

**ASHLAND HOUSING & HUMAN SERVICES COMMISSION AND PLANNING COMMISSION
JOINT STUDY SESSION
January 28, 2021
AGENDA**

I. **CALL TO ORDER:** 4:30 PM

II. **DISCUSSION ITEMS**

A. **Housing Capacity Analysis: Presentation and Discussion with EcoNorthwest Consultants regarding the City of Ashland's land supply, forecasted population growth, local housing market, socio-economic characteristics of Ashland's residents, housing affordability factors, and a forecast of housing demand.**

1. Overview of the Residential Land Needs Analysis and Discussion of Key Assumptions
2. Introduction: Housing Policies and Actions
3. Next Steps

III. **ADJOURNMENT**

**CITY OF
ASHLAND**



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).

DATE: January 5, 2021
TO: City of Ashland Planning Commission and Housing and Human Services Commission
CC: Brandon Goldman, City of Ashland
FROM: Beth Goodman and Sadie DiNatale, ECONorthwest
SUBJECT: Summary of Ashland's Buildable Lands Inventory

This memorandum summarizes key information related to the City of Ashland's 2019 Buildable Lands Inventory (BLI) and the results of an update to the BLI for use in Ashland's 2021-2041 Housing Capacity Analysis.¹

Ashland's Residential Buildable Lands Inventory (BLI)

A BLI estimates the number of unconstrained buildable acres a jurisdiction has within its urban growth boundary (UGB). The methodology and detailed results of the Ashland BLI are documented in the report *City of Ashland Buildable Lands Inventory, 2019*,² which was adopted by the City of Ashland in January 2020.³

The inventory will be used in the Housing Capacity Analysis is to assess whether Ashland has sufficient land within its UGB to accommodate future population growth and resulting need for new housing. The legal requirements that govern the BLI for the City of Ashland are defined in Statewide Planning Goal 10 and OAR 660-008.

Results of the 2019 Inventory

In 2019, the City of Ashland's Department of Community Development prepared the city's BLI. The 2019 analysis determined it had approximately 648 net, unconstrained,⁴ buildable acres in plan designations that allow housing outright with clear and objective standards. These 648 acres result in a capacity of 2,847 dwelling units. About 26% of Ashland's housing capacity is located in its Single-Family Residential plan designation.

Exhibit 1 presents the results from the 2019 analysis. Exhibit 2 shows the results of the 2019 BLI in a map.

¹ ECONorthwest prepared this memorandum for the City of Ashland, as part of the larger Housing Capacity Analysis project. This project is funded by Oregon general fund dollars through the Department of Land Conservation and Development (DLCD). The contents of this document do not necessarily reflect the views or policies of the State of Oregon.

² The report can be downloaded from the City's website: <https://www.ashland.or.us/Page.asp?NavID=11740>

³ Resolution No. 2020-01

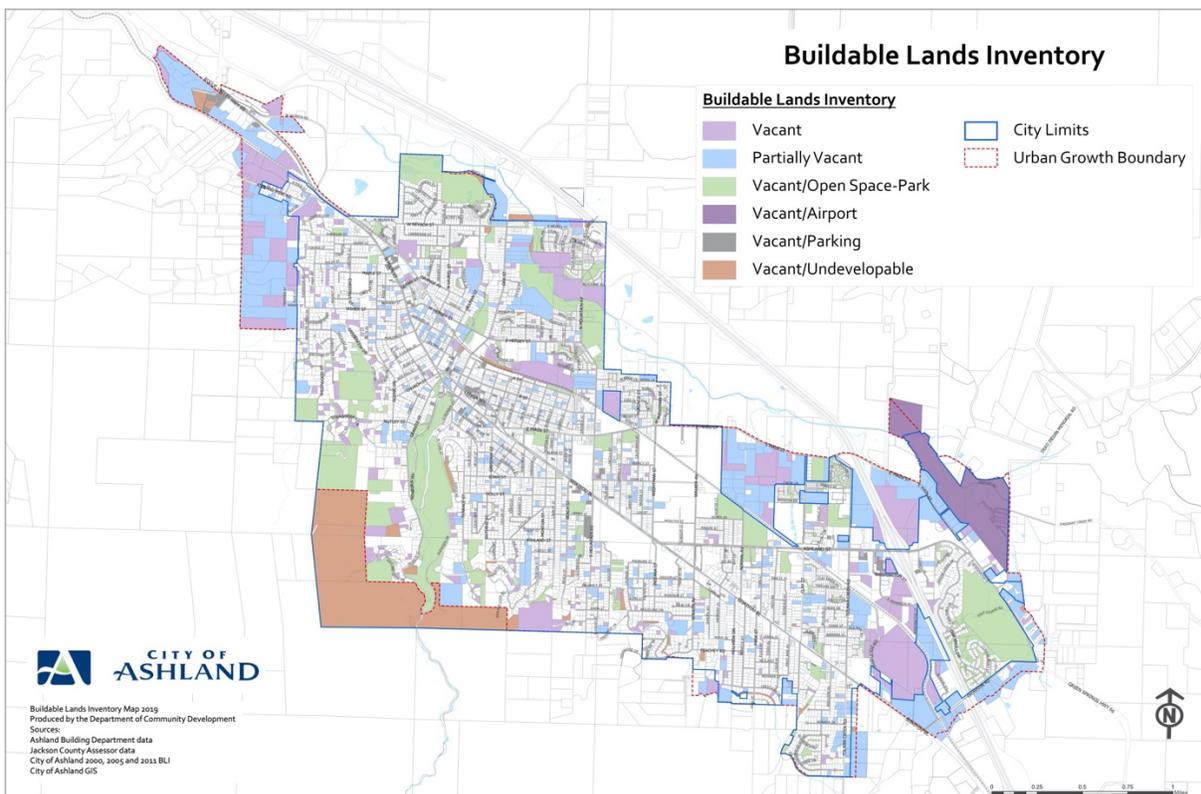
⁴ Land constraints taken into account: slopes greater than 35%, lands within the floodway or flood plain, and lands within resource protection areas.

Exhibit 1. Net Buildable Acreage and Housing Capacity by Plan Designations, Ashland UGB, 2019
 Source: City of Ashland Buildable Lands Inventory, 2019.

Plan Designation	Net Acres	Capacity for Dwelling Units (Adjusted)
Residential		
Woodland	7	10
Single-Family Residential Reserve	97	145
Low Density Residential	19	65
Single-Family Residential	205	744
Suburban Residential	8	44
Multifamily Residential	42	352
High Density Residential	12	132
Normal Neighborhood	70	474
North Mountain Neighborhood	16	73
Croman Mill District	61	243
Commercial		
Commercial	17	245
Downtown	0	48
Employment	92	256
Health Care	1	16
Southern Oregon University	2	-
Total	648	2,847

Exhibit 2. Buildable Land, Ashland UGB, 2019

Source: City of Ashland Buildable Lands Inventory (2019) and City of Ashland building permit data.



2020 BLI Update

ECONorthwest worked with City staff to update the 2019 BLI results based on development that was permitted between July 1, 2019 through June 30, 2020, which accounted for housing development that occurred after development of the 2019 BLI.

In the July 2019 – June 2020 period, the City permitted 83 dwelling units which consumed about 5.8 net acres of buildable land. ECONorthwest subtracted these acres of land and capacity for new housing from the 2019 results, as shown in Exhibit 3. Thus, the 2020 BLI results determined that Ashland’s UGB has 643 net buildable acres with a capacity for 2,764 dwelling units.

