

MEMORANDUM

TO: Mayor and City Council

FROM: Richard Meyers, City Manager

SUBJECT: SETTING WORK SESSION DATES

DATE: January 4, 2023

Background

There are a number of work sessions that need to be scheduled for the City Council. To prepare for the Work Sessions and the discussion we would like to look at setting the dates for the following topics:

- Government Ethics/Public Meetings and Public Records – 90 minutes to two hours. Possible dates: Fridays, January 20, 27 or February 3 at 8:00 am or Monday, January 30, at 7:00 pm.
- Police Department Presentation and New City Personnel Manual - each presentation will take about 30 minutes. Possible date: Monday, February 13, 2023 at 6:00 pm.
- City Council Rules – Possible dates: Tuesday, February 28, 2023 starting at 6:00 or 7:00 pm, Friday, March 3, 2023 8:00 to 10:00 am
- Affordable Housing Implementation Plan - Monday, February 27, at 5:30 or 6:00 pm. The Final Report was published and the link included in the December 16, 2022 Friday update – Final Report is at:
https://www.cottagegroveor.gov/sites/default/files/fileattachments/community_development/page/15150/cottage_grove_affordable_housing_implementation_plan_final.pdf. See additional information about Housing Development since January, 2019 attached to this memo.
- Goal Setting - Possible dates: Saturdays, March 4th or 11th from 8:00 to noon.
- Enterprise Zone Renewal Work Session – Possible date: Monday, March 13th at 6:00 pm

Recommendation

That the City Council review their calendars and be prepared to select dates for the work sessions listed.

Cost

No cost.



Richard Meyers, City Manager

MEMORANDUM

TO: Mayor and City Council

FROM: Eric Mongan, City Planner

SUBJECT: INFORMATION ONLY – ANALYSIS OF HOUSING DEVELOPMENT (ALL TYPES) JANUARY 2019 TO PRESENT

DATE: January 4, 2023

In 2019, the City of Cottage Grove with consultation from ECONorthwest completed a Housing Needs Analysis. In that report it was determined that to meet growth projections and housing need an average of 69 new dwellings (of any type) per year was needed over a 20 year period.

Cottage Grove will have demand for 1,379 new dwelling units over the 20-year period, with an annual average of 64 dwelling units.

Exhibit 52. Forecast of demand for new dwelling units, Cottage Grove UGB, 2018 to 2038

Source: Calculations by ECONorthwest.

Change in persons	3,241
<i>minus</i> Change in persons in group quarters	28
<i>equals</i> Persons in households	3,213
Average household size	2
New occupied DU	1,290
<i>times</i> Aggregate vacancy rate	0
<i>equals</i> Vacant dwelling units	89
Total new dwelling units (2018-2038)	1,379
Annual average of new dwelling units	69

Source: 2018 Housing Needs Analysis

Staff has reviewed Building Permit data and Certificate of Occupancy data for the period of when the HNA was adopted in early 2019 to present with the findings of the review shown in the table below.

New Housing (all types) Permitted, Occupied, Utilized MUPTE
Period: January 2019- Present
Total Dwelling Permits Issued (all types): 210
Total New Dwelling Units with Occupancy: 169
Total Dwelling Units Permitted Utilizing the MUPTE Program: 144 (Dwellings permitted using MUPTE represent 69% of all permitted dwellings in this period) (60 with occupancy)
Number of Dwellings Needed to Date – 276 (69 dwellings * 4 years)

The permit data shows that at the current rate of new dwelling permitting/construction/occupancy the City is approximately) dwellings behind the projected annual average of 69 dwellings on average per year and without the MUPTE Program we would likely be much further behind at this point in the 20 year period.

Regarding the affordability there is limited information available to staff however, here is what is known:

- New Dwellings that are Regulated Affordable or are known to accept vouchers:

1. 13 dwellings at the Cottage Village on East Madison
2. Six dwellings at the Arthur Avenue Land Trust (home ownership program)
3. Four dwellings at the Legion Cottages Project
4. Harrison Village Apartments excepts subsidized rent vouchers (80-dwellings)

Staff will reach out to Cottage Village Coalition and Homes for Good to determine which percentage of MFI the regulated affordable projects are serving: Extremely Low Income (less than 30% of MFI), Very Low Income (30%-60% of MFI), or Low Income (60%-80% of MFI). The 2018 Cottage Grove Housing Needs Analysis showed that of the 1,379 total dwellings needed over the 20-year period from 2018-2038 that 280 in the Extremely Low Income category, 354 in the Very Low Income category, 178 in the Low Income category, 299 in the Middle Income category (80%-120% of MFI), and 286 in the High Income category (120% or more of MFI). (graphic included)

