Corvallis Housing Policy Options

November 2014

Prepared for:

City Council Housing Subcommittee
City of Corvallis

Draft Report

ECONorthwest
ECONOMICS • FINANCE • PLANNING

Contact Information

Bob Parker and Beth Goodman prepared this report. ECONorthwest is solely responsible for its content.

ECONorthwest specializes in economics, planning, and finance. Established in 1974, ECONorthwest has over three decades of experience helping clients make sound decisions based on rigorous economic, planning and financial analysis.

For more information about this report or ECONorthwest, visit our website at www.econw.com. You can also contact us at:

Bob Parker or Beth Goodman
ECONorthwest
222 SW Columbia Street
Portland, OR 97201
503-222-6060
parker@econw.com
goodman@econw.com

For more information about this project or the City Council's housing goal, please contact:

Kent Weiss
Housing and Neighborhood Services Division Manager
City of Corvallis
501 SW Madison Ave.
Corvallis, OR 97330
541-766-6944
Kent.Weiss@corvallisoregon.gov

Acknowledgements

ECONorthwest and the City of Corvallis thank the many people who helped to develop the Corvallis Housing Study.

City Council Housing Subcommittee

Dan Brown, City Councilor
Hal Brauner, City Councilor
Mike Beilstein, City Councilor

Housing Study Advisory Committee

Jim Boeder, Housing Developer
Jim Moorefield, Willamette Neighborhood Housing Services
Karyle Butcher, League of Women Voters
Linda Modrell, Benton County Commissioner
Lisa Corrigan, Corvallis School District 509J
Chris Rochester, Corvallis School District 509J

City Staff

Ken Gibb, Community Development Director
Kent Weiss, Housing and Neighborhood Services Division Manager

Participants in the housing discussion groups.

This page intentionally left blank.

Table of Contents

1 Introduction 1

1.1 Background 1

1.2 Key Housing Issues in Corvallis 2

1.3 Methods 4

1.4 Organization of this Report 5

2 Factors that Affect Housing Demand 6

2.1 Many factors affect demand 6

2.2 Household factors that affect housing choice 7

2.3 Demand versus need 9

3 Key Findings 10

4 Policy Options 17

4.1 Potential Housing Policies 17

4.2 Recommendations and Conclusions 22

Appendix A: Corvallis Housing Market A-1

Comparison with other cities with major universities A-1

Comparison of Corvallis with Cities in Oregon A-20

Development activity in Corvallis A-27

Additional Data A-31

Appendix B: Discussion Group Summary B-1

Barriers to Living in or Developing Housing in Corvallis B-1

Ways to Reduce Residential Development Barriers B-6

Appendix C: Housing Policy Options C-1

Land Use Regulations C-1

Increase the types of housing C-8

Programs that provide financial assistance to homeowners and renters C-10

Programs that provide financial assistance to lower development or operational costs C-12

This page intentionally left blank.

1 Introduction

This report presents a high-level evaluation of policy options and big picture conclusions about market trends that Corvallis decision makers may consider implementing to encourage development of housing that is affordable to people who work in Corvallis. It draws on research from the Corvallis Housing Survey, discussions about issues and policy solutions with housing stakeholders in Corvallis, research about Corvallis' housing market in comparison to other cities with a large university, and other research about housing policies.

1.1 Background

Oregon has long recognized housing as a fundamental need and requires local governments to address Statewide Planning Goal 10 (Housing) through comprehensive land use planning policies and implementing ordinances. The City of Corvallis recognizes the need to both understand local housing markets and housing need as well as implementing strategies to address the housing needs of current and future Corvallis residents. Like many Oregon cities, Corvallis has found meeting the housing needs of all of its residents to be challenging. For a variety of reasons, Corvallis has comparatively high housing costs relative to neighboring cities in the Willamette Valley.

The **Vision 2020** includes statements about the vision to provide a range of housing opportunities:

> A high quality of life, and housing options for those who live, work, and study in the community are found in Corvallis.
>
> Corvallis strives to maintain housing opportunities and prices similar to other Oregon cities of comparable livability.

The Corvallis City Council is concerned about housing opportunities, including affordability issues, for people who want to live in Corvallis, especially those who work at businesses in Corvallis. For FY 2013-14, the City Council established a goal related to gaining a better understanding of the dynamics affecting the City's housing market. This goal has two elements:

1. Develop comprehensive and objective information about the demands for housing in the Corvallis Urban Growth Boundary and the causes of the current housing mix; and
2. Create policies, regulations, and strategies to help meet the housing needs of those who live here or wish to live here.

The Council Committee also posed a series of questions that can only be answered through market and survey research. The questions build from the assumption that there is a need to better balance housing supply with housing demand.

The *Corvallis Housing Survey* report provides information about housing preferences for people who work in Corvallis and live outside of Corvallis. This report presents information about: (1) Corvallis' housing market relative to other cities with large universities and relative to other communities in Oregon; (2) opinions about barriers to housing affordability and a wider range of housing options in Corvallis from knowledgeable stakeholders in Corvallis; and (3) a range of policy options available to address the key housing issues in Corvallis.

1.2 Key Housing Issues in Corvallis

A lack of affordable housing is hardly a new issue in Corvallis, or an issue that is unique to Corvallis. Municipalities have struggled for decades working to ameliorate housing affordability issues, as has Corvallis. Work that ECONorthwest conducted in Corvallis in the late 1990s identified many of the same issues discussed in this report. If there were simple answers, solutions would have been broadly applied years ago.

Part of the City Council's goal in conducting this study was to better understand the causes of the current mix of housing in Corvallis, both the mix of renter and owner opportunities and the mix of housing types (e.g., single-family detached or multifamily). The purpose of this analysis was to identify the key factors in Corvallis that contribute to current housing market conditions in Corvallis and to understand, as much as possible, the relative importance of the factors. In short, Council wants a more refined understanding of the problem.

Based on our recent and past work in Corvallis, as well as our work on housing in other cities (in Oregon and elsewhere), our opinion is that the key factors that have contributed to Corvallis' existing housing market conditions include:

- The presence of **Oregon State University's students, faculty, and staff**. OSU is the largest employer in Corvallis and students at OSU account for more than one-third (and possibly nearly half) of Corvallis' population. The large number of students creates demand for rental housing.
- Corvallis is a **regional employment center**, with about 30,000 employees. Corvallis has about 1.9 residents per job, compared to a State average of 2.4 residents per job. The relatively large number of jobs attracts residents to Corvallis and from nearby cities (as commuters).
- Corvallis has several **large employers with higher than average pay**, including OSU, Good Samaritan Hospital, and Hewlett Packard.

Households with higher than average pay are able to pay more for housing than households with lower income. As such, these households have a broader array of affordable housing options both in and outside of Corvallis. The type of housing built in Corvallis is often built to this higher price point.

- **Corvallis' development policies** have, over the long-term, promoted development of housing in relatively compact patterns. In addition, Corvallis' development policies have made residential development more complicated, possibly resulting in higher housing costs, and have provided protections for natural resources.
- **Annexation voting** has made annexing land into Corvallis' city limits more difficult, restricting land available for residential development.
- There is **limited ownership of larger tracts of residential land**, which may have limited availability of developable land in Corvallis.
- About two-thirds of individuals that work in Corvallis **live outside the city**. The results of a survey of Corvallis workers conducted by ECONorthwest in the Spring and Summer of 2014 suggest that while housing affordability is a major contributing factor, it is not the sole factor as many households that could afford housing in Corvallis choose to live outside the city.

This list is not meant to be definitive nor exhaustive. It is meant to provide a starting point and focus for research about Corvallis' housing market, based on our professional opinion and experience.

A core principle of housing policy is to provide opportunities to all households for safe, decent, and affordable housing. At the heart of this project is identifying potential policy actions that the Corvallis Council can take to address identified issues. Which policies are most appropriate or most effective depends on how Council chooses to describe the problem. Based on the key issues listed above, multiple descriptions are possible:

- The city has insufficient land available for residential development
- The city has adopted policies that create barriers to the development of affordable housing
- OSU students are competing with workers for housing
- The higher median income in Corvallis and Benton County create upward pressure on housing prices
- The City lacks sufficient housing that is affordable to workers

We could go on, but the point is that housing policy involves normative decisions that are Council's responsibility to define. That said, in our view not all populations are equally important when considering housing policy options. For

example, the city may prioritize policy to provide affordable housing to lower income households rather than to those with relatively higher incomes.

This report supplements the 2014 *Corvallis Housing Survey* conducted by ECONorthwest (presented under a separate cover) and is intended to provide data that helps Council better understand various aspects of the local housing market. It also presents a range of policy options for Council's consideration.

1.3 Methods

This evaluation used the following research methods:

- **Corvallis Housing Survey.** In 2014, ECONorthwest conducted a survey of the housing preferences of individuals who work in Corvallis. The focus of the survey was to develop a better understanding of individuals that work in Corvallis, but live outside the Corvallis city limits. The survey focused on the following topics about the survey respondents: characteristics of existing housing, future housing and locational preferences, desire of respondents not living in Corvallis to live in Corvallis, reasons for not living in Corvallis, and demographic characteristics.

- **Corvallis Housing Market Comparisons.** This research compares Corvallis' with other cities to understand how Corvallis is similar to and different from other cities with large student populations, as well as from other cities in Oregon. The comparison focuses on issues related to housing preference (e.g., age, household composition, and income) and relative housing affordability.

  We compared Corvallis to Ames (Iowa), Boulder (Colorado), College Station (Texas), Davis (California), Flagstaff (Arizona), Logan (Utah), Manhattan (Kansas), San Luis Obispo (California), and Stillwater (Oklahoma). Appendix A describes the criteria we used to select comparison cities in detail. In short, we selected these cities based on their size (population comparable to Corvallis), presence of a major public university, ratio of population to students (Corvallis has roughly 2 persons per student), and relative geographic isolation (in other words, not near a large metropolitan area).

  We also compared Corvallis to other cities in Oregon, including Adair Village, Albany, Eugene, Hillsboro, Lebanon, Monmouth, Philomath, Portland, Salem, and Tangent. The purpose of this comparison is to provide a cross-section of housing costs and trends throughout the State.

- **Discussion Groups.** ECONorthwest conducted a series of discussion sessions with three groups: realtors, developers, and commuters. The purpose of the discussion groups was to gain a better understanding of perceptions about the housing market in Corvallis. We used the results of the Corvallis Housing Market Survey as the starting point to start conversation about Corvallis' housing market, focusing on barriers that survey respondents identified to living in Corvallis, key conclusions about Corvallis' perceived housing costs and the availability and quality of housing with the desired characteristics (e.g., houses with larger living spaces and larger lots). We have incorporated the opinions of discussion group participants as noted throughout this document.

- **Policy research.** Our policy research began with a review of prior research about housing policies from prior projects, including policies related to housing affordability, providing a range of housing options, ways to lower rental and ownership costs to residents, and ways to lower development costs (and thus housing costs) to developers. We supplemented this research through interviews with staff at some of the comparator cities, as well as a brief review of the planning literature about housing affordability policies.

1.4 Organization of this Report

This report presents research on the Corvallis housing market and a number of potential policies for consideration by City Council. The remainder of this report is organized as follows:

Chapter 2 Factors that Affect Housing Demand briefly summarizes the factors that affect a household's choice of housing location and housing type.

Chapter 3 Key Findings summarizes and integrates the key findings from the survey, discussion groups, and housing market comparison analysis

Chapter 4 Policy Options presents policy options for consideration by Corvallis' decision makers and ECONorthwest's conclusions and recommendations about the City's policy options.

Appendix A Corvallis Housing Market Comparisons presents data about Corvallis' housing market compared to cities with large universities in the US and with other cities in Oregon.

Appendix B Discussion Group Summary provides a summary of comments from the discussion groups.

Appendix C Housing Policy Options provides list of housing policies used by other cities to encourage development of a range of housing types, including affordable housing.

2 Factors that Affect Housing Demand

This chapter provides a framework for understanding the factors that affect housing choices. It begins with a broad discussion of the factors that affect demand for housing and the factors that affect a household's choice of housing. The purpose of this chapter is to describe the factors that affect household's choice of where and what type of housing to live in.

2.1 Many factors affect demand[1]

Economists view housing as a bundle of services for which people are willing to pay some price: shelter certainly, but also 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, and do, make tradeoffs. What they can get for their money is influenced by both economic forces and government policy. Different households will value what they can get differently. They will have different preferences, which in turn are a function of many factors like income, age of the head of the household, number of people and children in the household, number of workers and job locations, number of automobiles, and so on.

The complexity of a housing market is a reality, but it does not obviate the need to understand future housing demand, and of the implications of that housing demand for land demand and consumption. Forecasts of housing demand 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.

Residential choice means the choice of both a housing *location* and a housing *type*. Factors relating to location include travel times (to work, shopping, recreation, education), views, neighborhood characteristics, quality of public services (especially, for many families, schools), and tax rates. Housing type comprises many attributes, the most important of which are structure type (e.g., single-family, multi-family) and size, lot size, quality and age, price, and tenure (own/rent). All of these attributes—what real estate economists refer to as the

[1] This chapter draws from other work by ECONorthwest.

bundle of goods that one purchases when making a housing choice—affect residential choice.

Consider in more detail some of the location and structure characteristics that households evaluate:

- **Access to work.** For a large majority of U.S. households, at least one member of each household, and often two members, commutes to work daily. Fundamental to early and (to a significant extent) prevailing theories of urban economics and location theory is the tradeoff between travel time and land value (which for households means residential land value). There is no doubt other factors influence location decisions, or that the auto gives households considerable flexibility in choosing a location, but access to work remains an important determinant of household location.
- **Access to shopping, recreation, friends.** About 70% of all household travel in the U.S. is for non-work purposes. People travel from their homes to shopping, recreation, education, and other neighborhoods. Households value access to a variety of destinations.
- **Public services.** Households value a variety of public services, some of which vary by location. The quality and price of water, sewer, drainage, and power service typically vary little within a metropolitan area. The quality of other public services, especially schools and public safety (police and fire protection) can often vary substantially, and can have a large impact on a household's location decision.
- **Neighborhood characteristics.** Characteristics of residential neighborhoods—character of development, income, age, and size of households, environmental quality—vary substantially within a metropolitan area, and are important to households. Most households have had the experience of settling for a smaller, less-well maintained unit in order to get housing they can afford in a location they (and others) desire.
- **Land and improvements.** The desire for space varies by household, and households are willing to trade-off space for other attributes, such as accessibility and amenities. Some families, for example, are willing to pay more for space, and use less of it, in areas with especially good schools.

2.2 Household factors that affect housing choice

One way to evaluate future housing demand is with detailed analysis of demographic and socioeconomic variables. If one could measure housing demand for each household, one might find that every household has a unique set of preferences for housing. But no citywide housing analysis can expect to build from the preferences of individual households. Most housing market analyses that get to this level of detail describe *categories* of households on the

assumption that households in each category will share characteristics that will make their preferences similar.

The main demographic and socioeconomic variables that may affect housing choice include: age of householder, household composition (e.g., married couple with children or single-person household), size of household, ethnicity, race, household income, or accumulated wealth (e.g., real estate or stocks). The literature about housing markets identify the following household characteristics so those most strongly correlated with housing choice are: age of the householder, size of the household, and income. [2]

- **Age.** Households make different housing choices at different stages of life. For example, a person may choose to live in an apartment when they are just out of high school or college but if they have children, they may choose to live in a single-family detached house.
- **Size and composition of household**. Housing needs change with changes in the household composition. Younger and older people are more likely to live in single-person households and people in their middle years are more likely to live in multiple person households (often with children).
- **Income.** 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). A review of census data that analyzes housing types by income in most cities will show that as income increases, households are more likely to choose single-family detached housing types. Consistent with the relationship between income and housing type, higher income households are also more likely to own than rent.

---

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

The State of the Nation's Housing 2013. The Joint Center for Housing Studies of Harvard University. 2013.

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

M. Riche. *The Implications of Changing U.S. Demographics for Housing Choice and Location in Cities.* The Brookings Institution Center on Urban and Metropolitan Policy. March 2001.

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

AARP. *Approaching 65: A Survey of Baby Boomers Turning 65 Years Old*. 2010.

ECONorthwest's analysis of 2000 Census Public Use Microdata Sample (PUMS) data for Oregon and counties within Oregon.

2.3 Demand versus need

The distinction between housing demand and housing need is an important one, especially in Oregon, where Goal 10 requires that cities evaluate the housing needs of their population. The language of Goal 10 refers to housing *need*: it requires communities to provide needed housing types for households at all income levels. Following is the distinction that we make between housing need and demand.

- *Housing need* can be defined broadly or narrowly. The broad definition is based on the mandate of Goal 10 that requires communities' plan for housing that meets the needs of current and future households at all income levels. Thus, Goal 10 implies that everyone has a housing need because everyone needs housing. However, definition used by public agencies that provide housing assistance (primarily the Department of Housing and Urban Development – HUD, and the Oregon Housing and Community Services Department - HCS) is narrower. It does not include most of the households that can purchase or rent housing consistent with the requirements of their household size for a price that is affordable.
- *Housing market demand* is what households demonstrate they are willing to purchase in the market place. Growth in population leads to a growth in households and implies an increase in demand for housing units that is usually met primarily by the construction of new housing units by the private sector based on developers' best judgments about the types of housing that will be absorbed by the market.

Through this report, we discuss both housing demand and housing needs, especially for affordable housing.

3 Key Findings

This chapter presents preliminary findings from the research on this project. These findings may be expanded and updated as a result of discussions with the City Council. The data discussed in this chapter is presented in full in Appendix A. Most of the statistics quoted in this section are from the U.S. Census' American Community Survey. Appendix A documents the sources of all of the statistics discussed in this chapter, aside from results of the Corvallis Housing Survey.

Enrollment at OSU grew faster than population or housing in Corvallis between 2000 and 2013.

- OSU's enrollment grew at an average annual growth rate of about 4% per year (adding 11,000 students), compared to Corvallis' population, which grew at 0.9% per year (adding about 6,000 people) over the 13-year period. Enrollment grew at the universities in all of the comparison cities, except for Flagstaff. The only other comparison city to have substantially faster enrollment than population growth was Davis, with 2% annual growth of enrollment and 0.7% annual growth of population. This suggests that most of the population growth in Corvallis was the result of student growth and that some new students live outside of Corvallis.
- According to Census data, Corvallis housing stock grew by about 1% annually between 2000 and 2012, with about half of the growth in single-family housing types and about half in duplex or multifamily housing types.
- The comparatively rapid growth at enrollment in OSU in Corvallis has exacerbated the issue of available and affordable housing in Corvallis. While this issue has long been a challenge in Corvallis, the rapid growth of students at OSU intensified this problem. The market response to the growth of students was substantial building of student housing, which resulted in some removal of existing affordable single-family housing.

The demographics of Corvallis' households are similar to those in other cities with large universities and suggest a wide range of housing needs.

- The average age in Corvallis was 27 years old, compared with Oregon's average of 39 years old. Like Corvallis, the comparison cities all have younger populations, with an average age between 23 and 28 years old.
- About as many households in Corvallis had children (41%) as the State average (43%). Most of the comparison cities have a larger share of households with children ranging from 41% of households with children (College Station) to 52% (Davis). It seems unlikely that most of the other

universities have a significantly larger share of students with families than OSU.

- Age and household composition are two of the key factors that affect housing choice. The younger average age in Corvallis is a reflection of the large student population at OSU. Students have different housing needs and preferences than non-student households. The fact that 41% of Corvallis' households include children suggests that Corvallis households have a wide range of household compositions, from single-person households, families with children, families without children, and households with unrelated persons living together.

Corvallis' housing market and that of most of the comparison cities is different from Oregon averages. Corvallis' housing market (and other cities with a large university) has more renter-occupied housing and a larger percentage of multifamily housing, compared with Oregon averages.

- Corvallis had a home ownership rate of 44%, compared to the Oregon average of 62%. Homeownership rates in the comparison cities were similar to Corvallis', ranging from 35% owner-occupied (College Station) to 49% owner-occupied (Boulder)
- About 55% of Corvallis' housing was single-family (single-family detached, single-family attached, and manufactured housing), compared to the State average of 76% of housing. The comparison cities had between 48% (Ames) and 64% (Flagstaff) of housing in single-family housing types.
- Homeownership rates and the share of housing in single-family housing were most similar between Corvallis and Boulder, Davis, Logan, and Manhattan. Discussions with staff at Boulder, Davis, and Logan revealed that these communities have many of the same housing challenges as Corvallis, with significant development of new student housing and challenges with the availability of workforce affordable housing.

Corvallis' housing market is about as affordable (or unaffordable) as most of the comparison cities with large universities.

- Rates of cost burden[3] in Corvallis were comparable to most of the comparison cities with large universities. About 47% of Corvallis' households were cost burdened. Ames and Manhattan had lower rates of cost burden (both 42% of households). All of the other comparison cities had the same or higher rates of cost burden, with the highest rate of cost burden in San Luis Obispo (57%).

---

[3] HUD defines cost burden as a household paying more than 30% of their gross income for housing costs.

- The median sales price of dwellings in shows that sales prices in Corvallis are in the middle of sales prices in comparison cities with large universities. In 2013, the median sales price in Corvallis was $263,000. Stillwater and Ames had lower median sales prices, $154,000 and $188,000 respectively. Median sales prices were substantially higher in Boulder ($433,000), Davis ($451,000), and San Luis Obispo ($526,000).
- Average sales price per square foot of owner-occupied housing units in 2013 were lower in Corvallis ($159 per square foot) than Boulder ($262), Davis ($283), and San Luis Obispo ($324). Ames, Flagstaff, and Stillwater had average sales prices ranging from $87 to $152 per square foot.
- One way to assess affordability is to consider the relationship between value of a dwelling and income. One measure of income that we used is median household income, which includes all members of the household whether they are related or not. The other measure of income that we used is median family income, which includes income for related individuals in the household.[4]
- In the 2010 to 2012 period, the median owner value of housing was about 3.6 times median family income in Corvallis,[5] lower than all of the comparison cities except for Ames (2.3), College Station (2.6), Manhattan (2.7), and Stillwater (2.7).
- C In the 2010 to 2012 period, Corvallis' median gross rent was about 25% of median household income. Rents in Corvallis accounted for a similar share of income when compared with the comparison cities, where rent accounted for between 22% (Ames) and 35% (College Station) of median household income.

The affordability of Corvallis' housing compared to housing in comparison cities in Oregon is mixed.

- Corvallis' housing is generally more expensive (in sales price and in sales price per square foot) than the Oregon comparison cities. When comparing housing value to family income, Corvallis' housing is more affordable than Eugene or Portland and about as affordable as Albany or Salem.
- The median sales price of dwellings in Corvallis was higher than most comparison cities in Oregon. In 2013, the median sales price in Corvallis was $263,000. Portland's median sales price was higher ($287,000). Median

[4] We considered affordability relative to both median household income and median family income (based on Census data, not HUD data) and present that data in Appendix C.

[5] This means that, on average, the value of a dwelling is 3.6 times the income of a family in Corvallis.

sales prices in other comparison cities in Oregon ranged from $133,000 in Lebanon to $235,000 in Hillsboro.

- Average sales price per square foot of built space were $159 per square foot in Corvallis, compared to $213 in Portland. Average sales price per square foot were lower than but similar to Corvallis in Hillsboro ($146), Eugene ($144), and Philomath. Average sales price per square foot ranged from $104 in Lebanon to $117 in Monmouth.
- The median owner value of housing was about 3.6 times median family income in Corvallis. The ratio of median owner value to family income was higher in Eugene (4.0) and Portland (4.3). The ratio of median owner value to family income in other comparison cities in Oregon ranged from 2.7 in Philomath to 3.3 in Adair Village. The ratio of median owner value to family income 3.4 in Albany and 2.9 in Lebanon.
- Corvallis' median gross rent was about for 25% of median household income. Rents in Corvallis accounted for a larger share of income when compared with most of the comparison cities in Oregon, where rent accounted for between 18% (Philomath and Tangent) and 22% (Lebanon) of median household. The exceptions were Eugene (25%) and Monmouth (26%), cities that both have relatively large student populations.

- Survey findings provide additional insight into the perception that housing in Corvallis is expensive. Survey respondents living outside of Corvallis pay about the same amount for housing as respondents living inside of Corvallis. The characteristics of housing for respondents living outside of Corvallis was different from the characteristics of housing of respondents who live in Corvallis. On average, respondents living outside Corvallis had a larger residence and a larger lot than respondents living inside Corvallis.

  In the Discussion Groups, workers in Corvallis who live outside of the city confirmed this finding. One of the key reasons that they live outside of Corvallis is because they could purchase a larger house on a larger lot for about the same amount or less than the cost of housing in Corvallis.

Households consider a wide range of factors in deciding where to live, including housing affordability, commuting distances and options, neighborhood and housing preferences, and other preferences. The locational choices of households and workers in Corvallis is similar to those made in other cities, reflecting a range of preferences and trade-offs.

- About 64% of people who work in Corvallis commute into the city from outside of Corvallis. Commuting was equally common in most of the comparison cities, with 64% of workers in Ames and Stillwater commuting into work and up to more than 75% of workers commuting into Boulder

and San Luis Obispo. The exception was Flagstaff, where about 36% of workers commuted into the city for work.

- Commuting is about as common in Corvallis as in comparison cities in Oregon. The cities with the lowest percentage of workers who commute into the city were Eugene (55%), Portland (58%), Albany (64%), and Salem (64%). Commuting in the other comparison cities ranged from 75% in Lebanon to 99% in Tangent.
- In the Corvallis Housing Survey, respondents indicated that high housing costs were an important barrier to living in Corvallis. Other reasons that respondents did not live in Corvallis included inability to find their preferred type or location of housing, high property taxes, concerns about housing condition, preference for or family attachments in their current community, and preference for a rural lifestyle. The findings from the Discussion Groups confirm these findings.
- The trade-off between living and working in the same city versus commuting is a key trade-off that households consider when choosing where to live. The percentage of workers choosing the commute into Corvallis is similar to other cities in Oregon and is lower in Corvallis than nearly all of the comparison cities with a university.

