

Council Business Meeting

May 19, 2020

Agenda Item	Department of Land Conservation and Development Grant Application to Update Ashland's Housing Needs Analysis	
From	Brandon Goldman	Senior Planner
Contact	Brandon.Goldman@ashland.or.us ; (541) 552-2076	

SUMMARY

Staff is requesting the City Council authorize the application for State of Oregon funding assistance for updating the City's Housing Needs Analysis. This item is asking for the Council's approval of a letter of support which is required to complete the grant application process.

The Oregon Department of Land Conservation and Development (DLCD) is accepting requests for funding assistance from cities and counties to update comprehensive plans and land use regulations to increase the affordability and supply of housing in the state. The City qualifies for funding assistance to update the City's Housing Needs Assessment. The request for assistance requires consent from the City Council in support of the funding application. A letter supporting the request is attached for Council consideration (Attachment 1). The full application for DLCD technical assistance funding is attached (Attachment 2).

POLICIES, PLANS & GOALS SUPPORTED

Ashland Comprehensive Plan

- Housing Element Chapter VI Goal (6.10.04): *Forecast and plan for changing housing needs over time in relation to land supply and housing production.*
 - *Policy 22: Maintain a data base that includes, measurement of the amount of vacant land and land consumption, housing conditions, land use, land values, and any other pertinent information.*
 - *Housing Needs Analysis "Technical Reports and Supporting Documents"*

State of Oregon

- Statewide Planning Goal 10 (Housing): *Buildable lands for residential use shall be inventoried, and plans shall encourage the availability of adequate numbers of housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type, and density."*
- Oregon Revised Statutes 197.296: *Factors to establish sufficiency of buildable lands within urban growth boundary.*

PREVIOUS COUNCIL ACTION

The City's Buildable Lands Inventory (BLI) was updated in 2019 ([Resolution 2020-01](#)). This recently completed BLI provides an inventory of vacant and underdeveloped residential and commercial lands in the City's existing Urban Growth Boundary (UGB). The update of buildable lands provides an adequate factual basis to evaluate land availability within Ashland and was the first step in preparing for updating the 2012 Housing Needs Analysis. At the time that the City Council approved the 2019 BLI ([January 21, 2020](#)) staff expressed to Council that the City would subsequently begin work on updating the Housing Needs Analysis.

BACKGROUND AND ADDITIONAL INFORMATION

During the 2019 legislative session, the legislature adopted [HB 2003](#) and appropriated funds to the Department of Land Conservation and Development (DLCD) for purposes of providing technical assistance to local governments to analyze housing needs and audit land use codes to identify barriers to housing

development. Funding priority is given to cities and counties where 25 percent or more of the renters pay more than half their income on rent. DLCD identified that 33 percent of the renters within Ashland pay more than 50 percent of household income on rent and thus experience severe rent burden. This severe rent burden qualifies the City for funding assistance to update the City's 2012 Housing Needs Assessment (HNA). Priority for updating HNAs is given to jurisdictions with needs assessment more than five years old.

To provide this assistance, DLCD will contract with consultants experienced in completing Housing Needs Analyses (HNAs). There is no direct cost to the City for updating the HNA. The State selected consultant will work with one or more advisory committees appointed by the City to prepare a public hearing ready draft HNA for Council consideration. City Staff anticipates a Housing Needs Analysis ad-hoc committee to be formed with representatives of the Planning Commission, Housing and Human Services Commission, Climate Policy Commission, City Council, and members of the housing development community (non-profit and for-profit).

An HNA includes a housing needs projection addressing housing types and price levels, residential needs analysis, buildable lands inventory and identification of measures for accommodating needed housing as described in Oregon Administrative Rules Chapter 660, Divisions 7 and 8 and ORS 197.307. As used in ORS 197.307, "needed housing" means all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes, as those terms are defined by the United States Department of Housing and Urban Development.

FISCAL IMPACTS

Funding assistance from the Oregon Department of Land Conservation and Development to update the City's 2012 Housing Needs Assessment will pay for consultant assistance at no direct cost to the City. City match requirements will be met by the dedication of staff time. By requesting State funds and receiving an award, the City commits to completing the project by June 30, 2021. Without State funding assistance the City will be required to update our HNA by June 30, 2022, consistent with HB 2003.

RECOMMENDATION

Staff recommends the Council authorize the Mayor to sign the attached letter of support for the DLCD Technical Assistance Program in completing an update of the Ashland Housing Needs Analysis.

