Attachment 12

CITY OF JUNCTION CITY

Draft Housing Element

Junction City Comprehensive Plan

6/7/12

I. BACKGROUND

Statewide Planning Goal 10 addresses housing in Oregon and provides guidelines for local governments to follow in developing their local comprehensive land use plans and implementing policies. At a minimum, local comprehensive plans and policies that address housing must meet the requirements of Goal 10. Goal 10 requires incorporated cities to complete an inventory of buildable residential lands and to encourage the availability of adequate numbers of housing units in price and rent ranges commensurate with the financial capabilities of all households.

The Housing Element is intended to comply with Statewide Planning Goal 10 (Housing). It assesses housing needs for a 20-year planning horizon in order to determine (1) whether sufficient residential land exists to meet the 20-year needs, and (2) to review housing policies to ensure the city is meeting the needs of current and future residents.

PURPOSE

The purpose of the Junction City Housing Element is to meet the requirements of Goal 10 and OAR 660-008. State policy requires the Housing Element identify local housing needs. The goals of the Housing Element are to:

(1) Describe characteristics of the existing mix and density of housing in Junction City
(2) Describe recent residential development trends in the City,
(3) Evaluate housing affordability, and
(4) Project future need for housing in Junction.

This chapter evaluates the existing residential land supply within the Junction City Urban Growth Boundary to determine if it is adequate to meet present and future housing needs. The methods used for this study generally follow the Planning for Residential Growth guidebook, published by the Oregon Transportation and Growth Management Program (1996).

FRAMEWORK FOR THE HOUSING NEEDS ANALYSIS

Oregon cities are required to comply with Statewide Planning Goal 10, which addresses housing in Oregon and provides guidelines for local governments to follow in developing their local comprehensive land use plans and implementing policies. At a minimum, local housing policies must meet the requirements of Goal 10 (ORS 197.295 to 197.314, ORS 197.475 to 197.490, and OAR 600-008).[1] Goal 10 requires incorporated cities to complete an inventory of buildable residential lands and to encourage the

[1] Junction City is not required to comply with all of the implementing policies for Goal 10 (e.g., ORS 197.296) because the City's population is less than 25,000.

availability of adequate numbers of housing units in price and rent ranges commensurate with the financial capabilities of its households.

Goal 10 defines needed housing types as "housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels." ORS 197.303, which applies to Junction City, defines needed housing types:

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

(b) Government assisted housing;[2]

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

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

Statewide planning goals, statutes and administrative rules require the housing needs analysis include the following elements:

1. **Population forecast.** Lane County has a coordinated, adopted population forecast for Junction City that was adopted in 2009. The population forecast is the foundation for estimating the number of new dwellings needed during the planning period.
2. **Housing Needs Analysis.** Junction City conducted a housing needs analysis (HNA) based on the requirements of Goal 10 and OAR 660-008. The housing types used in the housing needs analysis included those defined in ORS 197.303: single-family detached, single-family attached, multifamily, mobile or manufactured housing in parks and on lots, and government assisted housing. The HNA uses the following aggregations of housing types: single-family detached (including manufactured home), single-family attached dwellings, and structures with 2 to four units (including duplexes, tri- and quad-plexes), and structures with more than five units. Additionally, the HNA evaluates the need for government-assisted housing. The housing needs analysis includes:
    A) **Project new housing units needed.** The number of needed housing units is based on forecast population growth for the Junction City UGB between 2011 and 2031. The analysis considered other factors, such as number of people expected to live in group quarters, household size, housing mix, and vacancy rates.
    B) **Identify trends that may affect housing mix and density.** The HNA includes a review of national, state, and local demographic and economic

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

trends that may affect housing mix and density. These trends include: changes in housing tenure, changes in housing mix, changes in the region's age structure, changes in ethnicity, changes in housing prices and recent increases in mortgage foreclosures, and other trends.

C) **Determine types of housing that are likely to be affordable.** The HNA reviewed trends in housing affordability, such as changes in income, changes in housing price, changes in rental costs, rate of cost-burden, and housing affordability by type of housing for households of different incomes.

D) **Estimate the number of units needed by housing type.** The estimate of the number of units needed by housing type is based on the information described in sections 3 A through C.

3. **Determine actual mix and density of existing housing.** The analysis of housing mix and density of existing housing is based on analysis of building permits and land that was developed during the 2000-2008 period.
4. **Determine average density and mix of needed housing.** The HNA presents a housing needs projection that documents "needed" density and mix for future housing needs based on the conclusions about housing need from the housing needs analysis.
5. **Determine residential land sufficiency.** The HNA compared the needed acres of residential land with the inventory of residential land in each Plan Designation to determine whether there is enough land within the UGB to accommodate 20-years worth of growth.
6. **Comprehensive Plan Policies.** The housing element establishes policies intended to meet identified housing needs.

ORGANIZATION OF THE HOUSING ELEMENT

The remainder of the housing element is organized as follows:

- **Section II: Housing development trends and housing characteristics** describes housing activity within Junction City between 1999 and 2008. The analysis focuses on housing density and mix, tenure, household type and other key housing characteristics.
- **Section III: Housing Demand and Need** presents the housing needs analysis for Junction City.
- **Section IV: Residential Land Sufficiency** estimates the Junction City UGB's residential land sufficiency needed to accommodate expected growth over the planning period.

- **Section V: Housing Policy** establishes housing goals and policies for Junction City.

II. Housing Development Trends and Housing Characteristics

Analysis of historical development trends in Junction City provides insights into how the local housing market has function in the recent past. The housing type mix and density are also key variables in forecasting future land need. Because Junction City is under 25,000 population it is not required to conduct the density and mix analysis required under ORS 197.296.

Despite the fact that Junction City is exempt from this requirement, it is still instructive to review historical housing density and mix. The specific steps are described in Task 2 of the DLCD *Planning for Residential Development* Workbook:

1. Determine the time period for which the data must be gathered (this analysis uses building permit data for the 9-year period between January 2001 and December 2008, and data from the Census for other periods)
2. Identify types of housing to address (all needed housing types)
3. Evaluate permit/subdivision data to calculate the actual mix, average actual gross density, and average actual net density of all housing types

The analysis that follows is useful in evaluating the methodological options described in the previous section.

Housing density and mix

Table 1 shows changes in Junction City's housing mix from 1990 to 2005-2009, based on U.S. Census data.[3] Between 1990 and 2009, Junction City increased its housing stock by over 50%, adding 800 dwelling units. The mix of housing changed during this time. In 1990 about 66% of housing was single-family detached or manufactured housing, with 3% single-family attached and 21% in multifamily housing types. By 2005-2009, about 69% of housing was single-family detached or manufactured housing, with about 2% single-family attached and 20% in multifamily housing types.

The majority of new housing added over the 17-year period was single-family housing. The number of single-family detached units increased by 441 single-family units and 149 units of manufactured housing.

The share of multi-family housing types (e.g. structure with two or more units) increased by 196 units over the 1990 to 2009 period. The share of all housing that is multi-family increased 27% over the 17-year period. The share of attached single-family

[3] The 2005-09 data are from the American Community Survey (ACS). For small geographies such as Junction City, the ACS reports the aggregate results of several years worth of data. This aggregation is necessary to include enough sample points for the data to be statistically valid.

structures increased slightly, adding 14 more units, or 2% of all new units, to the market.

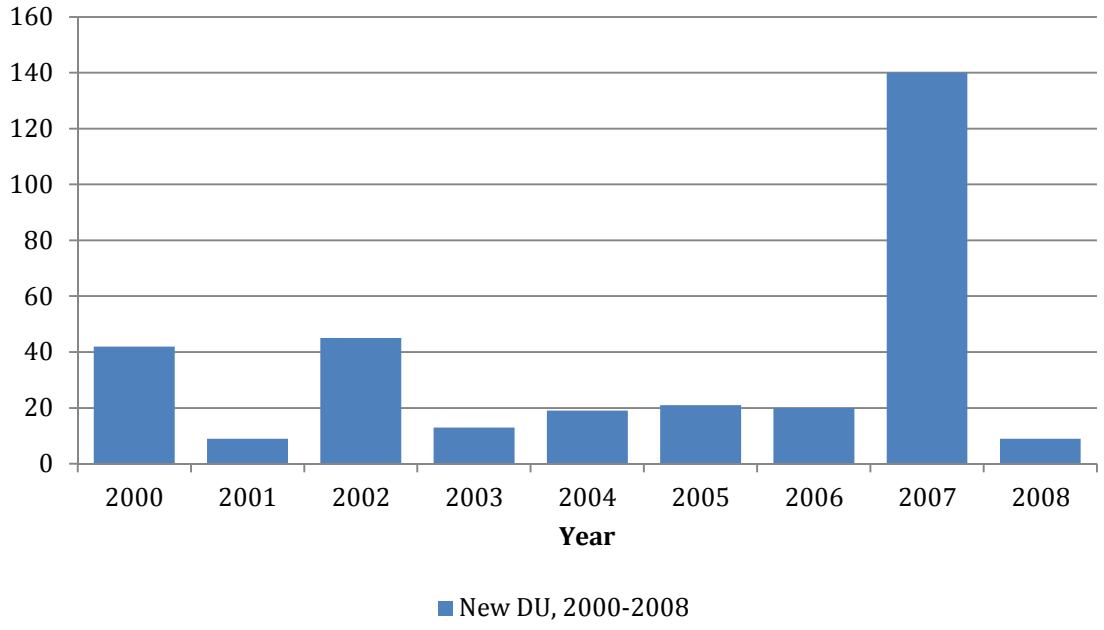
Table 1. Dwelling units by type, Junction City, 1990, 2000, and 2009

	1990		2000		2005-2009		Change 1990 to 2005-2009		
	Units	Percent	Units	Percent	Units	Percent	Units	% of total	% increase
Single-family detached	913	60%	1,096	56%	1,354	59%	441	55%	48%
Mobile/Manufactured	87	6%	182	9%	236	10%	149	19%	171%
Single-family attached	38	3%	45	2%	52	2%	14	2%	37%
Two to four units	199	13%	298	15%	382	17%	183	23%	92%
Five or more units	277	18%	348	18%	290	13%	13	2%	5%
Total	**1,514**	**100%**	**1,969**	**100%**	**2,314**	**100%**	**800**	**100%**	**53%**

Source: U.S. Census 1990 SF3 H020, U.S. Census 2000, SF3 H30, American Community Survey 2009 B25024
Note: The Census does not distinguish between manufactured homes in parks or on single lots.

Figure 1 shows permits issued for new residential construction in Junction City between January 2000 and December 2008. During this period, Junction City issued building permits for new residential construction that allowed 318 new dwelling units. Figure 1 shows that the number of dwelling units approved varies from year to year and peaked at about 140 in 2007 and averaged about 35 annually between 2000 and 2008.

Figure 1. Dwelling units approved through building permits issued for new residential construction, Junction City UGB, 2000-2008



Source: Junction City GIS, LCOG address file; analysis by ECONorthwest

Table 2 shows actual residential density (in dwelling units per net acre) observed in Junction City during the 2000-2008 analysis period. The results show that average density during the analysis period was 7.5 dwelling units per net acre. The results also show that densities vary from year-to-year.

Table 2. Actual residential density (DU/net acre) observed in all plan designations, Junction City UGB, 2000-2008

Year	Existing DU on Sites with New DU	New DU, 2000-2008	Total DU	Total Acres	Density (DU/Net Ac)
2000	64	42	106	18.8	5.6
2001		9	9	1.8	5.1
2002	56	45	101	17.3	5.9
2003	43	13	56	11.6	4.8
2004	49	19	68	5.4	12.6
2005		21	21	3.7	5.6
2006	5	20	25	2.6	9.8
2007	80	140	220	19.5	11.3
2008		9	9	1.1	7.9
Grand Total	**297**	**318**	**615**	**81.7**	**7.5**

Source: Junction City GIS, LCOG address file; analysis by ECONorthwest

Table 3 shows actual residential density and mix by housing type for the 2000-2008 period. With respect to housing mix, the results show that 77% of new dwellings were single-family housing types (including single-family attached, single-family detached, and manufactured homes in parks). Twenty-one percent of the new housing was apartments, and 2% was duplexes.

Table 3. Actual residential density (DU/net acre) observed by housing type, Junction City UGB, 2000-2008

	All Dwellings		New Dwellings		
Housing Type	Number of Dwellings	Percent of Dwellings	Number of Dwellings	Percent of Dwellings	Average Density (DU/Net Acre)
Single-Family Detached	222	36%	219	69%	5.9
Single-Family Attached	4	1%	4	1%	15.6
Duplex	9	1%	5	2%	13.5
Apartment	179	29%	67	21%	17.7
Mobile Home in Park	201	33%	23	7%	6.1
Total	**615**	**100%**	**318**	**100%**	**7.5**

Source: Junction City GIS, LCOG address file; analysis by ECONorthwest

Table 4 shows average residential densities achieved in residential plan designations and zoning districts. The results show:

- **Average.** The overall average density achieved in urban residential plan designations was 7.1 dwellings per net acre.[4]

[4] Table 4 excludes development in the Commercial Residential zone (9 new dwelling units over the 2000 to 2008 period) and RR5 (6 new dwelling units over the 2000 to 2008 period).

