



# AFFORDABLE HOUSING IN DESCHUTES COUNTY

*An updated study by the League of Women Voters  
of Deschutes County, January 2021*



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## BACKGROUND

In 2019 the League of Women Voters of Deschutes County (LWVDC) Affordable Housing Committee (herein referred to as The Committee) was directed by LWVDC Board of Directors and Membership to expand a previous LWVDC study of the lack of affordable housing, which had focused on Bend to now include all of Deschutes County.

The Committee was also asked to focus upon *workforce housing*, defined as single or multi-family houses or apartments affordable for our community's working families. Workforce housing may be called *missing middle housing*. Often the community's workforce is not making enough to afford luxury housing and earning too much to qualify for government-subsidized affordable housing. These families are often earning 60% to 120% of the Average Median Income (AMI).

### THE COMMITTEE AGREED TO:

- 1 Review the 2016 LWVDC Affordable Housing Committee report. This report may be reviewed at [LWVDC Studies](#).
- 2 Gain more insight into the affordable housing crisis in Deschutes County.
- 3 Broaden the 2016 study's understanding through additional readings and interviews with governmental, nonprofit, and private organizations involved in the affordable housing issue in Deschutes County.

The Committee's research and report includes information collected from the following sources and weblinks and will provide the reader with further details. (see Appendix: References)

- > Interviews with government and non-governmental organization officials in Bend, Redmond, Sisters, La Pine, and Deschutes County.
- > Websites, news articles, and local, state, and federal level reports. Note that hyperlinks within this study serve to enhance understanding of the issue.
- > Legislation passed in Oregon, 2017 to 2020, which addresses affordable housing and impacts housing within Deschutes County.

# INTRODUCTION

HUD’s definition of affordable housing is housing that does not cost more than 30% of a family’s income. [HUD AMI Calculation Method](#). Housing assistance may be available for households with gross income less than 80% of AMI for homeownership and 60% of AMI for rentals. Total housing costs include rent or mortgage payment, utilities, property taxes, homeowner’s insurance, and HOA fees. [Affordable Housing Online](#)

In recent years, due to the stagnation of wages, consideration has been given to assisting with housing expenses for an ever-increasing percentage of AMI. The growing lack of affordable housing now includes a need for *middle housing*, often referring to multifamily dwellings such as duplexes, townhouses, and triplexes. These households might be earning annual incomes of \$40,000 to \$90,000. [Bend 2030 Collaborative Workgroup 2017](#) Affordable housing should address the housing needs (ownership or rental) of the lower and middle-income households. [HUD Bend-Redmond 2018 Report](#)

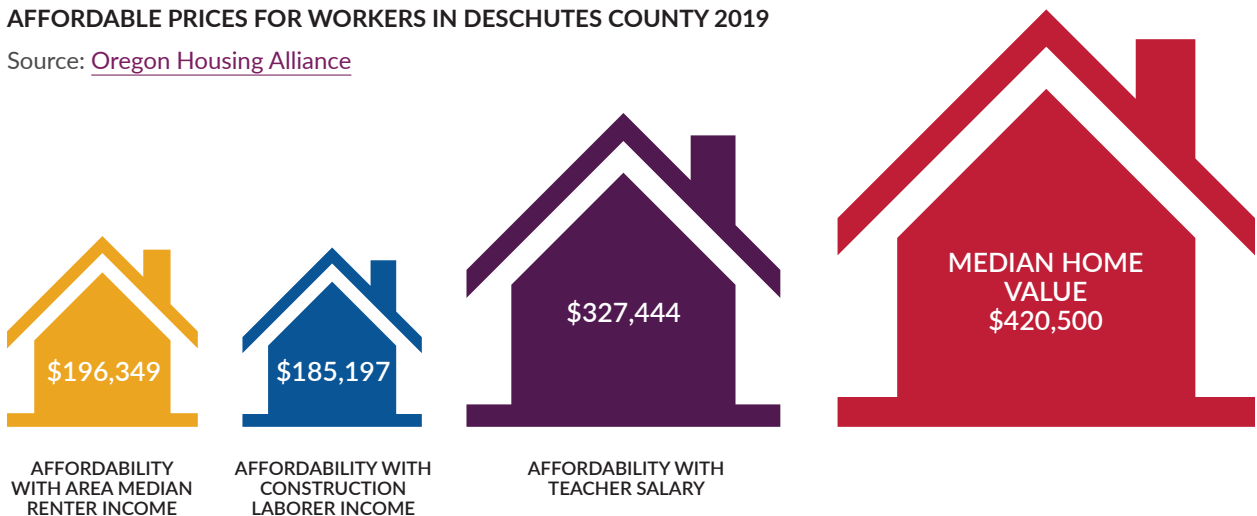
## AREA MEDIAN INCOME (AMI) and HOUSING COSTS as of November 2020

Region	AMI \$	30% of AMI \$	Median Home Sales Price \$	Average 1 bedroom monthly Rental \$
<a href="#">Deschutes County</a>	51,223	15,367	392,400	1,071
<a href="#">Bend</a>	78,600	23,580	530,000	1,418
<a href="#">Redmond</a>	69,600	20,880	376,000	1,372
<a href="#">La Pine</a>	30,842	9,253	325,000	1,024
<a href="#">Sisters</a>	56,809	17,043	292,000	1,373

Source: [Beacon Report](#)

## AFFORDABLE PRICES FOR WORKERS IN DESCHUTES COUNTY 2019

Source: [Oregon Housing Alliance](#)



# HOUSING AND RENTAL SHORTAGE

This study will discuss the housing crisis and the measures taken by various governmental organizations in Deschutes County to analyze and address the housing demand and needs.

