Coos County, OR

HOUSING ANALYSIS AND ACTION PLAN

2018

HOUSING ANALYSIS AND ACTION PLAN
FOR COOS COUNTY, OREGON

Performed by czbLLC

czb

Acknowledgements

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Coquille Indian Tribe Community Fund

Jordan Cove

Banner Bank

City of Bandon

City of Myrtle Point

The Mill Casino (In-kind)

Coos Bay Rotary

Coos County

Coos Curry County Housing Authority

Coos Maintenance LLC

Habitat for Humanity

Oregon Coast Community Action

Rental Owners Association of SW Oregon

Southern Coos Hospital

NeighborWorks Umpqua

Coast Community Health Center

Umpqua Community Property Management

Waterfall Clinic

Walmart

DHS (In-Kind)

DATA AND INFORMATION CONTRIBUTORS

Coos County Tax Assessor

Oregon Bay Properties

FCR Housing Survey

SCDC Oregon's South Coast Profile

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ABOUT THIS **REPORT**

Housing is the foundation upon which a community is built. How and how well a community addresses the needs of its residents directly connects to quality of place. This report endeavors to describe Coos County's housing situation and to inform local efforts to continuously improve upon the place that Coos residents call home.

Too many county households are not being well served by housing choices that offer too little quality for too much money. Renters and homebuyers, especially those in the bottom half of the income distribution, struggle to find housing that meets their minimum standards of quality while also being affordable. And in the decade since the great recession, new housing production has all but ceased in Coos County, guaranteeing that new housing units are not part of the solution to the area's housing woes.

The variables that impact housing markets are economic, demographic, and social in nature. For example, the region's economic challenges are well documented, particularly the decline of the lumber and manufacturing industries in the 1980s. Even today, the region continues to be impacted by these losses; the county's population is less than its peak in 1980 and fewer people are in the workforce. But a stagnant economy and population has less to do with today's acute housing issues than a large population of increasingly elderly homeowners who are aging in place and blocking the way for a new generation of buyers.

Coos County's housing market is both stuck and in transition. It is stuck because of owners who have not left and a lack of new units to fill the supply gap. Its transition includes a recently emergent rental market and a looming property disposition challenge as those same elderly owners someday depart Coos County en masse. This report provides analysis and recommendations that can both address the stuck market of 2018 and the transitioning market that will create new and different conditions in the years to come.

The report is both an analysis and a toolkit for Coos County, built upon a foundation of data and observations derived from quantitative and qualitative processes. In addition to insights gleaned from data sources such as the U.S. Census and the Multiple Listing Service, the consulting team gathered local resident and expert input from focus groups and workshops across the county during four site visits from late December 2017 to late April 2018.

PART 1

COOS COUNTY **MARKET CONTEXT**

Demographically and economically, Coos County has been challenged since before the turn of the century.

Coos County's economic and demographic trends make its rising home values a curious story. Some important common drivers of rising property values are population, job, and income growth, but Coos County has experienced none of those. The county's population peaked in 1980, declined slightly by 2000, and remained flat over the next decade and a half. Employment has been on the decline with roughly 1,500 fewer county residents employed in 2016 than in 2000. Some of this may be related to job loss, as the county did lose jobs during that period. But a better explanation for a lack of employment is people leaving the workforce as they age. Coos County's median age increased from 43.1 to 48.2 years old between 2000 and 2016. The percentage of residents aged 62 and older grew from 22.5% to 29.5%. As the population has gotten older and less likely to be working, and the county has not added new jobs to replace those that have disappeared, incomes have failed to keep pace with inflation.

BY THE NUMBERS, 2000/2016

		COOS COUNTY 2000	COOS COUNTY 2016	OREGON 2000	OREGON 2016
POPULATION		62,779	62,944	3,421,399	3,982,267
	% CHANGE	↑ 0.2%		↑ 16.4%	
AGE		43.1	48.2	36.3	38.1
	% CHANGE	↑ 11.8%		↑ 7.7%	
MEDIAN HOUSEHOLD INCOME		$31,542	$39,110	$40,916	$53,270
	% CHANGE	↑ 23.9%		↑ 30.2%	
	INFLATION ADJUSTED	$44,497	$39,110	$57,722	$53,270
	% CHANGE	↓ -12.%		↓ -7.7%	
MEDIAN HOUSE VALUE (Owner Occupied)		$94,900	$169,900	$152,100	$247,200
	% CHANGE	↑ 79.0%		↑ 62.5%	
EMPLOYED PERSONS		25,187	23,537	1,742,638	1,832,620
	% CHANGE	↓ -6.6%		↑ 5.2%	
PERCENT OVER 16 IN LABOR FORCE		54.3	50.5	65.2	62.0
	% CHANGE	↓ -7.0%		↓ -4.9%	

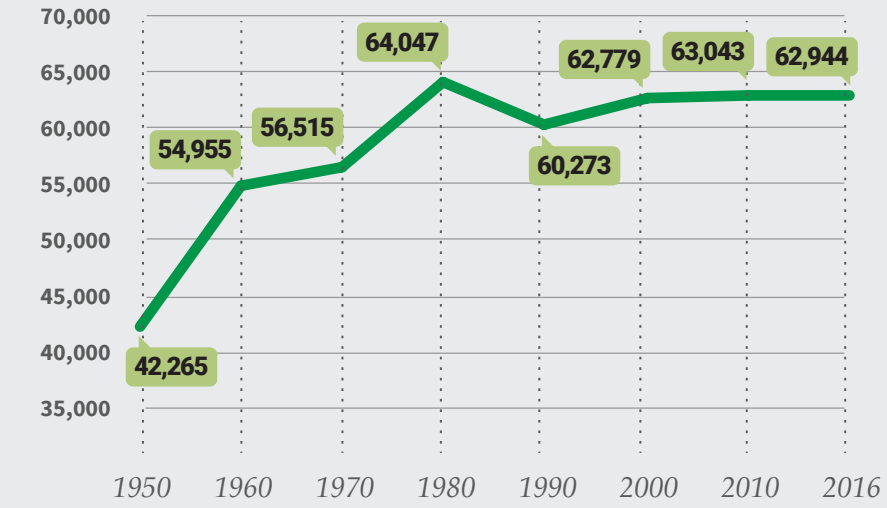
Housing costs have increased significantly despite a static population and declining workforce.

This is partially attributable to

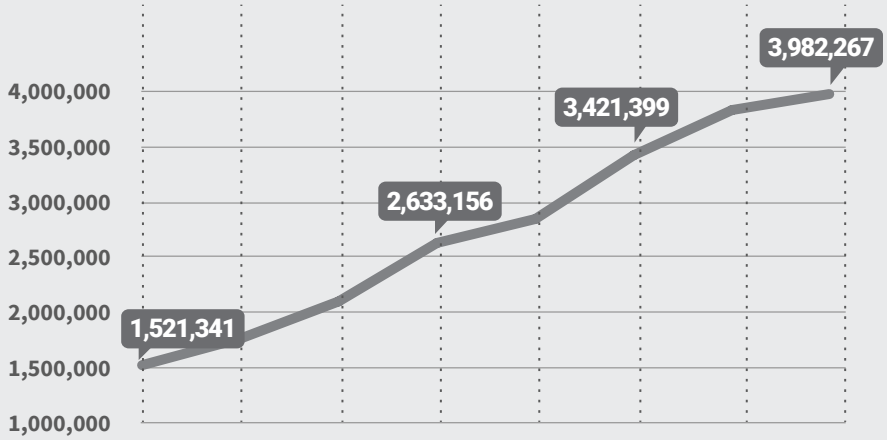
- A mirroring of national real estate trends
- Increased recognition of the area's geographic beauty
- Ongoing speculation in the vacation house market that is slowly discovering the south coast of Oregon

Population, 1950-2016

COOS COUNTY



OREGON



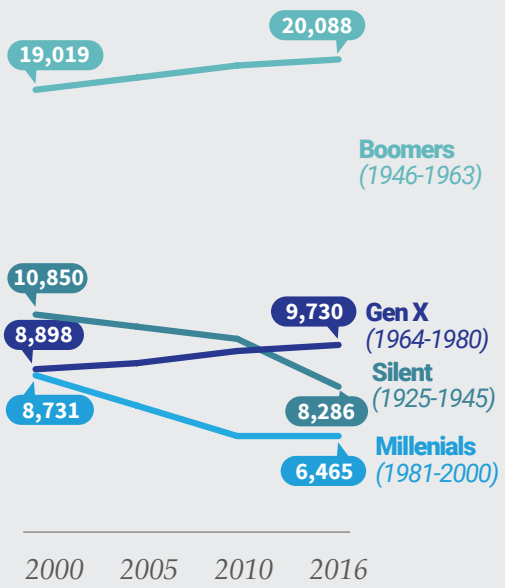
Baby Boomers Sticking Around

A notable phenomenon in the county is the extent to which those in the Baby Boomer generation (born approximately 1946-1964) have not only failed to decrease in number as they have begun to move into their retirement years, but have actually grown in number since 2000. Their presence, along with the lack of younger new arrivals, explains the growing median age in the county.

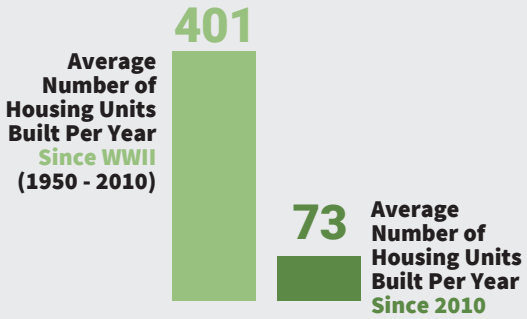
Housing Production and Sales

Based on the lack of population growth, stagnant incomes, and an aging population with little need for new homes, it is no surprise that housing production has nearly ground to a halt. Continuous building through the 1980s, 1990s, and early 2000s, in the absence of more people, or some other type of demand, meant that the market would become saturated at a certain point. What is more interesting is that recent sales trends appear to be decoupled from local conditions. Despite the lack of change in population and employment, residential sales from 2000 to 2016 mirrored national trends with a peak in sales volume and prices just before the recession, a marked dip beginning in 2008, and a steady climb in the years following. The median sales price has not recovered to its 2007 peak, but it is on its way.

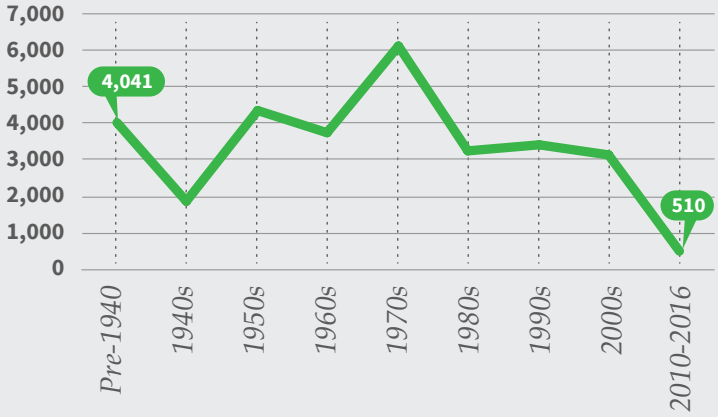
Age Cohorts in Coos County



Number of Housing Units Built Per Year in Coos County



Housing Units Built by Decade, 1940-2016



Housing Production and Sales

What explains the variation in the housing market at a time when so little of the fundamentals seem to be changing on the ground in Coos County? It is difficult to answer the question with 100% certainty, but one possible answer is shifting markets for existing residential structures. More specifically, a change in the use of ownership units is afoot.

Many former ownership units, whether they are in single-family houses or in mobile homes, have transitioned to rental units since 2000. But much higher numbers have transitioned to vacant and/or seasonal use. New production of single-family units, on a net basis, has been almost totally absorbed by the vacant/seasonal category. The implication of these shifts is clear: the homeowner market for housing in Coos County has not successfully competed with the rental market or the seasonal market. Because rental property owners and seasonal owners, who very well may not live in Coos County, have been increasingly prevalent in the Coos County housing market, demand from local homebuyers is less influential. This may partially explain why sales trends in the county have tracked closely with those outside the area.

Changes in Single Family Housing, 2000 to 2016

Total Single-Family Units

2000	2016	# Change	% Change
19,492	**21,076**	**+1,584**	**7.7%**

Single-Family Ownership

2000	2016	# Change	% Change
14,020	13,637	**-383**	**-2.7%**

Single-Family Rentals

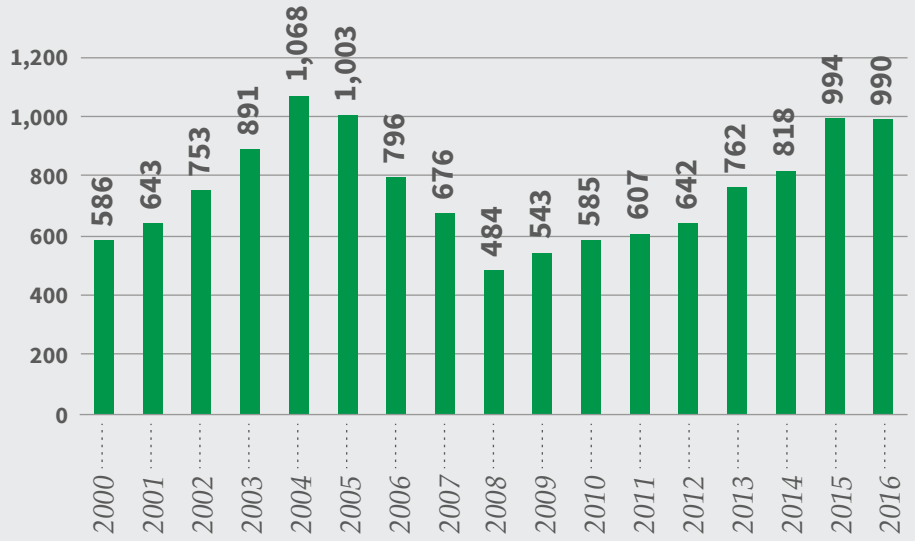
2000	2016	# Change	% Change
3,680	4,274	**+594**	**16.1%**

Single-Family Other (i.e. vacant/seasonal

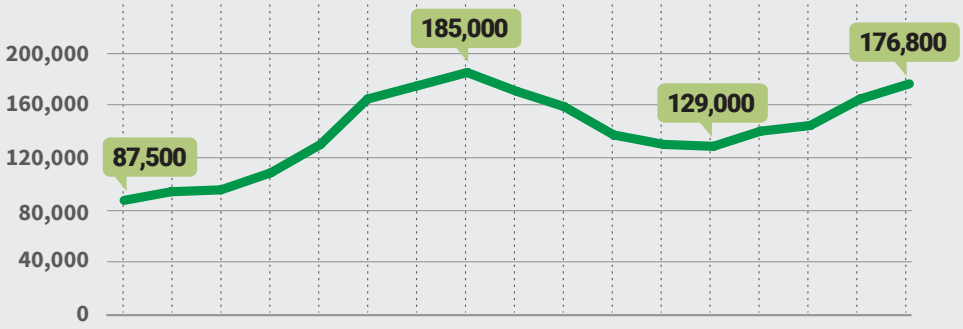
2000	2016	# Change	% Change
1,792	3,165	**+1,373**	**76.6%**

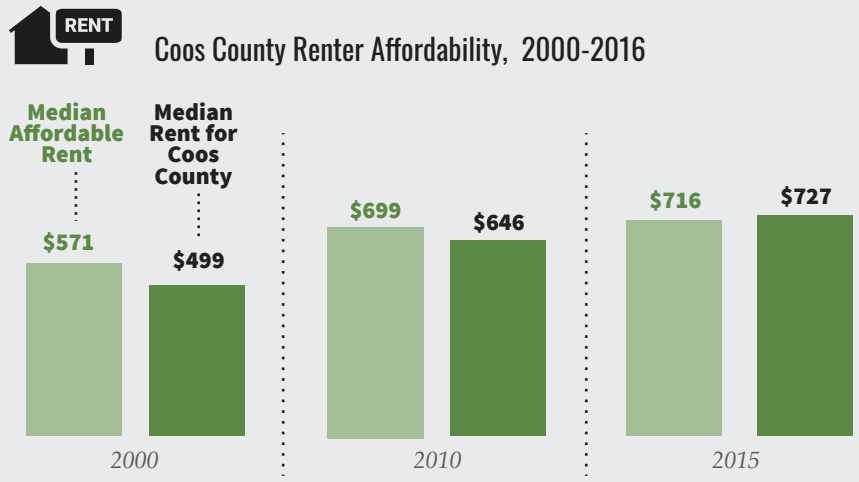
The real estate market in Coos County reflects the local economic conditions - the substantial increase in median sales price that occurred during the real estate boom of the early 2000s receded slightly after the Great Recession but not to the attainable level noted in 2000. The increase in median sales price since 2012 has the current median sales price near the record high noted in 2007.

