



Sweet Home

Housing Production Strategy Report



DRAFT - August, 2024



OREGON
Department of
Land Conservation
& Development

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Appendices

Appendix 1. Public Engagement Materials and Summaries

Acronyms and Abbreviations

The following is a list of acronyms and abbreviations used frequently in this memorandum.

ACS	American Community Survey (conducted by the US Census Bureau)
ADU	Accessory Dwelling Unit
BLI	Buildable Lands Inventory
CDBG	HUD Community Development Block Grant
CHNA	Contextualized Housing Needs Assessment (aka, this memo or this assessment)
city	The city of Sweet Home
CoC	HUD Continuum of Care programs addressing homelessness on the local or regional level
county	Linn County
cost-burdened	HUD defines a household spending 30% or more of income on housing to be “cost-burdened” and one spending 50% or more as “severely cost-burdened”
DLCD	The Oregon Department of Land Conservation and Development, staff to the Land Conservation and Development Commission
HNA	Sweet Home Housing Needs Analysis – which includes both the Housing Needs Analysis and the Buildable Lands Inventory
Housing Rule	The Goal 10 Housing Administrative Rule (OAR 660 Division 008) which implements and interprets Statewide Planning Goal 10, Housing and ORS 197.290 Housing Production Strategy
HNA	Sweet Home Housing Needs Analysis (Adopted 2022)
HUD	The US Department of Housing and Urban Development
Lower-income (households)	The low-, very low- and extremely low-income categories are often referred to as “lower-income households” in this document. In Sweet Home, lower-income households earn less than \$51,000 annually and comprise 53% of the city’s households.
Middle Housing	Plexes, Attached Housing (Row or Town homes), Cottage Clusters, Narrow Homes, and ADUs
MHI	Median Household Income
OAR	Oregon Administrative Rule – such as the Goal 10 Housing Rule
ORS	Oregon Revised Statute – ORS 197.290 requires cities with 10,000 or more people to prepare a

	Contextualized Housing Needs Assessment to serve as the basis for a Housing Production Strategy Report
OHCS	Oregon Housing and Community Services Department
plexes	Duplexes, Triplexes and Fourplexes
PIT	Point in Time, as in a snapshot of an existing condition.
POC	People of Color (non-White)
Report	The Sweet Home Housing Production Strategy Report
Rule	The Goal 10 Housing Rule adopted by LCDC
SDC	Sweet Home Development Code (amended 2022)
sf	Square-foot as in a "1,500 sf home" or a "7,000 sf lot"
SRO	Single Room Occupancy housing
SOCDS	State of Cities Data Systems - Building Permits Database
Strategy	An action, measure or policy adopted by the city to increase production of needed housing types, based on the Sweet Home HPS Report
UGB	Sweet Home Urban Growth Boundary

1 EXECUTIVE SUMMARY

The Sweet Home Housing Production Strategy (HPS) report provides background information that supports adoption of strategies and implementing measures designed to increase local housing production and thereby meet the future housing needs of the city. This report has been prepared in accordance with Statewide Planning Goal 10 Housing – as implemented by OAR Chapter 660-008-0050 Housing Production Strategy Report Structure.

1.1 HPS REPORT ORGANIZATION

This report has six chapters:

- Chapter 1 Executive Summary
- Chapter 2 Community Engagement
- Chapter 3 Review of Sweet Home’s Housing Needs Analysis
- Chapter 4 Sweet Home’s Future Housing Needs – In Context
- Chapter 5 Recent City Planning Initiatives
- Chapter 6 Recommended Housing Production Strategies

This remainder of this chapter summarizes key findings from Chapters 2-6 of this report.

1.2 SUMMARY OF COMMUNITY ENGAGEMENT PROCESS

Chapter 2 of this report, **Community Engagement** includes summaries of engagement methods and results. City staff recommended 10 Roundtable participants, including city council and planning commission representatives, as well as housing consumers and producers. Roundtable interviews and discussions took place from May-July 2024. Roundtable participants generally agreed with the demographic and housing information provided in Chapter 4 of this report. This information provided the factual basis for housing production strategies listed and evaluated in Chapter 6 of this report.

Roundtable participants gave the highest rankings to two housing production strategies related to:

- Middle Housing Prototypes and Local Production; and
- Medium and High-Density Plan and Code Amendments.

Chapter 6 Recommended Housing Production Strategies provides detailed descriptions and evaluations of six recommended strategies and related implementation measures.

The next steps in the process include outreach to state agencies and housing advocacy groups, and a joint planning commission/city council work session followed by public hearings consider adoption of this report.

1.3 REVIEW OF SWEET HOME HOUSING NEEDS ANALYSIS

Chapter 3 of this report is an overview of the 2022 Sweet Home Housing Needs Analysis (HNA). This HNA included a Housing Needs Forecast, a Buildable Lands Inventory (BLI), and a Land Sufficiency Analysis for the City of Sweet Home urban growth boundary (UGB) over the 20-year planning period (2022-2042).

The HNA analyzed housing market conditions (pp. 8-9) based on 2020 US Census data. **HNA Exhibit 3: Households by Income Level** shows that Linn County had a median household income of \$64,500. Lower-income households in Linn County earned \$51,600 or less per year in 2020 and qualified as “low, very low, and extremely low-income households.”

HNA Exhibit 14: Projected Housing Demand by Income Level compared household income levels with attainable (affordable) housing types. **HNA Exhibit 14** shows that:

- Only upper income households (earning 120% or more of MFI) can afford to purchase a new single-family detached home in Sweet Home.
- Middle-income households can afford to purchase smaller and less expensive “cottage homes, townhomes, and manufactured homes” – or they can rent a unit in a “plex” (duplex, tri-plex or four-plex) or in an apartment building.
- According to **Exhibit 14**, lower-income households can only afford to rent an accessory dwelling unit (ADU) or a government-assisted unit. Low- and very low-income households cannot afford to rent without government subsidies.

Exhibit 14: Projected Housing Demand by Income Level, Sweet Home

Housing Type	Owner-Occupied Dwellings	Renter-Occupied Dwellings	Total Dwelling Units	Attainable Housing Products
Upper (120% or more of MFI)	292	46	338	Standard Homes
Upper Middle (80% to 120% of MFI)	83	36	119	Cottage Homes, Townhomes, Apartments
Lower Middle (50% to 80% of MFI)	42	77	119	Townhomes, Mfgd. Homes, Plexes, Apts.
Low (less than 50% of MFI)	0	38	38	Govt. Assisted Apts. & ADUs
Very Low (less than 30% of MFI)	0	77	77	Govt. Assisted Apts. & ADUs
Total	417	274	691	

HNA Exhibit 23: Projected 20-Year Housing Need Forecast, estimated that 632 new dwelling units will be needed to accommodate population growth (1,720 additional residents) between 2022 and 2042. Projected housing needs mirrored the existing housing stock (as of 2020), with:

- 73% of new housing units projected to be single-family “stick-built” detached homes,
- 13% projected to be manufactured or cottage detached dwellings, and
- 14% projected to be attached housing (plexes, townhomes, or apartments).

As noted above and documented in the 2022 HNA, most Sweet Home residents cannot afford to purchase or rent a detached single-family home in Sweet Home. **Chapter 4 Sweet Home’s Future Housing Needs – in Context** of this report includes a more detailed and nuanced demographic and housing analysis. This “contextualized housing needs assessment” provides a broader context for (a) determining the city’s future housing needs and (b) developing effective strategies to increase housing production to meet these needs.

1.4 SWEET HOME DEMOGRAPHICS AND FUTURE HOUSING NEEDS

Chapter 4 of this report, **Sweet Home’s Future Housing Needs – in Context** provides the “contextualized housing needs assessment” required by state administrative rules and provides the factual basis for housing production strategies recommended in **Chapter 6**. The following bullet points summarize key demographic characteristics, housing conclusions and recommendations found **Chapter 4** of this report.

Household Income

Sweet Home is a relatively poor community – in large part due to the collapse of the timber industry

during the 1980s.

- Median household incomes (MHI) are substantially lower in Sweet Home than in Linn County or Oregon. Over half of Sweet Home's households fall into the "lower-income" category,¹ and generally cannot afford to purchase a single-family detached home in Sweet Home.
- To address the disparity between lower household incomes and high detached single-family home prices, the city will need to produce more affordable housing types, such as plexes, attached single-family, ADUs, cottage clusters, SROs, and apartments.

People with Disabilities

Sweet Home has a relatively high proportion of residents with disabilities in all age groups when compared with Linn County or Oregon.

- Almost half of the city's senior (65 or over) population live with one or more disabilities.
- Those with disabilities related to independent living, cognition and movement often have special housing needs that should be addressed in housing production strategies.

Cost-Burdened Households

In Sweet Home, households making less than \$53,000 (lower-income homeowners and renters) often spend more than 30% of their incomes on monthly housing costs.

- These unsustainable housing costs can negatively impact the ability to choose and secure needed housing, to pay basic food and medical expenses, and to build wealth.
- Lower-income households cannot afford to purchase or rent housing without being "cost-burdened."

Affordable Housing Types

More affordable housing types, including multi-family, plexes, rowhomes, cottages, and ADUs are needed to house existing and future Sweet Home residents.

- Seniors with disabilities also tend to be lower-income, often live in older homes and may not be able to afford home maintenance costs. As noted by one Roundtable participant, "seniors often cannot afford to move out of their homes."
- Senior and SRO housing, plexes, cottage clusters, and apartments with elevators are needed to

¹The low-, very low- and extremely low-income categories are referred to as "lower-income households" in this document.

adequately house people with disabilities. It is important that barriers to the production of such housing should be identified and removed where possible.

Communities of Color and Hispanic/Latino Ethnicity

Sweet Home has relatively few People of Color and people of Hispanic or Latino ethnicity when compared with Linn County and Oregon.

- However, the non-White populations are increasing in Sweet Home- especially among the school age population as noted by participants in the first Housing Roundtable.
- Due to insufficient data or small sample sizes, race and ethnicity appear to have a weaker relationship to household income than other demographic factors discussed above.

Housing and Geographic Relationships

Because eight of the nine census block groups straddle the Sweet Home UGB (and include rural as well as urban land) it is difficult to make broad generalization regarding geographic patterns related to income, race, ethnicity, and tenure.

- Perhaps the most useful conclusion came from the Roundtable discussion, where participants noted that areas with better views and urban-level infrastructure tend to have higher income households with more homeownership.
- The policy implication is that the city should consider making more public infrastructure investments in lower-income neighborhoods.

Age of Housing

Sweet Home's housing stock is relatively old.

- This fact, combined with low incomes in Sweet Home, led some Roundtable members to conclude that many households cannot afford to maintain their existing homes. This is especially true of lower-income senior households.
- The city should continue its program to use CDBG funding to support lower-income home repairs.

1.5 RECENT SWEET HOME PLANNING INITIATIVES AND REMAINING HOUSING PRODUCTION BARRIERS

Chapter 5 of this report, **Recent City Planning Initiatives and Remaining Housing production Barriers**

includes a detailed description of recent strategies and measures the city has undertaken to increase affordable housing production.

Sweet Home's Commitment to Affordable Housing

As discussed in Chapter 5, the city has taken impressive steps to address local housing affordability issues, including (but not limited to):

- A strong policy commitment to affirmatively address affordable housing needs.
- Systematic updates to the Sweet Home Development Code to provide for a greater variety of housing types and to reduce regulatory obstacles to housing development;
- Participating in a regional program to reduce home improvement costs for lower-income residents; and
- Providing an effective local response to homelessness, by providing local shelter and support facilities.

Remaining Barriers to Increased Housing Production

Chapter 5 of this report also recognizes that barriers to providing affordable housing opportunities remain.

Table 5.2 includes a list of remaining obstacles to be addressed in Chapter 6 Recommended Housing Production Strategies.

1.6 SUMMARY OF RECOMMENDED HOUSING PRODUCTION STRATEGIES AND IMPLEMENTATION MEASURES

Chapter 6 of this report, **Recommended Housing Production Strategies** provides detailed descriptions and evaluations of six recommended strategies and related implementation measures. Table 1.1 provides a summary of recommended housing production strategies and implementation measures, who these measures are intended to benefit, intended outcomes, and a proposed implementation schedule. Please see Chapter 6 of this report for a detailed discussion of each of the strategies (and associated measures) listed below.

- Highlighted measures were added by Roundtable participants.



Two Strategies (with this icon) received the highest ranking from Roundtable participants.

Table 1.1

Strategy A Measures to Publicize and Clarify Existing Lower Income and Middle Housing Code Provisions

Measure Reference	Measure Description	Target Population	Intended Outcome	Implementation Schedule
A.1	Publicize 2022 code update provisions related to middle housing and lower-income housing types allowed in residential and commercial zones² (duplexes, duplex conversions, cottage clusters, row houses, ADUs, tiny homes, affordable housing opportunities in non-residential zones, middle housing land divisions, use of faith-based and public land for affordable housing in several zones).	Owners and Renters Low and Middle Income ³	Increase individual homeowners, local and regional housing producer awareness of available affordable housing options. Clarify existing code provisions that support middle housing.	City Housing Producer and Community Outreach: 2024-2027
A.2	Clarify existing code provisions related to residential zone density provisions, tiny home definitions, middle housing land division standards and permitted uses in city zones.	(Seniors, People with Disabilities, Communities of Color)	Contribute to meeting housing production targets as recommended in Strategy D during the short-term (over the next 5 years) and the 20-year planning period.	City Adoption: 2025-26
A.3	Survey housing developers (homeowners and applicants) regarding their experiences with the development review process in Sweet Home; take steps to streamline and simplify process where appropriate.			Survey Implementation Period: 2025-2030

Strategy B Measures to Increase Participation in Housing Rehabilitation Program Partnership

Measure Reference	Measure Description	Target Population	Intended Outcome	Implementation Schedule
B.1	Coordinate with Linn County to provide low-interest loans to lower-income households for housing rehabilitation	Lower-income owners	Continue to rehabilitate	The City Council should continue and possibly increase CBDG funds and

² Please see Chapter 5 for a detailed description of measures the city has already taken to increase affordable housing production and maintenance, and to reduce homelessness in Sweet Home.

³ As documented in Chapter 3, households headed by females and non-family households are highly likely to be classified as low, or extremely low-income. Such households typically are extremely cost-burdened. Elderly households are also more likely than younger households to be classified as lower-income.

B.2	Use CDBG funds to support housing rehabilitation programs for lower-income households.	(Seniors, People with Disabilities, Communities of Color)	5-10 existing homes per year.	participation in the short-term and throughout planning period to support this cooperative program.
Strategy C Measures that Affirm Sweet Home’s Fair Housing Commitment				
Measure Reference	Measure Description	Target Population	Intended Outcome	Implementation Schedule
C.1	Adopt and publicize Comprehensive Plan policy to “affirmatively further fair housing” consistent with City Council Resolution No. 1 (2014).	Renters and Owners Lower and Middle-Income Households (Seniors, People with Disabilities, Communities of Color)	Support housing-related land use applications. Increase affordable housing opportunities.	City Adoption: 2025-26 Implement throughout planning period.
C.2	Coordinate with Linn-Benton County Housing Authority and the Oregon Department of Housing and Community Services to publicize and promote state and federal affordable housing programs.		Increase government-assisted housing production.	Coordination and Outreach: 2025-2030 Implement throughout planning period.
C.3	Prioritize CIP programming in areas with lower incomes and concentrations of disadvantaged populations.		Increase public facilities in lower-income neighborhoods.	City implements through 5-year CIP planning process.
C.4	Implement restrictive covenants to ensure long-term affordability of subsidized housing.		Retain lower-income housing for intended use.	City (or non-profit) implements whenever city approves a lower-income housing development.
C.5	Land banking (evaluate the use publicly-owned property for affordable housing and reserve land for this purpose where appropriate).		Reserve land for affordable housing and thereby reduce production costs.	City evaluates potential public and faith-based land-banking sites: 2025-27
C.6	Coordinate with faith-based property owners regarding development of affordable housing.			Research and encourage the formation of

C.7	Partner with Community Land Trust (CLT) to implement C.4, C.5 and C.6 with support from Habitat for Humanity or similar organizations.			potential CLTs: 2025-27 Implement throughout planning period.
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 **Strategy D Measures Related to Middle Housing Prototypes and Local Production**

Measure Reference	Measure Description	Target Population	Intended Outcome	Implementation Schedule
D.1	Coordinate with housing designers and producers to create prototype designs for middle housing (ADUs, tiny homes, cottages, rowhomes, and plexes).	Owners and Renters Primarily middle and lower income groups	Would provide local jobs, streamline the development review process, and provide middle housing types directly to the community	Research, Outreach: 2025-2030 Implement throughout planning period.
D.2	Build on Sweet Home’s forest products history and encourage investment in and creation of local firms that build affordable modular homes (tiny homes, ADUs, cottages, rowhomes, plexes).	(Seniors, People with Disabilities, Communities of Color)		
D.3	Promote Universal Design Principles in recognition of large number of seniors and people with disabilities in Sweet Home.	All income groups (Seniors, People with Disabilities)		

 **Strategy E Medium and High-Density Residential Plan and Code Updates**

Measure Reference	Measure Description	Target Population	Intended Outcome	Implementation Schedule
E.1	Incorporate Housing Production Targets into Chapter 4 Residential Lands and Housing of the Comprehensive Plan. (Also update this chapter to reflect the results of the HNA and this CHNA).	Owners and Renters All income groups (But specifically benefiting Middle and Lower-Income Households, Seniors, People with Disabilities, and Communities of Color)	For use in evaluation of comprehensive plan and zoning map changes.	City Adoption: 2025-26
E.2	Legislatively rezone MDR and HDR residential land consistent with Comprehensive Plan designations (rather than case-by-case rezoning).	Owners and Renters Middle-income (Seniors, People with Disabilities,	Contributes to meeting middle housing and	City Adoption: 2025-27

E.3	Ensure an adequate supply of MDR and HDR land to facilitate the development of middle and multi-family housing opportunities – linked to targets in comprehensive plan.	Communities of Color)	multi-family housing targets identified in E.1.	City Adoption: 2025-2035
E.4	Amend the R2 zone to allow tri-plexes and four-plexes at same density as rowhomes to increase affordable, lower-density rental opportunities.	Renters Middle-income (Seniors, People with Disabilities, Communities of Color)	Contributes to meeting middle housing and multi-family housing targets identified in E.1.	
E.5	Allow single room occupancy (SROs) in Residential High Density (R-3) and Commercial zones.	Renters 80% of AMI and below (Seniors, People with Disabilities, and Communities of Color)		
E.6	Allow senior housing projects in Residential High Density (R-3), Mixed Use and Commercial Zones.	Owners and Renters All income groups (Seniors and People with Disabilities)	Increase senior housing development; would free up older single-family homes for larger families or redevelopment as duplexes.	City Adoption: 2025-27
E.7	Allow all dwelling units in the R-HD zone to be multi-family if approved through the PUD process. (Section 17.60.060(G) allows only 30% multi-family housing in the Residential High-Density (R-3) zone).	Owners and Renters All income groups (Seniors and People with Disabilities)	Allows for multi-family to be integrated with small-scale commercial through the PUD process.	

Strategy F Measures that Modify SDC Fee Schedules and Exemptions

Measure Reference	Measure Description	Target Population	Intended Outcome	Implementation Schedule
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<p>F.1</p>	<p>Update SDC fee schedule based on dwelling unit size rather than on a per unit basis (like Albany).</p>	<p>Owners and Renters Lower and Middle Income (Seniors, People with Disabilities, Communities of Color)</p>	<p>Reduce SDC fees for – and thereby encourage production of - smaller, more affordable dwelling units.</p>	<p>City Consideration and Adoption: 2025-27 Implementation would continue throughout the 20-year planning period</p>
<p>F.2</p>	<p>Exempt small ADUs and conversions of single-family dwelling units to duplexes from SDCs (due to marginal impact on service demand and to encourage both types of housing).</p>	<p>Primarily Renters Primarily Lower-Income (Seniors, People with Disabilities, Communities of Color)</p>	<p>Eliminate SDCs for small-scale, low-impact, highly affordable housing infill and redevelopment</p>	
<p>F.3</p>	<p>Phasing of SDC payments based on dwelling unit occupancy rather than building permit.</p>	<p>Owners and Renters All income groups</p>	<p>Reduce upfront costs for housing producers</p>	

2 COMMUNITY ENGAGEMENT

OVERVIEW

Community Engagement Process

This chapter describes the community engagement process⁴ undertaken by the City of Sweet Home to inform this Conceptualized Housing Needs Assessment and the Housing Production Strategy. The public engagement process consisted of the following:

- Establish HPS project webpage;
- Community Services Officer communications regarding local programs to address homelessness;
- Establish a “Roundtable” discussion group consisting of housing consumers and producers;
- Conduct individual interviews with each of nine Roundtable participants;
- Roundtable Meetings (including presentation materials and minutes):
 - Roundtable Mtg. #1: Review draft Contextualized Housing Need Assessment findings;
 - Roundtable Mtg. #2: Review draft Housing Production Strategy options;
 - Incorporate the results of both meetings into the draft HPS report;
- DLCDC coordination and outreach to public interest groups;
- Joint planning commission and city council work session (review the draft HPS report and agency/public interest group comments); incorporate the results of the joint work session in HPS report; and
- Public hearings before the planning commission and the city council prior to HPS report adoption.

Figure 2-1 provides a graphic representation of this process and was provided to Roundtable participants.

⁴ OAR 660-008-0050

(2) Engagement – A Housing Production Strategy Report must include a narrative summary of the process by which the city engaged Consumers of Needed Housing and Producers of Needed Housing, especially with regard to state and federal protected classes...The narrative summary must include the following elements:

- (a) A list and description of stakeholders who will be impacted by potential Housing Production Strategies, stating who was engaged and why, including Consumers of Needed Housing and Producers of Needed Housing;
- (b) A summary of feedback received from each stakeholder group;
- (c) A description of how the information from stakeholders influenced implementation of Housing Production Strategies adopted by the city as provided in section (3); **and**
- (d) An evaluation of how to improve engagement practices for future housing engagement efforts conducted by the city.



Figure 2-1 Graphic Representation of Public Engagement Process (Kearns-West)

Appendix 1 provides documentation of the HPS public engagement process, including interview questions and a summary of results, Roundtable meeting presentation materials and results, and joint work session presentation materials and results.

2.1 ROUNDTABLE PARTICIPANTS

City staff recommended 10 community members to represent housing producers and consumers (Table 2.1).

Table 2.1 Roundtable Participants	
Name	Affiliation
Housing Producers	
Jesus Serrano	Construction Worker and Serrano’s Taqueria
Josh Victor	Northern Investments
Karyn Hartsook	East Linn Property Management
Karla Hogan	Homesmart Realty Group
Tina Breshears	East Linn County Habitat for Humanity
Housing Consumers	
Angelita Sanchez	Sweet Home City Councilor
Nancy White	Sweet Home Planning Commissioner, Senior
Wally Shreves	Sweet Home Park and Tree Committee
Brock Byers	Family Assistance Center
Charlene Adams	Library Board, Senior

2.2 PARTICIPANT INTERVIEWS AND KEY INSIGHTS

Kearn’s and West interviewed nine of the 10 Roundtable participants in May and June 2024. Interviewees shared the following key insights about housing in Sweet Home and ideas to improve City communications and engagement. Winterbrook considered comments from these interviews in draft conceptualized housing needs and housing production strategy memoranda.

Key Themes and Findings

Housing Context

- Sweet Home attracts people for its small town feel and proximity to nature and recreation.
- Many people live in Sweet Home due to its relative affordability and convenient commute to other places in the Valley.
- In recent years, Sweet Home has become more expensive, and the housing market is very competitive for buyers and renters.

- Increasing retail and other businesses in Sweet Home would benefit the local economy and help attract jobs and housing.
- Timber industry regulations have adversely impacted the local community and housing production.
- The concept of “affordable housing” should be reframed: Housing is unattainable for people like teachers, firefighters, and others – not just very low-income families.

Housing Needs

- Smaller single-family homes: younger, smaller families are moving to Sweet Home and older adults on fixed incomes are looking to downsize.
- Rental housing and apartments: the housing market is so competitive that people often rent sight unseen.
- Ground floor, one-bedroom apartments: Sweet Home’s aging population is looking for smaller units, without stairs.
- Accessory dwelling units (ADUs) and manufactured homes:
 - Smaller units (under 1,000 square feet) could be great affordable housing options for lower income families;
 - Reducing regulations may increase production of these homes;
 - Concerns with negative community perception of tiny homes and manufactured homes.
- Town center development:
 - Higher density around a commercial area could provide Sweet Home more of a downtown;
 - Space for apartment housing should be targeted at various demographic groups.

Housing Challenges

- Infrastructure costs and system development charges (SDCs) add to building costs.
- Some laws and rules have unintended impacts on housing costs (such as tenant protection laws and limiting deposits for rentals).
- New housing is often priced at the higher end of the market.
- Making code changes, such as relaxing requirements around lot sizes, parking, and green space are opportunities to reduce development costs.
- Manufactured homes are not widely supported and require navigating numerous restrictions.

2.3 COMMUNICATIONS WITH COMMUNITY SERVICES OFFICER AND LOW-BARRIER SHELTER

In May 2024, city planning staff reached out to the Sweet Home Police Department Community Services Officer, Sean Morgan regarding the people experiencing homelessness in the community and the city's efforts to provide temporary shelter and support.⁵ Mr. Morgan contributed substantially the findings and analysis found in **Chapter 4-4** of this report.



Figure 2-2. Sweet Home's "Low-Barrier Shelter for Houseless Neighbors" (Family Assistance Resource Center)

⁵ "Sweet Home Organizers Build Low-Barrier Shelter and Resource Center" (Rural Organizing Project Newsletter, March 23, 2023):

... the [Family Assistance and Resource Center \(FAC\)](#), [is] an organization in Linn County that serves people experiencing homelessness and housing instability. The FAC and other local leaders started conversations with the city council about the need for shelter for unhoused community members. Those advocating for the shelter were often met with resistance, but they persisted in explaining why the shelter was so needed in their community. They also visited other communities to see shelter models that had worked for them and brought back stories and details to show how shelter could be a good thing for Sweet Home.