Deschutes County is known as a *growth area*. Its population has almost doubled since the year 2000, growing from 115,372 to 202,374. The county offers:

- > Easily accessible public wilderness for resident recreation (known by the new term *gateway community*).
- > Reasonable property and income tax and an absence of sales tax.
- > Temperate climate with 158 days of clear skies and 105 days of sun annually, and four mild seasons, creating a wide recreation opportunity.
- > Friendly residents who value its “small town” character.
- > Casual, informal community feel, yet sophisticated dining and entertainment, a state university, community college, and progressive local governments.
- > Abundance of thriving small businesses, privately owned and operated.
- > Three to four-hour drive to Portland (major metropolitan area), high desert, forest wilderness, and ocean coast.

On August 8, 2019, the State of Oregon Legislature addressed the state’s housing crisis by passing [HB 2003](#), requiring cities with a population over 10,000 to create a Housing Needs Analysis and Housing Production Strategy. The Regional Housing Needs Analysis (RHNA) will identify existing housing stock and establish housing inventory needs for the next twenty years. RHNA lists strategies and best practices for measuring the issues specific to the *Deschutes District*. [State of Oregon RHNA information](#)

Homeownership has declined nationally by 2.5% since 2010, with a resulting demand for more rental housing (single and multifamily, manufactured homes, apartments, ADU’s, mobile homes). There is a growing shortage of low and middle rental apartments. There is a rental affordability crisis. [Harvard Study](#) and [Apartments.com](#). The homeowner vacancy rate is 0.9%, lowest in US Census Bureau records since 1956.

## WE HAVE A SERIOUS RENTAL HOUSING SHORTAGE IN DESCHUTES COUNTY Source: [Oregon Housing Alliance](#)

For every 100 families with extremely low incomes, there are only 15 affordable units available.



**3,430**

units are needed to meet the need

More than 1 out of 4



renters are paying more than 50% of their income in rent

5 out of 6



renters with extremely low incomes are paying more than 50% of their income in rent



# REASONS AND IMPACTS

## CAUSES BEHIND HOUSING CRISIS

Many of the steps taken by the City of Bend, as explained in the 2016 LWVDC affordable housing study, have resulted in more housing units. However, the housing crisis continues to be a priority for all governments within Deschutes County due to the following reasons:



Not enough housing units were created due to the super-charged population growth since 1990. [Why Housing Costs are So High](#)

Region	Population July 1, 2020	% Change from July 1, 2019
<a href="#">Oregon</a>	4,268,055	.7
<a href="#">Deschutes County</a>	197,015	2.1
<a href="#">Redmond</a>	32,215	5.2
<a href="#">Bend</a>	92,840	1.6
<a href="#">La Pine</a>	3,220	7.8
<a href="#">Sisters</a>	2,005	5.5

Portland State University, *Certified Population Estimates*, July 1, 2020, [Population Research Center](#)



Oregon's land-use laws created in 1973 controls the expansion of the urban City limits with the creation of the UGB and protects farmland from housing development. [UGB Information](#)



Increasing housing construction costs (materials and skilled labor) and subsequently increased housing prices. [NAHB reports lumber cost increases.](#)



Conversion of residential housing to tourist short term rental (STR) housing. As an example: there has been a loss over the past 10 years of approximately 1,000 residential units within the City of Bend, transforming houses from residential use to tourist lodging, resulting in a loss of approximately 1 out of 35 to 40 residential housing units. [Bend Ranks #4 per capita for STRs in the Nation.](#)



Stagnation of wage growth for area workers. The economy is dependent mainly on tourism, which historically employs a minimum wage workforce.





Zoning restrictions and an ingrained and long tradition of residents expecting ownership of a single-family home for each family unit. Favoring single-family housing construction over more diverse designs, higher density, smaller lots, less parking, setbacks, and height restrictions have led to a narrow demand for a particular type of housing and little ability for the home buyer to envision different housing design solutions. Suburban living is embraced as THE desired housing solution. Resistance to change!

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The COVID Pandemic has created the experience that workers in cities no longer need to live in crowded metropolitan areas but can relocate to smaller communities in Deschutes County that provide a more attractive quality of life. [Forbes, October 2020](#)

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Lack of enough infrastructure created in Deschutes County to provide housing expansion: i.e., roads, sewer, commercial and public amenities to meet the demand for housing from a growing population and the addition of more retail businesses.

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Growing demand for housing units by new residents relocating from areas where housing costs are higher. Bend has become a *zoom town* leading to more workers working from home and leaving large metropolitan communities, making Central Oregon costs seem reasonable in comparison, pricing out residents from the housing market. [FastCompany Zoom Town 10-17-2020](#)

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# IMPACTS FROM LACK OF AFFORDABLE HOUSING

## TRANSPORTATION COSTS

Due to the increasing demand to live in communities with the walkability factor, housing costs are expected to increase, especially in Deschutes County's city hubs. As housing costs per square foot increases in core urban areas, residents will search for affordable housing farther away from work and commercial centers. Transportation costs will then become an additional financial burden for residents. [Housing Transportation Index](#)

## HUMAN AND COMMUNITY COSTS

The housing cost burden makes it difficult for households to save money or accrue assets. To compensate, some residents may need to work longer or have multiple jobs. If young people cannot afford to buy a home, the population may gradually become less permanent, thus depriving the community of personal and financial investment. Financial vulnerability puts families and individuals at higher risk for a personal crisis and discrimination. See Appendix: *Impact on Families*. Recommended Utube video: [HousingWorks Oregon](#)

## HEALTH COSTS

Lack of affordable housing leads lower-income families to live further from health services, fresh food grocery stores, and living in substandard housing that lacks adequate heat and air conditioning, which may not be connected to water and sewer, but dependent on wells and septic fields of a questionable level of function.

## ECONOMIC COSTS

Without adequate and affordable housing for a community's workforce, profitable economic growth is not possible. *Adequate* means enough housing units. *Affordable* means reasonable housing prices and wages to provide the money needed to pay for housing. This clear connection cries for the recruitment of employers providing higher-paying and permanent jobs. Seasonal work generated by reliance on tourism does not support permanent affordable housing. Permanent employment by established businesses supports stable housing.



