



Planning Commission Agenda

Note: Anyone wishing to speak at any Planning Commission meeting is encouraged to do so. If you wish to speak, please rise and, after you have been recognized by the Chair, give your name and complete address for the record. You will then be allowed to speak. Please note the public testimony may be limited by the Chair.

February 27, 2024

Study Session

Agenda

- I. **CALL TO ORDER**: 7:00 p.m., Civic Center Council Chambers, 1175 E. Main Street

- II. **ANNOUNCEMENTS**

- III. **PUBLIC FORUM**
Note: If you wish to discuss an agenda item, please contact PC-public-testimony@ashland.or.us by February 27, 2024, 10 a.m. to register to participate electronically. To speak to an agenda item in person you must fill out a speaker request form at the meeting and will then be recognized by the Chair to provide your public testimony. Written testimony can be submitted in advance or in person at the meeting. If you are interested in watching the meeting via Zoom, please utilize the following link: <https://zoom.us/j/92172154795>

- IV. **DISCUSSION ITEM**
A. Housing Element / Housing Needs Analysis / Housing Production Strategy

- V. **OPEN DISCUSSION**

- VI. **ADJOURNMENT**

Next Meeting Date: March 12, 2024

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please email planning@ashland.or.us. Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting (28 CFR 35.102-35.104 ADA Title 1).



Memo

DATE: February 27, 2024
TO: Planning Commission
FROM: Brandon Goldman, Interim Community Development Director
DEPT: Community Development
RE: Housing Element/ Housing Needs Analysis/ Housing Production Strategy

At the Planning Commission study session this evening, staff is set to present an overview of three pivotal Housing Documents recently adopted by the City of Ashland. This effort is part of a broader initiative to review individual elements of Ashland's Comprehensive Plan, aiming to engage and inform the Commission about the city's goals, policies, and pertinent data. The Housing Production Strategy (HPS), Housing Capacity Analysis (HCA), and the Housing Element are highlighted in the memo materials. For comprehensive details, the full documents are available online

Background

The State of Oregon mandates that cities develop a comprehensive plan, which includes a Housing Element, to ensure that communities can meet their current and future housing needs. Specifically, for cities with a population over 10,000, state law requires the adoption of a Housing Production Strategy within one year after completing a Housing Capacity Analysis (ORS 197.290). This strategy must detail specific tools, actions, and policies the city intends to use to address local housing needs, based on an analysis of housing capacity and needed housing (ORS 197.296).

The Housing Capacity Analysis involves assessing the city's ability to accommodate expected residential growth across a range of housing types and densities, considering factors like available buildable land and projected housing demand. Following this analysis, the city must develop a Housing Production Strategy that outlines how it plans to encourage the development of necessary housing, including changing regulations or offering financial incentives to promote various housing types.

These requirements are part of Oregon's broader effort to ensure cities proactively plan for housing affordability and diversity, addressing the needs across all income levels and reducing rent burdens for severely rent-burdened households. By integrating these elements into their comprehensive plans, cities in Oregon are better equipped to manage growth sustainably and inclusively, ensuring that housing development aligns with community needs and state goals for housing availability and diversity.

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Memo

Housing Element of the Comprehensive Plan

In June 2019, the City of Ashland took a significant step forward in addressing its housing needs by adopting an updated Housing Element as part of its Comprehensive Plan. This revision came as a response to evolving demographics, housing market conditions, and environmental considerations, aligning with the city's broader goals of sustainability, inclusivity, and growth management.

The Housing Element encompasses a strategic framework designed to ensure a diverse range of housing types, promote the production and preservation of affordable housing, encourage environmental stewardship, and maintain updated data inventories for effective planning. It reflects a commitment to meeting the needs of Ashland's population, including low and moderate-income households, seniors, and persons with disabilities, through a variety of housing options such as single-family homes, multi-family units, accessory dwelling units (ADUs), and cottage housing developments. Key goals outlined in the Housing Element focus on diversifying housing types to cater to the entire spectrum of Ashland's population, supporting affordable housing initiatives, integrating sustainability into housing development, and leveraging data to forecast and plan for future housing needs.

Policies have been formulated to provide for a mix of housing types, support accessible design, integrate housing with other land uses through flexible zoning, and ensure non-discrimination in housing opportunities. Additionally, the Element advocates for the use of the city's Housing Trust Fund and other financial incentives to foster the creation and retention of affordable housing. The Element also addresses the need for environmental stewardship by promoting development standards that consider topography, encourage infill and compact development patterns, and support energy-efficient building and site design. It recognizes the critical relationship between housing, transportation, and energy use, advocating for development that reduces reliance on automobiles and promotes a more sustainable, livable community.

