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ECONOMICS



CITY OF SISTERS, OR

**HOUSING AND RESIDENTIAL LAND NEEDS ASSESSMENT
(OREGON STATEWIDE PLANNING GOAL 10)**

**20-YEAR HOUSING NEED
2019 - 2039**

Prepared For:
CITY OF SISTERS, OREGON

June 2019

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INTRODUCTION

This analysis outlines a forecast of housing need within the City of Sisters. Housing need and resulting land need are forecast to 2039 consistent with 20-year need assessment requirements of periodic review. This report presents a housing need analysis (presented in number and types of housing units) and a residential land need analysis, based on those projections.

This report was prepared in accordance with the requirements of OAR 660 Division 8: Interpretation of Goal 10 Housing. This project is funded by the State of Oregon through the Department of Land Conservation and Development. The contents of this document do not necessarily reflect the views or policies of the State of Oregon.

Notes on Data Sources

The primary data sources used in generating this forecast were:

- City of Sisters land and housing inventory
- Portland State University Population Research Center
- U.S. Census
- Environics Analytics Inc.¹
- Oregon Employment Department
- Deschutes County GIS
- Other sources are identified as appropriate.

This analysis reflects the coordinated population forecast from the Oregon Population Forecast Program, at the Population Research Center (PRC) at PSU. State legislation passed in 2013 made the PRC responsible for generating the official population forecasts to be used in Goal 10 housing analyses in Oregon communities outside of the Portland Metro area (ORS 195.033). The population forecasts used in this analysis were generated in 2015.

The current housing inventory and residential Buildable Lands Inventory are based upon records maintained by the City of Sisters, which are updated on a regular basis. This analysis relies on the City inventory dating to the end of March 2019. This inventory is updated on a regular basis as development is forecast to continue at a steady pace in Sisters. Therefore this analysis necessarily provides a snapshot view of the inventory and resulting findings of land need at the time this report was prepared.

This analysis relies heavily on Census data from both the Decennial Census, and the American Community Survey (ACS). Generally, data from the ACS has a larger statistical margin of error than the 10-year Census. This analysis relies whenever possible on the ACS 5-year estimates from 2012-2017. The 5-year estimates have the lowest margin of error in comparison to the ACS 3-year and 1-year estimates. All Census data feature some margin of error but remain the best source of data available on many demographic and housing subjects.

¹ Environics Analytics Inc. is a third-party company providing data on demographics and market segmentation. It licenses data from the Nielson Company which conducts direct market research including surveying of households across the nation. Nielson combines proprietary data with data from the U.S. Census, Postal Service, and other federal sources, as well as local-level sources such as Equifax, Vallassis and the National Association of Realtors. Projections of future growth by demographic segments are based on the continuation of long-term and emergent demographic trends identified through the above sources.

I. CITY OF SISTERS DEMOGRAPHIC PROFILE

SUMMARY

The following table (Figure 1.1) presents a profile of City of Sisters demographics from the 2000 and 2010 Census. This includes the area within the Urban Growth Boundary (UGB) of Sisters, which is mostly contiguous with the city limits. It also presents the estimated population of this area as of July 2018 from PSU estimates.

- Sisters is a City of an estimated 2,767 people, located in Deschutes County in Central Oregon.
- Based on the population, Sisters is roughly the 103rd largest city in the state by population, though is within range of many other similarly sized cities. Within Deschutes County, Sisters is modestly-sized in comparison to Bend, Redmond and the population in unincorporated areas.
- Sisters has experienced strong growth, with the population growing roughly 185% since 2000, an increase of nearly 1,800 people. In contrast, Deschutes County and the state experienced population growth of 59% and 21% respectively. No other part of the county grew at a similar high rate (US Census and PSU Population Research Center)

FIGURE 1.1: SISTERS DEMOGRAPHIC PROFILE

POPULATION, HOUSEHOLDS, FAMILIES, AND YEAR-ROUND HOUSING UNITS					
	2000	2010	Growth	2018	Growth
	(Census)	(Census)	00-10	(PSU)	10-18
Population ¹	974	2,069	112.5%	2,767	33.7%
Households ²	386	862	123.0%	1,144	32.7%
Families ³	244	567	132%	802	41%
Housing Units ⁴	515	1,126	119%	1,476	31%
Group Quarters Population ⁵	4	10	150%	34	240%
<i>Household Size (non-group)</i>	<i>2.51</i>	<i>2.39</i>	<i>-5%</i>	<i>2.39</i>	<i>0%</i>
<i>Avg. Family Size</i>	<i>3.04</i>	<i>2.92</i>	<i>-4%</i>	<i>2.98</i>	<i>2%</i>
PER CAPITA AND MEDIAN HOUSEHOLD INCOME					
	2000	2010	Growth	2018	Growth
	(Census)	(Census)	00-10	(Proj.)	10-18
Per Capita (\$)	\$17,847	\$25,422	42%	\$25,025	-2%
Median HH (\$)	\$35,000	\$49,306	41%	\$56,809	15%

SOURCE: Census, PSU Population Research Center, and Johnson Economics

Census Tables: DP-1 (2000, 2010); DP-3 (2000); S1901; S19301

¹ From PSU Population Research Center, Population Forecast Program, final forecast for Deschutes Co. (2017)

² 2018 Households = (2018 population - Group Quarters Population)/2018 HH Size

³ Ratio of 2018 Families to total HH is based on 2016 ACS 5-year Estimates

⁴ 2018 housing units are the '10 Census total plus new units permitted from '10 through '18 (source: Census, Cities)

⁵ Ratio of 2018 Group Quarters Population to Total Population is kept constant from 2010. Group Quarters total does not include 62 units of assisted living soon to be completed at The Lodge development.

- The Sisters UGB was home to an estimated 1,144 households in 2018, an increase of roughly 660 households since 2000. The percentage of family households has grown between 2000 and 2018 from

63% to 70%. The city has a larger share of family households than Deschutes County (67%) and the state (63%).

- Sisters’ estimated average household size as of the 2010 Census was 2.39 persons, less than in 2000. This is lower than the Deschutes County average of 2.5 and the statewide average of 2.47.

A. POPULATION GROWTH

Since 2000, Sisters has grown by roughly 1,800 people within the UGB, or 184% in 18 years. This is a much higher growth rate than was seen in the rest of the county (59%), and the state (21%).

B. HOUSEHOLD GROWTH & SIZE

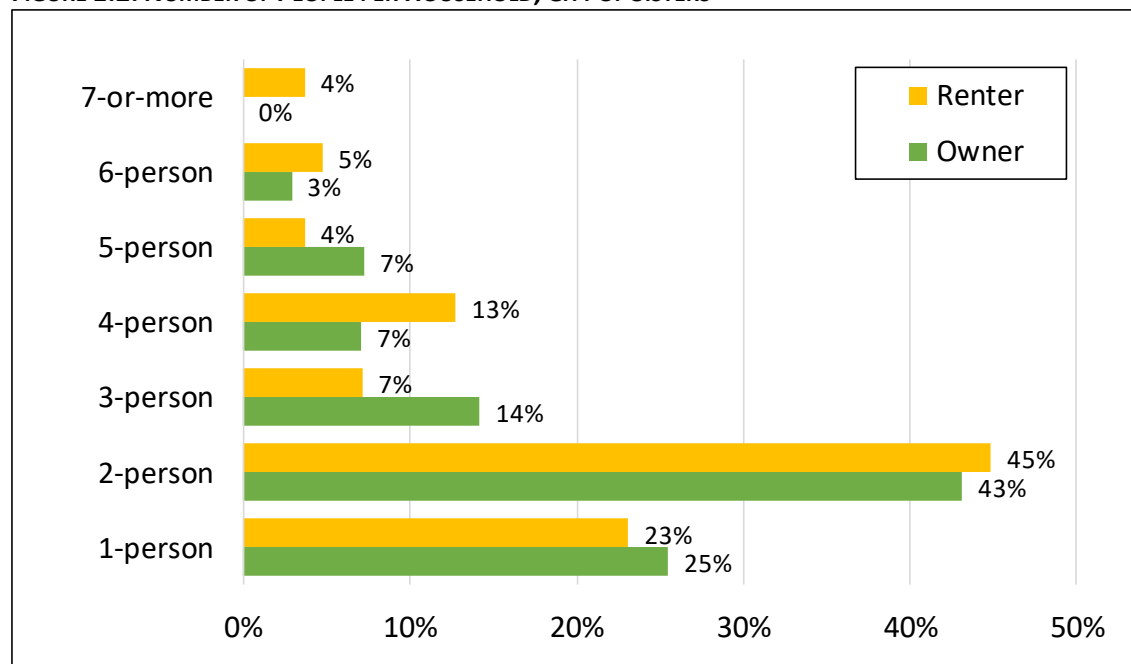
As of 2018, the city has an estimated 1,144 households. Since 2000, Sisters has added an estimated 760 households, or 196% growth. A household is defined as all the persons who occupy a single housing unit, whether or not they are related.

Household growth has kept pace with population growth reflecting a stable average household size. There has been a general trend in Oregon and nationwide towards declining household size as birth rates have fallen, more people have chosen to live alone, and the Baby Boomers have become empty nesters. While this trend of diminishing household size is expected to continue nationwide, there are limits to how far the average can fall. Sisters has resisted this trend in recent years.

Sisters’ average household size of 2.39 people is smaller than Deschutes County (2.5). (This analysis uses the average household size from the 2010 census as a conservative assumption, as the figure from the ACS has a larger margin of error, and other aspects of this analysis have cast doubt on the reliability of that figure.)

Figure 1.2 shows the share of households by the number of people for renter and owner households in 2017 (latest available), according to the Census. Renter households are more likely to have three or fewer persons. Owner households are somewhat more likely to have larger households.

FIGURE 1.2: NUMBER OF PEOPLE PER HOUSEHOLD, CITY OF SISTERS



SOURCE: US Census, JOHNSON ECONOMICS LLC
Census Tables: B25009 (2017 ACS 5-yr Estimates)

C. FAMILY HOUSEHOLDS

As of the 2017, the Census estimated that 70% of Sisters households were family households, a higher share than in 2000. The Census defines family households as two or more persons, related by marriage, birth or adoption and living together. The total number of family households in Sisters is estimated to have grown by 560 since 2000. This is 73% of all new households in this period.

The average family household tends to be larger than the average of all household types. In 2017, family households in Sisters had an average size of 2.98 people, compared to an average of 2.39 people for all households (family and non-).

