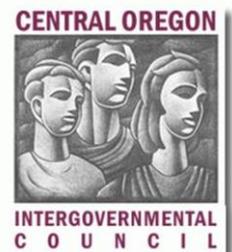


CENTRAL  
OREGON REGIONAL  
HOUSING NEEDS  
ASSESSMENT



Prepared for the  
HOUSING FOR ALL  
REGIONAL  
CONSORTIUM

By

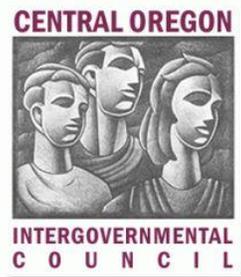


# Central Oregon Regional Housing Needs Assessment

March 2019

Prepared for  
Housing For All  
Regional Housing Consortium

By the  
Central Oregon Intergovernmental Council  
and  
Mosaic Community Planning, LLC



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# Chapter 1: Introduction

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Housing affordability in Central Oregon has become a barrier impacting individual and household well-being, business and economic development, transportation patterns, public health, and other aspects of life in the region. High housing costs have been cited as limiting the ability of workers to move to the region or, in some cases, to live in reasonable proximity to their jobs. In many communities, low-income families are facing increasing difficulty finding homes that are both safe and affordable, and homelessness is becoming more widespread. The effects of housing insecurity on individuals and households creates additional burdens and increases costs for institutions that provide services as diverse as law enforcement and emergency services, health care, social services, and education. Central Oregon's housing affordability and availability crisis is comprehensive in scope and impact, and addressing it will require the integrated action of many and diverse partners.

Housing For All (H4A) is a multi-stakeholder regional housing consortium formed to help address affordability and other housing needs in Central Oregon. H4A's membership includes representatives from local government, non-profit, private development, public health, homelessness, public safety, employment, realty, land use, tribal, regional housing authority, and state and federal agency sectors. H4A has developed an integrated work plan focused on supporting the myriad of agencies, organizations, and individuals that are working in the housing arena. H4A's work plan focuses on providing data services, coordination, information-sharing, policy analysis, and funding advocacy – ***H4A serves the groups that are doing the work*** of housing in Central Oregon. Coordination and staff support for H4A are provided by the Central Oregon Intergovernmental Council, a regional council of governments focused on creating partnerships to meet the region's highest-priority needs.

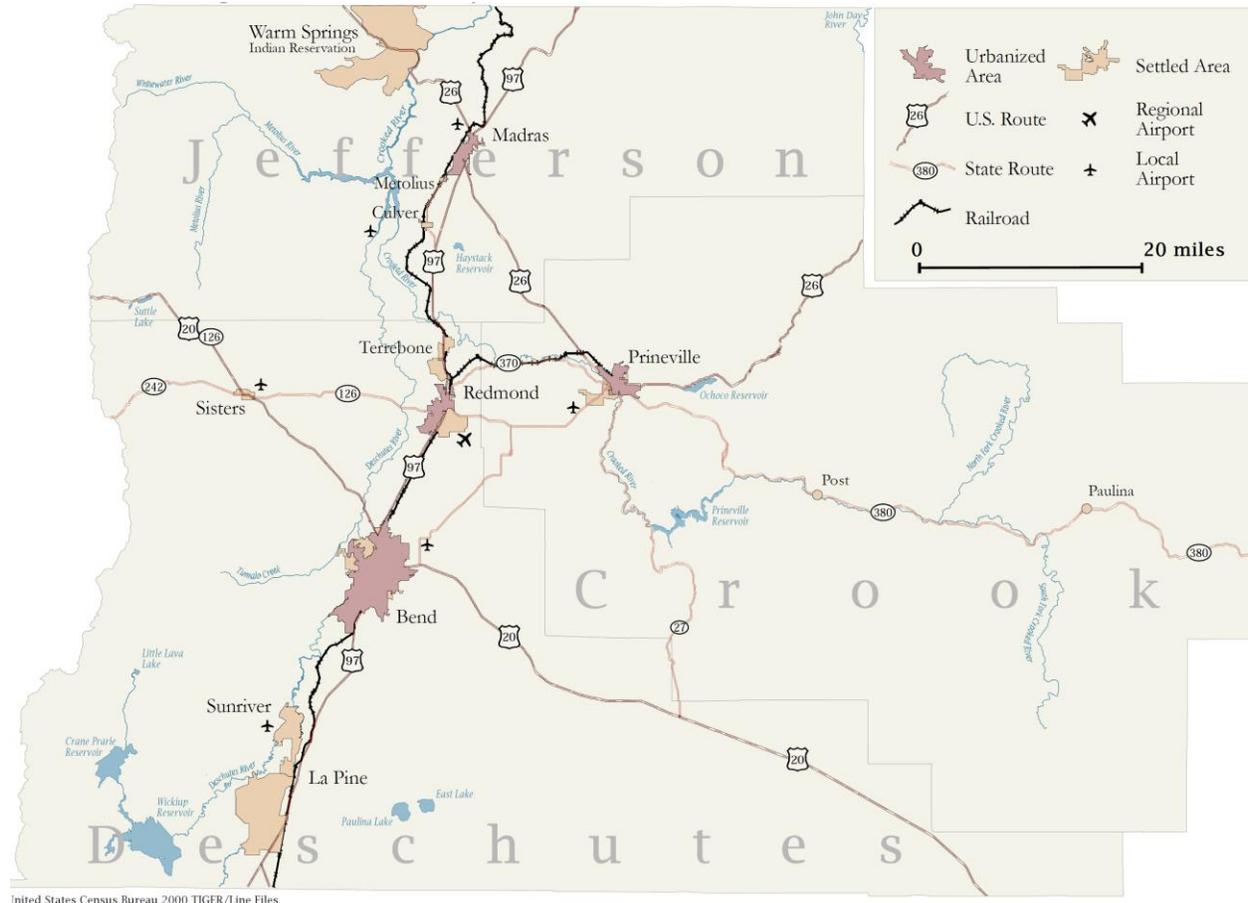
This Regional Housing Needs Assessment (RHNA) explores housing affordability and housing needs in the region, and serves a variety of functions, including a) creates shared information on the scale and scope of the housing crisis; b) identifies the priority housing needs in order to focus strategies; c) provides information on the impacts of the housing crisis to support an upcoming housing campaign; and d) provides a data baseline with which to track progress over time. It begins by discussing impacts of the housing crisis on households and the community, businesses and the economy, and agencies providing public services (Chapter 2). After reviewing socioeconomic conditions in the region (Chapter 3), it includes a market analysis that considers the existing housing supply, housing costs, development activity, and the availability of subsidized housing in the region (Chapter 4). Chapter 5 compares local incomes to housing costs and identifies current and future projected housing needs by community. Chapter 6 of the RHNA identifies potential strategies for expanding housing affordability, including best practices currently being used by other communities.

## The Central Oregon Region

Central Oregon is defined as Crook, Deschutes, and Jefferson counties, Oregon; including eight incorporated cities (Bend, Redmond, Prineville, Madras, Sisters, La Pine, Culver, and Metolius), the Confederated Tribes of Warm Springs reservation, several unincorporated rural communities (e.g. Sunriver, Crooked River Ranch, Tumalo, etc.), and hundreds of dispersed rural residential areas. The region is bound on the west by the Cascade Mountains and on the east by the juniper-sage dominant high desert. The climate is largely arid due to the rain shadow effect produced by the Cascade mountain range.

Central Oregon is a large region, covering 7,833 square miles and measuring nearly 100 miles north to south and 50 miles east to west. Most of the land base is managed as public lands, with federal agencies (primarily the U.S. Forest Service and BLM) managing 75% of Deschutes County, 50% of Crook County, and 29% of Jefferson County. Additionally, 22% of Jefferson County is owned by the Confederated Tribes of Warm Springs. These land ownership patterns impact the geographic locations and concentration of housing in the region.

**Figure 1-1. Central Oregon Region: Crook, Deschutes, and Jefferson Counties**



United States Census Bureau 2000 TIGER/Line Files

## Definitions

### Affordable Housing

Though local definitions may vary, this analysis relies on HUD's definition of *affordable housing* as total housing costs that are no more than 30% of a household's total gross income. For rental housing, total housing costs include rent plus any tenant-paid utility costs. For homeowners, they include mortgage payments, utilities, property taxes, homeowners insurance, and any homeowners' association fees.

## Housing Need

HUD defines four types of *housing needs*, described below. A household is said to have a housing need or housing problem if they have any one or more of these four problems.

1. A household is *cost burdened* if monthly housing costs exceed 30% of monthly household income. A *severe cost burden* occurs when more than 50% of monthly household income is spent on monthly housing costs.
2. A household is *overcrowded* if there is more than 1.0 persons per room, including bedrooms, living rooms, and dining rooms, but not including kitchens and bathrooms.
3. A housing unit *lacks complete kitchen facilities* if it lacks one or more of the following facilities: cooking facilities, a refrigerator, or a sink with piped water.
4. A housing unit *lacks complete plumbing facilities* if it lacks one or more of the following facilities: hot and cold piped water, a flush toilet, and a bathtub or shower.

## HUD Area Median Income (AMI)

The HUD Area Median Family Income (HAMFI), also called Area Median Income (AMI), refers to the median family income calculated by the U.S. Department of Housing and Urban Development (HUD) to determine income limits for its programs. AMI will not necessarily be equal to other median income estimates due to adjustments made by HUD for family size and other factors. HUD calculates different HAMFIs for Deschutes County and Crook and Jefferson Counties. As of 2017, the HUD-calculated median income for a family of four was \$63,800 in Deschutes County and \$53,300 in Crook and Jefferson Counties.

## Fair Market Rent

Fair Market Rent (FMR) is a standard set by HUD at the county or regional level for use in administering its Section 8 rental voucher program. FMRs are typically the 40th percentile gross rent (i.e., rent plus all tenant-paid utility costs except phone, cable/satellite, and internet service) for typical, non-substandard rental units in the local housing market. This figure represents the rental rate at which 40% of other standard rental units in the local market are rented for less. It is intended by HUD to be both high enough that program participants have a selection of units and neighborhoods to choose from and low enough to serve as many eligible families as possible. This research uses HUD's Fair Market Rent standards to evaluate the affordability of housing in Central Oregon counties relative to average renter wages.

## U.S. Census Bureau Data Sources

**Decennial Census Data** – Data collected by the Decennial Census for 2010 and 2000 is used in this report (older Census data is only used in conjunction with more recent data in order to illustrate trends). The Decennial Census data is used by the U.S. Census Bureau to create several different datasets:

- 2010 and 2000 Census Summary File 1 (SF 1) – This dataset contains what is known as “100% data,” meaning that it contains the data collected from every household that participated in the Census and is not based on a representative sample of the population. Though this dataset is very broad in terms of coverage of the total population, it is limited in the depth of the information collected. Basic characteristics such as age, sex, and race are

collected, but not more detailed information such as disability status, occupation, and income. The statistics are available for a variety of geographic levels with most tables obtainable down to the census tract or block group level.

- 2000 Census Summary File 3 (SF 3) – Containing sample data from approximately one in every six U.S. households, this dataset is compiled from respondents who received the “long form” Census survey. This comprehensive and highly detailed dataset contains information on such topics as ancestry, level of education, occupation, commute time to work, and home value. The SF 3 dataset was discontinued for the 2010 Census, but many of the variables from SF 3 are included in the American Community Survey.

**American Community Survey (ACS)** – The American Community Survey is an ongoing statistical survey by the U.S. Census Bureau that samples a small percentage of the U.S. population every year, thus providing communities with more current population and housing data throughout the 10 years between censuses. This approach trades the accuracy of the Decennial Census Data for the relative immediacy of continuously polled data from every year. ACS data is compiled from an annual sample of approximately 3 million addresses rather than an actual count (like the Decennial Census’s SF 1 data) and therefore is susceptible to sampling errors. This data is released in two different formats: single-year estimates and multi-year estimates.

ACS Multi-Year Estimates – More current than Census 2010 data, this dataset is one of the most frequently used. Because sampling error is reduced when estimates are collected over a longer period of time, 5-year estimates will be more accurate (but less recent) than 1-year estimates. The 2012-2016 ACS 5-year estimates are used most often in this report.

*Data Note:*

*Decennial Census and American Community Survey data is the most comprehensive and consistent data available for evaluating housing needs. However, much has happened in the Central Oregon housing arena since the 2010 Census and the sampling period for the 2012-2016 American Community Survey 5-year estimates. Every effort has been made to augment Census and ACS data with other data sources in order to provide as current an analysis as possible and, in some cases, the consulting team was able to use local data and ACS data to produce more current estimates. Still, Census Bureau data is the best tool for long-term analysis and forms the core of much of the RHNA data analysis sections.*

*Throughout this report, Five-Year American Community Survey estimates are labeled with the years that indicate the period over which data was collected (e.g., “2011-2015,” “2012-2016,” etc.). Estimates do not describe any specific year within that time period.*

## Chapter 2: Impacts of the Regional Housing Crisis

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Secure and affordable homes provide the foundation from which individuals, families, communities, cities, and regions are able to thrive. The housing crisis in Central Oregon has created economic hardship for many individuals and families. It hinders economic stability, diversification, and growth in the region, and is also a strain on public services and budgets. While people experiencing housing cost burden, displacement, overcrowding, subpar living conditions, or homelessness are most directly affected by the high costs and lack of housing options, there are systemic impacts across many sectors of the broader community.

This chapter will explore these impacts, and highlight the voices and experiences of local city and county leaders, medical and mental health care providers, home builders, business leaders, and other members of the tri-county region.

*“The availability of housing affects every part of our lives here in Central Oregon. If our region is to be great, it has to work for people of all ages and from all walks of life. Whatever your economic circumstances, your age, your abilities, or your desired community – housing is a fundamental component of the wellbeing of Central Oregon.”*

– Lisa Dobey, Executive Director of Community and Philanthropy at St. Charles Health System and Co-Chair of Housing for All

## Impacts on Household and Community Wellbeing

Research has shown that housing stability and affordability improves physical and mental health, and increases potential for educational attainment, employment opportunities, and economic mobility. Many rural and urban Central Oregonians are experiencing financial strain and related impacts due to the lack, and high cost, of housing. As rent and home purchase prices have increased, many residents are paying a greater percentage of household income towards housing costs, while others have had to relocate to less expensive areas. To compensate for the increased costs, some Central Oregonians are working longer hours or multiple jobs. High home prices have made it hard for people who work in Central Oregon to afford to buy a home. This prevents many people, and young adults, from becoming more rooted within their communities.

*“There are a lot of people who are not in secure housing. After paying for housing, they aren’t able to save money. They can’t get ahead. All it takes is one unexpected expense, an illness, injury, or medical bill, and people could lose their housing. There are some people living out of cars with their kids. We’ve had officers give them money out of their own pocket so that they can get a hotel room for the night.”*

– Jim Porter, Bend Police Department Chief of Police

Many very low-income Central Oregon residents have been forced into subpar living conditions such as living in camper trailers, living without heat or utilities, crowding in with other households, or becoming homeless.

Middle-income residents are also impacted by the high cost of housing. St. Charles Medical System recruitment manager, Trevor Janeck, reports that employees are experiencing significant stress due to Central Oregon’s housing costs. Many St. Charles employees have been pushed out of Bend to outlying areas. Their longer commutes mean more time away from home and family, reports Janeck.

## Rent Burden and Housing Cost Burden

As families prioritize spending to keep a roof over their heads, they are forced to forego or reduce spending on basic necessities such as food, medical care, child-care, and transportation.

Nearly half of Central Oregonian renters are housing cost burdened, meaning they spend more than 30 percent of their income on housing expenses. Over one quarter of renter households spend more than 50 percent of their income on housing. Housing cost burden makes it difficult for households to save money or accrue assets. This financial vulnerability puts families at greater risk for bankruptcy, foreclosure, or eviction.

## Decline in Homeownership

In the Market Analysis chapter, we demonstrate that homeownership in Central Oregon has declined 2.5% since 2010. Fewer community members are able to access the benefits enabled by homeownership such as financial stability, asset appreciation, and self-determination. This hinders an individual's ability to save for future opportunities, such as going to trade school, attending college, starting a business, or saving for children's education.

## Displacement, Overcrowding, and Sub-par Living Conditions

When rent increases, many people are forced to move to another neighborhood, town, or region to find a less expensive home to rent. Beth Erickson, longtime resident of La Pine, and a Behavioral Health Consultant at the La Pine Community Health Center, reports that as available rentals have become more expensive and almost non-existent in La Pine, residents have been pushed further out of town to find housing.

Frequent moves, and moving further from work or school increases transportation time and costs, and is disruptive to households and communities. Children who move to a new school often struggle

*“Family Access Network advocates are providing support to parents who have never needed support before. There are parents who are working and earning decent wages that are needing help. After paying for rent they lack money for other basic needs.”*

– Mara Stephens, Deschutes County Homeless Liaison for Deschutes County Public School District

*“Central Oregon has seen significant in-migration of people from the Bay area, Seattle, Portland and elsewhere, who sell their house and are able to buy a house here with money left over. However, younger people who are starting out earlier in their careers are having a harder time. The wages people earn and the price to buy a home or rent is out of balance.”*

– Jon Stark, Senior Director of Redmond Economic Development, Inc.

*“The housing situation in La Pine is not good. To afford rent people are doubling or tripling up in mobile homes or trailers. The poorest people are living in the woods or in campers with no utilities. Some La Pine residents have been pushed further out to Crescent, Chemult, or even Christmas Valley. This makes it harder for them to access medical and mental health care, and more difficult to meet their basic needs.”*

– Beth Erickson, longtime La Pine resident and Behavioral Health Consultant at the La Pine Community Health Center

to establish new relationships and regain their academic footing.<sup>1</sup> School districts suffer when families are displaced from their community.

To compensate for high housing costs, some people and families “double up”, or crowd into households with others to share housing expenses. In Central Oregon 3.7 percent of renter households are considered overcrowded, and 2.4 percent of renter households lack plumbing facilities and a complete kitchen (see Chapter 5 of this report). These conditions are obstacles to personal hygiene, sanitation, and a basic quality of life.

## Homelessness

Oregon has the second highest rate of unsheltered homeless people in the country, according to the Annual Homeless Assessment Report, released December, 2018 by the Department of Housing and Urban Development (HUD). This report’s data is based on the Point-in-Time count which is a nationwide effort to count the number of individuals experiencing unsheltered and sheltered homelessness on a specific night in January. Unsheltered homelessness refers to people whose nighttime location is a place not meant for habitation such as the street, a vehicle, or other outside location. Sheltered homelessness refers to people who are staying in emergency shelters or transitional housing. According to HUD’s report, between 2007 and 2018, the number of individuals experiencing homelessness has decreased in 38 states, while Oregon experienced a 12.8 percent increase. This is the third largest increase in the nation. The three states with the highest rate of homelessness in 2018 were Hawaii, California, and Oregon.<sup>2</sup>

Many Central Oregonians are suffering from the lack of a home or shelter. The Homeless Leadership Coalition, in collaboration with the

*“Myself and my two young children shared a bedroom in a house because it was the only place we could find that was affordable. It was stressful. It didn’t feel healthy or safe for my children. After a year I found a place of our own. I now pay over half of my wages in rent. It’s hard to afford but I needed a secure home for my children.”*

– Ofelia Figueroa, Latino Community Association-Madras

*“I used to work at a dry-cleaners in Bend. I met a couple with a young son who were living on BLM land in a tent. The owner of the dry cleaner let them keep some clothes at the dry cleaners. They both had jobs. It broke my heart.”*

– Cheryl Brown, Redmond resident and volunteer at House of Hope Ministries

*“My husband, son and I lived in Redmond. Our rent was \$700 a month. When the landlord said he wanted \$1,400 a month in rent, we had to leave. We were in and out of homelessness for three years. It’s hard to get a place because it’s expensive and landlords want an application fee, a deposit, first and last rent, and proof that our income is three times the rent. We recently found a place in Prineville with the help of Thrive (Thrive Central Oregon, a local non-profit).”*

– Ann Young, Prineville resident and volunteer for House of Hope Ministries

<sup>1</sup> Barnes, Bethany. Feb. 24, 2018. The Oregonian. *Reading, Writing, Evicted*.

<sup>2</sup> The Annual Homeless Assessment Report to Congress. December, 2018. The Department of Housing and Urban Development (HUD). <https://www.hudexchange.info/resources/documents/2018-AHAR-Part-1.pdf> 2019 data from <https://cohomeless.org/agency-tools/point-in-time-count/>

Central Oregon Research Coalition, oversees the Point-in-Time count in Jefferson, Deschutes, and Crook Counties. On Jan. 24, 2018, there were 787 people counted who met HUD’s definition of homelessness, and on January 23, 2019 that figure rose to 880, a 12% increase. 70 percent of these were unsheltered and 16.7% of those counted were children. In 2018, the primary cause of homelessness reported was an inability to pay rent; other reported causes for experiencing homelessness were domestic violence, loss of employment, and health issues (2019 causes had not been analyzed as of this publication date). Between 2017 and 2018, the number of unsheltered unaccompanied youth in Central Oregon increased by 40 percent. The number of homeless adults experiencing a serious mental illness increased by 36 percent.<sup>3</sup>

## Children and Families

The place where children live and grow up has a significant impact on who they will become as adults and whether they will prosper. The Census Bureau, in collaboration with Harvard and Brown universities released a 2018 report that highlights how the neighborhood where children live often determines which children have a chance at getting ahead, and which do not. It affects their opportunities and economic mobility into adulthood.<sup>4</sup>

Research has shown that children who live in insecure and unstable housing are at greater risk for motor and cognitive developmental delays, and are more likely to experience fair or poor physical health.<sup>5</sup>

A family that has an unexpected expense, loss of job, or rent increase can become homeless. A 2017 press release from the Oregon Department of Education reported a record high number of homeless school children in Oregon. For the 2016-2017 school year, 22,541 Oregon students met the federal definition of homeless students. That is 3.7 percent of the total number of students enrolled in Oregon’s public schools. According to the federal definition, homeless students “lack a fixed, regular, and adequate night time residence”. This includes children who are unsheltered, staying in emergency shelters, sleeping in tents, cars, trailers, residing in motels, or sharing housing with others due to loss of housing or economic hardship. The 2016-2017 number of homeless students represents a 19.2 percent increase since 2014.<sup>6</sup> A report released in November of 2018 indicates a slight reduction in the number of students who were homeless during the 2017-2018

*“There are families living in trailers and RVs often in the woods without hook-ups to utilities. Our job is to keep the kids connected and in school. We help meet their basic needs. We’ve arranged to have showers available for students who are homeless, and we provide two meals a day.”*

– Mara Stephens the Homeless Liaison for the Bend-La Pine School District

<sup>3</sup> 2018 data from Point in Time 2018 Tri-County Results. June 19, 2018. The Homeless Leadership Coalition. <https://www.cohomeless.org/wp-content/uploads/2018/07/Website-Presentation-HLC-PIT-2018.pdf>. 2019 data from <https://cohomeless.org/agency-tools/point-in-time-count/>

<sup>4</sup> The Atlas Opportunity. 2018. Census Bureau, Brown University, and Harvard Universities. <https://www.opportunityatlas.org/>

<sup>5</sup> National Low Income Housing Coalition. *A Place to Call Home*. <https://nlihc.org/sites/default/files/A-Place-To-Call-Home.pdf>

<sup>6</sup> Oregon Department of Education. Nov. 15, 2017 News Release. *Homeless Student Count Reaches All Time High*.

school year compared to the previous year. This most recent report indicates 785 fewer homeless students overall, yet a slight increase in the number of “unsheltered” homeless students.<sup>7</sup>

When children are homeless, everyday activities such as eating regular meals, taking a shower, dressing in clean clothing, having a place to study, and getting a good nights’ sleep are impaired. This results in a lower graduation rate for homeless students. Only 50.7 percent of these children are able to graduate in four years, according to an Oregon Department of Education report.<sup>8</sup>

Table 2-1. Housing Units and Household Growth from 2000 to 2012-2016	
County	Number of Homeless Children
Crook County	97 children
Deschutes County	884 children
Jefferson County	137 children
<b>There were 1,571 homeless students in Central Oregon during the 2017-2018 school year</b>	

Data Source: Oregon Department of Education. 2018. Oregon Statewide Report Card.

## Vulnerable Populations

The housing crisis does not affect everyone equally. Low-income households, young adults, veterans, children, seniors, ethnic and racial minorities, and people with disabilities, mental illness, and chronic medical conditions often experience greater difficulties in obtaining secure and affordable homes. These populations are at greater risk of housing instability, displacement, rent burden, and homelessness.

In Oregon, homeownership rates are disproportionately lower for communities of color. Of the white population in Oregon, 63 percent own their home, while only 42 percent of Latinos and Native Americans own their homes. Of African Americans, 30 percent own their homes.<sup>9</sup> These discrepancies in homeownership rates are often linked to inequitable economic opportunity and discriminatory mortgage loan practices prior to the passage of the Fair Housing Act of 1968.

*“The current housing environment in this region has the potential to widen and exacerbate inequities and health disparities that impact people with fewer financial and support resources. This is particularly true for individuals and families trapped in a cycle of crisis and housing instability due to growing poverty, trauma, violence, mental illness, addiction or other chronic health conditions.”*

– Central Oregon Regional Health Improvement Plan, 2016-2019

<sup>7</sup> Oregon Department of Education 2018. Oregon Statewide Report Card. <https://www.oregon.gov/ode>

<sup>8</sup> Oregon Department of Education. <https://www.oregon.gov/ode/reports-and-data/students/Pages/Cohort-Graduation-Rate.aspx>

<sup>9</sup> Office of Governor Kate Brown. Aug. 30, 2018. *Housing Policy Agenda*.

*“I’m working full-time but I don’t have enough money to pay rent and pay for COCC (Central Oregon Community College) classes. My goal is to save money to buy a van so that I can live out of it. Then I’ll be able to afford to go to college.”*

– Beth Griggs, a young adult who grew up in Prineville

*“We often work with clients who are ready to leave an unsafe relationship but are unable to do so because there is no other housing option than the one, they are currently in, resulting in continued abuse for survivors and their children. We also see clients who have managed to leave an abusive household, perhaps by entering into a shelter or staying with friends, who ultimately return to their abusive home because of the lack of affordable alternatives.”*

– Saving Grace staff, Central Oregon’s domestic and sexual violence services program

*“To have a robust and secure community, everybody in the community needs to have a secure and affordable place to live. This fulfills a basic human need. The Bend Police Department utilizes a community policing model. We want our officers to live in the town where they work. A lot of our officers live in Redmond because they can’t afford Bend. This is not conducive to the community policing model.”*

– Jim Porter, Bend Police Department Chief

Native Americans are more likely to spend greater than 50 percent of their income on rent and are more likely to experience homelessness.<sup>10</sup> The population in Warm Springs has a much higher rate of overcrowding with 23.3% of renter households living in overcrowded housing conditions, compared to 3.7% of all renters in Central Oregon (see Chapter 5 of this report).

Many young adults are struggling to carve out a future in Central Oregon due to the high cost of housing. Central Oregon loses talent when young people move to more affordable areas to start their careers.

Survivors of Domestic Violence are another vulnerable population. Women and children suffering from domestic violence may have to choose between staying in an unsafe home, or homelessness. The US Conference of Mayors identified domestic violence as a primary cause of homelessness.<sup>11</sup> A 2017 census of domestic violence programs in Oregon revealed that 53 percent of all domestic violence services needed were for housing. Currently, Oregon does not have enough housing support to meet the needs of survivors and their children.<sup>12</sup> According to Saving Grace, the domestic and sexual violence services program in Central Oregon, the lack of accessible housing is a major barrier for their clients.

## **Community Well-Being**

Communities become less cohesive when members of the community, such as teachers, police officers, social service workers, medical providers, veterans, service industry workers, seniors, and young adults can no longer afford to live within the

<sup>10</sup> Office of Governor Kate Brown. Aug. 30, 2018. *Housing Policy Agenda*.

<sup>11</sup> National Coalition for the Homeless, 2018. <https://nationalhomeless.org/about-homelessness/>

<sup>12</sup> Office of Governor Kate Brown. Aug. 30, 2018. *Housing Policy Agenda*.

community where they work, go to school, grew up, or chose to live. Displacement is disruptive to individuals and families, and creates a more transient community. These factors may diminish a community's stability and inclusivity.

## Wealth Inequality and Socioeconomic Segregation

The high cost of housing can exacerbate wealth inequality and socioeconomic segregation. Residents who own property see increased values of their property, while non-property owners experience increased housing costs and increased barriers to upward economic mobility. Robert Putnam, Harvard sociologist and bestselling author of "Our Kids, The American Dream in Crisis" explains that there is also a high degree of socioeconomic segregation in Bend, Oregon. He writes that due to socioeconomic segregation, "persistent poverty in the midst of the boom is invisible to most upscale residents of Bend."<sup>13</sup>

*"At a personal level, the housing crisis means that purchasing a home is a struggle, as we see prices rise each year. More importantly though, I don't want to live in a community that's the exclusive domain of the wealthy. Bend is not some tiny ski resort and should have housing options for all. If things continue to get out of hand, even hard working, vital people like teachers, firefighters, nurses, and police will be priced out of our community."*

– David Welton, founder of Bend YIMBY - Yes in My Backyard

## Impacts on Business and the Economy

The lack of available housing options is a barrier to diversifying and strengthening Central Oregon's economy. Community access to affordable housing options is a key component to the development and retention of a skilled and stable workforce. Secure homes provide employees a platform from which they can pursue professional goals such as job training, higher education, or enable the creation of new businesses. Adequate housing allows new businesses to relocate to Central Oregon, which creates jobs.

## Businesses Struggle to Maintain and Recruit Employees

*"A \$25 an hour wage used to be a solid standard of living, now even people making \$25 an hour struggle to find a place to live. Then when they find something they have to be on a tight budget. This is less of an issue for mid to higher level professionals."*

– Trevor Janeck, St. Charles Talent Acquisition Manager

Due to housing limitations and the disparity between wages and housing costs, employers often struggle to recruit new employees to the area. Also, businesses have lost employees who were displaced from Central Oregon due to high housing costs. For example, St. Charles Health System's Talent Acquisition Manager, Trevor Janeck says that St. Charles has experienced increased turnover as people have been displaced out of the area, and St. Charles has had a difficult time recruiting new employees, especially for

<sup>13</sup> Putnam, Robert D. 2015. *Our Kids, The American Dream in Crisis*.

entry level jobs.

## **Business Incur Additional Financial Burdens**

Business owners are under pressure to increase wages to compensate for the high cost of housing, driving up their overall business expenses. According to Janeck, St. Charles has increased pay by a couple dollars an hour for entry level positions to help people afford higher housing costs. Businesses also may incur additional management expenses due to the time needed to recruit and train new employees, replacing those that have been displaced due to housing costs. Business productivity may be impacted due to staffing shortages or employee turnover. Clearly, rising wages is generally a good thing for households and the economy, but if businesses are not able to keep up with the rising cost of living of their employees, they will become less competitive.

## **Businesses Choose Not to Relocate to Central Oregon**

Due to the high cost and lack of housing options, potential new businesses may decide not to relocate to Central Oregon. This can hinder economic diversification and limit job growth in the region. When companies search for a new location, among their criteria are the local housing costs and workforce availability. Central Oregon's high cost of housing, along with a tight workforce, puts pressure on employers to offer higher wages and compensation packages. This added cost can make Central Oregon less competitive when compared to other areas in the nation that have more affordable housing.

*“Due to the high cost of housing we’ve had to raise wages to be more on par with wages in Portland, instead with Eugene or Corvallis. Many of our [Bend] employees are commuting from Redmond, Prineville, La Pine, and even Madras.”*

– Casey Capell, store manager of Market of Choice, Bend.

*“Manufacturing wages in Central Oregon are typically around \$44,000 a year. With two people earning this, (\$88,000 a year), they still can’t afford to buy a median priced home in Bend. Thus, creating wage pressure for our employers as they attempt to keep up with the cost of employee living while trying to stay competitive in their customer marketplace. Redmond is somewhat more accessible with single family median sales prices averaging about 40% less than Bend. By having a better balance between housing costs and wages, companies are more likely to relocate to the area.”*

– Jon Stark, Senior Director of Redmond Economic Development, Inc.

*“Although, construction workers can still make a good living by choosing an occupation in the trades, there is an initial tradeoff for young workers that require early years of balancing school and on the job training to prepare them for a long-term career. We find that many young people are choosing more affordable living areas, to begin this first step, and end up staying in these communities instead of returning to high cost of living communities. In turn, the worst overall shortage of construction workers is in high cost living areas, exasperating the problem, driving up housing costs more.”*

– Deborah Flagan, Vice President of Community Engagement at Hayden Homes, a Pacific Northwest homebuilder based in Redmond

## Shortage of Skilled Laborers Increases Construction Costs

Several factors have led to a shortage of skilled construction workers in Central Oregon. Many construction workers left Central Oregon during the recession of 2008, and an older generation of skilled laborers have reached retirement age. According to workforce development professionals, development of a younger generation of skilled laborers is hindered by the fact that many young workers are no longer attracted to these careers. Further, housing costs themselves can be a factor. According to a representative of one of Central Oregon's largest construction companies, a lack of housing options for this younger workforce is deterring them from starting their careers in Central Oregon.

The shortage of construction workers, and increased pay for skilled laborers, has contributed to an increase in construction costs, and extended construction times. In areas such as Madras, Culver, and La Pine the lack of construction workers, and specialists such as electricians and plumbers, has been a deterrent for new construction.



*"I'd like to take my kids downtown to eat, go shop, and support the local businesses, but after paying rent, we don't have money to spend."*

– Madras resident

## Reduced Consumer Spending of Residents

As community members experience housing cost burden, they have less spending money available to support local businesses. They also have less ability to save money for larger purchases. Conversely, as residents struggle to save money in the face of their housing costs, they have less personal capital available to start new local businesses, or pay for college, or new job skills training.

## Impacts and Financial Burden on Public Services

The housing crisis also causes individuals and families to be in greater need of social and public services. This puts increased pressure on the budgets of city, state and federally funded programs, such as health care, law enforcement, emergency services, and social services.

## Criminal Justice and Safety

Police Chief Porter reports that the Bend Police Department officers are responding to more incidences involving people who are homeless. He reports that there are about 1,500 calls a year for incidences such as disruptive behavior, people sleeping in public, panhandling, and alcohol and substance use in public. A significant portion of police officers' time and resources is utilized in response to these calls.

Porter says other cities have used the Housing First model to successfully provide permanent housing and supportive services to people who are chronically homeless. Research has shown that this type of program provides stability to those who experience chronic homelessness, and reduces the need for costly public services such as emergency room visits, temporary shelters, behavioral health services, and law enforcement.<sup>14</sup>

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<sup>14</sup> Snyder, Kaitlyn. June 30, 2015. National Alliance to End Homelessness. *Study Data Show that Housing Chronically Homeless People Saves Money, Lives*

*“When people have access to a safe place to sleep, a job, and behavioral health services, their lives are improved, and we create a healthier community. Assisting with issues of homelessness, unemployment, and behavioral health, we can greatly lower the number of people falling under the jurisdiction of the Criminal Justice System and save taxpayer dollars.”*

– Ken Fahlgren, Local Public Safety Coordinating Council, Coordinator for Crook and Jefferson Counties

increased some employee wages to compensate for the high cost of housing. According to BPD Chief of Police Jim Porter, housing costs have made it difficult to recruit new police officers to the area. After operating with a shortage of police officers for several years, the Bend Police Department instituted a \$7,500 signing bonus in 2014 to help recruit new officers. This bonus program has cost the city roughly \$98,000 since 2014. The BPD has also increased officers’ income to the top step of the pay range. Overall, the City of Bend is incurring an estimated additional \$150,000 per year to compensate staff for the high cost of living.<sup>15</sup>

## Community Health

Housing conditions, affordability, and accessibility affects a population’s health outcomes and risks.<sup>16</sup> Unaffordable and insecure housing is linked to poor mental and physical health outcomes and increased public health care costs. Research shows that when people are in stable and secure housing, they are more able to access regular health care which leads to improved health. This reduces emergency department visits by an estimated 18 percent, and a reduction of overall medical costs by 12 percent.<sup>17</sup>

Ken Fahlgren, Coordinator for Crook and Jefferson Counties’ Local Public Safety Coordinating Council, was instrumental in opening the Redemption House Ministries homeless shelter in Prineville, Oregon. This shelter has 16 beds, and the men who access the shelter are connected to local support services such as behavioral health care and job support. The cost of operating the Redemption House Ministries homeless shelter is about \$20 per person, per day.

The housing crisis also impacts public and social service budgets in terms of their own workforce. For instance, some cities have

*“The lack of safe and affordable housing has become a public health crisis in Central Oregon.”*

– Central Oregon Regional Health Improvement Plan for Crook and Jefferson Counties, 2016-2019

<sup>15</sup> Interview with Bend Police Department Chief of Police Jim Porter. Nov. 06, 2018.

<sup>16</sup> Center for Disease and Control and Prevention. Jan. 29, 2018. Social Determinants of Health. <https://www.cdc.gov/socialdeterminants/>

<sup>17</sup> National Low Income Housing Coalition. March 07, 2016. *Study Finds Affordable Housing Reduces Health Care Costs.* <https://nlihc.org/article/study-finds-affordable-housing-reduces-health-care-costs>

*“Many people who are chronically homeless have mental health concerns. It’s a struggle. We’re often dealing with people who are hard to help and who have nowhere to go.”*

– Jim Porter, Bend Police Department  
Chief of Police

For people experiencing mental illness, housing insecurity can exacerbate their illness. Autumn Rackley, the Housing Stabilization Manager for the Central Oregon non-profit, NeighborImpact, reports that people struggling with mental illness and housing insecurity are in need of permanent supportive housing and mental health support services. The need for housing support is far greater than what the community currently has to offer, says Rackley. Housing support and wrap-around support services can allow people with mental illness to stabilize and improve their quality of life.

*“There are people who are camping outside town, or living out of their cars, who wind up in ER for care and some shelter. A young woman who was camped outside Bend, came into the emergency department to get help for an injury, and to have a safe place to be. She was living in a homeless camp and was injured by an assault. We attended to her injuries. She wasn’t admittable to the hospital, so we had to ask her to go. I remember her lingering in her room. She was scared to leave. She had nowhere to go except the homeless camp, and she didn’t feel safe there.”*

– Emergency Room nurse in Central Oregon

Homelessness puts people at greater risk for multiple health problems due to malnutrition, exposure to the elements, lack of hygiene, substance use, and crime. Many homeless people do not receive routine health care due to lack of health insurance, transportation, financial resources, or other barriers. As a default, emergency rooms often become the primary source of medical care for homeless persons. This is extraordinarily costly for hospitals and government funded services, and the overall cost of health care.<sup>18</sup> A report published by the Journal of the American Medical Association, states that 5 percent of hospital users are responsible for half of health care costs in the United States. Most of these patients live below the poverty line and lack secure housing. By investing in housing, communities can become healthier and save public money.<sup>19</sup>

A Central Oregon emergency room nurse explains the difficulty medical providers face when the people in their care do not have access to stable or safe housing.

## **Foster Care System**

For some parents, housing stress is a tipping point beyond their ability to cope and care for their children. Financial stress increases the likelihood of domestic violence, substance abuse, child abuse, and child neglect. A 2017 report by the Department of Human Services revealed that housing instability was a factor in 17 percent of the removal of children from parents, and their placement

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<sup>18</sup> National Coalition for the Homeless. Health and Homelessness. <https://nationalhomeless.org/issues/health-care/>

<sup>19</sup> Sandel, Megan, and Desmond, Matthew. *Investing in Housing for Health Improves Both Mission and Margin*. JAMA, 2017; DOI: 10.1001/jama.2017.15771

into protective custody. This is a 40 percent increase since 2015.<sup>20</sup> In Oregon, the number of children needing safe, stable homes is greater than the number of available foster homes in Oregon.<sup>21</sup>

Before a child can be returned to a parent, the parent must have safe and stable housing. The lack of housing options is a barrier for parents to regain custody of their children, thus extending the time that children remain in the foster care system. These factors put additional pressure on the budget of the Oregon Department of Human Services.

## Conclusion

This chapter has explored many of the interrelated, far reaching, and sometimes dire impacts of Central Oregon's housing crisis. A comment from Beth Erikson, a behavioral health consultant at La Pine Community Center, captured a primary challenge to addressing this regional crisis. She said that while "driving through La Pine you don't see people living in substandard housing. If you don't see it, it's easy to assume that everything is good." Many of the impacts of the housing crisis are invisible. This chapter's research, data, and input from community members is intended to increase the visibility of the challenges that face the tri-county region. Moving forward, community members can work together to ensure that Central Oregonians have access to secure and stable homes. By addressing this foundational need, Central Oregon families, businesses, and communities can thrive and become more resilient.

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<sup>20</sup> [www.kdrv.com/content/news/Kids-in-foster-care-increase-amid-housing-crisis](http://www.kdrv.com/content/news/Kids-in-foster-care-increase-amid-housing-crisis)

<sup>21</sup> Oregon Live. Feb. 27, 2018. *Oregon Officials Agree to Reduce the Use of Hotels as Temporary Homes for Foster Children.*

# Chapter 3: Socioeconomic Overview

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# Demographic Conditions and Trends

## A Rapidly Growing Region

The Central Oregon region is still a predominately rural area, with mainly small communities separated by large expanses of open space, agricultural and ranching land uses, and dispersed rural development. The cities of Bend and Redmond are the only communities exceeding 20,000 in population. However, the region has been experiencing enormous population growth in the last few decades, with Deschutes County far outpacing Crook and Jefferson counties in terms of overall numbers and percentage growth, and the Warm Springs reservation<sup>22</sup> a close second in growth rate. This trend is expected to continue, with the regional population forecasted to grow 60% between 2020 and 2050, most of it in Deschutes County. This rapid population growth has impacted housing availability at every income level, and strained regional infrastructure and services. The rural communities of Central Oregon are now experiencing some downstream effects of this population growth, including an influx of new residents that have been displaced from the more expensive, urban areas of Bend or Redmond.

The regional population is forecasted to grow by 60% between 2020 and 2050, with most of this expansion in Deschutes County. Rapid population growth impacts housing availability at every level, and rural communities in Central Oregon gain residents displaced from Bend or Redmond by high housing costs.

**Table 3-1. Central Oregon Population and Growth Rate by County**

Year	Crook County	Deschutes County	Jefferson County	Region	Oregon
2010	20,978	157,733	21,720	200,431	3,831,074
2014	20,780	166,400	22,205	209,385	3,962,710
2015	21,085	170,740	22,445	214,270	4,013,845
2016	21,580	176,635	22,790	221,005	4,076,350
2017	22,105	182,930	23,190	228,225	4,141,100
2018	22,710	188,980	23,560	235,250	4,195,300
<b>Population Growth Rate</b>					
Population Growth Rate 2010 - 2017	8.2%	19.8%	8.5%	17.4%	9.5%
Average Annual Growth Rate 2010 - 2017	1.2%	2.8%	1.2%	2.5%	1.4%

Data Source: Portland State University Center for Population Research, 2018

<sup>22</sup> Demographic data for the Confederated Tribes of Warm Springs in this report is displayed separately because the Portland State University Center for Population Research does not tabulate population information for CTWS distinctly from Jefferson and Wasco Counties and because the Census Bureau reports 5-year averages of surveys from CTWS rather than discrete 1-year information owing to the relatively small population therein.

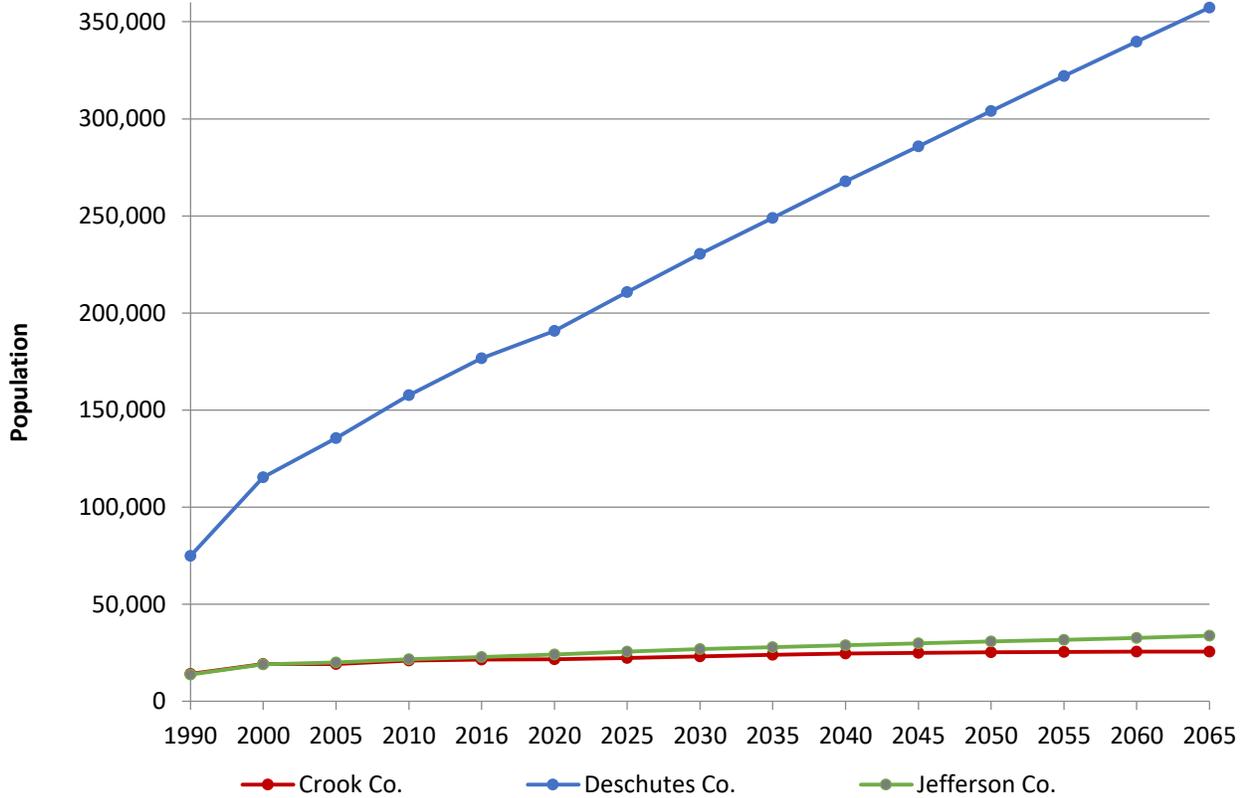
<b>Table 3-2. Population and Growth Rates, Warm Springs Reservation and Off-Reservation Trust Land</b>	
<b>Year</b>	<b>5-Year Combined Population Estimates</b>
2010	3,976
2014	4,207
2015	4,429
2016	4,548
2017	4,588
<b>Population Growth Rates</b>	
Population Growth Rate 2010-2017	15.4%
Average Annual Growth Rate 2014-2017	2.2%

Data Sources: 2010 U.S. Census; 2013-2017 American Community Survey 5-Year Estimates

<b>Table 3-3. Central Oregon Forecast of Population Change by County</b>					
<b>Year</b>	<b>Crook County</b>	<b>Deschutes County</b>	<b>Jefferson County</b>	<b>Region</b>	<b>Oregon</b>
2020	23,528	199,793	24,139	247,460	4,252,100
2025	24,794	220,708	25,273	270,775	4,516,200
2030	26,565	244,018	26,375	296,958	4,768,000
2035	28,179	266,840	27,323	296,958	4,995,200
2040	29,571	289,225	28,145	346,941	5,203,000
2045	30,894	310,827	28,828	370,549	5,398,800
2050	32,277	334,042	29,528	395,847	5,588,500
<b>Forecast Growth Rates</b>					
Growth Rate 2020-2050	37.2%	67.2%	22.3%	60.0%	31.4%
Average 5-Year Growth Rate	5.4%	9.0%	3.4%	8.2%	4.7%

Data Sources: Portland State University Center for Population Research, 2018 (counties and region); Oregon Office of Economic Analysis, Long-Term County Forecast, 2013 (Oregon)

**Figure 3-1. Population Trends and Growth Forecast, 1990-2065**



Source: Portland State University Population Research Center, 2017

## Conditions and Trends in Age, Disability, Race, and Household Income

### Age Class

The percentage of persons in different age classes varies across the region. Warm Springs has a very high percentage of residents under 14, indicating that there is a higher need for housing that is appropriate for children and families than other areas of the region, and a comparatively very low percentage of older persons. At the other end of the spectrum, Crook County has a significantly higher incidence of persons over 65 than the rest of the region. Table 3-4 provides a snapshot of how this age class distribution has changed from 2010 to 2017 – note how in all three counties and Warm Springs the percentage of the population that is 65 and over has grown.



In all three counties and Warm Springs, the percentage of the population over the age of 65 has grown from 2010 to 2017. Forecasts indicate that this age cohort will continue to grow, making up at least 30% of each county by 2043.

Table 3-4. Central Oregon Age Classes, 2010 and 2013-2017								
Age Group	Crook County		Deschutes County		Jefferson County		Warm Springs	
	2010	2017	2010	2017	2010	2017	2010	2017
14 & under	18.1%	15.5%	18.0%	17.5%	20.8%	19.9%	28.7%	30.7%
15 to 19	5.9%	5.6%	5.8%	5.7%	7.1%	7.2%	9.7%	8.9%
20 to 29	8.8%	9.5%	11.1%	11.1%	11.2%	11.1%	18.9%	16.1%
30 to 39	11.0%	11.5%	12.6%	12.9%	11.3%	11.1%	12.2%	12.0%
40 to 49	12.4%	10.1%	13.4%	13.4%	13.7%	12.2%	11.5%	11.9%
50 to 59	15.7%	15.3%	14.4%	13.7%	13.6%	12.8%	10.5%	8.2%
60 to 64	8.2%	8.2%	7.4%	7.4%	6.8%	7.4%	4.0%	5.0%
65 and over	20.1%	24.1%	17.4%	18.4%	15.3%	18.3%	5.7%	7.1%

Data Sources: US Census, 2010 Decennial Census and 2013-2017 American Community Survey

Table 3-5 demonstrates the forecasted extraordinary growth of persons aged 65 or older, in whole numbers and as a percentage of overall population, from 2018 through 2043. Crook County is expected to continue to lead the way, with more than 40% of the population in this age group by 2030. This indicates that there will be a higher need for housing suitable for older populations, including access to public transportation, medical care and other essential services.

Table 3-5. Forecast of Central Oregon Senior Population Growth – Persons 65+					
	2018	2020	2030	2040	2043
<b>Senior Population</b>					
Crook County	7,922	8,539	10,662	11,961	12,345
Deschutes County	35,009	52,032	70,089	86,587	91,400
Jefferson County	6,351	6,841	8,656	9,789	10,041
<b>Tri-County Total</b>	<b>49,282</b>	<b>67,412</b>	<b>89,407</b>	<b>108,337</b>	<b>113,786</b>
<b>Senior Share of Total Population</b>					
Crook County	35.1%	36.2%	40.1%	40.4%	40.6%
Deschutes County	18.7%	26.0%	28.7%	29.9%	30.2%
Jefferson County	27.0%	28.3%	32.8%	34.7%	35.1%
<b>Tri-County Total</b>	<b>21.0%</b>	<b>27.2%</b>	<b>30.1%</b>	<b>31.2%</b>	<b>31.5%</b>

Data Source: Portland State University Center for Population Research, 2018

## Disability

Table 3-6 demonstrates that Crook County has significantly higher incidence of persons with disabilities, across all reported age groups, than the rest of the region and the average for Oregon. Jefferson County also has a higher than average incidence of disability in the two older age groups.

