



MEMORANDUM

TO: Deschutes County Board of Commissioners

FROM: Tanya Saltzman, AICP, Senior Planner
Will Groves, Planning Manager

DATE: November 6, 2024

SUBJECT: 2024 Rural Housing Profile

Staff is presenting to the Board of County Commissioners (Board) the 2024 Rural Housing Profile, which is an update of the original report produced in 2020.

I. BACKGROUND

During the summer and autumn of 2020, Long Range Planning staff met with the Board several times to produce a Rural Housing Profile, stemming from the Board’s continual interest in housing issues in the rural county. The housing profile and maps provided a broad-brush survey of existing conditions within the rural county, with respect to population, income, housing value and vacant parcels. The 2020 housing profile identified up to 5,888 vacant lots in the rural county where residential uses are permitted outright.¹ During the discussions that shaped the final report, the Board prioritized rural housing opportunities, which were addressed in the report, which was finalized on November 23, 2020.

Four years later, the County has updated the report in order to provide a current snapshot of the housing environment in the rural county. This includes a presentation of current and projected demographic data, an analysis of vacant residential lands, and a summary of recent and current housing partnerships and opportunities. Staff anticipates regular updates to this report in the future.

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https://www.deschutes.org/sites/default/files/fileattachments/community_development/page/16511/housing_profile_2020-11-23.pdf. See Tables 8 (Resort Areas), 9 (Rural Residential Areas) and 10 (Future Opportunities for Rural Residential Lots).

II. REPORT HIGHLIGHTS – EXISTING CONDITIONS

As noted, the updated report presents selected existing conditions concerning demographics (population, income, housing tenure, etc.) along with a vacant residential lands analysis, which illustrates the location and number of lots that could currently accommodate a dwelling as of right (in other words, those located in rural residential lands or resort communities), prior to factoring in individual site constraints. In addition, there is discussion of existing residential opportunities, housing consortium partnerships, a 12-month market analysis, and emerging opportunities.

Vacant Residential Land

In general, the number of vacant residential properties has decreased since 2020 as the County continues to be developed and as population grows. The tables below illustrate the 2020 and 2024 vacant residential parcels. (For full methodology as well as illustrative maps, please refer to the report.)

Table 1, Resort Areas	Number of Vacant Lots in 2020	Number of Vacant Lots in 2024
Destination Resorts		
Caldera Springs (*includes Phase 2)	101	* 198
Eagle Crest	139	70
Pronghorn/Juniper Preserve	285	261
Tetherow	200	74
Resort Communities		
Black Butte	27	16
Inn of the 7th Mountain/Widgi Creek	12	3
Urban Unincorporated Area		
Sunriver	118	92
Total Vacancies, Resort Areas	882	714

Table 2, Rural Residential Areas	Number of Vacant Lots in 2020	Number of Vacant Lots in 2024
Rural Residential Zones		
Rural Residential	2439	2121
Multiple Use Agriculture	518	433
Suburban Low Density Rural Residential	32	23
Urban Area Reserve	292	131
West Side Transect	not platted	90
Rural Communities		
Tumalo (TUR/TUR5)	32	27
Terrebonne (TER/TER5)	134	119
Total Vacancies, Rural Residential Areas	3447	2944

Twelve-Month Market Analysis

Initially, the Housing Profile examines several factors that affect housing supply and demand in the county: population trends and vacant land. However, the existence of vacant land does not necessarily mean it will be affordable. This section summarizes recent county sales data provided by the Central Oregon Association of Realtors (COAR) in an effort to better understand the dynamics of housing cost in various areas of Deschutes County over the last year. Tables 3 and 4 summarize single-family and manufactured home sale prices over the last 12 months (September 2023 - August 2024). Sale prices are separated by geographic sub-region, including resort communities; they largely correspond to the areas utilized in the Vacant Residential Lands Analysis in the Rural Housing Profile.

Table 3, 12-Month Average Sale Prices in Rural Residential Areas (Sept. 2023-2024)

Bend Unincorporated	Average price
392 Homes	\$1,259,299
34 Manufactured Homes	\$500,135
Redmond Unincorporated	Average price
233 Homes	\$744,715
14 Manufactured Homes	\$480,571
Sisters Unincorporated	Average price
84 Homes	\$1,126,216
8 Manufactured Homes	\$447,688
La Pine Unincorporated	Average price
124 Homes	\$508,405
111 Manufactured Homes	\$345,790
Between Tumalo & Sisters	Average price
47 Homes	\$1,553,516
3 Manufactured Homes	\$681,333
Three Rivers South	Average price
138 Homes	\$1,060,348
30 Manufactured Homes	\$406,298

Table 4, 12-Month Average Sale Prices in Resort Areas (Sept. 2023-2024)

Sunriver	Average price
106 Homes	\$989,451
Black Butte	Average price
29 Homes	\$1,239,741
Inn of 7th Mt.	Average price
7 Condo	\$271,842
Widgi Creek	Average price
5 Homes	\$1,403,400
Caldera Springs	Average price
30 Homes	\$2,027,900
Tetherow	Average price
22 Homes	\$2,343,177
Eagle Crest	Average price
67 Homes	\$900,677
Pronghorn/Juniper Preserve	Average price
4 Homes	\$1,850,000

The most real estate activity in non-resort communities occurred near Bend and Redmond, the county’s largest population centers. Newer destination resorts are experiencing higher real estate values compared to the other older resorts. South County has the lowest relative real estate values, especially for manufactured homes, but manufactured homes continue to represent a more affordable form of housing.

Existing Residential Opportunities in Rural Deschutes County

Rural Deschutes County possesses numerous types of residential development options. Many listed below (*) are exclusive to Deschutes County.

