City of Sweet Home Housing Needs Analysis

December 2022

Acknowledgements

Sweet Home City Council
Greg Mahler, Mayor
Diane Gerson, President
Susan Coleman
Lisa Gourley
Dylan Richards
Angelia Sanchez
Dave Trask

Sweet Home Planning Commission
Jeffrey Parker, Chair
Jamie Melcher
Eva Journey
Greg Korn
Greg Stephens
David Lowman
Henry Wolthuis
Dave Trask

Sweet Home Staff
Blair Larsen
Angela Clegg

Department of Land Conservation and Development
Patrick Wingard, South Willamette Valley Regional Representative
Sean Edging, Housing Planner

Consultant Team
3J Consulting
Scott Fregonese
Julia Reisemann
Natalie Knowles

FCS GROUP
Todd Chase
Tim Wood

Table of Contents

Introduction

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

Oregon Regulatory Requirements

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

At a minimum, local housing policies must meet the applicable requirements of Goal 10 and the statutes and administrative rules that implement it (ORS 197.295 to 197.314, ORS 197.475 to 197.490, and OAR 600-008).[1] Goal 10 requires incorporated cities to complete an inventory of buildable residential lands. Goal 10 also requires cities to encourage the numbers of housing units in price and rent ranges commensurate with the financial capabilities of its households.
Goal 10 defines needed housing types as "all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an UGB at price ranges and rent levels that are affordable to households within the county with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes." ORS 197.303 defines needed housing types:

(a) Housing that includes, but is not limited to, attached and detached single-family housing and multiple family housing for both owner and renter occupancy.
(b) Government assisted housing.[2]
(c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490.
(d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions.
(e) Housing for farmworkers.

---

[1] ORS 197.296 only applies to cities with populations over 25,000.
[2] Government assisted housing can be any housing type listed in ORS 197.303 (a), (c), or (d).

Methodology

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

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

Process

The HNA process was initiated at a kickoff management of City staff and the consultant in January 2022. PMT members continued to meet on regular basis over the course of the project to track progress on key tasks and deadlines, identify unanticipated issues and develop alternative approaches as needed.

The Planning Commission acted as the advisory committee for the HNA project. The advisory committee met three times in this capacity throughout the course of the project. The advisory committee reviewed and provided comments on key materials and made recommendations related to housing implementation policies.

- At meeting #1 in May 2022, the advisory committee viewed a presentation of demographic and housing trends in Oregon, Linn County, and the City of Sweet Home.
- At meeting #2 in September 2022, the advisory committee viewed a presentation on the Residential Buildable Land Inventory and Residential Land Need Analysis.
- Meeting #3 in December 2022, the advisory committee viewed a presentation on the final HNA report and the draft Comprehensive Plan Housing Chapter.

All advisory committee meetings were advertised and open to the public.

Report Organization

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

I. Introduction.

II. Housing Need Projection: provides a demographic overview and summary of market trends influencing housing growth in Sweet Home.

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

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

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

Housing Need Projection

Methodology

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

Regional (Linn County) and local (City or UGB) population, households, income and market characteristics are described in this memorandum using data provided by the U.S. Census Bureau (Census and American Community Survey), the U.S. Department of Housing and Urban Development (HUD), Oregon Department of Housing and Community Services (OHCS), Portland State University (PSU) and the City of Sweet Home. Where trends or long-range projections are provided by an identified data source, this analysis includes extrapolations or interpolations of the data to arrive at a base year (2022 estimate) and forecast year (2042 projection). The result of this forecast translates population growth into households and households into housing need by dwelling type, tenancy (owner vs. renter) and affordability level.

Demographic and Socio-Economics

Population

The City of Sweet Home attained a record-high population of 9,415 people in 2020. Linn County population is currently estimated at 127,320 year-round residents. In the last twenty years, the population in Sweet Home has grown more slowly than the Linn County average (**Exhibit 1**).

Exhibit 1: Population Trends (1990-2020)

Population Estimates, Linn County and City of Sweet Home , 1990-2020					CAGR
	1990	2000	2010	2020	2000-2020
Linn County	91,227	103,069	116,672	127,320	1.06%
City of Sweet Home	6,850	8,016	8,925	9,415	0.81%

Sources : Population Research Center, Portland State University, April 15, 2020

U.S. Census Bureau, PL94-171 redistricting data files.

Long-range population forecasts prepared by PSU anticipate that 1,720 new residents will be added to the Sweet Home Urban Growth Boundary (UGB) over the next 20 years. This equates to a projected annual average growth rate (CAGR) of 0.76% for the city (see **Exhibit 2**).

Exhibit 2: Population Projections (2020-2045)

Population Forecast, Sweet Home UGB, 2020-2045

Sources: U.S. Census Bureau, 2000 and 2010 Censuses. Population Research Center, Portland State University, June 30, 2018.
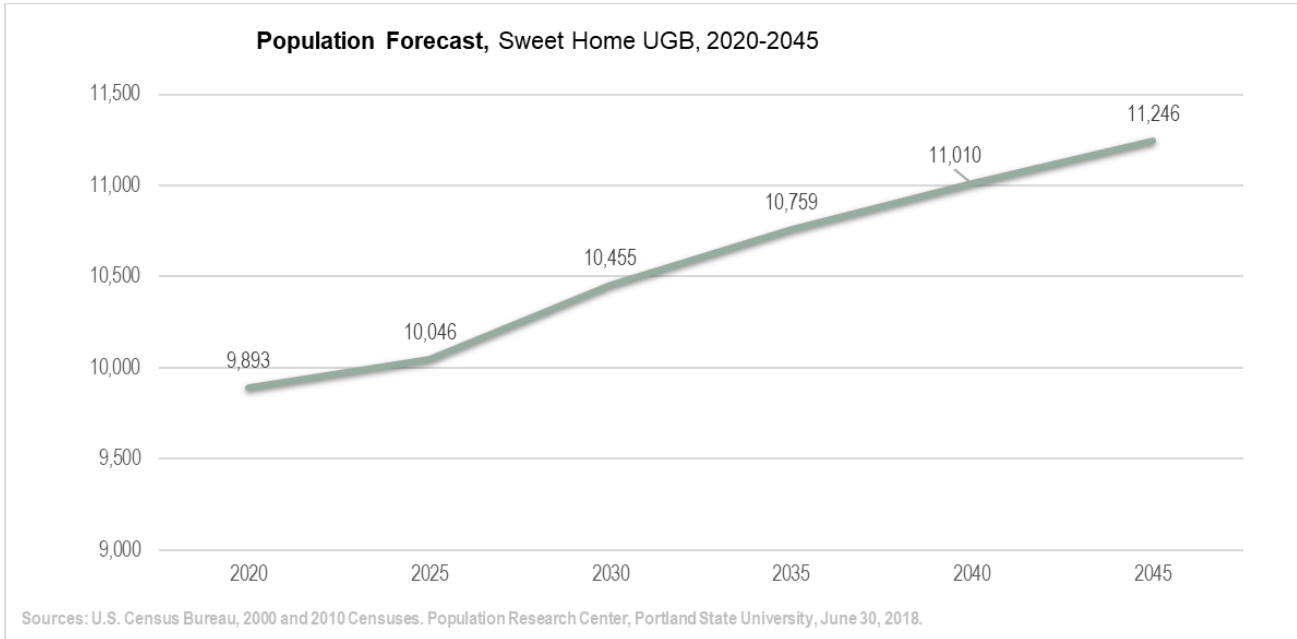
Socio-economic Characteristics

In 2020, the median family income (MFI) in Linn County was $64,500. As shown below in **Exhibit 3**, income is relatively evenly distributed with 17% of households making more than $77,400, 25% of households making between $77,400 and $51,600, 23% of households making between $51,600 and $32,250, 15% of households making between $32,250 and $19,350 and 20% of households making less than $19,350.