D. HOUSING UNITS

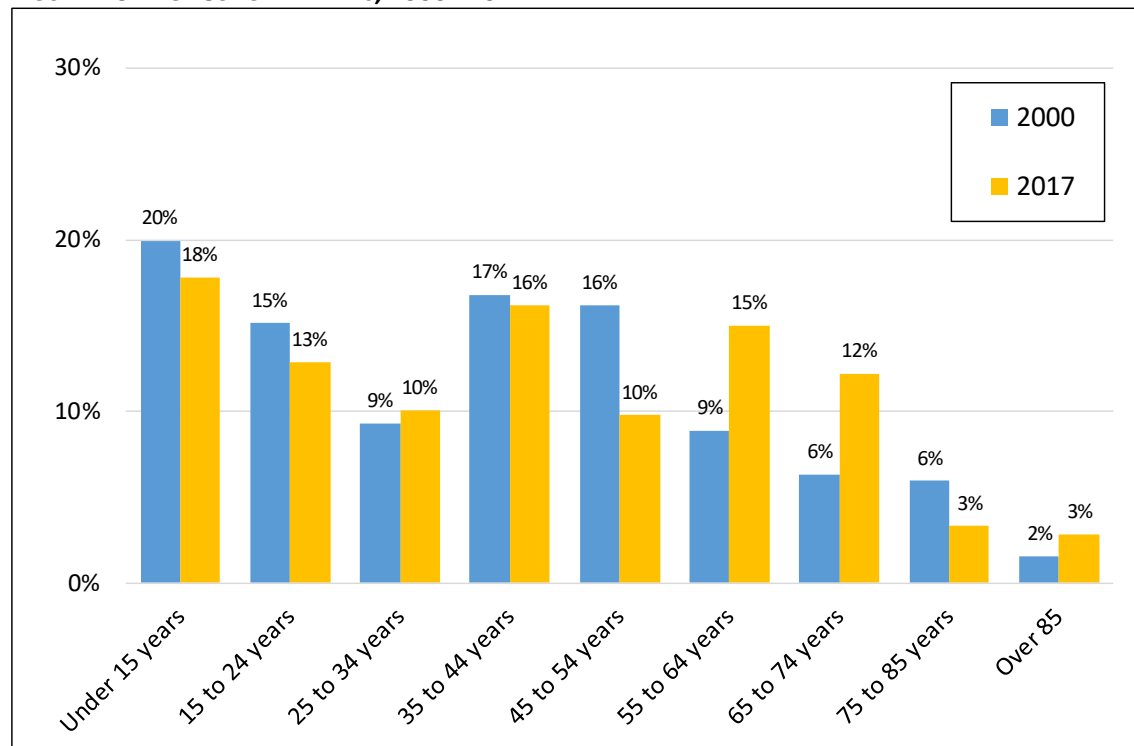
Data from the City of Sisters and the US Census indicate that the city added a little over 350 new housing units since 2010 within the UGB. At the same time, the city has added an estimated 282 households, meaning the production of new housing in the community has outpaced the growth in resident households in recent years.

As of March 2019, the city had an estimated housing stock of roughly 1,476 units for its 1,144 estimated households (source: City of Sisters' inventory). Over 750 additional units are current under construction or entitled. This implies a high vacancy rate of 22.5%. This high rate reflects the prevalence of vacation homes and investment properties in the community.

E. AGE TRENDS

The following figure shows the share of the population falling in different age cohorts between the 2000 Census and the most recent 5-year estimates. As the chart shows, there is a general trend of growth among those aged 55 and older. Those in the younger and middle age cohorts fell as a share of total population. Going forward, the older age groups are projected to continuing increasing in share, in keeping with the national trend caused by the aging of the Baby Boom generation.

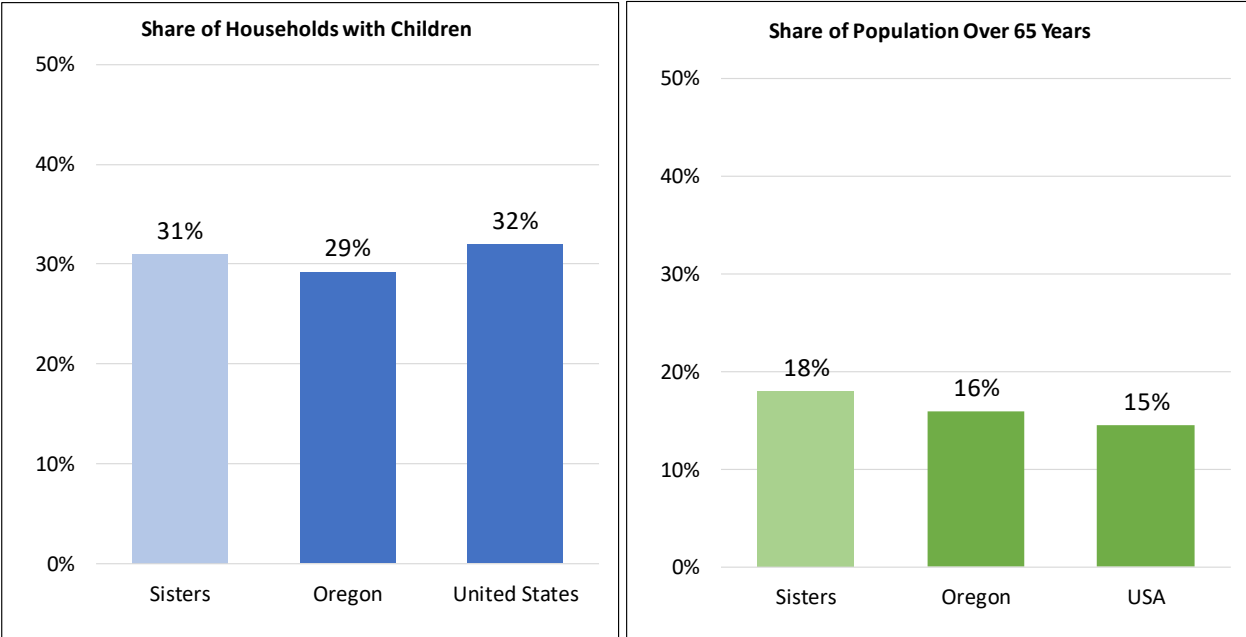
FIGURE 1.3: AGE COHORT TRENDS, 2000 - 2017



SOURCE: US Census, JOHNSON ECONOMICS LLC
Census Tables: QT-P1 (2000); S0101 (2017 ACS 5-yr Estimates)

- The cohorts that grew in share during this period were those aged 55 and older. An estimated 33% of the population is in this group, while 67% are younger.
- In the 2017 ACS, the local median age was an estimated 40 years, compared to 42 years in Deschutes County, and 39 years in Oregon.
- Figure 1.4 presents the share of households with children, and the share of population over 65 years for comparison. Compared to county and state averages, Sisters has a similar share of households with children and a larger share of the population over 65.

FIGURE 1.4: SHARE OF HOUSEHOLDS WITH CHILDREN/ POPULATION OVER 65 YEARS (SISTERS)



SOURCE: US Census, JOHNSON ECONOMICS LLC
 Census Tables: B11005; S0101 (2017 ACS 5-yr Estimates)

F. INCOME TRENDS

The following figure presents data on income trends in Sisters.

FIGURE 1.5: INCOME TRENDS, 2000 – 2018

PER CAPITA AND MEDIAN HOUSEHOLD INCOME					
	2000	2010	Growth	2018	Growth
	(Census)	(Census)	00-10	(Proj.)	10-18
Per Capita (\$)	\$17,847	\$25,422	42%	\$25,025	-2%
Median HH (\$)	\$35,000	\$49,306	41%	\$56,809	15%

SOURCE: Census, PSU Population Research Center, and Johnson Economics
 Census Tables: DP-1 (2000, 2010); DP-3 (2000); S1901; S19301

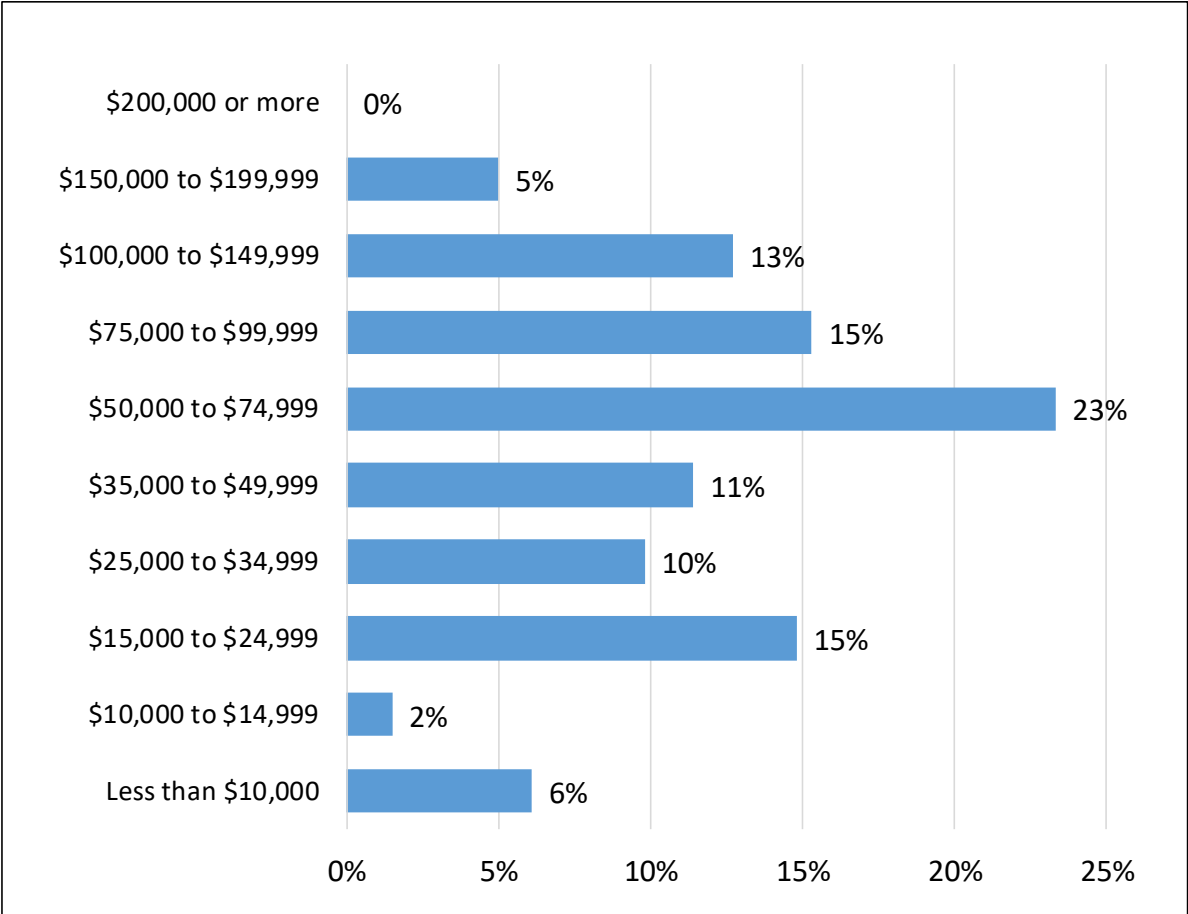
- Sisters’ estimated median household income was \$56,800 in 2018. This has risen significantly from the estimated median in 2010 and is slightly lower than the Deschutes County median of \$59,150.
- Sisters’ per capita income is \$25,000.

- Median income has grown an estimated 62% between 2000 and 2018, in real dollars. Inflation was an estimated 57% over this period. The local median income has outpaced inflation during this period, defying the regional and nationwide trend. The growth in income is likely attributed to new households that are relatively more affluent on average than existing households, as well as the nature of some of the blue-collar employment that has been created in Sisters in recent years, which is often higher-paid than service-industry employment.

Figure 1.6 presents the estimated distribution of households by income as of 2017. The largest income cohorts are those households earning between \$15 and \$25k, between \$50k and \$75k, and between \$75k to \$100k.

- 44% of households earn less than \$50k per year, while 56% of households earn \$50k or more.
- 22% of households earn \$25k or less.

FIGURE 1.6: HOUSEHOLD INCOME COHORTS, 2017



SOURCE: US Census
 Census Tables: S1901 (2017 ACS 5-yr Est.)