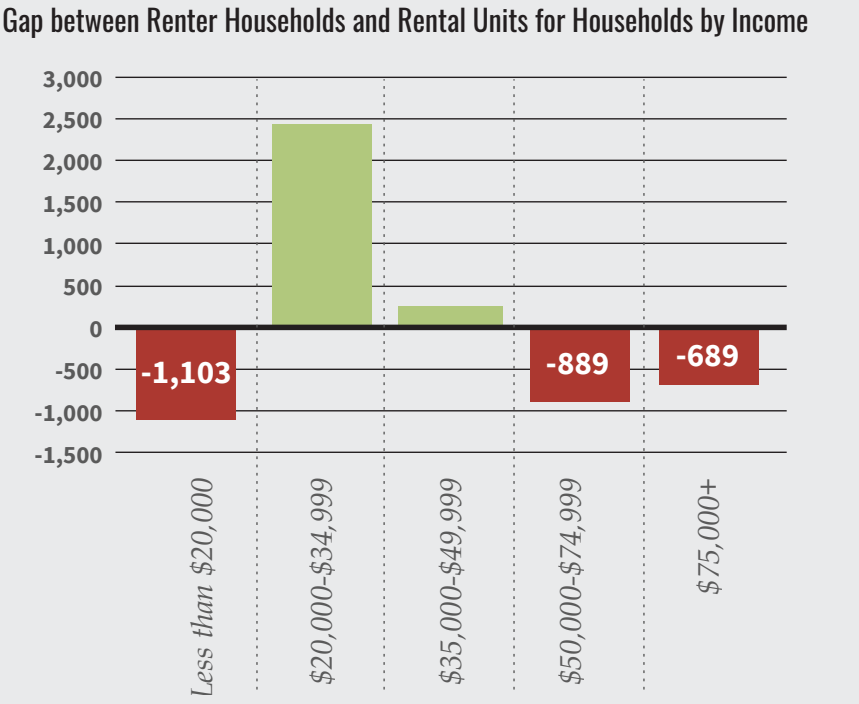
Residential Sales, 2000-2016

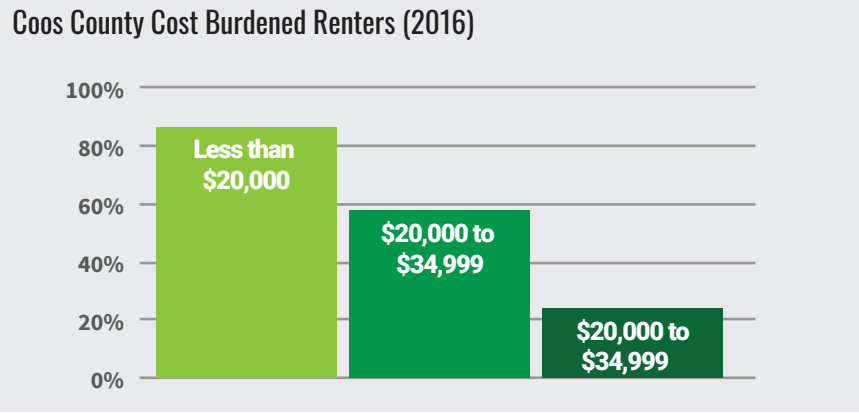


Median Sales Price, 2000-2016









RENTAL MARKET

According to historical data and the most recent countywide data available via the 2012-2016 American Community Survey 5-year estimates, Coos County has long been a fairly affordable rental market. Only recently has the median rent in the county surpassed the median renter household's ability to pay it. Anecdotal information and an informal survey of rental listings indicate, however, that rents may now be increasing more quickly.

RENTAL GAP ANALYSIS

There is a deficit of rental units affordable to all groups except those earning $20,000 - $35,000 (and a small surplus for those earning $35,000 - $50,000). In short, Coos County is mostly a $500 to $1,000 per month rental market (with some availability in the $1,000 – 1,500 per month market).

For renter households earning more than $35,000, such a breadth of choice between $500 and $1,000 makes Coos Bay an affordable area in which to rent.

For renter households earning less than $20,000, being forced into the same $500-$1,000 price range means paying more for housing than they can afford. czb calculates that the county is short roughly 1,100 units for those earning less than $20,000.

COST BURDENED RENTERS

Renters with low incomes solve their housing problem in one of a few ways. First, they accept the smallest and lowest quality units available. Second, they may share housing costs by joining with other renters as roommates. Third, they may simply pay what it costs even though they are unable to afford it. Indeed, nearly 90% of low-income renters in Coos County are cost-burdened, meaning they spend more than 30% of their income on housing expenses.

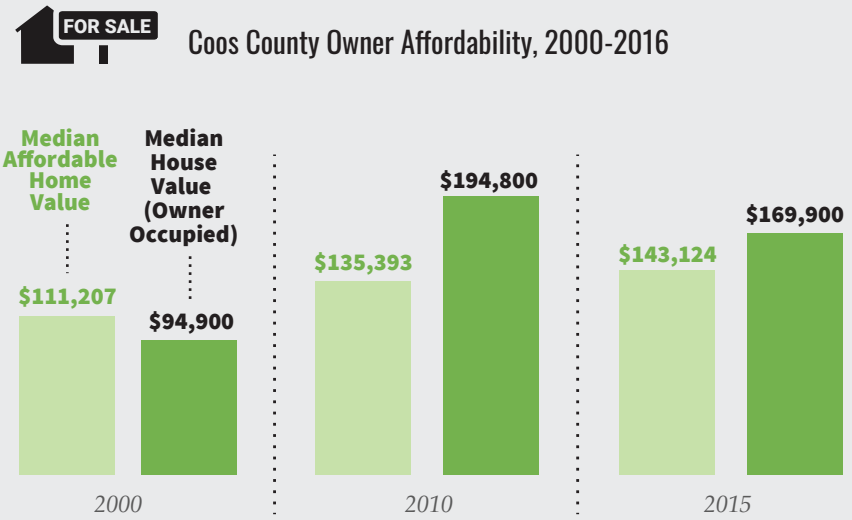
OWNERSHIP MARKET

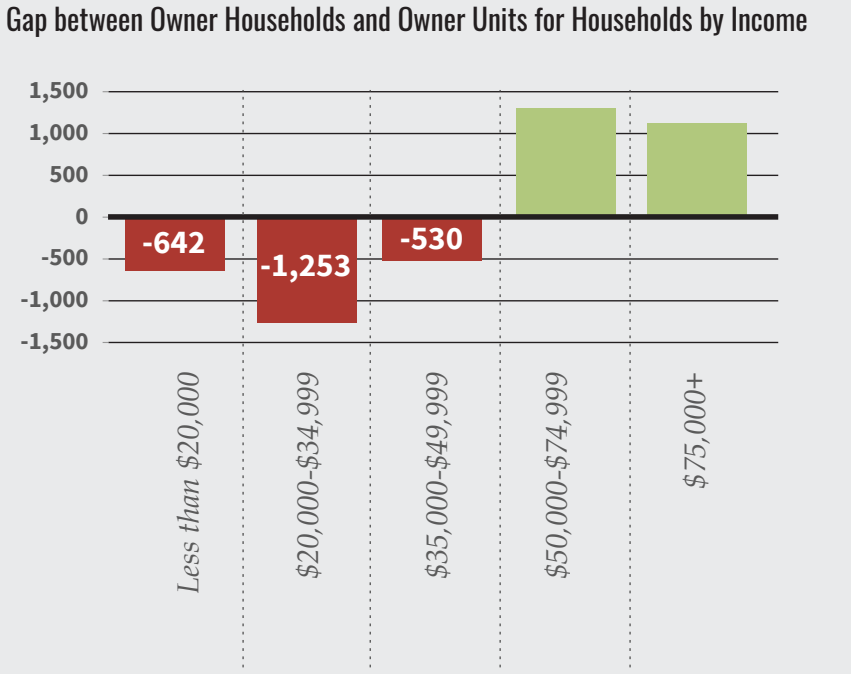
Pressure from rental and seasonal markets, and a relative lack of new supply, have combined to push home values upward. Between 2000 and 2016, the median value nearly doubled, from approximately $95,000 to approximately $170,000. What had once been a relatively affordable place to own a home, where the median home value was actually less than the median owner income could afford, became increasingly unaffordable for owners. By 2010, the median home value outstripped the ability of the median owner to afford it, though it moderated slightly by 2015.

OWNERSHIP GAP ANALYSIS

A gap analysis illustrates the difference between the number of households in a given income range and the number of housing units affordable to that income range. Gap analysis for ownership units in Coos County reveals that the largest deficit of ownership units is for those households earning $20,000-$34,999 but, in fact, there is a shortage of homes affordable to any households earning less than $50,000. The most these households could afford is $150,000, a price point which provides few appealing options in the Coos marketplace. Many households that could afford to buy a house in the range below $150,000, after considering the few low-quality options on offer, instead decide to stay in the rental market.

Moving up the income scale, as owner households are able to afford a house around the median ($177,000) and at higher price points, more options become available. But this is a range that excludes many first time buyers, who tend to be younger and have less purchasing power than they will have later in life. These higher income buyers may also be unimpressed with offerings in the ownership market at prices they can afford and they too may remain in the rental market in higher numbers than expected.





WHAT IT WOULD COST THE COUNTY TO SUBSIDIZE ALL OF THE POOREST HOUSEHOLDS WITH RENTAL UNITS

The table to the right outlines an approach to addressing housing for all 3400 of the County's poorest households. The upper half of the table illustrates a rental subsidy program that averages $227 per month to close the ongoing monthly gap between what they can afford to pay per month ($500) and the County's median rent of $727. This would cost $9.2M per year and while admirable is unsustainable. Further, it does not speak to the quality of the units available nor does it assume any new production.

The lower half of the table illustrates the cost to subsidize all 3400 of the poorest households in Coos County in newly constructed rental units - $28.5M per year (assuming a cost of $425M to construct all 3400 rental units). The bottom calculation is only for the 1100 poorest households that were identified in the rental unit gap analysis on the prior pages. The annual subsidy would be $9.2M with a construction cost of $137.5M. These costs are greater than the rental subsidy indicated above for existing rental units (assuming they were available) and not likely to be borne by the County on an annual basis.

PROBLEM TO SOLVE: RENT SUBSIDY FOR MEDIAN RENT

To bridge the gap between what Coos County's poorest households can afford to pay ($500) and the median rent of $727, a monthly subsidy of $227 for each household is required. On an annual basis, this amounts to $9.2M.

Costs to Address Lowest Income Affordability Challenge

WHAT COOS COUNTY'S POOREST HOUSEHOLDS CAN AFFORD TO PAY
$500

MONTHLY COST OF **MEDIAN RENT**
$727 → $227 MONTHLY SUBSIDY

OF HOUSEHOLDS
3,400 → ANNUAL SUBSIDY $9.2M

PROBLEM TO SOLVE: NEW AFFORDABLE CONSTRUCTION

To bridge the gap between what Coos County's poorest households can afford to pay ($500) and what is required in rent to justify production of a new unit ($1,200 per month), a monthly rental subsidy of $700 (or annual subsidy of $8,400) is required per household.

The total annual cost of such a subsidy for 3,400 households is **$28.5M.**

The capitalized cost to produce a new affordable unit is $125,000.
The total cost for **3,400 units** is **$425M**.

WHAT COOS COUNTY'S POOREST HOUSEHOLDS CAN AFFORD TO PAY
$500

MONTHLY COST OF **MEDIAN RENT TO BREAK EVEN**
$1,200 → $700 MONTHLY SUBSIDY

COSTS FOR ALL HOUSEHOLDS UNDER $20,000

OF HOUSEHOLDS EARNING UNDER $20,000
3,400 →

ANNUAL SUBSIDY
$28.5M

CAPITALIZED COST
$425M

Simply closing the existing unit gap for low income households would cost less, but would still require a significant level of investment. The annual subsidy required for **1,100 new units** is **$9.2M** and the capitalized cost is **$137.5M**.

COSTS FOR CLOSING THE EXISTING UNIT GAP

CURRENT SHORTAGE OF UNITS FOR HOUSEHOLDS EARNING UNDER $20,000
1,100 →

ANNUAL SUBSIDY
$9.2M

CAPITALIZED COST
$137.5M

PART 2

FACTORS INFLUENCING THE STATE OF HOUSING IN COOS COUNTY

The Coos County housing narrative is essentially framed by a series of interconnected and very complex influences, all of which impact the region beyond just housing.

Housing tends to be one of the most visible and precise indicators of a community's success or failure and is typically evaluated through the lens of quality, availability and affordability. The research and analysis that follow attempt to categorize these influences into five topic areas that can be easily accessed for review and ultimately addressed by the community.

In most cases, these influences upon a community are longstanding and have likely been the topic of many regional discussions over the years. How a community responds to these influences matters greatly in its ability to move forward. In some cases, the challenges confronting Coos County are not unique to only this region but impact similarly sized communities throughout America. But in all cases, the challenges are certainly difficult to address and how and why each community tackles them must be uniquely tailored to their particular economic, political and social context.

1. A SLOWLY EVOLVING **REGIONAL ECONOMY**
2. THINGS ARE **LOOKING A BIT RUNDOWN** IN MANY NEIGHBORHOODS
3. THE COUNTY'S **POPULATION IS STEADILY AGING** AND IS STYMIED BY A LACK OF MOBILITY
4. **ZONING CODES AND DEVELOPMENT FEES** ARE ALL STICKS AND NO CARROTS
5. **NEW HOUSING PRODUCTION HAS BEEN CURTAILED** BY THE DECLINE OF THE LOCAL CONSTRUCTION INDUSTRY AND THE REALIZATION OF THE FINANCIAL STRENGTH OF THE EMERGING COASTAL VACATION ECONOMY

1 A SLOWLY EVOLVING **REGIONAL ECONOMY**

The economy matters – first there is an economic issue before there is a resulting housing issue.

Housing in Coos County is increasingly impacted by fewer job opportunities and lower wages for residents. A homeowner or tenant's ability to afford housing is determined by their income potential within the community in which they live and work. That potential has gradually diminished over the past two decades as the economy has transitioned to the lower-wage service sector.

The fastest growing segments within the service economy are education/health services and leisure/hospitality (retail, accommodation and food services). While the median income for the new jobs in education and health services is a relatively stable $34,000 (about 15% below the household median income of $39,110), those in the leisure and hospitality industry earn a median income that is under $20,000 and can only afford $500 per month for rent – this in a market that is currently short 1103 units in this rental range.

POVERTY

Poverty remains a concern for the county as the poverty rate has increased 21% since 2000 (from 15% in 2000 to 18.1% in 2016). An increase of this magnitude is particularly alarming from a housing perspective due to the fact that it is very challenging to house anyone or a family at this income level; housing for those earning less than $20,000 per year (or those under the poverty level of $12,500 for an individual or $24,500 for a family of four) is difficult anywhere in America.

Coos County Poverty Rate

2000

15.0%

↓

2016

18.1%

Over a 16 year period, poverty increased by 21%.

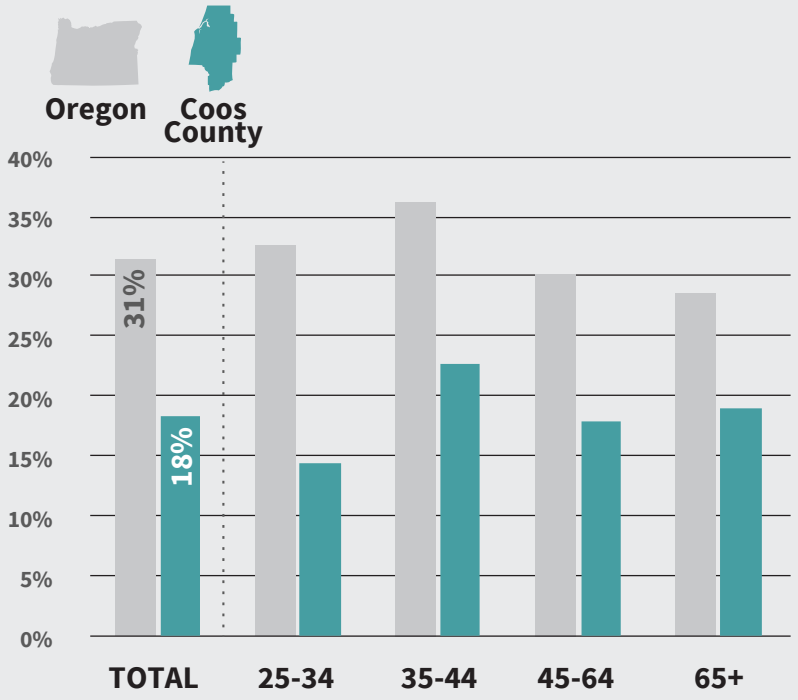
EDUCATIONAL ATTAINMENT

Educational attainment within the county is well below the state level – 18.4% of Coos County residents have a bachelor's degree or higher compared to 31.4% for the state, a fact that makes it that much more difficult for the county to compete for new business and jobs given the competitive employment environment that exists in Oregon.

Interestingly, those over the age of 65 in Coos County have a greater percent with a bachelor's degree or higher (19.1%) than the county as a whole (18.4%).

The population cohort between the ages of 25 – 34 has the lowest educational attainment of any cohort in the county with only 14.50% having a bachelor's degree or higher compared to 32.60% statewide for this age cohort

Percent of population with bachelor's degree or higher by age cohort, 2016



WHY IT MATTERS

Low wages and increasing poverty throughout the county do not instill a sense of security for local or outside investors.

And both challenge the social fabric that has been established in the county since the middle of the 20th century. Shift happens and a new economic paradigm is required for the county to successfully compete in today's marketplace.

While education is not the only requirement to economic success, the knowledge economy of the 21st century requires an educated workforce to thrive – and more so than at any time in the nation's history.

Knowledge is not only provided by way of a bachelor's degree, but also through skills learned in the technical and trades fields; investment to expand and develop these opportunities is needed.

There is a give/get component to community reinvestment and economic development that can be led by county and city governments.

A demonstrated commitment to increasing funding aimed at reinvestment projects (e.g. housing, recreational amenities, infrastructure, etc.) will require a significantly different level of investment than has been demonstrated to date. Is the county prepared to raise taxes to invest in specifically identified projects? Are the cities prepared to do the same?

2 THINGS ARE **LOOKING A BIT RUNDOWN** IN MANY NEIGHBORHOODS

There are clear signals that owners and landlords are not reinvesting in their existing assets and there are a number of reasons why they stop maintaining and/or updating their properties:

- A lack of economic resources, particularly true for low-wage households, to address standard maintenance requirements or keep up with basic curb-appeal benchmarks.
- Frustration felt by property owners with the general level of maintenance in their neighborhood and a feeling of hopelessness that the city or county will hold anyone accountable – leading to a general lack of pride in place.
- A disconnect and/or lack of trust between landlords and tenants – both of whom are at fault for much of the tired looking housing in the county. Absentee landlords that are unresponsive to addressing the minimum maintenance standards are a significant part of the problem but increasingly problematic are those tenants that have little to no respect for the property they rent. It's a chicken and egg issue and fault is less important than the result – neighborhood disinvestment that can lead to declining property values and assessments/property tax revenues for already stressed cities (and the county in general).

WHY IT MATTERS

Deteriorating housing conditions are visible to not only neighbors but potential investors and future homeowners as well.

Housing that looks tired or unkempt sends strong signals to future investors that this is a neighborhood where their investment may not realize strong returns.

In some cases, the housing conditions are so poor they create an unhealthy and unsafe environment for the residents.

Many tenants have reported leaking roofs and gutters that have not been properly cleaned of debris - all of which can lead to water damage and mold build up within a house. The county's poorest residents have the fewest choices relative to housing and must settle for this low quality housing; better options are in limited supply and when available are too costly.

Housing that is not properly maintained may be assessed at a lower rate thereby depriving the city and county of much needed property tax revenue.

Increased code enforcement efforts, specifically for rental units that are being neglected by the landlords, would begin to improve some properties. A code compliance assistance program, aimed primarily at owner-occupied units with financially strapped homeowners is also recommended.