To ensure the effectiveness of these strategies, the Housing Element emphasizes the importance of maintaining up-to-date inventories of land and housing, coordinating growth management planning with regional partners, and streamlining permitting processes to facilitate the development of needed housing types. This proactive approach is aimed at accommodating Ashland's changing demographics and housing needs, fostering a more inclusive, sustainable, and vibrant community.

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The adoption of the Housing Element in 2019 represents a comprehensive effort by the City of Ashland to address its current and future housing challenges. As new legislation and planning considerations emerge, the principles and policies contained within the Element provide a robust foundation for evaluating and incorporating such changes, ensuring that Ashland continues to meet its housing needs effectively and responsibly.

Demographic Information in the Housing Element

The Housing Element of Ashland's Comprehensive Plan, adopted in June 2019, presents a detailed examination of the city's demographic trends and housing needs, forming the foundation for the city's housing policies and goals. This section utilizes data from the Housing Needs Analysis, which is regularly updated to reflect changes in the real estate market, population, and demographic conditions within the City of Ashland.

Estimating Housing Demand

Housing demand projections in the Housing Element are based on a comprehensive methodology that includes factors such as population changes (births, deaths, migration), age and income demographics, demographic trends, housing tenure, housing costs, and available housing types. This approach allows for a nuanced understanding of housing needs, moving beyond simple historic housing production trends to anticipate future demands.

Population Growth and Household Size

Historical data shows a steady increase in the number of persons per household from 1940 to 1960, with a subsequent decline from 2.84 persons per household in 1970 to 2.03 by 2010. The Portland State University (PSU) Coordinated Population Forecast predicts a further decline in household size, reflecting broader demographic shifts including an aging population. These changes have implications for housing types and sizes required to meet community needs.

Housing Stock and Construction Trends

Ashland's housing stock growth varies due to factors such as land value and availability, housing market fluctuations, income, age, household size, household composition, immigration, economic conditions, and employment options. The Southern Oregon University student population also influences the city's housing stock.

Income and Housing Affordability

Income levels significantly impact housing preferences within Ashland. The disparity between home value increases and income growth indicates a growing

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housing affordability challenge. The median home value has grown at a rate substantially higher than median incomes, exacerbating housing cost burdens for both homeowners and renters. This trend suggests a need for a diverse range of housing options to accommodate various income levels.

Addressing Demographic and Housing Trends

The Housing Element's demographic analysis underscores the necessity for Ashland to adapt to changing housing needs through strategic planning and policy development. This includes promoting a mix of housing types, enhancing affordability, and ensuring the availability of housing that meets the diverse needs of its residents. By closely monitoring demographic trends and housing market conditions, Ashland aims to provide a balanced and inclusive approach to housing development, ensuring the city remains a vibrant and welcoming community for all residents.

Goals and Policies of the Housing Element

The Housing Element was adopted in June 2019 as an update to the Ashland's Comprehensive Plan by removing the existing outdated element and replacing it in its entirety. The updated Element establishes a robust framework of goals and policies aimed at addressing the diverse housing needs of the community.

The goals and policies are designed to promote a variety of housing types, ensure affordability, enhance environmental sustainability, and maintain updated data inventories for effective planning and development. These measures reflect Ashland's commitment to fostering a balanced, inclusive, and sustainable housing landscape. Comprehensive plan policies are designed to guide the development of land use regulations, the allocation of city funds, and the implementation of actions to achieve the plan's goals.

The Land Use Board of Appeals (LUBA) in Oregon evaluates appeals on planning actions with a specific scope of review, ensuring that local government decisions align with state laws and comprehensive plan standards. While comprehensive plan policies guide the development of local land use regulations, expenditures, and actions, LUBA has clarified that these policies should not serve as independent approval criteria for planning actions. Instead, approval criteria within local land use ordinances must be in conformance with comprehensive plan policies and goals, ensuring no conflict exists between the ordinances and the underlying goals of the comprehensive plan.

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Diversity of Housing Types

A central goal of the Housing Element is to ensure a wide range of dwelling types, providing living opportunities for the entire cross-section of Ashland's population. Policies under this goal aim to:

- Provide a mix of housing types that are attractive and affordable to a diversity of ages, incomes, household sizes, and types.
- Support accessible design and housing strategies that offer options for seniors and persons with disabilities.
- Integrate housing with other compatible land uses through flexible zoning provisions, ensuring that housing opportunities are available to all residents without discrimination.
- Zone sufficient land at densities to accommodate an adequate supply of housing by type and cost to meet population growth and projected housing needs.

Production and Preservation of Affordable Housing

The Element emphasizes the creation and preservation of affordable housing for low and moderate-income households, in alignment with the incomes of Ashland's workforce.

