CHAPTER 4: HOUSING

GOAL 10: HOUSING

BACKGROUND SUMMARY

INTRODUCTION

Housing is one of the most basic and fundamental needs of our society. In Oregon, statewide housing goals aim to provide housing that meets the needs of all residents. Albany's choices and policies will affect housing opportunities for its citizens. It is essential the City of Albany plans to meet the needs of residents, considering a full range of incomes, ages, household sizes, and specialized housing needs. The role of local governments like Albany in meeting housing needs includes:

- Ensuring an adequate supply of land within its urban growth boundary to meet forecasted population growth.

- Zoning land and applying development standards in a way that supports the mix of housing needed by residents, without creating barriers to the development of specific types of needed housing.

- Supporting the provision of housing and services to people with low or moderate income who would not otherwise be able to afford housing in Albany.

DEMOGRAPHIC AND HOUSING TRENDS

In 2019, the City of Albany's population was roughly 54,000 people, with over 55,000 people within the urban growth boundary (UGB), located mostly in Linn County. The neighborhood of North Albany is in Benton County. The Albany UGB includes roughly 11,350 acres in Linn County, and 2,550 acres in Benton County.

Albany is the 11th largest city in the state by population (2019), the largest in Linn County, and the second largest in Benton County. Albany is similar in size to its neighboring city of Corvallis, and statewide is also similar in size to Springfield and Tigard.

Albany grew by an estimated 32 percent between 2000 and 2019. In contrast, Linn County and the state experienced population growth of 22 percent and 23 percent respectively during the same period.[1]

Albany was home to an estimated 21,500 households and 22,800 housing units in 2019, an increase of about 5,000 households and housing units since 2000. This translates to a vacancy rate of 5.6 percent.

US Census and PSU Population Research Center

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[1] US Census and PSU Population Research Center

Figure 4.1: Albany Demographic Profile

	2000 (Census)	2010 (Census)	Growth 00-10	2019 (PSU, City)	Growth 10-19
Population	41,895	50,158	20%	55,201	10%
Households[1]	16,549	19,705	19%	21,517	9%
Families[2]	11,105	12,894	16%	14,072	9%
Housing Units[3]	17,817	20,979	18%	22,805	9%
Group Quarters Population[4]	687	824	20%	1,410	71%
Household Size (non-group quarters)	2.49	2.50	0%	2.50	0%
Average Family Size	2.99	3.01	1%	3.07	2%
Per Capita Income[5]	$18,570	$22,236	20%	$26,978	21%
[5]Median Household Income	$39,409	$46,638	18%	$54,275	16%

SOURCES: Census (SF1, DP-1 DP-2, S1901, S19301), PSU Population Research Center, Johnson Economics

[1] 2019 Households =(2019 population-Group Quarters)/2019 household size

[2] Ratio of 2019 families to total households is based on 2018 ACS 5-year estimate

[3] 2019 housing units are 2010 Census total plus new units permitted from 2010-2019

[4] 2019 figure from City of Albany

[5] 2019 income projected from 2018 ACS 5-year estimate

An average of 300 units have been permitted in the City annually since 2000, with 20 percent being multi-family units. Single-family detached homes and manufactured homes account for 71 percent of Albany's housing supply. Middle housing types accounted for 14 percent of Albany's housing stock.

Figure 4.2: Estimated Share of Units, by Property Type, 2019
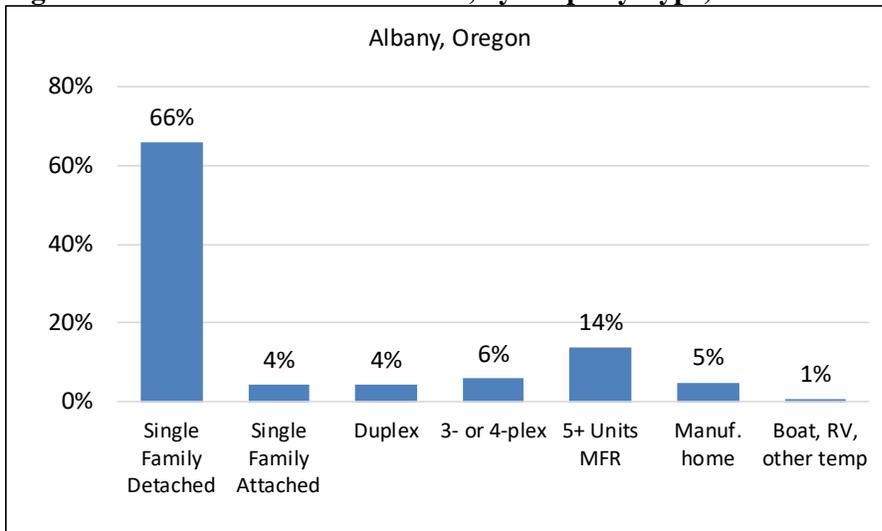
SOURCE: US Census, City of Albany