NO
TRESPASSING

3 THE COUNTY'S **POPULATION IS STEADILY AGING** AND IS STYMIED BY A LACK OF MOBILITY

While it may be true that age ain't nothing but a number, it does tell a story when viewed through an economic and geographic lens. Where young college graduates gravitate to for work can be an indicator of a clustered employment center or an area known for innovation opportunities. Conversely, many warm and coastal areas in the US are magnets for retirees. In the case of Coos County, there has not been an influx of older folks but rather a steady aging in place of the local population.

In 2016, the median age in Coos County was 48.2 compared to 39.1 for Oregon. The county's median age has increased by 12% since 2000 making Coos County the 10th oldest county in the state and these older households are aging in place to a greater extent than the state in general. In Coos County, almost 31% of homeowners have remained in their current house since 1999 compared to only 25% statewide. This contributes to a low turnover rate in housing sales/rentals and creates a stuck market. The turnover rate in 2016 was 3.2% (total number of sales/total housing units or 990/30,481). The national average is generally double this rate (in the 6%- 8% range).

Boomers make up the largest age cohort in the county and their numbers have increased slightly since 2000. More than two thousand Millennials left the county after the year 2000 and have not returned. Interestingly, Xers are increasing slightly as a percent of the Coos County population.

WHY IT MATTERS

As the county ages in place and residents remain in their homes, they leave few opportunities for a healthy and revolving housing market.

With a turnover rate of less than half the national average, the housing market feels stuck. What can't be fully ascertained from these numbers is the percent of older householders that would like the option to step down into a smaller house…a choice that is not currently available to them.

The stuck market has implications beyond the residents of the county.

Newcomers to the area will have a hard time finding quality housing at a reasonable price given the lack of movement in the market. Anecdotally, there have been many stories about new hires to the area not being able to find housing and having to turn down their job offers.

The demographic make up of the county offers both concern and hope.

Concern from the purely numeric perspective – Boomers (those born between 1946 – 1964) make up the largest percent of the population and the Silent generation (1925 – 1945) is the fastest growing segment of the population. But the fact that Xers (1965-1980) are steadily increasing as a percent of the county's population is a positive sign as they tend to be in the most productive stage of their careers. Could Millennials (1981-2000) follow their lead and begin to move back to Coos County?

4 ZONING CODES AND DEVELOPMENT FEES ARE ALL STICKS AND NO CARROTS

Zoning is a tool that allows for the orderly implementation of a community's comprehensive plan and more specifically defines permitted land uses and associated building requirements via district classifications. Zoning in and of itself cannot and will not stimulate demand in the real estate market; it merely regulates what can be built in a particular zoning district.

But zoning matters inasmuch as it brings form to the community – the regulatory parameters establish the basic framework for the type of development allowed within a residential zoning district. The diversity or lack thereof contained within the county's neighborhoods is based upon the language contained within the zoning code. And this language can be changed to address the needs that have emerged and are so evident in 2018:

- The need for smaller, more compact, single-family residential lots that cottage housing or duplex developments could be built upon.
- Mixed use development zoning districts that allow commercial and residential development to coexist – this could be in the form of a neighborhood center development that has restaurants or retail on the first floor and residential units on the upper stories. Horizontal mixed use - commercial and residential uses scattered throughout a development site - should also be considered.
- Accessory dwelling units (ADUs) are units that can include a self-contained apartment in an owner occupied single-family home/lot that is either attached to the principal dwelling (e.g. basement suite or attic unit) or in a separate structure on the same property (e.g. above a rear detached garage, a guesthouse, etc.).

The Cottage Company, Conover Commons in Redmond VA

The average homebuyer or small time developer will often be sidelined by the complexities of a community's zoning code and THEREFORE any opportunity to simplify the code should be exercised. Oregon has a vast and comprehensive regulatory structure that can be overwhelming to first-time homebuyers or builders; an ombudsman in the county (and the cities') planning offices to walk parties through the building process could go a long way toward opening up development options.

In conjunction with the zoning and building codes are the permit and development fees that are particularly expensive in Oregon since the inception of Service Development Charges (SDCs) in the 1970s. These "development impact fees" can escalate to as high as $10,000 for the construction of a single-family house in many cities within Coos County and can delay or completely sideline a project.

WHY IT MATTERS

Zoning and building codes provide the specific requirements for all development within the community.

Historically, these requirements have often been designed to limit development opportunities on a particular property in a specific zoning district. But increasingly the language used in these codes is being revised to incentivize the type of development that a community wants to see rather than solely outlining what can't be done on site.

If development fees are running as high as 5% - 10% of a housing project, and are not financeable, new housing starts will continue to be stymied.

These fees are particularly troublesome for lower income households that are trying to get a foothold into the housing market and less troublesome for the higher income households.

5 NEW HOUSING PRODUCTION HAS BEEN CURTAILED BY THE DECLINE OF THE LOCAL CONSTRUCTION INDUSTRY AND THE REALIZATION OF THE FINANCIAL STRENGTH OF THE EMERGING COASTAL VACATION ECONOMY

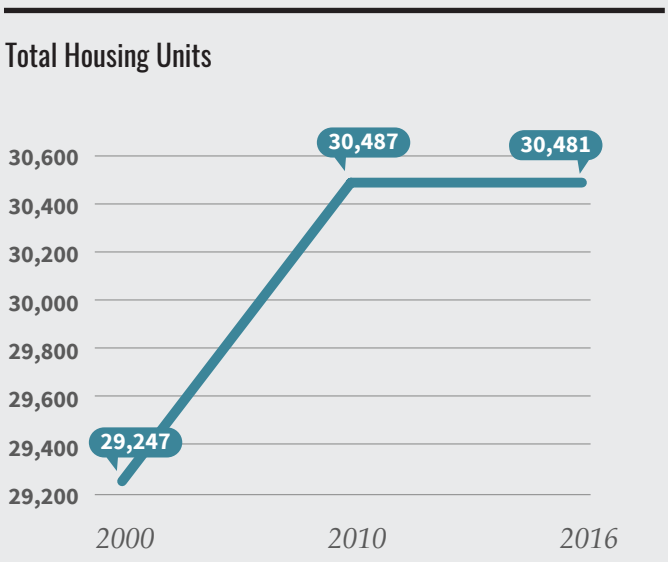
As a result of the national real estate implosion in 2007 and subsequent Great Recession many local contractors, builders and construction firms closed shop and/or left the area. The construction industry was the hardest hit of any in the County – suffering a 28.2% workforce loss between 2006 and 2016. Today, anyone looking for a builder or general contractor will be challenged to find one and if they do the schedule will not likely fit within their desired construction timeline.

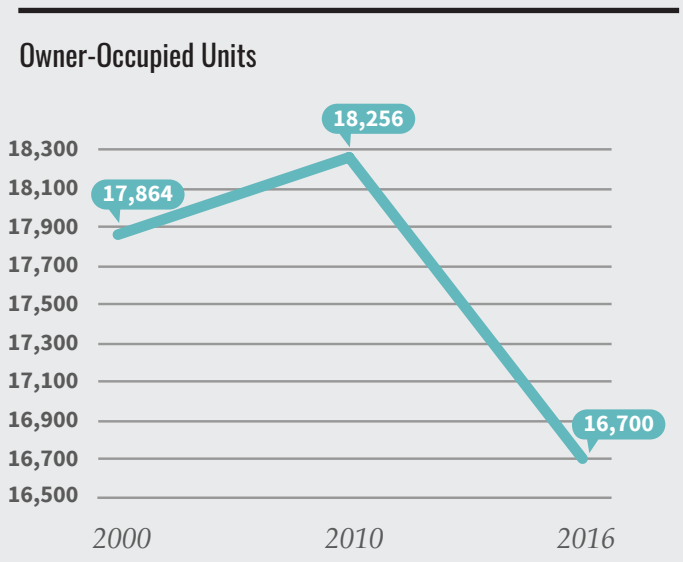
Further complicating the limited number of contractors within the county is the fact that those who remain in the county are often drawn to custom build projects and the reward of higher per square foot margins. This may be partly attributable to the uptick in vacation housing and seasonal rental upgrades as well as the notable demand for housing in the $275k - $375k range.

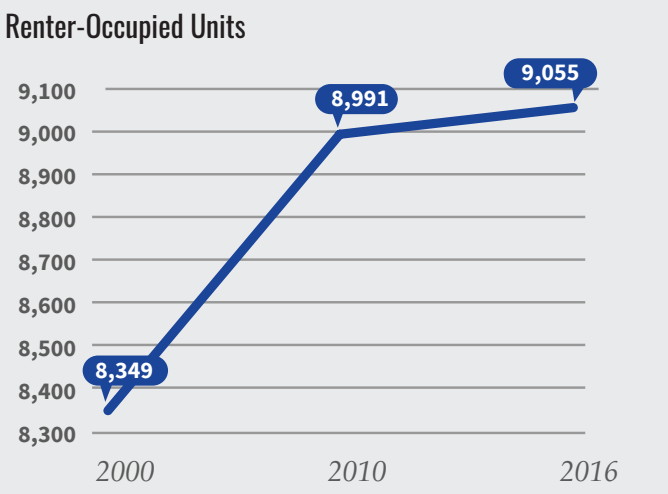
The appeal of the vacation housing economy is not just a boon to contractors benefiting from increased per square foot prices but also to those that own quality housing stock within the county and have realized the rewards of renting out their unit on AirBnB or VRBO (Vacation Rental By Owner) or even Craigslist. The steep decline in the number of occupied housing units throughout the county appears to be closely correlated to the rapid increase in vacation rentals available over the same period. Between 2010 and 2016, the county experienced a loss of more than 1500 owner occupied units. Although exact numbers are not available, most of these were likely converted to vacation/seasonal rentals. This has a significant impact on the housing market in Coos County – this net loss of housing units available to residents creates an artificial "demand" that keeps housing prices above what the local market can afford.

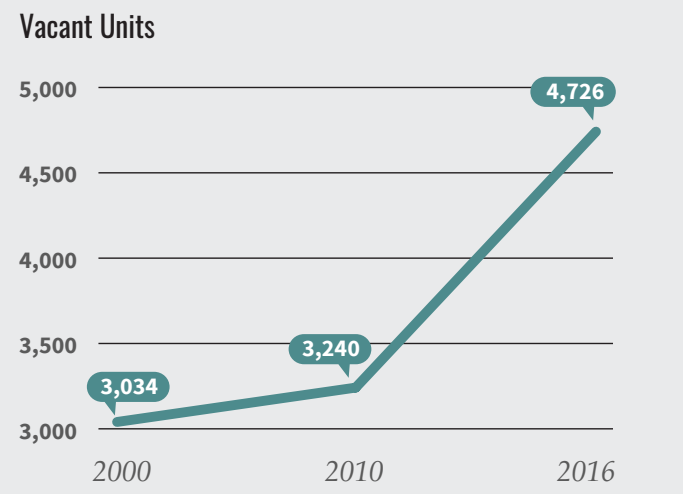
Changes in Coos County Employment by Industry Sector

	Percent Change 2006-2016
Construction	-28.2%
Professional and Business Services	-28.3%
Mining and Logging	-6.7%
Trade, Transportation, Utilities	-6.5%
Manufacturing	10.6%
Leisure and Hospitality	2.3%
All Government	-3.8%
Education and Health Services	-22.9%









WHY IT MATTERS

A housing market with a limited construction workforce can expect that workforce to take advantage of the demand for their services and gravitate to those projects that are willing to pay more for their services.

In the case of Coos County, a simple reality exists where a small market for $275k - $375k houses has virtually capitalized the entire construction workforce.

Housing that has been converted to seasonal vacation rentals combined with very little new production has led to a housing crisis in the county since 2010 – the County's population has remained relatively static but has lost more than 1,500 housing units in the housing supply chain.

The workforce feels the impact of this constrained supply and housing prices and rental rates remain artificially high as a result.

PART 3

TAKING ACTION

A Primer to the Action Plan for Coos County

Two seemingly contradictory housing and housing-related realities require attention in Coos County.

The Market Overall is Stuck and Too Costly For Many

In simplest terms, there is no affordable housing crisis in Coos County. There is a shortage of quality rental units for any household earning less than $35,000 annually, and a shortage of affordable home ownership options until annual household income is at least $75,000. This is a situation that has been found to be a reality in soft markets with aging housing stocks, older households, trouble keeping and attracting young families, declining school enrollment, and tight vacancy rates. Such markets are stuck, will continue to suffer disinvestment, and as they get closer to the demographic cliff that's inevitable, soon have to confront not prohibitive and rising housing costs and cost burdens, but excess supply and accelerated disinvestment.

Coos Faces an Existential Threat from Looming Disinvestment

As costly as housing is for many, especially for those earning less than $25,000 annually (who are almost always single wage earner households), there is a greater - and arguably far greater - problem of general market softness for any part of the county not presently desirable for households with the ability to afford $500,000 and more for a home. In other words, minus a few areas of the county where demand for ocean front or similar locations command high prices, what's left are areas terribly vulnerable to disinvestment, falling demand, falling values, declining confidence, shrinking tax base, rising concentrations of poverty, decreases in owner occupancy, vacancy, and even abandonment. This, and not affordable housing is the real challenge Coos County must mobilize the community to tackle.

Cost Burdens Derive More from Low Household Incomes Than High Housing Costs

These two realities mix to create a very specific kind of housing dilemma. Affordable housing problems are a derivative of one or two underlying factors, or both in some combination. Extremely high development costs (San Francisco, New York City, Washington, DC), or extremely low incomes (Buffalo, Detroit, Cleveland, Milwaukee). On occasion, elements of these two conditions can mix, making for a reality where, while costs are not that high, they are high enough to outpace incomes which, while not too low, are low enough to be a problem. This last scenario is one many weak but yet distressed markets increasingly face. This is where - on balance - Coos County is. To glimpse the future of Coos Bay on a much larger scale, one need look no further than unhealthy concentrations of marginal multifamily rentals along Newmark Avenue between Hull and Schoneman, much of Empire and especially storefront commercial along Cape Arago (for which there's not enough purchasing power in the capture area to support at a healthy level). Without an intervention these areas will decline; indeed they may be too far gone to affordably recover. The point is that their present condition foreshadows the future for much of Coos Bay, unless action is taken - not to making housing affordable but too strategically rebuild the housing market so it makes sense for existing owners to reinvest their time, energy and money in their homes at rates not presently occurring but needed. This same future has already emerged in much of Coquille, along Tremont towards North Bend, and in Englewood. Indeed Charleston, which should be among the county's highest value land, is as at risk as anywhere, with an abundance of seedy norms too present to allow the market to grow. Likewise Bandon, with the most marketable natural resources in the region has a half dozen blocks of troubled single family homes behind the high school. General and prevailing market weakness, in other words, is the real concern to Coos County, not burdensome housing costs. The latter is an existential threat.

A strategic challenge is to solve the problem of fixing incipient weakness across the county while doing no harm to vulnerable low income households, and helping low and moderate income working households without worsening underlying market weakness. In truth it is more than a strategic challenge, it's very complex, has few successes elsewhere to import, won't be easy to implement, and won't be inexpensive. 70% of Pennsylvania was in this exact predicament 40 years ago and failed to do anything appropriate about it. Same with 90% of Michigan, 70% of Ohio, 60% of Indiana, more than half of Wisconsin, and all but a small portion of Iowa. If Coos County wants a different future, it will have to spend, invent, and get busy doing almost nothing it's used to doing. It's going to have to find and use muscles it has but which have not been exercised in a long time.

PART 3

There is no single approach that can fully address, let alone resolve, the housing issues that plague Coos County.

The compounding influences that have resulted in the current set of circumstances will require a multi-pronged approach to begin to move the needle and unstick the housing market. It will demand a focused effort. It will cost money. It will take time. And it will require a lot of heavy lifting on the part of the entire Coos County community – the private sector, the public sector, and the nonprofit organizations.

The details of how to facilitate such action will be the responsibility of Coos County but there are some best practices that illustrate successful actions in other communities and provide handrails to grab onto as the community moves down this path. To that end, the following pages outline a series of actions that, by design, can be tackled simultaneously or individually. Each action requires a collaborative approach and can be replicated anywhere in the county. Some of the proposed actions are based on well-established planning principals while others have not been done before. In czb's experience, however, the determining factors in whether a community solves its problems are: *creativity*, *collaboration*, and *commitment*.

TAKING ACTION ON HOUSING ISSUES

Creation of a Housing Trust Fund

Employer Funded Housing Program

County/Cities' Commitment to Assist Housing Construction

Indian Initiatives for Community Housing

Jordan Cove LNG – Building Community Housing for Longevity

A County-wide Approach to Housing That Serves the Dual Purposes of Economic Development and Neighborhood Revitalization

WHO?

Coos County Initiative

WHAT?

Housing Bond

HOW MUCH?

$8,300,000

↓

$7,300,000

Amount Available for Direct Expenditure/ Investment by County Into a Housing Trust Fund (after debt service reserves/insurance/ etc.)

WHEN TO SPEND THE MONEY?

Over the course of ten years ($730,000/year)

How to Invest the Money?

On an annual basis, **BUY six houses from residents** wishing to downsize and stay in the area

These would be rehabilitated and sold below market value to teachers and other necessary community providers as defined by the County and the homes would be deed-restricted in terms of price and resale allowances (3% equity gain/year)

If a Community Land Trust (CLT) was established within Coos County, the CLT could take ownership of the land and ensure that it remained permanently affordable (as a non-profit the CLT could own the land tax-free and "lease" the land to the new owner of the house that sits atop this land for 99 year terms)

On an annual basis, **BUILD six new small(er) homes** for those who voluntarily sold their homes in an effort to downsize

These would also be sold at market value to keep neighborhood appraisals steady but with a "soft" second mortgage to make them affordable (with payments that are forgiven, deferred, or subsidized in some fashion, generally until resale of the mortgaged property)

What Do the Costs Look Like on a New Construction and Rehabilitation Project?