Table 3-6. Number and Percent of Disabled Residents by County by Age Group, 2013-2017								
Age Group	Crook County		Deschutes County		Jefferson County		Oregon	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18 years	350	1.6%	1,413	0.8%	119	0.5%	38,082	0.9%
18 to 64 years	2,189	10.1%	11,072	6.3%	1,963	8.9%	300,983	7.6%
65 years and over	2,126	9.8%	10,235	5.8%	1,452	6.6%	238,952	6.0%
<b>Total</b>	<b>4,665</b>	<b>21.5%</b>	<b>22,720</b>	<b>12.9%</b>	<b>3,534</b>	<b>16.0%</b>	<b>578,017</b>	<b>14.5%</b>

Data Sources: US Census Bureau, American Community Survey 2013-2017

Table 3-7. Number and Percentage of Disabled Residents by Age Group Warm Springs Reservation and Off-reservation Trust Land, 2012-2016			
	Estimate	With a disability	% with a disability
Under 5 years	333	0	0.0%
5 to 17 years	1,178	28	2.4%
18 to 34 years	1,232	63	5.1%
35 to 64 years	1,402	309	22.0%
65 to 74 years	280	103	36.8%
75 years and over	70	55	78.6%
<b>Total Civilian Non-Institutionalized Population</b>	<b>4,495</b>	<b>558</b>	<b>12.4%</b>

Data Sources: US Census, American Community Survey 5-Year Estimates (2012-2016)

## Race and Ethnicity

While whole numbers of racial and ethnic minorities are growing across most of Central Oregon, their proportion has been shrinking in the region as a whole due to the larger number of white persons in-migrating to (primarily) Deschutes County. Areas outside Deschutes County are becoming increasingly diverse in terms of whole numbers as well as percentages. Jefferson County has long been the most diverse county in the region; it is also more diverse than the state of Oregon overall, and this trend is accelerating. Crook County has also increased its racial diversity, although not to the same degree as Jefferson County.

The large majority of the population in all three counties and the state are non-Latino White residents. Crook and Jefferson Counties are more diverse than Deschutes and have become more diverse since 2010. In Jefferson County, Latino residents make up about 20% of the population.

Table 3-9 highlights another significant trend in diversity. While racial diversity in the region remains fairly low, the proportion of the population that identifies as ethnically Hispanic is increasing in all three counties, representing nearly 20 percent of the population in Jefferson County in 2017.

**Table 3-8. Racial Demographics by County, 2010 and 2013-2017**

Racial Group	Crook County		Deschutes County		Jefferson County		Oregon	
	2010	2017	2010	2017	2010	2017	2010	2017
White Alone	20,360	20,118	144,477	164,057	15,981	15,886	3,220,250	3,416,776
% of Total Population	94.6%	88.6%	93.4%	93.6%	73.8%	73.2%	85.6%	84.9%
Black or African American Alone	35	101	505	969	121	189	66,427	76,347
% of Total Population	0.1%	0.4%	0.3%	0.6%	0.5%	0.9%	1.7%	1.9%
American Indian and Alaska Native Alone	351	204	1,721	809	3,466	3,996	60,612	45,332
% of Total Population	1.6%	0.9%	1.1%	0.5%	16.0%	18.4%	1.6%	1.1%
Asian Alone	47	72	1,727	2,051	20	145	135,518	166,351
% of Total Population	0.2%	0.3%	1.1%	1.2%	0.09%	0.7%	3.6%	4.1%
Native Hawaiian and Other Pacific Islander Alone	6	93	211	201	86	84	12,100	15,157
% of Total Population	0.02%	0.4%	0.1%	0.1%	0.4%	0.4%	0.3%	0.4%
Some Other Race Alone	288	448	2,611	2,276	1,266	1,839	5,006	121,000
% of Total Population	1.3%	2.0%	1.6%	1.3%	5.8%	8.5%	0.1%	3.0%
Two or More Races	428	479	3,316	3,893	712	387	131,193	143,495
% of Total Population	1.9%	2.1%	2.1%	2.2%	3.3%	1.8%	3.4%	3.6%

Data Sources: US Census, American Community Survey, 2013-2017

**Table 3-9. Ethnicity by County, 2010 and 2013-2017**

Ethnic Group	Crook County		Deschutes County		Jefferson County		Oregon	
	2010	2017	2010	2017	2010	2017	2010	2017
Not Hispanic or Latino	20,031	20,076	143,704	161,637	17,430	18,212	3,341,730	3,515,620
% of Total Population	93.1%	92.4%	92.9%	92.1%	80.5%	80.2%	88.8%	87.3%
Hispanic or Latino	1,484	1,641	10,864	13,684	4,222	4,495	420,195	509,507
% of Total Population	6.9%	7.5%	7.0%	7.8%	19.4%	19.8%	11.1%	12.6%

Data Sources: US Census, American Community Survey, 2013-2017

## Poverty

Poverty rates for the entire population, as well as for children under 18, generally rose from 2000 through 2013. 2016 and 2017 rates show relief from this trend due to the overall economic recovery, but all areas outside Deschutes County continue to have significantly higher poverty rates than the Oregon and U.S. averages, and Warm Springs poverty rates have actually continued to increase through the recovery. Children under 18 experience poverty at a significantly higher rate than the rest of the population.

All areas in Central Oregon outside of Deschutes County have significantly higher poverty rates than Oregon and U.S. averages. Children under 18 experience poverty at significantly higher rates than the rest of the population.

**Table 3-10. Regional Poverty Rates, 1993-2017**

Year	Crook County	Deschutes County	Jefferson County	Warm Springs	Oregon	US
<b>% of Population in Poverty</b>						
1993	10.9%	10.6%	17.4%		13.2%	15.1%
2000	12.0%	9.6%	13.9%		10.6%	11.3%
2003	11.8%	10.3%	14.4%		12.0%	12.5%
2010	14.0%	10.5%	20.1%		14.0%	15.3%
2013	19.5%	14.5%	19.8%	30.3%	16.2%	15.4%
2016	17.7%	13.9%	20.3%	35.7%	15.7%	15.1%
2017	15.3%	12.1%	20.9%	43.5%	16.2%	15.4%
<b>% of Children under 18 in Poverty</b>						
1993	14.0%	14.7%	23.5%		18.3%	22.7%
2000	17.6%	13.8%	22.3%		15.1%	16.2%
2003	18.4%	15.2%	22.8%		17.4%	17.6%
2010	26.2%	14.9%	33.6%		18.3%	22.0%
2013	31.4%	20.3%	32.0%	36.3%	21.7%	19.9%
2016	25.2%	18.3%	29.9%	46.8%	20.4%	21.2%
2017	23.1%	15.2%	30.3%	57.8%	19.0%	20.3%

Data Sources: US Census, American Community Survey 2013-2017

## Economic Conditions and Trends

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Central Oregon's economy was traditionally rooted in natural resource industries such as timber, ranching, and crop agriculture. Over the last few decades, Central Oregon began transitioning away from these industries and towards a far more diverse industry base (Figure 3-2). Looking at regional data in aggregate, Central Oregon has been a roaring success in that endeavor, with a

Over the last few decades, Central Oregon began transitioning away from natural resource industries and towards a more diverse industry base. Today, Central Oregon's environmental and lifestyle amenities are likely the most significant element of its economic base.

diversifying economy and low unemployment (Figure 3-3), although later in this section we will discuss how this economic success has not been shared by all communities.

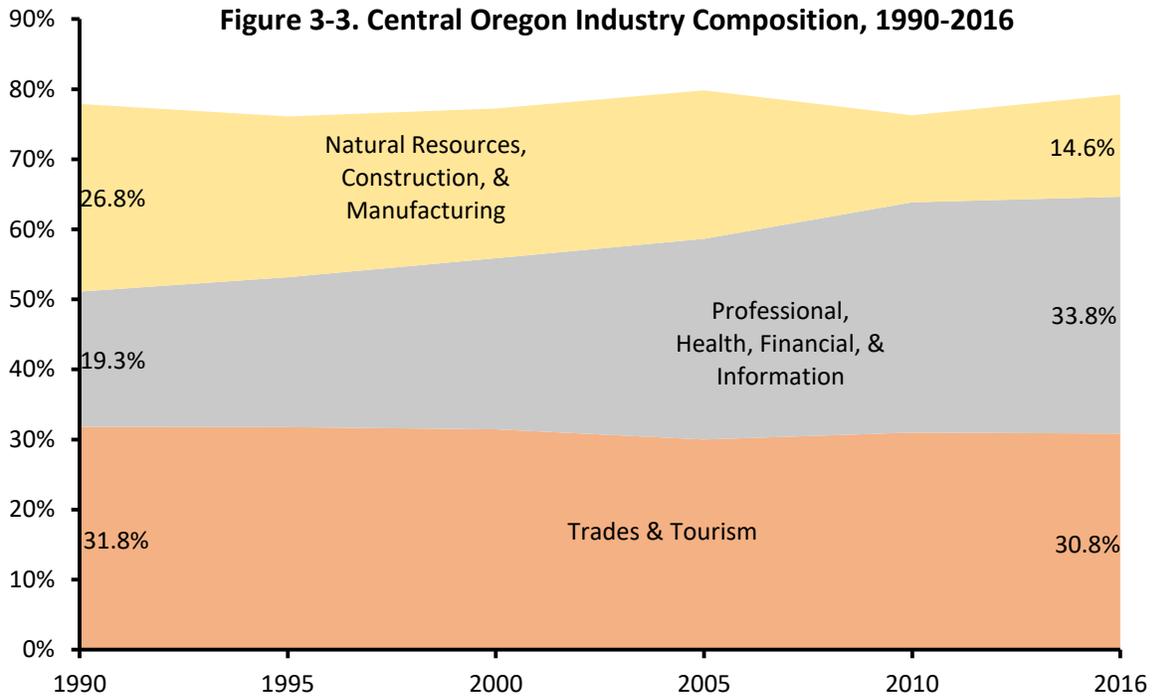
The region's striking environmental amenities – soaring Cascade Mountains, pristine rivers and lakes, wide-open desert spaces, clean air and water – in the context of a bucolic and still-friendly small town and rural environment, have generated a culture of outdoor recreation and associated “quality of life” amenities such as brew pubs,

artisanal coffee houses, and a plethora of restaurants and shops. Much of this activity is centered on the region's small urban hub – Bend – which has experienced significant national buzz as an “outdoor lifestyle center” in media as diverse as Outside Magazine, the New York Times, and Forbes Magazine, among dozens of others.<sup>23</sup> This coverage has helped to spur rapid population growth, which in turn has triggered the relocation of businesses and skilled labor, as well as assisting the growth of local businesses by providing a local market for goods and services. Without concurrent development of housing these factors can also, of course, cause significant housing cost increases.

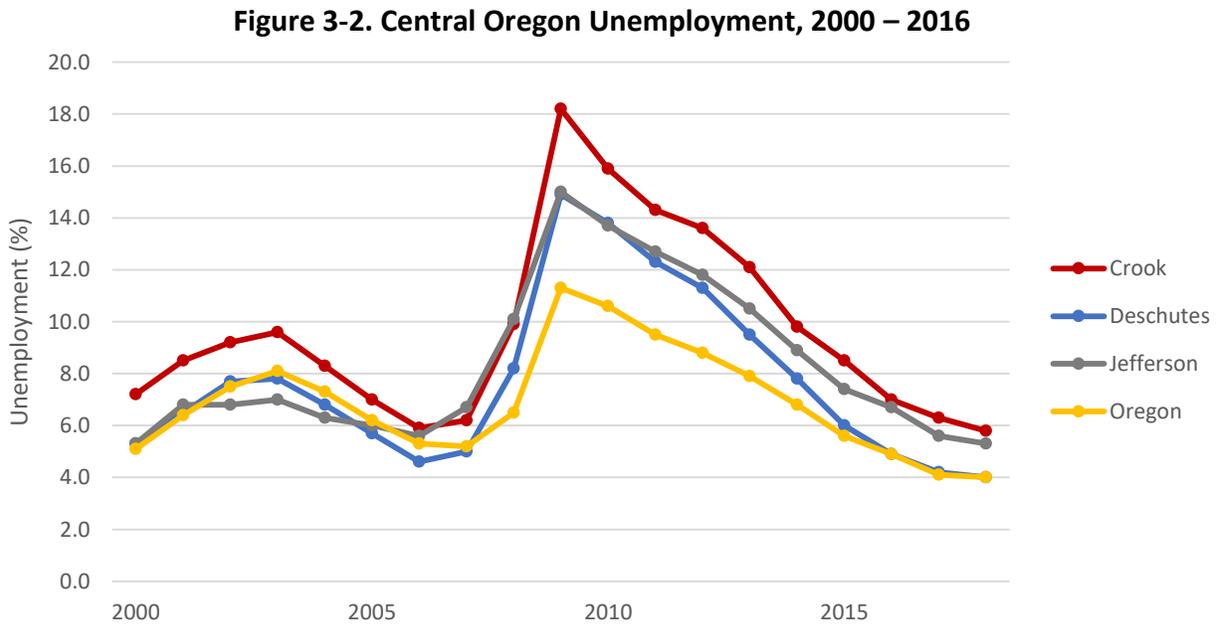
Central Oregon's environmental and lifestyle amenities are likely the most significant element of its economic base. Other important factors include the presence of skilled labor, low wholesale power rates, generally low taxes and other business operating costs, high quality health care and other related services, and a highly entrepreneurial economic ecosystem.

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<sup>23</sup> See <http://www.visitbend.com/About-Us/Press/Media-Articles/> for a recent list of magazine coverage of Bend and Central Oregon.



Temporal trends in Central Oregon’s industry composition demonstrate a shift from natural resources, construction, and manufacturing toward professional, health, financial, and information firms with trades and tourism staying roughly consistent in the past 26 years. Source: Damon Runberg, Central Oregon Regional Economist, Oregon Employment Department, 2017.



Central Oregon unemployment rates are decreasing, however, Crook and Jefferson County unemployment remains above that of Deschutes County and Oregon. Source: Oregon Employment Department, LAUS, 2018

## Key Industries

Traditionally, the regional economy was dominated by natural resource industries, including forestry, crop agriculture, and ranching. These industries have gradually given way due to a variety of primarily external forces, but agriculture is still very important to the Jefferson County economy, and ranching remains a significant component in Crook County. Almost all of the region's primary and secondary wood products mills have closed over the last few decades, with the remaining lone primary mill remaining in Gilchrest, just south of Deschutes County. Central Oregon has become a recreation hot spot, with an estimated 4.3 million visitors to the region in 2015 (Central Oregon Visitors Association, 2016).

Central Oregon has seen considerable growth in key family-wage paying industries such as aviation/aerospace, bioscience, brewing, high tech, and value-added food products.

While extraction industries and much of the general manufacturing base have declined, there has been considerable growth in key family-wage paying industries such as aviation/aerospace, bioscience, brewing/distilling, high tech, outdoor gear and apparel, and value-added food products. Other more traditional industries such as building materials are still strong<sup>24</sup>. The health care sector is also large and growing steadily, and

headquarters operations (such as Keith Manufacturing and Les Schwab tires) provide a significant source of jobs and income into the region (Figure 3-4). There has also been extraordinary growth in administrative/call/data centers, with particularly striking development in Prineville/Crook County (Apple and Facebook).<sup>25</sup>

Similar to many economies, the service sector is amongst the largest employers in Central Oregon. However, the leisure and hospitality sector is disproportionately large as the region is a major tourism destination. The predominately low-wage leisure sector accounts for nearly 18 percent of all nonfarm jobs in the region compared to just 13 percent for the state of Oregon<sup>26</sup>. Still, this sector has indirectly contributed to the attraction of business and skilled labor to the region – without a diversity of tourism-related opportunities (destination resorts, the Mt. Bachelor ski hill, fine dining, etc.), much of the aforementioned business and labor relocation to the region would not have happened<sup>27</sup>.

The service sector is among the largest employers in Central Oregon. The predominately low-wage leisure and hospitality sector is disproportionately large, but the region's draw as a tourist destination also contributes to the attraction of businesses and skilled labor.

Much of the growth in these industries can be attributed to the attractive lifestyle factors discussed above, which serves to attract business owners and professional or high-skill labor to live in Central Oregon.

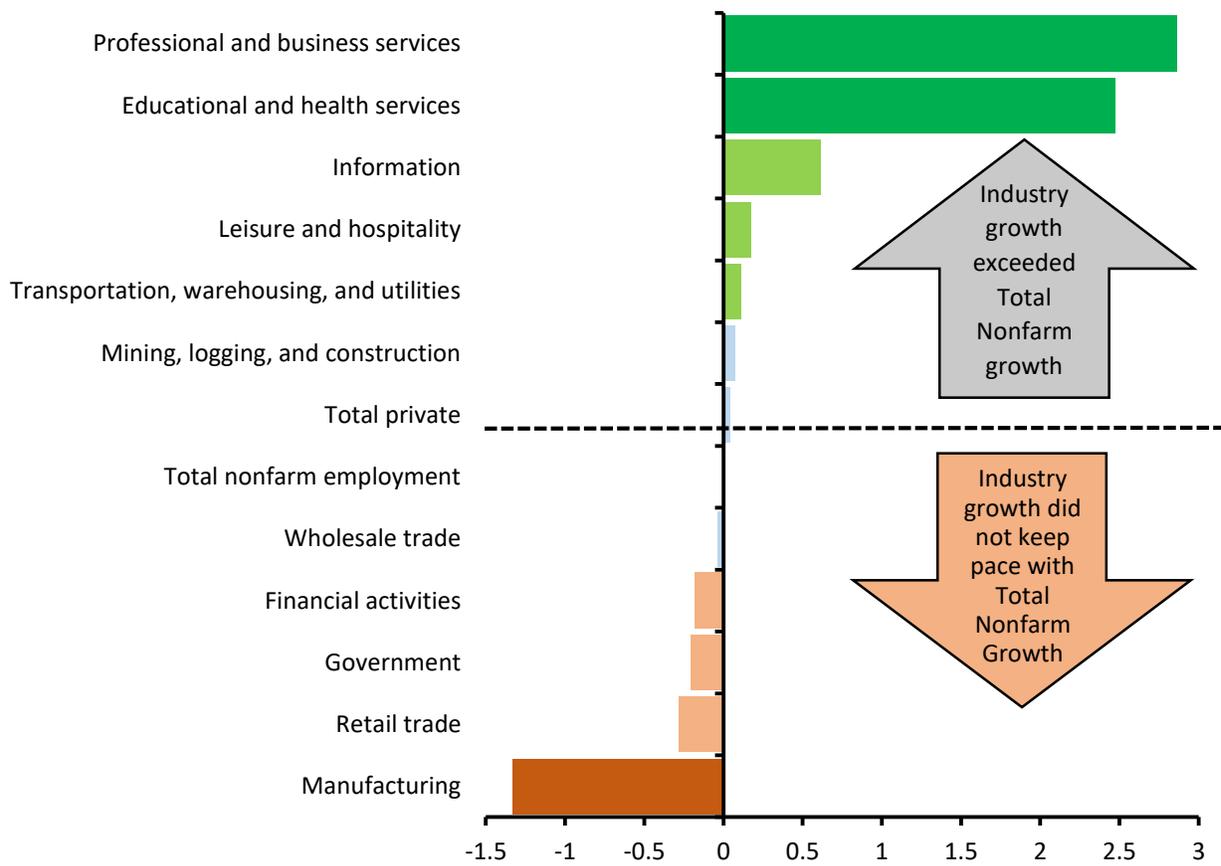
<sup>24</sup> Damon Runberg, Central Oregon Regional Economist, 2017.

<sup>25</sup> Industry list based on EDCO's 2016 Central Oregon Profile.

<sup>26</sup> Damon Runberg, Central Oregon Regional Economist, Oregon Employment Department, 2017.

<sup>27</sup> Headwaters Economics, 2010 "Improving Deschutes County's Competitiveness." Visit Bend and EDCO.

**Figure 3-4. Difference in Industry Employment Index from Total Nonfarm Employment Index, Central Oregon, 2016 (index begins in 1990)**



Central Oregon’s 2016 industry employment index demonstrates above average growth in professional and business services and educational and health services since 1990 with growth far below average for the manufacturing industry.

Source: Damon Runberg, Central Oregon Regional Economist, Oregon Employment Department, 2017

## Uneven Economic Development

When viewing the region as a whole, most of the key economic indicators – unemployment, wage growth, job growth, economic diversification, etc. – look very good. However, the benefits of growth are not distributed evenly across the region, nor have all communities recovered from the significant contraction in the extraction economy. For instance, La Pine’s 2018 average annual unemployment rate was 9.9 percent compared to just 3.6 percent in Bend<sup>28</sup>. Economic performance in Bend and Redmond is simply not matched in many rural areas, which lag on economic indicators and have a number of troubling demographic trends



The benefits of economic growth are not distributed evenly across the region. Economic performance in Bend and Redmond is simply not matched in many rural areas.

<sup>28</sup> Damon Runberg, Central Oregon Regional Economist, Oregon Employment Department; personal correspondence; 2019.

(e.g. aging population/workforce, lower educational attainment, youth flight, higher poverty rate, etc.) (Table 3-11; Figure 3-5; Figure 3-6).

Furthermore, individual populations within the region (regardless of geography) are lagging behind – youth unemployment is high (Figure 3-7), women and minorities earn significantly less<sup>29,30</sup>, and many residents do not necessarily have the necessary training or pathways to benefit from growth in the higher-skilled growth industries. Economic development and workforce development professionals point to the emerging (youth) workforce in particular as not having the necessary “soft skills” or formal training to participate in the region’s economic growth.

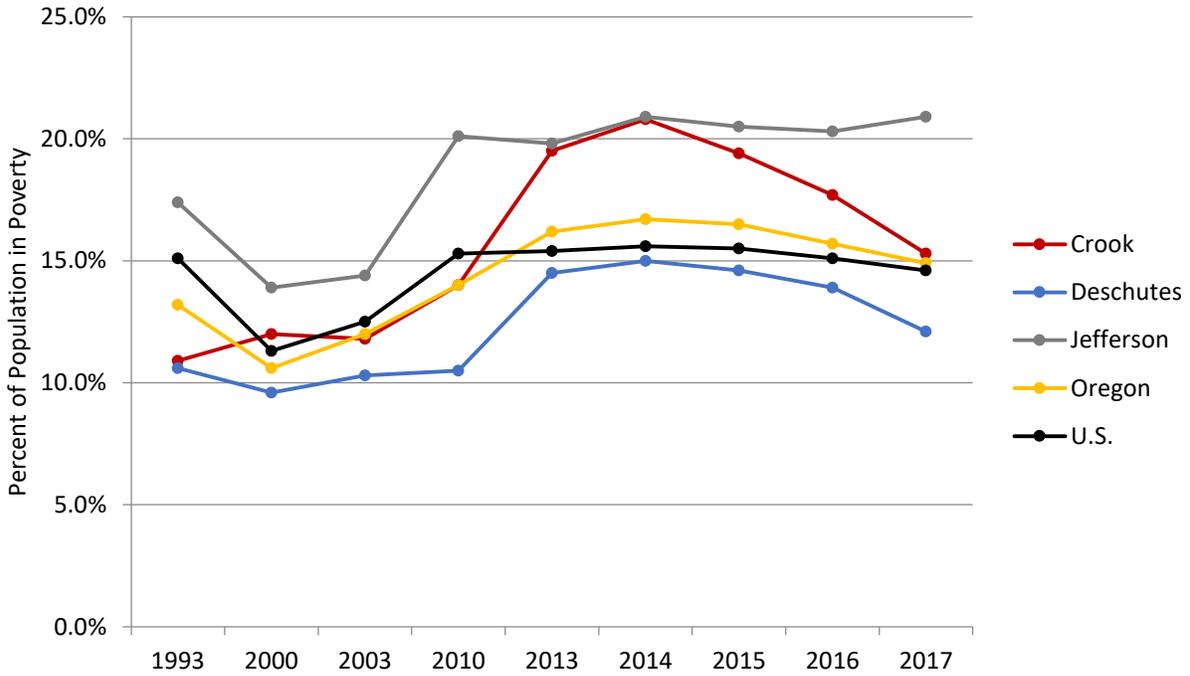
<b>Table 3-11. Central Oregon Educational Attainment (Ages 25+), 2000-2017</b>				
<b>Education Completed</b>	<b>Crook County</b>	<b>Deschutes County</b>	<b>Jefferson County</b>	<b>Oregon</b>
<b>2000</b>				
High School Graduates	38.9%	27.2%	31.7%	26.3%
Some college, no degree	23.1%	28.6%	25.5%	27.1%
Associates Degree	5.9%	7.7%	5.5%	6.6%
Bachelor Degree	8.0%	17.1%	9.4%	16.4%
Graduate Degree	4.6%	7.9%	4.4%	8.7%
<b>2010</b>				
High School Graduates	36.6%	25.2%	36.6%	25.6%
Some college, no degree	27.3%	28.2%	23.3%	26.3%
Associates Degree	6.6%	10.4%	6.7%	8.1%
Bachelor Degree	10.1%	19.3%	10.4%	18.3%
Graduate Degree	5.4%	9.8%	5.5%	10.4%
<b>2011-2015</b>				
High School Graduates	37.8%	22.9%	29.5%	24.3%
Some college, no degree	25.2%	28.7%	27.8%	26.3%
Associates Degree	8.6%	9.4%	10.7%	8.4%
Bachelor Degree	10.5%	20.7%	11.3%	19.3%
Graduate Degree	4.9%	11.9%	4.7%	11.5%
<b>2013-2017</b>				
High School Graduates	34.0%	23.8%	30.7%	23.4%
Some college, no degree	26.3%	26.5%	28.8%	25.8%
Associates Degree	9.6%	9.4%	9.3%	8.7%
Bachelor Degree	11.9%	21.4%	11.6%	20.1%
Graduate Degree	6.0%	12.3%	5.3%	12.2%

Data Source: US Census, American Community Survey, 2013-2017

<sup>29</sup> Runberg, Damon and Bechtoldt, F. 2016. Women Earn Less Than Men in Every Industry in Deschutes, Jefferson, and Crook Counties. <https://www.qualityinfo.org/-/women-earn-less-than-men-in-every-industry-in-deschutes-jefferson-and-crook-counties>

<sup>30</sup> Starbuck, Emily. 2017. Race and Ethnic Diversity in Oregon’s Workforce. <https://www.qualityinfo.org/-/race-and-ethnic-diversity-in-oregon-s-workforce>

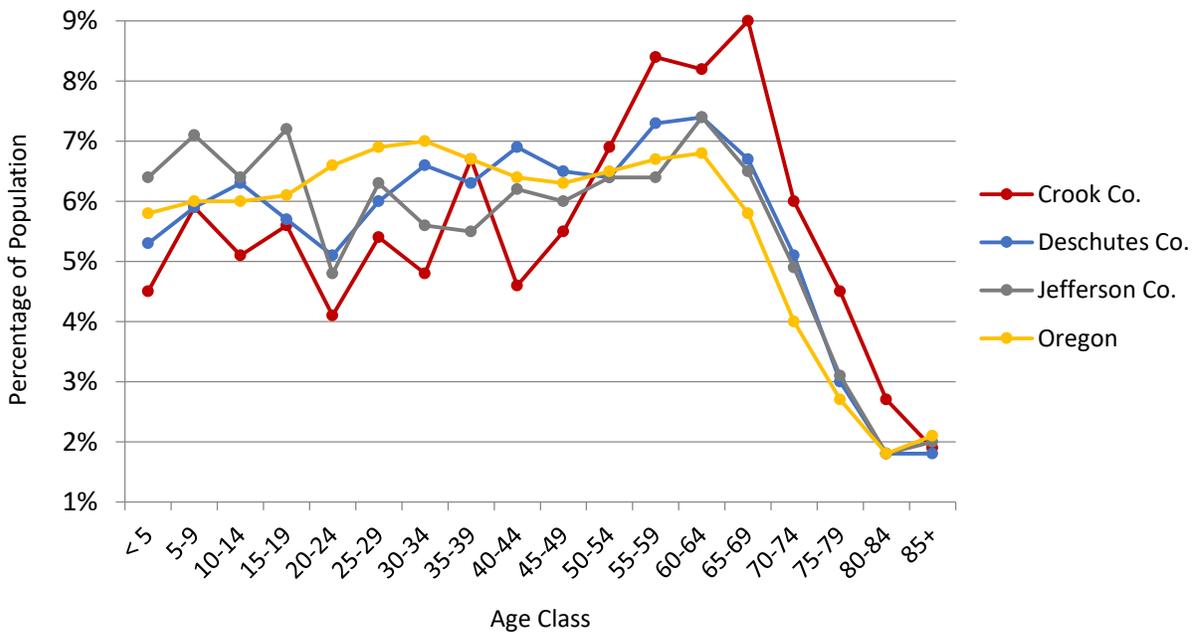
**Figure 3-5. Central Oregon Poverty Rates, 1993-2017**



Crook and Jefferson County poverty rates are high in comparison with Deschutes County, Oregon, and the U.S.

Source: U.S. Census Bureau, American Community Survey, 1993 - 2017

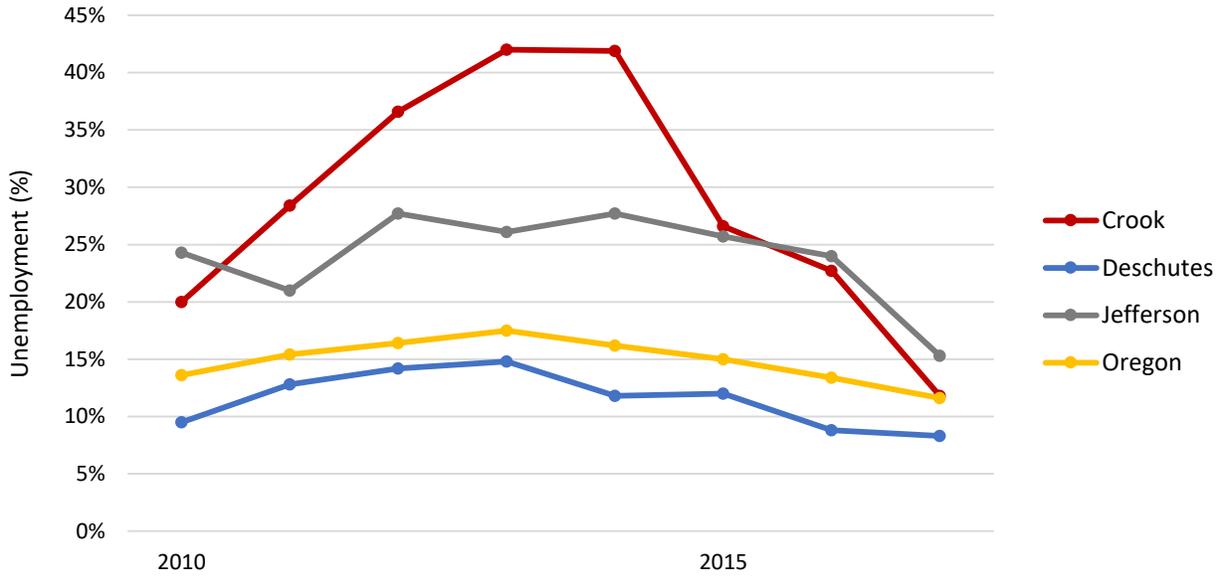
**Figure 3-6. Central Oregon Age Distribution, 2017**



Central Oregon has a lower proportion of residents between the ages of 15 to 49 when compared to Oregon.

Source: U.S. Census Bureau, American Community Survey 2013-2017 5-Year Estimates

Figure 3-7. Central Oregon Youth Unemployment, Ages 20-24, 2010-2017



The youth unemployment rates of Crook and Jefferson Counties are above that of Deschutes County.

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

## Economic Forecast

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Every two years, the Oregon Employment Department's Research Division calculates 10-year industry and occupational employment projections. The most recent projection cycle anticipates Central Oregon adding nearly 15,000 jobs to the tri-county area between 2017 and 2027, a growth of 15 percent.

The private sector is expected to dominate job growth in the long term, adding around 96 percent of the 13,670 payroll jobs projected to be added by 2027. Almost every private industry sector is expected to add jobs through 2027, except logging and wood products manufacturing. Job gains are expected to be largely concentrated in four industries:

- Health Care and Social Assistance (+2,540; 19%) is expected to add more jobs than any other industry, and is heavily influenced by the aging population.
- Construction (+2,350; 35%) is projected to be the fastest growing industry. Despite this, employment levels in construction are expected to remain below levels from the 2006 housing boom.
- Professional and Business Services, a highly diverse set of industries, are forecast to add 1,820 (+18%) jobs.
- Leisure and Hospitality, which is largely tourism based jobs, is expected to add 1,850 jobs (+13%) by 2027.

The public sector expected to expand over the next 10 years, but at a much slower pace (+3%). The largest gains are forecast to be in the education sector with local education adding 260 jobs by 2027. Local education, predominately K12, are expected to expand due to continued population growth.



Over the next 10 years, Central Oregon is projected to add nearly 15,000 jobs. Job gains are expected to be concentrated in health care and social assistance, construction, professional and business services, and leisure and hospitality.

# Chapter 4: Housing Market Analysis

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This housing market analysis provides an overview of the current housing supply and recent market dynamics in the Central Oregon region, defined as the area including Crook, Deschutes, and Jefferson Counties and the communities of Bend, Culver, La Pine, Madras, Metolius, Prineville, Redmond, Sisters, and Warm Springs therein. It includes a review of rental and for-sale supply characteristics such as occupancy, age, housing type, and housing size. It also discusses housing costs and recent market activity, along with the availability of subsidized housing.

For most topics, data is presented for the region, each county, and the six largest cities. They include Bend, La Pine, Redmond, and Sisters in Deschutes County; Madras in Jefferson County; and Prineville in Crook County. Data is also included for Warm Springs, a census designated place on the Warm Springs Reservation in Jefferson County.

Data collected by the U.S. Census Bureau through the 2000 and 2010 Decennial Censuses and the American Community Survey (ACS) is used in this analysis. The American Community Survey is an ongoing statistical survey that samples a small percentage of the U.S. population every year, thus providing communities with more current population and housing data throughout the 10 years between censuses. This approach trades the accuracy of the Decennial Census data for the relative immediacy of continuously polled data from each year. Because ACS data is compiled from an annual sample rather than an actual count, it is therefore susceptible to sampling error. Because sampling error is reduced when more estimates are collected over a longer period of time, five-year estimates will be more accurate (but less recent) than one-year ACS estimates. For this reason, this analysis relies most heavily on the 2012-2016 Five-Year American Community Survey.

Local data and previous reports, such as the Central Oregon 2017-2021 Comprehensive Economic Development Strategy, the 2016 Bend Housing Needs Analysis, and local building permit data are also used as sources throughout this document and are referenced accordingly.

In addition to Census Bureau and local data, results of a Regional Housing Survey conducted by the Housing for All regional housing consortium with support from the Central Oregon Intergovernmental Council are also referenced throughout this analysis. The survey was conducted during June and July 2018 and received 772 responses. Respondents included employers; health, human service, and public safety providers; builders, developers, and other real estate professionals; landlords, property managers, and HOA managers; housing advocates; local government staff and elected officials; and members of the general public.

## Housing Supply Characteristics

To determine Central Oregon’s current and future housing needs, an understanding of the existing housing stock in the region and its communities is critical. Central Oregon – including Crook, Deschutes, and Jefferson Counties – is home to 85,000 households and has about 103,000 housing units. By far, Deschutes County is the most populous county, with about 68,000 households and 83,000 housing units, or about 80% of the region’s total. Population centers include Bend, the region’s largest city with 34,068 households, and Redmond, with 10,696. The remaining two incorporated areas in Deschutes County – La Pine and Sisters – are notably smaller at about 800 households each. There are also significant population clusters in unincorporated rural Deschutes County, including Tumalo, Terrebone, the Sunriver area, and the area around Sisters.

The more rural Jefferson and Crook Counties have about 10,000 housing units each. Madras, the largest city in Jefferson County, is home to about 2,260 households, and Prineville, the only incorporated area in Crook County, is home to 4,123.

**Table 4-1. Housing Units and Household Growth from 2000 to 2012-2016**

	2000		2012-2016		Percent Change	
	Total Units	Households	Total Units	Households	Total Units	Households
<b>Central Oregon Region</b>	<b>71,166</b>	<b>59,676</b>	<b>103,028</b>	<b>84,612</b>	<b>45%</b>	<b>42%</b>
<b>By County</b>						
Crook County	8,264	7,354	10,339	9,155	25%	24%
Deschutes County	54,583	45,595	82,918	67,880	52%	49%
Jefferson County	8,319	6,727	9,771	7,577	17%	13%
<b>By Place</b>						
Bend	22,507	21,062	37,406	34,068	66%	62%
La Pine	---	---	979	781	---	---
Madras	1,952	1,801	2,568	2,259	32%	25%
Prineville	3,022	2,817	4,399	4,123	46%	46%
Redmond	5,584	5,260	11,416	10,696	104%	103%
Sisters	482	397	1,129	852	134%	115%
Warm Springs	642	603	921	842	43%	40%

Data Sources: 2012-2016 5-Year American Community Survey Tables B25001 and B25003; 2000 U.S. Census SF1 Tables H001 and H004

Since 2000, the region grew by about 32,000 housing units and 25,000 households, or rates of 45% and 42%, respectively. Deschutes County, specifically Bend and Redmond, were responsible for the majority of that growth. Notably, the number of households in both Redmond and Sisters more than doubled over the last decade and a half. The region’s newest city, La Pine, was incorporated in 2006.

Central Oregon, particularly Deschutes County, was the fastest growing area in Oregon since 2000. The population grew by 49% from 2000 to 2017.

Recent estimates from Portland State University's Population Research Center show that the Central Oregon Region, particularly Deschutes County, was the fastest growing area in Oregon over the last two decades. Between 2000 and 2017, the region added about 75,000 residents and grew by 49%. Deschutes County's 59% growth rate eclipsed the second-fastest-growing Oregon county (Washington County) by 25 percentage points.

Deschutes County was also one of the fastest growing counties nationally. Of the more than 3,000 counties tracked by the census bureau, the growth rate in Deschutes County since 2000 was in the top 3% nationally with a rank of 86<sup>th</sup> out of 3,134 total counties.

In the Regional Housing Survey, participants selected driving factors that make Central Oregon an attractive destination to which to move. Top responses were the quality of life (identified by 92% of survey takers) and weather (identified by 69%). Several respondents also mentioned the area as a destination for retirees and second home buyers. Indeed, the strong second home market is reflected in Bend's 2016 Housing Needs Analysis, which forecast demand for an additional 3,003 second homes through 2028, comprising 17% of total new housing units needed over that time period.<sup>31</sup>

## Tenure and Vacancy Rates

In addition to a range of price points, variety in terms of housing tenure, type, and size are necessary to meet the diverse needs and preferences of Central Oregon residents. This section looks specifically at tenure and occupancy rates in the region, and subsequent sections discuss the physical characteristics of the local housing stock, including structure types, number of bedrooms, age, and condition.

Table 4-2 disaggregates occupied units (i.e., households) by tenure. Regionally, two-thirds of households (66%) own their homes and one-third (34%) rent. The homeownership rate in Central Oregon is slightly above rates at the state and national levels (61% and 64%, respectively). Deschutes County has the highest share of renters at 35%, although this share varies by only about 4 percentage points between the counties.

Renting is more common in the incorporated areas than in the counties. In Madras and La Pine, more than half of households rent their homes, as do about 45% of households in Redmond, Prineville, and Sisters. In Bend, renters constitute 41% of all households. Rental housing is least common in Warm Springs, where only 37% of households rent. The greater prevalence of rental housing in urban areas is common, as higher density development including apartments and duplex, triplex, and fourplex units are more typically allowed and supported by infrastructure in these areas. This is particularly true in Oregon, where state land use regulations limit development outside of urban growth boundaries.

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<sup>31</sup> *Bend Housing Needs Analysis: Bend's Growth to 2028*, ECONorthwest and City of Bend, August 31, 2016.

<b>Table 4-2. Tenure by Households in Central Oregon, 2012-2016</b>			
	<b>Number of Households</b>	<b>Share that are Owners</b>	<b>Share that are Renters</b>
<b>Central Oregon Region</b>	<b>84,612</b>	<b>66%</b>	<b>34%</b>
<b>By County</b>			
Crook County	9,155	69%	31%
Deschutes County	67,880	65%	35%
Jefferson County	7,577	69%	31%
<b>By Place</b>			
Bend	34,068	59%	41%
La Pine	781	48%	52%
Madras	2,259	48%	52%
Prineville	4,123	55%	45%
Redmond	10,696	53%	47%
Sisters	852	54%	46%
Warm Springs	842	63%	37%

Data Sources: 2012-2016 5-Year American Community Survey Table B25003

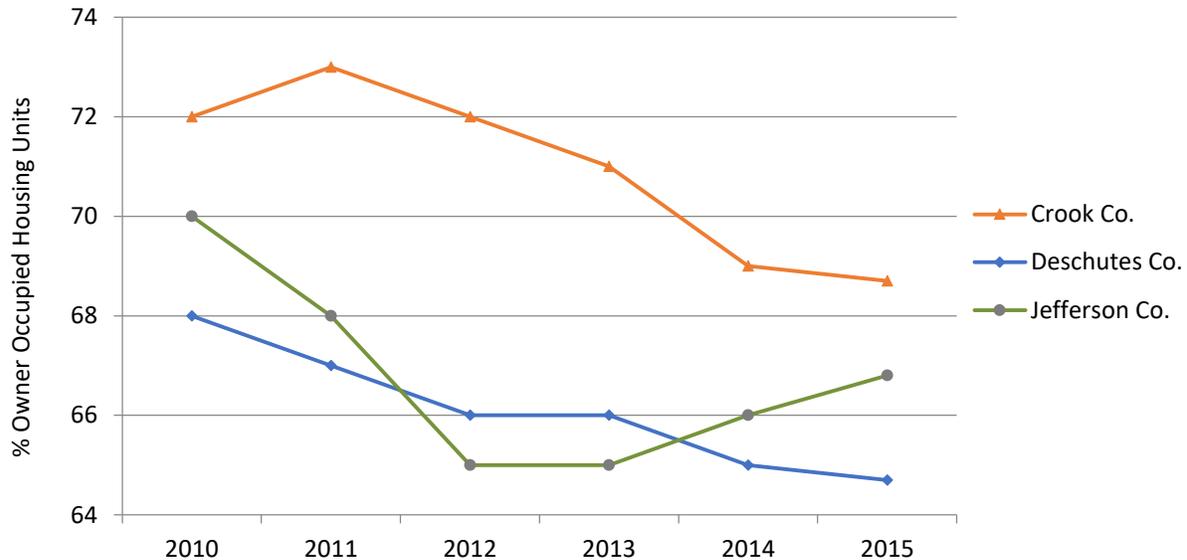
## Homeownership Trends

The Great Recession and subsequent economic recovery have impacted homeownership rates over the last decade. The figure below looks at changes for Central Oregon counties since 2010. Although the majority of existing housing stock is single-family homes, as are an even larger majority of new units permitted, homeownership across the region has declined about 2.5% since 2010. Crook County consistently had the highest rate of homeownership, although most recent data now show it on par with Jefferson County at 69%. Considering how few new apartments were permitted in the study area over this time period, these trends indicate that some single-family housing transitioned from owner-occupied to renter-occupied.

A few factors likely influenced the changing homeownership rates. During and following the recession, rising foreclosure rates led many homeowners to transition to rental housing or double-up with family members or roommates. Slowed economic conditions and more stringent lending requirements also inhibited the formation of new owner households, as young adults opted to remain with parents or continue renting rather than purchase a home. Separately, changing demographics and housing preferences may also be influencing the homeownership rate. As they age, some Baby Boomers looking for smaller housing options that require less maintenance may choose to rent apartment units or duplex/triplex units. Meanwhile, younger households may prefer to rent in more urban settings than to own a single-family home. As Baby Boomers age and the

number of people age 65 and over increases, the demand for smaller, rental units, including units accessible to people with disabilities, is likely to continue to grow.<sup>32</sup>

**Figure 4-1. Central Oregon Homeownership Rate, 2010-2015**



Source: 2017 - 2021 Central Oregon Comprehensive Economic Development Strategy, Appendix Figure B-8. Data from: Census of Population and Housing, 2010; American Community Survey, 2011-2015

## Vacancy by Tenure

The American Community Survey also measures vacancy by tenure. The homeowner vacancy rate is the proportion of homeowner housing that is vacant for sale (i.e., the number of vacant units for sale divided by the sum of owner-occupied units and vacant units for sale). The rental vacancy rate is calculated similarly (i.e., dividing the number of vacant units for rent by the sum of renter-occupied units and the number of vacant units for rent).

The three charts on page 46 track sales and rental vacancy by county since the 2010 Census. Most recent data (from the 2012-2015 Five-Year American Community Survey) show very low vacancy rates across the region for both rental and for-sale housing. Rental vacancy rates range from 0.6% in Crook County to 4.8% in Deschutes County, all below the national average of 6.2%. These rates represent significant declines since 2010, a likely consequence of limited multifamily development, declining homeownership rates, and massive in-migration to the region since then. The most recent Central Oregon Rental Owners Association rental survey conducted in 2014 also reveals a tight rental market, with a regional vacancy rate of only 1.0%, although it should be noted that this survey is not representative of the entire rental market.

According to most recent ACS data (Table 4-3), of the six largest incorporated areas in Central Oregon, Prineville has the lowest rental vacancy rate at 0.9% and La Pine has the highest at 8.1%. Rental vacancy in the remaining cities is between 2 and 5%. Overall, present and historical data

<sup>32</sup> ECONorthwest and the City of Bend. "Executive Summary." *Bend Housing Needs Analysis*. July 2016.

indicate unmet demand for rental units, with a strong rental market regionally and an extremely tight market in several areas, particularly Crook County.

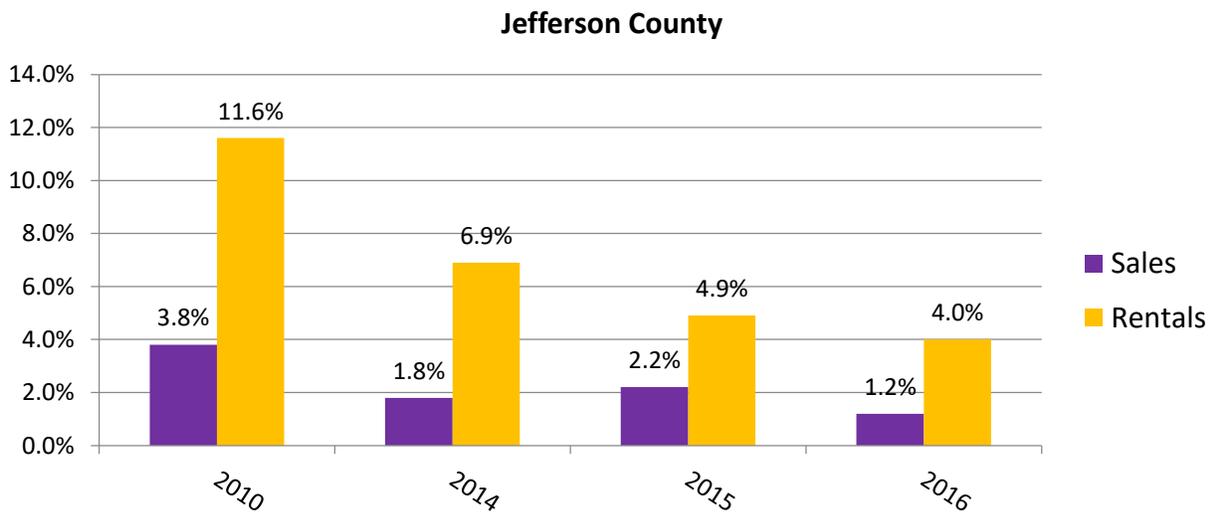
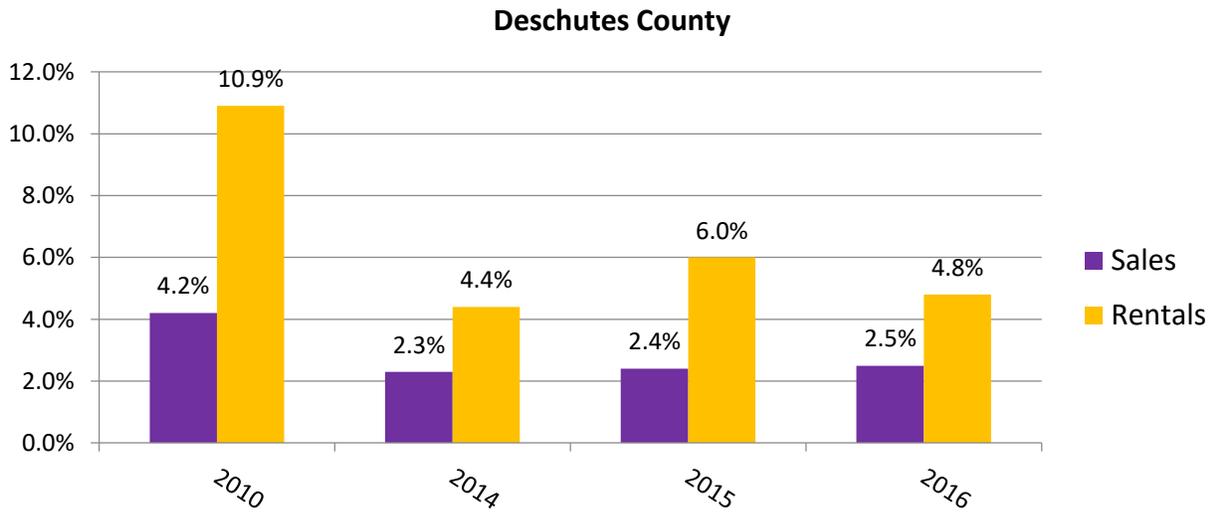
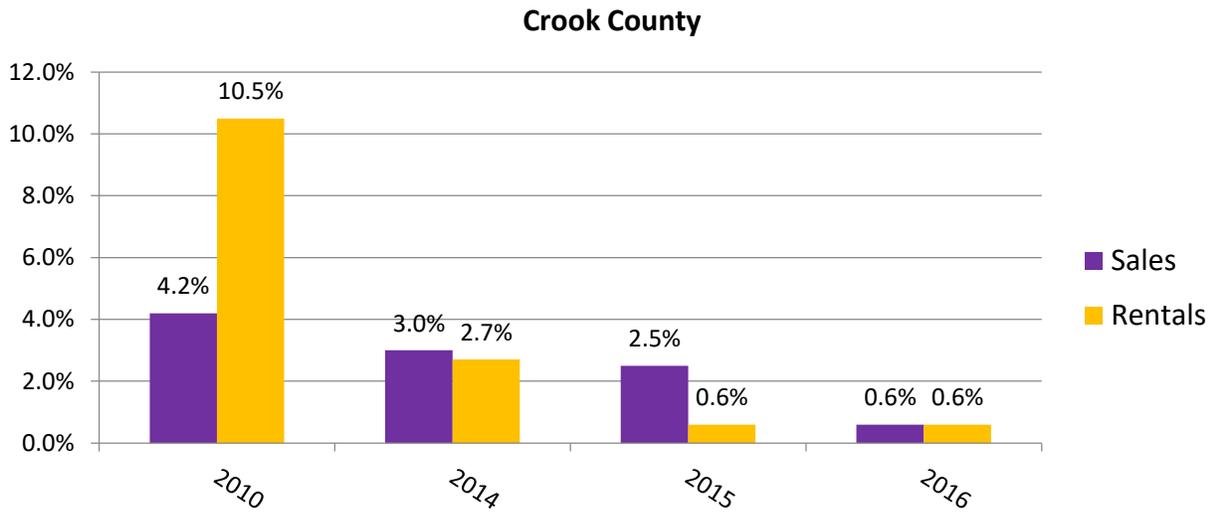
Homeownership vacancy rates are on par with or lower than rental rates in each county, ranging from 0.6% in Crook County to 2.5% in Deschutes County. Nationally, an average of 1.8% of owned housing is vacant and for-sale. Again, these figures reflect only units available for-sale, and not seasonally-occupied second-homes, short-term vacation rentals, or other housing that is unoccupied for other reasons. Like rental vacancies, they declined since 2010, when for-sale vacancy was about 4% regionwide.