Exhibit 3. Net Buildable Acreage and Housing Capacity by Plan Designations, Ashland UGB, 2020

Source: City of Ashland Buildable Lands Inventory (2019) and City of Ashland building permit data.

Plan Designation	2019 Residential BLI		Building Permits July 1, 2019 to June 30, 2020		Revised Residential BLI and Capacity Estimate	
	Net Buildable Acres	Dwelling Unit Capacity	Net Acres Consumed	Dwelling Units Permitted	Net Buildable Acres	Dwelling Unit Capacity
Residential						
Woodland	6.6	10			6.6	10
Single-Family Residential Reserve	96.7	145			96.7	145
Low Density Residential	18.8	65	0.7	2	18.1	63
Single-Family Residential	205.1	744	4.2	38	200.9	706
Suburban Residential	7.5	44			7.5	44
Multifamily Residential	42.2	352	0.2	3	42.0	349
High Density Residential	11.7	132	0.1	3	11.6	129
Normal Neighborhood	69.7	474			69.7	474
North Mountain Neighborhood	16.4	73	0.2	1	16.2	72
Croman Mill District	61.1	243			61.1	243
Commercial and Other						
Commercial	16.7	245	0.3	34	16.4	211
Downtown	0.4	48			0.4	48
Employment	92.4	256	0.1	2	92.3	254
Health Care	1.2	16			1.2	16
Southern Oregon University	1.8	-			1.8	-
Total	648.3	2,847	5.8	83	642.5	2,764

DATE: January 5, 2021
TO: City of Ashland Planning Commission and Housing and Human Services Commission
CC: Brandon Goldman, City of Ashland
FROM: Beth Goodman and Sadie DiNatale, ECONorthwest
SUBJECT: Summary of Ashland's Housing Needs

This memorandum summarizes Ashland's housing needs. ECONorthwest identified these needs using findings from Ashland's 2021-2041 Housing Capacity Analysis¹ which, among other topics, analyzed the local housing market, socio-economic characteristics of Ashland's residents, housing affordability factors, and a forecast of housing demand.

Ashland's Key Housing Needs

The purpose of Ashland's Housing Capacity Analysis is to provide background on the kinds of factors that influence housing choice and needs. Generalizations about housing choice are difficult to make and prone to inaccuracies, however, it is a crucial step to informing the types of housing that will be needed in the future. Ashland's key housing needs are:

- **Housing for Seniors.** Ashland, like the region, has a growing share of seniors. From 2000–2018, Ashland residents aged 60+ grew by nearly 3,000 people. Between 2020–2040, the County's population aged 60+ will grow by over 18,000 people.

Research shows that seniors prefer to live in a familiar environment as long as possible (i.e., growing old in their own homes or in their current community). While many seniors will stay in their homes as long as they are able, some will downsize into smaller housing products before they move into to a dependent living facility or into a familial home. As the population ages, the percent of single-person households in Ashland may grow, increasing demand for a wider range of smaller housing types such as cottages, townhomes, multifamily housing, as well as age-restricted housing communities, and housing products that enable multigenerational living (larger units and accessory dwelling units).

- **Housing for Families.** About 53% of Ashland's households are non-family households and 75% of Ashland's households are one- or two-person households. While these figures suggest a need for smaller units, Ashland also has need for housing for families with children. Ashland's ability to attract and retain families will depend, in large part, on whether the city has opportunities for housing that both appeals to and are affordable to families, as well as jobs that allow younger people to live and work in Ashland.

¹ ECONorthwest prepared this memorandum for the City of Ashland, as part of the larger Housing Capacity Analysis project. This project is funded by Oregon general fund dollars through the Department of Land Conservation and Development (DLCD). The contents of this document do not necessarily reflect the views or policies of the State of Oregon.

- **Housing that is Affordable for all Income Levels.** Ashland has a median household income that is about \$8,800 less than Oregon’s median income. However, the city has some of the highest housing costs in the region. The median sales price in Ashland is \$434,438, compared with Medford subarea median prices ranging from \$229,500 to \$299,750. About 31% of homeowners and 63% of renters are cost burdened in Ashland.

One approach to increasing affordability of housing is building a wider range of housing. Under current conditions, 3,395 of Ashland’s households have incomes of \$33,000 or less. These households cannot typically afford market-rate housing without government subsidy. Another 3,103 households have incomes between \$33,000 and \$78,000. As Ashland grows, demand for housing affordable to low-and moderate-income households will also grow. These households will all need access to relatively affordable housing, such as smaller single-family detached housing, townhouses, duplexes, tri- and quad-plexes, and apartments/condominiums. To support development of housing affordable to these households, Ashland will need to take actions in addition to diversifying the housing types allowed in the city, as described in the Housing Capacity Analysis.

The kinds of housing that Ashland needs, includes:

- Broader range of single-family housing, including small-lot single-family, cottages, ADUs, tiny homes, manufactured housing on lots, and other more “traditional” forms.
- “Middle-housing” products, including townhomes, duplexes, triplexes, and quadplexes.
- Larger multifamily housing for rent (apartments) and ownership (condominiums), including mixed-use housing.



Small-lot Single-Family



Accessory Dwelling Unit



Manufactured Dwelling



Triplex



Duplex



Townhomes



Cottage Cluster (Photo by Ross Chapin)



Multifamily Apartment Complex



Mixed-Use Residential

DATE: January 22, 2021
 TO: City of Ashland Planning Commission and Housing and Human Services Commission
 CC: Brandon Goldman, City of Ashland
 FROM: Beth Goodman and Sadie DiNatale, ECONorthwest
 SUBJECT: Summary of Ashland’s Residential Land Needs Analysis

This memorandum summarizes Ashland’s residential land needs analysis.¹ ECONorthwest conducted this analysis using findings from Ashland’s buildable land inventory, which included an estimate of housing capacity within Ashland’s UGB, as well as results of Ashland’s 20-year housing forecast. This analysis is preliminary and will change as the project develops.

Ashland’s Preliminary Residential Land Needs Analysis

Ashland’s residential land needs analysis answers the question: Does Ashland have enough buildable land to accommodate its 20-year housing forecast for the 2021-2041 period?

To answer this question, this analysis compares Ashland’s capacity for dwelling units within the UGB to demand for housing in the UGB over the 20-year planning period.

As Exhibit 1 shows Ashland has a capacity for 2,764 dwelling units within its UGB.

About 25% of the 2,764 dwelling units are located in the Single-Family Residential Plan Designation (706 units).

Exhibit 1. Revised BLI and Capacity Estimate, Ashland UGB, 2020
 Source: City of Ashland Buildable Lands Inventory (2019) and City of Ashland building permit data.

Plan Designations (*and grouping of Plan Designations)	Net Buildable Acres	Dwelling Unit Capacity
Low Density Residential *	332	986
Suburban Residential	8	44
Normal NH	70	474
Multifamily Residential	42	349
High Density Residential	12	129
Croman Mill District	61	243
Commercial & Employment *	112	529

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The official population forecast for Ashland over the 20-year period is for growth of about 1,961 people.

Based on the assumptions shown in Exhibit 2, Ashland will have demand for 858 new dwelling units over the 20-year period, with an annual average of 43 dwelling units.

Exhibit 2. Forecast of demand for new dwelling units, Ashland UGB, 2021 to 2041

Source: Calculations by ECONorthwest.