G. POVERTY STATISTICS

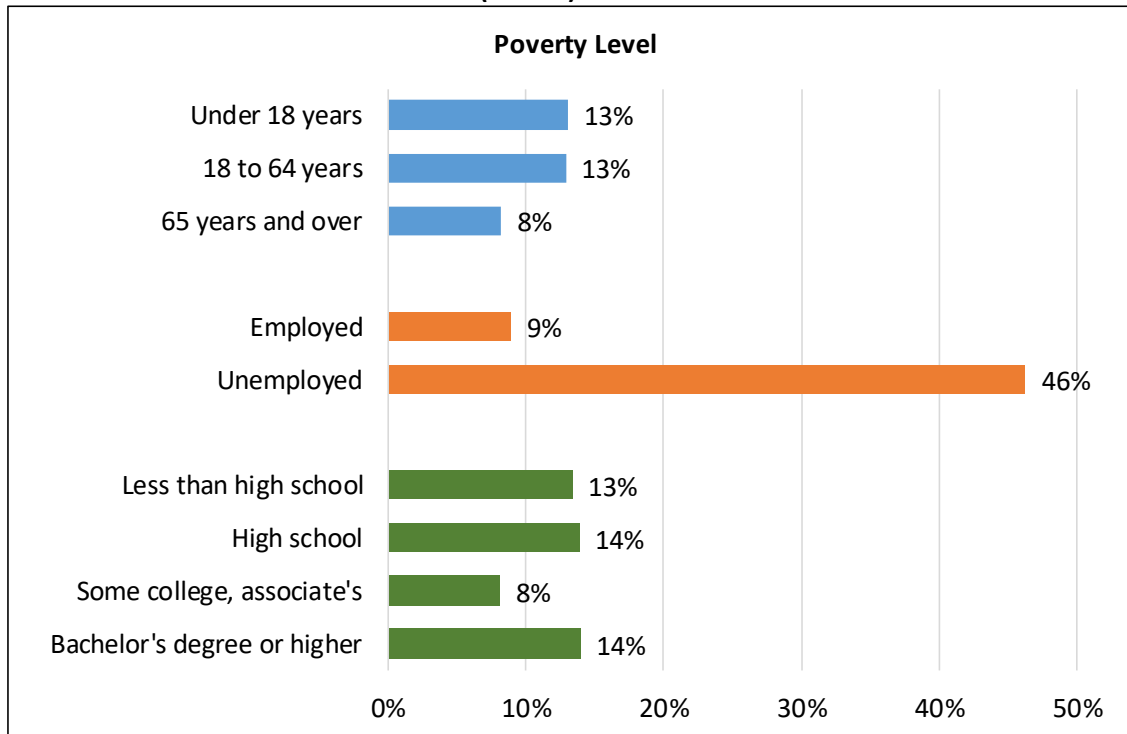
According to the US Census, the official poverty rate in Sisters is an estimated 12% over the most recent period reported (2017 5-year estimates).² This is roughly 295 individuals in Sisters. In comparison, the official poverty rate in Deschutes County is also 12%, and at the state level is 17%.

² Census Tables: S1701 (2017 ACS 5-yr Estimates)

In the 2013-17 period:

- Sisters' poverty rate is highest among children and those 18 to 64 years of age at 13%. The rate is lowest for those 65 and older at 8%.
- There is not a lot of variation among poverty rates based on employment level. For those without a high school diploma the poverty rate is 13%. For those with a high school diploma only, the estimated rate is 14%. For those with some college education the poverty rate is lower at 8%.
- Among those who are employed the poverty rate is 9%, while it is 46% for those who are unemployed.
- Information on affordable housing is presented in the following section of this report.

FIGURE 1.7: POVERTY STATUS BY CATEGORY (SISTERS)



SOURCE: US Census
Census Tables: S1701 (2017 ACS 5-yr Est.)

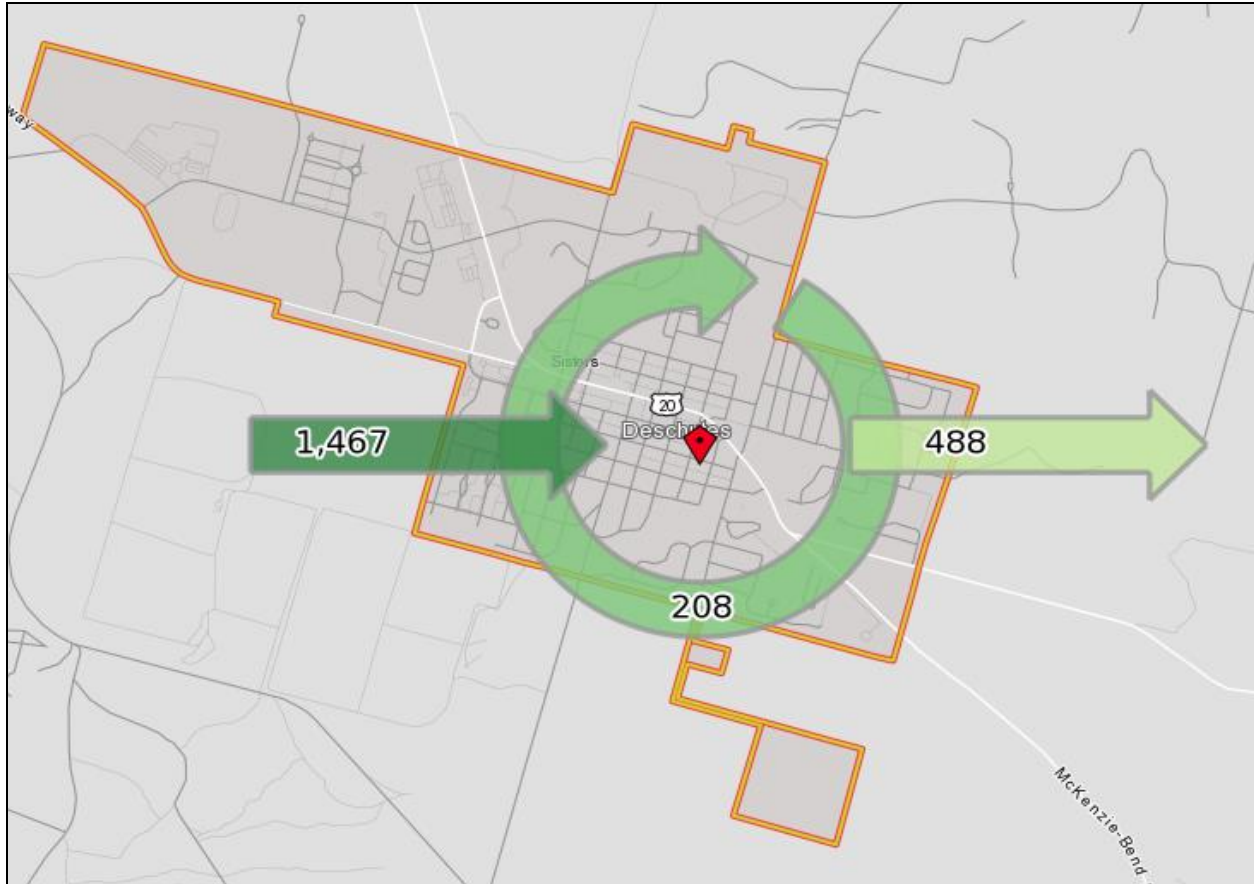
H. EMPLOYMENT LOCATION TRENDS

This section provides an overview of employment and industry trends in Sisters that are related to housing.

Commuting Patterns: The following figure shows the inflow and outflow of commuters to Sisters according to the Census Employment Dynamics Database. As of 2015, the most recent year available, the Census estimated there were roughly 1,675 jobs located in Sisters. Relatively few are held by local residents, while nearly 1,470 employees commute into the city from elsewhere. This pattern is fairly common among many communities. While Census data is incomplete, it seems that most local workers commuting into the city live in Bend, Redmond, or Black Butte Ranch.

Of the estimated 700 employed Sisters residents, over 70% of them commute elsewhere for employment. Many of these residents commute to Bend and Redmond.

FIGURE 1.8: COMMUTING PATTERNS (PRIMARY JOBS), SISTERS



Source: US Census Longitudinal Employer-Household Dynamics

Jobs/Household Ratio: Sisters features a jobs-to-households ratio of 1.6 jobs per household. This means that there is a high number of jobs compared to local households, and many workers commuting into the community. There is no “right” jobs/housing ratio, but it is an indicator of the balance of employment activity to residential uses in the community. In this case, it is an indicator that more local employees could be in the market for housing in the community itself.

There are an estimated 1,675 jobs in the city of Sisters, and an estimated 696 Sisters residents in the labor force (as opposed to *households* discussed above). This represents roughly 2.4 job per working adult. This estimated local workforce also indicates that there are many non-working households in the community, including many retirees.

II. CURRENT HOUSING CONDITIONS

The following figure presents a profile of the current housing stock and market indicators in Sisters. This profile forms the foundation to which current and future housing needs will be compared.

A. HOUSING TENURE

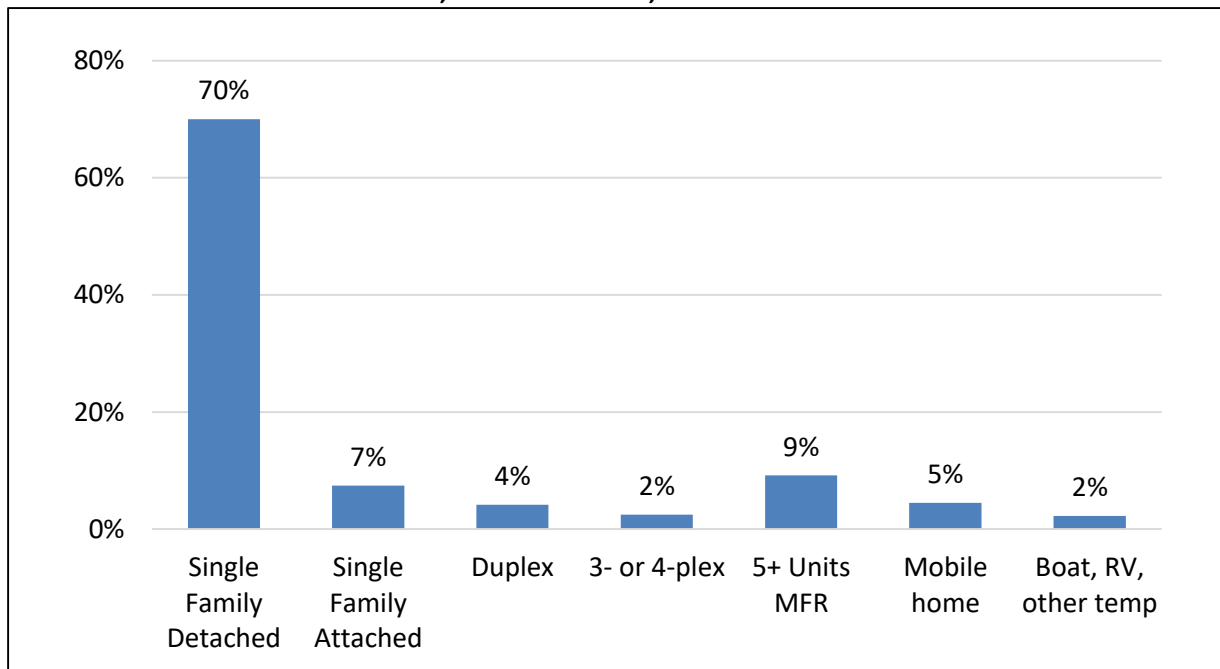
Sisters has a larger share of owner households than renter households among permanent residents. The 2017 American Community Survey estimates that 55% of occupied units were owner occupied, and 45% renter occupied. The estimated ownership rate is higher in Deschutes County (65%).