ACTIONS, OPTIONS & POTENTIAL MOTIONS

I move to authorize the City to apply for State of Oregon Funding Assistance to update the City's Housing Needs Analysis and authorize the Mayor to sign a letter indicating Council's support.

ATTACHMENTS

Attachment 1: Support letter for State of Oregon funding assistance to update Ashland's Housing Needs Analysis
Attachment 2: Ashland's application for DLCD Technical Assistance

May 19, 2020

Gordon Howard, Grant Program Manager
Department of Land Conservation and Development
635 Capitol Street NE, Suite 150
Salem, Oregon 97301-2540

Re: DLCD Planning Assistance Grant Application

Dear Mr. Gordon

The City of Ashland Council expresses our full support for the Department of Land Conservation and Development 2019-2021 grant funding application to update the City's Housing Needs Analysis.

The Oregon Legislature appropriated funds to the Oregon Department of Land Conservation and Development (DLCD) for the purpose of providing technical assistance to local governments in increasing the affordability of housing within urban growth boundaries and identified the City of Ashland as having households with severe rent burden as priority recipients for funding allocated through House Bill 2003. The Oregon Housing and Community Services Department has identified that approximately 33 percent of renter households in Ashland experience severe rent burden. This severe rent burden qualifies the City for funding assistance from DLCD to update the City's 2012 Housing Needs Assessment and partner with DLCD for purposes of updating housing needs projections addressing housing types and price levels, residential land needs, and identification of measures for accommodating needed housing as described in Oregon Administrative Rules (OAR) Chapter 660, Divisions 7 and 8.

Grant funds, if awarded, will pay for consultant assistance to prepare a public hearing ready draft Housing Needs Assessment to ensure Ashland addresses essential housing needs over the next twenty years. Through an award of funding, the City of Ashland and State of Oregon can further our shared goals of promoting the provision of affordable and workforce housing through a citizen involvement program that ensures the opportunity for citizens to be involved in all phases of the planning process.

Thank you for your consideration,

John Stromberg
Mayor





Department of Land Conservation and Development

2019-21 PLANNING ASSISTANCE HOUSING NEEDS ANALYSIS - PROVIDED CONSULTANT APPLICATION

Please complete each section in the form below. Type or write requested information in the spaces provided. **Submit completed applications by April 30, 2020.**

Date of Application: 4/24/2020

Applicant: City of Ashland, Oregon

Street Address: 20 East Main Street

City: Ashland

Zip: Oregon

Contact name and title: Brandon Goldman, Senior Planner

Contact e-mail address: brandon.goldman@ashland.or.us

Contact phone number: 541-552-2076

Project Title: Ashland Housing Needs Analysis

Project summary: The project entails completion of a Housing Needs Analysis and a Residential Land Need Assessment that accurately assesses the housing needs of Ashland's current residents and future population growth. If selected for assistance, the City will work with DLCD, and their selected consultant, to prepare an HNA and RNLA

2019-21 PLANNING ASSISTANCE HOUSING NEEDS ANALYSIS

City of Ashland : Attached Project Description & Work Program

- A. Goals and Objectives.** The primary objective of this Project is to prepare hearings-ready draft Housing Needs Analysis (HNA) pursuant to ORS 197.296, and necessary amendments to incorporate the HNA into the City's Comprehensive Plan. City adoption of the amendments is not required prior to project completion on or before June 30, 2021, however the City anticipates beginning the public hearing process for adoption of the HNA and Residential Land Needs Assessment (RLNA) as technical supporting documents to the Housing Element of the Comprehensive Plan following completion of the scope of work contained within this proposal. The completion of the HNA through this project, and subsequent adoption by the City of Ashland, will allow the City to fulfill requirements set forth in House Bill 2003 to update the HNA in compliance with the schedule set forth by the Department of Land Conservation and Development. Ashland is obligated to complete an update of the HNA by a deadline of December 31, 2023. Completing the update in 2021, in advance of this deadline, will allow us to leverage work recently completed through adoption of a local BLI in 2020, and allow the City to address existing housing needs more expeditiously.
- B. Products and Outcomes.** The HNA is to include a housing needs projection and a Residential Land Needs Assessment addressing housing types and price levels, residential land needs analysis, and identify measures for accommodating needed housing as described in OAR chapter 660, divisions 7 and 8. The purpose of this HNA would be ensure that Ashland has an available land supply sufficient to accommodate our population's housing needs over the next 20 years.

