

Chapter 10 Housing

Statewide Planning Goal 10 and OAR 660-008 require Oregon’s cities to inventory the existing housing supply, assess housing needs and provide a 20-year supply of buildable residentially zoned land for future housing growth. The City must provide opportunities for the development of a variety of housing types at varying density, rent levels and cost ranges to meet the needs of the city’s growing population. ORS 197.303 describes needed housing types which must be allowed in the city for owner and rental occupancy. They include:

- Attached and detached single-family and multi-family housing
- Manufactured homes on individual lots zoned for single family residential use
- Manufactured home parks
- Government assisted housing

This Chapter reviews existing housing characteristics in Scio, local, state and national housing trends, housing costs and affordability and estimated housing needs for the City through the year 2035. The City of Scio is not required to comply with all of the Goal 10 housing requirements in ORS 197.296 because the city’s population is less than 25,000 people.

10.1 Scio’s Small Town Character and Residential Neighborhoods

Residents have chosen to live in Scio because it retains many of the best characteristics of a traditional American small town. They give many reasons why they made their individual decisions to make their home in Scio, but consistently reference the strong sense of community, neighborliness and camaraderie which bind the community together. Civic leaders generally agree on several key characteristics which make Scio a special place to live.

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|--------------------|--|
| ▪ History | The community respects, interprets and celebrates its history. |
| ▪ Family & Friends | Generations of families have called the Scio area home. Residents have made life-long friendships and have personal relationships with their neighbors. ¹ |
| ▪ Sense of Place | The Victorian architecture, downtown, schools, covered bridges, surrounding agricultural region and picturesque Cascade foothills create a unique sense of place. |

“Small town inhabitants can be counted on to smile and wish us a good morning or good afternoon and mean it”

¹ [How to find your ideal country home: Ruralize Your Dream](http://www.ruralize.com/country%20home/Small%20towns.html), Gene GeRue, 2009, Chapter 24.

- **Community Pride** Residents are proud to call Scio home. They have a strong sense of belonging, connection to schools, community events, civic groups, churches and local government.
- **Volunteer Spirit** Citizens are actively engaged in city government, schools and local civic organizations. People are willing to volunteer and welcome the opportunity to contribute.
- **Community Events** The cluster of local churches and civic organizations provide a multitude of opportunities for residents to become immersed in community events and activities.

Scio’s physical location in the mid-Willamette Valley was also given as one of the main reasons why Scio’s residents have chosen to live in the community. Scio’s location has several benefits which make it attractive:

- **Close to Jobs** Scio is close to jobs in Albany, Lebanon, Stayton, the North Santiam Canyon and Salem. These employment centers are a short commute away.
- **Basic Services** Local businesses provide basic goods and services; the necessities needed for everyday living are readily available.
- **Local Schools** K-12 public schools are all located within a 5-10 minute walk or a quick drive from homes in the City. Small classes, extra-curricular programs and youth sports make Scio a good community for families. Nearby community colleges and universities make higher education opportunities readily accessible for high school graduates and adults who want to pursue degrees or life-long learning.²
- **Safe Neighborhoods** Residents feel safe and secure in their homes. People know each other and interact with their friends and neighbors on a daily basis.³

Community leadership is essential for Scio to preserve its strong sense of community and effectively plan for its future. City leaders recognize strong communities are created and maintained by informed and intentional actions. Thoughtful design and continued investment in public spaces and privately owned buildings are needed to maintain and improve neighborhoods and the downtown business district and make them attractive to current and future residents. Scio’s elected and appointed officials have a strong desire to retain and improve upon the good qualities that exist in Scio’s quaint residential neighborhoods and downtown core.

² Linn-Benton Community College, Chemeketa Community College, Oregon State University, Western Oregon University, Willamette University, and professional schools are within a reasonable driving distance of Scio.

³ A focus group discussion was held in August 2015 with the Scio Planning Commission and local residents. These local residents identified characteristics of the community they value most and reasons why they have chosen to live in Scio.

City officials have identified several broad priorities they believe can ensure the community retains and improves its quality of life and provides safe, attractive neighborhoods.

1. Focused and Dynamic Community Leadership.

Local officials in the City of Scio, within the Scio School District and at Linn County make decisions which affect the daily lives of residents and students. City officials recognize consistent, effective local leadership is imperative to move the community forward.

Effective community leaders have a . . .

- positive attitude,
- entrepreneurial spirit,
- a strategic outlook,
- a vision for the future

They . . .

- anticipate and welcome change,
- focus on what the community can control,

2. Revitalize Downtown.

Maintaining Scio’s main street as a vibrant business district and historic neighborhood is essential to preserving a strong sense of place. Retention of successful local businesses, revitalization of the early 20th century building facades, recruitment of new employers and private investment and the provision of well-designed safe, walkable streets and public spaces are desired.

3. Preservation and Restoration of Historic Buildings.

Scio has more than 75 historic homes and commercial buildings dating back to the late 1800’s. Main Street has a rich collection of Victorian homes and commercial buildings which provide a unique architectural heritage. Reinvestment and restoration of Scio’s historic homes will preserve community heritage and ensure Scio’s residential neighborhoods remain unique and have a character not found in other mid-Willamette Valley communities.

4. Improvement of Existing Neighborhoods.

Many of Scio’s neighborhoods have narrow streets and a mix of homes and housing of different sizes, values and age. As new residents have moved into Scio, they have expressed different expectations concerning the public infrastructure the City provides and the physical appearance of their neighborhoods. They expect their neighborhoods to be attractive, have sidewalks, curbs and public services nearby.

Scio’s older neighborhoods can be enhanced by

- Adding sidewalks and pedestrian trails to connect neighborhoods with schools and the downtown business area.
- Providing neighborhood parks, playgrounds and open spaces to enable residents to play, recreate, exercise and interact with nature.
- Preserving heritage trees, planting new trees, retaining narrow streets and adding traffic calming measures to keep local streets walkable.

10.2 Housing Characteristics

Most of Scio’s residential areas were developed in a grid pattern in the early and mid-20th century. They are compact neighborhoods located east and west of Scio’s major thoroughfares, commercial district and near local schools. Development occurred slowly over time and there are few vacant, buildable lots in the older sections of town. Historic homes built in the late 19th and early 20th century are scattered throughout the City. The Thomas Creek Estates subdivision, the newest neighborhood at the southwest edge of the City, was developed in 2005 and has most of the remaining vacant residential lots.

