City of Silverton

2020—2040 Housing Needs Analysis

January 2020

FINAL REPORT

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Acknowledgements

ECONorthwest prepared this report for the City of Silverton. ECONorthwest and the City of Silverton thank those who helped develop the Silverton Housing Needs Analysis.

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Executive Summary

The City of Silverton recognizes that affordability is increasingly becoming a barrier to people staying in and moving to Silverton. Long-time residents have been unable to purchase housing in Silverton, and some are being priced out of the rental market. The Silverton Affordable Housing Task Force started meeting in January 2019 to discuss housing affordability issues and policy solutions to begin to address these issues. Before the Housing Needs Analysis started, the Task Force discussed key data about housing affordability to better understand the dimensions of affordability problems for homeowners and renters in Silverton and people being priced out of the housing market. They discussed potential solutions to these issues, such as changes in the City's Development Code, policies to support the development of income-restricted affordable housing, and policies to support the development of market-rate affordable housing.

In May 2019, the City engaged ECONorthwest to develop a housing needs analysis and housing strategy to document these housing issues (among others) and work with the community to develop policy approaches to help solve these issues. This report presents the Housing Needs Analysis (HNA). The memorandum *Silverton Housing Strategy* presents recommendations for policies and actions to address the housing needs identified in this report.

Throughout this project, ECONorthwest met with the Housing Affordability Task Force five times to discuss the findings and results of the HNA and to develop policy responses to address housing affordability and other unmet housing needs in Silverton. In December 2019, the City hosted an open house to discuss the results of the HNA and solicit opinions about the policy solutions proposed in the *Silverton Housing Strategy.* The open house was attended by more than 40 residents of Silverton as well as other interested stakeholders. The response to the policy proposals was, on the whole, positive.

The HNA is a technical document intended to identify issues with residential land use and unmet housing needs. The HNA addresses the requirement of Oregon's Statewide Planning Goal 10 and OAR 660-008. The methods used for this study generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1996).

The primary goals of the housing needs analysis were to (1) project the amount of land needed to accommodate the future housing needs of all types within Silverton, (2) evaluate the existing residential land supply within Silverton to determine if it is adequate to meet that need, (3) fulfill state planning requirements for a twenty-year supply of residential land, and (4) identify policy and programmatic options for the City to meet its identified housing needs.

What are the key housing needs in Silverton?

Following are several key issues identified in the housing needs analysis:

- **Silverton's existing housing stock is mostly single-family detached housing.** About 80% of Silverton's housing stock is single-family detached, compared to 72% for Marion County as a whole. As of 2017, a majority of Silverton's households (69%) were homeowners. Nearly all homeowners (98%) and 43% of renters live in single-family detached housing.

- **Household incomes in Silverton are higher than household incomes in Marion County, but changes in income have not kept pace with growth in housing prices.** While Silverton's rental prices are comparable to other communities in the region, home sales prices remain slightly higher than regional averages. Between January 2015 and April 2019, median housing sales prices increased by $116,000 (57% change). Between 2000 and 2017, median household income (inflation-adjusted) increased by about $2,000 (3% change). Given these factors, Silverton will continue to have demand for affordable, lower-income and middle-income housing.

- **Demographic and economic trends will drive demand for relatively affordable housing in Silverton.** The key demographic trends that will affect Silverton's future housing needs are the aging of Baby Boomers and the aging of Millennials (and younger generations). As Baby Boomers age, growth of retirees will drive demand for housing types specific to seniors, such as small and easy-to-maintain dwellings, assisted-living facilities, or age-restricted developments. Silverton's ability to retain Millennials and other younger residents will depend on whether the city has opportunities for housing that both appeals to and is affordable to younger households.

- **Silverton has an existing lack of affordable housing.** Silverton's key challenge over the next 20 years is providing opportunities for the development of relatively affordable housing of all types, from lower-cost single-family housing to market-rate multifamily rental housing.

    o About 26% of Silverton's households had incomes less than $34,700 and cannot afford a two-bedroom apartment at Marion County's 2020 Fair Market Rent (FMR) of $1,001 without cost burdening themselves.

    o In 2020, a household will need to earn $19.25 an hour (or $40,000 per year) to afford a two-bedroom rental unit at Marion County's Fair Market Rent. About 34% of Silverton's existing households have incomes below this amount.

    o Silverton currently has a deficit of approximately 182 housing units that are affordable to households earning less than $35,000.

    o About 30% of Silverton's households are cost burdened (paying more than 30% of their gross income on housing costs), with 46% of renters and 23% of owners paying more than 30% of their income on housing.

How much population growth is Silverton planning for?

A 20-year population forecast (in this instance, 2020 to 2040) is the foundation for estimating the number of new dwelling units needed. Exhibit 1 shows a population forecast for Silverton for the 2020 to 2040 period. It shows that Silverton's population will grow by about 3,058 households over the 20-year period.

Exhibit 1. Forecast of Population Growth, Silverton, 2020 to 2040
Source: Metro 2040 Population Distributed Forecast, Exhibit A. July 12, 2016.

10,701	**13,759**	**3,058**	29% increase
Population in 2020	Population in 2040	New population 2020 to 2040	1.26% Growth Rate

How much housing will Silverton need?

To accommodate the city's forecasted population growth of 3,058 new residents, Silverton will need to plan for 1,158 new dwelling units between 2020 and 2040, at an annual average of about 58 new dwelling units per year. About 753 dwelling units will be single-family detached housing types (65%); 81 dwelling units will be single-family attached housing types (7%); 151 dwelling units will be duplexes, triplexes, and quadplexes (13%); and 174 dwelling units will be multifamily housing types of five or more units (15%).

This housing mix represents a shift from the existing mix of housing, in which about 80% of Silverton's housing stock in the 2013–2017 period was single-family detached housing. The shift in mix is in response to the need for a wider variety of housing types with a broader range of price points than are currently available in Silverton's housing stock.

How much buildable residential land does Silverton currently have?

Exhibit 2 shows buildable residential acres by plan designation, after excluding constrained and unbuildable land. The results show that Silverton has about 654 net buildable acres in residential plan designations.

Exhibit 2. Buildable Acres in Vacant/Partially Vacant Tax Lots by Plan Designation, Silverton, 2019
Source: Marion County, ECONorthwest analysis. *Note: The numbers in the table may not sum to the total as a result of rounding.*

Plan Designation/Zone	Total buildable acres	Buildable acres on vacant lots	Buildable acres on partially vacant lots
Single Family Residential	531	183	348
Multifamily	19	13	6
R-1	*14*	9	*5*
R-5	*5*	4	*1*
Agriculture/Urban Reserve	104	88	16
Total	**654**	**285**	**369**

How much land will be required for housing?

Exhibit 3 shows that Silverton's 654 acres of buildable land has the capacity to accommodate 2,320 new dwelling units. While Silverton's forecast for demand is for 1,158 new dwelling units, Silverton has a deficit of capacity for 304 dwelling units in the Multifamily plan designation (over the 2020 to 2040 period). The following summarizes Silverton's land sufficiency results by plan designation:

- **Single-Family:** Silverton has a surplus of capacity for about 1,409 dwelling units, or 381 gross acres of land to accommodate growth.

- **Multifamily:** Silverton has a deficit of capacity for about 304 dwelling units, or 17 gross acres of land to accommodate growth.

- **Ag/Urban Reserve:** Silverton has a surplus of capacity for about 32 dwelling units, or 12 gross acres of land to accommodate growth.

Exhibit 3. Comparison of Capacity of Existing Residential Land with Demand for New Dwelling Units and Land Surplus or Deficit, Silverton, 2020 to 2040
Source: Buildable Lands Inventory; Calculations by ECONorthwest. *Note: DU is dwelling unit.*

Plan Designation	Capacity (Dwelling Units)	Demand (Dwelling Units)	Demand (Group Quarters)	Capacity less Demand (Dwelling Units)	Land Sufficiency (Acres)
Single-Family	1,965	543	13	1,409	381
Multifamily					
Zoned R-1	51	51	-	-	-
Zoned R-5	34	34	-	-	-
Zoned RM-10, RM-20	-	292	12	(304)	(17)
AG / Urban Reserve	270	238	-	32	12

What are the key findings of the Housing Needs Analysis?

The key findings of the Silverton's Housing Needs Analysis are that:

- **Silverton is planning for continued growth in single-family detached housing but more growth in single-family attached and multifamily dwelling units to meet the City's housing needs.** The factors driving the shift in types of housing needed in Silverton include changes in demographics and decreases in housing affordability. The aging of Baby Boomers and the household formation of Millennials will drive demand for renter and owner-occupied housing, such as single-family detached housing, townhouses, duplexes, triplexes, quadplexes, and apartments. Both groups may prefer housing in walkable neighborhoods, with access to services.

  - Silverton has an existing deficit of housing affordable for low-income households, which indicates a need for a wider range of housing types for renters and homeowners. About 30% of Silverton's households are cost burdened (paying more than 30% of their income on housing), including a cost-burden rate of 46% for renter households.

  - Diversification of housing types can help reduce the lack of affordable housing, especially for middle-income households. About 442 new households will have incomes between $34,700 and $83,280. These households will all need access to affordable housing, such as the housing types described above.

  - Lack of low-income affordable housing is an issue and will require policy solutions that support the production of income-restricted low-income housing, as discussed in the Housing Strategy. Under the current conditions, 306 of the forecasted new households will have incomes at or below $34,700 (in 2018 dollars). These households often cannot afford market-rate housing without government subsidy.

- **Silverton has a small deficit of land for multifamily housing.** Silverton has a deficit of land for 304 dwelling units in the Multifamily plan designation (about 17 gross acres). Currently, Silverton's available land in its Multifamily plan designation is zoned at densities consistent with the Single-Family plan designation which cannot accommodate most multifamily housing types. Addressing this deficit is key to meeting Silverton's housing needs over the 20-year period.

  The City cannot adopt the housing needs analysis until it identifies how it will meet this 17 gross acre deficit of land in the Multifamily Plan Designation. ORS 197.296[1] requires that the City must adopt "measures" (i.e., policies) "…necessary to accommodate the estimated housing needs." This means that the City must adopt policies, such as rezoning land, to meet the deficit of 17 gross acres of land in the RM-10 and RM-20 zones. The could adopt other policies to that will help reduce or meet the deficit of land, such as planning for more multifamily mixed-use buildings in downtown or increasing residential density allowed in the RM-10 and RM-20 zones.

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[1] This requirement is part of ORS 197.296(10)(b)(C).

- **Silverton will need to meet the requirements of House Bill 2001.** The bill requires cities with a population of 10,000 to 25,000 (which includes Silverton) to "allow the development of a duplex on each lot or parcel zoned for residential use that allows for the development of detached single-family dwellings." To comply with House Bill 2001, Silverton will need to allow duplexes on all lots where single-family detached houses are allowed. That will require allowing duplexes in the AR zone and changing the zoning standards in the City's residential zones so that standards for duplexes match standards for single-family detached housing.

1. Introduction

This report presents Silverton's Housing Needs Analysis for the 2020 to 2040 period. It is intended to comply with statewide planning policies that govern planning for housing and residential development, including Goal 10 (Housing) and OAR 660 Division 8. The methods used for this study generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1996).

The City of Silverton last completed periodic review in 2000. Silverton has changed considerably since then. Silverton grew from 7,414 people in 2000 to 10,325 people in 2018. This is an addition of 2,911 people or 39% growth. Since 2000, 1,152 units have been permitted in Silverton, 85% of which were single-family detached housing. In this same time, median gross rents increased by $333 per month, from $569 to $902.

In more recent years, median housing prices in Silverton increased from about $250,000 in 2016 to $429,000 in 2019, a 72% increase. The ratio of household income to homeowner housing costs increased from 3.76 in 2000 to 4.08 in the 2013–2017 period. Overall, rates of household cost burden stayed about the same (31% in 2000 to 30% in 2013–2017), however rates of cost burden for renter households increased (from 40% in 2000 to 46% in 2013–2017).

In 2018, Silverton's City Council adopted a goal to develop and implement strategies to support the development of affordable housing. As part of that goal, the Council created the Silverton Affordable Housing Task Force, which first met in January 2019. Before the Housing Needs Analysis started, the Task Force discussed key data about housing affordability, to better understand the dimensions of affordability problems for owners and renters of housing in Silverton, and people being priced out of the housing market. The Task Force discussed potential solutions to these issues, such as changes in the City's Development Code, policies to support development of income-restricted affordable housing, and policies to support development of market-rate affordable housing.

In May 2019, the City contracted with ECONorthwest to develop a housing needs analysis (this document) and a housing strategy to address unmet housing needs through working with the Affordable Housing Task Force.

This report provides Silverton with a factual basis to update the Housing Element of the City's Comprehensive Plan and zoning code, and to support future planning efforts related to housing and options for addressing unmet housing needs in Silverton. This report provides information that informs future planning efforts, including development and redevelopment. This report provides the City with information about the housing market in Silverton and describes the factors that will affect future housing demand in Silverton, such as changing demographics. This analysis will help decision makers understand whether Silverton has enough land to accommodate growth over the next 20 years.

Framework for a Housing Needs Analysis

Economists view housing as a bundle of services for which people are willing to pay, including shelter, proximity to other attractions (jobs, shopping, recreation), amenities (type and quality of fixtures and appliances, landscaping, views), prestige, and access to public services (quality of schools). Because it is impossible to maximize all these services and simultaneously minimize costs, households must make trade-offs. What they can get for their money is influenced both by economic forces and government policy. Moreover, different households will have different values and preferences, which in turn are a function of many factors like income, age of household head, number of people and children in the household, number of workers and job locations, number of automobiles, and so on.

Thus, housing choices of individual households are influenced in complex ways by dozens of factors, and the housing markets in Marion County and Silverton are the result of the individual decisions of thousands of households. These points help to underscore the complexity of projecting what types of housing will be built in Silverton between 2020 and 2040.

The complex nature of the housing market, demonstrated by the unprecedented boom-and-bust during the past decade, does not eliminate the need for some type of forecast of future housing demand and need. This includes resulting implications for land demand and consumption. Such forecasts are inherently uncertain. Their usefulness for public policy often derives more from the explanation of their underlying assumptions about the dynamics of markets and policies than from the specific estimates of future demand and need. Thus, we start our housing analysis with a framework for thinking about housing and residential markets and how public policy affects these markets.

Statewide Planning Goal 10

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

At a minimum, local housing policies must meet the requirements of Goal 10 and the statutes and administrative rules that implement it (ORS 197.295 to 197.314, ORS 197.475 to 197.490, and OAR 600-008).[2] Goal 10 requires incorporated cities to complete an inventory of buildable residential lands. Goal 10 also requires cities to encourage the numbers of housing units in price and rent ranges commensurate with the financial capabilities of its households.

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[2] ORS 197.296 only applies to cities with populations over 25,000, which does not include Silverton, based on PSU's estimate of 10,325 people within the Silverton UGB in 2018.

Goal 10 defines needed housing types as "all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes." ORS 197.303 defines needed housing types:

(a) Housing that includes, but is not limited to, attached and detached single-family housing and multifamily housing for both owner and renter occupancy.

(b) Government-assisted housing.[3]

(c) Mobile home or manufactured dwelling parks, as provided in ORS 197.475 to 197.490.

(d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions.

(e) Housing for farmworkers.

DLCD provides guidance on conducting a housing needs analysis in the document *Planning for Residential Growth: A Workbook for Oregon's Urban Areas*.

Silverton must identify needs for all of the housing types listed above as well as adopt policies that increase the likelihood that needed housing types will be developed. This Housing Needs Analysis was developed to meet the requirements of Goal 10 and its implementing administrative rules and statutes.

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[3] Government-assisted housing can be any housing type listed in ORS 197.303 (a), (c), or (d).

Public Process

At the broadest level, the purpose of the project was to understand how much Silverton will grow over the next 20 years and to define and understand Silverton's housing needs. The project can be broken into two components (1) technical analysis, and (2) housing strategies. Both benefit from public input. The technical analysis required a broad range of assumptions that influence the outcomes; the housing strategy is a series of high-level policy choices that will affect Silverton residents.

The intent of the public process was to establish broad public engagement throughout the project as work occurs. Public engagement was accomplished through various avenues. We discuss the two primary avenues below.

Engagement with the Affordable Housing Task Force

The City of Silverton and ECONorthwest met with and solicited input from the Affordable Housing Task Force to better understand the results of the HNA and to provide input about policies to address the housing needs identified in the HNA. The Task Force met five times[4] to discuss project assumptions, results, and implications. The project relied on the Task Force to review draft products and provide input at key points (e.g., before recommendations and decisions were made and before draft work products were finalized). The recommendations in the *Silverton Housing Strategy* were shaped by the Task Force and strongly reflect their input into policy development.

The project required many assumptions and policy choices that the committee needed to vet and agree upon, as these choices affect current and future residents. In short, local review and community input were essential to developing a locally appropriate and politically viable housing needs analysis and housing strategy.

Public Engagement

The City of Silverton and ECONorthwest solicited input from the general public at one meeting held on December 3, 2019. At this meeting, ECONorthwest presented the key findings of the draft Housing Needs Analysis and discussed housing policies in the draft Housing Strategy, an action-oriented document to address Silverton's housing needs. The open house was attended by more than 40 residents of Silverton as well as other interested stakeholders. Those who attended the public meeting had an opportunity to participate in two separate engagement activities to provide input on the actions in the draft Housing Strategy. ECONorthwest presented the results of the public meeting to the Affordable Housing Task Force to refine the Housing Strategy at their final meeting.

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[4] Project Advisory Committee meeting dates: August 20, 2019; September 17, 2019; October 15, 2019; November 19, 2019; and December 17, 2019.

Organization of This Report

The rest of this document is organized as follows:

- **Chapter 2. Residential Buildable Lands Inventory** presents the methodology and results of Silverton's inventory of residential land.

- **Chapter 3. Historical and Recent Development Trends** summarizes the state, regional, and local housing market trends affecting Silverton's housing market.

- **Chapter 4. Demographic and Other Factors Affecting Residential Development in Silverton** presents factors that affect housing need in Silverton, focusing on the key determinants of housing need: age, income, and household composition. This chapter also describes housing affordability in Silverton relative to the larger region.

- **Chapter 5. Housing Need in Silverton** presents the forecast for housing growth in Silverton, describing housing need by density ranges and income levels.

- **Chapter 6. Residential Land Sufficiency within Silverton** estimates Silverton's residential land sufficiency needed to accommodate expected growth over the planning period.

2. Residential Buildable Lands Inventory

The general structure of the standard method BLI analysis is based on the DLCD HB 2709 workbook "*Planning for Residential Growth: A Workbook for Oregon's Urban Areas,*" which specifically addresses residential lands. The steps and sub-steps in the supply inventory are:

1. Calculate the gross vacant acres by plan designation, including fully vacant and partially vacant parcels.

2. Calculate gross buildable vacant acres by plan designation by subtracting unbuildable acres from total acres.

3. Calculate net buildable acres by plan designation, subtracting land for future public facilities from gross buildable vacant acres.

4. Calculate total net buildable acres by plan designation by adding redevelopable acres to net buildable acres.

The methods used for this study are consistent with many others completed by ECONorthwest that have been acknowledged by DLCD and LCDC. A detailed discussion of the methodology used in this study is provided in Appendix A. The BLI for Silverton includes all residential land designated in the Comprehensive Plan within the Silverton Urban Growth Boundary (UGB). From a practical perspective, this means that all lands within tax lots identified by the Marion County Assessor's Office that fall within the UGB were inventoried. ECONorthwest used the most recent tax lot shapefile from Marion County for the analysis. The inventory then builds from the tax lot–level database to formulate estimates of buildable land by plan designation.

Residential Buildable Land Inventory Results

Land Base

As defined above, the land base for the Silverton residential BLI includes all tax lots in the UGB in residential plan designations or plan designations with zones that allow housing outright. Exhibit 4 shows the land base by plan designation in the UGB. Exhibit 4 shows that Silverton has 3,748 tax lots in its residential land base, accounting for 1,665 acres.

Exhibit 4. Land Base by Plan Designation, Silverton UGB, 2019
Source: Marion County, ECONorthwest analysis. Note: Numbers may not sum due to rounding.

Plan Designation/Zone	Number of taxlots	Percent	Total taxlot acreage	Percent
Single-Family Residential	2,971	79%	1,326	80%
Multifamily	283	8%	115	7%
R-1	*47*	*1%*	*28*	*2%*
R-5	*171*	*5%*	*56*	*3%*
RM-10	*27*	*1%*	*10*	*1%*
RM-20	*24*	*1%*	*12*	*1%*
DCF	*5*	*0%*	*1*	*0%*
P	*2*	*0%*	*2*	*0%*
No zone (outside city limits)	*7*	*0%*	*6*	*0%*
Mobile Home Park	117	3%	39	2%
Agriculture/Urban Reserve	316	8%	177	11%
Commercial (DCF)	61	2%	9	1%
Total	**3,748**	**100%**	**1,665**	**100%**

Development Status

Exhibit 5 shows total acres in tax lots classified by development status. We used a rule-based classification (defined in the methods and definitions section of Appendix A) to define an initial development status. Then, we used a rapid visual assessment method to confirm this development status using aerial imagery.

Exhibit 5. Development Status (Before Constraints are Applied) by Plan Designation, Silverton UGB, 2019

Source: Marion County, ECONorthwest analysis. Note: Numbers may not sum due to rounding.

Plan Designation/Zone	Vacant	Partially Vacant	Undevelopable	Developed	Public or Exempt	Total Acres	Percent of Total
Single-Family Residential	238	467	3	556	63	1,326	80%
Multifamily	19	7	-	69	20	115	7%
R-1	*15*	*5*	*-*	*8*	*-*	*28*	*2%*
R-5	*4*	*2*	*-*	*35*	*15*	*56*	*3%*
RM-10	*-*	*-*	*-*	*8*	*2*	*10*	*1%*
RM-20	*-*	*-*	*-*	*12*	*-*	*12*	*1%*
DCF	*-*	*-*	*-*	*1*	*-*	*1*	*0%*
P	*-*	*-*	*-*	*-*	*2*	*2*	*0%*
No zone (outside city limits)	*-*	*-*	*-*	*5*	*1*	*6*	*0%*
Mobile Home Park	0	-	-	34	4	39	2%
Agriculture/Urban Reserve	102	20	0	54	-	177	11%
Commercial (DCF)	-	-	-	8	0	9	1%
Total	**360**	**493**	**3**	**722**	**87**	**1,665**	**100%**

The buildable lands inventory identifies regulated wetlands, riparian corridors, floodways and floodplains, and slopes greater than 25% as constraints that prohibit development. Vacant or partially vacant land with these constraints are considered unavailable for development and were removed from the inventory of buildable land.

Exhibit 6 shows development status with constraints applied, which results in buildable acres. Of the 1,665 total acres in the land base, 822 are committed acres, 189 are constrained acres, and 654 are buildable acres.
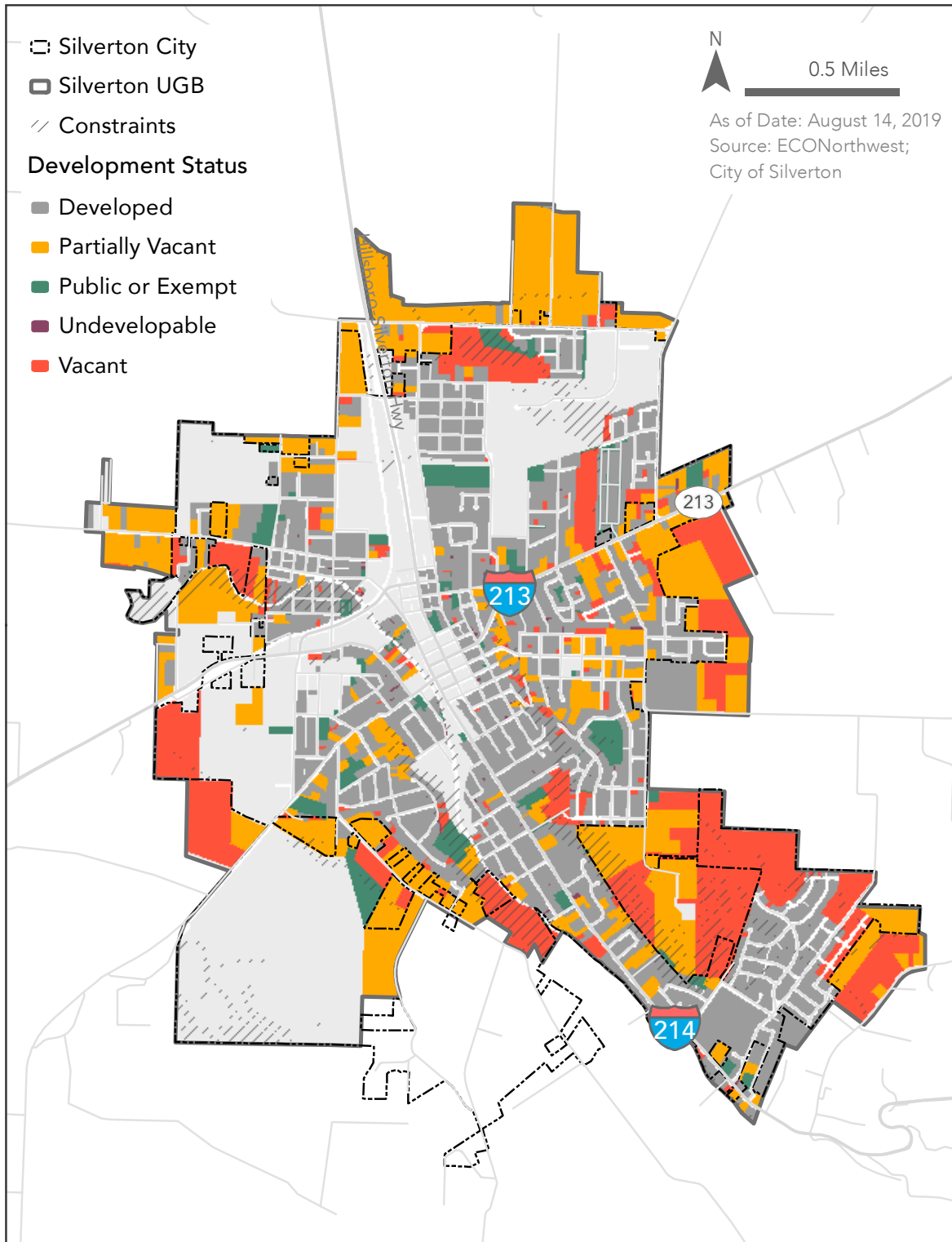
Exhibit 6. Development Status with Constraints, by Plan Designation, Silverton UGB, 2019

Source: Marion County, ECONorthwest analysis. Note: Numbers may not sum due to rounding.

Plan Designation/Zone	Total acres	Committed acres	Constrained acres	Buildable acres
Single-Family Residential	1,326	653	142	531
Multifamily	115	76	20	19
R-1	*28*	*6*	*8*	*14*
R-5	*56*	*44*	*7*	*5*
RM-10	*10*	*7*	*3*	*-*
RM-20	*12*	*12*	*-*	*-*
DCF	*1*	*1*	*-*	*-*
P	*2*	*2*	*-*	*-*
No zone	*6*	*4*	*2*	*0*
Mobile Home Park	39	37	1	0
Agriculture/Urban Reserve	177	48	25	104
Commercial (DCF)	9	9	0	-
Total	**1,665**	**822**	**189**	**654**

Exhibit 7 shows residential land by development status with constraints overlaid.

Exhibit 7. Residential Land by Development Status, Silverton UGB, 2019

Vacant Buildable Land

Exhibit 8 shows buildable acres (i.e., acres in tax lots after constraints are deducted) for vacant and partially vacant land by plan designation. Of Silverton's 654 unconstrained, buildable residential acres, about 44% are in tax lots classified as vacant, and 56% are in tax lots classified as partially vacant. A majority of Silverton's buildable acres are located in the Single-Family Residential plan designation (531 acres or 81%).