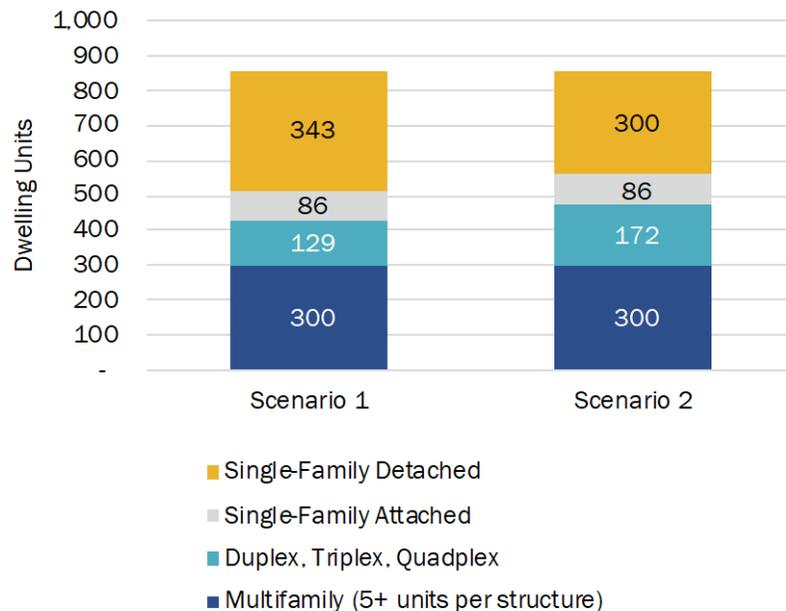
Variable	New Dwelling Units (2021-2041)
Change in persons	1,691
<i>minus</i> Change in persons in group quarters	58
<i>equals</i> Persons in households	1,633
Average household size	2.06
New occupied DU	793
<i>times</i> Vacancy rate	8.2%
<i>equals</i> Vacant dwelling units	65
Total new dwelling units (2021-2041)	858
Annual average of new dwelling units	43

This analysis forecasts future housing need by housing type. Exhibit 3 shows that this analysis evaluates two housing mix scenarios.

Scenario 1 reflects a larger share of single-family detached housing (40%) than Scenario 2 (35%). Scenario 2 reflects a larger share of plex housing (20%) compared to Scenario 1 (15%).

Exhibit 3. Housing Forecast by Housing Type, Scenario 1 and Scenario 2 Housing Mix, Ashland UGB, 2021 to 2041

Source: Summary by ECONorthwest.



Ashland’s previous HNA lumped single-family detached and attached together and all multifamily/plex housing together. Both categories represented 50% of the forecast of new units. Scenario 1 plans for a similar share of single-family housing as the previous HNA. Scenario 2 plans for a smaller share (45%).

Exhibit 4 and Exhibit 5 compare the capacity of existing buildable lands (see Exhibit 1) to demand for housing-by-housing type (see Exhibit 3), by Comprehensive Plan Designation.

Exhibit 4. Residential Capacity by Plan Designation Using Scenario 1, Ashland UGB, 2020-2021
Source: Calculations by ECONorthwest.

Plan Designations (*and grouping of Plan Designations)	Capacity (Dwelling Units)	Demand (Dwelling Units)	Capacity less Demand (Dwelling Units)
Low Density Residential *	986	247	739
Suburban Residential	44	18	26
Normal NH	474	240	234
Multifamily Residential	349	138	211
High Density Residential	129	95	34
Croman Mill District	243	34	209
Commercial & Employment *	529	86	443

Exhibit 5. Residential Capacity by Plan Designation Using Scenario 2, Ashland UGB, 2020-2021
Source: Calculations by ECONorthwest.

Plan Designations (*and grouping of Plan Designations)	Capacity (Dwelling Units)	Demand (Dwelling Units)	Capacity less Demand (Dwelling Units)
Low Density Residential *	986	222	764
Suburban Residential	44	18	26
Normal NH	474	231	243
Multifamily Residential	349	172	177
High Density Residential	129	95	34
Croman Mill District	243	34	209
Commercial & Employment *	529	86	443

In both scenarios, Ashland has more than enough capacity to accommodate growth over the 20-year period. However, Ashland has a limited surplus of capacity in its High-Density Residential Plan Designation, as it starts with only 12 acres of unconstrained vacant and partially vacant land in this Plan Designation. This, and other constraints on future development (such as annexation and serviceability of vacant lands), will be discussed in the Housing Capacity Analysis and the Housing Strategy.

DATE: January 5, 2021
TO: Ashland Housing Advisory Committee
CC: Brandon Goldman, City of Ashland
FROM: Beth Goodman and Sadie DiNatale, ECONorthwest
SUBJECT: EXAMPLE HOUSING STRATEGIES AND ACTIONS

ECONorthwest is working with the City of Ashland to develop a Housing Capacity Analysis. The Housing Capacity Analysis will determine whether the City of Ashland has enough land to accommodate 20-years of population and housing growth. The Housing Capacity Analysis will provide the basis to develop an action plan to address Ashland’s unmet housing needs.

This memorandum provides range of strategies and actions that Ashland could consider to address its housing needs. These strategies and actions have been used in other cities to address their housing needs. We will use this list to begin to develop an action plan with specific strategies to address Ashland’s housing needs.

This memorandum discusses housing affordability. It distinguishes between two types of affordable housing: (1) housing affordable to very low-income and extremely low-income households and (2) housing affordable to low-income and middle-income households. The following describes these households, based on information from the Ashland Housing Capacity Analysis.

- **Very low-income and extremely low-income households** are those who have an income of 50% or less of Jackson County Median Family Income (MFI)¹ which is an annual household income of \$32,600. About 34% of Ashland’s households fit into this category. They can afford a monthly housing cost of \$820 or less.² Development of housing affordable to households at this income level is generally accomplished through development of government-subsidized income-restricted housing.
- **Low-income and middle-income households** are those who have income of 50% to 120% of Jackson County’s MFI or income between \$32,600 to \$78,100. About 31% of Ashland’s households fit into this category. They can afford a monthly housing cost of \$820 to \$1,630. The private housing market may develop housing affordable to households in this group, especially for the higher income households in the group.

¹ Median Family Income is determined by the U.S. Department of Housing and Urban Development. In 2020, Jackson County’s MFI was \$65,100.

² This assumes that households pay less than 30% of their gross income on housing costs, including rent or mortgage, utilities, home insurance, and property taxes.

Housing Policies and Actions

This memorandum provides the City with information about potential policies that could be implemented in Ashland to address the City's housing needs. This memorandum provides a range of housing policy options for the City of Ashland to consider as it addresses its housing needs. These policy options are commonly used by cities in Oregon and other states. Policy options are categorized as follows:

- Land Use Regulations
- Increase Housing Types
- Financial Assistance to Homeowners and Renters
- Lower Development or Operational Costs
- Funding Sources to Support Residential Development

The intention of this memorandum is to provide a toolbox of potential policies and actions that the City can use to address strategic issues. For many of the policy tools described below, we give an approximate scale of impact. **The purpose of the scale of impact is to provide some context for whether the policy tool generally results in a little or a lot of change in the housing market.** The scale of impact depends on conditions in the City, such as other the City's other existing (or newly implemented) housing policies, the land supply, and housing market conditions. We define the scale of impact as follows:

- A **small** impact may not directly result in development of new housing or it may result in development of a small amount of new housing, such as 1% to 3% of the needed housing. In terms of housing affordability, a small impact may not improve housing affordability in and of itself. A policy with a small impact may be necessary but not sufficient to increase housing affordability.
- A **moderate** impact is likely to directly result in development of new housing, such as 3% to 5% of needed housing. In terms of housing affordability, a moderate impact may not improve housing affordability in and of itself. A policy with a moderate impact may be necessary but not sufficient to increase housing affordability.
- A **large** impact is likely to directly result in development of new housing, such as 5% to 10% (or more) of needed housing. In terms of housing affordability, a **large** impact may improve housing affordability in and of itself. A policy with a large impact may still need to work with other policies to increase housing affordability.

