380.27	*$ 1,346.42*	$ 1,788.72	*$ 1,749.17*
6	$1,170.99	*$ 1,137.29*	$ 1,669.08	*$ 1,627.53*	$ 2,161.62	*$ 2,112.47*

Stops/ Week	Monthly fee for container size in cubic yards					
	5	*Addt'l*	**6**	*Addt'l*	**8**	*Addt'l*
1	$455.63	*$ 444.88*	$ 540.40	*$ 528.05*	$ 701.59	*$ 686.89*
2	$889.79	*$ 870.42*	$ 1,056.19	*$ 1,034.19*	$ 1,374.29	*$ 1,348.19*
3	$1,323.92	*$ 1,295.92*	$ 1,571.88	*$ 1,540.23*	$ 2,046.92	*$ 2,009.42*
4	$1,758.12	*$ 1,721.52*	$ 2,087.62	*$ 2,046.37*	$ 2,719.51	*$ 2,670.61*
5	$2,192.20	*$ 2,147.00*	$ 2,603.37	*$ 2,552.47*	$ 3,392.21	*$ 3,331.81*
6	$2,647.82	*$ 2,591.87*	$ 3,142.86	*$ 3,079.66*	$ 4,093.80	*$ 4,018.80*

Commercial Carts/Cans[1] - monthly fee; weekly recycling included

One Stop per Week	**One cart/can**	**Two carts/cans**	**Each additional**
35 gallon cart/can	$ 29.35	$ 57.30	$ 27.10
60 gallon cart	$ 40.75	N/A	N/A
90 gallon cart	$ 46.45	N/A	N/A
Occasional extra garbage - 35 gallon	N/A	N/A	$ 5.25
Two Stops per Week			
35 gallon cart/can - 2 stops/wk	$ 57.95	$ 113.15	$ 25.80
Occasional extra garbage - 35 gallon	N/A	N/A	$ 5.25

Additional fees may apply - see Tables 1, 2 & 3

[1]The use of a cart and the type of customer using a cart for commercial waste collection services shall be at the discretion of the collector.

Exhibit A

Effective: May 1, 2018

DISTANT RURAL

Residential Service		Monthly Fee	Fee per Pick Up	At House Service[2]
Weekly Pick Up[1] - one cart/can of garbage and recycling				
20 gallon cart/can		$30.20		$33.70
35 gallon cart/can		$34.35		$37.85
60 gallon cart		$44.60		N/A
90 gallon cart		$50.35		N/A
Occasional extra garbage - 35 gallon			$6.65	$7.45
Monthly Pick Up[3] - one cart/can; weekly recycling included				
35 gallon cart/can		$17.40		$18.30
Occasional extra garbage - 35 gallon			$6.65	$7.45
On-Call Pick Up[3] - one cart/can of garbage				
35 gallon cart/can			$15.35	N/A
Other Services and Fees				
Recycling only - weekly		$10.05		N/A
Bulky waste - furniture, appliances etc.			Table 1	
Distance fees		Table 2		
Terrain fee		$3.65		
Multifamily Service - for shared containers see commercial fees.				
Weekly Pick Up[1] - one cart/can of garbage and recycling				
Central billing	20 gallon	$28.60		$30.60
	35 gallon	$32.75		$34.75
Individual billing	20 gallon	$30.20		$32.20
	35 gallon	$34.35		$36.35
Occasional extra garbage - 35 gallon			$6.65	$7.45
Bulky waste - furniture, appliances etc.			Table 1	
Additional fees may apply - see Tables 1, 2 & 3				

[1]Greater than one cart/can per week, use multiples of single cart/can fee.

[2] At House service is when garbage carts/cans are picked up at house instead of curbside/roadside (must be within 50 feet of curb/road). At House Service is not available for recycling.

[3]Putrecibles must not be placed in cart/can in excess of 7 days prior to scheduled collection.

