

# Council Study Session

October 1, 2018

<b>Agenda Item</b>	Housing Strategies – Regional Problem Solving Plan	
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<b>Item Type</b>	Requested by Council <input type="checkbox"/> Update <input checked="" type="checkbox"/> Request for Direction <input checked="" type="checkbox"/> Presentation <input checked="" type="checkbox"/>	

## **SUMMARY**

The Ashland Housing Strategy is part of a regional housing plan being developed through the Regional Problem Solving (RPS) group. The Greater Bear Creek Regional Plan (Regional Plan) requires the development of a regional housing strategy within five years of acknowledgement of the Regional Plan. The Ashland Housing Strategy memorandum presents a housing strategy for the City of Ashland that is intended to meet the RPS and Ashland Comprehensive Plan requirement of developing a housing strategy, and presents potential actions intended to address regulatory issues to promote the development of needed housing. Staff is requesting the City Council direct staff to work with the Department of Land Conservation and Development to seek a technical assistance grant to further evaluate actions identified in the Ashland Housing Strategy document for potential implementation in Ashland.

## **POLICIES, PLANS & GOALS SUPPORTED**

Greater Bear Creek Valley Regional Plan (Regional Plan):

*Housing Strategies. Participating jurisdictions shall create regional housing strategies that strongly encourage a range of housing types throughout the region within 5 years of acknowledgement of the RPS Plan.*

The attached Ashland Housing Strategy is a component of the regional housing strategy currently under development.

Ashland Comprehensive Plan: Regional Plan Element

*All participating jurisdictions shall incorporate the portions of the Regional Plan that are applicable to each individual city into that city's comprehensive plan and implementing ordinances, and will reference the Plan as an adopted element of Jackson County's Comprehensive Plan.*

The City of Ashland committed to provided 6.6 units per gross acre for new development as part of the regional planning process. Changes to the zoning and land use ordinance that encourage development of needed multi-family residential units and affordable housing would contribute toward meeting the regional density target.

Ashland Comprehensive Plan: Housing Element

*6.10 Goal Ensure a variety of dwelling types and provide housing opportunities for the total cross-section of Ashland's population, consistent with preserving the character and appearance of the city.*

The Ashland Housing Strategy provides a number of policies and actions that aim to address Ashland's housing needs by encouraging development of housing types that are comparatively affordable, including duplexes, townhouses, cottage housing, or garden apartments.

### **BACKGROUND AND ADDITIONAL INFORMATION**

The Greater Bear Greek Valley Regional Plan (Regional Plan) developed and adopted through the Regional Problem Solving (RPS) requires the development of a regional housing strategy within five years of acknowledgement of the Regional Plan. The Regional Plan was acknowledged on March 7, 2013, meaning that the regional housing strategy needed to be developed by March 7, 2018. The regional housing strategy is still under development.

The requirement in the Regional Plan is broad and does not specify what a housing strategy would include. The requirement is as follows:

*Housing Strategies. Participating jurisdictions shall create regional housing strategies that strongly encourage a range of housing types throughout the region within 5 years of acknowledgement of the RPS Plan.*

Housing strategies in Oregon generally focus on two broad issues: (1) increasing efficiency of land use in residential development and (2) strategies that encourage development of affordable housing of low-income housing (i.e., housing for households earning less than 60% of median family income) and affordable workforce housing (i.e., housing for households earning 60% to 120% of median family income). Additionally strategies relating to identifying financial incentives in support of needed housing are also being evaluated as part of this endeavor.

The second dimension of the RPS Plan requirement relates to coordinating a regional approach for the RPS communities and Jackson County. It is both appropriate and desirable that local governments establish their own strategies and that they think regionally about those strategies. The challenge then is ensuring alignment among regional strategies that are adopted by several local governments. To this end ECONorthwest is working with the Regional Problem Solving Committee and the Department of Land Conservation and Development to develop a regional housing strategy, as required by the Regional Plan. This effort includes assisting the participating communities of Jackson County in evaluating local housing programs and land use codes to identify housing strategies to be considered to address the goal of encouraging a range of housing types.