Exhibit 3: Households by Income Level, 2015-2019

Households by Income, City of Sweet Home, 2019

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates (Table S2503)
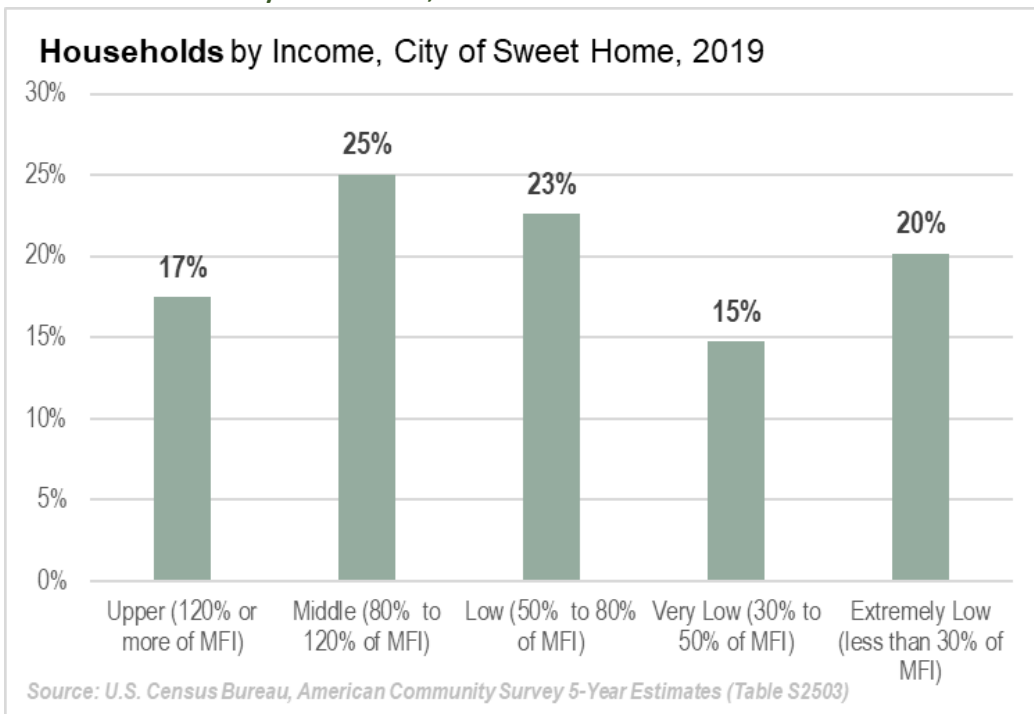
The median age in Sweet Home (44.1) is above the Linn County average (39.6) and is also below the statewide average (**Exhibit 4**).

Exhibit 4: Median Age, 2010-2019

Median Age, 2010, 2015 and 2020

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates (Table B01002)
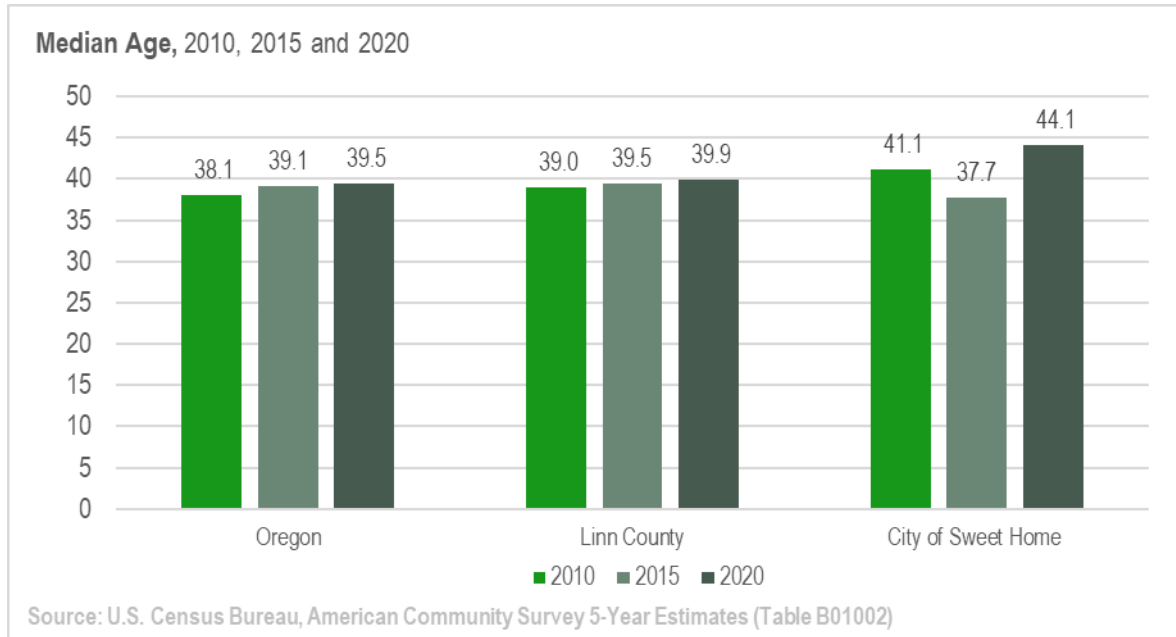
Average household size in Sweet Home has fluctuated slightly over the last two decades, ranging between 2.72 and 2.41 residents per household. In 2020, there were 2.59 residents per household, slightly above the statewide average of 2.49 and below the countywide average of 2.6 (**Exhibit 5**).

Exhibit 5: City of Sweet Home Average Household Size 2010-2020

Average Household Size

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates (Table B25010)
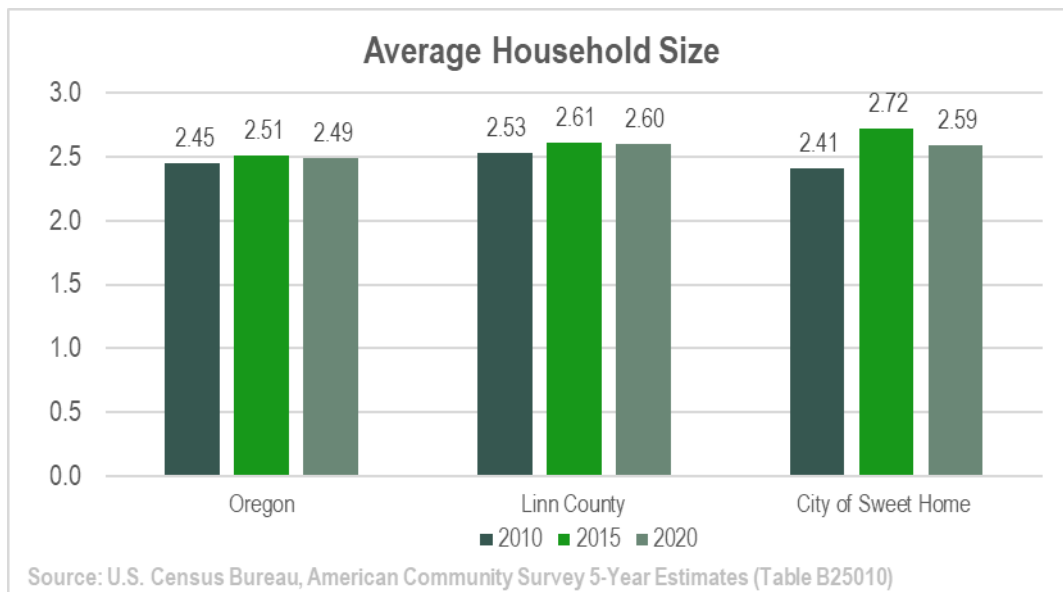
Housing Inventory and Tenancy