PURCHASE AND REHABILITATION

House Purchase	$150,000
Estimated Rehabilitation Costs	$40,000
Development Fees	$10,000
Service Development Charges	$0
Total (land and rehabilitation)	$200,000
Maximum amount that a median income household can afford	-$130,000
Gap to close (by HTF)	$70,000

NEW CONSTRUCTION

Land (small lot, 50'x75')	$17,500
Construction at $165/SF (1,100 SF)	$181,500
Development Fees	$15,000
Service Development Charges	$10,000
Total (land and construction)	$224,000
Maximum amount that a median income household can afford	-$130,000
Gap to close (by HTF)	$94,000

KEY ASSUMPTIONS

Land at roughly $17,500/lot would need to be available on a regular basis (requires an altruistic seller or one that can afford a loss on sale for tax purposes)

Donations of county- or city-owned land would reduce the housing costs significantly

Purchase of housing for rehabilitation averages $150,000/house (requires a willing homeowner who wants to downsize and is guaranteed a new smaller unit)

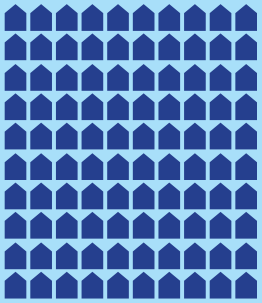
The Housing Trust Fund would have to pay a development fee of approximately $10,000 per rehab project and $15,000 per new construction project

What is Our Return on Investment?

*Approximately **five rehabilitated homes/year** or **50 over the course of the ten-year** community housing and reinvestment program*

*Approximately **five new homes/year** or **50 over the course of the ten-year** community housing and reinvestment program*

***100 new or rehabilitated homes** that will begin to house the next generation of Coos County residents!*



And How Do We Pay for This Bond?

An $8,300,000 County Bond will cost approximately $50,000 per month or $600,000 per year to pay off

Assume a 20 year repayment term with a 4% interest rate

The Estimated Cost for Coos County

Bond levies require voter approval and are a temporary levy that is exclusively used to repay a bond that is used to fund construction and/or other capital projects. Unlike most other tax levies in Oregon, bond taxes are levy-based and raise a specific dollar amount spread across all taxable properties in the taxing district. Repayments on an $8.3M bond for 20 years at a 4% interest rate are estimated to cost owners $11.32 annually for every $100,000 of a property's assessed market value. Properties, residential or commercial/industrial, with higher valuations would pay more and those with lower valuations would pay less.

The more private investment directed towards workforce housing, the lower the amount of the bond!

TAKING ACTION ON HOUSING ISSUES

Creation of a Housing Trust Fund

Money matters when it comes to building workforce housing for a community.

The situation in Coos County at the present time is such that the only housing being constructed is in the $275,000 - $375,000 range; well above what a median income household ($39,110) can afford – a house that costs between $120,000 and $135,000 (between 3x and 3.5x annual income).

The reality is that the cost to construct a house in Coos County costs more than the median income household can afford. The table below outlines the cost to build a 1,100 square foot cottage style single-family unit on a vacant lot:

Land (small lot, 50'x75')	**$25,000**
Construction at $165/SF (1,100 SF)	**$181,500**
Service Development Charges	**$10,000**
Total (land and construction)	**$216,500**
Assume no SDC fees for workforce housing	**-$10,000**
Assume land giveaway by City/ County	**-$25,000**
Incentivized Total (excluding land and SDC fees)	**$181,500**
Maximum amount that a median income household can afford	**-$130,000**
Gap to close (by HTF or similar)	**$51,500**

If the cost for this house is $181,500 after a land and SDC incentive and a median income household can only afford a house that costs approximately $135,000, there is a financial gap that must be closed (+/- $51,500). That gap is not likely to be filled by the private market; that market has responded by building housing that sells in the $275K - $375K range for projects that pay them the rates they require to stay in business. The private market cannot build at a cheaper rate and remain profitable. Instead, the gap (or subsidy) must be borne by a fund that is monetized on an annual basis by the city, county or state government along with private contributors.

A housing trust fund (HTF) is a vehicle by which these funds can be collected and then distributed to housing projects that qualify and are targeted for workforce housing. The HTF would receive ongoing dedicated sources of public funding to support the preservation and production of affordable housing and increase opportunities for families and individuals to access decent affordable homes. This would require an annual commitment of general budget funds from the county and participating cities. While an HTF is not a public/ private partnership, it can also be a repository for private donations.

Coos County's annual operating budget is about $23M.

If the County could find a way to dedicate just 3% of the budget to a housing trust fund it would provide almost $700K that could be used to leverage a multitude of workforce housing developments. 3% is a big ask, but the need is big and subsidy is required to make workforce housing available. But even 1% would provide an annual infusion of $230,000 into an HTF and would be a good start. Alternatively, the county could explore opportunities for a new sales tax or gas tax option or a tax on vacation rentals that would be fully appropriated to funding workforce housing for the countywide community. Beyond any of these tax options, the county should consider a bond that is dedicated to housing and community development projects.

Ultimately this is about reinvestment in the Coos County community; a need that is long overdue.

The housing trust fund is a model for community housing —a model that defines a new objective for funding affordable housing and enables the support of needed housing to be a fundamental part of what government does. An HTF could be a standalone entity, one that is newly created, or it could "live" under an existing organization such as Neighborworks Umpqua, United Way of Southwestern Oregon, Oregon Coast Community Action (OR-CCA) or the North Bend City/Coos-Curry Housing Authority.

Input from the community outreach efforts and focus groups associated with this housing study generally recommended against the creation of a new entity in which to house an HTF, noting the tremendous capacity that exists within the existing nonprofit organizations. At the 35,000-foot level, Neighborworks Umpqua, a nonprofit Community Development Corporation (CDC) that operates in Coos, Curry, Douglas, Josephine, Jackson, and Lane Counties may be the most logical home for an HTF – a new arm within the organization that specifically funds and builds workforce housing in Coos County.

BEST PRACTICE EXAMPLE

In July 2017, the City of Hood River, Oregon became the sixth jurisdiction in the state to impose a Construction Excise Tax to generate local funding for affordable homes.

Hood River will use 50% of the funds to provide incentives for developers to build affordable housing and 35% for affordable housing programs, with 15% directed to Oregon Housing and Community Services' down payment assistance program. The City of Hood River CET will generate an estimated $165,000 annually.

In the 2016 the Oregon legislature passed SB1533, establishing a new authority for cities and counties to impose a Construction Excise Tax (CET) in order to fund local affordable housing by harnessing the state's development boom. The City of Portland was the first to enact the CET in June 2016, followed by the city of Corvallis in November. In May 2017, the city of Cannon Beach enacted a CET, with Tillamook County taking action in June.

A CET would not be successful in Coos County with the low rate of construction activity, not much tax could be collected, but it does provide a clever approach for funding workforce housing and provides an example of a unique taxing option that has been implemented in other parts of the state.

TAKING ACTION ON HOUSING ISSUES

Employer Funded Housing Program

The South Coast Development Council identified the following employers in their South Coast Profile as those based in Coos County with 250+ employees:


Southwestern Oregon Community College


Bandon Dunes Golf Resort


Bay Area Hospital

North Bend Medical Center

North Bend School District


Roseburg Forest Products


South Coast Education Services

The Mill Casino

Walmart Supercenter

and


FCR Call Center

(the next largest employer with 200+ employees)

Coos Bay School District


United States Coast Guard

Twelve major employers in the county - each with a need for employee housing and each with a community responsibility - represent a significant partnership opportunity.

The matter of finding quality workforce housing, rental or ownership, for existing employees or new hires surfaced repeatedly in many of the focus group meetings conducted as part of this study. Anecdotally, employers reported hiring new staff from outside the county only to bring them in for initial office visits and the new hires reporting they could not find a suitable place to live and ultimately declined the offer. Another governmental representative shared the story of sixteen journeymen in the electrician's trade that were slated to move to Coos County but were unable to find apartments or houses and had to decline the offer. A much-needed infusion into the county's construction industry was turned away for lack of housing.

These cases demonstrate how housing can negatively impact economic development and employment opportunities within the county.

Unsticking the housing market and providing workforce housing in the county is everyone's business. To effectively address these challenges everyone will need to play an active role – governmental entities, nonprofits and, yes, employers. There are a number of ways employers can assist in the production of housing – the most accessible entry into this arena is via a financial partnership with a nonprofit entity focused on housing production.

What might this partnership look like?

Employer works with the city/county or a realtor to acquire a property suitable for the construction of a single-family housing unit or apartment building.

The employer enters into a partnership with a local nonprofit housing development group – a contractual arrangement in which the employer maintains the right to buy back or lease the unit to one of their employees.

The employer, confident with the agreement, donates the property to this organization. This donation of the property is the first layer of subsidy to ensure that an employee can buy or rent this property at a reasonable rate. Removing land from the equation begins to reduce the burden on the future tenant or owner.

The local nonprofit housing development group, armed with some subsidy funds from a housing trust fund (HTF), can use their construction team or contract with a construction team to build the housing specified by the employer.

This creates a win-win scenario for both the employer and the new tenant/homeowner. The employer controls housing options for current and future employees and the employees have a quality unit that is essentially subsidized by their employer (reasonable rents or reduced acquisition cost due to the land donation and other incentives by the employer). The employer could deed-restrict the property with a first-right-of-refusal to buy the property back from the employee/owner in the event the employee left the company or moved away.

Employers: part of the solution.

This is one model for an employer led housing program in the county. There are a number of alternatives or variations that could work equally as well depending on the employer's specific situation. An alternative might be the provision by employers of supplemental funds, usually in the form of a grant or forgivable loan, toward the upfront cost of purchasing a home.

BEST PRACTICE EXAMPLE

The Mayo Clinic will donate up to $7 million to help build 875 starter houses and rental units within a 30-mile radius around Rochester, Minn. The 'First Homes' project is intended to help alleviate a 'housing crisis in our area' in which many people 'simply can't find a place to live.

The Star Tribune,

Minneapolis, Minnesota, November 16, 1999

TAKING ACTION ON HOUSING ISSUES

County/Cities' Commitment to Assist Housing Construction

Coos County and the incorporated cities have many arrows in their quivers, beyond the necessary funding commitments, that must be aimed at the affordable housing problem.

Land use regulation and zoning, permitting fees, service development charges (SDCs)… these all sound overwhelming to a homebuilder that is seasoned let alone one that is looking to build a house for the first time. But these jurisdictional requirements can be administered as incentives for the development of new workforce housing throughout the county.

On the regulatory side, the cities should consider the following moving forward:

Zoning map and regulatory revisions for the county's cities that create and/or significantly expand mixed-use zoning districts. Mixed-use districts allow commercial and residential development to coexist on the same site; often with upper-story residential over commercial shops below or executed as a walkable neighborhood with commercial establishments built adjacent to townhouses, apartments and/or small single-family structures.

Permitting fees can be a financial hurdle for many first-time homeowners and cannot typically be wrapped into a mortgage. They become an upfront cost that can delay a housing project indefinitely. In an effort to encourage affordable housing development, the cities should eliminate or significantly reduce permitting fees for affordable/workforce housing that is deed-restricted to households earning less than 100% of the area median income (an AMI of $39,110 or less). In addition, the cities should provide a fast-track review process for these projects.

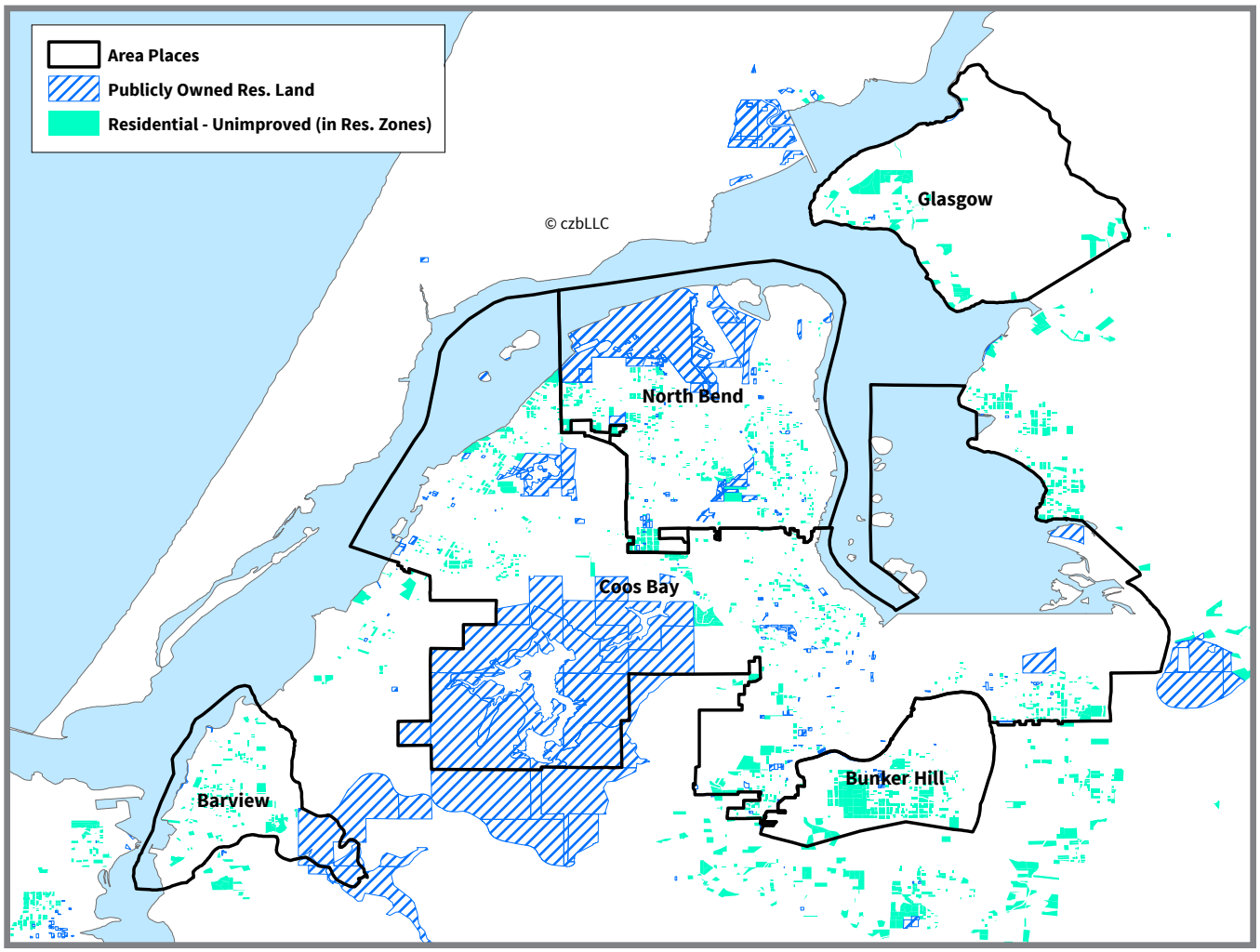
Service development charges (SDCs) can cost a new homeowner upwards of $8,000 (depending on the city) and are payable at the time a building permit is obtained. While state law prohibits a city from waiving these fees outright, the cities should enact a no-interest deferral program that allows households earning less than 100% of area median income to pay the SDCs over the course of a ten-year payback term. Coos County cities should also explore the legal possibility of lowering the SDC fees for affordable workforce housing.

Accessory dwelling units (ADUs) are housing units that can be built on an existing single-family residential lot (e.g. a small unit built in the backyard, a unit on the second story of a detached garage, a basement unit, a converted second floor that creates a new unit, etc.). Pursuant to Oregon Senate Bill 1051 which takes effect on July 1st 2018, cities (over 2,500 population) and counties (over 15,000 population) will be required to allow ADUs in all residential zoning districts. Siting and design standards may be required for the units and are recommended to ensure neighborhood compatibility. More importantly, Coos County and the cities should require full-time occupancy to ensure these units don't become a mechanism for additional AirBnB or VRBO vacation rentals.

And then there is land; city-owned land, county-owned land, land that is owned by the school district or other public districts and properties that have been acquired as a result of tax foreclosures and sit in limbo – these offer opportunities for future housing development.

Publicly owned land can be transferred to a non-profit organization to build housing upon thus removing the cost of land from the housing equation. This not only makes the house or apartment building that much more affordable to the end user, it generates new tax revenue for the city or county once the development is complete. In many cases, the disposition of city/county owned infill properties for new housing development goes a step further and actually catalyzes neighborhood revitalization when done well – neighbors, upon seeing these new houses constructed nearby, begin to invest more in their own homes.

The map below illustrates properties within and near Coos Bay, North Bend and the immediately surrounding areas that are owned by public entities and designated residential land – there may be opportunities to subdivide some of these properties and give the land away for workforce housing development. Also illustrated on this map are those properties that are privately owned and residentially zoned with no improvements (housing) on them – possible private infill development opportunities (illustrated in blue).



BEST PRACTICE EXAMPLE

Affordable housing is so hard to find in South Florida that Broward County is giving away 40 vacant lots so more working-class homes can be built — which the county received because of unpaid property taxes — to 10 nonprofit agencies. Broward will pay some site preparation costs and provide up to $60,000 in down payment assistance to each eventual homebuyer, but the nonprofits will pick up the rest.

Sun Sentinel, March 16, 2017

San Diego selling $1 lots: Is this the future of 'affordable housing' for the middle class?

Spokesman Review, February 20, 2018

TAKING ACTION ON HOUSING ISSUES

Indian Initiatives for Community Housing

The Coquille Indian Tribe is currently preparing a Comprehensive Plan for the 10,000 acres of tribal lands that are generally situated between Charleston and Coos Bay. As currently envisioned the plan contains a strong housing component.

Tribal member input to date includes a recommendation for tribal and non-tribal housing opportunities in the Empire area, specifically in the area where Morrison Street intersects Marshall Avenue (see map below). Land south of the former Memory Care facility could be a mix of single family homes, cottage housing, townhouses and/or apartment units. The land just east of here could be developed for market rate housing and tie in nicely with the housing development that is taking place along Nautical Lane, which is located just outside the Tribe's boundary. While non-tribal members of the Coos County community cannot own land, they can rent homes/townhouses/apartments. The Tribe is exploring the opportunity to offer 99-year leases for a few housing units that could be made available to non-tribal members as well – a continuation of the creative thinking that is well underway with the draft Comprehensive Plan.