After over a year of discussion with the city council and county government, FAC received three acres of land from Linn County. Once they had the land, many members of the community pitched in to make this project possible! Students in the advanced construction class at Sweet Home High School built all of the huts, and a hardwood store in the county donated many materials. FAC also received a grant from the Oregon Community Foundation to prepare the site. **Within three days of opening in January, the first 22 huts were all filled, with 8 more huts still under construction....**

Key Themes and Findings

- There were approximately 75 unhoused people in Sweet Home in the spring of 2024 (including sheltered and unsheltered).
- The number of unsheltered people appears to have decreased since 2020, and methods for gathering data are improving.
- Addiction and substance abuse are a significant and deadly threat to the unhoused population – a problem that appears to have worsened from 2020 to 2024.
- Homelessness among children does not appear to have improved in recent years. A lack of housing units and unhealthy family environments may be the biggest causes.
- Although Sweet Home is a relatively small community, the city supports the Family Assistance and Resource Center’s operation of 30 low-barrier temporary huts and supporting services.

2.4 ROUNDTABLE MEETINGS

The project team prepared for and facilitated two Roundtable meetings in June and July of 2024. The first focused on contextualized housing need and the second focused on recommendations for housing production strategies.



Figure 2-3 Single-family Detached House for Sale in Sweet Home (eXp Realty, LLC)

Contextualized Housing Need Roundtable #1

The initial Roundtable focused on the contextualized housing need. Winterbrook prepared a slideshow for this meeting summarizing key findings from the draft contextualized housing need memorandum. City staff and Winterbrook jointly facilitated this meeting.

Key Themes and Findings

Although attendance at this meeting was low, the conversation was vigorous and productive.

- Participants were not surprised and generally agreed with the preliminary conclusions presented.
- Sweet Home households are relatively poor, when compared with Linn County and Oregon households.
- Housing is not affordable like it used to be in Sweet Home and lower cost housing options need to be encouraged.
- Winterbrook passed around a flier for a home for sale in one of the Sweet Home neighborhoods noting its listed price as \$345,000 (**Figure 2-3**) and the presumption that this is not affordable for Sweet Home lower income households today. One participant noted that she lived in the house for one year in 1961. She and her husband rented for \$75 a month (~ \$900 a year) and this was not affordable for them at the time. All participants agreed that most Sweet Home residents could not afford the house at its current listing price.
- Housing options are needed for seniors, first time homebuyers, people at all income levels, and people with disabilities. It was noted that seniors and young adults appear to have a particularly difficult (or impossible) time being able to afford to move out of their existing homes.
- The significant percentage of the population with disabilities was attributed to
 - People with disabilities likely have lower-incomes and/or have high living expenses.
 - Housing has been historically less expensive in Sweet Home than surrounding cities, making living in Sweet Home relatively more affordable.
 - There are existing services for people with disabilities centralized in/around Sweet Home that likely attract people/families of people with disabilities (e.g., Sunshine Services).
 - In the older population, many people may have disabilities associated with past occupations that were very physical (e.g., logging, construction).

- Sweet Home is not as racially or ethnically diverse as the county or state, but participants observe that this is expected to increase and is welcome.

Based on information received at the initial Roundtable meeting, Winterbrook revised the draft CHNA memo and provided this memo to city staff and DLCD for review and comment. The revised memo is incorporated into **Chapter 4 Sweet Home’s Future Housing Needs** of this report.



Figure-2-4 Roundtable Meeting, June 26, 2024

Housing Production Strategies Roundtable #2

The second Roundtable focused on draft housing production strategies that were informed by Roundtable participant interviews, prepared by Winterbrook and reviewed by City staff.

- Kearns & West prepared a slideshow for this meeting with input from Winterbrook and city staff.
- Winterbrook organized the recommended strategies into four categories (“buckets”)⁶ for review by

⁶ Two non-controversial strategies were not presented to the Roundtable due to time limitations; these strategies are summarized in **Table 1.1** and evaluated in **Chapter 6.1** (Strategy A: Publicize and Clarify Existing Lower- and Middle Housing Commitments) and **6.2** (Strategy B: Increase Participation in Housing Rehabilitation Program Partnership). Note that Strategies C-F (Chapters 6.3 through 6.6) are presented as “Strategy Buckets A-D” at Roundtable Meeting #2.

housing consumer and production representatives.

- Strategy Bucket A: Affirm Fair Housing Policy Commitment
- Strategy Bucket B: Middle Housing Prototypes and Local Production
- Strategy Bucket C: Medium and High Density Residential Plan and Code Updates
- Strategy Bucket D: Modify SDC Charges, Exemptions
- Roundtable participants reviewed each strategy bucket, identified benefits and obstacles to implementing various implementing measures, and identified the strategy bucket(s) and measures they believed would be most productive.

Two Top Strategies

Roundtable participants gave the highest ranking to two strategy buckets:

- Middle Housing Prototypes and Local Production
- Medium and High Density Residential Plan and Code Amendments

See slides showing Strategy Buckets B and C below.



SWEET HOME HOUSING PRODUCTION STRATEGY

Strategy Bucket B: Middle Housing Prototypes and Local Production

Increase the local production and availability of middle housing and accessible housing including tiny homes, accessory dwelling units (ADUs), cottage clusters, row homes, duplexes, triplexes, and fourplexes.

EXAMPLE 1: Coordinate with local housing producers to create prototype designs for middle housing (ADUs, tiny homes, cottage clusters, row homes, duplexes, triplexes, and fourplexes).

EXAMPLE 2: Build on Sweet Home's forest products history - identify and partner with local firms to build affordable modular homes (tiny homes, ADUs, cottages, row homes, duplexes, triplexes, and fourplexes).

EXAMPLE 3: Implement the Americans with Disabilities Act (ADA) and promote Universal Design Principles in recognition of the large number of people with disabilities and elderly people in Sweet Home.

EXAMPLE 4: Survey housing developers about their experiences with the development review process in Sweet Home and take steps to streamline and simplify the process where appropriate.

SNAPSHOT

Housing Needs Addressed:

- Increases the accessibility of new and redeveloped housing
- Increases production efficiency
- Provides middle-income housing opportunities

Figure 2-5 Strategy Bucket B: Middle Housing Prototypes and Local Production

SWEET HOME HOUSING PRODUCTION STRATEGY

Strategy Bucket C: Medium- and High-Density Residential Plan and Code Updates

Provide a more balanced supply of land that is zoned to meet the evolving housing needs of existing and future Sweet Home residents.

SNAPSHOT
Housing Needs Addressed:

- Increases opportunities for middle- and lower-income housing production
- Allows for wider variety of housing types consistent with Sweet Home's demographic and market conditions.

EXAMPLE 1: Incorporate 2042 Housing Production Targets into Chapter 4 Residential Lands and Housing of the Comprehensive Plan (also update to reflect the results of recent housing needs analyses).

EXAMPLE 2: Legislatively rezone Medium-Density Residential (R2) and High-Density Residential (R3) land consistent with Comprehensive Plan designations (rather than case-by-case rezoning).

EXAMPLE 3: Increase the supply of Medium-Density Residential (R2) land to facilitate the development of more middle housing opportunities – link to targets in the Comprehensive Plan.

EXAMPLE 4: Amend the Medium-Density Residential (R2) zone to allow triplexes and fourplexes at the same density as row homes to increase affordable, lower-density rental opportunities.

EXAMPLE 5: Allow single room occupancy units (SROs) in High-Density Residential (R3) and Commercial zones.

EXAMPLE 6: Allow all dwelling units in the High-Density Residential (R3) zone to be multi-family if approved through the Planned Unit Development (PUD) process.

Figure 2-6 Strategy Bucket C: Medium- and High-Density Residential Plan and Code Updates

Key Themes and Findings Related to Strategy Buckets C and D

Although Strategy Buckets C and D were ranked the highest among Roundtable participants, they also engendered considerable discussion. Key issues included:

- **Housing costs:** New housing is not affordable for most Sweet Home residents, but housing costs in Sweet Home remain comparatively low for outside buyers who often can afford to pay cash. People want to purchase single-family homes in Sweet Home and are willing to pay more because of the city's beautiful natural surroundings.
- **Middle housing:** Although most new middle housing types are not affordable for lower-income households, construction of middle housing types (plexes, cottage clusters, rowhouses) can free up existing housing for lower income households. Prototype designs and plans for new housing types

like cottage clusters, accessory dwelling units (ADUs), and row homes may help incentivize developers.

- **Modular homes:** Provide an opportunity for lower- and middle-income households to transition from renting to owning property and build up equity.
- **State laws:** Two knowledgeable participants noted that small landlords are selling their rentals in Sweet Home and investors feel constrained by Oregon landlord-tenant laws.
- **Rental market:** The rental market changes depending on the type of housing available. For example, one-bedroom units tend to have a higher turnover than two- or three-bedroom units. The rental market also offers an opportunity to developers that are having difficulty selling units. For example, row homes could be rented if they do not sell. There will always be renters for medium- and high-density residential housing.
- **Public support:** Support from the City Council, housing advocates and the public is necessary to facilitate future affordable housing development. For example, amending the current zoning map to be consistent with the Comprehensive Plan map may encounter resistance.

Strategy Bucket A: Concerns and Added Measure

Strategy Bucket A: Affirm Fair Housing Commitment also generated a fair amount of discussion.

Roundtable participants recognized the city's existing resolution to affirmatively further fair housing, and that over half of the city's households had lower-incomes (when compared with Linn County and Oregon) but were less enthusiastic about supporting government-assisted housing initiatives.

- **Surplus Land:** Faith-based institutions and other organizations need incentives to donate land or invest in lower-income housing. Faith-based institutions may already be using rental properties on their land for income, may not have any available land; and the process to dedicate land to lower-cost housing may be complicated when the property is owned by a religious conference.
- **Land banking:** The city does not currently own much developable land, but unlike other cities there is a large supply of buildable land in the city limits. The city should identify opportunities to set aside land for future development within the Urban Growth Boundary (UGB) and partner with affordable housing developers.
- **Community Land Trusts:** The Roundtable added a third measure was added to CLTs provide a way to purchase, develop and hold land for affordable housing. See discussion in Chapter 6 of this Report. This measure was suggested at Roundtable #2 as a way of achieving C.6 and C.7 objectives. Community Land Trusts (CLT) can acquire and hold land for future affordable housing development and can work with groups such as Habitat for Humanity, faith-based organizations, or other non-profits to develop and manage affordable housing. (See **Chapter 6.3 Affirm City's Fair Housing Commitment, Measure C.7.**)

Strategy Bucket D: Concerns and Added Measure

The Roundtable agreed that housing developers often struggle with high SDC costs. Such costs are particularly challenging for smaller developers but may not be as important for larger, well-financed developers. Reducing SDCs or creating a flexible payment schedule may help smaller developers with costs and result in more housing production.

- Several Roundtable participants noted that very low-income people are a step away from becoming homeless; ADUs may provide an affordable housing option that can be implemented by individual homeowners (as opposed to large-scale developers). To encourage these options, there was support for exemption ADUs and single-family conversions to duplexes from SDC fees.
- Several Roundtable participants recommended an additional measure that would allow SDCs to be collected later, rather than at the time of permit issuance. (See **Chapter 6.6 Modify SDC Fee Schedules, Exemptions, Measure F.3**).

Implementing Community Feedback into HPS

Based on information received at the first Roundtable meeting, Winterbrook prepared the draft HPS memo and provided this memo to city staff and DLCD for review and comment. Winterbrook and city staff carefully considered comments from the second Roundtable meeting to prepare the final list of recommended strategies and measures for consideration by the Planning Commission and City Council. This final list is presented in **Chapter 6 (Recommended Housing Production Strategies)** of this report.

2.4 PLANNING COMMISSION AND CITY COUNCIL MEETINGS

Winterbrook will work with city staff to prepare for a joint planning commission – city council work session scheduled for September 2024. Public hearings will follow in November 2024.

2.5 RECOMMENDATIONS FOR FUTURE ENGAGEMENT

The city will continue to maintain the HPS website, which will include the results of annual HPS reports regarding the implementation and monitoring of recommended strategies and measures.

Engagement and Communication

During Roundtable interviews, participants recommended the following:

- Many people in Sweet Home receive and seek out information using the City's Facebook page; this page should include periodic updates of progress the city has made towards the implementation

and monitoring of recommended strategies and measures.

- Hold informal in-person events, including town halls and coffee with the mayor to share ideas, receive feedback, and develop more ongoing communication between the city and community.
- Share information in a variety of ways, including social media, local newspapers, flyers, the water bill, and at local sporting events.
- Conduct targeted outreach with communities that will be directly impacted by new projects and programs.

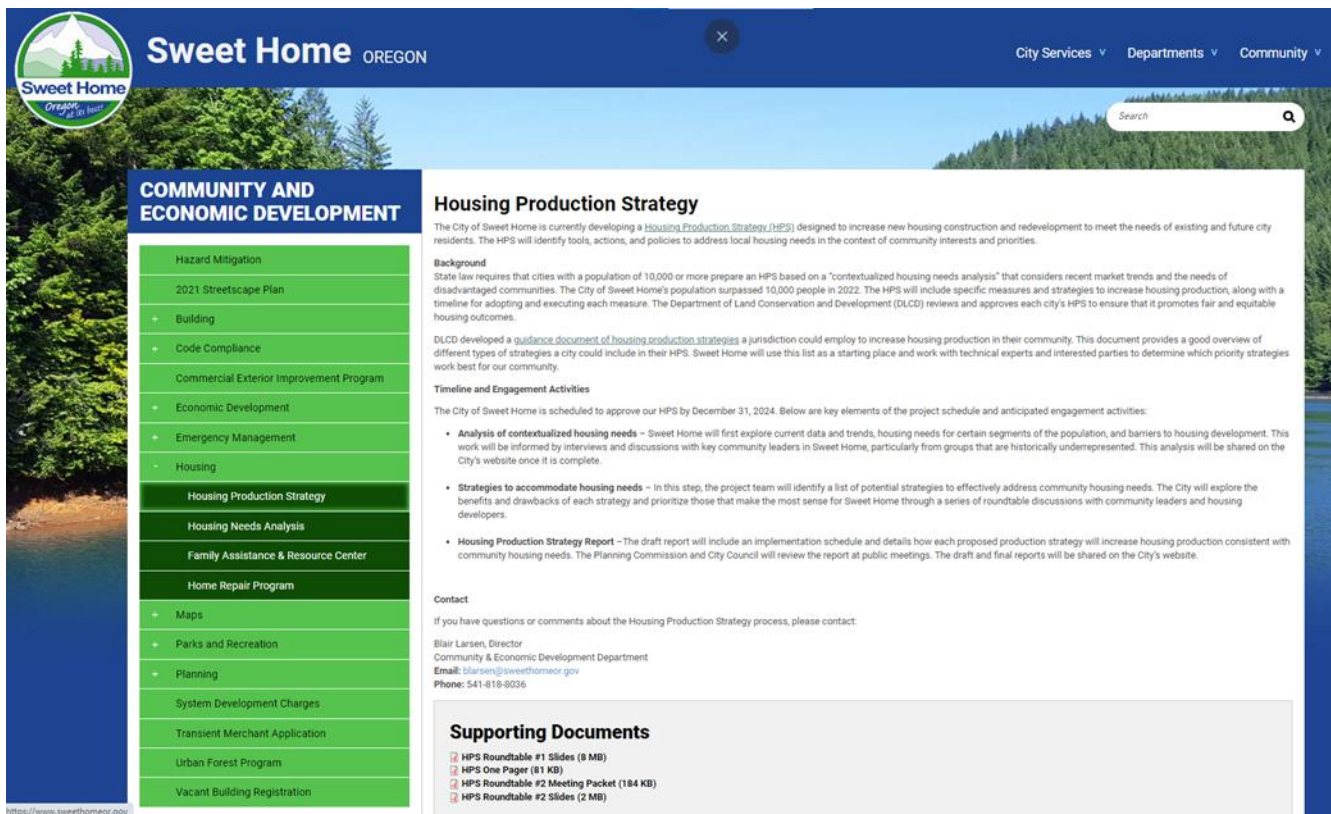


Figure 2-7 Sweet Home HPS Webpage

3 REVIEW OF THE SWEET HOME HOUSING NEEDS ANALYSIS (HNA)

OVERVIEW

The Sweet Home Housing Needs Analysis (HNA) includes a Housing Needs Forecast, a Buildable Lands Inventory (BLI), and a Land Sufficiency Analysis for the City of Sweet Home urban growth boundary (UGB) over the 20-year planning period (2022-2042). The discussion below summarizes key findings from the HNA and sets the stage for Chapter 4 (Sweet Homes Future Housing Needs – in Context) of this report. **Chapters 2-4** of this report include the socio-economic, demographic and market context for refining the information and conclusions reached in the adopted Housing HNA.

3.1 HNA REVIEW OF MARKET CONDITIONS AND AFFORDABILITY

The HNA analyzed housing market conditions (pp. 8-9) based on 2020 US Census data. **HNA Exhibit 3: Households by Income Level** shows Linn County had a median household income (MHI) of \$64,500. Lower-income households in Linn County earned \$51,600 or less per year in 2020 and qualified as “low, very low, and extremely low-income households.”⁷ As documented in this report, Sweet Home has an even lower MHI than Linn County.

The HNA applies a HUD “attainability” or affordability standard that households should not spend more than 30% of their household income on housing. **HNA Exhibits 9 and 10 Affordable Housing Analysis** show that lower-income households cannot afford to purchase a home in Sweet Home. In 2022, the median home value was \$348,000, almost a 20% increase from 2020. At \$51,600 per year, the maximum affordable rent came to \$1,290 per month. Very low and extremely low-income households cannot afford to pay more than \$806 and \$484 a month for housing, respectively.

Figure 3-1 summarizes key HNA findings related to housing affordability found in the 2022 HNA. In 2022, the median detached single-family residential home value in Sweet Home was \$348,000 – well beyond the means of most Sweet Home residents.

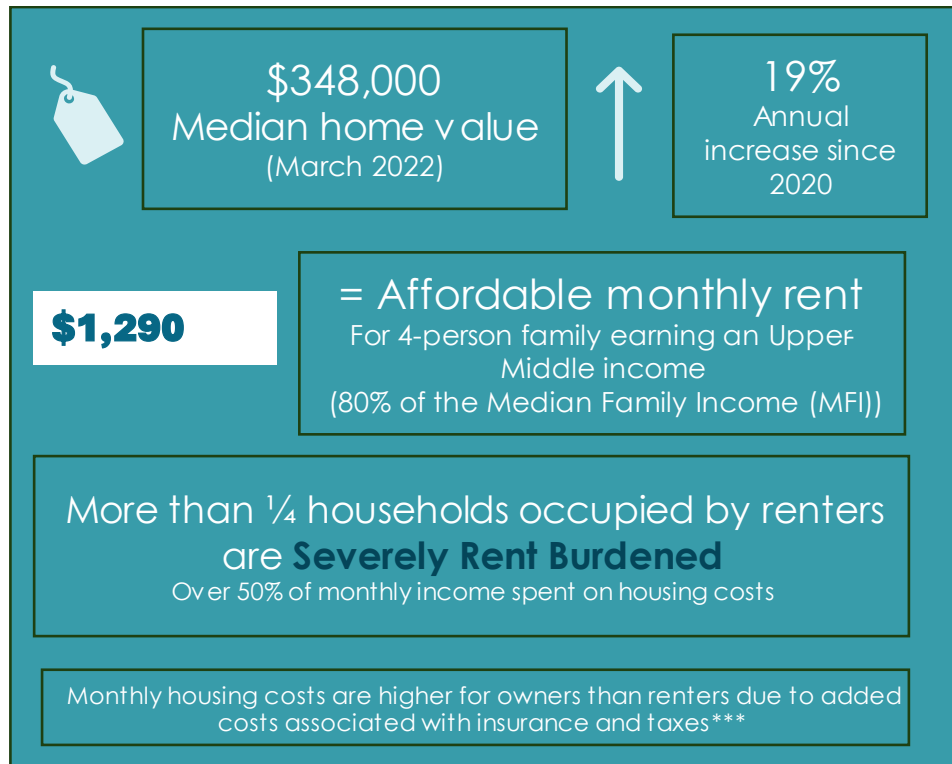


Figure 3-1 Key Affordability Facts from the 2022 HNA

3.2 HNA REVIEW OF EXISTING HOUSING STOCK

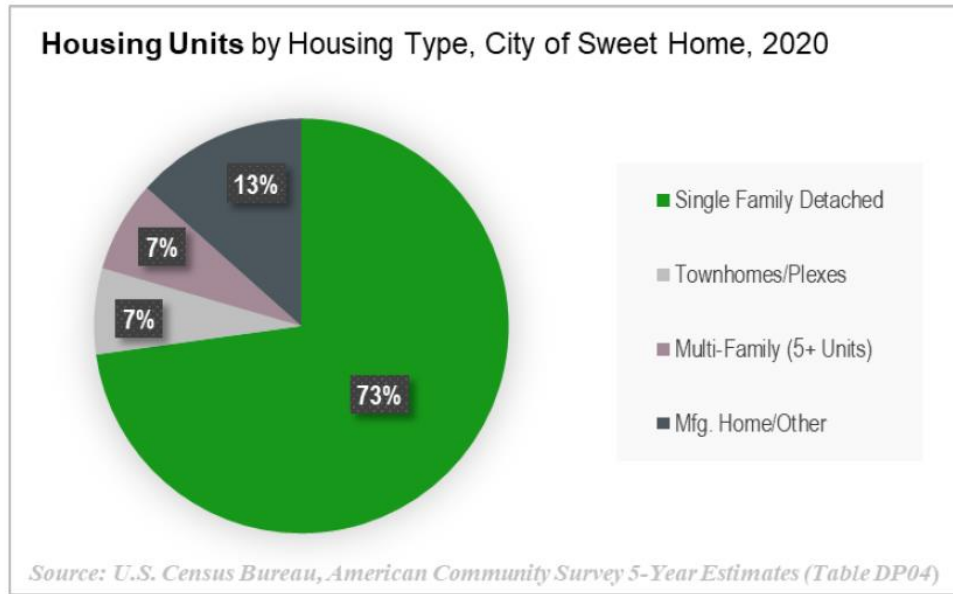
The HNA found that 60% of homes in Sweet Home were owner-occupied and 40% were renter-occupied. **HNA**

Exhibit 6: Existing Housing Inventory, 2020 shows that in 2020:

- 73% of existing housing units were single family detached,
- 13% were manufactured or mobile homes,
- 7% were apartments with 5 or more units, and
- 7% are “plexes” (two to four units) or townhomes (attached single-family)

Although the HNA planning period runs from 2022 to 2042, the HNA does not account for new housing permitted or constructed after 2020. **See Chapter 4, Section 10 Recent Residential Building Permit Data** for an analysis of housing types actually permitted from 2020-2023.

Exhibit 6: Existing Housing Inventory, 2020, City of Sweet Home



3.3 HNA’S FORECASTED HOUSING NEED

HNA Exhibit 14: Projected Housing Demand by Income Level compares household income levels with attainable housing types. HNA **Exhibit 14** shows that:

- Only upper income households (earning 120% or more of MFI) can afford to purchase a new single-family detached home in Sweet Home.
- Upper middle- and lower middle-income households can afford to purchase smaller and less expensive “cottage homes, townhomes, and manufactured homes” – or they can rent.
- According to **Exhibit 14**, lower-income households can only afford to rent an accessory dwelling unit (ADU) or must rent a government-assisted unit. Low- and very low-income households cannot afford to rent without government subsidies.

Exhibit 14: Projected Housing Demand by Income Level, Sweet Home

Housing Type	Owner-Occupied Dwellings	Renter-Occupied Dwellings	Total Dwelling Units	Attainable Housing Products
Upper (120% or more of MFI)	292	46	338	Standard Homes
Upper Middle (80% to 120% of MFI)	83	36	119	Cottage Homes, Townhomes, Apartments
Lower Middle (50% to 80% of MFI)	42	77	119	Townhomes, Mfgd. Homes, Plexes, Apts.
Low (less than 50% of MFI)	0	38	38	Govt. Assisted Apts. & ADUs
Very Low (less than 30% of MFI)	0	77	77	Govt. Assisted Apts. & ADUs
Total	417	274	691	

HNA Exhibit 23: Projected 20-Year Housing Need Forecast, projects that 632 new dwelling units will be needed to accommodate population growth (1,720 additional residents) between 2022 and 2042. Thus, projected housing needs mirror the existing housing stock (as of 2020), with:

- 73% of new housing units projected to be single-family “stick-built” detached homes,
- 13% projected to be manufactured or cottage detached dwellings, and
- 14% projected to be attached housing (plexes, townhomes, or apartments).

Exhibit 23: Projected 20-year Housing Needs Fore

Dwelling Units	
Housing Type Distribution	
Single Family Detached	460
Townhomes / Plexes	42
Multi family (5+ units)	45
Mfg. home/cottages	85
Total	632

As documented in the 2022 HNA, most Sweet Home residents cannot afford to purchase or rent a detached single-family home in Sweet Home.

3.4 HNA REVIEW: RESIDENTIAL LAND DEMAND AND SUPPLY

HNA Exhibit 24: Sweet Home Residential Classifications and Density Assumptions (p. 20) found that 169 gross buildable acres are needed to accommodate 20-year housing needs in Sweet Home. **Figure 3-2** provides basic information regarding expected population and household growth, and buildable land need. Sweet Home much more buildable land within its UGB than will be needed to accommodate planned residential growth over the next 20 years.

PROJECTED HOUSING CONDITIONS

From the 2022 Sweet Home HNA

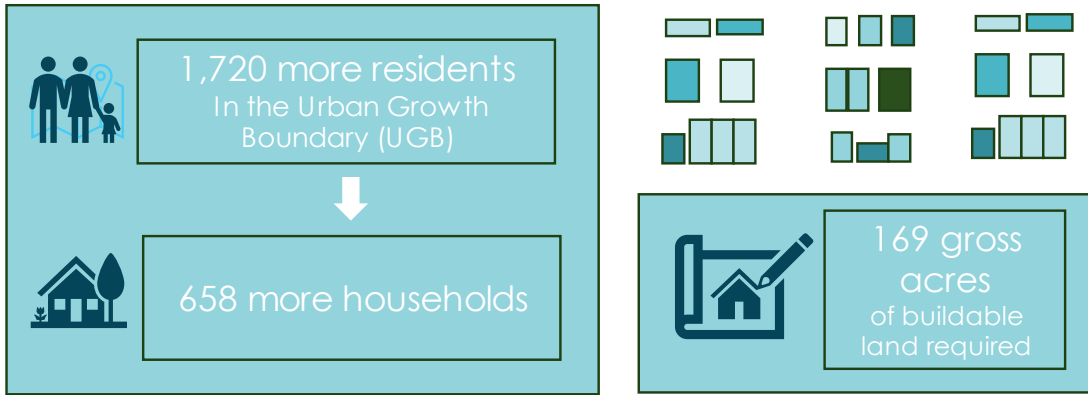


Figure 3-2 Comparison and Housing Need and Supply

As shown on Table 3.1 below, Sweet Home has an abundant residential buildable land supply – about three times the amount needed over the next 20 years. Not including commercial land that potentially could be used for housing development, the Sweet Home UGB included 511 buildable residential acres. The vast majority (86%) of this buildable land is zoned for low density residential uses, with 14% designated for medium and high density residential combined.