Table H-1
Housing Stock in the Scio UGB
2015 Inventory

Housing Type	Inside City Limits	In Urban Growth Area	Total Units	Percent of Total Units
Single Family Residential	237	12	249	70%
Manufactured/Mobile Home	58	7	65	18%
SFR & MH Total	295	19	314	88%
Duplex	16	0	16	4.5%
Apartments	26	0	26	7.4%
Multi-Family Total	42	0	42	12%
TOTAL	337	19	356	100%

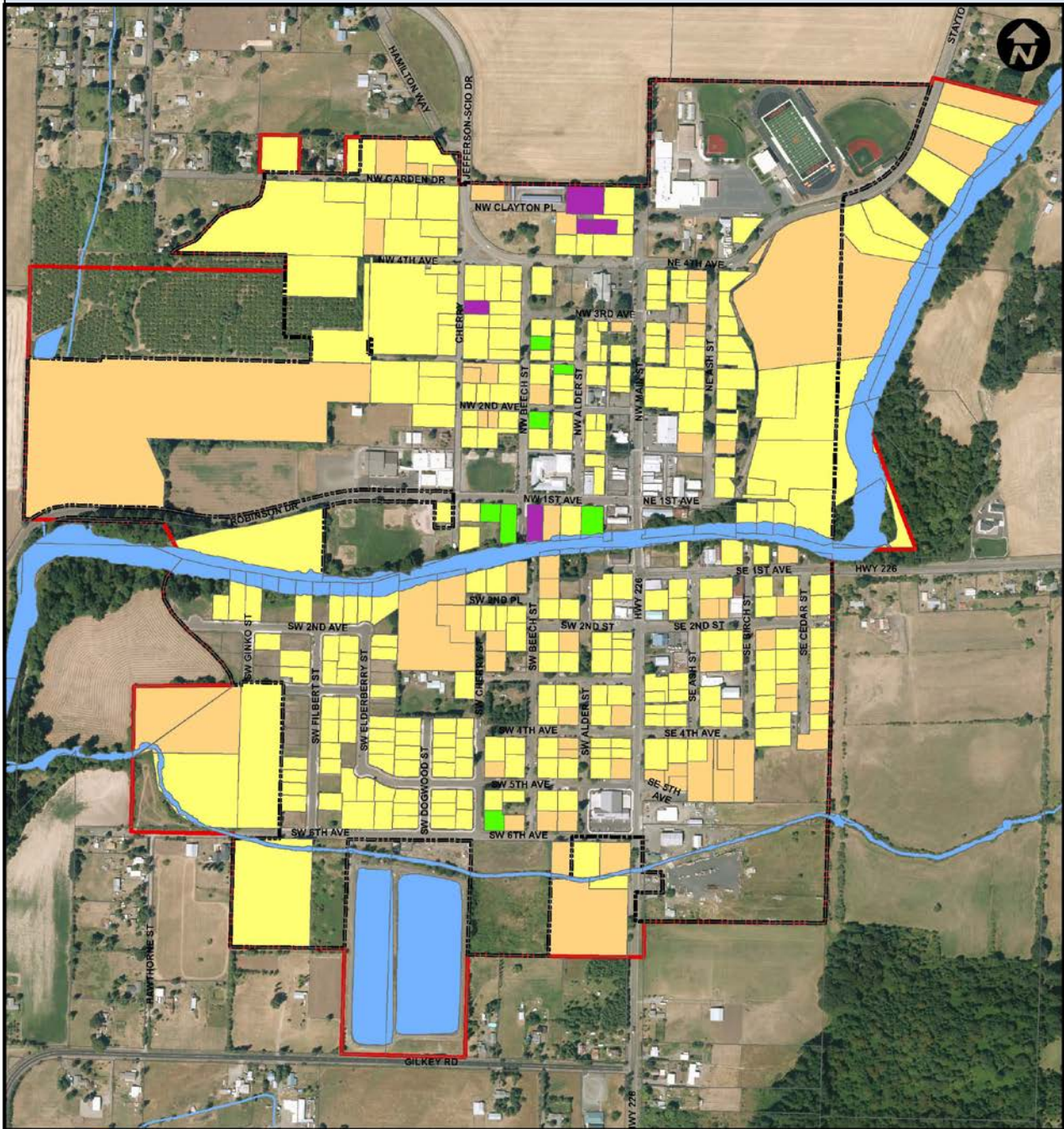
Sources: City of Scio building permit data, Linn County Assessor and Linn County GIS data, June 2015.

The City has compiled data on existing housing stock and housing trends from the U. S. Census Bureau, Linn County Assessor’s records and from City of Scio building permit data. The total housing unit mix within the Scio UGB is shown in Table H-1 and the locations of the housing units are shown on Map H-1 – “Housing Stock”.

In 2015, the City staff conducted a count of all housing stock within the city limits and Scio UGB. There were a total of 356 housing units: 337 were inside the City and an additional 19 housing units outside the city limits within the urban growth area. Existing housing includes stick-built single family dwellings, manufactured homes on individual lots, duplexes, and apartments.⁴ Stick-built single family homes and manufactured homes are both considered “single family dwellings”, while duplexes and apartments are considered multi-family dwellings. In 2015 Scio’s residential housing mix was 88% single family housing units and 12% multi-family units. The City did not have any group quarters.

⁴ The City conducted its inventory in June 2015. The 2010 Census identified 324 housing units inside the City of Scio. In 2015, the City counted 337 housing units inside the city limits and another 19 housing units outside the City limits inside the UGB.

Map H-1 – Scio Housing Stock



City of Scio

Map Revised 12/01/2015.
Data Provided by the City
of Scio and Linn County.

Scio Housing Stock



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Legend

Housing Stock		City Limits	
	Duplexes and 4Plexes		Ugb
	Manufactured or Mobile		Taxlots
	Multi-Family Residence		Rivers and Streams
	Single Family Residence		

Table H-2 shows the age of Scio’s housing stock. Overall, it shows Scio’s slow, but steady growth throughout the 20th Century and the early 2000s. New housing was added in the decades of the 1960s, 1970s and early 2000s, which reflected the growth that occurred throughout the Willamette Valley during those decades.

Table H-2
Age of Housing Stock
All Housing Units inside the City of Scio and Scio Urban Growth Area

Date Structure Built	SFR	MH	MFH	Total
Built 2010 or later	18	1	0	19
Built 2000 to 2009	44	9	0	53
Built 1990 to 1999	2	29	0	31
Built 1980 to 1989	13	11	0	24
Built 1970 to 1979	24	15	18	57
Built 1960 to 1969	27	0	20	47
Built 1950 to 1959	25	0	0	25
Built 1940 to 1949	16	0	0	16
Built Prior to 1940	80	0	4	84
Total All Housing Units in UGB	249	65	42	356

Sources: Linn County Assessor and Linn County GIS records, June 2015.

10.2.1 Owner-Occupied and Rental Housing

Table H-3 shows the occupancy by owner/renter over time. From 2000 to 2010, the total number of occupied housing units inside the city limits increased from 265 to 306, with a slight percentage decrease in the number of owner-occupied units from 69% to 65%. The percentage of owner-occupied dwellings in Scio matched the Linn County percentage of owner-occupied dwellings which was also 65% in 2010.

