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I. Affordable Housing in Cannon Beach

Background

Affordable housing in Cannon Beach has been a City Council goal for the past five years. Therefore, City staff is providing this report so the City Council may explore the present and future housing needs in Cannon Beach and to look to innovative & cost-effective options to meet those needs. This initial assessment will assist the Council in understanding the present affordable housing options in the City; it will begin to identify the critical housing needs; and it will provide concrete recommendations to the Council in moving forward to meet these needs. This report contains a housing needs assessment that provides the basis for future planning, to include economic and community development, and efforts to identify viable options to meet the housing needs in Cannon Beach.





Purpose of Report

The purpose of this report is to offer Council an overview of general population and annual income data for the permanent residents of Cannon Beach. The report demonstrates what long-term housing is currently available to those residents and at what cost. The report offers a general overview of the two government funded affordable housing developments in Cannon Beach along with what income levels are eligible to live in those developments. A general explanation of basic affordable housing concepts are given as background information to understanding the housing needs in Cannon Beach. Finally, this report details some actions the City Council can take to assist in meeting housing needs along with two specific short-term recommendations to the City Council as to immediate next steps they can take towards the goal of helping to meet Cannon Beach's housing needs now and in the future.

II. Demographics and Affordable Housing 101

This section of the report includes some basic information on the population and income levels in Cannon Beach. The majority of this information was obtained from the American Community Survey which is an arm of the US Census. The American Community Survey analyzes the basic census data in a more detailed and specific way to reveal housing statistics. Please note that the information below is based on the full-time residents of Cannon Beach, not the tourist or second home community.

a. Demographics in Cannon Beach:

- Population in 2012: 1,692
- Population change since 2000: +6.5%
- Males: 777  (46.0%)
Females: 915  (54.0%)
- Median resident age:  46.4 years
Oregon median age:  47.4 years
- Estimated median household income in Cannon Beach 2011: \$41,087 (it was \$39,271 in 2000) ¹
- Median household income in County in 2011: \$53,388 ²
- Total households in Cannon Beach: 655
- Of the total households, 413 are owned, with and without a mortgage.
- Of the total households, 242 are rented.
- Total housing units 1,812, including short-term and long-term.

¹ City Data: <http://www.city-data.com/city/Cannon-Beach-Oregon.html#ixzz2ifAqbsIn>

² Housing Statistics, 2007–2011 American Community Survey, [http://www.census.gov/acs/](http://www.census.gov/acs/www/) (exhibit A)

Definition of “Rent/ Housing Burdened” & “Extreme Rent/ Housing Burdened”

The generally accepted definition of housing “affordability” is for a household to pay no more than 30 percent of its annual income on housing. Families who pay more than 30 percent of their income for housing are considered “rent-burdened” and may have difficulty affording necessities such as food, clothing, transportation and medical care.³ A household is “extremely or severely rent-burdened” if they have to pay more than 50 percent of their income on housing.⁴

The following are the housing statistics for Cannon Beach taken from the most recent census.⁵

- ✓ Of the 413 households who own their home, 23.6% (97 households) are rent burdened, meaning that the household pays more than 30% of their gross income on housing.
- ✓ Of the 242 renter households, 34.6, (84 households) are rent burdened, meaning that the household pays more than 30% of their gross income on rent.
- ✓ Of the 242 renter households, 36.4% (88 households) are extremely or severely rent burdened, meaning that the household pays more than 50% of their gross income on rent.
- ✓ Therefore 70% of the renter households in Cannon Beach are rent burdened.

³ US Department of Housing and Urban Development, http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/

⁴ City of Seattle, Office of Housing, Heather Burns, Senior Development Finance Specialist.

⁵ Housing Statistics, 2007–2011 American Community Survey, <http://www.census.gov/acs/www/> (exhibit A)

Discussion of AMI (Area Median Income)

Understanding the concept AMI is fundamental to the overall understanding of affordable housing. Housing statistics and government funded housing program are based on this concept of AMI.

Area Median Income (AMI) is the midpoint in the family-income range for a specific geographical area.⁶ The AMI is commonly used to generate data about geographic areas and divides households into two equal segments with the first half of households earning less than the median household income and the other half earning more. AMI includes the income of the householder and all other individuals 15 years old and over in the household, whether they are related to the householder or not.

Note that the median is not the average. In Cannon Beach, wealthy households would drastically skew the numbers. The **median** of a set of numbers is that number where half the numbers are lower and half the numbers are higher. In the case of real estate, that means that the median is the price where half the homes sold that month were cheaper, and half were more expensive. The **average** of a set of numbers is the total of those numbers divided by the number of items in that set. The median and the average might be close and they might not.

The AMI typically increases each year with inflation and the cost of living. However, with the country's financial and economic troubles over the last five year, this has not always been the case. The result is that the actual AMI fluctuates a bit depending on what government program is applied. Bottom line is that the AMI in 2013 is approximately \$53,000.⁷

Affordable housing sponsored by government programs generally serves households that are at 50% or below AMI. Sometimes, but not often, government funded housing will serve 60% and below AMI.

For example when referring to the Income limits for Clatsop County, a family of 4 must earn \$27,800 or below to qualify for affordable housing. The \$27,800 is approximately 50% of the AMI for Clatsop County for a family of four. As another example, a single person must earn under approximately \$19,000 annually to qualify for government funded affordable housing.

⁶ Freddie Mac, http://www.freddiemac.com/smm/a_f.htm

⁷ Affordable Housing Income Limits for Clatsop County, http://www.oregon.gov/ohcs/apmd/hpm/docs/2013/clatsop_2013incomelimits.pdf (exhibit B)

Typically, if a family is earning 100% of AMI that means that they can afford market rate housing. However, because of the elevated housing prices in Cannon Beach, this is not always the case. A family of four (4) which earns 100% of AMI would earn approximately \$53,000. If this family spent 30% of their income on housing, \$1,325 a month, they would be fortunate to find housing at that price in Cannon Beach.

Income statistics in Cannon Beach: ⁸

Renters only -

- ✓ Of the 242 renter households in Cannon Beach, 180 households (74%) earn 60% AMI or less. As an illustration, 75% of the renter households with 4 people make less than approximately \$33,000.
- ✓ Of the 180 renter households earning 60% AMI or less, 146 households (81%) are also rent burdened, meaning that they spend more than 30% of their income on rent.

Income statistics in Cannon Beach: ⁹

All households -

- ✓ Of the 655 total households in Cannon Beach, 201 households earn 50% or less AMI.
Of those 201 households, 169 households (84%) are rent burdened, meaning that they spend 30% or more of their gross income on housing.
- ✓ Of the 655 total households in Cannon Beach, 312 households earn 80% or less AMI.
Of those 312 households, 237 (76%) are rent burdened, meaning that they spend 30% or more of their gross income on housing.

