



# CITY OF NEHALEM

35900 8th Street - P.O. Box 143  
Nehalem, OR 97131  
Tel. (503) 368-5627  
Fax (503) 368-4175

## NEHALEM PLANNING COMMISSION MEETING THURSDAY October 17, 2019 - 6:00 p.m.

**CALL TO ORDER:  
PLEDGE OF ALLEGIANCE  
ROLL CALL:  
GUESTS:**

**APPROVAL OF MINUTES:** August 21, 2019 Planning Commission Minutes

### **OLD BUSINESS:**

**Open Public Hearing on the Nehalem Comprehensive Plan**

1. **PUBLIC HEARING:** Recommendation of the Nehalem Comprehensive Plan to the Nehalem City Council

### **NEW BUSINESS:**

**Open Public Hearing on violations to the Nehalem Zoning Ordinance by the owners of Wanda's Café.**

1. **PUBLIC HEARING:** Violations of City of Nehalem Zoning Ordinance by the owners of Wanda's Café regarding legal parking regulations, and creating safety issues
2. Discussion of not allowing ADU's as short term rentals

**ANY OTHER BUSINESS  
PUBLIC COMMENTS**

### **ADJOURNMENT**

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours prior to the meeting. Please contact City Hall at 503-368-5627 to make a request for an interpreter or other accommodations for persons with disabilities.

**NEHALEM PLANNING COMMISSION  
PLANNING MINUTES  
REGULAR MEETING  
AUGUST 21, 2019**

Vice-Chair Lease called the Planning Commission Meeting to order at 6:00 p.m.

**PLANNING COMMISSION  
MEMBERS PRESENT:**

Janet Lease, Vice-Chair  
Lance Stockton, Commissioner  
Mary Jo Anderson, Commissioner

**EXCUSED:**

Julie Chick, Commissioner

**STAFF PRESENT:**

Dale Shafer, City Manager  
Melissa Thompson-Kiefer, Asst. City Mgr./Recorder  
John Morgan, Planning Consultant  
David Mattison, Planning Consultant

**VISITORS:**

Lisa Phipps, DLCD

Vice-Chair Lease led those present in the Pledge of Allegiance. She announced that John Coopersmith submitted his resignation from the Planning Commission.

**MINUTES**

The Commission reviewed the minutes of the July 18, 2019 Planning Commission meeting. Commissioner Anderson **MOVED** to approve the minutes from the July 18, 2019 meeting as presented. Commissioner Stockton **SECONDED** the motion. **MOTION APPROVED 3-0 (Yes: Lease, Stockton, and Anderson; No: None).**

**OLD BUSINESS**

**SYMANK VARIANCE APPEALED TO THE CITY COUNCIL**

City Manager Shafer explained that the variance granted to Stanton Symank was appealed to the City Council. She said Mr. Symank requested a September hearing date. In response to inquiries from the Commission, City Manager Shafer and Planning Consultant John Morgan explained that staff would have to recommend new dates to the City Council for the conditions in the variance. Mr. Morgan confirmed they would still recommend 60 days to demolish the non-conforming

residence and one year to complete the new structure. Mr. Morgan also confirmed that additional conditions could be recommended to the Council by citizens. There was discussion about Mr. Symank listing the property for sale.

### **NEW BUSINESS**

#### **DRAFT COMPREHENSIVE PLAN REVIEW: ARTICLES III, IV & V**

The Commission reviewed the draft of the Comprehensive Plan prepared by Planning Consultant David Mattison, including Article III: Plan Implementation, Article IV: City of Nehalem Growth Management Report, and Article V: City of Nehalem Buildable Lands Inventory and Housing Needs Analysis. Mr. Mattison explained these were the final sections of the Comprehensive Plan to review. The Commission discussed and made a minor edit to Article III. There was brief discussion regarding the water supply to accommodate buildable lands, and possible areas of new development.

### **OTHER BUSINESS**

Mr. Morgan explained that the final draft of the Comprehensive Plan and post-acknowledgement plan amendments (PAPA) notice would be sent to DLCD for review. The Commission discussed and agreed to have the next Planning Commission meeting and public hearing on the Comprehensive Plan on October 17, 2019. There will be a second public hearing at a City Council meeting.

### **PUBLIC COMMENTS**

Lisa Phipps of DLCD suggested that staff edit the draft plan for grammar and recommended two edits to Article V. The Commission agreed. Staff clarified for Ms. Phipps that the City Council hearing on the Comprehensive Plan would be held at their November meeting.

### **ADJOURNMENT**

There being no further business, Vice-Chair Lease adjourned the meeting at 6:24 p.m.

**APPROVED:** \_\_\_\_\_  
Janet Lease, Planning Commission Vice-Chair

**ATTEST:** \_\_\_\_\_  
Melissa Thompson-Kiefer, Assistant City Manager/Recorder

CITY OF NEHALEM PLANNING COMMISSION  
STAFF REPORT

APPROVAL OF THE UPDATED COMPREHENSIVE PLAN

INTRODUCTION

The City of Nehalem is in the process of updating its Comprehensive Plan. The Planning Commission has been leading this work with many opportunities for public involvement. Tonight, the Planning Commission is holding its formal public hearing on the proposed Plan.

The Planning Commission's responsibility is to make a recommendation on adopting the Comprehensive Plan to the City Council. The Council will also hold a hearing and consider the proposed plan making changes the Council decides are warranted. The Council will adopt the final Plan by ordinance.

Tonight, the Commission will receive and consider public comments before making its recommendation. The order for the meeting is this:

1. Open and conduct the public hearing. Questions and discussions with those testifying is appropriate as this is a legislative rather than a quasi-judicial matter.
2. Close the public hearing to any further comment.
3. Deliberate on the draft Comprehensive Plan taking into account any testimony received. By consensus agree on any needed changes. If there is disagreement about any needed change, consider it by motion.
4. Move to approve the draft Comprehensive Plan, [as presented or amended] this evening, and recommend its adoption to the City Council.

History

In 2017 the Planning Commission was working to update the City's Development Code. The Commission realized it was hard to update the Code as there was not cohesive sense of Nehalem's future. It was difficult to create the regulations needed to implement the Comprehensive Plan and hence create that future when that existing plan offered little guidance.

Coupled with the immediate need, the Commission also found the existing Comprehensive Plan out-of-date and fairly irrelevant to the current Nehalem. The Plan was adopted in 1980 and revised in 2007. A Transportation System Plan has also been adopted, but it does not set direction or policy for the way Nehalem should change and grow over the next 20 years.

The work on the plan update began with a community process to define the desired future for Nehalem. Public workshops and a lot of Commission discussion gelled that into a vision completed in February 2018.

Since that time, the Commission has worked through the Plan document reviewing all the goals and policies crafting these critical statements of public policy. This has been based on doing that which is necessary and important to achieve the Community's vision for its future.

As part of this plan update, the City undertook a Buildable Plans Inventory and a Housing Needs Analysis. This work established two important things: there is ample developable land inside the existing urban growth boundary and no need to expand the Boundary for many years; and there is an issue with the availability of affordable housing. The housing issue is addressed in the Plan policies and will be reflected in future Development Code updates.

### CRITERIA

State law requires comprehensive plans to be consistent with and help to implement the Statewide Planning Goals. The Nehalem Comprehensive Plan update meets this standard while also focusing on community needs and achieving a desired future.

The Plan is organized according to the 19 Statewide Planning Goals and conforms to those requirements. The goals and policies of the Plan are crafted to be consistent with those goals, as well as constantly referencing the Community Vision.

### CONCLUSION

The proposed Comprehensive Plan update meets the standards necessary for approval. The Commission should recommend its adoption to the City Council.

*Suggested Motion: I move the Planning Commission approve the draft Comprehensive Plan, as [presented or amended] this evening, and recommend its adoption to the City Council.*

# THE CITY OF NEHALEM, OREGON COMPREHENSIVE PLAN



## Article I Introduction

This is the City of Nehalem’s Comprehensive Plan. Think of it as our community’s map to the future. It describes:

- 1) where we are today,
- 2) where we want to be tomorrow, and
- 3) how we plan to get there.

### A plan of many parts

As the term “Comprehensive” suggests, this Plan covers a wide variety of topics:

Citizen Involvement and Visioning,	Housing,
Natural and Historic Resources,	Economic Development,
Natural Hazards,	Urban Growth,
Public Facilities,	Land Use, and.
Population,	Climate Change

Although they may seem quite different, these topics all share one thing in common: they are forces and factors that determine how our community will grow and develop.

The area covered by the Nehalem Comprehensive Plan is approximately 861 acres and includes:

- a. the Nehalem city limits; and
- b. land within the Nehalem Urban Growth Boundary (the Urban Growth Area (UGA)) outside the Nehalem city limits.

The Nehalem Comprehensive Plan consists of two parts:

1. The Goals, Objectives and Policies to meet each state goal; and
2. The Background Report consists of inventories, reports, and factual data that describe the resources and features of Nehalem.

The City of Nehalem Comprehensive Plan can influence these forces and factors to shape the community the citizens want, and thereby can grow efficiently and effectively. The City can plan and zone land for new businesses, and new residential growth, in areas free from conflicts with other land uses, other overlay districts, with good access and suitable public services like sewers and water. The City can prepare for growth and development in our community through this Plan.

In doing such planning, the City makes policy choices. It can choose to encourage new businesses in the City. It can choose to direct new businesses toward certain areas in the City. It can choose to provide appropriate infrastructure in those areas. Such choices mean the Plan is a statement of what the community wants, not a prediction or forecast of what must be but what it may potentially become. The Plan is based on the assumption that we can shape our future in relationship to the community's visions and future predictions.

"The future" covered by the City Comprehensive Plan is the period from 2020 to 2040. In this Plan certain accommodations for the future, future growth and development, are made. For example, the Urban Growth Boundary established by this Plan is designed to contain enough vacant land to accommodate the residential, commercial, and industrial development Nehalem expects over the next two decades.

### It's the Law

The Comprehensive Plan was adopted as an ordinance by the City. It thus is a law, with the same force and effect as other City ordinances. It prevails and guides other ordinances like zoning ordinances.

### It's more than a map

Many people think of a city's plan as just a map showing areas where *different types* of development may occur in the future. The Plan states Nehalem's general policies on land use, visioning, citizen involvement, community growth and development. Nehalem's Comprehensive Plan contains such a map, but there's a lot more to the plan than that. The Plan map shows how various parts of the city are designated for residential, commercial, industrial and public use. It also shows the location of the City Limits, the Urban Growth Boundary and of urbanizable lands where future annexations and urban development are expected to occur. The *crucial* details are found in the text and policies of the plan. It therefore is essential to consider both the Comprehensive Plan Map and the Comprehensive Plan Text when making decisions about growth and development in the City of Nehalem.

Article II of the Plan reflect each of the applicable state goals. They contain several sets of statements after a narrative description, identifying the relationship of the state goal to the City's vision, and the requirements for each state goal as described by the state. Following these sets of statements is the City's goal, objectives and policies.

A goal is the broad statement of the community need, here based on each chapter. This is followed by a set of statements containing one or more "Objectives". Objectives are more specific expressions that break down the community's goals so the goals are more detailed for the subject addressed, and are steps the City can take to realize its goals in that chapter. Objectives are designed to complement the next set of statements; policies. The third set of statements for each of the objectives, contains "Policies" or "Implementing Policies". These policies are specific measures for achieving each of the chapter's goals and objectives. Sometimes these are the "implementing" policies because they are the last set identified to accomplish the objectives and meet the goal. However, a fourth set, if necessary, after, each policy, contains implementing procedures or recommended actions, which describe how the City will carry out and can achieve each of the policies. The goal, objectives, implementing policies, and implementing procedures are located at the end of each chapter.

### The local Comprehensive Plan's link to the state

Every city in Oregon has a comprehensive plan. State law requires it. And the state sets broad standards for those plans in the form of 19 statewide planning goals and various administrative rules and statutes. All local plans, including this one, are reviewed under those state standards by Oregon's Land Conservation and Development Commission (LCDC) or the commission's staff, the Department of Land Conservation and Development (DLCD). Nehalem's plan thus is the product of a state-local partnership. It reflects both local and state interests.

After a plan has been reviewed and found to meet state standards, it is said to be "acknowledged," or "in compliance with Oregon's statewide planning goals." Acknowledgment is important, because it means Nehalem's acknowledged Comprehensive Plan - not state law - is the controlling document for all land use decisions made within the City's jurisdiction. The answers to land use questions are determined by the provisions of Nehalem's acknowledged Comprehensive Plan and the implementing ordinances of the plan, such as the Zoning Ordinance. All actions such as zoning, subdivisions, public facility extensions, and annexations must be in conformance with the plan. The comprehensive plan guides a community's land use, conservation of natural resources, economic development, and public facilities.

In the process of updating the Nehalem City Comprehensive Plan each State goal was analyzed as to its applicability to the community. The goals represent State laws, which are flexible in nature to the extent that a community must interpret their validity to the local situation. These relevant statewide goals include the following: 1) Citizen Involvement, 2) Land Use Planning, 3) Agricultural Lands, 4) Forest Lands, 5) Natural Resources, Scenic and Historic Areas, and Open Spaces, 6) Air, Water, and Land Resources Quality, 7) Areas subject to Natural Disasters and Hazards, 8) Recreational Needs, 9) Economic Development, 10) Housing, 11) Public Facilities, 12) Transportation, 13) Energy Conservation, 14) Urbanization, and 16) Estuarine Resources, and 17) Coastal Shorelands , 18) Beaches and Dunes, and 19) Ocean Resources. The City has exercised the local right to prioritize the goals in order to guide the City of Nehalem in those broad land use propositions that make a good Oregon community. Adoption of the Plan commits the City to carry out each recommendation or policy statement. It further puts the City on record as having recognized the validity of the recommendations of and the decisions or actions they imply. In each section of this Plan, the pertinent State Goals shall be identified.

### How plans are revised

Communities change, and as they change, their plans change, too. A plan can be changed a little or a lot, with a "plan amendment." Plan amendments can involve changes for only a few properties or one or two strategies in the plan or a major reevaluation and update - an overhaul of the entire plan. There's no set schedule for making plan amendments: they're proposed as needed. Sometimes reviews are done every five to fifteen years in a schedule determined jointly by the state Department of Land Conservation and Development and the local government.

If a reevaluation and update of this Plan is needed, a post-acknowledged plan amendment (PAPA) is required. This post-acknowledged plan amendment ensures that the City's Comprehensive Plan is kept up-to-date and consistent with the State Goals.

Plan amendments are very public processes. Citizens must be notified of any proposal to change the Plan; they must have an opportunity to comment on such a proposal in a public hearing; and the State's Department of Land Conservation and Development must be notified, as well.



As part of a public process, in 2018, the City of Nehalem adopted the Nehalem Vision Statement and Aspirations (hereinafter the Vision, as is shown below). The result of the Vision is a reorganized Comprehensive Plan.

## Nehalem's Vision Statement and Aspirations

### Vision Statement

In 2040, Nehalem is a livable, economically sustainable, rural coastal community, a place where people know each other and celebrate its setting of natural beauty.

### Vision Aspirations

The following aspirations have been identified as the path to achieve our City's vision:

#### Housing

- Housing is available to meet the diverse needs of Nehalem citizens, and reflects the rural, coastal character of the community.

#### Social Support and Safety

- Nehalem is noted for its livability for people of all ages, income levels and family sizes. It has many avenues for making connections among neighbors including local businesses, gardening, recreation, gathering places, and events.

#### Economy

- Nehalem has a strong four-season economy. Encouraging small businesses, vital goods and services, cottage industries, and home-based businesses to locate in Nehalem results in a vibrant year-round economy.

#### Infrastructure

- Nehalem's infrastructure of water, sewer, storm drains, streets and parks is developed to good standards for a rural community, well-maintained and renewed as needed from well-funded and well-managed reserve funds.

#### Open Space, Parks and Recreation

- Access to the outdoors is a key part of Nehalem's character and the community's experience of living. Open space, parks, and active and passive recreation are readily available to citizens and visitors.
- Mitigation of our contributions to climate change and adaption to likely impacts are important in protecting the livability and quality of life for our citizens and visitors.

#### Inclusive and Collaborative Community

- Nehalem is an inclusive and collaborative community where local governments, not-for-profit organizations, businesses, and residents work together to successfully address community issues and opportunities. The City actively promotes citizen involvement. A culture of trust and respect defines the community.

Each Aspiration is integrated into the appropriate section of the Plan, so that the goals, objectives and policies set under each section reflect the City Vision.

### Purpose

With updates, amendments, and other adjustments, the purpose of the Nehalem Comprehensive Plan is to manage future growth and development within the City Limits and Urban Growth Boundary in a way that will support the City's vision and preserve the quality of natural amenities and livability that have attracted people to Nehalem. The Plan's goals and

policies will provide the guidance to both public agencies and private individuals when making decisions about the future development of the City.

The area outside the Nehalem City Limits but inside the Urban Growth Boundary is within the jurisdiction of Tillamook County. Tillamook County shall retain responsibility for land use decisions in this area, subject to Nehalem's Comprehensive Plan and Land Use Ordinances.

The entire plan should be considered as (1) a body of technical information about the City of Nehalem Area, our assessment of that and findings of fact to support what we feel from that data analysis and prioritizing of goals, (2) a statement of desired goals, objectives and policies of the Nehalem residents, and (3) a set of recommended actions to reach the goals and resolve issues and problems uncovered by the analysis, and, (4) an appendix of supporting documents.

Those who must make decisions affecting the people of Nehalem shall use the Comprehensive Plan as a basic reference and guideline.

## Article II THE PLAN.

### GOAL 1: CITIZEN INVOLVEMENT



#### City Vision (Inclusive and Collaborative Community)

Nehalem is an inclusive and collaborative community where local governments, not-for-profit organizations, businesses, and residents work together to successfully address community issues and opportunities. Awareness of social and environmental justice is integral to ensuring that decisions are made that don't disproportionately affect or make more people and communities more vulnerable. Reviewing decisions around issues such as zoning, uses, hazard, and climate change adaptation through these lenses is necessary and requires transparent and open citizen involvement processes.

The City actively promotes citizen involvement. A culture of trust and respect defines the community.

#### State Requirements for Goal 1, Citizen Involvement:

Goal 1 calls for "the opportunity for citizens to be involved in all phases of the planning process." It requires each city and county to have a citizen involvement program containing six components specified in the goal. It also requires local governments to have a committee for citizen involvement (CCI) to monitor and encourage public participation in planning.

Nehalem's Planning Commission and City Council are guided by the principle that citizen participation in planning and land use issues is essential. The single most important factor influencing the effectiveness of this Plan is the extent of citizen participation in its development.

#### Nehalem's Citizen Involvement Goal

1. To provide all city and Urban Growth Area residents an opportunity to be involved in all phases of the planning process.

#### Objectives

1. All people of the community shall be represented.
2. Hearings and changes to plans and codes shall be properly noticed.
3. Citizens shall be informed of meetings and heard.

#### Policies

1. The Planning Commission shall represent the people in the community and shall be chosen in a fair, well-publicized manner.
2. City Meetings shall be well publicized. Minutes of the meetings shall be made available upon request.
3. The Comprehensive Plan, Zoning Ordinance, Subdivision Ordinance, and other City Ordinances shall be available at City Hall at a nominal cost.
4. The City Council and Planning Commission shall respond to citizens' concerns and comments through direct response at meetings, by letter, or through the meeting minutes.
5. Comprehensive Plan Changes shall be made only after adequate public discussion and notifications, of interested and affected districts and agencies such as the Nehalem Bay Wastewater Agency, Neah-Kah-Nie School District, and Tillamook County.
6. Plan changes will only be adopted after well-advertised public hearings have been held by the Planning Commission and City Council.
7. The Planning Commission is the citizen involvement committee for the community.

## **GOAL 2: LAND USE PLANNING**

### History of Land Use in the City of Nehalem

Nehalem was named for the Nehalem Indians.

First Incorporated by an Act of the Legislature in 1899, the City "...where the people live..." sits on the western bank of the Nehalem River and along the Nehalem Bay in Tillamook County. It is equal distance from both the Cities of Tillamook and Seaside, and 70 miles from the Portland metro area. Each year thousands of visitors discover what long-time residents have always known - Nehalem is the place to live, work and play.

Nehalem was once a thriving logging community. The city used to stretch over the river on log planks, where a lumber mill cut logs that came down a railroad track on the Nehalem River. Wood pilings that held up this track can be found in the North Fork Nehalem River.

### Existing Land Use in the City of Nehalem

One of the most important pieces in planning for future land use is identifying the amount, type, and location of existing land use. The location of existing residential, commercial, industrial, public, and open space areas provides a basis for understanding present conditions and for making projections for future land use patterns. The Comprehensive Plan Map and Zoning Map for the City of Nehalem reflect zonation and planned land uses within the City's Urban Growth Boundary. In this chapter, each land use will be discussed with a description of the goals, objectives and policies for the different uses after each.

### Land Use Designated Areas

The City of Nehalem Comprehensive Plan and Zoning Map shows the zoning designations for land in the City and the Urban Growth Boundary (UGB), including residentially zoned areas of both low and medium density, commercial areas, industrial areas, public lands, and agriculture, forestry and recreation areas. The Map is a graphic portrayal of how land use in Nehalem will look as the goals, objectives, policies and recommendations are implemented.

### State Requirements for State Goal 2, Land Use Planning:

Goal 2 outlines the basic procedures of Oregon's statewide planning program. It says that land use decisions are to be made in accordance with a comprehensive plan and that suitable "implementation ordinances" to put the plan's policies into effect must be adopted. It requires that plans be based on "factual information"; that local plans are coordinated with those of other jurisdictions and agencies; and that plans be reviewed periodically and amended as needed. Goal 2 also contains standards for taking exceptions to statewide goals. An exception may be taken when a statewide goal cannot or should not be applied to a particular area or situation.

### Nehalem's Land Use Goal:

To establish a land use planning process and policy framework as a basis for all decisions and actions related to use of land and to assure an adequate factual base for such decisions and actions; to encourage development outside of natural hazard areas including climate-related hazards; and to encourage the use of construction materials and standards that limit greenhouse gas emissions during building use.

## Residential

Residential uses include lands used for single-family, duplex and multi-family development. There are essentially two levels of residential development: lower-density development and medium-density development.

### (1) Low-Density Residential

#### Intent/Objective

1. To provide for low-intensity urban residential development in areas that have physical limitations or unique natural values.

#### Policies

1. The density of low-density residential development shall not include Marsh and tideland areas in calculating the land area of a parcel of land.
2. Cluster or planned-unit developments are strongly encouraged.
3. Special policies for development of Nehalem Point.
  - a. Use of developable land within the UGB above ten-foot elevation.
    - i. These land above ten-foot elevation may be developed for uses consistent with the Low-Density Residential zoning and any additional uses allowed by the planned- development provision.
    - ii. Structures on Nehalem Point shall be designed and sited to maintain the visual integrity of the Nehalem Point skyline and its shore lands.
  - b. Use of land outside the Urban Growth Boundary below ten (10) foot elevation.
    - i. Lands below ten (10) feet in elevation which are within the estuary boundary are designated “EN” (Estuary Natural).
    - ii. Other lands below ten (10) feet in elevation are designated as “RM” (Recreation Management).
      1. These lands shall be reserved for uses such as mitigation for new estuary development projects, estuary enhancement or restoration, outdoor recreation without intensive development and open space in conjunction with planned development uses.

### (2) Medium Density Residential

#### Intent/Objective

1. To provide for moderate intensity residential development in areas that have already been subdivided or where there are few physical constraints on development.

