

GOAL 10 – HOUSING

A. Introduction:

The LCDC Housing Goal attempts to guide local jurisdictions in providing for the housing needs of its residents. Buildable lands should be provided for in urban and urbanizable areas for all types of housing and in adequate numbers of housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households. Housing goals for non-urban areas should be established which are appropriate for the local jurisdictions. Housing should be located in those areas with existing concentrations of housing and public facilities and on a scale compatible with environmental and land use limitations. Housing in rural areas is usually of a low density nature which should be compatible with the rural surroundings, including agriculture, forestry and open space.

Historically, the City of Hood River and the adjacent Westside area have contained a large proportion of the County population. The percentage of persons residing in the area has risen from approximately 50 percent in the 1930's to 57 percent in 1970. This percentage is expected to continue to increase because of the following factors:

1. The majority of suitable, buildable land in the County is located in this area;
2. Public services are available and readily expandable to meet needs;
3. A majority of the employment opportunities exist in this area; and
4. Farm sizes are increasing, crowding the small farmer out of the Hood River Valley, and in many cases causing him to relocate in the City/Westside area.

Development and platting of the original town of Hood River occurred on the west side of the mouth of Hood River. From there it grew in a fan-like shape, expanding westward to 18th Street and southward to May Street. From 1930 to 1950, most of the City's growth occurred south of May Street. From 1950 to present, the main growth has been west of 18th Street and south of Belmont Road in recently annexed areas of the town. Recent growth areas in the area are shown on Map #1 - Housing Starts.¹

There are presently only about a dozen homes within the Columbia Gorge area, according to a July, 1979 Planning Department windshield survey. Not all of these are used as dwellings. None are served by a rural fire protection district or water district. As the existing land use map in the appendix of this Background Report indicates, the homes are located in Wyeth and along Herman Creek Road. Clearly, residential use of the Gorge has been insignificant in past years. Despite the fact that zoning has allowed for residences, the private land has not been developed. This may be due to a lack of housing demand in the area or landowner's desire to use the area for non-residential purposes at this time. Because the Gorge area is outside of the Urban Growth Boundary

¹ Map compiled from information taken from County building permits issued, 1970-1976.

of any city, and because no areas are presently committed to residential use (that is, built on) state law encourages that the land remain in forestry, agricultural, and/or open space use. If some housing development is desired, it should avoid conflicts with the forestry and scenic resources of the Gorge.

Additional information relative to housing can be found in the following documents or reports: (1) Goal 2: Population Projections; (2) the County Exception Document; (3) County Policy Document; (4) Plan Designation Definitions; (5) The City/Westside Housing Report; and (6) Maps 1 through 7; which are a part of this report.

B. Population Characteristics Affecting Housing:

According to a 1978 report conducted by the Bureau of Governmental Research and Service at the University of Oregon, Hood River County has experienced a population increase of 10.7 percent since 1970. The 1977 population was estimated to be 14,130. County Planning sources indicate that the July, 1978 population is closer to 15,500. The State of Oregon has experienced a population growth rate of 14.6 percent since 1970. Hood River County is therefore experiencing a slower growth rate than the State as a whole. The 10.7 percent increase between 1970 and 1977, however, is considerable when compared to the fact that between 1960 and 1970, the County's population decreased 1.5 percent from 13,395 to 13,187 in 1970.

Table 1 below shows 1980 population distribution in Hood River County.

TABLE 1
²POPULATION DISTRIBUTION - 1980
 HOOD RIVER COUNTY

<u>Area</u>	<u>Population</u>	<u>Percent of County</u>
City of Hood River	4,329	27.330
City of Cascade Locks	838	5.30%
UGA/Hood River	³ 1,950	12.30%
UGA/ Cascade Locks	195	1.23%
<u>Rural County</u> (City/Westside; Central Valley; Mt. Hood and Columbia Gorge)	8,523	53.84%
	15,835	100%

² Based upon 1980 Census Divisions which approximate previous Planning area boundaries; also, Cascade Locks Plan states total population in City and Urban Growth Area by the year 2000 will be between 1,500-2,000 persons; high figure of 2,000 used in the above calculations for consistency, also 81% of the population will be in the City and 19% in the Urban Growth Boundary Area. The latter percentages were determined from the 1980 Census Data.

³ City of Hood River Planning Department, April 8, 1983.

Table 2 and other related data below were abstracted from the report entitled: Goal 2: Population Projections. For detail see that report and also contact the City of Hood River Planning Department. The high Population Projection figure of 21,500 has been used by the County to meet LCDC requirements.

TABLE 2
POPULATION PROJECTIONS HOOD RIVER COUNTY 1980-2000

	<u>1980</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>
⁴ <u>High Population Projection</u>	15,835	16,400	17,900	19,700	21,500
⁵ <u>Low Population Projection</u>	15,835	16,675	17,450	17,875	18,300

Source: Oregon Department of Economic Development Economic Information Clearing House, June, 1979; Center for Population Research and Census, Portland State University, 1976. Bonneville Power Administration Population Employment and Households Projected to 2000; Oregon; September, 1979, and 1980 Census Data.

The population of Hood River County could increase by an additional 5,665 persons to a total population of 21,500 individuals by the year 2000. Translated into additional dwelling units, there is a potential for approximately 2,575 more dwellings in the County by the year 2000 (Census, 1980; 2.2 persons per household).⁶

Furthermore, the Exceptions Summary (County Exception Document) states that approximately 1,175 dwelling units can be accommodated through infilling within areas already built upon and committed to primarily residential development. Consequently, approximately 1,575 dwellings will be built within both UGAs, the City Limits of Hood River and Cascade Locks, and throughout rural resource centers.

The annual growth rate (compounded) necessary to achieve a population of 21,500 by the year 2000 is 1.54 percent, while a low growth rate of .726 percent is noted. For the past 20 years (1960-1980) the County's growth rate has been approximately .84 percent, while for the past 10 years (1970-1980), .92 percent.

⁴ 20 year projected growth rate, straight line 35.7 percent which will generate an additional 5,665 persons. Compounded annual growth rate, 1.54 percent.

⁵ 20 year projected growth rate straight line 15.8 percent which will generate an additional 2,500 persons. Compounded annual growth rate, .726 percent.

⁶ Population and Housing Trends, Bureau of Governmental Research and Service, University of Oregon, 1982, provides the following information regarding the Average Household Size; 1950 – 3.2 persons, 1960 – 3.10 persons; 1970 – 2.70 persons; 1980 – 2.60 persons. 1980 Census data shows that the average household size is 2.2 person, however the Mid-Columbia Economic Development District states this figure is low; however it is used to estimate average persons per household by the year 2000.

Table 2 shows population and housing growth and their distribution throughout the County by the year 2000. It is generalized and only provides a greater indicator of growth.

Population distribution characteristics noted include: (1) approximately 31.5 percent or 6,769± persons will reside in the cities of Hood River and Cascade Locks; (2) 14.5 percent or 3,111± persons will reside in the Urban Growth Areas; (3) 46 percent of the projected population will reside in the cities and Urban Growth Areas; (4) 54.0 percent or 11,620 persons will reside in the rural portions of the County; and (5) over 37± percent of the County's population will reside within the City of Hood River's UGB.

The median income per household for Oregon in 1969 was \$9,489 and \$13,400 in 1975. A May, 1978 Planning Department Survey of Central Valley residents indicates that for those households making less than \$15,000, the median monthly housing costs were under \$200.00. The same survey indicated that 31 percent of the under \$15,000 households were paying housing costs exceeding \$250.00 per month or more than 25 percent of their income. Overall, the survey taken in the Central Valley area indicated that 45 percent of the respondents indicated a gross income of less than \$15,000. Thirty-three percent indicated an income of between \$15,000 and \$24,000. Twenty-two percent said they had an income of over \$25,000.

A May, 1978 windshield survey indicated that there were an estimated 1,361 housing units in the Central Valley area. Using the 2.9 people per household average indicated by the questionnaire shows that the Central Valley has a population of approximately 3,950 year-round residents. It should be noted that pickers and migrant labor cabins are not counted as part of the survey. According to Employment Division's records, it is known, however, that approximately 2,000 migrant workers move into the area for the pear and apple harvest in late summer.

The 2.9 person household size is exactly the same as the 1970 census. This figure is higher than the 2.7 figure obtained in the City/Westside housing survey. We can speculate and say that the rural areas are maintaining their large family size whereas the City/Westside area is absorbing more of the young married and single people. The City/Westside area has practically all the multi-family housing for rent in the County – a situation which might tend to attract more young people without children.

TABLE 3

POPULATION GROWTH AND HOUSING GROWTH DISTRIBUTION - 2000

HOOD RIVER COUNTY

<u>Area</u>	Population Increase -1980-2000	Increase in Dwellings 1980-2000	Total Population 1980-2000	Percent of County
City of Hood River	819	⁸ 405	5,148	23.95%
Cascade Locks	783	356	1,621	7.55%
UGA/Hood River	782	⁹ 602	2,732	12.70%
UGA/Cascade Locks	184	84	379	1.80%
Rural County				
1. Infilling (Built out and committed)	2,585	1,175	11,620	54.00%
2. Remainder of rural County	512	232		
	5,665	¹⁰ 2,854	21,500	100%

Hood River county's mean per capita personal income in 1977 was \$7,638, well above the State's mean income figure (Hood River County Economic Information, Oregon Department of Economic Development, June 1979). The County's population has had incomes higher than the State as a whole for a number of years. At the same time, however, unemployment is very high. If trends continue, new housing for all income levels will be needed in the County.

Though somewhat remote, the Columbia Gorge is close enough to the Hood River Valley and Cascade Locks to be affected by these population centers.

New housing demand in the Central Valley area for the past two years is running about 50 units per year according to Hood River County Building Department records. New housing and construction and mobile home permits are listed below since 1975.

⁷ Except where noted, majority of figures based upon 2.2 persons per household.

⁸ City of Hood River, 1983 figures: 203 single-family (50 percent); 162 multi-family (40 percent); 40 mobile homes (10 percent).

⁹ City of Hood River, 1983 figures: 421 single-family (70 percent); 120 multi-family (20 percent); 61 mobile homes (10 percent).

¹⁰ Due to the projection variables associated with housing types within the City of Hood River and its UGA, this figure will vary and could be greater than the County's general overall estimation of 2,575±.

TABLE 4

	<u>1978</u>	<u>1977</u>	<u>1976</u>	<u>1975</u>
** Mobile Homes	13	12	9	3
Conventional	38	42	27	18

The figures indicate that 162 housing units were built in the Central Valley area since 1975. Thirty percent of the units were mobile homes. The Dee Highway, Highway 35, Woodworth Drive, Neal Creek Road, Clear Creek Road and Miller Road all had several new housing units built on them. Most of these homes have been placed on one to ten acre parcels of land.

C. Housing Costs:

New construction costs for housing in Hood River County averaged \$49,900 in 1977. These construction costs were taken from building permit applications for new single-family constructions. \$49,000 was the median cost. This figure includes roughly \$39,000 for labor and materials, and \$10,000 for a building lot. Another five percent valuation could be safely added to the permit figures to get a better estimate of true market value. County Assessor estimates indicate that for the past two years housing costs have been increasing on the average of 13-15 percent per year in the County.