Exhibit A

Effective: May 1, 2018

DISTANT RURAL

Commercial Containers includes weekly recycling

Stops/ Week	Monthly fee based on size in cubic yards					
	1	*Addt'l*	**1 1/3**	*Addt'l*	**1.5**	*Addt'l*
1	$131.14	*$ 126.44*	$ 160.52	*$ 155.36*	$ 177.84	*$ 172.19*
2	$244.62	*$ 236.02*	$ 302.58	*$ 293.28*	$ 336.10	*$ 326.00*
3	$358.00	*$ 345.60*	$ 444.55	*$ 431.10*	$ 494.54	*$ 479.89*
4	$471.48	*$ 455.23*	$ 586.66	*$ 569.01*	$ 652.85	*$ 633.65*
5	$584.87	*$ 564.82*	$ 728.68	*$ 706.83*	$ 811.13	*$ 787.58*
6	$707.80	*$ 683.05*	$ 880.88	*$ 853.98*	$ 980.69	*$ 951.44*

Stops/ Week	Monthly fee based on size in cubic yards					
	2	*Addt'l*	**3**	*Addt'l*	**4**	*Addt'l*
1	$224.07	*$ 217.62*	$ 315.10	*$ 307.10*	$ 405.08	*$ 395.63*
2	$427.03	*$ 415.38*	$ 606.00	*$ 591.65*	$ 783.10	*$ 766.15*
3	$629.80	*$ 612.95*	$ 896.89	*$ 876.04*	$ 1,161.14	*$ 1,136.69*
4	$832.60	*$ 810.55*	$ 1,187.79	*$ 1,160.64*	$ 1,539.17	*$ 1,507.22*
5	$1,035.52	*$ 1,008.22*	$ 1,478.64	*$ 1,444.79*	$ 1,917.13	*$ 1,877.58*
6	$1,251.34	*$ 1,217.64*	$ 1,785.47	*$ 1,743.92*	$ 2,314.06	*$ 2,264.91*

Stops/ Week	Monthly fee based on size in cubic yards					
	5	*Addt'l*	**6**	*Addt'l*	**8**	*Addt'l*
1	$493.92	*$ 483.17*	$ 584.70	*$ 572.35*	$ 757.90	*$ 743.20*
2	$958.12	*$ 938.75*	$ 1,136.54	*$ 1,114.54*	$ 1,478.67	*$ 1,452.57*
3	$1,422.29	*$ 1,394.29*	$ 1,688.27	*$ 1,656.62*	$ 2,199.36	*$ 2,161.86*
4	$1,886.53	*$ 1,849.93*	$ 2,240.06	*$ 2,198.81*	$ 2,920.02	*$ 2,871.12*
5	$2,350.65	*$ 2,305.45*	$ 2,791.86	*$ 2,740.96*	$ 3,640.78	*$ 3,580.38*
6	$2,836.31	*$ 2,780.36*	$ 3,367.40	*$ 3,304.20*	$ 4,390.43	*$ 4,315.43*

Commercial Carts/Cans[1] - monthly fee; weekly recycling included

One Stop per Week	**One cart/can**	**Two carts/cans**	**Each additional**
35 gallon cart/can	$34.35	$68.00	$33.35
60 gallon cart	$44.60	N/A	N/A
90 gallon cart	$50.35	N/A	N/A
Occasional extra garbage- 35 gallon	N/A	N/A	$6.00
Two Stops per Week			
35 gallon cart/can - 2 stops/wk	$68.00	$134.55	$32.75
Occasional extra garbage - 35 gallon	N/A	N/A	$6.00

Additional fees may apply - see Tables 1, 2 & 3

[1]The use of a cart and the type of customer using a cart for commercial waste shall be at the discretion of the collector.

Exhibit A

Effective: May 1, 2018

MOUNTAIN

Residential Service	Monthly Fee	Fee per Pick Up	At House Service[2]
Weekly Pick Up[1] - one can of garbage and recycling			
20 gallon can	$31.45		$34.95
35 gallon can	$35.60		$39.10
Occasional extra - 35 gallon		$6.65	$7.45
Monthly Pick Up[3] - one can; weekly recycling included			
35 gallon can	$17.70		$18.60
Occasional extra - 35 gallon		$6.05	$6.85
On-Call Pick Up[3] - one can of garbage			
35 gallon can		$15.65	N/A
Other Services and Fees			
Recycling only - weekly	$10.05		N/A
Bulky waste - furniture, appliances etc.		Table 1	
Distance fees	Table 2		
Terrain Fee	$3.65		

Multifamily Service - for shared containers see commercial fees.				
Weekly Pick Up[1] - one cart/can of garbage and recycling				
Central billing	20 gallon	$29.85		$31.85
	35 gallon	$34.00		$36.00
Individual billing	20 gallon	$31.45		$33.45
	35 gallon	$35.60		$37.60
Occasional extra - 35 gallon			$6.65	$7.55
Bulky waste - furniture, appliances etc.			Table 1	
Additional fees may apply - see Tables 1, 2 & 3				

[1]Greater than one can per week, use multiples of single can fee.