#### Policies

1. The permitted density may be reduced where a site investigation report by a qualified expert indicates that such a density reduction is required to ensure creation of build able sites.

### (3) Marine Residential

#### Intent/Objective

1. To provide for a mixture of residential and marine commercial uses.

## Policies

1. New marinas or an expansion of existing facilities are an appropriate use where it can be shown that the proposal is:
  - a. Consistent with the City's Estuarine Resources policies; and
  - b. Compatible with adjacent residential uses.
2. New individual, single purpose piers and mooring facilities shall be discouraged in favor of public or private community facilities, while the maintenance of existing individual piers and moorage facilities is strongly supported.

## (4) Commercial

The lands currently in commercial use and designated for commercial use are identified in commercial areas on the zoning map and is categorized by the designation of downtown (Town Center), highway-oriented (Other), and neighborhood uses.

## (5) Town Center Commercial

### Intent/Objective

1. To provide for a wide range of retail and personal service uses to serve both City residents and tourists, and Multi-family dwellings.

### Policies

1. The City will continue to work with the City merchants to achieve an equitable long-term solution to the problem of flooding in the Downtown.
2. Commercial uses which are consistent with the development of a compact, land-intensive City Center that facilitates pedestrian movement are encouraged.
3. Multi-family housing is encouraged.
  - a. Housing, in conjunction with a commercial use shall also be encouraged.
4. The existing vegetative cover on Deer Island should be maintained.

## (6) Other Commercial

### Policies

1. Commercial development between Nehalem and Manzanita should be clustered.

## (7) Industrial Land

The industrial uses in the City include the area in the northeast area of the UGA, as designated on the Map.

## (8) Public Areas

Public areas include lands designed for public buildings, public utilities, schools, playgrounds, churches, meeting halls, and other similar uses which are considered public facilities. The purpose of the public district is to recognize existing public facility land use and areas for those uses, which generate large public gatherings, and to provide for the development of public facility services and other public-oriented uses.

### Intent/Objective

1. Recognize certain lands to be designated for public use and recreational activities.

(9) Overlay Zones

The City of Nehalem has a number of overlay zones as described in the Zoning Ordinance that are located in special areas of the City and are applicable in addition to the underlying base zone districts. Properties within the overlay zones are subject to the requirements of the underlying base zone district and additionally the overlay zone district.

Additional Policies:

1. In conjunction with affected regional, state, and federal agencies, the City agrees to assume cooperative responsibility for land use planning
2. The City shall cooperate with the school district to ensure that growth of the City does not outstrip the district's ability to provide facilities. Subdivisions or other major developments that could generate large enrollment increases shall be permitted only after consideration of their impact on schools.

***[INSERT ZONING MAP HERE]***



### **GOAL 3: AGRICULTURAL LANDS**

Nehalem does not include agricultural lands but supports the community's need to provide food for itself. Supporting local and sustainable agriculture in the region is strongly encouraged by the community and will continue to be a priority into the foreseeable future.

State Goal 3, "To preserve and maintain agricultural lands."

#### State Requirements for Goal 3:

Oregon Statewide Planning Goal 3 Agricultural Lands does not apply within the Urban Growth Boundary and Nehalem does not have agricultural zoned lands within its boundaries.

Nehalem City Goal: Although this State Goal does not apply to the City, the City supports preservation and maintenance of the agricultural lands.

### **GOAL 4: FOREST LANDS**

The City supports efforts to preserve forest lands with the City's Forest Management Plan approved by the State of Oregon.

State Goal 4, "To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land consistent with sound management of soil, air, water, and fish and wildlife resources and to provide for recreational opportunities and agriculture."

#### State Requirements for Goal 4, Forest Lands:

Oregon Statewide Planning Goal 4 Forest Lands does not apply within the Urban Growth Boundary.

Nehalem City Goal: Although this State Goal does not apply to the City, the City supports preservation and maintenance of forest lands.

## **GOAL 5: NATURAL FEATURES, NATURAL RESOURCES, SCENIC AND HISTORIC AREAS, AND OPEN SPACES**

The City of Nehalem is surrounded by active and passive recreational areas and natural resources that include the downtown waterfront and shoreland, wetlands, estuaries, flood plains, agricultural lands, and forestlands on the surrounding hillsides. A rich geographic setting of natural resources therefore surrounds the urbanized area of the City.

With recognized climate change, the temperature of the earth's surface is warming, and a changing environment is occurring inside and outside of the city. Snowpack is declining, summer stream flow is lowering, wildfire activity is increasing, sea level is rising, and coastal waters are acidifying. The consequences of these climate change are expected to continue for decades to come. This places an impact on natural features, natural resources, and makes it more important to preserve scenic and historic areas, open spaces, and the natural environment.

The City is aware that climate change may greatly affect the community, and the natural features and the natural resources in the community.

Maintaining and providing access to this natural environment that surrounds the City is important. Therefore, minimizing the adverse impacts and protecting the natural environment are important in the growth and development of Nehalem.

### City Vision (Open Space, Parks and Recreation)

Access to the outdoors is a key part of Nehalem's character and the community's experience of living. Open space, parks, and active and passive recreation are readily available to citizens and visitors.

### State Requirements for Goal 5, Open Spaces, Scenic and Historic

Areas and Natural Resources: Goal 5 covers more than a dozen natural and cultural resources such as wildlife habitats and wetlands. It establishes a process for each resource to be inventoried and evaluated. If a resource or site is found to be significant, a local government has three policy choices: preserve the resource, allow proposed uses that conflict with it, or strike some sort of balance between the resource and the uses that would conflict with it.



### Nehalem City Goal

1. To foster high-quality development consistent with the natural environment.

### Objectives

1. It is the intent of the City to monitor development to minimize adverse impacts to the natural environment.
2. It is the intent of the City to monitor cluster development to protect the natural environment.
3. Riparian areas shall be preserved.
4. Scenic views are an important part of the City's environment.
5. It is the intent of the City to encourage the idea of Deer Island as a park or land trust, if the island becomes available for purchase.

6. The City encourages open space in developments.

### Policies

1. The density of development in a planned-unit development or a cluster subdivision shall be consistent with the density permitted in the zone in which it is developed.
  - a. Increases in density may be permitted where the development provides facilities or areas which help meet community objectives.
  - b. Any density increase shall be compatible with the site and adjacent areas.
2. Land-use management practices and non-structural solutions to problems of erosion are preferred to structural solutions.
  - a. Where shown to be necessary, erosion control structures must be approved by the State and shall be designed to minimize adverse impacts on water currents, erosion and accretion patterns, and on adjacent property.
3. Riparian vegetation shall be maintained, and where appropriate, restored and enhanced consistent with water-dependent uses.
4. Scenic views should be used and protected in the development of land.
5. Developments shall include measures to control erosion and minimize sedimentation during construction.
6. Developments, especially those adjacent to the Nehalem River and Bay, where permitted by FEMA, shall consider the impact on wildlife resources.
  - a. Projects shall be designed to minimize their impact on areas identified as having riparian vegetation.
7. Climate change has the potential to change natural features and as a result the City intends to embrace opportunities to reduce emissions of greenhouse gases, foster sequestration of carbon, and adapt to unavoidable changes.
8. The City recognizes that climate change stresses the forested watersheds upon which the City depends, and that human activity in these watersheds exacerbates these stresses by increasing the potential for wildfire, introduction of pathogens, and spread of invasive species. Furthermore, mature forests are more resilient to climate induced stress. The City intends to manage its watersheds to minimize forest stress due to climate change and will continue to not allow public access to the watershed.

## GOAL 6: AIR, WATER AND LAND RESOURCES QUALITY

Air, water and land resources are important factors in the City of Nehalem.

Air quality within the planning area is generally very good. Air pollution from automobiles is not a significant problem even with high volumes of summer tourist traffic going through town. A prevailing wind usually blows in Nehalem and clears the air quickly. Water quality within the area is generally excellent. Rains and tidal actions constantly change the level and velocity of the Nehalem River.

The City recognizes climate change as an issue that may greatly affect air and water quality as well as land resources.

The City of Nehalem vigilantly safeguards its water supply to provide safe drinking water for our community. The City owns 90% of our watershed, with the remaining portion owned by one private timber company.

The Lower Nehalem Watershed Council, while not affiliated with the City of Nehalem's watershed, works on preservation and enhancement of the lower Nehalem River. The Watershed Council is dedicated to the protection, preservation, and enhancement of the lower Nehalem watershed through leadership, cooperation and education.

Significant Water Quality within the UGB depends in part on protecting designated significant wetlands and riparian corridors. The City will ensure that future development occur in a manner that protects all significant wetlands and riparian corridors within the Nehalem UGB.

### State Requirements for Goal 6, Air, Water and Land Resources Quality:

This goal requires local comprehensive plans and implementing measures to be consistent with state and federal regulations on matters such as ground water pollution.

### City Goal

1. To maintain, and where necessary, improve the City's air and water resources.

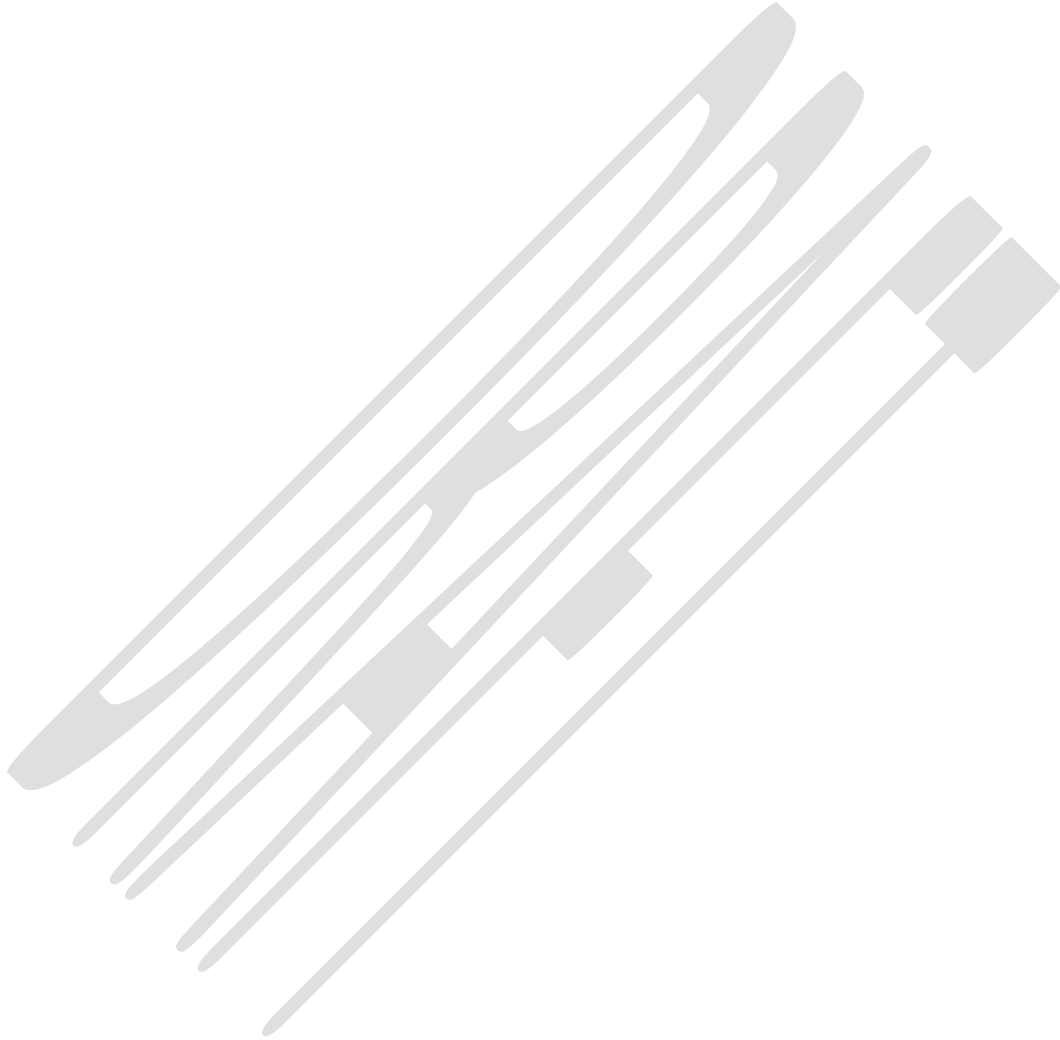
### Objectives

1. To ensure the continued quality of air, water and land resources within the City and the UGB.

### Policies

1. The City will ensure that the actions it takes are consistent with appropriate state and federal environmental quality standards, statutes, programs and policies, including those for water quality, air quality and noise.
2. The City will control sedimentation and erosion resulting from urban development through its Subdivision Ordinance.
3. The State Department of Forestry should monitor the use of herbicides in the Nehalem area, particularly around the City's Watershed.
  - a. Persons or organizations using herbicides shall notify the City and public prior to use, and in no instances shall herbicides be used in the City's Watershed. Or on land affecting the City's Watershed, without City approval.
4. The City will encourage actions that limit emission of greenhouse gases.

5. The City will continue implementing the City of Nehalem Master Water Plan.
6. All waste and process discharges from future development is not to violate applicable state or federal environmental quality statutes, rules and standards.



## GOAL 7: AREAS SUBJECT TO NATURAL HAZARDS

The most significant natural hazards in Nehalem are landslides and flooding. In addition, climate change has the potential to make these natural hazards more frequent and severe, and to bring new natural hazards, identified in the Oregon Natural Hazards Mitigation Plan, that haven't typically been experienced.

Landslides occur on steep slopes. Flooding is a condition of partial to complete inundation of normally dry areas from the overflow of inland or tidal water and/or the unusual and rapid accumulation of runoff or surface waters from any source. The city of Nehalem lies within the geomorphic floodplain of the Nehalem River. In Nehalem, there are two types of areas where flooding generally occurs – the floodplain and the floodway – both are part of the Flood Hazard Area.



The floodplain is the area adjoining a stream, river, or lake that is subject to regional flooding. It represents the largest flood which has a one percent chance of occurring in any one year in an area because of periods of higher than normal rainfall or stream flows, high winds, rapid snow melt, natural stream blockages, or combinations thereof.

The Floodway is the channel of a watercourse that must be kept free of any encroachments so that the 1% annual chance flood can be discharged without cumulatively or substantially increasing the water surface elevation and flood height. Generally, the City's Floodway matches the location of the Nehalem River, and includes the island north of the City.

### State Requirements for Goal 7, Areas Subject to Natural Disasters and Hazards:

Goal 7 deals with development in places subject to natural hazards such as floods and landslides. It requires that jurisdictions apply "appropriate safeguards" (floodplain zoning, for example) when planning for development there.

### City Goal

To reduce risk to people and property from natural hazards

### Objectives

1. The City intends to protect people and property from harm caused by natural hazards.

### Policies

1. The City shall adopt maps, plans, inventories, policies, and implementing measures that reduce risk to people and property from natural hazards.
2. The City shall give special attention to emergency access and evacuation when making development decisions.
3. The City shall seek to devote natural hazard areas as open space or other low intensity uses in so far as such measures will mitigate natural hazards and will maintain public safety and welfare.

4. The City shall maintain and coordinate their local Natural Hazard Mitigation Plan with local, state, and federal agencies.
5. The City shall coordinate with regional planning efforts for emergency preparedness, response, recovery and mitigation.
6. The City shall respond to new hazard inventory information within 36 months if notified to take such action by the Oregon Department of Land Conservation and Development (DLCD) unless such time to respond is extended by DLCD.
7. The physical capabilities and limitations of the land shall be utilized in establishing the type and density of development that can occur.
8. Flexible development approaches such as planned-unit developments and cluster subdivisions are encouraged, particularly in areas where development constraints such as flood hazards or steep slopes exist.
9. Developers of large properties with varied terrain are encouraged to cluster structures on the least steep portions of the site and to leave steep slope areas undisturbed.

#### Geologic Hazard Policies

10. For the purpose of identifying and mitigating geologic hazards the City shall require geologic site investigation reports prepared by appropriately qualified professionals that evaluate the risk to the site as well as the risk the proposed development may pose to other properties.
11. Site-specific geologic studies and investigations by a qualified expert may be required in areas suspected of being subject to landslide hazard when appropriate to assure safe development consistent with local, state, and federal criteria:
  - a. For all proposals for divisions of land;
  - b. When required by the building official;
  - c. When required by the City to assure public safety and welfare;
  - d. For grading, excavation, and/or the placement of fill in the development of streets and public rights-of-way;
  - e. For the construction of utilities;
  - f. Where ground disturbing activities are proposed; and
  - g. As required in the current Nehalem Zoning Ordinance.When a site report is required, construction shall occur only if the investigation indicates that development is feasible, and construction shall be in conformance with the site report. Where necessary, an engineer approved foundation may also be required.
12. When a geologic site investigation report is required, the report shall be prepared at the subject property owner's expense by an appropriately qualified professional engineer and certified engineering geologist licensed to work in the State of Oregon.
13. The geologic site investigation report shall be provided prior to permit approvals and prior to project commencement and shall be required as a condition of approval for public hearings where a geologic site investigation report will be required for the project.
14. The geologic site investigation report shall provide stormwater drainage management recommendations consistent with the current Nehalem Storm Water Drainage Master Plan.
15. The density of development allowed by the City within a zone shall be supported by the recommendations of the geologic site investigation report.

16. The City encourages site design which utilizes the natural topography and vegetation including but not limited to the following techniques:
  - a. Flexible development approaches such as planned developments; and
  - b. Efforts shall be made to maintain streams in their natural state; and
  - c. Access roads and driveways should follow natural slopes and contours and need not be constructed in block patterns; and
  - d. In cases of undeveloped platted lands, the City supports property line adjustments and the replatting of existing lot lines and/or public right-of-way consistent with natural features.
17. Grading should be minimized in areas with a slope greater than 15%.

#### Flood Hazard Policies

18. Within the Nehalem Special Flood Hazard Area (SFHA) designated by the National Flood Insurance Program (NFIP) Flood Insurance Rate Maps (FIRM):
  - a. The City shall ensure that all development is documented by the property owner as consistent with the requirements of the NFIP; and
  - b. The property owner shall submit with any development application evidence that the proposed development will not increase flood hazards on adjacent property or create any adverse impacts to adjacent property.
19. All development inside the City Limits shall be consistent with the City's Flood Hazard Overlay Zone requirements.
  - a. All development inside the Urban Growth Boundary but outside the City's Limits shall be consistent with the City's Flood Hazard Overlay Zone requirements.

#### Other Natural Hazard Policies

20. The City identifies and plans for its natural hazards such as windstorms, winter storms, coastal and riverine floods, landslides, earthquakes and earthquake related hazards, tsunami, erosion, and wildfires. The City may identify and plan for additional hazards.
21. The City plans for resilience, response, and recovery regarding hazards including and not limited to the anticipated and historically cyclical Tsunami Hazard initiated by a Cascadia Subduction Zone earthquake.
22. The City is aware that climate change may affect the natural hazards in the community and encourages mitigation measures to deal with these and increasing occurrence of natural hazards.
23. The City intends that staff are sufficiently trained to take advantage of Federal and State natural hazard mitigation programs.
24. The City shall utilize the best available information about climate related hazards from the Oregon State Climate Change Research Institute and other related resources.

***[INSERT FLOOD MAP HERE]***



## GOAL 8: RECREATIONAL NEEDS

Nehalem's Urban Growth Boundary is surrounded by forest, estuarine and river areas, and rolling hills. Nehalem Bay State Park, at 34600 Garey Street, is located to the south of town and Oswald West State Park and Short Sands Beach are located to the north of town. Although Nehalem is a small community, it has an abundant amount of recreational opportunities. Maintaining and providing access to this natural environment that surrounds the City and the downtown waterfront and shoreland of the Nehalem River, is important.

### Trails

Trails support access to parks, through parks and other recreational opportunities. Nehalem has the opportunity to become the 'connecting hub' between the Oregon Coast Trail and Salmonberry Trail. A water trail along the Nehalem River, the Tillamook County Water Trail, is a nationally recognized recreation trail.

### Parks and other Recreational Amenities

The City boasts public parks and boat docks that offer excellent views of the City and a chance to take in the natural beauty of the surrounding area. The Port of Nehalem provides areas alongside the river for fishing.

The parks and recreational areas in the City of Nehalem consists of the following.

#### Nehalem City Park



Nehalem City Park, at 12705 Hugo Street, offers residents and visitors alike unique views of the Nehalem Bay and the inter-coastal mountain range. The tranquil and natural setting has hosted many family gatherings, community picnics and even weddings. The park boasts excellent playground equipment for ages 2 through 12, several picnic tables and barbeques, along with a restroom facility.

#### Neil M. Walker Veteran's Park



The Neil M. Walker VFW Veteran's Park, at 35005 Riverside Drive, welcomes travelers along Highway 101 as they head north off from the Nehalem River Bridge. This Memorial Park offers unsurpassed views of the Nehalem River, Valley and Coastal Mountain range, and serves as a reminder of the many sacrifices made by so many for their service to our Country.

#### Nehalem Boat Docks



The City's two public docks, both located in downtown Nehalem, allow direct access to the Nehalem River. The Lower Dock is located at the end of Tohls Street in Harwood Square, while the Upper Dock is located at the end of H Street, just one block north. Both docks are open to the public and are free to use.

While the Lower Dock is best suited for transient tie-up by the myriad of fishermen and women that take advantage of the excellent steelhead and

chinook fishing, the Upper Dock is the best place to launch a kayak from in order to truly explore the natural beauty of the Nehalem River and Bay.

### North County Recreation District



The North County Recreation District (NCRD), at 36155 9th Street, offers many activities for people of all ages - from youth programs to senior services, NCRD boasts many amenities including an indoor heated pool, fitness center, skate ramp and a performing arts center.

Parks and recreation areas encourage passive and active recreational activities and preserve open space, wildlife habitat, and historical and cultural resources. Parks serve aesthetic purposes and create gathering spaces for public activities and events. Parks and recreation areas also provide a number of health and psychological benefits to residents of a community.

Parks are spaces where people can participate in active, outdoor, recreational pursuits, which encourage increased movement and can help reduce the risks of health problems. The trees and plants in the park help clean the air and soil of environmental contaminants, decreasing potential harm to residents. A well-designed park encourages people to leave the solitude of their homes and make more social connections.

Parks provide opportunities for residents of different generations and social classes to mix, strengthening community bonds. Preservation of open space has been shown to enhance a community's livability and character.

Parks can also improve property values. Studies have shown that there is a statistically significant link between location of parks and property values. In summary, parks provide a broad range of community benefits.

### City Vision

#### Open Space, Parks and Recreation

Access to the outdoors is a key part of Nehalem's character and the community's experience of living. Open space, parks, and active and passive recreation are readily available to citizens and visitors.

#### State Requirements for Goal 8, Recreational Needs:

This goal calls for each community to evaluate its areas and facilities for recreation and develop plans to deal with the projected demand for them. It also sets forth detailed standards for expedited siting of destination resorts.