The Tribe has a solid track record relative to housing production. The Coquille Indian Housing Authority (CIHA) is a well-established organization that meets the requirements as set forth by the United States Department of Housing and Urban Development (HUD). As part of their preparation of the annual 2018 Indian Housing Plan (IHP), the following housing portfolio was included:

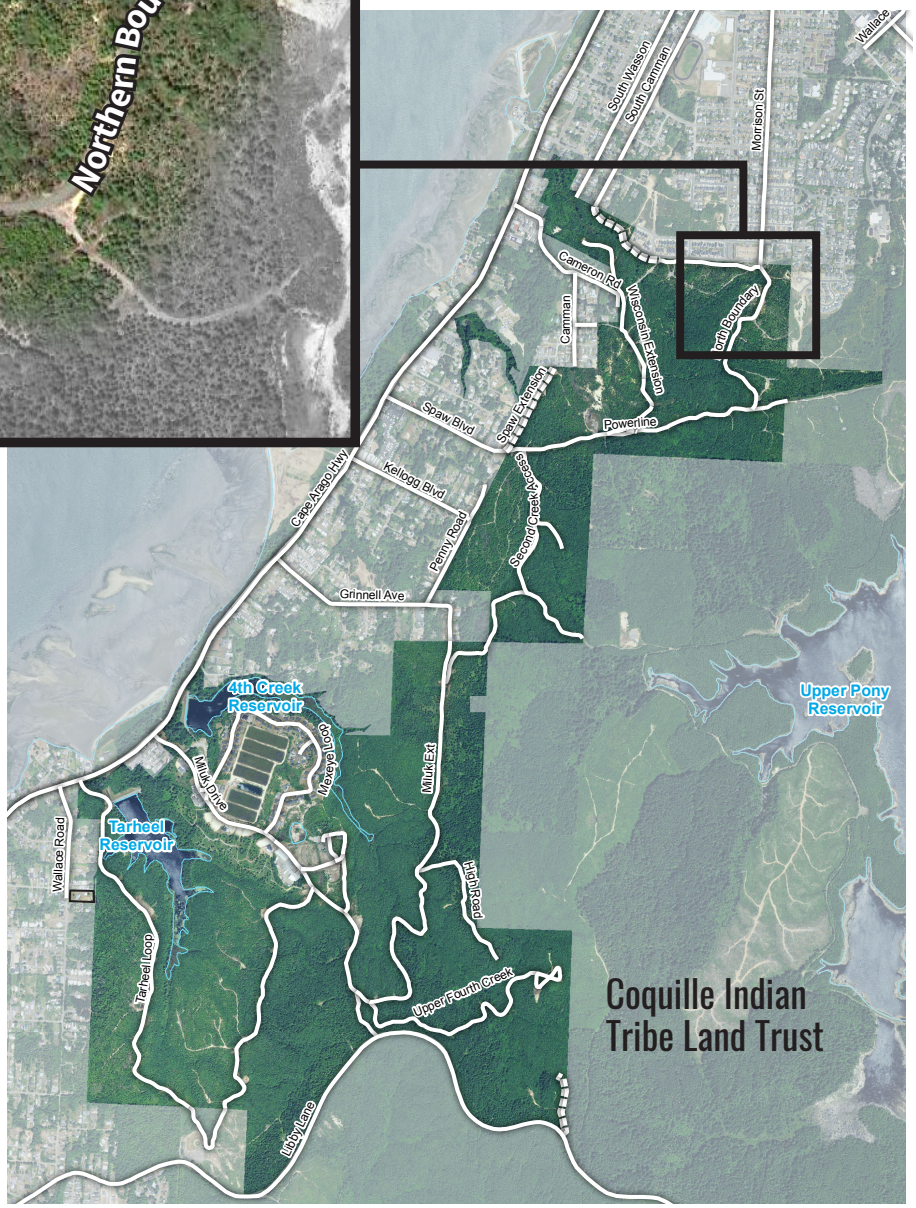
UNIT TYPE	UNITS	BLDGS
SINGLE FAMILY		
Rental	27	27
Homebuyer	14	14
Non-Residential	4	4
Private Purchase	26	26
MULTI-FAMILY		
Rental – Duplex	10	5
Rental--FourPlex	12	3
	93	**79**

The success of the CIHA provides a foundation for ventures into expanded housing opportunities – beyond HUD assisted housing. The Coquille Economic Development Corporation (CEDCO) has demonstrated leadership in project development and could begin to forge a similar role relative to housing production – as a fundamental element necessary for future economic development projects.

The Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians (CLUSI) also have experience in housing production with the Tribes' development at Qaxas Heights in North Bend which offers two, three and four bedroom single family houses, two bedroom duplexes and one and two bedroom units in a four-plex structure. Additionally, the Coquille and CLUSI tribes have a number of housing programs including rental assistance, down payment loan assistance and a home repair program. As they look to ramp up their housing efforts there may be additional opportunities, including land, for future housing development that could address workforce housing for the tribes' members with the possibility of rental housing for non-tribal members.

Area Under Consideration for Housing Development by the Coquille Indian Tribe

Collaboration is the key to creative ventures moving forward.



TAKING ACTION ON HOUSING ISSUES

Jordan Cove LNG – Building Community Housing for Longevity

The Jordan Cove LNG project proposes the development of a liquefied natural gas terminal at Jordan Cove on the north spit of lower Coos Bay.

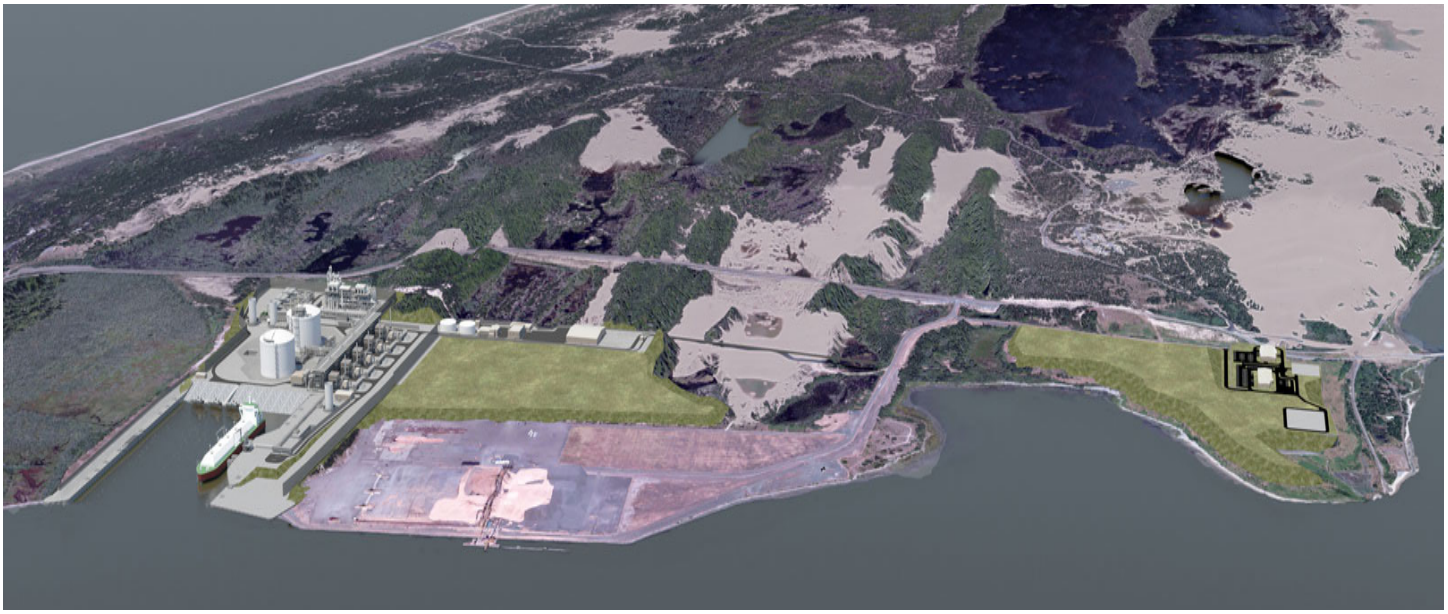
The company owns approximately 400 acres at this location and will stage all development within this area. The project was envisioned more than a decade ago and includes the Pacific Connector Gas Pipeline project, a proposed 229 mile, 36 inch diameter pipeline designed to transport natural gas from Malin, OR to the Jordan Cove LNG terminal.

According to local sources, the construction of the Jordan Cove LNG will take almost 4½ years and employ up to 2000 workers at peak construction times. Once completed, the shipping facility is estimated to employ up to 180 permanent employees on site.

Jordan Cove LNG proposes to house these construction workers in temporary housing on the northeast portion of their site (just south of Jordan Cove Road). This presents a number of concerns that should be addressed prior to any local permitting.

Will the temporary housing be removed in its entirety to the satisfaction of the county?

Will any permanent housing be built that could serve the future employees in the community, either for Jordan Cove LNG or for sale or lease to others employed outside of the company?



While a specific start date for construction has not been set, there are a few notable items that should be contractually negotiated prior to any construction activity:

2,000 construction workers is a significant workforce – it is equal to fully half the total workforce for North Bend, the nearest city to the development site. At a minimum and in addition to any community impact funds promised by Jordan Cove LNG, there should be **contractual agreement for up to 20% of the workforce housing to be built for permanent occupation and dedicated back to the county or sold on the private market to households with incomes at or below 100% of area median income.** A portion of this permanent housing could be built on site (with zoning revisions negotiated with the county), under the bridge (at North Point in North Bend) and throughout the cities of Coos County as neighborhood infill development. The estimates for a permanent workforce of 180 support the need for permanent housing.

In no case should fewer than 150 housing units be made available for permanent residents – 75% ownership opportunities and 25% rental opportunities.

The Jordan Cove LNG project represents an opportunity for a major employer to take the lead in providing housing for their employees while providing new housing options on the north end of the Coos Peninsula – placemaking opportunities.

TAKING ACTION ON HOUSING ISSUES

Demonstration Projects to Consider

The Action Plan outlined in this document includes five interconnected approaches that, when executed individually or collectively, can result in "sticks and bricks" popping up throughout the Coos County community. The plan includes a few opportunistic properties that are either publicly owned (requiring a possible land giveaway) or ripe for mixed-use development (requiring a regulatory change commitment by the city or county). In either scenario, there is a significant give/get responsibility at play – the give of an incentive or subsidy for the get of quality workforce.

During the course of this housing study, there were many public outreach efforts, focus group meetings, site visits and general correspondence that revealed properties throughout Coos County that might be developed for workforce housing. The following sites are presented because they have one or more characteristics that make them viable for new housing development:

- Residential zoning or possible mixed-use opportunities
- Infrastructure accessibility
- Publicly owned and possible give-away options

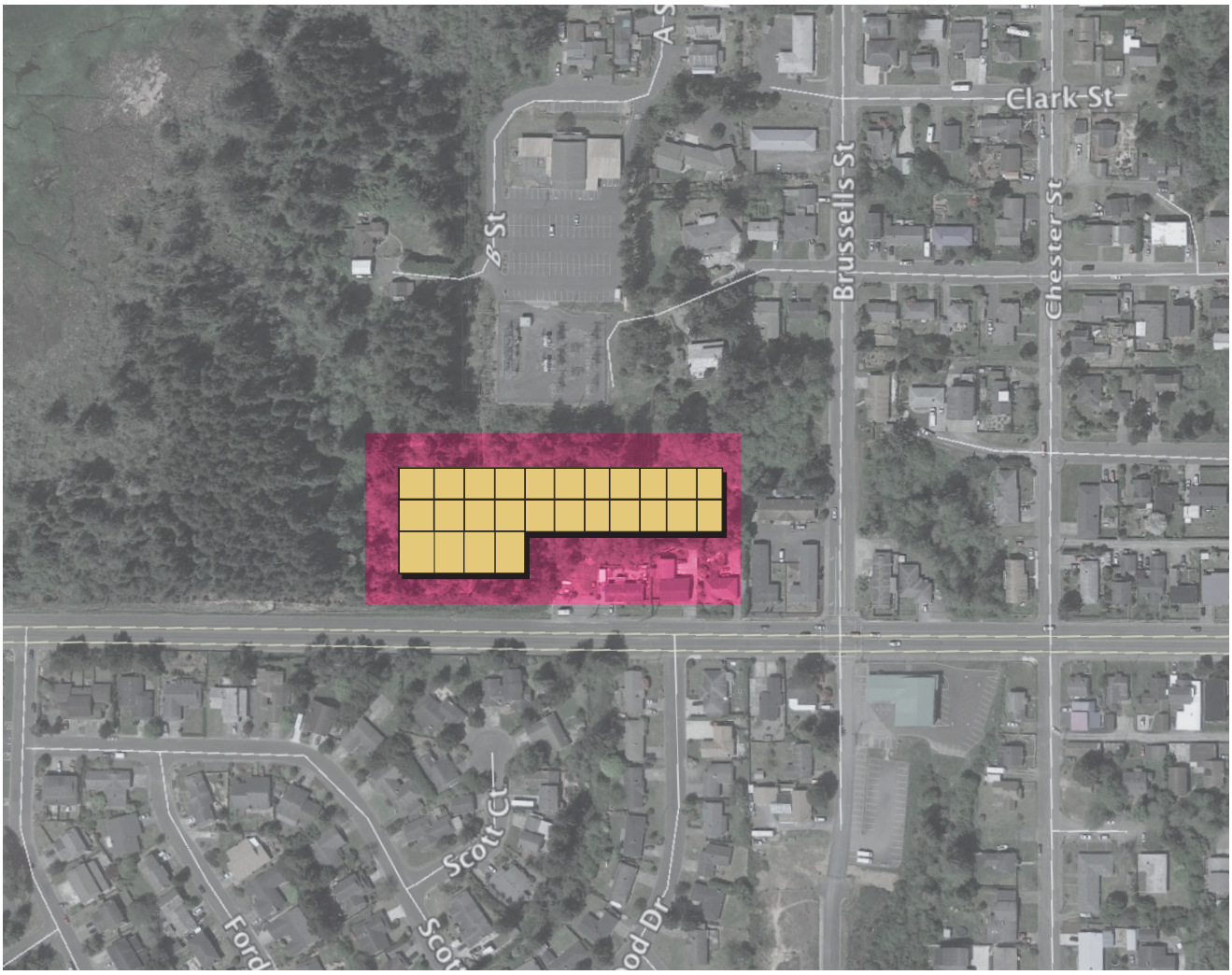
The vignettes that follow are for illustrative purposes only – to provide a conceptual idea of what could be developed on the site – to stimulate community dialogue and interest to explore collaborative ventures and think differently about how housing can be developed in the future.

Disclaimer: No formal discussions have taken place with the city, the county or the private owners of the following properties – these are presented solely for the purpose of illustrating potential demonstration projects.

Pony Village

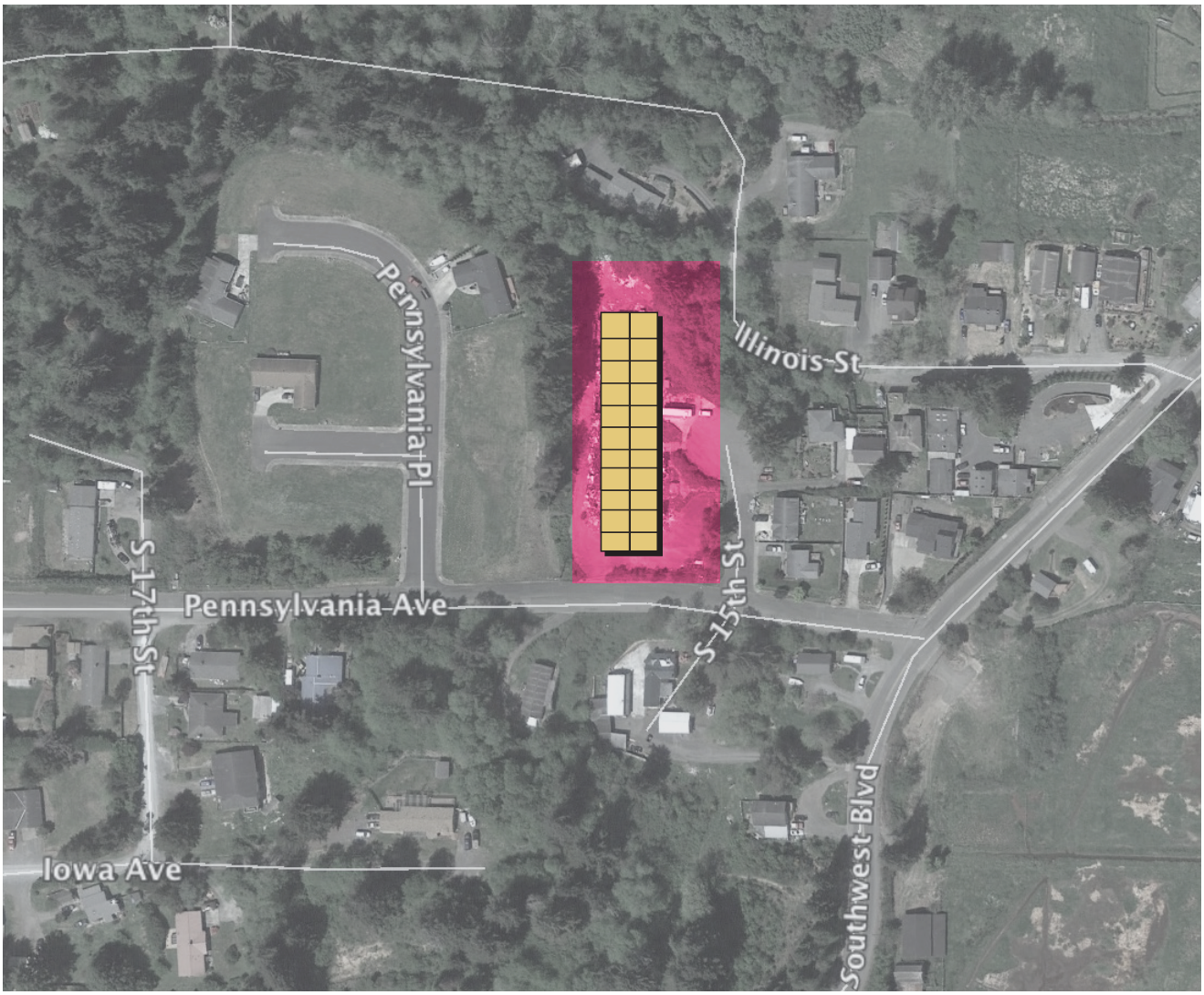
Pony Village, located in North Bend, is a shopping center that has seen an increase in commercial vacancies over the past few years. Does an opportunity exist for adaptive reuse that could include subdividing some parcels of land that could be sold for housing development? A collaborative approach by the city (regulatory changes) and a proactive approach by the property owner could result in almost 20 new housing units.

North Bend City Owned (Newmark Ave. & Brussels St.)