As an illustration, if someone earns \$18.00 an hour in Cannon Beach and works a 40 hour week, their annual income is \$34,560. If that individual was not “rent burdened”, they would pay 30% or less for housing. 30% of \$34,560 is \$10,368 which comes to \$864 a month which should be used for housing. This family would most likely not qualify to live in either of the affordable housing developments in Cannon Beach so they would

⁸ Housing Statistics, 2007–2011 American Community Survey, <http://www.census.gov/acs/www/> (exhibit A)

⁹ Housing Statistics, 2007–2011 American Community Survey, <http://www.census.gov/acs/www/> (exhibit A)

either have to live out of the City or be “rent burdened”, meaning that they pay more than 30% of their earnings on housing.

Note regarding the County Housing Profile:

The Housing Profile for Clatsop County can be found at exhibit C.¹⁰ Cannon Beach is uniquely situated in the County in that it has the highest housing prices and a finite amount of land that could be used for more housing. For these reasons, the County wide statistics are not as relevant but may be helpful to the overall understanding of housing needs in the community.

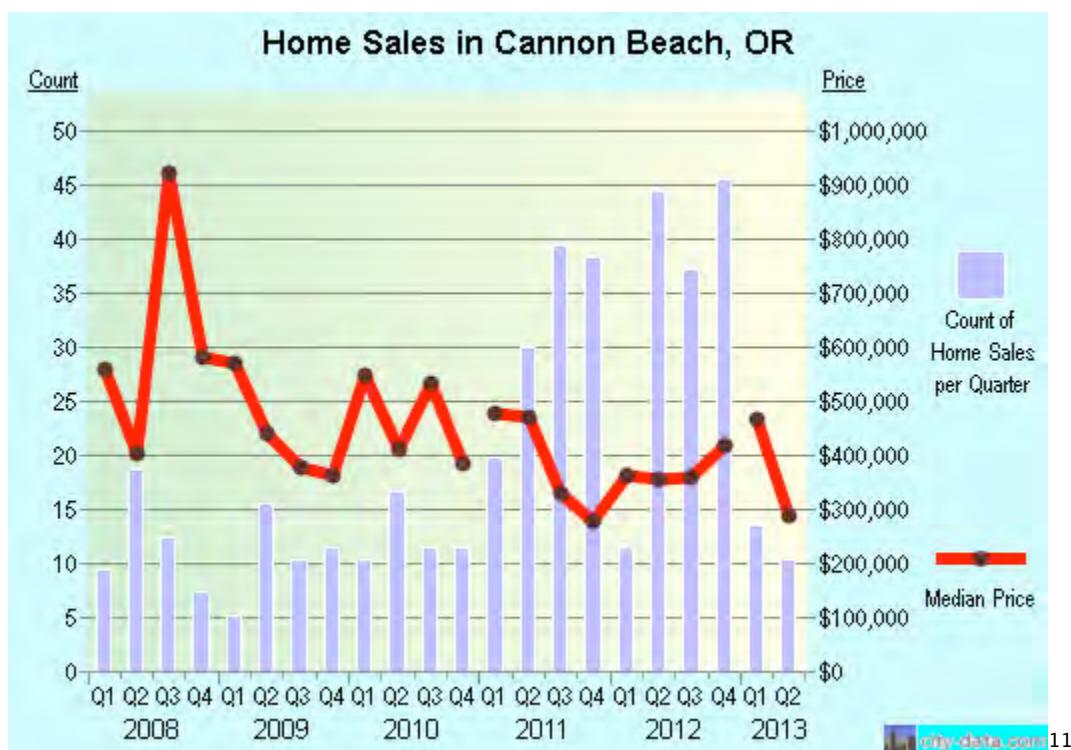
¹⁰ Clatsop County Housing Profile, Oregon Housing and Community Services, http://www.oregon.gov/ohcs/ISD/RA/housing-profiles/counties/Clatsop_HousingProfile.pdf

III. Current Housing Options in Cannon Beach

This section presents information on the current housing options in Cannon Beach. Subsection a starts with general background numbers on housing prices in 2011 then goes on to discuss a market analysis of homes available in Cannon Beach over the past six (6) years with a price of \$250K and below. Subsection b discusses the availability of long-term housing in Cannon Beach. This is a short section as long-term rental housing is virtually non-existent in Cannon Beach. Finally, subsection c discusses the two government funded and regulated affordable housing developments in Cannon Beach. Understanding the income limits of those legally allowed to rent in these two developments is critical to the overall understanding of the housing needs in Cannon Beach.

a. Homes in Cannon Beach:

- Estimated median house or condo value in 2011: \$607,052 (it was \$259,500 in 2000)
- Cannon Beach: \$607,052
Oregon: \$232,900
- Mean prices in 2011:
 - All housing units: \$819,852;
 - Detached houses: \$836,187;
 - Townhouses or other attached units: \$606,714;
 - In 2-unit structures: \$839,221;
 - In 3-to-4-unit structures: \$1,086,051;
 - In 5-or-more-unit structures: \$1,080,017;



Market Survey of Homes under \$250K in Cannon Beach:

Robin Risley, Broker, Kamali Company, volunteered her time to do a market study of affordable homes in Cannon Beach. She researched the amount of homes or condos for sale in Cannon Beach listed for under \$250,000 from 2007 – 2013.¹²

The \$250K number was chosen because that is the price of a home a family of four, making 100% of the average median income (AMI) could afford. A middle income family in Cannon Beach earning approximately \$50,000 should spend 30% of that income on housing. 30% of \$50,000 is \$15,000 which is \$1,250 a month. To keep the monthly cost to \$1,250, the family could purchase a home for no more than \$250,000 which assumes a \$50,000 (20%) down payment.

¹¹ City Data, <http://www.city-data.com/city/Cannon-Beach-Oregon.html>

¹² 2007 – 2013 Sales Report for homes under \$250,000 in Cannon Beach by Robin Risley. (exhibit D)

The complete market survey is compiled in a binder which can be reviewed upon request.

The general outcomes of the survey are as follows:

- ✓ 28 homes/ condos sold in Cannon Beach between 2007 – 2013 for under \$250,000.
- ✓ 25% (7) of the 28 homes/ condos were condos.
- ✓ Of those homes under \$250,000, an average of 4 homes/ condos sold each year.
- ✓ Note that some of these homes would be better described as “cottages” as they are well under 1,000 square feet.
- ✓ Note that some of these homes were in need of significant repairs, sometimes to be habitable.
- ✓ Note that some of these homes were manufactured homes which present challenges due to weather and high heat costs. ¹³

b. Long-term rental units in Cannon Beach:

Because of the shortage of long term rentals in Cannon Beach, at any price, there is little to no data on this segment of the housing structure. Unlike most cities, there is no long-term rental property management company in Cannon Beach such as Sowins or Easom Property Management in Astoria & Seaside. In Cannon Beach, the property management companies exclusively manage vacation rentals. The informal advice from realtors to someone looking for a long term rental in Cannon Beach is to look in the Gazette, or posted at the Market or Post Office.

