

# **HOUSING\***

## **BACKGROUND**

The Housing section presents the results a housing needs analysis for the City of Newport.<sup>1</sup> Consistent with statewide planning Goal 10 and OAR 660-008, the primary goals of the housing needs analysis are to (1) project the amount of land needed to accommodate the future housing needs of all types within the Newport Urban Growth Boundary (UGB), (2) evaluate the existing residential land supply within the Newport UGB to determine if it is adequate to meet that need, (3) to fulfill state planning requirements for a twenty-year supply of residential land, and (4) identify policy and programmatic options for the City to meet identified housing needs.

## **Purpose**

The purpose of the Housing section of the Newport Comprehensive Plan is to meet the requirements of Statewide Planning Goal 10 and its Administrative Rule (OAR 660-008). State policy requires the Housing section identify local housing needs. The goals of the Housing section are to:

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

This chapter evaluates the existing residential land supply within the Newport 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).

## **Policy Framework and Methods for the Housing Needs Analysis**

Statewide Planning Goal 10 addresses housing in Oregon and provides guidelines for local governments to follow in developing local comprehensive land use plans and implementing policies. At a minimum, local housing policies 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 its households.

Goal 10 defines housing needs as “housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels.” In addition to other housing types, this definition includes government-assisted housing and mobile home or manufactured dwelling parks as provided in ORS 197.303 and ORS

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\*Section replaced in its entirety by Ordinance No. 2015 (7/21/2011)

<sup>1</sup> *Newport Housing Needs Analysis*, prepared by ECONorthwest, May 2011

197.475 to 197.490. For communities with populations greater than 2,500 and counties with populations greater than 15,000, needed housing types include (but are not limited to):

- Attached and detached single family housing and multiple-family housing for both owner and renter occupancy;
- Manufactured homes on individual lots planned and zoned for single-family residential use; and
- Government-assisted housing.

The following process and methods were used in preparing this Housing element of the Comprehensive Plan:

- 1. Population forecast.** The housing needs analysis used a safe harbor methodology to forecasting population growth in which a city may adopt a 20-year population forecast based on the Oregon Office of Economic Analysis's (OEA) population forecast for the County, assuming that the urban area's share of the forecast population will remain constant over the planning period (OAR 660-024-0030(4)(b)).
- 2. Housing Needs Analysis.** The Housing Needs Analysis (HNA) is based on the requirements of Goal 10 and OAR 660-008. The housing types that were 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 multifamily housing (including duplexes, tri- and quad-plexes, and structures with more than five units. Additionally, the HNA evaluates secondary dwellings (e.g., vacation units) and government assisted housing. The housing needs analysis includes the following components:
  - A) Project new housing units needed.** We projected needed housing units based on forecast population growth for the Newport 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 analysis includes a review of national, state, and local demographic and economic 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 analysis includes a review of 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 will be based on the information described in the steps above (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 since 2000.
4. **Determine average density and mix of needed housing.** The housing needs projection 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 analysis 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. **Policies and implementation measures to facilitate development of needed housing.** The types of policy measures considered as part of this project relate to affordable housing and ways to use the city’s residential land to meet housing needs of Newport residents. The analysis included a review of policies in the Newport Comprehensive Plan and Zoning Ordinance, as well as programs and partnerships.

## Organization of the Housing section

The remainder of the Housing section is organized as follows:

- **Residential Buildable Lands Inventory** presents the results of an inventory of lands designated for residential uses in the Newport Urban Growth Boundary
- **Housing Development Trends** describes the mix and density of dwelling units developed during the 2000-2010 period.
- **Housing Needs Analysis** presents the results of the analysis of housing needs in Newport for the 2011 to 2031 period.
- **Housing Goals, Policies, and Implementation Measures** summarizes actions the City is committed to take to address identified housing needs.

## RESIDENTIAL BUILDABLE LANDS INVENTORY

The residential lands inventory is intended to identify lands that are available for development within the UGB. The inventory is sometimes characterized as *supply* of land to accommodate growth. Population and employment growth drive *demand* for land. The amount of land needed depends on the density of development.

This section presents the *residential* buildable lands inventory for the City of Newport. The results are based on analysis of Geographic Information System data provided by City of Newport staff and Lincoln County Tax Assessment data. The analysis also used aerial orthophotographs for verification.

The general structure of the buildable land (supply) analysis is based on the DLCDC workbook “*Planning for Residential Growth – A Workbook for Oregon’s Urban Areas*,” which specifically addresses residential lands. The buildable lands inventory uses methods and definitions that are consistent with OAR 660-008 and OAR 660-024. The steps in the supply inventory were:

1. **Generate residential “land base.”** The land base includes tax lots or portions of tax lots that are within residential plan designations (LDR or HDR) in the Newport UGB.
2. **Classify lands.** Each tax lot was classified into one of the following categories:
  - Vacant land
  - Partially vacant land
  - Undevelopable land
  - Developed land
  - Public land
  - Right-of-way
  - Destination resort
  - Privately dedicated open space or common areas
3. **Identify development constraints.** The City identifies areas in floodways, wetlands identified in the Local Wetlands Inventory (LWI), landslide and shoreline erosion hazards, and land identified for future public facilities as constrained or committed lands. These areas were deducted from lands that were identified as vacant or partially vacant.
4. **Tabulation and mapping.** The results are presented in tabular and map format with accompanying narrative.

## Definitions

The first step in the buildable inventory was to develop working definitions and assumptions. The buildable lands analysis was developed with a tax lot database provided by the City’s Community Development Department. The tax lot database was current as of December 2010. The supply analysis builds from the tax lot-level database to estimates of buildable land by plan designation.

A key step in the buildable lands analysis was to classify each tax lot into a set of mutually exclusive categories. Consistent with the DLCDC *Residential Lands Workbook*, as well as applicable administrative rules, all tax lots in the UGB are classified into one of the following categories:

- *Vacant land.* Tax lots that have no structures or have buildings with very little value. For the purpose of this inventory, residential lands with improvement values under \$10,000 are considered vacant (not including lands that are identified as having mobile homes which were considered developed).
- *Partially vacant land.* Partially vacant tax lots are those occupied by a use but which contain enough land to be further subdivided without need of rezoning. The inventory uses the safe harbor methodology described in OAR 660-024-0050(2):
  - (a) The infill potential of developed residential lots or parcels of one-half acre or more may be determined by subtracting one-quarter acre (10,890 square feet) for the existing dwelling and assuming that the remainder is buildable land;
  - (b) Existing lots of less than one-half acre that are currently occupied by a residence may be assumed to be fully developed.
- *Undevelopable land.* Land that has no access or potential access, land that is already committed to other uses by policy, or tax lots that are more than 90% constrained. The majority of undevelopable land identified in the inventory is located in the active beach zone within the UGB.
- *Developed land.* Land that is developed at densities consistent with zoning with improvements that make it unlikely to redevelop during the analysis period. Lands not classified as vacant, partially-vacant, or undevelopable are considered developed.
- *Public land.* Lands in public ownership are considered unavailable for residential development. This includes lands in Federal, State, County, or City ownership. Public lands were identified using the Lincoln County Assessment property tax exemption codes. This category only includes public lands that are located in residential plan designations.
- *Private open space.* Review of assessment data shows that Newport has many developments with private open space. This includes common areas around condominiums and dedicated open space owned by subdivisions. These areas were identified by reviewing maps and aerial photos. Classification was determined by ownership.
- *Destination resort.* Lands identified in the Newport Comprehensive Plan as designated for the proposed Wolf Tree destination resort.
- *Right of way.* Some tax lots in the database are dedicated to private right of way. These tax lots were identified by reviewing maps; most of them are paved streets.