Lack of land available for development is a barrier to residential development in Corvallis, including development of relatively affordable housing.

- While Corvallis has a substantial amount of vacant land, about 1,400 acres, stakeholders indicate that there is not much vacant, serviced residential land that is available for development. The factors that make land available (and ready) for development include: being within the city limits, access urban services (most notably transportation, water, sewer, and stormwater infrastructure), and a landowner who is willing to sell the land at a price that is supportable within Corvallis' housing market.
- Stakeholders in the Discussion Groups indicated that much of Corvallis' available vacant, serviced land is in relatively small parcels, which are appropriate for infill development but not large enough for a mid-sized or larger subdivision. The type of housing built through infill is generally less affordable than housing built in subdivisions because infill development is more costly, while subdivision development can take advantage of development economies in scale.
- One of the key barriers to increasing land availability in Corvallis is the city's annexation process, which requires voter approval. According to discussions with developers and realtors, Corvallis' voters have been reticent to approve large-scale annexations, with some annexations requiring multiple attempts to gain approval. Developers who have initiated annexations do so at considerable risk, with some areas requiring multiple attempts at annexation. The cost of the annexation process adds to

the cost of development, making housing less affordable in Corvallis.

In addition, Corvallis' annexation process requires the City to demonstrate a need for land to be brought into the city limits. This creates a barrier where there is existing land within the city limits that landowners are unwilling (or unable) to develop but where that land is included in the City's estimate of buildable land within the city limits.

The complexity of Corvallis' development process is a barrier to residential development, including development of relatively affordable housing.

- Stakeholders in the Discussion Groups indicated Corvallis' complex development regulations and entitlement process (added to the annexation process) make development in Corvallis much more difficult than in other nearby communities. The complexity adds time and expense to development in Corvallis, making developing housing in Corvallis more expensive.
- Stakeholders in the Discussion Groups indicated the process for determining development exactions and other fees for development has considerable uncertainty. The information conveyed to developers about development costs during the pre-application process may be significantly different than the final costs identified in the application process.
- Developers want greater certainty earlier in the development process about exactions and other development costs. Suggestions for increasing certainty include increasing staff time available to work with developers in the pre-application process, as well as streamlining the development regulations and development process. In the absence of greater certainty, developers may (and often do) choose to pursue development in neighboring cities, where development is easier and less costly.

The factors above explain some of the reasons that Corvallis' housing is generally more expensive than housing in other neighboring cities in Oregon. The information below describes actions that the City could take to lower housing costs in Corvallis.

- The City of Corvallis has limited options for increasing housing affordability (by decreasing housing prices). Those options include lowering the City's development fees and charges and increasing land available for development. In our assessment, the changes that the City could make on these factors will only increase housing production or increase housing affordability at the margins.
- If systems development charges (SDC) and other regulatory development costs were substantially lower, would that lower new housing prices in Corvallis by a corresponding amount? In addition, if SDCs or development fees are lowered, how will the City fund the infrastructure and services

that are covered by these fees? Lowering SDCs or other fees shifts costs from one area (residential development) to other areas of the City (and other sources of funding).

- Even if Corvallis had substantially more available, serviced, vacant land, would developers be able to build enough housing quickly enough to lower housing prices in Corvallis? It would certainly take a lot of land and a lot of development to begin to lower prices for single-family lots, probably more than is reasonable to expect that the City and developers have the capacity to produce. Lots typically range from 20% to 35% of the price of a new single-family dwelling depending on location.

  In addition, is having more housing produced at a lower price a desirable outcome for current homeowners and residents of Corvallis? Decreasing new housing prices may result in decreasing the housing prices and values of existing homes overall, which is not a desirable result for existing homeowners. In addition, residents of Corvallis generally have a preference for relatively slow, controlled growth. The amount of housing development necessary to lower new housing prices to any substantial degree would not fit with this preference.

4 Policy Options

This chapter presents policy options for increasing the production of housing that is affordable at all income levels, with a focus on housing affordable to low- and moderate-income households, both for renter- and owner-occupied units.

4.1 Potential Housing Policies

Identifying a set of land use policies that will lead to development of more affordable housing for households at all income levels, while achieving other community goals, is difficult at best. Many, perhaps most, jurisdictions in Oregon have affordability problems for households with low- and moderate income. The same is true for the comparison cities with universities. The type and degree of housing affordability varies by jurisdiction. Corvallis' housing affordability challenges are similar in scale and character to several of the comparison cities, most notably Boulder and Davis.

A considerable body of literature exists on land use policy and affordable housing that summarizes approaches that communities have used to address the housing affordability issue. This section summarizes some of the policy approaches that communities can consider to address housing affordability.

Table 1 presents policies at we think best fit with Corvallis' housing affordability challenges. These policies focus on increasing the production of housing in Corvallis, both for homeownership and general-purpose rental housing. Some of the policies are geared towards production of low-income, subsidized housing. Some are focused on production of low- and moderate-income market-rate housing, such as workforce housing. Other policies would affect production of housing for all income levels.

Appendix C presents a more comprehensive list of housing policies, many of which Corvallis has already implemented.

Our assessment is that, if adopted, the policies will have limited effect on Corvallis' housing market. Without the ability to require inclusion of affordable workforce housing in new development, Corvallis' housing policy choices can make modest changes, increasing the amount of housing or more affordable housing at the margins.

Table 1. Policy approaches to increase production of housing in Corvallis.

Policy Name	Description	Considerations for Corvallis
Regulatory Changes		
Streamline Zoning Code and other Ordinances	Complexity of zoning, subdivision, and other ordinances can make development more difficult, time consuming, and costly. Streamlining development regulations can result in increased development. As part of the streamlining process, cities may evaluate potential barriers to affordable workforce housing and multifamily housing. Potential barriers may include: height limitations, complexity of planned unit development regulations,	This is an issue that developers and realtors emphasized is a key issue in Corvallis and one of the primary reasons that housing is more expensive to build in Corvallis. It may take longer to complete development applications in Corvallis because of the complexity of the City's development code. To the extent that Corvallis' complex development framework adds time to the development process, it also adds costs to housing. Developers may be able to complete applications faster in neighboring cities with simpler development codes. **Scale of Impact - Small to moderate**. The level of impact on production of housing and housing affordability will depend on the changes made to Corvallis' zoning and other ordinances.
Administrative and Procedural Reforms	Regulatory delay can be a major cost-inducing factor in development. Oregon has specific requirements for review of development applications; however, complicated projects frequently require additional analysis such as traffic impact studies, etc. A key consideration in these types of reforms is how to streamline the review process and still achieve the intended objectives of local development policies.	This is an issue that developers and realtors emphasized is a key issue in Corvallis and one of the primary reasons that housing is more expensive to build in Corvallis. There is a requirement to review applications within 120 days. Corvallis could evaluate implementing a faster review process for projects that meet specific criteria, such as including affordable workforce housing. **Scale of Impact - Small**. The level of impact on production of housing and housing affordability will be small and will depend on the changes made to Corvallis' procedures
Preserving Existing Housing Supply	Housing preservation ordinances typically condition the demolition or replacement of certain housing types on the replacement of such housing elsewhere, fees in lieu of replacement, or payment for relocation expenses of existing tenants. Preservation of existing housing may focus on preservation of smaller, more affordable housing. Approaches include: housing preservation ordinances, housing replacement ordinances, or regulating demolitions.	Corvallis recently made changes to the demolition permit processes, requiring more advanced notice prior to demolition of existing residential structures. This is designed to preserve existing properties, allowing them to be moved to another site. **Scale of Impact - Small**. Preserving small existing housing can make a difference in the availability of affordable housing in Corvallis but it is limited by the existing stock housing, especially smaller, more affordable housing.
Increasing Land Available for Housing		
Community Land Trust (CLT)	A Community Land Trust (CLT) creates permanent affordability by severing the value of the land and the improvements (i.e., the house). The land is held in trust by a nonprofit or other entity then leased to the homeowner. The homeowner enjoys most of the rights of homeownership, but restrictions are placed on use (e.g., owner occupancy requirement) and price restrictions on resale ensure that the home remains affordable. CLTs may be used in conjunction with land banking programs, where the city or a nonprofit housing corporation as a future site for affordable housing or other housing that meets community goals.	Corvallis does not have an organization that functions as formal land trust. The City and Willamette Neighborhood Services have collaborated on affordable housing projects using a community land trust approach, using available funding to a portion of land costs. **Scale of Impact - Small to moderate:** A land trust will have the biggest impact on production of low- and moderate-income affordable housing. Considering how difficult it is to build this type of affordable housing and the level of need for affordable housing, a land trust could increase nonprofits' capacity to build affordable housing.

Policy Name	Description	Considerations for Corvallis
Reform Annexation Process	Cities with voter annexation sometimes have difficulty bringing new land into the city limits, as voters may be hesitant to annex land. Cities have options for reforming the annexation process: • City initiated annexations • Annex large portions of the urbanizing area into the city limits • Repeal voter annexation	Corvallis' voter annexation process is a barrier to residential development, according to discussions with developers, realtors, and other stakeholders familiar with development in Corvallis. **Scale of Impact – Moderate to large:** The scale of the impact will depend on the reformation to the annexation process. If it becomes substantially easier to annex areas into the city limits, the greater the impact will be larger on residential development rates.
Increase the types of housing		
Allow small or "tiny" homes	"Tiny" homes are typically dwellings that are 500 square feet or smaller. Some tiny houses are as small as 100 to 150 square feet. They include stand-alone units or very small multifamily units. Tiny homes can be sited in a variety of ways: locating them in RV parks (they are similar in many respects to Park Model RVs), tiny home subdivisions, or allowing them as accessory dwelling units. Smaller homes allow for smaller lots, increasing land use efficiency. They provide opportunities for affordable housing, especially for homeowners.	Corvallis has not have any "tiny" houses proposed but the City has discussed "tiny" houses with groups who are potentially interested in building them. However, Corvallis will need to comply with State of Oregon's building code. A person could build a unit as small as the State building code would allow. **Scale of Impact - Small:** Scale of impact depends on regulation of tiny homes, where they are allowed, and market demand for tiny homes.
Programs that provide financial assistance to homeowners and renters		
Limited Equity Housing (Cooperative)	Limited equity housing is a housing model where people purchase a "share" of a development of housing and have the right to occupy a dwelling unit. A nonprofit owns all of the houses in the development and sells shares in the development to people who want to live there. In Davis, CA, shares are generally sold for around $6,000 each (in 2014). As the value of the housing in the development appreciates, the value of the share appreciates. When the shareowner moves from the development, he or she sells their share and gets the appreciated value of their share.	Corvallis does not have any limited equity housing developments (that we know of). Corvallis allows cooperative housing development but may require a planned unit development process. The City of Davis has little role in in supporting this type of cooperative, beyond assisting with purchasing land for the development. **Scale of Impact - Small**. Demand for these types of developments will be relatively small and restricted to households that would like to live in a cooperative development.
Employer-Assisted Housing	Employer-assisted housing (EAH) can be provided directly to the individual employee in the form of mortgage subsidies, down-payment assistance, relocation payments and the like or the city can help to increase the supply of housing by requiring or encouraging employers to participate in the development of additional housing units through such actions as the provision of land, construction financing or purchase/lease guarantees, and down-payment assistance.	**Scale of Impact – Small to Moderate**. The scale of the impact of EAH programs will depend on the size of the employer, eligibility criteria, and the type of assistance offered. If one or more large employers offers an EAH program with substantial assistance that provides enough assistance to make housing in Corvallis affordable for low- and moderate-income households, then an EAH program can have a sizeable impact.

Policy Name	Description	Considerations for Corvallis
Reduced Parking Requirements	Allows development of housing units to with discretionary reduction of parking requirements if an applicant can demonstrate that no more parking is needed. Reduced parking requirements are generally used in conjunction of development of subsidized affordable housing but cities like Portland have reduced or eliminated parking requirements for market-based multifamily housing in specific circumstances.	**Scale of Impact - Small**. Unless Corvallis reduced parking requirements for a wide range of multifamily housing development, the impact of this change will be small.
Lowering Infrastructure or Development Costs		
Urban Renewal/Tax Increment Finance (TIF)	Tax increment finance revenues are generated by the increase in total assessed value in an urban renewal district from the time the district is first established. As property values increase in the district, the increase in total property taxes (i.e., City, County, school portions) is used to pay off the bonds. When the bonds are paid off, the entire valuation is returned to the general property tax rolls. TIFs defer property tax accumulation by the City and County until the urban renewal district expires or pays off bonds. Over the long term (most districts are established for a period of 20 or more years), the district could produce significant revenues for capital projects. Urban renewal funds can be invested in the form of low-interest loans and/or grants for a variety of capital investments.	Corvallis has considered Urban Renewal in the past but not implemented. The most recent Urban Renewal proposal was the Downtown Urban Renewal district, which was not approved by the voters in 2009. **Scale of Impact – Moderate**. Urban Renewal funding is a flexible tool that allows cities to develop essential infrastructure or provides funding for programs that lower the costs of housing development (such as SDC reductions or low interest loan programs). Portland used Urban Renewal to catalyze redevelopment across the City, including the Pearl District and South Waterfront.
Multiple-Unit Limited Tax Exemption Program (Locally Enabled and Managed)	Multi-unit projects receive a ten-year property tax exemption on structural improvements to the property as long as program requirements are met. There is no ground floor active use requirement for this tool. The City of Portland's program, for example, limits the number of exemptions approved annually, requires developers to apply through a competitive process, and encourages projects to provide greater public benefits to the community. This program is enabled by the state, but managed by the local jurisdiction.	Corvallis has considered use of tax abatements in the past. **Scale of Impact – Small to moderate**. The design of the tax abatement program will impact whether and how many developers use the tax abatement, which will affect the scale of the impact.
Vertical Housing Tax Abatement (State of Oregon enabled, locally adopted)	Subsidizes "mixed-use" projects to encourage dense development or redevelopment by providing a partial property tax exemption on increased property value for qualified developments. The exemption varies in accordance with the number of residential floors on a mixed-use project with a maximum property tax exemption of 80% over 10 years. An additional property tax exemption on the land may be given if some or all of the residential housing is for low-income persons (80% of area is median income or below).	Corvallis has considered of tax abatements in the past. **Scale of Impact – Small to moderate**. The design of the tax abatement program will impact whether and how many developers use the tax abatement, which will affect the scale of the impact.

4.2 Recommendations and Conclusions

This section will be completed in the final version of the report.

Appendix A: Corvallis Housing Market

Appendix A presents data that compares Corvallis to other cities throughout the US with major universities. It also presents comparisons of Corvallis with other cities in Oregon. In addition, this appendix presents some data about housing growth in Corvallis.

Comparison with other cities with major universities

The purpose of developing comparisons of Corvallis with other cities is to understand how Corvallis is similar to and different from other comparator cities with large universities. This section focuses on demographic, socioeconomic, and housing characteristics that have the greatest impact on housing markets. As discussed in Chapter 2, the main primary factors that affect housing choices (e.g., the type or size of housing or housing tenure) are: income, age, and household composition. This section describes these characteristics in the comparison communities, as well as the characteristics of the communities' housing stock, commuting patterns, and economic conditions.

Throughout this analysis, we use data from multiple sources, choosing data from well-recognized and reliable data sources. One of the key sources for data about 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 U.S. 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 the 2010 Decennial Census, it does not include more detailed household information, such as income, housing costs, housing characteristics, and other important household information that were included in previous decades. Decennial Census data is available for 1980, 1990, 2000, and 2010.

- The **American Community Survey (ACS)**, which is completed every year and is a sample of households in the U.S. The 2012 ACS sampled about 3.5 million households in 2012 or about 2.5% of the households in the nation. The ACS collects detailed information about households, such as: 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.

For cities between 20,000 and 65,000 residents, like Corvallis, the ACS produces data for a 3-year period because the sample size of the ACS on each year requires collecting data from a 3-year period to produce statistically valid results for cities of this size. The data used in this analysis is for the 2010 to 2012 period.

How the comparator cities were chosen

We selected cities based on criteria that suggest their housing market is comparable to Corvallis' housing market. We selected comparison cities based on the following criteria:

- **City population.** We focused on cities with populations roughly comparable to Corvallis' population, generally between 40,000 people and generally fewer than 100,000 people.
- **Presence of a major public university.** All of the cities we compared Corvallis to have a major university, with at least 15,000 students and generally with 20,000 or more students.
- **Ratio of total population to students.** Corvallis' ratio of population residing in Corvallis to students attending OSU in Corvallis is about 2.5 persons per student. We selected cities with a population to student ratio similar to Corvallis', generally between 1.5 to 3.0 persons per student.
- **Geographic isolation.** Most of the cities we selected are geographically isolated, generally located more than 50 miles from a large metropolitan area and not adjacent to larger neighboring cities.
- **Located in the western U.**S. We focused on cities located in the western US or the Midwestern US.

The comparison cities and universities in this report are:

- Iowa State University, Ames Iowa
- University of Colorado, Boulder Colorado
- Texas A&M, College Station Texas
- University of California Davis, Davis California
- Northern Arizona University, Flagstaff Arizona
- Utah State University, Logan Utah
- Kansas State University, Manhattan Kansas
- Cal Poly, San Luis Obispo California

- Oklahoma State University, Stillwater Oklahoma

Several of the comparison cities have characteristics outside of the selection criteria described above. We decided to include cities that do not match these criteria completely because we felt the cities still provided a useful comparison to Corvallis. The city that is most outside of the characteristics described above is Boulder, with a population over 100,000, a population to student ratio of 3.5, and less geographically isolated (only 30 miles from Denver). Our judgment was that Boulder's housing market is similar enough to Corvallis to provide useful insights. That judgment was born out, as our research about Boulder showed that Boulder is struggling with many of the same issues that Corvallis is.

Population and university growth

To assess how Corvallis' and the comparative cities' populations are changing, we compare the ratio of city population to student population over time. Table 2 displays the population and university attendance for Corvallis and comparator cities. In 2013, Corvallis had a population of 55,298 and Oregon State had an enrollment of 27,925 students. This results in a population to student ratio of 2.0, which is lower than the 2000 ratio of 3.1.

Overall, Corvallis' ratio of population to students is relatively similar to the other comparative cities. OSU's student enrollment grew at about 4% per year, compared to Corvallis' population growth rate of nearly 1% per year between 2000 and 2013.

While student enrollment grew at the university in each of the comparator cities (except for Flagstaff), the rate of growth in student enrollment was generally between 1% to 2% per year. In general, population and student enrollment grew at similar rates, except in College Station, where population grew at twice the rate of student enrollment.

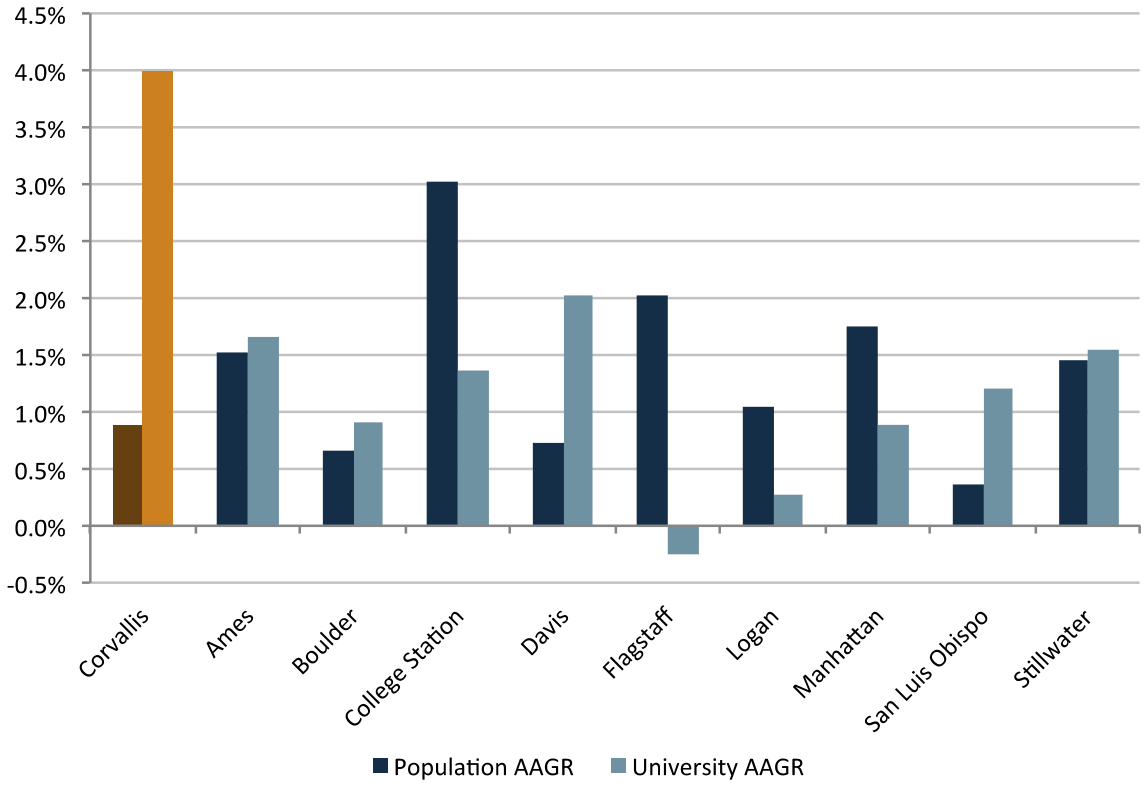
Table 2: Population and University Attendance Summary Table, 2000 - 2013

Area	Population 2013	University Enrollment 2013	Population to Student Ratio		Average Annual Growth Rate 2000 to 2013	
			2000	2013	Population	University
Corvallis	55,298	27,925	2.9	2.0	0.9%	4.0%
Ames	61,792	33,241	1.9	1.9	1.5%	1.7%
Boulder	103,166	29,325	3.6	3.5	0.7%	0.9%
College Station	100,050	52,449	1.5	1.9	3.0%	1.4%
Davis	66,205	29,978	2.6	2.2	0.7%	2.0%
Flagstaff	68,667	19,320	2.6	3.6	2.0%	-0.3%
Logan	48,913	16,411	2.7	3.0	1.1%	0.3%
Manhattan	56,143	24,581	2.0	2.3	1.7%	0.9%
San Luis Obispo	46,377	19,703	2.6	2.4	0.4%	1.2%
Stillwater	47,186	24,216	2.0	1.9	1.5%	1.5%

Source: U.S. Census Bureau, Population Estimates; Institution Websites; ECONorthwest calculations
Note: OSU enrollment is students enrolled at OSU's campus in Corvallis, excluding students at OSU Cascades in Bend.
Note: Student population growth in Corvallis and some of the comparison cities is larger than population growth between 2000 and 2013. This suggests that some students live outside of Corvallis or the comparison cities.

Figure 1 shows that Corvallis had the fastest average annual growth rate in university attendance from 2000 – 2013. College Station had the lowest ratio (largest share of students) in 2013, at 1.91. Flagstaff had the largest ratio (smallest share of students) at 3.55.

Figure 1: Population and University Average Annual Growth Rate 2000 to 2013



Source: U.S. Census Bureau, Population Estimates; Institution Websites; ECONorthwest calculations

Population characteristics

Table 3 key demographic characteristics related to housing choice:

- **Average age.** The average age in Corvallis was 27 years old, compared with Oregon's average of 39 years old. Like Corvallis, the comparison cities all have younger populations, with an average age between 23 and 28 years old.
- **Households with children.** About 41% of Corvallis' households have children, compared with 43% of Oregon's households. Most of the comparison cities have a larger share of households with children. It seems unlikely that most of the other universities have a significantly larger share of students with families than OSU. The most likely explanation for this difference is that the most of the comparison have a larger share of non-student households with children (especially Davis, Logan, and Flagstaff) than Corvallis.
- **Average household size.** The average household size in Corvallis was 2.2 persons per household, compared with Oregon's average of 2.5. The comparison cities generally had larger average household sizes, consistent with the larger share of households with children.

Table 3: Demographic Characteristics by Area, 2010 – 2012

Area	Average Age	% of Households with Children	Average Household Size
Oregon	39	43%	2.5
Corvallis	27	41%	2.2
Ames	24	42%	2.3
Boulder	28	45%	2.2
College Station	23	41%	2.4
Davis	25	52%	2.6
Flagstaff	26	50%	2.5
Logan	24	51%	2.8
Manhattan	24	46%	2.3
San Luis Obispo	26	42%	2.3
Stillwater	24	46%	2.2

Source: U.S. Census Bureau, 2010; U.S. Census Bureau, ACS, 2010-2012; ECONorthwest Calculations

Housing characteristics

Table 4 displays housing characteristics for the comparison communities.

- **Housing tenure.** The majority of residential properties in Corvallis and comparator communities are rented. Corvallis has a home ownership rate of 44%. In Oregon, by comparison, 62% of people own their own home. College Station has the lowest homeownership rate at 35%, while Boulder had a high of 49%.