To satisfy park and recreational needs and demands, with input from residents, City employees and other stakeholders, the City will need to implement the following:

### City Goal

1. To provide for park facilities and open space.

### Objectives

1. Open space, parks, and active and passive recreation are readily available to citizens and visitors.

## Policies

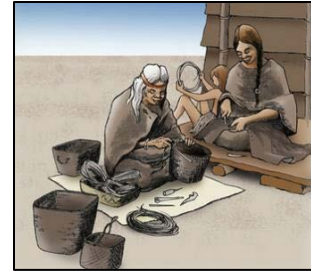
1. Subdivisions and planned developments shall, where appropriate, make provisions for a suitable amount of open space or park and recreation facilities.
2. The involvement of local individuals and groups in the donation of land, labor, funds or equipment for the improvements of recreation facilities is encouraged.
3. Improved public access to the river and bay is encouraged, provided that private property rights, public safety and the shoreline are not adversely affected.
4. Subdivisions or planned-unit developments are encouraged to provide public pedestrian access.
5. Remaining Publicly owned street ends which abut the shoreline shall be retained.
  - a. When appropriate, parks, or trails and public access, should be developed to facilitate public shoreline recreational use.
6. Development along year-round streams, the Nehalem River and Nehalem Bay are required to preserve natural stream bank vegetation or provide appropriate replanting.
7. The City and County will continue working with the State Department of Forestry to encourage strict enforcement of the Oregon Forest Practices Act to reduce erosion resulting from logging practices in the vicinity of the City's Watershed.
8. The City will coordinate its parks and recreation planning with appropriate local state and federal agencies and the private sector.

## Recommendations

1. The City might consider the establishment of a park and recreation reserve fund to accumulate matching funds for state or federal programs.
2. To reduce conflicts with bicycle and pedestrian use, the State Department of Transportation should continue to improve the Coastal Bike Route along Highway 101 by widening the Highway's shoulders, or where feasible, constructing separate bike lanes.

## GOAL 9: ECONOMIC DEVELOPMENT

The City of Nehalem was the first center of culture, commerce and politics in the lower Nehalem River Valley. The Native Americans – the Nehalem People - occupied the region until the mid-1800's. The Nehalem people were reliant on fish trapping in estuaries, hunting, and shellfish gathering. They also devoted time and energy to the development of fine arts and crafts and to religious and social ceremonies.



In the Age of Discovery, in the late 16<sup>th</sup> century, Sir Francis Drake made a landing in Nehalem Bay. Nehalem Indian tales recount strangers and the discovery of items uncommon to the Pacific Coast. At that time, the Nehalem Tribe welcomed the arrival of Europeans, for the increased trading opportunities.

As time progressed, Nehalem became a commercial and social center with homesteaders who focused on dairies and other agricultural pursuits. Farmers used boats to bring milk to the cheese and butter factories.



When the City was chartered in 1899 by an Act of the State Legislature, it already had a post office, church, general store, school, sawmill and tavern. During the first ten years of the 20<sup>th</sup> Century it added a bank, high school, telephone exchange, fish cannery and hotel.

The new railroad across the river brought tourists and supplies from Portland and took local produce to distant markets. Boosters had asked the Army Corps of Engineers for jetties at the end of the Nehalem Bay since 1876. In 1909, local leaders formed the Port of Nehalem, then persuaded federal officials to pay half the cost of the construction of the two jetties.

With Nehalem's ideal location, coupled with the rapid development of nearby areas, the economy flourished. The city used to stretch over the river on log planks, where a lumber mill cut logs that came down a railroad track on the Nehalem River. Wood pilings that held up this track can be found in the North Fork Nehalem River.

In the 1920s, the community built a new elementary and high school. They convinced county officials to build a bridge and causeway across the Nehalem River to provide road access to the railroad. During that period of time, the automobile transformed the local economy.

A movie theater, dance hall and restaurant attracted the area's loggers, dairymen, fishermen and families from all of the surrounding hills and valleys. However, as the once-thriving logging industry slowed during the mid-twentieth century, the city's economy also cooled.

Prior to the dedication and construction of Highway 101, State officials saw the highway route through Wheeler and Nehalem as only temporary. The plan, at that time, for the highway was to move it along the Nehalem Spit, offering a longer view of Nehalem Bay and the Pacific Ocean. In the late 1960s the backlash from the two towns was so intense that officials decided to leave the highway in its existing layout.

In the 1990s, leadership from the City helped create a new Recreational District based in the old elementary school that had closed in 1986. Keeping Highway 101 as the City's "main street" and maintaining the community activities and services offered in the old elementary school preserved the City's place as the center of north Tillamook County.

As identified in the 2018 Visioning meetings, Nehalem wants to continue to 'Encourage Small Business & Craft Industry and Stability'.

### City Vision

Nehalem has a strong four-season economy. Encouraging small businesses, vital goods and services, cottage industries, and home-based businesses to locate in Nehalem results in a vibrant year-round economy.

### State Requirements for Goal 9, Economic Resources:

Goal 9 calls for diversification and improvement of the economy. It asks communities to inventory commercial and industrial lands, project future needs for such lands, and to plan and zone enough lands to meet those needs.

### City Goal 1 for Economic Development

1. Improve the Economic Base of the Community

### Objectives

1. Develop efforts to improve the economic base of the community, and support local businesses and regional economic development organizations.

### Policies

1. Support efforts to improve the economy of the area, including the maintenance of a viable agriculture industry.
2. Encourage commercial outdoor recreational opportunities that develop a sense of stewardship for the area.
3. Support the restoration economy that impacts infrastructure, clean water, and healthy fish and wildlife populations.
4. Actively participate in the region's key economic development activities and organizations.
5. Participate in and support regional economic development plans/programs.
6. Seek the input of local businesses and carefully consider the economic impacts of proposed programs, regulations and decisions related to implementing the community's Comprehensive Plan.
7. Maintain active working relationships with key economic development players including Col-Pac, EDD, Nehalem Bay Merchants, Nehalem Bay Watershed Council, North Coast Recreation District, NW Oregon Economic Alliance, NW Oregon Regional Partnership, Port of Nehalem, Tillamook Estuaries Partnership (TEP); and attend partnership/stakeholder meetings as often as possible.

### City Goal 2 for Economic Development

2. Encourage Successful Home-Based Businesses

### Objective

1. It is the intent of the City to allow for home-based businesses.

### Policies

1. Allow home-based businesses that are low impact and don't disrupt residential neighborhood character.

### City Goal 3 for Economic Development

3. Retain, Strengthen and Expand the Existing Business Base.

### Objective

1. To support and provide areas for the growth of a diversity of new and existing businesses.

### Policies

1. Zoning for commercial uses should provide areas large enough to accommodate future growth requirements, but not so large as to substantially affect adjacent residential properties.
2. Encourage new and existing businesses and encourage family-wage jobs.

### City Goal 4 for Economic Development

4. Strengthen and Enhance a Strong Commercial Core or Downtown Business District within Nehalem.

### Objective

1. To support business development and improving the downtown environment.

### Policies

1. Maintain and enhance all public infrastructure to create a pleasant and convenient business environment (from signage and pocket parks to sidewalks and parking lots).
2. Encourage small business and infill development in the core and not on the edges of the community.
3. Promote upper story/high-density housing in the downtown.
4. Protect historic resources such as downtown buildings to maintain local character and attract visitors.

## GOAL 10: HOUSING

### Nehalem's Current Supply of Housing

This chapter's information on current housing stock comes from the 2019 Nehalem Housing Needs Analysis.

Nehalem is a small community marked by a population of small households with incomes above the county average. The household size and composition show that households in Nehalem, at 2.1 persons per household, are smaller than Tillamook County's average household size and the statewide average. About 33% of these households in Nehalem have children. The median income of Nehalem residents is higher than the Tillamook County average but lower than the state average. In Nehalem housing prices are generally consistent with affordability for both rent-paying and mortgage paying households. This relatively prosperous situation creates stability and helps define directions for the future.

### Trends in Nehalem's Housing Mix

- Nehalem's Housing stock is predominantly single-family detached housing;
- Nehalem's housing mix focuses on owner-occupied dwellings;
- Single-family detached and attached housing have accounted for the new housing growth in Nehalem between 2000 and 2017.

### The housing types that Nehalem has a relatively low inventory of include:

- Apartment,
- Duplexes,
- Tri- and quad-plexes,
- Manufactured housing, and
- Smaller single-family detached and attached housing.

Nehalem's official forecast and projections for population growth show that the City will grow by 326 new residents over the next 20 years. This new population will result in a need for 162 new dwelling units over the 20-year planning period.

### The mix of projected new housing needed include:

- About 80% will be single-family detached housing with 130 new detached single-family homes needed;
- Nearly 15% will be single-family attached housing with 24 additional townhouses needed;
- About 5% will be multi-family housing with 8 dwellings in multi-family structures needed.

After reviewing the city's existing land base and zoning, the City will be able to accommodate all needed residential growth based on the projected population increases and housing needs in the City's current urban growth boundary .

### City Vision

Housing is available to meet the diverse needs of Nehalem citizens, and reflects the rural, coastal character of the community.

### State Requirements for Goal 10, Housing:

This goal specifies that each city must plan for and accommodate needed housing types, such as multifamily and manufactured housing. It requires each city to inventory its buildable residential lands, project future needs for such lands, and plan and zone enough buildable land to meet those needs. It also prohibits local plans from discriminating against needed housing types.

### City Goal for Housing

1. To provide for housing which will meet the needs of a variety of age and income groups.

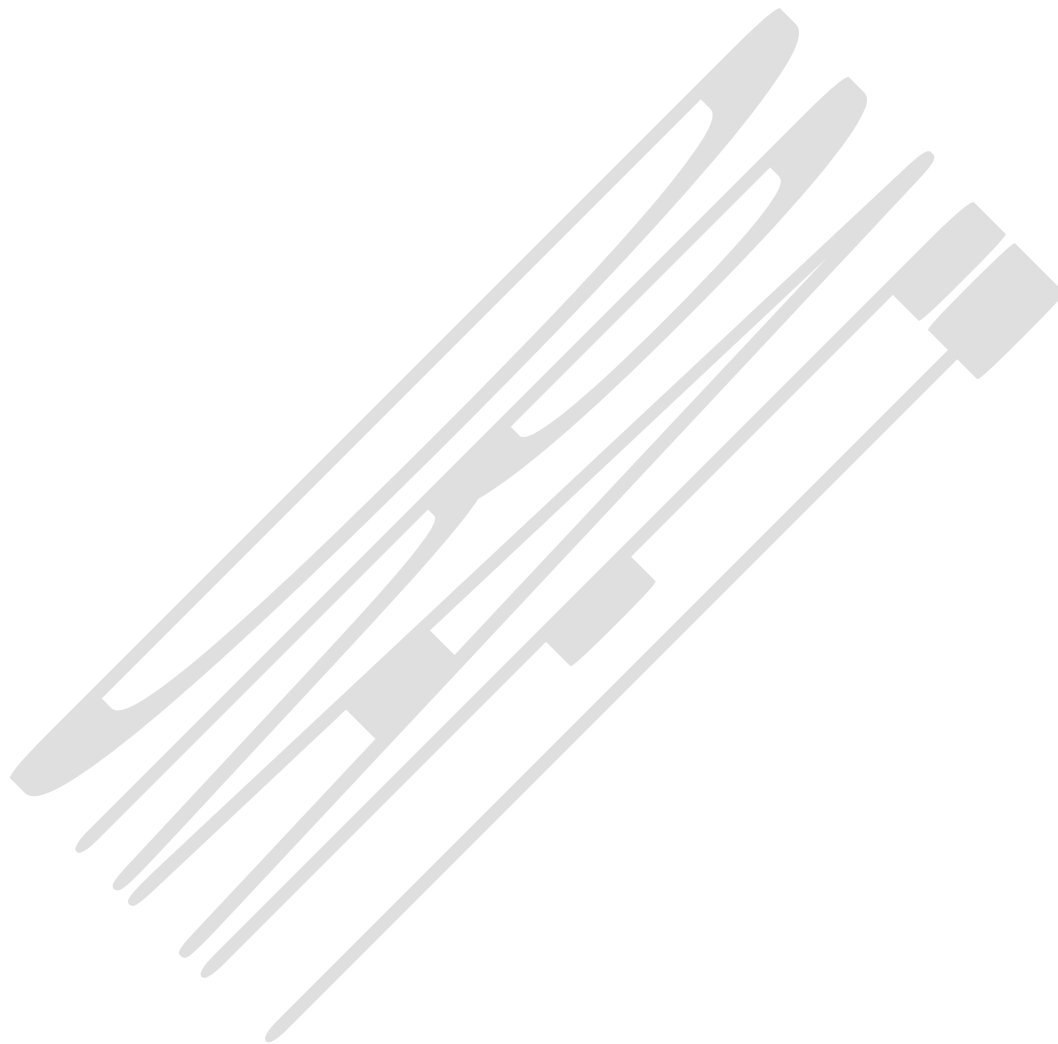
### Objectives

To support housing development that meets the needs of the City's residents.

### Policies

1. The City recognizes and supports identified future housing needs for a broad range of housing types, including single-family attached and detached homes, manufactured homes, duplexes and multi-family dwellings.
2. The City supports the efforts of the Oregon Housing Authority and the Northwest Oregon Housing Association and other mechanisms that help reduce the cost of or leverage other monies to provide affordable low and moderate income housing for area residents, and continues to provide opportunities for development of the housing needs identified in the Housing Needs Analysis.
3. The City supports the efficient development of housing and land to minimize environmental impacts and provide public services in a cost-effective manner.
4. The City recommends the use of sustainable development and building materials including the use of energy efficient materials and design principles.
5. The City will allow for and encourage and support the development of housing units in conjunction with commercial development (e.g., housing located above commercial uses) with mixed use buildings to provide diversity and security in commercial areas and a range of housing options.
6. The City will ensure compliance with federal and state fair housing laws which affirm access to housing opportunities for all people in Nehalem.
7. The City may allow for accessory dwelling units (ADU's) in certain residential zones.
8. The City's inventory of buildable land and the City's housing needs analysis should be regularly updated as needed and used to both identify housing development opportunities and assess the ability to meet future housing needs.
9. The Housing Needs Analysis shall be adopted as part of the Comprehensive Plan.





## **GOAL 11: PUBLIC FACILITIES AND SERVICES**

A full range of urban services are provided within the City of Nehalem. These services include water, sanitary sewer, storm sewer, solid waste collection, fire protection, and police protection. This section summarizes those services and lists the city's objectives, policies and implementing procedures for maintaining and improving them.

### City Vision

Nehalem's infrastructure of water, storm drains, streets and parks is developed to good standards for a rural community, well-maintained and renewed as needed from well-funded and well-managed reserve funds.

*Nehalem Bay Wastewater provides sewer for Nehalem and is a separate Taxing District.*

### State Requirements for Goal 11, Public Utilities and Services:

Goal 11 calls for efficient planning of public services such as sewers, water, law enforcement, and fire protection. The goal's central concept is that public services should be planned in accordance with a community's needs and capacities rather than be forced to respond to development as it occurs.

### City Goal

1. Continue to plan and develop orderly and efficient system of public facilities and services.

### Objectives

The City should maintain an adequate, orderly and efficient system of public facilities that supports the land uses and densities and necessary extensions throughout the city.

### Policies

1. Land uses and densities in the Urban Growth Boundary area shall be consistent with the capacity of existing public facilities or the long-range expansion plans for key public facilities, such as sanitary sewers and water.
2. Public facilities and services shall be extended in an orderly and efficient manner.
3. The cost of public services or facilities shall be distributed equitably among those residents or land developments creating a need for such services.
4. Adequate storm drainage facilities shall be part of all subdivisions, planned-unit developments or other developments which may impact storm drainage patterns.
  - a. Developers shall also make adequate provisions for handling the storm water that leaves their site.
5. The policies of the Nehalem Bay Wastewater Agency shall apply to sewer installations in their Urban Service Area.
6. The City of Nehalem has adopted a system development charge capable of maintaining and improving the water since 2010.
  - a. Review and update system development charges on a regular basis to keep pace with costs.
7. Large developments or heavy water users should make equitable contributions to the improvement of the water system and shall pay all costs associated with the extension of water lines.

8. Water lines within a proposed development shall be adequately sized to meet future needs at the projected density or usage, including fire flow requirements.
9. Fire hydrants shall be installed by developers to the satisfaction of the City of Nehalem and the Nehalem Rural Fire District.
10. The City of Nehalem cooperates with Tillamook County in establishing a solid waste program for Tillamook County that meets the Department of Environmental Quality's standards.
11. The City of Nehalem will continue to provide water service to areas and developments outside its Urban Growth Boundary, consistent with its ability to provide such service.
  - a. The density of new developments for which water service is provided shall be at rural density to be established by the City of Nehalem.
12. School District #56 should coordinate its facility planning activities with the City of Nehalem.



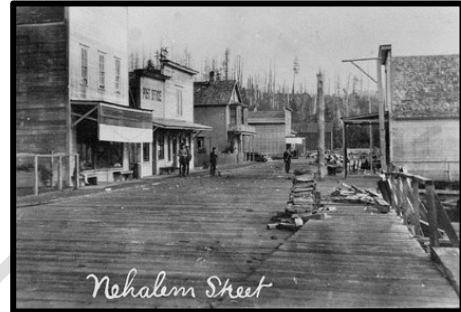
## GOAL 12: TRANSPORTATION

Streets, roads, and highways have profound effects on land use. Many forms of development, for example, need to be easy to find, readily seen from a car, and convenient to reach by foot or automobile. A fundamental relationship in planning is land use affecting streets, and streets affecting land use. That relationship is a subject of importance in this chapter of the Comprehensive Plan. The City has addressed that subject by adopting the Nehalem Downtown Transportation Plan.

The three cities of Nehalem, Manzanita and Wheeler may work together to develop a regional transportation system plan (TSP).

The Plan's goals are:

- Improve mobility, safety and accessibility for all travel modes
- Improve pedestrian and bicycle circulation and facilities
- Provide for improvements that can be implemented and comply with applicable standards



Beyond Nehalem's limits lie the Salmonberry Trail to the east and the Oregon Coast Trail to the west. The Tillamook County Water Trail lies along the Nehalem River. Nehalem has the opportunity to become the 'connecting hub' between the Oregon Coast Trail and Salmonberry Trail. Nehalem has the potential to provide the linkage between these trails.

### City Vision

Nehalem's infrastructure of water, sewer, storm drains, streets and parks is developed to good standards for a rural community, well-maintained and renewed as needed from well-funded and well-managed reserved funds.

### State Requirements for Goal 12, Transportation:

The goal aims to provide "a safe, convenient, and economic transportation system." It asks for communities to address the needs of the "transportation disadvantaged."

### City Goal

1. To provide and encourage a safe, convenient and economic transportation system.

### Objectives

The City shall support a safe, convenient, accessible and economic transportation system for all modes of transportation.

### Policies

1. Street patterns shall minimize the need for cutting and filling.
2. The City may permit narrower street widths in steep slope areas consistent with traffic safety and emergency vehicle access.
3. The City shall accept private streets as public streets only after they have been improved to City standards.

4. The City, County, and the State Department of Transportation shall discourage new access points onto Highway 101.
  - a. Wherever possible, new residential development shall not have a direct access to Highway 101.
  - b. New commercial and multi-family uses should be clustered with access being provided by a consolidated access point, preferably not directly onto Highway 101.
5. Alternative uses of City rights-of-way should be considered where they are not needed as streets.
  - a. These uses may include trails, small parks or natural areas.
6. The City shall be notified prior to the installation of any underground utility in a City right- of-way.
  - a. The City will require reasonable efforts to improve or restore the road after construction.
7. The City supports efforts such as bus service, to provide transportation for people with limited transportation opportunity, and supports the Tillamook County Transit District to maintain bus stops and shelters as described in the Downtown Transportation Plan.
8. The City will work to incorporate (as resources allow) streetscape elements for pedestrian and bicycle friendly street design as illustrated in the Downtown Transportation Plan.
9. The City will encourage (as resources allow) an interpretive trail that provides access to the wetlands and river.
10. Street design standards are contained within the City's Subdivision Ordinance.
11. The City will work with ODOT to improve the design and safety of the U.S. 101/7<sup>th</sup> Street intersection.
12. The City will work with ODOT to provide pedestrian safety improvements and traffic calming measures and safe routes to school and encourage all types of transportation that limit greenhouse gas emissions.
13. The City recognizes the importance of and encourages a link between the Oregon Coast Trail and the Salmonberry Trail, and the Tillamook County Water Trail.

## **GOAL 13: ENERGY CONSERVATION**

Protecting the environment, livability, and natural beauty of Nehalem is an important piece of the City's Comprehensive Plan. Therefore, encouragement of energy conservation and use of alternative sources of energy in the long-term planning for development is important.

### State Requirements for Goal 13, Energy Conservation:

Goal 13 declared that "land and uses developed on the land shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles."

### City Goal

1. To conserve energy.

### Objective

The City supports and will encourage efforts of energy conservation.

### Policies

1. The City will encourage the use of domestic energy conservation efforts as applicable.
2. The City will encourage energy conservation in building construction.
3. The City supports the efforts of organizations, such as the Area Agency on Aging, to weatherize and insulate homes of low-income persons, particularly the elderly.

## **GOAL 14: URBANIZATION**

### **URBAN GROWTH BOUNDARY AND URBAN GROWTH AREA**

#### City Limits

The City Limits is the boundary line that defines the City of Nehalem proper. Within these limits the properties receive all City services (water, sewer, police). The City Limits can be expanded through the process of annexations of land within the Urban Growth Boundary.

#### City Urban Growth Boundary and Urban Growth Area

The Urban Growth Boundary (also known as the UGB) is the boundary line beyond the City Limits that indicates the outermost limit of the City of Nehalem's planned expansion. The boundary is designed to indicate the planned extent of Nehalem's growth over a period of time. The Urban Growth Area (also known as the UGA) includes the land that is inside the UGB but outside the City Limits. It is the area for future urban development and growth, served by urban services.

In both the City Limits and the Urban Growth Area, a majority of the land is zoned for residential uses. About ¼ of the land is zoned for commercial uses, and even smaller proportions are zoned for industrial, public and open space. A portion of this area is used for the streets and rights-of-ways with the City Limits and Urban Growth Boundary.

The area within the Nehalem Urban Growth Boundary is committed to urban development. The Nehalem Bay Wastewater Agency has the ability to expand its system to meet the anticipated growth within Nehalem. The Urban Growth Boundary generally coincides with the boundary of the Nehalem Bay Wastewater Agency. However, several small areas are included in the Urban Growth Boundary are outside the Wastewater Agency's boundary.

The following are distinct areas in the City's Urban Growth Area, outside the City Limits.

#### A. Bayside Gardens

This area contains 192 parcels of which 171 are in separate ownerships, with almost all the parcels less than 5 acres in size. The area is committed to urban development because of the nature of existing development and parcel sizes and is served by sewer and water. It is directly abutted on the west by the Urban Growth Boundary of the City of Manzanita.

Alder Creek Farm owned by The Lower Nehalem Community Trust, will require buffering to separate urban uses from agricultural uses and provide an enhanced degree of compatibility with the agricultural activity on the Lower Nehalem Community Trust property.

#### B. Nehalem Point

The northern portion of Nehalem Point abuts a major Wastewater Agency trunk line. It is an isolated parcel with no other forest production lands adjacent to it. The City requires that any development on Nehalem Point be a Planned-Unit Development that is designed to maintain the visual character of the Point.

#### C. North Fork Nehalem River

This property is surrounded by County zoned farmland.

### State Requirements for Goal 14, Urbanization:

This goal requires cities to estimate future growth and needs for land and then plan and zone enough land to meet those needs. It calls for each city to establish an “urban growth boundary” (UGB) to “identify and separate urbanizable land from rural land.” It specifies seven factors that must be considered in drawing up a UGB. It also lists four criteria to be applied when undeveloped land within a UGB is to be converted to urban uses.