## Development constraints

State guidance on buildable lands inventories (OAR 660-008-0005(2)), suggests that some lands be deducted from the inventory due to development constraints:

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

- (a) Is severely constrained by natural hazards as determined under Statewide Planning Goal 7;
- (b) Is subject to natural resource protection measures determined under statewide Planning Goals 5, 15, 16, 17, or 18;
- (c) Has slopes of 25 percent or greater;
- (d) Is within the 100-year flood plain; or
- (e) Cannot be provided with public facilities.<sup>2</sup>

Based on the Division 8 rule and data provided by the City of Newport, the following constraints were deducted from the residential lands inventory.

- *Land constrained by natural hazards.* The City provided three GIS datasets that map the extent of Goal 7 hazards:
  - Active hazard zone region
  - Active landslide hazards
  - Bluff erosion hazard zones
  - Dune hazard zones

The inventory classified portions of residential taxlots considered that fall within areas considered “high risk” as constrained (unbuildable).

- *Land within natural resource protection areas.* Areas within the local wetlands inventory (LWI), Ocean Shorelands Overlay were deducted from the buildable lands inventory.

## SUMMARY OF RESIDENTIAL LAND SUPPLY

Table 1 shows acres within the Newport UGB and city limits in 2011. According to the City GIS data, Newport has about 8,179 acres in 7,668 tax lots within its UGB. The UGB includes areas within Yaquina Bay that are not developable. Newport has about 7,151 acres within its City Limits. Additionally, the City has about 1,028 acres between the City Limits and Urban Growth Boundary (the UGA).

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<sup>2</sup> OAR 660-008-0005(2)

Table 1. Acres in Newport UGB and City Limit, 2011

Area	Tax Lots	Total Acres
City Limits	7,066	7,151
Urban Growth Area	602	1,028
<b>Total</b>	<b>7,668</b>	<b>8,179</b>

Source: City of Newport GIS data; analysis by ECONorthwest

Note: Table includes all areas within the UGB, including non-residential areas

Urban Growth Area is the unincorporated area between the City Limits and Urban Growth Boundary

Table 1 summarizes all land in the Newport UGB. The next step was to identify the residential land base (e.g., lands with plan designations that allow housing or “residential lands”). The land base includes traditional residential designations—Low-Density Residential and High-Density Residential.

Table 2 shows that about 3,241 acres within the Newport UGB is included in the residential land base. Thus, about 39% of land within the Newport UGB is included in the residential land base. The land base includes all land in tax lots that have any portion that is in a residential plan designation.

**Table 2. Lands designated for residential uses, Newport UGB, 2011**

Area	Value
Newport UGB	
Number of Tax Lots	7,668
Acres in UGB	8,179
Newport Residential Land	
Tax Lots in Residential Designations	5,114
Acres in Land Base in Residential Designations	3,241

Source: City of Newport GIS data; analysis by ECONorthwest

Table 3 shows all residential land in the Newport UGB by classification and plan designation. The results show that of the 3,241 acres in the UGB, about 1,204 are in classifications with no development capacity, and the remaining 2,035 have development capacity.

Further analysis by plan designation shows that about 55% (1,772 acres) of the residential land in the Newport UGB is designated low-density residential, and the remaining 45% (1,469 acres) high-density residential. About 38% of lands in low-density designations are classified as committed or unbuildable, while about 36% in high-density designations are in similar classifications. Note that this does not include deductions for physical constraints to development (e.g., areas of geologic hazard, wetlands, etc.)

**Table 3. Residential acres by classification and plan designation, Newport UGB, 2011**

Classification	Plan Designation					
	Low Density Res		High Density Res		Total	
	Tax Lots	Total Ac	Tax Lots	Total Ac	Tax Lots	Total Ac
<b>Land with no development capacity</b>						
Developed	2,011	545	1,759	333	3,770	878
Public	59	36	68	97	127	133
Unbuildable	79	87	31	74	110	161
Right of Way	6	4	14	9	20	13
Private Open Space	0	0	20	19	20	19
<b>Subtotal</b>	<b>2,155</b>	<b>672</b>	<b>1,892</b>	<b>532</b>	<b>4,047</b>	<b>1,204</b>
<b>Land with development capacity</b>						
Vacant	544	878	339	225	883	1,103
Partially Vacant	129	222	24	43	153	265
Destination Resort	0	0	31	668	31	668
<b>Subtotal</b>	<b>673</b>	<b>1,100</b>	<b>394</b>	<b>936</b>	<b>1,067</b>	<b>2,036</b>
<b>Total</b>	<b>2,828</b>	<b>1,772</b>	<b>2,286</b>	<b>1,469</b>	<b>5,114</b>	<b>3,241</b>

Source: City of Newport data; analysis by ECONorthwest

Table 4 shows residential acres by classification and constraint status for the Newport UGB in 2011. Analysis by constraint status (the table columns) shows that about 935 acres are classified as built or committed (e.g., unavailable for development), 541 acres were classified as constrained, and 1,764 were classified as vacant buildable. Of the 1,764 acres, 575 are within the Wolf Tree Destination Resort area, 202 are partially vacant, and 988 are vacant. Note that Table 4 does not make any adjustments for slope constraints.



**Table 4. Residential acres by classification, Newport UGB, 2011**

Classification	Tax Lots	Total Ac	Land not available for housing		Land available for housing
			Developed Ac	Constrained Ac	Buildable Ac
<b>Land with no development capacity</b>					
Developed	3,770	878	780	97	0
Public	127	133	78	54	0
Unbuildable	110	161	13	148	0
Right of Way	20	13	12	2	0
Private Open Space	20	19	16	3	0
<b>Subtotal</b>	<b>4,027</b>	<b>1,185</b>	<b>899</b>	<b>305</b>	<b>0</b>
<b>Land with development capacity</b>					
Vacant	883	1,103	0	116	988
Partially Vacant	153	265	36	28	202
Destination Resort	31	668	0	93	575
<b>Subtotal</b>	<b>1,067</b>	<b>2,036</b>	<b>36</b>	<b>237</b>	<b>1,764</b>
<b>Total</b>	<b>5,094</b>	<b>3,222</b>	<b>935</b>	<b>541</b>	<b>1,764</b>

Source: City of Newport data; analysis by ECONorthwest  
 Note: Constraints do not include any deductions related to slope.

Table 5 shows land with development capacity by constraint status. The data show that about 36 acres within tax lots with development capacity are developed. An additional 237 acres have development constraints that are unbuildable, leaving about 1,764 buildable residential acres within the UGB.