An internet search for long-term rentals in Cannon Beach will typically reveal rental options in Seaside, Warrenton and Astoria.

¹³ Information taken from Markey Survey conducted by Robin Risley, Broker, Kamali Company, August 2013.

c. Government Funded and Regulated Housing in Cannon Beach

Elk Creek Terrace Apartments:

Elk Creek Terrace is one of two housing projects that offer low income housing in Cannon Beach. Elk Creek was placed in service in 1994 and it is owned by the Community Action Team (CAT) located in St. Helens, Oregon.¹⁴ This affordable housing project was funded with Oregon affordable housing tax credits.

Elk Creek offers one, two and three bedroom apartments with a community room and computer available for resident use. It also has a large upgraded laundry room.

Income restrictions apply. Generally, Elk Creek serves only those making 50% or less of the AMI. Two of the units are set aside for those who were previously homeless and are making 30% AMI or less. And, 16 of the two-bedroom units can be rented to those earning up to 54% AMI.

There are 36 units in total.

- 4, one-bedroom units are 560ft², rent approximately \$450.00
- 24, two-bedroom units are 784ft², rent approximately \$550.00 - \$650.00
- 3, three-bedroom units are 931ft², rent approximately \$621.00

There is currently a waiting list for this property and the owner of the property, CAT, states that they have been at 100 % capacity since they opened in 1994.

Application Process:

The application process for both affordable housing properties in Cannon Beach is relatively the same. Both properties are managed by a third party management company. In other words, the entity which owns these properties does not conduct the everyday management of the properties. The applicant must pass a credit check and prove through required documentation, i.e. paystubs & tax returns, their income qualification for the program.

¹⁴ Interview with Dianne Dubach, employee of CAT who oversees the Elk Creek Terrace Apartments.

Shorewood Apartments:

Shorewood Apartments is one of two housing projects that offer low income housing in Cannon Beach. Shorewood was placed in service in 1997 and it is owned by Shelter Resources located in Bellevue, Washington. ¹⁵

Shorewood offers one, two and three bedroom apartments with a laundry room, playground, parking and some other amenities.

The manager of Shorewood indicated their tenants usually work in retail, hotels or landscaping. ¹⁶

There are 34 units in total.

- 8, one-bedroom units are 622 ft², rent approximately \$547.00
- 15, two-bedroom units are 805 ft², rent approximately \$550.00 - \$650.00
- 11, three-bedroom units are 962 ft², rent approximately \$621.00

Income levels eligible to rent in this property -

	1	2	3	4	5	6	7	8
50% HOME	\$19,500	\$22,250	\$25,050	\$27,800	\$30,050	\$32,250	\$34,500	\$36,700
60% HERA	\$23,940	\$27,360	\$30,780	\$34,200	\$36,960	\$39,720	\$42,420	\$45,180
60% HOME	\$23,400	\$26,700	\$30,060	\$33,360	\$36,060	\$38,700	\$41,400	\$44,040

3 units @ 50%/ HOME level

25 units @60% HERA level

6 units @ 60% HOME level

HOME and HERA stand for the type of funding and therefore income restrictions that apply to residents of Shorewood. HOME stands for the largest Federal block grant to State and local governments designed exclusively to create affordable housing for low-income households and HERA stands for The Housing and Economic Recovery Act. ¹⁷

¹⁵ Interview with Len Brannen who oversees the Shorewood Apartments on behalf of Shelter Resources.

¹⁶ Interview with Kathy Bulloch, Manager of Shorewood Apartments.

¹⁷ US Department of Housing and Urban Development, http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/programs/home/

IV. Housing Needs in Cannon Beach - What We Do and Don't Know

a. What we know...low-income and middle-income work force:

For the purpose of this report, “low-income” is defined as earning 50% or below AMI and “middle-income” is defined as earning 51% or above AMI. Cannon Beach has a work force comprised of both low-income workers (those making minimum wage to \$15.00 an hour) and middle-income workers (those making \$16.00 - \$25.00 an hour).

When talking about work force housing needs, it is not uncommon to have a “middle-income challenge” whereby those earning a middle-income, \$30,000 - \$50,000 a year, do not qualify for affordable housing because they make over 50% of AMI but they make too little to afford market rate housing in a vacation/ resort community like Cannon Beach. Government, federal and state, funded affordable housing developments, by law, cannot serve families earning 60% or higher AMI and most often of the government funded and regulated developments do not serve those earning 50% or higher AMI. Therefore, government resources are not available to meet the “middle-income” need for affordable housing in a community like Cannon Beach. This “middle-income challenge” is presenting itself in cities across the state such as Hood River, for example. Because this is becoming a more prevalent problem, private foundations, philanthropists and local governments are offering financial resources for this “middle-income” type of housing. For example, a municipality and/or private foundations or donors, could decide to contribute local money targeted to provide housing for those earning 60% - 80% AMI.

b. What we don't know...number of commuters in the workforce:

Cannon Beach is a tourist community with the vast majority of the work force commuting to the City because of the high housing prices. Therefore, it is difficult to definitively ascertain the current, long-term, residential housing needs in Cannon Beach. Since the work force that would otherwise live in Cannon Beach commutes from other cities due to the lack of affordable housing, the census data and other statistics do not reveal the work force housing need, either for low-income or middle-income workers, in Cannon Beach. In other words, people living in Seaside, Warrenton and Astoria but working in Cannon Beach are not counted as residents so they are not captured in the local housing data.

The number of low-income and middle-income commuters is necessary to make educated decisions about the work force housing need in Cannon Beach. An employment analysis by an independent third party should be conducted in order to base housing decisions and resources on empirical data. This will also be discussed in the recommendations section of the report.

V. What Can City Councils do to assist in Meeting Local Housing Needs?

There is a broad spectrum of action that a local government such as a City Council can take to assist the community in meeting affordable housing needs. The following items are just an example of what a City Council can do to assist: ¹⁸

1. Make Changes to the Zoning Code such as allowing for more multi-family residential development or allowing for higher density development. The Zoning Code could be analyzed to ensure adequate multi-family zoning. If the balance leans toward the single family zoning, multi-family development is difficult and the Zoning code could be creating a barrier to affordable housing.

Also, the City could decide where to encourage density. In these areas the density requirements could be changed and the zone changed to multi-family.

Multi-family housing increases the amount of housing available. It is an issue of supply and demand. Even if the multi-family housing is not “affordable” housing, the increased supply will help meet affordable housing needs.

(* See note below re: Accessory Dwellings.)

