
Fwd: FW: BLI

2 messages

Chad Sweet <chadsweet@cityofgearhart.com>
To: Krysti Ficker <krysti@cityofgearhart.com>

Wed, Oct 7, 2020 at 10:50 AM

----- Forwarded message -----

From: <connellpc@comcast.net>
Date: Wed, Oct 7, 2020 at 9:41 AM
Subject: FW: BLI
To: Chad Sweet <chadsweet@cityofgearhart.com>

From: Matt Hastie <mhastie@angeloplanning.com>
Sent: Wednesday, October 7, 2020 9:23 AM
To: connellpc@comcast.net
Cc: Andrew Parish <aparish@angeloplanning.com>; bwb@johnsoneconomics.com
Subject: RE: BLI

Carol,

In estimating future housing needs, cities are required to use the population projections prepared by Portland State University (PSU) for each city and county in Oregon. Our team used those projections to estimate future housing demand in the Clatsop County Housing study. The PSU growth rates are very low for Gearhart and as a result, the County Housing study estimated a growth of 94 new households by 2038 in Gearhart. Since that study was completed, PSU has updated its forecast, with an even lower estimated average annual future growth rate (0.3% between 2020 and 2045). This would result in an even lower estimate of future needed new housing units.

The Clatsop County study only looked at future growth in terms of the increase in year-round residents and households. Gearhart, like many other coastal communities also continues to see a demand for second homes, whether they be short-term rentals or simply homes that are used by people who have primary residences in other places and occasionally use their homes in Gearhart for vacations. This is likely the source of the majority of housing demand that you have been seeing and that Steve Olstedt notes in his email.

Housing Needs Analyses often account for second home demand as part of the vacancy rate applied to the housing supply. Gearhart currently has a very high vacancy rate which is associated with the significant number of second homes there. I mentioned this in my previous email to you. Incorporating the vacancy rate in the projection for future needed housing units likely would increase the long-term demand for housing compared to the numbers in the Clatsop County study and cited in our BLI memo. However, that is not necessarily a simple calculation because it requires some assessment of how the second home market will continue to evolve over a long period of time and whether some current second homes will ultimately be converted to residences for year-round residents.

The short answer is that I agree that there will continue to be some demand for new housing in Gearhart beyond what the PSU numbers would seem to indicate, primarily to support the second home market, rather than to support the need for housing for year-round residents. I think Mr. Olstedt's projections of 20 units/year may or may not continue into the long term (i.e., 20-year planning period). However, if you did continue to see that rate of increase, you would still have enough land to accommodate approximately 19 years' worth of housing growth based on the results of the BLI.

Hopefully this is helpful but please let me know if we should discuss it further.

Thanks!

Matt



Matt Hastie, AICP / Project Manager

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To: Krysti Ficker <krysti@cityofgearhart.com>

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From: **Steve Olstedt** <steveolstedt@gmail.com>

Date: Tue, Oct 6, 2020 at 9:48 AM

Subject: BLI

To: Chad Sweet <chadsweet@cityofgearhart.com>

Chad; Nowhere in the report does it mention the build rate in Gearhart. According to the building inspector the rate is 20.6 per year for new sfr starts. This will eat up all the inventory in far less time than the report suggests. There is no way that the inventory is adequate for what is needed. We realize that there are other factors involved, water mainly but this is something that needs to be dealt with one way or the other as Warrenton is running out of capacity and there is only one place to go. We would be more than willing to pay a SDF to help out if that is what it takes for additional lots.

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"Resilient Together!"

Chad Sweet | City Administrator

[City of Gearhart](#)

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