Table H-3
Change in Tenure
Owner-Occupied and Rental Housing Units
City of Scio 2000 to 2010

	2000 Census	%	2010 Census	%	Change 2000 to 2010	% increase
Owner Occupied	182	69%	200	65%	18	10%
Renter Occupied	83	31%	106	35%	23	28%
Total	265	100%	306	100%	41	15%

Sources: 2000 US Census SF-1 and 2010 US Census DP-1 General Population & Housing Characteristics

10.2.2 Vacancy Rates

2010 Census data shows 18 vacant housing units in Scio with an overall vacancy rate of 5.6% inside the City, with a homeowner vacancy rate of 1% and a rental vacancy rate of 7%. Scio’s 5.6% vacancy rate was lower than the 2010 Linn County vacancy rate of 7.4%. The City has used Linn County’s 7.4% vacancy rate in order to calculate the number of needed housing units.

10.2.3 Household Size and Composition

The 2010 Census showed the average household size in Scio was 2.74 persons per occupied housing unit. The household size in Scio was larger than the Linn County average household size of 2.55 persons per household and the state average of 2.47 persons per household.

Table H-4
Average Household Size - 2010

	Oregon	Linn County	Scio
Average Household Size	2.47	2.55	2.74
Owner Occupied	2.53	2.57	2.77
Renter Occupied	2.36	2.52	2.68

Source: US Census 2010 DP-1 General Population & Housing Characteristics

Table H-5 shows the household composition in Scio was similar to both Linn County and the State of Oregon, but with a slightly higher proportion of households with children. This reflects Scio’s higher percentage of children and its younger median age (34.8 years) compared to Linn County (39.2 years) and the State of Oregon (38.4 years).

Table H-5
Household Composition - 2010

Household Type	Oregon	%	Linn County	%	Scio	%
Households w/ children	414,160	27%	12,752	28%	94	31%
Married-couple family	283,674	19%	8,537	19%	64	21%
Female householder, no husband present	92,646	6%	2,871	6%	22	7%
Other families	37,840	2%	1,344	3%	8	3%
Households without children	1,104,778	73%	32,452	72%	212	69%
Married-couple family	450,067	30%	14,994	33%	96	31%
Other families	99,240	7%	3,230	7%	35	11%
Non-families	555,471	37%	14,228	31%	81	26%
Total	1,518,938	100%	45,204	100%	306	100%

Source: US Census 2010 DP-1 General Population & Housing Characteristics

In estimating future household size through the year 2035, the City has relied on the safe harbor provisions allowed for in OAR 660-024-0040(8)(a). The City assumes household size will remain at 2.74 persons per household, the figure found in the 2010 Census.

10.2.4 Housing Density

The City compiled data on the overall housing density inside the city limits. The City reviewed residential density by zoning district and by the housing type.⁵ The City of Scio has two residential zones: Single Family Residential (R-1) and Multi-family Residential (R-2). Table H-6 shows the net density in each zoning district for tax lots that have existing residential uses.

Table H-6
**Residential Density of All Housing Units by Zoning District
 Inside the Scio City Limits of July 2015**

Zoning District	Zone	Number of Dwelling Units	%	Total Acres ⁶	Density DU/Net Acre ⁷
Single Family Residential	R-1	251	74%	83.04	3.02
Multi-Family Residential	R-2	44	13%	5.24	8.40
Commercial	C	41	12%	8.43	4.86
Light Industrial	LI	1	<1%	0.48	2.08
Total		337	100%	97.19	3.47

Source: Linn County GIS

The R-1 zone has 74% of all dwelling units and a net density of just over 3 units per acre. The R-2 zone includes all of the duplexes and apartment units in the city limits, as well as single family dwellings. Overall density in the R-2 zone is 8.4 units per acre.

The Commercial (C-1) zone includes the majority of the remaining dwelling units in the City. In 2011, the City found it had a deficiency of buildable commercial land. After a review of potential future commercial sites, the City recommended that 4.5 acres south of Thomas Creek and adjacent to Hwy 226 be rezoned from R-1 Residential to the C-1 zone. The City concluded these thirty-five properties had potential for future redevelopment to commercial uses. This area included 30 existing homes on small lots. The overall density of 4.86 units per acre in the Commercial zone reflects the smaller size of the residential parcels in the C zone.

⁵ The City of Scio is not required to conduct a housing density or housing mix analysis required under ORS 197.296 because the city's population is less than 25,000 people.

⁶ Total acres is the sum of all of the tax lots in each zone that are in residential use. It does not include vacant parcels, right-of-way, public open space or parcels used for another use. For example, in the R-2 zone, there are 44 dwelling units on 15 tax lots with a total acreage of 5.24 acres.

⁷ Net density is 8.40 units per acre (44 dwellings ÷ 5.24 acres = 8.40 dwelling units per net acre).

Table H-7 shows the density by residential housing type, regardless of the zone.

Table H-7
**Residential Density of All Housing Units by Housing Type
 Inside the City Limits as of July 2015**

Housing Type	Number of Dwelling Units	%	Total Acres	Density DU/Net Acre
Single Family Residences – detached	237	70%	76.89	3.08
Manufactured Homes	58	17%	17.26	3.36
Duplex	16	5%	1.49	10.74
Apartments (3+ units)	26	8%	1.55	16.77
Total	337	100%	97.19	3.47

Source: Linn County GIS

10.3 Local, State and Regional Trends

The existing housing and demographic data provide a snapshot of the Scio community in 2015. In order to understand the dynamics of the local housing market the city has reviewed local, regional and national demographic, economic and housing trends that are relevant to the local and mid-Willamette Valley. They are used to draw conclusions and plan for the development of new housing during the 20-year planning period to 2035.

10.3.1 Scio Housing Trends from 1990 to 2015

From 1990 to July, 2015, 98 housing units were added inside the City of Scio. Of these, 64% were single-family dwellings and 36% were manufactured homes on individual lots. No new duplexes or multi-family apartments were constructed. The City utilized city building permit records, Linn County Assessor records and GIS data to review new housing constructed during the period.

During the 1990s and early 2000s most of the new dwellings added in the City were manufactured homes placed on existing ¼ acre+/- residential lots scattered throughout the community. Since 2005 only one new manufactured home has been placed in the City of Scio.

In 2006, the Thomas Creek Subdivision, a 77-lot single family residential development, was completed on the southwest edge of the city with access from SW 6th Avenue. The first homes built in the development were moderately priced spec-homes ranging in size from 1500 square feet to 2,200 square feet and a few larger custom-built homes up to 3,000 square feet in size. With the onset of the recession at the end of 2008, new home construction slowed dramatically. Only seven building permits for new single family homes were issued from 2009 to 2013.

Recovery began in 2014. From April 2014 to July 2015, the city issued 13 new single family building permits and one manufactured home placement permit. Most permits were for smaller

1,400 to 1,800 square foot homes in the low- to moderate-price range within the Thomas Creek Estates subdivision. The one manufactured home permit issued was to replace a structure destroyed by fire. As of December 1, 2015 there were 21 vacant lots remaining in the Thomas Creek Estates subdivision.

