City of Molalla

(DRAFT) Residential Land Needs Report

Winterbrook Planning ● July, 2008

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RESIDENTIAL LAND NEEDS

This Report determines year 2027 and 2058 housing and public / semi-public land needs for the City of Molalla, Oregon. Determination of Molalla' housing needs builds upon the foundation found in the Housing section of Molalla Comprehensive Plan (CP – Plan Element B). That 1986 CP included a revised housing needs projections by type through the Year 2005. To develop a Year 2027 housing need projection, Winterbrook relied on a revised population projection prepared by E.D. Hovee, evaluation of demographic trends from the 1990 and 2000 US Census, review of recent development trends, and input from City staff. Based on a series of assumptions, this report determines the number, type and density of housing units that will be meet to accommodate planned population growth over the next 20 and 43 years.

This Report also projects the need for of public and semi-public land through the Year 2058. To make this determination, Winterbrook relied on existing Comprehensive Plan policies, City Staff analysis of current use-to-population ratios, and continuing input from City Staff.

Key Findings

As described in this document and summarized below in Table 1, Molalla has residential land deficit of 386 acres for the year 2027, and 1,024 acres for the year 2058.

Table 1: Residential Land Needs Summary

Year	Housing Deficit (gross buildable acres)	Public / Semi-Public Deficit (gross buildable acres)	Total Residential Land Deficit (gross buildable acres)
2027	**231**	**155**	**386**
2058	**685**	**339**	**1,024**

HOUSING NEEDS ANALYSIS

The Housing Needs Analysis reviews and incorporates Hovee's Population Forecast and the Demographic Trends Analysis (Appendix 1), describes base housing need assumptions, reviews future housing type and density needs, analyzes recent "actual" development in Molalla, and concludes with recommended dwelling unit types, densities, and plan district allocations.

Population Projection

In order to establish a solid future population figure on which to base analysis of housing and public / semi-public land needs, the City must have a "coordinated" population projection.

E.D. Hovee and Company prepared a population forecast for the City of Molalla in a November 9, 2004 memorandum titled "Molalla Economic Profile (Revised Draft)". This population forecast was based on:

- Historical growth trends and factors affecting growth in the Clackamas County region, comparator cities, and Molalla.

- Evaluation of Clackamas County population forecasts developed by the State Office of Economic Analysis.

The proposed population forecast is designed to provide justification for Clackamas County, so the County can adopt the forecast as a coordinated population projection. Winterbrook planning extended the forecast population through the year 2058, with an assumption of declining growth rate in the 2027-2058 timeframe. The 2058 projection and methodology are found in an August 4, 2006 memorandum titled "Molalla Population Projections".

The Hovee population forecast shows a 2025 population of 10,876. Extending this projection through 2027 at a 1.5% average annual growth rate (AAGR) leads to a 2027 population of 11,205 and the extended 2058 population reached 17,777. These are the population figures on which this document will base 20-year (urban growth boundary) and 50-year (urban reserve) land needs. As shown on Table 2 below, the projected population growth results in projected *increases* in Molalla' population of 4,375 in 2027, and 10,947 in 2058.

Table 2: 2006-2058 Population Projection

Year	Population	Increase	AAGR
2006	6,830	-	
2027	11,205	4,375	2.9%
2058	17,777	10,947	1.5%

Demographic Trend Analysis

A detailed analysis of Molalla' past and relatively current demographics, based primarily on census data, is found attached as Appendix 1: Demographic Trend Analysis. The Demographic

Trend Analysis informs basic housing need assumptions used in this memorandum, as well as economic development work and proposed Comprehensive Plan / Development Code amendments. Preliminary demographic findings show that Molalla is still a relatively homogeneous community with relatively affordable housing, although this is likely to change somewhat over the next 20 years. Increased employment opportunities, young commuting households, and a growing Hispanic community, are likely push the demand for a broader range of housing types – including small lot single family, row homes and condominiums.

Housing Need Assumptions

Basic housing land need assumptions include removal of group quarters population, determination of household size and vacancy rate, and establishing a projected density for future residential development.

Group Quarters Population

To determine future population in group quarters[1], we extended the existing ratio of population in group quarters in Molalla, as identified in the 2000 US Census. The population in group quarters was removed from basic residential land needs (but accounted for in the Public / Semi-Public Land Needs section below). The 2000 Census ratio was 2.1%, which leads to 92 additional residents in group housing by 2027 and 230 residents by 2058.

Household Size

As part of the Housing Needs Analysis, we looked at historical trends in household size for Molalla, as well as Sandy, Clackamas County, and the State of Oregon. The City of Molalla had 2.87 persons per household in 1990, and 2.84 in 2000. Household sizes in Sandy, Clackamas County and Oregon were also trending slightly down. We assumed a household size of 2.6 through 2058.