A September, 1978 survey of the available old and new houses listed by local real estate firms indicated that the median housing costs for all available houses for sale was \$50,000. Listings in the \$35,000 to \$39,000 bracket were the most frequent. However, many of these units are in such ill repair that lending institutions will not give loans on them; or if they do, a hefty 30-50 percent loan down payment is required. Some of the homes may be available on private contract for a lower down payment.

An offshoot of the housing crises in regard to costs, is the fact that many married couples find that both husband and wife must be employed in order to afford to buy a home. Population experts indicate that this is a major factor in reducing the birth rate in the United States. Women are postponing having children until many of the basic necessities are acquired using two incomes. This situation has increased the percentage of women in the working force. If expectations are to be met, society must provide job opportunities to these recent entrants into the labor market. More year-round jobs must be provided for women in the County.

D. Housing Stock and Condition:

Of the 3,019 year-round housing units in the City/Westside area, 2,373 (79 percent) are single-family dwellings, 386 (13 percent) are multi-family units or duplexes, and 261 (8 percent) are mobile homes.¹¹ Over half of the single-family units have been constructed

** Double-wide units not in mobile home courts

¹¹ Ground survey by Planning Department.

since 1960. The number of mobile homes has escalated recently. The trend towards more multi-family and mobile home units is expected to continue. By comparing the existing housing unit type percentages (above) with the recent type percentages (Table 4)¹² a trend can be recognized.

TABLE 5
HOUSING STARTS – NUMBERS REPRESENT UNITS

	<u>(CITY)</u>			<u>COUNTY (WESTSIDE)</u>		Total
	S.F.	Duplex	Multi-F	S.F.(duplexes)	M.H.	
1970	3	4	-	10	12	29
1971	21	-	74	25	23	143
1972	19	6	29	34	25	113
1973	17	-	46	36	19	118
1974	10	4	9	16	12	51
1975	9	-	16	17	10	52
1976	6	-	-	11	7	24
(June)						
Total	85	14	174	149	108	530
	(31%)	(5%)	(64%)	(58%)	(42%)	

Percentages for the Westside area include: (1) S.F. percent of total = 44 percent; (2) M.H. percent of total = 20 percent; and (3) duplexes and multi-family percent of total = 36 percent.¹³

This trend can be explained by several factors:

1. New single-family housing costs are rising faster than median family income in the area;
2. A growing number of young marrieds and singles are coming into the market; and
3. There is an increasingly large number of elderly people on fixed income in the area.

The location of existing residential neighborhoods and rural residences are shown on MAPS #1, 2, 3 and 5.

¹² City and County building permits 1970-1976.

¹³ Duplexes were included in the S.F. figures for the County, however few duplexes were built in this period so the figures should not be too far off; S.F. – single-family, and M.H. = mobile home.

The physical condition of single and multiple-family dwellings were rated using a qualitative scale. Of the total units, 607 (20 percent) had one or two major defects¹⁴ but were capable of rehabilitation (below average units). Ninety-seven (3 percent) had three or more major defects and were considered beyond rehabilitation (poor units). The remainder 2,317 (77 percent) of the units were in average to above average condition. This information is graphically shown on MAP #4, Housing Condition and Location.

Areas in the City identified as having below average and poor housing units encounter special problems. These areas have high vacancy rates and several vacant lots, streets are usually unpaved or unimproved, and property values are low. Their location is usually adjacent to the Central Business District or the Heights Commercial District. Areas such as these deserve special consideration.

LCDC Goal 10 requires local jurisdictions to inventory their buildable lands. Because the LCDC's definition of the term "buildable lands" includes only land within urban growth boundaries, the Columbia Gorge has no "buildable land" in this sense of the word. There is private land within the area which may be suitable for residential use, however. There are about 1,300 acres of private land within the area. Of this land, approximately 350 acres is owned by timber companies, railroad company, and utilities, and can thus be considered unavailable for development. Of the remaining private land, road access and slope are limiting factors in many cases. In addition, the raising of the Bonneville Pool will flood some private land. There are, however, about 350 acres of private land which may be suitable for housing. This land lies between Wyeth and the west end of Herman Creek Road. Though much is too steep and is subject to geologic hazards, clustered residential development could build on the suitable sites. A Planned Unit Development would be feasible on most of this land, as much of it is in larger ownerships.

The general condition of housing stock in the Central Valley and Upper Valley area is good to excellent. A May, 1978 windshield survey indicated that 36 percent of existing housing was above average condition, 51 percent in average condition, and 13 percent in below average condition. The below average condition housing displayed obvious external signs of deterioration like poor foundation, bad roofs and broken windows. About half of these units could be restored to an acceptable livable condition.

Portions of the Odell area are the only areas in the planning area which could be labeled medium density residential areas. The service and manufacturing opportunities in Odell combined with its central location and rural atmosphere make it a desirable place to live for many people. The presence of a sanitary sewer district has enabled Odell to have a higher housing density than the other areas of the area. Odell has had a recent subdivision, Orchard View located on Wy'East Drive; a mobile home park located on AGA Road, a new subdivision, Whitesell Estates, has been approved at the east side of Mud Alley in Odell. When completed in five or so years this subdivision could have as many as 111 new dwellings. Only 30, however are scheduled to be built at first, beginning in the Spring of 1979. Price ranges for the houses will begin around \$40,000.

¹⁴ Defective foundation; sagging or cracking, rotting, or missing exterior walls, loose, sagging or cracking porch and stairs; defective or missing door frames or windows; no plumbing, defective electrical wiring.

Much of the Odell area has a problem with wet soils and a high water table particularly in the winter months. Consequently, many of the houses have wet foundations and drainage problems. As more housing units are added to the Odell area the problem will compound itself. A detailed drainage plan may be needed for the area if additional housing demand is to be accommodated. Another limiting factor is the present capacity of the Odell Sanitary District. The Odell Sewage Treatment Plant is near capacity and a plant expansion will be required in the near future to accommodate more growth.

E. Rural Residential Housing:

The rest of the Central Valley residential development follows typically the pattern in most areas. Lot size typically ranges from 1/2 acre up to 10 acres. Smaller parcels from 1/3 to 5 acres are situated predominantly in the rural areas often containing poorer than average soil for agricultural purposes. Many of the rural residential and hobby farms do support a couple of cows or horses depending upon how large the ownership is. Areas containing a higher density of rural residential and new development than the average for the area included: the Trout Creek Ridge Road area, the Miller Road area, along Highway 35 between Hanel's Mill and Leasure Drive, the Woodworth Drive area, and around the Mt. Hood area.

A recent survey asked of local real estate firms indicate that in the Hood River area the type of housing in most demand by homebuyers is a single-family dwelling located out in the County on one to six acres. Most of the buyers who wanted this type of housing could not afford it, however, having incomes that only qualify for loans under \$35,000. Most lending institutions also will not lend money on raw land, consequently the prospective homebuyer or builder wanting more than about an acre must already own the land free and clear. It appears that acreage in the County with a house on it is out of the reach of many Hood River County residents.

It is possible that the Columbia Gorge will become a rural residential housing area for those who are employed in Cascade Locks and the Hood River Valley. Due to the perceived distance from these employment centers poor winter driving conditions, and present trends, it is doubtful that a significant amount of this type of development will take place in the area.

Rural residential housing is further discussed in the following reports or documents: (1) County Exceptions Document; (2) County Policy Document; and (3) Definitions: Plan Designations.

F. Multi-Family Housing:

Multi-family housing is almost non-existent in the Central Valley for a couple of reasons. Present zoning regulations allow multi-family housing only in Odell and in an area just south of Whiskey Creek Road along Highway 35 along the east side of the road. The two areas in Odell are possibly suited for multi-family housing being close to commercial services, schools and public facilities. One of the areas in Odell is located on the

fairgrounds. The area along Highway 35 which is also zoned R-2 Zone allows multi-family housing of five units or more as a conditional use. The area along Highway 35 is presently being farmed and is considered some of the best orchard and agricultural land in the County. Any multi-family housing here would seriously interfere with adjacent agricultural activity.

Another factor which might explain the lack of multi-family housing in the Central Valley is the fact that multi-family housing in most cases would need to be hooked up to sewers which are only available in the Odell area. Sanitary requirements restrict on-site septic drainfield sewage disposal systems to one housing unit per 1/2 acre. At best, some areas might get away with placing a duplex on a 1/2 acre to one acre lot. Multi-family housing could be provided and expanded in the Odell area if plans to increase the capacity of the Odell Sewage Treatment Plant are completed. There is a limited need for duplex, triplex and fourplex apartments in the Odell area. The City/Westside area, however, provides much of the land needed for multi-family housing in Hood River County.

G. Recreational Housing:

Perhaps more probable is a demand for recreational vacation housing in the Gorge. The proximity to Portland, scenic qualities and abundance of open space make the area quite attractive for this type of development. The demand is unmeasurable. It is difficult to predict how many vacation housing units would be purchased if available.

H. Migrant Housing:

For the most part, migrant housing in Hood River County is in very good condition. However, due to increasingly stringent state and federal regulations, much farm laborers' housing has been closed. Many people feel a shortage exists in the valley which causes some migrants to sleep in county campgrounds and their cars. It is difficult to actually measure the supply and demand of such housing, however, it is estimated that at least 2,000 migrant workers are employed locally during the peak of the three month harvest season. With regulations always changing, the amount of legal units is uncertain. If a serious shortage is generally believed to exist, a study should assess the adequacy of the existing supply and explore solutions which both provide adequate seasonal housing and are affordable to growers.

I. Rental Units:

Rental units are in high demand in Hood River County. Vacancy rates are estimated to be less than one percent according to local real estate firms and interviews with renters. Frequently it takes up to six weeks to find suitable rental housing. Rents are high, in the \$200.00 to \$225.00 range for a two bedroom substandard¹⁵ house. One bedroom rentals of average quality range from \$175.00 to \$225.00. New duplexes rent for \$250.00 to \$300.00.

¹⁵ Substandard: Needing two or more major repairs, i.e., insulation, foundation.

J. Mobile Homes:

There is a 35 unit park located in Odell and a small 15 unit park located in Mt. Hood. The Odell park is hooked onto the Odell sewer and has expansion plans to add 35 more units to the present facilities. There is a waiting list to get into the Odell park at the moment. The Mt. Hood Park which is on septic tanks is full and doesn't seem to have plans for expansion. The demand for more mobile home park spaces in the County seems to be great; however, it seems likely that future parks will have to be on sewer hookups because of sanitation requirements.

Hood River county presently allows as an outright use doublewide mobile homes on individual lots in the County. Singlewides are allowed in mobile home parks and conditionally on private lots, but only as an accessory use to farm activity; for security; a dependent relative; or while building a stick-built home.

Mobile homes are increasingly playing a major role in the housing needs of the Central and Upper Valley areas. Mobile homes have constituted 30 percent of the new homes built or located in the area since 1975. In 1973, 45 percent of all new homes built in the United States were mobile homes.¹⁶ The cost of the average double-wide, top of the line model, in the County sells for \$33,000. The cost of the average double-wide with 1,000 square feet of living space will cost \$18,000. It should be noted that using mobile homes for housing probably lowers the demand for stick-built housing, which in turn, directly weakens the local construction and building trades industry.

K. Public Attitudes on Land Use in the Gorge: Results of Columbia Gorge Questionnaire:

The Planning Staff has just finished tallying the returns from the Columbia Gorge Questionnaire which was distributed to all Hood River County households several weeks ago. The following information summarizes the results of the survey.