Table 3.1 Buildable Residential Land Supply within the Sweet Home UGB		
Zoning	Gross Buildable Acres	Residential Land Percentage
LDR	437	86%
MDR	36	7%
HDR	38	7%
All Residential Designations	511	100%

Note that not all residential land within the UGB is zoned consistent with the comprehensive plan designation. A significant amount of land that is planned for Medium or High Density Residential uses is zoned LDR, meaning that a zone change is necessary to rezone some areas consistent with the comprehensive plan designation.

4 SWEET HOME'S FUTURE HOUSING NEEDS – IN CONTEXT

OVERVIEW

Figure 4-1 is an image of a typical, older (1940s) detached, single-family home for sale in Sweet Home. In 2024, this 3-bedroom, single-story, 1,256 sf home on a 7,000 sf lot, represented the median-priced home in Sweet Home as determined in the HNA. This home was for sale at \$345,000 in 2024.⁸ As documented in this **Chapter 4** below, most Sweet Home residents cannot afford to purchase this home or to rent a new, market-rate apartment unit.

Reason for the Sweet Home CHNA

The Sweet Home Contextualized Housing Need Assessment (CHNA) begins with the city's most recent Housing Needs Analysis (HNA) and provides a broader context for identifying barriers to affordable housing and strategies to remove such barriers. The HNA, as well as any accompanying reports like the Buildable Lands Inventory (BLI) have identified types and amounts of needed housing and land. As stated in the Housing Rule, the product of the Assessment should explain the current housing environment and future housing need within the context of demographic and market trends.

Organization

Chapter 4 has ten sections:

- **Overview** explains the purpose of this chapter and its organization.
- **Section 4.1 Household Income** considers the distribution of household income and relationships between household income and other demographic factors.
- **Section 4.2 Race and Ethnicity** considers relationships between race and ethnicity, household income, and tenure.
- **Section 4.3 People with Disabilities** considers relationships between people with disabilities and

⁸ As we discovered in the first Roundtable meeting, this older home was rented by a Round Table participant in the 1960s for \$75 per month.

income, tenure and accessibility.

- **Section 4.4 Homelessness** considers factors underlying homelessness and city programs to support people without housing.
- **Section 4.5 Spatial Relationships** considers income, ethnicity, race and tenure in terms of their geographic distribution in Sweet Home.
- **Section 4.6 Inventory of Housing Types** considers the age of existing housing in Sweet Home and related policy implications
- **Section 4.7 Market Conditions** identifies national trends that make housing more expensive, as well as observations from Roundtable participants regarding factors that drive up housing costs in Sweet Home.
- **Section 4.8 Affordability** provides information regarding the large number of cost-burdened renter- and owner-occupied households in Sweet Home.
- **Section 4.9 Key Conclusions and Recommends** summarizes key conclusions from Sections 3 and 4 regarding Sweet Home's:
 - Relatively low household incomes and implications for housing affordability;
 - Relatively high proportion of people with disabilities and implications for housing affordability and design;
 - Relatively high proportion of cost-burdened households and the need for government-assisted housing and lower-cost housing types;
 - Relatively affordable housing types that could help meet the needs of middle- and lower-income households;
 - Relatively low proportions of Hispanic/Latino and POC population and related demographic characteristics;
 - Relationships between geography and various income and demographic characteristics;
 - Sweet Home's enduring commitment to providing affordable housing opportunities to its existing and future residents.

Methods

Much of the demographic data needed for this assessment is from the U.S. Census Bureau. This data is derived from detailed tables or mapping tools and is filtered by city (Census-designated place), county, and state data when relevant.

- **The American Community Survey (ACS)** 5-year Estimates provide detailed information including

housing, education, and employment. This assessment used ACS 5-year Estimates from 2020, 2021, and 2022 depending on availability. The 2020 Decennial Census data are most often used to represent demographics such as age, race and ethnicity, and owner/renter status (tenure).

Caveat: The American Community Survey (ACS) information used in this memo provides numerical estimates, which provide the best demographic or market information available but may not be 100% accurate in every case. Rather than qualifying each numerical statement in this report, we simply cite the US Census or ACS figure used. For example, rather than repeating the term “estimated” by saying the “estimated median household income in Sweet home in 2021 was \$47,222”, we say more simply that “the median household income in 2021 Sweet Home was \$47,222” – recognizing that this number is an estimate based on solid information but may not be completely accurate in every case.

- The city of Sweet Home provided information including details of existing planning initiatives and recent building permit data. Winterbrook has augmented this information based on detailed review of the city’s comprehensive plan and development code.
- Additional government agency sources include the US Department of Housing and Urban Development (HUD), which provides Continuum of Care (CoC) programs addressing homelessness on the local or regional level. These coalitions will often conduct the annual Point in Time (PIT) homelessness counts for their area. The State of Cities Data Systems (SOCDS) Building Permits Database is also useful for its downloadable spreadsheets with totals and types of approved building permits dating back to 2001.
- The McKinney-Vento Act’s Education of Houseless Children and Youth Program annually publishes spreadsheet data with counts of houseless students per school district. OHCS Oregon Housing and Community Services publishes an annual list of Severe Rent-Burdened Cities.

4.1 HOUSEHOLD INCOME IN RELATION TO HOUSING COSTS

Income Distribution

Statewide Planning Goal 10 (Housing) focuses on providing sufficient buildable land to provide a variety of housing types “commensurate with the financial capabilities of Oregon households.”

Figure 4-1 is based on the Sweet Home Housing Needs Analysis (HNA) and shows 2019 and 2021 Median

Household Income (MHI) ranges for Sweet Home and Linn County residents.⁹ The Sweet Home MHI increased from \$43,589 in 2019 to \$47,229 in 2021 whereas the Linn County MHI increased from \$55,893 (2019) to \$63,313 (2021). **As shown on Figure 4-2, household incomes in Sweet Home are substantially (about 25%) lower than Linn County as whole.**

Median Household Income Comparison		
	2019	2021
Sweet Home	\$44,000	\$47,000
Linn County	\$56,000	\$63,000

2019 and 2021 ACS 5 -year Estimates (Table CP03)

Figure 4-1 Comparison of Household Income in Sweet Home and Linn County

Figure 4-3 shows Department of Housing and Urban Development (HUD) Household Income Categories, based on ACS 2021 data as applied to Linn County.

Household Income Categories, Based on Linn County MHI (2021)				
Extremely Low Less than 30%	Very Low 30% – 50%	Low 50% – 80%	Middle 80% – 120%	Upper 120% or more
\$19,000 -	\$19,00 - \$32,000	\$32,000 - \$51,000	\$51,000 - \$76,000	\$76,000 +

Figure 4-2 Linn County Household Income Categories

In rough numbers, the three lower income categories include households with an MHI below \$51,000 thousand in Linn County.¹⁰ The middle-income category includes households with an MHI between \$51 and \$75 thousand, and the higher income category includes households with an MHI of more than \$76 thousand. The low-, very low- and extremely low-income categories are often referred to as “lower-income households” in this document.

¹⁰ The calculations to determine the ranges for Household Income Categories are based on HUD guidelines and use the Median Household Income for Linn County from the 2021 ACS 5-year Estimates (\$63,313).

Figure 4-4 focuses on MHI in Sweet Home in 2021.

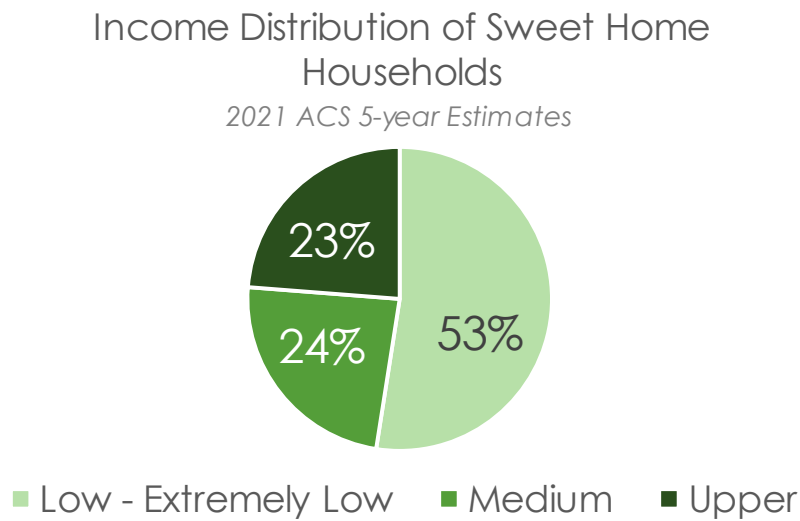


Figure 4-3 Household Income Distribution in Sweet Home

Over half (53%) of Sweet Home households are classified as lower-income. The remaining half is split between middle-income and upper-income households. As noted in the 2022 Sweet Home HNA, lower-income households generally cannot afford to purchase a home in Sweet Home.

Figure 4-5 shows a more detailed breakdown of household income ranges in Sweet Home. Slightly more than half of Sweet Home’s households earn less than \$50 thousand per year, with the other half earning more than \$50,000. Less than four percent of Sweet Home households had incomes of more than \$150,000 thousand in 2021.

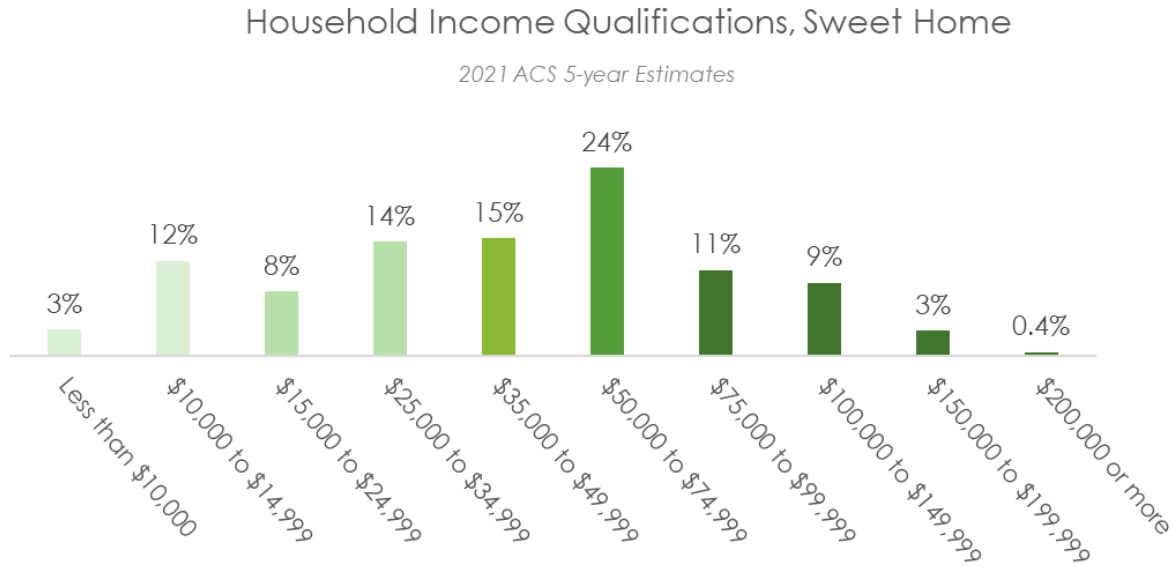


Figure 4-4 Detailed Breakdown of Households Incomes in Sweet Home

Conclusion

Sweet Home is a relatively poor community – in large part due to the collapse of the timber industry during the 1980s. Median household incomes (MHI) are substantially lower in Sweet Home than in Linn County or Oregon. Over half of Sweet Home’s households fall into the “lower-income” category, and generally cannot afford to purchase a single-family detached home in the city where they live. To address the disparity between lower household incomes and high detached single-family home prices, the city will need to produce more affordable housing types, such as plexes, attached single-family, ADUs, cottage clusters, SROs, and apartments.

Household Income in Relation to Other Demographic Characteristics

The discussion below focuses on household¹¹ income in relation to age, gender, family type, and housing tenure. **Figure 4-6** looks at the relationship between age and household income based on three broad age categories.

¹¹The 2021 American Community Survey defines a ‘household’ as all the occupants of a housing unit whether they are “...a single family, one person living alone, two or more families living together, or any other group of related or unrelated people who share living arrangements.”

Sweet Home Median Household Income (MH) by Age

2021 ACS 5-year Estimates



Figure 4-5 Relationship Between Household Income and Age

As shown on **Figure 4-6**, the older the head of household,¹² the lower the household income. Older households in Sweet Home typically have substantially lower incomes than younger households. The typical household headed by a younger person (25-44 years-old) has more than twice the income of a household headed by someone 65 or older. As noted by participants in the first Housing Roundtable meeting, many seniors cannot afford to move out of their existing homes.

Figure 4-7 looks at the relationship between housing tenure and household income. The typical renter household in Sweet Home has a substantially lower income than the typical owner household.

Sweet Home Median Household Income (MHI) by Tenure

2021 ACS 5-year Estimates

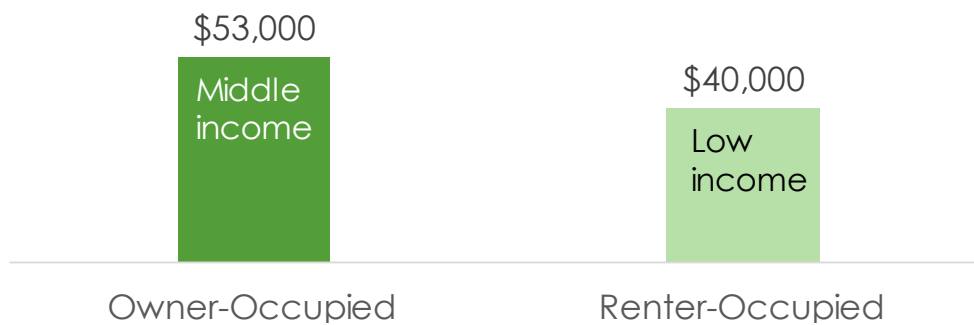


Figure 4-6 Relationship Between Household Income and Tenure

Figure 4-8 looks at the relationship between household income and family type.¹³ Most “family” households¹⁴ in Sweet Home are headed by a married householder (63%) with the remainder divided roughly evenly between families headed by a male or a female with no spouse present.

¹² The 2021 American Community Survey classifies ‘Householder’ as one person whose name the unit is owned or renter under. In the case of more than one person fitting that description, the householder is whoever listed first in the survey response. In the case where no such person exists, any one member of the household over the age of 15 is classified as the householder.

¹³ The 2021 American Community Center classifies household types as either ‘Family’ or ‘Non-family’. A “family” household includes “a householder living with one or more individuals related to him or her by birth, marriage, or adoption.” A “non-family” household includes “a householder living alone or with non-relatives only.”

Sweet Home Median Household Income (MH) by Family Type				
	Number	% Distribution	MHI	HUD Income Category
Married-couple families	1,629	63%	\$ 57,000	Middle
With own children under 18 years	471	18%	\$ 66,000	Middle
Female householder, no spouse present	498	19%	\$ 37,000	Low
With own children under 18 years	320	12%	\$ 43,000	Low
Male householder, no spouse present	445	17%	\$ 67,000	Middle
With own children under 18 years	220	9%	\$ 66,000	Middle
<i>2021 ACS 5-year Estimates (Table S1903)</i>				

Figure 4-7 Relationship Between Household Income and Family Type

However, family households headed by a female without a spouse typically have substantially lower incomes than family households headed by a married couple or by a male without a spouse. Families headed by a male without a spouse have somewhat higher incomes than families headed by a married couple.

Figure 4-9 below looks at the relationship between “nonfamily” households and household income. As shown in Figure 10, non-family households in Sweet Home typically have low to very low-incomes. However, female non-family households tend have much lower incomes than their male counterparts.

Sweet Home Median Household Income (MHI) by Type of Nonfamily Household				
	Number	% Distribution	MHI	HUD Income Category
Female householder	743	55%	\$ 19,000	Very Low
Male householder	602	45%	\$ 34,000	Low
<i>2021 ACS 5-year Estimates (Table S1903)</i>				

Figure 4-8 Relationship Between Median Household Income and Sex of Head of Household

Conclusion

The information presented above shows strong relationships between household income and age, tenure, gender, and household type:

- Older households (headed by age 65 and over) tend to have much lower incomes than younger households; the youngest household category (25-44 years old) has more than twice the household income as households headed by someone over 65.
- Renter households tend to have much lower incomes than owner households.
- Family households headed by a married couple or a male without a spouse present tend to have much higher incomes than family households headed by a female.
- Non-family households tend to have much lower incomes than family households, and male non-family households tend to have higher incomes than female non-family households.

Sweet Home should remove barriers to affordable housing types that could benefit lower-income elderly and non-family households, including multi-family, plexes, rowhomes, and ADUs. Since purchase of a home is generally not an option for lower-income households, the focus should be on increasing the supply of these affordable housing types, thus freeing up existing, more affordable housing stock. In the lower-income categories, subsidized rentals may be the only feasible option for rent-burdened households.

4.2 RACE AND ETHNICITY

Race and ethnicity provide important context to planning for housing. Analysis of income or housing data combined with race and ethnicity data can uncover gaps in meeting housing needs.

Race

Figure 4-10 shows race¹⁵ distribution in Sweet Home, Linn County and Oregon. All three jurisdictions are primarily White, but Sweet Home has the highest White (86%) population when compared with Linn County and Oregon. Thus, Sweet Home has relatively few people of color (POC) when compared with the county or state.

Race of the Sweet Home Population, Percent Distribution			
Race	Oregon	Linn County	Sweet Home
One Race	90%	91%	91%
White	75%	84%	86%
Black or African American	2%	0.5%	0.3%
American Indian and Alaska Native	1.5%	1.3%	2%
Asian	5%	1%	0.7%
Native Hawaiian and Other Pacific Islander	0.5%	0.2%	0%
Some Other Race	6%	4%	2%
Two or More Races	10%	9%	9%

2020 Decennial Census (Table DP1)

Figure 4-9 Race Characteristics by Jurisdiction

Figure 4-11 below focuses on racial characteristics in Sweet Home. Sweet Home's second largest single racial demographic was Some Other Race (2%) (meaning a race category not included in the Census) and/or American Indian and Alaska Native (2%). Note that 9% of city residents identified themselves as being of more than one race.

¹⁵In this memorandum, the terms used to classify different races are in reference to the data from the U.S. Census Bureau, which are intended to reflect a social definition of race, rather than by genetics or biology. Respondents self-identify and may respond with one or more of the response options. The 2020 Decennial Census and 2021 American Community Survey both classify race according to the standards issued by the U.S. Office of Management and Budget in 1997.

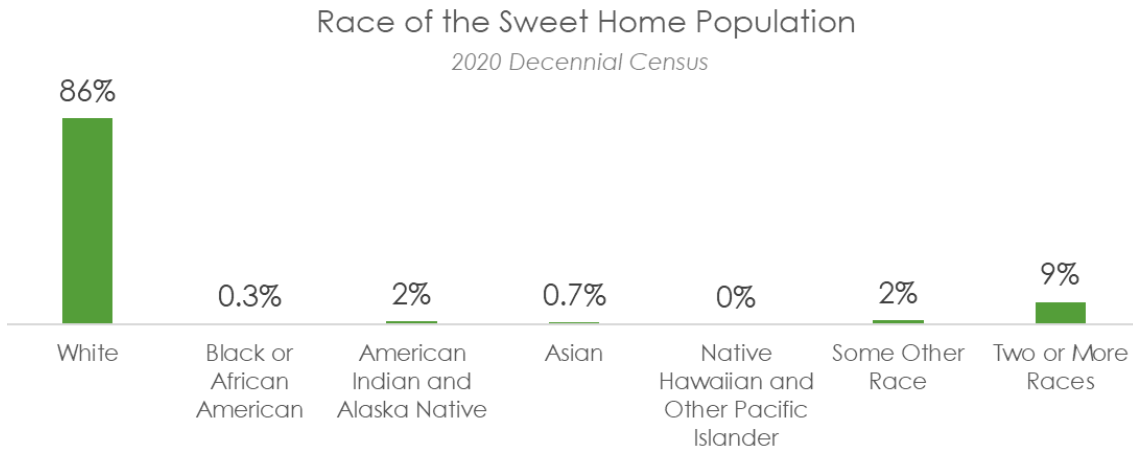


Figure 4-10 Sweet Home Racial Characteristics

Figure 4-12 considers the relationship between race and income in Linn County. Based on the limited data available in Linn County,¹⁶ American Indian and Alaskan Native households tend to have lower incomes, and Asian households tend to have higher incomes.

Median Household Income (MH) by Race of Householder in Linn County				
	Number	Percent Distribution	MHI	HUD Income Category
One race--				
White	44,676	91.0%	\$ 64,000	Middle
Black or African American	128	0.3%	\$ 57,000	Middle
American Indian and Alaska Native	257	0.5%	\$ 45,000	Low
Asian	269	0.5%	\$ 97,000	Upper
Native Hawaiian and Other Pacific Islander	121	0.2%	-	-
Some other race	913	1.9%	\$ 56,000	Middle
Two or more races	2,749	5.6%	\$ 67,000	Middle

2021 ACS 5-year Estimates (Table S1903)

Figure 4-11 Relationship Between Household Income and Race

¹⁶ The POC data pool for Sweet Home is too small to report; thus, one cannot draw firm conclusions regarding the relationship between race and income at the city level.

Ethnicity

Figures 4-13 depicts the ethnic¹⁷ distribution of heads of households in Sweet Home in comparison with Linn County and Oregon. Residents of Hispanic/Latino ethnicity make up a smaller proportion of the population in Sweet Home (6%) than the county (10%) or state (14%).

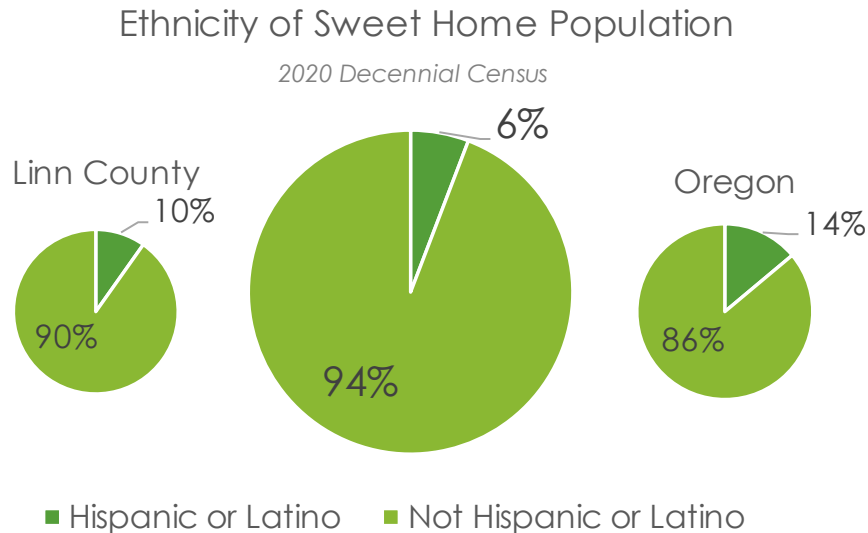


Figure 4-12 Comparative Ethnicity Characteristics

Figure 4-14 on the following page shows 2021 MHI broken down by ethnicity in Sweet Home, Linn County, and Oregon.

- In Sweet Home, households headed by a Latino or Hispanic person have higher median incomes than households headed by non-Latino or non-Hispanic White person. Latino or Hispanic households typically have middle-incomes and are more likely to be able to afford to buy or rent a home than non-Latino and non-Hispanic White households in Sweet Home.
- This relationship contrasts sharply with Linn County and Oregon, where Hispanic or Latino households tend to have lower incomes than White, Non-Hispanic or Latino households.

¹⁷ In this memorandum, the terms used to classify different ethnicities are either 'Hispanic or Latino' or 'Non-Hispanic or Latino' as shown in the data from the U.S Census Bureau. In this case, ethnicity is intended to reflect heritage, nationality group, lineage, or country of birth or ancestry. The 2020 Decennial Census and 2021 American Community Survey both classify ethnicity according to the standards issued by the U.S. Office of Management and Budget in 1997.

Median Household Income (MHI) by Ethnicity of Householder						
	Oregon		Linn County		Sweet Home	
	% Distribution	MHI	% Distribution	MHI	% Distribution	MHI
Hispanic or Latino origin (of any race)	9%	\$60,000	7%	\$50,000	5%	\$73,000
White alone, not Hispanic or Latino	80%	\$72,000	88%	\$64,000	90%	\$46,000
<i>2021 ACS 5-year Estimates (Table S1903)</i>						

Figure 4-13 Relationship Between Ethnicity and Household Income

Conclusion

Sweet Home has relatively few POC and Hispanic/Latino people when compared with Linn County and Oregon. As noted by participants in the first Housing Roundtable, these groups are increasing in Sweet Home – especially among school age children.

4.3 PEOPLE WITH DISABILITIES

The housing needs of people with disabilities and their families vary by the type and degree of disability, age, family type, income level, and monthly housing costs. As shown in **Figure 4-15**, in 2021 over a quarter (27%) of Sweet Home residents lived with a disability -- almost 10 percentage points higher than Linn County and 13 points higher than Oregon.¹⁸

¹⁸ 2021 ACS data include the civilian, non-institutionalized population. Group quarters residents are not included in Figure 19.

