

Deschutes County

2024 Rural Housing Profile



Rendering: Simpson Community



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Vacant Rural Residential Land Maps

PURPOSE

This report updates Deschutes County’s 2020 Rural Housing Profile.¹

Housing is consistently identified by Deschutes County residents as an issue of concern. But what does this actually mean? Is it the cost, availability, quality, location, or some combination of these factors? This updated report provides background and existing conditions in unincorporated Deschutes County as they relate to population, demographics, and vacant residential lands. Section 1 explores existing conditions in Deschutes County, including demographics, vacant lands, market analyses, and residential development opportunities currently available. Section 2 examines options to move forward with respect to housing, from opportunities currently afforded by state or local code to those that require further action or lobbying.

SECTION 1: DESCHUTES COUNTY TODAY

This section provides a snapshot of Deschutes County, summarizing numerous elements that have the potential to affect housing—whether directly or indirectly. While the information provided is just a starting point, it strives to illustrate some of the contrasts that exist between availability and affordability, between geographic regions, and some of the tools that currently exist to help manage these issues.

EXISTING POPULATION / HOUSING PROFILE

The following subsections provide an overview of the population of Deschutes County with respect to the number of residents, household income, and housing units. In some cases, information is provided for the incorporated cities separately as well as the unincorporated rural county; unless otherwise noted, however, data is for the entirety of Deschutes County, including its cities. Full methodology and explanations of source data are found in the footnotes. Much of the data comes from Portland State University Population Research Center and American Community Survey (ACS), which is a yearly survey produced by the U.S. Census that is sent to a subset of approximately 3.5 million people in the United States.

Population

Table 1 below illustrates Deschutes County’s total population estimates for July 2023 for its cities and the unincorporated area. The population of the unincorporated area represents approximately 29 percent of Deschutes County.

¹ <https://www.deschutescounty.gov/cd/page/deschutes-county-housing-strategies>

Table 1, Deschutes County Population Estimate (2023)²	
Deschutes County (including cities)	212,141
City of Bend	106,275
City of Redmond	38,208
City of La Pine	1,952
City of Sisters	3,823
Unincorporated County	61,883

Median Household Income

Table 2 illustrates the median household income for the same geographies, with the exception of the unincorporated county, for which data is not provided by the American Community Survey.

Table 2, Deschutes County Median Household Income (2022: ACS 5-Year Data Profile)³	
Deschutes County (including cities)	\$82,042
City of Bend	\$82,671
City of Redmond	\$72,798
City of La Pine	\$50,625
City of Sisters	\$84,088

The median household income for Deschutes County (including cities), is 9% higher than that of the State of Oregon (\$76,632). Income is a critical factor when examining the potential affordability of housing. A commonly-used metric by financial and housing analysts is that the cost burden of housing (whether rent or mortgage) should be no more than approximately one-third of household income.

Median Value of Owner-Occupied Housing Units

As shown in Table 3, the median value (\$526,000) of owner-occupied housing units—note that this is different than the average sale price, which is discussed below—in Deschutes County (including cities) is significantly higher than that of the State of Oregon (\$475,600). Given that median income is on par with the state yet housing value is not could be an indicator of a potential imbalance. It is also important to note that second and vacation homes are not included in this figure, which is intended to capture the value of housing units used as primary residences.

² Portland State University Population Research Center. Certified 2023 Population Estimate. https://docs.google.com/spreadsheets/d/1n9AXuVU1DaoBwOstEJj_ft_LWR5yKcl/edit#gid=843235416

³[https://data.census.gov/table?t=Income%20\(Households,%20Families,%20Individuals\)&g=040XX00US41_050XX00US41017_160XX00US4105800,4141050,4161200,4167950&d=ACS%205-Year%20Estimates%20Data%20Profiles](https://data.census.gov/table?t=Income%20(Households,%20Families,%20Individuals)&g=040XX00US41_050XX00US41017_160XX00US4105800,4141050,4161200,4167950&d=ACS%205-Year%20Estimates%20Data%20Profiles)

Table 3, Median value of owner-occupied housing units (2022: ACS 5-Year Estimates)⁴	
Deschutes County (including cities)	\$526,200
City of Bend	\$576,900
City of Redmond	\$379,600
City of La Pine	\$313,400
City of Sisters	\$546,400

Owner and Renter Occupied Housing Units

The data in Table 4 below illustrates the breakdown of owner-occupied versus renter-occupied homes in Deschutes County as a whole as well as its incorporated cities and the unincorporated county. The U.S. Census defines “owner occupied” as: “... the owner or co-owner lives in the unit, even if it is mortgaged or not fully paid for. The owner or co-owner must live in the unit and usually is Person 1 on the [Census] questionnaire.”

Table 4, Housing Tenure (2022)⁵	Deschutes County	City of Bend	City of La Pine	City of Redmond	City of Sisters	Unincorporated County
Total Housing Units	94,911	45,468	1,000	13,383	1,612	33,448
Owner Occupied	56,821	25,814	552	8,367	1,044	21,044
Owner Occupied (Percent of Total Housing Units)	60%	57%	55%	63%	65%	63%
Renter Occupied	24,660	16,337	417	4,658	299	2,949
Renter Occupied (Percent of Total Housing Units)	26%	36%	42%	35%	19%	9%

While the owner- and renter-occupancy rate varies significantly among the cities, it is worth noting that in all jurisdictions, the sum of owner-occupied and renter-occupied housing units does not add up to the total number of housing units. This is likely primarily attributable to second homes, vacation homes, or homes used for short-term rentals—all of which are common in tourism-oriented areas. In the unincorporated county, which accommodates a significant number of destination resorts and resort communities, a full 28 percent of homes are neither owner- or renter-occupied.

⁴https://data.census.gov/table?t=Housing%20Value%20and%20Purchase%20Price&g=040XX00US41_050XX00US41017_160XX00US4105800,4141050,4161200,4167950&d=ACS%205-Year%20Estimates%20Data%20Profiles

⁵https://data.census.gov/table/ACSDP5Y2022.DP04?g=040XX00US41_050XX00US41017_160XX00US4105800,4141050,4161200,4167950&d=ACS%205-Year%20Estimates%20Data%20Profiles

POPULATION PROJECTIONS

Understanding the future population of Deschutes County can inform rural housing strategy goals. Since the enactment of state legislation in 2013 to centralize population forecasts with consistent methodology across Oregon, population forecasts have been conducted by the Population Research Center (PRC) at Portland State University. Population forecasts are performed on a four-year cycle by region; the most recent forecast for Deschutes County was published in 2022.⁶ It is important to note that these population figures for 2022 and beyond may differ slightly from estimates provided by the United States Census due to different base year estimates and forecast methodology; for cities’ geography, PRC uses Urban Growth Boundaries (UGBs) rather than city limits, which can differ slightly.

The PRC 2022 Forecast Report notes that the total population of Deschutes County will likely grow at a faster pace in the near-term (2022-2047) compared to the long-term (2047-2072). This is largely due to an eventual decrease in birth rates versus death rates—owing to an aging population as well as a smaller population of women in their childbearing years—despite increases from in-migration. As shown in Table 5, Deschutes County’s total population (including cities) is forecast to increase by more than 91,000 over the next 25 years (2022-2047) and by more than 184,000 over the entire 50-year forecast period (2022-2072).

Table 5, Deschutes County and Sub-Area Population Forecasts⁷	2022	2047	2072	Average Annual Growth Rate 2022 - 2047	Average Annual Growth Rate 2047 - 2072
Deschutes County	207,921	298,937	392,790	1.5%	1.1%
Bend UGB	103,976	160,361	225,619	1.7%	1.4%
Redmond UGB	37,342	60,060	82,601	1.9%	1.3%
Sisters UGB	3,437	7,911	14,881	3.3%	2.5%
La Pine UGB	2,736	5,129	8,336	2.5%	1.9%
Outside UGB (Unincorporated County)	60,430	65,476	61,352	0.3%	-0.3%

The growth rate for unincorporated Deschutes County, however, does not mirror that of the county as a whole or its cities. While the growth rates for the county as well as its cities are all projected to slow down between 2047 and 2072, the growth rate slows more dramatically for the unincorporated county as shown in Table 6. As a result, the population of the unincorporated county becomes a smaller proportion of the county as a whole by 2047 and 2072.

⁶ <https://www.pdx.edu/population-research/sites/g/files/znlchr3261/files/2022-06/Deschutes.pdf>

⁷ Ibid.

Table 6, Deschutes County and Sub-Areas Share of County Forecasts ⁸	Share of County		
	2022	2047	2072
Deschutes County	n/a	n/a	n/a
Bend UGB	50%	54%	57%
Redmond UGB	18%	20%	21%
Sisters UGB	2%	3%	4%
La Pine UGB	1%	2%	2%
Outside UGB (Unincorporated County)	29%	22%	16%

HOUSING NEED

While not intended to replace an in-depth housing needs analysis that considers elements such as geography, income, and price point, some basic calculations can give a general feel for housing needs in the County with respect to population growth.