Four hundred sixty-eight questionnaires were returned to the Planning Department which represents about 7.8 percent of the total number distributed. Areas showing the higher return rates were Cascade Locks, Odell and the Westside area. The area breakdown is as follows:

TABLE 6

<u>AREA</u>	<u>NUMBER OF HOUSEHOLD RETURNS</u>
City of Hood River	123
Cascade Locks	61
Odell	51
Parkdale	32

¹⁶ Source: Local mobile home dealers.

Mt. Hood	21
Pine Grove	23
Westside Area	125
Dee	10
Other and Unidentified	22

Fifty-five percent of the County as a whole were opposed to the expansion of residential housing outside the Urban Growth Boundaries of Hood River and Cascade Locks. Eighty percent of the Parkdale respondents were opposed to the residential expansion, but only forty-three percent of the Cascade Locks returns were opposed. Only forty-six percent of the Hood River returns were opposed as well. The households located furthest from the Columbia Gorge were the ones most likely to be against residential housing expansion.

L. Columbia Gorge Questionnaire Analysis:

One question asked "If housing is permitted, which type should be allowed?". The responses to this question revealed no clear pattern. Most people who answered this question seemed to favor low density housing. 122 people thought single-family dwellings on five acre lots could be permitted; 119 people thought single-family dwellings on 20 acre lots could be permitted; 104 people thought single-family dwellings on two and one-half acre lots would be all right. Fewer people favored single-family dwellings on one-half acre lots or in planned unit developments (cluster-type housing).

Seventy-six percent of the returns said the County should approve the state or federal acquisition of private lands in the Columbia Gorge for scenic protection and/or recreational opportunities if the landowner desired to sell voluntarily. Eighty-four percent of the Westside area respondents were in favor, compared to fifty-eight percent in favor for the Cascade Locks households. All areas gave a favorable response to the question.

Those people who answered "yes" to the question about County approval of government acquisition of private lands for scenic protection and/or recreation opportunities were also asked to answer an additional question. This question asked what should be emphasized in management of the acquired lands - scenic protection or recreational use. A clear majority of the people responding to this question favored a management strategy that would emphasize both scenic protection and the provision of recreation opportunities.

All area respondents overwhelmingly favored scenic protection/open space as the most appropriate land uses for the Columbia Gorge area. In general, outdoor/forest/recreational, rural residential and farm were the next preferred choices.

The respondents generally placed commercial and light industrial as the least appropriate land uses for the Columbia Gorge.

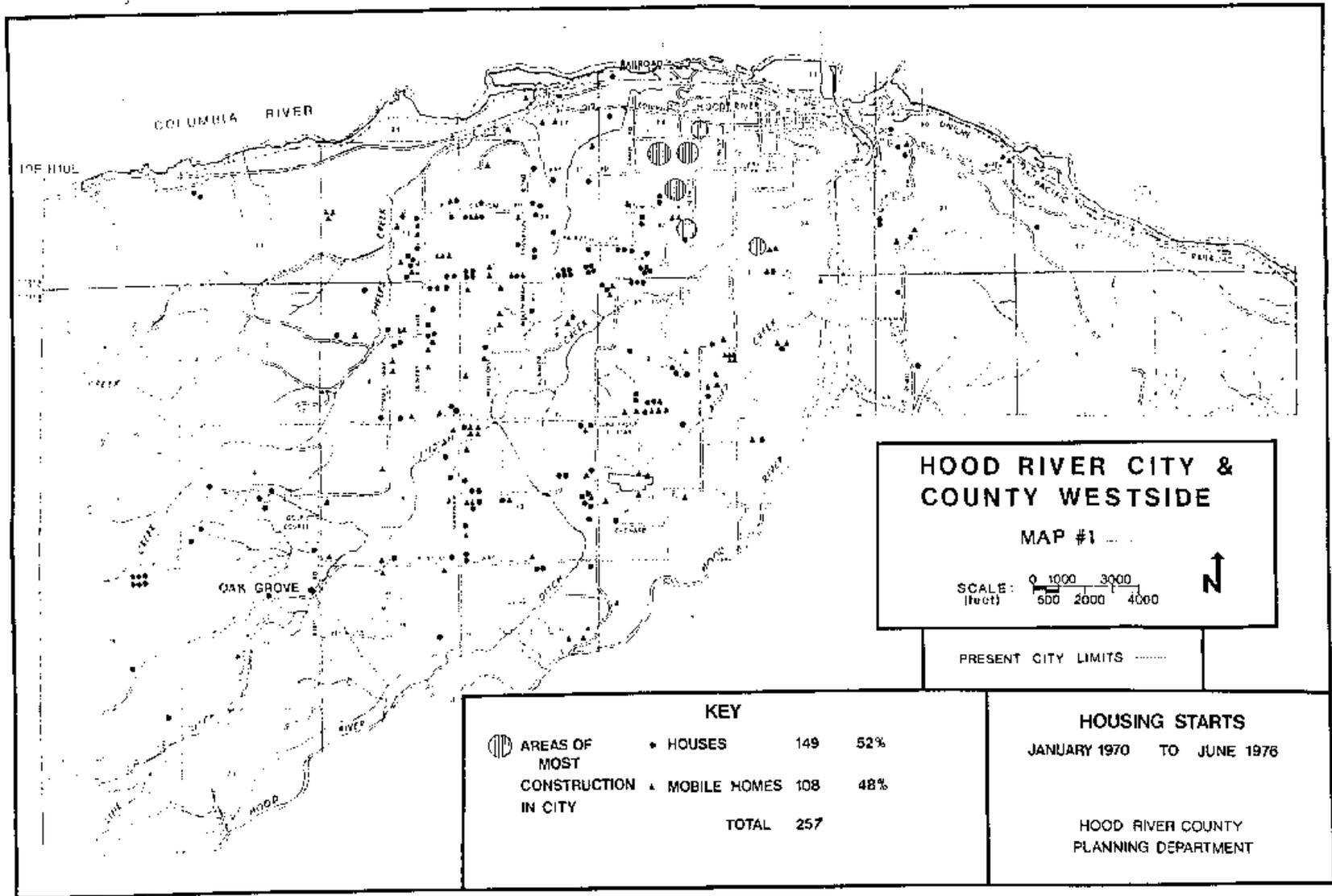
M. Conclusions and Observations: Findings:¹⁷

1. City/Westside area family incomes have increased 44 percent, while housing costs have escalated 75 percent since 1970.
2. Low and middle income families are being priced out of the new housing market with the probable result that they will in the future depend on government assistance or remain in the apartment and mobile home dwelling bracket.
3. If the present trend continues, more multi-family and mobile home units will be built and/or located in the City/Westside area than will be single-family dwellings in the next 25-year period.
4. Housing demand will increase because the number of persons per household is and will continue to decrease.
5. Six hundred and seven (20 percent) of existing housing units are in need of rehabilitation and 96 (3 percent) are in need of major improvement or demolition.
6. Several households are paying more than 25 percent of their gross income for housing and some are paying as much as 50 percent.
7. The present vacancy rate is between 3.0 and 3.5 percent. The ideal vacancy rate is between 5 and 8 percent.
8. Land which is developed to county "large lot" standards becomes difficult to redevelop to urban density.
9. Land is sometimes developed "piecemeal" without regard to adjacent property.
10. Orchards or other "non-urban" land contiguous to or near the City Limits is partly responsible for "strip development" and the decrease of available close-in building sites.
11. Orchards and housing developments are not compatible when located adjacent to each other.
12. Present residential development has expanded to the south and west of the City of Hood River.
13. City services (mainly sewer) are provided south and southwest of Hood River but are not provided to the west of town (except along the Columbia River).
14. There is a need to provide for alternative housing modes at varying densities within the City/Westside area.

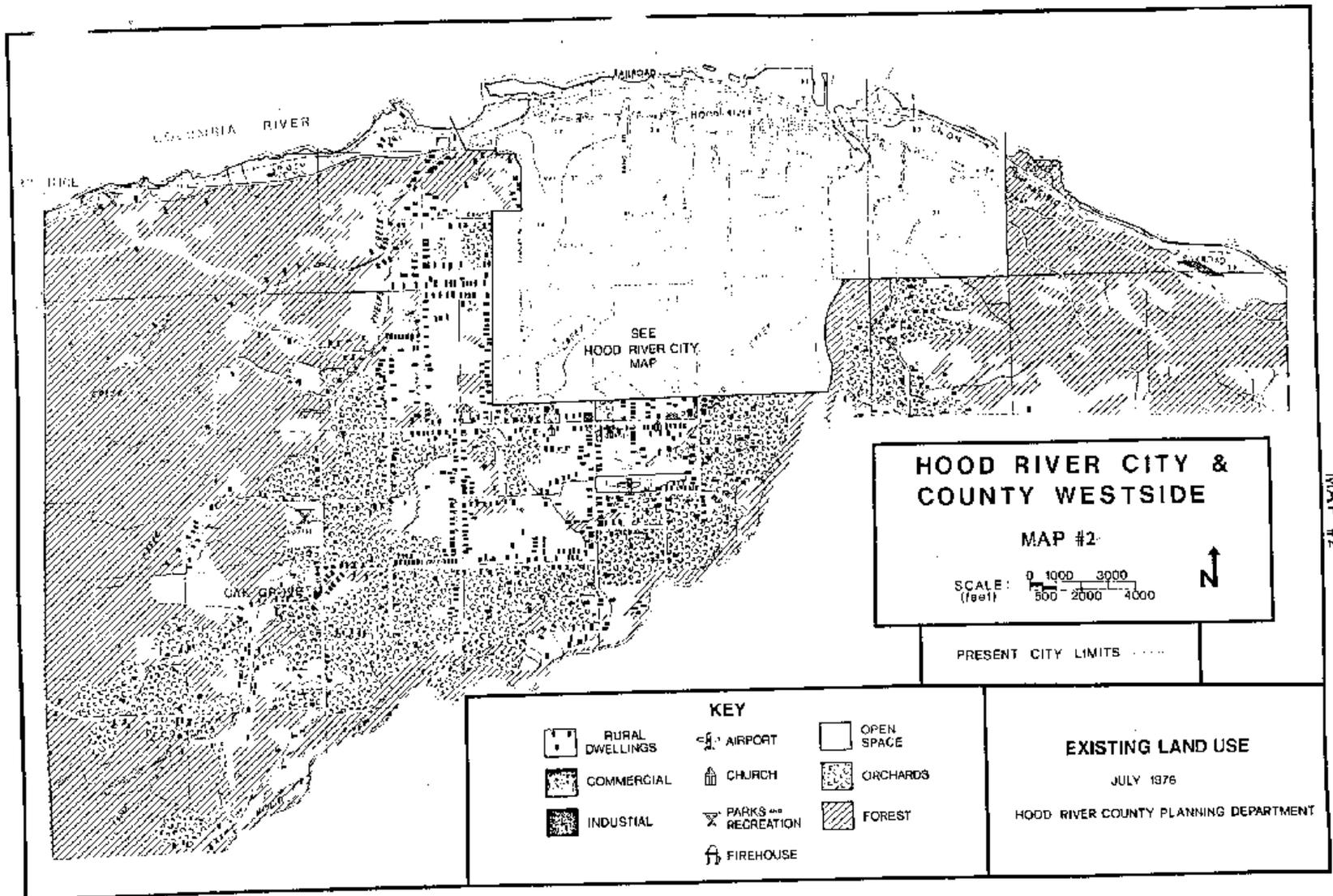
¹⁷ City-Westside Housing Report, County Planning Department, October 28, 1976, pg. 23.

