

WELCOME TO MCMINNVILLE'S PUBLIC OPEN HOUSE!

HOUSING NEEDS ANALYSIS (HNA) RESIDENTIAL BUILDABLE LAND INVENTORY HOUSING STRATEGY

THANK YOU FOR ATTENDING



WHAT ARE WE PLANNING FOR?

The City of McMinnville has initiated work to determine housing needs for the next 5, 10, 20, and nearly 50 years, and to develop a strategy to meet those needs. The project involves three major components:

HOUSING NEEDS ANALYSIS (HNA)

The Housing Needs Analysis will identify “what” the needs are. It is based on an official population forecast, and it will identify the different types and mix of housing to meet the needs for McMinnville’s households of different income levels. Based on this information, it will identify how much land will be needed for different housing types. If the City does not have enough land to meet identified needs, it must develop new plans and policies to meet the need -accommodate more housing within the UGB, through a UGB expansion, or a combination of the two.

RESIDENTIAL BUILDABLE LAND INVENTORY

In Oregon, cities have Urban Growth Boundaries (UGBs) which must accommodate residential, employment, and other land needs for the next 20 years. The Residential Buildable Land Inventory will identify how much land within the UGB is already developed and how much remains available to meet future housing needs.

McMinnville is looking at this required 20-year period, as well as shorter and longer term needs, to develop the strategy.

HOUSING STRATEGY

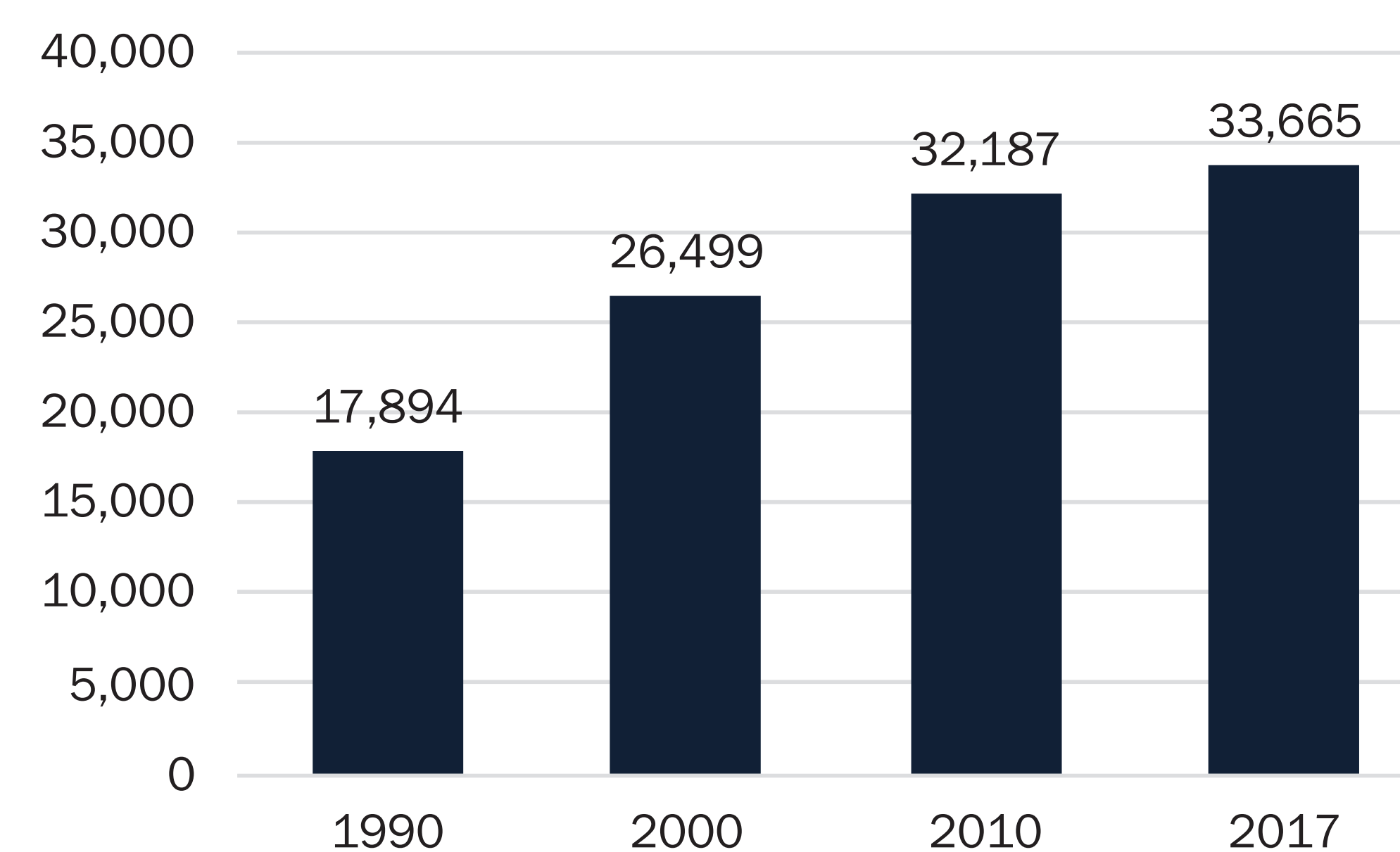
The Housing Strategy will identify “how” to address identified housing needs. The Housing Strategy will identify policy options to meet the identified needs in ways that will provide housing choice for McMinnville’s citizens, providing a livable community of great neighborhoods, and enduring value for generations to come.

WHY ARE WE PLANNING? MCMINNVILLE IS GROWING!

WHAT QUESTIONS WILL THIS WORK ANSWER?

- How much will McMinnville grow in the next 5, 10, 20 and 50 years?
- How much housing does McMinnville have now? What are the characteristics of the existing housing supply such as housing type, cost, location, and others?
- How many new homes will be needed to accommodate projected growth? How many of each residential structure type (e.g., single family, multi-family, etc.) are required?
- How many acres of residential land in the McMinnville Urban Growth Boundary are vacant and buildable?
- Does the community have enough land to accommodate the projected households?
- What policy options does the city have to accommodate the needs of all current and future households? What strategies can the city implement and adopt to address identified needs?
- What should McMinnville do to accommodate the need of all current and future households?

Historical Population Growth in McMinnville City Limits
McMinnville grew by 15,771 people from 1990 to 2017.



Forecast of Population Growth and Needed Housing, McMinnville Urban Growth Boundary
McMinnville is forecast to add 11,260 more people between 2021 to 2041.

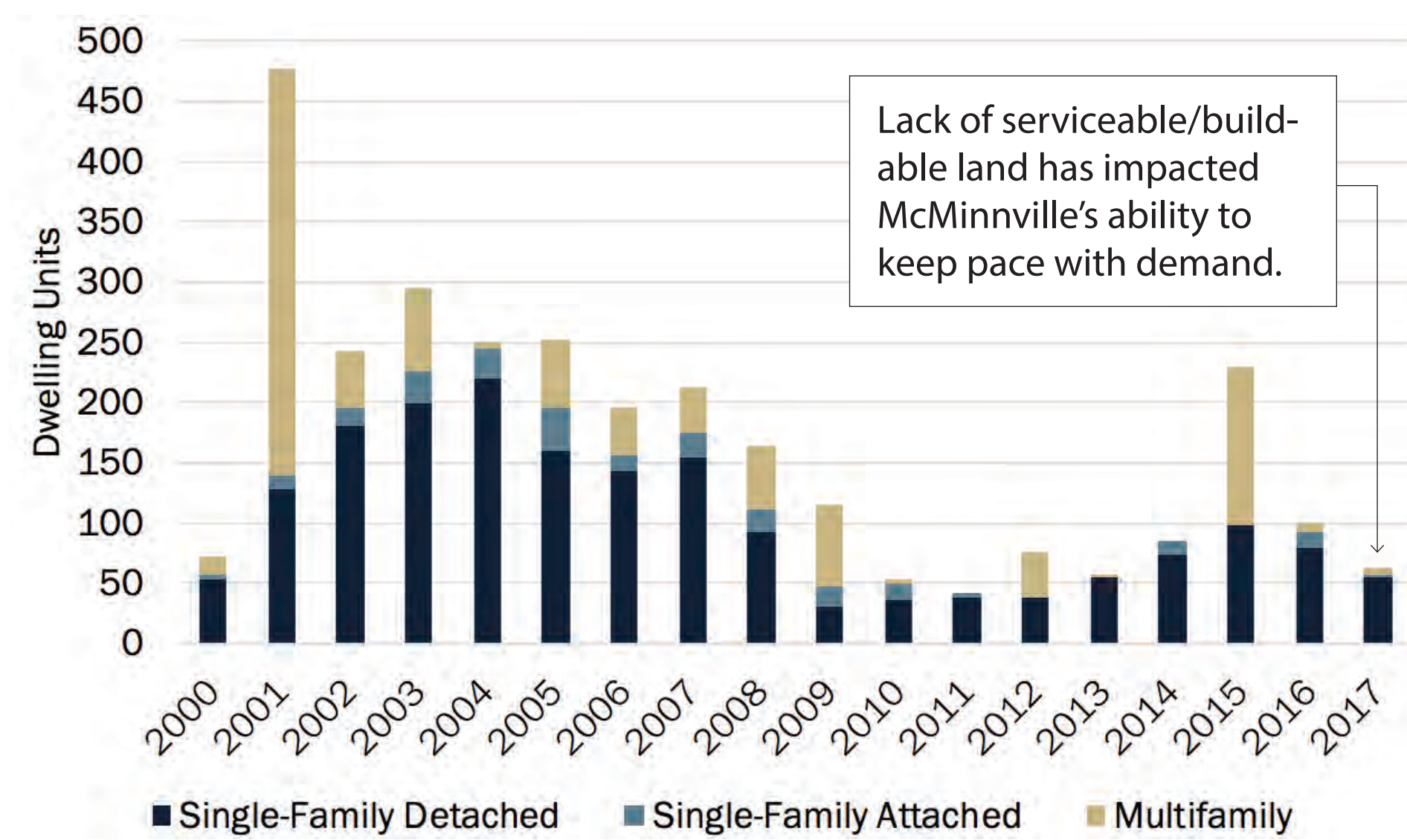
| | New Population | New Dwelling Units Needed (based on new population) |
|----------------------|----------------|---|
| 5-Years (2021-2026) | 2,746 | 1,078 |
| 10-Years (2021-2031) | 5,575 | 2,190 |
| 20-Years (2021-2041) | 11,260 | 4,424 |
| 46-Years (2021-2067) | 26,565 | 10,435 |