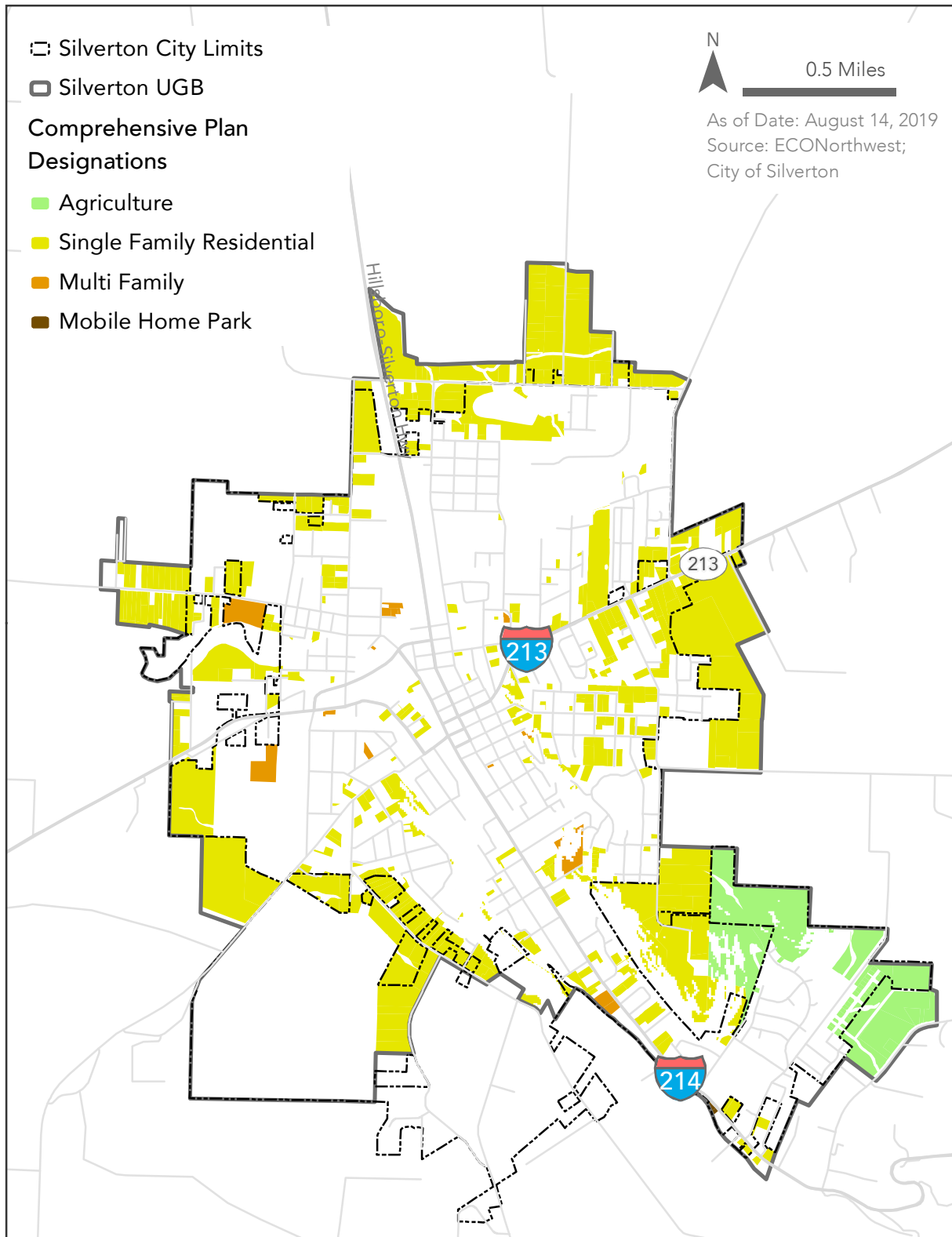**Exhibit 8. Buildable Acres[5] in Vacant and Partially Vacant Tax Lots by Plan Designation, Silverton UGB, 2019**
Source: Marion County, ECONorthwest analysis. Note 1: Numbers may not sum due to rounding.

Plan Designation/Zone	Total buildable acres	Buildable acres on vacant lots	Buildable acres on partially vacant lots
Single-Family Residential	531	183	348
Multifamily	19	13	6
R-1	14	9	5
R-5	5	4	1
RM-10	0	0	0
RM-20	0	0	0
DCF	0	0	0
P	0	0	0
No zone	0	0	0
Mobile Home Park	0	0	0
Agriculture/Urban Reserve	104	88	16
Commercial (DCF)	0	0	0
Total	**654**	**285**	**369**

Exhibit 9 shows Silverton's buildable vacant and partially vacant residential land.

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[5] Two tax lots located at 1154 S Water Street (1.3 buildable acres) and 1164 S Water Street (0.8 buildable acres) are located in the Multifamily plan designation but are currently being developed with single-family housing.

Exhibit 9. Unconstrained Vacant and Partially Vacant Residential Land, Silverton UGB, 2019

Legend:
- Silverton City Limits
- Silverton UGB

Comprehensive Plan Designations
- Agriculture
- Single Family Residential
- Multi Family
- Mobile Home Park

N
0.5 Miles

As of Date: August 14, 2019
Source: ECONorthwest;
City of Silverton

3. Historical and Recent Development Trends

Analysis of historical development trends in Silverton provides insight into the functioning of the local housing market. The mix of housing types and densities, in particular, are key variables in forecasting the capacity of residential land to accommodate new housing and to forecast future land need. The specific steps are described in Task 2 of the DLCD *Planning for Residential Growth: A Workbook for Oregon's Urban Areas* as:

1. Determine the time period for which the data will be analyzed.
2. Identify types of housing to address (all needed housing types).
3. Evaluate permit/subdivision data to calculate the actual mix, average actual gross density, and average actual net density of all housing types.

This Housing Needs Analysis examines changes in Silverton's housing market from 2000 to 2017, as well as residential development from 2000 to 2018. We selected this time period because (1) the period provides information about Silverton's housing market before and after the national housing market bubble's growth and deflation, as well as the more recent increase in housing costs and (2) data about Silverton's housing market during this period is readily available from sources such as the Census and the City building permit database (which provides information for 2000 onward).[6]

The Housing Needs Analysis presents information about residential development by housing type. There are multiple ways that housing types can be grouped. For example, they can be grouped by:

1. Structure type (e.g., single-family detached, apartments, etc.).
2. Tenure (e.g., distinguishing unit type by owner or renter units).
3. Housing affordability (e.g., subsidized housing or units affordable at given income levels).
4. Some combination of these categories.

For the purposes of this study, we grouped housing types based on (1) whether the structure is stand-alone or attached to another structure and (2) the number of dwelling units in each

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[6] ORS 197.296(5)(a) requires cities to determine housing capacity based on "data relating to land within the urban growth boundary that has been collected since the last periodic review or five years, whichever is greater." Given that Silverton has not been in periodic review since 2000 and the best available data about building permits goes back to 2000, we used the 2000 to 2018 period for analysis of building permit data.

structure. The housing types used in this analysis are consistent with needed housing types as defined in ORS 197.303:[7]

- **Single-family detached** includes single-family detached units, manufactured homes on lots and in mobile home parks, and accessory dwelling units.

- **Single-family attached** is all structures with a common wall where each dwelling unit occupies a separate lot, such as row houses or townhouses.

- **Multifamily** is all attached structures (e.g., duplexes, triplexes, quadplexes, and structures with five or more units) other than single-family detached units, manufactured units, or single-family attached units.

In Silverton, government-assisted housing (ORS 197.303[b]) and housing for farmworkers (ORS 197.303[e]) can be any of the housing types listed above. Analysis within this report discusses housing affordability at a variety of incomes, as required in ORS 197.303.

Data Used in This Analysis

Throughout this analysis (including the subsequent Chapter 4), we used data from multiple sources, choosing data from well-recognized and reliable data sources. One of the key sources for housing and household data is the U.S. Census. This report primarily uses data from two Census sources:

- The **Decennial Census**, which is completed every ten years and is a survey of all households in the United States. The Decennial Census is considered the best available data for information such as demographics (e.g., number of people, age distribution, or ethnic or racial composition), household characteristics (e.g., household size and composition), and housing occupancy characteristics. As of 2010, the Decennial Census does not collect more detailed household information, such as income, housing costs, housing characteristics, and other important household information. Decennial Census data is available for 2000 and 2010.

- The **American Community Survey (ACS)**, which is completed every year and is a sample of households in the United States. From 2013 to 2017, the ACS sampled an average of 3.5 million households per year, or about 3% of the households in the nation. The ACS collects detailed information about households, including demographics (e.g., number of people, age distribution, ethnic or racial composition, country of origin, language spoken at home, and educational attainment), household characteristics (e.g., household size and composition), housing characteristics (e.g., type of housing unit, year unit built, or number of bedrooms), housing costs (e.g., rent, mortgage, utility, and insurance), housing value, income, and other characteristics.

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[7] ORS 197.303 defines needed housing as "all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes."

- **Silverton building permit database**, which includes information on permits issued at the City of Silverton from 2000 to 2018.

- **Property Radar,** which provides real estate and sales data. We use this source to collect monthly, median housing sale price data in aggregate.

This report uses data from the 2013–2017 ACS for Silverton. Where information is available and relevant, we report information from the 2000 and 2010 Decennial Census. Among other data points, this report includes population, income, and housing price data from the Oregon Office of Economic Analysis, the Oregon Bureau of Labor and Industries, the United States Department of Housing and Urban Development, and Property Radar. It also uses the Oregon Department of Housing and Community Services' Affordable Housing Inventory and Oregon's Manufactured Dwelling Park Inventory.

The foundation of the Housing Needs Analysis is the population forecast for Silverton from the Oregon Population Forecast Program. The forecast is prepared by the Portland State University Population Research Center.

It is worth commenting on the methods used for the American Community Survey.[8] The American Community Survey (ACS) is a national survey that uses continuous measurement methods. It uses a sample of about 3.54 million households to produce annually updated estimates for the same small areas (census tracts and block groups) formerly surveyed via the Decennial Census long-form sample. It is also important to keep in mind that all ACS data are estimates that are subject to sample variability. This variability is referred to as "sampling error" and is expressed as a band or "margin of error" (MOE) around the estimate.

This report uses Census and ACS data because, despite the inherent methodological limits, they represent the most thorough and accurate data available to assess housing needs. We consider these limitations in making interpretations of the data and have strived not to draw conclusions beyond the quality of the data.

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[8] A thorough description of the ACS can be found in the Census Bureau's publication "What Local Governments Need to Know." https://www.census.gov/library/publications/2009/acs/state-and-local.html

Trends in Housing Mix

This section provides an overview of changes in the mix of housing types in Silverton and compares Silverton to Marion County and Oregon. These trends demonstrate the types of housing developed in Silverton historically. Unless otherwise noted, this chapter uses data from the 2000 and 2010 Decennial Census and the 2013–2017 American Community Survey 5-Year Estimates.

This section shows the following trends in housing mix in Silverton:

- **Silverton's housing stock is predominantly single-family detached housing units.** Eighty percent of Silverton's housing stock is single-family detached, 15% is multifamily, and 5% is single-family attached (e.g., townhouses).

- **Since 2000, Silverton's housing mix has changed.** Silverton's housing stock grew by about 28% (about 800 new units) between 2000 and the 2013–2017 period. In this time, the share of single-family detached housing increased while the share of multifamily housing decreased.

- **Single-family detached housing accounted for the majority of new housing growth in Silverton between 2000 and 2018.** Eighty five percent of new housing permitted between 2000 and 2018 was single-family detached housing units.
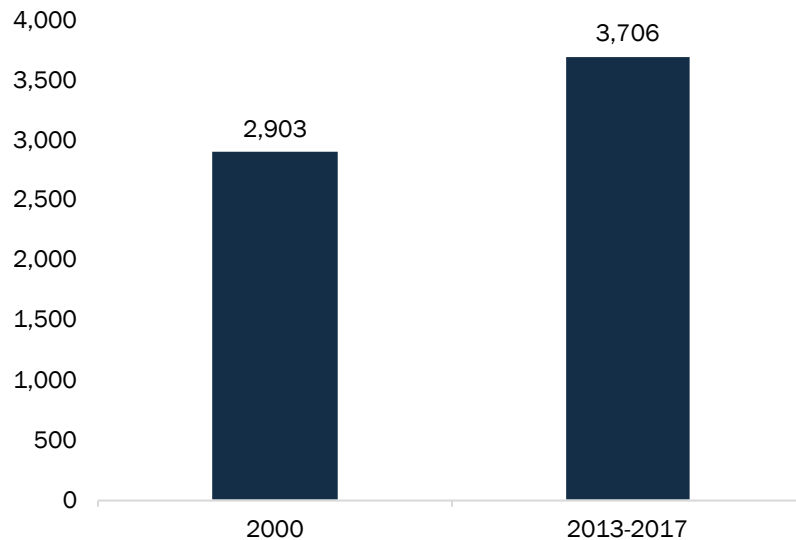
Housing Mix

The total number of dwelling units in Silverton increased by 28% from 2000 to 2013–2017.

Silverton added 803 units since 2000.

Exhibit 10. Total Dwelling Units, Silverton, 2000 and 2013–2017
Source: U.S. Census Bureau, 2000 Decennial Census, SF3 Table H030, and 2013–2017 ACS Table B25024.
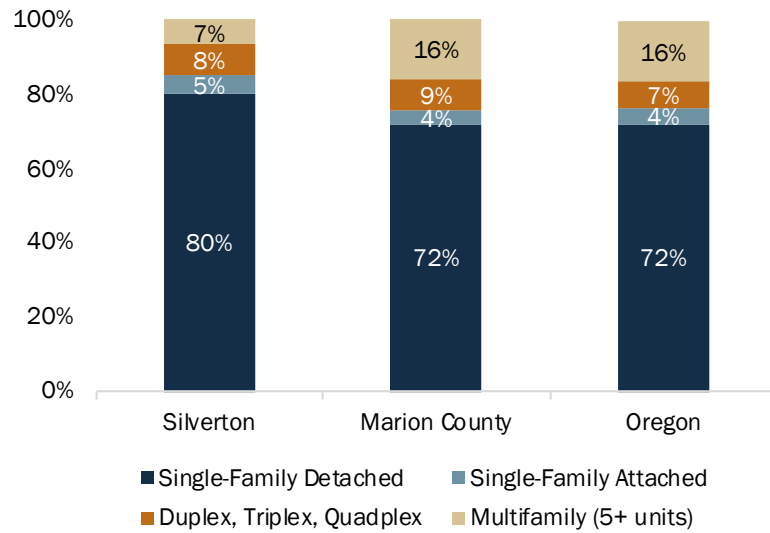
Eighty percent of Silverton's housing stock was single-family detached.

Silverton had a smaller share of multifamily housing than Marion County and Oregon.

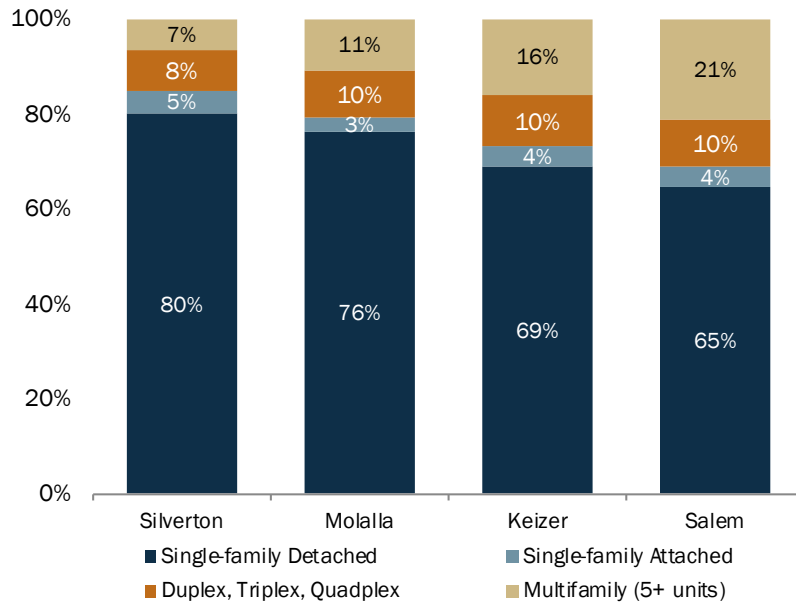**Exhibit 11. Housing Mix, Silverton, Marion County, and Oregon, 2013–2017**
Source: U.S. Census Bureau, 2013–2017 ACS Table B25024.

In the 2013–2017 period, Silverton had more single-family detached housing than other comparison cities in the region.

**Exhibit 12. Housing Mix, Silverton, Salem, Keizer, Molalla, 2013–2017**
Source: U.S. Census Bureau, 2013–2017 ACS Table B25024.

From 2000 to 2013–2017, the share of multifamily housing in Silverton decreased as the share of single-family detached housing increased.

Exhibit 13. Change in Housing Mix, Silverton, 2000 and 2013–2017

Source: U.S. Census Bureau, 2000 Decennial Census, SF3 Table H030, and 2013–2017 ACS Table B25024.

Legend: Single-Family Detached ■ Single-Family Attached ■ Duplex, Triplex, Quadplex ■ Multifamily (5+ units)
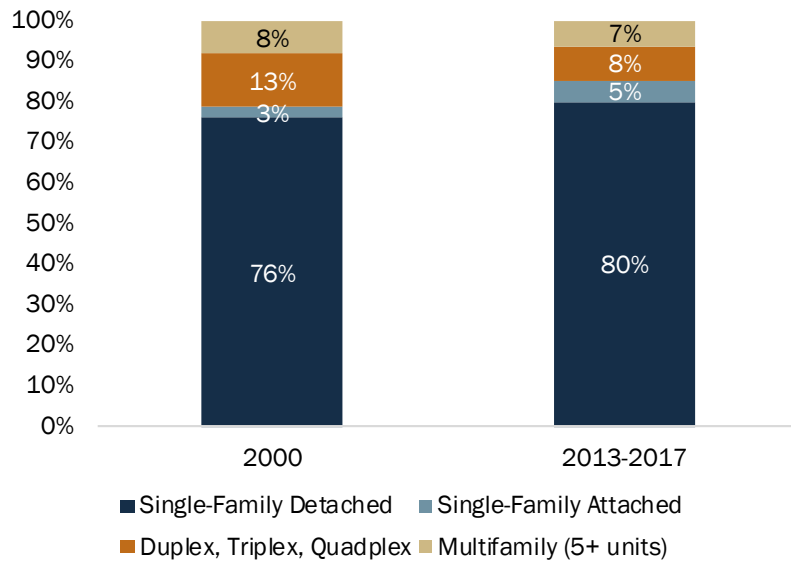
Building Permits

Over the 2000 to 2018 period, Silverton issued permits for 1,152 dwelling units, with an annual average of 64 permits issued.

Of these 1,152 permits, about 85% were for single-family detached units, 2% were for single-family attached units, and 13% were for multifamily units.

Exhibit 14. Number of Units Permitted for New Residential Construction by Type of Unit, Silverton, 2000 through 2018

Source: City of Silverton Permit Database.

Legend: Single-Family Detached ■ Single-Family Attached ■ Multifamily
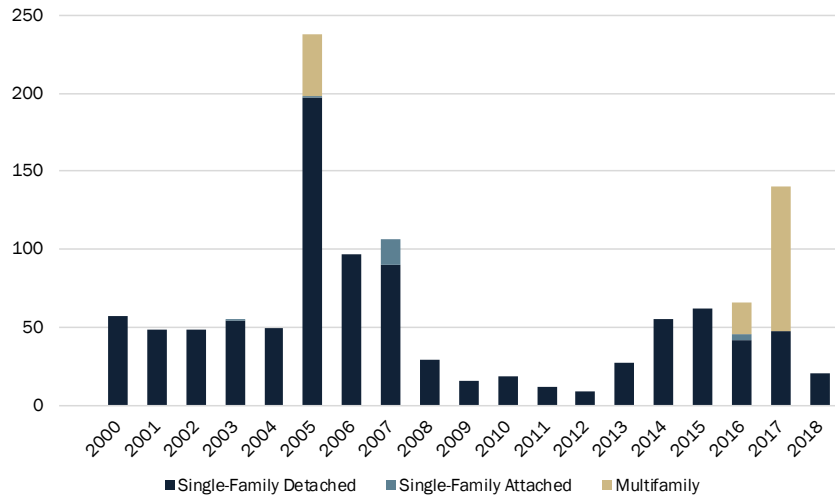
Trends in Housing Density

Housing density is the density of residential structures by structure type, expressed in dwelling units per net or gross acre.[9] The U.S. Census does not track residential development density; thus, this study analyzes housing density based on Silverton's permit database for development between 2000 and 2018.

Between 2000 and 2018, Silverton permitted 1,152 new dwelling units. Of the 1,152 new units, 977 units were single-family detached (85%), 22 were single-family attached (2%), and 153 were multifamily (13%). During this time, housing in Silverton developed at an average net density of 5.2 dwelling units per net acre.

Exhibit 15 shows average net residential density by structure type for the historical analysis period. Single-family detached housing developed at 4.6 dwelling units per net acre, single-family attached housing developed at 9.3 dwelling units per net acre, and multifamily housing developed at 24.4 dwelling units per net acre.

Exhibit 15. Net Density by Structure Type and Plan Designation, Silverton UGB, 2000 through 2018
Source: City of Silverton Permit Database.

Plan Designations	Single-family Detached			Single-family Attached			Multifamily			Total, combined		
	Units	Acres	Net Density	Units	Acres	Net Density	Units	Acres	Net Density	Units	Acres	Net Density
Ag/Urban Reserves	243	66	3.7	-	-		-	-		243	66	3.7
Residential - Single-Family	619	129	4.8	12	2	7.2	-	-		631	131	4.8
Residential - Multifamily	29	6	4.6	6	0	12.8	153	6	24.4	188	13	14.5
Residential - Mobile Park	86	11	7.9	-	-		-	-		86	11	7.9
Commercial	-	-		4	0	17.7	-	-		4	0	17.7
Total	977	212	4.6	22	2	9.3	153	6	24.4	1,152	221	5.2

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[9] OAR 660-024-0010(6) defines net buildable acres as "43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads." While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

Silverton's Multifamily plan designation contains some plan designation/zone conflicts. While technically the Multifamily plan designation should be composed of parcels zoned as RM-10 and RM-20, the designation also contains parcels zoned as R-1 and R-5, which belong to the Single-Family plan designation. To illustrate how these plan designation/zone conflicts impact densities, Exhibit 16 displays net densities by zone for the Multifamily plan designation.

Exhibit 16. Net Density by Structure Type in the Multifamily Plan Designation by Zone, Silverton UGB 2000 through 2018
Source: City of Silverton Permit Database.

Zones within the Multifamily Plan Designation	Single-family Detached			Single-family Attached			Multifamily			Total, combined		
	Units	Acres	Net Density	Units	Acres	Net Density	Units	Acres	Net Density	Units	Acres	Net Density
R-1	23	5	4.5	0	0		0	0		23	5	4.5
R-5	2	1	3.9	6	0	12.8	0	0		8	1	8.1
RM-10	0	0		0	0		113	6	20.3	113	6	20.3
RM-20	4	1	6.3	0	0		40	2	23.0	44	2	18.5
Total	29	6	4.6	6	0	12.8	153	7	20.9	188	14	13.4

Trends in Tenure

Housing tenure describes whether a dwelling is occupied by a homeowner or a renter. This section shows:
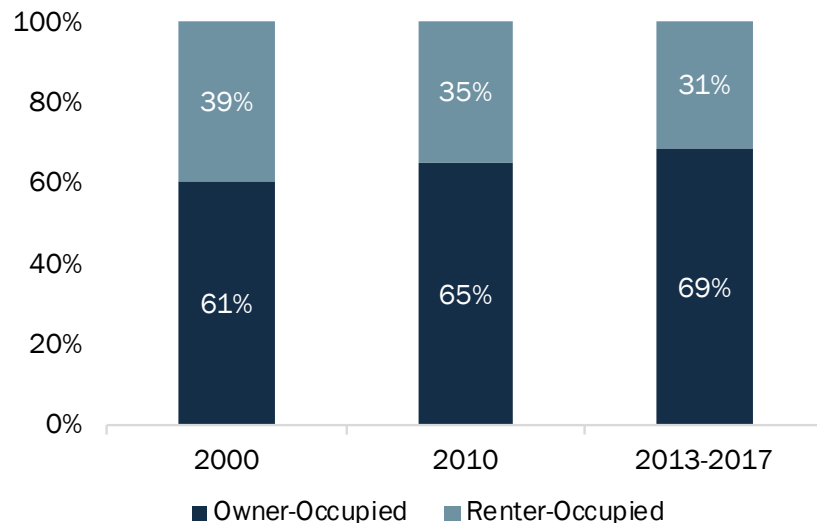
- **Homeownership rates in Silverton are higher than Marion County and Oregon's rates.** About 69% of Silverton's households own their home. In comparison, 60% of Marion County households and 62% of Oregon households are homeowners.

- **Homeownership rates in Silverton increased between 2000 and 2013–2017.** In 2000, 61% of Silverton households were homeowners. This increased to 65% in 2010 and 69% in 2013–2017.

- **Nearly all Silverton homeowners (98%) live in single-family detached housing, while almost half of renters (44%) live in multifamily housing.**

The implications for the forecast of new housing are that (1) opportunities for rental housing in Silverton are limited, given that nearly half of renters live in multifamily housing and limited multifamily housing has been built in Silverton since 2000 (13% of new dwelling units between 2000 and 2018 were multifamily dwellings), and (2) there may be opportunities to encourage development of a wider variety of affordable attached housing types for homeownership, such as townhomes.

The homeownership rate in Silverton increased since 2000.

Exhibit 17. Tenure, Occupied Units, Silverton, 2000, 2010, and 2013–2017
Source: U.S. Census Bureau, 2000 Decennial Census SF1 Table H004, 2010 Decennial Census SF1 Table H4, 2013–2017 ACS Table B24003.
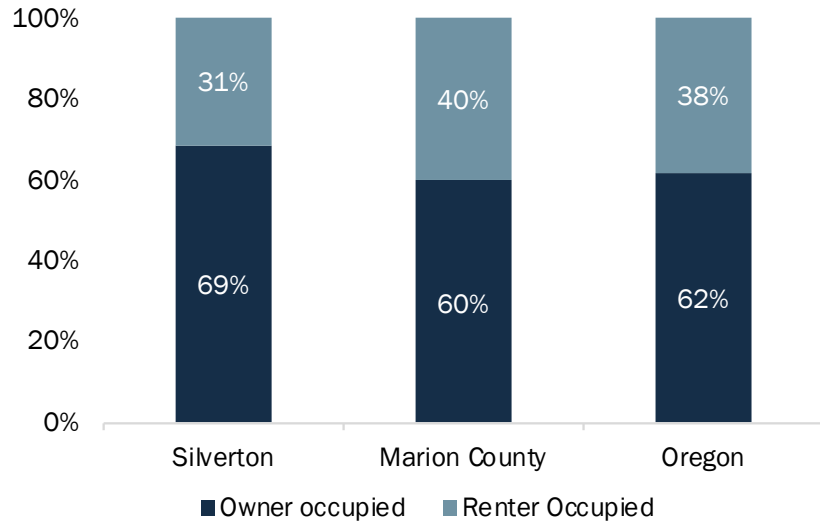
Silverton had a higher homeownership rate than Marion County and Oregon.

Exhibit 18. Tenure, Occupied Units, Silverton, Marion County, and Oregon, 2013–2017

Source: U.S. Census Bureau, 2013–2017 ACS 5-Year Estimates, Table B24003.