Local housing inventory and tenancy sheds light on housing conditions and market demand preferences. In 2020, there were 4,137 housing units in Sweet Home of which 3,935 units were classified as occupied and 202 units were vacant.

Like most cities in Oregon, single-family detached housing is the most prevalent housing type representing 73% of the housing stock. The remaining inventory in Sweet Home includes mobile homes (13%), multifamily (7%), and townhomes and plexes (7%), as shown in **Exhibit 6**.

Exhibit 6: Existing Housing Inventory, 2020, City of Sweet Home

Housing Units by Housing Type, City of Sweet Home, 2020

- Single Family Detached
- Townhomes/Plexes
- Multi-Family (5+ Units)
- Mfg. Home/Other

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates (Table DP04)
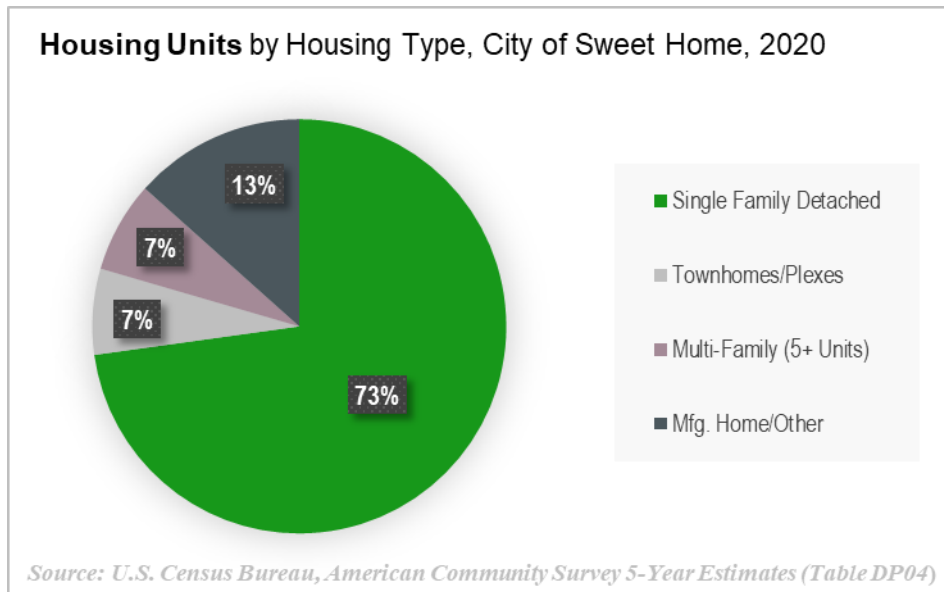
Owner-occupied housing units represent 60% of the occupied housing inventory while renter-occupied units account for the other 40% of the inventory (**Exhibit 7**). Ownership is most prevalent among single-family detached and manufactured housing types while renters are more likely to favor townhomes, plexes, and multifamily units.

Housing Unit by Housing Type and Tenure City of Sweet Home 2020

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates (Table B25032)
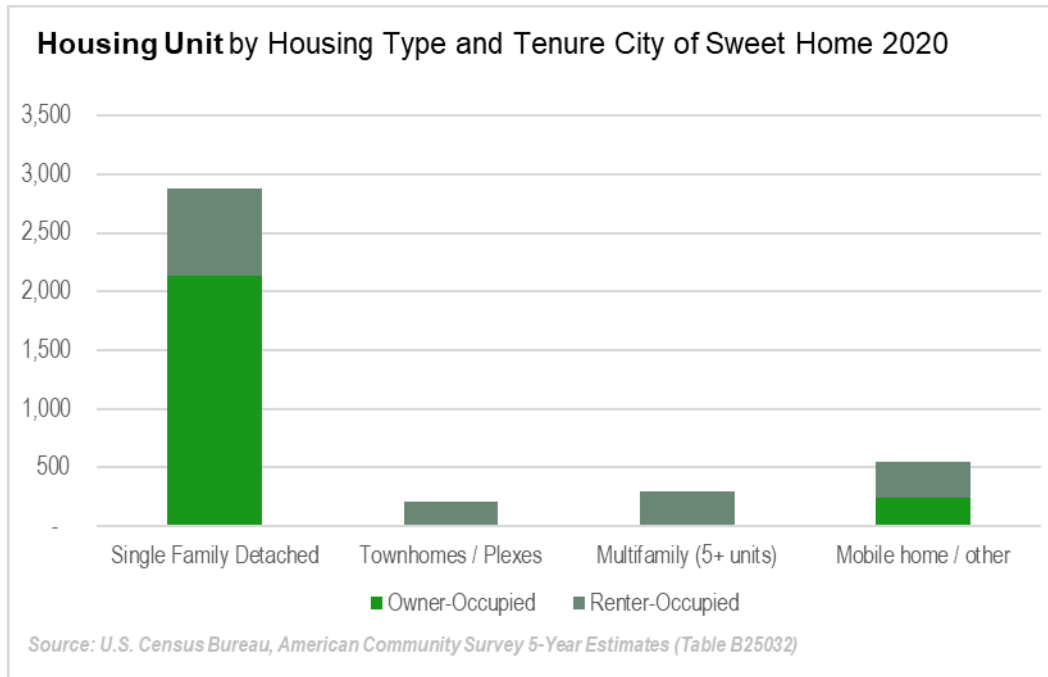
Housing Market Characteristics

To help gauge housing attainability in Sweet Home, FCS GROUP examined current median family income (MFI) levels using U.S. Housing and Urban Development (HUD) guidelines. By applying the assumptions shown in **Exhibit 8** below, based on the 2020 median family income (MFI) for Linn County ($64,500), using HUD guidelines for upper middle households earning 80% of the MFI, a 4-person family should be able to afford monthly rents at $1,290.

Exhibit 8: Housing Affordability Analysis Assumptions

Assumptions		
Interest Rate (conventional)	4.50%	
Downpayment	5%	
Mortgage duration (Years)	30	
Income Affordability Target Level %	30%	of median income
Property Taxes	0.0125	% of sales price
Mortgage Insurance	0.0085	% of loan amt
Home Insurance	0.0029	% of sales price

The rents shown in **Exhibit 9** are considered "attainable" if 30% of household income is allocated to housing.