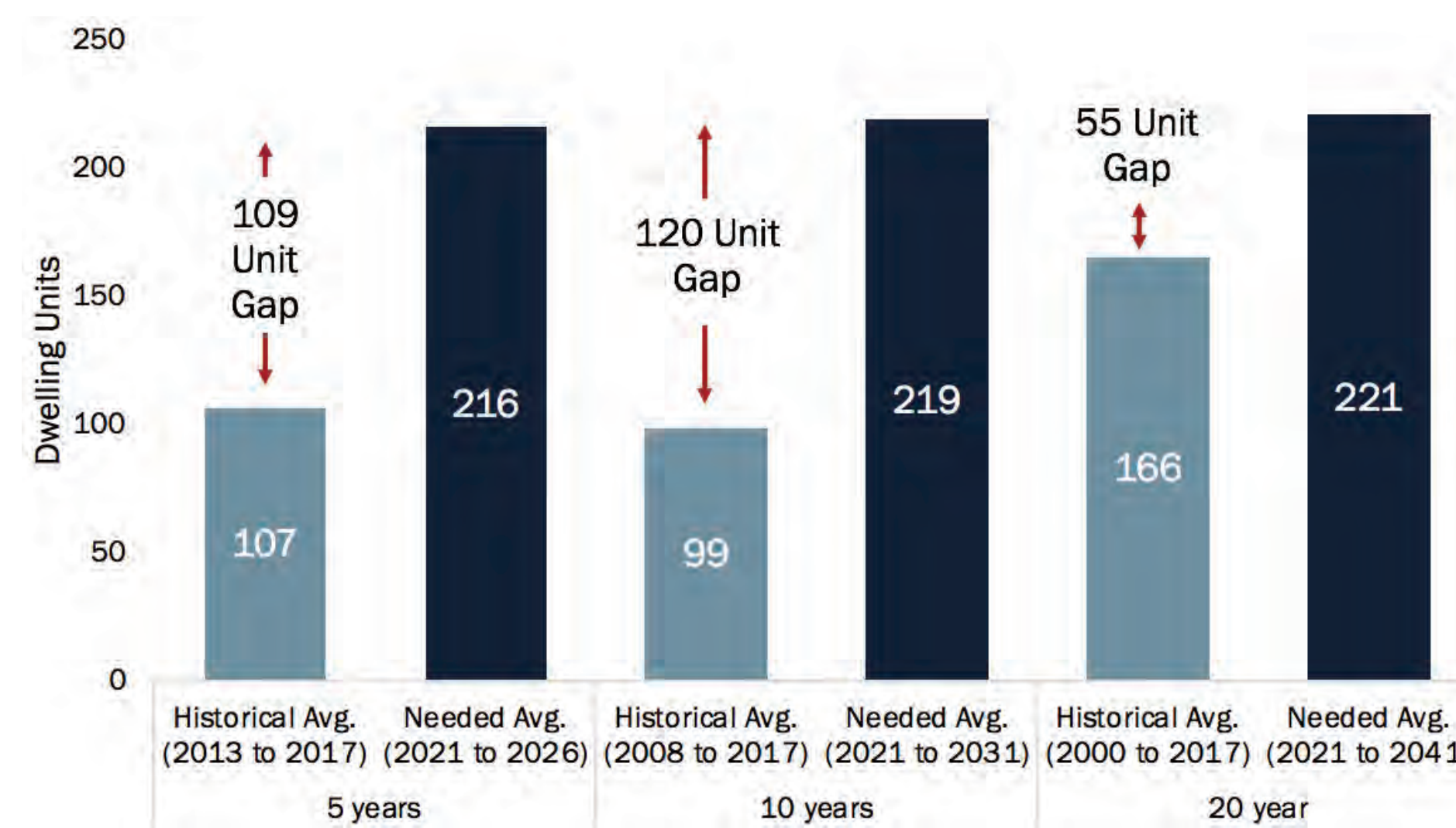
HOW MUCH HOUSING WILL MCMINNVILLE NEED FOR THE 5, 10, 20, AND 46-YEAR PLANNING HORIZONS?

HOUSING DEVELOPMENT HAS NOT KEPT PACE WITH DEMAND.

Historical Housing Development
McMinnville added 3,038 dwelling units from 2000 to 2017, at an average of 179 units per year.



Historical Production vs. Need: How far off are we?
In order to meet needs, McMinnville will need to develop more housing than it has in the past.



WHAT TYPE OF HOUSING WILL MCMINNVILLE NEED?

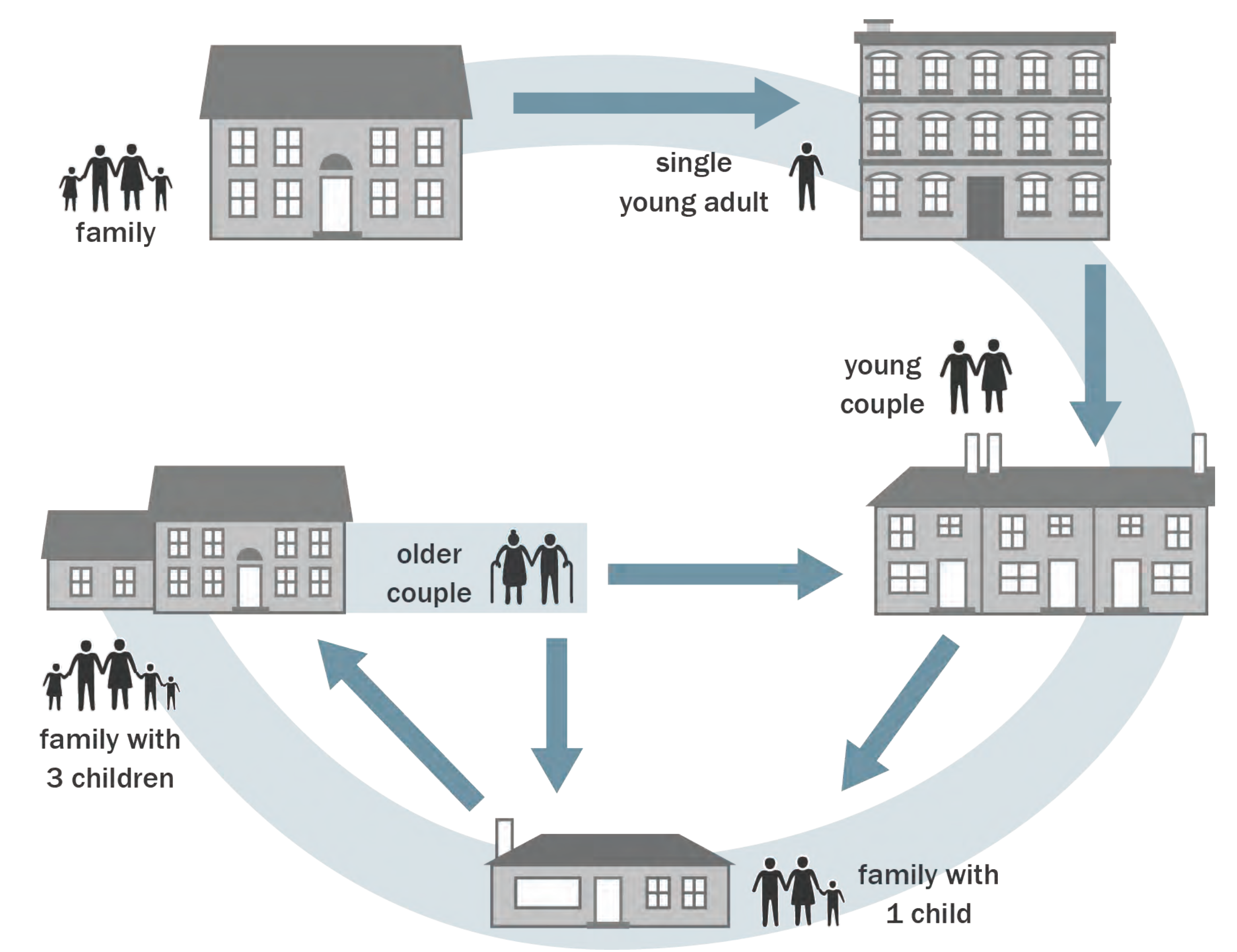
McMinnville will need 4,424 new dwelling units to accommodate this new growth between 2021 and 2041. Housing mix determines the share of housing units by housing type. The table below illustrates this point using McMinnville's historical housing mix.