2. Making public land available for affordable housing.

3. Waiving costs associated with the development process, such as impact fees and building permit fees.

4. Offering a credit enhancement which is the backing of a loan for affordable housing in which the local government guarantees that they will pay a certain percentage of the capital of the loan in the event of default by the developer.

5. Use affordability covenants in conjunction with development incentives to ensure that the incentives support the affordable housing project. For example, if the local government were to waive some of the density requirements, the developer would incorporate covenants into the deed or title stating that the units would be rented to those with an income of 60 – 80% AMI.

6. Ask the voters to approve Bonds and/ or Levies for affordable housing development. For example, Seattle voters approved one bond and 4 levies to create affordable housing.

¹⁸ “Toolkit” for Affordable Housing Strategies developed by The Oregon Opportunity Network (Oregon ON), an association of 150 local and regional nonprofits, housing authorities and affiliates who develop and own affordable housing around the state.

The Executive Director, Robyn Boyce, from the Housing Development Center states that excellent outcomes result when the following types of support are provided by a local jurisdiction for affordable housing:

- 1) Predevelopment funds: \$70,000 - \$100,000 initial funds: The local government would contribute these funds to pay for items such as site control/ option payments, site due diligence to include environmental, zoning and other required studies, feasibility – financial modeling and analysis, and market study (demand/supply side).
- 2) Assistance with site identification and control/ purchase: This could range from political support to seeking donated property (tax benefits to contributor), or publicly held lands, or transfer of development rights or other support to make site more viable or affordable.
- 3) Entitlement Support: The local government would help facilitate the required city and local regulatory requirements such as zoning, building, utilities, street access, etc.
- 4) Property tax exemption: Property tax exemption for projects/ or portions of projects services 60% AMI and below is important to the financial viability of projects and demonstrates local financial leveraging – important to state funding applications. These state statutes require local taxing jurisdiction approvals.
- 5) Political support for funding applications: The local government would offer letters of support, hold meetings with county and state representatives, publish policy reports and statements, etc.

*Note on Accessory Dwellings: Some changes to the Zoning Code have been made in an effort to help provide more affordable housing in Cannon Beach. However, it is easy for these efforts to make more affordable, long-term housing to turn into more opportunities for affordable second homes or vacation rentals. ¹⁹

For example, in 1994, the Council changed the Zoning Ordinance to allow for accessory dwellings as an outright use. These dwellings are limited to 600 square feet. The hope was that these dwellings would be used as affordable, long-term rentals. It seems that the dwellings are more often used as short term, vacation rentals rather than long-term rentals.

¹⁹ Cannon Beach Municipal Code, Section 17.54.080, Accessory Dwellings.

VI. Recommendation – Where to go from here?

a. Create a Cannon Beach Housing Task Force.

Cities throughout Oregon have similar work force housing needs, specifically with the “middle-income challenge” as discussed previously in this report. To develop a plan to help meet these needs, some of these cities formed a task force to analyze the needs and work towards meeting those needs.²⁰

Recommend that Cannon Beach City Council create a Housing Task Force to further analyze the housing needs and, out of this analysis, review the range of actions that encourage affordable housing in Canon Beach. The task force would then make specific recommendations to the City Council. Recommend the task force consist of a broad range of representation both from the citizens of the community but also of those who have a background in affordable housing.

The Executive Director, Robyn Boyce, from the Housing Development Center, and others that were interviewed as part of this report expressed their willingness to be on the Cannon Beach Housing Task Force if such task force was created.

The Cannon Beach Housing Task Force could include, but are not limited to, representative from the following entities:

- The Cannon Beach City Council
- The Cannon Beach Planning Commission
- The Cannon Beach Chamber of Commerce
- The Northwest Housing Authority
- Clatsop Community Action
- The local banking industry
- The local construction/ development industry
- The retail and hospitality industry
- Clatsop County Board of Commissioners

²⁰ Newberg Housing Task Force Action Plan, <https://www.newbergoregon.gov/sites/default/files/Affordable%20Housing%20Action%20Plan.pdf>

- Oregon Housing and Community Services
- Housing Development Center
- Real Estate Community
- Artist Community
- Religious Community

Task Force goals may include, but are not limited to, the following:

a. Consider how to meet both the low-income and middle-income work force housing needs to Cannon Beach. An option the task force could consider is mixed use housing with half of the housing offered to serve those between 60 – 100% AMI and half offered to serve those earning less than 60% AMI. The financing for these two types of housing is very different so this would be done in two distinct phases.

b. Pursue offers to assist made by citizens of Cannon Beach such as Mike Clark's on-going offer to work with the City towards affordable housing options, specifically in finding suitable land for such development.

c. Consider changes to the Zoning Code such as making multi-family development more feasible in Cannon Beach.

d. Pursue efforts to partner with other organizations/ municipalities across the state to learn and implement best practices.

b. Retain the services of an outside firm to conduct an employment survey:

Simultaneously with the creation of the Cannon Beach Housing Task Force, recommend the City hire a firm to provide empirical data as to the number of people commuting into Cannon Beach. This assessment would survey employers in Cannon Beach to ascertain how many employees live in Cannon Beach, commute into Cannon Beach and the range of pay for those employees. This recommendation was previously discussed on page 13 of the report. The number of low-income and middle-income commuters is necessary to make educated decisions regarding the work force housing need in Cannon Beach. An employment analysis by an independent third party should be conducted in order to base housing decisions and resources on actual numbers, not speculation. As a side note, this information may also be of use to the Cannon Beach Chamber of Commerce and other local organizations.

VII. References and Resources Used to Compile Report

a. List of Interviewees, Interview Questions and Interview Comments

List of Interviewees:

Wendy Higgins, General Manager, Ocean Lodge, Cannon Beach, Oregon.

Tony Degoede, Case Worker, Clatsop Community Action, Astoria, Oregon.

Todd Johnston, Executive Director, Northwest Oregon Housing Authority, Warrenton, Oregon.

Heather Burns, Senior Development Finance Specialist, City of Seattle, Office of Housing.

Amanda Saul, Enterprise Community Partners, Portland, Oregon.

Vince Chiotti, Regional Advisor to the Department, Oregon Housing and Community Services, Portland, Oregon.

Mike Clark, Owner, Coaster Construction, Cannon Beach, Oregon.

Eric Johnson, Cannon Beach Chamber of Commerce, Cannon Beach, Oregon.

Rainmar Bartl, Past City Planner, City of Cannon Beach, Cannon Beach, Oregon.

Robin Boyce, Executive Director, Housing Development Center, Portland, Oregon.

Brian Sweeny, Housing Development Center, Portland, Oregon.

Len Brannen, Shelter Resources, Bellevue, Washington.

Kathy Bullock, On-site Manager, Shorewood Apartments, Cannon Beach, Oregon.

Dianne Dubbach, Community Action Team, St. Helens, Oregon.

Robin Risley, Kamali Company, Cannon Beach, Oregon.