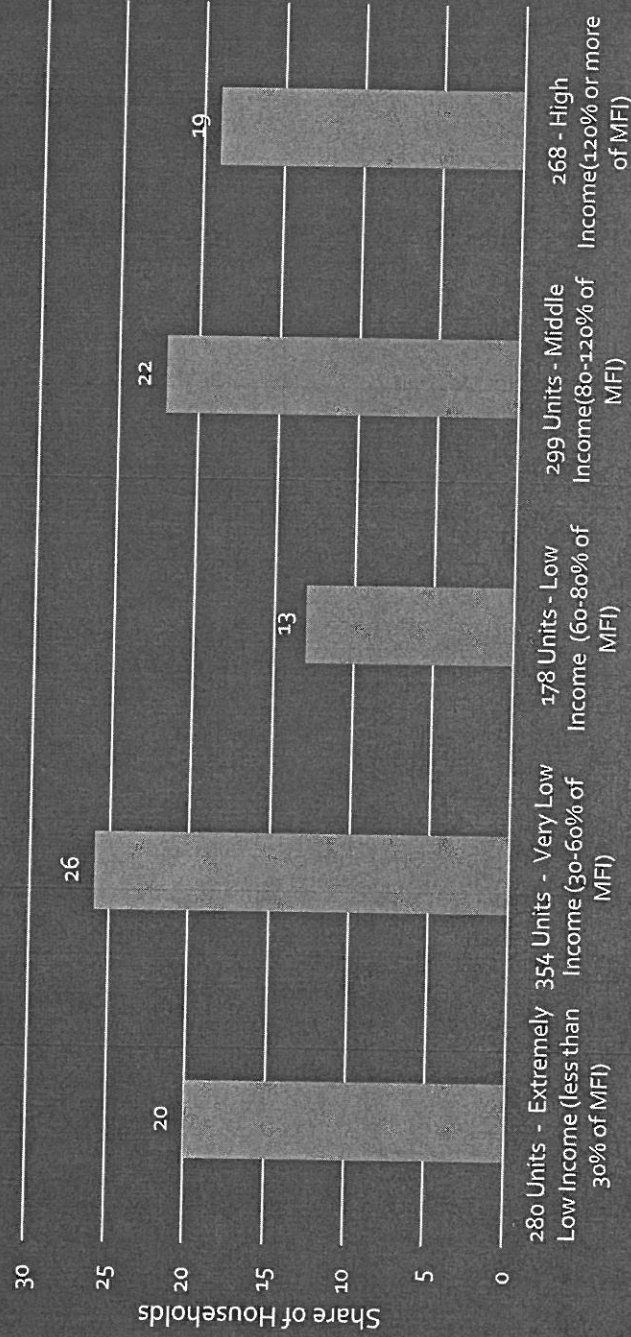
Staff completed a visual analysis of the City using aerial photos and GIS. That analysis showed there is approximately 44 “shovel-ready” low density residential lots within city limits, however a significant number of these lots are on steep slopes or within the Special Flood Hazard Area making development of those lots more expensive and less desirable. For higher density lots (multi-family) there are only three that have utilities at the property line and/or a fully constructed right-of-way.

The City has recently signed two Subdivision Plats that create 25 new buildable lots, but 21 of those lots will need to have all infrastructure built to make them ready for development.

2018 Cottage Grove Housing Needs Analysis

The City of Cottage Grove has a housing shortage requiring 1,379 new housing units constructed between 2018 and 2038. That is an annual average of 69 new units each year.

New Dwelling Units by Income – 2018-2038



Average Wage by County

2021

As relevant until November 2023 for two-year extension of standard enterprise zone exemption*

Oregon County	Annual Wage [†]	Average New-Employee Compensation w/Benefits (150% or 130% [‡])
Baker	\$42,430	\$55,159
Benton	\$62,129	\$93,194
Clackamas	\$63,568	\$95,352
Clatsop	\$45,498	\$59,147
Columbia	\$47,495	\$71,243
Coos	\$45,884	\$68,826
Crook	\$61,305	\$79,697
Curry	\$42,427	\$63,641
Deschutes	\$56,598	\$84,897
Douglas	\$48,205	\$72,308
Gilliam	\$51,359	\$77,039
Grant	\$44,422	\$57,749
Harney	\$42,212	\$54,876
Hood River	\$47,607	\$61,889
Jackson	\$51,907	\$77,861
Jefferson	\$46,841	\$60,893
Josephine	\$44,154	\$66,231
Klamath	\$45,921	\$68,882
Lake	\$44,674	\$58,076
Lane [§]	\$52,596	\$78,894
Lincoln	\$46,068	\$59,888
Linn	\$48,986	\$73,479
Malheur	\$42,584	\$55,359
Marion	\$55,658	\$83,487
Morrow	\$59,784	\$77,719
Multnomah	\$72,532	n/a*
Polk [§]	\$45,571	\$68,357
Sherman	\$54,716	\$71,131
Tillamook	\$47,167	\$70,751
Umatilla	\$47,973	\$62,365
Union	\$45,411	\$59,034
Wallowa	\$42,339	\$63,509
Wasco	\$50,381	\$65,495
Washington	\$86,181	n/a*
Wheeler	\$33,129	\$43,068
Yamhill	\$49,563	\$74,345
MEMO: Oregon	\$64,018	not applicable

* Not applicable in any urban enterprise zone within Portland or Salem metropolitan areas.