[2] Cans picked up at house instead of roadside or curb (must be within 50 feet of roadside or curb).

[3]Putrecibles must not be placed in cart/can in excess of 7 days prior to scheduled collection.

Exhibit A

Effective: May 1, 2018

MOUNTAIN

Commercial Containers includes weekly recycling

Stops/ Week	Monthly fee for container size in cubic yards					
	1	*Addt'l*	**1 1/3**	*Addt'l*	**1.5**	*Addt'l*
1	$150.19	*$ 145.49*	$ 185.93	*$ 180.77*	$ 206.42	*$ 200.77*
2	$282.72	*$ 274.12*	$ 353.38	*$ 344.08*	$ 393.26	*$ 383.16*
3	$415.16	*$ 402.76*	$ 520.76	*$ 507.31*	$ 580.28	*$ 565.63*
4	$547.69	*$ 531.44*	$ 688.27	*$ 670.62*	$ 767.16	*$ 747.96*
5	$680.13	*$ 660.08*	$ 855.69	*$ 833.84*	$ 954.02	*$ 930.47*
6	$822.11	*$ 797.36*	$ 1,033.30	*$ 1,006.40*	$ 1,152.16	*$ 1,122.91*

Stops/ Week	Monthly fee for container size in cubic yards					
	2	*Addt'l*	**3**	*Addt'l*	**4**	*Addt'l*
1	$262.17	*$ 255.72*	$ 372.26	*$ 364.26*	$ 481.29	*$ 471.84*
2	$503.24	*$ 491.59*	$ 720.31	*$ 705.96*	$ 935.52	*$ 918.57*
3	$744.11	*$ 727.26*	$ 1,068.36	*$ 1,047.51*	$ 1,389.76	*$ 1,365.31*
4	$985.02	*$ 962.97*	$ 1,416.41	*$ 1,389.26*	$ 1,844.00	*$ 1,812.05*
5	$1,226.04	*$ 1,198.74*	$ 1,764.42	*$ 1,730.57*	$ 2,298.17	*$ 2,258.62*
6	$1,479.96	*$ 1,446.26*	$ 2,128.41	*$ 2,086.86*	$ 2,771.31	*$ 2,722.16*

Commercial Cans - monthly fee; weekly recycling included

One Stop per Week	**One cart/can**	**Two carts/cans**	**Each additional**
35 gallon can	$35.60	$70.50	$34.60
Occasional extra - 35 gallon	N/A	N/A	$6.00
Two Stops per Week			
35 gallon can - 2 stops/wk	$70.50	$139.55	$34.00
Occasional extra - 35 gallon	N/A	N/A	$6.00

Additional fees may apply - see Tables 1, 2 & 3

Exhibit A

Effective: May 1, 2018

Table 1

Miscellaneous Services

Bulky Waste - appliances, furniture, etc.

Fee based on weight and special handling needs. If not easily accessible, hourly fee also applies.

Minimum fee	$5.45	
Maximum fee	$29.15	
Coolant removal fee	$30.00	*Applies to refrigerators, freezers and air conditioners even if refrigerant is removed. Disposal fee additional.*

Clean Up Containers

Each collection charged at 33% of regular container fee (see commercial containers).

Handling fee*	$16.60	**only charged for first collection.*

Container rent is charged when container is kept longer than 5 working days with no collection.[1]

< 3 cubic yard	$2.10	rent per day
3 cubic yards	$3.10	rent per day
4 cubic yards	$4.10	rent per day

For larger containers, see Drop Box, Table 4

Tire Handling Fee - charged in addition to disposal fees

On rim	$2.00
Off rim	$5.50

Tires greater than 18 inch diameter are subject to a special handling fee.

Occasional Extra Garbage - 35 gallon maximum

Light	$3.00	*does not require extra trip*
Heavy	$5.05	*curbside/roadside and requires extra trip*
At House	$5.85	*picked up at house (50 ft max from curb/road)*

Hourly handling fee - charged in addition to disposal fees

1 truck, 1 person	$73.00	per hour
1 truck, 2 people	$105.00	per hour

Other Fees

Gate fee	$4.00	
Reinstatement fee	$5.00	*When service is reinstated after it has been stopped for non-payment or if customer stops and starts service more than once in a calendar year.*
Cart redelivery	$10.00	*If cart picked up then service restarted within 12 months.*

[1] Rent shall not exceed $20.00 per container in a 30 day period.