Land Use Regulations

These policies focus on ways the City can modify its land use regulations to increase housing affordability and available housing stock.

Strategy Name	Description	Implementation in Ashland	Scale of Impact
Regulatory Changes			
Administrative and Procedural Reforms	<p>Regulatory delay can be a major cost-inducing factor in development. Oregon has specific requirements for review of development applications. However, complicated projects frequently require additional analysis such as traffic impact studies, etc.</p> <p>A key consideration in these types of reforms is how to streamline the review process and still achieve the intended objectives of local development policies.</p>		<p>Scale of Impact - Small. The impact on production of housing and housing affordability is small and depends on changes made to City procedures. Streamlining procedures may not be sufficient to increase production.</p>
Expedited / Fast-tracked Building Permit	<p>Expedite building permits for pre-approved development types or building characteristics (e.g. green buildings). City of Bend offers expedited review and permitting for affordable housing. Any residential or mixed-use development that receives local, state or federal affordable housing funding is eligible to receive a written decision by the Planning Department within two weeks of the date of submittal. For projects that require more complex planning review, a decision will be written, or the first public hearing will be held within six weeks of the date of submittal.</p>	<p>Priority planning action processing and building permit issuance for affordable housing is not codified in Ashland Municipal Code. Ashland does provide priority plan check and planning action processing for green buildings pursuing certification under the Leadership in Energy and Environmental Design (LEED) rating system.</p>	<p>Scale of Impact - Small. Expedited permit processing will benefit a limited number of projects. It may be necessary but not sufficient to increase housing production on its own.</p>
Streamline Zoning Code and other Ordinances	<p>Complexity of zoning, subdivision, and other ordinances can make development more difficult, time consuming, and costly. Streamlining development regulations can result in increased development.</p> <p>As part of the streamlining process, cities may evaluate potential barriers to affordable workforce housing and multifamily housing. Potential barriers may include height</p>		<p>Scale of Impact - Small to moderate. The level of impact on production of housing and housing affordability will depend on the changes made</p>

Strategy Name	Description	Implementation in Ashland	Scale of Impact
	<p>limitations, complexity of planned unit development regulations, parking requirements, and other zoning standards.</p> <p>Many of the remaining tools in this section focus on changes to the zoning code.</p>		to the zoning code and other ordinances.
Allow Small Residential Lots	<p>Small residential lots are generally less than 5,000 SF and sometimes closer to 2,000 SF. This policy allows individual small lots within a subdivision. Small lots can be allowed outright in the minimum lot size and dimensions of a zone, or they could be implemented through the subdivision or planned unit development ordinances.</p> <p>This policy is intended to increase density and lower housing costs. Small-lots limit sprawl, contribute to a more efficient use of land, and promote densities that can support transit. Small lots also provide expanded housing ownership opportunities to broader income ranges and provide additional variety to available housing types.</p> <p>Cities across Oregon allow small residential lots, including many cities in the Metro area.</p>	<p>Planned Unit Developments in all SFR and MFR zones will allow for small lots (up to zero lot line) at allowable Densities. Additionally, cottage housing developments in SFR zones (R-1-5 & R-1-7.5) allow lots smaller than the minimum lot size for the zone in conjunction with common open space.</p> <p>Ashland's R-1-3.5 zone has a minimum lot size of 3,500 SF.</p>	<p>Scale of Impact – Small to moderate.</p> <p>Cities have adopted minimum lot sizes as small as 2,000 SF. However, it is uncommon to see entire subdivisions of lots this small. Small lots typically get mixed in with other lot sizes. This tool generally increases density and amount of single-family detached and townhouse housing in a given area, decreasing housing costs as a result of decreasing amount of land on the lot.</p>
Mandate Maximum Lot Sizes	<p>This policy places an upper bound on lot size and a lower bound on density in single-family zones. For example, a residential zone with a 6,000 SF minimum lot size might have an 8,000 SF maximum lot size yielding an effective net density range between 5.4 and 7.3 dwelling units per net acre.</p> <p>This approach ensures minimum densities in residential zones by limiting lot size. It places bounds on building at less than maximum allowable density. Maximum lot sizes</p>	<p>Ashland does not have a maximum lot size or minimum density requirement in Single Family Residential zones, although market development typically maximizes the number of units provided.</p> <p>In cases where lot sizes are proposed that exceed the</p>	<p>Scale of Impact— Small to moderate.</p> <p>Mandating maximum lot size may be most appropriate in areas where the market is building at substantially lower densities than are allowed or in cities</p>

Strategy Name	Description	Implementation in Ashland	Scale of Impact
	<p>can promote appropriate urban densities, efficiently use limited land resources, and reduce sprawl development.</p> <p>This tool is used by some cities but is used less frequently than mandating minimum lot sizes.</p>	<p>minimum lot size it is often in response to physical or environmental constraints that limit the buildable portion of a site (e.g. steep slopes, floodplains, wetlands and riparian areas)</p>	<p>that do not have minimum densities.</p> <p>This tool generally increases density and amount of single-family detached and townhouse housing in a given area, decreasing housing costs as a result of decreasing amount of land on the lot.</p>
Mandate Minimum Residential Densities	<p>This policy is typically applied in single-family residential zones and places a lower bound on density. Minimum residential densities in single-family zones are typically implemented through maximum lot sizes. In multifamily zones, they are usually expressed as a minimum number of dwelling units per net acre. Such standards are typically implemented through zoning code provisions in applicable residential zones. This policy increases land-holding capacity. Minimum densities promote developments consistent with local comprehensive plans and growth assumptions. They reduce sprawl development, eliminate underbuilding in residential areas, and make provision of services more cost effective. Mandating minimum density is generally most effective in medium and high-density zones where single-family detached housing is allowed. The minimum density ensures that low-density single-family housing is not built where higher-density multifamily housing could be built.</p>	<p>Minimum Density requirements (80% base density) are in place in MFR zones (R-2 and R-3) on lots large enough to accommodate 3 or more units. Minimum densities and are required of any residential annexation (90% Base Density).</p>	<p>Scale of Impact— Small to moderate.</p> <p>Increasing minimum densities and ensuring clear urban conversion plans may have a small to moderate impact depending on the observed amount of underbuild and the minimum density standard. For cities that allow single-family detached housing in high density zones, this policy can result in a moderate or larger impact.</p>
Increase Allowable Residential Densities	<p>This approach seeks to increase holding capacity by increasing allowable density in residential zones. It gives developers the option of building to higher densities. This approach would be implemented through the local zoning or development code. This strategy is most commonly applied to multifamily residential zones.</p>	<p>Ashland recently removed the maximum residential densities within the Transit Triangle Overlay area (Ashland Street, portions of Siskiyou Blvd, and Tolman Creek Road). A form-based approach is used where</p>	<p>Scale of Impact— Small to moderate.</p> <p>This tool can be most effective in increasing densities where very low density is currently allowed or in areas</p>