Key policies include:

- Encouraging the preservation of affordable housing and preventing the net loss of safe, healthy, affordable units.
- Utilizing Ashland's Housing Trust Fund and other financial incentives to foster the development and retention of affordable housing.
- Cooperating with both for-profit and non-profit housing providers to locate affordable units within the city.
- Prioritizing permitting processes for affordable housing developments and discouraging the demolition or conversion of needed housing types.

Environmental Stewardship and Sustainability

Acknowledging the critical relationship between housing development and environmental sustainability, the Housing Element sets goals to:

- Encourage housing development that protects the natural environment and supports development patterns reducing the effects of climate change.
- Promote infill, compact development patterns, energy efficiency, renewable energy generation, and water conservation in new residential developments.
- Ensure that housing efficiency policies, programs, and standards support the implementation strategies and actions described in the Ashland Climate and Energy Action Plan.

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Data Inventories, Projections, and Permitting

To effectively plan for changing housing needs, the Element aims to:

- Maintain a database including measurements of vacant land, housing conditions, land use, land values, and other pertinent information.
- Encourage development within city limits while also coordinating with other jurisdictions to accommodate expected residential growth and demand for different types of housing.
- Strive to minimize the processing time for land use and building permits to enhance efficiency and effectiveness.

Through these comprehensive goals and policies, the Housing Element of Ashland's Comprehensive Plan lays a solid foundation for addressing current and future housing challenges, ensuring that Ashland continues to be a vibrant, inclusive, and sustainable community.

Housing Capacity Analysis

Technical Support Document to the Housing Element of the Comprehensive Plan

The City of Ashland's 2021 Housing Capacity Analysis fulfills state requirements, detailing demographic shifts and land needs for the next twenty years. It projects a modest population growth, emphasizing the demand for diverse and affordable housing types to match demographic trends and economic realities. The 2021 Housing Capacity Analysis (HCA) for the City of Ashland offers a detailed look at the city's future housing needs and its capacity to meet them, guiding the development of the Housing Production Strategy implemented in May 2023. Key findings from the HCA include:

- **Sufficient Land for Housing Growth:** Ashland has adequate land within its urban growth boundary to accommodate the forecasted need for 858 dwelling units over the next 20 years, with a surplus of capacity indicating potential for additional growth.
- **Diversification of Housing Types:** The city needs to diversify its housing stock beyond the historically predominant single-family detached units. The forecast indicates:

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- A continuing demand for single-family detached homes but highlights a growing need for multifamily and attached single-family units due to demographic shifts and declining housing affordability.
- Approximately 35% of new housing is expected to be single-family detached, with the city needing to facilitate the development of new single-family attached (10% of new housing), duplex, triplex, and quadplex housing (10% of new housing), and multifamily units (35% of new housing).
- **Unmet Affordable Housing Needs:** There is a significant gap in affordable housing for extremely-low, very-low, low-, and middle-income households. Key affordability insights include:
 - 273 of Ashland's new households will have incomes of \$32,600 (in 2019 dollars) or less, affording monthly housing costs of up to \$820, well below the market rate rents.
 - About 127 new households will have incomes between \$32,600 and \$52,000, affording \$820 to \$1,300 in monthly housing costs, indicating a need for housing options within this price range.
- **Demand for Diverse Housing Types:** To meet these housing needs and adapt to demographic changes, Ashland requires a mix of housing types, including:
 - Small single-family detached housing
 - Accessory dwelling units (ADUs)
 - Cottage housing
 - Townhouses
 - Duplexes, tri-, and quad-plexes
 - Apartments

This diversity is essential to address the lack of affordability and to cater to the preferences of different population segments, including aging baby boomers, millennials, and Generation Z, who may prefer housing in walkable neighborhoods with access to services.

The HCA underlines the critical need for policy changes to meet Ashland's unmet housing needs and supports the development of a Housing Production Strategy. This strategy, built on the HCA's recommendations, outlines specific approaches to increase housing diversity, affordability, and availability, ensuring Ashland can accommodate its residents' needs effectively in the coming years.

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Housing Production Strategy

House Bill 2003 (HB 2003) in Oregon mandated that communities develop Housing Production Strategies (HPS) as part of a broader effort to address housing affordability and availability challenges in the state. The bill was introduced to address several key issues:

Housing Affordability Crisis: Oregon, like many other states, was facing a housing affordability crisis, with rising home prices and rents making it increasingly difficult for many residents to find affordable housing.

Housing Supply Shortages: There is a shortage of housing supply, particularly affordable housing, in many communities across the state. This shortage contributed to increasing housing costs.

Diversity of Housing Types: The bill aimed to promote the development of a diverse range of housing types, including affordable housing, to meet the needs of Oregon's growing population.