The ownership rate in Sisters has fallen from 58% since 2000. During this period the statewide rate fell from 64% to 61%. Nationally, the homeownership rate has nearly reached the historical average of 65%, after the rate climbed from the late 1990's to 2004 (69%).

B. HOUSING STOCK

As shown in Figure 1.1, Sisters UGB had an estimated 1,476 housing units in 2018, with an estimated vacancy rate of 22.5%.

FIGURE 2.1: ESTIMATED SHARE OF UNITS, BY PROPERTY TYPE, 2017



SOURCE: City of Sisters, Census ACS 2017

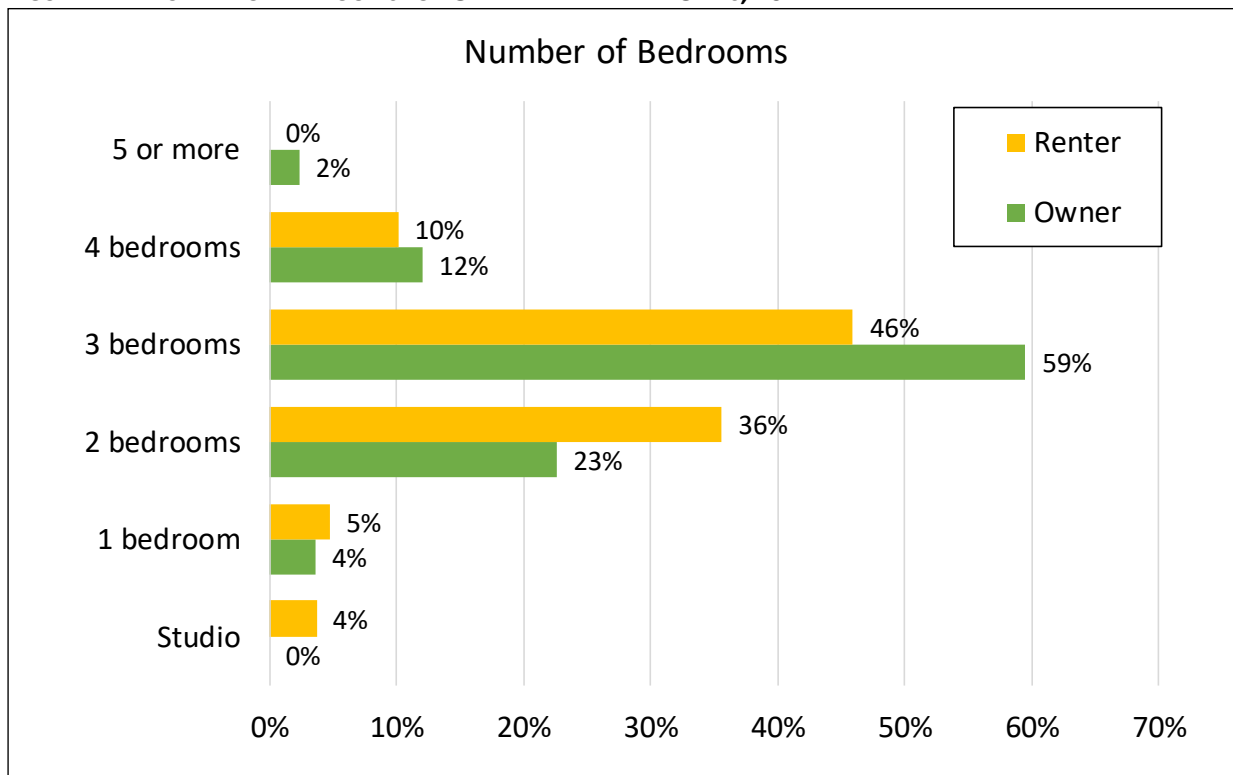
Figure 2.1 shows the estimated share of units by type as of March 2019. Detached single-family homes represent an estimated 70% of housing units.

Units in larger apartment complexes of 5 or more units represent 9% of units, and other types of attached homes represent an additional 13% of units. (Attached single family generally includes townhomes, some condo flats, and plexes which are separately metered.) Mobile homes represent 5% of the inventory, and households living in RVs represent an estimated 2%.

C. NUMBER OF BEDROOMS

Figure 2.2 shows the share of units for owners and renters by the number of bedrooms they have. Owner-occupied units are more likely to have three or more bedrooms, while renter occupied units are more likely to have two or fewer bedrooms.

FIGURE 2.2: NUMBER OF BEDROOMS FOR OWNER AND RENTER UNITS, 2017



SOURCE: US Census
 Census Tables: B25042 (2017 ACS 5-year Estimates)

D. UNIT TYPES BY TENURE

As Figure 2.3 and 2.4 show, a large share of owner-occupied units (80%) are detached homes, or mobile homes (3%). Renter-occupied units are more distributed among a range of structure types. 81% of rented units are estimated to be either detached homes or mobile homes, while the remainder are some form of attached unit. An estimated 12% of rental units are in larger apartment complexes.

FIGURE 2.3: CURRENT INVENTORY BY UNIT TYPE, FOR OWNERSHIP AND RENTAL HOUSING

OWNERSHIP HOUSING

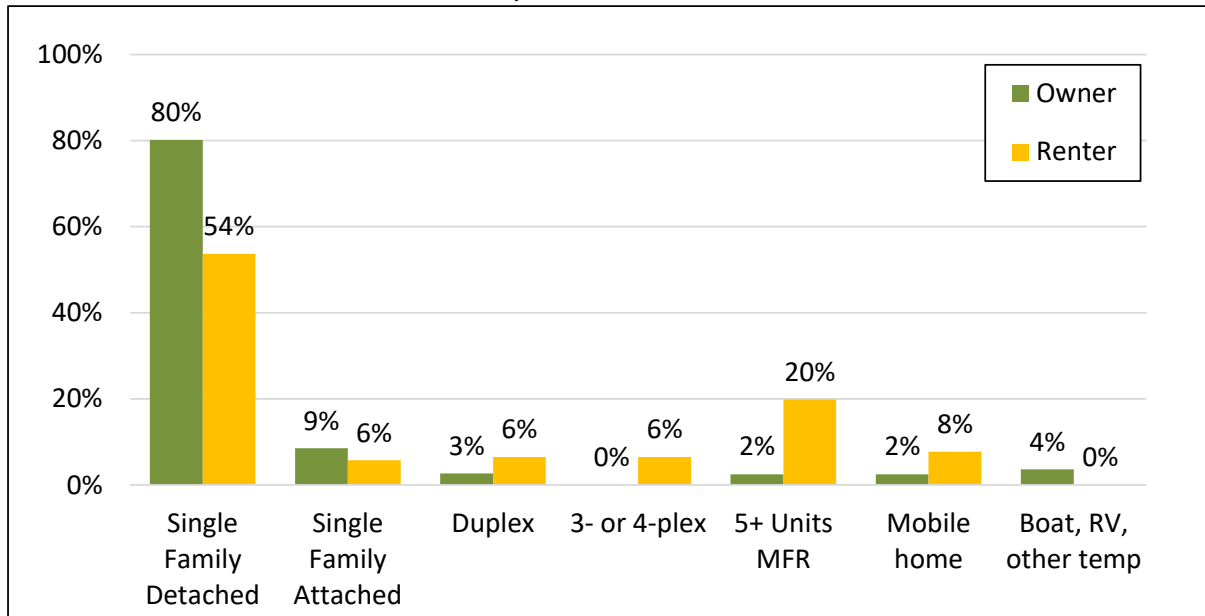
OWNERSHIP HOUSING								
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units
Totals:	729	77	25	0	23	23	33	910
Percentage:	80.2%	8.5%	2.7%	0.0%	2.5%	2.5%	3.6%	100.0%

RENTAL HOUSING

RENTAL HOUSING								
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units
Totals:	304	32	37	37	112	44	0	566
Percentage:	53.7%	5.7%	6.5%	6.5%	19.9%	7.7%	0.0%	100.0%

Sources: US Census, JOHNSON ECONOMICS, CITY OF SISTERS

FIGURE 2.4: CURRENT INVENTORY BY UNIT TYPE, BY SHARE

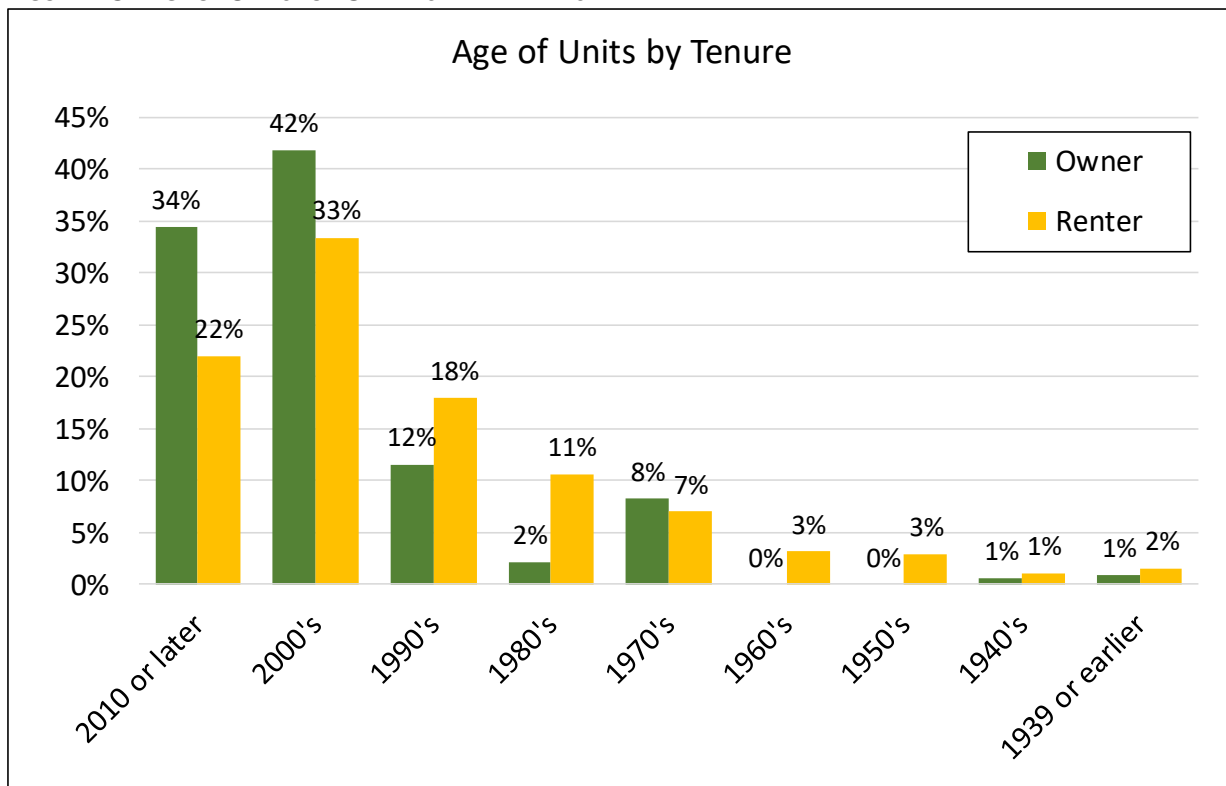


Sources: US Census, JOHNSON ECONOMICS, CITY OF SISTERS

E. AGE OF HOUSING STOCK

Sisters’ housing stock reflects the pattern of development in the area over time. 69% of the housing stock was built post-2000. Roughly a quarter of the stock was built from the 1970’s to the 1990’s. Only a small share was built in 1960’s and earlier. The following figure shows that owners are more likely to live in newer housing, while more rental housing dates to prior periods.