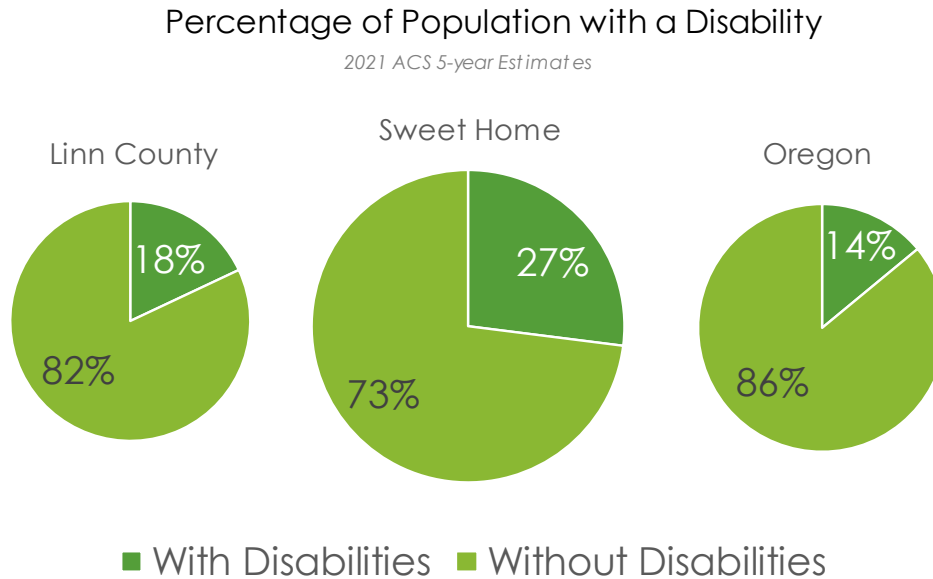


Figure 4-14 Household Disability Percentages by Jurisdiction

Age and disability often are presumed to go together. However, in Sweet Home disabilities are associated with adults in all age groups.¹⁹ **Figures 4-16** shows the relationships between age and disability in Sweet Home, Linn County, and Oregon.

- Almost half of the city's seniors live with a disability – a significantly higher percentage than found in the county and state.
- More than a quarter of the city's middle-aged population (35-64 years) live with a disability, as opposed Linn County (17%) and Oregon (14%).
- About one in five of the city's younger population people (5-34 years) live with a disability, about twice the percentage as Linn County (10%) and Oregon (8%).

¹⁹ The data identify people with one or more disability types, recognizing that any individual may have many types of disabilities. The data do not account for the severity of disability.

Percentage of Age Group with a Disability

2021 ACS 5-year Estimates

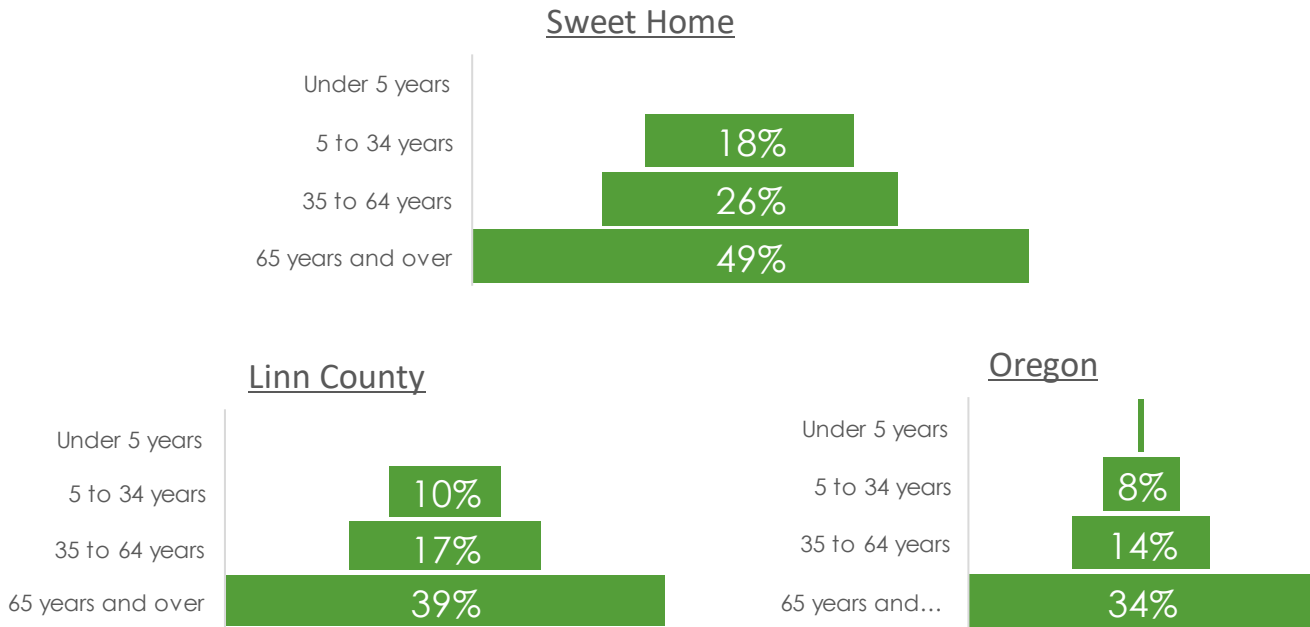


Figure 4-15 Relationship Between Age and Disability by Jurisdiction

Figure 4-17 on the following page shows that Sweet Home residents have a variety of disabilities.

- Sweet Home residents often have multiple types of disabilities.
- The most prevalent types of difficulties facing Sweet Home residents with disabilities are ambulatory (walking or climbing stairs) and cognitive (learning, concentration, or memory).
- Over a third of Sweet Home’s disabled residents face difficulty with independent living (doing errands alone).
- Over a third of the city’s residents have difficulty with hearing (deafness or serious hearing problems).

Prevalence of Disability Types among Sweet Home Disabled Population
2021 ACS 5-year Estimates

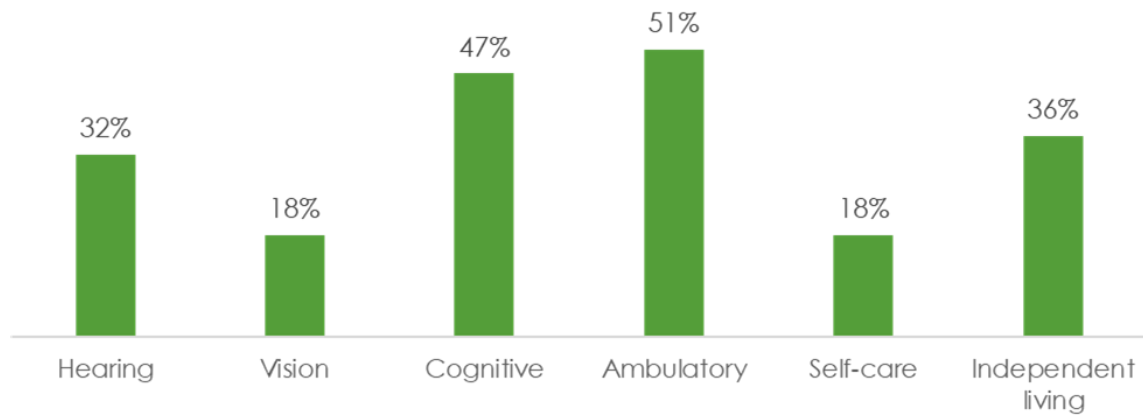


Figure 4-16 Types of Disabilities in Sweet Home

Roundtable participants observed that Sweet Home’s relatively high senior disabled population may be related to their jobs, due to the city’s historical dependence on the timber industry. Participants also observed that the city’s younger population has a significant number of children with autism.²⁰

Conclusion

Sweet Home has a relatively high proportion of residents with disabilities in all age groups when compared with Linn County or Oregon. Almost half of the city’s senior (65 or over) population live with one or more disabilities. Those with disabilities related to independent living, cognition and movement often have special housing needs

Depending upon the combination and severity, people with disabilities or their families often have special housing needs for accessible design and supportive services. As noted by Roundtable participants, the costs associated with these needs are often too expensive, which is exacerbated for already low-income, often disabled populations like those 65 years or older.

These special housing needs should be addressed in housing production strategies. Senior and SRO housing, plexes, cottage clusters, and apartments with elevators are needed to adequately house people with disabilities. It is important to identify and remove barriers to the production of such housing where possible.

²⁰ Round Table participants suggested that relatively low housing costs and existing services in Sweet Home may encourage families with autistic children to live in Sweet Home.

4.4 HOMELESSNESS

The issue of homelessness is at the core of planning for housing production because it can occur due to a lack of affordable and accessible housing options. Sweet Home’s lower-income population is at risk of becoming homeless as housing costs increase. Homelessness can be difficult to track and measure, so this section examines data from several sources to get a diverse perspective.

Figure 4-17 shows 2022 Point in Time (PIT) counts in Linn County.²¹ On one day in January of 2022 in Linn County:

- Most of the unhoused residents counted were single adults (with no children)
- Serious mental illness/disability is a significant concern among the unhoused population, as well as for residents with secure housing (as discussed in Section o)

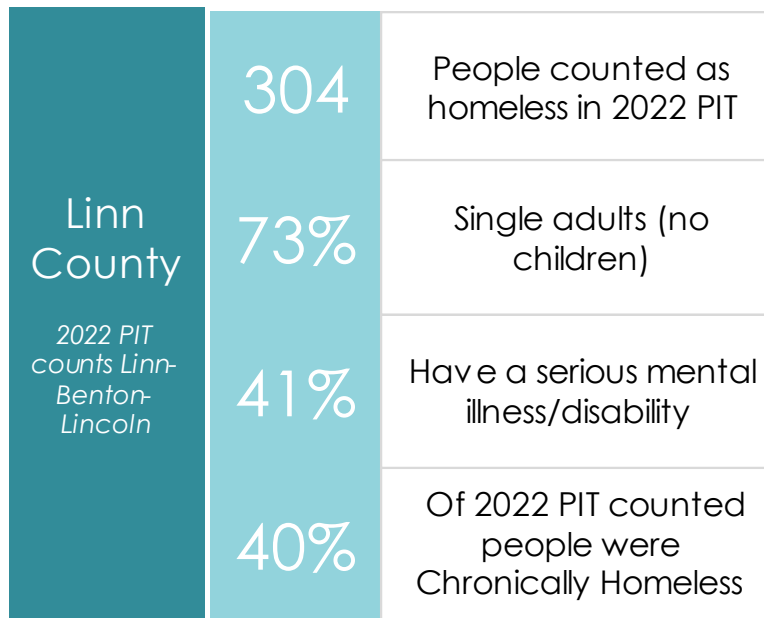


Figure 4-17 County Homeless Characteristics

²¹ Point in Time (PIT) counts provide a valuable large-scale snapshot of the state of homelessness in an area and are the result of coordination between organizations and volunteers at a larger scale than would be possible individually. One of the limitations of PIT counts is that they only capture the state of homelessness on one day of the year, which does not account for the unpredictable and ever-changing reality of housing insecurity.

Sweet Home is one of few municipalities in the Linn County that has a low-barrier overnight shelter facility (see 5.1 Recent City Initiatives section). The facility has been operational since 2021. The following qualitative data came from interviews and communications with the Executive Director of the shelter facility and the Police Department’s Community Services Officer:

- The loss of secure housing and being priced out of the area is a serious concern for many of Sweet Home’s population. There has been particular concern for seniors and/or people with very low-incomes.
- Addiction and substance abuse are a significant and deadly threat to the unhoused population – a problem that appears to have grown from 2020 to 2024.
- Homelessness of children does not appear to have improved in recent years.
- The number of homeless people in Sweet Home has decreased between 2020 and the first quarter of 2024. The Community Outreach Officer believe this could be attributed to the initiatives taken by the city and the growing number of partnerships.

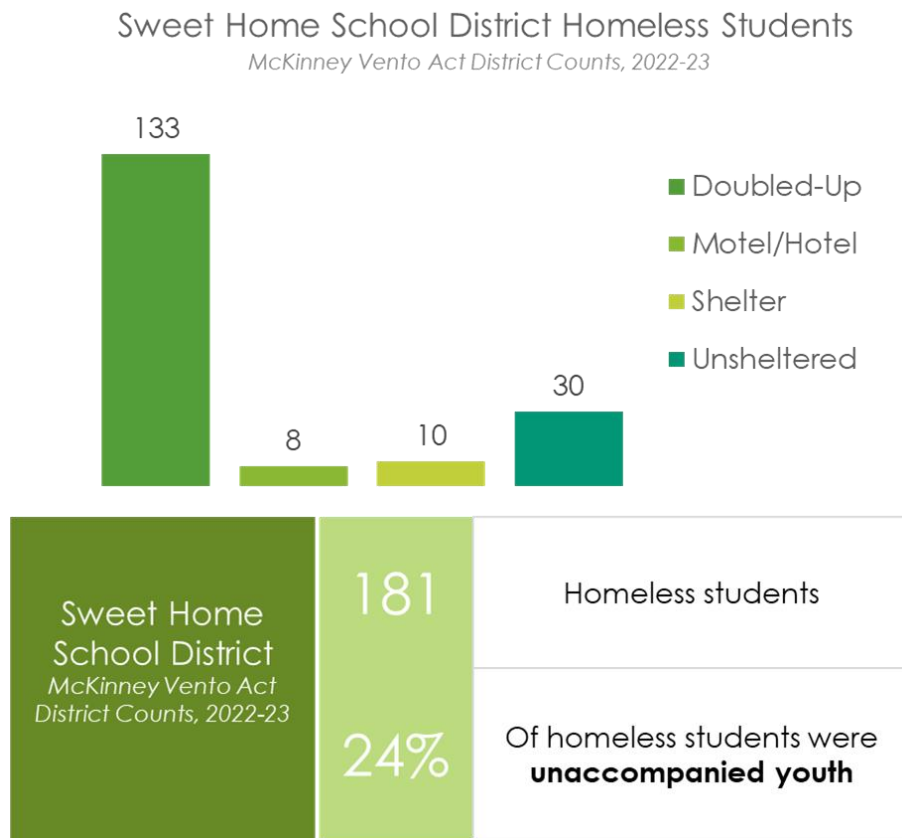


Figure 4-18 in Sweet Home School District – Homeless Student Characteristics

Figure 4-19 above shows the living situations of homeless students enrolled in the Sweet Home School District during the 2022-23 school year.

- Most homeless students are staying with friends or extended family (doubled up), rather than their

immediate family.

- Almost a quarter are not in the physical custody of a parent or guardian.

Conclusion

Homelessness affects a wide variety of people in Sweet Home and appears in many forms. As housing costs rise, lower-income households are in danger of becoming homeless. Increased middle housing production can help reduce the number of homeless people in Sweet Home.

4.5 SPATIAL RELATIONSHIPS

In this section we consider geographic relationships related to household income, housing tenure, race and ethnicity.

Limitations of Census Block Data

As shown on **Figure 4-20**, the Sweet Home UGB includes all or part of nine census block groups. The boundaries of most of these census block groups extend beyond the UGB and include data for rural areas. Census block group boundaries often divide recognizable neighborhoods, and thus are an imperfect measure of how geography interacts with household income, tenure, race and ethnicity. Nevertheless, some useful patterns emerge from the review of the maps and data below.

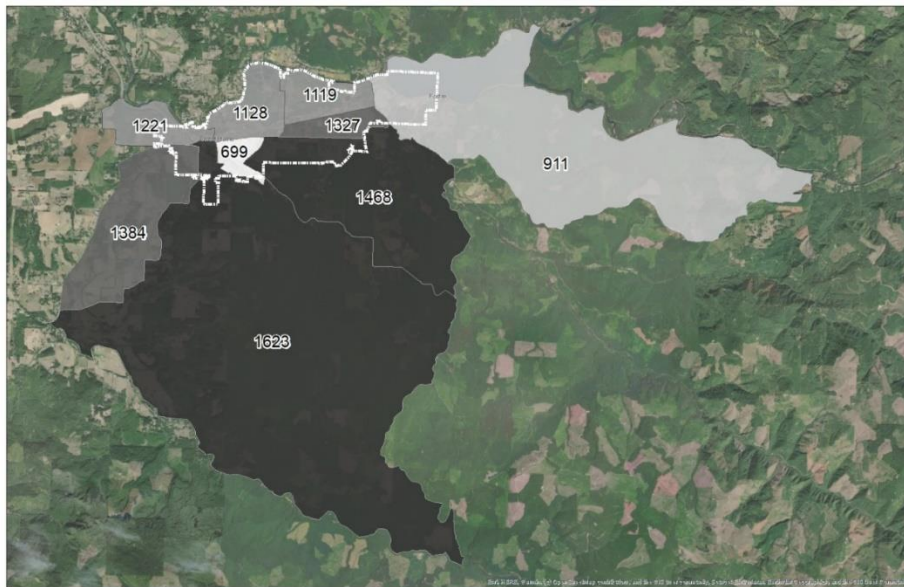


Figure 4-19 US Census Block Groups (by population size) in Relation to Sweet Home UGB

Median Household Income (MHI)

Figure 4-20 shows average income levels by census block group. MHI ranges from \$38.4 to 67.6 thousand, with the four middle income block groups shown in green and the five lower income block groups shown in light green. Note that Sweet Home has no census block groups in the upper-income category based on MHI.

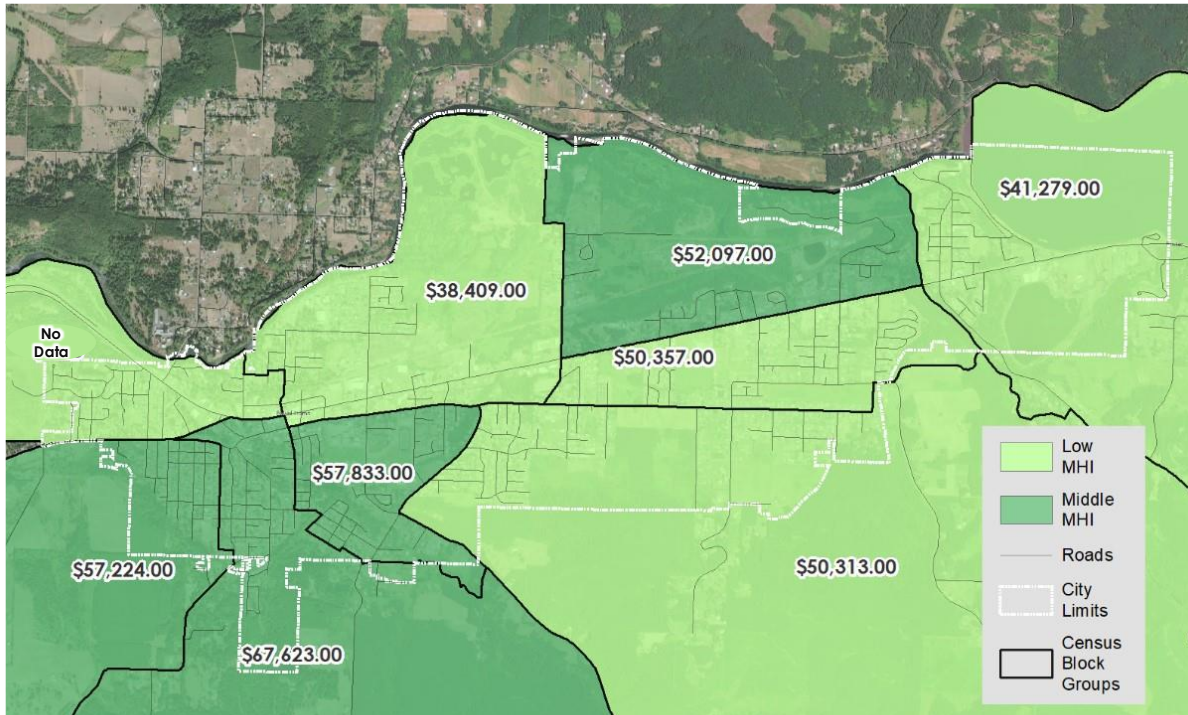


Figure 4-20 Median Household Income (MHI) Levels Most Prevalent by Census Block Group

Round Table participants recognized that the data can be misleading because census block groups also include rural land outside the UGB, and that there can be wide variation in income within census block groups. The group observed that the middle-income block groups tend to be areas that have better views and more public improvements than lower income block groups.

Hispanic/Latino Ethnicity

Figure 4-22 shows the percentage of Hispanic/Latino people in three colors. The highest concentration is found in the two central (orange) census block groups (11 to 19%) and tend to be in west-central Sweet Home. Five census block groups have only 0-3% Hispanic/ Latino population. As noted in **Section 3.3** above, Hispanic/Latino households tend to be middle-income.

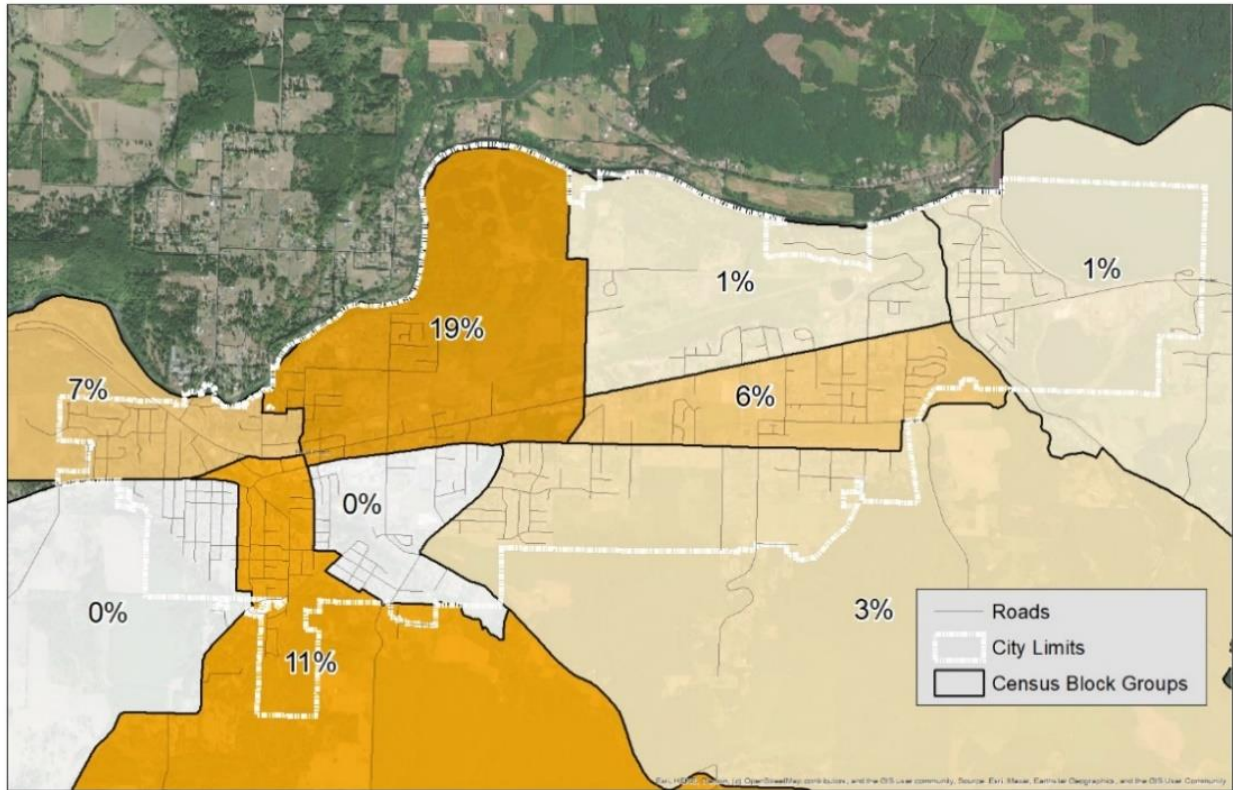


Figure 4-21 Percentage Hispanic or Latino Households by Census Block Group

Race

As shown in **Figure 4-23** People of Color are slightly more evenly distributed throughout the city but tend to be concentrated in the west-central census block groups. As noted in **Section 3.3** above, POC households in the county tend to be middle-income, except for Native American households who tend to have lower incomes. However, the lowest-income census block group in Sweet Home has the highest POC percentage.

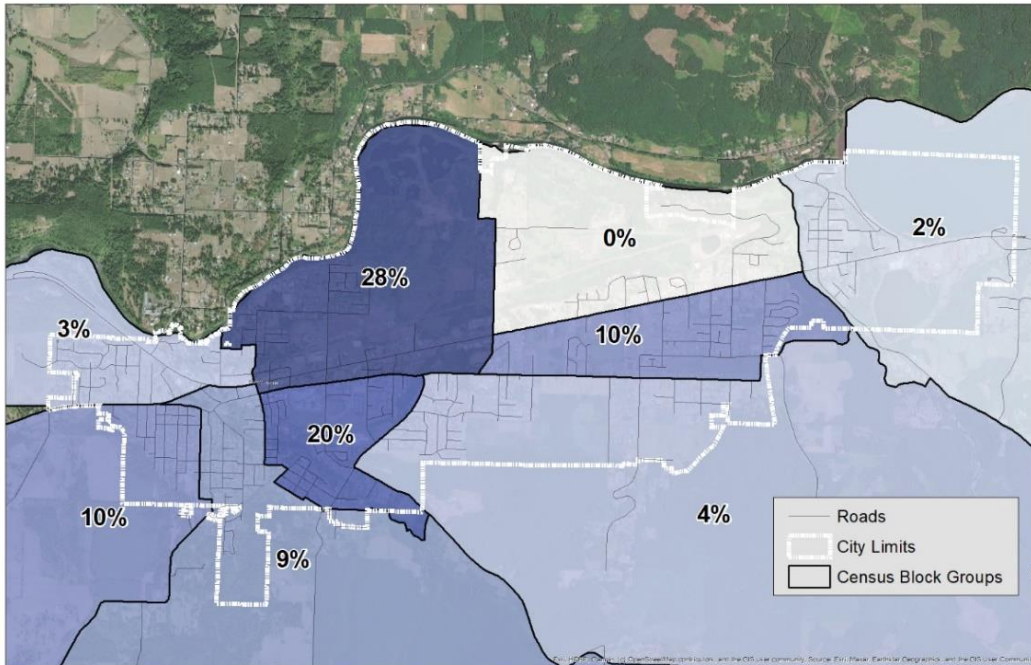


Figure 4-22 Percentage of POC Households by Census Block Group

Tenure

As discussed in **Section 3.2**, households that rent typically have lower MHI than households who own their home.

Figure 4-23 shows the percentage of renter households by census block group in shades of teal.

