# CITY OF BAKER CITY, OR

# HOUSING AND RESIDENTIAL LAND NEEDS ASSESSMENT (OREGON STATEWIDE PLANNING GOAL 10)

## 20-YEAR HOUSING NEED
## 2020 - 2040

March 2021

JOHNSON ECONOMICS

# Acknowledgments

Johnson Economics prepared this report for the City of Baker City, Oregon. Johnson Economics and Baker City thank the many people who helped to develop this document.

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***This report was prepared in accordance with the requirements of OAR 660 Division 8: Interpretation of Goal 10 Housing. This project is funded by the State of Oregon through the Department of Land Conservation and Development. The contents of this document do not necessarily reflect the views or policies of the State of Oregon.***

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# I. INTRODUCTION

This analysis outlines a forecast of housing need within the Urban Growth Boundary (UGB) of Baker City. Housing need and resulting land need are forecast to 2040 consistent with 20-year need assessment requirements of Oregon Revised Statutes.[1] This report presents a housing need analysis (presented in number and types of housing units) and a residential land need analysis, based on those projections.

The primary data sources used in generating this forecast were:

- Portland State University Population Research Center
- U.S. Census
- Environics Analytics Inc.[2]
- Oregon Employment Department
- City of Baker City
- Baker County
- Other sources are identified as appropriate.

This analysis relies heavily on Census data from both the Decennial Census, and the American Community Survey (ACS). Generally, data from the ACS has a larger statistical margin of error than the 10-year Census. This analysis relies whenever possible on the most recent ACS 5-year estimates. The 5-year estimates have the lowest margin of error in comparison to the ACS 3-year and 1-year estimates. All Census data feature some margin of error but remain the best source of data available on many demographic and housing subjects.

# II. CITY OF BAKER CITY DEMOGRAPHIC PROFILE

## SUMMARY

The following table (Figure 2.1) presents a profile of City of Baker City demographics from the 2000 and 2010 Census. It also reflects the estimated population of this area as of 2019 from PSU estimates, forecasted forward to 2020 using the growth rate since 2010.

- Baker City is a City of roughly 10,000 people located in the center of Baker County near the eastern edge of Oregon state. The city represents roughly 2/3 of the county's population.
- Baker City is roughly the 50th largest city in the state by population, similar in size to other cities such as Ontario or Prineville.
- According to the US Census and PSU estimates, Baker City has experienced moderate growth, growing by just over 1% since 2000. In comparison, Baker County is estimated to has experienced even lower growth of less than 1% since 2000, while the state population grew by 24%.
- Baker City was home to an estimated 4,300 households in 2020, an increase of 440 households since 2000. The percentage of families has fallen from 65% of all households in 2000 to 58% in 2020. The city has a lower share of family households than Baker County (62%) and the state (63%). Average household size is estimated to have fallen during this period but is similar to that of the county.

[1] ORS 197.628; OAR 660-025

[2] Environics Analytics Inc. is a third-party company providing data on demographics and market segmentation. It licenses data from the Nielson Company which conducts direct market research including surveying of households across the nation. Nielson combines proprietary data with data from the U.S. Census, Postal Service, and other federal sources, as well as local-level sources such as Equifax, Vallassis and the National Association of Realtors. Projections of future growth by demographic segments are based on the continuation of long-term and emergent demographic trends identified through the above sources.

- Baker City's estimated average household size is 2.23 persons. This is statistically the same as the Baker County average of 2.22 but lower than the statewide average of 2.47.

**FIGURE 2.1: BAKER CITY DEMOGRAPHIC PROFILE**

| *POPULATION, HOUSEHOLDS, FAMILIES, AND YEAR-ROUND HOUSING UNITS* | | | | | |
|---|---|---|---|---|---|
| | **2000 (Census)** | **2010 (Census)** | **Growth 00-10** | **2020 (PSU)** | **Growth 10-20** |
| Population[1] | 9,860 | 9,828 | 0% | 9,980 | 2% |
| Households[2] | 3,875 | 4,212 | 9% | 4,313 | 2% |
| Families[3] | 2,514 | 2,529 | 1% | 2,492 | -1% |
| Housing Units[4] | 4,435 | 4,611 | 4% | 4,736 | 3% |
| Group Quarters Population[5] | 418 | 356 | -15% | 362 | 2% |
| *Household Size (non-group)* | *2.35* | *2.38* | 1% | *2.23* | -6% |
| *Avg. Family Size* | *2.92* | *2.90* | -1% | *2.89* | 0% |
| ***PER CAPITA AND MEDIAN HOUSEHOLD INCOME*** | | | | | |
| | **2000 (Census)** | **2010 (Census)** | **Growth 00-10** | **2020 (Proj.)** | **Growth 10-20** |
| Per Capita ($) | na | $18,997 | na | $26,659 | 40% |
| Median HH ($) | na | $38,442 | na | $46,122 | 20% |

SOURCE: Census, PSU Population Research Center, and Johnson Economics

Census Tables: DP-1 (2000, 2010); DP-3 (2000); S1901; S19301

1 From PSU Population Research Center, growth rate 2000-2019 extended to 2020

2 2020 Households = (2020 population - Group Quarters Population)/2020 HH Size

3 Ratio of 2020 Families to total HH is based on 2018 ACS 5-year Estimates

4 2020 housing units are the '10 Census total plus new units permitted from '10 through '20 (source: Census, City)

5 Ratio of 2020 Group Quarters Population to Total Population is kept constant from 2010.

## A. POPULATION GROWTH

Since 2000, Baker City has grown by roughly 120 people within the UGB, or 1.2% in 20 years. This was higher than the countywide rate of growth. In comparison, the population of the state grew by an estimated 24% during this period.

## B. HOUSEHOLD GROWTH & SIZE

As of 2020, the city has an estimated 4,315 households. Since 2000, Baker City has added an estimated 440 households. This is an average of roughly 22 households annually during this period. The growth since 2000 has outpaced the estimated growth in new housing units, which have been permitted at the rate of roughly 15 units per year.

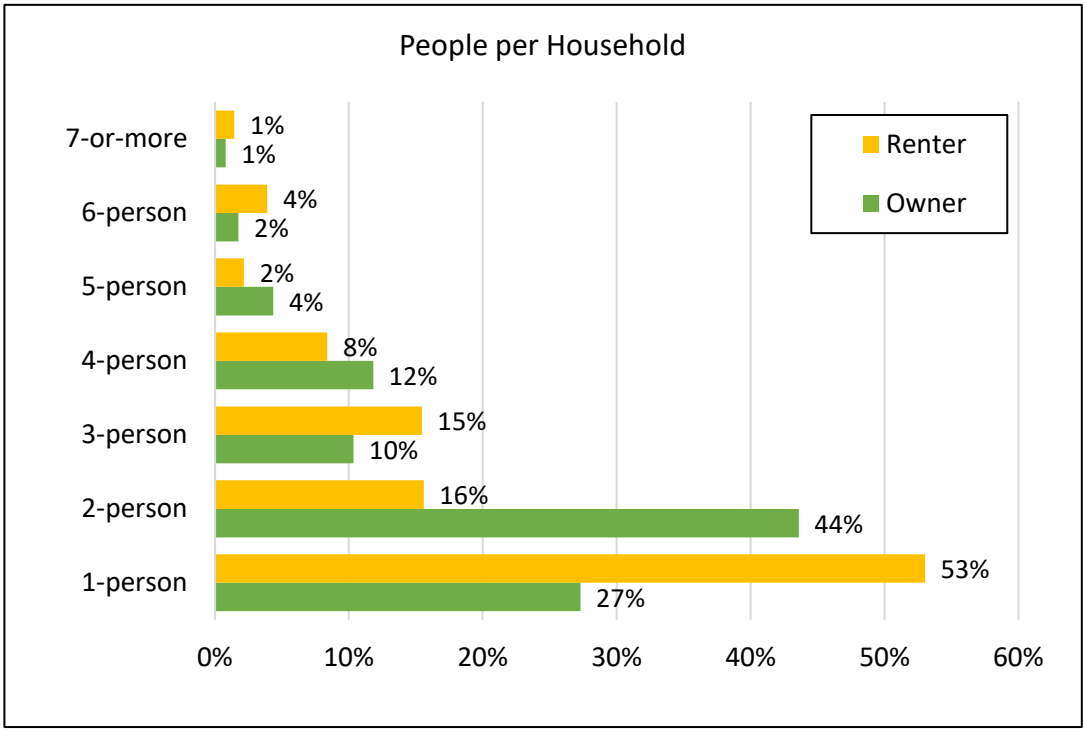
The growth in the number of households has counterintuitively outpaced the growth in population, because the average household size fell roughly 5% in that period. Smaller households mean the same population is distributed among a greater number of households.

There has been a general trend in Oregon and nationwide towards declining household size as birth rates have fallen, more people have chosen to live alone, and the Baby Boomers have become empty nesters. While this trend of diminishing household size is expected to continue nationwide, there are limits to how far the average can fall.

Baker City's average household size of 2.2 people, with 58% family households.

Figure 2.2 shows the share of households by the number of people for renter and owner households in 2018 (latest data available), according to the Census. Renter households are more likely to have on person, or the largest household sizes (six or more persons). Owner households are more likely to have two persons, or four to five persons. Household size correlates to housing needs.

**FIGURE 2.2: NUMBER OF PEOPLE PER HOUSEHOLD, CITY OF BAKER CITY**




*SOURCE: US Census, JOHNSON ECONOMICS LLC*
Census Tables: B25009 (2018 ACS 5-yr Estimates)

## C. FAMILY HOUSEHOLDS

As of the 2018 ACS, 58% of Baker City households were family households, lower than in 2000 (65%). But the total number of family households in Baker City is estimated to have remained roughly steady since 2000. The Census defines family households as two or more persons, related by marriage, birth or adoption and living together. In 2020, family households in Baker City had an average size of 2.9 people.

## D. GROUP QUARTERS POPULATION

The City of Baker City has an estimated group quarters population of 3.6% of the total population, or 362 persons. Group quarters include such shared housing situations as nursing homes, prisons, dorms, group residences, military housing, or shelters. In Baker City, the inmate population of Powder River Correction facility represents a large share of this group population. For the purposes of this analysis, these residents are removed from the estimated population total, before determining the amount of other types of housing that are needed for non-group households. (The share of group quarters population is assumed to remain steady over the 20-year forecast period.)

## E. HOUSING UNITS

Data from the City of Baker City and the US Census indicate that the city added just over 300 new housing units since 2000, representing 7% growth in the housing stock. This number of new units is lower than the growth in new

households estimated during the same period (440), indicating that housing growth has not kept pace with growing need.

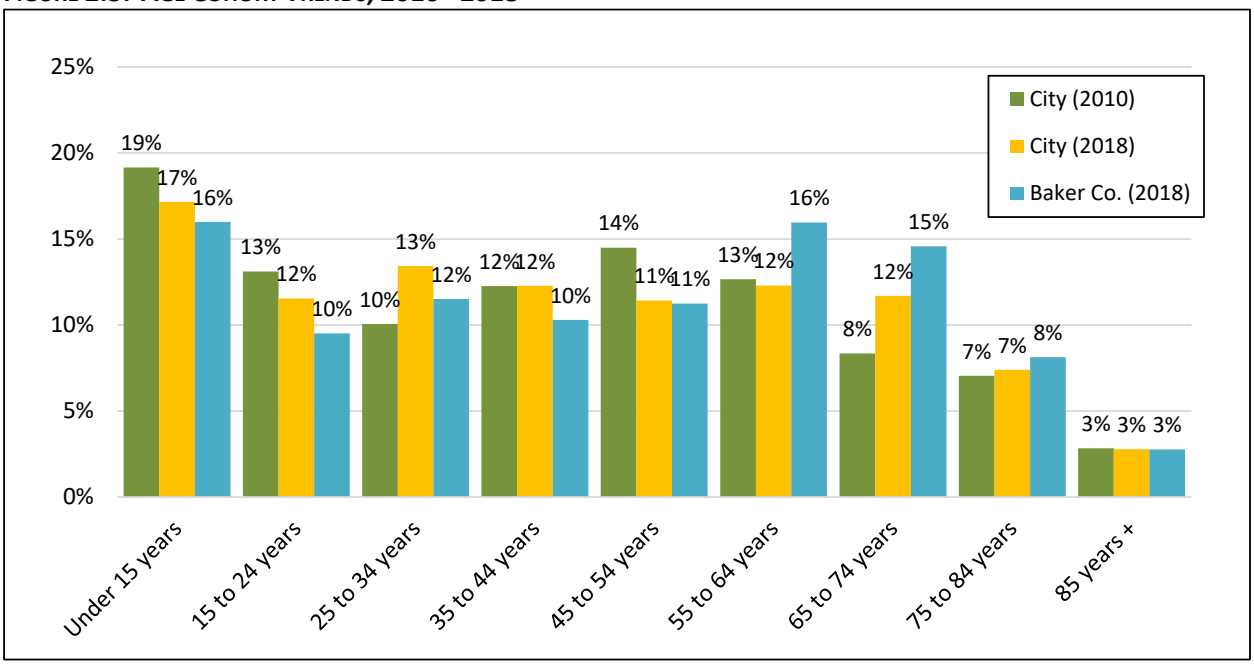
As of 2020, the city had an estimated housing stock of roughly 4,738 units for its 4,313 estimated households. This still translates to an estimated average vacancy rate of over 8%. Much of this discrepancy is likely due to second home and short-term rental units, which are counted as vacant as they have no permanent resident.