ECONorthwest has prepared the attached "Ashland Housing Strategy" document after working with City planning and housing staff to review our land use code and existing housing programs. As the region moves forward to adopt a regional housing plan, each City will be tasked with determining specific strategies that would be most effective at a local level. In advance of this future effort Staff wanted to present the Ashland Housing Strategy to the Housing and Human Services Commission, the Planning Commission, and the City Council for general discussion. The Housing and Human Services Commission, and the Planning Commission discussed the Ashland Housing Strategy document on 8/23/2018 ([HHSC Minutes](#)) and 8/28/2018 ([PC minutes](#)) respectively.

The City's Planning Division is pursuing a technical assistance grant with the Department of Land Conservation and Development. Under the technical assistance grant, the City and selected consultant would undertake a public involvement process to assist in the preparation of a Housing Strategy Implementation Plan. The Plan would address a discrete set of actions identified within the attached Ashland Housing Strategy. In recognition of Ashland's need for multi-family rental housing the City and DLCD have developed a scope of work focused on encouraging development of new multifamily through identifying barriers in the land use ordinance as well as considering other incentives.

**FISCAL IMPACTS**

This item is presented as an update to the City Council. Completion of the Regional Housing Strategy will have no fiscal impact on the City. In the event the City of Ashland moves forward on implementing specific actions in the Ashland Housing Strategy the fiscal impacts of those actions will be provided for consideration.

**DISCUSSION QUESTIONS**

Does the Council have questions or comments regarding the Ashland Housing Strategy prepared by ECONorthwest as part of completing a regional housing strategy for the Regional Housing Plan?

Does Council wish to direct Planning Staff to continue to work with the Department of Land Conservation and Development to seek a technical assistance grant? The purpose of this effort would be to develop a draft ordinance amendment to implement a specified action identified in the Ashland Housing Strategy document?

**SUGGESTED NEXT STEPS**

The Region Problem Solving group and DLCD is still determining the method by which a Regional Housing Strategy will be adopted by participating jurisdictions once completed. In the event the Ashland Housing Strategy is to be adopted as a technical supporting document to Ashland's Comprehensive Plan's RPS Element, Staff will initiate a formal public hearing and adoption process.

**REFERENCES & ATTACHMENTS**

Attachment 1: Ashland Housing Strategy

DATE: 7/10/2018  
TO: Brandon Goldman  
FROM: Beth Goodman  
SUBJECT: ASHLAND HOUSING STRATEGY

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The City of Ashland has conducted a substantial amount of research about Ashland's housing market and housing needs within the City. In 2012, Ashland updated its Comprehensive Plan Housing Element, which includes a Housing Needs Analysis. Ashland has adopted numerous policies to address the City's housing needs, including encouraging more affordable single family housing types through adoption of the cottage housing ordinance to promote small units on small lots, removing barriers for manufactured housing through elimination of design standards, allowing accessory residential units as a permitted use in single Family and multifamily residential zones. Ashland is in the process of developing a zoning overlay for the Ashland Transit Triangle area to promote the development of residential units in commercial and employment zones.

Ashland is one of the communities that adopted the Regional Plan, which was developed through Regional Problem Solving (RPS). The Regional Plan requires the development of a regional housing strategy within five years of acknowledgement of the Regional Plan, by March 2018. The requirement in the Regional Plan is broad and does not specify what a housing strategy would include. The requirement is as follows:

*Housing Strategies. Participating jurisdictions shall create regional housing strategies that strongly encourage a range of housing types throughout the region within 5 years of acknowledgement of the RPS Plan.*

Housing strategies in Oregon generally focus on two broad issues: (1) increasing efficiency of land use in residential development; and (2) strategies that encourage development of housing affordable to low- and middle-income households. These strategies may be mutually supportive, as housing developed more densely or on smaller lots (i.e., more efficient use of residential land) may result in development of lower-cost housing. Increased densities, however, do not necessarily equate to affordability. Moreover, encouraging development of affordable housing requires a broader focus than issues related to land use efficiency.