- Owner occupied
- Renter Occupied

Nearly all homeowners lived in single-family detached housing.

In comparison, almost half of Silverton households that rent lived in multifamily housing.

Exhibit 19. Housing Units by Type and Tenure, Silverton, 2013–2017

Source: U.S. Census Bureau, 2013–2017 ACS Table B25032.

- Single-family detached
- Single-family attached
- Duplex, Triplex, Quadplex
- Multifamily (5+ units)
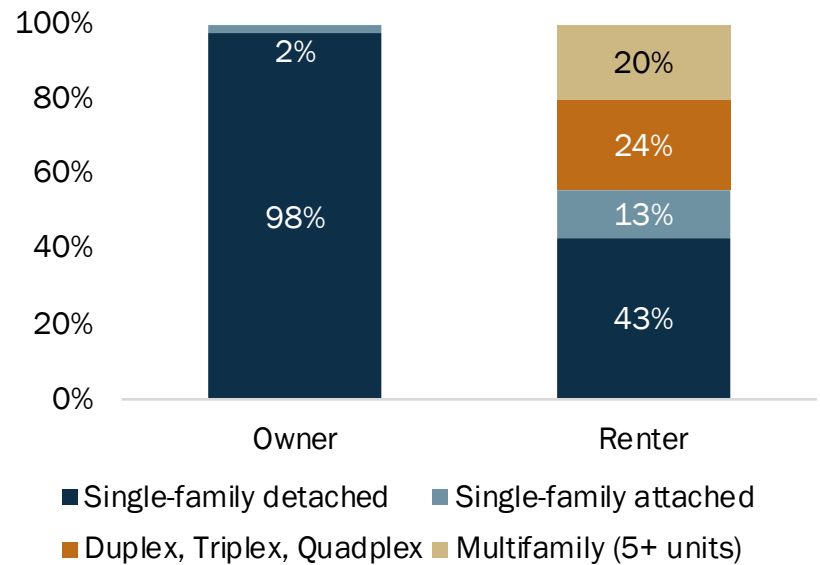
Vacancy Rates

Housing vacancy is a measure of housing that is available to prospective renters and buyers. It is also a measure of unutilized housing stock. The Census defines vacancy as "unoccupied housing units . . . determined by the terms under which the unit may be occupied, e.g., for rent, for sale, or for seasonal use only." The 2010 Census identified vacancy through an enumeration, separate from (but related to) the survey of households. Enumerators are obtained using information from property owners and managers, neighbors, rental agents, and others.

According to the 2013–2017 Census, the vacancy rate in Silverton was 5.0%, compared to 6.9% for Marion County and 9.3% for Oregon. In 2000, the vacancy rate in Silverton was 3.9%.

Government-Assisted Housing

Governmental agencies and nonprofit organizations offer a range of housing assistance to low and moderate-income households in renting or purchasing a home. There are six government-assisted housing developments in Silverton, with a total of 107 affordable units.

Exhibit 20. Government Assisted Housing, Silverton, 2018
Source: Oregon Housing and Community Services. (Jan. 2018). Affordable Housing Inventory in Oregon. Retrieved from: http://www.oregon.gov/ohcs/Pages/research-multifamily-housing-inventory-data.aspx.

Development Name	Total Units	Total Affordable Units	Population Served
Colonia Jardines	20	20	Agricultural Worker
Harvest Manor	8	8	Agricultural Worker
Silverton Manor II	9	5	Family
Silvertowne Apartments	40	11	Senior
Silvertowne II	46	33	Senior
Twilight Courts	30	30	Senior
Total	**153**	**107**	

Manufactured Homes

Manufactured homes provide a source of affordable housing in Silverton. They provide a form of homeownership that can be made available to low- and moderate-income households. Cities are required to plan for manufactured homes—both on lots and in parks (ORS 197.475-492).

Generally, manufactured homes in parks (manufactured housing communities) are owned by the occupants who pay rent for the space. Monthly housing costs are typically lower for a homeowner in a manufactured housing community for several reasons, including the fact that property taxes levied on the value of the land are paid by the property owner, rather than the manufactured homeowner. The value of the manufactured home generally does not appreciate in the way a conventional home would, however. Manufactured homeowners in communities are also subject to the mercy of the property owner in terms of rent rates and increases. It is generally not within the means of a manufactured homeowner to relocate to another manufactured home to escape rent increases. Homeowners living in a community is desirable to some because it can provide more security (with on-site managers) and amenities (such as laundry and recreation facilities).

Within the UGB, Silverton has two manufactured housing communities, with a total of 125 manufactured home spaces. As of August of 2019, no spaces were vacant.

OAR 197.480(4) requires cities to inventory the mobile home or manufactured dwelling communities sited in areas planned and zoned or generally used for commercial, industrial, or high-density residential development. Exhibit 21 presents the inventory of manufactured home communities within Silverton as of 2019.

Exhibit 21. Inventory of Manufactured Home Communities, Silverton UGB, 2019
Source: Oregon Manufactured Dwelling Park Directory, results as of August 2019.

Name	Location	Type	Total Spaces	Vacant Spaces	Comprehensive Plan Designation
Silverton Mobile Home Estates	1307 S Water St	55+	95	0	Low Density Residential
Stardust Village	1418 Pine St	55+	30	0	Multiple Family Residential - 10
Total			125	-	

4. Demographic and Other Factors Affecting Residential Development in Silverton

Demographic trends are important for a thorough understanding of the dynamics of the Silverton housing market. Silverton exists in a regional economy; trends in the region impact the local housing market. This chapter documents demographic, socioeconomic, and other trends relevant to Silverton at the national, state, and regional levels.

Demographic trends provide a context for growth in a region; factors such as age, income, migration, and other trends show how communities have grown and how they will shape future growth. To provide context, we compare Silverton to Marion County and Oregon. We also compare Silverton to nearby cities where appropriate. Characteristics such as age and ethnicity are indicators of how the population has grown in the past and provide insight into factors that may affect future growth.

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

1. Project the number of new housing units needed in the next 20 years.

2. Identify relevant national, state, and local demographic and economic trends and factors that may affect the 20-year projection of structure type mix.

3. Describe the demographic characteristics of the population and, if possible, the housing trends that relate to demand for different types of housing.

4. Determine the types of housing that are likely to be affordable to the projected households based on household income.

5. Determine the needed housing mix and density ranges for each plan designation and the average needed net density for all structure types.

6. Estimate the number of additional needed units by structure type.

This chapter presents data to address steps 2, 3, and 4 in this list. Chapter 5 presents data to address steps 1, 5, and 6 in this list.

Demographic and Socioeconomic Factors Affecting Housing Choice[10]

Analysts typically describe housing demand as the preferences for different types of housing (e.g., single-family detached or apartment) and the ability to pay for that housing (the ability to exercise those preferences in a housing market by purchasing or renting housing; in other words, income or wealth).

Many demographic and socioeconomic variables affect housing choice. However, the literature about housing markets finds that age of the householder, size of the household, and income are most strongly correlated with housing choice.

- **Age of householder** is the age of the person identified (in the Census) as the head of household. Households make different housing choices at different stages of life. This chapter discusses generational trends, such as housing preferences of Baby Boomers, people born from about 1946 to 1964, and Millennials, people born from about 1980 to 2000.

- **Size of household** is the number of people living in the household. Younger and older people are more likely to live in single-person households. People in their middle years are more likely to live in multi-person households (often with children).

- **Household income** is probably the most important determinant of housing choice. Income is strongly related to the type of housing a household chooses (e.g., single-family detached, duplex, or a building with more than five units) and to household tenure (e.g., rent or own).

This chapter focuses on these factors, presenting data that suggests how changes to these factors may affect housing need in Silverton over the next 20 years.

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[10] The research in this chapter is based on numerous articles and sources of information about housing, including:

D. Myers and S. Ryu, *Aging Baby Boomers and the Generational Housing Bubble*, Journal of the American Planning Association, Winter 2008.

Davis, Hibbits, & Midghal Research, "Metro Residential Preference Survey," May 2014.

L. Lachman and D. Brett, *Generation Y: America's New Housing Wave,* Urban Land Institute, 2010.

George Galster. People Versus Place, People and Place, or More? New Directions for Housing Policy, Housing Policy Debate, 2017.

Herbert, Christopher and Hrabchak Molinsky. "Meeting the Housing Needs of an Aging Population," 2015.

J. McIlwain, *Housing in America: The New Decade,* Urban Land Institute, 2010.

Schuetz, Jenny. Who is the new face of American homeownership? Brookings, 2017.

The American Planning Association, "Investing in Place; Two generations' view on the future of communities," 2014.

Transportation for America, "Access to Public Transportation a Top Criterion for Millennials When Deciding Where to Live, New Survey Shows," 2014.

National Trends[11]

This brief summary on national housing trends builds on previous work by ECONorthwest, the Urban Land Institute (ULI) reports, and conclusions from *The State of the Nation's Housing, 2019* report from the Joint Center for Housing Studies of Harvard University. The Harvard report summarizes the national housing outlook as follows:

> If housing costs continue to rise faster than incomes, growth of households—and of housing demand—is likely to slow. As it is, the market has only produced enough homes to match the pace of household growth, let alone cover replacement and second-home demand and allow normal levels of vacancies. If current housing supply trends persist, house prices and rents will continue to rise at a healthy clip, further limiting the housing options for many. To ensure that the market can produce homes that meet the diverse needs of the growing US population, the public, private, and nonprofit sectors must address constraints on the development process. And for the millions of families and individuals that struggle to find housing that fits their budgets, much greater public efforts will be necessary to close the gap between what they can afford and the cost of producing decent housing.

However, challenges to a strong domestic housing market remain. High mortgage rates make housing unaffordable for many Americans, especially younger Americans. In addition to rising housing costs, wages have also failed to keep pace, worsening affordability pressures. Single-family and multifamily housing supplies remain tight, which compound affordability issues. *The State of the Nation's Housing* report emphasizes the importance of government assistance and intervention to keep housing affordable moving forward. Several challenges and trends shaping the housing market are summarized below:

- **Moderate new construction and tight housing supply, particularly for affordable housing.** New construction experienced its ninth year of gains in 2018 with 1.25 million units added to the national stock. There were about 374,000 multifamily starts in 2018, an increase after a two-year slump in 2015 and 2016, putting multifamily growth at its highest rate since 1988. The supply of sale homes in 2018 averaged 4.0 months, below what is considered balanced (six months) and lower-cost homes are considered especially scarce. *The State of the Nation's Housing* report cites lack of skilled labor, higher land prices, and land use regulations as constraints on new construction.

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[11] These trends are based on information from (1) the Joint Center for Housing Studies of Harvard University's publication "The State of the Nation's Housing 2018," (2) Urban Land Institute, "2018 Emerging Trends in Real Estate," and (3) the U.S. Census.

- **Demand shift from renting to owning.** After years of decline, the national homeownership rate increased to 64.4% in 2017–2018, up half a percentage point from the prior year. Trends suggest the recent homeownership increases are among householders of all age groups; however, homeownership rates continue to remain below historic levels from 30 years ago. Homeownership rates of those aged 65 and older have remained strong, 2.9 percentage points above 1988 levels, and homeownership rates among young adults have begun stabilizing after years of decline.

- **Housing affordability.** In 2017, about 31.5% of American households spent more than 30% of their income on housing. This figure is down from the prior year and continues to improve relative to its 2010 peak, bolstered by a considerable drop in the owner share of cost-burdened households. The share of cost-burdened renter households, however, continue to remain above that of homeowners, and renter households now exceed the number of cost-burdened homeowners by more than 3 million. Low-income households face an especially dire hurdle to afford housing. With such a large share of households exceeding the traditional standards for affordability, policymakers are focusing efforts on the severely cost burdened. Among those earning less than $15,000, 72% of households paid more than half of their income on housing.

- **Long-term growth and housing demand.** The Joint Center for Housing Studies forecasts that, nationally, demand for new homes could total as many as 12 million units between 2018 and 2028. Much of the demand will come from Baby Boomers, Millennials,[12] and immigrants. The Urban Land Institute cites the trouble of overbuilding in the luxury sector while demand is in mid-priced single-family houses affordable to a larger buyer pool.

- **Growth in rehabilitation market.**[13] Aging housing stock and poor housing conditions are growing concerns for jurisdictions across the United States. With almost 80% of the nation's housing stock at least 20 years old (and 40% at least 50 years old), Americans are spending in excess of $400 billion per year on residential renovations and repairs. As housing rehabilitation becomes the go-to solution to address housing conditions, the home remodeling market has grown more than 50% since the recession ended—generating 2.2% of national economic activity (in 2017).

    Despite trends suggesting growth in the rehabilitation market, rising construction costs and complex regulatory requirements pose barriers to rehabilitation. Lower-income households or households on fixed-incomes may defer maintenance for years due to limited financial means, escalating rehabilitation costs. At a certain

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[12] According to the Pew Research Center, Millennials were born between the years of 1981 to 1996 (inclusive). Read more about generations and their definitions here: http://www.pewresearch.org/fact-tank/2018/03/01/defining-generations-where-millennials-end-and-post-millennials-begin/.

To generalize, and because there is no official generation of Millennial, we define this cohort as individuals born between 1980 and 2000.

[13] These findings are copied from: Joint Center for Housing Studies. (2019). Improving America's Housing, Harvard University. https://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_Improving_Americas_Housing_2019.pdf

point, the cost of improvements may outweigh the value of the structure, which may necessitate new responses such as demolition or redevelopment.

- **Changes in housing preference.** Housing preference will be affected by changes in demographics; most notably, the aging of Baby Boomers, housing demand from Millennials, and growth of immigrants.

  o *Baby Boomers.* The housing market will be affected by the continued aging of Baby Boomers, the oldest of whom were in their seventies in 2019 and the youngest of whom were in their fifties in 2019. Baby Boomers' housing choices will affect housing preference and homeownership. Addressing housing needs for those moving through their 60s, 70s, and 80s (and beyond) will require a range of housing opportunities. For example, "the 82-to-86-year-old cohort dominates the assisted living and more intensive care sector" while new or near-retirees may prefer aging in place or active, age-targeted communities.[14] Characteristics like immigration and ethnicity play a role too, as "older Asians and Hispanics are more likely than whites or blacks to live in multigenerational households."[15] Senior households earning different incomes may make distinctive housing choices. For instance, low-income seniors may not have the financial resources to live out their years in a nursing home and may instead choose to downsize to smaller, more affordable units. Seniors living in close proximity to relatives may also choose to live in multigenerational households.

    Research shows that "older people in western countries prefer to live in their own familiar environment as long as possible," but aging in place does not only mean growing old in their own homes.[16] A broader definition exists, which explains that aging in place also means "remaining in the current community and living in the residence of one's choice."[17] Therefore, some Boomers are likely to stay in their home as long as they are able, and some will prefer to move into other housing products, such as multifamily housing or age-restricted housing developments, before they move into to a dependent living facility or into a familial home. Moreover, "the aging of the U.S. population, [including] the continued growth in the percentage of single-person households, and the demand for a wider range of housing choices in communities across the country is fueling interest in new forms of residential development, including tiny houses."[18]

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[14] Urban Land Institute. Emerging Trends in Real Estate, United States and Canada. 2018.

[15] Herbert, Christopher and Hrabchak Molinsky (2015). Meeting the Housing Needs of an Aging Population. https://shelterforce.org/2015/05/30/meeting_the_housing_needs_of_an_aging_population/

[16] Vanleerberghe, Patricia, et al. The quality of life of older people aging in place: a literature review. 2017.

[17] Ibid.

[18] American Planning Association. Making Space for Tiny Houses, Quick Notes.

- *Millennials.* Over the last several decades, young adults have increasingly been living in multigenerational housing—more so than older demographics.[19] Despite this trend, as Millennials age over the next 20 years, they will be forming households and families. In 2018, the oldest Millennials were in their late-30s and the youngest were in their late teens. By 2040, Millennials will be between 40 and 60 years old.

  At the beginning of the 2007–2009 recession, Millennials only started forming their own households. Today, Millennials are driving much of the growth in new households, albeit at slower rates than previous generations. From 2012 to 2017, Millennials formed an average of 2.1 million net new households each year. Twenty-six percent of Millennials aged 25 to 34 lived with their parents (or other relatives) in 2017.

  Millennials' average wealth may remain far below Boomers and Gen Xers, and student loan debt will continue to hinder consumer behavior and affect retirement savings. As of 2015, Millennials comprised 28% of active home buyers, while Gen Xers comprised 32% and Boomers 31%.[20] That said, "over the next 15 years, nearly $24 trillion will be transferred in bequests," presenting new opportunities for Millennials (as well as Gen Xers).

- *Immigrants.* Research on foreign-born populations shows that immigrants, more than native-born populations, prefer to live in multigenerational housing. Still, immigration and increased homeownership among minorities could also play a key role in accelerating household growth over the next 10 years. Current Population Survey estimates indicate that the number of foreign-born households rose by nearly 400,000 annually between 2001 and 2007, and they accounted for nearly 30% of overall household growth. Beginning in 2008, the influx of immigrants was staunched by the effects of the Great Recession. After a period of declines, however, the foreign born are again contributing to household growth. The Census Bureau's estimates of net immigration in 2017–2018 indicate that 1.2 million immigrants moved to the United States from abroad, down from 1.3 million immigrants in 2016–2017 but higher than the average annual pace of 850,000 during the period of 2009–2011. However, if recent federal policies about immigration are successful, growth in undocumented and documented immigration could slow and cause a drag on household growth in the coming years.

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[19] According to the Pew Research Center, in 1980, just 11% of adults aged 25 to 34 lived in a multigenerational family household, and by 2008, 20% did (82% change). Comparatively, 17% of adults aged 65 and older lived in a multigenerational family household, and by 2008, 20% did (18% change).
[20] Srinivas, Val and Goradia, Urval (2015). The future of wealth in the United States, Deloitte Insights. https://www2.deloitte.com/insights/us/en/industry/investment-management/us-generational-wealth-trends.html

- o *Diversity.* The growing diversity of American households will have a large impact on the domestic housing markets. Over the coming decade, minorities will make up a larger share of young households and constitute an important source of demand for both rental housing and small homes. The growing gap in homeownership rates between whites and blacks, as well as the larger share of minority households that are cost burdened warrants consideration. Since 1988, the difference in homeownership rates between whites and blacks rose by 3.9 percentage points to 30.1% in 2018. Alternatively, the gap between white and Latinx homeownership rates and white and Asian homeownership rates both decreased during this period but remained sizable at 26.0 and 16.0 percentage points, respectively. Although homeownership rates are increasing for some minorities, large shares of minority households are more likely to live in high-cost metro areas. This, combined with lower incomes than white households, leads to higher rates of cost burden for minority homeowners—30.2% for blacks, 29.6% for Latinx, 27.3% for Asians/others, and 20.4% for whites in 2017.

- ▪ **Changes in housing characteristics.** The U.S. Census Bureau's Characteristics of New Housing Report (2018) presents data that show trends in the characteristics of new housing for the nation, state, and local areas. Several long-term trends in the characteristics of housing are evident from the New Housing Report:[21]

  - o *Larger single-family units on smaller lots.* Between 1999 and 2018, the median size of new single-family dwellings increased by 18% nationally, from 2,028 sq. ft. to 2,386 sq. ft., and 17% in the western region from 2,001 sq. ft. in 1999 to 2,341 sq. ft in 2018. Moreover, the percentage of new units smaller than 1,400 sq. ft. nationally decreased by more than half, from 15% in 1999 to 7% in 2018. The percentage of units greater than 3,000 sq. ft. increased from 17% in 1999 to 28% of new one-family homes completed in 2018. In addition to larger homes, a move toward smaller lot sizes was seen nationally. Between 2009 and 2018, the percentage of lots less than 7,000 sq. ft. increased from 25% to 32% of lots.

  - o *Larger multifamily units.* Between 1999 and 2018, the median size of new multifamily dwelling units increased by 5.4% nationally. In the western region, the median size decreased by 2.0%. Nationally, the percentage of new multifamily units with more than 1,200 sq. ft. increased from 28% in 1999 to 36% in 2018 and increased from 25% to 29% in the western region.

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[21] U.S. Census Bureau, Highlights of Annual 2018 Characteristics of New Housing. Retrieved from: https://www.census.gov/construction/chars/highlights.html.

- o *Household amenities.* Across the United States since 2013, an increasing number of new units had air-conditioning (fluctuating year by year at over 90% for both new single-family and multifamily units). In 2000, 93% of new single-family houses had two or more bathrooms, compared to 96% in 2018. The share of new multifamily units with two or more bathrooms decreased from 55% of new multifamily units to 44%. As of 2018, 92% of new single-family houses in the United States had garages for one or more vehicles (from 89% in 2000).
- o *Shared amenities.* Housing with shared amenities grew in popularity, as it may improve space efficiencies and reduce per-unit costs/maintenance costs. Single-room occupancies (SROs), [22] cottage clusters, cohousing developments, and multifamily products are common housing types that take advantage of this trend. Shared amenities may take many forms and include shared bathrooms, kitchens, other home appliances (e.g., laundry facilities, outdoor grills), security systems, outdoor areas (e.g., green spaces, pathways, gardens, rooftop lounges), fitness rooms, swimming pools, tennis courts, and free parking.[23]

State Trends

Oregon's 2016–2020 Consolidated Plan includes a detailed housing needs analysis as well as strategies for addressing housing needs statewide. The plan concludes that "a growing gap between the number of Oregonians who need affordable housing and the availability of affordable homes has given rise to destabilizing rent increases, an alarming number of evictions of low- and fixed- income people, increasing homelessness, and serious housing instability throughout Oregon."

It identified the following issues that describe housing need statewide:[24]

- ▪ For housing to be considered affordable, a household should pay up to one-third of their income toward rent, leaving money left over for food, utilities, transportation, medicine, and other basic necessities. Today, one in two Oregon households pays more than one-third of their income toward rent, and one in three pays more than half of their income toward rent.

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[22] Single-room occupancies are residential properties with multiple single-room dwelling units occupied by a single individual. From: U.S. Department of Housing and Urban Development. (2001). *Understanding SRO.* https://www.hudexchange.info/resources/documents/Understanding-SRO.pdf

[23] Urbsworks. (n.d.). Housing Choices Guidebook: A Visual Guide to Compact Housing Types in Northwest Oregon. https://www.oregon.gov/lcd/Publications/Housing-Choices-Booklet_DIGITAL.pdf

Saiz, Albert and Salazar, Arianna. (n.d.). Real Trends: The Future of Real Estate in the United States. Center for Real Estate, Urban Economics Lab.

[24] These conclusions are copied directly from the report: Oregon's 2016–2020 Consolidated Plan http://www.oregon.gov/ohcs/docs/Consolidated-Plan/2016-2020-Consolidated-Plan-Amendment.pdf.

- More school children are experiencing housing instability and homelessness. The rate of K–12 homeless children increased by 12% from the 2013–2014 school year to the 2014–2015 school year.

- Oregon has 28,500 rental units that are affordable and available to renters with extremely low incomes. There are about 131,000 households that need those apartments, leaving a gap of 102,500 units.

- Housing instability is fueled by an unsteady, low-opportunity employment market. Over 400,000 Oregonians are employed in low-wage work. Low-wage work is a growing share of Oregon's economy. When wages are set far below the cost needed to raise a family, the demand for public services grows to record heights.

- Women are more likely than men to end up in low-wage jobs. Low wages, irregular hours, and part-time work compound issues.

- People of color historically constitute a disproportionate share of the low-wage work force. About 45% of Latinx, and 50% of African Americans, are employed in low-wage industries.

- The majority of low-wage workers are adults over the age of 20, many of whom have earned a college degree, or some level of higher education.

- In 2019, minimum wage in Oregon[25] was $11.25, compared to $12.50 in the Portland Metro, and $11.00 for nonurban counties.

Oregon's *2018 Statewide Housing Plan* identified six housing priorities to address in communities across the State over 2019 to 2023, summarized below. It includes relevant data to help illustrate the rationale for each priority. The *2018 Statewide Housing Plan* describes the Oregon Housing and Community Services' (OHCS) goals and implementation strategies for achieving the goals.[26]

- **Equity and Racial Justice.** *Advance equity and racial justice by identifying and addressing institutional and systemic barriers that have created and perpetuated patterns of disparity in housing and economic prosperity.*

  o Summary of the Issue: In Oregon, 26% of people of color live below the poverty line, compared to 15% of the white population.

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[25] The 2016 Oregon Legislature, Senate Bill 1532, established a series of annual minimum wage rate increases beginning July 1, 2016, through July 1, 2022. https://www.oregon.gov/boli/whd/omw/pages/minimum-wage-rate-summary.aspx

[26] Priorities and factoids are copied directly from the report: Oregon Housing and Community Services (November 2018). Breaking New Ground, Oregon's Statewide Housing Plan, Draft. https://www.oregon.gov/ohcs/DO/shp/OregonStatewideHousingPlan-PublicReviewDraft-Web.pdf

- o 2019–2023 Goal: Communities of color will experience increased access to OHCS resources and achieve greater parity in housing stability, self-sufficiency, and homeownership. OHCS will collaborate with its partners and stakeholders to create a shared understanding of racial equity and overcome systemic injustices faced by communities of color in housing discrimination, access to housing, and economic prosperity.

- **Homelessness.** *Build a coordinated and concerted statewide effort to prevent and end homelessness, with a focus on ending unsheltered homelessness of Oregon's children and veterans.*

  - o Summary of the Issue: According to the Point-in-Time count, approximately 14,000 Oregonians experienced homelessness in 2017, an increase of nearly 6% since 2015. Oregon's unsheltered population increased faster than the sheltered population, and the state's rate of unsheltered homelessness is the third highest in the nation at 57%. The state's rate of unsheltered homelessness among people in families with children is the second highest in the nation at 52%.

  - o 2019–2023 Goal: OHCS will drive toward impactful homelessness interventions by increasing the percentage of people who are able to retain permanent housing for at least six months after receiving homeless services to at least 85 percent. We will also collaborate with partners to end veterans' homelessness in Oregon and build a system in which every child has a safe and stable place to call home.

- **Permanent Supportive Housing.** *Invest in permanent supportive housing, a proven strategy to reduce chronic homelessness and reduce barriers to housing stability.*

  - o Summary of the Issue: Oregon needs about 12,388 units of permanent supportive housing to serve individuals and families with a range of needs and challenges.

  - o 2019–2023 Goal: OHCS will increase our commitment to permanent supportive housing by funding the creation of 1,000 or more additional permanent supportive housing units to improve the future long-term housing stability for vulnerable Oregonians.

- **Affordable Rental Housing.** *Work to close the affordable rental housing gap and reduce housing cost burden for low-income Oregonians.*

  - o Summary of the Issue: Statewide, over 85,000 new units are needed to house those households earning below 30% of median family income (MFI) in units affordable to them. The gap is even larger when accounting for the more than 16,000 units affordable at 30% of MFI, which are occupied by households at other income levels.

  - o 2019–2023 Goal: OHCS will triple the existing pipeline of affordable rental housing —up to 25,000 homes in the development pipeline by 2023. Residents of affordable rental housing funded by OHCS will have reduced cost burden and more opportunities for prosperity and self-sufficiency.

- **Homeownership.** *Provide more low- and moderate-income Oregonians with the tools to successfully achieve and maintain homeownership, particularly in communities of color.*

- o <u>Summary of the Issue:</u> In Oregon, homeownership rates for all categories of people of color are lower than for white Oregonians. For white non-Latinx Oregonians, the home ownership rate is 63%. For Latinx and non-white Oregonians, it is 42%. For many, homeownership rates have fallen between 2005 and 2016.