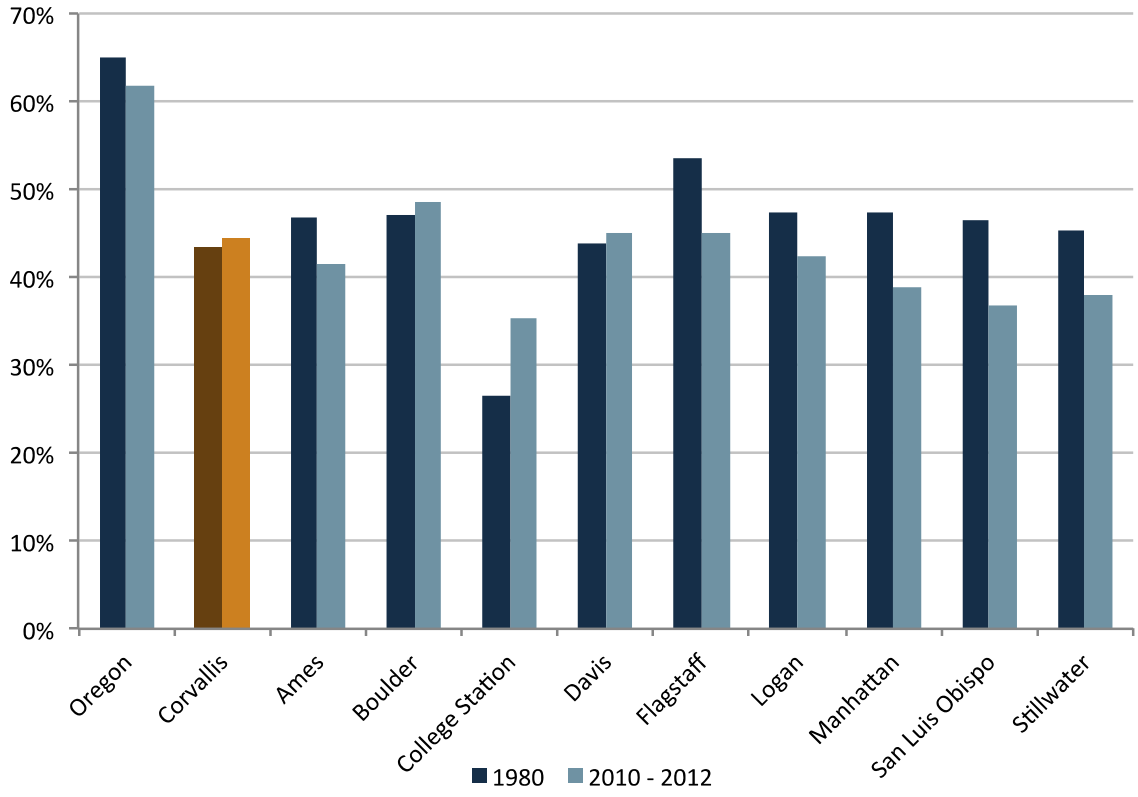
  Figure 2 shows change in tenure in since 1980. Homeownership rates stayed relatively flat in Corvallis since 1980, increasing by 1%. Homeownership rates increased in some comparison cities, by as much as 9% (College Station), and decreased in others by as much as 10% (San Luis Obispo).
- **Type of housing.** About 55% of Corvallis' housing was single-family (single-family detached, single-family attached, and manufactured housing), compared to the State average of 76% of housing. The comparison cities had between 48% and 64% of housing in single-family housing types.
- **Average structure age.** The average year that housing was built in Corvallis was 1976, which is consistent with Oregon's average of 1977. The average structure age in the comparison cities ranged from 1975 to 1991.

Table 4: Housing Characteristics, 2010 - 2012

Area	Homeownership Rate	% of Single-Family	Average Structure Age (Years)
Oregon	62%	76%	1977
Corvallis	44%	55%	1976
Ames	42%	48%	1981
Boulder	49%	53%	1975
College Station	35%	50%	1991
Davis	45%	57%	1980
Flagstaff	45%	64%	1986
Logan	42%	56%	1980
Manhattan	39%	53%	1977
San Luis Obispo	37%	60%	1975
Stillwater	38%	61%	1981

Source: U.S. Census Bureau, ACS, 2010-2012; ECONorthwest Calculations

Figure 2: Percent Owner Occupied, 1980 and 2010-2012



Source: U.S. Census Bureau, 1980, 2010-2012

Income

Income is a primary determinant of housing choice. Homeownership rates increase with income. Households with higher incomes are more likely to choose to live in single-family housing, especially in mid-sized cities, like Corvallis and the comparison cities, where very urban condominiums are less common.

This section examines measures of income: household income and family income. Household income is the income of all people, related and unrelated, living in the household. Family income is the income for the related family members of the household. Household incomes are typically lower for college towns because of the high share of student households, which typically include two or more unrelated persons who generally have low or no income.

Table 5 presents median household and median family incomes for Corvallis and the comparison cities.

- **Median household income.** Corvallis had a median household income of $37,382, about $11,000 below the Oregon median household income. The household income in the comparison cities was between about $31,000 and $56,000.
- **Median family income.** Corvallis' median family income was $71,000, nearly $12,000 above the Oregon median family income. Median family income was higher than median household income by at least $20,000 for all the comparison cities except for Logan and Flagstaff. Davis held the highest median family income at $105,667. Boulder, Ames, and San Luis Obispo, had median family incomes above $75,000. Flagstaff, Stillwater, and Logan had the lowest median family incomes.

Table 5: Median Household and Family Income, 2010 - 2012

Area	Median Household Income	Median Family Income	Difference between Median Family and Median Household Income
Oregon	$48,525	$59,516	$10,991
Corvallis	$37,382	$71,265	$33,883
Ames	$40,945	$75,696	$34,751
Boulder	$56,205	$101,989	$45,784
College Station	$30,980	$66,510	$35,530
Davis	$56,214	$105,667	$49,453
Flagstaff	$46,033	$63,003	$16,970
Logan	$33,437	$38,582	$5,145
Manhattan	$42,950	$65,898	$22,948
San Luis Obispo	$45,756	$75,625	$29,869
Stillwater	$32,567	$55,542	$22,975

Source: U.S. Census Bureau, 2010-2012

Housing costs

The following figures present a summary of the changing housing costs from 1980 to 2012. In each, we display the relationship between income and the cost of renting or purchasing a home.

- **Rent as a percent of income.** This measure is determined by dividing gross rent by the estimated monthly income (annual income divided by 12 months).
- **Ratio of owner costs to income.** This measure is determined by dividing median owner value by the annual income. It can be read as "the median housing value is X times the median income."

Table 6 shows income and housing costs for the 2010-2012 period and Table 7 shows the same information for 1980.

- **Rent.** Corvallis' average gross rent was 13% of median family income and 25% of median household income. Both measures of rent costs are comparable to Oregon's averages. In the comparison cities, rent ranged from 22% to 35% of median household income.

  Rent, as a percent of median household income, increased in Corvallis, Oregon, and most of the comparison cities (except College Station) between 1980 and 2010-2012 by between 3% to 8% of household income.
- **Owner value.** Median owner value was 6.8 times median <u>household</u> income in Corvallis in 2010-2012, compared to 4.8 in Oregon. By this measure, housing in Corvallis is substantially less affordable than the Oregon average. However, median owner value was 3.6 times median <u>family</u> income in

Corvallis, compared to 3.9 in Oregon. This suggests that housing in Corvallis is comparably affordable to families as the State average.

Median owner value was between 2.3 and 6.5 time median family income for the comparison cities. This suggests that, for families, Corvallis' housing is about as affordable as housing in most of the comparison cities, with Corvallis housing substantially more affordable than in Boulder, Davis, and San Luis Obispo.

Since 1980, housing has become less affordable in Corvallis, especially in relation to household income. In 1980, median owner value was 3.2 times median family income in Corvallis, compared to 2.9 in Oregon. In relation to income, housing became much less affordable in San Luis Obispo, Davis, Boulder, and Flagstaff. Housing became comparatively more affordable in College Station and Ames.

Table 6: Summary of Housing Affordability, 2010 - 2012

			Rental Costs			Ownership Costs		
Area	Median Family Income	Median Household Income	Monthly Cost	Rent as a Percent of Monthly Family Income	Rent as a Percent of Monthly Household Income	Median Value	Ratio of Owner Cost to Family Income	Ratio of Owner Cost to Household Income
Oregon	$59,516	$48,525	$855	17%	21%	$233,900	3.9	4.8
Corvallis	$71,265	$37,382	$790	13%	25%	$255,500	3.6	6.8
Ames	$75,696	$40,945	$734	12%	22%	$172,100	2.3	4.2
Boulder	$101,989	$56,205	$1,145	13%	24%	$492,900	4.8	8.8
College Station	$66,510	$30,980	$899	16%	35%	$174,200	2.6	5.6
Davis	$105,667	$56,214	$1,227	14%	26%	$530,800	5.0	9.4
Flagstaff	$63,003	$46,033	$1,001	19%	26%	$263,300	4.2	5.7
Logan	$38,582	$33,437	$628	20%	23%	$170,300	4.4	5.1
Manhattan	$65,898	$42,950	$825	15%	23%	$174,800	2.7	4.1
San Luis Obispo	$75,625	$45,756	$1,227	19%	32%	$493,800	6.5	10.8
Stillwater	$55,542	$32,567	$709	15%	26%	$150,400	2.7	4.6

Source: U.S. Census Bureau, ACS, 2010-2012; ECONorthwest Calculations

Table 7: Summary of Housing Affordability, 1980

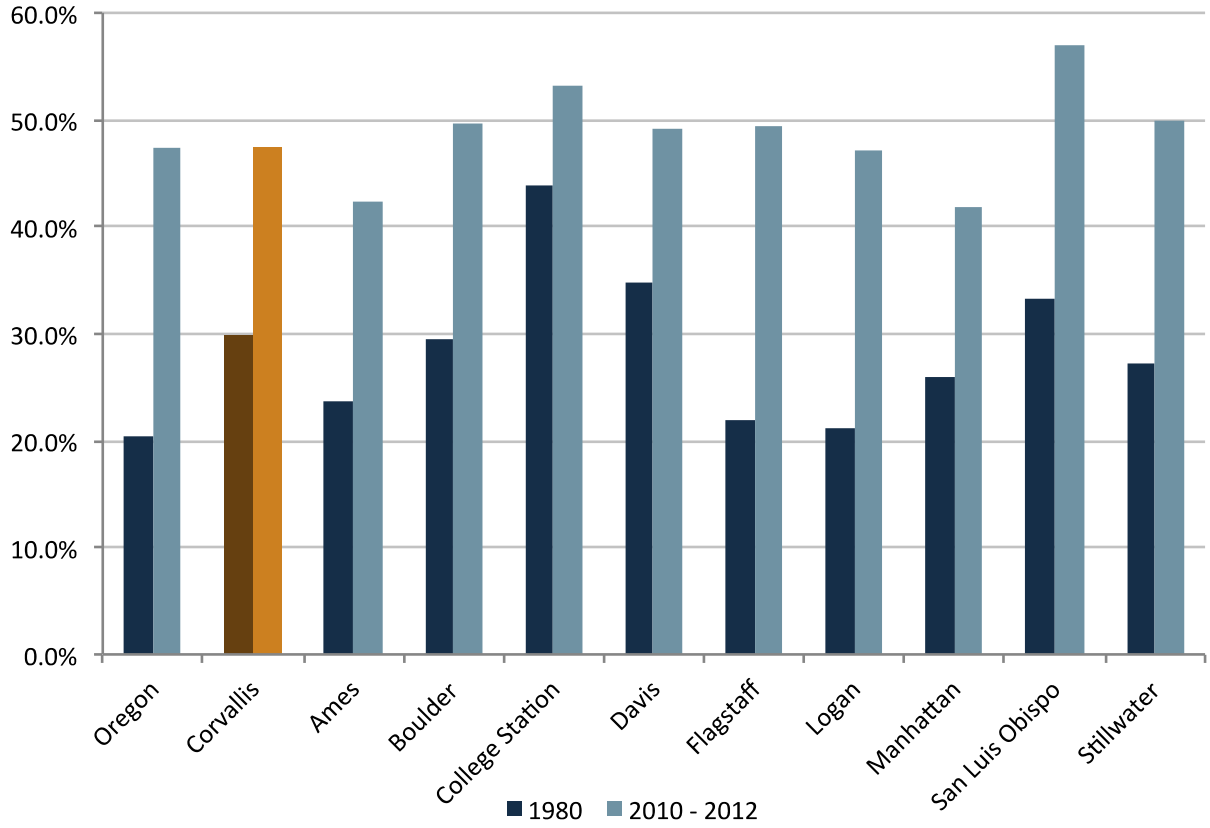
Area	Median Family Income	Median Household Income	Rental Costs: Monthly Cost	Rental Costs: Rent as a Percent of Monthly Family Income	Rental Costs: Rent as a Percent of Monthly Household Income	Ownership Costs: Median Value	Ownership Costs: Ratio of Owner Cost to Family Income	Ownership Costs: Ratio of Owner Cost to Household Income
Oregon	$20,027	$16,780	$257	15%	18%	$59,000	2.9	3.5
Corvallis	$20,437	$13,621	$245	14%	22%	$64,400	3.2	4.7
Ames	$22,203	$16,104	$251	14%	19%	$64,300	2.9	4.0
Boulder	$22,951	$16,744	$302	16%	22%	$86,500	3.8	5.2
College Station	$18,346	$9,789	$282	18%	35%	$60,400	3.3	6.2
Davis	$23,807	$14,682	$267	13%	22%	$83,700	3.5	5.7
Flagstaff	$19,709	$16,867	$256	16%	18%	$63,800	3.2	3.8
Logan	$15,606	$12,693	$198	15%	19%	$59,600	3.8	4.7
Manhattan	$19,010	$13,030	$224	14%	21%	$48,000	2.5	3.7
San Luis Obispo	$20,237	$13,112	$284	17%	26%	$87,700	4.3	6.7
Stillwater	$17,097	$11,102	$219	15%	24%	$47,900	2.8	4.3

Source: U.S. Census Bureau, 1980; ECONorthwest Calculations

Figure 3 shows that the share of households that are cost burdened[6] in each community have increased substantially since 1980. In Corvallis, 47% of households are considered cost burdened in 2012 compared to 30% in 1980. San Luis Obispo has the highest share of households that are cost burdened in 2012 at 57%. Ames and Manhattan have the lowest rates at 42%.

Rates of cost burden increased substantially since 1980, when 30% of Corvallis' households and 20% of Oregon households were cost burdened. Cost burden increased in all of the comparison cities, with about 20% more households cost burdened in 2010-2012 compared to 1980 most of the comparison cities.

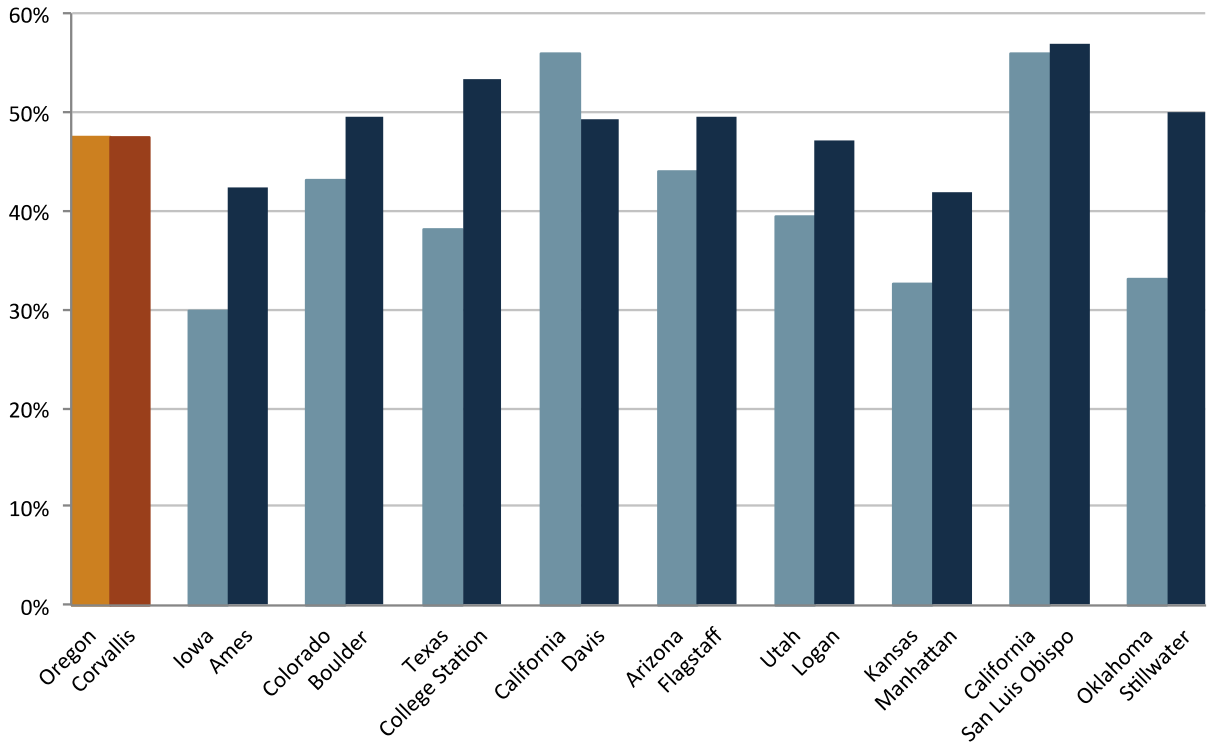
Figure 3: Percent of Households with Cost Burden, 1980 and 2010-2012



Source: U.S. Census Bureau, 1980, 2010-2012

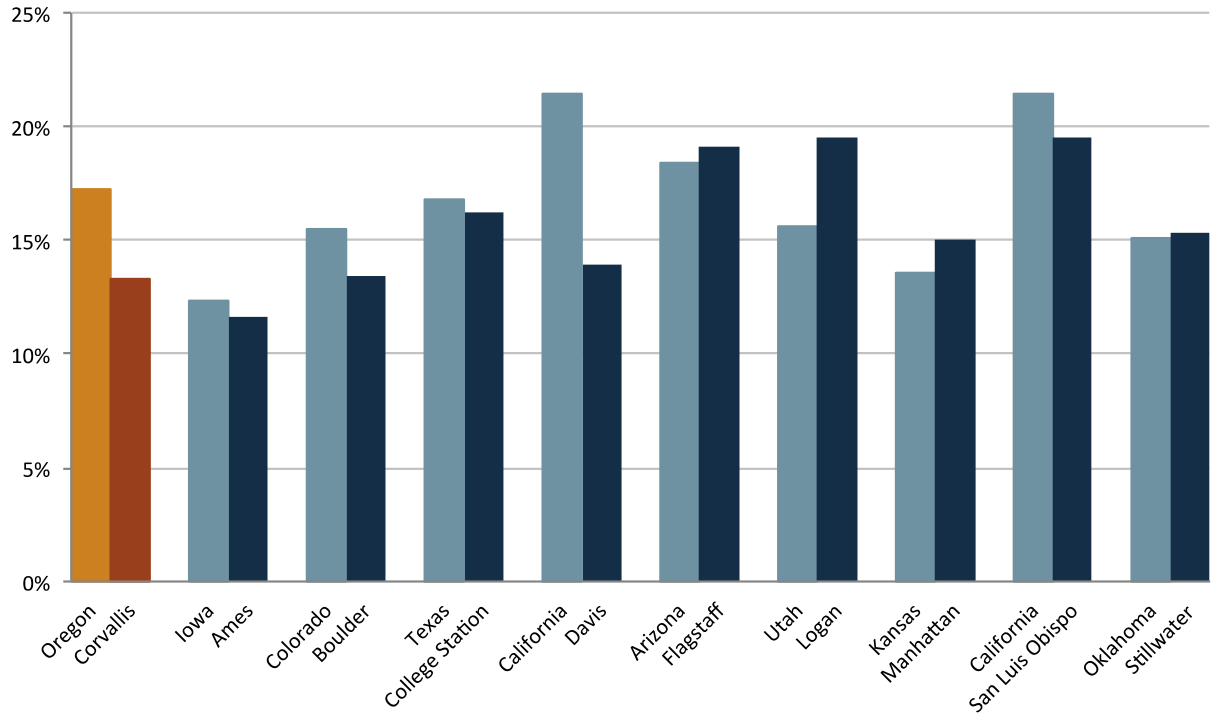
[6] Households paying more than 30% of their gross income for housing costs are considered to be cost burdened by HUD.

Figure 4: Percent of Households with Cost Burden, 2010-2012



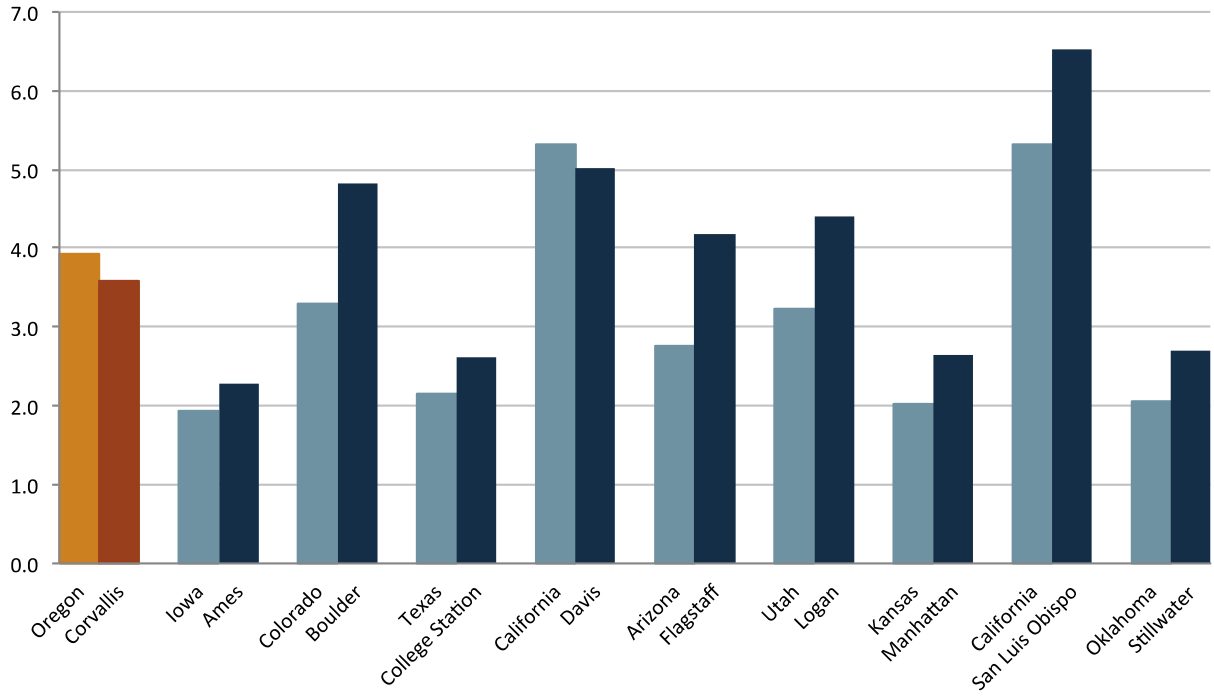
Source: U.S. Census Bureau, 2010-2012

Figure 5: Rent as a Percent of Median Family Income, 2010-2012



Source: U.S. Census Bureau, 2010-2012

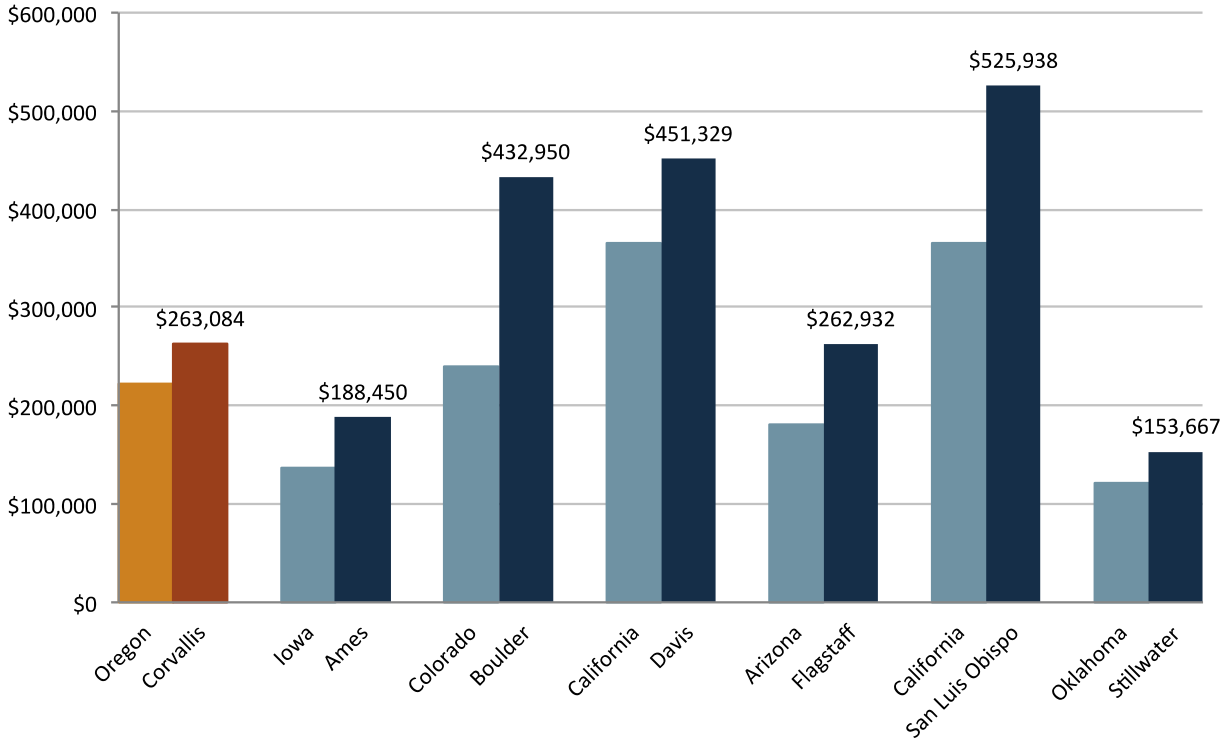
Figure 6: Ratio of Owner Home Value to Median Family Income, 2010-2012



Source: U.S. Census Bureau, 2010-2012

Figure 7 depicts the median sales price of homes in the comparative cities and their respective states in 2013. The median sale price in Corvallis was $263,084, which is in the middle relative to the other comparative communities. The median sale price in San Luis Obispo was $525,938, the highest of the comparative cities. The lowest was in Stillwater where homes sold for approximately $153,000 on average.