Historical Housing Mix:



| | Total Housing Units | Single-Family Detached Housing | Single-Family Attached Housing | Multifamily Housing |
|----------------------|---------------------|--------------------------------|--------------------------------|---------------------|
| 5-Years (2021-2026) | 1,078 new units | 667 new units | 81 new units | 330 new units |
| 10-Years (2021-2031) | 2,190 new units | 1,353 new units | 164 new units | 673 new units |
| 20-Years (2021-2041) | 4,424 new units | 2,733 new units | 332 new units | 1,359 new units |
| 46-Years (2021-2067) | 10,435 new units | 6,447 new units | 783 new units | 3,205 new units |

- Q.** What will drive demand for housing?
- A.** The biggest drivers of housing choice are: income, age, and household composition. The graphic below illustrates these factors and how they change over a lifetime.



KEY POINTS:

McMinnville will need more housing, of all types, to accommodate new residents.



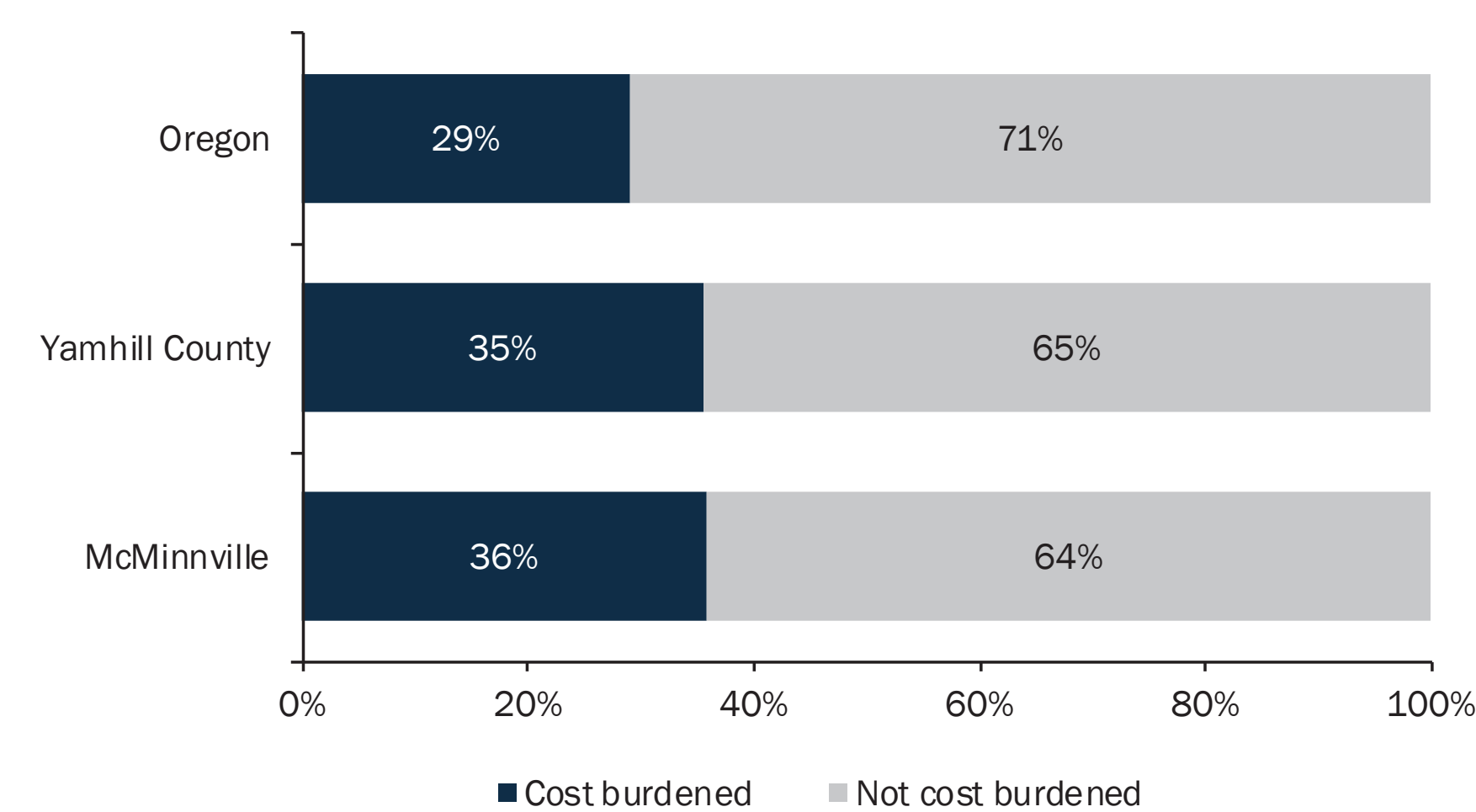
HOW MANY AND WHAT TYPES OF HOUSEHOLDS FACE HOUSING AFFORDABILITY CHALLENGES IN MCMINNVILLE?

Housing is becoming less affordable in McMinnville. Housing affordability is affected by a variety of factors. According to findings from a focus group conducted with Realtors, housing developers, and housing providers, housing costs have increased because the cost of land, raw materials, and labor have increased. In addition, there is just not enough housing products (supply) on the market for either ownership or rent, which increases competition for available units.

COST BURDEN RATES

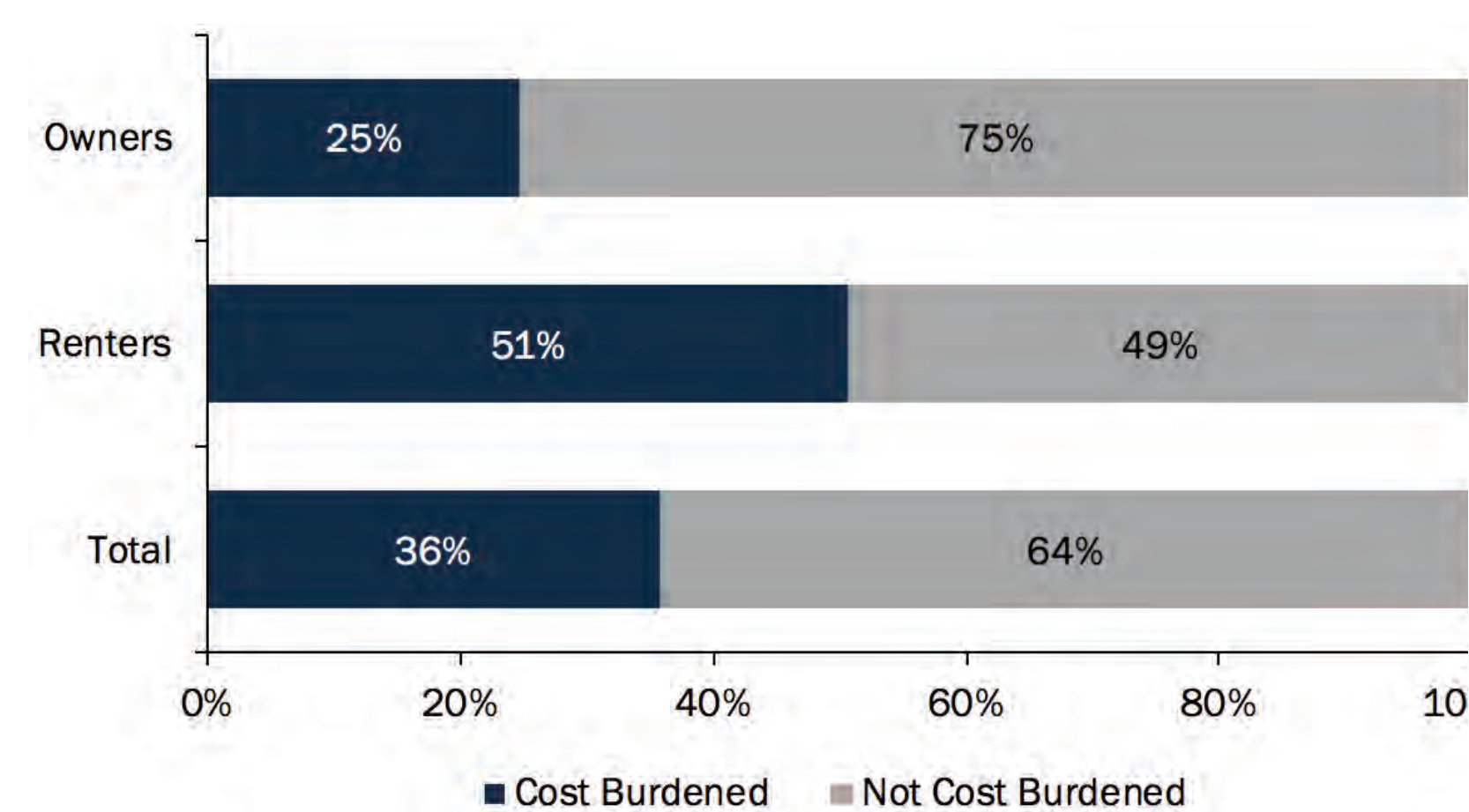
Households are considered cost burdened if they spend more than 30% of their gross income on housing costs, including rent, mortgage, utilities, property taxes, and other housing costs.