Exhibit 9: Sweet Home Affordable Housing Analysis

Linn County Median Family Income Level (2019)*		$64,500
Qualifying Income Level: Renters	**Lower-end**	**Upper-End**
Upper (120% or more of MFI)	$77,400	or more
Middle (80% to 120% of MFI)	$51,600	$77,400
Low (50% to 80% of MFI)	$32,250	$51,600
Very Low (30% to 50% of MFI)	$19,350	$32,250
Extremely Low (less than 30% of MFI)	$19,350	or less
Attainable Monthly Housing Cost: Renters (@30% of income	**Lower-end**	**Upper-End**
Upper (120% or more of MFI)	$1,935	or more
Middle (80% to 120% of MFI)	$1,290	$1,935
Low (50% to 80% of MFI)	$806	$1,290
Very Low (30% to 50% of MFI)	$484	$806
Extremely Low (less than 30% of MFI)	$484	or less

Monthly housing costs are much higher for homeowners than renters due to added costs associated with insurance and taxes. If 30% of income is allocated to mortgage interest and principal, using the assumptions stated on Exhibit 8 above, the expected housing cost for owners at 80% MFI level is $1,744, which should be sufficient to afford a home priced at $265,000 (**Exhibit 10**). Unfortunately for households at 80% or below MFI, there are few homes listed for sale at attainable price levels.

Exhibit 10: Sweet Home Affordable Housing Analysis: Homeowners

Linn County Median Family Income Level (2019)*		$64,500
HUD Qualifying Income Level	**Lower-end**	**Upper-End**
Upper (120% or more of MFI)	$77,400	or more
Middle (80% to 120% of MFI)	$51,600	$77,400
Low (50% to 80% of MFI)	$32,250	$51,600
Very Low (30% to 50% of MFI)	$19,350	$32,250
Extremely Low (less than 30% of MFI)	$19,350	or less
Supportable Housing Price: Mortgage Principal & Interest	**Lower-end**	**Upper-End**
Upper (120% or more of MFI)	$397,000	or more
Middle (80% to 120% of MFI)	$265,000	$397,000
Low (50% to 80% of MFI)	$165,000	$265,000
Very Low (30% to 50% of MFI)	$99,000	$165,000
Extremely Low (less than 30% of MFI)	$99,000	or less
Monthly Housing Costs for Owners: PIT & Insurance**	**Lower-end**	**Upper-End**
Upper (120% or more of MFI)	$2,616	or more
Middle (80% to 120% of MFI)	$1,744	$2,616
Low (50% to 80% of MFI)	$1,089	$1,744
Very Low (30% to 50% of MFI)	$653	$1,089
Extremely Low (less than 30% of MFI)	$653	or less
Min. Required Income Level: Owners	**Lower-end**	**Upper-End**
Upper (120% or more of MFI)	$104,628	or more
Middle (80% to 120% of MFI)	$69,775	$104,628
Low (50% to 80% of MFI)	$43,566	$69,775
Very Low (30% to 50% of MFI)	$26,140	$43,566
Extremely Low (less than 30% of MFI)	$26,140	or less

Sweet Home home values have increased significantly in recent years. As indicated in **Exhibit 11**, median home values in Sweet Home increased to $348,0000 in March 2022, an annual increase of 19.4% over the past two years. Other cities in the region have experienced similar housing cost increases.

Exhibit 11: Zillow Home Value Price Index in Select Markets

	Mar-20	Mar-21	Mar-22	Annual Change %
Sweet Home	$244,000	$283,000	$348,000	19.4%
Lebanon	$277,000	$315,000	$387,000	18.2%
Brownsville	$300,000	$346,000	$420,000	18.3%
Albany	$304,000	$338,000	$414,000	16.7%
Junction City	$333,000	$373,000	$447,000	15.9%

Source: *Zillow.com; analysis by FCS Group 4/18/22*

Housing Needs

Summary of Housing Needs

Based on the population projections described earlier and most current household size estimates of 2.59 people per household, the total net new housing need within the Sweet Home UGB is forecasted over the next 20 years is approximately 691 housing units plus 16 people living in group quarters (see **Exhibit 12**). This baseline housing need forecast assumes that the current share of group quarters population (includes people residing in congregate care facilities and housing shelters) and housing vacancy rates remain constant.

Exhibit 12: Sweet Home Housing Needs Forecast

	2022 Est.	2042 forecast	Change
City of Sweet Home UGB Population	9,968	11,688	1,720
Less Group Quarters (1%)	95	111	16
Pop in Households	9,873	11,577	1,703
Avg. Household Size	2.59	2.59	
Households (year round)	3,812	4,470	658
Vacancy and Seasonal Housing Assumption	4.9%	4.9%	34
Growth-related Housing Demand (dwelling units)	4,008	4,699	**691**

Housing Demand by Dwelling Type and Tenancy

This baseline housing need forecast is generally consistent with the observed mix of housing types in Sweet Home. Additional housing forecast scenarios may be considered during the planning process to anticipate impacts of new policy objectives, such as:

- Local policies aimed at incentivizing mixed-use development in the downtown area.
- Ability to provide adequate infrastructure (water, sewer, and road capacity) to create new planned unit developments or single-family subdivisions.

- Changes in low density land use designations to create additional opportunities for middle housing types, such as duplexes and townhomes.

The baseline housing forecast predicts a range in the demand for housing types to address market preferences. The housing demand forecast includes: 503 single-family detached homes (such as small lot and standard lot subdivisions); 46 townhomes/duplexes; 49 multifamily units (apartments); and 93 manufactured housing units or cottage homes

Exhibit 13: Sweet Home Housing Need by Tenure & Housing Type

	Owner-Occupied Dwelling Units	Renter-Occupied Dwelling Units	Vacancy Assumption	Total Dwelling Units
Housing Tenure Distribution:	**397**	**261**	**34**	**691**
Housing Type Distribution				
Single Family Detached	356	125	22	503
Townhomes / Plexes	-	35	11	46
Multi family (5+ units)	-	49	0	49
Mfg. home/other	41	51	0	93
Total	**397**	**261**	**34**	**691**

In addition, it is anticipated that there will also be the need to accommodate approximately 16 people in some form of group quarters housing (such as seminary/student housing, congregate care, in-patient care, etc.).

Exhibit 14 identifies that housing products that are most consistent with the projected housing need for Sweet Home.

Exhibit 14: Projected Housing Demand by Income Level, Sweet Home

Housing Type	Owner-Occupied Dwellings	Renter-Occupied Dwellings	Total Dwelling Units	Attainable Housing Products
Upper (120% or more of MFI)	292	46	338	Standard Homes
Upper Middle (80% to 120% of MFI)	83	36	119	Cottage Homes, Townhomes, Apartments
Lower Middle (50% to 80% of MFI)	42	77	119	Townhomes, Mfgd. Homes, Plexes, Apts.
Low (less than 50% of MFI)	0	38	38	Govt. Assisted Apts. & ADUs
Very Low (less than 30% of MFI)	0	77	77	Govt. Assisted Apts. & ADUs
Total	**417**	**274**	**691**	

This housing needs forecast for Sweet Home will be refined during the planning process with input from the City, Advisory Committee, and the public at large.