- o <u>2019–2023 Goal:</u> OHCS will assist at least 6,500 households in becoming successful homeowners through mortgage lending products while sustaining efforts to help existing homeowners retain their homes. OHCS will increase the number of homebuyers of color in our homeownership programs by 50% as part of a concerted effort to bridge the homeownership gap for communities of color while building pathways to prosperity.

- ▪ **Rural Communities.** *Change the way OHCS does business in small towns and rural communities to be responsive to the unique housing and service needs and unlock the opportunities for housing development.*

  - o <u>Summary of the Issue:</u> While housing costs may be lower in rural areas, incomes are lower as well: Median family income is $42,750 for rural counties versus $54,420 for urban counties. Additionally, the median home values in rural Oregon are 30% higher than in the rural United States, and median rents are 16% higher.

  - o <u>2019–2023 Goal:</u> OHCS will collaborate with small towns and rural communities to increase the supply of affordable and market-rate housing. As a result of tailored services, partnerships among housing and service providers, private industry, and local governments will flourish, leading to improved capacity, leveraging of resources, and a doubling of the housing development pipeline.

Regional and Local Demographic Trends May Affect Housing Need in Silverton

Demographic trends that might affect the key assumptions used in the baseline analysis of housing need are (1) the aging population, (2) changes in household size and composition, and (3) increases in diversity.

An individual's housing needs change throughout their life, with changes in income, family composition, and age. The types of housing needed by a 20-year-old college student differ from the needs of a 40-year-old parent with children, or an 80-year-old single adult. As Silverton's population ages, different types of housing will be needed to accommodate older residents. The housing characteristics by age data below reveal this cycle in action in Silverton.

Housing needs and preferences change in predictable ways over time, such as with changes in marital status and size of family.

Families of different sizes need different types of housing.

Exhibit 22. **Effect of Demographic Changes on Housing Need**
Source: ECONorthwest, adapted from Clark, William A.V. and Frans M. Dieleman. 1996. Households and Housing. New Brunswick, NJ: Center for Urban Policy Research.
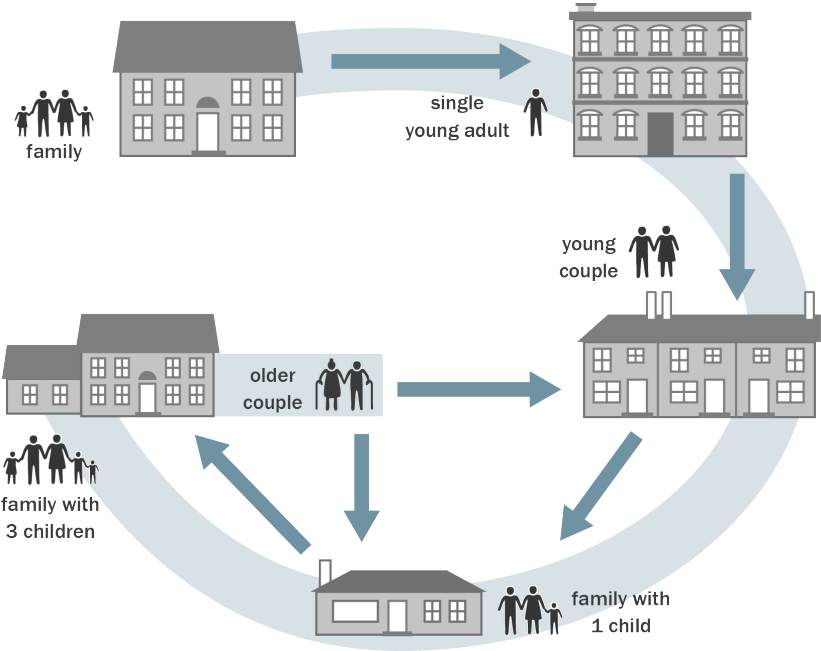
Growing Population

Silverton's population growth will drive future demand for housing in the City over the planning period. The population forecast in Exhibit 24 is Silverton's official population forecast from the Oregon Population Forecast Program. Silverton must use this forecast as the basis for forecasting housing growth over the 2020 to 2040 period.

Silverton's population grew by 83% between 1990 and 2018. Silverton added 4,690 new residents, at an average annual growth rate of 2.2%.

Exhibit 23. Population, Silverton, Marion County, Oregon, and the United States, 1990, 2000, 2010, and 2018

Source: U.S. Decennial Census 1990, 2000, and 2010. Portland State University, Population Research Center, 2018. Note: The U.S. Census, American Community Survey 5-year estimates 2013–2017 is used in place of 2018 data for the United States.

	1990	2000	2010	2018	Change 1990 to 2018		
					Number	Percent	AAGR
U.S.	248,709,873	281,421,906	308,745,538	327,167,434	78,457,561	32%	1.0%
Oregon	2,842,321	3,421,399	3,831,074	4,195,300	1,352,979	48%	1.4%
Marion County	228,483	284,834	315,335	344,035	115,552	51%	1.5%
Silverton	5,635	7,414	9,222	10,325	4,690	83%	2.2%

Silverton's population within its UGB is projected to grow by over 3,000 people between 2020 and 2040, at an average annual growth rate of 1.29%.[27]

Exhibit 24. Forecast of Population Growth, Silverton UGB, 2020 to 2040

Source: Oregon Population Forecast Program, Portland State University, Population Research Center, June 2018.

10,701	13,759	3,058	29% increase
Residents in 2020	Residents in 2040	New residents 2020 to 2040	1.29% AAGR

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[27] This projected growth is based on the Oregon Population Forecast Program's analysis of the Silverton UGB.

Aging Population

This section shows two key characteristics of Silverton's population, with implications for future housing demand in Silverton:

- **Seniors.** Silverton currently has a smaller share of people over 60 years old than Marion County. As Silverton's senior population grows, it will have increasing demand for housing that is suitable for elderly residents.

  Demand for housing for seniors will grow over the planning period, as Baby Boomers continue to age and retire. The Marion County forecast share of residents aged 60 years and older will account for 25% of its population (2040), compared to around 21% in the 2013–2017 period.

  The impact of growth in seniors in Silverton will depend, in part, on whether older people already living in Silverton continue to reside there as they retire. National surveys show that, in general, most retirees prefer to age in place by continuing to live in their current home and community as long as possible.[28] Silverton may be attractive to newly retiring seniors because of its small-town characteristics and location within the Willamette Valley region.

  Growth in the number of seniors will result in demand for housing types specific to seniors, such as small and easy-to-maintain dwellings, assisted-living facilities, or age-restricted developments. Senior households will make a variety of housing choices as their health declines, including remaining in their homes as long as they are able; downsizing to smaller single-family homes (detached and attached), accessory dwelling units, cottages, or multifamily units; or moving into group housing (such as assisted-living facilities or nursing homes). The challenges aging seniors face in continuing to live in their community include changes in health-care needs, loss of mobility, home maintenance difficulties, fixed incomes, and increases in property taxes.[29]

- **Silverton has a larger proportion of youth and adolescence than Marion County and Oregon.** About 33% of Silverton's population is under 20 years old, compared to 28% of Marion County's population and 24% of Oregon's population. The forecast for population growth in Marion County shows the percent of people under 20 years old staying about the same, at 28% of the population in the 2013–2017 period to 27% of the population by 2040.

  People between 20 and 40 years of age are referred to as the Millennial generation and account for the largest share of the population in Oregon. By 2040, they will be between 40 and 60 years of age. The forecast for Marion County shows a slight shift in Millennials from about 26% of the population in 2020 to about 23% of the population in 2040.

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[28] A survey conducted by the AARP indicates that 90% of people 50 years and older want to stay in their current home and community as they age. See http://www.aarp.org/research.

[29] "Aging in Place: A toolkit for Local Governments" by M. Scott Ball.

Silverton's ability to attract and retain people in this age group will depend, in large part, on whether the city has opportunities for housing that both appeals to and is affordable to Millennials, as well as jobs that allow younger people to live and work in Silverton.

In the near-term, Millennials may increase demand for rental units. The long-term housing preference of Millennials is uncertain. Research suggests that Millennials' housing preferences may be similar to Baby Boomers, with a preference for single-family detached units, albeit smaller and less costly. Recent surveys about housing preference suggest that Millennials want affordable single-family homes in areas that offer transportation alternatives to cars, such as suburbs or small cities with walkable neighborhoods.[30]

A recent survey of people living in the Portland region shows that Millennials prefer single-family detached housing. The survey finds that housing price is the most important factor in choosing housing for younger residents.[31] The survey results suggest Millennials are more likely than other groups to prefer housing in an urban neighborhood or town center. While this survey is for the Portland region, it shows similar results as national surveys and studies about housing preference for Millennials.

Growth in Millennials and Seniors in Silverton will result in increased demand for both affordable single-family detached housing (such as small-lot single-family detached units and cottages), as well as increased demand for affordable townhouses and multifamily housing (such as duplexes, triplexes, quadplexes, or apartments). Growth in these populations will result in increased demand for both ownership and rental opportunities, with an emphasis on housing that is comparatively affordable. There is potential for attracting new residents to housing in Silverton's commercial areas, especially if the housing is relatively affordable and located in proximity to services.

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[30] The American Planning Association, "Investing in Place; Two generations' view on the future of communities." 2014.
"Access to Public Transportation a Top Criterion for Millennials When Deciding Where to Live, New Survey Shows," Transportation for America.
"Survey Says: Home Trends and Buyer Preferences," National Association of Home Builders International Builders

[31] Davis, Hibbits, & Midghal Research, "Metro Residential Preference Survey," May 2014.

From 2000 to 2013–2017, Silverton's median age increased by four years.

Exhibit 25. Median Age, Silverton, Marion County, and Oregon, 2000 to 2013–2017
Source: U.S. Census Bureau, 2000 Decennial Census Table B01002, 2013–2017 ACS, Table B01002.
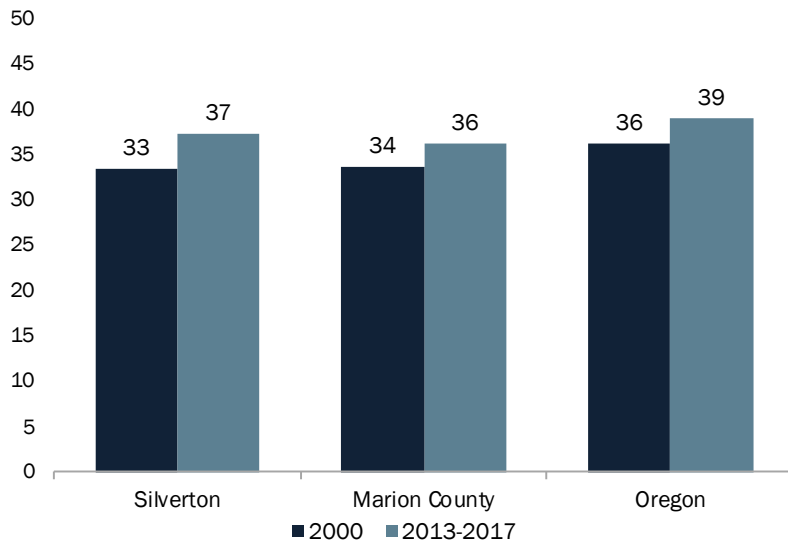
In 2013–2017, about a third of Silverton's population was under 20 years old.

Silverton had more youth and adolescence than Marion County and Oregon.

Exhibit 26. Population Distribution by Age, Silverton, Marion County, and Oregon, 2013–2017
Source: U.S. Census Bureau, 2013–2017 ACS, Table B01001.
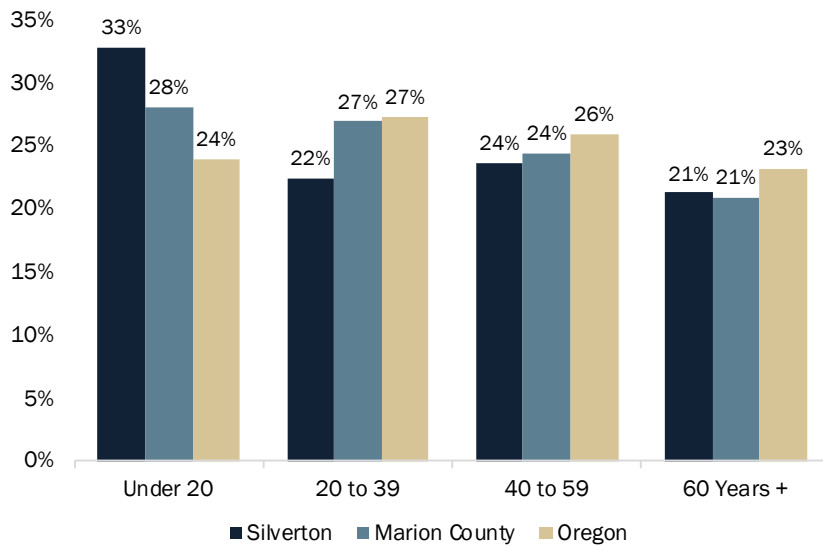
Between 2000 and 2013–2017, all age groups in Silverton grew in size.

The largest increase in residents were those aged 60 and older.

The increase in people under 20 years old suggests that Silverton is attracting (or retaining) families with children.

Exhibit 27. Population Growth by Age, Silverton, 2000 to 2013–2017
Source: U.S. Census Bureau, 2000 Decennial Census Table P012 and 2013–2017 ACS, Table B01001.
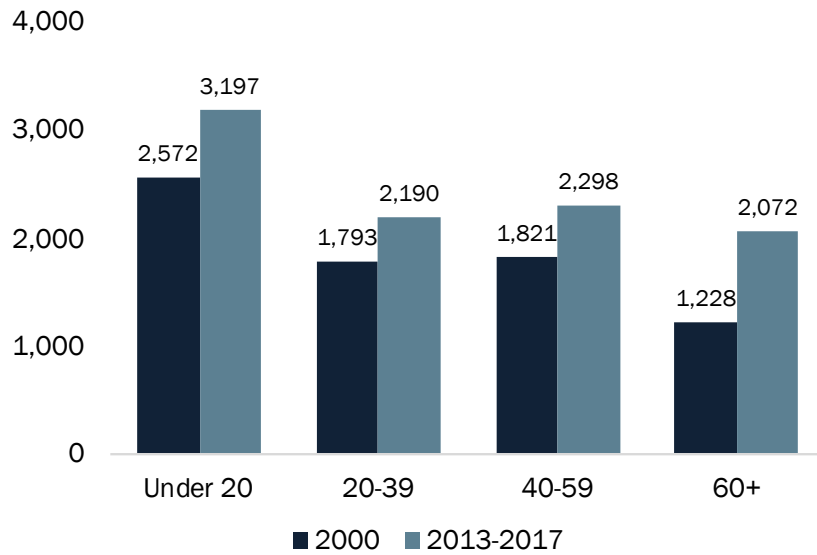
Between 2020 and 2040, Marion County's population over 60 years old is forecast to grow 36%.

Exhibit 28. Fastest-Growing Age Groups, Marion County, 2020 to 2040
Source: Portland State University, Population Research Center, Marion County Forecast, June 2017.

15%	14%	18%	36%
14,909 People	12,746 People	15,185 People	28,544 People
Under 20	**20–39 Yrs**	**40–59 Yrs**	**60+ Yrs**

The age group that is forecast to increase in Marion County is people 60 years and older.

This suggests that Silverton's population of seniors will also increase by 2040.

Exhibit 29. Population Growth by Age Group, Marion County, 2020 and 2040
Source: Portland State University, Population Research Center, Marion County Forecast, June 2017.
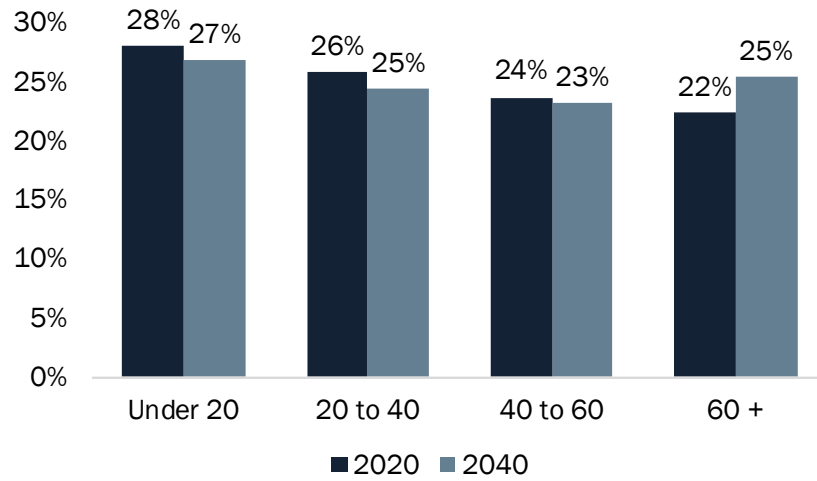
Increased Ethnic Diversity

The number of Latinx residents increased in Silverton (by about 137 people), while the share of Latinx individuals declined from 12% of Silverton's population in 2000 to 10% of the population in the 2013–2017 period. Silverton is less ethnically diverse than both Marion County and Oregon.

The U.S. Census Bureau forecasts that at the national level, the Latinx population will continue growing faster than most other non-Latinx populations between 2020 and 2040. The Census forecasts that the Latinx population will increase 93%, from 2016 to 2060, and foreign-born Latinx populations will increase by about 40% in that same time.[32]

Continued growth in the Latinx population will affect Silverton's housing needs in a variety of ways.[33] Growth in first and, to a lesser extent, second and third generation Latinx immigrants, will increase demand for larger dwelling units to accommodate the, on average, larger household sizes for these households. Foreign-born households, including Latinx immigrants, are more likely to include multiple generations, requiring more space than smaller household sizes. As Latinx households integrate over generations, household size typically decreases, and housing needs become similar to housing needs for all households.

According to the *State of Hispanic Homeownership* report from the National Association of Hispanic Real Estate Professionals,[34] the Latinx population accounted for 32.4% of the nation's household formation in 2018, up 3.8 percentage points from 2017. The rate of homeownership for Latinx households increased from 45.6% in 2015 to 47.1% in 2018.[35] The only demographic that increased their rate of homeownership from 2016 to 2017 was Latinx households.

The *State of Hispanic Homeownership* report also cited the lack of affordable housing products as a substantial barrier to homeownership. The report found that Latinx households were more likely than non-Latinx households to be nuclear households, composed of married couples with children, and multigeneration households in the same home (such as parents and adult children living together). These housing preferences—affordability and larger household size—will influence the housing market as the Latinx population continues to grow.[36] Accordingly, growth in Latinx households will likely result in increased demand for housing of all types, both for ownership and rentals, with an emphasis on housing that is comparatively affordable.

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[32] U.S. Census Bureau, *Demographic Turning Points for the United States: Population Projections for 2020 to 2060,* pg. 7, https://www.census.gov/content/dam/Census/library/publications/2018/demo/P25_1144.pdf

[33] Pew Research Center. *Second-Generation Americans: A Portrait of the Adult Children of Immigrants*, February 7, 2013, Appendix 8, http://www.pewsocialtrends.org/2013/02/07/appendix-1-detailed-demographic-tables/.
National Association of Hispanic Real Estate Professionals. *2017 State of Hispanic Homeownership Report*, 2017.

[34] National Association of Hispanic Real Estate Professionals (2018). *2018 State of Hispanic Homeownership Report*. Retrieved from: https://nahrep.org/downloads/2018-state-of-hispanic-homeownership-report.pdf

[35] *Ibid*.

[36] *Ibid*.

The share of Silverton's households that identified as Latinx decreased between 2000 and 2013–2017.

Silverton was less ethnically diverse than Marion County and the state in the 2013–2017 period.

Exhibit 30. Latinx Population as a Percent of the Total Population, Silverton, Marion County, Oregon, 2000 and 2013–2017
Source: U.S. Census Bureau, 2000 Decennial Census Table P008, 2013–2017 ACS Table B03002.
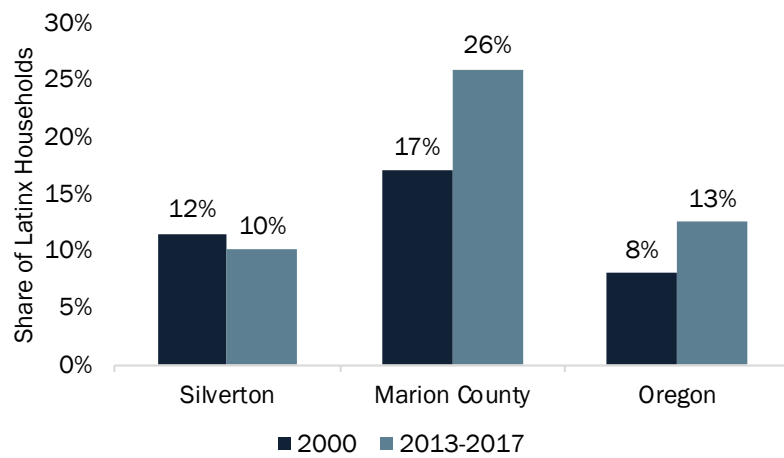
Racial Diversity[37]

The non-white population is defined as the share of the population that identifies as another race other than "white alone" according to Census definitions. Racial diversity in Silverton decreased from 2000 to the 2013–2017 period. Silverton was less racially diverse than both Marion County and Oregon.

The share of the nonwhite population in Silverton decreased from 2000 to the 2013–2017 period.

Exhibit 31. Nonwhite Population as a Percent of Total Population, Silverton, 2000 and 2013–2017
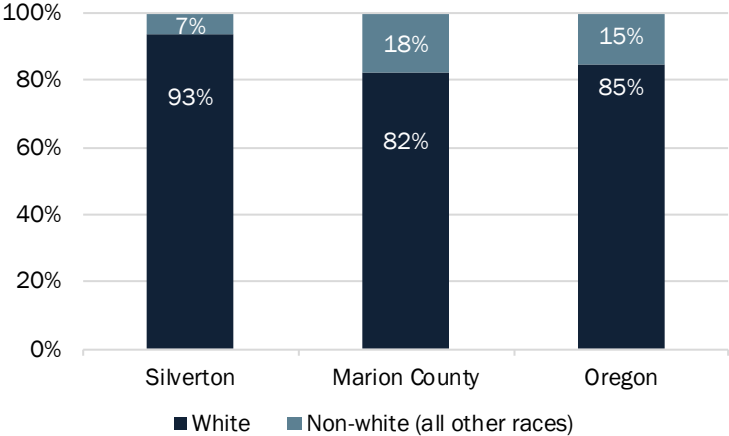Source: U.S. Census Bureau, 2000 Decennial Census Table P008, 2013–2017 ACS Table B02001.
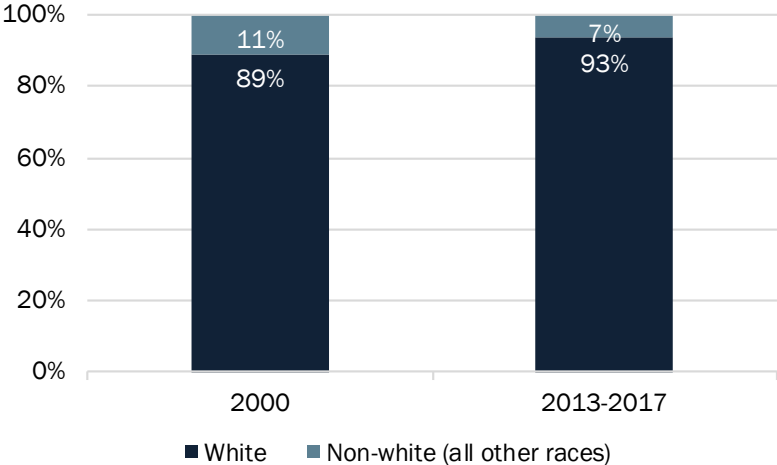
In the 2013–2017 period, Silverton was less racially diverse than Marion County and Oregon

Exhibit 32. Nonwhite Population as a Percent of Total Population, Silverton, Marion County, Oregon, 2013–2017
Source: U.S. Census Bureau, 2013–2017 ACS Table B02001.

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[37] The US Census Bureau considers race and ethnicity as two distinct concepts. The Census applies two categories for ethnicity, which are Hispanic or Latino (i.e., Latinx) and Not Hispanic or Latino (i.e., Non-Latinx). Latinx is an ethnicity and not a race, meaning individuals who identify as Latinx may be of any race. The share of the population that identifies as Latinx should not be added to percentages for racial categories.

Household Size and Composition

Silverton's household composition shows that households in Silverton are similar to Marion County averages. On average, Silverton's households are similar in size to Marion County's average households but were larger than Oregon's average households.

Silverton's average household size was about the same as Marion County's but larger than Oregon's.

Exhibit 33. Average Household Size, Silverton, Marion County, Oregon, 2013–2017
Source: U.S. Census Bureau, 2013–2017 ACS 5-year estimate, Table B25010.

2.75 Persons
Silverton

2.76 Persons
Marion County

2.50 Persons
Oregon

Silverton had a similar share of one and two-person households to Marion County.

Silverton had a larger share of households with three or more households, consistent with the larger share of people under age 20 (i.e., families with children) in Silverton.

Exhibit 34. Household Size, Silverton, Marion County, Oregon, 2013–2017
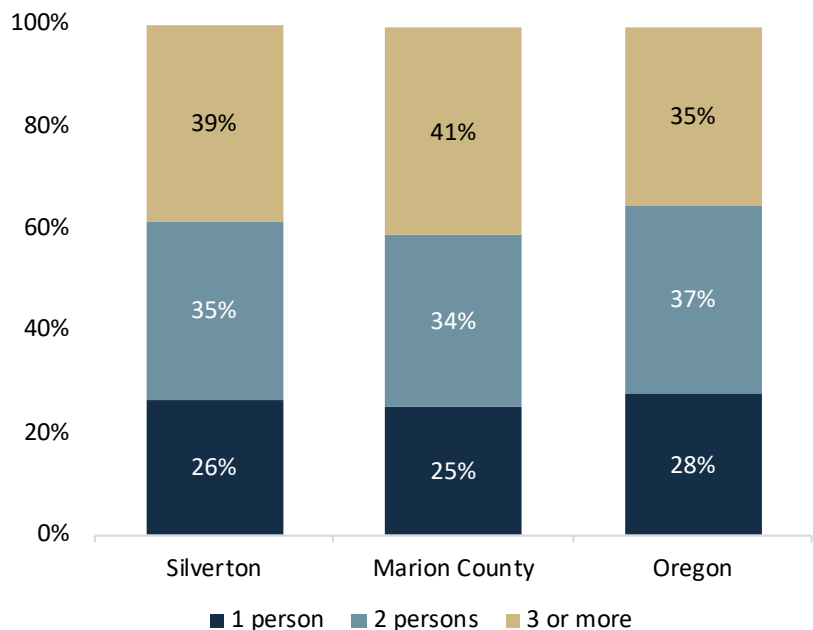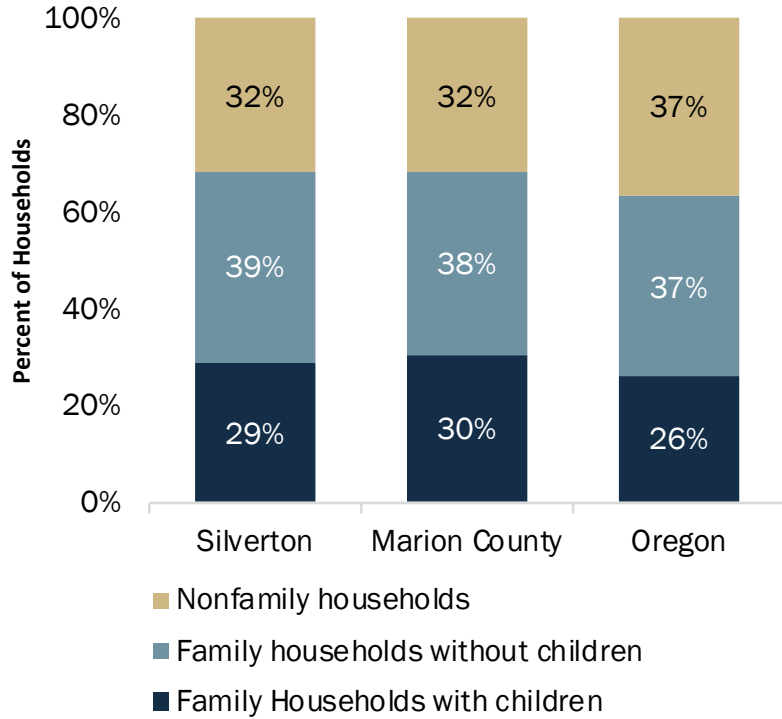Source: U.S. Census Bureau, 2013–2017 ACS 5-year estimate, Table B25010.