Vacancy Rate

We also looked at vacancy rates as part of the Housing Needs Analysis. Molalla had overall vacancy rates of 2.4% in 1990 and 3.9% in 2000. These rates were substantially lower than Clackamas County as a whole (6.4%) and Sandy (6%), and indicate a constrained housing supply. For purposes of this analysis, we assumed a slight increase of the overall vacancy rate to 5%.

Dwelling Units Projected

Using the projected populations for 2027 and 2058 and the assumptions above, projected dwelling units are 1,734 for 2027 and 4,339 for 2058.

[1] Some examples of group housing include institutional residences, elder care facilities, and farm worker housing.

Table 3: Projected Dwelling Units

Year	2027	2050
Projected Population Increase	4,375	10,947
Group Quarter Population Reduction	92	230
Population Increase in Households	4,283	10,717
Households @ 2.6 Persons per HH	1,647	4,122
HHs Including 5% Vacancy Rate	**1,734**	**4,339**

Actual Development

Recent development trends are relevant to the determination of future housing needs. However, recent development trends were based on a Comprehensive Plan and Development Code that Molalla is currently updating. Part of this iterative process is to review the older text and assumptions against actual performance and revise them based on changed circumstances, community values and statewide planning requirements. The new Comprehensive Plan and Development Code are intended to increase land use efficiency and better achieve planned densities.

The 1986 Comprehensive Plan planned for a ratio of 70% single family dwellings to 30% multiple family dwellings. The Comprehensive Plan also established residential designations with the following density ranges:

- Low Density Residential (R-1) which is intended for medium-large lot single family residential at 4.3-5.8 Dwelling Units per Gross Acre
- Medium Density Residential (R-2) which allows smaller lot single family and duplexes at 4.9-9.8 Dwelling Units per Gross Acre
- High Density Residential (R-3) which is intended for multi-family dwellings at 15-18 Dwelling Units per Gross Acre
- Manufactured Home Parks are allowed in all designations.

Molalla planning staff compiled recent residential development data from the last five years (2002-2006). Tables 4-6 below show actual development for this period. The building permit data in Table 4 show that single family homes accounted for the vast majority of permitted residential development. Table 4 shows a distribution of 97% single family (including manufactured homes) and 3% multi-family (including duplexes) for the timeframe.

Table 4: Building Permits 2001-2006

Housing Type	2002	2003	2004	2005	2006	Total	Percent
Site-Built SF	44	76	147	127	93	487	92%
Manufactured SF	8	4	4	3	7	26	5%
Duplex (units)	0	0	4	0	6	10	2%
Multi-Family (units)	0	0	0	6	0	6	1%

Table 5 shows units and gross density in recent subdivision applications, by plan and zone designation. As shown in Table 7, applications for subdivisions in Low Density Residential (R-1) areas came in at 3.1 dwelling units per gross acre. Applications for subdivisions in Medium Density Residential (R-2) areas were averaging 6.1 dwelling units per gross acre. Applications for subdivisions in High Density Residential (R-3) areas averaged 5.3 dwelling units per gross acre.

As shown on Table 5, overall gross density for residential subdivision applications was 4.1 dwelling units per gross acre. These figures indicate that Molalla is not achieving its planned densities and housing mix through its current Comprehensive Plan and Zoning.

Table 5: Subdivision Units and Density by Zone 2001-2006

Plan / Zone	Units	Gross Acres	Gross Density
Low Density Residential (R-1)	85	27.3	3.1
Medium Density Residential (R-2)	57	9.4	6.1
High Density Residential (R-3)	35	6.6	5.3
Total	**177**	**43.2**	**4.1**

Table 6 below shows Molalla' 2027 and 2058 residential land needs if it continued recent "actual" development densities and plan designation allocations. In 2027, Molalla would require 268 acres for R-1, 91 acres for R-2, and 65 acres for R-3, totaling 425 gross acres at a density of 4.1 dwelling units per gross buildable acre. By 2058, Molalla would need 1,063 gross acres to accommodate housing.

Table 6: Land Needs – Actual Development

Plan Designation	Percent	2027 Units	2058 Units	Gross Density	2027 Gross Acre Need	2058 Gross Acre Need
R-1	48%	832	2,083	3.1	268	672
R-2	32%	555	1,388	6.1	91	228
R-3	20%	347	868	5.3	65	164
Totals	**100%**	**1,734**	**4,339**	**4.1**	**425**	**1,063**

HOUSING NEEDS PROJECTION

Prior to amending an urban growth boundary, cities must show that they have made efforts to use residential land more efficiently and to provide for a variety of housing options that will be relatively affordable to existing and future residents. As shown above, Molalla's existing development regulations are not achieving planned densities or housing mix. Molalla's Planning Commission has been working on a Comprehensive Plan revision for the last couple years. Through this process, Molalla has shown interest in a number of efficiency measures, including allowing for small lot single family, attached single family (town houses), variable lot dimensions, accessory dwelling units, cluster housing, and providing a wide range of multiple-

family housing options. These measures have been incorporated into the City's draft Comprehensive Plan and Zoning Code revisions.