- Renter households are most common in the five northern census block groups, where the percentage of renter households range from 40-59% of households.
- The four southern census block groups range from 13-32% of households.

Generally, renter and lower-income households are found in the northern tier of census block groups. However, there is an imperfect correlation between relatively low-income census block groups shown in Figure 23 and the percentage of renter households shown in Figure 26.

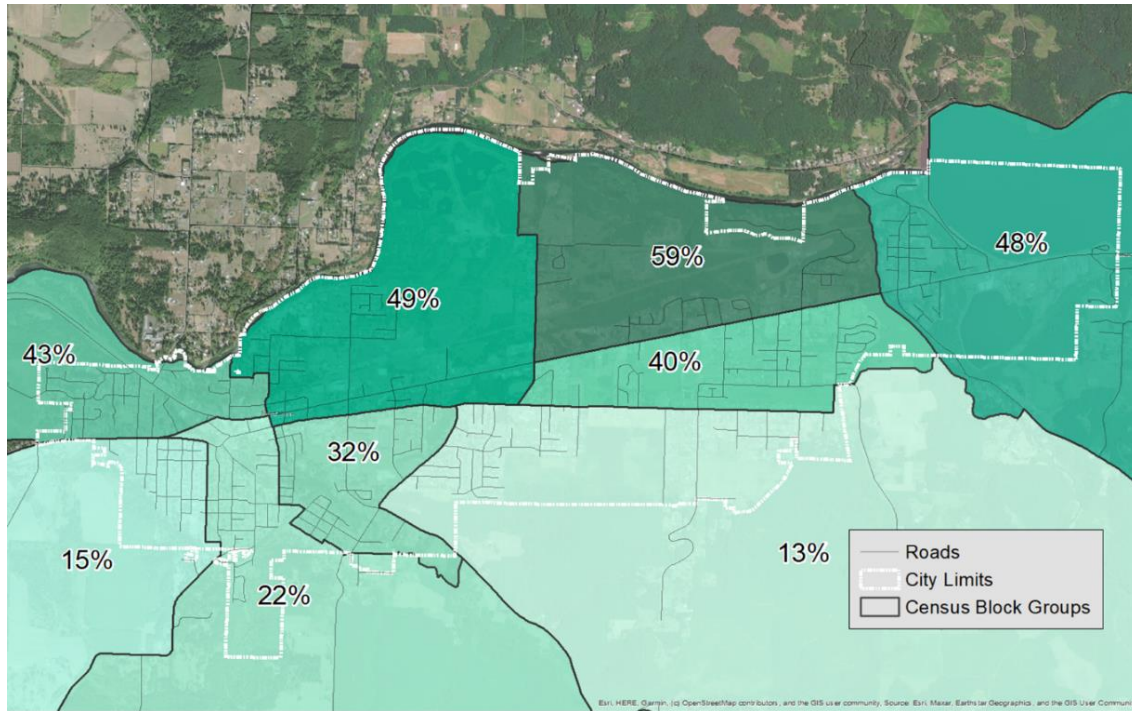


Figure 4-23 Household Tenure – Renter Households Percentage by Census Block Group

Conclusion

Because eight of the nine census block groups straddle the Sweet Home UGB (and include rural as well as urban land) it is difficult to make broad generalization regarding geographic patterns related to income, race, ethnicity, and tenure.

Perhaps the most useful conclusion came from the Roundtable discussion, where participants noted that areas with higher elevation and better views and urban infrastructure (primarily full street improvements) tend to have higher income households with more homeownership. The policy implication is that the city should consider making more public infrastructure investments in lower-income neighborhoods.

4.6 INVENTORY OF HOUSING TYPES

As discussed in Section 3 of this memo, the Sweet Home Housing Needs Analysis (HNA) included an inventory of the existing housing stock in the city based on the 2020 ACS 5-year Estimates. The discussion below considers the latest 2022 ACS estimates of existing housing – which likely does not include new housing resulting from city building permits issued from 2021-23.

Age of Existing Housing Stock

Figure 4-25 shows the age of housing stock in Sweet Home, Linn County, and Oregon in 2022,²² shown as percentages of each jurisdiction’s total housing stock.

- Over a third (36%) of Sweet Home’s housing stock was built before 1960, compared with about a quarter of Linn County’s and Oregon’s housing stock.
- Only 16% of Sweet Home’s housing stock was built after 2000, compared with just under a quarter of Linn County’s and Oregon’s housing stock.

Participants in the first Roundtable meeting described the various reasons why older housing must be maintained over time including the changing needs of residents and demands of the housing market. The high expenses associated with this work was noted as a significant concern for people in Sweet Home – especially for senior households.

Percentage of Occupied Housing Units by Age of Structure

2022 ACS 5-year Estimates

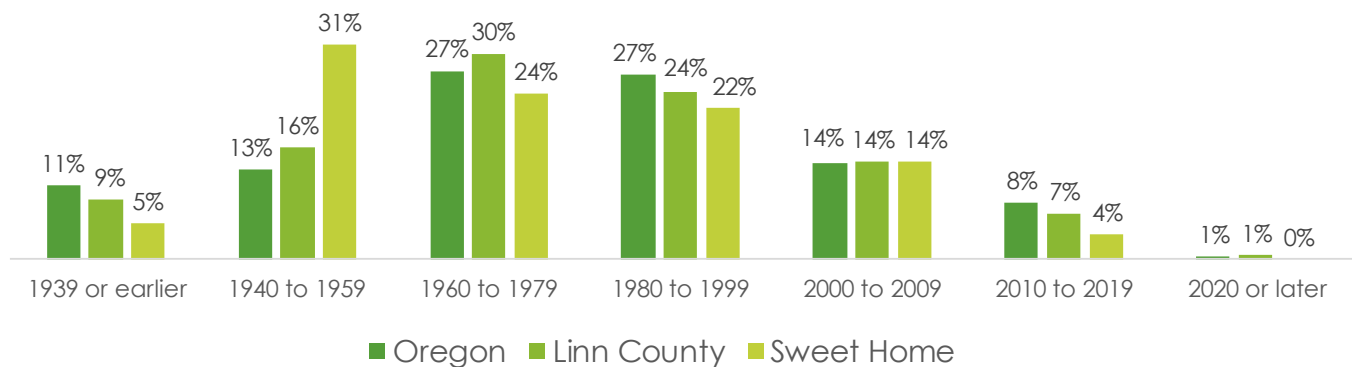


Figure 4-24 Comparative Age of Housing Stock by Jurisdiction

According to City of Sweet Home planning staff, older buildings often do not comply with housing codes. The abatement of buildings with unsafe living conditions can be challenging and may result in such structures becoming vacant or condemned. This outcome not only reduces the existing housing stock but can displace residents in insecure housing situations. Fortunately, Sweet Home has dedicated CDBG block grants to funding a joint program with Linn-Benton County to fund home repairs for lower-income owners.

²² Note that these figures do not include the recent increase in building permits issued in all three jurisdictions between 1921 and 1923.

Conclusion

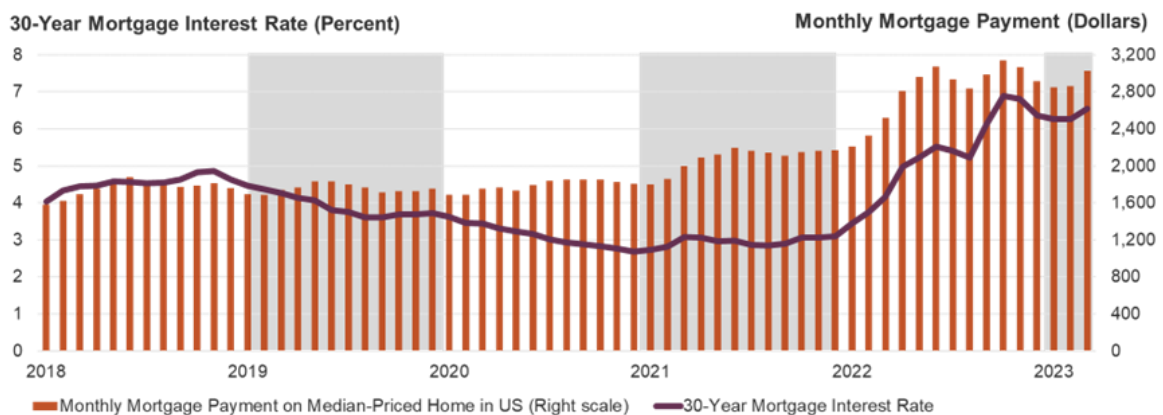
Sweet Home’s housing stock is relatively old. This fact, combined with relatively low-incomes in Sweet Home, means that many households cannot afford to maintain their existing homes. This is especially true of lower-income senior households. There is a need for increased public funding of home maintenance and repair in Sweet Home. The city should continue its program to use CDBG funding to support lower-income home repairs.

4.7 MARKET CONDITIONS

Housing production has become increasingly costly since the start of the COVID-19 pandemic. Figures 28-30 show national market factors that have increased housing production costs.

Mortgage Rates

Figure 4-26 shows national increases in mortgage rates and payments for a median priced home from 2018-23. Mortgage rates have ranged from 4-6 percent during this period, but rose significantly between 2021 and 2023, such that the median monthly mortgage payment more than doubled (from about \$1,200 to about \$2,800) in two years.



Source: Joint Center of Housing Studies, Harvard University. Report: The State of the Nation's Housing 2023.

Figure 4-25 Rising Rates Make Homeownership More Expensive

As shown in **Figures 24-27** below, from March 2022 to March 2023, national interest rates and resulting mortgage payments have increased significantly. To purchase a median priced home, the required annual

income rose 20% to \$117,100, and monthly mortgage payments have increased by 29% to \$2,300. According to the Community Development Director, interest rates have been a major factor in the 2023 decrease of residential building permits in Sweet Home. The monthly costs of homeownership of a median-priced home require homeowner incomes to rise accordingly for affordability to be maintained.

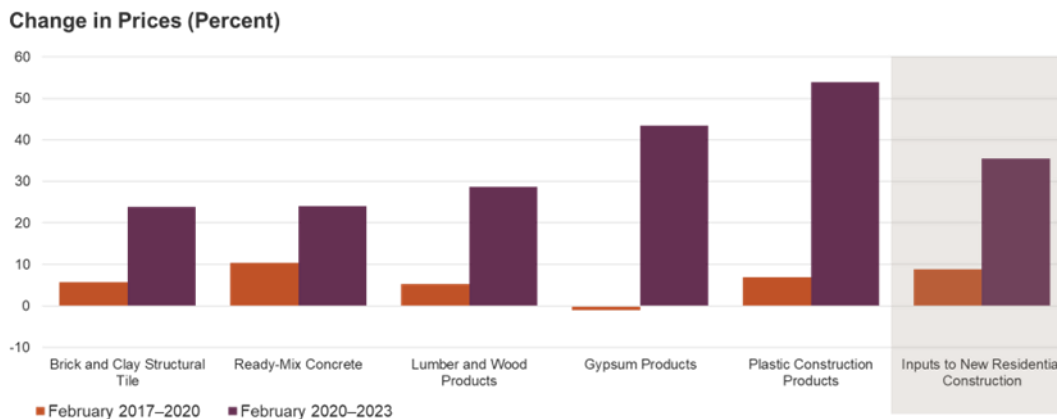
	March 2022	March 2023	Percent Change
Interest Rate (Percent)	4.2	6.5	+57
Median Home Price (Dollars)	379,300	375,400	-1
Downpayment & Closing Costs	24,700	24,400	-1
Monthly Mortgage Payment	1,780	2,300	+29
Total Monthly Owner Costs	2,500	3,000	+20
Required Annual Income	97,400	117,100	+20

Source: Joint Center of Housing Studies, Harvard University. Report: The State of the Nation's Housing 2023.

Figure 4-26 Effect of Interest Rate Increases on National Housing Costs

Building Materials

As shown in **Figure 4-28**, the rate of increased building material costs has accelerated since 2020 when compared with the previous three-year period. From 2020-23, building materials costs have increased from 22-55% (depending on the material) between 2020 and 2023. These costs have been passed through to the consumer, thus dramatically increasing new housing costs – and the cost of repairing existing homes.

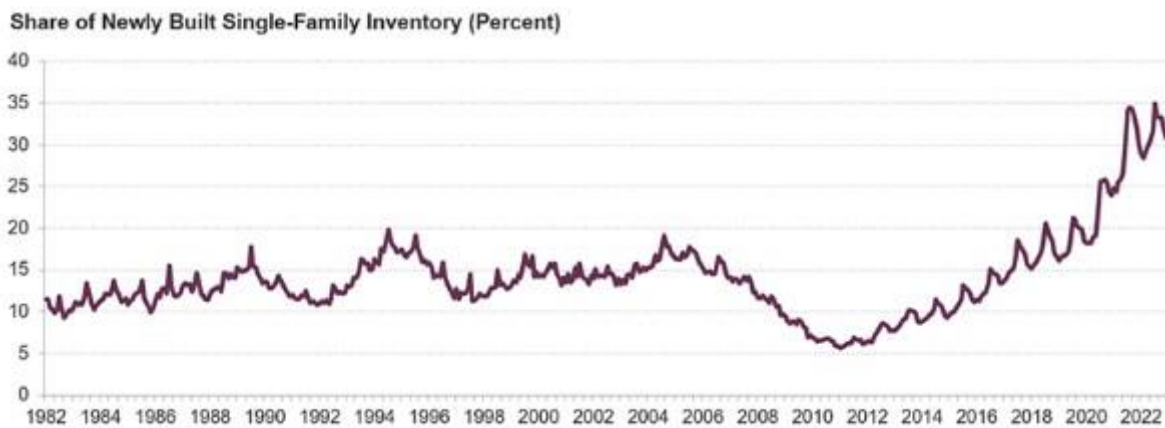


Source: Joint Center of Housing Studies, Harvard University. Report: The State of the Nation's Housing 2023.

Figure 4-27 Building Material Cost Increases 2017-2020 and 2020-2023

Market Availability of Single-Family Homes

Figure 4-28 below shows the percentage of for-sale single-family homes from 1982-2022. In 2010, the share of new single-family homes on the market was just over 5%. By 2022, this share had risen to 35%.²³ Owners of existing single-family homes have chosen not to put their homes on the market due to the high mortgage rates needed to finance a different home. In this market, seniors especially are discouraged from selling their single-family home and down-sizing to a more age-appropriate home due to high interest rates. As noted above, even middle-income residents cannot afford to purchase a new, detached single-family home in Sweet Home.



Source: Joint Center of Housing Studies, Harvard University. Online article: *With Existing Inventories Historically Low, Homebuyers Turn to the New Home Market*, 2023.

Figure 4-28 Share of Newly Built Single-Family Inventory on the Market

Local Market Factors

At the second Roundtable meeting, participants (mainly housing producers) discussed local market factors that contribute to the recent increases in Sweet Home area housing costs:

- Outside buyers often have sold their homes in more affluent areas, and thus are able to bid up the price of single-family homes in the area. They often pay cash, making their offers more attractive to home sellers. Sweet Home has seen several home sales in the \$1 million range.

²³ As stated by Harvard researcher Alexander Hermann in a September 12, 2023 online <https://jchs.harvard.edu/blog/existing-inventories-historically-low-homebuyers-turn-new-home-market> article: "Despite the cooling housing market, inventories of existing homes for sale have barely budged from all-time lows experienced during the pandemic. As a result, homebuyers have increasingly turned to the new home market which comprises a higher share of available inventory. Meanwhile, in an attempt to alleviate growing affordability pressures on buyers due to increased interest rates, homebuilders are offering incentives to buyers in the form of interest rate buydowns. These two factors have combined to markedly increase the attractiveness of the new home market for many buyers."

- Lower income households can't afford to buy new middle housing types, making the local market for such housing uncertain. On the other hand, increasing the overall supply of new and more affordable housing options will free up existing, lower-cost housing.
- Providing the option for construction of new middle housing types cannot hurt the housing market; providing the opportunity for such housing through regulatory changes is key.
- Existing homeowners could sell their existing single-family homes and move to newer, smaller units with more amenities – especially elderly owners.
- National market conditions (high interest rates, cost of building materials, more existing homes on the market) could change, thus reducing the production costs and new home prices.

Conclusion

Sweet Home cannot do much to reduce housing costs that are driven by national trends, such as increased interest rates and the cost of materials. However, the city can develop strategies and programs to reduce local housing costs, by addressing such factors as land and infrastructure costs, building on regulatory reform, and supporting programs that subsidize home repair and funding – all which can increase housing production that is responsive to Sweet Home's needs.

4.8 HOUSING AFFORDABILITY: COST-BURDENED HOUSEHOLDS

Nationally, the costs of homeownership have risen from 2020 to 2023 and there are fewer low-cost rentals on the housing market. The US Department of Housing and Urban Development (HUD) defines a household that spends 30% or more of its monthly income on housing costs (including utilities) as "cost-burdened."

Households spending 50% or more on housing are "extremely cost-burdened."

Figure 4-29 looks at cost-burdened households in Sweet Home, where the combination of relatively low-incomes and high housing costs means that over a third (37%) of the city's residents are cost-burdened. Two-thirds of lower-income households are cost-burdened.

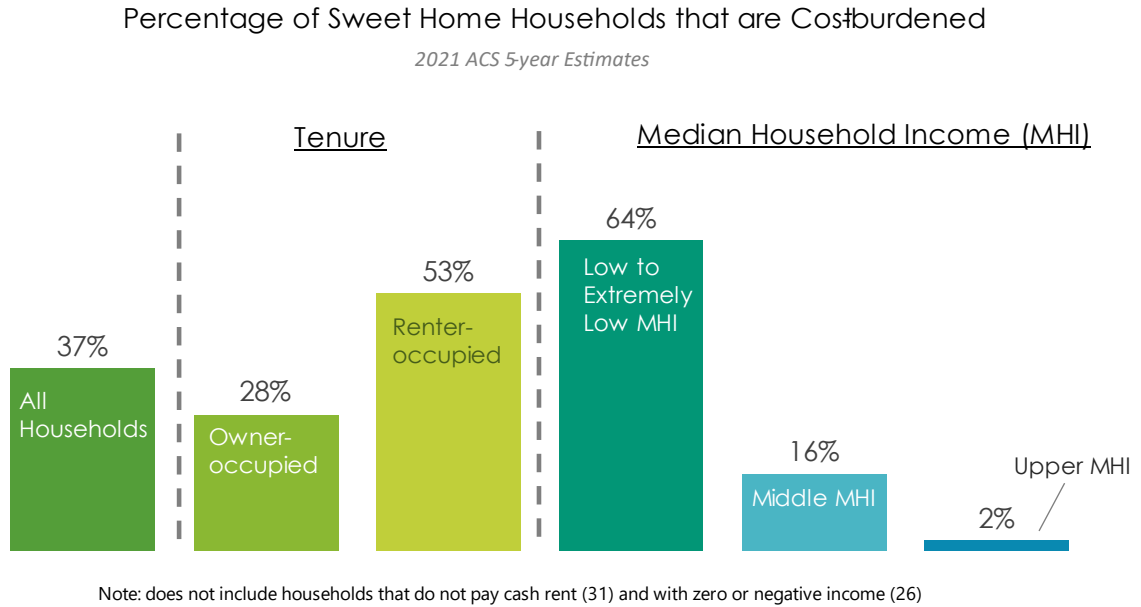


Figure 4-29 Relationship Between Cost-Burdened Households and Tenure in Sweet Home

Conclusion

Most Sweet Home households making less than \$50,000 (homeowners and renters) spend 30% or more of their income on monthly housing costs. Such high housing costs can negatively impact the ability to choose and secure needed housing, to pay basic food and medical expenses, and to build wealth. Such lower-income households cannot afford to purchase or rent housing without being “cost-burdened.” More affordable housing types, including multi-family, plexes, rowhomes, cottage clusters, and ADUs are needed to house existing and future Sweet Home residents.

4.9 RECENT RESIDENTIAL BUILDING PERMIT DATA

The following recent building permit data was not considered in the HNA which was based on 2020 ACS data. As shown below, actual housing construction (based on permit data) varies considerably from HNA forecasts with respect to single-family detached and multi-family housing production.

Recent Housing Production Compared with HNA 20-Year Projection

Figure 4-31 shows the HNA 20-year (2022-2042) forecast of housing need by type and compares these numbers with actual housing development (based on building permits) from 2020-23. Although this three-year

snapshot in time may not hold true over the next 19 years, **both the quantity and type of housing produced from 2020-23 are different than projected in the HNA.**

- As shown on HNA Exhibit 6 above, the HNA projected that 632 new dwelling units would be needed from 2022-2042. Based on recent building permit data (2021-23) Sweet Home has produced 232 new units – more than a third of the number of units forecasted for the 20-year planning period.
- The HNA forecasted that 74% of new housing would be single-family detached, 7% plexes, 7% multi-family, and 13% manufactured homes over the 20-year planning period.
- **In contrast, building permit data show that (over the last 3 years) 37% of new housing has been single-family detached, 43% has been multi-family, 13% has been manufactured homes, and 8% has been plexes.**
 - Based on building permit data over the last three years, the percentages of plexes (8%) and manufactured homes (13%) match HNA projections.
 - However, the percentages of single-family detached (37%) and multi-family (43%) are notably different. Sweet Home has already produced almost 2.5 the number of multi-family units forecasted in the HNA for the next 20 years, whereas single-family detached housing represents less than a fifth of its forecasted percentage during this period.

Type	Forecasted Housing Need 2022-2042 (20 years)	Dwelling Units Permitted 2020 – 2023 (3 years)	% of Forecasted Housing Need
Single Family	460	85	18%
Plexes	42	18	43%
Manufactured Homes	85	29	34%
Multifamily	45	110	244%
	<i>Sweet Home 2022 Housing Needs Analysis</i>	<i>City of Sweet Home Residential Building Permits</i>	

Figure 4-30 Comparison: HNA 20-Year Housing Forecast and Actual Development (2020-2023)

Conclusion

During the 3-year period from 2020-2023, Sweet Home housing production has far outpaced HNA forecasts: **over a third of the housing units forecasted for the 20-year planning period were produced from 2020-23.**

The city has already exceeded the HNA's 20-year multi-family forecast by 2.5 times. Recent housing development trends show a much higher market demand for multi-family housing than forecasted in the HNA.

Although short-term production may not fully predict future production, it is probable that the local housing production has responded to many of the market and demographic trends described in Sections 4 and 5 of this CHNA. **These recent trends indicate an increased demand for more affordable housing types.**

4.10 KEY CHNA CONCLUSIONS AND RECOMMENDATIONS

The following bullet points summarize key conclusions and recommendations found in the body of this Assessment.

Household Income

Sweet Home is a relatively poor community – in large part due to the collapse of the timber industry during the 1980s.

- Median household incomes (MHI) are substantially lower in Sweet Home than in Linn County or Oregon. Over half of Sweet Home's households fall into the "lower-income" category, and generally cannot afford to purchase a single-family detached home in Sweet Home.
- To address the disparity between lower household incomes and high detached single-family home prices, the city will need to produce more affordable housing types, such as plexes, attached single-family, ADUs, cottage clusters, SROs, and apartments.

People with Disabilities

Sweet Home has a relatively high proportion of residents with disabilities in all age groups when compared with Linn County or Oregon.

- Almost half of the city's senior (65 or over) population live with one or more disabilities.

- **Those with disabilities related to independent living, cognition and movement often have special housing needs that should be addressed in housing production strategies.**

Cost-Burdened Households

In Sweet Home, households making less than \$50,000 (homeowners and renters) often spend more than 30% of their incomes on monthly housing costs.

- These unsustainable housing costs can negatively impact the ability to choose and secure needed housing, to pay basic food and medical expenses, and to build wealth.
- Lower-income households cannot afford to purchase or rent housing without being “cost-burdened.”

Affordable Housing Types

More affordable housing types, including multi-family, plexes, rowhomes, and ADUs are needed to house existing and future Sweet Home residents.

- Seniors with disabilities also tend to be more impoverished, often live in older homes, and may not be able to afford home maintenance costs. As noted by one Roundtable participant, “seniors often cannot afford to move out of their homes.”
- Senior and SRO housing, plexes, cottage clusters, and apartments with elevators are needed to adequately house people with disabilities. It is important that barriers to the production of such housing should be identified and removed where possible.

People of Color and Hispanic/Latino Ethnicity

Sweet Home has relatively few People of Color and people of Hispanic or Latino ethnicity when compared with Linn County and Oregon.

- However, the non-White populations are increasing in Sweet Home- especially among the school age population as noted by participants in the first Housing Roundtable.
- Due to insufficient data or small sample sizes, race and ethnicity appear to have a weaker relationship to household income than other demographic factors discussed above.

Housing and Geographic Relationships

Because eight of the nine census block groups straddle the Sweet Home UGB (and include rural as well as urban land) it is difficult to make broad generalization regarding geographic patterns related to income,

race, ethnicity, and tenure.

- Perhaps the most useful conclusion came from the Roundtable discussion, where participants noted that areas with better views and infrastructure tend to have higher income households with more homeownership.
- The policy implication is that the city should consider making more public infrastructure investments in lower-income neighborhoods.

Age of Housing

Sweet Home’s housing stock is relatively old.

- This fact, combined with low incomes in Sweet Home, means that many households cannot afford to maintain their existing homes. This is especially true of lower-income senior households.
- The city should continue its program to use CDBG funding to support lower-income home repairs.

Sweet Home’s Commitment to Affordable Housing

As discussed in Chapter 5, Sweet Home has demonstrated its commitment to providing affordable housing opportunities for its existing and future residents. The city has taken impressive steps to address local housing affordability issues, including (but not limited to):

- A strong policy commitment to affirmatively address affordable housing needs.
- Systematic updates to the Sweet Home Development Code to provide for a greater variety of housing types and to reduce regulatory obstacles to housing development;
- Participating in regional programs to reduce home improvement costs for lower-income residents; and
- Providing an effective local response to homelessness, by providing local shelter and support facilities.

Looking Forward:

- There are additional steps the city can take to address remaining barriers to build on this foundation.
- The Housing Production Strategy Report will provide detailed recommendations for the number and types of housing needed to reduce remaining barriers to producing the number and types of housing identified in this Assessment.

5 RECENT CITY PLANNING INITIATIVES AND REMAINING HOUSING PRODUCTION BARRIERS

5.1 RECENT CITY INITIATIVES

Sweet Home has a long history of planning and zoning land to provide affordable housing opportunities for its residents. However, the city recognizes that housing has become increasingly unaffordable as housing production costs have increased over the years.