More than half (55 percent) of Albany's housing stock was constructed before 1980. Seventy percent of rented housing was constructed before 1990.

Most of Albany's owner-occupied housing is detached single-family with three or more bedrooms (86 percent), while one-third of rentals are complexes with five or more units. Just over half of Albany's rental units have two-bedrooms, and 18 percent are one-bedroom or studio units.

Household age and income tend to have a stronger correlation to housing tenure and choice than other variables. Albany's population continues to age, those ages 55 and 74 saw the greatest increase in the share of the population since 2000, rising from 14 percent to 20 percent in 2018.

The percentage of families remained steady between 2000 and 2019 at 65 percent of all households. Almost one third of all households have children under 18 at home. Albany estimated 1,410 persons living in group quarters (assisted living, nursing homes, jails, shelters) in 2019.

Average household size remained flat at 2.50 persons during this period, while average family size increased to 3.07. The average size of owner households was 2.7 and renter household size was 2.2 in 2018.

Home ownership rate dropped slightly from 59.5 percent in 2000 to 58.5 percent in 2018, which is lower than Linn County (64 percent), the state (62 percent), and national average of 65 percent.

Albany's median household income was $54,275 in 2019, about 37 percent higher than 2000. Just under half of Albany households earned less than $50,000 in 2018, while 21 percent earned $25,000 or less in 2018. Housing prices also increased, with the largest increase seen in the last few years. In 2019, the average mean sales price was $325,271 in Linn County and $408,744 in North Albany. Rents also increased by more than 15 percent between 2015 and 2018. Consequently, almost one in four renter households were severely housing cost burdened, spending at least half of their income on housing.

POPULATION AND HOUSING PROJECTIONS

Cities are required to base future planning on population projections prepared by the Portland State University (PSU) Center for Population Research. The official PSU forecasted annual growth rate of 1.27 percent per year was used to project growth to 2040. Since Albany has grown faster than the PSU baseline forecast during the past 30 years, an alternative forecast was prepared that reflects Albany's average annual growth rate of 1.69 percent since 1992.

Figure 4.3 2040 Growth Forecasts
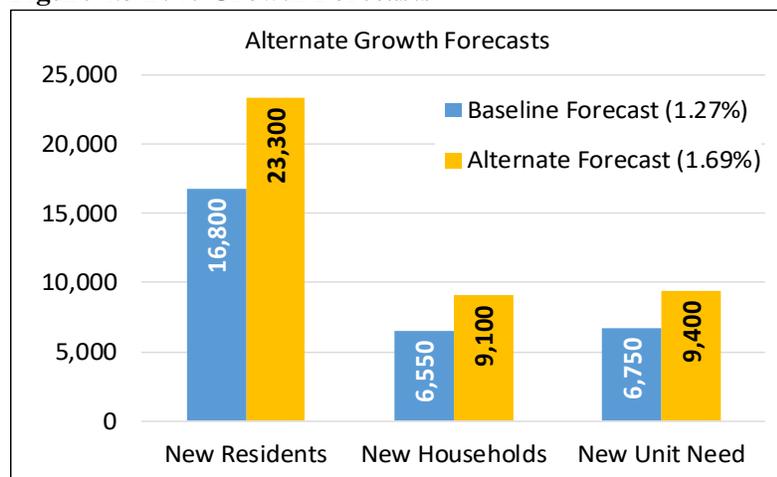
Depending on the rate of growth, the City is projected to add between 16,800 and 23,300 new residents to 2040, requiring between 6,750 and 9,400 new housing units after factoring for group quarters and a vacancy rate of five percent.