Ashland's housing sales prices are higher than in other cities in the Rogue Valley. At the beginning of 2018, the median home sales prices for existing housing in Ashland were \$410,000, an increase of \$85,500 or 25% from 2013. Ashland's housing prices for existing housing were \$142,000 or 50% higher than the median home costs for housing in urban areas.<sup>1</sup>

Housing costs have increased faster than incomes in Ashland over the last decades. The median home value in Ashland increased from 5.8 times the median household income in 2000 to 7.7

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<sup>1</sup> Data source: Rogue Valley Realtors

times median household income in the 2011-2015 period. One measure of housing affordability is whether a household is cost burdened. HUD defines a household as cost burdened if the household pays more than 30% of its gross income on housing costs, such as rent or mortgage, utilities, and housing insurance and property taxes. Forty-six percent of households in Ashland are cost burdened, with 32% of homeowners cost burdened and 62% of renters cost burdened.<sup>2</sup>

This memorandum presents a housing strategy for the City of Ashland that is intended to meet the RPS requirement of developing a housing strategy. It presents housing strategies to address regulatory issues and strategies to increase development of affordable housing.

## Definitions

Within this memorandum, affordable housing is divided into the three-categories based on income: (1) housing for low-income households (e.g., households earning less than 60% of Median Family Income); (2) housing for moderate-income households (e.g., households earning between 60% and 80% of Median Family Income); and (3) housing for middle-income households (e.g., households earning between 80% and 120% of Median Family Income).

According to HUD, the Median Family Income in Jackson County in 2017 is \$53,600, which is an average income of \$4,467 per month. HUD guidelines specify the affordable monthly housing costs should not exceed 30% of gross household income. Table 1 shows how affordability is defined for the purpose of this strategy.

**Table 1. Definition of affordable housing based on 2017 Median Family Income for Jackson County**

	Percent of Median Family Income	Monthly Income in 2017	Affordable Monthly Housing Costs in 2017
<b>Low-income affordable housing</b>	Low Income: 0% - 60%	Up to \$2,680	Up to \$804
<b>Moderate-income affordable housing</b>	Lower Middle: 60% to 80%	\$2,680 to \$3,575	\$804 to \$1,072
<b>Middle-income affordable housing</b>	Upper Middle: 80% to 120%	\$3,575 to \$5,360	\$1,072 to \$1,608

Ashland’s 2012 Housing Needs Analysis identified the need for approximately 769 rental units targeted to households earning less than 50% of the AMI and approximately 251 ownership units for households with incomes below 50% AMI. Ashland’s Housing Needs analysis concluded “...that the City should plan for a larger share of multiple family housing, and for a greater number of single family housing types on smaller lots.”

<sup>2</sup> Data sources: 2000 Decennial Census, 2011-2015 American Community Survey.

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This memorandum also discusses housing development densities. As part of the RPS, the City of Ashland was the only participating city to not identify urban reserves as it was determined that existing lands within the city limits and urban growth boundary were sufficient to accommodate anticipated growth over the planning period.

Over the 2007 to 2016 period, the average density of new single-family development was 5.5 dwelling units per gross acre. The average density of new multifamily housing over the same period was 10.4 dwelling units per gross acre.

## Regulatory Reforms

The policies and actions discussed in this section relate to changes in Ashland's land use regulations that can: (1) improve the efficiency of residential land use by increasing the concentration of housing under certain circumstances, (2) increase opportunity for development of housing types that are comparatively affordable, such as missing middle housing types (such as duplexes, townhouses, cottage housing, or garden apartments), or (3) both increase land use efficiency and provide opportunities for development of comparatively affordable housing.