In 2022, the City Council approved a series of amendments to the Sweet Home Development Code to promote affordable housing production and equitable access to housing. Some of these changes were in response to state mandates (*e.g.*, allowing duplexes and ADUs as of right in zones that allow single-family detached houses), but many were local initiatives that provided more affordable housing opportunities, consistent with local demographic and market conditions.

Working with Portland State University, DLCD prepared a “toolkit” of strategies that local governments could adopt to increase housing production to meet local housing needs. Sweet Home has adopted policies and code amendments that implement many of these recommended tools.

Table 5.1 references toolkit strategies and describes how Sweet Home has addressed each specific “tool” locally –through City Council resolution, a series of Development Code amendments, and a cooperative home rehabilitation program.

Table 5.1: Adopted Sweet Home Housing Production Strategies

#	Strategy	Description	Sweet Home Planning Initiatives
A02	<p>Zoning Changes to Facilitate the Use of Lower- Cost Housing Types</p>	<p><i>Changes to local zoning policies can help to facilitate the development of lower-cost housing types, such as Accessory Dwelling Units (ADU’s), manufactured homes, multifamily housing, micro-units, or single-room occupancy developments. Changes to local zoning policies can also help to facilitate the development of safe overnight sheltering options for unhoused residents, such as Safe Park programs, Conestoga Hut Micro-shelters, sleeping pod micro-shelters, and others. To increase the likelihood the market can produce lower-cost housing types, it is important to make them allowable as of right in all locations and neighborhoods. If not, still provide flexibility in zoning code to still issue variance or conditional use permits that allow deviations from existing regulations on a case-by-case basis.</i></p>	<p>As documented below, the city's adopted 2022 Sweet Home Development Code (SHDC) allows lower-cost housing types (including ADUs, manufactured homes, multifamily, plexes, attached single-family dwellings, and cottage clusters) by right in its residential, mixed use, and commercial zoning districts. See Chapters 17.10, 12, and 14 (Residential Low-, Medium- and High-Density Zones), 17.16 and 17.26 (Mixed-Use and Mixed-Use Employment Zones), and 17.18 and 20 (Commercial Central and Commercial Highway Zones). See also SHDC Chapters 17.62 Cottage Clusters, 17.64 and 66 (Manufactured Dwelling Parks and Manufactured Homes on Individual Lots), 17.72 (Residential Accessory Dwellings Attached Dwellings. Affordable Housing, and Lot Division for Middle Housing).</p>

<p>A03</p>	<p>FAR, Density, or Height Bonuses for Affordable Housing</p>	<p><i>FAR, density, and height bonuses for affordable housing developments. Note: FAR/density bonuses do not work if there is not adequate height to make additional development feasible.</i></p>	<p>Chapter 17.60 (Planned Development) allows any housing types as permitted by the base zone (except manufactured housing) in the R1, R2, and R3 zones through a discretionary review process, with limited density transfer provisions. Section 17.72.030 allows affordable housing for lower-income households (60% or less of Linn County median income) on land zoned C-1, C-2 and PF owned by non-profit organizations, and on publicly owned land zoned for light industrial adjacent to existing residential or school uses. The development must be R2 zone standards, with the following bonus provisions: (1) a maximum density 18 units per acre and a maximum height of 64 feet.</p>
<p>A05</p>	<p>Code Provisions for ADUs</p>	<p><i>ADUs are smaller, ancillary dwelling units located on the same lot as a primary residence. They are typically complete dwellings with their own kitchen, bathroom and sleeping area. Given that ADUs are usually built by individual homeowners with limited experience or financial resources, code provisions can have a significant influence on the feasibility of their development and enable more widespread production.</i></p>	<p>Section 17.72.010 allows ADUs in all residential, mixed use and commercial zones with a legal single-family detached dwelling. If detached, the ADU cannot exceed 75% of the primary dwelling unit's floor area; if attached the ADU cannot exceed 40% of the primary dwelling unit's floor area. There are no occupancy restrictions.</p>

<p>A08</p>	<p>Promote Cottage Cluster Housing</p>	<p><i>Cottage clusters are groups of relatively small homes typically oriented around shared common grounds with 4-14 homes typically between 1,000-1200 square feet in size. By further defining cottage cluster design and development standards, housing code can effectively address a predictable process for developers, and potentially encourage greater production for this housing type. Some examples may include: allowing for a wide range of sizes and attached/detached options for housing; not specifying ownership structure so that both renters/owners can live on the same cluster; ensuring that minimum site size, setbacks and building coverage requirements do not prohibit cottage cluster development on smaller lots; draft design requirements that ensure neighborhood compatibility, and efficient use of land, but are not so specific as to restrict the ability to adapt to varying neighborhood contexts.</i></p>	<p>Section 17.62 allows single-family detached and duplex "cottages" of 1,000 sf or less and a height limit that allows for one story plus a loft (25 feet), and accessory community buildings and open space on parcels of 30,000 sf or greater. Existing dwellings may be incorporated as nonconforming to standards.</p> <p>Section 17.62 provides for ownership and rental options subject to base zone density requirements and objective design standards. This SHDC section also provides for shared infrastructure and parking. Cottage clusters are permitted in all Residential and Mixed-use zones.</p>
<p>A17</p>	<p>Small Dwelling Unit Developments</p>	<p><i>Allow a land division where small lots or parcels are created below the standard lot/parcel size for dwelling units that are limited in size. Calculate density differently for the dwelling units due to their limited size.</i></p>	<p>SHDC 17.62 (Cottage Clusters) allows creation of small lots (or condominiums) to facilitate homeownership for attached rowhomes.</p> <p>SHDC 17.72.020 (Attached Dwellings) allows attached single-family housing consistent with Section 17.72.040 (Lot Divisions for Middle Housing).</p> <p>SHDC 17.72.040 allows for land divisions to facilitate home ownership of individual duplex, tri-plex and four-plex, and cottage cluster dwellings.</p>

A22	Mixed Housing Types in Planned Unit Developments	<i>Require or incentive a mix of housing types within Residential Planned Unit Developments (PUD).</i>	SHDC Chapter 17.60 (Planned Development) allows any housing type except manufactured housing in the R1, R2, and R3 zones through a discretionary review process, with limited density transfer provisions.
A25	Legalize and Encourage Tiny Homes and Villages	<i>The Oregon Reach Code, Part II, defines a “tiny house” as a dwelling that is 400 square feet or less in floor area, excluding lofts. While many (though not all) jurisdictions allow tiny homes to be sited as a primary or accessory dwelling, few encourage their development through regulatory incentives. Legalizing the siting of tiny homes as primary or accessory dwellings through the removal of minimum unit size requirements can enable the development of this housing type.</i>	The SHDC does not have minimum size requirements for primary or accessory dwelling units. The SHDC allows tiny homes in all residential zones, provided they are not equipped with wheels.
B01	Remove or Reduce Minimum Parking Requirements	<i>Removing parking requirements for residential uses provides the opportunity to reduce the amount of lot area used for pavement and provides more space for housing and open space. This strategy offers greater flexibility to site housing and reduces costs associated with providing parking.</i>	Section 17.44.060 requires two paved parking spaces for each detached or attached sf dwelling. No additional spaces are required for a duplex or ADU. Parking for cottage clusters (2 spaces per unit) may be clustered.
B02	Remove Development Code Impediments for Conversions	<i>Streamlining the conversion of larger single-family homes into multi-unit dwellings (e.g. duplex or triplex). This should be aligned with reduced off-street parking requirements, so that conversion doesn’t trigger the need to add additional driveways (or isn’t halted by inability to add additional driveways).</i>	The conversion of existing detached sf dwellings into a duplex dwelling is permitted by right in all residential, mixed use and commercial zones.

<p>B03</p>	<p>Expedite Permitting for Needed Housing Types</p>	<p><i>Expedited permitting will help to reduce cost of development of Needed Housing as identified by the City. Consider projects with direct or indirect funding from local government as essential and projects with long term affordability covenants through tax abatement or inclusionary requirements as high priority and/or only expedite housing according to the jurisdictions identified needed housing types.</i></p> <p><i>Local governments might also consider assigning a designating staff to shepherd projects through the construction process in order to expedite process.</i></p>	<p>Section 17.72.030 (Affordable Housing Provisions) allows affordable housing development on some land not currently zoned for residential development without a zone change and without a public hearing.</p>
<p>B05</p>	<p>Reduce Regulatory Barriers to Lot Division</p>	<p><i>Remove barriers such as minimum street frontage, driveway requirements, etc., that impact minimum lot size/density during lot division. Preferably allow by-right lot division up to max number of units allowed.</i></p>	<p>Section 17.72.040 (Lot Divisions for Middle Housing) allows for land divisions to facilitate home ownership of individual duplex, tri-plex and four-plex, and cottage cluster dwellings. The minimum parcel size of the parent parcel applies; however, land division to allow smaller lots than permitted in the underlying zone is allowed through the Section 17.72.040 process to allow individual ownership of lots with approved middle housing development.</p>

<p>B07</p>	<p>Flexible Regulatory Concessions for Affordable Housing</p>	<p><i>Often, nonprofit housing developers and housing agencies face regulatory impediments to building affordable housing, which can often derail projects. This strategy provides a flexible framework for delivery of affordable housing including but not limited to reduced minimum setbacks, height bonuses, and/or allowing for flexibility in how units are delivered. This strategy is not intended to allow for a lower quality for affordable housing buildings.</i></p>	<p>Section 17.72.030 allows affordable housing for lower-income households (60% or less of Linn County median income) on land zoned C-1, C-2 and PF owned by non-profit organizations, and on publicly owned land zoned for light industrial adjacent to existing residential or school uses. The development must be R2 zone standards, with the following bonus provisions: (1) a maximum density 18 units per acre and a maximum height of 64 feet.</p>
<p>B11</p>	<p>Pro-Housing Agenda</p>	<p><i>Change the culture of Planning / Development Services departments to have a pro-housing agenda for both rental and homeownership. Supplement with fair housing education and education on the supply and demand impact on housing prices.</i></p>	<p>The 2022 Sweet Home Development Code update demonstrates a strong commitment to a pro-housing agenda. City Resolution #17-1 commits the city to affirmatively furthering fair housing objectives.</p> <p>The city's decision to adopt extensive pro-housing amendments to the Development Code in 2022 demonstrates the City's strong commitment to providing affordable housing opportunities. The Sweet Home Comprehensive Plan includes Housing Policy 5 to "work with public and nonprofit organizations that provide affordable housing within the community." This policy is implemented by SHDC 17.72.030 (Affordable Housing). Nothing in the Comprehensive Plan or Development Code discriminates against government assisted housing.</p>
<p>B12</p>			

<p>B18</p>	<p>Prioritize Home Ownership</p>	<p><i>Jurisdictions would develop a comprehensive review of the impediments to the development of homeownership opportunities and actionable steps to remove those impediments.</i></p>	<p>Section 17.72.040 (Lot Divisions for Middle Housing) allows for land divisions to facilitate home ownership of individual duplex, tri-plex and four-plex, and cottage cluster dwellings.</p>
<p>D01</p>	<p>Community Development Block Grant (CDBG)</p>	<p><i>CDBG Grants are federal funds set aside in the form of grants to be used to meet national objectives: direct benefit for low and moderate income households; benefit to predominantly low income areas; elimination of slums and blight. Eligible activities include public works infrastructure, community facilities, new housing development, housing rehabilitation, and public services (counselling, social services & microenterprise training, including short-term emergency rent assistance).</i></p>	<p>Linn County Housing Rehabilitation Partnership Program a 2020 Community Development Block Grant supporting the city's Home Repair Program. Provided minor housing rehab loans to low-moderate income homeowners with silent second home equity no-interest, no payment terms. Only available for single family homes.</p>
<p>F04</p>	<p>Public/Private Partnerships (P3)</p>	<p><i>Partnerships between government and the private sector and/or nonprofits have the capacity to bring resources to the table that would otherwise not be available if each institution were able to help communities provide housing on its own. This can come in the form of coalitions, affordable housing task forces, and collaboratives.</i></p>	<p>The Managed Outreach & Community Resource Facility is a micro-shelter facility with 30 huts that provide low barrier shelter for unhoused residents. Managed by 501(c)3 non-profit organization, Family Assistance and Resource Center Group (FAC), operating across Linn County. Sweet Home provides overnight security, formed a policy board. High School class contributed labor to construct the shelters.</p>

Conclusion

Sweet Home has demonstrated its commitment to providing affordable housing opportunities for its existing and future residents. The city has taken impressive steps to address local housing affordability issues, including (but not limited to):

- A strong policy commitment to affirmatively address affordable housing needs.
- Systematic updates to the Sweet Home Development Code to provide for a greater variety of housing types and to reduce regulatory obstacles to housing development;
- Participating in regional programs to reduce home improvement costs for lower-income residents; and
- Providing an effective local response to homelessness, by providing local shelter and support facilities.

5.2 REMAINING BARRIERS TO PROVIDING NEEDED HOUSING

Chapters 2, 3, 4, and 5 set the stage for consideration of housing production strategies by first identifying remaining barriers to producing affordable and accessible housing that meets community needs, and second by summarizing key findings from this memo.

Sweet Home recognizes that the goal of providing affordable housing to its residents has become increasingly difficult to achieve. Sweet Home is a relatively low-income community that is still recovering from the loss of timber industry jobs in the 1980s. Although the city has taken important steps to meet affordable housing needs, the city also recognizes that there are many remaining obstacles to producing affordable housing for its residents.

Table 5.2 includes a list of remaining obstacles to be addressed in Chapter 6 Recommended Housing Production Strategies.

Table 5.2 Remaining Housing Production Barriers in Sweet Home	
Category	Barriers
Development Community Perceptions	<ul style="list-style-type: none"> • Lack of housing producer awareness of recent housing development code amendments – especially regarding middle housing development options • Lack of feedback from developers regarding city review process and experience • Lack of awareness among owners of detached single-family homes of opportunities for conversion to duplexes or placement of ADUs

<p>Public Perceptions</p>	<ul style="list-style-type: none"> • Desire to maintain single-family neighborhoods and “small town” character • Bias against manufactured homes, multi-family and government-assisted housing
<p>Infrastructure-Related Barriers</p>	<ul style="list-style-type: none"> • City’s SDC Fees based on dwelling unit, not size of unit • No SDC exemptions for ADUs or duplex conversions of existing single-family dwellings • Lack of transportation facilities (sidewalks, bicycle lanes, street trees) in lower-income neighborhoods
<p>Land Availability & Cost Barriers</p>	<ul style="list-style-type: none"> • Limited supply of R3 (R-HD) and R2 (R-MD) land used for lower-density detached single-family homes • Lack of minimum density provisions to ensure that limited supply R2 (R-MD) and R3 (R-HD) land is developed efficiently – at middle and high-density levels • The Development Code does not explicitly require that land developed for subsidized housing remains available for lower-income renters
<p>Financing Cost Barriers</p>	<ul style="list-style-type: none"> • Approximately half of Sweet Home’s residents are housing cost-burdened and cannot afford to purchase or rent newly constructed housing – without government subsidies • The lack of newly-constructed middle housing options (plexes, rowhomes, SDUs, tiny homes, multi-family) means that existing housing stock has limited availability for lower- and middle-income households

<p>Income Barriers</p>	<ul style="list-style-type: none"> • Market rate housing cannot meet the housing needs of Sweet Home’s large number of cost-burdened households • Production of detached single-family detached homes on large lots will not be affordable for most Sweet Home residents • Increased production of middle and multi-family housing types has not been sufficient to meet the affordable housing needs of most existing and future Sweet Home residents • Sweet Home has relied on the forest products industry for its livelihood since incorporation in 1893, yet the city lacks a private producer of pre-fabricated lower-cost housing. Such a local industry would increase employment opportunities while providing locally designed, middle housing for the community.
<p>Remaining Housing Policy Barriers</p>	<ul style="list-style-type: none"> • Housing Resolution #1(2014) is not included as mandatory comprehensive plan policy • HNA future housing forecasts are based on existing housing mix and does not meet the future needs of lower- and middle-income households in Sweet Home; there is a lack of objective comprehensive plan policy targets for needed middle and affordable housing types
<p>Accessibility Barriers</p>	<ul style="list-style-type: none"> • Sweet Home has a high percentage of elderly residents and an exceptionally high percentage of disabled people in all age groups, but lacks incentives for universal design²⁴ • Many older and disabled Sweet Home residents live in older homes that may not meet their accessibility needs – the market has not produced enough new, single-story or elevator-accessible dwellings to meet this need

²⁴ Americans with Disabilities Act (ADA) requirements are regulations that dictate how spaces must be designed to accommodate disabled users, while universal design is an approach where designers think about how a space can accommodate everyone, regardless of age or ability.

<p>Coordination and Communication Barriers</p>	<ul style="list-style-type: none"> • Lack of awareness among faith communities regarding opportunities for affordable housing on their tax-exempt properties • Lack of awareness of government assisted housing programs necessary to provide affordable housing for lower-income residents • Lack of information regarding potential availability of public land for affordable housing development
<p>Low-income Housing Rehabilitation Barriers</p>	<ul style="list-style-type: none"> • Lack of awareness of existing city-county low-income rehabilitation funding • Lack of funding for this program compared with need • Uncertainty regarding continued availability of CDBG funding for this purpose
<p>Remaining Zoning & Regulatory Barriers</p>	<ul style="list-style-type: none"> • Zone change required where zoning inconsistent with plan • Lack of clarity regarding tiny home placement, density-range provisions, applicability of middle housing land divisions provisions • PUD process limits proportion of apartments in R3 (HDR) Zone • R2 (R-MD) zone does not permit needed tri-plexes and four-plexes under clear and objective standards • The are many lower-income single person households in Sweet Home, and many of these householders are elderly, yet SRO (single-room occupancy) housing is not a permitted use in any Sweet Zone • Tiny homes (400 sf or less) are not clearly available for use as ADUs on lots with single-family zones, or as multi-family housing on land zoned for medium or high-density use

6 RECOMMENDED HOUSING PRODUCTION STRATEGIES

OVERVIEW

This chapter addresses administrative rule requirements for choosing, describing, and analyzing the effectiveness of housing production strategies (specific actions, measures, and policies) design to address housing needs identified in Chapters 1-5 of this report.²⁵

Chapter Organization

Winterbrook worked with city staff to identify six broad strategies and incorporated recommendations from Roundtable participants to identify 25 distinct measures (actions or policies) to implement these strategies.

The remainder of this chapter is organized in six section that correspond with the six strategies:

- **Strategy A: Publicize and Clarify Existing 2022 Lower-Income and Middle Housing Code Provisions** (3 measures)
- **Strategy B: Continue Housing Rehabilitation Program Partnership** (2 measures)

²⁵ **OAR 660-008-0050 (3) Strategies to Meet Future Housing Need.** A Housing Production Strategy Report must identify a list of specific actions, measures, and policies needed to address housing needs identified in the most recent Housing Capacity Analysis. The strategies proposed by a city must collectively address the next 20-year housing need identified within the most recent Housing Capacity Analysis and contextualized within the Report as provided in section (1).

(5) A Housing Production Strategy Report must include:

- (a) A description of the Housing Production Strategy chosen;
- (b) A description of actions that the city and other stakeholders must take to implement the proposed Housing Production Strategies;
- (c) A timeline for implementation of the Housing Production Strategy; and
- (d) An estimated magnitude of impact of the Housing Production Strategy, including:
 - (A) Housing need addressed by the identified Housing Production Strategy by tenure and income;
 - (B) An estimate of the number of housing units that are anticipated to be created through implementation of the identified Housing Production Strategy;
 - (C) An analysis of the income and demographic populations that are anticipated to receive benefit or burden from the Housing Production Strategy, including: (i) Low-income communities; (ii) Communities of color; (iii) People with disabilities; and (iv) Other state and federal protected classes; and (D) A time frame over which the Housing Production Strategy is expected to impact Needed Housing.

- **Strategy C: Affirm Fair Housing Commitment** (7 measures)
- **Strategy D: Middle Housing Prototypes and Local Production** (3 measures)
- **Strategy E: Medium and High Density Residential Plan and Code Updates** (7 measures)
- **Strategy F: Modify SDC Fee Schedules, Exemptions** (3 measures)

Per administrative rule requirements, each strategy section includes text and tables that:

- Describe each recommended implementing measure;
- Identify target (benefiting) populations;
- Establish an implementation timeframe;
- Describe implementation responsibilities;
- Consider opportunities, obstacles and externalities; and
- Suggest ways to measure effectiveness.

Finally, each strategy section explains how the proposed strategy – combined with existing city strategies – will achieve fair and equitable housing outcomes. Evaluation considerations include:

- Fair housing;
- Housing choice;
- Gentrification, displacement and stability;
- Housing options for those experiencing homelessness;
- Affordable homeownership and affordable rental opportunities; and
- Location of housing.

6.1 STRATEGY A: PUBLICIZE AND CLARIFY EXISTING LOWER-INCOME AND MIDDLE HOUSING CODE PROVISIONS



Figure 6-1 Cottage Cluster Case Study in Wood Village, OR (Metro Community Investment Toolkit)

Background and Intent

Based on research and outreach in 2024, it is clear that housing producers, the general public, and local government partners are generally unaware of the wide range of housing types and lower- and middle-income housing development options provided under the city's development code. This strategy focuses on:

1. Increasing knowledge of existing development code provisions (adopted in 2022 and described in Chapter 5 of this report) designed to provide increased opportunities for government-assisted and middle housing opportunities in Sweet Home.

2. Clarifying certain development code provisions to minimize the need for code interpretation and to increase certainty in the development review process for needed housing; and
3. Engaging with housing producers to streamline housing development review process with the intent of meeting community housing needs as identified in Chapters 1-5 of this report.

Strategy A: Implementation Measures

Table 6.1 below describes three related implementation measures.

Table 6.1: Strategy A				
Measures to Publicize and Clarify Existing Lower Income and Middle Housing Code Provisions				
Measure Reference	Measure Description	Target Population	Intended Outcome	Implementation Schedule
A.1	Publicize 2022 code update provisions related to middle housing and lower-income housing types allowed in residential and commercial zones (duplexes, duplex conversions, cottage clusters, row houses, ADUs, tiny homes, affordable housing opportunities in non-residential zones, middle housing land divisions, use of faith-based and public land for affordable housing in several zones).	Owners and Renters Low and Middle Income ²⁶ (Seniors, People with Disabilities, Communities of Color)	Increase individual homeowners, local and regional housing producer awareness of available affordable housing options. Clarify existing code provisions that support middle housing. Contribute to meeting housing production targets as recommended in Strategy D during the short-term (over the next 5 years) and the 20-year planning period.	City Housing Producer and Community Outreach: 2024-2027
				City Adoption: 2025-26
				Survey Implementation Period: 2025-2030
A.2	Clarify existing code provisions related to residential zone density provisions, tiny home definitions, middle housing land division standards and permitted uses in city zones.			
A.3	Survey housing developers (homeowners and applicants) regarding their experiences with the development review process in Sweet Home; take steps to streamline and simplify process where appropriate.			

²⁶ As documented in **Chapter 4**, households headed by females and non-family households are highly likely to be classified as low, or extremely low-income. Such households typically are extremely cost-burdened. Elderly households are also more likely than younger households to be classified as lower-income.

Strategy A: Evaluation

Each housing production strategy must be supported by an evaluation of:

- Implementation steps and responsibilities;
- Implementation opportunities, obstacles and negative externalities;
- The magnitude of impact; and
- Means of measuring effectiveness.

Implementation Steps and Responsibilities

To increase awareness of regarding affordable housing options encouraged by the existing (2022) development code, City staff would be primarily responsible for reaching out to:

- individual single-family homeowners;
- local and regional developers and construction companies; and
- the Western Oregon Builders Association.

Individual homeowners play an important role in providing affordable infill and redevelopment housing opportunities. The 2022 HNA found that ADUs are the only new housing option that is likely to be affordable to existing lower-income Sweet Home residents. Owners of single-family homes typically are the applicants for ADUs or conversion of their homes to duplexes.

Local and regional homebuilders are essential to the city's goal of increasing housing production generally and providing affordable housing opportunities for existing and future residents. City staff could also reach out to the Western Oregon Builders Association (WOBA) which, at the time of this report, represented 230 builders and related business in Linn, Benton, Land and Lincoln Counties.²⁷

Recommended steps necessary to implement this strategy:

- Housing producer participation in the second Roundtable was an initial step in publicizing the wide range of housing types that are already allowed under existing city regulations – plus additional strategies proposed in Sections 2.2 through 2.6 below. Roundtable participants generally supported proposed strategies and offered additional implementation measures. Housing producers were encouraged to take advantage of these opportunities. Housing Roundtable participants were also encouraged to participate in the public hearing process for review and adoption of proposed strategies.

²⁷ <https://www.westernoregonbuildersassociation.com>

- The city will publish a simple one-page flyer describing opportunities allowed by zoning that will be posted in the planning office, included on the city website, and provided to single-family homeowners and housing developers to get the word out. This flyer will be amended as new opportunities and incentives become available through the implementation of new strategies (e.g., changes to zoning and SDC regulations).
- The city will work with WOBA staff to draft and publish an article in the WOBA newsletter encouraging regional developers to pursue the city zoning opportunities to build middle housing types.
- Advocacy groups, including WOBA, Housing Land Advocates (HLA) and the Oregon Fair Housing Council (OFHC) will be invited to review proposed strategies and measures and testify at city planning commission and city council public hearings.
- Sweet Home planning staff will participate in homebuilder and housing conferences and will offer to present the results of the Sweet Homes HPS at such conferences.
- Sweet Home housing producers (individual homeowners, for profit and non-profit organizations) will be invited to complete a survey expressing opinions regarding city review processes and standards – and way to improve this experience or revise standards to improve effectiveness.

Opportunities, Obstacles and Negative Externalities

This strategy focuses on publicizing opportunities that already exist in Sweet Home’s development code and supporting the adoption and implementation of additional housing production strategies and measures in the future. Expanding the knowledge base and encouraging participation from homeowners, private contractors, and non-profit developers in Sweet Home’s planning process is critical to the successful implementation of state and local strategies to increase housing production and affordability.

Obstacles to implementation of this strategy include limited staff time and budget for systematic outreach to housing producers.