- **Low-Density.** The zoning district for the LDR designation is R1, with an average density of 6.0 dwelling units per acre.
- **Medium-Density.** The zoning district for the MDR designation is R2, with an average density of 7.3 dwelling units per acre.
- **High-Density.**[5] The zoning districts for the HDR designation is R3 and R4. Densities achieved in R3 averaged 20.1 dwelling units per net acre. The type of development in R4 was predominantly mobile homes in parks, with an average density in the zone of 5.5 dwelling units per net acre.

Table 4. Actual residential density (DU/net acre) observed in residential plan designations, Junction City UGB, 2000-2008

Plan Designation / Zoning District	Existing DU	New DU, 2000-2008	Total DU	Acres	Density (DU/NRA)
Low-Density Residential					
R1		182	182	30.5	6.0
Medium-Density Residential					
R2		26	26	3.5	7.3
High-Density Residential					
R3	80	61	141	7.0	20.1
R4	163	34	197	36.0	5.5
Total	**243**	**303**	**546**	**77.1**	**7.1**

Source: Junction City GIS, LCOG address file; analysis by ECONorthwest
Note: Junction City did not have an HDR Plan Designation during the 2000 to 2008 period. The City is creating an HDR Designation. Zoning districts R3 and R4 will be in the HDR Designation.

Tenure

Table 5 shows changes in Junction City's tenure for occupied units from 1990 to 2005-2009. Junction City had a 4% increase in homeownership over the nineteen-year period. About 58% of housing in Junction City was owner-occupied in 2005-2009, up from 54% in 2000.

Table 5. Change in tenure, occupied units, Junction City, 1990 and 2009

	1990		2005-2009		Change 1990 to 2005-2009	
	Number	Percent	Number	Percent	Number	Percent
Owner Occupied	800	54%	1,255	58%	455	57%
Renter Occupied	678	46%	915	42%	237	35%
Total	**1,478**	**100%**	**2,170**	**100%**	**692**	**47%**

Source: U.S. Census 1990 SF3 H008, American Community Survey 2009 B25003
Note: The number of dwelling units in Pendleton shown in Tables 2 and 3 differ because the tables show different information. Table 2 shows occupied units and Table 4 shows occupied units where housing type is known.

[5] While Junction City did not have an HDR Plan Designation during the 2000 to 2008 period, the City is creating an HDR Designation. Zoning districts R3 and R4 will be in the HDR Designation.

Household Size and Composition

Table 6 shows average household size by tenure in Junction City, Lane County, and Oregon in 2010. Junction City's average household size for all housing was 2.43 persons per household, with larger owner-occupied and smaller renter-occupied households. In general, Junction City's households were a little larger than Lane County's and smaller than the State average.

Table 6. Average Household Size, Oregon, Lane County, Junction City, 2010

	Oregon	Lane County	Junction City
Average household size	2.47	2.35	2.43
Owner-occupied units	2.53	2.42	2.51
Renter-occupied units	2.36	2.25	2.35

Source: U.S. Census Bureau, 2010, SF1

Table 7 shows household composition in Oregon, Lane County, and Junction City. In the 2005-2009 period, 33% of Junction City's households had children, compared with 25% of Lane County's households and 28% of Oregon's households. Junction City had a larger share of households with married couples (50%), with and without children, than the County (47%), and the same share as the State (50%). Junction City had a smaller share of non-family households (32%) than the County average (39%) or State average (36%).

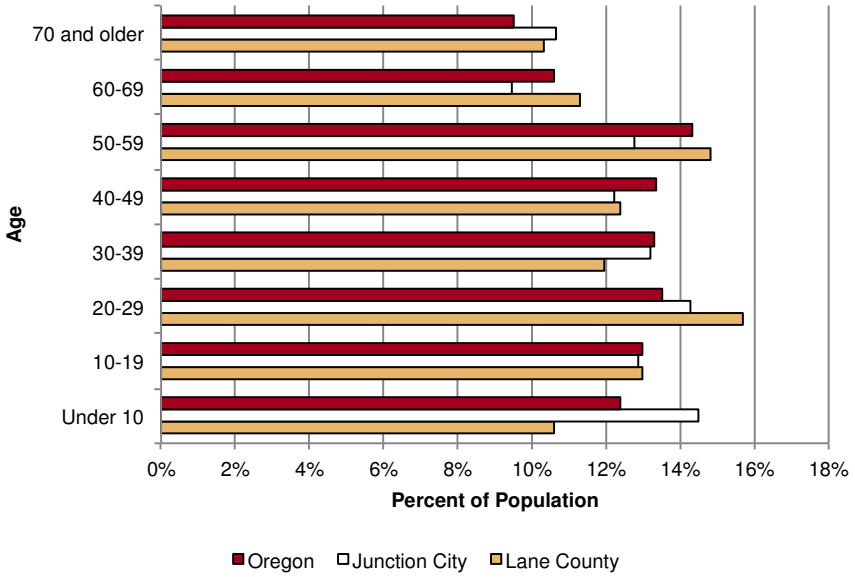
Table 7. Household composition, Oregon, Lane County, and Junction City, 2005-2009

	Oregon		Lane County		Junction City	
Household Type	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Households with children	**413,712**	**28%**	**35,070**	**25%**	**711**	**33%**
Married-couple family	290,855	20%	23,636	17%	456	21%
Female householder, no husband present	90,071	6%	8,062	6%	118	5%
Other families	32,786	2%	3,372	2%	137	6%
Households without children	**1,050,484**	**72%**	**104,523**	**75%**	**1,459**	**67%**
Married-couple family	440,699	30%	41,581	30%	619	29%
Other families	81,533	6%	7,806	6%	141	6%
Nonfamilies	528,252	36%	55,136	39%	699	32%
Total Households	**1,464,196**	**100%**	**139,593**	**100%**	**2,170**	**100%**
Average Household Size	**2.70**		**2.53**		**2.64**	

Source: American Community Survey 2005-2009 B25115

Figure 2 shows the population of Junction City in 2010 distributed by age group. Junction City has a similar age distribution to the County and the State, with a slightly higher percentage of people under age 10.

Figure 2. Population by age, Oregon, Lane County, Junction City, 2010

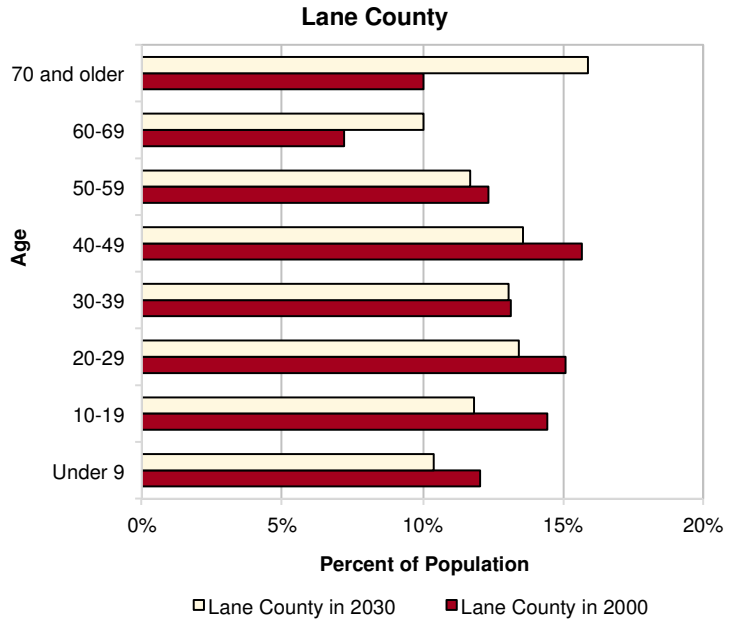


Source: US Census, 2010, SF1

Figure 3 shows the Office of Economic Analysis's (OEA) forecast of population by age group for 2000 to 2030 for Lane County. The OEA forecasts that Lane County will experience growth in all age groups. The share of population in people 60 years and older is forecast to increased from 17% of the population in 2000 to 26% of the population in 2030. The share of population 29 years and younger is forecast to decrease from 42% in 2000 to 36% in 2030.

While comparable data for Junction City does not exist, the implications are that the demographic changes of Junction City's population will be similar to those of Lane County. This suggests that Junction will have a greater proportion of its population aged 60 and over by 2030.

Figure 3. Change in population distribution by age, Lane County, 2000-2030



Source: Oregon Office of Economic Analysis. http://www.oregon.gov/DAS/OEA/docs/demographic/pop_by_ageandsex.xls

III. HOUSING NEEDS ANALYSIS

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

1. Project number of new housing units needed in the next 20 years.
2. Identify relevant national, state, and local demographic and economic trends and factors that may affect the 20-year projection of structure type mix.
3. Describe the demographic characteristics of the population and, if possible, housing trends that relate to demand for different types of housing.
4. Determine the types of housing that are likely to be affordable to the projected households based on household income.
5. Estimate the number of additional needed units by structure type.
6. Determine the needed density ranges for each plan designation and the average needed net density for all structure types.

This housing needs analysis presented in this section is structured based on these steps.

PROJECT THE NUMBER OF NEW HOUSING UNITS NEEDED IN THE NEXT 20 YEARS

Step 1 in the housing needs analysis is to project the number of *new* housing units needed during the planning period. This section describes the key assumptions and presents an estimate of new housing units needed in the Junction City UGB between 2011 and 2031. Trends that may affect these assumptions and the Junction City UGB housing need are described in Step 2 of the housing needs analysis.

Population forecast: 2011-2031

Estimating total new dwelling units needed during the planning period is a relatively straightforward process. Demand for new units is based on the county coordinated population forecast as required by ORS 195.036. Persons in group quarters are then subtracted from total persons to get total persons in households. Total persons in households is divided by persons per household to get occupied dwelling units. Occupied dwelling units are then inflated by a vacancy factor to arrive at total new dwelling units needed. Figure 4 shows the arithmetic.

Figure 4. Method for converting population into new dwelling units

Future population
- Current population

= population increase
- persons in group quarters

= persons in new dwelling units
÷ persons per dwelling unit

= occupied dwelling units
- demolitions
+ vacant dwelling units

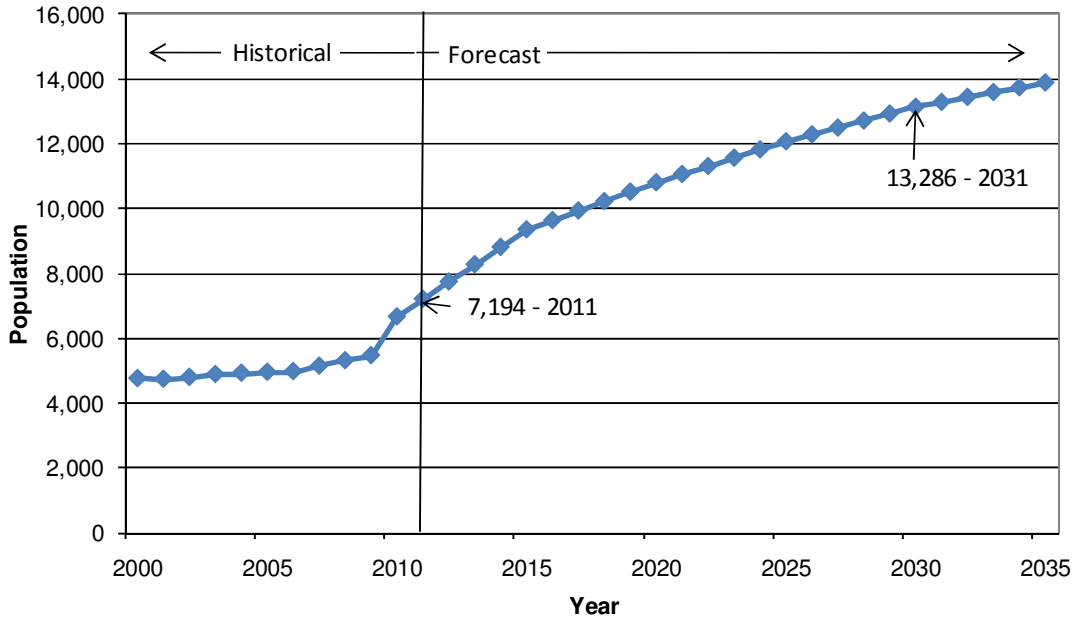
= Total needed dwelling units

The foundation of the estimate of needed new units is the population forecast. Lane County adopted "county coordinated" population forecasts in June 2009.[6] The county figures include a forecast for the Junction City UGB. That forecast includes assumptions about population residing in the state facilities (e.g., the prison and hospital) proposed to be built in the Junction City UGB.