Interview Questions:

1. What are your general thoughts on housing needs in Cannon Beach?
2. Is it difficult for the work force in Cannon Beach to find long-term affordable housing in Cannon Beach, either to rent or purchase?
3. When discussing affordable housing in Cannon Beach – who needs this affordable housing, the work force?
4. What makes it hard to find housing in Cannon Beach, lack of inventory, high rent, size?
5. Is there a larger need for single person or family long-term housing?
6. Is there a need for seasonal housing for the work force?
7. What would be the benefit to the Cannon Beach community of having affordable and/ or work force long-term housing?
8. Is it difficult to attract employees to Cannon Beach because of the lack of affordable, long-term housing?
9. How far do employees have to travel to come to work in Cannon Beach?
10. What are the barriers for builders to develop affordable, multi-family housing in Cannon Beach?

Non-attributed Interview Comments:

“The Shorewood project was a wonderful idea but the end result was different than expected in that the income requirements are lower than expected so much of the work force in Cannon Beach earn slightly too much to qualify to live in either Shorewood or Elk Creek but they don’t make enough to live anywhere else in Cannon Beach.”

“I work in Cannon Beach and can afford up to \$1,000 a month in rent. It took me 18 months after I started working in Cannon Beach to find housing at that rate and even then, I had to pay \$1,250 a month for a rental.”

“The challenge is that the maximum most of the work force is paid in Cannon Beach is between \$9.00 - \$18.00 an hour. If you make \$18.00 an hour, you won’t be able to live in Cannon Beach as you probably make slightly too much to qualify for Shorewood and Elk Creek but too little to afford rent in Cannon Beach.”

“If you are looking to purchase a home for \$250K or under, you need to go to Astoria, Warrenton or Seaside.”

“Long-term rentals need to be at about \$850 - \$1,000 a month to meet the work force needs in Cannon Beach. A home owner can rent their home as a vacation rental and make that in one weekend so what incentive do they have to offer it as a long-term rental?”

“There are no long-term rentals in Cannon Beach, either affordable or not affordable. This is why there is no centralized “hub” to find available long-term rentals.”

“We don’t need more low income housing but we need more affordable housing.”

“Our management team makes about \$20.00 an hour so it is difficult for them to find housing in Cannon Beach. “

“Our non-management team either lives in the low income housing in Cannon Beach or they live in Seaside.”

“Cannon Beach needs more middle-class housing for artists, police, management, etc. at \$1,000 - \$1,400 a month.”

“Cannon Beach has the highest real estate values in the state so a lot of employees commute which can be tricky in the winter time.”

“The vast majority of people who work in Cannon Beach do not live in Cannon Beach.”

“It is said that the champion of affordable housing is home ownership. However, this is very difficult undertaking. Recommend the focus be on providing rental units as this would support the economic base in Cannon Beach and it is more realistic from a financial and administrative resources perspective.”