Buildable Land Inventory

In accordance with OAR 660-008-0005 (2), an estimate of buildable land inventory (BLI) within Sweet Home's Urban Growth Boundary (UGB) has been created to determine the amount of land available to meet housing needs. The BLI analysis uses the most current Geographic Information Systems (GIS) data available for the Sweet Home UGB.

BUILDABLE LAND INVENTORY METHODOLOGY

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

1. Calculate gross acres by plan designation, including classifications for fully vacant, partially-vacant parcels, and development potential. This step entails "clipping" all of the tax lots that are bisected by the current UGB to eliminate land outside current UGB from consideration for development at this time. City staff input was provided to provide a level of quality assurance to review output is consistent with OAR 660-008-0005(2).

2. Calculate gross buildable acres by plan designation by subtracting land that is constrained from future development, such as such as existing public right-of-way, parks and open space, open water, steep slopes, and floodplains. The analysis excludes any wetlands but treats locally significant wetlands as approved via Oregon's local wetlands inventory as its own entity.

3. Calculate net buildable acres by plan designation, by subtracting future public facilities such as roads, schools and parks from gross buildable acres.

4. Determine total net buildable acres by plan designation by taking into account potential redevelopment locations and mixed-use development opportunity areas.

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

Residential Land Base

The residential land base reflects current Sweet Home Comprehensive Plan land use designations. Properties that are within the residential land base include the following base zone classifications:

Residential Zoning Categories

- Low Density Residential
- Medium Density Residential
- High Density Residential
- Residential/Industrial/Transition
- Central Commercial
- Highway Commercial
- Neighborhood Commercial

- RR-1
- RR-2.5

These classifications have been kept consistent throughout the analysis.

The City does have multiple sites that have conflicting zoning and comprehensive plan categories. A tax lot might be identified residential under zoning and as industrial in the comprehensive plan.

Sweet Home Buildable Land Categories HNA

The next step in the BLI analysis includes classifying each tax lot (parcel) into one of the following categories. In some cases, tax lots had to be split to accompany different plan classifications. Split tax lots are treated as individual and might go into any of the categories described below.

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

Partially vacant land: Properties that are occupied by a use (e.g., a home or building structure with value over $10,000) but have enough land to be subdivided without the need for rezoning. This determination is made using tax assessor records and satellite imagery. For Single Family lots, it is assumed that ¼ acre (10,890 sq. ft.) is retained by each existing home, and the remainder is included in the part vacant land inventory. For non-single family uses aerial imagery was used to determine the size of the unused portion.

Redevelopment Potential: Occupied properties with a higher land value than the on-site structure. Properties must be at least 20,000sqft to be considered of interest for redevelopment.

Developed: Properties unlikely to yield additional residential development for one of two reasons: they possess existing structures at densities that are unlikely to redevelop over the planning period; or they include parcels with zoning designations that do not permit housing development.

Other: Properties which are regarded as unlikely to be developed because they are restricted by existing uses such as: public parks, schools, ballfields, roads and public right-of-way (ROW); common areas held by Homeowners Associations, cemeteries, power substations, and constrained by more than 85% of its area.

These tax lot classifications were validated using satellite imagery, street view, and assessor records. Preliminary results were refined based on City staff and public input received during the Housing Needs Analysis (HNA) planning process.

Development Constraints

The BLI methodology for identifying and removing development constraints is consistent with state guidance on buildable land inventories per OAR 660-008-0005(2) as well as 660-038-0070. By definition, the BLI is intended to include land that is "suitable, available, and necessary for

residential." "Buildable Land" includes residential designated land within the UGB, including vacant, part vacant and land that is likely to be redeveloped; and suitable, available and necessary for residential uses. Public-owned land is generally not considered to be available for new growth unless the underlying zoning permits it. One exception is a large site north of the rail tracks by 18th Avenue. The County opened the site up for development. It is currently identified as recreational commercial.

It should be noted that "available" does not mean that the land is presently on the market. It is assumed in this analysis that such land is expected to come on the market within the 20-year timeframe of this study. Land is considered to be "suitable for new development" unless it is:

- Severely constrained by natural hazards as determined by the Statewide Planning Goal 7;
- Subject to natural resource protection measures determined under Statewide Planning Goals 5, 6, 15, 16, 17 or 18;
- Has slopes of 25 percent or more;
- Is within the 100-year flood plain; or
- Cannot be provided or served with public facilities

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

- Open water of at least one-half acre in size.
- Land within the 100-year floodplains.
- Land with slopes greater than 25%.
- Parks.
- Significant local wetlands via the States approved Local Wetland Inventory are treated on their own.

Sweet Home's Comprehensive Plan has multiple policies regarding the protection of natural and hazardous land[3]. Besides the protection of steep slopes, larger water bodies and 100-year floodplain. In addition, the plan excludes any land characterized by high ground water and ponding, land subject to mud and debris flow, and natural drainage channels. In leu of GIS data specific to these concerns, this analysis will not address the specific natural resource policies as pointed out in Sweet Home's Comprehensive Plan.

Residential Buildable Land Inventory Results

A summary of the land base by plan designation is provided in **Exhibit 15.** The findings indicate there is a total of 2,077 acres zoned for residential uses in Sweet Home, including 1,504 gross developed acres and 427 gross vacant acres.

---

[3] Comprehensive Plan. Page 6
https://www.sweethomeor.gov/sites/default/files/fileattachments/community_and_economic_development/page/1461/sh_comprehensive_plan_2010_201408151818255696.pdf

Exhibit 15: Residential Land Base by Zone Designation, Sweet Home

Zone Designation	Developed	Other	Vacant	Total
Central Commercial	26	4	3	33
Highway Commercial	218	18	17	253
Neighborhood Commercial	0	0	0	0
Residential/Industrial/Transition	45	2	3	49
High Density Residential	200	7	49	256
Medium Density Residential	36	4	28	69
Low Density Residential	964	108	320	1392
RR-1	13	0	7	21
RR-2.5	2	3	0	5
Total	1504	146	427	2,077

Source: Sweet Home Buildable Land Inventory; 3J Consulting

Other Environmental constraints (slopes, floodplains, wetlands, etc.) are removed from gross vacant acres. Results summarized in **Exhibit 16** indicate that after accounting for development constraints, Sweet Home has 343 acres of vacant buildable residential land.

Exhibit 16: Vacant Land by Zone Designation, Sweet Home

Zone Designation	Vacant	Constrained	Buildable Vacant
Central Commercial	3	0	2
Highway Commercial	17	1	16
Neighborhood Commercial	0	0	0
Residential/Industrial/Transition	3	0	3
High Density Residential	49	15	34
Medium Density Residential	28	0	28
Low Density Residential	320	66	254
RR-1	7	1	6
RR-2.5	0	0	0
Total	427	84	343

Source: Sweet Home Buildable Land Inventory; 3J Consulting

In addition to vacant land, the BLI also includes partially-vacant and redevelopable land categories. As noted above, partially-vacant land includes properties that are occupied by a use (e.g., a home or building structure with value over $10,000) with enough land to be subdivided without the need for rezoning. Properties with redevelopment potential are occupied properties with a higher land value than the on-site structure. Properties must be at least 20,000sqft to be considered of interest for redevelopment. After removing environmental constraints there are 349 part-vacant acres that could be subdivided for development and 29 acres with redevelopment potential, as shown in **Exhibit 17**.

