

# Wasco County Economic Development and Land Use Planning: Housing Issues

Prepared in 2018 by the Wasco County  
Planning Department

Housing availability and affordability is a national issue. The trend has been noticeably an issue in urban areas in the Columbia River Gorge National Scenic Area, where there is limited supply for the demand. As a result, prices are high.

In part, it is a result of the 2007-2009 recession. With the bursting of the housing bubble in many areas in 2007, the market was soft and financing for projects was difficult<sup>1</sup>. Normal rates of new housing creation slowed or stopped for several years, creating a deficit for supply. Coupled with normal population growth and an influx of visitors, this has resulted in a tight housing market.

There has also been significant discussion implicating land use and zoning regulations in attributing to the housing crisis<sup>2</sup>. Although much of these arguments focus on Portland and the constraints of the urban growth boundary (UGB) on land prices, there is the concern that

---

1

<https://oregoneconomicanalysis.com/2017/04/12/causes-of-the-great-housing-shortage/>

2

<http://www.cascadepolicy.org/publications/oregons-affordable-housing-crisis-can-be-attributed-to-restrictive-land-use-policies/>

UGBs in Wasco County may be a hindrance to residential, commercial and industrial lands.

In Wasco County, data shows there is a deficit in lower income housing availability<sup>3</sup>. While the housing inventory data demonstrates there are approximately 540 affordable units in the urban areas of Wasco County, there is still a need throughout Wasco County for lower income and workforce housing.

The current Wasco County Comprehensive Plan features data from the 1970s and 1980s. This data was used to support policies adopted in the 1983 plan. In the 70s, the data indicates mobile homes were the most popular type of residential building permit, far outpacing the development of stick built homes.

The current Comprehensive Plan also outlines the limitations to building residential development in the 1980s in Wasco County, including: preservation of land for agricultural use; publicly owned lands; areas of natural hazards; slopes greater than 20%; and land preserved for other resources (like aggregate mining). Many of these constraints have not changed substantially since the 1980s, although Wasco County's population continues to grow.

Policies related to housing at that time were limited to ensuring mobile homes were permitted to be used as dwellings and to safeguard rural areas from multiple family dwellings or denser, more urban development.

In looking ahead 20 years, it is likely that the housing challenges and opportunities in Wasco County will be more broad in scope than what was identified in the 1983 Comprehensive Plan.

---

3

<http://www.oregon.gov/ohcs/DO/shp/profiles/Wasco-County-Housing-Profile.pdf>

Housing is identified by the Oregon Department of Land Conservation and Development (DLCD) as a critical goal to be addressed during the Periodic Review update process. Wasco County 2040 has identified housing and housing alternatives as a significant work tasks, particularly as the link between housing and economic development is clearly indicated by not only the Mid Columbia Economic Development District's (MCEDD) [Columbia Gorge Economic Development Strategy](#) (CEDDS) but also by feedback from the community (obtained during the spring 2017 series of public meetings and surveys to solicit feedback for the plan update process).

This whitepaper evaluates some of the possible solutions and challenges to housing as it relates to Wasco County land use planning.

---

Mid Columbia Economic Development District's (MCEDD) [Columbia Gorge Economic Development Strategy](#) (CEDDS) identified housing as one of the biggest challenges facing our region's economic growth.

Population growth in the region, combined with the impact of reduced production of new housing, has resulted in a constrained housing market. Without available and affordable housing for the workforce, employers have expressed difficulty in finding talented and qualified workers for open positions.

In addition to inventory constraints, there is tourism related competition. Wasco County is part of the National Scenic Area, a regional destination for adventure and recreation, as well as scenic tourism. Jobs in the tourism

industry are traditionally low wage<sup>4</sup>. Tourism has supported the increased popularity and lucrateness of short term vacation rentals. This combination has placed tourists and workers in competition for available housing.

As housing costs continue to increase more rapidly than wages, even middle income workers struggle to find adequate housing.