15. There are few buildable sites remaining within the City Limits.
16. Residential neighborhoods must be planned so that motorized traffic will not use them as thoroughfares.
17. Land allocated for residential development within the Urban Growth Boundary should be more than what is physically needed for the housing requirements.
18. Part of the increased housing costs are attributable to local government requirements and as such, can be altered by local government.
19. It is estimated that Hood River County's population has grown 10.7 percent since 1970, which is a slower rate than the 14.6 percent increase for the state as a whole (see Population Projection Report for update).
20. Forty-five percent of Central and Upper Valley residents do not have enough income to buy a minimum cost new home.
21. New construction costs for housing in Hood River County averaged \$40,000 in 1977 and costs are increasing on the average of 13-15 percent per year.
22. The permanent population of the Central Valley area is estimated to be 3,950 with an average household size of 2.9 persons.
23. New housing demand in the past two years has averaged about 50 units per year.
24. The Odell area is the major residential area in the Central Valley, however Odell has a problem with a high water table and wet soils.
25. Rental units are scarce in the Central Valley with less than a one percent vacancy rate. Lands designated for multi-family use situated along Highway 35 are not suitable for multi-family housing.
26. Mobile home parks have no vacancies in the Central Valley, however, a park in Odell has plans for expansion.
27. Double-wide mobile homes constitute thirty percent of the new housing in the Central Valley.
28. Migrant housing seems mostly adequate with spot shortages experienced on occasion.
29. Eighty-seven percent of resident housing is in average condition or better (Central Valley).

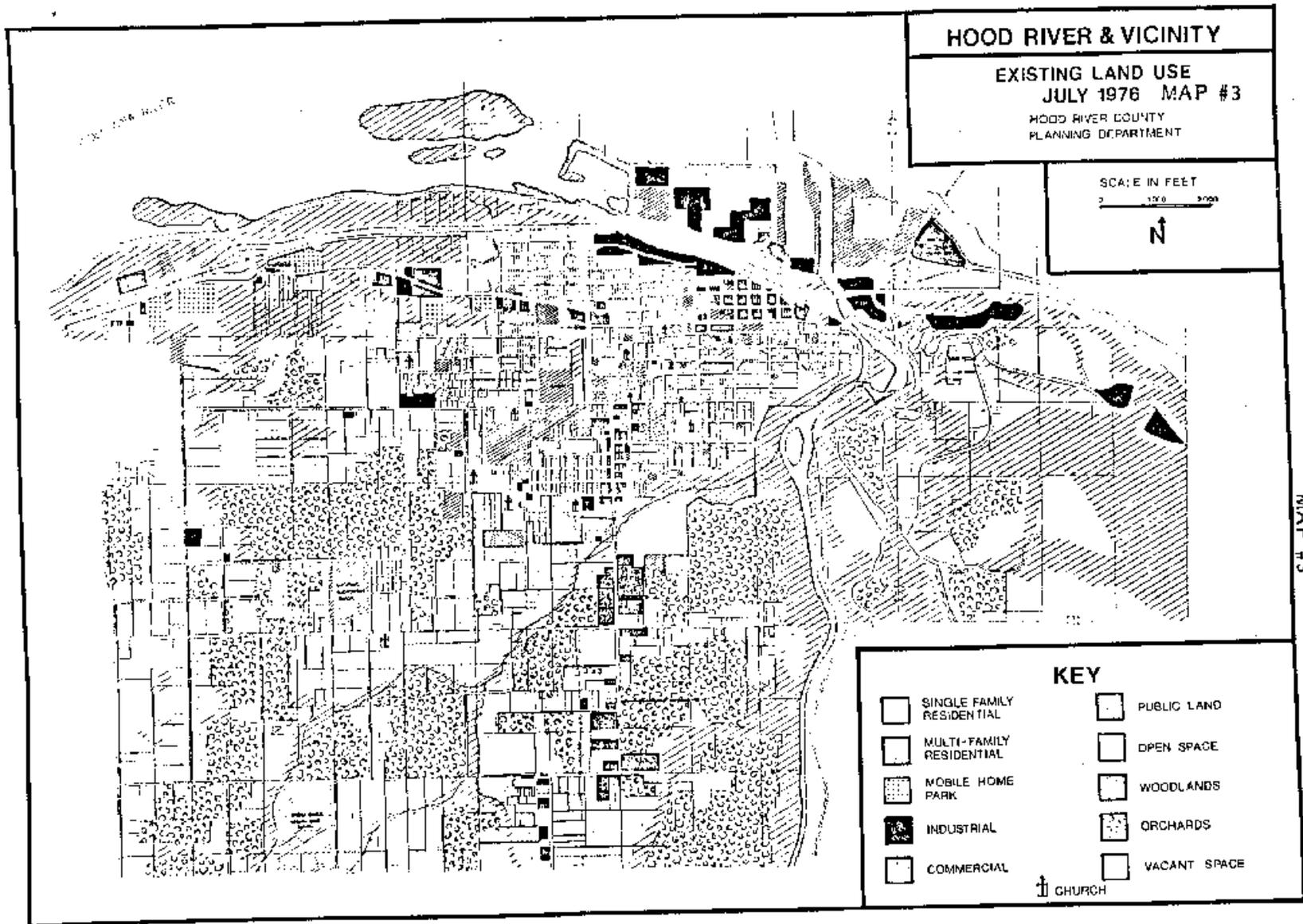
30. Residential use has not been a significant element of the Columbia Gorge land-use patterns.
31. Because the entire unit is outside any urban growth boundary and is not presently committed to residential use (that is, built on), the LCDC policies discourage residential development.
32. There are some private lands in Wyeth and westward along Herman Creek Road which are capable of facilitating low-density residential growth. Because much of this land is subject to steep slopes and geologic hazards, cluster-type development would be more desirable than traditional residential patterns. The desirability of residential development in this area, however, should be closely examined.
33. It is unlikely that a large number of people employed in Cascade Locks and the Hood River Valley will build primary residences in the Gorge. More likely is a demand for recreational housing.
34. Any residential development should be compatible with the rural surroundings of the Columbia Gorge, including agriculture, forestry, and open space.
35. The Columbia Gorge area is not served by a rural fire district or domestic water district.



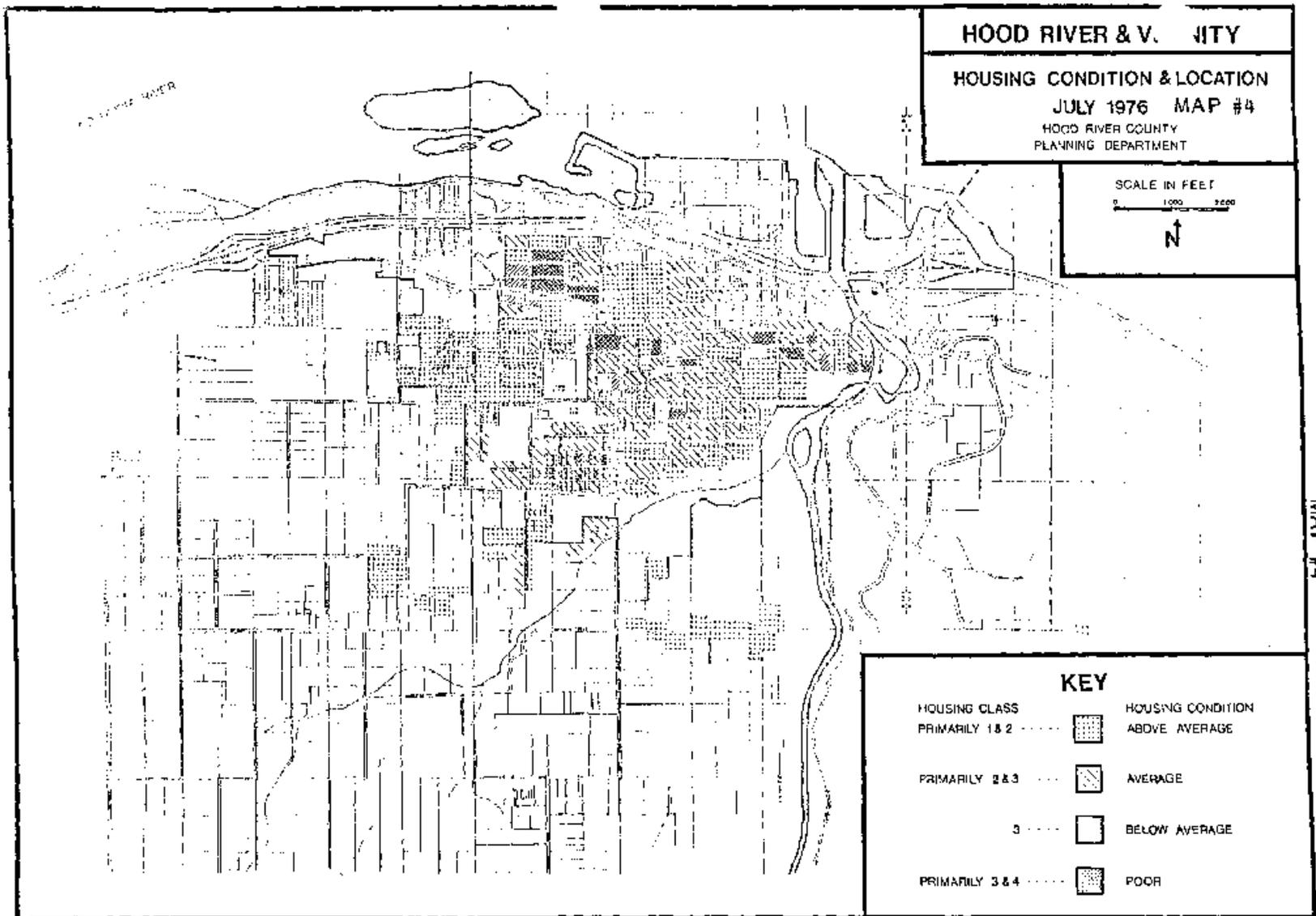
A larger scale map is available for review at the Hood River County Planning Department.



A larger scale map is available for review at the Hood River County Planning Department.