Table H-8 shows the housing mix for structures built from 1990 through 2015.

Table H-8
Recent Housing Mix by Housing Type in City of Scio
(1990-2015)

Housing Type	1990 to 1999	2000 to 2009	2010 to 2015	Total	%
Stick-built, Single Family Detached	2	43	18	63	64%
Manufactured Home	27	7	1	35	36%
Duplex	0	0	0	0	0%
Apartments	0	0	0	0	0%
Total	29	50	19	98	100%

Source: Linn County GIS and City of Scio Building Permit data

Table H-9 shows that nearly all of the new housing built between 1990 and 2015 occurred on properties in Scio’s R-1 single family residential zone, with an overall density of 2.83 units per net acre. The four housing units added inside the City within the R-2, C and I zones were single family dwellings or manufactured homes.

Table H-9
Residential Density of New Housing Units
Constructed from 1990 to 2015

Zoning District	Zone	New Dwellings Units Added 1990 to 2015	%	Total Acres	Density DU/Net Acre
Single Family Residential	R-1	94	96%	32.99	2.85
Multi-Family Residential	R-2	2	2%	1.01	1.98
Commercial	C	1	1%	0.12	8.33
Industrial	I	1	1%	0.48	2.08
Totals inside City Limits		98	100%	34.60	2.83
Urban Growth Area – Rural Residential Zones	RR 1.0, RR 2.5 & UGA-UGM-10	5	-	12.46	0.40

Source: Linn County GIS and City of Scio Building Permit data.

Over the past 25 years, no duplexes or apartments have been constructed. Over the past 10-years (2005 to 2015), fifty-five (55) of the fifty-six (56) new dwelling units have been stick-built homes. Realtors and city staff attribute the lack of diversity in the housing market to several factors: (1) the development of the Thomas Creek Estates subdivision, with its restrictive deed

covenants requiring construction of new stick-built homes, (2) the lack of vacant land inside the city limits zoned for duplex and multi-family housing, (3) the troubled home loan industry and foreclosure crisis of the late 2000s, and (4) lack of financing available for rental housing construction.

10.3.2 Local Issues that May Affect Housing Development in Scio 2015-2035

The City has identified several issues that may affect new housing development in Scio but may not apply to nearby communities in the Mid-Willamette Valley.

1. **Thomas Creek Estates Build-out:** Scio estimates the City's population will reach 1,052 people by the year 2035. In the next five years from 2015 to 2020, the city anticipates the population will grow from 830 to 898 people by the year 2020, with an average annual growth rate of 1.18%.⁸ Most of this growth will occur in the Thomas Creek Estates subdivision, which is expected to add 27 new homes by the year 2020 and enable the City population to reach 900 people. In 2015 the relaxation of lending requirements is making home-ownership attractive for first-time homebuyers. Local realtors are actively marketing the lots to local builders. Once these lots are sold there will be a need for new subdivision lots.
2. **Sewer Lagoon Capacity:** The City's public works director has expressed concern that the design capacity and operational capabilities of the City's sewer lagoons may be limited, with a maximum operational capacity to serve 900+/- residents. He noted that some short-term improvements may slightly expand the system's capacity, but before improvements are designed a study of the existing treatment lagoons is needed to verify the remaining capacity in the system. A wastewater facilities master plan is needed to identify wastewater facility improvements that will be required to serve the planning population through the year 2040.⁹
3. **Flood Hazard Regulations and Flood Insurance Rates:** The majority the buildable land in Scio is located in the Thomas Creek flood hazard area, which may create significant impediments for future development. Two National Flood Insurance Program changes are anticipated in the next five years: flood insurance rate increases and more stringent development regulations within the flood hazard area.
 - **National Flood Insurance Program (NFIP) Rate Increases:** The National Flood Insurance Program (NFIP) offers flood insurance to homeowners, renters and business owners. In 2014, Congress adopted the Homeowner Flood Insurance

⁸ See Chapter 3 "Demographics" of this Comprehensive Plan for the adopted City of Scio 2035 population forecast. The population forecast for Linn County and its incorporated cities will be updated in 2016-17 by the Population Research Center, College of Urban and Public Affairs, at Portland State University.

⁹ Ibid. In April 2015, the City of Scio adopted a 20-year population estimate for the City of Scio, 1,052 people by the year 2035. As noted in the above footnote, this population forecast will be updated in 2016-17. The National Pollution Discharge Elimination Permit (NPDES) for the city's sewer lagoons expires in July 2016. The City anticipates the new NPDES Permit will require the City to prepare a Wastewater Facilities Master Plan for the subsequent 20-year planning period through the year 2040.

Affordability Act of 2014 (HFIAA). Property owners with buildings in the flood hazard area will see higher flood insurance rates. Insurance premiums will rise, 9% to 25% annually into the 2020s, depending on type, elevation and location of the building.

- **Flood Insurance Regulations:** The City of Scio has adopted a flood hazard ordinance that exceeds FEMA requirements to reduce the risk of flooding and protect new structures from being impacted by the periodic shallow flooding from Thomas Creek. New more stringent development regulations are anticipated by the year 2020 from the NFIP program that may increase development costs or limit where new development can occur.

Together these NFIP program changes will impact the cost of owning or renting a home or business. The City anticipates rising flood insurance rates may discourage future investment in rehabilitation of existing structures or make it more difficult to obtain financing to construct new homes and businesses inside the City. City officials will have to carefully monitor the short-term and long-term impacts of the flood insurance rate increases and the NFIP regulatory changes have on the community. A re-evaluation of the city's buildable lands inventory and an expansion of the Scio Urban Growth Boundary may be needed to provide buildable residential and employment land.

10.3.3 National Housing Trends

National real estate and housing markets have witnessed a resurgence from the depths of the Great Recession. The Urban Land Institute's 2015 annual report on real estate reviews the current and emerging trends in real estate, commercial and industrial investment and macro-economic conditions affecting development.¹⁰ A 2015 report by The Joint Center for Housing Studies at Harvard University discusses national housing trends.¹¹

The ULI report notes the following demographic and macro-economic trends are affecting real-estate investment and housing markets across the country:

Demographics and Labor Force:

1. **Baby Boomer Generation.** Baby boomers will move further into retirement years, with many working longer into their retirement years. Boomers are living close to children and family is a higher priority; they are not seeking to relocate to retirement communities. As the baby boomers fully retire, there will be labor market shortages and competition for skilled employees. Some boomers will have IRA and retirement funds available for discretionary spending, while others will struggle and rely on family/government to support daily living expenses.

¹⁰ Urban Land Institute, "2015 Emerging Trends in Real Estate: United States and Canada"

¹¹ The Joint Center for Housing Studies of Harvard University "The State of the Nation's Housing – 2015".