The City's assessment of future housing needs is based on a combination of past and future projected demographic and housing trends. It considered the propensity of households at specific age and income levels to either rent or own their home, and the affordable cost level of each. The analysis projected the need for all 2040 households and therefore includes the needs of current households.

Single family detached housing units are expected to make up the greatest share (62 percent) of new housing development over the planning period (2020-2040). However, attached forms of housing are also expected to grow as an overall share of housing (32 percent) due to growing trends towards more density, infill development, accessory dwelling units, and constraints of the urban growth boundary. State legislation adopted in 2019 also seeks to encourage more "middle housing" (duplexes, triplexes, etc.) in traditional single-family zones.

- Single family attached units (townhomes on individual lots) are projected to meet seven percent of future need.

- Duplex through four-plex units are projected to represent 11.5 percent of the total need. Duplex units would include a detached single-family home with an accessory dwelling unit.

- Multi-family units in structures of five attached units are projected to be 14 percent of all needed units.

- Manufactured homes will represent five percent of new needed units, while RV or other temporary housing is projected to be one percent; both will help meet the needs of some low-income households for both owners and renters.

Figure 4.4 Housing Unity Need by Housing Type (2040)
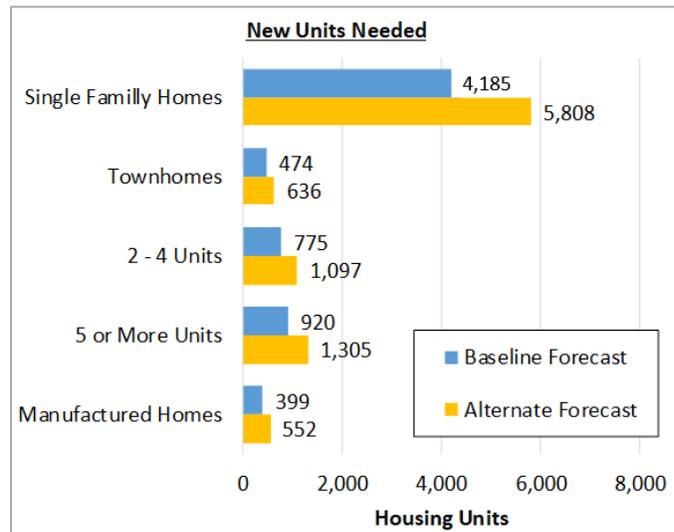
It is projected homeownership rate in Albany will remain steady to 2040 at 59 percent. Residents are projected to seek a range of ownership and rental housing types across all income spectrums.

- Ownership units are projected to be primarily single-family detached homes, with nine percent manufactured homes and two percent in attached forms.

- About 72 percent of new rental units are expected to be in new attached buildings, with 34 percent projected in rental properties of five or more units, and 27 percent in buildings of two- to four-plexes.

HOUSING NEED BY AFFORDABILITY

The profile of future housing demand by cost was compared to the current housing inventory to determine future demand by housing type and price range (Figure 4.5).

There is a current and projected need for more affordable housing opportunities for many Albany households. Over 50 percent of renters spending more than 30 percent of their income on gross rent, and a quarter of renters are spending 50 percent or more of their income on housing and are considered severely rent-burdened.

- Households earning less than $30,000 in 2019 dollars is expected to account for 20 percent of all households in 2040.

- The number of households earning less than 80 percent of the median income is projected to increase by 1,100 using the PSU baseline forecast to 2040.

- Ownership demand exists at both the low-end and the high-end of the pricing spectrum – below $200,000 and over $350,000 In 2019 dollars.

- The greatest need for rental units is at the low-end of the spectrum for households earning $25,000 or less; however, some demand exists for higher-end units.