Average Number of Persons Per Household

The average number of persons per household in Deschutes County, including its cities, is 2.43.⁹

Estimated Housing Need

Utilizing the population projections provided in Table 5 above, Deschutes County outside of its UGBs is expected to grow from 60,430 people in 2022 to 65,476 in 2047—an addition of 5,046 residents. Dividing this number by average household size indicates that approximately 2,077 housing units may be required to accommodate this growth. Of note, this number does not take into account mortality rates, out-migration and related factors that could make existing housing available.

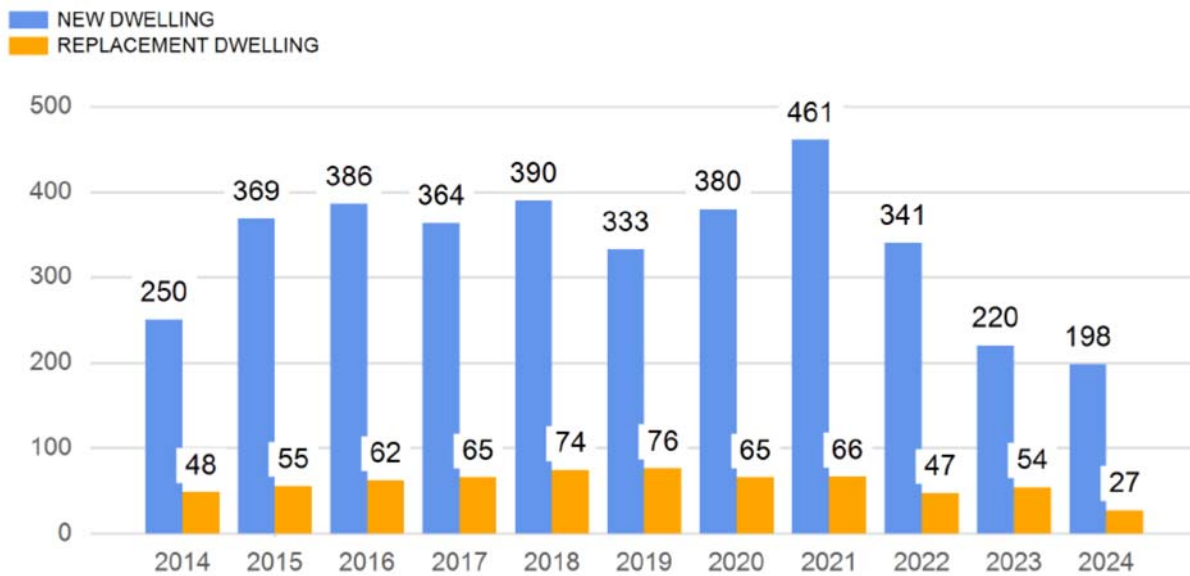
Building Permits Issued

Table 7 below illustrates the number of new and replacement dwelling building permits issued each year by the Deschutes County Community Development Department since 2014. The most recent five years of data show an average yearly total of 320 new dwelling building permits issued. This annual addition to the housing stock is the first step towards meeting the County’s housing needs, but does not take into account factors such as price, type of home, or whether the homes are primary residences or second homes.

⁸ Ibid.

⁹ <https://www.census.gov/quickfacts/deschutescountyoregon>

Table 7, Dwelling Permits Issued by Year
New and Replacement Dwellings by Year



VACANT RURAL RESIDENTIAL LAND SUPPLY

What does the housing landscape in Deschutes County look like right now? Often, housing affordability is affected by housing availability; that is, if availability of a resource (in this case, homes for sale or buildable land) is low, and desire for that resource is high, that pressure generally causes the price of that resource to rise. Low housing inventory is not the only factor that affects affordability, particularly in a location like Deschutes County, with its high draws from tourism, its second homes, Goal 8 resorts and resort communities.

The following maps illustrate the location and number of vacant residential lands throughout the county. First, it is important to distinguish between vacant residential lands and a buildable lands analysis. **Vacant residential land** is a general summary of parcels or lots in areas zoned for rural residential use that are designated in the county database as vacant; that is, no existing structure currently exists on the lot or parcel, and therefore a single-family home could theoretically be built there as an outright permitted use. A **buildable lands analysis** takes this several steps further, utilizing a more complex and labor-intensive analysis, considering site-specific data such as setbacks, flood plains, steep slopes, environmental soils, existing structures, and other constraints that could render a lot or parcel undevelopable. In addition, a buildable lands analysis could incorporate non-farm dwellings on land zoned for Exclusive Farm Use (EFU) and template dwellings on land zoned Forest Use (F1 / F2), which require a conditional use permit. For the purposes of this report, which examines general patterns and trends, just a vacant residential land analysis was conducted.

Methodology

The following methodology was utilized to create the vacant residential lands database using SQL Server. As outlined below, the analysis began with all properties in zoning districts that allow single-family dwellings outright. Properties were subsequently reduced by several factors to be categorized as vacant.

1. Tax lots were used that exist within the following zoning districts: RR10, MUA10, TER, TER5, TUR, TUR5, SR-2.5, UAR10 and WTZ. Properties that exist within Resort Communities and Destination Resorts: Black Butte Ranch, Caldera Springs, Eagle Crest, Pronghorn, Inn of the Seventh Mountain/Widgi Creek, Sunriver and Tetherow.
2. All properties within the zoning districts mentioned above that had the following structures present within the Assessor's Office 2024 tax roll using Property Class and Stat Class codes were removed: Accessory Dwelling Unit, Single-Family Dwelling, Duplex, Triplex, Four-Plex, Condominium, Manufactured Dwelling, Mobile Home Park and Manufactured Account Structures, along with all properties with commercial development. Properties that were considered Unbuildable, Non-Assessable, Utility, Forest and Resort Commercial were not included as vacant. Properties where their center point lies within the 0-2' or 2' Depth To Groundwater GIS feature class (red lots) were deemed Unbuildable. Note: Stat Class codes excluded because of existing residential development: 111-299, 13A-14T, 411-491, 511-873, 0551. Properties deemed Unbuildable, Utility, Forest and Resort Commercial reside within Property Class Codes: 000, 003, 005, 010, 020, 026, 030, 060, 080, 305, 460, 501, 600, 821, 830, 831. Non-Assessable properties excluded use a tax status of 'N'.
3. Tax year considered for all analysis was 2024. Analysis included development that existed, was permitted and under construction as of January 1, 2024. Any property on which permits were issued or construction began after January 1, 2024 is not included in this report.

Map Overview

Area maps illustrating vacant residential parcels are provided as follows:

- Vacant lots and in Destination Resorts, Resort Communities, and Sunriver Urban Unincorporated Community
- Vacant lots and associated rural residential zoning throughout the county – these maps illustrate the boundaries of residential zoning districts, which is useful when examining neighboring development constraints, such as resource land.

Taken together, these maps are intended to provide a general snapshot of where vacancies exist today and how they are distributed across the county.

Data Summary

A summary of the number of vacant parcels is provided in Tables 8 and 9 below, illustrating changes in vacant lots from 2020 to 2024.

Table 8, Resort Areas	Vacant Lots in 2020	Vacant Lots in 2024
Destination Resorts		
Caldera Springs (*includes Phase 2)	101	* 198
Eagle Crest	139	70
Pronghorn/Juniper Preserve	285	261
Tetherow	200	74
Resort Communities		
Black Butte	27	16
Inn of the 7th Mountain/Widgi Creek	12	3
Urban Unincorporated Area		
Sunriver	118	92
Total Vacancies, Resort Areas	882	714

Table 9, Rural Residential Areas	Vacant Lots in 2020	Vacant Lots in 2024
Rural Residential Zones		
Rural Residential	2439	2121
Multiple Use Agriculture	518	433
Suburban Low Density Rural Residential	32	23
Urban Area Reserve	292	131
West Side Transect	not platted	90
Rural Communities¹⁰		
Tumalo (TUR/TUR5)	32	27
Terrebonne (TER/TER5)	134	119
Total Vacancies, Rural Residential Areas	3447	2944

Vacant residential land varies greatly among destination resorts and resort communities. For instance, Pronghorn/Juniper Preserve has approximately 261 vacant lots out of 503 total, whereas Black Butte Ranch has just 16 vacant lots of its 1255 total. Vacant residential lots in destination resorts can potentially be attributed to a number of factors, including price point, target demographic, amenities, and location. Despite the complexity of these factors, each vacant lot nevertheless represents at its most basic level a potential unit of housing.

¹⁰ The rural communities of Tumalo and Terrebonne recently established sewer districts, which could potentially impact the number of lots available for development in the future. Staff will continue to monitor these efforts and update these figures accordingly in future reports.

Looking at residential subdivisions in the Bend area, it appears that vacant residential lots are fairly evenly distributed around the periphery of the City of Bend’s UGB, with opportunities slightly concentrated to the north and east.

La Pine’s vacant residential lands are fairly evenly distributed in one general area to the north and west of the city, even when accounting for high ground water lots that are undevelopable; development constraints due to Forest Service and BLM land lie to the south and east.

In Redmond, residential development is constrained in the southeast by BLM land and to the east by Deschutes County-owned land; vacant parcels of varying sizes are scattered around the remaining periphery, with a cluster of vacancies in Terrebonne to the north. There are few vacant residential parcels adjacent or nearly adjacent to the Redmond UGB.

