

**Ashland Housing and Human
Services Commission**
Special Meeting Agenda



November 15, 2018: 4:30 – 6:30pm
Galaxy Room of the Ashland Hills Hotel
2525 Ashland Street

1. (4:30) **Welcome and Introductions** (5 min)
Rich Rohde, Commission Chair
2. (4:35) **Open Discussion about Rent Burden** (45 min)
3. (5:20) **Housing Element Update** 60 min)
Staff Report
Housing Element-Linda Reid, Housing program Specialist
Ashland Housing Strategies-Brandon Goldman, Senior Planner
Public Hearing
Commission Deliberation and Recommendation
Housing Element and Ashland Housing Strategies
4. (6:20) **December 20, 2018 Meeting Agenda Items**
Quorum Check – Commissioners not available to attend upcoming regular meetings should declare their expected absence
5. (6:25) **Upcoming Events and Meetings**
Next Housing Commission Regular Meeting Goal Setting Retreat 3:30-6:30 PM;
December 20, 2018 at the Ashland Hills Hotel
6. (6:30) **Adjournment**

Bring Mental Health services to Ashland Seek ways to support overnight car camping program.	Work with City Council to identify programmatic priorities to offer for Social Service applicants. Restructure grant process to be data driven and based on needs.	Support the development of workforce housing. Land Bank	Promote alternative housing, such as multi-family housing, tiny house village, intentional communities, and focus on removing barriers to their development.
Funding for a shelter coordinator	Establish single location, seven day a week shelter.	Support Porta-Pottie project	Seek to increase DHS child care providers and family-friendly childcare

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Community Development office at 541-488-5305 (TTY phone is 1-800-735-2900). Notification 48 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).



Housing and Human Services Commission Memo

TITLE: Rent Burden Discussion
DEPT: Community Development
DATE: November 15, 2018
SUBMITTED BY: Linda Reid, Housing Program Specialist

Open community discussion about the causes of a solutions to decrease rent burden in Ashland.





Memo

DATE: 11/15/2018
TO: Housing and Human Services Commission
FROM: Linda Reid, Housing Program Specialist
RE: Draft Housing Element and Housing Strategies Review and Recommendation

Background

The City's Comprehensive plan is required to be consistent with the State of Oregon's Planning goals. Goal ten of the Statewide Planning goals is the Housing goal. Goal ten specifies that each city must plan for and accommodate needed housing types, such as multifamily and manufactured housing. It requires each city to inventory its buildable residential lands, project future needs for such lands, and plan and zone enough buildable land to meet those needs. It also prohibits local plans from discriminating against needed housing types. To ensure that the City is continuing to meet the requirements of goal ten the City is undertaking the process of updating the Housing Element of the City of Ashland Comprehensive Plan.

The City is undertaking this update for a variety of reasons: the current document contains language that is limited to specific time periods or conditions which are not reflective or responsive to changing conditions over time, the data and language is outdated, and the policies are convoluted and too specific. Consequently, staff is updating the housing element to remove limiting and dated language and dated demographic data. With this update staff is presenting a broader more generalized view of change in data and demographics over time, and where needed replacing those specific data with references to technical supporting documents that are updated on a more regular basis. These changes will allow the document to remain timeless and relevant over time as comprehensive plan elements are not updated regularly or often. Staff has also noticed deficiencies within the narrative which could also be corrected at this time.

The attached draft Housing Element includes a completely revised narrative and goals and policies section. Given changes in demographics, and housing market conditions since the Housing Element adoption in 1989, the draft policies included in the revised element newly reference the Climate Energy Action Plan (CEAP), the need to provide universal housing accessible to elderly and disabled residents, fair housing, and more directly addresses the need for affordable housing within the community. These revisions were informed by public comments and recommendations by the Housing and Human Services Commission and Planning Commission. Due to the numerous changes, staff would prefer that the entire revised document be adopted rather than to adopt changes to the original document, line by line. Also due to the



numerous changes a draft of the document with the changes delineated has not been provided. Follow this link to read the current [Housing Element](#).

Additionally, the attached Ashland Housing Strategy document drafted by ECONorthWest is presented for adoption as a technical supporting document to the Housing Element of the Comprehensive Plan.

Attachments:

- Planning Staff Report (PA-L-2018-0004)
- Draft Housing Element of the Comprehensive Plan
- Ashland Housing Strategies by EcONorthWest dated 7/10/2018
- Summary of Public Involvement



**ASHLAND PLANNING DIVISION
STAFF REPORT
November 15, 2018**

PLANNING ACTION: PA-L-2018 -0004

APPLICANT: City of Ashland

ORDINANCE REFERENCES:

AMC 18.5.9
Comprehensive Plan Chapter VI, Housing Element

REQUEST: Amend the Housing Element of the City of Ashland Comprehensive Plan (Chapter VI). Revisions include repealing and replacing Chapter VI of the Comprehensive Plan thereby providing a new narrative, updated charts and tables, and amendments to the existing goals and policies. Additionally, the Ashland Housing Strategy document drafted by ECONorthWest is presented for adoption as a technical supporting document to the Housing Element of the Comprehensive Plan.

I. Relevant Facts

A. Background

The Comprehensive Plan covers 12 individual areas such as Transportation, Parks, Environmental Resources, Public Services, Housing, etc. Individual sections of the plan are updated over time. The Housing Element (Chapter VI) was last updated in 1989, although documents such as the 2011 Buildable Land Inventory and 2012 Housing Needs Analysis have been adopted as technical supporting amendments to the Housing Element to provide more current data and demographic information. The body of the original Housing Element chapter referenced data from the 1980 census, the most recent at the time it was drafted, consequently the data and assumptions contained in the Housing Element are dated. In looking to update the Housing Element it was also an opportune time to revisit the existing goals and policies included in the element.

The purpose of the City's Comprehensive Plan is to have a document which sets forth general, long-range policies on how the community's future development should occur. The hope is that decisions will then have long-term consistency. In recognition that there will be continued changes in the City over time, the goals and the policies in the plan should be flexible enough to address that long-term vision. The Comprehensive Plan attempts to proceed from the very general (goal statements) to areas of focus (policies) which are intended to meet the overarching goals. Implementing actions are separate from the Comprehensive Plan and are ultimately reflected in adopted ordinances (i.e. zoning), resolutions, City program development, and funding priorities.

The City is undertaking an update of the Housing Element for a variety of reasons: the current document contains language that is limited to specific time periods and conditions which are no longer representative of existing conditions

within the city, the data and language is outdated, and it is an appropriate time to revisit the housing assumptions and policies contained within the element. The proposed Housing Element presents a broader more generalized view of demographic changes in Ashland over time, and where needed, specific data has been replaced with references to technical supporting documents that are updated on a more regular basis.

The attached draft Housing Element includes a completely revised narrative and goals and policies section. Given changes in demographics, and housing market conditions since the Housing Element adoption in 1989, the draft policies included in the revised element newly reference the Climate Energy Action Plan (CEAP), the need to provide universal housing accessible to elderly and disabled residents, fair housing, and more directly addresses the need for affordable housing within the community. These revisions were informed by public comments and recommendations by the Housing and Human Services Commission and Planning Commission.

The consultant firm ECONorthWest, in working with the Regional Problem Solving Committee and the Department of Land Conservation and Development, has prepared the attached "Ashland Housing Strategy" document after a careful review of Ashland's land use code and existing housing programs. As the region moves forward on adopting a regional housing plan, each City has been tasked with determining which identified strategies can be implemented and would be most effective at a local level. Adoption of the attached Ashland Housing Strategy, as a technical supporting document of the Housing Element, furthers the goal of planning regionally for housing needs, while affording the City the ability to evaluate effective local housing strategies to address the goal of encouraging a range of needed housing types.

The Planning Commission and Housing and Human Services Commission held a joint study session on October 25, 2016 in which the process for updating the Housing Element was discussed and a public outreach subcommittee was formed of both commissions.

