Kent Taylor Civic Hall
200 NE Second Street
McMinnville, OR 97128

City Council Work Session Agenda
Joint Meeting of the McMinnville City Council and Yamhill County Commissioners
Wednesday, August 21, 2019
5:30 p.m. – Work Session

1. Call to Order
2. Presentation and discussion regarding the Buildable Lands Inventory and Housing Needs Analysis.
3. Adjournment

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STAFF REPORT

DATE: **August 21, 2019**
TO: **Mayor and City Councilors**
TO: **Board of County Commissioners**
FROM: **Heather Richards, Planning Director**
SUBJECT: **Work Session – Update on McMinnville's Housing Needs Analysis, Residential Buildable Lands Inventory and Housing Strategy**

STRATEGIC PRIORITY & GOAL:

HOUSING OPPORTUNITIES (ACROSS THE INCOME SPECTRUM)
Create diverse housing opportunities that support great neighborhoods.

OBJECTIVE/S: Conduct thorough and timely planning and forecasting to ensure that regulatory frameworks for land supply align with market-driven housing needs

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Report in Brief:
This is a work session to present the draft McMinnville Housing Needs Analysis, Residential Buildable Lands Inventory and Housing Strategy that was recently compiled over the past year by a Project Advisory Committee, funded by a Technical Assistance grant from the Department of Land Conservation and Development.

The work session will go over the results of the analysis, explain the recommended housing strategy and discuss next steps.

Background:

In January 1981, the City of McMinnville adopted an urban growth boundary (UGB) intended to meet the needs for the 1980–2000 planning period. The City of McMinnville last initiated a housing needs analysis in 2000 for the 2000–2020 planning period as part of a comprehensive review of its 20-year needs. It was subsequently updated to a 2003–2023 planning period.

In 2007–2008, the City submitted a UGB amendment to the Department of Land Conservation and Development (DLCD) for the inclusion of 1,188 gross acres, resulting in a total inclusion request of 890 buildable acres (of which 537 buildable acres were designated to meet identified housing needs) and the adoption of several land-use efficiency measures. This UGB amendment was subsequently appealed on a number of issues, and ultimately the court of appeals found that the City had not justified its inclusion of high-value farmland instead of rural residential "exception" areas and agricultural areas of poorer soils.

In July 2011, the court of appeals remanded the aforementioned case, approving the inclusion of 217 buildable acres of exception-only land in the UGB for residential use, thus leaving a 320-acre deficit of buildable residential land. To partially address residential land needs, the City has since approved some plan amendments and rezones from lower- to higher-density residential designations. Other than some smaller nonresidential-to-residential plan amendments and zone changes, no additional land has been added to the residential plan designation since 2007–2008, per the court of appeals' decision in 2011 that required a reduction in land.

From 1996 to 2016, when Senate Bill 1573 was passed, annexation of residentially designated land within the unincorporated UGB was subject to approval by City voters.[1] Annexations of land in McMinnville from 1996 to 2016 totaled 468.4 acres with at least 190 of those acres designated for uses other than housing.

The City has changed considerably since the time the last UGB review was initiated. From 2000 to 2017, McMinnville added nearly 7,166 residents, accounting for 34% of Yamhill County's growth over that period. In the same time, McMinnville added about 3,250 new dwelling units. McMinnville's population has grown a little older on average and has become slightly more ethnically diverse since 2000, consistent with statewide trends.

Statewide Planning Goal 10 and Related Policies

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 and encourage the availability of adequate numbers of housing units in price and rent ranges commensurate with the financial capabilities of its households.

Goal 10 defines needed housing types as "housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels."

ORS 197.303(1) defines "needed housing" as follows:

> As used in ORS 197.307, "needed housing" means all housing on land zoned for residential use or mixed-residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes, as those terms are defined by the US Department of Housing and Urban Development under 42 U.S.C. 1437a. Needed housing includes the following housing types:
>
> (a) Attached and detached single-family housing and multifamily housing for both owner and renter occupancy;
>
> (b) Government-assisted housing;

[1] https://olis.leg.state.or.us/liz/2016R1/Measures/Overview/SB1573.

[2] ORS 197.296(1)-(9) only applies to cities with populations over 25,000.

(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; and

(e) Housing for farmworkers.

DLCD provides guidance on conducting a housing needs analysis in the document *Planning for Residential Growth: A Workbook for Oregon's Urban Areas*, referred to as the workbook. In addition, cities with a population of 25,000 or more (including McMinnville) are required to comply with ORS 197.296(1)–(9) and must conduct an analysis of housing need by housing type and density range to determine the number of needed dwelling units and amount of land needed for each housing type in the next 20 years (ORS 197.296(3)(b)).

Broadly, ORS 197.296(2) requires cities to demonstrate that its comprehensive plan provides sufficient buildable lands within the urban growth boundary to accommodate estimated housing needs for 20 years. Section 6 requires cities to conduct a buildable lands inventory and analyze housing needs and residential land needs. If the conclusion of that analysis is that the housing need determined pursuant is greater than the housing capacity determined, the City must either (1) amend its urban growth boundary to include sufficient buildable lands to accommodate housing needs for the next 20 years; (2) amend land-use regulations to include new measures that "demonstrably increase the likelihood that residential development will occur at densities sufficient to accommodate housing needs for the next 20 years without expansion of the urban growth boundary"; or (3) adopt a combination of (1) and (2).

In 2018, the City of McMinnville applied to the Department of Land Conservation and Development for a technical assistance grant to update its buildable lands inventory, housing needs analysis and to develop a housing strategy on how to meet future housing needs.

The City received the grant, established a citizen advisory committee to lead the effort and contracted with ECONorthwest to produce the attached Housing Needs Analysis and Housing Strategy.

The Citizen Advisory Committee was comprised of representatives from the McMinnville City Council, the McMinnville Planning Commission, residents of varying ages and length of time in McMinnville, real estate professionals, developers, housing providers and Friends of Yamhill County.

They met periodically, hosted focus groups and public forums and deliberated on the decision-making milestones that inform the documents. The intent now is to launch a comprehensive community discussion about the results of the analysis and strategy over the next year to ensure that it represents the community's values, adopt it and then submit it to the Department of Land Conservation and Development

Discussion:

Housing Needs Analysis:

The Housing Needs Analysis is based upon forecasted population growth for the City of McMinnville, anticipated national and statewide trends for future housing and historical data for housing in McMinnville. The population forecast is produced by Portland State University (PSU) and was conducted for Yamhill County, including McMinnville, in 2017. The PSU Forecast projects fifty years ahead to 2067. Municipalities need to plan for at least a future twenty (20) year horizon but can plan for a future (50) year horizon. The City of McMinnville has chosen to plan for a near-term horizon of five and ten years, twenty years and fifty years as allowed by the forecast. The City chose these time

frames due to constrained available land supply for residential development in the near-term and anticipated timing for any expansion of the city limits and the urban growth boundary for new land supply. Additionally, due to the long struggle of the city to amend its urban growth boundary, staff is recommending that the city plan for a fifty year future horizon as a means of leveraging limited resources for future planning.

Uniquely the City of McMinnville has also elected to start its twenty (20) year horizon in 2021, anticipating that the amount of planning and analysis to adopt a plan will take several years.

Therefore, the housing needs analysis examines the following planning horizons:

2018-2021	GAP YEARS
2021-2026	5 YEAR NEAR TERM PLANNING HORIZON
2021-2031	10 YEAR MID TERM PLANNING HORIZON
2021-2041	20 YEAR PLANNING HORIZON
2021-2067	50 YEAR PLANNING HORIZON

Based upon the PSU Population Forecast, those planning horizons translate into the need for planning for the following types of growth in terms of population and dwelling units:

Exhibit 1:

Variable	New Dwelling Units			
	5-Year (2021 to 2026)	10-Year (2021 to 2031)	20-Year (2021 to 2041)	46-Year (2021 to 2067)
Change in persons	2,746	5,575	11,260	26,565
Average household size	2.55	2.55	2.55	2.55
New occupied DU	1,077	2,186	4,416	10,418
times Aggregate vacancy rate	5.4%	5.4%	5.4%	5.4%
equals Vacant dwelling units	59	119	241	568
Total new dwelling units	**1,136**	**2,305**	**4,657**	**10,986**
Annual average of new dwelling units	**227**	**231**	**233**	**234**

It is anticipated that in the gap years of 2018-2021, McMinnville's population will grow by approximately 1,480 people resulting in a need for 612 new dwelling units.

After identifying the number of new dwelling units needed to accommodate McMinnville's future growth, the Housing Needs Analysis also evaluates the types of new housing needed for future McMinnville residents – ie costs of housing, ownership versus rental, single family dwelling unit versus single family attached units and multi-family so that the city can plan for the appropriate land supply to support the housing need.

Buildable Lands Inventory:

The Buildable Lands Inventory examines all of the acreage within the existing city limits and urban growth boundary that can accommodate the future housing need. Assumptions are made about the amount of property that will redevelop into higher density housing over the planning horizon, how much infill will occur and how much acreage is needed for new construction.

In McMinnville, the buildable lands inventory was also evaluated from a perspective of near-term availability to respond to the near term need versus those lands that will not be in a position for redevelopment or development until 2031 or later.
Uniquely in McMinnville there are some practical constraints to consider when thinking about buildable lands inventory.

Water Infrastructure: Most of McMinnville is served by Zone 1 of the McMinnville Water and Light Master Plan, however the western hills are served by Zone 2 of the plan. Zone 2 is dependent upon the construction of a new water reservoir and conveyance system to serve the planned residential development in the western hills. Currently it is anticipated that the new homes will pay for the costs of the new water infrastructure. However, the costs of the new water infrastructure is too expensive to be realistically borne by the new planned residential housing units which has essentially created a water zone that is not served with infrastructure and in the near term undevelopable.

Rural Exception Lands: The only lands that were brought into the City of McMinnville's urban growth boundary during the city's last effort were exception lands. These are essentially lands that are already developed to a higher density than farm land and are adjacent to the city. Per Oregon land use laws the city needs to consider these lands first as part of a urban growth boundary amendment. However, the irony is that oftentimes the county residential exception lands are some of the hardest lands to redevelop to a city density since the property owners enjoy an urban lifestyle on rural property. They live adjacent to the city and can take advantage of all of the city amenities. Their property taxes are 60% of the city's property taxes. They enjoy McMinnville mailing addresses and live in the 97128 zip code. However, instead of living on a 5,000, 7,000 or 10,000 square foot lot, they live on 1, 2, 5 and 10 acre lots. These property owners are typically not interested in higher density residential development. They are often called legacy properties and cities wait for the current property owner to eventually sell their property or for their children who inherit the property to eventually sell their property. Although these properties are a first priority in the land use system for inclusion in a city's twenty year buildable lands inventory, they may or may not actually redevelop in that twenty year timeframe, and typically they redevelop at a much slower pace than greenfield development. Of the 721 buildable acres in McMinnville's current urban growth boundary, approximately 285 acres are rural residential, most of which is clustered on the east side of McMinnville by Riverside and Blossom Drives, and in the western hills by Fox Ridge and Redmond Hill Roads.

Exhibit 2:
Source: City of McMinnville, Yamhill Co., ECONorthwest. *Note: The numbers in the table may not add up to the total as a result of rounding.*

	Total acres			Committed acres			Constrained acres			Buildable acres		
Zone/Plan Designation	Zone 1	Zone 2	Total	Zone 1	Zone 2	Total	Zone 1	Zone 2	Total	Zone 1	Zone 2	Total
City Limits, by Zone												
R-1 Single Family Residential	857	61	**918**	595	0	**596**	153	25	178	109	36	**145**
R-2 Single Family Residential	1,248	78	**1,326**	990	-	**990**	172	33	206	86	45	**131**
R-3 Two Family Residential	386	-	**386**	347	-	**347**	33	-	33	6	-	**6**
R-4 Multiple-Family Residential	664	-	**664**	529	-	**529**	114	-	114	21	-	**21**
O-R Office/Residential	25	-	**25**	22	-	**22**	2	-	2	0	-	**0**
C-3 General Commercial	613	-	**613**	535	-	**535**	17	-	17	61	-	**61**
UGB, by County Zone or Plan Des.		-	**0**	0	-	**0**	0	-	0	0	-	**0**
EF-80 (County Zone)	117	-	**117**	18	-	**18**	31	-	31	68	-	**68**
LDR9000 (County Zone)	3	-	**3**	0	-	**0**	0	-	0	3	-	**3**
VLDR-1 (County Zone)	3	-	**3**	1	-	**1**	0	-	0	2	-	**2**
Residential Plan Des.	563	133	**695**	56	8	**63**	274	73	347	232	52	**285**
Total	**4,477**	**272**	**4,749**	**3,092**	**8**	**3,100**	**796**	**131**	**928**	**588**	**133**	**721**

Exhibit 3:

able Lands Inventory

Residential Development Status

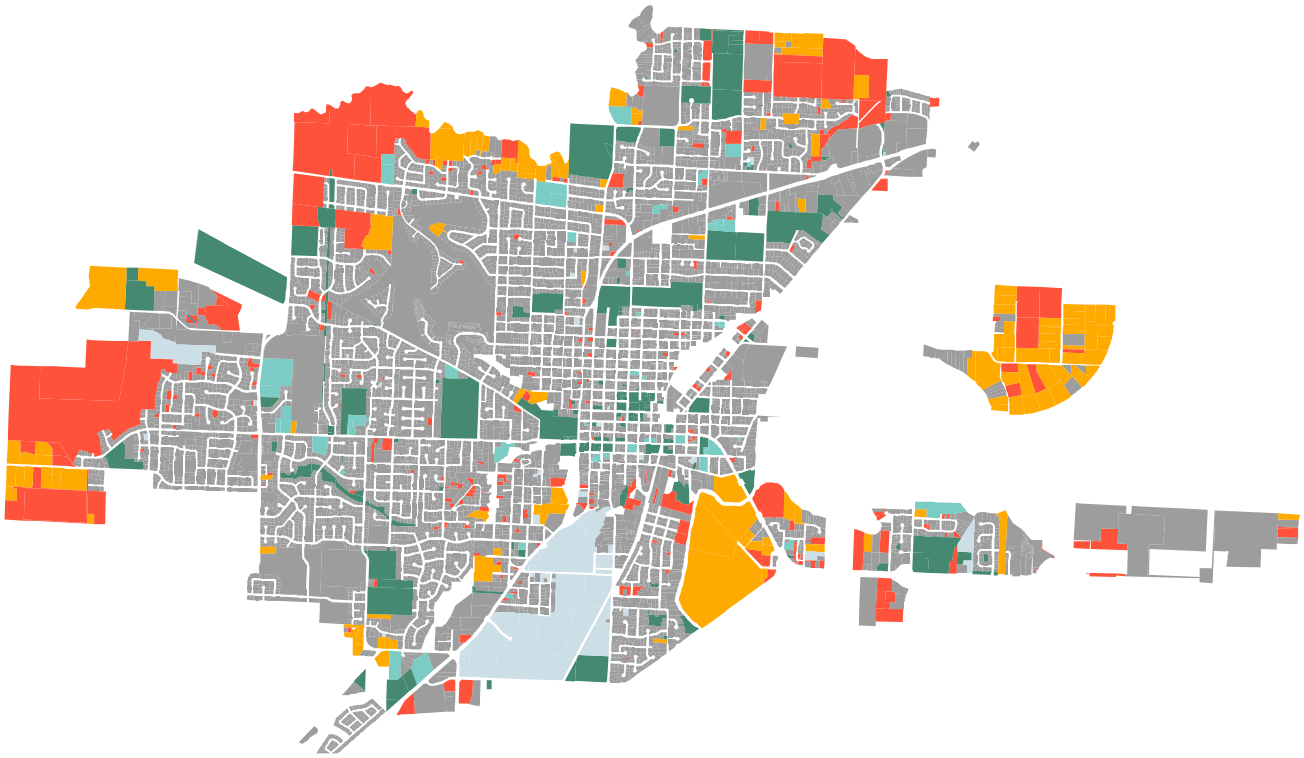
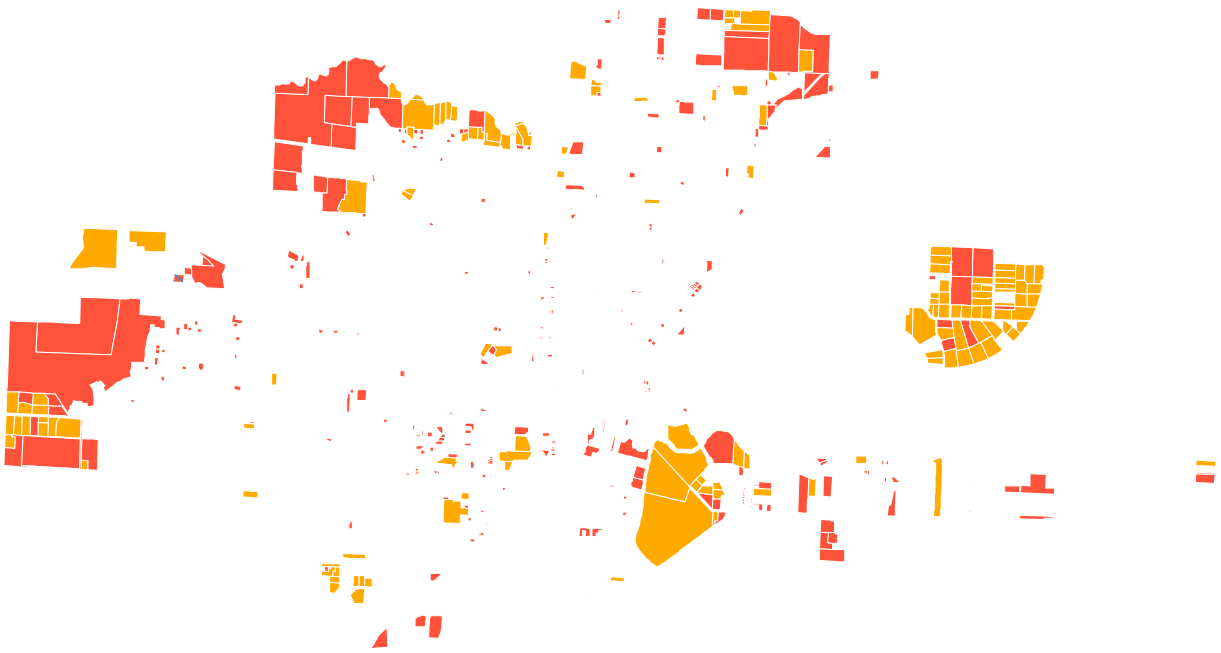


Exhibit 4:

McMinnville Buildable Lands Inventory

Buildable Land by Development Status



t; Yamhill County

Based on this analysis, McMinnville's buildable lands inventory indicates that there will be approximately 545 acres of residential buildable acreage within the current urban growth boundary to serve the planning horizon of 2021-2041, for approximately 4,424 new dwelling units accommodating 11,260 new residents. Of that 545 acres, 232 are in rural residential county zoning in the urban growth boundary and 133 are in water zone 2, leaving approximately 180 acres of buildable acreage within the urban growth boundary that is near-term developable in 2021.

Housing Strategy:

The last part of the analysis is probably the most critical – what is the strategy that the city will employ to ensure that it can provide needed housing for its future residents.

Ultimately, the City isn't selecting housing for future residents and households. The City is providing a planning framework to address their needs by ensuring there are neighborhoods with different housing options for people to choose, consistent with their needs, preferences, and economic capabilities.

This is the tough part. Putting together a strategy that actually will work and is not just playing monopoly with phantom land parcels and plastic housing pieces. Staff and the consultant team asked the citizen advisory committee the following questions as they started to put together the strategy.

> When you think about McMinnville in 2041, and the additional 5000 housing units (4424 in planning horizon of 2021-2041, plus estimated 500 in 2018-2021 horizon) that we need to build to accommodate our projected growth in population what do you imagine that looks like and feels like? Do you see lots of apartments, lots of single family detached homes or a mixture of different housing types? Do you see high density housing in one geographic area of the community and low density in another area, or do you see a different mix altogether? ***How do we protect the small town charm and aesthetic of McMinnville while providing housing choice for our diverse community and ensure that everyone lives in a quality housing situation. That is our ultimate goal.*** Then after we have figured out all of that we need to figure out how to achieve that goal while being good stewards of the land and thoughtful about land use efficiencies, minimizing our impact on the farm land that surrounds McMinnville

TRADITIONAL ASSUMPTIONS:

Traditionally, when communities undertake their Housing Needs Analysis and Housing Strategy they determine what the make-up of the future population is for the community and evaluate how they are going to meet the housing needs of that future population by identifying the types of housing they will encourage through their policies and housing strategy. Typically, the assumption is that higher density housing is more affordable and therefore multifamily is the most affordable housing type to serve the population base on the lower end of the affordability spectrum. See Exhibit 5.

Exhibit 5**:**

Assumptions Inherent in Traditional Statutory Model			
	Less Affordable ← → **More Affordable**		
	1	**2**	**3**
A-Housing Type	Single-Family Detached	Single-Family Attached	Multi-Family
B-Density	Low Density	Medium Density	High Density
C-Affordability	High Cost	Medium Cost	Low Cost
Strategy	↓	↓	↓
Housing Mix Strategy	Reduce Share Compared to Historic	Increase Share Compared to Historic	Increase Share Compared to Historic
Housing Density Strategy	Increase Density of SFD	Increase Density of SFA	Increase Density of MFH
Leads To:	↓	↓	↓
Presumptive Outcome	• **Lower % SFD in Mix** • **Increase Density of SFD** • **Lower Cost:** • **Less of the most expensive housing type** • **Make this housing type more affordable by increasing its density**	• **Greater % SFA in Mix** • **Increase Density of SFA** • **Lower Cost:** • **More of a more afford. housing type** • **Make this housing type more affordable by increasing its density**	• **Greater % of MFH in Mix** • **Increase Density of MFH** • **Lower Cost:** • **More of the most afford. housing type** • **Make this housing type more affordable by increasing its density**
Action:	"Lock In" a mix and density, and determine how to achieve those with the strategy		

However, that does not always bear true in reality and may be what has led to some of our affordable housing issues. We want to encourage you to be more thoughtful and intentional than that.

Exhibit 6 below shows how many different housing types can serve different income levels for housing, and that typically people are making their housing choices based upon two factors: 1) what they can afford; and 2) how they prefer to live (rental versus ownership, detached versus attached housing). Ideally we would be able to provide housing at all income levels that provide choices for all preferences.

Exhibit 6:

	Extremely Low Income (≤ 30% of MHI) **483 HH** in 20 Year Forecast **11%** of total units	Very Low Income (30 – 50% of MHI) **482 HH** in 20 Year Forecast **11%** of total units	Low Income (50-80% of MHI) **683 HH** in 20 Year Forecast **15%** of total units	Middle Income (80 - 120% of MHI) **943 HH** in 20 Year Forecast **21%** of total units	High Income (≥ 120% of MHI) **1,833 HH** in 20 Year Forecast **41%** of total units
Single Family Detached	Tiny Home Villages Mobile Homes	Tiny Home Villages Mobile Homes Manufactured Homes Single Family Detached – Habitat and CHB, Section 8	Tiny Home Villages Mobile Homes Manufactured Homes Cottage Clusters Small Lot Subdivisions Single Family Detached – Habitat and CHB, Section 8	Single Family Detached Cottage Clusters Small Lot Subdivisions	Single Family Detached Cottage Clusters Small Lot Subdivisions
Single Family Attached		Common Wall Duplexes – Section 8 Townhomes – Section 8	Common Wall Duplexes – Section 8 Townhomes – Section 8	Common Wall Duplexes Townhomes	Common Wall Duplexes Townhomes
Multi-Family	Duplexes – Section 8 Triplexes – Section 8 Quadplexes – Section 8 Apartments – Section 8 Apartments - Subsidized	Duplexes – Section 8 Triplexes – Section 8 Quadplexes – Section 8 Apartments – Section 8 Apartments - Subsidized	Duplexes – Section 8 Triplexes – Section 8 Quadplexes – Section 8 Apartments – Section 8 Apartments - Subsidized	Duplexes Triplexes Quadplexes Apartments Condos	High End Duplexes High End Triplexes High End Quadplexes Apartments Condos

DENSITY DISCUSSION:

Part of the strategy is a discussion about density. Staff and the consultant team asked the citizen advisory committee:

> Do we want to increase density within the existing city limits to accommodate new growth or do we want to expand. Per state law we need to decide upon a future targeted density of housing for McMinnville. The law does not say that the density needs to be greater than it is today, nor does it say that it needs to be identified per individual residential zone. What we do need to do is identify what makes sense for McMinnville within a framework of planning that strives for land-use efficiencies and provides housing that meets our future housing needs in a built environment that reflects McMinnville's values. Based upon the decisions associated with the housing mix discussion, we could decide upon a higher density target for our next fifty years of housing construction. If so, we will then want to think about what that looks and feels like in McMinnville and develop a strategy that will help us grow in that direction. When we were conducting our Great Neighborhoods Principles outreach, we heard from residents that they were not interested in high density housing prototypes that looked and felt like Portland Metropolitan communities – they wanted to preserve the small town charm of McMinnville. When we showed pictures of human-scale density - duplexes, triples, quadplexes, small to mid-size apartment projects - most people felt that McMinnville could absorb those housing prototypes with thoughtful design and development standards. At the same time, there are many people in the community that feel that the City Center may absorb higher density housing more effectively than the surrounding neighborhoods. Currently we have a code that relies on residential zoning that prescribes housing density by geographic region, R1, R2, R3 and R4 zoning, with R1 being low density zoning and R4 being high density zoning. We can continue to move that type of zoning forward and identify where the future zones would need to be located to respond to the targeted housing mix, or we could create one residential zone with a targeted density and allow developers to build any type of housing in that zone within carefully crafted design and development standards and performance metrics, or we can identify a hybrid of the two extremes. Exhibit 7 below outlines a few options for the types of zoning districts and regulations the City could explore.

Exhibit 7:

Types of Zoning	Option #1 – Existing	Option #2 - Great Neighborhood Principles	Option #3 – Hybrid with High Density	Option #4 – Hybrid with High Density and Low Density
Traditional McMinnville Zoning: R1, R2, R3 and R4 Zoning. Zones are identified by minimum lot sizes, density standards and allowed housing types. Lowest density zone, R1, has the least amount of allowed housing types. High density zone has the most amount of allowed housing types. Currently no design and development standards for housing types.	X			
Catch-All Residential Zone: A zone that has a targeted minimum density and requires a developer to show how they will be achieving that with a variety of different housing types (single family detached – all sizes), cottage clusters, duplexes, triplexes, quadplexes, townhomes, apartments, etc.) and has design and development standards for each housing type. Zone could also include a targeted affordable housing component for developments.		X	X	X
High Density Residential Zone: Only multifamily allowed. Need to define what is multifamily (duplexes, triplexes, quadplexes and apartments). Design and Development Standards for each housing type.			X	X
Single Family Residential Zone: This is the traditional single family detached residential zone. Typically allows for duplexes on corner lots.				X

Below are some graphics that help to illustrate how the same amount of housing units can be distributed within an existing built environment. While not all growth and new housing units can be assumed to occur as redevelopment of existing built-out areas, this is provided to help visualize how the different zoning options described in Figure 4 above could actually be implemented on the ground.

The "Existing Conditions" graphic and some of the graphics with higher density development occurring in one location depict the more traditional zoning approach of prescribing housing density in individual zones, applied in single geographic areas of the city. The "Combined Approach" and "Evenly Distributing Across all Zones" graphics depict how a potential "catch-all" residential zone could accommodate the same number of housing units at a scale (and density) that better blends in with the surrounding neighborhoods. The "catch-all" approach, or some hybrid of that approach, could result in better protection of the small town charm and aesthetic of McMinnville that is so important to our community, while still ensuring that there are a variety of housing choices in areas that provide for a quality and livable housing situation for everyone, which is one of the goals of the Great Neighborhood Principles.

Existing Conditions


One High Rise Apartment


Six-Story Wood Framed Apartments

A Combined Approach

Evenly Distributing Across all Zones

The committee elected to go with Option #3, a hybrid catch-all residential zone incorporating the Great Neighborhood Principles and a High Density Residential zone.

The last fundamental question for the committee to consider that would guide the Housing Strategy was the targeted mix of housing types for future development. The committee looked at four scenarios: the baseline existing scenario in McMinnville, the baseline of recent development (2000 – 2018) and two additional scenarios that envisioned higher density residential development as outlined in Exhibit 8 below.

The committee elected to move forward with a recommendation of Future Scenario Option #2.

Exhibit 8:

	Single Family Detached	Single Family Attached	Multifamily	Change to Overall Mix 2041***	Change to Overall Mix 2067***	Deficit Acreage of Land in 2021-2041 Planning Horizon*
Baseline Existing Mix	68%**	9%	23%	68, 9, 23	68, 9, 23	483
Baseline 2000 – 2018 Mix	62%	8%	31%	66, 9, 25	65, 8, 26	449
Future Horizon Scenario #1	60%	10%	30%	66, 9, 25	64, 9, 26	441
Future Horizon Scenario #2	55%	12%	33%	65, 10, 26	62, 10, 27	420

Armed with these conclusions and the data from the Housing Needs Analysis in terms of types of housing needed and income levels that the City needs to plan for, the committee met and drafted a recommended housing strategy that focused on both land-use strategies and affordable housing programmatic strategies to help achieve the future needed housing. Note that it is assumed that the City of McMinnville is not responsible for all of the strategies enumerated and that the City would be working to support partners to help move forward with the Housing Strategy.

Summary:

The results of all of this analysis are a significantly higher density housing strategy for McMinnville's future growth, a paradigm shift in zoning from homogenous single-family residential zones to neighborhoods that are inclusive and diverse with a variety of housing types and a high density residential zone strategically located in the community, and a future urban growth boundary expansion for residential land need of approximately 363 acres to serve the city's 2021-2041 twenty year planning horizon.

The McMinnville City Council needs to decide if this is a strategic direction that they want to pursue for future residential growth in McMinnville. There are implications for infrastructure investments and capacity systems, quality of life in terms of urban density and suburban lifestyle.

Next Steps:

The City of McMinnville is continuing its future growth needs analysis by evaluating urban amenities (schools, parks, natural resources, trails, institutions, and public facilities) and employment lands. These evaluations will be added to the housing needs analysis for a final land expansion need.

Since growth is such a passionate discussion in McMinnville, staff recommends spending at least a year in a community dialogue about opportunities and constraints associated with the final strategies and then presenting a plan to the Department of Land Conservation and Development in June, 2021.

Some Perspective:

As the City of McMinnville continues to calculate its land need for the next twenty and fifty years of growth, sometimes it is important to put some perspective on the numbers.

There are 459,520 acres of land in Yamhill County. Of that, the City of McMinnville currently occupies 7,552 acres. An analysis in 2000 for a planning horizon of 2003 – 2023 indicated a need for an additional 890 buildable acres, of which 567 buildable acres were for residential development. After 11 years of analysis, remands and court decisions, only 217 rural residential exception acres were added to the urban growth boundary leaving a deficit of 320 residential acres. Now, twenty years later, planning for a horizon of 2021-2041, nearly twenty additional years of growth from the previous planning effort, the residential deficit of acreage is only 363 acres, essentially 43 more acres than the identified need for the 2003-2023 planning horizon (based on the fact that 320 acres never materialized in that effort). This is due to many factors, including a reduced population forecast. But it also is due to the fact that the city has implemented many significant land efficiency measures and worked to encourage higher density housing, while at the same time making some bold decisions in its housing strategy to venture into higher density residential development.

LAND SUPPLY:

McMinnville Current – 7,552 Acres			Need (2021-2041)		
Residential	Urban Amenities	Employment	Residential	Urban Amenities	Employment
4,749 Acres			363 Acres		

Attachments:

McMinnville Housing Needs Analysis (Draft, 2019)
McMinnville Housing Strategy (Draft, 2019)
Portland State University Population Forecast, Yamhill County (2017-2067)

City of McMinnville

Housing Strategy

June 2019

Prepared for:

City of McMinnville

FINAL REPORT

ECONorthwest
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Acknowledgements

ECONorthwest prepared this report for the City of McMinnville. ECONorthwest and the City of McMinnville thank those who helped develop the McMinnville Housing Strategy. This project is funded by Oregon general fund dollars through the Department of Land Conservation and Development. The contents of this document do not necessarily reflect the views or policies of the State of Oregon.

Project Advisory Committee (PAC)

Citizen Advisory Committee (CAC)

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1. Introduction

In 2018, the City of McMinnville received a Technical Assistance planning grant from the Department of Land Conservation and Development (DLCD) to develop a buildable land inventory (BLI), housing needs analysis (HNA), and housing strategy. The BLI and HNA determine whether the City has enough land to accommodate 20-years of population and housing growth. They also address needs for 5-, 10-, and 46-year periods. The BLI and HNA also provide the basis for an update to the City's Comprehensive Plan Housing Element, as well as the basis for developing a Housing Strategy to respond to the identified housing need. While the BLI and HNA predominantly provide the quantitative basis, the Housing Strategy addresses qualitative issues about how the City will plan for those needs, including policies to ensure the community achieves enduring value for future generations.

This work was undertaken with guidance by a Project Advisory Committee through a series of meetings, recommendations, and decision points. The project also included broader outreach with a focus group and public open house to seek input on housing needs and strategies to address identified needs.

Importantly, the housing strategy recognizes that the city does not build housing, but rather provides the regulatory framework in which housing is built. The first part of the strategy focuses on land use tools to ensure there is adequate land planned and zoned to meet the community's future housing needs, promoting opportunities for a variety of housing types, whether market rate or subsidized housing. This strategy further strives to provide opportunities for lower-cost market rate housing to the extent possible to achieve more housing affordability without reliance on subsidies if and when possible. However, it is recognized that housing for those with the lowest incomes is unlikely to be achieved at market rates, and will require some housing provided through affordable housing models that also include subsidized housing, choice vouchers, "sweat equity," etc. Unfortunately, in a community the size of McMinnville there are very few resources available to subsidize housing and without the requested changes in HB 2997 2019, allowing McMinnville to implement inclusionary zoning on housing developments for affordable housing, McMinnville has very few regulatory tools to mandate affordable housing. Like many smaller cities in Oregon, McMinnville will continue to face significant challenges providing subsidized housing for its residents with the lowest incomes.

The City is committed to working hard to ensure that every resident in McMinnville has a great neighborhood in which to live. Recently, the City adopted its Great Neighborhood Principles, thirteen principles of neighborhood development describing what makes a great neighborhood in McMinnville, with a goal of inclusivity and providing a great neighborhood for every resident to live in regardless of income. *See Exhibit 1.*

Exhibit 1. Summary of McMinnville's Great Neighborhood Principles

McMinnville's housing strategy strives to make transformational and fundamental changes to the Comprehensive Plan and Zoning Ordinance to ensure policies and regulations that provide neighborhoods with a variety of housing types, income levels and generations, rather than the homogeneous neighborhoods defined by Euclidean zoning.

Traditionally, when communities undertake their Housing Needs Analysis and Housing Strategy, they determine what the make-up of the future population is for the community and evaluate how they are going to meet the needs of that future population by identifying the types of housing they will encourage through their policies and housing strategy. Typically, the assumption is that the higher density housing is more affordable and therefore multi-family is the most affordable housing type to serve the population base on the lower end of the affordability spectrum (*see* **Exhibit 2***).* However, that does not always bear true in reality and may be what had led to some of the affordable housing issues.

With this Housing Strategy, the City intends to dispel the notion that each of the major categories of needed housing types described in ORS 197.303(1)(a) (single family detached, single family attached and multi-family) is a proxy for a level of affordability (see **Exhibit 2***).* Rather, it is recognized that there is a wide range of affordability within each of these major housing types, and communities should have housing strategies that promote housing choices in terms of housing types and in terms of ownership or rental, regardless of income. People are making their housing choices based upon two factors: 1) what they can afford; and 2) how they prefer to live (rental versus ownership, detached versus attached housing). Ideally a housing strategy would provide housing at all income levels that provide choices for all preferences (see **Exhibit 3***).* There is not one "right" way to meet housing needs. **Exhibit 4** provides a conceptual illustration of how different communities might address housing needs in very different ways.

Exhibit 2. Relationships between affordability, housing type, and strategy in the traditional statutory model

Assumptions Inherent in Traditional Statutory Model			
	Less Affordable ← → **More Affordable**		
	1	**2**	**3**
A-Housing Type	Single-Family Detached	Single-Family Attached	Multi-Family
B-Density	Low Density	Medium Density	High Density
C-Affordability	High Cost	Medium Cost	Low Cost
Strategy	↓	↓	↓
Housing Mix Strategy	Reduce Share Compared to Historic	Increase Share Compared to Historic	Increase Share Compared to Historic
Housing Density Strategy	Increase Density of SFD	Increase Density of SFA	Increase Density of MFH
Leads To:	↓	↓	↓
Presumptive Outcome	• **Lower % SFD in Mix** • **Increase Density of SFD** • **Lower Cost:** • **Less of the most expensive housing type** • **Make this housing type more affordable by increasing its density**	• **Greater % SFA in Mix** • **Increase Density of SFA** • **Lower Cost:** • **More of a more afford. housing type** • **Make this housing type more affordable by increasing its density**	• **Greater % of MFH in Mix** • **Increase Density of MFH** • **Lower Cost:** • **More of the most afford. housing type** • **Make this housing type more affordable by increasing its density**
Action:	"Lock In" a mix and density, and determine how to achieve those with the strategy		

Exhibit 3. Affordable housing types by income level

	Extremely Low Income (≤30% of MHI) 509 HH in 20 Year Forecast 11% of total units	Very Low Income (30 – 50% of MHI) 507 HH in 20 Year Forecast 11% of total units	Low Income (50-80% of MHI) 719 HH in 20 Year Forecast 15% of total units	Middle Income (80 - 120% of MHI) 992 HH in 20 Year Forecast 21% of total units	High Income (>120% of MHI) 1,930 HH in 20 Year Forecast 41% of total units
Single Family Detached	Tiny Home Villages Mobile Homes	Tiny Home Villages Mobile Homes Manufactured Homes Single Family Detached – Habitat and CHB, Section 8	Tiny Home Villages Mobile Homes Manufactured Homes Cottage Clusters Small Lot Subdivisions Single Family Detached – Habitat and CHB, Section 8	Single Family Detached Cottage Clusters Small Lot Subdivisions	Single Family Detached Cottage Clusters Small Lot Subdivisions
Single Family Attached		Common Wall Duplexes – Section 8 Townhomes – Section 8	Common Wall Duplexes – Section 8 Townhomes – Section 8	Common Wall Duplexes Townhomes	Common Wall Duplexes Townhomes
Multi-Family	Duplexes – Section 8 Triplexes – Section 8 Quadplexes – Section 8 Apartments – Section 8 Apartments - Subsidized	Duplexes – Section 8 Triplexes – Section 8 Quadplexes – Section 8 Apartments – Section 8 Apartments - Subsidized	Duplexes – Section 8 Triplexes – Section 8 Quadplexes – Section 8 Apartments – Section 8 Apartments - Subsidized	Duplexes Triplexes Quadplexes Apartments Condos	High End Duplexes High End Triplexes High End Quadplexes Apartments Condos

Exhibit 4. Spatial models of housing density

Provision of housing is accomplished by a wide variety of organizations including the City, builders, housing providers, and other organizations. Municipalities must fulfill certain requirements under state law and can choose to undertake additional roles to help achieve development of needed housing.

- **The City of McMinnville's Primary Role: Land Use Planning & Growth Management.** The City has a responsibility under state law to manage land use and development, including land and backbone infrastructure for housing. The City does this through its Comprehensive Plan and land use regulations. The City must adopt and amend plans to ensure an adequate supply of land zoned to accommodate needed housing, together with supporting infrastructure. Plans must be compliant with state and federal law, while reflecting local values and vision for a livable community.

- **The City of McMinnville's Potential Roles.** The City does not build housing. In addition to its primary role in managing growth, the City may employ additional strategies to help builders and housing providers deliver market-rate and subsidized housing. Evaluation of these strategies, including evaluation of implementation options, are typically the basis for the work plans various City committees carry out with the appropriate charge. City committees generally include representatives of organizational partners.

Housing Strategic Priorities

Through the technical analysis of the Housing Needs Analysis and input from the Project Advisory Committee, the City identified four strategic priorities (SP). In light of Council's adoption of the Great Neighborhood Principals, the Housing Strategy includes a fifth priority to address urban form. The strategic priorities are listed below.

- **Land Availability (SP1):** This strategic priority focuses on strategies that ensure an adequate land supply—not just a 20-year supply as Goal 10 requires, but also a pipeline of serviced land that is available for immediate development. Strategies include tools such as boundary amendments to expand the urban area, map amendments to increase density or amount of residentially zoned, and policy and code amendments to address development standards related to uses, density, and lot sizes. This Strategic Priority focuses on land supply, capacity, and availability.
- **Wider Variety of Housing Types (SP2):** This strategic priority intends to allow and encourage a wider array of housing types. This includes all needed housing types identified in ORS 197.303 and include tools to achieve a wider variety of housing types. The city has already adopted some of these tools such as allowing corner duplexes and accessory dwelling units. Other tools include expanding the types of housing allowed in low density zones, and allowing housing types such as cottage housing, tiny homes, and co-housing.
- **Housing Affordability (SP3):** This strategic priority focuses on McMinnville's housing affordability issues. Much of that work is already underway with the council-appointed Affordable Housing Task Force.[1] This housing strategy is coordinated with that effort but does not intend to duplicate past or future efforts of the Task Force. As such, this housing strategy focuses on a narrow range of strategies which may complement or supplement Task Force efforts.
- **Infrastructure & Public Facilities (SP4):** This strategic priority focuses on ensuring that adequate and cost-effective infrastructure and public facilities are available to support new housing. It includes provision of services by the City and other services providers, including transportation, water, wastewater, stormwater, and parks functional plans. There are two predominant aspects to this strategic priority. First, as the City evaluates opportunities to meet needs within the current UGB, it is necessary to identify and

[1] https://www.mcminnvilleoregon.gov/mahtf/page/mcminnville-affordable-housing-task-force-27

evaluate existing infrastructure & public facilities planning assumptions, capacity, and potential constraints which may need to be resolved to facilitate housing at authorized densities, opportunities for infill and redevelopment, up-zoning, and/or special area planning that may incorporate housing or mixed-use development. Second, it will be necessary to evaluate infrastructure & public facilities needs associated with future expansion areas, including potential Urban Reserve and UGB expansion areas. Some of these issues may overlap, as there could be some cases where "downstream" capacity considerations might affect additional growth whether within the current UGB or in future expansion areas.

- **Urban Form (SP5):** This strategic priority focuses on preserving McMinnville's character. The adoption of the Great Neighborhood Principles provides the foundation. This strategic priority includes strategies that preserve the character of existing neighborhoods while allowing new housing, and strategies that ensure that the Great Neighborhood principles are reflected in new development, in the unincorporated areas of the UGB, and in future expansion areas. *See* **Exhibit 4**.

Each of the strategies and actions aligns with one or more strategic priorities.

2. The McMinnville Housing Strategy

This Housing Strategy is an action plan. Accordingly, herein, the individual strategies and tools have been re-organized into **Strategies** and **Actions**. Each strategy includes individual actions grouped together as a series of tasks. When necessary these have been organized into a series of sequential tasks when there are task dependencies that drive the order of the work. There may also be certain efficiencies where there are similar tasks for more than one strategy that could be carried out at the same time to address similar issues for multiple strategies.

Organizing strategies into these groups also provides a specific context for individual strategies. The same strategy might be implemented differently depending on the specific context and objective to be achieved. For example, planning for a "diverse housing type" zone might be accomplished the same way throughout the UGB, or it might be tailored and accomplished one way for infill and redevelopment and a different way for new lands brought into the UGB. Grouping of strategies is also intended to help develop interdepartmental work plans, schedule work, assign resources, and identify budget needs.

In addition to the 20-year Housing Needs Analysis required by state law for UGB planning, the City also conducted the BLI and HNA to include analysis of land supply and housing needs for 5-, 10-, and 46- year periods to facilitate development of short-, medium-, and long-term strategies which are responsive to different needs, issues, and constraints associated with each of these time periods.

The McMinnville Housing Strategy was developed over the course of several meetings with the Project Advisory Committee. The committee reviewed key issues and prioritized more than 80 potential land-use and non-land-use actions. The following supporting materials from the PAC meeting are included as appendices to this document:

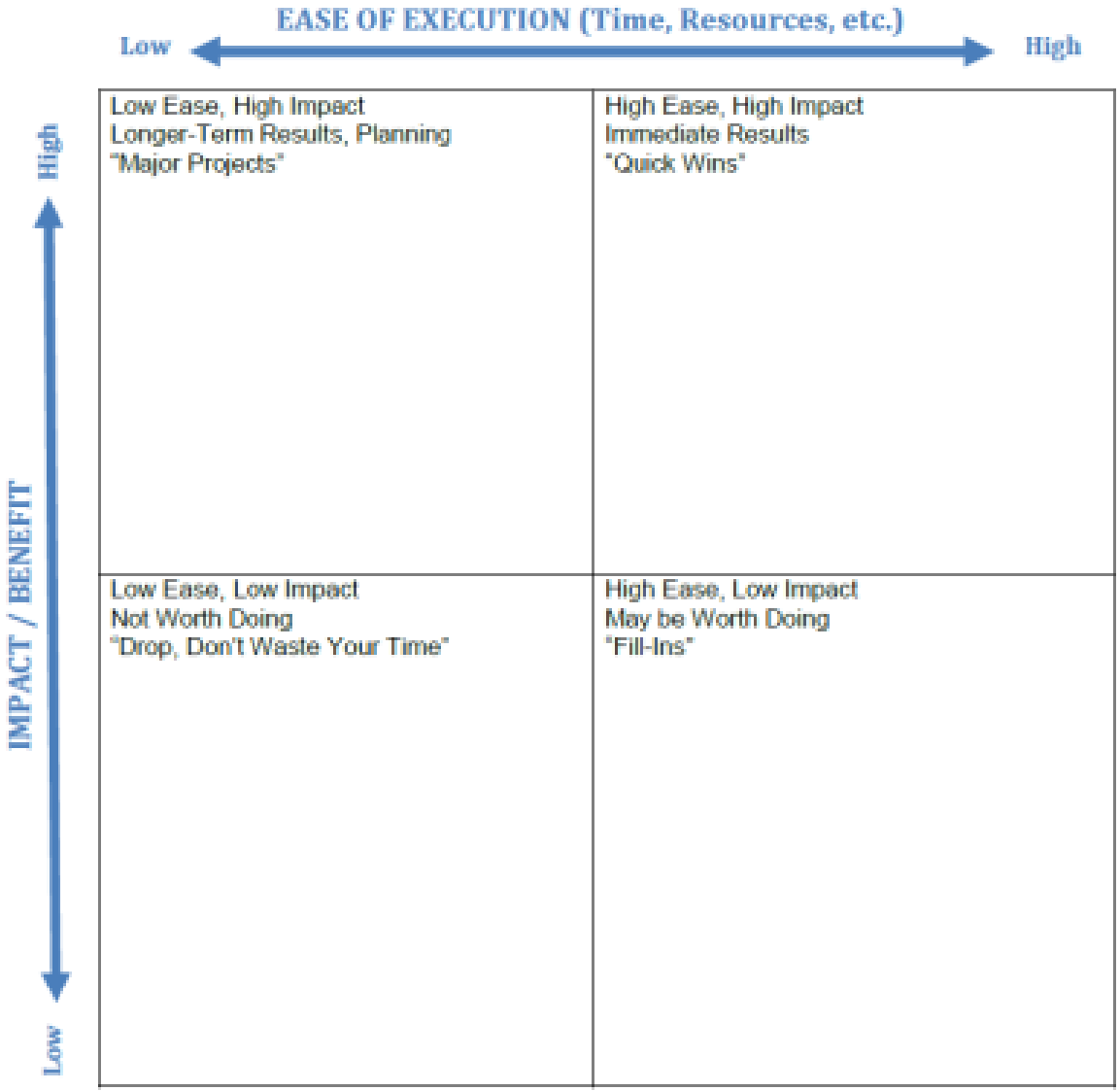
- **Appendix A.** Table 1. Issues Associated with Strategic Priorities. This table identifies issues from the BLI and HNA and also evaluates current conditions; existing plans, policies, and regulations; and new state law that might be addressed as part of the housing strategy.
- **Appendix B.** Table 2. McMinnville Housing Strategy – Potential Strategies and Actions. This table lists each strategy and cross references it with strategic priorities, applicability to affordability groups, applicability to short/medium/long term needs and issues, and other factors.
- **Appendix C.** Table 3. Description of Potential Strategies and Actions. This table provides more detailed descriptions of the potential housing strategies and actions listed in Table 2. In addition, the table provides further information about the potential scale of impact of the strategy.

The Strategies and Actions described below cross-reference with the tables in the appendices (where appropriate) and are identified by their numerical reference (for example A1). In some

instances, additional implementation actions or tasks which are necessary as part of a strategy were identified. Any additional actions do not have a cross-reference.

Further, committee members were presented with an "ease/impact" matrix to assist with prioritizing the most impactful strategies and were also asked to consider how long it would take to complete work and realize benefits of a strategy once initiated until completion, which might require early initiation. This is discussed at a high level under the headings for the strategies below.

Exhibit 5. Ease/Impact Prioritization Matrix



Strategies and Actions

The following strategies and actions have been identified to respond to McMinnville's future housing need and will be further evaluated by the appropriate City committees, with public

processes, research, and an opportunities and constraints analysis. The strategies and actions were discussed and prioritized by the PAC. Implementation may also identify other key strategies and actions that need to be undertaken as part of a group of strategies undertaken together. Note that some individual actions may be part of more than one strategy.

Based on the City's roles in addressing housing needs described above, the strategies in each exhibit are grouped into two broad categories:

- **Land Use Strategies. (Shown in green headings).** These are related to the City's primary role of land use planning and management.
- **Other, Non-Land Use Strategies. (Shown in orange headings).** These are other strategies the City may employ to help builders and housing providers deliver needed housing. These strategies must still all occur within the parameters of the land use framework. Some of these strategies are also used by other organizations and partners involved in provision of housing.

Land Use Strategies

Strategy 1. Growth Planning

Summary: This strategy focuses on increasing the supply of buildable lands and conducting all of the associated planning and implementation tasks which are required.

This strategy will predominantly address Strategic Priority 1: Land Availability. It will also address issues of Infrastructure & Public Facilities. It is also a prerequisite to being able to address many of the strategic priorities and address a wide variety of affordability objectives. This Strategy is low ease / high impact. This work needs to be started/continued in the short-term because it will take years before the results / benefits are realized. Many of the following actions include additional planning and implementation actions.

Potential Actions or Projects:

1.1 **Develop an Urban Reserve Area (URA) (E36).** Cities may establish Urban Reserve Areas (URAs) for a period of up to 30 years beyond the Urban Growth Boundary (UGB) planning period of 20 years, for a combined period of up to 50 years. These become the highest priority lands for future UGB expansions. Urban Reserve Areas provide an opportunity for efficient infrastructure planning and future urbanization.

1.2 **Establish a Framework Plan for the URA (E37).** A framework plan identifies the major land uses, transportation backbone, infrastructure needs, and sequencing for the long-term growth within the URA. As these lands come into the UGB, area plans will be developed to ensure land uses and housing are provided consistent with the long-term framework plan.

1.3 **Identify an Expanded UGB per the URA (E38).** Urban Reserve Planning helps guide where to establish an Urban Growth Boundary to meet needs for the 20-year planning period. In addition to other applicable law, this action could also potentially establish local criteria for housing affordability as part of the UGB expansion process.

1.4 **Develop Area Plans for UGB Lands Identifying Housing Opportunities (E39).** Area plans for the UGB refine the framework plan into a more detailed land use plan for areas within the UGB. Development proposals would require master plans consistent with the area plans.

1.5 **Conduct Infrastructure Planning for URA and UGB Areas (Update infrastructure plans for growth lands) (D29)**. Infrastructure plans are generally sized with capacity for build-out of the Urban Growth Boundary. Expansion of the UGB will necessitate updates to the public facility plans to provide capacity to serve new areas. Infrastructure planning can also be sized to accommodate future growth within designated Urban Reserve Areas, providing for more cost-efficient provision of services.

1.6 **Update Goal 5 Natural Resource Planning & Policies, incl. Wetlands and Riparian Areas (F41).** The City has not adopted certain local "Goal 5" resource policies, which will be required, including a Local Wetland Inventory (LWI) and standards for riparian corridors. These will further affect or inform the capacity of lands within the UGB and future growth areas.

1.7. **Update Goal 7 Hazards Planning & Policies, incl. Landslide Susceptibility (F42).** The City has not adopted certain local "Goal 7" policies for hazards, including areas mapped by DOGAMI (The Oregon Department of Geology and Mineral Industries) as high landslide susceptibility. DOGAMI is in the process of refining their mapping which will further inform this work, which could affect or inform the capacity of lands within the UGB and future growth areas.

1.8. **Review and Update City/County Urban Growth Management Agreement (UGMA) if needed**. The UGMA defines planning authorities and procedures between the city and Yamhill County for the unincorporated areas of the UGB.

1.9. **Implement Great Neighborhood Principles (C26).** In April 2019, the City adopted Great Neighborhood Principles (GNP) and associated policies as part of the Comprehensive Plan. Some of these policies address mixed income and mixed housing neighborhoods. These policies will need to be implemented with code amendments, which can include other strategies, such as Strategy A2 to achieve a Diverse Housing Zone.

1.10. **Create a Diverse Housing Zone (A2).** Explore residential zoning with targeted/ minimum density and multiple allowed housing types. This zone would authorize a variety of housing types and sub-types including single-family detached and attached and multi-family housing types (such as duplexes, triplexes and quad-plexes, and cottage clusters). In contrast to traditional zoning, this strategy would be used to implement Great Neighborhood Principles (GNP), including the framework and area

planning for growth areas, to specify a housing mix and associated average density that would need to be achieved in an area.

1.11. **Develop a High-Density Residential Zone (A3).** This strategy would be used in conjunction with and to complement the Great Neighborhood Principles and diverse housing zone (A2) to provide for higher density housing types in specific areas, such as more dense core areas, centers, nodes, etc. which would be higher density than the densities for housing types which would be incorporated on smaller lots within the diverse housing zone, such as duplexes, cottages, townhomes, row houses, and tri- and quad-plexes.

1.12. **Develop Annexation Process to Mandate Housing Types Upon Annexation per Area Plans (E40).** Lands brought into the UGB are placed in an urban holding zone, allowing for annexation phasing plans. Annexation would require master plan approval addressing required housing mix and average density, site design, and development standards.

Exhibit 6. Summary of Potential Actions or Projects

Reference	Tasks or Projects	Time Period		
		Near-term	Mid-term	Long-term
1.1	E36. Plan for Urban Reserve Area (URA)	X		
1.2	E37. Develop Framework Plan for URA	X		
1.3	E38. Plan for UGB within Urban Reserve	X		
1.4	E39. Develop Area Plans for UGB		X	X
1.5	D29. Conduct Infrastructure Planning for URA and UGB Areas.	X		
1.6/1.7	F41 & F42. Update Goal 5 and Goal 7 planning for URA and UGB areas.		X	
1.8	Review and Update City/County IGA if needed		X	
1.9	B26. Establish Guidance on Implementation of Great Neighborhood Principles That Will Inform Land Use for Urban Reserves and UGB.	X		
1.10/1.11	A2 & A3. Establish Provisions in the Zoning Ordinance for a New "Diverse Housing" Zone and a New "High Density" Zone	X		
1.12	E40. Establish Requirements for Master Planning Prior to Annexation to Ensure Areas Will Be Consistent with Framework and Area Plans, Great Neighborhood Principles, and Affordability Targets.		X	

Strategy 2. Housing Development in Existing UGB

Summary: This strategy focuses on increasing the capacity of lands already inside the UGB for residential development. Some of the actions may also have capacity benefits for future lands not already in the UGB.

This strategy addresses Strategic Priorities 1 (Land Availability) and 5 (Urban Form). This strategy seeks to achieve more efficient use of land within the current UGB through more efficient land use – which is also required by Goal 14 and ORS 197.296. It helps address short-term needs, and it addresses urban form through decisions implementing policies for Great Neighborhood Principles within the current UGB.

This strategy is low and high ease / high impact. This work needs to be started/continued in the short-term and may see both immediate as well as long-term results.

Potential Actions or Projects:

2.1 **Create a Diverse Housing Zone (A2).** Explore residential zoning with targeted/ minimum density and multiple allowed housing both within existing zones and in a new zone as applicable. This zone would authorize a variety of housing types and sub-types including single-family detached and attached and multi-family housing types, such as duplexes, cottages, townhomes, row houses, and tri- and quad-plexes. In contrast to traditional zoning, this strategy would be used to implement Great Neighborhood Principles (GNP).

2.2 **Develop a High-Density Residential Zone (A3).** This strategy would be used in conjunction with and to complement the Great Neighborhood Principles and diverse housing zone (A2) to provide for higher density housing types in specific areas, such as more dense core areas, centers, nodes, etc. which would be higher density than the densities for housing types such as such as duplexes, cottages, townhomes, row houses, and tri- and quad-plexes which would be incorporated on smaller lots within the diverse housing zone.

2.3 **Provide Density Bonuses to Developers (A15).** The local government allows developers to build housing at densities higher than are usually allowed by the underlying zoning. Density bonuses are commonly used as a tool to encourage greater housing density in desired areas, provided certain requirements are met. This strategy is generally implemented through provisions of the local zoning code and is allowed in appropriate residential zones. Bonus densities can also be used to encourage development of low-income or workforce affordable housing. An affordable housing bonus, if the proposed project provides a certain amount affordable units, would allow more housing units to be built than what would be allowed by zoning.

2.4 **Promote Infill Development, Allowing Flexibility in Existing Zones with Appropriate Design and Development Standards (A13).** This policy seeks to maximize the use of lands that are fully developed or underdeveloped and makes use of existing infrastructure by identifying and implementing policies that (1) improve market opportunities and (2) reduce impediments to development in areas suitable for infill or redevelopment.

2.5 **Update Infrastructure Plans for Infill Development (D28).** In some developed areas, infrastructure plans including waste water collection and transportation may have assumed no additional development and were not planned for infill and redevelopment to higher intensity. Further, in undeveloped areas, these plans may have assumed growth would occur at historic densities, which may be less than the maximum density permitted by zoning, limiting density of new development where there may be a desire to encourage infill and redevelopment.

2.6 **Implement Great Neighborhood Principles (C26).** In April 2019, the City adopted Great Neighborhood Principles (GNP) and associated policies as part of the Comprehensive Plan. Some of these policies address mixed income and mixed housing neighborhoods. These policies will need to be implemented with code amendments, which can include other strategies, such as Strategy A2 to achieve a Diverse Housing Zone and A13 to promote infill development with appropriate design and development standards.

2.7 **Re-designate or Rezone Land for Housing (A1).** The types of land rezoned for housing are vacant or partially vacant low-density residential and employment land rezoned to multifamily or mixed use. In rezoning land, it is important to choose land in a compatible location. When rezoning employment land, it is best to select land with limited employment capacity (e.g., smaller parcels) in areas where multifamily housing would be compatible (e.g., along transit corridors or in employment centers that would benefit from new housing). This policy change increases opportunity for comparatively affordable multifamily housing and provides opportunities for mixing residential and other compatible uses.

Exhibit 7. Summary of Potential Actions or Projects

Reference	Tasks or Projects	Time Period		
		Near-term	Mid-term	Long-term
2.1	A2. Create a Diverse Housing Zone	X		
2.2	A3. Develop a High-Density Residential Zone	X		
2.3	A15. Provide Density Bonuses to Developers	X		
2.4	A13. Promote Infill Development, Allowing Flexibility in Existing Zones with Appropriate Design and Development Standards	X		
2.5	D28. Update Infrastructure Plans for Infill Development		X	
2.6	B26. Establish Guidance on Implementation of Great Neighborhood Principles That Will Inform Land Use for Urban Reserves and UGB.		X	
2.7	A1. Re-designate or Rezone Land for Housing		X	

Strategy 3. Infrastructure & Public Facilities Planning

Summary: This strategy would provide data to help inform decision-making about where there might already be infrastructure capacity that could accommodate additional growth or make adjustments to capital projects already identified in infrastructure plans that haven't yet been built, to achieve efficiencies and add capacity.

As special area planning has been undertaken, and as higher density development applications have been submitted, there has been additional ad-hoc infrastructure analysis that indicates there may be limitations to capacity to serve new development consistent with zoned densities, through infill and redevelopment, within special area planning areas, or through up-zoning. Sufficiency of infrastructure capacity and public facilities will also be a factor in evaluating future growth areas.

This strategy should be undertaken early as a prerequisite to other projects. It will provide information needed to help inform other work. This strategy has the potential to help meet short-term needs as well as address longer-term infrastructure and public facility needs.

This strategy is low and high ease / high impact. This work needs to be started/continued in the short-term and may see both immediate as well as long term results.

Potential Actions or Projects:

3.1 **Assess Infrastructure Capacity to Support Infill (D28, Supports D30, D35).** This is a variation on option D28 & D30. It will provide data to help support other efforts that could Use a "value engineering" approach to determine available capacity or potential infrastructure projects to add capacity and identify areas that could be used for infill/redevelopment, up-zoning, more efficient use, etc., possible reallocation of density etc. The intent is to identify where capacity exists and consider land use options that might capitalize on that capacity. It could also help identify areas with known limited capacity, where plans already include projects for maintenance or some new capacity, and whether those improvements could upsize the same planned improvement to achieve more capacity if there are areas that could be up-zoned, etc.

3.2 **Repeal Outdated Policies Related to Old Sewer Treatment Capacity Limits (C27).** Previously, the City's sewer treatment plant (water reclamation facility) had limitations on treatment capacity, and the City established policies that limited density in certain areas commensurate with the treatment capacity limitations. The treatment capacity of the plant has increased, and those limitations are no longer necessary, and should be repealed.

3.3 **Identity Issues and Plan for Water Zone 2 Infrastructure Improvements (D34).** The western portion of the UGB is at a higher elevation which requires separate infrastructure for water service within Water Service Pressure Zone 2, which will require a new water storage tank. Buildable lands within the UGB which area in Zone 2 will be unavailable for development until they can be served with water. The investment in the Zone 2 water infrastructure won't occur without sufficient area and timely development to help fund the necessary water infrastructure.

3.4 **Develop Infrastructure Allocation Policies (D30).** If there are current infrastructure capacity limits, developing policies to allocate the capacity can provide greater certainty about capacity and allowable density of development phasing in the short term, in support of development, redevelopment, and infill priorities.

3.5 **Identify Areas with Underutilized Infrastructure Capacity (D35).** Areas with underutilized infrastructure capacity may be evaluated as candidates for additional development intensity of vacant lands or infill and redevelopment opportunities in developed areas.

3.6 **Encourage "To and Through" Infrastructure Policies (D33).** These policies ensure infrastructure extensions are sized to serve development as well as to extend beyond the development in the future to serve outlying properties.

Exhibit 8. Summary of Potential Actions or Projects

Reference	Tasks or Projects	Time Period		
		Near-term	Mid-term	Long-term
3.1	D28. Assess Infrastructure Capacity to Support Infill	X		
3.2	C27. Repeal Outdated Comprehensive Plan Policies Related to Old Sewer Treatment Capacity Limits	X		
3.3	D34. Identify Issues and Plan for Water Zone 2 Infrastructure Improvements	X		
3.4	D30. Develop Infrastructure Allocation Policy	X		
3.5	D35. Identify Areas with Underutilized Infrastructure Capacity	X		
3.6	D33. Encourage To and Thru Infrastructure Policies		X	

Strategy 4. Special Area Planning

Summary: This strategy includes planning for defined geographic areas or special districts to adjust existing land use plans and evaluate opportunities to include housing or mixed-use development and determine whether and how that could occur.

Strategy 4 relates to Strategy 2 (Housing Development in Existing UGB). This strategy recognizes studies that are currently underway and that are in the Planning Department's future work plan that assess the potential for housing in McMinnville's core and on Three Mile Lane.

Because two of these projects are already underway, this planning phase is high ease / high impact. Work on two of the special area plans will be completed in the short-term and may see both immediate as well as long term results.

Potential Actions or Projects:

4.1 **City Center Housing Strategy (underway, B23).** The strategy will evaluate a defined area within the City Center for opportunities to increase context-sensitive housing within that area. This work has the potential to implement other strategies. The study area is partially within the designated Urban Renewal District area where eligible for TIF (K62), and could include strategies such as such as infill (A13), redevelopment, rezoning for residential use (A1), up-zoning (A3), identification of possible opportunity sites (H48), and determination of associated infrastructure needs (D28).

4.2 **Evaluate Three Mile Lane for Residential Development (underway, B24).** The Three Mile Lane Area Plan includes evaluation of land use alternatives that could include opportunities to increase housing within the defined study area. This work has the potential to implement other strategies, which could include rezoning to residential or mixed-use (A1), up-zoning (A3), and determination of associated infrastructure needs (D28, D30).

4.3 **Undertake a Highway 99W Corridor Study – Explore Opportunities for Higher Density Mixed-Use Development (B25).** This work could include opportunities for higher density mixed-use development in anticipation of changing commercial patterns.

Exhibit 9. Summary of Potential Actions or Projects

Reference	Tasks or Projects	Time Period		
		Near-term	Mid-term	Long-term
4.1	B23. City Center Housing Strategy (underway)	X		
4.2	B24. Evaluate Three Mile Lane for Residential Development (underway).	X		
4.3	B25. Undertake a Highway 99W Corridor Study – Explore Opportunities for Higher Density Mixed-Use Development		X	

Strategy 5. Land Use / Code Amendments

Summary: This strategy includes different policy options that could be incorporated into the land use policies and development standards to help meet housing needs consistent with McMinnville's Great Neighborhood Principles. Many of these could be undertaken independently of one another but might be reviewed more efficiently if evaluated together at the same time through a single review process.

These code amendments generally do not need to be undertaken in a specific sequence. They may individually vary in ease and impact. Some may be required for statutory compliance.

Potential Actions or Projects:

5.1 **Allow Duplexes, Cottages, Townhomes, Row Houses, and Tri- and Quad-Plexes in Single-Family Zones with Appropriate Design & Development Standards (A9).** Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types. This approach would be implemented through the zoning ordinance and would list these housing

types as outright allowable uses in appropriate residential zones. These housing types provide additional affordable housing options and allow more residential units than would be achieved by detached homes alone.

5.2 **Implement Other Code Amendments Prioritized by the PAC.** These include the following:

- Allow More Housing Types (A9)
- Develop a High-Density Residential Zone (A3)
- Permit ADUs in SF Zones (A11)
- Allow Small Residential Lots (A4)
- Mandate Minimum Residential Densities (A6)
- Increase Allowable Residential Densities (A7)
- Promote Infill Development, Allowing Flexibility in Existing Zones with Appropriate Design and Development Standards (Underway) (A13)
- Allow Small or "Tiny" Homes and Identify Opportunities for Tiny Home Developments. (A12)
- Allow Clustered Residential Development (A8)
- Allow Cohousing and "Group Quarters" (SROs, etc.) (A10)
- Evaluate Transfer of Density for Protection of Natural Features (A 18)

5.3 **Streamline Zoning Code and Other Ordinances (G44)**. Complexity of zoning, subdivision, and other ordinances can make development more difficult, time consuming, and costly. Streamlining development regulations can result in increased development. As part of the streamlining process, McMinnville should evaluate potential barriers to affordable workforce housing and multifamily housing. Potential barriers may include height limitations, complexity of planned unit development regulations, etc.