**Residential Permits:** The city of Baker City accounts for most of the countywide residential permits in Baker County. Between 2010 and mid-2020, a total of 125 units have been permitted in the city, or an average of 12 per year. 109 of these permits are for single family homes. Four duplexes have been permitted, with a total of eight units. No large multi-family residential buildings have been permitted in recent years.

## F. AGE TRENDS

The following figure shows the share of the population falling in different age cohorts between the 2000 Census and the most recent 5-year American Community Survey estimates. As the chart shows, there is a general trend for the youngest cohorts to fall as share of total population, while older cohorts (65+) have grown in share. This is in keeping with the national trend caused by the aging of the Baby Boom generation. Overall, Baker City has a younger population than the county, with a greater share of children. There has also been estimated growth in the those aged 25 to 35 as a share of the population in Baker City.

**FIGURE 2.3: AGE COHORT TRENDS, 2010 - 2018**

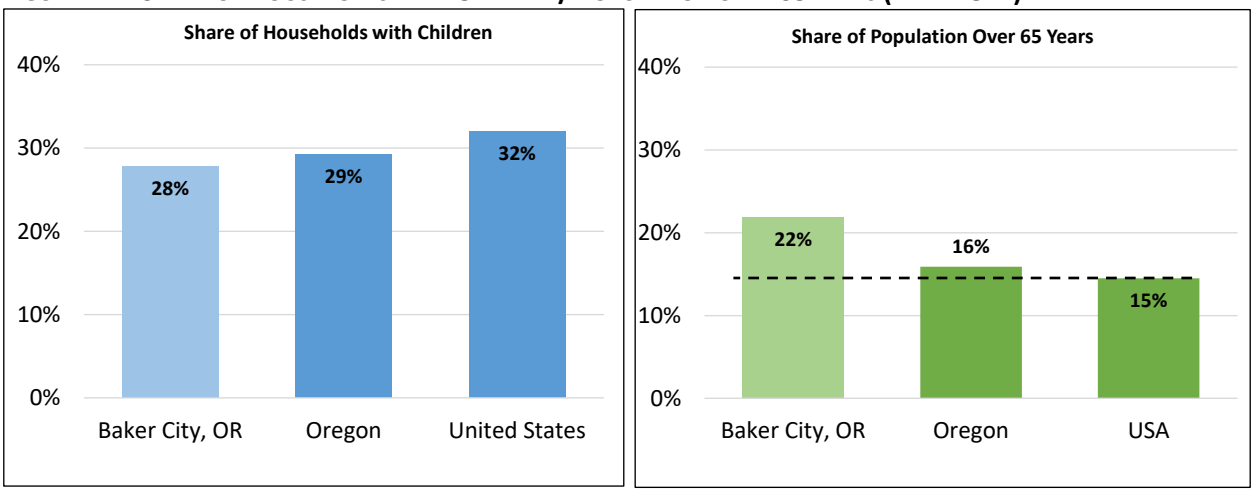



*SOURCE: US Census, JOHNSON ECONOMICS LLC*
Census Tables: QT-P1 (2010); S0101 (2018 ACS 5-yr Estimates)

- The cohorts which grew the most in share during this period were those aged 65 to 74 years. Still, an estimated 78% of the population is under 65 years of age.
- In the 2018 ACS, the local median age was an estimated 42 years, compared to 38 years in Oregon.

Figure 2.4 presents the share of households with children, and the share of population over 65 years for comparison. Compared to state and national averages, Baker City has a slightly lower share of households with children. But at 22%, the share of population over 65 is much higher than the state and national figures.

**FIGURE 2.4: SHARE OF HOUSEHOLDS WITH CHILDREN/ POPULATION OVER 65 YEARS (BAKER CITY)**




*SOURCE: US Census, JOHNSON ECONOMICS LLC*
Census Tables: B11005; S0101 (2018 ACS 5-yr Estimates)

## G. INCOME TRENDS

The following figure presents data on Baker City's income trends. (2000 Census data on income is not available for Baker City.)

**FIGURE 2.5: INCOME TRENDS, 2000 – 2020**

| *PER CAPITA AND MEDIAN HOUSEHOLD INCOME* | | | | | |
|---|---|---|---|---|---|
| | 2000 (Census) | 2010 (Census) | Growth 00-10 | 2020 (Proj.) | Growth 10-20 |
| Per Capita ($) | na | $18,997 | na | $26,659 | 40% |
| Median HH ($) | na | $38,442 | na | $46,122 | 20% |

SOURCE: Census, PSU Population Research Center, and Johnson Economics

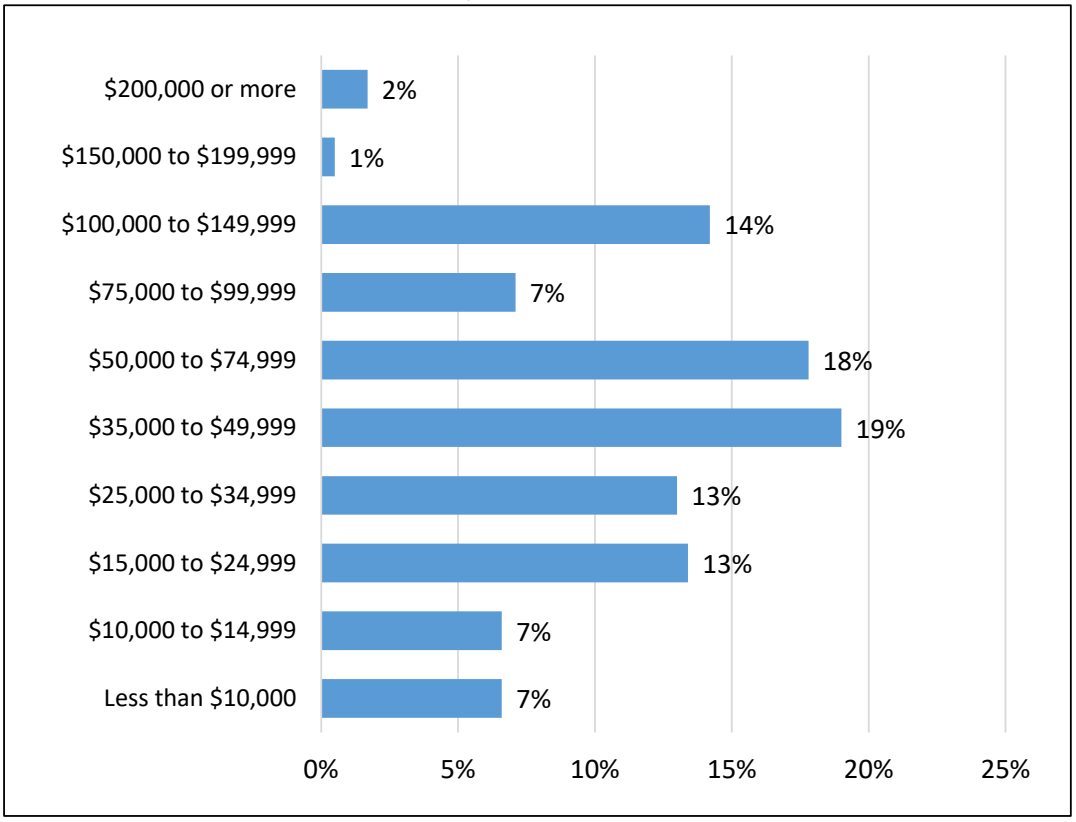
Census Tables: DP-1 (2000, 2010); DP-3 (2000); S1901; S19301

- Baker City's estimated median household income was $46,000 in 2020. This is slightly higher than the Baker County median of $43,000, but 18% lower than the statewide median of $56,000.
- Baker City's per capita income is roughly $26,500.
- Median income has grown an estimated 20% between 2010 and 2019, in real dollars. Inflation was an estimated 18% over this period, so the local median income has kept pace with inflation. This is not the case in many regions and nationally, where income growth has not kept pace with inflation.

Figure 2.6 presents the estimated distribution of households by income as of 2018. The largest income cohorts are those households earning between $35k and $75k, followed by households earning between $15k and $35k. Fifty-five percent of households earn between $25,000 and $75,000.

- Roughly 25% of households earn less than $25k per year, while roughly 25% of households earn $75k or more.
- Over 16% of households earn more than $100k per year.

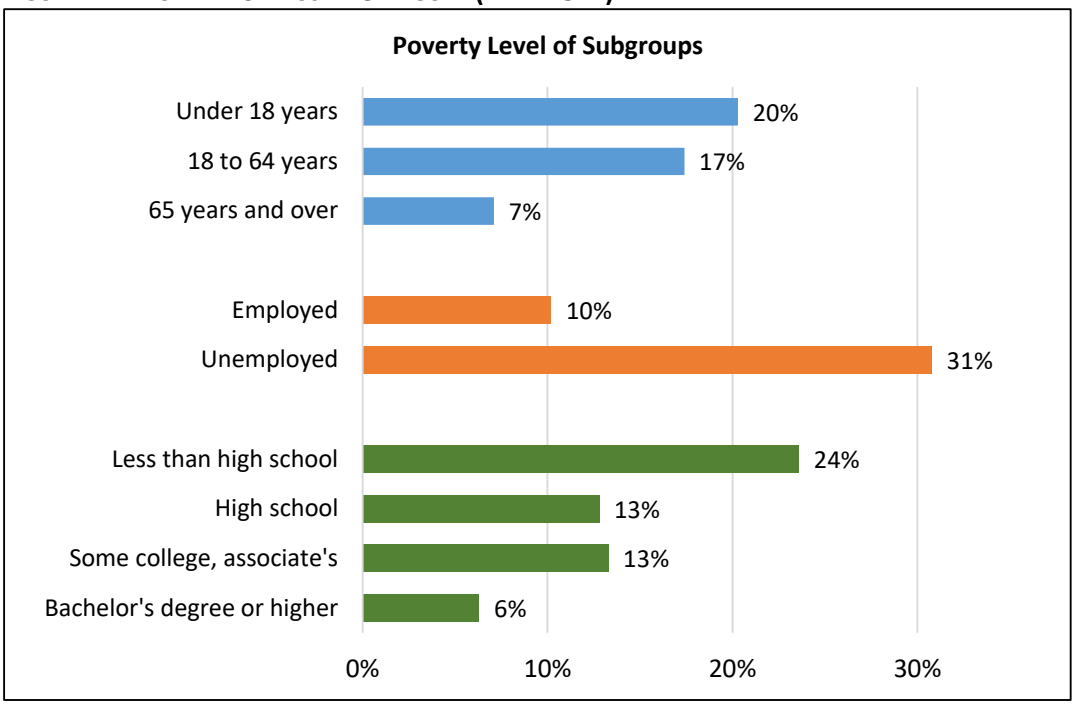
**FIGURE 2.6: HOUSEHOLD INCOME COHORTS, 2018**




SOURCE: US Census, Census Tables: S1901 (2018 ACS 5-yr Est.)

## H. POVERTY STATISTICS

**FIGURE 2.7: POVERTY STATUS BY CATEGORY (BAKER CITY)**




SOURCE: US Census

Census Tables: S1701 (2018 ACS 5-yr Est.)

According to the US Census, the official poverty rate in Baker City is an estimated 16% over the most recent period reported (2018 5-year estimates).[3] This is roughly 1,450 individuals in Baker City. In comparison, the official poverty rate across the state is a similar 17%. In the 2014-18 period:

- The Baker City poverty rate is lowest among those over 65 years of age at 7%. The rate is 17% among those between 18 and 64 years of age. The estimated rate is the highest for children at 20%.
- For those without a high school diploma the poverty rate is 24%, and for those with a high school diploma, the poverty rate is 13%. For those with a college degree the rate is 6%.
- Among those who are employed the poverty rate is 10%, while it is 31% for those who are unemployed.

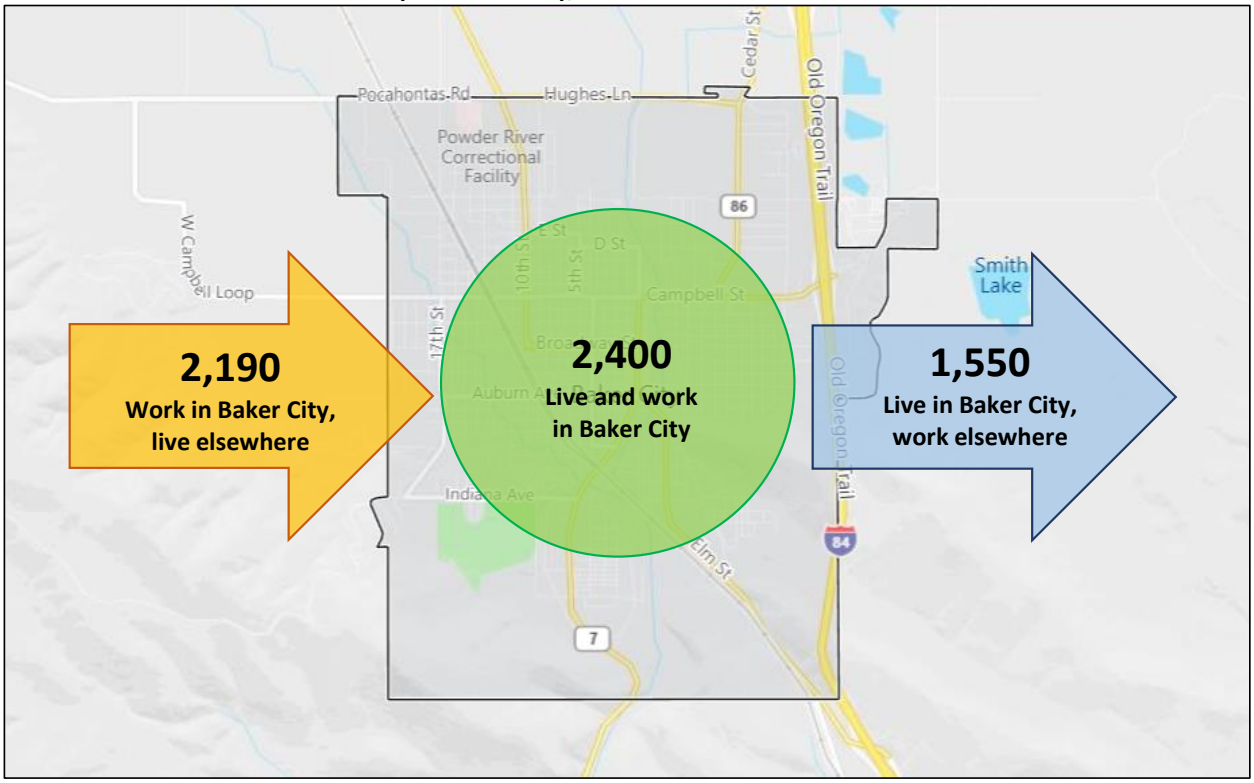
Information on affordable housing is presented in Section II F of this report.