In most Central Oregon communities, the homeowner vacancy rate is higher than in the counties: Bend, La Pine, Redmond, and Madras all have homeowner vacancy rates in the 2 to 4% range. Prineville is lower at 1.5%, while 13.6% of owned housing in Sisters is available for sale. The considerably higher rate in Sisters is likely due to an influx of new homeownership housing over the last few years that was on the market as ACS data was being collected.

Table 4-3. For-Sale and Rental Vacancy Rates in Central Oregon, 2012-2016						
	Owner Housing Units			Rental Housing Units		
	Available	Total	Vacancy Rate	Available	Total	Vacancy Rate
<b>Central Oregon Region</b>	1,253	57,095	2.2%	1,311	30,081	4.4%
<b>By County</b>						
Crook County	35	6,351	0.6%	17	2,856	0.6%
Deschutes County	1,156	45,469	2.5%	1,195	24,762	4.8%
Jefferson County	62	5,275	1.2%	99	2,463	4.0%
<b>By Place</b>						
Bend	461	20,536	2.2%	654	14,647	4.5%
La Pine	9	381	2.4%	36	445	8.1%
Madras	30	1,105	2.7%	28	1,212	2.3%
Prineville	35	2,309	1.5%	17	1,866	0.9%
Redmond	218	5,897	3.7%	121	5,138	2.4%
Sisters	73	537	13.6%	15	403	3.7%
Warm Springs	0	530	0.0%	9	321	2.8%

Data Sources: 2012-2016 5-Year American Community Survey Table DP04

**Figure 4-2. Vacancy Rates by Tenure, 2010 through 2012-2016**



Sources: 2010 Census and 2010-2014, 2011-2015, and 2012-2016 5-Year American Community Survey Table DP04

Taken together, the 2016 for-sale and rental vacancy rates of 0.6% in Crook County indicate that only 1 in every 167 housing units was vacant and available for sale or rent. With such a limited supply of available units, someone relocating to Crook County would have only a few housing units to choose from and may need to compromise on cost, location, or other amenities to secure a unit. Vacancy rates in Deschutes and Jefferson counties would also be considered very low in most markets, but relative to Crook County appear more modest.

The for-sale and rental vacancy rates of 0.6% in Crook County indicated that only 1 out of every 167 housing units is vacant and available for sale or rent.

When housing supply is limited, costs typically move up as landlords raise rents and sellers increase prices. A tenant household that is unable to pay a higher rent may look for more affordable housing elsewhere, although with few units available, this may not be a viable option, leading households to spend ever-larger shares of their income on housing while curtailing expenses in other areas. A subsequent section of this analysis will look in more detail at rental rates and home prices in the region.

### Additional Vacant Units

In addition to units that are vacant and available for rent or for sale, there are other vacant housing units in Central Oregon. These include units that have been rented or sold but are not yet occupied; units for seasonal, recreational, or occasional use; and other un-occupied units. The U.S. Census Bureau defines a unit as vacant if no one is living in at the time of the survey (unless its occupants are temporarily absent) or if it is occupied by persons who have a usual residence elsewhere. Under this definition, if a household owns a second home in Central Oregon but lives for the majority of the year in another location, their home in Central Oregon would be considered vacant “for seasonal, recreational, or occasional use.” Similarly, a unit that is only rented on a short-term basis throughout the year and does not have a full-time resident (e.g., a vacation rental or timeshare unit) would also be considered vacant under the Census definition.<sup>33</sup>

Housing available for rent or for sale makes up only 14% of vacant units in Central Oregon. The large majority of vacant units have a seasonal or part-time use and thus are not available for full-time occupancy.

Table 4-4 shows total number of housing units in Central Oregon classified as vacant by the U.S. Census Bureau. Regionally, there are 18,416 vacant units (or about 18% of the area’s housing stock). Relative to state and national averages of 9% and 11%, respectively, this vacancy rate is high. However, the bulk of Central Oregon’s vacant units

(70%) are for seasonal, recreational or other occasional use (Figure 4-3 and Table 4-5), which includes second homes, seasonal rentals, and housing reserved for seasonal employees. In fact, the Central Oregon region contains about one-fifth of all seasonal/recreational housing in Oregon. These figures are not surprising given Central Oregon’s strong draw as a destination for both vacationers and second-home owners.

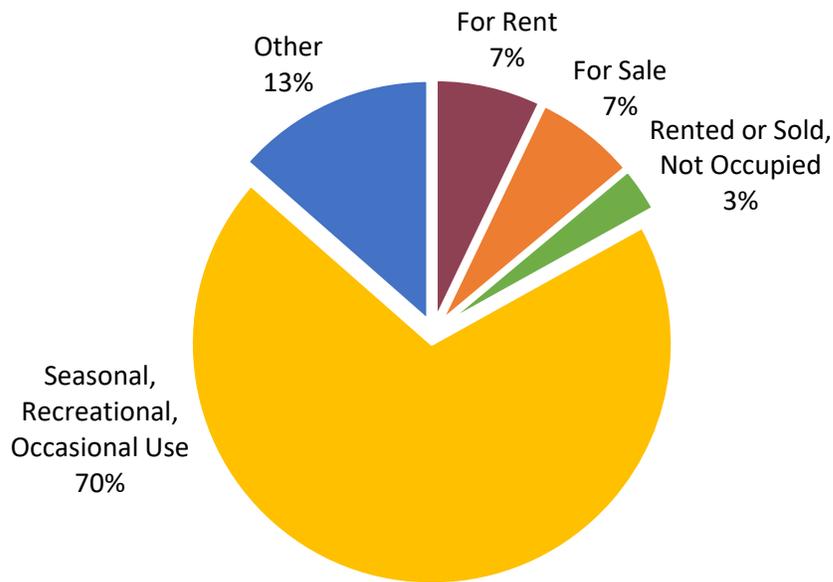
<sup>33</sup> U.S. Census Bureau, Definitions and Explanations, <https://www.census.gov/housing/hvs/definitions.pdf>

Housing that is available for rent or for sale makes up only 14% of vacant units in Central Oregon. Thus, while there may appear to be a large number of vacant units as defined by the Census Bureau, the vast majority of these units are not available for full-time occupancy. In reality, the for-sale and rental vacancy rates are quite low, as Table 4-3 previously showed.

Table 4-4. Vacancy Rate in Central Oregon, 2012-2016			
	Total Housing Units	Vacant Units	
		Number	Vacancy Rate
<b>Central Oregon Region</b>	<b>103,028</b>	<b>18,416</b>	<b>18%</b>
<b>By County</b>			
Crook County	10,339	1,184	11%
Deschutes County	82,918	15,038	18%
Jefferson County	9,771	2,194	22%
<b>By Place</b>			
Bend	37,406	3,338	9%
La Pine	979	198	20%
Madras	2,568	309	12%
Prineville	4,399	276	6%
Redmond	11,416	720	6%
Sisters	1,129	277	25%
Warm Springs	921	79	9%

Data Sources: 2012-2016 5-Year American Community Survey Tables B25002

**Figure 4-3. Status of Vacant Units in Central Oregon, 2012-2016**



Source: 2012-2016 5-Year American Community Survey Table B25004

**Table 4-5. Status of Vacant Units in Central Oregon, 2012-2016**

	Vacant Housing Units	Status of Vacant Units					
		For Rent	Rented, not Occupied	For Sale	Sold, not Occupied	Seasonal, Recreational, Occasional Use	Other
<b>Central Oregon Region</b>	<b>18,416</b>	<b>7%</b>	<b>1%</b>	<b>7%</b>	<b>2%</b>	<b>70%</b>	<b>14%</b>
<b>By County</b>							
Crook County	1,184	1%	0%	3%	8%	52%	36%
Deschutes County	15,038	8%	1%	8%	2%	72%	10%
Jefferson County	2,194	5%	0%	3%	4%	62%	27%
<b>By Place</b>							
Bend	3,338	20%	1%	14%	2%	51%	11%
La Pine	198	18%	5%	5%	5%	48%	20%
Madras	309	9%	0%	10%	14%	2%	65%
Prineville	276	6%	0%	13%	0%	0%	81%
Redmond	720	17%	8%	30%	0%	5%	41%
Sisters	277	5%	0%	26%	0%	42%	27%
Warm Springs	79	11%	0%	0%	13%	0%	76%

Note: This table provides the breakdown of vacant units by the status or reason for vacancy. In Deschutes County, for example, there are an estimated 15,038 vacant units, of which 72% are for seasonal, recreational, or occasional use.

“Other” vacancies may include foreclosures, homes being prepared for rent or sale, homes being repaired, homes being held for personal or legal reasons, homes whose occupant is on extended absence (such as on military assignment, out of the country, or in jail), and homes that have been abandoned or condemned.

Data Sources: 2012-2016 5-Year American Community Survey Table B25004

Table 4-4 also provides data for individual counties and places. Vacancy rates are highest in Jefferson and Deschutes Counties (22% and 18%, respectively) and in La Pine (20%) and Sisters (25%). Crook County, Bend, Madras, and Warm Springs have vacancy rates that are on par with state and national averages (9 to 12%), while vacancies in Prineville and Redmond are lower (6%).

In both Deschutes and Jefferson Counties, seasonal, recreational, and occasional use housing is driving higher vacancies; about 60-70% of vacant units in these areas fall in this category (see Table 4-5). At the place-level, occasional use homes make up smaller shares of total vacancies, indicating that most seasonal units are in unincorporated parts of the counties. For example, in Deschutes County, there are 10,832 vacant units, only about 18% of which are in an incorporated area. Resorts such as Sunriver in Deschutes County and Brasada Ranch in Crook County are examples of concentrations of seasonal housing in unincorporated areas.

**Seasonal, recreational, and occasional use housing make up a large proportion of vacant units in Central Oregon – about 70% of vacant units in the region.**

In Bend, La Pine, and Sisters, occasional use housing constitutes 40-50% of vacancies. In Madras, Prineville, Redmond, and Warm Springs the share is markedly lower (0-5%). Generally, the share of vacant housing that is available for sale or rent is higher in incorporated areas than in the counties overall. Nearly 20% of vacant units in Bend, La Pine, and Redmond are available for rent, and about 30% of vacancies in Redmond and Sisters are for sale. Recent new construction contributes to 'for sale' and 'for rent' vacancies as residential developments come online and new units are absorbed into the market.

## Housing Type and Size

A mix of housing types and sizes are necessary to provide options to meet the needs of all residents. Multifamily housing such as apartments or condominiums are preferable to some households because they are more affordable and require less maintenance than detached single-family homes. Larger families, meanwhile, may be looking to own or rent homes with three or more bedrooms, whether apartment units or detached homes.

### Structure Type

The figures on the following pages show occupied housing units by structure type and tenure in the region, its counties, and several of its municipalities. In all areas, single-family detached homes are the majority housing type, constituting 73% of housing regionally. Regionally and at the county level, owner-occupied single-family detached homes make up at least half of the housing stock (51% in Jefferson County to 57% in Deschutes County and the region). Renter-occupied single-family homes detached make up 16% of the overall stock. In several cities, however, renter-occupied single-family homes are more common. They make up over one-third of units in La Pine (36%), one-quarter in Sisters (26%) and Madras (24%), and one-fifth in Prineville (20%).

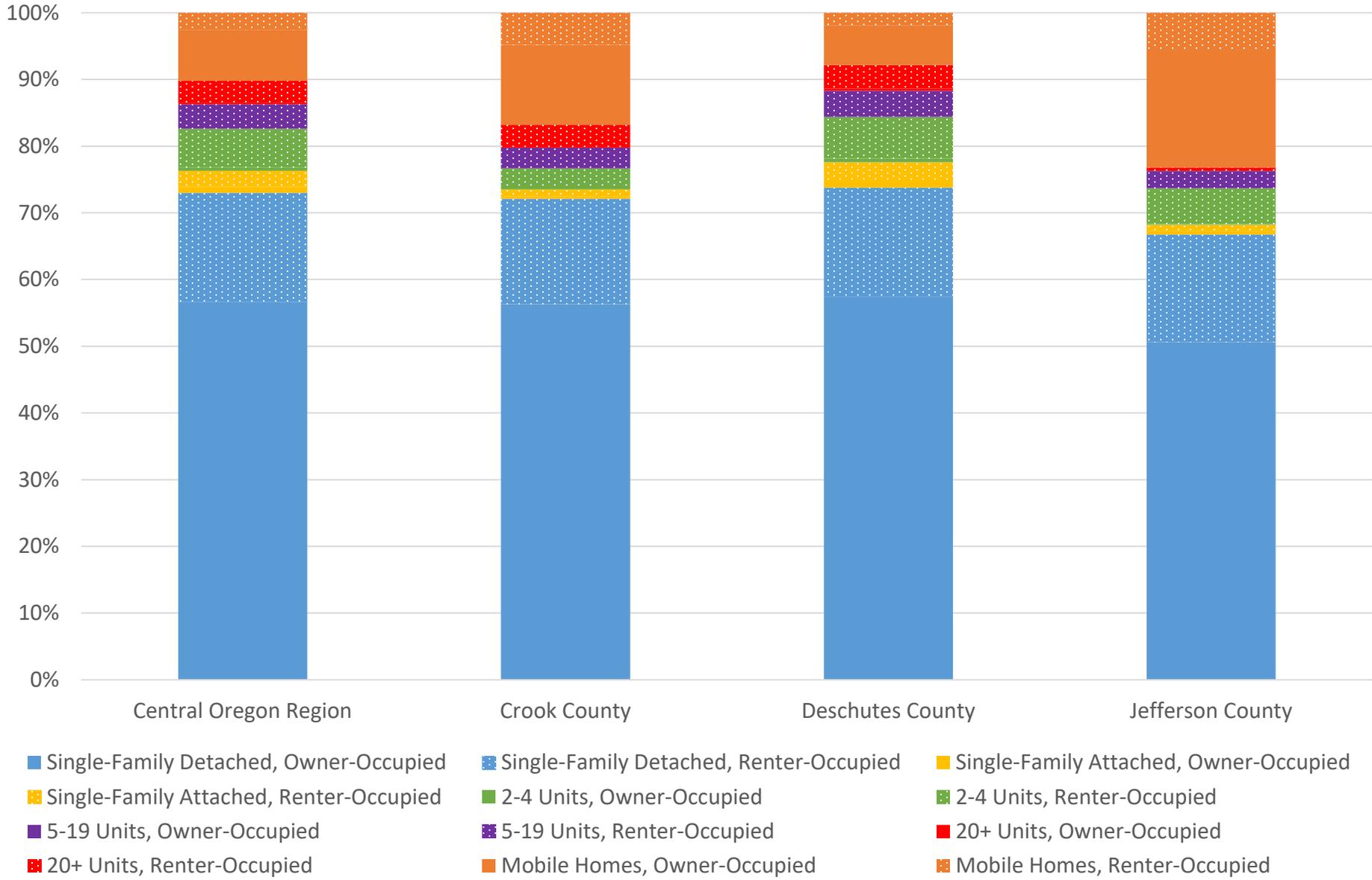
Mobile homes are the second most common housing type in the Central Oregon region and make up 10% of its housing stock; the majority are owner-occupied.<sup>34</sup> Nearly one-quarter of Jefferson County's housing is mobile homes, including 20% of housing in Madras and 19% in Warm Springs. They are considerably less common in Deschutes County, where they make up only 8% of units. Bend, Redmond, and Sisters have the lowest shares at 5%.

Duplexes, triplexes, fourplexes, and small multifamily apartment buildings (5 to 19 units) are generally the more common forms of multifamily development in the Central Oregon region. They make up 10% of units regionwide and are nearly universally renter-occupied. Small multifamily properties are most common in Redmond, Madras, Sisters, Bend, and Prineville, where they constitute between 13 and 18% of occupied housing. They are least common in La Pine and unincorporated county areas.

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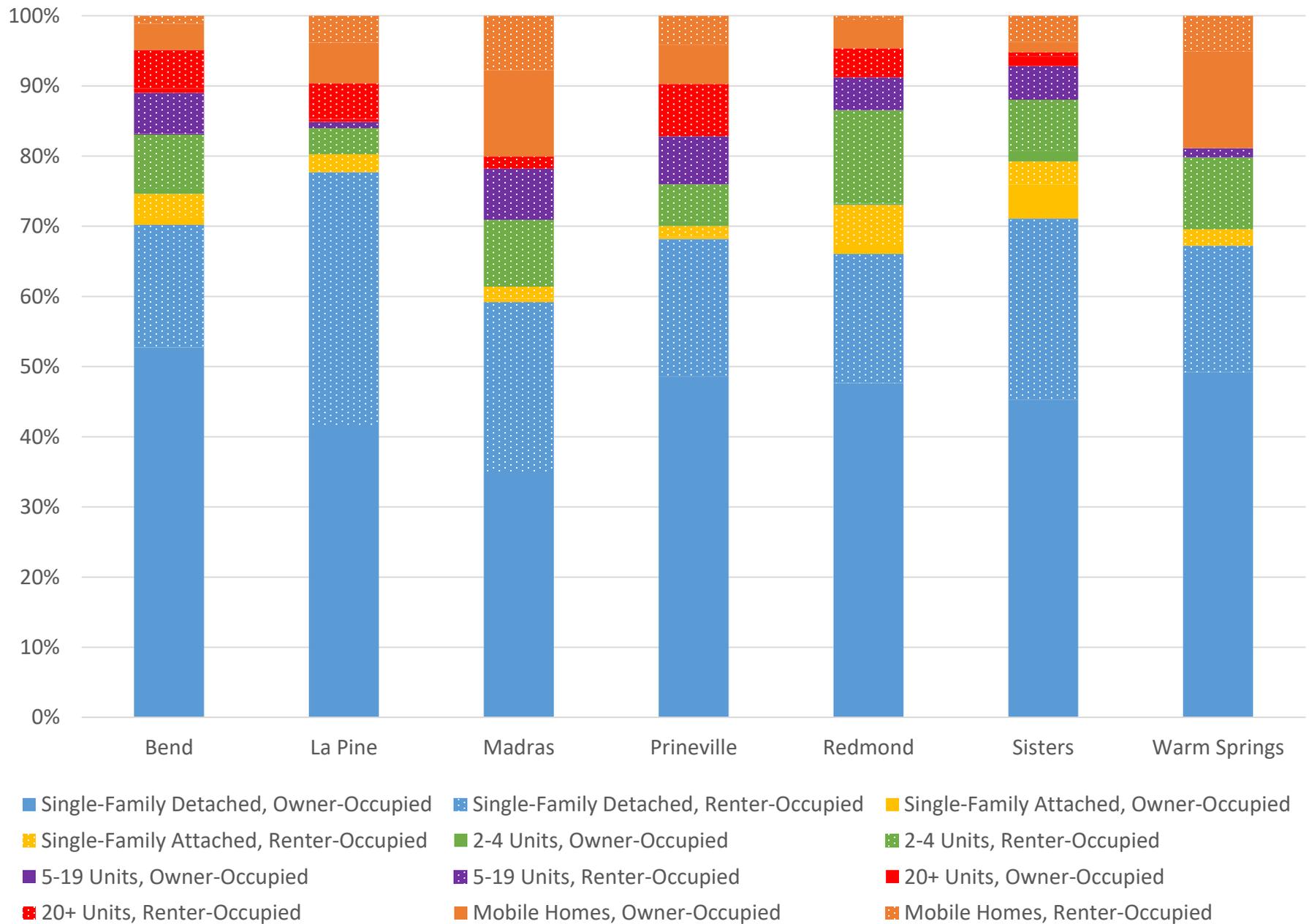
<sup>34</sup> Note that because this report uses U.S. Census Bureau data regarding housing type, it uses the U.S. Census Bureau definition of a mobile home as "a housing unit that was originally constructed to be towed on its own chassis," which does not include modular homes, travel campers, boats, or motor homes.

**Figure 4-4. Occupied Housing Units by Structure Type, 2012-2016**



Source: 2012-2016 5-Year American Community Survey Table B25032

Figure 4-5. Occupied Housing Units by Structure Type, 2012-2016



Source: 2012-2016 5-Year American Community Survey Table B25032

Large multifamily properties (structures with 20 or more units) and townhomes are the least common housing types in Central Oregon and each comprise 3% of occupied units. Large multifamily structures make up an estimated 7% of housing in Prineville and 6% in Bend and La Pine; of these three areas, only Bend includes owner-occupied, high density multifamily (e.g., condominiums). Apartment development is least common in Jefferson County (1% of housing units).

Large multifamily properties (structures with 20 or more units) and townhomes are the least common housing types in Central Oregon.

Like apartments and condominiums, townhouses are relatively rare in Central Oregon, constituting between 1 and 4% of units in most geographies. They do, however, make up slightly larger shares of units in Sisters (8%) and Redmond (7%).

Overall, most housing in Central Oregon is either single-family detached, a small multifamily property (under 20 units) or a mobile home. In the single-family homes and mobile homes, tenure is mixed between owners and renters; small multifamily properties are nearly all renter-occupied. Mobile homes are more typical in rural areas, while small and large multifamily development is more common in incorporated cities, particularly Bend, Redmond, Prineville, and Madras.

Most housing in Central Oregon is either single-family detached, a small multifamily property with under 20 units, or a mobile home.

## Unit Size

Turning to housing size, Table 4-6 looks at number of bedrooms in Crook, Deschutes, and Jefferson Counties. The size of the housing stock is fairly consistent in each of the three counties. Three bedroom units are most common, accounting for about half of total units in the region and in each county. Two bedroom units make up the second largest share of units in each area at about one-quarter of total housing stock. While an oversupply of large (4+ bedroom) units can be a common driver of housing cost increases, this does not appear to be a major concern in the study area, where only about 16% of homes have four or more bedrooms (compared to about 21% nationally).

At the municipal level, units with one or fewer bedrooms are most common in La Pine, Prineville, and Madras, where they constitute between 12 and 17% of housing stock. Larger units (4 or more bedrooms) make up larger shares of housing in Warm Springs (35%), Bend (16%), and Madras (14%) than they do in other cities. Generally, smaller units are more common in incorporated areas and large units in the rural parts of the region.

In some areas, a limited supply of smaller units, particularly one bedrooms, may require some residents such as singles, couples without children, and seniors to compete with families for larger units at higher price points, or to live in larger units with one or more roommates. Conversely, a constrained

In some areas, a limited supply of smaller units may require some residents such as singles, couples without children, and seniors to compete with families for larger units at higher price points.

supply of affordable units with three or more bedrooms can leave low and moderate income families with a cost burden or crowded in smaller but more affordable housing.

<b>Table 4-6. Housing Units by Number of Bedrooms in Central Oregon, 2012-2016</b>					
	<b>Total Housing Units</b>	<b>Number of Bedrooms</b>			
		<b>One or Fewer</b>	<b>Two</b>	<b>Three</b>	<b>Four or More</b>
<b>Central Oregon Region</b>	<b>103,028</b>	<b>8%</b>	<b>25%</b>	<b>51%</b>	<b>16%</b>
<b>By County</b>					
Crook County	10,339	11%	27%	48%	15%
Deschutes County	82,918	7%	24%	52%	17%
Jefferson County	9,771	8%	27%	50%	14%
<b>By Place</b>					
Bend	37,406	9%	26%	50%	16%
La Pine	979	17%	23%	56%	4%
Madras	2,568	12%	28%	45%	14%
Prineville	4,399	15%	31%	43%	12%
Redmond	11,416	5%	24%	60%	11%
Sisters	1,129	7%	27%	55%	10%
Warm Springs	921	1%	28%	37%	35%

Data Sources: 2012-2016 5-Year American Community Survey Table B25041

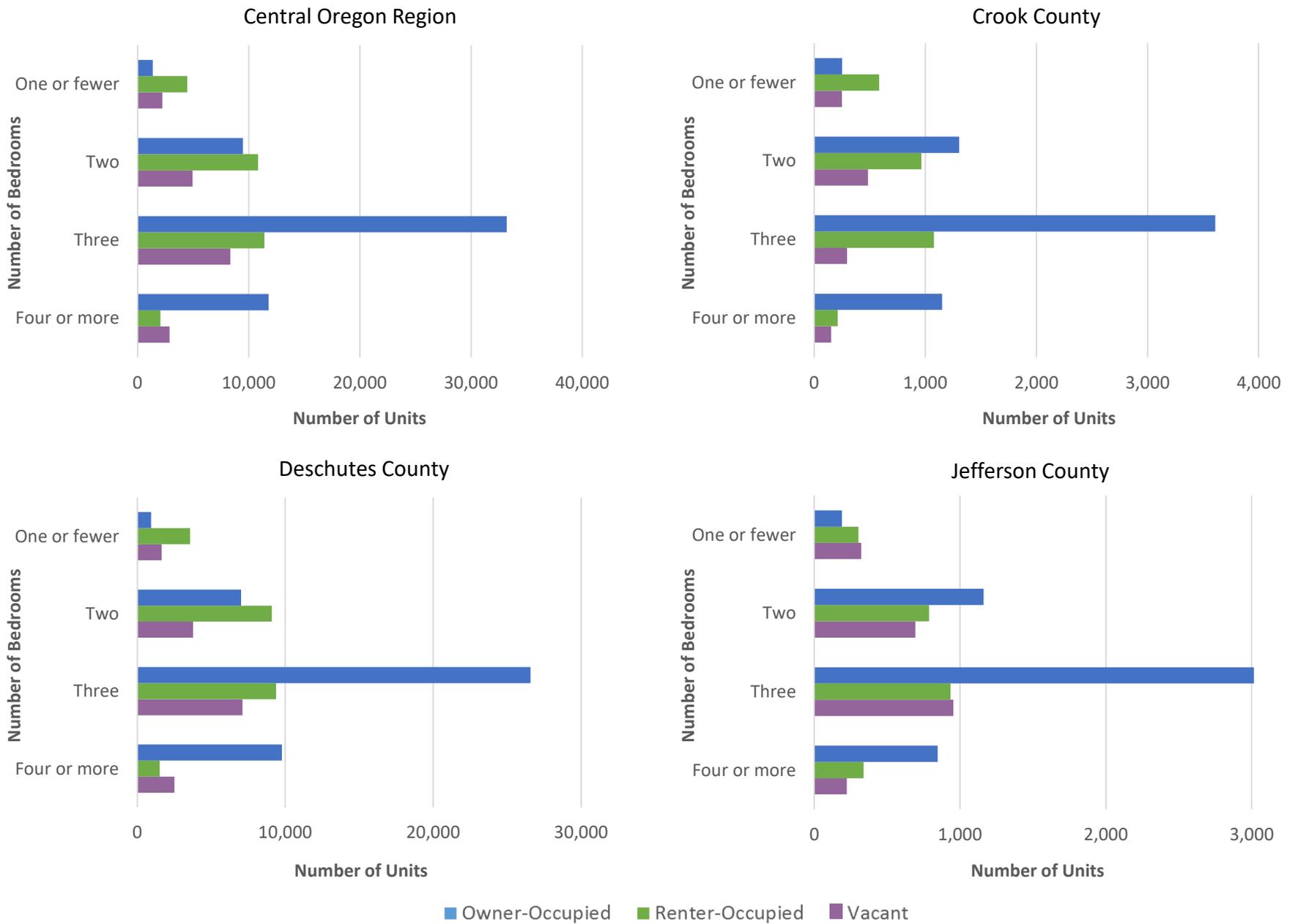
Figure 4-6 provides a breakdown of housing units by size and occupancy status (owner-occupied, renter-occupied, and vacant). In the region, each county, and each city, owner-occupied three bedroom units make up the largest portion of housing. Regionally, the homeownership rate increases with number of bedrooms. Throughout Central Oregon, 55% of units with one or fewer bedrooms are renter-occupied; in comparison, only 12% of units with four or more bedrooms are rented. A similar pattern holds for Crook and Deschutes County. In Jefferson County, however, one or fewer bedroom units are more evenly divided by tenure, and a large share (40%) are vacant. Homeownership is also more common for two bedroom units in Jefferson and Crook Counties than it is in Deschutes County, likely reflecting higher overall homeownership rates there.

Looking at the set of charts that show number of bedrooms by tenure for Central Oregon cities, a similar pattern is apparent in several communities. In Bend, Prineville, and Redmond, one and two bedroom units are predominately rentals (77-90% for one bedrooms and 55-69% for two bedrooms). Three and four bedroom units, meanwhile, are overwhelmingly owner-occupied (58-70% for three bedrooms and 79-83% for four or more bedrooms).

In contrast, owner and renter rates vary less by unit size in La Pine, Madras, and Sisters. In these communities, three bedroom units are more closely split by tenure: between 42 and 52% are owner-occupied and between 32 and 41% are renter-occupied.

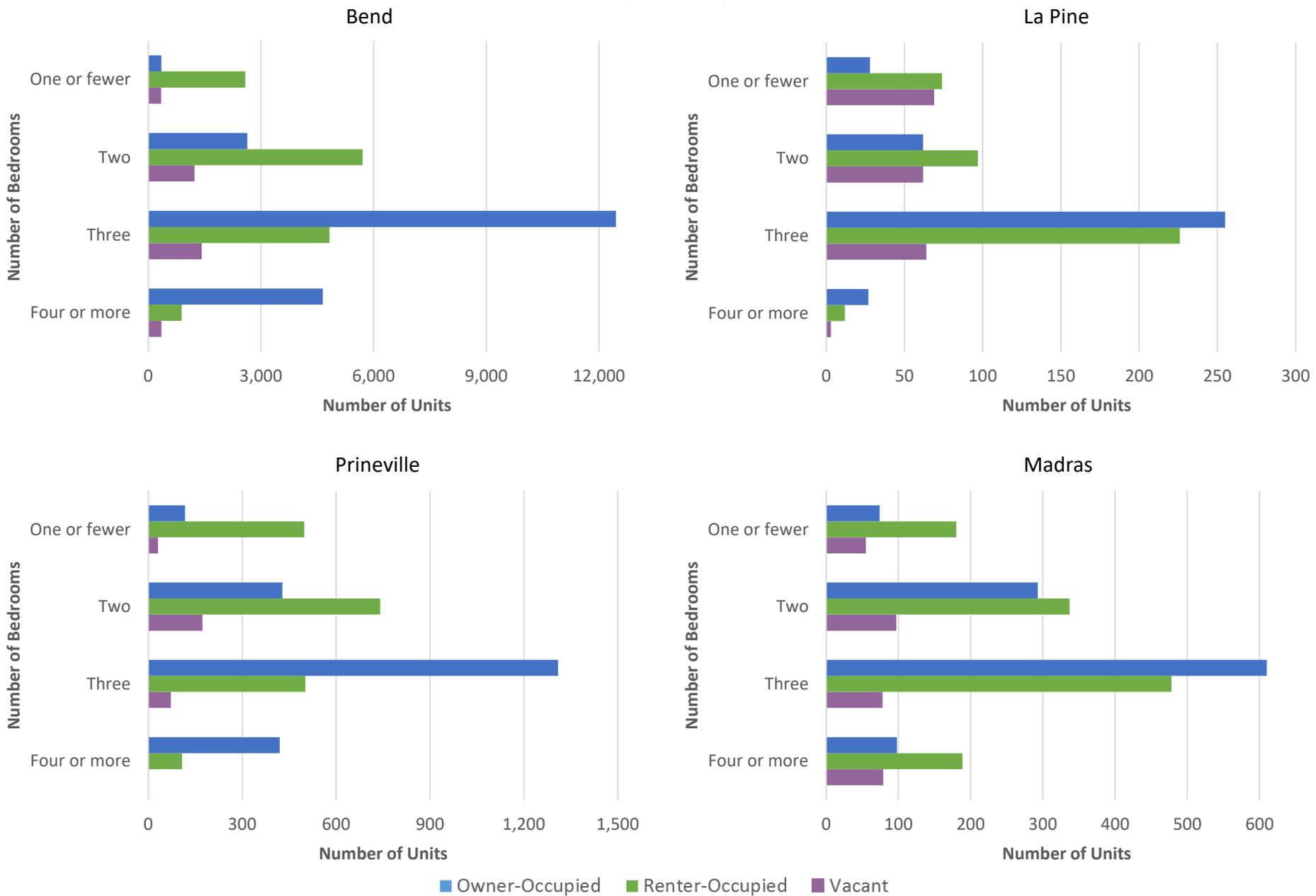
These trends indicate that, generally, Central Oregon's larger, more urban centers have rental markets serving smaller households with studio, one, and two bedroom units while the for-sale market offers larger units with two, three, or four bedrooms. In smaller, more rural communities, larger rental units (typically single-family homes) are more common than they are in larger cities.

**Figure 4-6. Housing Units by Number of Bedrooms in Central Oregon Communities, 2012-2016**



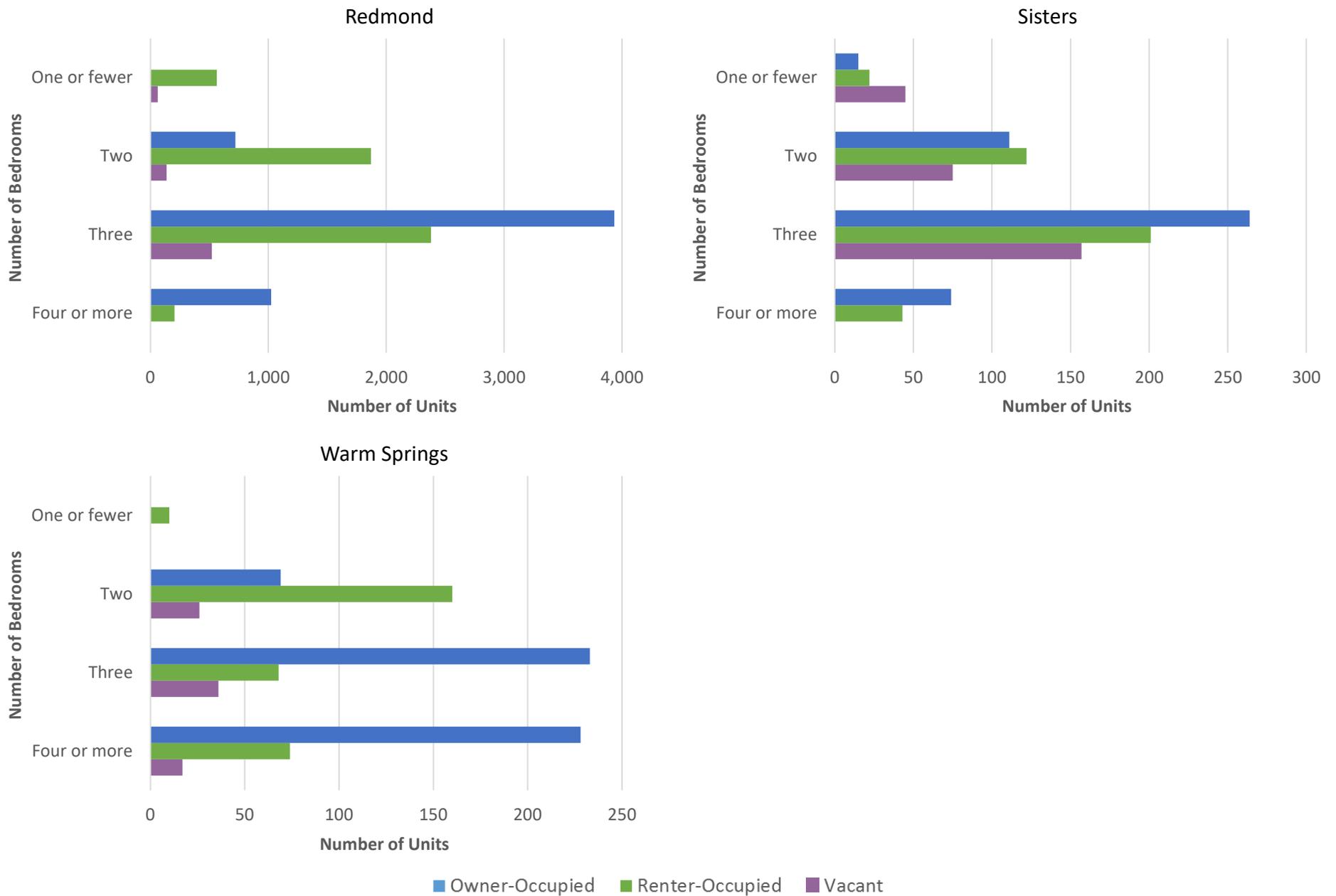
Source: 2012-2016 5-Year American Community Survey Table B25041

**Figure 4-6. Housing Units by Number of Bedrooms in Central Oregon Communities, 2012-2016**  
(continued)



Source: 2012-2016 5-Year American Community Survey Table B25041

**Figure 4-6. Housing Units by Number of Bedrooms in Central Oregon Communities, 2012-2016**  
**(continued)**



Source: 2012-2016 5-Year American Community Survey Table B25041

## Housing Age and Condition

The age of an area’s housing stock can have substantial impact on housing conditions and costs. As housing ages, maintenance costs rise, which can present significant affordability issues for low- and moderate-income homeowners. Aging rental stock can lead to rental rate increases to address physical issues, or deteriorating conditions if building owners defer maintenance. Additionally, homes built prior to 1978 present the potential for lead exposure risk due to lead-based paint.

### Housing Age

The table below shows the age of housing in the Central Oregon region. Deschutes County’s housing stock is the newest, the only county of the three with a majority of units built after 1990 (58%, compared to 47-48% in Jefferson and Crook Counties). Homes built in the 1970s and 1980s comprise about 30-32% of housing in all three counties.

About one in five homes in both Jefferson and Crook Counties was built prior to 1970 (22% of total housing stock). In Deschutes County, about one in ten homes (11%) were built before 1970. Thus, while housing costs may be lower in Jefferson and Crook Counties, maintenance expenses may offset this somewhat.

**Table 4-7. Housing Units by Year Structure Built, 2012-2016**

	Total Housing Units	Share of Units by Year Structure Built					Median Year Structure Built
		Before 1950	1950 to 1969	1970 to 1989	1990 to 2009	Since 2010	
<b>Central Oregon Region</b>	<b>103,028</b>	<b>6%</b>	<b>8%</b>	<b>32%</b>	<b>53%</b>	<b>3%</b>	<b>---</b>
<b>By County</b>							
Crook County	10,339	8%	14%	30%	45%	3%	1987
Deschutes County	82,918	5%	6%	32%	55%	3%	1993
Jefferson County	9,771	7%	15%	32%	45%	2%	1987
<b>By Place</b>							
Bend	37,406	6%	6%	27%	57%	3%	1994
La Pine	979	5%	12%	30%	50%	4%	1993
Madras	2,568	5%	25%	30%	39%	1%	1979
Prineville	4,399	13%	22%	22%	41%	2%	1978
Redmond	11,416	7%	8%	18%	64%	2%	1996
Sisters	1,129	5%	2%	20%	72%	1%	2001
Warm Springs	921	6%	15%	50%	28%	1%	1982

Data Sources: 2012-2016 5-Year American Community Survey Tables B25034 and B25035

Looking at age of housing by community shows that Sisters has, by far, the newest housing stock. Nearly three-quarters of homes there were built since 1990 (73%) and another 20% were

constructed in the 1970s and 1980s. Only 7% were built before then. Other communities with large shares of relatively new housing include Redmond (66% built since 1990) and Bend (60%). Each of these areas also had low shares of housing built prior to 1970 (15% and 12%, respectively).

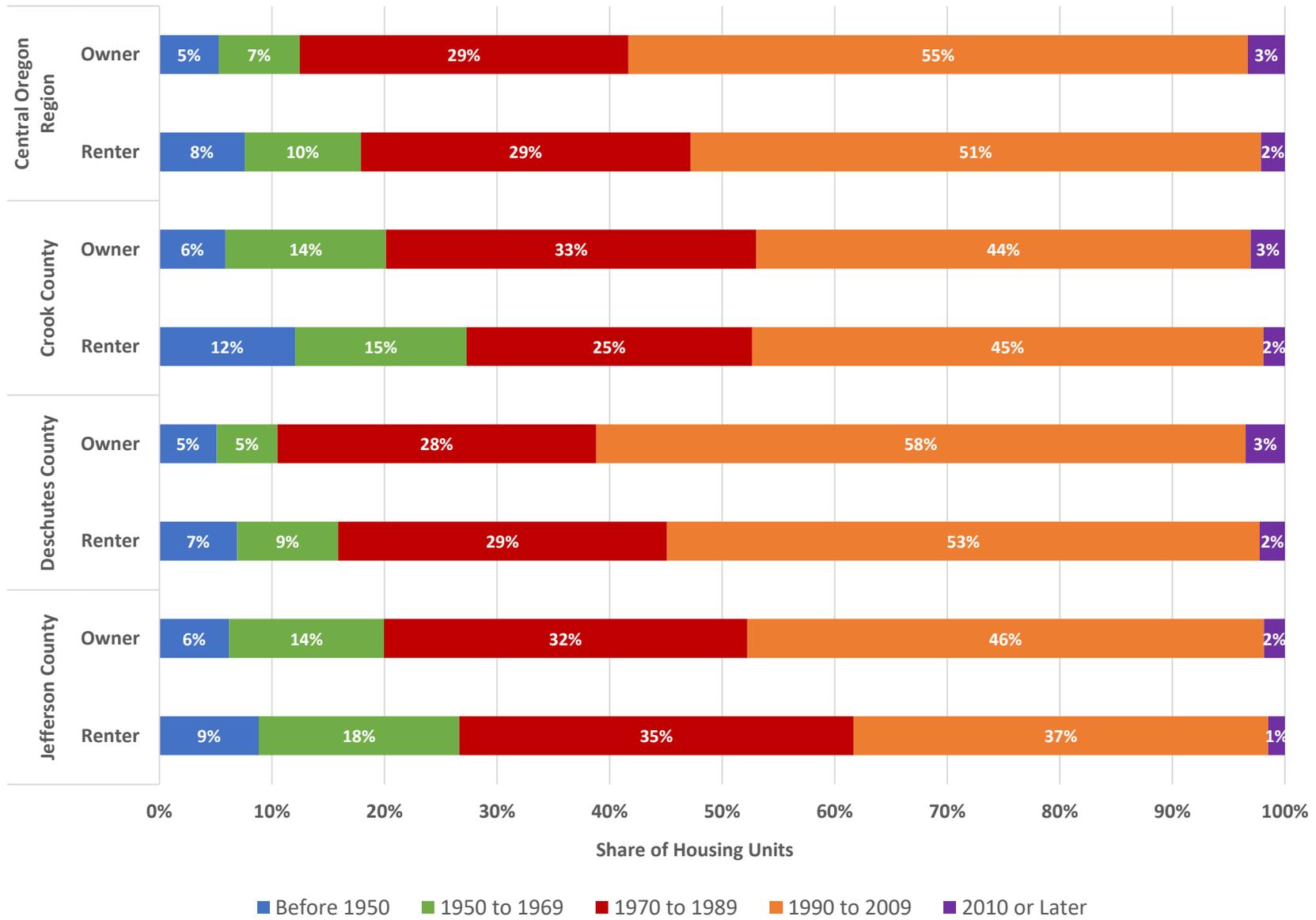
Housing in Madras and Prineville is relatively older. About 30-35% was built before 1970 and another 22-30% was built from 1970 to 1980. In both areas, less than 50% of units were built since 1990. Prineville has the oldest median construction date at 1978, with Madras close at 1979. In contrast, the median construction years for housing in Bend, La Pine, and Redmond are in the 1990s, and the median in Sisters is 2001.

### **Age by Tenure**

The figures on the following page look at age by tenure for occupied units in the Central Oregon region. The first chart shows that rental housing is more likely to be at least 40 years old than owned housing is in the region and all three counties. Units built prior to 1970 comprise 18% of the region's rental housing compared to 12% of its owned housing, a 6 percentage point gap. Similar gaps exist in each county and range from 6 to 7 percentage points. Looking at newer housing, units built since 1990 make up 58% of owned housing in the region, compared to 53% of the rental stock, a 5 percentage point difference. In Jefferson County, that gap is 10 percentage points, in Deschutes County it is 6, and in Crook County the shares are the same (47% of both owner and renter housing built since 1990). Overall, these figures suggest that rental housing in Central Oregon may be in more need of maintenance or rehabilitation due to age than owner-occupied housing.

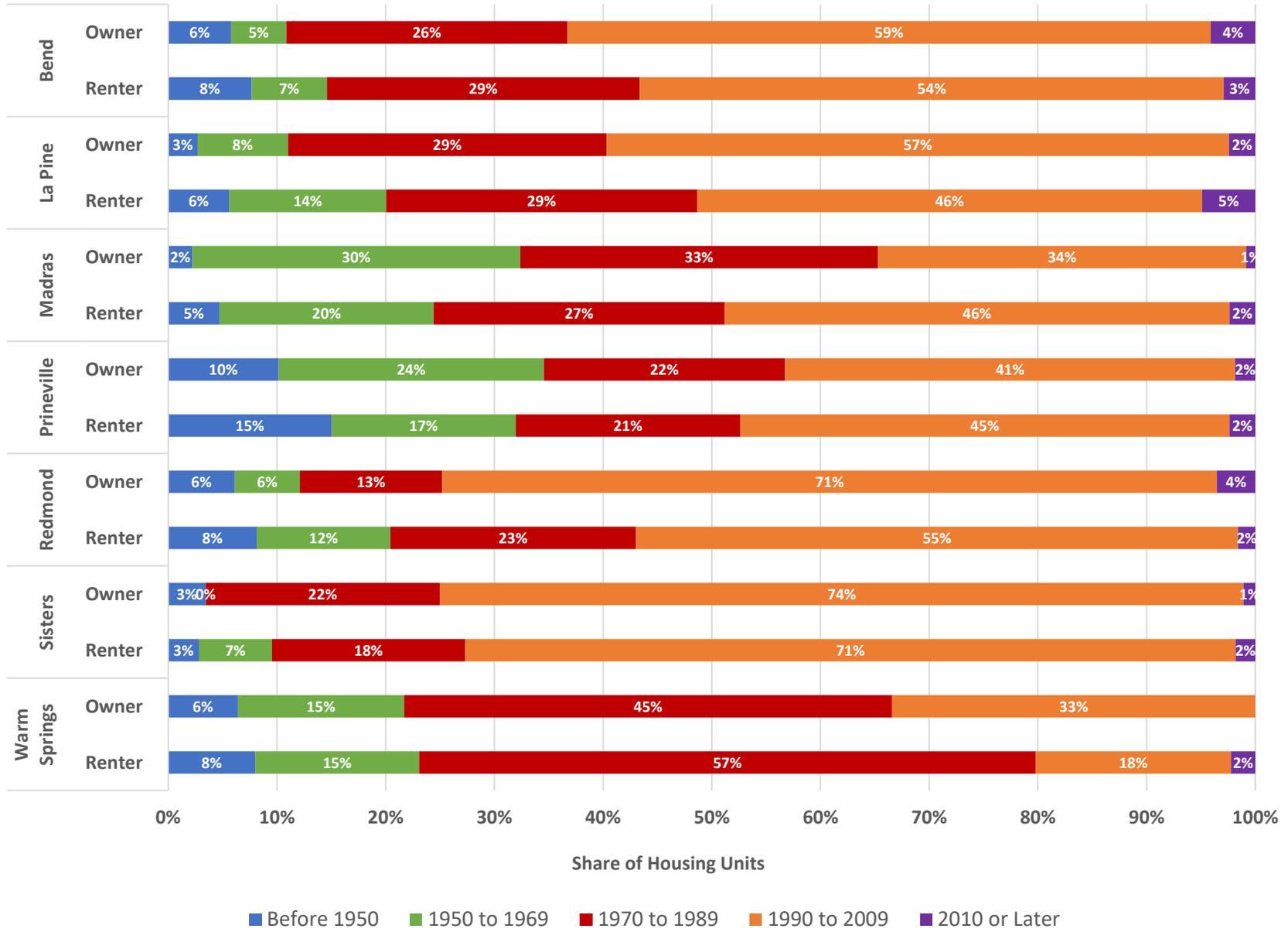
The second chart looks more closely at structure age by tenure in Central Oregon cities. It reveals that rental housing is typically older than owned housing in Bend, La Pine, Redmond, and Warm Springs. In Madras and Prineville, however, more owner-occupied housing was built prior to 1970 than rental housing, and more rental housing was built since 1990. These gaps were more pronounced in Madras than Prineville, but overall may indicate greater need for for-sale housing rehabilitation in these areas.

Figure 4-7. Year Structure Built by Tenure in Central Oregon Counties, 2012-2016



Source: 2012-2016 5-Year American Community Survey Table B25036

Figure 4-8. Housing Units by Number of Bedrooms in Central Oregon Cities, 2012-2016



Source: 2012-2016 5-Year American Community Survey Table B25036

## Housing Conditions

Although often correlated with age, housing condition is not dependent solely on when a unit was constructed. Unaddressed maintenance issues, environmental hazards, aging or unmaintained systems, construction quality, and other factors all influence a residence's condition. Given the myriad of problems housing units may face and the time intensive nature of collecting this information, most jurisdictions do not have comprehensive data about the prevalence of substandard housing.

The American Community Survey measures two aspects of housing conditions for units throughout the United States: lack of complete kitchen and plumbing facilities. According to the ACS, a housing unit lacks complete kitchen facilities if it does not have cooking facilities, a refrigerator, or a sink with piped water. It lacks complete plumbing without hot and cold piped water, a flush toilet, and a bathtub or shower.

In Central Oregon, there are an estimated 1,779 units without complete kitchens and 1,280 without complete plumbing, constituting 2% and 1% of total units, respectively. These issues are most common in Crook and Jefferson Counties, and least so in Deschutes County. Prineville and Warm Springs have the highest share of units without complete kitchens (4-5%), and Warm Springs has the highest share without complete plumbing (4%).