2. Millennial Generation. The millennial generation (born 1985 to 2004) is entering the labor force in large numbers and will have an increasing impact on the housing market in the next decade. During the recession, millennials have stayed in school, lived at home, rented and delayed home purchases. Home ownership rates will increase as they get older.

Economic Forces:

1. Community Reinvestment and Infrastructure. Growth will take place in communities that invest in infrastructure, public facilities and educational facilities. Attractive communities are ones that appeal to both baby boomer and millennial generations.
2. Business and Technology. Offices and retail will continue to downsize and e-commerce will continue to grow. In order to compete effectively, companies must be focused, efficient and effective in serving their customers and defining their niche in the market.
3. Urban Areas will be attractive for work, home, arts and culture. The 18-hour city, such as Portland, Seattle and Charlotte, NC, that have with great urban design, public spaces and livable neighborhoods are highly desired.
4. Housing. There is increasing confidence in the residential housing market with opportunities for multi-family housing near urban centers.
5. Poor Investment Opportunities. Suburban development and properties dependent on “tract” housing at the edge of urban centers, that might typically be termed “sprawl” are seen as poor investment options.

The Joint Center for Housing Studies at Harvard University describes national housing trends in more detail.¹²

Demographic Changes:

1. With the aging of the baby boomer generation, housing stock needs to meet the needs of a large, growing senior citizen population. There is a need for housing that is affordable, accessible and has nearby health and support services desired by older Americans.
2. Millennials prefer urban settings and will continue to have a higher proportion of renters. They are less likely to buy single family homes in suburbs and rural areas compared to previous generations.

Home Ownership:

Overall, the housing market has rebounded since 2010 and median home prices are up, but in 2015 there are still lingering effects of the Great Recession and mortgage lending crisis that have dampened the recovery of the home ownership market.

¹² The Joint Center for Housing Studies of Harvard University “The State of the Nation’s Housing – 2015”.

1. In 2014 the nation's homeownership rate dropped to a 20-year low of 64.5% of all households.
 - Weakness in traditional neighborhoods with single family homes extends to all areas of the country: urban, suburbs and rural.
 - The homeownership rate for people in their 30's and 40's is down significantly compared to prior post WWII generations.
 - The millennial generation has not entered first-time homebuyer market as quickly as prior generations. As this generation reaches their 30's and early 40's they are expected to purchase new homes and buy homes in the trade-up home market.
2. The single family housing recovery is lagging
 - Fewer single-family housing starts in 2014 than in any year from 1959 to 2007.
 - Weakness in sales of new homes.
 - 3% drop in existing home sales in 2013-14.
 - Proportion of first-time homebuyers was 33% in 2014; well below pre-recession 40% rate.
 - First-time homebuyers are purchasing single-family dwellings; nearly half in suburban areas.
3. Potential homebuyers have trouble accessing mortgage financing due to tight credit policies, lack of \$\$ for down-payments and 20% of homebuyers are saddled with high-levels of student loan debt.
4. Outlook. The housing market will be more stable with consistent low interest rates, fewer sales of foreclosed homes and some new housing starts. Coupled with low unemployment rates, modest wage and household income growth, and general economic recovery the demand for home ownership is expected to grow.

Rental Housing:

1. The number of rental households has grown for 10 consecutive years (2005-2014).
2. Multi-family unit construction is up; reaching the highest levels since 1987. Units are being built in urban areas for the high-end of the market; providing housing for the growing segment of upper income and baby boomer renters who are looking to downsize and locate in urban areas. 35% are single family rental units.
3. With the high demand for rental units rising; vacancy rates are declining.
4. Rental costs increased 3.2% in 2014. Almost 50% of all renters had housing cost burdens where more than 30% of their income was used to pay for housing.
5. Affordable housing and government assisted housing options are limited in all market areas. Rental assistance is a challenge for disabled and seniors. Existing federal, state and local programs are overwhelmed with demand. New affordable housing options are limited.

10.3.4 Scio and Linn County Demographic Trends and Housing Affordability

The City compiled demographic and housing data from the U. S. Census Bureau’s 2010 Census and the American Community Survey 2009 to 2013 5-Year Estimates in order to compare local data in Scio with Linn County and statewide data.

Household Income:

Median household income for residents in Scio is significantly lower than the median household income for residents of Linn County and the State of Oregon, as shown in Table H-10.

Table H-10
Household Income
Oregon, Linn County and the City of Scio

Household Income	Percentage of Households		
	Oregon	Linn County	Scio
\$150,000 or more	7.1%	2.7%	0.0%
\$100,000 to \$149,999	12.0%	8.8%	10.4%
\$75,000 to \$99,999	12.5%	13.6%	18.3%
\$50,000 to \$74,999	18.7%	21.2%	23.9%
\$25,000 to \$49,999	25.5%	27.9%	28.7%
Under \$25,000	24.3%	25.9%	18.7%
Total	100%	100%	100%
Median Household Income (2013)	\$ 50,229	\$ 46,939	NA
Median Household Income (2010 Census)	\$ 49,260	\$ 45,862	\$ 38,958

Source: US Census Bureau, American Community Survey 2009-2013 5 Year Estimates, DP03, Selected Economic Characteristics.
 US Census 2010

Scio’s median household income was only 85% of the median income in all Linn County households and 77% of income for all households in the State of Oregon. Some of the difference may be attributed to the younger population, higher number of households with children at home, the lack of high-value suburban homes, and Scio’s small town rural character. Table H-10 shows Scio has fewer high-income households, a higher proportion of middle income households and a significantly lower proportion of low-income households than either Linn County or the State.

Housing Values:

In Scio 65% of the existing dwelling units are owner-occupied dwellings. Of these owner-occupied dwellings 86% of the existing homes in Scio in the year 2013 had a value between \$100,000 to \$300,000, as shown in the highlighted lines in Table H-11. The City had very few homes valued under \$100,000 and no high-value residences.

Table H-11
**Median Housing Value, Owner-Occupied Housing
 Linn County and the City of Scio
 2013**

Value	Linn County	%	Scio	%
Less than \$100,000	4,967	17%	10	5%
\$100,000 to \$199,000	13,178	44%	119	60%
\$200,000 to \$299,000	6,813	23%	52	26%
\$300,000 to \$399,000	2,919	10%	15	8%
\$400,000 to \$499,000	1,095	4%	3	2%
\$500,000 or more	880	3%	-	0%
	29,852	100%	199	100%
Median Housing Value	\$ 173,600		\$ 182,800	

Source: US Census Bureau, American Community Survey 2009-2013 5 Year Estimates
 B25075, Median Housing Values for Owner-Occupied Dwellings

Table H-12 graphically compares the value of homes in Scio and Linn County. It shows Scio has a higher proportion of owner-occupied homes valued between \$100,000 and \$300,000. Compared to Linn County, the city had fewer low-value and high-value dwellings, which reflects the low to moderate- income demographics of the residents.