Exhibit 17: Part-Vacant Buildable Land and Future Public Facilities Allowance, Sweet Home

Zone Designation	Partial Vacant	Redevelopment
Central Commercial	-	2
Highway Commercial	39	20
Neighborhood Commercial	-	0
Residential/Industrial/Transition	23	1
High Density Residential	19	0
Medium Density Residential	8	0
Low Density Residential	249	6
RR-1	11	0
RR-2.5	1	0
Total	349	29

Source: Sweet Home Buildable Land Inventory; 3J Consulting

Total Developable Residential Land

Exhibit 18 shows the combination of net developable vacant and net vacant in Sweet Home. The final deduction to the BLI, includes a 25% allowance for future public facilities and future right-of-way. Sweet Home has a buildable land inventory of 254 acres of Low Density land, 28 acres of Medium Density land, and 34 acres of High Density land. Conclusions regarding the sufficency of this buildable land inventory will be drawn in the next chapter.

Exhibit 18: Net Buildable Vacant and Vacant Residential Land, Sweet Home

Zone Designation	Buildable Vacant	Public Facilities	Net Vacant
Central Commercial	2	1	2
Highway Commercial	16	4	12
Neighborhood Commercial	0	0	0
Residential/Industrial/Transition	3	1	2
High Density Residential	34	9	26
Medium Density Residential	28	7	21
Low Density Residential	254	63	190
RR-1	6	2	5
RR-2.5	0	0	0
Total	343	86	257

Source: Sweet Home Buildable Land Inventory; 3J Consulting

Buildable Land by Lot Size

Exhibits 19 and 20 show vacant and part-vacant land broken down by lot size. This is an important consideration given that, for example, a planned unit development yielding dozens of housing units can only occur on a relatively large, contiguous piece of land. The figures below show acreage figures prior to the 25% allowance for public facilities.

Exhibit 19 indicates that over 47 percent of buildable vacant land (162 acres) is on lots of more than ten acres. The remaining 53 percent of vacant developable land is more equally distributed between lots of five to ten acres (70 acres) and lots of less than five acres (50 acres). The large majority of vacant lots (82%) are less than one acre.

Exhibit 19: Vacant Buildable Land by Lot Size, Sweet Home

Zone Designation	<1 acre		1 - 5 acres		5 - 10 acres		>=10 acres	
Buildable Vacant	**Acres**	**Lots**	**Acres**	**Lots**	**Acres**	**Lots**	**Acres**	**Lots**
Central Commercial	2	6	0	0	0	0	0	0
Highway Commercial	10	36	5	4	0	0	0	0
Neighborhood Commercial	0	0	0	0	0	0	0	0
Residential/Industrial/Transition	1	5	1	1	0	0	0	0
High Density Residential	3	22	2	2	0	0	29	2
Medium Density Residential	5	18	2	1	6	1	15	1
Low Density Residential	40	159	32	19	63	11	118	10
RR-1	0	3	6	3	0	0	0	0
RR-2.5	0	2	0	0	0	0	0	0
Total	**62**	**251**	**50**	**30**	**70**	**12**	**162**	**13**

Source: Sweet Home Buildable Land Inventory; 3J Consulting

Exhibit 20 shows that approximately half of buildable part-vacant land (170 acres) is on lots of between 1-5 acres. Approximately 58 percent of part-vacant lots are less than one acre.

Exhibit 20: Part Vacant Buildable Land by Lot Size, Sweet Home

Zone Designation	<1 acre		1 - 5 acres		5 - 10 acres		>=10 acres	
Buildable Part Vacant	**Acres**	**Lots**	**Acres**	**Lots**	**Acres**	**Lots**	**Acres**	**Lots**
Central Commercial	0	0	0	0	0	0	0	0
Highway Commercial	5	9	15	12	4	1	15	2
Neighborhood Commercial	0	0	0	0	0	0	0	0
Residential/Industrial/Transition	6	12	17	11	0	0	0	0
High Density Residential	6	14	13	10	0	0	0	0
Medium Density Residential	1	2	7	4	0	0	0	0
Low Density Residential	65	157	106	85	40	7	38	3
RR-1	0	0	11	7	0	0	0	0
RR-2.5	0	0	1	1	0	0	0	0
Total	**83**	**194**	**170**	**130**	**44**	**8**	**53**	**5**

Source: Sweet Home Buildable Land Inventory; 3J Consulting

Exhibits 21 and 22 illustrate an estimate of residential buildable land inventory (BLI) within Sweet Home to determine the amount of land available to meet housing needs.