<b>Table 4-8. Housing Units Lacking Plumbing or Kitchen Facilities in Central Oregon, 2012-2016</b>					
	<b>Total Housing Units</b>	<b>Lacking Complete Kitchen Facilities</b>		<b>Lacking Complete Plumbing Facilities</b>	
		<b>Number</b>	<b>Share</b>	<b>Number</b>	<b>Share</b>
<b>Central Oregon Region</b>	<b>103,028</b>	<b>1,779</b>	<b>2%</b>	<b>1,280</b>	<b>1%</b>
<b>By County</b>					
Crook County	10,339	326	3%	279	3%
Deschutes County	82,918	1,200	1%	689	1%
Jefferson County	9,771	253	3%	312	3%
<b>By Place</b>					
Bend	37,406	465	1%	107	0%
La Pine	979	27	3%	18	2%
Madras	2,568	36	1%	11	0%
Prineville	4,399	201	5%	137	3%
Redmond	11,416	171	1%	0	0%
Sisters	1,129	30	3%	31	3%
Warm Springs	921	39	4%	37	4%

Data Sources: 2012-2016 5-Year American Community Survey Tables B25051 and B25047

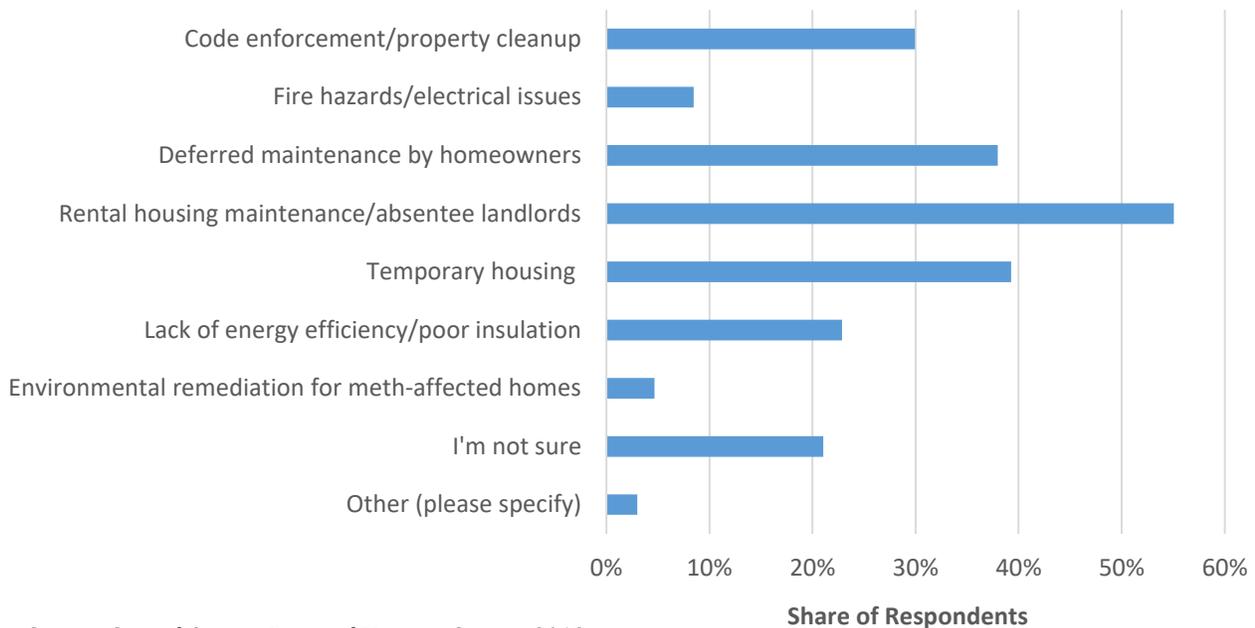
The Regional Housing Needs survey queried respondents regarding what they consider the top maintenance issues for housing in Central Oregon. Over half (55%) of participants identified rental

housing maintenance and absentee landlords as a top issue, followed by temporary housing (i.e., RVs or other temporary housing being used as permanent housing) (selected by 39% of participants) and deferred maintenance by homeowners (selected by 38%).

The survey also asked in which communities issues related to poor housing conditions are most acute. Overall, La Pine and Bend were selected by most respondents (each by about 40%), followed by Madras and Warm Springs (each selected by about 33%).

Interviews conducted for this research also indicated that environmental remediation for meth-impacted homes was a significant need in Warm Springs, where cleanup is both costly and takes units out of the affordable stock until they can be remediated.

**Figure 4-9. Top Maintenance Issues for Housing in Central Oregon, 2018**



Source: Central Oregon Regional Housing Survey, 2018

# Housing Costs

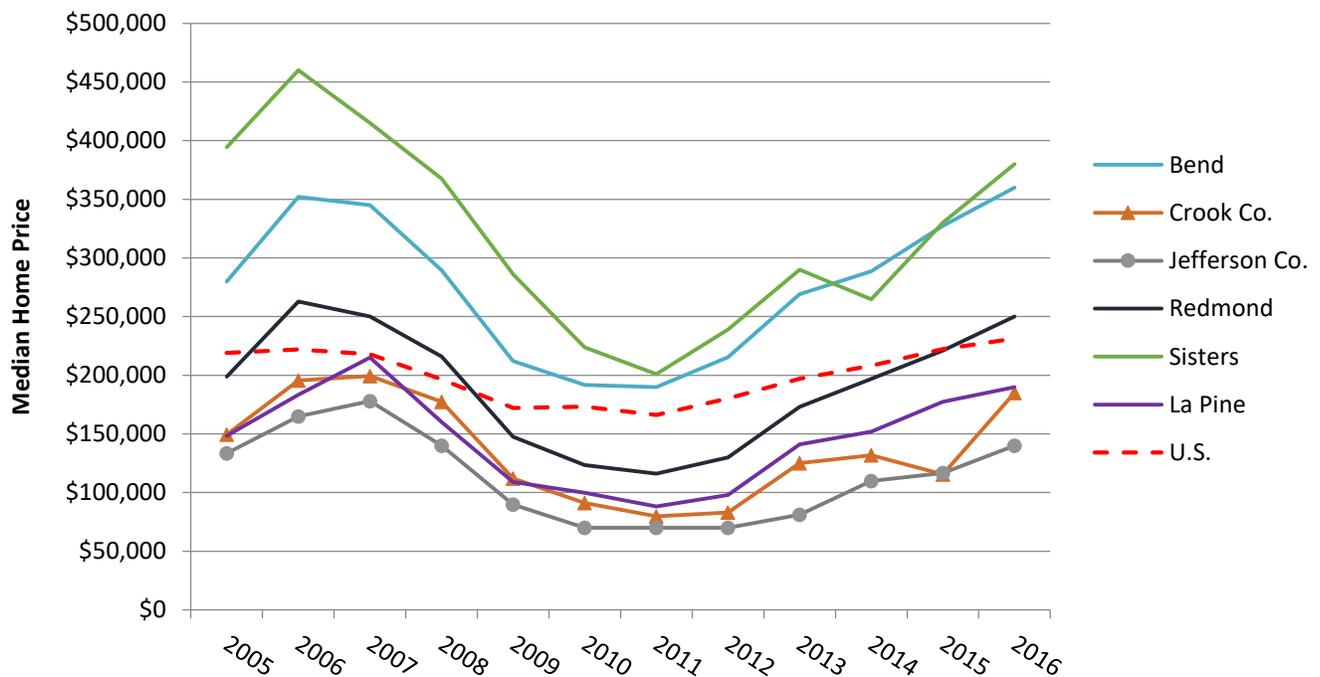
Having examined the physical characteristics of housing in Central Oregon, this section reviews housing costs and changes in housing costs for for-sale and rental housing. While several factors have influenced home prices and rents in Central Oregon, the region’s significant population growth over the last two decades – particularly in Deschutes County – has fueled housing demand and cost increases.

## Homeownership Housing Costs

Drawing on data from the Central Oregon Association of Realtors, the chart below shows median prices for homes sold from 2005 to 2016 for several geographies in Central Oregon. The chart makes apparent the impact of the Great Recession and market downturn beginning in 2008. Since then, prices in all markets have steadily rebounded.

Prices in Bend and Sisters were steadily higher than other areas in Central Oregon, and were the only markets consistently exceeding U.S. median sales prices. Median sales prices in La Pine, Crook County, and Jefferson County were lower and fell below the U.S. median each year. The Redmond market was generally positioned above La Pine, and Crook and Jefferson Counties but below the higher-cost Bend and Sisters markets.

**Figure 4-10. Existing Single-Family Home Prices – Central Oregon and U.S., 2005-2016**



Source: 2017-2021 Central Oregon Comprehensive Economic Development Strategy. Data from Central Oregon Realtors Association, 2005-2016; National Association of Realtors, Existing Home Sales Data. Note that Central Oregon data is for existing single family residential homes of less than 1 acre; U.S. data is for existing single family homes.

By 2016, the median home sales price in Bend exceeded pre-recession levels, and most other markets were approaching this benchmark as well.

Of the 55,842 owner-occupied housing units in Central Oregon, about two-thirds (66%) have a mortgage and 34% do not. Warm Springs has the largest share of owner units without mortgages at 48%. The older housing stock (whose owners may have lived in their homes long enough to pay off mortgages), prevalence of in-migrants from the Bay area buying homes with cash, and number of owner-occupied mobile homes are likely key factors behind the one-third of owner households without mortgages.

Table 4-9 provides median monthly owner costs for units with and without a mortgage, as well as median home values for owned housing in Central Oregon. Monthly owner costs include mortgages, real estate taxes, various insurances, utilities, fuels, mobile home costs, and condominium fees. Housing is most expensive in Deschutes County, where owners with a mortgage spend a median of \$1,498 per month and homeowners without a mortgage spend \$479. Home values are also highest here at \$275,300. Jefferson County is the most affordable, with a median cost of \$1,110 for owners with a mortgage and \$369 for homeowners without one; median home value is \$159,400.

Of the cities in Central Oregon, owner costs are highest in Sisters (a median of \$1,621 for owners with a mortgage) and Bend (\$1,587); median home values are \$259,500 and \$294,300, respectively. Areas with the lowest owner costs include Warm Springs, where owners with a mortgage spend a median of \$648 per month and the median home value is \$109,600, and Madras, where monthly owner costs are higher at \$961 but the median home value is a bit lower at \$105,400.

Table 4-9. Median Home Value and Monthly Owner Costs in Central Oregon, 2012-2016						
	Total Owner-Occupied Units	With a Mortgage		Without a Mortgage		Median Home Value
		Share of Total	Median Monthly Owner Costs	Share of Total	Median Monthly Owner Costs	
<b>Central Oregon Region</b>	<b>55,842</b>	<b>66%</b>	<b>---</b>	<b>34%</b>	<b>---</b>	<b>---</b>
<b>By County</b>						
Crook County	6,316	59%	\$1,234	41%	\$370	\$172,600
Deschutes County	44,313	68%	\$1,498	32%	\$479	\$275,300
Jefferson County	5,213	62%	\$1,110	38%	\$369	\$159,400
<b>By Place</b>						
Bend	20,075	69%	\$1,587	31%	\$504	\$295,300
La Pine	372	75%	\$1,050	25%	\$300	\$133,800
Madras	1,075	69%	\$961	31%	\$328	\$105,400
Prineville	2,274	62%	\$1,134	38%	\$388	\$133,000
Redmond	5,679	66%	\$1,244	34%	\$451	\$194,600
Sisters	464	68%	\$1,621	32%	\$472	\$259,500
Warm Springs	530	52%	\$648	48%	\$243	\$109,600

Data Sources: 2012-2016 5-Year American Community Survey Tables B25077, B25087, and B25088

The distribution of monthly owner costs for households with a mortgage are displayed by geography in the figures that follow. In the Central Oregon region, monthly owner costs in the \$1,000 to \$1,499 range are most common and include 35% of households with a mortgage. A little over one-fifth (22%) of regional owner households with a mortgage spend between \$1,500 and \$1,999 and another 18% spend between \$500 and \$999.

In all three counties, the most common range of monthly owner costs is \$1,000 to \$1,499; between 35 and 38% of households spend within this range. At prices above and below this, two separate patterns are clear. Crook and Jefferson Counties each have roughly a third of units with a cost below \$1,000 and another third with a cost above \$1,500. Deschutes County's distribution is different, with a much smaller share (16%) under \$1,000, and a much higher share (50%) above \$1,500. In fact, over a quarter (26%) of Deschutes County homeowners spend over \$2,000 per month on housing costs. These figures demonstrate the generally higher cost in Deschutes than in the other counties.

The next figure compares the distribution of monthly housing costs for owners with a mortgage in Central Oregon cities. Bend and Sisters show the most variety in terms of housing costs and also have the greatest shares of high cost housing. In Bend, about one-third of homeowners spend between \$1,000 and \$1,499 and one-quarter spend between \$1,500 and \$1,999. The remaining households are roughly evenly split between those spending under \$1,000; those spending \$2,000 to \$2,499, and those spending over \$2,500.

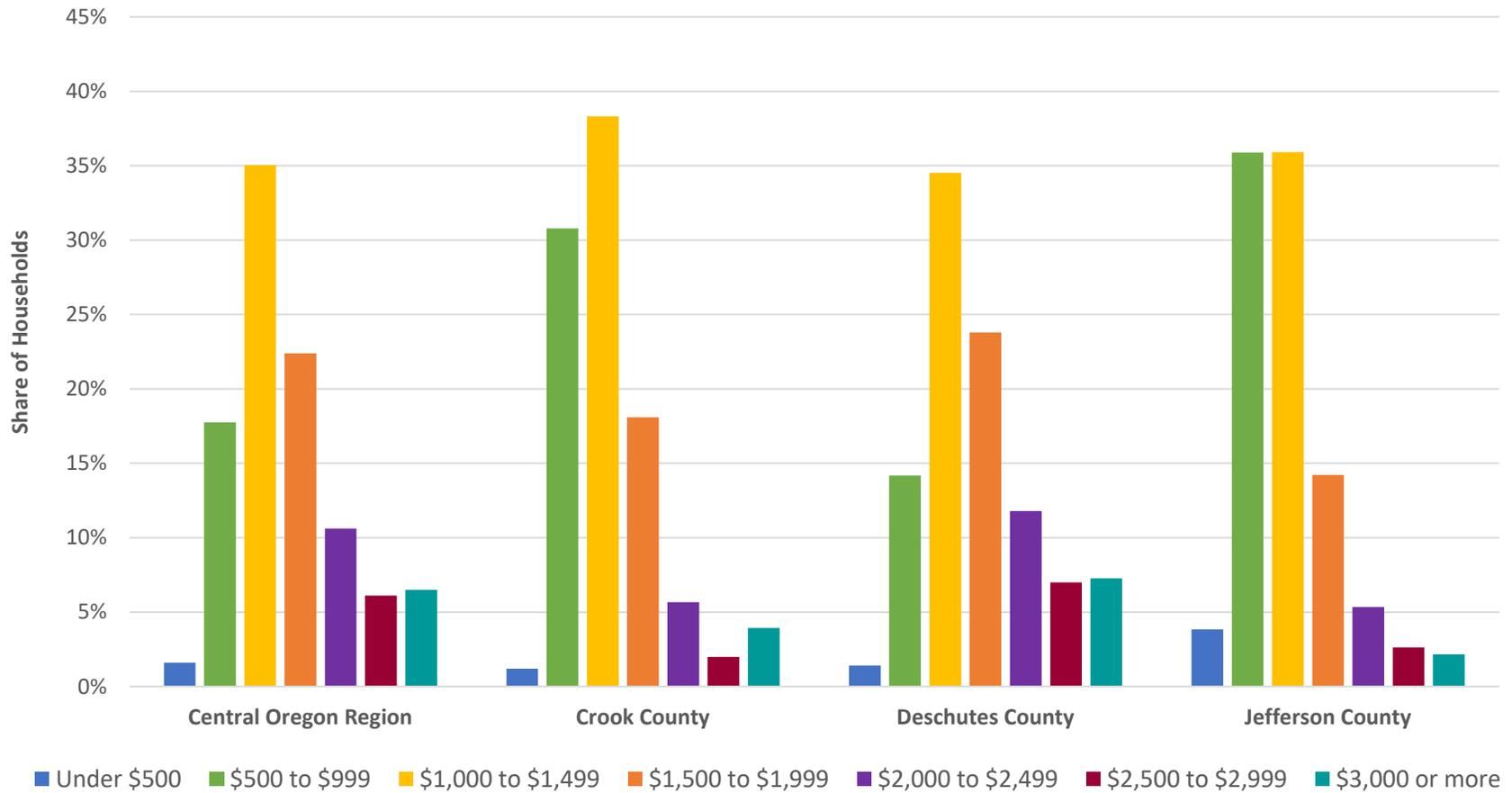
In Sisters, housing costs in the \$1,500 to \$1,999 range are most common, including 41% of owners with a mortgage. One-quarter spend between \$1,000 and \$1,499, and 15% spend less than \$1,000. As in Bend, high cost housing is common in Sisters: over one-in-ten homeowners with a mortgage spend more than \$2,500 on housing each month.

In La Pine, Prineville, and Redmond housing costs are clustered in the \$1,000 to \$1,499 range, which contains 44-49% of owners with a mortgages in each area. In La Pine, most remaining households have costs under \$1,000, as do about one-third of households in Prineville and 25% in Redmond. Redmond has a higher share of owners spending over \$1,500 (31%) than do Prineville (18%) or La Pine (8%).

In two areas – Warm Springs and Madras – more than half of owner households with a mortgage spend between \$500 and \$999 on housing each month. In Madras, the bulk of remaining households spend \$1,000 to \$1,499 or \$1,500 to \$1,999. Very few owners with mortgages spend less than \$500 and none spend over \$2,000. In contrast, most remaining owners in Warm Springs spend under \$500.

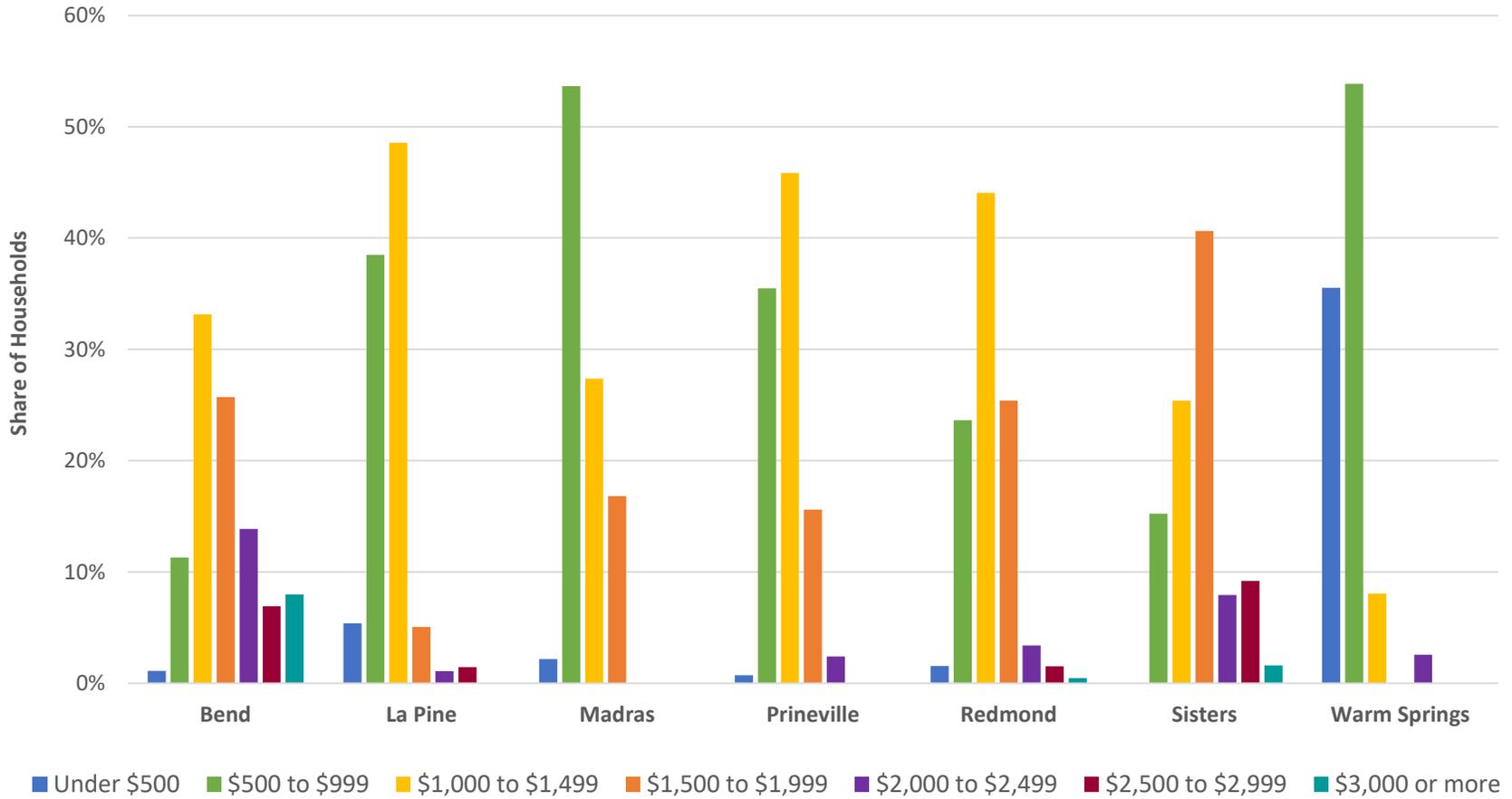
These distributions show that housing is generally most expensive in Bend and Sisters and least expensive in Madras and Warm Springs. Chapter 5 of the Regional Housing Needs Assessment will further analyze housing affordability in the region and identify current and projected future gaps in the availability of housing affordable to households at a variety of income levels.

**Figure 4-11. Monthly Owner Costs for Households with a Mortgage in Central Oregon Counties, 2012-2016**



Source: 2012-2016 5-Year American Community Survey Table B25087

**Figure 4-12. Monthly Owner Costs for Households with a Mortgage in Central Oregon Cities, 2012-2016**

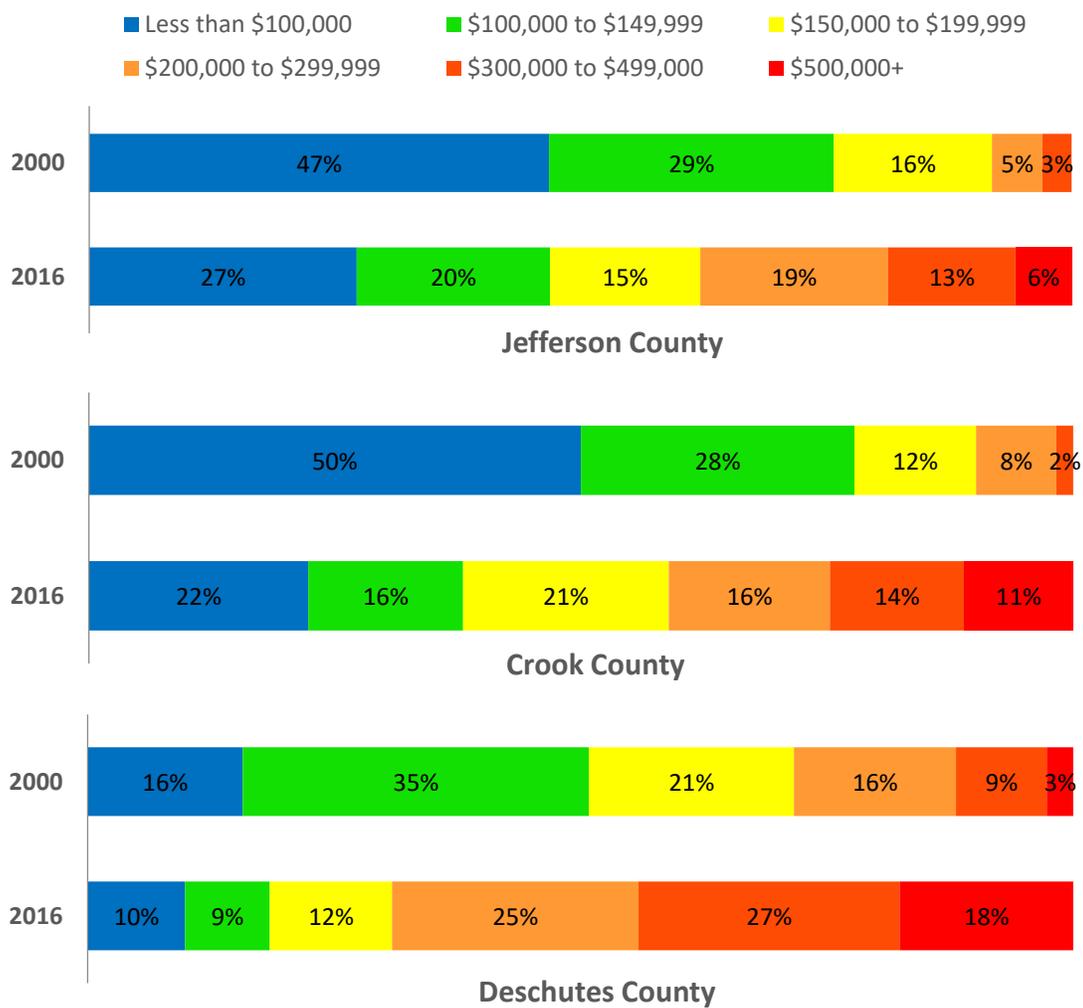


Source: 2012-2016 5-Year American Community Survey Table B25087

Home values increased considerably across Central Oregon since 2000. The figure below provides a comparison of home values, as reported by owners in the Census and American Community Survey, between 2000 and 2016. The trend in all counties is toward a more expensive housing stock. The share of the most expensive units (\$300,000+, orange and red in the below figures) has increased, while the least expensive (under \$150,000, green in the below figures) has decreased dramatically. This is most apparent in Crook County, where the percentage of homes valued under \$150,000 decreased from 78% of the county’s total inventory in 2000 to 38% in 2016. In Deschutes County, homes valued at or above \$300,000 are becoming the predominant market segment, standing at 45% of the county’s inventory as of 2016.

In Jefferson County, the upward shift in home values since 2000 appears more gradual but is occurring nonetheless. The share of homes with values under \$200,000 declined for each segment studied while the only segments displaying growth were those with values of \$200,000 and greater. While making up just 8% of Jefferson County’s stock in 2000, this category is now 38%.

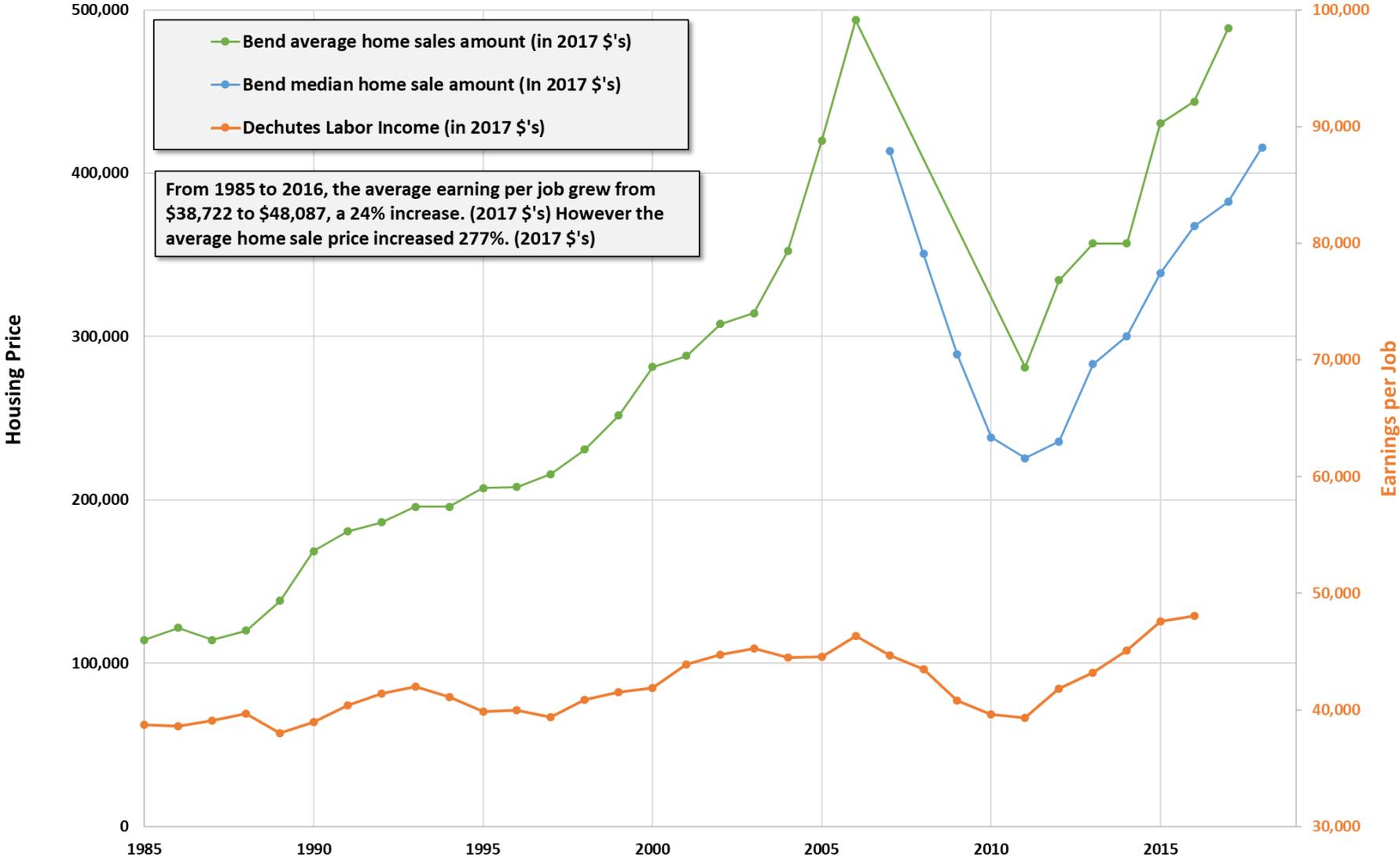
**Figure 4-13. Home Values by County, 2000 and 2016**



Data Sources: 2012-2016 5-Year American Community Survey Table B25075; 2000 U.S. Census SF3 Table H084

The figure on the following page looks at home sales prices in Bend and labor income in Deschutes County since 1985. As shown, the average home sales price has increased by 277% over that time period, while average earnings per job increased by only 24%. These rates indicate that homeownership in Bend has become increasingly unaffordable for local workers, in part as demand and price points for for-sale units is fueled by out-of-state buyers purchasing second homes in the region.

Figure 4-14. Change in Housing Costs versus Change in Earnings per Job, 1985-2016 (Adjusted to 2017 \$s)



Sources: Central Oregon Association of Realtors, Headwaters Economics, <https://www.usinflationcalculator.com/>

## Rental Housing Costs

Gross rent, which includes contract rent plus utilities (electricity, gas, heating fuel, and water and sewer), for renter households in the region, counties, and cities is shown in the charts on the following pages. In Central Oregon, the largest share of renters (32%) spend between \$1,000 and \$1,499 on housing each month; another 30% spend between \$750 and \$999. One-quarter of renters in the region spend less than \$750 on housing, while 11% spend over \$1,500.

Rental rates vary considerably by county. In Deschutes County, the largest share of renters spend between \$1,000 and \$1,499 on housing (35%) and 13% spend over \$1,500. In comparison, only 21% of renters in Crook County and 28% in Jefferson County spend over \$1,000 a month for housing. In both Crook and Jefferson Counties, about 45% of renters spend less than \$750 a month on housing; in Deschutes County, the share of renters spending under \$750 is half that (22%).



Rental rates by city show that rental units cost most in Bend. Seventeen percent of renters in Bend spend more than \$1,500 a month on housing, a share unmatched anywhere else in the region.

Looking at rental rates by city shows that rental units cost most in Bend. Seventeen percent (17%) of renters in Bend spend more than \$1,500 a month on housing, a share that is unmatched by any other city in the region. More than half of Bend's rental housing is over \$1,000 a month, as is 43% of rental housing in Sisters and 38% in Redmond. Very small proportions of rental units in all three of these areas are priced under \$500 a month

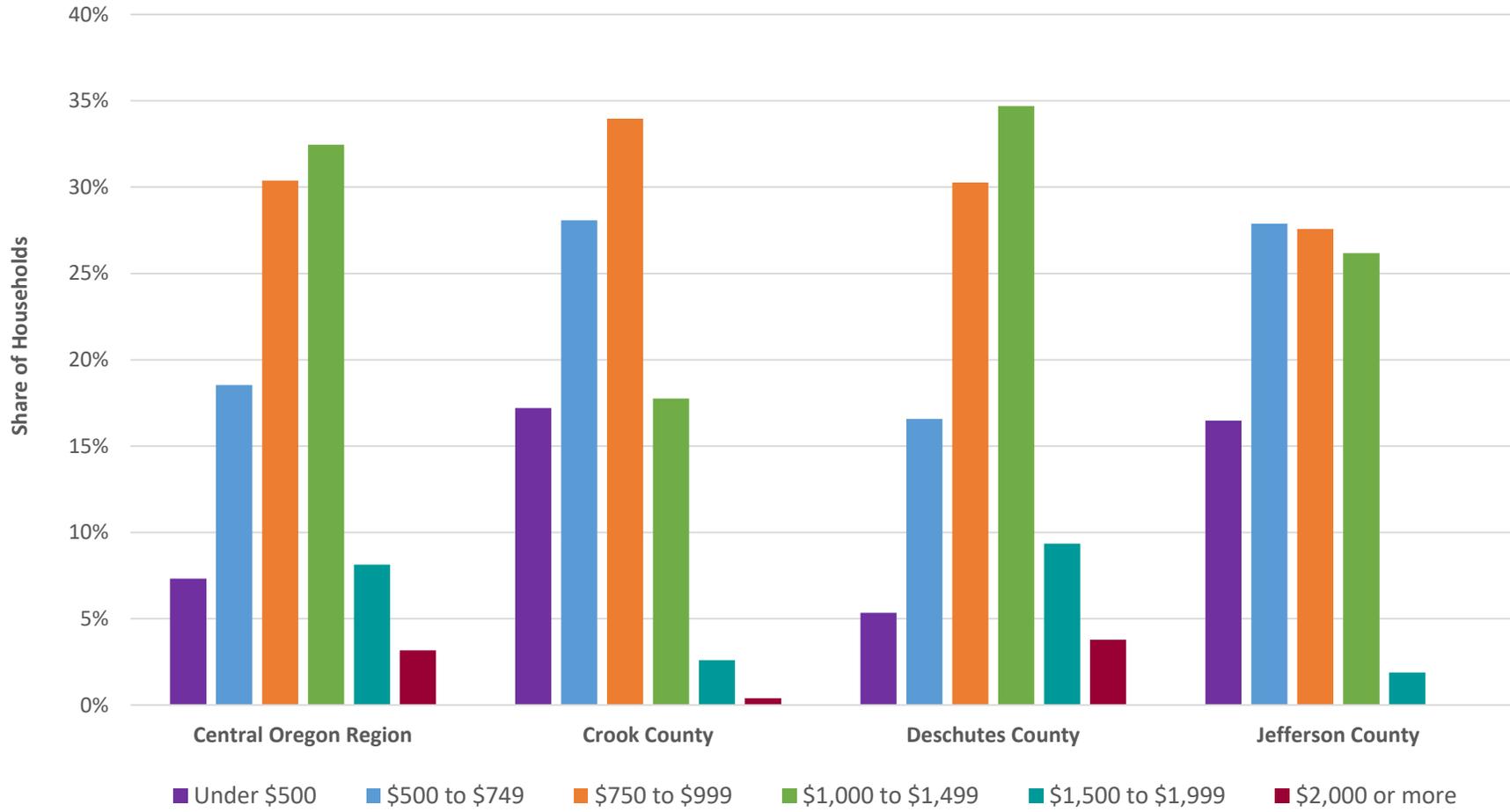
(between 5 and 7%).

Costs are more modest in Prineville, Madras, and La Pine. Over half of Prineville renters spend under \$750 a month on housing, as do about 38% of renters in Madras and La Pine. Between 28 and 30% of renters in these areas have monthly housing costs between \$750 and \$999. About one-third of renters in Madras and La Pine spend more than \$1,000, compared to 18% of Prineville renters.

Renter costs are lowest in Warm Springs, where 46% of renters spend under \$500 on housing and another 26% spend between \$500 and \$749.

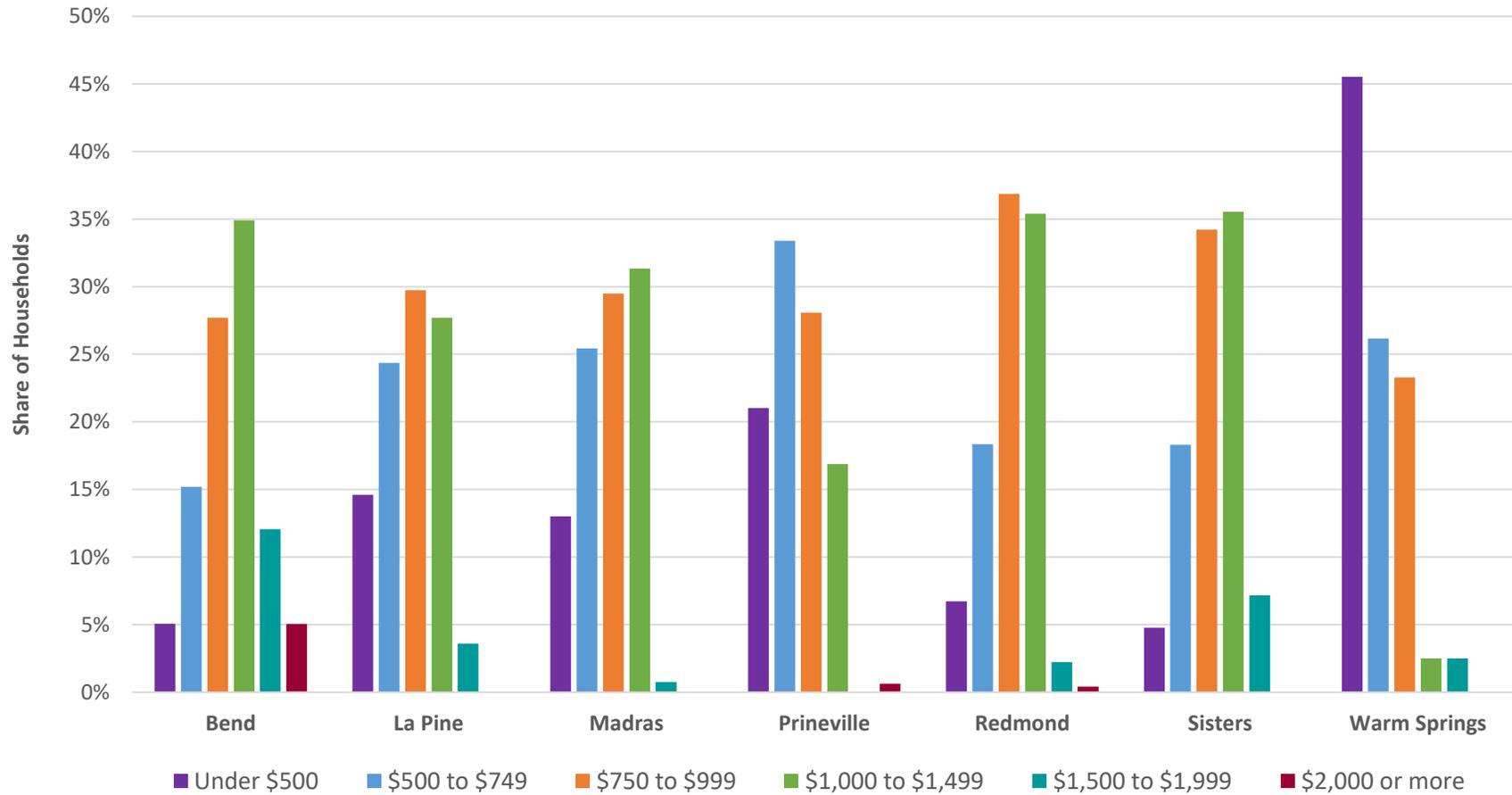
While Chapter 5 of the Regional Housing Needs Assessment will further analyze renter affordability to identify housing needs and gaps, this section also considers rental rates relative to income as an indicator of affordability in the region.

**Figure 4-15. Gross Rent in Central Oregon Counties, 2012-2016**



Source: 2012-2016 5-Year American Community Survey Table B25063

Figure 4-16. Gross Rent in Central Oregon Cities, 2012-2016

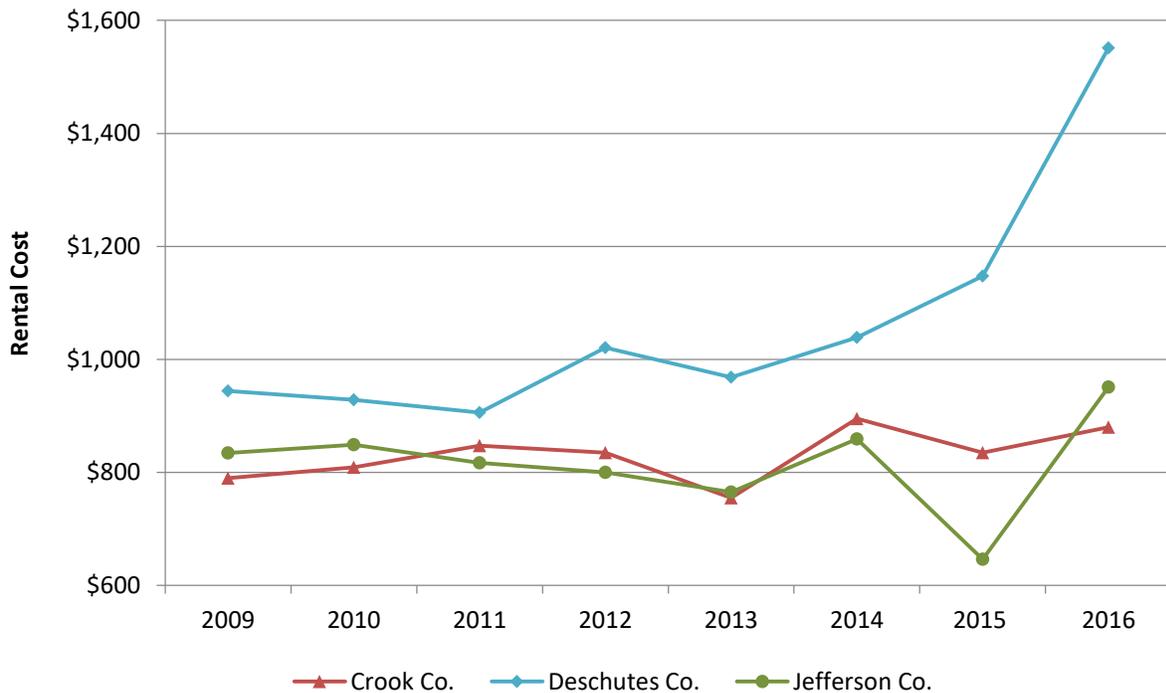


Source: 2012-2016 5-Year American Community Survey Table B25063

Evaluating historical rents shows other patterns beyond a one-year snapshot. The chart below shows the average (mean) rent for a three-bedroom house since 2009. As expected, Deschutes has had the most expensive rent, with Jefferson and Crook alternating as the second most expensive. The most noticeable trend is the sharp 35% increase in Deschutes County rents between 2015 and 2016.

The average rental rate for a three-bedroom house in Deschutes County rose by 35% between 2015 and 2016.

**Figure 4-17. Central Oregon Mean Rent (3-Bedroom House), 2009-2016**



Source: 2017 - 2021 Central Oregon Comprehensive Economic Development Strategy, Appendix Figure B-6. Data from Central Oregon Rental Owners Association, 2009-2016.

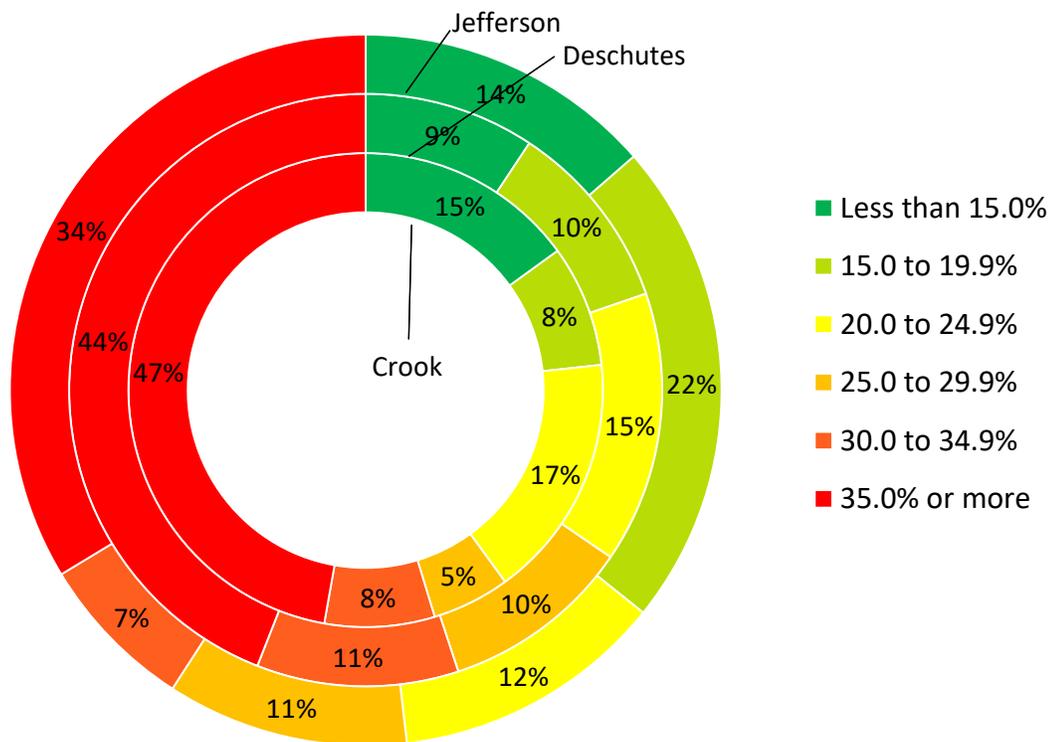
A survey of several apartment rental communities in Bend and Redmond supports stakeholder perceptions that rents have increased since the 2012-2016 ACS data was collected. Of the nine rental communities surveyed in Bend, rental rates for a one-bedroom, one-bathroom unit ranged from about \$900 to \$1,570. Two-bedroom units (with one or two bathrooms) had rents ranging from \$1,000 to \$1,800. Generally, the lower priced units were the outliers, and were typically at apartment properties furthest from the city center. Rents for most one-bedroom units fell in the low to mid \$1,000s, while two-bedroom units were in the mid to high \$1,000s. Rental rates in Redmond were typically below those in Bend. One-bedroom units surveyed had rents in the \$750-\$1,000 range, while two-bedroom units rented in the low \$1,000s. This survey provides only a snapshot of rental rates in the region, but indicates that current rents at apartment communities in Bend and Redmond are positioned above the average rents reported by the most recent American Community Survey data.

Considering rent as a percentage of a household’s income yields more information than absolute rent amounts about housing affordability. Definitions applied by the U. S. Department of Housing and Urban Development (HUD) consider a household to be cost burdened if monthly housing costs (including property taxes, insurance, energy payments, water/sewer service, and trash collection for owners and utilities for renters) exceed 30% of monthly household income. A severe cost burden occurs when more than 50% of monthly household income is spent on monthly housing costs.

Housing that is expensive or that has become more costly may not present an affordability issue if incomes are high enough to support those costs. However, where housing costs are relatively high in comparison to household income, a correspondingly high prevalence of housing cost burden and overcrowding occurs. The figure below illustrates gross rent as a percentage of household income for the three Central Oregon counties.

More than half of renter households in Crook and Deschutes Counties have a housing cost burden, meaning they spend more than 30% of their income on housing.

**Figure 4-18. Gross Rent as a Percentage of Household Income, 2012-2016**



Source: 2012-2016 5-Year American Community Survey Table DP04

In Crook and Deschutes counties, more than half of all renter households spend more than 30% of their income on their rent payments. In Jefferson County, 41% of renters are so situated. In all three counties, renter households spending more than 35% of their incomes on rent are more common

than renters in any other segment tabulated. The addition of utilities and other housing expenses into these calculations would result in even greater cost burdens for the region's renters.

Cost burdened renters may be least able to cope with unforeseen financial setbacks. These constraints may force a choice between covering housing costs, purchasing food, or paying for healthcare.

Cost burdened households, especially renters, may be least able to cope with unforeseen financial setbacks such as a job loss or reduction in hours, temporary illness, or divorce. These constraints may force a choice between covering housing costs, purchasing food, or paying for healthcare, potentially putting households at risk for foreclosure, bankruptcy, or eviction.

The National Low Income Housing Coalition's annual *Out of Reach* report examines rental housing rates relative to income levels for counties throughout the U.S. The figure on the following page shows annual household income and hourly wages needed to afford Fair Market Rents (FMRs) in Crook, Deschutes, and Jefferson Counties for one, two, and three bedroom rental units. FMRs are standards set by HUD at the county or regional level for use in administering its Section 8 rental voucher program. They are typically the 40th percentile gross rent (i.e., rent plus all tenant-paid utility costs except phone, cable/satellite, and internet service) for typical, non-substandard rental units in the local housing market.

To afford a two bedroom rental unit at the Deschutes County FMR of \$965 without a cost burden would require an annual income of at least \$38,600. This amount translates to a 40 hour work week at an hourly wage of \$19, or a 69 hour work week at the minimum wage of \$10.75. For people with incomes equal to Deschutes County's average renter wage of \$13.89 an hour, a two bedroom unit would be affordable given at least a 53 hour work week.

In Crook County, housing is more affordable and average renter wages are higher. There a two bedroom unit with an FMR of \$748 is affordable at an annual income of \$29,920. This translates to a 40 hour work week at \$14 an hour, a 55 hour work week at minimum wage, or a 36 hour work week at the average renter wage of \$16.04 an hour.