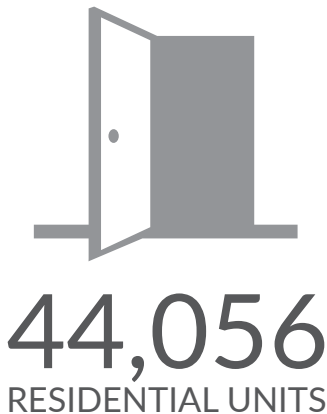
The 1 percent may be hoarding American's wealth, but the 25 percent are hoarding its housing opportunity."

– [CityLab, May 2019 and Housing Markets, and Income Inequality](#)



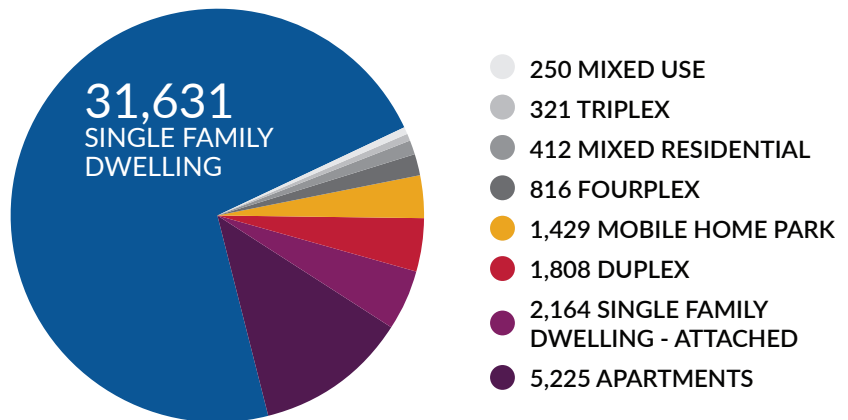


# SOLUTIONS



[Bend Land Information System, Residential Units](#)

CITY OF BEND RESIDENTIAL UNITS BY TYPE, OCTOBER 2020



\* Mixed Residential Types include tax lots developed with more than one residential unit type.  
\*\* Mixed-Use includes all commercial with residential uses types, excluding condos

The Committee suggests and believes that any of the following measures taken by any governmental, nonprofit or private entity in Deschutes County may have a curative effect on the housing crisis. Solutions may have challenges and we have noted those concerns. Furthermore, The Committee supports and encourages collaboration between governmental, nonprofit, and private entities as the most successful course to meet the short and long-term goals to create affordable housing.

- 1 Increase the amount of land and number of housing units** after careful growth-management planning, including various types of housing units, infrastructure, commercial businesses, parks, and public amenities within neighborhoods. Plan neighborhoods, not developments. Create community. [StrongTowns.org Build Community](#) Concerns: Increasing available land for housing requires a formal application to the State of Oregon, a long and expensive process, particularly for smaller towns such as Sisters and La Pine.
- 2 Expand existing land use by revising development codes** allowing more flexible and fewer requirements: i.e., lot size, property setbacks, parking requirements, height restrictions. Concerns: May change a neighborhood's character by causing parking and traffic congestion, cause less open space, more shadow, and need for street lighting.
- 3 Increase housing density (up-zoning)** "When developers are legally allowed to build more kinds of housing, conceivably more will be built...this increase in housing stock is attractive as a path to lower costs." [Upzoning, CityLab, May 21, 2019](#)
- 4 Decrease the costs associated with housing development.** For example: decrease system development charges (SDC) for affordable housing development and facilitate tax incentive programs. [Tax Foundation, 2020.](#) Concerns: SDC fees and taxes pay for infrastructure (sewer, utilities, and roads), which is paramount in creating land ready for development and increasing the housing supply.



- 5 Protect the loss of existing housing supply.**  
Preserve housing for residential use by limiting housing use for tourist lodging. [Airbnb Effect, CityLab](#) For example: regulate use through permitting and enforcement, determines the permit's length to allow future use of the house as a residence.
- 6 Support funding through tax or nonprofit sources for housing rehabilitation by converting them to more energy-efficient units.** One example is Fannie Mae's Green Preservation Plus program or Freddie Mac's Multifamily Green Advantage Program. [US Department of Energy](#)
- 7 Discourage the loss of affordable housing to real estate speculation and gentrification.**  
Local land-use planners. City councils and planning commissions could encourage a variety of sizes and housing prices within a development. Profit-driven development is often scaled to one-size-fits-all. Historical Preservation designations play a role in preserving existing housing and communities.
- 8 Repurpose existing commercial buildings** such as motels, churches, malls, big box stores, and offices for residential use. The COVID pandemic has created an opportunity for communities to discover that vacant work-space could be future housing. [Dying Malls, CityLab, June 2020](#)
- 9 Support state and local legislation that will create and preserve existing affordable housing.** Community opposition to affordable housing development (sometimes known as Not in My Back Yard [NIMBY]) can be addressed by partnering with the residents, addressing their concerns, and compromising on creating a win-win. [SHELTERFORCE June, 2020](#)
- 10 Educate the public about available funding sources for affordable housing:** i.e., Local Innovation and Fast Track Awards (LIFT), Community Development Block Grants (CDBG), HUD Section 8 Vouchers, Habitat for Humanity, KOR, NeighborImpact, FirstStory. Example: create an annual housing conference or expo for the public.