5.4 **Implement the Great Neighborhood Principles (C26).** In April 2019, the City adopted Great Neighborhood Principles (GNP) and associated policies as part of the Comprehensive Plan. Some of these policies address mixed income and mixed housing neighborhoods. These policies will need to be implemented with code amendments, which can include other strategies, such as Strategy A2 to achieve a Diverse Housing Zone.

5.5 **Repeal Outdated Policies Related to Old Sewer Treatment Capacity Limits (C27).** Previously, the City's sewer treatment plant (water reclamation facility) had limitations on treatment capacity, and the City established policies that limited density in certain areas commensurate with the treatment capacity limitations. The treatment capacity of the plant has increased, and those limitations are no longer necessary, and should be repealed.

5.6 **Evaluate Code for Fair Housing Act Best Practices (A22).** Historically, many communities have regulated residential use through definitions of "dwelling," "family," and "household" that described the maximum number of related and/or unrelated people living as a household within a dwelling unit. These regulations typically predated the Fair Housing Act, and new best practices which further the Fair Housing Act take a different approach to defining these terms and regulating residential use. Resulting regulations are more inclusive in permitting residential use.

5.7 **Advocate for Inclusionary Zoning Enablement – State Legislation and Annexation Processes (A14).** Inclusionary zoning policies tie development approval to, or provide regulatory incentives for, the provision of low- and moderate-income housing as part of a proposed development. Mandatory inclusionary zoning requires developers to provide a certain percentage of low-income housing. Incentive-based inclusionary zoning-provides density or other types of incentives. Price of low-income housing passed on to purchasers of market-rate housing; inclusionary zoning impedes the "filtering" process where residents purchase new housing, freeing existing housing for lower-income residents. Some cities have long had quasi-inclusionary housing provisions in their codes that are implemented at the point of annexation. SB 1533 2016 and HB 2997 2019 related to this issue but failed to provide inclusionary zoning reform that meets McMinnville's needs.

Exhibit 10. Summary of Potential Actions or Projects

Reference	Tasks or Projects	Time Period		
		Near-term	Mid-term	Long-term
5.1	A9. Allow Duplexes, Cottages, Townhomes, Row Houses, and Tri- and Quad-Plexes in single-family zones with appropriate design & development standards	X		
5.2	Other code amendments prioritized by the PAC. • A9. Allow more housing types • A3. Develop a high-density residential zone • A11. Permit ADU in SF Zones • A4. Allow Small Residential Lots • A6. Mandate Minimum Residential Densities • A7. Increase Allowable Residential Densities • A13. Promote Infill Development, Allowing Flexibility in Existing Zones with Appropriate Design and Development Standards (Underway) • A12. Allow small or "tiny" homes and identify opportunities for tiny home developments. • A8. Allow Clustered Residential Development • A10. Allow Cohousing and "Group Quarters" (SROs, etc.) • A19. Evaluate Parking Code as a Barrier to Housing • A18. Evaluate Transfer of Density for Protection of Natural Features	X	X	X
5.3	G44. Streamline Zoning Code and Other Ordinances	X	X	X
5.4	C26. Implement the Great Neighborhood Principles	X		
5.5	C27. Repeal Outdated Policies Related to Old Sewer Treatment Capacity Limits	X		
5.6	A22. Evaluate Code for Fair Housing Act Best Practices	X		
5.7	A14. Advocate for Inclusionary Zoning Enablement – State Legislation and Annexation Processes	X		

Other, Non-Land Use Strategies

Strategy 6. Programs for Affordable Housing (Non-Land Use)

Summary: This strategy includes different policy options that could be evaluated independently of one another. These are not land use actions, and don't go through the land use process. These don't become part of the Comprehensive Plan and land use regulations.

This strategy includes a prioritized list of actions to be evaluated by the Affordable Housing Task Force and/or other City committee. These are listed in priority identified by the PAC. This list can generally be undertaken for individual evaluation rather than as part of a larger sequenced project.

These actions range from low to high ease and low to high impact and are listed per priority for discussion and evaluation.

Potential Actions or Projects:

6.1 **Pursue Funds for Affordable Housing (City Influence).** This strategy recognizes that there are funding mechanisms that the City can institute that could be used for affordable housing.

- **Transient Lodging Tax Funds for Affordable Housing (K68)**. The City receives 30% of the transient lodging taxes collected to offset impacts of tourism on city services. Some cities have dedicated some or all of these funds towards affordable housing under the premise that short term rentals are displacing affordable housing supply and that the tourism industry creates more demand for affordable housing.
- **Urban Renewal Funds or Tax Increment Financing (K63).** The City can direct urban renewal funds to incentivize workforce housing in the city center.
- **Construction Excise Tax (K64).** Recent state legislation allows cities to collect a construction excise tax dedicated specifically for affordable housing.
- **Community Development Block Grant Funds (K69).** The City can apply to the State of Oregon for Community Development Block Grant Funds as part of the state's entitlement program. And the City can pursue a Principal City CDBG Entitlement status.

6.2 **Financial Incentives Supporting Inclusionary Zoning (I52).** In addition to regulatory mandates and incentives for inclusionary zoning, there can be financial incentives to help achieve inclusionary zoning, or to help increase the level of affordability or percentage of affordable units. If a City adopts both inclusionary zoning and a Construction Excise Tax, a city must offer certain incentives for developments subject to inclusionary zoning.

6.3 **Reduced or Waived Planning Fees, Permit Fees, SDCs for Affordable Housing (I55).** Planning fees, permit fees, and SDCs can be reduced or waived for qualifying affordable housing developments. McMinnville has already enacted planning, permit, and certain SDC waivers for qualifying affordable housing developments.

6.4 **Vertical Housing Tax Abatement (Locally Enabled and Managed) (I51).** Subsidizes "mixed-use" projects to encourage dense development or redevelopment by providing a partial property tax exemption on increased property value for qualified developments. The exemption varies in accordance with the number of residential floors on a mixed-use project with a maximum property tax exemption of 80% over 10 years. An additional property tax exemption on the land may be given if some or all of the residential housing is for low-income persons (80% of area is median income or below). The proposed zone must meet at least one of the following criteria: Completely within the core area of an urban center; Entirely within half-mile radius of existing/planned light rail station; Entirely within one-quarter mile of fixed-route transit service (including a bus line); Contains property for which land-use comprehensive plan and implementing ordinances effectively allow "mixed-use" with residential.

6.5 **SDC Financing and Credits (I53).** Enables developers to spread their SDC payment over time, thereby reducing upfront costs. Alternately, credits allow developers to make necessary improvements to the site in lieu of paying SDCs. Note that the City can control its own SDCS, but often small cities manage them on behalf of other jurisdictions including the County and special districts. Funding can come from an SDC fund or general fund. In some cases, there may be no financial impact. Can come in the form of student, low-income, or workforce housing.

6.6 **Parcel assembly (H45).** Parcel assembly involves the city's ability to purchase lands for the purpose of land aggregation or site assembly. It can directly address the issues related to limited multifamily lands being available in appropriate locations (e.g., near arterials and commercial services). Typical goals of parcel assembly programs are: (1) to provide sites for rental apartments in appropriate locations close to services and (2) to reduce the cost of developing multifamily rental units. Parcel assembly can lower the cost of multifamily development because the City is able to purchase land in strategic locations over time. Parcel assembly is more often associated with development of government-subsidized affordable housing, where the City partners with nonprofit affordable housing developers.

6.7 **Multiple-Unit Limited Tax Exemption Program (Locally Enabled and Managed (I49**). Multi-unit projects receive a ten-year property tax exemption on structural improvements to the property as long as program requirements are met. There is no ground floor active use requirement for this tool. The City of Portland's program, for example, limits the number of exemptions approved annually, requires developers to apply through a competitive process, and encourages projects to provide greater public benefits to the community. This program is enabled by the state, but managed by the local jurisdiction.

6.8 **Sole Source SDCs (I54).** Retains SDCs paid by developers within a limited geographic area that directly benefits from new development, rather than being available for use city-wide. This enables SDC eligible improvements within the area that generates those funds to keep them for these improvements. Improvements within smaller areas can enhance the catalytic and redevelopment value of the area. This tool can also be blended with other resources such as LIDs and TIF. Funding can come from an SDC fund or general fund. In some cases, there may be no financial impact. The housing can come in the form of student, low income, or workforce housing.

6.9 **Grants or Loans (I56).** Through the annual budget process, the City can allocate funds to assist affordable housing developments as part of an Affordable Housing Fund. Assistance can also be provided through no- or low-interest loans. That typically occurs in conjunction with a revolving loan fund that allows the fund to grow over time as loans are repaid.

6.10 **Vacant Property Tax**. This strategy would assess additional taxes on vacant residential properties. The intent is to disincentivize land holding and speculation and to encourage housing development.

6.11 **Fee for Demolition of Affordable Home for Expensive Home**. This action would assess additional fees for certain demolitions. It would be modeled after a policy in Lake Oswego. The intent is to preserve affordable housing stock.

Exhibit 11. Summary of Potential Actions or Projects

Reference	Tasks or Projects	Time Period		
		Near-term	Mid-term	Long-term
6.1	Pursue Funds for Affordable Housing (City Influence) • K68. Transient Lodging Tax Funds for Affordable Housing. • K63. Urban Renewal Funds or Tax Increment Financing. • K64. Construction Excise Tax. • K69. Community Development Block Grant Funds.	X	X	X
6.2	I52. Financial Incentives Supporting Inclusionary Zoning		X	
6.3	I55. Reduced or Waived Planning Fees, Permit Fees, SDCs for Affordable Housing	X		
6.4	I51. Vertical Housing Tax Abatement (Locally Enabled and Managed)		X	
6.5	I53. SDC Financing and Credits	X		
6.6	H45. Parcel Assembly	X	X	X
6.7	I49. Multiple-Unit Limited Tax Exemption Program (Locally Enabled and Managed		X	
6.8	I54. Sole Source SDCs		X	
6.9	Vacant Property Tax	X		
6.10	I56. Grants or Loans		X	X
6.11	Fee for Demolition of Affordable Home for Expensive Home	X		

Strategy 7. Leveraging Partnerships for Housing (Non-Land Use)

Summary: This strategy includes different policy options that could be evaluated independently of one another. These may require a partner organization to take on a new or expanded role or may require formation or identification of a new organizational partner.

Several of the high priority actions identified by the PAC require partnerships with external organizations.

Potential Actions or Projects:

7.1 **Support Partners Pursuit of Affordable Housing Funds for:**

- **Low Income Housing Tax Credit (P78)**. The Low-Income Housing Tax Credit Program (LIHTC) is an incentive to encourage the construction and rehabilitation of rental housing for lower-income households. The program offers credits on federal tax liabilities for 10 years. Individuals, corporations, partnerships and other legal entities may benefit from tax credits, subject to applicable restrictions. Annually, the U.S. Department of Treasury allocates tax credits to each state. Oregon Housing and Community Services (OHCS) administers' the tax credit program for the state of Oregon. Tax credits offer direct federal income tax savings to owners of rental housing developments who with a developer are willing to set-aside a minimum portion of the development's units for households earning 60 percent or less of gross area median income. Developers of tax credit developments typically sell the credits to investors who are willing to provide capital in return for the economic benefits (including tax credits) generated by the development.
- **Homeownership Programs (I57).** Cities (and other partners) use a variety of programs to assist with homeownership
  - **Homebuyer Assistance Programs.** These Down Payment Assistance loans help low- or moderate-income households cover down payment and closing costs to purchase homes on the open market. These programs either give loans or grants, most frequently to first time homebuyers.
  - **Inclusionary Housing Program.** Some cities have an Inclusionary Housing Ordinance (IH) requires that new residential development contribute at least 20% of the total units as permanently affordable housing. Options for meeting this requirement can be allow the affordable units to be located on or off site. Cities that use inclusionary housing generally have programs to ensure that housing continues to be affordable over the long-term.
  - **Partnerships.** Cities often work with partnerships with nonprofit agencies that provide homeownership assistance.
- **Oregon Affordable Housing Tax Credit (P77).** The 1989 Oregon Legislature created the Oregon Affordable Housing Tax Credit Program (OAHTC). Under the OAHTC Program, the Department has the authority to certify tax credits for projects. Through the use of tax credits, lending institutions are able to lower the

cost of financing by as much as four percent for housing projects or community rehabilitation programs serving low-income households. The savings generated by the reduced interest rate must be passed directly to the tenant in the form of reduced rents.

- **Housing Rehabilitation Programs (I59)** Cities (and other partners) often offer home rehabilitation programs, which provide loans to low- and moderate-income households for rehabilitation projects such as making energy efficiency, code, and safety repairs. Some programs provide funding to demolish and completely reconstruct substandard housing.
- **State Affordable Housing Funding (M73).** 2019 proposed legislation, HB 3349 that would change the tax income code to eliminate certain deductions, and the resulting revenues would fund state affordable housing programs.

7.2 **Community Land Trust (CLT) (H47).** A Community Land Trust (CLT) creates permanent affordability by severing the value of the land and the improvements (i.e., the house). The land is held in trust by a nonprofit or other entity then leased to the homeowner. The homeowner enjoys most of the rights of homeownership, but restrictions are placed on use (e.g., owner occupancy requirement), and price restrictions on resale ensure that the home remains affordable. CLTs may be used in conjunction with land banking programs, where the city or a nonprofit housing corporation purchases a future site for affordable housing or other housing that meets community goals. A variation to the community land trust is to have the City own the property rather than the land trust, and lease property to income-qualifying households (such as low-income or moderate-income households) to build housing. The City would continue to own the land over the long-term, but the homeowner would be able to sell the house. Restrictions on resale ensure that the home remains affordable.

7.3 **Affordable Housing Property Tax Abatement (I50).** There are several statutory authorizations for different types of affordable housing property tax abatements which could apply to affordable housing developments that aren't already tax exempt. Some of these can be designated for a limited duration.

7.4 **Land Banking (H46).** Land banks are public or community-owned entities created to acquire, manage, maintain, and repurpose vacant, abandoned, and foreclosed properties for conversion into productive use. Land banks can play a variety of roles. They can play a very limited role, such as simply acquiring property on behalf of a local municipality, or a broader role of property developer. It is important to note that land banks are not financial institutions: financing comes from developers, banks, and local governments. Land banks may be granted special powers via state enabling legislation. These powers can include the ability to remove legal and financial barriers, such as delinquent property taxes, that often render vacant and abandoned properties inaccessible or unattractive to the private market. Land banks acquire

properties through different means, but the most common pipeline is the property tax foreclosure system.

Exhibit 12. Summary of Potential Actions or Projects

Reference	Tasks or Projects	Time Period		
		Near-term	Mid-term	Long-term
7.1	Support Partners Pursuit of Affordable Housing Funds for: • P78. Low Income Housing Tax Credit • I57. Home Ownership Programs • P77. Oregon Affordable Housing Tax Credit • I59. Housing Rehabilitation Programs • M73. State Affordable Housing Funding	X	X	X
7.2	H47. Community Land Trust (CLT)	X	X	X
7.3	H50. Affordable Housing Property Tax Abatement		X	X
7.4	H46. Land Banking	X	X	

3. Appendices

The McMinnville Housing Strategy builds upon various materials provided to the Project Advisory Committee (PAC) throughout the project. Materials from the May 21st PAC meeting are attached as appendices:

- **Appendix A.** Table 1. Issues Associated with Strategic Priorities. This table identifies issues from the BLI and HNA and also evaluates current conditions; existing plans, policies, and regulations; and new state law that might be addressed as part of the housing strategy.

- **Appendix B.** Table 2. McMinnville Housing Strategy – Potential Strategies and Actions. This table lists each strategy and cross references it with strategic priorities, affordability groups, and other factors.

- **Appendix C.** Table 3. Description of Potential Actions. This table provides more detailed descriptions of the potential housing strategies and actions listed in Table 2. In addition, the table provides further information about the potential scale of impact of the strategy.

- **Appendix D.** Prioritization Results from May 21, 2019 PAC Meeting.

Links to full size copies of these materials and additional supporting materials are provided below. Due to the length and format of documents, these materials are incorporated by reference through links to files on the City website.

Materials from May 21st PAC Meeting (includes above tables)

https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/planning/page/1675/0-5-housing_strategy_memo_and_tables_5-14-2019.pdf

Materials from the March 7th PAC Meeting: Thinking About McMinnville's Future Housing Needs – A Guide

https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/planning/page/1675/city_memo_-_housing_strategy_guidance1.pdf

January 22nd Focus Group Notes (see Exhibit 2)

https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/planning/page/1675/housing_pac_meeting_5_materials_3-7-2019_print.pdf

February 5th Public Open House Notes (see Exhibit 3)

https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/planning/page/1675/housing_pac_meeting_5_materials_3-7-2019_print.pdf

Issues Associated with Strategic Priorities
(Barriers, Opportunities, New Requirements, Additional Considerations)

Appendix A

This table identifies issues from the BLI and HNA and also evaluates current conditions; existing plans, policies, and regulations; and new state law that might be addressed as part of the housing strategy.

Table 1. Issues Associated with Strategic Priorities

1. Land Supply, Capacity, & Availability	2. Wider Variety of Housing Types	3. Affordability	4. Infrastructure	5. Great Neighborhood Principles & Urban Form
Land Use Issues & Considerations				
Barriers:				
Lack of available, buildable land in the UGB to meet short-term needs. **Some "Buildable Lands" in the UGB aren't truly "available" for development, despite presumptions stated in state statutes or administrative rules.** Land may be unavailable due to unwilling property owners, including the unincorporated UGB, etc. **There are additional plan updates required and lag time after land is added to the UGB before it can be rezoned and ready for urban development.** **There is uncertainty in the Buildable Land Inventory regarding additional "Goal 5" natural resource impacts.** The City will need to conduct planning for a local wetland inventory and riparian corridors to determine impacts on buildable land supply. **There is uncertainty in the Buildable Land Inventory regarding additional "Goal 7" hazards impacts.** The state will be refining landslide hazards mapping; in addition, there is no statute or administrative rule interpreting the state's landslide hazard susceptibility classifications. **See additional barriers under "Infrastructure"** related to serviceability of buildable lands in the UGB and unknowns about current downstream capacity that could affect service of expansion areas.	**No "middle housing" zone.** There isn't a zoning district between the R-3 and R-4 zones in the Zoning Ordinance, which could cover a density range of 11-20 units/acre typical of 2-story "middle housing" types. This means zoning options are lower density or higher density. -The R-3 zone allows for density in the range of approximately 7 to 11 du/acre; it doesn't allow for attached housing or multi-family housing over 2 units. -The R-4 zone allows for density in the range of approximately 9 to 30 du/acre; it is the only residential zone that allows for attached housing and multi-family housing with 3 or more units. -This can exacerbate infrastructure planning for somewhat higher densities, since a rezone from R-3 to R-4 would allow a significant increase from 11 to 30 units per acre, rather than a more modest increase from 11 to 20 units per acre. **No existing residential zone allows density greater than 30 du/acre (R-4**), except when higher density is authorized as a conditional use in the defined core area. The R-4 standards also apply in commercial zones that allow residential uses. **The highest density residential zone (R-4) also allows single-family development as a stand-alone permitted use with a minimum lot size**	**Current Inclusionary Zoning (IZ) Enabling Legislation Limits Cities.** Current state law provisions governing local "inclusionary zoning" have largely been inapplicable in McMinnville since it is currently authorized only for multi-family structures with 20 or more units, which isn't the type of multi-family housing typically built in McMinnville. Further, inclusionary zoning isn't current authorized for single-family housing. In addition, the definition of affordability in the IZ legislation doesn't authorize cities to establish affordability requirements below 80% median income.	**Until infrastructure planning is completed, it is unknown whether "downstream" infrastructure in the UGB will be able to serve future expansion areas without first being upsized to allow for extensions.** **Buildable lands within the UGB in Water Service Zone 2 are unserviceable in the short-term until a Zone 2 reservoir is built (estimated 10 years).** **Sewer Capacity Constraints.** The sewer (wastewater) collection plan was based on development of vacant lands at historic development densities by zone, rather than maximum density permitted by existing zoning. In addition, this planning didn't assume developed properties would experience infill and redevelopment at higher density permitted by existing zoning. This presents constraints: **- Constraints to Code Amendments.** This may limit code amendments that would authorize additional, "middle housing" types within existing zoning districts. **- Constraints to Permitted Development and Densities.** This doesn't always allow development of vacant lands consistent with maximum density permitted by existing zoning. **- Constraints to Infill & Redevelopment.** This doesn't always allow infill and redevelopment of developed properties consistent with higher or maximum density permitted by existing zoning.	**Current Euclidean Zoning System Limits Mix of Housing and Density.** However, most development occurs through the Planned Development process which achieves housing mix to some extent (up to 25% of area) based on density averaging of the underlying zone. However, this requires reducing density of other housing to achieve the same average, or requires rezoning. **Form-Based Codes.** Some "form-based codes" can allow development that is compatible within a neighborhood by regulating the size and physical characteristics of a building, while providing flexibility regarding the density within the building envelope. The same exterior building form/envelope can contain fewer large units or a greater number of smaller units. Some density-based codes can prevent this flexibility. This should be considered when implementing Great Neighborhood Principles, Diverse Housing Types zoning and public facilities planning. It is unclear how this could be implemented in a way that satisfies statutory requirements which require a density-based zoning.

1. Land Supply, Capacity, & Availability	2. Wider Variety of Housing Types	3. Affordability	4. Infrastructure	5. Great Neighborhood Principles & Urban Form
	of 5,000 square feet. This could be a barrier to achieving other needed housing. **Finer-Grained Zoning.** There is a need for a finer gradation of residential uses based on "scale". Anything over a duplex or semi-detached housing (two attached units) is only permitted in the R-4 zone. Further, for 3 or more units, there is no differentiation of multi-family housing development that has the same number of units, whether all in one building or in multiple smaller buildings. More smaller-scale structures can be permitted and compatible within different neighborhood contexts. Some uses may already be permitted, but not in all zones, so there may be a need to increase opportunities for where certain uses are permitted. Finer gradation will help this. **Fair Housing Act.** Code provisions should be reviewed in the context of Fair Housing Act best practices to ensure residential living models aren't inadvertently prohibited by the zoning ordinance due to outdated definitions and regulations. **Other Co-Living Land Uses.** Places where people live are classified by the Census Bureau as either residential use or group quarters. Some codes inadvertently prohibit some residential living situations and housing types that don't technically meet the definition of residential use, but would typically fall under the Census Bureau's classification of group quarters. Some of this may be addressed through code provisions consistent with Fair Housing Act best practices.		- **Constraints to Upzoning.** This doesn't always permit upzoning of vacant lands already in the UGB. **Short-Term Housing Strategies May be Impacted by Capacity Constraints.** More efficient use of land within the current UGB would be a strategy to help meet short-term needs until additional land is available through a UGB amendment, associated public facility plan updates, and extension/ availability of services to those lands. ***However, this strategy may be impacted by infrastructure capacity issues.*** **Transportation Plan Modeling.** Transportation Planning assumed no further development in certain developed areas, posing similar potential issues as described above for sewer, possibly affecting infill & redevelopment, upzoning, etc. **Existing Policies Restricting Density.** Due to previous sewer treatment capacity limitations which are no longer applicable, the City adopted density restrictions for part of the UGB which are no longer needed and should be formally repealed.	
Opportunities:				
		SB 2997 Enabling Legislation for Broader Use of Inclusionary Zoning. If enacted, SB 2997 will allow McMinnville greater discretion in use of "inclusionary zoning" to specify a % of housing in new developments as part of land use approval.		

1. Land Supply, Capacity, & Availability	2. Wider Variety of Housing Types	3. Affordability	4. Infrastructure	5. Great Neighborhood Principles & Urban Form
New Requirements:				
	HB 2001 "Middle Housing" Mandates. If enacted, HB 2001 will mandate that cities to plan for and permit small "middle housing" multi-family types in more zones. **HB 2001 ADU Mandates.** If enacted, HB 2001 will require change to McMinnville's current ADU implementation (to eliminate off-street parking requirements for ADUs).			**HB 2001.** If HB2001 is enacted, implementation of GNP will need to be consistent with HB 2001 mandates.
Additional Considerations:				
	Transition from Current Zoning Structure. The transition from the current zoning structure to regulations that implement Great Neighborhood Principles will mean some traditional land use tools more applicable to Euclidean zoning with more separated housing types and densities won't be applicable. There may be some more traditional tools that would be used in the interim as implementation of the Great Neighborhood Principles is phased in (map amendments that upzone property, code amendments that authorize more efficient use in existing zones, etc.). **Inclusivity of Diverse Housing Types.** In addition to providing opportunities for a wider variety of housing types, it will be key that this is closely coordinated with the implementation of Great Neighborhood Principles to address inclusion of these diverse housing types within neighborhoods, together with appropriate requirements for mix and average density, design standards, and other considerations. **Context-Based Design Standards.** Some design standards are based on use and don't account for different locational contexts, such as different urban vs. suburban forms and design standards for multi-family development depending on location and context.		It would be useful to map current capacity, currently planned capacity, and capacity that would result from public facility plan updates. If there are areas unlikely to experience new development, it may be possible to transfer allowed density to other areas where sewer capacity could be utilized for new development or infill.	**Great Neighborhood Principles Adopted.** The City has adopted Great Neighborhood principles which will need to be implemented. **Great Neighborhood Principles – Implementation.** The City will be implementing the recently adopted Great Neighborhood Principles, which will be a transformative step in how the City regulates residential land use in a manner than provides for neighborhoods with a mix of housing types and housing for different incomes. Phase-in of Great Neighborhood Principles will need a strategy. Some existing developed areas may have different requirements as the implementation is phased in. **Special Area Planning Projects Underway.** Several district planning efforts are underway that may identify nodal areas suitable for higher-density housing than would be achieved within the context of smaller neighborhood settings. Larger development sites should be subject to framework planning that sets performance requirements for future neighborhood developments. *(Some housing related aspects of planning for urban form will be incorporated into a broader urbanization strategy which will include planning for all uses).*

1. Land Supply, Capacity, & Availability	2. Wider Variety of Housing Types	3. Affordability	4. Infrastructure	5. Great Neighborhood Principles & Urban Form
Other Issues and Considerations Related to Delivery of Housing (Non Land Use)				
Barriers				
		Lack of Housing Supply Prevents Partner Resources from Being Fully Utilized. Many Section 8 Housing Choice Vouchers available through the Housing Authority can't be used to help subsidize housing costs due to lack of housing or housing within the price point that would allow vouchers to be used. Reducing the cost of market-rate housing could also present an opportunity to more fully utilize these vouchers to provide a subsidy for more affordable market-rate housing. Lack of available sites could preclude partners such as the Housing Authority from developing affordable housing using Low Income Housing Tax Credits, which means lost opportunity for use of outside funds which would be highly competitive if sites were available. **Administrative Cost Could Impact Ability to Manage a Housing Program that Requires Monitoring of Deed Restricted Affordable Housing.** Deed-restricted affordable housing can help ensure affordable housing supply is maintained, but can require a housing program and staff to administer a program over the long term. *(There could be exploration of potential partnership opportunities to administer a program).*		
Opportunities				
		(Time Sensitive). Opportunity Zone. McMinnville has a significant area within a designated Opportunity Zone which can be an incentive to affordable housing. **New Opportunity: SB595 Enabling Legislation for Affordable Housing Funds.** If enacted, SB 595 will allow cities to decide whether to dedicate a portion of local transient lodging tax to affordable housing.		

1. Land Supply, Capacity, & Availability	2. Wider Variety of Housing Types	3. Affordability	4. Infrastructure	5. Great Neighborhood Principles & Urban Form
New Requirements				
Additional Considerations				
	Education & Awareness. It is important to keep homebuilders up to date on regulatory changes and opportunities for new housing types authorized by code amendments. In addition, some uses may already be permitted in some zones by a less familiar name. It is also important to evaluate what is a permitted use vs. what is actually built. The community may assume certain uses aren't permitted because they haven't been built, when that might not be the reason. There may be reasons why trending ideas aren't being built in the housing market that need to be further explored. (financial, regulatory, etc.) **Transitional Housing.** There is a need for both permanent housing and transitional housing.	There is a need to increase more affordable owner-occupied housing opportunities as well as rental opportunities. Further, such housing equity can help households maintain housing options as housing prices escalate. (Supported by land use tools to authorize a wider variety of housing types in more areas).		

TABLE 2. MCMINNVILLE HOUSING STRATEGY – POTENTIAL STRATEGIES AND ACTIONS - DRAFT MATRIX

	Strategic Option	Housing Benefits: Market Rate Ownership	Housing Benefits: Market Rate Rental	Housing Benefits: Subsidized Ownership	Housing Benefits: Subsidized Rental	Program Impact, (Low, Medium, High)	Nexus with Affordable Housing Action Plan	Strategic Timeframe: Near-Term, 2021-2026 (5 year)	Strategic Timeframe: Mid-Term, 2021-2031 (10 year)	Strategic Timeframe: Long-Term 2021-2041 (20 year)	Strategic Priority: 1 – Land Supply, Capacity, Availability	Strategic Priority: 2 – Wider Variety of Housing Types	Strategic Priority: 3 – Housing Affordability	Strategic Priority: 4 – Infrastructure	Strategic Priority: 5 – Great Neighborhood Principles and Urban Form	Housing Need Met: Extremely Low Income (≤ 30% of MHI) **509 HH** in 20 Year Forecast **11%** of total units	Housing Need Met: Very Low Income (30-50% of MHI) **507 HH** in 20 Year Forecast **11%** of total units	Housing Need Met: Low Income (50-80% of MHI) **719 HH** in 20 Year Forecast **15%** of total units	Housing Need Met: Middle Income (80 - 120% of MHI) **992 HH** in 20 Year Forecast **21%** of total units	Housing Need Met: High Income (> 120% of MHI) **1,930 HH** in 20 Year Forecast **41%** of total units	Status: Budgeted? Plan Started? Plan Adopted? Implementation Draft? Implemented? Ongoing?	Status: Additional Implementation or Implementation Refinement? (Opp. or Req.)	Priority: High / Medium / Low / (Req'd) / No
	LAND USE STRATEGIES (City)																					
A	**Evaluate Zoning Code and Other Ordinances to Advance Strategic Priorities (efficiencies, regulatory incentives, and regulatory mandates)**																					
1	Re-designate or rezone land for housing	Y	Y	Y	Y	L-H	Y	Y	Y		Y-S	Y	Y			Y	Y	Y	Y	Y	Y-O	Y	
2	Explore residential zoning with a targeted/minimum density standard and multiple allowed housing types.	Y	Y	Y	Y	M-H		Y	Y	Y	Y-C	Y	Y		Y				Y	Y	-		
3	Develop a High Density Residential Zone	Y	Y	Y	Y	M-H	Y	Y	Y	Y	Y-C	Y	Y		Y	Y	Y	Y	Y	Y	-		
4	Allow Small Residential Lots	Y		Y		L-M	Y	Y	Y	Y	Y-C	Y	Y		Y				Y	Y	-		
5	Mandate Maximum Lot Sizes					L-M					Y-C										-		
6	Mandate Minimum Residential Densities	Y	Y	Y	Y	L-M	Y	Y	Y	Y	Y-C	Y	Y		Y				Y	Y	-		
7	Increase Allowable Residential Densities	Y	Y	Y	Y	L-M	Y	Y	Y	Y	Y-C		Y			Y	Y	Y	Y	Y	-		
8	Allow Clustered Residential Development	Y	Y	Y	Y	Med	Y	Y	Y	Y	Y-C	Y	Y		Y			Y	Y	Y	-		
9	Allow Duplexes, Cottages, Townhomes, Row Houses, and Tri- and Quad-Plexes in single-family zones with appropriate design and development standards	Y	Y	Y	Y	L-M	Y	Y	Y	Y	Y-C	Y	Y		Y			Y	Y		-	Y (R)	(R) HB2001
10	Allow Co-housing and "Group Quarters" (SROs, etc.)	Y	Y	Y	Y	L-M	Y	Y	Y	Y		Y	Y		Y	Y	Y	Y	Y	Y	-		
11	Permit Accessory Dwelling Units (ADUs) in single-family zones (Further Revisions to Current Implementation)	Y	Y	Y	Y	Low		Y	Y	Y	Y-C	Y	Y		Y	Y	Y	Y	Y		Y-I	Y (R)	(R) HB2001
12	Allow small or "tiny" homes & identify opportunities for tiny home developments	Y	Y	Y	Y	L-M	Y	Y	Y	Y	Y-C	Y	Y		Y	Y	Y	Y			Y	Y (O)	
13	Promote Infill Development by allowing for flexibility in existing zones with appropriate design and development standards	Y	Y	Y	Y	L-M		Y	Y	Y	Y-C	Y	Y		Y	Y	Y	Y	Y	Y	Y-S	Y	
14	Evaluate Incentive-Based Zoning for Affordable Housing (Inclusionary Zoning - Regulatory Mandates Paired with Incentives, Eligibility for Financial Incentives)			Y	Y	L-M	Y	Y	Y	Y			Y			Y	Y	Y			-	(O)	
15	Provide Density Bonuses to Developers	Y	Y	Y	Y	Low	Y	Y	Y	Y	Y-C		Y			Y	Y	Y			-		
16	Allow Transfer or Purchase of Development Rights	Y	Y	Y	Y	L-M		Y	Y	Y	Y-C			Y		Y	Y	Y	Y	Y	-		
17	Transfer of Density	Y	Y	Y	Y	L-M		Y	Y	Y	Y-C			Y				Y	Y		-		

Strategic Option		Housing Benefits				Program Impact, (Low, Medium, High)	Nexus with Affordable Housing Action Plan	Strategic Timeframe			Strategic Priority					Housing Need Met					Status		Priority
		Market Rate		Subsi-dized																			
		Ownership	Rental	Ownership	Rental			Near-Term, 2021-2026 (5 year)	Mid-Term, 2021-2031 (10 year)	Long-Term 2021-2041 (20 year)	1 – Land Supply, Capacity, Availability	2 – Wider Variety of Housing Types	3 – Housing Affordability	4 – Infrastructure	5 – Great Neighborhood Principles and Urban Form	Extremely Low Income (≤ 30% of MHI) **483 HH** in 20 Year Forecast **11%** of total units	Very Low Income (30-50% of MHI) **482 HH** in 20 Year Forecast **11%** of total units	Low Income (50-80% of MHI) **683 HH** in 20 Year Forecast **15%** of total units	Middle Income (80 - 120% of MHI) **943 HH** in 20 Year Forecast **21%** of total units	High Income (> 120% of MHI) **1,833 HH** in 20 Year Forecast **41%** of total units	Budgeted? Plan Started? Plan Adopted? Implementation Draft? Implemented? Ongoing?	Additional Implementation or Implementation Refinement? (Opp. or Req.)	High Medium Low (Req'd) No
18	Evaluate transfer of density for protection of natural features – develop policies	Y	Y	Y	Y	L-M		Y	Y	Y	Y-C							Y	Y		-		
19	Evaluate reduced parking standards for different housing types	Y	Y	Y	Y	Low		Y	Y	Y	Y-C		Y			Y	Y	Y	Y		-		
20	Reduce Street Width Standards (Further Revisions)			Y	Y	Low					Y-C		Y								Y-I	N	
21	Regulations to Preserve Existing Housing Supply	Y	Y	Y	Y	Low	Y	Y	Y	Y			Y			Y	Y	Y			-		
22	Fair Housing Act Best Practices	Y	Y	Y	Y	L-M		Y	Y	Y		Y	Y		Y	Y	Y	Y	Y	Y	-		
B	**Conduct Special Area Planning which Includes Housing Opportunities**																						
23	City Center Housing Strategy	Y	Y	Y	Y	L-M	Y	Y	Y	Y	Y-C	Y	Y		Y	Y	Y	Y	Y	Y	Y-S		
24	Evaluate Three Mile Lane for Residential Development	Y	Y	Y	Y	L-M		Y	Y		Y-C		Y			Y	Y	Y	Y	Y	Y-S		
25	99 W Corridor Study – Promote Higher Density Mixed-Use Development in anticipation of changing commercial patterns.	Y	Y	Y	Y	L-M		Y	Y	Y	Y-S	Y	Y		Y		Y	Y	Y		?		
B	**Ensure Comprehensive Plan Policies Support Strategic Priorities**																						
26	Great Neighborhood Principles	Y	Y	Y	Y	Low	Y	Y	Y	Y	Y-C	Y	Y		Y	Y	Y	Y	Y	Y	Y-A	Y	
27	Repeal outdated Comprehensive Plan policies previously needed to limit density based on previously limited sewer treatment capacity	Y	Y	Y	Y	L-M		Y	Y	Y	Y-C			Y		Y	Y	Y	Y	Y	-		
D	**Develop Infrastructure Plans to Support Strategic Priorities**																						
28	Update Infrastructure Plans for Vacant/Infill Develop.	Y	Y	Y	Y	L-M		Y	Y	Y	Y-C		Y	Y	Y	Y	Y	Y	Y	Y	-		
29	Update Infrastructure Plans for Growth Lands	Y	Y	Y	Y	M-H			Y	Y	Y-S			Y		Y	Y	Y	Y	Y	-		
30	Develop Infrastructure Allocation Policies and Methodologies to Manage Systems and Accommodate Need	Y	Y	Y	Y	Low		Y			Y-C			Y		Y	Y	Y	Y	Y	-		
31	Develop Alternative Mobility Network that is Convenient and Attractive to Offset Pressure on Vehicular Network.	Y	Y	Y	Y	Low				Y	Y-C			Y	Y	Y	Y	Y	Y	Y	-		
32	Develop Plan Documents that Allow for Emerging Technology Responsiveness and Flexibility	Y	Y	Y	Y	?	Y	Y	Y	Y		Y	Y		Y	Y	Y	Y	Y	Y	-		
33	Encourage "To and Through" Infrastructure Development	Y	Y	Y	Y	M-H		Y	Y	Y	Y-C			Y		Y	Y	Y	Y	Y	-		

Strategic Option		Housing Benefits				Program Impact, (Low, Medium, High)	Nexus with Affordable Housing Action Plan	Strategic Timeframe			Strategic Priority					Housing Need Met					Status		Priority
		Market Rate		Subsi-dized																			High Medium Low (Req'd) No
		Ownership	Rental	Ownership	Rental			Near-Term, 2021-2026 (5 year)	Mid-Term, 2021-2031 (10 year)	Long-Term 2021-2041 (20 year)	1 – Land Supply, Capacity, Availability	2 – Wider Variety of Housing Types	3 – Housing Affordability	4 – Infrastructure	5 – Great Neighborhood Principles and Urban Form	Extremely Low Income (≤ 30% of MHI) **483 HH** in 20 Year Forecast **11%** of total units	Very Low Income (30-50% of MHI) **482 HH** in 20 Year Forecast **11%** of total units	Low Income (50-80% of MHI) **683 HH** in 20 Year Forecast **15%** of total units	Middle Income (80 - 120% of MHI) **943 HH** in 20 Year Forecast **21%** of total units	High Income (> 120% of MHI) **1,833 HH** in 20 Year Forecast **41%** of total units	Budgeted? Plan Started? Plan Adopted? Implementation Draft? Implemented? Ongoing?	Additional Implementation or Implementation Refinement? (Opp. or Req.)	
34	Identify issues with Water Zone 2 and Plan for strategic plan for implementing infrastructure improvements.	**Y**	**Y**			**Low**			**Y**	**Y**	**Y-S**			**Y**					**Y**	**Y**	**-**		
35	Identify areas with underutilized infrastructure capacity.	**Y**	**Y**	**Y**	**Y**	**L-M**		**Y**	**Y**		**Y-C**			**Y**		**Y**	**Y**	**Y**	**Y**	**Y**	**-**		
E	**Increase Buildable Lands Inventory – Developing a 5, 10, 20 and 50 Year Inventory & Phase-In**																						
36	Develop an Urban Reserve Area (URA)	**Y**	**Y**	**Y**	**Y**	**L-H**				**Y**	**Y-S**			**Y**		**Y**	**Y**	**Y**	**Y**	**Y**	**-**		
37	Develop a Framework Plan for URA	**Y**	**Y**	**Y**	**Y**	**L-H**				**Y**	**Y-S**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**-**		
38	Identify Expanded Urban Growth Boundary per URA	**Y**	**Y**	**Y**	**Y**	**High**			**Y**	**Y**	**Y-S**			**Y**		**Y**	**Y**	**Y**	**Y**	**Y**	**-**		
39	Develop Area Plans for UGB lands identifying housing opportunities	**Y**	**Y**	**Y**	**Y**	**High**			**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**-**		
40	Develop annexation process to mandate housing types upon annexation per area plans.	**Y**	**Y**	**Y**	**Y**	**High**			**Y**	**Y**	**Y-S**	**Y**	**Y**		**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**-**		
F	**Complete "Functional" Planning that Further Affects or Informs Buildable Land Inventory**																						
41	Goal 5 Planning and Policies – Natural Resources, Including Local Wetland Inventory. Evaluate policies for wetland mitigation within the city limits as it pertains to housing development.	**Y**	**Y**	**Y**	**Y**	**Low**		**Y**	**Y**	**Y**	**Y-S**					**Y**	**Y**	**Y**	**Y**	**Y**	**-**		
42	Goal 7 Planning and Policies – Hazards, Including Landslides. Update soils analysis for identified constrained buildable land (high landslide susceptibility)	**Y**	**Y**	**Y**	**Y**	**Low**		**Y**	**Y**	**Y**	**Y-S**								**Y**	**Y**	**Y-S**	**Y (O)**	
G	**Evaluate Administrative and Procedural Reforms**																						
43	Expedited / Fast-tracked building permits for affordable housing			**Y**	**Y**	**Low**	**Y**	**Y**	**Y**	**Y**			**Y**			**Y**	**Y**	**Y**			**-**		
44	Expedite land use procedures for affordable housing and other land use decisions	**Y**	**Y**	**Y**	**Y**	**L-M**	**Y**	**Y**	**Y**	**Y**			**Y**			**Y**	**Y**	**Y**			**-**		

	Strategic Option	Housing Benefits: Market Rate Ownership	Housing Benefits: Market Rate Rental	Housing Benefits: Subsidized Ownership	Housing Benefits: Subsidized Rental	Program Impact, (Low, Medium, High)	Nexus with Affordable Housing Action Plan	Strategic Timeframe: Near-Term, 2021-2026 (5 year)	Strategic Timeframe: Mid-Term, 2021-2031 (10 year)	Strategic Timeframe: Long-Term 2021-2041 (20 year)	Strategic Priority: 1 – Land Supply, Capacity, Availability	Strategic Priority: 2 – Wider Variety of Housing Types	Strategic Priority: 3 – Housing Affordability	Strategic Priority: 4 – Infrastructure	Strategic Priority: 5 – Great Neighborhood Principles and Urban Form	Housing Need Met: Extremely Low Income (≤ 30% of MHI) 483 HH in 20 Year Forecast 11% of total units	Housing Need Met: Very Low Income (30-50% of MHI) 482 HH in 20 Year Forecast 11% of total units	Housing Need Met: Low Income (50-80% of MHI) 683 HH in 20 Year Forecast 15% of total units	Housing Need Met: Middle Income (80 - 120% of MHI) 943 HH in 20 Year Forecast 21% of total units	Housing Need Met: High Income (> 120% of MHI) 1,833 HH in 20 Year Forecast 41% of total units	Status: Budgeted? Plan Started? Plan Adopted? Implementation Draft? Implemented? Ongoing?	Status: Additional Implementation or Implementation Refinement? (Opp. or Req.)	Priority: High / Medium / Low / (Req'd) / No
	OTHER STRATEGIES (City)																					
H	**Land Interventions to Reduce Costs and Facilitate Housing Development**																					
45	Parcel Assembly			Y	Y	L-M	Y	Y	Y	Y	Y-A		Y			Y	Y	Y			-		
46	Land Banking			Y	Y	L-M	Y	Y	Y	Y	Y-A		Y			Y	Y	Y			-		
47	Land Trusts			Y	Y	L-M	Y	Y	Y	Y	Y-A		Y			y	y	y			-		
48	Public Land Disposition			Y	Y	High	Y	Y	Y	Y	Y-A		Y			Y	Y	Y			Y-O	Y	
I	**Evaluate Financial Incentives and Affordable Housing Subsidy & Assistance Programs to Retain Housing Stock, Add Supply, and Help People Afford Housing**																					
49	Multiple-Unit Limited Tax Exemption Program (Locally Enabled and Managed)				Y	L-M	Y	Y	Y	Y			Y			Y	Y	Y			-		
50	Affordable Housing Property Tax Abatement				Y	L-M	Y	Y	Y	Y			Y			Y	Y	Y			-		
51	Vertical Housing Tax Abatement (Locally Enabled and Managed)	Y	Y	Y	Y	L-M		Y	Y	Y		Y	Y		Y	Y	Y	Y	Y	Y	-		
52	Financial Incentives for Inclusionary Zoning			Y	Y	L-M	Y	Y	Y	Y			Y			Y	Y	Y			-		
53	SDC Financing and Credits	Y	Y	Y	Y	Low	Y	Y	Y	Y			Y			Y	Y	Y	Y	Y	-		
54	Sole Source SDCs	Y	Y	Y	Y	L-M		Y	Y	Y			Y	Y					Y	Y	-		
55	Reduced / Waived Building Permit fee, Planning fees, and/or SDCs for Affordable Housing				Y	Low	Y	Y	Y	Y			Y			Y	Y	Y			Y-I	N	
56	General Fund Grants or Loans			Y	Y	?	Y	Y	Y	Y			Y			Y	Y	Y			-		
57	Home ownership programs (direct assistance)	Y		Y		Low	Y	Y	Y	Y			Y			Y	Y	Y	Y		-		
58	Rental assistance programs (direct assistance)		Y		Y	Low	Y	Y	Y	Y			Y			Y	Y	Y			-		
59	Housing Rehabilitation Programs	Y		Y		Low	Y	Y	Y	Y			Y			Y	Y	Y			-		
60	Programs to Preserve Existing Housing Supply	Y	Y	Y	Y	Low	Y	Y	Y	Y			Y			Y	Y	Y			-		
J	**Evaluate Tools to Help Fund Infrastructure or Facilitate Equitable & Timely Infrastructure Extension**																					
61	Local Improvement District (LID)	Y	Y	Y	Y	L-M		Y	Y	Y				Y		Y	Y	Y	Y	Y	Y-O **		
62	Reimbursement District	Y	Y	Y	Y	L-M		Y	Y	Y				Y		Y	Y	Y	Y	Y	Y-O **		

	Strategic Option	Housing Benefits: Market Rate Ownership	Housing Benefits: Market Rate Rental	Housing Benefits: Subsi-dized Ownership	Housing Benefits: Subsi-dized Rental	Program Impact, (Low, Medium, High)	Nexus with Affordable Housing Action Plan	Strategic Timeframe: Near-Term, 2021-2026 (5 year)	Strategic Timeframe: Mid-Term, 2021-2031 (10 year)	Strategic Timeframe: Long-Term 2021-2041 (20 year)	Strategic Priority: 1 – Land Supply, Capacity, Availability	Strategic Priority: 2 – Wider Variety of Housing Types	Strategic Priority: 3 – Housing Affordability	Strategic Priority: 4 – Infrastructure	Strategic Priority: 5 – Great Neighborhood Principles and Urban Form	Housing Need Met: Extremely Low Income (≤ 30% of MHI) **483 HH** in 20 Year Forecast **11%** of total units	Housing Need Met: Very Low Income (30-50% of MHI) **482 HH** in 20 Year Forecast **11%** of total units	Housing Need Met: Low Income (50-80% of MHI) **683 HH** in 20 Year Forecast **15%** of total units	Housing Need Met: Middle Income (80 - 120% of MHI) **943 HH** in 20 Year Forecast **21%** of total units	High Income (> 120% of MHI) **1,833 HH** in 20 Year Forecast **41%** of total units	Status: Budgeted? Plan Started? Plan Adopted? Implementation Draft? Implemented? Ongoing?	Status: Additional Implementation or Implementation Refinement? (Opp. or Req.)	Priority: High / Medium / Low / (Req'd) / No
K	**Consider Programs and Revenue Sources to Generate Revenue to Fund Subsidy Programs and Incentives**																					
63	Urban Renewal / Tax Increment Finance (TIF)	**Y**	**Y**	**Y**	**Y**	**Med**		**Y**	**Y**	**Y**		**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**N?**	
64	Construction Excise Tax (CET)			**Y**	**Y**	**L-M**	**Y**	**Y**	**Y**	**Y**			**Y**			**Y**	**Y**	**Y**			-		
65	Linkage Fees	**Y**	**Y**	**Y**	**Y**	**L-M**	**Y**	**Y**	**Y**	**Y**			**Y**			**Y**	**Y**	**Y**	**Y**		-		
66	General Fund			**Y**	**Y**	**?**	**Y**	**Y**	**Y**	**Y**			**Y**			**Y**	**Y**	**Y**			-		
67	General Obligation (GO) Bonds			**Y**	**Y**	**M-H**	**Y**	**Y**	**Y**	**Y**			**Y**			**Y**	**Y**	**Y**			-		
68	SB 595 - Transient Lodging Tax (TLT) – up to 30% for Affordable Housing			**Y?**	**Y**	**L-M**	**Y**	**Y**	**Y**	**Y**			**Y**			**Y**	**Y**	**Y**			**?**	**(O)**	
69	Community Development Block Grant (CDBG)+Sec. 108			**Y**	**Y**	**?**	**Y**	**Y**	**Y**	**Y**			**Y**	**Y**		**Y**	**Y**	**Y**			-		
70	Housing Trust Funds			**Y**	**Y**	**?**	**Y**	**Y**	**Y**	**Y**	**Y**		**Y**			**Y**	**Y**	**Y**			-		
71	Fees or Other Dedicated Revenue			**Y**	**Y**	**?**		**Y**	**Y**	**Y**			**Y**			**Y**	**Y**	**Y**			-		
L	**Education and Outreach**																					
72	Ensure builders and housing providers are aware of current opportunities and recent regulatory reforms	**Y**	**Y**	**Y**	**Y**	**Low**	**Y**	**Y**	**Y**	**Y**		**Y**	**Y**			**Y**	**Y**	**Y**	**Y**	**Y**	**Y-O**	**Y (O)**	
M	**Advocate for State/Federal Legislative Actions That Increase State Agency Program Funding Available to Fund Affordable Housing**																					
73	State Affordable Housing Funding - HB 3349			**Y**	**Y**	**?**	**Y**	**Y**	**Y**	**Y**			**Y**			**Y**	**Y**	**Y**					
N	**Apply for and Utilize State, Federal, and Foundation Resources**																					
74	Use grants, programs, and technical assistance when available and cost-effective*			**Y**	**Y**	**?**	**Y**	**Y**	**Y**	**Y**			**Y**			**Y**	**Y**	**Y**			**Y-O**	**Y**	
O	**Partnerships**																					
75	*Misc. Partnerships - (Placeholder to Capture Ideas)*					-																
P	**Strategies and Tools Employed by Orgs. Other Than City**																					
76	*Misc. Other – (Placeholder to Capture Ideas)*					-																
77	Oregon Affordable Housing Tax Credit (OAHTC)*				**Y**	**L-M**	**Y**	**Y**	**Y**	**Y**			**Y**			**Y**	**Y**	**Y**					
78	Low Income Housing Tax Credits (LIHTC)*				**Y**	**Med**	**Y**	**Y**	**Y**	**Y**			**Y**			**Y**	**Y**	**Y**					

*Some state and federal programs apply directly between the state and a housing developer or lender, without City involvement; however, the state may look for local support and/or matches when making competitive award decisions, such as with Low Income Housing Tax Credits.

**Authorized by the City, but not frequently used

Note 1: *While the City has a traditional Euclidean zoning program, a Planned Development (PD) process is almost exclusively employed for most new subdivision developments, which provides flexibility and has achieved a mix of housing types and densities not otherwise permitted in the underlying zoning. In addition, implementation of Great Neighborhood Principles (GNP) and transition into the new program may mean some strategies applicable to current zoning will no longer apply when GNPs are implemented.*

Note 2: *Market rate housing benefits may apply across the board, or may be targeted to market rate at the more affordable end of the spectrum that can be achieved at market rates without subsidies – typically in the "workforce housing" range of 80-120% of median income.*

Table 3. This table provides more detailed descriptions of the potential housing strategies and actions listed in Table 3. In addition, the table provides further information about the potential scale of impact of the strategy.

Strategy Name	Description	Scale of Impact
I. LAND USE STRATEGIES (City)		
A. Regulatory Changes. Changes to the Zoning Code and Other Ordinances to Advance Strategic Priorities (through increasing residential land and capacity, flexibility, efficiencies, regulatory incentives, regulatory mandates, etc.)		
A1. Redesignate or rezone land for housing	The types of land rezoned for housing are vacant or partially vacant low-density residential and employment land rezoned to multifamily or mixed use. In rezoning land, it is important to choose land in a compatible location, such as land that can be a buffer between an established neighborhood and other denser uses or land adjacent to existing commercial uses. When rezoning employment land, it is best to select land with limited employment capacity (e.g., smaller parcels) in areas where multifamily housing would be compatible (e.g., along transit corridors or in employment centers that would benefit from new housing). This policy change increases opportunity for comparatively affordable multifamily housing and provides opportunities for mixing residential and other compatible uses.	**Scale of Impact - Low to high:** Scale of impact depends on the amount and location of land rezoned and the densities allowed on the rezoned land.
A2. Diverse Housing Zone. Explore residential zoning with targeted/ minimum density and multiple allowed housing types	This zone would authorize a variety of housing types and sub-types including single-family detached and "middle housing" attached and multi-family housing types. In contrast to traditional zoning, this strategy would be used to implement Great Neighborhood Principles (GNP), including the framework and area planning for growth areas, to specify a housing mix and associated average density that would need to be achieved in an area.	**Scale of impact – Medium to high:** This strategy allows a broader range of housing types; the impact will depend on market response.
A3. Develop a high density residential zone	This strategy would be used in conjunction with and to complement the Great Neighborhood Principles and diverse housing zone (A2) to provide for higher density housing types in specific areas, such as more dense core areas, centers, nodes, etc.	**Scale of Impact – Medium to high**: The key impacts of this strategy will be (1) ensuring land is available for higher density housing types, and (2) achieving

Strategy Name	Description	Scale of Impact
(cont.)	which would be higher density than the densities for “middle housing” types which would be incorporated on smaller lots within the diverse housing zone.	greater land use efficiencies that the city currently achieves in the R-4 zone.
A4. Allow Small Residential Lots	Small residential lots are generally less than 5,000 sq. ft. This policy allows individual small lots within a subdivision or short plat. Small lots can be allowed outright in the minimum lot size and dimensions of a zone, or they could be implemented through the subdivision or planned unit development ordinances. This policy is intended to increase density and lower housing costs. Small lots limit sprawl, contribute to the more efficient use of land, and promote densities that can support transit. Small lots also provide expanded housing ownership opportunities to broader income ranges and provide additional variety to available housing types.	**Scale of Impact – Low to medium**. Cities have adopted minimum lot sizes as small as 3,000 sq. ft. However, it is uncommon to see entire subdivisions of lots this small. Small lots typically get mixed in with other lot sizes.
A5. Mandate Maximum Lot Sizes	This policy places an upper bound on lot size and a lower bound on density in single family zones. For example, a residential zone with a 6,000 sq. ft. minimum lot size might have an 8,000 sq. ft. maximum lot size yielding an effective net density range between 5.4 and 7.3 dwelling units per net acre. This approach ensures minimum densities in residential zones by limiting lot size. It places bounds on building at less than maximum allowable density. Maximum lot sizes can promote appropriate urban densities, efficiently use limited land resources, and reduce sprawl development.	**Scale of Impact – Low to medium**. Mandating maximum lot size may be most appropriate in areas where the market is building at substantially lower densities than are allowed or in cities that do not have minimum densities.
A6. Mandate Minimum Residential Densities	This policy is typically applied in single-family residential zones and places a lower bound on density. Minimum residential densities in single-family zones are typically implemented through maximum lot sizes. In multiple-family zones they are usually expressed as a minimum number of dwelling units per net acre. Such standards are typically implemented through zoning code provisions in applicable residential zones. This policy increases land-holding capacity. Minimum densities promote developments consistent with local comprehensive plans and growth assumptions. They reduce sprawl development, eliminate underbuilding in residential areas, and make provision of services more cost effective.	**Scale of Impact - Low to medium**. Increasing minimum densities and ensuring clear urban conversion plans may have a small to moderate impact depending on the observed amount of underbuild and the minimum density standard.

Strategy Name	Description	Scale of Impact
A7. Increase Allowable Residential Densities	This approach seeks to increase holding capacity by increasing allowable density in residential zones. It gives developers the option of building to higher densities. This approach would be implemented through the local zoning or development code. This strategy is most commonly applied to multifamily residential zones. Higher densities increase residential landholding capacity. Higher densities, where appropriate, provide more housing, a greater variety of housing options, and a more efficient use of scarce land resources. Higher densities also reduce sprawl development and make the provision of services more cost effective.	**Scale of Impact – Low to medium**. This tool can be most effective in increasing densities where very low density is currently allowed or in areas where a city wants to encourage higher density development.
A8. Allow Clustered Residential Development	Clustering allows developers to increase density on portions of a site, while preserving other areas of the site. Clustering is a tool most commonly used to preserve natural areas or avoid natural hazards during development. It uses characteristics of the site as a primary consideration in determining building footprints, access, etc. Clustering is typically processed during the site review phase of development review.	**Scale of Impact – Medium.** Clustering can increase density, however, if other areas of the site that could otherwise be developed are not developed, the scale of impact can be reduced.
A9. Allow Duplexes, Cottages Townhomes, Row Houses, and Tri- and Quad-Plexes in single-family zones with appropriate design & development standards	Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types. This approach would be implemented through the local zoning or development code and would list these housing types as outright allowable uses in appropriate residential zones. These housing types provide additional affordable housing options and allow more residential units than would be achieved by detached homes alone.	**Scale of Impact – Low to Medium**. Allowing these types of housing in more zoning districts may provide a relatively small number of new, relatively affordable, housing opportunities.
A10. Allow Cohousing and “Group Quarters” (SROs, etc.)	Co-housing is a type of intentional community that provides individual dwelling units, both attached and detached, along with shared community facilities. Members of a co-housing community agree to participate in group activities and members are typically involved in the planning and design of the co-housing project. Private homes contain all the features of conventional homes, but residents also have access to extensive common facilities, such as open space, courtyards, a playground, and a common house.	**Scale of Impact – Low to Medium**. While cohousing may be able to achieve multifamily housing densities, it is unlikely that this housing type would make up a large portion of new housing stock, thereby diminishing its impact.

Strategy Name	Description	Scale of Impact
(cont.)	This approach would be implemented through the local zoning or development code and would list these housing types as outright allowable uses in appropriate residential zones. ***NOTE:*** *"Co-housing" is often a permitted use as one of the permitted housing types (single-family, attached housing, or multi-family) that has private social arrangements which are not publicly regulated through the zoning ordinance).* "Group Quarters" is a useful category used by the Census Bureau to describe living situations that aren't classified as dwellings. This includes la variety of different living situations where occupants have some private living spaces, but each private living space doesn't comprise a full dwelling unit, and there are certain shared common areas. For example, they may have one or more of the following: shared kitchen and dining facilities, living rooms, and/or bathrooms, etc. Examples include SROs (Single Room Occupancy housing, etc.). Similar to differentiation of "middle housing" multi-family housing types, these could be regulated and differentiated by zoning based on size categories.	"Group quarters" uses may reduce construction costs and address a potentially unmet need.
A11. Permit Accessory Dwelling Units (ADUs) in single-family zones	Communities use a variety of terms to refer to the concept of accessory dwellings: secondary residences; "granny" flats; and single-family conversions, among others. Regardless of the title, all of these terms refer to an independent dwelling unit that share, at least, a tax lot in a single-family zone. Some accessory dwelling units share parking and entrances. Some may be incorporated into the primary structure; others may be in accessory structures. Accessory dwellings can be distinguished from "shared" housing in that the unit has separate kitchen and bathroom facilities. ADUs are typically regulated as a conditional uses. Some ordinances only allow ADUs where the primary dwelling is owner-occupied. ***NOTE:*** *McMinnville has already adopted and simplified ADU provisions. HB 2001 may require a modification that would eliminate additional off-street parking requirements for ADUs.*	**Scale of Impact - Low**. Oregon law recently changed to require cities to allow ADUs. McMinnville has received few permit applications for ADUs in recent years.

Strategy Name	Description	Scale of Impact
A12. Allow small or "tiny" homes and identify opportunities for tiny home developments.	"Tiny" homes are typically dwellings that are 500 square feet or smaller. Some tiny houses are as small as 100 to 150 square feet. They include stand-alone units or very small multifamily units. Tiny homes can be sited in a variety of ways: locating them in RV parks (they are similar in many respects to Park Model RVs), tiny home subdivisions, or allowing them as accessory dwelling units. Smaller homes allow for smaller lots, increasing land use efficiency. They provide opportunities for affordable housing, especially for homeowners.	**Scale of Impact – Low to medium:** Scale of impact depends on regulation of tiny homes, where they are allowed, and market demand for tiny homes.
A13. Promote Infill Development, Allowing Flexibility in Existing Zones with Appropriate Design and Development Standards	This policy seeks to maximize the use of lands that are fully developed or underdeveloped. Make use of existing infrastructure by identifying and implementing policies that (1) improve market opportunities, and (2) reduce impediments to development in areas suitable for infill or redevelopment. Regulatory approaches to promote infill development include: • Administrative streamlining • Allowing accessory dwelling units (ADUs) • Allowing small lots • Density bonuses	**Scale of Impact – Low to medium**. In general, infill development, especially small-scale infill, is more expensive than other types of residential development. Some types of infill development, such as ADUs, may provide opportunities for relatively affordable housing.
A14. Incentive-Based Zoning and Inclusionary Zoning	Inclusionary zoning policies tie development approval to, or provide regulatory incentives for, the provision of low- and moderate-income housing as part of a proposed development. Mandatory inclusionary zoning-requires developers to provide a certain percentage of low-income housing. Incentive-based inclusionary zoning-provides density or other types of incentives. Price of low-income housing passed on to purchasers of market-rate housing; inclusionary zoning impedes the "filtering" process where residents purchase new housing, freeing existing housing for lower-income residents. Some cities have long had quasi-inclusionary housing provisions in their codes that are implemented at the point of annexation. *Legislative Authorizations: SB 1533 (2016), HB 2997 (2019, pending)*	**Scale of Impact – Low to medium**. Inclusionary zoning has recently been made legal in Oregon. The scale of impact would depend on the inclusionary zoning policies adopted by the city.

Strategy Name	Description	Scale of Impact
A15. Provide Density Bonuses to Developers	The local government allows developers to build housing at densities higher than are usually allowed by the underlying zoning. Density bonuses are commonly used as a tool to encourage greater housing density in desired areas, provided certain requirements are met. This strategy is generally implemented through provisions of the local zoning code and is allowed in appropriate residential zones. Bonus densities can also be used to encourage development of low-income or workforce affordable housing. An affordable housing bonus would allow for more housing units to be built than allowed by zoning if the proposed project provides a certain amount affordable units.	**Scale of Impact - Low**.
A16. Allow Transfer or Purchase of Development Rights (TDR/PDR)	This policy is intended to move development from sensitive areas to more appropriate areas. Development rights are transferred to "receiving zones" and can be traded. This policy can increase overall densities. This policy is usually implemented through a subsection of the zoning code and identifies both sending zones (zones where decreased densities are desirable) and receiving zones (zones where increased densities are allowed).	**Scale of Impact – Low to medium**. Actual impact will depend on the extent to which the policy is used. TDRs may have little impact on overall densities since overall density is not changed; rather it is moved around. TDRs can be used to encourage higher densities in selected areas.
A17. Transfer of Density	Transfer of density can be similar to TDR/PDR (A16), but could potentially be implemented in a more simplified manner that doesn't require the same administrative tracking of sending and receiving zones. For example, a Planned Development may allow a mix of housing types and densities which have the same overall density as allowed in the underlying zone that would achieved through development with uniform minimum lot sizes.	**Scale of Impact – Low to medium**. Actual impact will depend on the extent to which the policy is used. Density transfers may have little impact on overall densities since overall density is not changed; rather it is moved around.
A18. Evaluate transfer of density for protection of natural features	This policy could be implemented in a number of different ways, but with the specific intent of encouraging preservation of natural features by transferring allowed density elsewhere. This could be outside of the development or elsewhere within a development if applicable, similar to A16 or A17. The policy could also be achieved by permitting smaller lot sizes for lots abutting natural features so the natural feature can be better preserved in a distinct tract of land without reducing the development capacity of the site.	**Scale of Impact – Low to medium**. Actual impact will depend on the extent to which the policy is used. Density transfers for natural resource protection may have some impact on overall densities since it is allowing density to be captured on lands that would otherwise be unbuildable.

Strategy Name	Description	Scale of Impact
A19. Reduced Parking Requirements for Different Housing Types	Allows development of housing units to with discretionary reduction of parking requirements if an applicant can demonstrate that no more parking is needed. Reduced parking requirements are generally used in conjunction of development of subsidized affordable housing but cities like Portland have reduced or eliminated parking requirements for market-based multifamily housing in specific circumstances.	**Scale of Impact - Low**. The City could require the developer to prove the need and public benefit or reducing parking requirements to increase housing affordability.
A20. Reduce Street Width Standards	This policy is intended to reduce land used for streets and slow down traffic. Street standards are typically described in development and/or subdivision ordinances. Reduced street width standards are most commonly applied on local streets in residential zones. Narrower streets make more land available to housing and economic-based development. Narrower streets can also reduce long-term street maintenance costs. ***NOTE:*** *McMinnville has already adopted "skinny street" provisions, so any additional revisions would likely be minimal.*	**Scale of Impact - Low**. This policy is most effective in cities that require relatively wide streets.
A21. Regulations to Preserve Existing Housing Supply	Housing preservation ordinances typically condition the demolition or replacement of certain housing types on the replacement of such housing elsewhere, fees in lieu of replacement, or payment for relocation expenses of existing tenants. Preservation of existing housing may focus on preservation of smaller, more affordable housing. Approaches include: • Housing preservation ordinances • Housing replacement ordinances • Single-room-occupancy ordinances • Regulating demolitions	**Scale of Impact - Low**. Preserving small existing housing can make a difference in the availability of affordable housing in a city but it is limited by the existing stock housing, especially smaller, more affordable housing.
A22. Fair Housing Act Best Practices	**Amendments to Definitions and Regulations, Using Best Practices to Further the Fair Housing Act.** Historically, many communities have regulated residential use through definitions of "dwelling," "family," and "household" that described the maximum number of related and/or unrelated people living as a household within a dwelling unit. These regulations typically predated the Fair Housing Act, and new best practices which further the Fair Housing Act take a different approach to defining these terms and regulating residential use. Resulting regulations are more inclusive in permitting residential use.	**Scale of Impact – Low to medium.** This strategy would potentially help low income households obtain affordable housing by allowing more unrelated people to reside in a single dwelling.