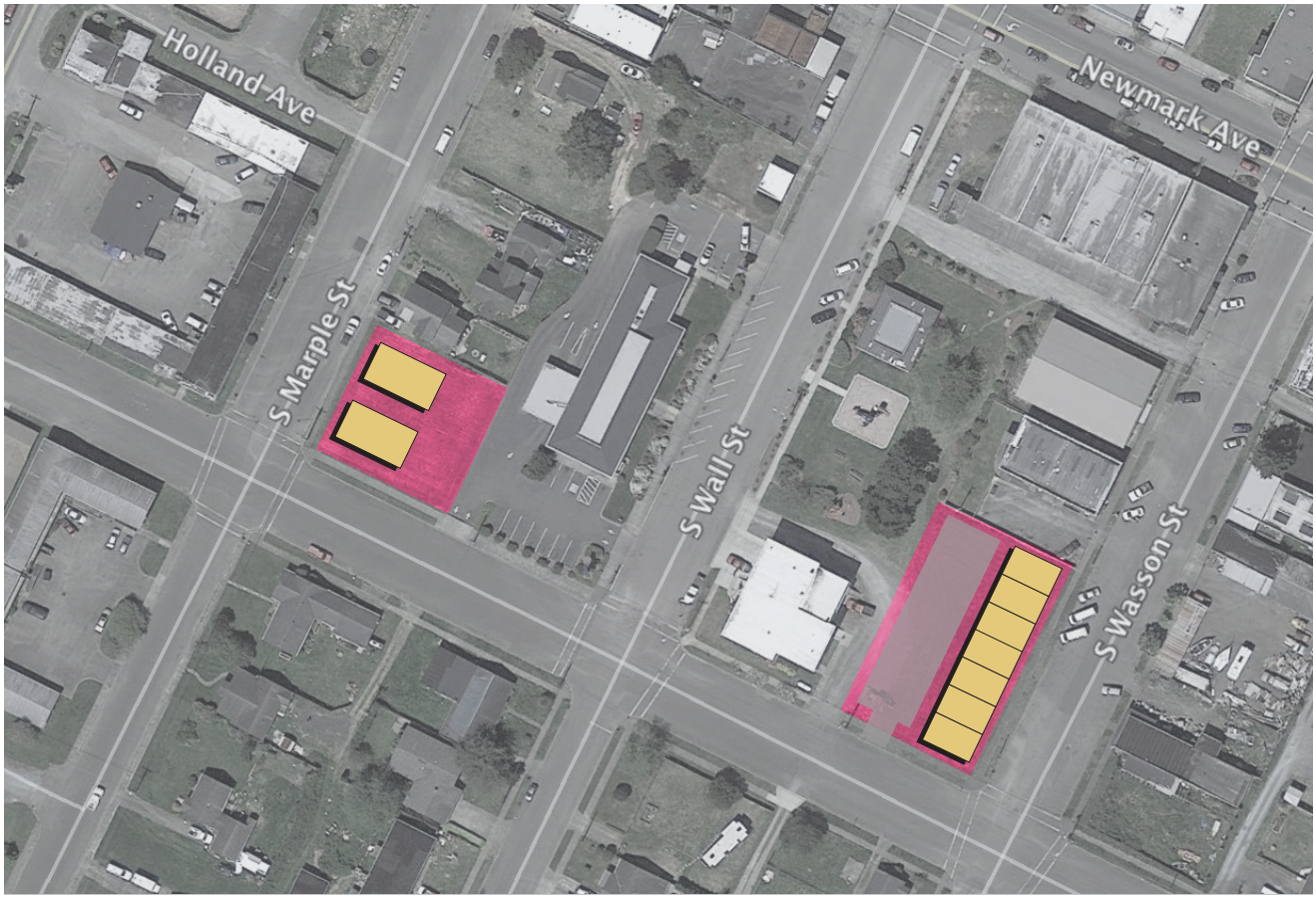
The city of North Bend owns property on Newmark Street near the intersection with Brussells Street and is currently in the preliminary phases of being proposed for a rezone to allow multi-family dwellings for a proposed apartment complex use. This could be an opportunity for a public/private or public/nonprofit redeveloment project.

Pennsylvania Avenue & South 15th Street



The old Englewood School was destroyed in a fire several years ago and is currently in the process of being repossessed by Coos County. The county could transfer this property to the City of Coos Bay to demolish the structural remains on site and clean it up in the summer of 2018. The site is zoned Mixed Use (MX) and can be developed for residential use (above the ground floor and up to 30% of ground floor). The site is surrounded by residential zoning and development and should be considered for full residential use, with the appropriate review and zoning designation by the city.

Coos Bay City Owned Land & Bank Owned Property



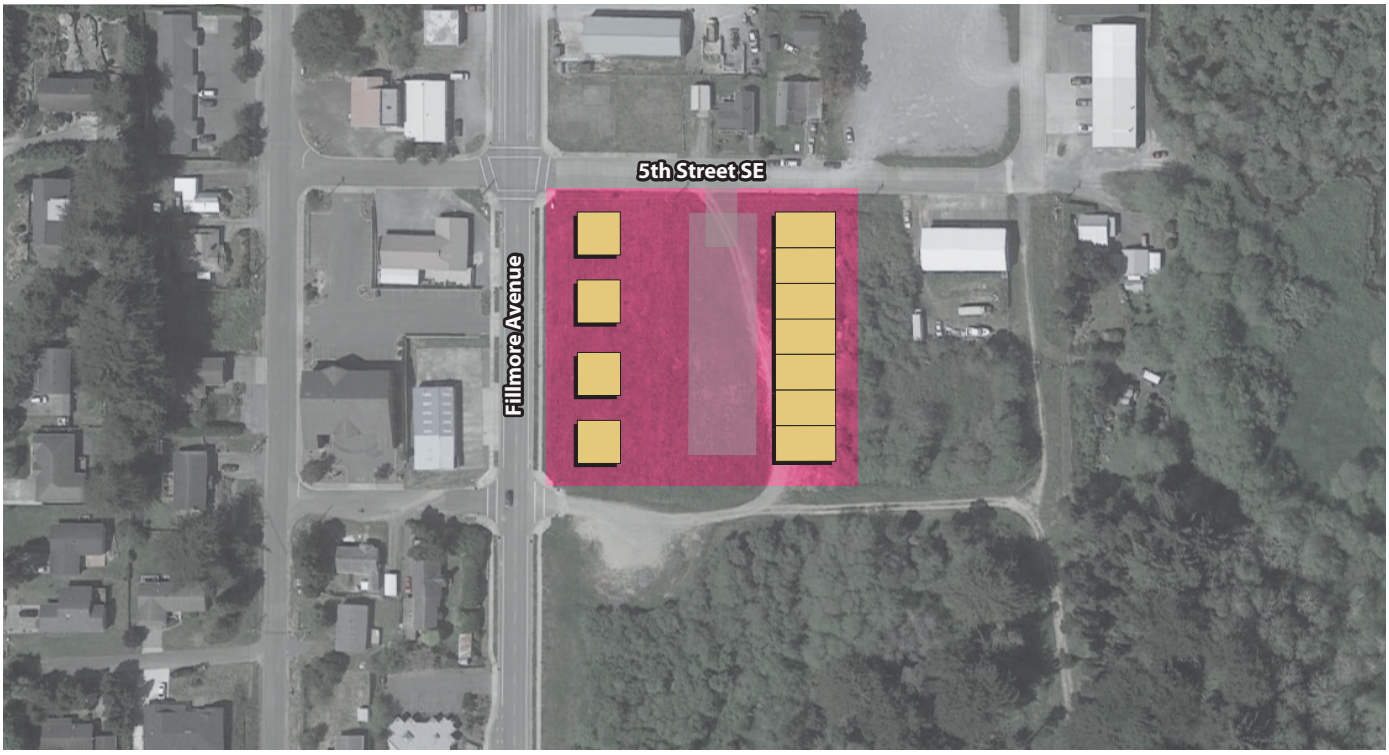
The City of Coos Bay owns some property at the corner of South Wasson Street and Michigan Avenue (behind the firestation) that could be developed as infill housing - possibly cottage style housing, townhouses or a small apartment building. The property is currently zoned Commercial (C) but sits adjacent to properties to the south that are zoned Medium Density Residential (MDR). This property could be rezoned with a Comprehensive Plan review and recommendation and the city could consider donating this land for workforce housing development.

Nearby is a property (on the corner of Marple Streeet and Michigan Avenue) that is owned by Banner Bank, a strong local partner, that could also be rezoned with the appropriate review and recommendation and developed as workforce housing.

Coos Bay City Owned Land - Michigan Ave and S. Wasson Street

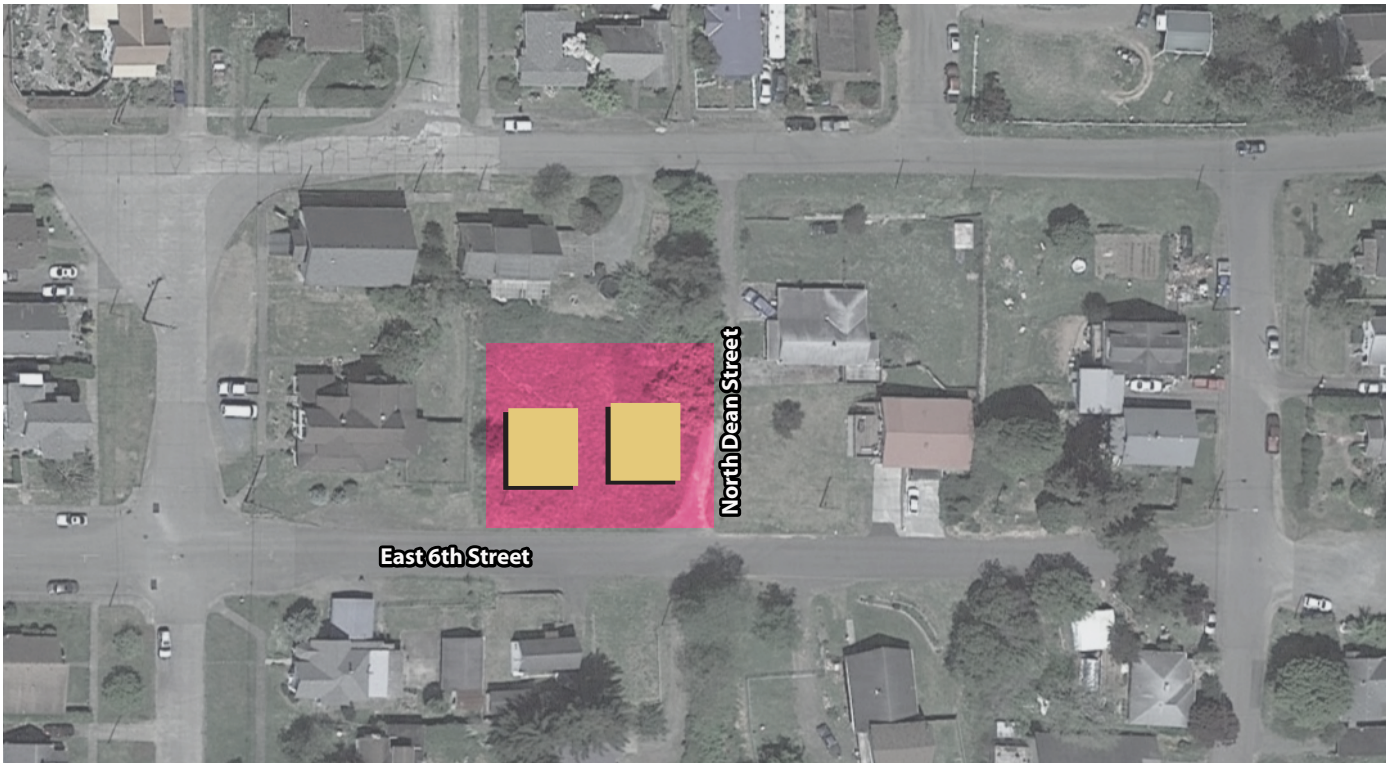
Bank Owned Property - Michigan Avenue & S. Maple Street

Bandon - City Owned Land



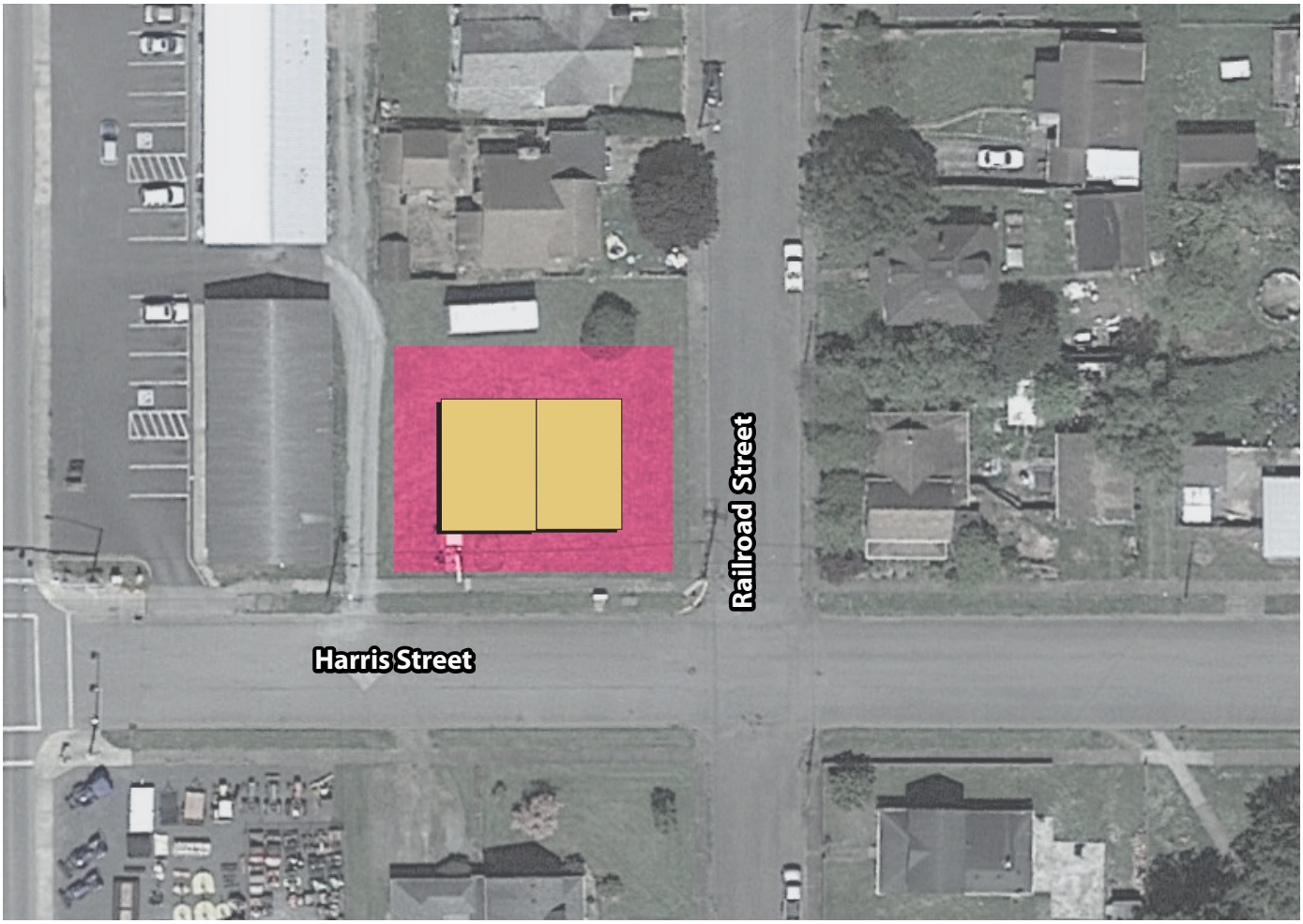
The City of Bandon owns some property at the corner of Fillmore Avenue and 5th Street SE that could be developed as infill housing - possibly cottage style housing with townhouses or a small apartment building. The property is currently zoned Light Industrial (LI) but sits adjacent to properties to the south that are zoned Residential (R-2). This property could be rezoned with a Comprehensive Plan review and recommendation and the city could consider donating this land for workforce housing development. If the city preferred to reserve this land for industrial development purposes, the city also owns land directly south of this site that could also be developed as workforce housing.

Coquille City - Residentially Zoned and Undeveloped Land



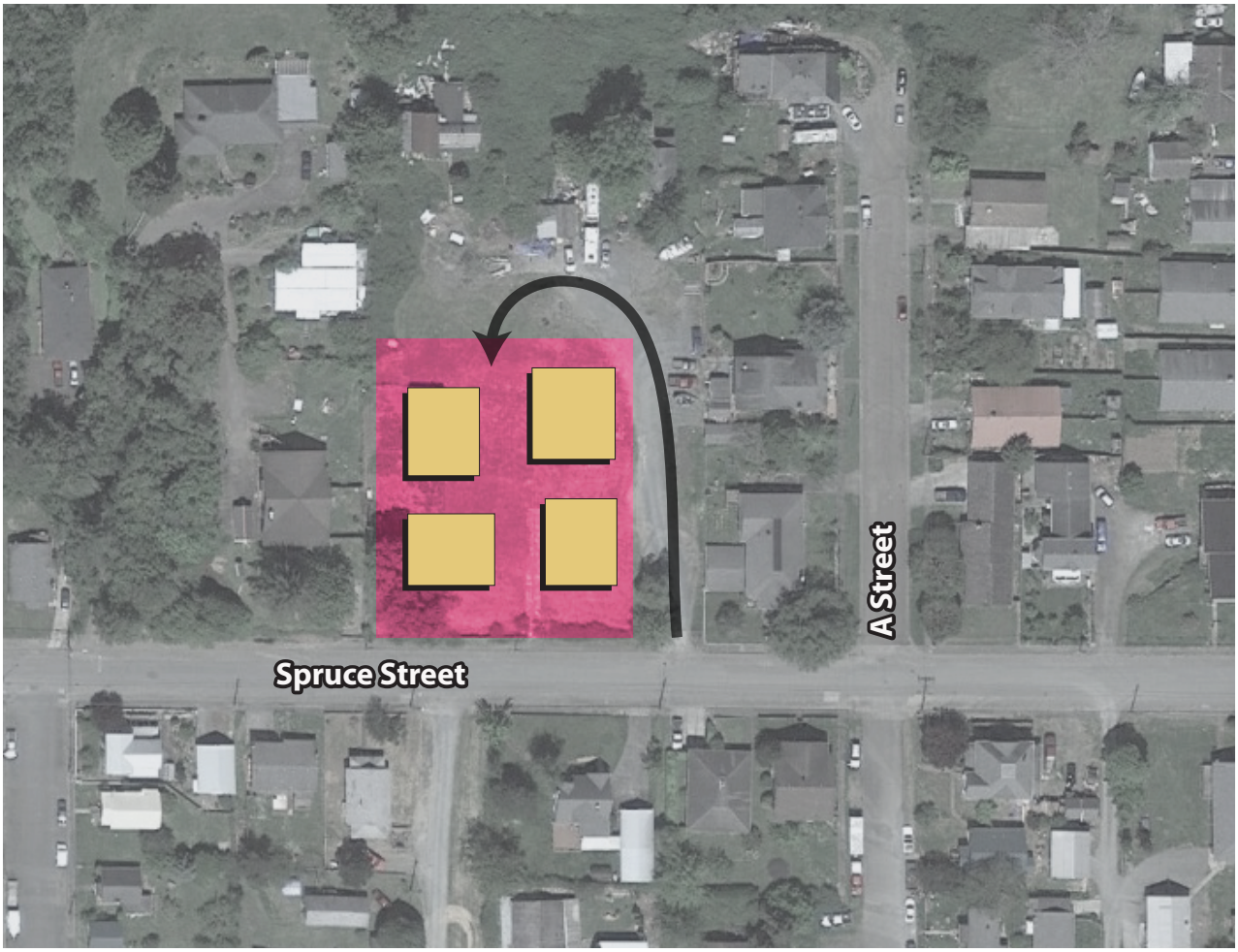
There are some vacant properties in the city of Coquille that are zoned Residential (R) and offer opportunistic sites for infill housing sites. This map illustrates one such opportunity - a site located at East 6th Street and North Dean Street. Two workforce housing units could be built on this site . It might require a variance for lot size to allow two small units or the city could consider a Zoning Ordinance amendment that reduces the minimum lot size requirement for workforce housing.