# STATE AND LOCAL GOVERNMENT MEASURES

## STATE OF OREGON

The Committee reviewed legislation passed by the Oregon State Legislature between the years 2017 and 2020. Twenty-six legislative bills were identified for addressing the housing crisis and passed by the Oregon House and Senate between 2017 and 2020. The reader may find this list and brief descriptions at [LWVDC Studies](#). Over time, Deschutes County, Redmond, Bend, Sisters, and La Pine will discover if these laws provide housing shortage relief. [Oregon Legislature.gov](#)

- > HB 4034 (March 2018) ADU Bill.
- > SB 5721 (February 2018) LIFT program that established Local Innovation and Fast Track Housing Program added new funding produces rental housing.
- > SB 1533 (February 2016) enables local jurisdictions to impose a construction excise tax for affordable housing and allows inclusionary zoning. [Oregon Housing Alliance](#).
- > SB 608 (February 2019) Rent Control Bill.
- > HB 2001 (August 2019) Allows middle housing types in all residential zones.
- > HB 2002 (August 2019) expands laws to preserve publicly supported housing.
- > HB 2003 (August 2019) Mandates Housing Needs Analysis Reports.
- > SB 534 (January 2020) Skinny homes Bill. Allows narrow lots.
- > HB 4079 (March 2018) specific to Bend fast track project.
- > HB 2336 (January 2020) Allows an affordable housing project for Redmond.
- > HB 3450 (August 2019) Allows residential housing in commercial zones.

Most significant in curing Oregon's housing shortage is analyzing, measuring, and planning for housing needs. Landmark legislation in HB 2003 is most important to address the lack of affordable housing. The bill directs Oregon Housing and Community Services to estimate the statewide housing need. It requires the Department of Land Conservation and Development to assist local jurisdictions with developing housing production strategies to meet the local housing needed for 20 years.

The analysis is created by region and by cities greater than 10,000. This analysis is to be completed no less than once every six years for municipalities and no less than once every eight years for regions. A Regional Housing Needs Analysis (RHNA) Methodology was completed in August 2020 and is now available for cities and counties in the defined Deschutes Region. Refer to page 451 for the Deschutes Region under REPORTS at [HB 2003 Reports](#).

Oregon and Community Services are placing a greater emphasis on strategic planning and how resources will be invested. [Statewide Housing Plan](#)



## DESCHUTES COUNTY



Deschutes County Commissioners instructed the Planning Department in July 2020 to create a housing strategy. [Deschutes County Housing Strategy Project](#).

This project's timing coincides with the 2020 US Census and the update of the County Comprehensive Plan.

Deschutes County land-use jurisdiction encompasses mostly rural land. However, a 13% increase in 2020 for on-site permit applications was implemented to meet needs like septic systems on properties within this rural, unincorporated land area. Housing prices have increased as demand for more housing increases as more people leave urban areas and relocate to Central Oregon to work from home.

Deschutes County donated 40 acres to the City of Redmond in 2019 for the development of 485 housing units with 50% becoming affordable housing for families earning 80% or less of AMI. Construction will begin in summer of 2021. The development is called [Skyline Village](#).

County Commissioners continue to argue to clarify six subdivisions built before state land-use laws existed and amount to approximately 900 acres and were incorrectly designated farmland and should be called *nonprime resource land*. This change would allow homes to be built on the land without applying for conditional use permits, thus expediting housing development upon county land.

## CITY OF BEND



CITY OF BEND

Bend is the Nation's 2nd fastest growing City in the US according to [WalletHub October 2020](#).

- > Affordable housing in Bend is defined as 80% of AMI for homeownership and 60% of AMI for rentals. The City does not operate housing. [City of Bend Affordable Housing](#)
- > Placed city-owned, odd-sized, surplus, deed-restricted building lots for sale, creating 130 new housing units, some of which are multifamily units. [Bend Bulletin 6-20-2018](#)
- > City Council approved the Consolidated Annual Performance Evaluation Report (CAPER) August 2020, stating progress in carrying out the City's strategic housing plan. [CAPER Report](#)

- > Community Development Block Grants (CDBG) as of August 2020 has benefited—
  - 1 33,550 persons
  - 2 assisted in the completion of 15 housing units for families at or below 80% of AMI
  - 3 acquired property for 47 apartments available to rents at 60% of AMI
  - 4 acquisition of property for home ownership for four families at or below 80% AMI
  - 5 land acquisition for the future development of 350 affordable housing units
- > Fast track permitting for development of affordable housing.

- > SDC (System Development Charges) waived by the Bend Parks & Recreation District (BPRD) for the first 400 affordable housing units, sunsets in 2022. As of November 15, 2020, SDC charges on 372 affordable housing units have been waived since 2018. On January 5, 2021 BPRD agreed to allow an additional 150 waivers for affordable housing units.
- > Developers are given a density bonus allowing a greater number of housing units if affordable housing units are included.
- > The City has received \$6 million through federal block grants for affordable housing projects, which funded 366 houses and apartments.
- > The City of Bend Affordable Housing Committee has had a combined budget of approximately \$1.5 million each year to allocate affordable housing projects. [Bend Affordable Housing Committee](#)
- > Development Code changes since 2016:
  - 1 reduce parking requirements, building lot sizes, and lot setbacks
  - 2 allow multifamily housing within single-family zoning
  - 3 allow new housing types – ADU, cottage, and micro-units [Reuters: Co-living eases housing shortage](#)
- > Bend was first in the state to create an Affordable Housing Fee, now known as CET (Construction Excise Tax). The fee is assessed on all construction permits at a rate of 1/3 of 1%. Additionally, Bend is implementing a new CET that is also assessed at the same rate but only upon commercial and industrial permits. CET funds are used for housing those earning at or below 30% of AMI.
- > City Council's goal is to permit 3,000 new housing units by June 2021.
- > Housing Works (HUD funding) built 545 affordable rental housing units, plus 71 units with committed financing and 30-50 units in the pipeline, and approximately 180 units more with UGB expansion development. [Housing Works Properties.](#)
- > Construction of Bend's largest-ever affordable housing project called Stillwater Crossing will begin construction in 2021 in southeast Bend and create 240 affordable housing units (renters earning 60% of AMI). [Stillwater Project](#) The project is supported by the waving of SDC charges and a 20-year property tax abatement and a density bonus [Tax Exemptions.](#)
- > Funding Sources: [City of Bend Financial Tools.](#)
- > Urban Growth Boundary (UGB) ROI study completed, and development plans ongoing for newly available land within Bend City limits (2,380 acres, approximate 5,000 additional housing units).