In Jefferson County, housing costs are lower than in Crook, but so are average renter wages. A two bedroom FMR of \$697 would be affordable at an annual income of \$27,880, or an hourly wage of \$13 and a 40 hour work week. At minimum wage, someone would have to work 51 hours to afford a two bedroom unit and at the average renter wage of \$11.96, they would have to work 45 hours a week

**Figure 4-19. Required Income, Wages, and Hours to Afford Fair Market Rents by County, 2018**

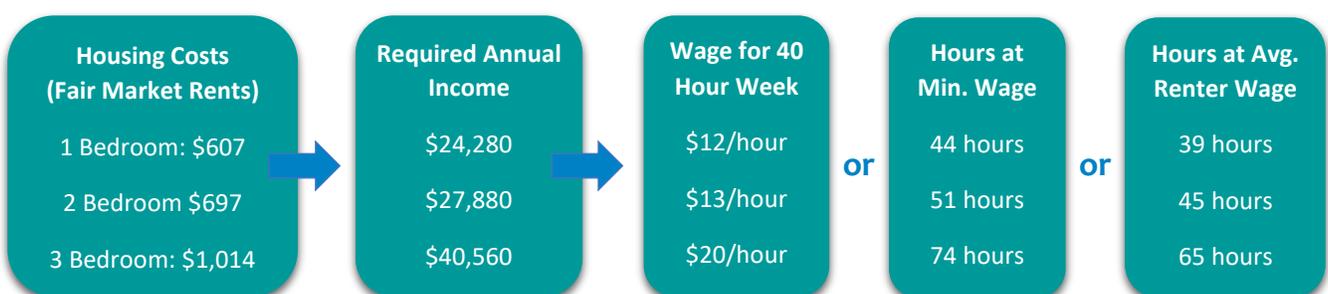
**Crook County**



**Deschutes County**



**Jefferson County**



Note: Required income is the annual income needed to afford Fair Market Rents without spending more than 30% of household income on rent. Minimum wage in Crook and Jefferson Counties is \$10.50; it is \$10.75 in Deschutes County. Average renter wages are \$16.04 in Crook County, \$13.89 in Deschutes County, and \$11.96 in Jefferson County.

Source: National Low Income Housing Coalition *Out of Reach* 2018, Accessed from <http://nlihc.org/oor/oregon>

## Housing and Transportation Affordability

In addition to the affordability of housing, it can also be helpful to consider the affordability of transportation costs. The availability, accessibility, and affordability of transportation options can have a major effect of housing choice. For a household unable to afford car ownership, housing choices may be limited only to denser urban areas accessible by public transit or where pedestrian and bicycle options are practical in order to enable access to employment or other services. Car ownership, while greatly expanding housing choices within the region, can add a considerable living expense, sometimes representing a greater share of household income than housing. This can

often be the case when someone lives a long distance from her place of employment in order to minimize housing costs. However, the further away one lives from an employment center, the higher her transportation costs become, potentially negating the savings in housing cost.

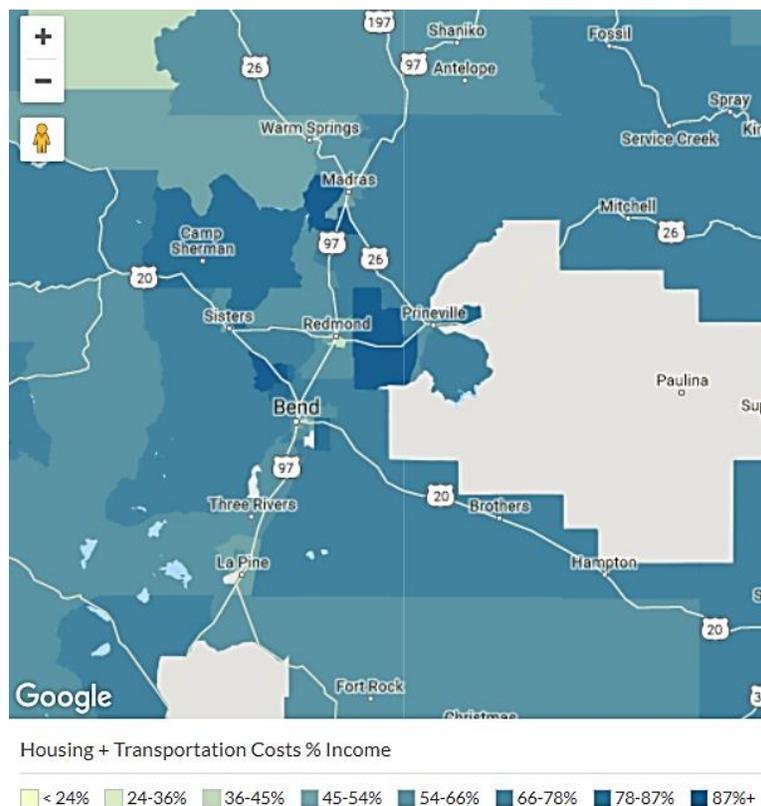
Crook County is the least affordable area in the region, owing to transportation costs constituting an average of 35% of household income on top of housing averaging 32% of income.

The Center for Neighborhood Technology (CNT), a nonprofit research organization, has established a Housing and Transportation Affordability Index that integrates these two important factors to provide a more comprehensive understanding of what it costs to live in a place. The map below displays the data generated by CNT's index. Based

on this analysis, when considering both housing and transportation costs as a percentage of household income, Crook County is the least affordable area in the region, owing to transportation costs constituting an average of 35% of household income on top of housing averaging 32% of income. Between the two, housing and transportation expenses represent 65% of the average Crook County household's income.

Evident in Table 4-10, cities with housing that is more affordable to their residents (e.g. La Pine, Warm Springs, and Madras) also come with transportation costs that are somewhat higher than those in other, more expensive cities. The three darkest-shaded areas on the map below (generally near Metolius, Powell Butte, and Tumalo) are the areas least affordable to their residents, however, this is generally due more to high housing costs, with transportation only a secondary factor.

**Figure 4-20. Housing and Transportation Costs as a Percentage of Income, 2015**



Source: The Center for Neighborhood Technology, Retrieved from <http://htaindex.cnt.org/map/>

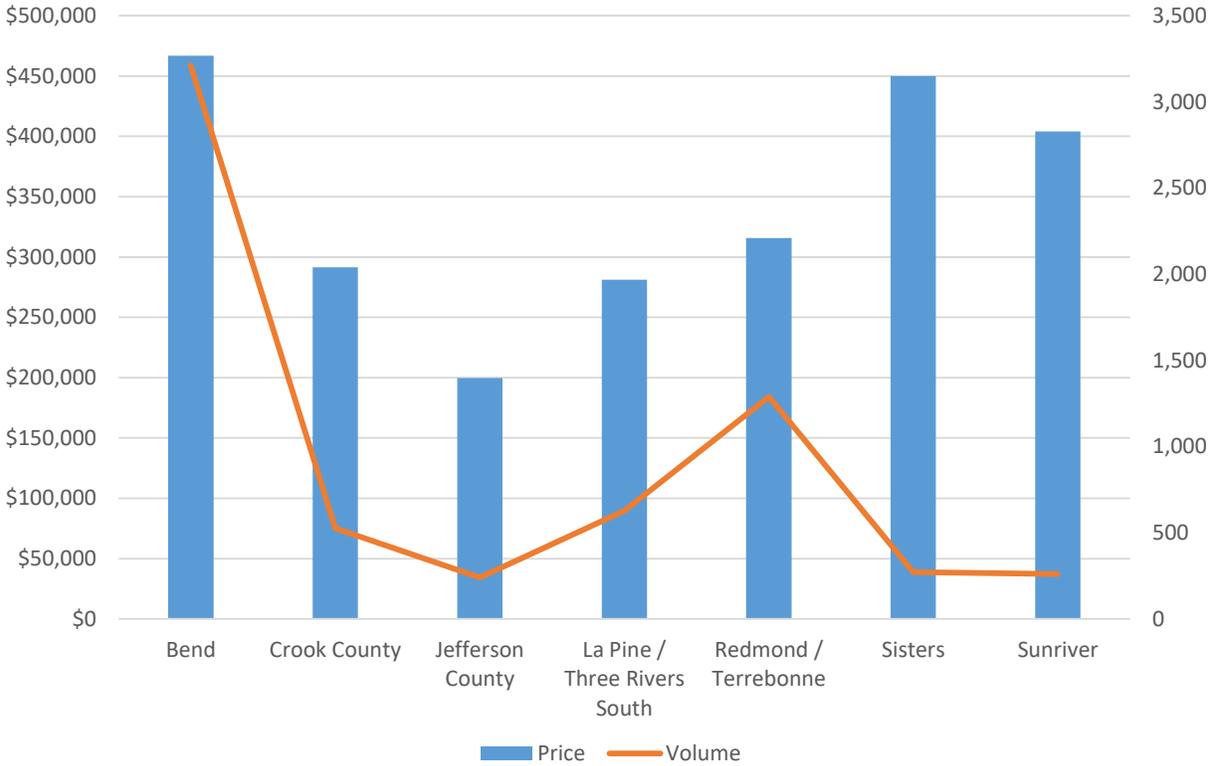
<b>Table 4-10. Housing &amp; Transportation Costs as a Percentage of Income, 2015</b>			
	<b>Housing Cost</b>	<b>Transportation Cost</b>	<b>Housing + Transportation Cost</b>
Crook County	32%	35%	65%
Deschutes County	31%	27%	58%
Jefferson County	27%	31%	59%
Bend	31%	25%	56%
La Pine	12%	28%	40%
Madras	24%	29%	52%
Prineville	28%	31%	59%
Redmond	23%	24%	48%
Sisters	28%	26%	54%
Warm Springs	17%	33%	49%

Source: The Center for Neighborhood Technology

# Recent Market Activity and Development

As a summary of recent for-sale market activity, the figure below shows recent average sales prices and volume for various submarkets in the Central Oregon region, as tracked by the Central Oregon Association of Realtors (COAR). According to COAR’s report, the region’s highest average sales price was \$466,926 in Bend. Bend also had the most active real estate market, with a sales volume of over 3,200 units. The 2017 average sales price in Sisters was just under \$450,000, but volume was much lower, at 271 units. Redmond’s growing market was the second-most active in the region, with 1,289 home sales and an average sales price of \$315,626. Jefferson County was the region’s least expensive and least active market for home sales, with an average sales price of just under \$200,000 and a volume of 241 transactions.

**Figure 4-21. Average Sales Prices and Sales Volume by Submarket, 2017**



Source: Central Oregon Association of Realtors—2017 Report

The Beacon Appraisal Groups’ May 2015 *Beacon Report* also offers insight into homes sales in the region by tracking price, volume, and time on market for several Central Oregon submarkets since 2011 using Multiple Listing Service (MLS) data. This report shows steady growth in median sales price in Bend, from a median of \$197,000 in April 2011 to \$309,000 in April 2015. Sisters saw similar growth from a median of \$173,000 in Q1 2011 to \$310,000 in Q1 2015. The Sunriver area, also in Deschutes County, had a median sales price of \$353,000 in Q1 2015, showing little change from the Q1 2011 median of \$330,000.

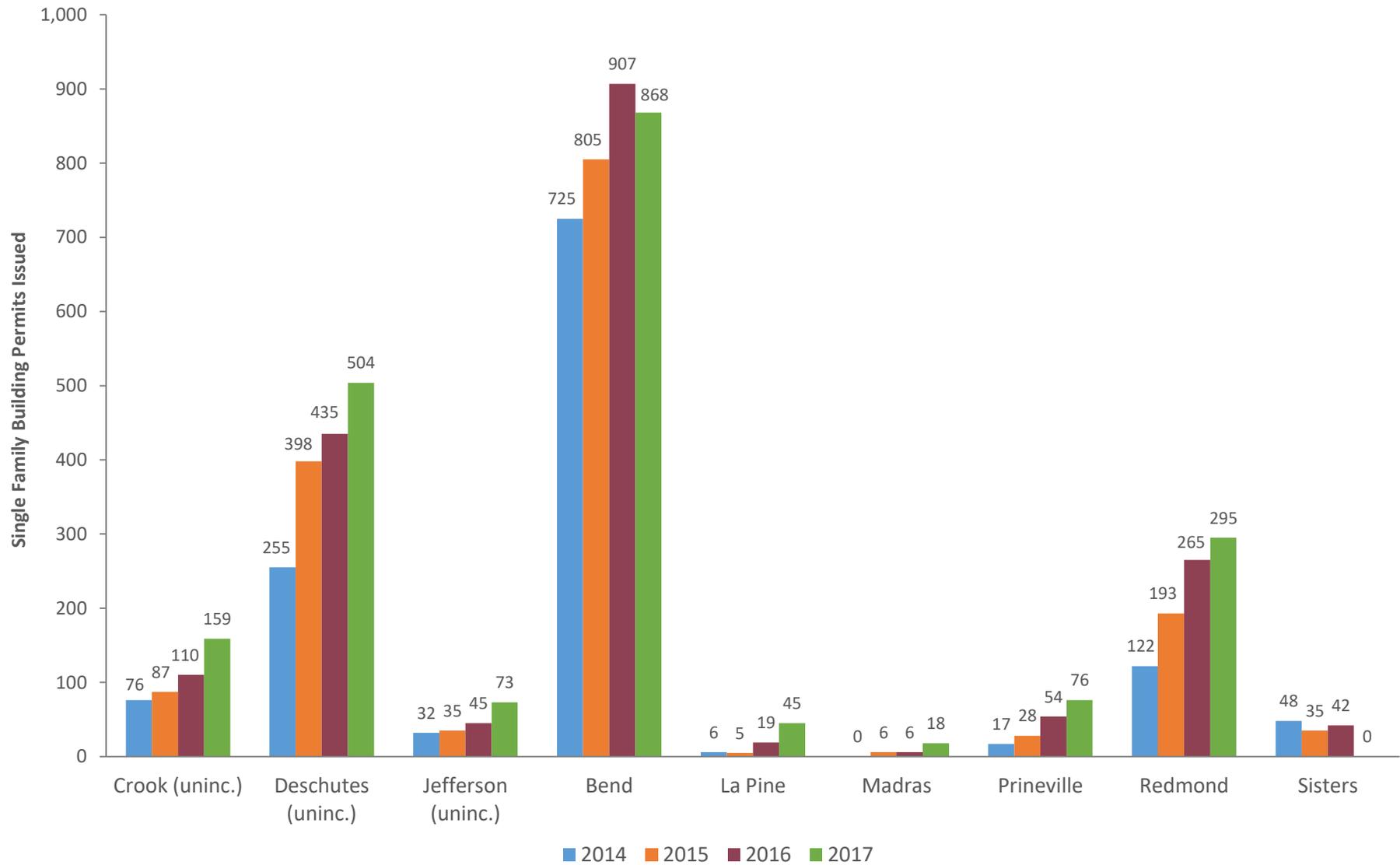
The Redmond home sales market is positioned below Bend, Sisters, and Sunriver in terms of price point. Its April 2015 median sales price of \$208,000 was nearly double the median of \$106,000 in April 2011. The Crook County and La Pine submarkets follow with Q1 2015 median sales prices of \$144,000 and \$137,000, respectively. Finally, Jefferson County and Crooked River Ranch had the lowest median sales price at \$90,000 in Q1 2015.

## Development and Permitting Activity

Building in all three Central Oregon counties has rebounded since the recession (see Figure 4-22 on the next page), and permit volume has been generally increasing since 2011. Between 2014 and 2017, unincorporated Deschutes County has averaged nearly 400 new single-family units per year while Bend, the county's largest city, has permitted an average of 825 new single-family units per year over that same period. Permit activity has greatly increased in Redmond as well, with nearly 300 new single-family units permitted in 2017, an increase of 142% over the 122 permits issued in 2014. Although a small city, Sisters averaged 42 single-family building permits from 2014 to 2016, roughly equal to the average number of units permitted in unincorporated Jefferson County over that time period.

Unincorporated Crook County issued 159 new single-family building permits in 2017, up 45% from 2016 and more than doubling the 76 permits issued in 2014. On a percentage basis, permit growth within the region's three counties has been greatest in Jefferson County. Unincorporated Jefferson County has seen its permit activity grow from 32 permits issued in 2014 to 73 in 2017, a 128% increase. Within Jefferson County, Madras' separate permitting records similarly reflect a significant increase, although absolute figures are relatively small compared with some of the region's larger cities. La Pine and Prineville are similar in that their overall permit numbers are relatively low compared with larger jurisdictions in the region, but reflect striking increases: La Pine issued just six permits in 2014 but jumped to 45 in 2017, a six-fold increase; Prineville's permit activity increased from 17 in 2014 to 76 in 2017.

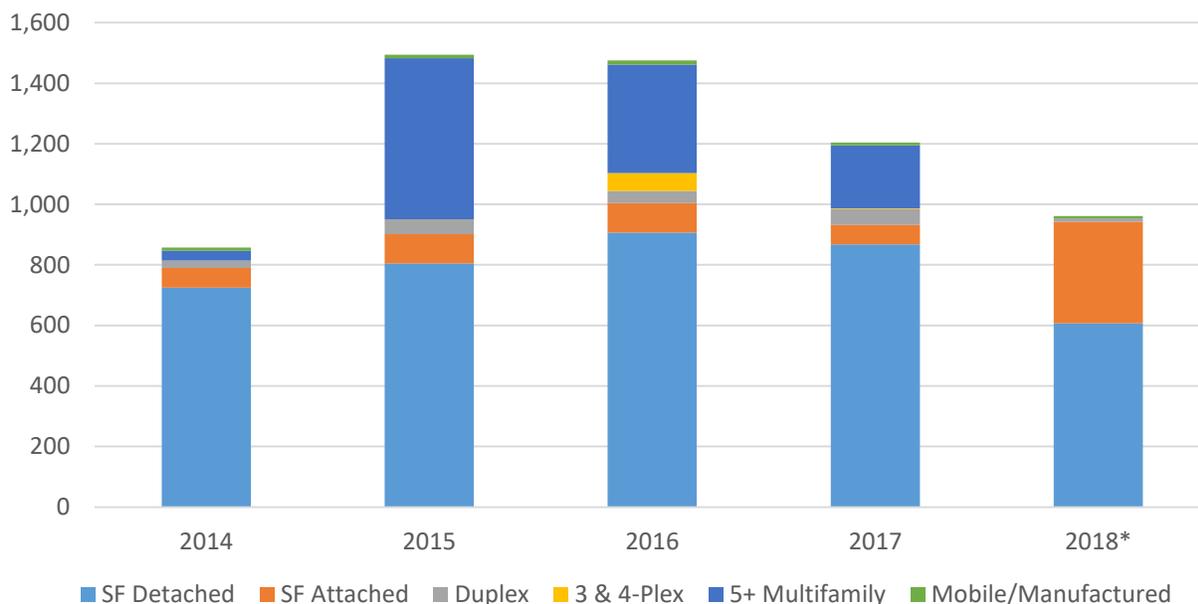
**Figure 4-22. Single-Family Building Permits by Jurisdiction, 2014 to 2017**



Sources: Data for Crook County, Prineville, Jefferson County, and Madras was self-reported by local government staff; Deschutes County, Redmond, Sisters, and La Pine data obtained through Deschutes County Permit Query research tool; Bend data compiled from the City’s Building Safety & Statistics Reports.

Outside of Bend, the vast majority of new units being constructed are single-family homes. Census building permit records indicate no multifamily permits were issued in Crook or Jefferson Counties during this period. The rising cost of housing and declining vacancy rates indicate that the number of new units, particularly multifamily units, has not kept up with demand.

**Figure 4-23. Bend Residential Units Permitted, 2014 to 2018**



\* 2018 reflects 6-month data from the period January-June.

Source: City of Bend Community Development Department, Building Safety & Statistics Reports

Although the pace of development in the region has stepped up and the permitting figures indicate a total of approximately 2,038 new single-family housing units added to the region’s inventory in 2017, the Census estimates the number of households in the region grew by about 3,270 over a comparable period, clearly outpacing growth in supply. Accommodating the region’s rapid growth will require a variety of tools and strategies, but increasing housing supply must be one of them. Of a group of 83 builders/developers who took the Regional Housing Survey, over half indicated that project incentives to include density bonuses and relaxed height restrictions would be the most helpful incentive for new construction of affordable housing. Tax incentives (45%), permit fee waivers (37%), and expedited permit processing (35%) also ranked among this group’s top selections. These and other options may merit further exploration as to their potential role in encouraging new housing construction and relieving some of the demand pressure in the current market.

While permitting figures for new housing units are up, the additional supply is not enough to keep pace with the number of new households added to the region.

In recent years, housing production has lagged household formation in all three Central Oregon counties. From 2010 to 2016, Deschutes County produced 0.85 new housing units for every new household, Crook produced 0.72, and Jefferson produced only 0.28 new units for every household formed.

A recent report by Up for Growth, a national nonprofit research organization, quantifies housing production relative to household formation for counties throughout the United States. According to this report, a functioning housing market should produce at least one new housing unit for every new household formed, but to account for demolition, obsolescence, and changing consumer preferences, this ratio need to be above 1.1. From 2000 to 2016, Deschutes and Crook Counties met this need, producing 1.14 and 1.38 new housing units per household formed

over this time period. Jefferson County, meanwhile, fell short, producing only 0.74 units for every household formed.<sup>35</sup>

Looking at more recent years, however, shows that housing production has lagged household formation in all three Central Oregon counties. From 2010 to 2016, Deschutes County produced 0.85 new housing units per new household, Crook produced 0.72, and Jefferson produced only 0.28 new units for every household formed. These figures indicate a severe production shortage in the region relative to household formation. This shortage is likely exacerbated by the strong second home market in Central Oregon, which is likely absorbing some of the new construction over new households formed within the region.

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<sup>35</sup> Up for Growth and ECONorthwest. *Housing Underproduction in Oregon*. 2018. <https://www.upforgrowth.org/sites/default/files/2018-10/UFGHousingUnderproductionInOregon.pdf>

# Subsidized Housing Supply

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Housing costs are rising, in some cases quite sharply, which results in households being less able to afford housing of an appropriate size and decent quality. The results of the Regional Housing Survey make clear that housing affordability is a central issue of the local housing market. More than 95% of health and human service providers who were surveyed said that finding affordable housing was the biggest housing barrier faced by the clients they serve. More generally, the full group of survey respondents reported that affordable rental housing for low-income (\$25,000-\$45,000 per year) and extremely low income (under \$25,000 per year) were by far the two greatest unmet housing needs in the region. The emphasis on rental affordability in these survey results underscores a need for subsidized housing options.

Survey respondents reported that affordable rental housing for low- and extremely-low income households were by far the region's two greatest unmet housing needs.

Publicly supported housing funded through federal, state, and local programs offers below-market rents to specific households, typically based on income. The following will discuss publicly supported rental housing units and describe the current existing properties offering rents for low- and moderate-income families. There are two primary sources for subsidized housing opportunities in Central Oregon: the Housing Choice Voucher (HCV) program and the Low Income Housing Tax Credit (LIHTC) program.

## Housing Choice Vouchers

The Central Oregon Regional Housing Authority, better known locally as Housing Works, administers the region's 1,203 HCVs. These vouchers are issued to income-eligible households and may be used at a private-market rental unit of the tenant's choosing to reduce the tenant's share of rent payments to an affordable level. Unlike some other forms of publicly supported housing, HCVs are portable and their distribution throughout the area is subject to fluctuate over time. While eligibility for the program depends on factors such as income and household size, there are at least an estimated 5,125 renter households in Central Oregon likely to be eligible to receive HCVs, far outnumbering the 1,203 vouchers available; there may be additional households beyond the 5,125 estimate who are also eligible.

Housing Works processed 3,000 applications for the Housing Choice Voucher waitlist in 2018, yet only 120 vouchers became available. About 35% of voucher holders were unable to find a rental unit and their voucher was reissued to another household on the list.

Lesly Gonzalez, the Director of the Housing Choice Voucher Program at Housing Works, reports that 3,000 HCV applicants were processed for the waiting list in 2018, yet only 173 applicants were issued vouchers that year. Even after being issued a voucher, approximately 35% of households are unable to locate an available rental unit and their voucher is reissued to another household from the waiting list. The data in the table that follows is sourced from a HUD database and shows just how competitive

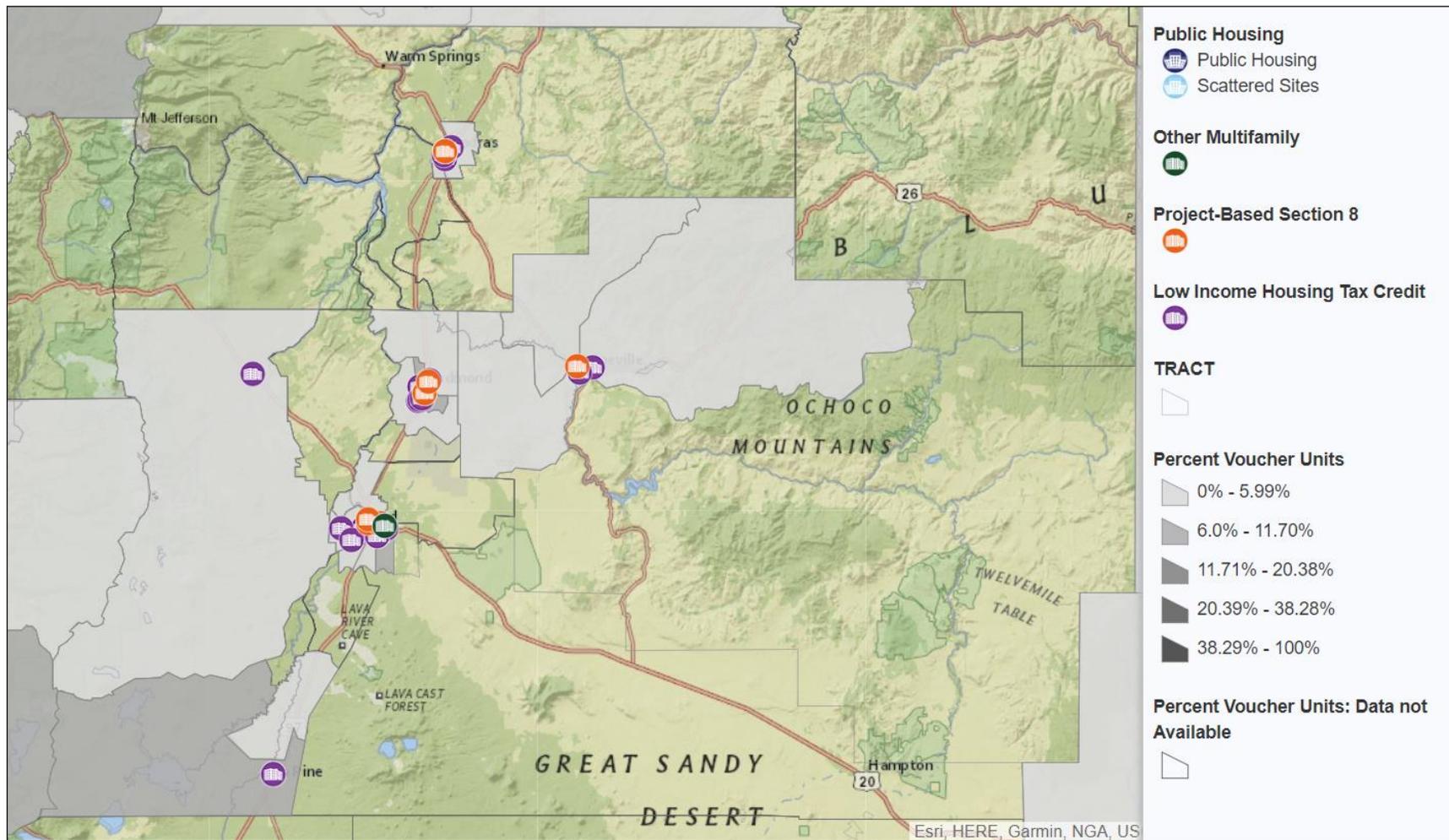
the market for these vouchers is. HUD reports that 100% of Housing Works' HCVs are in use and, on average, a household remains on the waiting list for an available voucher for seven months. However, this wait time does not take into the current process for allocating vouchers, under which households waiting for a voucher must reapply annually. Local stakeholders estimate that the actual average wait time is about three years.

Total Units	1,203
Occupancy Rate	100%
Total Persons Housed	2,584
Average Tenure in Unit	7.4 years
Average Time on Waiting List	7 months
Household Income	
Average Tenant Household Income	\$14,111
Extremely Low Income (<30% AMI)	62%
Very Low Income (<50% AMI)	91%
Unit Mix	
0-1 Bedroom	25%
2 Bedroom	44%
3+ Bedroom	31%

Source: HUD PIC Database, <https://www.huduser.gov/portal/datasets/assths.html>

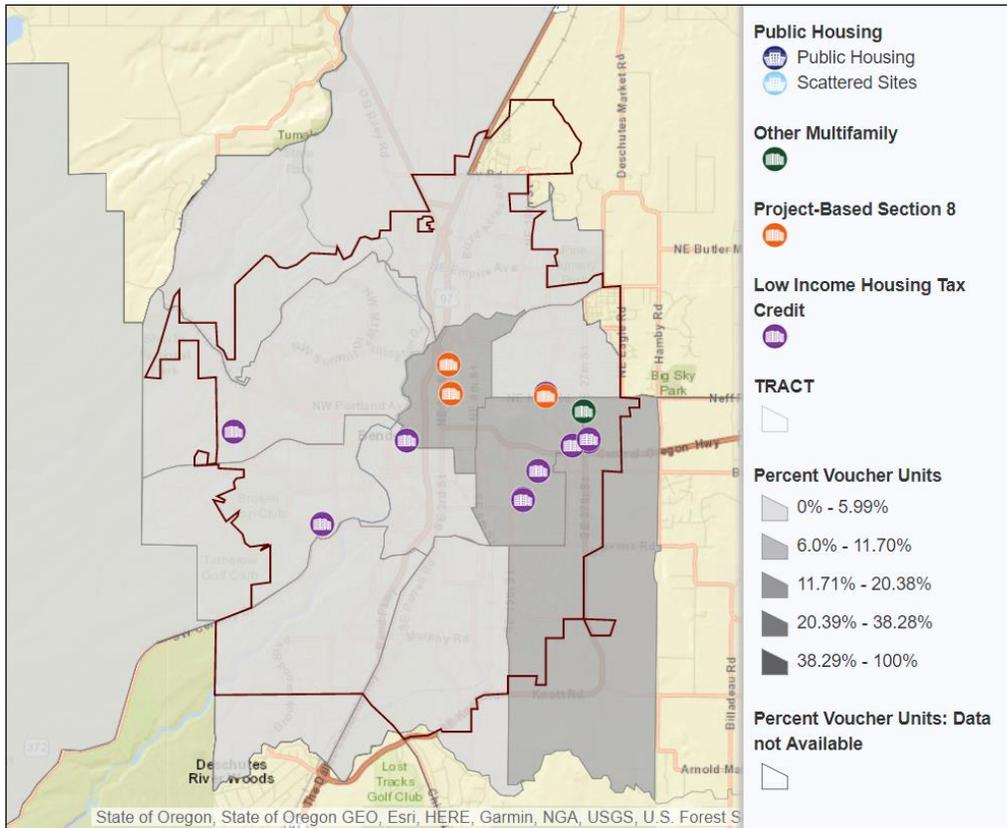
The gray shading in the maps on the following pages illustrates the distribution of HCVs across the Central Oregon region. Tracts with the highest voucher concentrations coincide with the region's urban areas (specifically Bend, La Pine, Madras, Prineville, and Redmond) likely due to the relatively larger supply of rental units in these communities as compared with more rural areas. The census tract containing Sisters also includes a small share of households using vouchers (2.7% of total households in the tract). Overall, the region's 1,203 Housing Choice Vouchers comprise approximately 1.2% of all housing units in Central Oregon but make up over 8% of the housing in south Redmond in the census tract containing the airport and Pollack Field. The other areas of the region with the highest HCV concentration are in East Bend between Pilot Butte and Reed Market Road (8%) and in far southwest Deschutes County, including La Pine (8%).

Figure 4-24. Publicly Supported Housing in Central Oregon, 2017

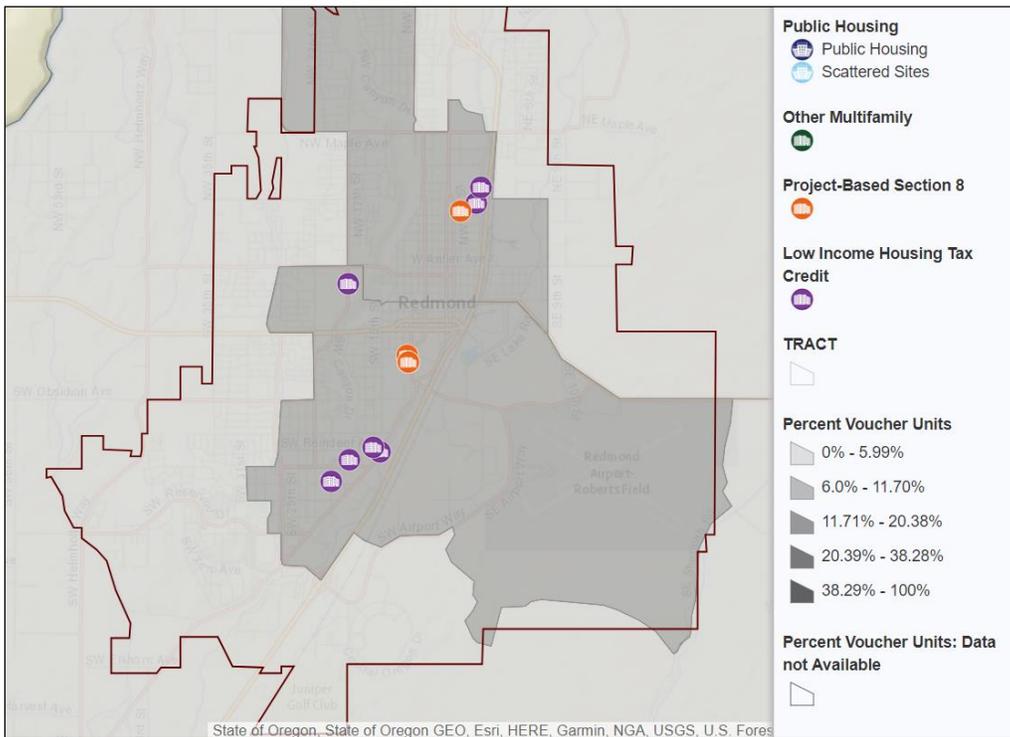


Source: HUD AFFH Mapping Tool, November 17, 2017 data release, <https://egis.hud.gov/affht>

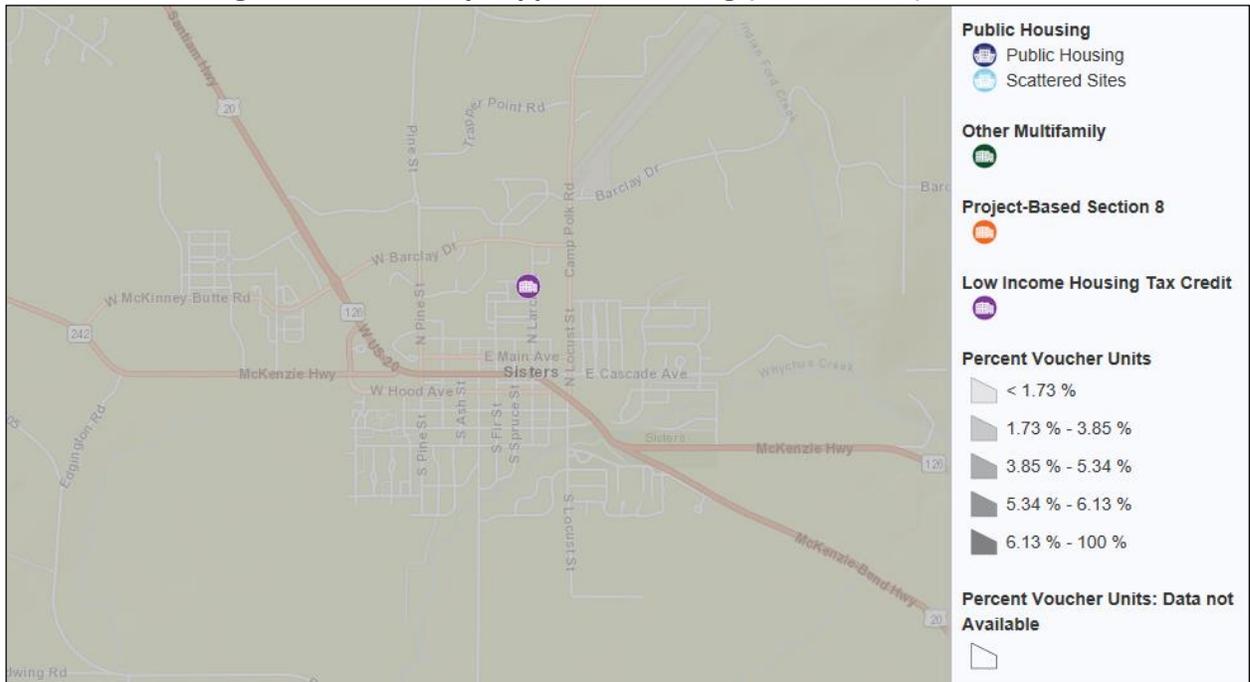
**Figure 4-25. Publicly Supported Housing (Bend Inset), 2017**



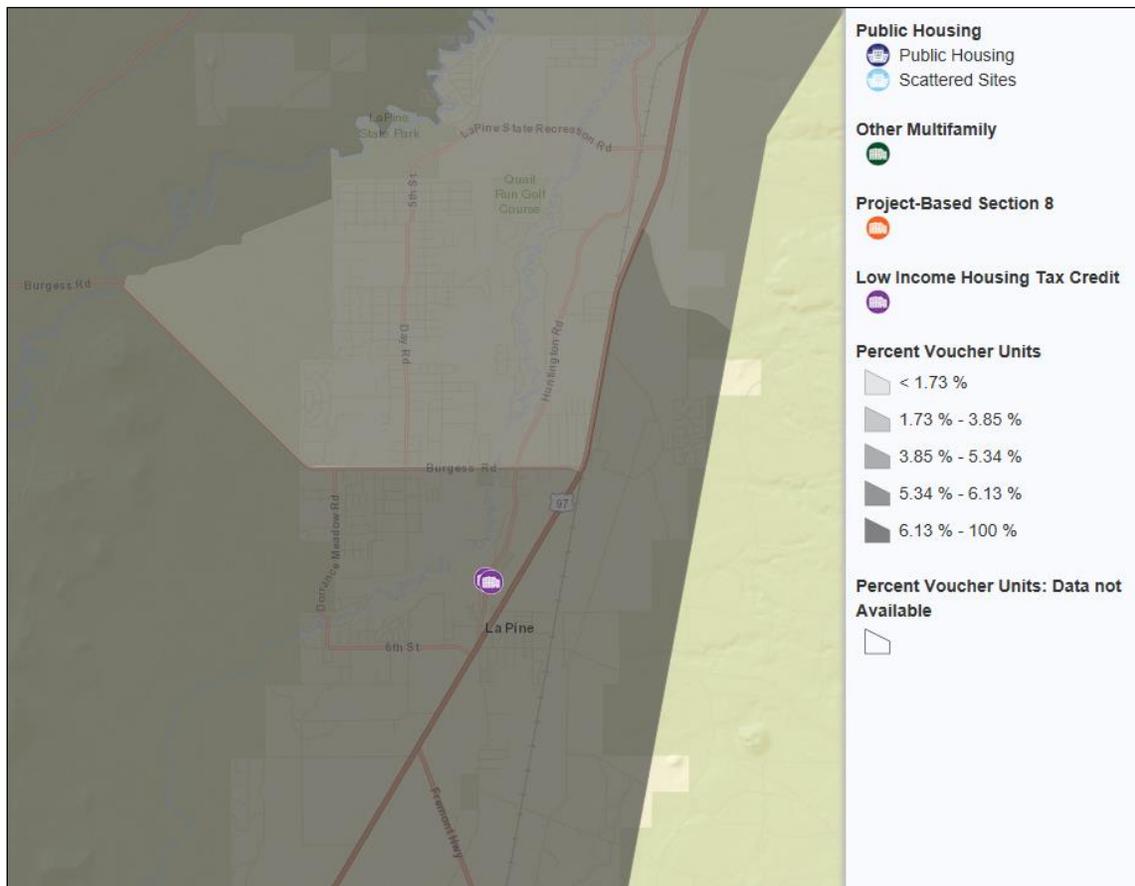
**Figure 4-26. Publicly Supported Housing (Redmond Inset), 2017**



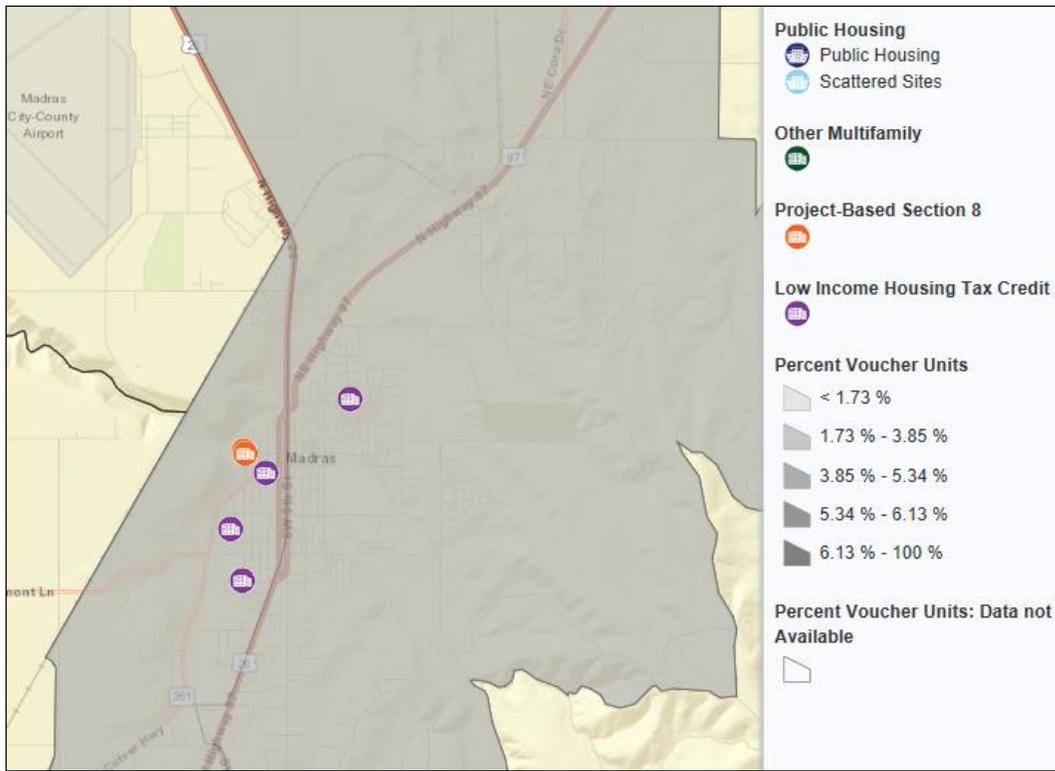
**Figure 4-28. Publicly Supported Housing (Sisters Inset), 2017**



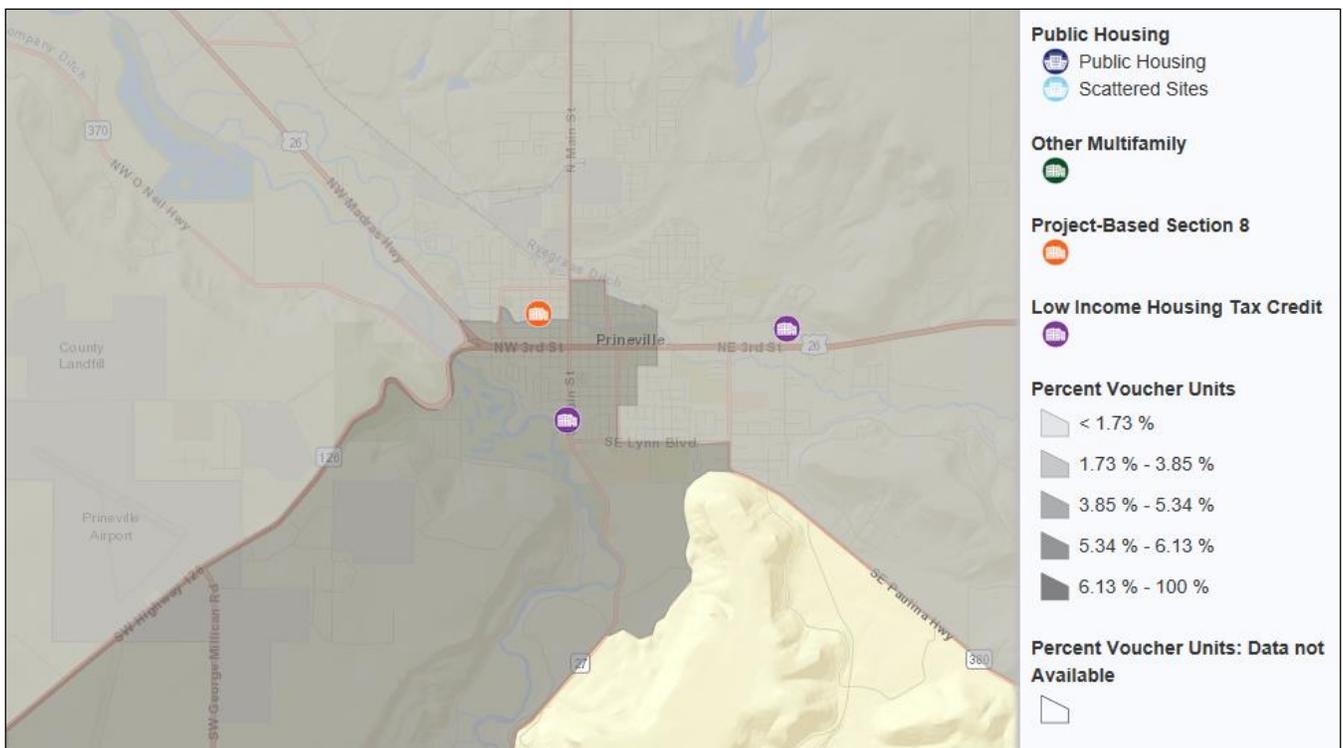
**Figure 4-27. Publicly Supported Housing (La Pine Inset), 2017**



**Figure 4-29. Publicly Supported Housing (Madras Inset), 2017**



**Figure 4-30. Publicly Supported Housing (Prineville Inset), 2017**



## Low-Income Housing Tax Credits

While HCVs are used to subsidize the cost of housing already existing in a market, in many communities, the LIHTC program is the primary source of subsidy for development or rehabilitation of new affordable housing units. Created by the Federal Tax Reform Act of 1986, the LIHTC program makes available an indirect federal subsidy for investors in affordable rental housing. The value of the tax credits awarded to a project may be syndicated by the recipient to generate equity investment, offsetting a portion of the development cost while offering investors a dollar-for-dollar reduction in their federal tax liability. As a condition of the LIHTC subsidy received, the resulting housing must meet certain affordability conditions, generally targeting housing to families with incomes below 60% AMI. The Internal Revenue Service allocates LIHTCs annually to each state's housing finance agency, which then awards them on a competitive basis to project applicants within the state. In Oregon, the state's Housing and Community Services Department administers the LIHTC program according to an annually updated Qualified Allocation Plan.

There are approximately 1,521 income-restricted rental housing units in 31 different properties in Central Oregon that are subsidized by LIHTCs as shown in the following table. These LIHTC units can – and frequently do – house tenants using a HCV to pay a portion of their rent, so the numbers of LIHTC units and HCVs cannot be totaled together to approximate the number of subsidized rental units in the region. The degree of overlap is further evident in the above maps where the tracts with the highest concentration of HCV use tend to also be areas where LIHTC developments are located.

<b>Project Name</b>	<b>Project Address</b>	<b>Location</b>	<b>ZIP Code</b>	<b>Total Number of Units</b>	<b>Low-Income Units</b>
Healy Heights Apts Site 2	1900 Ne Bear Creek Rd	Bend	97702	--	--
Willow Creek Apts	410 Ne Oak St	Madras	97741	40	40
Wintergreen Apts	2050 Sw Timber Ave	Redmond	97756	24	24
Stoneybrook	933 Nw Canal Blvd	Redmond	97756	50	40
Madras Estates	242 Sw Third St	Madras	97741	23	23
Redmond Triangle Housing	767 Nw Canal Blvd	Redmond	97756	25	25
Ariel Glen Apts	1700 Se Tempest Dr	Bend	97702	70	70
Healy Heights	1900 Ne Bear Creek Rd	Bend	97701	70	70
Madison Apts	950 Sw Madison St	Madras	97741	30	30
Riverside Apts (Prineville)	611 S Main St	Prineville	97754	40	40
Cedarwest Apts	825 Watt Way	Bend	97701	121	--
Madras Family Housing Ctr II	375 Sw H St	Madras	97741	24	24
Bluffs Apts	340 Sw Rimrock Way	Redmond	97756	96	96
Eastlake Village	675 Ne Bellevue Dr	Bend	97701	56	56
Ridgeview Commons	449 Ne Ridgeview Ct	Prineville	97754	40	40

Source: HUD LIHTC Database, <https://lihtc.huduser.gov/>

**Table 4-12. Low Income Housing Tax Credit (LIHTC) Inventory, 2016 (continued)**

Project Name	Project Address	Location	ZIP Code	Total Number of Units	Low-Income Units
Ariel South Apts	1707 Se Tempest Dr	Bend	97702	97	97
Vintage At Bend	611 Ne Bellevue Dr	Bend	97701	106	106
Mountain Laurel Lodge	990 Sw Yates Dr	Bend	97702	54	54
Ridgemont Apts	2210 Sw 19Th St	Redmond	97756	46	46
Putnam Pointe	750 Nw Lava Rd	Bend	97703	33	33
Discovery Park Lodge	2868 Nw Crossing Dr	Bend	97703	53	53
Crest Butte Apts	1695 Ne Purcell Blvd	Bend	97701	52	41
Little Deschutes Lodge	51725 Huntington Rd	La Pine	--	26	26
Putnam Lofts	750 Nw Lava Rd	Bend	97703	10	10
Quimby Apts Renewal	455 Ne Quimby Ave	Bend	97701	52	52
High Desert Commons	2195 Sw Canal Blvd	Redmond	97756	28	27
Little Deschutes Lodge II	51745 Little Deschutes Ln	La Pine	97739	26	26
Crooked River Apts (3 Sites)	950 Sw Madison St	Madras	97741	94	93
Ariel Glen Apts Site 1	1700 Se Tempest Dr	Bend	97702	140	140
Reindeer Meadows	1601 Sw Reindeer Ave	Redmond	97756	50	50
Ironhorse Lodge	435 Ne Wayfinder Way	Prineville	97754	26	25
Riverside Apartments + Chennai Landing	375 Sw H Street	Madras	97741	65	64
<b>Total Units</b>				<b>1,700</b>	<b>1,554</b>

Source: HUD LIHTC Database, <https://lihtc.huduser.gov/>

### Other Subsidized Housing

Other programs, both those funded by HUD (most notably HUD’s Section 202 and Section 811 programs providing housing for elderly and disabled populations) and those relying on other federal, state, and local sources also have a role in the supply of subsidized housing in Central Oregon. Because the funding sources are more varied, they are more difficult to catalog, however, Table 4-13 displays a list of 13 multifamily developments in the region reported using a HUD tool for identifying affordable housing opportunities. It is unclear how many units these properties represent, but the majority of them are designed to serve elderly populations and offer predominantly one- and two-bedroom units.

