



TO: Columbia River Gorge Commission

FROM: Krystyna U. Wolniakowski, Executive Director

DATE: February 13, 2024

SUBJECT: Information Item: Calculating agricultural income test standard for 2024

Purpose

At the June 13, 2023, Commission meeting, former CRGC land use planner Aiden Forsi, presented the updated 2023 Agricultural Income Test calculation as required by the Management Plan. This memo is being provided to you to update you on the 2024 Agricultural Income Test amount.

Background

The Commission considered updating the income test for agricultural dwellings on August 12, 2020, while discussing a series of Commissioner-led amendments to the Management Plan as part of the Gorge 2020 Plan Revision. The standard had been unchanged since 1991, when the income test for a dwelling required a finding that the subject farm was capable of producing at least \$40,000 in gross annual income. Commissioners discussed increasing the income value to \$80,000 and indexing that value to inflation, as well removing “capability” from the standard and requiring instead that the applicant show actual income from their farm to meet the income threshold. Some Commissioners initially voiced concerns that \$80,000 was too high; however, after testimony from Commissioner Dan Erickson on the importance of protecting agricultural lands from becoming non-productive rural residential lands, the Commission unanimously voted to approve the changes. The final language in the Management Plan is as follows:

The farm or ranch, and all its constituent parcels, must produce at least \$80,000 in gross annual income in 2020 dollars. This gross annual income amount shall be indexed for inflation on an annual basis using Consumer Price Index data from the US Bureau of Labor Statistics, and the new adjusted amount for each calendar year (calculated from 2020 dollars) will be posted on the Gorge Commission website by January 15 of each year. This determination can be made using the following formula:

$$(A)(B)(C) = I$$

where:

A = Average yield of the commodity per acre or unit of production

B = Average price of the commodity

C = Total acres suitable for production, or total units of production that can be sustained, on the subject farm or ranch

I = Annual income

Using the Consumer Price Index calculator for October 2020, the \$40,000 from the early 1990's is equal to \$80,000 in October 2020. Using this same calculator, \$80,000 in October 2020 is equivalent to \$94,527 in October 2023. This is the income test that needs to be met in 2024 in order to qualify for a dwelling on agricultural lands. This is the value that is currently posted on the Commission's website and will be updated each January moving forward.