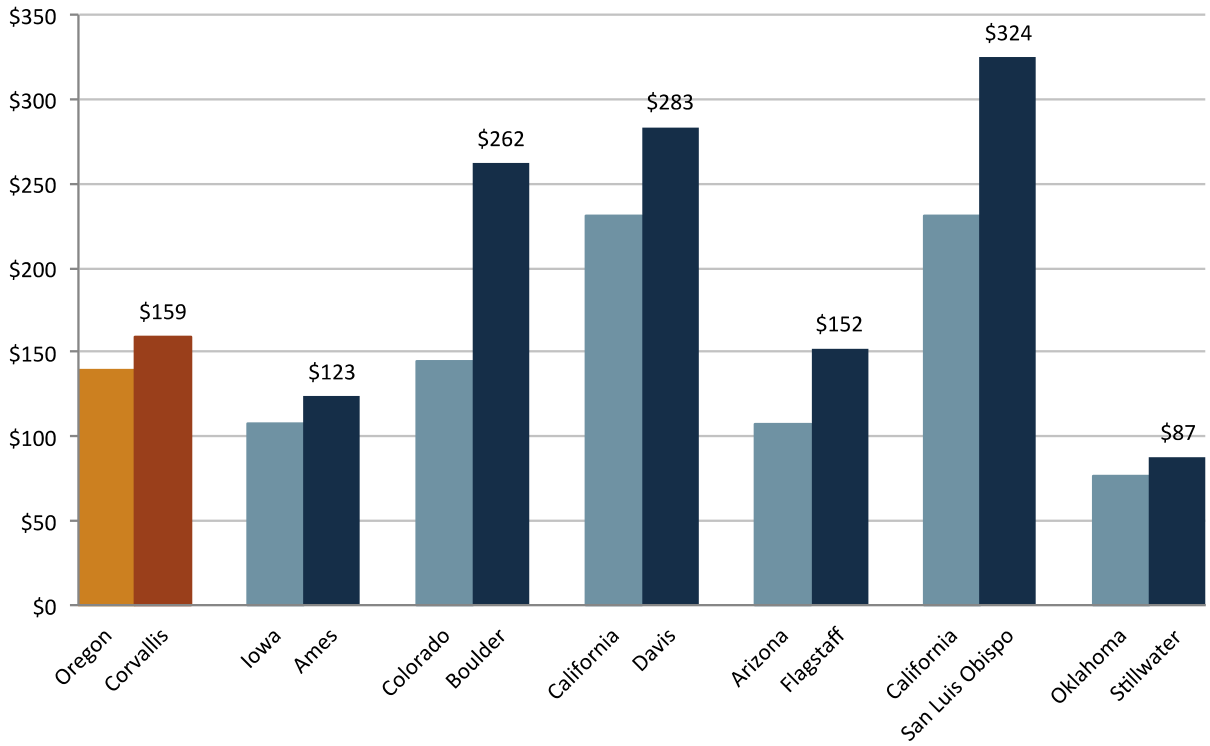
Figure 7: Median Sales Price, 2013



Source: Zillow, Median Sales Price

Figure 8 shows the average price per square foot of homes sold in 2013. Similar to the median sales price, Corvallis is in the middle relative to the other comparative cities with an average price per square foot of $159. Again, San Luis Obispo had the highest average at $324 and Stillwater had the lowest at $87.

Figure 8: 2013 Average Price Per Square Foot



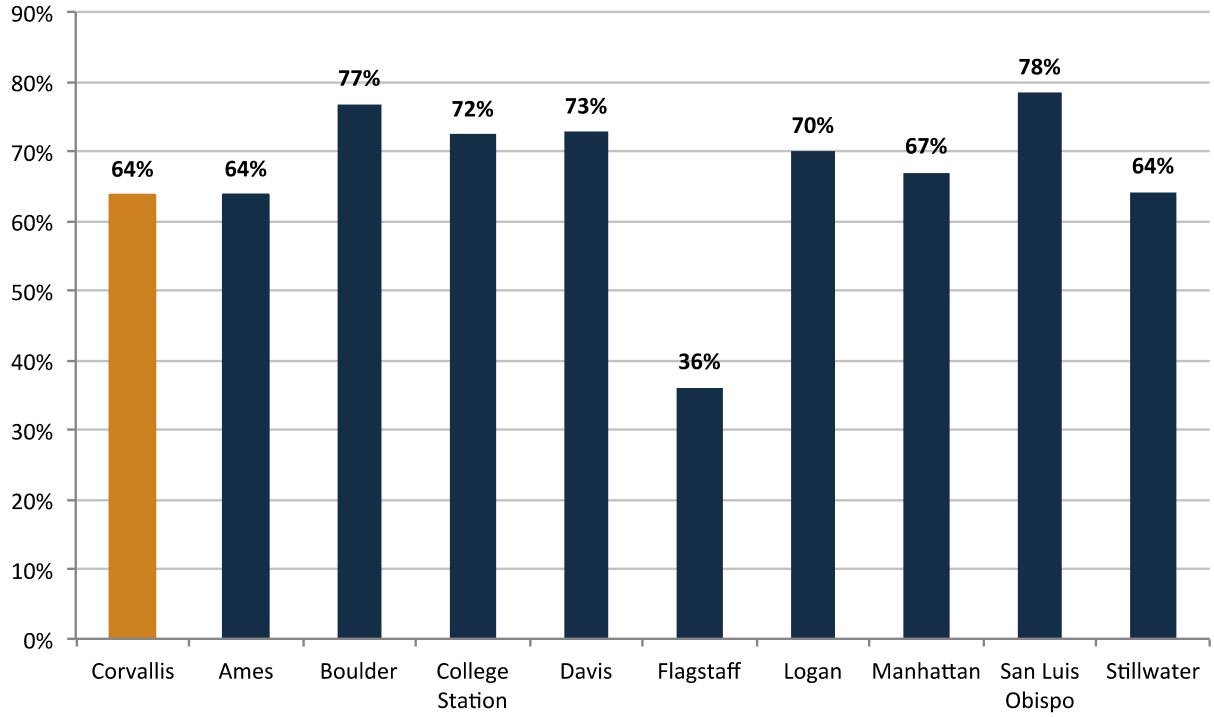
Source: Zillow, Median sale price / sq. ft. ($)

Economic characteristics

Housing costs can (and do) directly influence the decision to live and work in the same community. This can particularly impact college towns due to their proximity to nearby communities that may have lower housing costs.

Figure 9 displays the share of people that work in one of the comparison communities, but live in another place. Commuting to these cities is common, with most cities having about two-thirds or more of their workforce commuting into the city for work. Corvallis had the second lowest rate of in-commuting at 64%. In San Luis Obispo, nearly 80% people commuted in for work. Flagstaff was the city with the least in-commuting, with 36% of workers commuting into Flagstaff for work. This difference can be explained by Flagstaff's relative isolation from other larger cities, with Phoenix (the closest larger city to Flagstaff) more than 140 miles away.

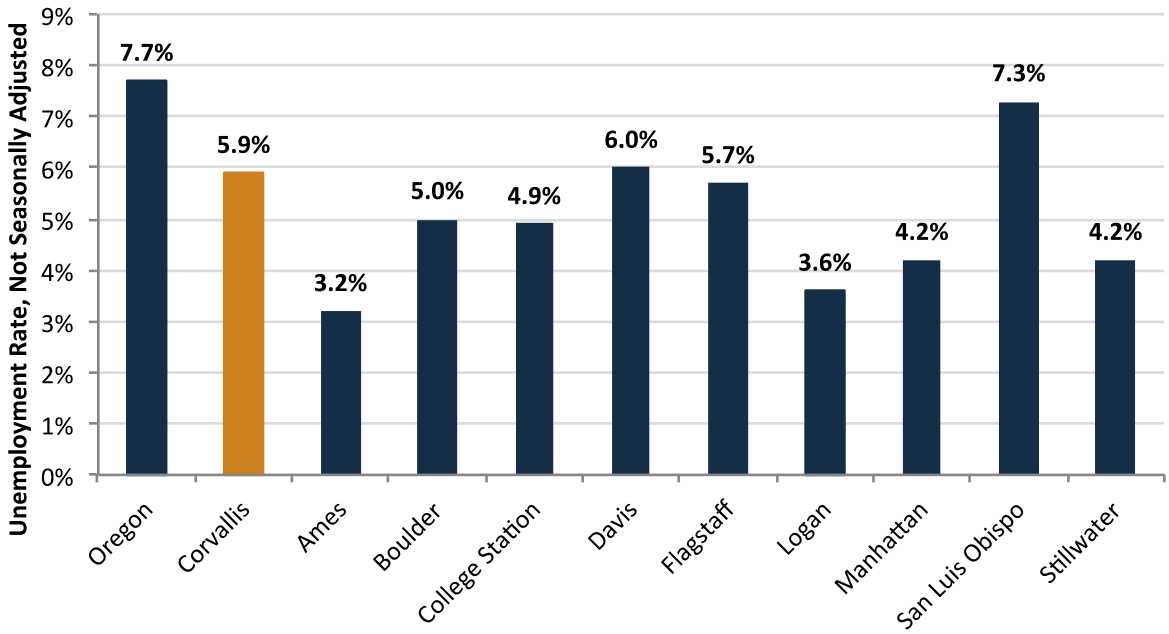
Figure 9: Share of People who Commute into the City for Work, 2011



Source: U.S. Census Bureau, LODES Data, Longitudinal-Employer Household Dynamics Program

Figure 10 presents the unemployment rate for each city in 2013. Corvallis and its peer communities all experience lower rates of unemployment than the U.S. average in 2013. The unemployment rate in Corvallis stood at 5.9%, which is well below the Oregon statewide average of 7.7%. San Luis Obispo had the highest rate at 7.3%, while only 3.2% of people in Ames were unemployed.

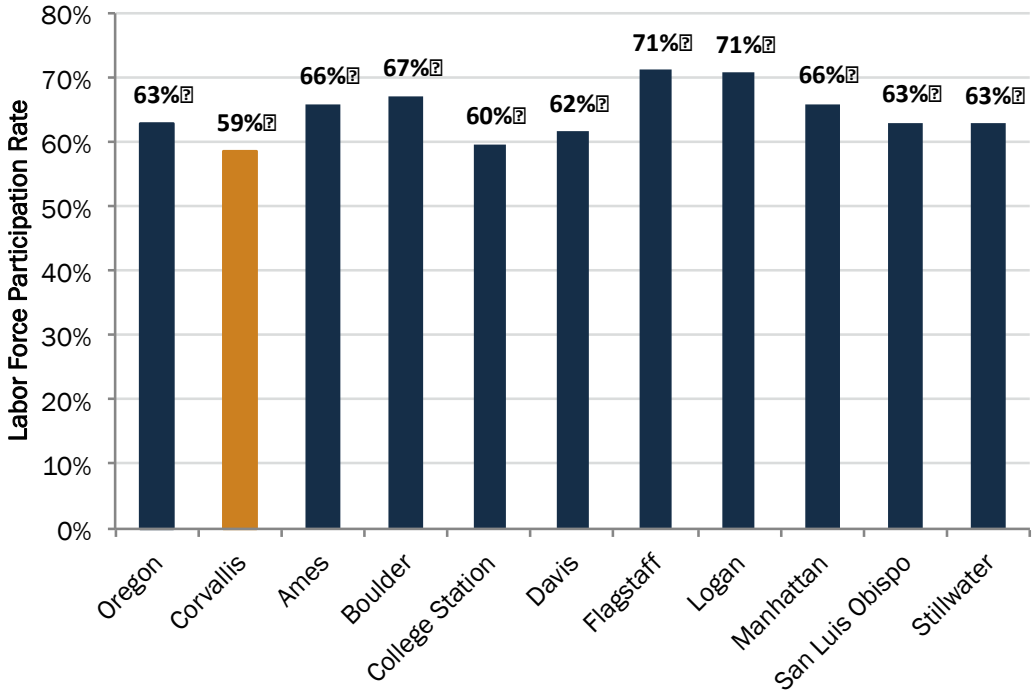
Figure 10: Unemployment Rates, 2013



Source: BLS, LAUS; BLS, CPS

The labor force participation rate is the ratio of the employed and unemployed population over the total population 16 years and over. As seen in Figure 11, Corvallis has the lowest labor force participation rate of any of its comparison communities at 59%. Flagstaff has the highest rate, at 71.1%.

Figure 11: Labor Force Participation Rates, 2010 – 2012



Source: U.S. Census Bureau, ACS, 2010-2012

Comparison of Corvallis with Cities in Oregon

Comparing Corvallis with cities in Oregon provides a useful perspective for analyzing regional trends in housing affordability. ECONorthwest selected Adair Village, Albany, Eugene, Hillsboro, Lebanon, Monmouth, Philomath, Portland, Salem, and Tangent, to provide a cross-section of housing costs and trends throughout the State. These cities are either near to Corvallis, have a large university, or are comparison cities from the Portland metropolitan area. These cities provide a range of characteristics to compare Corvallis to, with each offering insights into housing affordability in other Oregon communities.

Housing costs

Table 8 summarizes housing costs in the selected comparator Oregon cities for the 5-year period ending in 2012. To provide an overview of housing affordability we compare ownership and rental costs relative to household and family incomes in each city. Corvallis rents and home values are high as a percent of household income but not family income, relative to the other cities. Figure 12 and Figure 13 illustrate the relationship between owner value and income.

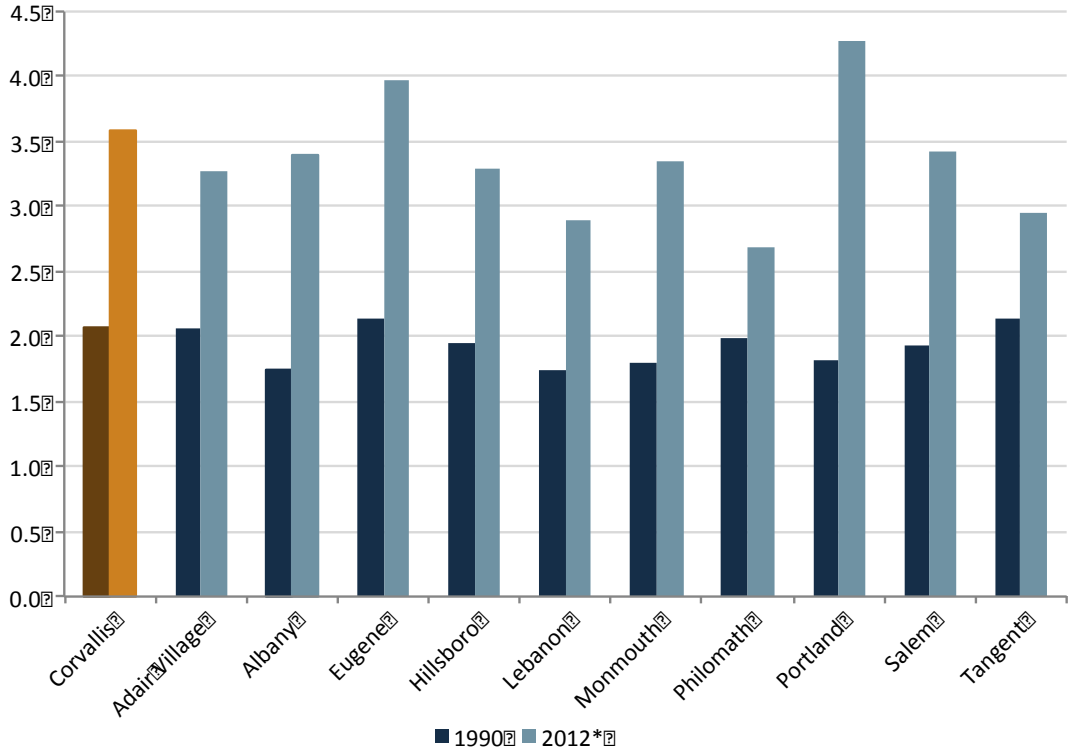
- **Median Value.** Of the selected cities, Corvallis had the highest ratio of owner home value to household income. In other words, the median house costs 6.8 times the median household income. Portland's ratio was 5.6, Eugene's was 5.9, and Lebanon had the lowest ratio at 3.1. The ratio of owner costs to family income are somewhat lower in Corvallis at 3.6, yet still the third highest of any of the selected Oregon cities, only behind Portland and Eugene, but not far from Albany, Salem, and Monmouth.
- **Rent.** Median gross rent in Corvallis was $790 in the period from 2008 – 2012. Over this time, rent was 25% of monthly household income, the second highest of the selected cities. However, rent was only 13% of monthly family income, the lowest of the selected communities. This difference illustrates how the housing market in Corvallis and other college towns can be very different from other cities, simultaneously serving student and family households.

Table 8: Summary of Housing Affordability, 2008 - 2012

Area	Median Family Income	Median Household Income	Rental Costs: Monthly Cost	Rental Costs: Rent as a Percent of Monthly Family Income	Rental Costs: Rent as a Percent of Monthly Household Income	Ownership Costs: Median Value	Ownership Costs: Ratio of Owner Cost to Family Income	Ownership Costs: Ratio of Owner Cost to Household Income
Corvallis	$71,265	$37,382	$790	13%	25%	$255,500	3.6	6.8
Adair Village	$63,787	$63,787	$1,101	21%	21%	$208,500	3.3	3.3
Albany	$51,147	$44,730	$747	18%	20%	$173,700	3.4	3.9
Eugene	$59,889	$40,435	$836	17%	25%	$237,500	4.0	5.9
Hillsboro	$71,834	$65,220	$1,057	18%	19%	$236,500	3.3	3.6
Lebanon	$49,894	$45,897	$843	20%	22%	$144,100	2.9	3.1
Monmouth	$56,159	$29,697	$636	14%	26%	$188,300	3.4	6.3
Philomath	$69,410	$55,353	$839	15%	18%	$185,900	2.7	3.4
Portland	$65,164	$49,958	$889	16%	21%	$278,000	4.3	5.6
Salem	$54,400	$45,215	$776	17%	21%	$186,400	3.4	4.1
Tangent	$61,094	$52,900	$775	15%	18%	$180,000	2.9	3.4

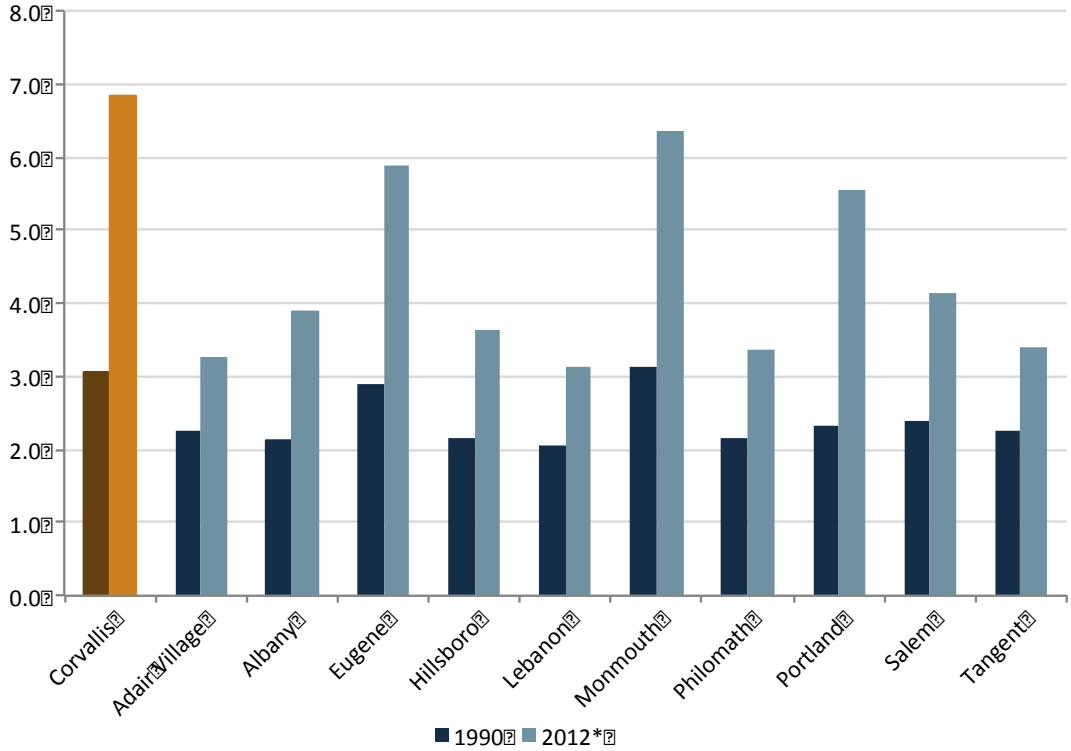
Source: U.S. Census Bureau, ACS, 2008-2012; ECONorthwest Calculations

Figure 12: Ratio of Owner Home Value to Median Family Income, 1990 and 2010-2012



Source: U.S. Census Bureau, 1990, 2010-2012; ECONorthwest Calculations
Note: (*) 2012 data utilizes ACS multi-year estimates

Figure 13: Ratio of Owner Home Value to Median Household Income, 1990 and 2010-2012

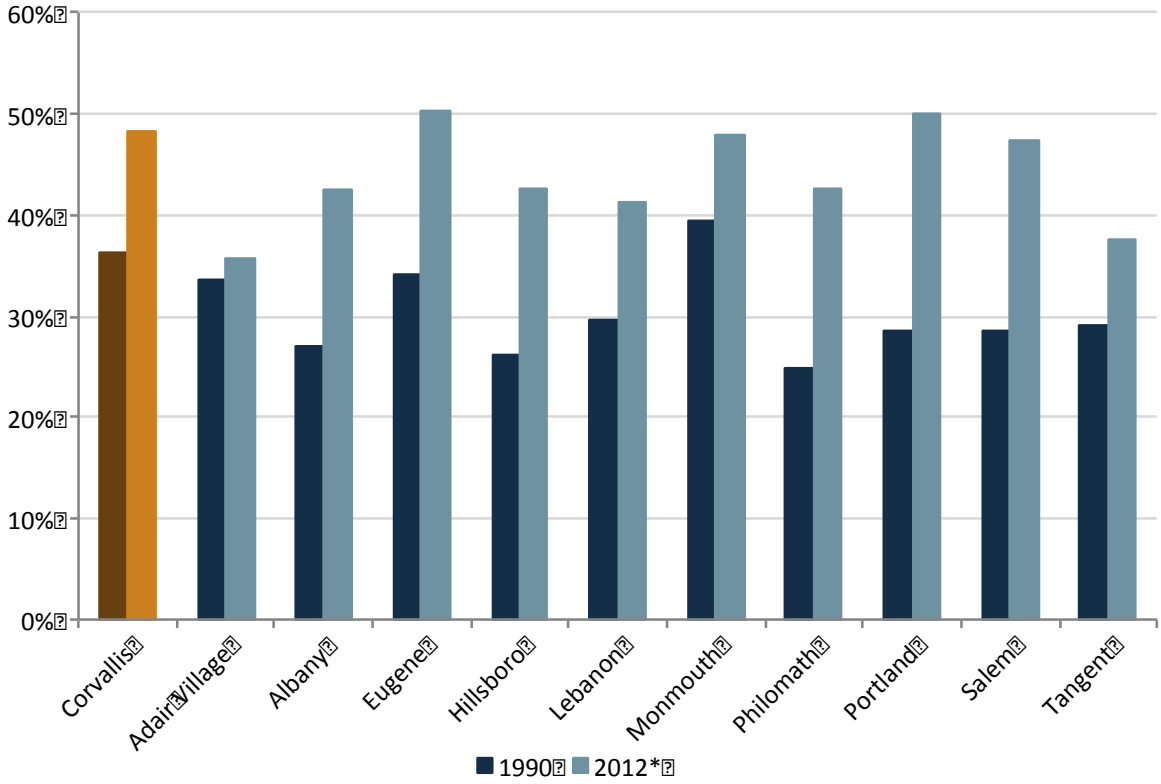


Source: U.S. Census Bureau, 1990, 2010-2012; ECONorthwest Calculations
Note: (*) 2012 data utilizes ACS multi-year estimates

Cost burden

Figure 14 presents the percent of households that were cost burdened in 1990 and in 2012. In 1990, 36% of Corvallis households were cost burdened, paying more than 30% of their income towards housing. In 2012, 48% of Corvallis households were cost burdened. By comparison, Eugene and Portland both had more than 50% of households paying more than 30% of their income for housing in 2012, up from 34% and 29% in 1990, respectively. Adair Village has the lowest rate in 2012 at 36%.

Figure 14: Percent Cost Burdened, 1990 and 2010-2012

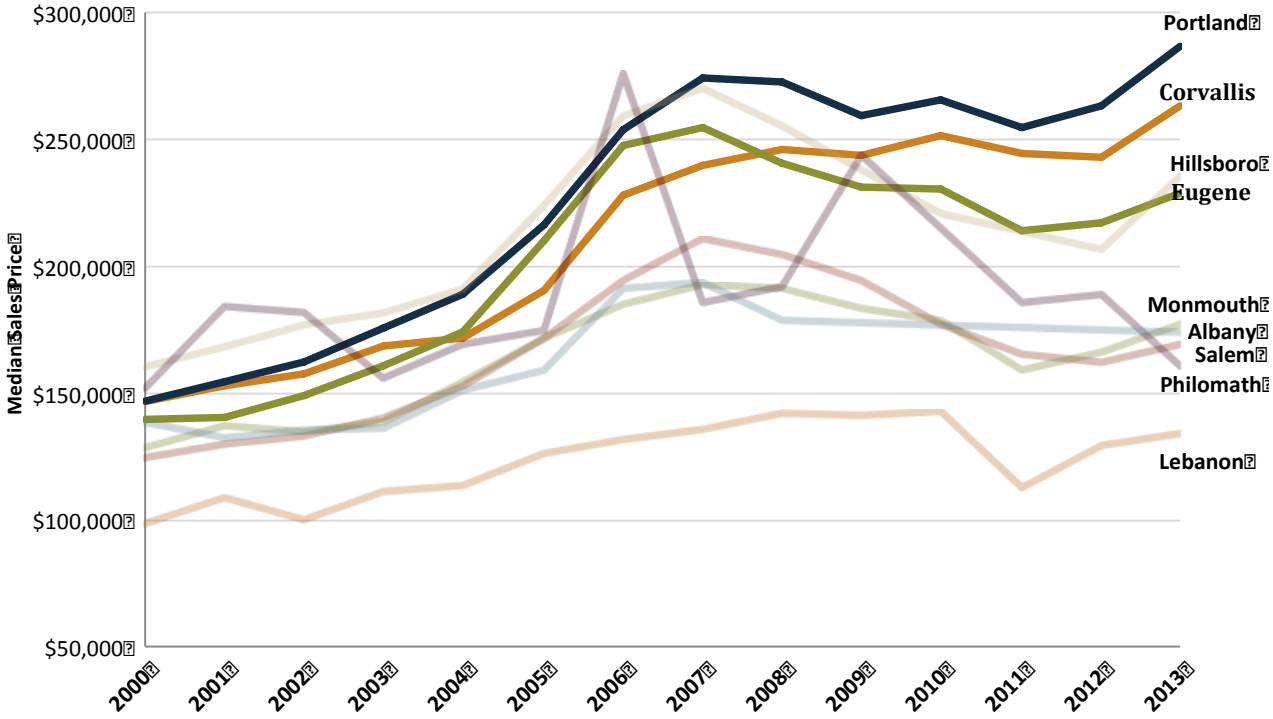


Source: U.S. Census Bureau, 1990, 2008-2012
Note: (*) 2012 data utilizes ACS multi-year estimates

Sales price

Zillow provides data on the Median Sale Price and Average Price Per Square Foot for the selected Oregon cities. In many of the cities, including Corvallis, the median home sales price is now higher than its pre-recession peak. Most notably, home prices in Corvallis are only second to Portland among the Oregon cities, at approximately $250,000. Lebanon had the lowest median sale price in 2013, at approximately $130,000.