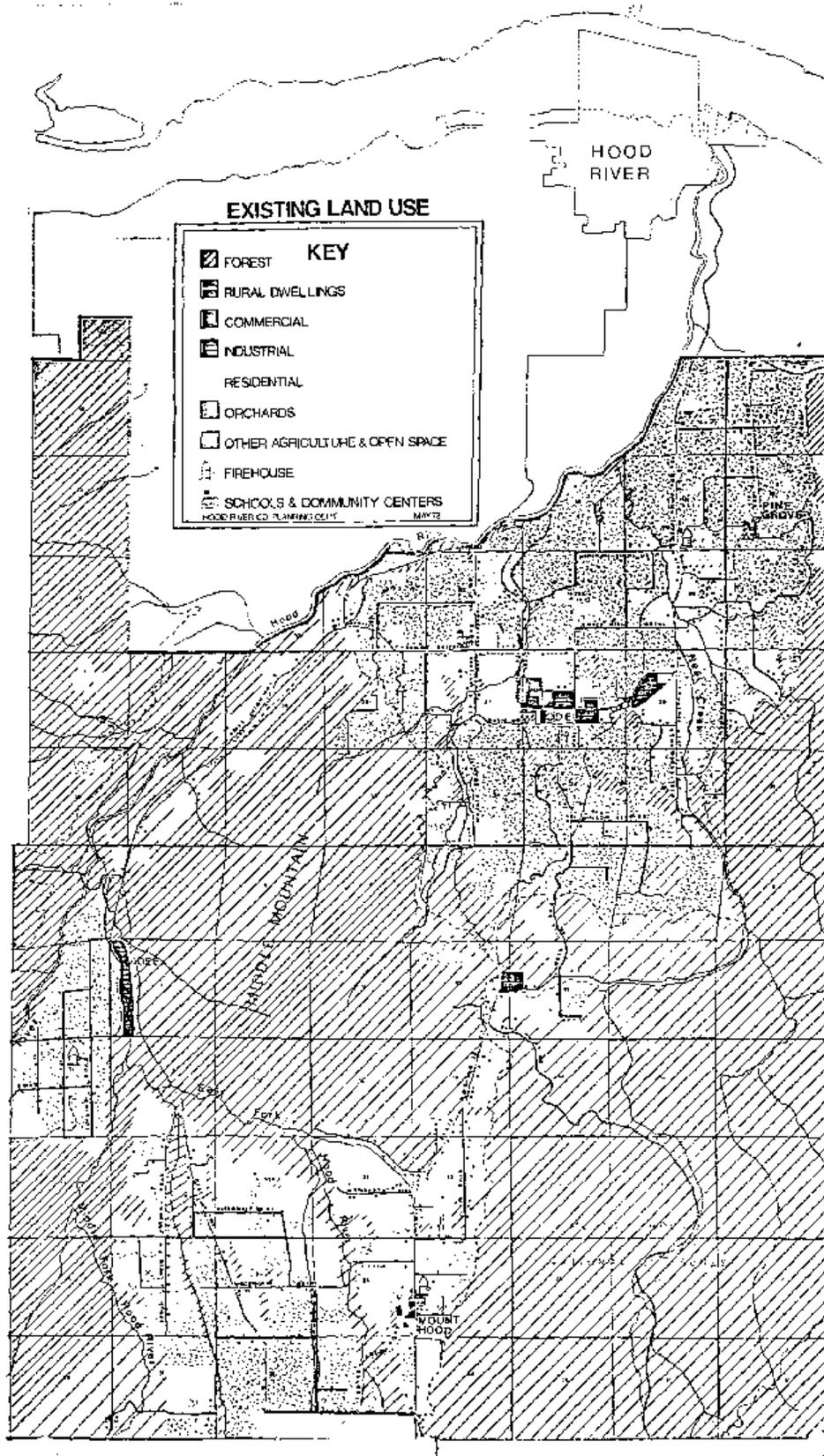


A larger scale map is available for review at the Hood River County Planning Department.



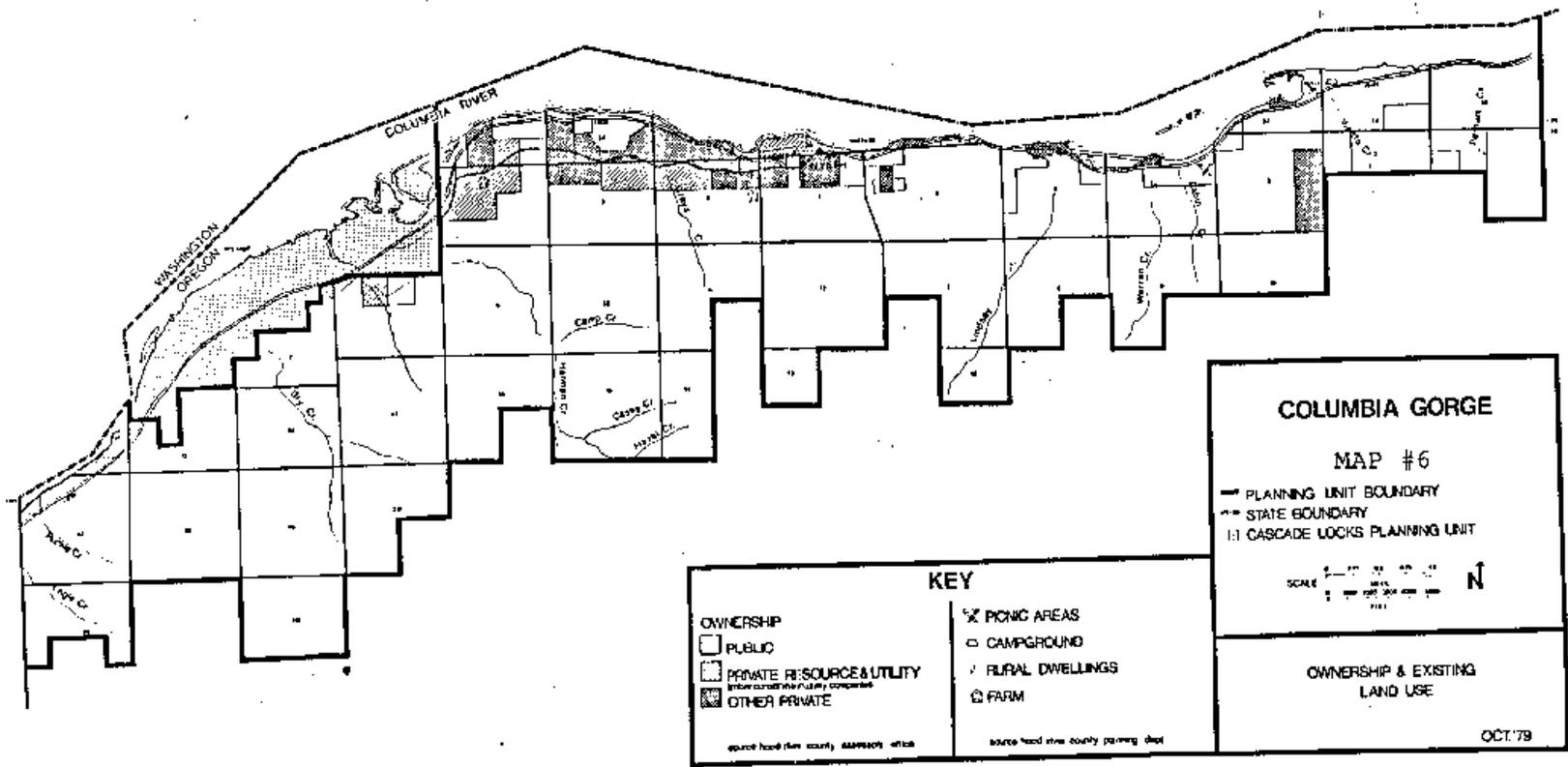
A larger scale map is available for review at the Hood River County Planning Department.

MAP #5

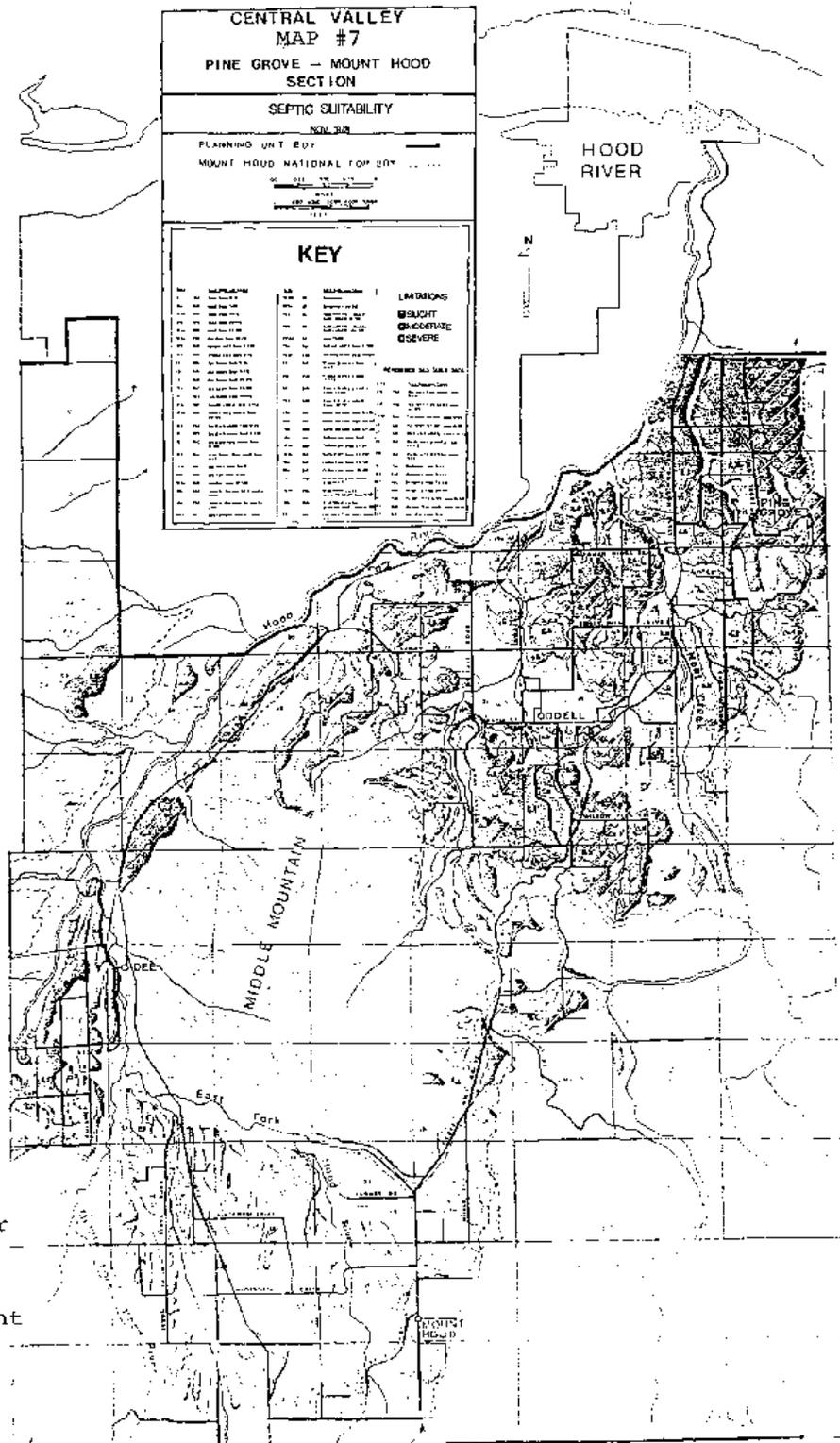


MAP #5

A larger scale map is available for review at the Hood River County Planning Department.