**Table 5. Residential land with development capacity by constraint status, Newport UGB, 2011**

Plan Designation	Tax Lots	Total Acres in Tax Lots	Developed Acres	Constrained Acres	Buildable Acres
<b>Low Density Residential</b>					
Partially Vacant	129	222	30	20	172
Vacant	544	878	0	52	826
<b>Subtotal</b>	<b>673</b>	<b>1,100</b>	<b>30</b>	<b>72</b>	<b>998</b>
<b>High Density Residential</b>					
Destination Resort	31	668	0	93	575
Partially Vacant	24	43	6	8	29
Vacant	339	225	0	64	162
<b>Subtotal</b>	<b>394</b>	<b>936</b>	<b>6</b>	<b>165</b>	<b>765</b>
<b>Total</b>	<b>1,067</b>	<b>2,036</b>	<b>36</b>	<b>237</b>	<b>1,764</b>

Source: City of Newport GIS data; analysis by ECONorthwest  
 Note: Constraints do not make any deductions for slope

Map Tile 1



Map Tile 2



Map Tile 3



Map Tile 4



Map Tile 5



## MAP TILE 6



## HOUSING DEVELOPMENT TRENDS

Analysis of historical development trends in Newport provides insights into how the local housing market functions. The intent of the analysis is to understand how local market dynamics may affect future housing—particularly the mix and density of housing by type. The housing mix and density by type are also key variables in forecasting future land need. The specific steps are described below:

1. Determine the time period for which the data must be gathered
2. Identify types of housing to address (at a minimum, all needed housing types identified in ORS 197.303)
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 of housing mix and density in Newport is based on building permits issued between 2000 and 2010. Analysis of building permit activity over the prior decade provides sufficient information to describe recent residential development trends and includes both times of high housing production and times of low housing production.

The housing needs analysis presents information about residential development by housing types. For the purposes of this study, housing types are grouped based on: (1) whether the structure is stand-alone or attached to another structure and (2) the number of dwelling units in each structure. The housing types used in this analysis are:

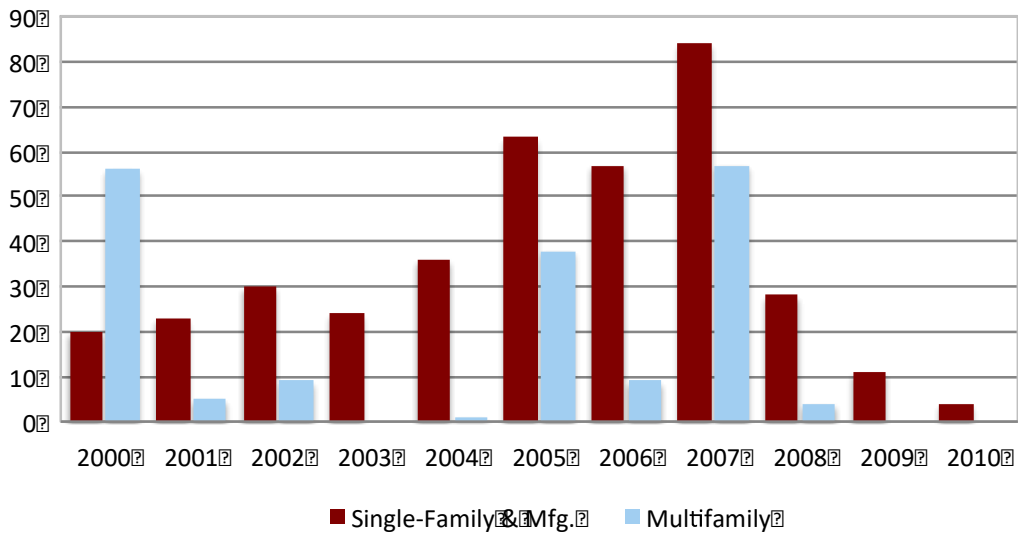
- **Single-family detached** includes single-family detached units, single-family attached units, and manufactured homes on lots and in mobile home parks.
- **Multifamily** is all attached structures, ranging from duplexes to structures with more than five units.

## RESIDENTIAL DEVELOPMENT TRENDS

Figure 1 shows residential building permits issued in Newport between January 1, 2000 and December 31, 2010. During this period, a total of 412 building permits were issued for new residential construction that allowed 572 dwelling units. Figure 1 shows that the number of dwelling units approved varies from year to year and peaked at about 150 units in 2007 and decreased to four units in 2010.



**Figure 1. Dwelling units approved through building permits issued for new residential construction, Newport UGB, January 1, 2000 and December 31, 2010**



Source: City of Newport Building Permit Database and Lincoln County Assessor's Database, 2010  
 Analysis by ECONorthwest

Note: Figure 3-1 does not include 13 permits issued for single-family dwellings in Newport in 2007 that were never acted on as a result in changes to the City's system development charges in 2007.

## TRENDS IN HOUSING MIX

Housing mix is the share or distribution of housing (structure) by type (e.g., single-family detached or apartments) within a city. The housing mix by type (i.e., percentage of single family or multi-family units) is an important variable in any housing needs assessment. Distribution of housing types is influenced by a variety of factors, including the cost of new home construction, area economic and employment trends, demographic characteristics, and amount of land zoned to allow different housing types and densities.

Several ways exist to look at change in housing mix over time, each of which shows a slightly different mix of housing.

- **Building permit data.** Table 6 shows the mix of building permits issued in the Newport UGB between 2000 and 2010.
- **Census data.** Table 7 shows changes in the mix of housing stock in Newport over the 1990 to 2009 period, based on Census data.

The information about housing mix for building permits issued and for dwelling units built over the last few years (Tables 6) provides useful information about recent trends in housing mix, which may be useful in forecasting changes in housing mix. Longer term information about the mix of the entire housing stock in Newport (Table 7) also provides useful information for forecasting changes in housing mix over the 20-year planning period.

Table 6 shows permits issued for new residential construction between January 2000 and December 2010 in Newport. Table 6 shows that 559 dwelling units were permitted, at an

average of 51 dwellings permitted annually.<sup>3</sup> Sixty-eight percent of permitted units were single-family housing types (including single-family detached, single-family attached, and manufactured) and 32% were multifamily.

**Table 6. Dwelling units approved through building permits issued for new residential construction, Newport UGB, January 1, 2000 and December 31, 2010**

Year	Single-Family & Mfg.	Multifamily	Total
2000	20	56	76
2001	23	5	28
2002	30	9	39
2003	24	0	24
2004	36	1	37
2005	63	38	101
2006	57	9	66
2007	84	57	141
2008	28	4	32
2009	11	0	11
2010	4	0	4
<b>Total</b>	<b>380</b>	<b>179</b>	<b>559</b>
<b>Percent of total</b>	<b>68%</b>	<b>32%</b>	
<b>Annual average</b>	<b>35</b>	<b>16</b>	<b>51</b>

Source: City of Newport Building Permit Database and Lincoln County Assessor's Database, 2010  
Analysis by ECONorthwest

Note: Table 3-1 does not include 13 permits issued for single-family dwellings in Newport in 2007 that were never acted on as a result in changes to the City's system development charges in 2007.

Table 7 shows changes in Newport's housing mix from 1990 to 2009, based on U.S. Census data. Between 1990 and 2009<sup>4</sup>, Newport increased its housing stock by 35%, adding 1,423 dwelling units. The mix of housing did not change substantially between 1990 and the 2005-2009 period. The share of single-family detached units (e.g., single-family houses and manufactured homes) remained nearly 70% over the 17-year period, with more than 800 single-family units built.