Strategy Name	Description	Scale of Impact
B. Special Area Planning which Includes Housing Opportunities		
B23. City Center Housing Strategy	The strategy will evaluate a defined area within the City Center for opportunities to increase context-sensitive housing within that area. This work has the potential to implement other strategies. The study area is partially within the designated Urban Renewal District area where eligible for TIF (K62), and could include strategies such as such as infill (A13), redevelopment, rezoning for residential use (A1), upzoning (A3), identification of possible opportunity sites (H48), and determination of associated infrastructure needs (D28).	**Scale of Impact – Low to medium.** This work is ongoing; it provides an opportunity to identify potential extent of residential component. Impact will also depend on market conditions.
B24. Evaluate Three Mile Land for Residential Development	The Three Mile Lane Area Plan includes evaluation of land use alternatives that could include opportunities to increase housing within the defined study area. This work has the potential to implement other strategies, which could include rezoning to residential use (A1), upzoning (A3), and determination of associated infrastructure needs (D28, D30)	**Scale of Impact – Low to medium.** This work is ongoing; it provides an opportunity to identify potential extent of residential component. Impact will also depend on market conditions.
B25. Hwy 99W Corridor Study – Opportunity for Higher-Density Mixed use Development	This work could include opportunities for higher density mixed-use development in anticipation of changing commercial patterns.	**Scale of Impact – Low to medium.** Impact will depend on market conditions.
C. Ensure Comprehensive Plan Policies Support Strategic Priorities		
C26. Great Neighborhood Principles	In April 2019, the City adopted Great Neighborhood Principles (GNP) and associated policies as part of the Comprehensive Plan. Some of these policies address mixed income and mixed housing neighborhoods. These policies will need to be implemented with code amendments, which can include other strategies, such as Strategy A2 to achieve a Diverse Housing Zone.	**Scale of Impact – Low.** The GNPs are primarily focused on urban form.
C27. Repeal outdated policies related to old sewer treatment capacity limits	Previously, the City's sewer treatment plant (water reclamation facility) had limitations on treatment capacity, and the City established policies that limited density in certain areas commensurate with the treatment capacity limitations. The treatment capacity of the plant has increased, and those limitations are no longer necessary, and should be repealed. (Comprehensive Plan Housing Policies – 71.10)	**Scale of Impact – Low to medium.**

Strategy Name	Description	Scale of Impact
D. Develop Infrastructure Plans to Support Strategic Priorities		
D28. Update infrastructure plans for vacant/infill development	In some developed areas, infrastructure plans including waste water collection and transportation may have assumed no additional development and were not planned for infill and redevelopment to higher intensity. Further, in undeveloped areas, these plans may have assumed growth would occur at historic densities, which may be less than the maximum density permitted by zoning, limiting density of new development where there may be a desire to encourage infill and redevelopment.	**Scale of Impact – Low to medium.** It is difficult to determine impact until the assessment is completed; impact will depend on market response.
D29. Update infrastructure plans for growth lands	Infrastructure plans are generally sized with capacity for build-out of the Urban Growth Boundary. Expansion of the UGB will necessitate updates to the public facility plans to provide capacity to serve new areas. Infrastructure planning can also be sized to accommodate future growth within designated Urban Reserve Areas, providing for more cost-efficient provision of services.	**Scale of Impact – Medium to high.** The HNA concludes a significant deficit of residential lands; ensuring services is essential to transitioning land to a developable state.
D30. Develop infrastructure allocation policies	If there are current infrastructure capacity limits, developing policies to allocate the capacity can provide greater certainty about capacity and allowable density of development phasing in the short term, in support of development, redevelopment, and infill priorities.	**Scale of Impact – Low**. This strategy is primarily about efficient use of infrastructure and timing and will have little impact on land capacity.
D31. Develop alternative mobility network	Planning and developing an alternative mobility network can shift some trips to alternative transportation modes, providing transportation choice and reducing congestion. This can support infill and redevelopment that supports alternative modes in congested areas.	**Scale of Impact – Low**. This will have little impact on housing cost or type, but will ensure livable neighborhoods.
D32. Develop plans that allow for emerging technology	As new technologies emerge, there may be opportunities to reduce demand on certain infrastructure and transportation systems, potentially increasing capacity by reducing travel demand for some trips. Plans should be designed to allow for this technology and be flexible in adapting plans to reduced demand and congestion on systems that may enable additional infill and redevelopment	**Scale of Impact – Unknown**. Not enough is known about the impact of emerging technologies such as autonomous vehicles to predict their impact.
D33. Encourage "to and through" infrastructure policies	These policies ensure infrastructure extensions are sized to serve development as well as to extend beyond the development in the future to serve outlying properties.	**Scale of Impact – Medium to high.** This strategy will have little impact on housing type or affordability, but will ensure adequate capacity to serve lands in a timely and economical manner.

Strategy Name	Description	Scale of Impact
D34. Identify issues and plan for Water Zone 2 infrastructure improvements	The western portion of the UGB is at a higher elevation which requires separate infrastructure for water service within Water Service Pressure Zone 2, which will require a new water storage tank. Buildable lands within the UGB which area in Zone 2 will be unavailable for development until they can be served with water. The investment in the Zone 2 water infrastructure won't occur without sufficient area and timely development to help fund the necessary water infrastructure.	**Scale of Impact – Low**. This strategy will allow development of land included in the BLI.
D35. Identify areas with underutilized infrastructure capacity	Areas with underutilized infrastructure capacity may be evaluated as candidates for additional development intensity of vacant lands or infill and redevelopment opportunities in developed areas.	**Scale of Impact – Low to medium**. This strategy would potentially allow higher density development; impact will depend on market response.
E. Increase Buildable Land Inventory – Developing a 5, 10, 20, and 50 Year Inventory & Phase-In		
E36. Establish an Urban Reserve Area (URA)	Cities may establish Urban Reserve Areas (URAs) for a period of up to 30 years beyond the Urban Growth Boundary (UGB) planning period of 20 years, for a combined period of up to 50 years . These become the highest priority lands for future UGB expansions. Urban Reserve Areas provide an opportunity for efficient infrastructure planning and future urbanization.	**Scale of Impact – Low to high.** URAs are a long-term land supply strategy. The short term impact will be none; the impact 10-20+ years out could be significant in allowing better infrastructure and land supply.
E37. Establish a framework plan for the URA	A framework plan identifies the major land uses, transportation backbone, infrastructure needs, and sequencing for the long-term growth within the URA. As these lands come into the UGB, area plans will be developed to ensure land uses and housing are provided consistent with the long-term framework plan.	**Scale of Impact – Low to high.** URAs are a long-term land supply strategy. The short term impact will be none; the impact 10-20+ years out could be significant in allowing better infrastructure and land supply.
E38. Identify an expanded UGB per the URA	Urban Reserve Planning helps guide where to establish an Urban Growth Boundary to meet needs for the 20-year planning period.	**Scale of Impact – High.** Land supply is one of McMinnville's biggest short-term constraining factors.

Strategy Name	Description	Scale of Impact
E39. Develop area plans for UGB lands identifying housing opportunities	Area plans for the UGB refine the framework plan into a more detailed land use plan for areas within the UGB. Development proposals would require master plans consistent with the area plans.	**Scale of Impact – High.** Land supply is one of McMinnville's biggest short-term constraining factors. This strategy will ensure efficient development of expansion areas.
E40. Develop annexation process to mandate housing types upon annexation per area plans.	Lands brought into the UGB are placed in an urban holding zone, allowing for annexation phasing plans. Annexation would require master plan approval addressing required housing mix and average density, site design, and development standards.	**Scale of Impact – High.** Land supply is one of McMinnville's biggest short-term constraining factors. This strategy will ensure efficient development of expansion areas.
F. Complete "Functional" Planning that Further Affects or Informs the Buildable Land Inventory		
F41. Goal 5 Natural Resource Planning & Policies, incl. wetlands and riparian areas	The City has not adopted certain local "Goal 5" resource policies, which will be required, including a Local Wetland Inventory (LWI) and standards for riparian corridors. These will further affect or inform the capacity of lands within the UGB and future growth areas.	**Scale of Impact – Low.** This strategy may take certain lands off the buildable inventory.
F42. Goal 7 Hazards Planning & Policies, incl. landslide susceptibility	The City has not adopted certain local "Goal 7" policies for hazards, including areas mapped by DOGAMI (The Oregon Department of Geology and Mineral Industries) as high landslide susceptibility. DOGAMI is in the process of refining their mapping which will further inform this work, which could affect or inform the capacity of lands within the UGB and future growth areas.	**Scale of Impact – Low.** This strategy may take certain lands off the buildable inventory.

Strategy Name	Description	Scale of Impact
G. Evaluate Administrative and Procedural Reforms		
G43. Administrative and Procedural Reforms	Regulatory delay can be a major cost-inducing factor in development. Oregon has specific requirements for review of development applications; however, complicated projects frequently require additional analysis such as traffic impact studies, etc. A key consideration in these types of reforms is how to streamline the review process and still achieve the intended objectives of local development policies.	**Scale of Impact - Low**. The level of impact on production of housing and housing affordability will be small and will depend on the changes made to the city's procedures.
G44. Streamline Zoning Code and other Ordinances	Complexity of zoning, subdivision, and other ordinances can make development more difficult, time consuming, and costly. Streamlining development regulations can result in increased development. As part of the streamlining process, cities may evaluate potential barriers to affordable workforce housing and multifamily housing. Potential barriers may include: height limitations, complexity of planned unit development regulations,	**Scale of Impact - Low to medium**. The level of impact on production of housing and housing affordability will depend on the changes made to the zoning code and other ordinances.

Strategy Name	Description	Scale of Impact
II. OTHER STRATEGIES – NON LAND USE (City)		
H. Land Interventions to Reduce Costs and Facilitate Housing Development		
H45. Parcel assembly	Parcel assembly involves the city's ability to purchase lands for the purpose of land aggregation or site assembly. It can directly address the issues related to limited multifamily lands being available in appropriate locations (e.g., near arterials and commercial services). Typical goals of parcel assembly programs are: (1) to provide sites for rental apartments in appropriate locations close to services and (2) to reduce the cost of developing multifamily rental units Parcel assembly can lower the cost of multifamily development because the City is able to purchase land in strategic locations over time. Parcel assembly is more often associated with development of government-subsidized affordable housing, where the City partners with nonprofit affordable housing developers.	**Scale of Impact - Low to medium:** Parcel assembly is most likely to have an effect on a localized area, providing a few opportunities for new multifamily housing development over time**.**
H46. Land Banking	Land banks are public or community-owned entities created to acquire, manage, maintain, and repurpose vacant, abandoned, and foreclosed properties for conversion into productive use. Land banks can play a variety of roles. They can play a very limited role, such as simply acquiring property on behalf of a local municipality, to a broader role of property developer. It is important to note that land banks are not financial institutions: financing comes from developers, banks, and local governments. Land banks may be granted special powers via state enabling legislation. These powers can include the ability to remove legal and financial barriers, such as delinquent property taxes, that often render vacant and abandoned properties inaccessible or unattractive to the private market. Land banks acquire properties through different means, but the most common pipeline is the property tax foreclosure system.	**Scale of Impact - Low to medium: L**and banking would have the biggest impact on production of low- and moderate-income affordable housing. Considering how difficult it can be to build this type of affordable housing, and the level of need for affordable housing, land banking could encourage development of more affordable housing types.

Strategy Name	Description	Scale of Impact
H47. Community Land Trust (CLT)	A Community Land Trust (CLT) creates permanent affordability by severing the value of the land and the improvements (i.e., the house). The land is held in trust by a nonprofit or other entity then leased to the homeowner. The homeowner enjoys most of the rights of homeownership, but restrictions are placed on use (e.g., owner occupancy requirement) and price restrictions on resale ensure that the home remains affordable. CLTs may be used in conjunction with land banking programs, where the city or a nonprofit housing corporation purchases a future site for affordable housing or other housing that meets community goals. A variation to the community land trust is to have the City own the property rather than the land trust, and lease property to income-qualifying households (such as low-income or moderate-income households) to build housing. The City would continue to own the land over the long-term but the homeowner would be able to sell the house. Restrictions on resale ensure that the home remains affordable.	**Scale of Impact - Low to medium:** A land trust will have the biggest impact on production of low- and moderate-income affordable housing. Considering how difficult it is to build this type of affordable housing and the level of need for affordable housing, a land trust could increase nonprofits' capacity to build affordable housing.
H48. Public Land Disposition	The public sector sometimes controls land that has been acquired with resources that enable it to dispose of that land for private and/or nonprofit redevelopment. Land acquired with funding sources such as tax increment, EB5, or through federal resources such as CDBG or HUD Section 108 can be sold or leased at below market rates for various projects to help achieve redevelopment objectives. This increases development feasibility by reducing development costs and gives the public sector leverage to achieve its goals via a development agreement process with the developer. Funding can come from Tax Increment, CDBG/HUD 108, EB-5.	**Scale of Impact - Low to medium:** Using public land would have the biggest impact on production of low- and moderate-income affordable housing. Impact varies considering how difficult it is to build this type of affordable housing and the level of need for affordable housing.
I. Financial Incentives and Affordable Housing Subsidy & Assistance Programs to Retain Housing Stock, Add Supply, and Help People Afford Housing (Tax abatement programs that decrease operational costs by decreasing property taxes, Programs to lower the cost of development)		
I49. Multiple-Unit Limited Tax Exemption Program (Locally Enabled and Managed)	Multi-unit projects receive a ten-year property tax exemption on structural improvements to the property as long as program requirements are met. There is no ground floor active use requirement for this tool. The City of Portland's program, for example, limits the number of exemptions approved annually, requires developers to apply through a competitive process, and encourages projects to provide greater public benefits to the community. This program is enabled by the state, but managed by the local jurisdiction.	**Scale of Impact – Low to medium**. The design of the tax abatement program will impact whether and how many developers use the tax abatement, which will affect the scale of the impact.

Strategy Name	Description	Scale of Impact
I50. Affordable Housing Property Tax Abatement	There are several statutory authorizations for different types of affordable housing property tax abatements which could apply to affordable housing developments that aren't already tax exempt. Some of these can be designated for a limited duration. Some of these are authorized by statute and require local enabling legislation or approvals.	**Scale of Impact – Low to medium**. The design of the tax abatement program will impact whether and how many developers use the tax abatement, which will affect the scale of the impact.
I51. Vertical Housing Tax Abatement (Locally Enabled and Managed)	Subsidizes "mixed-use" projects to encourage dense development or redevelopment by providing a partial property tax exemption on increased property value for qualified developments. The exemption varies in accordance with the number of residential floors on a mixed-use project with a maximum property tax exemption of 80% over 10 years. An additional property tax exemption on the land may be given if some or all of the residential housing is for low-income persons (80% of area is median income or below). The proposed zone must meet at least one of the following criteria: • Completely within the core area of an urban center. • Entirely within half-mile radius of existing/planned light rail station. • Entirely within one-quarter mile of fixed-route transit service (including a bus line). • Contains property for which land-use comprehensive plan and implementing ordinances effectively allow "mixed-use" with residential.	**Scale of Impact – Low to medium**. The design of the tax abatement program will impact whether and how many developers use the tax abatement, which will affect the scale of the impact.
I52. Financial incentives supporting inclusionary zoning	In addition to regulatory mandates and incentives for inclusionary zoning, there can be financial incentives to help achieve inclusionary zoning, or to help increase the level of affordability or percentage of affordable units. If a City adopts both inclusionary zoning and a Construction Excise Tax, a city must offer certain incentives for developments subject to inclusionary zoning.	**Scale of Impact – Low to medium**. The design of the program will impact whether and how many developers use the incentives which will affect the scale of the impact.

Strategy Name	Description	Scale of Impact
I53. SDC Financing and Credits	Enables developers to spread their SDC payment over time, thereby reducing upfront costs. Alternately, credits allow developers to make necessary improvements to the site in lieu of paying SDCs. Note that the City can control its own SDCs, but often small cities manage them on behalf of other jurisdictions including the County and special districts. Funding can come from an SDC fund or general fund. In some cases there may be no financial impact. Can come in the form of student, low-income, or workforce housing. An additional variation is deferral of SDC payment from time of building permit issuance to when the building is occupied, which can reduce up-front costs, but can potentially present create administrative issues.	**Scale of Impact – Low.** The City may consider changes in SDCs to allow financing, but the City would want to ensure that the impact should be spread-out and non-negatively impact one entity.
I54. Sole Source SDCs	Retains SDCs paid by developers within a limited geographic area that directly benefits from new development, rather than being available for use city-wide. This enables SDC eligible improvements within the area that generates those funds to keep them for these improvements. Improvements within smaller areas can enhance the catalytic and redevelopment value of the area. This tool can also be blended with other resources such as LIDs and TIF. Funding can come from an SDC fund or general fund. In some cases there may be no financial impact. The housing can come in the form of student, low income, or workforce housing. However, in some cases, this could limit the ability to aggregate SDC resources regardless of geographic area for larger infrastructure projects.	**Scale of Impact – Low to medium**. Depends on extent to which SDCs can be aggregated to complete larger projects.
I55. Reduced or waived planning fees, permit fees, SDCs for affordable housing	Planning fees, permit fees, and SDCs cam be reduced or waived for qualifying affordable housing developments. McMinnville has already enacted planning, permit, and certain SDC waivers for qualifying affordable housing developments.	**Scale of Impact – Low**. McMinnville has already enacted planning, permit, and certain SDC waivers for qualifying affordable housing developments.
I56. General Fund Grants or Loans	Through the annual budget process, the City can allocate funds to assist affordable housing developments. Assistance can also be provided through no- or low-interest loans. That typically occurs in conjunction with a revolving loan fund that allows the fund to grow over time as loans are repaid.	**Scale of Impact – Unknown**. Impact is dependent on obtaining grants.

Strategy Name	Description	Scale of Impact
I57. Home ownership programs	Cities (and other partners) use a variety of programs to assist with homeownership • **Homebuyer Assistance Programs.** These Down Payment Assistance loans help low- or moderate-income households cover down payment and closing costs to purchase homes on the open market. These programs either give loans or grants, most frequently to first time homebuyers. • **Inclusionary Housing Program.** Some cities have an Inclusionary Housing Ordinance (IH) requires that new residential development contribute at least 20% of the total units as permanently affordable housing. Options for meeting this requirement can be allow the affordable units to be located on or off site. Cities that use inclusionary housing generally have programs to ensure that housing continues to be affordable over the long-term. • **Partnerships**. Cities often work with partnerships with nonprofit agencies that provide homeownership assistance.	**Scale of Impact - Low**. While homeownership programs are important, limited funds mean that the number of households that benefit from homeownership programs is relatively small.
I58. Rental assistance programs	Cities (and other partners) use a variety of programs to provide rental assistances • **Section 8 Voucher**: This assistance subsidizes the difference between 30 to 40 percent of a household's income and the area's Fair Market Rent (FMR). • **Rental assistance programs**. These programs offer a range of services, such as assistance with security deposits. • **Rent Control**. Rent control regulations control the level and increases in rent, over time resulting in rents that are at or below market rates. • **Partnerships**. Cities often work with partnerships with nonprofit agencies that provide rental assistance.	**Scale of Impact - Low**. Renter assistance programs are important. However, limited city funds mean that the number of households that benefit from rental assistance resulting from city funding is relatively small.
I59. Housing Rehabilitation Programs	Cities (and other partners) often offer home rehabilitation programs, which provide loans to low- and moderate-income households for rehabilitation projects such as making energy efficiency, code, and safety repairs. Some programs provide funding to demolish and completely reconstruct substandard housing.	**Scale of Impact - Low**. Limited fund availability means that relatively few households will be able to access housing rehabilitation funds.
I60. Non-regulatory programs and incentives to	While rehabilitation programs can help preserve housing supply there are other strategies that can help preserve housing supply, or affordable housing supply. For example, if a long-term deed restriction requiring affordable rents for a specified period is	**Scale of Impact - Low**. Impact would be limited by the availability of funding.

Strategy Name	Description	Scale of Impact
preserve existing housing supply	set to expire, an affordable housing agency may acquire a property to retain the housing as affordable units.	
J. Tools to Help Fund Infrastructure or Facilitate Equitable & Timely Extension of Infrastructure		
J61. Local Improvement District (LID)	This tool is a special assessment district where property owners are assessed a fee to pay for capital improvements, such as streetscape enhancements, underground utilities, or shared open space. LIDs must be supported by a majority of affected property owners and setting up fair LID payments for various property owners, who are located different distances from the improvement can be challenging. However, if successful it succeeds in organizing property owners around a common goal. It also allows property owners to make payments over time to bring about improvements quickly that benefit them individually. LIDs can also be bundled with other resources, such as TIFs.	**Scale of Impact – Low to medium**. This tool can only be used when certain majority requirements are met for properties to be assessed.
J62. Reimbursement District	A reimbursement district is a tool that provides equity if the City or a developer must extend public facilities along other properties in order to enable development of a property. If intervening properties connect to the infrastructure extended at the expense of the developer or City, a reimbursement district allows the City or developer who paid for the extension to recoup costs that would have been incurred by the intervening properties if they had to extend it on their own at the time of their development. Unless or until the intervening property develops in a manner that would have required the infrastructure extension, there is no assessment. Therefore, there is no assurance that the City or developer that installed the infrastructure will recoup the costs. This tool can overcome a situation where a developer may be hesitant to extend services if the intervening property can connect for free at developer's expense.	**Scale of Impact – Low to medium**. This tool doesn't provide a new funding source, but may sometimes impact decisions to extend infrastructure to serve new development.

Strategy Name	Description	Scale of Impact
K. Programs and Revenue Sources to Generate Revenue to Fund Subsidy Programs and Incentives (Sources of funding to pay for infrastructure to support development)		
K63. Urban Renewal / Tax Increment Finance (TIF)	Tax increment finance revenues are generated by the increase in total assessed value in an urban renewal district from the time the district is first established. As property values increase in the district, the increase in total property taxes (i.e., City, County, school portions) is used to pay off the bonds. When the bonds are paid off, the entire valuation is returned to the general property tax rolls. TIFs defer property tax accumulation by the City and County until the urban renewal district expires or pays off bonds. Over the long term (most districts are established for a period of 20 or more years), the district could produce significant revenues for capital projects. Urban renewal funds can be invested in the form of low-interest loans and/or grants for a variety of capital investments: • Redevelopment projects, such as mixed-use or infill housing developments • Economic development strategies, such as capital improvement loans for small or start up businesses which can be linked to family-wage jobs • Streetscape improvements, including new lighting, trees, and sidewalks • Land assembly for public as well as private re-use • Transportation enhancements, including intersection improvements • Historic preservation projects • Parks and open spaces	**Scale of Impact – Medium**. Urban Renewal funding is a flexible tool that allows cities to develop essential infrastructure or provides funding for programs that lower the costs of housing development (such as SDC reductions or low interest loan programs). Portland used Urban Renewal to catalyze redevelopment across the City, including the Pearl District and South Waterfront.
K64. Affordable Housing Construction Excise Tax (CET)	An affordable housing construction excise tax (CET) is a tax on the value of new construction that is used to fund affordable housing. CETs are governed by state law but provide local control over some aspects of the tax structure, rates, etc. A CET can be established using a flat rate or a tiered/marginal rate, which can help further affordable housing objectives. *(Legislative Authorization: SB 1533, 2016)*	**Scale of Impact – Low to medium**. Impacts would depend on (1) the amount of the tax, (2) the amount of revenue generated, and (3) how the funds are invested.

Strategy Name	Description	Scale of Impact
K65. Linkage Fees for Non-Residential Development	Linkage fees are a type of impact fee based on the source of the impact. In this case, the fee is based on the impact of commercial and industrial development creating additional housing demand. New nonresidential development generates jobs, which triggers housing needs for their workers. Commercial and/or industrial developers are charged fees, usually assessed per square foot, which then are used to build new housing units. A communitywide analysis is usually performed to estimate the type and amount of jobs and wages that are expected to be generated by new development.	**Scale of Impact – Low to medium**. Impact is dependent on the design of the program which will determine how many projects are required to pay fees.
K66 & 67. General Fund and General Obligation (GO) Bonds	The city can use general fund monies on hand or can issue bonds backed by the full faith and credit of the city to pay for desired public improvements. GO Bonds require a public vote which can be time-consuming and costly. GO Bonds also raise property owner taxes.	**Scale of Impact – Medium to high.** GO Bonds can be used to develop essential infrastructure or provides funding for programs that lower the costs of housing development (such as SDC reductions or low interest loan programs).
K68. Transient Lodging Tax (TLT) – Up to 30% for Affordable Housing (SB595)	This legislation would enable cities with a local transient lodging tax to use a portion for affordable housing. Currently 70% of local funds must go to tourism, and 30% can be allocated to general fund. SB595 would authorize a maximum of 30% be dedicated for affordable housing, authorized to be deducted from the 70% for tourism. *(Legislative Authorization: SB595, 2019, pending)*	**Scale of Impact – Low to moderate** Would require Council action to appropriate funds for housing and the amount of funding. Would provide a stable annual funding source dedicated to affordable housing.

Strategy Name	Description	Scale of Impact
K69. Community Development Block Grants (CDBG) (Federal Program, Locally Administered)	Community Development Block Grants (CDBG) provide communities with resources to address a range of community development needs, including infrastructure improvements, housing and commercial rehab loans and grants, as well as other benefits targeted to low- and moderate-income persons. Funds can be applied relatively flexibly. This program has been run since 1974, and is seen as being fairly reliable, but securing loans/grants for individual projects can be competitive. Some drawbacks to CDBG funds include: • Administration and projects must meet federal guidelines such as Davis Bacon construction requirements. • Amount of federal funding for CDBG has been diminishing over the past few years. • CDBG program is not in the control of the City.	**Scale of Impact – Unknown**. Impact is dependent on qualifying as an entitlement community with an annual appropopriation or obtaining grants competitively through the state/small cities program
p/o K69. CDBG – Section 108 (Federal Program, Locally Administered)	HUD Section 108 increases the capacity of block grants to assist with economic development projects by enabling a community to borrow up to five times its annual CDBG allocation. These funds can be fairly flexible in their application. The program has been in operation since 1974 and has gained reliability. It enables a larger amount of very low interest-rate-subordinate funding for eligible projects. As with CDBGs, the process of securing the loan can be competitive.	**Scale of Impact - Low**. Section 108 funds could be used to help finance development of some affordable housing but would only cover a portion of the affordable housing development.
K70. Housing Trust Funds	Housing trust funds are designed locally so they take advantage of unique opportunities and address specific needs that exist within a community. Housing trust funds support virtually any housing activity that serves the targeted beneficiaries and would typically fund new construction and rehabilitation, as well as community land trusts and first time homeowners. This tool is often used in cities with inclusionary zoning ordinances, which generates fees to fund development of the housing trust fund. Successfully implementing this tool requires a dedicated funding source.	**Scale of Impact – Unknown**. Impact is dependent on program design.

Strategy Name	Description	Scale of Impact
K71. Fees or Other Dedicated Revenue	Directs user fees into an enterprise fund that provides dedicated revenue to fund specific projects. Examples of those types of funds can include parking revenue funds, stormwater/ sewer funds, street funds, etc. The City could also use this program to raise private sector funds for a district parking garage wherein the City could facilitate a program allowing developers to pay fees-in-lieu or "parking credits" that developers would purchase from the City for access "entitlement" into the shared supply. The shared supply could meet initial parking need when the development comes online while also maintaining the flexibility to adjust to parking need over time as elasticity in the demand patterns develop in the district and influences like alternative modes are accounted for. Funding can come from residents, businesses, and developers. Also these fees or revenues allow for new revenue streams into the City.	**Scale of Impact – Unknown**. Impact is dependent on program design.
L. Education and Outreach		
L72. Education and Outreach	Ensure housing developers are aware of regulatory changes that authorize additional housing options or flexibility. Provide information that explains housing options that are already available under existing zoning and building codes, but may use different terminology than is commonly recognized.	**Scale of Impact – Low**.
M. Advocacy for State/Federal Legislative Actions that Increase State Agency Program Funding Available to Fund Affordable Housing		
M73. State Affordable Housing Funding	This legislation would change the tax income code to eliminate certain deductions, and the resulting revenues would fund state affordable housing programs. *(Legislation: HB 3349, 2019, pending)*	**Scale of Impact – Unknown**.
N. Apply for and Utilize State, Federal, and Foundation Resources		
N74. Use grants, programs, and technical resources when available and cost-effective	Continue to utilize grant funds and other resources when available to fund housing related planning and housing-related programs.	**Scale of Impact – Unknown**. Impact is dependent on obtaining grants.

Strategy Name	Description	Scale of Impact
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P. Strategies and Tools Employed by Organizations Other Than the City		
P76. Misc. Strategies	Placeholder Only – To Capture Ideas / Discussion	
P77. Oregon Affordable Housing Tax Credit (OAHTC)	The City is directly not involved in this program. The 1989 Oregon Legislature created the **Oregon Affordable Housing Tax Credit Program (OAHTC)**. Under the OAHTC Program, the Department has the authority to certify tax credits for projects. Through the use of tax credits, lending institutions are able to lower the cost of financing by as much as four percent for housing projects or community rehabilitation programs serving low-income households. The savings generated by the reduced interest rate must be passed directly to the tenant in the form of reduced rents.	**Scale of Impact – Low to medium**. The city is not directly involved in this program.
P78. Low Income Housing Tax Credits (LIHTC)	The Low Income Housing Tax Credit Program (LIHTC) is an incentive to encourage the construction and rehabilitation of rental housing for lower-income households. The program offers credits on federal tax liabilities for 10 years. Individuals, corporations, partnerships and other legal entities may benefit from tax credits, subject to applicable restrictions. Annually, the U.S. Department of Treasury allocates tax credits to each state. Oregon Housing and Community Services (OHCS) administers' the tax credit program for the state of Oregon. Tax credits offer direct federal income tax savings to owners of rental housing developments who with a developer are willing to set-aside a minimum portion of the development's units for households earning 60 percent or less of gross area median income. Developers of tax credit developments typically sell the credits to investors who are willing to provide capital in return for the economic benefits (including tax credits) generated by the development.	**Scale f Impact – Moderate to high.** The city is not directly involved in this program.

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City of McMinnville
Housing Needs Analysis

June 2019

Prepared for:

City of McMinnville

FINAL REPORT

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1. Introduction

This report presents a housing needs analysis (HNA) for the City of McMinnville. It is intended to comply with statewide planning policies that govern planning for housing and residential development, including Goal 10 (Housing) and applicable statutes such as ORS 197.296 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).

Consistent with Statewide Planning Goal 10, the HNA documents McMinnville's housing needs for the 2021–2041 planning period.[1] It is more comprehensive than the State requires, looking at housing needs for a 5-, 10-, 20-, and 50-year period. The shorter-term analyses are intended to identify immediate housing needs and strategies given current land-need deficiencies, and the 50-year analysis can provide a basis for the establishment of urban reserve areas (URAs).

ECONorthwest developed this report in tandem with the development of the housing strategy, which is a separate, freestanding document, which is referenced and discussed herein.

Background

In January 1981, the City of McMinnville adopted an urban growth boundary (UGB) intended to meet the needs for the 1980–2000 planning period. The City of McMinnville last initiated a housing needs analysis in 2000 for the 2000–2020 planning period as part of a comprehensive review of its 20-year needs. It was subsequently updated to a 2003–2023 planning period.

In 2007–2008, the City submitted a UGB amendment to the Department of Land Conservation and Development (DLCD) for the inclusion of 1,188 gross acres, resulting in a total inclusion request of 890 buildable acres (of which 537 buildable acres were designated to meet identified housing needs) and the adoption of several land-use efficiency measures. This UGB amendment was subsequently appealed on a number of issues, and ultimately the court of appeals found that the City had not justified its inclusion of high-value farmland instead of rural residential "exception" areas and agricultural areas of poorer soils.

In July 2011, the court of appeals remanded the aforementioned case, approving the inclusion of 217 buildable acres of exception-only land in the UGB for residential use, thus leaving a 320-acre deficit of buildable residential land. To partially address residential land needs, the City has since approved some plan amendments and rezones from lower- to higher-density residential designations. Other than some smaller nonresidential-to-residential plan

[1] ORS 197.296(2) requires cities to "demonstrate that its comprehensive plan or regional framework plan provides sufficient buildable lands within the urban growth boundary established pursuant to statewide planning goals to accommodate estimated housing needs for 20 years. The 20-year period shall commence on the date initially scheduled for completion of the periodic or legislative review." McMinnville anticipates adopting the housing needs analysis no earlier than 2021. As a result, this report presents housing needs for the 2021 to 2041 period.

amendments and zone changes, no additional land has been added to the residential plan designation since 2007–2008, per the court of appeals' decision in 2011 that required a reduction in land.

From 1996 to 2016, when Senate Bill 1573 was passed, annexation of residentially designated land within the unincorporated UGB was subject to approval by City voters.[2] Annexations of land in McMinnville from 1996 to 2016 totaled 468.4 acres with at least 190 of those acres designated for uses other than housing.

The City has changed considerably since the time the last UGB review was initiated. From 2000 to 2017, McMinnville added nearly 7,166 residents, accounting for 34% of Yamhill County's growth over that period. In the same time, McMinnville added about 3,250 new dwelling units. McMinnville's population has grown a little older on average and has become slightly more ethnically diverse since 2000, consistent with statewide trends.

This report provides McMinnville with a factual basis to update the Housing Element of the City's comprehensive plan and zoning code. Additionally, it provides a factual basis to support future planning efforts related to housing and options for addressing unmet housing needs in McMinnville. It provides information that will inform future planning efforts, including a review of the McMinnville UGB and the establishment of urban renewal areas (URAs). It provides the City with information about the housing market in McMinnville and describes the factors that will affect future housing demand and need in McMinnville, such as changing demographics and housing preferences. This analysis will help decision makers understand whether McMinnville has enough land to accommodate growth over the next 5, 10, 20, and 50 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, recreation), amenities (type and quality of fixtures and appliances, landscaping, views), prestige, and access to public services (quality of schools). Because it is impossible to maximize all these services and simultaneously minimize costs, households must make tradeoffs. What they can get for their money is influenced both by economic forces and government policy. Moreover, different households will value what they can get differently. They will have different preferences, which in turn are a function of many factors such as income, age of household head, number of people and children in the household, number of workers and job locations, number of automobiles, and so on.

Thus, housing choices of individual households are influenced in complex ways by dozens of factors. The housing market in Yamhill County and McMinnville are the result of the individual decisions of thousands of households, (McMinnville has over 12,000 households, and Yamhill

[2] https://olis.leg.state.or.us/liz/2016R1/Measures/Overview/SB1573.

County has nearly 40,000 households). These points help to underscore the complexity of projecting what types of housing will be built in McMinnville between 2021 and 2041.

The complex nature of the housing market was demonstrated by the unprecedented boom-and-bust during the past two decades. This complexity does not eliminate the need for some type of forecast of future housing demand and need, with the 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.

Statewide Planning Goal 10 and Related Policies

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).[3] Goal 10 requires incorporated cities to complete an inventory of buildable residential lands and encourage the availability of adequate numbers of housing units in price and rent ranges commensurate with the financial capabilities of its households.

Goal 10 defines needed housing types as "housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels."

ORS 197.303(1) defines "needed housing" as follows:

> As used in ORS 197.307, "needed housing" means all housing on land zoned for residential use or mixed-residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes, as those terms are defined by the US Department of Housing and Urban Development under 42 U.S.C. 1437a. Needed housing includes the following housing types:
>
> (a) Attached and detached single-family housing and multifamily housing for both owner and renter occupancy;
>
> (b) Government-assisted housing;

[3] ORS 197.296(1)-(9) only applies to cities with populations over 25,000.

(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; and

(e) Housing for farmworkers.

DLCD provides guidance on conducting a housing needs analysis in the document *Planning for Residential Growth: A Workbook for Oregon's Urban Areas*, referred to as the workbook. In addition, cities with a population of 25,000 or more (including McMinnville) are required to comply with ORS 197.296(1)–(9) and must conduct an analysis of housing need by housing type and density range to determine the number of needed dwelling units and amount of land needed for each housing type in the next 20 years (ORS 197.296(3)(b)).

Broadly, ORS 197.296(2) requires cities to demonstrate that its comprehensive plan provides sufficient buildable lands within the urban growth boundary to accommodate estimated housing needs for 20 years. Section 6 requires cities to conduct a buildable lands inventory and analyze housing needs and residential land needs. If the conclusion of that analysis is that the housing need determined pursuant is greater than the housing capacity determined, the City must either (1) amend its urban growth boundary to include sufficient buildable lands to accommodate housing needs for the next 20 years; (2) amend land-use regulations to include new measures that "demonstrably increase the likelihood that residential development will occur at densities sufficient to accommodate housing needs for the next 20 years without expansion of the urban growth boundary"; or (3) adopt a combination of (1) and (2).

In summary, McMinnville 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. This report references relevant state guidance in relation to various elements of the HNA.

A Note About Housing Needs

As described above, the nature of the housing market and housing needs are complex. Provisions of statute that discuss needed mix and needed density read as if, after conducting an analysis of historical and forecast trends, the City can apply a formula to arrive at a correct determination of needed mix and density to ensure that housing needs are met for the next twenty years of population growth. But these determinations function within a fairly rigid formula that does not take into account market and choice. In effect, this would require the City to determine the needed housing type and density for each household and aggregate the results for all households to arrive at the needed mix of housing types and the average needed density for the planning period. It presumes that households fit into categories that are uniform in their housing needs, preferences, choices, and trade-offs and, therefore, the City can determine the correct aggregate housing choices. Meeting housing needs should also reflect community values

and provide opportunities for a range of housing options to meet needs in the community, from affordable housing for the residents with the lowest incomes to executive housing options.

This formula further assumes that housing needs are reduced to type (single-family detached, single-family attached, and multifamily), mix, and density. It further assumes these are the sole factors, if not the most critical ones, that allow cities to meet housing need. Without explicitly stating it, these components of housing need are reduced to a proxy for affordability across income levels, while failing to account for other aspects of the housing market that may be more critical to addressing housing need and choice across the income spectrum. It is demonstrably true that density does not necessarily equate to affordability. Further, state law currently prohibits cities from directly addressing some aspects of the housing market that may be more critical to meeting housing needs, specifically ORS 197.309 (which enables inclusionary zoning but places restrictions on when it can be applied).

The required analysis also ignores the fact that some historic trends may be the result of factors that have artificially distorted the market and provision of housing supply in different ways, including past regulatory constraints that may have influenced the housing market, which become embedded in the trend analysis of housing need.

In reality, the City is zoning for housing opportunities in which households can make choices about housing that meets their needs by providing choices consistent with their preferences, and these needs and preferences may change during the planning period. This interpretation is consistent with the language of Goal 10: "Plans shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density."

Household preference will lead to housing choices, where a household may have a choice of different housing options that reflect trade-offs. For example, when it comes to affordability, there may be different housing choices that are equally affordable. A household may choose an ownership opportunity that results in slight cost burden but allows them to establish ownership and equity, rather than a rental opportunity at a lower price point that doesn't result in cost burden.

While housing type and density can be factors in housing costs, they are not determinants. Other factors can have a significant impact on housing cost and preference. These factors include:

- **Location within the region and city.** Locational factors and neighborhood amenities can dramatically affect housing cost. Locational choices relative to neighborhoods, amenities, schools, access to services, and so on can determine preferences and housing costs. In some cases, the cost per square foot in the highest-density multifamily developments in the most desirable neighborhoods can be significantly higher than larger single-family detached housing in a neighborhood a few miles

away. To create equity and inclusion, the City needs to be cognizant of ensuring that neighborhoods are equitable and that housing types are equally distributed.

- **Square footage, materials, and amenities.** These factors can be significant in determining housing cost. Census data suggests that the size of both single-family units and multifamily units continue to increase.
- **Household formation.** Some people may select different options for household formation to increase housing choice opportunities. For example, some individuals or extended families may prefer to live in a larger house together and share costs and social supports, rather than living in individual units that may be more expensive, lack social supports, or both.
- **Housing subtypes.** Within the three broad categories of housing types specified in statute (single-family detached, single-family attached, and multifamily) are numerous subtypes. Some subtypes might have more in common with other housing types. For example, a cottage cluster might be comprised of single-family detached homes with smaller footprints and a higher density, where they are more comparable in density and affordability to other housing types than they are to large-lot single-family homes with significantly more square footage. In this case, it could be more appropriate to plan for opportunity/flexibility to achieve densities and affordability with different housing types, rather than to plan for a specific mix of the three specified housing types.

In short, housing needs can, and do, change over time. The statutes imply that the needed mix identified at the start of the planning period is the correct mix and must be achieved over the course of the planning period. It treats needed mix and density as determinants rather than predictive factors. If households make different housing choices than were initially expected or predicted then, per the statutes, the City has not achieved the correct mix and must adjust because the predictions may not have accurately reflected the socioeconomic and demographic characteristics or housing choices of the City's current and future residents. The law is set up to treat housing mix and density as destiny—treating them as a given to be adhered to rather than a forecast. While the population growth that provides the basis for future planning is described as a "forecast," and planning for employment land is described as "economic opportunities," planning for housing is instead described as "needed mix and density" rather than a housing forecast of opportunities for different housing types.

This suggests that the numbers in a population forecast are predictive and subject to change while the demographic and socioeconomic components inherent in that same forecast are not. It further assumes that the City can determine the complex factors that determine the right housing choice for households. A self-fulfilling planning scheme can be overly rigid and may drive households to select housing options because they are an available, rather than a preferred, choice.

The statutes appear to be more concerned with needed density and mix, identified at the beginning of the planning period as an absolute, more so than the consideration of housing

preferences and affordable options commensurate with household incomes. In effect, the metrics (e.g., density and mix) for needed housing can be more concerned with urbanization goals than with housing needs (particularly affordability, since density does not necessarily equate to affordability).

The above discussion isn't intended to conflate housing need with the housing market. On the contrary, the housing needs analysis and residential lands needs analysis must address housing needs for those who lack housing, those who are at risk of losing housing, those who are not being served by the housing market, and those who have the narrowest choice of housing options commensurate with their incomes. There are many in the community who lack viable housing opportunities or choices. The market may continue to operate without responding to, or being able to respond to, housing needs for those residents, absent market interventions.

The housing needs analysis and resulting housing strategy will require creativity to meet the housing challenges that lie ahead, but they will provide pathways to opportunity. Rigid thinking about housing type, mix, and density—as well as segregated zoning—will not lead to the creative solutions that McMinnville seeks to meet housing challenges head-on while creating great neighborhoods of enduring value that provide opportunity to future generations. Further, narrow thinking about the term "needed housing," however well-intentioned, could replicate planning failures from the past. Affordability achieved through the warehousing of people doesn't provide a pathway to opportunity or upward mobility.

Needed mix and density are statutory components of a housing needs analysis that are typically conducted in advance of a housing strategy; accordingly, predetermining them will prevent the use of flexible options that provide more creative solutions. Instead, the residential land needs analysis should be based on either needed mix or density, leaving the other to be addressed through a responsive, creative strategy that avoids rigid categories and adjusts as needs are met over time.

As the City of McMinnville continues to discuss housing needs and construct a housing strategy in response, it should allow for market innovation over the planning horizon to ensure that the need is truly being met with choice option. Additionally, the City of McMinnville has recently adopted Great Neighborhood Principles to ensure that everyone in McMinnville can live in a nice neighborhood regardless of income. These principles strive for equity and inclusion in residential neighborhoods, and they will play an important role in crafting a meaningful response that will not only address the housing needs of McMinnville's future residents but provide enduring value.

Public Process

At the broadest level, the purpose of the project was to understand how much McMinnville will grow over the next 5, 10, 20, and 46 years. The project has two components: (1) technical analysis (the BLI and HNA), and (2) housing strategies (provided in a separate document). Both benefit from public input. The technical analysis requires a broad range of assumptions that influence the outcomes, and the housing strategy is a series of high-level policy choices that will affect McMinnville residents. Public engagement during the project was accomplished through the three primary avenues described below.[4]

Project Advisory Committee Meetings

The City of McMinnville and ECONorthwest solicited public input from an ad-hoc Project Advisory Committee. The Project Advisory Committee met six times[5] to discuss project assumptions, results, and implications. There was also a joint meeting of the Project Advisory Committee and City Council. The project relied on the Project Advisory Committee to:

- Review work products, advise on public involvement, and consider public input when making recommendations.
- Advise the project team on matters regarding housing needs, market conditions, and the buildable lands inventory in McMinnville.
- Work collaboratively with, and provide guidance to, the staff and consultant project team in the preparation for the McMinnville Housing Needs Analysis.
- Work collaboratively with, and provide guidance to, the staff and consultant project team in the preparation for the McMinnville Housing Strategy. Provide input on goals, strategies, and actions that address McMinnville's housing needs in a way that fits with, and enhances quality of life in, the community.

Public Open House

The City of McMinnville and ECONorthwest solicited input from the general public at a public open house held on February 5, 2019. The open house consisted of eight information stations related to the preliminary results of the housing needs analysis and the buildable lands inventory, as well as two public comment stations. As work proceeds on the evaluation of actions in the housing strategy, there will be additional public engagement.

[4] In addition to Project Advisory Committee meetings, public meetings, and stakeholder focus groups, the City of McMinnville also maintained a project website and social media presence.

[5] Project Advisory Committee meeting dates with the consultant team: July 17, 2018; November 14, 2018; December 18, 2018; March 7, 2019; and May 21, 2019.

Project Advisory Committee meeting dates without the consultant team: January 16, 2019 and June 13, 2019.

Stakeholder Focus Group

The City of McMinnville and ECONorthwest solicited feedback at a stakeholder focus group. The purpose of the focus group was to provide an opportunity for small-group discussion and to allow input on key issues. The purpose of the focus group, held on January 25, 2019, was to have a targeted discussion with realtors, developers, and housing providers to learn about what they see as opportunities and constraints associated with housing development in McMinnville for the next 5, 10, 20 and 50 years.

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 McMinnville's inventory of residential land.
- **Chapter 3. Historical and Recent Development Trends** summarizes the state, regional, and local housing market trends affecting McMinnville's housing market.
- **Chapter 4. Demographic and Other Factors Affecting Residential Development in McMinnville** presents factors that affect housing need in McMinnville, focusing on the key determinants of housing need: age, income, and household composition. This chapter also describes housing affordability in McMinnville relative to the larger region.
- **Chapter 5. Housing Need in McMinnville** presents the forecast for housing growth in McMinnville, describing housing need by density ranges and income levels.
- **Chapter 6. Residential Land Sufficiency within McMinnville** estimates McMinnville's residential land sufficiency needed to accommodate expected growth over the planning period.
- **Appendix A. Residential Buildable Lands Inventory** provides details on the process and methods for conducting the analysis as well as findings.
- **Appendix B. Scenario Modeling** provides details about the impact of housing mix assumptions. ECONorthwest presented these scenarios to the Project Advisory Committee to inform their housing mix assumption recommendation.

2. Residential Buildable Lands Inventory

This chapter summarizes the residential buildable lands inventory (BLI) for the McMinnville UGB. The buildable lands inventory analysis (BLI) complies with statewide planning Goal 10, ORS 197.296(4), and OAR 660-008. A detailed discussion of methods and additional results is presented in Appendix A.

The BLI has the following main steps: (1) establish the residential land base (parcels or portion of parcels with appropriate zoning); (2) classify parcels by development status; (3) identify and deduct development constraints, including environmental and other constraints; and (4) summarize total buildable area by zone. Buildable lands are properties classified as "vacant" or "partially vacant," which have at least some development capacity after deducting constrained areas. Those will be assigned capacity for new residential development. Calculations must also be made about how much of that land will be needed for streets and other land uses expected to occur on residential lands, which will reduce the amount available for development. Assumptions are also made about the extent of infill and redevelopment that is expected to occur on other lands.

The BLI is based on data and development status of land in late 2018. Since the planning period for this analysis is 2021–2041, McMinnville used the forecast to estimate acres that will develop between 2018 and 2021, as described in this report. The City could review the BLI in 2021 to determine actual changes in buildable lands between 2018 and 2021.

Categorizing Lands

The buildable lands inventory classifies all residential (and commercial land where housing is a permitted use) into categories.

Development Status

A key step in the buildable lands analysis is to classify each tax lot into a set of mutually exclusive categories based on development status. For the purpose of this study, all residential tax lots in the UGB are classified into one of the following categories:

- *Vacant land.* Tax lots that have no structures or have buildings with very little improvement value are considered vacant. For the purpose of this inventory, lands with improvement values under $10,000 are considered vacant (not including lands that are identified as having mobile homes), unless aerial imagery or City staff determined that the tax lot is no longer vacant in the verification step.
- *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.[6] This was refined through visual inspection of recent aerial photos.

- *Developed land*. Developed land is developed at densities consistent with zoning and has improvements that make it unlikely to redevelop during the analysis period. Lands not classified as vacant or partially vacant are considered developed.
- *Public or exempt land*. Except as noted below, lands in public or semipublic ownership are considered unavailable for development. This includes lands in Federal, State, County, or City ownership. Public lands were identified using the Yamhill County Assessment property tax exemption codes and ownership field. Exempt lands owned by a nonprofit housing developer which are vacant or partially vacant are considered available for development and are inventoried accordingly.

Development Constraints

Consistent with state guidance on buildable lands inventories, ECONorthwest deducted portions of residential tax lots that fall within certain constraints from the vacant and partially vacant lands (e.g., wetlands and steep slopes). We used categories consistent with OAR 660-008-0005(2):

- *Lands within floodplains and floodways*. Flood insurance rate maps from the Federal Emergency Management Agency (FEMA), as well as land in McMinnville's floodplain zone and plan designation, were used to identify lands in floodways and 100-year floodplains.
- *Land within natural resource protection areas*. The National Wetlands Inventory was used to identify areas within wetlands.
- *Land within landslide hazards.*[7] The DOGAMI SLIDO database and landslide susceptibility datasets were used to identify lands with landslide hazards. ECONorthwest included lands with high or very high susceptibility to landslides in the constrained area. The City is proposing a policy interpreting the mapped DOGAMI hazards for purposes of the BLI, which can be reviewed upon further study if necessary.
- *Land with slopes over 25%*. Lands with slopes over 25% are considered unsuitable for residential development.

[6] Under the safe harbor established in OAR 660-024-0050 (2)(a), the infill potential of developed residential lots of one-half acre or more may be determined by subtracting one-quarter acre (10,890 square feet) for the existing dwelling and assuming that the remainder is buildable land. Cities with populations greater than 25,000, including McMinnville, are not eligible for this safe harbor. However, other cities that ECONorthwest has worked with have successfully justified similar threshold assumptions, and the Public Advisory Committee (PAC) for this project considered this a reasonable method to address infill potential of developed residential lots in McMinnville.

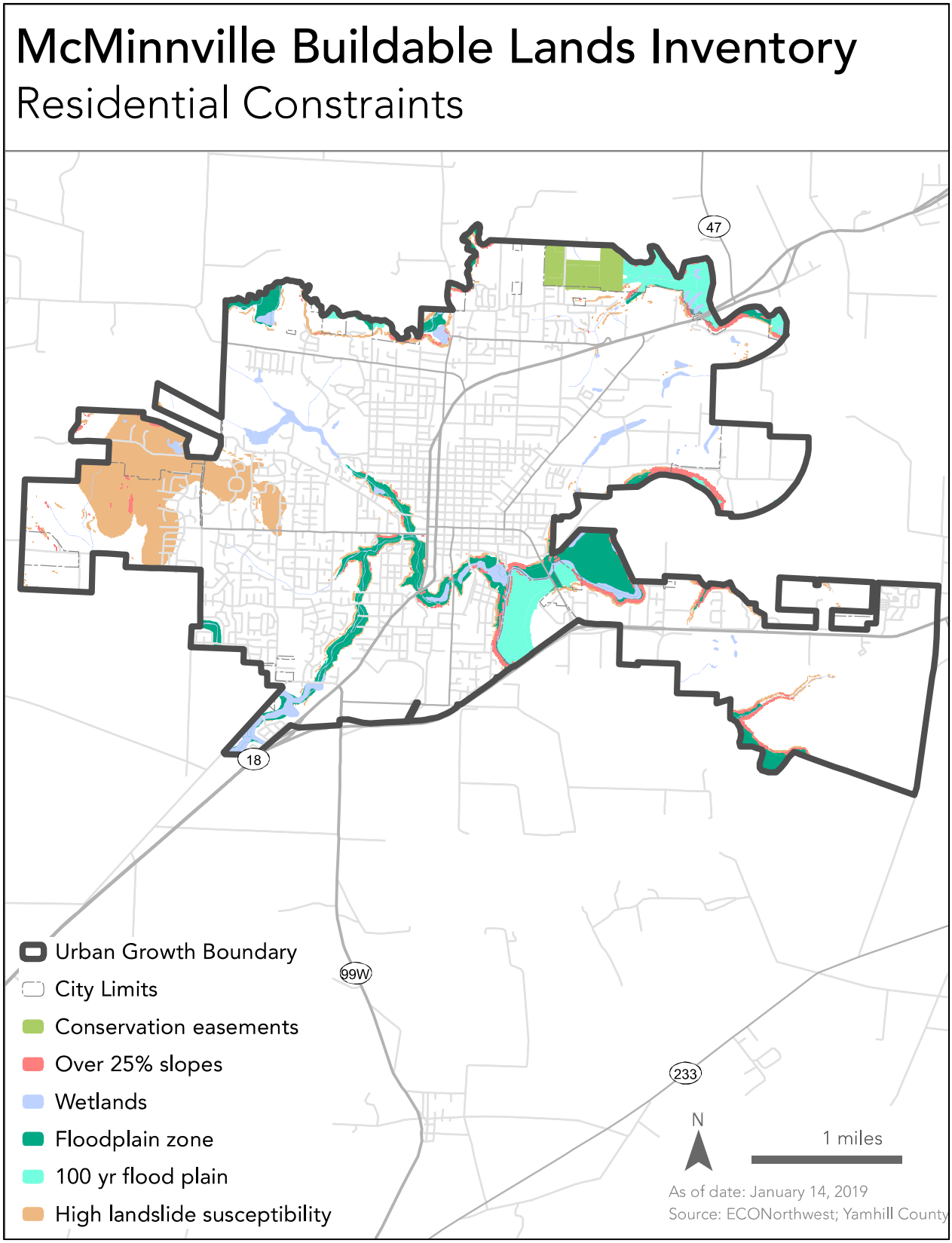
[7] The City of McMinnville will need to adopt comprehensive plan policies regarding buildable lands assumptions in areas with high and very-high landslide susceptibility. Current comprehensive plan policies addressing this hazard do not exist. Should future studies find that the City can address issues by engineering, the City could add associated acreage back into the BLI.

- *Land with conservation easements.* Lands within conservation easements, as identified by City staff, were included in the constrained area.

After deducting constraints, vacant and partially vacant lands that have remaining development capacity are classified as buildable lands.

Exhibit 1 maps the development constraints used for the residential BLI.

Exhibit 1. Residential Development Constraints, McMinnville UGB, 2018



Buildable Lands Inventory Results

Land Base

Exhibit 2 shows the residential land base in McMinnville by plan designation and zone. It also allocates the properties and acreage in the land base between Water Pressure Service Zone 2 and all other areas as described below. The land base is comprised of those properties within the UGB with a zoning or plan designation that permits residential use. This is predominantly properties with a residential plan or zoning designation. It also includes commercial plan designations and zones that also allow residential uses. The land base excludes plan and zone designations that don't allow for residential use, such as industrial zones and the floodplain zone.

The results show that the McMinnville UGB has 4,749 total acres in the residential land base in 9,854 tax lots. This analysis includes commercial zones C-3 and O-R, which allow residential uses, and excludes zones that do not allow residential uses, including industrial zones C-1, C-2, and F-P zones.[8] Of the total acres in the UGB, about 918 acres (19%) are in the R-1 single-family residential zone, about 1,326 acres (28%) are in the R-2 single-family residential zone, about 386 acres (8%) are in the R-3 two-family residential zone, and about 664 acres (14%) are in the R-4 multifamily residential zone.

ECONorthwest also identified land in the Water Pressure Service Zone 2 contour due to additional considerations for capacity. Properties in Service Zone 2 are in the UGB but will be unable to develop until a water storage tank and associated water infrastructure are built to serve properties in Service Zone 2. The Zone 2 area covers properties within three zoning or plan designations: R-1 and R-2 (within City limits), as well as the residential plan designation (within the unincorporated UGB). Exhibit 2 shows the acreage in tax lots that is either completely within or partially within Zone 2, and the remaining acreage in tax lots not in Zone 2 is defined as Zone 1.[9] Of the 4,749 acres in the land base, 272 acres (6%) are in Zone 2.

[8] The F-P zone and plan designation were included in the development constraints. Tax lots partially in the F-P zone and a residential zone were assigned to the adjacent residential zone, and the overlapping floodplain area was calculated in the constraint deductions.

[9] Some lots that fell within Zone 2 were excluded from Zone 2 acreage based on discussion with City staff. These included lots that were not subject to Zone 2 requirements, such as lots in a platted subdivision (most of those are authorized for development using private booster pumps for water pressure in the interim). Lots partially in Zone 2 were split, and acreages were calculated separately using the Intersect tool in GIS.

Exhibit 2. Land Base: Residential Acres by Classification and Zone, McMinnville UGB, 2018
Source: City of McMinnville, Yamhill Co., ECONorthwest. *Note: The numbers in the table may not add up to the total as a result of rounding. Note: all lands in county zones are in the residential plan designation.*

Zone/Plan Designation	Number of taxlots	Percent	Total taxlot acreage			Percent (total acreage)
			Zone 1	Zone 2	Total	
City Limits, by Zone						
R-1 Single Family Residential	1,928	20%	857	61	**918**	19%
R-2 Single Family Residential	4,357	44%	1,248	78	**1,326**	28%
R-3 Two Family Residential	1,225	12%	386	-	**386**	8%
R-4 Multiple-Family Residential	1,322	13%	664	-	**664**	14%
O-R Office/Residential	72	1%	25	-	**25**	1%
C-3 General Commercial	758	8%	613	-	**613**	13%
UGB, by County Zone or Plan Des.						
EF-80 (County Zone)	11	0%	117	-	**117**	2%
LDR9000 (County Zone)	1	0%	3	-	**3**	0%
VLDR-1 (County Zone)	2	0%	3	-	**3**	0%
Residential Plan Des.	178	2%	563	133	**695**	15%
Total	**9,854**	**100%**	**4,477**	**272**	**4,749**	**100%**

Development Status

Properties within the residential land base were classified into the development status categories described above (vacant, partially vacant, developed, public/exempt). The constraints shown in Exhibit 1 were then overlaid and applied to those properties.

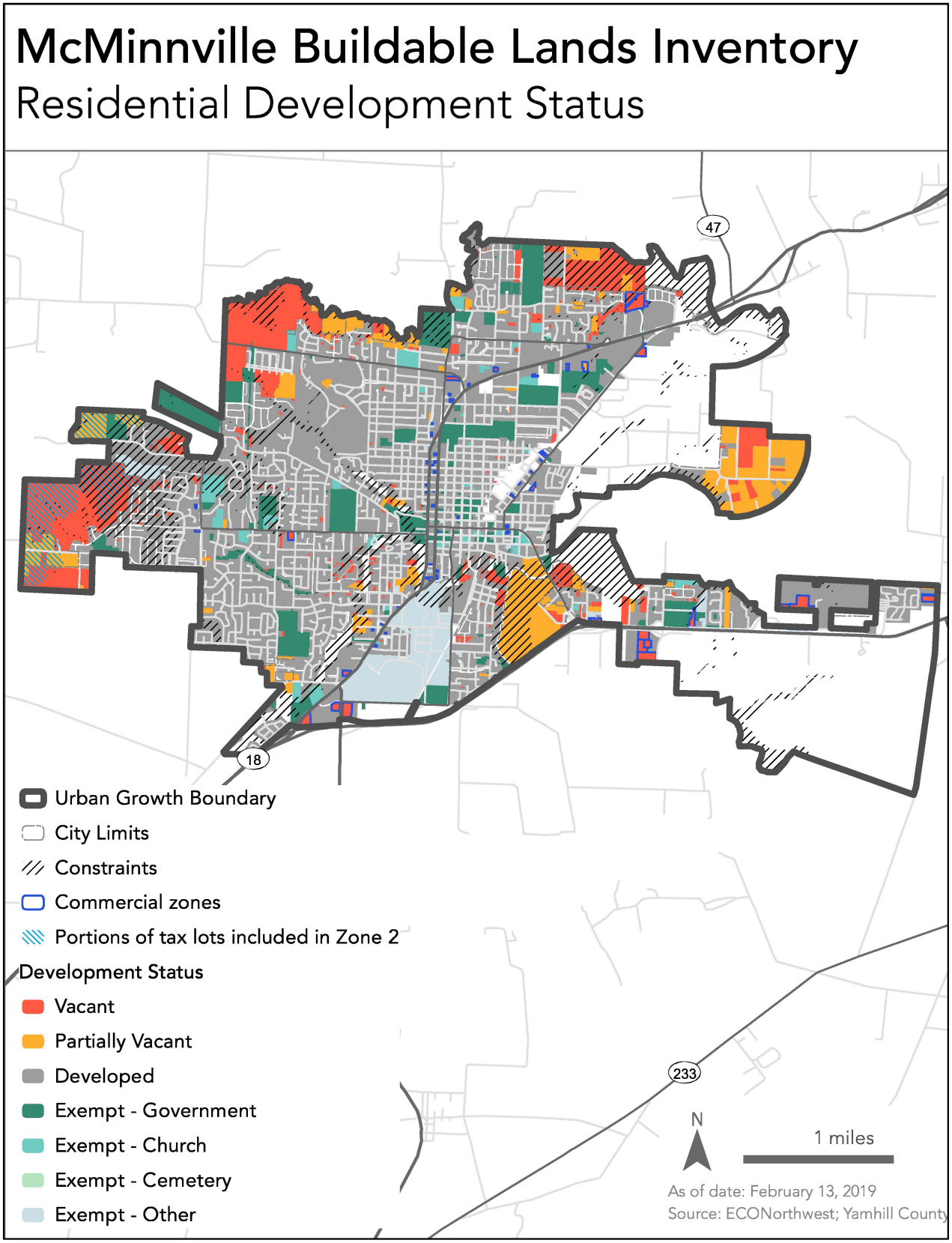
Exhibit 3 shows all land in the residential land base by development and constraint status. Of the total residential land base, about 65% of McMinnville's total residential land (3,100 acres) is committed, 20% (928 acres) is constrained, and 15% (721 acres) is unconstrained buildable acres.

Exhibit 3. Residential Land by Zone and Constraint Status, McMinnville UGB, 2018
Source: City of McMinnville, Yamhill Co., ECONorthwest. *Note: The numbers in the table may not add up to the total as a result of rounding.*

	Total acres			Committed acres			Constrained acres			Buildable acres		
Zone/Plan Designation	Zone 1	Zone 2	Total	Zone 1	Zone 2	Total	Zone 1	Zone 2	Total	Zone 1	Zone 2	Total
City Limits, by Zone												
R-1 Single Family Residential	857	61	**918**	595	0	**596**	153	25	178	109	36	**145**
R-2 Single Family Residential	1,248	78	**1,326**	990	-	**990**	172	33	206	86	45	**131**
R-3 Two Family Residential	386	-	**386**	347	-	**347**	33	-	33	6	-	**6**
R-4 Multiple-Family Residential	664	-	**664**	529	-	**529**	114	-	114	21	-	**21**
O-R Office/Residential	25	-	**25**	22	-	**22**	2	-	2	0	-	**0**
C-3 General Commercial	613	-	**613**	535	-	**535**	17	-	17	61	-	**61**
UGB, by County Zone or Plan Des.		-	**0**	0	-	**0**	0	-	0	0	-	**0**
EF-80 (County Zone)	117	-	**117**	18	-	**18**	31	-	31	68	-	**68**
LDR9000 (County Zone)	3	-	**3**	0	-	**0**	0	-	0	3	-	**3**
VLDR-1 (County Zone)	3	-	**3**	1	-	**1**	0	-	0	2	-	**2**
Residential Plan Des.	563	133	**695**	56	8	**63**	274	73	347	232	52	**285**
Total	**4,477**	**272**	**4,749**	**3,092**	**8**	**3,100**	**796**	**131**	**928**	**588**	**133**	**721**

Exhibit 4 on the following page shows residential land by development status with constraints overlaid.

Exhibit 4. Residential Land Base by Development Status, McMinnville UGB, 2018



Vacant Buildable Land in 2018

Exhibit 5 shows buildable acres (i.e., acres in tax lots that have capacity after constraints are deducted) for vacant and partially vacant land by zone and plan designation in 2018. Of McMinnville's 721 unconstrained buildable residential acres, about 61% are in tax lots classified as vacant and 39% are in tax lots classified as partially vacant.

Exhibit 5. Buildable (Gross) Acres in Vacant and Partially Vacant Tax Lots by Zone, McMinnville UGB, 2018

Source: City of McMinnville, Yamhill Co., ECONorthwest. Note: The numbers in the table may not add up to the total as a result of rounding.

Zone/Plan Designation	Total Buildable acres			Buildable acres on vacant lots			Buildable acres on partially vacant lots		
	Zone 1	Zone 2	**Total**	Zone 1	Zone 2	**Total**	Zone 1	Zone 2	**Total**
City Limits, by Zone									
R-1 Single Family Residential	109	36	**145**	84	34	**118**	25	2	**27**
R-2 Single Family Residential	86	45	**131**	74	45	**119**	12	-	**12**
R-3 Two Family Residential	6	-	**6**	5	-	**5**	1	-	**1**
R-4 Multiple-Family Residential	21	-	**21**	16	-	**16**	5	-	**5**
O-R Office/Residential	0	-	**0**	0	-	**0**	0	-	**0**
C-3 General Commercial	61	-	**61**	59	-	**59**	1	-	**1**
UGB, by County Zone or Plan Des.	0	-	**0**	0	-	**0**	0	-	**0**
EF-80 (County Zone)	68	-	**68**	63	-	**63**	5	-	**5**
LDR9000 (County Zone)	3	-	**3**	3	-	**3**	0	-	**0**
VLDR-1 (County Zone)	2	-	**2**	0	-	**0**	2	-	**2**
Residential Plan Des.	232	52	**285**	50	6	**56**	183	47	**229**
Total	**588**	**133**	**721**	**354**	**85**	**438**	**234**	**48**	**283**

The exhibits on the following pages map McMinnville's buildable vacant and partially vacant residential land and resulting buildable lands after deducting constraints. Exhibit 6 shows vacant and partially vacant lots with constraints overlaid. Exhibit 7 shows buildable lots—those vacant and partially vacant parcels that have at least some development capacity after deducting constraints. Exhibit 8 shows the unconstrained buildable acres on those buildable parcels.