FIGURE 2.5: AGE OF UNITS FOR OWNERS AND RENTERS



SOURCE: US Census
 Census Tables: B25036 (2017 ACS 5-year Estimates)

F. HOUSING COSTS VS. LOCAL INCOMES

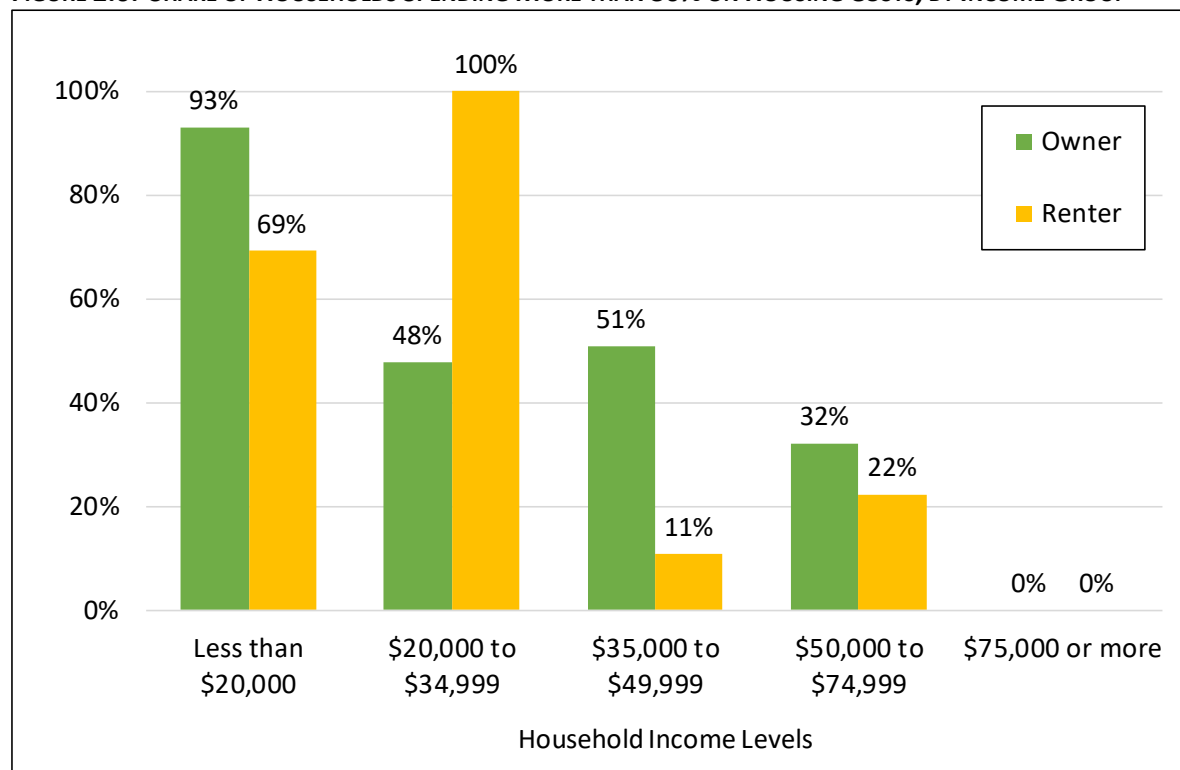
Figure 2.6 shows the share of owner and renter households who are paying more than 30% of their household income towards housing costs, by income segment. (Spending 30% or less on housing costs is a common measure of “affordability” used by HUD and others, and in the analysis presented in this report.)

In total, the US Census estimates that 33% of Sisters households pay more than 30% of income towards housing costs (2017 ACS, B25106).

As one would expect, households with lower incomes tend to spend more than 30% of their income on housing, while incrementally fewer of those in higher income groups spend more than 30% on their incomes on housing costs. Of those earning less than \$20,000, an estimated 93% of owner households and 69% of renters spend more than 30% of income on housing costs. The lower share of renter households may be due to the available affordable rental housing in the community for households at this income level.

Households in higher income categories are increasingly less likely to spend more than 30% on housing costs.

FIGURE 2.6: SHARE OF HOUSEHOLDS SPENDING MORE THAN 30% ON HOUSING COSTS, BY INCOME GROUP

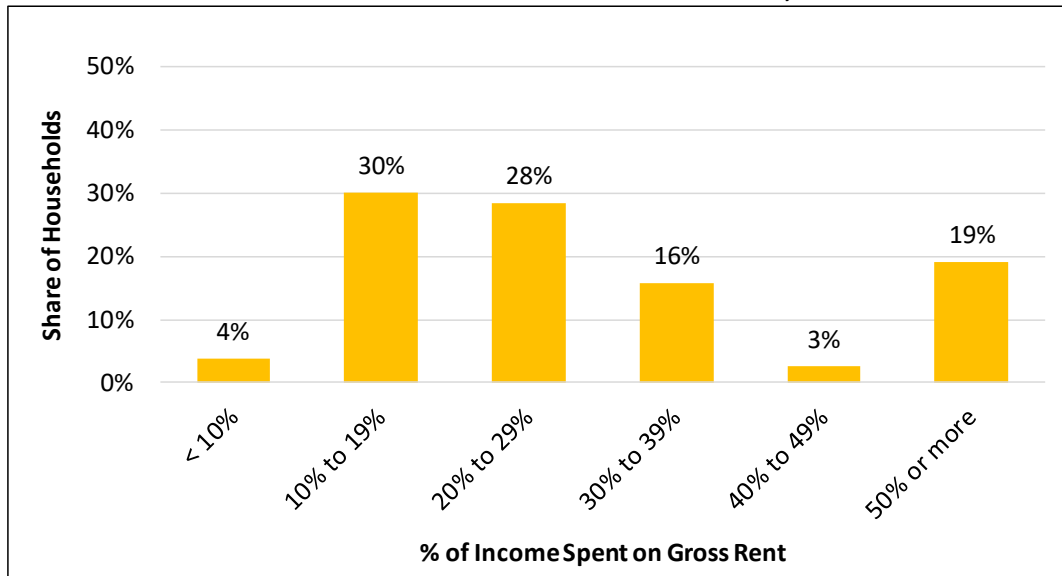


Sources: US Census, JOHNSON ECONOMICS
Census Table: B25106 (2017 ACS 5-yr Estimates)

Figure 2.7 shows the percentage of household income spent towards gross rent for local renter households only. This more fine-grained data shows that 38% of renters spending more than 30% of their income on rent, with an estimated 19% of renters are spending 50% or more of their income.

Renters are disproportionately lower income relative to homeowners. The burden of housing costs is felt more broadly for these households, and as the analysis presented in later section shows there is a need for more affordable rental units in Sisters, as in most communities.

FIGURE 2.7: PERCENTAGE OF HOUSEHOLD INCOME SPENT ON GROSS RENT, SISTERS RENTER HOUSEHOLDS



Sources: US Census, JOHNSON ECONOMICS
Census Table: B25070 (2017 ACS 5-yr Estimates)

G. PUBLICLY-ASSISTED HOUSING

Affordable Housing Goal: Sisters has an adopted goal that 10% of its housing units should be affordable. Based on the current inventory estimate, this would be roughly 160 units. It is estimated that including affordable rental and ownership housing there are 134 existing units, 3 under construction and 34 proposed in Sisters, which would be roughly 11.5% of the current housing inventory.

Currently Sisters is home to 81 rent-subsidized units in Ponderosa Heights and Tamarack Village. This represents roughly 5.5% of the city's total housing stock, and 14% of the rental housing stock.

There are 46 households living in Habitat for Humanity homes in the city limits, and 6 outside the city. These are reduced-cost homeownership opportunities. There are seven additional affordable ownership units at the Skygate land trust development (Housing Impact), and eight more pending in the Clearpine development.

Housing Works Central Oregon also administers roughly 1,200 housing choice vouchers which may be used in Sisters or other communities in the jurisdiction. There are an estimated 34 vouchers being used in Sisters.

Agricultural Worker Housing: There are no identified housing properties dedicated to agricultural workers in Sisters.

Homelessness: A Point-in-Time count of homeless individuals in Deschutes County conducted in 2017 found 701 homeless individuals on the streets, in shelters, or other temporary and/or precarious housing. This was up from 503 people in 2015. *These figures are for the entire county.*³ This included:

- Most of the counted individuals (500) were unsheltered.
- 22% of counted individuals were children;
- 36% of individuals were women or girls, and 64% were male.
- In Sisters itself, there were an estimated 48 adults and 18 kids counted, for a total of 66 homeless individuals. This would represent an estimated 2% of the current estimated population.

An analysis of the ability of current and projected housing supply to meet the needs of low-income people, and the potential shortfall is included in the following sections of this report.

³ Figures via OHCS

III. CURRENT HOUSING NEEDS (CITY OF SISTERS)

The profile of current housing conditions in the study area is based on Census 2010, which the Portland State University Population Research Center (PRC) uses to develop yearly estimates through July 2018. The PRC methodology incorporates the estimated population from within the city limits and an estimated population from those areas within the UGB, but outside of the city limits. To estimate the additional population within the UGB area, the PRC assigned a share of the population from the relevant Census tracts.

FIGURE 3.1: CURRENT HOUSING PROFILE (2018)

CURRENT HOUSING CONDITIONS (2018)		SOURCE
Total 2018 Population:	2,767	PSU Pop. Research Center
- Estimated group housing population:	34 (1.2% of Total)	US Census
Estimated Non-Group 2018 Population:	2,733 (Total - Group)	
Avg. HH Size:	2.39	US Census
Estimated Non-Group 2018 Households:	1,144 (Pop/HH Size)	
Total Housing Units:	1,476 (Occupied + Vacant)	Census 2010 + permits
Occupied Housing Units:	1,144 (= # of HH)	
Vacant Housing Units:	332 (Total HH - Occupied)	
Current Vacancy Rate:	22.5% (Vacant units/ Total units)	

Sources: Johnson Economics, City of SISTERS, PSU Population Research Center, U.S. Census

*This table reflects population, household and housing unit projections shown in Figure 1.1

We estimate a current population of roughly 2,767 residents, living in 1,144 households (excluding group living situations). Average household size is 2.39 persons.

There are an estimated 1,476 housing units in the city, translating to a vacancy rate of 22.5%. This includes units vacant for any reason, not just those which are currently for sale or rent. In Sisters, this includes many second homes and vacation rentals that translate to a higher vacancy rate.

ESTIMATE OF CURRENT HOUSING DEMAND

Following the establishment of the current housing profile, the current housing demand was determined based upon the age and income characteristics of current households.

The analysis considered the propensity of households in specific age and income levels to either rent or own their home (tenure), in order to derive the current demand for ownership and rental housing units and the appropriate housing cost level of each. This is done by combining data on tenure by age and tenure by income from the Census American Community Survey (tables: B25007 and B25118, 2017 ACS 5-yr Estimates).

The analysis takes into account the average amount that owners and renters tend to spend on housing costs. For instance, lower income households tend to spend more of their total income on housing, while upper income households spend less on a percentage basis. In this case, it was assumed that households in lower income bands

would *prefer* housing costs at no more than 30% of gross income (a common measure of affordability). Higher income households pay a decreasing share down to 20% for the highest income households.

While the Census estimates that most low-income households pay more than 30% of their income for housing, this is an estimate of current *preferred* demand. It assumes that low-income households prefer (or demand) units affordable to them at no more than 30% of income, rather than more expensive units.