Vacant residential lands in the Sisters area are largely found to the northeast in areas zoned Rural Residential (RR10). While Forest Service land restricts development to the west, south, and northwest, there is a loose cluster of vacant parcels along U.S. 20 between Tumalo and the City of Sisters.

In the residential subdivision areas south of Sunriver, development areas, which are zoned RR-10, are largely surrounded by public lands owned by the Forest Service and BLM, but areas of vacant residential land extend in clusters down to La Pine.

Anticipated Residential Lots

Table 10 lists potential opportunities for future residential development; that is, areas not yet platted but slated for applications or approval in the future. This list consists of recent plan amendment zone changes with an estimate of the number of lots that could be platted as a standard subdivision.

Table 10, Future Opportunities for Rural Residential Lots	Count
Central Oregon Irrigation District (21-401-ZC)	3
Swisher (21-617-ZC)	8
Eden (21-1044-ZC)	71
Marken (22-354-ZC)	5
Destiny Court (22-436-ZC)	6
Te Amo (22-313-ZC)	9
Griffin (22-793-ZC)	4
Miller Pit (23-548-ZC)	6
Groves (23-211-ZC)	4
Gopher Gulch Tentative Plan	10
Future Opportunities, Rural Residential Lots	126

Conclusion

The number of vacant residential tax lots provides one aspect of the housing picture in rural Deschutes County, indicating simply that currently it is possible to locate a property on which a dwelling might be built. A more in-depth buildable lands analysis would likely remove some of the mapped vacancies from the list due to individual site constraints, but the potential for nonfarm and template dwellings could provide a counterbalance to this reduction.

While generally the number of vacant residential lots in the unincorporated County has lowered between 2020 and 2024, it is important to note that this does not necessarily indicate a loss of residential development opportunity overall. Lands zoned for rural residential use in the County can, in certain cases, be annexed into a UGB. When that process occurs, that land becomes subject to city zoning with higher urban residential densities, thereby providing more housing development opportunities than when it was zoned for rural residential densities. An example of this is the Stevens Road Tract project, described on page 16. Annexing this property into the City of Bend allowed for the higher residential densities of this project.

TWELVE-MONTH MARKET ANALYSIS

Thus far, this report has summarized several factors that affect housing supply and demand in the county: population trends and vacant land. However, the existence of vacant land does not necessarily mean it will be affordable. This section summarizes recent county sales data provided by the Central Oregon Association of Realtors (COAR) in an effort to better understand housing cost in various areas of Deschutes County over the last year. Tables 11 and 12 summarize single-family and manufactured home sale prices over the last 12 months (September 27, 2023 - September 27, 2024). Sale prices are separated by geographic sub-region, including resort communities; they largely correspond to the areas utilized in the Vacant Residential Lands Analysis.

Table 11, 12-Month Average Sale Prices in Rural Residential Areas

Bend Unincorporated	Average price
392 Homes	\$1,259,299
34 Manufactured Homes	\$500,135
Redmond Unincorporated	Average price
233 Homes	\$744,715
14 Manufactured Homes	\$480,571
Sisters Unincorporated	Average price
84 Homes	\$1,126,216
8 Manufactured Homes	\$447,688
La Pine Unincorporated	Average price
124 Homes	\$508,405
111 Manufactured Homes	\$345,790
Between Tumalo & Sisters	Average price
47 Homes	\$1,553,516
3 Manufactured Homes	\$681,333
Three Rivers South	Average price
138 Homes	\$1,060,348
30 Manufactured Homes	\$406,298

Table 12, 12-Month Average Sale Prices in Resort Areas

Sunriver	Average price
106 Homes	\$989,451
Black Butte	Average price
29 Homes	\$1,239,741
Inn of 7th Mt.	Average price
7 Condo	\$271,842
Widgi Creek	Average price
5 Homes	\$1,403,400
Caldera Springs	Average price
30 Homes	\$2,027,900
Tetherow	Average price
22 Homes	\$2,343,177
Eagle Crest	Average price
67 Homes	\$900,677
Pronghorn/Juniper Preserve	Average price
4 Homes	\$1,850,000

Key Points

The most real estate activity in non-resort communities occurred in areas near Bend and Redmond. Newer destination resorts are experiencing higher real estate values compared to the older resorts. South County has the lowest relative real estate values, especially for manufactured homes. Manufactured homes continue to be a more affordable option than traditional single-family homes, with average sale prices of manufactured homes at roughly half that of traditional single-family homes.

EXISTING RESIDENTIAL OPPORTUNITIES

Rural Deschutes County possesses numerous types of residential development options currently available to residents, provided criteria codified in Deschutes County Code are met. Many listed below (*) are exclusive to Deschutes County.

- Cluster Development: Miller Tree Farm, Westgate and Skyline Ranch i.e. Westside Transect Zone (WTZ) *
- Destination Resorts: Caldera Springs, Eagle Crest, Pronghorn, Tetherow, Thornburgh – proposed *
- Destination Resort Eligible Areas *
- Dwellings in Exclusive Farm Use zone: farm dwelling, accessory farm dwelling, relative-help dwelling, non-farm dwelling, lot-of-record dwelling, replacement dwelling, and temporary hardship dwelling
- Dwellings in Forest Use zone: lot-of-record dwelling, large tract dwelling, template dwelling, temporary hardship dwelling, and caretaker dwelling for fish hatchery or park

- Exclusive Farm Use Subzones *
- Historic and Rural Accessory Dwelling Units may be developed on a property subject to certain criteria. Approximately 8,600 properties are potentially eligible for an ADU utilizing the required baseline criteria, though individual site constraints such as septic limitations and lot configuration would likely reduce this number. To date, the County has received 31 land use applications for rural ADUs, of which 21 have been approved.
- Measure 37 and 49: Property rights claims – the right to land divide and/or build homes as compensation for land use regulations imposed after owners acquired their properties.
- Resort Communities: Black Butte, Inn of 7th Mountain, Widgi Creek *
- Rural Residential Exception Areas: RR-10, MUA-10, UAR-10, SR 2.5, WTZ *
- Unincorporated Communities: Terrebonne, Tumalo, Sunriver *

Nonfarm Dwelling Approvals

As noted above, nonfarm dwellings are one type of residential development currently available to Deschutes County residents in EFU zones. According to the 2020-2021 Farm and Forest Report issued by the Department of Land Conservation and Development (DLCD) in November 2021 (the most recent report published to date), Deschutes County issued the most nonfarm dwelling approvals (904) in Oregon between 1994 and 2021.¹¹ In 2020 and 2021, Deschutes County issued 17 and 21 nonfarm dwelling approvals respectively. Subsequently, there were 13 nonfarm dwelling approvals in 2022, 10 in 2023, and 6 to date in 2024 according to County records.

Forestland Dwelling Approvals

According to the 2020-2021 Farm and Forest Report, in 2020 and 2021, Deschutes County issued 2 and 14 forestland dwelling approvals respectively. The most were 16 template dwellings in 2021. Subsequently, there were 7 forestland dwelling approvals in 2022, 7 in 2023, and 4 to date in 2024 according to County records

Key Points

Deschutes County offers the most rural residential housing opportunities in Oregon along with Clackamas, Lane and Jackson counties based on population outside of UGBs. It has the most resort communities and destination resorts as well as one of the largest urban unincorporated communities, Sunriver. It is also the only county with EFU subzones that allow for the smallest EFU parcel sizes in Oregon. The County rates in the top third annually for the number of approved nonfarm dwellings. It appears to have the largest number of lots located in rural residential exception areas, leading to notable cluster developments.

¹¹ https://www.oregon.gov/lcd/Publications/2020-2021_Farm_Forest_Report.pdf. Appendix 2, Table 12.

CURRENT HOUSING INITIATIVES

Deschutes County’s commitment to address housing is captured below with a sampling of recent initiatives and programs. Some of these projects are underway while others have recently begun, but all have the potential to affect housing in varying capacities.

City of Bend / Affordable Housing Projects

House Bill (HB) 4079 (2016) pilot project was part of an initiative by the Oregon Legislature to increase affordable housing. It allowed the City of Bend to expand their UGB without having to comply with Goal 14, provided that at least 30% of the new housing is affordable and remains so for at least 50 years. The City of Bend selected a 35-acre site on the eastern border and amended their UGB in coordination with Deschutes County in 2022. Bend City Council approved Hayden Homes’ master plan and annexation for “Parkside Place,” in 2023. A land division application consistent with the approved master plan and a Site Plan Review application for the multi-unit development portion of the project are forthcoming. The development is anticipated to include 346 housing units of several types, 40% of which will be designated as affordable housing for those households making 80% of the area median income.

The City of Bend utilized HB 3318 (2021) to approve a concept plan to develop the Stevens Road Tract, a 261-acre parcel of land located southeast of Bend, adjacent to the city’s limits in 2022. The City in coordination with the County amended their UGB in 2023. The Oregon Department of State Lands is now putting the property on the market for sale to a developer who will be required to develop a master plan for the Tract according to the requirements of the City of Bend’s Comprehensive Plan and Development Code. The policies adopted into the Comprehensive Plan require Stevens Road Tract to be developed as a mixed-use community, providing connected street and multi-use path network, over 2,400 new housing units at a mix of densities and income levels, and at least 39 acres of parks and open space.