About 30% of new dwellings built in Newport over the 1990 to 2005-2009 period were multi-family housing types (e.g., structures with two or more units), accounting for 419 new units built. The share of attached structures did not change substantially, accounting for 5% of new dwellings built in Newport over the 1990 to 2005-2009 period.

<sup>3</sup> This number is slightly lower than the 572 permits reported in the previous section. The analysis eliminated 13 permits that were issued in 2007 that did not result in new dwellings.

<sup>4</sup> Census Data used for this analysis include 1990 and 2000 decennial census results and the 5-year American Community Survey (ACS) estimates for 2005-2009. The 2005-2009 ACS employs a continuous measurement methodology that uses a monthly sample of the U.S. population. By pooling several years of survey responses, the ACS can generate detailed statistical portraits of small geographies, such as Newport. The 2005-2009 ACS provides estimates of information, based on responses to the ACS from households in Newport over the 2005 to 2009 period. The results of the 2005-2009 ACS are not results for one year but an estimate for the five year period.

**Table 7. Dwelling units by type, Newport city limits, 1990, 2000, and 2005-2009**

	1990		2000		2005-2009		Change 1990 to 2005-2009		
	Units	Percent	Units	Percent	Units	Percent	Units	% of total	% increase
Single-family detached	2,864	70%	3,226	64%	3,803	69%	939	66%	53%
Single-family attached	149	4%	188	4%	214	4%	65	5%	44%
Two to four units	589	14%	795	16%	612	11%	23	2%	4%
Five or more units	503	12%	810	16%	899	16%	396	28%	79%
<b>Total</b>	<b>4,105</b>	<b>100%</b>	<b>5,019</b>	<b>100%</b>	<b>5,528</b>	<b>100%</b>	<b>1,423</b>	<b>100%</b>	<b>35%</b>

Source: U.S. Census 1990 SF3 H020, U.S. Census 2000, SF3 H30, American Community Survey 2005-2009 B25024

Note: Single-family detached housing includes manufactured homes. The Census does not distinguish between manufactured homes in parks or on single lots.

Note: The number of dwelling units in Newport shown in Tables 3-2, 3-3 and 3-4 differ because the tables show different information and are based on different data sources. Table 3-2 shows all units, Table 3-3 shows occupied units, and Table 3-4 shows occupied units where housing type is known.

This analysis shows that the mix of housing types over the 1990 to 2009 period was similar to the mix of housing permitted over the 2000 to 2010 period. Seventy-three percent of Newport’s housing stock was single-family housing types (single-family detached, single-family attached, and manufactured homes) during the 2005 to 2009 period. During the 2000 to 2010 period, a smaller share of permits issued by Newport (68%) were single-family housing types.

## TRENDS IN TENURE

Table 8 shows changes in Newport’s tenure (e.g., whether the home is owner or renter occupied) for occupied units from for 1990 and the 2005-2009 period. Newport’s tenure shifted over the period, with a 9% increase in homeownership. About 58% of occupied housing in Newport was owner-occupied in 2005-2009, up from 54% in 1990. In comparison, Lincoln County’s homeownership rate was 67% and the State average of 64% in the 2005-2009 period. Table 8 does not include the more than 1,000 dwelling units that were vacant, the majority of which were vacant for recreational or seasonal use.

**Table 8. Change in tenure, occupied units, Newport, 1990 and 2005-2009**

	1990		2005-2009		Change 1990 to 2005-2009	
	Number	Percent	Number	Percent	Number	Percent
Owner Occupied	1,905	54%	2,579	58%	674	35%
Renter Occupied	1,640	46%	1,874	42%	234	14%
<b>Total</b>	<b>3,545</b>	<b>100%</b>	<b>4,453</b>	<b>100%</b>	<b>908</b>	<b>26%</b>

Source: U.S. Census 1990 SF3 H008, American Community Survey 2005-2009 B25003

Note: The number of dwelling units in Newport shown in Tables B-2, 3-3 and 3-4 differ because the tables show different information. Table B-2 shows all units, Table 3-3 shows occupied units, and Table 3-4 shows occupied units where housing type is known.

Table 9 shows type of dwelling by tenure (owner or renter-occupied) in Newport over the 2005-2009 period. The results show that single-family detached housing types have a higher ownership rate than other housing types—about 92% of owner-occupied units were single-family detached. By contrast, 17% of renter-occupied housing was single-family detached units. Renter-occupied units were generally two to four unit structured (31%) or structures with five or more units (47%).

**Table 9. Housing units by type and tenure, occupied dwelling units, Newport, 2005-2009**

Housing type	Owner Occupied		Renter Occupied	
	Number	Percent	Number	Percent
Single-family detached	2,295	92%	208	17%
Single-family attached	83	3%	72	6%
Two to four units	36	1%	380	31%
Five or more units	82	3%	576	47%
<b>Total</b>	<b>2,496</b>	<b>100%</b>	<b>1,236</b>	<b>100%</b>

Source: American Community Survey 2005-2009 B25032

Note: Single-family detached includes manufactured homes.

Note: The number of dwelling units in Newport shown in Tables B-2, 3-3 and 3-4 differ because the tables show different information. Table B-2 shows all units, Table 3-3 shows occupied units, and Table 3-4 shows occupied units where housing type is known.

Table 10 shows that vacancy rates in Newport and reasons for vacancy for 1990, 2000, and the 2005-2009 period. Vacancy rates ranged from about 14% in 1990 to 18% in 2000, and 19% in the 2005-2009 period. Table 10 shows that the main reason for vacancy was seasonal (or recreational) use. Houses vacant for seasonal uses increased from 260 units in 1990 to 885 units in the 2005-2009 period. The increase in vacancy rates in Newport is the result, in large part, of increases in the number of seasonal units.

**Table 10. Vacancy Status for Newport, 1990, 2000, 2005-2009**

	1990		2000		2005-2009	
	Units	Percent	Units	Percent	Units	Percent
Occupied	3,545	86%	4,112	82%	4,453	81%
Vacant	560	14%	922	18%	1,075	19%
For Sale	31	1%	108	2%	28	1%
For Rent	96	2%	277	6%	71	1%
Rented or Sold	35	1%	30	1%	50	1%
Seasonal	260	6%	437	9%	885	16%
Other	138	3%	70	1%	41	1%

Source: U.S. Census 1990 SF3 H003 and H005, 2000 SF 3 H3 and H5, and American Community Survey 2005-2009 B25002 and B25004

Preliminary results of the 2010 Census estimated overall vacancy rates in Newport at 21%. This equates to 1,186 of the 5,540 dwelling units the Census reported existed within the Newport city limits. This figure is slightly higher than the figure presented in Table 10.