In 2016, 36% of McMinnville's households were cost burdened. This is consistent with increases in cost-burdened households within Oregon and across the Nation.



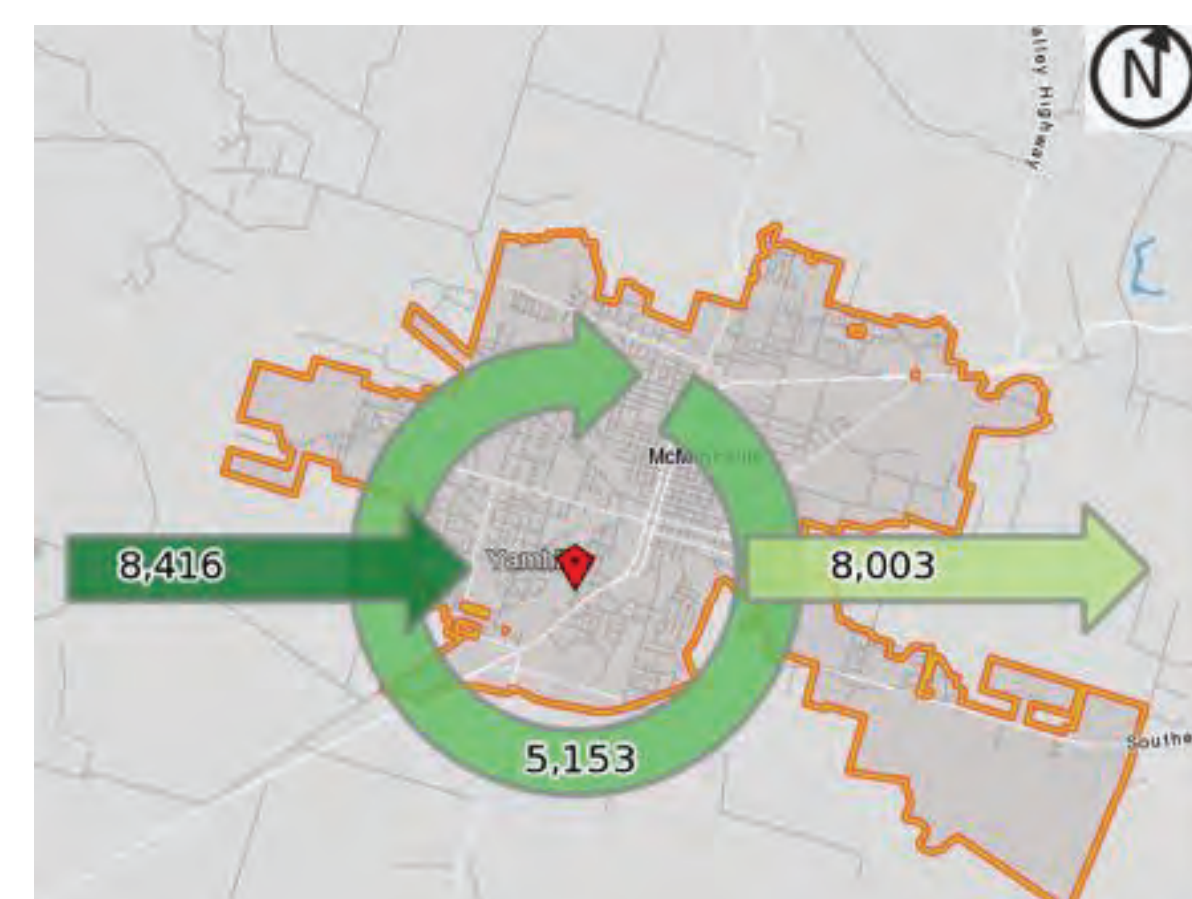
COST BURDEN BY TENURE (RENT/OWN)

Renter households are more frequently cost burdened than homeowners. In McMinnville, 51% of renter households were cost burdened, compared with 53% in Yamhill County and 53% in Oregon.



COMMUTING

- Most people who live in McMinnville work outside of McMinnville, most frequently in Portland, Salem, and Newberg.
- Almost 40% of employed residents live in McMinnville and work in McMinnville.
- Many people living elsewhere commute to McMinnville to work.



CURRENT HOUSING AFFORDABILITY GAP, MCMINNVILLE, 2018

This exhibit compares the number of households by income with the number of units affordable in McMinnville. It reflects a current deficit of housing affordable to households earning between \$10,000 and \$25,000 annually and households earning \$100,000 annually or more.

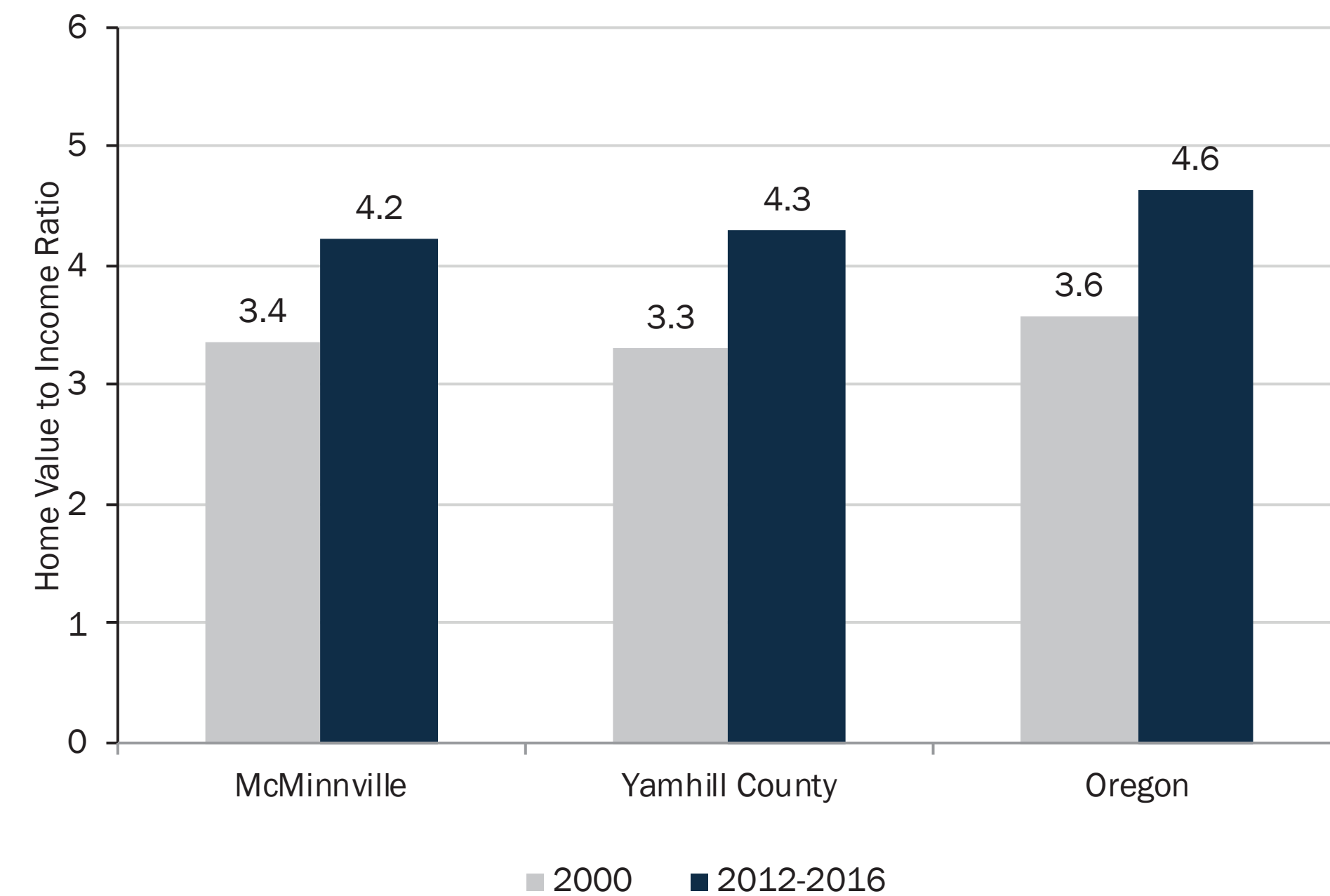


KEY POINTS: Many households are struggling to afford housing costs in McMinnville, especially renters. The City needs to provide opportunities for development as well as support a wider range of housing types to support residents' needs.