Figure 5 shows historical population for Junction City for the period between 2000 and 2010 and forecast population for the 2010 through 2030 period.

[6] Lane County adopted the population in the *Lane County Rural Comprehensive Plan General Plan Policies 1984*, adopted June 2009.

Figure 5. Historical and forecast population, Junction City, 2000-2035



Source: Center for Population Research and Census, Portland State University (historic figures); Lane County Coordinated Population Forecasts

Note: Historical figures are for the city limits; forecast figures are for the UGB. PSU estimated Junction City's 2008 UGB population to be 6,375 persons.

Table 8 shows the population forecast for Junction City for the 2011-2031 period. The coordinated forecasts were prepared by the Population Research Center at Portland State University and were adopted by Lane County in June 2009. The adopted figures show a 2011 population of 7,194 persons and a 2031 population of 13,286. This results in a forecast for 6,092 new persons, or an increase of about 85% for the 20-year period. This results in an average annual growth rate of 3.1%.

Table 8. Junction City population forecast, 2011-2031

Year	Population	Change Number	Change AAGR
2011	7,194		
2016	9,634	488	6.0%
2021	11,053	284	2.8%
2026	12,281	246	2.1%
2031	13,286	201	1.6%
Change 2011-2031			
Number	6,092		
Percent	85%		
AAGR	3.1%		

Source: Lane County Adopted Coordinated Population
Lane County Rural Comprehensive Plan General Plan Policies 1984, adopted June 2009

A key consideration for Junction City is the proposed state correctional facility and hospital. The PSU forecasts assumed that these facilities would be built and addressed these in two ways: group quarter estimates and impacts from job creation. With respect to the second issue, the PSU report states:

> The jobs that the new group quarters facilities will create are assumed to increase the demand for new housing. The expansion of infrastructure will support the growth; planned housing development and additional employers will also contribute to higher growth than in the past. (page 33)

The PSU report also included estimates for group quarters population as part of the state correctional facility and hospital. The report states that the prison will house 1,800-2,000 people with construction in two phases (completion in 2012 - 550 inmates and 2014 - 1,260 inmates). The report concludes the state hospital capacity is 360 people with completion scheduled for 2015 (page 71).

In summary, the 2009 coordinated population figures include estimates of population that will be housed in the proposed state correctional facility and hospital. As such, these figures should be deducted from the portion of the population that will have housing and related land needs (the state already owns sites in the UGB for the facilities).

Persons in Group Quarters

According to the 2010 Census, 75 persons in Junction City were housed in group quarters. This equates to about 1.4% of the city's 2010 population. Applying this figure results in a 2011 estimate of 100 persons in group quarters and 2031 group quarters population of 186 persons. ECO used a 2031 prison population of 1,900 (the mid-point

between the 1,800 and 2,000 figures presented in the PSU report) and a 2031 hospital population of 360 persons.

Table 9 shows that added together, this results in a 2031 group quarters population of 2,646 persons. Subtracting the estimated 100 persons in group quarters in 2011 results in **2,446 new persons in group quarters during the 2011-2031 period**.

Table 9. Estimated population in group quarters, 2011-2031

Variable	Value
Population 2031	13,286
Base GQ % (from 2010)	1.4%
Base GQ in 2031	186
Prison population in 2031	1,900
Hospital population in 2031	360
New GQ 2011-2031	2,446

Source: Center for Population Research and Census, Portland State University (historic figures); Lane County Coordinated Population Forecasts; 2000 Census; analysis by ECONorthwest

Note: the estimated prison population is 2031 is the mid-point between the 1800 and 2000 figures (1900 persons) presented in the PSU report.

Household Size

OAR 660-024 established a safe harbor assumption for average household size—which is the figure from the most recent Census.[7] According to the U.S. Census, the average household size in 2000 was 2.51 persons per households. The average persons per household in 2010 was 2.43 persons per household in Junction City.

The housing needs analysis assumes that Junction City will have an average household size of 2.43 persons per household for the 2011 to 2031 period.

Vacancy Rate

Vacant units are the final variable in the basic housing need model. Vacancy rates are cyclical and represent the lag between demand and the market's response to demand in additional dwelling units. Vacancy rates for rental and multiple family units are typically higher than those for owner-occupied and single-family dwelling units.

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

The overall vacancy rate in Junction City in 2010 was 6.0%. **The housing needs analysis assumes a 6.0% average vacancy rate in Junction City for the 2011 to 2031 period.**

FORECAST OF NEEDED NEW HOUSING UNITS, 2011-2031

The preceding analysis leads to a forecast of needed new housing units in the Junction City UGB during the 2011 to 2031 period (Table 10). The projection is based on the following assumptions about the Junction City UGB:

- Total population will increase by 6,092 people from 2011 to 2031; population in occupied households will increase by 3,646 persons.
- About 40% percent of the new population in the Junction City UGB, or 2,446 people, will locate in group quarters. The majority of these new people will reside in the state facilities.
- The average household size within the UGB will be 2.43 people per household, based on information from the 2010 Census, a "safe harbor" assumption established in OAR 660-024-0040(7)(a).
- Vacancy rates for all housing types within the UGB will be 6.0% based on the 2010 Census.

Table 10 shows the preliminary estimate of new housing units needed in the Junction City UGB for the 2011-2031 period, resulting in an need for 1,590 dwellings. This equates to an average of 80 dwelling units annually over the 20-year period.[8]

Table 10. New dwelling units needed, Junction City UGB, 2011-2031

Variable	Estimate of Housing Units (2011-2031)
Change in persons	6,092
minus Change in persons in group quarters	2,446
equals Persons in households	3,646
Average household size	2.43
New occupied DU	1,500
times Aggregate vacancy rate	6.0%
equals Vacant dwelling units	90
equals **Total new dwelling units (2011-2031)**	**1,590**
Dwelling units needed annually	80

Source: Calculations by ECONorthwest

[8] This figure is presented as a reference to provide context for the rate of new housing production. The actual figures will vary from year to year as they have in the past.

Identify Relevant National, State, and Local Demographic and Economic Trends and Factors that May Affect the 20-Year Projection of Structure Type Mix

Demographic and housing trends are important to a thorough understanding of the dynamics of the Junction City housing market. Junction City exists in a regional economy; trends in the region impact the local housing market. This section documents national, state, and regional demographic and housing trends relevant to Junction City and the southern Willamette Valley.

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

National Housing Trends Summary

The overview of national, state, and local housing trends builds from previous work by ECO and conclusions from The *State of the Nation's Housing, 2010* report from the Joint Center for Housing Studies of Harvard University. The Harvard report summarizes the national housing outlook for the next decade as follows:

> "Even as the worst housing market correction in more than 60 years appeared to turn a corner in 2009, the fallout from sharply lower home prices and high unemployment continued. By year's end, about one in seven homeowners owed more on their mortgages than their homes were worth, seriously delinquent loans were at record highs, and foreclosures exceeded two million. Meanwhile, the share of households spending more than half their incomes on housing was poised to reach new heights as incomes slid. The strength of job growth is now key to how quickly loan distress subsides and how fully housing markets recover."

The national housing market continues to suffer from high loan delinquencies and high foreclosure rates. The eventual recovery of the national housing market is dependent on near-term resolution of outstanding foreclosures and long-term job growth and expansion of the economy. Some national housing experts expect recovery of the housing market to take three to five years (from 2010). During that period, experts are projecting little growth in single-family housing types and slow growth in multifamily housing types.[9]

[9] Urban Land Institute, "2011 Emerging Trends in Real Estate"

National housing market trends include:[10]

- **Continuation of housing market depression.** The last three years saw a continuation of the significant departure from the recent housing boom that had lasted for 13 consecutive years (1992-2005). By 2007 and early 2008, housing market problems had reached the rest of the economy, resulting in a nationwide economic slowdown and recession. Since 2008, the housing market has declined, with an over-supply of housing stock, decreases in housing prices, and increases in foreclosures.
- **Oversupply of housing.** From 2000 to 2005 housing starts and manufactured home placements appeared to have been roughly in line with household demand. In 2005, with demand for homes falling but construction coming off record levels, the surplus of both new and existing homes was much higher than in recent years. Between July 2006 and January 2009, the number of new homes for sale fell by 41% and demand dropped even faster and the supply of new homes for sale reached 12.4 months, the highest in U.S. history. This resulted in a strong buyer's market, leaving many homes lingering on the market and forcing many sellers to accept prices lower than what they were expecting. The Joint Center for Housing Studies predicts the oversupply will eventually balance as housing starts continue to fall, lower prices motivate unforeseen buyers, and the rest of the economy begins to recover.
- **Declines in homeownership.** After 13 successive years of increases, the national homeownership rate slipped in each year from 2005 to 2009 and is currently 67.4%, although the number of homeowners grew from in 2009 for the first time since 2006. The Urban Land Institute projects that homeownership will decline to around the low sixty percent range.
- **Increases in foreclosures.** The number of delinquent loans or home foreclosures continues to increase. The share of severely delinquent loans ranged from 5.1% of prime fixed-rate mortgages to 42.5% of subprime adjustable rate mortgages in the first quarter of 2010. Between early 2007 and the first quarter of 2010, 6.1 million foreclosure notices were issued on first-lien loans. In early 2010, the number of loans in the foreclosure process was 2.1 million, which was nearly four times the number of foreclosures in process three years earlier.
- **Decreases in housing prices.** Since 2008, foreclosures have contributed to a sharp decrease in housing prices, leaving nearly 5 million homeowners "under water" on their mortgages (where the value of the house is less than

[10] These trends are based on information from: (1) The Joint Center for Housing Studies of Harvard University's publication "the State of the Nation's Housing 2010," (2) Urban Land Institute, "2011 Emerging Trends in Real Estate," and (3) the U.S. Census.

the owner's mortgage). Home prices will have to increase by about 25% before these homes are worth as much as the amount owed on the mortgage.

- **Growth in rentals.** The supply of rental units continues to grow, with an addition of 3 million rental households from 2005 to 2009. The rental vacancy rate increased from 9.6% in 2007 to 10.5% in 2009, in part because some homeowners choose to rent a house they are unable to sell, rather than leaving it vacant or lowering the sales price.
- **Housing affordability.** In 2009, more than one-third of American households spent more than 30% of income on housing, and 16% spent upwards of 50%. The number of severely cost-burdened households (spending more than 50% of income on housing) increased by 7.4 million households from 2000 to 2008, to a total of nearly 18 million households in 2008. Nearly 40% of low-income households with one or more full-time workers are severely cost burdened, and nearly 60% of low-income households with one part-time worker are severely cost burdened.

  According to the Joint Center for Housing Studies, these statistics understate the true magnitude of the affordability problem because they do not capture the tradeoffs people make to hold down their housing costs. For example, these figures exclude the 2.5 million households that live in crowded or structurally inadequate housing units. They also exclude the growing number of households that move to locations distant from work where they can afford to pay for housing, but must spend more for transportation to work.
- **Changes in housing characteristics.** National trends show that the size of single-family and multi-family units and the number of household amenities (e.g., fireplace or two or more bathrooms) increased since the early 1990s. Between 2007 and 2009 the trend towards larger units with more amenities declined, with a decrease in unit size and a decline in the share of units with additional amenities. It is unclear whether this short-term trend represents a fundamental change in the housing market or a reaction to the current housing market.

- **Long-term growth and housing demand.** The Joint Center for Housing Studies indicates that demand for new homes could total as many as 17 million units nationally between 2010 and 2020. Much of the demand will come from baby boomers, echo boomers, and immigrants.
- **Changes in housing preference.** Housing preference will be affected by changes in demographics, most notably the aging of the baby boomers, housing demand from the echo-boomers, and growth foreign-born immigrants. Baby boomers housing choices will affect housing preference and homeownership, with some boomers likely to stay in their home as long

as they are able and some preferring other housing products, such as multifamily housing or age-restricted housing developments.

In the near-term, echo-boomers and new immigrants may increase demand for rental units. The long-term housing preference of echo-boomers and new immigrants is uncertain. They may have different housing preferences as a result of the current housing market turmoil and may prefer smaller owner-occupied units or rental units. On the other hand, their housing preferences may be similar the baby-boomers, with a preference for larger units with more amenities.