## I. EMPLOYMENT LOCATION TRENDS

This section provides an overview of employment and industry trends in Baker City that are related to housing.

**Commuting Patterns:** The following figure shows the inflow and outflow of commuters to Baker City according to the Census Employment Dynamics Database. These figures reflect "covered employment" as of 2017, the most recent year available. (Covered employment refers to those jobs where the employee is covered by federal unemployment insurance.) This category does not include many contract employees and self-employed and therefore is not a complete picture of local employment. The figure discussed here is best understood as indicators of the general pattern of commuting and not exact figures.

**FIGURE 2.8: COMMUTING PATTERNS (PRIMARY JOBS), BAKER CITY**




Source: US Census Longitudinal Employer-Household Dynamics

[3] Census Tables: S1701 (2018 ACS 5-yr Estimates)

As of 2017, the most recent year available, the Census estimated there were nearly 4,600 covered employment jobs located in Baker City. Of these, an estimated 2,400 or 52%, are held by local residents, while nearly 2,200 employees commute into the city from elsewhere. This pattern is fairly common among most communities. The most common homes of local workers commuting into the city are La Grande and Huntington.

Of the estimated 3,950 employed Baker City residents, 39% of them commute elsewhere to employment. The most common destinations for Baker City commuters are La Grande and Pendleton.

**Jobs/Household Ratio:** Baker City features a fairly low jobs-to-households ratio. There are an estimated 4,600 jobs in the city of Baker City (including covered and non-covered), and an estimated 4,313 households in Baker City. This represents 1.1 jobs per household. There is no standard jobs-to-households ratio that is right for all communities, but it can provide a guide to the balance between employment uses and residential uses in the city.

# III. CURRENT HOUSING CONDITIONS

This section presents a profile of the current housing stock and market indicators in Baker City. This profile forms the foundation to which current and future housing needs will be compared.

## A. HOUSING TENURE

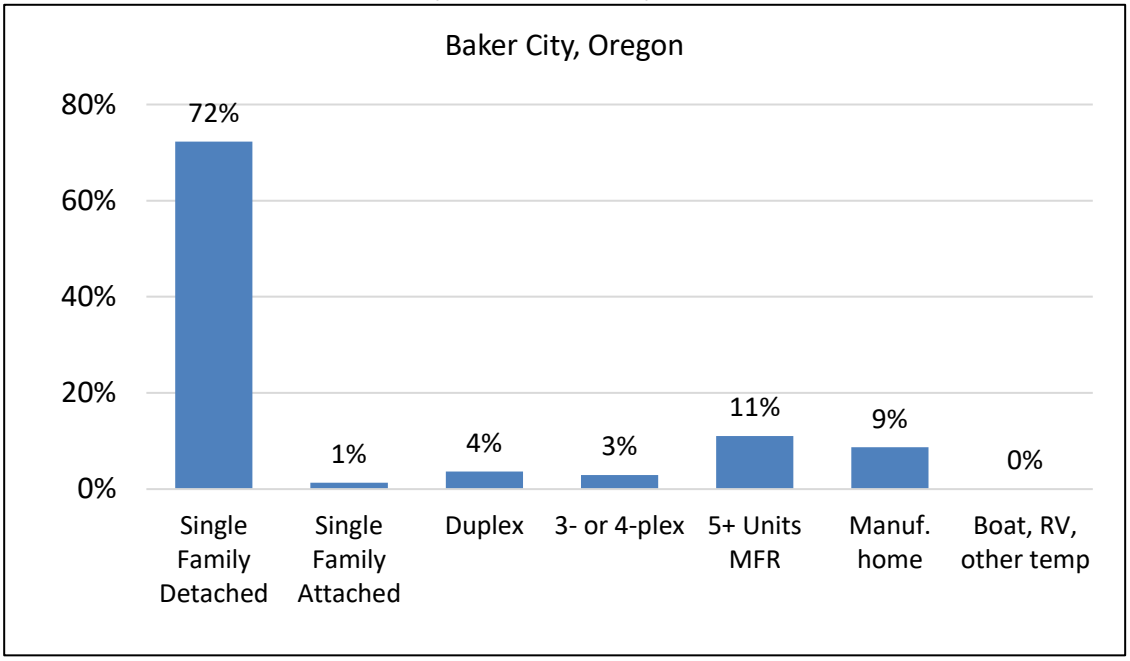
Baker City has a greater share of homeowner households than renter households. The 2018 American Community Survey estimates that 66% of occupied units were owner occupied, and 34% renter occupied. The ownership rate has remained stable since 2000. During this period the statewide rate fell from 64% to 61%. Nationally, the homeownership rate is a similar 66%.

The estimated ownership rate is higher across Baker County (70%).

## B. HOUSING STOCK

As shown in Figure 2.1, Baker City had an estimated 4,736 housing units in 2020, with a vacancy rate of 8.9% (includes ownership, rental units, and second homes). The housing stock has increased by roughly 300 units since 2000, or growth of 7%.

**FIGURE 3.1: ESTIMATED SHARE OF UNITS, BY PROPERTY TYPE, 2018**




SOURCE: US Census, City of Baker City

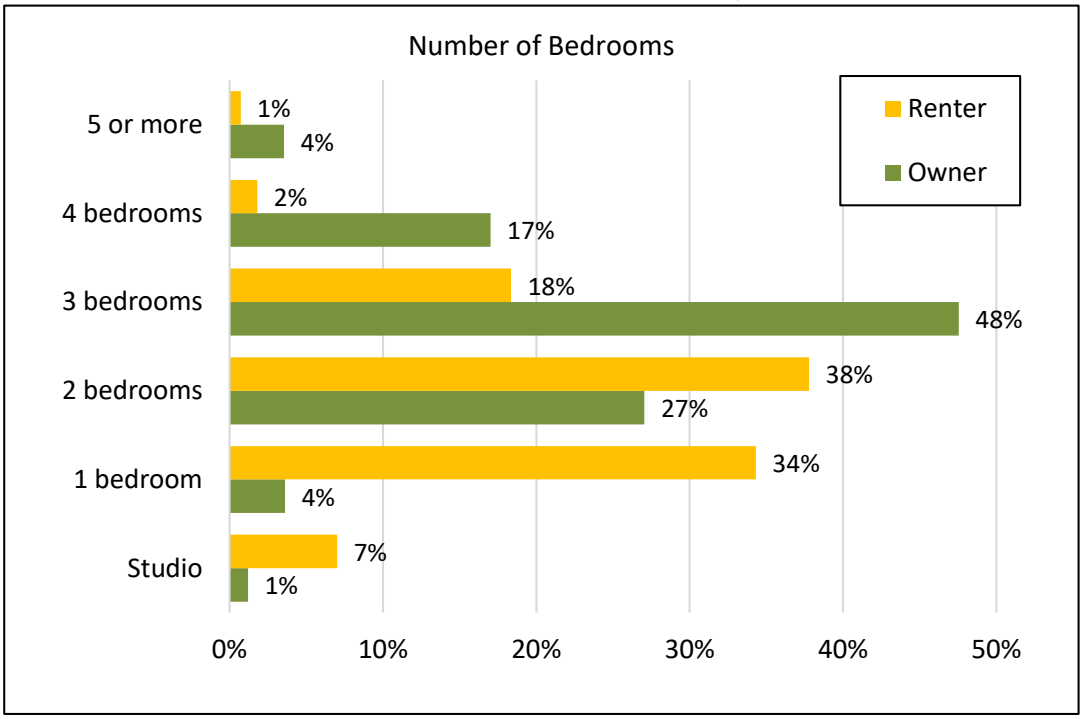
Figure 3.1 shows the estimated number of units by type in 2020 based on US Census. Detached single-family homes represent an estimated 72% of housing units. Manufactured homes represent an additional 9% of the inventory.

Units in larger apartment complexes of 5 or more units represent only 11% of units, and other types of attached homes represent 8% of units. (Attached single family generally includes townhomes, some condos, and 2 to 4-plexes which are separately metered.)

## C. NUMBER OF BEDROOMS

Figure 3.2 shows the share of units for owners and renters by the number of bedrooms they have. In general, owner-occupied units are much more likely to have three or more bedrooms, while renter-occupied units are much more likely to have two or fewer bedrooms.

**FIGURE 3.2: NUMBER OF BEDROOMS FOR OWNER AND RENTER UNITS, 2018**




SOURCE: US Census
Census Tables: B25042 (2018 ACS 5-year Estimates)

## D. UNIT TYPES BY TENURE

As Figure 3.3 and 3.4 show, a large share of owner-occupied units (88%) are detached homes, which is related to why owner-occupied units tend to have more bedrooms, as do manufactured homes (11%). Renter-occupied units are much more distributed among a range of structure types. An estimated 46% of rented units also detached homes or manufactured homes, while the remainder are some form of attached unit. Nearly 32% of rental units are in larger apartment complexes.

**FIGURE 3.3: CURRENT INVENTORY BY UNIT TYPE, FOR OWNERSHIP AND RENTAL HOUSING**

**OWNERSHIP HOUSING**

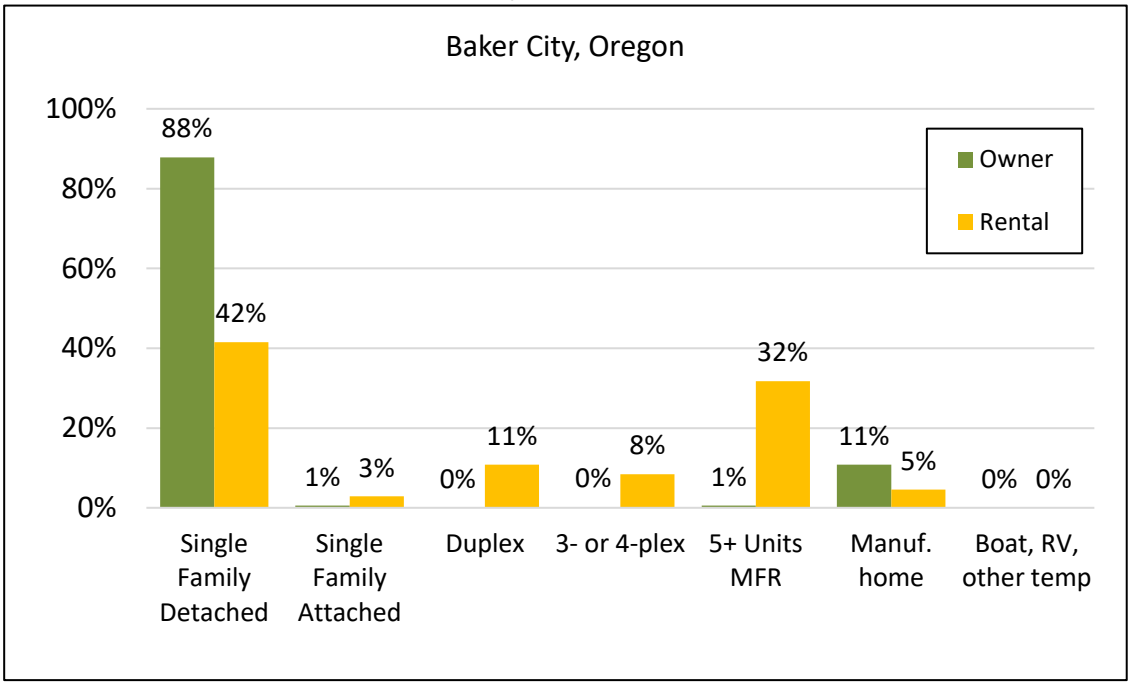
| OWNERSHIP HOUSING | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Price Range | Single Family Detached | Single Family Attached | Duplex | 3- or 4-plex | 5+ Units MFR | Manuf. home | Boat, RV, other temp | Total Units |
| Totals: | 2,759 | 18 | 0 | 6 | 18 | 339 | 0 | 3,141 |
| Percentage: | 87.8% | 0.6% | 0.0% | 0.2% | 0.6% | 10.8% | 0.0% | 100% |