The Housing and Human Services Commission (HHSC) held a study session on June 22, 2017 and July 27, 2017 to discuss and refine the Housing Element of the Comprehensive Plan. Additionally the HHSC reviewed and discussed the ECONorthWest Ashland Housing Strategies on August 23, 2018.

The Planning Commission held study sessions on April 25, 2017 and July 25, 2017, and a special meeting on September 26, 2017, to discuss and suggest refinements the Housing Element of the Comprehensive Plan. The Planning Commission further reviewed ECONorthWest Ashland Housing Strategies on

The draft Housing Element and the Regional Housing Strategy document drafted by ECONorthWest were presented to the City Council at a study session on October 1, 2018. The City Council directed Staff to initiate the adoption of the draft Housing Element to include public hearings before the Housing and Human Services Commission and the Planning Commission.

B. Policies, Plans and Goals Supported:

The City's Comprehensive plan is required to be consistent with the State of Oregon's Planning goals. Goal 10 of the Statewide Planning goals specifies that each city must plan for and accommodate all needed housing types (OAR 660-015-0000(10)) The State requires each city to inventory its buildable residential lands, project future housing needs, and provide the appropriate types and amounts of land within the urban growth boundary necessary to meet those needs. The statewide housing goal also prohibits local plans from discriminating against needed housing types. To ensure that the City is continuing to meet the requirements of Goal 10 the City is undertaking the process of updating the Housing Element of the City of Ashland Comprehensive Plan.

The City Council's "Ashland 2020" goals and objectives include direction to update the Housing Element of the Comprehensive Plan and to incorporate recent housing studies:

- *12. Update the Comprehensive Plan: Consider an update of the Housing Element of the Comprehensive Plan in order to incorporate background information and key findings of recent studies.*

The Regional Plan Element of the Ashland Comprehensive Plan adopted in 2012 incorporates applicable portions of the adopted the Greater Bear Creek Valley Regional Plan. As a part of the regional planning process and adoption of the Regional Plan Element, the City of Ashland advocated the plan include provisions for development of a regional housing strategy within five years of acknowledgement of the 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.*

C. Comprehensive Plan Amendments

The proposed update to the Housing Element of the Comprehensive Plan includes the following:

- Amendments to the Housing Element of the Comprehensive Plan narrative
- Revisions to the Housing Element Goals and Policies
- Adoption of the Ashland Housing Strategy by ECONorthWest dated 7/10/2018 as a Technical Supporting Document to the Housing Element.

II. Procedural

18.5.9.020 Applicability and Review Procedure

Applications for Plan Amendments and Zone Changes are as follows:

B. Type III. It may be necessary from time to time to make legislative amendments in order to conform with the Comprehensive Plan or to meet other changes in

circumstances or conditions. The Type III procedure applies to the creation, revision, or large-scale implementation of public policy requiring City Council approval and enactment of an ordinance; this includes adoption of regulations, zone changes for large areas, zone changes requiring comprehensive plan amendment, comprehensive plan map or text amendment, annexations (see chapter 18.5.8 for annexation information), and urban growth boundary amendments. The following planning actions shall be subject to the Type III procedure.

1. Zone changes or amendments to the Zoning Map or other official maps, except where minor amendments or corrections may be processed through the Type II procedure pursuant to subsection 18.5.9.020.A, above.
2. Comprehensive Plan changes, including text and map changes or changes to other official maps.
3. Land Use Ordinance amendments.
4. Urban Growth Boundary amendments.

III. Conclusions and Recommendations

Staff recommends the Housing and Human Services Commission and the Planning Commission forward a favorable recommendation to Council in support of adoption of the proposed Housing Element of the Comprehensive Plan and adoption of the Ashland Housing Strategies prepared by ECONorthWest as a technical supporting document to the Housing Element.

Recommendations from the Housing and Human Services Commission at the public hearing on November 15, 2018, and the Planning Commission at the public hearing on November 27, 2018, will be presented to the City Council at a Study Session scheduled for January 14, 2019. The public hearing of the proposed ordinance is scheduled at the Council on February 19, 2019.

Attachments:

- Draft Housing Element of the Comprehensive Plan
- Ashland Housing Strategy by ECONorthWest dated 7/10/2018
- Public Outreach Summary



Housing Element

Adopted ____ 2018

Chapter VI Housing

6.01 Introduction

The City's Housing Element is an important part of the overall Comprehensive Plan, as housing makes up the vast majority of land use in an urban area. Cities have taken various roles in housing, ranging from the very active role of being a direct housing provider to one of simply allowing the housing market to freely determine what should occur in a given area with very little regulation. The role that the City of Ashland has traditionally taken includes enacting policies that seek to temper the fluctuations of the market through zoning land to accommodate a variety of housing types. These land use policies aim to preserve the unique character of the City and enhance the quality of life which continues to draw families and individuals to Ashland. The City does not see itself as a provider or major developer of housing, but does recognize the impact that its policies and land use ordinances will have on land availability, development sites, and the development of housing types which will be used to meet the City's housing needs and the

mandates of State of Oregon's planning guidelines. Statewide Planning Goal 10 requires that:

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.

The City has a responsibility to inventory its land and ensure that the proper amount of land is available to accommodate the various housing needs in the City, and that its land use ordinances are broad enough to allow for variation in housing type and density.

In evaluating housing needs the City must be acutely aware of changing demographics and provide for the full cross-section of age, income and household sizes. Changing demographics, projected population growth, household sizes, the condition and type the existing housing stock, and fluctuations in housing market demands,



Housing Element

Adopted ____ 2018

are all factors to be considered in planning for Ashland's future housing mix to ensure that the supply of appropriately zoned land is available to accommodate the housing needs of Ashland residents.

Total population growth offers only a very crude insight into future development. What will most determine future development patterns is the intersection between growth in specific population's segments and the available supply that is attractive to those segments. An important determinant of the... [arrangement]of new housing supply has been the extent to which the existing housing stock matches or, most importantly, fails to match, the demands of growing numbers of households." (Myers and Pitkin, 2006)¹

6.02 Historical Trends

As stated in the introduction to the Population Element; Population Projections and Growth, "A community's population change constitutes an important part of a comprehensive plan [as] housing.

economic growth, public services, and land requirement projections are based on population size and characteristics." The population of the City of Ashland historically has been measured using census population counts and the historic percentage of Ashland's population in proportion to the County's population. The Population Element of the Comprehensive plan using those measures, as well as birth rates, death rates and migration rates, project that Ashland's population will grow at rate of 0.75% annually. Estimates based solely on Census data would project that the City's population would grow at a slightly higher rate, an average growth rate of .79%. In 2015 the City began utilizing population counts and estimates based on Portland State University's (PSU) office of Population Research' certified counts, which estimates that the City's population will grow at rate lower than that of previous estimates; at an annual average growth rate of 0.5%.

¹ Myers, D. and Pitkin, J. 2006. U.S. Housing Trends, Generation Changes the

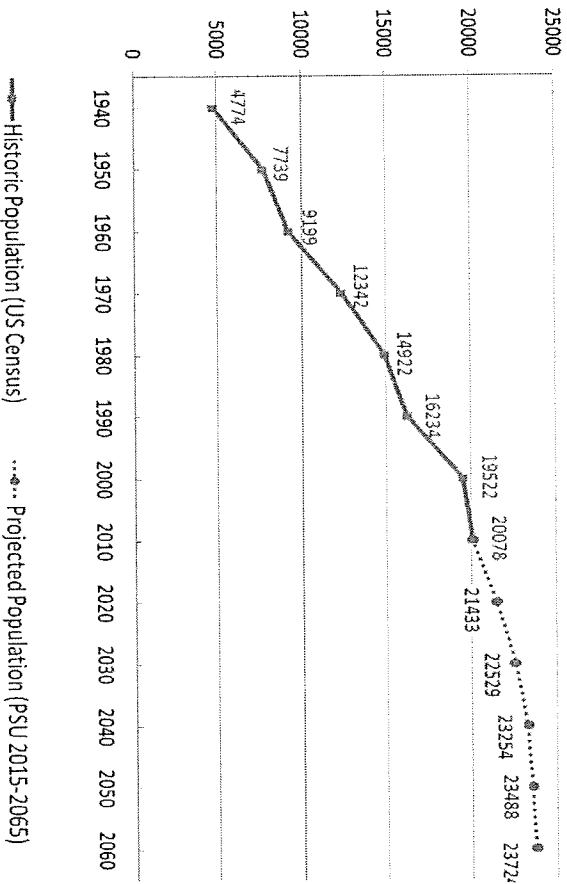


Housing Element

Adopted _____ 2018

Chart VI-1

HISTORIC AND FUTURE POPULATION GROWTH GRAPH



Household Size

The number of persons per household increased steadily from 1940 to 1960, reaching a high of almost three persons per household by