MAP # 6

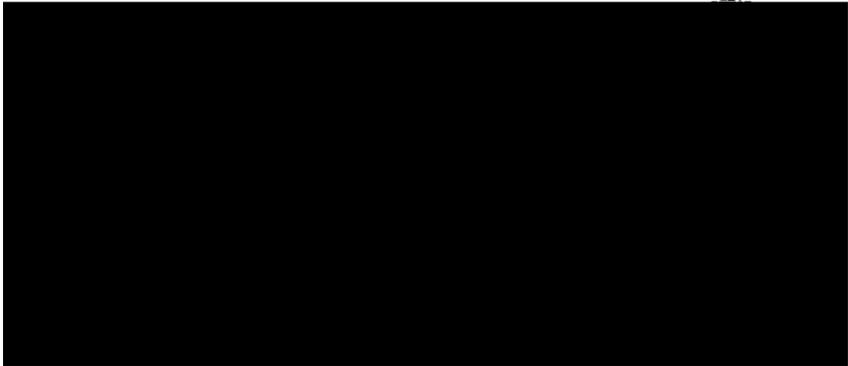


Larger scale color map is available for review at the Hood River County Planning Department

GOAL 10 - HOUSING: CITY/WESTSIDE HOUSING REPORT

The following Housing Report is applicable to the City/Westside area. It was prepared October 28, 1976 and discusses Housing Report Area; Housing Data; Neighborhood and Area Characteristics; Housing Survey Results; and Cost of Housing. This report was prepared by the Hood River County Planning Department.

Additional information relative to housing can be found in the following reports and documents: (1) Goal 2: Population Projections; (2) The County Exception Document; (3) County Policy Document; (4) Plan Designation Definitions; and (5) Goal 10- Housing: Background Report.



PLANNING COMMISSION

DAVID W. PORTER
COUNTY PLANNER

HOOD RIVER COUNTY COURTHOUSE
HOOD RIVER, OREGON 97031

PHONE 386-1306

October 28, 1976

Subject: City-Westside Housing Report

Dear Reader:

The information contained within this report is only the ‘tip of the Housing iceberg’. Although more information was gathered, some of it was edited as not being pertinent. All of the information is available on request at this office.

If any shortcomings on information or disagreements about findings come to your mind, please call it to our attention. The report can only be as good and useful as you want it to be.

Sincerely,

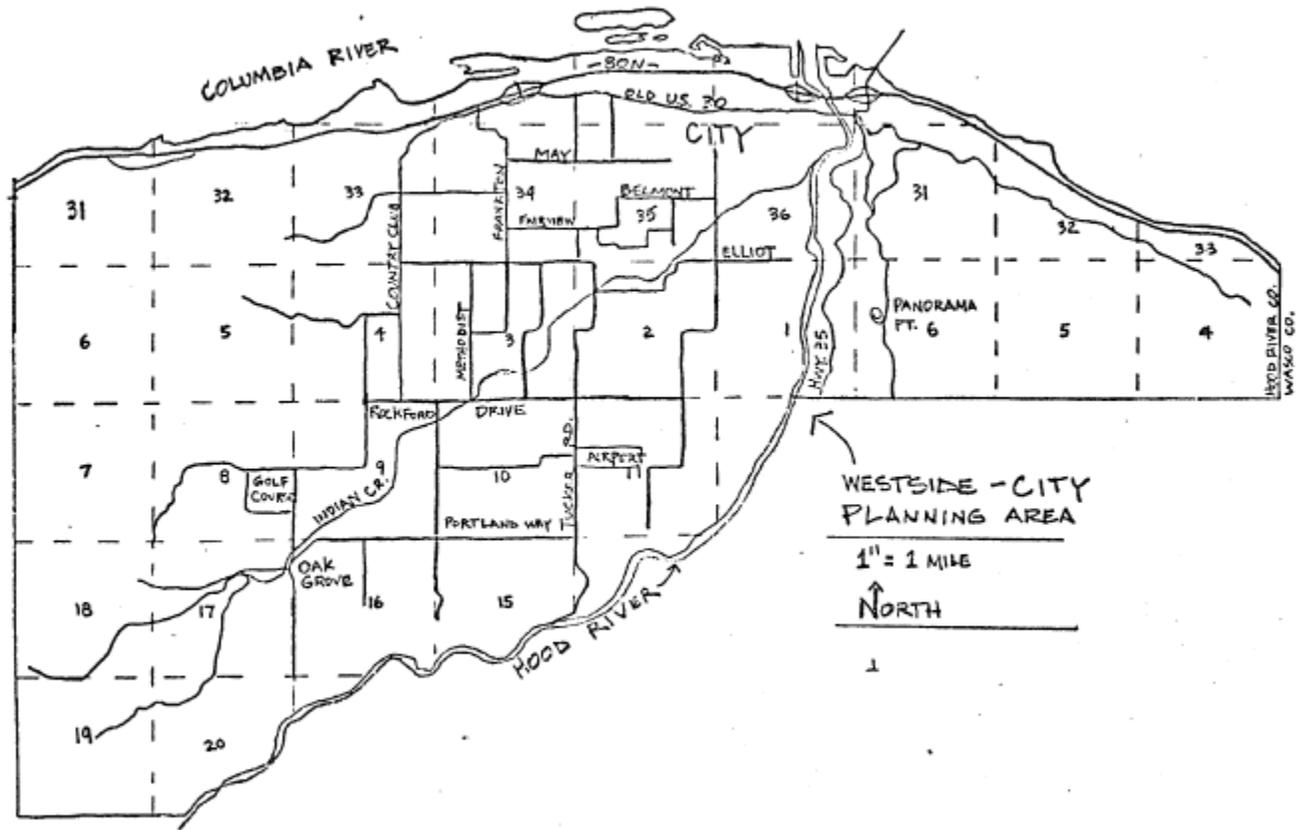
PLANNING STAFF

HOOD RIVER CITY –
COUNTY WESTSIDE
HOUSING REPORT

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Prepared by: Hood River County Planning Department
October 28, 1976



I. HOUSING REPORT AREA

The geographic area which this report covers is the incorporated City of Hood River and surrounding area. The surrounding area is best described by referring to the map on page 1

The housing study was performed in conjunction with the Comprehensive Planning efforts in the city-westside area. The city and county are cooperatively developing the Westside Plan and hope to complete it this winter.

II. HOUSING DATA

There are 7,951 people and 3,019 year-round housing units (houses, apartments, mobile homes) within the planning area. Recent housing trends in the area are capsulized on page 10. Compare this recent data to overall housing count: single family units - 2,373 (79%); multi-family - 386 (13%) and mobile homes - 261 (8%). Note that 69% of the new housing units in the city are multi-family and duplex. Also note the large number of mobile homes located in the county (westside) - this trend is likely to continue, with multi-family units claiming a larger share of the housing market. The reason: new single family housing costs are rising faster than median family income in the area; a growing number of young marrieds and singles are coming into the market; and a large number of elderly people on fixed income. This could also explain the increase in mobile home usage in the county (westside).

Based on a population projection of 12,451 (a 4,500 person increase) by the year 2000, an estimated 2,100 new housing units will have to be constructed to accommodate this new growth. This includes replacement housing over and above the demolitions and conversions to other uses. Some new units will be provided by converting single family homes to 2 or 3 unit apartments, but most (99%) will be provided by new construction.

By referring to the map on page 11 the location of recent housing in the county (westside) is readily apparent. In the city, three large apartment complexes and single family units in the south and west sections of town have comprised most of the city activity. New housing activity is being planned north of Rosauers and west of Rand Road, both in the city.

III. NEIGHBORHOOD AND AREA CHARACTERISTICS

This section will give a brief synopsis of the general condition of the neighborhood, including housing condition and lot vacancies. Some vacant lots may have gardens which, in many cases, make them 'occupied'. Vacancies and housing conditions are mapped in detail and are available for review in the County Planning Office.

HOUSING CONDITION CLASSIFICATION:

Class 1 - ABOVE AVERAGE UNIT: Must be structurally sound and be in excellent condition which includes a good paint job.

Class 2 - AVERAGE UNIT: Condition is similar to the above average unit. This unit has slight defects (painting, gutters, windows, small cracks in siding; etc.)

Class 3 - BELOW AVERAGE UNIT: This unit has one or two major defects which indicate lack of maintenance or structural aging. Defect areas include foundation, roof, exterior walls, chimney, porch and stairs, windows (several) and door frames. Rehabilitation is possible with substantial investment.

Class 4 - POOR UNIT: This unit has three or more major defects. These units are usually beyond rehabilitation.

Of the existing housing in the planning area, 607 (20%) are class 3 and 96 (3%) are class 4. The remainder (77%) are class 1 and 2.

CITY LIMITS (Refer to map on page 12 for area locations)

AREA 1: This area composes the downtown core and an older neighborhood to the west of downtown. The east side is where the original town of Hood River first developed. The residential area contains eight apartment buildings and one commercial building (13th and Oak). Downtown business appears to be expanding westward and this is where the apartments are also located. Most of the residences are class 1 and 2, although north of State and east of 9th Street class 2 and 3 predominate. Vacancies are found in both the commercial district and the residential section. Vacancies are located along Lincoln Street at 10th and Columbia Street between 9th and 7th. Several vacancies also exist north of State Street between 2nd and Front. Total vacant lots 17.

AREA 2: This area comprises two neighborhoods and only two commercial buildings, those fronting on Sherman Avenue. Eleven small apartment and duplex dwellings are scattered throughout the area. Housing conditions in the neighborhood are mixed. Between Montello and May, from 4th Street east is the only sizable chunk of class 1 and 2 units. North and east of this, the housing stock is mixed from class 1 to 4; predominately class 2, 3, and 4 units. The remainder of the area is mainly class 2 units. Vacancies are found mainly east of 2nd Street and are scattered. Total vacant lots: 16.

AREA 3: This area contains several neighborhoods and uses separated by parks, open spaces, and major streets. Twelve small apartments and duplex dwellings are scattered and appear mainly east of 12th Street. Fronting 12th Street from May southward is the Heights commercial district. Housing conditions are mixed from class 1 through class 4 units. North of the junior high school to west Sherman Street exists the only block of class 1 and 2 units. Directly east of this between 12th and 13th exists the only block of class 3 and 4 units. The remainder are classes 1 through 4, predominately class 2 and 3

units. Small vacancies are scattered throughout, mainly southeast of the 12th and May intersection. Total vacant lots: 4.

AREA 4: This area consists of a new neighborhood and an older area along the old Columbia highway. Commercial and industrial activities are located along the old highway as well as two mobile home parks. From Sherman south to May, a new residential area contains all class 1 units. Vacancies exist on the old Columbia highway and west of Rand Road. Total vacant lots: 3.

AREA 5: This area is separated by Cascade Avenue and Sherman Street creating three distinct neighborhoods. The section north of Cascade is older and less maintained. It has a few small duplexes (class 3) and a distinct block of class 3 and 4 units (between Wasco Street and Cascade, from 15th to 18th). The remainder are class 1 through 4, predominately class 3. Vacancies are scattered throughout. Total vacant lots: 16. The section between Cascade and Sherman is mixed with commercial along Cascade, a mobile home park adjacent to 20th and Cascade, and open spaces north of Sherman Street. A large apartment complex is on the highway in the center of the area. Class 1 units are located along Sherman Street. Total vacant lots: 2. The southernmost section of Area 4 (south of Sherman), consists of all class 1 and 2 units. One office building is located at 18th and May. Total vacant lots: 4.