In August 2024, the City of Bend initiated a notice of solicitation of site application for inclusion within their UGB under Senate Bill (SB) 1537 (2024). SB 1537 provides qualifying local governments a one-time site addition to their UGB. Site applications are required to include a draft conceptual plan meeting the requirements of SB 1537 section 55(3), including but not limited to, land uses, transportation networks including diverse transportation options and connectivity, urban services, consistency with Statewide Land Use Planning Goals, a diversity of housing types and demonstration of how the affordable housing requirements will be met. Before adopting an UGB amendment under section 50 of SB 1537, a city is required to adopt a binding conceptual plan as an amendment to its comprehensive plan. Site applications are due in October. Bend City Council hopes to make a selection in December.

City of Redmond / Affordable Housing Project

In 2019, the City of Redmond was selected by the State for a pilot affordable housing program as provided by House Bills 4079 and 2336. In December 2019, the City and County entered into a land donation agreement outlining the Deschutes County's commitment to donate 40 acres in east Redmond to the City for the development of 450 housing units of affordable, workforce, and market rate housing. The City completed the partition process for the 40 acres and the land has been conveyed to the City. The vision of the 40-acre subject property, "Northpoint," is to serve as a model for mixed-income housing development in both Central Oregon and across the state. The project seeks to incorporate sustainable design, commercial uses, including space for childcare, parks, trail connectivity, community amenities, transit opportunities and other infrastructure. The City of Redmond is currently working to finalize a working relationship with master developers DeChase Miksis + Edlin & Co. with groundbreaking anticipated in 2024 or 2025.

Housing Consortium Partnerships

Deschutes County partners with NeighborImpact, Housing Works, Veterans Village, and other organizations to address affordable housing. Notable initiatives in recent years include:

- In 2019, Bend Heroes Foundation approached the County concerning a project to provide housing to homeless veterans. When HB 4212 passed, County-owned property located on the Public Safety Campus in the City of Bend was identified for the project and subsequently, the County committed to providing the 1.25 acres and limited funding to capitalize and operate the program. The Central Oregon Veterans Village is a now community of transitional shelters designed to provide shelter and services for homeless veterans. The project is a Joint Venture between the Bend Heroes Foundation and Central Oregon Veterans Outreach (COVO). It is being managed as a public-private partnership with the City of Bend, Deschutes County, and the State of Oregon. The Village became fully operational on Veterans Day 2021. It is being modeled after a successful program in Clackamas County. The Village has 15 shelters and a community building with kitchen, dining, case management offices, laundry, restrooms, and showers.
- In 2022, the County sold 1.14-acres at the NE corner of Connors and 27th, Bend, to Housing Works for \$1,000,000 for the development 30-40 affordable housing units with clinical space on the ground floor.
- In 2023, the County in collaboration with the City of Bend, sold to Kôr Community Land Trust and Housing Works approximately 7.12 acres of County-owned land on the west side of Bend to support the development of 100 affordable housing units that will include a combination of multi-family and single family homes. Oregon Housing Community Services funded \$7,360,000 through its Local Innovation and Fast Track program. Oregon Community Foundation also provided a mission-aligned loan of \$1,000,000 that provides early capital to increase the speed at which the affordable housing can be completed.

Additionally, Bend Municipal Planning Organization awarded Kôr Community Land Trust and Housing Works \$589,370.16 to support the transportation infrastructure.

- In 2023, the County in collaboration with the City of Redmond and Hayden Homes, made approximately 12 acres of land available in east Redmond for Oasis Village, a low barrier transitional shelter. The county also awarded \$367,500 in Federal ARPA funds to Oasis Village. Opened in 2024, it will house up to 20 adults in 15 100-square-foot 'bedroom shelters', along with communal laundry, kitchen, pet area, garden and RV storage area. Project leaders plan to expand to 30-bedroom shelters within two years.
- In 2023, the County donated 5.02 acres in the City of La Pine Newberry Neighborhood for Habitat for Humanity for 34 affordable housing townhome lots. Infrastructure planning is occurring in 2024.
- In 2023, the County sold 8.35 acres to the City of Redmond at a discount of \$240,000 for the development of 26-30 housing units, and undevelopable portions of the property as open space.
- In 2024, the County donated 39.31 acres in East Redmond known as Northvista Point (formerly Skyline Village) to the City of Redmond in accordance with HB 4079 and HB 2336 for the development of +/- 450-units of affordable, workforce and conventional housing.
- In 2024, the County approved funding up to \$100,000 towards the addition of 7 new shelter units at Veterans Village. Additionally, the County provided funding associated with system development charges due to the additional 7 shelter units imposed by the City of Bend in the amount of \$55,000, and Bend Parks and Recreation in the amount of \$53,000.
- In 2024, the County approved funding for a new pilot program that encourages builders to construct and sell new homes at prices attainable to median-income earners. The program, called Workforce Home Ownership for Median-income Earners (Workforce HOME), was established in partnership with NeighborImpact, Housing Works and the Central Oregon Builders Association (COBA). It will provide developers a \$30,000 builder credit for each home they build that is sold within a price range that is affordable for the workforce in Deschutes County. Buyers must earn between 80 and 120 percent of the area median income and be currently employed by or have an accepted offer of employment from a Deschutes County employer to qualify. A deed restriction will be placed on each home constructed through the Workforce HOME program to ensure that any future sales price remains affordable to qualified buyers for 20 years. The County has allocated \$320,000 in support of the project.

In 2024, the County authorized the use of approximately 10 acres in East Redmond for the operation of a supported/managed camp. The managed camp will offer basic hygiene services, an area for service providers and case management.

Terrebonne and Tumalo Sanitary Districts

In March 2023, Terrebonne voters approved forming a sanitary district. A Board of Directors was established four months later in July. While the design, funding, contractor bidding, and construction process is estimated to take a minimum of 3 years, the District is emphasizing that this timeframe is subject to change based on a variety of factors, including funding availability and project approval. The newly formed board will be pursuing additional grant funds and sewer customers (through annexation), to keep connection costs and monthly rates down

In August 2024, the Board of County Commissioners approved the petition for a Tumalo Sewer District. Deschutes County commissioned a feasibility study by an engineering firm in 2022 due to the continued reliance on on-site septic systems for wastewater disposal. Based on existing conditions and analysis of projected failures, the engineering team identified alternatives for implementation to provide sewer service to the Tumalo Community. As a result of the 2022 feasibility study, community members that had formed the Tumalo Basin Sewer Committee in 2023, concluded that the best mechanism to organize, fund, and operate the proposed community sewer system would be the formation of a sanitary district under ORS Chapter 450.

Non-Resource Lands Amendments

According to a DLCD Rural Resource Lands Report, from 2008 to 2018, 24 plan amendment / zone changes (PA/ZCs) from EFU to non-resource designations occurred in Oregon. More than 25% took place in Deschutes County. Since 2020, 8 more PA/ZCs have been acknowledged, encompassing 566 acres. Five PA/ZCs are pending.

Zoning Amendments

- **Conventional Housing Combining Zone:** Deschutes County repealed the Conventional Housing Combining Zone, DCC Chapter 18.92 in 2023. The CHC zone (DCC Chapter 18.92) was created by petition prior to the adoption of PL-15, Deschutes County Zoning Ordinance in 1979. It required homes to be “conventional or modular housing permanently attached to real property.” The “permanent attachment” requirement precluded people from living out of mobile homes on CHC properties. The zoning district applied to three large areas near Bend to the north, northwest, and east. Repealing the CHC zone now give those properties the potential to provide affordable housing in the form of mobile or manufactured homes, which are less expensive alternatives to stick-built or modular housing.

- **Rural Accessory Dwelling Units in Unincorporated Communities:** Deschutes County adopted Rural Accessory dwellings units into DCC per SB 391 (2021). To date, CDD has received 23 land use applications and 33 site evaluations.

SECTION 2: LOOKING FORWARD

Supplementing the existing options for residential development listed in Section 1, staff has identified additional housing strategies that may be worth pursuing. Some efforts have the tools in place and are poised to be initiated if desired; others require action or exploratory work prior to initiating.

EMERGING OPPORTUNITIES

Clear and Objective Standards for Rural Housing / HB 3197

HB 3197 (2023) requires counties to adopt and apply clear and objective standards, conditions, and procedures regulating housing in unincorporated communities, Rural Residential Exception Areas, and nonresource lands. It is effective on July 1, 2025. This law requires amending definitions, land division code, five rural residential zones, Sunriver Urban Unincorporated Community zones, Tumalo and Terrebonne Rural Community zones, Flood Plain Zone, and Landscape Management, Sensitive Bird and Mammal, and Wildlife Area Combining Zones, with detailed findings, including those relating to Goal 5.