- Cluster Development: Miller Tree Farm, Westgate and Skyline Ranch i.e. Westside Transect Zone (WTZ) *

- Destination Resorts: Caldera Springs, Eagle Crest, Pronghorn, Tetherow, Thornburgh – proposed *
- Destination Resort Eligible Areas *
- Dwellings in Exclusive Farm Use zone: farm dwelling, accessory farm dwelling, relative-help dwelling, non-farm dwelling, lot-of-record dwelling, replacement dwelling, and temporary hardship dwelling
- Dwellings in Forest Use zone: lot-of-record dwelling, large tract dwelling, template dwelling, temporary hardship dwelling, and caretaker dwelling for fish hatchery or park
- Exclusive Farm Use Subzones *
- Historic and Rural Accessory Dwelling Units may be developed on a property subject to certain criteria.
- Measure 37 and 49: Property rights claims – the right to land divide and/or build homes as compensation for land use regulations imposed after owners acquired their properties.
- Resort Communities: Black Butte, Inn of 7th Mountain, Widgi Creek *
- Rural Residential Exception Areas: RR-10, MUA-10, UAR-10, SR 2.5, WTZ *
- Unincorporated Communities: Terrebonne, Tumalo, Sunriver *

Deschutes County offers the most rural residential housing opportunities in Oregon along with Clackamas, Lane and Jackson counties based on population outside of UGBs. It has the most resort communities and destination resorts as well as one of the largest urban unincorporated communities, Sunriver. It is also the only county with EFU subzones that allow for the smallest EFU parcel sizes in Oregon. The County rates in the top third annually for the number of approved nonfarm dwellings. It appears to have the largest number of lots located in rural residential exception areas, leading to notable cluster developments.

III. REPORT HIGHLIGHTS: EMERGING OPPORTUNITIES

In addition to the existing conditions and options for residential development listed above, there are several emerging opportunities in the County, including those already in progress, those poised to be initiated if desired, as well as those that require additional action or exploratory work prior to initiating.

Clear and Objective Standards for Rural Housing / HB 3197

HB 3197 (2023) requires counties to adopt and apply clear and objective standards, conditions, and procedures regulating housing in unincorporated communities, Rural Residential Exception Areas, and nonresource lands. It is effective on July 1, 2025. This law requires amending definitions, land division code, five rural residential zones, Sunriver Urban Unincorporated Community zones, Tumalo and Terrebonne Rural Community zones, Flood Plain Zone, and Landscape Management, Sensitive Bird and Mammal, and Wildlife Area Combining Zones, with detailed findings, including those relating to Goal 5. This project is currently in progress.

Recreational Vehicles / Rental Dwellings / SB 1013

Deschutes County is considering amending DCC, Title 18, County Zoning, and Title 19, Bend UGB Zoning Ordinance to allow recreational vehicles (RV) as rental dwellings in rural residential exception areas subject to certain criteria of SB 1013 (2023). SB 1013 authorizes a county to allow an owner of a lot or parcel in a rural area to site on the property one RV that is used for residential purposes and is subject to a residential rental agreement and additional criteria outlined below. It shares some criteria with recent rural ADU legislation in SB 391, such as the requirement to provide sewage disposal, and differs in other ways—for instance, no fire hardening requirements are written into SB 1013. The Board reopened the written record until November 1. Deliberations will occur on November 13.

County-Owned Property Audit

Some of the land owned by the County could present opportunities for residential development depending on a number of factors. Staff—Property Management and Facilities, with assistance from the Planning Division and Information Technology—could audit County-owned land by size (removing parcels less than 0.75 acre, for example), zoning designation, groundwater constraints and related factors to determine development potential.

La Pine Neighborhood Planning Area

If initiated, this project would create area plans for the 368 acres of County-owned property in the Newberry Neighborhood in La Pine—a unique and timely opportunity to add to the regional housing supply and increase the available mix of housing types. The current comprehensive plan and development code are a mix of legacy zoning from when the County was the land use authority prior to La Pine’s 2006 incorporation and the City’s first comprehensive plan and development code. By delineating the allowable densities, this project could provide a range of housing types from single-family to multi-family; lay out a network of pedestrian and bicycle facilities; identify neighborhood commercial nodes to reduce travel outside the neighborhood; identify open spaces to increase livability; and provide general directions on residential designs to encourage visual cohesion. If initiated, the project would review and amend as necessary the City’s comprehensive plan and development code to implement the area plans.

IV. INSTITUTIONAL CHALLENGES

Although Deschutes County has numerous opportunities to expand residential development as noted in the sections above, it is important to note before committing to any specific initiative that some of these opportunities face challenges with respect to state law and the Oregon land use system. The Oregon land use system is designed to concentrate the majority of growth within urban growth boundaries; the following laws could potentially affect certain initiatives.

- Goal 3, Agricultural Lands and OAR 660, Division 33 contains rigorous standards for siting a dwelling on EFU lands. Recent case law may limit nonresource lands opportunities (*DLCD et al vs. Douglas County*).

- ORS 215.264 and OAR 660-033-0145 restrict land dividing EFU and Forest Use lands.
- Goal 4, Forest Lands and OAR 660, Division 6 contains rigorous standards for siting a dwelling on Forest Use lands. Recent case law may limit nonresource lands opportunities (*DLCD et al vs. Douglas County*).
- OAR 660, Division 4: Prohibits new rural residential areas from having a minimum lot size lower than 10 acres without taking an exception to Goal 14 (Urbanization).
- Goal 11 exception to allow sewer systems in South County regionally was remanded by the Land Use Board of Appeals (LUBA) in 2015.

V. CONCLUSION

If directed by the Board, staff can provide regular updates to the Rural Housing Profile in order to provide background information and context for emerging projects or analyses.

Attachment

2024 Rural Housing Profile