AREA 6: This area is separated by 12th Street and contains numerous parks and open spaces. East of 12th Street, six small apartments and duplexes dot the section. Residences are in class 1, 2, and 3 with the majority class 2 units. Vacancies are spread throughout the section. Total vacant lots: 5. The section west of 12th Street contains a mix of commercial, multi-family, residences and parks. The area contains three apartment buildings. Adjacent to 12th Street is the Heights commercial district. A small commercial area lies at the intersection of 18th and Belmont. The housing in the letter streets from 13th to 15th is older and is class 2 through 4. Immediately west of this to 18th, the housing is class 1 through 3, mainly 1 and 2. The remainder is in class 1 through 3, mainly class 2 units. Vacancies are spread throughout with the largest block at the west end of 'B' Street. Total vacant lots: 13.

AREA 7: This is a newer developing area with commercial, (18th and Belmont) single family, and multi-family dwellings. All housing units in here are class 1 and 2, predominately class 1. Vacancies are found on the north side of this section. Total vacant lots: 2.

AREA 8: This is a newly developing area with the Heights shopping center, a large multi-family dwelling, and a large piece of vacant land. All units are class 1. Vacant lots: 2.

COUNTY (WESTSIDE) (Refer to map on page 13 for area locations)

AREA 1: This is adjacent to the city limits and extends to the county line. The Hood River Gorge provides a natural separation from the town. Overall the area is quite rural.

There is a newer developing area of class 1 units south of the Old Columbia highway along Highland Drive. Other units are classed 1 through 4, and are located along Highway 35, Highland Drive, and East Side County Road. Most of the area has poor suitability ratings for septic tanks and urban uses. Good soils do exist along Highland Drive and the Eastside Road in places. Orchards predominate in the southwest part of this area while grazing and open land occupy most of the land eastward. There is adequate room for suburban residences in the northwest corner, although water supply is a problem.

AREA 2: This area is adjacent to the city and contains commercial, public houses, mobile homes, orchards, and open space. Along Eliot, residences are in class 1 and 2 units. Adjacent to Tucker Road from the north to the south, commercial and residential uses predominate. Along the Hood River Gorge, orchards predominate. Soils in this area are mainly Wind River Fine Sandy loam which are suitable for septic tanks.

AREA 3: This area contains orchards along the Hood River Gorge, the airport, the theater, and rural residences along Tucker and Orchards Roads. Most of the soils are good for septic tanks although some areas, including Alder Creek drainage, have poor suitability.

AREA 4: This area includes Indian Creek drainage, Westside School, and the Avalon Way development. Residences in this area are class 1 through 4, predominately class 1 and 2 units. This area also includes orchard land, mainly adjacent to Belmont on the west side of the area. Soils are good for septic tanks, except the Indian Creek drainage gorge. The area contains five vacant lots.

AREA 5: This area contains Tucker Road commercial and residential uses, a cemetery, and a few orchards. There is some vacant land although it is mostly in drainage areas. Soils are predominately good for septic tanks.

AREA 6: This area contains residences along Tucker Road, Portland Way, Hays Road, Markham Lane and Rockford Road. Rockford and Windmaster Corner have neighborhood or community shopping areas. Orchards predominate the western section of this area. Soils are fairly good in the eastern section, but from Markham Lane westward, generally are poor for septic tank suitability.

AREA 7: This area is adjacent to the south and western section of the city. It contains Valley High School, Luhr Jensen, Krieg Millworks, Frankton School, two large mobile home parks (west of interchange) and a few apartments. Orchards are located along Alameda Way, Fairview and Belmont. A small orchard is located on May Street, opposite HoHo Lane. Suburban residences dot Westcliff Drive east of the interchange and a commercial area is located west of the interchange. Soil conditions are mixed in this area with 50% having good, and 50% having poor suitability for septic tanks. Vacancies exist in the area, most notably west of and adjacent to Rand Road.

AREA 8: This area contains residences along Country Club Road, Belmont, Methodist Lane and Frankton Road. One orchard is located south of and adjacent to Post Canyon Road. The soils are generally unsuitable for septic tanks (Rockford soils).

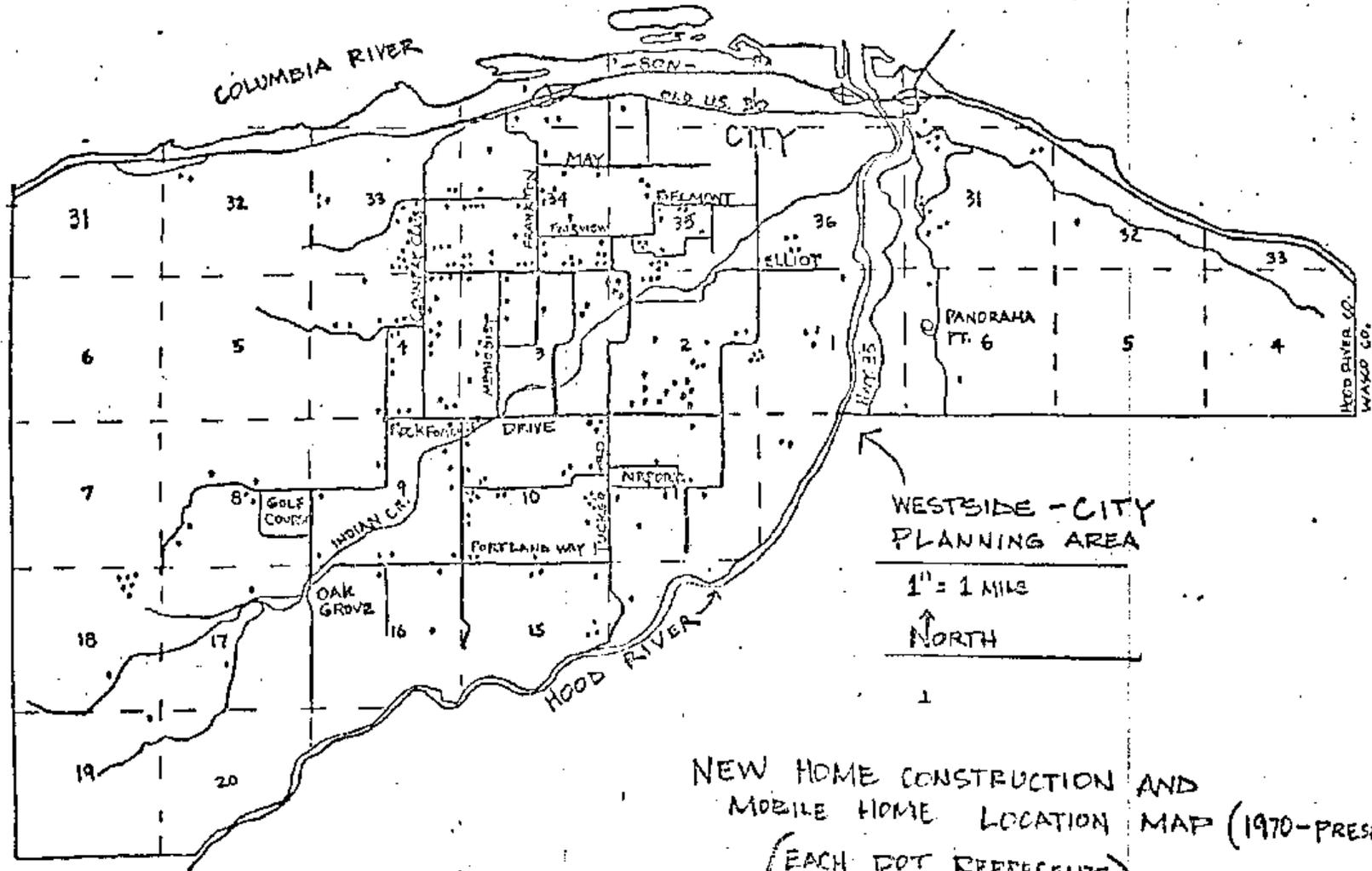
AREA 9: This area contains residences along Country Club Road, Sunset Way, Post Canyon Road and Reed Road. Orchards are located from Sunset Way south to Oak Grove. Phelps Creek drainage, the sloping foothills and an abundance of forested areas make this an ideal country setting. Soils are generally unsuitable for septic tanks.

AREA 10: Kingsley and Bins Hill Road are popular residential areas here as well as the Oak Grove - Reed Road area. Orchards are located from Oak Grove southwest-ward, and from Portland Way southward. Soils are generally suitable in the Bins Hill - Kingsley Road area. Soils are generally unsuitable for septic tanks from Oak Grove to Markham Lane.

Soil suitability referred to above is general and not site specific. Septic tanks can be made operable in some marginal areas by lengthening drain lines, preparing an artificial drain base, or other methods.

HOUSING STARTS - NUMBERS REPRESENT UNITS

	<u>CITY</u>			<u>COUNTY (Westside)</u>		TOTAL
	S.F.	DUPLEX	MULTI.-F	S.F. (duplexes)	M.H.	
1970	3	4	---	10	12	29
1971	21	---	74	25	23	143
1972	19	6	29	34	25	113
1973	17	---	46	36	19	118
1974	10	4	9	16	12	51
1975	9	---	16	17	10	52
(June) 1976	6	---	---	11	7	24
TOTAL	85 (31%)	14 (5%)	174 (64%)	149 (58%)	108 (42%)	530
<u>Percentages for total planning area</u> S.F. % of total = 44% * M.H. % of total = 20% Duplexes & Multi-F % of total = 36% *				* duplexes were included in the S.F. figures for the county – however, few duplexes were built in this period so the figures should not be too far off. ** taken from city and county building permits.		
S.F. = single family M.H. = mobile home						