Exhibit 6. Vacant and Partially Vacant Residential Lots with Constraints Overlaid, McMinnville UGB, 2018

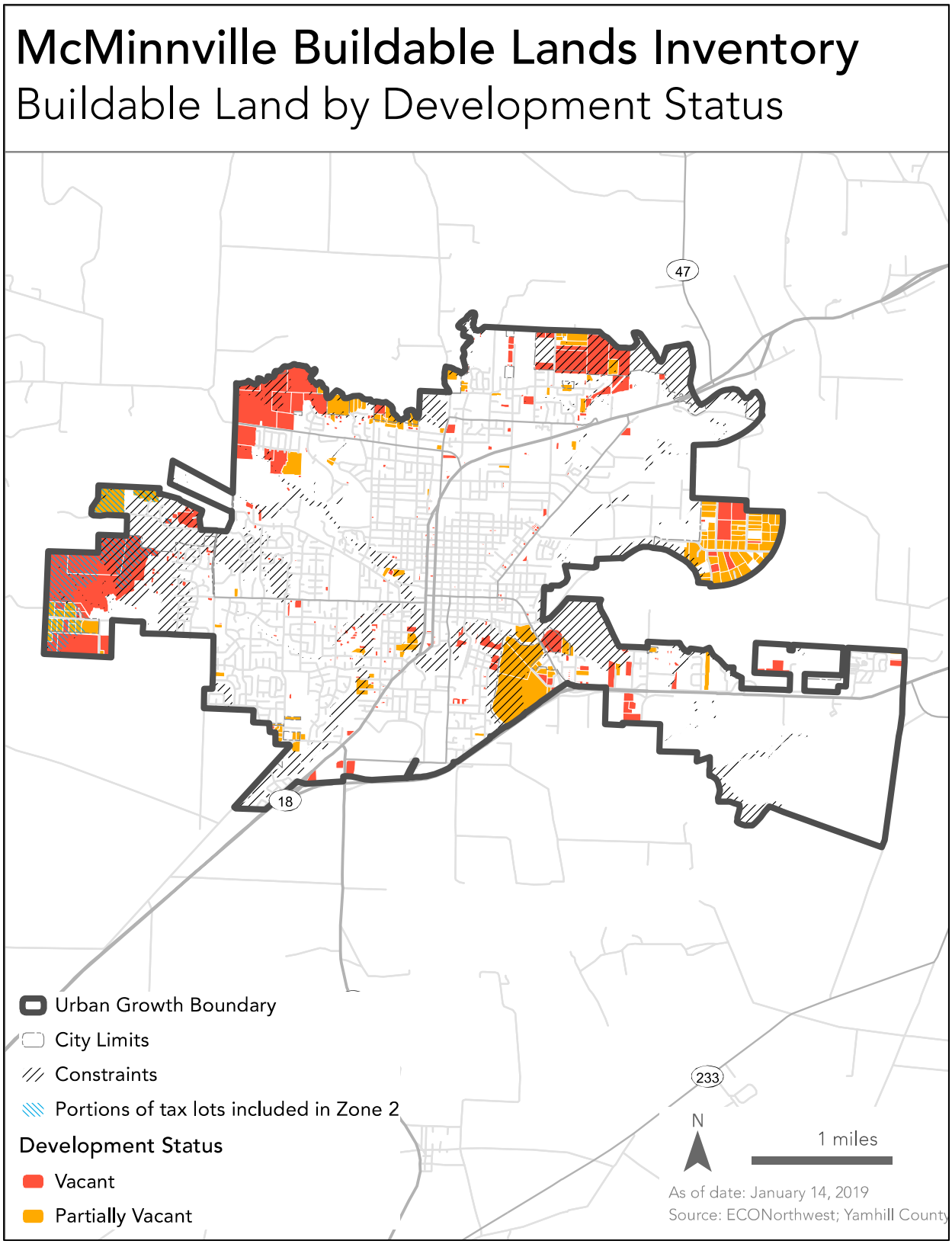


Exhibit 7. Buildable Lots with Development Capacity

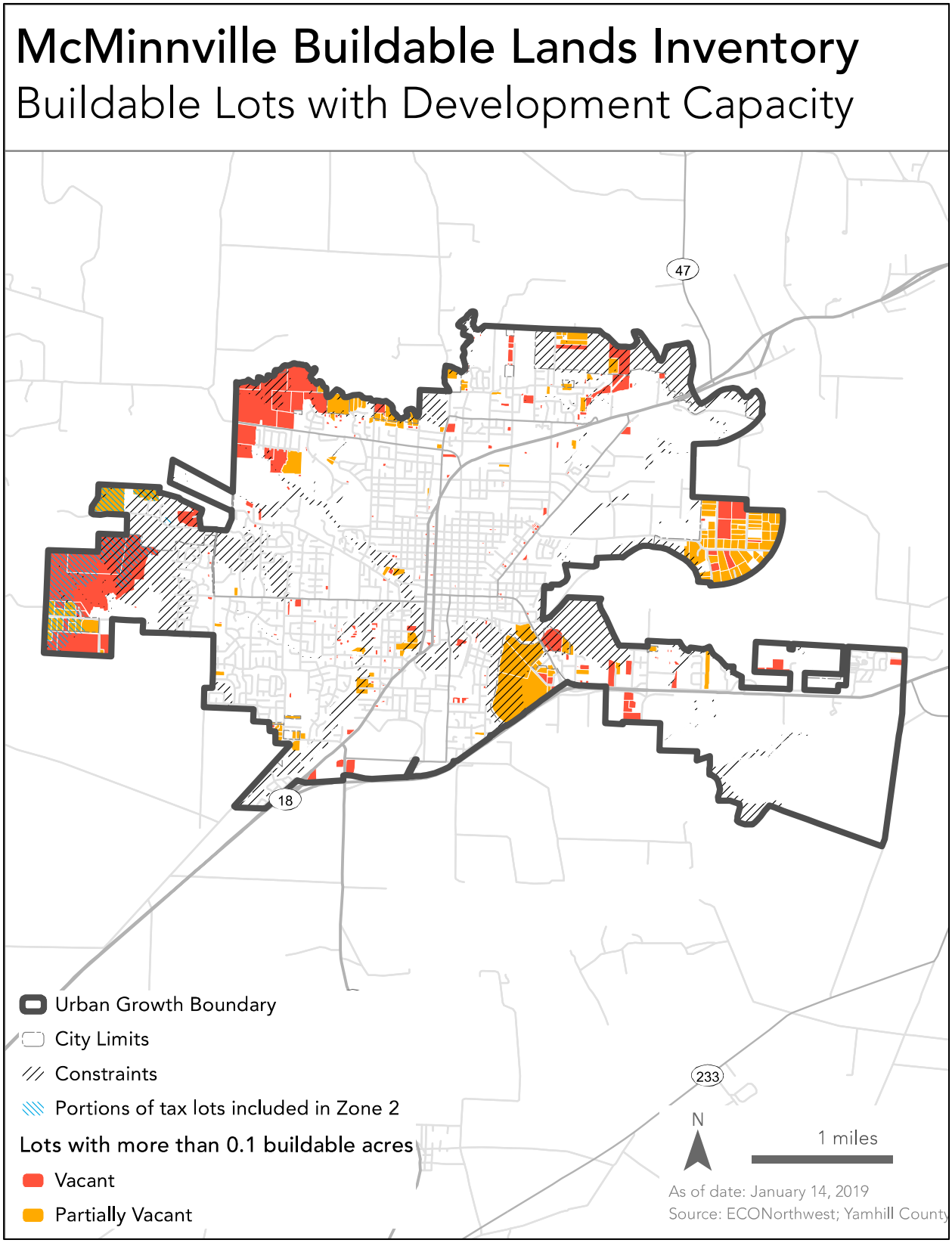
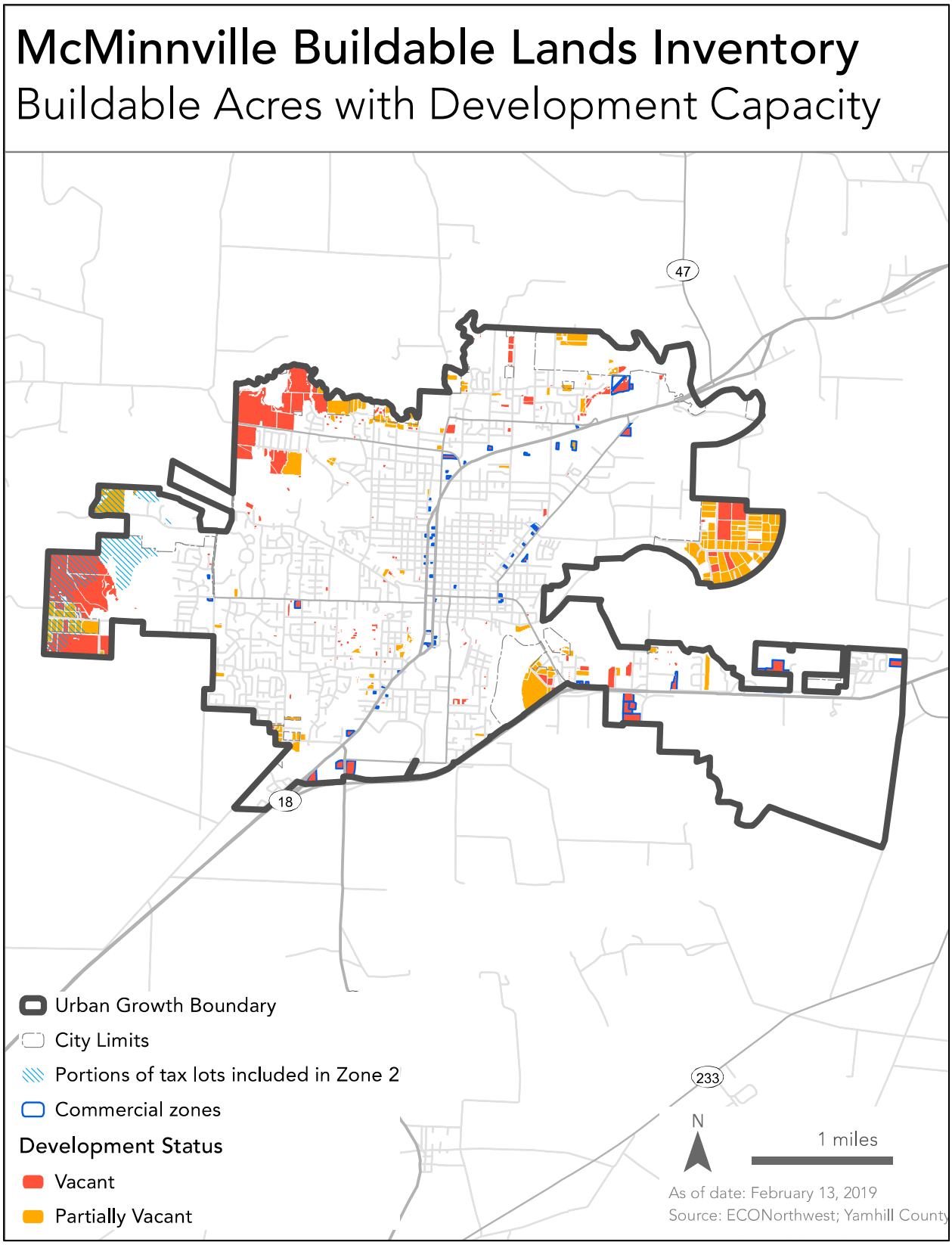


Exhibit 8. Buildable Acres (Unconstrained Portions of Vacant and Partially Vacant Parcels with Development Capacity), McMinnville UGB, 2018



Infill and Redevelopment Potential

ORS 197.296(4) states that buildable lands must include vacant and partially vacant lands, as well as lands that may be used for infill and redevelopment. In other words, can lands that are classified as developed (not classified as vacant or partially vacant) accommodate additional development? For example, a lot developed with a single-family home may be able to accommodate an accessory dwelling unit. Infill and redevelopment reduce the amount of new residential development that must be accommodated on vacant and partially vacant land. The standard is outlined in OAR 660-008-0005(7):

> "Redevelopable Land" means land zoned for residential use on which development has already occurred but on which, due to present or expected market forces, there exists the strong likelihood that existing development will be converted to more intensive residential uses during the planning period.

The key phrase here is "there exists the strong likelihood that existing development will be converted to more intensive uses." The rule provides no guidance on how to operationalize the definition; the remainder of this section describes how it is addressed for this study.

While every property that is classified as vacant or partially vacant and has capacity after deducting constraints is expected to accommodate new development, the calculation is different for infill and redevelopment. The City need only identify the extent of infill and redevelopment likely to occur on lands that are already classified as developed. In other words, while some developed lots may accommodate some additional infill and redevelopment, not every property that could experience infill or redevelopment will do so during the twenty-year planning period.

The City is not required to create a map or document that identifies specific lots or parcels that may be used for infill or redevelopment like it is for vacant and partially vacant properties classified as buildable lands (ORS 197.296(4)(c)).

The Project Advisory Committee considered options for assumptions about the amount of infill and redevelopment that could reasonably be expected to occur on other residential lands that are already considered to be developed. There was general interest in using safe harbors or safe harbor methods and simplified methods when provided in applicable statutes and administrative rules. This recognizes that the safe harbor protections may not be available to the City for some methods while acknowledging that the methods and assumptions are reasonable nonetheless and are based on an analysis that was used to develop those methods and assumptions.

As a reminder, even small parcels with existing development that have been classified as partially vacant are already assumed to have capacity and are not included under the definition of infill.

It is unrealistic to assume that every property classified as developed that could experience even a small amount of infill, redevelopment, or both would do so during the planning period.

For example, if every single-family dwelling could add an accessory dwelling, it would be unreasonable to assume every property owner would add one (e.g., the strong likelihood standard). Therefore, rather than analyze properties to identify which ones would be authorized for infill and redevelopment, the analysis focused on the share of new residential units that reasonably could be expected to be accommodated on lands that are already classified as developed. For redevelopment, an optional check could include an evaluation of the extent of larger sites that have capacity to accommodate increased development and have realistic improvement-to-land-value ratios.

Assumed infill and redevelopment would need to add new units, and the demolition and replacement of one dwelling with another one would not add new residential units.

OAR 660-038 provides a simplified UBG method, which provides formulas that can be used for certain assumptions related to a UGB expansion, including sections that address residential land needs in OAR 660-038-0030. The simplified method can only be used when planning for a UGB for a shorter time period (fourteen years), which the City of McMinnville has chosen not to pursue. However, the analysis that went into developing the formulas in the simplified method provide useful guidance.

- OAR 660-038-0030(6) allows a city to account for the projected redevelopment expected to occur in residentially zoned areas and for mixed-use residential development in commercially zoned areas. For cities with a current UGB population greater than 25,000, the specified range is between 5% and 25%.
  - Five percent of the 4,657 units projected from 2021 to 2041 is 233 units (12 units/year); 25% is 1,164 units (58 units/year). The City of McMinnville has not seen significant redevelopment of existing sites for new housing in the past twenty years.
- OAR 660-038-0030(7) allows a city to account for accessory dwelling units expected to occur. For cities with a current UGB population greater than 25,000, the specified range is between 1% and 3%.
  - One percent of the 4,657 units projected from 2021 to 2041 is 47 units (2 units/year); 3% is 140 units (7 units/year). While McMinnville does not track permits for ADUs differently than for other dwellings, it is estimated that the construction of new ADUs has averaged fewer than two per year.
- These two factors account for infill and redevelopment. There are no other provisions in the simplified method addressing infill other than in the later evaluation of land in areas studied for inclusion in the UGB. Taken together, the range for infill and redevelopment is 6% to 28%
- It is reasonable to assume that some parcels classified as developed (less than one-half acre with a residence) will also have some infill capacity through partitioning rather than ADUs, based on zoning and site development configuration. Therefore, we don't differentiate the type of infill development.

Recommendation on Infill

The Project Advisory Committee's recommended assumption for redevelopment is that 8% of new dwelling units during the planning period will be accommodated on lands classified as "developed" through infill, redevelopment, or both. (Eight percent of the 4,657 units projected from 2021 to 2041 is 373 units [19 units/year].0

Recommendation for Land Needs Before 2021

Since the planning period begins in 2021, there is an interim period during which there will be additional population growth, new housing, and consumption of buildable land. The PSU population forecast shows growth of about 1,480 people between 2018 and 2021, which would equate to about 580 households (and 580 needed occupied dwelling units), using the same household size assumption applied to the planning period. After applying vacancy rate assumptions, McMinnville is forecast to need 612 new dwelling units between 2018 and 2021 (see Exhibit 75). After applying assumptions for infill and redevelopment, McMinnville will need to accommodate 49 dwelling units through infill and redevelopment and 563 new dwelling units on vacant and partially vacant land (see Exhibit 88 and Exhibit 89).

At historic average density of 4.9 dwelling units per gross acre, it is expected that the 563 dwelling units would consume approximately 115 acres of the current buildable lands inventory before 2021. Since that interim population will have occurred prior to the beginning of the planning period (2021), that population is considered an "existing population," which does not need to be added back into forecast population that starts in the 2021 base year. Rather, the 563 dwelling units and the 115 acres, estimated between 2018-2021, are deducted from the 2018 capacity to estimate the remaining capacity in 2021 at the beginning of the planning period (see Chapter 6).

3. Historical and Recent Development Trends

Analysis of historical development trends in McMinnville provides insight into the functioning of the local housing market. Moreover, it is required by ORS 197.296(5)(a). The mix of housing types and densities, in particular, are key variables in forecasting the capacity of residential land to accommodate new housing and to forecast future land need. The specific steps are described in Task 2 of the DLCD *Planning for Residential Lands Workbook* as:

1. Determine the time period for which the data will be analyzed.
2. Identify types of housing to address (all needed housing types).
3. Evaluate permit/subdivision data to calculate the actual mix, average actual gross density, and average actual net density of all housing types.

ORS 197.296 requires the analysis of housing mix and density to include the past five years or since the most recent periodic review, whichever time period is greater.[10] The City's last periodic review ended in 1999. As a result, this HNA examines changes in McMinnville's housing market from January 2000 to December 2017 for information about housing mix and density. For other information about McMinnville's housing market, we present information for 2000 through 2017 from the US Census and ACS, as that is the most recently available data. We selected this time period both because it complies with ORS 197.296 and because it provides information about McMinnville's housing market before and after the national housing market bubble's growth and deflation, in addition to the more recent increase in housing costs.

This chapter 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, single-family attached, multifamily, 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 a stand-alone or is 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:

[10] Specifically, ORS 197.296(5) (b) states: "A local government shall make the determination described in paragraph (a) of this subsection using a shorter time period than the time period described in paragraph (a) of this subsection if the local government finds that the shorter time period will provide more accurate and reliable data related to housing capacity and need. The shorter time period may not be less than three years."

- **Single-family detached** includes single-family detached units (including multiple single-family detached units on a single parcel), 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 town houses.
- **Multifamily** is all attached structures (e.g., duplexes, triplexes, quadplexes, and structures with five or more units) other than single-family detached units, manufactured units, or single-family attached units.

In McMinnville, government-assisted housing (ORS 197.303[b]) and housing for farmworkers (ORS 197.303[e]) can be any of the housing types listed above. ORS 197.312 specifies that a city or county may not, by charter, prohibit government-assisted housing or impose additional approval standards on government-assisted housing that are not applied to similar but unassisted housing. It also contains provisions providing for equal zoning treatment of housing for a farmworker and the farmworker's immediate family.

Data Used in This Analysis

Throughout this report, we use data from multiple sources, choosing data from well-recognized and reliable data sources. State statutes do not provide direction about which data sources to use. This report uses the best available sources for housing, population, and household data, which comes from two primary Census sources:

- The **Decennial Census**, which is completed every ten years and is a survey of all households in the United States. 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 United States. From 2012 through 2016 and 2013 through 2017, the ACS sampled an average of 3.5 million households per year, or about 2.6% and 2.9% of the households in the nation, respectively. The ACS collects detailed information about households, including demographics (e.g., number of people, age distribution, ethnic or racial composition, country of origin, language spoken at home, and educational attainment), household characteristics (e.g., household size and composition), housing characteristics (e.g., type of housing unit, year unit built, or number of bedrooms), housing costs (e.g., rent, mortgage, utility, and insurance), housing value, income, and other characteristics.

This report uses data from the 2012–2016 and 2013–2017 ACS for McMinnville.[11] In general, we use data from 2012–2016, unless the data informs a housing forecast assumption, in which case we use data from 2013–2017. This chapter, as well as the following chapters, also use data from the 2000 and 2010 Decennial Census. If, for example, the report presents a finding that addresses a period from 2000 to the "2013–2017 period," then the report is describing a trend that took place from 2000 to 2017 (a 17-year analysis period).

It is worth commenting on the methods used for the American Community Survey.[12] The American Community Survey (ACS) is a national survey that uses continuous measurement methods. It uses a sample of about 3.5 million households to produce annually updated estimates for the same small areas (census tracts and block groups) formerly surveyed via the Decennial Census long-form sample. It is also important to keep in mind that all ACS data are estimates that are subject to sample variability. This variability is referred to as "sampling error" and is expressed as a band, or "margin of error" (MOE), around the estimate.

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

Trends in Housing Mix

This section provides an overview of changes in the mix of housing types, comparing McMinnville to Yamhill County and Oregon. We compare McMinnville to these larger regions to understand how McMinnville fits into the regional housing market. These trends demonstrate the types of housing developed in McMinnville historically.

This section shows the following trends in housing mix in McMinnville:

- **McMinnville's housing stock is majority single-family detached housing units.** According to 2013–2017 ACS data, 68% of McMinnville's housing stock was single-family detached, 23% was multifamily, and 9% was single-family attached (e.g., town houses).

  Based on ACS data, McMinnville has a proportionally smaller share of single-family housing compared to Yamhill County (79%) and the State (72%). This is typical, as urban areas (i.e., McMinnville) will often have a larger share of multifamily housing than more rural areas of the same jurisdiction (i.e., Yamhill County).

[11] ACS data is presented in five-year ranges because "they represent the characteristics of the population and housing over a specific data collection period." https://www.census.gov/content/dam/Census/programs-surveys/acs/about/ACS_Information_Guide.pdf

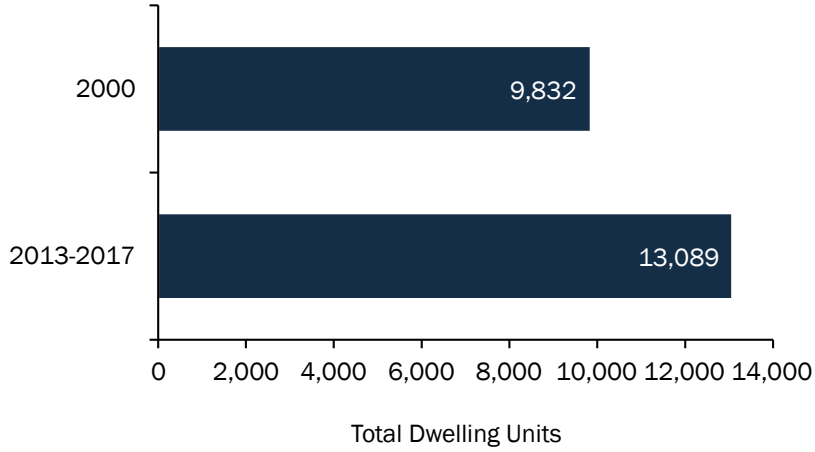
[12] A thorough description of the ACS can be found in the Census Bureau's publication "What Local Governments Need to Know." https://www.census.gov/library/publications/2009/acs/state-and-local.html

- **McMinnville's housing mix is not unlike most comparison cities.** Single-family detached housing is the dominant housing type in McMinnville and other comparison cities (Albany, Ashland, Grants Pass, Hood River, Newberg, Redmond, and Sherwood). McMinnville does, however, have a slightly higher share of single-family attached housing than many of these communities, (particularly Albany, Grants Pass, Hood River, and Redmond). McMinnville has a larger share of manufactured housing (about 12%, classified as single-family detached), compared to other comparison cities.
- **McMinnville's total housing stock grew by about 33% between 2000 and the 2013–2017 period.** McMinnville added 3,257 new dwelling units during this 17-year period.
- **According to McMinnville's permit database, single-family detached housing accounted for the majority of new housing growth between 2000 and 2017.** Sixty-two percent of new housing permitted between 2000 and 2017 was single-family detached housing.

Housing Mix

The total number of dwelling units in McMinnville increased by 3,257 units from 2000 to 2017 (33% change).

Exhibit 9. Total Dwelling Units, McMinnville, 2000 and 2013–2017
Source: US Census Bureau, 2000 Decennial Census, SF3 Table and 2013–2017 ACS Table B25024.

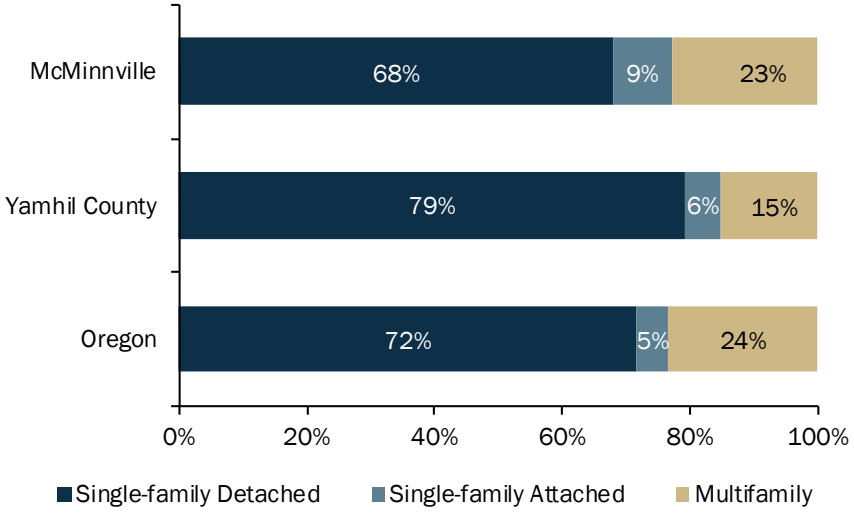


About two-thirds of McMinnville's total housing stock is single-family detached.

Typical of urban areas, McMinnville has a larger share of multifamily housing than Yamhill County, which is comprised of both urban (including McMinnville) and rural areas.

Exhibit 10. Housing Mix, 2013–2017

Source: US Census Bureau, 2013–2017 ACS Table B25024.

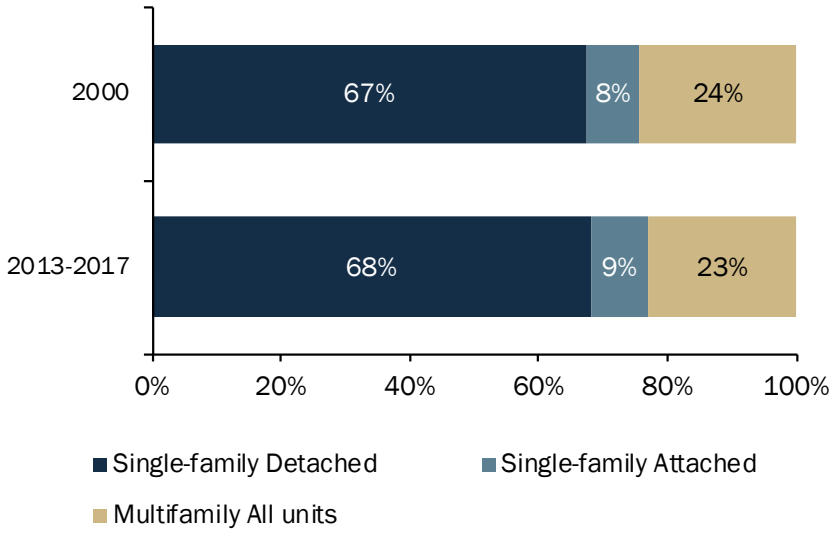


The mix of housing in McMinnville stayed relatively static from 2000 to 2017.

McMinnville had 13,089 dwelling units in 2017. About 8,902 were single-family detached, 1,180 were single-family attached, and 3,007 were multifamily.

Exhibit 11. Change in Housing Mix, McMinnville, 2000 and 2013–2017

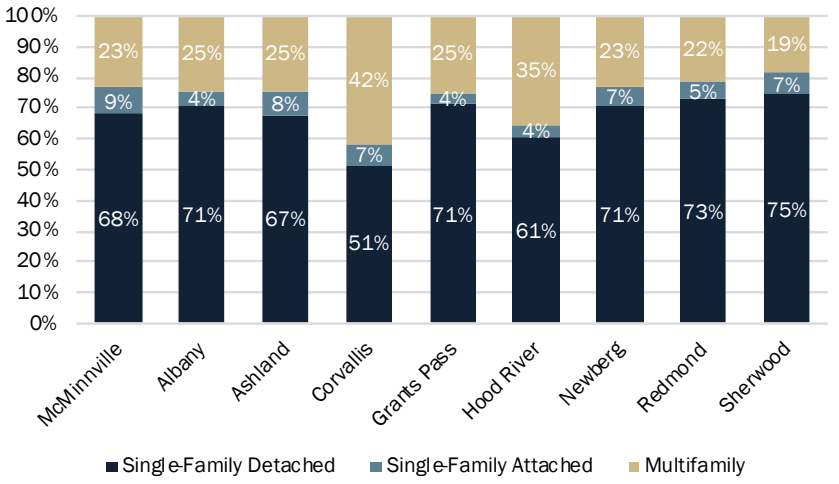
Source: US Census Bureau, 2000 Decennial Census, SF3 Table H030, and 2013–2017 ACS Table B25024.



McMinnville has a larger share of single-family attached housing than other comparison cities.

Exhibit 12. Housing Mix, McMinnville and Comparison Cities, 2013–2017

Source: US Census Bureau, 2013–2017 ACS, Table B25024. Note: Comparison cities selected by the City of McMinnville.

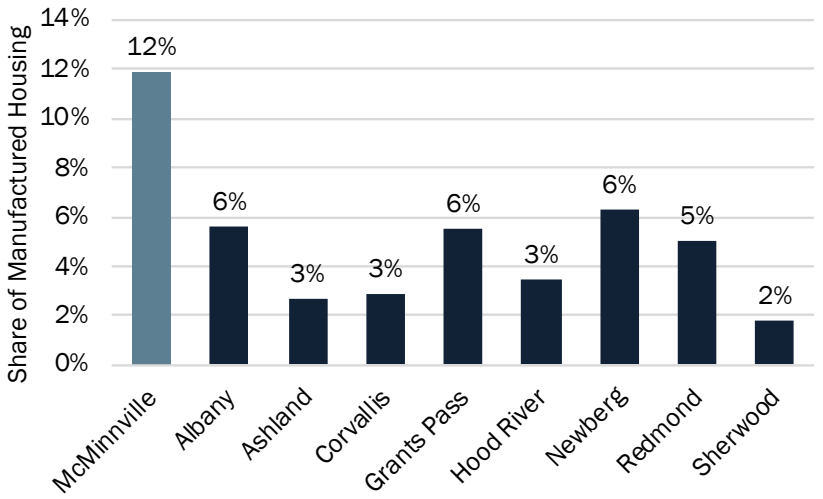


About 12% of McMinnville's housing stock is manufactured housing.

McMinnville has a larger share of manufactured housing stock than all other comparisons cities.

Exhibit 13. Manufactured Housing, Share of Total Housing Stock, McMinnville and Comparison Cities, 2013–2017

Source: US Census Bureau, 2013–2017 ACS, Table B25024. Note: Manufactured housing is a form of single-family detached housing.



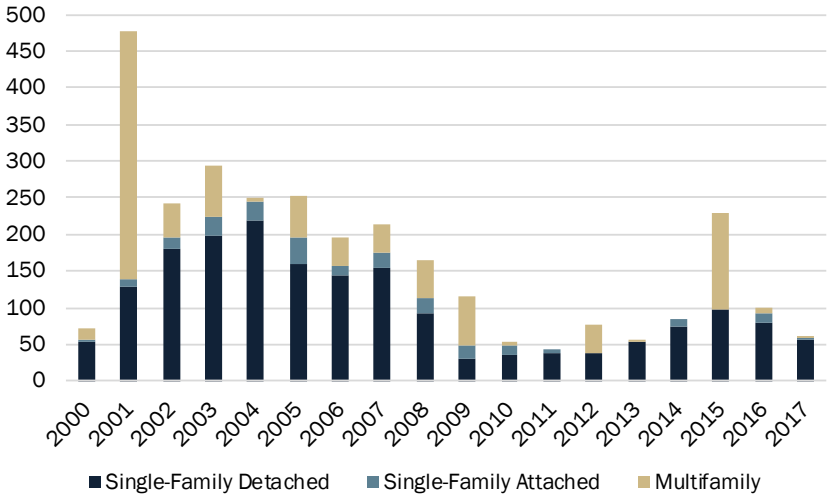
Building Permits

Over the 2000 to 2017 period, McMinnville issued permits for 3,038 dwelling units, with an average of 179 permits issued annually.

Since 2000, McMinnville issued 69% of permits for single-family dwelling units (62% single-family detached and 8% single-family attached). McMinnville issued 31% of permits for multifamily dwelling units.

Exhibit 14. Building Permits Issued for New Residential Construction by Type of Unit, McMinnville, 2000 through 2017

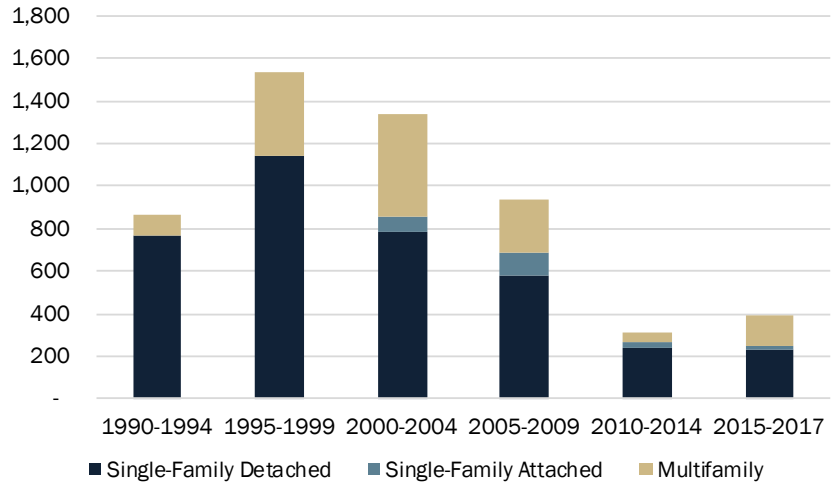
Source: City of McMinnville. Note: This chart shows a ~200 unit discrepency from ACS data presented in Exhibit 9. That said, there is a margin of error associated with ACS data.



McMinnville permitted substantially fewer units in the current decade (2010–17) than previous decades.

Exhibit 15. Share of Building Permits Issued for New Residential Construction by Type of Unit, McMinnville, 1990–1994, 1995–1999, 2000–2004, 2005–2009, 2010–2014, and 2015–2017

Source: City of McMinnville. Note: DU is dwelling unit.



Housing Density

Housing density is the density of housing by structure type, expressed in dwelling units per net or gross acre.[13] The US Census does not track residential development density, thus this study analyzes housing density based on McMinnville's permit database for development between 2000 and July 2018.

Through analysis of McMinnville's building permit data, between 2000 and July of 2018, 3,038 new dwelling units were developed in McMinnville. Of the 3,038 new units:

- **1,877** units were single-family detached (62%),
- **228** units were single-family attached (8%), and
- **933** units were multifamily (31%).

Exhibit 16 shows average net residential development by structure type for the historical analysis period (2000 to July of 2018). In this time, housing in McMinnville developed at an average density of 6.6 dwelling units per net acre. Single-family detached housing developed at an average of 4.8 units per net acre. Single-family attached housing developed at an average of 12.3 units per net acre. Multifamily housing developed at an average of 18.2 units per net acre (of which duplexes developed at an average of 7.0 units per net acre and all other multifamily units developed at 19.7 units per net acre).

Exhibit 16. Net Density by Unit Type and Zone, McMinnville, 2000 through July 2018
Source: City of McMinnville Building Permit Database.

Plan Designation and Zone	Single-Family Detached			Single-Family Attached			Multi-Family			TOTAL		
	Units	Acres	Net Density	Units	Acres	Net Density	Units	Acres	Net Density	Units	Acres	Net Density
Commercial Sub-Total	-	-	-	-	-	-	309	9.9	31.2	309	9.9	31.2
C-3	-	-	-	-	-	-	309	9.9	31.2	309	9.9	31.2
Residential Sub-Total	1,877	393.8	4.8	228	18.5	12.3	624	41.3	16.5	2,729	453.5	6.0
O-R	-	-	-	-	-	-	57	7.5	7.6	57	7.5	7.6
R-1	393	98.9	4.0	27	2.9	9.5	2	0.2	-	422	102.0	4.1
R-2	880	184.8	4.8	102	8.3	12.3	213	14.5	18.6	1,195	207.6	5.8
R-3	100	17.0	5.9	44	4.2	10.6	6	0.9	-	150	22.0	6.8
R-4	504	93.1	5.4	55	3.1	17.6	346	18.2	19.1	905	114.4	7.9
Total	**1,877**	**393.8**	**4.8**	**228**	**18.5**	**12.3**	**933**	**51.2**	**18.2**	**3,038**	**463.4**	**6.6**

[13] OAR 660-024-0010(6) defines net buildable acre as land that "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.

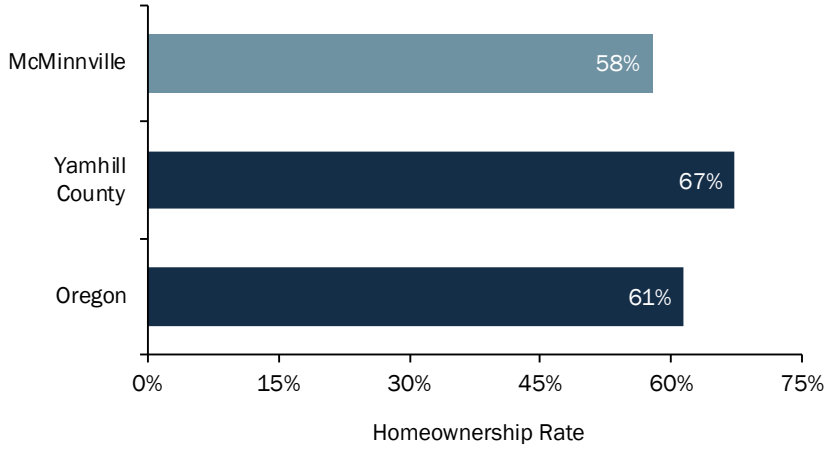
Trends in Tenure

Housing tenure describes whether a dwelling is owner- or renter-occupied. The data shows:

- **About 58% of McMinnville households were homeowners in 2012–2016.** In comparison, 67% of Yamhill County households and 61% of Oregon households were homeowners.
- **Homeownership in McMinnville stayed relatively stable between 2000 and 2012–2016.** In 2000, 60% of McMinnville households were homeowners. In 2010 and 2012–2016, 58% of households were homeowners.
- **Nearly all McMinnville homeowners (95%) lived in single-family detached housing, while many renters (58%) lived in multifamily housing.** (2012–16 ACS data)

McMinnville's homeownership rate is lower than that of the County and State.

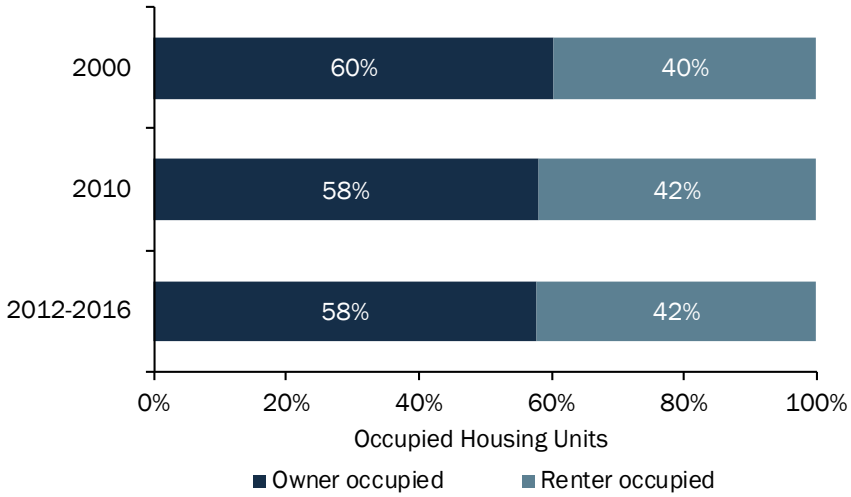
Exhibit 17. Homeownership for Occupied Units, McMinnville, Yamhill County, and Oregon 2012–2016
Source: US Census Bureau, 2012–2016 ACS Table B24003.



McMinnville's homeownership rate has remained steady since 2000 at about 60%.

Exhibit 18. Tenure, Occupied Units, McMinnville 2012–2016

Source: US Census Bureau, 2000 Decennial Census SF1 Table H004, 2010 Decennial Census SF1 Table H4, 2012–16 ACS Table B24003.

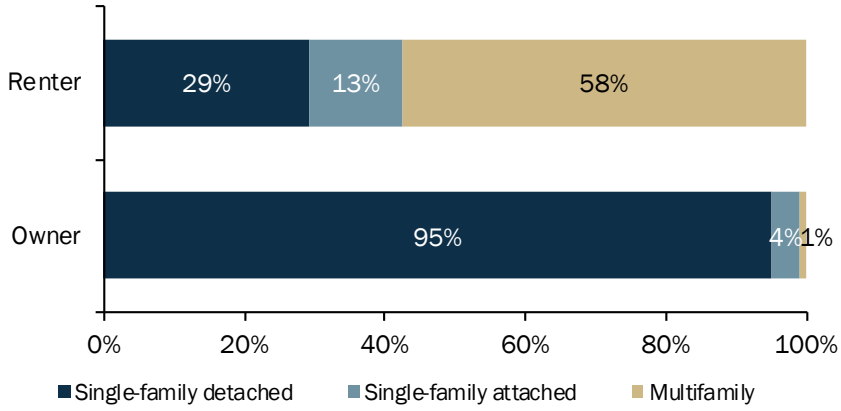


Nearly all homeowners and about a third of all renters lived in single-family detached housing.

Fifty-eight percent of McMinnville's households that rented lived in multifamily housing.

Exhibit 19. Housing Units by Type and Tenure, McMinnville, 2012–2016

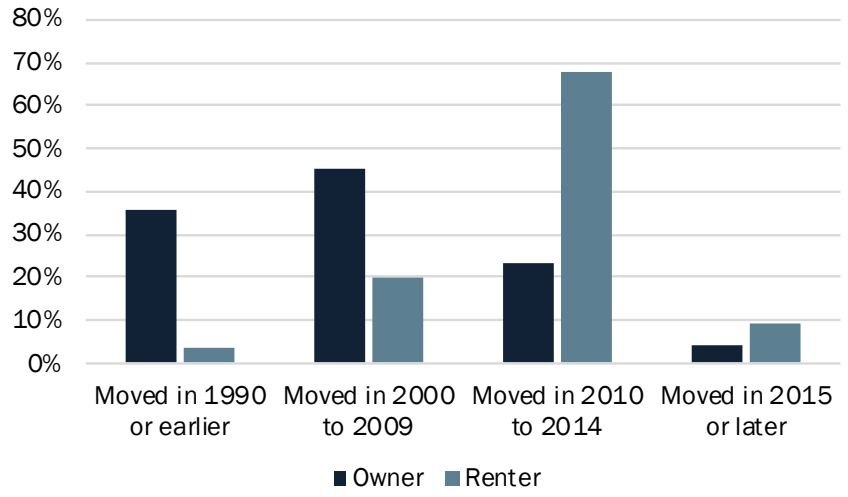
Source: US Census Bureau, 2012–2016 ACS Table B25032.



Twenty-eight percent of homeowners moved in 2010 or after, compared to 77% of renters that moved in 2010 or after.

Exhibit 20. Tenure by Year Householder Moved, McMinnville, 2012–2016

Source: US Census Bureau, 2012–2016 ACS Table B25026.



Vacancy Rates

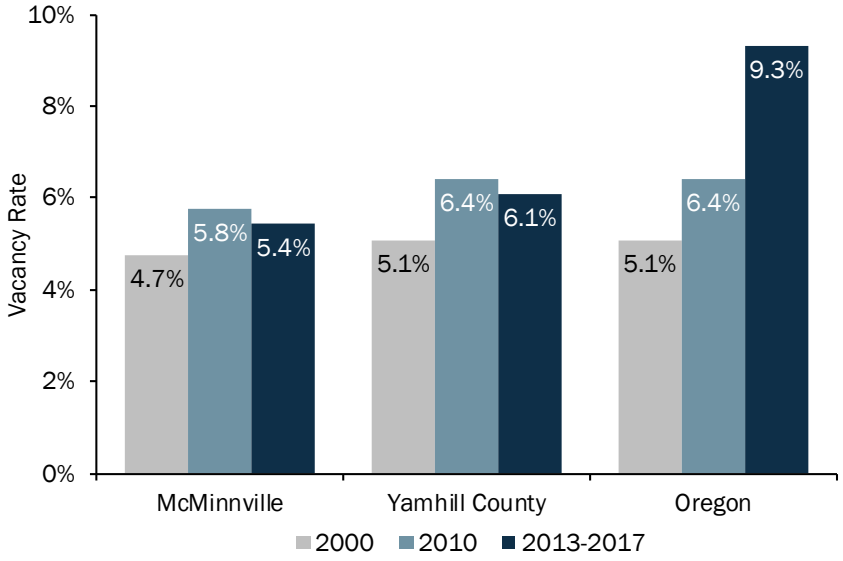
Housing vacancy is a measure of housing that is available to prospective renters and buyers. It is also a measure of unutilized housing stock. The Census defines vacancy as "unoccupied housing units . . . determined by the terms under which the unit may be occupied, e.g., for rent, for sale, or for seasonal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

The vacancy rate in McMinnville was 5.4% in 2013–2017, up from 4.7% in 2000.

As of 2017, McMinnville's vacancy rate was below that of Yamhill County (6.1%) and Oregon (9.3%).

Exhibit 21. Percent of Housing Units that are Vacant, McMinnville, Yamhill County, and Oregon, 2000, 2010, 2013–2017

Source: Census Bureau, 2000 Decennial Census SF1 Table QT-H1, 2010 Decennial Census SF1 Table QT-H1, 2013-2017 ACS Table B25002.



Short-Term Rentals and Seasonal Housing

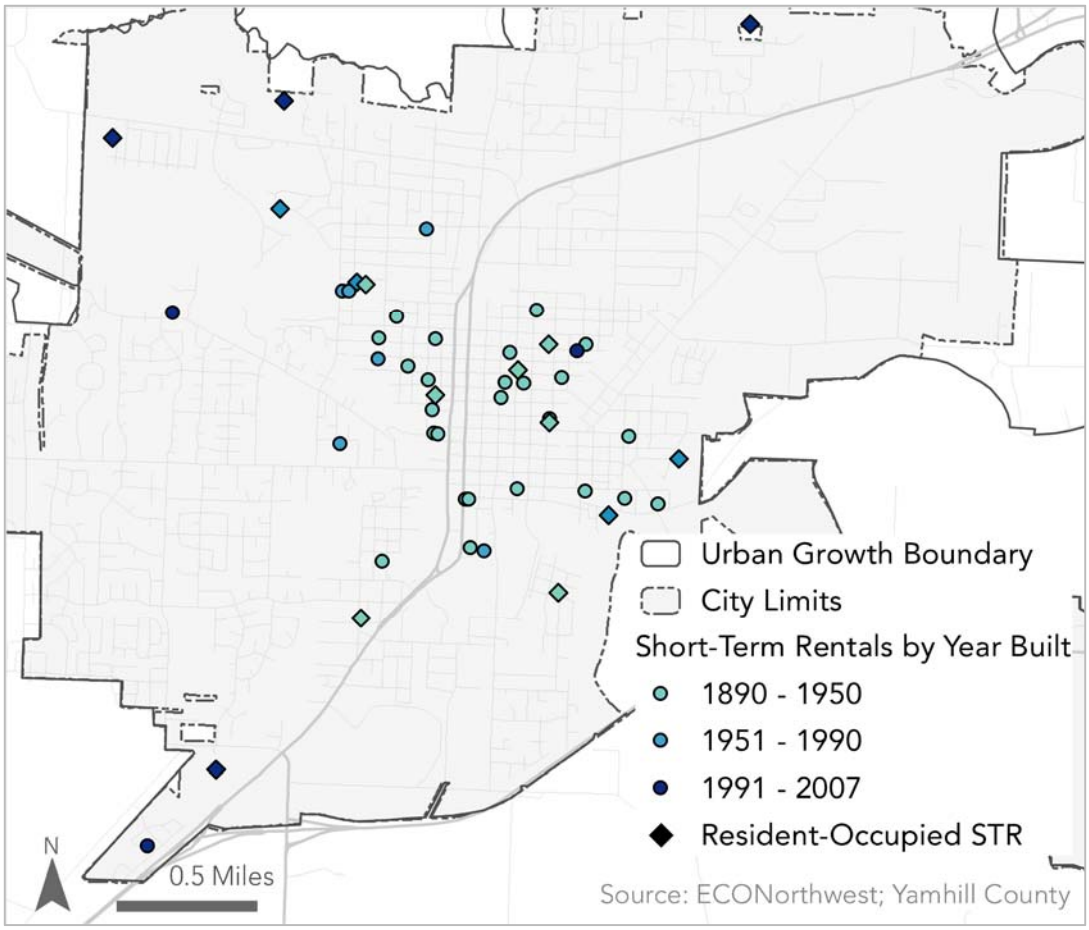
McMinnville defines a short-term rental as "the use of an entire dwelling unit by any person or group of persons entitled to occupy for rent for a period of no more than 30 (thirty) consecutive days. Short term rentals include vacation home rentals approved under the regulations in effect through May 10, 2018 (Ord. 5047 §2, 2018).

McMinnville defines a resident-occupied short-term rental as "the use of no more than two guest sleeping rooms by any person or group of persons entitled to occupy for rent for a period of no more than 30 (thirty) consecutive days. The dwelling unit is occupied by a full-time resident at the time that the guest sleeping rooms within the dwelling unit are available for overnight rental. Resident occupied short-term rentals include bed-and-breakfast establishments approved under the regulations in effect through May 10, 2018 (Ord. 5047 §2, 2018).

McMinnville has about 53 short-term rentals, of which 15 rentals are occupied by a resident. Of these rentals, 60% are located in units built in 1950 or earlier, 19% in units built between 1951 and 1990, 13% in units built in 1991 or later, and 8% are unknown.

Exhibit 22. Short-Term Rentals, McMinnville, 2018 Point-in-Time

Source: City of McMinnville short-term rental database. Note: Short-term rentals include resident-occupied short-term rentals and nonresident-occupied short-term rentals.

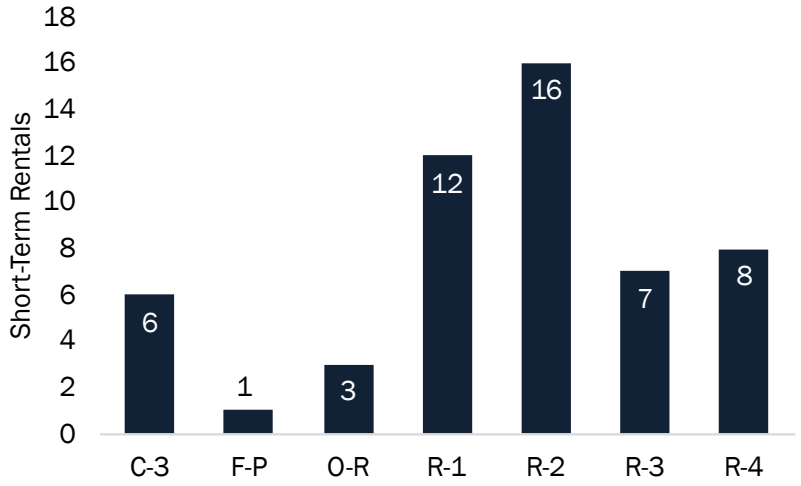


About 87% of McMinnville's short-term rentals are located in a residential zone (O-R, R-1, R-2, R-3, and R-4).

Another 11% of short-term rentals are located in a commercial zone (C-3), and the remaining 2% of short-term rentals are located in a floodplain (F-P).

Exhibit 23. Short-Term Rental by Zone Classification, McMinnville, 2018 Point-in-Time

Source: City of McMinnville short-term rental database. Note: Short-term rentals include resident-occupied short-term rentals and nonresident-occupied short-term rentals.



McMinnville has more vacant units categorized as "seasonal, recreational, or occasional use" than it did in 2000.

However, a smaller share of McMinnville's vacant units is for seasonal, recreational, or occasional use (9% in 2000, 7% in 2010, and 5% in 2016).

Exhibit 24. Vacancy of Seasonal, Recreational, or Occasional-Use Housing, McMinnville, 2000 to 2012–2016

Source: US Census Bureau, 2000 Decennial Census SF1 Table H005, 2010 Decennial Census SF1 Table H5, 2012–16 ACS Table B25004. Note: This data is not directly associated with the City of McMinnville's short-term rental data.

23 Units	52 Units	74 units	222%
2000	2010	2012–2016	Change from 2000 to 2012–2016

Government-Assisted Housing Projects

Governmental agencies and nonprofit organizations offer a range of housing assistance to low- and moderate-income households in renting or purchasing a home. There are sixteen government-assisted housing developments in McMinnville:

McMinnville has a total of 16 government-assisted housing developments, totaling 558 units.

Exhibit 25. Inventory of Government-Assisted Housing Projects, McMinnville, 2018

Source: Oregon Department of Housing and Community Services, Affordable Housing Inventory, 2018. Note: The Project Advisory Committee vetted OHCS's inventory and modified the listings to accurately reflect government-assisted housing in McMinnville.

Development Name	Total Units	Population Served
Bridges	6	Low-income residents
Fresa Park B	6	Agricultural workers
Hendricks Place	8	Special Needs
Heritage Place	60	Seniors
Homeport	12	Special Needs
Jandina Park	36	Family
Orchards Plaza	60	(5) Family and (55) Seniors
Redwood Commons	64	Family
Sunflower Park	33	(27) Family (6) Transitional
Sunnyside Apts	15	Special Needs
Tice Park	88	Family
Villa Del Sol	24	(12) Family and (12) Agricultural workers
Villa West	48	Family
Village Quarter	50	Senior
Willamette Place I	24	Seniors or Special Needs of Any Age
Willamette Place II	24	Seniors or Special Needs of Any Age
Total	558	

In addition, the Housing Authority of Yamhill County (HAYC) administers 1,423 Housing Choice Vouchers (countywide). A small share of these vouchers serves specific populations, such as homeless veterans and their families with VASH vouchers and nonelderly persons with disabilities with Mainstream Vouchers. Due to the shortage of affordable rental housing in Yamhill County, HAYC has a 58% utilization rate for persons-issued vouchers (as of December 2018).[14]

[14] When households qualify to receive a Housing Choice Voucher, they must first find housing that meets their income and housing cost requirements. Many households in McMinnville are unable to find rental housing that meets those requirements and must forego their Housing Choice Voucher, despite being eligible. Forty-two percent of Housing Choice Vouchers are currently unused for this reason.

Manufactured Homes

Cities are required to plan for manufactured homes—both on individual lots and in parks (ORS 197.475-492). Manufactured homes typically provide a source of affordable housing in cities. They provide a form of homeownership and rental units that can be made available to households making less than the median income in cities.

Generally, manufactured homes in parks are owned by the occupants who pay rent for the space on which the unit is located. Living in a manufactured housing park is desirable to some because it can provide a sense of security (with an on-site manager), community, and amenities (such as laundry and recreation facilities). Monthly housing costs are typically lower for a homeowner in a manufactured home park for several reasons. For instance, manufactured homes have lower base prices, as they cost less to produce. Due to the durability of a manufactured home, the value of a manufactured home generally does not appreciate in the way a conventional home would. Manufactured homeowners in parks are also subject to the mercy of the property owner in terms of rent rates and increases. It is generally not within the means of a manufactured homeowner to relocate to another manufactured home to escape rent increases.

ORS 197.480(4) requires cities to inventory the mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial or high-density residential development. Exhibit 26 presents the Oregon Department of Housing and Community Services (OHCS) inventory of mobile and manufactured home parks within McMinnville as of 2018.

McMinnville has 12 manufactured home parks within the UGB, with a total of 1,014 spaces.

Exhibit 26. Inventory of Mobile/Manufactured Home Parks, McMinnville UGB, 2018

Source: Oregon Manufactured Dwelling Park Directory (tabular) and Interactive Map and Statewide Park Directory. Note 1: The tabular directory only identified four parks (Flamingo Mobile Homes, Squires Estates, Squires Mobile West Estates, and Walnut City Lodges). Note 2: This inventory excludes "mobile home subdivisions" where all lots are occupied by manufactured homes, but each manufactured home is on a separate lot.

Name	Location	Type	Total Spaces	Vacant Spaces	Zone or Plan Designation
Flamingo Mobile Home Park	1338 E Quincy	55+	24	0	R-4
Squires Estates	1557 N Pacific Hwy	Family	103	0	R-3
Squires Mobile West Estates	1011 N 9th St	Family	102	2	R-3
Walnut City Lodges	745 SW Baker St	Family	32	2	O-R
Kathleen Manor Manufactured Home Community	1200 Hill Rd	Family	224	n/a	R-3
Heidi Manor Manufactured Home Community	1145 SW Cypress St	Family	116	n/a	R-3
Southwest Terrace LLC	1501 SW Baker St	55+	76	n/a	C-3
Victor Manor/Horizon Homeowners Cooperative	900 SE Booth Bend Rd	Family	32	n/a	C-3
McMinnville Manor	1602 NE Riverside Dr	55+	95	n/a	R-4
Riverside Mobile Terrace	2170 NE Riverside Dr	Family	82	n/a	R-4
Evergreen Mobile Home Park	2400 SE Stratus Ave	Family	20	n/a	R-4
Olde Stone Village	4155 NE Three Mile Ln	Family	108	n/a	R-4
Total			**1,014**	**4**	

4. Demographic and Other Factors Affecting Residential Development in McMinnville

Demographic trends are important for developing a thorough understanding of the dynamics of the McMinnville housing market and projecting McMinnville's future housing needs. McMinnville exists in a regional economy, where trends in the region impact the local housing market. This chapter documents demographic, socioeconomic, and other trends relevant to McMinnville 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 McMinnville to Yamhill County and, where appropriate, to nearby cities with comparable populations and community attributes (Monmouth, Independence, Dallas, and Newberg). Characteristics such as age and ethnicity are indicators of how the population has grown in the past and provide insight into factors that may affect future growth.

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

1. Project the number of new housing units needed in the next twenty years.
2. Identify relevant national, state, and local demographic and economic trends and factors that may affect the twenty-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. Chapter 5 presents data to address steps 1, 5, and 6.

Demographic and Socioeconomic Factors Affecting Housing Choice[15]

Analysts typically describe housing demand as the preferences for different types of housing (i.e., single-family detached, single-family attached, or multifamily), 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 seniors (particularly Baby Boomers or people born from about 1946 to 1964), and Millennials, people born from about 1980 to 2000.
- **Size of household** is the number of people living in the household. Younger and older people are more likely to live in single-person households. People in their middle years are more likely to live in multi-person households (often with children).
- **Income** is household income. Research suggests that income is the most important determinant of housing choice. Income is strongly related to the type of housing a household chooses (e.g., a single-family detached, a duplex, or a building with more than five units) and to household tenure (e.g., rent or own).

This chapter focuses on these key demographic factors, presenting data that suggests how changes to these factors may affect housing need in McMinnville over the next twenty years.

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

D. Myers and S. Ryu, "Aging Baby Boomers and the Generational Housing Bubble," *Journal of the American Planning Association*, Winter 2008.

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

L. Lachman and D. Brett, *Generation Y: America's New Housing Wave,* Urban Land Institute, 2010.

G. Galster, "People Versus Place, People and Place, or More? New Directions for Housing Policy," *Housing Policy Debate*, 2017.

C. Herbert and H. Molinsky, "Meeting the Housing Needs of an Aging Population," 2015.

J. McIlwain, *Housing in America: The New Decade,* Urban Land Institute, 2010.

J. Schuetz, "Who Is the New Face of American Homeownership?," Brookings, 2017.

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

Transportation for America, "Access to Public Transportation a Top Criterion for Millennials When Deciding Where to Live, New Survey Shows," 2014.

National Trends[16]

This brief summary on national housing trends builds on previous work by ECONorthwest, Urban Land Institute (ULI) reports, and conclusions from the *State of the Nation's Housing, 2018* report from the Joint Center for Housing Studies of Harvard University. The Harvard report summarizes the national housing outlook as follows:

> "By many metrics, the housing market is on sound footing. With the economy near full employment, household incomes are increasing and boosting housing demand. On the supply side, a decade of historically low single-family construction has left room for expansion of this important sector of the economy. Although multifamily construction appears to be slowing, vacancy rates are still low enough to support additional rentals. In fact, to the extent that growth in supply outpaces demand, a slowdown in rent growth should help to ease affordability concerns."

However, challenges to a strong domestic housing market remain. High mortgage rates make housing unaffordable for many Americans, especially younger Americans. In addition to rising housing costs, wages have also failed to keep pace, worsening affordability pressures. Single-family and multifamily housing supplies remain tight, which compound affordability issues. The *State of the Nation's Housing, 2018* report emphasizes the importance of government assistance and intervention to keep housing affordable moving forward. Several challenges and trends shaping the national housing market are summarized below:

- **Moderate new construction and tight housing supply, particularly for affordable housing.** New construction experienced its eighth year of gains in 2017 with 1.2 million units added to the national stock. Estimates for multifamily starts range between 350,000 to 400,000 (2017). The supply of for-sale homes in 2017 averaged 3.9 months below what is considered balanced (six months), and lower-cost homes are considered especially scarce. The *State of the Nation's Housing, 2018* report cites lack of skilled labor, higher building costs, scarce developable land, and the cost of local zoning and regulation as impediments to new construction.
- **Demand shift from renting to owning.** After years of decline, the national homeownership rate increased from a fifty-year low of 62.9% in the second quarter of 2016 to 63.7% in the second quarter of 2017. Trends suggest homeownership among householders aged 65 and older have remained strong and homeownership rates among young adults have begun stabilizing after years of decline.
- **Housing affordability.** In 2016, almost one-third of American households spent more than 30% of their income on housing. This figure is down from the prior year, bolstered by a considerable drop in the owner share of cost-burdened households. Low-income households face an especially dire hurdle to afford housing. As resources become increasingly competitive, and with such a large share of households exceeding the

[16] These trends are based on information from (1) the *State of the Nation's Housing, 2018* report from the Joint Center for Housing Studies of Harvard University, (2) the Urban Land Institute's "2018 Emerging Trends in Real Estate," and (3) the US Census.

traditional standards for affordability, policymakers are focusing efforts on the severely cost burdened. Among those earning less than $15,000, more than 70% of households paid more than half of their income on housing.

- **Long-term growth and housing demand.** The Joint Center for Housing Studies forecasts that demand for new homes nationally could total as many as 12 million units between 2017 and 2027. Much of the demand will come from Baby Boomers, Millennials,[17] 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.**[18] Aging housing stock and poor housing conditions are growing concerns for jurisdictions across the United States. With almost 80% of the nation's housing stock at least 20 years old (40% at least 50 years old), Americans are spending in excess of $400 billion per year on residential renovations and repairs. As housing rehabilitation becomes the go-to solution to address housing conditions, the home remodeling market has grown more than 50% since the recession ended—generating 2.2% of national economic activity (in 2017).

  Despite trends suggesting growth in the rehabilitation market, rising construction costs and complex regulatory requirements pose barriers to rehabilitation. Lower-income households or households on fixed-incomes may defer maintenance for years due to limited financial means, escalating rehabilitation costs. At a certain point, the cost of improvements may outweigh the value of the structure, which may necessitate new responses such as demolition or redevelopment.
- **Changes in housing preference.** Housing preference will be affected by changes in demographics; most notably, the aging of Baby Boomers, housing demand from Millennials, and growth of immigrants.
  - *Baby Boomers.* The housing market will be affected by the continued aging of Baby Boomers, the oldest of whom were in their seventies in 2018 and the youngest of whom were in their fifties in 2018. Baby Boomers' housing choices will affect housing preference and homeownership. Addressing housing needs for those moving through their sixties, seventies, eighties, and beyond will require a range of housing opportunities. For example, "the 82-to-86-year-old cohort dominates the assisted living and more intensive care sector" while new or near-retirees may prefer aging in place or active, age-targeted communities.[19] Characteristics like

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

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

[18] These findings are copied from the Joint Center for Housing Studies of Harvard University's "Improving America's Housing, 2019."
https://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_Improving_Americas_Housing_2019.pdf

[19] Urban Land Institute, "Emerging Trends in Real Estate, 2019."

immigration and ethnicity play a role too, as "older Asians and Hispanics are more likely than whites or blacks to live in multigenerational households."[20] Senior households earning different incomes may make distinctive housing choices. For instance, low-income seniors may not have the financial resources to live out their years in a nursing home and may instead choose to downsize to smaller, more affordable units. Seniors living in close proximity to relatives may also choose to live in multigenerational households.

- Research shows that "older people in western countries prefer to live in their own familiar environment as long as possible," but aging in place does not only mean growing old in their own homes.[21] A broader definition exists, which explains that aging in place also means "remaining in the current community and living in the residence of one's choice."[22] Therefore, 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, 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."[23]
- *Millennials.* Over the last several decades, young adults have been increasingly living in multigenerational housing—more so than older demographics.[24] Despite this trend, as Millennials age over the next twenty years, they will be forming households and families. In 2018, the oldest Millennials were in their late thirties and the youngest were in their late teens. By 2040, Millennials will be between 40 and 60 years old.

  Millennials only started forming their own households at the beginning of the 2007–2009 recession. Today, Millennials are driving much of the growth in new households, albeit at slower rates than previous generations. From 2012 to 2017, Millennials formed an average of 2.1 million net new households each year. Twenty-six percent of Millennials aged 25 to 34 lived with their parents (or other relatives) in 2017.

  Millennials' average wealth may remain far below Baby Boomers and Gen Xers, and student loan debt will continue to hinder consumer behavior and affect retirement savings. As of 2015, Millennials comprised 28% of active homebuyers,

[20] C. Herbert and H. Molinsky, "Meeting the Housing Needs of an Aging Population.," 2015. https://shelterforce.org/2015/05/30/meeting_the_housing_needs_of_an_aging_population/

[21] P. Vanleerberghe, et al., *The Quality of Life of Older People Aging in Place: A Literature Review*, 2017.

[22] Ibid.

[23] American Planning Association, "Making Space for Tiny Houses," Quick Notes.

[24] 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 in 1980, and by 2008, 20% did (18% change).

while Gen Xers comprised 32% and Baby Boomers 31%.[25] That said, "over the next 15 years, nearly $24 trillion will be transferred in bequests," presenting new opportunities for Millennials (as well as Gen Xers).