Table H-12
**Percent of Owner-Occupied Housing Units by Average Housing Value
 City of Scio – 2009-2013 ACS**

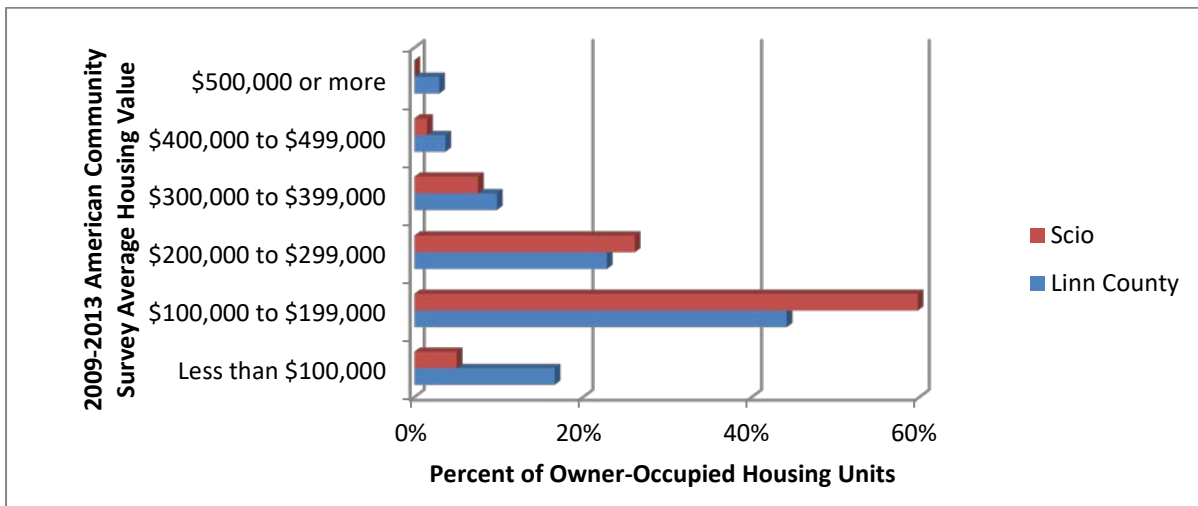


Table H-13 shows that the value of housing in Scio has risen faster since 2005 than overall housing values throughout Linn County. This change reflects the higher values of the new homes built in the Thomas Creek Estates subdivision. Linn County Assessor’s data shows almost all of the 55 new homes constructed from 2005 to 2015 are moderately priced homes with

a value of \$200,000 to \$300,000 per home. Because of the small overall number of dwellings in the City, the addition of these structures drove the increase in median home value in Scio.

Table H-13
Median Housing Value, Owner-Occupied Housing
Linn County and the City of Scio
2000, 2010 and 2013

Year	Median Value of Owner-Occupied Housing	
	Linn County	Scio
2000 Census	122,900.00	109,500.00
2006 to 2010 ACS	180,300.00	144,800.00
2009 to 2013 ACS	173,600.00	182,800.00
Change 2000 to 2013		
Amount	50,700	73,300
Percent Change 2000 to 2013	41%	67%
Change 2010 to 2013		
Amount	(6,700)	38,000
Percent Change 2010 to 2013	-4%	26%

Source: US Census Bureau, 2000 Census, SF3 H085
 US Census Bureau, American Community Survey 2006-2010 5 Year Estimates and
 US Census Bureau, American Community Survey 2009-2013 5 Year Estimates
 B25077, Median Housing Values for Owner-Occupied Dwellings

Housing Costs:

Rental housing comprises 35% of the housing stock in Scio. Tables H-14, H-15, and H-16 show the median contract rent and overall monthly median housing costs in Scio compared to nearby cities in Linn and Marion counties.

Table H-14
Median Contract Rent
Selected Cities in Marion and Linn counties

Linn County Cities	2009-2013 ACS Median Rent	Marion County Cities	2009-2013 ACS Median Rent
Albany	786.00	Aumsville	1,088.00
Brownsville	888.00	Detroit	932.00
Lebanon	842.00	Gates	817.00
Lyons	648.00	Jefferson	922.00
Mill City	791.00	Salem	781.00
Scio	786.00	Silverton	751.00
		Stayton	687.00
		Sublimity	886.00
		Turner	866.00

Source: US Census Bureau, American Community Survey 2009-2013 5 Year Estimates
 B25064, Median Gross Rent, Renter occupied housing units paying cash rent

Table H-15
Median Gross Rent
Scio compared to Linn County

Year	Median Gross Rent	
	Linn County	Scio
2000	580	513
2006-2010	737	720
2009-2013	798	786
Change 2010 to 2013		
Amount	61	66
Percent Change 2010-2013	8.3%	9.2%

Sources: US Census Bureau, 2000 Census, Summary File SF3, H063
 US Census Bureau, American Community Survey 2006-2010
 US Census Bureau, American Community Survey 2009-2013
 5 Year Estimates, B25064 – Median Gross Rent

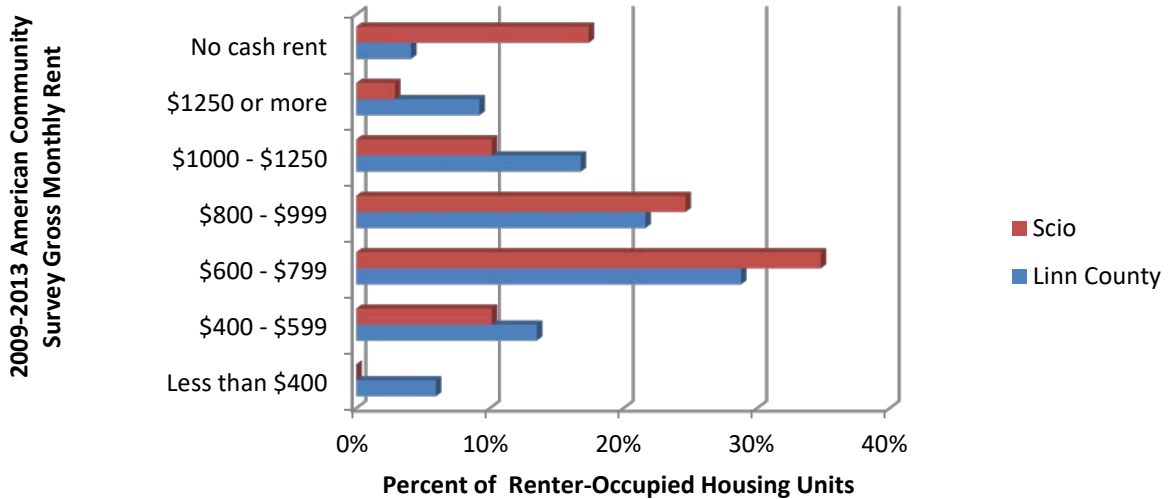
At \$786 per month the median rent in Scio was comparable to rents charged in nearby communities and very close to Linn County’s median rent rate of \$798 per month in 2013. There are very few low-cost and high-end rental units in Scio. The majority of Scio’s rental housing cost was found in the mid-price range from a \$600 to \$1000 per month rental rate.