Table 4-13. Subsidized Rental Developments, 2018					
Property	City	Type	Bedrooms		
			1	2	3
Brentwood Manor	Redmond	Elderly	X		
Canyon Villa Estates	Madras	Family		X	X
Crest Butte Apartments	Bend	Family	X	X	
Golden Age Manor I	Madras	Elderly	X		
Golden Age Manor II	Madras	Elderly	X		
Grasshopper Village	Prineville	Family		X	X
Greenwood Manor	Bend	Elderly	X	X	
Housing Opportunities, Inc.	Redmond	Disabled	X	X	
Ochoco Manor	Prineville	Elderly	X		
Pilot Butte I	Bend	Elderly	X		
Pilot Butte II	Bend	Elderly	X		
Quimby Street Apartments	Bend	Elderly	X		
Residential Housing Inc.	Redmond	Disabled			
Stafford Square	Redmond	Family		X	X

Source: HUD Affordable Apartment Search Tool, <https://apps.hud.gov/apps/section8/index.cfm>

Neither Housing Works nor any other housing authority owns or operates traditional public housing units (i.e. rental housing units owned and managed by a public housing authority and supported by an annual allotment of funding from HUD) in Central Oregon, but Housing Works' required annual Public Housing Authority Plan reports several affordable housing developments for which it is responsible. These are in varying stages of development, but include the following.

Table 4-14. Housing Works Affordable Housing Developments, 2018			
Property	City	Type	Number of Units
Cook Crossing	Redmond	Elderly	48
Moonlight Townhomes	Bend	Family	29
Daggett Townhomes	Bend	Family	24
Ochoco School Apartments	Prineville	Family	29
La Pine Townhomes	La Pine	Family	42
Village Meadows Apartments	Sisters	Family	48
<b>Total Units</b>			<b>220</b>

Source: Housing Works PHA Annual Plan for FY 07/2018, Attachment D

These 220 units represent significant organizational capacity on the part of Housing Works and are an important addition to local affordability options. Particularly helpful is that the majority of these new units will be for family households and not restricted to specific population groups. While

seniors and people with disabilities certainly have unique and often heightened challenges in locating housing, the local affordable housing shortage affects a wide cross section of residents, including working families. Employers in Central Oregon who participated in the housing survey overwhelmingly reported (87%) that the cost of rental housing is the greatest barrier faced by their employees when seeking housing.

Compared with other Oregon communities, Central Oregon's subsidized housing inventory appears to be lacking. Comparing just the mix of HUD-subsidized housing options, the region's HCVs, with no other public housing units, makes up 1.2% of the region's supply. In Eugene, HCVs are 2.0% of the city's inventory; they make up 3.5% and 2.8% of Salem and Portland's housing inventories, respectively. Because of their additional HUD-supported housing types beyond HCVs, the overall subsidized housing stock makes up a larger share of the local housing supply: 3.4% in Eugene, 5.4% in Salem, and 5.0% in Portland.



Compared with other Oregon communities, Central Oregon's subsidized housing inventory is lacking. HUD-subsidized housing options makes up 1.2% of housing in Central Oregon, compared to 5.4% in Salem and 5.0% in Portland.

# Chapter 5: Housing Gap Assessment

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This portion of the Regional Housing Needs Assessment contains data and analysis regarding housing needs and gaps in Central Oregon. Current levels of need are based on households experiencing problems such as cost burden, overcrowding, and substandard housing conditions. The current needs are projected out 10 years to 2028 based on population estimates from Portland State University. An analysis comparing available supply of affordable rental and owner-occupied housing with the number of households in need arrives at gaps in the numbers of affordable units needed at various rent or sales prices to meet the needs of current resident households. These gaps are further broken down for each Central Oregon community. Based on this data, a summary of the region's critical housing gaps is provided, outlining unique housing-related challenges and needs for households ranging from very low to moderate-incomes. The housing cohorts identified in the beginning of this chapter provide a helpful frame of reference for the sections that follow, offering a description of the types of households typically found within the various income bands used for the analyses. Finally, a study of socioeconomic segregation, on the bases of both race/ethnicity and income is included.

## Housing Cohorts

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The table that follows outlines housing cohorts for the Central Oregon region, which are defined by income as a percentage of the area median income. For each cohort, number of households, tenure, income ranges, affordable monthly housing costs, and sample household types are shown. These cohorts provide structure for the Housing Gap Assessment, by contextualizing current and projected levels of housing need. Additional report chapters related to causes of housing need/gaps in Central Oregon and best practices for addressing gaps will speak to specific cohorts and household types, with the understanding two households may have similar income levels but still face different housing needs.

**Table 5-1. Central Oregon Housing Cohorts**

2017 Cohort Size in Central Oregon	2017 Annual Income (4-Person Household)	2017 Affordable Monthly Housing Cost	Sample Household Types and/or Occupations
<b>Housing Cohort: 0-30% Area Median Income</b>			
9,246 households <ul style="list-style-type: none"> <li>• 40% owners</li> <li>• 60% renters</li> </ul>	Deschutes County: \$0 - \$19,150  Crook and Jefferson Counties: \$0 - \$16,000	Deschutes County: \$0 - \$475  Crook and Jefferson Counties: \$0 - \$400	<ul style="list-style-type: none"> <li>• Seniors with social security income (\$15,000)</li> <li>• Full- or part-time minimum wage workers (\$10,000 to \$20,000), including students</li> <li>• People who are unemployed</li> <li>• Individuals and families who are homeless or at risk of homelessness</li> </ul>
<b>Housing Cohort: 31-60% Area Median Income</b>			
15,215 households <ul style="list-style-type: none"> <li>• 47% owners</li> <li>• 53% renters</li> </ul>	Deschutes County: \$19,151 - \$38,280  Crook and Jefferson Counties: \$16,001 - \$31,980	Deschutes County: \$476 - \$950  Crook and Jefferson Counties: \$401 - \$800	<ul style="list-style-type: none"> <li>• Two full- or part-time minimum wage workers (\$20,000 to \$35,000), including students</li> <li>• Preschool teachers (\$29,000)</li> <li>• Food prep workers and cashiers (\$25,000)</li> <li>• Hotel and resort desk clerks (\$24,000)</li> </ul>
<b>Housing Cohort: 61-80% Area Median Income</b>			
11,113 households <ul style="list-style-type: none"> <li>• 53% owners</li> <li>• 47% renters</li> </ul>	Deschutes County: \$38,281 - \$51,050  Crook and Jefferson Counties: \$31,981 - \$42,650	Deschutes County: \$951 - \$1,275  Crook and Jefferson Counties: \$801 - \$1,065	<ul style="list-style-type: none"> <li>• Households with one or more full-time workers</li> <li>• Seniors with retirement and social security income</li> <li>• School bus drivers (\$37,000)</li> <li>• Paramedics (\$38,000)</li> <li>• Office support workers (\$40,000)</li> <li>• Child/family social workers (\$45,000)</li> </ul>

**Table 5-1. Central Oregon Housing Cohorts (continued)**

2017 Cohort Size in Central Oregon	2017 Annual Income (4-Person Household)	2017 Affordable Monthly Housing Cost	Sample Household Types and/or Occupations
<b>Housing Cohort: 81-100% Area Median Income</b>			
8,780 households <ul style="list-style-type: none"> <li>• 63% owners</li> <li>• 37% renters</li> </ul>	Deschutes County: \$51,051 - \$63,800  Crook and Jefferson Counties: \$42,651 - \$53,300	Deschutes County: \$1,276 - \$1,595  Crook and Jefferson Counties: \$1,066 - \$1,330	<ul style="list-style-type: none"> <li>• Households with one or more full-time workers</li> <li>• Two to four roommates/students with part-time work</li> <li>• Licensed practical nurses (LPN) (\$50,000)</li> <li>• Firefighters (\$58,000)</li> <li>• Electricians (\$59,000)</li> <li>• Middle school teachers (\$60,000)</li> <li>• Plumbers (\$62,000)</li> </ul>
<b>Housing Cohort: 101-120% Area Median Income</b>			
7,069 households <ul style="list-style-type: none"> <li>• 72% owners</li> <li>• 28% renters</li> </ul>	Deschutes County: \$63,801 - \$76,560  Crook and Jefferson Counties: \$53,301 - \$63,960	Deschutes County: \$1,596 - \$1,915  Crook and Jefferson Counties: \$1,331 - \$1,600	<ul style="list-style-type: none"> <li>• Households with one or more full-time workers</li> <li>• Accountant (\$64,000)</li> <li>• Veterinarian (\$68,000)</li> <li>• Police officer (\$72,000)</li> </ul>
<b>Housing Cohort: 121-140% Area Median Income</b>			
7,331 households <ul style="list-style-type: none"> <li>• 74% owners</li> <li>• 26% renters</li> </ul>	Deschutes County: \$76,561 - \$89,320  Crook and Jefferson Counties: \$63,961 - \$74,620	Deschutes County: \$1,916 - \$2,230  Crook and Jefferson Counties: \$1,601 - \$1,865	<ul style="list-style-type: none"> <li>• Households with one or more full-time workers</li> <li>• Physical therapist (\$76,000)</li> <li>• Civil engineer (\$77,000)</li> <li>• Hotel manager (\$86,000)</li> <li>• Dental hygienist (\$87,000)</li> <li>• Registered nurse (\$90,000)</li> </ul>

Data Sources: Mosaic estimates based on 2011-2015 Comprehensive Housing Affordability Strategy data, Tables 1, 3, 8, and 10, Retrieved from <https://www.huduser.gov/portal/datasets/cp.html>; 2011-2015 5-Year American Community Survey, Table B01003; Portland State University College of Urban and Public Affairs: Population Research Center 2017 Certified Population Estimates; HUD 2017 HOME Income Limits; and U.S. Bureau of Labor Statistics Occupational Employment Statistics

## Current Levels of Housing Need

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Housing cost and condition are key components of housing need. Housing barriers may exist in a jurisdiction when some groups have greater difficulty accessing housing in good condition and that they can afford. To assess affordability and other types of housing needs, HUD defines four housing problems:

1. A household is *cost burdened* if monthly housing costs (including mortgage payments, property taxes, insurance, and utilities for owners and rent and utilities for renters) exceed 30% of monthly income.
2. A household is *overcrowded* if there is more than one person per room, not including kitchen or bathrooms.
3. A housing unit *lacks complete kitchen facilities* if it lacks one or more of the following: cooking facilities, a refrigerator, or a sink with piped water.
4. A housing unit *lacks complete plumbing facilities* if it lacks one or more of the following: hot and cold piped water, a flush toilet, or a bathtub or shower.

HUD also defines four severe housing problems, including a severe cost burden (more than 50% of monthly housing income is spent on housing costs), severe overcrowding (more than 1.5 people per room, not including kitchens or bathrooms), lack of complete kitchen facilities (as described above), and lack of complete plumbing facilities (also as described above).

To assess housing need, HUD receives a special tabulation of data from the U. S. Census Bureau's American Community Survey that is largely not available through standard Census products. This data, known as Comprehensive Housing Affordability Strategy (CHAS) data, counts the number of households that fit certain combinations of HUD-specified criteria, such as housing needs by race and ethnicity.<sup>36</sup>

Of the four types of housing problems, Table 5-2 illustrates that cost burden affects far more households than any of the others. Nearly half of the region's renters spend more than 30% of their income on housing expenses, while just over a quarter spend more than 50% of their household income on these expenses. Overcrowding affects 3.7% of renter households and 2.4% of renters live with incomplete kitchen or plumbing facilities. Renters are more likely to face a housing problem than homeowners, but homeowners are far from immune, particularly to the effects of cost burden. Nearly 30% of the region's homeowners are cost burdened, and more than 13% are severely cost burdened.

Nearly half of the region's renters spend more than 30% of their income on housing expenses, while just over a quarter spend more than 50%.

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<sup>36</sup> At the time of this report, the most current CHAS data available was 2011-2015 data. For the tables contained in this section, the CHAS data has been updated to 2017 by applying Portland State University's 2017 Certified Population Estimates to the CHAS figures. Therefore, the tables contain only estimates; the unaltered 2011-2015 CHAS data that forms the basis for these estimates is provided in an appendix.

**Table 5-2. Estimated Housing Needs by Type in the Central Oregon Region, 2017**

Housing Needs	Owners		Renters		Total	
	Households	Share of Total	Households	Share of Total	Households	Share of Total
Cost burden	17,570	29.7%	15,227	48.5%	32,797	36.2%
Severe cost burden	7,992	13.5%	8,180	26.1%	16,172	17.9%
Overcrowding	754	1.3%	1,148	3.7%	1,902	2.1%
Severe overcrowding	119	0.2%	264	0.8%	383	0.4%
Lacking complete facilities	329	0.6%	769	2.4%	1,098	1.2%
<b>Total households with needs</b>	<b>18,333</b>	<b>31.0%</b>	<b>15,907</b>	<b>50.7%</b>	<b>34,240</b>	<b>37.8%</b>
<b>Total households</b>	<b>59,096</b>	<b>100.0%</b>	<b>31,399</b>	<b>100.0%</b>	<b>90,495</b>	<b>100.0%</b>

Note: Households with a severe cost burden are a subset of households with a cost burden. Severely overcrowded households are a subset of overcrowded households. The number of total needs (i.e., sum of cost burdens, overcrowding, and lack of facilities) is greater than the total number of households with needs because some households have more than one of the housing problems.

Data Sources: Mosaic estimates based on 2011-2015 Comprehensive Housing Affordability Strategy data, Tables 1, 3, 8, and 10, Retrieved from <https://www.huduser.gov/portal/datasets/cp.html>; 2011-2015 5-Year American Community Survey, Table B01003; Portland State University College of Urban and Public Affairs: Population Research Center 2017 Certified Population Estimates

Table 5-3 through Table 5-12 contain data on housing problems for each of the geographies included in the study area, broken down by tenure (owner/renter status). In terms of absolute numbers of households experiencing cost burdens, the largest numbers are in Bend, where over 6,100 homeowners and over 7,200 renters spend more than 30% of their household incomes on housing expenses. However, as a percentage of total households, rental cost burdens are greatest in Redmond where over 57% of renter households spend more than 30% of their incomes on housing. Redmond also has the region’s highest rates of severe cost burden among renters at 34.2%.



Redmond is home to the region’s highest rates of renter cost burden, where over 57% of renter households live in housing they cannot afford.

Homeowners are most likely to find themselves cost burdened in La Pine than in any other location in the region, with a rate of 37.5%. While not quite as high as Redmond, La Pine also has an exceptionally high percentage of cost burdened renters; 55.6%. More than half of the renter households in La Pine and unincorporated Deschutes County also are affected by cost burden. The region’s lowest rates of cost burdening are all found in Warm Springs, where just 28.0% of renters and 9.1% of homeowners are affected.

Data on overcrowding may help explain the low rates of cost burden in Warm Springs: 15.3% of all households and 23.3% of renter households in Warm Springs live in overcrowded conditions. One common way people reduce their individual housing expenses is by sharing housing or taking on roommates, distributing the cost among more people. This could have the effect of lowering cost burden by adding additional incomes to the household, but also works to increase incidences of overcrowding. Leading the region in housing lacking complete kitchen or plumbing facilities is

Prineville, where 2.9% of all households (3.7% of renters and 2.1% of homeowners) live in such conditions.

**Table 5-3. Central Oregon Housing Cohorts Table 3. Estimated Housing Needs by Type in Crook County, 2017**

Housing Needs	Owners		Renters		Total	
	Households	Share of Total	Households	Share of Total	Households	Share of Total
Cost burden	2,083	31.7%	1,392	46.4%	3,475	36.3%
Severe cost burden	907	13.8%	802	26.7%	1,709	17.8%
Overcrowding	79	1.2%	232	7.7%	311	3.2%
Severe overcrowding	42	0.6%	74	2.5%	116	1.2%
Lacking complete facilities	111	1.7%	79	2.6%	190	2.0%
<b>Total households with needs</b>	<b>2,226</b>	<b>33.8%</b>	<b>1,461</b>	<b>48.7%</b>	<b>3,687</b>	<b>38.5%</b>
<b>Total households</b>	<b>6,577</b>	<b>100.0%</b>	<b>3,001</b>	<b>100.0%</b>	<b>9,578</b>	<b>100.0%</b>

Note: Households with a severe cost burden are a subset of households with a cost burden. Severely overcrowded households are a subset of overcrowded households. The number of total needs (i.e., sum of cost burdens, overcrowding, and lack of facilities) is greater than the total number of households with needs because some households have more than one of the housing problems.

Data Sources: Mosaic estimates based on 2011-2015 Comprehensive Housing Affordability Strategy data, Tables 1, 3, 8, and 10, Retrieved from <https://www.huduser.gov/portal/datasets/cp.html>; 2011-2015 5-Year American Community Survey, Table B01003; Portland State University College of Urban and Public Affairs: Population Research Center 2017 Certified Population Estimates

**Table 5-4. Estimated Housing Needs by Type in Deschutes County, 2017**

Housing Needs	Owners		Renters		Total	
	Households	Share of Total	Households	Share of Total	Households	Share of Total
Cost burden	14,283	30.3%	12,873	50.1%	27,156	37.3%
Severe cost burden	6,565	13.9%	6,889	26.8%	13,454	18.5%
Overcrowding	554	1.2%	769	3.0%	1,323	1.8%
Severe overcrowding	66	0.1%	137	0.5%	203	0.3%
Lacking complete facilities	192	0.4%	648	2.5%	840	1.2%
<b>Total households with needs</b>	<b>14,772</b>	<b>31.3%</b>	<b>13,400</b>	<b>52.1%</b>	<b>28,172</b>	<b>38.7%</b>
<b>Total households</b>	<b>47,121</b>	<b>100.0%</b>	<b>25,712</b>	<b>100.0%</b>	<b>72,833</b>	<b>100.0%</b>

Note: Households with a severe cost burden are a subset of households with a cost burden. Severely overcrowded households are a subset of overcrowded households. The number of total needs (i.e., sum of cost burdens, overcrowding, and lack of facilities) is greater than the total number of households with needs because some households have more than one of the housing problems.

Data Sources: Mosaic estimates based on 2011-2015 Comprehensive Housing Affordability Strategy data, Tables 1, 3, 8, and 10, Retrieved from <https://www.huduser.gov/portal/datasets/cp.html>; 2011-2015 5-Year American Community Survey, Table B01003; Portland State University College of Urban and Public Affairs: Population Research Center 2017 Certified Population Estimates

**Table 5-5. Estimated Housing Needs by Type in Jefferson County, 2017**

Housing Needs	Owners		Renters		Total	
	Households	Share of Total	Households	Share of Total	Households	Share of Total
Cost burden	1,204	22.3%	962	35.8%	2,166	26.8%
Severe cost burden	520	9.6%	489	18.2%	1,009	12.5%
Overcrowding	121	2.2%	147	5.5%	268	3.3%
Severe overcrowding	11	0.2%	53	2.0%	64	0.8%
Lacking complete facilities	26	0.5%	42	1.6%	68	0.8%
<b>Total households with needs</b>	<b>1,335</b>	<b>24.7%</b>	<b>1,046</b>	<b>38.9%</b>	<b>2,381</b>	<b>29.5%</b>
<b>Total households</b>	<b>5,398</b>	<b>100.0%</b>	<b>2,686</b>	<b>100.0%</b>	<b>8,084</b>	<b>100.0%</b>

Note: Households with a severe cost burden are a subset of households with a cost burden. Severely overcrowded households are a subset of overcrowded households. The number of total needs (i.e., sum of cost burdens, overcrowding, and lack of facilities) is greater than the total number of households with needs because some households have more than one of the housing problems.

Data Sources: Mosaic estimates based on 2011-2015 Comprehensive Housing Affordability Strategy data, Tables 1, 3, 8, and 10, Retrieved from <https://www.huduser.gov/portal/datasets/cp.html>; 2011-2015 5-Year American Community Survey, Table B01003; Portland State University College of Urban and Public Affairs: Population Research Center 2017 Certified Population Estimates

**Table 5-6. Estimated Housing Needs by Type in Bend, 2017**

Housing Needs	Owners		Renters		Total	
	Households	Share of Total	Households	Share of Total	Households	Share of Total
Cost burden	6,116	29.7%	7,246	48.9%	13,362	37.7%
Severe cost burden	2,541	12.3%	3,644	24.6%	6,185	17.5%
Overcrowding	271	1.3%	308	2.1%	579	1.6%
Severe overcrowding	42	0.2%	53	0.4%	95	0.3%
Lacking complete facilities	53	0.3%	435	2.9%	488	1.4%
<b>Total households with needs</b>	<b>6,371</b>	<b>30.9%</b>	<b>7,549</b>	<b>50.9%</b>	<b>13,920</b>	<b>39.3%</b>
<b>Total households</b>	<b>20,614</b>	<b>100.0%</b>	<b>14,816</b>	<b>100.0%</b>	<b>35,430</b>	<b>100.0%</b>

Note: Households with a severe cost burden are a subset of households with a cost burden. Severely overcrowded households are a subset of overcrowded households. The number of total needs (i.e., sum of cost burdens, overcrowding, and lack of facilities) is greater than the total number of households with needs because some households have more than one of the housing problems.

Data Sources: Mosaic estimates based on 2011-2015 Comprehensive Housing Affordability Strategy data, Tables 1, 3, 8, and 10, Retrieved from <https://www.huduser.gov/portal/datasets/cp.html>; 2011-2015 5-Year American Community Survey, Table B01003; Portland State University College of Urban and Public Affairs: Population Research Center 2017 Certified Population Estimates

**Table 5-7. Estimated Housing Needs by Type in La Pine, 2017**

Housing Needs	Owners		Renters		Total	
	Households	Share of Total	Households	Share of Total	Households	Share of Total
Cost burden	138	37.5%	222	55.6%	360	46.8%
Severe cost burden	45	12.1%	98	24.4%	143	18.6%
Overcrowding	4	1.1%	4	1.0%	8	1.1%
Severe overcrowding	0	0.0%	0	0.0%	0	0.0%
Lacking complete facilities	0	0.0%	16	3.9%	16	2.0%
<b>Total households with needs</b>	<b>140</b>	<b>38.0%</b>	<b>224</b>	<b>55.8%</b>	<b>364</b>	<b>47.3%</b>
<b>Total households</b>	<b>369</b>	<b>100.0%</b>	<b>400</b>	<b>100.0%</b>	<b>769</b>	<b>100.0%</b>

Note: Households with a severe cost burden are a subset of households with a cost burden. Severely overcrowded households are a subset of overcrowded households. The number of total needs (i.e., sum of cost burdens, overcrowding, and lack of facilities) is greater than the total number of households with needs because some households have more than one of the housing problems.

Data Sources: Mosaic estimates based on 2011-2015 Comprehensive Housing Affordability Strategy data, Tables 1, 3, 8, and 10, Retrieved from <https://www.huduser.gov/portal/datasets/cp.html>; 2011-2015 5-Year American Community Survey, Table B01003; Portland State University College of Urban and Public Affairs: Population Research Center 2017 Certified Population Estimates

**Table 5-8. Estimated Housing Needs by Type in Madras, 2017**

Housing Needs	Owners		Renters		Total	
	Households	Share of Total	Households	Share of Total	Households	Share of Total
Cost burden	193	19.1%	470	38.9%	663	29.9%
Severe cost burden	141	13.9%	243	20.1%	384	17.3%
Overcrowding	4	0.4%	39	3.2%	43	1.9%
Severe overcrowding	0	0.0%	19	1.6%	19	0.9%
Lacking complete facilities	0	0.0%	39	3.2%	39	1.8%
<b>Total households with needs</b>	<b>194</b>	<b>19.2%</b>	<b>495</b>	<b>41.0%</b>	<b>689</b>	<b>31.0%</b>
<b>Total households</b>	<b>1,010</b>	<b>100.0%</b>	<b>1,209</b>	<b>100.0%</b>	<b>2,219</b>	<b>100.0%</b>

Note: Households with a severe cost burden are a subset of households with a cost burden. Severely overcrowded households are a subset of overcrowded households. The number of total needs (i.e., sum of cost burdens, overcrowding, and lack of facilities) is greater than the total number of households with needs because some households have more than one of the housing problems.

Data Sources: Mosaic estimates based on 2011-2015 Comprehensive Housing Affordability Strategy data, Tables 1, 3, 8, and 10, Retrieved from <https://www.huduser.gov/portal/datasets/cp.html>; 2011-2015 5-Year American Community Survey, Table B01003; Portland State University College of Urban and Public Affairs: Population Research Center 2017 Certified Population Estimates

**Table 5-9. Estimated Housing Needs by Type in Prineville, 2017**

Housing Needs	Owners		Renters		Total	
	Households	Share of Total	Households	Share of Total	Households	Share of Total
Cost burden	736	32.8%	1,018	47.6%	1,754	40.0%
Severe cost burden	411	18.3%	581	27.2%	992	22.6%
Overcrowding	37	1.7%	144	6.7%	181	4.1%
Severe overcrowding	0	0.0%	69	3.2%	69	1.6%
Lacking complete facilities	48	2.1%	80	3.7%	128	2.9%
<b>Total households with needs</b>	<b>768</b>	<b>34.2%</b>	<b>1,066</b>	<b>49.9%</b>	<b>1,834</b>	<b>41.8%</b>
<b>Total households</b>	<b>2,244</b>	<b>100.0%</b>	<b>2,138</b>	<b>100.0%</b>	<b>4,382</b>	<b>100.0%</b>

Note: Households with a severe cost burden are a subset of households with a cost burden. Severely overcrowded households are a subset of overcrowded households. The number of total needs (i.e., sum of cost burdens, overcrowding, and lack of facilities) is greater than the total number of households with needs because some households have more than one of the housing problems.

Data Sources: Mosaic estimates based on 2011-2015 Comprehensive Housing Affordability Strategy data, Tables 1, 3, 8, and 10, Retrieved from <https://www.huduser.gov/portal/datasets/cp.html>; 2011-2015 5-Year American Community Survey, Table B01003; Portland State University College of Urban and Public Affairs: Population Research Center 2017 Certified Population Estimates

**Table 5-10. Estimated Housing Needs by Type in Redmond, 2017**

Housing Needs	Owners		Renters		Total	
	Households	Share of Total	Households	Share of Total	Households	Share of Total
Cost burden	1,756	30.9%	2,816	57.1%	4,572	43.0%
Severe cost burden	808	14.2%	1,689	34.2%	2,497	23.5%
Overcrowding	41	0.7%	309	6.3%	350	3.3%
Severe overcrowding	0	0.0%	31	0.6%	31	0.3%
Lacking complete facilities	0	0.0%	124	2.5%	124	1.2%
<b>Total households with needs</b>	<b>1,797</b>	<b>31.6%</b>	<b>2,971</b>	<b>60.2%</b>	<b>4,768</b>	<b>44.9%</b>
<b>Total households</b>	<b>5,689</b>	<b>100.0%</b>	<b>4,932</b>	<b>100.0%</b>	<b>10,621</b>	<b>100.0%</b>

Note: Households with a severe cost burden are a subset of households with a cost burden. Severely overcrowded households are a subset of overcrowded households. The number of total needs (i.e., sum of cost burdens, overcrowding, and lack of facilities) is greater than the total number of households with needs because some households have more than one of the housing problems.

Data Sources: Mosaic estimates based on 2011-2015 Comprehensive Housing Affordability Strategy data, Tables 1, 3, 8, and 10, Retrieved from <https://www.huduser.gov/portal/datasets/cp.html>; 2011-2015 5-Year American Community Survey, Table B01003; Portland State University College of Urban and Public Affairs: Population Research Center 2017 Certified Population Estimates

**Table 5-11. Estimated Housing Needs by Type in Sisters, 2017**

Housing Needs	Owners		Renters		Total	
	Households	Share of Total	Households	Share of Total	Households	Share of Total
Cost burden	155	34.3%	214	44.7%	369	39.7%
Severe cost burden	77	17.2%	112	23.3%	189	20.3%
Overcrowding	4	0.9%	24	5.1%	28	3.1%
Severe overcrowding	0	0.0%	10	2.0%	10	1.1%
Lacking complete facilities	0	0.0%	10	2.0%	10	1.1%
<b>Total households with needs</b>	157	34.8%	230	48.0%	387	41.7%
<b>Total households</b>	450	100.0%	479	100.0%	929	100.0%

Note: Households with a severe cost burden are a subset of households with a cost burden. Severely overcrowded households are a subset of overcrowded households. The number of total needs (i.e., sum of cost burdens, overcrowding, and lack of facilities) is greater than the total number of households with needs because some households have more than one of the housing problems.

Data Sources: Mosaic estimates based on 2011-2015 Comprehensive Housing Affordability Strategy data, Tables 1, 3, 8, and 10, Retrieved from <https://www.huduser.gov/portal/datasets/cp.html>; 2011-2015 5-Year American Community Survey, Table B01003; Portland State University College of Urban and Public Affairs: Population Research Center 2017 Certified Population Estimates

**Table 5-12. Estimated Housing Needs by Type in Warm Springs, 2017**

Housing Needs	Owners		Renters		Total	
	Households	Share of Total	Households	Share of Total	Households	Share of Total
Cost burden	50	9.1%	95	28.0%	145	16.3%
Severe cost burden	28	5.2%	51	15.0%	79	8.9%
Overcrowding	57	10.3%	79	23.3%	136	15.3%
Severe overcrowding	0	0.0%	23	6.7%	23	2.5%
Lacking complete facilities	23	4.1%	0	0.0%	23	2.5%
<b>Total households with needs</b>	130	23.7%	153	45.0%	283	31.8%
<b>Total households</b>	548	100.0%	339	100.0%	887	100.0%

Note: Households with a severe cost burden are a subset of households with a cost burden. Severely overcrowded households are a subset of overcrowded households. The number of total needs (i.e., sum of cost burdens, overcrowding, and lack of facilities) is greater than the total number of households with needs because some households have more than one of the housing problems.

Data Sources: Mosaic estimates based on 2011-2015 Comprehensive Housing Affordability Strategy data, Tables 1, 3, 8, and 10, Retrieved from <https://www.huduser.gov/portal/datasets/cp.html>; 2011-2015 5-Year American Community Survey, Table B01003; Portland State University College of Urban and Public Affairs: Population Research Center 2017 Certified Population Estimates

Table 5-13 summarizes the preceding tables, providing figures for the numbers and percentages of owners and renters in each jurisdiction with any kind of housing need. The types of needs (cost burden, overcrowding, and lack of plumbing or kitchen facilities) are not included, but as the previous data has demonstrated, cost burden is the most frequently-occurring housing need among the types addressed in this report. Consistent with the findings from reviewing the individual tables for each jurisdiction, renters in Redmond and homeowners in La Pine have the highest rates of housing needs within their respective categories.

In Table 5-14 and Table 5-15, housing needs are assessed by householder race and ethnicity. Looking at needs within this dimension shows that 37.0% of non-Latino white households have at least one housing problem and 19.4% have a severe housing problem. HUD defines a group as having a disproportionate need if its members experience housing needs at a rate that is ten percentage points or more above that of white households. Using this definition, there are three groups in Central Oregon with disproportionate needs. Black homeowner and renter households have disproportionate rates of both housing problems and severe housing problems. Non-Latino Other renter households have disproportionate housing needs and Latino renters have severe housing needs at disproportionate rates compared to white households.



Black homeowner and renter households have disproportionate rates of housing problems, as do Latino renters.

**Table 5-13. Summary of Estimated Housing Needs by Geography in the Central Oregon Region, 2017**

Geography	Owners			Renters			Total Households		
	Households with Needs	Total Households	Share with Needs	Households with Needs	Total Households	Share with Needs	Households with Needs	Total Households	Share with Needs
<b>Central Oregon Region</b>	<b>18,333</b>	<b>59,096</b>	<b>31.0%</b>	<b>15,907</b>	<b>31,399</b>	<b>50.7%</b>	<b>34,240</b>	<b>90,495</b>	<b>37.8%</b>
<b>By County</b>									
Crook County	2,226	6,577	33.8%	1,461	3,001	48.7%	3,687	9,578	38.5%
Deschutes County	14,722	47,121	31.3%	13,400	25,712	52.1%	28,172	72,833	38.7%
Jefferson County	1,335	5,398	24.7%	1,046	2,686	38.9%	2,381	8,084	29.5%
<b>By Place</b>									
Bend	6,371	20,614	30.9%	7,549	14,816	50.9%	13,920	35,430	39.3%
La Pine	140	369	38.0%	224	400	55.8%	364	769	47.3%
Madras	194	1,010	19.2%	495	1,209	41.0%	689	2,219	31.0%
Prineville	768	2,244	34.2%	1,066	2,138	49.9%	1,834	4,382	41.8%
Redmond	1,797	5,689	31.6%	2,971	4,932	60.2%	4,768	10,621	44.9%
Sisters	157	450	34.8%	230	479	48.0%	387	41.7%	41.6%
Warm Springs	130	548	23.7%	153	339	45.0%	283	887	31.8%

Data Source: Mosaic estimates based on 2011-2015 Comprehensive Housing Affordability Strategy data, Table 1, Retrieved from <https://www.huduser.gov/portal/datasets/cp.html>; 2011-2015 5-Year American Community Survey, Table B01003; Portland State University College of Urban and Public Affairs: Population Research Center 2017 Certified Population Estimates

**Table 5-14. Estimated Housing Needs by Race and Ethnicity in the Central Oregon Region, 2017**

Householder Race and Ethnicity	Owners			Renters			Total Households		
	Households with Needs	Total Households	Share with Needs	Households with Needs	Total Households	Share with Needs	Households with Needs	Total Households	Share with Needs
Non-Hispanic									
White	16,925	54,738	30.9%	13,316	26,904	49.5%	30,241	81,642	37.0%
Black	64	94	68.1%	132	159	83.0%	196	253	77.5%
Asian or Pacific Islander	92	334	27.5%	299	560	53.4%	391	894	43.7%
Native American	283	876	32.3%	329	631	52.1%	612	1,507	40.6%
Other or Multiple Races	158	650	24.3%	361	575	62.8%	519	1,225	42.4%
Hispanic	810	2,396	33.8%	1,467	2,546	57.6%	2,277	4,942	46.1%

Data Source: Mosaic estimates based on 2011-2015 Comprehensive Housing Affordability Strategy data, Table 1, Retrieved from <https://www.huduser.gov/portal/datasets/cp.html>; 2011-2015 5-Year American Community Survey, Table B01003; Portland State University College of Urban and Public Affairs: Population Research Center 2017 Certified Population Estimates

**Table 5-15. Estimated Severe Housing Needs by Race and Ethnicity in the Central Oregon Region, 2017**

Householder Race and Ethnicity	Owners			Renters			Total Households		
	Households with Severe Needs	Total Households	Share with Severe Needs	Households with Severe Needs	Total Households	Share with Severe Needs	Households with Severe Needs	Total Households	Share with Severe Needs
Non-Hispanic									
White	8,192	54,738	15.0%	7,609	26,904	28.3%	15,801	81,642	19.4%
Black	64	94	68.1%	121	159	76.1%	185	253	73.1%
Asian or Pacific Islander	64	334	19.2%	163	560	29.1%	227	894	25.4%
Native American	181	876	20.7%	226	631	35.8%	407	1,507	27.0%
Other or Multiple Races	25	650	3.8%	244	575	42.4%	269	1,225	22.0%
Hispanic	443	2,396	18.5%	1018	2,546	40.0%	1,461	4,942	29.6%

Note: Households with a severe housing need are a subset of households with a housing need.

Data Source: Mosaic estimates based on 2011-2015 Comprehensive Housing Affordability Strategy data, Table 2, Retrieved from <https://www.huduser.gov/portal/datasets/cp.html>; 2011-2015 5-Year American Community Survey, Table B01003; Portland State University College of Urban and Public Affairs: Population Research Center 2017 Certified Population Estimates

Table 5-16 examines housing needs by income cohort within each jurisdiction. Generally, housing needs increase as household income decreases, so that families with lower incomes face greater housing needs. Numerically, the largest segment of the region's population experiencing one or more housing needs is the group with incomes between 31% and 60% of the median family income. Approximately 15,215 households in the region fit into this cohort, and 11,523 (or 75.7%) experience housing needs. This cohort is followed by the 0-30% HAMFI group (within which 7,279 households, or 79.6% have needs) and the 61-80% HAMFI group (5,290 households or 47.6% with needs). Of these three cohorts, the 31-60%, and 61-80% groups make up a significant section of the service industry workforce, comprising preschool teachers, cooks, cashiers, bus drivers, and similar occupations.

More families in the 31-60% HAMFI income range – both homeowner and renter households – are impacted by housing needs than any other income cohort.

In most jurisdictions, rental housing needs are eliminated or fall off dramatically for households with incomes over 120% HAMFI, even while homeowners within this band often continue to face needs. The typical household within the 121-140% HAMFI cohort includes one or more full-time workers with occupations such as a physical therapist, hotel manager, registered nurse, or a civil engineer.

Housing needs generally increase as household income decreases, however, in most jurisdictions, rental housing needs are eliminated or fall off dramatically for households with incomes over 120% HAMFI, even while homeowners within this band may continue to face needs.

The degree of housing need varies considerably from one community to another. Looking just at the three counties, renter needs in Deschutes County range upwards of 80% for some income bands, meaning four in five renters will experience cost burden or another problem related to housing cost or condition. In Jefferson County, the rate of renters experiencing housing needs tops out at 75%, while in Crook County, the percentage ranges only as high as 65%.

Severe housing needs (Table 5-17) follow the same general trend of increasing as income is reduced, however, one difference is that there is a considerable increase in severe housing needs for both renters and owners between the 51-80% HAMFI and 31-50% HAMFI cohorts. For renters, the rate of need goes from 15.6% to 62.4%, and for homeowners, the change is from 24.4% to 52.0% as income falls below 51% of HAMFI.

**Table 5-16. Estimated Housing Needs by Income Cohort in the Central Oregon Region, 2017**

Household Income	Owners			Renters			Total Households		
	Households with Needs	Total Households	Share with Needs	Households with Needs	Total Households	Share with Needs	Households with Needs	Total Households	Share with Needs
<b>Central Oregon Region</b>									
0-30% HAMFI	2,837	3,667	77.4%	4,442	5,579	79.6%	7,279	9,246	78.7%
31-60% HAMFI	4,830	7,213	67.0%	6,693	8,002	83.6%	11,523	15,215	75.7%
61-80% HAMFI	2,751	5,889	46.7%	2,540	5,224	48.6%	5,290	11,113	47.6%
81-100% HAMFI	2,197	5,520	39.8%	1,288	3,260	39.5%	3,485	8,780	39.7%
101-120% HAMFI	1,656	5,087	32.5%	473	1,982	23.9%	2,128	7,069	30.1%
121-140% HAMFI	1,425	5,450	26.1%	126	1,880	6.7%	1,551	7,331	21.2%
<b>Crook County</b>									
0-30% HAMFI	353	406	87.0%	448	696	64.4%	802	1,102	72.7%
31-60% HAMFI	485	955	50.8%	554	849	65.3%	1,039	1,804	57.6%
61-80% HAMFI	454	907	50.0%	290	490	59.1%	744	1,398	53.2%
81-100% HAMFI	353	781	45.3%	42	248	17.0%	396	1,028	38.5%
101-120% HAMFI	153	622	24.6%	90	179	50.0%	243	802	30.3%
121-140% HAMFI	211	559	37.7%	0	148	0.0%	211	707	29.9%
<b>Deschutes County</b>									
0-30% HAMFI	2,295	3,014	76.1%	3,683	4,452	82.7%	5,978	7,466	80.1%
31-60% HAMFI	4,040	5,654	71.5%	5,687	6,549	86.8%	9,727	12,203	79.7%
61-80% HAMFI	2,108	4,441	47.5%	2,102	4,276	49.2%	4,210	8,717	48.3%
81-100% HAMFI	1,691	4,172	40.5%	1,142	2,761	41.4%	2,833	6,933	40.9%
101-120% HAMFI	1,345	3,881	34.7%	357	1,603	22.3%	1,702	5,484	31.0%
121-140% HAMFI	1,109	4,282	25.9%	126	1,559	8.1%	1,235	5,841	21.1%

**Table 5-16. Estimated Housing Needs by Income Cohort in the Central Oregon Region, 2017 (continued)**

Household Income	Owners			Renters			Total Households		
	Households with Needs	Total Households	Share with Needs	Households with Needs	Total Households	Share with Needs	Households with Needs	Total Households	Share with Needs
<b>Jefferson County</b>									
0-30% HAMFI	189	247	76.6%	310	431	72.0%	499	678	73.6%
31-60% HAMFI	305	605	50.4%	452	604	74.8%	757	1,209	62.6%
61-80% HAMFI	189	541	35.0%	147	457	32.2%	336	999	33.7%
81-100% HAMFI	152	568	26.9%	104	251	41.4%	256	819	31.3%
101-120% HAMFI	158	583	27.0%	26	200	13.2%	184	783	23.5%
121-140% HAMFI	105	610	17.2%	0	173	0.0%	105	783	13.4%
<b>Bend</b>									
0-30% HAMFI	1,013	1,247	81.3%	1,735	2,122	81.8%	2,748	3,369	81.6%
31-60% HAMFI	1,379	1,952	70.6%	3,077	3,517	87.5%	4,456	5,469	81.5%
61-80% HAMFI	1,029	1,957	52.6%	1,475	2,663	55.4%	2,504	4,620	54.2%
81-100% HAMFI	721	1,724	41.8%	700	1,485	47.1%	1,422	3,209	44.3%
101-120% HAMFI	647	1,639	39.5%	196	1,019	19.3%	843	2,658	31.7%
121-140% HAMFI	456	1,512	30.2%	95	976	9.8%	552	2,488	22.2%
<b>La Pine</b>									
0-30% HAMFI	62	67	93.8%	99	113	87.2%	161	180	89.6%
31-60% HAMFI	30	50	60.0%	78	119	65.5%	108	169	63.9%
61-80% HAMFI	21	62	33.3%	30	56	53.7%	51	119	43.0%
81-100% HAMFI	8	50	16.7%	10	36	28.6%	19	86	21.7%
101-120% HAMFI	4	24	17.4%	0	16	0.0%	4	40	10.5%
121-140% HAMFI	4	30	13.8%	0	26	0.0%	4	56	7.4%

**Table 5-16. Estimated Housing Needs by Income Cohort in the Central Oregon Region, 2017 (continued)**

Household Income	Owners			Renters			Total Households		
	Households with Needs	Total Households	Share with Needs	Households with Needs	Total Households	Share with Needs	Households with Needs	Total Households	Share with Needs
<b>Madras</b>									
0-30% HAMFI	44	53	81.8%	146	179	81.5%	189	232	81.6%
31-60% HAMFI	112	224	50.0%	227	300	75.7%	339	524	64.7%
61-80% HAMFI	34	112	30.4%	58	204	28.6%	92	316	29.2%
81-100% HAMFI	0	101	0.0%	48	130	36.6%	48	231	20.6%
101-120% HAMFI	0	58	0.0%	8	47	16.7%	8	105	7.4%
121-140% HAMFI	4	130	3.0%	0	44	0.0%	4	174	2.2%
<b>Prineville</b>									
0-30% HAMFI	192	192	100.0%	373	602	61.9%	565	794	71.1%
31-60% HAMFI	240	432	55.6%	341	608	56.1%	581	1,040	55.9%
61-80% HAMFI	101	261	38.8%	229	347	66.2%	331	608	54.4%
81-100% HAMFI	101	219	46.3%	43	208	20.5%	144	427	33.8%
101-120% HAMFI	43	229	18.6%	69	117	59.1%	112	347	32.3%
121-140% HAMFI	59	203	28.9%	0	139	0.0%	59	341	17.2%
<b>Redmond</b>									
0-30% HAMFI	232	263	88.2%	978	1,112	88.0%	1,210	1,375	88.0%
31-60% HAMFI	823	1,046	78.7%	1,431	1,555	92.0%	2,254	2,601	86.7%
61-80% HAMFI	216	541	40.0%	206	649	31.7%	422	1,189	35.5%
81-100% HAMFI	237	767	30.9%	263	685	38.3%	499	1,452	34.4%
101-120% HAMFI	82	469	17.6%	67	190	35.1%	149	659	22.7%
121-140% HAMFI	46	819	5.7%	26	185	13.9%	72	1,004	7.2%

**Table 5-16. Estimated Housing Needs by Income Cohort in the Central Oregon Region, 2017 (continued)**

Household Income	Owners			Renters			Total Households		
	Households with Needs	Total Households	Share with Needs	Households with Needs	Total Households	Share with Needs	Households with Needs	Total Households	Share with Needs
<b>Sisters</b>									
0-30% HAMFI	20	20	100.0%	34	38	89.7%	54	58	93.2%
31-60% HAMFI	49	73	67.1%	161	186	86.6%	210	259	81.1%
61-80% HAMFI	19	38	48.7%	39	59	66.7%	58	97	59.6%
81-100% HAMFI	20	39	50.0%	0	39	0.0%	20	78	25.0%
101-120% HAMFI	34	49	70.0%	0	23	0.0%	34	72	47.3%
121-140% HAMFI	0	44	0.0%	0	39	0.0%	0	83	0.0%
<b>Warm Springs</b>									
0-30% HAMFI	51	67	76.3%	85	122	69.4%	136	189	71.9%
31-60% HAMFI	0	57	0.0%	28	57	49.1%	28	114	24.6%
61-80% HAMFI	0	38	0.0%	17	57	30.0%	17	95	17.9%
81-100% HAMFI	11	62	18.2%	11	16	71.4%	23	78	29.0%
101-120% HAMFI	17	73	23.1%	16	44	35.9%	33	118	27.9%
121-140% HAMFI	5	55	8.2%	0	17	0.0%	5	72	6.3%

Data Source: Mosaic estimates based on 2011-2015 Comprehensive Housing Affordability Strategy data, Table 11, Retrieved from <https://www.huduser.gov/portal/datasets/cp.html>; 2011-2015 5-Year American Community Survey, Table B01003; Portland State University College of Urban and Public Affairs: Population Research Center 2017 Certified Population Estimates

**Table 5-17. Estimated Severe Housing Needs by Income Cohort in the Central Oregon Region, 2017**

Household Income	Owners			Renters			Total Households		
	Households with Severe Needs	Total Households	Share with Severe Needs	Households with Severe Needs	Total Households	Share with Severe Needs	Households with Severe Needs	Total Households	Share with Severe Needs
0-30% HAMFI	2,565	3,667	69.9%	4,137	5,579	74.2%	6,702	9,246	72.5%
31-50% HAMFI	2,328	4,480	52.0%	3,520	5,642	62.4%	5,847	10,122	57.8%
51-80% HAMFI	2,104	8,623	24.4%	1,179	7,584	15.6%	3,284	16,206	20.3%
81-100% HAMFI	678	5,520	12.3%	258	3,260	7.9%	935	8,780	10.6%

Note: Households with a severe housing need are a subset of households with a housing need.

Data Source: Mosaic estimates based on 2011-2015 Comprehensive Housing Affordability Strategy data, Table 2, Retrieved from <https://www.huduser.gov/portal/datasets/cp.html>; 2011-2015 5-Year American Community Survey, Table B01003; Portland State University College of Urban and Public Affairs: Population Research Center 2017 Certified Population Estimates

## Projected Future Housing Need

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As policymakers and housing industry leaders look toward the future, the levels of housing need are forecast to increase in many respects. As with the 2017 data estimates that have populated most of this chapter, the table below contains 10-year projected housing needs derived from an average of recent CHAS data (2005-2009 through 2011-2015 figures) to which Portland State University's population forecasts have been applied. The result mirrors (and can be compared with) the first rows of Table 5-16 to see how housing need is projected to change by 2028.

For the most part, housing needs for many income cohorts are projected to increase over the next ten years. The 2028 projections are consistent with the 2017 estimates of housing need in that the greatest numbers of households facing housing needs are found in the 31-60% HAMFI cohort. Within the next ten years, 14,218 households with incomes in this band are expected to have a housing need, followed by 9,422 in the 0-30% HAMFI range and 7,064 households with incomes of 61-80% of the area median. Of the total 40,670 households between 0% and 140% HAMFI that are projected to have housing needs in 2028, 35,152 of them (86%) earn 100% or less of HAMFI. The level of need generally increases for households with incomes over 100% HAMFI as well. In fact, these groups experience a higher percentage growth in housing needs over the period,

Over 14,000 households with incomes between 31% and 60% HAMFI are expected to face housing needs by 2028.

More than four in five households at 0-30% HAMFI are projected to face housing needs by 2028, yet housing for this population is often the costliest to provide.

however, in absolute numbers, these cohorts remain the least affected of the cohorts studied. In both the 61-80% HAMFI and 101-120% HAMFI cohorts, the incidence of housing needs is projected to increase by 3.4 percentage points over the next ten years and, whereas a quarter of homeowners in the 121-140% HAMFI cohort are estimated to currently experience housing needs, this grows to over 35% of this

population by 2028.

For households with incomes up to 30% HAMFI, the incidence of housing need rises for both homeowners and renters over the ten-year time period by a combined average of about 2.8 percentage points. While this growth is more moderate than that projected for higher income cohorts, it is significant for the sizeable total number of households expected to be added to those currently within this category. By 2028, over 2,300 additional families with incomes under 30% HAMFI and with housing needs will populate the region. Also noteworthy in considering the increase in this group is the fact that housing for this very low-income population is often the costliest to provide, requiring deeper subsidies than for other income groups.

**Table 5-18. Projected Housing Needs by Income Cohort in the Central Oregon Region, 2028**

Household Income	2028 Projections			Change since 2017	
	Households with Needs	Total Households	Share with Needs	Number of Households with Needs	Percentage Point Change in Share of Households with Needs
<b>Owners</b>					
0-30% HAMFI	3,683	4,593	80.2%	846	2.8
31-60% HAMFI	5,903	8,998	65.6%	1,073	-1.4
61-80% HAMFI	3,824	7,324	52.2%	1,073	5.5
81-100% HAMFI	3,169	6,864	46.2%	972	6.4
101-120% HAMFI	2,530	6,325	40.0%	874	7.5
121-140% HAMFI	2,391	6,793	35.2%	966	9.1
<b>Renters</b>					
0-30% HAMFI	5,738	6,970	82.3%	1,296	2.7
31-60% HAMFI	8,316	10,015	83.0%	1,623	-0.6
61-80% HAMFI	3,240	6,534	49.6%	700	1.0
81-100% HAMFI	1,279	4,090	31.3%	-9	-8.2
101-120% HAMFI	421	2,476	17.0%	-52	-6.9
121-140% HAMFI	176	2,354	7.5%	50	0.8
<b>All Households</b>					
0-30% HAMFI	9,422	11,562	81.5%	2,143	2.8
31-60% HAMFI	14,218	19,014	74.8%	2,695	-0.9
61-80% HAMFI	7,064	13,858	51.0%	1,774	3.4
81-100% HAMFI	4,448	10,955	40.6%	963	0.9
101-120% HAMFI	2,951	8,801	33.5%	823	3.4
121-140% HAMFI	2,567	9,147	28.1%	1,016	6.9

Data Source: Mosaic estimates based on 2005-2009 through 2011-2015 Comprehensive Housing Affordability Strategy data, Table 11, Retrieved from <https://www.huduser.gov/portal/datasets/cp.html>; Portland State University College of Urban and Public Affairs: Population Research Center 2017 Certified Population Estimates and 2018 Region 1 Population Forecasts

## Income and Housing Cost Comparison

This section presents data illustrating the gap between household income and the existing supply of housing affordable at a given income level, for renters and homeowners (Table 5-19) and by geography (Table 5-20 and Table 5-21). To determine these gaps, households by income and tenure within two income ranges are compared to the gross rents or home values that would be affordable at those levels. The affordable unit gap is an expression of the difference, with negative figures indicating an undersupply of housing units for the corresponding tenure type and income range. The gaps are cumulative to account for housing supply that may be occupied by households technically unable to afford it, thus negating its availability to the income group it may be priced more appropriately for. For example, Table 5-19 shows a shortage of 3,775 rental units affordable to households with incomes under \$15,000. While some of the 5,037 renter households in this income range may be homeless, many are cost burdened and living in units that are unaffordable to them. This creates a cascading effect to the gap when considering a larger group of households, those with incomes up to \$24,999. An available unit that may be affordable to a household with an income of \$20,000 could be occupied by a cost-burdened household earning \$12,000, thus pushing that higher-earning household toward its own cost burden situation where it must seek more expensive, unaffordable housing options.