The development of Ashland's HNA will be informed by two technical documents recently completed:

- 2019 Buildable Lands Inventory
- 2019 Ashland Housing Implementation Strategy Plan (prepared by ECONorthwest utilizing a DLCD technical assistance grant.)

These recent technical documents will assist the selected consultant in conducting the analysis in a manner that is based on solid factual basis, while retaining a strong focus on implementation. It is anticipated that the process for conducting an HNA would include City and Consultant coordination to undertake the following general tasks:

- Prepare a public involvement strategy;
- Provide an overview of the Ashland housing market including:
 - Socioeconomic and demographic trends;
 - Household incomes and affordability of housing;
 - Current housing costs including sale and rental averages by unit size;

- Supply of vacant and partially vacant land utilizing the 2019 Buildable Lands Inventory;
- Housing vacancy rates;
- Historical development trends and anticipated development conditions due to projected demographic changes and COVID19 Housing impacts;
- Quantify housing needs by housing type and density as implied by household sizes, ability to afford housing, and the needs of special populations;
- Provide a baseline forecast of housing demand.
- Provide a comparison of land availability, housing capacity, and needed housing.
- Identify programs and strategies employed by communities that have comparable housing opportunity issues as determined by the analysis.

C. Work Program, Timeline & Payment.

1.Tasks and Products: The following tasks outline the expected major tasks and deliverables for the Consultant and the City.

Task 1: Project Kick-Off

The purpose of the project kick-off is for Consultant to become familiar with local conditions and with City's planning documents, for the parties to confirm the objectives of the project and refine the project schedule, and for the City to prepare for the Project. Consultant will contact City via conference call, or in person to inquire about establishing project expectations and familiarize themselves with city-specific concerns. Consultant will verify the action items identified through this initial conference call with the participating City and will develop and share a proposed schedule for the actions required for the completion of all tasks. The level of detail required for the proposed project schedule should be determined and with mutual agreement by the City and the Consultant.

Task 1 Consultant Deliverables:

- Summary of major tasks and action items for the Project
- Proposed Project schedule

Task 1 City Deliverables:

- Copy of relevant comprehensive plan and code sections
- Building permit and housing data to support the Housing Needs Analysis.
- Copy of 2019 Buildable Lands Inventory
- Copy of 2019 Ashland Housing Implementation Strategy Plan
- Copy of 2018-2068 Jackson County Coordinated Population Projection (PSU)

Task 2: Housing Needs Projection

Consultant will prepare a draft housing needs projection consistent with OAR chapter 660, divisions 7 or 8, as applicable. The housing needs projection will be used to determine the City's residential land need in Task 4. The housing needs projection will be developed based on discussion with a project advisory committee at one or more committee meetings, population projections, household demographic data, socioeconomic trends, and housing market data for the city of Ashland.

City will schedule, and provide notice and an agenda, for one advisory committee (AC) meeting to review the draft housing needs projection product. Consultant will coordinate with City on meeting arrangements and facilitate the advisory committee meetings. The advisory committee may consider more than one deliverable at a meeting.

Task 2 Consultant Deliverables:

- Draft housing needs projection
- Presentation materials to explain preliminary analyses and findings to the advisory committee, the public, and interest groups (AC #1)
- Advisory committee meeting notes

Task 2 City Deliverables:

- Advisory committee appointments
- Advisory committee meeting notices and agendas

Task 3: Buildable Lands Inventory (BLI)

The City of Ashland Completed a Buildable Lands inventory in 2019-20. As such this task will not include conducting a new BLI, but rather involves a review the recently approved BLI report and data to assist in quantifying the City's residential land supply, and corresponding land need, in consideration of the Housing Needs projections provided in Task 2.

Consultant will review the 2019 Buildable Lands Inventory and provide a summary consistent with OAR chapter 660, division 7 or 8, as applicable. The BLI will be used to determine the City's residential land need in Task 4.

City will schedule one advisory committee meeting to present draft housing needs and buildable lands data and findings. Consultant will coordinate with City on meeting arrangements and facilitate the public meeting.

Task 3 Consultant Deliverables:

- Executive summary of the Ashland 2019 BLI
- Executive summary regarding housing need projections.
- Presentation materials to explain preliminary analyses and findings to the advisory committee, the public, and interest groups (AC #2)
- Advisory committee meeting notes
- Public meeting summary

Task 3 City Deliverable:

- Development of a dedicated project webpage for public review of documents and advertisement of meetings and study sessions.
- Advisory committee meeting notices and agendas
- Public meeting notice(s)

Task 4: Residential Land Needs Analysis (RLNA)

Based on the outcomes of Tasks 2 and 3, Consultant will prepare a draft RLNA that addresses how much land and what zoning the City needs to accommodate its Housing Need, comparing the demand and supply provided in the deliverables produced in Tasks 2 and 3. The RLNA will be developed based on discussions with a project advisory committee at one or more committee meetings.