the 1960 Census. Since that time the average household size has declined steadily, dropping from 2.84 persons per household in 1970, to 2.36 in 1980, and to a low of 2.03 persons per household by 2010.² PSU's Coordinated Population forecast expects persons per household to decline further, as "smaller household size is associated with an aging population in Jackson County and its sub-areas."³ Conversely, while the number of persons per household has declined, average square footage of a single family housing unit has increased. For example, Census data reports that the average square footage of a single family housing unit in the U.S. was 1,660 square feet in 1973 and had grown to 2,392 square feet by 2010. While the City of Ashland did not exhibit such large increases in square footage in that same period, Ashland did see a modest increase in square footage over the same period. These increases in the size of homes, coupled with a reduction in persons per household, resulted in a net increase in square footage per person.

² U.S. Census Bureau: Profile of General Population and Housing Characteristics: 2010 Demographic Profile Data.

³ Population Research Center, PSU: Coordinated Population Forecast 2015 Through 2065.



Housing Element

Adopted _____ 2018

Housing Stock

The City's housing stock has grown at varying rates throughout the City's history and is influenced by several factors. These factors include land value and availability, housing market fluctuations, income, age, household size, household composition of the general population, economic conditions, and employment options, just to name a few. The City's housing stock is also impacted by the Southern Oregon University student population. Table VI-1 shows the change over time in population, persons per household and household tenure. While past housing trends cannot be used to accurately predict future housing trends, a comparison of data over long periods of time can be valuable to show trends which have existed, or which are occurring, that may impact the development of future needed housing types.

TABLE VI-1
HOUSING AND POPULATION DATA, U.S. CENSUS 1940-2010

YEAR	1940	1950	1960	1970	1980	1990	2000	2010
PERSONS	4,774	7,739	9,119	12,342	14,922	16,234	19,522	20,078
HOUSING UNITS	1,785	2,747	3,043	4,337	6,312	7,204	9,050	10,455
PERSONS PER HOUSEHOLD	2.675	2.817	2.997	2.846	2.364	2.14	2.14	2.03
% OWNER OCCUPIED	Not Available	63.7%	66.7%	57.7%	Not Available	52%	52.2%	51.6%

While it is anticipated that future population growth will be moderate to slow in comparison with surrounding areas, it is expected that future growth in housing units will continue, as the number of persons per household continues to drop. Another trend is the decrease in the percentage of owner occupied households since the 1960's; Table VI-1 shows that the percent of owner-occupied housing has dropped steadily from a high of 66.7% in 1960 to 51.6% in 2010. The percentage of owner-occupied housing in Ashland has dropped below that of Jackson County, the State of Oregon, and the United States as a whole⁴.

⁴ 2006-2010 ACS 5-yr. estimates: Percentage of owner-occupied housing units

in the U.S. was 66.6%, 2010 Census: percentage of owner-occupied housing



Housing Element

Adopted _____ 2018

Table VI-2 shows the difference in the development of various housing types over time in Ashland. In 1970, single-family detached units accounted for almost 77% of all the units in Ashland, in 1980, they accounted for only 64%, and multi-family units rose from 21% to 33% in the same period. Between 1980 and 2010 the level of multi-family development stagnated and the percentage of multi-family housing decreased to 26.6%⁵ of the overall housing stock as single family home construction continued. This ratio mirrors the 1970's housing mix due to the development of single family units outpacing that of multi-family units.

**TABLE VI-2
HOUSING MIX 1970-2010, U.S. DEPT. OF CENSUS/PORTLAND STATE
UNIVERSITY CENTER FOR POPULATION RESEARCH**

Year	1970	1980	1990	2000	2010
Single-Family	76.8%	63.7%	Not Available	65%	71.9%
Detached/Attached					
Multi-Family 2+ Units	21.3%	33.3%		32%	26.6%
Mobile Homes	1.9%	3.0%		2.4%	1.5%

units in Medford, OR was 51.9 and 62.6 for Jackson County.

⁵ This percentage does not entirely represent a loss of multi-family units but is

Age of Housing Stock

The City maintains a large percentage of its historic housing stock. Out of the 1,785 housing units existing in 1940, 1,526 of those units still exist today and are still used for housing. The majority of these historic homes are located within Ashland's designated historic districts. The historic housing stock contributes to the character of the community and are further recognized as cultural resources worthy of preservation under the National Historic Preservation Act of 1966 through their inclusion in districts listed on the National Register of Historic Places. Chart VI-1 shows a breakdown of housing stock by age. This chart shows both the fluctuations in housing construction by decade as well as the high percentage of housing stock which was built prior to the adoption and implementation of current energy and Americans with Disabilities Act building code requirements. Older housing stock may require energy efficiency and/or accessibility upgrades to continue to meet future housing needs.

somewhat reflective of the margin of error (+/- 1.5%) in data from Community Survey versus decennial census data.

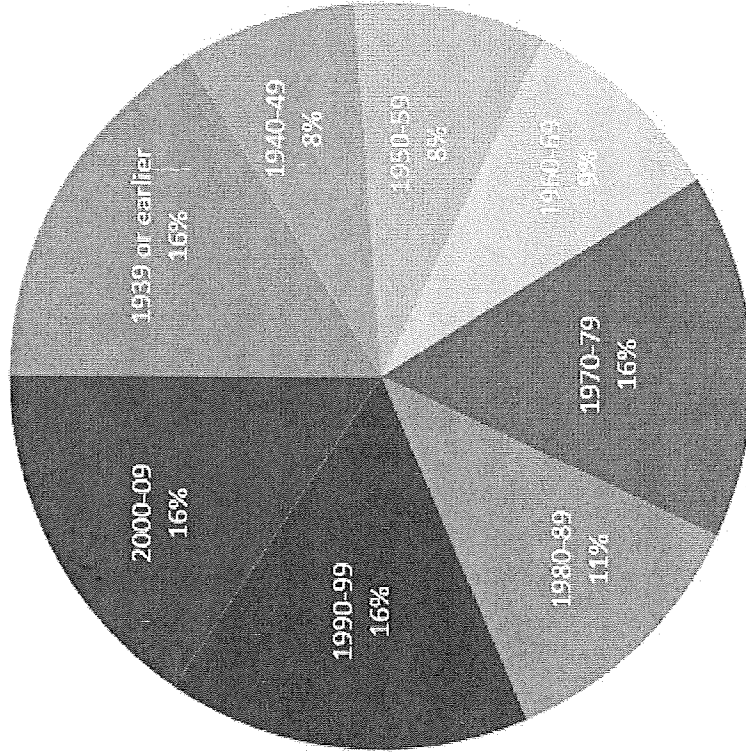


Housing Element

Adopted _____, 2018

CHART VI-2

HOUSING STOCK BY YEAR BUILT



6.03 Income and Housing

A major determinant of the housing types that will be desired in the City of Ashland is the income range of existing and new occupants of Ashland. Table VI-3 shows historic estimates of income by percentage of population in Ashland using census data.