# CITY OF REDMOND

## Past Efforts (2017-2020)



- > Processed first 'property tax exemption' [Bridge Meadows](#) rental housing for families and seniors earning no more than 60% AMI.
- > Housing Works constructed 274 housing units and 118 units are approved to be built. City allocated \$170,000 CDBG funds to acquire land for 10-12 affordable housing units in 2020.
- > Habitat for Humanity has constructed 16 homes in Redmond in 2019. City awarded \$175,000 CDBG funds for the construction of 2 homes.
- > Formed Housing Community Development Committee (HCDC) to administer HUD Community Development Block Grant. [HCDC](#)
- > Adopted a state mandated Housing Needs Analysis (HNA). [Housing Needs Analysis](#) June 2019
- > Granted over \$60,000 in SDC credits to affordable housing developments through the City's *SDC Credit Transfer Program* which offers a 50% reduction in SDC fees for qualified affordable housing projects. Multi-family projects cannot exceed \$20,000 in SDC credits.
- > Administered [CDBG](#) funding to assist affordable housing programs and projects. Allocated \$134,000 in 2020 for down-payment assistance to an estimated 10 income-qualified families.
- > [Urban Renewal](#) program funds leveraged over \$2 million for development of 48 affordable housing units (Housing Works Mid-Town Plan project); construction started August 2020.

## Ongoing and Future Efforts

- > Pursue amendments to City Code to facilitate 'missing middle' housing.
- > City's Urban Renewal department works with the newly created Downtown Housing Sub-Committee to identify opportunities and incentives for affordable housing. Focus on: redevelopment, infill and vacant and underutilized properties, development projects that establish positive economic momentum, and advise policymakers on housing needs and opportunities (within the Downtown Urban Renewal Area).
- > Explore and develop incentives to encourage and subsidize the development of affordable housing.
- > Allocate [CDBG](#) and [Urban Renewal](#) program funds for affordable housing development and programs.
- > Monitor and implement the City's Affordable Housing SDC Credit Transfer Program (SDC buydown for qualified affordable housing projects).
- > Work on land use entitlements under HB 4079/2336 and State approved 485 unit affordable housing pilot project named *Skyline Village*. [UTube Visual of Skyline Village](#). This project location will benefit both City and County by serving to jump-start the development of the City's eastside.



## CITY OF SISTERS



- > The population is 3,220 and expected to double in the next 20 years.
- > 70% of the workforce living in Sisters does not work in Sisters, and the majority of the workforce earns \$20 to \$34K annual salary.
- > Non-residents of Sisters own 22% of housing.
- > Sets a goal of 10% of future housing priced for the workforce.
- > Housing works has created 81 rental housing units: [Tamarack Village](#) and [Ponderosa Heights](#).
- > Desires to expand their UGB, but no plans at present. Sisters is surrounded by farm/ranch land, and state rezoning resists a city usurping such land.
- > Waives SDC fees for affordable housing, but it must remain affordable for 50 years.
- > Desires to create an affordable housing grant program using lodging tax general funds.
- > Code changes: created cottage code and has a density bonus by state law.
- > The most recent housing plan was written in January 2010. The City of Sisters depends on the Central Oregon Regional Housing Needs Assessment for guidance. [City of Sisters](#).
- > Sisters is not required to complete a Housing Needs Analysis Report as its population is less than 10,000.

## CITY OF LA PINE



- > Pahlisch built homes sold in La Pine for \$350K versus the same house in Bend sold for \$450K [Pahlisch Homes La Pine](#). The land is less expensive in La Pine.
- > Arbor Builders plans to construct family homes for under \$200K. [Arbor Meadows](#).
- > La Pine is the least expensive town in Deschutes County with the lowest SDC fees and land cost.
- > All types of housing are allowed on all buildable land and follow the land use laws of Deschutes County.
- > Housing Works has created 42 rental housing units at [Hawks View Estates](#).
- > La Pine is seven square miles, and 50% of the land is owned by the Bureau of Land Management (BLM).
- > Residents are primarily retired seniors or commute to work in other parts of Central Oregon. The population is 2,005.
- > La Pine partners with the private nonprofit Economic Development for Central Oregon (EDCO) to encourage South Deschutes County's economic development. [City of La Pine](#).
- > There is public transportation from La Pine to all other towns in Central Oregon and beyond provided by Cascade East Transit (CET).
- > La Pine is not required to complete a Housing Needs Analysis Report as its population is less than 10,000.



# INNOVATIVE IDEAS FOR CONSIDERATION

- > Deschutes County could require property owners, as a part of the recording of deeds, to disclose the actual person's name and address and not the legal title (LLC) so serving the public interest. [The Source, January 2020](#). After the housing crash of 2008, some foreclosed housing properties in the Nation were bought up by LLC's and investment companies and bundled as securities for market speculation. Landlords should be local citizens.
- > Pursue economic development options that lead to an increase in the area median income (AMI). Legislate an increase in the minimum wage.
- > Plan for continued population growth and the demand for housing in Deschutes County. Recognize the impact of climate change and the new *zoom economy*.
- > Encourage and foster a change in expectations of single-family housing units to shared, multifamily, cooperative housing. [Bend Land Information on Housing Units](#)
- > Diversify development sources to welcome smaller, local builders and balance the significant influence from large national developers. [Washington Post, October 17, 2019](#)
- > Repurpose commercial or industrial buildings to residential use through innovative and creative financing and zoning. [Hotels Reborn as Affordable Housing, Travel Weekly, November 11, 2020](#), and [Abandoned mall buildings converted to housing](#).
- > Propose creative tax approaches for supporting affordable housing and infrastructure:
  - Tax houses that remain empty (not rented long or short term) for more than six months. Taxing empty houses may discourage housing speculation and penalize long-term rental landlords during economic downturns. [Vacant Bend Housing Units were 5,191 in 2019](#)
  - State tax deduction for rental expense (similar to mortgage interest tax deduction)
  - Tax restaurant meals at 1% [Next City Help Finance Affordable Housing](#).
- > Support deed-restricted housing development. [CityLab Alternative Housing, 2019](#) Nonprofit Community Land Trusts are an example of deed-restricted housing, and such housing tends to remain affordable. Concerns: the sale and financing of these properties may be more difficult because the land is owned separately from the building.
- > Enact on a state or local level the Tenant Opportunity to Purchase Act (TOPA), which gives the tenants of multifamily buildings the first right to buy their building when the landlord puts the property up for sale. [Next City TOPA](#)
- > Create rental housing that targets the needs of the transient/seasonal workforce, students, and others employed temporarily in Deschutes County. Shared Workspace evolves into Shared Living space for temporary residents.
- > Create a new nonprofit whose mission is to provide realtor, financial, and title services to sell deed-restricted housing properties: i.e., Community Land Trust (CLT) and cooperatively owned residential properties.
- > Create an Annual Central Oregon Affordable Housing Conference, open to the public in the county and held in a large venue such as the Fair Grounds, featuring discussions on the issue and promoting resources (governmental, nonprofit, and private) for homeownership and rental options.
- > Improve and broaden developers' *Public Notice Requirements* as mandated by state and local code and better involve, motivate, and inform residents about the issue of housing development.
- > Identify, allow, and promote unique uses for land and co-op housing such as mobile homes or manufactured home parks.