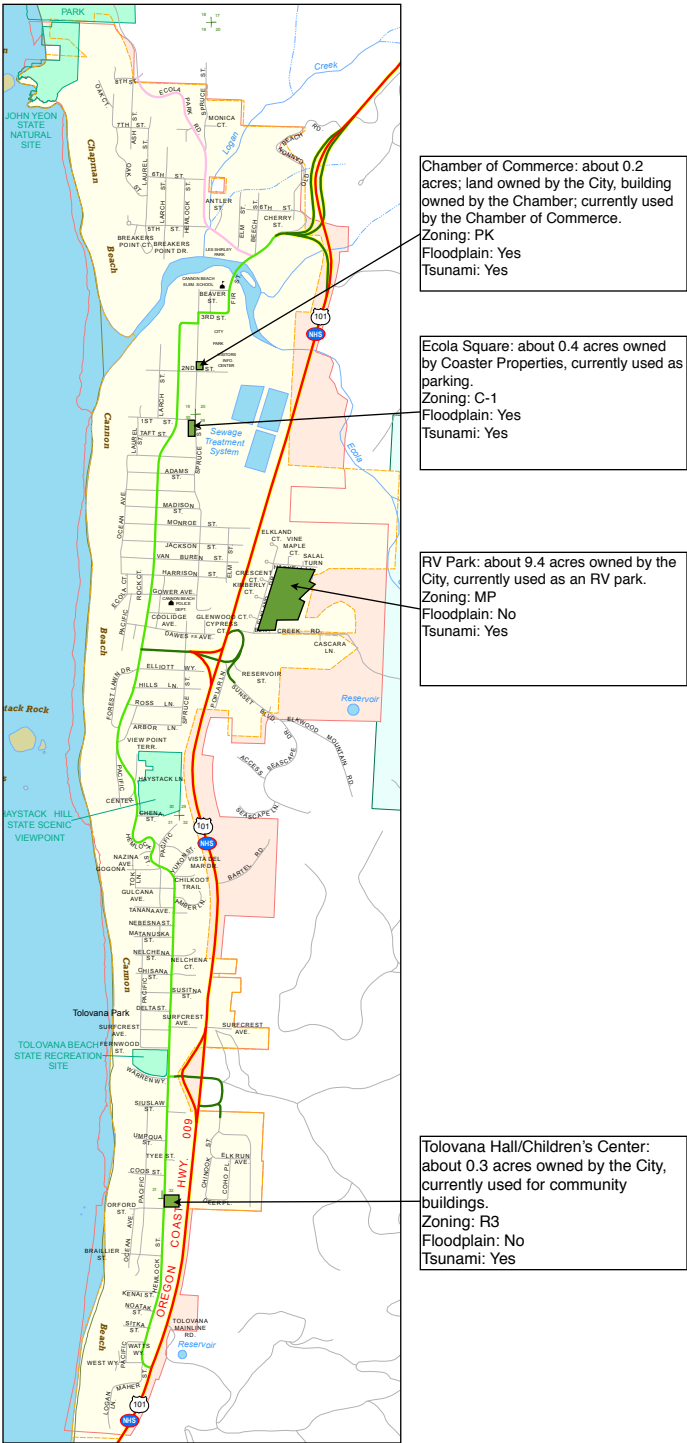
b. Comprehensive Plan, Housing Policies

HOUSING POLICIES

1. In order to maintain the city's village character and its diverse population, the city will encourage the development of housing which meets the needs of a variety of age and income groups, as well as groups with special needs. (Ord 97-19; Ord 92-10; Res 79-02)
2. The City will cooperate with other groups, private, governmental, and nonprofit in establishing programs or projects that provide affordable housing. (Ord 92-10; Res 79-02)
3. To the extent possible, the city shall endeavor to accommodate affordable housing in a manner that disperses it throughout the community rather than concentrating it at specific locations. (Ord 97-19; Ord 92-10)
4. The city encourages employers to provide affordable housing in conjunction with their operations. (Ord 92-10)
5. The City recognizes that there needs to be a balance between employment and housing in the Cannon Beach area and that the City can not rely solely on other communities to provide needed affordable housing. (Ord 92-10)
6. The City recognizes the importance of its existing residential neighborhoods in defining the character of the community and will strive to accommodate new residential development in a manner that is sensitive to the scale, character and density of the existing residential development pattern. (Ord 92-10; Res 79-02)
7. The City shall preserve and enhance the qualities that contribute to the character and liveability of its residential areas. These qualities include limited traffic disruptions, uncongested streets, and a low level of noise and activity. (Ord 92-10; Ord 92-01; Res 79-02)
8. The City finds that transient occupancy of dwelling units constitutes a visitor oriented commercial use in the City's residential areas. In order to maintain the residential character and livability of its neighborhoods and to prevent the adverse effects of the transient occupancy of dwelling units on residential neighborhoods, it is necessary to limit and regulate the transient occupancy of dwelling units. (Ord 04-09A; Ord 92-10; Ord 92-01; Ord 85-04; Ord 84-08; Res 79-02)
9. The City will encourage and support the development of housing units in conjunction with commercial uses in order to provide additional housing, to provide for a diversity of uses in the City's commercial areas and to provide security to commercial areas. (Ord 97-19; Ord 92-10; Ord 84-08)
10. The city will encourage the preservation of the older housing stock. (Ord 97-19; Ord 92-10)

11. The city will provide flexibility in regulations governing site design so that developments can be adapted to specific site conditions. (Ord 97-19; Ord 92-10)
12. The city will consider the use of cluster development and planned development techniques as a means of preserving common open space, protecting significant natural features, and providing for a variety of affordable housing types. (Ord 97-19; Ord 92-10; Res 79-02)
13. To the extent feasible, higher density housing developments should be located in proximity to the City's major employment areas and arterial streets. (Ord 97-19; Ord 92-10; Ord 84-08)
14. The City, in conjunction with the Cannon Beach Historical Society, should establish a voluntary program for protecting buildings with local historic merit. (Ord 97-19; Ord 92-10)
15. The city will comply with federal and state fair housing laws which affirm access to housing opportunities for all persons in Cannon Beach. (Ord 92-10)
16. The urban growth boundary review conducted in 2006 identified a need for additional land designated for multi-family use. Two potential areas to provide additional multi-family use have been identified, Tax Lot 200, Map51029BC (Wrights for Camping) and the site of the Cannon Beach Grade School. The City will consider map designations, to provide for multi-family use, for these sites at such time as these areas are available for redevelopment. In considering map designations changes for these sites, the city will utilize the conditional zone amendment provisions of the Zoning Code to achieve the appropriate multi-family use of these sites. (Ord06-09)

c. Map of Cannon Beach



Housing Statistics 2007-2011 American Community Survey

[illegible]



2013 -- Income Limits for LIHTC & Tax-Exempt Bonds Clatsop County, Oregon



For more detailed MTSP income limit information, please visit HUD's website:

<http://www.huduser.org/portal/datasets/mtsp.html>

Actual 2013 Median ³	\$55,600	
Actual 2012 Median ³	\$56,700	
Ntl Non-Metro 2013 Median	\$52,400	(applies to 9% credits only in non-metro areas)
2013 HERA Special Median	\$57,000	(applies to projects in existence before January 1, 2009)

Median Incomes calculated based on a 4-person household

What Income Limit Should You Use?

Is the location considered RURAL by USDA? (if yes, it is eligible to use the Ntl Non-Metro Median for 9% projects)¹

YES Clatsop County is considered Rural. To verify current accuracy, please visit:

<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfp&NavKey=property@12>

--The following income limits indicate the highest income limit allowable--

Did the project exist ² in 2008?	If NO, did it exist ² : Between Jan 1, 2009 - Dec 10, 2012	If NO, did it exist ² : On or After Dec 11th 2012
-- If it's a 4% Tax Credit Project Use: HERA Special 2013	-- If it's a 4% Tax Credit Project Use: Actual Incomes 2012	-- If it's a 4% Tax Credit Project Use: Actual Incomes 2013
-- If it's a 9% Tax Credit Project Use: HERA Special 2013	-- If it's a 9% Tax Credit Project Use: Actual Incomes 2012	-- If it's a 9% Tax Credit Project Use: Actual Incomes 2013

Actual Income Limits 2013								
% MFI	1 Pers	2 Pers	3 Pers	4 Pers	5 Pers	6 Pers	7 Pers	8 Pers
30%	\$11,700	\$13,350	\$15,030	\$16,680	\$18,030	\$19,350	\$20,700	\$22,020
35%	\$13,650	\$15,575	\$17,535	\$19,460	\$21,035	\$22,575	\$24,150	\$25,690
40%	\$15,600	\$17,800	\$20,040	\$22,240	\$24,040	\$25,800	\$27,600	\$29,360
45%	\$17,550	\$20,025	\$22,545	\$25,020	\$27,045	\$29,025	\$31,050	\$33,030
50%	\$19,500	\$22,250	\$25,050	\$27,800	\$30,050	\$32,250	\$34,500	\$36,700
55%	\$21,450	\$24,475	\$27,555	\$30,580	\$33,055	\$35,475	\$37,950	\$40,370
60%	\$23,400	\$26,700	\$30,060	\$33,360	\$36,060	\$38,700	\$41,400	\$44,040
80%	\$31,200	\$35,600	\$40,080	\$44,480	\$48,080	\$51,600	\$55,200	\$58,720

Actual Income Limits 2012								
% MFI	1 Pers	2 Pers	3 Pers	4 Pers	5 Pers	6 Pers	7 Pers	8 Pers
30%	\$11,910	\$13,620	\$15,330	\$17,010	\$18,390	\$19,740	\$21,120	\$22,470
35%	\$13,895	\$15,890	\$17,885	\$19,845	\$21,455	\$23,030	\$24,640	\$26,215
40%	\$15,880	\$18,160	\$20,440	\$22,680	\$24,520	\$26,320	\$28,160	\$29,960
45%	\$17,865	\$20,430	\$22,995	\$25,515	\$27,585	\$29,610	\$31,680	\$33,705
50%	\$19,850	\$22,700	\$25,550	\$28,350	\$30,650	\$32,900	\$35,200	\$37,450
55%	\$21,835	\$24,970	\$28,105	\$31,185	\$33,715	\$36,190	\$38,720	\$41,195
60%	\$23,820	\$27,240	\$30,660	\$34,020	\$36,780	\$39,480	\$42,240	\$44,940
80%	\$31,760	\$36,320	\$40,880	\$45,360	\$49,040	\$52,640	\$56,320	\$59,920