The long-term market outlook shows that homeownership is still the preferred tenure. While further homeownership gains are likely during the next decade, they are not assured. Additional increases depend, in part, on the effect of foreclosures on potential owner's ability to purchase homes in the future, as well as whether the conditions that have led to homeownership growth can be sustained. The Urban Land Institute forecasts that homeownership will decline to the low 60 percent range by 2015.<sup>5</sup>

The Joint Center for Housing Studies at Harvard University indicates that demand for new homes could total as many as 17 million units nationally between 2010 and 2020. The

<sup>5</sup>John McIlwain, "Housing in America: The Next Decade," Urban Land Institute

location of these homes may be different than recent trends, which favored lower-density development on the urban fringe and suburban areas. The Urban Land Institute identifies the markets that have the most growth potential are “global gateway, 24-hour markets,” which are primary coastal cities with international airport hubs (e.g., Washington D.C., New York City, or San Francisco). Development in these areas may be nearer city centers, with denser infill types of development.<sup>6</sup>

## RESIDENTIAL DEVELOPMENT DENSITY

Table 11 shows residential density achieved in Newport over the 2000 to 2010 period. Some of the dwellings permitted during the 10-year period were located on lots with existing dwelling units. This is most frequently the case for manufactured dwellings (often in manufactured home parks) or apartments. Accounting for the newly permitted and existing dwellings on the lots is important for accurately calculating the density of development on the lots.

Table 11 shows that Newport’s average residential density achieved over the 10-year period was 8.8 dwelling units (DU) per net acre. Single-family housing types averaged 7.0 du per net acre and multifamily housing types averaged 18.7 du per net acre.

**Table 11. Density of dwelling units approved through building permits issued for new residential construction, dwelling units per net acre, Newport UGB, January 1, 2000 and December 31, 2010**

	DU Permitted 2000 to 2010	Total DU, Lots with a Permit Issued 2000 to 2010	Acres of Land	Density (DU/Acre)
<b>Single-family types</b>				
Single-Family	343	344	52	6.6
Manufactured	50	121	14	8.7
<b>Single-family subtotal</b>	<b>393</b>	<b>465</b>	<b>66</b>	<b>7.0</b>
<b>Multifamily</b>				
Duplex, Triplex, and Quad	9	10	0	21.7
Condo	157	157	8	19.3
Apartment	13	59	3	17.0
<b>Multifamily subtotal</b>	<b>179</b>	<b>226</b>	<b>12</b>	<b>18.7</b>
<b>Total</b>	<b>572</b>	<b>691</b>	<b>78</b>	<b>8.8</b>

Source: City of Newport Building Permit Database and Lincoln County Assessor's Database, 2010

Analysis by ECONorthwest

Note: DU is dwelling units

Note: “Total DU, Lots with a Permit Issued 2000 to 2010” shows the number of dwelling units on lots where a permit was issued during the 10-year period. Accounting for the newly permitted and existing dwellings on the lots is important for accurately calculating the density of development on the lots.

Note: Density was calculated based on Total DU divided by acres of land. Although some of the total dwellings were not developed over the 10-year period, accurately calculating residential density requires accounting for existing dwelling units.

Table 12 shows residential density achieved in Newport over the 2000 to 2010 period by housing type and plan designation. Table 12 shows:

<sup>6</sup> Urban Land Institute, “2011 Emerging Trends in Real Estate”

- The average density of residential permits in Low Density Residential (LDR) was 5.3 du per net acre.
- The average density of residential permits in High Density Residential (HDR) was 9.9 du per net acre.
- Nearly half of development was single-family (detached and attached), with the majority in HDR (210 du) at an average of 8.2 du per net acre and most of the remaining single-family development in LDR (128 du) at 4.8 du per net acre.
- Most high density multifamily development was in HDR or Commercial Plan Designations
  - In HDR condos and apartments averaged 14.2 and 16.4 du per net acre respectively
  - In Commercial Plan Designations condos average 32.6 du per net acre

**Table 12. Density of dwelling units approved through building permits issued for new residential construction, dwelling units per net acre by Comprehensive Plan Designation, Newport UGB, January 1, 2000 and December 31, 2010**

	Total DU, Lots with a Permit Issued 2000 to 2010	Percent of DU	Acres of Land	Density (DU/Acre)
<b>Low Density Residential</b>				
Single-Family	128	19%	26.5	4.8
Manufactured	34	5%	4.2	8.2
Dup/TrSF/Quad	2	0%	0.2	12.5
Condo	2	0%	0.2	8.7
<b>LDR Subtotal</b>	<b>166</b>	<b>24%</b>	<b>31</b>	<b>5.3</b>
<b>High Density Residential</b>				
		0%		
Single-Family	210	30%	25.5	8.2
Manufactured	86	12%	9.6	9.0
Dup/TrSF/Quad	4	1%	0.2	25.0
Condo	81	12%	5.6	14.4
Apartment	56	8%	3.4	16.4
<b>HDR Subtotal</b>	<b>437</b>	<b>63%</b>	<b>44</b>	<b>9.9</b>
<b>Commercial Plan Designation</b>				
		0%		
Single-Family	6	1%	0.4	14.0
Manufactured	1	0%	0.1	9.1
Dup/TrSF/Quad	4	1%	0.1	28.6
Condo	74	11%	2.3	32.6
Apartment	3	0%	0.1	42.9
<b>Commercial Subtotal</b>	<b>88</b>	<b>13%</b>	<b>3</b>	<b>29.1</b>

Source: City of Newport Building Permit Database and Lincoln County Assessor's Database, 2010

Analysis by ECONorthwest

Note: DU is dwelling units

Note: "Total DU, Lots with a Permit Issued 2000 to 2010" shows the number of dwelling units on lots where a permit was issued during the 10-year period. Accounting for the newly permitted and existing dwellings on the lots is important for accurately calculating the density of development on the lots

Note: Density was calculated based on Total DU divided by acres of land. Although some of the total dwellings were not developed over the 10-year period, accurately calculating residential density requires accounting for existing dwelling units.

The Joint Center for Housing Studies indicates that demand for higher density housing types exists among certain demographics. They conclude that because of persistent income disparities, as well as the movement of the echo boomers into young adulthood, housing

demand may shift away from single-family detached homes toward more affordable multifamily apartments, town homes, and manufactured homes.

### Housing Needs Analysis

This section presents an evaluation of housing needs for the City of Newport for the 2011-2031 period. Much of the analysis is based on the OAR 660-024 “safe harbor” assumptions. The housing needs analysis makes a determination of the sufficiency of vacant residential land with the Newport UGB to accommodate expected residential growth over the 2011 to 2031 period.

A 20-year population forecast (in this instance, 2011 to 2031) is the foundation for estimating needed new dwelling units. Table 13 shows that Newport’s population is forecast to grow by about 1,600 people over the 20-year period.

**Table 13. Population forecast, Newport, 2011 to 2031**

Year	Lincoln County (OEA)	Newport
2011	47,306	11,243
2031	54,051	12,846
<b>Change 2011 to 2031</b>		
Number	6,745	1,603
Percent	14%	14%
AAGR	0.7%	0.7%

Source: ECONorthwest, based on the Office of Economic Analysis forecast for Lincoln County  
 Note: Population for 2011 and 2031 was extrapolated based on the growth rates used between 2010-2015 (for 2011) and 2030-2035 (for 2031).  
 Note: AAGR is average annual growth rate

Table 15 shows an estimate of needed housing in the Newport UGB during the 2011 to 2031 period, based on recent data. The projection is based on the following assumptions about the Newport UGB:

- Population will increase by 1,603 people from 2011 to 2031 in the Newport UGB.<sup>7</sup>
- About 2.9% percent of the new population in the Newport UGB, or 47 people, will locate in group quarters. This assumption is based on the share of population in group quarters from the 2000 Census.
- The average household size within the UGB will be 2.19 people per household, based on information from the 2005-2009 Census, a “safe harbor” assumption established in OAR 660-024-0040(7)(a).