**RENTAL HOUSING**

| RENTAL HOUSING | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Price Range | Single Family Detached | Single Family Attached | Duplex | 3- or 4-plex | 5+ Units MFR | Manuf. home | Boat, RV, other temp | Total Units |
| Totals: | 663 | 46 | 173 | 135 | 506 | 73 | 0 | 1,595 |
| Percentage: | 41.5% | 2.9% | 10.8% | 8.5% | 31.7% | 4.6% | 0.0% | 100% |

Sources: US Census, JOHNSON ECONOMICS, CITY OF BAKER CITY

**FIGURE 3.4: CURRENT INVENTORY BY UNIT TYPE, BY SHARE**

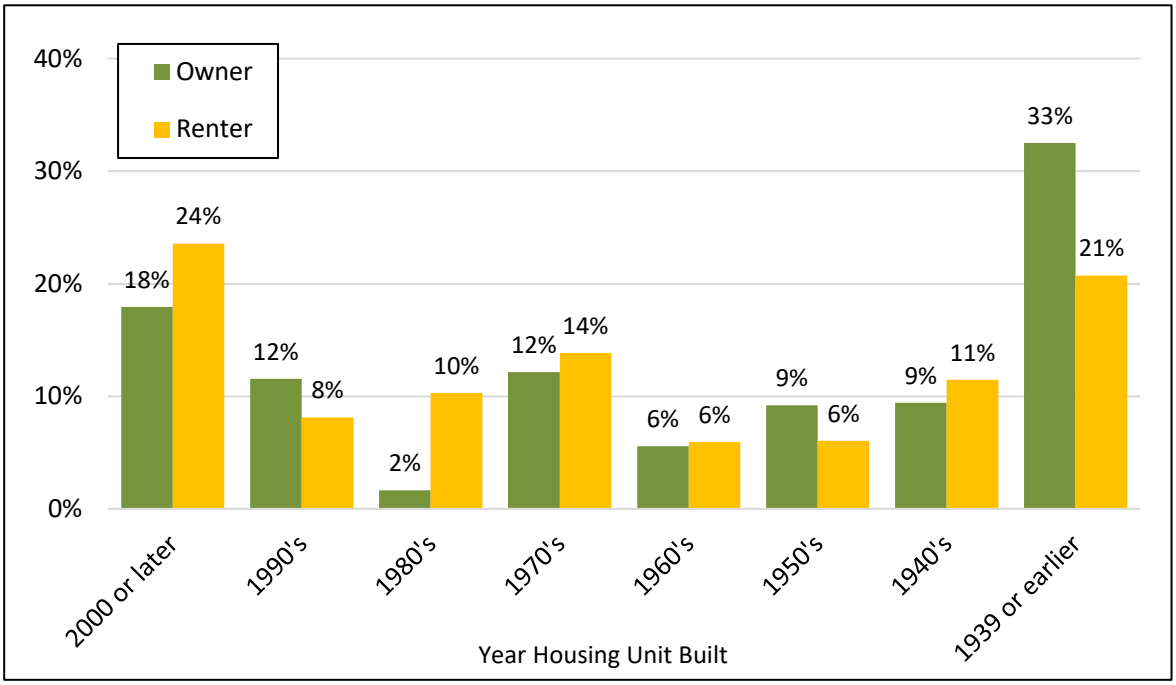



Sources: US Census, JOHNSON ECONOMICS, CITY OF BAKER CITY

## E. AGE AND CONDITION OF HOUSING STOCK

Baker City's housing stock reflects the pattern of development over time. Eighty percent of the housing stock is pre-2000 with the remainder being post-2000. The single largest share of housing stock was built in the first half of the last century.

**FIGURE 3.5: AGE OF UNITS FOR OWNERS AND RENTERS**




SOURCE: US Census
Census Tables: B25036 (2018 ACS 5-year Estimates)

- Unfortunately, good quantitative data on housing condition is generally unavailable without an intensive on-site survey of all local housing that is beyond the scope of this analysis. Census categories related to housing condition are ill-suited for this analysis, dealing with such issues as units without indoor plumbing, which was more common in the mid-20th Century, but is an increasingly rare situation. Age of units serves as the closest reliable proxy for condition with available data. By this measure, Baker City does have many older homes that are likely in poorer condition than the average newer home, but also offer a lower cost housing option.
- For ownership units, older homes may be in poor condition, but are also more likely to have undergone some repair and renovation over the years. Rental units are more likely to degrade steadily with age and wear-and-tear and are less likely to receive sufficient reinvestment to keep them in top condition, though this is not universally true.

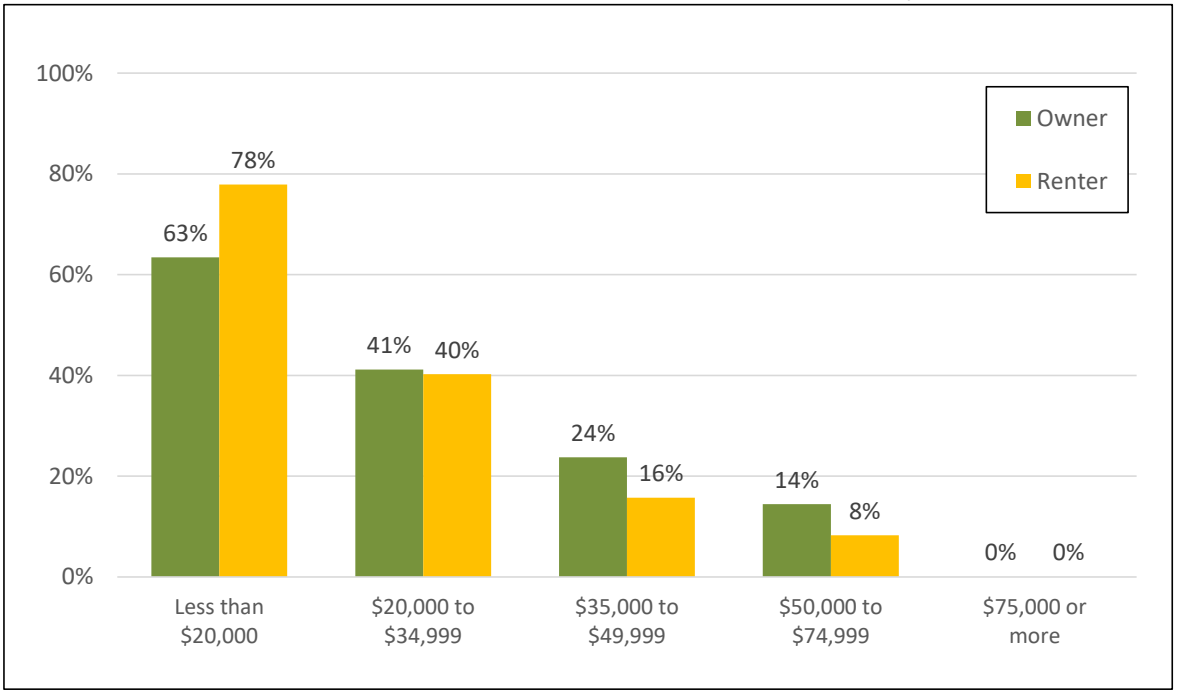
## F. HOUSING COSTS VS. LOCAL INCOMES

Figure 3.6 shows the share of owner and renter households who are paying more than 30% of their household income towards housing costs, by income segment. (Spending 30% or less on housing costs is a common measure of "affordability" used by HUD and others, and in the analysis presented in this report.)

As one would expect, households with lower incomes tend to spend more than 30% of their income on housing, while incrementally fewer of those in higher income groups spend more than 30% of their incomes on housing costs. Of those earning less than $20,000, an estimated 63% of owner households spend more than 30% of income on housing costs and 78% of renters.

In total, the US Census estimates that over 28% of Baker City households pay more than 30% of income towards housing costs (2018 American Community Survey, B25106)

**FIGURE 3.6: SHARE OF HOUSEHOLDS SPENDING MORE THAN 30% ON HOUSING COSTS, BY INCOME GROUP**



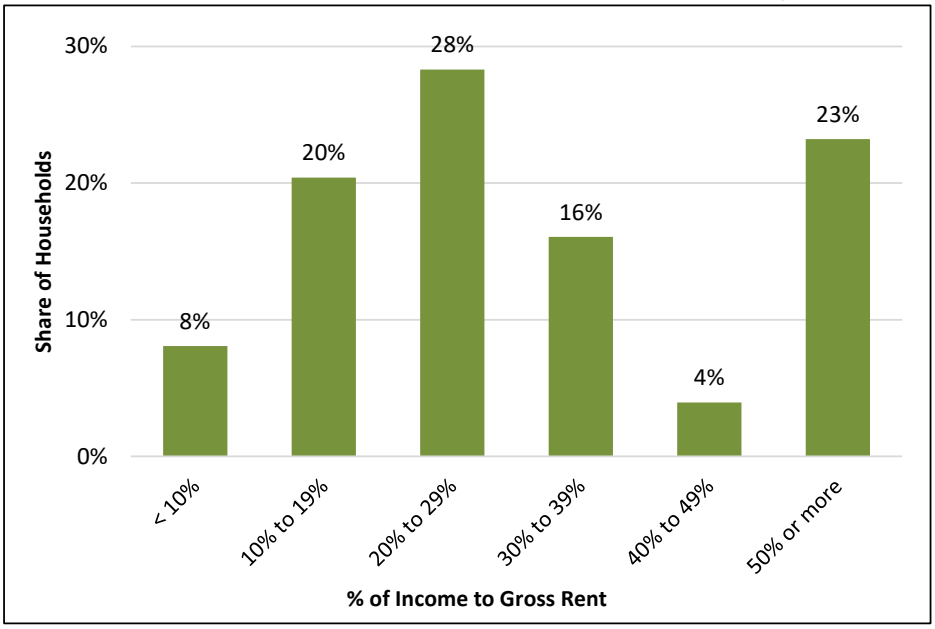

Sources: US Census, JOHNSON ECONOMICS
Census Table: B25106 (2018 ACS 5-yr Estimates)

Housing is generally one of a household's largest living costs, if not the largest. The ability to find affordable housing options, and even build wealth through ownership, is one of the biggest contributors to helping lower income households save and build wealth. Even if renting, affordable housing costs, allow for more household income to be put to other needs, including savings.

The following figures shows the percentage of household income spent towards gross rent[4] for local renter households only. This more fine-grained data shows that not only are 43% of renters spending more than 30% of their income on gross rent, but an estimated 23% of renters are spending 50% or more of their income on housing and are considered severely rent-burdened.

Renters are disproportionately lower income relative to homeowners. Housing cost burdens are felt more broadly for these households, and as the analysis presented in a later section shows there is a need for more affordable rental units in Baker City, as in most communities.

**FIGURE 3.7: PERCENTAGE OF HOUSEHOLD INCOME SPENT ON GROSS RENT, BAKER CITY RENTER HOUSEHOLDS**




Sources: US Census, JOHNSON ECONOMICS
Census Table: B25070 (2018 ACS 5-yr Estimates)

## G. PUBLICLY ASSISTED HOUSING

Baker City has an estimated 147 rent-subsidized housing units, found in 7 properties, according to Oregon Housing and Community Development (OHCS). These properties are funded through HUD programs, tax credits and other programs which guarantee subsidized rents for qualified households.

The estimated 147 subsidized housing units in Baker City represents 3% of *total* local households, and 10% of local *renter* households. The high number of renters still paying over 30% of their income towards housing costs indicates that there is an ongoing need for rental units at the lowest price points.

**Agricultural Worker Housing:** Baker City is not currently home to any housing properties dedicated specifically to agricultural workers. This population may also be served by other available affordable units.

**Homelessness:** A recent analysis prepared for OHCS to test a potential approach for preparing Housing Needs Analyses on a regional basis, included estimates of homeless population in Oregon communities, including Baker City. The approach utilizes a combination of data from the bi-annual Point-in-Time count and from tracking of homeless school-aged children in keeping with the McKinney-Vento Act. The analysis estimates 56 homeless households in Baker City as of mid-2020. These include household who are unsheltered, in temporary shelter, or staying with friends or relatives. These households are a component of current and future housing need. The Oregon Department of Human Services reports that there were 452 homeless participants in the SNAP program *countywide* in the first eight months of 2020.

[4] The Census defines Gross Rent as "the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid by the renter (or paid for the renter by someone else)." Housing costs for homeowners include mortgage, property taxes, insurance, utilities and condo or HOA dues.

## IV. CURRENT HOUSING NEEDS (CITY OF BAKER CITY)

The profile of current housing conditions in the study area is based on Census 2010, which the Portland State University Population Research Center (PRC) uses to develop yearly estimates through 2019. The 2019 estimate is forecasted to 2020 using the estimated growth rate realized since 2010.

**FIGURE 4.1: CURRENT HOUSING PROFILE (2020)**

| CURRENT HOUSING CONDITIONS (2020) | | | SOURCE |
|---|---|---|---|
| Total 2020 Population: | 9,980 | | PSU Pop. Research Center |
| - Estimated group housing population: | 362 | (3.6% of Total) | US Census |
| **Estimated Non-Group 2020 Population:** | **9,619** | (Total - Group) | |
| Avg. HH Size: | 2.23 | | US Census |
| **Estimated Non-Group 2020 Households:** | **4,313** | (Pop/HH Size) | |
| **Total Housing Units:** | **4,736** | (Occupied + Vacant) | Census 2010 + permits |
| Occupied Housing Units: | 4,313 | (= # of HH) | |
| Vacant Housing Units: | 423 | (Total HH - Occupied) | |
| Current Vacancy Rate: | 8.9% | (Vacant units/ Total units) | |

Sources: Johnson Economics, City of Baker City, PSU Population Research Center, U.S. Census

*This table reflects population, household and housing unit projections shown in Figure 2.1

We estimate a current population of just under 10,000 residents, living in 4,313 households (excluding group living situations). Average household size is 2.2 persons.