- *Immigrants.* Research on foreign-born populations shows that immigrants, more than native-born populations, prefer to live in multigenerational housing. Still, immigration and increased homeownership among minorities could also play a key role in accelerating household growth over the next ten 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 decline, however, the foreign born are again contributing to household growth. The Census Bureau's estimates of net immigration in 2017–2018 indicate that 1.2 million immigrants moved to the United States from abroad, down from 1.3 million immigrants in 2016–2017 but higher than the average annual pace of 850,000 during the period of 2009–2011. However, if recent federal policies about immigration are successful, growth in undocumented and documented immigration could slow household growth in the coming years.
- *Diversity.* The growing diversity of American households will have a large impact on domestic housing markets. Over the coming decade, minorities will make up a larger share of young households and constitute an important source of demand for both rental housing and small homes. The growing gap in homeownership rates between whites and blacks, as well as the larger share of minority households that are cost burdened, warrants consideration. Since 1994, the difference in homeownership rates between whites and blacks has risen by 1.9 percentage points to 29.2% in 2017. Alternatively, the gap between white and Hispanic homeownership rates, and white and Asian homeownership rates, both decreased during this period but remained sizable at 26.1 and 16.5 percentage points, respectively. Although homeownership rates are increasing for some minorities, large shares of minority households are more likely to live in high-cost metro areas. This, combined with lower incomes than white households, leads to higher rates of cost burden for minorities—47% for blacks, 44% for Hispanics, 37% for Asians/others, and 28% for whites in 2015.

- Changes in housing characteristics. The US Census Bureau's *Characteristics of New Housing* report (2017) 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:[26]

[25] V. Srinivas and U. Goradia, "The Future of Wealth in the United States," Deloitte Insights, 2015. https://www2.deloitte.com/insights/us/en/industry/investment-management/us-generational-wealth-trends.html

[26] US Census Bureau, "Highlights of Annual 2017 Characteristics of New Housing." https://www.census.gov/construction/chars/highlights.html.

- *Larger single-family units on smaller lots*. Between 1999 and 2017, the median size of new single-family dwellings increased by 20% nationally from 2,028 sq. ft. to 2,426 sq. ft., and between 1999 and 2017, the western region increased by 20% from 2,001 sq. ft. to 2,398 sq. ft. Moreover, between 1999 and 2017 the percentage of new units smaller than 1,400 sq. ft. across the United States decreased by more than half, from 15% to 6%; the percentage of units greater than 3,000 sq. ft. increased from 17% to 25%; and the percentage of lots less than 7,000 sq. ft. increased from 25% to 31%. In addition to larger homes, a trend toward smaller lot sizes is seen nationally.
- *Larger multifamily units*. Between 1999 and 2017, the median size of new multifamily dwelling units increased by 5.3% across the United States, and the western region increased by 2.4%. Nationally, the percentage of new multifamily units with more than 1,200 sq. ft. increased from 28% to 33% between 1999 and 2017, and it increased from 25% to 28% in the western region.
- *Household amenities*. Across the United States since 2013, an increasing number of new units have 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 97% in 2017. In that same time, the share of units with two or more bathrooms decreased from 55% of new multifamily units to 45%. As of 2017, 65% of new single-family houses in the United States had one or more garages (down from 69% in 2000).
- *Shared amenities*. Housing with shared amenities is growing in popularity, as it may improve space efficiencies and reduce per-unit costs/maintenance costs. Single-room occupancies (SROs),[27] cottage clusters, cohousing developments, and multifamily products are common housing types that take advantage of this trend. Shared amenities may take many forms and include bathrooms, kitchens and other home appliances (e.g., laundry facilities, outdoor grills), security systems, outdoor areas (e.g., green space, pathways, gardens, rooftop lounges), fitness rooms, swimming pools, and tennis courts.[28]

State Trends

Oregon's 2016–2020 Consolidated Plan Amendment includes a detailed housing needs analysis as well as strategies for addressing housing needs statewide. The plan concludes that "a growing gap between the number of Oregonians who need affordable housing and the availability of affordable homes has given rise to destabilizing rent increases, an alarming number of evictions

[27] Single-room occupancies are residential properties with multiple single-room dwelling units occupied by a single individual. From: US Department of Housing and Urban Development, *Understanding SRO*, 2001. https://www.hudexchange.info/resources/documents/Understanding-SRO.pdf

[28] Urbsworks, *Housing Choices Guide Book: A Visual Guide to Compact Housing Types in Northwest Oregon*, n.d. https://www.oregon.gov/lcd/Publications/Housing-Choices-Booklet_DIGITAL.pdf

A. Saiz and A. Salazar, *Real Trends: The Future of Real Estate in the United States*, Center for Real Estate, Urban Economics Lab, n.d.

of low- and fixed- income people, increasing homelessness, and serious housing instability throughout Oregon."

It identified the following issues that describe housing need statewide:[29]

- 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, half of Oregon renter households pay more than one-third of their income toward rent, and one-third pay more than half of their income toward rent.
- More school children are experiencing housing instability and homelessness. The rate of K–12 homeless children increased by 12% from the 2013–2014 school year to the 2014–2015 school year.
- Oregon has 28,500 rental units that are affordable and available to renters with extremely low incomes. There are about 131,000 households that need those apartments, leaving a gap of 102,500 units.
- Housing instability is fueled by an unsteady, low-opportunity employment market. Over 400,000 Oregonians are employed in low-wage work. Low-wage work is a growing share of Oregon's economy. When wages are set far below the cost needed to raise a family, the demand for public services grows to record heights.
- Women are more likely than men to end up in low-wage jobs. Low wages, irregular hours, and part-time work compound issues.
- People of color historically constitute a disproportionate share of the low-wage work force. About 45% of Latinos, and 50% of African Americans, are employed in low-wage industries.
- The majority of low-wage workers are adults over the age of twenty, many of whom have earned a college degree or some level of higher education.
- In 2019, minimum wage in Oregon[30] was $11.25, $12.50 in the Portland Metro, and $11.00 for nonurban counties.

"Breaking New Ground, Oregon's Statewide Housing Plan" for 2018 describes the Oregon Housing and Community Services (OHCS) goals and implementation strategies for achieving the goals.[31] It includes relevant data to help illustrate the rationale for each priority. Oregon's

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[29] These conclusions are copied directly from *Oregon's 2016–2020 Consolidated Plan Amendment* http://www.oregon.gov/ohcs/docs/Consolidated-Plan/2016-2020-Consolidated-Plan-Amendment.pdf.

[30] The 2016 Oregon Legislature, Senate Bill 1532, established a series of annual minimum wage rate increases beginning July 1, 2016, through July 1, 2022. https://www.oregon.gov/boli/whd/omw/pages/minimum-wage-rate-summary.aspx

[31] Priorities and factoids are copied directly from Oregon Housing and Community Services "Breaking New Ground, Oregon's Statewide Housing Plan," November 2018 Draft. https://www.oregon.gov/ohcs/DO/shp/OregonStatewideHousingPlan-PublicReviewDraft-Web.pdf

"Statewide Housing Plan" identified six housing priorities to address in communities across the State over 2019 to 2023.

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

- Summary of the Issue: Statewide, over 85,000 new units are needed to house those households earning below 30% of median family income (MFI) in units affordable to them. The gap is even larger when accounting for the more than 16,000 units affordable at 30% of MFI, which are occupied by households at other income levels.
- 2019–2023 Goal: OHCS will triple the existing pipeline of affordable rental housing—up to 25,000 homes in the development pipeline by 2023. Residents of affordable rental housing funded by OHCS will have reduced cost burden and more opportunities for prosperity and self-sufficiency.

- **Homeownership.** *Provide more low- and moderate-income Oregonians with the tools to successfully achieve and maintain homeownership, particularly in communities of color.*
  - Summary of the Issue: In Oregon, homeownership rates for all categories of people of color are lower than for white Oregonians. For white non-Hispanic Oregonians, the homeownership rate is 63%. For Hispanic and nonwhite Oregonians, it is 42%. For many, homeownership rates have fallen between 2005 and 2016.
  - 2019–2023 Goal: OHCS will assist at least 6,500 households in becoming successful homeowners through mortgage lending products while sustaining efforts to help existing homeowners retain their homes. OHCS will increase the number of homebuyers of color in our homeownership programs by 50% as part of a concerted effort to bridge the homeownership gap for communities of color while building pathways to prosperity.
- **Rural Communities.** *Change the way OHCS does business in small towns and rural communities to be responsive to the unique housing and service needs and unlock the opportunities for housing development.*
  - Summary of the Issue: While housing costs may be lower in rural areas, incomes are lower as well: median family income is $42,750 for rural counties versus $54,420 for urban counties. Additionally, the median home values in rural Oregon are 30% higher than in the rural United States, and median rents are 16% higher.
  - 2019–2023 Goal: OHCS will collaborate with small towns and rural communities to increase the supply of affordable and market-rate housing. As a result of tailored services, partnerships among housing and service providers, private industry, and local governments will flourish, leading to improved capacity, leveraging of resources, and a doubling of the housing development pipeline.

Regional and Local Demographic Trends that May Affect Housing Need in McMinnville

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

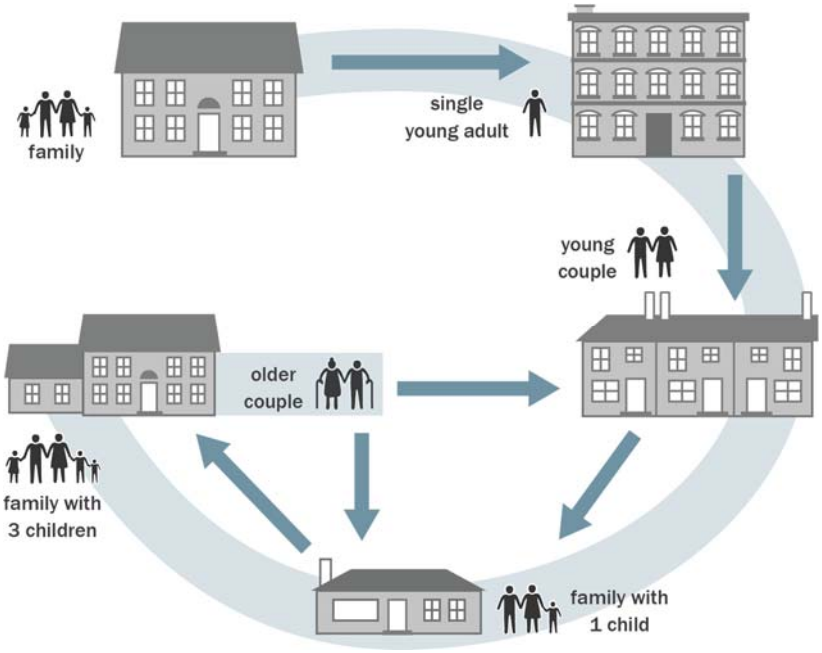
An individual's housing needs change throughout their life, with changes in income, family composition, and age. The types of housing needed by a 20-year-old college student differ from the needs of a 40-year-old parent with children, or an 80-year-old single adult. As McMinnville's population ages,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

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

Families of different sizes need different types of housing.

Exhibit 27. 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

McMinnville's population grew by 88% between 1990 and 2017, adding 15,771 new residents. Over this period, McMinnville's population grew at an average annual growth rate of 2.4%. McMinnville's population growth will drive future demand for housing over the planning period.

Exhibit 28. Population, McMinnville, 1990–2017

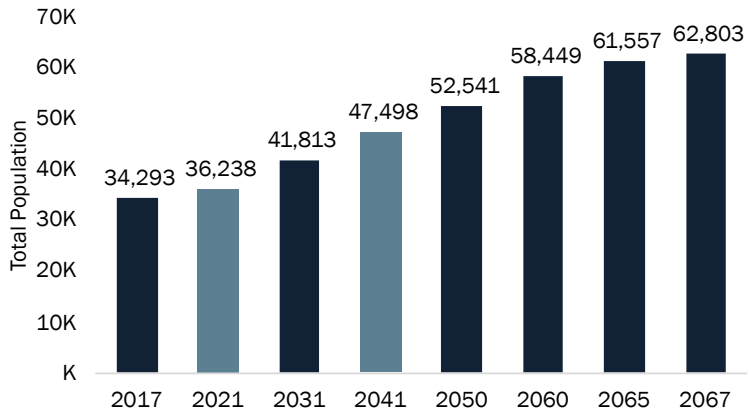
Source: US Decennial Census 1990, 2000, and 2010. Portland State University Population Research Center, 2017 Estimate.

					Change 1990 to 2017		
	1990	2000	2010	2017	Number	Percent	AAGR
U.S.	248,709,873	281,421,906	308,745,538	325,719,178	77,009,305	31%	1.0%
Oregon	2,842,321	3,421,399	3,831,074	4,141,100	1,298,779	46%	1.4%
Yamhill County	65,551	84,992	99,193	106,300	40,749	62%	1.8%
McMinnville	17,894	26,499	32,187	33,665	15,771	88%	2.4%

By 2067, McMinnville's population within its UGB is expected to exceed 60,000 people.

Exhibit 29. Population Forecast, McMinnville UGB, 2017 through 2067

Source: Population Research Center, Portland State University, June 30, 2017.



McMinnville's population within its UGB is expected to grow by around 31% (11,260 people) over the 20-year analysis period (2021 to 2041).

Exhibit 30. McMinnville's 5-, 10-, 20-, and 46-Year Population Forecast, McMinnville UGB, 2021, 2026, 2031, and 2067

Source: Population Research Center, Portland State University, June 30, 2017.

36,238	38,985	41,813	47,498	62,803
2021	2026 (5-year)	2031 (10-year)	2041 (20-year)	2067 (46-year)

A majority of new population growth in Yamhill County and Oregon is because of in-migration.

Exhibit 31. Migrant Share of New Population, Yamhill County and Oregon, 2000–2016

Source: Population Research Center, Portland State University.

Yamhill County	19,998 New Population	13,477 New Migrant Population	67% Migrant Share of Growth
Oregon	654,951 New Population	420,150 New Migrant Population	64% Migrant Share of Growth

Aging Population

This section describes two key characteristics of McMinnville's population (seniors and young adults, including Millennials), with implications for future housing demand in McMinnville:

- **Seniors.** McMinnville and Yamhill County populations are progressively getting older. As McMinnville's elderly population grows, it will increase demand for housing that is suitable for elderly residents. By 2040, residents aged 60 years and older will account for 28% of McMinnville's population, compared to 20% in 2010.

  The impact of growth in seniors in McMinnville will depend, in part, on whether older people already living in McMinnville continue to live in their current residence as they age. National surveys show that most households prefer to age in place by continuing to live in their current home and community as long as possible.[32]

  Growth in the number of seniors will result in demand for housing types specific to seniors, such as small and easy-to-maintain dwellings, assisted-living facilities, or age-restricted developments. Senior households will make a variety of housing choices, including remaining in their homes as long as they are able, downsizing to smaller single-family homes (detached and attached) or multifamily units, or moving into group housing (such as assisted-living facilities or nursing homes) as their health declines. The challenges aging seniors face in continuing to live in their community include changes in healthcare needs, loss of mobility, the difficulty of home maintenance, financial concerns, and increases in property taxes.[33]

- **McMinnville has a larger proportion of younger people than the County and State.** About 30% of McMinnville's population is under 20 years old, compared to 28% of Yamhill County's population and 25% of the State's population. The forecast for population growth in McMinnville shows the number of people under 20 years will increase, but the share of younger people will decline marginally from 29% of the population in 2017 to 27% of the population by 2040.

  Linfield College offers a partial explanation for McMinnville's age structure. Data provided by the college indicated that Linfield had 2,588 students enrolled as of May 2018.[34] Approximately 1,240 students (48% of the 2,588 students) were at the McMinnville campus as of February 2019.[35] As of 2016, the 1,240 students make up approximately 4% of the City's total population, about 13% of the City's population under age 20, and about 23% of the City's population between the ages of 15 and 24. Linfield students are counted in PSU's population forecast. Linfield requires students to live in campus housing for their first two years.

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

[33] M. S. Ball, *Aging in Place: A Toolkit for Local Governments*.

[34] https://www.linfield.edu/about/facts-and-figures.html

[35] https://www.opb.org/news/article/linfield-college-tenured-faculty-cut/

People who are currently between 18 and 38 years old[36] are referred to as the Millennial generation and account for the largest share of the population in Oregon.[37] By 2041, Millennials will be about 41 to 61 years of age. The forecast for Yamhill County shows growth in the number of Millennials from about 27,500 people in 2021 to 35,000 people in 2041 (about 28% change). The share of Millennials from 2021 to 2041 is forecast to remain the same (at about 25% of Yamhill County's total population).

McMinnville's ability to retain people in this age group will depend, in part, on whether the City has opportunities for housing that both appeal to and are affordable to Millennials. In the near-term, Millennials may increase demand for rental units. The long-term housing preferences of Millennials are uncertain. Research suggests that Millennials' housing preferences may be similar to Baby Boomers, with a preference for smaller, less-costly units. Recent surveys about housing preference suggest that Millennials want affordable single-family homes in areas that offer transportation alternatives to cars, such as suburbs or small cities with walkable neighborhoods.[38]

A recent survey of people living in the Portland region shows that Millennials prefer single-family detached housing. The survey finds that housing price is the most important factor in choosing housing for younger residents.[39] The survey results suggest Millennials are more likely than other groups to prefer housing in an urban neighborhood or town center. While this survey is for the Portland region, it shows results similar to national surveys and studies about housing preference for Millennials.

Growth in Millennials in McMinnville will increase demand for affordable single-family detached housing (including cottages) in the long-term and affordable town houses and multifamily housing in the near term. The preference for Millennials to locate in urban neighborhoods or town centers may also increase demand for town homes and multifamily housing types. Growth in this population will result in increased demand for both ownership and rental opportunities, with an emphasis on housing that is comparatively affordable.

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

[37] M. Dimock, "Defining Generations: Where Millennials End and Post-Millennials Begin," Pew Research Center, March 2018. http://www.pewresearch.org/fact-tank/2018/03/01/defining-generations-where-millennials-end-and-post-millennials-begin/.

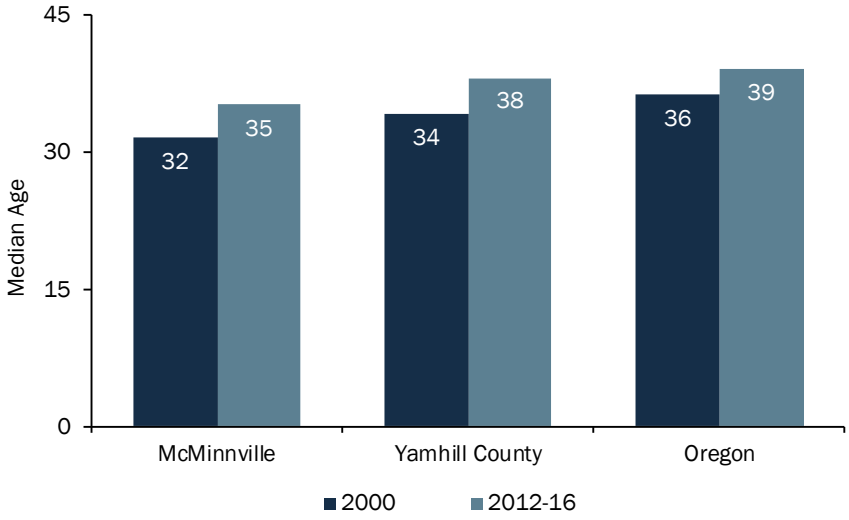
[38] American Planning Association, "Investing in Place; Two Generations' View on the Future of Communities," 2014.
Transportation for America, "Access to Public Transportation a Top Criterion for Millennials When Deciding Where to Live, New Survey Shows."
National Association of Home Builders, "Survey Says: Home Trends and Buyer Preferences."

[39] Davis, Hibbits & Midghal Research, "Metro Residential Preference Survey," May 2014.

From 2000 to 2012–2016, McMinnville's median age increased from 31.5 to 35.2 years. Larger regions experienced similar trends.

Exhibit 32. Median Age, Years, McMinnville, Yamhill County, and Oregon, 2000 to 2012–2016

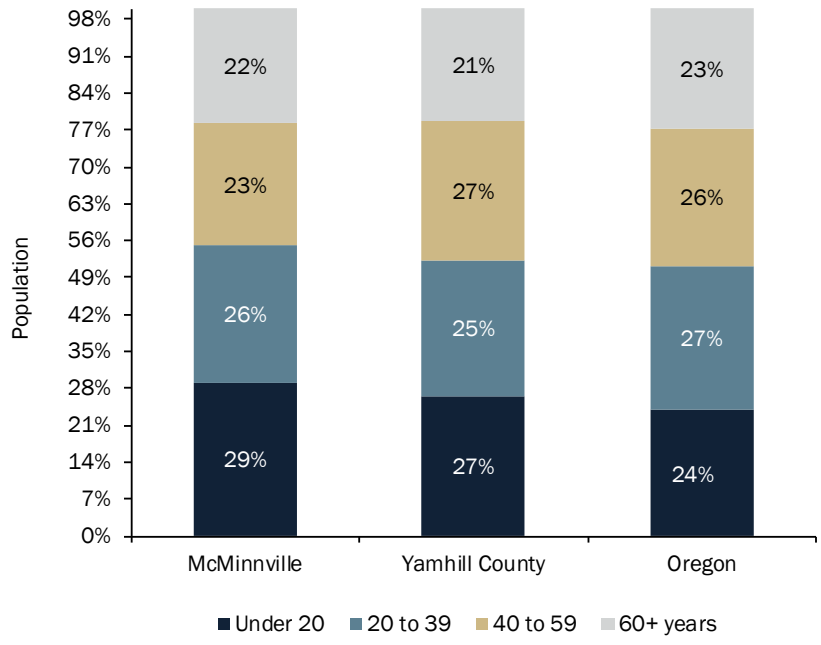
Source: US Census Bureau, 2000 Decennial Census Table B01002, 2012–2016 ACS, Table B01002.



Similar to Yamhill County and Oregon, McMinnville's population distribution was relatively proportional by age. McMinnville had a slightly larger cohort under the age of 20.

Exhibit 33. Population Distribution by Age, McMinnville, Yamhill County, and Oregon, 2012–2016

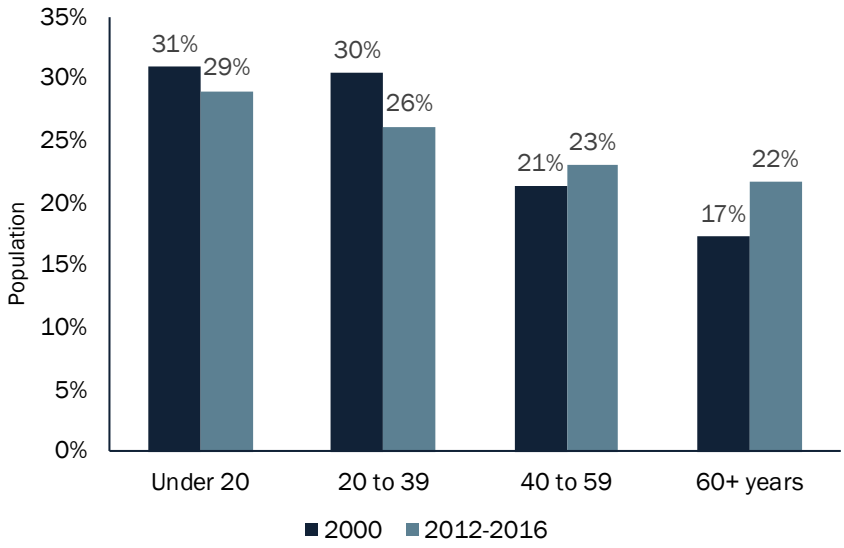
Source: US Census Bureau, 2012–2016, ACS, Table B01001.



Between 2000 and 2012–2016, McMinnville's population distribution shifted toward older age cohorts.

Exhibit 34. Population Distribution by Age, McMinnville, 2000 to 2012–2016

Source: US Census Bureau, 2000 Decennial Census Table P012, 2012–2016 ACS, Table B01001.



The share of Yamhill County's population aged 60 years and older is forecast to grow the fastest (56% from 2017 to 2040).

Exhibit 35. Forecast Growth Rate by Age Group, Yamhill County, 2017 to 2040

Source: Portland State University, Population Research Center, Yamhill County Forecast, June 30, 2017.

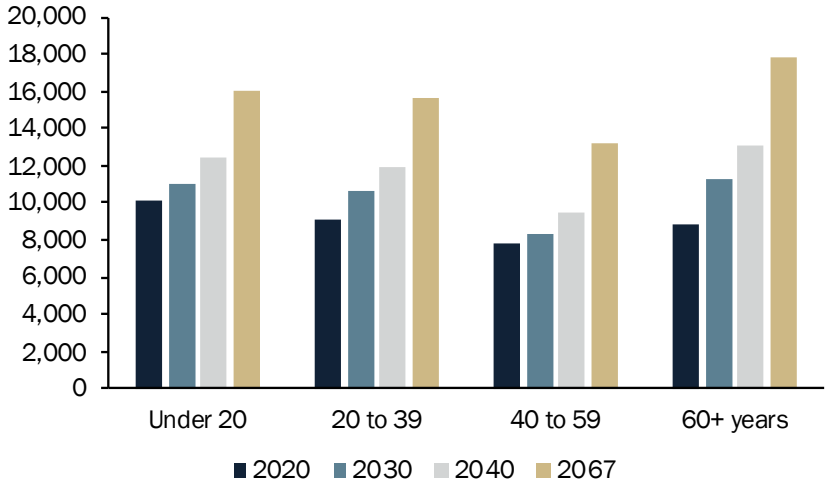
19%	22%	28%	56%
Under 20	20–39 Years	40–59 Years	60+ Years
+5,478 People	+6,246 People	+8,123 People	+15,912 People

All age groups in McMinnville will add to the population between 2020 and 2040, with the senior population projected to grow the most at 48%.

Populations less than 20 years old, and populations 20 to 39 years old and 40 to 59 years old, will grow at a slower rate (24%, 32%, and 22%).

Exhibit 36. Population Projection by Age Group, McMinnville, 2020, 2030, 2040, and 2067

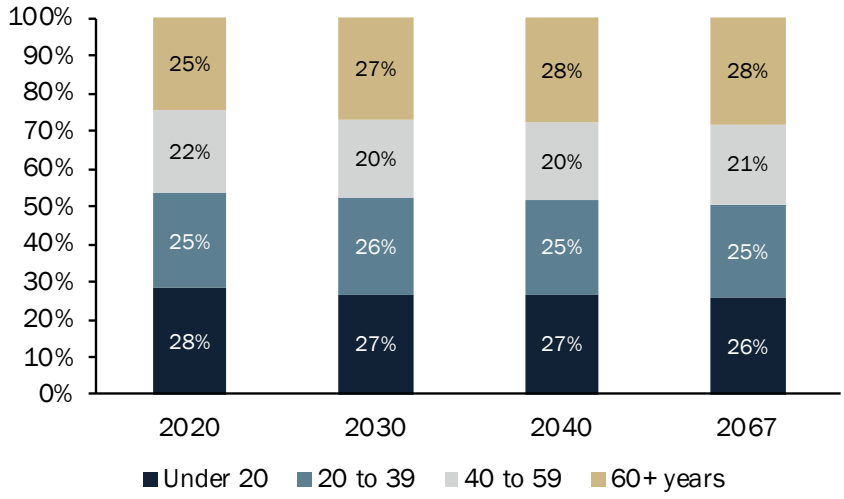
Source: Portland State University, Population Research Center. Note: This exhibit presents trend data from the PSU forecast. It is not forecast data for McMinnville's 2021–2041 planning period. It provides relevant data closely associated to the 2021–2041 planning period.



By 2040, the share of McMinnville's senior population (aged 60+) will grow while the share of the population under 20 years of age and between 40 and 59 years of age will decline.

Exhibit 37. Population Projection Distributed by Age Group, McMinnville, 2020, 2030, 2040, and 2067

Source: Portland State University, Population Research Center.



Increased Diversity[40]

McMinnville is becoming more ethnically diverse. The Hispanic and Latino population grew from 15% of McMinnville's population in 2000 to 22% of the population in the 2012–2016 period, adding more than 3,426 new Hispanic and Latino residents. Much of this diversity is due to immigration: 14% of McMinnville's population is foreign born, and of this population, 78% have immigrated from Mexico.

The US Census Bureau forecasts that at the national level, the Hispanic and Latino population will continue growing faster than most other non-Hispanic populations between 2021 and 2041. The Census forecasts that the Hispanic and Latino population will increase 93% from 2016 to 2060 and the foreign-born Hispanic population will increase by about 40% in that same time.[41] According to the *State of Hispanic Homeownership Report* from the National Association of Hispanic Real Estate Professionals,[42] Hispanics accounted for 28.6% of the nation's household formation in 2017. Household formations, for Hispanic homeowners specifically, accounted for 15% of the nation's net homeownership growth. The rate of homeownership for Hispanics increased from 45.4% in 2014[43] to 46.2% in 2017. The only demographic that increased their rate of homeownership from 2016 to 2017 was Hispanics.

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

The population of McMinnville is now, and has historically been, more ethnically diverse than Yamhill County and Oregon. Continued growth in the Hispanic and Latino population will affect McMinnville's housing needs in a variety of ways.[44] Growth in first- and, to a lesser extent, second- and third-generation Hispanic and Latino immigrants will increase demand for larger dwelling units to accommodate the larger average household sizes for these households. Foreign-born households, including Hispanic and Latino immigrants, are more likely to live in multigenerational households, requiring more bedrooms/space. As Hispanic and Latino households integrate over generations, household size typically decreases, and their housing needs become similar to housing needs for all households.

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[40] The US Census Bureau considers race and ethnicity as two distinct concepts. The Census applies two categories for ethnicity, which are Hispanic or Latino (i.e., Latinx) and Not Hispanic or Latino (i.e., Non-Latinx). Latinx is an ethnicity and not a race, meaning individuals who identify as Latinx may be of any race. The share of the population that identifies as Latinx should not be added to percentages for racial categories.

[41] US Census Bureau, *Demographic Turning Points for the United States: Population Projections for 2020 to 2060,* pg. 7.

[42] National Association of Hispanic Real Estate Professionals, *2017 State of Hispanic Homeownership Report*.

[43] Ibid.

[44] Pew Research Center, *Second-Generation Americans: A Portrait of the Adult Children of Immigrants*, February 7, 2012; National Association of Hispanic Real Estate Professionals, *2017 State of Hispanic Homeownership Report*.

Growth in Hispanic and Latino households will result in increased demand for housing of all types, both for ownership and rentals, with an emphasis on housing that is comparatively affordable and can accommodate multiple generations and larger household sizes.

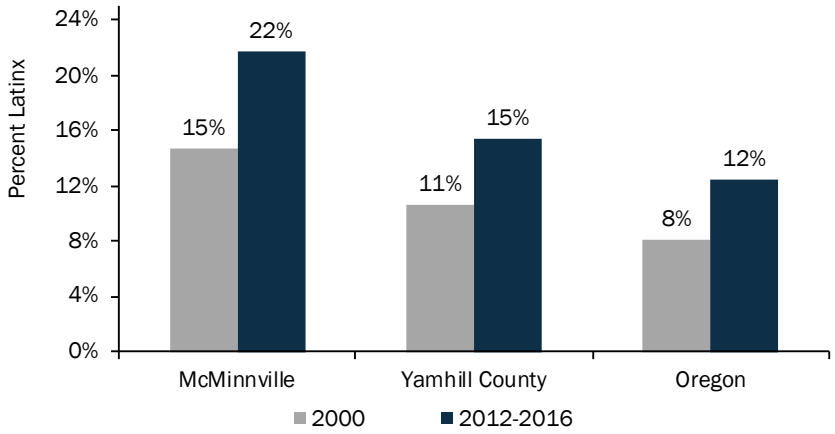
McMinnville is and has historically been more ethnically diverse than Yamhill County and Oregon.

The share of McMinnville's population that identifies as Latinx increased by 7% from 2000 to 2012–2016.

In this same time, the share of Yamhill County and Oregon's Latinx population increased by 4%.

Exhibit 38. Latinx Population as a Percent of the Total Population, McMinnville, Yamhill County, and Oregon, 2000 to 2012–2016

Source: US Census Bureau, 2000 Decennial Census Table P008, 2012–2016 ACS Table B03002.



McMinnville and Yamhill County are less racially diverse than the State. McMinnville's racial composition is similar to that of Yamhill County.

Only about 10% of McMinnville's population is nonwhite, compared to 15% in Oregon.

Exhibit 39. Race[45] as a Percent of the Total Population, McMinnville and Comparison Regions, 2012–2016

Source: US Census Bureau, 2012–2016 ACS Table B03002.

McMinnville	89% White	1% Black/African Am.	2% Asian	8% Other races
Yamhill Co.	89% White	1% Black/African Am.	1% Asian	9% Other races
Oregon	85% White	2% Black/African Am.	4% Asian	9% Other races

[45] The races categorized as "other races" are American Indian, Alaska Native, Native Hawaiian, other Pacific Islanders, two or more races, and some other races. Note: Latinx is not a race, it is an ethnicity.

Fourteen percent of McMinnville's population is foreign-born. Of the foreign-born population, most are from Latin America (82%), Mexico specifically (78%).

Exhibit 40. Distribution of Foreign-Born Population, McMinnville, 2012–2016

Source: US Census Bureau, 2012–2016 ACS Table B05006.

82%	11%	7%	0%	0%
3,708 Persons	495 Persons	315 Persons	15 Persons	10 Persons
Latin America	Asia	Europe	Oceania	Africa

About 40% of students in the McMinnville School District identify as Latino or another ethnicity.

Exhibit 41. Ethnicity of School Aged Children, McMinnville School District, 2017–2018

Source: McMinnville School District. Note: percentages do not sum to 100% due to rounding.

61%	35%	5%
White	Latino	Another ethnicity

Household Size and Composition

McMinnville's household size and composition show that households in McMinnville are somewhat different than averages across the State. McMinnville had 12,376 households according to 2013–2017 ACS data. McMinnville's and Yamhill County's households are larger and possess fewer nonfamily households.

McMinnville's average household size is slightly smaller than Yamhill County's but comparable to the State's.

Exhibit 42. Average Household Size, McMinnville, Yamhill County, and Oregon, 2013–2017

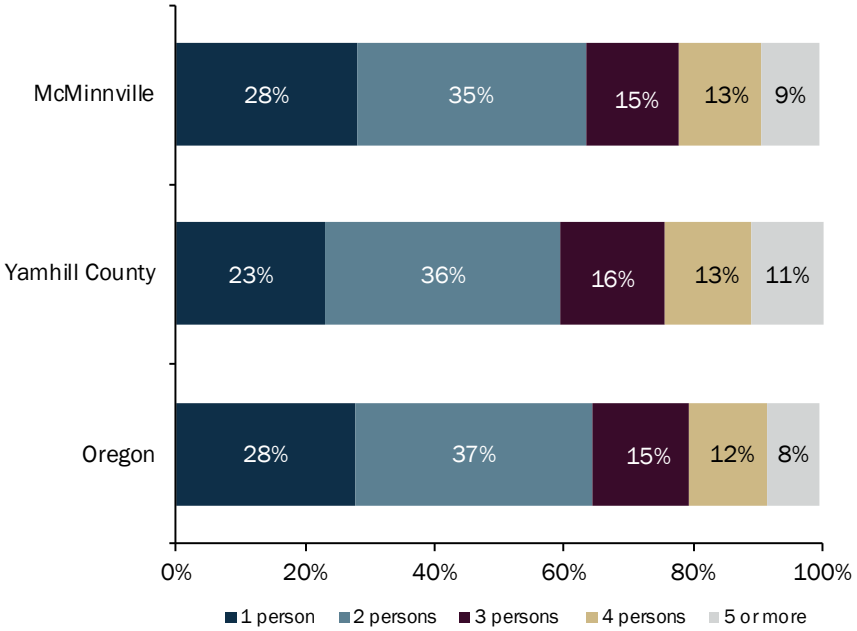
Source: US Census Bureau, 2013–2017 ACS Table B25010. US Census Bureau, 2010 Decennial Census, Table H12H, H12.

(2013–2017) Total Occupied Housing Units	2.55 Persons McMinnville	2.70 Persons Yamhill County	2.50 Persons Oregon
(2010) Total Occupied Housing Units	2.61 Persons McMinnville	2.70 Persons Yamhill County	2.47 Persons Oregon
(2010) Occupied Housing Units with Latino/Hispanic Householder	4.11 Persons McMinnville	4.08 Persons Yamhill County	3.68 Persons Oregon

About 60% of households in McMinnville, Yamhill County, and the State are composed of one and two people.

Exhibit 43. Household Size, McMinnville, Yamhill County, and Oregon, 2013–2017

Source: US Census Bureau, 2013–2017 ACS, Table B25009

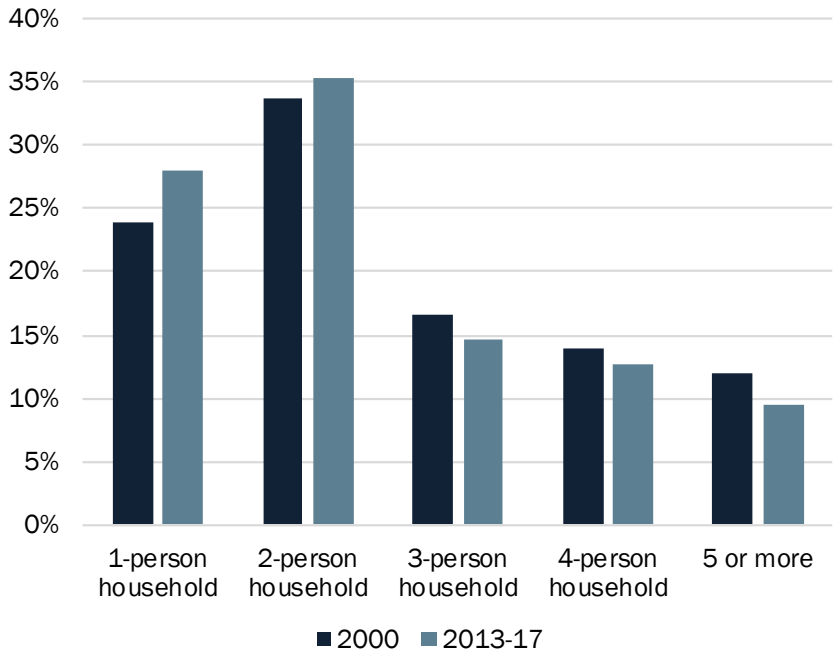


McMinnville's household size composition stayed relatively constant from 2000 to 2013–2017.

The majority of McMinnville households are composed of one and two people.

Exhibit 44. Household Size, McMinnville, 2000 to 2013–17

Source: US Census Bureau, 2013–2017 ACS, Table B25009.

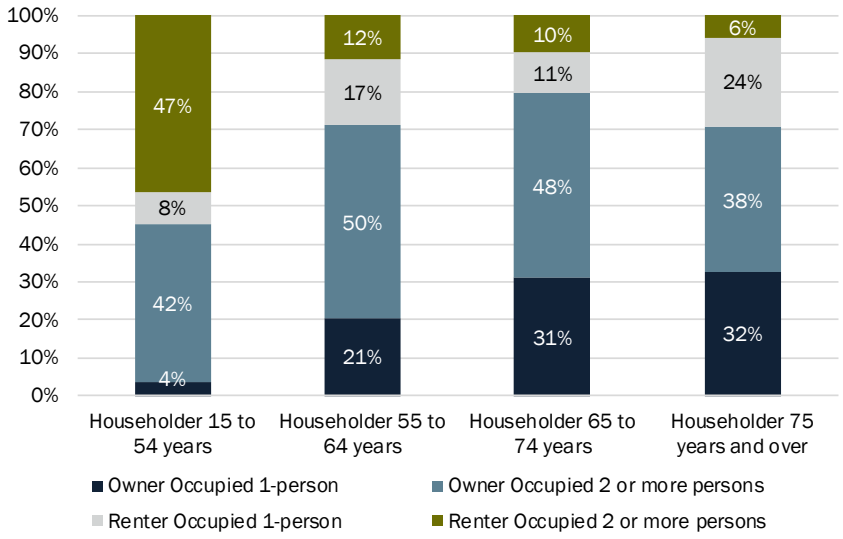


Homeownership rates peak between 65 and 74 years of age—nearly 80% of households in this age group owned their home.

Comparatively, 45% of householders aged 15 to 54 reside in owner-occupied housing, most of which (42%) live in a household with two or more people.

Exhibit 45. Tenure by Household Size by Age of Householder, McMinnville, 2013–2017

Source: US Census Bureau, 2013–2017 ACS, Table B25116.

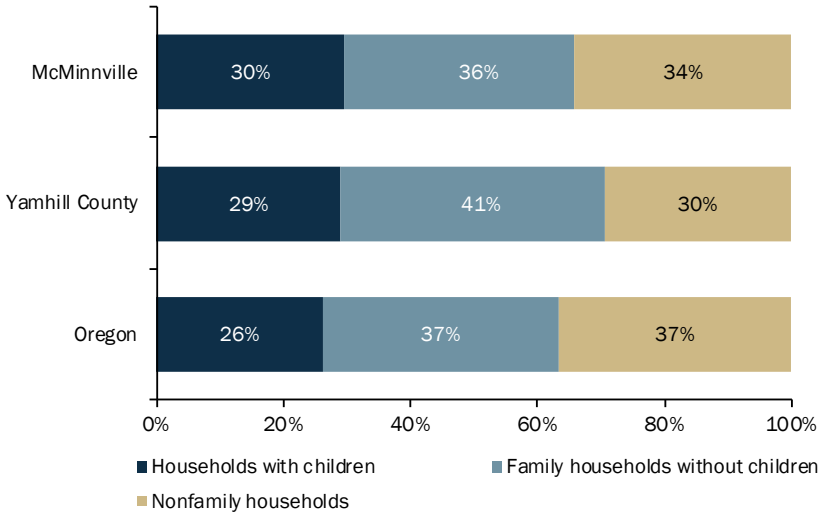


McMinnville and the County have a smaller share of nonfamily households than the State.

In McMinnville, 34% of households are nonfamily, compared to 30% of Yamhill County households and 37% of Oregon households.

Exhibit 46. Household Composition, McMinnville, 2013–2017

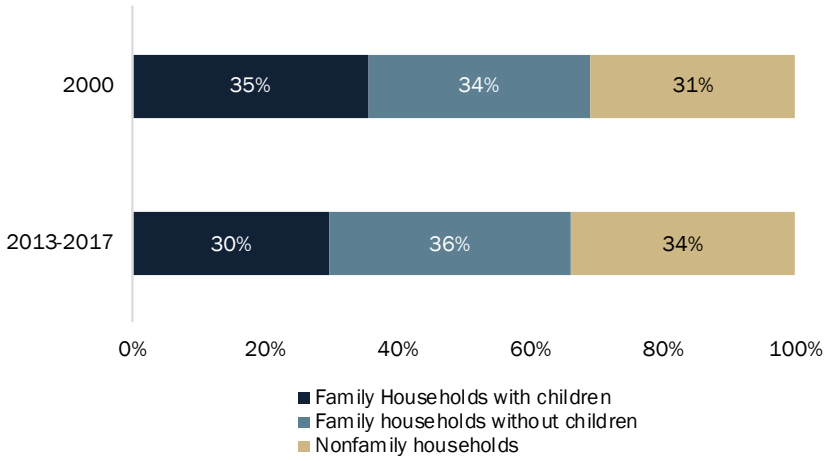
Source: US Census Bureau, 2013–2017 ACS, Table DP02.



The share of family households without children increased in McMinnville from 2000 to 2017.

Exhibit 47. Household Composition, McMinnville, 2000 to 2013–2017

Source: US Census Bureau, 2000 Decennial Census and 2013–2017 ACS, Table DP02.

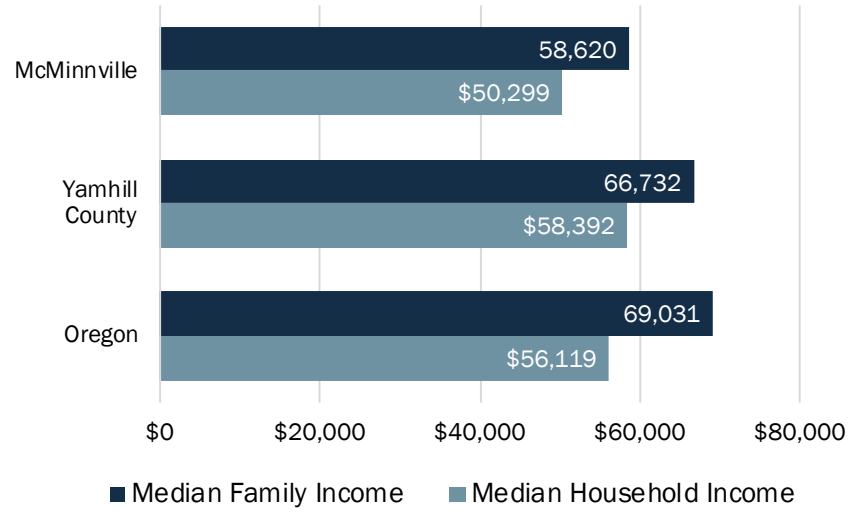


Income of McMinnville Residents

Income is one of the key determinants in housing choice and households' ability to afford housing. Incomes for people living in McMinnville are lower than that of Yamhill County and Oregon.

In the 2013–2017 period, McMinnville's median household income and median family income was below that of comparison regions.

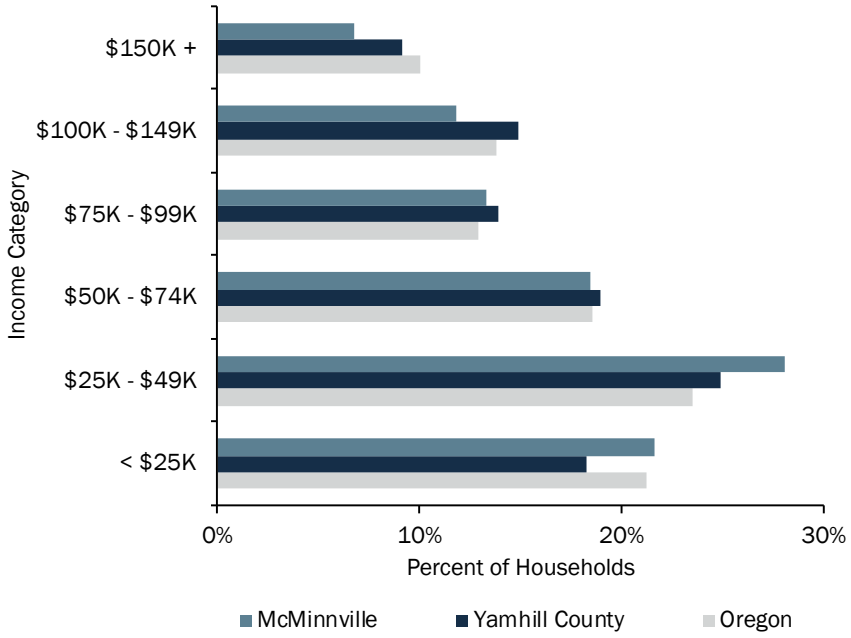
Exhibit 48. Median Household Income and Median Family Income, McMinnville, Yamhill County, and Oregon, 2013–2017
Source: US Census Bureau, 2013–2017 ACS Table B25119 and B19113.



Fifty percent of McMinnville households make $50,000 or less per year.

In comparison, 43% of Yamhill County and 45% of the State make $50,000 or less per year.

Exhibit 49. Household Income, McMinnville, Yamhill County, and Oregon, 2013–2017
Source: US Census Bureau, 2013–2017 ACS, Table B19001.

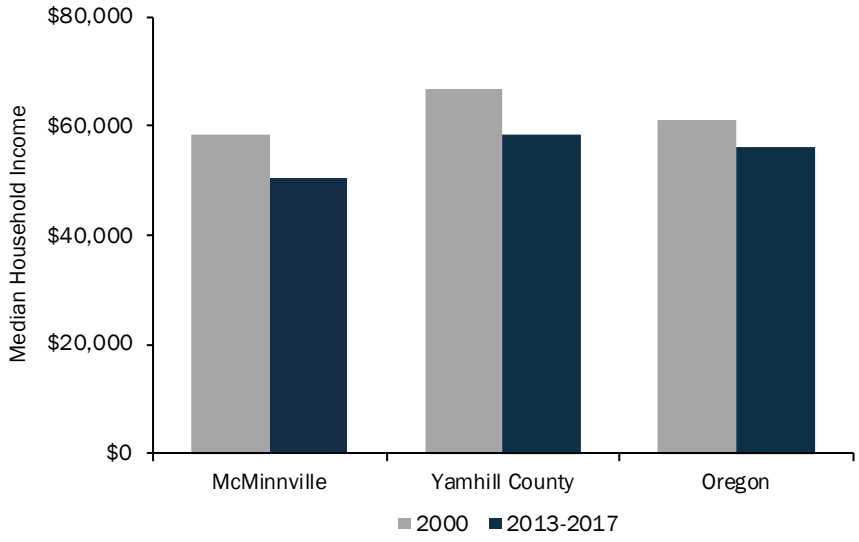


After adjusting for inflation, McMinnville's median household income decreased by 14% from 2000 to 2013–2017, from $58,356 to $50,299 per year.

Yamhill County and Oregon also experienced real decreases in median housing income after adjusting for inflation.

Exhibit 50. Median Household Income (2017 Inflation-Adjusted), McMinnville, Yamhill County, Oregon, 2000 and 2013–2017

Source: US Census Bureau, 2000 Decennial Census, Table HCT012, 2013–2017 ACS Table B25119.



Homelessness

The number of homeless persons in Yamhill County increased by over 300 people (30%), from 2015 to 2017.

For Yamhill County, the Point-in-Time homeless estimate was 1,066 persons in 2017 and 1,386 persons in 2018.

Exhibit 51. Point-in-Time Homeless Counts, Sheltered vs. Unsheltered, Yamhill County, 2017 and 2018

Source: Yamhill Community Action Partnership. Note: Point-in-time homeless count took place on January 31, 2018, and January 25, 2017.

2017	21% Percent Sheltered	25% Percent Unsheltered	54% Precariously Housed (e.g., couch surfing)	1,066 Total Homeless (PIT)
2018	17% Percent Sheltered	30% Percent Unsheltered	53% Precariously Housed (e.g., couch surfing)	1,386 Total Homeless (PIT)

In the 2016–2017 school year, 525 students experienced homelessness.

Exhibit 52. Students Experiencing Homelessness, Yamhill County and Oregon, 2016–2017 School Year

Source: Oregon Department of Housing and Community Services.

Yamhill County	3% Percent of Homeless Students	525 Total Homeless Students	16,791 Total Students
Oregon	4% Percent of Homeless Students	25,088 Total Homeless Students	578,947 Total Students

Commuting Trends

McMinnville is part of the complex, interconnected economy of Yamhill County that is considered part of the Portland metropolitan region by the US Census Bureau. Of the more than 14,600 people who work in McMinnville, about 62% of workers commute into McMinnville from other areas, (most notably Portland, Salem, and Newberg).

About 9,038 people commute into McMinnville for work, and 8,657 people commute out of McMinnville for work.

Exhibit 53. Commuting Flows, McMinnville 2015
Source: US Census Bureau, Census On the Map.

Nearly 40% of people who live in McMinnville also work in McMinnville.

Exhibit 54. Places Where McMinnville Residents Were Employed, 2015
Source: US Census Bureau, Census On the Map.

39%	6%	6%	4%	3%
McMinnville	Portland	Salem	Newberg	Hillsboro

More than 60% of McMinnville workers live somewhere else and commute into the City.

Exhibit 55. Places Where Workers Who Are Employed in McMinnville Live, 2015
Source: US Census Bureau, Census On the Map.

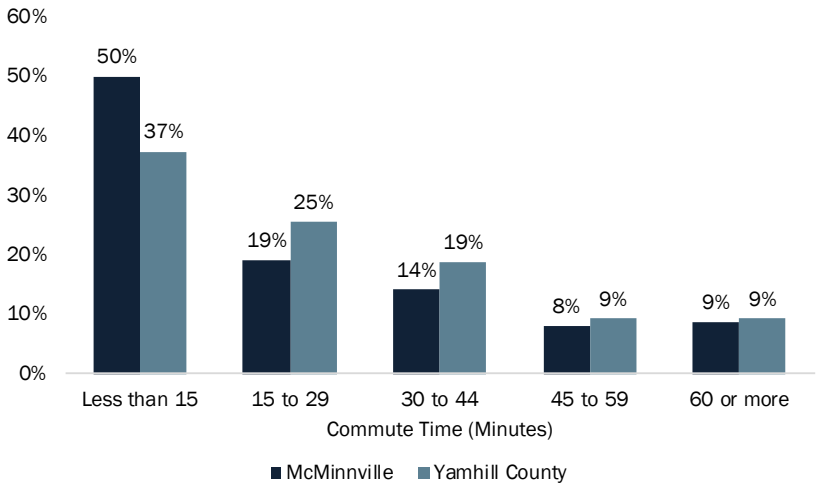
38%	4%	3%	3%	2%
McMinnville	Salem	Portland	Newberg	Sheridan

Half of McMinnville residents had a commute time of less than 15 minutes compared to the 37% of Yamhill residents.

Just under 70% of McMinnville residents have a commute time of less than 30 minutes.

Exhibit 56. Commute Time by Place of Residence, McMinnville and Yamhill County, 2012–2016

Source: US Census Bureau, 2012–2016 ACS Table B08303.



Regional and Local Trends Affecting Affordability in McMinnville

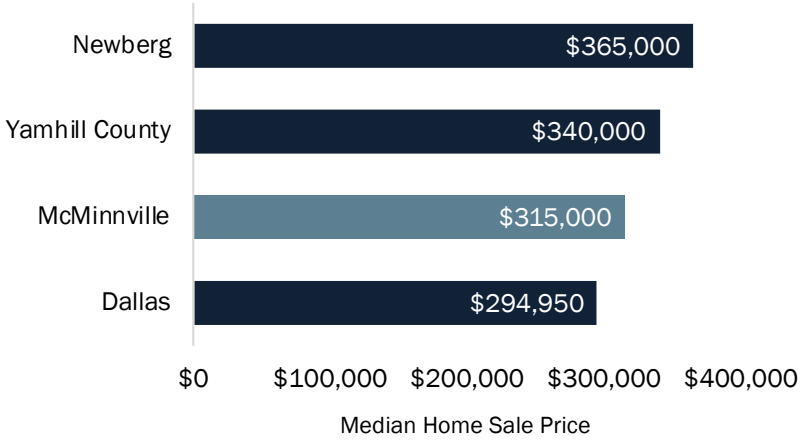
This section describes changes in sales prices, rents, and housing affordability in McMinnville, Yamhill County, and comparison cities. The section uses 2012–2016 ACS data, as findings are not safe harbor assumptions (which require use of data from the 2013–2017 census).

Changes in Housing Costs

With a median sales price of $315,000 in February 2019, McMinnville's housing sales prices are slightly lower than that of Yamhill County. McMinnville housing prices are increasing, and they have outpaced growth in median household incomes.

McMinnville's median home sales price was lower than the County's median home sales price in February 2019 (by $25,000).

Exhibit 57. Median Sales Price, McMinnville and Comparison Geographies, February 2019
Source: Redfin.

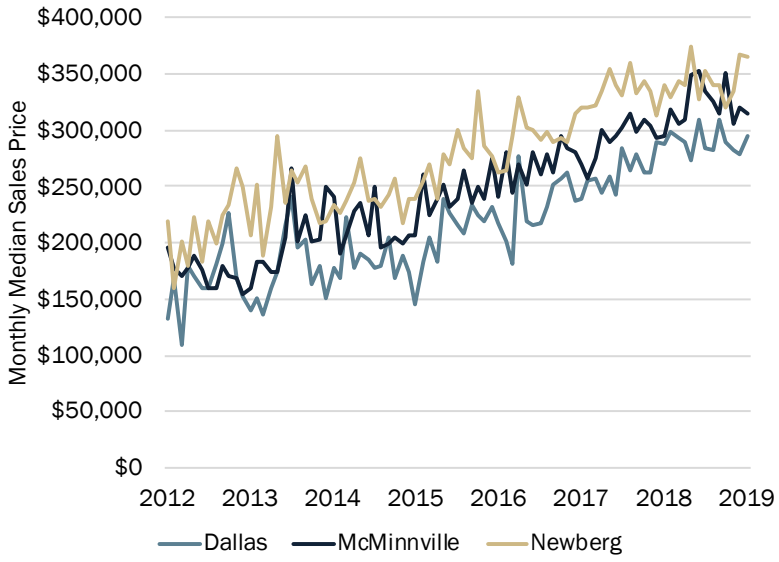


Between February of 2012 and February of 2019, median home sales prices in McMinnville rose steadily, increasing from $196,400 to $350,000.

In this same time, McMinnville's median home sales price increased by 78%. In comparison, Dallas's median home sales price increased by 108% and Newberg's by 70%.

Exhibit 58. Monthly Median Sales Price, McMinnville and Comparison Geographies, February 2012 through February 2019

Source: Redfin Median Sales Data 2018.

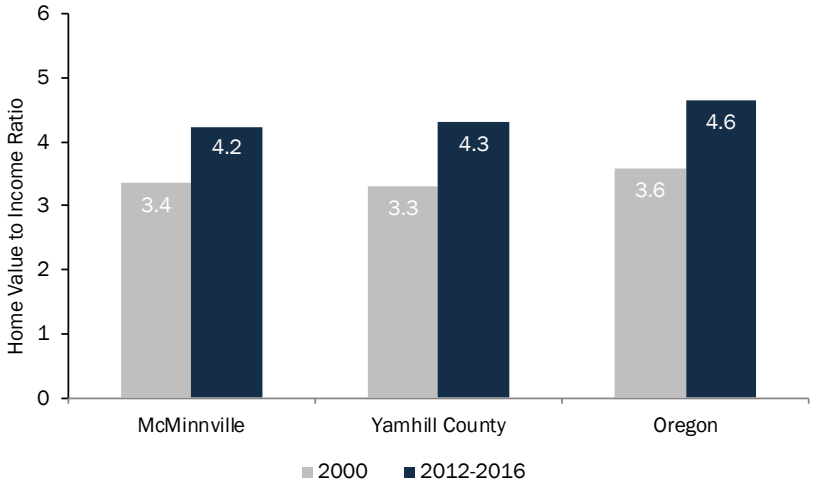


Since 2000, housing costs in McMinnville, like comparison regions, have increased faster than incomes.

The median value of a house in McMinnville was 3.4 times the median household income in 2000 and 4.2 times median household income in 2012–2016.

Exhibit 59. Ratio of Median Housing Value to Median Household Income, McMinnville, Yamhill County, and Oregon, 2000 to 2012–2016[46]

Source: US Census Bureau, 2000 Decennial Census, Tables HCT012 and H085, and 2012–2016 ACS, Tables B19013 and B25077.



[46] This ratio compares the median value of housing in McMinnville and other places to the median household income. Inflation-adjusted median owner values in McMinnville increased from $187,469 in 2000 to $200,800 in 2012–2016. Over the same period, median income decreased from $55,930 to $47,460.

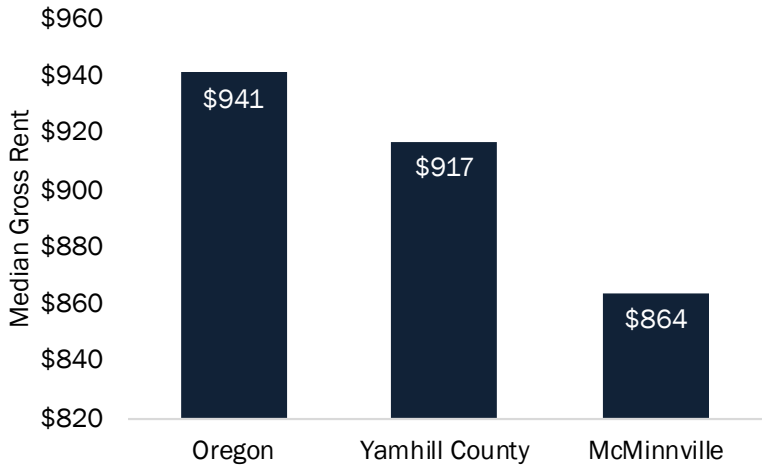
Changes in Rental Costs

Rent costs in McMinnville are lower than in Yamhill County and Oregon as a whole. The following charts show gross rent (which includes the cost of rent plus utilities) for McMinnville in comparison to the County and State. The section uses 2012–2016 ACS data, as findings are not safe harbor assumptions (which require use of data from the 2013–2017 census).

The median gross rent in McMinnville is $864, which is $53 lower than Yamhill's median and $77 lower than Oregon's median.

Exhibit 60. Median Gross Rent in McMinnville, Yamhill County, and Oregon, 2012–2016

Source: US Census Bureau, 2012–2016 ACS Table B25064.

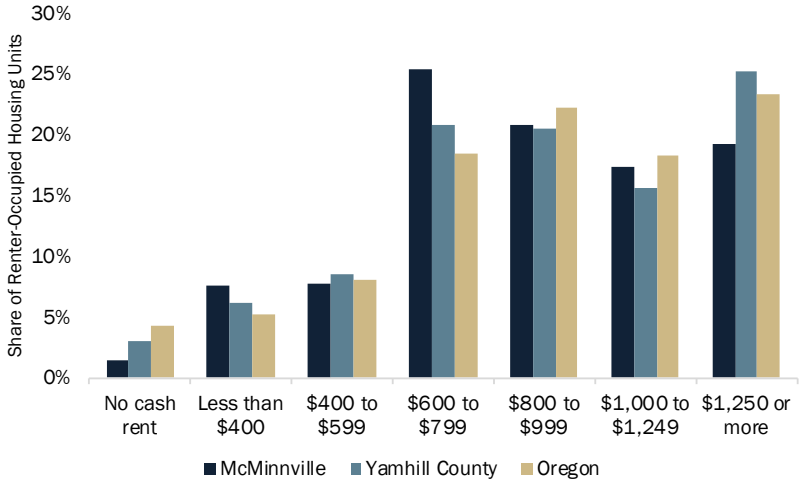


About 62% of renters in McMinnville pay less than $1,000 per month.

About 19% of McMinnville's renters pay $1,250 or more in gross rent per month, a smaller share than Yamhill County (25%) and Oregon (23%).

Exhibit 61. Gross Rent in McMinnville, Yamhill County, and Oregon, 2012–2016

Source: US Census Bureau, 2012–2016 ACS Table B25063.



Housing Affordability

A typical standard used to determine housing affordability is that a household should pay no more than 30% of household income for housing, including payments and interest or rent, utilities, and insurance. HUD guidelines indicate that households paying more than 30% of their income on housing experience "cost burden," and households paying more than 50% of their income on housing experience "severe cost burden." Using cost burden as an indicator is one method of determining how well a city is meeting the Goal 10 requirement to provide housing that is affordable to all households in a community.

About 36% of McMinnville's households are cost burdened. Renters experience much higher rates of cost burden than homeowners: 52% of renter households in McMinnville are cost burdened, compared with 25% of homeowners. Overall, McMinnville has a similar share of cost-burdened households as Yamhill County and the State overall. McMinnville also has a smaller share of cost-burdened households (total) and cost-burdened renter households than other cities in close proximity (Newberg, Independence, and Monmouth).

For example, about 23% of McMinnville households have incomes of less than $25,000 per year, which is about 50% of McMinnville's median household income. Based on HUD's 30% cost-burden threshold, these households can afford monthly housing costs of less than $629 per month. Most, but not all, of these households are cost burdened. For instance, as Exhibit 66 illustrates, 86% of households earning less than $20,000 per year are cost burdened while only 20% of households earning between $50,000 and $75,000 are cost burdened.

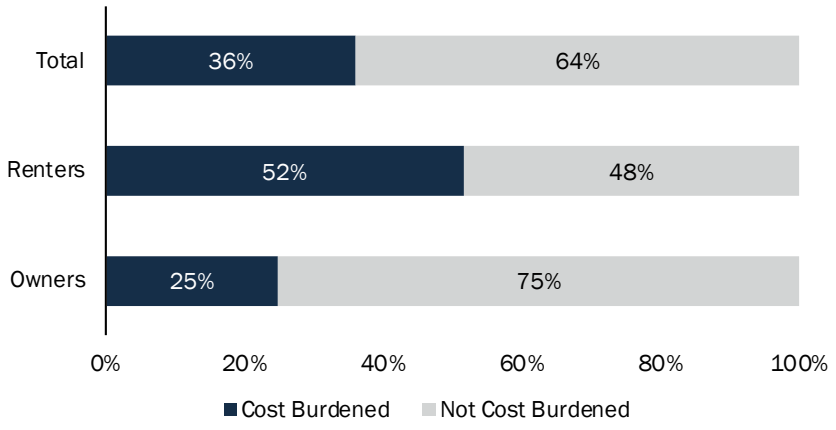
The section uses 2012–2016 ACS data, as findings are not safe harbor assumptions (which require use of data from the 2013–2017 census).

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

Cost-burden rates are higher among renters in McMinnville than among homeowners. In 2016, about 52% of renters were cost burdened, compared to 25% of homeowners.

Exhibit 62. Housing Cost Burden by Tenure, McMinnville, 2012–2016

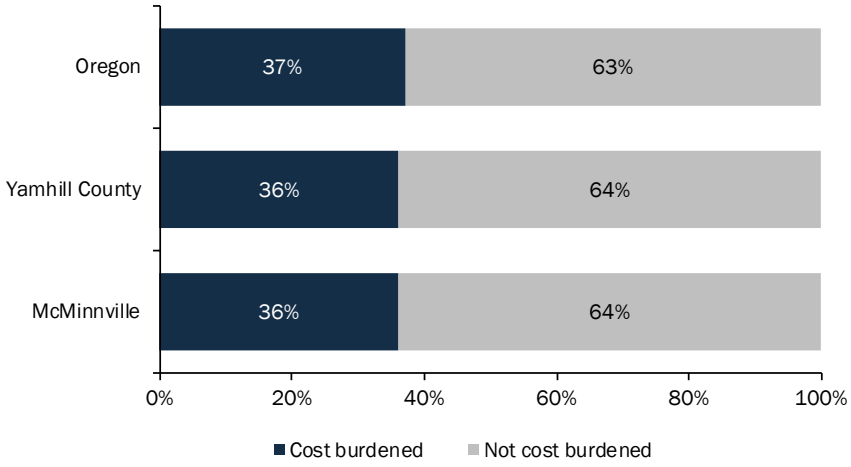
Source: US Census Bureau, 2012–2016 ACS Tables B25091 and B25070.



The share of McMinnville households that are cost burdened is similar to the share of cost-burdened households in the County and State.