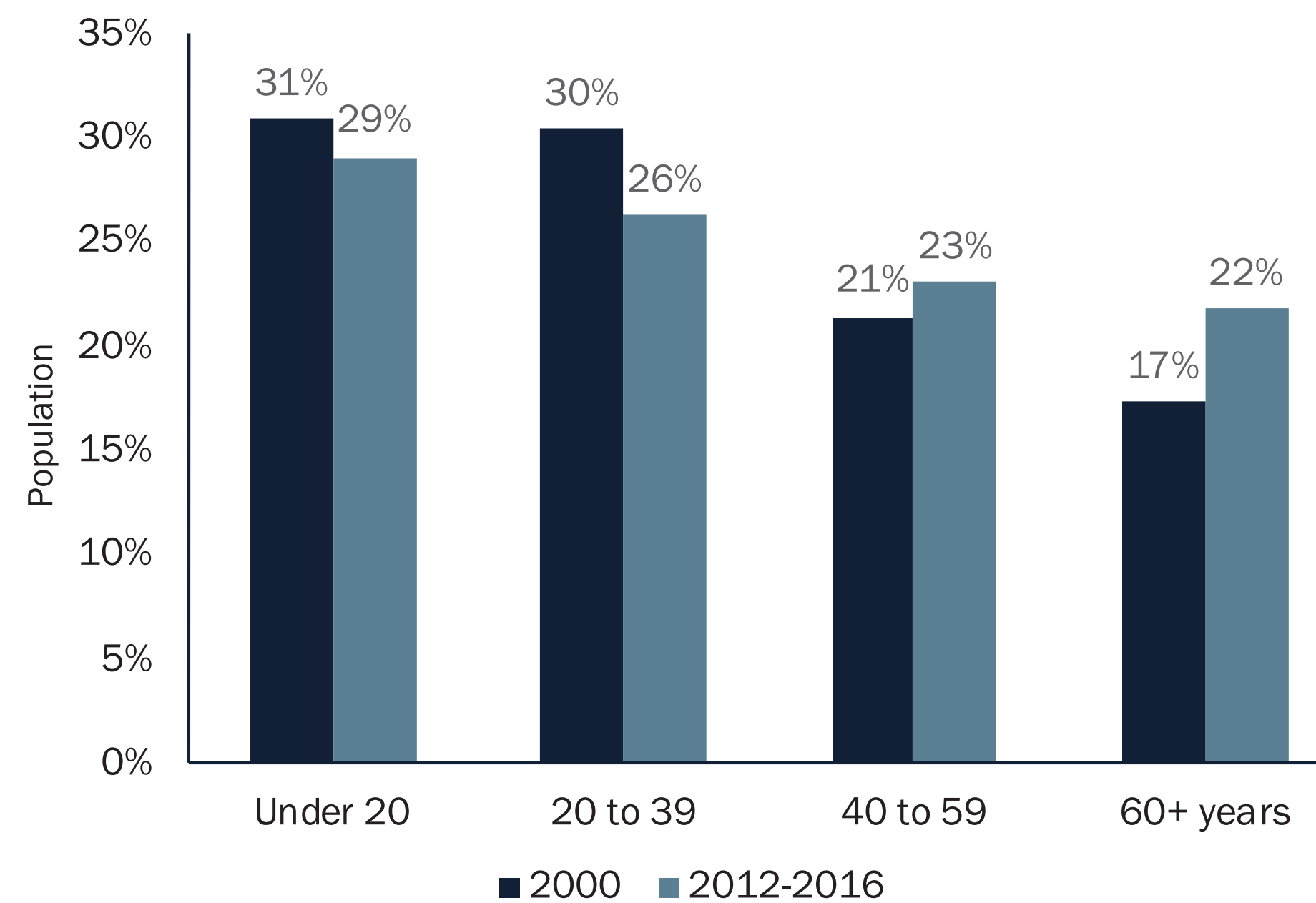


WHAT FACTORS WILL AFFECT MCMINNVILLE'S HOUSING NEEDS OVER THE 5, 10, 20, AND 46-YEAR PLANNING HORIZONS?

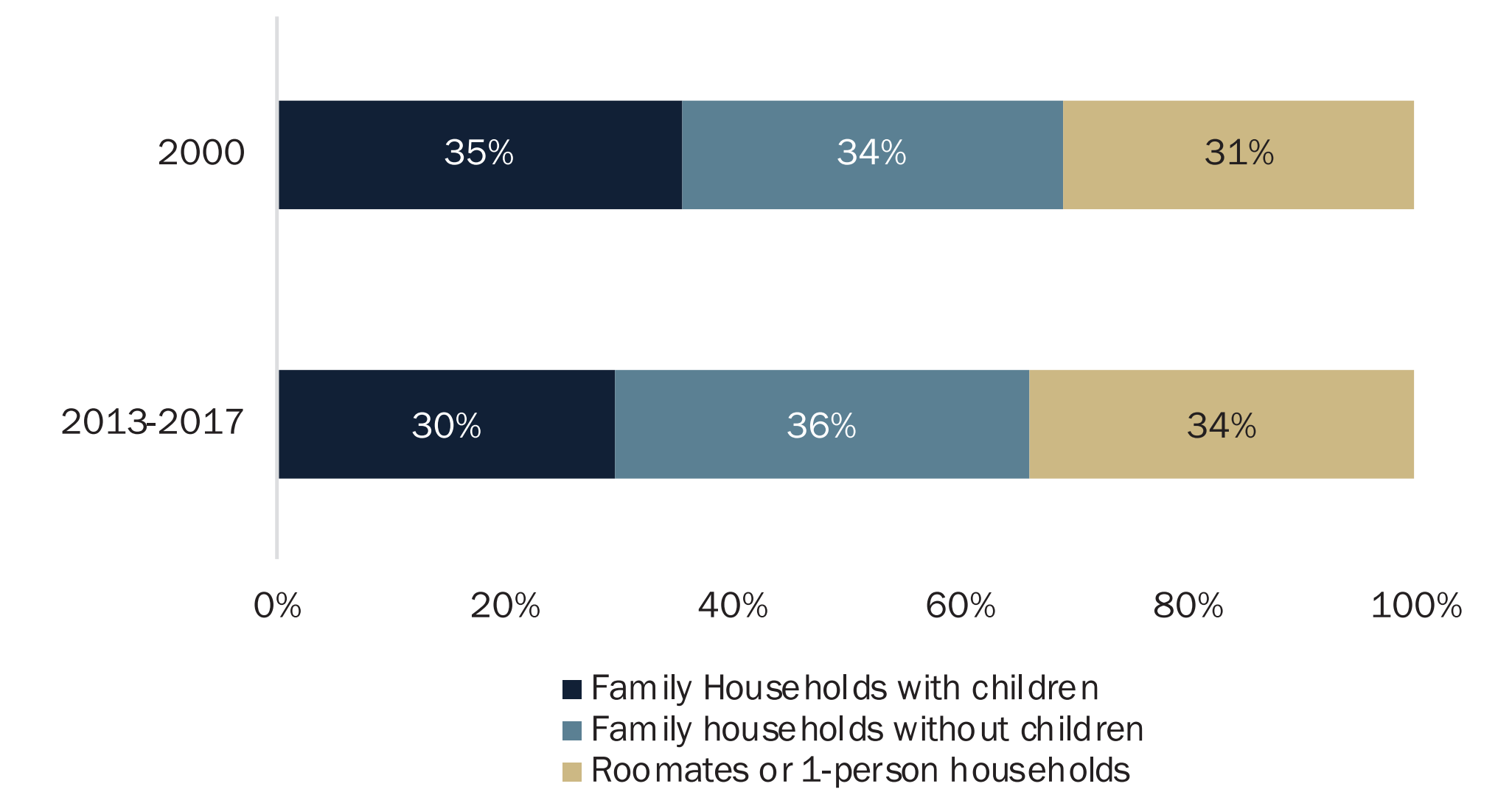
Ratio of Median Housing Value to Median Income
Housing prices have risen faster than incomes. In McMinnville the median home value was 3.4 times the median income in 2000, increasing to 4.2 by 2016.



Historical Change in Age Structure, McMinnville
McMinnville's population is getting older.