**Policy 1:** Provide a variety of housing types in Ashland that is more affordable to middle-income households, as well as provide opportunities for development of housing affordable to moderate- and low-income households.

**Action 1.a:** Ensure that land within the Ashland UGB is zoned to allow for development of moderate and higher density housing when possible, such as the R-1-5 or R-1-3.5 zones. Identify land in the R-1-7.5 and R-1-10 to upzone where appropriate, focusing on tax lots one acre and larger.

Implementation Steps: Work with property owners to potentially establish appropriate zoning designations where up-zoning opportunities are identified and implement these policies through a public process.

Priority: Medium; on-going

**Action 1.b:** When rezoning residential land or annexing land into the city, to the extent possible, avoid zoning land RR or WR, except where land has steep slopes that make denser development difficult.

Implementation Steps: Work with property owners to establish appropriate zoning designations where up-zoning opportunities are identified or when is land is annexed into the city and implement these policies through a public process.

Priority: On-going

**Action 1.c:** Allow Manufactured Home Parks as a permitted use in the R-1-3.5 and R-3 zones. Manufactured Home Parks are a not allowed use in these zones. ORS 197.480 (1) (b) requires that cities allow manufactured dwelling parks

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as a permitted use in areas zoned for a residential density of six to 12 units per acre. Each of these four zones allow at least six to 12 units per acre.

Implementation Steps: Revise the permitted uses in the R-1-3.5 and R-3 zones.

Priority: High

**Policy 2:** Encourage development of new multifamily in areas zoned for multifamily housing and commercial areas by increasing the amount and density of multifamily development.

**Action 2.a:** Continue working to implement the zoning overlay from the Ashland Transit Triangle project. This project offers recommendations for changes to development standards, such as decreasing parking requirements for dwellings smaller than 800 square feet, allowing four-story buildings in E-1 and C-1 zones, and three-story buildings in R-2 and R-3 zones, eliminating maximum densities, requiring smaller units, and other changes in development standards to promote small units at a higher density.

Implementation Steps: Continue working to develop the Ashland Transit Triangle project

Priority: High

**Action 2.b:** Evaluate opportunities to upzone land to the R-2 and R-3 zones to allow higher density development. Focus upzoning efforts on vacant parcels at one acre in areas where moderate- and higher-density housing would be appropriate.

Implementation Steps: Work with property owners to establish appropriate zoning designations where up-zoning opportunities are identified and implement these policies through a public process.

Priority: High

**Action 2.c:** Develop policies to encourage development of multifamily rental housing in the R-2 and R-3 zones. Potential policies include:

Requiring that multiple units be retained on a single tax lot under one ownership to promote development of rental housing.

For developments of multifamily structures with four or more dwelling units, require a minimum percentage of total units are designated as rental units.

Implementation Steps: Identify the policies to encourage development of multifamily rental housing and the areas to apply the policies. Implement these policies through a public process.

Priority: High

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**Action 2.d:** Evaluate opportunities to increase density in the R-1-3.5 zone to allow development of multifamily housing above 7.2 dwelling units per gross acre outright (without relying on a density bonus).

Implementation Steps: Revise the zoning code to allow higher densities.

Priority: High

**Action 2.e:** Evaluate opportunities to increase density in the R-2 zone to allow development of multifamily housing above 13.5 dwelling units per gross acre outright (without relying on a density bonus). Consider allowing development up to 18 dwelling units per acre of multifamily housing.

Implementation Steps: Revise the zoning code to allow higher densities.

Priority: High

**Action 2.f:** Evaluate opportunities to increase density in the R-3 zone to allow development of multifamily housing above 20 dwelling units per acre outright (without relying on a density bonus). The city could establish a higher density, such as 30 dwelling units per acre, or establish no maximum density and allow other development standards (e.g., building height, setback, parking requirements, and lot coverage) to limit density.

Implementation Steps: Revise the zoning code to allow higher densities.