If the analysis shows that the Housing Need cannot be accommodated by the City's existing comprehensive plan, the RLNA will be developed concurrently with Task 5 in order to consider accommodating Housing Needs through changes to the comprehensive plan and land use regulations as required by OAR chapter 660, divisions 7 or 8 and 24.1

City will schedule and provide notice and an agenda for one advisory committee meeting to review the draft RLNA product. Consultant will coordinate with City on meeting arrangements and facilitate the advisory committee meetings. The advisory committee may consider more than one deliverable at a meeting.

Task 4 Consultant Deliverables:

- Draft RLNA
- Presentation materials to introduce preliminary residential land need analyses and findings to the advisory committee (AC #3),
- Presentation materials to introduce preliminary residential land need analyses and findings to the Housing and Human Services Commission and Planning Commission at a joint study session (HHSC & PC Joint Meeting #1)
- Advisory committee meeting notes

Task 4 City Deliverable:

- Advisory committee meeting notices and agendas
- Housing and Human Services Commission and Planning Commission joint study session notices agendas
- Housing and Human Services Commission and Planning Commission joint study session minutes.

Task 5: Measures to Accommodate Needed Housing

Consultant will identify options for changes to the City's comprehensive plan and land use regulations to address housing and residential land needs determined in previous tasks. This task may be completed concurrently with Task 4.

City will schedule and provide notice and an agenda for one advisory committee meeting, one Housing and Human and Human Services Commission meeting, one Planning Commission meeting, and one City Council Study Session to review the housing-accommodation product. Consultant will coordinate with City on meeting arrangements and

facilitate the advisory committee meetings. The advisory committee, and Commissions may consider more than one deliverable at a meeting.

City will schedule one public workshop or open house to present draft residential land need and housing accommodation data, findings, and recommendations. City will solicit input from the public on the draft deliverables. Consultant will coordinate with City on meeting arrangements and facilitate the public meeting(s).

Task 5 Consultant Deliverables:

- Final draft hearings-ready HNA and RNLA
- Options for changes to City's comprehensive plan and land use regulations to address housing and residential land needs
- Presentation Materials for Commission and Council meetings relating the the recommendations and findings within the draft HNA and RNLA
- Presentation of the hearings ready HNA and RNLA to the Housing and Human Services Commission (HHSC #1)
- Presentation of the hearings ready HNA and RNLA to the Planning Commission (PC #1)
- Presentation of the hearings ready HNA and RNLA to the City Council at a study session (CC #1)
- Advisory committee meeting notes
- Public meeting summary

Task 5 City Deliverables:

- Advisory committee meeting notices and agendas
- Housing and Human Services Commission notices and agenda
- Planning Commission notices and agenda
- City Council notices and agenda
- Public meeting minutes
- Public hearing schedule for the formal adoption of the HNA and RNLA.

2.Timeline: List all dates for the project including tentative start date after the contract is signed, task completion dates, and project completion date. Please note that this project must be completed by the end of the biennium – June 30, 2021.

	Task Description	Start Date	Target Completion Date
Task 1	Consultant Summary of major tasks and development of Project Schedule	July 1, 2020	July 30, 2020
	City coordination and provision of relevant documents.		
Task 2	Consultant Draft housing needs projection and present preliminary analyses and findings to the advisory committee (AC#1)	Aug. 1, 2020	Sept 15, 2020
	City formation of Advisory committee and meeting scheduling		
Task 3	Consultant summary of the Ashland 2019 BLI, housing need projections, and presentation of materials to the advisory committee (AC #2)	Sept. 15, 2020	Oct. 31, 2020
	City coordination and scheduling of Advisory committee meeting. Development of a project webpage on the City website.		
Task 4	Consultant completion of the Draft RLNA, and presentation of materials to the advisory committee (AC #3), and Planning Commission at a joint study session (HHSC &PC Joint Meeting #1)	Nov. 1, 2020	Jan. 31, 2021
	City coordination and scheduling of Advisory committee and joint commission meeting.		
Task 5	Consultant preparation of the hearing-ready draft of the Housing Needs Analysis and RNLA. Presentation of draft to the Human Services Commission (HHSC #1), Planning Commission (PC #1), and City Council (CC #1) at study sessions.	Feb.1, 2021	April 30, 2021
	City coordination and scheduling of the HHSC, PC, and Council study sessions. Development of the public hearing schedule for formal adoption of the HNA and RNLA to be follow the conclusion of the DLDC funded project.		
All Tasks		July 1, 2020	May 1, 2021