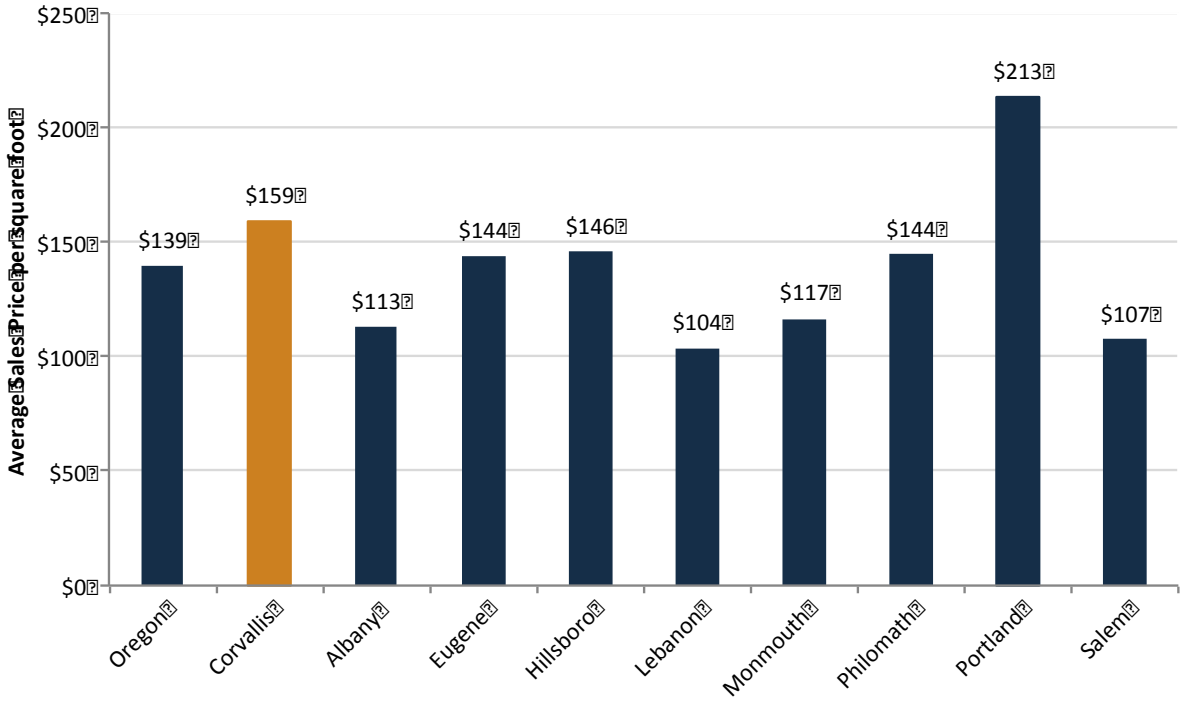
Figure 15: Median Sale Price, 2000 – 2013



Source: Zillow, Median Sale Price
Note: Data for Adair Village are unavailable at this time.

Figure 16 shows average price per square foot of $159 in Corvallis in 2013, and ranging from $104 in Lebanon to $213 in Portland

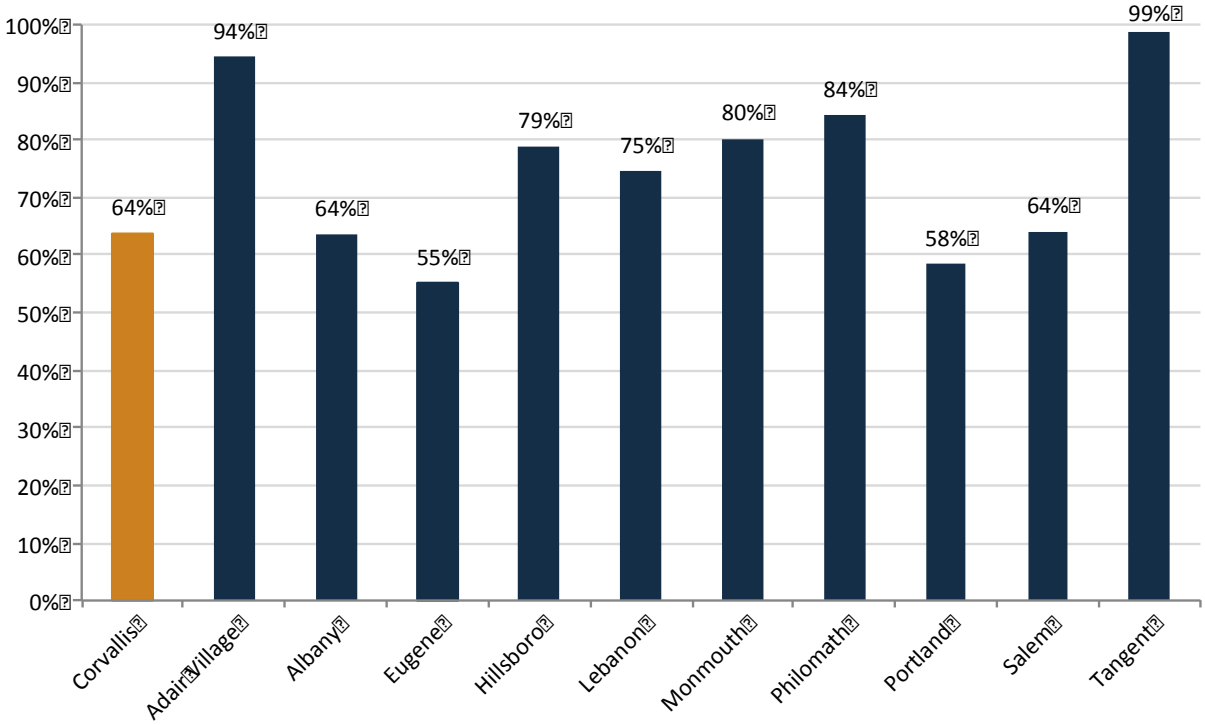
Figure 16: 2013 Average Price Per Square Foot, 2013



Source: Zillow, Median Sales Price

Figure 17 shows that nearly 2/3 of workers commute into Corvallis, compared to 79% in Hillsboro, and 64% in Albany. In larger areas, such as Eugene and Portland, nearly half of workers live within the city. Corvallis is in the middle in terms of land, population, and workforce relative to the comparative cities and is experiencing similarly average commute patterns.

Figure 17: Share of Workers who Commute into the City for Work, 2011



Source: U.S. Census Bureau, LODES Data, Longitudinal-Employer Household Dynamics Program

Development activity in Corvallis

The Corvallis *Land Development Information Report* (LDIR) this presents information about development activities for Corvallis from 1970 to 2013. This section presents information from the LDIR about: the number of building permit applications, Corvallis annexations, and the acres of vacant land in the city. The following tables and figures illustrate trends in Corvallis housing development over the last four decades.

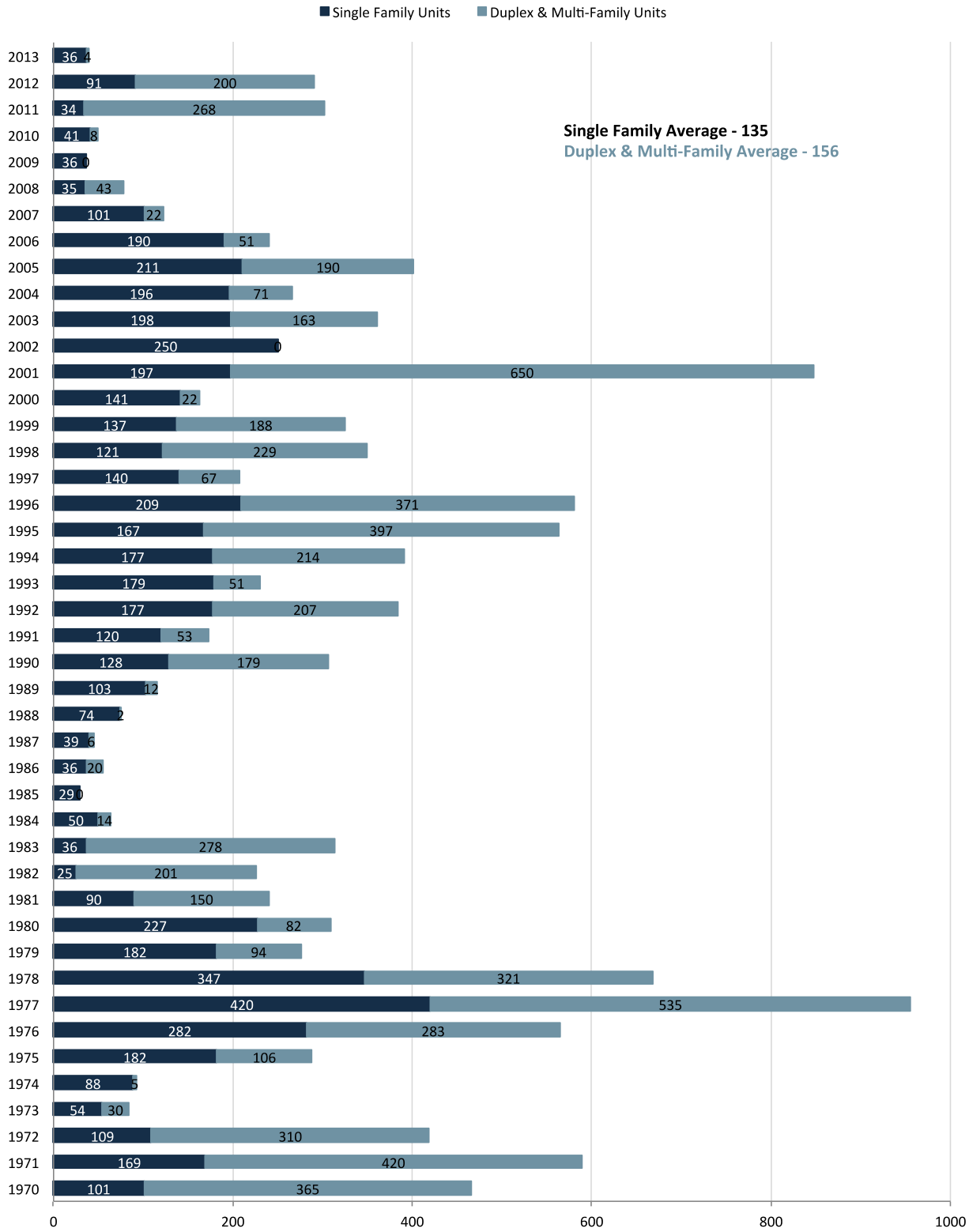
Table 9 shows that Corvallis had an average of 135 single-family building permits and 156 duplex & multi-family building permits since 1970. This has resulted in a total of 5,955 single-family permits and 8,882 duplex & multi-family permits over that time period. Figure 18 shows the number and type of permit issued each year between 1970 and 2013.

Table 9: Summary of Corvallis Building Permit Applications, 1970 - 2013

	Single Family Units	Duplex & Multi-Family Units
Annual Average	135	156
Total Permits 1970 - 2013	5,955	6,882

Source: Land Development Information Report, City of Corvallis, Community Development Department; ECONorthwest

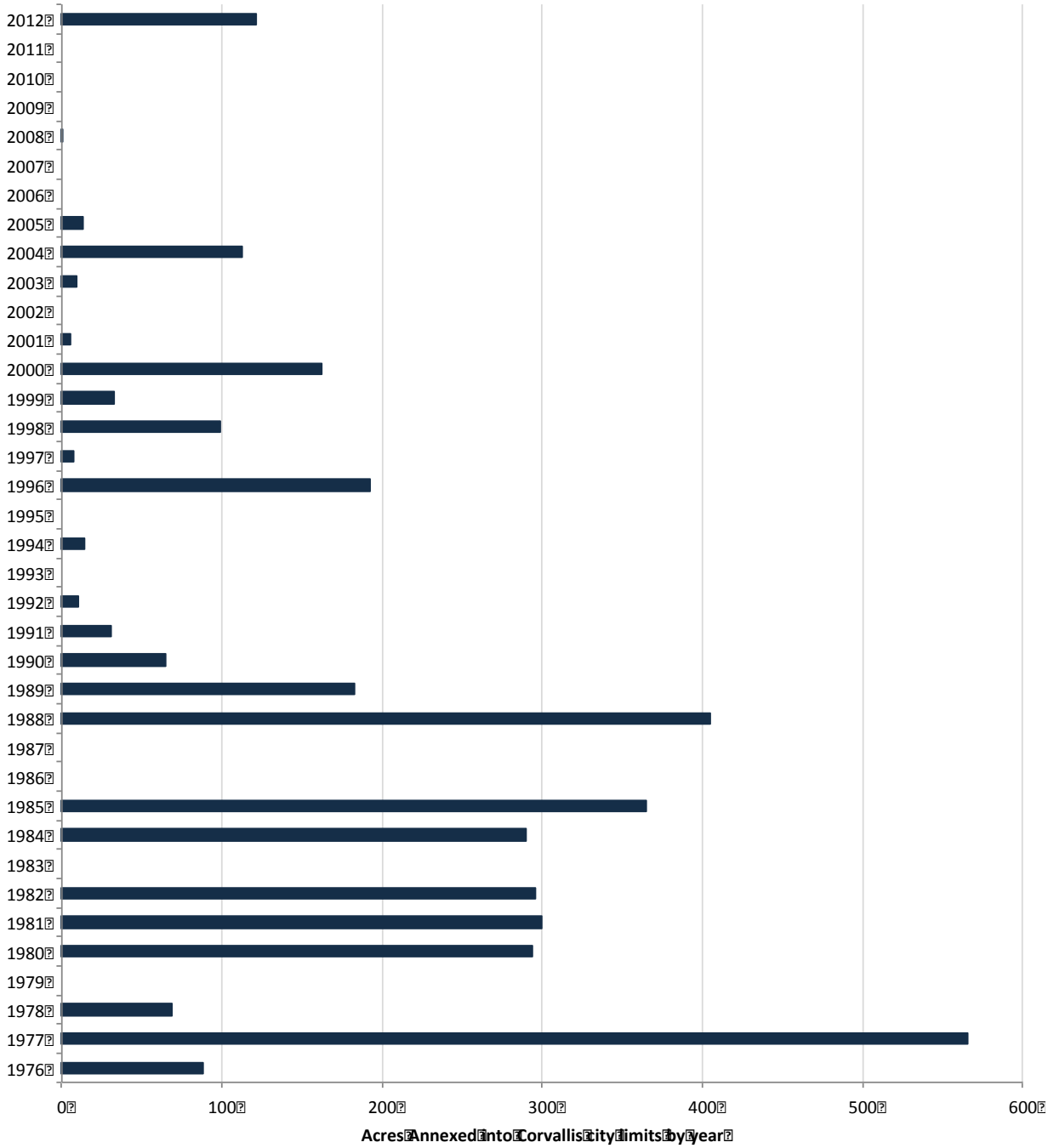
Figure 18: Residential Building Permit Applications, 1970 – 2013



Source: Land Development Information Report, City of Corvallis, Community Development Department

Figure 19 shows acres annexed between 1976 and 2012. In the 1980's, the City of Corvallis annexed more than 2,000 acres. This has declined to approximately 450 acres in the 1990's and 300 acres in the 2000's. In 2012, the City annexed over 120 acres of land, more than any single year in more than a decade.

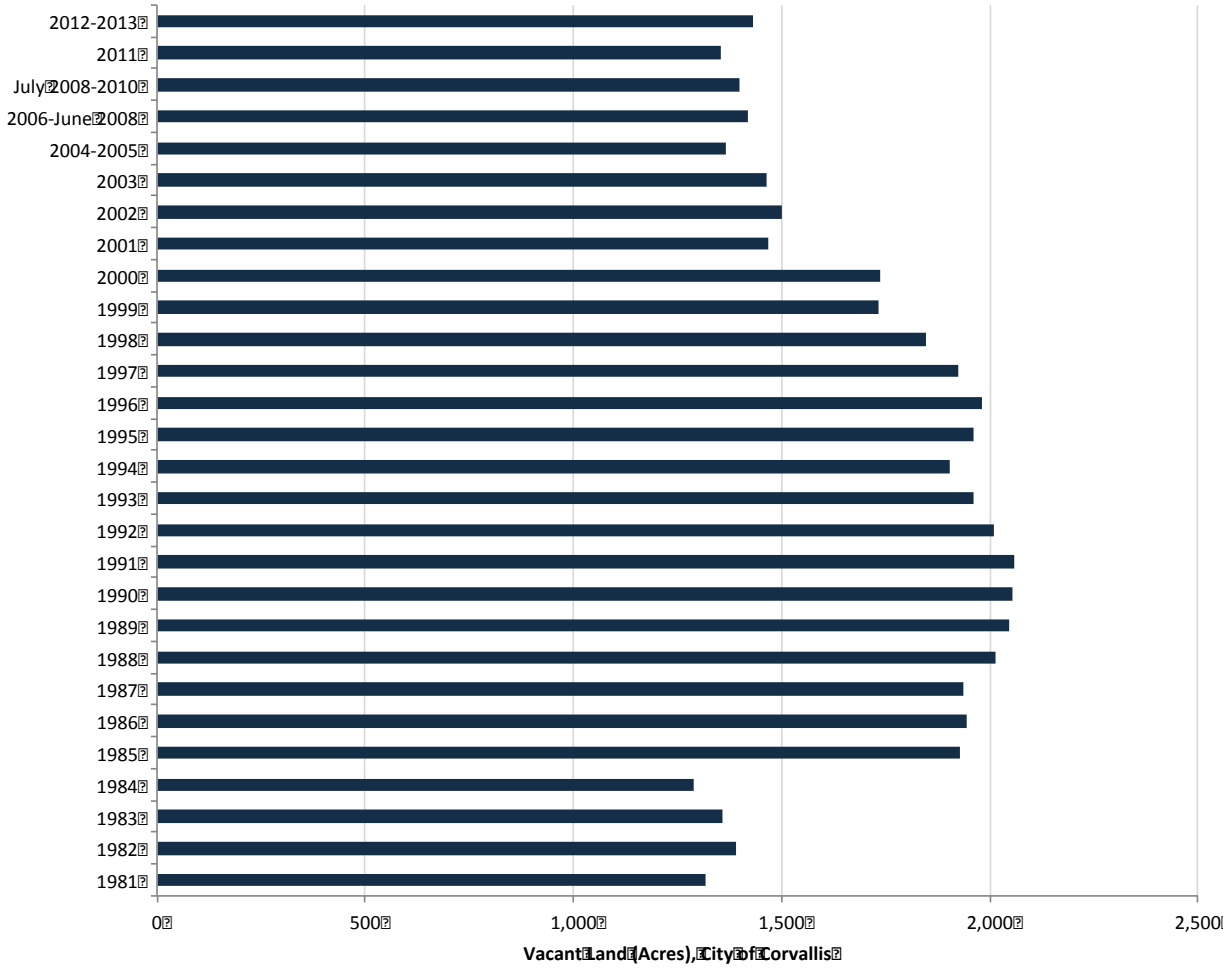
Figure 19: Corvallis Annexations (Acres), 1976 – 2012



Source: Land Development Information Report, City of Corvallis, Community Development Department

Figure 20: Acres of Vacant Land in Corvallis, 1981 - 2013 illustrates the potential for increasing the housing supply in Corvallis by displaying the acres of vacant land. In the most recent years, there were about 1,400 acres of vacant land in Corvallis.

Figure 20: Acres of Vacant Land in Corvallis, 1981 - 2013



Source: Land Development Information Report, City of Corvallis, Community Development Department

Source Notes: The increase in the vacant acreage figures from 1985 to 1986 are the result of data correction made possible by a 1986 aerial survey of the City. Adjustment made to 2001 vacant land figure to include two vacant properties that were omitted in error. The increase in total vacant land area from 2001 to 2002, despite the lack of new land added to the City in 2002, is attributed to revised methodologies in calculating vacant land. Data for 2004 and 2005 was combined due to an LDIR not being published for 2004. Data for 1/2006 through 6/2008 was combined due to an LDIR not being published for 2006 and 2007. Data for 2012 LDIR collected through June 30, 2013

Additional Data

This section presents additional data not presented in the prior sections about comparisons with Corvallis and other cities. The purpose of this additional data is to provide more detail to reviewers who want to see more information.

Population and university growth

Table 10: Population, 1980 – 2013

	Population					Change 1980 to 2013			Change 2000 to 2013		
Area	1980	1990	2000	2010-2012	2013	Number	Percent Change	AAGR	Number	Percent Change	AAGR
Oregon	2,633,105	2,842,321	3,421,399	3,868,598	3,930,065	1,296,960	49%	1.2%	508,666	15%	1.1%
Corvallis	40,960	44,757	49,322	54,633	55,298	14,338	35%	0.9%	5,976	12%	0.9%
Ames	45,775	47,198	50,731	59,941	61,792	16,017	35%	0.9%	11,061	22%	1.5%
Boulder	76,685	83,312	94,673	100,403	103,166	26,481	35%	0.9%	8,493	9%	0.7%
College Station	37,272	52,456	67,890	95,960	100,050	62,778	168%	3.0%	32,160	47%	3.0%
Davis	36,640	46,209	60,308	65,800	66,205	29,565	81%	1.8%	5,897	10%	0.7%
Flagstaff	34,743	45,857	52,894	66,400	68,667	33,924	98%	2.1%	15,773	30%	2.0%
Logan	26,844	32,762	42,670	48,733	48,913	22,069	82%	1.8%	6,243	15%	1.1%
Manhattan	32,644	37,712	44,831	54,162	56,143	23,499	72%	1.7%	11,312	25%	1.7%
San Luis Obispo	34,252	41,958	44,174	45,527	46,377	12,125	35%	0.9%	2,203	5%	0.4%
Stillwater	38,268	36,676	39,065	46,143	47,186	8,918	23%	0.6%	8,121	21%	1.5%

Source: U.S. Census Bureau, Population Estimates, 1980, 1990, 2000, 2013; U.S. Census Bureau, ACS, 2010 - 2012; ECONorthwest calculations

Note: Student population grew faster in Corvallis and some of the comparison cities the overall amount of population growth. This suggests that some (perhaps a substantial number of) students live outside of the city.