Household compositions in Silverton were similar to those in Marion County, both possessing a larger share of family households without children.

About a third of Silverton's households are nonfamily households (e.g., roommates and one-person households).

Exhibit 35. Household Composition, Silverton, Marion County, Oregon, 2013–2017
Source: U.S. Census Bureau, 2013–2017 ACS 5-year estimate, Table DP02.

Nonfamily households
Family households without children
Family Households with children

Over the 2000 to 2017 analysis period, the number of family households with children declined.

Exhibit 36. Change in Household Composition, Silverton, 2000 and 2013–2017
Source: U.S. Census Bureau, 2010 Decennial Census, Table P20; 2013–2017 ACS 5-year estimate, Table DP02.

-22%

Family Households with Children

20%

Family Households without Children

11%

Nonfamily Households (roommates and 1-person households)
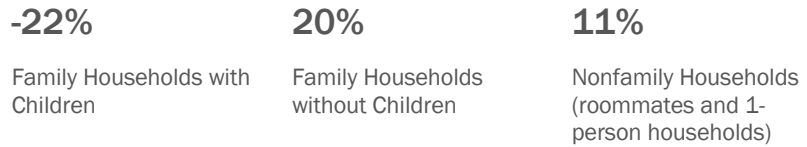
The share of Silverton's households (with two or more persons per household) decreased by age 65 and older.

Exhibit 37. Households by Household Size and Age of Householder, Silverton, 2013–2017
Source: U.S. Census Bureau, 2013–2017 ACS 5-year estimate, Table B25116.
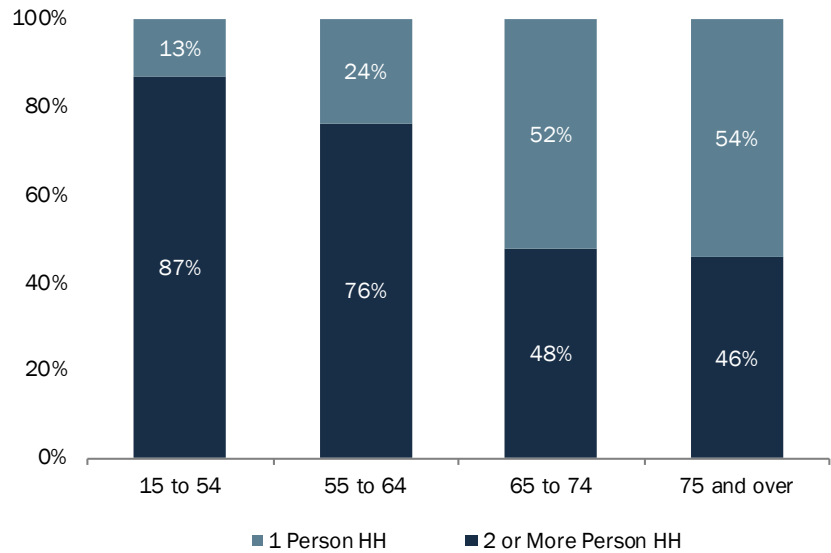
For households in Silverton, homeownership begins to decline after age 75 and household size begins to decline after age 65.

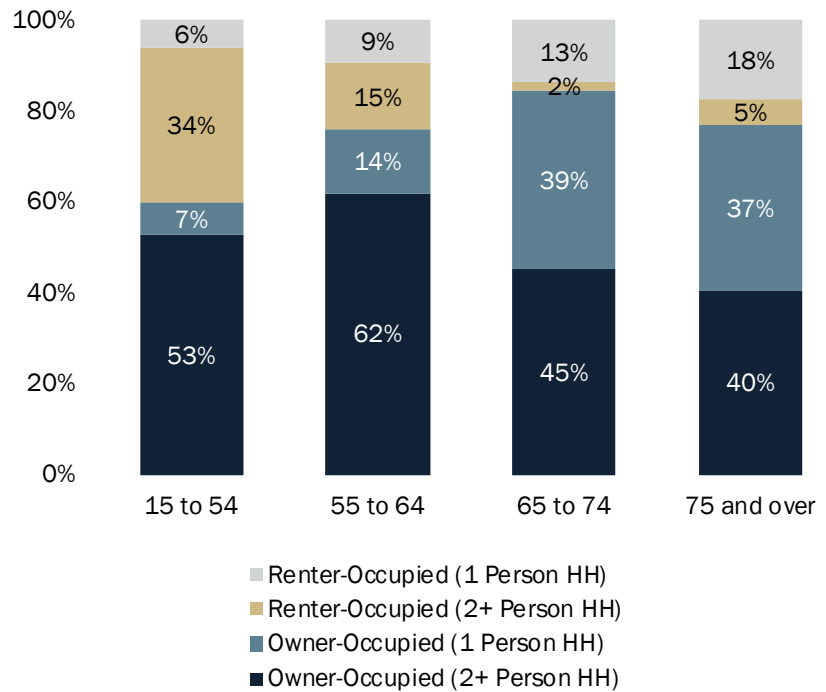**Exhibit 38. Households by Household Size, Tenure, and Age of Householder, Silverton, 2013–2017**
Source: U.S. Census Bureau, 2000 Decennial Census, Table HCT012; 2013–2017 ACS 5-year estimate, Table B25116.

Income of Silverton Residents

Income is one of the key determinants in housing choice and households' ability to afford housing. Median household income in Silverton is higher than the Marion County median income and the states median household income.

In the 2013–2017 period, Silverton's median household income (MHI) was above that of the county, state, and most comparison cities.

Exhibit 39. Median Household Income, Silverton, Marion County, Oregon, and Comparison Cities, 2013–2017
Source: U.S. Census Bureau, 2013–2017 ACS 5-year estimate, Table B25119.

City	Median Household Income
Keizer	$60,722
Silverton	$60,603
Sublimity	$59,600
Molalla	$57,542
Oregon	$56,119
Marion County	$53,828
Salem	$51,666
Stayton	$49,571
Aumsville	$46,919
Woodburn	$47,042

Median household income was highest for 4-person households.

The median household income more than doubled between 1- and 2-person households.

Exhibit 40. Median Household Income by Household Size, Silverton, 2013–2017
Source: U.S. Census Bureau, 2013–2017 ACS 5-year estimate, Table B25119.

After adjusting for inflation, Silverton's median household income (MHI) increased by 3% from 2000 to 2013–2017.

In contrast over the same period, Marion County and Oregon's inflation adjusted MHIs declined by 10% and 7%, respectively.

Exhibit 41. Change in Median Household Income, Silverton, Marion County, Oregon, 2000 to 2013–2017, Inflation-adjusted
Source: U.S. Census Bureau, 2000 Decennial Census, Table HCT012; 2013–2017 ACS 5-year estimate, Table B25119.
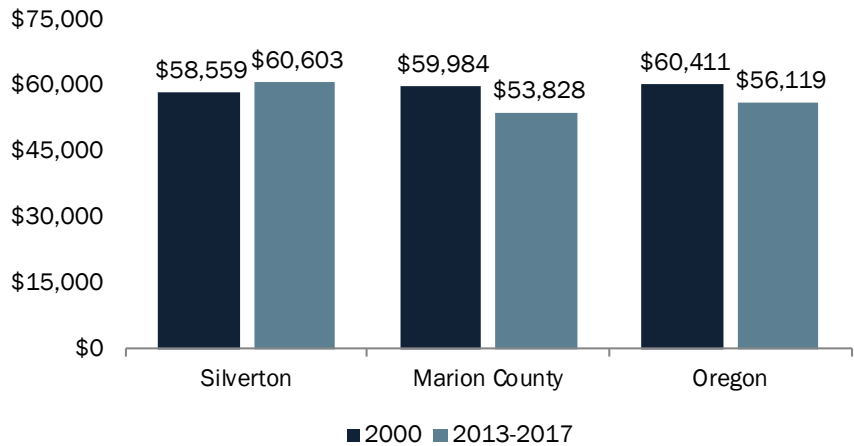
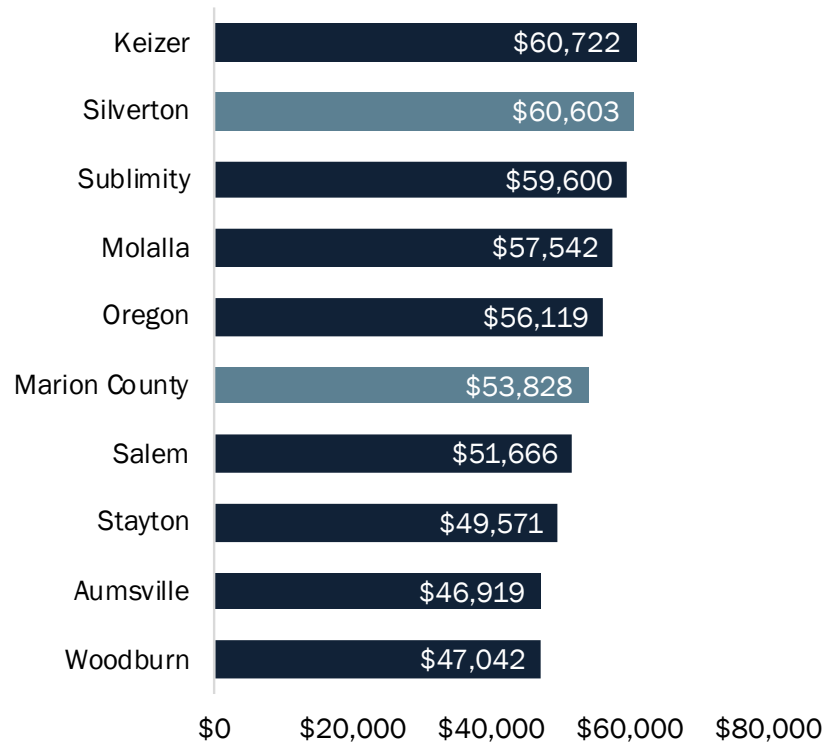**Silverton household income was higher than the County averages.**

Silverton had a smaller share of households earning less than $25,000/year.

Silverton had a larger share of households earning more than $100,000/year than Marion County and Oregon.

Exhibit 42. Distribution of Household Income, Silverton, Marion County, Oregon, 2013–2017
Source: U.S. Census Bureau, 2013–2017 ACS 5-year estimate, Table B19001.
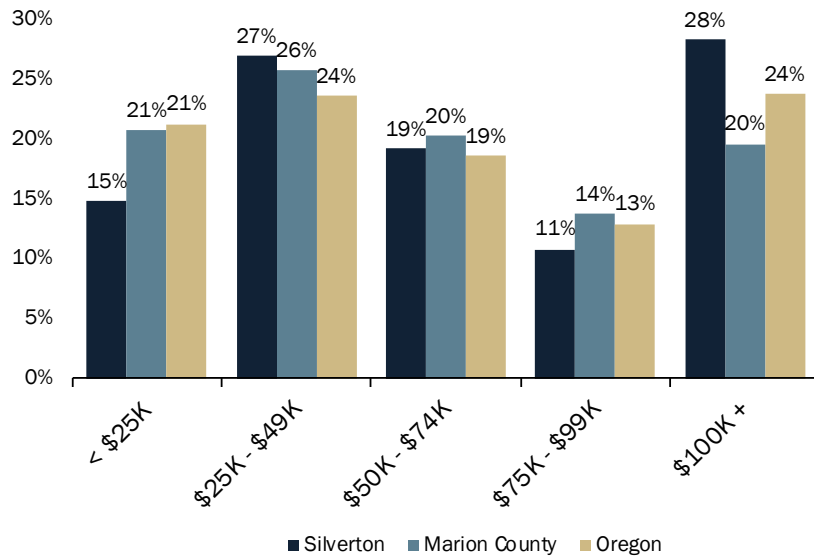
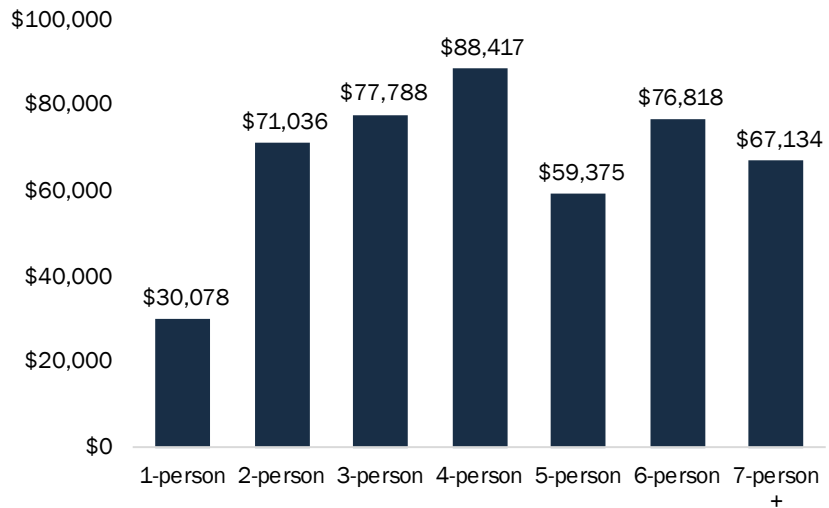**Household incomes increased with age.**

Over half of householders between the ages of 25 and 44 earned incomes over $75,000.

In contrast, over 80% of householders under 25 made less than $50,000.

Exhibit 43. Household Income by Age of Head of Household, Silverton, 2013–2017
Source: U.S. Census Bureau, 2013–2017 ACS 5-year estimate, Table B19037.

Commuting Trends

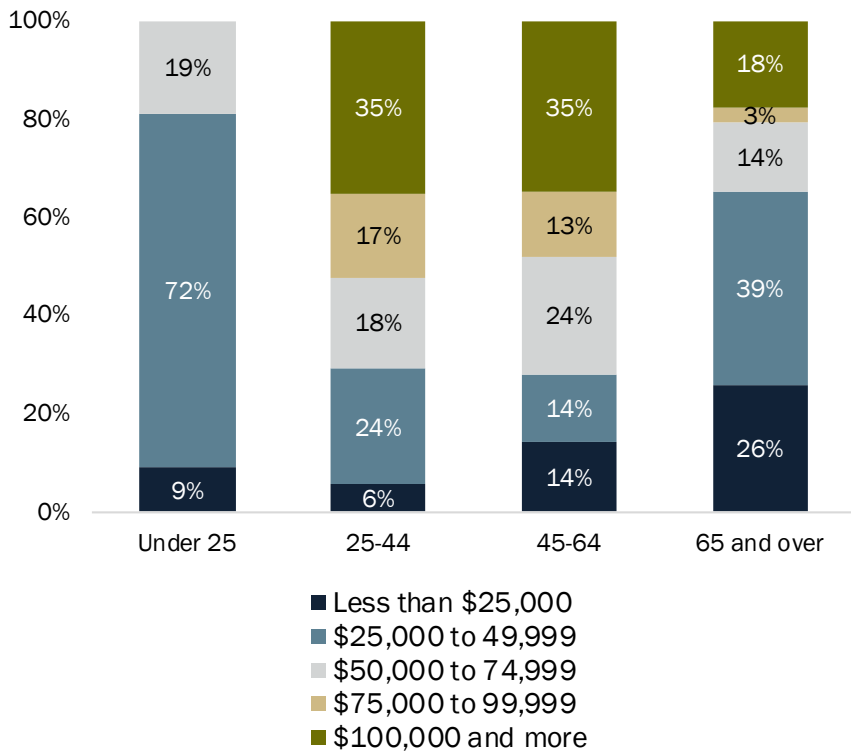Silverton is part of the complex, interconnected economy of Marion County. Of the more than 3,400 people who work in Silverton, 79% of workers commute into Silverton from other areas, most notably Salem. More than 3,600 residents of Silverton commute out of the city for work, many of them to Salem.

Silverton is part of an interconnected regional economy.

About 2,700 people commuted into Silverton for work, and about 3,600 people living in Silverton commuted out of the city for work.

Exhibit 44. Commuting Flows, Silverton, 2015
Source: U.S. Census Bureau, Census On the Map.
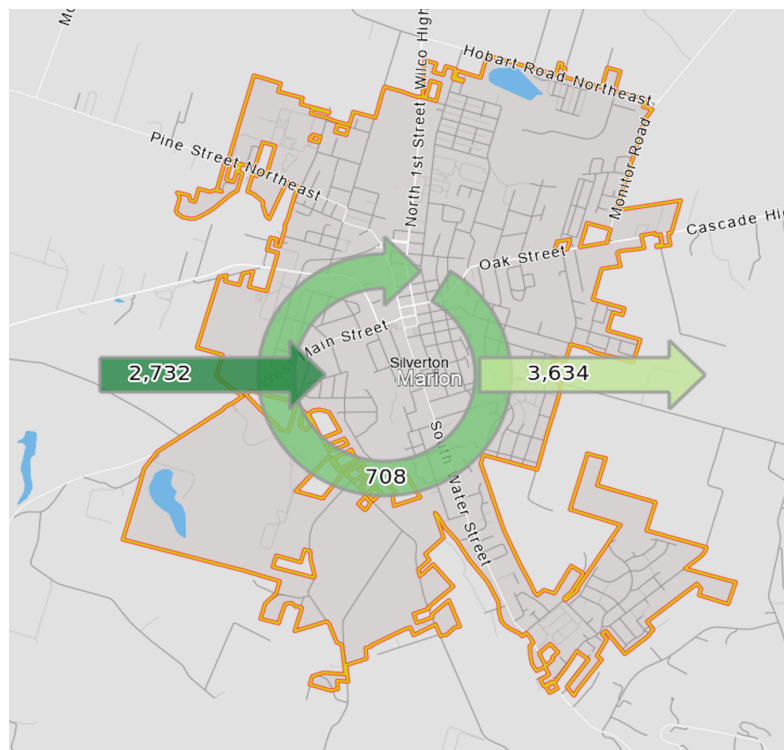
About 21% of people who worked at businesses located in Silverton also lived in Silverton.

The remainder commuted from Salem and other parts of the region.

Exhibit 45. Places Where Workers at Businesses in Silverton Lived, 2015
Source: U.S. Census Bureau, Census On the Map.

21%	14%	5%
Silverton	Salem	Keizer
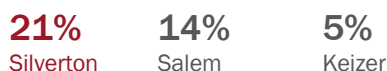
About 45% of Silverton residents worked in either Silverton, Salem, or Portland.

Exhibit 46. Places Where Silverton Residents were Employed, 2015
Source: U.S. Census Bureau, Census On the Map.

16%	19%	10%
Silverton	Salem	Portland
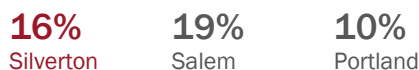
About a third of Silverton residents had a commute time that took less than 15 minutes.

Exhibit 47. Commute Time by Place of Residence, Silverton, Marion County, Oregon, 2013–2017
Source: U.S. Census Bureau, 2013–2017 ACS 5-year estimate, Table B08303.
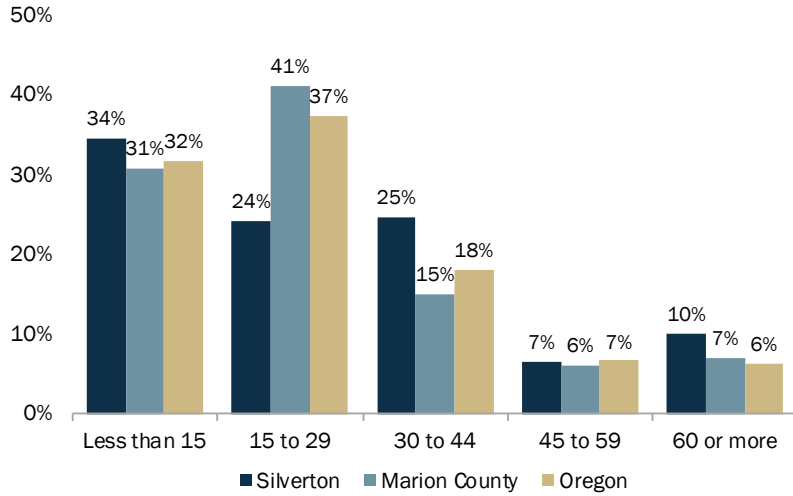
Homelessness

Based on Marion County's Point-in-Time homeless count, about 1,000 people were homeless in Marion County at the time of the count.

Exhibit 48. Number of Persons Homeless, Marion County, Point-in-Time Count, 2017 and 2018
Source: Mid-Willamette Community Action.

1,049 Persons
2017

995 Persons
2018

The number of unsheltered individuals experiencing homelessness increased between 2017 and 2018.

Exhibit 49. Number of Persons Homeless by Living Situation, Marion County, Point-in-Time Count, 2018
Source: Mid-Willamette Community Action.
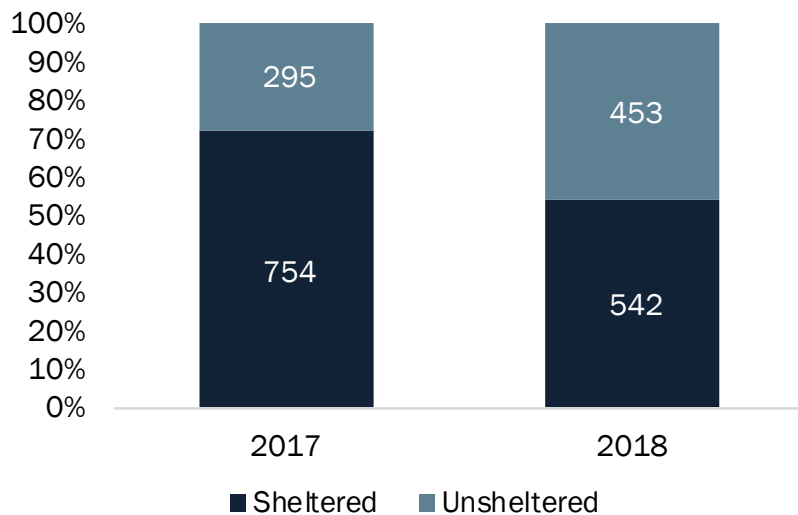
Regional and Local Trends Affecting Affordability in Silverton

This section describes changes in sales prices, rents, and housing affordability in Silverton since 2000. Where data is available, this section compares Silverton's housing costs to other cities in the region, Marion county, and Oregon.

Changes in Housing Costs

Silverton's median housing sales price was $429,000 in May of 2019 and has grown in cost over the last several years. Silverton's housing sales were also generally higher than cities in the region. Between May 2016 and May 2019, the median cost of a home grew by $179,000 (72%) in Silverton.

Silverton had the highest median home sales price in May of 2019 when compared against Salem, Woodburn, and Keizer.

Exhibit 50. Median Home Sale Price, Silverton[38] and Comparison Cities, May 2019
Source: Redfin (Salem, Keizer, and Woodburn) and Property Radar (Silverton)

$276K	$290K	$325K	$429K
Woodburn	Salem	Keizer	Silverton
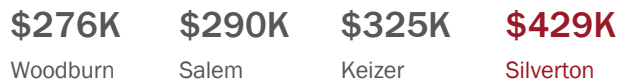
Since January of 2015, Silverton's median home sales prices have generally trended above those of comparison cities.

Between January of 2015 and April of 2019, Silverton's median housing price increased by 57% or $116,000.

Exhibit 51. Monthly Median Sales Price, Silverton and Comparison Cities, January 2015 to April 2019
Source: Redfin (Salem, Keizer, and Woodburn) and Property Radar (Silverton).

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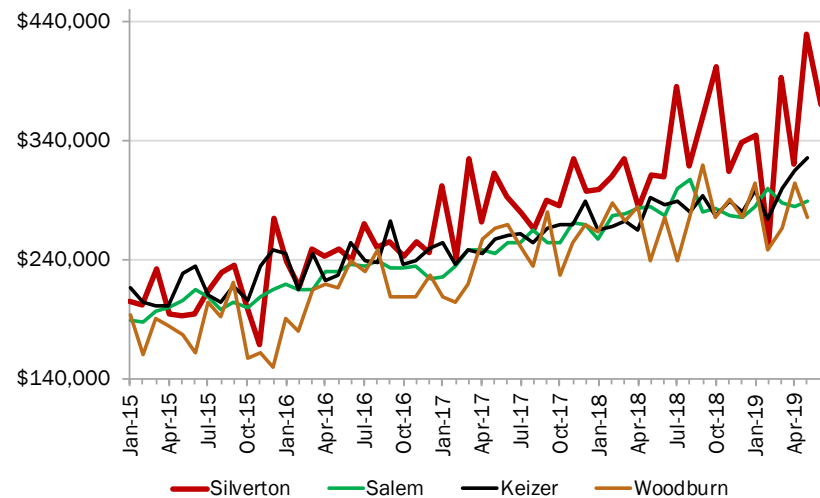
[38] Silverton's median home sales price fluctuates by month based on the number of homes sold at various price points. For example, in April 2019, Silverton's median home sales price was $321,000. In June 2019, Silverton's median home sales price was $370,800.

Since 2000, housing costs in Silverton have increased faster than incomes, but to a lesser degree when compared to Marion County and Oregon.

The household reported median value of a house in Silverton was 3.8 times the median household income in 2000, and 4.1 times the median household income in the 2013–2017 period.

The decline of housing affordability in Silverton was similar to regional comparison cities (e.g., Salem, Molalla, and Sublimity). The housing-value- to-income ratio grew slower in Silverton than in Stayton.

Exhibit 52. Ratio of Median Housing Value to Median Household Income, Silverton, Marion County, Oregon, and Comparison Cities, 2000 to 2013–2017[39]
Source: U.S. Census Bureau, 2000 Decennial Census, Tables HCT012 and H085, and 2013–2017 ACS, Tables B19013 and B25077.

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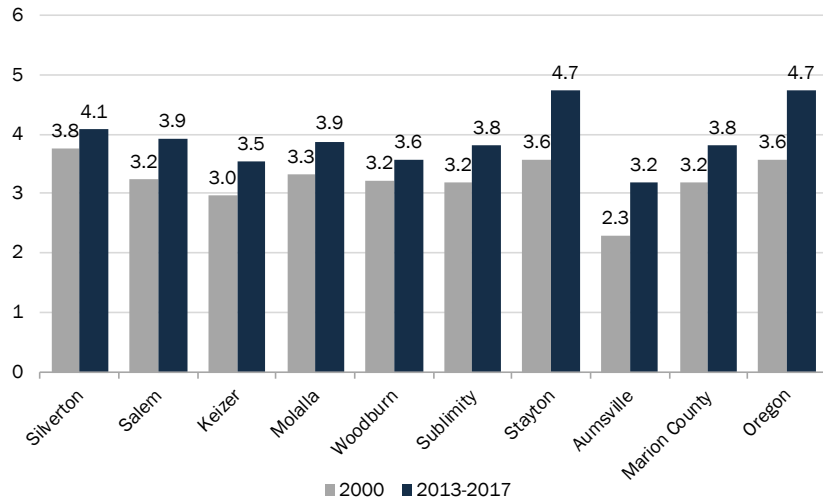
[39] This ratio compares the median value of housing in Silverton (and other places) to the median household income. Inflation-adjusted median owner values in Silverton increased from $220,224 in 2000 to $247,100 in 2013–2017. Over the same period, inflation-adjusted median income decreased from $58,559 to $60,603.