Figure 4.5 Projected Need for New Housing by Income Level

Household Income Segment	Income Level (Rounded)*	Share	Baseline Forecast (1.3%)			Alternative Forecast (1.7%)			Common Housing Product
			Owned	Renter	Total	Owner	Renter	Total	
Extremely Low Inc. < 30% AMI	< $18,000	11%	201	565	766	277	802	1,079	Govt-subsidized; Voucher
Very Low Income 30% - 50% AMI	$18k - $30k	11%	262	480	742	363	680	1,043	Aging/substandard rentals; Govt-subdivized; Voucher
Low Income 50% - 80% AMI	$30k - $48k	17%	513	598	1,111	709	848	1,557	Market apts; Mauf. Homes; Plexes; Aging Single-family
Middle income 80% - 120% AMI	$48k - $71.5k	17%	726	431	1,157	1,004	611	1,615	Single-family detached; Townhomes; small homes; new apts
Upper Income > 120% AMI	> $71,500	44%	2,375	580	2,955	3,281	823	4,104	Single-family detached; S-F high end attached/condos
		100%	4,077	2,654	6,731	5,634	3,764	9,398	

Sources: HUD, Census, Environics Analytics, Johns Economics

CAPACITY FOR FUTURE HOUSING DEVELOPMENT

A buildable lands inventory (BLI) was conducted to determine the amount of buildable residential and mixed-use land available within the City limits of Albany and the Urban Growth Boundary to accommodate residential growth to 2040. First, environmental, and other constraints that reduce development capacity (floodplains, wetlands, water bodies, steep slopes, power, and gas line easements) were identified per Oregon Administrative Rules Chapter 660 Division 8. Then the developable acreage was determined for every vacant or partially vacant tax lot.

Housing need is broken down by matching housing types to the general density range of the zoning districts and plan designations. The average effective density per acre is based on City development trends by zone.

Figure 4.6 summarizes the capacity of Albany's buildable land within the City limits for new housing units by comparing the residential BLI to the estimate for new housing need by housing types to 2040 based on the PSU growth forecast. Figure 4.7 provides the supply of buildable residential land outside the city limits but within the UGB.

Figure 4.6 Comparison of Forecasted Land Need to 2040 with Available Capacity in City Limits

WITHIN CITY LIMITS		SUPPLY			DEMAND		
		Buildable Land Inventory			PSU Forecast (1.3%)		
Zoning Districts	Typical Housing Types	Buildable	Avg. Density	Unit	New Unit Need	Surplus (Deficit)	
		Acres	units/ac	Capacity	to 2040	Units	Acres
Low-Density: RR, RS-10, RS-6.5, RS-5, HM, MS	Single-family detached; duplex	1,165	3.9	4,525	4,270	255	23
Med-Density: RS-5 attached, MUR, RM<1ac, WF<1ac, MUC, DMU, CB	Single-family Attached; Manuf. Home parks, 2-4 plexes	120	10.6	1,271	1,540	(269)	(25)
High-Density: RM, RMA, HD	Apartments, condos	115	21.0	2,418	920	1,498	71
TOTALS		1,397	5.6	7,829	6,730	1,484	69

Sources: Angelo Planning Group, Johnson Economics

Figure 4.7 Buildable Land Supply Outside City, in UGB

OUTSIDE CITY LIMITS, IN UGB		SUPPLY		
		Buildable Land Inventory		
Comprehensive Plan Designation	Typical Housing Type	Buildable Acres	Avg. Density units/ac	Unit Capacity
Low-Density	Single-family detached; duplex	1,214	4.5	5,456
Med-Density	SF attached; Manuf. home; 2-4 plexes	28	10.0	276
High-Density/ Village Center	Apartments, condos	36	20.0	722
TOTALS		1,278	5.0	6,454

Sources: Angelo Planning Group, Johnson Economics

Findings of the comparison of land need to land supply indicate:

- Low Density – There is enough land in the City limits to accommodate future growth needs for low-density and high-density housing types under the PSU forecast to 2040 (Figure 4.6).

- Medium Density – If historic trends in housing types and tenancy continue, there will likely be demand for land that can accommodate medium density housing (8 to 18 units/acre) to 2040 according to Figure 4.6. However, land in the UGB outside the City limits can meet this demand (Figure 4.7). In addition, medium density housing is permitted in the RM and RMA zones and could be developed in Village Centers.

- High Density – The City has enough land zoned for high density housing (18+ units/acre) based on the assumption that all buildable land over one acre in the RM and RMA zones will be developed with higher density housing. Land designated Village Center outside the city limits in the UGB could help to meet projected demand (Figure 4.7).