Table 11: University Enrollment by Headcount, 2000 – 2013

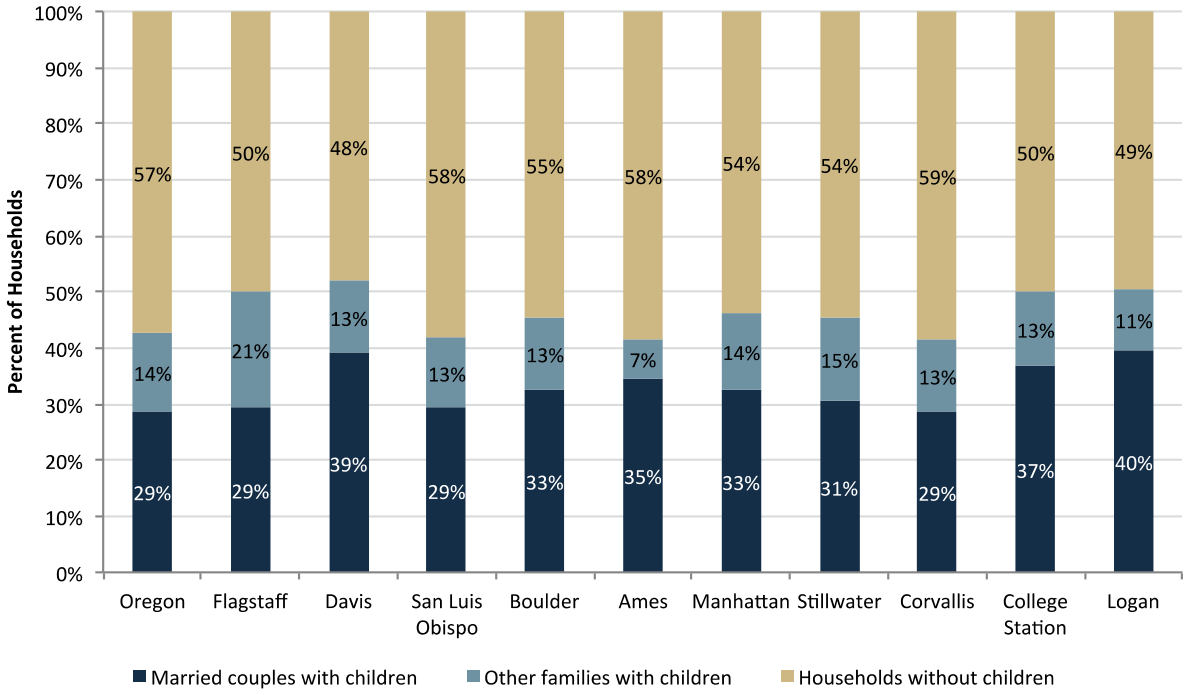
	Enrollment by Headcount			Change 2000 to 2013		
Area	2000	2010	2013	Number	Percent Change	AAGR
Oregon State University, Corvallis	16,788	23,761	27,925	11,137	66%	4.0%
Iowa State University, Ames	26,845	28,682	33,241	6,396	24%	1.7%
University of Colorado, Boulder	26,035	29,954	29,325	3,290	13%	0.9%
Texas A&M, College Station	44,026	49,129	52,449	8,423	19%	1.4%
UC Davis, Davis	23,086	28,209	29,978	6,892	30%	2.0%
Northern Arizona University, Flagstaff	19,964	17,529	19,320	-644	-3%	-0.3%
Utah State University, Logan	15,851	16,472	16,411	560	4%	0.3%
Kansas State University, Manhattan	21,929	23,863	24,581	2,652	12%	0.9%
Cal Poly, San Luis Obispo	16,877	18,360	19,703	2,826	17%	1.2%
Oklahoma State University, Stillwater	19,860	21,763	24,216	4,356	22%	1.5%

Source: Institution websites[7]; ECONorthwest calculations

[7] http://www.ous.edu/facts-reports/enrollment-watch/future-historical-enrollment#hist, http://oregonstate.edu/admin/aa/ir/enrollmentdemographic-reports#enroll-sum, http://www.registrar.iastate.edu/enrollment/statsheadcount, http://www.colorado.edu/pba/records/enrl1877/intro.htm, http://dars.tamu.edu/Data-and-Reports/Student#enrollment, http://budget.ucdavis.edu/data-reports/enrollment-reports.html, https://www4.nau.edu/pair/EnrollmentDegree/EnrollmentHighlights/EnrollmentHighlight.htm; https://www4.nau.edu/pair/CommonDataSet/cds%202000-01.pdf, http://www.usu.edu/aaa/enroll_sum_pdf.cfm, http://www.k-state.edu/media/mediaguide/enrollment.html, http://www.ir.calpoly.edu/content/publications_reports/factbook/index, http://irim.okstate.edu/SPdownload#2013

Population characteristics

Figure 21: Households with Children, 2010 – 2012



Source: U.S. Census Bureau, ACS 2010-2012

Income

Table 12: Median Household Income, 1980 – 2012

	1980	1990	2000	2010-2012
Oregon	$16,780	$27,250	$40,916	$48,525
Corvallis	$13,621	$23,212	$35,236	$37,382
Ames	$16,104	$24,636	$36,042	$40,945
Boulder	$16,744	$29,407	$44,748	$56,205
College Station	$9,789	$14,481	$21,180	$30,980
Davis	$14,682	$29,044	$42,454	$56,214
Flagstaff	$16,867	$28,382	$37,146	$46,033
Logan	$12,693	$21,312	$30,778	$33,437
Manhattan	$13,030	$21,531	$30,463	$42,950
San Luis Obispo	$13,112	$25,982	$31,926	$45,756
Stillwater	$11,102	$18,501	$25,432	$32,567

Source: U.S. Census Bureau, 1980, 1990, 2000, 2010-2012

Table 13: Median Family Income, 1980 – 2012

	1980	1990	2000	2010 -2012
Oregon	$20,027	$32,336	$48,680	$59,516
Corvallis	$20,437	$34,287	$53,208	$71,265
Ames	$22,203	$36,478	$56,439	$75,696
Boulder	$22,951	$46,208	$70,257	$101,989
College Station	$18,346	$32,326	$53,147	$66,510
Davis	$23,807	$47,262	$74,051	$105,667
Flagstaff	$19,709	$34,952	$48,427	$63,003
Logan	$15,606	$26,178	$33,784	$38,582
Manhattan	$19,010	$33,776	$48,289	$65,898
San Luis Obispo	$20,237	$39,769	$56,319	$75,625
Stillwater	$17,097	$31,197	$41,938	$55,542

Source: U.S. Census Bureau, 1980, 1990, 2000, 2010-2012

Housing characteristics

Year structure build

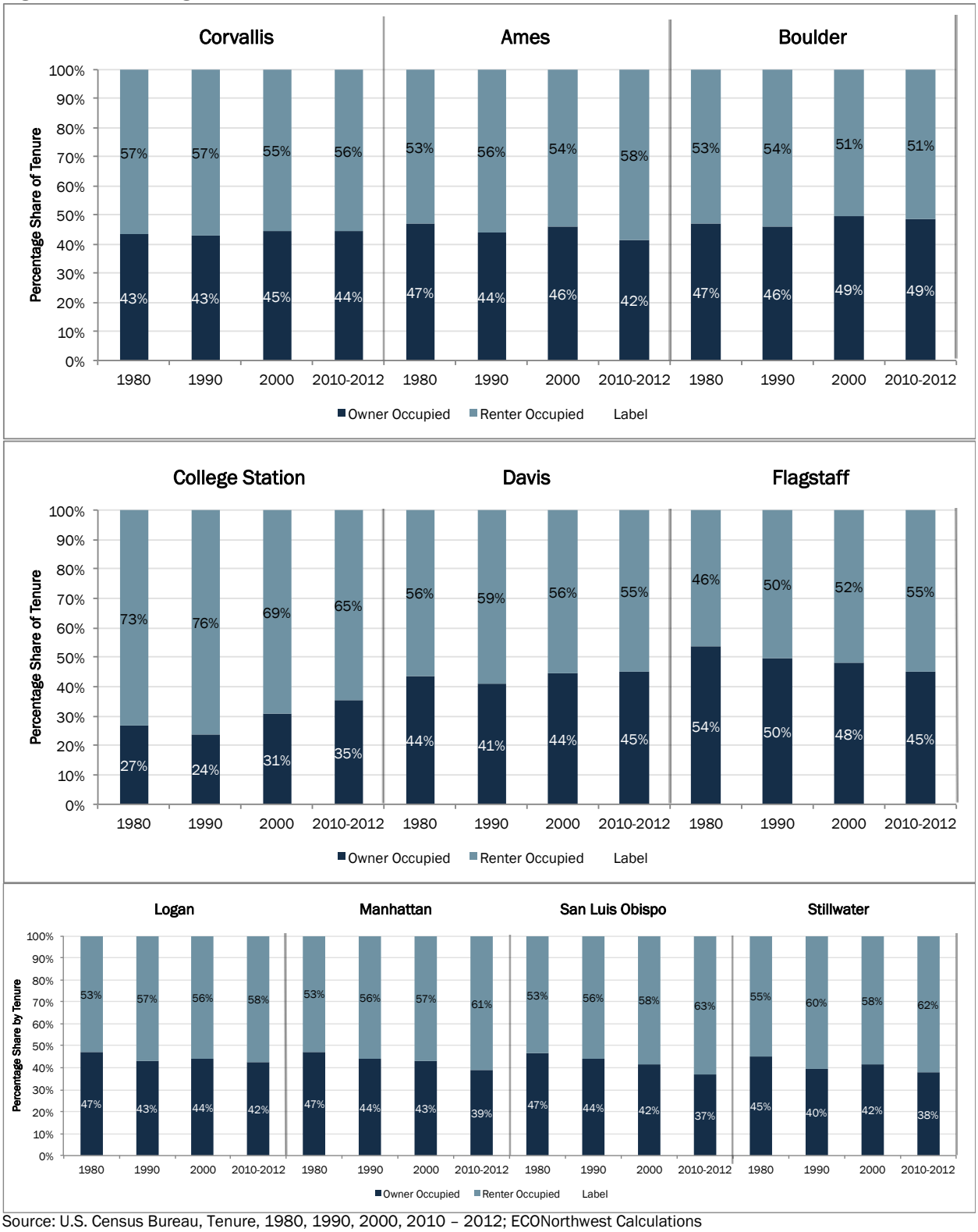
Table 14: Year Structure Built, 2010 – 2012

Year Structure Built	Built 2010 Or Later	Built 2000 To 2009	Built 1990 To 1999	Built 1980 To 1989	Built 1970 To 1979	Built 1960 To 1969	Built 1950 To 1959	Built 1940 To 1949	Built 1939 Or Earlier
Oregon	7,232	261,953	290,240	186,038	334,376	163,391	141,596	97,163	197,376
Corvallis	40	3,222	3,638	2,424	5,950	3,080	2,110	1,136	2,112
Ames	243	5,149	4,155	2,546	4,560	2,271	1,499	635	2,624
Boulder	379	4,430	4,444	6,913	10,480	7,628	4,198	1,028	3,827
College Station	500	11,060	7,826	7,410	6,995	1,908	1,424	341	303
Davis	0	2,960	5,195	4,526	6,397	3,353	1,810	265	539
Flagstaff	98	5,710	5,151	6,144	4,701	1,690	1,588	444	721
Logan	165	3,039	3,181	1,735	2,965	1,453	1,265	688	1,910
Manhattan	338	3,899	3,289	2,553	3,908	2,105	2,375	853	2,874
San Luis Obispo	131	1,989	1,965	3,427	4,019	2,742	2,072	915	1,661
Stillwater	0	5,309	2,319	2,817	4,392	1,934	1,547	1,018	1,038

Source: U.S. Census Bureau, ACS, 2010-2012

Housing Tenure

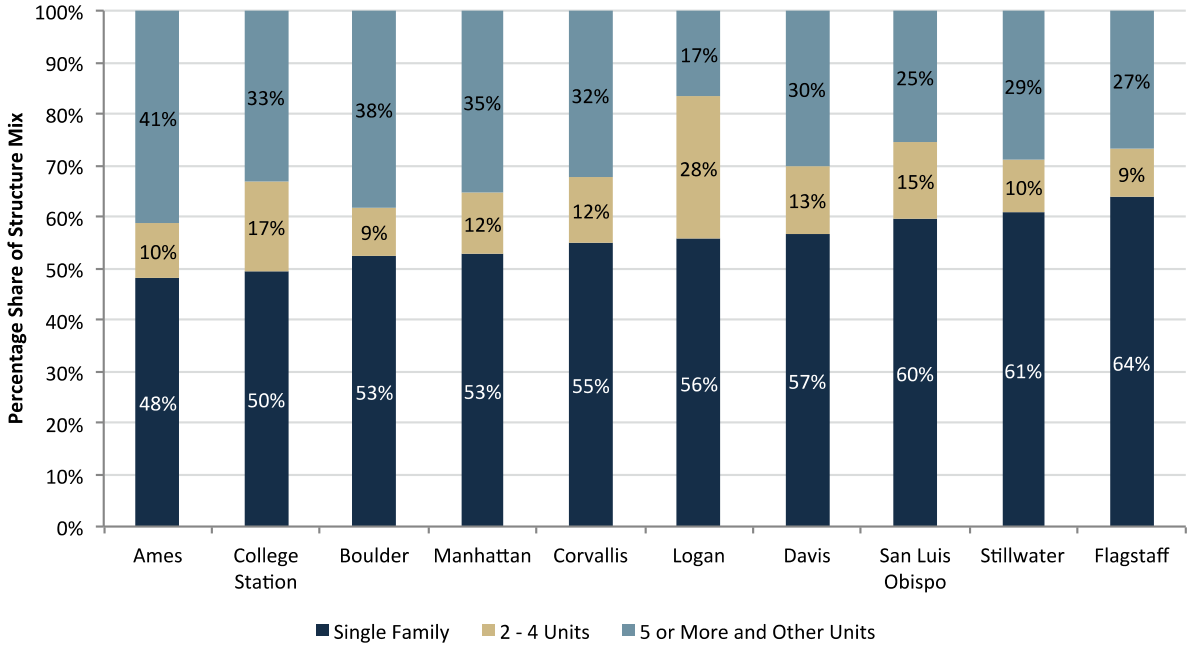
Figure A 1: Housing Tenure, 1980 - 2012



Source: U.S. Census Bureau, Tenure, 1980, 1990, 2000, 2010 – 2012; ECONorthwest Calculations

Figure A 2 illustrates the structure mix in each community. Corvallis has a comparatively average share of single-family housing units, 2 – 4 unit structures, and 5 or more unit structures. In Corvallis, 55% of the dwelling units are single-family structures, 17% contain 2-4 units, and 32% contain 5 or more units. Ames has the lowest share of single-family units, at 48%. Flagstaff has the highest share, at 64%. Ames also had the greatest share of 5 or more unit apartment buildings, while Logan had the fewest, at only 17%.

Figure A 2: Housing by Structure Mix, 2010 – 2012



Source Data: U.S. Census Bureau, ACS, 2010-2012

Housing costs

Table A 1: Housing Costs Summary Table, 1980

Area	Median Family Income	Percent of Cost Burdened Households	Rental Costs: Monthly Cost	Rental Costs: Rent as a Percent of Median Family Income	Ownership Costs: Median Value	Ownership Costs: Ratio of Median Dwelling Unit Value to Median Family Income
Oregon	$20,027	20%	$257	15%	$59,000	2.9
Corvallis	$20,437	30%	$245	14%	$64,400	3.2
Ames	$22,203	24%	$251	14%	$64,300	2.9
Boulder	$22,951	29%	$302	16%	$86,500	3.8
College Station	$18,346	44%	$282	18%	$60,400	3.3
Davis	$23,807	35%	$267	13%	$83,700	3.5
Flagstaff	$19,709	22%	$256	16%	$63,800	3.2
Logan	$15,606	21%	$198	15%	$59,600	3.8
Manhattan	$19,010	26%	$224	14%	$48,000	2.5
San Luis Obispo	$20,237	33%	$284	17%	$87,700	4.3
Stillwater	$17,097	27%	$219	15%	$47,900	2.8

Source: U.S. Census Bureau, 1980; ECONorthwest calculations
Note: Cost burdened is defined as greater than 35% of income in 1980

Table A 2: Housing Costs Summary Table, 2010 – 2012

Area	Median Family Income	Percent of Cost Burdened Households	Rental Costs: Monthly Cost	Rental Costs: Rent as a Percent of Median Family Income	Ownership Costs: Median Value	Ownership Costs: Ratio of Median Dwelling Unit Value to Median Family Income
Oregon	$59,516	47%	$855	17%	$233,900	3.9
Corvallis	$71,265	47%	$790	13%	$255,500	3.6
Ames	$75,696	42%	$734	12%	$172,100	2.3
Boulder	$101,989	50%	$1,145	13%	$492,900	4.8
College Station	$66,510	53%	$899	16%	$174,200	2.6
Davis	$105,667	49%	$1,227	14%	$530,800	5.0
Flagstaff	$63,003	49%	$1,001	19%	$263,300	4.2
Logan	$38,582	47%	$628	20%	$170,300	4.4
Manhattan	$65,898	42%	$825	15%	$174,800	2.7
San Luis Obispo	$75,625	57%	$1,227	19%	$493,800	6.5
Stillwater	$55,542	50%	$709	15%	$150,400	2.7

Source: U.S. Census Bureau, ACS, 2010-2012; ECONorthwest calculations
Note: Cost burdened is defined as greater than 30% of income in 2010 – 2012

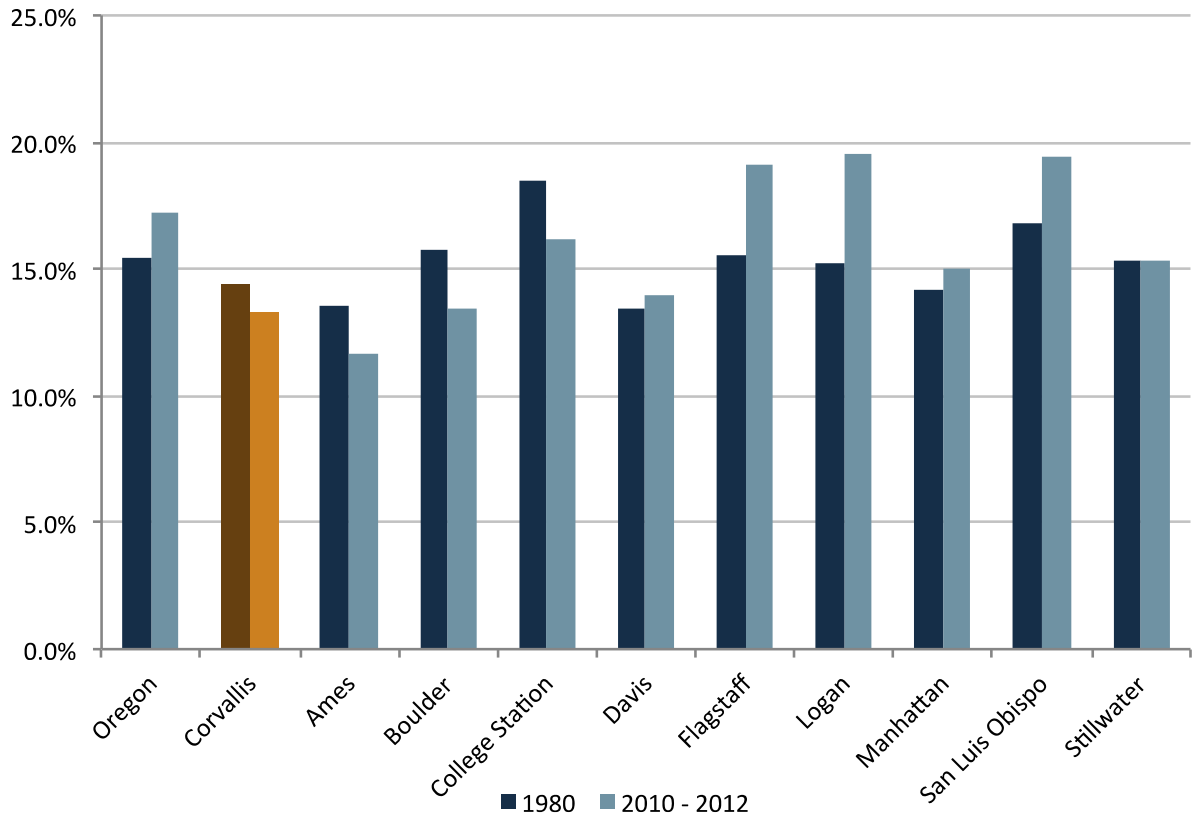
Rent

Table A 3: Median Gross Rent and Percent of Monthly Income, 1980 – 2012

	Median Gross Rent				Ratio of Rent to Est. Family Monthly Income			
Area	1980	1990	2000	2010-2012	1980	1990	2000	2010-2012
Oregon	$257	$408	$620	$855	15%	15%	15%	17%
Corvallis	$245	$385	$592	$790	14%	13%	13%	13%
Ames	$251	$404	$600	$734	14%	13%	13%	12%
Boulder	$302	$521	$818	$1,145	16%	14%	14%	13%
College Station	$282	$428	$597	$899	18%	16%	13%	16%
Davis	$267	$588	$775	$1,227	13%	15%	13%	14%
Flagstaff	$256	$470	$662	$1,001	16%	16%	16%	19%
Logan	$198	$328	$499	$628	15%	15%	18%	20%
Manhattan	$224	$396	$483	$825	14%	14%	12%	15%
San Luis Obispo	$284	$599	$724	$1,227	17%	18%	15%	19%
Stillwater	$219	$354	$468	$709	15%	14%	13%	15%

Source: U.S. Census Bureau, 1980, 1990, 2000; U.S. Census Bureau, ACS, 2010-2012; ECONorthwest calculations

Figure A 3: Gross Median Rent as a Percent of Median Family Income, 1980 and 2010-2012



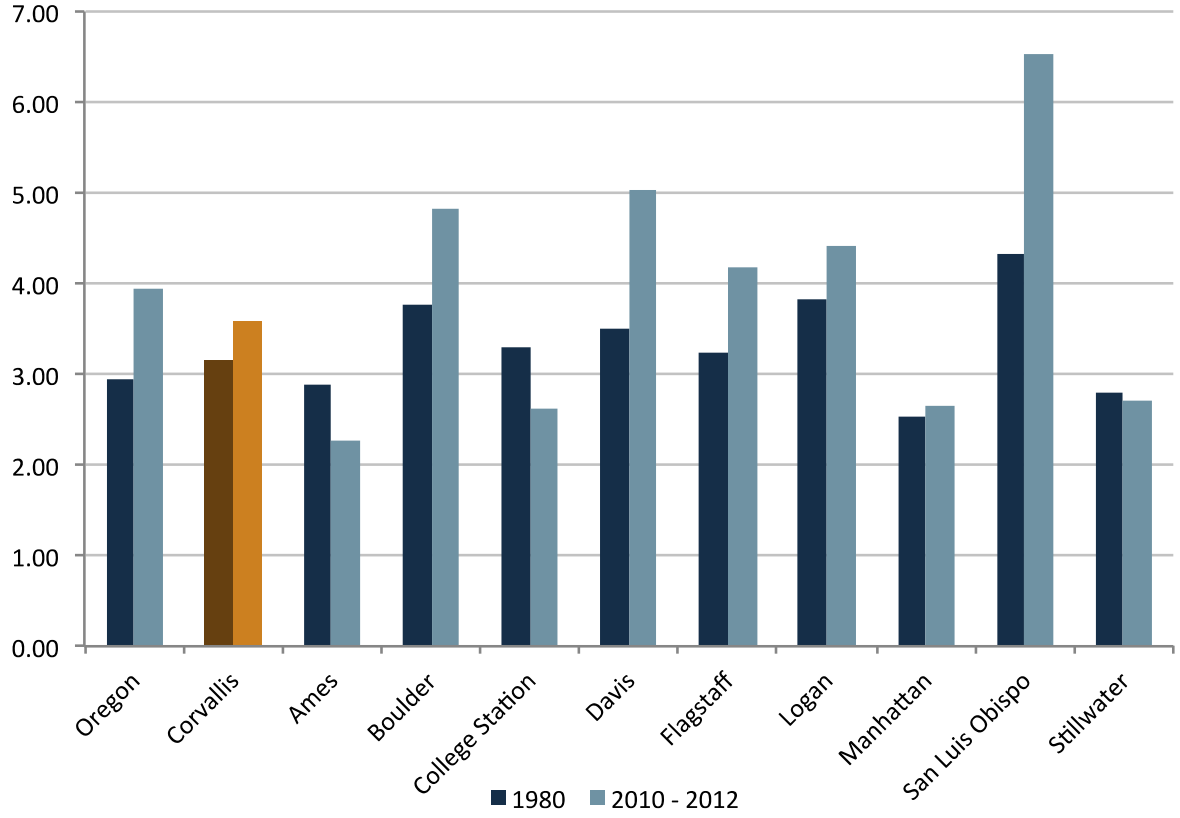
Source: U.S. Census Bureau, 1980, 2010-2012; ECONorthwest Calculations

Table A 4: Median Home Value and Ratio over Median Family Income, 1980 – 2012

					Ratio of Unit Value to Median Family			
Area	1980	1990	2000	2010-2012	1980	1990	2000	2010-2012
Oregon	$59,000	$66,800	$152,100	$233,900	2.9	2.1	3.1	3.9
Corvallis	$64,400	$70,900	$159,600	$255,500	3.2	2.1	3.0	3.6
Ames	$64,300	$72,300	$130,900	$172,100	2.9	2.0	2.3	2.3
Boulder	$86,500	$122,500	$304,700	$492,900	3.8	2.7	4.3	4.8
College Station	$60,400	$80,200	$119,500	$174,200	3.3	2.5	2.2	2.6
Davis	$83,700	$189,000	$238,500	$530,800	3.5	4.0	3.2	5.0
Flagstaff	$63,800	$90,300	$161,000	$263,300	3.2	2.6	3.3	4.2
Logan	$59,600	$67,200	$122,500	$170,300	3.8	2.6	3.6	4.4
Manhattan	$48,000	$65,500	$96,900	$174,800	2.5	1.9	2.0	2.7
San Luis Obispo	$87,700	$239,900	$278,800	$493,800	4.3	6.0	5.0	6.5
Stillwater	$47,900	$64,400	$96,700	$150,400	2.8	2.1	2.3	2.7

Source: U.S. Census Bureau, 1980, 1990, 2000; U.S. Census Bureau, ACS, 2010-2012; ECONorthwest calculations

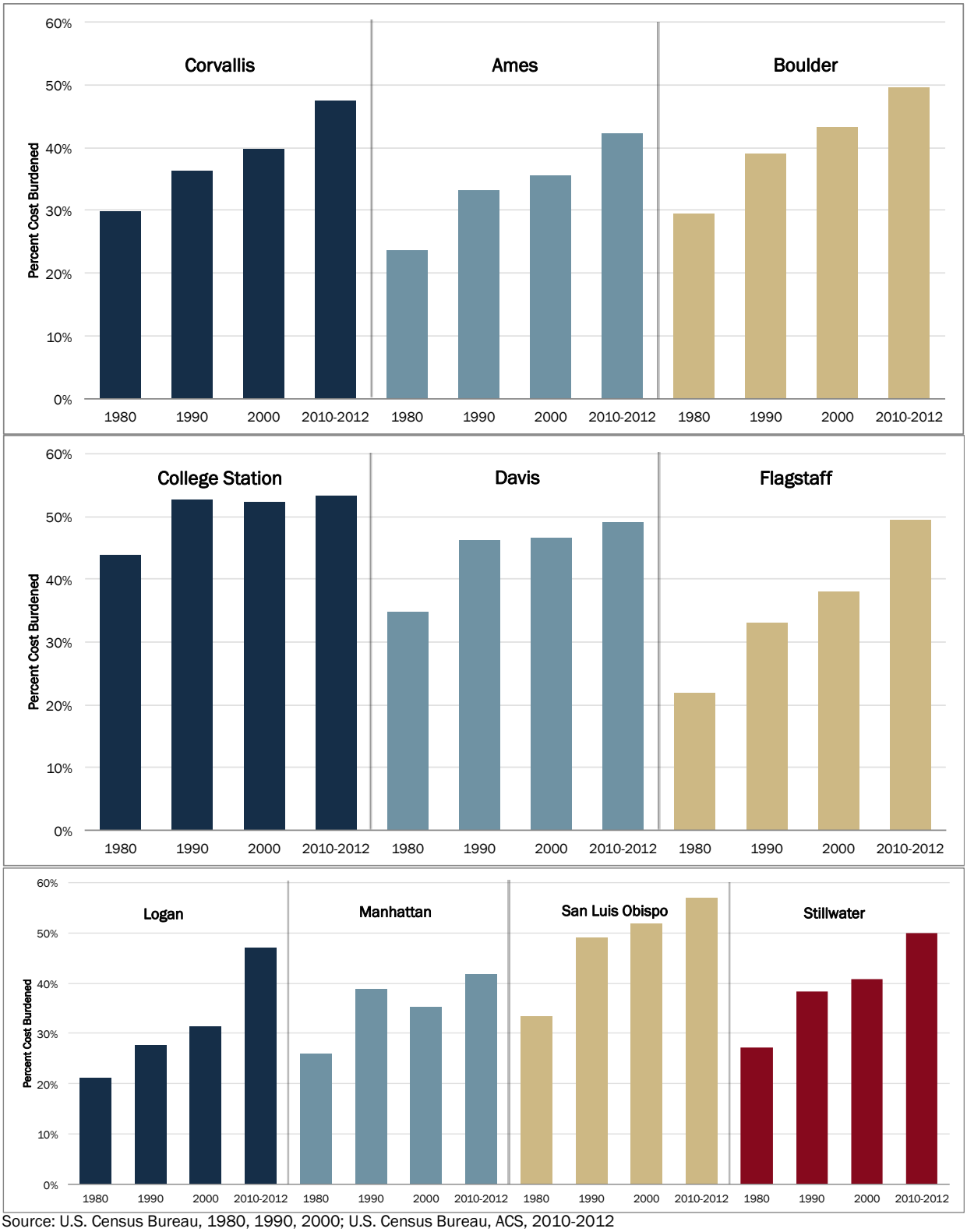
Figure A 4: Ratio of Owner Home Value to Median Family Income, 1980 and 2010-2012