An important note regarding the data presented in this section is that it is based on estimates from the American Community Survey sampled over a five-year period between 2012 and 2016. This uniform and reliable data source likely lags behind recent market trends which have suggested a rapid climb housing costs across the region. The 2017-2021 Central Oregon Comprehensive Economic Development Strategy contains data on mean rent amounts through 2016 and detected the beginning of a sharp increase in area rents between 2015 and 2016. Insight from local stakeholders suggests this trend has only continued since that time. If that is the case, and assuming wages have not similarly spiked along with housing costs, the actual affordable housing gaps in the region are likely to be roughly in line with, but generally larger and more significant than those presented here.

<b>Annual Household Income Range</b>	<b>Affordable Monthly Gross Rent</b>	<b>Renter Households by Income</b>	<b>Affordable Rental Units</b>	<b>Affordable Unit Gap</b>
\$0 to \$14,999	Up to \$399	5,037	1,262	-3,775
\$0 to \$24,999	Up to \$599	10,291	3,628	-6,663
<b>Annual Household Income Range</b>	<b>Affordable Home Price</b>	<b>Owner Households by Income</b>	<b>Affordable Owner Units</b>	<b>Affordable Unit Gap</b>
\$0 to \$14,999	Up to \$59,999	4,271	3,987	-284
\$0 to \$24,999	Up to \$89,999	8,535	6,170	-2,365

Note: Affordable home price assumes a 30-year fixed rate mortgage with a 15% down payment and 5% interest rate.

Data Sources: Mosaic estimates based on 2012-2016 5-Year American Community Survey, Table B25004, B25063, B25075 and B25118

The region’s greatest rental housing gaps are for those households with incomes up to \$24,999. In order to house these families, the region would need to add 6,663 rental units with monthly rents under \$600. In reality, and the housing needs data in the previous section points to this as well, many of these families are already housed in existing housing units in Central Oregon but are paying more than 30% of their income in rent. The affordable unit gap then could be met by constructing new units with very low rents, but also through other means such as voucher or other rent subsidy programs to bring these households’ rent payments down to more affordable levels. A significant supply of rental units within the region with rents ranging from \$600-\$899 helps close the cumulative gap considerably, narrowing it to 925 additional affordable units needed to meet the total affordable housing needs of all households with incomes under \$35,000. However, built into that figure – which still represents a significant shortage of affordable units – and thousands of cost burdened households stretching to make their rent payments. Here again, this reflects not so much a need for new rental housing construction as a mismatch between area rents and family incomes. On the homeownership side, the supply of units does not catch up to cumulative demand at any price point under \$200,000. New for-sale housing construction targeted to buyers with incomes under \$50,000 could alleviate some of the persistent gap for this type of housing.

The region’s greatest rental housing gap – a deficit of 6,663 affordable units – is for households with incomes up to \$24,999.

Table 5-20 and Table 5-21 contain just the affordable unit gap calculations by geography for renters and then homeowners. The full data from which these calculations are derived is available in an appendix to this report.

Table 5-20. Summary of Income and Rental Rate Comparison by Geography, 2012-2016					
Annual Household Income Range	Affordable Rental Unit Gap				
	Crook County	Deschutes County	Jefferson County	Bend	La Pine
\$0 to \$14,999	-305	-3,211	-246	-1,423	-69
\$0 to \$24,999	-312	-6,154	-162	-3,474	-86
Annual Household Income Range	Affordable Rental Unit Gap				
	Madras	Prineville	Redmond	Sisters	Warm Springs
\$0 to \$14,999	-191	-271	-935	-35	-1
\$0 to \$24,999	-220	-162	-1,512	-111	63

Data Sources: Mosaic estimates based on 2012-2016 5-Year American Community Survey, Table B25004, B25063, and B25118

In nearly all Central Oregon communities, affordable rental unit gaps exist for households with incomes under \$25,000, equating to a need for units with rents under \$600 per month. The gap is greatest in Deschutes County, where the cumulative gap for this population is over 6,100 units. In many cases, the cumulative gap present for households with incomes under \$25,000 (rents up to \$599) is substantially balanced by an oversupply of units with rents in the \$600-\$899 range. Here

again, this data suggests the lower-income households are stretching beyond their means to afford units that currently exist but are priced too high to be affordable.

**Table 5-21. Summary of Income and Home Value Comparison by Geography, 2012-2016**

Annual Household Income Range	Affordable Homeownership Unit Gap				
	Crook County	Deschutes County	Jefferson County	Bend	La Pine
\$0 to \$14,999	-43	-723	473	-111	-23
\$0 to \$24,999	-248	-2,520	385	-982	1
Annual Household Income Range	Affordable Homeownership Unit Gap				
	Madras	Prineville	Redmond	Sisters	Warm Springs
\$0 to \$14,999	264	19	-14	-44	50
\$0 to \$24,999	141	-31	-153	-96	105

Note: Affordable home price assumes a 30-year fixed rate mortgage with a 15% down payment and 5% interest rate.

Data Sources: Mosaic estimates based on 2012-2016 5-Year American Community Survey, Table B25004, B25075, and B25118

The affordable homeownership gap details in Table 5-21 also closely follow the regional gaps in Table 5-19, however, several exceptions should be noted. Whereas rental housing gaps were found in nearly all Central Oregon communities, low-cost for-sale housing is somewhat more likely to be available in some areas, eliminating affordability gaps. While Table 5-21 shows in some cases an oversupply of available for-sale housing, the gaps are based on data that lags behind recent housing market trends suggesting sharp increases in housing costs. As was noted earlier in this section, actual gaps are likely larger and more significant (and thus, any oversupply indicated is also likely narrower) than the figures presented.

In Jefferson County, the supply of homes priced under \$90,000 exceeds demand from households earning under \$25,000 per year by approximately 385 units. Madras and Warm Springs also have a supply of affordable for-sale housing sufficient to meet their residents' needs. In Jefferson County and Madras (less the case in Warm Springs), some conversion of housing in the ownership market to rental housing could bring overall affordable housing supply into better balance with local needs.

# Critical Housing Gaps and Contributing Factors

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Described below are the critical housing gaps identified in this housing gap assessment. These gaps are primarily based upon data presented within this chapter, but also by results of the regional housing survey. Contributing factors and issues leading to the development of these gaps are listed for each of the housing gaps and described in more detail at the end of this section. Strategies and best practices that could be implemented to address the gaps and contributing factors are contained in the final chapter of this report.

## Housing for Very Low-Income Households (<30% AMI)

Very low-income households, those with incomes up to 30% of the area median, face some of the greatest difficulties finding and affording housing in Central Oregon. Of these households, nearly four in five experience housing problems, most often cost burden. Housing costs for this population would generally have to be below \$475 per month in Deschutes County or \$375 per month in Crook or Jefferson Counties to avoid cost burden, a rent level nearly impossible to find in Central Oregon apart from units with deep public subsidies. The region does not have a supply of public housing and the extent of the voucher program offered by Housing Works is very limited by the number of vouchers allotted by HUD. When very low-income households are unable to afford housing, homelessness is frequently the result. Homelessness was a concern expressed by survey respondents, who believed that high housing costs paired with low housing availability are the primary causal factors related to homelessness. The solution to the challenge lies at least in part in the provision of additional rental housing targeted so as to be affordable to households with incomes under 30% AMI. As the overall supply is increased, market pressures at multiple other points are relieved. New affordable rental housing need not be constructed specifically to house people who are homeless, but it's availability will draw new renters who may be occupying transitional housing or shelters, but who have not been able to relocate to more appropriate housing options due to the limited supply and high costs.

### Contributing Factors

- Growth in the Elderly and Disabled Population
- Insufficient Subsidized Housing Options
- Low Effective Vacancy Rates
- Sharp Population Growth

## Housing for Workforce and Low-Wage Households (<80% AMI)

Based on the 2017 estimates of housing need, over 24,000 low income households (from 0-80% AMI) currently face one or more housing needs; by 2028, this figure is expected to climb to over 30,000 households. Asked about the top unmet housing needs in Central Oregon, survey respondents named rental housing for low-income (incomes between \$25,000 and \$45,000 per year) households as the most important by a wide margin. Following that choice was rental housing for very low-income households. Based on the income ranges defined in the survey question,

affordable housing for these groups would be approximately \$875 per month for low-income and under \$500 per month for very low-income households. In order to achieve rents this low, the solution lies partially in development of additional housing, but is more likely to be a function of available subsidies to lower housing costs to a point that they become affordable to these households. In a different survey question, respondents were asked about the types of housing currently being built in the region. The top answer choices were single-family homes (both large and small), townhouses, and luxury apartments. It is possible that some of these housing types could accommodate workforce households near the 80% AMI level and provide for the rental and homeownership needs described for this population; however, these options almost certainly are not meeting the region's unmet housing needs for households earning in the \$30,000-\$40,000 range.

### **Contributing Factors**

- High Construction Labor and Materials Costs
- Insufficient Subsidized Housing Options
- Low Effective Vacancy Rates
- Low Land Availability
- Mismatch between Wages and Housing Costs
- Prohibitive System Development Charges (SDCs)
- Sharp Population Growth
- Short-Term Rentals and Investment Property Constrain Supply

### **Housing for Moderate-Income Households (80-140% AMI)**

The region's housing options for people of moderate and middle incomes is lacking the requisite supply to meet current demand and future needs. This finding is consistent with the results of other local research, namely the Bend 2030 Landscape Report prepared by ECONorthwest in 2017. Housing vacancy rates across the region are remarkably low and short-term vacation rentals are thought to consume a portion of the supply that would otherwise be available to residents, particularly in Bend and the resort areas. Permit activity for new housing construction in many Central Oregon communities stalled as a result of the Great Recession and was too slow to rebound afterward, lagging behind the rapid population growth in the region. Increasing production of new units is part of the solution to this gap, but the level of production would need to far exceed current rates. Complicating the equation are high development costs. Land, materials, and labor are all in short supply leading to high costs and slowing production of all but the most expensive, and often most profitable, housing types. When survey respondents were asked to select the top unmet housing needs in the region, homeownership housing for middle-income households ranked third of 16 answer choices; rental housing for middle-income households ranked fourth. Asked about the housing types Central Oregon most needs more of, respondents named affordable workforce apartments, small single-family homes, and duplexes/triplexes/four-plexes as the top needs. Separately, only 17% of respondents reported that affordable workforce apartments, the most-needed housing type, was actually being built in the region. Over half believed the current market was supplying small single-family homes, but only a third were aware of duplexes/triplexes/four-plexes being developed.

## Contributing Factors

- High Construction Labor and Materials Costs
- Low Effective Vacancy Rates
- Low Land Availability
- Mismatch between Wages and Housing Costs
- Prohibitive System Development Charges (SDCs)
- Restrictive Development Regulations
- Sharp Population Growth
- Short-Term Rentals and Investment Property Constrain Supply

## Rental Housing Quality

The 2017 housing need estimates find that 1.2% of the region's housing lacks complete kitchen or plumbing facilities. Allowing that this may be only a portion of the housing stock considered substandard (other issues related to roofs, structural integrity, and building systems are not reflected in these figures), housing quality is an important consideration in this assessment of gaps. While housing quality issues were not as apparent as cost burden in the housing needs data within this chapter, many stakeholders and survey participants have stated concerns in this area. Asked to identify the top housing maintenance issues in Central Oregon, survey respondents named rental housing maintenance by absentee landlords as the most important. This was followed by the prevalence of temporary housing, such as RVs that people are living in permanently. These types of living arrangements are frequently a response to the unaffordability of standard housing within the region.

## Contributing Factors

- Growth in the Elderly and Disabled Population
- High Construction Labor and Materials Costs
- Insufficient Subsidized Housing Options
- Low Effective Vacancy Rates
- Short-Term Rentals and Investment Property Constrain Supply

## Contributing Factors

Described below are ten factors identified as contributing to the existence of the critical housing gaps.

- **Insufficient Subsidized Housing Options:** Compared with other Oregon communities, Central Oregon's subsidized housing inventory is lacking. HUD-subsidized housing options make up 1.2% of the housing in Central Oregon, compared to 5.4% in Salem and 5.0% in Portland. Housing Works, which administers Housing Choice Vouchers in Central Oregon, reports that 3,000 HCV applicants were processed for their waiting list in 2018, yet only 173 applicants

were issued vouchers. Even after being issued a voucher, approximately 35% of households are unable to locate an available rental unit and their voucher is rescinded and then reissued to another household from the waiting list.

- **Growth in the Elderly and Disabled Population:** In all three counties and in Warm Springs, the percentage of the population over the age of 65 has grown from 2010 to 2017. Forecasts indicate extraordinary growth in this segment of the population, both in whole numbers and as a percentage of the overall population, such that it will make up at least 30% of each county by 2043. Crook and Jefferson Counties also contain incidences of disability greater than average for the state.
- **Mismatch between Wages and Housing Costs:** From 1985 to 2016, the average earnings per job in Deschutes County grew 24% while the average home sales price in Bend increased 277% over the same period. To afford a two-bedroom rental unit in Deschutes County without a cost burden would require a 53-hour work week at the county's average renter wage of \$13.89 an hour. In Jefferson County, housing costs are lower, but so are average renter wages; a two-bedroom rental would be affordable to someone working a 45-hour week at the county's average renter wage of \$11.96. This mismatch is less a factor in Crook County where a 36-hour work week at the average renter wage of \$16.04 is sufficient to comfortably afford a two-bedroom rental. A large supply of relatively low-wage jobs in the region is likely a persistent trend, as Central Oregon's leisure and hospitality sector is a disproportionately large portion of its economy. The predominately low-wage leisure sector accounts for nearly 18% of all nonfarm jobs in the region compared to just 13% percent for the state of Oregon.
- **Low Land Availability:** Vast portions of the Central Oregon region are federally controlled (primarily by the U.S. Forest Service and Bureau of Land Management), with federal agencies managing approximately 75% of Deschutes County, 50% of Crook County, and 29% of Jefferson County. Additionally, Oregon's strong land use protection laws make it difficult for municipalities to annex land non-federal lands for expansion. Just the local planning effort and expense to annex a UGB expansion area (before providing any services or infrastructure) was estimated by the City of Bend's Collaborative Housing Workgroup to require 12 months of study at a cost of \$500,000.
- **Prohibitive System Development Charges (SDCs):** Units of local government in Oregon are empowered to impose SDCs on new development to contribute toward the expenses of infrastructure to serve the new development. RHNA survey respondents frequently cited SDCs as a strong disincentive to new housing development, some even going so far as to label them "outrageous", "absurd", and "out of control".
- **Sharp Population Growth:** The attractive weather and lifestyle in Central Oregon make it a desirable place to live and cause strong patterns of in-migration from other parts of Oregon, California, and beyond. The regional population is forecasted to grow by 60% between 2020 and 2050, with most of this expansion in Deschutes County. Rapid population growth impacts housing availability at every level, as rural communities in Central Oregon gain residents displaced from Bend or Redmond by high housing costs.

- **Restrictive Development Regulations:** While high SDCs are identified as an independent factor, other aspects of local development regulations may also impede the construction of new housing. Some builders who responded to the RHNA survey complained of slow, complex permitting processes. Others noted the prohibitive effects of zoning conditions that limit density or require excessively large lot sizes. The State of Oregon legalized inclusionary zoning in 2017, but its adoption by Central Oregon communities has been slow and incomplete.
- **High Construction Labor and Materials Costs:** Permit activity for new housing construction in many Central Oregon communities stalled as a result of the Great Recession and was slow to rebound afterward. Due to the lag in the local construction market, many construction workers left Central Oregon following the recession of 2008, and an older generation of skilled laborers have reached retirement age. Builders and developers additionally report that costs for materials have steadily climbed since the recession. Paired with a labor shortage in the construction trades, the cost to build new housing is high.
- **Short-Term Rentals and Investment Property Constrain Supply:** Approximately 18% of Central Oregon’s existing housing units are vacant, however, the vast majority of these vacant units (70%) are for seasonal, recreational or other occasional use, which includes second homes, seasonal rentals, and housing reserved for seasonal employees. In fact, the Central Oregon region contains about one-fifth of all seasonal/recreational housing in Oregon. This is a significant constraint on the availability of housing for the region’s workforce.
- **Low Effective Vacancy Rates:** Although the region’s technical housing vacancy rate is 18% (quite high relative to state and national averages of 9% and 11%, respectively), most of these vacant units have a seasonal or part-time use and thus are not available for full-time occupancy. The most recent Central Oregon Rental Owners Association rental survey conducted in 2014 also reveals a much tighter rental market after subtracting vacant homes that are not available for sale or rent, with a regional vacancy rate of only 1.0%. Slightly more recent data from the 2012-2015 American Community Survey similarly show very low rental vacancy rates across the region ranging from 0.6% in Crook County to 4.8% in Deschutes County.

## Socioeconomic Segregation Analysis

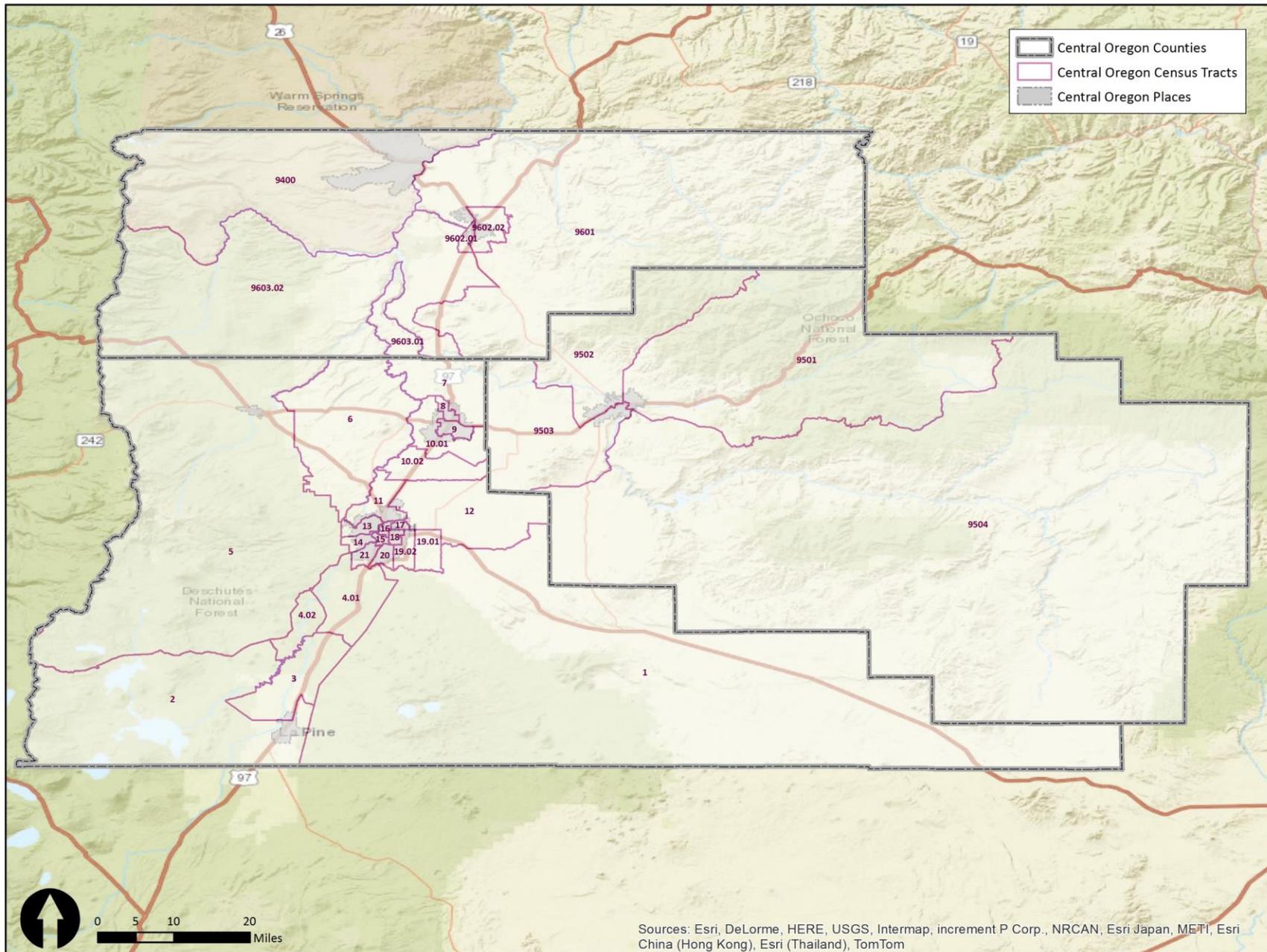
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Communities experience varying levels of socioeconomic segregation between different racial, ethnic, and income groups. High levels of residential segregation can often lead to conditions that exacerbate inequalities among the population groups within a community. Increased concentrations of poverty and unequal access to jobs, education, and other services are some of the consequences of high residential segregation.

Racial and ethnic segregation can often be traced back to federal housing policies and discriminatory mortgage lending practices prior to the Fair Housing Act of 1968 that not only encouraged segregation, but mandated restrictions based on race in specific neighborhoods. The Fair Housing Act of 1968 outlawed discriminatory housing practices but did little to address the existing segregation and inequalities. Various policies and programs have been implemented since in an effort to ameliorate the negative effects of residential segregation and reduce concentrations of poverty. Segregation by income often begins to occur more organically but can be accelerated and more deeply entrenched by local land use and other policies. Communities with smaller, simpler housing types – often including multifamily and rental options – and where living expenses tend to be lower are natural choices for low-income households. However, while a family's choice may drive such locational decisions, local policies limiting multifamily development (or the extension of water and sewer needed to support it) or requiring large minimum lot sizes can result in the exclusion of low-income families and increase segregation. The repercussions of mortgage lending and land use policies continue to have a significant impact on residential patterns in many communities today.

In this section, socioeconomic segregation within Central Oregon is studied on the basis of census tract composition. The choice of tracts as a unit of analysis comes with some tradeoffs. As the following map shows, tracts are smaller and more densely clustered in many of the region's urban areas, allowing an opportunity to see relative concentrations of socioeconomic factors within neighborhoods or portions of those cities. However, Crook County's four census tracts converge in Prineville, each claiming a quadrant of the city; in this analysis, this gives the appearance that Prineville's population is distributed over the entire county. The portion of the Warm Springs Reservation in Jefferson County is contained in its own tract, which is helpful, particularly in the context of interpreting racial segregation, but other tracts are less focused. For example, Sisters is contained in a large tract containing much of western Deschutes County, including Mt. Bachelor and extending south as far as Cultus Lake. When interpreting the maps that follow later in this section, the basic tract map here is an important guide.

Figure 5-1. Central Oregon Census Tracts



## Segregation by Race and Ethnicity

The set of maps that follow show the distribution of the region's population by race and ethnicity based on 2012-2016 American Community Survey data. The region's population is predominantly (about 85%) non-Latino white. In Crook and Deschutes Counties, this figure is higher, about 88%, but in less-populous Jefferson County, the non-Latino white population share is 60%. This lower figure owes in large part to the county containing the only two areas in the region where the white population is not a majority: Warm Springs, where it is 4.6% and Madras at 48.7%. In the first map, the region's non-Latino white population is represented by gray dots. Heavy clusters are evident in Bend and Redmond, where the share is 87.0% and 80.9% respectively, but are less apparent on the map in La Pine, Prineville, and Sisters, even though they also have significant white population shares (92.3%, 85.2%, and 84.3%, respectively). These populations appear more diffuse because they are parts of large tracts containing vast rural and wilderness areas.

The non-Latino white population among Central Oregon jurisdictions ranges from 88% in Crook and Jefferson Counties to 49% in Madras and under 5% in Warm Springs.

The second map displays just the non-white population and here the clusters of different racial and ethnic groups are easier to visualize. Warm Springs stands out for its predominant Native American population (81.1%) and Madras for its concentration of Latinos (41.4%). Madras is noteworthy for also having the largest share of Native Americans outside Warm Springs and for having a larger share of Black residents than any other city in the region. Prineville has a significant Latino population, making up 11.1% of the city and Latinos constitute 9.7% of Sisters' population. At 3.3%, La Pine has the smallest share of Latinos of any of the seven Central Oregon cities studied here, yet this is the largest non-white population group in the city.

Bend and Redmond also appear to have large clusters of people of color, but there are some distinguishing differences between them. Individual maps for these cities follow the regional maps within this section. In both Bend and Redmond, Latinos make up the largest non-white population group, 8.7% and 13.0% respectively. Making up just one in 500 residents in Bend and Redmond, Native Americans here hold the smallest shares of the local population than in any of the seven cities studied in this analysis. Meanwhile, Bend has one of the region's largest shares of Asian residents (1.6%), while Redmond has one of the region's smallest (0.8%). In Redmond, 4.1% of residents identified as "non-Latino Other", a category including people identifying as belonging to multiple races. Redmond has the largest population share claiming this label, while in Bend this group holds a 2.1% share of the local population.

Distribution of populations within Bend varies to a degree between racial and ethnic groups, but not in a significant way. The most racially and ethnically diverse tracts in Bend form a sort of arc from Summit West and Awbrey Butte on the west side of the city through the Orchard District and Pilot Butte to the Ferguson Road area at the city's southeast edge. The remaining neighborhoods within Bend all have a reasonable degree of diversity but at a level somewhat less than those named above.

Redmond's population distribution shows more clustering of racial and ethnic groups within tracts. Approximately half of Redmond's Latino population is clustered in the southeast quadrant of the city, roughly south of Highway 126 and east of 27<sup>th</sup> Street, including the airport area, but also neighborhoods along Dry Canyon Trail. Census tract 7 includes the northeast edge of Redmond but reaches north to the county line to include Terrebonne and unincorporated areas of Deschutes County and holds shares of Asian and Native American residents much larger than the city's average. Redmond's substantial number of residents identifying as "non-Latino Other" can be attributed to residents of tract 10.01 where 6.4% of residents belong to this group and also where approximately 85% of the city's Black residents live. This tract includes portions of Redmond along the western and southern edges of the city but also extends westward to the Deschutes River, encompassing large areas of the unincorporated county as well.<sup>37</sup>

Brown University's American Communities Project, a partnership with the Russell Sage Foundation, has calculated dissimilarity indices for America's 384 largest metropolitan areas.<sup>38</sup> The dissimilarity index (DI) indicates the degree to which a minority group is segregated from a majority group residing in the same area because the two groups are not evenly distributed geographically. The DI methodology uses a pair-wise calculation between the racial and ethnic groups in the region. Evenness, and the DI, are maximized and segregation minimized when all small areas have the same proportion of minority and majority members as the larger area in which they live. Evenness is not measured in an absolute sense but is scaled relative to the other group. The DI ranges from 0 (complete integration) to 100 (complete segregation). HUD identifies a DI value below 40 as low segregation, a value between 40 and 54 as moderate segregation, and a value of 55 or higher as high segregation.

The proportion of the minority population group can be small and still not segregated if evenly spread among tracts or block groups. Segregation is maximized when no minority and majority members occupy a common area. When calculated from population data broken down by race or ethnicity, the DI represents the proportion of minority members that would have to change their area of residence to match the distribution of the majority, or vice versa.

Racial and ethnic segregation in the region is very low, however segregation between white and Latino residents is increasing.

Based on Brown's data, racial and ethnic segregation in Central Oregon is minimal and, in two of three measures, is decreasing. Because the DI measures the relative segregation of a minority group from a majority group, the three calculations applicable to the Bend MSA are for white/Black, white/Hispanic, and white/Asian pairings. The greatest degree of segregation is between white and Hispanic residents, with a 2010 DI value of 24.2, which is an increase over previous decennial calculations. White/Asian segregation is declining, and the calculated DI value is 12.9; white/Black segregation is also declining, and the 2010 DI value is 16.4. These DI values all fall well below HUD's threshold of 40 and are considered low levels of segregation. This is further evident in comparing

<sup>37</sup> Detailed maps for other cities in Central Oregon, including Sisters, Madras, La Pine, and Prineville were not prepared because these cities each include very few census tracts or, in the case of Sisters, lie entirely within a single census tract. Thus, a discussion of racial segregation at the tract level is not practical in these geographies.

<sup>38</sup> Spatial Structures in the Social Sciences, Brown University American Communities Project. <https://s4.ad.brown.edu/Projects/Diversity/segsorting/?default.aspx>

the ranking of Bend's MSA to that of the other 383 metropolitan areas included in the study. Central Oregon ranks 324<sup>th</sup> for white/Hispanic segregation, 383<sup>rd</sup> for white/Asian, and 382<sup>nd</sup> for white/Black.

Figure 5-2. Population by Race and Ethnicity by Census Tract in Central Oregon, 2012-2016

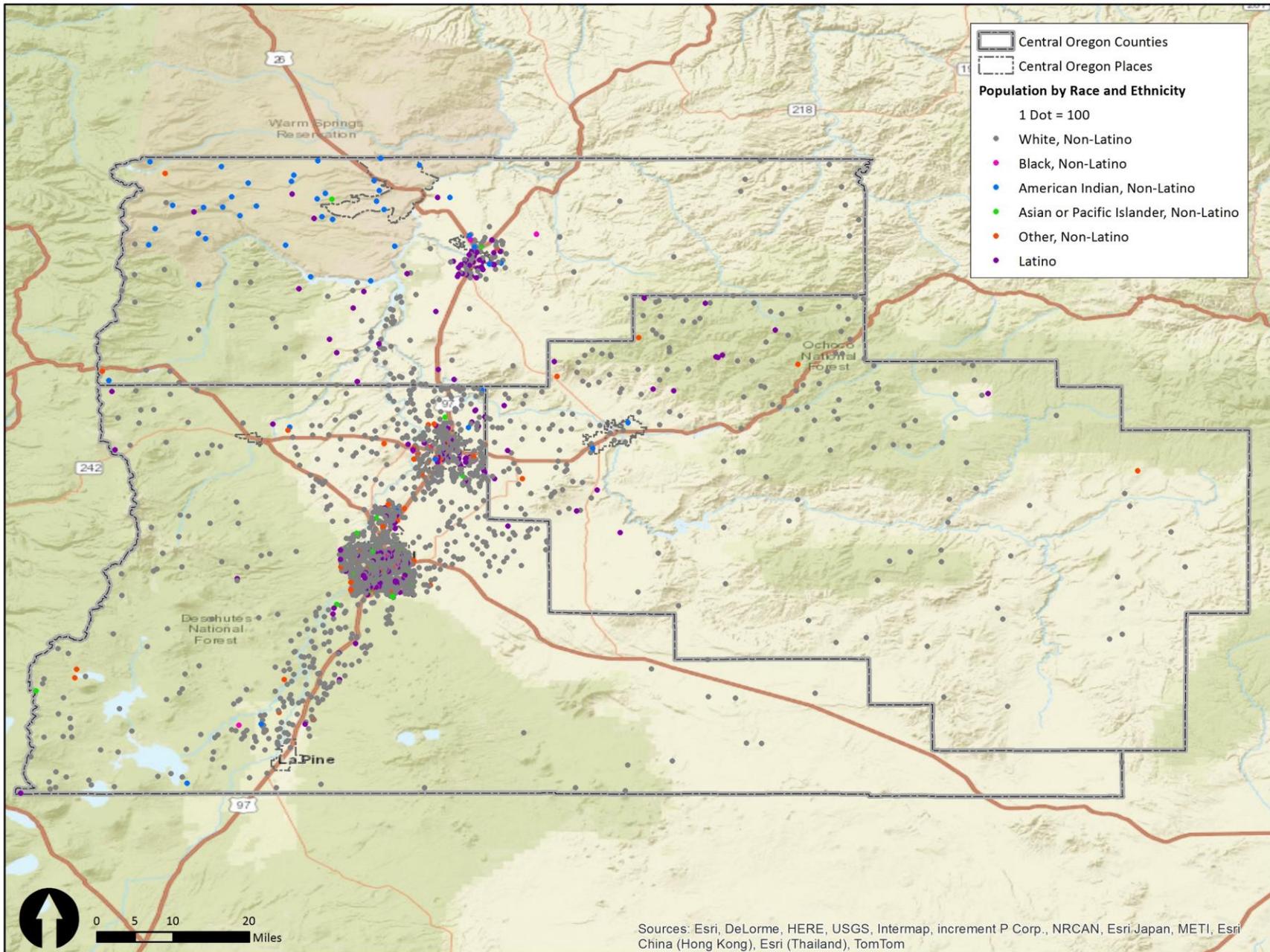


Figure 5-3. Population by Race and Ethnicity by Census Tract in Central Oregon, 2012-2016

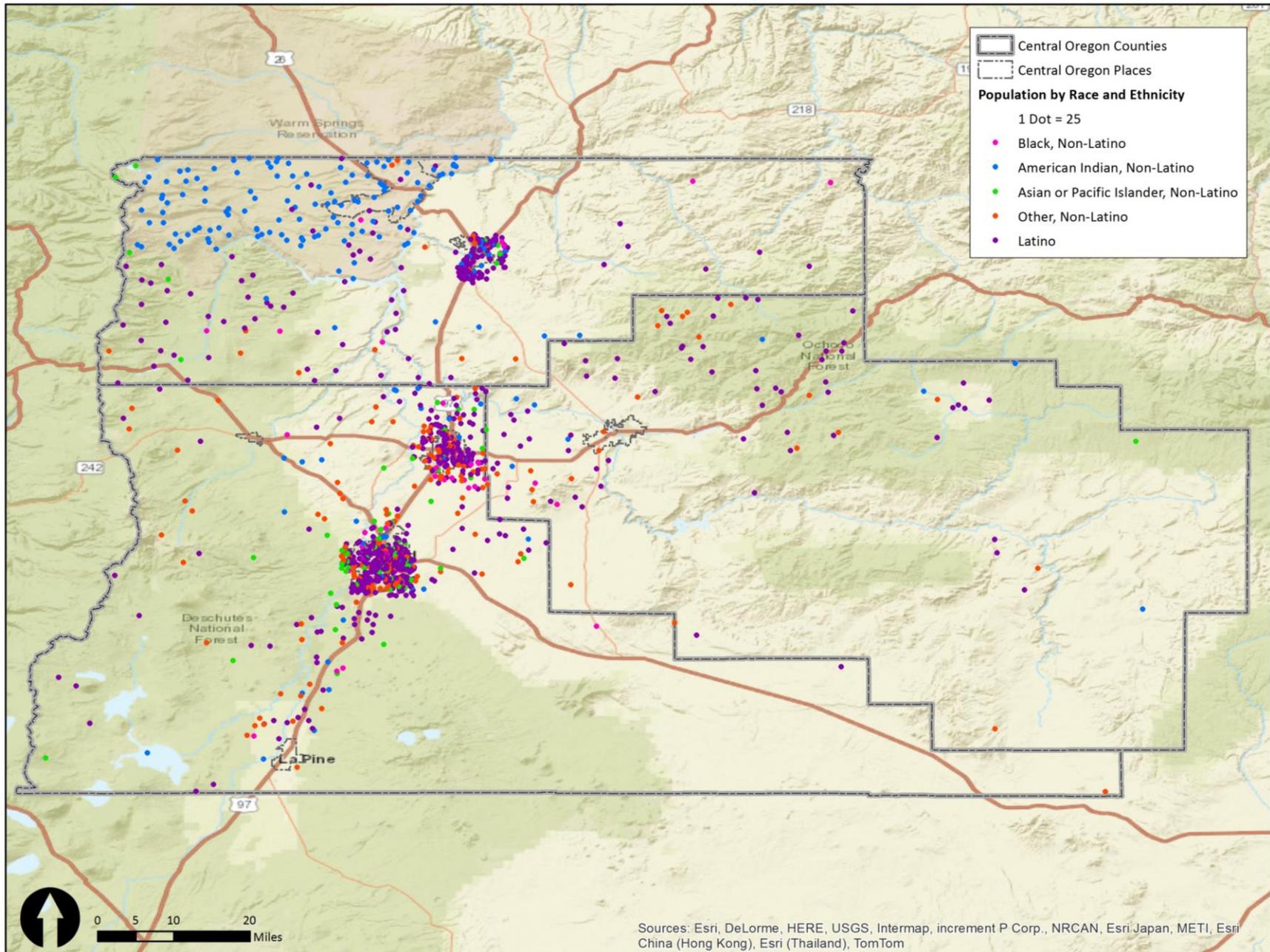
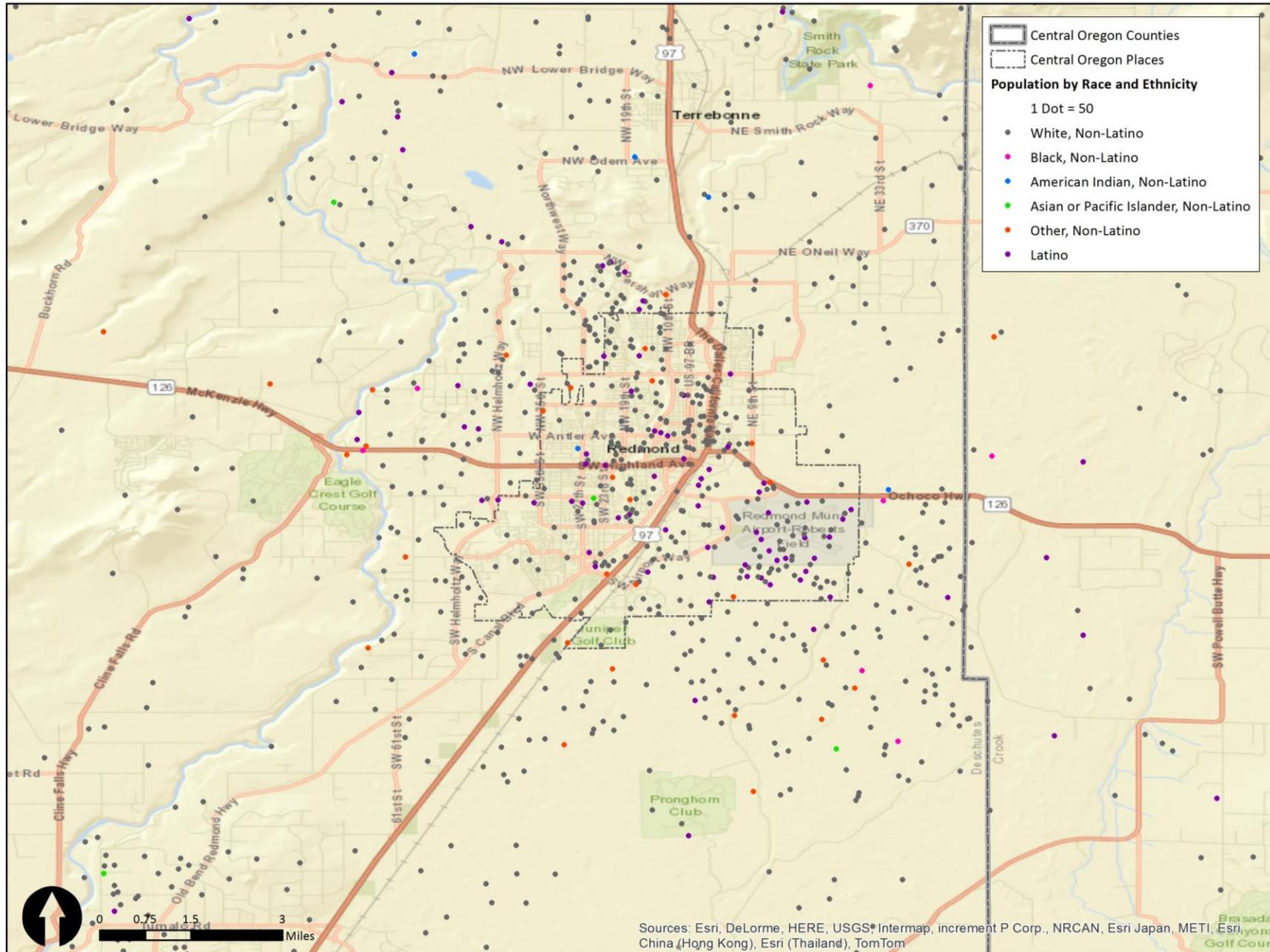




Figure 5-5. Population by Race and Ethnicity by Census Tract in Redmond, 2012-2016



## Segregation by Income

In addition to race and ethnicity, segregation can also occur by income. Where households of low income become clustered together in a place, those areas often experience disinvestment and decline. Furthermore, numerous studies have found the conditions created by concentrated poverty exacerbate disparities among population groups and increase isolation of disadvantaged communities. Disproportionately high rates of crime and unemployment, limited access to jobs and quality education, and conditions that lead to poor health are some of the consequences that perpetuate the cycle of poverty within the affected communities.

Identification of areas of such concentration is significant in determining priority areas for reinvestment and services to ameliorate conditions that have negative impacts on the larger region. Since 2000, the prevalence of concentrated poverty nationally has expanded by nearly 75% in both population and number of neighborhoods affected. The majority of this concentration of poverty has occurred within America's large metro areas, but suburban regions have experienced the fastest growth rate.<sup>39</sup>

Average household income levels vary widely among tracts, with high-earning (\$100,000+) households comprising up to 43.8% in an area outside Bend to as little as 4.4% of the households in a portion of Madras.

The following set of maps illustrate the varying distributions of income levels across the region. Beginning with a map of the median household income by census tract, four areas of relatively low median household incomes stand out. Tract 9 in southeast Redmond (airport area) has the region's lowest median income, at \$27,234 followed by the western half of Madras (between US-26 and the railroad tracks at \$30,176. These are followed by

the La Pine area (\$34,185) and Bend's Orchard District (\$39,228). Ranges of individual household incomes are represented with colored dots beginning with the second map below. These maps show the distribution of households within various income ranges across the region, with separate maps for Bend and Redmond to better show the differences between tracts in those areas. High-earning households, those with incomes greater than \$100,000, range from 4.4% of the population in the tract comprising the west side of Madras to 43.8% of the tract making up the southeastern portion of unincorporated Deschutes County (roughly between US-97 and US-20, south of Bend). While this tract, and a few others like it located mostly on the west side of Bend, could be described as affluent, it does not appear to be exclusive of lower-income households. Nearly a quarter of the households in this affluent tract earn under \$50,000 per year. The same can be said of the two affluent tracts on the west side of Bend; about a third of the households there earn more than \$100,000 while another third earns under \$50,000.<sup>40</sup>

In summary, racial and ethnic segregation within Central Oregon is low and in most cases in decline. Segregation between white and Latino residents increased between 2000 and 2010 but

<sup>39</sup> Kneebone, Elizabeth. "The Growth and Spread of Concentrated Poverty, 2000 to 2008-2012." *The Brookings Institution*, 29 July 2016, [www.brookings.edu/interactives/the-growth-and-spread-of-concentrated-poverty-2000-to-2008-2012/](http://www.brookings.edu/interactives/the-growth-and-spread-of-concentrated-poverty-2000-to-2008-2012/).

<sup>40</sup> Detailed maps for other cities in Central Oregon, including Sisters, Madras, La Pine, and Prineville were not prepared because these cities each include very few census tracts or, in the case of Sisters, lie entirely within a single census tract. Thus, a discussion of income segregation at the tract level is not practical in these geographies.

remains low and, compared with other metro areas around the country, the Bend MSA ranks 324<sup>th</sup> out of 384 for segregation levels between these two groups. Socioeconomic segregation based on household income is generally more prevalent with some large differences in the household incomes of residents within tracts in the region. However, the substantial mix of incomes within even the more affluent census tracts suggests that, while there are wide disparities between households in terms of income, those disparities do not necessarily preclude low- and high-income families from living in the same vicinity as one another. Of course, some tracts within the region are quite expansive and it is certainly possible that communities and neighborhoods within those tracts could contain concentrations of poverty or wealth even as the overall tract makeup is more diverse.