### City Goal

1. Coordinate land-use, development and annexation strategies with Tillamook County.

### Policies

1. The lands within the Nehalem Urban Growth Area, but outside the Nehalem City Limits, are within the jurisdiction of Tillamook County. However, the City of Nehalem’s Comprehensive Plan, Zoning Ordinance and Subdivision Ordinance must be followed by the County.
  - a. It shall be the responsibility of the agency or jurisdiction initiating the action to notify and involve the other jurisdictions conforming to the City of Nehalem’s Subdivision Ordinance.
2. The extension of water service shall be consistent with the City’s Master Water Plan.
3. Changes in the Urban Growth Boundary shall be carried out with the knowledge and participation of Tillamook County, Nehalem Bay Wastewater Agency, State of Oregon and affected property owners.
  - a. Changes in the Urban Growth Boundary shall be based on adequate findings of fact and in full compliance of all state laws and procedures.
4. Undeveloped land within the Urban Growth Boundary shall be converted to urban purposes only where a finding is made by the City that there exists:
  - a. Orderly and economic extension of public facilities and services,
  - b. A need for land for various uses, and
  - c. Encouragement of development within urban areas before conversion of undeveloped areas,
  - d. Compatibility with State Goals and the City’s acknowledged Comprehensive Plan.
5. Annexations within the Urban Growth Boundary and development of land in the City and within the Boundary shall be based on findings of fact which state that:
  - a. The annexation or development represents an orderly, logical extension of public services; and
  - b. Development is encouraged within or adjacent to urban areas prior to development of more remote land.
6. The remainder of the Urban Growth Area abutting the north and west sides of the Lower Nehalem Community Trust, will require buffering to separate urban from agricultural uses.
7. Continued development on Nehalem Point will be a Planned-Unit Development that is designed to maintain the visual character of the Point.

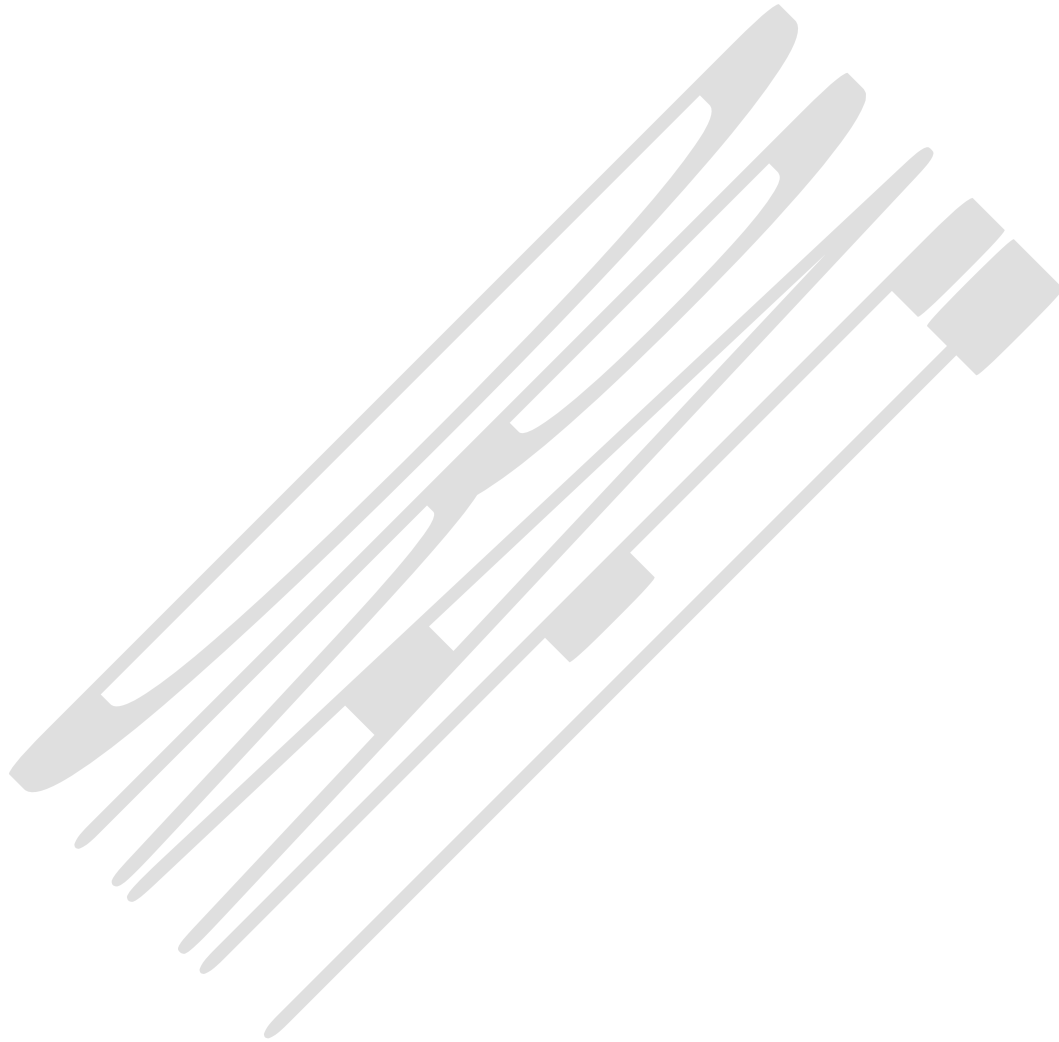


## **GOAL 15: WILLAMETTE RIVER GREENWAY**

### State Requirements for Goal 15, Willamette River Greenway:

Oregon Statewide Planning Goal 15 does not apply within the Urban Growth Boundary since Nehalem is not adjacent to the Greenway within its boundaries.

The City supports efforts to implement policies consistent with Oregon Statewide Planning Goal 15.



## GOAL 16: ESTUARINE RESOURCES

Nehalem is surrounded by active and passive recreational areas and natural resources that include wetlands, estuaries, flood plains, agricultural lands, and forestlands on the surrounding hillsides. The Nehalem Bay area also has a rich and diverse estuarine environment and its protection is prioritized. This rich geographic setting of natural resources surrounds the urbanized area of the City.

For some of these areas, possible effects of climate change, are sea level rise along with increasing extreme storms. These forces can be a detriment to estuarine resources.

Tillamook County, in co-operation with Nehalem, Wheeler, the Port of Nehalem and state and federal agencies, has prepared and adopted a management plan for the Nehalem River Estuary as part of the Tillamook County Comprehensive Plan. Nehalem adopted the Tillamook County Estuary Management Plan and Policies as they apply to estuary management units and zones within the City of Nehalem's City Limits and Urban Growth Boundary.



### State Requirements for Goal 16, Estuarine Resources:

This goal requires local governments to classify Oregon's 22 major estuaries into four categories: natural, conservation, shallow-draft development, and deep-draft development. It then describes types of land uses and activities that are permissible in those "management units".

### Nehalem City Goal

To conserve, protect the unique environmental, economic and social values of local estuarine resources, where appropriate, recognizing their value for the protection and maintenance of water quality, fish and wildlife habitat, and water dependent uses.

### Objective

To recognize, protect, and maintain, the unique environmental, economic and social values of the designated estuaries.

### Policies

1. Within the "EC-1" Zone and management unit, the City of Nehalem, individual site-specific determinations as to existing non-estuarine portions of that zone which may be developed in accordance with the regulations of the "MR" Zone north of "B" Street and the "C" Zone south of "B" Street.
2. The City recommends that State and federal agencies should use their management authority to improve water quality and reduce man-induced sedimentation in estuaries.
3. The City intends to work with Tillamook County and other partners to preserve estuarine and shoreline migration zones.
4. The City intends to adhere to Statewide Planning Goal 16 and all applicable buffers that manage development within those areas.

## **GOAL 17: COASTAL SHORELANDS**

The State Coastal Shorelands goal manages the resources and benefits of all coastal shorelands. It recognizes the protection and maintenance of water quality, fish and wildlife habitat, water-dependent uses, economic resources, recreation and aesthetics.

The City is aware that climate change may affect the community, and the surrounding shorelands.

The management of these shoreland areas must remain compatible with the characteristics of the adjacent coastal waters; and reduce the hazard to human life and property, and the adverse effects upon water quality and fish and wildlife habitat, resulting from the use and enjoyment of these coastal shorelands. It specifies how certain types of land and resources in the shorelands are to be managed.

Nehalem is surrounded by natural resources that include wetlands, estuaries and tidal marshes with a rich and diverse estuarine environment in the Nehalem Bay area that is protected. The North Waterfront area, located along the Nehalem River between C Street and H Street, is an important estuary and shoreland. The Area provides access to the Nehalem River and Bay.

### State Requirements for Goal 17, Coastal Shorelands:

Land use plans, implementing actions and permit reviews in the Coastal Shoreland Area shall include consideration of the critical relationships between coastal shorelands and resources of coastal waters, and of the geologic and hydrologic hazards associated with coastal shorelands. Local, state and federal agencies shall within the limit of their authorities maintain the diverse environmental, economic, and social values of coastal shorelands and water quality in coastal waters. Within those limits, they shall also minimize man-induced sedimentation in estuaries, near shore ocean waters, and coastal lakes.

### Nehalem City Goal

The City of Nehalem recognizes the interdependence of shoreland and estuarine uses.

### Objective

To protect shorelands and estuarine uses.

### Policies

1. Areas identified by the U.S. Army Corps of Engineers (ACOE) Dredge Material Management and Disposal Plan for Nehalem Bay shall be protected from uses or activities which would prevent their ultimate use for dredge material disposal, through coordination with ACOE.
2. Areas identified to fulfill the mitigation requirement of the Estuarine Resources Goal shall be protected from uses and activities which would prevent their ultimate restoration or addition to the estuary as stated in the Nehalem Zoning Ordinance.
3. The City recognizes there may be impacts on the shorelands that are a result of climate change and will adhere to the Goal 17 buffers in addition to preserving where possible, landward migration zones.

## **GOAL 18: BEACHES AND DUNES**

### State Requirements for Goal 18, Beaches and Dunes:

Oregon Statewide Planning Goal 18 identifies planning standards for development on various types of dunes and therefore does not apply within the Urban Growth Boundary since Nehalem is not adjacent to the Beaches and Dunes within its boundaries.

The City supports efforts to implement policies consistent with Oregon Statewide Planning Goal 18.

## **GOAL 19: OCEAN RESOURCES**

### State Requirements for Goal 19, Ocean Resources:

Oregon Statewide Planning Goal 19 deals with matters such as dumping of dredge spoils and discharging of waste products into the open sea, with its main requirements for state agencies rather than cities, and therefore does not apply within the Urban Growth Boundary since Nehalem is not adjacent to the Ocean Resources within its boundaries.

The City supports efforts to implement policies consistent with Oregon Statewide Planning Goal 19, “to conserve the long-term values, benefits, and natural resources of the near shore ocean and the continental shelf.”

## **Article III Plan Implementation.**

### **Implementation**

The Comprehensive Plan revision is only an initial step in implementing a planning process in Nehalem. Specific actions must be undertaken to realize the plan. The Comprehensive Plan sets forth goals, policies, proposals and recommendations to guide the physical development of the community. This section describes ways in which the Comprehensive Plan may be implemented.

The means by which community plans are implemented are many and varied.

Advice and consultation on the part of the Planning Commission, City staff and other City officials can be a very effective tool of implementation. In the course of conducting day-to-day business, individuals can be made aware of the importance of the comprehensive plan and a number of alternatives presented to guide development.

The city implements the Comprehensive Plan through regulatory controls such as zoning and subdivision ordinances, through the timely placement of public facilities and establishment of public programs.

### **Regulatory Controls**

#### **Zoning:**

Zoning has been the cornerstone of plan effectuation. It is intended to implement the land use part of the Comprehensive Plan. Zoning divides the community into residential, commercial, industrial and other use types in conformance with the Comprehensive Plan, and is shown on the City Comprehensive Plan and Zoning Map.

State laws and some Oregon Supreme Court decisions have given better definition to the role of zoning and comprehensive plans. Oregon Law (ORS Chapter 197) not only requires cities and counties to adopt comprehensive plans, it also requires that their zoning ordinance conform to the comprehensive plan. This requirement is further amplified by the "Baker vs. City of Milwaukie" court decision. In this decision, the court ruled that in the event of a conflict between a City's zoning ordinance and comprehensive plan, the comprehensive plan shall be the guiding document. Therefore, when the City has adopted its comprehensive plan it must provide, within a reasonable time, amendments to its zoning ordinance to conform to the comprehensive plan. Furthermore, another court decision, "Fasano vs. Washington County", has ruled among other things that all zone changes must conform to the comprehensive plan. Thus, once the City has amended its zoning ordinance to conform to the adopted City Comprehensive Plan, any subsequent zone change in non-conformity with the Comprehensive Plan Map must first be preceded by a change to the City Comprehensive Plan. Changes to the City Comprehensive Plan should be based on special studies or other factual information, which establish public need and justify the particular change.

The City Zoning Ordinance establishes uniform regulations within each zone as to use, maximum building height, lot size, setbacks and other similar requirements. The Zoning Ordinance also establishes the criteria and requirements for the City's overlay districts, site and general development, partitioning, signs, off-street parking and loading, conditional uses, special uses, non-conforming uses, and variances to the criteria.

### **Subdivision Ordinance and Streets Standards:**

The subdivision ordinance provides standards for the development of vacant land. It establishes minimum standards for street, block and lot size and lists improvements to be provided by the land developer. It enables the City to insure the provision of adequate rights-of-way, street improvements and water facilities. Close coordination between the City and Tillamook County is necessary to ensure the extension of logical street and utility systems when subdivision occurs outside city limits.

### **Building Codes:**

The Building codes are managed at the County level. Building construction codes establish minimum standards for new buildings, additions, rehabilitation and changes of use. These codes include fire and life safety, plumbing, mechanical, and electrical and are extensions of national or state uniform standards. These codes help to ensure the safety and welfare of the public, but have little effect in preventing or reversing blight in built-up older neighborhoods.

## **Article IV City of Nehalem Community Growth Management Report**

### **Urban Growth Management and Urban Service Area Policies and Implementation Guidelines**

The unincorporated land within the Urban Growth Boundary requires a coordinated set of policies between the City and the County. These policies relate to zone management and urbanization.

## **Article V City of Nehalem Buildable Lands Inventory and Housing Needs Analysis**

### **Buildable Lands Inventory Adoption.**

The 2017 Buildable Lands Inventory is adopted and made a part of Article V, hereto.

### **Housing Needs Analysis Adoption.**

The 2019 Housing Needs Analysis is adopted and made a part of Article V, hereto.

In compliance with state land-use law, the City will regularly update this inventory of buildable land and housing needs no less than once every fifteen years and use it to both identify housing development opportunities and assess the ability to meet future housing needs within the City's Urban Growth Boundary.

### **Summary and Conclusion of the Buildable Lands Inventory Report and Housing Needs Analysis**

In summary of the 2017 Buildable Lands Inventory Report and the 2019 Housing Needs Analysis, the forecast population and the household size for Nehalem has been identified to reflect the number of households needed to accommodate growth over the next 20 years.

The forecast in the 2017 Report shows projected growth for the Nehalem UGB of 326 new residents, from a current population of 1,240 to a forecast population of 1,566. Using the average household size of 2.1 (based on Figure 14 in the 2017 Report), the 326 new residents will require 162 new housing units.

There is a total of 261 total buildable lots in the UGB. Those 261 buildable lots exceed the required 162 buildable lots needed, meaning that there is enough land for residential development over the next 18 years. There may be enough land within the Nehalem Urban Growth Boundary (UGB) to accommodate 20 years of residential growth.

The goals, policies and strategies contained within the 2017 Buildable Lands Inventory, as adopted, shall replace any other goals, policies and strategies adopted in the past Buildable Lands Inventory.

In summary of 2019 Housing Needs Analysis, the household size and composition show that the household size in Nehalem, at 2.1 persons per household, is smaller than Tillamook County's average household size and the statewide average.

Nehalem's current housing stock is predominantly single-family detached housing, with a relatively low inventory of apartment, duplexes, tri- and quad-plexes, manufactured housing, and smaller single-family detached and attached housing.

Nehalem's official forecast and projections for population growth show that the City will grow by 326 new residents over the next 20 years. This new population will result in a need for 162 new dwelling units over the 20-year planning period.

New housing needed in Nehalem include:

- 130 new detached single-family homes needed;
- 24 additional townhouses needed; and
- 8 dwellings in multi-family structures needed.

After reviewing the city's existing land base and zoning, the City will be able to accommodate all needed residential growth based on the projected population increases and housing needs.

The goals, policies and strategies contained within the 2019 Housing Needs Analysis, as adopted, shall replace the goals, policies and strategies relating to Housing Needs.

## City of Nehalem

### 2017 Buildable Lands Inventory

### Amended September 2018

A buildable lands inventory is intended to identify lands that are available for future development. This brief summary presents results of the 2017 Buildable Lands Inventory (BLI) for the City of Nehalem and the Nehalem Urban Growth Boundary (UGB). This BLI, prepared by TCL Planning Consultants (TCL), in association with the MorganCPS Group, utilized data from multiple sources. The following report includes tabular summaries along with narrative descriptions.

#### **Methodology**

The buildable lands inventory initially reviews the status of land as developed, partially vacant, or vacant. Developed lands are removed from the analysis in determining the buildable lands for the City and its UGB. Particular attention is given to lands zoned for residential use, in accordance with ORS 197.296(4)(a).

From the deemed to be partially or wholly vacant, identified constraints were documented on individual tax lots. The constraints identified for Nehalem include the 100-year floodplain and floodway of the Nehalem River, mapped wetlands, slopes greater than 25%, and the tsunami inundation zones.

Data used for this process includes the following:

1. Tillamook County Tax Assessor's Maps
2. Tillamook Data Base File of Nehalem Tax Lots
3. City of Nehalem and UGB Zoning Maps
4. Tillamook County Floodplain and Floodway Map
5. Tillamook County Contours Map
6. National Wetlands Inventory (NWI) Map
7. Tillamook County Tsunami Zone Map
8. Google Satellite from Tillamook County GIS

Excel spreadsheets were created from the original data base of tax lots provided by Tillamook County GIS. These spreadsheets were initially sorted by Assessor's Tax Map Index number. Using Google Satellite from the Tillamook County GIS Interactive web page, verification of developed and vacant lots was entered into the map spreadsheets. This allowed for the separation of the undeveloped or partially vacant lots into another set of spreadsheets.

***As lots are developed over time, City staff will be able to update the Excel spreadsheets that accompany this report, and thus will be able to update the BLI on an ongoing basis.***

The identified constraints were then applied to the tax lot maps. The lots with mapped constraints were added to the spreadsheets. Lots that had the following constraints were deemed partially vacant or undevelopable: 100-year floodplain and floodway and slopes



greater than 25%. Lots within the tsunami zones and with mapped wetlands are noted in the spreadsheets but not deducted from the buildable lands category.

Having determined which lots had applicable constraints, the lots were then classified as vacant or partially vacant. Utilizing the now completed spreadsheets, analysis included reviewing the zoning classification and lot sizes to develop the Buildable Lands Inventory.

**Definitions and Assumptions:**

The tax lot data provided by Tillamook County GIS in January 2017 is the most current information on individual tax lots available. TCL obtained the most current available data from the City of Nehalem, Tillamook County, FEMA, and DOGAMI, as well as reviewing data for verification purposes from various sites.

The following definitions apply to his BLI:

1. Buildable Lots: The tax lots are either vacant or partial vacant lots.
2. Developed Lands: These tax lots have improvements that make it unlikely they will be redeveloped in the foreseeable future.
3. Development Constraints:
  - a. Land with steep slopes.
    - Portions of tax lots with a greater than 25% slope are considered unsuitable for development.
  - b. Lands within the 100 year floodplain or floodway.
    - Portions of tax lots falling within the FEMA Flood Insurance Rate Map (FIRM) 100-year floodplain are considered unsuitable for development.
    - These lots have either an A or AE classification on the FIRM maps.
    - Tax lots within the FEMA-FIRM floodway are not developable.
4. Other Constraints Inventoried:
  - a. Land within natural areas.
    - The National Wetlands Inventory was utilized to indicate tax lots with mapped wetlands.
    - For the purpose of determining buildable lands, the NWI wetlands have not been utilized as there are no local protections on these wetlands.
  - b. Lands within the Tsunami Evacuation Zone.
    - Both the Local and Distant tsunami evacuation zones have been inventoried.
    - For the purpose of determining buildable lands, the tsunami zone has not been utilized<sup>1</sup>.

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<sup>1</sup> A review of City Policies concerning the Tsunami Evacuation Zones is outside the scope of this BLI.

5. Partially Vacant Lots: These tax lots may be either:
  - a. Partially developed but have redevelopment potential, or
  - b. Constrained on a portion of the lot by location within the 100-year flood plain, or
  - c. Constrained on a portion of the lot by having slopes or 25% or greater.
6. Residentially Zoned: properties zoned by the City for residential use, as per ORS 197.296(4)(a).
7. Vacant Lots: These tax lots have no constraints based on being within the floodplain or having steep slopes of 25% or more.

### **Data**

The following six tables present the data utilized in developing the BLI. All Tables have been developed for the City of Nehalem by TCL Planning Consultants in association with MorganCPS Group. After analyzing the original data base, lots deemed partially vacant or vacant, constraints were noted for each. Excel spread sheets that accompany this report contain the data for all tax lots, as do the annotated assessor's maps. The Tables in this BLI summarize this underlying data.

**Table 1** shows the number tax lots inside the City limits and the UGB, classified by identified constraints. Six hundred and eighty-seven lots were found to have at least one of the four identified constraints. Eighty lots were constrained by at least one hazard in the City, and 607 lots in the UGB. A number of these lots have multiple constraints, and thus when "counted" more than once the total is 791 constrained lots. Taking into account the above noted constraints, 270 lots were found to be buildable lots (see **Table 2 – Table 6**).

<b>Table 1</b>						
<b>Number of Tax Lots by Constraint and Location</b>						
<i>Categories</i>	<b>Number of Constrained Lots</b>	<b>Tsunami</b>	<b>+25% Slope</b>	<b>Floodplain/ Floodway</b>	<b>Wetlands</b>	<b>Totals</b>
<b>Inside City Limits</b>	107	27	11	27	15	80
<b>UGB</b>	684	375	47	102	83	607
<b>Total Constrained Lots</b>	791*	402	58	129	98	<b>687</b>
		<b>687</b>				
<i>*A number of these lots have multiple constraints, and are "counted" more than once in this column.</i>						

**Table 2** shows the distribution of buildable tax lots based on the Assessor's Map, inside the City and the UGB, and by zone. There are six Section Assessor's Maps that make up the entirety of the City of Nehalem and UGB: Map 22, Map 23, Map 27, Map 28, Map 33, and Map 34. These maps are further broken into quarter sections and quarter-quarter sections, which are utilized in the spreadsheet analysis of the data.

Knowing the Map location, review of where the buildable lots are generally located is a simple process. The general location of the maps is as follows:

- Map 23 includes the north eastern portion of the UGB, including North Fork Road and east of McDonald Road.
- Map 22 is south of Map 23, along North Fork Road and area around Division Street.
- Map 27 includes the City of Nehalem.
- Map 28 is west of the western City limits around Schollmeyer Road, both north and south of Highway 101.
- Map 33 extends from about Tohl Road. to the west UGB limits and south of Oceanway to the Nehalem River.
- Map 34 includes Nehalem Point, south of the City limits.