Exhibit 63. Housing Cost Burden, McMinnville and Comparison Regions, 2012–2016

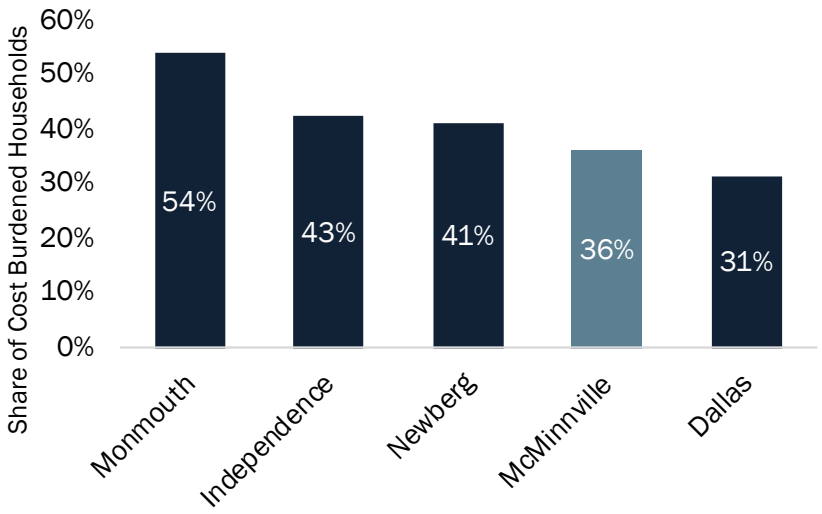
Source: US Census Bureau, 2012–2016 ACS Tables B25091 and B25070.



Other communities in the region have a larger share of cost-burdened households than McMinnville does.

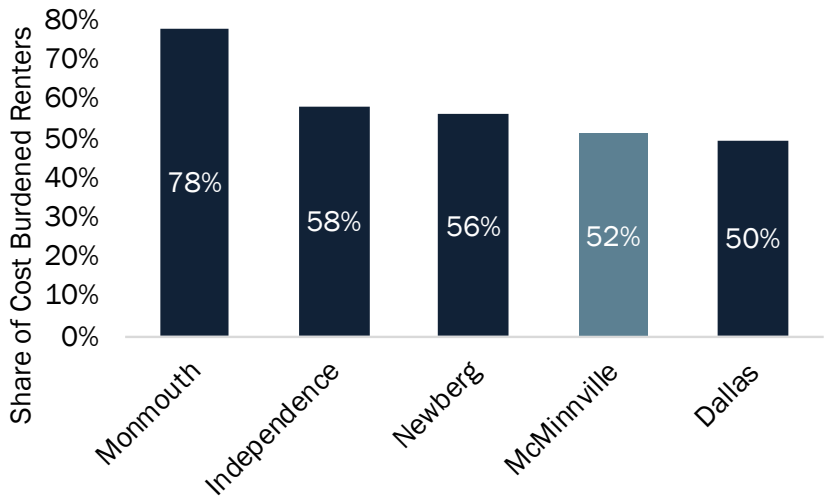
Exhibit 64. Cost-Burdened Households, McMinnville and Comparison Cities, 2012–2016

Source: US Census Bureau, 2012–2016 ACS Tables B25091 and B25070.



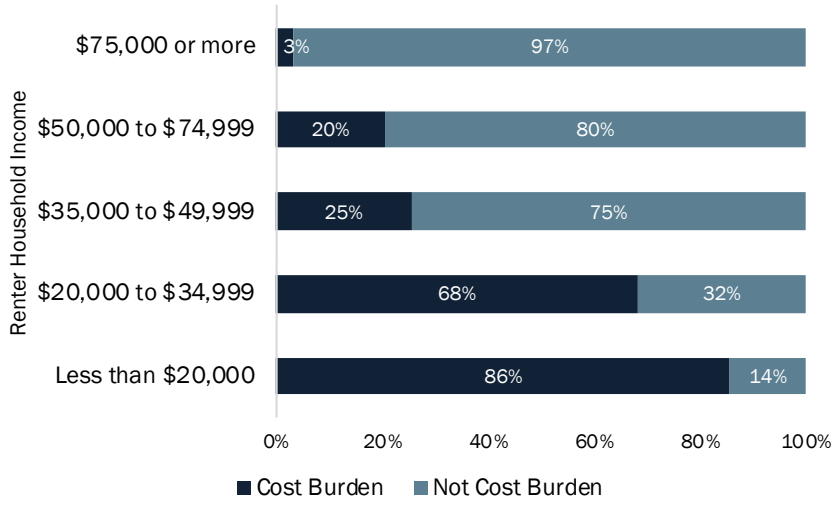
Similar to other comparison cities in the region, over half of renter households in McMinnville are cost burdened.

Exhibit 65. Cost-Burdened Renter Households, McMinnville and Comparison Cities, 2012–2016
Source: US Census Bureau, 2012–2016 ACS Table B25070.



Households with incomes less than $35,000 experience much higher rates of cost burden than higher-income households. Eighty-six percent of households, making less than $20,000 per year were cost burdened and 68% of households making between $20,000 and $35,000 were cost burdened.

Exhibit 66. Cost-Burdened Households by Household Income, McMinnville, 2013–2017
Source: US Census Bureau, 2013–2017 ACS Table B25074.



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

- A household is defined as cost burdened if the housing costs exceed 30% of their income, regardless of actual income. The remaining 70% of income is expected to be spent on nondiscretionary 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 nondiscretionary expenses. Thus, some households with higher incomes may choose housing that technically results in cost burden, even if other housing options are available that would not result in cost burden.
- 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 with 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 their household income.

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 Yamhill County is $1,330

Exhibit 67. HUD Fair Market Rent (FMR) by Unit Type, Yamhill County, 2018
Source: US Department of Housing and Urban Development.

$1,026	$1,132	$1,330	$1,935	$2,343
Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom

A household must earn at least $25.58 per hour to afford a two-bedroom unit in Yamhill County.

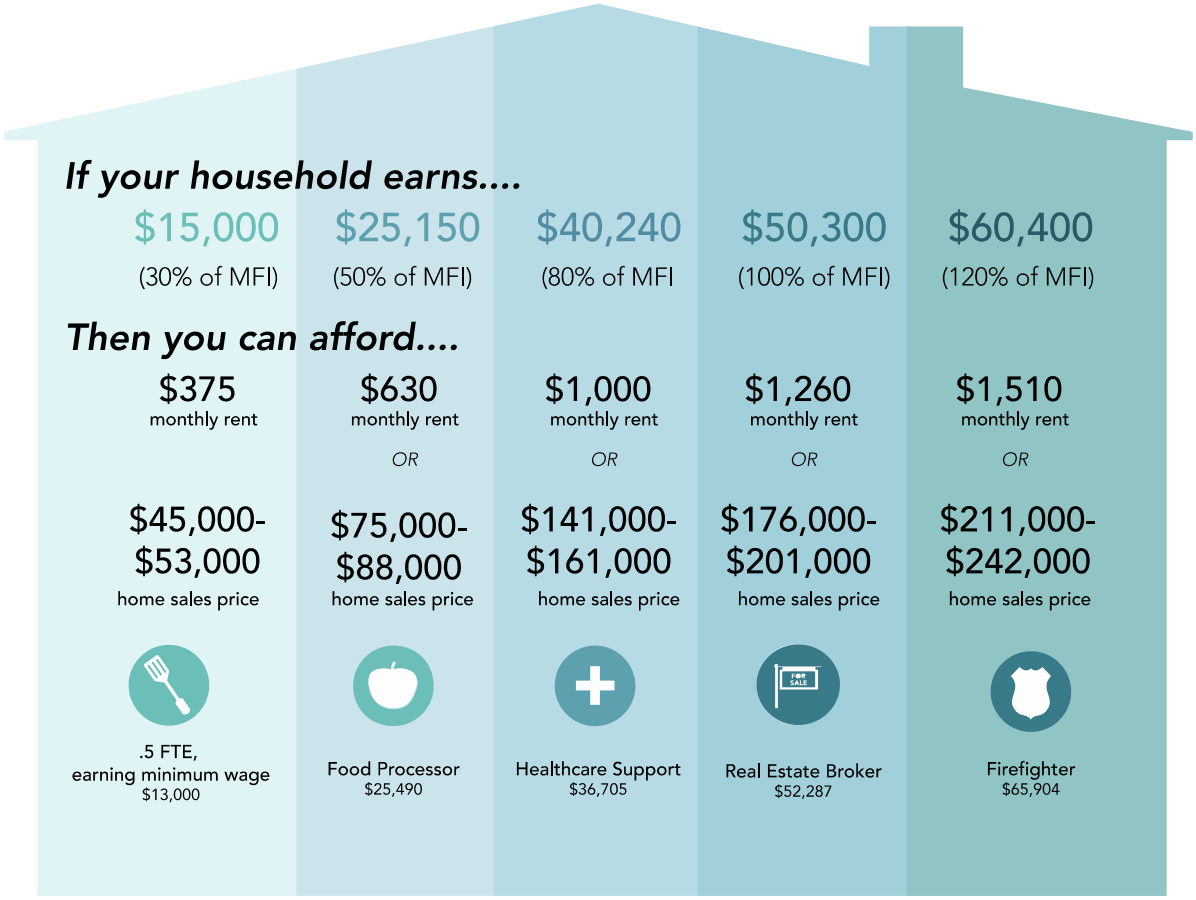
Exhibit 68. Affordable Housing Wage, Yamhill County, 2018
Source: US Department of Housing and Urban Development; Oregon Bureau of Labor and Industries.

$25.58/hour
Affordable Housing Wage for Two-Bedroom Unit in Yamhill County

A household earning the median household income ($50,300) can afford a monthly rent of about $1,260 or a home roughly valued between $176,000 and $201,000, as illustrated in Exhibit 69. A family earning the median family income ($58,620) can afford a monthly rent of about $1,470 or a home roughly valued between $205,000 and $234,000.

Exhibit 69. Financially Attainable Housing, by Median Household Income (MHI), McMinnville ($50,300), 2017

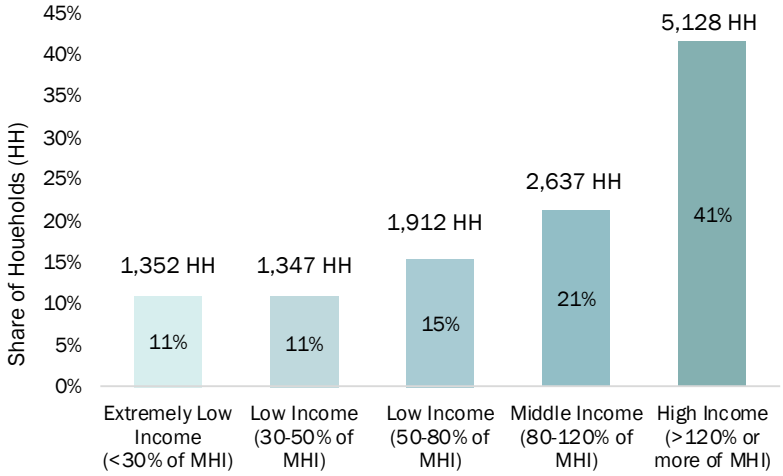
Source: US Census Bureau, 2013–2017 ACS Table B25119.



About 52% of McMinnville's households have incomes less than $53,200 and cannot afford a two-bedroom apartment at Yamhill County's fair market rent (FMR) of $1,330.

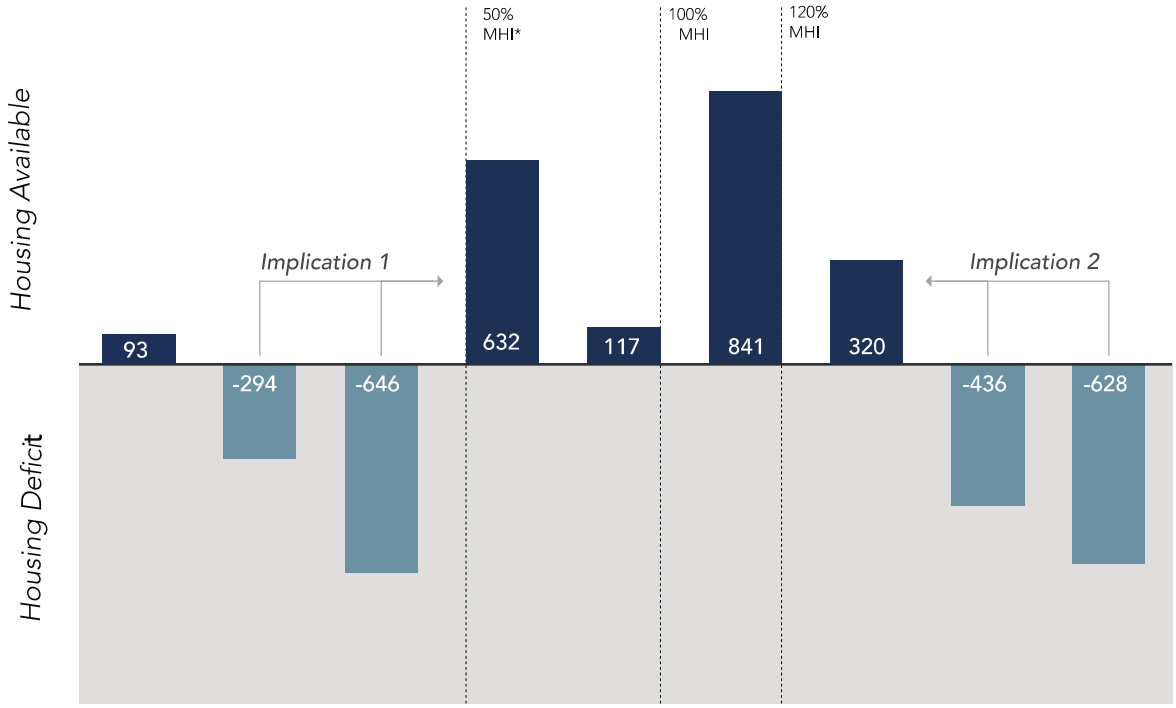
Exhibit 70. Share of Households, by Median Household Income (MHI) for McMinnville ($50,300), 2017

Source: US Census Bureau, 2013–2017 ACS Table 19001 and B25119.



Comparing the number of households by income with the number of units affordable to those households in McMinnville reflects a current deficit of housing affordable to households earning between $10,000 and $25,000 annually and households earning $100,000 or more annually. McMinnville has a deficit of all types of government-assisted housing; more affordable housing types (such as manufactured housing in parks and lots, small-homes, duplexes, triplexes, quadplexes, small-lots, and apartments); and housing types of higher values (such as high-amenity or executive housing).

Exhibit 71. Affordable Housing Costs and Units by Income Level, McMinnville, 2017
Source: US Census Bureau, 2012–2016, ACS Table B19001, B25075, and B25063



Household Income	Less than $10,000	$10,000–$14,999	$15,000–$24,999	$25,000–$34,999	$35,000–$49,999	$50,000–$74,999	$75,000–$99,999	$100,000–$149,999	$150,000 or more
# Households	709	630	1,339	1,233	2,243	2,281	1,646	1,460	835
# Surplus / Deficit Units	93	-294	-646	632	117	841	320	-436	-628
% Surplus / Deficit Units	13%	-47%	-48%	51%	5%	37%	19%	-30%	-75%

*ACS 2013-2017 five-year estimates, table S1903.

Implication 1
Some lower-income households live in housing that is more expensive than they can afford because affordable housing is not available. These households are cost burdened.

Implication 2
Some higher-income households choose housing that costs less than they can afford. This may be the result of the household's preference or it may be the result of a lack of higher-cost and higher-amenity housing that would better suit their preferences.

Summary of the Factors Affecting McMinnville's Housing Needs

The purpose of the analysis thus far has been to provide background on the kinds of factors that influence housing choice, and in doing so, to convey why the number and interrelationships among those factors ensure that generalizations about housing choice are difficult to make and prone to inaccuracies.

There is no question that age affects housing type and tenure. Mobility is substantially higher for people ages 20 to 34. People in this age group will also have, on average, less income than people who are older. These factors mean that younger households are much more likely to be renters, and renters are more likely to be in multifamily housing (58% in McMinnville).

The data conveys what more detailed research has shown and what most people understand intuitively: life cycle and housing choice interact in ways that are predictable in the aggregate; age of the household head is correlated with household size and income; household size and age of household head affect housing preferences; and income affects the ability of a household to afford a preferred housing type. The connection between socioeconomic and demographic factors and housing choice is often described informally by giving names to households with certain combinations of characteristics: the "traditional family," the "never-marrieds," the "dinks" (dual-income, no kids), the "empty nesters."[47] Simply looking at the long wave of demographic trends can provide good information for estimating future housing demand.

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

- **Growth in housing will be driven by growth in population.** Between 1990 and 2017, McMinnville's population grew by 15,771 people or 88%. The population in McMinnville's UGB is forecast to grow from 36,238 (in 2021) to 47,498 (in 2041), an increase of 11,260 people (31%).[48]
- **Housing affordability will be a growing challenge in McMinnville.** Housing affordability is a challenge in Oregon in general, and McMinnville is affected by this statewide trend. Housing prices are increasing faster than incomes in McMinnville and Yamhill County, consistent with state and national challenges. While 23% of McMinnville housing is multifamily housing, the County has a relatively small supply of multifamily housing (15%), which constrains the supply of affordable housing for the region—thus affecting the City.[49] For instance, over half of renters in McMinnville are

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

[48] This forecast is based on McMinnville's official forecast from the Oregon Population Forecast Program for the 2021 to 2041 period.

[49] The share of multifamily housing stock is driven by demographics and market factors. Often, as the population within cities increases, the share of single-family detached housing decreases.

cost burdened, which is indicative of a lack of affordable rental units, such as multifamily and other housing types (e.g., single-family detached and single-family attached dwelling units). McMinnville's key challenge over the next twenty years is providing opportunities for not only the development of housing of all types but development across the affordability spectrum; in particular, there is a need for more affordable housing types, which developers may be less incentivized to develop.

- **Without substantial changes in housing policy (at all levels of government), on average, future housing will look a lot like past housing.** That is the assumption that underlies any trend forecast, and one that allows some quantification of the composition of demand for new housing.

  The City's residential policies can impact the amount of change in McMinnville's housing market to some degree. If the City adopts policies to increase opportunities to build housing types that are affordable to low- and moderate-income households, a larger percentage of new housing developed over the next twenty years in McMinnville may be relatively affordable compared to the past.

  Examples of policies that the City could adopt to achieve this outcome include (1) allowing a wider range of housing types (e.g., duplexes, triplexes, town houses, cottage clusters, or single-lot small-home subdivisions) in single-family zones to promote inclusivity and equity, ensuring that there is sufficient land zoned to allow single-family attached and multifamily housing and other innovative affordable housing development; (2) supporting development of government-subsidized affordable housing, and (3) encouraging multifamily residential development in downtown. Ultimately, the degree of change in McMinnville's housing market, however, will depend on market demand for these types of housing in McMinnville, Yamhill County, and the greater region.

- **If the future differs from the past, and policy changes are prescribed, the future of housing in McMinnville is likely to move in the direction (on average) of smaller units and more diverse housing types.** Most, but not all, of the demographic evidence suggests that the bulk of the change should be in the direction of smaller average house and lot sizes for single-family housing. This includes providing opportunities for development of smaller single-family detached homes, town homes, and multifamily housing.

  Key demographic and economic trends that will affect McMinnville's future housing needs are:(1) the aging of Baby Boomers, (2) the aging of Millennials, and (3) the continued growth of the Hispanic and Latino population.

  - *The Baby Boomer population is continuing to age.* By 2041, people 60 years and older will account for about 28% of the population in McMinnville (up from 23% in 2017). As the population ages, household sizes and homeownership rates will 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. With Baby Boomers' debt "reaching $5.3 trillion by 2030. Many retirees may [also] downsize their homes to pay off debt and boost retirement savings,"

which will open up housing opportunities for Gen Xers and Millennials.[50] Demand for specialized senior housing may grow in McMinnville, such as visitable age-restricted housing and housing in a continuum of care (from independent living to in-home nursing care).

- *Millennials will continue to age.* By 2041, Millennials will be roughly between about 41 years old to 61 years old. As they age, generally speaking, their household sizes will increase, and homeownership rates will peak by about age 55. Between 2021 and 2041, Millennials will be a key driver in demand for housing for families with children. The ability to retain Millennials will depend on availability of affordable rental and ownership housing. The decline in homeownership among the Millennial generation has more to do with financial barriers rather than the preference to rent.[51]
- *The Hispanic and Latino population will continue to grow.* The US Census projects that by about 2041, the Hispanic and Latino population will account for about one-quarter of the nation's population. The share of the Hispanic and Latino population in the western United States is likely to be higher. The Hispanic and Latino population currently accounts for about 22% of McMinnville's population. In addition, the Hispanic and Latino population is generally younger than the U.S. average, with many Hispanic and Latino people belonging to the Millennial generation.

  Hispanic and Latino population growth will be an important driver in growth of housing demand, both for owner- and renter-occupied housing. Growth in the Hispanic and Latino population will drive demand for larger housing for families with children. Given the lower income for Hispanic and Latino households, especially first-generation immigrants, growth in this group will also drive demand for affordable housing, both for ownership and renting.[52]

In summary, an aging population, increasing housing costs (although lower than the region), housing affordability concerns for Millennials and the Hispanic and Latino populations, and other variables support the need for a broader array of housing choices than are available today.

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[50] V. Srinivas and U. Goradia, "The Future of Wealth in the United States," Deloitte Insights, 2015. https://www2.deloitte.com/insights/us/en/industry/investment-management/us-generational-wealth-trends.html

[51] Ibid.

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

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

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

Growth of seniors will drive demand for smaller single-family detached housing and town homes, as well as multifamily rentals, age-restricted housing, and assisted-living facilities. Growth in Millennials and the Hispanic and Latino population will drive demand for smaller and larger affordable housing types, including demand for single-family units (many of which may be ownership units) and for multifamily units (many of which may be rental units). Growth in the Hispanic and Latino population and the aging of the Baby Boomer generation will increase demand for multigenerational housing. McMinnville's share of households (41%) earning more than 120% of median household income will increase demand for high-amenity housing or all types.

The purpose of the housing forecasting in this study is to get an approximate idea about the future so policy choices can be made today. Economic forecasters regard any economic forecast more than three (or at most five) years out as highly speculative. At one year, one is protected from being disastrously wrong by the sheer inertia of the economic machine. But a variety of factors or events could cause growth forecasts to be substantially different.

5. Housing Need in McMinnville

This chapter analyzes housing needs in McMinnville for the next 5, 10, 20, and 46 years. Much of the emphasis is on the 20-year forecast, as it is required by Goal 10. The analysis also provides projections of housing by type. Depending on the development configurations and character of McMinnville's neighborhoods, different areas of the City may have distinct or dissimilar housing types and densities. The aggregate total density is used in this analysis, as well as densities that correspond to current zoning classifications.

Project New Housing Units Needed in the Next 5, 10, 20, and 46 Years

The results of the housing needs analysis are based on (1) the official population forecast for growth in McMinnville over the 5-, 10-, 20-, and 46-year planning periods, (2) information about McMinnville's housing market relative to Yamhill County and nearby comparison cities, and (3) the demographic composition of McMinnville's existing population and expected long-term changes in the demographics of Yamhill County.

Projection for Housing Growth

This section describes the key assumptions and presents an estimate of new housing units needed in McMinnville between 2021 and 2041, shown in Exhibit 72. The key assumptions are based on the best available data and may rely on safe harbor provisions (or safe harbor methodologies), when available.[53]

- **Population.** A 20-year population forecast (in this instance, 2021 to 2041) is the foundation for estimating needed new dwelling units. McMinnville's urban area is forecast to grow from 36,238 persons in 2021 to 47,498 persons in 2041, an increase of 11,260 people.[54]
- **Persons in Group Quarters.** Typically, persons in group quarters do not consume standard housing units: thus, any forecast of new people in group quarters is typically derived from the population forecast for the purpose of estimating housing demand. Group quarters can have a big influence on housing in cities with colleges (dorms), prisons, or a large elderly population (nursing homes). In general, any new requirements for these housing types will be met by institutions (colleges,

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

[54] This forecast is based on McMinnville's official forecast from the Oregon Population Forecast Program for the 2021 to 2041 period.

government agencies, health-care corporations) operating outside what is typically defined as the housing market. Nonetheless, group quarters require residential land. They are typically built at densities that are comparable to that of multifamily dwellings.

The 2013–2017 American Community Survey shows that 5% of McMinnville's population was in group quarters. However, the population in group quarters, in total number, has declined over the last decade. City of McMinnville staff and the Project Advisory Committee considered three options[55] to address the population in group quarters. Staff recommended—and the majority of the Project Advisory Committee agreed—that for the purpose of this analysis, we assume that group quarters will be met through the same land needs as the net new population without allocating housing to group quarters separately (option 3). This assumption does not mean that we are assuming zero group quarters for the planning periods.

- **Household Size.** OAR 660-024 established a safe harbor assumption for average household size—which is the figure from the current Decennial Census at the time of the analysis. According to the 2013–2017 American Community Survey, the average household size in McMinnville was 2.55 people. Thus, for the 2021 to 2041 period, we assume an average household size of 2.55 persons.
- **Vacancy Rate.** 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 Census determines vacancy status and other characteristics of vacant units by enumerators obtaining information from property owners and managers, neighbors, rental agents, and others.

  Vacancy rates are cyclical and represent the lag between demand and the market's response to demand for additional dwelling units. Vacancy rates for rental and

[55] **Option 1:** Use the "share method," then assign one person per group quarter, and assign group quarters to land need at the same density as multifamily development.

Option 2a: Use the "share method," then assign an analogous household size, and then apply that to the population to calculate land needs. Two Project Advisory Committee members requested this method instead of Option 1.

Option 2b: Use the "share method," then assign a direct group quarters population per acre estimate. This method directly assigns population density for group quarters rather than rely on use of an interim assignment step analogous to household size.

Option 3: Do not use the "share method." Instead, use assumptions and methods based on McMinnville-specific group quarters data and PSU's official population forecast for McMinnville. This option assigns all new net population growth to housing units. This method assumes the population in group quarters at Linfield and the jail will remain relatively constant. The population in other group quarters represents less than 1% of McMinnville's current population. Group quarters have also remained relatively constant and have not experienced a consistent growth trend in recent years. The group quarters population segment represents a declining share of overall population. The needed housing mix reflects a higher share of multifamily housing than the historic share. The land needs and densities for multifamily housing and group quarters are assumed to be equivalent. Without differentiating between population in multifamily housing and group quarters, the identified land needs would meet the same needs, whether the population is in housing or in group quarters.

multifamily units are typically higher than those for owner-occupied and single-family dwelling units.

OAR 660-024 established a safe harbor assumption for vacancy rate—which is the figure from the current Census. According to the 2013–2017 American Community Survey, McMinnville's vacancy rate was 5.4%. For the 2021 to 2041 period, we assume a vacancy rate of 5.4%.

McMinnville will need 4,657 new dwelling units over the 20-year period from 2021 to 2041, or an average of 233 dwelling units annually.

Exhibit 72. Forecast of Demand for New Dwelling Units, McMinnville UGB, 2021 to 2041
Source: Calculations by ECONorthwest

Variable	New Dwelling Units (2021-2041)
Change in persons	11,260
Average household size	2.55
New occupied DU	4,416
times Aggregate vacancy rate	5.4%
equals Vacant dwelling units	241
Total new dwelling units (2021-2041)	**4,657**
Annual average of new dwelling units	**233**

Exhibit 73 presents McMinnville's forecast of demand for new dwelling units over McMinnville's other various planning horizons. It shows that McMinnville will have demand for about 1,136 new dwelling units between 2021 and 2026, and another 1,169 new dwelling units between 2026 and 2031 (totaling 2,305 for the 10-year period). McMinnville will have demand for approximately 10,986 new dwelling units for the 46-year period between 2021 and 2067.

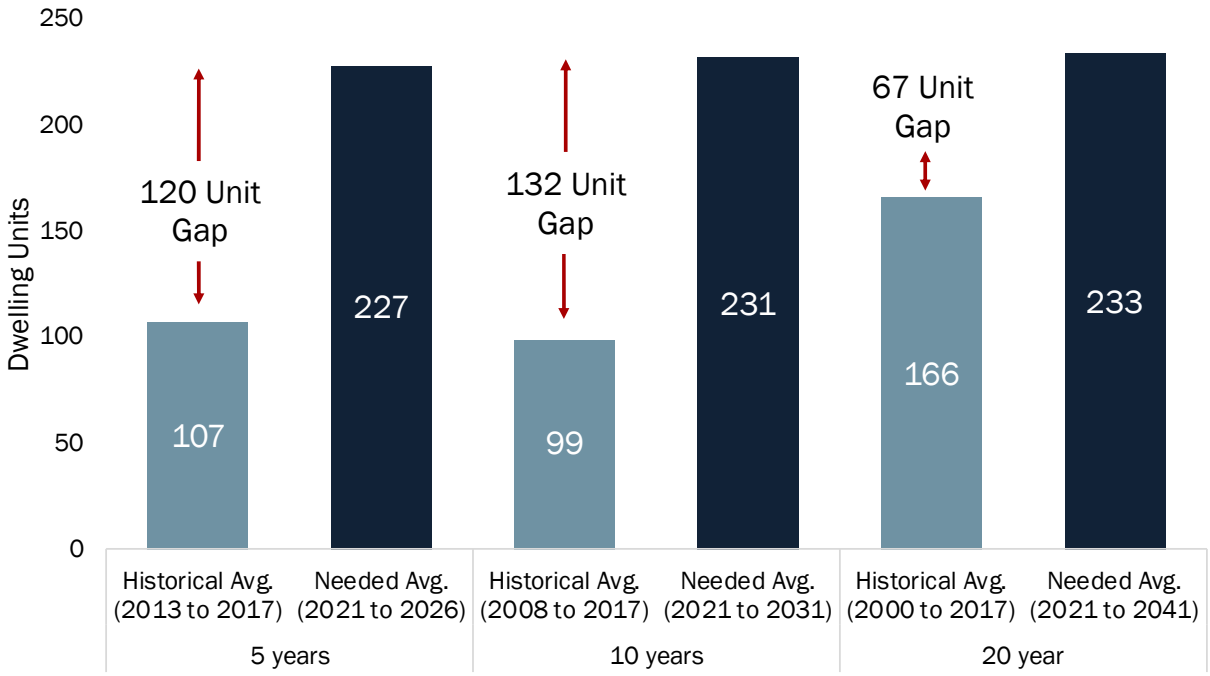
Exhibit 73. Forecast of Demand for New Dwelling Units in 5, 10, 20, and 46 years, McMinnville UGB, 2021–2026, 2021–2031, 2021–2041, and 2021–2067
Source: Calculations by ECONorthwest

Variable	New Dwelling Units			
	5-Year (2021 to 2026)	10-Year (2021 to 2031)	20-Year (2021 to 2041)	46-Year (2021 to 2067)
Change in persons	2,746	5,575	11,260	26,565
Average household size	2.55	2.55	2.55	2.55
New occupied DU	1,077	2,186	4,416	10,418
times Aggregate vacancy rate	5.4%	5.4%	5.4%	5.4%
equals Vacant dwelling units	59	119	241	568
Total new dwelling units	**1,136**	**2,305**	**4,657**	**10,986**
Annual average of new dwelling units	**227**	**231**	**233**	**234**

As illustrated in Exhibit 74, if production of housing in McMinnville follows historic trends, the market will not produce enough housing to meet all of McMinnville's projected housing needs.

Exhibit 74. Comparison of Historical Production and Future Demand for Housing, McMinnville, 2000–2017 and 2021–2041

Source: City of McMinnville permit database. Calculations by ECONorthwest.



Projection for Housing Growth Before 2021

McMinnville's 20-year planning horizon begins in 2021, resulting in an interim period during which time McMinnville will have additional population growth, new residential development, and consumption of buildable land. McMinnville's housing strategy will address these shorter-term needs, and the land-sufficiency analysis will reflect the additional land consumed between 2018 and 2021.

The Portland State University population forecast shows growth of about 1,480 people between 2018 and 2021, resulting in a need for 612 new dwelling units.[56] The population locating in McMinnville between 2018 and 2021 is considered part of the "existing population" at the beginning of the planning period, which begins in 2021. The existing population does not need to be added into the population forecast for 2021 to 2041 or the forecasts for the 5-, 10-, and 46-year planning periods. Buildable land is required to accommodate these units. Therefore, to estimate the capacity of the land supply in 2021 (at the beginning of the 20-year planning period), this analysis deducts the housing units which require buildable land between 2018-

[56] According to Portland State University's Population Research Center, McMinnville UGB had 34,293 people in 2017. ECONorthwest extrapolated the population in 2017 to 34,758 persons in 2018. McMinnville UGB forecasted that the population in 2021 will be 36,238 people (Exhibit 29), resulting in 1,480 new persons between 2018 and 2021. Using the assumptions presented in Exhibit 75, McMinnville will have demand for approximately 612 new dwelling units between 2018 and 2021.

2021 from the capacity of land in 2018 to determine the remaining capacity of land in 2021. This analysis is presented in Chapter 6.

McMinnville will have demand for 612 new dwelling units between 2018 and 2021.

Exhibit 75. Forecast of Demand for New Dwelling Units, McMinnville UGB, 2018 to 2021
Source. Calculations by ECONorthwest.

Variable	New Dwelling Units (2018-2021)
Change in persons	1,480
Average household size	2.55
New occupied DU	580
times Aggregate vacancy rate	5.4%
equals Vacant dwelling units	32
Total new dwelling units (2018-2021)	**612**

Projection for Housing Growth by Housing Type

This section describes the factors that influenced the assumptions for the housing forecast. It also presents the housing forecast by housing type. Appendix B outlines the scenario models presented to the Project Advisory Committee, which informed their recommendation for housing mix (a core assumption for the housing forecast).

Factors Influencing the Needed Mix and Density Determination

With a population over 25,000, McMinnville is subject to the provisions of ORS 197.296(1)-(9). Goal 10 requires cities to make a housing needs projection. OAR 660-008(4) provides the specific guidance:

> (4) A housing needs projection refers to a local determination, justified in the plan, of the mix of housing types, amounts, and densities that will be:
>
> (a) commensurate with the financial capabilities of present and future area residents of all income levels during the planning period;
> (b) consistent with any adopted regional housing standards, state statutes, and Land Conservation and Development Commission administrative rules; and
> (c) consistent with Goal 14 requirements.

To make the housing needs determination, we use the information presented in the housing needs analysis. We use the following definitions to distinguish between housing need and housing market demand, which we believe to be consistent with definitions in state policy:

- *Housing need* can be defined broadly or narrowly. The broad definition is based on the mandate of Goal 10 that requires communities to plan for housing that meets the needs of households at all income levels. Goal 10, though it addresses housing, emphasizes the

impacts on the households that need that housing. Since everyone needs shelter, Goal 10 requires that a jurisdiction address, at some level, how every household (and group quarters population) will be affected by the housing market over a 20-year period. In short, housing need is addressed through the local housing needs projection.

- *Housing market demand* is what households demonstrate they are willing or able to purchase (own or rent) in the market place. Growth in population means growth in the number of households, which implies an increase in demand for housing units. That demand is met primarily by the construction of new housing units by the private sector based on its judgments about the types of housing that will be absorbed by the market. ORS 197.296 includes a market supply component, called a buildable land needs analysis,[57] which must consider the density and mix of housing developed over the previous five years or since the current periodic review, whichever is greater. In concept, what got built in that five-year period, or longer, was the effective demand for new housing of those who can afford to purchase housing in the market: it is the local equilibrium of demand factors, supply factors, and price.

Cities are required to determine the average density and mix of needed housing over the next 20 years (ORS 197.296(7)). McMinnville is using a 2021 to 2041 analysis period. The determination of needed density and mix over the 2021 to 2041 period must consider the five factors listed in ORS 197.296(5) that may affect future housing need:

> (a) Except as provided in paragraphs (b) and (c) of this subsection, the determination of housing capacity and need pursuant to subsection (3) of this section must be based on data relating to land within the urban growth boundary that has been collected since the last periodic review or five years, whichever is greater. The data shall include:
>
> (A) the number, density, and average mix of housing types of urban residential development that have actually occurred;
>
> (B) trends in density and average mix of housing types of urban residential development;
>
> (C) demographic and population trends;
>
> (D) economic trends and cycles; and
>
> (E) the number, density, and average mix of housing types that have occurred on the buildable lands described in subsection (4)(a) of this section.

(5)(A)(A) AND (E) AVERAGE DENSITY AND MIX

Subsections (A) and (E) require similar data. Subsection (A) requires the number, density, and average mix of housing types of urban residential development that have actually occurred; while (E) requires the same data but for housing types that have occurred on the buildable lands. The density and mix analysis presented in Chapter 3 of this report is intended to comply

[57] ORS 197.296 (E) The number, density and average mix of housing types that have occurred on the buildable lands described in subsection (4)(a) of this section.

with these two requirements. Exhibit 76 shows the average housing mix of units by type for each zone and net density by type for each zone, and overall by zone and type.

Exhibit 76. Historical Average Density and Mix, McMinnville, 2000 through July 2018
Source. City of McMinnville Permit Database.

Plan Designation and Zone	Single-Family Detached		Single-Family Attached		Multifamily		TOTAL	
	Mix of Units	Net Density	Mix of Units	Net Density	Mix of Units	Net Density	Mix of Units	Net Density
Commercial	0%	-	0%	-	33%	31.2	10%	31.2
C-3	0%	-	0%	-	33%	31.2	10%	31.2
Residential	100%	4.8	100%	12.3	67%	16.5	90%	6.0
O-R	0%	-	0%	-	6%	7.6	2%	7.6
R-1	21%	4.0	12%	9.5	0%	-	14%	4.1
R-2	47%	4.8	45%	12.3	23%	18.6	39%	5.8
R-3	5%	5.9	19%	10.6	1%	-	5%	6.8
R-4	27%	5.4	24%	17.6	37%	19.1	30%	7.9
Total	**62%**	**4.8**	**8%**	**12.3**	**31%**	**18.2**	**100%**	**6.6**

(5)(A)(B) TRENDS IN DENSITY AND AVERAGE MIX OF HOUSING TYPES OF URBAN RESIDENTIAL DEVELOPMENT

Housing mix is the mixture of housing types (e.g., single-family detached, single-family attached, or multifamily) within a city. State law requires a determination of the future housing mix in the community and allows that determination to be based on different periods: (1) the mix of housing built in the past five years or since the most recent periodic review, whichever time period is greater, (2) a shorter time period if the data will provide more accurate and reliable information, or (3) a longer time period if the data will provide more accurate and reliable information (ORS 197.296).

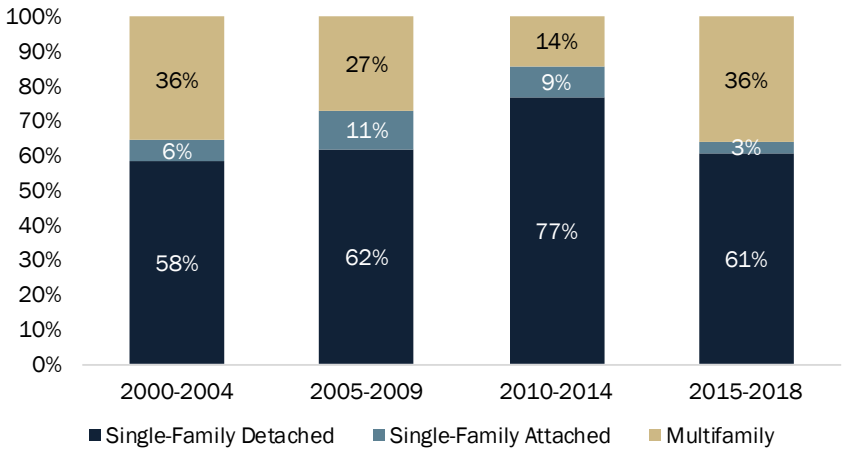
A majority share of new housing built in McMinnville, since 2000, has been single-family detached housing. Since 2015, about 36% of new housing built was multifamily, consistent with trends in the early 2000s. Single-family attached housing has consistently made up a smaller share of new housing built.

Since 2000, single-family detached housing predominated McMinnville's housing market.

Single-family attached housing consistently makes up a smaller share of the housing stock built since 2000.

Exhibit 77. Trends in Housing Mix of New Units, McMinnville, 2000 to July 2018

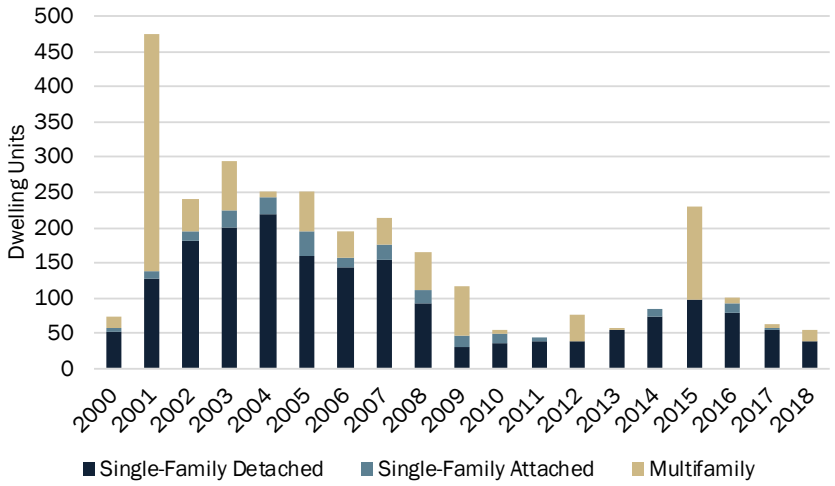
Source: McMinnville Building Permit Database.



Since 2000, 62% of housing permitted in McMinnville was single-family detached, 8% was single-family attached, and 31% was multifamily.

Exhibit 78. Trends in Housing Mix of New Units, McMinnville, 2000 to July 2018

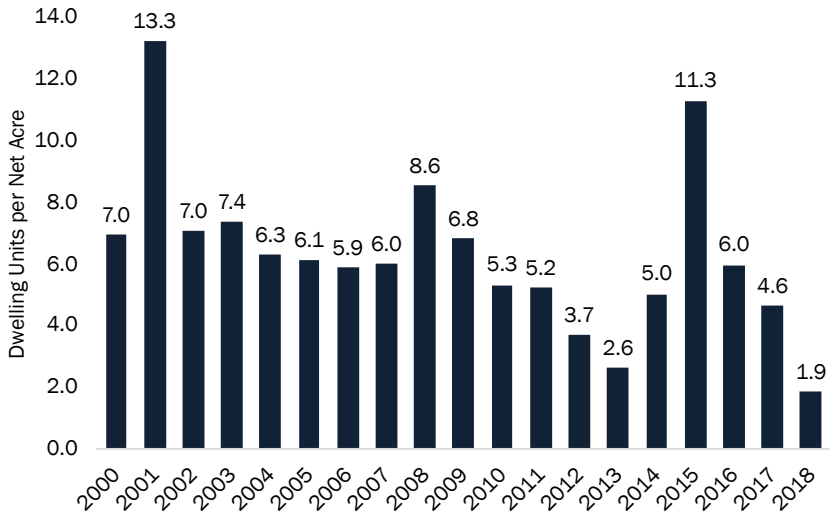
Source: McMinnville Building Permit Database.



Since 2000, McMinnville's average net density was 6.6 dwelling units per net acre.

Exhibit 79. Trends in Net Density of New Units, McMinnville, 2000 to July 2018

Source: McMinnville Building Permit Database. Note: Net density is dwelling units per net acre.



Housing density is the density of residential units by structure type, expressed in dwelling units per net or gross acre. The US Census does not track residential development density, so this study analyzes housing density based on new development between 2000 and July 2018. Consistent with trends observed in other cities, considerable variation exists in residential density from year to year. While housing density averaged around 6.6 dwelling units per net acre since 2000, some years show a spike in density of over 10 dwelling units per net acre. In other years, density dipped below five dwelling units per net acre. Density is affected by many factors—housing type, housing mix, lot configurations, etc. With limited annual permitting, one large multifamily project can considerably change annual density findings (such as in 2001 and 2015).

(5)(A)(C) DEMOGRAPHIC AND POPULATION TRENDS

To understand what will influence McMinnville's housing market, it is important to consider demographic and population trends. The following factors will influence needed mix and density in McMinnville's future:

- Population in McMinnville is growing faster than the State and national average since 1990.
- Population in McMinnville is aging, and the cohort aged 60+ in Yamhill County will increase by about 56% by 2041.
- The share of the population that is Hispanic and Latino is growing faster than County and State averages since 2000. Per the most recent Decennial Census, Latino and Hispanic households were on average 1.5 persons larger.
- Overall, average household size is shrinking and the share of 1-person households in McMinnville has increased since 2000.

- Median household income and median family income is below County and State median incomes.
- While 41% of McMinnville households earn more than 120% of McMinnville's median household income, about 50% of McMinnville households earn less than $50,000 per year, compared to 43% of Yamhill County households.
- From 2017 to 2018, Point-in-Time homelessness increased by 30%.
- In the 2016–2017 school year, 3% of students experienced homelessness in Yamhill County.
- Approximately 13,500 people work in McMinnville, but 60% of those workers commute into McMinnville from other areas.

These trends—coupled with the forecast of new housing in McMinnville's UGB for the 2021 to 2041 period (Exhibit 72)—suggest that, in the future, the need for new housing developed in McMinnville will include housing that is generally more affordable, with some housing located in walkable areas with access to services. Findings additionally suggest that in the future, McMinnville will need high-amenity housing types for the large share of households earning over 120% of McMinnville's median family income. This assumption is additionally based on the following findings in the previous chapters:

- Demographic changes suggest moderate increases in demand for small-lot, small-home detached single-family housing, attached single-family housing, and multifamily housing. The key demographic trends that will affect McMinnville's future housing needs are (1) the aging of Baby Boomers, (2) the aging of Millennials, and (3) the continued growth of the Hispanic and Latino population. Growth of these groups has the following implications for housing need in McMinnville:
    - *Baby Boomers.* Growth in the number of seniors will have the biggest impacts on demand for new housing through demand for housing types specific to seniors, such as assisted-living facilities or age-restricted developments. These households will make a variety of housing choices, including remaining in their homes as long as they are able, downsizing to smaller single-family homes (detached and attached) or multifamily units, moving into age-restricted manufactured home parks (if space is available), or moving into group housing (such as assisted-living facilities or nursing homes) as their health declines. Minor increases in the share of Baby Boomers who downsize to smaller housing will result in increased demand for smaller single-family detached, single-family attached, multifamily, and multigenerational housing types like accessory dwelling units. Some Baby Boomers may prefer housing in walkable neighborhoods with access to services.
    - *Millennials.* Over the next twenty years, Millennial households will continue to grow, but their share of the population will stay stable at about 25% of the population. The aging of Millennials will still result in increased demand for both ownership and rental opportunities, with an emphasis on housing that is

comparatively affordable. Some Millennials may prefer to locate in traditional single-family detached housing, others in town houses or multifamily housing.

- *The Hispanic and Latino population.* Growth in the number of Hispanic and Latino households will result in increased demand for housing of all types, both for ownership and rentals, with an emphasis on housing that is comparatively affordable. Hispanic and Latino households, particularly those that are foreign-born (11% of McMinnville's population as of 2016) are more likely to be larger than average, often having more children and living in multigenerational households. The housing types that are most likely to be affordable to the majority of Hispanic and Latino households are existing lower-cost single-family housing, single-family housing with an accessory dwelling unit, and multifamily housing.

- About 36% of McMinnville's households are cost burdened. Fifty-two percent of McMinnville's renters are cost burdened, compared to 25% of homeowners. These factors indicate that McMinnville needs more affordable housing types, especially for renters. A household earning median household income (about $50,300) could afford a home roughly valued between $176,000 and $201,000, which is below the current 2018 median sales price for single-family housing in McMinnville (about $349,000).

  McMinnville's share of multifamily housing accounts for about 23% of the City's housing stock. The majority of McMinnville's multifamily buildings are five or more units (73%), indicating few "missing middle" multifamily housing types.

These findings suggest that McMinnville's needed housing mix is for a broader range of housing types than are currently available in McMinnville's housing stock, both for ownership and rent, as well as across the affordability spectrum. McMinnville will need to provide development opportunities over the next twenty years for traditional single-family detached housing, smaller single-family detached housing (e.g., cottages or small-lot single-family detached units), manufactured housing, accessory dwelling units, town houses, duplexes, triplexes, quadplexes, and apartment buildings. McMinnville needs housing across the affordability spectrum from affordable housing (including government-assisted housing) to high-amenity housing.

(5)(A)(D) ECONOMIC TRENDS AND CYCLES

Population growth in Oregon tends to follow economic cycles. Historically, Oregon's economy is more cyclical than the nation's, growing faster than the national economy during expansions and contracting more rapidly than the nation during recessions. Oregon grew more rapidly than the United States in the 1990s (which was generally an expansionary period) but lagged behind the United States in the 1980s. Oregon's slow growth in the 1980s was primarily due to the nationwide recession early in the decade. As the nation's economic growth slowed during 2007, Oregon's population growth began to slow.

Despite this, McMinnville has grown at an average annual growth rate of 2.4% since 1990, faster than the nation, State, and County (1.0%, 1.4%, 1.8%). Migration is the largest component of

population growth in McMinnville. From 2000 to 2016, 67% of Yamhill County's new population (13,477 people) was a result of migration. According to the Joint Center for Housing Studies of Harvard, immigration will continue to play a role in accelerating growth in the coming years unless affected by macro-politics.

Building activity had not picked up since the recession, until the past three to five years. McMinnville is experiencing pent-up demand for housing, and competition has grown. As a result of increased housing costs and competition, McMinnville is experiencing a decrease in first-time homebuyers due to limited options and competition from wealthier households.

Housing instability is increasing in McMinnville, fueled by an unsteady and low-opportunity employment market. As of 2019, the minimum wage in Oregon was $11.25 (an annual salary of $23,400, or about 47% of median family income in McMinnville). A household must earn at least $25.58 per hour to afford a two-bedroom unit in Yamhill County at fair market rent. Wages in Oregon remain below the national average, but they are at its highest point relative to the early 1980s. The Office of Economic Analysis reports that new Oregon Employment Department research "shows that median hourly wage increase for Oregon workers since 2014 has been 3.1 percent annually for the past three years."[58] These wage increases are "substantially stronger for the Oregonians who have been continually employed over the last three years."[59]

By the end of 2018, the OEA forecasts 41,700 jobs will be added to Oregon's economy. This is an approximate annual growth of 2.2% in total nonfarm employment relative to 2017 levels.[60] The leisure and hospitality, construction, professional and business services, and health services industries are forecasted to account for well over half of the total job growth in Oregon for 2018. Oregon continues to have an advantage in job growth compared to other states, due to its industrial sector and in-migration flow of young workers in search of jobs. This information explains that, as the housing market continues to recover, and as Oregon's economy improves, Oregon will likely see an increase in household formation rates. Yamhill County and McMinnville will be affected by these state trends, which will result in continued demand for new houses.

[58] Office of Economic Analysis, "Oregon Economic and Revenue Forecast," 38(3), September 2018. https://www.oregon.gov/das/OEA/Documents/forecast0918.pdf.

[59] *Ibid*.

[60] *Ibid*.

Housing Forecast by Housing Type

The Project Advisory Committee recommended that Scenario 2 needed a housing mix assumption to inform the housing forecast by housing type (see Appendix B for a description of each scenario). The recommendation is presented below. The basis for the determination of needed housing mix in McMinnville is the demographic trends suggesting continued demand for a wider variety of housing types as well as the following assumptions:

- McMinnville's official forecast for population growth shows that the City will add 11,260 people over the 20-year period. This new population will result in the need for 4,657 new dwelling units over the 20-year period.
- The recommended mix assumption for McMinnville's needed housing mix was Scenario 2:
  - 55% of new housing will be single-family detached, a category which includes manufactured housing, accessory dwelling units, and cottage clusters. In the 2013–2017 period, 68% of McMinnville's total existing housing stock was single-family detached.
  - 12% of new housing will be single-family attached. In the 2013–2017 period, 9% of McMinnville's total existing housing stock was single-family attached.
  - 33% of new housing will be multifamily, a category which includes redevelopment. In the 2013–2017 period, 23% of McMinnville's total existing housing stock was multifamily.

McMinnville will have demand for 4,657 new dwelling units over the 20-year period, 55% of which will be single-family detached housing.

Exhibit 80. Forecast of Demand for New Dwelling Units by Type, McMinnville UGB, 2021 to 2041
Source: Calculations by ECONorthwest. Note: DU is dwelling unit.

Variable	Needed Mix
Needed new dwelling units (2021-2041)	4,657
Dwelling units by structure type	
Single-family detached	
Percent single-family detached DU	**55%**
equals Total new single-family detached DU	2,561
Single-family attached	
Percent single-family attached DU	**12%**
equals Total new single-family attached DU	559
Multifamily	
Percent multifamily	**33%**
equals total new multifamily	1,537
Total new dwelling units (2021-2041)	**4,657**

This analysis accounts for units accommodated through infill and redevelopment of land classified as "developed." Results and assumptions are documented below.

- **Infill and Redevelopment.** Infill (which includes accessory dwelling units) and redevelopment is development that occurs on fully developed lots; the property owner may add additional units to the property or demolish the dwelling unit(s) that are already in place to build one or more units on the property. The McMinnville Project Advisory Committee recommended assumption for infill and redevelopment is 8%. For the 2021 to 2041 period, we assume 8% of new housing will be accommodated through infill and redevelopment. This results in 373 units that will be accommodated through infill and redevelopment.

Over the 20-year period, McMinnville will accommodate 373 needed units through infill and redevelopment (approximately 19 units per year).

Exhibit 81. Forecast of Demand for Infill and Redevelopment, McMinnville UGB, 2021 to 2041
Source: Calculations by ECONorthwest.

Variable	New Dwelling Units (2021-2041)
New units accomodated through infill and redevelopment	373
Subset of total new dwelling units (2021-2041)	**373**

Over the 20-year period, McMinnville will accommodate 373 needed new units through infill (including accessory dwelling units) and redevelopment.

This results in McMinnville having demand for 4,284 new dwellings units on vacant or partially vacant land.

Exhibit 82. Forecast of Demand for New Dwelling Units on Vacant and Partially Vacant Lands, McMinnville UGB, 2021 to 2041
Source: Calculations by ECONorthwest. Note: DU is dwelling unit.

Variable	Needed Mix
DUs Accomodated by Infill or Redevelopment	
Single-family detached	37
Single-family attached	
Multifamily	335
Total Units in Infill or Redevelopment	**373**
DUs Requiring Vacant / Partially Vacant Unconstrained Land	
Single-family detached	2,524
Single-family attached	559
Multifamily	1,202
Total DUs Requiring Vacant or Partially Vacant Land	**4,284**

To summarize Exhibit 80, Exhibit 81, and Exhibit 82, McMinnville will have demand for 4,657 new dwelling units over the 20-year period. Of these 4,657 dwelling units, 2,561 dwelling units are forecast to be single-family detached housing and 1,537 are forecast to be multifamily housing (see Exhibit 80). After accounting for the 373 forecasted units accommodated by infill and redevelopment (Exhibit 81), McMinnville will have demand for 2,524 single-family detached units on vacant or partially vacant land and 1,202 multifamily units on vacant or partially vacant land (Exhibit 82). Exhibit 83 presents a summary.

Exhibit 83. Summary of Resulting Mix of Units on Vacant and Partially Vacant Land, McMinnville UGB, 2021 to 2041

Source: Calculations by ECONorthwest.

Housing Type	Total Needed Dwelling Units		Dwelling Units Accomodated by Infill & Redevelopment On Developed Land			Dwelling Units Requiring Vacant / Partially Vacant Land		
	#	%	#	% of Total Needed Units	% of Infill / Redeveloped Units	#	% of Total Needed Units	% of Units of V / PV Land
Single-Family Detached	2,561	55%	37	1%	10%	2,524	54%	59%
Single-Family Attached	559	12%	-	0%	0%	559	12%	13%
Multifamily	1,537	33%	335	7%	90%	1,202	26%	28%
Total	**4,657**	**100%**	**373**	**8%**	**100%**	**4,284**	**92%**	**100%**

Redevelopment typically involves the replacement of one or more units with a larger number of units. Multifamily is a reasonable assumption for redevelopment, as it matches historical redevelopment trends in McMinnville. Redevelopment has historically not occurred as single-family attached housing in McMinnville. Infill (which includes accessory dwelling units [ADUs]) may be attached or detached, but they have characteristics of multifamily housing. ADUs do not have separate fee simple ownership—ownership is not separate from the primary dwelling unit—similar to a duplex or other multifamily housing product. Single-family detached infill is likely to entail small partitions of small lots classified as developed with limited remaining capacity based on zoning.

The needed mix for new dwelling units is 55% single-family detached housing, 12% single-family attached housing, and 33% multifamily housing. However, once dwelling units that are accommodated by infill/redevelopment are removed, the adjusted housing mix for housing requiring vacant/partially vacant land is 59% single-family detached housing, 13% single-family attached housing, and 28% multifamily housing.

Exhibit 84 though Exhibit 86 replicate the forecast of demand for new dwelling units (including infill/redevelopment) for housing demand in the 5-, 10-, 20-, and 46-year planning horizons.

Exhibit 87 through Exhibit 89 replicate the forecast for demand for new dwelling units (including infill/redevelopment) for housing growth between 2018 and 2021.

Exhibit 84. Forecast of Demand for New Dwelling Units by Type in 5, 10, 20, and 46 years, McMinnville UGB, 2021–2026, 2021–2031, 2021–2041, and 2021–2067

Source: Calculations by ECONorthwest

Variable	New Dwelling Units by Type			
	5-Year (2021 to 2026)	10-Year (2021 to 2031)	20-Year (2021 to 2041)	46-Year (2021 to 2067)
Needed new dwelling units	1,136	2,305	4,657	10,986
Dwelling units by structure type				
Single-family detached				
Percent single-family detached DU	55%	55%	55%	55%
equals Total new single-family detached DU	625	1,268	2,561	6,042
Single-family attached				
Percent single-family attached DU	12%	12%	12%	12%
equals Total new single-family attached DU	136	277	559	1,318
Multifamily				
Percent multifamily	33%	33%	33%	33%
Total new multifamily	375	760	1,537	3,626
equals Total new dwelling units	**1,136**	**2,305**	**4,657**	**10,986**

Exhibit 85. Forecast of Demand for Infill and Redevelopment, in 5, 10, 20, and 46 years, McMinnville UGB, 2021–2026, 2021–2031, 2021–2041, and 2021–2067

Source: Calculations by ECONorthwest

Variable	New Dwelling Units			
	5-Year (2021 to 2026)	10-Year (2021 to 2031)	20-Year (2021 to 2041)	46-Year (2021 to 2067)
New units accomodated through infill and redevelopment	91	184	373	879
Subset of total new dwelling units	**91**	**184**	**373**	**879**

Exhibit 86. Forecast of Demand for New Dwelling Units by Type through Infill and Redevelopment and on Vacant and Partially Vacant Lands, in 5, 10, 20, and 46 years, McMinnville UGB, 2021–2026, 2021–2031, 2021–2041, and 2021–2067

Source: Calculations by ECONorthwest.

Variable	5-Year (2021 to 2026)	10-Year (2021 to 2031)	20-Year (2021 to 2041)	46-Year (2021 to 2067)
DUs Accomodated by Infill or Redevelopment				
Single-family detached	9	18	37	88
Single-family attached				
Multifamily	82	166	335	791
Total Units in Infill or Redevelopment	**91**	**184**	**373**	**879**
DUs Requiring Vacant / Partially Vacant Unconstrained Land				
Single-family detached	616	1,250	2,524	5,954
Single-family attached	136	277	559	1,318
Multifamily	293	594	1,202	2,835
Total DUs Requiring Vacant or Partially Vacant Land	**1,045**	**2,121**	**4,284**	**10,107**

McMinnville will have demand for 612 new dwelling units between 2018 and 2021, 55% of which will be single-family detached housing.

Exhibit 87. Forecast of Demand for New Dwelling Units by Type, McMinnville UGB, 2018–2021
Source: Calculations by ECONorthwest

Variable	Needed Mix
Needed new dwelling units (2018-2021)	612
Dwelling units by structure type	
Single-family detached	
Percent single-family detached DU	**55%**
equals Total new single-family detached DU	337
Single-family attached	
Percent single-family attached DU	**12%**
equals Total new single-family attached DU	73
Multifamily	
Percent multifamily	**33%**
equals total new multifamily	202
Total new dwelling units (2018-2021)	**612**

Between 2018 and 2021, McMinnville will accommodate 49 needed units through infill and redevelopment.

Exhibit 88. Forecast of Demand for Infill and Redevelopment, McMinnville UGB, 2018–2021
Source: Calculations by ECONorthwest

Variable	New Dwelling Units (2018-2021)
New units accomodated through infill and redevelopment	49
Subset of total new dwelling units (2018-2021)	**49**

Between 2018 and 2021, McMinnville will accommodate 49 needed new units through infill and redevelopment.

This results in McMinnville having demand for 563 new dwellings units on vacant or partially vacant land before 2021.

Exhibit 89. Forecast of Demand for New Dwelling Units by Type through Infill and Redevelopment and on Vacant and Partially Vacant Lands, McMinnville UGB, 2018–2021
Source: Calculations by ECONorthwest

Variable	Needed Mix
DUs Accomodated by Infill or Redevelopment	
Single-family detached	5
Single-family attached	
Multifamily	44
Total Units in Infill or Redevelopment	**49**

DUs Requiring Vacant / Partially Vacant Unconstrained Land	
Single-family detached	332
Single-family attached	73
Multifamily	158
Total DUs Requiring Vacant or Partially Vacant Land	**563**

McMinnville allows the following types of housing in zoning districts:

- **R-1 Single-Family Residential** will primarily accommodate new single-family detached housing, with some opportunities for single-family attached housing and duplexes on corner lots.
- **R-2 Single-Family Residential** will accommodate a mixture of new single-family detached and single-family attached housing, as well as duplexes on corner lots.
- **R-3 Two-Family Residential** will accommodate a mixture of new single-family detached and single-family attached housing, as well as duplexes.
- **R-4 Multifamily Residential** will accommodate single-family detached and attached housing, as well as duplexes and multifamily housing.
- **O-R Office/Residential** will accommodate single-family detached and attached housing, as well as duplexes and multifamily housing.
- **Residential Plan Designations with County Zoning**[61] will accommodate single-family detached and single-family attached units, duplexes, and multifamily units.
- **C-3 General Commercial** will accommodate multifamily housing.

This analysis assumes that housing types will locate in zones that permit the dwelling unit outright. The City of McMinnville will be implementing Great Neighborhood Principles, which may affect the location and distribution of the dwelling units. Current zoning practices separate dwelling units by type and zoning district. If the principles are implemented, the same average mix and average density could be achieved, but in a different configuration that is consistent with the principles.

Needed Density

ORS 197.296(7) requires cities to "determine the overall average density and overall mix of housing types at which residential development of needed housing types must occur in order to meet housing needs over the next 20 years." This section describes historic residential densities and needed residential densities for McMinnville's planning period. Appendix B presents the scenario model that was presented to the Project Advisory Committee, which informed their recommendation for needed residential densities.

Densities in this section are presented in net acres and converted to gross acres[62] to account for land needed for rights-of-way. Rights-of-way conversion factors are based on empirical analysis of existing rights-of-way by zone in McMinnville. For example, when developing a new area

[61] Residential plan designations with county zoning are lands with the City's residential plan designation and county rural zoning that will need to be rezoned to urban zones prior to development.

[62] OAR 660-024-0010(6) defines net buildable acre as land that "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.

such as a subdivision, it is necessary to account for land needed for roads, sidewalks, on-street parking, etc., which requires a gross density estimate. The conversion from net acres to gross acres in this analysis is based on the average amount of land in rights-of-way throughout the McMinnville UGB by zone.[63]

Analysis of Historic Densities

ECONorthwest analyzed building permit data to determine historic densities. Exhibit 90 presents the assessment of historic densities for housing built in McMinnville over the 2000 to July 2018 period.

- **R-1 Single-Family Residential:** 4.1 dwelling units per net acre, with 24% of land used for rights-of-way, results in a gross density of 3.1 dwelling units per gross acre.
- **R-2 Single-Family Residential:** 5.8 dwelling units per net acre, with 26% of land used for rights-of-way, results in a gross density of 4.3 dwelling units per gross acre.
- **R-3 Two-Family Residential:** 6.8 dwelling units per net acre, with 29% of land used for rights-of-way, results in a gross density of 4.8 dwelling units per gross acre.
- **R-4 Multiple-Family Residential:** 7.9 dwelling units per net acre, with 23% of land used for rights-of-way, results in a gross density of 6.1 dwelling units per gross acre.
- **O-R Office/Residential:** 7.6 dwelling units per net acre, with 17% of land used for rights-of-way, results in a gross density of 6.3 dwelling units per gross acre.
- **Residential Plan Designations with County Zoning:** an assumed 6.6 dwelling units per net acre (of which the basis is the overall average density achieved in 2000–2018), with 25% of land used for rights-of-way, results in a gross density of 4.3 dwelling units per gross acre. The 25% factor is an average of all other rights-of-way conversion factors from each zone.
- **C-3 General Commercial:** 31.2 dwelling units per net acre, with 30% of land used for rights-of-way, results in a gross density of 21.8 dwelling units per gross acre.

[63] The assumptions about land needed for rights-of-way is based on the historical percentages of land needed for rights-of-way, from empirical analysis of the 2021 McMinnville Buildable Lands Inventory.

Exhibit 90. Historical Densities and Land for Rights-of-Way by Zone for Housing Built in the McMinnville UGB, 2000 through July 2018

Source: Calculations by ECONorthwest. Note 1: DU is dwelling unit. Note 2: Density listed for county zoning is historic average.

Zoning Districts	Average Net Density (DU/Net Acre)	Percentage for Rights-of-Way	Average Gross Density (DU/Gross Acre)
R-1 Single Family Residential	4.1	24%	3.1
R-2 Single Family Residential	5.8	26%	4.3
R-3 Two Family Residential	6.8	29%	4.8
R-4 Multiple-Family Residential	7.9	23%	6.1
O-R Office/Residential	7.6	17%	6.3
C-3 General Commercial	31.2	30%	21.9
County Zoning	6.6	25%	4.9
Average	**6.6**	**25%**	**4.9**

Exhibit 91. Historical Densities and Land for Rights-of-Way by Housing Type for Housing Built in the McMinnville UGB, 2000 through July 2018

Source: Calculations by ECONorthwest. Note: DU is dwelling unit.

Housing Type	Average Net Density (DU/Net Acre)	Percentage for Rights-of-Way	Average Gross Density (DU/Gross Acre)
Single-Family Detached	4.8	25%	3.6
Single-Family Attached	12.3	25%	9.3
Multifamily	18.2	25%	13.7
Total	**6.6**	**25%**	4.9

The average density observed in the 2002 McMinnville Housing Needs Analysis was 5.9 dwelling units per net acre. The density analysis in the 2002 HNA was based on permit data between 1988 and 2000. The net density observed for the 2000 through 2018 period was 6.6 dwelling units per net acre—a 12% increase in actual density. This increase in land-use efficiency saved 55 net acres during the 2000–2018 period.