There are an estimated 4,740 housing units in the city, indicating an estimated vacancy rate of 9%. This includes units vacant for any reason, such as those for sale or rent, vacation homes, short-term rentals and other investments. While this estimated vacancy is high, the experience of those looking for housing in the community is that the availability is very low, particularly for rental apartments, and homes in the most affordable part of the price spectrum.

### ESTIMATE OF CURRENT HOUSING DEMAND

Following the establishment of the current housing profile, the current housing demand was determined based upon the age and income characteristics of current households.

The analysis considered the propensity of households in specific age and income levels to either rent or own their home (tenure), in order to derive the current demand for ownership and rental housing units and the appropriate housing cost level of each. This is done by combining data on tenure by age and tenure by income from the Census American Community Survey (tables: B25007 and B25118, 2018 ACS 5-yr Estimates).

The analysis takes into account the average amount that owners and renters tend to spend on housing costs. For instance, lower income households tend to spend more of their total income on housing, while upper income households spend less on a percentage basis. In this case, it was assumed that households in lower income bands would *prefer* housing costs at no more than 30% of gross income (a common measure of affordability). Higher income households pay a decreasing share down to 20% for the highest income households.

While the Census estimates that most low-income households pay more than 30% of their income for housing, this is an estimate of current *preferred* demand. It assumes that low-income households need (or demand) units affordable to them at no more than 30% of income, rather than more expensive units.

Figure 4.2 presents a snapshot of current housing demand (i.e. preferences) equal to the number of households in the study area (4,313). The breakdown of tenure (owners vs. renters) reflects data from the 2018 ACS.

**FIGURE 4.2: ESTIMATE OF CURRENT HOUSING DEMAND (2020)**

| Ownership | | | | |
|---|---|---|---|---|
| **Price Range** | **# of Households** | **Income Range** | **% of Total** | **Cumulative** |
| $0k - $80k | 175 | Less than $15,000 | 6.1% | 6.1% |
| $80k - $120k | 276 | $15,000 - $24,999 | 9.6% | 15.6% |
| $120k - $160k | 232 | $25,000 - $34,999 | 8.0% | 23.7% |
| $160k - $220k | 434 | $35,000 - $49,999 | 15.0% | 38.7% |
| $220k - $270k | 591 | $50,000 - $74,999 | 20.5% | 59.2% |
| $270k - $360k | 345 | $75,000 - $99,999 | 12.0% | 71.1% |
| $360k - $450k | 307 | $100,000 - $124,999 | 10.7% | 81.8% |
| $450k - $540k | 237 | $125,000 - $149,999 | 8.2% | 90.0% |
| $540k - $710k | 184 | $150,000 - $199,999 | 6.4% | 96.4% |
| $710k + | 103 | $200,000+ | 3.6% | 100.0% |
| **Totals:** | **2,883** | | **% of All:** | **66.9%** |

| Rental | | | | |
|---|---|---|---|---|
| **Rent Level** | **# of Households** | **Income Range** | **% of Total** | **Cumulative** |
| $0 - $400 | 302 | Less than $15,000 | 21.2% | 21.2% |
| $400 - $600 | 267 | $15,000 - $24,999 | 18.7% | 39.8% |
| $600 - $800 | 246 | $25,000 - $34,999 | 17.2% | 57.1% |
| $800 - $1100 | 237 | $35,000 - $49,999 | 16.5% | 73.6% |
| $1100 - $1300 | 220 | $50,000 - $74,999 | 15.4% | 89.0% |
| $1300 - $1700 | 137 | $75,000 - $99,999 | 9.6% | 98.6% |
| $1700 - $2100 | 0 | $100,000 - $124,999 | 0.0% | 98.6% |
| $2100 - $2500 | 0 | $125,000 - $149,999 | 0.0% | 98.6% |
| $2500 - $3400 | 12 | $150,000 - $199,999 | 0.8% | 99.5% |
| $3400 + | 7 | $200,000+ | 0.5% | 100.0% |
| **Totals:** | **1,430** | | **% of All:** | **33.1%** |

| **All Households** |
|---|
| **4,313** |

Sources: PSU Population Research Center, Environics Analytics., Census, JOHNSON ECONOMICS
Census Tables: B25007, B25106, B25118 (2018 ACS 5-yr Estimates)
Environics Analytics: Estimates of income by age of householder

The estimated home price and rent ranges are irregular because they are mapped to the affordability levels of the Census income level categories. For instance, an affordable home for those in the lowest income category (less than $15,000) would have to cost $80,000 or less. Affordable rent for someone in this category would be $400 or less.

The affordable price level for ownership housing assumes 30-year amortization, at an interest rate of 5% (significantly more than the current rate, but in line with historic norms), with 15% down payment. These assumptions are designed to represent prudent lending and borrowing levels for ownership households. The 30-year mortgage commonly serves as the standard. In the 2000's, down payment requirements fell significantly, but standards have tightened somewhat since the 2008/9 credit crisis. While 20% is often cited as the standard for most

buyers, it is common for homebuyers, particularly first-time buyers, to pay significantly less than this using available programs.

Interest rates are subject to disruption from national and global economic forces, and therefore impossible to forecast beyond the short term. The 5% used here is roughly the average 30-year rate over the last 20 years. The general trend has been falling interest rates since the early 1980's, but many economists believe that rates may be reaching a lower bound, as the effective Federal funds rate has been near 0% for much of the last decade.

During the 2020 Covid-19 emergency, the Federal Reserve has again cut their benchmark funds rate to near zero, which has reduced mortgage rates moderately, but not dramatically. The economic uncertainty has the effect of making lenders more cautious, and this can balance the effect of a lower federal rate.

### CURRENT HOUSING INVENTORY

The profile of current housing demand (Figure 4.2) represents the preference and affordability levels of households. In reality, the current housing supply (Figures 4.3 and 4.4 below) differs from this profile, meaning that some households may find themselves in housing units which are not optimal, either not meeting the household's own/rent preference, or being unaffordable (requiring more than 30% of gross income).

A profile of current housing supply in Baker City was estimated based on permit data from the City of Baker City and Census data from the most recently available 2018 ACS, which provides a profile of housing types (single family, attached, manufactured home, etc.), tenure, housing values, and rent levels. The 5-year estimates from the ACS were used because 3-year and 1-year estimates are not yet available for Baker City geography.

- An estimated 66% of housing units are ownership units, while an estimated 34% of housing units are rental units. This is very similar to the estimated demand profile shown in Figure 4.2. The inventory includes vacant units.

- 88% of ownership units are detached homes, and 11% are manufactured homes. Forty-six percent of rental units are either single family homes or manufactured homes, while 32% are in structures of 5 units or more.

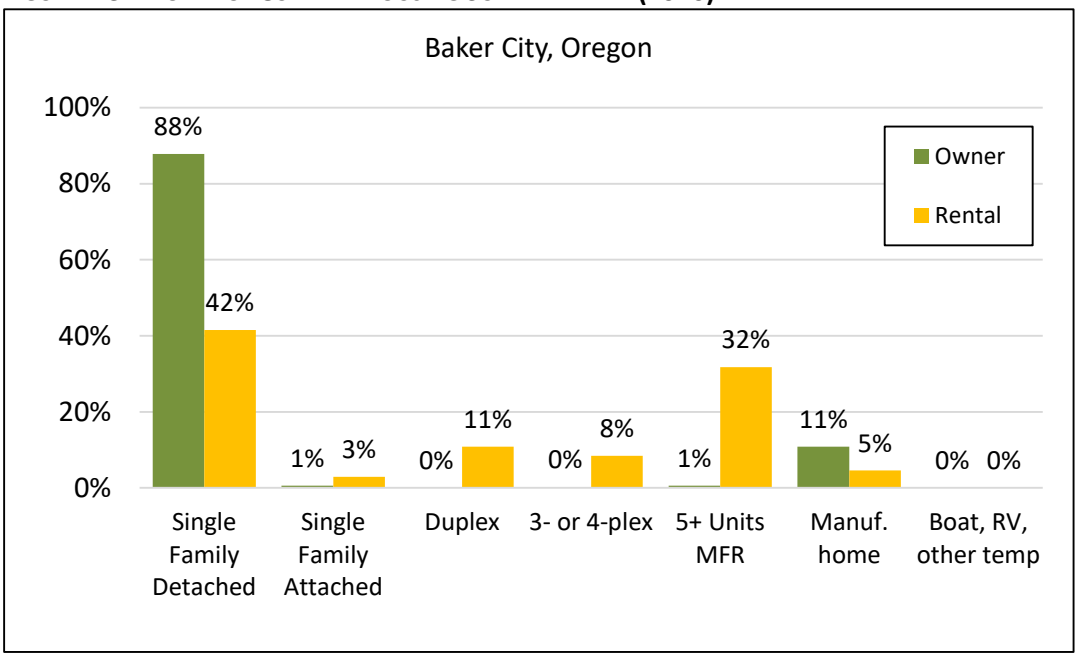
- Of total housing units, an estimated 72% are detached homes, and 9% are manufactured homes. Nineteen percent are some sort of attached unit type.

- The affordability of different unit types is an approximation based on Census data on the distribution of housing units by value (ownership) or gross rent (rentals).

- Most subsidized affordable housing units found in the city are represented by the inventory at the lowest end of the rental spectrum.

- Ownership housing found at the lower end of the value spectrum generally reflect mobile homes, older, smaller homes, or homes in poor condition on small or irregular lots. **It is important to note that these represent estimates of current *property value or current housing cost to the owner*, not the current market pricing of homes for sale in the city.** These properties may be candidates for redevelopment when next they sell but are currently estimated to have low value/low carrying cost to the occupant.

**FIGURE 4.3: PROFILE OF CURRENT HOUSING SUPPLY BY TYPE (2020)**




Sources: US Census, PSU Population Research Center, JOHNSON ECONOMICS
Census Tables: B25004, B25032, B25063, B25075 (2018 ACS 5-yr Estimates)

**FIGURE 4.4: PROFILE OF CURRENT HOUSING SUPPLY, ESTIMATED AFFORDABILITY (2020)**

| Income Range | Ownership Housing | | Rental Housing | | Share of Total Units |
|---|---|---|---|---|---|
| | Affordable Price Level | Estimated Units | Affordable Rent Level | Estimated Units | |
| Less than $15,000 | $0k - $80k | 543 | $0 - $400 | 270 | 17% |
| $15,000 - $24,999 | $80k - $120k | 803 | $400 - $600 | 407 | 26% |
| $25,000 - $34,999 | $120k - $160k | 487 | $600 - $800 | 368 | 18% |
| $35,000 - $49,999 | $160k - $220k | 442 | $800 - $1100 | 291 | 15% |
| $50,000 - $74,999 | $220k - $270k | 264 | $1100 - $1300 | 109 | 8% |
| $75,000 - $99,999 | $270k - $360k | 342 | $1300 - $1700 | 82 | 9% |
| $100,000 - $124,9 | $360k - $450k | 153 | $1700 - $2100 | 28 | 4% |
| $125,000 - $149,9 | $450k - $540k | 49 | $2100 - $2500 | 3 | 1% |
| $150,000 - $199,9 | $540k - $710k | 40 | $2500 - $3400 | 28 | 1% |
| $200,000+ | $710k + | 18 | $3400 + | 11 | 1% |
| | 66% | 3,141 | 34% | 1,595 | 0% 10% 20% 30% 40% |

Sources: US Census, PSU Population Research Center, JOHNSON ECONOMICS
Census Tables: B25004, B25032, B25063, B25075 (2018 ACS 5-yr Estimates)

### COMPARISON OF CURRENT HOUSING DEMAND WITH CURRENT SUPPLY

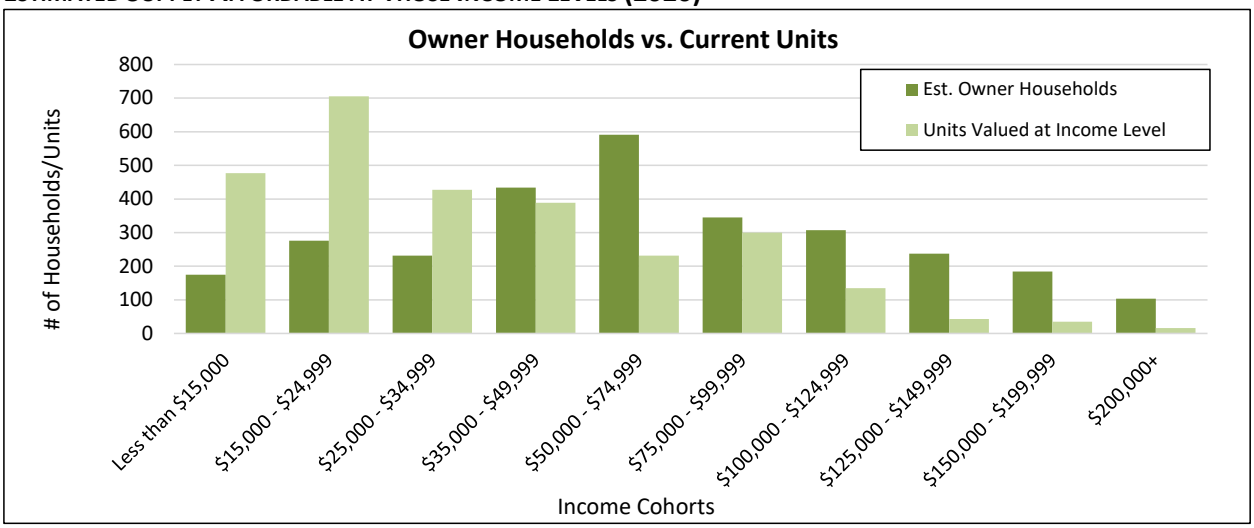
A comparison of estimated current housing *demand* with the existing *supply* identifies the existing discrepancies between needs and the housing which is currently available. The estimated number of units outnumbers the number of households by roughly 180 units, indicating an average vacancy rate of 5%.