WESTSIDE - CITY
PLANNING AREA

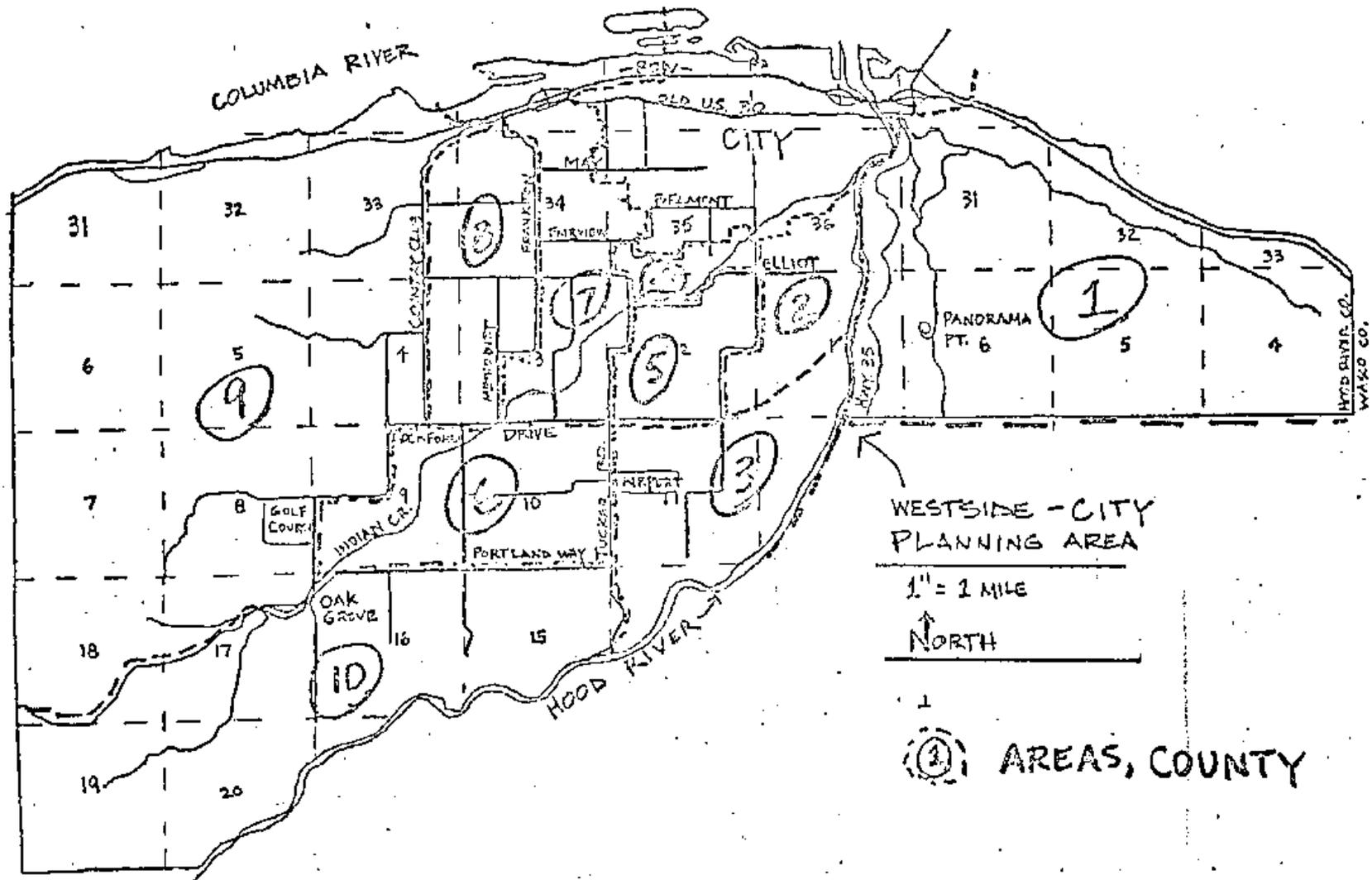
1" = 1 MILE

NORTH

NEW HOME CONSTRUCTION AND
MOBILE HOME LOCATION MAP (1970-PRESENT)

(EACH DOT REPRESENTS
ONE HOUSING UNIT)

60% of H.U.'s ARE HOUSES / 40% MOBILE HOMES



4. Housing Adequacy by area:

<u>City</u>	<u>Adequate</u>	<u>Inadequate</u>	<u>Total</u>
Area 1	30 (79%)	8 (21%)	38
Area 2	18 (82%)	4 (18%)	22
Area 3	16 (70%)	7 (30%)	23
Area 4	8 (89%)	1 (11%)	9
Area 5	35 (95%)	2 (5%)	37
Area 6	38 (83%)	8 (17%)	46
Area 7	1 (100%)	- (0%)	1
Area 8	- (0%)	1 (100%)	1
Sub Total =	<u>146 (82%)</u>	<u>31 (18%)</u>	<u>177</u>
TOTAL =	177 (100%)		

<u>County</u>	<u>Adequate</u>	<u>Inadequate</u>	<u>Total</u>
Area 1	15 (88%)	2 (12%)	17
Area 2	28 (80%)	7 (20%)	35
Area 3	10 (91%)	1 (9%)	11
Area 4	27 (87%)	4 (13%)	31
Area 5	22 (92%)	2 (8%)	24
Area 6	15 (75%)	5 (25%)	20
Area 7	32 (86%)	5 (14%)	37
Area 8	20 (74%)	7 (26%)	27
Area 9	10 (67%)	5 (33%)	15
Area 10	13 (87%)	2 (13%)	15
Sub Total =	<u>192 (83%)</u>	<u>40 (17%)</u>	<u>232</u>
TOTAL =	232 (100%)		

5. Reason for housing inadequacy:
(Respondents answered as many as applicable)

Too small	=	48	(32%)
Too old	=	15	(10%)
Faulty Plumbing	=	11	(7%)
Faulty Electrical	=	9	(6%)
Faulty Roof, Foundation	=	14	(9%)
Too expensive	=	34	(22%)
Too far from work or town	=	3	(2%)
Other	=	17	(11%)
TOTAL	=	151	

6. Housing	<u>Owned</u>	<u>Rented</u>
Adequate	306	33
Inadequate	43	27
Sub Total	349	60
TOTAL	409	

* 12% of owned housing is inadequate
45 % of rented housing is inadequate

7. Housing Preference:

Single Family House	=	362	(92%)
Duplex	=	5	(1.5%)
Apartment	=	2	(.5%)
Mobile Home	=	20	(5%)
Other	=	3	(1%)
TOTAL	=	392	

8. Preference by income:

<u>Income - \$</u>	<u>Preference</u>			<u>Total</u>
	<u>Move to New Housing</u>	<u>Stay Here, repair existing home</u>	<u>Do Nothing</u>	
under 2000	-	1	3	4
2000 - 3999	6	6	15	27
4000 - 5999	4	5	23	32
6000 - 7999	2	8	15	25
8000 - 9999	8	5	22	35
10,000 - 11,999	9	13	19	41
12,000 - 14,999	9	16	32	57
15,000 - 24,999	19	25	67	111
25,000 & over	6	7	37	50
	63 (17%)	86 (23%)	233 (60%)	382 (100%)

* Of those households who would prefer to move to new housing:

- 19% are in the 2,000 - 7,999 income range
- 41% are in the 8,000 - 14,999 income range
- 30% are in the 15,000 - 24,999 income range
- 10% are in the 25,000+ income range

* Of those households who prefer to stay and repair existing home:

- 23% are in the 2,000 - 7,999 income range
- 40% are in the 8,000 - 14,999 income range
- 37% are in the 15,000+ income range

9. Monthly housing costs (mortgage, rent, utilities, insurance, property taxes) by gross household income:

The cutoff in determining if a household is spending a disproportionate amount of their income for housing costs is 25% (gross income).

Example: A household whose gross income was \$9,000/yearly and who spent more than \$188 per month for housing costs is considered to be paying more than 25% of income for housing.

In the survey, 376 households responded to these questions and 66 or 18% were determined to be spending more than 25% of their income for housing purposes.

10. For those who rent (58 total), 21 (36%) pay \$101 - \$150 on monthly housing costs; 11 (19%) pay \$151 - \$200 on monthly housing costs; and 22 (37%) pay more than \$200 on monthly housing costs.
11. For those who own (325), 72 (22%) have incomes in the \$4,000 - \$10,000 range; 103 (32%) have incomes in the \$10,000 - \$16,000 range; and 127 (39%) have incomes in the \$16,000+ range.
12. From the survey, a figure of 2.75 persons per household was computed. This is at odds with the 'one the ground' survey showing 2.70 persons per household. In 1970, 2.74 P.P.H was reported.
13. In 1970 the vacancy rate was 5.0%, in 1975 a vacancy rate of 3.5% is reported.

V. COST OF HOUSING

The cost of housing helps determine its supply and demand. Many factors determine new housing costs, including local land and labor costs, availability of financing, interest rates, local materials cost, and other factors. Whenever the cost of housing is mentioned, the local income or 'ability to pay' for that new housing must also be mentioned.

Average (new and old) single family housing costs:¹

<u>1970</u>	<u>1976</u>
\$14,500	\$28,263

This is a 95% increase over the past six years.

New housing costs are compared next. Nationally, housing costs are running at \$43,300 and in Oregon, \$40,800. Housing costs are the sum total of construction costs (labor and materials) and land development costs (building site, water, sewage disposal, and utilities). Here is the average new housing costs trend.²

¹ County assessor; 1970 census, housing characteristics.

² 1970 Census, housing characteristics; county assessor.

	<u>1970</u>			<u>1976</u>		
	house	lot	<u>total</u>	<u>house</u>	<u>lot</u>	<u>total</u>
<u>CITY</u>						
large lot:	22,500	3,000	\$25,500	36,227	6,500	\$42,727
small lot:	22,500	2,000	\$24,500	36,227	4,500	\$40,727
average:	22,500	2,500	\$25,000	36,227	5,500	\$41,727
<u>COUNTY</u>						
average	21,200	1,750	\$22,950	36,880	5,000	\$41,880
average City-County = (Westside)			\$23,975			\$41,804

From the preceding tables, we can see a trend developing in just the past six years. For new homes, land costs and building costs have increased. In the city, land costs have increased an average 120% in the period, while county land costs increased an average 185%. These dramatic increases in land costs can be attributed to several factors: a change from a buyers market to a sellers market (demand exceeding supply); a preponderance of orchards and other land existing adjacent or near the city which is being used for other than development purposes, thereby decreasing the supply of available land; rising land development costs - sewage and water hook-ups, septic tanks, utilities, taxes, inflation, and others.

For housing construction in the city, costs have escalated an average 61%. In the county, construction costs have risen 74% in the last six years. These increases can be explained by rising wood, metal, and rock product costs, labor costs, inflation, taxes, insurance, and others.

For an average in the city-westside area, housing costs have risen 75% over the 1970-1976 period.

Although land development costs have risen faster than building costs, land costs remain lower than the state average, while building costs are slightly higher. Building costs remain higher because houses are not mass-produced here, they are usually custom built, and because materials have to be shipped from the Portland area. Land costs have risen fastest because demand is exceeding supply.

INCOME AND ABILITY TO PAY:

1970 median family income for the county = \$8,412

1976 median family income for the county = \$12,147.³

This is an increase of 44% from 1970 to 1976. Household income would be even lower, probably \$6,730 in 1970, and \$9,718 in 1976.

The 'rule of thumb' to use when determining whether a family can afford a home loan is that 1% of the total housing costs will be the monthly payment. Also, on the average, no more than 25% of gross family income can be expended for total housing costs.

With this assumption, we can calculate the following:

Average single family houses (old and new) ⁴		
	<u>1970</u>	<u>1976</u>
income needed to afford	\$7,000	\$13,535
% of families who can afford	62%	52%

New single family houses ⁵		
	<u>1970</u>	<u>1976</u>
income needed to afford	\$11,470	\$20,000
% of families who can afford	35%	20%

Now assuming that a small house (900 square feet) can be built on a small lot with the total cost being \$28,000, it will take 20% (\$5,600) down at a 9% interest rate or 10% (\$2,800) down at a 9½% interest rate. Including taxes, insurance, and utilities, payments would be \$300 at the 9% rate and \$330 at the 9½% rate. An income of \$14,400 will be required at the 9% rate and an income of \$15,845 will be required at the 9½% rate. If a family elected to spend more than 25% of their gross income for housing they could, however, less would be available for other necessary living expenses (food, clothing, transportation, etc.). At the lower level of new housing costs, still only 38% of westside area families can afford a new home. The problem for most low and middle income families is not so much the payments, but the down payments - the front end costs. For those who have equity in an older home or can obtain VA or FHA financing, the problem is not so acute. But for others the problem is cost and availability.

In conclusion, since incomes have risen only 44% and housing costs 75% in this period, more low and middle income families are being priced out of the market. Their only hope is apartment or mobile home living, both not nearly the investment value of a home. More availability of land and housing (low and middle income) would 'relieve' the market and enable prices to stabilize. Since 55-60% of our present housing stock is pre-1940

³ State Housing Division.

⁴ Planning Office calculation.

⁵ Planning Office calculation.

built, a program of active rehabilitation of these units is necessary. Because some of them are beyond rehabilitation, a continuation of new housing starts (replacement housing) is also in order.