State Demographic Trends

Oregon's *2011-2015 Consolidated Plan* includes a detailed housing needs analysis as well as strategies for addressing housing needs statewide.[11] The plan concludes that "Oregon's changing population demographics are having a significant impact on its housing market." It identified the following population and demographic trends that influence housing need statewide. Oregon is:

- Growing more slowly than the national average since 2007
- Facing housing cost increases but higher unemployment and lower wages, when compared to the nation
- Having higher foreclosure rates since 2005, compared with the previous two decades
- Losing federal subsidies on about 8% of federally subsidized Section 8 housing units
- Losing housing value in some markets within Oregon
- Losing manufactured housing parks, with a 25% decrease in the number of manufactured home parks between 2003 and 2010
- Increasingly older, more diverse, and, less affluent households[12]

Local and Regional Trends in Demographics and Housing Affordability

Income

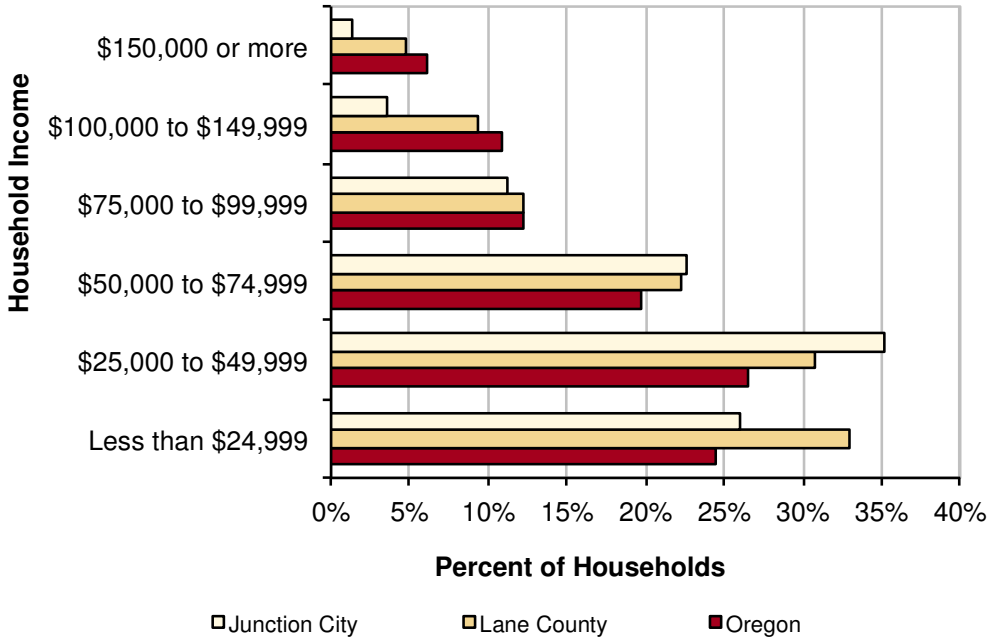
This section summarizes regional and local income and housing cost trends. Income is one of the key determinants in housing choice and households' ability to afford housing. A review of historical income and housing price trends provides insights into the local and regional housing markets.

[11] http://www.ohcs.oregon.gov/OHCS/HRS_Consolidated_Plan_5yearplan.shtml

[12] State of Oregon *Consolidated Plan 2011 to 2015*

According to Census data, Junction City's median household income over the 2005-2009 period was $38,662, compared with $42,852 for Lane County. Figure 6 shows the distribution of household income in Oregon, Lane County, and Junction City for the 2005-2009 period. Junction City and Lane County generally had a larger share of households with income of $50,000 or less (61% and 64% respectively) compared with the State average (51%). Junction City had a smaller share of households with income over $100,000 than the State (5% and 17%).

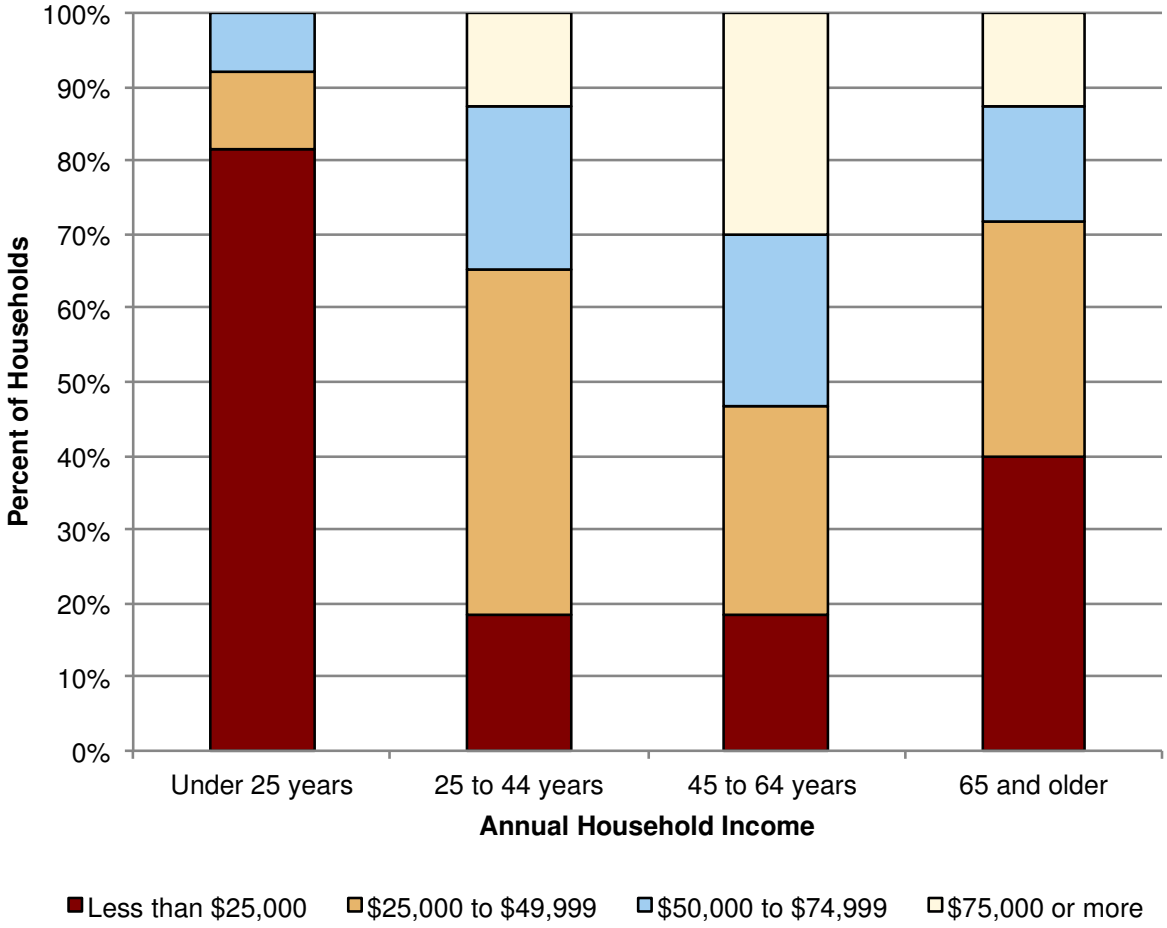
Figure 6. Household Income, Oregon, Lane County, and Junction City, 2005-2009



Source: American Community Survey, 2005-2009; Table B19001

Figure 7 shows income by age group for the period 2006 through 2010. Households under 25 years old have the lowest income (more than 80% have income of $25,000 or less per year). Income increases with age and peaks at ages 45 and 64, with nearly 30% of those households earning an annual income of $75,000 or more. This data is consistent with County and State data.

Figure 7. Household Income by Age Group, Junction City, 2006-2010



Source: American Community Survey, 2006-2010; Table B19037

A typical standard used to determine housing affordability is that a household should pay no more than a certain percentage of household income for housing, including payments and interest or rent, utilities, and insurance. HUD guidelines indicate that households paying more than 30% of their income on housing experience "cost burden" and households paying more than 50% of their income on housing experience "severe cost burden." Using cost burden as an indicator is consistent with the Goal 10 requirement of providing housing that is affordable to all households in a community.

According to the U.S. Census, about 55,000 households in Lane County—over 40%—paid more than 30% of their income for housing expenses in the 2005-2009 period. Table 11 shows housing costs as a percent of income by tenure for Junction City households during the 2005-2009 period. The data show that about 37% of Junction City households experienced cost burden during the 2005-2009 period. The rate was much higher for renters (44%) than for homeowners (33%).

Table 11. Housing cost as a percentage of household income, Junction City, 2005-2009

	Owners		Renters		Total	
Percent of Income	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Less than 20%	547	44%	194	23%	741	35%
20% - 24%	120	10%	195	23%	315	15%
25% - 29%	177	14%	95	11%	272	13%
30% - 34%	94	7%	90	10%	184	9%
35% or more	317	25%	284	33%	601	28%
Total	1,255	100%	858	100%	2,113	100%
Cost Burden	**411**	**33%**	**374**	**44%**	**785**	**37%**

Source: American Community Survey 2005-2009 B25070 B25091

In comparison, 41% of Lane County's households were cost burdened during the 2005-2009 period, with 55% of renter households cost burdened and 32% of owner households cost burdened. The State average of cost burden was 39%, with 50% of renter households cost burdened and 33% of owner households cost burdened.

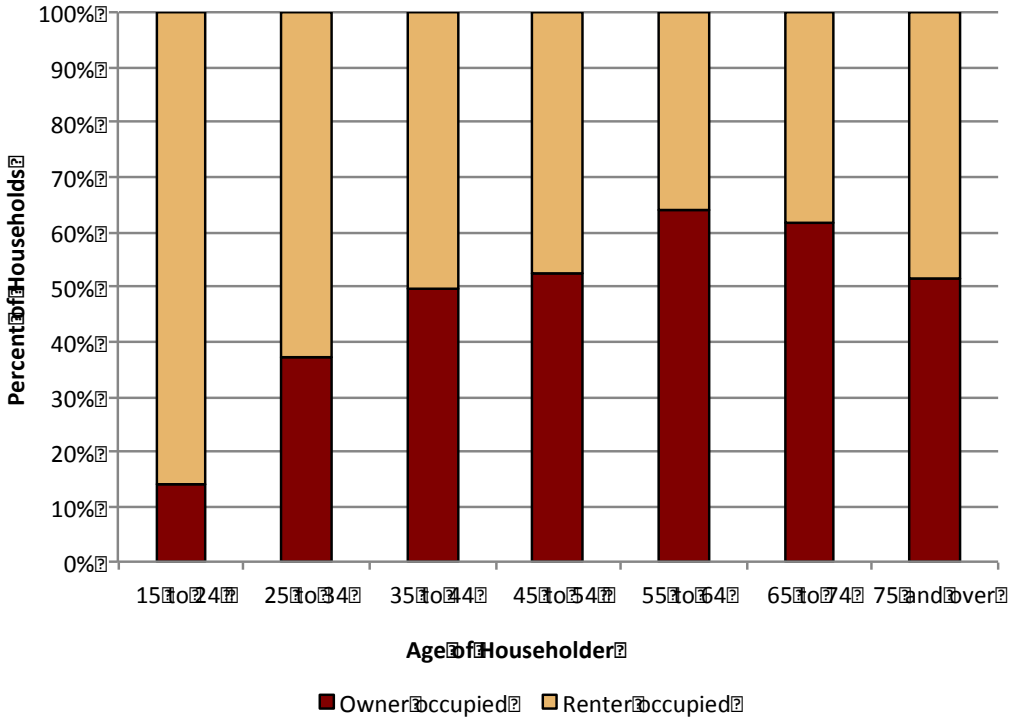
While cost burden is a common measure of housing affordability, it does have some limitations. Two important limitations are:

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

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

Figure 8 shows tenure by age of householder. Homeownership becomes more common as age increases. Homeownership peaks for householders aged 55 to 74 years, with more than 60% of households in this category living in owner-occupied dwellings.

Figure 8. Age of householder by tenure, 2010



Source: U.S. Census Bureau, 2010

Housing Value

Table 12 shows change in median housing value in Lane County and Junction City for the 1990 to 2000 period and 2000 to 2005-2009 period. Housing prices more than doubled between 1990 and 2000 in Junction City from $52,300 in 1990 to $114,000 in 2000, increasing by $61,700 or 118%. Lane County's housing prices increased by over $70,000, or 108%, over the same ten-year period.

Between 2000 and the 2005-2009 period, Junction City's housing prices rose from $114,000 in 2000 to nearly $180,000 during the 2005-2009 period, increasing by just under $66,000 or 58%. Lane County's housing prices increased by almost $85,000 or 62% over the same period.