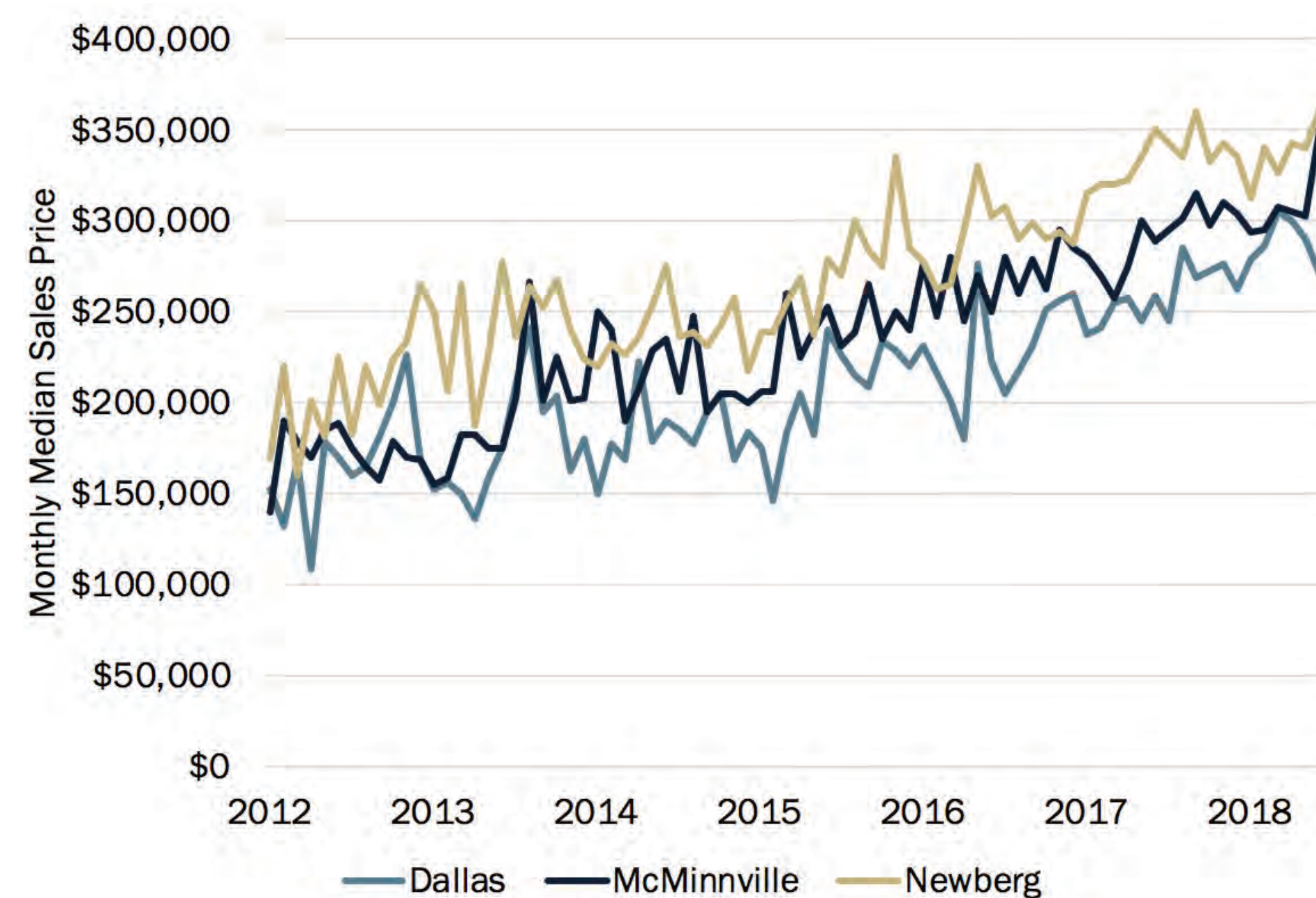


Change in Household Composition, McMinnville, 2017
McMinnville has a smaller share of family households with children than in 2000.



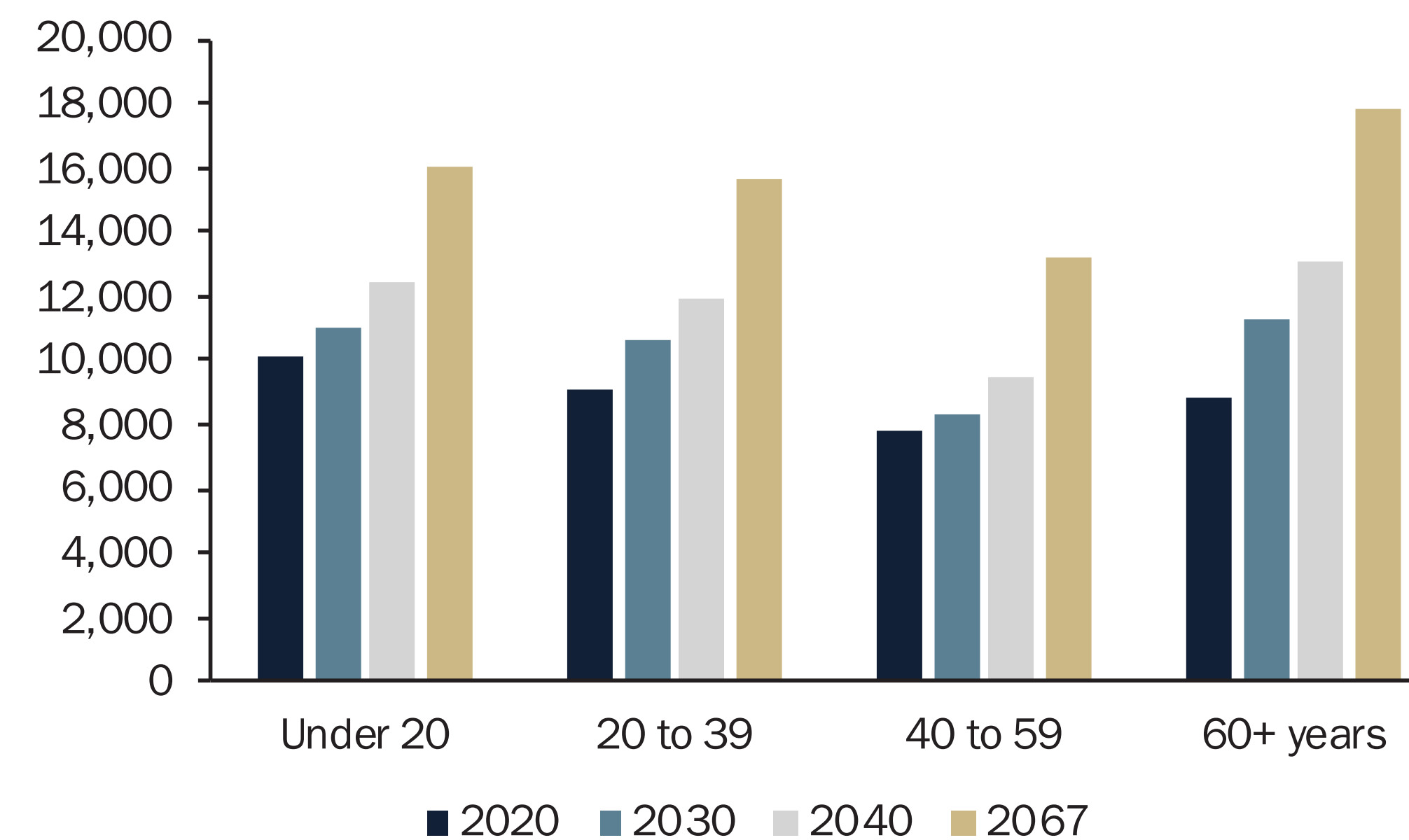
Housing Sales Prices
The median housing sales price in McMinnville increased by \$86,500 (42%) between January 2015 and January 2018.

McMinnville's housing prices grew slower than Newberg's, but faster than Dallas'.



Forecast Change in Age Structure, McMinnville
People 60 and older are expected to grow by 48% in McMinnville by 2040.

By 2040, Millennials will be aged 40 - 60 years old and their housing needs will change as they age.



KEY POINTS:

- As households age, there will be more demand for smaller units for smaller households.
- Demand for affordable units will continue to rise as housing prices rise faster than incomes.



WHAT TYPES OF HOUSING DOES MCMINNVILLE NEED?

McMinnville’s Housing Needs Analysis identifies a need for a wide range of housing types—affordable at all income levels. McMinnville is required to provide opportunities for development of single-family detached, single-family attached, and multifamily housing, but there are many housing options within these general categories, including neighborhoods with a mixture of housing types and scales.

The City’s zoning map and ordinances ensure that the City provides opportunities for different housing types. From your perspective, what housing types do you think make McMinnville’s neighborhoods great?

SINGLE-FAMILY DETACHED

Single family detached homes are stand-alone residential dwellings. Single family detached housing range in size from tiny homes to McMansions.



Detached Accessory Dwelling Unit (DADU)
Note: Technically multifamily, DADUs can give the appearance of a standalone residential building.



Tiny Cottage
Note: When grouped together around shared space, these are called Cottage Clusters.



Small Cottage



Small Lot Single Family



Executive Housing

SINGLE-FAMILY ATTACHED

Townhouses are attached single-family units, where each unit is on an individual lot. Townhouses can be lower cost and a comparatively affordable form of housing for ownership or for rentals.



Townhome Next to Single Family Detached Home



Corner Lot Townhome



Traditional Townhome



Side of Townhome Near Pedestrian Pathway



Townhomes Offset from Street

MULTIFAMILY HOUSING

Multifamily housing range in the number of units per structure, from duplexes, tri-plexes, quad-plexes, and apartment buildings with five or more units. McMinnville has examples of a wide range of multifamily housing.