Strategy Name	Description	Implementation in Ashland	Scale of Impact
	<p>For cities with maximum densities, consider removing maximum allowable densities. This change may be most relevant.</p> <p>Higher densities increase residential landholding capacity. Higher densities, where appropriate, provide more housing, a greater variety of housing options, and a more efficient use of scarce land resources. Higher densities also reduce sprawl development and make the provision of services more cost effective.</p>	<p>limitations on height, lot coverage, and setback requirements create the 3D envelope in which units can be developed. This allows for many smaller units within the same space when compared to a base density approach which can produce fewer, large apartments or condominiums.</p> <p>Ashland has not increased residential densities outside of the this Overlay area.</p>	<p>where a city wants to encourage higher density development.</p> <p>This tool generally increases density and amount of single-family detached and townhouse housing in a given area, decreasing housing costs as a result of decreasing amount of land on the lot.</p>
Allow Clustered Residential Development	<p>Clustering allows developers to increase density on portions of a site, while preserving other areas of the site. Clustering is a tool most commonly used to preserve natural areas or avoid natural hazards during development. It uses characteristics of the site as a primary consideration in determining building footprints, access, etc. Clustering is typically processed during the site review phase of development review.</p>	<p>Ashland permits Planned Unit Developments in SFR and MFR zones which allows clustering of units and transfer of density from naturally constrained areas to the developable portion of the site.</p>	<p>Scale of Impact—Moderate. Clustering can increase density, however, if other areas of the site that could otherwise be developed are not developed, the scale of impact can be reduced.</p>
Reduced Parking Requirements	<p>Jurisdictions can reduce or eliminate minimum off-street parking requirements, as well as provide flexibility in meeting parking requirements. Reducing parking requirements positively impact development of any type of housing, from single-family detached to multifamily housing.</p> <p>Reduced parking requirements are most frequently used in conjunction of development of subsidized affordable housing, but cities like Portland have reduced or eliminated parking requirements for market-based multifamily housing in specific circumstances.</p> <p>City of Bend offers parking reductions for affordable housing and transit proximity. Parking for affordable housing units is 1 space per unit regardless of size,</p>	<p>Ashland provides parking reductions for small units city-wide (one space per unit for units 500 SF or less).</p> <p>Within the Transit Triangle Overlay parking requirements are reduced to one space per unit for units 800 SF or less</p> <p>Cottages of 800 SF or less within approved cottage housing developments require one space per unit.</p> <p>Many parking credits may be allocated to projects including:</p>	<p>Scale of Impact—Small to moderate.</p> <p>The City could require the developer to prove the need and public benefit or reducing parking requirements to increase housing affordability.</p> <p>Reducing parking requirements can have a moderate to large impact on housing</p>

Strategy Name	Description	Implementation in Ashland	Scale of Impact
	<p>compared to 1 space per studio or 1-bedroom unit, 1.5 spaces per 2-bedroom unit, and 2 spaces per 3- or more bedroom unit for market-rate multifamily development or 2 spaces per market rate detached dwelling unit. Affordable housing units must meet the same eligibility criteria as for other City of Bend affordable housing incentives</p> <p>City of Portland offers parking exceptions for affordable housing and sites adjacent to transit. The City of Portland allows housing developments that meet the inclusionary zoning requirements to reduce parking requirements to zero if located near frequent transit service, and to exclude the affordable housing units from parking requirements for developments located further from frequent transit service. The City also allows market rate housing developments located near frequent transit service to provide little or no parking, depending on the number of units in the development.</p>	<p>An off-street parking credit for each on-street space along the properties frontage; joint use and mixed-use development credits (sharing the same space between a commercial use and residential use when demonstrated their time of use is not in conflict); off-site shared parking; transit facilities credit; Transportation Demand Management plan implementation.</p> <p>Ashland does not have a specific parking reduction available for units designated and regulated as affordable housing.</p>	<p>affordability if little or no parking is required.</p>
Reduce Street Width Standards	<p>This policy is intended to reduce land used for streets and slow down traffic. Street standards are typically described in development and/or subdivision ordinances. Reduced street width standards are most commonly applied on local streets in residential zones. This strategy could be applied to alleys, when required, to ensure that alleys are relatively narrow to reduce development and maintenance costs.</p> <p>Narrower streets make more land available to housing and economic-based development. Narrower streets can also reduce long-term street maintenance costs.</p>	<p>Ashland has long implemented a “Narrow Street” standard through the Street Standards and Transportation System Plan.</p>	<p>Scale of Impact— Small. This policy is most effective in cities that require relatively wide streets.</p>
Preserving Existing Housing Supply	<p>Housing preservation ordinances typically condition the demolition or replacement of certain housing types on the replacement of such housing elsewhere, fees in lieu of replacement, or payment for relocation expenses of existing tenants. Preservation of existing housing may focus on preservation of smaller, more affordable housing. Approaches include:</p> <ul style="list-style-type: none"> • Housing preservation ordinances 	<p>Ashland does have ordinances that regulate the closure of manufactured home parks and displacement of the residents, as well as the conversion of apartments into condominiums, wherein longer notice periods prior to tenant displacement</p>	<p>Scale of Impact— Small to moderate. Preserving small existing housing can make a difference in the availability of affordable housing in a city but it is limited by</p>

Strategy Name	Description	Implementation in Ashland	Scale of Impact
	<ul style="list-style-type: none"> • Housing replacement ordinances • Manufactured home preservation • Single-room-occupancy ordinances • Regulating demolitions 	<p>and relocation assistance can be required.</p> <p>Ashland's demolition ordinance does regulate demolitions but does not have standards relating to tenant displacement.</p>	<p>the existing stock housing, especially smaller, more affordable housing. Cities with older housing stock are more likely to benefit from this policy.</p>
Inclusionary Zoning	<p>Inclusionary zoning policies tie development approval to, or provide regulatory incentives for, the provision of low- and moderate-income housing as part of a proposed development. Mandatory inclusionary zoning requires developers to provide a certain percentage of low-income housing. Incentive-based inclusionary zoning provides density or other types of incentives.</p> <p>The price of low-income housing is often passed on to purchasers of market-rate housing. Critics of inclusionary zoning contend it impedes the "filtering" process where residents purchase new housing, freeing existing housing for lower-income residents.</p> <p>Oregon's inclusionary zoning laws apply to structures with 20 or more multifamily units, with inclusion of units that are affordable at 80% of the median family income of the city.</p> <p>The City of Portland has implemented an inclusionary zoning program. While Portland's inclusionary zoning program is resulting in production of affordable multifamily units, there is considerable discussion and disagreement about the impact of number of multifamily units being built and potential changes in the location of units.</p>	<p>Ashland requires a percentage of affordable housing (25% of the base density exclusive of unbuildable areas) as part of annexations and zone changes for residential developments.</p> <p>Ashland has not implemented an inclusionary zoning ordinance for residential developments within the City Limits for proposed structures containing 20 units or more under the State's newly approved inclusionary zoning legislation.</p>	<p>Scale of Impact— Small to moderate.</p> <p>Inclusionary zoning has recently been made legal in Oregon. The scale of impact would depend on the inclusionary zoning policies adopted by the city.</p>
Re-designate or rezone land for housing	<p>The types of land rezoned for housing are vacant or partially vacant low-density residential and employment land rezoned to multifamily or mixed use. In rezoning land, it is important to choose land in a compatible location, such as land that can be a buffer between an established neighborhood and other denser uses or land adjacent to existing commercial uses. When rezoning employment</p>	<p>Rezoning land in Ashland is not a common practice.</p> <p>The City has implemented a number of master planning Efforts (Normal Neighborhood, North Mountain Plan, Croman Mill District) which have</p>	