Figure 3.2 presents a snapshot of current housing demand (i.e. preferences) equal to the number of households in the study area (1,144). The breakdown of tenure (owners vs. renters) is different from the 2017 ACS, as current demographics indicate that more households would likely prefer to own their homes if opportunities were available (61% vs. 55%).

FIGURE 3.2: ESTIMATE OF CURRENT HOUSING DEMAND (2018)

Ownership				
Price Range	# of Households	Income Range	% of Total	Cumulative
\$0k - \$90k	51	Less than \$15,000	7.3%	7.3%
\$90k - \$130k	48	\$15,000 - \$24,999	7.0%	14.3%
\$130k - \$190k	31	\$25,000 - \$34,999	4.5%	18.8%
\$190k - \$240k	61	\$35,000 - \$49,999	8.7%	27.5%
\$240k - \$320k	129	\$50,000 - \$74,999	18.5%	46.1%
\$320k - \$370k	78	\$75,000 - \$99,999	11.2%	57.2%
\$370k - \$450k	121	\$100,000 - \$124,999	17.4%	74.6%
\$450k - \$540k	55	\$125,000 - \$149,999	8.0%	82.6%
\$540k - \$710k	56	\$150,000 - \$199,999	8.1%	90.7%
\$710k +	65	\$200,000+	9.3%	100.0%
Totals:	696		% of All:	60.8%

Rental				
Rent Level	# of Households	Income Range	% of Total	Cumulative
\$0 - \$400	25	Less than \$15,000	5.5%	5.5%
\$400 - \$600	81	\$15,000 - \$24,999	18.0%	23.5%
\$600 - \$900	49	\$25,000 - \$34,999	11.0%	34.5%
\$900 - \$1100	82	\$35,000 - \$49,999	18.2%	52.8%
\$1100 - \$1500	47	\$50,000 - \$74,999	10.4%	63.2%
\$1500 - \$1700	82	\$75,000 - \$99,999	18.2%	81.4%
\$1700 - \$2100	20	\$100,000 - \$124,999	4.5%	86.0%
\$2100 - \$2500	11	\$125,000 - \$149,999	2.5%	88.5%
\$2500 - \$3300	30	\$150,000 - \$199,999	6.8%	95.3%
\$3300 +	21	\$200,000+	4.7%	100.0%
Totals:	448		% of All:	39.2%

All Households	1,144
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Sources: PSU Population Research Center, Environics Analytics., Census, JOHNSON ECONOMICS
 Census Tables: B25007, B25106, B25118 (2017 ACS 5-yr Estimates)
 Claritas: Estimates of income by age of householder

The estimated home price and rent ranges are irregular because they are mapped to the affordability levels of the Census income level categories. For instance, an affordable home for those in the lowest income category (less

than \$15,000) would have to cost \$90,000 or less. Affordable rent for someone in this category would be \$400 or less.

The affordable price level for ownership housing assumes 30-year amortization, at an interest rate of 5% (significantly more than the current rate, but in line with historic norms), with 15% down payment. These assumptions are designed to represent prudent lending and borrowing levels for ownership households. The 30-year mortgage commonly serves as the standard. In the 2000's, down payment requirements fell significantly, but standards have tightened somewhat since the 2008/9 credit crisis. While 20% is often cited as the standard for most buyers, it is common for homebuyers, particularly first-time buyers, to pay significantly less than this using available programs.

Interest rates are subject to disruption from national and global economic forces, and therefore impossible to forecast beyond the short term. The 5% used here is roughly the average 30-year rate over the last 20 years. The general trend has been falling interest rates since the early 1980's, but coming out of the recent recession, many economists believe that rates cannot fall farther and must begin to climb as the Federal Reserve raises its rate over the coming years.

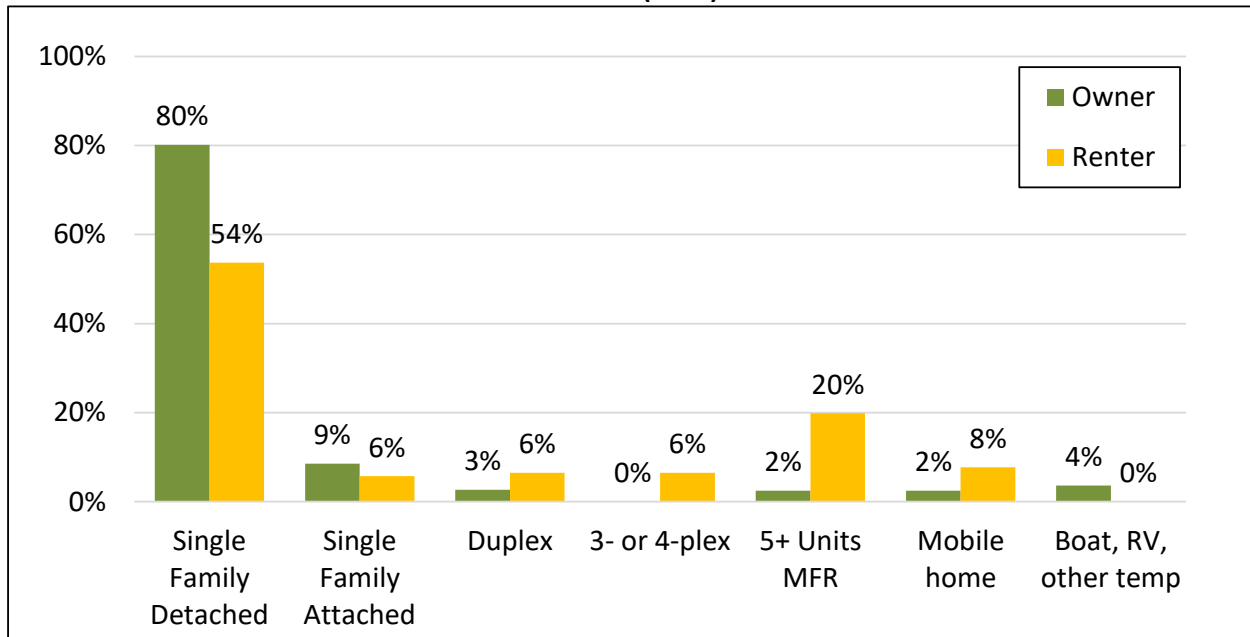
CURRENT HOUSING INVENTORY

The profile of current housing demand (Figure 3.2) represents the preference and affordability levels of households. In reality, the current housing supply (Figure 3.3 below) differs from this profile, meaning that some households may find themselves in housing units which are not optimal, either not meeting the household's own/rent preference, or being unaffordable (requiring more than 30% of gross income).

A profile of current housing supply in Sisters was estimated based on permit data from the City of Sisters and Census data from the most recently available 2017 ACS, which provides a profile of housing types (single family, attached, mobile home, etc.), tenure, housing values, and rent levels. The 5-year estimates from the ACS were used because 3-year and 1-year estimates are not yet available for Sisters geography.

- An estimated 62% of housing units are ownership units, while an estimated 38% of housing units are rental units. This is close to the estimated demand profile shown in Figure 3.2, which forecasted a slightly higher ownership rate. (The inventory includes vacant units, so the breakdown of ownership vs. rental does not match the tenure split of actual households. Second homes and vacation homes are counted in the "ownership" category.)
- 80% of ownership units are detached homes, 3% are mobile homes, and 4% are RVs. 61% of rental units are either single family homes or mobile homes, while roughly 20% are in structures of 5 units or more.
- Of total housing units, an estimated 70% are detached homes, 5% are mobile homes, 2% are RVs, while 23% are some sort of attached type.
- The affordability of different unit types is an approximation based on Census data on the distribution of housing units by value (ownership) or gross rent (rentals).
- Most subsidized affordable housing units found in the city are represented by the inventory at the lowest end of the rental spectrum.
- Ownership housing found at the lower end of the value spectrum generally reflect mobile homes, older, smaller homes, or homes in poor condition on small or irregular lots. **It is important to note that these represent estimates of current *property value*, not the current market pricing of homes in the city.** These properties may be candidates for redevelopment when next they sell but are currently estimated to have low value.

FIGURE 3.3: PROFILE OF CURRENT HOUSING SUPPLY BY TYPE (2018)



Sources: US Census, JOHNSON ECONOMICS, CITY OF SISTERS

FIGURE 3.4: PROFILE OF CURRENT HOUSING SUPPLY, ESTIMATED AFFORDABILITY (2018)

Income Range	Ownership Housing		Rental Housing		Share of Total Units
	Affordable Price Level	Estimated Units	Affordable Rent Level	Estimated Units	
Less than \$15,000	\$0k - \$90k	10	\$0 - \$400	104	8%
\$15,000 - \$24,999	\$90k - \$130k	13	\$400 - \$600	39	4%
\$25,000 - \$34,999	\$130k - \$190k	233	\$600 - \$900	174	28%
\$35,000 - \$49,999	\$190k - \$240k	153	\$900 - \$1100	99	17%
\$50,000 - \$74,999	\$240k - \$320k	106	\$1100 - \$1500	117	15%
\$75,000 - \$99,999	\$320k - \$370k	107	\$1500 - \$1700	13	8%
\$100,000 - \$124,999	\$370k - \$450k	121	\$1700 - \$2100	20	10%
\$125,000 - \$149,999	\$450k - \$540k	65	\$2100 - \$2500	0	4%
\$150,000 - \$199,999	\$540k - \$710k	103	\$2500 - \$3300	0	7%
\$200,000+	\$710k +	0	\$3300 +	0	0%
		62% 910	38% 566		

Sources: US Census, PSU Population Research Center, JOHNSON ECONOMICS
 Census Tables: B25004, B25032, B25063, B25075 (2017 ACS 5-yr Estimates)

COMPARISON OF CURRENT HOUSING DEMAND WITH CURRENT SUPPLY

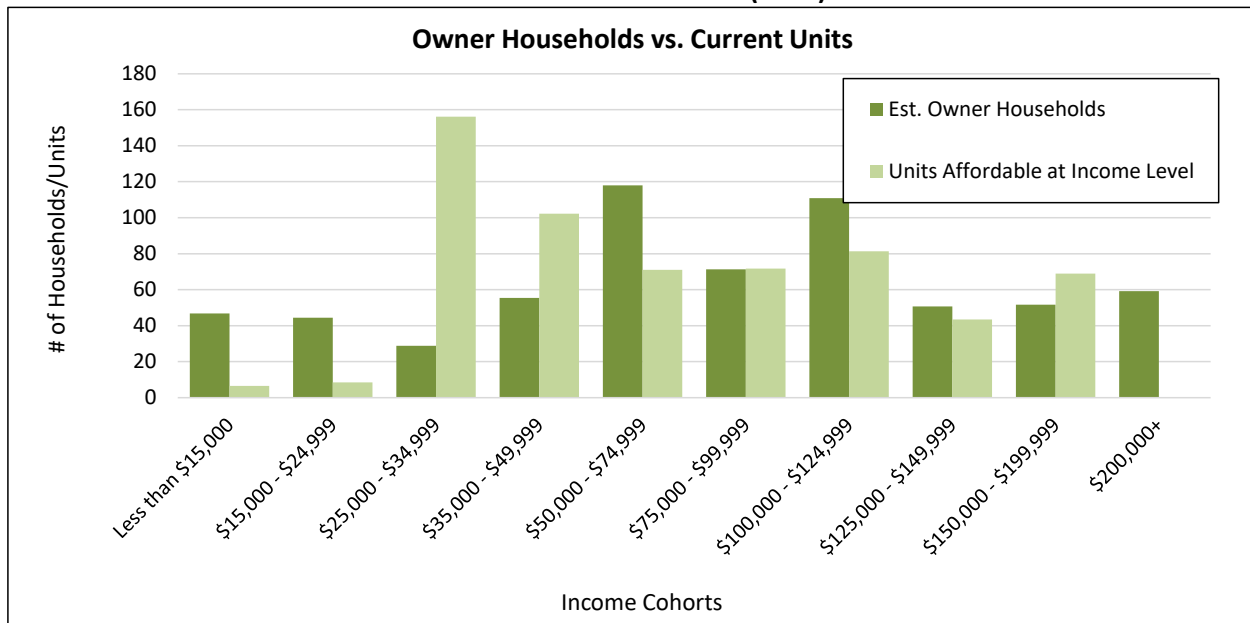
A comparison of estimated current housing *demand* with the existing *supply* identifies the existing discrepancies between needs and the housing which is currently available.