Priority: High

**Action 2.g:** Increase the multifamily building height from 35 feet tall, which would allow a 2.5 story building to allow a three-story building, in the R-2 zone.

Implementation Steps: Revise the zoning code to change height limitations.

Priority: High

**Action 2.h:** Increase the multifamily building height from 35 feet tall, which would allow a 2.5 story building to allow a four-story building, in the R-3 zone.

Implementation Steps: Revise the zoning code to change height limitations.

Priority: High

**Action 2.i:** Increase the maximum lot coverage ratio from 75% in R-3 to 80%.

Implementation Steps: Revise the zoning code to change lot coverage ratio in R-3.

Priority: Low

**Action 2.j:** Evaluate opportunities to reduce parking requirements for multifamily housing in the R-2, R-3 zone and commercial zones, such as the proposed parking standards from the Ashland Transit Triangle project. The city could develop policies to lower parking requirements by 0.25 to 0.5 spaces

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per unit for multifamily rental housing or for qualified low-income housing.

Implementation Steps: Evaluate the impact of policies of reducing parking requirements for multifamily development and implement.

Priority: Medium

**Action 2.k:** Evaluate the impact of changes in the proposed Ashland Transit Triangle project for housing production in commercial and employment zoning districts, including Croman Mill District (CM). Consider opportunities to implement the change in policy and development standards in other areas of Ashland to increase development of multifamily housing in commercial and employment zones.

Implementation Steps: Evaluate the impact of the policies from the Transit Triangle project and implement appropriate and effective changes in the City's density standards.

Priority: Low

**Action 2.l:** In commercial zones that allow mixed-use buildings, increase height limitations to allow for ground floor commercial or retail use and five stories of residential units.

Implementation Steps: Revise the zoning code to change height limitations.

Priority: High

**Policy 3:** Monitor residential land development to ensure there is enough residential land to accommodate the long-term forecast for population growth.

**Action 3.a:** Develop and implement a system to monitor the supply of residential land. This includes monitoring residential development (through permits) as well as land consumption (e.g. development on vacant, or redevelopable lands).

Implementation Steps: (1) Develop a monitoring system for land development based on development applications, starting with the existing inventory of buildable lands. (2) Update the inventory of buildable lands every two to three years.

Priority: High

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## Affordable Housing Strategies

This section presents policies and actions to encourage development of both low-income affordable housing and middle-income affordable housing. Table 1 shows that low-income households have income below \$2,680 per month and can afford up to \$804 in housing costs without being cost burdened. These housing costs are below market rents in Jackson County. New housing affordable to low-income households will generally be government-subsidized housing.

Middle income households on the lower end of the spectrum in Table 1 may be able to afford to rent units which are mandated to rent at a rate which is below market. At the other end of the middle income spectrum, households may be able to afford to purchase units that are mandated to sell at a below market cost through the City of Ashland's Housing Program, or perhaps a lower cost housing type such as a manufactured home, a condominium unit, or a town home. With a median sales price of \$410,000 and a median rental amount of over \$1000, (according to the 2015 American Community Survey) there are very few market rate rental or purchase housing units available in Ashland that would be affordable to middle income households.

Policy 4 and 5 present options and ideas for strategies to approach affordable housing issues. **The City should focus on expanding the existing comprehensive affordable housing program by implementing interrelated programs described below.** The affordable housing tools in Policy 4 are frequently implemented together. For example, a city may contribute the development of a government-subsidized affordable housing project by offering tax incentives and low- or no-cost land (from a land bank) for the development. In addition, identifying sources of funding (under Policy 5) will be essential to implementing the affordable housing program using the tools described in Policy 4.

**Policy 4:** Develop policies to support affordable housing by lowering the costs of housing development for low-income affordable housing and/or middle-income affordable housing.

**Action 4.a:** Evaluate opportunities to implement a tax abatement program, such as the multiple-unit limited tax exemption program and the vertical housing tax credit program, to promote development of affordable multifamily housing.