Strategy Name	Description	Implementation in Ashland	Scale of Impact
	<p>land, it is best to select land with limited employment capacity (i.e., smaller parcels) in areas where multifamily housing would be compatible (i.e., along transit corridors or in employment centers that would benefit from new housing).</p> <p>This policy change increases opportunity for comparatively affordable multifamily housing and provides opportunities for mixing residential and other compatible uses.</p> <p>Cities across Oregon frequently re-zone and re-designate land to address deficits of land for new housing.</p>	<p>identified lands to be developed as multifamily or mixed-use development. Individual property owners have requested and received rezoning of their properties to multifamily zones for specific development proposals. However, there has not been an effort to examine vacant low density and employment properties within the City Limits as candidates for a comprehensive plan and zone change to increase the supply of multifamily zoned properties.</p>	
Encourage multifamily residential development in commercial zones	<p>This tool seeks to encourage denser multifamily housing as part of mixed-use projects in commercial zones. Such policies lower or eliminate barriers to residential development in commercial or mixed-use zones. They include eliminating requirements for non-residential uses in commercial zones (e.g., requirements for ground floor retail) or requiring minimum residential densities.</p> <p>This policy can increase opportunities for multifamily development on commercial or mixed-use zones or increase the density of that development.</p> <p>Cities across Oregon frequently encourage multifamily housing development in commercial zones, either as stand-alone residential buildings or as mixed-use buildings.</p>	<p>Mixed use projects are permitted and encouraged in Ashland Commercial and Employment zoned. There is current discussion regarding the percentage of the ground floor that is to be reserved for commercial uses and whether those ratios can be modified in consideration of changing market demands for in retail and office space.</p>	
Transfer or Purchase of Development Rights	<p>This policy is intended to move development from sensitive areas to more appropriate areas. Development rights are transferred to “receiving zones” and can be traded and can increase overall densities. This policy is usually implemented through a subsection of the zoning code and identifies both sending zones (zones where</p>	<p>Ashland does not have a Transfer of Development Rights program or designated receiving zones.</p>	

Strategy Name	Description	Implementation in Ashland	Scale of Impact
	<p>decreased densities are desirable) and receiving zones (zones where increased densities are allowed).</p> <p>Transfer of development rights is done less frequently in Oregon, as cities generally zone land for higher density housing where they would like it to occur. This policy is frequently used by cities outside of Oregon.</p>		
<p>Provide Density Bonuses to Developers</p>	<p>The local government allows developers to build housing at densities higher than are usually allowed by the underlying zoning. Density bonuses are commonly used as a tool to encourage greater housing density in desired areas, provided certain requirements are met. This strategy is generally implemented through provisions of the local zoning code and is allowed in appropriate residential zones.</p> <p>Bonus densities can also be used to encourage development of low-income or workforce affordable housing. An affordable housing bonus would allow for more housing units to be built than allowed by zoning if the proposed project provides a certain number of affordable units.</p> <p>City of Bend offers affordable housing density and height bonuses. Qualifying affordable housing projects are eligible for a 10-foot building height bonus for multifamily housing when affordable housing units are gained and for a density bonus. The density increase is based on the percentage of affordable housing units within the proposed development: if 10% of the units are affordable, the maximum density is 110% of the standard maximum density. The maximum density bonus is 50% above the base density. Qualifying projects must be affordable to households at or below 60% of the AMI for rental housing and at or below 80% of the AMI for ownership housing and require development agreements and restrictions to ensure continued affordability.</p> <p>Kirkland, WA offers density bonuses for duplex, triplex, and cottages. Cottage homes (limited to 1,500 SF of floor</p>	<p>Ashland has four density bonuses, one of which is for development of affordable housing at higher densities and another for energy-efficient housing.</p> <p>Affordable housing projects meeting eligibility requirements (including rental or ownership housing affordable to households at 80% or less of AMI for a min. of 30 years) receive a density bonus of two units for each affordable unit provided, up to a max. of a 35% increase in density.</p> <p>The max. density bonus inclusive of other bonuses (open space, conservation) can be 60% over the base density within the zone.</p> <p>Ashland's Cottage Housing Development ordinance effectively provides a doubling of the allowable density in the zone for provision of the small cottage housing units.</p> <p>Ashland classifies small units, of 500 SF or less, as only 75% of a unit for the purposes of</p>	

Strategy Name	Description	Implementation in Ashland	Scale of Impact
	area) and two- and three-unit homes (up to 1,000 SF of floor area average per unit) are allowed at double the density of detached dwelling units in the underlying zone.	density calculations. A greater number of small units can be developed within existing density allowances without employing a density bonus.	

Increase Housing Types

The following policies focus on ways in which the City can increase the types of housing available in order to increase housing affordability. Policies focus on increasing housing density or the number of residents within existing City lots.

Strategy Name	Description	Implemented in Ashland?	Scale of Impact
Allow Duplexes, Cottage housing, Townhomes, Row Houses, and Tri- and Quad-Plexes in low density zones	Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types. This approach would be implemented through the local zoning or development code and would list these housing types as outright allowable uses in appropriate residential zones. These housing types provide additional affordable housing options and allow more residential units than would be achieved by detached homes alone. House Bill 2001 requires cities to allow these housing types in single-family zones.	Ashland is in the process of amending the land use code to allow duplexes wherever a single-family dwelling unit is permitted per the requirements of HB2001. Code amendments will be enacted before July 1, 2021.	Scale of Impact – Small to moderate. Allowing these types of housing in more zoning districts may provide relatively few number of new, relatively affordable, housing opportunities.
Allow Cottage housing, Tri- and Quad-Plexes Townhomes, Row Houses, Stacked Townhouses, Cottage Courts, Duplex/Townhouse Courts, & Garden Apartments in	Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types. This approach would be implemented through the local zoning or development code and would list these housing types as outright allowable uses in appropriate residential zones. These housing types provide additional affordable housing options and allow more residential units than would be achieved by detached homes alone.	Ashland passed a cottage housing ordinance in 2018 and allows cottage housing developments in the R-1-5 and R-1-7.5 zones on lots that are greater than 1.5 times the minimum lot size for the zone. Cottage Housing developments can be between 3 to 12 units depending on lot size.	Scale of Impact – Small to Large. Allowing these types of housing in more zoning districts may provide up to a large number of new, relatively affordable, housing opportunities. The scale of impact will depend, in part, on the

Strategy Name	Description	Implemented in Ashland?	Scale of Impact
medium density zones		Tri- and Quad-Plexes Townhomes, Row Houses, Stacked Townhouses are permissible in Ashland's Medium Density zone (R-2), and Townhomes are further permitted in the R-1-3.5 zone or other residential zones (R-1-5, R-1-7.5, R-1-10) through planned unit developments.	amount of vacant or redevelopable land in medium density zones, as well as the types of housing newly allowed in the medium density zone.
Allow Stacked Townhouses, Garden Apartments and larger-scale Apartments in high density zones	Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types. This approach would be implemented through the local zoning or development code and would list these housing types as outright allowable uses in appropriate residential zones. These housing types provide additional affordable housing options and allow more residential units than would be achieved by detached homes alone.	Stacked townhomes, condominiums, garden apartments and larger-scale apartments are permitted in R-2 and R-3 zones. However due to small lot sizes of vacant/partially vacant properties available in these zones, larger scale apartments are not often achievable given existing lot sizes, height limitations, and density allowances.	Scale of Impact – Small to Large. Allowing these types of housing in more zones may provide a large number of new, relatively affordable, housing opportunities. The scale of impact depends on the amount of vacant/redevelopable land in high density zones and the housing types allowed in the zones.
Allow Live-Work housing or Mixed-use housing in commercial zones	Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types. This approach would be implemented through the local zoning or development code and would list these housing types as outright allowable uses in appropriate residential zones. These housing types provide additional affordable housing options and allow more residential units than would be achieved by detached homes alone.	Live-work housing and mixed-development would be a permitted use within commercial zones although not specifically listed in the allowable use table for either commercial or residential zones. Home Occupations are special permitted in all zoning designations with the exception of industrial (M-1).	Scale of Impact – Small to Large. Allowing these types of housing in more zoning districts may provide up to a large number of new, relatively affordable, housing opportunities.