[Ord. 5951 12/2/2020]

GOAL 10: HOUSING
GOALS, POLICIES & IMPLEMENTATION METHODS

GOALS

Provide a variety of development and program opportunities that meet the housing needs of all Albany's citizens.

Create a city of diverse neighborhoods where residents can find and afford the values they seek.

POLICIES
GENERAL

1. Ensure an adequate supply of residentially zoned land in areas accessible to employment and public services.

2. Provide a variety of choices regarding type, location, density, and cost of housing units corresponding to the needs and means of city residents.

3. Provide the opportunity for a wider range of rental and ownership housing choices in Albany and encourage innovation in housing types, densities, lot sizes and design to promote housing alternatives.
[Ord. 5968, 1/14/22]

   Examples include:
   a. Middle housing types, including duplexes, triplexes, fourplexes, townhouses, and cottage clusters, in areas zoned for residential use. [Ord. 5968, 1/14/22]
   b. Attached single-family housing and condominium ownership opportunities in the Waterfront zoning district
   c. The adaptive reuse of the upper floors of structures within the Downtown Business District for residential purposes.
   d. Mixed housing types and price ranges at a minimum of ten units per acre in Village Center Comprehensive Plan districts.
   e. Neighborhoods with a variety of lot and housing sizes and types.
   f. Accessory dwelling units.
   g. Other actions directed at reducing housing costs which conform to the Comprehensive Plan, including innovative Development Code regulations.

4. Encourage residential development that conserves energy and water; uses renewable resources; and promotes the efficient use of land, conservation of natural resources, easy access to public transit, and easy access to parks and services.

5. Encourage the use of Cluster and Planned Unit Developments to:
   a. Promote architecturally appealing and functional land use design.
   b. Allow flexibility in the placement and uses of buildings, recreation areas, open spaces, streets, utilities, and off-street parking areas.
   c. Effectively utilize special site features including natural characteristics, location, view, topography, size, or shape of parcels.
   d. Maintain a development pattern compatible with the surrounding area as determined by the Comprehensive Plan designation.

6. Encourage residential development on already serviced vacant residential lots or in areas where services are available or can be economically provided.

7. Require residential densities to be commensurate with the availability and adequacy of public facilities and services.

8. Encourage the development of great neighborhoods by:
   a. Supporting neighborhood identity
   b. Locating parks, trails, schools, daycare, and churches in close proximity to residences
   c. Incorporating natural features and spaces into developments
   d. Connecting and orienting new neighborhoods to Village Centers

9. Encourage new residential developments to provide housing choices that allow for persons to stay within their neighborhoods ("age in place") as their housing needs change.

10. Preserve and enhance Albany's historic housing as a unique and valuable resource.

11. Promote the conservation of existing housing by supporting programs that rehabilitate and upgrade substandard and deteriorating units.

12. Encourage the development of housing with quality craftsmanship and amenities to attract new business as well as keep local business executives within the community.

13. Allow the establishment of bed and breakfast accommodations in existing residential areas when it can be determined the use will be compatible with the surrounding neighborhood in terms of traffic generation, parking, use intensity, and size of structure.

14. Encourage a mix of housing types and residential densities within the Urban Residential Reserve area which conform to the population and density projections adopted by the City of Albany and where infrastructure is available or can be made available.

15. Encourage the removal of barriers to safe neighborhoods, such as vacant lots and buildings and overgrown vegetation.

AFFORDABLE AND SPECIAL NEEDS HOUSING

16. Encourage the development affordable housing and lower-cost in a range of types and appropriate sizes to meet Albany's housing needs. Examples include accessory dwelling units, manufactured housing, and middle housing. [Ord. 5968, 1/14/22]

17. Recognize groups needing specialized housing such as the elderly, homeless, and other disadvantaged groups when identifying housing programs and opportunities. [Ord. 5968, 1/14/22]

18. Encourage providers of transitional housing units, shelters, and single-room occupancy housing to locate near Village Centers, employment centers, and public transportation.

19. Comply with federal, state, and local fair housing laws and policies that affirm access to housing opportunities for all persons in Albany.

20. Encourage senior housing developments and care facilities to be located in or near Village Centers for improved access to goods, services, and public transportation.