TABLE VI-3

DISTRIBUTION OF POPULATION BY INCOME

	Number of Households (2000)	Percentage of Households (2000)	Number of Households (2010)	Percentage of Households (2010)
All Households	8,552	100%	9,339	100%
Less than \$10,000	1,173	13.7%	906	9.7%
\$10,000-\$14,999	918	10.7%	677	7.2%
\$15,000-\$24,999	1,300	15.2%	1,203	12.9%
\$25,000-\$34,999	1,090	12.7%	1,286	13.8%
\$35,000-\$49,000	1,141	13.3%	1,490	16.0%
\$50,000-\$74,999	1,309	15.3%	1,553	16.6%
\$75,000-\$99,999	789	9.2%	799	8.3%
\$100,000-\$149,999	545	6.4%	819	8.8%
\$150,000-\$199,999	166	1.9%	294	3.1%
\$200,000 or More	121	1.4%	332	3.6%
Median Household Income	\$32,670		\$40,140	

The increasing disparity between purchase housing cost and income growth is shown in the Chart VI-2 below. The value of homes in Ashland has been increasing at a rate that has been dramatically

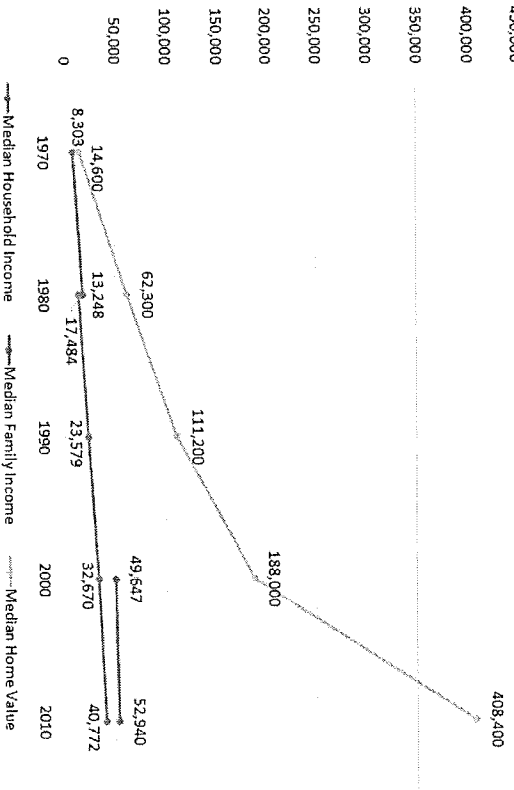


Housing Element

Adopted _____ 2018

greater than rate of increase for median incomes in the Ashland area: whereas the median home value was less than twice the median income in 1970, median home value represents nearly 10 times the annual median income three decades later.

CHART VI-3
INCOME AND HOUSING COSTS ALL MEASURES 1970-2010



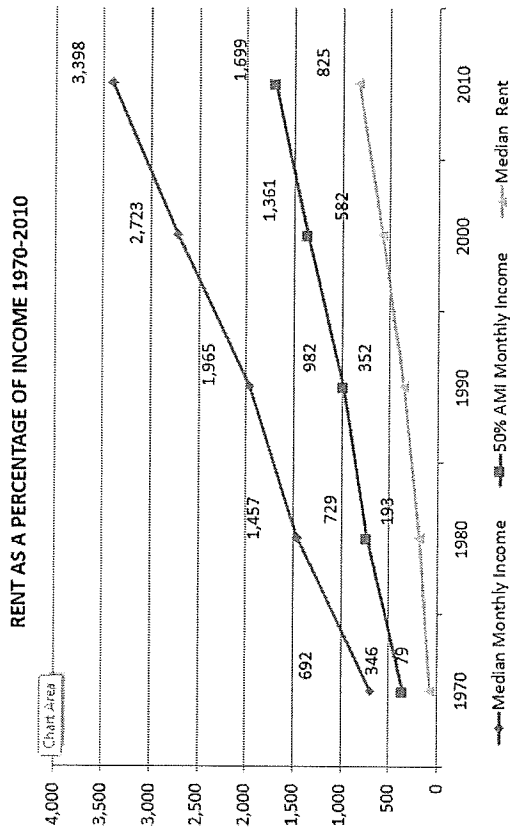
For rental units, to be considered within financial means of the tenants it expected that no more than 30% of a household's monthly gross income should be applied toward rent (Department of Housing and Urban Development definition of housing cost burden). The

graph below (Chart VI-3) illustrates the increasing percentage of household income that is applied toward rent for both median income and low income households. The changes demonstrate that for low income households (defined by HUD and the Census Bureau as those earning below 50% of gross median income) housing cost burden has been growing at a faster rate than for median income households. If the historic rates of increase for both home values and rental amounts continue to increase at a rate greater than that of incomes, housing cost burden for all populations will continue to rise.

As can be seen by the figures throughout this section, an increasing proportion of Ashland's population does not earn enough to afford to purchase a median valued home. Consequently, much of the population falls in the income range that necessitates renting; either single family rentals, apartment rentals, subsidized housing or mobile homes in parks. Very low income households can only afford rental housing which is offered below fair market value or housing which is subsidized. These housing types have traditionally not been provided directly by the City, but rather by affordable housing providers and the private market.

For households earning the median income or below there are very few housing options in the City that are affordable for purchase. The primary purchase housing options affordable for households earning median income or below are condominium, townhouse units or mobile homes in parks. Table VI-3 shows that the percentage of households the highest income groups has doubled between 2000-2010, however, homeownership rates have been steadily declining over the decades as shown in Table VI-1.

CHART VI-4



While it is important to discuss housing types in Ashland, it is difficult to accurately predict how the marketplace will allocate housing units. Therefore, it is necessary for the City to provide an adequate supply of appropriately zoned land to accommodate a variety of housing types as well as to support innovative actions. The marketplace will then be the significant factor in determining which type of housing will be built in the various zones, consistent with zoning densities, design standards, and neighborhood compatibility.

Section 6.04 Housing Types

Various housing types each have a place in Ashland in providing for housing need and demand.

Detached Single-Family Homes: A detached or attached

structure containing one dwelling unit located on its own lot.

Detached single-family homes make up the largest percentage of housing in Ashland. However, changes in development standards may alter this situation, as discussed below. Single-family homes will continue to be built and are encouraged in conjunction with other housing types, especially in residential subdivision



Housing Element

Adopted _____ 2018

City of ASHLAND, OREGON
COMPREHENSIVE PLAN

developments. Alternatives to the conventional subdivision home, such as zero lot-line homes, or small cottages on small lots in developments with common open space, should help reduce the cost of some units. Manufactured homes or modular prefabricated dwellings can also be used as single family homes on single family lots.

Attached Single-Family Homes: Attached Single Family homes are units which are attached by 1 or 2 walls, but are located on individual parcels. Since they are attached by one or two walls, there are some savings over the same square footage built as detached units. Therefore, attached single-family houses are one of the major components of Ashland's housing strategy. They should be allowed in most un-developed portions of the City as an out-right permitted use, along with single-family detached housing.

Townhouses and Condominiums: Townhouses differ from multi-unit apartments in that each individual living unit is contained in a separate structure, attached by common walls to other structures on separate privately owned parcel or lot. These units are usually grouped in clusters of three or more and are associated with higher density developments. They have the advantage of providing

greater privacy and sometimes an opportunity for individual ownership. Densities of townhomes typically can range from seven to nine dwelling units per acre, and condominiums may have densities in excess of 20 dwelling units per acre. Very attractive and desirable homes can be built as townhomes or condominiums. These housing types may be used as moderate to high cost rental units, and as purchase units a wide variety of price points in residential subdivision developments or condominium developments.

Cottage Housing: Cottage housing units are small dwellings grouped around a common open space which maintain a visual and pedestrian connection between the residences. Cottage housing developments can consist of as few as three or as many as twelve units developed as a cohesive plan for the entire site. Cottage housing is typically built upon partially vacant and undeveloped properties within established residential zones. Cottage housing developments allow an increased density due to the smaller unit sizes and are a lower-cost alternative to traditional detached single family housing on individual lots.