Source: U.S. Census Bureau, 1980, 2010-2012; ECONorthwest Calculations

Cost burden

Figure A 5: Percent of All Households that are Cost Burdened



Source: U.S. Census Bureau, 1980, 1990, 2000; U.S. Census Bureau, ACS, 2010-2012
Note: Cost burdened is defined as greater than 35% of income in 1980 and greater than 30% of income in all other periods

Table A 5: Percentage Of Renters that are Cost Burdened

Area	1980	1990	2000	2010-2012
Oregon	32%	30%	40%	51%
Corvallis	41%	41%	50%	59%
Ames	34%	41%	49%	60%
Boulder	41%	43%	52%	60%
College Station	53%	55%	64%	66%
Davis	50%	52%	59%	65%
Flagstaff	32%	39%	46%	59%
Logan	28%	30%	36%	49%
Manhattan	36%	46%	47%	50%
San Luis Obispo	47%	55%	61%	61%
Stillwater	39%	47%	55%	56%

Source: U.S. Census Bureau, 1980, 1990, 2000, 2010-2012

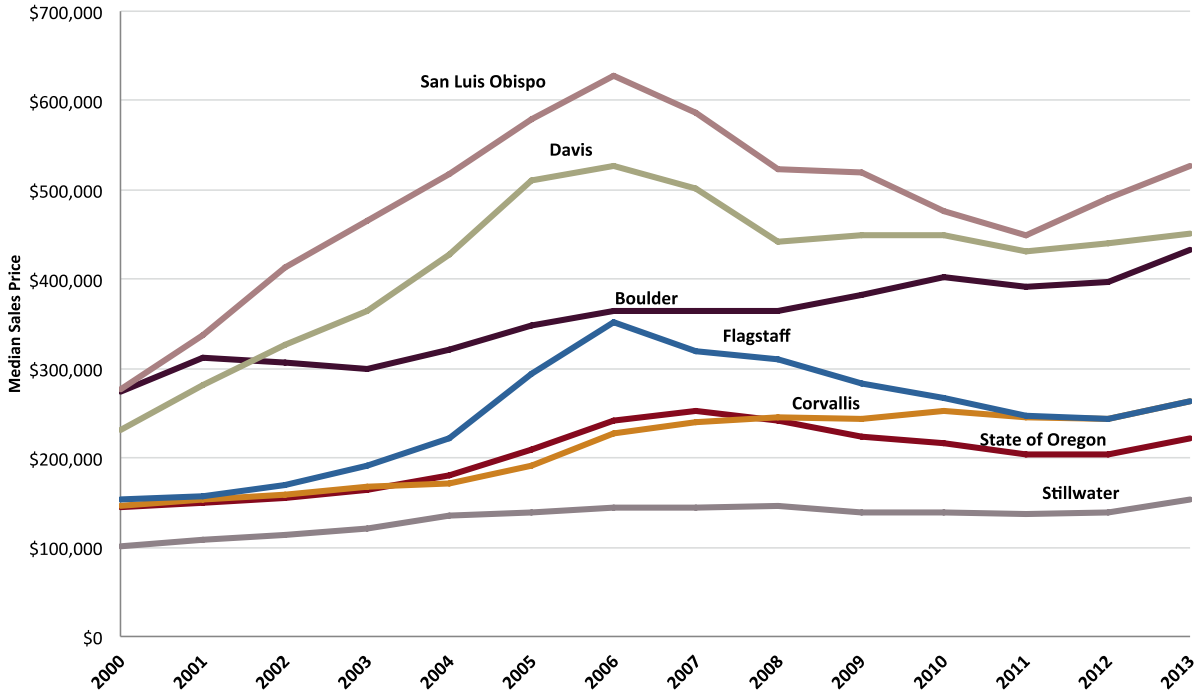
Table A 6: Percentage Of Owners that are Cost Burdened

Area	1980	1990	2000	2010-2012
Oregon	13%	18%	33%	45%
Corvallis	13%	16%	25%	33%
Ames	10%	11%	17%	17%
Boulder	12%	20%	31%	38%
College Station	14%	19%	23%	30%
Davis	12%	24%	30%	29%
Flagstaff	11%	18%	28%	38%
Logan	11%	12%	24%	44%
Manhattan	12%	17%	17%	29%
San Luis Obispo	11%	27%	36%	51%
Stillwater	9%	12%	18%	40%

Source: U.S. Census Bureau, 1980, 1990, 2000; U.S. Census Bureau, ACS, 2010-2012

Sales prices

Figure A 6: Median Sale Price, 2000 – 2013



Source: Zillow, Median Sale Price
Note: Data for Ames, College Station, Logan, and Manhattan are unavailable at this time.

Appendix B: Discussion Group Summary

ECONorthwest conducted series of discussion sessions with three groups from the community: realtors, developers, and commuters. This appendix presents a summary of the discussion groups.

The purpose of the discussions groups was to gain a better understanding of the housing market in Corvallis. We used the results of the Corvallis Housing Market Survey as the starting point to for conversations about Corvallis' housing market, focusing on barriers that survey respondents identified to living in Corvallis and on key conclusions about Corvallis' perceived housing costs and the availability and quality of housing with the desired characteristics (e.g., houses with larger living spaces and larger lots).

We posed the following questions at the realtor and developer groups:

- Do the conclusions of the Corvallis Housing Market Survey reflect your experiences with people who work in Corvallis but choose not to live there?
- What do you think the barriers are that prevent some workers and employers in Corvallis from living in Corvallis?
- What are the other significant challenges for households considering living in Corvallis?
- What are some solutions to addressing these challenges?

The commuter discussion group focused on their personal experiences of living outside and working in Corvallis. Commuters were asked the following questions:

- What are the factors that caused you to choose not to live in Corvallis?
- Have you considered living in Corvallis? If so, what keeps you from moving into Corvallis? If you have not considered living in Corvallis, why not?
- Are there other barriers that prevent your co-workers or other people you know from living in Corvallis?
- What can be done to address the issues preventing you or your co-workers from moving into Corvallis?

Barriers to Living in or Developing Housing in Corvallis

The majority of participants identified housing affordability as the primary reason why many Corvallis employees choose not to live in the City. One of the key conclusions of the Corvallis Housing Survey was that respondents living in Corvallis and outside Corvallis paid the same amount for housing, on average. The discussion groups focused on the reasons that people choose to live outside

of Corvallis, beyond simple housing costs. The following sections present the main factors that make housing in Corvallis less affordable or less desirable to employees as compared with neighboring areas.

Availability and affordability of housing

Discussion group participants identified a range of issues related to the availability and affordability of housing in Corvallis, especially when compared with nearby communities.

- **Corvallis lacks enough housing stock to meet potential demand for housing.** Available housing stock in Corvallis is limited, which discourages some people who would consider living in Corvallis (including people employed in Corvallis) from living in the City. Some people who consider moving to Corvallis simply are not able to find housing that meets their needs, suits their preferences (about size, type, or condition of house), or is affordable to them. In broad terms, Corvallis lacks enough housing (of all types, including single-family detached, zero lot line, or condominiums) that costs $300,000 or less.
- **Housing in Corvallis costs more than in nearby communities.** When compared to housing prices in nearby communities, housing prices in Corvallis are high. Several discussion group participants described their experience or the experience of clients or co-workers of finding that similar types and sizes of housing in Corvallis costs more (sometimes substantially more) than in nearby communities. For the same cost, a person can buy an older, smaller unit in Corvallis (e.g., a 1970's 1,600 square foot house) or a newer, larger house in a nearby community (e.g., a 1990's 2,000 square foot house), possibly with a larger yard.
- **Corvallis has few dwelling units that fit the needs of lower- and moderate-income or elderly residents.** Corvallis lacks enough single-story, smaller single-family units that would be affordable to and appeal to lower- and moderate-income households. Much of the housing being developed in Corvallis is large two-story single-family homes with a large footprint. These types of housing units generate greater returns as rental units and go for higher prices, which people are willing to pay. This is a result, in part, of the small size of most Corvallis vacant residential lots and the high demand for housing in Corvallis. It may also be a result of zoning requirements in Corvallis, which may make building single-story housing more difficult.
- **Student housing demand has resulted in higher rental prices and decreased supply of rental and owner housing for non-students.** The recent rapid growth of the University, combined with the fact that the University did not build sufficient housing to accommodate new students, resulted in substantial growth of privately-developed student housing,

especially in areas closer to OSU.

Students occupy housing that would otherwise be affordable market-rate housing in Corvallis (e.g., several students living in a single-family house). Newly-built student housing development also resulted in the removal of housing that provided relatively affordable homeownership options.

Some students are willing and able to pay higher prices for rental units that residents (or would-be-residents) can afford. The higher rents paid by students, along with the increase in student housing demand, have priced some renters out of Corvallis' housing market.

However, housing in Corvallis is expensive enough that some OSU students at cannot afford to live in the City and instead commute to the University from nearby communities.

- **The presence of students creates other barriers to housing in Corvallis.** Concentrations of student-occupied housing, especially around the University, is perceived to be a barrier to finding affordable housing in Corvallis. Some residents (or would-be-residents) prefer not to live in close proximity to students, limiting the areas of Corvallis that are perceived as desirable for non-students.
- **Commuting costs are relatively low.** The costs of commuting to Corvallis from nearby communities or rural areas are relatively low, both in terms of transportation costs and time. The costs of commuting (both time and money) are not a barrier for people who prefer not to live in Corvallis or cannot afford to live in Corvallis. In some cases, the time necessary to commute into Corvallis may be similar to or less than the time necessary to drive from northern Corvallis to southern Corvallis.

  Some commuters indicated an interest in using transit to commute into work. The biggest barrier to using transit for these commuters was the lack of flexibility in the schedule of the buses, which often did not leave late enough to allow the commuter to use transit.
- **Perceptions about Corvallis property taxes may make residents less likely to live in the City.** Corvallis had relatively high property taxes compared to nearby communities in the 1990's. While Corvallis' property taxes are now about the same as (or lower than) nearby communities, the historical impression that Corvallis' property taxes are high may discourage people from even considering moving to Corvallis.

Barriers to Residential Development

Discussion group participants identified a range of barriers to residential development in Corvallis. These barriers create uncertainty that makes Corvallis

less attractive to developers than nearby communities or other communities in the Willamette Valley.

- **Corvallis's lack of available, buildable lands.** While most participants agreed that the Corvallis UGB may have enough land to accommodate future growth in theory, participants generally agreed that Corvallis does not have enough buildable land in practice. Specifically, Corvallis lacks enough vacant buildable land that is large enough for a moderate or large subdivision, available for development, and serviced by the City.
  - One of the key barriers to residential land is finding available vacant land with services (with available service capacity), especially large parcels for subdivisions. The existing lots in Corvallis' city limits are often small and dispersed, making them suitable for infill development or small subdivisions. Building more affordable housing requires parcels of land large enough to support development of a moderate or large subdivision. Land with these characteristics is generally not available in Corvallis.
  - Some of Corvallis' residential land is concentrated in the ownership of relatively few landowners. If these landowners are unwilling to sell or develop their land, that limits land available for development, which reinforces Corvallis' existing housing prices. In addition, some land in Corvallis is purchased by conservation groups, removing it from the pool of developable land.
  - Development of land in the urbanizing area (land inside the UGB but outside of the city limits) sometimes creates future barriers to urban-density development because of the location or type of development (e.g., costly estate housing). For example, land beyond Crescent Valley may be difficult to develop because of existing low-density development nearer Corvallis.
  - Corvallis has insufficient available vacant residential land within the city limits with services. One of the reasons is the difficulty in bringing new land into the City because of the complexity and uncertainty of the voter annexation process.
- **The uncertainty associated with voter annexations in the City.** Discussion group participants indicated that one of the biggest barriers to increasing Corvallis' supply of residential land is the voter annexation process. Residents are generally unwilling to approve most annexation measures, which has blocked residential development. Many people that already live in Corvallis see little reason to support continued growth and possibly diminish their quality of life. In some cases, annexations have been approved after multiple annexation attempts, often with assurances about the characteristics and scale of the planned development. Part of the reason for resistance to annexation is the result of annexations where land was

used for a different purpose than it was annexed for, such as for student housing. Relatively few developers are willing to go through the annexation process.

- **Corvallis's complex land use policies.** Corvallis' land use policies are complex, taking a substantial amount of expertise, experience, time, and money to comply with. Corvallis' development process takes longer, is more uncertain, and is sometimes more costly than the development process in adjacent cities. In addition, current zoning practices restrict commercial or mixed-use development outside commercial areas or downtown, which limits the development of potentially vibrant neighborhood centers.

  Corvallis' land use policies are complex and result in unintended consequences. For example, Corvallis' development standards about garages on single-family housing require that the garage does not extend beyond the front of the house. This requirement discourages development of single-story housing. However, Corvallis' demographic changes, especially the aging population, suggest increased need for single-story housing.

  These factors make Corvallis less attractive to developers when competing for potential development projects. As a result, some developers choose to develop housing in other nearby communities (or in other parts of the Willamette Valley), rather than in Corvallis.

  In addition, land use policies are too complex for many landowners and the general public, resulting in the need to hire consultants for comparatively simple land use applications. This may discourage some potential residents from living in Corvallis, especially if they anticipate need to renovate or make other changes to their property.
- **The high costs to develop in Corvallis.** Corvallis Systems Development Charges (SDCs), development fees, and exactions (e.g., for open space, rights-of-way, or bioswales) make development more expensive in Corvallis, compared to other nearby cities. These costs are contributing factors in the relatively high cost of housing in Corvallis.
- **The uncertainty of the development process.** Corvallis' complex development process may leave developers uncertain of the measures and cost of complying with Corvallis' development policies and process until the full development application has been submitted. Developers may get different answers from different City staff about the requirements of development during the pre-development process. The specific requirements for development are clarified in through the application process, sometimes resulting in higher costs to the developer than the pre-

application process suggested. The lack of clear answers in the pre-development process is potentially costly, creating more development risk.

- **Developers' perception of Corvallis as a risky place to attempt development.** Development in Corvallis is difficult in a range of ways: lack of available large parcels of vacant land, uncertainty of the annexation process, complex land use policies, and uncertainty early in the pre-application process about what will be required of a developer. This uncertainty and complexity makes Corvallis less attractive to developers, who may choose to develop in nearby cities, rather than in Corvallis.

Other Barriers

The other barriers for residential development or for people to live and work in Corvallis were:

- **Community preference for slow or no growth.** Nearly all discussion group participants questioned the willingness of Corvallis residents to accommodate new growth. A segment of Corvallis' community favors little or no growth. The preference for slow or no growth can be seen in community involvement in new development, especially in opposition to some development proposals, and in the lack of public support for annexations.
- **Commuters' preferences to live outside of Corvallis.** Most of the commuters considered living in (or previously lived in) Corvallis but choose to live in a different community. In most cases, the commuters in the commuter discussion group live outside of Corvallis by preference. Their reasons include: the relatively high cost of housing in Corvallis, the ability to get similar or better quality housing in a nearby community, households with members who commute in opposite directions, connections to family or other communities, and preference to a more rural setting. The relatively low cost of commuting (both in time and money) make commuting into Corvallis for work appealing.

Ways to Reduce Residential Development Barriers

The following section presents potential solutions to reduce residential development barriers, ways to make housing more affordable in Corvallis, and other ways to address the issues identified in the discussion groups.

- **Increase the amount of housing in the City.** Participants generally agreed that Corvallis' housing stock needs to grow before it will become more affordable. The tight supply and high demand for housing in Corvallis will continue to result in high housing costs. The City could take the following approaches to support development and affordability of housing.

- The City could offer more financial assistance to Corvallis households. The City could offer down payment assistance for first-time homebuyers up to one hundred percent of median family income rather than the current eighty percent. The City could assist low-income renters by continuing to support development of affordable housing at fifty to eighty percent of median family income.
- The City should enforce maintenance codes more stringently, to ensure that dwellings are kept in acceptable condition.
- The City could increase its efforts at bi-cultural and bi-literate outreach to potential residents on housing issues and ensure that housing assistance is available to a wider range of Corvallis residents.

- **Continue collaborating with OSU.** The City and OSU have been working together on "Collaboration Corvallis," a process of planning together for community growth. Participants suggested continued collaboration to ensure that the future housing needs of both students and residents in Corvallis are met.
- **Reform the annexation process.** While participants had few specific suggestions, they agreed that annexation was a major barrier to increased development. They proposed reforming the annexation process and supporting greater coordination on annexation between the City Council and the community. Developers emphasized the need to propose annexations and developments that were acceptable to both the City and its people. They also emphasized the need to be honest with the community about the true intent of new annexation projects in order to build trust between developers and the City.
- **Increase the supply of available, serviced residential land.** If the annexation process is reformed and it is easier (and less risky for developers) to get land into the city limits for development, the City should work with stakeholders to ensure that the land has access to infrastructure and other services necessary to support development. Ensuring that serviced land, especially in larger parcels, is available is important to increasing the production of housing.
- **Evaluate the supply of buildable land.** The City should update the buildable lands inventory to reflect current conditions in Corvallis. While Corvallis may have enough land within the UGB to meet expected population growth over 20 years, the City should evaluate the availability of land. If Corvallis does not have enough available land, the City should identify options for ensuring future land availability or other ways of meeting the City's expected housing need.
- **Plan for the future supply of buildable land.** The City should plan to ensure a future supply of buildable land. This includes ensuring that services are available (or have a plan to make them available) when land is

annexed. It also includes planning for the conversion of land in urbanizing areas (inside the UGB but outside the City limits) to allow for urban-density development.

- **Streamline the development code**. The different requirements of Corvallis' development policies layer on each other to create complex development requirements, sometimes with unintentional consequences. The City should evaluate the requirements of the development code, to better understand potential unintended effects of the code. This evaluation should identify opportunities to simplify the code and ensure that it results in the type of development the City intends.

  One specific opportunity for change is to allow more commercial and mixed-use development in residential areas, creating opportunities for neighborhood-scaled centers. The City should consider zoning areas to allow for development of a mixture of housing types with services and employment uses, such as restaurants, breweries, and retail. In addition, the City should review other zoning requirements that increase development costs or discourage development of a wider range of housing types.
- **Simplify and decrease the cost of the land use development process.** Developers and realtors suggested a range of options for making the development process less risky, easier, and less costly. They include:
  - Make more City staff time available for pre-development planning to ensure that the majority of city requirements (and costs) are known earlier in the development process, before the full application is submitted. The City should consider offering assurances to developers about the costs identified in the pre-application process.
  - Make all permits, including subdivision permits, longer lasting to allow more flexibility when development occurs.
  - Offer financial incentives to lower development costs, especially related to decreasing Systems Development Charges (SDCs) or other development fees.
- **Educate decision makers and the public about housing issues.** One of the problems with addressing challenges in Corvallis' housing markets is ensuring that decision makers and the public understand the issues. Educating decision makers could include hosting work session(s) with City Councilors, realtors, developers, and other stakeholders. The focus of the work session(s) would be discussing the issues and potential solutions to the issues. Education and discussion with the public might focus on issues related to annexation policies, neighborhood compatibility with new development, and other common residential development issues.

- **Increase the frequency of intra-city transit.** Some people will prefer to live outside of Corvallis. Some of these commuters may be more willing or actively interested in using transit to commute to work if the transit schedule was more flexible. Commuters would like more buses, especially later in the evening, to allow people who work late a transit option.

Appendix C: Housing Policy Options

Appendix C presents housing policies and programs used in cities in Oregon and across the U.S. to allow and encourage development of housing affordable to all income levels. The list of policies in this appendix is not meant to be exhaustive but it is inclusive of policies and programs commonly used (and some not commonly used) by cities to support housing development.

Land Use Regulations

The following policies focus on ways in which the City can modify its current land use regulations in order to increase housing affordability and available housing stock. Policies are broken into two categories: those that affect regulatory changes and those, which increase the land available for housing.

Policy Name	Description	Considerations for Corvallis
Regulatory Changes		
Streamline Zoning Code and other Ordinances	Complexity of zoning, subdivision, and other ordinances can make development more difficult, time consuming, and costly. Streamlining development regulations can result in increased development. As part of the streamlining process, cities may evaluate potential barriers to affordable workforce housing and multifamily housing. Potential barriers may include: height limitations, complexity of planned unit development regulations,	This is an issue that developers and realtors emphasized is a key issue in Corvallis and one of the primary reasons that housing is more expensive to build in Corvallis. It may take longer to complete development applications in Corvallis because of the complexity of the City's development code. To the extent that Corvallis' complex development framework adds time to the development process, it also adds costs to housing. Developers may be able to complete applications faster in neighboring cities with simpler development codes. **Scale of Impact - Small to moderate**. The level of impact on production of housing and housing affordability will depend on the changes made to Corvallis' zoning and other ordinances.

Policy Name	Description	Considerations for Corvallis
Administrative and Procedural Reforms	Regulatory delay can be a major cost-inducing factor in development. Oregon has specific requirements for review of development applications; however, complicated projects frequently require additional analysis such as traffic impact studies, etc. A key consideration in these types of reforms is how to streamline the review process and still achieve the intended objectives of local development policies.	This is an issue that developers and realtors emphasized is a key issue in Corvallis and one of the primary reasons that housing is more expensive to build in Corvallis. There is a requirement to review applications within 120 days. Corvallis could evaluate implementing a faster review process for projects that meet specific criteria, such as including affordable workforce housing. **Scale of Impact - Small**. The level of impact on production of housing and housing affordability will be small and will depend on the changes made to Corvallis' procedures
Allow Small Residential Lots	Small residential lots are generally less than 5,000 sq. ft. This policy allows individual small lots within a subdivision or short plat. Small lots can be allowed outright in the minimum lot size and dimensions of a zone, or they could be implemented through the subdivision or planned unit development ordinances. This policy is intended to increase density and lower housing costs. Small lots limit sprawl, contribute to the more efficient use of land, and promote densities that can support transit. Small lots also provide expanded housing ownership opportunities to broader income ranges and provide additional variety to available housing types.	Corvallis allows lots 2,500 square feet per unit for multiple detached and 3,500 square feet per detached unit in the RS-6 low-density residential zone. They allow smaller lot sizes as well in higher density zones. **Scale of Impact – Small to moderate**. Cities have adopted minimum lot sizes as small as 3,000 sq. ft. However, it is uncommon to see entire subdivisions of lots this small. Small lots typically get mixed in with other lot sizes. Further decreasing lot sizes will make little difference in housing affordability in Corvallis because the City already has provisions for small single-family lots. Increasing the amount of land zoned to allow small lots could have moderate impact by providing more opportunities to develop small single-family lots.
Mandate Maximum Lot Sizes	This policy places an upper bound on lot size and a lower bound on density in single-family zones. For example, a residential zone with a 6,000 sq. ft. minimum lot size might have an 8,000 sq. ft. maximum lot size yielding an effective net density range between 5.4 and 7.3 dwelling units per net acre. This approach ensures minimum densities in residential zones by limiting lot size. It places bounds on building at less than maximum allowable density. Maximum lot sizes can promote appropriate urban densities, efficiently use limited land resources, and reduce sprawl development.	Corvallis does not mandate maximum lot sizes.

Policy Name	Description	Considerations for Corvallis
Mandate Minimum Residential Densities	This policy is typically applied in single-family residential zones and places a lower bound on density. Minimum residential densities in single-family zones are typically implemented through maximum lot sizes. In multiple-family zones they are usually expressed as a minimum number of dwelling units per net acre. Such standards are typically implemented through zoning code provisions in applicable residential zones. This policy increases land-holding capacity. Minimum densities promote developments consistent with local comprehensive plans and growth assumptions. They reduce sprawl development, eliminate underbuilding in residential areas, and make provision of services more cost effective.	Corvallis has minimum densities, in low-density zones generally between 2 to 6 units per acre, with increasing densities in higher density zones. When lots larger than five acres are subdivided, the City requires an urban conversion plan to ensure that the development being proposed will not preclude minimum density development in the future. **Scale of Impact - Small to moderate**. Increasing minimum densities and ensuring clear urban conversion plans may have a small to moderate impact depending on the observed amount of underbuild and the minimum density standard.
Increase Allowable Residential Densities	This approach seeks to increase holding capacity by increasing allowable density in residential zones. It gives developers the option of building to higher densities. This approach would be implemented through the local zoning or development code. This strategy is most commonly applied to multifamily residential zones. Higher densities increase residential landholding capacity. Higher densities, where appropriate, provide more housing, a greater variety of housing options, and a more efficient use of scarce land resources. Higher densities also reduce sprawl development and make the provision of services more cost effective.	Corvallis has not revised allowable densities in recent years. **Scale of Impact – Small to moderate**. Corvallis allows moderately high densities, suggesting that increasing allowable residential densities would have a small to moderate impact, depending on the amount of the density increase and the size of area upon which it is applied.
Reduce Street Width Standards	This policy is intended to reduce land used for streets and slow down traffic. Street standards are typically described in development and/or subdivision ordinances. Reduced street width standards are most commonly applied on local streets in residential zones. Narrower streets make more land available to housing and economic-based development. Narrower streets can also reduce long-term street maintenance costs.	Corvallis allows narrow streets, limited at times by the needs for fire safety. Their street standard for local streets is 28 feet curb to curb. They allow for narrower streets in natural areas and in limited scale developments. **Scale of Impact - Small**. Corvallis already allows narrow streets.