Overall, the CEDDS identified housing availability and housing affordability as barriers to economic development in the Columbia River Gorge. For Wasco County, there were several stakeholder recommended challenges that cause a housing gap including: Urban Growth Boundaries (UGB) impact on land costs, vacation and short term rental impact on supply, and limited available lands for development.

Coupled with the challenges are possible solutions or strategies for addressing housing needs. These include: regional funding/incentives and partnerships for housing and housing repair, land banking/community land trusts, and increased multi-family development by supporting developers and contractors. In addition to these recommended strategies, during Wasco County 2040's visioning work shops, community members made additional suggestions for addressing housing needs. These included more flexible minimum parcel sizes and alternative dwelling types.

The next section explore these different strategies and potential strengths and weaknesses of the different approaches.

### **Wasco County Challenges and Opportunities**

---

<sup>4</sup> Columbia Gorge Economic Indicators, August 2016 (State of Oregon Employment Department)

## **UGBs and Land Cost**

Constraints on land supply in Wasco County are complicated. Over 43% of land in Wasco County is publicly owned or part of the Confederated Tribes of Warm Springs Indian Reservation. An additional 2.5% of land is federally designated as part of the National Scenic Area and regulated through a separate Land Use and Development Ordinance, in conjunction with the Columbia River Gorge Management Plan. These federal rules have unique constraints to maintain the land as a rural and scenic, and reduce urban densities or development. Lands in the National Scenic Area include the northern most portions of the County, including areas immediately adjacent to the cities of Mosier and The Dalles.

In Wasco County outside urban growth boundaries and the National Scenic Area, the significant majority of acreage is zoned for the protection and support of commercial agricultural and forestry uses. Agricultural production and related uses are still the dominant economic engine in Wasco County. Housing in conjunction with farm or large scale forest activity is typically permitted. There are also some instances where non-farm housing is allowed to be developed.

In addition to six incorporated cities, there are also several rural service areas in unincorporated Wasco County with zoning that specifically allows for denser residential development, like Tygh Valley and Wamic.

A Housing and Residential Land Needs Assessment was completed for The Dalles in 2017. The study is based upon historic trends, population forecasts, and analysis of current land and housing availability. The study concluded that “Communities like The Dalles

which face a future of growing within limited boundaries are likely to see increased pressure to generate denser housing” than historically developed<sup>5</sup>. This study found that with projected 20 year growth and demand, there was still a surplus of land available for development. Because of state requirements, the data therefore suggests that The Dalles would likely not qualify for a UGB expansion.

There are some additional difficulties involved in UGB expansions that may also suggest pursuing other options first. The Oregon Chapter of the American Planning Association has prepared a thorough paper on the issue<sup>6</sup>. To summarize some of their key points; high cost of extending infrastructure for expansion of urban services (roads, utilities, etc); housing needs are typically for central parts of cities where workers have access to employment; and UGB expansion does not necessarily guarantee land availability for housing, let alone affordable housing.

Beyond a UGB expansion, there are some possible strategies Wasco County can employ to reduce land costs. One potential tool available to the land use planning program is to explore the transfer of development rights<sup>7</sup> from rural areas to urban areas, and allow for higher densities of development than previously allowed. This option helps keep infrastructure costs in check, does not require a UGB

---

<sup>5</sup> [http://www.ci.the-dalles.or.us/sites/default/files/housing\\_and\\_residential\\_land\\_needs\\_assessment\\_original.pdf](http://www.ci.the-dalles.or.us/sites/default/files/housing_and_residential_land_needs_assessment_original.pdf) p. 36

<sup>6</sup> <http://www.oregonapa.org/wp-content/uploads/2017/02/2017-Challenges-to-Development-OAPA-FINAL-Feb2017.pdf>

<sup>7</sup> [http://www.oregon.gov/LCD/pages/tdr\\_pilot\\_program.aspx](http://www.oregon.gov/LCD/pages/tdr_pilot_program.aspx)

expansion, and keeps households closer to public services, facilities and employment.