Based on recent development, Comprehensive Plan policies, discussion with City Staff, and demographic trends, Winterbrook makes the following dwelling unit and density projections. The proposed revisions to Molalla's Zoning ordinance (Title 18) as part of the Comprehensive Plan revision package, including measures to increase land use efficiency are reflected in this analysis and the tables below.

Table 7 below projects housing need by type and density from 2006 through 2058. As shown earlier in this document, a total of 1,734 new dwelling units will be needed by 2027. This figure increases to 4,339 new dwelling units by 2058.

Table 7 projects overall residential densities at 5.7 dwelling units per gross buildable acre – or about 7.2 dwelling units per net buildable acre.[2] These densities are nearly 40% higher than densities seen in recent "actual" development (4.1 dwelling units per buildable gross acre or 5.5 units per net buildable acre) and reflect additional efficiency measures recommended by Molalla's Planning Commission and Winterbrook in the Proposed Comprehensive Plan and Land Use Development Ordinance Revisions.

Because Molalla is adopting design standards to ensure neighborhood compatibility, these measures are anticipated to make planned density increases both feasible for developers and palatable to residents.

As shown on Table 7, 302 gross buildable residential acres[3] are needed to accommodate projected Year 2027 housing needs, and 756 residential acres are needed to meet Year 2058 housing needs. The effect of proposed efficiency measures reduces housing need by nearly 30% when compared with actual development. The measures are intended to produce reduction in housing need of 123 gross acres through 2027, and about 307 gross acres by 2058.

[2] A "net acre" is 43,560 square feet after removing land for streets. For example, a 5-acre parcel (without development constraints) with 1 acre of street dedication will have 5 gross buildable acres and 4 net buildable acres. Where land is dedicated for public streets, net buildable density is greater than gross buildable density. A density of 7.2 units per net acre translates into an average site size – for all housing types – of about 6,050 square feet per dwelling unit.

[3] A gross buildable acre is 43,560 square feet of land after removing "unbuildable" land (i.e., floodplain, slopes of 25% or greater, stream corridors and wetlands). For example, a 7-acre parcel that has 2 acres with slopes of 25% or greater will have 5 gross buildable acres.

Table 7: Needed Acreage by Type and Density

Unit Type	Percent	2027 Units	2058 Units	Gross Density	Net Density	2027 Gross Acres Needed	2058 Gross Acres Needed
SF- Large Lot	40%	694	1,736	4.0	5.0	173	434
SF- Small Lot / Attached	30%	520	1,302	6.4	8.0	81	203
Mobile Home Park	5%	87	217	6.4	8.0	14	34
Multi-Family	25%	434	1,085	12.8	16.0	34	85
Totals	**100%**	**1,734**	**4,339**	**5.7**	**7.2**	**302**	**756**

Tables 8 and 9 break down the 2027 and 2058 acreage needs by *amended* Comprehensive Plan designation and unit type. The key to those tables:

Residential Plan Designations

- R-1: Single Family Residential (4-8 dwelling units / net acre)
- R-2: Medium Density Residential (4-17 dwelling units / net acre)
- R-3: High Density Residential (4-34 dwelling units / net acre)

Housing Types

- SF-L: Large Lot Single Family (site-built and manufactured)
- SF-S: Small Lot Single Family (site-built or manufactured, includes attached single family town homes)
- MHP: Manufactured Home Park (mobile homes)
- MF: Multi-Family and Duplexes (i.e., two or more units on a single parcel, whether for sale or rent)

As shown on Table 8, all of the large lot single family housing is expected to locate on R-1 lands. Small lot single family is allowed in R-1, R-2, and R-3. Attached single family (row houses) is allowed in all plan designations except R-1. Duplexes are also allowed in the R-1 designation on corner lots, which accounts for limited multi-family units in this low density residential designation.

Manufactured dwelling parks are allowed only in the proposed Medium Residential R-2 designation, but not in the High Density Residential (R-3) designation. Both of these higher density designations currently allow the full range of housing types. Winterbrook recommends, however, that large lot single family residential be restricted from the R-3 designation.

This projection, when compared to the buildable land supply within the existing UGB, results in a deficit of 105 acres in the R-1 designation, 91 acres in the R-2 designation, and 35 acres in R-3. This justifies the addition of 231 gross buildable acres to Molalla's UGB to meet Year 2027 residential land needs.