Rental Costs

Rent costs in Silverton are lower than average for Marion County and the state. The following charts show gross rent (which includes the cost of rent plus utilities) for Silverton in comparison to Marion County and Oregon based on Census data.

The median gross rent in Silverton was $902 in the 2013–2017 period.

Rent in Silverton is lower than Marion County and Oregon's median rents.

Exhibit 53. Median Gross Rent, Silverton, Marion County, Oregon, 2013–2017
Source: U.S. Census Bureau, 2013–2017 ACS 5-year estimate, Table B25064.

About 65% of renters in Silverton pay less than $1,000 per month.

About 17% of Silverton's renters pay $1,250 or more in gross rent per month, an identical share to Marion County but a smaller share than the state.

Exhibit 54. Gross Rent, Silverton, Marion County, Oregon, 2013–2017
Source: U.S. Census Bureau, 2013–2017 ACS Table B25063.
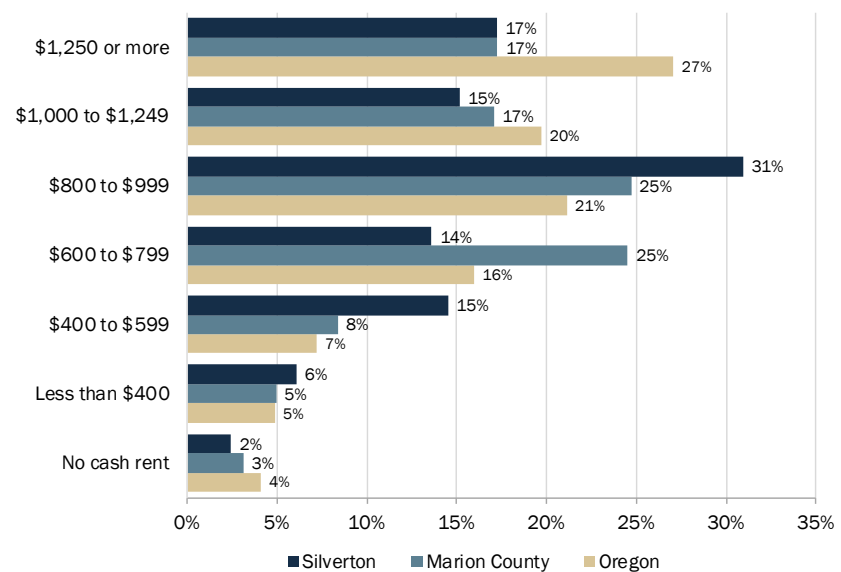
Housing Affordability

A typical standard used to determine housing affordability is that a household should pay no more than a certain percentage of household income for housing, including payments and interest or rent, utilities, and insurance. The Department of Housing and Urban Development's guidelines indicate that households paying more than 30% of their income on housing experience "cost burden" and households paying more than 50% of their income on housing experience "severe cost burden." Using cost burden as an indicator is one method of determining how well a city is meeting the Goal 10 requirement to provide housing that is affordable to all households in a community.

About 19% of Silverton's households are cost burdened and 11% are severely cost burdened. About 46% of renter households are cost burdened, compared with 23% of homeowners. Overall, Silverton has a slightly smaller share of cost-burdened households than Marion County and Oregon.

For example, about 15% of Silverton's households have an income of less than $25,000 per year. These households can afford rent of less than $625 per month, or a home with a value of less than $75,000. Most, but not all, of these households are cost burdened.

Overall, about 30% of all households in Silverton are cost burdened.

Silverton has one of the lower shares of cost-burdened households relative to all comparison cities, Marion County, and Oregon for the 2013–2017 period.

Exhibit 55. Housing Cost Burden, Silverton, Marion County, Oregon, Other Comparison Cities, 2013–2017
Source: U.S. Census Bureau, 2013–2017 ACS Tables B25091 and B25070.

	Total Cost burdened	Not cost burdened
Molalla	42%	58%
Woodburn	39%	61%
Stayton	38%	62%
Salem	37%	63%
Oregon	36%	64%
Marion County	35%	65%
Keizer	34%	66%
Aumsville	32%	68%
Silverton	30%	70%
Sublimity	29%	71%
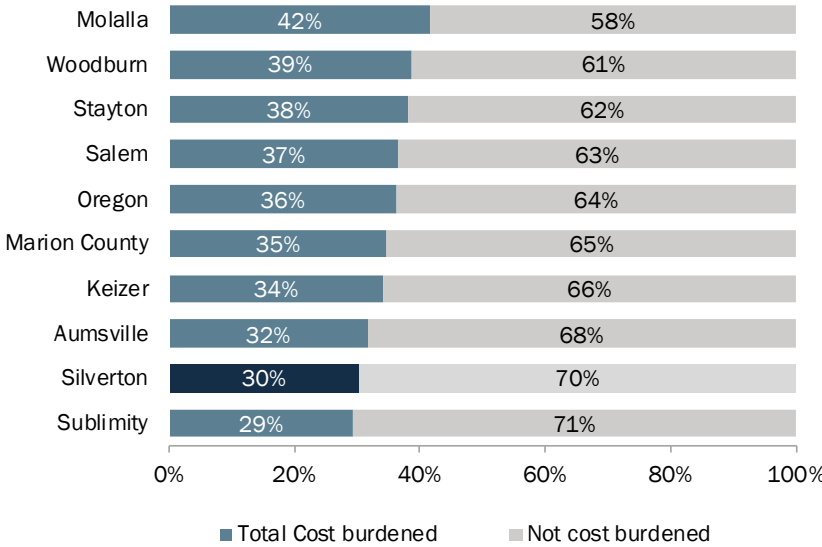
From 2000 to the 2013–2017 period, the number of cost-burdened and severely cost–burdened households fell by 1% in Silverton.

Exhibit 56. Change in Housing Cost Burden, Silverton, 2000 to 2013–2017
Source: U.S. Census Bureau, 2000 Decennial Census, Tables H069 and H094 and 2013–2017 ACS Tables B25091 and B25070.
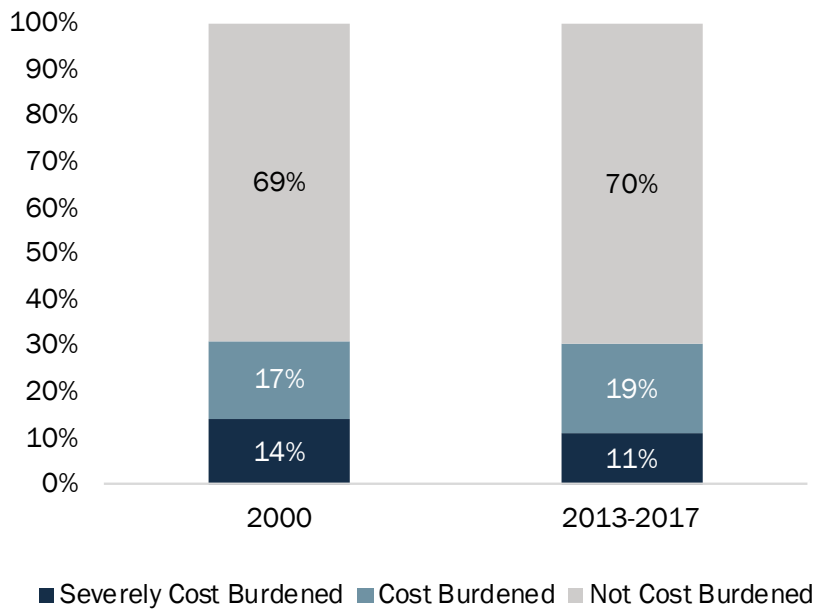
Renters are much more likely to be cost burdened than homeowners.

In the 2013–2017 period, about 46% of Silverton's renters were cost burdened or severely cost burdened, compared to 23% of homeowners.

About 17% of Silverton's renters were severely cost burdened.

In comparison, 25% of Oregon's renter households were cost burdened and 27% were severely cost burdened.

Exhibit 57. Housing Cost Burden by Tenure, Silverton, 2013–2017
Source: U.S. Census Bureau, 2013–2017 ACS Tables B25091 and B25070.
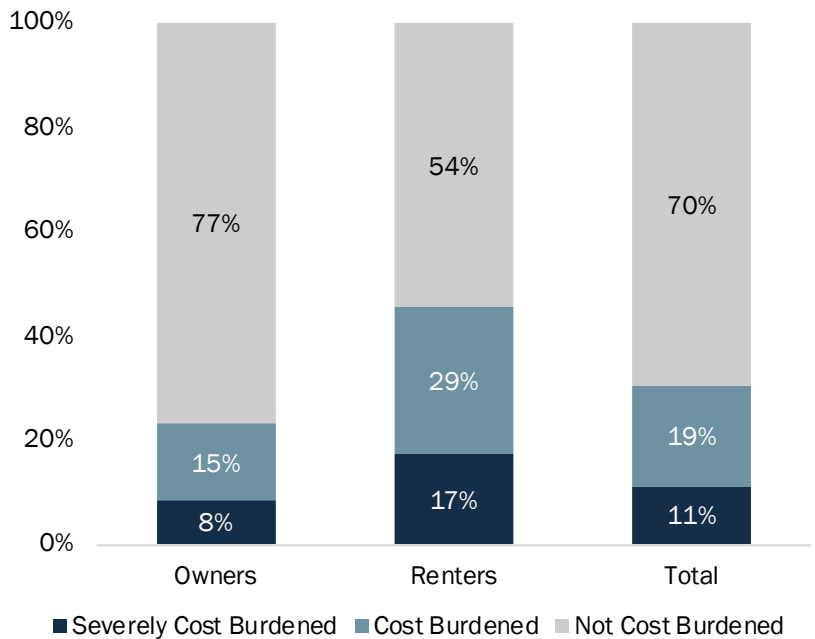
Nearly all households earning less than $20k per year are cost burdened.

Over half of households earning between $20k and $35k per year are cost burdened, and nearly one-third of households earning between $35k and $50k per year are cost burdened.

Exhibit 58. Cost Burdened by Household Income, Silverton, 2013–2017

Source: U.S. Census Bureau, 2013–2017 ACS Table S2503.
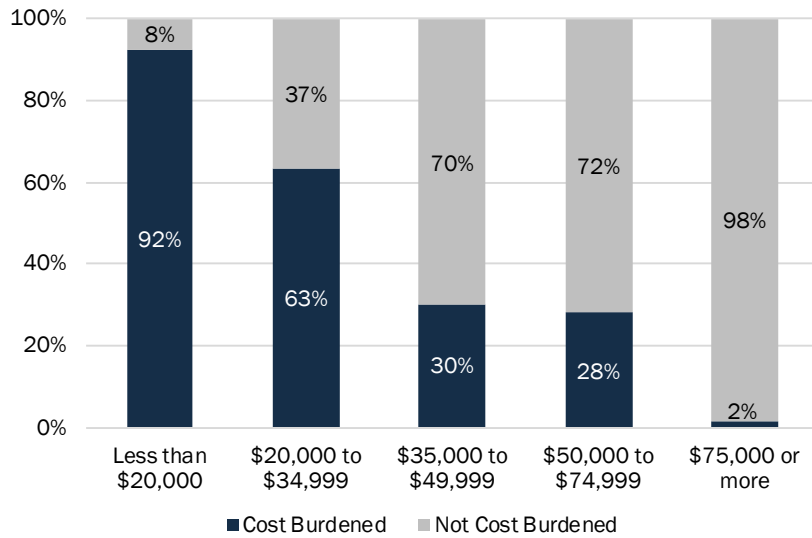
While cost burden is a common measure of housing affordability, it does have some limitations. Two important limitations are:

- A household is defined as cost burdened if the housing costs exceed 30% of their income, regardless of actual income. The remaining 70% of income is expected to be spent on non-discretionary expenses, such as food or medical care, and on discretionary expenses. Households with higher incomes may be able to pay more than 30% of their income on housing without impacting the household's ability to pay for necessary non-discretionary expenses.

- Cost burden compares income to housing costs and does not account for accumulated wealth. As a result, the estimate of how much a household can afford to pay for housing does not include the impact of a household's accumulated wealth. For example, a household of retired people may have relatively low income, but they may have accumulated assets (such as profits from selling another house) that allow them to purchase a house that would be considered unaffordable to them based on the cost-burden indicator.

Another way of exploring the issue of financial need is to review housing affordability at varying levels of household income.

Fair Market Rent for a two-bedroom apartment in Marion County is $1,001.

Exhibit 59. HUD Fair Market Rent (FMR) by Unit Type, Marion County, 2020
Source: U.S. Department of Housing and Urban Development.

$709	$761	$1,001	$1,444	$1,757
Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom

A household must earn at least $19.25 per hour to afford a two-bedroom unit at Fair Market Rent ($1,001) in Marion County.

Exhibit 60. Affordable Housing Wage, Marion County, 2020
Source: U.S. Department of Housing and Urban Development; Oregon Bureau of Labor and Industries.

$19.25 per hour
Affordable housing wage for two-bedroom unit in Marion County

A household earning median income ($69,400) can afford a monthly rent of about $1,700 or a home roughly valued between $243,000 and $278,000.

Exhibit 61. Financially Attainable Housing, by Median Family Income (MFI) for Marion County ($69,400), Silverton, 2019
Source: U.S. Department of Housing and Urban Development, Marion County, 2019. Oregon Employment Department, 2017.

If your household earns....

$20,800	$34,700	$55,500	$69,400	$83,300
(30% of MFI)	(50% of MFI)	(80% of MFI)	(100% of MFI)	(120% of MFI)

Then you can afford....

$520 monthly rent	$870 monthly rent	$1,400 monthly rent	$1,700 monthly rent	$2,100 monthly rent
	OR	OR	OR	OR
	$104,000-$122,000 home sales price	$194,000-$222,000 home sales price	$243,000-$278,000 home sales price	$292,000-$333,000 home sales price
Cashier $24,260	Teacher Assistant $33,490	Construction Worker $51,000	Police Officer $68,730	Chemist $87,482
	Pharmacy Aid $27,130	Postal Carrier $47,770	Electrician $65,087	Architect $72,924

About 26% of Silverton's households have incomes less than $34,700 (about 50% of MFI) and cannot afford a two-bedroom apartment at Marion County's Fair Market Rent (FMR) of $1,001.

Exhibit 62. Share of Households, by Median Family Income (MFI) for Marion County ($69,400), Silverton, 2013–2017
Source: U.S. Department of Housing and Urban Development, Marion County, 2019. U.S. Census Bureau, 2013–2017 ACS Table 19001.

	Extremely Low Income (<30% of MFI)	Very Low Income (30-50% of less of MFI)	Low Income (50-80% of MFI)	Middle Income (80-120% of MFI)	High Income (>120% of MFI)
Households	416 HH	513 HH	689 HH	653 HH	1,249 HH
Share	12%	15%	20%	19%	35%
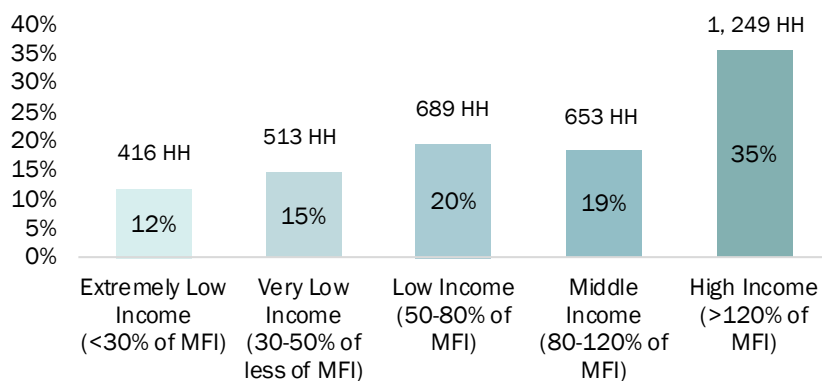
Exhibit 63 illustrates the types of financially attainable housing by income level in Marion County. Generally speaking, however, lower-income households will be renters occupying existing housing. Newly built housing will be a combination of renters (most likely in multifamily housing) and homeowners. The types of housing affordable for the lowest-income households are limited to government-subsidized housing, manufactured housing, lower-cost single-family housing, and multifamily housing. The range of financially attainable housing increases with increased income.

Exhibit 63. Types of Financially Attainable Housing by Median Family Income (MFI) for Marion County ($69,400), Silverton, 2019
Source: U.S. Department of Housing and Urban Development, Marion County, 2019.
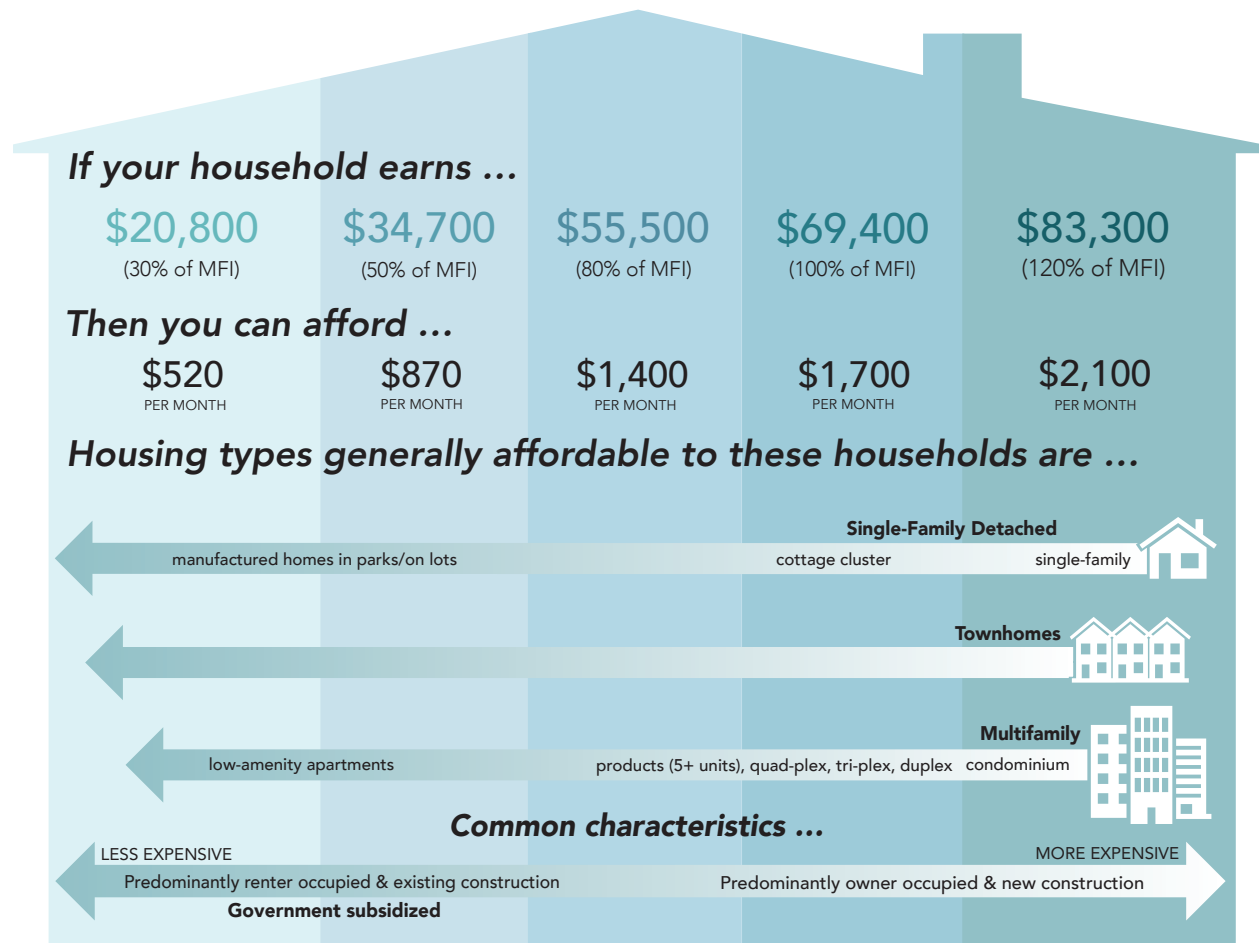
Exhibit 64 shows the distribution of home sales prices in 2018, and Exhibit 65 shows the distribution of home sales prices by affordability range for 2016, 2017, and 2018. Most housing sold in Silverton in 2018 cost between $200,000 and $400,000. Between 2016 and 2018, most housing sold was affordable to households earning between 80% and 120% of the median family income (MFI), or a household income of between $54,000 and $81,000.

In 2018, 212 homes sold in Silverton. The majority of these homes (65%) sold for prices between $200,000 and $400,000.

Exhibit 64. Distribution of Home Sales Prices, Silverton, 2018
Source: Property Radar
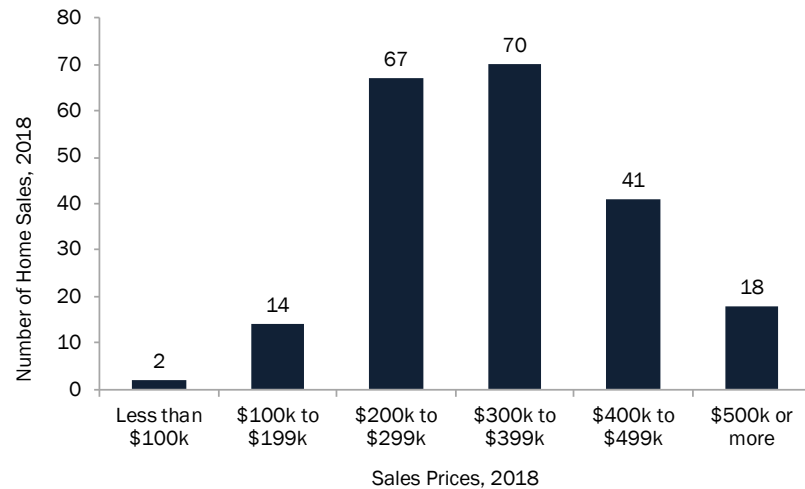
Exhibit 65. Distribution of Home Sales Prices by Household Incomes (and Affordability Range), Silverton, 2016 to 2018
Source: Property Radar
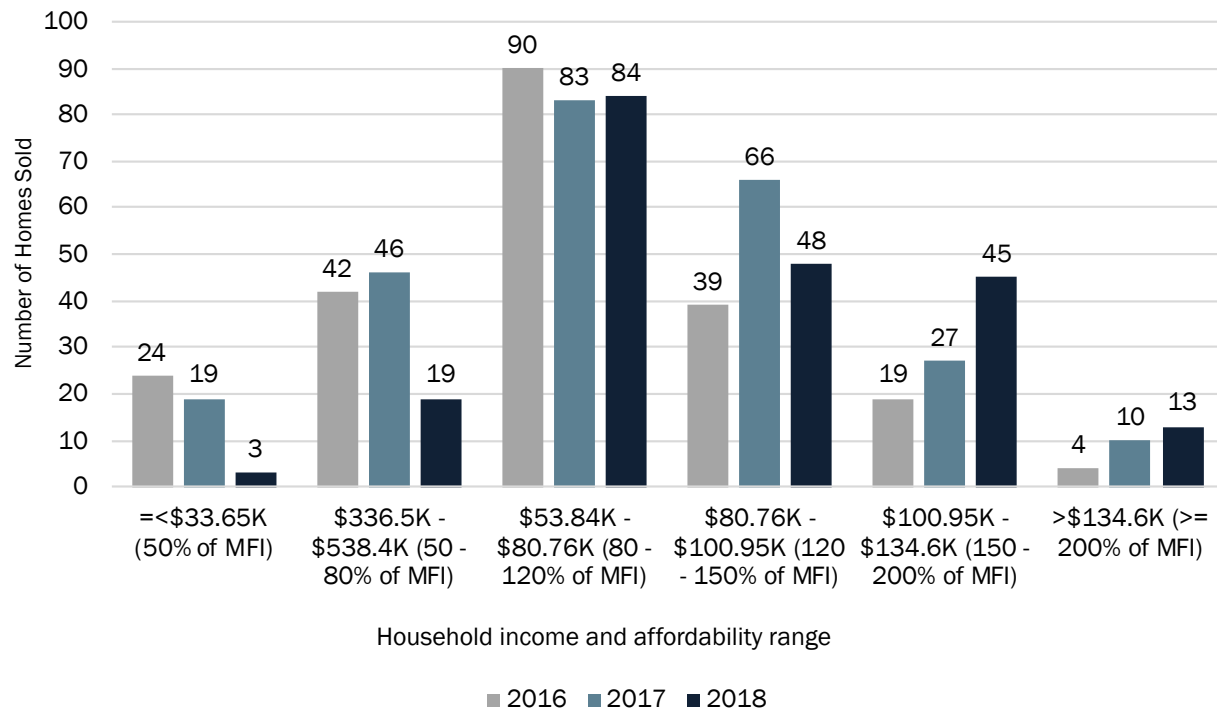
Exhibit 66 compares the number of households by income with the number of units affordable to those households in Silverton. Silverton currently has a deficit of housing for households earning less than $35,000 a year and a need for higher-amenity housing for households earning more than $100,000 a year. Silverton has a deficit of more affordable housing types (such as government-subsidized housing, existing lower-cost apartments, and manufactured housing). Silverton shows that some households earning $100,000 or more could pay more for housing, showing that there may be unmet demand for high-amenity housing such as single-family detached housing and townhomes.

Exhibit 66. Affordable Housing Costs and Units by Income Level, Silverton, 2019
Source: U.S. Census Bureau, 2013–2017 ACS. *Note: MFI is median family income, determined by HUD for Marion County. Marion County MFI in 2018 was $69,400.*

Household Income	Less than $10,000	$10,000– $14,999	$15,000– $24,999	$25,000– $34,999	$35,000– $49,999	$50,000– $74,999	$75,000– $99,999	$100,000– $149,999	$150,000 or more
# Households	166	150	206	420	527	676	380	589	406
# Surplus / Deficit Units	6	-69	-2	-111	38	308	296	-158	-307
Share of Units in each Income Category	5%	2%	6%	9%	16%	28%	19%	12%	3%

*Median Family Income for a family of four.
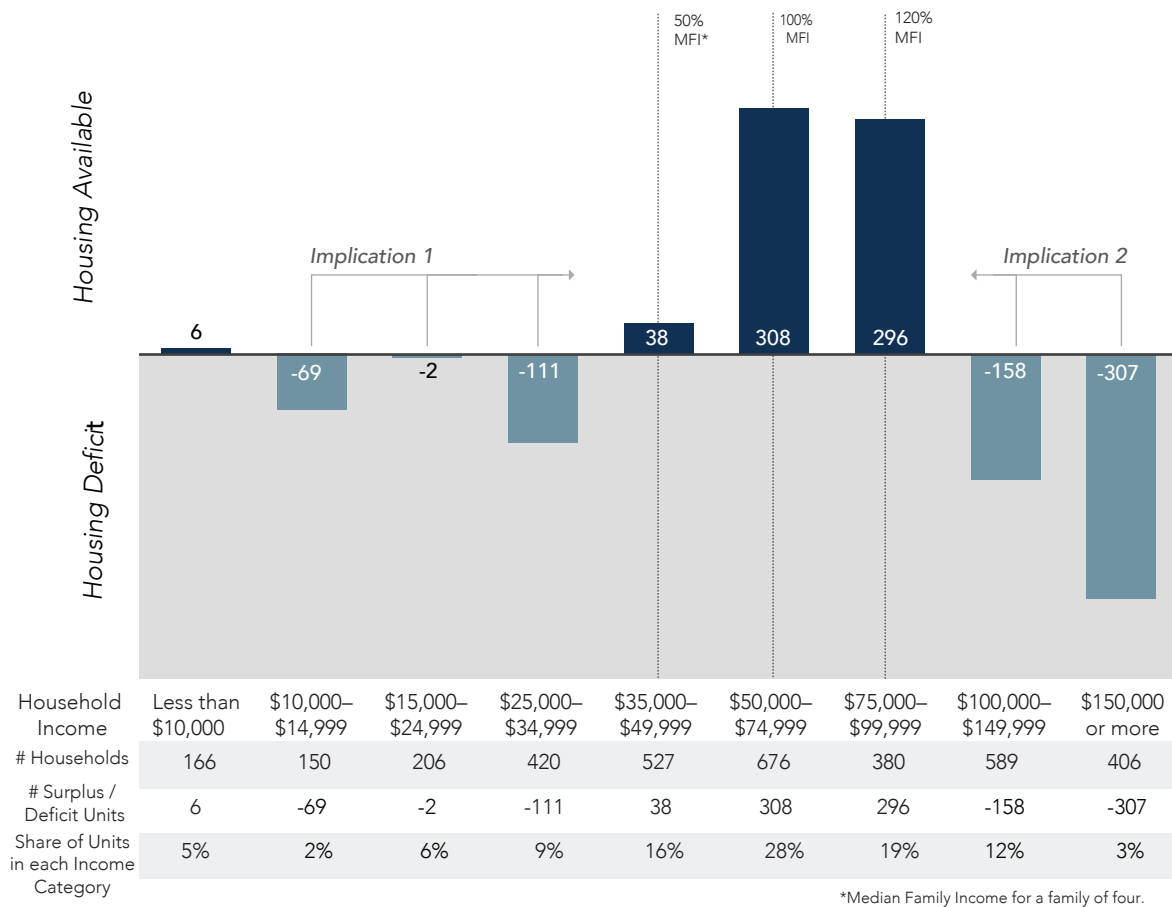
Implication 1
Some lower-income households live in housing that is more expensive than they can afford because affordable housing is not available. These households are cost burdened.