Exhibit A

Effective: May 1, 2018

Table 2

Distance Fees	
Distance	**Monthly Fee**
3 - 50 feet	$ 3.50
51 - 100 feet	$ 5.10
101 - 200 feet	$ 6.15
201 - 400 feet	$ 7.20
401 - 800 feet	$ 8.25
More than 800 feet	$ 9.30

Distance fees apply when service is not curbside or roadside as defined.

Distances over 50 feet are considered drive-in only.

Fees for distances over 50 feet also apply to non-urban containers served off public roads.

Table 3

Miscellaneous Container Fees
Overweight charges will be applied to containers weighing over 275 pounds per cubic yard. The fee must be mutually agreeable to the customer and collector. The County will act as an arbitrator in the event of a dispute.
Containers that have been compacted are charged 2.2 times the regular container fee for the zone. **Overweight compacted containers** weighing over 500 pounds per cubic yard will be charged this fee plus disposal for the excess weight.
Container cleaning fee will be charged for containers needing cleaning more than 2 times in a 12 month period. The fee is the actual cost of cleaning.
Mileage fee applies to Distant Rural and Mountain Fee Zones when containers are located over 26 miles round trip from a disposal site if there are less than seven (7) containers picked up per collection route.

Exhibit A

Effective: May 1, 2018

Table 4

Drop Boxes and Compactors-Disposal, rental, mileage & other fees are additional	
Open Drop Box	
10-20 cubic yard	$125.00
Lidded/Specialized-requiring deadhead roundtrip	$150.00
30 cubic yard	$145.00
40 cubic yard	$165.00
Compacted Drop Box	
Less than 25 cubic yards	$150.00
25 - 34 cubic yards	$189.00
35 cubic yards and greater	$218.00
Industrial Special Waste Drop Box	
10-20 cubic yard	$161.00
30 cubic yard	$178.00
Other fees	
Rental Fee	
Per day (after 2 working days at one site)	$6.30
Per month (Occasional Customer collection of less than one load per week)	$63.00
Per month (Permanent customer)	$50.00
Per Month Equipment Fee: Lidded/Specialty Drop Box	$20.00
Delivery Fee[1]	
Urban zone	$40.00
All other zones	$50.00
Mileage Fee	
Per mile over 18 miles roundtrip from where the truck is stationed (if in Clackamas County, if not then from the Metro South Transfer Station) for a repeat customer and for over 18 miles of truck operation for a one-stop drop box customer.	$4.70
Multifamily Service Fee - *additional fee for communities using compactors and drop boxes to collect garbage. Fee is charged per unit per month.*	
5-299 units	$1.60
300 - 399 units	$1.45
More than 399 units	$1.40
Incidental Service Fees	
Stand by time - *waiting for box to be cleared, cars to be moved, etc.* [2]	$7.00
Leveling load - *if driver must spend time leveling load to safely haul.* [2]	$7.00
Wash out - *if requested by customer or box is contaminated.*	$30.00
Compactor turn-around - *if repositioning required to enable collection and tip.*	$40.00
Deadhead round trip: specialized *boxes that cannot be exchanged* .	$25.00
Dry run - *if scheduled collection is prevented because box is blocked or customer is not ready.*	$30.00

[1]For the occasional customer, the delivery charge shall be made for the first drop box at a given location within a 30-day period. For the repeat customer, the delivery change shall be made for service at different locations.

[2]Charged in 5 minute increments.

Exhibit A

Effective: May 1, 2018

Table 5

Infectious Waste		
Number of units	Fee per gallon	
	20/21	35/48
1	$ 81.45	$ 83.23
2	$ 61.85	$ 63.50
3	$ 54.30	$ 56.00
4	$ 49.35	$ 51.00
5	$ 46.35	$ 48.00
6	$ 44.35	$ 46.00
7	$ 41.85	$ 43.50
8	$ 40.40	$ 42.00
9	$ 37.35	$ 39.00
10	$ 35.85	$ 37.50
11	$ 34.75	$ 36.50
12	$ 33.25	$ 35.00
13	$ 32.75	$ 34.50
14	$ 32.00	$ 33.75
15	$ 31.25	$ 33.00
16	$ 26.30	$ 28.00
17	$ 26.30	$ 28.00
18	$ 26.30	$ 28.00
19	$ 26.30	$ 28.00
20	$ 26.30	$ 28.00
60	$ 17.90	$ 18.75
75	$ 17.45	$ 18.10
90	$ 12.80	$ 13.10