In general, this identifies that there is currently support for more ownership housing at price ranges lower than \$130k, with a larger supply at higher price points. This is because most housing in Sisters is clustered in the middle to high price points.

The analysis finds that most demand for rental units is at the lower end of the rent spectrum, therefore there is a shortage of units priced at \$600 or lower. Most rentals units are found in the \$600 to \$1,500 range representing the current market rent range in Sisters. Rentals at more expensive levels generally represent single family homes for rent.

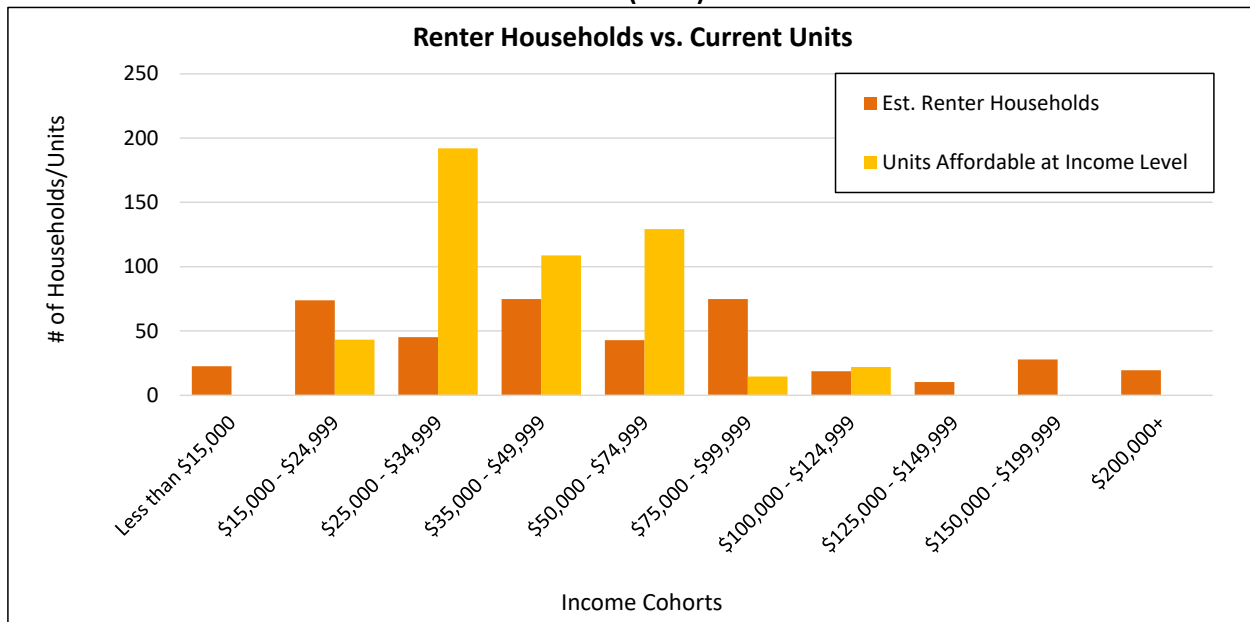
Figures 3.5 and 3.6 present this information in chart form, comparing the estimated number of households in given income ranges, and the supply of units with estimated property values that are affordable within those income ranges. The data is presented for owner and renter households.

FIGURE 3.5: COMPARISON OF OWNER HOUSEHOLD INCOME GROUPS TO ESTIMATED SUPPLY VALUED AS AFFORDABLE AT THOSE INCOME LEVELS (2018)



Sources: PSU Population Research Center, City of Sisters, Census, JOHNSON ECONOMICS

FIGURE 3.6: COMPARISON OF RENTER HOUSEHOLD INCOME GROUPS TO ESTIMATED SUPPLY AFFORDABLE AT THOSE INCOME LEVELS (2018)



Sources: PSU Population Research Center, City of Sisters, Census, JOHNSON ECONOMICS

The analysis finds a “surplus” of housing in various categories largely because the elevated vacancy rate. Much of this vacancy is the result of second homes/vacation homes in the community. Like many popular vacation communities, Sisters has some housing inventory that does not primarily serve full-time residents. This can cause a mismatch between available housing and local need, as homes built for the vacation market may not be the proper housing type or price point to serve local residents.

The projections of future housing need presented in the following section include an assumption of continued second housing need (i.e. built-in vacancy of these units) in addition to projected needs of permanent residents.

In Figures 3.5 and 3.6, there are price and rent segments which show that units outnumber demand. These segments represent where current market pricing for homes, or rental rates for apartments, tend to cluster. Because these are the market rates, most units are found in these segments. These levels will be too costly for some (i.e. require more than 30% in gross income) or “too affordable” for others (i.e. they have income levels that indicate they could afford more expensive housing if it were available).

The fact that units in these price and rent segments are estimated to “outnumber” the households in those segment is not meant to imply that there are lots of these units available for sale or rent on the open market. These units are filled with many households in lower and higher income segments, because this is where market pricing is clustered. Some are rented by households that are paying more than 30% of income, some are filled by households that theoretically could afford to pay a bit more.

In general, these findings demonstrate that there are insufficient housing opportunities at lower price points than might be considered “affordable” for many owner or renter households. The community may also be able to support some new rental housing at a higher price point.

* * *

The findings of current need form the foundation for projected future housing need, presented in a following section.

IV. FUTURE HOUSING NEEDS - 2039 (CITY OF SISTERS)

The projected future (20-year) housing profile (Figure 4.1) in the study area is based on the current housing profile (2018), multiplied by an assumed projected future household growth rate. The projected future growth is the official forecasted annual growth rate (2.6%) for 2040 generated by the PSU Oregon Forecast Program. This rate is applied to the year 2039. (This represents a 20-year forecast period from the preparation of this report in 2019, though much of the most current data on population and current housing dated to 2018.)

FIGURE 4.1: FUTURE HOUSING PROFILE (2039)

PROJECTED FUTURE HOUSING CONDITIONS (2018 - 2039)		SOURCE
2018 Population (Minus Group Pop.)	2,733	PSU
Projected Annual Growth Rate	2.61%	OR Population Forecast Program PSU
2039 Population (Minus Group Pop.)	4,690	(Total 2039 Population - Group Housing Pop.)
Estimated group housing population:	58	Share of total pop from Census US Census
Total Estimated 2039 Population:	4,749	
Estimated Non-Group 2039 Households:	1,963	(2039 Non-Group Pop./Avg. Household Size)
New Households 2018 to 2039	819	
Avg. Household Size:	2.39	Projected household size US Census
Total Housing Units:	2,533	Occupied Units plus Vacant
Occupied Housing Units:	1,963	(= Number of Non-Group Households)
Vacant Housing Units:	127	
Vacation Home, 2nd Home, Seasonal:	444	
Projected Market Vacancy Rate:	5.0%	(Vacant Units/ Total Units)
Projected Vacation Rate, 2nd Home:	17.5%	(US Census, Johnson Economics est.) US Census

Sources: PSU Population Research Center Oregon Population Forecast Program, Census, JOHNSON ECONOMICS LLC
*Projections are applied to estimates of 2018 population, household and housing units shown in Figure 1.1

The model projects growth in the number of non-group households over 20 years of roughly 820 households, with accompanying population growth of 1,982 new residents. (The number of households differs from the number of housing units, because the total number of housing units includes a percentage of vacancy. The vacancy rate for market-rate housing is estimated at 5%, which is considered a healthy vacancy that allows from some mobility for households. The estimated vacancy rate for second homes/vacation homes is held constant from the 2018 estimate. Projected housing unit needs are discussed below.)

PROJECTION OF FUTURE HOUSING UNIT DEMAND (2039)

The profile of future housing demand was derived using the same methodology used to produce the estimate of current housing need. This estimate includes current and future households, *but does not include a vacancy assumption. The vacancy assumption is added in the subsequent step.* Therefore the need identified below is the total need for actual households in occupied units (1,963).

The analysis considered the propensity of households at specific age and income levels to either rent or own their home, in order to derive the future need for ownership and rental housing units, and the affordable cost level of each. The projected need is for *all* 2039 households and therefore includes the needs of current households.

The price levels presented here use the same assumptions regarding the amount of gross income applied to housing costs, from 30% for low income households down to 20% for the highest income households.

The affordable price level for ownership housing assumes 30-year amortization, at an interest rate of 5%, with 15% down payment. Because of the impossibility of predicting variables such as interest rates 20 years into the future, these assumptions were kept constant from the estimation of current housing demand. Income levels and price levels are presented in 2018 dollars.

Figure 4.2 presents the projected occupied future housing demand (current and new households, without vacancy) in 2039.

FIGURE 4.2: PROJECTED OCCUPIED FUTURE HOUSING DEMAND (2039)

Ownership				
Price Range	# of Households	Income Range	% of Total	Cumulative
\$0k - \$90k	70	Less than \$15,000	5.8%	5.8%
\$90k - \$130k	73	\$15,000 - \$24,999	6.0%	11.8%
\$130k - \$190k	56	\$25,000 - \$34,999	4.7%	16.5%
\$190k - \$240k	81	\$35,000 - \$49,999	6.7%	23.2%
\$240k - \$320k	212	\$50,000 - \$74,999	17.5%	40.8%
\$320k - \$370k	129	\$75,000 - \$99,999	10.6%	51.4%
\$370k - \$450k	208	\$100,000 - \$124,999	17.2%	68.6%
\$450k - \$540k	116	\$125,000 - \$149,999	9.6%	78.2%
\$540k - \$710k	104	\$150,000 - \$199,999	8.6%	86.8%
\$710k +	159	\$200,000+	13.2%	100.0%
Totals:	1,209		% of All:	61.6%

Rental				
Rent Level	# of Households	Income Range	% of Total	Cumulative
\$0 - \$400	35	Less than \$15,000	4.7%	4.7%
\$400 - \$600	118	\$15,000 - \$24,999	15.6%	20.3%
\$600 - \$900	84	\$25,000 - \$34,999	11.1%	31.5%
\$900 - \$1100	123	\$35,000 - \$49,999	16.3%	47.7%
\$1100 - \$1500	84	\$50,000 - \$74,999	11.1%	58.8%
\$1500 - \$1700	141	\$75,000 - \$99,999	18.7%	77.5%
\$1700 - \$2100	37	\$100,000 - \$124,999	5.0%	82.5%
\$2100 - \$2500	24	\$125,000 - \$149,999	3.2%	85.7%
\$2500 - \$3300	56	\$150,000 - \$199,999	7.4%	93.1%
\$3300 +	52	\$200,000+	6.9%	100.0%
Totals:	754		% of All:	38.4%

All Units
1,963

Sources: Census, Environics Analytics, JOHNSON ECONOMICS

It is projected that the homeownership rate in Sisters will increase over the next 20 years to 62%, which would be closer to the current statewide average (61%). The continued shift to older and marginally higher-income households (Baby Boomers, retirees) is projected to increase the homeownership rate somewhat. As is the finding that more current households might own if appropriate units were available. At the same time, there will remain significant demand for moderate- and low-price home buying opportunities.