Recreational Vehicles / Rental Dwellings / SB 1013

Deschutes County is considering amending DCC, Title 18, County Zoning, and Title 19, Bend UGB Zoning Ordinance to allow recreational vehicles (RV) as rental dwellings in rural residential exception areas subject to certain criteria of SB 1013 (2023). SB 1013 authorizes a county to allow an owner of a lot or parcel in a rural area to site on the property one RV that is used for residential purposes and is subject to a residential rental agreement and additional criteria outlined below. It shares some criteria with recent rural ADU legislation in SB 391, such as the requirement to provide sewage disposal, and differs in other ways—for instance, no fire hardening requirements are written into SB 1013. The Board reopened the written record until November 1. Deliberations will occur on November 13.

County-Owned Property Audit

Some of the land owned by the County could present opportunities for residential development depending on a number of factors. Staff—Property Management and Facilities, with assistance from the Planning Division and Information Technology—could audit County-owned land by size

(removing parcels less than 0.75 acre, for example), zoning designation, groundwater constraints and related factors to determine development potential.

La Pine Neighborhood Planning Area

If initiated, this project would create area plans for the 368 acres of County-owned property in the Newberry Neighborhood in La Pine—a unique and timely opportunity to add to the regional housing supply and increase the available mix of housing types. The current comprehensive plan and development code are a mix of legacy zoning from when the County was the land use authority prior to La Pine’s 2006 incorporation and the City’s first comprehensive plan and development code. By delineating the allowable densities, this project could provide a range of housing types from single-family to multi-family; lay out a network of pedestrian and bicycle facilities; identify neighborhood commercial nodes to reduce travel outside the neighborhood; identify open spaces to increase livability; and provide general directions on residential designs to encourage visual cohesion. If initiated, the project would review and amend as necessary the City’s comprehensive plan and development code to implement the area plans.

OREGON LAND USE LIMITATIONS / COORDINATION

Institutional Challenges

Although Deschutes County has numerous prospects to expand residential development as noted in the sections above, it is important to emphasize before committing to any specific initiative that some of these opportunities face challenges with respect to state law. The Oregon land use system is designed to concentrate the majority of growth within UGBs; the following laws could potentially affect certain initiatives.

- Goal 3, Agricultural Lands and OAR 660, Division 33 contains rigorous standards for siting a dwelling on EFU lands. Recent case law may limit nonresource lands opportunities (*DLCD et al vs. Douglas County*).
- ORS 215.264 and OAR 660-033-0145 restrict land dividing EFU and Forest Use lands.
- Goal 4, Forest Lands and OAR 660, Division 6 contains rigorous standards for siting a dwelling on Forest Use lands. Recent case law may limit nonresource lands opportunities (*DLCD et al vs. Douglas County*).
- OAR 660, Division 4: Prohibits new rural residential areas from having a minimum lot size lower than 10 acres without taking an exception to Goal 14 (Urbanization).

- Goal 11 exception to allow sewer systems in South County regionally was remanded by the Land Use Board of Appeals (LUBA) in 2015.

Initiatives Requiring Legislative Action

Given the challenges noted above, the following housing opportunities would require action by the Legislature in order to pursue.

- **Remove “pilot” from HB 4079 (large cities) and HB 2336 (small cities)** to allow UGB expansions for mixed market rate and affordable housing neighborhoods.
- **Other**

Destination Resorts:

- Allow affordable housing onsite for employees.

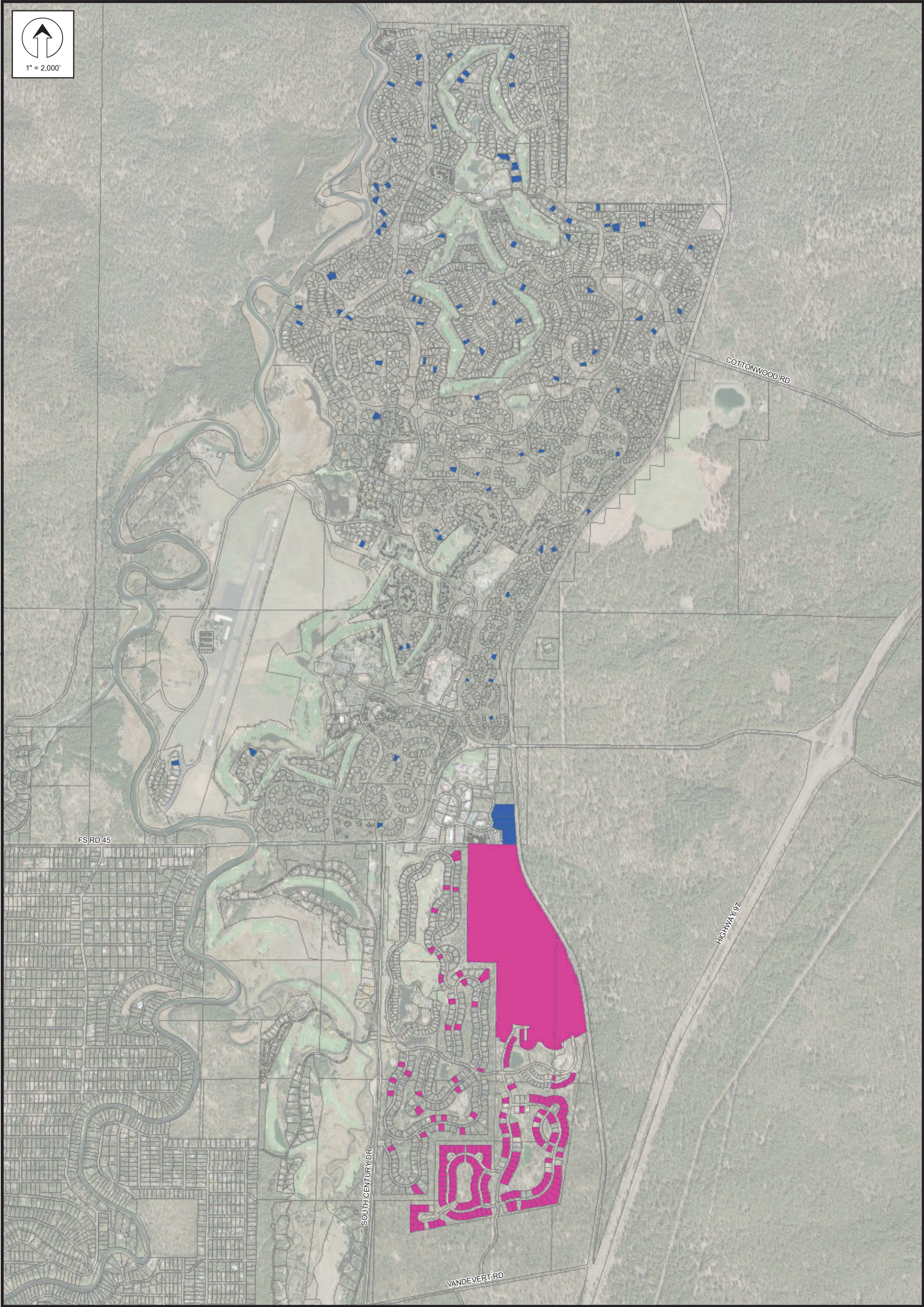
Manufactured Home Parks:

- Allow new and expanded manufactured home parks.
- Allow manufactured home park lots to be subdivided and allow tiny homes rather than just manufactured homes.