<sup>7</sup> Note that this figure is slightly higher than the increase of 1,466 persons reported in the Population section. The difference exists because the housing analysis was done before the 2010 Census count for Newport was issued. The Population section uses the new Census data. The difference of 137 persons over the 2011-2031 period does not affect any of the major conclusions of the housing needs analysis.

- Vacancy rates for all housing types within the UGB will be 19% based on recent vacancy rates in Newport.
- The assumed mix of housing for the UGB is 60% single-family detached housing (including manufactured housing) and 40% multi-family housing types (including single-family attached). This mix is roughly equivalent to the mix of housing stock in Newport in 2000 and assumes that a smaller share of new housing will be single-family detached housing.

Based on the assumptions shown in Table 13, the Newport UGB will need 846 new dwelling units to accommodate population growth between 2011 and 2031, not including new group quarters. The results indicate that Newport will need to issue permits for an average annual total of 42 new dwelling units during the planning period. This figure represents a decrease over the average of 51 permits issued annually over the 2000 to 2010 period.

**Table 13. Forecast of demand for new housing units, Newport, 2011-2031**

Variable	Estimate of Housing Units (2011-2031)
Change in persons	1,603
<i>minus</i> Change in persons in group quarters	47
<i>equals</i> Persons in households	1,556
Average household size	2.19
New occupied DU	711
<i>times</i> Aggregate vacancy rate	19.0%
<i>equals</i> Vacant dwelling units	135
<b>Total new dwelling units (2011-2031)</b>	<b>846</b>
Dwelling units by structure type	
Single-family detached	
Percent single-family detached DU	60%
<i>equals</i> <b>Total new single-family detached DU</b>	<b>508</b>
Single-family attached	
Percent single-family attached DU	4%
<i>equals</i> <b>Total new single-family attached DU</b>	<b>33</b>
Multifamily	
Percent multifamily detached DU	36%
<b>Total new multifamily DU</b>	<b>305</b>
<i>equals</i> <b>Total new dwelling units (2011-2031)</b>	<b>846</b>
Dwelling units needed annually	42

Source: Calculations by ECONorthwest

## Summary of demographic and economic trends

Demographic and housing trends are important to a thorough understanding of the dynamics of the Newport housing market. Newport exists in a regional economy; trends in the region impact the local housing market. Following is a discussion of demographic and housing trends relevant to Newport and the mid-Oregon Coast region.

### Homeownership rates increased in Newport

- Owner-occupied units in Newport increased from 54% of the housing stock in 1990



- to over 63% in the 2005-2009 average. This increase was consistent with State and National trends in ownership.
- Single-family housing types had a higher ownership rate (92%) than multi-family (11%).

**The average vacancy rate for Newport was higher than the State average**

- Newport’s vacancy rate in 2005-2009 (19%) was higher than the State average (9%). The 2010 Census reported a 21% vacancy rate in Newport.
- The most common cause for vacancy in Newport was seasonal or recreational use at 16% in 2005-2009, compared to the State average of 3%.

**Commuting is common for workers in Newport**

- Commuting is typical throughout the region: Newport’s workforce lives in Lincoln County, but two-thirds do not reside in the City of Newport.

**The population in Newport and Lincoln County was older than the State average.**

- Forty-five percent of Newport’s households were 50 years or older during the 2005-2009 period, compared with 33% of the State’s population.
- Households residing in Newport were less likely to have children (19%) than the average State household (28%).
- The OEA forecasts that 37% of Lincoln County’s population will be 60 years or older by 2030, compared with the State average of 25%.

**Newport’s households were generally smaller than the State average.**

- Newport had fewer people per household in the 2005-2009 period, with an average household size of 2.19 people, compared to the County average of 2.27 and State average of 2.49 people per household.

**Newport had a larger share of non-family households and smaller share of households with children than Lincoln County or the State.**

- Newport had a larger share of non-family households (44%) than the Lincoln County average (29%) or State average (36%).
- Newport had a smaller share of households with married couples (43%) than the State (50%) or County (47%).
- Newport had a slightly larger share of households with children (19%) compared to Lincoln County (18%), but a smaller share than the State as a whole (28%).

**Homeownership and household size are related with age in Newport, which is consistent with State and national trends.**

- More than half of householders aged 35 and older were homeowners (61%). Homeownership increases with age until it starts to decrease at age 75.
- Householders younger than 44 years were more likely to be renters in households with two or more persons.

### **Newport became more ethnically diverse.**

- Hispanic and Latino population accounted for 8% of Newport's population during the 2005-2009 period, up from 2% of the population in 1990. In comparison, Hispanic and Latino population accounted for 7% of Lincoln County's population and 11% of Oregon's population during the 2005-2009 period.
- Newport's Hispanic/Latino population grew by 385% (650 people) between 1990 and the 2005-2009 period.

### **Newport's housing affordability decreased**

- In 2010, a household must earn \$14.60 an hour to afford a two-bedroom rental unit in Newport, an increase of \$5 or nearly 50% from 2000.
- More than one-third of Newport households could not afford a two-bedroom apartment at HUD's fair market rent level of \$759 in the 2005-2009 period.
- Newport had a deficit of nearly 500 affordable housing units for households that earned less than \$25,000.
- About 39% of Newport's households were cost-burdened, with 51% of renters and 30% of owners cost-burdened.
- Average annual household expenditures for necessities (e.g., food, transportation, clothing, utilities, health care, other necessities) in Newport are similar to larger cities in the Willamette Valley (e.g., Eugene or Salem) and are higher than smaller cities in the Willamette Valley (e.g., Cottage Grove or Lebanon). The types of expenses that are most frequently higher in Newport than in the smaller cities in the Willamette Valley are transportation (including gasoline), food, utilities, and health care. The higher cost of living in Newport (relative to small Willamette Valley cities) magnifies the problem of decreased housing affordability.

### **Newport's housing costs increased substantially**

- Newport's median housing value doubled between 2000 and the 2005-2009 period. Lincoln County's housing prices increased by 71% over the same period.
- The average sale price for single-family dwellings increased by 47% between 2000 and 2010, from about \$159,000 in 2000 to \$233,000 in 2010. Single-family sales prices peaked in 2007 at an average of nearly \$350,000.
- Condominium sale prices increased 71% between 2000 and 2010.
- Newport had a smaller share of housing valued under \$200,000 than the State, and a larger share of housing valued more than \$400,000 for the 2005-2009 period.
- Rents increased at a slower pace than housing prices, increasing by 14% (\$74) between 2000 and the 2005-2009 period.

### **Housing costs are increasing much faster than rents and incomes.**

- Since 2000, median owner value increased 77%, compared to a 31% increase in median household income, and a 14% increase in median rents.
- The ratio of housing value to household income increased from 2.8 in 1989 to 6.3 during the 2005-2009 period. Across the state, the ratio increased from 2.5 to 5.0.