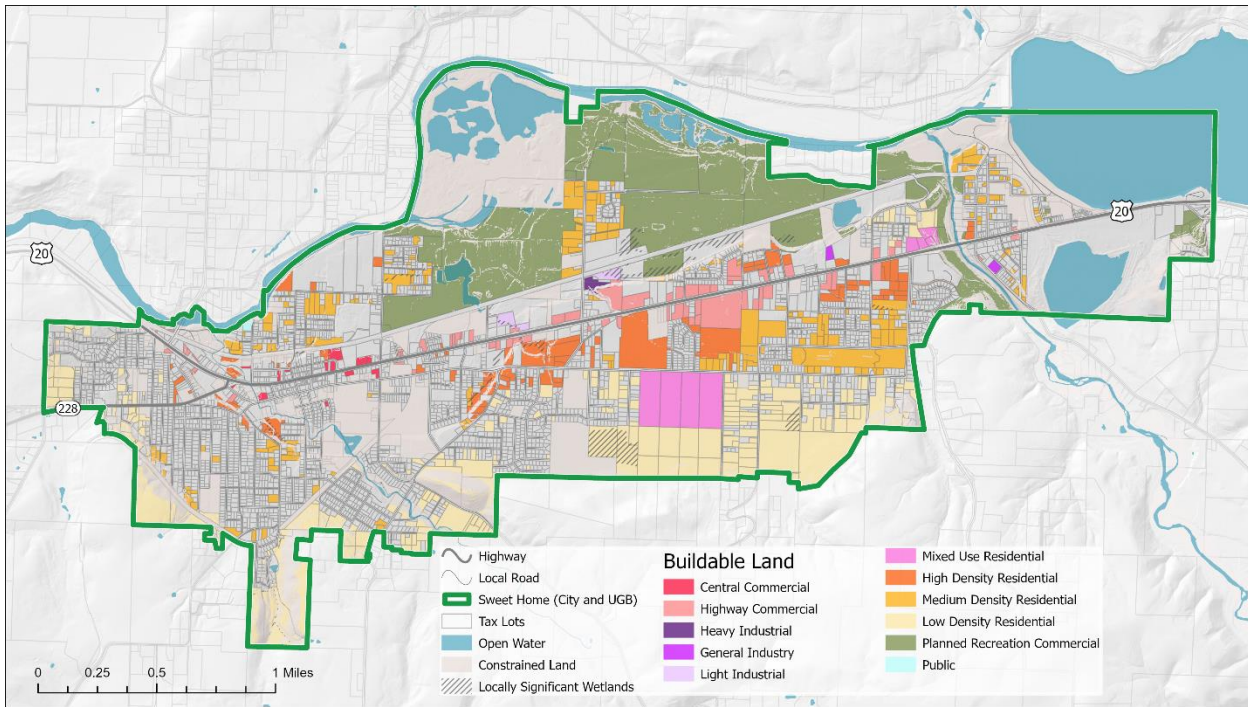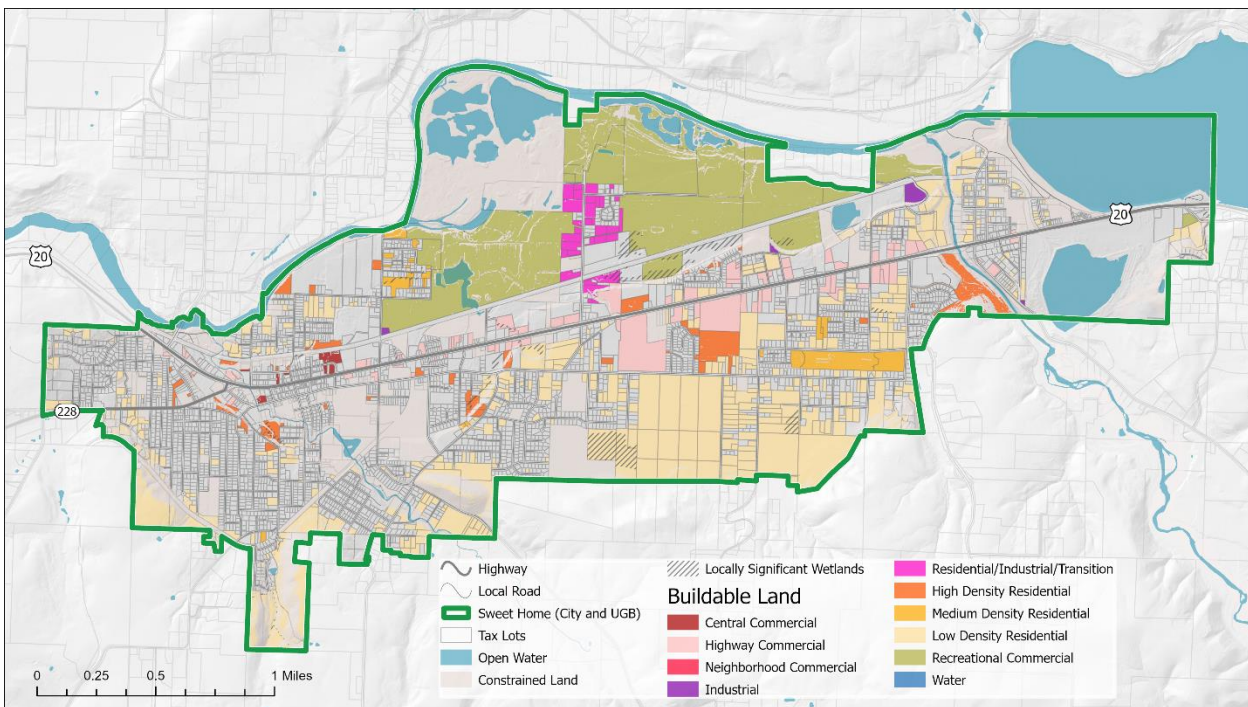**Exhibit 21: Sweet Home Buildable Land Inventory – Comprehensive Plan**

Exhibit 22: Sweet Home Buildable Land Inventory – Zoning

Residential Land Need Analysis

This Memorandum summarizes the housing-related land needs forecast for long-range planning purposes. The housing land needs forecast represents a 20-year forecast from 2022 through year 2042 for the Sweet Home Urban Growth Boundary (UGB). These technical findings are consistent with State of Oregon requirements for determining housing needs per Oregon land use planning Goals 10 and 14, OAR Chapter 660, Division 8, and applicable provision of *ORS 197.296 to 197.314 and 197.475 to 197.490*.

Methodology

The methodology for projecting housing land needs within the Sweet Home Urban Growth Boundary (UGB) builds upon the housing needs projection that was described in our prior Memorandum dated September 7, 2022. **Exhibit 23** identifies the housing types that are most consistent with the projected housing need for Sweet Home.

Exhibit 23: Projected 20-year Housing Needs Forecast, Sweet Home UGB

	Dwelling Units
Housing Type Distribution	
Single Family Detached	460
Townhomes / Plexes	42
Multi family (5+ units)	45
Mfg. home/cottages	85
Total	**632**

This Memorandum compares the 20-year residential land needs (demand) relative to the residential buildable land inventory (BLI) that was developed by 3J Consulting. This provides a means of reconciling housing land demand with buildable land supply within the Sweet Home UGB. The evaluation of UGB land requirements to accommodate the planned housing need included three steps.

Step 1 takes into account the forecasted number of dwelling units by housing type, including single family detached, townhomes, plexes, multifamily and manufactured homes as well as group quarters population (see Exhibit 1).

Step 2 considers the amount of land required to accommodate the future housing demand based on the expected average development density for each general housing type (see **Exhibit 24**).

Step 3 includes a comparison (reconciliation) between the land need determined in Step 2 and the residential buildable land inventory presented in Section 3 of the HNA.

Housing Need Forecast

As discussed above, the forecasted housing need to address the baseline population growth forecast for Sweet Home is a total of 632 housing units. The expected distribution of baseline housing demand documented in the HNA includes:

> » Single Family Detached: 460 dwellings (including standard lot and small lot single family detached housing)

» Manufactured homes and/or Cottage housing clusters: 85 dwellings

» Townhomes and Plexes: 42 dwelling units

» Multifamily: 45 dwelling units (includes apartments and condominiums with 5+ units per structure as well as group quarters units).

Residential Land Need Summary

The second step in the reconciliation of land needs estimates the amount of net buildable land area required to address projected housing growth forecast. This step applies average density assumptions based on local experience (dwellings per acre) to each of the general residential development categories listed in Step 1 to arrive at a total residential land need forecast.

As shown in **Exhibit 24**, the forecasted housing need of 632 total dwelling units is expected to require at least 135 net acres of buildable land area. The next step in the analysis includes adjusting the net land area to gross land area to account for future public facilities (25% factor used to account for roads, utilities, and easements). This results in a total buildable land need of 169 acres for planned residential growth.

Exhibit 24: Sweet Home Residential Classifications and Density Assumptions

Dwelling Unit Type	20-Year Dwelling Unit Demand	Applicable Plan Designation	Applicable Local Zones	Allowable Density (DU/Ac)	Avg. Development Density (DU/Ac)	Net Buildable Land Requirement	Gross Buildable Land Need*	%
Single Family Detached	460	LDR	RR-1, RR-2.5, LDR, R/I/T	1 to 5	4.0	115	144	73%
Mfd. Homes & Cottages	85	MDR	MDR	3 to 10	6.5	13	16	13%
Townhomes / Plexes	42	MDR	MDR	6 to 12	9.0	5	6	7%
Multifamily (5+ units)	45	CC, HC, NC, HDR	CC, HC, NC, HDR	14 to 36	18.0	2	3	7%
Total	**632**					**135**	**169**	**100%**

Source: prior tables; and interpretation of current zoning code and housing development/market conditions.

* Assumes 25% of site area required for future public facilities, roads, easements, etc.