HERA Special Income Limits 2013								
% MFI	1 Pers	2 Pers	3 Pers	4 Pers	5 Pers	6 Pers	7 Pers	8 Pers
30%	\$11,970	\$13,680	\$15,390	\$17,100	\$18,480	\$19,860	\$21,210	\$22,590
35%	\$13,965	\$15,960	\$17,955	\$19,950	\$21,560	\$23,170	\$24,745	\$26,355
40%	\$15,960	\$18,240	\$20,520	\$22,800	\$24,640	\$26,480	\$28,280	\$30,120
45%	\$17,955	\$20,520	\$23,085	\$25,650	\$27,720	\$29,790	\$31,815	\$33,885
50%	\$19,950	\$22,800	\$25,650	\$28,500	\$30,800	\$33,100	\$35,350	\$37,650
55%	\$21,945	\$25,080	\$28,215	\$31,350	\$33,880	\$36,410	\$38,885	\$41,415
60%	\$23,940	\$27,360	\$30,780	\$34,200	\$36,960	\$39,720	\$42,420	\$45,180
80%	\$31,920	\$36,480	\$41,040	\$45,600	\$49,280	\$52,960	\$56,560	\$60,240

Notes:

1: Only projects in Rural Areas are able to use the Non-Metro Medians, otherwise use Actual 2013 Income limits. Projects with previous "Rural" designations that are no longer considered to be located in rural areas (by the USDA) are permitted to use the previous year's National Non-Metro income limits should they be higher than the current year's income limits. The National Non-Metro income limits are online here:

http://www.oregon.gov/ohcs/pages/hpm_income_limits.aspx

2: Exist - defined by OHCS as the project's placed-in-service (PIS) date. Projects consisting of multiple buildings, where each building is being treated as part of a multiple building project (see line 8b on IRS Form 8609), will be considered as being "in existence" provided at least one building was PIS during the affected year.

3: Actual Median Income Limit indicated here is based on income limits though it is not necessarily the HUD Area Median Income

The income limits listed above are based on the Multifamily Tax Subsidy Program (MTSP) income limits published by HUD on December 4, 2012 (updated 12/11). Per Revenue Ruling 94-57, owners will have until January 18, 2013 to implement these new MTSP income limits (45 days from their effective date). Please note that all definitions and explanations herein may be subject to change upon later IRS and/or HUD clarification.



2013 -- Rents for LIHTC & Tax-Exempt Bonds Clatsop County, Oregon



For more detailed MTSP income limit information, please visit HUDs website:

<http://www.huduser.org/portal/datasets/mtsp.html>

Actual 2013 Median ³	\$55,600	
Actual 2012 Median ³	\$56,700	
Ntnl Non-Metro 2013 Median	\$52,400	(applies to 9% credits only in non-metro areas)
2013 HERA Special Median	\$57,000	(applies to projects in existence before January 1, 2009)

Median Incomes calculated based on a 4-person household

What Rents Should You Use?

Is the location considered RURAL by USDA? (if yes, it is eligible to use the Ntnl Non-Metro Median for 9% projects)¹

YES Clatsop County is considered Rural. To verify current accuracy, please visit:

<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfp&NavKey=property@12>

--The following rent limits indicate the highest rents allowable--

Did the project exist ² in 2008?	If NO, did it exist ² : Between Jan 1, 2009 - Dec 10, 2012	If NO, did it exist ² : On or After Dec 11th 2012
-- If it's a 4% Tax Credit Project Use: HERA Special 2013	-- If it's a 4% Tax Credit Project Use: Actual Incomes 2012	-- If it's a 4% Tax Credit Project Use: Actual Incomes 2013
-- If it's a 9% Tax Credit Project Use: HERA Special 2013	-- If it's a 9% Tax Credit Project Use: Actual Incomes 2012	-- If it's a 9% Tax Credit Project Use: Actual Incomes 2013

Rents based on Actual Income Limits 2013						
% MFI	0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	5 Bdrm
30%	\$292	\$313	\$375	\$433	\$483	\$534
35%	\$341	\$365	\$438	\$506	\$564	\$623
40%	\$390	\$417	\$501	\$578	\$645	\$712
45%	\$438	\$469	\$563	\$650	\$725	\$801
50%	\$487	\$521	\$626	\$723	\$806	\$890
55%	\$536	\$574	\$688	\$795	\$886	\$979
60%	\$585	\$626	\$751	\$867	\$967	\$1,068
80%	\$780	\$835	\$1,002	\$1,157	\$1,290	\$1,424

Rents based on Actual Income Limits 2012						
% MFI	0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	5 Bdrm
30%	\$297	\$319	\$383	\$442	\$493	\$544
35%	\$347	\$372	\$447	\$516	\$575	\$635
40%	\$397	\$425	\$511	\$590	\$658	\$726
45%	\$446	\$478	\$574	\$663	\$740	\$817
50%	\$496	\$531	\$638	\$737	\$822	\$908
55%	\$545	\$585	\$702	\$811	\$904	\$998
60%	\$595	\$638	\$766	\$885	\$987	\$1,089
80%	\$794	\$851	\$1,022	\$1,180	\$1,316	\$1,453

Rents based on HERA Special Income Limits 2013						
% MFI	0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	5 Bdrm
30%	\$299	\$320	\$384	\$444	\$496	\$547
35%	\$349	\$374	\$448	\$518	\$579	\$638
40%	\$399	\$427	\$513	\$593	\$662	\$730
45%	\$448	\$480	\$577	\$667	\$744	\$821
50%	\$498	\$534	\$641	\$741	\$827	\$912
55%	\$548	\$587	\$705	\$815	\$910	\$1,003
60%	\$598	\$641	\$769	\$889	\$993	\$1,095
80%	\$798	\$855	\$1,026	\$1,186	\$1,324	\$1,460

Notes:

1: Only projects in Rural Areas are able to use the Non-Metro Medians, otherwise use Actual 2013 Income limits. Projects with previous "Rural" designations that are no longer considered to be located in rural areas (by the USDA) are permitted to use the previous year's National Non-Metro income limits should they be higher than the current year's income limits. The National Non-Metro income limits are online here:

http://www.oregon.gov/ohcs/pages/hpm_income_limits.aspx

2: Exist - defined by OHCS as the project's placed-in-service (PIS) date. Projects consisting of multiple buildings, where each building is being treated as part of a multiple building project (see line 8b on IRS Form 8609), will be considered as being "in existence" provided at least one building was PIS during the affected year.

3: Actual Median Income Limit indicated here is based on income limits though it is not necessarily the HUD Area Median Income

The rent limits listed above are based on the Multifamily Tax Subsidy Program (MTSP) income limits published by HUD on December 4, 2012 (updated 12/11). Per Revenue Ruling 94-57, owners will have until January 18, 2013 to implement these new MTSP rent limits (45 days from their effective date). If the gross rent floors (established at credit allocation or the project's PIS date; refer to Revenue Procedure 94-57) are higher than the current rent limits, the gross rent floors may be used. However, income limits are still based on the current applicable rate. Utility allowances must continue to be deducted from rents to achieve the maximum tenant rents allowed. Please note that all definitions and explanations herein may be subject to change upon later IRS and/or HUD clarification.