# CONCLUSION

The affordable housing crisis continues to evolve and expand since The Committee began this study in the spring of 2019. The COVID pandemic, starting in March 2020, is a crisis of epic proportions and will significantly impact the lack of affordable housing within Deschutes County. The full impact is yet to be felt, realized, or measured. The Committee chose to end our study in December 2020. COVID economic and housing implications are not addressed in this study.

By reviewing varied sources of information, The Committee's study broadens the understanding of the housing crisis in Deschutes County. Housing affordability in Central Oregon is a barrier impacting individual and household well-being, business, economic

development, transportation patterns, public health, and other aspects of the quality of life in Deschutes County.

The crisis is comprehensive in scope and impact. Addressing the Deschutes County affordable housing crisis requires the integrated action of many and diverse partnerships. The collaboration of many is paramount, from leaders of government and non-profit organizations to the individual residents. "Local housing policies that lead to more safe and affordable housing are best informed when ALL stakeholders—government, residents, nonprofits, and private market actors—can see the whole picture, and how the parts connect." [Up for Growth](#)

## Empowering Voters. Defending Democracy.

The League of Women Voters encourages informed and active participation in government, works to increase understanding of major public policy issues, and influences public policy through education and advocacy.

The League is proud to be nonpartisan, neither supporting nor opposing candidates or political parties at any level of government, but always working on vital issues of concern to members and the public.



League of Women Voters  
of Deschutes County  
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# APPENDIX

## DISCUSSION

### Lack of Affordable Housing: The Impact on Children from an interview with Debra Peterson of the Family Access Network Agency and Kellie Scholl of Circle of Friends Sisters

Children and teens are gravely impacted by the stress and shame of living in unsafe and/or inadequate housing. Studies show high levels of depression and emotional anxiety problems for these unfortunate children. Eviction trauma causes anxiety from disrupted school time and a lack of school meals. Adolescents have lower school success in core academic subjects. The brightest, toughest kids can be worn down as their families are rent challenged and cannot find decent, affordable housing, and are repeatedly forced to move from their homes.

The community cost of inadequate housing causes an increase in school dropout rates, physical and mental health issues, social services, and law enforcement involvement.

Evidence shows that access to affordable, decent housing has broad, positive impacts. It can lead to better health, education outcomes, and higher lifetime earnings. Housing is the foundation for our children and young families in Deschutes County to create a strong middle class for the next generation.

The stigma of substandard housing can wear down the brightest, most hardened child. A neighborhood of inadequate housing reflects upon its residents as inferior with a lack of talent and ambition. It may label these children and families as not worthy of community investment. Inadequate housing says that the local government doesn't believe that all young people are essential to the community's future success. Lack of housing is discrimination. There were 557 homeless children in the January 2020 Homeless count in Deschutes County.

Many families in Central Oregon struggle paycheck to paycheck to pay for housing when earning minimum wage. Children just want their house to be a safe place to bring their friends, store and eat food, and a quiet place to do their homework. Lack of affordable housing for children in Deschutes County can cause a lifetime of disadvantage.

### OUR NEIGHBORS ARE FACING HOMELESSNESS

Source: [Oregon Housing Alliance](#)

## 1 in every 50 students

experienced homelessness  
in 2018-2019



That's 587 children during  
the 2018-19 school year in  
Deschutes County.

## ACKNOWLEDGEMENTS

Members of the League of Women Voters of Deschutes County (LWVDC) completed this study and prepared this report. Committee members are residents of Deschutes County and interested in the topic of affordable housing in Deschutes County. The Committee conducted this study and wrote this report to inform local LWVDC membership about the affordable housing issue in Deschutes County. The study will lead to discussions and advocacy by LWVDC membership concerning the local League's official affordable housing positions.

This study is available to the public on the League's website [LWVDC Studies](#). Committee contact information is available on the website.

Committee members have spent 2019 and 2020 reading, meeting, and discussing affordable housing. During this two-year experience, LWVDC also organized candidate forums for national, state, and local elections and coped with a global pandemic, which impacted the ability to gather with members and others.

We wish to express our gratitude for the assistance, support, information, and direction of other LWVDC members and the many knowledgeable people we had the pleasure to interview. Those individuals are committed to the mission of meeting the challenge to create and or preserve affordable housing in Deschutes County, Oregon. They have added immeasurably to the Committee's understanding of the issue. Thank you.

The Committee Members: Joyce Durban, Dolores Ellis, Anne Goldner, Barbara McCormick, Laurel Sorlie

## REFERENCES

The Committee shares a complete compilation of titles and descriptions of books, journal articles, web-links, Government and NGO's organizations (federal, state, and local), and a list of consultants on the LWVDC website.