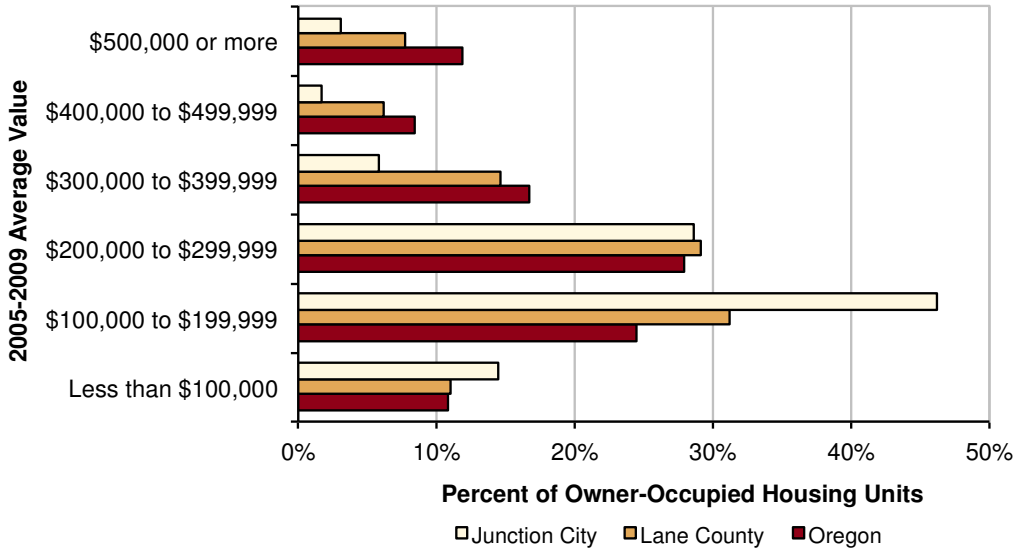
Table 12. Median housing value, owner-occupied housing units, Lane County and Junction City, 1990 to 2005-2009

Year	Lane County	Junction City
1990	$65,500	$52,300
2000	$136,000	$114,000
2005-2009	$220,800	$179,900
Change 1990 to 2005-2009		
Amount	$70,500	$61,700
Percent	108%	118%
Change 2000 to 2005-2009		
Amount	$84,800	$65,900
Percent	62%	58%

Source: U.S. Census 1990 H061A, U.S. Census 2000 SF3 H85, U.S. Census American Community Survey 2005-2009 B25077

Figure 9 shows a comparison of housing value for owner-occupied housing units in Oregon, Lane County, and Junction City for the 2005-2009 period. Junction City had a smaller share of housing valued between $200,000 and $400,000 (34%), compared to the State (45%) and County (44%). Junction City had a larger share of housing valued less than $200,000 (61%) than the State (35%) or County (42%). Junction City had a smaller share of housing valued more than $400,000 (5%) than the State (20%) or County (14%).

Figure 9. Housing value, owner-occupied housing units, Oregon, Lane County, and Junction City, 2005-2009



Source: American Community Survey, 2005-2009; Table B25075

Housing Rental Cost

Table 13 shows the median contract rent for Lane County cities. Median contract rent in Junction City was $541 during the 2005-2009 period. The highest median contract rents from the 2005-2009 Community Survey were in Veneta and Eugene. The lowest median contract rents were in Westfir and Oakridge.

Table 13. Median contract rent, Lane County cities, 2005-2009

Location	Rent
Westfir	$421
Oakridge	$444
Junction City	**$541**
Creswell	$547
Coburg	$548
Lowell	$575
Cottage Grove	$603
Springfield	$610
Florence	$620
Dunes City	$656
Eugene	$679
Veneta	$747

Source: U.S. American Community Survey 2005-2009 B25058

Table 14 shows median contract rent for Lane County and Junction City in 1990, 2000 and the 2005-2009 period. Rent increased from 2000 to 2005-2009 by $50 (10%) in Junction City, and 108 (20%) in Lane County.

Table 14. Median contract rent, Lane County and Junction City, 1990 to 2005-2009

	Lane County	Junction City
1990*	$418	$370
2000	$542	$491
2005-2009	$650	$541
Change 2000 to 2005-2009		
Amount	$108	$50
Percent	20%	10%

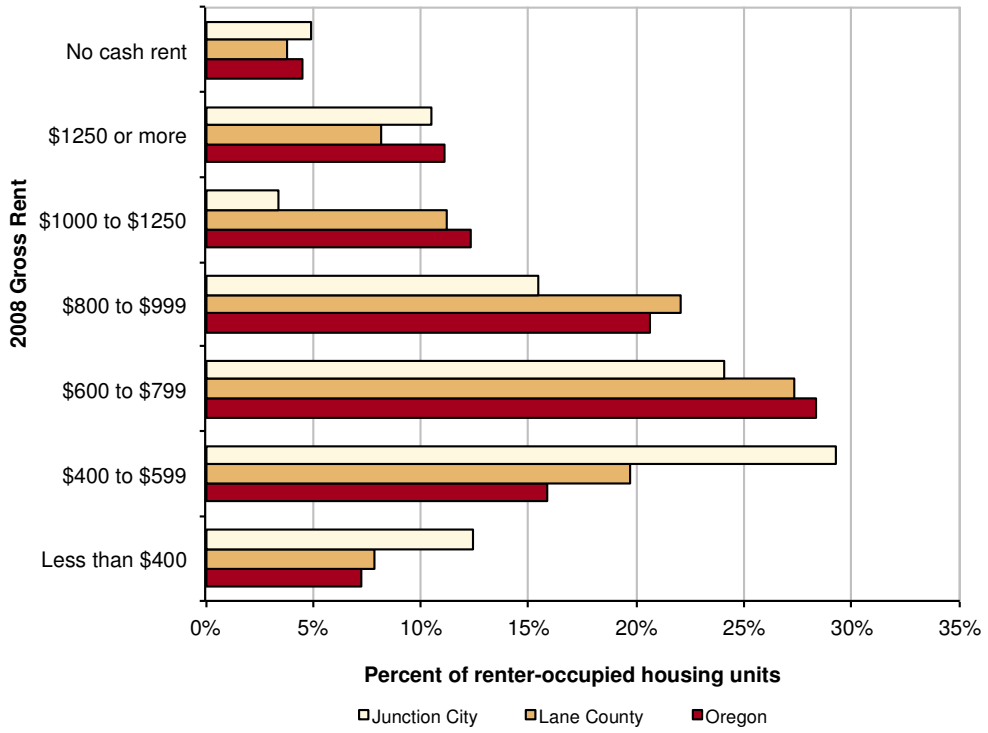
Source: U.S. Census 2000 SF3 H56, U.S. Census 1990 H032B American Community Survey 2005-2009 B25058

* Note: 1990 is median GROSS rent, not contract rent.

Figure 10 shows a comparison of gross rent for renter-occupied housing units in Oregon, Lane County, and Junction City in the 2005-2009 period. Junction City had a larger share of rental units costing less than $600 per month (42%) than the State average (23%) and the County average (28%). Junction City had a smaller share of rental

units costing between $800 and $1,250 per month (19%) than the County average (33%) or the State average (33%).

Figure 10. Gross rent, renter-occupied housing units, Oregon, Lane County, and Junction City, 2005-2009



Source: American Community Survey, 2005-2009; Table B25063

Table 15 shows a rough estimate of affordable housing cost and units by income levels for Junction City in 2009. Several points should be kept in mind when interpreting this data:

- Because all of the affordability guidelines are based on median family income, they provide a rough estimate of financial need and may mask other barriers to affordable housing such as move-in costs, competition for housing from higher income households, and availability of suitable units. They also ignore other important factors such as accumulated assets, purchasing housing as an investment, and the effect of down payments and interest rates on housing affordability.

- Households compete for housing in the marketplace. In other words, affordable housing units are not necessarily *available* to low income households. For example, if an area has a total of 50 dwelling units that are affordable to households earning 30% of median family income, 50% of those units may already be occupied by households that earn more than 30% of median family income.

The data in Table 15 indicate that in 2009:

- About 15% of Junction City's households could not afford a studio apartment according to HUD's estimate of $500 as fair market rent;
- Households that are unable to afford housing, such those with income of less than $15,000 who cannot afford HUD's estimate of fair market rent for a studio apartment,
- More than 30% of Junction City's households could not afford a two-bedroom apartment at HUD's fair market rent level of $768;
- A household earning median family income ($57,200) could afford a home valued up to about $143,000.

Table 15. Rough estimate of housing affordability, Junction City, 2009

Income Level	Number of HH	Percent	Affordable Monthly Housing Cost	Crude Estimate of Affordable Purchase Owner-Occupied Unit	Est. Number of Owner Units	Est. Number of Renter Units	Surplus (Deficit)	HUD Fair Market Rent (FMR) in 2009
Less than $10,000	144	7%	$0 to $250	$0 to $25,000	93	52	1	
$10,000 to $14,999	165	8%	$250 to $375	$25,000 to $37,000	6	64	(95)	
								Studio: $500
$15,000 to $24,999	255	12%	$375 to $625	$37,500 to $62,500	51	358	154	1 bdrm: $607
$25,000 to $34,999	425	20%	$625 to $875	$62,500 to $87,500	22	192	(210)	2 bdrm: $768
								3 bdrm: $1,074
$35,000 to $49,999	340	16%	$875 to $1,250	$87,500 to $125,000	116	124	(100)	4 bdrm: $1,196
$50,000 to $74,999	489	23%	$1,250 to $1,875	$125,000 to $187,500	404	72	(13)	
Lane County MFI: $57,200			$1,430	$143,000				
$75,000 to $99,999	245	11%	$1,875 to $2,450	$187,500 to $245,000	289	26	70	
$100,000 to $149,999	76	4%	$2,450 to $3,750	$245,000 to $375,000	218	0	142	
$150,000 or more	31	1%	More than $3,750	More than $375,000	81	0	50	
Total	2,170	100%			1,282	888	0	

Source: 2005-2009 Census American Community 5-year estimates,
HUD Section 8 Income Limits, HUD Fair Market Rent. Based on Oregon Housing & Community Services. Housing Strategies Workbook*: Your Guide to Local Affordable Housing Initiatives*, *1993*.
Notes: FMR-Fair market rent

Summary of key housing affordability trends

Junction City's housing density and mix changed considerable between 1990 and 2009.

- Between 1990 and 2009, Junction City increased its housing stock by over 50%, adding 800 dwelling units.
- The mix of housing changed considerably during between 1990 and 2009. The number of single-family detached units (e.g., single-family houses and manufactured homes) increased by 220% over the 17-year period, with 590 single-family units built. One quarter of the new single-family homes built were mobile or manufactured homes.
- Between 2000 and 2008, the average density of new residential development was 7.5 dwelling units per net acre. The highest densities were achieved in the Commercial/Residential designation (15.1 dwelling units per net acre). The Low-Density Residential plan designation averaged 6.0 dwellings per net acre, while

the Medium-Density Residential plan designation averaged 8.6 dwellings per net acre.

Junction City's housing costs increased between 1990 and 2009.

- Junction City's median housing value increased almost 60% between 2000 and the 2005-2009 period. Lane County's housing prices increased by 62% over the same period.
- Junction City has a larger share of households earning $50,000 or less and a smaller share earning $100,000 or more than the State and County.
- About 37% of Junction City's households were cost-burdened, with 44% of renters and 33% of owners cost-burdened.

However, Junction City maintains affordable housing options for Lane County.

- Rents increased at a slower pace than housing prices, increasing by 10% ($50) between 2000 and the 2005-2009 period.
- Junction City had a larger share of housing valued under $200,000 than the State, and a smaller share of housing valued more than $400,00 for the 2005-2009 period.
- Junction City has the third lowest median rent of cities in Lane County.

ESTIMATE OF ADDITIONAL UNITS NEEDED BY STRUCTURE TYPE

Step four of the housing needs analysis as described in the DLCD Workbook is to develop an estimate of need for housing by income and housing type. This requires some estimate of the income distribution of future households in the community. The estimates presented in this section are based on (1) secondary data from the Census, and (2) analysis by ECONorthwest.

Table 16 shows that Junction City needs 1,590 new dwelling units for the 2011-2031 period. The first step in estimating units by structure type is to evaluate income as it relates to housing affordability. Table 16 shows an estimate of needed dwelling units by income level for the 2011-2031 period. The analysis uses market segments consistent with HUD income level categories. The analysis shows that about 43% of households in Junction City could be considered high or upper-middle income in 2009 and that about 43% of the housing need will derive from households in these categories.