Through the Multiple-Unit Limited Tax Exemption Program,<sup>3</sup> a jurisdiction can incent diverse housing options in urban centers that lack housing choices or workforce housing units. Through a competitive process, the City can select multi-unit projects to receive a property tax exemption for up to ten years on structural improvements to the property in exchange for setting aside a percentage of the units in the project as affordable. The City

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<sup>3</sup> ORS 307.600 through 307.637 provides the regulations for the Multiple-Unit Limited Tax Exemption Program.

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has the opportunity to control the geography of where the exemption is available, the application process and fees, the program requirements, the criteria (return on investment, sustainability, inclusion of community space, the percentage of affordable or workforce housing, etc.), and the program cap to shape the program to achieve its goals.

The vertical housing tax credit subsidizes "mixed-use" projects to encourage multi-story development or redevelopment by providing a partial property tax exemption on increased property value for qualified developments. The exemption varies in accordance with the number of residential floors on a mixed-use project with a maximum property tax exemption of 80 percent over 10 years.

Implementation Steps: (1) Select the tax abatement programs the City prefers to implement. (2) Set the program criteria, such as the type of housing it will apply to (low-income affordable housing and/or middle-income affordable housing), the length of tax abatement, or the location for where the program is applied.

Priority: High

Partners: Developers and nonprofit organizations that use the tax credit

**Action 4.b:** Develop a program to finance or defer payment of systems development charges (SDCs) and other fees for to support development of selected housing types for which the City wants to encourage development, such as accessory dwelling units.

The purpose of the policy is to defer payment of SDCs, making it easier for the development community to pay for projects by reducing upfront costs. The City could defer payment of the SDCs from issuance of a building permit to certificate of occupancy. Alternatively, the City may finance SDCs for up to five to ten years. While SDC financing is most frequently used for multifamily housing, some cities use it for development of single-family housing.

Implementation Steps: (1) Evaluate whether the City will defer SDCs. (2) Select the type of deferral, until occupancy certificate is issued or longer-term deferral through SDC financing. (3) Set the criteria and process for granting deferrals of SDCs, including type of housing. (4) Set the criteria for the location for where SDC deferrals might be granted, such as for high-density multifamily development in commercial mixed-use areas.

Priority: High

Partners: Developers and nonprofit organizations that use the program

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**Action 4.c:** Evaluate use of Oregon’s Inclusionary zoning program, which allows for a jurisdiction to implement an inclusionary zoning policy if it meets certain requirements. These requirements relate to the income at which the units are affordable (80% MFI or 60% MFI), the percent of the project set aside as affordable (no greater than 20% of the project), the size of the structure (only multifamily structures with at least 20 units) and the requirement for both an in-lieu fee option and incentive package.

In theory, private market-rate development supports some portion of the cost of the affordable units in an inclusionary project. However, in almost all cases, public incentives are also required. These incentives can be regulatory (reduced parking requirements or density bonuses, for example) or financial (property tax abatements or other forms of public investment). Funds can come from general fund, urban renewal, or other municipal sources described in Policy 5.

Implementation Steps: Identify one or more funding sources, such as those in Actions 5a, 5b, and 5c to provide the necessary incentives to support inclusionary zoning. Develop an inclusionary zoning policy.

Priority: Medium

**Action 4.d:** Continue to identify publicly-owned properties that could be used for affordable housing and partner with the Housing Authority of Jackson County, Access, Habitat for Humanity, Neighborworks, OHRA and other affordable housing providers to continue to develop affordable housing.

The City of Ashland may have publicly-owned properties that they have identified as surplus that may be suitable for affordable housing development. These surplus properties could contribute to the land bank for future low-income affordable housing development.

Another potential source of properties is receivership of properties that are foreclosed on by Jackson County. The City could partner with Jackson County to identify foreclosed properties to use for affordable housing development and to transfer the ownership to the City or the appropriate partner.