Also found on the LWVDC website is a more comprehensive listing of State of Oregon legislation and a copy of the 2016 LWVDC Affordable Housing Committee Report.

The reader can access this reference information at [LWVDC Studies](#).



## INTERVIEWS CONDUCTED BY THE COMMITTEE

Listed below are the names of individuals and organizations who met with The Committee from July 2019 through December 2019. The Committee extends our sincere appreciation and gratitude for the time, information, and discussion shared with The Committee members. The individuals and organizations listed below are an invaluable source for facts and opinions about affordable housing in Deschutes County.

**Deschutes County** | [www.deschutes.org](http://www.deschutes.org)  
1300 NW Wall St, Bend, OR 97703

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**City of Bend** | [www.bendoregon.gov](http://www.bendoregon.gov)  
June 19, 2019

Bend City Hall,  
710 NW Wall St, Bend, OR 97703

Lynne McConnell, Affordable Housing Manager  
[lmccConnell@bendoregon.gov](mailto:lmccConnell@bendoregon.gov)

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**City of Redmond** | [www.redmondoregon.gov](http://www.redmondoregon.gov)  
411 SW 9th St, Redmond, OR 97756

Rebecca Batzel, Housing Programs Analyst,  
[rebecca.batzel@redmondoregon.gov](mailto:rebecca.batzel@redmondoregon.gov)

(note: City of Redmond staff, Jim Long,  
was interviewed in August 2019)

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**City of Sisters** | [www.ci.sisters.or.us](http://www.ci.sisters.or.us)  
August 9, 2019

520 E. Cascade Ave., Sister, OR 97759

Patrick Davenport, Community Development  
Director, [pdavenport@ci.sister.or.us](mailto:pdavenport@ci.sister.or.us)

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**City of La Pine** | [www.lapineoregon.gov](http://www.lapineoregon.gov)  
September 16, 2019

16345 Sixth St, La Pine, OR 97739

Melissa Bethel, City Planner/ City Manager,  
[mbethel@lapineoregon.gov](mailto:mbethel@lapineoregon.gov)

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**Sam's Team Realtors** | [www.teamsams.com](http://www.teamsams.com)  
July 30, 2019

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### **Fred Real Estate Group**

Abbie & Rick Sam's, Realtors and writers of The  
Source Housing Column [rick@teamsams.com](mailto:rick@teamsams.com)

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**Housing Works** (Housing Authority for  
Deschutes, Crook, and Jefferson Counties)  
[housing-works.org/assisting](http://housing-works.org/assisting) over 2,000  
low-income households) July 31, 2019

405 SW 6th St, Redmond, OR 97756

David Brandt, Executive Director  
[dbrandt@housing-works.org](mailto:dbrandt@housing-works.org)

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**Westside Pines Mobile Home Coop**  
[www.mhvillage.com/parks/22647](http://www.mhvillage.com/parks/22647)  
September 30, 2019

SW 15th St, Bend, OR 97703

John Short [johnshort@gmail.com](mailto:johnshort@gmail.com)

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**KOR Community Land Trusts** | [korlandtrust.org](http://korlandtrust.org)  
October 14, 2019

PO Box 6993, Bend, OR 97708

Amy Warren, Co-founder and Executive Director  
[korcommunitylandtrust@gmail.org](mailto:korcommunitylandtrust@gmail.org)

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**NeighborImpact** | [www.neighborimpact.org](http://www.neighborimpact.org)  
October 23, 2019

20310 Empire Ave, Bend, OR 97701

Sonia Capece, Home Ownership Director  
[soniac@neighborimpact.org](mailto:soniac@neighborimpact.org)

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**Bend-Redmond Habitat for Humanity**  
[bendredmondhabitat.org](http://bendredmondhabitat.org)  
November 4, 2019

224 NE Thurston Ave, Bend, OR 97702

Robin Cooper Engle, Director of Development  
[rcooper@brhabitat.org](mailto:rcooper@brhabitat.org)

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**Central Oregon Rental Owners  
Association (COROA)**  
[www.centraloregonrentalowners.org/](http://www.centraloregonrentalowners.org/)  
February 3, 2020

354 NE Greenwood Ave, Bend, OR 97701

Brandi Snow, Board President, and  
Terry Leulling, COROA member  
[brandi@partnerspropertygmt.com](mailto:brandi@partnerspropertygmt.com)

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## TERMS AND DEFINITIONS

**15-MINUTE COMMUNITY:** citizen access to most basic, day-to-day needs within a 15-minute walk of their home. Examples of possible ingredients: neighborhood schools, food and basic necessities available, social gathering places, and housing for all kinds of people.

**AFFORDABLE HOUSING:** total housing costs no more than 30% of total gross income. Total housing costs include rent/mortgage payments, utilities, property taxes, homeowners' insurance, and any home-owners fees.

**AMI (Area Median Income):** midpoint of regions income distribution or half of the families earn more and half earn less.

**AMD (Area Median Dwelling):** the point at which half of the number of homes sell at higher prices and half sell at lower prices.

**ADU (Accessory Dwelling Unit):** a small dwelling unit on a property that contains a single-family dwelling as the primary use. The ADU may be attached or unattached to the primary-use dwelling.

**BURA (Bend Urban Renewal Agency):** City of Bend acting urban renewal agency authorized to undertake certain redevelopment activities in designated areas with the City.

**CIP (Capital Improvement Plan):** short-range (usually 4-10 years) which identifies projects and identifies options for financing the plan.

**CLUSTER HOUSING:** development of small single-family cottages in a cluster around a central shared open space.

**CDBG (Community Development Block Grant):** a federal HUD annually funded entitlement program for housing and community development projects that benefit low and moderate-income persons and utilized and distributed by local governments.

**COMMUNITY LAND TRUST:** a nonprofit corporation that holds land on behalf of a place-based community while serving as a long-term steward for affordable housing, civic buildings, and other community assets on behalf of the community.