CLATSOP COUNTY

Housing Profiles

What multi-family housing has been funded:

	Projects	Units	% of the States funded Units	% of the Regions funded Units
CFC funded 2008-2012	3	50	1.2%	5.9%
CFC funded total	15	376	1.5%	6.2%
9% LIHTC total	8	257	1.4%	5.7%
4% LIHTC total	1	31	0.2%	2.7%
Total OHCS	21	486	1.0%	4.5%
Rural Development	3	93	1.8%	5.6%
HUD	4	126	1.0%	3.5%
Total Affordable Housing	25	503	0.8%	3.3%

please note: categories can not be added to equal the totals; projects can access multiple funding sources and can be owned by entities not specified here.

2012 CFC Needs Data:

Clatsop County	Units	Population	Clatsop Percentage with Housing Available
Alcohol & Drug Rehab	0	662	0.0%
Chronically Mentally Ill	3	648	0.5%
Developmental Disability	49	191	25.7%
Domestic Violence	3	96	3.1%
Elderly	160	1,298	12.3%
Farmworkers	0	248	0.0%
Frail Elderly	0	194	0.0%
HIV / AIDS	0	23	0.0%
Physically Disabled	0	75	0.0%
Released Offenders	0	48	0.0%



data sources: vary by population type, Alcohol & Drug, Chronically Mentally Ill, Developmental Disability, Domestic Violence, Frail Elderly, HIV/AIDS, and Physically Disabled come from DHS population data queries; Elderly are low-income elderly household data from the ACS; Farmworkers from the Agricultural Census; Released Offenders from the Department of Corrections. Full methods and sources can be found online at: http://www.oregon.gov/ohcs/pages/ra_needs_analysis.aspx

OHCS Multi-Family Need Distribution

	Number	% of State	% of Region
Renter households 60% county MFI and less	3,050	0.9%	3.0%
Extreme Rent Burdened	1,444	1.0%	3.1%
Need Distribution Percent	-	1.0%	3.1%

Housing Age & Types

2007-11 ACS	Number	% of County	% of State
Built pre-1950	6,991	32.6%	18.1%
Rentals median year built		1971	1977
Owned median year built		1973	1976
Moved in 2005 or later	6,902	43.1%	45.3%
in a 1 unit structure	15,460	72.0%	68.0%
in a 2-4 unit structure	2,186	10.2%	7.3%
in a 5 or more unit structure	2,396	11.2%	16.0%
Mobile Homes	1,394	6.5%	8.4%
Boat / RV	25	0.1%	0.3%

17 Manufactured Dwelling Parks in the county with 676 spaces

(from the Oregon Manufactured Dwelling Park Registry)

CLATSOP COUNTY

What we know: Population / Households

2010	Number	Change from 2000	
		Number	Percent
Population	37,039	1,409	4.0%
Poverty	5,413	1,221	29.1%

2007-11 ACS	Number		
Total Housing Units	21,461		
Total Occupied Housing Units	15,999	% of Households	
Renter Households	6,013	38%	% Renters
Renter Households under 60% County Median Family Income	3,050	78%	% of under 60% Renters that are Burdened
Rent burdened Households under 60% County Median Family Income	2,376		
Owner Households	9,986	62%	% Owners
Senior Households (65+ householder)	4,011	25%	-
Senior Renter Households	806	20%	% of Senior Households that are Renters
Senior Owner Households	3,205		

Household Incomes - 2007-11

	Clatsop County	Oregon
Median Family Income	\$53,388	\$61,302
Renters percent income spent on housing	31%	31%
Owners percent income spent on housing	23%	23%
Total Households	15,999	1,509,554
Extremely Low Income (under 30% of Median Family Income)	\$16,016	\$18,391
# Households	2,182	232,339
# Burdened Households	1,890	198,499
% Burdened	87%	85%
Very Low Income (under 50% of Median Family Income)	\$26,694	\$30,651
# Households	4,038	430,494
# Burdened Households	3,182	325,320
% Burdened	79%	76%
Low Income (under 80% of Median Family Income)	\$42,710	\$49,042
# Households	7,271	708,982
# Burdened Households	4,773	451,825
% Burdened	66%	64%

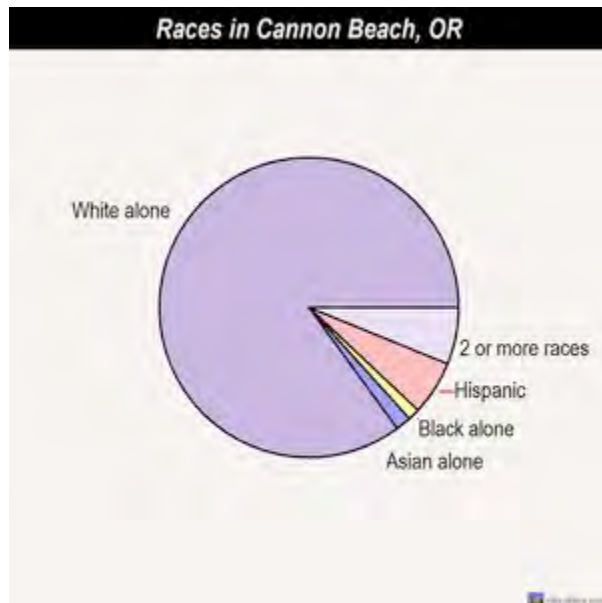
In 2013, Oregon's minimum wage is \$8.95.

1 person working full time at minimum wage earns \$18,616 per year

2 people working full time at minimum wage earn \$37,232 per year

What more should we know about your community?

Exhibit D



- White alone - 1,431 (84.7%)
- Hispanic - 215 (12.7%)
- Two or more races - 21 (1.2%)
- American Indian alone - 6 (0.4%)
- Asian alone - 7 (0.4%)
- Other race alone - 5 (0.3%)
- Native Hawaiian and Other Pacific Islander alone - 3 (0.2%)
- Black alone - 2 (0.1%)

Races in Oregon (2009)

- White alone - 3,038,879 (79.4%)
- Hispanic - 428,466 (11.2%)
- Asian alone - 135,877 (3.6%)
- Two or more races - 106,412 (2.8%)
- Black alone - 63,294 (1.7%)
- American Indian alone - 33,558 (0.9%)
- Native Hawaiian and Other Pacific Islander alone - 13,435 (0.4%)
- Other race alone - 5,734 (0.1%)¹

¹ City Data: <http://www.city-data.com/city/Cannon-Beach-Oregon.html#ixzz2ifAqbsIn>