Table 2 Number of Buildable Lots by Map and Zone								
Map #	Zone Designation	Partially Vacant Lots		Unconstrained Vacant Lots		Total Number of Buildable Lots		Combined Totals
		City	UGB	City	UGB	City	UGB	
22DD	R-1	2	1		15	2	16	18
23's	R-1		4		15		19	19
	R-T		1		1		2	2
	L-M		2				2	2
27's	R-2		2				2	2
	R-3	1		16		17		17
	R-L	2	7	8	6	10	13	23
	R-M	11		27		38		38
28's	R-1		5		3		8	8
	R-2		18		33		51	51
	R-3		8		7		15	15
	R-T				4		4	4
	A-1		1				1	1
	C		3				3	3
33's	R-2		4		9		13	13
	R-3		3		22		25	25
	R-L		2				2	2
34's	R-L		2		25		27	27
Subtotals		16	63	51	140	67	203	270
		79		191		270		

**Table 3** shows the 270 buildable lots for the City and the UGB based on whether the lots are partially vacant or unconstrained. **Table 3** also shows the break down by zoning classifications. Clearly there are currently more lots available for development in the UGB than within the City itself. Fewer than twenty five percent (24.8%) of the available lots are within the City.

Zone	Partially Vacant Lots		Unconstrained Vacant Lots		Total: Partially Vacant and Vacant Lots	
	City	UGB	City	UGB	City	UGB
R-1	2	10		33	2	43
R-2		24		42		66
R-3	1	11	16	29	17	40
R-L	2	11	8	31	10	42
R-M			38		38	
R-T		1		5		6
L-M		2				2
C		3				3
A-1		1				1
M-R						
<b>Subtotals</b>	<b>5</b>	<b>63</b>	<b>62</b>	<b>140</b>	<b>67</b>	<b>203</b>
<b>Total Buildable Lots</b>					<b>270</b>	

Combining the data for partially vacant and the vacant lots, **Table 4** presents the number of buildable acres by zone within the City and the UGB. There is a higher total buildable acreage in the UGB (roughly 316.47 acres), similar to the ratio of lots. But the 28 acres of buildable land within the City is only about 8% of the total buildable acres (344.76 acres). This is in part influenced by one large partially vacant lot, Map 34 Tax Lot 200, located just north of Nehalem Point, which is just over 100 acres. That lot is in the Residential Light (R-L) classification within the UGB.

<b>Table 4 Number of Buildable Acres By Zone</b>		
<b>Zone</b>	<b>Buildable Acres by Zone in City</b>	<b>Buildable Acres by Zone in UGB</b>
<b>R-1</b>	10.75	28.15
<b>R-2</b>		52.15
<b>R-3</b>	4.78	38.10
<b>R-L</b>	3.89	155.43
<b>R-M</b>	8.87	
<b>R-T</b>		31.96
<b>L-M</b>		5.76
<b>C</b>		1.85
<b>A-1</b>		3.07
<b>M-R</b>		
<b>Acreage Subtotals</b>	<b>28.29</b>	<b>316.47</b>
<b>Total Acreage</b>	<b>344.76</b>	
<b>Total # of Lots</b>	<b>67</b>	<b>203</b>

**Table 5** and **Table 6** show the number of vacant and partially vacant tax lots by size. **Table 5** shows the 67 buildable lots within the City boundaries. **Table 6** provides the breakdown of the 206 vacant and partially vacant tax lots within the UGB. Within the City of Nehalem, there are 16 partially vacant lots, primarily in the Residential Marine (R-M) zone. The 51 unconstrained vacant lots within the City are spread between the Residential 3 (R-3) zone, the R-L zone, and the R-M zone.

<b>Table 5</b> <b>Inside the City</b> <b>[Sixty-Seven Total Lots]</b> <b>Number of Buildable Tax Lots by Zoning and Site Size</b>												
Zone	Partially Vacant Tax Lots						Unconstrained Vacant Tax Lots					
	< .12	.12 - .5	.5 - 2.	2 - 4.	4 -10+	Total	< .2	.2 - .5	.5 - 2	2 - 5	5 +	Total
R-1			1		1	2						
R-2												
R-3					1	1	16					16
R-L		1			1	2	4	2	2			8
R-M		10	1			11	8		19			27
R-T												
L-M												
C												
M-R												
<b>Subtotals</b>	<b>0</b>	<b>11</b>	<b>2</b>	<b>0</b>	<b>3</b>	<b>16</b>	<b>28</b>	<b>2</b>	<b>21</b>	<b>0</b>	<b>0</b>	<b>51</b>
<i>Note: A minimum lot size of 5000 square feet is .114784 acres, thus the starting of ≤.12 in Table 5.</i>												

**Table 6** reflects the 203 buildable lots outside of the City boundaries within the UGB. There are 63 partially vacant lots shown in **Table 6**. They are spread between the zones, with the highest number of lots in the Residential 2 (R-2) zone. The only partially vacant lots within the Commercial zone are also shown in **Table 6**. These three lots are in the area between Tohl Avenue and Underhill Lane on Highway 101. One lot is accessed from Pinewood Way.

There are 140 unconstrained vacant lots shown in **Table 6**. These lots are distributed pretty evenly between the Residential 1 (R-1), R-2, R-3, and the R-L zones.

<b>Table 6</b>												
<b>Number of Buildable Tax Lots In the UGB by Zoning and Site Size</b>												
<b>Zone</b>	<b>Partially Vacant Tax Lots</b>						<b>Unconstrained Vacant Tax Lots</b>					
	<b>&lt; .2</b>	<b>.2 - .5</b>	<b>.5 - 2</b>	<b>2 - 5</b>	<b>5 +</b>	<b>Total</b>	<b>&lt; .2</b>	<b>.2 - .5</b>	<b>.5 - 2</b>	<b>2 - 5</b>	<b>5 +</b>	<b>Total</b>
<b>R-1</b>		2	6	2		<b>10</b>	3	27	3			<b>33</b>
<b>R-2</b>	2	6	14	1	1	<b>24</b>	18	14	8	2		<b>42</b>
<b>R-3</b>	3	1	4	1	2	<b>11</b>	24	4	1	0		<b>29</b>
<b>R-L</b>		1	2	5	3	<b>11</b>	1	25	4	1		<b>31</b>
<b>R-M</b>						<b>0</b>						<b>0</b>
<b>R-T</b>					1	<b>1</b>			4		1	<b>5</b>
<b>L-M</b>				2		<b>2</b>						<b>0</b>
<b>C</b>		1	1		1	<b>3</b>						<b>0</b>
<b>A-1</b>				1		<b>1</b>						<b>0</b>
<b>Subtotals</b>	<b>5</b>	<b>11</b>	<b>27</b>	<b>12</b>	<b>8</b>	<b>63</b>	<b>46</b>	<b>70</b>	<b>20</b>	<b>3</b>	<b>1</b>	<b>140</b>



# City of Nehalem Housing Needs Analysis

February 2019



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While these population figures reflect land within the Nehalem City Limits, they do not include land within the Nehalem Urban Growth Boundary that is not annexed into the City. There is a significant amount of land in this urban growth area, and a substantial portion of it is developed to urban densities under county jurisdiction.

The Nehalem UGB, including all land within the UGB both inside and outside the City Limits, was the fastest growing region in Tillamook County during the 2000's.

	<b>2000</b>	<b>2010</b>	<b>AAGR (2000-2010)</b>
<i>Tillamook County</i>	24,262	25,250	0.4%
Bay City UGB	1,209	1,358	1.2%
Garibaldi UGB	915	783	-1.5%
Manzanita UGB	712	827	1.5%
Nehalem UGB	873	1,120	2.5%
Rockaway Beach UGB	1,475	1,510	0.2%
Tillamook UGB	5,226	5,605	0.7%
Wheeler UGB	391	420	0.7%
Outside UGBs	13,461	13,627	0.1%

*Source: Portland State University Population Research Center - 2018*

This growth is attributed to the urban density development of the Bayside Gardens area in the western portion of the UGB adjacent to the Manzanita UGB. This development consumed much of the buildable land in the area.

This report provides Nehalem with a factual basis to update the Housing Element of the City's Comprehensive Plan and any needed amendments to the Development Code. It will support future planning efforts related to housing and options for addressing any unmet housing needs in Nehalem. This report provides the City with information about the housing market in Nehalem and describes the factors affecting future housing demand in Nehalem. This analysis will help decision makers understand whether Nehalem has enough land to accommodate growth over the next 20 years.

### Framework for a Housing Needs Analysis

Economists view housing as a bundle of services for which people are willing to pay: shelter certainly, but also proximity to other attractions (job, shopping, recreation), amenities (type and quality of fixtures and appliances, landscaping, views), prestige, and access to public services (quality of schools). Because it is impossible to maximize all these services and simultaneously minimize costs, households must, and do, make tradeoffs. What they can get for their money is influenced both by economic forces and government policy. Moreover, different households will value what they can get differently. They will have different preferences, which in turn are a function of many

factors like income, age of household head, number of people and children in the household, number of workers and job locations, number of automobiles, and so on.

Thus, housing choices of individual households are influenced in complex ways by dozens of factors and the housing market in coastal Tillamook County is the result of the individual decisions of hundreds of households. These points help to underscore the complexity of projecting what types of housing will be needed in Nehalem between 2019 and 2039.

The complex nature of the housing market, demonstrated by the unprecedented boom and bust during the past decade, does not eliminate the need for some type of forecast of future housing demand and need. This includes resulting implications for land demand and consumption. Such forecasts are inherently uncertain. Their usefulness for public policy often derives more from the explanation of their underlying assumptions about the dynamics of markets and policies than from the specific estimates of future demand and need. Thus, this housing analysis starts with a framework for thinking about housing and residential markets, and how public policy affects those markets.

### Statewide Planning Goal 10

The passage of the Oregon Land Use Planning Act of 1974 (ORS Chapter 197) established the Land Conservation and Development Commission (LCDC) and the Department of Land Conservation and Development (DLCD). The Act required the Commission to develop and adopt a set of statewide planning goals. Goal 10 addresses housing in Oregon and provides guidelines for local governments to follow in developing their local comprehensive land use plans and policies, as well as the implementing ordinances.

At a minimum, local housing policies must meet the applicable requirements of Goal 10 and the statutes and administrative rules that implement it (ORS 197.295 to 197.314, ORS 197.475 to 197.490, and OAR 600-008). Goal 10 requires incorporated cities to provide the buildable land necessary to provide for population growth over 20 years. This work requires a City complete an inventory of buildable residential lands. Goal 10 also requires cities to encourage the numbers of housing units in price and rent ranges commensurate with the financial capabilities of its households. Some of the more detailed and analytical standards are required of cities with populations greater than 25,000. With Nehalem's population of 280, the primary requirement is to provide sufficient buildable lands to meet projected needs.

ORS 197.303 defines "Needed Housing". It reads:

*As used in ORS 197.307 (Effect of need for certain housing in urban growth areas), "needed housing" means all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes, as those*

terms are defined by the United States Department of Housing and Urban Development under 42 U.S.C. 1437a. “Needed housing” includes the following housing types:

- (a) *Attached and detached single-family housing and multiple family housing for both owner and renter occupancy;*
- (b) *Government assisted housing;*
- (c) *Mobile home or manufactured dwelling parks as provided in ORS 197.475 (Policy) to 197.490 (Restriction on establishment of park);*
- (d) *Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions; and*
- (e) *Housing for farmworkers.*

However, subsections (a) and (d) do not apply to a city with a population less than 2,500 (ORS 197.30(2))

DLCD provides guidance on conducting a housing needs analysis in the document *Planning for Residential Growth: A Workbook for Oregon’s Urban Areas*, referred to as the Workbook.

Nehalem must identify needs for the housing types listed above as well as adopt policies increasing the likelihood needed housing types will be developed. This housing needs analysis was developed to meet the requirements of Goal 10 and its implementing administrative rules and statutes. It must be noted, this Analysis also looks at age-related housing needs, as retired residents are a significant part of the Nehalem community. This is consistent with Section 2.06 of the Nehalem Comprehensive Plan which establishes housing policy, including providing housing which will “meet the needs of a variety of age and income groups.”

## Organization of this Report

The rest of this document is organized as follows:

- **Chapter 2. Residential Buildable Lands Inventory** presents the methodology and results of Nehalem’s inventory of residential land.
- **Chapter 3. Historical and Recent Development Trends** summarizes the state, regional, and local housing market trends affecting Nehalem’s housing market.
- **Chapter 4. Demographic and Other Factors Affecting Residential Development in Nehalem** presents factors that affect housing need in Nehalem, focusing on the key determinants of housing need: age, income, and household composition. This chapter also describes housing affordability in Nehalem relative to the larger region.



- **Chapter 5. Housing Need in Nehalem** presents the forecast for housing growth in Nehalem, describing housing need by density ranges and income levels.
- **Chapter 6. Residential Land Sufficiency within Nehalem** estimates Nehalem's residential land sufficiency needed to accommodate expected growth over the planning period.

## 2. Residential Buildable Lands Inventory

---

This chapter provides a summary of the residential buildable lands inventory (BLI) for the Nehalem UGB. This buildable land inventory analysis complies with statewide planning Goal 10 policies that govern planning for residential uses. The full buildable lands inventory completed by MorganCPS is presented in Appendix A.

First, the analysis established the residential land base (parcels or portion of parcels with appropriate zoning), classified parcels by buildable status, identified/deducted environmental constraints, and lastly summarized total buildable area by Plan Designation.

### Definitions

MorganCPS developed the buildable lands inventory with a tax lot database from Tillamook County Geographic Information Systems (GIS). Maps produced for the buildable lands inventory used a combination of GIS data, adopted maps, satellite photography, and visual verification to verify the accuracy of county data. The inventory builds from the database to estimate buildable land per Plan Designations that allow residential uses.

### Development Constraints

Consistent with state guidance on buildable lands inventories, MorganCPS deducted the following constraints from the buildable lands inventory and classified those portions of tax lots that fall within the following areas as constrained, unbuildable land:

- *Lands within floodplains.* Flood Insurance Rate Maps from the Federal Emergency Management Agency (FEMA) were used to identify lands in floodways and 100-year floodplains.
- *Land within natural resource protection areas.* The Locally Significant Wetlands shapefile was used to identify areas within wetlands. A 25- or 50-foot buffer was added to all wetlands areas. Riparian corridors, defined as lands within 50 feet of rivers, and the Willamette River Greenway are all considered undevelopable. These wetlands/riparian buffers are consistent with the City's Zoning Code 3.7.500 and 3.7.300.
- *Land with slopes over 25%.* Lands with slopes over 25% are considered unsuitable for residential development.

Note that land in Tsunami Inundation Zones is not identified as constrained land upon advice from the Department of Land Conservation and Development consistent with ORS 197.296(10) and (4)(a). This reflects the fact there are no constraints on building within these areas.

# Buildable Lands Inventory Results

## Vacant Buildable Lands

Exhibit 1 shows buildable residential lots in Nehalem by zone, which is also the Comprehensive Plan designation. The results show that the Nehalem UGB (land both inside and outside the City Limits) has 270 buildable lots of varying sizes and zoning.

Exhibit 1. Residential acres by Zone and Plan Designation, Nehalem UGB, 2017  
Source: Appendix A.

<b>Nehalem Buildable Lands Inventory Table 3</b>						
<b>Number of Buildable Lots by Zone</b>						
<b>Zone</b>	<b>Partially Vacant Lots</b>		<b>Unconstrained Vacant Lots</b>		<b>Total: Partially Vacant and Vacant Lots</b>	
	<b>City</b>	<b>UGB</b>	<b>City</b>	<b>UGB</b>	<b>City</b>	<b>UGB</b>
<b>R-1</b>	2	10		33	2	43
<b>R-2</b>		24		42		66
<b>R-3</b>	1	11	16	29	17	40
<b>R-L</b>	2	11	8	31	10	42
<b>R-M</b>			38		38	
<b>R-T</b>		1		5		6
<b>L-M</b>		2				2
<b>C</b>		3				3
<b>A-1</b>		1				1
<b>M-R</b>						
<b>Subtotals</b>	<b>5</b>	<b>63</b>	<b>62</b>	<b>140</b>	<b>67</b>	<b>203</b>
<b>Total Buildable Lots</b>					<b>270</b>	

Exhibit 2 shows the buildable acreage by zone in both the City Limits and the Urban Growth Boundary area outside the City Limits

<b>Nehalem Buildable Lands Inventory Table 4</b>		
<b>Number of Buildable Acres</b>		
<b>By Zone</b>		
<b>Zone</b>	<b>Buildable Acres by Zone in City</b>	<b>Buildable Acres by Zone in UGB</b>
<b>R-1</b>	10.75	28.15
<b>R-2</b>		52.15
<b>R-3</b>	4.78	38.10
<b>R-L</b>	3.89	155.43
<b>R-M</b>	8.87	
<b>R-T</b>		31.96
<b>L-M</b>		5.76
<b>C</b>		1.85
<b>A-1</b>		3.07
<b>M-R</b>		
<b>Acreage Subtotals</b>	<b>28.29</b>	<b>316.47</b>
<b>Total Acreage</b>	<b>344.76</b>	
<b>Total # of Lots</b>	<b>67</b>	<b>203</b>
<b>REFERENCE</b>		
<b>R-1</b>	<b>Medium-Density</b>	<b>1/7,500 sq ft</b>
<b>R-2</b>	<b>Medium-Density</b>	<b>1/5,000 sq ft</b>
<b>R-3</b>	<b>Medium-Density</b>	<b>1/5,000 sq ft</b>
<b>R-L</b>	<b>Low-Density</b>	<b>1/10,000 sq ft</b>
<b>R-M</b>	<b>Medium-Density</b>	<b>1/5,000 sq ft</b>
<b>R-T</b>	<b>Trailer</b>	<b>1/5,000 sq ft</b>
<b>L-M</b>	<b>Industrial</b>	
<b>C</b>	<b>Commercial</b>	
<b>A-1</b>	<b>Low-Density</b>	<b>1/20,000 sq ft</b>
<b>MR</b>	<b>Marine Res</b>	<b>1/5000 sq. ft.</b>

### 3. Historical and Recent Development Trends

---

Analysis of historical development trends in Nehalem provides insight into the functioning of the local housing market. The mix of housing types and densities, in particular, are key variables in forecasting future land need. The specific steps are described in Task 2 of the *DLCD Planning for Residential Lands Workbook* as:

1. Determine the time period for which the data will be analyzed.
2. Identify types of housing to address (all needed housing types).
3. Evaluate permit/subdivision data to calculate the actual mix, average actual gross density, and average actual net density of all housing types.

This HNA examines changes in Nehalem’s housing market from 2008 to 2018.

The HNA presents information about residential development by housing type. There are multiple ways that housing types can be grouped. For example, they can be grouped by:

1. Structure type (e.g., single-family detached, apartments, etc.).
2. Tenure (e.g., distinguishing unit type by owner or renter units).
3. Housing affordability (e.g., units affordable at given income levels).
4. Some combination of these categories.

For the purposes of this study, housing types are grouped based on Housing Affordability.

#### Data Used in this Analysis

Throughout this analysis (including the subsequent Chapter 4), data was used from multiple sources, choosing data from well-recognized and reliable data sources. One of the key sources for housing and household data is the U.S. Census. This report primarily uses data from two Census sources:

- The **Decennial Census**, which is completed every ten years and is a survey of *all* households in the U.S. The Decennial Census is considered the best available data for information such as demographics (e.g., number of people, age distribution, or ethnic or racial composition), household characteristics (e.g., household size and composition), and housing occupancy characteristics. As of 2010, the Decennial Census does not collect more detailed household information, such as income, housing costs, housing characteristics, and other important household information. Decennial Census data is available for 2000 and 2010.
- The **American Community Survey (ACS)**, which is completed every year and is a *sample* of households in the U.S. From 2012 to 2016, the ACS sampled an average of 3.5 million households per year, or about 2.6% of the households in the nation. The ACS collects detailed information about households, such as: demographics (e.g., number of people, age distribution, ethnic or racial composition, country of origin, language spoken at home, and educational

attainment), household characteristics (e.g., household size and composition), housing characteristics (e.g., type of housing unit, year unit built, or number of bedrooms), housing costs (e.g., rent, mortgage, utility, and insurance), housing value, income, and other characteristics.

In general, this report uses data from the 2012-2016 ACS for Nehalem. Where information is available and relevant, we report information from the 2000 and 2010 Decennial Census. Among other data points, this report includes population, income, and housing price data from the Oregon Office of Economic Analysis, the Oregon Bureau of Labor and Industries, the United States Department of Housing and Urban Development, Redfin, and Zillow. It also uses the Oregon Department of Housing and Community Services affordable housing inventory and Oregon's Manufactured Dwelling Park inventory.

The foundation of the housing needs analysis is the population forecast for Nehalem from the Oregon Population Forecast Program. The forecast is prepared by the Portland State University Population Research Center.

## Trends in Housing Mix

This section provides an overview of changes in the mix of housing types in Nehalem and compares Nehalem to Tillamook County and to Oregon. These trends demonstrate the types of housing developed in Nehalem historically. Unless otherwise noted, this chapter uses data from the 2000 and 2010 Decennial Census and the 2012-2016 American Community Survey 5-Year Estimates.

This section shows the following trends in housing mix in Nehalem:

- **Nehalem's housing stock is predominantly single-family detached housing units.** 79.4% of Nehalem's housing stock is single-family detached, 13% is single-family attached (e.g., townhouses), and 8% is manufactured housing.
- **Since 2000, Nehalem's housing mix has become more diverse but still focused on owner-occupied dwellings.** Nehalem's housing stock grew over the last decade within the city limits by adding one detached single-family home and 22 attached townhouse condominiums. In Bayside Gardens, outside the Nehalem city limits, about 61 single family homes were built during the period. The owner-occupancy rate remains consistently around 75%, compared to 60% for Tillamook County as a whole.
- **Single-family detached and attached housing accounted for the new housing growth in Nehalem between 2000 and 2017.** All of new housing permitted between 2000 and 2017 was single-family attached or detached housing.

## Nehalem, Tillamook County, and Oregon Housing Type and Growth – 2010-2017

### Housing Growth - Nehalem

Type	2010	% of Total	2017	% of Total	Increase	Change
Single Family Detached	81	67%	143	79%	62	43%
Single Family Attached	22	18%	23	13%	1	4%
Duplex Units	0		0		0	
Multi-Family Units	0		0		0	
Manufactured Housing	18	15%	14	8%	-4	-29%
Total	121	100%	180	100%	59	49%

### Housing Growth - Tillamook County

Type	2010	% of Total	2017	% of Total	Increase	Change
Single Family Detached	7,788	70%	7,501	72%	(287)	-4%
Single Family Attached	167	1%	150	1%	(17)	-11%
Duplex Units	445	4%	287	3%	(158)	-55%
Multi-Family Units	890	8%	985	9%	95	10%
Manufactured Housing	1,847	17%	1,531	15%	(316)	-21%
Total	11,137	100%	10,454	100%	(683)	

### Housing Growth - Oregon

Type	2010	% of Total	2017	% of Total	Increase	Change
Single Family Detached	961,030	64%	1,001,017	64%	39,987	4%
Single Family Attached	62,969	4%	70,995	5%	8,026	11%
Duplex Units	43,479	3%	44,530	3%	1,051	2%
Multi-Family Units	299,853	29%	325,019	21%	25,166	8%
Manufactured Housing	131,935	9%	130,070	8%	(1,865)	-1%
Total	1,499,267	100%	1,571,631	100%	72,364	

### Comparison of Oregon, Tillamook County, and Nehalem

Type	Oregon	Tillamook	Nehalem
Single Family Detached	64%	72%	79%
Single Family Attached	5%	1%	13%
Duplex Units	3%	3%	0%

Multi-Family Units	21%	9%	0%
Manufactured Housing	8%	15%	8%

## Building Permits

In 2017, Nehalem issued no building permits for new housing construction.