Final Results: Needed Density

The assessment of needed densities was based on the five factors stated in ORS 197.296(5), discussed in greater detail in the previous subsection as well as McMinnville's historical residential densities (2000 to July 2018).

Needed densities over the planning period will be driven by the recommended housing mix assumption. The PAC recommended a housing mix that increased the share of multifamily housing and single-family attached housing and decreased the share of single-family detached housing compared to the mix of new development that occurred between 2000 and 2018. If single-family detached, single-family attached, and multifamily housing develop at densities consistent with historic average densities (4.9 dwelling units per gross acre), McMinnville's overall residential density will increase to 5.3 dwelling units per gross acre over the twenty-year planning period—an 8% increase in gross residential density.

This document is a baseline analysis. The density results are based on McMinnville's current zoning and land-use regulations. Efficiency measures enacted as part of the housing strategy could affect final density.

Needed Housing by Income Level

The next step in the housing needs analysis is to develop an estimate of needed housing by income and housing type. This requires an estimate of the income distribution of current and future households in the community. The estimates presented in this section are based on (1) secondary data from the Census, and (2) analysis by ECONorthwest.

This analysis is based on American Community Survey data about income levels of existing households in McMinnville. Income is categorized into market segments using McMinnville's median household income (MHI) of $50,300. The analysis uses current household income distribution, assuming that approximately the same percentage of households will be in each market segment in the future.

Twenty-two percent of McMinnville's future households will have incomes at or below 50% of McMinnville's median household income (MHI).

Thirty-six percent will have incomes between 50% and 120% of McMinnville's MHI.

Forty-one percent will have incomes greater than 120% of McMinnville's MHI.

Exhibit 92. Future (New) Households, by Median Household Income (MHI) for McMinnville ($50,300), McMinnville UGB, 2021 to 2041

Source: US Department of Housing and Urban Development and US Census Bureau, 2012–2016 ACS Table 19001 and B25119.

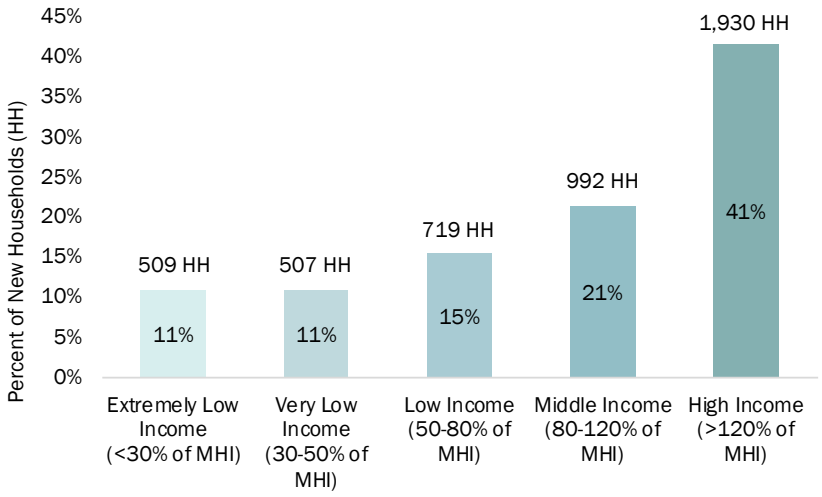


Exhibit 93. Future (New) Households in 5-, 10-, 20-, and 46-years, by Median Household Income (MHI) for McMinnville ($50,300), McMinnville UGB, 2021–2026, 2021–2031, 2021–2041, and 2021–2067

Source: US Department of Housing and Urban Development and US Census Bureau, 2012–2016 ACS Table 19001 and B25119.

Market Segment by Income	New Households				% of Households
	5-Year (2021 to 2026)	10-Year (2021 to 2031)	20-Year (2021 to 2041)	46-Year (2021 to 2067)	
High Income (>120% of MFI)	471	955	1,930	4,552	41%
Middle Income (80-120% of MFI)	242	491	992	2,340	21%
Low Income (50-80% of MFI)	176	356	719	1,697	15%
Very Low Income (30-50% of MFI)	124	251	507	1,196	11%
Extremely Low Income (<30% of MFI)	124	253	509	1,200	11%
Total New Households	1,137	2,306	4,657	10,985	100%

Need for Government-Subsidized, Farmworker, and Manufactured Housing

ORS 197.303, 197.307, 197.312, and 197.314 requires cities to plan for government-subsidized housing, manufactured housing on lots, and manufactured housing in parks.

- **Government-subsidized housing.** Government subsidies can apply to all housing types (e.g., single-family detached, single-family attached, and multifamily). McMinnville allows development of government-assisted housing in all residential zones, with the same development standards for market-rate housing. This analysis assumes that McMinnville will continue to allow government housing in all of its residential zones. 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.
    - Homelessness is a growing concern in McMinnville and Yamhill County. Between 2017 and 2018, homelessness grew by about 30% in Yamhill County. To alleviate this issue, government subsidized housing (including shelters) is needed for individuals and households earning 0% to 30% of McMinnville's median household income (less than $15,000 per year). While a separate forecast for government-subsidized housing is not needed, the City may need to exert specialized effort in planning for shelters and other housing types that will meet the needs of those at risk of homelessness or who are experiencing homelessness.
- **Farmworker housing.** Farmworker housing can also apply to all housing types, and the City allows development of farmworker housing in all residential zones with the same development standards as market-rate housing. This analysis assumes that McMinnville will continue to allow farmworker housing in all of its residential zones. Because it is similar in character to other housing (with the possible exception of government subsidies, if population restricted), it is not necessary to develop separate forecasts for farmworker housing.

- **Manufactured housing on lots.** McMinnville allows manufactured homes on lots in the R-1 and R-2 zones, which are the zones where single-family detached housing is allowed. McMinnville also allows single-family detached housing in R-3, R-4, and O-R zones, but manufactured housing on lots are not permitted in those zones. McMinnville does not have special siting standards for manufactured homes on lots, so it is not necessary to develop separate forecasts for manufactured housing on lots.
- **Manufactured housing in parks.** OAR 197.480(4) requires cities to inventory the mobile home or manufactured dwelling parks sited in areas planned, zoned, or generally used for commercial, industrial, or high-density residential development. According to the Oregon Housing and Community Services Manufactured Dwelling Park Directory,[64] McMinnville has twelve manufactured home parks within the UGB, with 1,014 spaces. One manufactured park (separate from manufactured housing subdivision) is within the O-R zone, two are within the C-3 zone, four are within the R-3 zone, and five are within the R-4 zone.

  ORS 197.480(2) requires McMinnville to project need for mobile home or manufactured dwelling parks based on (1) population projections, (2) household income levels, (3) housing market trends, and (4) an inventory of manufactured dwelling parks sited in areas planned, zoned, or generally used for commercial, industrial, or high-density residential development.

  - The housing forecast showed that McMinnville will need 4,657 dwelling units over the 2021 to 2041 period.
  - Analysis of housing affordability shows that about 22% of McMinnville's new households will be extremely low income or very low income, earning 50% or less of McMinnville's median family income. One type of housing affordable to these households is manufactured housing.
  - Manufactured housing in parks accounts for about 8% (about 1,014 dwelling units) of McMinnville's current housing stock.
  - National, State, and regional trends since 2000 showed that manufactured housing parks were closing, rather than being created. For example, between 2000 and 2015, Oregon had 68 manufactured parks close, with more than 2,700 spaces. Discussions with several stakeholders familiar with manufactured home park trends suggest that over the same period, few to no new manufactured home parks have opened in Oregon.

[64] Oregon Housing and Community Services, "Oregon Manufactured Dwelling Park Directory." http://o.hcs.state.or.us/MDPCRParks/ParkDirQuery.jsp

- Households most likely to live in manufactured homes in parks are those with incomes between about $15,000 and $25,150 (30% to 50% of McMinnville's median household income), which includes 11% of McMinnville's households. However, households in other income categories may also live in manufactured homes in parks.

  Manufactured home park development is an allowed use in the R-3 and R-4 zone. The national and State trends of manufactured home park closures, and the fact that no new manufactured home parks have opened in Oregon in over the last fifteen years, demonstrate that development of new manufactured home parks in McMinnville is unlikely.

  Our conclusion from this analysis is that development of new manufactured home parks in McMinnville over the 2021 to 2041 planning period is unlikely. It is, however, likely that manufactured homes will continue to locate on individual lots in McMinnville. The forecast of housing assumes that no new manufactured home parks will be opened in McMinnville 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 twenty years (or longer) one or more manufactured home parks may close in McMinnville as a result of manufactured home park landowners selling or redeveloping their land for uses with higher rates of return, rather than lack of demand for spaces in manufactured home parks. Manufactured home parks contribute to the supply of low-cost affordable housing options, especially for affordable homeownership.

  While there is statewide regulation of manufactured home park closures designed to lessen the financial difficulties of this closure for park residents,[65] the City has a role to play in ensuring that there are opportunities for housing for the displaced residents. The City's primary role is to ensure that there is sufficient land zoned for new multifamily housing, or other housing meeting the same need, 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., cottages or missing-middle housing types) in the R-1 and R-2 zones, designating more land for multifamily housing, removing barriers to multifamily housing development, using tax credits to support affordable housing production, developing an inclusionary

[65] ORS 90.645 regulates rules about closure of manufactured dwelling parks. It requires that the landlord give at least one year's notice of park closure and pay the tenant between $5,000 to $9,000 for each manufactured dwelling park space, in addition to not charging tenants for demolition costs of abandoned manufactured homes.

zoning policy, or partnering with a developer of government-subsidized affordable housing.

Other Needs

This section includes needs for special housing, land to accommodate households before 2021, and other uses on residential land.

Need for Special Housing

Need for special housing, such as transitional housing to provide services in conjunction with housing, is accounted for in total numbers; however, the housing strategy can discuss opportunities to ensure codes are responsive to planning that should address opportunities for providers of transitional housing and services within the broader planning context.

Need for Households Locating in McMinnville before 2021

The Portland State University population forecast shows growth of about 1,480 people between 2018 and 2021, resulting in a need for 612 new dwelling units.[66] After deducting dwelling units accommodated by infill and redevelopment (8% or 49 units), McMinnville needs to accommodate 563 new dwelling units on vacant or partially vacant lands before 2021. To accommodate the 563 dwelling units at historic densities,[67] it is expected that the market would consume about 115 gross acres of existing buildable land before 2021. In 2021, the City of McMinnville could update their buildable lands inventory to deduct the actual amount of land consumed prior to 2021 from the inventory.

Need for Other Uses on Residential Land

The residential land needs analysis and capacity analysis accounts for land that will be needed for new streets within residential areas by applying a net-to-gross-buildable-acreage factor and density factor.

However, the housing needs analysis and residential land needs analysis don't account for other uses that will occur on lands planned and zoned for residential use. The City has initiated an urbanization study with a broader scope that will evaluate the capacity of the UGB to meet needs for all uses during the planning period. That analysis will identify forecast demand for other uses expected to occur on residential land. These can include uses such as schools, parks,

[66] According to Portland State University's Population Research Center, McMinnville UGB had 34,293 people in 2017. ECONorthwest extrapolated the population in 2017 to 34,758 people in 2018. McMinnville UGB forecasted that the population in 2021 will be 36,238 people (Exhibit 29), resulting in 1,480 new people between 2018 and 2021. Using the assumptions presented in Exhibit 75, McMinnville will have demand for approximately 612 new dwelling units between 2018 and 2021.

[67] McMinnville's average overall residential density between 2000 and July 2018 was 6.6 dwelling units per net acre and 4.9 dwelling units per gross acre.

public facilities, etc. Some of these have critical locational siting requirements in proximity to population as part of a public facilities system.

Once this portion of the urbanization study has been completed, the additional demand for residential land will be factored into the sufficiency determination to calculate the extent of deficit.

Because the need for other uses on residential land has not yet been determined, Chapter 6 addressed only the residential land need for housing before 2021.

6. Residential Land Sufficiency within McMinnville

This chapter presents an evaluation of the sufficiency of vacant residential land in McMinnville to accommodate expected residential growth over the 2021 to 2041 period. This chapter includes an estimate of residential development capacity (measured in new dwelling units) and an estimate of McMinnville's ability to accommodate needed new housing units for the 2021 to 2041 period based on the analysis in the housing needs analysis. The chapter ends with a discussion of the conclusions and recommendations for the housing needs analysis. This section also presents the final land-sufficiency results for McMinnville for the 5-, 10-, and 46-year planning periods.

Statutory Guidance

The language of Goal 10[68] and ORS 197.296[69] refers to housing need: it requires communities to provide needed housing types for households at all income levels. Goal 10's broad definition of need covers all households—from those with no home to those with second homes. McMinnville is required to make a local housing needs projection[70] that determines the needed mix of housing types and densities that are (1) consistent with the financial capabilities of present and future area residents of all income levels during the planning period, (2) consistent with adopted housing standards, and (3) consistent with requirements of Goal 10, Goal 14[71], OAR 660-008,[72] and ORS 197.296.

With a population over 25,000, McMinnville is subject to the provisions of ORS 197.296, which provide additional guidance on determining housing need. Specifically, ORS 197.296(5) requires that cities consider five factors in determining needed density and mix. These factors are discussed in detail in Chapter 5.

The final determination of needed mix and density was:

- **Needed Housing Mix:** 55% single-family detached housing, 12% single-family attached housing, and 33% multifamily housing
- **Needed Housing Density:** 5.3 dwelling units per gross acre (average overall)

[68] Goal 10: Housing, https://www.oregon.gov/lcd/OP/Documents/goal10.pdf

[69] ORS 197.296, https://www.oregonlegislature.gov/bills_laws/ors/ors197.html

[70] OAR 660-008-0005(4)

[71] Goal 14: Urbanization, https://www.oregon.gov/lcd/OP/Pages/Goal-14.aspx

[72] OAR 660-008, https://secure.sos.state.or.us/oard/displayDivisionRules.action?selectedDivision=3058

Residential Capacity Analysis

The buildable lands inventory provides a supply analysis (buildable land by type), and the housing needs analysis provided a demand analysis (population growth leading to demand for more residential development). The comparison of supply and demand allows the determination of land sufficiency.

There are two ways to get estimates of supply and demand into common units of measurement so that they can be compared: (1) housing demand can be converted into acres, or (2) residential land supply can be converted into dwelling units. A complication of either approach is that not all land has the same characteristics. Factors such as zone, slope, parcel size, and shape can all affect the ability of land to accommodate housing. Methods that recognize this fact are more robust and produce more realistic results. This analysis uses the second approach: it estimates the ability of vacant residential lands within the UGB to accommodate new housing. This analysis, sometimes called a "capacity analysis,"[73] can be used to evaluate different ways that vacant residential land may build out by applying different assumptions. The process is to estimate capacity based on historic densities and then to evaluate land-use efficiency measures that would achieve housing needs.

McMinnville Capacity Analysis Results

The capacity analysis estimates the development potential of vacant and partially vacant residential land to accommodate new housing. We base our analysis on several assumptions:

- **Buildable residential land.** The capacity estimates start with the number of buildable acres in the residential plan designations and residential zones.
- **Water Zone 1 and Water Zone 2 land.** Land in Water Zone 1 is available to be serviced with water now. Based on discussions with McMinnville Water & Light, land in Water Zone 2 will likely not be serviced with water for approximately ten years.
- **Capacity in C-3.** Previous findings in McMinnville's 2013 Economic Opportunities Analysis suggests a deficit of land in C-3 areas needed for commercial uses. For this reason, this analysis assumed no residential capacity on current C-3 areas after 2021. The average historic density calculations of 4.9 dwelling units per gross acre include the densities achieved in the C-3 zone, which could be achieved by rezoning county land to achieve average needed densities.

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

- **Residential demand in unincorporated areas with city residential plan designation and county rural zoning.** These lands are not available to develop at urban densities until they annex. For this reason, some of the analysis provides subtotals for city and county zoned lands separately in the calculations. This method allows ECONorthwest to calculate overall land needs (surpluses and deficits) under the assumption that these lands will be available once annexed over during the planning period.
- **Needed densities.**[74] The analysis models capacity at both historic and needed densities. The rationale and factual basis for the density assumptions is ORS 197.262(5), described in the previous section. In essence, the population is growing, and households are increasingly housing insecure due to rising housing costs and increased competition from wealthier households migrating into the jurisdiction. Since 2000, a majority of new housing developed in McMinnville has been single-family detached housing at prices that are unaffordable to many households in the region. In addition to these factors, as residents in McMinnville age, there will be more demand for smaller units. McMinnville will need a larger share of single-family attached and multifamily housing than the community had in the past, which will result in higher densities.

Exhibit 94. Unconstrained Vacant and Partially Vacant Buildable Land (Water Zone 1 and 2) with Baseline Capacity, McMinnville UGB, 2018

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note1: DU is dwelling unit. Note2: The density of county zoned land is the historic average density achieved (4.9 du/gross acre).

Zoning Districts	Total Unconstrained Buildable Acres *(Water Zone 1 & 2)*	Density Assumption (DU/Gross Acre)	Capacity (Dwelling Units)
R-1 Single Family Residential	145	3.1	449
R-2 Single Family Residential	131	4.3	561
R-3 Two Family Residential	6	4.8	28
R-4 Multiple-Family Residential	21	6.1	127
O-R Office/Residential	0	6.3	3
C-3 General Commercial	61	21.9	-
County Zoning	358	4.9	1,753
TOTAL	**721**	**4.1**	**2,921**

Exhibit 94 shows that McMinnville has 721 acres of unconstrained buildable lands, (approx. 660 acres in residential zones are assigned residential capacity), with capacity for 2,921 dwelling units using historical densities by zoning district (before deducting acreage for housing development between 2018 and 2021). Exhibit 95 shows that McMinnville has 588 acres of

[74] This document is a baseline analysis. The density results are based on McMinnville's current zoning and land-use regulations. Efficiency measures enacted as part of the housing strategy could affect final density.

unconstrained buildable lands in Zone 1,[75] with capacity for 2,360 dwelling units (before deducting acreage for housing development between 2018 and 2021 and by using historical densities by zoning district).

Exhibit 95. Unconstrained Vacant and Partially Vacant Buildable Land (Water Zone 1) with Baseline Capacity, McMinnville UGB, 2018

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note1: DU is dwelling unit. Note2: The density of county zoned land is the historic average density achieved (4.9 du/gross acre).

Zoning Districts	Total Unconstrained Buildable Acres *(Water Zone 1)*	Density Assumption (DU/Gross Acre)	Capacity (Dwelling Units)
R-1 Single Family Residential	109	3.1	338
R-2 Single Family Residential	86	4.3	368
R-3 Two Family Residential	6	4.8	28
R-4 Multiple-Family Residential	21	6.1	127
O-R Office/Residential	0	6.3	3
C-3 General Commercial	61	21.9	-
County Zoning	305	4.9	1,496
TOTAL	**588**	**4.0**	**2,360**

Note: All housing development occurring between 2018 and 2021 is assumed to be in Water Zone 1 as Water Zone 2 will not be serviceable during that time. The report presents this deduction in the following sub-section.

[75] The analysis assumes that Zone 2 acreage is available within the 20-year period planning period, but not before the 10-year period.

Residential Land Sufficiency in McMinnville

The next step in the analysis of the sufficiency of residential land within McMinnville's UGB is to compare the demand for housing with the capacity of land. This analysis is partially based on capacity of land by existing zoning and plan designations. It is a baseline analysis. Land-sufficiency results may change based on implementation of actions in the housing strategy, including implementation of McMinnville's Great Neighborhood Principles.

This section presents the land-sufficiency results for McMinnville for several periods:

- 5-year period (2021–2026)
- 10-year period (2021–2031)
- 20-year period (2021–2041)
- 46-year period (2021–2067)

Notes about the final results:

- Results incorporate assumptions for land needed to accommodate new population and housing between 2018 and 2021.[76]
- Results reflect demand for new dwelling units which require vacant and partially vacant lands.[77]

These estimates provide context for consumption of McMinnville's remaining buildable residential lands. For the purpose of the UGB, only the 2021–2041 estimates are relevant.

Exhibit 96 shows the capacity for each planning period in 2018 and in 2021, with subtotals for capacity within Water Zones 1 and 2. It shows the number of new dwelling units needed on vacant and partially vacant lands, and the resulting surplus / deficit of dwelling units and acreage (with calculations for both historic and needed density).

As discussed above, these calculations are based on average densities. Rezoning land may be required to have sufficient lands zoned to achieve the specified capacity. Because zoning may change, or because a diverse housing zone may be implemented, capacity and acreage are calculated without assignment to specific zones. The 563 dwelling units needed between 2018-2021 will need about 115 acres at McMinnville's historic density of 4.9 du/gross acre.

[76] This section approximates the number of vacant and partially vacant buildable acres in 2021 (2021 Buildable Land Inventory). Each planning period begins with the 2021 capacity.

[77] Forecasted demand for infill and redevelopment will not require vacant or partially vacant lands.

Exhibit 96. Comparison of Capacity of Existing Residential Land with Demand for New Dwelling Units and Land Surplus or Deficit, McMinnville UGB, for the periods through 2026, 2031, 2041, and 2067

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note1: DU is dwelling unit. Note2: The 2,360 DU capacity total includes 864 DUs in City Limits and 1,496 DUs in the county. Note3: The 2,921 DU capacity total includes 1,168 DUs in City Limits and 1,753 DUs in the county.

	Planning Period			
	5-Year (2021 to 2026)	10-Year (2021 to 2031)	20-Year (2021 to 2041)	46-Year (2021 to 2067)
2018 Capacity (DUs)				
Water Zone 1	2,360	2,360	2,360	2,360
Water Zone 2	NA	NA	561	561
Total	**2,360**	**2,360**	**2,921**	**2,921**
2018-2021 Demand (DUs on buildable land)	563	563	563	563
2021 Capacity (DUs)				
Water Zone 1	1,797	1,797	1,797	1,797
Water Zone 2	NA	NA	561	561
Total	**1,797**	**1,797**	**2,358**	**2,358**
Post-2021 Demand (DUs on buildable land)	1,045	2,121	4,284	10,107
Surplus/Deficit at Horizon Year (Dus)	752	(324)	(1,926)	(7,749)
Capacity Based on Land in Water Zone:	*1*	*1*	*1&2*	*1&2*
Surplus/Deficit @ 4.9 du/ac (hist), gross acres	153	(66)	(393)	(1,581)
Surplus/Deficit @ 5.3 du/ac (need), gross acres	142	(61)	(363)	(1,462)
Difference, gross acres	12	(5)	(30)	(119)

Conclusions

McMinnville's UGB is forecast to grow from 36,238 people in 2021 to 47,498 people in 2041, an increase of 11,260 people. This population growth will occur at an average annual growth rate of 1.36%. In addition to population growth, McMinnville's households have grown smaller on average. After considering a number of factors, including household size and residential vacancy rates, McMinnville will have demand for about 4,657 new dwelling units over the 20-year planning period (2021 to 2041). McMinnville will have demand for about 1,136 new dwelling units for the 5-year period between 2026 and 2031, about 2,305 new dwelling units for the 10-year period between 2021 and 2031, and about 10,986 new dwelling units for the 46-year period between 2021 and 2067.

McMinnville will need to accommodate an average development trajectory of 233 new dwelling units annually over the 20-year planning horizon. Over the 20-year planning period, McMinnville will accommodate 373 needed dwelling units through redevelopment and infill—these units will not require vacant or partially vacant lands. Accordingly, this will result in McMinnville needing to accommodate 4,284 needed new dwelling units on vacant and partially vacant buildable residential lands.

In the future, McMinnville will plan for an increased share of single-family attached dwelling units and multifamily units to meet the City's housing needs. Currently, about 68% of McMinnville's housing stock is single-family detached housing, 9% is single-family attached housing, and 23% is multifamily housing. Based on Project Advisory Committee recommendations, McMinnville will plan for a different mix in new housing, which will result in a slight change to McMinnville's aggregate overall mix of existing and new housing. McMinnville will plan for a decrease in share of single-family detached housing (55% of new housing stock) to provide opportunities for more single-family attached housing (12% of new housing) and multifamily housing (33% of new housing).

McMinnville is planning for slightly higher overall average density than it has in the past. As McMinnville shifts toward more single-family attached housing and multifamily housing, McMinnville's average housing density (for new dwelling units) will increase from 4.9 dwelling units per gross acre (historic average density) to 5.3 dwelling units per gross acre (needed average density)—an 8% increase.[78]

McMinnville's existing deficit of relatively affordable housing on both sides of the affordability spectrum indicates a need for a wider range of housing types for renters and homeowners. About 36% of McMinnville's households are cost burdened (paying more than 30% of their income on housing), including a cost-burden rate of 52% for renter households. Without diversification of housing types, lack of affordability will continue to be a problem—possibly

[78] This calculation is based on average historical density by housing type. The existing analysis presented in Chapter 6 is calculated using average historical density by zone.

growing in the future if incomes continue to grow at a slower rate than housing costs. Under the current conditions between 2021 and 2041, about:

- **1,016 of the forecasted new households will have incomes of $25,150 or less.** These households often cannot afford market-rate housing without government subsidy.
- **1,711 new households will have incomes between $25,150 and $60,359.** These households will need access to relatively affordable housing, such as single-family detached housing (e.g., tiny homes, cottages, small-lot, and traditional), single-family attached housing (e.g., town homes), and multifamily products (particularly middle housing types such as duplexes, triplexes, quadplexes, and apartments/multifamily condominiums).
- **1,930 new households will have incomes over $60,359.** These households will need higher-amenity housing types such as single-family detached housing, single-family attached housing, and higher-end multifamily products (particularly condominiums).

McMinnville's UGB will not accommodate all of McMinnville's housing needs. Over the planning period through 2041, McMinnville has a deficit of capacity for 1,926 dwelling units, which means the City has an approximate deficit of about 363 gross acres by 2041. Housing demand results for the 5-, 10-, 20-, and 46-year periods are summarized in Exhibit 97.

Exhibit 97. Summary of New Dwelling Units, for the Periods through 2026, 2031, 2041, and 2067
Source: Calculations by ECONorthwest.

	New Dwelling Units			
	5-Year (2021 to 2026)	10-Year (2021 to 2031)	20-Year (2021 to 2041)	46-Year (2021 to 2067)
Total New D.U.s:	1,136	2,305	4,657	10,986
Less Infill/Redev (8%)	(91)	(184)	(373)	(879)
Equals **D.U.s requiring Vacant/Partially Vacant Land**	**1,045**	**2,121**	**4,284**	**10,107**

Appendix A. Residential Buildable Lands Inventory Methods

The general structure of the residential buildable land (supply) inventory is generally based on the DLCD HB 2709 workbook "*Planning for Residential Growth – A Workbook for Oregon's Urban Areas*," which specifically addresses residential lands. The buildable lands inventory uses methods and definitions that are consistent with Goal 10/OAR 660-008.

ECONorthwest used 2018 and 2017 (assessor tax year) data for this report. The following provides an overview of the buildable lands inventory methodology.

Overview of the Methodology

The McMinnville BLI includes all residential land designated in zones or plan designations within the McMinnville UGB. From a practical perspective, this means that all lands within tax lots identified by the Yamhill County Assessment and Taxation Department that fall within the UGB were inventoried. ECONorthwest used the most recent tax lot shapefile (that was available at the time of the analysis) and assessor's roll data from Yamhill County for the analysis. The inventory then builds from the tax lot–level database to calculate estimates of buildable land by zone.

The buildable lands analysis was completed through several sequential steps.

Step 1: Generate land base. Per Goal 10, this involves selecting all of the tax lots in the McMinnville UGB with residential zones and "lands that may be used for a mix of residential and employment uses under the existing planning or zoning."

ECONorthwest included the following zones in the residential inventory based on statutory requirements in ORS 197.296(4)(a):

- R-1 Single-Family Residential
- R-2 Single-Family Residential
- R-3 Two-Family Residential
- R-4 Multifamily Residential
- O-R Office/Residential
- C-3 General Commercial

Since McMinnville has a single residential plan designation, the land base includes these zones as well as any additional tax lots within the residential plan designation. For lands in the UGB that have the residential plan designation but still retain County zoning, properties within the residential plan designation were included in the BLI.

Step 2: Classify lands by development status. Next, the analysis classified each parcel into one of the following categories based on development status.

- Developed land
- Vacant land
- Partially vacant land
- Public or Exempt land

Step 3: Identify constraints. Consistent with the Division 8 rule, this includes floodways, floodplains (including lands in McMinnville's floodplain zone), regulated wetlands, lands with slopes of 25% or greater, landslide hazards (including the DOGAMI SLIDO database and lands with high or very high susceptibility to landslides), and service constrained lands. All constraints were merged into a single constraint file, which was used to identify the area of each tax lot that is constrained. These areas were deducted from lands that were identified as vacant or partially vacant.

Step 4: Verification. ECONorthwest used a multistep verification process to ensure the accuracy of the BLI. The first verification step included a rapid visual assessment of land classifications using GIS and recent aerial photos to verify uses on the ground. The second round of verification involved City staff verifying the rapid visual assessment output. ECONorthwest amended the BLI based on City staff review and a discussion of the City's comments.

The inventory was completed primarily using Geographic Information Systems (GIS) mapping technology. The output of this analysis is a database of land inventory information, which is summarized in both tabular and map format in Chapter 2. Although data for the inventory was gathered and evaluated at the parcel level, the inventory does not present a parcel-level analysis of lot availability and suitability. The results of the inventory have been aggregated by zone (City limits) and plan designation (outside City limits and in UGB), consistent with State planning requirements.

Data used for the analysis was provided by the City of McMinnville and the Yamhill County Assessor and Taxation Department, as well as statewide and national data sets. Specific data that was used included City/urban growth boundaries, tax lots, zoning, the National Wetlands Inventory, DOGAMI landslide hazards and susceptibility, floodway and floodplains, conservation easements, and slopes. The tax lot data was current as of August 2018.

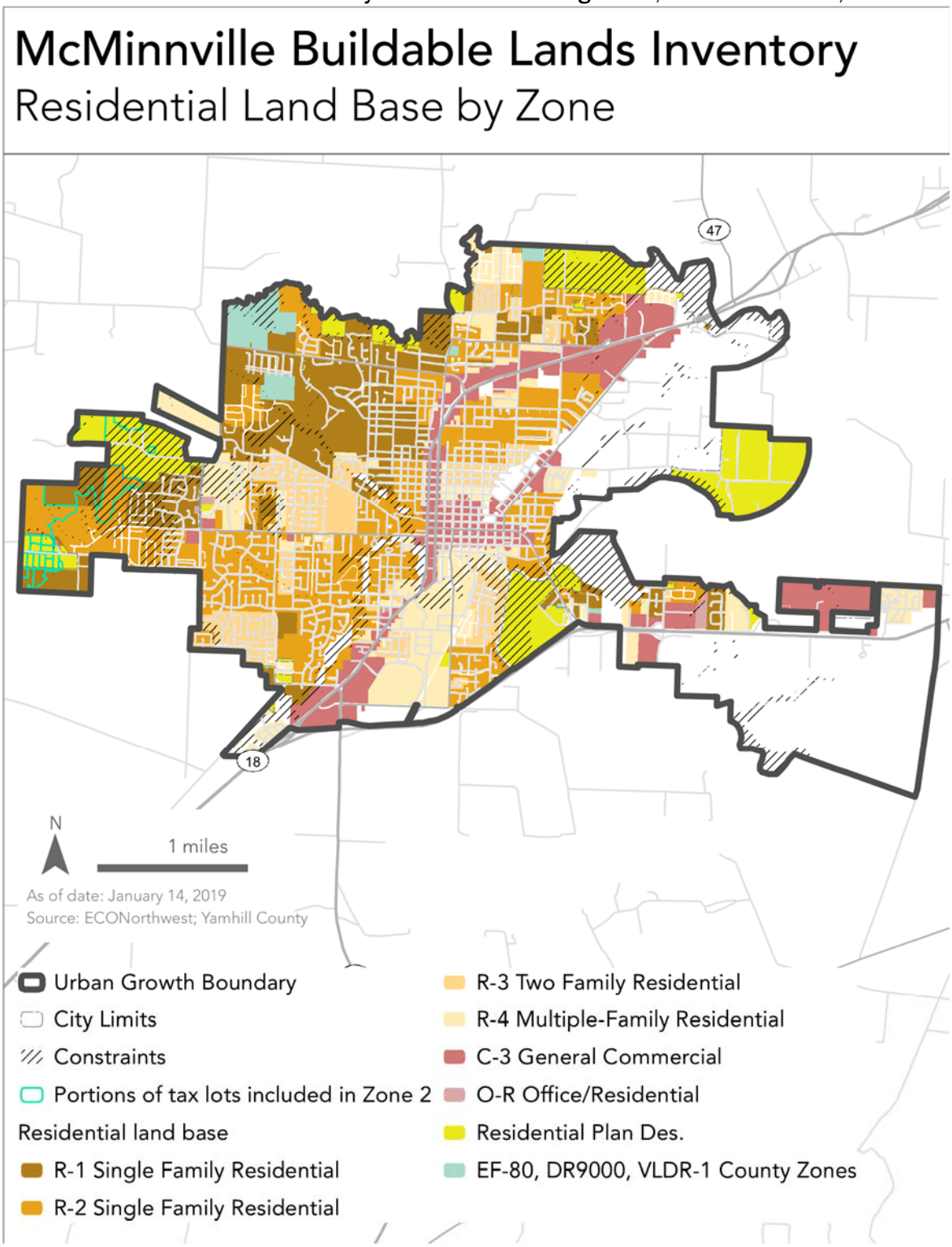
Residential Land Base

Exhibit 98 (on the following page) shows the zones and plan designations included in the residential land base. This BLI includes lands in the R-1, R-2, R-3, R-4, O-R, and C-3 zones, as well as other land in the residential plan designation. Tax lots with a residential use in the F-P zone or F-P plan designation were also included on a case-by-case basis based on proximity to other residential land or using property class data to determine if the tax lot has a residential use. Land in zones that do not allow residential use were not included. These tax lots were

assigned a residential zone or plan designation based on proximity to other residential zones, since the floodplain zone was included as a constraint.

Land in the Zone 2 contour was also identified due to additional considerations for capacity. Using the Intersect tool in GIS, land in tax lots either completely within or partially within the Zone 2 were calculated separately from land in those tax lots in Zone 1.

Exhibit 98. Residential Land Base by Zone and Plan Designation, McMinnville UGB, 2018



Appendix B. Scenario Modeling

ECONorthwest developed scenario models to inform Project Advisory Committee discussions about needed housing mix and density. This appendix presents the models for reference.

Housing Forecast by Housing Type

This section documents the process in determining needed housing mix and density assumptions. To inform the Project Advisory Committee's recommendation for the housing mix assumption, ECONorthwest modeled four housing mix scenarios. ECONorthwest used the scenarios to illustrate how housing mix impacts capacity and land sufficiency. The four scenarios were:

- **Existing Mix (ACS 2013–2017):** 68% single-family detached, 9% single-family attached, and 23% multifamily
- **Historical Mix (Housing Permitted 2000 to 2018):** 62% single-family detached, 8% single-family attached, and 31% multifamily
- **Scenario 1 (Preliminary Needed Mix):** 60% single-family detached, 10% single-family attached, and 30% multifamily
- **Scenario 2 (Preliminary Needed Mix):** 55% single-family detached, 12% single-family attached, and 33% multifamily

Using the four scenarios, ECONorthwest forecasted needed housing in McMinnville by housing type. Exhibit 99 presents a 20-year forecast (using the four scenarios), and Exhibit 100 presents the 5-, 10-, 20-, and 46-year forecasts (using the historic mix scenario).

Exhibit 99. Scenario Model: Forecast of Demand for New Dwelling Units, McMinnville UGB, 2021 to 2041

Source: Calculations by ECONorthwest. Note: Baseline housing mix is McMinnville's existing housing mix per US Census, 2013–2017 ACS, Table B25024.

Variable	Existing Mix (ACS 2013-2017)	Historic Mix (2000 to 2018)	Scenario 1	Scenario 2
Needed new dwelling units (2021-2041)	4,424	4,424	4,424	4,424
Dwelling units by structure type				
Single-family detached				
Percent single-family detached DU	**68%**	**62%**	**60%**	**55%**
equals total new single-family detached DU	3,009	2,733	2,654	2,433
Single-family attached				
Percent single-family attached DU	**9%**	**8%**	**10%**	**12%**
equals total new single-family attached DU	399	332	442	531
Multifamily				
Percent multifamily	**23%**	**31%**	**30%**	**33%**
equals total new multifamily	1,016	1,359	1,328	1,460
equals Total new dwelling units (2021-2041)	**4,424**	**4,424**	**4,424**	**4,424**

Exhibit 100. Scenario Model: 5-, 10-, and 46-year Forecast of Demand for New Dwelling Units, McMinnville UGB, 2021 to 2067

Source: Calculations by ECONorthwest. Note: This exhibit uses the historic mix scenario.

Variable	Baseline Forecast			
	2021 to 2026 (5-Year)	2021 to 2031 (10-Year)	2021 to 2041 (20-Year)	2021 to 2067 (46-year)
Needed new dwelling units	1,079	2,190	4,424	10,435
Dwelling units by structure type				
Single-family detached				
Percent single-family detached DU	62%	62%	62%	62%
equals Total new single-family detached DU	667	1,353	2,733	6,447
Single-family attached				
Percent single-family attached DU	8%	8%	8%	8%
equals Total new single-family attached DU	81	164	332	783
Multifamily				
Percent multifamily	31%	31%	31%	31%
Total new multifamily	331	673	1,359	3,205
equals Total new dwelling units	**1,079**	**2,190**	**4,424**	**10,435**

The housing mix determination over the 2021 to 2041 period will impact McMinnville's overall housing mix in 2041. Exhibit 101 displays what McMinnville's overall housing mix would be in 2041 based on each of the four scenarios. Exhibit 102 displays what McMinnville's overall housing mix would be at the end of McMinnville's various planning horizons (2026, 2031, 2041, and 2067)

Exhibit 101. Scenario Model: Estimated Aggregate Future Housing Mix, McMinnville UGB, 2041

Source: Calculations by ECONorthwest. Note: According to the US Census, McMinnville had 8,902 single-family detached units, 1,180 single-family attached units, and 3,007 multifamily units (totaling 13,089 dwelling units) in the 2013–2017 period. The 17,513 (total) is the 13,089 units, plus the 4,424 needed new units.

	Existing Mix (ACS 2013-2017)	Historic Mix (2000 to 2018)	Scenario 1	Scenario 2
Single-Family Detached				
Number	11,911	11,635	11,556	11,335
Percent	68%	66%	66%	65%
Single-Family Attached				
Number	1,579	1,512	1,622	1,711
Percent	9%	9%	9%	10%
Multifamily Units				
Number	4,023	4,366	4,335	4,467
Percent	23%	25%	25%	26%
Total	**17,513**	**17,513**	**17,513**	**17,513**

Exhibit 102. Scenario Model: Estimated Aggregate Future Housing Mix, McMinnville UGB, 2026, 2031, 2041, and 2067

Source: Calculations by ECONorthwest. Note: According to the US Census, McMinnville had 8,902 single-family detached units, 1,180 single-family attached units, and 3,007 multifamily units (totaling 13,089 dwelling units) in the 2013–2017 period. The totals are 13,089 units, plus the number of units needed in 5, 10, 20, and 46 years.

	Single-Family Detached		Single-Family Attached		Multifamily Units		
	Number	Percent	Number	Percent	Number	Percent	Total
2026 (5-year)							
Existing Mix	9,636	68%	1,277	9%	3,255	23%	14,168
Baseline Historic Mix	9,570	68%	1,261	9%	3,338	24%	14,169
Scenario 1	9,549	67%	1,288	9%	3,331	24%	14,168
Scenario 2	9,495	67%	1,309	9%	3,363	24%	14,168
2031 (10-year)							-
Existing Mix	10,391	68%	1,377	9%	3,510	23%	15,279
Baseline Historic Mix	10,255	67%	1,344	9%	3,680	24%	15,279
Scenario 1	10,216	67%	1,399	9%	3,664	24%	15,279
Scenario 2	10,107	66%	1,443	9%	3,730	24%	15,279
2041 (20-year)							-
Existing Mix	11,911	68%	1,579	9%	4,023	23%	17,513
Baseline Historic Mix	11,635	66%	1,512	9%	4,366	25%	17,513
Scenario 1	11,556	66%	1,622	9%	4,335	25%	17,513
Scenario 2	11,335	65%	1,711	10%	4,467	26%	17,513
2067 (46-year)							-
Existing Mix	15,999	68%	2,121	9%	5,404	23%	23,524
Baseline Historic Mix	15,349	65%	1,963	8%	6,212	26%	23,524
Scenario 1	15,163	64%	2,224	9%	6,138	26%	23,524
Scenario 2	14,641	62%	2,432	10%	6,451	27%	23,524

Allocation of Needed Housing

ECONorthwest modeled allocation analyses for each of the four housing mix scenarios. The scenario models for the 20-year planning period are presented in Exhibit 103 through Exhibit 106 and do not reflect updated group quarters assumptions or account for units accommodated by infill or redevelopment. The revised methodology presented in the main report does not use this methodology, however. Thus, these tables are for reference into the process only.

The first step in the allocation analysis (presented here) is based on McMinnville's historic share of housing developed in each of McMinnville's existing zones between 2000 and 2018. For example, between 2000 and 2018, 16% of McMinnville's housing development occurred in R-1, 44% occurred in R-2, 6% in R-3, and 34% in R-4.

Exhibit 103. Scenario Model: Allocation of Needed Housing by Housing Type and Zone Designation, Existing Mix Scenario, McMinnville UGB, 2021 to 2041

Source: Calculations by ECONorthwest.

Zoning Designations	Residential Plan Designation					County Zoning	C-3	Total
	R-1	R-2	R-3	R-4	O-R			
Dwelling Units								
Single-family detached	575	1,504	88	842	-	-	-	3,009
Single-family attached	44	89	44	222	-	-	-	399
Multifamily	68	391	115	442	-	-	-	1,016
Total	687	1,984	247	1,506	-	-	-	4,424
Percent of Units								
Single-family detached	13%	34%	2%	19%	0%	0%	0%	68%
Single-family attached	1%	2%	1%	5%	0%	0%	0%	9%
Multifamily	2%	9%	3%	10%	0%	0%	0%	23%
Total	16%	45%	6%	34%	0%	0%	0%	100%

Exhibit 104. Scenario Model: Allocation of Needed Housing by Housing Type and Zone Designation, Historic Mix Scenario, McMinnville UGB, 2021 to 2041

Source: Calculations by ECONorthwest.

Housing Type	Residential Plan Designation					County Zoning	C-3	Total
	R-1	R-2	R-3	R-4	O-R			
Dwelling Units								
Single-family detached	575	1,406	88	664	-	-	-	2,733
Single-family attached	44	89	44	155	-	-	-	332
Multifamily	68	473	115	703	-	-	-	1,359
Total	687	1,968	247	1,522	-	-	-	4,424
Percent of Units								
Single-family detached	13%	32%	2%	15%	0%	0%	0%	62%
Single-family attached	1%	2%	1%	4%	0%	0%	0%	8%
Multifamily	2%	11%	3%	16%	0%	0%	0%	31%
Total	16%	44%	6%	34%	0%	0%	0%	100%

Exhibit 105. Scenario Model: Allocation of Needed Housing by Housing Type and Zone Designation, Scenario 1, McMinnville UGB, 2021 to 2041

Source: Calculations by ECONorthwest.

Housing Type	Residential Plan Designations					County Zoning	C-3	Total
	R-1	R-2	R-3	R-4	O-R			
Dwelling Units								
Single-family detached	575	1,416	88	575	-	-	-	2,654
Single-family attached	44	110	66	222	-	-	-	442
Multifamily	88	442	133	665	-	-	-	1,328
Total	707	1,968	287	1,462	-	-	-	4,424
Percent of Units								
Single-family detached	13%	32%	2%	13%	0%	0%	0%	60%
Single-family attached	1%	2%	1%	5%	0%	0%	0%	10%
Multifamily	2%	10%	3%	15%	0%	0%	0%	30%
Total	16%	44%	6%	33%	0%	0%	0%	100%

Exhibit 106. Scenario Model: Allocation of Needed Housing by Housing Type and Zone Designation, Scenario 2, McMinnville UGB, 2021 to 2041

Source: Calculations by ECONorthwest.

Housing Type	Residential Plan Designations					County Zoning	C-3	Total
	R-1	R-2	R-3	R-4	O-R			
Dwelling Units								
Single-family detached	531	1,283	88	531	-	-	-	2,433
Single-family attached	44	221	44	222	-	-	-	531
Multifamily	133	442	133	752	-	-	-	1,460
Total	708	1,946	265	1,505	-	-	-	4,424
Percent of Units								
Single-family detached	12%	29%	2%	12%	0%	0%	0%	55%
Single-family attached	1%	5%	1%	5%	0%	0%	0%	12%
Multifamily	3%	10%	3%	17%	0%	0%	0%	33%
Total	16%	44%	6%	34%	0%	0%	0%	100%

Needed Densities

A city's average residential density is influenced by the its housing mix. Using the four housing mix scenarios and McMinnville's historic densities (Exhibit 91), ECONorthwest illustrated how average gross densities increase as the share of single-family detached housing decreases.

Exhibit 107. Scenario Model: Estimated Aggregate Residential Densities, McMinnville UGB, 2021 to 2041

Source: Calculations by ECONorthwest.

Variable	Existing Mix (ACS 2013-2017)	Historic Mix (2000 to 2018)	Scenario 1	Scenario 2
Dwelling units by structure type				
Single-family detached	3,009	2,733	2,654	2,433
Average gross density SFD	3.6	3.6	3.6	3.6
equals gross acres needed for SFD	**836**	**759**	**737**	**676**
Single-family attached	399	332	442	531
Average gross density SFA	9.3	9.3	9.3	9.3
equals gross acres needed for SFA	**43**	**36**	**48**	**57**
Multifamily	1,016	1,359	1,328	1,460
Average gross density MF	13.7	13.7	13.7	13.7
equals gross acres needed for MF	**74**	**99**	**97**	**107**
Total				
Housing Units	4,424	4,424	4,424	4,424
Average Gross Density	4.6	4.9	5.0	5.3
Gross Acres	**953**	**894**	**882**	**839**

Land Sufficiency Approximations for the 2021 to 2041 Planning Period

Exhibit 108, Exhibit 109, Exhibit 110, and Exhibit 111 show the residential land sufficiency results, modeled using each of the four housing mix scenarios. Notes about the models:

- Modeled results in this appendix do not reflect land needed to accommodate housing development before 2021, which is addressed in the main report.
- Modeled results in this appendix used a different methodology for group quarters, resulting in a different estimate for housing demand.
- Modeled results do not reflect assumptions for dwelling units accommodated through infill or redevelopment.

The scenario models show that McMinnville's 721 buildable acres (660 in residential zones) available for residential development has capacity for 2,921 dwelling units. Over the 2021 to 2041 planning period, McMinnville will have demand for 4,424 dwelling units. At densities observed between 2000 and 2018, this translates into a land deficit of (1) 321 gross acres in the existing mix scenario, (2) 320 gross acres in the historical mix scenario, (3) 325 gross acres in scenario 1, and (4) 323 gross acres in scenario 2. Each scenario showed that McMinnville does

not have sufficient capacity to accommodate needed new housing in R-1, R-2, R-3, and R-4 areas.

Note: Due to the way demand was allocated to zones in the allocation scenario models (see Exhibit 103, Exhibit 104, Exhibit 105, and Exhibit 106 as well as the corresponding basis), the approximate land surplus and deficit are relatively similar across models. Accordingly, the models allocate housing demand to zones comparably across models and at an average density applied on total units per zone.

Exhibit 108. Scenario Model: Comparison of Capacity of Existing Residential Land with Need for New Dwelling Units and Land Surplus or Deficit, Existing Mix, McMinnville UGB, 2021 to 2041

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

Zoning Districts	Capacity (Dwelling Units)	Demand (Dwelling Units)	Capacity minus Demand (Dwelling Units)	Approx. Land Surplus or (Deficit) -Gross Acres-
R-1 Single Family Residential	449	687	(238)	(77)
R-2 Single Family Residential	561	1984	(1,423)	(331)
R-3 Two Family Residential	28	247	(219)	(46)
R-4 Multiple-Family Residential	127	1506	(1,379)	(226)
O-R Office/Residential	3	0	3	0
C-3 General Commercial	-	0	0	0
County Zoning	1,753	0	1,753	358
Total	**2,921**	**4,424**	**(1,503)**	**(321)**

Exhibit 109. Scenario Model, Comparison of Capacity of Existing Residential Land with Need for New Dwelling Units and Land Surplus or Deficit, Historical Mix, McMinnville UGB, 2021 to 2041

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

Zoning Districts	Capacity (Dwelling Units)	Demand (Dwelling Units)	Capacity minus Demand (Dwelling Units)	Approx. Land Surplus or (Deficit) -Gross Acres-
R-1 Single Family Residential	449	687	(238)	(77)
R-2 Single Family Residential	561	1968	(1,407)	(327)
R-3 Two Family Residential	28	247	(219)	(46)
R-4 Multiple-Family Residential	127	1522	(1,395)	(229)
O-R Office/Residential	3	0	3	0
C-3 General Commercial	-	0	0	0
County Zoning	1,753	0	1,753	358
Total	**2,921**	**4,424**	**(1,503)**	**(320)**

Exhibit 110. Scenario Model: Comparison of Capacity of Existing Residential Land with Need for New Dwelling Units and Land Surplus or Deficit, Scenario 1, McMinnville UGB, 2021 to 2041

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

Zoning Districts	Capacity (Dwelling Units)	Demand (Dwelling Units)	Capacity minus Demand (Dwelling Units)	Approx. Land Surplus or (Deficit) -Gross Acres-
R-1 Single Family Residential	449	707	(258)	(83)
R-2 Single Family Residential	561	1,968	(1,407)	(327)
R-3 Two Family Residential	28	287	(259)	(54)
R-4 Multiple-Family Residential	127	1,462	(1,335)	(219)
O-R Office/Residential	3	-	3	0
C-3 General Commercial	-	-	0	0
County Zoning	1,753	-	1,753	358
Total	**2,921**	**4,424**	**(1,503)**	**(325)**

Exhibit 111. Scenario Model: Comparison of Capacity of Existing Residential Land with Need for New Dwelling Units and Land Surplus or Deficit, Scenario 2, McMinnville UGB, 2021 to 2041

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

Zoning Districts	Capacity (Dwelling Units)	Demand (Dwelling Units)	Capacity minus Demand (Dwelling Units)	Approx. Land Surplus or (Deficit) -Gross Acres-
R-1 Single Family Residential	449	708	(259)	(84)
R-2 Single Family Residential	561	1,946	(1,385)	(322)
R-3 Two Family Residential	28	265	(237)	(49)
R-4 Multiple-Family Residential	127	1,505	(1,378)	(226)
O-R Office/Residential	3	-	3	0
C-3 General Commercial	-	-	0	0
County Zoning	1,753	-	1,753	358
Total	**2,921**	**4,424**	**(1,503)**	**(323)**

Coordinated Population Forecast

2017

Through

2067

Yamhill County

Urban Growth Boundaries (UGB) & Area Outside UGBs

Population Research Center
PORTLAND STATE UNIVERSITY

Photo CreditMcGuire Reservoir along Meadow Lake Road in the Coast Range mountains. (Photo No. yamDA0127). Gary Halvorson, Oregon State Archives http://arcweb.sos.state.or.us /pages/records/local/county/scenic/yamhill/85.html

Coordinated Population Forecast for Yamhill County, its Urban Growth Boundaries (UGB), and Area Outside UGBs 2017-2067

Prepared by

Population Research Center

College of Urban and Public Affairs

Portland State University

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How to Read this Report

This report should be read with reference to the documents listed below—downloadable on the Forecast Program website (http://www.pdx.edu/prc/opfp).

Specifically, the reader should refer to the following documents:

- *Methods and Data for Developing Coordinated Population Forecasts*—Provides a detailed description and discussion of the forecast methods employed. This document also describes the assumptions that feed into these methods and determine the forecast output.
- *Forecast Tables*—Provides complete tables of population forecast numbers by county and all sub-areas within each county for each five-year interval of the forecast period (i.e., 2017-2067).

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Historical

Different parts of the county experience differing growth patterns. Local trends within the UGBs and the area outside them collectively influence population growth rates for the county as a whole.

Yamhill County's total population grew rapidly during the 2000s, with average annual growth rates above one and a half percent between 2000 and 2010 (**Figure 1**); however, most of its sub-areas experienced more rapid population growth during the 2000s. With the exception of Amity, Sheridan, and Willamina, all other sub-areas grew at a faster rate than the county.

Yamhill County's positive population growth in the 2000s was largely the result of substantial net in-migration. Meanwhile an aging population not only led to an increase in deaths, but also resulted in a smaller proportion of women in their childbearing years. This, along with more women choosing to have fewer children and have them at older ages has led to fewer births in recent years. The larger number of births relative to deaths caused a natural increase (more births than deaths) in every year from 2000 to 2015. While net in-migration outweighed natural increase during the early and middle years of the last decade, the gap between these two numbers has narrowed more recently, slowing population growth at the turn of the decade. In more recent years (2014 and 2015) net in-migration has increased, bringing with it population growth (**Figure 12**).

Forecast

Total population in Yamhill County as a whole as well as within its sub-areas will likely grow at a slightly faster pace in the near-term (2015 to 2035) compared to the long-term (**Figure 1**). The tapering of growth rates is largely driven by an aging population—a demographic trend which is expected to contribute to natural increase transitioning into natural decrease (more deaths than births) during the middle of the forecast horizon. As natural decrease occurs, population growth will become increasingly reliant on net in-migration.

Even so, Yamhill County's total population is forecast to increase by more than 28,500 over the next 18 years (2017-2035) and by more than 70,000 over the entire 50 year forecast period (2017-2067). Sub-areas that showed strong population growth in the 2000s are expected to experience similar rates of population growth during the forecast period.

Figure 1. Yamhill County and Sub-Areas—Historical and Forecast Populations, and Average Annual Growth Rates (AAGR)

	Historical			Forecast				
	2000	2010	AAGR (2000-2010)	2017	2035	2067	AAGR (2017-2035)	AAGR (2035-2067)
Yamhill County	*84,992*	*99,193*	*1.6%*	*106,555*	*135,096*	*177,170*	*1.3%*	*0.9%*
Amity UGB	1,481	1,623	0.9%	1,642	1,910	2,276	0.8%	0.5%
Carlton UGB	1,514	2,007	2.9%	2,229	3,013	3,998	1.7%	0.9%
Dayton UGB	2,244	2,708	1.9%	2,837	3,200	3,761	0.7%	0.5%
Dundee UGB	2,672	3,162	1.7%	3,243	4,570	6,697	1.9%	1.2%
Gaston UGB (Yamhill)	110	154	3.4%	157	159	161	0.1%	0.0%
Lafayette UGB	2,586	3,742	3.8%	4,083	5,717	6,937	1.9%	0.6%
McMinnville UGB	26,709	32,527	2.0%	34,293	44,122	62,804	1.4%	1.1%
Newberg UGB	18,558	22,572	2.0%	24,296	34,021	52,135	1.9%	1.3%
Sheridan UGB	5,581	6,210	1.1%	6,340	6,893	7,560	0.5%	0.3%
Willamina UGB (Yamhill)	1,128	1,180	0.5%	1,227	1,272	1,360	0.2%	0.2%
Yamhill UGB	805	1,024	2.4%	1,077	1,338	1,671	1.2%	0.7%
Outside UGBs	21,604	22,284	0.3%	25,132	28,880	27,812	0.8%	-0.1%

Sources: U.S. Census Bureau, 2000 and 2010 Censuses; Forecast by Population Research Center (PRC).

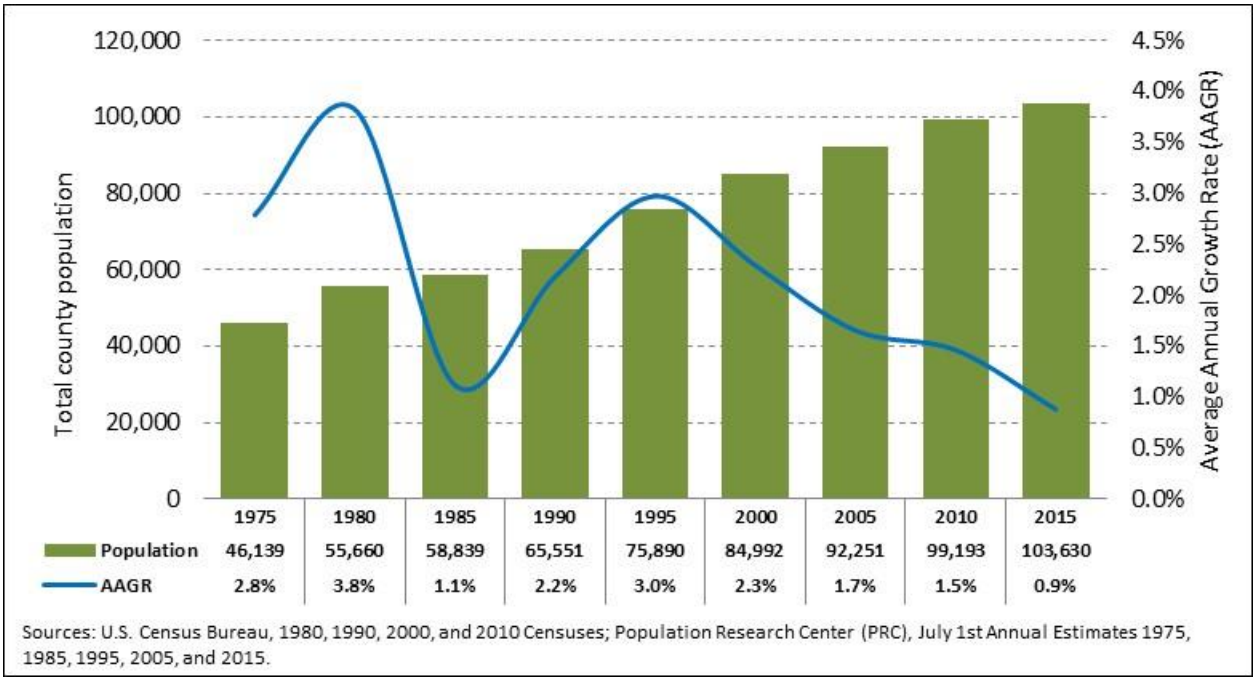
Historical Trends

Different growth patterns occur in different parts of Yamhill County. Each of Yamhill County's sub-areas were examined for any significant demographic characteristics or changes in population or housing growth that might influence their individual forecasts. Factors analyzed include age composition of the population, race and ethnicity, births, deaths, migration, the number of housing units, housing occupancy, and persons per household (PPH). It should be noted that population trends of individual sub-areas often differ from those of the county as a whole. However, population growth rates for the county are collectively influenced by local trends within its sub-areas.

Population

Yamhill County's total population more than doubled between 1975 and 2015—from roughly 46,100 in 1975 to about 103,500 in 2015 (Figure 2). During this 40-year period, the county realized the highest growth rates just prior to the 1980s, which coincided with a period of relative economic prosperity. During the early 1980s however, challenging economic conditions, both nationally and within the county, led to population decline. Again, during the early 1990s population growth rates increased, but challenging economic conditions building up to the 2000s and Great Recession yielded slower rates of population growth. Even so, Yamhill County's experienced positive population growth throughout the 40-year period.

Figure 2. Yamhill County—Total Population by Five-year Intervals (1975-2015)



Sources: U.S. Census Bureau, 1980, 1990, 2000, and 2010 Censuses; Population Research Center (PRC), July 1st Annual Estimates 1975, 1985, 1995, 2005, and 2015.

During the 2000s, Yamhill County's average annual population growth rate stood at 1.6 percent (**Figure 3**). At the same time Lafayette, Carlton and Yamhill recorded average annual growth rates of 3.8, 2.9 and 2.4 percent, respectively. In fact, all sub-areas except for Amity, Sheridan, the portion of Willamina

within Yamhill County, and the area outside UGBs had faster growth rates relative to the county as a whole.

Figure 3. Yamhill County and Sub-areas— Total Population and Average Annual Growth Rate (AAGR) (2000 and 2010) [1]

	2000	2010	AAGR (2000-2010)	Share of County 2000	Share of County 2010
Yamhill County	*84,992*	*99,193*	*1.6%*	*100.0%*	*100.0%*
Amity UGB	1,481	1,623	0.9%	1.7%	1.6%
Carlton UGB	1,514	2,007	2.9%	1.8%	2.0%
Dayton UGB	2,244	2,708	1.9%	2.6%	2.7%
Dundee UGB	2,672	3,162	1.7%	3.1%	3.2%
Gaston UGB (Yamhill)	110	154	3.4%	0.1%	0.2%
Lafayette UGB	2,586	3,742	3.8%	3.0%	3.8%
McMinnville UGB	26,709	32,527	2.0%	31.4%	32.8%
Newberg UGB	18,558	22,572	2.0%	21.8%	22.8%
Sheridan UGB	5,581	6,210	1.1%	6.6%	6.3%
Willamina UGB (Yamhill)	1,128	1,180	0.5%	1.3%	1.2%
Yamhill UGB	805	1,024	2.4%	0.9%	1.0%
Outside UGBs	21,604	22,284	0.3%	25.4%	22.5%

Sources: U.S. Census Bureau, 2000 and 2010 Censuses.

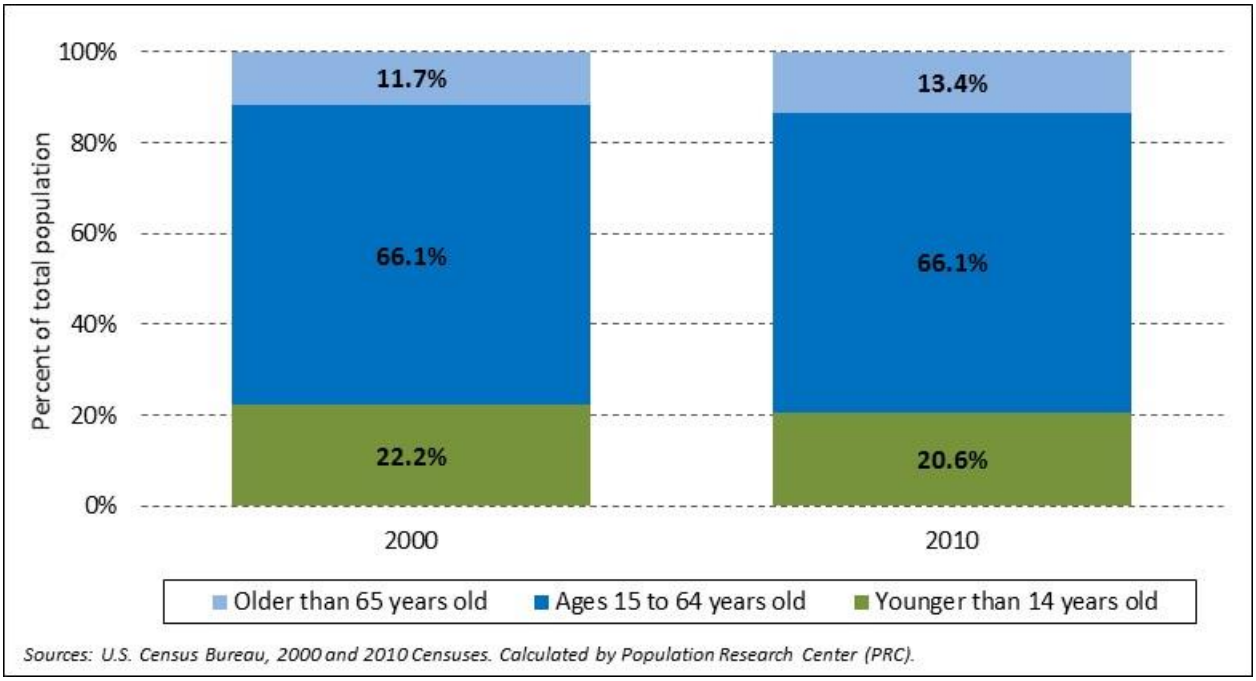
Age Structure of the Population

Yamhill County's population is aging at a pace similar to other areas across Oregon. An aging population significantly influences the number of deaths but also yields a smaller proportion of women in their childbearing years, which may result in a decline in births. For Yamhill County this has not been true. Births increased, in spite of the slight rise in the proportion of county population 65 or older between 2000 and 2010 (**Figure 4**). Further underscoring Yamhill County's modest trend in aging, the median age went from 34.1 in 2000 to 36.8 in 2010 and 37.5 in 2015, an increase that is only slightly higher than that observed statewide and other Region 3 counties over the same time period.[2]

[1] When considering growth rates and population growth overall, it should be noted that a slowing of growth rates does not necessarily correspond to a slowing of population growth in absolute numbers. For example, if a UGB with a population of 100 grows by another 100 people, it has doubled in population. If it then grows by another 100 people during the next year, its relative growth is half of what it was before even though absolute growth stays the same.

[2] Median age is sourced from the U.S. Census Bureau's 2000 and 2010 Censuses and 2011-2015 ACS 5-year Estimates.

Figure 4. Yamhill County—Age Structure of the Population (2000 and 2010)



Race and Ethnicity

While the statewide population is aging, another demographic shift is occurring across Oregon—minority populations are growing as a share of total population. A growing minority population affects both the number of births and average household size. The Hispanic population within Yamhill County increased significantly, going from a 10.6 percent share of Yamhill's total population in 2000 to almost 15 percent in 2010 (Figure 5). The White, non-Hispanic population also increased, however, their share of Yamhill's total population decreased from a little over 89 percent to 85 percent between 2000 and 2010. This increase in the Hispanic population and other minority populations brings with it several implications for future population change. First, both nationally and at the state level, fertility rates among Hispanic and minority women tend to be higher than among White, non-Hispanic women. However, it is important to note recent trends show these rates are quickly decreasing. Second, Hispanic and minority households tend to be larger relative to White, non-Hispanic households.

Figure 5. Yamhill County—Hispanic or Latino and Race (2000 and 2010)

Hispanic or Latino and Race	2000		2010		Absolute Change	Relative Change
Total population	*84,992*	*100.0%*	*99,193*	*100.0%*	*14,201*	*16.7%*
Hispanic or Latino	9,017	10.6%	14,592	14.7%	5,575	61.8%
Not Hispanic or Latino	75,975	89.4%	84,601	85.3%	8,626	11.4%
White alone	71,684	84.3%	78,448	79.1%	6,764	9.4%
Black or African American alone	592	0.7%	784	0.8%	192	32.4%
American Indian and Alaska Native alone	1,134	1.3%	1,272	1.3%	138	12.2%
Asian alone	889	1.0%	1,418	1.4%	529	59.5%
Native Hawaiian and Other Pacific Islander alone	91	0.1%	163	0.2%	72	79.1%
Some Other Race alone	76	0.1%	143	0.1%	67	88.2%
Two or More Races	1,509	1.8%	2,373	2.4%	864	57.3%

Sources: U.S. Census Bureau, 2000 and 2010 Censuses.