In general, this identifies that there is currently support for more ownership housing in the middle price ranges. This is because much housing in Baker City is clustered at lower-value levels (older substandard homes, mobile homes), while analysis of household incomes and ability to pay indicates that some households could afford housing at higher price points. The analysis supports the feedback from local stakeholders, that more homes are needed in the $150k to $250k price range, while homes on the market tend to be above or below this range.

The analysis finds that the current market rates for most rental units are in the $400 to $1,000/month range. Therefore, this is where most of the rental unit supply is currently clustered. While there is a fair amount of low-rent and subsidized units in the community, there is still some unmet need at the lowest end of the income scale, where many current renters pay more than 30% of their income in housing costs. There is also an indication that some renter households could support more units at higher rent levels. Rentals at more expensive levels generally represent single family homes for rent.

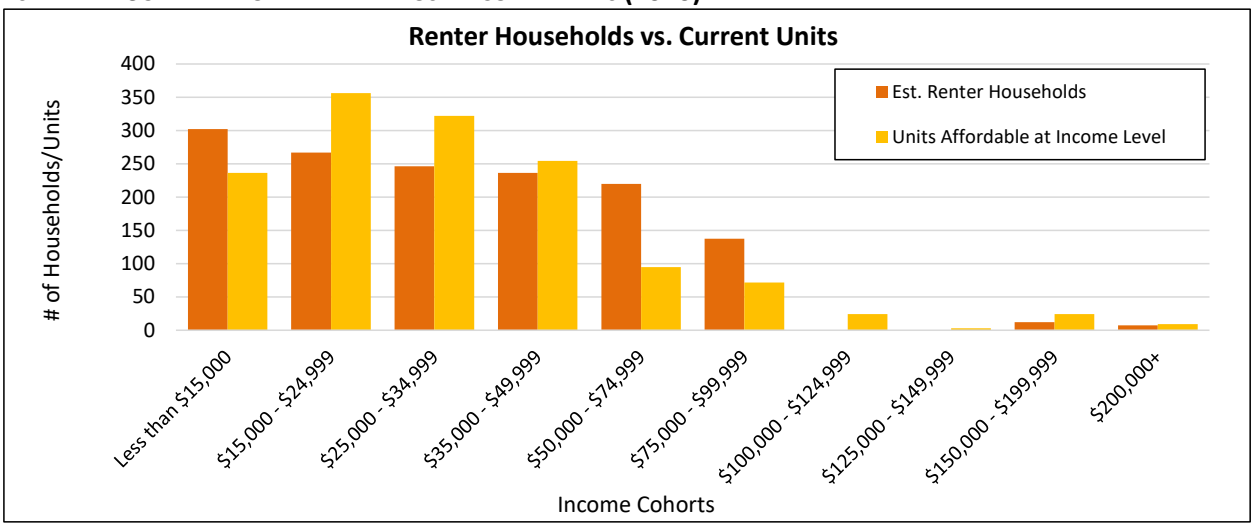
Figures 4.5 and 4.6 present this information in chart form, comparing the estimated number of households in given income ranges, and the supply of units currently valued (ownership) or priced (rentals) within those income ranges. The data is presented for owner and renter households.

**FIGURE 4.5: COMPARISON OF OWNER HOUSEHOLD INCOME GROUPS TO ESTIMATED SUPPLY AFFORDABLE AT THOSE INCOME LEVELS (2020)**




Sources: PSU Population Research Center, City of Baker City, Census, JOHNSON ECONOMICS

**FIGURE 4.6: COMPARISON OF RENTER HOUSEHOLD INCOME GROUPS TO ESTIMATED SUPPLY AFFORDABLE AT THOSE INCOME LEVELS (2020)**




Sources: PSU Population Research Center, City of Baker City, Census, JOHNSON ECONOMICS

The home value and rent segments which show a "surplus" in Figures 4.5 and 4.6 illustrate where current property values and market rent levels are in Baker City. Housing prices and rent levels will tend to congregate around those levels. These levels will be too costly for some (i.e. require more than 30% in gross income) or "too affordable" for others (i.e. they have income levels that indicate they could afford more expensive housing if it were available).

In general, these findings demonstrate that there is a need for more home buying opportunities in the heart of Baker City's income distribution, where most households are found. There is also a need for additional subsidized affordable units for low-income households. There is also a need for more market-rate apartment units of all types to alleviate low vacancy and availability in the community, even though this is where most of the current units are clustered. There may also be support for more higher-end rentals, often found in single family homes for rent.

### HOME SALE PRICES

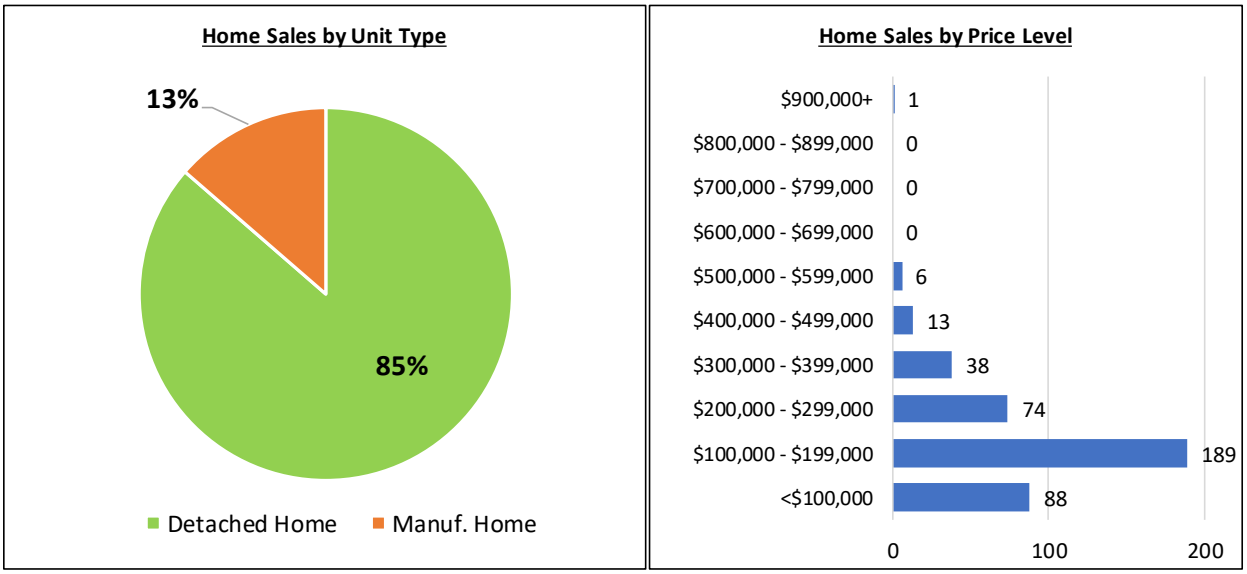
**It is important to note that the figures presented in the prior section represent estimates of current *property value or current housing cost to the owner*, not the current market pricing of homes for sale in the city.** For instance, a household living in a manufactured home that has been paid off over many years may have relatively low housing costs. This indicates that one owner household is living in a "lower value" unit. It does **not** indicate that units at this price point are available on the current market.

If this hypothetical household were to sell their home, it would likely sell at a higher price reflecting inflation and current achievable market prices. For this reason, many of the lower value or lower rent units found in the previous section will actually become higher-priced units when they are sold or become vacant.

For reference, this section presents home sales data between Fall 2018 and Fall 2020 to indicate housing costs for new entrants into the market (Figure 4.7).

- The median sale price was $158,000.
- The average (mean) sale price was $185,000.
- The average price per square foot was $101/s.f.
- The median square footage was 1,620 s.f.

**FIGURE 4.7: BAKER CITY HOME SALES (12 MONTHS)**




Sources: RMLS, JOHNSON ECONOMICS

- 46% of sales were priced between $100,000 and $199,000.
- 22% of sales were priced below $100,000.
- 32% of sales were priced at $200,000 or more.

**Affordability:** As indicated, 64% of recent sales in Baker City took place within the $100,000 to $300,000 price range. Homes in this range should be affordable to many households earning from roughly $30,000 to $90,000 per year. Roughly 50% of local households fall within these income segments.

**New Housing Supply:** As one would expect, newly built housing units tend to be more expensive than older homes. In the last two years, homes built since 2010 in Baker City have sold for a median price of $280,000, and an average (mean) price of $305,000. In both cases, these prices for newer homes are roughly $125,000 higher than the total median and mean for all units regardless of age.

This indicates that new homes built in Baker City will tend to be priced higher than many local households can afford. However, this price range is still appropriate for roughly 30% of local ownership households with incomes above $75,000 per year.

* * *

The findings of current need form the foundation for projected future housing need, presented in the following section.

# V. FUTURE HOUSING NEEDS - 2040 (CITY OF BAKER CITY)

## BASELINE FORECAST

The projected future (20-year) housing profile (Figure 5.1) in the study area is based on the current housing profile (2020), multiplied by an assumed projected future household growth rate. The projected future growth is the forecasted 2040 population for the City of Baker City included in the most recent forecast from the PSU Population Forecast program (2019). This forecast estimates that the Baker City population will remain essentially flat between 2020 and 2040.

**FIGURE 5.1: FUTURE HOUSING PROFILE (2040)**

| PROJECTED FUTURE HOUSING CONDITIONS (2020 - 2040) | | | SOURCE |
|---|---|---|---|
| 2020 Population (Minus Group Pop.) | 9,619 | | PSU |
| Projected Annual Growth Rate | -0.1% | PSU Population Forecast Program | Metro |
| 2040 Population (Minus Group Pop.) | 9,492 | (Total 2040 Population - Group Housing Pop.) | |
| Estimated group housing population: | 357 | Share of total pop. (1.4%) | US Census |
| **Total Estimated 2040 Population:** | **9,849** | | |
| **Estimated Non-Group 2040 Households:** | **4,543** | (2040 Non-Group Pop./Avg. Household Size) | |
| New Households 2020 to 2040 | 229 | | |
| Avg. Household Size: | 2.09 | Projected household size | US Census |
| **Total Housing Units:** | **4,970** | Occupied Units plus Vacant | |
| Occupied Housing Units: | 4,543 | (= Number of Non-Group Households) | |
| Vacant Housing Units: | 442 | (= Total Units - Occupied Units) | |
| Projected Market Vacancy Rate: | 8.9% | (Vacant Units/ Total Units) | |

Sources: PSU Population Research Center, Census, JOHNSON ECONOMICS LLC
*Projections are applied to estimates of 2020 population, household and housing units shown in Figure 2.1

The model projects growth in the number of non-group households over 20 years of nearly 230 households, with accompanying population growth being basically flat. There is projected growth in the number of households because household size is forecasted to fall over the 20-year period. Therefore, while the population size is similar, they are projected to be housed in more, but smaller households.

(The total number of housing units includes a percentage of vacancy. Projected housing unit needs are discussed below.)

## PROJECTION OF FUTURE HOUSING UNIT DEMAND (2040)

The profile of future housing demand was derived using the same methodology used to produce the estimate of current housing need. This estimate includes current and future households *but does not include a vacancy assumption*. *The vacancy assumption is added in the subsequent step.* Therefore, the need identified below is the total need for actual households in occupied units (4,543).

The analysis considered the propensity of households at specific age and income levels to either rent or own their home, in order to derive the future need for ownership and rental housing units, and the affordable cost level of each. The projected need is for *all* 2040 households and therefore includes the needs of current households.

The price levels presented here use the same assumptions regarding the amount of gross income applied to housing costs, from 30% for low income households down to 20% for the highest income households.

The affordable price level for ownership housing assumes 30-year amortization, at an interest rate of 5%, with 15% down payment. Because of the impossibility of predicting variables such as interest rates 20 years into the future, these assumptions were kept constant from the estimation of current housing demand. Income levels and price levels are presented in 2020 dollars.

Figure 5.2 presents the projected occupied future housing demand (current and new households, without vacancy) in 2040.