Equity and Inclusion: HB 2003 emphasized the importance of equitable housing policies to ensure that housing opportunities were available to all residents, including those from marginalized communities.

Local Planning: The bill recognized that addressing these housing challenges required local-level planning and strategies tailored to the unique needs of individual communities in Oregon.

By requiring communities to develop HPS, HB 2003 aimed to:

- Encourage local governments to take proactive steps to address housing affordability and availability.
- Promote the construction of a mix of housing types, including affordable housing, to accommodate a range of income levels.
- Facilitate partnerships between local governments, developers, nonprofits, and other stakeholders to address housing needs.
- Ensure that housing policies were aligned with broader state housing goals and objectives.
- Enhance transparency and accountability in addressing housing challenges at the local level.

In summary, HB 2003 required communities to develop HPS as a response to the pressing housing issues in Oregon, aiming to foster more affordable, inclusive, and diverse housing options while empowering local governments to take action to meet their housing goals.

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Ashland's HPS Development

Persistent Housing Needs: Despite adopting housing policies over the last two decades, the City of Ashland continues to face unmet housing needs. The 2021-2041 Housing Capacity Analysis highlighted this issue, emphasizing the urgency of addressing housing challenges for the community, especially for lower and moderate-income households.

The Housing Production Strategy (HPS): The City's proactive approach includes the development of a Housing Production Strategy (HPS). This strategy, developed with the assistance of ECONorthwest consultants, focuses on both new affordable housing development and the preservation of existing affordable housing. It aims to diversify housing types and build partnerships with housing providers, developers, and agencies to enhance housing stability for Ashland residents.

Extensive Community Engagement: The City conducted numerous public meetings, online surveys, study sessions, and online and in person outreach efforts. The Housing and Human Services Advisory Committee played a vital role through organizing public engagement events and reaching out to populations less engaged in housing policy development, such as students at Southern Oregon University, residents of low-income housing, and residents of manufactured home parks.

Time Frame: An HPS with a clear 8-year action plan is vital for a city as it provides a structured and time-bound approach to address housing challenges, ensuring that targeted actions are executed efficiently to meet the housing needs of the community. This strategic roadmap enhances accountability, tracks progress, and maximizes the chances of successfully achieving affordable housing goals within the designated timeframe.

The HPS represents a critical step in addressing housing affordability challenges and ensuring housing stability, especially for vulnerable groups within Ashland.

Ashland's HPS includes the following strategic actions:

- A. Evaluate participating in or establishing a land bank.
- B. Evaluate opportunities to participate in a land trust.
- C. Host educational events with the Housing and Human Services Advisory Committee or other organizations.
- D. Develop an equitable housing plan.
- E. Disallow SFD in High Density R-3 Zone.
- F. Evaluate increasing allowances for residential dwellings in commercial and employment zones.
- G. Maintain quality and support preservation of existing manufactured home parks.
- H. Increase development capacity of MFR dwellings through changes to the Land Use Ordinance.

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- I. Implement the Multiple Unit Property Tax Exemption (MUPTEx) to support multifamily or affordable housing.
- J. Preserve and improve existing low-cost, unregulated rental housing.
- K. Work with partners to support development of additional permanent supportive housing.
- L. Evaluate opportunities to improve energy efficiency and reduce GHG emissions during housing development.
- M. Establish a Construction Excise Tax.
- N. Evaluate using Urban Renewal or other financing tools.
- O. Identify additional funds to support the Affordable Housing Trust Fund.

Conclusion

Through the recent update of the Housing Element, Ashland has laid a robust foundation for addressing its housing challenges. The Element established clear goals and policies, while the Housing Capacity Analysis (HCA) quantified current and future housing and land needs. Subsequently, the Housing Production Strategy (HPS) outlined strategic actions to foster housing development. All three documents underwent thorough review and approval by the Planning Commission and City Council, ensuring their alignment with state regulations (OAR, ORS). This comprehensive approach demonstrates Ashland's commitment to creating a sustainable housing environment, duly recognized by the State of Oregon's acknowledgment and approval.

Links

- [Ashland Comprehensive Plan](https://www.ashland.or.us/Files/Comprehensive_Plan-updated_6.2019.pdf)
https://www.ashland.or.us/Files/Comprehensive_Plan-updated_6.2019.pdf
- [Housing Production Strategy Council Approval 5/2/2023](https://www.ashland.or.us/SIB/files/CC_HPS_Approval_05022023_FINAL.pdf)
https://www.ashland.or.us/SIB/files/CC_HPS_Approval_05022023_FINAL.pdf
- [2021-2041 Housing Capacity Analysis](https://www.ashland.or.us/SIB/files/Ashland_Housing_Capacity_Analysis_Final_06012021.pdf)
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