## 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 Newport and Lincoln County related to these characteristics by describing the characteristics of households currently in Newport. The majority of Newport's population growth, however, is expected to be the result of in-migration.<sup>8</sup> It is difficult (if not impossible) to accurately project the characteristics of households that may move to Newport 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 Newport 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 Newport 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 60 years will grow from 25% of Lincoln County's population in 2000 to 37% in 2030, an addition of 8,500 people over age 60.
- **Growth in echo boomers.** Echo boomers are a large group of people born from the late-1970's to early 2000's, 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 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.

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<sup>8</sup> The Portland State University Population Research Center's annual estimate of population shows that all of Lincoln County's population growth between 1990 and 2009 is the result of in-migration. We assume that in-migration will continue to account for the majority of growth in Lincoln County over the planning period.

## Land needed for housing: 2011-2031

This section summarizes the forecast of new housing units in Newport for the period 2011 to 2031. The forecast of needed housing units (Table 14) uses the following assumptions, based on recent data:

- **Housing mix** will be 60% single-family detached units and 40% multifamily units (including single-family attached).
- **Residential density** will be the same as achieved densities over the 2000 to 2010 period: 7.0 dwelling per net acre for single-family detached and 18.7 dwelling units per net acre for multifamily.<sup>9</sup> The average density is 9.3 dwelling units per net acre, which is consistent with the OAR 660-024 housing density safe harbor.<sup>10</sup>
- **The net to gross factor**, which converts from net acres to gross acres, will be 20% for single-family housing types and 15% for multifamily types. These net-to-gross assumptions are consistent with previous empirical analysis of net-to-gross conversions in other cities.

Table 14 shows the results. The forecast assumes an average density of 9.3 dwelling units per net acre (about 7.6 dwelling units per gross acre). Based on the mix and density assumptions, Newport will need about 112 gross residential acres to accommodate new housing between 2011 and 2031.

**Table 14. Forecast of new housing by type and density, Newport, 2011-2031**

Housing Type	New Dwelling Units (DU)	Percent	Net Acres		Net to Gross Factor	Gross Acres	
			Density (DU/net ac)	Net Res. Acres		Gross Res. Acres	Density (DU/gross res ac)
Single-Family	508	60%	7.0	73	20%	91	5.6
Multi-family	338	40%	18.7	18	15%	21	16.1
<b>Total</b>	<b>846</b>	<b>100%</b>	<b>9.3</b>	<b>91</b>		<b>112</b>	<b>7.6</b>

Source: ECONorthwest

Note: Multifamily includes single-family attached.

Table 15 allocates needed new housing units to Newport's residential and commercial plan designations. Dwelling units were allocated to plan designations based, in part, on recent development trends within each plan designation and on the type of development allowed in each plan destination. Table 15 also provides an estimate of the gross acres required in each designation to accommodate needed housing units for the 2011-2031 period. The

<sup>9</sup> 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. Areas used for rights-of-way are considered unbuildable.

<sup>10</sup> OAR 660-024, Table 1, establishes housing density safe harbors for cities forecast to be between 10,001 and 25,000 during the planning period. The density safe harbors are: required overall minimum of 5 dwelling units per net buildable acre, assume for UGB analysis 7 dwelling units per net buildable acre, and zone to allow 9 dwelling units per net buildable acre. Newport's housing needs analysis meets these standards.

acreages are based on the gross density assumptions shown in Table 14. The residential land needs presented in Table 15 may change based on adjustments to the assumptions or based on policy decisions. Based on the housing needs analysis, dwellings were allocated by plan designation and type:

- The overall needed housing mix is 60% single-family detached housing types and 40% multifamily attached housing types (including single-family attached).
- Forty-two percent of needed dwelling units will locate in the Low Density Residential designation.
- Forty-seven percent of needed dwellings will locate in the High Density Residential designation.
- Eleven percent of needed dwelling units will locate in commercial plan designations.

**Table 15. Allocation of new housing units by plan designation, Newport, 2011-2031**

Housing Type	Plan Designation						Total	
	Low Density Residential		High Density Residential		Commercial Designations			
	DU	Gross Ac	DU	Gross Ac	DU	Gross Ac	DU	Gross Ac
Single-family detached	339	69	169	21	0	0	508	91
Multifamily	17	2	229	14	93	6	339	21
<b>Total</b>	<b>356</b>	<b>71</b>	<b>398</b>	<b>35</b>	<b>93</b>	<b>6</b>	<b>847</b>	<b>112</b>
<b>Percent of Acres and Units</b>								
Single-family detached	40%	62%	20%	19%	0%	0%	60%	81%
Multifamily	2%	2%	27%	12%	11%	5%	40%	19%
<b>Total</b>	<b>42%</b>	<b>64%</b>	<b>47%</b>	<b>31%</b>	<b>11%</b>	<b>5%</b>	<b>100%</b>	<b>100%</b>

Source: ECONorthwest

Note: Multifamily includes single-family attached.

The final step of the housing needs analysis is an evaluation of the sufficiency of vacant residential land with the Newport UGB to accommodate expected residential growth over the 2011 to 2031 period. This section includes an estimate of Newport’s residential land sufficiency, based on the analysis in the housing needs analysis.

Table 16 shows a comparison of buildable residential land with demand for residential land to determine the sufficiency of residential land in the Newport UGB to accommodate growth over the 2011 to 2031 period. Table 16 shows:

- **Land Supply.** Newport has more than 1,700 acres of vacant and partially vacant buildable land.
- **Land Demand.** Newport will have demand for about 106 gross acres of residential land.

**Land Sufficiency.** Newport has enough land to accommodate residential growth over the 20-year period, with a surplus of about 1,650 gross acres of residential land.

**Table 16. Comparison of buildable residential and with demand for residential land, gross acres, Newport, 2011-2031**

	Vacant and Partially Vacant Land (buildable acres)	Demand for Residential land (gross acres)	Residential Land Surplus or (Deficit) (gross acres)
Low Density Residential	998	71	927
High Density Residential	765	35	730
<b>Total</b>	<b>1,763</b>	<b>106</b>	<b>1,657</b>

Source: ECONorthwest

## Key housing issues

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

- **Newport has experienced limited multifamily apartment development.** While 32% of the new dwellings permitted in Newport during the 2000-2010 period were multifamily, the vast majority of multifamily housing was intended as vacation rentals. In short, the market is producing virtually no multifamily dwellings for local residents and workers.
- **Land designated for higher-density housing is located in areas that are less desirable for high density housing types.** Desirable locations for multifamily housing are places with services and retail close by and with easy transportation linkages. While Newport has a large inventory of land designated for higher density housing, very little is in locations that are ideal for workers. This issue is not new—it was identified in the 1989 Housing element of the Comprehensive Plan.
- **Aging housing stock.** Nearly 20% of the city’s housing stock was built before 1950. Data collected as part of the housing needs analysis suggests that the condition of rental housing in Newport is poor. The condition of rental housing combined with the higher rental costs (relative to nearby communities) negatively affects potential renters’ willingness to rent in Newport.
- **Lack of affordable workforce housing in Newport.** Housing in Newport became much less affordable between 2000 and 2010—particularly to working households:
  - In 2010, a household needed to earn \$14.60 an hour to afford a two-bedroom rental unit in Newport, an increase of \$5 or nearly 50% from 2000.
  - More than one-third of Newport households could not afford a two-bedroom apartment at HUD’s fair market rent level of \$759 in the 2005-2009 period.
  - Newport had a deficit of nearly 500 affordable housing units for households that earned less than \$25,000.
  - About 39% of Newport’s households were cost-burdened, with 51% of renters and 30% of owners cost-burdened.
  - The average sale price for single-family dwellings increased by 47% between 2000 and 2010, from about \$159,000 in 2000 to \$233,000 in 2010. Single-family sales prices peaked in 2007 at an average of nearly \$350,000.
  - Condominium sale prices increased 71% between 2000 and 2010.