**FIGURE 5.2: PROJECTED OCCUPIED FUTURE HOUSING DEMAND (2040)**

| Ownership | | | | |
|---|---|---|---|---|
| **Price Range** | **# of Households** | **Income Range** | **% of Total** | **Cumulative** |
| $0k - $80k | 184 | Less than $15,000 | 6.2% | 6.2% |
| $80k - $120k | 274 | $15,000 - $24,999 | 9.3% | 15.5% |
| $120k - $160k | 234 | $25,000 - $34,999 | 7.9% | 23.4% |
| $160k - $220k | 436 | $35,000 - $49,999 | 14.7% | 38.1% |
| $220k - $270k | 614 | $50,000 - $74,999 | 20.8% | 58.9% |
| $270k - $360k | 358 | $75,000 - $99,999 | 12.1% | 71.0% |
| $360k - $450k | 317 | $100,000 - $124,999 | 10.7% | 81.7% |
| $450k - $540k | 245 | $125,000 - $149,999 | 8.3% | 90.0% |
| $540k - $710k | 190 | $150,000 - $199,999 | 6.4% | 96.4% |
| $710k + | 107 | $200,000+ | 3.6% | 100.0% |
| **Totals:** | **2,957** | | **% of All:** | **65.1%** |

| Rental | | | | |
|---|---|---|---|---|
| **Rent Level** | **# of Households** | **Income Range** | **% of Total** | **Cumulative** |
| $0 - $400 | 319 | Less than $15,000 | 20.1% | 20.1% |
| $400 - $600 | 299 | $15,000 - $24,999 | 18.8% | 38.9% |
| $600 - $800 | 270 | $25,000 - $34,999 | 17.0% | 55.9% |
| $800 - $1100 | 270 | $35,000 - $49,999 | 17.0% | 73.0% |
| $1100 - $1300 | 240 | $50,000 - $74,999 | 15.1% | 88.1% |
| $1300 - $1700 | 150 | $75,000 - $99,999 | 9.4% | 97.6% |
| $1700 - $2100 | 6 | $100,000 - $124,999 | 0.4% | 98.0% |
| $2100 - $2500 | 5 | $125,000 - $149,999 | 0.3% | 98.3% |
| $2500 - $3400 | 17 | $150,000 - $199,999 | 1.1% | 99.4% |
| $3400 + | 10 | $200,000+ | 0.6% | 100.0% |
| **Totals:** | **1,586** | | **% of All:** | **34.9%** |

| All Units |
|---|
| **4,543** |

Sources: Census, Environics Analytics, JOHNSON ECONOMICS

The number of households across the income spectrum seeking a range of both ownership and rental housing is anticipated to grow. It is projected that the homeownership rate in Baker City will fall over the next 20 years from 67% to 65%. The number of renter households is projected to grow somewhat as a share of all households.

The main reason for this is that new housing types are likely to be more expensive on average, than the existing housing stock. Households that might own a mobile home or older home are more likely to rent if these are less available. At the same time, development trends in the Metro area, and increasingly limited land for development, point to increased development of attached types of housing such as small duplexes, triplexes and multi-family housing. On balance, these housing types tend to accommodate more renters than owners.

### COMPARISON OF FUTURE HOUSING DEMAND TO CURRENT HOUSING INVENTORY

The profile of occupied future housing demand presented above (Figure 5.2) was compared to the current housing inventory presented in the previous section to determine the total future need for *new* housing units by type and price range (Figure 5.3).

*This estimate includes a vacancy assumption.* As reflected by the most recent Census data, and as is common in most communities, the vacancy rate for rental units is typically higher than that for ownership units. An average vacancy rate of 5% is assumed for the purpose of this analysis, *plus an additional vacancy rate of 4% to* account for the prevalence of second homes and vacation rentals in the community at roughly the same rate as seen currently.

**FIGURE 5.3: PROJECTED FUTURE NEED FOR NEW HOUSING UNITS (2040), BAKER CITY**

| OWNERSHIP HOUSING | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Multi-Family | | | | | | | | |
| Unit Type: | Single Family Detached | Single Family Attached | 2-unit | 3- or 4-plex | 5+ Units MFR | Manuf. home | Boat, RV, other temp | Total Units | % of Units |
| Totals: | 62 | 0 | 0 | 0 | 0 | 8 | 0 | 71 | 30.2% |
| Percentage: | 87.8% | 0.6% | 0.0% | 0.2% | 0.6% | 10.8% | 0.0% | 100% | |

| RENTAL HOUSING | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Multi-Family | | | | | | | | |
| Unit Type: | Single Family Detached | Single Family Attached | 2-unit | 3- or 4-plex | 5+ Units MFR | Manuf. home | Boat, RV, other temp | Total Units | % of Units |
| Totals: | 68 | 5 | 18 | 14 | 52 | 7 | 0 | 163 | 69.8% |
| Percentage: | 41.5% | 2.9% | 10.8% | 8.5% | 31.7% | 4.6% | 0.0% | 100% | |

| TOTAL HOUSING UNITS | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Multi-Family | | | | | | | | |
| Unit Type: | Single Family Detached | Single Family Attached | 2-unit | 3- or 4-plex | 5+ Units MFR | Manuf. home | Boat, RV, other temp | Total Units | % of Units |
| Totals: | 130 | 5 | 18 | 14 | 52 | 15 | 0 | **234** | **100%** |
| Percentage: | 55.5% | 2.2% | 7.6% | 6.0% | 22.3% | 6.4% | 0.0% | 100% | |

Sources: PSU, City of Baker City, Census, Environics Analytics, JOHNSON ECONOMICS

- The results show a need for 234 new housing units by 2040.
- Of the new units needed, roughly 30% are projected to be ownership units, while 70% are projected to be rental units. This represents more renters than the estimated tenure split, but it is projected that more rental units will be needed to balance the disproportionate share of ownership units in the current inventory.
- There is some new need for ownership housing at the low-end of the pricing spectrum. But income trends suggest that the greatest demand will remain in the middle price ranges ($150k to $250k). This is because some of the city's current housing is found at lower value levels due to age, condition, and mobile homes. At the same time, most new homes are projected to be priced at higher price points.
- The greatest need for rental units is found at the lowest and some higher price points. Market rents are currently clustered in the $400 to $1,000 range in current dollars. Therefore, most units are to be found in this range. There is insufficient rental housing for the lowest income households making $15,000 or less, and there

may also be some support for higher rent units, which may be in new apartment complexes, townhomes or detached single-family homes for rent.

**Needed Unit Types**

The mix of needed unit types shown in Figure 5.3 reflects both past trends and anticipated future trends. Since 2000, detached single family units (including manufactured and mobile homes) have constituted nearly all the permitted units in Baker City. In keeping with development trends, and the buildable land available to Baker City, single family units are expected to continue to make up a significant share of new housing development over the next 20 years. However, an increasing share of new needed units is anticipated to be attached housing types to accommodate renters and first-time home buyers.

- Fifty-five percent of the new units are projected to be single family detached homes, over 6% are projected to be mobile homes, and 38% to be some form of attached housing.
- Single family attached units (townhomes on individual lots) are projected to meet over 2% of future need. These are defined as units on separate tax lots, attached by a wall but separately metered, the most common example being townhome units.
- Duplex through four-plex units are projected to represent 14% of the total need. Duplex units would include a detached single-family home with an accessory dwelling unit on the same lot, or with a separate unit in the home (for instance, a rental basement unit.)
- 22% of all needed units are projected to be multi-family in structures of 5+ attached units.
- 6% of new needed units are projected to be manufactured home units, which meet the needs of some low-income households for both ownership and rental.
- Of ownership units, 88% are projected to be detached single-family homes, and 12% manufactured homes.
- About 74% of new rental units are projected to be found in new attached buildings, with 32% projected in rental properties of 5 or more units, and 19% in buildings of two to four units, and 49% in single-family or mobile home units.

**Needed Affordability Levels**

Figure 5.4 presents the estimated need for net new housing units by major income segment, based on the projected demographics of new households to the market area. The needed affordability levels presented here are based on current 2020 dollars. Over time, incomes and housing costs will both inflate, so the general relationship projected here is expected to remain unchanged.

Figure 5.4 also discusses the housing types typically attainable by residents at these income levels.

**FIGURE 5.4: PROJECTED NEED FOR NEW HOUSING AT DIFFERENT INCOME LEVELS**

| Household Income Segment | | Income Level (Rounded)* | Afford. Rent Range | Afford. Price Range | Owner Units | Renter Units | Total | Share | Common Housing Product |
|---|---|---|---|---|---|---|---|---|---|
| Extremely Low Inc. | < 30% AMI | < $18,500 | <$500 | <$80k | 6 | 50 | 56 | 24% | Govt-subsidized; Voucher |
| Very Low Income | 30% - 50% AMI | $18.5k - $31k | $500-$700 | $80k-$140k | 2 | 24 | 26 | 11% | Aging/substandard rentals; Govt-subsidized; Voucher |
| Low Income | 50% - 80% AMI | $31k - $49k | $700-$1,100 | $140k-$220k | 2 | 35 | 37 | 16% | Market apts; Manuf. homes; Plexes; Aging SFR |
| Middle Income | 80% - 120% AMI | $49k - $74k | $1,100-$1,300 | $220k-$270k | 22 | 21 | 43 | 18% | Single-family detached; Townhomes; Small homes; New apts |
| Upper Income | > 120% AMI | > $74,000 | $1,300 + | $270k + | 38 | 33 | 71 | 30% | Single-family detached |
| ***TOTAL:*** | | | | | ***71*** | ***163*** | ***234*** | ***100%*** | |

* Adjusted to 2020 dollars. The median household income level in 2020 will be will be inflated from current levels.

Sources: HUD, Census, Environics Analytics, JOHNSON ECONOMICS

- Generally, based on income levels there is a shortage of units in the lowest pricing levels for renter households.
- Figure 5.3 presents the *net NEW* housing unit need over the next 20 years. However, there is also a *current* need for more affordable units. In order for all households, current and new to pay 30% or less of their income towards housing in 2040, more affordable rental units would be required. This indicates that some of the current supply, while it shows up as existing available housing, would need to become less expensive to meet the needs of current households.
- There is a finding of some new need at the lowest end of the rental spectrum ($400 and less).
- The projection of future ownership units finds that the supply at the lowest end of the spectrum is currently sufficient due to the prevalence of older and manufactured homes in the community. (This reflects the estimated *value* of the total housing stock, and not necessarily the average pricing for housing currently for sale.) The community can support some housing at higher price points, but most demand remains in the middle-income range.
- Figure 5.5 presents estimates of need at key low-income affordability levels in 2020 and in 2040. There is existing and on-going need at these levels, based on income levels specified by Oregon Housing and Community Services for Baker County. An estimated 49% of households qualify as at least "low income" or lower on the income scale, while 15% of household qualify as "extremely low income". Typically, only rent-subsidized properties can accommodate these households at "affordable" housing cost levels. (The threshold income levels presented here are generated for the entire county based on the significantly higher countywide average household income. Therefore, these income thresholds are likely somewhat high for Baker City.)

**FIGURE 5.5: TOTAL PROJECTED NEED FOR HOUSING AFFORDABLE AT LOW INCOME LEVELS, BAKER CITY**

| Affordablilty Level | Income Level* | | Current Need (2020) | | Future Need (2040) | | NEW Need (20-Year) | |
|---|---|---|---|---|---|---|---|---|
| | | | # of HH | % of All | # of HH | % of All | # of HH | % of All |
| Extremely Low Inc. | 30% AMI | $18,420 | 663 | 15% | 719 | 16% | 56 | 24% |
| Very Low Income | 50% AMI | $30,700 | 1,293 | 30% | 1,376 | 30% | 83 | 35% |
| Low Income | 80% AMI | $49,120 | 2,130 | 49% | 2,249 | 50% | 120 | 51% |

Sources: OHCS, Environics Analytics, JOHNSON ECONOMICS

* Income levels are based on OHCS guidelines for a family of four.

**Agricultural Worker Housing**

There is currently no identified housing dedicated to this population in Baker City. Based on the assumption that this type of housing will maintain its current representation in the local housing stock, this indicates no need for dedicated agricultural workforce housing during this planning period. However, this population may be served by other available affordable units.

## ALTERNATIVE GROWTH FORECAST

As discussed above, the baseline growth forecast using the most recent forecasted growth rate from the PSU Population Forecast program (2019) projects that the Baker City population will remain essentially flat between 2020 and 2040 (0.1% annual rate).

For planning purposes, an alternative growth rate was generated based on the modest growth experienced in Baker City between 2010 and 2020. This growth was slightly positive, without being robust (0.2% annual rate). Applying this growth rate results in greater projected growth and housing need over the next 20 years.

The following charts present the results of the alternate forecast, applying the same assumptions and methodology used to produce the baseline forecast presented above.

**FIGURE 5.6: FUTURE HOUSING PROFILE (2040) – ALTERNATE GROWTH FORECAST**

| PROJECTED FUTURE HOUSING CONDITIONS (2020 - 2040) | | | SOURCE |
|---|---|---|---|
| 2020 Population (Minus Group Pop.) | 9,619 | | PSU |
| Projected Annual Growth Rate | 0.2% | PSU Population Forecast Program | Metro |
| 2040 Population (Minus Group Pop.) | 9,919 | (Total 2040 Population - Group Housing Pop.) | |
| Estimated group housing population: | 373 | Share of total pop. (1.4%) | US Census |
| **Total Estimated 2040 Population:** | **10,292** | | |
| **Estimated Non-Group 2040 Households:** | **4,747** | (2040 Non-Group Pop./Avg. Household Size) | |
| New Households 2020 to 2040 | 433 | | |
| Avg. Household Size: | 2.09 | Projected household size | US Census |
| **Total Housing Units:** | **5,193** | Occupied Units plus Vacant | |
| Occupied Housing Units: | 4,747 | (= Number of Non-Group Households) | |
| Vacant Housing Units: | 462 | (= Total Units - Occupied Units) | |
| Projected Market Vacancy Rate: | 8.9% | (Vacant Units/ Total Units) | |

Sources: PSU Population Research Center, Census, JOHNSON ECONOMICS LLC
*Projections are applied to estimates of 2020 population, household and housing units shown in Figure 2.1

- The alternate growth forecasts growth of over 300 people in population and over 430 new households (compared to 230 new households under the baseline forecast.