### **Short Term Vacation Rentals**

Another challenge to housing identified in the CEDS report are the depletion of attainable housing by conversion of units from long term to short term rentals. Increased interest in tourism to the Columbia River Gorge and other parts of Wasco County, coupled with the ubiquitous nature of rental websites like AirBnB, many communities have found residents priced out of rental housing by owners offering up housing to vacationers.

Wasco County does not currently regulate short term rentals, although some in unincorporated Wasco County may be required to obtain a home occupation permit. One solution being adopted by cities in Wasco County, like Maupin, is to have ordinances that restrict short term rentals. Research has shown that while ordinance can be effective in reducing the total number of vacation rentals, enforcement of rules can be challenging<sup>8</sup>.

### **Community Land Trusts and Land Banking**

The CEDS report identifies community land trusts or land banking as a strategy for addressing housing demand the potential to increase land availability. These are generally non-profit organizations that hold land for public purposes like affordable housing, community gardens or civic spaces. Land trusts can also hold preserve land by instituting conservation easements against development. This strategy requires land be zoned for

residential development, particularly at levels that have enough density to meet the need.

Wasco County conducted a Buildable Lands Study in 2009 that identified several sites for development and redevelopment in rural service areas where there are residentially zoned properties.

### **Alternative Housing Options**

Another popular strategy for addressing housing demand, recommended by community members during Wasco County 2040 visioning, is for alternative housing types like accessory dwelling units (adus), mother-in-law suites, or tiny houses.

In the County, multiple dwelling units on non-farm sites are generally not permitted beyond hardship cases that have temporary housing needs. Limited infrastructure and public facilities and services, including emergency services, reduce the safety and sustainability of dense development in rural places. In other cases, like with tiny homes, there may be difficulty permitting the building as a dwelling due to building code regulations.

Without changes to state law that govern those limitations, added density in the non-urban portions of Wasco County will be difficult.

### **More Flexible Minimum Parcel Size**

One proposed solution to create more available land is to explore changes to the minimum parcel size regulations for farm land. Currently, state law restricts exclusive farm use lands to a minimum parcel size of 80 acres. With the help of an agricultural advisory board that met through the early 1990's, Wasco County adopted minimum parcel sizes that vary from state requirements. Currently, there is a unique

<sup>8</sup>

[https://scholarsbank.uoregon.edu/xmlui/bitstream/handle/1794/22520/DiNatale\\_final\\_project\\_2017.pdf?sequence=3](https://scholarsbank.uoregon.edu/xmlui/bitstream/handle/1794/22520/DiNatale_final_project_2017.pdf?sequence=3)

allowance for 40 acre high value farmland parcels (mostly orchard areas) and remaining agricultural land has a minimum parcel size of 160 acres (with the ability to test to 80 acres for division with high value production).

During the Wasco County 2040 visioning work sessions citizens expressed an interest in the development of five to ten acre agricultural zoning that would allow for experimental farming or for farming start ups. This idea is particularly popular in South Wasco County, where much of the land that is actively farmed is dedicated to grazing, alfalfa, hay or wheat.

There are limited options for reducing the minimum parcel size without changing the zone and designating the lands non-resource. This requires a goal exception to statewide land use planning rules; significant evidence supporting the land's removal from agricultural resource protection is required to be successful with a rezone application.

Another potential obstacle to the reduction of minimum parcel size are the limitations on development from Environmental Protection Districts. Buffers around resources like water or animal habitat often render portions of parcels undevelopable. Understanding the impact to these Environmental Protection District rules if parcel sizes are reduced is critical to ensuring this strategy is successful for creating additional housing options.

Beyond these limitations, there is also the concern that this potential added housing will have limited available infrastructure, public facilities and services and employment outside of agriculture.

### *Conclusion*

There are several strategies that have been presented as possible solutions to addressing housing needs. Most solutions have challenges and will have to be carefully evaluated, considering adverse impact and cost, to ensure they are successful for meeting the needs of Wasco County.

The most likely outcome of this proposed solution is to employ a multi-strategy approach that uses land use planning techniques, incentives and regulations to help reduce obstacles to housing.