## Residential Development in Commercial Zones

Residential development in Nehalem's commercial zones is not allowed.

## Trends in Tenure

Housing tenure describes whether a dwelling is owner- or renter-occupied. This section shows:

- **Homeownership in Nehalem is higher than Tillamook County's and Oregon's average.** About 70% of Nehalem's households own their own home. In comparison, 60% of Tillamook County households and 61% of Oregon households are homeowners.
- **Homeownership in Nehalem stayed relatively stable between 2000 and 2012-2016.** In 2000, 71.3% of Nehalem households were homeowners. This dropped slightly to 70.6% in 2010.

The implication for the forecast of new housing is opportunities for rental housing in Nehalem are limited given fact there are no multi-family apartment complexes. This suggests that there may be opportunities to encourage development of a wider variety of affordable housing types, such as cottage housing or townhomes.

## Vacancy Rates

The Census defines vacancy as: "Unoccupied housing units... determined by the terms under which the unit may be occupied, e.g., for rent, for sale, or for seasonal use only." The 2010 Census identified vacancy through an enumeration, separate from (but related to) the survey of households. Enumerators are obtained using information from property owners and managers, neighbors, rental agents, and others.

Discussions with stakeholders familiar with Nehalem's housing market suggest that in 2017 and 2018, vacancy rates have been close to 1% or 2%.

## Government-Assisted Housing

Governmental agencies and nonprofit organizations offer a range of housing assistance to low- and moderate-income households in renting or purchasing a home. However, there are no government-assisted housing developments in Nehalem.



## Manufactured Homes

Manufactured homes provide a form of homeownership that can be made available to low- and moderate-income households. Cities are required to plan for manufactured homes—both on lots and in parks (ORS 197.475-492).

There are no manufactured housing parks in Nehalem. According to the American Community Survey in 2017 there were 14 manufactured homes on single lots. In 2010 there were 18 showing a net loss of 4 homes of this type.

## 4. Demographic & Other Factors Affecting Residential Development

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Demographic trends are important for a thorough understanding of the dynamics of the Nehalem housing market. Nehalem exists in a regional economy; trends in the region impact the local housing market. This chapter documents demographic, socioeconomic, and other trends relevant to Nehalem at the national, state, and regional levels.

A recommended approach to conducting a housing needs analysis is described in *Planning for Residential Growth: A Workbook for Oregon's Urban Areas*, the Department of Land Conservation and Development's guidebook on local housing needs studies. As described in the workbook, the specific steps in the housing needs analysis are:

1. Project the number of new housing units needed in the next 20 years.
2. Identify relevant national, state, and local demographic and economic trends and factors that may affect the 20-year projection of structure type mix.
3. Describe the demographic characteristics of the population and, if possible, the housing trends that relate to demand for different types of housing.
4. Determine the types of housing that are likely to be affordable to the projected households based on household income.
5. Determine the needed housing mix and density ranges for each plan designation and the average needed net density for all structure types.
6. Estimate the number of additional needed units by structure type.

This chapter presents data to address steps 2, 3, and 4 in this list. Chapter 5 presents data to address steps 1, 5, and 6 in this list.

### Demographic and Socioeconomic Factors Affecting Housing Choice

Analysts typically describe housing demand as the *preferences* for different types of housing (e.g., single-family detached or apartment), and *the ability to pay* for that housing (the ability to exercise those preferences in a housing market by purchasing or renting housing; in other words, income or wealth).

Many demographic and socioeconomic variables affect housing choice. However, the literature about housing markets finds that age of the householder, size of the household, and income are most strongly correlated with housing choice.

- **Age of householder** is the age of the person identified (in the Census) as the head of household. Households make different housing choices at different stages of life. This chapter discusses generational trends, such as housing preferences of Baby Boomers, people born from about 1946 to 1964, and Millennials, people born from about 1980 to 2000.
- **Size of household** is the number of people living in the household. Younger and older people are more likely to live in single-person households. People in their

middle years are more likely to live in multiple person households (often with children).

- **Income** is the household income. Income is probably the most important determinant of housing choice. Income is strongly related to the type of housing a household chooses (e.g., single-family detached, duplex, or a building with more than five units) and to household tenure (e.g., rent or own).

This chapter focuses on these factors, presenting data that suggests how changes to these factors may affect housing need in Nehalem over the next 20 years.

## National Trends<sup>1</sup>

This brief summary on national housing trends builds on previous work by MorganCPS/ECONorthwest, the Urban Land Institute (ULI) reports, and conclusions from *The State of the Nation's Housing, 2017* report from the Joint Center for Housing Studies of Harvard University. The Harvard report summarizes the national housing outlook as follows:

“A decade after the onset of the Great Recession, the national housing market is finally returning to normal. With incomes rising and household growth strengthening, the housing sector is poised to become an important engine of economic growth. But not all households and not all markets are thriving, and affordability pressures remain near record levels. Addressing the scale and complexity of need requires a renewed national commitment to expand the range of housing options available for an increasingly diverse society.”

Several challenges to a strong domestic housing market remain. Demand for housing is closely tied to jobs and incomes, which are taking longer to recover than in previous cycles. While trending downward and starting to bottom out, the number of underwater homeowners, delinquent loans, and vacancies remains high. *The State of the Nation's Housing* report projects that it will take changes in financing and government intervention at all levels for market conditions to return to normal.

- **Post-recession construction increases, but tightening supply.** New construction experienced the seventh year of gains in 2016 with 1.17 million units added to the national stock. However, the rate of new-unit production is still well below the 1.4 – 1.5 million unit average rates of the 1980s and 1990s. When including the Great Recession, housing completions over the 10-year period leading to 2016 totaled only 9.0 million units. This low rate of new construction, combined with continued increases in housing demand, have kept the market tight. This is further reflected in the lowest gross vacancy rate since 2000.

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<sup>1</sup> These trends are based on information from: (1) The Joint Center for Housing Studies of Harvard University's publication "The State of the Nation's Housing 2017," (2) Urban Land Institute, "2017 Emerging Trends in Real Estate," and (3) the U.S. Census.

- **Continued declines in homeownership.** The national homeownership rate declined for the twelfth consecutive year and is at about 63% as of 2016. The Urban Land Institute projects that homeownership will continue to decline to somewhere in the low 60% range by 2025 (the lowest point since the 1950s).
- **Housing affordability.** In 2016, almost one-third of American households spent more than 30% of their income on housing. This figure is down from the prior year, bolstered by a considerable drop in the owner share of cost-burdened households. Low-income households face an especially dire hurdle to afford housing. With such a large share of households exceeding the traditional standards for affordability, policymakers are focusing efforts on the severely cost-burdened. Among those earning less than \$15,000, more than 70% of households paid more than half of their income on housing.
- **Long-term growth and housing demand.** The Joint Center for Housing Studies forecasts that nationally, demand for new homes could total as many as 13.6 million units between 2015 and 2025. Much of the demand will come from Baby Boomers, Millennials,<sup>2</sup> and immigrants.
- **Changes in housing preference.** Housing preference will be affected by changes in demographics; most notably, the aging of the Baby Boomers, housing demand from Millennials, and growth of immigrants.
  - *Baby Boomers.* The housing market will be affected by continued aging of the Baby Boomers, the oldest of whom were in their early 70s in 2017 and the youngest of whom were in their early 50s in 2017. Baby Boomers' housing choices will affect housing preference and homeownership. Some Boomers are likely to stay in their home as long as they are able, and some will prefer other housing products, such as multifamily housing or age-restricted housing developments.
  - *Millennials.* As Millennials age over the next 20 years, they will be forming households and families. In 2017, the oldest Millennials were in their mid-30s and the youngest were in their early 20s. By 2035, Millennials will be between 39 and 54 years old.
  - Millennials were in the early period of household formation at the beginning of the 2007-2009 recession. Across the nation, household formation fell to around 600,000 to 800,000 in the 2007-2013 period, well below the average rate of growth in previous decades. Despite recent sluggish growth, several demographic factors indicate increases in housing growth to come. The Millennial generation is the age group most likely to form the majority of new households. While low incomes have kept current homeownership rates among young adults below their potential, Millennials may represent pent-up

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<sup>2</sup> According to the Pew Research Center, Millennials were born between the years of 1981 to 1996 (inclusive) and as of 2018, they were between the ages of 22-37. Read more about generations and their definitions here: <http://www.pewresearch.org/fact-tank/2018/03/01/defining-generations-where-millennials-end-and-post-millennials-begin/>.

demand that will release when the economy fully recovers. As Millennials age, they may increase the number of households in their 30s (though 2025) by 2.4 to 3.0 million.

- *Immigrants.* Immigration and increased homeownership among minorities could also play a key role in accelerating household growth over the next 10 years. Current Population Survey estimates indicate that the number of foreign-born households rose by nearly 400,000 annually between 2001 and 2007, and they accounted for nearly 30% of overall household growth. Beginning in 2008, the influx of immigrants was stanching by the effects of the Great Recession. After a period of declines, however, the foreign born are again contributing to household growth. The Census Bureau's estimates of net immigration in 2015–2016 indicate an increase of 1.0 million persons over the previous year. This is a decrease from 1.04 million during 2014–2015, but higher than the average annual pace of 850,000 during the period of 2009–2011. However, if proposed policies are successful, undocumented and documented immigration could slow down and cause a drag on household growth in the coming years.

The growing diversity of American households will have a large impact on the domestic housing markets. Over the coming decade, minorities will make up a larger share of young households and constitute an important source of demand for both rental housing and small homes. The growing gap in homeownership rates between whites and blacks, as well as the larger share of minority households that are cost burdened, is therefore troubling. During the 12-year period leading up to 2017, the difference in homeownership rates between whites and blacks rose by 2.3 percentage points to 29.7% in 2016. Alternatively, the gap between white and Hispanic homeownership rates, and white and Asian homeownership rates, both decreased during this period by 2.8 percentage points. Although homeownership rates are increasing for some minorities, large shares of minority households are more likely to live in high-cost metro areas. This, combined with lower incomes than white households, leads to higher rates of cost burden for minorities—47% for blacks, 44% for Hispanics, 37% for Asians/others, and 28% for whites in 2015.

- **Changes in housing characteristics.** The U.S. Census Bureau's Characteristics of New Housing Report (2016) presents data that show trends in the characteristics of new housing for the nation, state, and local areas. Several long-term trends in the characteristics of housing are evident from the New Housing Report:<sup>3</sup>
  - *Larger single-family units on smaller lots.* Between 1999 and 2016, the median size of new single-family dwellings increased by over 19%

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<sup>3</sup> U.S. Census Bureau, Highlights of Annual 2016 Characteristics of New Housing. Retrieved from: <https://www.census.gov/construction/chars/highlights.html>.

nationally, from 2,028 sq. ft. to 2,422 sq. ft., and over 21% in the western region from 2,001 sq. ft. to 2,430 sq. ft. Moreover, the percentage of new units smaller than 1,400 sq. ft. nationally, decreased by more than half, from 15% in 1999 to 7% in 2016. The percentage of units greater than 3,000 sq. ft. increased from 17% in 1999 to 30% of new one-family homes completed in 2016. In addition to larger homes, a move towards smaller lot sizes is seen nationally. Between 2009 and 2016, the percentage of lots less than 7,000 sq. ft. increased from 25% to 30% of lots.

- *Larger multifamily units.* Between 1999 and 2016, the median size of new multiple family dwelling units increased by almost 6% nationally and 2.5% in the Western region. Nationally, the percentage of new multifamily units with more than 1,200 sq. ft. increased from 28% in 1999 to 37% in 2016 and increased from 25% to 27% in the Western region.
- *More household amenities.* Between 1990 and 2013, the percentage of single-family units built with amenities such as central air conditioning, two or more car garages, or two or more baths all increased. The same trend in increased amenities is seen in multifamily units.

## State Trends

*Oregon's 2016-2020 Consolidated Plan* includes a detailed housing needs analysis as well as strategies for addressing housing needs statewide. The plan concludes that “a growing gap between the number of Oregonians who need affordable housing and the availability of affordable homes has given rise to destabilizing rent increases, an alarming number of evictions of low- and fixed- income people, increasing homelessness, and serious housing instability throughout Oregon.”

It identified the following issues that describe housing need statewide:<sup>4</sup>

- For housing to be considered affordable, a household should pay no more than one-third of their income toward housing costs, leaving money left over for food, utilities, transportation, medicine, and other basic necessities. Today, one in two Oregon households pays more than one-third of their income toward housing costs, and one in three pays more than half of their income toward these costs.
- More school children are experiencing housing instability and homelessness. The rate of K-12 homeless children increased by 12% from the 2013-2014 school year to the 2014–2015 school year.

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<sup>4</sup> These conclusions are copied directly from the report: Oregon's 2016-2020 Consolidated Plan <http://www.oregon.gov/ohcs/docs/Consolidated-Plan/2016-2020-Consolidated-Plan-Amendment.pdf>.

- Oregon has 28,500 rental units that are affordable and available to renters with extremely low incomes. There are about 131,000 households that need those apartments, leaving a gap of 102,500 units.
- Housing instability is fueled by an unsteady, low-opportunity employment market. Over 400,000 Oregonians are employed in low-wage work. Low-wage work is a growing share of Oregon’s economy. When wages are set far below the cost needed to raise a family, the demand for public services grows to record heights.
- Women are more likely than men to end up in low-wage jobs. Low wages, irregular hours, and part-time work compound issues.
- People of color historically constitute a disproportionate share of the low-wage work force. About 45% of Latinos, and 50% of African Americans, are employed in low-wage industries.
- The majority of low-wage workers are adults over the age of 20, many of whom have earned a college degree, or some level of higher education.
- Minimum wage in Oregon was \$9.25 in 2016. A minimum wage worker must work 72 hours a week, and 52 weeks a year, to afford a two-bedroom apartment at Fair Market Rents.

## Regional and Local Demographic Trends that may affect housing need in Nehalem

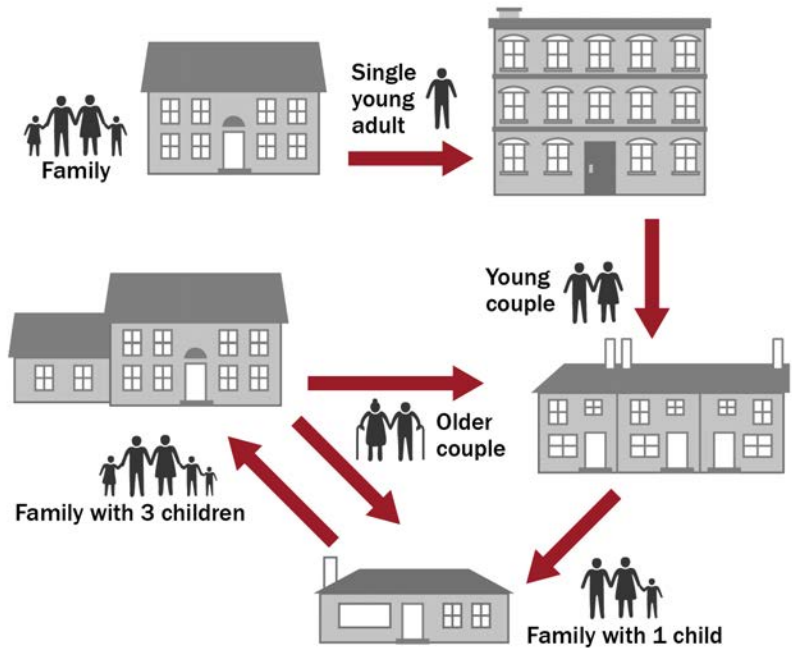
Demographic trends that might affect the key assumptions used in the baseline analysis of housing need are: (1) the aging population, (2) changes in household size and composition, and (3) increases in diversity.

An individual’s housing needs change throughout their life, with changes in income, family composition, and age. The types of housing needed by a 20-year-old college student differ from the needs of a 40-year-old parent with children, or an 80-year-old single adult. As Nehalem’s population ages, different types of housing will be needed to accommodate older residents. The housing characteristics by age data below reveal this cycle in action in Nehalem.

Housing needs and preferences change in predictable ways over time, such as with changes in marital status and size of family.

Families of different sizes need different types of housing.

Exhibit 2. Effect of demographic changes on housing need  
Source: MorganCPS/ECONorthwest, adapted from Clark, William A.V. and Frans M. Dieleman. 1996. Households and Housing. New Brunswick, NJ: Center for Urban Policy Research.





## Growing Population

Nehalem’s population growth will drive future demand for housing in the City over the planning period. As new housing and employment developments are few, growth generally takes the form of new single family homes on individual lots.

As noted on Page 1 and in the table below, population growth in Nehalem has been sporadic over the last decade predicated on construction of new subdivision and planned development projects creating growth capacity. This growth totaled 40 new residents.

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
240	260	270	270	270	280	280	280	280	280	280
0.0%	8.3%	3.8%	0.0%	0.0%	3.7%	0.0%	0.0%	0.0%	0.0%	0.0%

The Nehalem City Limits encompasses only about one third of the land inside the Nehalem Urban Growth Boundary. Much of the land west of the Nehalem City Limits is urbanized and is where most of the new construction and population increases have taken place, but specific data for that area are not available.

The Portland State University Population Research Center makes the following summary of its projections for Nehalem:

*The 5-year average annual housing unit growth rate is assumed to increase to 1.49 percent during the first 10 years and then decline thereafter. The occupancy rate is assumed to be steady at 70.6 percent throughout the 50 year horizon. PPH is assumed to be stable at 2.08 over the forecast period. Group quarters population is assumed to remain at 32.<sup>5</sup>*

## Aging Population

This section shows two key characteristics of Nehalem’s population, with implications for future housing demand in Nehalem:

**Seniors.** The senior population of Nehalem, meaning age 65 and over, represents about 15% of the total population. Seniors make up about 24% of Tillamook County residents as a whole while Oregon population has about 16% seniors. Demand for housing for retirees will grow over the planning period, as the Baby Boomers continue to age and retire.<sup>6</sup>

<sup>5</sup> Coordinated Population Forecast – 2017 through 2067 – Tillamook County, Population Research Center, Portland State University, June 30, 2017

<sup>6</sup> American Community Survey, US Census Bureau, 2018

The impact of growth in seniors in Nehalem will depend, in part, on whether older people already living in Nehalem continue to reside there as they retire. National surveys show that, in general, most retirees prefer to continue to live in their current home and community as long as possible. It is predicted that the senior population of Tillamook County will grow from 25.3% of the total population to 29.8% by 2035<sup>7</sup>

Growth in the number of seniors will result in demand for housing types specific to seniors, such as small and easy-to-maintain dwellings, assisted living facilities, or age-restricted developments. Senior households will make a variety of housing choices, including: remaining in their homes as long as they are able, downsizing to smaller single-family homes (detached and attached) or multifamily units, or moving into group housing (such as assisted living facilities or nursing homes), as their health declines. The challenges aging seniors face in continuing to live in their community includes changes in healthcare needs, loss of mobility, the difficulty of home maintenance, financial concerns, and increases in property taxes.<sup>8</sup>

**Nehalem has a smaller proportion of younger people than Tillamook County and Oregon.** About 16% of Nehalem’s population is under 20 years old, compared to 21% of Tillamook County’s population and Oregon’s average of 24%.

**Nehalem exceeds both Tillamook County and Oregon in people of middle age.** The median age in Oregon is 39.2 while the median age in Tillamook county is 48.0. The median age in Nehalem is substantially less at 29.2.

**Nehalem’s unique housing needs.** These statistics reveal that Nehalem has an unique population make-up with the majority of the population of middle-age. This presents interesting housing opportunities and needs.

Antidotal observations shows Nehalem is home to a combination of families with children and couples in their late working years and early retirement years. Nehalem has likely attracted these citizens because of several quality-of-life aspects of the community.

Nehalem is relatively affordable compared to Manzanita next door. This is likely because Manzanita is ocean-front and Nehalem is bay-front. Manzanita attracts many more second home owners than Nehalem because of its ocean-front location and this all contributes to very high average housing costs. Residents of Nehalem can enjoy much of the same environment and life-style for less money spent on housing.

Nehalem is a quiet community, generally free from the traffic and activities of a tourist oriented community such as Manzanita and Rockaway Beach.

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<sup>7</sup> A survey conducted by the AARP indicates that 90% of people 50 years and older want to stay in their current home and community as they age. See <http://www.aarp.org/research>.

<sup>8</sup> “Aging in Place: A toolkit for Local Governments” by M. Scott Ball.

Nehalem is the type of community not anxious for growth. Growth has never been the character of the community. There has not been a market that drives housing growth. It is a stable, rural, small, coastal community.

An exception is made for the Bayside Gardens area in the western portion of the urban growth boundary but outside the city limits. This large area between Nehalem and Manzanita was subdivided, under the jurisdiction of the County, in the 1970's and 1980's. It has filled in with smaller homes many of which are second homes. There are quite a few vacant lots remaining in this area which likely will be the site of any significant housing growth inside the UGB over the planning period.

Growth in Nehalem will likely remain consistent with the historic trends; slow, focused on home ownership, and affordable relative to other communities on the coast. As existing middle-age residents, the predominant cohort of Nehalem citizens, age, opportunities should be created for housing appropriate to allow people to stay in Nehalem. Also, recognizing the fact the buildable lands inventory shows there are essentially no large developable parcels within the urban growth boundary, housing development will be focused on continued single family housing construction likely with affordable homes, some expansion of attached townhomes, and infill where appropriate. Also, there is an opportunity for higher density around the downtown by modifying the Commercial zone to allow new multi-family housing either free-standing or in mixed-use buildings.

## Household Size and Composition

Nehalem's household size and composition show that households in Nehalem are somewhat smaller than Tillamook County and significantly smaller than statewide averages. Nehalem has 2.1 persons per household while Tillamook County has 2.3 and Oregon has 2.52 persons per household.] Nehalem has a smaller share of households with children than Tillamook County or Oregon.

About 33% of Nehalem households have children, compared with 36% of Tillamook County households and 46% of Oregon households.

## Income of Nehalem Residents

Income is one of the key determinants in housing choice and households' ability to afford housing. Income for residents living in Nehalem is higher than the Tillamook County average and slightly lower than the state average.

According to the 2017 American Community Survey, Oregon's median household income was \$56,119, Tillamook's was \$45,061, and Nehalem's median household income was \$53,750.

49% of Nehalem's residents make less than \$50,000 per year, compared to Tillamook County at \$69% and Oregon at 45%.

All in all the population statistics and the income statistics show Nehalem is a small community marked by a population of small households making income above the county average. This relatively prosperous situation creates stability and defines the general directions for the future.