Duplex



Triplex



Small Scale Apartment with Side Parking



Garden Apartment



Mixed Use

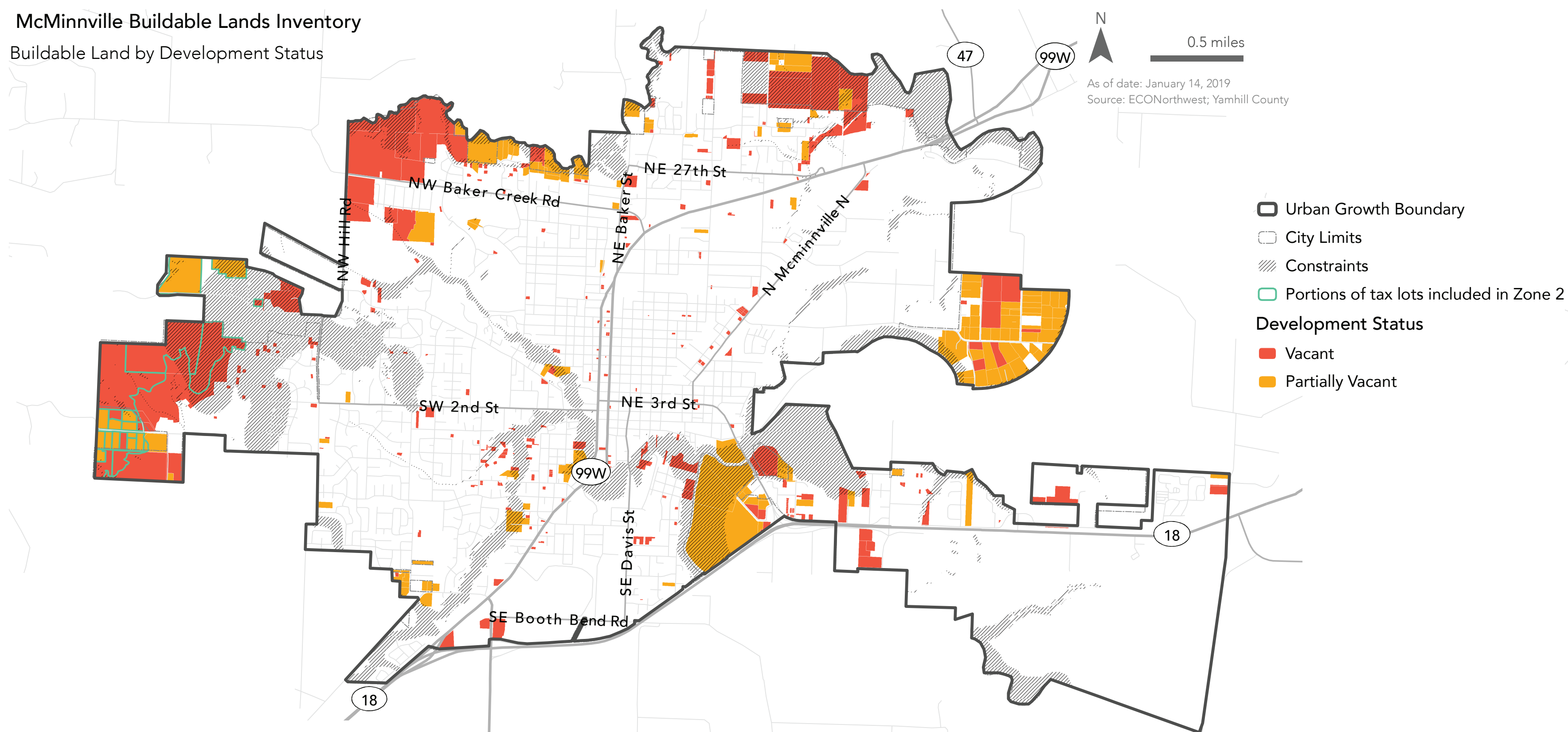


What should the City consider when planning for a mix of housing types?



HOW MUCH LAND DOES MCMINNVILLE HAVE THAT IS AVAILABLE FOR NEW HOUSING?

McMinnville Buildable Lands Inventory
Buildable Land by Development Status



| 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. | | | | | | | | | |
| EF-80 (County Zone) | 68 | - | 68 | 63 | - | 63 | 5 | - | 5 |
| LDR9000 (County Zone) | 3 | - | 3 | 3 | - | 3 | 0 | - | 0 |
| VDR-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 |

We are still identifying the residential land needs required to meet the housing needs and determine the amount of buildable lands deficit. This will be influenced by policy considerations.

KEY POINTS:

The study found McMinnville has approximately 721 buildable acres in the Urban Growth Boundary to accommodate the 4,424 needed housing units through 2021.

- Most of this is “gross acres,” so a portion will be dedicated as future streets (roughly 20%), and not all of this land will be in future buildable lots.
- The areas identified in the table and on the map as “Zone 2” won’t be able to develop until a future water storage tank has been built to provide water to that area (about 130 acres).
- Some of the land is in commercial zones that also allow residential uses; however, most of the land is expected to develop for commercial use (about 60 acres).
- Much of the buildable land in the UGB is outside city limits, and still has county farm or rural residential zoning. It may not all be available for city residential development. Not all owners will necessarily request annexation and apply to subdivide the properties for residential development during the planning period (about 70 farm acres and about 285 county rural residential acres).
- Only about 300 acres are already in the city limits and zoned for residential development. Much of this is currently in the process of subdividing, and about 80 buildable acres in City limits is in the “Zone 2” area).

CATEGORIZING LANDS:

Development Status

The buildable lands inventory categorizes all residential (and commercial land where housing is a permitted use) into the following categories:

- **Vacant land.** Tax lots that have no structures or have buildings with very little improvement value are considered vacant.
- **Partially vacant land.** Partially vacant tax lots are those occupied by a use, but which contain enough land to be developed further without a change in zoning.
- **Developed land.** Developed land is developed at densities consistent with the city’s zoning and has improvements that make it unlikely to redevelop before 2041.
- **Public or exempt land.** Lands in most public or semi-public ownership are considered unavailable for development

Constraints

Development constraints are identified, such as wetlands, floodplain, steep slopes, etc.

Buildable Lands

Buildable lands are those classified as vacant or partially vacant, after deducting identified constraints.

Infill & Redevelopment

Assumptions are also made about the extent of infill and redevelopment expected to occur on other lands.



HOW WILL MCMINNVILLE ENSURE NEIGHBORHOODS ARE LIVABLE NOW AND IN THE FUTURE?

McMinnville's Great Neighborhood Principles will guide land use patterns, design, and development of the places where McMinnville citizens live, work, and play.



Natural Feature Preservation

1

Great Neighborhoods are sensitive to the natural conditions and features of the land.



Scenic Views

2

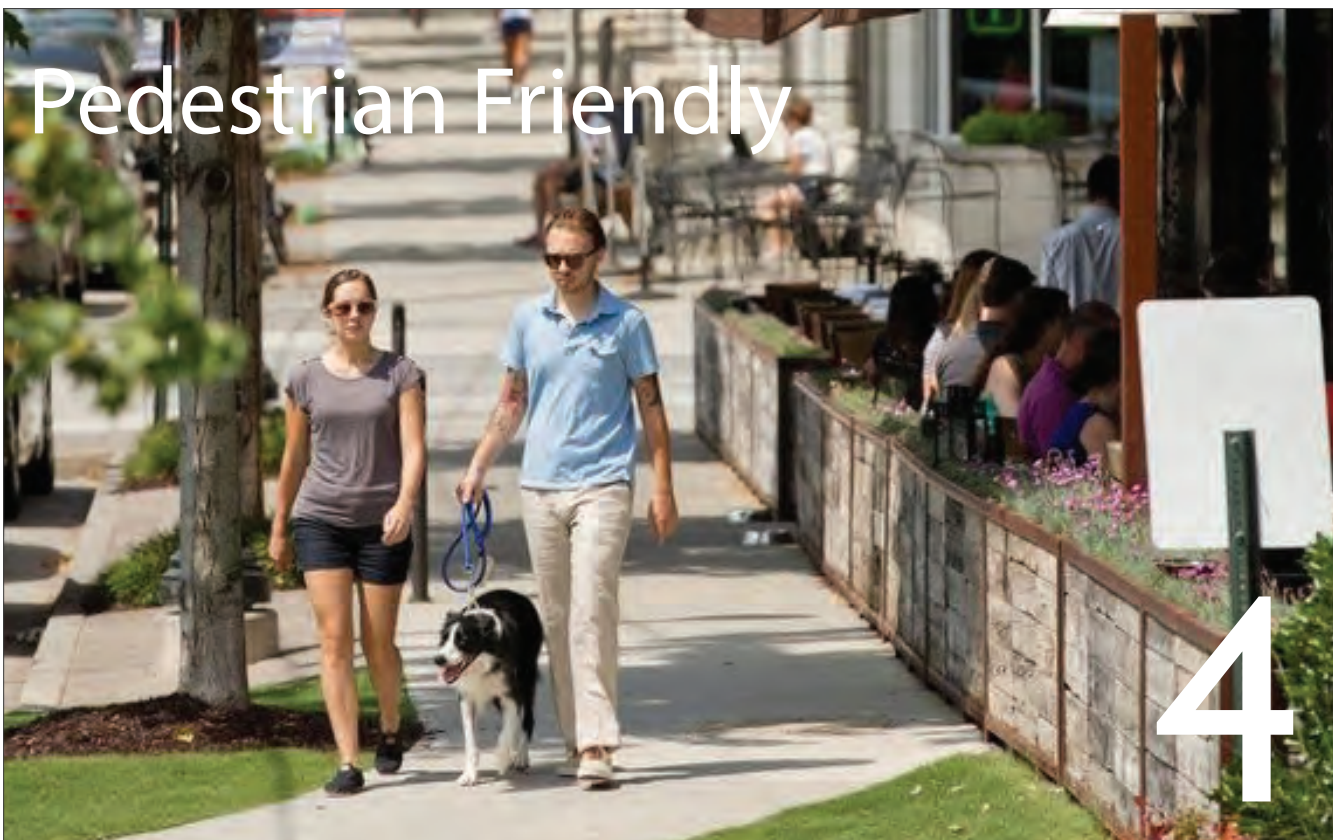
Great Neighborhoods preserve scenic views in areas that everyone can access.



Parks and Open Spaces

3

Great Neighborhoods have open and recreational spaces to walk, play, gather, and commune as a neighborhood.



Pedestrian Friendly

4

Great Neighborhoods are pedestrian friendly for people of all ages and abilities.



Bike Friendly

5

Great Neighborhoods are bike friendly for people of all ages and abilities.



Connected Streets

6

Great Neighborhoods have interconnected streets that provide safe travel route options, increased connectivity between places and destinations, and easy pedestrian and bike use.