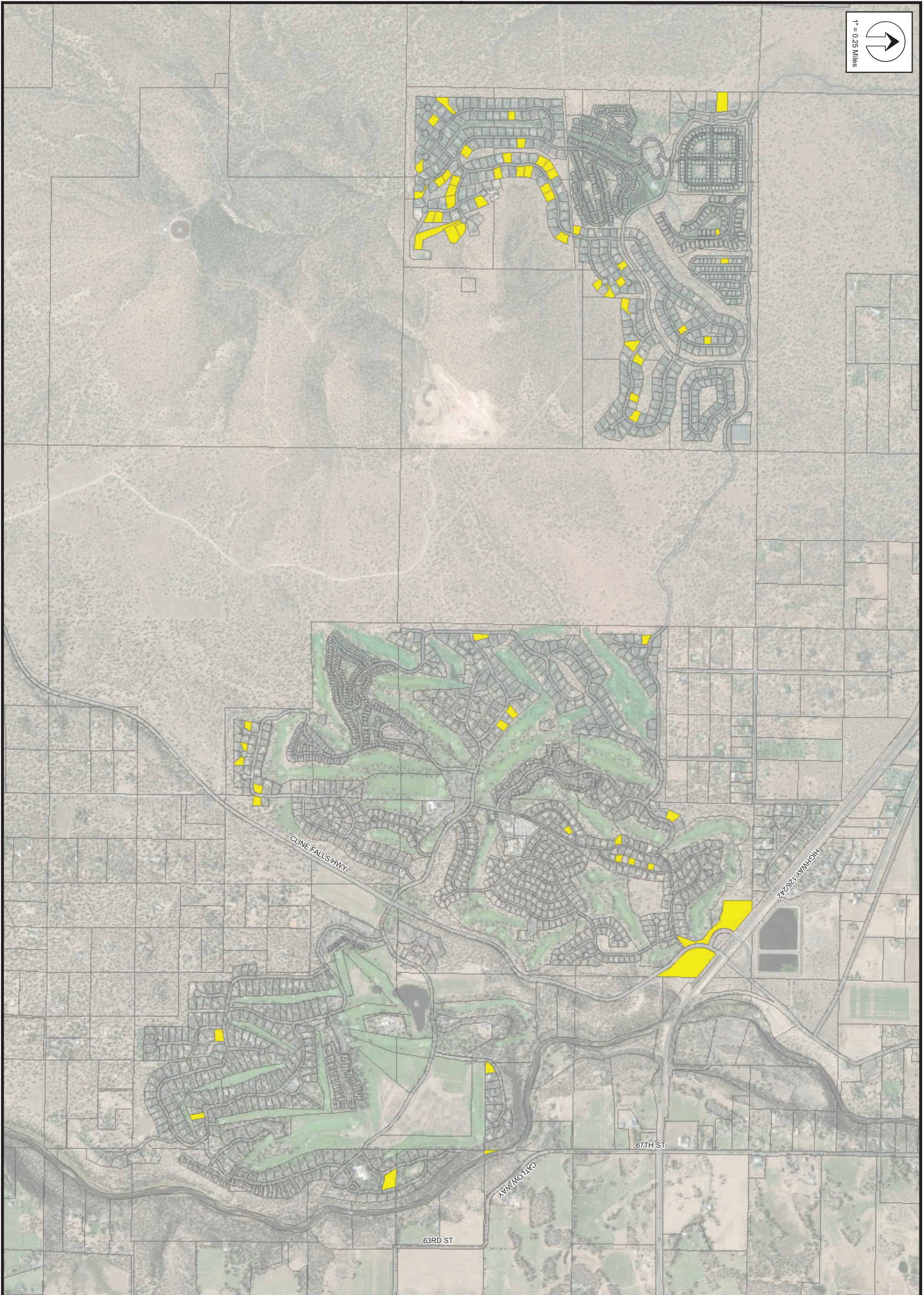
Other

VACANT RESIDENTIAL LANDS MAPS

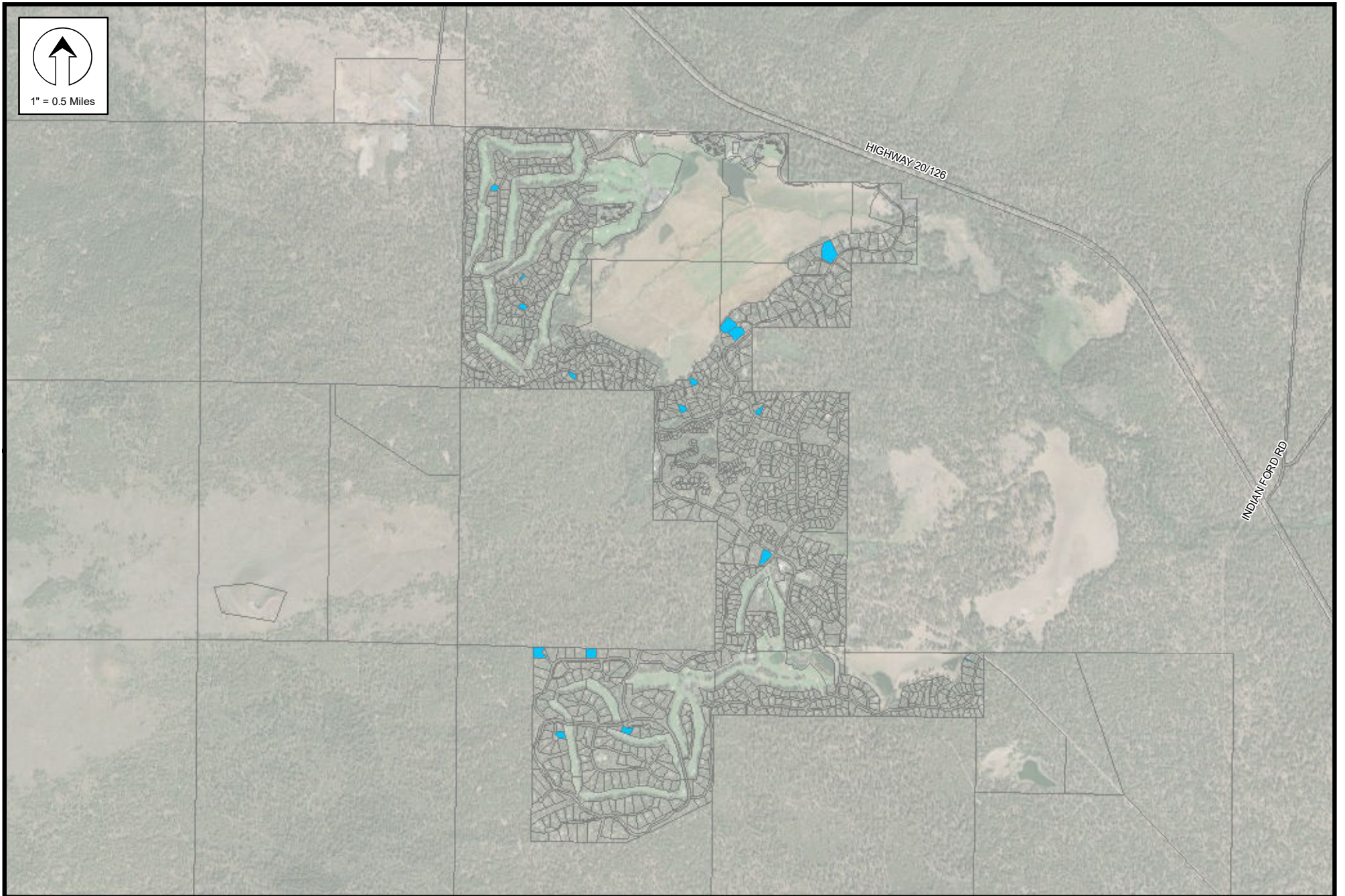
Sunriver / Caldera Springs - Vacant Residential Lands



