

Housing Crunch: 'It's not going to go away'

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In the improved economy, Astoria, Seaside and Cannon Beach aggressively marketed themselves as tourist destinations, inviting visitors to take another look at the North Coast.

But the problem with more people visiting, and observing the quality of life, is that more people want to stay.

"It's a beautiful place to live — that's the reason people want to live here," said Scott Lee, chairman of the Clatsop County Board of Commissioners, who also leads the board of the Northwest Oregon Housing Authority.

Attractive locale

Clatsop County, while expensive for many locals, can be a financial safety valve for people priced out of urban areas, such as Portland and Seattle, where the cost of living has skyrocketed.

With the region becoming known as an attractive locale to vacation or relocate, property values have risen, along with rents and home prices.

Even with historically low mortgage rates and a revived labor market — two conditions that encourage buyers — fewer sellers are entering the market.

"So despite buyer enthusiasm, the number of properties for sale is dwindling," Debbie Morrow, executive officer at the Clatsop Association of Realtors, said in an email.

Homeowners looking to sell may not be able to do so because finding another home is difficult. This has given rise to "supply gridlock," Morrow said.

In late September, Clatsop County had two months of inventory in the \$150,000 to \$200,000 range, two months of inventory in the \$200,000 to \$250,000 range, and four months of inventory in the \$250,000 to \$300,000 range, according to figures compiled by Pam Ackley, who serves on the Warrenton City Commission and is a real-estate broker with Windermere Stellar.

"Most of the county is in a seller's market now," Ackley said.

Above \$300,000, the county's housing market is more likely to be in a buyer's market — that is, beyond that price point, the market often has more than six months' worth of inventory (a figure calculated by dividing the number of houses sold in the last year by 12, then dividing the number of active listings by that quotient).

For apartments, there are few listings below the \$825- to \$950-a-month range and an overall paucity of options that can complicate economic mobility.

Subsidies not enough

The housing crunch can be especially frustrating for people who qualify for subsidized housing.

Northwest Oregon Housing Authority — a nonprofit agency that works with low-income families and individuals in Clatsop, Columbia and Tillamook counties — administers housing-choice vouchers that allow applicants to rent from private landlords.

Last year, the agency paid rental assistance for 345 families in Clatsop County through the voucher program — \$1.6 million in rent payments directly to private landlords, according to Todd Johnston, the housing authority's executive director.

However, many people with vouchers are having trouble locating rental units.

"They're ending up returning those vouchers and not being able to use them," Johnston said.

The number of families returning housing vouchers because they were unable to find a rental has increased from roughly 7 percent to 11 percent in each of the three counties in the past five years, according to agency figures. The waitlist for a voucher has reached two years.

Difficult to build

The logical move, it would seem, is simply to build more housing units in all categories, which could help drive down prices.

But advocates for this strategy confront a host of difficulties.

For one thing, local communities, in varying degrees, have a scarcity of land that is development-ready.

In Astoria, for example, "you've got a city that's pretty much already built out," Community Development Director Kevin Cronin said.

The city has few vacant parcels, most of which are tied up in ownership issues, or come with a checklist of formidable geotechnical challenges, like steep slopes or barriers to outside access. When costs



Danny Miller/The Daily Astorian

The city of Astoria as seen from the air in July. Clatsop County's housing shortage has no easy solutions with a lack of buildable space and community opposition to changing the character of the towns and cities. The dearth of housing is also felt at every rung of the employment ladder.

Clatsop County census and housing data



Source: U.S. Census Bureau

Item	Clatsop	Oregon
Population, 2015 est.	37,831	4.03 million
Population, 2010 est.	37,037	3.83 million
Population per square mile (2010)	44.7	39.9
Land area in square miles (2010)	829	95,988
Under age 18, 2015	19.6%	21.4%
Under age 18, 2010	20.5%	22.6%
65 years and over, 2015	20.0%	16.4%
65 years and over, 2010	16.6%	13.9%
High school graduate or higher, age 25 or older*	90.9%	89.5%
Bachelor's degree or higher, age 25 or older*	23.6%	30.1%
In civilian labor force, age 16 or older*	60.3%	62.4%
Median household income (2014 dollars)*	\$47,337	\$50,521
Housing units, 2015	21,928	1.72 million
Housing units, 2010	21,546	1.68 million
Owner-occupied housing units*	62.7%	61.5%
Median value, owner-occupied housing units*	\$248,300	\$234,100
Median selected monthly mortgage costs*	\$1,526	\$1,591
Median gross rent*	\$825	\$894
Building permits, 2015	208	17,510

*2010-14

Alan Kenaga/EO Media Group

are accounted for — from acquiring the land to hooking up utilities — developers often realize a project does not pencil out.

And, though rents are rising, they have not hit a level that is likely to incentivize much new construction, Cronin said.

Vocal opposition

Development projects that could help ease the housing crunch regularly encounter vocal opposition.