Implication 2
Some higher-income households choose housing that costs less than they can afford. This may be the result of the household's preference or it may be the result of a lack of higher-cost and higher-amenity housing that would better suit their preferences.

Summary of the Factors Affecting Silverton's Housing Needs

The purpose of the analysis thus far has been to provide background on the kinds of factors that influence housing choice. While the number and interrelationships among these factors ensure that generalizations about housing choice are difficult to make and prone to inaccuracies, it is a crucial step to informing the types of housing that will be needed in the future.

There is no question that age affects housing type and tenure. Mobility is substantially higher for people aged 20 to 34. On average, people in that age group will also have less income than people who are older, and they are less likely to have children. These factors mean that younger households are much more likely to be renters, and renters are more likely to be in multifamily housing.

The data illustrates what more detailed research has shown and what most people understand intuitively: life cycle and housing choice interact in ways that are predictable in the aggregate; age of the household head is correlated with household size and income; household size and age of household head affect housing preferences; and income affects the ability of a household to afford a preferred housing type. The connection between socioeconomic and demographic factors and housing choice is often described informally by giving names to households with certain combinations of characteristics: the "traditional family," the "never-marrieds," the "dinks" (dual-income, no kids), and the "empty-nesters."[40] Thus, simply looking at the long wave of demographic trends can provide good information for estimating future housing demand.

Still, one is ultimately left with the need to make a qualitative assessment of the future housing market. The following is a discussion of how demographic and housing trends are likely to affect housing in Silverton over the next 20 years:

- **Growth in housing will be driven by growth in population.** Between 1990 and 2018, Silverton's population grew by 4,690 people (83%). The population in Silverton's UGB is forecasted to grow from 10,701 to 13,759, an increase of 3,058 people (29%) between 2020 and 2040.[41]

- **Housing affordability is a growing challenge in Silverton.** Housing affordability is a challenge across Marion County, and Silverton is affected by these regional trends. Housing prices are increasing faster than incomes in Silverton and Marion County, which is consistent with state and national challenges. Silverton has a modest supply of multifamily housing (about 15% of the city's housing stock), but almost half of renter households are cost burdened (46%). Silverton's key challenge over the next 20 years is providing opportunities for development of relatively affordable housing of all types,

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[40] See *Planning for Residential Growth: A Workbook for Oregon's Urban Areas* (June 1997).

[41] This forecast is based on Marion County's certified population estimate and the official forecast from the Oregon Population Forecast Program for the 2020 to 2040 period for Silverton, shown in Exhibit 24.

such as lower-cost single-family housing, townhouses and duplexes, market-rate multifamily housing, and government-subsidized affordable housing.

▪ **Without substantial changes in housing policy, on average, future housing will look a lot like past housing.** That is the assumption that underlies any trend forecast, and one that is important when trying to address demand for new housing.

The City's residential policies can impact the amount of change in Silverton's housing market, to some degree. If the City adopts policies to increase opportunities to build smaller-scale single-family and multifamily housing types (particularly multifamily housing that is affordable to lower and higher-income households), a larger percentage of new housing developed over the next 20 years in Silverton may begin to address the City's needs. Examples of policies that the City could adopt to achieve this outcome include allowing a wider range of housing types (e.g., cottage housing, duplexes, triplexes, quadplexes, or townhouses) in single-family zones, ensuring that there is sufficient land zoned to allow single-family attached multifamily housing development, supporting development of government-subsidized affordable housing, and encouraging multifamily residential development in downtown. The degree of change in Silverton's housing market, however, will depend on market demand for these types of housing in Marion County.

▪ **If the future differs from the past, it is likely to move in the direction of smaller units and more diverse housing types.** Most of the evidence suggests that the bulk of the change will be in the direction of smaller average house and lot sizes for single-family housing. This includes providing opportunities for the development of accessory dwelling units, cottage housing, smaller single-family detached homes, townhomes, and multifamily housing.

Key demographic and economic trends that will affect Silverton's future housing needs are (1) the aging of Baby Boomers and (2) the aging of Millennials.

o *The Baby Boomer's population is continuing to age.* The changes that affect Silverton's housing demand as the population ages are that household sizes and homeownership rates decrease. The majority of Baby Boomers are expected to remain in their homes as long as possible, downsizing or moving when illness or other issues cause them to move. Demand for specialized senior housing, such as age-restricted housing or housing in a continuum of care from independent living to nursing home care, may grow in Silverton.

o *Millennials will continue to form households and make a variety of housing choices.* As Millennials age, generally speaking, their household sizes will increase, and their homeownership rates will peak by about age 55. Between 2020 and 2040, Millennials (and the generation after) will be a key driver in demand for housing for families with children. The ability to attract Millennials will depend on the City's availability of affordable renter and ownership housing. It will also depend on the location of new housing in Silverton, as many Millennials prefer

to live in more urban environments.[42] The decline in homeownership among the Millennial generation has more to do with financial barriers rather than the preference to rent.[43]

In summary, an aging population, increasing housing costs, housing affordability concerns for Millennials, and other variables are factors that support the need for smaller and less expensive units as well as a broader array of housing choices.

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[42] Choi, Hyun June; Zhu, Jun; Goodman, Laurie; Ganesh, Bhargavi; Strochak, Sarah. (2018). Millennial Homeownership, Why is it So Low, and How Can We Increase It? Urban Institute. https://www.urban.org/research/publication/millennial-homeownership/view/full_report

[43] Ibid.

5. Housing Need in Silverton

Project New Housing Units Needed in the Next 20 Years

The results of the Housing Needs Analysis are based on (1) the official population forecast for growth in Silverton over the 20-year planning period; (2) information about Silverton's housing market relative to Marion County, Oregon, and nearby cities; and (3) the demographic composition of Silverton's existing population and expected long-term changes in the demographics of Marion County.

Forecast for Housing Growth

This section describes the key assumptions and presents an estimate of new housing units needed in Silverton between 2020 and 2040. The key assumptions are based on the best available data and may rely on safe harbor provisions, when available.[44]

- **Population.** A 20-year population forecast (in this instance, 2020 to 2040) is the foundation for estimating needed new dwelling units. Silverton's UGB will grow from 10,701 persons in 2020 to 13,759 persons in 2040, an increase of 3,058 people.[45]

- **Persons in Group Quarters.**[46] Persons in group quarters do not consume standard housing units: thus, any forecast of new people in group quarters is typically derived from the population forecast for the purpose of estimating housing demand. Group quarters can have a big influence on housing in cities with colleges (dorms), prisons, or a large elderly population (nursing homes). In general, any new requirements for these housing types will be met by institutions (colleges, government agencies, health-care corporations) operating outside what is typically defined as the housing market. Nonetheless, group quarters require residential land. They are typically built at densities that are comparable to that of multifamily dwellings.

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[44] A safe harbor is an assumption that a city can use in a housing needs analysis that the state has said will satisfy the requirements of Goal 14. OAR 660-024 defines a safe harbor as "an optional course of action that a local government may use to satisfy a requirement of Goal 14. Use of a safe harbor prescribed in this division will satisfy the requirement for which it is prescribed. A safe harbor is not the only way, or necessarily the preferred way, to comply with a requirement and it is not intended to interpret the requirement for any purpose other than applying a safe harbor within this division."

[45] This forecast is based on Silverton UGB's official forecast from the Oregon Population Forecast Program for the 2020 to 2040 period.

[46] The Census Bureau's definition of group quarters is as follows: "A group quarters is a place where people live or stay, in a group living arrangement, that is owned or managed by an entity or organization providing housing and/or services for the residents. The Census Bureau classifies all people not living in housing units (house, apartment, mobile home, rented rooms) as living in group quarters. There are two types of group quarters: (1) institutional, such as correctional facilities, nursing homes, or mental hospitals and (2) Non-Institutional, such as college dormitories, military barracks, group homes, missions, or shelters."

The 2013–2017 American Community Survey shows that 0.8% of Silverton's population was in group quarters. **For the 2020 to 2040 period, we assume that 0.8% of Silverton's new population, approximately 25 people, will be in group quarters.**

▪ **Household Size.** OAR 660-024 established a safe harbor assumption for average household size—which is the figure from the most-recent Decennial Census at the time of the analysis. According to the 2013–2017 American Community Survey, the average household size in Silverton was 2.75 people. **Thus, for the 2020 to 2040 period, we assume an average household size of 2.75 persons.**

▪ **Vacancy Rate.** The Census defines vacancy as "unoccupied housing units . . . determined by the terms under which the unit may be occupied, e.g., for rent, for sale, or for seasonal use only." The 2010 Census identified vacancy through an enumeration, separate from (but related to) the survey of households. The Census determines vacancy status and other characteristics of vacant units by enumerators obtaining information from property owners and managers, neighbors, rental agents, and others.

Vacancy rates are cyclical and represent the lag between demand and the market's response to demand for additional dwelling units. Vacancy rates for rental and multifamily units are typically higher than those for owner-occupied and single-family dwelling units.

OAR 660-024 established a safe harbor assumption for vacancy rate—which is the figure from the current Decennial Census. According to the 2013–2017 American Community Survey, Silverton's vacancy rate was 5.0%. **For the 2020 to 2040 period, we assume a vacancy rate of 5.0%.**

Silverton will have demand for 1,158 new dwelling units over the 20-year period, with an annual average of 58 dwelling units.

Exhibit 67. Forecast of Demand for New Dwelling Units, Silverton UGB, 2020 to 2040
Source: Calculations by ECONorthwest.

Variable	New Dwelling Units (2020-2040)
Change in persons	3,058
minus Change in persons in group quarters	25
equals Persons in households	3,033
Average household size	2.75
New occupied DU	1,103
times Vacancy rate	5.0%
equals Vacant dwelling units	55
Total new dwelling units (2020-2040)	1,158
Annual average of new dwelling units	58

Housing Units Needed Over the Next 20 Years

Exhibit 67 presents a forecast of new housing in Silverton's UGB for the 2020 to 2040 period. This section determines the needed mix and density for the development of new housing developed over this 20-year period in Silverton.

Over the next 20-years, the need for new housing developed in Silverton will generally include a wider range of housing types and housing that is more affordable. This conclusion is based on the following information, found in Chapter 3 and 4:

- Silverton's housing mix, like Marion County, is predominately single-family detached. In the 2013–2017 period, 80% of Silverton's housing was single-family detached, 5% was single-family attached, and 15% was multifamily. In comparison, the mix of housing for the county was 72% single-family detached, 4% single-family attached, and 25% multifamily.

- Demographic changes in Silverton suggest increases in demand for single-family attached housing and multifamily housing. The key demographic trends that will affect Silverton's future housing needs are the aging of Baby Boomers and the household formation of Millennials. The implications of these trends are increased demand from small, older (often single person) households and increased demand for affordable housing for families, both for ownership and rent.

- Silverton's median household income was $60,603, about $6,700 higher than Marion County's median. Approximately 42% of Silverton's households earn less than $50,000 per year, compared to 46% in Marion County and 45% in Oregon.

- Silverton needs more affordable housing types for homeowners. Housing sales prices increased in Silverton over the last three years. From May 2016 to May 2019, the median housing sales price increased by about $179,000 (72%), from about $250,000 to $429,000. About 23% of Silverton's homeowners are cost burdened.

  A household earning 100% of Silverton's median household income ($60,600) could afford a home valued between $212,000 and $242,000, which is about $200,000 less than the median home sales price of $429,000 in Silverton. A household can start to afford median home sales prices at about 180% of Silverton's median household income. Roughly 18% of Silverton's households could afford a home at the median home sales price.

- Silverton needs more affordable housing types for renters. A household can start to afford Silverton's median rents at about 60% of Silverton's median household income. About 46% of Silverton's renters were cost burdened and 17% were severely cost burdened. The rates of cost burden for Silverton renters suggests a need for more affordable housing types for renters. Little multifamily housing was built in Silverton since 2000, which likely exacerbated the lack of affordable multifamily housing.

These factors suggest that Silverton needs a broader range of housing types with a wider range of price points than are currently available in Silverton's housing stock. This includes providing

opportunity for the development of housing types across the affordability spectrum, such as single-family detached housing (e.g., small-lot single-family detached units, accessory dwelling units, cottages, and "traditional" single-family housing), townhouses, duplexes, triplexes, quadplexes, and multifamily housing with five or more units (e.g., apartments and condominiums).

Exhibit 68 shows the forecast of needed housing in the Silverton UGB during the 2020 to 2040 period. The projection is based on the following assumptions:

- Silverton's official forecast for population growth shows that the city will add 3,058 people over the 20-year period. Exhibit 67 shows that the new population will result in the need for 1,158 new dwelling units over the 20-year period.

- The assumptions about the mix of housing in Exhibit 68 are:

  o **About 65% of new housing will be single-family detached**, a category which includes manufactured housing. About 80% of Silverton's housing was single-family detached in the 2013–2017 period.

  o **Nearly 7% of new housing will be single-family attached.** About 5% of Silverton's housing was single-family attached in the 2013–2017 period.

  o **About 13% of new housing will be duplexes, triplexes, and quadplexes.** About 8% of Silverton's housing was duplexes, triplexes, and quadplexes in the 2013–2017 period.

  o **About 15% of new housing will be multifamily with five or more units**. About 7% of Silverton's housing was multifamily with five or more units in the 2013–2017 period.

Silverton will have demand for 1,158 new dwelling units over the 20-year period; 65% will be single-family detached housing.

Exhibit 68. Forecast of Demand for New Dwelling Units, Silverton UGB, 2020 to 2040
Source: Calculations by ECONorthwest. Note: DU is dwelling unit.

Variable	Housing Forecast
Needed new dwelling units (2020-2040)	1,158
Dwelling units by structure type	
Single-family detached	
Percent single-family detached DU	65%
equals **Total new single-family detached DU**	753
Single-family attached	
Percent single-family attached DU	7%
equals **Total new single-family attached DU**	81
Duplex, Triplex, Quadplex	
Percent duplex, triplex, quadplex	13%
equals **Total new duplex, triplex, quadplex**	151
Multifamily (5+ units)	
Percent multifamily (5+ units)	15%
equals **Total new multifamily (5+ units)**	174
equals Total new dwelling units (2020-2040)	**1,158**

Exhibit 69 allocates needed housing to plan designations in Silverton. The allocation is based, in part, on the types of housing allowed by zone in each plan designation. Exhibit 69 shows:

- **Single-Family Residential** land will accommodate new single-family detached housing (including manufactured houses on lots and in parks) accessory dwelling units, single-family attached housing, and duplexes in the R-1 zone, R-5 zone, or both.

- **Multifamily Residential** land will accommodate new single-family detached houses (including manufactured houses on lots and in parks and accessory dwelling units), single-family attached houses, duplexes, triplexes, quadplexes, and multifamily housing with five or more units.

- **Agriculture / Urban Reserve** land can accommodate single-family detached housing (including manufactured houses on lot and in parks), duplexes, and accessory dwelling units.

- **Commercial** land will accommodate new dwelling unit(s) built in conjunction with a commercial use. New freestanding dwelling units are permitted in the Downtown Commercial zone (DFC) only.

Exhibit 69. Allocation of Needed Housing by Housing Type and Plan Designation, Silverton UGB, 2020 to 2040
Source: ECONorthwest.

Housing Type	Plan Designations			TOTAL
	Single-Family	Multifamily	AG / Urban Reserve	
Dwelling Units				
Single-family detached	462	58	232	752
Single-family attached	29	52	-	81
Duplex, triplex, quadplex	52	93	6	151
Multifamily (5+ units)	-	174	-	174
Total	**543**	**377**	**238**	**1,158**
Percent of Units				
Single-family detached	40%	5%	20%	65%
Single-family attached	3%	4%	0%	7%
Duplex, triplex, quadplex	4%	8%	1%	13%
Multifamily (5+ units)	0%	15%	0%	15%
Total	**47%**	**33%**	**21%**	**100%**

Exhibit 70 shows future housing densities, based on historical densities, in net and gross acres.[47] Exhibit 70 converts between net acres and gross acres to account for land needed for rights-of-way based on empirical analysis of existing rights-of-way by plan designation in Silverton.

- **Single-Family Residential:** 24% of land is in rights-of-way in this plan designation. The densities in this designation average 4.8 dwelling units per net acre and 3.7 dwelling units per gross acre.

- **Multifamily Residential:** 17% of land is in rights-of-way in this plan designation. The densities in this designation vary due to plan designation/zoning conflicts.[48] Exhibit 8 shows that all vacant land in the Multifamily plan designation is zoned R-1 and R-5. This plan designation allows densities up to 20 units per acre in RM-10 and up to 32 units per acre in RM-20. The future densities for development in this zone are based on historical development densities by zone in the Multifamily residential designation (shown in Exhibit 16):

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[47] OAR 660-024-0010(6) defines net buildable acre as "43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads." While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

[48] The Multifamily plan designation should be composed of RM-10 and RM-20 zoned parcels, but it also contains R-1 and R-5 zoned parcels. All the buildable acreage in the Multifamily plan designation is zoned R-1 and R-5 (which technically belong to the Single-Family plan designation). This will impact housing capacity in the Multifamily plan designation.

- Densities in this designation, zoned R-1, average 4.5 dwelling units per net acre and 3.8 dwelling units per gross acre. This analysis assumes that the 14 buildable acres of R-1 land in the Multifamily plan designation will develop at this density (3.8 dwelling units per gross acre).

- Densities in this designation, zoned R-5, average 8.1 dwelling units per net acre and 6.8 dwelling units per gross acre. This analysis assumes that the 5 buildable acres of R-5 land in the Multifamily plan designation will develop at this density (6.8 dwelling units per gross acre).

- Densities in this designation, zoned RM-10 and RM-20, average 20.8 dwelling units per net acre and 17.5 dwelling units per gross acre. This is based on the analysis of multifamily housing density in those respective zones and plan designation (see Exhibit 16). There is currently no land in the Multifamily designation zoned in either of these zones.

- **Agriculture/Urban Reserve:** 30% of land is in rights-of-way. The densities in this designation average 3.7 dwelling units per net acre and 2.6 dwelling units per gross acre.

- **Commercial:** 29% of land is in rights-of-way. The densities in this designation average 17.7 dwelling units per net acre and 12.6 dwelling units per gross acre.

Exhibit 70. Future Densities for Housing Built in the Silverton UGB, 2020 to 2040

Source: ECONorthwest. Note: DU is dwelling unit.

Plan Designation	Avg. Net Density (DU/net acre)	% for Rights-of-Way	Avg. Gross Density (DU/gross acre)
Single-Family	4.8	24%	3.7
Multifamily			
Zoned R-1	4.5	17%	3.8
Zoned R-5	8.1	17%	6.8
Zoned RM-10, RM-20	20.9	17%	17.5
AG / Urban Reserve	3.7	30%	2.6
Commercial	17.7	29%	12.6

Needed Housing by Income Level

The next step in the Housing Needs Analysis is to develop an estimate of need for housing by income and housing type. This analysis requires an estimate of the income distribution of current and future households in the community. Estimates presented in this section are based on (1) secondary data from the Census and (2) analysis by ECONorthwest.

The analysis in Exhibit 71 is based on Census data about household income levels in Silverton. Income is distributed into market segments consistent with HUD income level categories, using Marion County's 2019 median family income (MFI) of $69,400. The exhibit assumes that approximately the same percentage of households will be in each market segment in the future.

About 35% of Silverton's future households will have incomes about 120% of Marion County's median family income (about $83,280 or more).

About 27% will have incomes less than 50% of the County's MFI ($34,700 or less).

This graph shows that, as Silverton's population grows, Silverton will continue to have demand for housing across the affordability spectrum and particularly in the higher-income bracket.

Exhibit 71. Future (New) Households, by Median Family Income (MFI) for Marion County ($69,400), Silverton, 2020 to 2040
Source: U.S. Department of Housing and Urban Development, Marion County, 2019. U.S. Census Bureau, 2013–2017 ACS Table 19001.
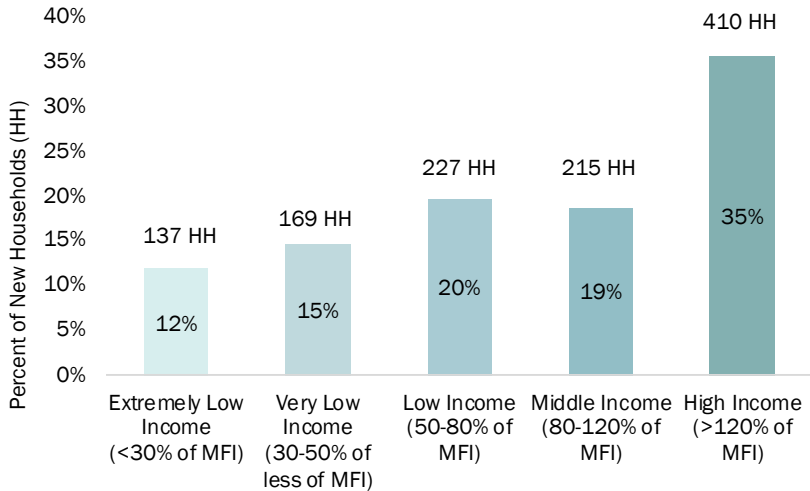
Need for Government-Assisted, Farmworker, and Manufactured Housing

ORS 197.303, 197.307, 197.312, and 197.314 require cities to plan for government-assisted housing, farmworker housing, manufactured housing on lots, and manufactured housing in parks.

- **Government-subsidized housing.** Government subsidies can apply to all housing types (e.g., single family detached, apartments, etc.). Silverton allows the development of government-assisted housing in all residential plan designations, with the same development standards for market-rate housing. This analysis assumes that Silverton will continue to allow government housing in all of its residential plan designations. Because government-assisted housing is similar in character to other housing (with the exception being the subsidies), it is not necessary to develop separate forecasts for government-subsidized housing.

- **Farmworker housing.** Farmworker housing can also apply to all housing types, and the City allows development of farmworker housing in all residential zones, with the same development standards as market-rate housing. This analysis assumes that Silverton will continue to allow farmworker housing in all of its residential zones. Because it is similar in character to other housing (with the possible exception of government subsidies, if population restricted), it is not necessary to develop separate forecasts for farmworker housing.

- **Manufactured housing on lots.** Silverton allows manufactured homes on lots in all residential zones.

- **Manufactured housing in parks.** Silverton conditionally allows manufactured homes in parks in R-5 and RM-10 zones (design review is required). OAR 197.480(4) requires cities to inventory the mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high-density residential development. According to the Oregon Housing and Community Services' Manufactured Dwelling Park Directory,[49] Silverton has two manufactured home parks with 125 spaces.

- ORS 197.480(2) requires Silverton to project the need for manufactured dwelling parks based on (1) population projections, (2) household income levels, (3) housing market trends, and (4) an inventory of manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high-density residential development.

  - Exhibit 67 shows that Silverton will grow by 1,158 dwelling units over the 2020 to 2040 period.

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[49] Oregon Housing and Community Services, Oregon Manufactured Dwelling Park Directory, http://o.hcs.state.or.us/MDPCRParks/ParkDirQuery.jsp

- o Analysis of housing affordability shows that about 25% of Silverton's new households will be considered "very low income" or "extremely low income," earning 50% or less of the region's median family income. One type of housing affordable to these households is manufactured housing.

- o Manufactured housing accounts for about 4% of Silverton's current housing stock (2013–2017).

- o National, state, and regional trends since 2000 showed that manufactured housing parks are closing, rather than being created. For example, between 2000 and 2015, Oregon had 68 manufactured parks close, with more than 2,700 spaces. Discussions with several stakeholders familiar with manufactured home park trends suggest that over the same period, few to no new manufactured home parks have opened in Oregon.

- o The households most likely to live in manufactured homes in parks are those with incomes between $20,190 and $53,840 (30% to 50% of MFI), which includes 33% of Silverton's households. However, households in other income categories may live in manufactured homes in parks.

  National and state trends of closure of manufactured home parks, and the fact that no new manufactured home parks have opened in Oregon in over the last 15 years, demonstrate that the development of new manufactured home parks in Silverton is unlikely.

  Our conclusion from this analysis is that the development of new manufactured home parks or subdivisions in Silverton over the 2020 to 2040 planning period is unlikely, although they may still continue to locate on individual lots. The forecast of housing assumes that no new manufactured home parks will be opened in Silverton over the 2020 to 2040 period. The forecast includes new manufactured homes on lots in the category of single-family detached housing.

- o Over the next 20 years (or longer), one or more manufactured home parks may close in Silverton. This may be a result of manufactured home park landowners selling or redeveloping their land for uses with higher rates of return, rather than lack of demand for spaces in manufactured home parks. Manufactured home parks contribute to the supply of low-cost affordable housing options, especially for affordable homeownership.

  While there is statewide regulation of the closure of manufactured home parks designed to lessen the financial difficulties of this closure for park residents,[50] the City has a role to play in ensuring that there are opportunities for housing for the

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[50] ORS 90.645 regulates rules about closure of manufactured dwelling parks. Before closure of the park, the landlord must give at least one year's notice of park closure and pay the tenant between $5,000 and $9,000 for each manufactured dwelling park space, in addition to not charging tenants for demolition costs of abandoned manufactured homes.

displaced residents. The City's primary roles are to ensure that there is sufficient land zoned for new multifamily housing and to reduce barriers to residential development to allow for the development of new, relatively affordable housing. The City may use a range of policies to encourage the development of relatively affordable housing, such as allowing a wider range of moderate-density housing (e.g., duplexes, triplexes, quadplexes, or cottages) in lower-density zones, designating more land for multifamily housing, removing barriers to multifamily housing development (such as design review), using tax credits to support affordable housing production, or partnering with a developer of government-subsidized affordable housing.

6. Residential Land Sufficiency within Silverton

This chapter presents an evaluation of the sufficiency of vacant residential land in Silverton to accommodate expected residential growth over the 2020 to 2040 period. This chapter includes an estimate of residential development capacity (measured in new dwelling units) and an estimate of Silverton's ability to accommodate needed new housing units for the 2020 to 2040 period, based on the analysis in the Housing Needs Analysis. The chapter ends with a discussion of the conclusions and recommendations for the Housing Needs Analysis.