Table H-16
Median Gross Rent – Renter Occupied Housing Units
Scio compared to Linn County
ACS 2009-2013

Monthly Gross Rent	Linn County	%	Scio	%
Less than \$400	886	6%	-	0%
\$400 - \$599	2,010	14%	7	10%
\$600 - \$799	4,281	29%	24	35%
\$800 - \$999	3,217	22%	17	25%
\$1000 - \$1250	2,497	17%	7	10%
\$1250 or more	1,370	9%	2	3%
No cash rent	609	4%	12	17%
Total	14,870	100%	69	100%

Source: US Census Bureau, American Community Survey 2009-2013
 5 Year Estimates, B25063 – Monthly Gross Rent

Table H-17
Gross Monthly Rent – City of Scio and Linn County
2009-2013 ACS



The average overall monthly housing costs in the City of Scio are high compared to nearby cities. Property taxes, utility rates and rental rates are similar. The higher monthly housing costs reflect the added costs of flood insurance premiums which are not a typical housing expense in many of the comparative cities. Table H-18 compares median monthly housing costs in nearby cities. With the anticipated flood insurance rate increases by 2020, Scio’s monthly housing costs may be less competitive with other communities in the coming years.

Table H-18
Median Monthly Housing Costs
Selected Cities in Marion and Linn counties

Linn County Cities	2009-2013 ACS Median Monthly Housing Costs	Marion County Cities	2009-2013 ACS Median Monthly Housing Costs
Albany	930.00	Aumsville	1,061.00
Brownsville	950.00	Detroit	995.00
Lebanon	925.00	Gates	806.00
Lyons	783.00	Jefferson	971.00
Mill City	916.00	Salem	925.00
Scio	1,039.00	Silverton	988.00
		Stayton	911.00
		Sublimity	1,153.00
		Turner	1,087.00

Source: US Census Bureau, American Community Survey 2009-2013 5 Year Estimates
 B25105, Median Monthly Housing Costs

Housing Assistance Programs:

There are a variety of housing assistance programs available to Linn County residents. The City of Scio does not provide any direct housing assistance services. The following agencies provide services accessible to Scio residents.

Community Services Consortium (CSC): The Community Services Consortium is the community action agency that serves residents of Linn, Benton and Lincoln counties. CSC manages a broad spectrum of education, job training, nutrition and housing assistance programs. Under the Low Income Home Energy Assistance Program, the CSC works with local utilities to provide periodic emergency financial help to individuals and families who are unable to pay for utility bills. CSC also provides housing education, weatherization and rental assistance services.

Linn Benton Housing Authority (LBHA): The Housing Authority's mission is to provide decent, safe, sanitary and affordable housing for area residents. LBHA provides housing assistance to more than 2,600 families in Linn and Benton counties. Housing assistance programs focus on providing rental assistance to low-income, elderly and special needs residents of the two counties. In Scio, LBHA owns and manages the Thomas Creek Apartments (8 rental units) on SW 1st Avenue in Scio and are available to income-qualified residents. The Housing Authority also administers HUD's Section 8 housing voucher program, which provides rental subsidies for eligible residents and families. As of December 2015 there were 23 Scio applicants and 7 residents utilizing Section 8 housing vouchers on privately owned rentals in the City. According to LBHA staff it may take up to 2 years for an applicant to get a Section 8 housing voucher approved.

Willamette Neighborhood Housing Services: Willamette Neighborhood Housing builds new single family and multi-family housing and renovates existing dwellings. WNHS manages housing rehabilitation loan programs for all residents of Linn County. Qualified low-income homeowners can obtain 0% interest loans to make needed structure, electrical, plumbing, energy efficiency and general rehabilitation improvements to existing homes. The NeighborWorks HomeOwnership Center also provides technical assistance to existing homeowners and first-time homebuyers. Consultation services and training programs range from homebuyer workshops, foreclosure prevention services, home repair services and one-on-one consultations.

Energy Trust of Oregon: The Energy Trust of Oregon provides energy assistance to customers of Pacific Power, Northwest Natural Gas and other private utilities. Programs include financial incentives for installed energy conservation measures as well as technical assistance on housing assistance programs, provided by other agencies, that are available to residential customers.

Housing Affordability:

Housing is considered to be affordable if a household pays no more than 30% of its income on monthly housing expenses, including mortgage payments, property taxes, rent, utilities, and insurance. HUD guidelines state that households paying more than 30% of their income for housing have a housing "cost burden". Table H-19 shows that in Scio 40% of Scio's households paid more than 30% of the monthly income on housing. The rate was similar for

owners (39%) and renters (43%). Scio’s percentage of households with a housing cost burden was slightly higher than Linn County’s percentage (37%).

Table H-19
**Household Cost as a Percentage of Household Income
 City of Scio**

Percent of Income	Owners		Renters		Total		Scio % compared to Linn County
	Number	%	Number	%	Number	%	%
Less than 20%	86	43%	27	39%	113	44%	+6%
20%-29%	36	18%	0	0%	36	14%	-11%
30% or more	77	39%	30	43%	107	42%	+5%
Subtotal	199	100%	57	83%	256	100%	
Zero or negative income	-		-		-		
No cash rent			12	17%	12		
Total	199	100%	69	100%	268		
Housing Cost Burden	77	39%	30	43%	107	40%	

Source: US Census Bureau, American Community Survey 2009-2013 5 Year Estimates, B25106, Housing Costs as a Percentage of Household Income in the Past 12 Months.

Housing Affordability Conclusions and Interpretations:

- No new rental housing constructed inside the city limits from 1990 to 2015. No prospects for new apartments in the near future.
- Monthly rental costs are competitive w/ regional market
- Monthly housing costs @ high end of regional market.
- New housing opportunities may be limited to build-out of Thomas Creek Estates
- Potential for new housing may be affected by federal/state flood hazard regulations.
- Affordable housing not affected by local issues, but more affected by state and federal policies and programs. With very limited funding available, it is unlikely any federally funded or state-assisted affordable housing units will be developed in Linn County’s small towns.

10.4 Forecast of Needed Housing Units and Housing Mix

In order to determine if the City has an adequate supply of buildable land available to serve the estimated population of 1,052 people in the year 2035, the City adopted an updated buildable lands analysis (BLA) in 2015.¹³ The BLA includes an inventory of all vacant land and properties potentially available for infill and redevelopment.