Mobile or Manufactured Homes in Parks and in Developments:



Housing Element

Adopted _____ 2018

This housing type forms an insignificant part of Ashland's housing stock at present, and is expected to continue to be a small percentage in the future. Mobile homes are structures that are constructed for movement on public highways that have sleeping, cooking, and plumbing facilities that are intended for human occupancy, that are being used for residential purposes, and that were constructed between January 1, 1962 and June 15, 1976, and met the construction requirements for Oregon mobile home law in effect at the time of construction. Manufactured homes are similar to Mobile homes delineated above, but were constructed in accordance with federal manufactured housing construction and safety standards and regulations in effect at the time of construction. Manufactured homes are typically located in parks but can be sited on single family lots. This housing type can be built to a wide variety of specifications and its method of prefabrication can lead to greater efficiencies in both time, materials, and energy efficiency. Manufactured housing, both on lots and in manufactured dwelling parks, can assist in offering lower-cost ownership opportunities.

Realizing that the marketplace may demand manufactured housing, and mobile homes, land should be zoned to accommodate

manufactured home developments. The City's multifamily residential zones are the areas which can most readily accept mobile or manufactured housing at densities relatively consistent with typical manufactured dwelling parks. Manufactured homes located on individual lots can be accommodated within the City's single family residential zones.

Accessory Residential Units (ARUs) (Also called Accessory Dwelling Units, ADUs): An accessory residential unit is a small secondary dwelling unit located on a property where the primary use is a single family dwelling. The ARU can either attached to, or located within a single family dwelling, or in a detached building located on the same lot. ARUs are allowed in most residential areas as an out-right permitted use and provide additional rental housing stock for small households.

Multi-family, multi-unit apartments: Multi-unit apartments refer to those dwelling units in a structure or grouping of structures containing two or more rental dwelling units located on one lot. These have the advantage of relatively low construction cost and relatively high density which provides for a more efficient use of land. Densities in this type of apartment usually range from 13.5-



Housing Element

Adopted ____ 2018

City of ASHLAND, OREGON
COMPREHENSIVE PLAN

20 dwelling units per acre in Ashland. Ashland will use the R-2 and R-3, or Multi-Family Residential zones, to meet the housing needs for this type of housing. Additionally, multi-unit apartments can also be developed in conjunction with commercial developments as mixed-use projects with commercial uses on the ground floor and residential uses above. The inclusion of apartments within commercial developments can accommodate residential densities of 15 units per acre to 45 units per acre or more, depending on unit size. Ashland's commercial zones with residential overlays, such as E-1 and C-1 zoned properties, and are well suited for such mixed-use developments. The user and income groups in multi-family apartments would include households of all ages, compositions and sizes, from those with the lowest incomes (30% of the Area Median Income or less) through those earning 120% of Area Median Income and above.

Group Housing and Senior Housing: Group housing is characterized by the long-term residential occupancy of a structure by a group of people. The size of the group typically is larger than the average size of a single family household. Group housing structures do not include self-contained units but rather have

common facilities for residents including those for cooking, dining, social and recreational, and laundry. Residential care homes, residential care facilities, senior living and senior care facilities, and room and board facilities are types of group living.

Residential Care Homes: A residential treatment or training or adult foster home licensed by or under the authority of the state department.

Residential Facility: Residential facilities provide housing and care for 6-15 individuals who need not be related as defined by the Oregon Revised Statutes for alcohol and drug abuse programs and for persons with disabilities. Staff persons required to meet State-licensing requirements are not counted in the number of facility residents and need not be related to each other or the residents.

Room and Board Facility: Group living establishment located in a dwelling or part thereof, other than a travelers' accommodation or hotels, where lodging, with or without meals, is provided for compensation for a minimum period of 30 days. Personal care, training, and/or treatment is not provided at a room and board



Housing Element

Adopted ____ 2018

facility. Example include dormitories, fraternities, sororities, and boarding houses.

Senior Housing: Housing designated and/or managed for persons over a specified age. Specific age restrictions vary, and uses may include assisted living facilities, retirement homes, convalescent or nursing homes, and similar uses not otherwise classified as Residential Homes or Residential Facilities.

Government Assisted Housing: Means housing that is financed in whole or in part by either a federal or state housing agency or a local housing authority as defined by the Oregon Revised Statute, or housing that is occupied by a tenant or tenants who benefit from rent supplements or housing vouchers provided by either a federal or state housing agency or a local housing authority.

6.05 Estimating Housing Demand

In order for this document to more accurately reflect housing demand over time, no housing demand estimates will be contained in this section, rather this section will reference the current Housing Needs Analysis document which is regularly updated to

reflect the changing the real estate market, population, and demographic conditions within the City of Ashland. The City of Ashland Housing Needs Analysis is adopted by the City Council as a technical supporting document to the Comprehensive Plan.

The methodology used to estimate future housing demand is more fully described within the Housing Needs Analysis. In general, a projection of housing needs utilizes a methodology based on several factors including: Population changes (births, deaths, migration), age and income demographics, demographic trends, housing tenure, housing costs, and available housing types. In some cases, estimating housing needs may include a review of historic housing production trends then projecting those trends forward. However, a simple projection of historic trends may not have been meeting the housing needs of the population to begin with, and as such does not provide a complete picture of future housing needs.

Housing Demand by Type and Cost

The housing market is not static. Consequently, future housing needs are not expected to be the same as the needs of the previous



Housing Element

Adopted _____ 2018

City of ASHLAND, OREGON
COMPREHENSIVE PLAN

planning period. The changing lifestyles and demographic composition of the community will lead to a wide variety of housing options such as single family homes on individual lots, cottage housing developments, accessory residential units (accessory dwelling units), townhomes, senior housing, assisted living, manufactured housing, and a variety of rental housing types including, duplexes, triplexes, and apartment complexes. For the purposes of estimating demand for various housing categories, by type and by cost with consideration to the historic and current income and housing tenure trends four general types of housing demand are assumed.

Single Family Homes (Detached and Attached): Single family homes represent a large percentage of the housing stock. Single family homes are demanded by both traditional family households and provide rental housing stock for family households as well as unrelated individuals. Single family residential dwellings can include single homes on individual lots, cottages within a cottage housing development, and attached townhomes. The single family

residential housing type is found throughout the City in all residential zones.

Multiple Family Housing: This housing type can accommodate the broadest housing needs within the City and includes condominiums, duplexes, triplexes, apartment complexes, and mixed use developments with residential dwellings above a commercial ground floor. As can be seen in Table VI-5, the percentage of multiple family housing stock needs to be increased to meet the demands of the City's residents for a moderate priced housing option⁶. Multiple family housing can be located in several zones throughout the city including multiple-family zones, and all employment and commercial zones with a residential overlay. Based on past housing tenure and income trends, multiple family housing has been and will continue to be a highly sought-after housing type that will serve much of the City's population.

Government Assisted Housing/"Subsidized" Housing: This housing type is in high demand as it serves a need unmet by the private market—that is, the housing needs of low-income, extremely

⁶ This conclusion is based on data on household income levels and housing stock taken from the 2012 Housing Needs Analysis.



Housing Element

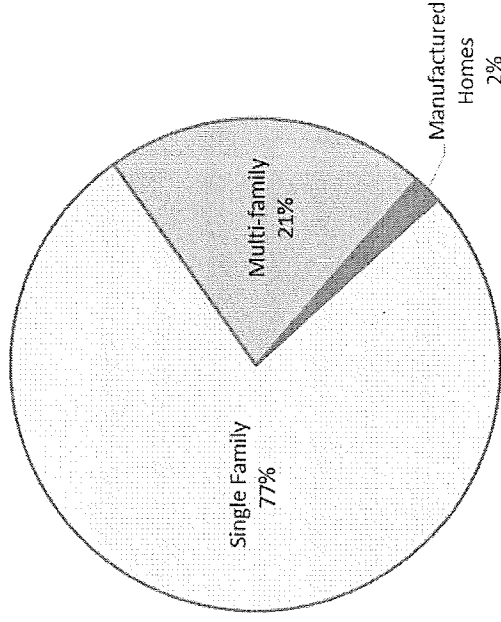
Adopted _____ 2018

low-income, and special needs populations. Government assisted housing is primarily comprised of multiple family rental units developed with federal or state funding, and can be found primarily in multi-family zones. Low and moderate income ownership housing units have been developed within the City using direct government subsidy and include condominiums, townhomes, and single family homes within single family residential zones. While government assisted housing types are a highly sought after housing type they represent only a fraction of all multi-family housing stock within the City

Manufactured Housing: This housing type provides for low and moderate-income purchase homes. The population which falls into this category includes many of those households occupying rental housing at any given time. Due to escalating housing costs this population seeking ownership will most likely be in the market for manufactured homes in parks. This housing type has been decreasing as a percentage of the City's overall housing stock for a number of decades for a variety of reasons. However, this housing type may need to be accommodated through City policies to incentivize the market to retain existing and provide more of this

housing choice. Furthermore, manufactured housing has changed substantially over the decades, incorporating green building technologies and materials, and offering greater energy efficiency. Such changes in the design and construction of manufactured housing may prove to be both a more economical and environmentally conscious choice for homeowners over time.