IMPLEMENTATION METHODS

1. Use a variety of techniques to reduce housing costs including:
   a. Timely processing of development permits
   b. Providing opportunities for the use of innovative techniques in development, design, and construction

c. Encouraging housing types with smaller unit sizes, lower construction costs, and lower sales prices per unit, which can help meet the needs of low- or moderate-income households.

[Ord. 5968, 1/14/22]

d. Promoting Cluster Developments to allow flexibility in residential development and the transfer of density within the development when protecting natural features, open areas, and park spaces

e. Allowing increased densities within Planned Unit Developments, zero lot line setbacks, attached single-family housing, and other innovative housing techniques

f. Developing new residential street designs that may reduce pavement widths in appropriate situations and allow for natural drainage

2. Require residential densities to be commensurate with the availability and adequacy of public facilities and services.

3. Work with the Parks and Recreation Department to evaluate ways to incorporate parks and trails into neighborhoods. Determine if changes are needed to the Comprehensive Plan, Parks Master Plan, or Development Code to implement ideas.

4. Periodically review the residential zoning district standards and the subdivision standards in the Development Code for ways to better meet the housing need of all income levels and of all housing types.

5. Review all mixed-use zoning districts, such as MUR and MUC, to determine if maximums should be set on the amount of land that can be used for commercial or residential purposes.

6. Facilitate occasional city staff-developer roundtables to identify potential incentives that might encourage developers to build great neighborhoods with a diversity of housing choices, densities, and price ranges.

7. Upon annexation of Urban Residential Reserve areas, medium- and high-density developments will be encouraged in areas that:

a. Have adequate sewer and water capacity

b. Can be served economically and efficiently with public services including fire protection, police protection, and schools

c. Are located in close proximity to collector or arterial streets

8. Periodically review the Urban Residential Reserve designation to determine anticipated residential densities as reflected by anticipated needs, development trends, and extension of public services.

9. Support enforcement of the City's Property Maintenance Code and Compliance Program that addresses substandard housing issues.

AFFORDABLE AND SPECIAL NEEDS HOUSING

10. Participate in federal, state, local, and other housing programs that provide assistance to the city's low-income individuals, households, and neighborhoods through:

a. Public facility improvements

b. Rehabilitation loans and grants

c. Historic preservation grants and other related programs

d. Regional fair share distribution of assisted housing and other local, state, and federal programs

11. Monitor low- and moderate-income housing needs by reviewing available information on current conditions including census data, rental rates, vacancy rates, and housing sales prices.

12. Encourage public and private social service and housing agencies to coordinate programs that provide secure housing and shelter opportunities to those in need.

13. Support efforts by the Albany Partnership for Housing and Community Development, the Linn-Benton Housing Authority, Habitat for Humanity, the Community Services Consortium, and other local agencies to provide affordable housing, financial assistance, and services to Albany's moderate-, low- and very-low-income households; for the elderly; and for Albany's special needs populations.

14. Convene Albany's housing agencies to discuss affordable housing, housing for the special-needs populations, agency roles, and existing programs. Evaluate program gaps and areas for improvement.

15. Identify areas with a concentration of very-low income households to determine if there are any programs or assistance that can help provide safe and decent housing.

16. Evaluate incentives to develop affordable housing. Become an entitlement community under the Community Development Block Grant program.

RECOMMENDATIONS

17. Encourage Linn and Benton Counties to consider the needs of the homeless and other displaced persons by:
    a. Maintaining close contact with local social service providers in order to be able to measure needs and to be able to provide appropriate referrals.
    b. Facilitating emergency housing assistance during severe conditions.

18. Encourage the Community Services Consortium (CSC) to serve as the region's "housing resource center" that can serve as a "clearinghouse" for housing needs.

SUPPORTING DOCUMENTS

The following documents prepared by Angelo Planning Group, Johnson Economics, and the City of Albany between July 1, 2019, and April 1, 2020, are hereby adopted in their entirety as supporting documents to the Albany Comprehensive Plan:

- City of Albany Housing and Residential Land Needs Assessment; 20-year housing need to 2040
- Albany Building Lands Inventory – Methodology and Results.

[Ord. 5951 12/2/2020]