Figure 5-6. Median Household Income by Census Tract in Central Oregon, 2012-2016

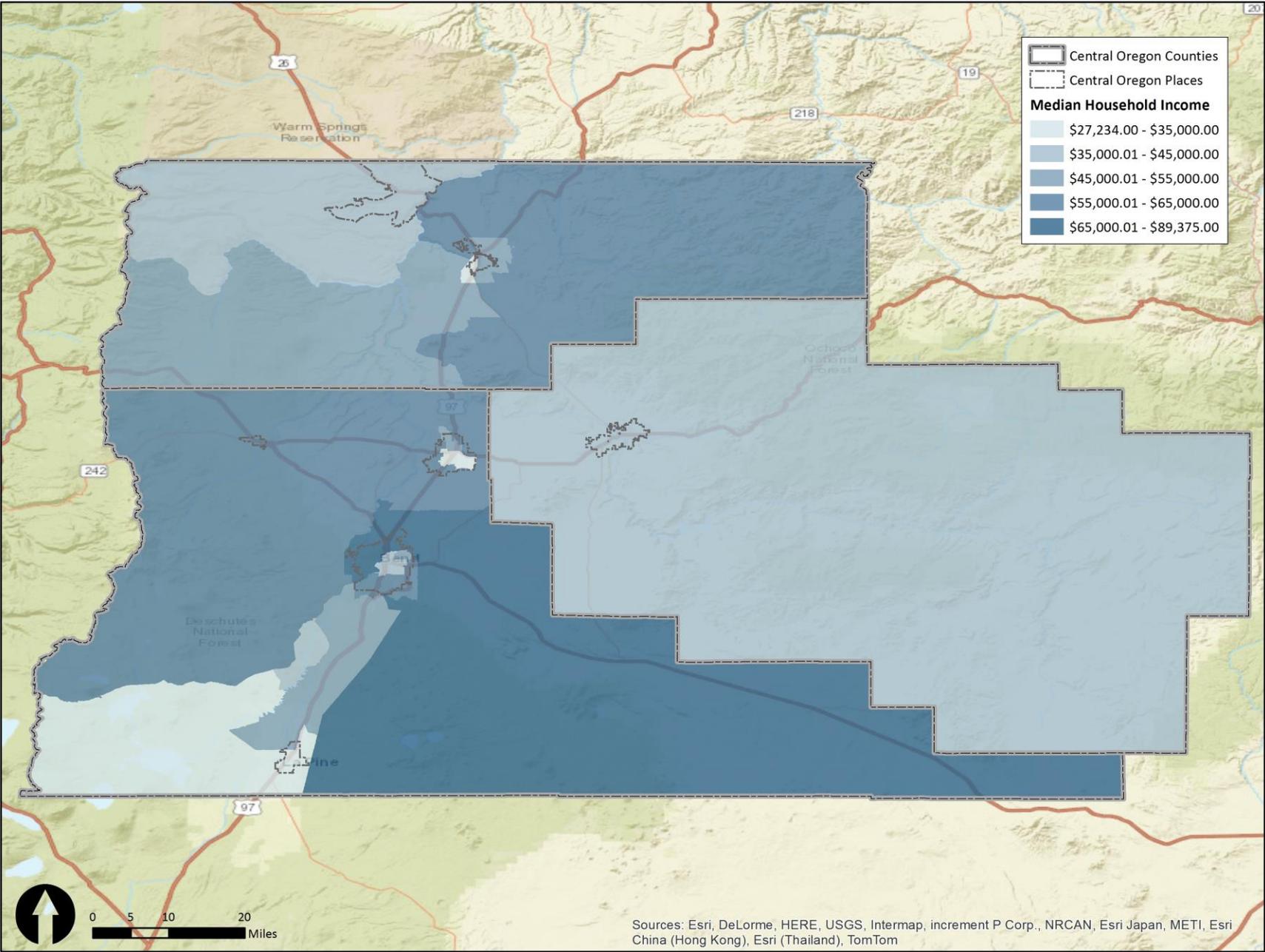


Figure 5-7. Households by Household Income by Census Tract in Central Oregon, 2012-2016

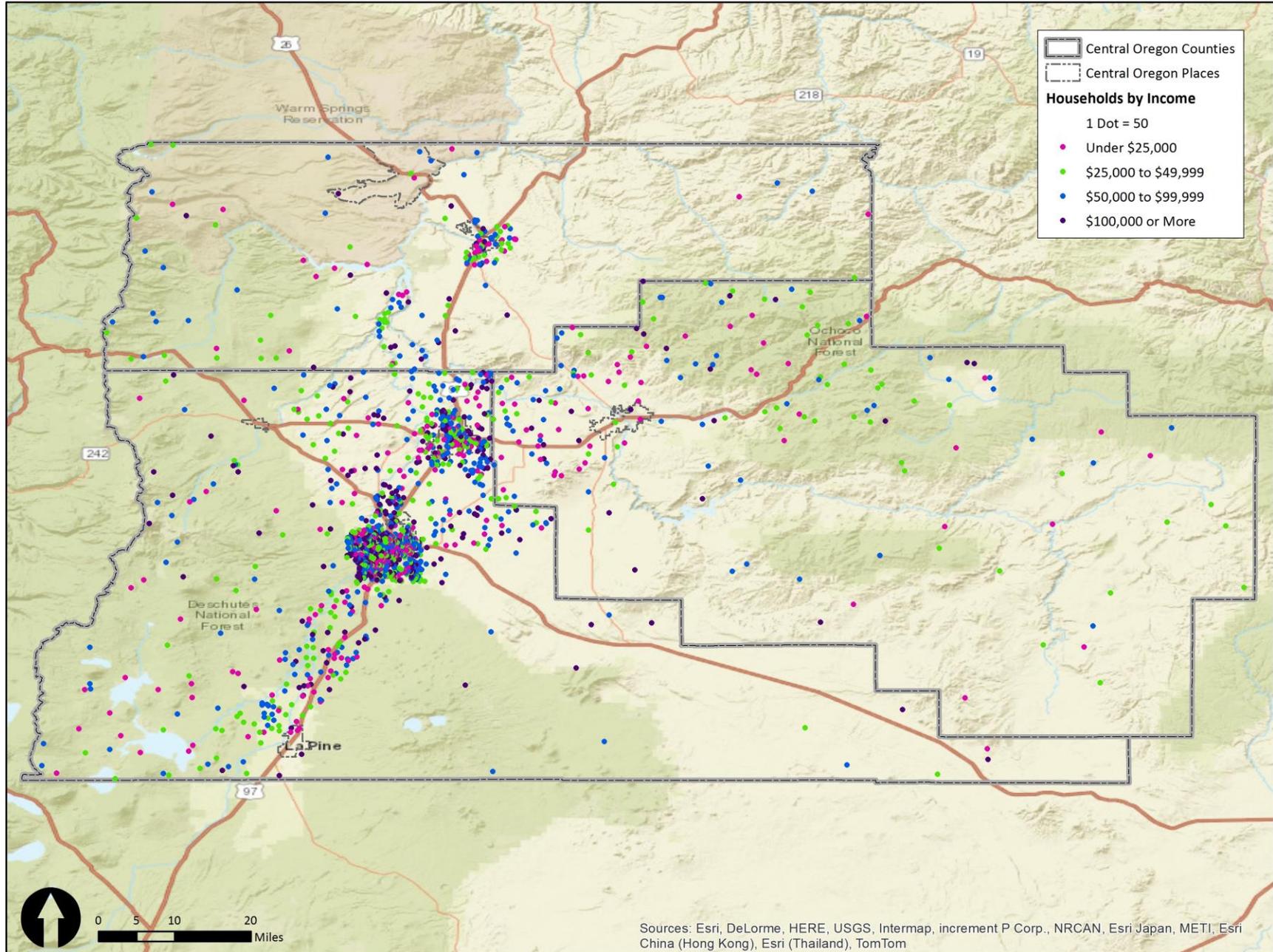


Figure 5-8. Households by Household Income by Census Tract in Bend, 2012-2016

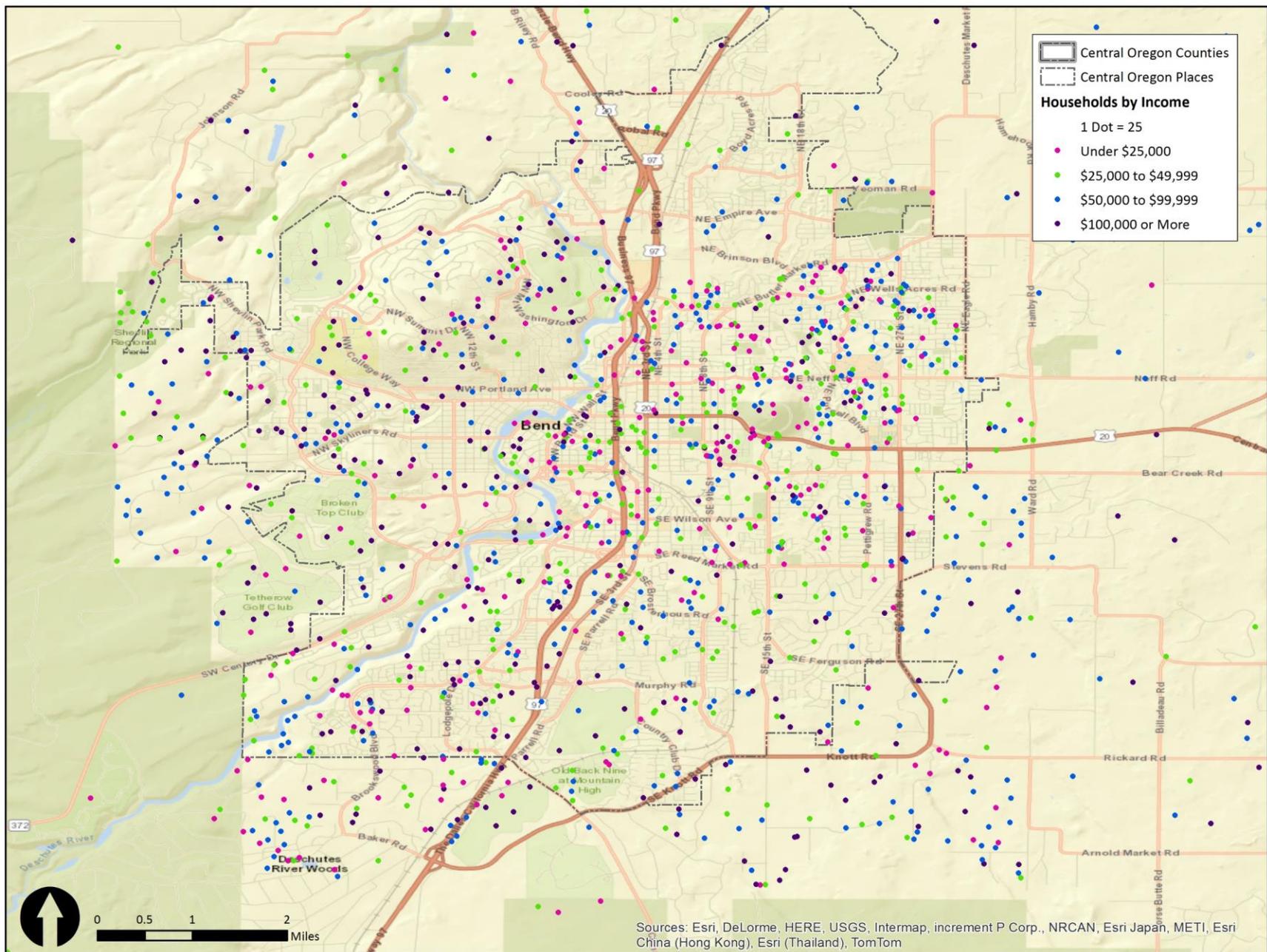
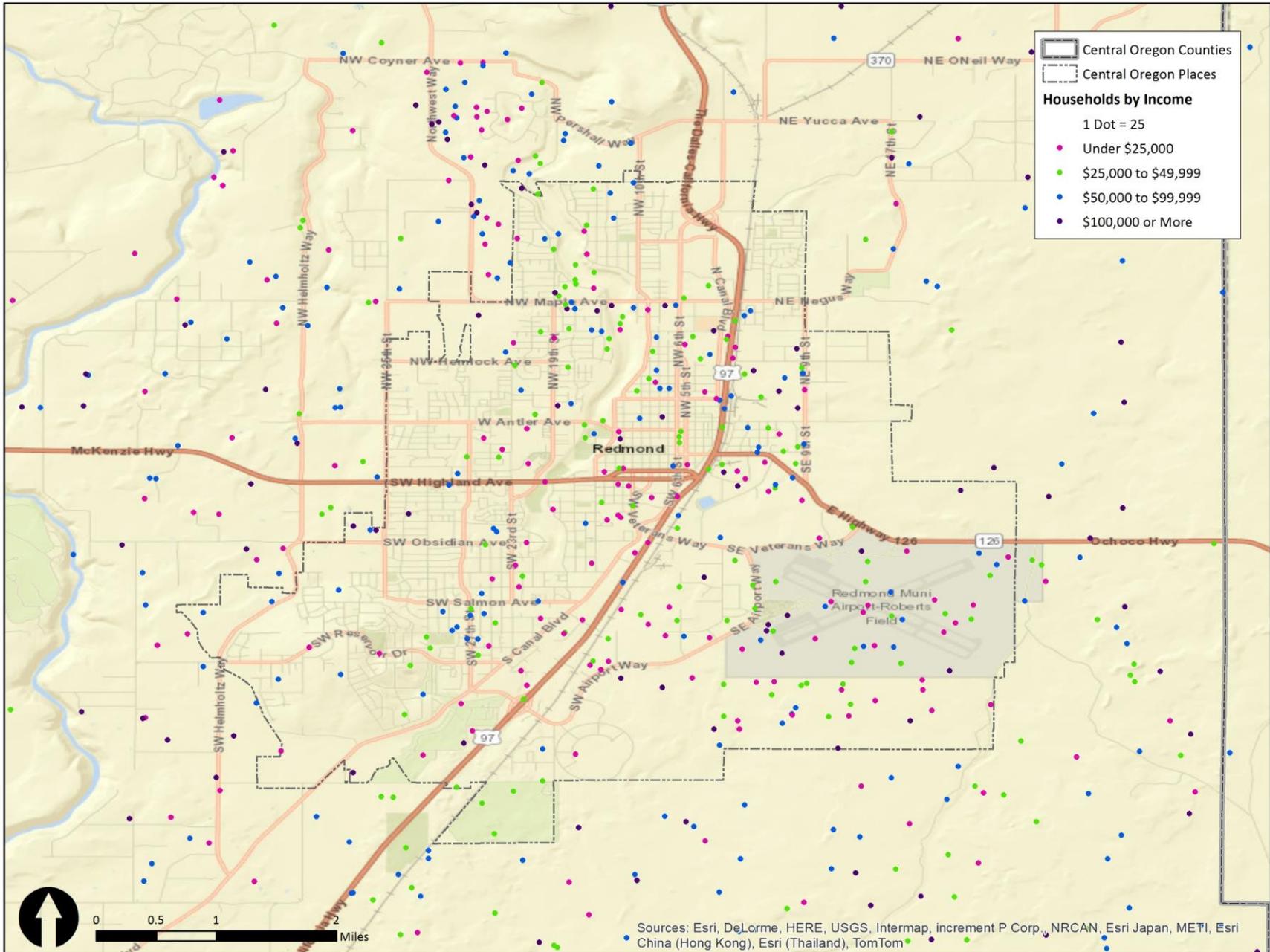


Figure 5-9. Households by Household Income by Census Tract in Redmond, 2012-2016



## Chapter 6: Housing Strategies and Best Practices

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This section contains a variety of potential strategies that could be employed within the region to address impacts of the housing crisis. The strategies are drawn from best practices researched by Mosaic, activities that are currently being undertaken by municipalities in the region, the solutions brainstormed and workshopped at Housing For All's December 2018 Workshop held in Redmond, and responses to the Central Oregon Regional Housing Survey. The solutions are categorized here by their applicability at various scales within the region (e.g. state, regional, county, and city-level) and by the issue area(s) they address.

Different communities and organizations within Central Oregon have different needs to solve and different approaches and resources to apply. Based on the unique needs and abilities of the various implementing entities within Housing For All and the broader community, the strategies here are presented not as a prescription, but as a menu – a range of options from which an organization can choose. Housing For All and its members may opt to advance particular strategies together in a coordinated way by developing an action plan, however, that action plan is not a component of this report.

On the following pages is a table containing brief descriptions of a wide variety of different affordable housing strategies, followed by more thorough discussions of twelve strategies that are best practices used successfully in other communities to achieve affordable housing goals. The table and best practice examples all list the specific affordable housing issue areas the strategy addresses and the likely geographic applications. State-level strategies typically involve some degree of advocacy before the state legislature in order to make a type of program or policy available for implementation; regional strategies are policies and programs that would be most effectively implemented across the three-county region. City and county-level strategies are those that do not depend on uniform adoption or application and can be adopted by local governments to work at a local or even neighborhood-scale; success does not depend on wider adoption by other municipalities or counties in the region.

**Table 6-1. Affordable Housing Strategies**

Strategy	Description	Issues Addressed	Geographic Applicability
Incentivize Developers to Produce More Affordable Housing	Consider building code exemptions or revisions, design standards, and utility requirements so housing can be priced more affordably. These may include things such as reduced System Development Charges (SDCs), slightly relaxed energy efficiency standards, modified design standards, density bonuses, reduced parking requirements, changes in sidewalk requirements for infill development where surrounding parcels do not have sidewalks, and expedited permitting.	<ul style="list-style-type: none"> <li>• Housing for Very Low-Income Households</li> <li>• Housing for Low-Wage Workforce and Seasonal Employee Households</li> <li>• Housing for Moderate-Income Households</li> </ul>	<ul style="list-style-type: none"> <li>• County</li> <li>• City</li> </ul>
Subsidies to Reduce Infrastructure Costs	Identify possible public funding sources to reduce infrastructure costs (outside of SDCs) for the development of income-restricted affordable housing. These may include city, county, or state funds, including bonds or existing public funds. Local government should prioritize extension of infrastructure to unserved land within UGBs to facilitate new residential development.	<ul style="list-style-type: none"> <li>• Housing for Low-Wage Workforce and Seasonal Employee Households</li> <li>• Housing for Moderate-Income Households</li> </ul>	<ul style="list-style-type: none"> <li>• County</li> <li>• City</li> </ul>
Subsidies to Reduce Land Costs	Reduce land costs for affordable housing through Housing Trust Funds and innovative ownership models. Contribute publicly-owned land for affordable housing development.	<ul style="list-style-type: none"> <li>• Housing for Low-Wage Workforce and Seasonal Employee Households</li> <li>• Housing for Moderate-Income Households</li> </ul>	<ul style="list-style-type: none"> <li>• Region</li> <li>• County</li> <li>• City</li> </ul>
Inclusionary Zoning Requirements	Local ordinances would contain inclusionary zoning stipulating that a percentage of the total units in a new multifamily development be set aside for affordable housing. An “in-lieu fee” collects revenue to fund other housing affordability initiatives from developers who opt not to set aside the requisite affordable units.	<ul style="list-style-type: none"> <li>• Housing for Low-Wage Workforce and Seasonal Employee Households</li> <li>• Housing for Moderate-Income Households</li> </ul>	<ul style="list-style-type: none"> <li>• County</li> <li>• City</li> </ul>
Support Development of Diverse Housing Types	Tiny homes, duplexes, triplexes, townhomes, and garden apartments provide housing options in a range of price points. Educate local stakeholders about successful models for development of these housing types.	<ul style="list-style-type: none"> <li>• Housing for Very Low-Income Households</li> <li>• Housing for Low-Wage Workforce and Seasonal Employee Households</li> <li>• Housing for Moderate-Income Households</li> <li>• Homelessness</li> </ul>	<ul style="list-style-type: none"> <li>• County</li> <li>• City</li> </ul>

**Table 6-1. Affordable Housing Strategies (continued)**

Strategy	Description	Issues Addressed	Geographic Applicability
Promote Accessory Dwelling Units (ADUs)	Allow ADUs as an outright permitted use and promote and incentivize their development through expedited permitting processes, reduced fees or property taxes, and possible grants.	<ul style="list-style-type: none"> <li>• Housing for Very Low-Income Households</li> <li>• Housing for Low-Wage Workforce and Seasonal Employee Households</li> <li>• Housing for Moderate-Income Households</li> <li>• Homelessness</li> </ul>	<ul style="list-style-type: none"> <li>• County</li> <li>• City</li> </ul>
Developer and Builder Education	Marketing and communication to help developers and builders better understand how to finance, develop, and sell additional/higher-density multifamily units using local incentives. Consider a region-wide conference and partnerships with the Central Oregon Builders Association (COBA) and Central Oregon Association of Realtors (COAR) to disseminate information.	<ul style="list-style-type: none"> <li>• Housing for Very Low-Income Households</li> <li>• Housing for Low-Wage Workforce and Seasonal Employee Households</li> <li>• Housing for Moderate-Income Households</li> </ul>	<ul style="list-style-type: none"> <li>• Region</li> <li>• County</li> <li>• City</li> </ul>
Allow Employee Housing in Non-Residential Zones	Allow employee housing in non-residential zones provided it is on the same site or within close proximity to the related business, to increase housing options and reduce vehicle miles traveled.	<ul style="list-style-type: none"> <li>• Housing for Low-Wage Workforce and Seasonal Employee Households</li> </ul>	<ul style="list-style-type: none"> <li>• County</li> <li>• City</li> </ul>
Incentives for Affordable Employee Housing	Offer tax credits or other incentives to help employers develop affordable housing for their employees.	<ul style="list-style-type: none"> <li>• Housing for Low-Wage Workforce and Seasonal Employee Households</li> <li>• Housing for Moderate-Income Households</li> </ul>	<ul style="list-style-type: none"> <li>• Region</li> <li>• County</li> <li>• City</li> </ul>
Down payment Assistance	Employer-sponsored down payment assistance for households with incomes up to 150% Area Median Income (AMI) with business contributions matched by a state tax credit or grant.	<ul style="list-style-type: none"> <li>• Housing for Low-Wage Workforce and Seasonal Employee Households</li> <li>• Housing for Moderate-Income Households</li> </ul>	<ul style="list-style-type: none"> <li>• State</li> <li>• Region</li> <li>• County</li> <li>• City</li> </ul>
Transportation Subsidies	Housing costs can be offset by subsidizing transportation costs for residents. Subsidized transportation options can also provide access to housing options in parts of the region with lower housing costs.	<ul style="list-style-type: none"> <li>• Housing for Very Low-Income Households</li> <li>• Housing for Low-Wage Workforce and Seasonal Employee Households</li> <li>• Housing for Moderate-Income Households</li> </ul>	<ul style="list-style-type: none"> <li>• State</li> <li>• Region</li> <li>• County</li> <li>• City</li> </ul>
Regulate Short-Term Rentals	Develop new regulations to limit short-term rentals, such as capping the number of units, disallowing transferable licenses, instituting a license lottery system, assessing occupancy fees, or regulating the length of time a unit may serve as a short-term rental.	<ul style="list-style-type: none"> <li>• Housing for Low-Wage Workforce and Seasonal Employee Households</li> <li>• Housing for Moderate-Income Households</li> <li>• Short-Term Rentals</li> </ul>	<ul style="list-style-type: none"> <li>• County</li> <li>• City</li> </ul>

**Table 6-1. Affordable Housing Strategies (continued)**

Strategy	Description	Issues Addressed	Geographic Applicability
Targeted Code Enforcement	Code enforcement, defined broadly to include all of the elements involved in obtaining compliance from private owners of problem properties, is a critical element in fighting neighborhood decline, and preserving affordable housing stock.	<ul style="list-style-type: none"> <li>• Housing for Very Low-Income Households</li> <li>• Housing for Low-Wage Workforce and Seasonal Employee Households</li> <li>• Housing for Moderate-Income Households</li> <li>• Homelessness</li> <li>• Existing Housing Quality</li> </ul>	<ul style="list-style-type: none"> <li>• County</li> <li>• City</li> </ul>
“Safe Parking” Areas for People Living out of Vehicles	Provide safe, sanitary overnight parking areas for people living out of cars, RVs, or other vehicles not meant for habitation. These parking areas may provide restrooms, water and power connections, laundry facilities, garbage collection, and opportunities for connection to social services.	<ul style="list-style-type: none"> <li>• Homelessness</li> <li>• Existing Housing Quality</li> </ul>	<ul style="list-style-type: none"> <li>• County</li> <li>• City</li> </ul>
Weatherization Program to Reduce Utility Costs	Identify strategies to reduce tenants' monthly energy and other utility costs, possibly through energy efficiency upgrade incentive programs with stipulations to ensure a portion of cost savings are passed on to tenants. May include working with Oregon Housing and Community Services' Low-Income Weatherization Assistance Program for renters and homeowners.	<ul style="list-style-type: none"> <li>• Housing for Very Low-Income Households</li> <li>• Housing for Low-Wage Workforce and Seasonal Employee Households</li> <li>• Housing for Moderate-Income Households</li> <li>• Existing Housing Quality</li> </ul>	<ul style="list-style-type: none"> <li>• State</li> <li>• Region</li> <li>• County</li> <li>• City</li> </ul>
Emergency Payment Assistance	Provide mortgage payment assistance, rent assistance, and home weatherization assistance to help households vulnerable to homelessness remain in their homes through economic hardships.	<ul style="list-style-type: none"> <li>• Housing for Very Low-Income Households</li> <li>• Housing for Low-Wage Workforce and Seasonal Employee Households</li> <li>• Homelessness</li> </ul>	<ul style="list-style-type: none"> <li>• Region</li> <li>• County</li> <li>• City</li> </ul>
Reduce Initial Cost Barriers for Renters and Owners	Reduce initial cost barriers for households with incomes between 30 and 80% AMI to enter the housing market through cash supplements, loan guarantees, and other tactics. Develop funding sources such as construction excise taxes and short-term rental taxes/fees.	<ul style="list-style-type: none"> <li>• Housing for Very Low-Income Households</li> <li>• Housing for Low-Wage Workforce and Seasonal Employee Households</li> <li>• Housing for Moderate-Income Households</li> </ul>	<ul style="list-style-type: none"> <li>• Region</li> <li>• County</li> <li>• City</li> </ul>
Outreach and Education about Property Maintenance Programs	Conduct regional education and outreach efforts to disseminate information on existing property maintenance programs, energy efficiency upgrades, revolving loan funds, and other relevant topics. Residents' increased knowledge of these programs provides them with tools to help them maintain housing stability.	<ul style="list-style-type: none"> <li>• Housing for Low-Wage Workforce and Seasonal Employee Households</li> <li>• Housing for Moderate-Income Households</li> <li>• Existing Housing Quality</li> </ul>	<ul style="list-style-type: none"> <li>• Region</li> <li>• County</li> <li>• City</li> </ul>

**Table 6-1. Affordable Housing Strategies (continued)**

Strategy	Description	Issues Addressed	Geographic Applicability
Require Local Property Management	To address absentee landlords, require all landlords to have local property management.	<ul style="list-style-type: none"> <li>• Housing for Very Low-Income Households</li> <li>• Housing for Low-Wage Workforce and Seasonal Employee Households</li> <li>• Existing Housing Quality</li> </ul>	<ul style="list-style-type: none"> <li>• County</li> <li>• City</li> </ul>
Rental Inspection Program	Rental properties are required to be permitted and are periodically inspected to ensure that they meet minimum requirements for health and safety.	<ul style="list-style-type: none"> <li>• Housing for Very Low-Income Households</li> <li>• Housing for Low-Wage Workforce and Seasonal Employee Households</li> <li>• Housing for Moderate-Income Households</li> <li>• Existing Housing Quality</li> </ul>	<ul style="list-style-type: none"> <li>• County</li> <li>• City</li> </ul>
Landlord-Tenant Reciprocity Program	Develop a reciprocity system wherein participating landlords rent units at affordable rates to skilled tradespeople who perform property maintenance services in return. Rather than a rental inspection by local government, tenants complete and file an annual inspection report and landlords submit a review of their tenants.	<ul style="list-style-type: none"> <li>• Housing for Low-Wage Workforce and Seasonal Employee Households</li> <li>• Housing for Moderate-Income Households</li> <li>• Existing Housing Quality</li> </ul>	<ul style="list-style-type: none"> <li>• Region</li> <li>• County</li> <li>• City</li> </ul>
Institute Rent Control	Under Oregon’s statewide rent control law, year-over-year rent increases are limited to 7% plus inflation for tenants remaining in their units. However, state law also prevents local governments from passing stronger rent control ordinances of their own, an aspect of the law some groups may advocate against.	<ul style="list-style-type: none"> <li>• Housing for Very Low-Income Households</li> <li>• Housing for Low-Wage Workforce and Seasonal Employee Households</li> <li>• Housing for Moderate-Income Households</li> </ul>	<ul style="list-style-type: none"> <li>• State</li> <li>• Region</li> <li>• County</li> <li>• City</li> </ul>
Ban No Cause Evictions	Legislation would require landlords to show cause in order to evict a tenant from a rental property. This minimizes retaliatory or discriminatory eviction filings, provides tenants greater housing stability, and ensures they are not evicted simply so the landlord can rent the same unit for more to a different tenant.	<ul style="list-style-type: none"> <li>• Housing for Very Low-Income Households</li> <li>• Housing for Low-Wage Workforce and Seasonal Employee Households</li> <li>• Housing for Moderate-Income Households</li> <li>• Homelessness</li> </ul>	<ul style="list-style-type: none"> <li>• State</li> <li>• Region</li> <li>• County</li> <li>• City</li> </ul>
Rental Risk Mitigation Funds	Risk mitigation funds offer financial assurances to landlords who rent to individuals that are homeless, receive rental assistance, or have a history of poor credit, criminal convictions, or evictions. These guarantees provide incentives to landlords to accept tenants that would otherwise be denied housing based on financial risk.	<ul style="list-style-type: none"> <li>• Housing for Very Low-Income Households</li> <li>• Housing for Low-Wage Workforce and Seasonal Employee Households</li> <li>• Homelessness</li> </ul>	<ul style="list-style-type: none"> <li>• Region</li> <li>• County</li> <li>• City</li> </ul>

**Table 6-1. Affordable Housing Strategies (continued)**

Strategy	Description	Issues Addressed	Geographic Applicability
Master Lease Agreements	A nonprofit organization holds a master lease on a portfolio of units across multiple properties and subleases them to tenants with criminal backgrounds, credit issues, eviction histories, or other risk factors, assuming the risk of housing the risky tenants in existing private-market units.	<ul style="list-style-type: none"> <li>• Housing for Very Low-Income Households</li> <li>• Housing for Low-Wage Workforce and Seasonal Employee Households</li> <li>• Homelessness</li> </ul>	<ul style="list-style-type: none"> <li>• Region</li> <li>• County</li> <li>• City</li> </ul>
Landlord-Tenant Telephone Help Line	Improved communication and conflict resolution could prevent legal proceedings, including evictions, which could save landlords money and increase tenants' housing stability.	<ul style="list-style-type: none"> <li>• Housing for Very Low-Income Households</li> <li>• Housing for Low-Wage Workforce and Seasonal Employee Households</li> <li>• Housing for Moderate-Income Households</li> <li>• Homelessness</li> <li>• Existing Housing Quality</li> </ul>	<ul style="list-style-type: none"> <li>• Region</li> <li>• County</li> <li>• City</li> </ul>
Low Barrier Shelter	Establish a low-barrier shelter designed to house the chronically homeless. One example is Opportunity Village in Eugene, which uses tiny homes.	<ul style="list-style-type: none"> <li>• Homelessness</li> </ul>	<ul style="list-style-type: none"> <li>• Region</li> <li>• County</li> <li>• City</li> </ul>
FUSE Housing Initiatives	Continue efforts to develop low barrier, permanent supportive FUSE (Frequent User Systems Engagement) housing with wrap-around services for frequent users of health, law enforcement, and related services.	<ul style="list-style-type: none"> <li>• Homelessness</li> </ul>	<ul style="list-style-type: none"> <li>• Region</li> <li>• County</li> <li>• City</li> </ul>
Youth Shelter and Jobs Program	Establish year-round day shelter and temporary warming shelter for homeless teens/youth, specifically including LGBTQ youth. Also develop a job corps and/or social enterprise program for homeless youth.	<ul style="list-style-type: none"> <li>• Homelessness</li> </ul>	<ul style="list-style-type: none"> <li>• Region</li> <li>• County</li> <li>• City</li> </ul>
Transitional Housing Program	Housing is needed to fill a transitional role for people who are homeless, but transitioning to permanent, independent housing. Transitional housing allows for independent living with some minimal supports and case management included.	<ul style="list-style-type: none"> <li>• Housing for Very Low-Income Households</li> </ul>	<ul style="list-style-type: none"> <li>• Region</li> <li>• County</li> <li>• City</li> </ul>
Navigation Center for Homeless Individuals and Families	Set up one or more one-stop-shops for homeless individuals and families to access services, legal aid, document assistance, food, and other connections.	<ul style="list-style-type: none"> <li>• Homelessness</li> </ul>	<ul style="list-style-type: none"> <li>• Region</li> <li>• County</li> <li>• City</li> </ul>

# Employer-Assisted Housing (EAH) Programs

## The Concept

In areas where housing is scarce or expensive, EAH programs can help employees find and retain employees while communities benefit from increased investment and stable housing stock.

## The Details

In EAH programs, Employers provide some form of assistance for housing for their employees, which includes a broad range of actions including simple cash incentives for costs such as closing or relocation, mortgage assistance, or supply-side tools such as provision of land, construction financing, or directly housing employees.

Though not a true EAH program, the Aspen Pitkin County Housing Authority (APCHA) provides affordable workforce housing to full-time or seasonal employees who seek housing in proximity to the community where they choose to live and work. With almost 3,000 deed restricted homes under its oversight, APCHA is the largest workforce housing program relative to population in North America.

Abbott Northwestern Hospital in Minneapolis implemented a home ownership assistance program targeted specifically at the surrounding neighborhood, in which properties were in poor condition. Through this program, hospital employees could obtain a \$6,500 forgivable loan to be used toward down payment and closing costs. The loan is forgiven if the employee resides in the home for seven years. While funded by Abbott Northwestern Hospital, the day-to-day operations of the program are facilitated by an area non-profit agency. To date, over a hundred homes have been purchased through this program.

For the City of Seattle, what began as a pilot program of incentives for police officers to live in the city, proved so successful that it was expanded in 1994. The Hometown Home Loan Program is now available to all City of Seattle employees. To avoid the perception of preferential treatment for City employees funded by citizens, the program does not rely on any taxpayer dollars. Instead, the program incentives take the form of reduced closing costs, more flexible loan terms, free home buyer education classes, and individual financial consultation, which are all provided through group volume discounts negotiated with Continental Savings Bank of Seattle. Continental Savings carries the bulk of the program cost. Over 300 employees have purchased homes using the program.

### Issues Addressed

Housing for Low-Wage Workforce and Seasonal Employee Households

Housing for Moderate-Income Households

### Geographic Applicability

Region  
County  
City

### Examples

#### Aspen, CO

<https://www.apcha.org/27/About>

#### Minneapolis, MN

<http://www.cura.umn.edu/sites/cura. advantagelabs.com/files/publications/COPC-003.pdf>

#### Seattle, WA

<http://bgc.pioneerinstitute.org/seattle-hometown-home-loan-program/>

# Transportation Subsidies

## The Concept

Housing costs can be offset by subsidizing transportation costs for residents. Transportation subsidies can be offered by either public agencies or employers. They can be financial, such as free or reduced service charges for mass transit, or services such as vanpools.

## The Details

The Portland Bureau of Transportation (PBOT) is developing and implementing a pilot project for a new transportation incentive package that provides people living in existing affordable housing developments access to free transportation options, like transit passes, bike or scooter share memberships, rideshare and carshare credits. PBOT is partnering with 7 community organizations to provide the incentives for up to 500 residents in the participating housing developments.

Parking Cash Out is a financial incentive offered to employees to encourage the use of commute modes other than driving alone. Commuters can choose to keep an employer-subsidized parking spot at their employment site or accept the approximate cash equivalent of the cost of parking within that facility or system and use an alternative transportation option. SolidFire, a Boulder company with 262 employees, developed a program in which it pays a set amount per month to any employee who foregoes a monthly parking pass. 33% of its employees participate.

The Spokane plant of Boeing employs 600 people, 160 of whom use the company's 12 vanpools to commute. Boeing does not subsidize the vanpool program directly; however, Boeing gives all employees who do not drive to work alone a \$25 monthly subsidy. The Spokane Transit Agency (STA) owns the vans and sets a fee for monthly usage, which is divided among the passengers. The more riders in a vanpool, the lower the cost per rider.



## Issues Addressed

Housing for Very Low-Income Households

Housing for Low-Wage Workforce and Seasonal Employee Households

Housing for Moderate-Income Households

## Geographic Applicability

State  
Region  
County  
City

## Examples

### Portland, OR

<https://www.portlandoregon.gov/transportation/article/710160#q9>

### Boulder, CO

[https://www-static.bouldercolorado.gov/docs/Boulder\\_AMPS\\_Deliverable\\_-\\_EMAIL-1-201707092131.pdf](https://www-static.bouldercolorado.gov/docs/Boulder_AMPS_Deliverable_-_EMAIL-1-201707092131.pdf)

### Spokane, WA

[https://www.bestworkplaces.org/empkit/files/section3/vanpool\\_benefit\\_brief.pdf](https://www.bestworkplaces.org/empkit/files/section3/vanpool_benefit_brief.pdf)

# Home Improvement/Weatherization Grant Education

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## The Concept

Weatherization grants are used to fund energy efficiency measures for existing residential and multifamily housing with income-eligible residents, lowering utility costs and preserving the long-term viability of existing affordable units.

## The Details

The Department of Energy awards grants to state governments, which then contract with local agencies to deliver weatherization services to eligible, low-income residents. State and local agencies typically leverage funding with other federal, state, utility, and private resources to increase the number of homes that can be weatherized. The grants are only effective if eligible residents are aware of them and able to access, so outreach is important.

In Southern Nevada, Housing, Emergency Services, Life Skills, and Prevention (HELP) successfully integrates its weatherization program with its 10 other types of services to fulfill its mission to help clients in any way possible. For example, the LIHEAP program provides clients with energy assistance once a year, but it also requires that the clients apply for weatherization services. Also, HELP employees are trained and authorized to take weatherization and food-stamp applications, to refer children to services, to authorize rent assistance, and to refer clients to worker-training programs.

King County, Washington recommends a variety of outreach methods, including:

1. Informing organizations or advocacy groups that have a special interest in, or regular contact with, persons characterized above.
2. Arranging for applications to be taken by, or at the site of, those organizations or advocacy groups.
3. Placing multi-lingual posters and materials describing the program in public areas and buildings.
4. Placing TV and radio ads to reach people who cannot read and those with limited English skills.
5. Providing interpreters for non-English speaking applicants or applicants with communications handicaps.
6. Working with energy vendors on providing customers with program information.

### Issues Addressed

Housing for Very Low-Income Households

Housing for Low-Wage Workforce and Seasonal Employee Households

Housing for Moderate-Income Households

Existing Housing Quality

### Geographic Applicability

State  
Region  
County  
City

### Examples

#### Southern Nevada

<http://www.helpsonv.org/programs-weatherization.php>

#### King County, WA

<https://www.kcha.org/Portals/0/PDF/Weatherization/Weatherization%20Manual%202015.pdf>

# Landlord-Tenant Telephone Help Line

## The Concept

Improved communication could prevent legal proceedings, including evictions, which could save landlords money and increase tenants' housing stability.

## The Details

Tenants and landlords both benefit when information is available. A service providing opportunities to work through issues before they escalate could benefit both.

In Riverside, CA, The Fair Housing Council (FHCRC) offers services to both landlords and tenants in an effort to resolve disputes arising from the individual's tenancy. FHCRC receives complaints, investigates them, and then attempts to mediate the dispute between the landlord and tenant. FHCRC also hosts educational workshops for both landlords and tenants on their rights and responsibilities under Fair Housing laws.

The Colorado Housing Connects helpline includes bilingual housing navigators, who can field calls on housing-related topics such as renting, buying a home, maintaining a home and more. Volunteers also answer calls for Colorado Housing Connects, offering their expertise in navigating complex tenant-landlord issues.



### Issues Addressed

Housing for Very Low-Income Households

Housing for Low-Wage Workforce and Seasonal Employee Households

Housing for Moderate-Income Households

Homelessness

Existing Housing Quality

### Geographic Applicability

Region

County

City

### Examples

**Riverside, CA**

<https://fairhousing.net/services/>

**Colorado**

<https://theactioncenterco.org/program-services/tenantlandlord-helpline/>

# Rental Risk Mitigation Funds

## The Concept

Risk mitigation funds offer financial assurances to landlords who rent to individuals that are homeless, receive rental assistance, or have a history of poor credit, criminal convictions, or evictions. These guarantees provide incentives to landlords to accept tenants that would otherwise be denied housing based on financial risk.

## The Details

Limited housing supply and tenant screening present significant barriers to housing for populations that are most vulnerable to experiencing homelessness. Risk mitigation funds attempt to eliminate these barriers by offsetting the financial risks to the landlord. Risk mitigation funds can cover damage to property, unpaid rent, security deposits, and legal fees. Landlords register as a participant in the program and can then file claims to receive reimbursement.

The state of Oregon implemented the Housing Choice Vouchers: Landlord Guarantee Assistance program in 2014 to provide reimbursement for property damages, legal fees, unpaid rent, and lease-break fees to landlords that leased to tenants through Housing Choice Voucher (HCV) or Veterans Affairs Supportive Housing (VASH). The program is administered by Oregon Housing and Community Services.



The city of Portland funds the Landlord Recruitment and Retention Program (LRRP) as part of the larger program to combat veteran homelessness called A Home for Every Veteran. LRRP is managed by JOIN a nonprofit organization. In addition to reimbursing landlords for damages and unpaid rent, access to a 24/7 hotline for landlords, extensive outreach and engagement, and case management are components to the program.

The state of Washington signed into law in 2018 the Landlord Mitigation Program that offers landlords with tenants receiving rental assistance up to \$1,000 in reimbursement for required move-in upgrades, up to fourteen days' rent loss, and up to \$5,000 in damages. The program is administered by the Department of Commerce.

### Issues Addressed

Housing for Very Low-Income Households

Housing for Low-Wage Workforce and Seasonal Employee Households

Homelessness

### Geographic Applicability

Region

County

City

### Examples

#### State of Oregon

[www.oregon.gov/ohcs/pages/housing-choice-landlord-guarantee-assistance.aspx](http://www.oregon.gov/ohcs/pages/housing-choice-landlord-guarantee-assistance.aspx)

#### Portland, OR

[https://www.usich.gov/resources/uploads/asset\\_library/Risk\\_mitigation\\_funds\\_community\\_profiles.pdf](https://www.usich.gov/resources/uploads/asset_library/Risk_mitigation_funds_community_profiles.pdf)

#### State of Washington

[www.commerce.wa.gov/building-infrastructure/housing/landlord-mitigation-program/](http://www.commerce.wa.gov/building-infrastructure/housing/landlord-mitigation-program/)

#### Community Profiles

[https://www.usich.gov/resources/uploads/asset\\_library/Risk\\_mitigation\\_funds\\_community\\_profiles.pdf](https://www.usich.gov/resources/uploads/asset_library/Risk_mitigation_funds_community_profiles.pdf)

# Low Barrier Shelters

## The Concept

Low-barrier shelters operate 24/7 and provide immediate housing for anyone who is in need regardless of their situation or condition. Shelters that restrict access based on sobriety, health, pets, family members, and other preconditions can prevent people from receiving services or treatment that are medically necessary and prolong chronic homelessness of some individuals. Low-barrier shelters service people that are denied entry into or banned from other shelters.

## The Details

Low-barrier shelters offer the most vulnerable population an opportunity to be connected with services and basic amenities. Low-barrier shelters are critical in reaching individuals who are chronically homeless and providing shelter during adverse weather. Availability of low-barrier shelters are seen as particularly important in cold climates because of the possibility of life-threatening temperatures.

The first Navigation Center, a low-barrier shelter, opened in San Francisco in 2015 and soon expanded to different locations including Seattle. Case workers are available at these shelters to connect people with services. Access to Navigation Centers are granted through referrals by Department of Homelessness and Supportive Housing. The Seattle location opened in 2017 and have placed 72 percent of their clients into housing after a year.

The city of Colorado Springs approved \$500,000 in 2018 to provide 370 more low-barrier beds to existing shelters as part of their HelpCOS Homelessness Action Plan. The plan also calls for the construction of a new low-barrier family shelter and implementation of a pilot collaborative homeless outreach program.



**Issues Addressed**

Homelessness

**Geographic Applicability**

Region  
County  
City

**Examples**

**Navigation Centers**  
<https://www.sfchronicle.com/bbayare/article/SF-s-homeless-navigation-centers-seem-to-be-13025012.php>

**Colorado Springs, CO**  
[https://gazette.com/news/colocolo-springs-city-council-oks-for-shelter-beds/article\\_cd1bf76c-cc0b-11e8-aa02-2f18fc939b3a.html](https://gazette.com/news/colocolo-springs-city-council-oks-for-shelter-beds/article_cd1bf76c-cc0b-11e8-aa02-2f18fc939b3a.html)

**Colorado Springs Homelessness Initiative**  
[https://coloradosprings.gov/sites/default/files/inline-images/homelessness\\_initiative\\_20190212\\_0.pdf](https://coloradosprings.gov/sites/default/files/inline-images/homelessness_initiative_20190212_0.pdf)

# Short-Term Rental Regulation

## The Concept

Short-term rental properties, often listed through sites like Airbnb, VRBO, and HomeAway, consume existing housing stock that could otherwise be available for occupancy by local residents. Regulations imposed on these properties can limit the number of such properties operated by a particular owner, assess registration fees or occupancy taxes to fund development of affordable housing.

## The Details

In a market where demand exceeds the local housing supply, the scarcity of dwellings available for sale or rent drives up housing costs. The growing short-term rental phenomenon further constrains supply by converting residential housing units into short-term lodging, often for tourists.

In Boston, a new ordinance regulating short-term rentals commonly found on online booking platforms such as Airbnb went into effect in 2019. To reduce the number of dwellings eligible to be rented as short-term vacation lodging, the ordinance requires that homeowners must actually occupy their units in order to rent them, eliminating investors from assembling portfolios of multiple short-term rentals. Hosts must also register with the city and pay an annual registration fee that ranges from \$25-\$200.

In addition to limiting the number of rental properties an owner may list as short-term rentals, Seattle's 2017 short-term rental regulations impose a nightly occupancy fee ranging between \$8 and \$14 per night, depending on the type of unit being rented. These fees are expected to generate approximately \$7 million per year for economic development and anti-displacement initiatives in vulnerable Seattle neighborhoods.



### Issues Addressed

Housing for Low-Wage Workforce and Seasonal Employee Households

Housing for Moderate-Income Households

Short-Term Rentals

### Geographic Applicability

County  
City

### Examples

#### Boston, MA

<https://www.boston.gov/departments/inspectional-services/short-term-rentals>

#### Seattle, WA

<https://www.thestranger.com/slog/2017/11/13/25561607/seattle-city-council-passes-per-night-fees-for-short-term-rentals-like-airbnb>

# Developer Incentives

## The Concept

New housing developments and redevelopment of existing housing are often unaffordable for much of the population. Incentives can help encourage developers to provide workforce or permanently affordable housing.

## The Details

In housing markets with rising prices, new developments are able to demand higher rents and purchase prices. Incentives can be designed to either reduce the cost of market-rate housing through reducing development costs or to increase the supply of subsidized housing through offering incentives for providing permanently affordable housing.

Pinellas County, Fla. adopted an expedited permit review process for affordable housing projects, in addition to offering a number of other incentives such as fee waivers and density bonuses. The expedited review process essentially moves affordable housing projects to the top of the queue for review. The Community Development Department certifies proposals as affordable housing developments, provides vouchers for impact and review fee waivers, and monitors the certified developments to ensure compliance with regulations.

The City of Flagstaff may waive certain Building Permit and Planning fees for affordable housing development. The City may also permit the reimbursement of fees tied to Development Fees (Impact Fees). Fee waivers and reimbursements are subject to a sliding scale based on the income group served by the developer. The lower the income group served, the greater the waiver and reimbursement percentages.

Vancouver, Washington began offering impact fee waivers for qualifying affordable housing in 2017.



### Issues Addressed

Housing for Very Low-Income Households

Housing for Low-Wage Workforce and Seasonal Employee Households

Housing for Moderate-Income Households

### Geographic Applicability

County  
City

### Examples

#### Pinellas County, FL

<https://www.pinellascounty.org/community/pdf/AffordableHousingGuide.pdf>

#### Flagstaff, AZ

[https://www.mayorsinnovation.org/images/uploads/pdf/13\\_-\\_Incentive\\_Policy\\_for\\_Affordable\\_Housing.pdf](https://www.mayorsinnovation.org/images/uploads/pdf/13_-_Incentive_Policy_for_Affordable_Housing.pdf)

#### Vancouver, WA

[https://www.cityofvancouver.us/sites/default/files/fileattachments/vmc/titles\\_chapters/20.915.pdf](https://www.cityofvancouver.us/sites/default/files/fileattachments/vmc/titles_chapters/20.915.pdf)

# Targeted Code Enforcement

## The Concept

Code enforcement, defined broadly to include all of the elements involved in obtaining compliance from private owners of problem properties, is a critical element in fighting neighborhood decline, and preserving affordable housing stock. The tool may be targeted to focus on specific types of problem conditions.

## The Details

A strong code enforcement program can ensure that the housing stock is safe for residents. This must be balanced with increases in rents from mandated repairs and possible losses in the housing stock because of mandated demolitions.

In Greensboro, N.C., code enforcement officers work with Greensboro Housing Coalition counselors regularly to minimize dislocation of residents and solve housing problems. GHC counselors notify officers of properties with potential code violations, and officers consult with GHC counselors on complicated cases. The partnership between the City and the GHC demonstrates the value of cooperation to protect the community from the health and safety risks of substandard housing.

A study of the code enforcement program in Memphis, TN, found that most code enforcement requests were in relation to the exterior of the home and focused on single-family areas. Further, there were no tools to prioritize either individual requests or neighborhoods with greater need. Recommended practices include prioritizing health and safety issues as well as perform sweeps of multifamily properties and neighborhoods with high needs. With this increased enforcement, landlord-tenant laws should be reviewed to protect tenants from homelessness.



### Issues Addressed

Housing for Very Low-Income Households

Housing for Low-Wage Workforce and Seasonal Employee Households

Housing for Moderate-Income Households

Homelessness

Existing Housing Quality

### Geographic Applicability

County

City

### Examples

#### Greensboro, NC

[https://www.changelabsolutions.org/sites/default/files/Up-tp-Code\\_Enforcement\\_Guide\\_FINAL-20150527.pdf](https://www.changelabsolutions.org/sites/default/files/Up-tp-Code_Enforcement_Guide_FINAL-20150527.pdf)

#### Memphis, TN

[https://www.urban.org/sites/default/files/publication/99190/strategic\\_housing\\_code\\_enforcement\\_and\\_public\\_health.pdf](https://www.urban.org/sites/default/files/publication/99190/strategic_housing_code_enforcement_and_public_health.pdf)

# Rental Inspections

## The Concept

Rental properties must be permitted and are inspected to ensure that they meet minimum requirements for health and safety.

## The Details

Inspections can be either complaint-based or periodic. Historically, complaint-based inspections were more common, but periodic inspections are becoming more common. They are typically associated with rental registration or licensing programs. A study in North Carolina showed that conducting periodic inspections reduced the number of complaint-based inspections.

In Boulder, a rental license is required to rent a housing unit. Property owners must contract with a licensed home inspector for an inspection. In cases where an inspection uncovers deficiencies that cannot be corrected prior to occupancy, the owner or operator may apply for a temporary license, which is issued for a limited time if the number and severity of violations does not constitute an imminent health and safety hazard to the public or to occupants. Licenses expire and reinspections are required every four years.

In Seattle, rental registration is required for all rental properties. Property owners may use private or municipal inspectors. For multi-tenant buildings, a sample of units is inspected. For buildings with less than 20 units, at least two units are inspected. For buildings with more than 20, 15% of units are inspected.

In Gresham, Oregon, a rental license is required for all rental properties. Units are randomly identified for inspection using a computer program. Property owners and tenants are notified 21 days in advance. Tenant consent is obtained prior to inspection. Property owners are responsible for posting their own 24 hour notice if they wish to accompany the inspector. The property owner and tenant are notified of the results of the inspection.



### Issues Addressed

Housing for Very Low-Income Households

Housing for Low-Wage Workforce and Seasonal Employee Households

Housing for Moderate-Income Households

Existing Housing Quality

### Geographic Applicability

County  
City

### Examples

**Boulder, CO and Seattle, WA**

[https://www.changelabsolutions.org/sites/default/files/Proactive-Rental-Inspection-Programs\\_Guide\\_FINAL\\_20140204.pdf](https://www.changelabsolutions.org/sites/default/files/Proactive-Rental-Inspection-Programs_Guide_FINAL_20140204.pdf)

**Gresham, OR**

<https://greshamoregon.gov/Rental-Housing-Inspections/>

# Tiny Homes

## The Concept

Tiny homes are a fraction of the size of traditional single-family homes and often use efficient construction techniques to further lower construction costs. The small footprint of tiny homes also allows for placement as accessory dwelling units (ADUs) in the yards of existing single-family homes and development of medium-density planned communities on small lots. Limited square footage, low construction costs, and increased residential density are how tiny homes can influence housing affordability in communities.

## The Details

High construction costs and a growing appetite for larger single-family houses have discouraged private markets from building housing that is affordable for low-income households. Tiny homes require significantly less capital to build and the ease of construction allow non-professionals to assist with construction. This provides non-profit organizations an expedient method to produce affordable housing and provide services to residents at low costs.

Non-profit organizations across the country have used tiny homes to house homeless individuals. In 2013, SquareOne Villages in Eugene, Oregon built 30 tiny homes with shared amenities on city-owned land to provide transitional housing for the homeless population. After finding the model to be successful, the organization developed a community with 22 permanent dwelling units that will cost residents between \$250 to \$350 per month.



Several states, counties, and cities have adopted ordinances and programs to allow or encourage the construction of tiny homes, or accessory dwelling units, on existing single-family lots.

Accessory dwelling unit ordinances aim to preserve affordable housing by increasing the supply of housing options and residential density in single-family zoning districts. Accessory dwelling units also fill the supply gap between detached single-family homes and high-density multifamily housing options and provide alternative housing options to moderate-income households.



### Issues Addressed

Housing for Very Low-Income Households

Housing for Low-Wage Workforce and Seasonal Employee Households

Housing for Moderate-Income Households  
Homelessness

### Geographic Applicability

County  
City

### Examples

**SquareOne Villages, Eugene, OR**  
[www.squareonevillages.org](http://www.squareonevillages.org)

**Quixote Village, Olympia, WA**  
[www.quixotecommunities.org](http://www.quixotecommunities.org)

**Backyard Cottages, Seattle, WA**  
[www.seattle.gov/opcd/oongoing-initiatives/encouraging-backyard-cottages](http://www.seattle.gov/opcd/oongoing-initiatives/encouraging-backyard-cottages)

**SB1051, State of Oregon**  
[www.sightline.org/2201/01/10/or-egon-missing-middle-homes-hb-2001/](http://www.sightline.org/2201/01/10/or-egon-missing-middle-homes-hb-2001/)

**Second Dwelling Unit Pilot Program, Los Angeles County, CA**  
[planning.lacounty.gov/secondunit-pilot](http://planning.lacounty.gov/secondunit-pilot)

# Inclusionary Zoning

## The Concept

An inclusionary zoning requirement stipulates that a percentage of the total units in a new multifamily development be set aside for affordable housing. Often an “in-lieu fee” collects revenue to fund other housing affordability initiatives from developers who opt not to set aside the requisite affordable units.

## The Details

In 2017, a statewide ban on inclusionary zoning was lifted by Oregon’s legislature and the concept may be legally implemented in the state. Under current state law, local governments may enact inclusionary zoning ordinances requiring a set-aside of up to 20% of the units in a multifamily structure. These units would have to be sold or rented to households at prices or rents affordable to households up to 80% of the area median income.

Successful inclusionary zoning programs take advantage of communities with strong housing development markets. Where housing demand is high, inclusionary zoning requirements are less likely to deter developers. The program costs virtually nothing to the implementing local government, yet generates a growing inventory of affordable housing units that are in scattered sites and integrated into market rate developments. In the case of Atlanta, the requirement is not applied citywide but only to an overlay district associated with concerns for rapid gentrification. Both Portland and Atlanta’s ordinances include tiers for targeting the affordable set-aside units to lower income brackets. For example, a developer can choose to set aside 20% of her units for households at 80% AMI or just 10% of her units

if those units are targeted to households at 60% AMI. These options provide the developer flexibility in compliance but also incentivize development of more deeply subsidized units.

In Oregon, developers must be allowed the option of paying an “in-lieu fee” rather than set aside affordable units within a housing development. In-lieu fees should be substantial (approximately equivalent to the cost of building the affordable units the developer is choosing to forego) and are typically contributed to a local affordable housing trust fund to be used toward meeting affordable housing goals through other initiatives.



### Issues Addressed

Housing for Low-Wage Workforce and Seasonal Employee Households

Housing for Moderate-Income Households

### Geographic Applicability

County

City

### Examples

#### Boulder, CO

<https://bouldercolorado.gov/housing/ih-program-details>

#### Atlanta, GA

<https://www.atlantaga.gov/government/departments/city-planning/office-of-housing-community-development/inclusionary-zoning-policy>

#### Portland, OR

<https://www.portlandoregon.gov/phb/article/655869>

#### Pasadena, CA

<https://ww5.cityofpasadena.net/planning/wp-content/uploads/sites/56/2018/07/Inclusionary-Housing-Regulations.pdf>