In one recent example, neighbors opposed a 48-unit apartment complex in Miles Crossing west of Astoria because, among other objections, they were concerned with traffic impacts and whether the area had enough water and sewer capacity.

Richard Krueger, the developer behind the project, initially appealed a denial by the Clatsop County Planning Commission before he decided to withdraw.

Opponents of Miles Crossing encountered the pejorative label "NIMBY" (Not In My Backyard), but at least one of them, William Cook, called that characterization "totally baseless."

The opposition, he said, "had nothing to do with 'Not In My Backyard.' It had everything to do with the ability to support a development like this."

Cook, who lives less than a mile from the proposed development, said, "I think that any kind of complex like this should be sited in an area where foot traffic allows people to access their primary needs — groceries, health care, transportation, recreation — especially when you're talking about a complex that'll house children."

Many business and civic leaders supported the project because of the lack of affordable rentals. The apartments would have been built on 10.4 acres between Lewis and Clark Elementary School and the Lewis and Clark Golf & RV Resort.

Krueger, who has also tried to get a housing project built at the old Central School property in Astoria, said a number of residents are "anti-growth" and present obstacles to housing development.

Growth limits

One possible solution in some

cities is to expand the urban growth boundary, a land use planning line to restrict sprawl. Warrenton and Seaside have discussed expansions, though no official progress has been made.

In Astoria, the urban growth boundary is one of the "third rails" of local politics, Cronin said.

Because Astoria is surrounded by water on three sides, moving the boundary would mean encroaching on farmland and forest the city uses to help fund capital improvements. The town's hinterlands also provide habitat for fish and other wildlife.

Cronin said that expanding the urban growth boundary is "not something we're prepared to do here in Astoria."

The trade-off is that the city will have to develop within existing limits.

"Astoria has to figure out how to encourage that without going through pitched battles each and every time that you want to do a project," Cronin said.

Unwilling to grow outward, Astoria may have to live with a compact urban core. And a tight urban growth boundary may force development on vacant parcels, and generate more interest in rehabilitating vacant homes and underused property.

"There needs to be some sort of consensus in the community about what is most important, and if housing truly is an important issue, and that we're trying to solve it, we're going to have to be accepting of seeing new development, or at least trying to find ways to encourage reuse of existing buildings," Cronin said.

A side effect of success

In a certain light, the housing crunch might be viewed as a positive sign — a side effect of economic growth. But the crunch also constrains that growth, several experts believe.

The dearth of housing is felt at every rung of the employment ladder — from small retail operations to midlevel breweries to large health care agencies — aggravating, and limiting, the workforce.

"Our staff is certainly affected by this," Jennifer Cameron-Lattek

of Street 14 Cafe said. "We often hear that they're having problems finding housing they can afford."

Kevin Campbell, the CEO of Greater Oregon Behavioral Health Inc., told county commissioners over the summer that it has been difficult recruiting mental health professionals to help rebuild Clatsop Behavioral Healthcare.

"I can recruit people, but if they don't have a place to live, they're not going to stay," he said.

Jim Knight, the Port of Astoria's executive director, said the insufficient housing opportunities have become a hindrance to recruiting talented employees at the Port.

The situation has hit a point, he said, where, before a potential hire has gotten very far in an interview, the housing issue comes up.

Speaking of the county at large, Knight said, "Housing, right now, is probably one of the most important concerns that we've got to wrestle with."

Cronin said that, whether a business wants to attract millennials or experienced professionals, "if you have new employees that you're trying to hire, and you are trying to provide a competitive advantage, and they have other offers out there, you want to be able to provide them the housing options that they need."

Kevin Leahy, executive director of Clatsop Economic Development Resources, said, "If we can't get more housing units and rental units online in the market here, it's going to dramatically impact our economy."

Some improvement

There are some indications the situation may be improving.

Sean Fitzpatrick, who serves on the Astoria Planning Commission and owns the Illahee and Franklin apartment complexes with his wife, said rental prospects were bleak last year.

"Starting in January of 2015, our phones rang constantly with people desperately looking for housing," he wrote in an email. "We had waiting lists for every unit that became available."

That is not the case this year: "Every unit I turn over finds a tenant. Every tenant looking has

HOUSING CRUNCH



Danny Miller/The Daily Astorian

Kevin Leahy poses for a portrait in his Clatsop Economic Development Resources office in Seaside.

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found a home. Tenants now appear to have options, able to choose between two or more units."

Though he is aware the evidence is anecdotal, Fitzpatrick said "there seems to be a balance between people moving to the area and people moving out of the area."

Clatsop Economic Development Resources recently held a meeting devoted to housing scarcity and compiled a list of development projects in review and under construction. Some homebuilding, to be sure, is taking place.

But most experts do not believe market forces alone will solve the problem. Rather, it will require a combination of market activity, development code changes and community consensus to make the creation of new housing a priority.

"You cannot sit there and say, 'Well, we're just not going to deal with it. It'll go away,'" Leahy said. "It's not going to go away."

Derrick DePledge contributed to this report.