Strategy Name	Description	Implemented in Ashland?	Scale of Impact
<p>Remove barriers to Development of Accessory Dwelling Units (ADUs) in single-family zones</p>	<p>As of July 1, 2018, ORS 197.312 requires cities to allow at least one ADU for each detached single-family dwelling in areas zoned for detached single-family dwellings.</p> <p>Jurisdictions can make development of ADUs more likely by limiting restrictive standards and procedures, such as reducing systems development charges for ADUs, reducing or eliminating parking requirements, or allowing ADUs regardless of where the primary dwelling is owner-occupied.</p>	<p>Ashland allows Accessory Residential Units (ARU or ADU) as an accessory use to single-family homes throughout the City, and further provides reduced SDCs for small units of less than 500 SF.</p> <p>Per ORS 197.312 no additional parking is required for ARUs in Ashland, and there has never been any owner-occupied requirement for the development of an ARU within the City.</p>	<p>Scale of Impact - Small. Oregon law recently changed to require cities to allow ADUs.</p>
<p>Allow small or “tiny” homes</p>	<p>“Tiny” homes are typically dwellings that are 500 SF or smaller. Some tiny houses are as small as 100 to 150 SF. They include stand-alone units or very small multifamily units.</p> <p>Tiny homes can be sited in a variety of ways: locating them in RV parks (they are similar in many respects to Park Model RVs), tiny home subdivisions, or allowing them as accessory dwelling units.</p> <p>Smaller homes allow for smaller lots, increasing land use efficiency. They provide opportunities for affordable housing, especially for homeowners.</p> <p>Portland and Eugene allow tiny homes as temporary shelter for people experiencing homelessness.</p>	<p>Small, or tiny, units that are built on a foundation are permitted in Ashland and have been developed as ARUs.</p> <p>Tiny homes on wheels would have to be located in an RV park, and there are thus limited opportunities for their placement in Ashland.</p> <p>As an emergency provision in response to the Alameda fire, RVs, campers, and trailers can be located on residential properties in Ashland as temporary shelter provided, they are connected to sanitation and utilities.</p>	<p>Scale of Impact - Small: Scale of impact depends on regulation of tiny homes, where they are allowed, and market demand for tiny homes.</p>

Lower Development or Operational Costs

The following policies focus on ways in which the City and other entities involved in development can provide financial assistance to lower development or operational costs in a city in order to increase housing affordability and available housing stock.

Strategy Name	Description	Implemented in Ashland?	Scale of Impact
Programs or policies to lower the cost of development			
Parcel Assembly	<p>Parcel assembly involves the city's ability to purchase lands for the purpose of land aggregation or site assembly. It can directly address the issues related to limited multifamily lands being available in appropriate locations (e.g., near arterials and commercial services). Typical goals of parcel assembly programs are: (1) to provide sites for rental apartments in appropriate locations close to services and (2) to reduce the cost of developing multifamily rental units</p> <p>Parcel assembly can lower the cost of multifamily development because the City is able to purchase land in strategic locations over time. Parcel assembly is often associated with development of affordable housing (affordable to households with income below 60% of MFI), where the City partners with nonprofit affordable housing developers.</p> <p>Parcel assembly can be critically important role for cities to kick start quality affordable housing and work force housing projects that can be positive catalysts too for market rate development.</p>	<p>The City has limited experience acquiring property for the future development of affordable housing, having acquired 10 acres on Clay Street in cooperation with the Housing Authority of Jackson County. Over the last decade this property provided a location for 120 units of affordable housing (60 units developed, 60 units under construction).</p> <p>The City typically relies on affordable housing partners to identify property for a proposed development and has provided financial assistance (CDBG or Affordable Housing Trust Fund (AHTF)) to assist in acquisition. Most recently the City helped purchase a parcel using AHTF for Columbia Care to develop a 30-unit affordable housing project.</p>	<p>Scale of Impact - Small to large. Parcel assembly is most likely to have an effect on a localized area, providing a few opportunities for new multifamily housing development over time.</p>
Land Banking	<p>Land banks support housing development by reducing or eliminating land cost from development, with the goal of increasing the affordability of housing. They can take several forms. Many are administered by a non-profit or non-</p>	<p>There is no administrator of a Land Bank within Ashland.</p>	<p>Scale of Impact - Small to large. A land bank will have the biggest impact on</p>

Strategy Name	Description	Implemented in Ashland?	Scale of Impact
	<p>governmental entity with a mission of managing a portfolio of properties to support affordable housing development over many years or decades. Ideally, a land bank is set up to manage financial and administrative resources, including strategic property disposal, for the explicit purpose of supporting affordable housing development. Cities can partner with non-profits or sometimes manage their own land banks. Cities may also donate, sell, or lease publicly owned land for the development of affordable housing even without a formal 'land bank' organization.</p> <p>Land banks are purposed for short-term ownership of lands. Lands acquired are often vacant, blighted, or environmentally contaminated. Land banks may also acquire lands with title defects or of which derelict structures sit. Lands are eventually transferred to a new owner for reuse and redevelopment.</p>		<p>production of low- and moderate-income affordable housing. Considering how difficult it is to build this type of affordable housing and the level of need for affordable housing, a land trust could increase nonprofits' capacity to build affordable housing.</p>
Land Trusts	<p>A land trust is typically a nonprofit organization that owns land and sells or leases the housing on the land to income-qualified buyers. Because the land is not included in the housing price for tenants / buyers, land trusts can achieve below-market pricing. Land trusts are most commonly used as a method for supporting affordable home ownership goals.</p> <p>Land trusts are purposed for long-term stewardship of lands and buildings. Lands / buildings acquired may have need for remediation or redevelopment. Lands / buildings may have also been acquired to preserve affordability, prevent deferred maintenance, or protect against foreclosure</p> <p>Proud Ground (Portland Metro Area) was founded in 1999 and has grown into one of the largest community land trusts in the country. The organization focuses on affordable homeownership and controls ground leases associated with 270 homes in Multnomah, Washington, Clackamas, and Clark County.</p>	<p>There are 49 units within Ashland that are operated under the land Trust model. Beginning in 2000 the Ashland Community Land Trust developed 18 land trusted affordable housing units, which are currently administered by ACCESS Inc.</p> <p>Rogue Valley Community Development Corporation developed 31 units under the land trust model which were transferred to NeighborWorks Umpqua for administration.</p> <p>NeighborWorks Umpqua was granted \$50,000 in Ashland's Affordable Housing Trust Funds in 2020 to assist in refining the legal structure of</p>	<p>Scale of Impact - Small to large. A land trust will have the biggest impact on production of low- and moderate-income affordable housing. Considering how difficult it is to build this type of affordable housing and the level of need for affordable housing, a land trust could increase nonprofits' capacity to build affordable housing.</p>