The 2035 population forecast and housing data were used to forecast the number and type of needed housing units for the period 2015 to 2035. The City’s projection is based on the following assumptions:

- Scio’s population will reach 1052 people by the year 2035.
- Household size will remain at 2.74 persons per household.
- The vacancy rate will be 7.4%.
- All new housing will be either single family homes or multi-family dwellings. No group quarters are anticipated.

Table H-20
Housing Needs Forecast to 2035

Dwelling Unit Forecast (2015 to 2035)	
2035 Population Forecast	1,052
Average Household Size	2.74
2035 Total Needed Housing Units (occupied)	384
2035 Vacant units @ 7.4%	31
2035 Total Housing Units	416
Existing Housing Units in the Scio UGB – July 2015 ¹⁴	356
2035 Future Need -- # of Dwelling Units	60

The majority of the new housing units are expected to be single family homes and manufactured homes on individual lots (37 housing units) with the remainder being multi-family dwellings (13 housing units). Since the City of Scio does not regulate government-assisted housing differently than other housing types, it has not estimated the need for government-assisted housing as a separate housing type.¹⁵

¹³ *Scio Buildable Lands Analysis*, prepared by Ryan Taylor, RARE Program, University of Oregon and David Kinney, Community Development Consultant, February 2015. The City utilized a safe harbor approach permitted by OAR 660-024-0040(8)(i) to determine the future housing mix for single family residential dwellings and manufactured homes on individual lots (73%) and multi-family housing (27%).

¹⁴ The 2010 Census shows 324 housing units inside the City of Scio with 306 occupied and 18 vacant (5.6%). The City has used the 2015 Scio UGB housing stock count to calculate the number of needed dwelling units.

¹⁵ OAR 660-024-0040 (8)(b)

Table H-21 shows the allocation of the needed housing units by housing type.

Table H-21
Projected Housing Units by Housing Type (2015-2035)

Housing Type	Housing Mix Forecast	Total Units
Single Family Homes	73%	44
Medium Density: Duplex	12%	8
Medium Density: Apartment	14%	8
Total	100%	60

Note: The number of needed duplex units was rounded up to 10 dwelling units.

The City estimated land needs based on assumed densities for each type of housing at close to the maximum density allowed in each residential zone. Assumed densities are:

- Stick Built, Single-family detached: 4 units per net acre
- Manufactured Home: 4 units per net acre
- Duplexes: 10 units per net acre
- Apartments: 13 units per net acre.

Table H-22 shows the City of Scio will need 12.42 acres of vacant buildable land to accommodate the 50 housing units needed by the year 2035.

Table H-22
Total Acres Needed by Future Housing Type

Housing Type	SFR (Acres)	MFR (Acres)	Total Acres Needed	Density Units/Acre	Housing Units
SFR – SFR dwellings and MH	11.00		11.00	4	44
Duplex		0.80	0.80	10	8
Apartment		0.62	0.62	13	8
Total	11.00	1.42	12.42		60

The buildable lands analysis determined there were 66 acres of net buildable residentially zoned land inside the Scio UGB in February 2015, a surplus of 50+ acres. The City concludes it has an adequate supply of net buildable residential land inside the Scio UGB to meet the estimated housing needs through the year 2035.

GOALS AND POLICIES

HOUSING

STATEWIDE PLANNING GOALS

GOAL 10 – HOUSING: To provide for the housing needs of citizens of the state.

CITY OF SCIO GOALS and POLICIES

Goal H-1: Create and maintain great neighborhoods which are safe, attractive and well-maintained and have amenities that serve families and residents of all ages.

Goal H-2: Work with the property owners, developers and governmental agencies in order to provide housing opportunities for residents of all income levels.

Goal H-3: Encourage the rehabilitation and preservation of the Scio’s historic homes and the existing housing stock.

Goal H-4: Provide an adequate supply of buildable land outside the Special Flood Hazard Area to allow for the development of various housing types to meet the needs of a growing community.

Policy H-1. Great Neighborhoods. The City will encourage the development of great neighborhoods by:

- a. Locating parks, recreation facilities, trails and other community facilities in close proximity to residences.
- b. Incorporating natural features, greenways and open spaces into developments to make neighborhoods attractive and minimize the potential for flood damage.
- c. Adding and improving sidewalks and pedestrian trails to provide safe routes from Scio’s neighborhoods to local schools and Hwy 226/Main Street commercial areas.
- d. Rehabilitating Scio’s historic homes in order to preserve structures which add a unique and special character to our community.

Policy H-2. Housing Types. Scio’s zoning ordinance will include residential zones which allow a variety of housing types:

- a. Low density residential zone (R-1): The R-1 zone will permit single-family dwellings and manufactured homes on individual lots.
- b. Medium density residential (R-2): The R-2 zone will permit single family dwellings, manufactured homes on individual lots, manufactured home parks, residential facilities, assisted living and multiple-family dwellings.

- Policy H-3. Conservation and Rehabilitation of Existing Housing. Scio will encourage the maintenance, conservation and rehabilitation of residential neighborhoods and the existing housing stock in the community.
- a. The City will support and participate in Linn County’s programs for home repair, energy conservation, historic preservation and housing rehabilitation in an effort to prolong the life of existing residences.
 - b. The City will actively pursue funding opportunities for housing rehabilitation and repair.
- Policy H-4. Housing for an Aging Population. The City recognizes Oregon’s population is aging and there will be a steadily increasing need for a variety of housing choices for senior citizens and residents needing life-long care. The City will zone land for assisted living and/or residential care facilities and encourage private developers and governmental entities to provide a variety of housing options for senior citizens who want to live in Scio.
- Policy H-5. Safe and Decent Housing. The City policy is to assure occupied housing units are safe, decent and suitable dwellings for healthful habitation. The City will enact and enforce dangerous and derelict building standards to ensure buildings are structurally sound, safe, secure and well-maintained.
- Policy H-6. Fair Housing: The City policy is to comply with federal, state and local fair housing laws that affirm access to housing opportunities for all persons in Scio.
- Policy H-7. Beautification and Maintenance Awards. Scio will establish an annual award for home upkeep and landscaping in an effort to increase community pride and provide models and examples for other residents. All residential housing units shall be eligible.
- Policy H-8. Design Standards for New Residential Developments. The City will establish design standards for new residential developments that:
- a. encourage the retention of the small-town charm and character of Scio,
 - b. create safe, walkable residential neighborhoods,
 - c. incorporate design principles that promotes energy conservation, water conservation and protection of the Thomas Creek flood plain and watershed, and
 - d. provide parks and open space areas for the benefit of all city residents.
- Policy H-9. Flood Hazards and Endangered Species Impacts on Residential Developments. The City will evaluate the impacts that revised federal and state regulations to minimize flooding losses and protect endangered fish will have on existing neighborhoods and the development of new housing in the community.
- Policy H-10. Periodic Review of Buildable Lands. The Planning Commission will review and update its inventory of residential land every 5-7 years to ensure the City has an adequate supply of buildable residential land outside the Thomas Creek special flood hazard area.