CHART VI-5
HISTORIC HOUSING MIX



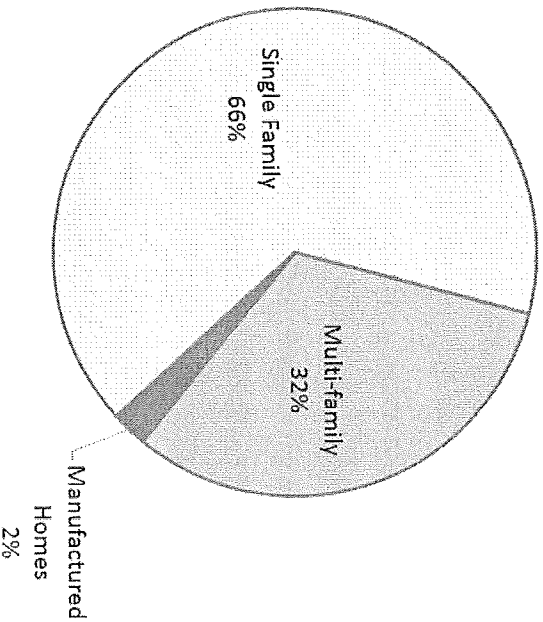


Housing Element

Adopted _____ 2018

CHART VI-6

FUTURE HOUSING MIX



Housing Demand in Different Zones

Assuming that each type of housing would be provided in several zones, an estimate of total housing demand in each zone is provided in Table X of the Housing Needs Analysis.

Subsidized Housing – The type of subsidized housing developed depends primarily on the requirements and type of the subsidy,

provided. Most subsidized housing is higher-density apartments and, therefore, the majority of this housing type would be met in the City’s multifamily zones (R-2and R-3).

Rental - Rental housing can be represented in all housing types within the City. In Ashland there are single-family homes which have been built primarily for the purpose of renting. About 27% of the single-family housing stock was used as rental housing in 1970, according to the 2012-2016 ACS, 46 % of all occupied housing units in Ashland are renter occupied, only 13.3% of housing units are in structures consisting of 5 units or more, indicating that there continues to be a large percentage of single family homes in the rental housing pool. Assuming that this practice will continue in the single-family detached housing market, and in the attached townhouse and condominium markets, then it is estimated that about 40% of this rental demand would be met in multifamily residential, 30% in the townhouse zone (R-1-3.5), and another 30% in the R-1-5 residential subdivision areas, specifically by smaller, inexpensive housing units, and duplexes with the owner occupying one unit and renting the second unit.

Moderate Cost Purchase - The moderate cost purchase units will



Housing Element

Adopted _____ 2018

also be spread across several zones. It is estimated that the majority of it will be met medium and high density zones, such as townhomes and condominiums, and a much smaller percentage than in previous years will be met in the single-family residential zones.

High Cost Purchase - Most of the high cost housing would involve larger lot sizes and correspondingly lower densities (5 units and acre or less). As such, we would expect that 50% of this demand would be met in the single-family residential areas and 50% in the low-density residential areas.

6.06 Estimating Land Needs

Future availability of housing in Ashland will be heavily influenced by the availability of land for development. In accordance with Oregon statewide planning goals, a local government shall demonstrate that its comprehensive plan or regional framework plan provides sufficient buildable lands within the urban growth boundary to accommodate estimated housing needs for 20 years. The City should therefore ensure that there is sufficient land set aside for the development of housing to meet the needs of the population. In general, there should be at least a five

years' supply of land for each comprehensive Plan Designation within the City limits and a 20-year supply within the Urban Growth Boundary.

The most recent adopted Buildable Lands Inventory details the methodology that the City used to estimate its land needs, based on the number of housing units necessary to meet the current and future needs for residential development and based on future population growth and demographic forecasts. The estimate of future land needs will invariably take into account the changing demographics of the Ashland community in relation to the population's housing needs. To ensure adequate supply of needed housing types, the City may enact policies to increase, protect, and preserve land set aside to accommodate identified needed housing types. Historically the City's demand has primarily been for single family detached and attached housing. However, over time both the need and demand for multi-family and government assisted housing has increased. Similarly, consumption of multi-family zoned land for single family attached and detached housing has reduced the supply of land available for these needed housing types. As is shown in table VI-5, in section 6.4, single family



Housing Element

Adopted _____ 2018

City of ASHLAND, OREGON
COMPREHENSIVE PLAN

housing made up an overwhelming majority of the historic housing stock within the City at 77% while the housing mix needed to accommodate Ashland's changing demographics would increase the percentage of multi-family housing from 22% to 32% while decreasing the City's overall percentage of single family housing to 66%.

The Residential Land Supply Table, an appendix to the Buildable Lands Inventory, details the number of acres necessary to accommodate needed housing types in each comprehensive plan designation.

Regional Plan Coordination

Regional Problem Solving (RPS) is a term identified in Oregon Revised Statute (ORS 197.652-658). The statute specifies that “Local governments and those special districts that provide urban services may enter into a collaborative regional problem-solving process. A collaborative regional problem-solving process is a planning process directed toward resolution of land use problems in a region.”

Various entities within Jackson County were identified as potential stakeholders within the regional planning process, and invitations were extended to every incorporated jurisdiction, school district and irrigation district in the planning area, plus the Medford Water Commission, the Metropolitan Planning Organization, Rogue River Valley Sewer Services, Rogue Valley Transportation District, and the appropriate state agencies. Invitees chose to exercise different levels of participation and responsibility within the planning process.

The Regional Plan establishes a system to guide long-term planning for the next 50 years in the Greater Bear Creek Valley. The plan designates approximately 8,529 acres of urban reserves for the cities of Ashland, Central Point, Eagle Point, Medford, Phoenix, and Talent to accommodate urban growth to the year 2060. The plan also establishes an Agricultural Task Force and an agricultural buffering program, commits the region to developing at certain minimum densities and in mixed-use/pedestrian friendly form, and requires conceptual land use and transportation planning to be conducted prior to UGB amendments.



The Regional Plan developed and adopted through the Regional Problem Solving (RPS) required the development of a regional housing strategy. The Regional Plan was acknowledged on March 7, 2013. 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.

Six communities and Jackson County signed the RPS: the cities of Ashland, Central Point, Eagle Point, Medford, Phoenix, and Talent. Together, they are the local governments that implement the plan. The requirement is that participating jurisdictions create regional housing strategies. It is both appropriate and desirable that local governments establish their own strategies and that they think regionally about those strategies. The RPS communities will coordinate to ensuring alignment among regional strategies that are adopted by several local governments.