Table 16. Estimate of needed dwelling units by income level, Junction City, 2011-2031

Market Segment by Income	Income range	Number of New Households	Percent of Households	Financially Attainable Products: Owner-occupied	Financially Attainable Products: Renter-occupied	
High (120% or more of MFI)	$68,640 or more	347	22%	All housing types; higher prices	All housing types; higher prices	↑
Upper Middle (80%-120% of MFI)	$45,760 to $68,640	336	21%	All housing types; lower values	All housing types; lower values	Primarily New Housing
Lower Middle (50%-80% of MFI	$28,600 to $45,760	400	25%	Manufactured on lots; single-family attached; duplexes	Single-family attached; detached; manufactured on lots; apartments	Primarily Used Housing
Low (30%-50% or less of MFI)	$17,160 to $28,600	243	15%	Manufactured in parks	Apartments; manufactured in parks; duplexes	↓
Very Low (Less than 30% of MFI)	Less than $17,160	264	17%	None	Apartments; new and used government assisted housing	

Source: ECONorthwest

DESCRIBE THE DEMOGRAPHIC CHARACTERISTICS OF THE POPULATION AND, IF POSSIBLE, HOUSING TRENDS THAT RELATE TO DEMAND FOR DIFFERENT TYPES OF HOUSING

The purpose of the analysis thus far has been to give some background on the kinds of factors that influence housing choice, and in doing, to convey why the number and interrelationships among those factors ensure that generalizations about housing choice are difficult and prone to inaccuracies.

In the context of housing markets, what one observes when looking at past and current housing conditions is *the intersection of the forces of housing supply and demand at a price of housing.* Analysts typically focus a description of housing demand on the characteristics of households that create or are correlated with *preferences* for different types of housing, and *the ability to pay* (the ability to exercise those preferences in a housing market by purchasing or renting housing; in other words, income or wealth).

One way to forecast housing demand is with detailed analysis of demographic and socioeconomic variables. If one could do the measurement fine enough, one might find that every household has a unique set of preferences for housing. But no city-wide housing analysis can expect to build from the preferences of individual households.[13] Most housing market analyses that get to this level of detail try to describe *categories* of

[13] Not only could one not measure the preferences of all existing households (now and in the future); one could not know what specific households would be migrating to the region.

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. [14]

- **Age of householder** is the age of the person identified (in the Census) as the head of household. Households make different housing choices at different stages of life. 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 of household** is the number of people living in the household. 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** is the household 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

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

M. Dieleman. *Households and Housing*. New Brunswick, NJ: Center for Urban Policy Research. 1996.

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AARP. *Home and Community Preferences of the 45+ Population*. 2010.

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

U.S. Interim Projections by Age, Sex, Race, and Hispanic Origin: 2000 to 2050. Bureau of the Census.

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

U.S. Census data for 1990, 2000, and American Community Survey data.

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.

Trends affecting housing mix

The previous section described the three household characteristics that are most closely correlated with household choice. This section describes the demographic and socioeconomic trends in Junction City and Lane County related to these characteristics by describing the characteristics of households currently in Junction City. The majority of Junction City's population growth, however, is expected to be the result of in-migration.[15] It is difficult (if not impossible) to accurately project the characteristics of households that may move to Junction City over the next 20 years, beyond the projections for changes in population by age group. To some degree, projecting future housing preference relies on estimating the ways that the characteristics of new households in Junction City will be different and make different housing choices than existing households.

The national demographic trends that will affect housing demand across the U.S., as well as Oregon and Junction City are:

- **Aging of the baby boomers.** By 2029, the youngest baby boomers will be 65 years old. By 2030, people 65 years and older are projected to account for about 20% of the U.S. population, up from about 12% of the population in 2000. The State forecast that people over 65 years will grow from 13% of Lane County's population in 2000, to 21% in 2030, an addition of nearly 47,000 people over age 65.
- **Growth in echo boomers.** Echo boomers are a large group of people born from the late 1970s to early 2000s, with the largest concentration born between 1982 and 1995. By 2030, echo boomers will all be older than 25 years old, with the majority between the ages of 35 to 48 years old. The echo boomers will form households and enter their prime earnings years during the 20-year planning period.
- **Growth of immigrants.** One of the fastest growing groups in the U.S. will be immigrants, with Hispanics the fastest growing groups. By 2030, Hispanics are projected account for about 20% of the U.S. population, an increase from about 13% of the U.S. population in 2000.
- **Increase in diversity.** One of the fastest growing ethnic groups in the U.S. are Hispanics and Latinos. By 2030, Hispanics and Latinos are projected account for

[15] The Portland State University Population Research Center's annual estimate of population shows that 74% of Lane County's population growth between 2000 and 2010 is the result of in-migration. We assume that in-migration will continue to account for the majority of growth in Lane County over the planning period.

about 20% of the U.S. population, an increase from about 13% of the U.S. population in 2000. Growth in Hispanics and Latinos will be the result of natural increase (more births than deaths) and immigration from other countries.

- **Change in household composition.** The composition of households is changing, in part as a result of the aging of the population, growth of immigrants, and increase in diversity. Traditional household composition (e.g., households with children and married couples) are becoming less common and non-traditional household composition (e.g., single-family households and non-family households) are becoming more common.
- **New workers at state facilities.** The State is planning to develop a State Hospital and Prison in Junction City, with up to 1,800 employees at the two facilities. The expected average wage for Prison employees would be $29,000.[16]

Table 17 summarizes the affect of demographic and socioeconomic trends on Junction City's housing need.

[16] Based on information from: the Oregon Department of Corrections "Community Impact Study for Junction City and the Southern Willamette Valley" and estimates of employment in the Junction City "Commercial and Industrial Buildable Lands Inventory and Economic Opportunities Analysis."

Table 17. Demographic trends and their affect on housing demand in Junction City and Lane County

		Affect of trends on household choice			
	Demographic trends	**Age of household head**	**Household size and composition**	**Household income**	**Potential Affect on Housing Demand**

Baby boomers
Age in 2010
46 to 65 years old
Age in 2030
66 to 85 years old
	Baby boomers are a fastest growing segment of Lane County's population.
	• People over 60 years are forecasted to grow from 17% of Lane County's population in 2000 to 26% in 2030.
	• Growth in people over 65 years old in Lane County will result in growth of over additional 47,000 people in this age group, or 44% of total population growth over the 2000 to 2030 period.
		Junction City's older householders are more likely to be homeowners.
		• Homeownership peaks for householders age 55 to 64 (at 64%) and declines by 3% within the 65 to 74 age group. More than half of householders 45 and older in Junction City are homeowners.
		• Homeownership begins to decrease substantially for households over 75 years old. About 52% of householders over 75 in Junction City are homeowners.
		• Homeownership declines after age 65. Just over half of people 65 years and over own a single-family house (either detached or attached) compared to 60% for ages 35 to 64. About 63% of people over 65 years live in a single-family house.
		• About 28% of people over 65 live in a multifamily unit.
		• A majority of people over 45 years old express an interest in remaining in their home or in their community as long as possible.[17]
			Household size decreases after age 55 in Junction City.
			• About 68% of households 55 to 74 have two or more persons.
			• About 49% of households 75 years and older have two or more persons.
			• Nearly 40% of households 45 years and older are single-person households.
				Junction City's household income peaks between age 45 to 64.
				• Household income decreases after age 65. About 40% of Junction City's households over 65 had income of less than $25,000, compared with 18% of households 45 to 64.
				• Householders over 65 years have a lower than average household income, at about 73% of Junction City's median household income.
				• Lower income does not necessarily result in greater problems with housing affordability or lower homeownership rates for people over 65 year. In general in Oregon:
				  • Some householders over 65 have paid off their mortgage. For households who have paid off their mortgage, lower income does not necessarily result in lower disposable income or affect their ability to continue to own their home.
				  • Older households may have more accumulated wealth, such as the value of their house or investments.
					The major impact of the aging of the baby boomers on demand for new housing will be through demand for housing types specific to seniors, such as assisted living facilities. Baby boomers will make a range of housing choices in Junction City:
					• Many will choose to remain in their houses as long as they are able.
					• As their health fails, some will choose to move to group housing, such as assisted living facilities or nursing homes. If these facilities are not available in Junction City, they will move to a nearby community where they are available.
					• Some may downsize to smaller single-family homes (detached and attached) or multifamily units. These will be a mixture of owner and renter units.[18]
					• Some may choose to move to retirement or age-restricted communities, if they are available in Junction City.

[17] Multiple studies show that people over age 45 prefer to stay in their home or community as long as possible, including multiple surveys by AARP (see http://www.aarp.org/research/surveys). The AARP survey *Home and Community Preferences of the 45+ Population* shows that 85% of respondents want to stay in their current residence and community as long as possible.

		Affect of trends on household choice			
	Demographic trends	**Age of household head**	**Household size and composition**	**Household income**	**Potential Affect on Housing Demand**
Echo boomers **Age in 2010** **15 to 28 years old** **Age in 2030** **35 to 48 years old**	Echo boomers are growing more slowly than the baby boomers but faster than most other segments of Lane County's population • By 2030, the State projects that there will be nearly 141,200 people age 20 to 39 years in Lane County, a 25% increase from the 91,600 echo boomers in 2000. • Growth of people ages 20-39 will represent 21% of the total population growth between 2000 and 2030.	Younger households are more likely to rent and live in multi-family homes. • About 86% of people under 25 years old and 63% of people 25 to 34 years old were renters in Junction City. • Homeownership rates increase for householders 35 to 44 years old; 50% of these Junction City households are owners. • Over half of people 15 to 34 years live in a multifamily unit, compared with just over a quarter of people 35 to 64 years and 65 and older in Junction City.	• More than 81% of households between age 15 and 54 years have two or more persons. • About 19% of households between 15 to 24 years are single-person households, compared with 32% of households 55 to 74 years.	Younger households have lower income on average. • Over 80% of households under 25 years (which includes college students) had income less than $25,000. About 65% of households between 25 and 44 had an income of less than $50,000 in Junction City. • Households between 25 and 44 years have lower than average income, at about 97% of Junction City's median household income. • Younger households generally have less accumulated wealth, such as housing equity.	Some recent research hypothesizes that echo boomers may make different housing choices than their parents as a result of the on-going recession and housing crisis. They suggest that echo boomers will prefer to rent and will prefer to live in multifamily housing, especially in large cities.[19] Other studies suggest that the majority of echo boomers' housing preference is to own a single-family home.[20] Our conclusion based on review of recent research is that it seems unlikely that the majority of echo boomers will make fundamentally different housing choices than previous generations as they age and have families. • It seems likely that echo boomers will to choose to rent when they are under 30 years, most frequently a multifamily unit. This choice may be made from preference but is likely to be necessitated by lower income. • As they establish their careers, their income increase, and they form families, it is likely that a large share of echo boomers in Junction City will choose to live in an owner-occupied single family house. • Recent articles suggest that echo boomers who prefer single-family units may prefer (or only be able to afford) smaller single-family units. • Echo boomers may choose to live in nearby cities, if housing in Junction City is not affordable.

[18] The AARP survey *Approaching 65: A Survey of Baby Boomers Turning 65 Years Old* of people 65 years old shows that about 15% of responding households are planning to downsize to smaller homes over the next few years.

[19] Examples of such research include *Housing in America: The New Decade* from the Urban Land Institute or *The Rise of the Non-Traditional Household* from Multifamily Trends.

[20] A national survey of Echo Boomers in 2010 shows that: two-thirds of Echo Boomers expect to own their home by 2015, that nearly two-thirds expect to live in a single-family home, one-quarter expects to live in an apartment or condominium. These results are from the Urban Land Institute study *Generation Y: America's New Housing Wave.*

DETERMINE THE NEEDED DENSITY RANGES FOR EACH PLAN DESIGNATION AND THE AVERAGE NEEDED NET DENSITY FOR ALL STRUCTURE TYPES

This section summarizes the forecast of new housing units in Junction City for the period 2011 to 2031. Table 18 shows the forecast of housing need by plan designation. Consistent with Table 10, Table 18 shows that Junction City will add 1,590 new dwelling units over the 20-year period.

Table 18 shows that new dwellings locating in Junction City between 2011 to 2031 will be distributed among plan designations, as follows:

- **Low Density Residential (LDR)** will accommodate 55% of new dwellings, 875 dwellings.
- **Medium Density Residential (MDR)** will accommodate 25% of new dwellings, 398 dwellings.
- **High density Residential (HDR)** will accommodate 20% of new dwellings, 318 dwellings.

Table 18. Forecast of future housing by plan designation, Junction City UGB, 2011-2031

	Estimate of Housing Units (2011-2031)
Total new dwelling units (2011-2031)	1,590
Dwelling units by density class	
Low Density Residential	
Percent Low Density Residential	55%
***equals* Total new DU in LDR**	**875**
Medium Density Residential	
Percent Medium Density Residential	25%
Total new DU in MDR	**398**
High Density Residential	
Percent High Density Residential	20%
Total new DU in HDR	**318**

Source: ECONorthwest

The assumptions about the distribution of new dwellings among plan designations in Table 18 is consistent with the safe harbor for housing mix in OAR 660-024 Table 1. While Junction City is not using the safe harbor assumptions from OAR 660-024 Table 1, the City believes that these assumptions are reasonable assumptions about how Junction City will grow in the future based on:

- Between 2000 and 2008, two-thirds of new housing (212 dwellings) were built in LDR and about one-third (97 dwellings) were built in MDR.