Table 8: Needed Acreage by Plan Designation and Type, 2027

Plan Designation	SF-Large Lot	SF-Small Lot and Town Houses	Mobile Home Park	Multi-Family	Gross Acre Needs	Supply	Deficit
R-1	624	0	0	22	158	53	-105
R-2	69	364	87	108	96	5	-91
R-3	0	156	0	303	48	13	-35
Totals	**694**	**520**	**87**	**434**	**302**	**71**	**-231**

Table 9 shows the proposed year 2058 housing need projection. After accounting for land within the existing UGB, there would be a deficit of 342 acres of R-1 land, 236 acres of R-2 land, and 107 acres of R-3 land, totaling 685 gross buildable acres of unmet residential land need for the Year 2058.

Table 9: Needed Acreage By Plan Designation and Unit Type, 2058

Plan Designation	SF-Large Lot	SF-Small Lot and Town Houses	Mobile Home Park	Multi-Family	Gross Acre Needs	Supply	Deficit
R-1	1562	0	0	54	395	53	-342
R-2	174	911	217	271	241	5	-236
R-3	0	391	0	759	120	13	-107
Totals	**1736**	**1302**	**217**	**1085**	**756**	**71**	**-685**

PUBLIC & SEMI-PUBLIC LAND NEEDS

Public and semi-public land needs consist of schools, parks, religious, group housing, and government uses. These uses typically locate on residential land, so the need for public and semi-public land is added to residential land needs.

School District Needs

The Molalla River School District does not currently have a long range facilities plan. The District currently lacks facilities for all of the students in Molalla, and some Molalla children are traveling to other jurisdictions for schooling. However, for planning purposes, and acknowledging the timeframes we have to work within, we believe it is reasonable to extend the current ratio of school land to population through the planning period.

There are currently 98 acres of land inside Molalla' UGB and owned by School District #35 (Molalla River). The current ratio of school land to population is about 14 acres per 1000 population. Extending the existing ratio results in a 2027 need for 61 additional acres, and a 2058 need for 153 acres of land for schools.

Table 10: School Needs by Population Increase

Year	Population Increase	School Acreage Need
2027	4,375	61
2058	10,947	153

Park Needs

Using the Comprehensive Plan's ratio of 10 acres of park per 1000 population, we can determine future park needs. Molalla currently has 36 acres of park or open space land. To serve its existing population, Molalla would need 68 acres, or an additional 32 acres for park lands.

Table 11 below includes the 32-acre existing park needs, and expands the park needs based on projected 2027 and 2058 population increases. Total 2027 park needs are about 76 acres, while 2058 park needs total about 142 acres.

Table 11: Park Needs by Population Increase

Year	Population Increase	Population Acreage Need
2027	4,375	76
2058	10,947	142

Religious Uses

The need for land dedicated to religious uses can be projected based on existing ratios of population to religious uses in Molalla. There are currently 19 acres devoted to religious uses in Molalla, which comes out to about 3 acres per 1000 population.

Extending this ratio results in a 2027 need for about 13 acres, and a 2058 need for about 33 acres.

Table 12: Religious Use Need by Population Increase

Year	Population Increase	Religious Acreage Need
2027	4,375	13
2058	10,947	33

Group Housing

As indicated above, a portion of Molalla future population is expected to locate in group housing (some examples include institutional residences, elder care facilities, farmworker housing). The ratio identified in the 2000 Census was carried forward and applied to projected future population. Group housing is expected to accommodate 20 persons per gross acre. This results in a projected land need of 5 acres by 2027, and 12 acres by 2058.

Table 13: Projected Group Housing Needs

Year	Residents	Persons / Gross Acre	Gross Acres Needed
2027	92	20	5
2058	230	20	12

Public / Semi-Public Land Needs Subtotal

Table 14 shows a total public and semi-public land need of about 155 acres by 2027, and about 339 acres by 2058.

Table 14: Public / Semi-Public Subtotal

Year	2027	2058
School	61	153
Park	76	142
Religious	13	33
Group Housing	5	12
Total	**155**	**339**

HOUSING AND PUBLIC / SEMI-PUBLIC LAND NEEDS SUMMARY

Table 15 summarizes the overall residential land needs, including public and semi-public needs. This analysis shows an overall deficit of residential land for 2027 and 2058. **The total deficit of residential lands for 2027 is 386 acres. The total deficit of residential lands for 2058 is 1,024 acres.**

Table 15: Residential Land Needs Summary

Year	Housing Deficit (gross buildable acres)	Public / Semi-Public Deficit (gross buildable acres)	Total Residential Land Deficit (gross buildable acres)
2027	231	155	386
2058	685	339	1,024