Magnitude of Impact

The city is committed to facilitating the construction of affordable housing types consistent with city standards. If the city is effective in increasing awareness of the opportunities for construction of a wide variety of housing types, the likelihood of the housing market actually producing needed housing types will increase significantly. The objectives and targets identified in Strategies C, D and E are dependent on

individual homeowners, private, and non-profit developers to *produce* needed housing in the short-term and during the 20-year planning period.

Measuring Effectiveness

Implementation of Strategy A depends on the city's commitment to outreach and engagement with housing producers, including individual homeowners, local and regional for profit, and non-profit housing producers. There are several ways to measure progress towards completing steps for implementing Strategy A. The burden of carrying out these measures falls primarily on the Sweet Home Community and Economic Development Department:

1. The Department will make a list of each of the implementation steps described above and note actions taken to implement these steps over the next five years.
2. The Department will track inquiries and survey responses from housing producers regarding housing production strategies identified in this memorandum.
3. The Department will track housing production by type on an annual basis to determine the extent to which housing production targets described in **Strategies D and E** have been met.

6.2 STRATEGY B: INCREASE PARTICIPATION IN HOUSING REHABILITATION PROGRAM PARTNERSHIP



Figure 6-2 Rehabilitated Single-Family Home (DevNW)

Background and Intent

The Linn County Housing Rehabilitation Partnership Program is supported by Community Development Block Grant funding. The program provides minor housing rehabilitation loans to low-moderate income homeowners with silent second home equity no-interest, no payment terms. The program is only available for existing, single-family homes.

This program is intended to benefit lower-income homeowners who cannot otherwise afford to make home improvements. The program is designed to allow homeowners to remain in their homes and thereby maintain housing stability. Strategy B would continue and increase funding for this program.

Strategy B: Implementation Measures

Table 6.2 below describes two related implementation measures.

Table 6.2 Strategy B				
Measures to Increase Participation in Housing Rehabilitation Program Partnership				
Measure Reference	Measure Description	Target Population	Intended Outcome	Implementation Schedule
B.1	Coordinate with Linn County to provide low-interest loans to lower-income households for housing rehabilitation.	Lower-income owners (Seniors, People with Disabilities, Communities of Color)	Continue to rehabilitate 5-10 existing homes per year.	The City Council should continue and possibly increase CBDG funds and participation in the short-term and throughout planning period to support this cooperative program.
B.2	Use CDBG funds to support housing rehabilitation programs for lower-income households.			

Strategy B: Evaluation

Each housing production strategy must be supported by an evaluation of:

- Implementation steps and responsibilities;
- Implementation opportunities, obstacles and negative externalities;
- The magnitude of impact; and
- Means of measuring effectiveness.

Implementation Steps and Responsibilities

Continuation of this program depends on the mutual support of Linn County and Sweet Home, and continued CDBG funding. The Sweet Home Department of Community and Economic Development is primarily responsible for implementing and publicizing the existence and terms of this program.

Opportunities, Obstacles and Negative Externalities

This is an existing program that has proven effective in helping lower-income homeowners make improvements to their single-family homes. Continued city and county commitment to this program is essential to its short- and long-term success. This program provides a continuing opportunity to maintain existing housing occupied by lower-income owners.

The primary obstacle to implementing this measure is that funding depends on federal grants that must be renewed annually by city and county participants. The Community and Economic Development Director

also observed that the program rules often make it difficult for lower-income households to complete detailed application forms. There are no negative externalities related to this program. Because this program competes with other potential programs for block grant funding on an annual basis, it is possible that other worthy projects cannot be funded to the desired level.

Magnitude of Impact

This program currently benefits approximately five lower-income households per year. The goal is to increase funding (and the number of lower-income households served) during the 20-year planning period. Because there are many older, single-family homes owned by lower-income households in Sweet Home, this program has the potential to be extremely effective in retaining affordable housing opportunities and stabilizing lower-income neighborhoods.

Measuring Effectiveness

The Community and Economic Development Department should document:

- Continued advocacy for CDBG funding to support this program.
- The number and characteristics of benefiting lower-income households on an annual basis.
- County and city funds allocated to this program on an annual basis.
- Maintain funding for 5-10 lower-income households per year.

Strategy B: Achieving Fair and Equitable Outcomes

The existing joint housing rehabilitation program is designed to meet the needs of lower-income homeowners who cannot afford to maintain their primary residence. Data regarding households headed by POC at the city level is limited and we cannot show a clear relationship between POC and income in Sweet Home. However, because block group data is available regarding income, race, ethnicity, and tenure, it is possible to geographically target lower-income communities that could benefit most from this program.²⁸ To the extent that there is overlap between lower-income households and communities of color, continuation of this program will also benefit historically marginalized communities. Rehabilitation also benefits people with disabilities and seniors, who often have difficulties in performing home maintenance operations. The effect of this program is to support homeownership, limit displacement, and stabilize neighborhoods with lower-income households.

²⁸ Please see **Chapter 4** of this HPS report, which includes several maps showing these relationships for Census Block Groups that overlap with the Sweet Home UGB.

6.3 STRATEGY C: AFFIRM FAIR HOUSING COMMITMENT



Figure 6-3 Government-Assisted Housing Development in Lebanon, OR (KEZI News)

Background and Intent

Strategy C is designed to affirm the city's historical and ongoing commitment to fair housing by implementing eight measures (actions) designed implement provisions of the Fair Housing Act of 1988, to more actively coordinate with the Linn Benton Housing Authority and OHCA to increase government-assisted housing opportunities, and to take steps necessary to reduce barriers to such housing through affirmative planning and zoning measures.

- In 2014, the Sweet Home City Council adopted **Resolution No 1**, which commits the city to affirmatively furthering fair housing opportunities in Sweet Home by ensuring equal opportunity in housing for all persons, regardless of race, color, religion, sex, disability, or national origin. This resolution is copied in full below.
- In 2022, the city adopted special zoning provisions that allow affordable housing in designated industrial and public zones, where sponsored by faith-based, governmental, or non-profit organizations. The city allows a variety of housing types in its commercial, mixed use, and residential zones, regardless of funding source. (See Housing Production Strategy Report, **Chapter 5 Recent City Planning Initiatives.**)

RESOLUTION NO. 1 FOR 2014

FAIR HOUSING RESOLUTION

LET IT BE KNOWN TO ALL PERSONS of the City of Sweet Home that discrimination in the sale, rental, lease, advertising of sale, rental or lease, financing of housing or land to be used for construction of housing, or in the provision of brokerage, rental services because of race, color, sex, disability (physical or mental), familial status (children) or national origin is prohibited by Title VIII of the federal Fair Housing Amendments Act of 1988. It is the policy of the City of Sweet Home to support the Fair Housing Amendments Act of 1988 and to implement a Fair Housing Program to ensure equal opportunity in housing for all persons regardless of race, color, religion, sex, disability (physical and mental), familial status (1. children, and 2. actual or perceived sexual orientation, gender identity or marital status or its members), or national origin.

THEREFORE, the City does hereby pass the following Resolution:

BE IT RESOLVED that within the resources available to the City through city, county, state, federal and community volunteer sources, the City will assist all persons who feel they have been discriminated against because of race, color, religion, disability (physical and mental), familial status (children) or national origin in the process of filing a complaint with the Oregon Civil Rights Division or the U. S. Department of Housing and Urban Development, Seattle Regional Office Compliance Division, that they may seek equity under federal and state laws.

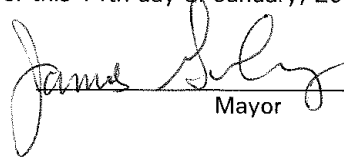
BE IT FURTHER RESOLVED that the City shall publicize this Resolution and through this publicity shall cause real estate brokers and sellers, private home sellers, rental owners, rental property managers, real estate and rental advertisers, lenders, builders, developers, home buyers and home or apartment renters to become aware of their respective responsibilities and rights under the Fair Housing Amendments Act of 1988 and any applicable state or local laws or ordinances.

THE FAIR HOUSING PROGRAM, for the purpose of informing those affected of their respective responsibilities and rights concerning Fair Housing law and complaint procedures, will at a minimum include, but not be limited to: 1) the printing, publicizing and distribution of this Resolution; 2) the distribution of posters, flyers, pamphlets and other applicable Fair Housing information provided by local, state and federal sources, through local media of community contacts; and 3) the publicizing of locations where assistance will be provided to those seeking to file a discrimination complaint.

This resolution hereby repeals Resolution No. 1 for 1994.

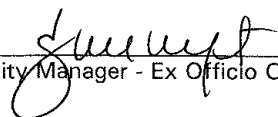
This Resolution shall be effective immediately upon its passage.

PASSED by the Council and approved by the Mayor this 14th day of January, 2014.



Mayor

ATTEST:



City Manager - Ex Officio City Recorder

Figure 6-4 City Council Resolution No. 1 for 2015 Fair Housing Resolution

Strategy C focuses on measures that further affirm Sweet Home’s commitment to compliance with the Fair Housing Act of 1988 and Resolution No. 1 (2014) by implementing Measures C.1 through C.7 below. These measures focus on specific planning and coordination actions the city can take to promote housing opportunities that meet the needs of lower-income households, communities of color, people with disabilities, and the elderly. These housing needs are well-documented in the CHNA Memo.

- **Measure C.1** amends the Sweet Home Comprehensive Plan to adapt and apply Resolution No. 1 to the city’s land use planning process. This policy would be considered in land use applications that involve housing for lower-income households, which (as documented in Chapters 3 and 4) include over half of the city’s population.
- **Measure C.2** commits the city to reaching out to the Linn-Benton Housing Authority and the OHCA regarding programs to provide lower-income housing opportunities in Sweet Home. As documented in Chapters 3 and 4 of this report, Sweet Home has many “cost-burdened” households whose housing needs can only be met with government-assisted housing.
- **Measure C.3** commits the city to prioritizing the provision of public facilities (primarily upgrading city streets, sewer and water systems) in lower-income neighborhoods that currently lack facilities that meet city standards. Chapter 4 of this report documents the relationship between low property values and the lack of public facilities.
- **Measure C.4** recognizes that the city’s development code makes special provisions that encourage lower-income housing in designated areas of the city. (See Housing Production Strategy Report, Chapter 5, Table 5.1) Restrictive covenants will ensure that land approved for government assisted housing is reserved for that purpose.
- **Measure C.5** recognizes that land costs are increasing and are a major contributor to high housing costs. Reserving public land for future housing development (land-banking) can reserve land affordable housing development. Working in partnership with private developers or public interest groups like Habitat for Humanity can lower land costs and increase the supply of affordable housing.
- **Measure C.6** recognizes that the mission of faith-based organizations may be to help provide shelter for less fortunate members of the community. Such organizations may also have surplus land that could be developed (often in partnership with private developers or non-profit organizations) that could be developed for affordable housing. Reaching out to local church leaders in Sweet Home could result in a cooperative effort to use surplus land to construct and manage housing.
- **Measure C.7** was suggested at Roundtable #2 as a way of achieving C.6 and C.7 objectives. Community Land Trusts (CLT) can acquire and hold land for future affordable housing development and can work

with groups such as Habitat for Humanity, faith-based organizations, or other non-profits to develop and manage affordable housing development.²⁹

Strategy C: Implementation Measures

Table 6.3 below describes seven measures to affirmatively further fair housing opportunities.

²⁹ According to the International Center for Community Land Trusts website

<https://cltweb.org/what-is-a-community-land-trust/>

"A **community land trust (CLT)** is a nonprofit corporation that holds land on behalf of a place-based community, while serving as the long-term steward for affordable housing, community gardens, civic buildings, commercial spaces and other community assets on behalf of a community. Title to multiple parcels of land, scattered across a targeted geographic area, is held by a single nonprofit corporation. These lands are never resold, but are removed permanently from the market and managed on behalf of a place-based community.

Ownership Title to multiple parcels of land, scattered across a targeted geographic area, is held by a single nonprofit corporation. These lands are never resold, but are removed permanently from the market and managed on behalf of a place-based community.

Any buildings on this community-owned land are sold off to homeowners, cooperatives, nonprofits, or other corporations or individuals. These structures may already exist when the nonprofit acquires the land, or they may be constructed years later.

A ground lease knits together – and equitably balances – the interests of the nonprofit landowner and the interests of the buildings' owners. This ground lease lasts for a very long time, typically 99 years; it is also inheritable and mortgagable, allowing the owners of residential or commercial buildings to obtain private financing to construct or to improve their structures.

Organization The nonprofit landowner – i.e., the community land trust (CLT) – has a corporate membership that is open to anyone living within the organization's service area, which may be as small as a single neighborhood or as large as an entire city, county, or region.

A majority of the nonprofit's governing board is elected by this membership.

The governing board has a balance of interests, divided among three voting blocks. Seats are allocated equally among directors who represent people living on the CLT's land (leaseholders), directors who represent residents of the CLT's service area who do not live on the CLT's land, and directors who represent the public interest.

Operation There is a "preferential option for the poor." Disadvantaged people who have been excluded from the economic and political mainstream and disadvantaged places that have been buffeted by successive waves of disinvestment and gentrification have the first claim on a CLT's resources. There is an organizational commitment to preserving the permanent affordability of housing (and other structures) that are located on the CLT's land or placed under the CLT's care. There is an organizational commitment to maintaining these structures in good repair and in safeguarding the success of low-income people who have been boosted into homeownership or into other types or tenures of housing through the CLT's efforts.

There is also wide variation in the kinds of land uses and in the kinds of buildings to which CLTs have been applied. Despite a strategic decision by leaders of the fledgling CLT movement in the early 1980s to focus on single-family homeownership, the model can be used – and frequently has been used – in the development and stewardship of other types and tenures of housing, including: multi-unit rentals, limited equity condominiums and cooperatives, and "mobile homes" in resident-controlled parks. CLTs have also been applied to many non-residential projects, including neighborhood parks, community gardens, commercial buildings, community service centers, urban agriculture, and family farms."

Table 6.3: Strategy C
Measures that Affirm Sweet Home’s Fair Housing Commitment

Measure Reference	Measure Description	Target Population	Intended Outcome	Implementation Schedule
C.1	Adopt and publicize Comprehensive Plan policy to “affirmatively further fair housing” consistent with City Council Resolution No. 1 (2014).	Renters and Owners Lower and Middle-Income Households (Seniors, People with Disabilities, Communities of Color)	Support housing-related land use applications. Increase affordable housing opportunities.	City Adoption: 2025-26 Implement throughout planning period.
C.2	Coordinate with Linn-Benton County Housing Authority and the Oregon Department of Housing and Community Services to publicize and promote state and federal affordable housing programs.		Increase government-assisted housing production.	Coordination and Outreach: 2025-2030 Implement throughout planning period.
C.3	Prioritize CIP programming in areas with lower incomes and concentrations of disadvantaged populations.		Increase public facilities in lower-income neighborhoods.	City implements through 5-year CIP planning process.
C.4	Implement restrictive covenants to ensure long-term affordability of subsidized housing.		Retain lower-income housing for intended use.	City (or non-profit) implements whenever city approves a lower-income housing development.
C.5	Land banking (evaluate the use publicly-owned property for affordable housing and reserve land for this purpose where appropriate).		Reserve land for affordable housing and thereby reduce production costs.	City evaluates potential public and faith-based land-banking sites: 2025-27
C.6	Coordinate with faith-based property owners regarding development of affordable housing.			Research and encourage the formation of potential CLTs: 2025-27
C.7	Partner with Community Land Trust (CLT) to implement C.4, C.5 and C.6 with support from Habitat for Humanity or similar organizations.			Implement throughout planning period.

Strategy C: Evaluation

Each housing production strategy must be supported by an evaluation of:

- Implementation steps and responsibilities;
- Implementation opportunities, obstacles and negative externalities;
- The magnitude of impact; and
- Measuring effectiveness of each strategy.

Implementation Steps and Responsibilities

Since 2014 (Resolution No. 1), the city's long-term policy has been to ensure that all community members have access to safe and affordable housing choices, regardless of race, national origin, or creed.

The Sweet Home HNA (2022) found that over half of the city's existing population qualified as lower-income, and (except for an ADU) cannot afford to purchase a new detached single-family home or new multiple-family rental housing. For new housing to be affordable for lower-income households, it must be subsidized.

Strategy C focuses on measures the city can take through the land use process to facilitate the production and retention of government-assisted housing. As that is affordable to lower-income groups – which may include communities of color, seniors, and people with disabilities.

Towards this end, the Sweet Home Community and Economic Development Department (the Department) would again take the lead in implementing Measures C.1-C.2 and C.4-C.7.

- **Measure C.1** adapts the city's existing fair housing policy into the controlling land use document in the city – the Sweet Home Comprehensive Plan. The Community and Economic Development Department is responsible for drafting this policy for consideration by the Planning Commission and City Council.
- **Measure C.2** requires a higher level of intergovernmental coordination between the city and the Linn-Benton Housing Authority and/or Oregon Housing and Community Services. The Steps to implement this measure include:
 - The Department would arrange one or more inter-staff meetings to identify state and federal programs available to the city and implemented by the Housing Authority or OHCS.
 - The Department would arrange a work session between the Housing Authority and OHCS and Planning Commission and City Council members, to ensure that appointed and elected officials are aware of such housing programs administered by the Housing Authority.

- The Department would publicize the availability of such programs at the city level and reach out to potential non-profit organizations (e.g., Habitat for Humanity) and private developers to discuss the potential for joint partnerships to develop affordable housing in Sweet Home.
- **Measure C.3** requires cooperation between the Community and Economic Development and Public Works Departments in prioritizing land for capital improvements projects. If both departments agreed, they would recommend that the City Council include underserved land in lower-income neighborhoods in the city's 5-year capital improvements program.
- **Measure C.4** requires the imposition of restrictive covenants when land is approved for affordable housing (and owned by a government agency or non-profit) under SHDC 17.72.030. In order to protect the community's investment, the land should be reserved solely for lower-income housing. Measure C.4 would also apply to any site developed by a Community Land Trust or other non-profit agency specifically to provide affordable housing. The Department and/or the funding entity would be responsible for ensuring that the housing remains available to eligible, lower-income residents.
- **Measure C.5** calls for the Department to inventory and evaluate public land and determine whether land-banking for affordable housing is reasonably possible.
 - If so, the Department would recommend to the City Council that such land be acquired (if owned by another public agency) and reserved (if owned by the city) for affordable housing. The city would then be in a position to partner with a private or non-profit developer to develop the land for affordable housing.
 - Other public (county, state or federal) would also be inventoried and reviewed. If the Department determined that the property could reasonable be used for affordable housing development, the Department would approach the agency and determine whether the property could be sold to the city, a private developer or a non-profit for the purpose of developing affordable housing.
- **Measure C.6** is based on the proposition that one or more churches (or other faith-based organizations) in Sweet Home have an interest in participating in the development of land for affordable housing. If so, the Department would maintain a list of such properties and facilitate coordination between private or non-profit developers regarding the development of such land for affordable housing.
- **Measure C.7** was suggested by a Roundtable participant who has worked with Community Land Trusts (CLTs) in the past. CLTs focus on acquiring land for a public purpose – such as providing housing for lower-income households. The Department would reach out to an existing CLT or

facilitate the formation of a Sweet Home CLT, for purposes of land acquisition and affordable housing development.

Opportunities, Obstacles, and Negative Externalities

The HNA determined that the housing needs of over half of city's households could not be met through the private housing market – and therefore would benefit from some form of subsidized housing. Strategy C begins with a comprehensive plan policy to affirmatively further fair housing, followed by a series of measures that facilitate the development of housing that is affordable to lower-income households in Sweet Home.

Sweet Home's large supply of buildable land and housing policy framework provide ample opportunity to develop privately-owned buildable land for affordable housing – in coordination with the Housing Authority and in partnership with private and non-profit developers. Land-banking opportunities are limited by the limited supply of city-owned land and (according to one Roundtable participant) of land owned by churches³⁰ in Sweet Home. However, there may be surplus land owned by other public agencies or by faith communities.

There is the potential for public opposition to affordable housing development, especially from neighboring single-family detached homeowners. Such concerns can be ameliorated through reasonable and objective design standards. The Housing Authority considers neighborhood impacts in the design of housing development funded by that agency.

Magnitude of Impact

Given Sweet Home's demographic characteristics, the city could be effective in competing for the limited supply of government-assisted housing, especially when considered in combination with measures C.1-7. For example, if the comprehensive plan were to include a target of (for example) 70 new affordable dwelling units over the next 10 years, and property is identified for this purpose, the city (in partnership with a private or non-profit developer) could make a compelling case for financial support from the Housing Authority or OHCS.

³⁰ Based on comments from Roundtable participants, Sweet Home currently does not have synagogues, mosques, or other buildings or land owned by faith-based organizations in the city.

Measuring Effectiveness

The Strategy C Table in combination with the Strategy C Evaluation discussion above, indicates the tasks that must be completed with a corresponding timeline. Thus, Strategy C milestones will be met if:

- **Measure C.1** is adopted as part of the comprehensive plan by December 2026.
- **Measure C.2** steps are documented and completed by December 2030.
- **Measure C.3** public works projects have been incorporated into the city's next 5-year CIP – and in subsequent CIPs during the 20-year planning period.
- **Measure C.4** restrictive covenants are applied to all approved lower-income housing developments.
- **Measures C.5, C.6 and C.7** outreach and inventory commitments have been completed by December 2027:
 - The city has identified and reserved at least one suitable site for an affordable housing development of 50 dwelling units or more by 2030; and
 - At least one affordable housing development of at least 50 dwelling units or more has been approved and is under construction by 2035.

Strategy C: Fair and Equitable Outcomes

- **Strategy C** focuses on measures to achieve fair housing outcomes by incorporating the city's commitment to affirmatively furthering fair housing into the comprehensive plan – which means that this policy will apply when considering zone changes necessary to provide for affordable housing opportunities.
- **Strategy C** implementing measures call for affirmatively reaching out to government agencies and non-profit organizations to encourage intergovernmental cooperation on affordable housing opportunities, and to secure sites for future lower-income housing.

These measures recognize Sweet Home is a relatively poor community with many elderly and disabled residents, many of whom are renters, female householders, and non-family households and high risks of losing secure housing. By focusing on the provision of lower-income housing opportunities, **Strategy C** is specifically designed to provide a housing safety net for people who lack housing now, and those on the edge of becoming homeless due to high housing costs. The strategy also helps to reduce cost barriers for under-represented communities in Sweet Home such as Hispanic or Latino people and People of Color.

6.4 STRATEGY D: MIDDLE HOUSING PROTOTYPES AND LOCAL PRODUCTION



Figure 6-5 Universal Access ADU (SQFT Studios)

Background and Intent

Sweet Home has long depended on the forest products industry for its livelihood and has many people trained in the lumber and construction trades. The idea is to leverage the city's economic foundation by seeking out and supporting investments in modular housing production in Sweet Home. Grants could be sought through Business Oregon or non-profit organizations to fund an industrial start-up company that could produce middle-housing types locally.

The local modular housing company could coordinate directly with city planning staff to ensure that prototype housing can be pre-approved by the city, thus reducing local regulatory costs. Recognizing the high proportion of disabled and lower-income elderly households in Sweet Home, the prototypes could also build in accessibility features such as wider doors, ramps, and bathroom accommodations.

- **Measure D.1** requires research regarding prototypical middle housing designs approved by other communities and outreach to middle housing designers regarding designs that would be appropriate for Sweet Home's large population with disabilities. The Building Division would then review these

prototypical designs for code compliance. The Planning Division would then publicize approved drawings and detailed plans on the city’s website and make such plans available to local builders and property owners.

- **Measure D.2** is highly ambitious and received the highest level of Roundtable support (tied with Strategy E). This strategy would require that the city reach out to existing modular housing producers, lumber manufacturers, and potential start-up companies in Linn and Benton counties. The city could identify and provide services to appropriate manufacturing sites, apply for Business Oregon grants, and coordinate with local chambers of commerce to support this effort.
- **Measure D.3** recognizes that Sweet Home has a disproportionately high number of people with disabilities who would benefit from housing designed consistent with universal design principles. The city could provide informational flyers and prototypes to potential developers suggesting that new construction and remodels consider implementation of such principles in addition to meet ADA requirements. The city could also reach out to modular home manufacturers (especially if Measure D.2 is successful) to advocate for the incorporation of universal design principles into the design and manufacturing of modular, middle-housing types.

Strategy D: Implementation Measures

Table 6.4 below describes three related implementation measures.

Table 6.4: Strategy D				
Measures Related to Middle Housing Prototypes and Local Production				
Measure Reference	Measure Description	Target Population	Intended Outcome	Schedule
D.1	Coordinate with housing designers and producers to create prototype designs for middle housing (ADUs, tiny homes, cottages, rowhomes, and plexes).	Owners and Renters Primarily middle and lower income groups	Would provide local jobs, streamline the development review process, and provide middle housing types directly to the community	Research, Outreach: 2025-2030 Implement throughout planning period.
D.2	Build on Sweet Home’s forest products history and encourage investment in and creation of local firms that build affordable modular homes (tiny homes, ADUs, cottages, rowhomes, plexes).	(Seniors, People with Disabilities, Communities of Color)		

<p>D.3</p>	<p>Promote Universal Design Principles in recognition of large number of seniors and people with disabilities in Sweet Home.</p>	<p>All income groups (Seniors, People with Disabilities)</p>	<p>Increase user accessibility to new, locally-produced housing.</p>	<p>Focus on local production. Implement throughout planning period.</p>
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Strategy D: Evaluation

Each housing production strategy must be supported by an evaluation of:

- Implementation steps and responsibilities;
- Implementation opportunities, obstacles and negative externalities;
- The magnitude of impact; and
- Measuring effectiveness of each strategy.

Implementation Roles and Responsibilities

Strategy D depends upon city leadership in coordination with the construction industry and potential agency grants.

- **Measure D.1** requires leadership from the Planning and Building Division to publicize approved drawings and detailed plans on the city’s website and make such plans available to local builders and property owners.
- **Measure D.2** requires that the city reach out to existing modular housing producers and potential start-up companies in Linn and Benton counties. The city could identify and provide services to appropriate manufacturing sites, apply for Business Oregon or other grants, and coordinate with local chambers of commerce to support this effort. The city could also consider measures used to support affordable housing types to encourage the formation of a new modular housing company, or to induce the expansion of an existing company in Sweet Home. For example, the city could prioritize provision of services to targeted industrial sites through the 5-year CIP process or reduce SDCs to reduce start-up costs. By pre-approving middle-housing designs, the city would be providing a local market for the placement of modular housing in residential, commercial and mixed-use city zones.
- **Measure D.3** requires that the city publicize and advocate for the importance of universal design principles in the design and construction of stick-built and modular housing in addition to meeting ADA requirements. The city could also reach out to modular home manufacturers (especially if

Measure D.2 is successful) to encourage incorporation of universal design principles into the design and manufacturing of modular, middle-housing types.