3. Payment Schedule:

It is the City of Ashland's understanding that as part of the statewide program to assist communities in updated local HNA's, the Department of Land Conservation and Development will be selecting qualified consultant teams to work with various local communities. As such the contracting for payment of services would be established between the consultant and DLCD. Further the ability of the State to independently contract with consultant teams to conduct several projects simultaneously may result in cost savings relating to economies of scale. As such the City of Ashland has not prepared an estimate of project costs relating to this proposed project. The City will not be seeking any direct grant payment as part of this project.

As set forth in the tasks above the project would entail both final deliverables in the form of a hearing-ready HNA and RLNA, as well as a number of consultant presentations to an ad-hoc HNA advisory committee (3 meetings), presentations before the Ashland Planning and Housing & Humans Services Commissions (1 joint meeting and 2 independent study sessions), and lastly one presentation before the Ashland City Council. Through the initial Task 1 the City, DLCD, and the selected Consultant can further identify if any of the above noted meeting presentations could be conducted remotely through teleconferencing to reduce travel costs.

Regarding the payment schedule for both deliverables and meeting schedule the City would defer to DLCD for consistency with other similar contracts being executed statewide. However, the completion of Task 3 appears to be a logical midway point for the interim payment, with final payment to occur following the completion of Task 5.

D. Evaluation Criteria.

In consultation with DLCD's local Regional Representative, the City will work with a consultant selected by the State who is experienced in completing Housing Needs Analyses. This coordination would ensure the HNA is completed in a manner that is consistent with statewide planning Goal 10, state rulemaking relating to the requisite components of a Housing Needs Analysis, and House Bill 2003.

Ashland last completed a Housing Needs Analysis in 2012. The eligibility criteria for the HB 2003 DLCD grant opportunity indicates priority will be given to cities with "outdated" Housing Needs Analyses. In this context, "outdated" means Analyses that were adopted and acknowledged more than eight years ago for cities outside Portland Metro boundary. Ashland meets this criterion.

The eligibility criteria further indicate that additional prioritization will be given to severely-rent burdened cities (cities in which more than 25% of renter households spend more than 50% of median household income on gross rent). The 2019 Severe Rent Burden Report for Oregon showed that 33.6% of Ashland's households were severely rent burdened. Ashland meets this criterion.

City of Ashland Planning Staff has both the expertise and time to assist in completing the project within the timeframe indicated in this proposal. The City's Long Range Senior Planner, Brandon Goldman, and our Housing Program Specialist, Linda Reid, will contribute local match in the form of staff time to meet the obligations of the grant.

E. Project Partners.

Information obtained through the development of the HNA and RLNA will be provided to organizations and governmental agencies upon request to assist in their assessment of Ashland's socioeconomic and demographic trends as they relate to housing needs and production. Such information is expected to be of use to school demographers for the Ashland School District, Southern Oregon University, Rogue Valley Transportation District, and other entities that rely of such data to project their future service needs.

F. Advisory Committees.

An ad-hoc Housing Needs Analysis Advisory Committee will be appointed to be comprised of members of the Planning Commission, Housing and Human Services Commission, members of the non-profit and market rate housing development community, and other public members as recommended by the City.

The Planning Commission will participate in the project through dedicated study sessions and regular meetings to review and provide input on the materials produced by the selected consultant.

The Housing and Human Services Commission will participate in the project through dedicated study sessions and regular meetings to review and provide input on the materials produced by the selected consultant.

Citizen input at all commission meetings is encouraged.

Local Official Support

The application ***must include a resolution or letter from the governing body*** of the city or county demonstrating support for the project. If the applicant is a council of governments on behalf of a city, a letter or resolution from the city council supporting the application must be included. *The application will not be complete if it does not include this item.* The letter of support may be received by DLCD after the application submittal deadline, but it must be received before assistance is awarded.

On February 27th, 2020, City of Ashland Mayor Stromberg signed the request for Planning Assistance to conduct an HNA submitted to the DLCD grant program. The Ashland City Council is scheduled to review this full grant request at their May 19th regular meeting. A letter from the City Council demonstrating support for the project as required by ORS 284.753(5) will be submitted to DLCD upon approval by the Mayor and City Council in advance of any assistance.