Figure 5.7 present the results of the alternate forecast, applying the same assumptions and methodology used to produce the baseline forecast presented above.

- Including a vacancy assumption there is a forecasted need for nearly 460 new housing units under the alternative forecast.
- There is a more even distribution between new ownership and renter units in this forecast, at roughly 50/50. Because a greater share of ownership units are forecasted, a greater share of future units are projected to be single family homes (63%), or mobile home units (7.5%).

**FIGURE 5.7: PROJECTED FUTURE NEED FOR NEW HOUSING UNITS (2040), BAKER CITY – ALTERNATE GROWTH FORECAST**

| OWNERSHIP HOUSING | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Multi-Family | | | | | | | | |
| Unit Type: | Single Family Detached | Single Family Attached | 2-unit | 3- or 4-plex | 5+ Units MFR | Manuf. home | Boat, RV, other temp | Total Units | % of Units |
| **Totals:** | 189 | 1 | 0 | 0 | 1 | 23 | 0 | 215 | 47.0% |
| **Percentage:** | 87.8% | 0.6% | 0.0% | 0.2% | 0.6% | 10.8% | 0.0% | 100% | |

| RENTAL HOUSING | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Multi-Family | | | | | | | | |
| Unit Type: | Single Family Detached | Single Family Attached | 2-unit | 3- or 4-plex | 5+ Units MFR | Manuf. home | Boat, RV, other temp | Total Units | % of Units |
| **Totals:** | 101 | 7 | 26 | 20 | 77 | 11 | 0 | 242 | 53.0% |
| **Percentage:** | 41.5% | 2.9% | 10.8% | 8.5% | 31.7% | 4.6% | 0.0% | 100% | |

| TOTAL HOUSING UNITS | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Multi-Family | | | | | | | | |
| Unit Type: | Single Family Detached | Single Family Attached | 2-unit | 3- or 4-plex | 5+ Units MFR | Manuf. home | Boat, RV, other temp | Total Units | % of Units |
| **Totals:** | 290 | 8 | 26 | 21 | 78 | 34 | 0 | **457** | **100%** |
| **Percentage:** | 63.3% | 1.8% | 5.7% | 4.6% | 17.1% | 7.5% | 0.0% | 100% | |

Sources: PSU, City of Baker City, Census, Environics Analytics, JOHNSON ECONOMICS

Figure 5.8 presents the estimated current and new housing need by income level. In comparison to the baseline forecast, the alternate forecast will result in roughly double the need in each income band.

**FIGURE 5.8: TOTAL PROJECTED NEED FOR HOUSING AFFORDABLE AT LOW INCOME LEVELS, BAKER CITY – ALTERNATE GROWTH FORECAST**

| Affordablilty Level | Income Level* | | Current Need (2020) | | Future Need (2040) | | NEW Need (20-Year) | |
|---|---|---|---|---|---|---|---|---|
| | | | # of HH | % of All | # of HH | % of All | # of HH | % of All |
| Extremely Low Inc. | 30% AMI | $18,420 | 663 | 15% | 772 | 16% | 109 | 24% |
| Very Low Income | 50% AMI | $30,700 | 1,293 | 30% | 1,453 | 31% | 160 | 35% |
| Low Income | 80% AMI | $49,120 | 2,130 | 49% | 2,361 | 50% | 231 | 50% |

Sources: OHCS, Environics Analytics, JOHNSON ECONOMICS

* Income levels are based on OHCS guidelines for a family of four.

# VI. RECONCILIATION OF FUTURE NEED (2040) & LAND SUPPLY

This section summarizes the results of the Buildable Lands Inventory (BLI). The BLI is presented in detail in an accompanying memo to this report. This analysis relies on the most conservative estimate of capacity from the multiple scenarios considered in the BLI memo.

The following table (Figure 6.1) presents the estimated new unit capacity of the buildable lands identified in the city limits of Baker City and within the UGB. The table breaks down the City's three residential zones and the types of housing they might accommodate:

- Low density (<5 units/gross acre)
- Medium density (5 – 14 units/gross acre)
- High density (15+ units/gross acre)

**FIGURE 6.1: ESTIMATED BUILDABLE LANDS CAPACITY BY ACREAGE AND NO. OF UNITS (2020)**

| ZONING | Typical Housing Types* | Unconstrainted Acres | | | | Unit Capacity | |
|---|---|---|---|---|---|---|---|
| | | Vacant | Part. Vac. | Redev. | Total | Units | Share |
| R-LD (Low-Density) | Single-family detached; Duplex | 166.2 | 337.5 | 0.0 | 503.7 | 1,637 | 67% |
| R-MD (Medium-Density) | SF attached; Mobile home; 2-4 plexes | 33.3 | 58.0 | 0.0 | 91.3 | 493 | 20% |
| R-HD (High-Density) | Multi-family apartments | 4.9 | 16.0 | 0.0 | 20.9 | 313 | 13% |
| | *TOTALS:* | *204.4* | *411.5* | *0.0* | *616* | *2,443* | 100% |

* The housing types listed are not exclusive. Residential zones will experience development of a range of allowed types.

Source: Angelo Planning Group

- There is a total estimated remaining capacity of 2,443 units of different types within the study area.
- Most of the remaining buildable acreage is in the medium-density R-LD (Low Density) residential zone. At a total capacity of 1,637 housing units this is roughly 67% of the total unit capacity.
- Though there are fewer buildable medium-density acres in the R-MD zone, they can still accommodate nearly 500 new units due to the higher density of development. This is 20% of the total unit capacity.
- There is less available acreage in the high-density zone. In total, the capacity of the R-HD zone represents 313 units, or 13% of the total unit capacity.

The following table summarizes the forecasted future unit need for Baker City. These are the summarized results from Section V of this report, re-presented here for reference.

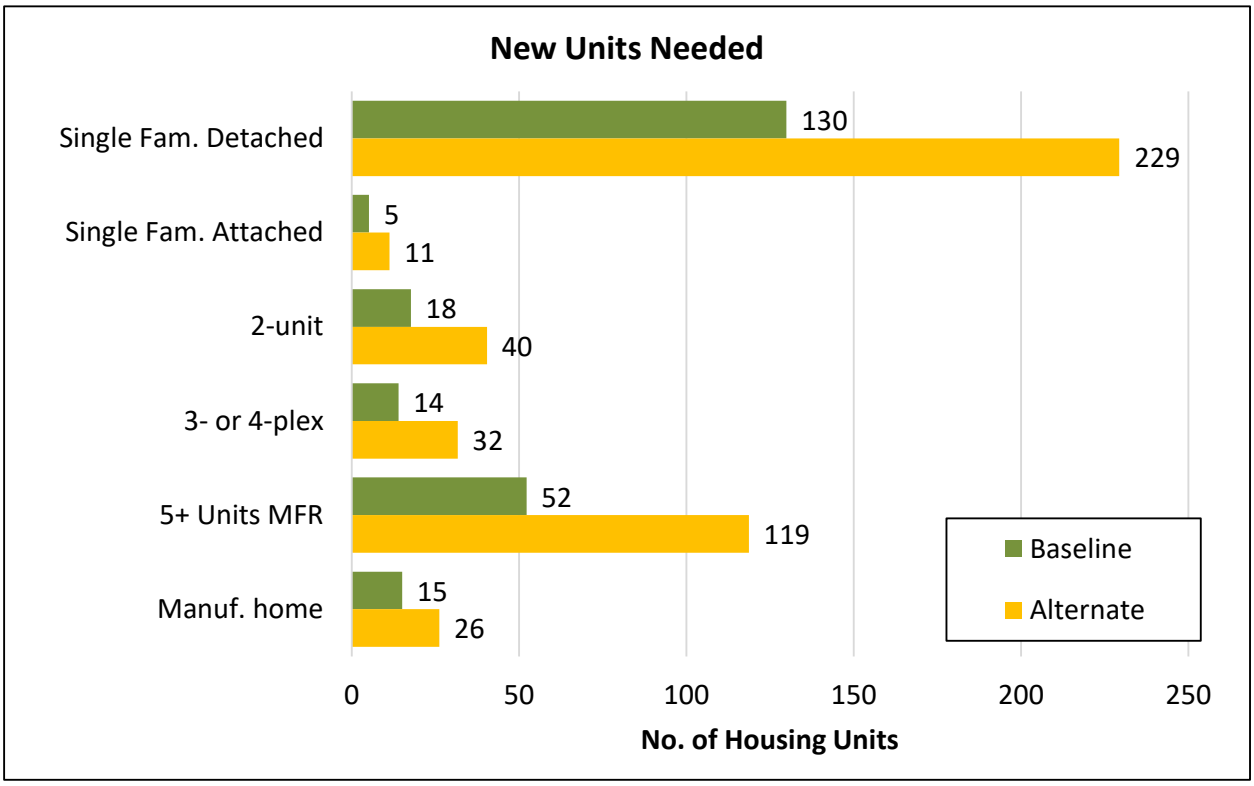
**FIGURE 6.2: SUMMARY OF FORECASTED FUTURE UNIT NEED (2040)**

**Baseline Forecast**

| TOTAL HOUSING UNITS | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Multi-Family | | | | | | | | |
| Unit Type: | Single Fam. Detached | Single Fam. Attached | 2-unit | 3- or 4-plex | 5+ Units MFR | Manuf. home | Boat, RV, other temp | Total Units | % of Units |
| Totals: | 130 | 5 | 18 | 14 | 52 | 15 | 0 | **234** | **100%** |
| Percentage: | 55.5% | 2.2% | 7.6% | 6.0% | 22.3% | 6.4% | 0.0% | 100% | |

**Alternative Forecast**

| TOTAL HOUSING UNITS | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Multi-Family | | | | | | | | |
| Unit Type: | Single Family Detached | Single Family Attached | 2-unit | 3- or 4-plex | 5+ Units MFR | Manuf. home | Boat, RV, other temp | Total Units | % of Units |
| Totals: | 229 | 11 | 40 | 32 | 119 | 26 | 0 | **457** | **100%** |
| Percentage: | 50.1% | 2.5% | 8.8% | 6.9% | 25.9% | 5.7% | 0.0% | 100% | |




Sources: PSU Population Research Center, Census, Johnson Economics

**Comparison of Housing Need and Capacity**

There is a total forecasted need for roughly 235 units over the next 20 years based on the forecasted growth rate (457 units in the alternative forecast). This is well below the estimated total capacity of 2,443 units. Figure 6.3 below presents a comparison of the BLI capacity for new housing units, compared to the estimate for new unit need by 2040. It breaks down need by general zoning category (LDR, MDR, HDR).

- The results find ample remaining capacity for housing of all types, with the greatest estimated surplus in the R-LD zone, and the smallest estimated surplus in the R-HD zone.

- Under the Baseline Forecast, the projected number of new units can be absorbed, while leaving over 550 acres undeveloped. Under the alternative forecast there would be a total of 500 additional acres.

- Under recently adopted state rules (HB2001, 2019), cities of over 10,000 people will be required to allow for additional housing types in low-density residential zones. This includes duplex units for "medium cities" (10k to 25k population). "Large cities" (over 25k population) will allow attached single-family homes (townhomes), duplex-to-fourplex, and compact small-unit "cottage cluster" developments in low-density zones. Baker City is currently exempt from these rules as a city with fewer than 10,000 people. The city is not projected to reach this threshold within 20 years under the baseline growth scenario. Under the alternative growth scenario, Baker City would become a "medium city" around year 20, or in 2040.

**FIGURE 6.3: COMPARISON OF FORECASTED FUTURE LAND NEED (2040) WITH AVAILABLE CAPACITY**

| | | | | | BASELINE FORECAST | | | ALTERNATIVE FORECAST | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **WITHIN CITY LIMITS** | | **SUPPLY** | | | **DEMAND (2040)** | | | **DEMAND (2040)** | | |
| **Zone & Plan Category** | **Typical Housing Type** | **Buildable Land Inventory (Total)** | | | **Growth Rate (0%)** | | | **Growth Rate (0%)** | | |
| | | Developable Acres | Unit Capacity | Avg. Density (units/ac) | New Unit Need | Surplus or (Deficit) | | New Unit Need | Surplus or (Deficit) | |
| | | | | | | Units | Acres | | Units | Acres |
| R-LD (Low-Density) | Single-family detached; Some SF attached & plex | 503.7 | 1,637 | 3.2 | 137 | 1,500 | 462 | 332 | 1,305 | 402 |
| R-MD (Medium-Density) | SF attached; Manufact. home; 2-4 plexes | 91.3 | 493 | 5.4 | 45 | 448 | 83 | 48 | 445 | 82 |
| R-HD (High-Density) | Multi-family apartments | 20.9 | 313 | 15.0 | 52 | 261 | 17 | 78 | 235 | 16 |
| | ***TOTALS:*** | ***615.9*** | ***2,443*** | ***4.0*** | ***234*** | ***2,209*** | ***562*** | ***458*** | ***1,985*** | ***500*** |

Sources: Angelo Planning Group, Johnson Economics