Capacity Analysis

The buildable lands inventory summarized in Chapter 2 (and presented in full in Appendix A) provides a supply analysis (buildable land by type), and Chapter 5 provides a demand analysis (population and growth leading to demand for more residential development). The comparison of supply and demand allows the determination of land sufficiency.

There are two ways to calculate estimates of supply and demand into common units of measurement to allow their comparison: (1) housing demand can be converted into acres, or (2) residential land supply can be converted into dwelling units. A complication of either approach is that not all land has the same characteristics. Factors such as zone, slope, parcel size, and shape can affect the ability of land to accommodate housing. Methods that recognize this fact are more robust and produce more realistic results. This analysis uses the second approach: it estimates the ability of vacant residential lands within the UGB to accommodate new housing. This analysis, sometimes called a "capacity analysis,"[51] can be used to evaluate different ways that vacant residential land may build out by applying different assumptions.

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[51] There is ambiguity in the term *capacity analysis*. It would not be unreasonable for one to say that the "capacity" of vacant land is the maximum number of dwellings that could be built based on density limits defined legally by plan designation or zoning, and that development usually occurs—for physical and market reasons—at something less than full capacity. For that reason, we have used the longer phrase to describe our analysis: "estimating how many new dwelling units the vacant residential land in the UGB is likely to accommodate." That phrase is, however, cumbersome, and it is common in Oregon and elsewhere to refer to that type of analysis as "capacity analysis," so we use that shorthand occasionally in this memorandum.

Silverton Capacity Analysis Results

The capacity analysis estimates the development potential of vacant residential land to accommodate new housing, based on the needed densities by the housing type categories shown in Exhibit 70.

Exhibit 72 shows that Silverton has 2,320 acres of vacant or partially vacant land to accommodate dwelling units, based on the following assumptions:

- **Buildable residential land.** The capacity estimates start with the number of buildable acres in the residential plan designations that allow residential uses outright, as shown in Exhibit 8.

  o The Single-Family plan designation has 531 buildable acres.

  o The Multifamily plan designation includes 19 acres.

    ▪ Land zoned R-1 and R-5 account for all 19 acres of available buildable land in that plan designation.

    ▪ There is no vacant or partially vacant buildable land zoned RM-10 and RM-20 in the Multifamily plan designation (see Exhibit 8). The capacity analysis in Exhibit 72 shows that all existing vacant buildable land in the Multifamily plan designation will be built at densities consistent with the Single-Family plan designation.

  o The Agriculture/Urban Reserve plan designation comprises 104 buildable acres.

- **Future densities.** The capacity analysis assumes development will occur at historic densities. Those densities were derived from the future densities shown in Exhibit 70.

Exhibit 72. Estimate of Residential Capacity for New Dwelling Units, Silverton UGB, 2019
Source: Buildable Lands Inventory; Calculations by ECONorthwest. *Note: DU is dwelling unit.*

Plan Designation	Total Unconstrained Buildable Acres	Density Assumption (DU/Gross Acre)	Capacity (Dwelling Units)
Single Family Residential	531	3.7	1,965
Multifamily			
Zoned R-1	14	3.8	51
Zoned R-5	5	6.8	34
Zoned RM-10, RM-20	0	17.5	0
Agriculture/Urban Reserve	104	2.6	270
Total	654	-	2,320

Residential Land Sufficiency

The next step in the analysis of the sufficiency of residential land within Silverton is to compare the demand for housing by plan designation with the capacity of land by plan designation (Exhibit 72). Exhibit 73 shows that Silverton:

- **Has sufficient land to accommodate housing development in the Single-Family plan designation and in Agricultural / Urban Reserve plan designation.** Silverton has a surplus of about 1,422 dwelling units (384 acres) in the Single-Family plan designation and a surplus of 32 dwelling units (12 acres) in Agricultural / Urban Reserve plan designation.

- **Does not have sufficient land to accommodate housing development in the Multifamily plan designation.** In the Multifamily plan designation:

  o R-1 and R-5 has capacity to accommodate 85 dwelling units. The analysis assumes that land in these zones develops over the 20-year planning period and that there is no further demand for land in these zones within the Multifamily plan designation (i.e. that further demand for housing in these zones will be accommodated in the Single-Family plan designation).

  o Silverton does not have any capacity for housing in the RM-10 and RM-20, which are zones consistent with the Multifamily plan designation. With housing demand at 292 dwelling units, Silverton does not have sufficient buildable land to accommodate those units over the 2020 to 2040 planning period.

None of the land in the Multifamily plan designation is zoned for RM-10 or RM-20, which allow densities of 10 to 20 dwelling units per acre and 20 to 32 dwelling units per acre, respectively. In other words, **Silverton has no land designated for development of housing at multifamily densities.** All new housing in the Multifamily plan designation will be developed at average densities consistent with the R-1 zone (3.8 dwelling units per gross acre) or R-5 zone (6.8 dwelling units per gross acre) because those are the zones where remaining buildable land exists in the Multifamily plan designation.

Exhibit 73. Preliminary Comparison of Capacity of Existing Residential Land with Demand for New Dwelling Units and Land Surplus or Deficit, Silverton UGB, 2020 to 2040
Source: Buildable Lands Inventory; Calculations by ECONorthwest. *Note: DU is dwelling unit.*

Plan Designation	Capacity (Dwelling Units)	Demand (Dwelling Units)	Capacity less Demand (Dwelling Units)	Land Sufficiency (Acres)
Single-Family	1,965	543	1,422	384
Multifamily				
Zoned R-1	51	51	0	0
Zoned R-5	34	34	0	0
Zoned RM-10, RM-20	-	292	(292)	(17)
AG / Urban Reserve	270	238	32	12

For the 2020 to 2040 planning period, 25 group quarter units were deducted from the housing forecast (see Exhibit 67). The analysis must still account for their land need. The analysis assumes some development of group quarters will occur in Single-Family areas (at a density of 3.7 dwelling units per gross acre) and some development of group quarters will occur in Multifamily areas (at a density of 17.5 dwelling units per gross acre).[52]

Group quarters is forecast to require approximately five gross acres of residential land over the 20-year analysis period. The following provides context for the group quarters calculation:

- Exhibit 73 shows Silverton's preliminary land sufficiency results.

- Exhibit 74 shows the land need calculation for group quarters.

  - Silverton will need 3.5 gross acres of land in the Single-Family plan designation and nearly 1 gross acre of land in the Multifamily plan designation to accommodate group quarters.

- Exhibit 75 shows the revised land sufficiency results (i.e., the final comparison), after accounting for group quarters in the analysis.

Exhibit 74. Land Needed for Group Quarters, Silverton UGB, 2020 to 2040
Source: Calculations by ECONorthwest. *Note: Group quarters assumes one person per dwelling unit.

Variable	Land to Accommodate Group Quarters
New population in Group Quarters (GQs), 2020—2040	25
GQs allocated to Single-Family plan designation	13
GQs allocated to Multifamily plan designation	12
GQ per gross acre	
Single-Family plan designation	3.7
Multifamily plan designation	17.5
Gross Acres to Accommodate GQs, 2020—2040	
Single-Family Plan Designation	3.5
Multifamily Plan Designation	0.7

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[52] Basis for density assumption is the historical net density for multifamily housing in Silverton (2000 through 2018), converted into gross acres using empirical evidence.

Exhibit 75 shows Silverton's final comparison of capacity for housing on buildable lands and land sufficiency for the 20-year planning period, including land needed for group quarters. In summary:

- **A surplus of capacity (1,409 dwelling units) in the Single-Family plan designation**, results in a surplus of 381 gross acres of Single-Family land to accommodate new housing (at 3.7 dwelling units per gross acre).

- A deficit of capacity for multifamily housing (304 dwelling units or 17 gross acres) in the Multifamily plan designation.

  - A balance of capacity in the Multifamily plan designation (for land zoned R-1 and R-5), results in neither a surplus nor a deficit of gross acres to accommodate new housing (at 3.8 and 6.8 dwelling units per gross acre, respectively).

  - A deficit of capacity (304 dwelling units) in in the Multifamily plan designation (for land zoned RM-10 and RM-20) results in a deficit of gross acres to accommodate new housing (at 17.5 dwelling units per gross acre).

- **A surplus of capacity (32 dwelling units) in Agriculture / Urban Reserve plan designation**, results in a surplus of 12 gross acres to accommodate new housing (at 2.6 dwelling units per gross acre).

Exhibit 75. Final Comparison of Capacity of Existing Residential Land with Demand for New Dwelling Units and Land Surplus or Deficit, Silverton UGB, 2020 to 2040
Source: Calculations by ECONorthwest.

Plan Designation	Capacity (Dwelling Units)	Demand (Dwelling Units)	Demand (Group Quarters)	Capacity less Demand (Dwelling Units)	Land Sufficiency (Acres)
Single-Family	1,965	543	13	1,409	381
Multifamily					
Zoned R-1	51	51	-	-	-
Zoned R-5	34	34	-	-	-
Zoned RM-10, RM-20	-	292	12	(304)	(17)
AG / Urban Reserve	270	238	-	32	12

Conclusions

The key findings of the Silverton Housing Needs Analysis are that:

- **Growth in housing will be driven by growth in population.** Silverton is forecast to grow from 10,701 people to 13,759 people, an increase of 3,058 residents between 2020 and 2040. The 3,058 new residents will result in 1,158 new households.

- **To accommodate households in the Silverton UGB, the City is planning for 1,158 new dwelling units.** To accommodate the 1,158 dwelling units over the 20-year planning period, Silverton will average 58 new dwelling units annually.

- **Silverton will plan for more single-family attached and multifamily dwelling units in the future to meet the City's housing needs.** Historically, about 80% of Silverton's housing was single-family detached. New housing in Silverton is forecast to be 65% single-family detached, 7% single-family attached, and 28% multifamily (13% will be duplexes, triplexes, and quadplexes, and 15% will be multifamily housing with five or more units).

  - The factors driving the shift in types of housing needed in Silverton include changes in demographics and decreases in housing affordability. The aging of senior populations and the household formation of young adults will drive demand for renter- and owner-occupied housing, such as small single-family detached housing; townhouses; duplexes, triplexes, and quadplexes; accessory dwelling units; cottages; and apartments or condominiums. Both groups may prefer housing in walkable neighborhoods, with access to services.

  - Silverton's existing deficit of housing that is affordable for low and high-income households indicates a need for a wider range of housing types, for renters and homeowners. About 30% of Silverton's households have affordability problems, including a cost-burden rate of 46% for renter households, 17% of whom are severely cost burdened (i.e., spending 50% or more of their income on housing costs).

  - Without diversification of housing types, lack of affordability will continue to be a problem, possibly growing in the future if incomes continue to grow at a slower rate than housing costs. Under the current conditions, 306 of the forecasted new households will have incomes of $34,700 (in 2017 dollars) or less (50% of MFI income or less). These households generally cannot afford market-rate housing. Another 442 new households will have incomes between $34,700 and $55,500 (50% to 80% of MFI). These households will all need access to affordable housing, such as the housing types described above.

- **Silverton cannot accommodate all of its multifamily housing needs on lands with existing zoning.** Silverton has a deficit of land in the Multifamily Plan Designations, about 17 gross acres to accommodate 304 dwelling units. The deficits shown in Exhibit 75 may be addressed in multiple ways. Reasonably, the City could rezone land in the existing Multifamily or Single-Family plan designation to densities consistent with the RM-10 and RM-20 zone. Currently, all available buildable land in the Multifamily plan

designation is zoned at densities consistent with the Single-Family plan designation (R-1 and R-5 zones).

The City cannot adopt the housing needs analysis until it identifies how it will meet this 17 gross acre deficit of land in the Multifamily Plan Designation. ORS 197.296[53] requires that the City must adopt "measures" (i.e., policies) "…necessary to accommodate the estimated housing needs." This means that the City must adopt policies, such as rezoning land, to meet the deficit of 17 gross acres of land in the RM-10 and RM-20 zones. The could adopt other policies to that will help reduce or meet the deficit of land, such as planning for more multifamily mixed-use buildings in downtown or increasing residential density allowed in the RM-10 and RM-20 zones.

- **Silverton has unmet needs for affordable housing.** About 46% of households that rent and 23% of households that own their home are cost burdened. Silverton's overall level of cost burden (30% of all households) is smaller than other communities in the region, but unmet housing needs remain, including:

  o *Renter housing.* The median gross rent for housing in Silverton in 2017 was about $902, which is affordable to households earning about 52% of the median family income (about $36,000). About 30% of Silverton's households have income below this level and cannot afford the average rent. As cited above, many of these renter households are cost burdened. A small portion of this unmet housing need can be met through the development of income-restricted affordable housing. Silverton will continue to have unmet renter housing needs, both for existing households and for new households.

  o *Owner-occupied housing.* The median home sales price in May 2019 was about $429,000, which is affordable to households earning about 160% of the median family income (about $111,000). About 28% of Silverton's households have income above $100,000. Silverton has relatively expensive housing for homeownership compared to the region, and households at middle incomes (between $55,520 and $83,280) are less able to afford housing in Silverton. One way to increase the supply of affordable owner-occupied housing is to increase opportunities for the development of the middle-income housing types, described above.

- **Silverton will need to meet the requirements of House Bill 2001.** The legislature passed House Bill 2001 in the 2019 legislative session. The bill requires cities with a population of 10,000 to 25,000 (which includes Silverton) to "allow the development of a duplex on each lot or parcel zoned for residential use that allows for the development of detached single-family dwellings."

  Silverton allows duplexes as a permitted use in the R-1, R-5, RM-10, and RM-20 zones but not in the AR zone. To comply with House Bill 2001, Silverton will need to allow duplexes on all lots where single-family detached houses are allowed. That will require

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[53] This requirement is part of ORS 197.296(10)(b)(C).

allowing duplexes in the AR zone and changing the zoning standards in the City's residential zones so that standards for duplexes match standards for single-family detached housing.

In addition to complying with House Bill 2001, Silverton's Housing Strategy outlines and describes specific polices, objectives, and actions to meet Silverton's housing needs over the 2020 to 2040 planning horizon.

Appendix A – Residential Buildable Lands Inventory

The general structure of the buildable land (supply) analysis is based on the DLCD HB 2709 workbook *"Planning for Residential Growth: A Workbook for Oregon's Urban Areas,"* which specifically addresses residential lands. The buildable lands inventory uses methods and definitions that are consistent with Goal 10/OAR 660-008. This appendix describes the methodology that ECONorthwest used for this report, based on 2018 data. The results of the BLI are discussed in Chapter 2.

Overview of the Methodology

Following are the statutes and administrative rules that provide guidance on residential BLIs:

OAR 660-008-0005(2):

"Buildable Land" means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses. Publicly owned land is generally not considered available for residential uses. Land is generally considered "suitable and available" unless it:

(a) Is severely constrained by natural hazards as determined under Statewide Planning Goal 7;

(b) Is subject to natural resource protection measures determined under Statewide Planning Goals 5, 6, 15, 16, 17 or 18;

(c) Has slopes of 25 percent or greater;

(d) Is within the 100-year flood plain; or

(e) Cannot be provided with public facilities.

Inventory Steps

The BLI consists of several steps:

1. Generating UGB "land base"
2. Classifying land by development status
3. Identifying constraints
4. Verifying inventory results
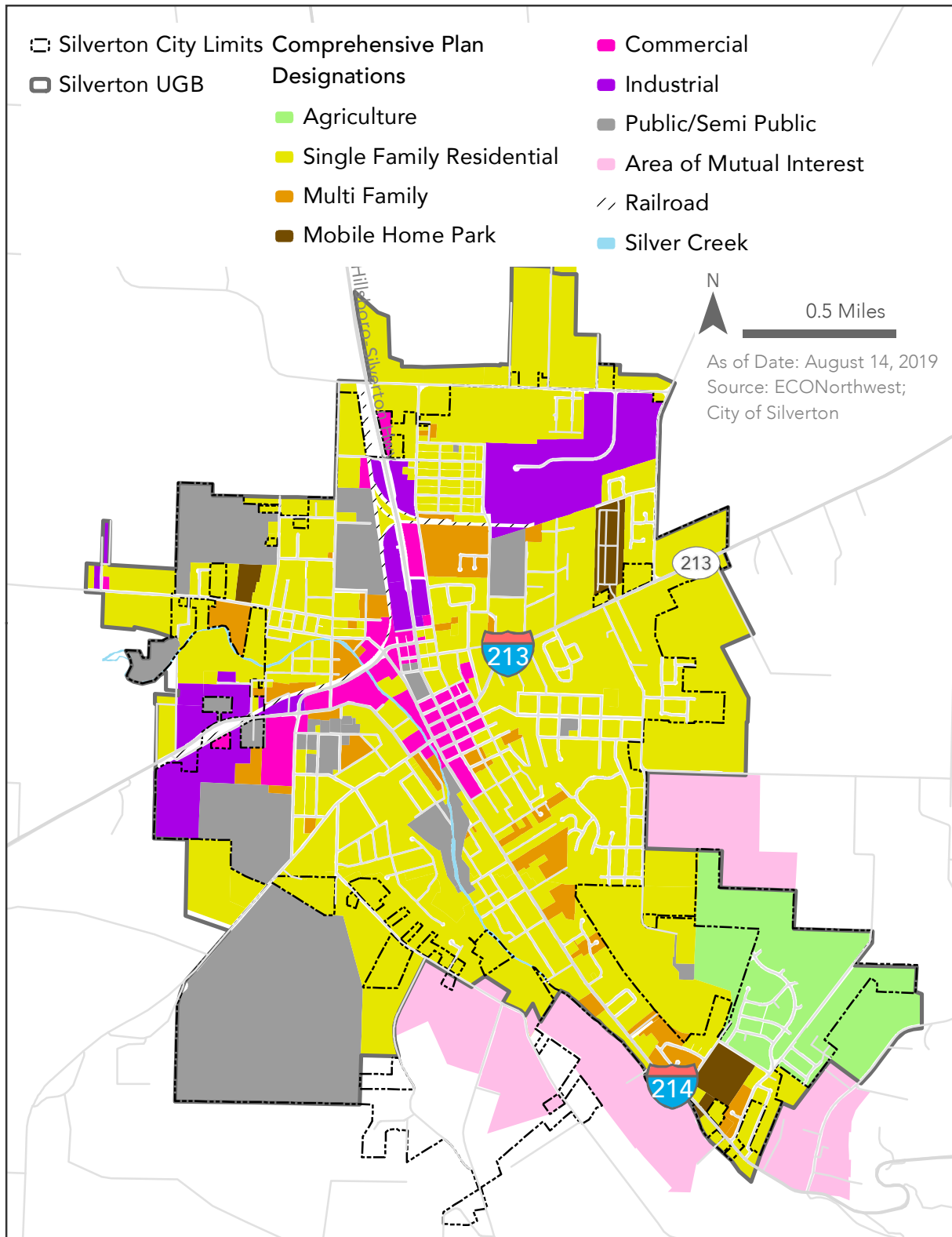5. Tabulating and mapping results

Step 1: Generating UGB "land base"

Per Goal 10, this step involves selecting all of the tax lots in the Silverton UGB in residential or nonemployment plan designations, or plan designations composed of zones that allow housing outright. Plan designations in the residential inventory include:

- Single Family
- Multifamily
- Mobile Home Park
- Agriculture / Urban Reserves
- Commercial (Downtown Commerical zone [DFC])

Exhibit 76 shows the residential plan designations included in the BLI.

Exhibit 76. Residential Land Base by Plan Designation, Silverton UGB, 2019

Legend:
- Silverton City Limits
- Silverton UGB

Comprehensive Plan Designations
- Agriculture
- Single Family Residential
- Multi Family
- Mobile Home Park
- Commercial
- Industrial
- Public/Semi Public
- Area of Mutual Interest
- Railroad
- Silver Creek

N

0.5 Miles

As of Date: August 14, 2019
Source: ECONorthwest;
City of Silverton

Step 2: Classifying lands

In this step, ECONorthwest classified each tax lot, in a plan designation that allows residential uses, into one of five mutually exclusive categories based on development status:

- Developed land
- Vacant land
- Partially vacant land
- Undevelopable land
- Public or exempt land

ECONorthwest initially identified buildable land and classified development status using a rule-based methodology consistent with the DLCD Residential Lands Workbook and applicable administrative rules. The rules are described below in Exhibit 77.

Exhibit 77. Rules for Development Status Classification

Development Status	Definition	Statutory Authority
Vacant Land	Tax lots that have no structures or have buildings with very little improvement value. For the purpose of this inventory, lands with improvement values of less than $10,000 were considered vacant (not including lands that are identified as having mobile homes).	OAR 660-008-0006(2) (2) "Buildable land" means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available, and necessary for residential uses. Publicly owned land is generally not considered available for residential uses.
Partially Vacant Land	Partially vacant tax lots can use safe harbor established in state statute: The infill potential of developed residential lots or parcels of one-half acre or more may be determined by subtracting one-quarter acre (10,890 square feet) for the existing dwelling, assuming that the remainder is buildable land;	OAR 660-024-0050 (2)(a)
Undevelopable Land	Vacant tax lots less than 3,000 square feet in size were considered undevelopable.	No statutory definition
Public or Exempt Land	Lands in public or semipublic ownership are considered unavailable for residential development. This includes lands in federal, state, county, or city ownership as well as lands owned by churches and other semipublic organizations and properties with conservation easements. Public lands were identified using the assessor's property tax exemption codes.	OAR 660-008-0005(2) - Publicly owned land is generally not considered available for residential uses.
Developed Land	Land that is developed at densities consistent with zoning and improvements that make it unlikely to redevelop during the analysis period. Lands not classified as vacant, partially vacant, undevelopable, or public or exempt are considered developed.	No statutory definition

Step 3: Identifying constraints

Consistent with OAR 660-008-0005(2) guidance on residential buildable lands inventories, ECONorthwest deducted certain lands with development constraints from the BLI. We used the following constraints, as listed in Exhibit 78.

Exhibit 78. Constraints to be Included in BLI

Constraint	Statutory Authority	Threshold	File name
Goal 5 Natural Resource Constraints			
Regulated Wetlands	OAR 660-008-0005(2)	Wetlands with zero-foot buffer	
Riparian Corridors	OAR 660-015-0000(5)	Zero-foot buffer	Rivers.shp and Streams.shp
Natural Hazard Constraints			
Floodways	OAR 660-008-0005(2	Lands within FEMA FIRM identified floodway	FEMA_100_Year_Flood_Plain.shp
100-Year Floodplain	OAR 660-008-0005(2	Lands within FEMA FIRM 100-year floodplain	FEMA_100_Year_Flood_Plain.shp
Steep Slopes	OAR 660-008-0005(2	Slopes greater than 25%	Slope_greater_than_25%.shp

We treated these areas as prohibitive constraints (unbuildable) as shown in Exhibit 79. All constraints were merged into a single constraint file, which was then used to identify the area of each tax lot that is constrained. These areas were deducted from lands that are identified as vacant or partially vacant.

Lack of access to water, sewer, power, road or other key infrastructure cannot be considered a prohibitive constraint unless it is an extreme condition. This is because tax lots that are currently unserviced could potentially become serviced over the 20-year planning period.

Exhibit 79. Residential Development Constraints, Silverton UGB, 2019
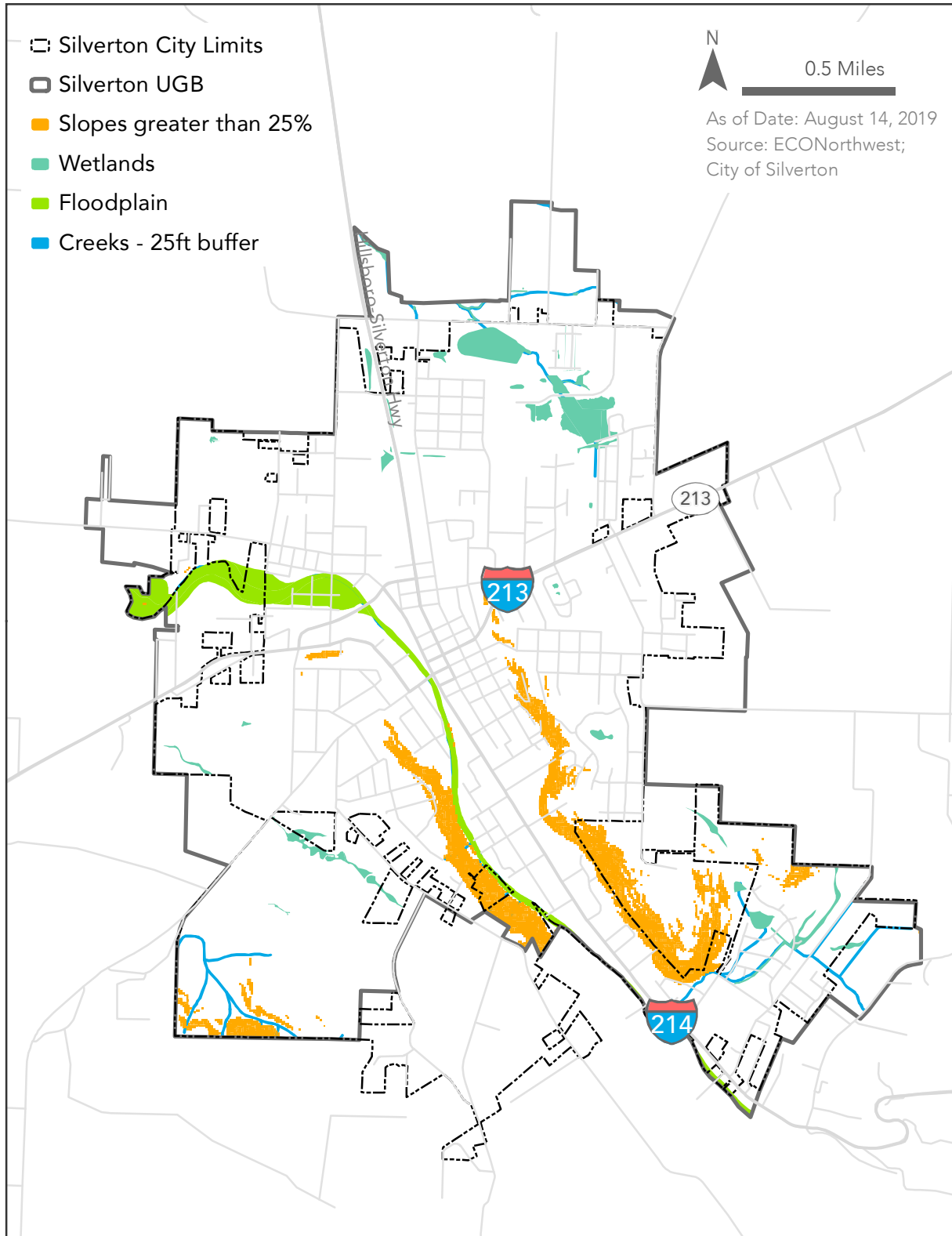
Step 4: Verifying

ECONorthwest used a multi-step verification process. The first verification step involved a "rapid visual assessment" of land classifications using GIS and recent aerial photos. The rapid visual assessment involves reviewing classifications overlaid on recent aerial photographs to verify uses on the ground. ECONorthwest reviewed all tax lots included in the inventory using the rapid visual assessment methodology. The second round of verification involved City staff verifying the rapid visual assessment output. ECONorthwest amended the BLI based on City staff review and a discussion of the City's comments.

Step 5: Tabulating and mapping

The results are presented in tabular and map format. We included a comprehensive plan map, the land base by classification, vacant and partially vacant lands by plan designation, and vacant and partially vacant lands by plan designation with constraints showing.