UGB Sufficiency Analysis

As indicated in **Exhibit 25**, Sweet Home Buildable Land Inventory (BLI) includes 599 acres of vacant land and 480 acres of part-vacant land for a total of 1,079 gross buildable land area (before deducting constraints and exempt uses). The BLI indicates that 158 acres of that land is constrained. Identified vacant land is in the rural residential, low, medium, and high-density residential categories as well as the commercial category which can include some residential uses.

Exhibit 25: Vacant Buildable Land Inventory by Comprehensive Plan Land Use Designation, Sweet Home

Zoning Categories	Developed/ Other	Vacant	Part Vacant	Constrained	Total Buildable	Total
Central Commercial	30	2	0	0	2	32
Highway Commercial	236	16	39	1	54	290
Neighborhood Commercial	0	0	0	0	0	0
Residential/Industrial/Transition	46	3	23	0	26	72
High Density Residential	207	34	19	15	38	245
Medium Density Residential	40	28	8	0	36	76
Low Density Residential	1,072	254	249	66	437	1,509
RR-1	13	6	11	1	16	29
RR-2.5	5	0	1	0	1	6
Total	1,649	343	350	83	610	2,259

Source: Sweet Home Buildable Land Inventory August 16, 2022

Since the current UGB includes 610 acres of gross buildable land and the future residential land need forecast is for 169 acres, we can conclude that there is an overall residential land surplus of approximately 441 acres at this time **The BLI findings indicate that the existing amount of vacant and part vacant land within Sweet Home is generally sufficient to accommodate planned 20-year housing needs (Exhibit 26).**

Exhibit 26: Reconciliation of Land Inventory by Land Use Designation, Sweet Home

Dwelling Unit Type	Applicable Zoning Designation	Gross Buildable Land Requirement	Current Buildable Land Inventory	Buildable Land Surplus (Deficit)
Single Family Detached	LDR, MDR, R/I/T,	144	516	356
Mfd. Homes & Cottages	RR-1, RR-2.5	16		
Townhomes/Plexes (2-4 units)	HDR, C	6	94	85
Multifamily (5+ units)		3		
Total		169	610	441

Source: prior tables; and interpretation of current zoning code and housing development/market conditions.

During the next phase of the HNA process the consultant team will work with City staff, public officials, and the community at large to identify new housing policies that would help preserve and enhance the housing inventory and optimize remaining buildable lands.

Findings and Recommendations

Key Findings

Sweet Home's population growth over the next 20 years will result in new households that will require additional housing. Key findings of the housing needs analysis include:

- Sweet Home's population is forecast to grow at 0.69% per year over the next two decades, adding approximately 1,571 new residents.

- Population growth will require the addition of 632 new dwelling units between 2022 and 2042.

- The forecasted housing mix that addresses 20-year demand is expected to consist of: 460 single-family detached homes, 42 townhomes/plexes, 45 multifamily housing units and 85 manufactured housing units.

- The share of those making 80% or less of the median family income level for Linn County ($51,600) was 58% of Sweet Home's households in 2020.

- Over 1 in 4 renter households in Sweet Home are severely rent burdened with over 50% of their income going towards monthly housing costs.

- Net new housing needs over the next 20 years will require 169 acres of buildable residential land. Currently, the Sweet Home UGB includes 610 buildable acres across categories that allow residential development. The results of the housing needs analysis indicate that the current Sweet Home UGB is sufficient to accommodate future housing needs.

Housing Policy Recommendations

The purpose of the draft housing policy recommendations is to strengthen and renew the City of Sweet Home's intention to help foster development of a wide variety of housing to meet the needs of the community. Recommendations are intended to supplement or replace the existing housing policies contained within the Sweet Home Comprehensive Land Use Plan. Proposed additions are underlined, no deletions or modifications of current policies are recommended.

Residential Land Use Policies
1. Residential areas will offer a wide variety of housing types in locations best suited to each housing type.
2. Sweet Home will encourage rehabilitation or redevelopment of older residential areas.
3. The City encourages flexibility in design to promote safety, livability, and preservation of natural features.
4. Sweet Home establishes density recommendations in the Plan in order to maintain proper relationships between proposed public facilities, services, and population distribution.

5. The City will work with public and nonprofit organizations that provide affordable housing within the community.
6. Schools and parks shall be distributed throughout the residential section of the community.
7. Where nonresidential uses abut residential areas in the community, nonresidential uses shall be subject to special development standards.
8. Efforts will be made to complete or connect existing sidewalks along routes to schools, parks, or commercial areas.
9. Development of residential local streets, whenever possible, will increase connectivity within and between neighborhoods.
10. The maximum net development densities (not including streets), in high density residential areas shall not exceed 35 multi-family dwelling units per acre, based on the standards for unit type.
11. In medium-density residential areas, single-family dwellings and two-family dwellings on corner lots would be consistent with the prevailing character of developed areas and compatible with adjoining land use in undeveloped areas. In these areas, the maximum net density shall not exceed 9 dwelling units per acre.
12. The maximum net density (not including streets) in low density residential areas shall not exceed 5.4 dwelling units per acre for single-family dwellings.
13. Many of the hillside areas of Class II slope or less (25% slope or less) provide attractive sites for residential use. The City may enact special development standards governing hillside development on Class II slopes.
14. Efforts will be made to extend trails, pedestrian ways, and bikeways through existing residential areas.
15. To encourage connectivity and pedestrian access, residential blocks shall meet the development standards, except when topographical constraints make the standards impractical. When existing conditions or topography prevent a cross street, a pedestrian access way to connect streets should be considered as part of the development.
16. Ensure the land use code includes "clear and objective" standards for housing development and does not have the effect of discouraging needed housing through unreasonable cost or delay or reducing the proposed housing density already allowed by zoning.
17. Create a marketing campaign that increases awareness and participation in green energy tax credit programs to provide homeowners and renters assistance in upgrading their homes to be more energy efficient.
18. Regularly conduct a Fair Housing audit of the City's development processes and Development Code. An audit would look at existing definitions, restrictions, standards that trigger conditional use permits, and disparate impacts of policies on protected classes.
19. Identify areas of high priority for improving infrastructure to support new residential development, focusing on opportunities for new development in higher density zones. Particularly in areas with vacant land zoned for housing.
20. Plan for a 20-year supply of suitable land for Sweet Home to meet housing needs through regular monitoring and adjustments of available residential land.
21. Streamline the permitting process to reduce cost and delay of new housing units.

22. Promote the development of accessory dwelling units as a means to contribute to the overall housing stock and rental market.
23. Identify public owned properties that could be used for affordable housing.
24. Consider deferrals or waivers of SDCs for affordable housing developments.
25. Monitor annually the number of total housing units, regulated affordable units, multifamily units, regulated affordable multifamily units and single family units, and regulated affordable single family units.
26. Explore opportunities to remove undevelopable land from the buildable land inventory, including comprehensive plan amendments, rezoning and land exchanges.
27. Utilize the Oregon Wildfire Risk Explorer mapping tool to identify the wildland-urban interface and wildfire risk at the property ownership level.

Glossary

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

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

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

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

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

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

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

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

Exempt Land: Land which is unavailable for development based on ownership (e.g., the city owns the land, and it is either a park or intended to be a park) or which is otherwise owned by a public entity and is not intended for housing (e.g., land owned by a port, school district, etc.).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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