Opportunities, Obstacles and Negative Externalities

Roundtable participants were very supportive of this strategy because it would:

- Provide an opportunity for local employment;
- Produce relatively low-cost and accessible middle-housing types; and
- Directly meet the needs of lower- and middle income, elderly and disabled residents.

There are significant obstacles to implementing this strategy. Inducing a company to form or expand its operations in Sweet Home is an optimistic endeavor. However, the city has an active economic development program, a large supply of serviceable industrial land, and an able staff that is highly supportive of this strategy.

There are few if any negative externalities that could result from this strategy, other than the competition with local construction contractors.

Magnitude of Impact

If this strategy were successful, the impact on local employment and affordable housing production during the planning period would be significant.

Measuring Effectiveness

This strategy represents a major step forward in the city's goal of providing middle-housing opportunities for existing and future residents. If these measures were implemented, the city would increase the likelihood of meeting middle-housing production targets (Measure E.1) significantly.

The Strategy D Table in combination with the Strategy d Evaluation discussion above, indicates the tasks that must be completed with a corresponding timeline. Thus, Strategy D milestones will be met if:

- **Measures D.1 and D.2** are completed by December 2030;
- **Measure D.3** publication efforts are completed by December 2030;
- **Measure D.3** results in the manufacture of modular middle housing types that are designed to incorporate two or more universal design principles, such as provisions for wider doors to enable wheelchair access or bathrooms designed to accommodate people with disabilities.

Strategy D: Fair and Equitable Outcomes

Strategy D recognizes the important role that modular (pre-fabricated) housing can provide in reducing the costs of middle housing types, such as ADUs, attached single-family, plexes and cottages. Strategy D is designed to streamline the process for approving middle housing types by pre-approving specific designs, encouraging local production of modular housing, and further encouraging incorporation of universal design principles in pre-approved designs.

Because middle housing types are currently allowed in Sweet Home, there is a tremendous opportunity for local production and placement of these housing types in residential, commercial, and mixed-use zones throughout the city. This strategy encourages fair and equitable housing outcomes by:

- Providing potential job opportunities for unemployed workers near where they live;
- Allowing pre-fabricated middle housing types in most city zones, thus increasing locational choice;
- Increasing choice of housing types (especially for lower and middle-income households);
- Increasing neighborhood stability by allowing existing homeowner to supplement their income and encouraging the placement of a modular or tiny home as an ADU, which also could reduce homeless populations; and
- Providing more affordable home ownership and rental opportunities.

6.3 STRATEGY E: MEDIUM AND HIGH-DENSITY RESIDENTIAL PLAN AND CODE UPDATES



Figure 6-6 Tri-Plex Design from Houseplans.pro (Bruinier & Associates Inc.)

Background and Intent

Recognizing that Sweet Home has already taken major steps to facilitate the construction of affordable housing types, there are additional measures that could be taken to address issues identified in the contextualized housing needs analysis (**Chapter 4** of this report).

- **Measure E.1** provides the critical comprehensive plan policy linchpin for Measures E.2 through E.7 by establishing housing production targets for needed housing types in Sweet Home.
 - The Sweet Home HNA forecasted that future housing will be the same as existing housing in Sweet Home (64% detached single-family, 13% manufactured homes, 7% plexes, and 7% multi-family).
 - However, the 2024 CHNA clearly demonstrates that detached single-family housing is not affordable for most Sweet Home residents. From 2020-2023 actual housing development was 37% single-family detached, 13% manufactured homes, 8% plexes, and 43% multi-family.
 - In 2022, the city amended its development code to allow middle housing types, including plexes, cottage clusters, rowhouses, and ADUs – but there is very little awareness among small-

and larger-scale housing producers that these options are available to meet the housing needs of middle-income working households.

- City staff and our consultants recommend the following targets be set and monitored over the 20-year planning period to address future housing needs: 56% detached single-family (13% manufactured homes), 17% middle housing (plexes, rowhomes, ADUs, and cottages), and 27% multi-family.

The housing production targets would be used by the city to evaluate local land use decisions during the 20-year planning period. The city would monitor building permits annually to determine the extent to which these targets are being met.

- **Measure E.2** simply recognizes that residential zoning must be consistent with acknowledged comprehensive plan map designations. To minimize housing production costs, the Housing Rule requires rezoning applications be based on “clear and objective standards.”³¹ However, the city’s existing rezoning process requires that rezoning applications for needed housing be reviewed under subjective criteria – even when there is no doubt as to the relevant plan designation.³²
 - The Sweet Home Comprehensive Plan has already determined which residential zone implements each residential plan designation. Although land with a Medium or High Density Residential plan designation is often zoned for LDR, there are no instances where land is designated for Low Density Residential and zoned MDR or HDR.
 - SHDC Article II Development Requirements already mandates that new development meet city

³¹ [660-008-0025](#) **The Rezoning Process** A local government may defer rezoning of land within an urban growth boundary to maximum planned residential density provided that the process for future rezoning is reasonably justified. If such is the case, then: (1) The plan shall contain a justification for the rezoning process and policies which explain how this process will be used to provide for needed housing. (2) Standards and procedures governing the process for future rezoning shall be based on the rezoning justification and policy statement and must be clear and objective and meet other requirements in OAR 660-008-0015.

³² **SHDC Section 17.114.050 Zone** change proposals shall be approved if the applicant provides evidence substantiating the following:

1. The proposed zone is appropriate for the Comprehensive Plan land use designation on the property and is consistent with the description and policies for the applicable Comprehensive Plan land use classification.
2. The uses permitted in the proposed zone can be accommodated on the proposed site without exceeding its physical capacity.
3. Allowed uses in the proposed zone can be established in compliance with the development requirements in this Development Code.
4. Adequate public facilities, services, and transportation networks are in place or are planned to be provided concurrently with the development of the property.
5. For residential zone changes, the criteria listed in the purpose statement for the proposed residential zone shall be met.

- development standards, including the requirement that adequate public facilities be available to serve residential land proposed for development.³³
- SHDC Section 17.14.130 already requires a traffic impact study for any development that will generate 300 or more trips per day or would increase peak hour volume on any street by 20% or more.
 - Rather than holding quasi-judicial hearings to review rezoning applications that are clearly consistent with the comprehensive plan map, the city could legislatively rezone all residentially designated land consistent with its plan designation.

Legislative rezoning consistent where consistent with adopted residential plan designation would remove an unnecessary impediment to the production of needed housing consistent with the Sweet Home Comprehensive Plan and Statewide Planning Goal 10 (Housing).

- **Measure E.3** would commit the city to periodically evaluating the supply of Medium Density and High Density Residential land to ensure that comprehensive plan targets are met.
- **Measure E.4** would amend the R-2 zone to allow three and four-plexes outright at the same density as rowhouses (2,000 sf per unit). Increased rental housing opportunities.
- **Measure E.5** would provide an affordable housing type (SROs) in commercial and High density residential zones. The CHNA memo recognizes that a high proportion of “non-family households” cannot afford to rent or purchase a market-rate home in Sweet Home.
- **Measure E.6** would clearly allow senior housing projects in the HDR, Commercial and Mixed Use zones. Because block group data is available regarding income, race, ethnicity, and tenure, it is possible to geographically target lower-income communities that could benefit most from this program.

³³ **17.40.010 PURPOSE** The purpose of this Article is to: A. Carry out the Comprehensive Plan with respect to development standards and policies. B. Promote and maintain healthy environments and minimize development impacts upon surrounding properties and neighborhoods.

17.40.020 APPLICATION OF STANDARDS A. *Application.* The standards set forth in this Article shall apply to partitions; subdivisions; developments; commercial and industrial projects; single family dwellings, duplexes and multi-family dwellings. B *Alternatives to standards.* The application of these standards to a particular development shall be modified as follows: 1. Development standards which are unique to a particular use, or special use, shall be set forth within the applicable zone or in this Chapter. 2. Those development standards which are unique to a particular zone shall be set forth in the Chapter governing that zone.

17.40.030 APPLICATION OF PUBLIC FACILITY STANDARDS Standards for the provision and utilization of public facilities or services available within The City of Sweet Home shall apply to all land developments in accordance with the following table of reference. No development permit shall be approved unless the following improvements are provided prior to occupancy or operation, or unless future provision is assured through a bond, deposit, agreement or similar instrument approved by The City.

- **Measure E.7** would remove existing limits on middle and multi-family housing approved through the planned development process.

Strategy E: Implementation Measures

Table 6.5 below describes seven implementation measures for Strategy E. Strategy E tied with Strategy D Middle Housing Prototypes by receiving the highest level of support from Roundtable participants.

Table 6.5: Strategy E				
Medium and High-Density Residential Plan and Code Updates				
Measure Reference	Measure Description	Target Population	Intended Outcome	Implementation Schedule
E.1	Incorporate Housing Production Targets into Chapter 4 Residential Lands and Housing of the Comprehensive Plan. (Also update this chapter to reflect the results of the HNA and this CHNA).	Owners and Renters All income groups but specifically benefiting Middle and Lower-Income Households, Seniors, People with Disabilities, and Communities of Color	For use in evaluation of comprehensive plan and zoning map changes.	City Adoption: 2025-26
E.2	Legislatively rezone MDR and HDR residential land consistent with Comprehensive Plan designations (rather than case-by-case rezoning).	Owners and Renters	Contributes to meeting middle housing and multi-family housing targets identified in E.1.	City Adoption: 2025-27
E.3	Ensure an adequate supply of MDR and HDR land to facilitate the development of middle and multi-family housing opportunities – linked to targets in comprehensive plan.	Middle-income (Seniors, People with Disabilities, Communities of Color)		City Adoption: 2025-2035
E.4	Amend the R2 zone to allow tri-plexes and four-plexes at same density as rowhomes to increase affordable, lower-density rental opportunities.	Renters Middle-income (Seniors, People with Disabilities, Communities of Color)		Contributes to meeting middle housing and multi-family housing targets identified in E.1.
E.5	Allow single room occupancy (SROs) in Residential High Density (R-3) and Commercial zones.	Renters 80% of AMI and below (Seniors, People with Disabilities, and Communities of Color)		

<p>E.6</p>	<p>Allow senior housing projects in Residential High Density (R-3), Mixed Use and Commercial Zones.</p>	<p>Owners and Renters All income groups (Seniors and People with Disabilities)</p>	<p>Increase senior housing development; would free up older single-family homes for larger families or redevelopment as duplexes.</p>	
<p>E.7</p>	<p>Allow all dwelling units in the R-HD zone to be multi-family if approved through the PUD process. (Section 17.60.060(G) allows only 30% multi-family housing in the Residential High-Density (R-3) zone).</p>	<p>Owners and Renters All income groups (Seniors and People with Disabilities)</p>	<p>Allows for multi-family to be integrated with small-scale commercial through the PUD process.</p>	

Strategy E: Evaluation

Each housing production strategy must be supported by an evaluation of:

- Implementation steps and responsibilities;
- Implementation opportunities, obstacles and negative externalities;
- The magnitude of impact; and
- Means of measuring effectiveness.

Implementation Roles and Responsibilities

City staff are responsible for drafting comprehensive plan and development code amendments for review by the Planning Commission and adoption by the City Council by December 2027.

Opportunities, Obstacles, and Negative Externalities

Roundtable participants were highly supportive of **Strategy E** comprehensive plan and development code amendments because they would provide the *opportunity* for providing more lower- and middle-income housing opportunities, as discussed in **Chapter 2**.

Roundtable participants thought that review and adoption of several of these measures could generate considerable public opposition, especially from neighboring detached single-family residential neighborhoods. Perceived negative externalities that could result from implementation of Strategy E

include decreased property values and increased traffic.

On the other hand, there could be considerable support for these measures among housing producers, Sweet Home residents who would benefit from increasing housing opportunities, and housing advocacy groups.

Magnitude of Impact

Strategy E focuses on easing land use restrictions that limit the market’s ability to produce housing that is affordable to middle-income households in Sweet Home. Most Roundtable participants agreed that increasing the supply of middle-housing types will have the effect of freeing up existing, more affordable housing for lower-income residents, many of whom are elderly or disabled. ADUs and SRO units are also affordable to lower-income and single-person households.

- **Measure E.1** sets the following housing production targets as part of the comprehensive plan. If these targets are met during the 20-year planning period, Sweet Home will have made substantial progress in addressing its future housing needs as identified in the contextualized housing needs analysis (Chapter 4 of this report). Rather than basing future housing needs on the existing housing supply (64% detached single-family – not including manufactured homes), Measure E.1 considers the housing needs of lower- and middle-income households that are *not* met by market-rate single-family detached homes.
- **Measures E.2, E.3, E.4, E.5, E.6 and E.7** remove regulatory barriers to meeting the housing production targets set forth below.

Measuring Effectiveness

Measure E.1 recommends the following housing production targets as a means of measuring the magnitude of impact for all housing production strategies:

- | | |
|---|------------|
| • Detached Single-Family Residential | 56% |
| ○ On-site construction (stick-built): | 43% |
| ○ Off-site construction (manufactured homes) | 13% |
| • Middle Housing Types | 17% |
| (attached single-family, plexes, cottages and ADUs) | |
| • Multiple-Family Housing | 27% |
| (apartments, most condominiums, and SROs) | |

The Community and Economic Development Department is responsible for monitoring actual housing development on an annual basis (beginning in 2020) and continuing through 2042, to determine the extent to which these housing targets have been met.³⁴

Sweet Home's six housing production strategies are specifically designed to increase middle- and multi-family housing types to meet the city's future housing needs.

Strategy E: Fair and Equitable Outcomes

As noted above, Sweet Home has already taken major steps to further fair and equitable housing outcomes, by adopting Council Resolution No. 1 (2014), implementing a home rehabilitation program for lower-income homeowners, and amending the Sweet Home Development Code to provide for a wide variety of affordable housing types and to encourage affordable housing Development.

- **Strategy E** builds on these existing strategies and is specifically designed to affirmatively further fair housing opportunities by setting housing production targets and removing remaining regulatory barriers to the production of a wide range of affordable housing types.
- **Measure E.1** establishes local targets for production of housing types in residential, commercial and mixed-use zones that address future housing needs identified in the Contextualized Housing Needs Analysis (Chapter 4 of the Housing Production Report). These targets provide the comprehensive plan policy basis for proposed changes to the Sweet Home Development Code and Zoning Map, which collectively ensure a clear and objective path to approving construction or placement of affordable lower- and middle-income housing options (such as multi-family, attached single-family, plexes, cottages and ADUs).

Since the city's medium and high density residential, commercial and mixed-use zones are located along major thoroughfares with transit service, Strategy E will provide more affordable housing near transit, which will reduce vehicle miles traveled and encourage walking or biking between home and work locations.

Thus, **Strategy E**:

- Helps to meet statewide greenhouse gas emission goals,
- Increases choice in both affordable housing types and their location;
- offers an alternative to gentrification by providing housing types that are affordable to Sweet Home

³⁴ As documented above, residential permit data from 2020-2023 indicates that actual housing development was 37% single-family detached, 13% manufactured homes, 8% middle housing (duplexes), and 43% multi-family. However, this data is based on building permits before the city adopted middle-housing provisions in late 2022 – and before these provisions became widely known and understood in the housing production community.

households (as opposed to more affluent, out-of-area purchasers of detached, single-family homes);
and

- Provides affordable homeownership and rental opportunities for existing and future Sweet Home residents.

6.6 STRATEGY F: MODIFY SDC FEE SCHEDULES, EXEMPTIONS

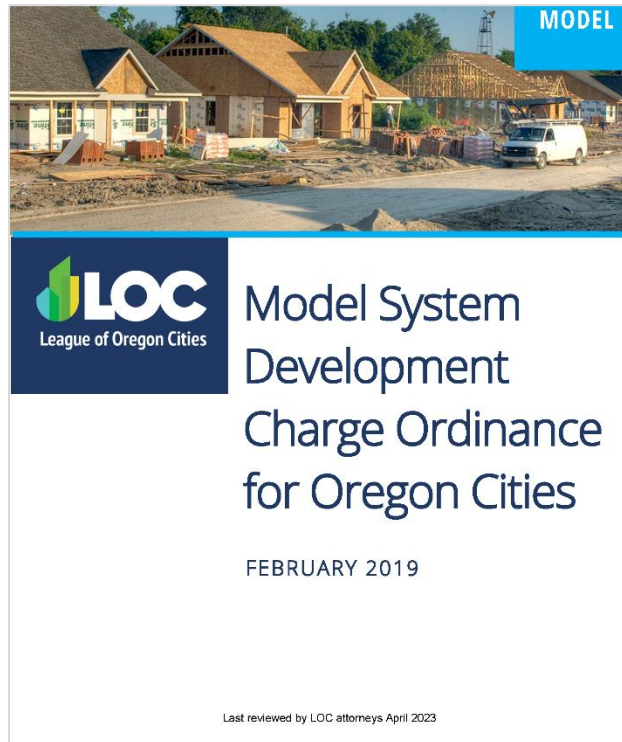


Figure 6-7 Model SDC Charge Ordinance (LOC)

Background and Intent

Systems Development Charges (SDCs) are required by local governments to help pay for capital costs for providing planned infrastructure.³⁵

³⁵ According to the Oregon Legislative Policy and Research Office

<https://www.oregonlegislature.gov/lpro/Publications/Issue%20Brief%20-%20System%20Development%20Charges.pdf>

"State law creates a framework for local SDCs and specifies how, when, and for what improvements they can be imposed. Under ORS 223.297 to 223.314, SDCs may be used by cities, counties, and special districts for capital improvements related to: water supply, treatment, and distribution; wastewater collection, transmission, treatment, and disposal; drainage and flood control; transportation; or parks and recreation.

SDCs may be charged to a new development based on a fee to reimburse for existing unused infrastructure capacity (reimbursement fee); to make planned improvements that increase infrastructure capacity (improvement fee); or for both existing and future capacity. SDC revenues may only be used for capital costs; they cannot be used for ongoing facility or system maintenance or for projects that either fix existing system deficiencies or replace existing capacity. State law also explicitly prohibits local governments from imposing SDCs on employers based on the number of employees or potential new hires. Local governments must establish SDCs by ordinance or resolution and through a public process. They must have a methodology to calculate reimbursement and improvement fees and provide for a credit if a developer finances certain improvements. Local governments must also provide a review procedure through which anyone may challenge an expenditure of SDC revenue if it is out of compliance with state requirements.

Sweet Home currently collects SDCs when building permits are requested and calculates its residential SDCs on a dwelling unit basis. Other cities (e.g., Albany) consider dwelling unit size in its SDC calculation, which means that smaller units pay lower fees when compared with larger dwelling units. State law allows cities to collect SDCs when buildings are occupied.

- **Strategy F.1** would adjust the city's SDC calculation to consider housing unit size, which would mean that smaller housing units (typically middle and multi-family housing) would pay lower SDCs than larger detached single-family housing units. Implementation of this measure would encourage the development of more affordable housing types in Sweet Home.
- **Strategy F.2** would exempt ADUs and conversions of existing single-family homes from SDC charges entirely. These small-scale housing types are often "produced" by individual homeowners (rather than homebuilders). The resultant dwelling units are typically more affordable for lower-income households. Because public facilities already serve the lot on which the ADU or conversion would take place, public improvement costs are relatively small. The city could also allow the ADU (converted single-family home) to be served by the existing sewer or water line, or driveway), as the existing single-family home, which would further reduce infrastructure costs related to these affordable housing types.
- **Strategy F.3** would defer SDC collection until the housing unit is occupied – rather than at the building permit stage. This approach would defer the builder's costs until after the unit is certified for occupancy – when sale of the unit is likely to occur shortly thereafter.

Strategy F: Implementation Measures

Table 6.5 below describes three implementation measures (actions) necessary to implement Strategy E. The third measure (F.3) resulted from Roundtable discussions.

Prior to imposing a SDC for planned improvements based on an improvement fee for capital facilities, the local government must have in place a capital improvement plan, public facilities plan, master plan, or comparable plan that: lists the improvements to be funded with the SDC; and estimates the cost, timing, and percentage of costs eligible for funding from the improvement fee for each improvement.

The plan and list of improvements may be modified at any time, although there are additional notice and hearing requirements if the SDC will be increased as a result of modifying the list. The plan must make a reasonable connection between the need for additional facilities and the growth generated by new development. There must also be a reasonable connection between the expenditure of the fee collected and the benefits received by the developer paying the fee.

SDCs are typically assessed at the time of building permit issuance but can be collected upon connection to a water or sewer system or at the time of occupancy. Developers may pass all or some of the cost to buyers. Some jurisdictions have recurring street maintenance fees that are not covered by SDC law. [emphasis added]

Table 6.5: Strategy F

Measures that Modify SDC Fee Schedules and Exemptions

Measure Reference	Measure Description	Target Population	Intended Outcome	Implementation Schedule
F.1	Update SDC fee schedule based on dwelling unit size rather than on a per unit basis (like Albany).	Owners and Renters Lower and Middle Income (Seniors, People with Disabilities, Communities of Color)	Reduce SDC fees for – and thereby encourage production of - smaller, more affordable dwelling units.	City Consideration and Adoption: 2025-27 Implementation would continue throughout the 20-year planning period
F.2	Exempt small ADUs and conversions of single-family dwelling units to duplexes from SDCs (due to marginal impact on service demand and to encourage both types of housing).	Primarily Renters Primarily Lower-Income (Seniors, People with Disabilities, Communities of Color)	Eliminate SDCs for small-scale, low-impact, highly affordable housing infill and redevelopment	
F.3	Phasing of SDC payments based on dwelling unit occupancy rather than building permit. Apply to small-scale projects of four units or fewer.	Owners and Renters All income groups	Reduce upfront costs for housing producers	

Strategy F: Evaluation

Each housing production strategy must be supported by an evaluation of:

- Implementation steps and responsibilities;
- Implementation opportunities, obstacles and negative externalities;
- The magnitude of impact; and
- Measuring effectiveness of each strategy.

Implementation Roles and Responsibilities

The city is responsible for considering and amending its existing SDC ordinance to implement one or more of these measures consistent with state SDC law. Housing producers would be responsible for paying SDC fees necessary to support residential development.

Opportunities, Obstacles, and Negative Externalities

In 2021 the City Council amended its SDC ordinance and fee schedule for public facilities necessary to serve future public wastewater, water, transportation, stormwater and park needs of city residents. Except for transportation SDCs (which are based on anticipated vehicle trips) the city bases its SDC fees on “equivalent dwelling unit” basis and charges its SDCs at the time of building permit issuance.

- Sweet Home, when compared with other Willamette Valley communities, has relatively low SDCs. SDCs also help fund public facilities improvements that benefit the community as a whole and are necessary to support residential development. Public facility investment in poorer neighborhoods also has the effect of increasing the quality of life and property values in such neighborhoods.
- Roundtable participants generally agreed that housing unit size should be considered in SDC fee calculations, and that the City Council should consider how the city of Albany assesses its SDC fees as a model (Measure F.1). There was some support among Roundtable participants for removal of SDCs for ADUs (Measure F.2). Measure F.3 was suggested by at least two Roundtable participants as a way to encourage investment in housing by deferring SDC collection until the dwelling unit was occupied or sold.
- A *potential* negative effect of adjusting SDC fees is that total fee collection could be reduced or delayed. Although implementation of Measures F.1 and F.2 would reduce housing production costs for more affordable middle housing and multi-family housing types, there is no guarantee that reduced SDC fees would be passed on to the consumer.
- Reduced costs for affordable (smaller) housing units would either (a) need to be made up by charging generally larger, more expensive single-family detached units more than smaller, more affordable housing units, or (b) reducing overall revenue from SDC collection. Implementation of **Measure F.3** would delay the revenue stream to the city, while deferring expense for the housing producer.

Magnitude of Impact

Strategy F would be effective in encouraging smaller housing types which tend to be more affordable.

Measure F.2 could be effective (in combination with other housing production measures) in encouraging single-family homeowners to invest in an ADU (or to convert an existing single-family home to a duplex) on their property. Because individual homeowners often do not have the resources to invest in an ADU plus SDC fees, the SDC fee exemption (or substantial reduction) could make the difference in an individual

homeowner's decision to, for example, purchase and install a tiny home next to their existing home. As noted in the Sweet Home HNA (2022), ADUs are the only new housing type that is likely to be affordable for lower-income households which comprise over half of city's existing population. Income from an ADU can also help lower-income households to pay for maintenance and taxes associated with their existing single-family home.

Measure F.3, by deferring SDC payments, could induce small-scale developers to invest in housing production generally.

Measuring Progress

The effectiveness of **Strategy F.1 and F.2** could be measured by the number of middle-housing and apartment units permitted in Sweet Home, as suggested by **Measure E.1**.

The city could monitor the number of new ADUs, and duplex conversions permitted on an annual basis. A reasonable target would be 5 new dwelling units per year, or a total of 100 ADUs or duplex conversions over the 20-year planning period.

Strategy F: Fair and Equitable Outcomes

Strategy F.1 changes the city's current SDC assessment method to focus on dwelling unit size, such that units with smaller square footage would pay lower fees than units with larger square footage. This change would make it less expensive to construct smaller, middle-housing types that are more in line with household incomes in Sweet Home. Variations on this theme would exempt ADUs and duplex conversions from SDC fees altogether (**Strategy F.2**) or defer SDC fee collection to the time of occupancy permit issuance, rather than building permit issuance (**Strategy F.3**).

Strategies **F.1 and F.2** would increase the likelihood of fair and equitable outcomes by:

- Encouraging housing infill (ADUs or duplex conversions) on all lots in the city with a single-family detached home, thus distributing affordable housing opportunities throughout the entire city;
- Increase housing choice by encouraging middle-housing construction, by making it less expensive to construct a smaller home than a larger one;
- Increasing affordable homeownership and rental housing opportunities; and
- Provide housing options for residents experiencing homelessness, by providing more affordable housing options (especially ADUs and SROs) for lower-income households who cannot afford to purchase single-family detached housing in Sweet Home.