Policy Name	Description	Considerations for Corvallis
Preserving Existing Housing Supply	Housing preservation ordinances typically condition the demolition or replacement of certain housing types on the replacement of such housing elsewhere, fees in lieu of replacement, or payment for relocation expenses of existing tenants. Preservation of existing housing may focus on preservation of smaller, more affordable housing. Approaches include: • Housing preservation ordinances • Housing replacement ordinances • Single-room-occupancy ordinances • Regulating demolitions	Corvallis recently made changes to the demolition permit processes, requiring more advanced notice prior to demolition of existing residential structures. This is designed to preserve existing properties, allowing them to be moved to another site. **Scale of Impact - Small**. Preserving small existing housing can make a difference in the availability of affordable housing in Corvallis but it is limited by the existing stock housing, especially smaller, more affordable housing.
Inclusionary Zoning	Inclusionary zoning policies tie development approval to, or provide regulatory incentives for, the provision of low- and moderate-income housing as part of a proposed development. Mandatory inclusionary zoning-requires developers to provide a certain percentage of low-income housing. Incentive-based inclusionary zoning-provides density or other types of incentives. Price of low-income housing passed on to purchasers of market-rate housing; inclusionary zoning impedes the "filtering" process where residents purchase new housing, freeing existing housing for lower-income residents.	Inclusionary zoning is not legal in Oregon under ORS 197.309 and is not a tool available to Corvallis. Corvallis does require variation of housing types for developments of five acres or more. The variations depend on the zoning district, as described in Corvallis' zoning code.
Increasing Land Available for Housing		
Redesignate or rezone land for housing	The types of land rezoned for housing are vacant or partially vacant low-density residential and employment land rezoned to multifamily or mixed use. In rezoning land, it is important to choose land in a compatible location, such as land that can be a buffer between an established neighborhood and other denser uses or land adjacent to existing commercial uses. When rezoning employment land, it is best to select land with limited employment capacity (e.g., smaller parcels) in areas where multifamily housing would be compatible (e.g., along transit corridors or in employment centers that would benefit from new housing). This policy change increases opportunity for comparatively affordable multifamily housing and provides opportunities for mixing residential and other compatible uses.	Corvallis would need to complete a buildable lands inventory to evaluate whether the City has sufficient land designated for housing, before deciding whether the City needs to designate additional land for housing. **Scale of Impact - Small to large:** Scale of impact depends on the amount and location of land rezoned and the densities allowed on the rezoned land.

Policy Name	Description	Considerations for Corvallis
Encourage multifamily residential development in commercial zones	This tool seeks to encourage denser multifamily as part of mixed-use projects in commercial zones. Such policies lower or eliminate barriers to residential development in commercial or mixed-use zones. They include: eliminating requirements for non-residential uses in commercial zones (e.g., requirements for ground floor retail) or requiring minimum residential densities. This policy can increase opportunities for multifamily development on commercial or mixed-use zones or increase the density of that development.	Corvallis has a number of mixed-use zones, including their central business district. These areas allow a mixture of commercial and residential. Some of this type of development has occurred in downtown. Another example where residential development is allowed is the Mixed-Use Community Shopping zone. **Scale of Impact - Small:** Corvallis already encourages multifamily housing in commercial zones. Further encouraging multifamily housing in commercial zones would likely have a small impact, as multifamily housing is allowed many of the commercial areas where it would be desirable.
Promoting Infill Development	This policy seeks to maximize the use of lands that are fully developed or underdeveloped. Make use of existing infrastructure by identifying and implementing policies that (1) improve market opportunities, and (2) reduce impediments to development in areas suitable for infill or redevelopment. Regulatory approaches to promote infill development include: • Administrative streamlining • Allowing accessory dwelling units • Allowing small lots • Density bonuses	Corvallis' policies promote infill development by allowing small lots, allowing accessory dwelling units, and provisions that allow for a variety of building types. **Scale of Impact – Small**. Corvallis already encourages infill and redevelopment.
Provide Density Bonuses to Developers	The local government allows developers to build housing at densities higher than are usually allowed by the underlying zoning. Density bonuses are commonly used as a tool to encourage greater housing density in desired areas, provided certain requirements are met. This strategy is generally implemented through provisions of the local zoning code and is allowed in appropriate residential zones. Bonus densities can also be used to encourage development of low-income or workforce affordable housing. An affordable housing bonus would allow for more housing units to be built than allowed by zoning if the proposed project provides a certain amount affordable units.	Corvallis' policies promote dense development by allowing small lots and allowing dense multifamily housing already. The City provides density bonuses in situations where a property is so constrained by natural features that it would not allow substantial development as part a provision in the zoning code for assured development area. **Scale of Impact - Small**. Corvallis already allows relatively dense development.

Policy Name	Description	Considerations for Corvallis
Parcel assembly	Parcel assembly involves the city's ability to purchase lands for the purpose of land aggregation or site assembly. It can directly address the issues related to limited multifamily lands being available in appropriate locations (e.g., near arterials and commercial services). Typical goals of parcel assembly programs are: (1) to provide sites for rental apartments in appropriate locations close to services and (2) to reduce the cost of developing multifamily rental units Parcel assembly can lower the cost of multifamily development because the City is able to purchase land in strategic locations over time. Parcel assembly is more often associated with development of government-subsidized affordable housing, where the City partners with nonprofit affordable housing developers.	Parcel assembly depends on there being developable land with landowners interested in selling their land and multiple adjacent parcels. In Corvallis, parcel assembly might best be used to assemble moderate sized parcels for multifamily housing. **Scale of Impact - Small to moderate:** Parcel assembly is most likely to have an effect on a localized area, providing a few opportunities for new multifamily housing development over time**.**
Community Land Trust (CLT)	A Community Land Trust (CLT) creates permanent affordability by severing the value of the land and the improvements (i.e., the house). The land is held in trust by a nonprofit or other entity then leased to the homeowner. The homeowner enjoys most of the rights of homeownership, but restrictions are placed on use (e.g., owner occupancy requirement) and price restrictions on resale ensure that the home remains affordable. CLTs may be used in conjunction with land banking programs, where the city or a nonprofit housing corporation as a future site for affordable housing or other housing that meets community goals.	Corvallis does not have an organization that functions as formal land trust. The City and Willamette Neighborhood Services have collaborated on affordable housing projects using a community land trust approach, using available funding to a portion of land costs. **Scale of Impact - Small to moderate:** A land trust will have the biggest impact on production of low- and moderate-income affordable housing. Considering how difficult it is to build this type of affordable housing and the level of need for affordable housing, a land trust could increase nonprofits' capacity to build affordable housing.
Reform Annexation Process	Cities with voter annexation sometimes have difficulty bringing new land into the city limits, as voters may be hesitant to annex land. Cities have options for reforming the annexation process • City initiated annexations • Annex large portions of the urbanizing area into the city limits • Repeal voter annexation	Corvallis' voter annexation process is a barrier to residential development, according to discussions with developers, realtors, and other stakeholders familiar with development in Corvallis. **Scale of Impact – Moderate to large:** The scale of the impact will depend on the reformation to the annexation process. If it becomes substantially easier to annex areas into the city limits, the greater the impact will be larger on residential development rates.

Policy Name	Description	Considerations for Corvallis
Annexation Development Planning	As properties are annexed into the city limits, some cities require that development on the land include affordable housing, often as part of the city's inclusionary housing ordinance. This approach will not work in Oregon, as inclusionary zoning is illegal here. However, as a condition of annexation to the city limits, the city and landowners could develop a development agreement or master plan that describes the type and amount of housing that will be built on the property, including the amount of subsidized or market-rate affordable housing. While entering into the development agreement would be optional, the development agreement would be legally binding. This type of development agreement may give voters some assurance about the type and amount of housing that would be developed on the newly annexed land.	Corvallis works with developers to develop a planned development plan that describes the proposed residential development, as a way to assure voters of development plans.

Increase the types of housing

The following policies focus on ways in which the City can increase the types of housing available in order to increase housing affordability. Policies focus on increasing housing density or the number of residents within existing City lots.

Policy Name	Description	Considerations for Corvallis
Allow Duplexes, Townhomes, Row Houses, and Tri- and Quad-Plexes in single-family zones	Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types. This approach would be implemented through the local zoning or development code and would list these housing types as outright allowable uses in appropriate residential zones. These housing types provide additional affordable housing options and allow more residential units than would be achieved by detached homes alone.	Corvallis allows these types of housing are allowed in selected zones. Duplexes are generally allowed in most single-family zones, the RS-5 (allows tri-plexes), and RS-6 (attached townhomes). **Scale of Impact - Small**. Corvallis could broaden the allowable housing types in single-family zones.
Permit Accessory Dwelling Units (ADUs) in single-family zones	Communities use a variety of terms to refer to the concept of accessory dwellings: secondary residences; "granny" flats; and single-family conversions, among others. Regardless of the title, all of these terms refer to an independent dwelling unit that share, at least, a tax lot in a single-family zone. Some accessory dwelling units share parking and entrances. Some may be incorporated into the primary structure; others may be in accessory structures. Accessory dwellings can be distinguished from "shared" housing in that the unit has separate kitchen and bathroom facilities. ADUs are typically regulated as a conditional uses. Some ordinances only allow ADUs where the primary dwelling is owner-occupied.	Corvallis allows ADUs without additional parking requirements.
Allow small or "tiny" homes	"Tiny" homes are typically dwellings that are 500 square feet or smaller. Some tiny houses are as small as 100 to 150 square feet. They include stand-alone units or very small multifamily units. Tiny homes can be sited in a variety of ways: locating them in RV parks (they are similar in many respects to Park Model RVs), tiny home subdivisions, or allowing them as accessory dwelling units. Smaller homes allow for smaller lots, increasing land use efficiency. They provide opportunities for affordable housing, especially for homeowners.	Corvallis has not have any "tiny" houses proposed but the City has discussed "tiny" houses with groups who are potentially interested in building them. However, Corvallis will need to comply with State of Oregon's building code. A person could build a unit as small as the State building code would allow. **Scale of Impact - Small:** Scale of impact depends on regulation of tiny homes, where they are allowed, and market demand for tiny homes.

Policy Name	Description	Considerations for Corvallis
Allow Co-housing	Co-housing is a type of intentional community that provides individual dwelling units, both attached and detached, along with shared community facilities. Members of a co-housing community agree to participate in group activities and members are typically involved in the planning and design of the co-housing project. Private homes contain all the features of conventional homes, but residents also have access to extensive common facilities, such as open space, courtyards, a playground, and a common house. This approach would be implemented through the local zoning or development code and would list these housing types as outright allowable uses in appropriate residential zones.	Corvallis allows co-housing and there is at least one successful co-housing project in Corvallis. **Scale of Impact - Small**. While co-housing may be able to achieve multi-family housing densities, it is unlikely that this housing type would make up a large portion of new housing stock, thereby diminishing its impact.
Cooperative Housing	Cooperative housing is a form of rental or ownership housing where unrelated individuals live in one or more residential buildings owned by a membership-based corporation. Cooperative housing is characterized by shared management and consensus (which involves arriving at a common decision rather than voting), or other egalitarian governance models. Cooperative rental housing typically features shared common areas (e.g., kitchen, community room, bathrooms) and private bedrooms, though there are many variations on this model.	Corvallis allows cooperative housing. Some forms of co-housing or cooperatives may be required to go through the planned unit development process, with some zones permitting these types of housing outright. **Scale of Impact - Small**. While co-housing may be able to achieve multi-family housing densities, it is unlikely that this housing type would make up a large portion of new housing stock, thereby diminishing its impact.

Programs that provide financial assistance to homeowners and renters

The following policies focus on ways in which the City and other community stakeholders can provide financial assistance to potential residents in order to increase housing affordability and accessibility for multiple income groups.

Policy Name	Description	Considerations for Corvallis
Home ownership programs	Cities use a variety of programs to assist with homeownership • **Homebuyer Assistance Programs.** These Down Payment Assistance loans help low- or moderate-income households cover down payment and closing costs to purchase homes on the open market. These programs either give loans or grants, most frequently to first time homebuyers. • **Inclusionary Housing Program.** Some cities have an Inclusionary Housing Ordinance (IH) requires that new residential development contribute at least 20% of the total units as permanently affordable housing. Options for meeting this requirement can be allow the affordable units to be located on or off site. Cities that use inclusionary housing generally have programs to ensure that housing continues to be affordable over the long-term. • **Partnerships**. Cities often work with partnerships with nonprofit agencies that provide homeownership assistance.	Corvallis has programs that provide assistance to homeowners, such as the City's First Time Home Buyer loan program. Corvallis works with nonprofit organizations to support homeownership programs. **Scale of Impact - Small**. While homeownership programs are important, limited funds mean that the number of households that benefit from homeownership programs is relatively small.
Rental assistance programs	Cities use a variety of programs to provide rental assistances • **Section 8 Voucher**: This assistance subsidizes the difference between 30 to 40 percent of a household's income and the area's Fair Market Rent (FMR). • **Rental assistance programs**. These programs offer a range of services, such as assistance with security deposits. • **Rent Control**. Rent control regulations control the level and increases in rent, over time resulting in rents that are at or below market rates. • **Partnerships**. Cities often work with partnerships with nonprofit agencies that provide rental assistance.	Corvallis has programs that provide assistance to renters, including Housing Choice Vouchers, which are managed by the Linn-Benton Housing Authority. Corvallis works with nonprofit organizations to support rental assistance programs. **Scale of Impact - Small**. Renter assistance programs are important. However, limited city funds mean that the number of households that benefit from rental assistance resulting from city funding is relatively small.

Policy Name	Description	Considerations for Corvallis
Limited Equity Housing (Cooperative)	Limited equity housing is a housing model where people purchase a "share" of a development of housing and have the right to occupy a dwelling unit. A nonprofit owns all of the houses in the development and sells shares in the development to people who want to live there. In Davis, CA, shares are generally sold for around $6,000 each (in 2014). As the value of the housing in the development appreciates, the value of the share appreciates. When the shareowner moves from the development, he or she sells their share and gets the appreciated value of their share. The City of Davis has little role in in supporting this type of cooperative, beyond assisting with purchasing land for the development.	Corvallis does not have any limited equity housing developments (that we know of). Corvallis allows cooperative housing development but may require a planned unit development process. **Scale of Impact - Small**. Demand for these types of developments will be relatively small and restricted to households that would like to live in a cooperative development.
Housing Rehabilitation Programs	Cities often offer home rehabilitation programs, which provide loans to low- and moderate-income households for rehabilitation projects such as making energy efficiency, code, and safety repairs. Some programs provide funding to demolish and completely reconstruct substandard housing.	Corvallis has programs that provide rehabilitation loans to support rehabilitation of existing housing. **Scale of Impact - Small**. Limited fund availability means that relatively few households will be able to access housing rehabilitation funds.
Employer-Assisted Housing	Employer-assisted housing (EAH) can be provided directly to the individual employee in the form of mortgage subsidies, down-payment assistance, relocation payments and the like or the city can help to increase the supply of housing by requiring or encouraging employers to participate in the development of additional housing units through such actions as the provision of land, construction financing or purchase/lease guarantees, and down-payment assistance.	**Scale of Impact – Small to Moderate**. The scale of the impact of EAH programs will depend on the size of the employer, eligibility criteria, and the type of assistance offered. If one or more large employers offers an EAH program with substantial assistance that provides enough assistance to make housing in Corvallis affordable for low- and moderate-income households, then an EAH program can have a sizeable impact.
Green and Location Efficient Mortgages	Green mortgages, also called Energy Efficient Mortgages, allow the homebuyer to roll the costs of making specific energy-saving improvements into the purchase price of a home. Location Efficient Mortgages® increase the borrowing ability of homebuyers in areas that are more walkable and provide good multimodal access on the assumption that households in these areas will have more income available that can be directed toward housing.	**Scale of Impact - Small**. Unless a new funding source is identified, the number of households able to access these types of loans would be small.

Programs that provide financial assistance to lower development or operational costs

The following policies focus on ways in which the City and other entities involved in development can provide financial assistance to lower development or operational costs in Corvallis in order to increase housing affordability and available housing stock. Recommendations are broken into the following categories: programs to lower the cost of development, sources of funding to pay for infrastructure to support development, and tax abatement programs that decrease operational costs by decreasing property taxes.

Policy Name	Description	Considerations for Corvallis
Programs to lower the cost of development		
SDC Financing Credits	Enables developers to stretch their SDC payment over time, thereby reducing upfront costs. Alternately, credits allow developers to make necessary improvements to the site in lieu of paying SDCs. Note that the City can control its own SDCS, but often small cities manage them on behalf of other jurisdictions including the County and special districts. Funding can come from an SDC fund or general fund. In some cases there may be no financial impact. Can come in the form of student, low-income, or workforce housing.	
Sole Source SDCs	Retains SDCs paid by developers within a limited geographic area that directly benefits from new development, rather than being available for use city-wide. This enables SDC-eligible improvements within the area that generates those funds to keep them for these improvements. Improvements within smaller areas can enhance the catalytic and redevelopment value of the area. This tool can also be blended with other resources such as LIDs and TIF. Funding can come from an SDC fund or general fund. In some cases there may be no financial impact. The housing can come in the form of student, low-income, or workforce housing.	
Fees or Other Dedicated Revenue	Directs user fees into an enterprise fund that provides dedicated revenue to fund specific projects. Examples of those types of funds can include parking revenue funds, stormwater/sewer funds, street funds, etc. The City could also use this program to raise private sector funds for a district parking garage wherein the City could facilitate a program allowing developers to pay fees-in-lieu or “parking credits” that developers would purchase from the City for access “entitlement” into the shared supply. The shared supply could meet initial parking need when the development comes online while also maintaining the flexibility to adjust to parking need over time as elasticity in the demand patterns develop in the district and influences like alternative modes are accounted for. Funding can come from residents, businesses, and developers. Also these fees or revenues allow for new revenue streams into the City.	

Policy Name	Description	Considerations for Corvallis
Public Land Disposition	The public sector sometimes controls land that has been acquired with resources that enable it to dispose of that land for private and/or nonprofit redevelopment. Land acquired with funding sources such as tax increment, EB5, or through federal resources such as CDBG or HUD Section 108 can be sold or leased at below market rates for various projects to help achieve redevelopment objectives. This increases development feasibility by reducing development costs and gives the public sector leverage to achieve its goals via a development agreement process with the developer. Funding can come from Tax Increment, CDBG/HUD 108, EB-5.	
Reduced Parking Requirements	Allows development of housing units to with discretionary reduction of parking requirements if an applicant can demonstrate that no more parking is needed. Reduced parking requirements are generally used in conjunction of development of subsidized affordable housing but cities like Portland have reduced or eliminated parking requirements for market-based multifamily housing in specific circumstances.	**Scale of Impact - Small**. Unless Corvallis reduced parking requirements for a wide range of multifamily housing development, the impact of this change will be small.
Sources of funding to pay for infrastructure to support development		
Urban Renewal/Tax Increment Finance (TIF)	Tax increment finance revenues are generated by the increase in total assessed value in an urban renewal district from the time the district is first established. As property values increase in the district, the increase in total property taxes (i.e., City, County, school portions) is used to pay off the bonds. When the bonds are paid off, the entire valuation is returned to the general property tax rolls. TIFs defer property tax accumulation by the City and County until the urban renewal district expires or pays off bonds. Over the long term (most districts are established for a period of 20 or more years), the district could produce significant revenues for capital projects. Urban renewal funds can be invested in the form of low-interest loans and/or grants for a variety of capital investments: • Redevelopment projects, such as mixed-use or infill housing developments • Economic development strategies, such as capital improvement loans for small or start up businesses which can be linked to family-wage jobs • Streetscape improvements, including new lighting, trees, and sidewalks • Land assembly for public as well as private re-use • Transportation enhancements, including intersection improvements • Historic preservation projects • Parks and open spaces	Corvallis has considered Urban Renewal in the past but not implemented. The most recent Urban Renewal proposal was the Downtown Urban Renewal district, which was not approved by the voters in 2009. **Scale of Impact – Moderate**. Urban Renewal funding is a flexible tool that allows cities to develop essential infrastructure or provides funding for programs that lower the costs of housing development (such as SDC reductions or low interest loan programs). Portland used Urban Renewal to catalyze redevelopment across the City, including the Pearl District and South Waterfront.

Policy Name	Description	Considerations for Corvallis
General Fund and General Obligation (GO) Bonds	The city can use general fund monies on hand or can issue bonds backed by the full faith and credit of the city to pay for desired public improvements. GO Bonds require a public vote which can be time-consuming and costly. GO Bonds also raise property owner taxes.	Corvallis has used GO Bonds to finance redevelopment projects in the past. **Scale of Impact – Moderate to Large**. GO Bonds can be used to develop essential infrastructure or provides funding for programs that lower the costs of housing development (such as SDC reductions or low interest loan programs).
Linkage Fees for Non-Residential Development	Linkage fees are a type of impact fee based on the source of the impact. In this case, the fee is based on the impact of commercial and industrial development creating additional housing demand. New nonresidential development generates jobs, which triggers housing needs for their workers. Commercial and/or industrial developers are charged fees, usually assessed per square foot, which then are used to build new housing units. A community-wide analysis is usually performed to estimate the type and amount of jobs and wages that are expected to be generated by new development.	
Local Improvement District (LID)	This tool is a special assessment district where property owners are assessed a fee to pay for capital improvements, such as streetscape enhancements, underground utilities, or shared open space. LIDs must be supported by a majority of affected property owners and setting up fair LID payments for various property owners, who are located different distances from the improvement can be challenging. However, if successful it succeeds in organizing property owners around a common goal. It also allows property owners to make payments over time to bring about improvements quickly that benefit them individually. LIDs can also be bundled with other resources, such as TIFs.	
Community Development Block Grants (Federal Program, Locally Administered)	Community Development Block Grants (CDBG) provide communities with resources to address a range of community development needs, including infrastructure improvements, housing and commercial rehab loans and grants, as well as other benefits targeted to low- and moderate-income persons. Funds can be applied relatively flexibly. This program has been run since 1974, and is seen as being fairly reliable, but securing loans/grants for individual projects can be competitive. Some drawbacks to CDBG funds include: • Administration and projects must meet federal guidelines such as Davis Bacon construction requirements. • Amount of federal funding for CDBG has been diminishing over the past few years. • CDBG program is not in the control of the City.	Corvallis receives about $550,000 to $600,000 in CDBG funds per year. The City uses these funds for existing housing programs.

Policy Name	Description	Considerations for Corvallis
Section 108 (Federal Program, Locally Administered)	HUD Section 108 increases the capacity of block grants to assist with economic development projects by enabling a community to borrow up to five times its annual CDBG allocation. These funds can be fairly flexible in their application. The program has been in operation since 1974 and has gained reliability. It enables a larger amount of very low interest-rate-subordinate funding for eligible projects. As with CDBGs, the process of securing the loan can be competitive.	The City would need to work with Benton County to access Section 108 loans. **Scale of Impact - Small**. Section 108 funds could be used to help finance development of some affordable housing but would only cover a portion of the affordable housing development.
Housing Trust Funds	Housing trust funds are designed locally so they take advantage of unique opportunities and address specific needs that exist within a community. Housing trust funds support virtually any housing activity that serves the targeted beneficiaries and would typically fund new construction and rehabilitation, as well as community land trusts and first time homeowners. This tool is often used in cities with inclusionary zoning ordinances, which generates fees to fund development of the housing trust fund. Successfully implementing this tool requires a dedicated funding source.	The City receives about $270,000 to $300,000 in HOME funds per year. The City uses these funds for existing housing programs.
Tax abatement programs that decrease operational costs by decreasing property taxes		
Vertical Housing Tax Abatement (State of Oregon enabled, locally adopted)	Subsidizes "mixed-use" projects to encourage dense development or redevelopment by providing a partial property tax exemption on increased property value for qualified developments. The exemption varies in accordance with the number of residential floors on a mixed-use project with a maximum property tax exemption of 80% over 10 years. An additional property tax exemption on the land may be given if some or all of the residential housing is for low-income persons (80% of area is median income or below). The proposed zone must meet at least one of the following criteria: • Completely within the core area of an urban center. • Entirely within half-mile radius of existing/planned light rail station. • Entirely within one-quarter mile of fixed-route transit service (including a bus line). • Contains property for which land-use comprehensive plan and implementing ordinances effectively allow “mixed-use” with residential. State program webpage.	Corvallis has considered use of tax abatements in the past. **Scale of Impact – Small to moderate**. The design of the tax abatement program will impact whether and how many developers use the tax abatement, which will affect the scale of the impact.

Policy Name	Description	Considerations for Corvallis
Multiple-Unit Limited Tax Exemption Program (Locally Enabled and Managed)	Multi-unit projects receive a ten-year property tax exemption on structural improvements to the property as long as program requirements are met. There is no ground floor active use requirement for this tool. The City of Portland's program, for example, limits the number of exemptions approved annually, requires developers to apply through a competitive process, and encourages projects to provide greater public benefits to the community. This program is enabled by the state, but managed by the local jurisdiction.	Corvallis has considered use of tax abatements in the past. **Scale of Impact – Small to moderate**. The design of the tax abatement program will impact whether and how many developers use the tax abatement, which will affect the scale of the impact.