6.07 Development Standards

The City's development standards also have an impact on the provision of housing and on the expense of each house. In the past, conventional subdivision development has resulted in attractive but sometimes monotonous neighborhoods. At the present time, the cost of developing land is usually too high for moderate-cost housing to be located in areas that are zoned for 5,000-10,000 square foot lot sizes. Also, because of the changes in housing patterns and market perceptions, conventional subdivision regulations no longer can accommodate the full range of housing types and residential environments desired in the marketplace. As a result, Ashland has adopted a flexibility in subdivision regulation which emphasizes quality of life, overall density, and the compatibility with surrounding neighborhoods. Additionally, the City has adopted standards to allow cottage housing developments to provide opportunities for creative, diverse, and high quality infill development that preserves the scale and character of existing single-family neighborhoods. Cottage housing offers a choice for those needing moderately priced home ownership opportunities within units that are of a size and function suitable for a single



Housing Element

Adopted _____ 2018

City of ASHLAND, OREGON
COMPREHENSIVE PLAN

person or small families. Cottage housing is generally considered more affordable because of substantially smaller unit and lot sizes. A variety of housing types can be developed with these flexible subdivision standards. Flexible standards should continue to be used where development occurs in neighborhoods, which have largely been developed under subdivision standards and for minor land partitioning needs.

6.08 Climate & Energy, Transportation and Housing

The consumption of natural resources is a very important topic for the Ashland community. Many policies have been implemented which address the reduction of energy usage and promote a reduction in a historic reliance on automobiles and automobile oriented communities. The City of Ashland's Climate and Energy action plan articulates a strategy for Ashland to "reduce its emissions and improve its resilience to future impacts of climate

change to future impacts on its environment, infrastructure, and people". Arguably, there is no stronger correlative relationship than that relationship between energy, transportation, and housing. The residential sector uses more energy than any other in Ashland. Similarly, the impact of housing availability and affordability impacts the inflow and outflow of residents by whatever means including automobile, bus, or bicycle. Lastly, the impacts of transportation cost in U.S. households is nearly equal to housing costs in some instances, making those two areas the biggest expenses in the budgets of American Households.⁷

Neighborhood design can promote a reduction in energy use by encouraging trips by bicycle and foot. The City of Ashland has long worked to maintain a compact urban form and provide multimodal transportation options to allow residents to use less energy and spend less on transportation costs, whether by making fewer or shorter car trips, or using other less expensive modes of transportation like bicycling, walking, or transit. Transportation costs typically represent the second highest household expense,

⁷ Lipman, Barbara J., Center for Housing Policy, "A Heavy Load: The Combined Housing and Transportation burden of Working Families", October, 2006. (pg. 5) [https://community-wealth.org/sites/clone.community-](https://community-wealth.org/sites/clone.community-wealth.org/files/downloads/article-lipman.pdf)

[wealth.org/files/downloads/article-lipman.pdf](https://community-wealth.org/sites/clone.community-wealth.org/files/downloads/article-lipman.pdf)



Housing Element

Adopted _____, 2018

following housing.

It is anticipated that efficient urbanization and improved multi-modal transportation options will result in a decrease in transportation costs. By decreasing transportation costs, the City can continue to improve the overall affordability and livability of Ashland. Growth management policies improve the supply and location of affordable housing and accommodate other development needs, thereby increasing the desirability of the community and thus the price of housing. Workers who routinely commute to work put added strain on both the environment, through the production of pollution and the demand for fossil fuels, and public infrastructure such as roadways and parking. The more functions of day-to-day life that can occur at the neighborhood level, the greater the savings in energy. This type of development shall be encouraged.

Encouraging energy efficiency and green building practices in housing can reduce overall housing costs by lowering consumption and the expenses of utilities such as gas, electricity, and water. These actions can help to enhance the policies identified in the Energy Element of the comprehensive plan, thereby reinforcing Ashland's commitment to conservation of resources. Older housing

tends to be less energy efficient as older housing stock was built to different construction and energy efficiency standards than exists today. New housing is constructed to higher energy efficiency standards often featuring a tighter building envelope and incorporating additional energy saving features such as passive solar design. Promoting greater energy efficiency in the existing housing stock can help to maintain the stock of more moderately priced older housing, while incentivizing energy efficiency in new construction can serve to offset long term energy usage and promote overall community conservation.

Due to numerous factors including livability, the high cost of housing, low vacancy rates, as well as Ashland's success as a tourist destination, many of the people who work in Ashland live outside of the city. Given the small geographic size of the Rogue Valley, the regions encompassing Medford and Ashland often function as one regional market for both housing and employment. Consequently, while many Ashland employees reside outside of the City the savings realized through reduced housing costs are often offset by increased transportation, environmental, and public facilities costs which are borne not just by the individual household



Housing Element

Adopted _____ 2018

City of ASHLAND, OREGON
COMPREHENSIVE PLAN

but by the community as a whole.⁸ When families and individuals devote ever-increasing amounts of time, energy, and resources commuting to and from their residences and places of employment, community and family engagement must bear the cost. Similarly, individuals who do not live within a community have more challenges to contribute to the fabric and economy of that community in the same ways and to the same extent as the residents of that community. These opportunity costs can negatively impact the community in a myriad of less overt and measurable ways.

6.09 Assumption

Ashland will continue to increase in the number of housing units commensurate with population growth. Existing, older residential neighborhoods will experience relatively few shifts in housing types and styles. New housing areas are expected to contain housing types other than single-family residential detached units, and much of the City's new housing demands will be met by single-family detached

units, attached units in residential subdivision developments, and housing in higher densities than experienced in the past, such as townhouse developments, and apartment complexes. Rising land costs and smaller households could result in housing units with relatively small living spaces in each unit compared to past housing.

Ashland's population is expected to grow at a slower pace over the forecast period of about one half percent per year. As a community with high costs of housing, Ashland is not expected to experience an influx of residents at a rate comparable to Jackson County or the State of Oregon. Ashland's share of the total countrywide population is forecast to decline.

The aging of Ashland and the County's population is expected to continue throughout the forecast period. An aging population will necessitate the renovation of existing housing, and development of new housing, that is accessible and promotes aging in place safely and independently.

⁸ 2012 Housing Needs Analysis, pg. 22,
https://www.ashland.or.us/SIB/files/Adopted_2012-2040_HNA.pdf



Housing Element

Adopted _____, 2018

Ashland is expected to continue to have relatively small household sizes of two people per household or less. Smaller household sizes are associated with the aging of the population in both Jackson County and Ashland.

The mix of housing types and lot size are major factors in determining how much land is required to accommodate future housing growth. In response to decreasing household sizes, and as smaller units are more affordable than larger units, smaller housing units are expected to be an increasingly preferred housing choice of residents in the future.

Although the City does not have a great amount of vacant land for housing, key locations offer potential for significant infill and redevelopment including mixed-use opportunities in key locations.

Over half of Ashland's existing housing stock was built prior to 1980. Often older homes can be more expensive to maintain and rehabilitate. Although Ashland's housing stock is older, most homes remain in relatively good condition. Ashland's high housing prices within designated historic districts indicate the age

of the homes may be an appeal rather than a drawback of the housing stock. It is assumed that the existing housing stock will be maintained over the planning period.

Rents and purchase prices have tended to grow at a significantly faster rate than area incomes, consequently the number of households overburdened by housing costs, or needing subsidized housing, is expected to increase over time.



Housing Element

Adopted ____ 2018

City of ASHLAND, OREGON
COMPREHENSIVE PLAN

6.10 Goals and Policies

(1) Goal: Ensure a range of different dwelling types that provide living opportunities for the total cross section of Ashland's population.

Policy 1: Provide for a mix of housing types that are attractive and affordable to a diversity of ages, incomes, household sizes, and cultural backgrounds.

Policy 2: Support accessible design and housing strategies that provide housing options for seniors and for disabled persons.

Policy 3: Integrate housing with other compatible land uses.

Policy 4: Housing opportunities should be accessible to all residents without discrimination and consistent with local, state, and federally recognized protected classes under fair housing law.

Policy 5: Zone sufficient land at densities to accommodate an adequate supply of housing by type and cost to meet population growth and projected housing needs.

Policy 6: Promote methods of more efficiently using or adapting the City's existing housing stock to accommodate needed housing types.

Policy 7: Protect Ashland's historic neighborhoods thorough programs and efforts that promote preservation, rehabilitation, and the use of limited design review to maintain the integrity of neighborhoods specifically in the historic resources.