Renter households are expected to make up over 38% of households, with needs for rental units affordable across the income spectrum. The number of lower income households seeking subsidized rentals is anticipated to grow, as is the number of households seeking market-rate units.

COMPARISON OF FUTURE HOUSING DEMAND TO CURRENT HOUSING INVENTORY

The profile of occupied future housing demand presented above (Figure 4.2) was compared to the current housing inventory presented in the previous section to determine the total future need for *new* housing units by type and price range (Figure 4.3).

This estimate includes a vacancy assumption. As reflected by the most recent Census data, and as is common in most communities, the vacancy rate for rental units is typically higher than that for ownership units. An average vacancy rate of 5% is assumed for the purpose of this analysis. This analysis maintains the discrepancy between rental and ownership units going forward, so that the vacancy rate for rentals is assumed to be slightly higher than the overall average, while the vacancy rate for ownership units is assumed to be lower.

FIGURE 4.3: PROJECTED FUTURE NEED FOR NEW HOUSING UNITS (2039), SISTERS

OWNERSHIP HOUSING									
Unit Type:	Multi-Family							Total Units	% of Units
	Single Family Detached	Single Family Attached	2-unit	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp		
Totals:	484	67	30	13	29	16	0	638	60.4%
Percentage:	75.8%	10.5%	4.7%	2.0%	4.5%	2.5%	0.0%	100%	

RENTAL HOUSING									
Unit Type:	Multi-Family							Total Units	% of Units
	Single Family Detached	Single Family Attached	2-unit	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp		
Totals:	191	32	36	36	92	32	0	419	39.6%
Percentage:	45.7%	7.7%	8.5%	8.5%	21.9%	7.7%	0.0%	100%	

TOTAL HOUSING UNITS									
Unit Type:	Multi-Family							Total Units	% of Units
	Single Family Detached	Single Family Attached*	2-unit	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp		
Totals:	675	99	66	48	120	48	0	1,057	100%
Percentage:	63.9%	9.4%	6.2%	4.6%	11.4%	4.6%	0.0%	100%	

Sources: PSU, City of Sisters, Census, Environics Analytics, JOHNSON ECONOMICS

- The results show a need for 1,057 new housing units by 2039, which would represent 72% growth over the current estimated supply.
- Of the new units needed, roughly 60% are projected to be ownership units, while 40% are projected to be rental units. This is due to the forecast of a higher homeownership rate in the future as well as the second home market, leading to marginally more need for ownership units than rental units.
- There is an estimated need for some ownership housing at the low-end of the pricing spectrum, which is difficult to supply but might include some new mobile home/manufactured home supply, as well as smaller

unit types such as condo flats. There is remaining need at higher price points reflecting rising local incomes and the second home market.

- A high need for rental units is found at the lowest price points from \$0 to \$600. There is also a need for some single-family homes for rent at higher price points. The middle of the rent spectrum is where most current rental units are located (i.e. “market rent level”) so there is not a finding of more units needed in that range.

Needed Unit Types

The mix of needed unit types shown in Figure 4.3 reflects both past trends and anticipated future trends. Since 2000, detached single family units (including manufactured and mobile homes) have constituted most of the permitted units in Sisters. In keeping with development trends, and the buildable land available to Sisters, single family units are expected to make up the greatest share of new housing development over the next 20 years.

- 64% of the new units are projected to be single family detached homes, while 31% is projected to be some form of attached housing, and 5% are projected to be mobile homes.
- Single family attached units (townhomes on individual lots) are projected to meet 9% of future need. These are defined as units on separate tax lots, attached by a wall but separately metered, the most common example being townhome units.
- Duplex through four-plex units are projected to represent nearly 11% of the total need. Duplex units would include a detached single family home with an accessory dwelling unit on the same lot, or with a separate unit in the home (for instance, a rental basement unit.)
- 11.5% of all needed units are projected to be multi-family in structures of 5+ attached units.
- 5% of new needed units are projected to be mobile home units, which meet the needs of some low-income households for both ownership and rental.
- Of ownership units, 76% are projected to be single-family homes, and 3% mobile homes. Nearly 11% are projected to be attached single-family housing
- 46.5% of new rental units are projected to be found in new attached buildings, with the remainder being single family or mobile home units.

Needed Affordability Levels

- The needed affordability levels presented here are based on current 2018 dollars. Over time, incomes and housing costs will both experience inflation, so the general relationship projected here is expected to remain unchanged.
- The future needed affordability types (2039) reflect the same relationship shown in the comparison of current (2018) need and supply (shown in Figure 3.4). Generally, based on income levels there is a shortage of units in the lowest pricing levels for renter households.
- Figure 4.3 presents the *net NEW* housing unit need over the next 20 years. However, there is also a *current* need for more affordable units. In order for all households, current and new to pay 30% or less of their income towards housing in 2039, more affordable rental units would be required. This indicates that some of the current supply, while it shows up as existing available housing, would need to become less expensive to meet the needs of current households.
- There is a finding of some new need at the lowest end of the rental spectrum (\$600 and less).
- Projected needed ownership units show that the supply at the lowest end of the spectrum is currently insufficient. (This reflects the estimated *value* of the total housing stock, and not necessarily the average pricing for housing currently for sale.)
- Figure 4.4 presents estimates of need at key low-income affordability levels in 2018 and in 2039. There is existing and on-going need at these levels, based on income levels specified by Oregon Housing and Community Services for Deschutes County. An estimated 46% of households qualify as at least “low income” or lower on the income scale, while 13% of households qualify as “extremely low income”.

FIGURE 4.4: PROJECTED NEED FOR HOUSING AFFORDABLE AT LOW INCOME LEVELS, SISTERS

Affordability Level	Income Level	Current Need (2018)		Future Need (2039)		NEW Need (20-Year)	
		# of HH	% of All	# of HH	% of All	# of HH	% of All
Extremely Low Inc.	30% AMI \$20,880	152	13%	218	11%	66	6%
Very Low Income	50% AMI \$34,800	284	25%	434	22%	150	14%
Low Income	80% AMI \$55,680	528	46%	808	41%	281	27%

Sources: OHCS, Environics Analytics, JOHNSON ECONOMICS

* Income levels are based on OHCS guidelines for a family of four.

Agricultural Workforce Housing

There is currently no identified housing dedicated to this population in Deschutes County. Based on the assumption that this type of housing will maintain its current representation in the local housing stock, this indicates no need for dedicated agricultural workforce housing in Sisters during this planning period. However, this population may be served by other available affordable units.

V. RECONCILIATION OF FUTURE NEED (2039) & LAND SUPPLY (CITY OF SISTERS)

This section summarizes the results of the most recent Buildable Lands Inventory (BLI) and compares it to the forecast of housing need described in the previous sections. The City of Sisters maintains an ongoing land inventory that tracks available residentially-zoned parcels and estimates the number of units for which those lands are entitled.

This analysis relies on the City’s BLI dating to 3/29/2019. By necessity, these findings are a snapshot-in-time of land capacity and land need in Sisters as of the time of this analysis. Housing development has been steady and robust in the years preceding this report and is expected to continue at a steady pace. Therefore, these numbers will continue to change after adoption of this report.

Figure 5.1 presents the estimated acreage of buildable residential lands identified in the City of Sisters UGV. There are an estimated 91 buildable acres remaining, with roughly half (46 acres) in lower-density residential zones, and 43 acres in the multi-family residential zone.

FIGURE 5.1: ESTIMATED BUILDABLE LANDS CAPACITY BY ACREAGE (2019)

Zoning Designation	Partially Vacant or Vacant Parcels	Gross Vacant Acres			Net Vacant Acres ¹
		Partially Vacant	Vacant	Total	
R - Residential	203	5	47	51	39
MFR - Multi-Family Residential	89	1	53	54	43
SRR - Sun Ranch Residential	50	0	10	10	7
Subtotal	342	6	110	116	91
Net Buildable Acres²	--	5	85	91	--

[1] Subtracting 25% of acreage to account for public utilities and open space, as well as .25 acres for “partially vacant” properties.

[2] The calculated total for net vacant acres and net buildable acres is the sum of each individual parcel’s net buildable acres (75% of gross of each parcel added up), rather than 75% of the sum of “gross vacant acres”.

Sources: City of Sisters, Angelo Planning Group

Figure 5.2 presents the above inventory of buildable acreage converted to an estimate of housing unit capacity within the UGB. There is a total remaining capacity of 835 units of different types within the study area. Much of this capacity (60%) is within the multi-family residential (MFR) zone.

FIGURE 5.2: ESTIMATED BUILDABLE LANDS CAPACITY BY NUMBER OF UNITS (2019)

Zoning Designation	Estimated Housing Unit Capacity		
	Net Vacant Acres	Projected DU/Net Acre	Projected Housing Capacity
R – Residential	39	5	284
MFR – Multi-Family Residential	43	15	506
SRR – Sun Ranch Residential	7	4	45
Total	91	--	835

Sources: City of Sisters, Angelo Planning Group

Comparison of Housing Need and Capacity

The following tables summarize the forecasted future unit need for Sisters. These are the summarized results from Section IV of this report.

FIGURE 5.3: SUMMARY OF FORECASTED FUTURE UNIT NEED (2039)

TOTAL HOUSING UNITS									
Unit Type:	Single Family Detached	Single Family Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	675	99	66	48	120	48	0	1,057	100%
Percentage:	63.9%	9.4%	6.2%	4.6%	11.4%	4.6%	0.0%	100%	

Sources: PSU Population Research Center, Census, Johnson Economics

There is a total forecasted need for roughly 1,057 units over the next 20 years based on the PSU forecasted growth rate. This is well above the estimated remaining capacity of 835 units.

As Figure 5.4 below presents the estimated 20-year need for housing units compared to the estimated current housing unit capacity. It is projected that there is sufficient capacity for the forecasted multi-family housing, but a shortage of capacity for single-family housing.

FIGURE 5.4: COMPARISON OF FORECASTED FUTURE HOUSING UNIT NEED (2039) WITH AVAILABLE CAPACITY

<u>NEED vs. LAND SUPPLY</u>	Unit Type		<u>TOTAL</u>
	Single Family Detached	Multi-Family	
New Housing Unit Need by 2039:	724	334	1,057
Housing Unit Capacity:	329	506	835
Surplus Unit Capacity (or Need):	-395	172	-222

Sources: City of Sisters, Johnson Economics

Figure 5.5 shows the estimated housing unit surplus or deficit, converted to an estimate of the equivalent acreage of residential land. The shortage of capacity of 395 housing units in low-density residential zones translates to a potential need for 79 acres of low-density residential land.

At the same time, there is an estimated excess capacity of multi-family land.

FIGURE 5.5 FORECASTED HOUSING UNIT NEED (2039) CONVERTED TO ACREAGE

Residential Land Class			
<u>NEED vs. LAND SUPPLY</u>	Single Family Detached	Multi- Family	<u>TOTAL</u>
Surplus Unit Capacity (or Need):	-395	172	-222
Estimated Avg. Density:	5	15	
Surplus Acreage Capacity (or Need):	-78.9	11.5	-67

Sources: City of Sisters, Johnson Economics

FINDING: It is estimated that there may be insufficient residential lands within Sisters to accommodate the projected need, particularly for low-density residential development, while there is some excess capacity in multi-family zones if used efficiently. These findings will help guide further discussion of potential housing policies and measures to increase efficient land use and address deficits.