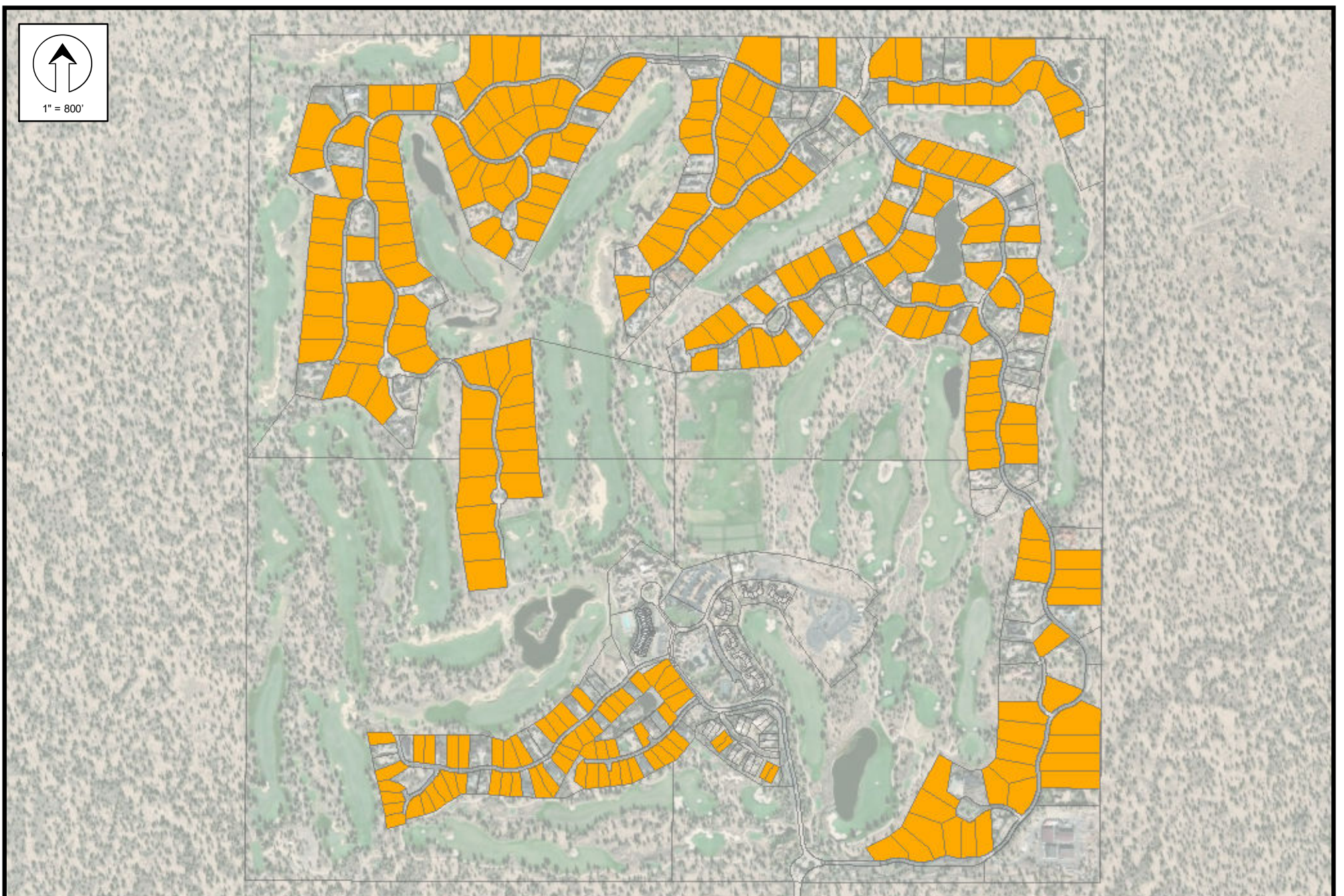
Eagle Crest - Vacant Residential Lands



Black Butte Ranch - Vacant Residential Lands



Juniper Preserve - Vacant Residential Lands



Tetherow - Vacant Residential Lands



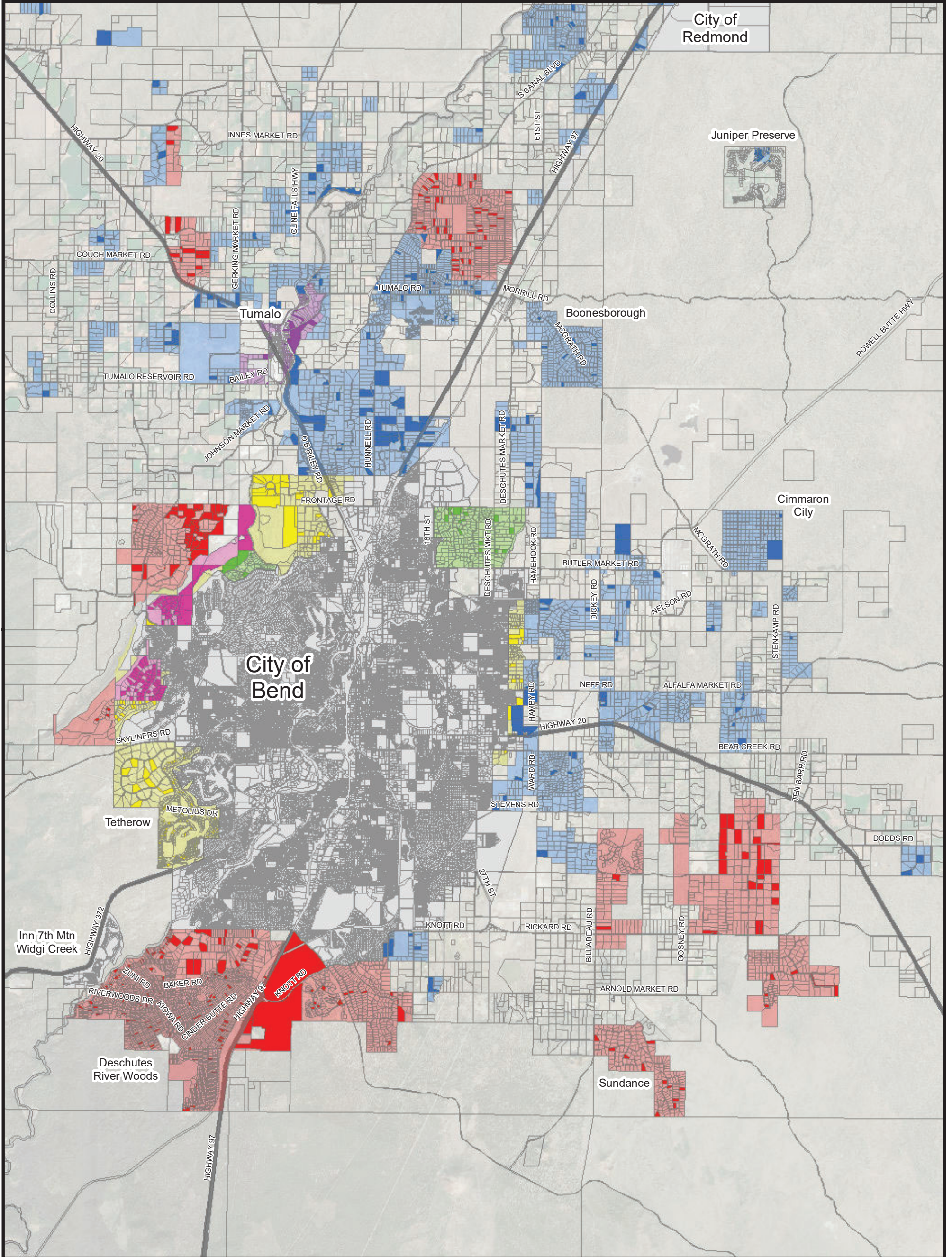
Inn of the 7th Mtn / Widgi Creek - Vacant Residential Lands





1" = 1.5 Miles

Bend Area - Vacant Residential Lands



Vacant Land By Zone

- MUA10 - Multiple Use Agricultural
- RR10 - Rural Residential
- SR2-1/2 - Suburban Residential
- TUR & TUR5 - Tumalo Residential
- UAR10 - Urban Area Reserve
- WTZ- Westside Transect

Zoning

- MUA10 - Multiple Use Agricultural
- RR10 - Rural Residential
- SR2-1/2 - Suburban Residential
- TUR & TUR5 - Tumalo Residential
- UAR10 - Urban Area Reserve
- WTZ- Westside Transect

Deschutes County

Rural Housing Profile Bend Area

DISCLAIMER:
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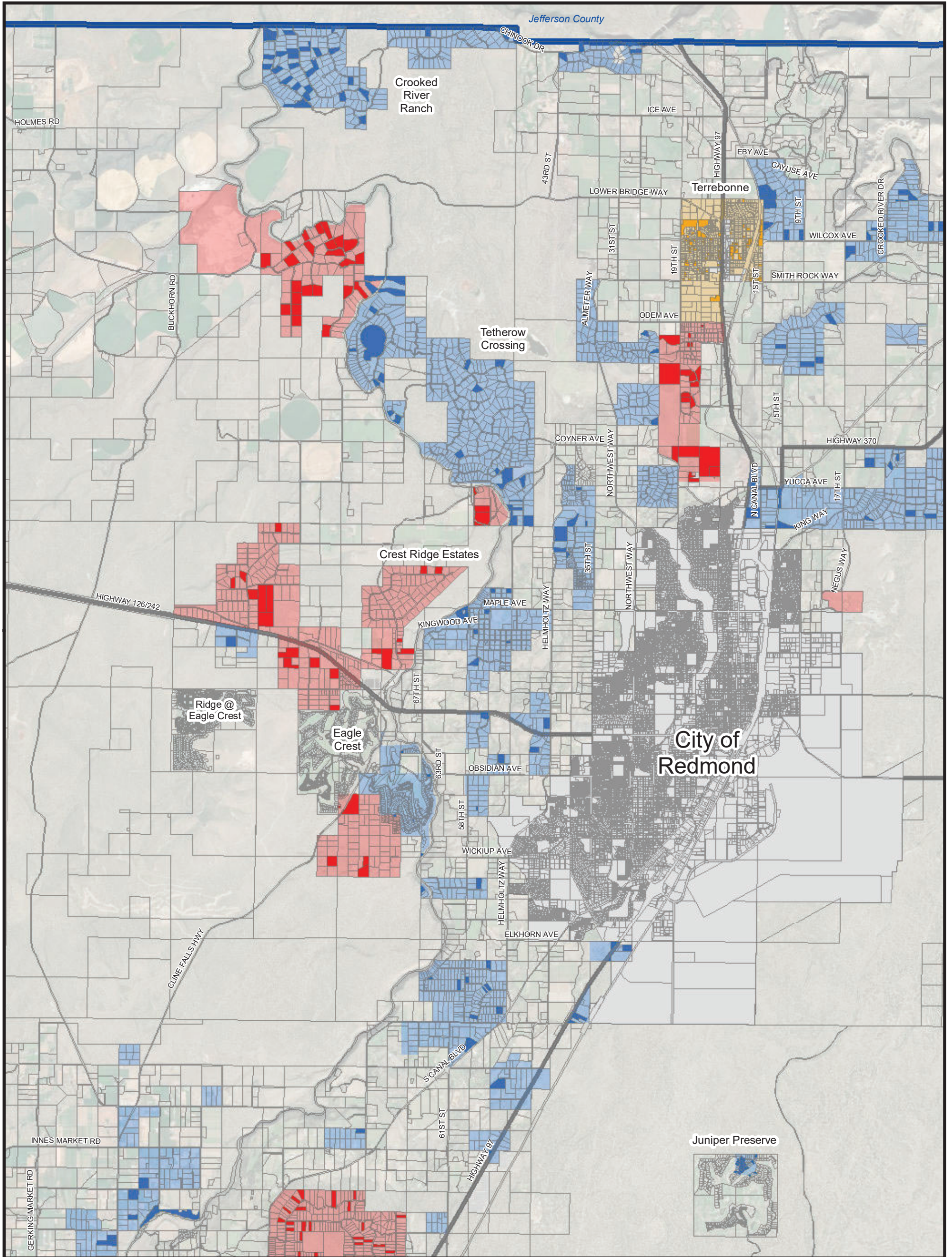
November 4, 2024