Accessibility

7

Great Neighborhoods are designed to be accessible and allow for ease of use for people of all ages and abilities.



Human Scale Design

8

Great Neighborhoods have buildings and spaces that are designed to be comfortable at a human scale and that foster human interaction within the built environment.



Mix of Activities

9

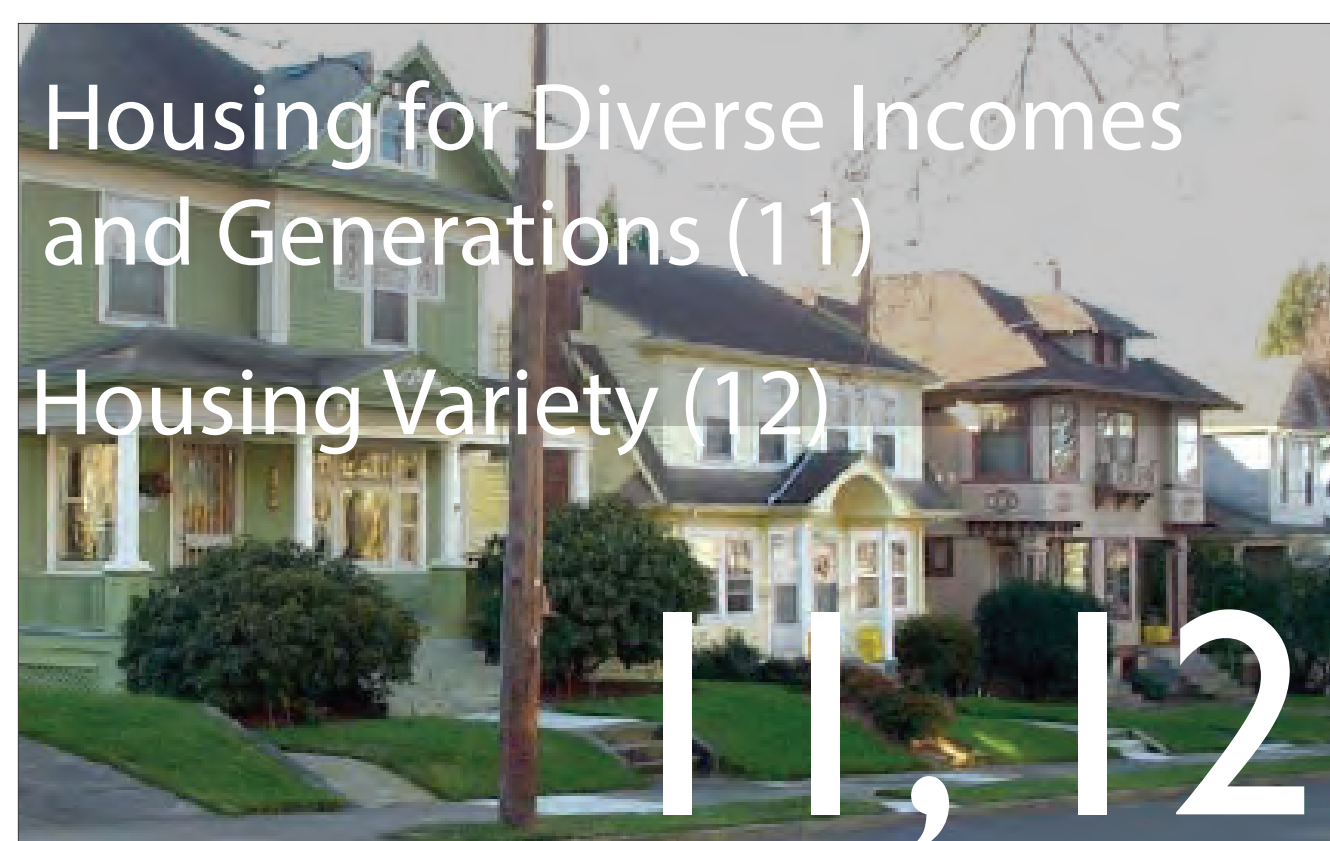
Great Neighborhoods provide easy and convenient access to many of the destinations, activities, and local services that residents use on a daily basis.



Urban-Rural Interface

10

Great Neighborhoods complement adjacent rural areas and transition between urban and rural uses.

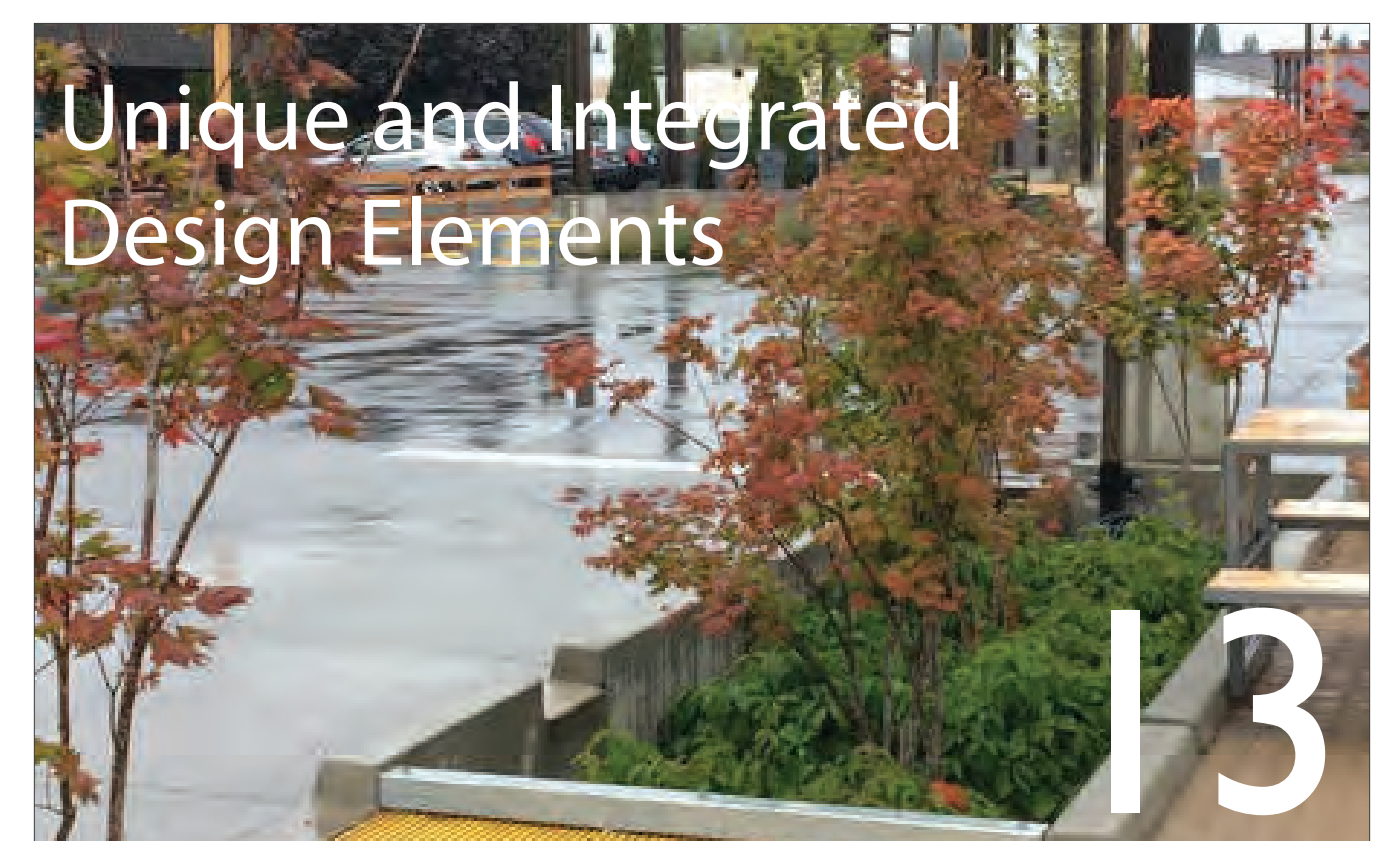


Housing for Diverse Incomes and Generations (11)

Housing Variety (12)

11, 12

11 - Great Neighborhoods provide housing opportunities for people and families in all stages of life.
12 - Great Neighborhoods have a variety of building forms and architectural variety to avoid monoculture design.



Unique and Integrated Design Elements

13

Great Neighborhoods have unique features, designs, and focal points to create neighborhood character and identity.

WHAT STRATEGIES SHOULD MCMINNVILLE IMPLEMENT TO MEET HOUSING SUPPLY & AFFORDABILITY NEEDS?

McMinnville likely does not have enough land to accommodate needed new housing units. Therefore, the City will need to consider short-term and long-term solutions over the next 5, 10, 20, and 46-years.

Solutions may range in creativity and innovation to achieve neighborhoods with enduring value. Options could include: expanding the Urban Growth Boundary, modifying the Comprehensive Plan and development code, implementing financial incentives for developers, and collaborating in public-private partnerships. Many options exist to provide opportunity for development of a wider variety of housing types.

The Project Advisory Committee would like your input in preparation for McMinnville's housing strategy. You will also have an opportunity to review the draft strategy and provide feedback.



Q.

What do you want the committee to consider as they work toward solutions?



Q.

What issues and ideas are important to you as McMinnville plans for housing and neighborhoods?

Q.

How should McMinnville consider balancing "growing up" and "growing out"?