**COTTAGE CODE:** a small, detached dwelling unit, not greater than 1,200 sq ft in total floor area developed in a density greater than the underlying zone.

**DENSITY BONUS:** projects providing up to 50% of affordable units (targeting 80% of AMI for ownership projects, 60% of AMI for rental projects) are allowed to go to 1.5 of the base density for that zone.

**DEVELOPER:** any person, corporation, partnership, or other legal entity who creates or proposes to create a land development; includes any agent of a developer.

**DEED RESTRICTED:** Deed restrictions placed within a deed control the use of the property. The restrictions travel with the deed and cannot generally be removed by new owners. Developers restrict the parcels of property in a development to maintain a certain amount of uniformity.

**EXCLUSIONARY ZONING:** residential zoning whose requirements (lot size, house size) either implicitly or explicitly limit the amount and density of housing legally allowed.

**FILTERING:** when lower-income families move into houses sold by wealthier owners as they move into newer, larger homes.

**GATEWAY COMMUNITY:** cities or towns that lie just outside major tourist attractions such as national parks, wilderness areas, or nature resort areas.

**GENTRIFICATION:** renovating or improving a house or area to appeal to middle or upper-class tastes - usually leads to displacement of low-income or people of color.

**H4A (Housing For All):** a regional housing consortium dedicated to supporting the full spectrum of housing for Central Oregon citizens and communities. H4A has developed a cooperative, multi-organization work plan dedicated to achieving outcomes for all housing interests from those working on homelessness to missing middle-income housing.



**HUD (Housing And Urban Development):** federal agency with several programs for assistance with low-income housing such as rental assistance and emergency rental assistance.

**INCLUSIONARY ZONING:** refers to municipal and county ordinances that require a given share of new construction to be affordable by people of low and moderate incomes.

**INCREMENTAL HOUSING:** housing or commercial construction or renovation with a small budget, led by a non-corporate developer. Also called: step by step, staged, by the owner, core housing, or pay-as-you-go. It is not a quick, immediate, or complete housing development, but the choice remains with the owner.

**LIFT (Local Innovation And Fast Track):** administered through the Oregon Housing and Community Services funded through general obligation bonds and created by Senate Bill 1582 in 2016. Funds homes for rent or purchase and the goal is to create affordable homes for vulnerable families, rural communities and communities of color residing across Oregon.

**LIHTC (Low-Income Housing Tax Credit):** a dollar-for-dollar tax credit in the United States for affordable housing investments. A housing developer agrees to reserve a portion of the units in a new apartment building for people who are low income (i.e., make a certain percentage of the AMI). The tenant pays lower than market rent to live in these units, and the building owner will earn a credit from their income tax. Developers typically must apply to the state government to access LIHTC.

**MISSING MIDDLE HOUSING:** housing that accommodates more people than a single-family home but does not come in the form of a large apartment building: i.e., duplexes, triplexes, and would blend into a residential neighborhood dominated by single-family homes. These are called “missing middle” housing because communities often lack this type of zoning.

**OPPORTUNITY ZONE:** a federal tax incentive since 2017, allowing for the reinvestment of capital gains income in certain census tracts. Bend has three eligible tracts in the center of town.

**RENT BURDEN:** an important economic indicator and a function of two components: rents and income. Rent burden can increase when rents rise faster than incomes.

**SDC (System Development Charges):** fees collected by the municipality from developers when: developments are new or expanded, change of use or occupancy, additional dwelling units are added, or an increase in the size of a water meter. These fees are used for capital improvements to increase the community-wide capacities for water, sewer, transportation, parks, and drainage.

**SRO (Single Room Occupancy):** housing rented as one room with some or all facilities for bath, kitchen, and living shared with other occupants within a building, and typically created for residents with low or minimal incomes who rent furnished or unfurnished single rooms of under 200 sq. ft..

**STR (Short Term Rental):** use of a dwelling unit by any person or group of persons, often tourists, entitled to occupy and rent for less than 30 consecutive days. Codes created to address the development rules for STR's vary by jurisdiction.

**SUBSIDIZED AFFORDABLE HOUSING:** government-sponsored economic assistance programs aimed towards alleviating housing costs and expenses for low to moderate incomes. Forms of subsidies: housing subsidies, nonprofit housing, public housing, rent supplements, and some cooperative and private sector housing.

**TAX CREDIT:** connects private investors seeking a strong return on investments with developers seeking cash for a qualified LIHTC project. The credit generates private equity, often before or during the project's construction.



**TIF (Tax Increment Financing):** a tool used by municipal governments to stimulate economic development in targeted geographic areas. TIF's are used in anticipation of future tax revenue from the development. In Bend, the recent focus is on the Core Area TIF development.

**TOD (Transit-Oriented Development):** any development effort to strategically create dense urban living around a transit stop, increasing transit ridership.

**TINY HOMES:** stand-alone housing unit typically under 400 square feet. Although the tiny home movement is relatively new, small housing options have been available for decades [as trailers and mobile homes.](#)

**UGB (Urban Growth Boundary):** each urban area in Oregon is required to define an Urban Growth Boundary (UGB). Housing tracts, shopping malls, and other kinds of urban development are not allowed to sprawl past that boundary, while agricultural lands and open space are preserved outside the UGB. Urban Growth Boundaries attempt to make development choices intentional and public rather than piecemeal and driven by private interests and profits. Oregon's system of land-use regulation was enacted by Senate Bill 100 May 1973.

**UP ZONING:** the governmental process of increasing housing density by changing zoning in a particular municipality or neighborhood.

**WALKABILITY FACTOR:** a measure of how friendly an area is to walking due to the presence or absence and quality of footpaths, sidewalks, traffic and road conditions, land use patterns, building accessibility, and safety, among others.

**WORKFORCE HOUSING:** housing affordable to workers and close to their jobs. Workers are often public employees, teachers, police officers, service workers, and other workers integral to the community's functioning.

**ZOOM TOWN:** housing markets that are booming as working from home becomes more prevalent.