- Newport had a smaller share of housing valued under \$200,000 than the State, and a larger share of housing valued more than \$400,000 for the 2005-2009 period.
- Rents increased at a slower pace than housing prices, increasing by 14% (\$74) between 2000 and the 2005-2009 period.
- **Substantial in-commuting by workers at Newport businesses who live in outlying areas.** Evidence suggests that housing costs are forcing some households to live in nearby communities. In 2008, 68% of residents of Newport worked in Lincoln County, with 50% working in Newport. Data from the American Community Survey show that gross rent in Newport was \$651 compared to \$669 in Toledo, \$592 in Waldport, \$372 in Siletz, and \$493 in Eddyville.

## HOUSING GOALS, POLICIES, AND IMPLEMENTATION MEASURES

### Goals:

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

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

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

Implementation Measure 1.1: The City of Newport shall establish a set of verifiable and empirically measurable metrics to track trends in housing development and affordability. The metrics should be based on readily available data sets that are available on an annual basis and should include income and housing cost trends, housing sales, building permits by type and value, as well as others.

Implementation Measure 1.2: The Community Development Department shall prepare annual housing activity reports that include data on residential building permits issued, residential land consumption, and other indicators relevant to housing activity.

Implementation Measure 1.3: The Community Development Department shall conduct an assessment of the housing needs of Newport residents and workforce every five years. This assessment shall focus on the implementation measures and related housing programs as described in the Housing section of the Newport Comprehensive Plan.

Implementation Measure 1.4: The City of Newport shall assess the use of creative funding and land use tools to facilitate the development of government-assisted housing and workforce housing. Tools to be evaluated include urban renewal, lodging tax revenues, system development charge structures, in lieu fees, and others.

Policy 2: The city shall cooperate with private developers, nonprofits, and federal, state, and local government agencies in the provision and improvement of government assisted and workforce housing.

Implementation Measure 2.1: The City shall establish a residential land bank program with the intent of facilitating the development of government-assisted and workforce housing.

Policy 3: The city shall encourage diversity and innovation in residential design, development and redevelopment that is consistent with community goals.



Implementation Measure 3.1: The City shall review the potential for establishing policies and locations for transitional housing in ORS 446.265.

Implementation Measure 3.2: The City shall review options for allowing innovative housing design including pre-approved housing plans. The review shall consider impacts on government assisted or workforce housing on innovative design and should include consideration of innovative options that would result in an increase of workforce or government-assisted housing.

Implementation Measure 3.3: The City shall evaluate how the zoning code can be modified to create more flexibility for innovative housing design, such as form-based code options, or modifications to the conditional use process.

Policy 4: The City of Newport shall designate and zone land for different housing types in appropriate locations. Higher density housing types shall be located in areas that are close to major transportation corridors and services.

Implementation Measure 4.1: The City of Newport shall review the comprehensive plan and zoning maps to ensure that low- and high-density residential lands are located in areas that are appropriate to associated housing types.

Implementation Measure 4.2: The City of Newport shall review the Newport Zoning Code to identify potential amendments related to facilitating the development of needed housing types. The review shall, at a minimum, include the following elements: (1) reduced minimum lot size in the R-1 and R-2 zones; (2) allowing small homes under certain circumstances; (3) adoption of an accessory dwelling unit ordinance; and (4) street width standards. Any proposals to reduce minimum lot sizes shall consider building mass and the potential need to reduce lot coverage allowances.

Policy 5: The City of Newport shall coordinate planning for housing with provision of infrastructure. The Community Development Department shall coordinate with other city departments and state agencies to ensure the provision of adequate and cost-effective infrastructure to support housing development.

Implementation Measure 5.1: The Community Development Department shall review functional plans (e.g., water, wastewater, transportation, etc.) to identify areas that have service constraints or will be more expensive to service. This review shall occur in conjunction with the five-year housing needs evaluation described in Implementation Measure 1.3.

Policy 6: The City of Newport shall discourage, and in some cases, prohibit the development of residences in known environmentally hazardous or sensitive areas where legal and appropriately engineered modifications cannot be successfully made. In support of this policy, the city shall inventory, and to the greatest extent possible, specifically designate areas that are not buildable or require special building techniques.

Policy 7: As much as possible, the City of Newport shall protect residential

development from impacts that arise from incompatible commercial and industrial uses; however, the city also recognizes that some land use conflicts are inevitable and cannot be eliminated. Where such conflicts occur, the uses shall be buffered, where possible, to eliminate or reduce adverse affects. Residences that develop next to objectionable uses are assumed to be cognizant of their actions, so no special effort by the adjacent use is required. The residential development will, therefore, be responsible for the amelioration of harmful affects.

Implementation Measure 7.1: The City of Newport shall investigate and evaluate housing programs that may reduce the costs on renters and home buyers.

Implementation Measure 7.2: The City of Newport shall eliminate any unnecessary review processes.

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

Implementation Measure 8.1: The City of Newport shall review the mobile home park inventory maintained by the Oregon Department of Housing and Community Services to identify parks that may be at risk of transition to commercial uses. Mobile home parks represent a low-cost housing alternative for lower income households. The City should consider strategies to mitigate the conversion of mobile home parks into other uses including working with park owners or managers.

Implementation Measure 8.2: The City of Newport shall review the zoning code to allow and encourage “park model” RVs as a viable housing type. This review should include establishing appropriate definitions for Park Model RVs, establishing appropriate development standards, reviewing minimum lot sizes, and establishing a set of pre-approved Park Model plans.

Policy 9: Consistent with the November 2014 study titled “Newport Student Housing – Expansion of the Hatfield Marine Science Center in Newport” by ECONorthwest (Appendix “D”), the City of Newport will encourage development of multifamily housing, including student housing, throughout the City in areas that allow multifamily development. Increasing the supply of multifamily housing is crucial to meeting the needs of Newport’s workforce and lower-income households, as well as to supporting student growth at the Hatfield Marine Science Center. The City will identify and implement appropriate tools to support multifamily and student housing development.

Implementation Measure 9.1: The City of Newport will endeavor to work with Lincoln County to evaluate the use of the multiple unit tax exemption to support multifamily development. If the City and County choose to offer the multiple unit tax exemption, they will work together to identify the area(s) to apply the tax

exemption, develop criteria for offering the tax exemption, and set criteria for using the program (such as a programmatic cap).

Implementation Measure 9.2: The City of Newport will endeavor to work with Lincoln County to evaluate the use of CDBG and Section 108 funds to support development of subsidized low-income and (where applicable) workforce multifamily housing.

Implementation Measure 9.3: The City of Newport will endeavor to work with property owners around the Wilder development and the Oregon Department of Transportation to coordinate the amount, type, and density of residential development in this area. If necessary, the City of Newport will adjust the zoning in this area to allow for development of student housing and other multifamily housing.