Myrtle Point - Residentially Zoned and Undeveloped Land



There are some vacant properties in Myrtle Point that are residentially zoned with opportunities for infill housing sites. This map illustrates one such opportunity - a site located at the northeast corner of Harris Street and Railroad Street. Two small workforce townhouse units could be built on this site. This concept may require a variance for lot size to allow two small units or a change to the zoning ordinance.

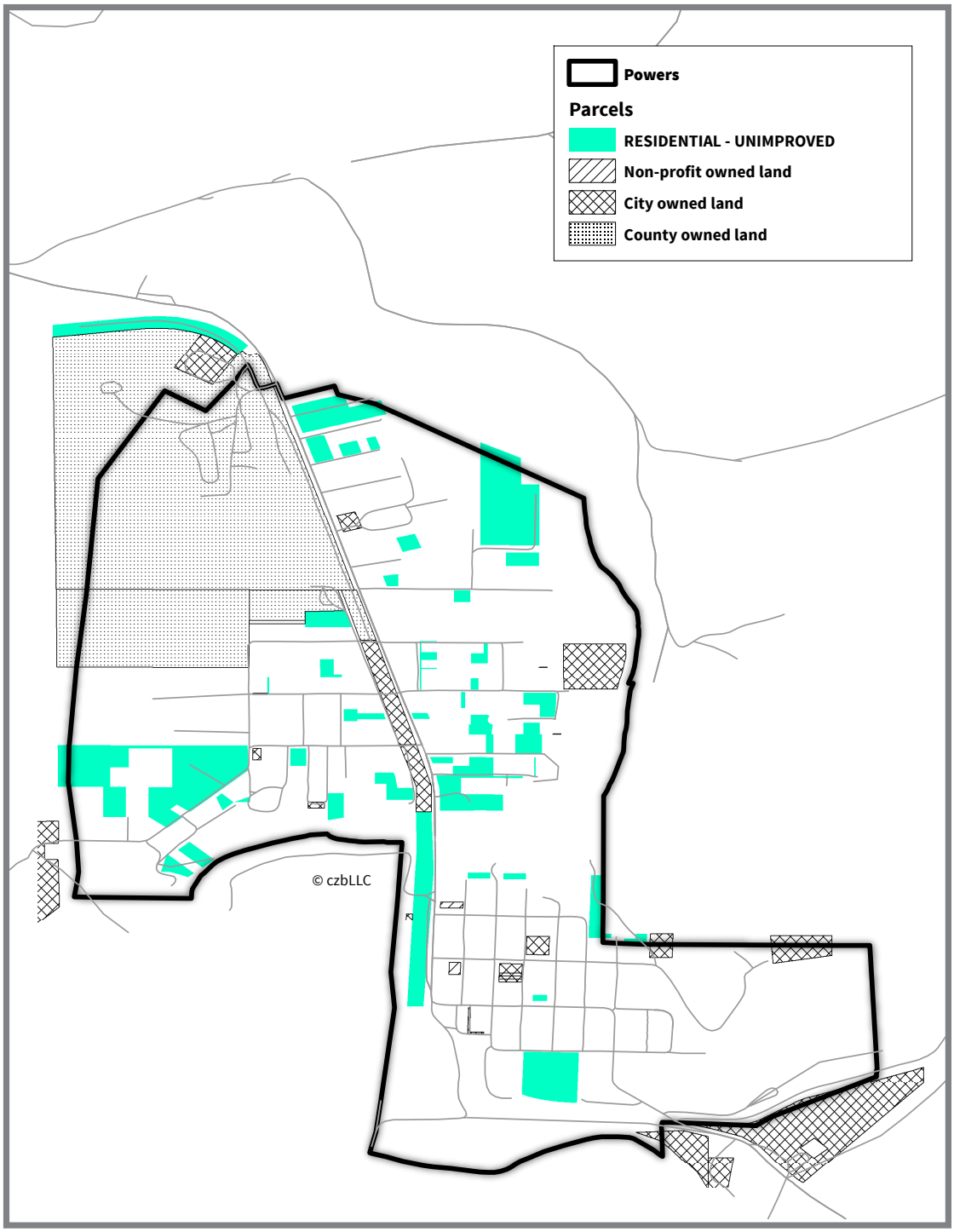
Myrtle Point - Undeveloped Land (former Spruce St. School Site)



This site is the former Spruce Street School site that has been vacant for many years. Approximately two acres in size, this property could be redeveloped as a cottage house cluster site that might include four units. The zoning would likely need to be updated to allow for this type of development and a driveway easement for rear access should be considered. This site is privately owned and is for conceptual purposes only.

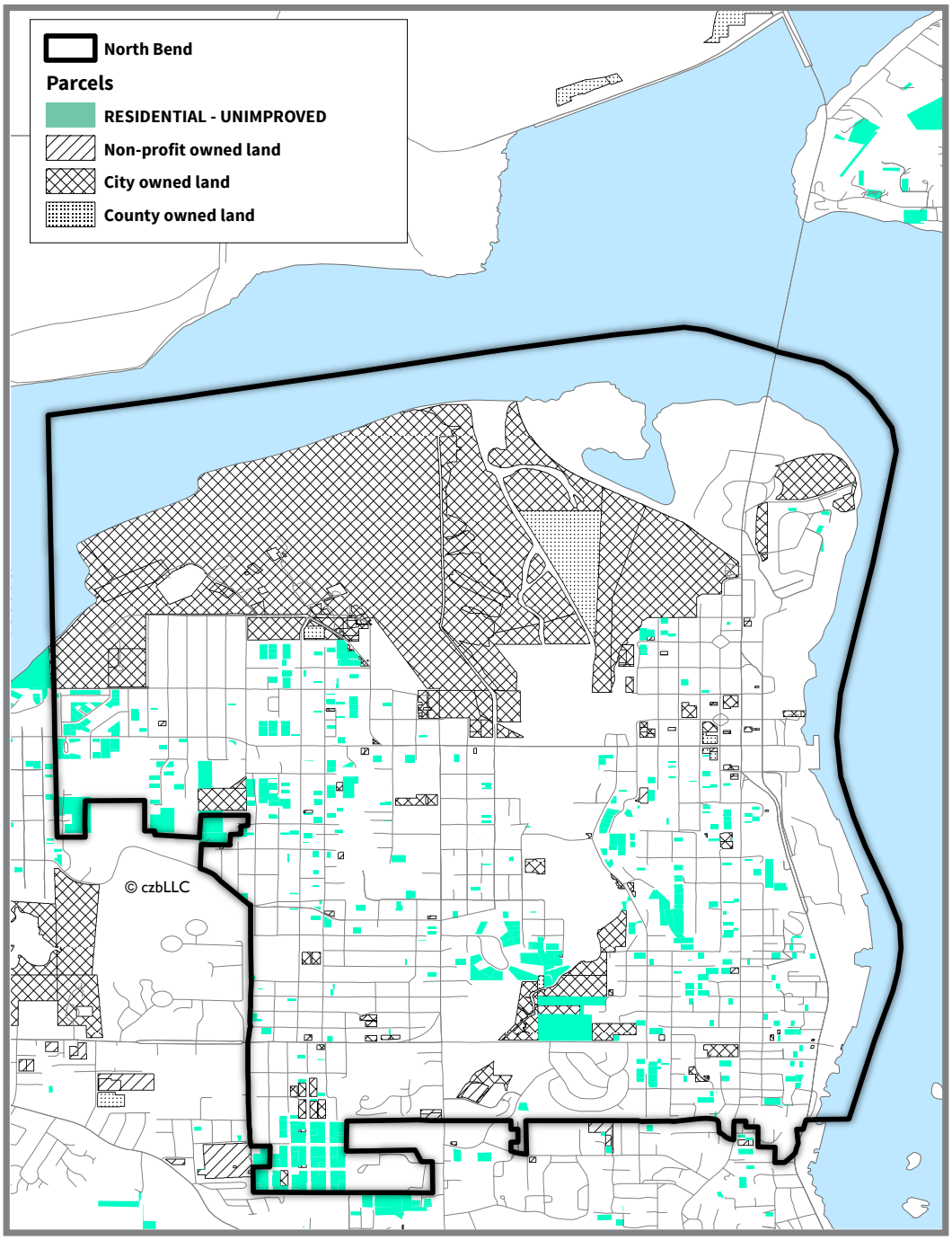
APPENDIX

Powers City, Oregon
Publicly Owned Properties and Undeveloped Residential Properties

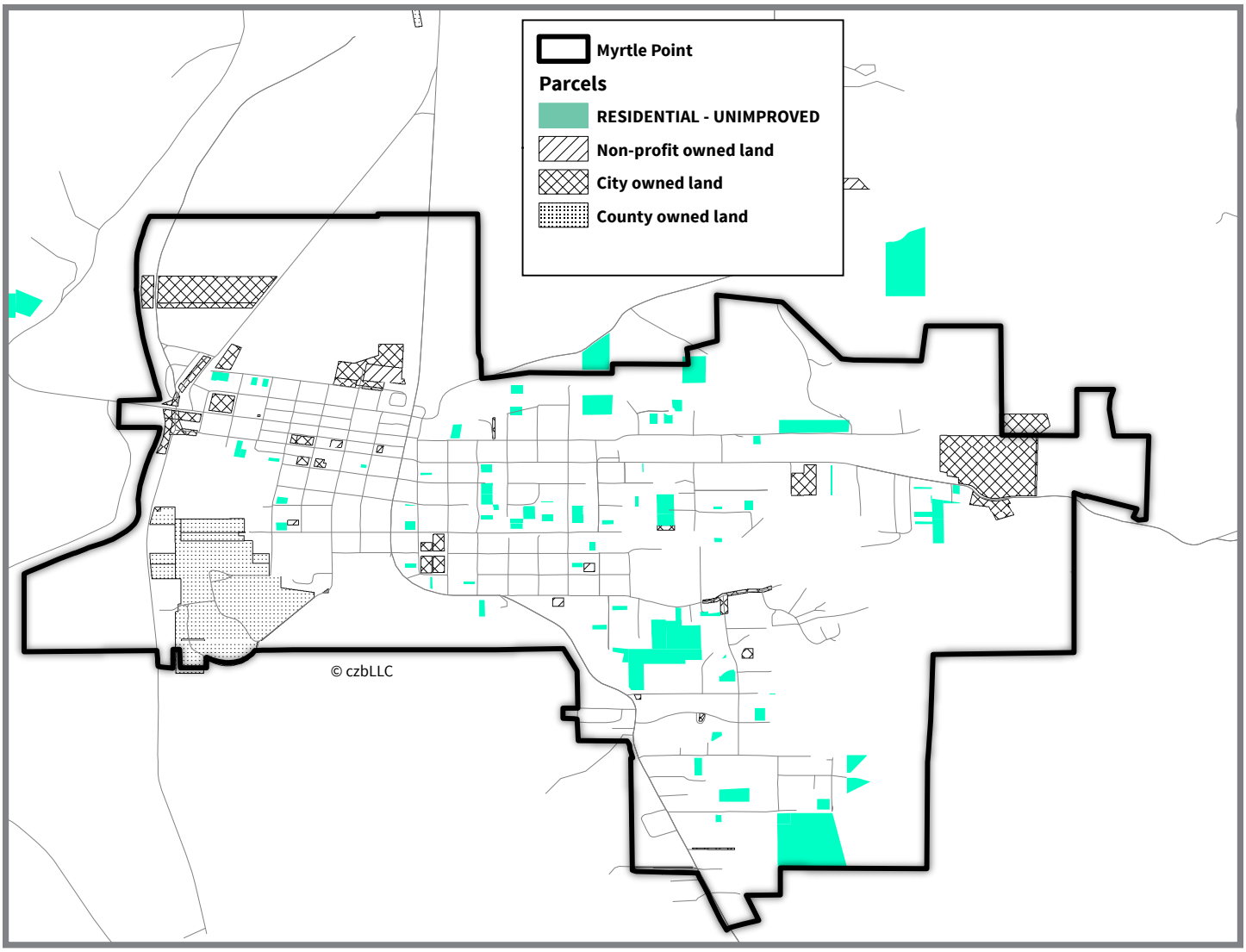


North Bend, Oregon

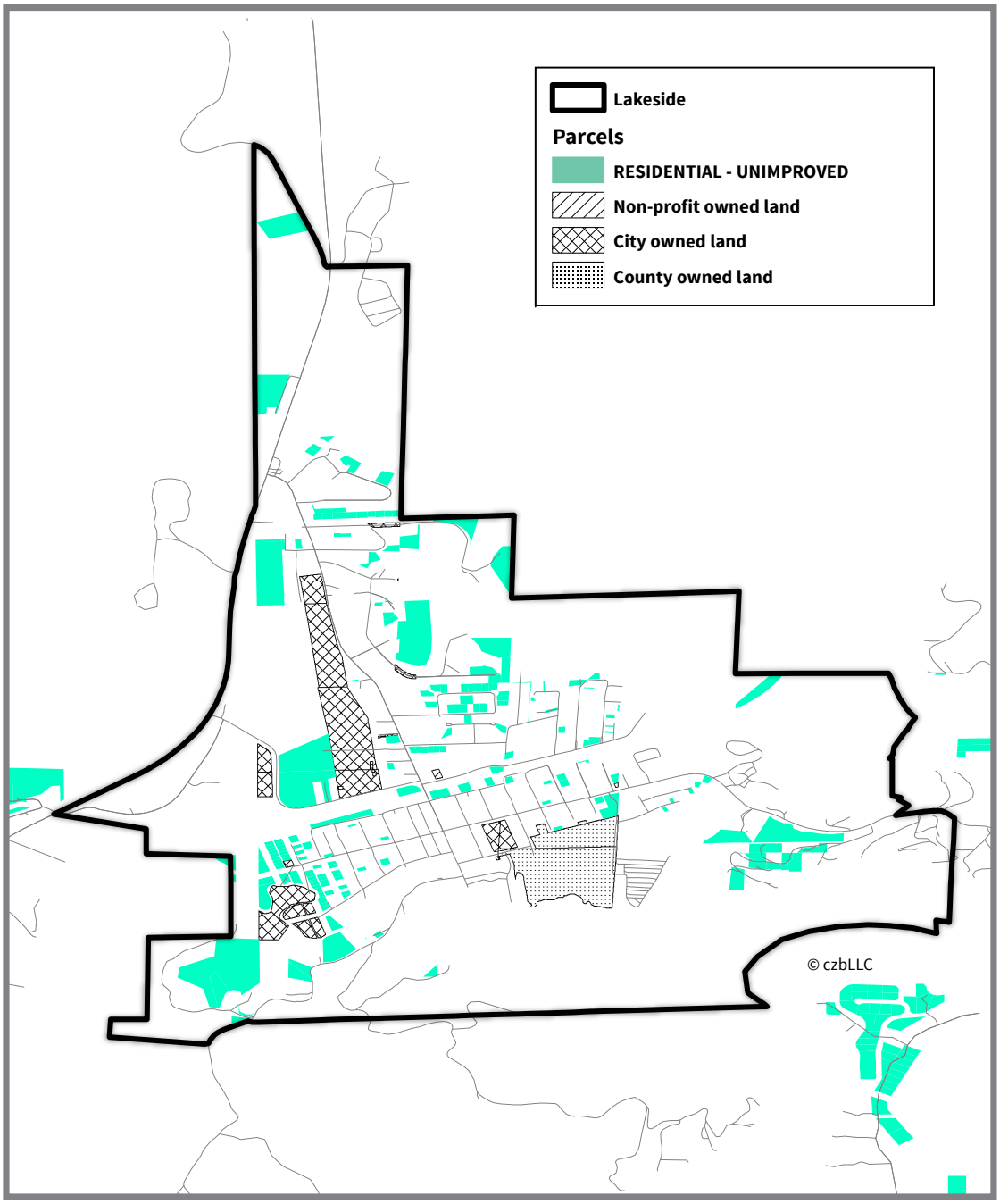
Publicly Owned Properties and Undeveloped Residential Properties



