

DATE: January 11, 2021
TO: Department of Land Conservation and Development
FROM: Sadie DiNatale, ECONorthwest
SUBJECT: Ashland Housing Capacity Analysis Advisory Committee #2: Meeting Notes

Ashland Advisory Committee Meeting Notes

The City of Ashland's Advisory Committee met virtually on January 11, 2021 (3:00 PM – 5:00 PM) for their second meeting regarding Ashland's Housing Capacity Analysis. ECONorthwest facilitated the meeting, using the City of Ashland's Zoom account. The City of Ashland recorded the meeting.

Meeting presenters and attendees included: Beth Goodman, Sadie DiNatale, Luna Ou, Brandon Goldman, Bill Molnar, Kevin Young Ryan Haynes, Echo Fields, Gil Livni, Christopher Brown, Jim Westrick, Lynn Thompson, Heidi Parker-Shames, Mark Knox, Robert Kendrick, and Linda Reid.

Notes outlined below provide a high-level summary of the meeting, organized by agenda item. Notes are focused on Committee member's thoughts and feedback.

Welcome

Brandon Goldman kicked off the meeting at 3:02 PM. Goldman mentioned that Advisory Committee members are welcome to attend the next project meeting (i.e., a joint meeting on the Housing Capacity Analysis presented to the Planning Commission and Health and Human Services Commission Meeting on January 28, 2021).

Beth Goodman introduced Kevin Young, with the Department of Land Conservation and Development, to the Committee.

Overview of the Residential Land Needs Analysis and Discussion of Key Assumptions

Beth Goodman provided a brief overview of Ashland's 2020 buildable lands inventory results, housing forecast, and a preliminary housing forecast by housing type (showcasing two scenarios). As a recap, Goodman also summarized the factors affecting needed housing (as was previously presented on at the first Advisory Committee meeting).

Comments and questions from the Advisory Committee included:

- Staff asked for clarification about what the vacancy rate includes. Goodman noted that the vacancy rate excludes units that are vacant for seasonal, recreational, or occasional use. We know the vacancy rate is likely lower than the assumption used in the analysis (8.2%), but the rate enables planning for slightly more housing development. It is a

longer-term vacancy rate that assumes the City will get back to a more typical/healthy vacancy rate (between 5% to 7%).

Goodman presented draft residential land sufficiency results using Scenario 1 and Scenario 2. Goodman explained that Ashland does not have much spare capacity in the High-Density Residential Plan Designation, but otherwise, Ashland does have sufficient land to accommodate its 20-year housing forecast.

Comments and questions from the Advisory Committee included:

- Why does the analysis include lands that are outside City limits? There is already a surplus of lands inside City Limits and developing lands outside City Limits would require annexation. After annexation, lands outside City Limits are also more costly to develop.
 - Brandon Goldman indicated that this study is intended to assess a 20-year land supply, so there is an expectation that annexations would occur over this period. Goldman indicated that the analysis could additionally look at capacity within City Limits to provide additional information.
 - Beth Goodman indicated that state law requires an analysis of all vacant and partially vacant land within the city's UGB, which is why the study includes these lands.
 - Beth Goodman also noted that regulatory or other infrastructural barriers could explain why it is difficult and more costly to develop lands outside the UGB. The Committee can recommend policy solutions to help remove these barriers.
- What does infrastructure include? Infrastructure may include water, wastewater, stormwater, sewer, transportation/roads (and improvements within the roadway such as curbs, gutters, and sidewalks), railroad crossings, and dry utilities.
- Can you clarify the land sufficiency table? Is the capacity less demand column showing excess housing capacity? Yes, Ashland has enough land to accommodate its 20-year housing forecast and then some. In Ashland, sufficient land is not the key issue (except maybe land in the High-Density Residential Plan Designation – as there is limited surplus over 20-years).

Introduction: Actions to Address Strategic Issues

Beth Goodman discussed organizing the housing strategy around four, broad strategic issues. Thoughts from the Committee include:

- We saw trends about people moving to Ashland (influx of older people, fewer families, etc.). Is it a strategic goal to try and curb these trends to attract more families? Or is it Ashland's position to accept these trends?
 - Based on discussions at Housing and Human Service Commission meetings and City Council meetings, there is a desire to attract younger people and families with

children. To do this, Ashland will need larger units (with three or four bedrooms per unit). However, there is also a need for more smaller, accessible housing (with accessibility features built into these units).

- Beth Goodman noted there is only so much the City of Ashland can do to encourage these kinds of units, unless the City wants to partner with developers to build housing. Committee members noted that some people in community may not understand this point.
- Brandon Goldman provided a link to Ashland's housing policies in the City's Comprehensive Plan Housing Element.¹ Goldman noted that strategic issues must be in the context of these goals and policies, unless a policy was left out that needs to be addressed.

After reviewing the strategic issues, committee members identified key issues that should be added. They include:

- Climate energy and action plan (CEAP) alignment.
- Housing development informational resources. Smaller developers need resources to better understand what kinds of support are available to build more affordable housing (e.g., partnerships, funding opportunities, etc.). Ashland does not have on one-stop shop for resources. The affordable housing realm is very complex and existing developers/builders would benefit from support that helps to streamline the development process for affordable housing.

The remainder of the meeting was spent discussing the strategic issues. The following comments from the Committee are organized by strategic issue.