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1" = 1.1 Miles

Redmond Area - Vacant Residential Lands



Vacant Land By Zone

- MUA10 - Multiple Use Agricultural
- RR10 - Rural Residential
- TER & TER5 - Terrebonne Residential

Zoning

- MUA10 - Multiple Use Agricultural
- RR10 - Rural Residential
- TER & TUR5 - Terrebonne Residential

Deschutes County

Rural Housing Profile Redmond Area

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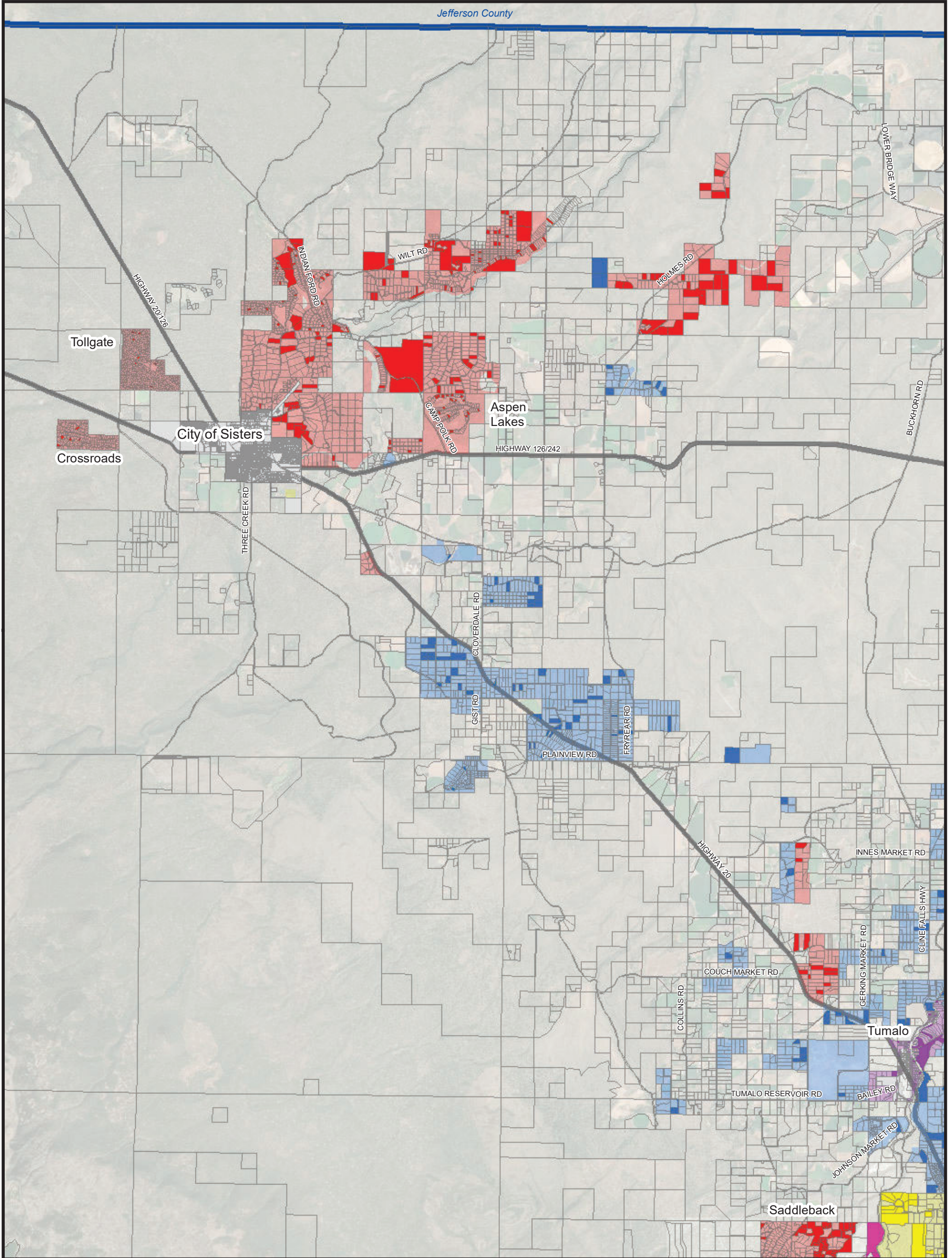
November 1, 2024

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1" = 1.5 Miles

Sisters Area - Vacant Residential Lands



Vacant Land By Zone

- MUA10 - Multiple Use Agricultural
- RR10 - Rural Residential
- TUR & TUR5 - Tualo Residential
- UAR10 - Urban Area Reserve
- WTZ- Westside Transect

Zoning

- MUA10 - Multiple Use Agricultural
- RR10 - Rural Residential
- TUR & TUR5 - Tualo Residential
- UAR10 - Urban Area Reserve
- WTZ- Westside Transect

Deschutes County

Rural Housing Profile Sisters Area

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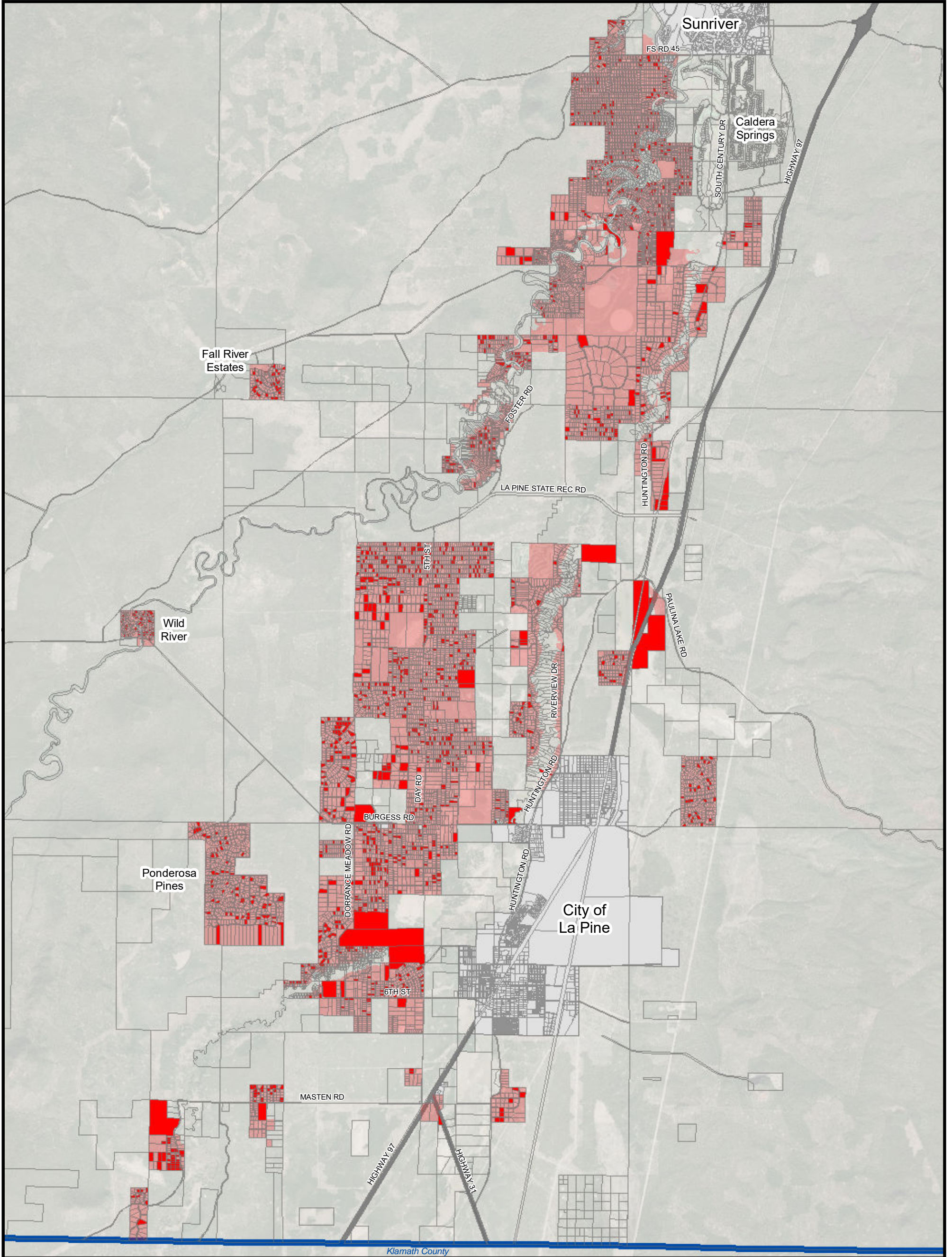
November 4, 2024

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1" = 1.3 Miles

Sunriver / La Pine Area - Vacant Residential Lands



Vacant Land By Zone

■ RR10 - Rural Residential

Zoning

■ RR10 - Rural Residential

Deschutes County

Rural Housing Profile
Sunriver / La Pine Area

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October 29, 2024

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