- As part of the 2012 comprehensive plan update, the City established a high-density residential plan designation and made corresponding plan map amendments.
- Increasing the share of higher-density multifamily housing types built over the next 20-years will provide a broader range of housing options. This broader range of housing options can provide opportunities for workforce housing and affordable housing for new and existing residents of Junction City.
    - About 69% of Junction City's current housing stock is single-family attached or manufactured homes. The remaining 31% of the City's housing stock is in: structures with two to four units (17% of dwellings), structures with 5 or more units (13%), or single-family attached housing (2%)
    - About 37% of Junction City's households are cost burdened (pay more than 30% of their income for housing), with 44% of renters cost burdened and 33% of homeowners cost burdened.

Table 19 presents an estimate of residential land need to accommodate growth of 1,590 new dwellings over the 20-year period. Junction City will need 295 acres of residential land, at an overall density of 7.4 dwelling units per net acre of 5.4 dwelling units per gross acre. Table 19 shows the following land needs by plan designation:

- **Low Density Residential (LDR)** will develop at an average density of 5.9 dwelling units per net acre, or 4.2 dwelling units per gross acre, assuming a 29% net-to-gross acre factor. Junction City will need 209 gross acres of land in LDR.

  The average density of 5.9 dwelling units per net acre is based on the development density for single-family detached housing during the 2000-2008 period (Table 3).
- **Medium Density Residential (MDR)** will develop at an average density of 9.5 dwelling units per net acre, or 6.7 dwelling units per gross acre, assuming a 29% net-to-gross acre factor. Junction City will need 59 gross acres of land in MDR.

  The average density of 9.5 dwelling units per net acre is based on the assumption that development density in MDR will increase from 8.6 (observed development density during the 2000-2008 period (Table 4)) to 9.5 dwelling units per net acre. This assumption is based on:
    - Anticipation of a broader range of housing options that may be developed in Junction City over the next 20-years based on changes in the City's housing policy.
    - Need for additional affordable housing, as shown by the large share of cost-burdened renters (44% of renters).

The density assumption also assumes that the net-to-gross conversion factor for MDR will be the same as for LDR (rather than the 32% shown in Table 23). This rationale for this assumption that the newer development in MDR will require the same amount of land for rights-of-way as LDR, rather than more land for rights-of-way.

- **High density Residential (HDR)** will develop at an average density of 13.0 dwelling units per net acre, or 11.4 dwelling units per gross acre, assuming a 12% net-to-gross acre factor. Junction City will need 28 gross acres of land in HDR.

  Junction City does not currently have a high density Comprehensive Plan designation. The average density of 13.0 dwelling units per net acre is based on the development density of multifamily housing (e.g., apartments or duplexes), single-family attached housing, and manufactured dwellings in parks achieved during the 2000-2008 period (Table 3).

Table 19. Residential land need estimate, Junction City UGB, 2011-2031

Plan Designation	Number of DU	Density (DU/Net Ac)	Net Acres Needed	Density (DU/Gross Acre)	Gross Acres Needed
Low-density (55% of total DU need)	875	5.9	148	4.2	209
Medium-density (25% of total DU need)	398	9.5	42	6.7	59
High-density (20% of total DU need)	318	13.0	24	11.4	28
TOTAL	**1,590**	**7.4**	**215**	**5.4**	**295**

Source: ECONorthwest

The assumptions about housing density in Table 19 exceed the safe harbor for housing density in OAR 660-024 Table 1, which requires a city to assume an overall minimum of 7.0 dwellings per net acre for a UGB analysis. While Junction City is not using the safe harbor assumptions from OAR 660-024 Table 1, the City finds that an average residential density of 7.4 dwelling units per net acre will meet identified housing needs for the following reasons:

- The assumed net densities by plan designation (see Table 19) are based on actual densities achieved in Junction City over the 2000 to 2008 period.
- Junction City is addressing need for additional affordable housing through several measures that increase the types of housing available in Junction City, including availability of higher density housing:
  - Junction City is establishing a high-density residential plan designation, which will allow housing up to 27.4 dwelling units per acre.
  - Junction City is planning for a shift in the mix of housing types. Over the 2000 to 2008 period, housing in LDR accounted for about 67% of new housing and the remaining 33% in MDR. The City is assuming that

housing in LDR will account for 55% of new housing, with 25% of new housing in MDR and 20% in HDR.

- Table 19 shows housing need for net acres,[21] which does not include land for rights-of-way (e.g., roads or sidewalks). Table 19 shows a conversion of net acres to gross acres based on the net-to-gross assumptions in Table 23.

Need for Government-Assisted housing

Table 15 gives an indication of need for government assisted housing. About 15% of households earn less than $15,000 and are unable to afford any type of housing based on HUD's estimate of fair market rent for a studio apartment ($500 per month).

Households earning between $15,000 and $35,000 may also have need for government assisted housing, especially larger households. For example, a household earning about $32,000 can afford a two-bedroom house at HUD's estimate of fair market rent ($768 per month). If the household has more than four members, then a two-bedroom dwelling will be crowded and the household might have a need for government assisted housing.

The households most likely to qualify and need government assisted housing are those earning 30% or less than the County's median family income. About 17% of Junction City's households have income of less than 30% of the County median family income (earning less than $17,160 annually). In addition, about 15% of Junction City's population earn between 30% to 50% of the County median family income (earning up to $28,600 annually), some of whom would qualify for government-assisted housing.

Junction City has one government-assisted housing development, Northtowne Apartments, which has 34 one-bedroom units. Junction City does not build government-assisted affordable housing. This type of housing is generally built by third-party affordable home builders or other external groups. The City does not restrict development of government-assisted housing on land designated for residential development. The City will work with organizations to develop government-assisted housing. Thus, the City concludes that the need to plan for government-assisted housing is met.

Need for manufactured housing in parks

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

[21] The housing needs analysis is conducted in net acres. OAR 660-024-0010(6) uses the following definition of net buildable acre. "Net Buildable Acre" consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads. While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads.

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

OAR 197.480(4) requires cities to inventory the mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial or high density residential development. Manufactured housing parks are not an outright permitted use in Junction City's R-2 zone but are an allowed use in zones R-3 and R-4.

According to Census data, the City had 87 manufactured homes in 1990 and 236 manufactured homes in 2005-2009, an increase of 149 dwellings. Table 20 presents the inventory of mobile and manufactured home parks within Junction City in 2012 based on information from the Oregon Housing and Community Services' (OHCS) Manufactured Dwelling Park Directory. The results show that Junction City had 10 manufactured home parks with 282 spaces and 1 vacant space.

Table 20. Manufactured housing parks, Junction City, 2012

Park	Plan Designation or Zoning District	Type	Spaces	
			Total	Vacant
Farmview Park	R-4	55+	22	0
Our Tivoli Park	MDR	Family	42	0
Prairie Winds of Junction City	Commercial / LDR	Family	25	0
Scandia Village	R-4	55+	62	1
The Meadow on Pitney Pond	R-4	Family	104	0
Valley Village Park	MDR	Family	18	0
Terra Firma	General Commerical		9	Unknown

Source: Oregon Houisng and Community Services, Oregon Manufactured Dwelling Park Directory, http://o.hcs.state.or.us/MDPCRParks/ParkDirQuery.jsp

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

- Table 10 shows that Junction City will grow by 3,646 persons in households or 1,590 dwelling units over the 2011 to 2031 period. This projection is based on the City's adopted population projection.

- Analysis of housing affordability (in Table 16) shows that about one-third of Junction City's new households will be low income, earning 50% or less of the County's median family income. One type of housing affordable to these households is manufactured housing.
- The Census and OHCS data show a different number of manufactured dwellings, 236 in the Census data and 419 in the OHCS data. Manufactured housing accounts for between 10% and 20% of Junction City's current housing stock (about 2,300 dwellings according to the current Census data).
- National, state, and regional trends during the 2000 to 2008 period showed that manufactured housing parks were closing, rather than being created. For example, over that eight year period, one manufactured home park closed in Eugene, allowing for redevelopment of the manufactured home park. Anecdotal evidence suggests that the trend in closing and redeveloping manufactured home parks has slowed (or even stopped) between 2008 and 2011. It is unclear, however, whether the trend to closure and redevelopment of manufactured housing parks will continue after the housing market recovers from the current downturn.

Given the longer-term trend for closing manufactured housing parks, future demand for new manufactured home parks may be low, compared to the existing supply of manufactured housing. Table 16 shows that the households most likely to live in manufactured homes in parks are those with incomes $17,000 and $29,000 (30 to 50% of median family income). Assuming that about one-quarter of new households in this income category choose to live in manufactured dwellings in parks, the City may need one or two new manufactured housing parks with a total of about 60 new spaces, requiring about 5 acres of land.

ORS 197.408(3) requires the City to "establish the need for areas to be planned and zoned to accommodate the potential displacement of the inventoried mobile home or manufactured dwelling parks" for manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial or high density residential development. About 197 manufactured dwelling are located in these plan designations. If about one-quarter of these households are displaced by redevelopment of manufactured dwelling parks, then the City will have need for about 50 new dwellings, which at high density residential densities would require about 4 acres of land.

IV. Sufficiency of Residential Land Within the Junction City UGB, 2011-2031

This section presents an evaluation of the sufficiency of vacant residential land with the Junction City UGB to accommodate expected residential growth over the 2011 to 2031 period. This section includes an estimate of Junction City's residential land sufficiency, based on the analysis in the housing needs analysis.

Buildable residential land supply

Appendix I presents the analysis of Junction City's buildable lands inventory. Tables 21 and 22 summarize the results of this analysis. Table 21 shows residential acres by classification (e.g., the classifications described on pages 3 and 4) and constraint status for the Junction City UGB in 2010. Analysis by constraint status (the table columns) shows that about 309 acres are classified as built or committed (e.g., unavailable for development), 237 acres were classified as constrained, and 332 were classified as vacant buildable.

Table 21. Total residential acres by classification, Junction City UGB, 2010

			Land Not Available For Housing		Land Available For Housing
Plan Designation	**Tax Lots**	**Acres in Tax Lots**	**Developed Acres**	**Constrained Acres**	**Buildable Acres**
Developed	1632	386	295	91	0
Master Plan	6	299	0	129	170
Partially Vacant	56	88	14	4	70
Vacant	266	105	0	13	91
Total	**1,960**	**877**	**309**	**237**	**332**

Source: City of Junction City data; analysis by ECONorthwest
Note: The number of buildable acres is rounded.

Table 22 shows vacant land by plan designation. The results show the majority of vacant, unconstrained residential land is in the Low-Density Residential designation (252 of 332 vacant, unconstrained acres). About 45 vacant unconstrained acres are designated Medium-Density Residential, less than one acre Commercial-Residential, and 34 High Density Residential.

Table 22. Vacant and Partially Vacant residential land by plan designation, Junction City UGB, 2010

Plan Designation	Tax Lots	Acres in Tax Lots	Acres Unavailable for Housing: Developed Acres	Acres Unavailable for Housing: Constrained Acres	Unconstrained Acres
Commercial-Residential	5	1	0	0	1
Low-Density Residential	247	400	11	137	252
Medium Density Residential	64	52	2	5	45
High Density Residential	12	39	1	4	34
TOTAL	**328**	**492**	**14**	**146**	**332**

Source: City of Junction City GIS data; analysis by ECONorthwest
Note: The number of buildable acres is rounded.

LAND NEEDED FOR OTHER USES

Cities need to provide land for uses other than housing and employment. Public facilities such as schools, governments, or parks. Many communities have specific standards for parks. School districts typically develop population projections to forecast attendance and need for additional facilities. All of these uses will potentially require additional land as a city grows.

Previous sections estimated land demand for housing; this section considers other uses that consume land and must be included in land demand estimates. Demand for these lands largely occurs independent of market forces. Many can be directly correlated to population growth.

Junction City has addressed land needed for government uses through the economic opportunities analysis. This section addresses land need for rights-of-way, parks, and schools.

Rights-of-way

Table 23 shows the amount of land in residential plan designations that is in tax lots and that is not in tax lots in Junction City in 2008. Land not in tax lots is typically land used for public uses such as rights-of-way. Other public uses where land is in tax lots, such as parks or schools, is addressed in a separate analysis.

The ratio of land not in tax lots to land in tax lots provides a way to convert from *net* acres to *gross* acres.[22] Table 23 shows Junction City's average net-to-gross conversion factor is 25%, meaning that 25% of all residential land in Junction City is outside of tax lots.