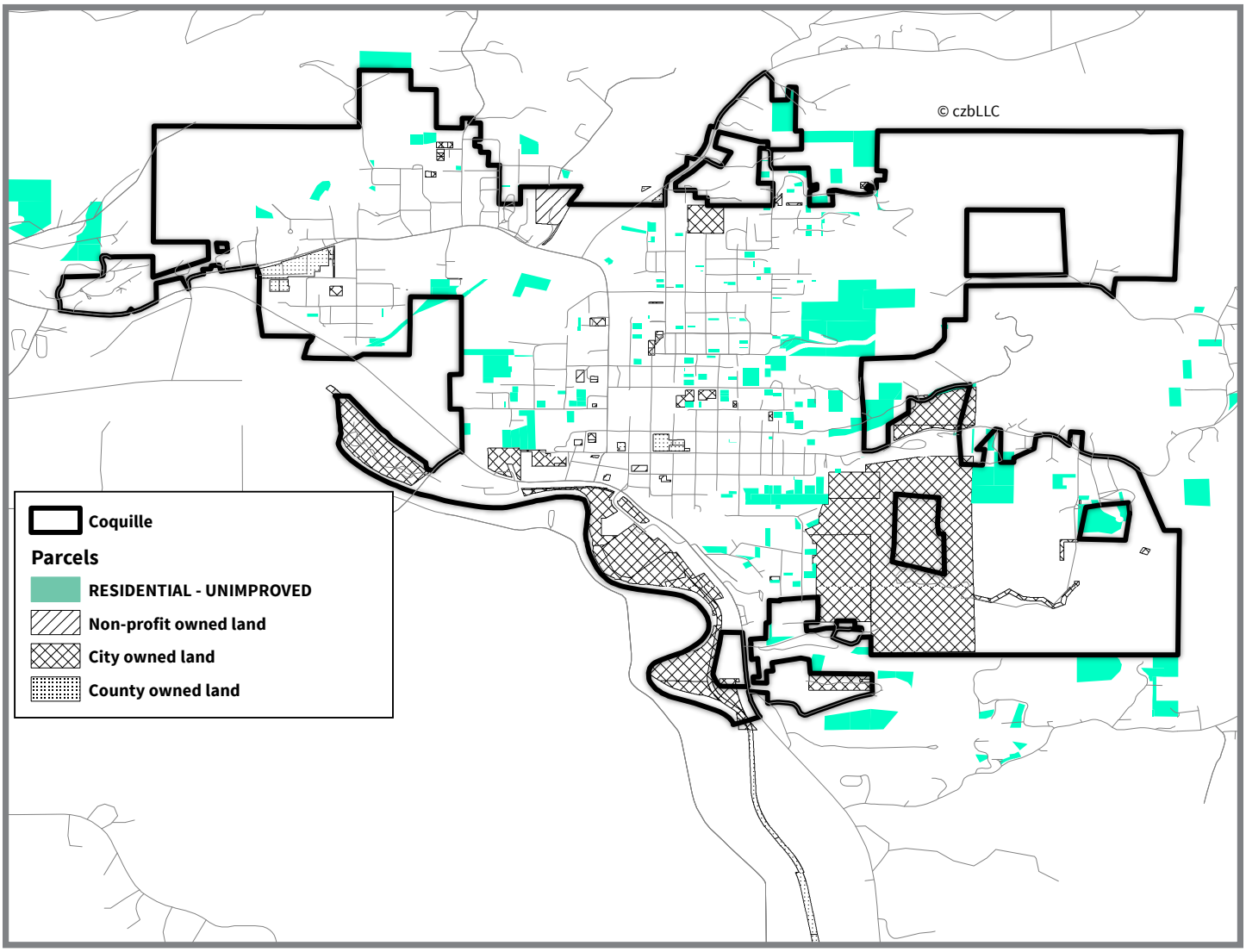
Myrtle Point, Oregon
Publicly Owned Properties and Undeveloped Residential Properties



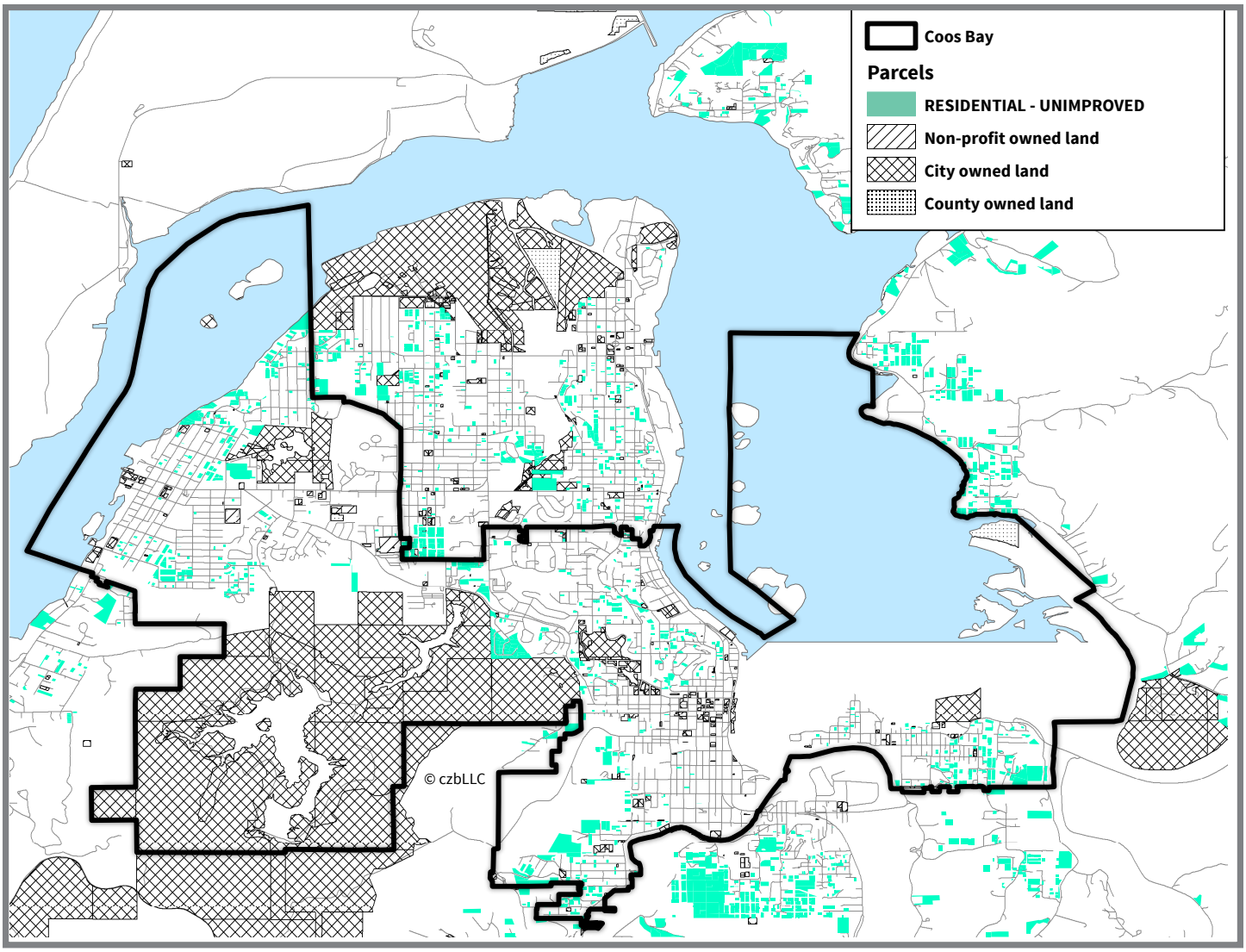
Lakeside, Oregon
Publicly Owned Properties and Undeveloped Residential Properties



Coquille, Oregon
Publicly Owned Properties and Undeveloped Residential Properties

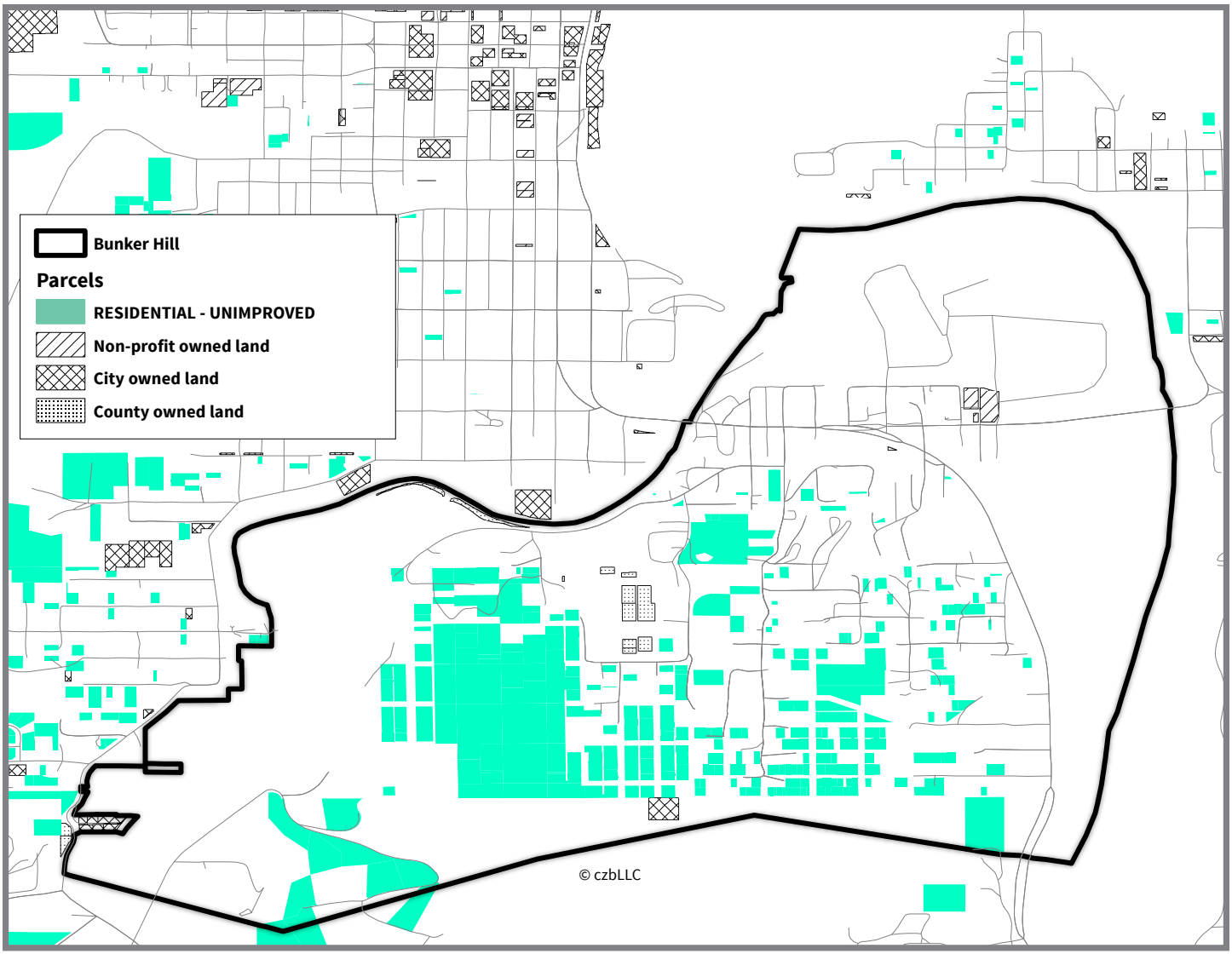


Coos Bay, Oregon
Publicly Owned Properties and Undeveloped Residential Properties

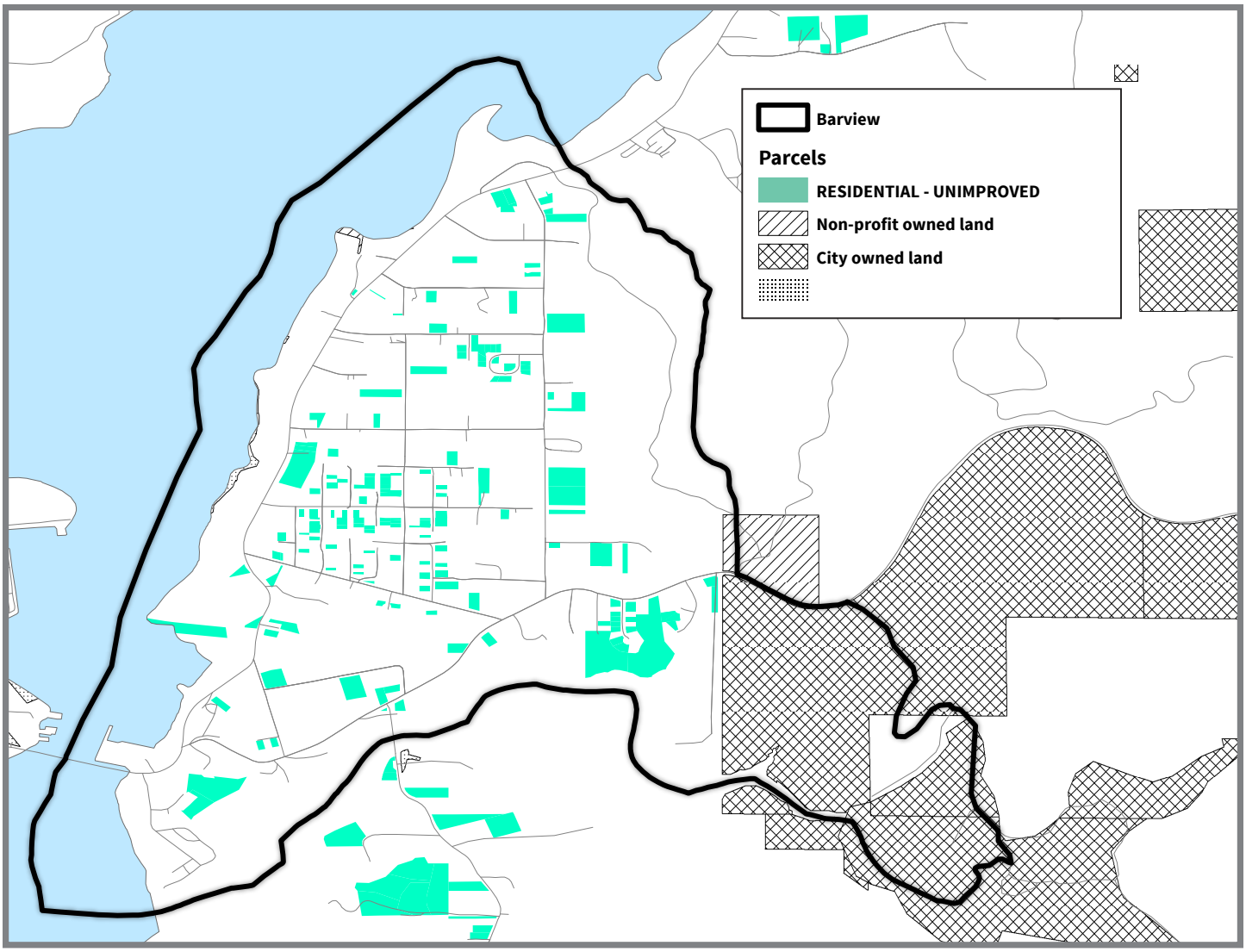


Bunker Hill, Oregon

Publicly Owned Properties and Undeveloped Residential Properties

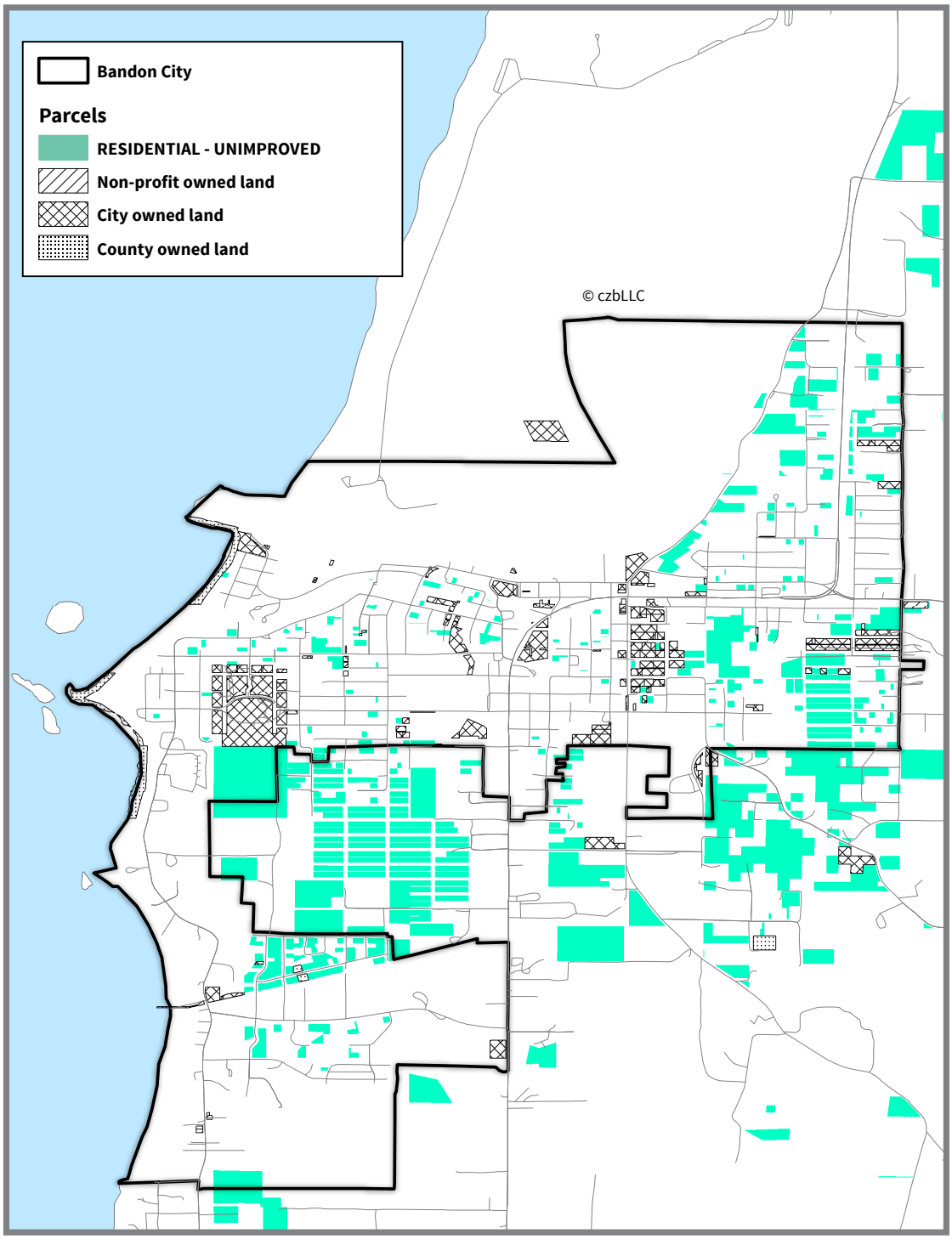


Barview, Oregon
Publicly Owned Properties and Undeveloped Residential Properties



Bandon, Oregon

Publicly Owned Properties and Undeveloped Residential Properties



2018

HOUSING ANALYSIS AND ACTION PLAN FOR COOS COUNTY, OREGON

Performed by czbLLC

czb