† Wage base for compensation standard usually established at time of local authorization.

‡ In many (qualified) rural counties, if local written agreement executed on or after October 6, 2017.

§ Parts of a zone in another county uses that other county's higher wage number for compensation standard.

Source: Employment and Wages by Industry (QCEW), Oregon Employment Department, 2022.

Average Annual Wage by County by Year

County	2013	2014	2015	2016	2017	2018	2019	2020	2021
Baker	\$32,063	\$32,973	\$34,166	\$35,001	\$35,760	\$36,778	\$37,657	\$40,466	\$42,430
Benton	\$45,479	\$46,281	\$46,941	\$48,792	\$50,076	\$52,187	\$53,365	\$58,026	\$62,129
Clackamas	\$45,277	\$46,397	\$48,868	\$49,501	\$51,724	\$53,236	\$54,802	\$59,585	\$63,568
Clatsop	\$33,702	\$34,181	\$35,100	\$35,582	\$36,799	\$37,878	\$39,100	\$42,737	\$45,498
Columbia	\$34,595	\$35,691	\$36,886	\$37,475	\$38,808	\$39,706	\$40,729	\$44,933	\$47,495
Coos	\$33,333	\$34,807	\$35,942	\$37,048	\$38,032	\$39,542	\$40,895	\$43,430	\$45,884
Crook	\$40,154	\$41,574	\$42,716	\$44,776	\$47,029	\$45,661	\$46,356	\$53,585	\$61,305
Curry	\$31,826	\$32,717	\$34,196	\$34,104	\$34,697	\$35,700	\$36,660	\$39,444	\$42,427
Deschutes	\$37,742	\$39,115	\$40,701	\$41,952	\$44,206	\$45,571	\$47,595	\$52,925	\$56,598
Douglas	\$35,400	\$36,757	\$37,950	\$38,731	\$39,763	\$40,745	\$41,851	\$44,926	\$48,205
Gilliam	\$36,123	\$36,356	\$38,799	\$39,349	\$39,398	\$42,728	\$47,290	\$53,869	\$51,359
Grant	\$33,503	\$35,467	\$36,990	\$36,967	\$38,056	\$39,649	\$39,751	\$41,990	\$44,422
Harney	\$32,786	\$33,669	\$34,375	\$34,655	\$36,661	\$37,077	\$38,074	\$40,438	\$42,212
Hood River	\$31,222	\$32,455	\$34,913	\$36,467	\$38,090	\$40,282	\$40,749	\$43,777	\$47,607
Jackson	\$36,875	\$38,013	\$39,276	\$40,323	\$41,419	\$42,266	\$44,354	\$48,114	\$51,907
Jefferson	\$34,194	\$34,949	\$35,796	\$36,561	\$38,002	\$39,818	\$40,436	\$44,064	\$46,841
Josephine	\$31,831	\$32,846	\$34,208	\$34,960	\$35,907	\$37,163	\$38,593	\$41,609	\$44,154
Klamath	\$34,548	\$35,507	\$36,531	\$36,852	\$38,231	\$39,316	\$40,136	\$43,003	\$45,921
Lake	\$34,628	\$35,539	\$37,010	\$37,623	\$39,059	\$40,068	\$40,468	\$43,781	\$44,674
Lane	\$38,351	\$39,371	\$40,829	\$41,534	\$42,644	\$43,784	\$45,199	\$49,512	\$52,596
Lincoln	\$32,416	\$33,309	\$34,634	\$35,511	\$36,730	\$38,608	\$39,518	\$42,375	\$46,068
Linn	\$37,382	\$38,315	\$39,420	\$40,970	\$41,556	\$43,882	\$45,211	\$47,196	\$48,986
Malheur	\$32,155	\$32,972	\$33,653	\$33,851	\$35,473	\$36,149	\$37,813	\$40,600	\$42,584
Marion	\$38,844	\$40,182	\$41,565	\$42,939	\$44,756	\$46,412	\$48,337	\$52,473	\$55,658
Morrow	\$41,354	\$44,164	\$49,900	\$51,342	\$50,354	\$53,078	\$53,769	\$60,567	\$59,784
Multnomah	\$50,530	\$51,741	\$53,447	\$55,442	\$57,173	\$59,954	\$62,056	\$68,047	\$72,532
Polk	\$32,093	\$33,047	\$33,894	\$35,249	\$36,282	\$37,902	\$39,080	\$42,063	\$45,571
Sherman	\$38,699	\$41,509	\$43,739	\$45,375	\$45,632	\$46,697	\$48,021	\$52,006	\$54,716
Tillamook	\$32,691	\$33,942	\$35,326	\$36,911	\$38,444	\$39,244	\$40,781	\$44,580	\$47,167
Umatilla	\$35,588	\$36,785	\$36,834	\$37,457	\$38,641	\$40,238	\$41,574	\$45,027	\$47,973
Union	\$33,840	\$34,927	\$36,222	\$36,446	\$38,095	\$40,829	\$40,352	\$42,279	\$45,411
Wallowa	\$30,015	\$30,919	\$32,231	\$33,692	\$34,884	\$36,392	\$37,253	\$39,624	\$42,339
Wasco	\$32,960	\$34,522	\$36,548	\$38,025	\$38,572	\$40,678	\$41,427	\$45,968	\$50,381
Washington	\$59,462	\$62,682	\$65,623	\$65,908	\$68,168	\$70,305	\$73,226	\$79,897	\$86,181
Wheeler	\$25,871	\$26,954	\$28,483	\$29,479	\$29,013	\$29,967	\$31,038	\$32,082	\$33,129
Yamhill	\$36,459	\$37,828	\$38,999	\$39,445	\$40,552	\$42,309	\$43,543	\$46,982	\$49,563
Statewide	\$45,008	\$46,516	\$48,322	\$49,467	\$51,117	\$53,053	\$55,019	\$59,921	\$64,018