Births

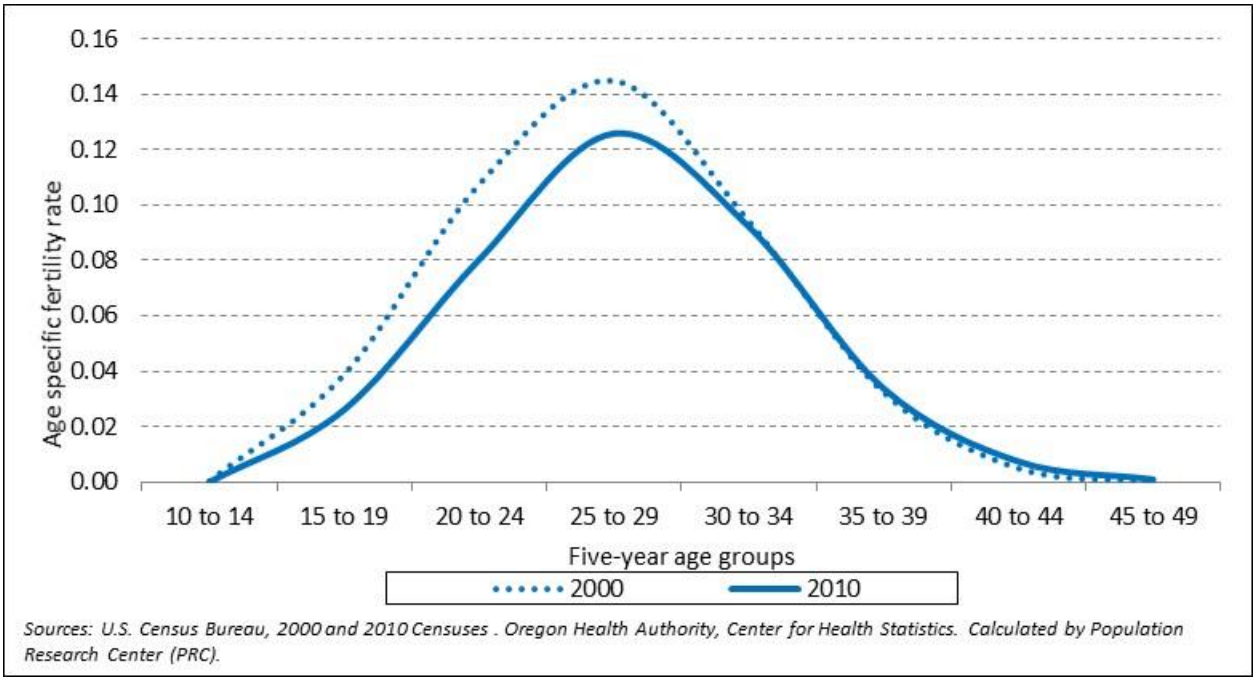
Historical fertility rates for Yamhill County generally mirror the decreasing trend of fertility rates in Oregon as a whole (**Figure 6**). At the same time, fertility for women over 30 years of age remained the same for Yamhill County while rates for women under 30 years of age declined (**Figure 7** and **Figure 8**). As **Figure 7** and Figure 8 demonstrate, fertility rates for younger women in Yamhill County and Oregon are lower in 2010 compared to earlier decades, explaining why total fertility rates have dropped in the county as a whole. Both Yamhill County and Oregon as a whole have fertility rates below replacement level fertility, though the county experienced a steeper drop than the state.

Figure 6. Yamhill County and Oregon—Total Fertility Rates (2000 and 2010)

	2000	2010
Yamhill County	2.12	1.83
Oregon	1.98	1.80

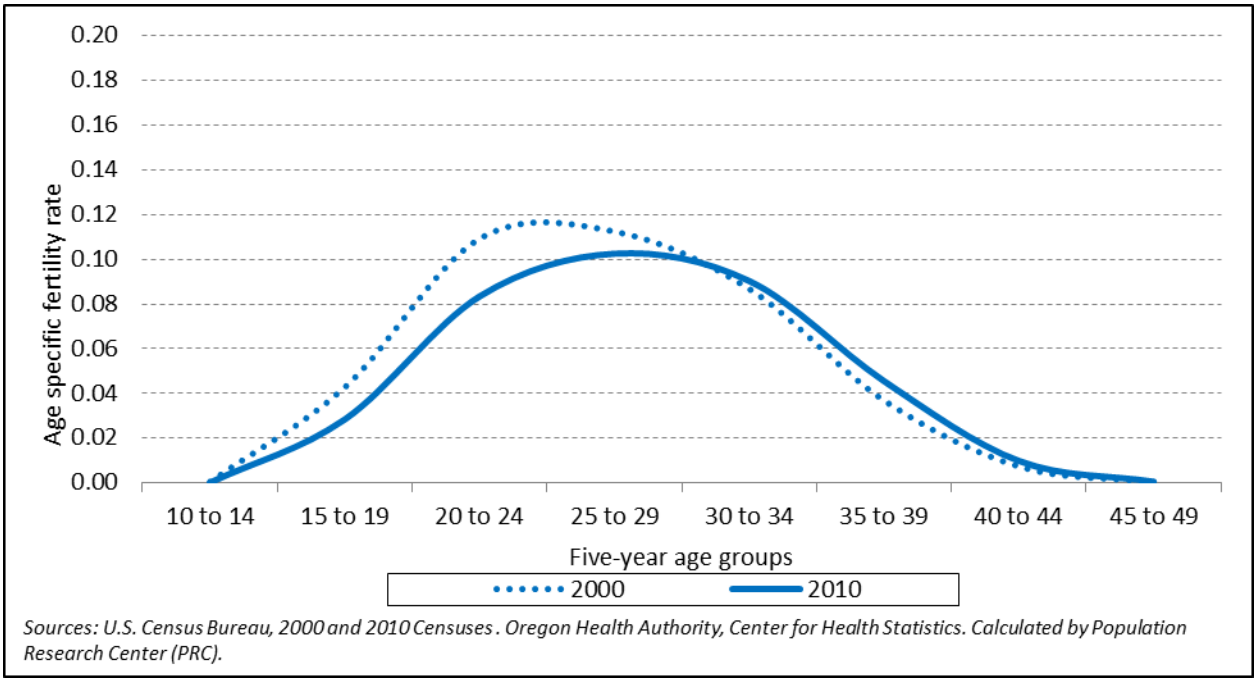
Sources: U.S. Census Bureau, 2000 and 2010 Censuses .
Oregon Health Authority, Center for Health Statistics.
Calculated by Population Research Center (PRC).

Figure 7. Yamhill County—Age Specific Fertility Rate (2000 and 2010)



Sources: U.S. Census Bureau, 2000 and 2010 Censuses . Oregon Health Authority, Center for Health Statistics. Calculated by Population Research Center (PRC).

Figure 8. Oregon—Age Specific Fertility Rate (2000 and 2010)



Sources: U.S. Census Bureau, 2000 and 2010 Censuses . Oregon Health Authority, Center for Health Statistics. Calculated by Population Research Center (PRC).

Figure 9 shows the number of births by the area in which the mother resides. Note that the number of births fluctuates from year to year. For example, a sub-area with an increase in births between two

years could easily show a decrease for a different time period. The county and all of its sub-areas, except Newberg, recorded fewer births in 2010 than in 2000 (**Figure 9**).

Figure 9. Yamhill County and Sub-Areas—Total Births (2000 and 2010)

	2000	2010	Absolute Change	Relative Change	Share of County 2000	Share of County 2010
Yamhill County	*1238*	*1155*	*-83*	*-6.7%*	*100.0%*	*100.0%*
McMinnville	418	406	-12	-2.9%	33.8%	35.2%
Newberg	287	303	16	5.6%	23.2%	26.2%
Outside UGBs	193	167	-26	-13.5%	15.6%	14.5%
Smaller UGBs	340	279	-61	-17.9%	27.5%	24.2%

Sources: Oregon Health Authority, Center for Health Statistics. Aggregated by Population Research Center (PRC).

Note: Smaller UGBs are those with populations less than 7,000 in forecast launch year.

Deaths

Though Yamhill County's population is aging, life expectancy slightly increased in the 2000s.[3] For Yamhill County in 2000, life expectancy for males was 77 years and for females was 81 years. By 2010, life expectancy slightly increased for both males and females to 78 and 82 years, respectively. For both the county and Oregon, the survival rates changed little between 2000 and 2010—underscoring the fact that mortality is the most stable component, relative to birth and migration rates, of population change. Even so, the total number of countywide deaths increased as the county population increased (**Figure 10**).

Figure 10. Yamhill County and Sub-Areas—Total Deaths (2000 and 2010)

	2000	2010	Absolute Change	Relative Change	Share of County 2000	Share of County 2010
Yamhill County	*614*	*735*	*121*	*19.7%*	*100.0%*	*100.0%*
McMinnville	204	304	100	49.0%	33.2%	41.4%
Newberg	168	170	2	1.2%	27.4%	23.1%
Outside UGBs	224	177	-47	-21.0%	36.5%	24.1%
Smaller UGBs	18	84	66	366.7%	2.9%	11.4%

Sources: Oregon Health Authority, Center for Health Statistics. Aggregated by Population Research Center (PRC).

Note: All other areas includes all smaller UGBs (those with populations less than 7,000) and the area outside UGBs. Detailed, point level death data were unavailable for 2000, thus PRC was unable to assign deaths to some UGBs.

Migration

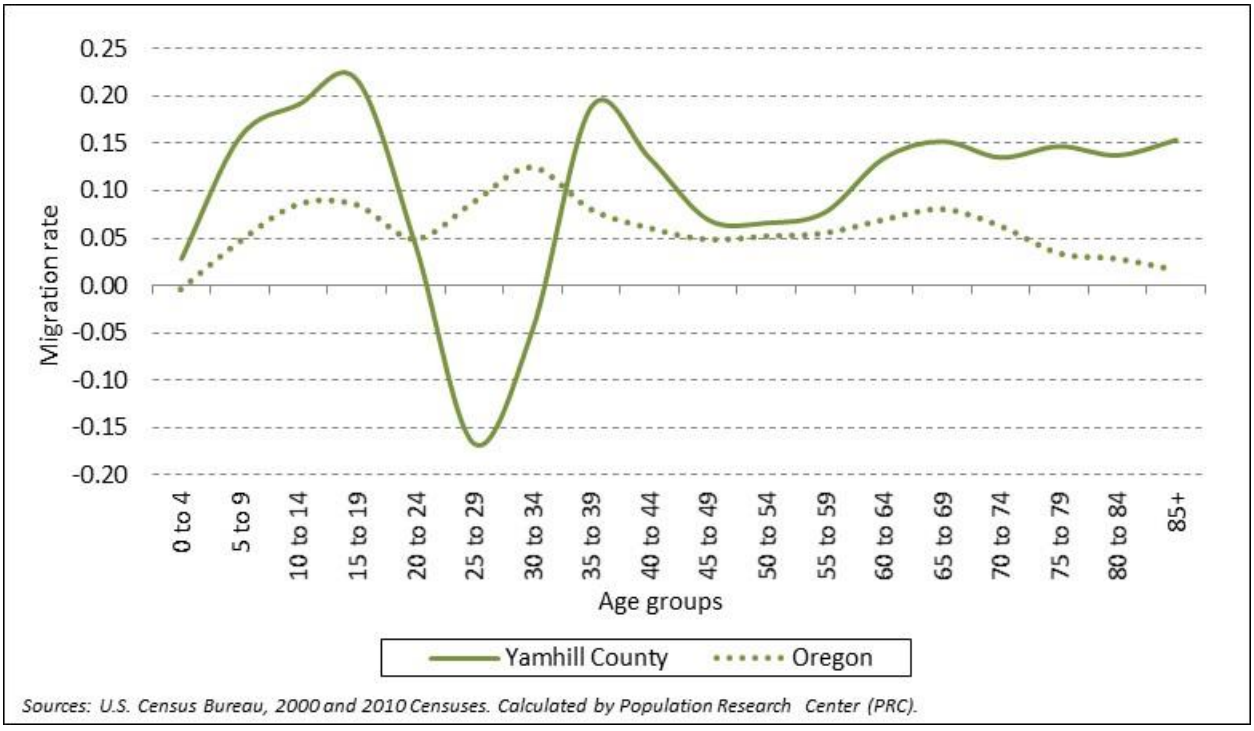
The propensity to migrate is strongly linked to age and stage of life. As such, age-specific migration rates are critically important for assessing these patterns across five-year age cohorts. **Figure 11** shows the

[3] Researchers have found evidence for a widening rural-urban gap in life expectancy; life expectancy declined for some rural areas in Oregon during the 2000's. This gap is particularly apparent between race and income groups and may be one explanation for the decline in life expectancy in the 2000s. See the following research article for more information. *Singh, Gopal K., and Mohammad Siahpush. "Widening rural-urban disparities in life expectancy, US, 1969-2009." American Journal of Preventative Medicine 46, no. 2 (2014): e19-e29.*

historical age-specific migration rates by five-year age group, both for Yamhill County and for Oregon. The migration rate is shown as the number of net in/out migrants per person by age group.

From 2000 to 2010, younger individuals (ages with the highest mobility levels) moved out of the county. This out-migration of young adults is a trend typical of most Oregon counties. At the same time however, the county attracted a substantial number of retirees and middle aged migrants, accompanied by their children, in search of housing and employment.

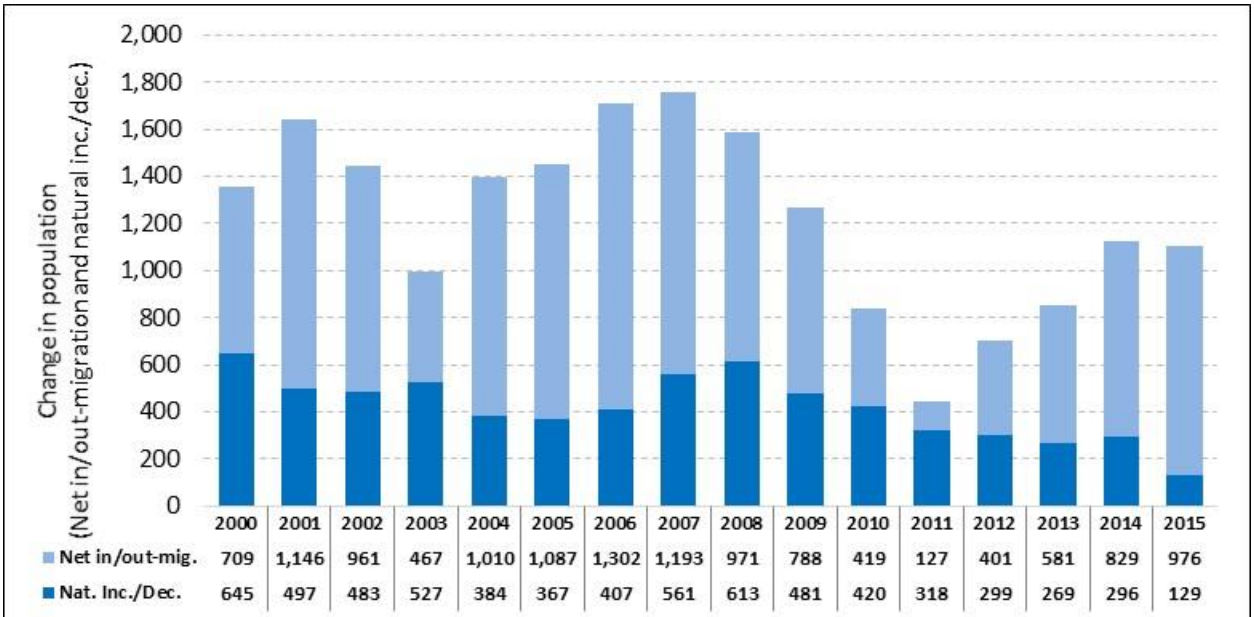
Figure 11. Yamhill County and Oregon—Age Specific Migration Rates (2000-2010)



Historical Trends in Components of Population Change

In summary, Yamhill County's positive population growth during the 2000s was the result of steady natural increase and periods of substantial net in-migration (**Figure 12**). The larger number of births relative to deaths has led to natural increase (more births than deaths) in every year from 2000 to 2015. While net in-migration fluctuated dramatically during the early and middle years of the last decade, the number of in-migrants has risen during recent years, contributing to population increase. Even so, historical trends show that net in-migration accounted for most of the population growth.

Figure 12. Yamhill County—Components of Population Change (2000-2015)



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net in/out-mig.	709	1,146	961	467	1,010	1,087	1,302	1,193	971	788	419	127	401	581	829	976
Nat. Inc./Dec.	645	497	483	527	384	367	407	561	613	481	420	318	299	269	296	129

Sources: Population Research Center, July 1st Annual Estimates 2000-2015. Oregon Health Authority, Center for Health Statistics. Calculated by Population Research Center (PRC).

Housing and Households

The total number of housing units in Yamhill County increased rapidly during the middle years of this last decade (2000 to 2010), but this growth slowed with the onset of the Great Recession in 2008. During the 2000 to 2010 period, the total number of housing units increased by about 22 percent countywide; this was nearly 7,000 new housing units (**Figure 13**). McMinnville and Newberg combined captured the majority of the county's new housing units in the 2000s. In terms of relative housing growth, Lafayette grew the most during the 2000s; its total housing stock increased by 48 percent (427 housing units) by 2010.

The rates of increase in the number of total housing units in the county, UGBs, and area outside UGBs are similar to the growth rates of their corresponding populations. Housing growth rates may slightly from population growth rates because (1) the number of total housing units are smaller than the numbers of people; (2) the UGB has experienced changes in the average number of persons per household; or (3) occupancy rates have changed (typically most pronounced in coastal locations with vacation-oriented housing). However, the patterns of population and housing change in the Yamhill County are relatively similar.

Figure 13. Yamhill County and Sub-Areas—Total Housing Units (2000 and 2010)

	2000	2010	AAGR (2000-2010)	Share of County 2000	Share of County 2010
Yamhill County	*30,270*	*37,110*	*2.1%*	*100.0%*	*100.0%*
Amity	497	576	1.5%	1.6%	1.6%
Carlton	578	769	2.9%	1.9%	2.1%
Dayton	699	904	2.6%	2.3%	2.4%
Dundee	974	1,175	1.9%	3.2%	3.2%
Gaston (Yamhill)	47	58	2.1%	0.2%	0.2%
Lafayette	888	1,315	4.0%	2.9%	3.5%
McMinnville	9,913	12,526	2.4%	32.7%	33.8%
Newberg	6,616	8,444	2.5%	21.9%	22.8%
Sheridan	1,392	1,699	2.0%	4.6%	4.6%
Willamina (Yamhill)	438	439	0.0%	1.4%	1.2%
Yamhill	268	375	3.4%	0.9%	1.0%
Outside UGBs	7,960	8,830	1.0%	26.3%	23.8%

Sources: U.S. Census Bureau, 2000 and 2010 Censuses.

Note: For simplicity each UGB is referred to by its primary city's name.

Occupancy rates tend to fluctuate more than PPH. This is particularly true in smaller UGBs where fewer housing units allow for larger changes (in relative terms) to occupancy rates. From 2000 to 2010 the occupancy rate in Yamhill County declined slightly; this was most likely due to slack in demand for housing as individuals experienced the effects of the Great Recession (**Figure 14**). Most sub-areas experienced similar declines in occupancy rates, while only the Yamhill County portion of Gaston recorded an increase during the 2000s.

Average household size, or persons per household (PPH), in Yamhill County was 2.7 in 2010, a slight drop from 2000 (**Figure 14**). Yamhill County's PPH in 2010 was slightly higher than for Oregon as a whole, which had a PPH of 2.5. Average household size varied across the 12 UGBs, with all of them falling between two and three PPH.

Figure 14. Yamhill County and Sub-Areas—Persons per Household (PPH) and Occupancy Rate

	Persons Per Household (PPH)			Occupancy Rate		
	2000	2010	Change 2000-2010	2000	2010	Change 2000-2010
Yamhill County	*2.8*	*2.7*	*-0.1*	*94.9%*	*93.6%*	*-1.3%*
Amity	3.1	3.0	-0.1	95.2%	93.8%	-1.4%
Carlton	2.8	2.9	0.1	93.4%	91.3%	-2.1%
Dayton	3.3	3.2	-0.1	97.3%	94.6%	-2.7%
Dundee	2.8	2.8	-0.1	96.8%	96.7%	-0.1%
Gaston (Yamhill)	2.8	2.7	0.0	85.1%	98.3%	13.2%
Lafayette	3.1	3.1	0.0	94.7%	91.9%	-2.8%
McMinnville	2.7	2.6	0.0	95.3%	94.2%	-1.0%
Newberg	2.8	2.7	-0.1	94.8%	93.7%	-1.2%
Sheridan	2.8	2.8	0.0	92.7%	92.4%	-0.3%
Willamina (Yamhill)	2.8	3.0	0.2	92.5%	90.0%	-2.5%
Yamhill	3.1	2.9	-0.3	95.9%	94.1%	-1.8%
Outside UGBs	2.8	2.7	-0.2	94.8%	92.8%	-2.0%

Sources: U.S. Census Bureau, 2000 and 2010 Censuses.

Note: For simplicity each UGB is referred to by its primary city's name.

Assumptions for Future Population Change

Evaluating past demographic trends provides clues about what the future will look like and helps determine the most likely scenarios for population change. Past trends also explain the dynamics of population growth specific to local areas. Relating recent and historical population change to events that influence population change serves as a gauge for what might realistically occur in a given area over the long-term. Our forecast period is 2017-2067.

Assumptions about fertility, mortality, and migration were developed for Yamhill County's overall population forecast and for each of its larger sub-areas.[4] The assumptions are derived from observations based on life events, as well as trends unique to Yamhill County and its larger sub-areas. Yamhill County sub-areas falling into this category include McMinnville and Newberg.

Population change for smaller sub-areas is determined by the change in the number of total housing units, occupancy rates, and PPH. Assumptions around housing unit growth as well as occupancy rates are derived from observations of historical building patterns and current plans for future housing development. In addition, assumptions for PPH are based on observed historical patterns of household demographics—for example the average age of householder. Yamhill County sub-areas falling into this category include Amity, Carlton, Dayton, Dundee, Lafayette, Sheridan, Yamhill (city), and the Yamhill County portions of Gaston and Willamina.

Assumptions for the County and Larger Sub-Areas

During the forecast period, the population in Yamhill County is expected to age more quickly during the first half of the forecast period, then remain relatively stable over the forecast horizon. Fertility rates are expected to remain stable throughout the forecast period. Total fertility in Yamhill County was 1.76 children per woman during the 2010-15 period, and we forecast a slight uptick to 1.78 children per woman for the duration of the forecast. TFR for the county's larger sub-areas are expected to be relatively stable as well.

Changes in mortality and life expectancy are more stable compared to fertility and migration. The county and larger sub-areas are projected to follow the statewide trend of increasing life expectancy throughout the forecast period—progressing from a life expectancy of 80 years in 2010 to 87 in 2060. However, in spite of increasing life expectancy and the corresponding increase in survival rates, Yamhill County's aging population will increase the overall number of deaths throughout the forecast period. Larger sub-areas within the county will experience a similar increase in deaths as their populations age.

Migration is the most volatile and challenging demographic component to forecast due to the many factors influencing migration patterns. Economic, social, and environmental factors—such as employment, educational opportunities, housing availability, family ties, cultural affinity, climate

[4] County sub-areas with populations greater than 7,000 in the forecast launch year were forecast using the cohort-component method. County sub-areas with populations less than 7,000 in forecast launch year were forecast using the housing-unit method. See Glossary of Key Terms at the end of this report for a brief description of these methods or refer to the *Methods* document for a more detailed description of these forecasting techniques.

change, and natural amenities—occurring both inside and outside the study area can affect both the direction and the volume of migration.

We assume net migration rates will change in line with historical trends unique to Yamhill County. Net out-migration of younger persons and net in-migration of retirees, middle-aged individuals, and their children will persist throughout the forecast period. Countywide average annual net in-migration is expected to increase from 600 net in-migrants in 2015 to roughly 1,700 net in-migrants in 2035. Over the last 30 years of the forecast period average annual net in-migration is expected to be more steady, remaining at about 1,750 net in-migrants through 2065.

Assumptions for Smaller Sub-Areas

Rates of population growth for the smaller UGBs are determined by corresponding growth in the number of housing units, as well as by changes in housing occupancy rates and PPH. The change in housing unit growth is much more variable than change in housing occupancy rates or PPH.

Occupancy rates and PPH are assumed to stay relatively stable over the forecast period. Smaller household size is associated with an aging population in Yamhill County and its sub-areas.

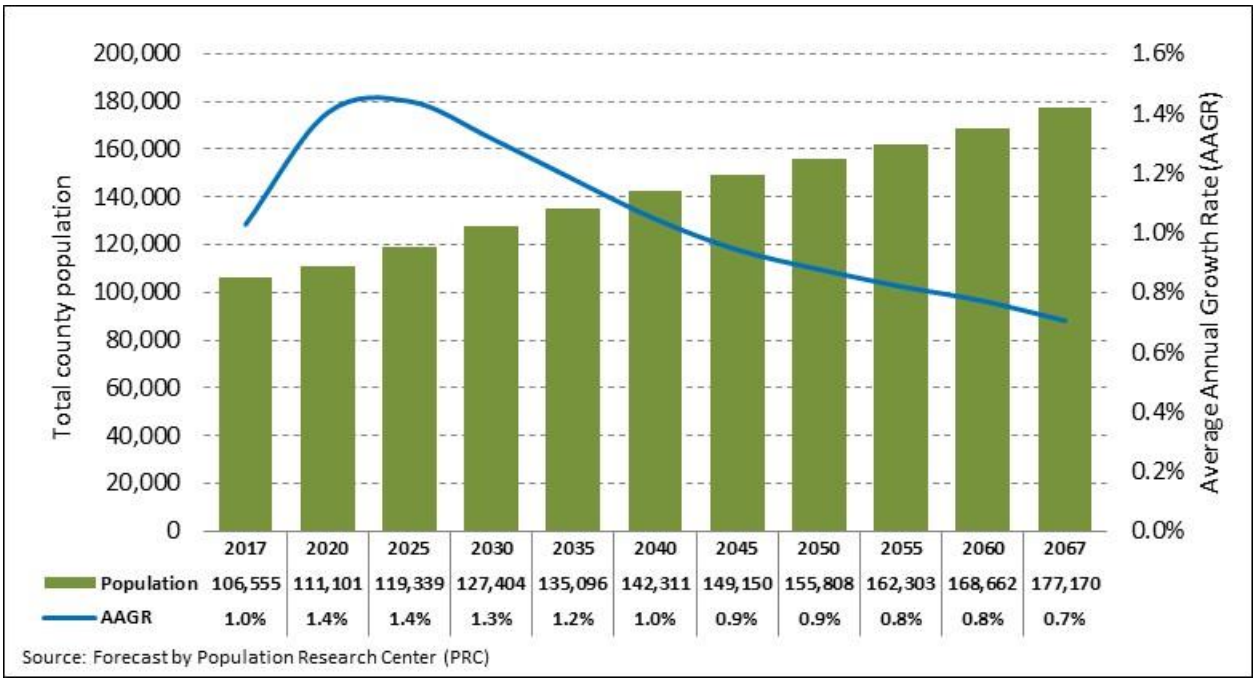
In addition, for sub-areas experiencing population growth we assume a higher growth rate in the near-term, with growth stabilizing over the remainder of the forecast period. If planned housing units were reported in the surveys, then we account for them being constructed over the next 5-15 years or as specified by city officials. Finally, for county sub-areas where population growth has been flat or declined and there is no planned housing construction, we hold population growth mostly stable with little to no change.

Forecast Trends

Under the most-likely population growth scenario for Yamhill County, countywide and sub-area populations are expected to increase over the forecast period. The countywide population growth rate is forecast to peak in 2020 and then slowly decline for the remainder of the forecast period. A reduction in population growth rates is driven by both (1) an aging population—contributing to steady increase in deaths — as well as (2) the expectation of relatively stable in-migration over the second half of the forecast period. The combination of these factors will likely result in population growth rates slowing as time progresses.

Yamhill County's total population is forecast to grow by a little more than 70,000 persons from 2017 to 2067, which translates into a total countywide population of 177,170 in 2067 (**Figure 15**). The population is forecast to grow at the highest rate—just below one and a half percent per year—in the near-term (2017-2025). This anticipated population growth in the near-term is based on three core assumptions: (1) Yamhill County's economy will continue to strengthen in the next 10 years; (2) middle-aged persons will continue migrating into the county—bringing their families or having more children; and (3) empty nesters and retirees will continue migrating into the county, thus increasing deaths. The largest component of growth in this initial period is net in-migration. Over 1,300 more births than deaths are forecast for the 2017 to 2025 period. At the same time roughly 13,000 net in-migrants are also forecast, combining with a diminishing natural increase for continued population growth.

Figure 15. Yamhill County—Total Forecast Population by Five-year Intervals (2017-2067)



Yamhill County's two largest UGBs—McMinnville and Newberg—are forecast to experience a combined population growth of nearly 20,000 from 2017 to 2035 and nearly 37,000 from 2035 to 2067 (**Figure 16**). McMinnville is expected to increase by 9,829 persons from 2017 to 2035 (1.4% AAGR), growing from a

total population of 34,293 in 2017 to 44,122 in 2035. Newberg's population is expected to increase at a slightly faster rate (1.9% AAGR), growing from 24,296 persons in 2017 to 34,021 in 2035. McMinnville and Newberg are forecast to grow more slowly during the second part of the forecast period at 1.1 and 1.3 percent, respectively. We expect both sub-areas to capture increasing shares of the county's total population.

Population outside UGBs is expected to grow by more than 3,700 people from 2017 to 2035, but is expected to decline during the second half of the forecast period, losing roughly 1,000 people from 2035 to 2067. The population of the area outside UGBs is forecast to decline as a share of total countywide population over the forecast period, composing 21 percent of the countywide population in 2017 and less than 19 percent in 2067.

Figure 16. Yamhill County and Larger Sub-Areas—Forecast Population and AAGR

	2017	2035	2067	AAGR (2017-2035)	AAGR (2035-2067)	Share of County 2017	Share of County 2035	Share of County 2067
Yamhill County	*106,555*	*135,096*	*177,170*	*1.3%*	*0.9%*	*100.0%*	*100.0%*	*100.0%*
McMinnville UGB	34,293	44,122	62,804	1.4%	1.1%	32.2%	32.7%	35.4%
Newberg UGB	24,296	34,021	52,135	1.9%	1.3%	22.8%	25.2%	29.4%
Outside UGBs	25,132	28,880	27,812	0.8%	-0.1%	23.6%	21.4%	15.7%
Smaller UGBs	22,834	28,073	34,419	1.2%	0.6%	21.4%	20.8%	19.4%

Source: Forecast by Population Research Center (PRC)

Note: Smaller UGBs are those with populations less than 7,000 in forecast launch year.

McMinnville and Newberg combined are expected to capture the majority of total countywide population growth throughout the forecast period (**Figure 17**). Additionally, the share of the county's growth is expected to increase for both sub-areas, growing from 68 percent during the first 18 years of the forecast (2017-2035) to 85 percent during the 32 year remainder (2035-2067).

Figure 17. Yamhill County and Larger Sub-Areas—Share of Countywide Population Growth

	2017-2035	2035-2067
Yamhill County	*100.0%*	*100.0%*
McMinnville UGB	34.4%	43.3%
Newberg UGB	34.1%	42.0%
Outside UGBs	13.1%	0.0%
Smaller UGBs	18.4%	14.7%

Source: Forecast by Population Research Center (PRC)

Note: Smaller UGBs are those with populations less than 7,000 in forecast launch year.

The remaining smaller UGBs are expected to grow by a combined number of about 5,200 persons from 2017 to 2035, with a combined average annual growth rate of more than one percent (**Figure 16**). This growth rate is due to rapid growth expected in many of the smaller UGBs (**Figure 18**). Carlton, Dundee, Lafayette, and Yamhill (city) sub-areas are expected to grow above one percent annually from 2017 to 2035. Similar to the larger UGBs and the county, population growth rates are forecast to decline for the

second half of the forecast period (2035 to 2067). During that time period we expect the smaller sub-areas to collectively add 6,300 people.

Figure 18. Yamhill County and Smaller Sub-Areas—Forecast Population and AAGR

	2017	2035	2067	AAGR (2017-2035)	AAGR (2035-2067)	Share of County 2017	Share of County 2035	Share of County 2067
Yamhill County	*106,555*	*135,096*	*177,170*	*1.3%*	*0.9%*	*100.0%*	*100.0%*	*100.0%*
Amity UGB	1,642	1,910	2,276	0.8%	0.5%	1.5%	1.4%	1.3%
Carlton UGB	2,229	3,013	3,998	1.7%	0.9%	2.1%	2.2%	2.3%
Dayton UGB	2,837	3,200	3,761	0.7%	0.5%	2.7%	2.4%	2.1%
Dundee UGB	3,243	4,570	6,697	1.9%	1.2%	3.0%	3.4%	3.8%
Gaston UGB (Yamhill)	157	159	161	0.1%	0.0%	0.1%	0.1%	0.1%
Lafayette UGB	4,083	5,717	6,937	1.9%	0.6%	3.8%	4.2%	3.9%
Sheridan UGB	6,340	6,893	7,560	0.5%	0.3%	6.0%	5.1%	4.3%
Willamina UGB (Yamhill)	1,227	1,272	1,360	0.2%	0.2%	1.2%	0.9%	0.8%
Yamhill UGB	1,077	1,338	1,671	1.2%	0.7%	1.0%	1.0%	0.9%
Outside UGBs	25,132	28,880	27,812	0.8%	-0.1%	23.6%	21.4%	15.7%
Larger UGBs	58,589	78,143	114,939	1.6%	1.2%	55.0%	57.8%	64.9%

Source: Forecast by Population Research Center (PRC)

Note: Larger UGBs are those with populations equal to or greater than 7,000 in forecast launch year.

Yamhill County's smaller sub-areas are expected to compose roughly 18 percent of countywide population growth in the first 18 years of the forecast period and about 15 percent in the final 32 years (**Figure 17**). Dundee is expected to capture an increasing share of countywide growth, while the shares of the other smaller sub-areas are expected to remain stable or decline (**Figure 19**).

Figure 19. Yamhill County and Smaller Sub-Areas—Share of Countywide Population Growth

	2017-2035	2035-2067
Yamhill County	*100.0%*	*100.0%*
Amity UGB	0.9%	0.8%
Carlton UGB	2.7%	2.3%
Dayton UGB	1.3%	1.3%
Dundee UGB	4.6%	4.9%
Gaston UGB (Yamhill)	0.0%	0.0%
Lafayette UGB	5.7%	2.8%
Sheridan UGB	1.9%	1.5%
Willamina UGB (Yamhill)	0.2%	0.2%
Yamhill UGB	0.9%	0.8%
Outside UGBs	13.1%	0.0%
Larger UGBs	68.5%	85.3%

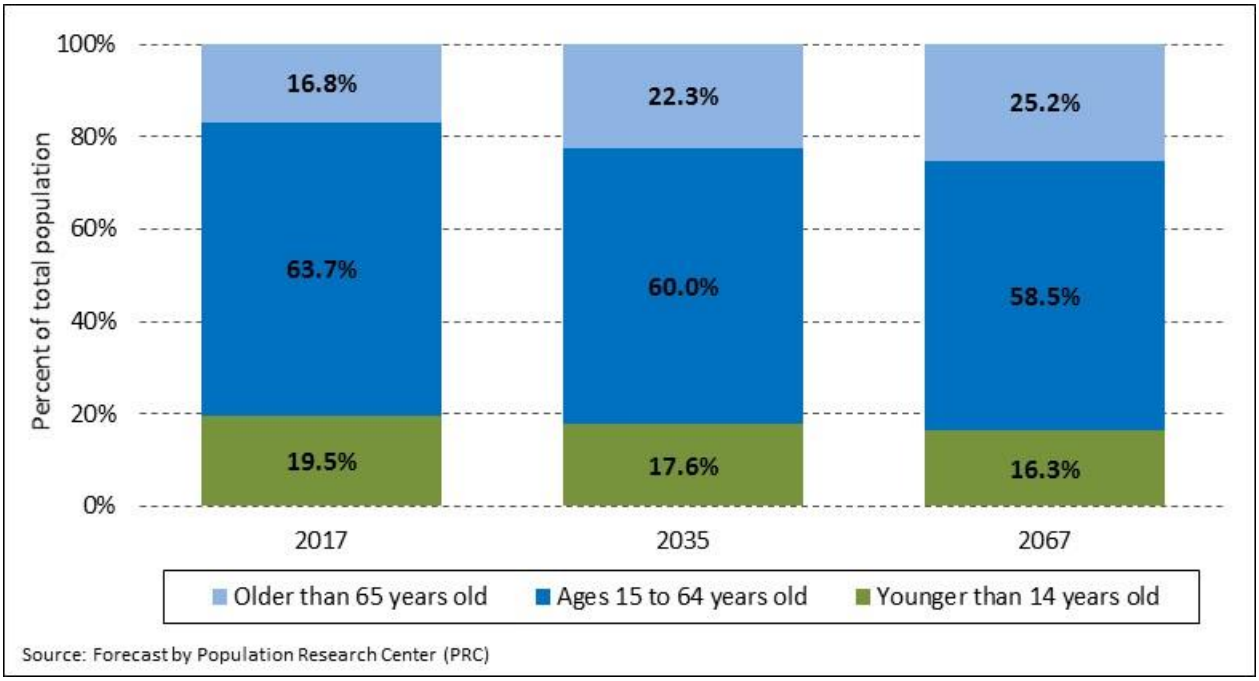
Source: Forecast by Population Research Center (PRC)

Note: Larger UGBs are those with populations equal to or greater than 7,000 in forecast launch year.

Forecast Trends in Components of Population Change

As previously discussed, a key factor in increasing deaths is an aging population. From 2017 to 2035 the proportion of county population 65 or older is forecast to grow from roughly 17 percent to about 22 percent. However, the proportion of the population 65 or older is expected to increase slightly to 25 percent from 2035 to 2067 (**Figure 20**). For a more detailed look at the age structure of Yamhill County's population see the final forecast table published to the forecast program website (http://www.pdx.edu/prc/opfp).

Figure 20. Yamhill County—Age Structure of the Population (2017, 2035, and 2067)

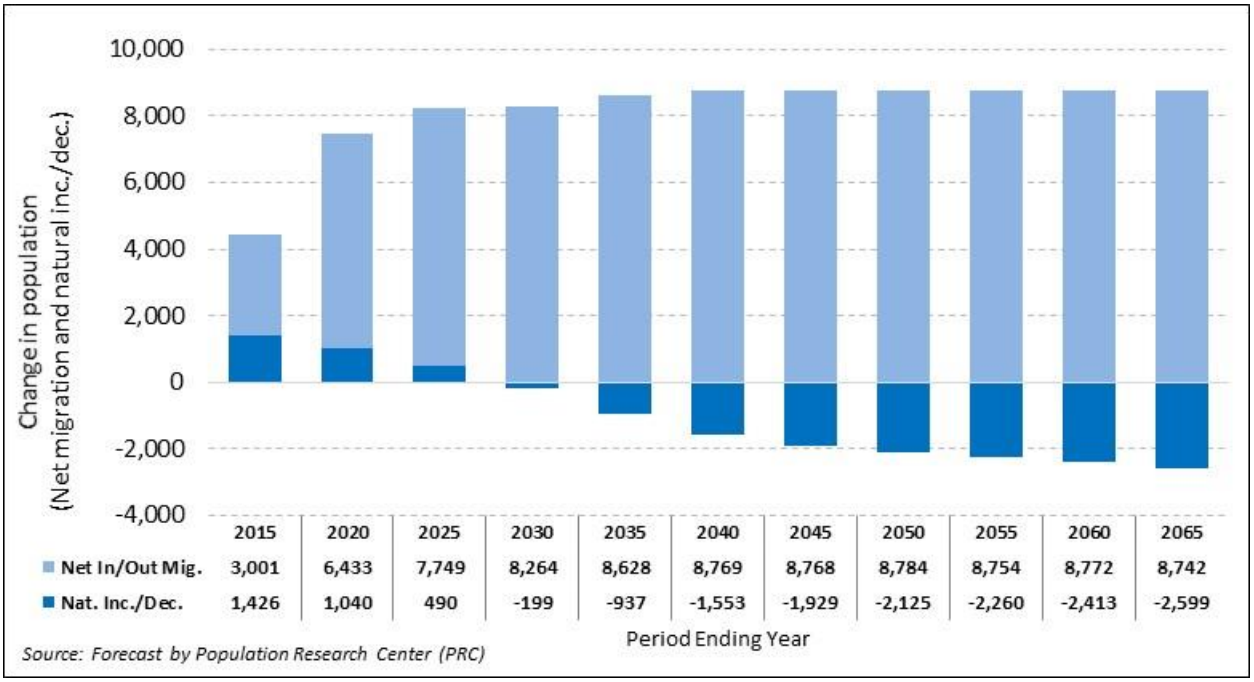


As the countywide population ages in the near-term—contributing to a slow-growing population of women in their years of peak fertility—and more women choose to have children at an older age, the increase in average annual births is expected to slow. This, combined with the rise in the number of deaths, is expected to cause natural increase to transition into a growing natural decrease (**Figure 21**).

Net in-migration is forecast to increase rapidly in the near-term and then remain relatively stable over the remainder of the forecast period. The majority of these net in-migrants are expected to be middle-aged individuals and children under the age of 19.

In summary, a declining natural increase and steady net in-migration are expected to lead to population growth reaching its peak in 2025 and then slightly tapering through the remainder of the forecast period (**Figure 21**). An aging population is expected to not only lead to an increase in deaths, but also in a smaller proportion of women in their childbearing years, likely resulting in a natural increase to transition to a natural decrease. Net in-migration is expected to remain relatively steady throughout the forecast period and will therefore offset a growing natural decrease.

Figure 21. Yamhill County—Components of Population Change, 2015-2065



Glossary of Key Terms

Cohort-Component Method: A method used to forecast future populations based on changes in births, deaths, and migration over time.

Coordinated population forecast: A population forecast prepared for the county along with population forecasts for its urban growth boundary (UGB) areas and non-UGB area.

Housing unit: A house, apartment, mobile home or trailer, group of rooms, or single room that is occupied or is intended for occupancy.

Housing-Unit Method: A method used to forecast future populations based on changes in housing unit counts, vacancy rates, the average numbers of persons per household (PPH), and group quarter population counts.

Occupancy rate: The proportion of total housing units that are occupied by an individual or group of persons.

Persons per household (PPH): The average household size (i.e. the average number of persons per occupied housing unit).

Replacement Level Fertility: The average number of children each woman needs to bear in order to replace the population (to replace each male and female) under current mortality conditions in the U.S. This is commonly estimated to be 2.1 children per woman.

Appendix A: Surveys and Supporting Information

Supporting information is based on planning documents and reports, and from submissions to PRC from city officials and staff, and other stakeholders. The information pertains to characteristics of each city area, and to changes thought to occur in the future. The cities of Amity, Carlton, Dayton, Dundee, Lafayette, Willamina and Yamhill did not submit survey responses.

Amity — Yamhill County— NO RESPONSE						
Observations about Population Composition (e.g. about children, the elderly, racial ethnic groups)	**Observations about Housing (including vacancy rates)**	**Planned Housing Development/ Est. Year Completion**	**Future Group quarters Facilities**	**Future Employers**	**Infrastructure**	**Promotions (Promos) and Hindrances (Hinders) to Population and Housing Growth; Other notes**
						Promos: **Hinders:**

Amity — Yamhill County— NO RESPONSE	
Highlights or summary from planning documents of influences on or anticipation of population and housing growth (including any plans for UGB expansion and the stage in the expansion process)	N/A
Other information (e.g. planning documents, email correspondence, housing development survey)	N/A

Carlton — Yamhill County— NO RESPONSE						
Observations about Population Composition (e.g. about children, the elderly, racial ethnic groups)	**Observations about Housing (including vacancy rates)**	**Planned Housing Development/ Est. Year Completion**	**Future Group quarters Facilities**	**Future Employers**	**Infrastructure**	**Promotions (Promos) and Hindrances (Hinders) to Population and Housing Growth; Other notes**
						Promos: **Hinders:**
Highlights or summary from planning documents of influences on or anticipation of population and housing growth (including any plans for UGB expansion	N/A					

Carlton — Yamhill County— NO RESPONSE	
and the stage in the expansion process)	
Other information (e.g. planning documents, email correspondence, housing development survey)	N/A

Dayton — Yamhill County— NO RESPONSE						
Observations about Population Composition (e.g. about children, the elderly, racial ethnic groups)	**Observations about Housing (including vacancy rates)**	**Planned Housing Development/ Est. Year Completion**	**Future Group quarters Facilities**	**Future Employers**	**Infrastructure**	**Promotions (Promos) and Hindrances (Hinders) to Population and Housing Growth; Other notes**
						Promos: **Hinders:**
Highlights or summary from planning documents of influences on or anticipation of population and housing growth (including any plans for UGB expansion	N/A					

Dayton — Yamhill County— NO RESPONSE	
and the stage in the expansion process)	
Other information (e.g. planning documents, email correspondence, housing development survey)	N/A

Dundee — Yamhill County— NO RESPONSE						
Observations about Population Composition (e.g. about children, the elderly, racial ethnic groups)	**Observations about Housing (including vacancy rates)**	**Planned Housing Development/ Est. Year Completion**	**Future Group quarters Facilities**	**Future Employers**	**Infrastructure**	**Promotions (Promos) and Hindrances (Hinders) to Population and Housing Growth; Other notes**
						Promos: **Hinders:**
Highlights or summary from planning documents of influences on or anticipation of population and housing growth (including any plans for UGB expansion	N/A					

Dundee — Yamhill County— NO RESPONSE	
and the stage in the expansion process)	
Other information (e.g. planning documents, email correspondence, housing development survey)	N/A

Gaston — Yamhill County— NO RESPONSE						
Observations about Population Composition (e.g. about children, the elderly, racial ethnic groups)	**Observations about Housing (including vacancy rates)**	**Planned Housing Development/ Est. Year Completion**	**Future Group quarters Facilities**	**Future Employers**	**Infrastructure**	**Promotions (Promos) and Hindrances (Hinders) to Population and Housing Growth; Other notes**
						Promos: **Hinders:**
Highlights or summary from planning documents of influences on or anticipation of population and housing growth (including any plans for UGB expansion	N/A					

Gaston — Yamhill County— NO RESPONSE	
and the stage in the expansion process)	
Other information (e.g. planning documents, email correspondence, housing development survey)	N/A

Lafayette — Yamhill County— NO RESPONSE						
Observations about Population Composition (e.g. about children, the elderly, racial ethnic groups)	**Observations about Housing (including vacancy rates)**	**Planned Housing Development/ Est. Year Completion**	**Future Group quarters Facilities**	**Future Employers**	**Infrastructure**	**Promotions (Promos) and Hindrances (Hinders) to Population and Housing Growth; Other notes**
						Promos: **Hinders:**
Highlights or summary from planning documents of influences on or anticipation of population and housing growth (including any plans for UGB expansion	N/A					

Lafayette — Yamhill County— NO RESPONSE	
and the stage in the expansion process)	
Other information (e.g. planning documents, email correspondence, housing development survey)	N/A

Mcminnville — Yamhill County— 2/27/2017						
Observations about Population Composition (e.g. about children, the elderly, racial ethnic groups)	**Observations about Housing (including vacancy rates)**	**Planned Housing Development/ Est. Year Completion**	**Future Group quarters Facilities**	**Future Employers**	**Infrastructure**	**Promotions (Promos) and Hindrances (Hinders) to Population and Housing Growth; Other notes**
		There are 961 SFR/SFA units in the pipeline. Of those 961 planned units, the largest development is the Hillcrest Development expecting 441 detached and 50 attached SFR units.				**Promos:** **Hinders:**
Highlights or summary from planning documents of influences on or anticipation of population and	N/A					

housing growth (including any plans for UGB expansion and the stage in the expansion process)	
Other information (e.g. planning documents, email correspondence, housing development survey)	N/A

Newberg — Yamhill County— 11/17/2016						
Observations about Population Composition (e.g. about children, the elderly, racial ethnic groups)	**Observations about Housing (including vacancy rates)**	**Planned Housing Development/ Est. Year Completion**	**Future Group quarters Facilities**	**Future Employers**	**Infrastructure**	**Promotions (Promos) and Hindrances (Hinders) to Population and Housing Growth; Other notes**
George Fox University continues to grow at a healthy rate, with many students now living off campus. Newberg has a large population of seniors, with persons over age 65 making up around 11% of the population. Median age has risen from 30 to	Vacancy rates within the city are extremely low, around 2% for rentals. Housing costs have risen since the end of the Great Recession making it difficult for potential homeowners. Homes in Newberg that in 2010 sold for $170,000 to $189,000 are now selling for between	The Springbrook Master Plan area encompasses approximately 450 acres and will accommodate 1,345 dwelling units when completed. Construction is likely to begin within the next 5 years. Approximately 190 large subdivisions	Friendsview Manor, a retirement community, has a master plan to add 175 multi-family units. Phase 1 of this project is currently underway, which will add 38 units to be completed in 2017.	Manufacturing continues to be a strong sector in the local economy. However, Newberg is facing a shortage of industrial land, which may be addressed through a UGB expansion effort that is likely to begin in the latter half of 2017. Healthcare services continue to be a strong sector of the local economy. Providence Newberg Medical Center has plans in development to construct a medical	City has good water and wastewater infrastructure. This should not be a limiting factor except where topographic constraints exist. For example, the area within the UGB along Chehalem Drive cannot currently be annexed and developed until sewer and water mainlines are	**Promos:** The City is actively planning for future growth, including a likely UGB expansion effort in the latter part of 2017. Newberg is completing a Downtown Improvement Plan geared at making downtown Newberg a thriving commercial core post-Bypass when some of the traffic, particularly large truck traffic, has been removed. Newberg has received a TGM grant to update the Riverfront Master Plan, which will look at best uses for the Riverfront area post-Bypass and post-mill. Proximity to

Newberg — Yamhill County— 11/17/2016						
32. The Newberg Hispanic population is approximately 15% of the population, risen from 10% in 2000. Newberg continues to be a family friendly community, attracting families with children. Newberg continues to be predominantly white. Because of Newberg's proximity to the Portland Metro area and other job centers, people continue to move to Newberg while	$242,000 and $275,000. A modest 1200 square foot home in Newberg will cost $280,000 to build and sell today (land $90,000, City fees $30,000, build cost $120,000, realtor fees $14,000 and profit/overhead $26,000). Affordable housing continues to be an important issue. There is very little multifamily land to develop. The existing stock of housing for low income families is static and there is a competition between low income families and George Fox University students	have recently been approved, with more properties either having Preapplication meetings about annexation and subdivision or beginning the annexation process. These properties are located in north Newberg and make up the bulk of the UGB area along the northern city limits line between Chehalem Drive and Terrace Drive. A 6 acre property was rezoned for	George Fox University has a 20 year master plan which includes future dormitory housing but the timing is unknown.	office building on their campus and discussions are underway on additional medical office space within the community. The City is in discussions with Veterans Affairs and Oregon Department of Human Services on facilities and services to serve the Newberg community. Newberg has adopted an Economic Development Strategy which focuses on retaining and expanding existing industrial and commercial business along with attracting new commercial and industrial businesses to the community. The City is coordinating recruitment activities with Business Oregon,	extended north from the Hwy 240 pump station – this is a significant infrastructure project that will likely take an LID or a large development funded effort to complete. The Phase 1 Bypass is under construction and slated to be finished in 2017. Newberg has good electricity and natural gas infrastructure. Newberg schools have been expanded and upgraded	the Portland Metropolitan area makes Newberg an attractive location for those desiring to live with a small city ambience but close to big city amenities. It also is attractive to businesses who want to expand without Metro regulations/taxes/traffic. Newberg has high quality of life: good parks, schools, access to the Willamette, a high quality golf course, a great downtown, access to Oregon's Wine Country. Newberg has a supply of ready to go residential land. **Hinders:** Land use laws and appeals have and are likely to continue to thwart economic opportunities. Previous UGB expansion efforts have been met with

commuting out to jobs in other locations, particularly as housing prices in the Portland Metro area rise higher than the outlying areas.	for affordable housing. The current waiting list for subsidized housing is 2 to 4 years for elderly or handicapped applicants; years longer for others. A Housing Task Force has been formed to address the housing affordability issue within the community. Under discussion are hostels, dormitories, tiny homes, cottages, seniors, farmworker, artist and disabled housing.	high density residential in 2015; this property could accommodate a maximum of 147 dwelling units. About 360 additional SFR units are in the pre-application phase looking for annexations or subdivisions.		Strategic economic Development Corporation and Greater Portland Inc. Examples of new commercial businesses are Black Bear Diner, Starbucks, AT&T, Growler House. Industrial development growth has occurred through employee hires at facilities such as A-dec and A.R.E. Manufacturing. The Chehalem Valley Innovation Accelerator has been established to assist technology based entrepreneurs start businesses. Two tenants are located in the facility. Tourism continues to be a strong sector of the local economy and is supported by the	consistently to meet needs. The City is in the final stages of updating its Transportation System Plan and it is scheduled to be adopted in December 2016. The Newberg-Dundee Bypass is under construction and scheduled to be open in December 2017. The City is in discussions on a Transportation Utility Fee to address the maintenance of our roadway infrastructure.	significant opposition from outside groups. Traffic in downtown Newberg will still be relatively heavy post-Bypass. Newberg lacks affordable housing.

				Newberg Strategic Tourism Plan adopted in June 2016 to expand tourism opportunities and investments. With closure of the WestRock mill site the City will be updating its Riverfront Master Plan to address redevelopment of the site for industrial development as well as mixed use development. Garmor is advancing its plans to develop a major retail complex on Highway 99W across from Providence Newberg Medical Center. The Newberg Downton Improvement Plan is in its final stages of adoption to enhance the downtown area with		

Newberg — Yamhill County— 11/17/2016						
				new development opportunities. George Fox University has prepared a new master plan for expansion of academic facilities for the next 20 years which includes education buildings, dormitories, activity center and parking in response to its growing student population.		
Highlights or summary from planning documents of influences on or anticipation of population and housing growth (including any plans for UGB expansion and the stage in the	Newberg attempted a UGB expansion for industrial land from 2009-2015; this was ultimately unsuccessful. We are currently doing a "UGB pre-work" planning project via a DLCD grant that will include a BLI. This is in anticipation of a future UGB amendment application, potentially using the new streamlined OAR 660 Division 38, once we are eligible. We are not currently doing any forecasting work until we have our updated population forecast, in accordance with the new state laws. Newberg also recently received a TGM grant to update the Riverfront Master Plan, which is anticipated to be a future growth area. The Riverfront area is already within the UGB, but land uses may change somewhat with the new update, particularly as relates to the now closed WestRock mill site (former paper mill site – 200+ acres).					

expansion process)	
Other information (e.g. planning documents, email correspondence, housing development survey)	**According to PRC background research:** - The future land needs were predicted on a population projection produced in 2004. That forecast estimated a 2035 population of over 48,000, which is 10,000 more than the 2012 forecast produced by PRC. A comparison of commercial and industrial land needs to supply resulted in the conclusion that there was a deficit in both land uses at the time. The City subsequently initiated the process of expanding its UGB but after nearly 10 years of negotiations, the City Council voted to withdraw the application. - Findings from buildable and analysis in 2005 shows that the City had a deficit of residential land to meet needs through 2025 in all residential categories. - The Newberg Enterprise Zone is also a rural zone that was designated in 2014 and terminates in 2024. It is sponsored by the City of Newberg.

Sheridan — Yamhill County— 2/27/2017						
Observations about Population Composition (e.g. about children, the elderly, racial ethnic groups)	**Observations about Housing (including vacancy rates)**	**Planned Housing Development/Est. Year Completion**	**Future Group quarters Facilities**	**Future Employers**	**Infrastructure**	**Promotions (Promos) and Hindrances (Hinders) to Population and Housing Growth; Other notes**
Sheridan does not seem to have as high a percentage of Hispanic people as the cities in northern Yamhill County.	There does not seem to be a lot of "executive" housing.	The owner/developer of an 11.8 acre site contacted the city late 2016 about a manufactured home park. The site has wetland issues (no wetland determination yet) and a drainage ditch that will reduce the buildable acres by an unknown amount. He's doing prelim things. No application as of yet.	None known	Forest River Co. (FRC) owns the 24 acre Liberty Homes site with 112,000 and 104,000 sq. ft. buildings. FRC will move most of their Dallas, OR operations to Sheridan and begin production on or about 7/1/17 with 100 – 200 employees.	Sewer, water, storm drainage and streets are adequate to accommodate growth.	**Promos:** The FRC will be a boost to the demand for housing **Hinders:** There are no built subdivisions with vacant lots for houses. Residential development will be on an infill basis until a subdivision is approved, but no subdivision is on the horizon.

Sheridan — Yamhill County— 2/27/2017	
Highlights or summary from planning documents of influences on or anticipation of population and housing growth (including any plans for UGB expansion and the stage in the expansion process)	No plan now for UGB expansion, but FRC's employment could spur the city to add a 30-ac property that is an Exception Area (1st priority to add to the UGB per ORS 197).
Other information (e.g. planning documents, email correspondence, housing development survey)	N/A

Willamina — Yamhill County— NO RESPONSE						
Observations about Population Composition (e.g. about children, the elderly, racial ethnic groups)	**Observations about Housing (including vacancy rates)**	**Planned Housing Development/ Est. Year Completion**	**Future Group quarters Facilities**	**Future Employers**	**Infrastructure**	**Promotions (Promos) and Hindrances (Hinders) to Population and Housing Growth; Other notes**
						Promos: **Hinders:**
Highlights or summary from planning documents of influences on or anticipation of population and housing growth (including any plans for UGB expansion	N/A					

Willamina — Yamhill County— NO RESPONSE	
and the stage in the expansion process)	
Other information (e.g. planning documents, email correspondence, housing development survey)	N/A

Yamhill — Yamhill County— NO RESPONSE						
Observations about Population Composition (e.g. about children, the elderly, racial ethnic groups)	**Observations about Housing (including vacancy rates)**	**Planned Housing Development/ Est. Year Completion**	**Future Group quarters Facilities**	**Future Employers**	**Infrastructure**	**Promotions (Promos) and Hindrances (Hinders) to Population and Housing Growth; Other notes**
						Promos: **Hinders:**
Highlights or summary from planning documents of influences on or anticipation of population and housing growth (including any plans for UGB expansion	N/A					

Yamhill — Yamhill County— NO RESPONSE	
and the stage in the expansion process)	
Other information (e.g. planning documents, email correspondence, housing development survey)	N/A

Appendix B: Specific Assumptions

Amity

The 5-year average annual housing unit growth rate is assumed to decline throughout the forecast period. The occupancy rate is assumed to be steady at 93.8 percent throughout the 50 year horizon. PPH is assumed to be stable at 3.01 over the forecast period. There is no group quarters population in Amity.

Carlton

The 5-year average annual housing unit growth rate is assumed to rapidly increase to 2.02 percent during the first 10 years and then decline thereafter. The occupancy rate is assumed to be steady at 92.4 percent throughout the 50 year horizon. PPH is assumed to be stable at 2.83 over the forecast period. There is no group quarters population in Carlton.

Dayton

The 5-year average annual housing unit growth rate is assumed to slowly decline throughout the forecast period. The occupancy rate is assumed to be steady at 94.6 percent throughout the 50 year horizon. PPH is assumed to gradually decline from 3.17 to 3.07 during the entire forecast period. There is no group quarters population in Dayton.

Dundee

The 5-year average annual housing unit growth rate is assumed to increase to 2.05 percent during the first 10 years and then decline thereafter. The occupancy rate is assumed to be steady at 96.7 percent throughout the 50 year horizon. PPH is assumed to be stable at 2.78 over the forecast period. Group quarters population is assumed to remain at 8.

Gaston

The 5-year average annual housing unit growth rate is assumed to decline throughout the forecast period. The occupancy rate is assumed be steady at 96 percent throughout the 50 year horizon. PPH is assumed to be stable at 2.66 over the forecast period. There is no group quarters population in Gaston.

Lafayette

The 5-year average annual housing unit growth rate is assumed to decline throughout the forecast period. The occupancy rate is assumed to be increase from 91.9 to 93.3 percent in the first 5 years of the forecast period and then remain stable thereafter. PPH is assumed to be stable at 3.10 over the forecast period. There is no group quarters population in Lafayette.

McMinnville

Total fertility rates are assumed to follow a historical trend (observed from the 2000 to 2010 period) and gradually decline over the forecast period. Survival rates are assumed to be the same as those forecast for the county as a whole; these rates are expected to gradually increase over the 50-year period. Age specific net migration rates are assumed to follow historical county patterns.

Newberg

Total fertility rates are assumed to be stable throughout the forecast period. Survival rates are assumed to be the same as those forecast for the county as a whole; these rates are expected to gradually increase over the 50-year period. Age specific net migration rates are assumed to follow historical county patterns, but with higher rates for retirees.

Sheridan

The 5-year average annual housing unit growth rate is assumed to increase to 0.88 percent during the first 10 years and then decline thereafter. The occupancy rate is assumed be steady at 92.4 percent throughout the 50 year horizon. PPH is assumed to be stable at 2.77 over the forecast period. Group quarters population is assumed to remain at 2023.

Willamina

The 5-year average annual housing unit growth rate is assumed to increase from 0.08 percent to 0.24 percent during the first 10 years and then slowly decline thereafter. The occupancy rate is assumed be steady at 90 percent throughout the 50 year horizon. PPH is assumed to be stable at 2.96 over the forecast period. Group quarters population is assumed to remain at 11.

Yamhill City

The 5-year average annual housing unit growth rate is assumed to increase from 0.67 percent to 1.24 percent during the first 10 years and then decline thereafter. The occupancy rate is assumed be steady at 94.1 percent throughout the 50 year horizon. PPH is assumed to be stable at 2.88 over the forecast period. Group quarters population is assumed to remain at 9.

Outside UGBs

The 5-year average annual housing unit growth rate is assumed to increase to 0.72 percent during the first 10 years and then decline thereafter. The occupancy rate is assumed be steady at 92.8 percent throughout the 50 year horizon. PPH is assumed to be stable at 2.67 over the forecast period. Group quarters population is assumed to remain at 369.

Appendix C: Detailed Population Forecast Results

Figure 22. Yamhill County—Population by Five-Year Age Group

Population Forecasts by Age Group / Year	2017	2020	2025	2030	2035	2040	2045	2050	2055	2060	2065	2067
00-04	6,582	6,674	6,978	7,241	7,483	7,727	7,982	8,248	8,506	8,750	8,980	9,072
05-09	6,958	7,147	7,378	7,713	8,004	8,263	8,517	8,784	9,062	9,335	9,591	9,689
10-14	7,190	7,335	7,736	7,985	8,348	8,652	8,915	9,173	9,445	9,731	10,012	10,118
15-19	7,889	7,983	8,320	8,775	9,056	9,456	9,782	10,061	10,334	10,627	10,934	11,056
20-24	7,139	7,325	7,544	7,862	8,291	8,545	8,902	9,191	9,434	9,676	9,935	10,045
25-29	6,341	6,564	6,918	7,133	7,433	7,833	8,055	8,375	8,628	8,844	9,057	9,149
30-34	6,345	6,514	6,963	7,339	7,565	7,875	8,284	8,504	8,828	9,085	9,301	9,388
35-39	6,779	7,027	7,404	7,916	8,345	8,596	8,934	9,385	9,622	9,979	10,260	10,355
40-44	6,865	7,133	7,640	8,048	8,606	9,065	9,316	9,669	10,138	10,384	10,759	10,878
45-49	6,698	6,877	7,401	7,931	8,358	8,932	9,395	9,642	9,995	10,472	10,718	10,871
50-54	6,711	6,774	7,149	7,700	8,256	8,693	9,280	9,751	9,993	10,352	10,837	10,938
55-59	6,651	6,670	6,843	7,229	7,796	8,356	8,790	9,375	9,844	10,084	10,444	10,638
60-64	6,481	6,676	6,777	6,961	7,365	7,944	8,511	8,948	9,541	10,019	10,265	10,412
65-69	5,732	6,350	6,738	6,846	7,038	7,446	8,027	8,592	9,025	9,621	10,100	10,198
70-74	4,311	5,059	6,066	6,448	6,563	6,750	7,145	7,705	8,248	8,667	9,245	9,431
75-79	3,283	3,864	5,014	5,975	6,311	6,373	6,499	6,823	7,298	7,748	8,071	8,256
80-84	2,223	2,592	3,388	4,380	5,200	5,465	5,487	5,564	5,806	6,175	6,519	6,613
85+	2,377	2,534	3,083	3,923	5,079	6,339	7,331	8,019	8,555	9,114	9,777	10,061
Total	**106,555**	**111,101**	**119,339**	**127,404**	**135,096**	**142,311**	**149,150**	**155,808**	**162,303**	**168,662**	**174,806**	**177,170**

Population Forecasts prepared by: Population Research Center, Portland State University, June 30, 2017.

Figure 23. Yamhill County's Sub-Areas—Total Population

Area / Year	2017	2020	2025	2030	2035	2040	2045	2050	2055	2060	2065	2067
Yamhill County	106,555	111,101	119,339	127,404	135,096	142,311	149,150	155,808	162,303	168,662	174,806	177,170
Amity UGB	1,642	1,691	1,769	1,840	1,910	1,975	2,038	2,096	2,154	2,206	2,257	2,276
Carlton UGB	2,229	2,340	2,586	2,813	3,013	3,204	3,384	3,551	3,704	3,841	3,959	3,998
Dayton UGB	2,837	2,914	3,004	3,108	3,200	3,290	3,376	3,461	3,545	3,628	3,723	3,761
Dundee UGB	3,243	3,408	3,772	4,158	4,570	4,936	5,296	5,645	5,979	6,296	6,590	6,697
Gaston UGB (Yamhill)	157	157	158	158	159	159	159	160	160	160	161	161
Lafayette UGB	4,083	4,436	4,958	5,375	5,717	5,970	6,187	6,367	6,540	6,709	6,872	6,937
McMinnville UGB	34,293	35,709	38,437	41,255	44,122	46,956	49,728	52,541	55,428	58,449	61,557	62,803
Newberg UGB	24,296	25,889	28,602	31,336	34,021	36,709	39,393	42,101	44,984	47,966	50,957	52,135
Sheridan UGB	6,340	6,401	6,598	6,754	6,893	7,016	7,122	7,225	7,326	7,424	7,521	7,560
Willamina UGB (Yamhill)	1,227	1,230	1,245	1,259	1,272	1,287	1,302	1,315	1,328	1,341	1,355	1,360
Yamhill UGB	1,077	1,099	1,184	1,264	1,338	1,406	1,467	1,514	1,560	1,606	1,652	1,671
Outside UGB Area	25,132	25,827	27,027	28,084	28,880	29,403	29,698	29,831	29,594	29,037	28,203	27,812

Population Forecasts prepared by: Population Research Center, Portland State University, June 30, 2017.