### Regional and Local Trends Affecting Affordability in Nehalem

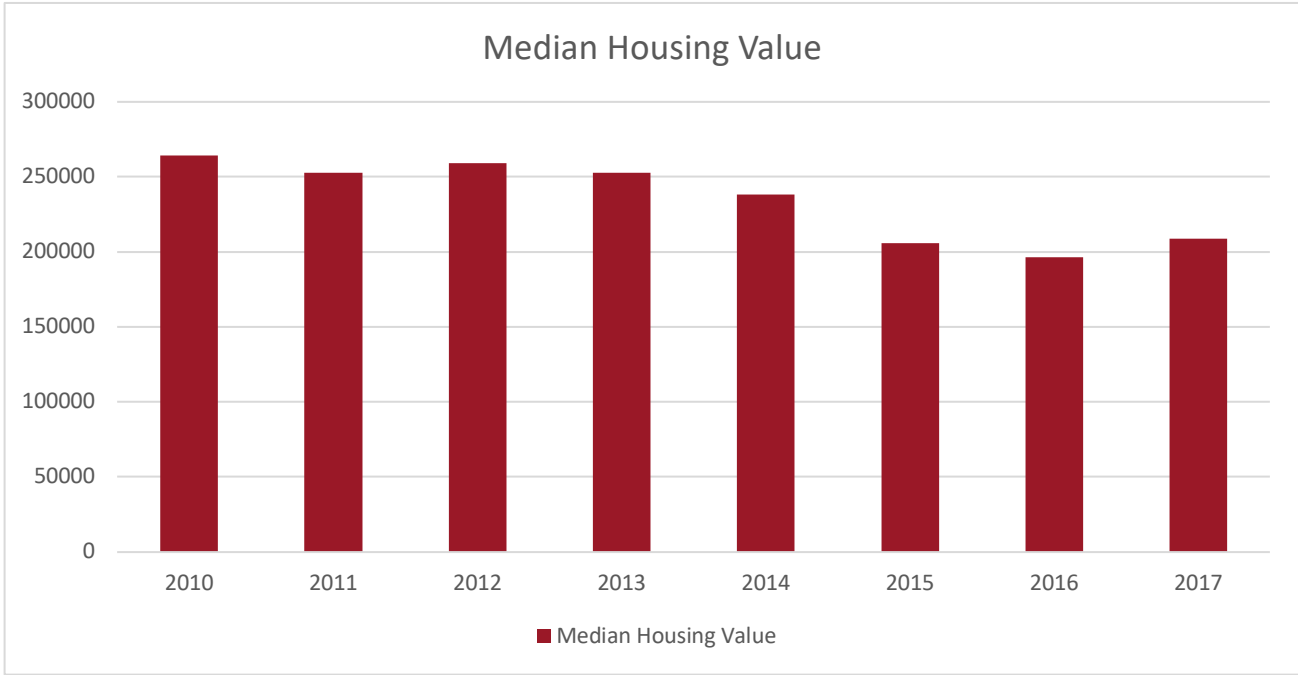
This section describes changes in sales prices, rents, and housing affordability in Nehalem, Tillamook County, and Oregon since 2000.

#### Changes in Housing Value

With a median housing value of \$208,000 in 2017, Nehalem’s value was lower than the Tillamook County as a whole, which has a median value of \$233,500, and lower than Oregon as a whole, which as a medial value of \$265,700.

It must be noted that Tillamook County’s housing values are highly diverse depending on a home’s proximity to the ocean. As Nehalem has no ocean front, housing values do not reflect this extraordinary influence on housing price.

Nehalem’s median housing values have also depressed significantly since 2010 as shown in the following table<sup>9</sup>. It is assumed these changes are due to the influences of the recession of the 2010 decade.



## Housing Costs and Affordability

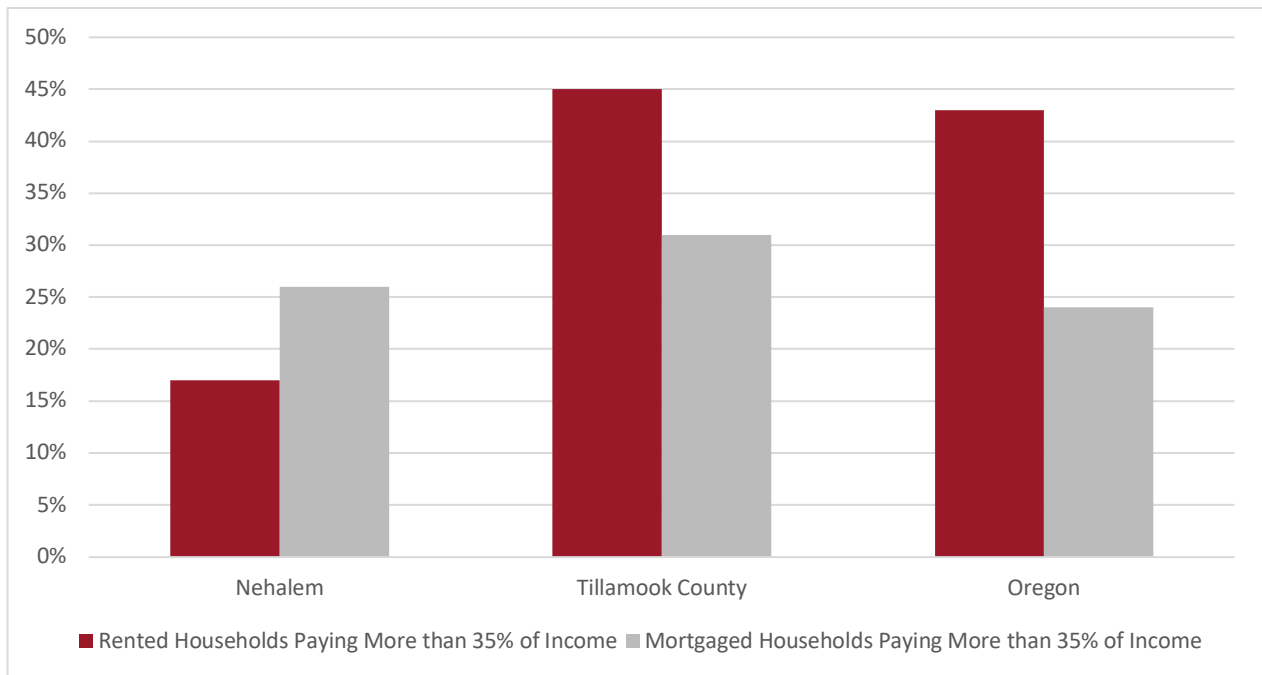
Rent costs in Nehalem average \$993 per month. Tillamook County as a whole has average rent of \$831 and Oregon's \$988. Tent price points in Nehalem are illustrated below<sup>9</sup>:



The important data are those illustrating affordability. Nehalem ranks well compared to Tillamook County and Oregon.

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<sup>9</sup> 2013-2017 American Community Survey, US Census Bureau



<sup>1</sup>2013-2017 American Community Survey, US Census Bureau

The Department of Housing and Urban Development’s guidelines indicate households paying more than 30% of their income on housing experience “cost burden,” and households paying more than 50% of their income on housing experience “severe cost burden.” Using cost burden as an indicator for housing affordability is consistent with the Goal 10 requirement to provide housing that is affordable to all households in a community.

About 20% of Nehalem’s households are cost burdened. About 17% of renter households are cost burdened, compared with 26% of homeowners. Overall, Nehalem has a smaller share of cost-burdened households than Tillamook County and Oregon.

While cost burden is a common measure of housing affordability, it does have some limitations. Two important limitations are:

- A household is defined as cost burdened if the housing costs exceed 30% of their income, regardless of actual income. The remaining 70% of income is expected to be spent on non-discretionary expenses, such as food or medical care, and on discretionary expenses. Households with higher incomes may be able to pay more than 30% of their income on housing without impacting the household’s ability to pay for necessary non-discretionary expenses.
- Cost burden compares income to housing costs and does not account for accumulated wealth. As a result, the estimate of how much a household can afford to pay for housing does not include the impact of a household’s

accumulated wealth. For example, a household of retired people may have relatively low income but may have accumulated assets (such as profits from selling another house) that allow them to purchase a house that would be considered unaffordable to them based on the cost burden indicator.

Nehalem cannot be considered a cost-burdened community. While not a wealthy community compared to Manzanita and other oceanfront communities, housing prices are generally consistent with affordability for both rent-paying and mortgage-paying households.

This is consistent with the nature of Nehalem as a rural coastal community which is home to households smaller than regional and state averages, and which predominantly is made up of citizens in their pre- and early-retirement years.

The housing types that Nehalem has relatively low inventory of are more affordable housing types such as apartments, duplexes, tri- and quad-plexes, manufactured housing, and smaller single-family detached and attached housing.

### Summary of the Factors Affecting Nehalem's Housing Needs

The purpose of the analysis thus far has been to provide background on the kinds of factors that influence housing choice. While the number and interrelationships among these factors ensure that generalizations about housing choice are difficult to make and prone to inaccuracies, it is a crucial step to informing the types of housing that will be needed in the future. This is also compounded by Nehalem's small size where any new housing development can significantly skew overall percentages.

There is no question that age affects housing type and tenure. Mobility is substantially higher for people aged 20 to 34. People in that age group will also have, on average, less income than people who are older and they are less likely to have children. These factors mean that younger households are much more likely to be renters, and renters are more likely to be in multifamily housing.

The data illustrates what more detailed research has shown and what most people understand intuitively: life cycle and housing choice interact in ways that are predictable in the aggregate; age of the household head is correlated with household size and income; household size and age of household head affect housing preferences; and income affects the ability of a household to afford a preferred housing type. The connection between socioeconomic and demographic factors and housing choice is often described informally by giving names to households with certain combinations of characteristics: the "traditional family," the "never-marrieds," the "dinks" (dual-income, no kids), and the "empty-nesters."<sup>10</sup> Thus, simply looking at the long wave of demographic trends can provide good information for estimating future housing demand.

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<sup>10</sup> See *Planning for Residential Growth: A Workbook for Oregon's Urban Areas* (June 1997).





but will attract smaller households seeking a rural coastal lifestyle. Nehalem offer this lifestyle also with a high degree of livability.

- The zoning and number of smaller developable lots and parcels will allow for development of affordable housing in smaller detached and attached single family homes, and in smaller rental buildings. There is land for additional manufactured housing.

The one opportunity to allow more higher-density housing is to allow apartments in the City's commercial zone, especially in mixed use buildings. This change would have a positive effect on the viability and vibrancy of the commercial district.

- **If the future differs from the past, it is likely to move in the direction, on average, of smaller units and more diverse housing types.** Most of the evidence suggests that the bulk of the change will be in the direction of smaller average house and lot sizes for single-family housing. This includes providing opportunities for development of smaller single-family detached homes, townhomes, and multifamily housing.

Key demographic and economic trends that will affect Nehalem's future housing needs are the aging of the Baby Boomers and the aging of the Millennials.

- *The Baby Boomer's population is continuing to age.* By 2035, people 65 years and older will account for 30% of the population in Tillamook County, up from 25% in 2015. The changes that affect Nehalem's housing demand as the population ages are that household sizes and homeownership rates decrease. The majority of Baby Boomers are expected to remain in their homes as long as possible, downsizing or moving when illness or other issues cause them to move. Demand for specialized senior housing, such as age-restricted housing or housing in a continuum of care from independent living to nursing home care, may grow in Tillamook County, with some of that demand coming from Nehalem residents.
- *Millennials will continue to age.* By 2035, Millennials will be roughly between 35 and 55 years old. As they age, generally speaking, their household sizes will increase, and their homeownership rates will peak by about age 55. Between 2018 and 2038, Millennials will be a key driver in demand for housing for families with children. The ability to attract Millennials will depend on the City's availability of affordable renter and ownership housing.

In summary, an aging population, increasing housing costs (although lower than the Region), housing affordability concerns for Millennials, and other variables are factors that support the conclusion of the continuing need for smaller and less expensive units and a broader array of housing choices. Growth of retirees in the region will drive demand for small single-family detached houses and townhomes for homeownership, townhome and multifamily rentals, age-restricted housing, and assisted-living facilities. Growth in Millennials will drive demand for

affordable housing types, including demand for small, affordable single-family units (many of which may be ownership units) and for affordable multifamily units (many of which may be rental units).

- **No amount of analysis is likely to make the distant future completely certain: the purpose of the housing forecasting in this study is to get an approximate idea about the future so policy choices can be made today.** Economic forecasters regard any economic forecast more than three years out as highly speculative. At one year, one is protected from being disastrously wrong by the sheer inertia of the economic machine. A variety of factors or events could, however, cause growth forecasts to be substantially different. This is particularly true in a small community like Nehalem where one new housing project can significantly alter the economic and demographic profile.

## 5. Housing Need in Nehalem

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### Project New Housing Units Needed in the Next 20 Years

The results of the housing needs analysis are based on the official population forecast for growth in Nehalem over the 20-year planning period, information about Nehalem's housing market relative to Tillamook County, and the demographic composition of Nehalem's existing population and expected long-term changes in the demographics of Tillamook County.

#### Forecast for Housing Growth

This section describes the key assumptions and presents an estimate of new housing units needed in Nehalem between 2018 and 2038. The key assumptions are based on the best available data and may rely on safe harbor provisions, when available.<sup>12</sup>

- **Population.** A 20-year population forecast (in this instance, 2018 to 2038) is the foundation for estimating needed new dwelling units. The population in Nehalem's UGB is forecasted to grow from 1,240 to 1,566, an increase of 326 people (26%) between 2017 and 2035.<sup>13</sup> This represents about 155 new households.<sup>14</sup>
- **Persons in Group Quarters<sup>15</sup>.** Persons in group quarters do not consume standard housing units: thus, any forecast of new people in group quarters is typically derived from the population forecast for the purpose of estimating housing demand. Group quarters can have a big influence on housing in cities with colleges (dorms), prisons, or a large elderly population (nursing homes). In general, any new requirements for these housing types will be met by institutions (colleges, government agencies, health-care corporations) operating outside what is typically defined as the housing market. Nonetheless, group

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<sup>12</sup> A safe harbor is an assumption that a city can use in a housing needs analysis that the State has said will satisfy the requirements of Goal 14. OAR 660-024 defines a safe harbor as "... an optional course of action that a local government may use to satisfy a requirement of Goal 14. Use of a safe harbor prescribed in this division will satisfy the requirement for which it is prescribed. A safe harbor is not the only way, or necessarily the preferred way, to comply with a requirement and it is not intended to interpret the requirement for any purpose other than applying a safe harbor within this division."

<sup>13</sup> This forecast is based on Tillamook County's certified population estimate and official forecast from the Oregon Population Forecast Program for the 2018 to 2038 period.

<sup>14</sup> This forecast is based on Nehalem UGB's official forecast from the Oregon Population Forecast Program for the 2018 to 2038 period.

<sup>15</sup> The Census Bureau's definition of group quarters is as follows: A group quarters is a place where people live or stay, in a group living arrangement, that is owned or managed by an entity or organization providing housing and/or services for the residents. The Census Bureau classifies all people not living in housing units (house, apartment, mobile home, rented rooms) as living in group quarters. There are two types of group quarters: (1) Institutional, such as correctional facilities, nursing homes, or mental hospitals and (2) Non-Institutional, such as college dormitories, military barracks, group homes, missions, or shelters.

quarters require residential land. They are typically built at densities that are comparable to that of multi-family dwellings.

The 2012-2016 American Community Survey shows that none of Nehalem's population was in group quarters. **For the 2018 to 2038 period, it is assumed this situation will generally continue with any population in group quarters will be in single-family homes, as is found with adult foster homes for people with disabilities.**

- **Household Size.** OAR 660-024 established a safe harbor assumption for average household size—which is the figure from the most-recent decennial Census at the time of the analysis. According to the 2012-2016 American Community Survey, the average household size in Nehalem was 2.1 people. **Thus, for the 2018 to 2038 period, an average household size of 2.1 persons is assumed.**
- **Vacancy Rate.** The Census defines vacancy as: "unoccupied housing units are considered vacant. Vacancy status is determined by the terms under which the unit may be occupied, e.g., for rent, for sale, or for seasonal use only." The 2010 Census identified vacant through an enumeration, separate from (but related to) the survey of households. The Census determines vacancy status and other characteristics of vacant units by enumerators obtaining information from property owners and managers, neighbors, rental agents, and others.

Vacancy rates are cyclical and represent the lag between demand and the market's response to demand for additional dwelling units. Vacancy rates for rental and multifamily units are typically higher than those for owner-occupied and single-family dwelling units.

OAR 660-024 established a safe harbor assumption for vacancy rate—which is the figure from the most-recent decennial Census. According to the 2012-2016 American Community Survey, Nehalem's vacancy rate was 5.1%. **For the 2018 to 2038 period, we assume a vacancy rate of 5.1%.**

It is projected Nehalem will grow by 326 new residents by 2035. With the persons per household rate of 2.1 holding constant over the planning period, this equates to 155 new homes. With a vacancy rate of 5.1%, **the total new dwelling units needed by 2038 is 162.**

### Housing Units Needed Over the Next 20 Years

This section determines the needed mix and density for the development of new housing developed over this 20-year period in Nehalem. In the future, the need for new housing developed in Nehalem will generally include housing that is more affordable, with some housing located in walkable areas with access to services. This assumption is based on the following findings in the previous chapters:

- Demographic changes suggest moderate increases in demand for attached single-family housing and multifamily housing. The key demographic trends that will

affect Nehalem's future housing needs are the aging of the Baby Boomers, and the aging of the Millennials. Growth of these groups has the following implications for housing need in Nehalem:

- *Baby Boomers*. Growth in the number of seniors will have the biggest impacts on demand for new housing through demand for housing types specific to seniors, such as assisted living facilities or age-restricted developments. These households will make a variety of housing choices, including: remaining in their homes as long as they are able, downsizing to smaller single-family homes (detached and attached) or multifamily units, moving into age-restricted manufactured home parks (if space is available), or moving into group housing (such as assisted living facilities or nursing homes), as their health declines. Minor increases in the share of Baby Boomers who downsize to smaller housing will result in increased demand for single-family attached and multifamily housing.
- *Millennials*. Growth in Millennials will result in increased demand for both ownership and rental opportunities, with an emphasis on housing that is comparatively affordable. Some Millennials may prefer to locate in traditional single-family detached housing while some will prefer to locate in denser neighborhoods, possibly choosing small single-family detached houses, townhouses, or multifamily housing.
- About 20% of Nehalem's households face housing affordability problems. This means Nehalem is not technically a rent-burdened community, but it still represents a community need. Nehalem needs to continue to provide affordable housing types, especially for renters. A household earning the median household income of \$53,570 could afford a home valued up to about \$178,500 which is below the median home sales price of about \$208,000 in Nehalem.

In addition, Nehalem has no multifamily housing. While multifamily is allowed in the City's development code and land is zoned for it, the market has not responded with new apartment complexes. Continued increases in housing costs may increase demand for denser housing (e.g., multifamily housing or smaller single-family housing). To the extent that denser housing types are more affordable than larger housing types, continued increases in housing costs will increase demand for denser housing.

These findings suggest that Nehalem's needed housing mix is for a broader range of housing types than are currently available in Nehalem's housing stock. It must be noted Nehalem's Development Code allows for multi-family and duplex development in most zones, but this does not reflect the historic market trend in Nehalem which has been for conventional detached single-family and for attached single family in one planned development.

The types of housing developments that Nehalem will need to continue providing opportunity for over the next 20-years are: smaller single-family detached housing (e.g.,

cottages or small single-family detached units), manufactured housing, “traditional” single-family detached housing, townhouses, duplexes, and small apartment buildings.

A forecast of needed housing in the Nehalem UGB during the 2018 to 2038 period is given below. The projection is based on the following assumptions:

- Nehalem’s official forecast for population growth shows that the City will add 326 people over the 20-year period. This new population will result in need for 162 new dwelling units over the 20-year period.
- The assumptions about the mix of housing are given below. These are based on current housing mixes and the zoning of available land:
  - **About 80% of new housing will be single-family detached**, a category which includes manufactured housing. 80% of Nehalem’s housing was single-family detached in the 2012-2016 period. **Therefore, 130 new detached single family homes will be needed.**
  - **Nearly 15% of new housing will be single-family attached.** 14% of Nehalem’s housing was single-family attached in the 2012-2016 period, with little change since 2000. **This means 24 additional townhouses are needed.**
  - **About 5% of new housing will be multifamily.** Nehalem currently has no multi-family housing, but the assumption is made that as the demand for smaller, less-expensive homes increases as the average age of the Nehalem resident increases, the market will develop for some multi-family development. **It is projected this will equate to 8 dwellings in multi-family structures.**

The forecast of new units does not include dwellings that will be demolished and replaced. This analysis does not factor those units in; however, it assumes they will be replaced at the same site and will not create additional demand for residential land.

The table below allocates needed housing to plan designations in Nehalem. The allocation is based, in part, on the types of housing allowed in the zoning designations in each plan designation by zone. It shows:

- **Low Density** land will accommodate new single-family detached housing, including manufactured houses. It consists of land zoned R-L.
- **Medium Density** land will accommodate new single-family detached and attached housing, including manufactured houses, townhouses, duplexes, and triplexes. This land consists of land zoned R-1, R-2, R-3, and R-M.
- **Commercial** land can accommodate multifamily housing in mixed use buildings or projects if the text of the Commercial zone is amended as this analysis recommends. The zone is C.



About 23% of Nehalem’s future households will have income below 50% of the City’s median family income and about 77% will have incomes between 50% and 120% of the City’s median income.

This trend shows a some need for affordable housing types, such as manufactured homes, apartments, townhomes, duplexes, and small single-family homes.

Exhibit 3. Financially Attainable Needed New Housing, by Median Family Income (MFI) for Tillamook County (\$53,750), Nehalem, 2018-2038

Source: U.S. Department of Housing and Urban Development. U.S. Census Bureau, 2012-2016 ACS Table 19001.

% of Tillamook County MFI	<30%	30%-50%	50%-80%	80%-120%	>120%
Annual Income	< \$16,125	\$16,125-\$26,875	\$26,875-\$43,000	\$43,000-\$64,500	> \$64,500
Monthly Affordable Housing Cost	< \$403	\$403-\$672	\$672-\$1,075	\$1,075-\$1,612	> \$1,612
Percent of Nehalem Households	12%	11%	20%	22%	35%
New Households 2018-2038	19	17	33	36	57
Attainable Owner Housing Types	None	Mfg. in parks	Single-family detached and attached, Condos, Duplexes, and Mfg. on lots	All housing types of lower values	All housing types of higher values
Attainable Renter Housing Types	Apts., Mfg. in parks or lots	Apts., Mfg. in parks or lots, and Duplexes	Single-family attached, Single-family detached, Mfg. on lots, and Apts.	All housing types of lower values	All housing types of higher values

### Need for Government Assisted and Manufactured Housing

ORS 197.303 requires cities to plan for government-assisted housing, manufactured housing on lots, and manufactured housing in parks.

- Government-subsidized housing.** Government-subsidies can apply to all housing types (e.g., single family detached, apartments, etc.). Nehalem allows development of government-assisted housing in all residential plan designations, with the same development standards for market-rate housing. This analysis assumes that Nehalem will continue to allow government housing in all of its residential plan designations. Because government assisted housing is similar in character to other housing (with



the exception being the subsidies), it is not necessary to develop separate forecasts for government-subsidized housing.

- **Manufactured housing on lots.** Nehalem allows manufactured homes on lots in the R-1 and R-2 zones, which are the zones where single-family detached housing is allowed. Nehalem does not have special siting requirements for manufactured homes. Since manufactured homes are subject to the same siting requirements as site-built homes, it is not necessary to develop separate forecasts for manufactured housing on lots.
- **Manufactured housing in parks.** OAR 197.480(4) requires cities to inventory the mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high density residential development. According to the Oregon Housing and Community Services' Manufactured Dwelling Park Directory,<sup>16</sup> Nehalem has four manufactured home parks within the Urban Growth Boundary outside the City Limits, with 140 spaces 55 of which are senior living only.

ORS 197.480(2) requires Nehalem to project need for mobile home or manufactured dwelling parks based on: (1) population projections, (2) household income levels, (3) housing market trends, and (4) an inventory of manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high density residential.