MEMO: number of counties higher than state average

4	2	4	4	3	4	2	3	2
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Source: Employment and Wages by Industry (QCEW), Oregon Employment Department.

Actions/Tools	Implemented	Implementation in Progress	Not Implemented
Identify funding sources for government subsidized affordable housing development such as CET*		CET evaluated in 2019 HSIP along with other potential funding sources	

* Included and evaluated further in the 2019 HSIP.

Implementation Impacts

Housing Production

Since the HNA and the HIP were adopted in 2019, Cottage Grove has permitted over 200 residential units in a 2-year period, ranging from single family to accessory dwelling units (ADUs) to senior housing and apartments. Exhibit 2 summarizes housing units built by type in 2020 and 2021.

Exhibit 2: Housing Units Permitted 2020-2021

Source: City of Cottage Grove

Housing Type	Units
2020	
Single Family	29
Duplex	2
Triplex	3
Fourplex	4
Tiny Home	17
ADUs	3
Land Trust Units	6
Senior Units	37
Total	101
2021	
Single Family	13
Duplex	2
Fourplex	4
Apartments	88
Townhomes	14
Total	121
Total Housing Units 2020-2021	222

Affordability

In 2020, of the 101 housing units permitted, 19 were regulated affordable units: 13 tiny homes at the Cottage Village Co-op are permanently affordable rentals reserved for those making up to 50 percent of the area median income (AMI); four tiny homes in Legion Cottages are affordable

rental units specifically for veterans; and six land trust homes are single-family units affordable for those earning a moderate income, often first-time homebuyers.

Specific Strategy Results

The MUPTE program applies to new (or newly converted) multifamily development with three or more units in areas zoned C-2 Central Business District and within a quarter-mile of fixed route transit service. Projects must provide some public benefit from a list included in the municipal code.² To date, it has resulted in six projects (148 dwelling units), with the first project brought forward during the program's first year (2020). One example is a fourplex that provided a fully ADA accessible unit on the ground floor.

After the 2019 HNA, the City removed maximum densities for all residential zones which made an 80-unit apartment project possible on the Harrison School site. Without the removing the maximum density, the project would not have happened. Redevelopment of the Harrison School site led to the Harrison Village Apartments, which are currently under construction and will deliver one-and two-bedroom units. Harrison Village Apartments will also utilize the MUPTE program.

2022 Affordable Housing Implementation Plan

While the City has taken considerable steps in implementing policy to better facilitate housing production and increase housing diversity, the current project seeks to identify where the City could build on this work and go further to support housing production and affordability. In addition to a review of remaining obstacles in the development code, this project will identify potential infrastructure barriers and additional financial incentives and educational efforts the City could consider.

3. Opportunities & Barriers to Housing Production

This section summarizes issues and barriers that may be limiting housing production (particularly for higher density housing types) related to:

- Regulatory barriers
- Infrastructure availability
- Market and financial factors
- Information and awareness

² CMGC Chapter 3.10