Policy 8: Use design standards to promote neighborhood compatibility and maintain consistency with the character of the surrounding built environment.



Housing Element

Adopted _____ 2018

(2) Goal: Support the creation and preservation of housing that is affordable to low and moderate income households and that is commensurate with the incomes of Ashland's workforce.

Policy 9: Encourage the preservation of affordable housing, including non-subsidized units, to avoid the net loss of safe, healthy, affordable housing.

Policy 10: Utilize Ashland's Housing Trust Fund to encourage the creation and retention of housing for homeownership or rent at a cost that will enable low and moderate income families to afford quality housing.

Policy 11: Cooperate with for-profit and non-profit affordable housing providers in locating low and moderate income units in Ashland.

Policy 12: Work in partnership among various levels of government and with other public agencies to address homeless and low-income housing needs.

Policy 13: Provide for minimal off-street parking requirements in locations where it is demonstrated that car ownership rates are low for resident populations to help reduce housing costs and increase affordability and where the impact on neighborhoods allows.

Policy 14: Give priority in land use and permitting processes for affordable housing developments, multifamily rental housing, and other needed housing types as documented in the Housing Needs Analysis.

Policy 15: Discourage demolition and conversion of needed housing types as identified by the Housing Needs Analysis.

Policy 16: Evaluate the cost of public infrastructure in relation to the impact on the cost of housing.



Housing Element

Adopted ____ 2018

City of ASHLAND, OREGON
COMPREHENSIVE PLAN

(3) Goal: Encourage the development of housing in ways that protect the natural environment and encourage development patterns that reduce the effects of climate change.

Policy 17: Development standards shall be used to fit development to topography, generally following the concept that density should decrease with an increase in slope to avoid excessive erosion and hillside cuts.

Policy 18: Promote infill and compact development patterns to encourage housing affordability, maximize existing land resources, and conserve habitat and environmentally sensitive areas.

Policy 19: Promote building and site design that supports energy efficiency, renewable energy generation, and water conservation in new residential developments.

Policy 20: Ensure that city housing efficiency policies, programs and standards support the implementation strategies and actions described in the Ashland Climate and Energy Action Plan

(4) Goal: Forecast and plan for changing housing needs over time in relation to land supply and housing production.

Policy 21: Maintain a data base, which includes measurement of vacant land and land consumption; housing conditions; land use, land values, and any other pertinent information.

Policy 22: Encourage development of vacant land within the City Limits, while looking to the lands within the Urban Growth Boundary to provide sufficient new land for future housing needs. This shall be accomplished with specific annexation policies.



Housing Element

Adopted ____ 2018

Policy 23: Coordinate growth management planning with other jurisdictions in the region to accommodate expected residential growth and anticipated demand for different types of housing.

Policy 24: Strive to minimize the time taken to process land use and building permits so that the intent of state and local laws is fulfilled with the greatest possible thoroughness and effectiveness

ECONorthwest

ECONOMICS • FINANCE • PLANNING

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

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.¹

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

¹ 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.²

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
Low-income affordable housing	Low Income: 0% - 60%	Up to \$2,680	Up to \$804
Moderate-income affordable housing	Lower Middle: 60% to 80%	\$2,680 to \$3,575	\$804 to \$1,072
Middle-income affordable housing	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.”

² Data sources: 2000 Decennial Census, 2011-2015 American Community Survey.

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

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: Consider increasing 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: Consider increasing 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: Consider increasing 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 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.I: In commercial zones that allow mixed-use buildings, Consider increasing 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

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: Consider policies that 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,³ 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

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

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: Consider establishing 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

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

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: Consider establishment of 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 of 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

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. Consider dedication of 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.

Housing Element Update Summary of Public Outreach

As part of the Housing Element update process a Public Participation Planning Group (PPPG) comprised of two Planning Commissioners and two Housing Commissioners was established. The PPPG decided upon a public involvement plan to gain feedback from the community on the efficacy and relevancy of the current housing policies within the Housing Element. The public involvement plan included a questionnaire posted on the City's website and two outreach events; an open house and a community forum intended to elicit feedback and suggest changes to make the policies more effective for the community in the coming years.

City staff and the PPPG developed and posted a questionnaire on Open City Hall from January through March 31st. Availability of the questionnaire was advertised in the City Source utility bill mailer, on the City's website, and on public access channels. The Open City Hall topic received 324 visits and 144 responses (56 registered respondents and 88 unregistered respondents). The City also held two public meetings; one open house and one facilitated public forum. The City also held two study sessions to obtain feedback on the revised policies; one before the Planning Commission on July 25th and one before the Housing and Human Services Commission on July 27th, 2017. The feedback from each commission was utilized in the policy refining process.

Advertising and Outreach Activities:

City Source News Item

City Website News Item

Ashland Daily Tidings Article

Open City Hall Questionnaire to elicit comments on current policies (December 2017)

Open City Hall Questionnaire to elicit comments on revised policies (March 2018)

Open House

Community Listening Forum

Housing and Human Services Commission Meeting Public Hearing

Planning Commission Hearing Public Meeting

Summary of Open City Hall Feedback from December Questionnaire

The open City hall questionnaire from December identified several key issues with the existing policies, some of which were simple word changes, some of which were specific to overarching land use policy.

- Respondents either agreed or strongly agreed with the majority of the policies
- Use language which is more friendly to lay people/remove professional jargon from the text
- Encourage infill
- Removing subjective language from the text
- Support for environmental and conservation measures related to housing and development
- Promote universal housing

Summary of Open Housing and Forum Feedback

The City of Ashland Planning Department hosted an Open House and a Housing Forum on March 8, 2017. Three people attended the Open House from 5:00 to 6:00 pm, and about 18 residents attended the Housing Forum from 7:00 to 8:30 pm. After a brief orientation about the City's interest in updating the Housing Element of the Comprehensive Plan, and the schedule for the planning process, two workgroups were created to discuss the four topic areas:

1. Promoting Development of Affordable Housing
 - Promote incentives/tools to encourage private market developers
 - Deed restrictions and inclusionary zoning were favored
2. Encourage Housing Diversity, Quality and Compatibility
 - More flexibility in zoning/development standards
 - Increase densities
 - Allow/encourage mixed uses
 - More housing type diversity/population diversity
3. Encouraging Conservation and Environmental Protection
 - Protect slopes/don't build in flood plains
4. Accommodating Future Population Growth and Demographic Changes
 - Need to do more to accommodate the range of income and household types
 - Promote universal housing/aging in place

Summary of Planning and Housing Commission Feedback (goal refining)

Staff worked with the Planning and Housing and human services commission to revise the goal and policies of the housing element based on the feedback provide through the public outreach efforts. Below are highlighted changes as a direct result of the public outreach process:

- Made the language plainer, more user friendly for lay people
- Eliminated the words “character” and “compatibility” from the goals and policies section of the document. Staff removed the words because staff and the public state that the words were too subjective and many of the public participation participants called out these particular words as being too restrictive, working to stifle innovation or maintain the status quo. Some planning commissioners commented that they understood that criticism behind that feedback but commented that they felt that there was still a place for those words within the document. One comment was that the idea of how to weigh “compatibility and character is spelled out in the City’s design standards. It was suggested that rather than putting the specific wording back into the policies that instead the policies reference using the design standards to address the issues of character.
- Added goals to address the community’s desire for more affordable housing types
- Added goal to address the community’s desire for greater environmental and conservation measures including referencing the CEAP
- Expanded the number of policies related to affordable housing
- Included policies to address universal housing
- Included policies to be consistent with the Regional Problem Solving and Regional Housing Strategy efforts

The revised goals and policies were posted on open City Hall to further promote opportunities public input. As of September 10th the discussion topic has received 58 comments. The majority of the respondents have been in agreement with the revisions to goals and policies. With the exception of Policy # 13 regarding reduced parking. Just over forty percent of questionnaire respondents were neutral or disagreed with the policy.