Ensure an Adequate Supply of Land that is Available and Serviced

- Ashland needs more higher density land in Ashland (R-2 and R-3 zoned land). These higher densities lands need to be annexed into the city as the annexation process is challenging and burdensome on the applicant. The City does not offer much support in the annexation process. Plus, serving the land with infrastructure is needed and costly. A "cookbook" (e.g., how to manual) would be helpful to support applicants.
- Ashland requires traffic analyses for developments that generate more than 50 trips. These analyses are costly and encourages developers to consider less density. However, less density can make the development difficult to pencil. Could the trip standard be changed to 75 to alleviate this development barrier?
- Why is Ashland so unaffordable? Why can Talent build housing so much more affordably? Does Ashland have the land base for large scale development (e.g., 50-60-

¹ Ashland Comprehensive Plan Housing Element:
http://www.ashland.or.us/SIB/files/Housing_Element_Adopted_06182019.pdf

acre developments? Ashland's land base may only enable smaller scale housing developments of a wider range of housing types.

- Ashland will not let you build in the Ashland floodplain (note: this floodplain is separate from the FEMA floodplain).² This is a barrier to increased densities on lands that would otherwise allow greater residential densities. In addition, the requirements for various studies to develop housing increases the cost of housing. Many of these studies must be prepared before you are OK'd to develop at all.
- Ashland needs more housing diversity dispersed throughout the community, rather than segregated to specific subareas of the city. The City is starting to apply a social and racial justice lens to decisions – so when we look at where land is, we need to look at the intended and unintended consequences of these areas.

Provide Opportunities for Housing Development to Meet the City's Identified Housing Needs

- Ashland needs zoning districts that can accommodate a wider variety of housing as well as employment zones that allow a wider variety of housing.
- Development standards need to be more flexibility. For example, zones should allow greater residential density and parking requirements should be reduced.
- To address concerns around people experiencing homelessness, Ashland should allow tiny house villages or more mobile home communities in neighborhood / mixed-income neighborhood settings.
- Does Ashland's buildable lands inventory (BLI) include parking lots of churches? These areas could present opportunities for affordable housing (e.g., dormitory style housing for people experiencing homeless).
 - The BLI does not include these land, but the City does not prohibit this kind of strategy. We can craft actions that would support this kind strategy.
 - Note: SB 1051 (2017) allows churches to develop affordable housing, if in residential zone. See ORS 227.500.
- Ashland's Cottage Housing Ordinance is likely to be successful. The City could build on this ordinance to allow dwelling units of 200-300 square feet to provide for greater density. These units could also be allowed in more zones.
- Parking is very expensive and often wasteful from a land use perspective and the solar ordinance needs to be reevaluated as it does have a negative impact on development of multifamily housing (i.e., it reduces density that may otherwise be provided).
- Ashland has a surplus of employment that could be rezoned for residential uses (particularly areas close to service areas). Otherwise, Ashland could look at strategic rezoning of lands to R-3 as well as code amendment that would allow residential uses in

² Note that Ashland's did not consider these areas as buildable in the Ashland BLI.

ground floor commercial spaces. This could provide an opportunity to build semi-emergency housing while retaining some commercial land supply.

- Would the Committee support an action to increase heights in R-3 to three or four stories? Solar codes would restrict this, but otherwise this action was considered a good idea by committee members. Ashland needs to go vertical, particularly along transit corridors.
- Is it possible to go vertical in established neighborhoods without having to entirely redevelop? This could be another strategy to increase rental units. This strategy would likely be controversial in Ashland.

Provide Opportunities for Development of Housing Affordable to All Income Levels

- The City of Ashland should continue to take on responsibility for affordable housing by working as a partner to developers who wish to build affordable housing in the City. Ashland's existing SDC waiver for affordable housing is a huge help.
- Private developers cannot build housing affordable to households earning 60-80% of MFI without help. Bonding would be helpful to spread development costs out over 30 years (note: comment relates to a bond being paid back by the developer, not the community). The City should use their resources to finance some of these costs. Ashland needs tax exemptions, the infrastructure in place, and some control over the price of land to make affordable housing development happen.
- Ashland has been successful in acquiring lands for parks with food and beverage tax revenues and Construction Excise Tax (CET) revenues. The City should have a budget to acquire lands for housing, with the intent of writing-down the land for developers who are willing to build housing affordable to households earning 60-80% of MFI.
- The City collects a CET on behalf of the school district – could we do this on a larger scale? Question about the Multiple-Unit Tax Exemption (MUPTE) – what is the downside or unforeseen consequences? Foreseen: You forgo tax revenue for up to 10 years (non-trivial cost). Unforeseen: Programmatic issues – You could apply it in a way that does not achieve the community's goals. For example, the City of Eugene granted a MUPTE for student housing, but the housing ended up not being affordable to students, so the City had to restructure their program.
- The City should buy land outside the UGB and then annex it into City Limits. The City should not always be in the property buying business; however, this may be a longer-term strategy (possibly tied to a land banking strategy to buy land cheaper today).
- Can Ashland reduce obstacles that might exist to building with less conventional construction materials (e.g., shipping containers, prefab construction materials, 3-D printed materials, etc.). Ashland should remove policy impediments to encourage out of the box construction technology.

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- Ashland has some requirements (e.g., skirting of foundations and slope requirements) that could limit development of prefab housing). However, in many cases, the barrier becomes the state building code – a more challenging issue to solve.

Identify Funding Sources to Support Development of Infrastructure and Housing Affordability Programs

- An increased CET rate, a mansion tax, or a second home tax might be worth evaluating as an alternative to tax exemptions.
- There is some interest in an Urban Renewal District? Ashland’s City Council discussed urban renewal in 2013/14. At that time, there was in-depth research conducted by a third-party consultant. The City looked at forming an Urban Renewal District downtown and near Ashland Street to support economic development initiatives and projects. However, City Council was not prepared to pursue this strategy at that time.

Next Steps

As a next step, ECONorthwest will refine Ashland’s Housing Capacity Analysis and Housing Strategy. The Advisory Committee’s next meeting is scheduled for March 1, 2021 from 3:00 – 5:00 PM.

The meeting concluded at 5:06 PM.