[22] The housing needs analysis is conducted in net acres. OAR 660-024-0010(6) uses the following definition of net buildable acre. "Net Buildable Acre" consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads. While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads.

Table 23. Land not in tax lots, net-to-gross conversion for residential plan designations, Junction City UGB, 2008

Plan Designation	Total Acres	Acres in Tax Lots	Acres Not in Tax Lots	Net to Gross Factor
Low-Density	239	171	68	29%
Medium-Density	157	107	50	32%
High-Density	154	135	19	12%
Total / Average	550	413	137	25%

Source: Junction City GIS, LCOG address file; analysis by ECONorthwest
Note: High-Density housing includes dwellings built in zones R-3 and R-4.

Parks

Junction City prepared and adopted a Parks Master Plan (The Parks and Paths of Junction City: an Integrated Parks, Open Space and Trails Master Plan) on May 11, 2010. The Plan includes a community needs assessment that details the City's strategies for meeting park facility needs for the 2010-2030 period. Following are key findings from the Junction City Parks Master Plan related to park needs.

- **Park Inventory**. The Parks Plan includes an inventory of parks in Junction City. The Plan states:

  There are currently 14.64 acres of developed City maintained parkland within the City. This includes eleven park spaces that are owned by the City, one by Lane County, and one that is owned by the School District. The parks owned by the City include neighborhood parks, pocket parks, and special use parks that serve the day-to-day recreation needs of the community. There is an additional 22.77 acres of parkland that has been acquired by the City for park development.

- **Level of Service**. Most parks plans identify a current and desired future level of service standard, which is typically expressed as acres per 1000 residents. The purpose of the level of service standard is to estimate how much park land will be need to meet future population growth.

  Based on the park inventory, the plan concludes Junction City has a current level of service of 2.85 acres per 1000 residents. The Plan indicates that the City expects the level of service to increase to 7.28 acres per 1000 residents after development of two undeveloped public park spaces (Raintree Meadows and The Reserve).

  The Parks Plan establishes a future level of service standard of 10 acres per 1000 population.

  Based on this level of service standard, the Parks Plan identifies an existing

deficit of parkland as of 2010. **The plan identifies a 13.94 acre deficit to meet current needs as stated by the level of service. In other words, the City needs to add 13.94 acres to the system to achieve the 10 acre per 1000 level of service standard in 2010.**

The Plan identifies a **2030 need of 60.59 acres** (inclusive of the 13.94 acre existing deficit) to achieve the 10 acre per 1000 level of service standard with a 2030 population of 10,268 persons. In summary, the City will need 100.27 acres of parkland in 2030 to meet identified needs. The City has a current inventory of 37.41 acres.

In summary, the Parks Master Plan identifies a deficit of 60.59 acres for parks. The City needs 60.59 additional acres of parkland between 2011 and 2031 to meet its desired level of service standard of 10 acres per 1000 population.

The next step in the process of assessing park need is to allocate the need to plan designations. Most of the city's current inventory of parkland is designated "Public" on the Comprehensive Plan map. Typically, parkland is acquired out of the residential land base and redesignated after acquisition. Moreover, the Parks Master Plan identifies sites the city currently owns as sites for future parks. The Master Plan also identifies general areas where the city would like to acquire parkland, but does not identify specific privately-owned parcels. Many of these sites are inside the UGB, so acquisition and development of these sites for park use would reduce the amount of land in the residential inventory.

Thus, the city finds that parkland needs should be allocated as part of the overall residential land inventory.[23] The Parks Master Plan recommends that park and open space development occur in residential areas, but does not identify how that need would be allocated by plan designation. The city finds it appropriate to allocate future parkland proportionally to acres needed for housing by plan designation. Table 24 shows the allocation of parkland need by plan designation.

Table 24. Parkland need by Plan Designation, 2012-2032

Plan Designation	Gross Acres Needed for Housing	Percent of Acres Needed For Housing	Acres Needed for Parks
Low-Density Residential	209	71%	42.8
Medium-Density Residential	59	20%	12.1
High-Density Residential	28	9%	5.7
Total	**296**	**100%**	**60.6**

[23] For example, 71% of the City's residential land need is in LDR. As a result, 71% or 42.8 acres of park land need will be in LDR.

Schools

A level of service or empirical method is not appropriate for determining lands needed for schools because such methods are not representative of a typical district's land needs or enrollment projections. In October 2011, the Junction City School District had an enrollment of 1,675. This does not meet the 2,500 student threshold for large district facility plans as required by ORS 195.110.

While the enrollment does not meet the ORS 195.110 requirement, our experience is that the City and District will be required to provide some evidence by way of analysis to support the need. A letter from the District stating a land need is not sufficient. An adopted facilities plan is.

Junction City School District 69 adopted a long-term facilities plan on August 25, 2008 (see attachment). That plan does not identify any land needs. According to correspondence with District staff, the District is about to initiate an update to the 2008 facilities plan. According to communications between the school district and City Administrator Watson, the district does not anticipate additional land need for schools to accommodate growth over the 2011 to 2031 period.

COMPARISON OF LAND SUPPLY AND LAND NEED

Table 25 shows a comparison of residential land supply (Table 23) with the residential land need estimate (Table 19). The results show that Junction City has a deficit of 26 acres of medium density residential land. Junction City has a one acre surplus of land in low density residential and commercial/residential land.

Table 25. Comparison of buildable residential land with land needed for housing and parks, gross acres, Junction City, 2011-2031

Plan Designation	Zoning	Buildable Land (Gross Acres)	Needed Land (Gross Acres)		Surplus/ (deficit) (Gross Acres)
			Housing	Parks	
LDR	R1	252	209	43	0
MDR	R2	45	59	12	-26
HDR	R3/R4	34	28	6	0
Commercial/Residential	CR	1			1
TOTAL		**332**	**295**	**61**	

Source: City of Junction City GIS data; analysis by ECONorthwest
Note: The number of buildable acres is rounded.

The buildable land figures presented in Tables 21 to 22 include several land use efficiency measures proposed by the CCPC and documented in Appendix I:

- **Redesignation of the Oaklea site from Professional-Technical to LDR/MDR**. The Oaklea site is 85 acres in area, with about 15 acres in constrained areas. This leaves 70 buildable acres. The City Council/Planning

Commission recommendation is to designate 60 buildable acres of the site as LDR, 9 buildable acres as MDR, and 1 buildable acre as HDR.

- **Redesignation of 32 acres of LDR land to MDR**. This measure is intended to meet an identified deficit of MDR in locations that are in close proximity to transportation corridors and services. The land is in four separate sites (9 individual tax lots) with about 31 buildable acres.
- **Creation of a High Density Residential Plan Designation**. To meet identified needs for higher density housing types, Junction City will add a high density residential (HDR) plan designation and make corresponding plan map amendments. Junction City currently has two zoning districts that allow high density housing (R-3 and R-4), but it does not have a high-density residential plan designation. The City will create a new high density residential plan designation as a part of this process.

CONCLUSIONS

Junction City is planning to meet identified housing needs through provision of a range of housing types, as described in Table 18.Junction City has identified and planning to meet the need for:

- **Affordable housing.** Junction City identified need for affordable housing, including need for housing to accommodate the portion of Junction City's households earning less than 80% of Lane County's median family income, which includes 57% of the City's households. Income is lower in Junction City than in Lane County, with a median in Junction City of at 90% of the County's average. Junction City's housing costs are also lower than the County, with median housing value in Junction City at 81% of the County's average.

  Junction City is planning to provide for needed affordable housing through a variety of means: increases in the share of multifamily housing, creation of a high-density plan designation, providing sufficient land in MDR and HDR Plan Designations, and providing opportunities to development of new manufactured dwelling parks. In addition, the City will work with affordable housing providers to develop government-assisted housing, as funding is available.

  Table 16 shows the need for housing affordable to the full range of incomes. Given that Junction City has relatively low housing prices (compared to Lane County) and the City's measures to increase opportunities for development of affordable housing, Junction City is providing opportunity for development of market-rate housing affordable to all income levels. Development of government-assisted housing for households that cannot afford market-rate housing is discussed below.

- **Government assisted housing.** Junction City identified need for government-assisted housing for qualifying households, including approximately one-third of

the City's households who earn less than 50% of Lane County's median family income. Junction City does not build government-assisted affordable housing. This type of housing is generally built by third-party affordable home builders or other external groups. The City does not restrict development of government-assisted housing on land designated for residential development. The City will work with organizations to develop government-assisted housing.

- **Manufactured housing parks.** ORS 197.408 requires cities to identify need for land for manufactured dwelling parks and for potential displacement of existing housing (through redevelopment) in manufactured housing parks. Junction City identified a need for about five acres of land to accommodate new manufactured dwelling parks and about four acres of land to accommodate displacement of housing in existing manufactured housing. The City can accommodate these land needs on surplus land in the HDR Plan Designation or through use of land in the MDR Plan Designation.

Based on the residential land need identified in Table 19 and the supply of vacant and partially vacant land in Table 23, Junction City has a deficit of land to meet residential land needs. Table 25 shows Junction City's total residential land deficit to accommodate growth over the 2011 to 2031 period, including land for public and semi-public uses. Table 25 shows that Junction City has a 26 acre deficit of MDR land.

Junction City identified land use efficiency measures to address land deficits (as required by OAR 660-024-0050). These efficiency measures are described in Appendix I and primarily consist of redesignating land within the existing UGB for more efficient uses, as well as creating a high-density residential plan designation. The land needs shown in Table 25 will need to be addressed through expansion of the City's UGB.

V. HOUSING POLICY

Goal 1: To provide for the housing needs of the citizens of Junction City in adequate numbers, price ranges, and rent levels which are commensurate with the financial capabilities of Junction City households.

Goal 2: To provide adequate housing that is affordable to Junction City workers at all wage levels.

Goal 3: To lessen the impact of rising housing costs by requiring a more efficient use of lands available and buildable for new housing.

Goal 4: To ensure that all new multi-family complexes be developed in a manner to provide an aesthetically pleasing environment.

Goal 5: To ensure that all housing comply with Junction City Ordinances, and State and Federal Law.

POLICIES:

Policy 1**:** The City of Junction City shall periodically assess the housing needs and desires of Junction City residents to formulate or refine specific action programs to meet those needs.

- The City shall prepare a residential monitoring report every five years to assure compliance with Policy 2 of the Housing Element.

Policy 2: The City of Junction City shall plan for and maintain a residential buildable land inventory consistent with the following density and housing mix:

- For all housing maintain an overall minimum density of at least 5 dwelling units per net acre.

- Maintain a land base that allows for the following housing mix by plan designation (as measured by the percentage of dwelling units that must be allowed by zoning): 55% low density residential; 25% medium density residential; 20% high-density residential.

Policy 3: The City of Junction City shall designate and zone land for different housing types in appropriate locations. Multi-Family housing types shall be located in areas that are close to major transportation corridors and services.

Policy 4: The City of Junction City shall encourage the dispersal of multi-family housing land uses throughout the city in areas readily accessible to schools, parks, and shopping.

Policy 5: New multi-family units shall be developed on the basis of provisions of R-2, R-3 and R-4 zoning districts.

Policy 6: For the property designated as LDR/MDR/HDR located west of Oaklea Dr., the City shall allow high density residential development on 1 acre, medium density residential development on 9 acres of the site, with the remaining acreage to be developed as low density residential development. The specific layout of the housing on the property shall be approved through a Master Plan.

Policy 7: The City of Junction City shall coordinate planning for housing with provision of infrastructure. The Planning Department shall coordinate with other city departments and state agencies to ensure the provision of adequate and cost-effective infrastructure to support housing development.

Policy 8: The City of Junction City recognizes that mobile homes and manufactured dwellings provide an affordable alternative to the housing needs of the citizens of Junction City. The city shall provide for those types of housing units through appropriate zoning provisions through the following measures:

> Policy 8a: The City of Junction City shall allow manufactured homes, as defined in ORS 446.003(25)(a)(C), within all residential zones that allow 10 or fewer dwelling units per net buildable acre.
>
> Policy 8b: The City of Junction City shall allow the development of manufactured dwelling parks in areas planned and zoned for residential uses sufficient to accommodate the need established pursuant to ORS 197.480.
>
> Policy 8c: The City of Junction City shall permit the construction of manufactured home subdivisions at a density of six to twelve units per acre.
>
> Policy 8d: The City of Junction City shall apply the recreational area standard, design review process, and homeowner association provisions to the Planned Unit Development zoning district to all mobile home subdivisions.
>
> Policy 8e: The City of Junction City shall strictly enforce site development standards and the maintenance standards of the zoning ordinance within mobile home subdivisions.