Implementation Steps: (1) Establish partnerships with the Housing Authority of Jackson County, non-profit affordable housing providers, and Jackson County for the program. (2) Develop a formal agreement with Jackson County to give the City priority choice of foreclosed properties. (3) Develop criteria for selecting foreclosed properties to add to land bank.

Priority: On-going, Medium priority

Partners: Housing Authority of Jackson County and Jackson County

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**Policy 5:** Develop funding sources to pay for the costs of implementing the affordable housing programs described in Policy 4 and fund the City’s Affordable Housing Trust Fund.

**Action 5.a:** Develop a Construction Excise Tax (CET) on new development to pay for developer incentives, such as fee and SDC waivers, tax abatements, or finance-based incentives.

Ashland dedicates a portion of marijuana taxes (\$100,000 annually), is a recipient of CDBG funding from the federal government, and uses city general funds to support the Housing Program staff and the development of affordable housing. In addition, City programs waive SDCs and, in some cases, waive community development and engineering fees to support affordable housing.

However, this funding is not sufficient to meet the need for affordable housing in Ashland. Further support of affordable housing development can make an important difference in the financial feasibility in the housing development, increasing the opportunities for affordable housing development.

Cities can adopt a CET of 1% of the permit value on residential construction and at an uncapped rate on commercial and industrial construction, for use on affordable housing projects. A CET is a tax assessed on construction permits issued by local cities and counties. The tax is assessed as a percent of the value of the improvements for which a permit is sought, unless the project is exempted from the tax.

Implementation Steps: Evaluate potential adoption of a CET. If the City chooses to adopt a CET, develop the rules and program to implement the CET. Identify the affordable housing program(s) that the CET will support.

Priority: High

Partners: Housing and Human Services Commission, Jackson County Homebuilders Association, Association of Realtors

Estimate of impact: The impact varies depending on the resulting programs that use the CET revenues, how much revenue is generated, and if new housing also has to pay a CET.

One of the largest limitations that cities generally face in supporting affordable housing development is a lack of funding. CET could be a crucial funding source to pay for other affordable housing policies, such as paying SDCs for low-income affordable housing.

**Action 5.b:** Evaluate establishment of an urban renewal district. Part of the purpose of the urban renewal district would be to use revenues from tax increment

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finance (TIF) to pay for a portion of the costs of the affordable housing programs in Policy 4. The urban renewal district would need to include areas of blight, where the City wants to support redevelopment, beyond development of affordable housing.

Urban renewal funds can be invested in the form of low interest loans and/or grants for a variety of capital investments, including infrastructure to service affordable housing and development of affordable housing units.

Implementation Steps: Work with the City Council to decide whether to establish an urban renewal district. Affordable housing projects developed within the Urban Renewal funding may be combined with other programs, such as land banking, payment of SDCs for government-subsidized affordable housing, or use of other affordable housing funding (e.g., CET funds).

Priority: Medium

Partners: Housing Authority of Jackson County, Access Inc., or a community development corporation

Estimate of impact: The impact on development feasibility will vary from moderate to high depending on whether TIF dollars are used for grants or loans. Typically, general fund dollars are successful at bridging gaps in development feasibility. Additionally, compared to other actions, they have lower administration costs for both the private and public sectors because the application requirements and administrative requirements may be less costly and easier to implement for a city.

**Action 5.c:** Identify other sources of funding to pay, such as transient lodging taxes, for programs that support affordable housing development. As discussed in Action 5a, Ashland does not currently have sufficient funding to adequately support affordable housing development.

Implementation Steps: Identify one or more appropriate funding sources. Dedicate this funding to the Affordable Housing Trust Fund or another program to support development of affordable housing.

Priority: High

Partners: Housing Advisory Committee, Jackson County Homebuilders Association, Association of Realtors

Estimate of impact: The impact varies depending on the resulting programs that use the revenues and how much revenue is generated.