- Nehalem will grow by 162 dwelling units over the 2018 to 2038 period.
- Analysis of housing affordability shows that about 33% of Nehalem's new households will be low income, earning 50% or less of the city's median family income. One type of housing affordable to these households is manufactured housing.
- National, state, and regional trends since 2000 showed that manufactured housing parks are closing, rather than being created. For example, between 2000 and 2015, Oregon had 68 manufactured parks close, with more than 2,700 spaces. Discussions with several stakeholders familiar with manufactured home park trends suggest that over the same period, few to no new manufactured home parks have opened in Oregon.
- Exhibit 3 shows that the households most likely to live in manufactured homes in parks are those with incomes between \$16,125-\$26,875 (30% to 50% of MFI), which include 11% of Nehalem households. However, households in other income categories may live in manufactured homes in parks.

Manufactured home park development is an allowed use in the Medium-density Residential – R3 zone and the Residential Trailer zone. The national and

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<sup>16</sup> Oregon Housing and Community Services, Oregon Manufactured Dwelling Park Directory, <http://o.hcs.state.or.us/MDPCRParcs/ParkDirQuery.jsp>

state trends of closure of manufactured home parks, and the fact that no new manufactured home parks have opened in Oregon in over the last 15 years, demonstrate that development of new manufactured home parks in Nehalem is unlikely.

This analysis concludes development of new manufactured home parks in Nehalem over the planning period is unlikely over the 2018-2038 period. It is, however, likely that manufactured homes will continue to locate on individual lots in Nehalem. The forecast of housing assumes that no new manufactured home parks will be opened in Nehalem over the 2018-2038 period. The forecast includes new manufactured homes on lots in the category of single-family detached housing.

- Over the next 20 years (or longer) one or more manufactured home parks may close in Nehalem. This may be a result of manufactured home park landowners selling or redeveloping their land for uses with higher rates of return, rather than lack of demand for spaces in manufactured home parks. Manufactured home parks contribute to the supply of low-cost affordable housing options, especially for affordable homeownership.

## 6. Residential Land Sufficiency within Nehalem

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This chapter presents an evaluation of the sufficiency of vacant residential land in Nehalem to accommodate expected residential growth over the 2018 to 2038 period. This chapter includes an estimate of residential development capacity (measured in new dwelling units) and an estimate of Nehalem’s ability to accommodate needed new housing units for the 2018 to 2038 period, based on the analysis in the housing needs analysis. The chapter ends with a discussion of the conclusions and recommendations for the housing needs analysis.

### Capacity Analysis

The buildable lands inventory summarized in Chapter 2 (and presented in full in Appendix A) provides a *supply* analysis (buildable land by type), and Chapter 5 provided a *demand* analysis (population and growth leading to demand for more residential development). The comparison of supply and demand allows the determination of land sufficiency.

There are two ways to calculate estimates of supply and demand into common units of measurement to allow their comparison: (1) housing demand can be converted into acres, or (2) residential land supply can be converted into dwelling units. A complication of either approach is that not all land has the same characteristics. Factors such as zone, slope, parcel size, and shape can affect the ability of land to accommodate housing. Methods that recognize this fact are more robust and produce more realistic results. This analysis uses the second approach: it estimates the ability of vacant residential lands within the UGB to accommodate new housing. This analysis, sometimes called a “capacity analysis,”<sup>17</sup> can be used to evaluate different ways that vacant residential land may build out by applying different assumptions.

### Nehalem Capacity Analysis Results

The capacity analysis estimates the development potential of vacant residential land to accommodate new housing, based on the needed densities by the housing type categories.

The table shows that **Nehalem’s vacant land has capacity to accommodate approximately 1,142 new dwelling units**, based on the following assumptions:

- **Buildable residential land.** The capacity estimates start with the number of buildable acres in residential zones as shown in Chapter 2. The exception is

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<sup>17</sup> There is ambiguity in the term *capacity analysis*. It would not be unreasonable for one to say that the “capacity” of vacant land is the maximum number of dwellings that could be built based on density limits defined legally by plan designation or zoning, and that development usually occurs—for physical and market reasons—at something less than full capacity. For that reason, we have used the longer phrase to describe our analysis: “estimating how many new dwelling units the vacant residential land in the UGB is likely to accommodate.” That phrase is, however, cumbersome, and it is common in Oregon and elsewhere to refer to that type of analysis as “capacity analysis,” so we use that shorthand occasionally in this memorandum.

Commercial Plan Designations. It is assumed a small portion of the land in Commercial Designations will develop with mixed-use buildings, which assumes a slight increase in development of housing in commercial areas over historical development patterns.

- **Needed densities.** The capacity analysis assumes development will occur at needed densities. Given the minimum lot size and density requirements in the various zones, it is assumed average development will occur at three dwelling units per acre in low density zones and four per acre in medium density zones. This is based on current development patterns which reflect right-of-way dedications and topography. It presents a “worst-case scenario” as multi-family development of more than four dwelling units per acre can occur in the medium density zones which equates to an even greater capacity to accommodate growth inside the current Urban Growth Boundary.

Estimate of residential capacity on unconstrained vacant and partially vacant buildable land, Nehalem UGB, 2018

Source: Buildable Lands Inventory; Calculations by MorganCPS/ECONorthwest.

Note: DU is dwelling unit.

Zones	Total Buildable Acres	Density Assumption (DU/Acre)	Capacity for Dwelling Units
Low Density zones	239.01	3	717
Medium Density zones	103.80	4	415
Commercial <sup>18</sup>	N/A	N/A	10
Total	342.81		1,142

## Residential Land Sufficiency

The next step in the analysis of the sufficiency of residential land within Nehalem is to compare the demand for housing by Plan Designation with the capacity of land by Plan Designation.

Nehalem allows multi-family housing outright in the R3 zone, and as a conditional use in the RM zone. There are 51.65 buildable acres in these two zones. Also duplexes are

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<sup>18</sup> There is no buildable land in the Commercial zone as the zone does not allow housing. But, it is assumed the text of the zone will change, as this analysis recommends, and new development and redevelopment of existing buildings will include second story apartments.

allowed outright on all parcels in the RL, RM, R2, and R3 zones, which encompass 263.12 vacant buildable acres.

Nehalem has more than sufficient land to accommodate development of all housing types in the Low Density and Medium Density Designations, with a surplus capacity for about 1,100 new housing units. Nehalem will not need to expand its Urban Growth Boundary to accommodate needed housing for several decades.

### Land Needed for Public and Semi-Public Uses

Public uses include government facilities (i.e., water or wastewater facilities, schools, or parks) and semi-public uses include churches and fraternal organizations. Land within Nehalem's UGB has been planned for public and semi-public uses.

For the purpose of estimating land needed for other uses, these lands are classified into three categories:

- **Lands needed for public operations and facilities.** This includes lands for city offices and maintenance facilities, county facilities, state facilities, and other related public facilities. Land needs are estimated using acres per 1,000 persons for all lands of these types.
- **Land needed for schools.** This is land needed for new schools.
- **Lands needed for parks and open space.** The City's adopted parks plan describes park and open space land needed to meet existing residents' parkland needs in Nehalem.

Because of its very small size, Nehalem does not need additional land for public facilities and schools. The City and School District have sufficient land to accommodate all needs during the planning period.

Nehalem might wish to have additional land for parks as development occurs. However, as there are few large vacant parcels acquisition for formal planned parks is unlikely. It is more likely land in flood plain and tsunami hazard areas may be set aside for permanent open space, parks, and recreation use.

Nehalem's total land need for public and semi-public lands is minimal. This land need can be accommodated in the large surplus of residential land, as described in the prior section. In addition, some of this park land need may be met on land with constraints, such as wetlands or floodplain, in areas that do not have development potential, based on the analysis in the Nehalem Buildable Lands Inventory.

## 7. Conclusions and Recommendations

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The key findings of the Nehalem Housing Needs Analysis are that:

- **Nehalem’s population is forecast to grow faster than in the past.** Nehalem , meaning all land inside the UGB including land within the City Limits, is forecast to grow from 1,240 people in 2018 to 1,566 people in 2038, an increase of 326 people at an average annual growth rate of 1.3%.
- **Nehalem is planning for 162 new dwelling units.** The growth of 326 people will result in demand for 162 new dwelling units over the 20-year planning period.
- **Nehalem’s existing land and zoning will accommodate all needed growth based on population increases and affordable housing needs.**

MorganCPS/ECONorthwest’s recommendations to Nehalem are:

- **Nehalem should continue to provide opportunities for development of the housing need identified in this report.** This analysis found that Nehalem’s housing needs are for more development of single-family attached housing and multifamily housing. While the City does not generally have a direct role in housing development, the City’s planning framework sets the context for housing development.

Given the ample available opportunities for development of detached and attached single family, duplex, and multi-family dwellings, Nehalem is positioned well to respond to the housing market as it meets housing needs.

- **Nehalem should take actions to expand development opportunities for multifamily housing.** Nehalem should change city policies and zoning text so that multifamily development can occur in the Commercial zone within mixed use buildings.
- **Nehalem should update its Comprehensive Plan policies.** The City’s residential Comprehensive Plan policies should be updated to reflect the findings and recommendations of this Housing Needs Analysis.



## CITY OF NEHALEM

35900 8TH STREET · P.O. BOX 143

NEHALEM, OR 97131

PH. (503) 368-5627

FX. (503) 368-4175

Attn: Frank Squillo & Patrick Conner  
12870 H St LLC  
12880 H St.  
Nehalem, OR 97131

Frank Squillo & Patrick Conner  
PO Box 731  
Manzanita, OR 97130

RE: Notice of Violation  
Planning Commission Hearing: \_\_\_\_\_

Dear Mr. Squillo and Mr. Conner:

This Notice is given pursuant to Section 21.020 of the City of Nehalem Zoning Ordinance. You are charged with violating the Zoning Ordinance in multiple particulars relating to the unapproved and unpermitted parking arrangement on and adjacent to your property located at 12880 H Street, Nehalem, Oregon, used for Wanda's Café. These violations include the placement of parking spaces that encroach into the City's 9<sup>th</sup> Street right-of-way and the placement of other parking spaces that are not properly contained by a bumper or rail and impermissibly encroach into the required 4 ½ foot setback area.

The Planning Commission will consider this matter and take any enforcement action at a public hearing currently scheduled for **October 17, 2019 at 6:00 p.m.** You have the right to respond with written comments or objections up to the close of the receipt of testimony. The City Manager has prepared a report on the matter which is available for public inspection.

Dale Shafer  
City Manager



# CITY OF NEHALEM

35900 8TH STREET • P.O. BOX 143

NEHALEM, OREGON 97131

PH (503) 368-5627

FX (503) 368-4175

Re: City Manager Report  
Wanda's Café – Parking Issues

Dear Planning Commission:

This report is given pursuant to Section 21.010 of the City's Zoning Ordinance, which requires the City Manager to investigate and prepare a written report for the Planning Commission's consideration as the first step in enforcing a violation of the Zoning Ordinance. This report relates to multiple infractions relating to the property located as 12880 H Street, Nehalem, also known as map and tax lot 3N1027-BD-2900 (the "Property"). The Property is in the C zone.

Preliminarily, the titling of this property has an interesting recent history. 12870 H St LLC, registered with the Oregon Secretary of State, Registry No. 1494107-97, appears to be the current contract purchaser of the Property, which purchased the property on or about January 1, 2019. This LLC is owned by Frank Squillo and Patrick Conner. This contract seller appears to be Wanda's Café and Bakery, LLC, which is now known as "Wendy Crosta, LLC" (doing business as Wanda's Café + Bakery and is registered with the Oregon Secretary of State at Registry No. 770035-81 (the DBA is registered at 1521514-95)).

## Background Facts

On or about January 22, 2019, the previous owner of the property, Frank Squillo, applied for and received a Zoning Approval for Building Permit, which related to a remodel of Wanda's Café. No parking plans were submitted, reviewed, or approved as part of this permit. On or about that same day, Wanda's Café and Bakery LLC submitted a Construction/Placement Permit Application with the Tillamook County Department of Community Development relating to this same remodel, which resulted in a Building Permit issued on or about January 24, 2019. No parking plans were submitted, reviewed, or approved as part of this Building Permit. Articles of Amendment were filed with the Oregon Secretary of State renaming Wanda's Café and Bakery, LLC to Wendy Crosta, LLC on January 31, 2019.



The remodel included a significant change to the Property's parking plan. The following aspects of the parking plan are problematic and in violation of the City's ordinances.

1. Angled parking spaces located along Ninth Street. These parking spaces are located almost entirely in the City's street right-of-way, and any vehicles parked in these spaces (especially large trucks) extend far into the street and pose both traffic flow and safety problems. City Hall has received complaints about this parking area impeding traffic and/or causing safety issues.
2. Three head-in parking spots along Ninth Street. These parking spots are located somewhat further onto the Property, but still extend into the City's right-of-way.
3. Installation of large concrete blocks, significant asphalt, and parking barriers in the City's right-of-way.
4. Four angled parking spot that immediately abut the Property to the west (TL 2800, used as the Post Office). These parking spots are located in a small parking area with additional parking spots, directly along the property line, and are not contained by a bumper or rail, except for a rail of about 1" high along the joint property line. The parking spaces are configured so that any vehicle operator would need to back out into the Hwy 101 right-of-way to exit the parking lot, or drive over the 1" rail along the joint property line. City Hall has received complaints about customers of Wanda's Café driving over this 1" rail and through the Post Office parking lot.

None of the above-described aspects of the owner's parking plan were approved by the City or the County. Donald Davidson, Public Works Director, verbally told the owner that he would allow a "trial run" for a different parking arrangement. There have been no verbal or written approvals for the current parking arrangement. I previously notified the owner that this parking arrangement is not permitted or allowed and that it would need to be changed; the owner responded with a statement that "I would need to get a court order."

Photographs of the violations and the violator's parking arrangement are attached to this report.

#### **Applicable Ordinances**

Section 9.040 of the City of Nehalem Zoning Ordinance ("Zoning Ordinance") requires that all parking in the C zone "shall be in conformance with Article XXV." Section 25.040(1) of that Article states, "[v]ehicle parking is allowed only on approved parking shoulders (streets for transient parking), within garages, carports and other structures, or on driveways or parking lots that have been developed in conformance with this *Ordinance*." That same section further

requires that "[v]ehicle parking shall be located on the same lot, parcel or tract that the use (residential, commercial, etc.) occupies, unless otherwise provided for within this *Ordinance*."

Section 25.040(d) states: "[a]t no time will off-site parking include parking on a right-of-way..."

Section 25.010(4) requires that "[p]arking spaces along the outer boundaries of a lot shall be contained by a curb or bumper rail at least four (4) inches high and set back a minimum of four and one-half (4½) feet from the property line." Section 25.010(6) provides: "[g]roups of more than four (4) parking spaces shall be served by a driveway so that no backing movements or other maneuvering within a street, other than an alley, will be required."

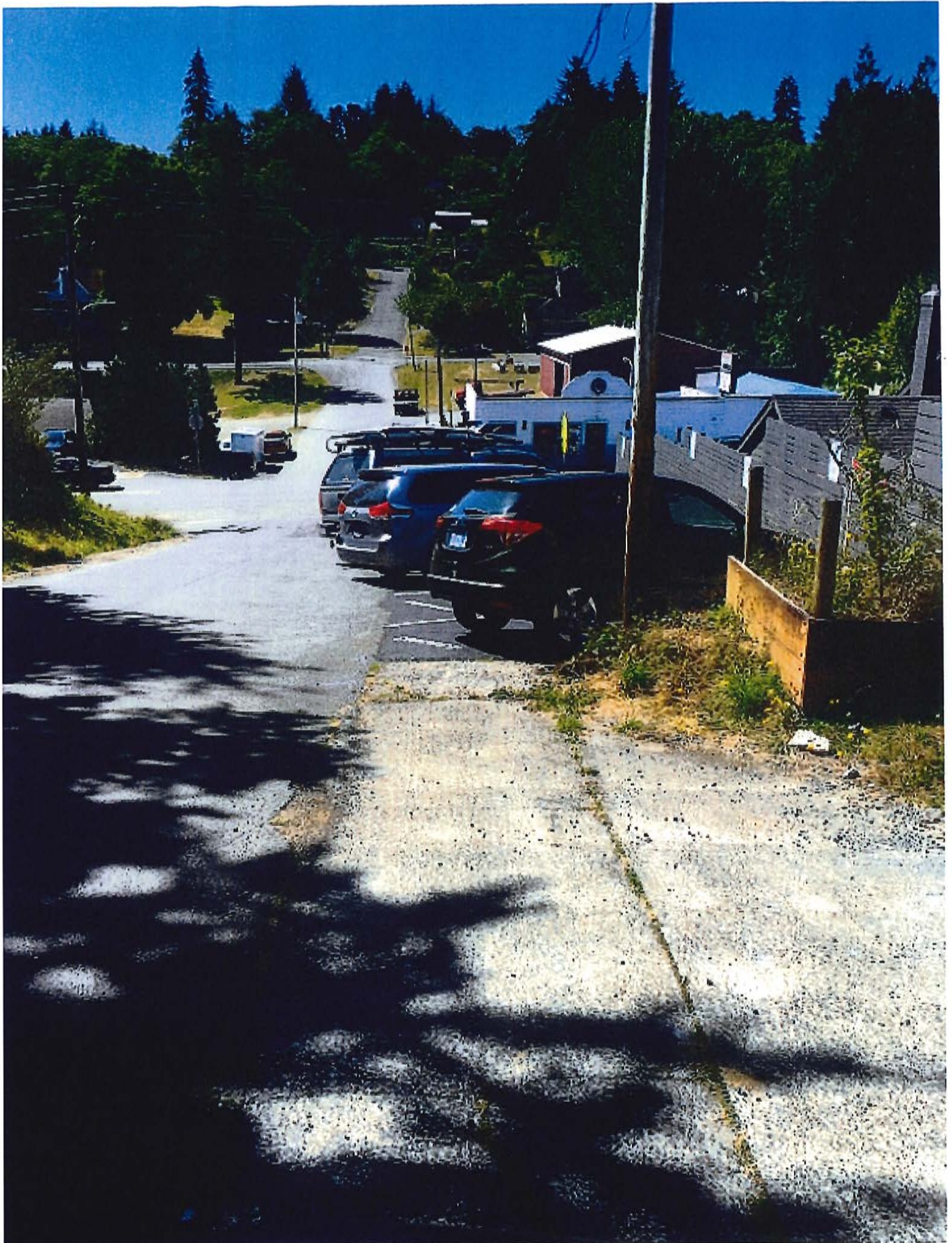
Section 2 of Ordinance No. 2014-07 states that "[n]o person, firm or corporation . . . shall dig a hole or make excavations in or upon any street, alley, sidewalk or curbing of the city; change, alter or destroy the surface of any such street, alley, sidewalk or curbing; obstruct the reasonable use of pedestrian travel over and upon such street, alley, sidewalk or curbing, except as provided by franchise, without first having received written permission from the City Manager, except in the case of emergencies as set out in this Ordinance." A violation of Ordinance 2014-07 allows the assessment of a fine of not more than \$1,000 by any court of competent jurisdiction.

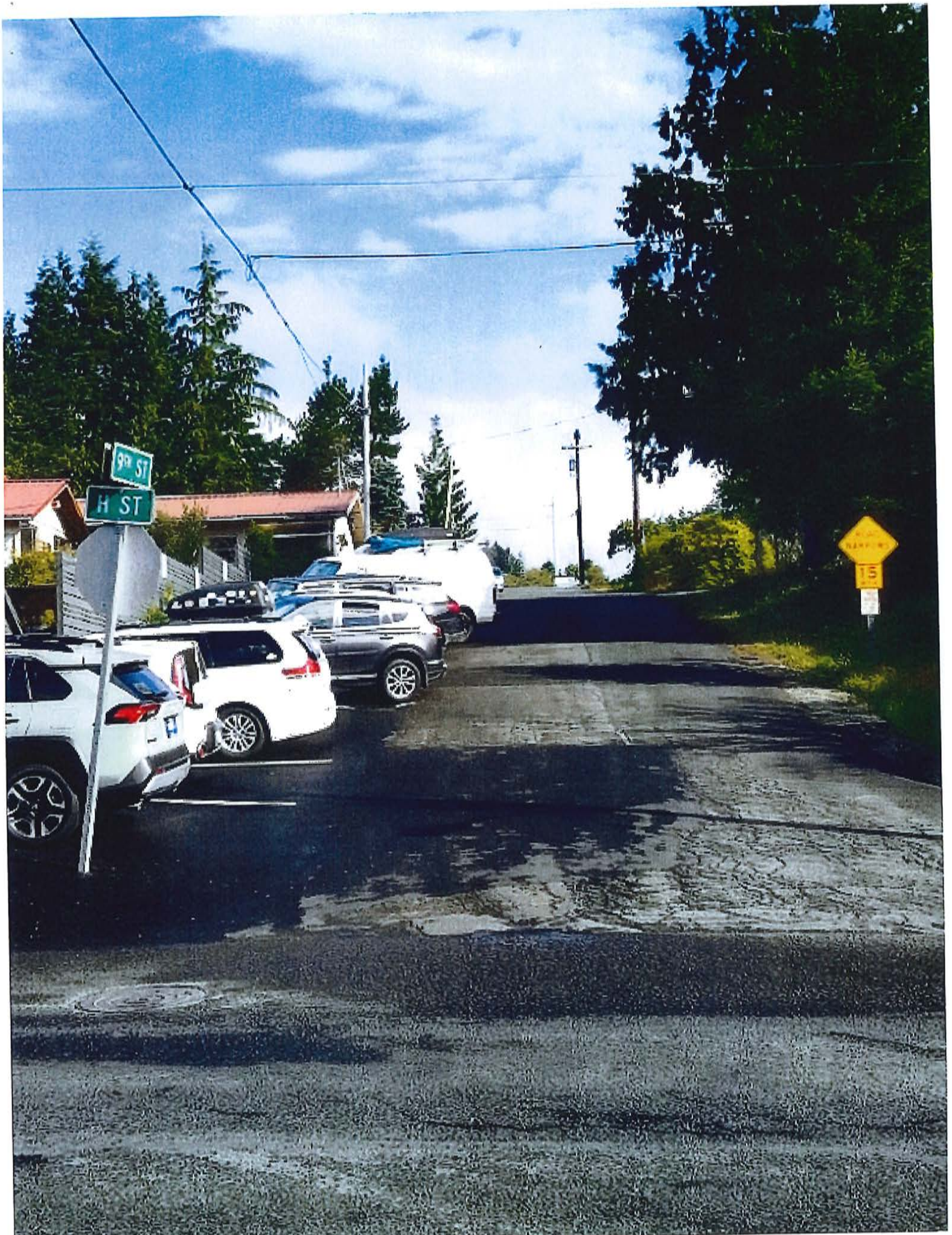
Regarding enforcement, Section 21.010(1) states that it is the "duty of the Planning Commission to enforce this Ordinance." Upon completion of this report, I will send, postmarked or hand-delivered not less than ten (10) days before the Planning Commission hearing on the violations discussed in this report, a notice of the enforcement matter to the alleged violator and all members of the Planning Commission, as per Section 21.020(1)(a). Violations of the Zoning Ordinance qualify as a misdemeanor.

Sections 21.030 and 21.040 permit the Planning Commission to take any or all of the following actions:

1. Impose of fine of not more than \$500.00 per day, beginning on the date of the receipt of the above-described notice;
2. Order the imprisonment of the violator for not more than two (2) days;
3. Take abatement action to remove the nuisance.
4. Revoke the violators permit(s);
5. Allow the violator a period to cure the violations;
6. Any other enforcement action available at law or equity.

Additionally, the City can initiate an enforcement of the owner's violation of Ordinance 2014-07 in a court of competent jurisdiction.







ROAD  
NARROWS

15  
M.P.H.