Strategy Name	Description	Implemented in Ashland?	Scale of Impact
		the land trust agreements for use in Ashland.	
Public Land Disposition	<p>The public sector sometimes controls land that has been acquired with resources that enable it to dispose of that land for private and/or nonprofit redevelopment. Land acquired with funding sources such as tax increment, EB-5, or through federal resources such as CDBG or HUD Section 108 can be sold or leased at below market rates for various projects to help achieve redevelopment objectives. This increases development feasibility by reducing development costs and gives the public sector leverage to achieve its goals via a development agreement process with the developer. Funding can come from Tax Increment, CDBG/HUD 108, or EB-5.</p> <p>Cities across Oregon use publicly land to support affordable and market-rate of housing development. In some cases, municipalities put surplus public land into land banks or land trusts.</p> <p>Tri-Met is evaluating re-use of construction staging sites for future affordable housing and/or transit-orient development sites.</p> <p>Cottage Grove is working with the school district to discuss and plan for use of surplus school district land for future housing development.</p>	<p>Ashland has dedicated surplus City property for the development of affordable housing or sold surplus City property and directed the proceeds into the Ashland Housing Trust Fund to support affordable housing development.</p> <p>Ashland is a CDBG entitlement community and prioritizes the use of CDBG funds to support affordable housing development and preservation. Local non-profit affordable housing providers including ACLT, RVCDC, ACCESS Inc, Habitat for Humanity and the Housing Authority of Jackson County have utilized Ashland's CDBG funds to acquire property or complete public improvements for affordable housing developments.</p> <p>Ashland has not utilized the section 108 loan program to leverage up to 5 years of CDBG allocations for land acquisition for affordable housing.</p>	<p>Scale of Impact – Small to moderate. Depends on whether the City has surplus land that would be appropriate for future housing development.</p>
Reduced / Waived Building Permit fee,	Programs that reduce various development fees as an incentive to induce qualifying types of development or building features. There are a number of avenues to seek reduced or	Ashland waives or defers all System Development Charges including Parks,	Scale of Impact - Small.

Strategy Name	Description	Implemented in Ashland?	Scale of Impact
Planning fees, or SDCs	<p>waived fees. For example, stormwater improvements can be made through the Commercial Stormwater Fee Reduction. There are commonly used tools, often implemented in conjunction with development agreements or other development negotiation processes.</p> <p>City of Portland offers SDC exemptions for affordable housing. Portland's SDC Exemption Program exempts developers of qualifying affordable housing projects from paying SDCs levied by the City of Portland for transportation, water, parks and environmental services. Eligible rental projects must serve households earning at or below 60% of the AMI for a 60-year period. Portland also offers SDC waivers for development of ADUs.</p> <p>City of McMinnville offers SDC exemptions and reduced permit fees for affordable housing. Building and planning permit fees for new or remodel housing construction projects are reduced by 50% for eligible projects and SDCs for transportation, wastewater and parks are exempted at 100%. Reductions/exemptions are prorated for mixed use or mixed-income developments. The property must be utilized for housing for low-income persons for at least 10 years or the SDCs must be paid to the city.</p>	<p>Transportation, Water, Sewer and Storm Water SDCs for qualified affordable housing units targeted to households earning 80% AMI or less and meeting the rent or sale requirements of the Ashland Housing Program.</p> <p>Ashland waives Community Development Fees, and Engineering Services fees for voluntarily provided affordable housing units that remain affordable for 60 years.</p> <p>Affordable ownership units that leave the program after 30 years, but less than 60 years, must repay a prorated amount of SDCs, Community Development Fees, and Engineering Services Fees that were deferred.</p>	
Scaling SDCs to Unit Size	<p>Cities often charge a set SDC per dwelling unit, charging the same SDCs for large single-family detached units as for small single-family detached units or accessory dwelling units. Some cities have started scaling SDC based on the size of the unit in SF. Offering lower SDC for smaller units can encourage development of smaller units, such as small single-family detached units or cottage cluster units.</p> <p>Newport Oregon scales SDCs for water, wastewater, stormwater, and transportation. The City has a base SDC rate (per SF) of built space. For example, a 1,000 SF unit would be charged \$620 for water SDC (\$0.62 per SF). A 2,000 SF unit would be charged \$1,204 for the water SDC (\$0.62 per SF for the first 1,700 SF and \$0.50 for the additional 300 SF).</p>	<p>Ashland's SDC method charges 50% of the calculated per unit SDC amount for units less than 500 SF and 75% of the calculated per unit SDC amount for units between 500 and 800 SF. Thus, smaller units pay proportionately less SDCs for Transportation, Parks, and Sewer and Water compared to full size units due to their potential for smaller household sizes and</p>	<p>Scale of Impact – Small to moderate</p>

Strategy Name	Description	Implemented in Ashland?	Scale of Impact
		<p>commensurate impacts. Storm Water SDCs are based on lot coverage and thus, smaller units have lower Storm Water SDCs.</p>	
SDC Financing Credits	<p>May help to offset the an SDC charge, which is a one-time fee that is issued when there is new development or a change in use.</p> <p>SDC financing enables developers to stretch their SDC payment over time, thereby reducing upfront costs. Alternately, credits allow developers to make necessary improvements to the site in lieu of paying SDCs. Note that the City can control its own SDCs, but often small cities manage them on behalf of other jurisdictions including the County and special districts. SDCs are granted when the project makes lasting improvements, such as improving roads, reducing number of trips, create or improve parks or recreational centers, and permanently removing water services.</p>	<p>Ashland amended the SDC collection of charge provisions in 2019 within the Ashland Municipal Code (4.20.090). These amendments allow SDCs to be paid over a 10-year period in semi-annual installments. A one-year installment loan shall not be subject to an annual interest rate provided all charges are paid prior to the City's issuance of the Certificate of Occupancy, time of sale, or within one year of when the charge was imposed, whichever comes first.</p> <p>For installments that exceed one year, repayment interest on the unpaid balance at annual rate of six percent (6%) is assessed for a five-year installment loan or seven percent (7%) for a 10-year installment loan.</p>	<p>Scale of Impact – Small to moderate.</p> <p>The City may consider changes in SDCs to allow financing, but the City would want to ensure that the impact should be spread-out and non-negatively impact one entity.</p>
Sole Source SDCs	<p>Retains SDCs paid by developers within a limited geographic area that directly benefits from new development, rather than being available for use city-wide. This enables SDC-eligible improvements within the area that generates those funds to keep them for these improvements. Improvements within</p>	<p>Ashland does not employ a geographic area specific dedication of SDCs, rather they are applied to the capital projects outlined in the</p>	<p>Scale of Impact – Small to moderate.</p> <p>Depends on how the tool is implemented and whether it is used</p>

Strategy Name	Description	Implemented in Ashland?	Scale of Impact
	<p>smaller areas can enhance the catalytic and redevelopment value of the area. This tool can also be blended with other resources such as LIDs and Urban Renewal (Tax Increment Financing). Funding can come from an SDC fund or general fund. In some cases, there may be no financial impact. The housing can come in the form of student, low-income, or workforce housing.</p>	<p>respective masterplan (Water/Sewer, Transportation, Parks). Ashland does not have an Urban Renewal District for Tax Increment Financing.</p>	<p>with other tools, such as LIDs or Urban Renewal.</p>
<p>Fees or Other Dedicated Revenue</p>	<p>Directs user fees into an enterprise fund that provides dedicated revenue to fund specific projects. Examples of those types of funds can include parking revenue funds, stormwater/sewer funds, street funds, etc. The City could also use this program to raise private sector funds for a district parking garage wherein the City could facilitate a program allowing developers to pay fees-in-lieu or “parking credits” that developers would purchase from the City for access “entitlement” into the shared supply. The shared supply could meet initial parking need when the development comes online while also maintaining the flexibility to adjust to parking need over time as elasticity in the demand patterns develop in the district and influences like alternative modes are accounted for. Funding can come from residents, businesses, and developers. Also, these fees or revenues allow for new revenue streams into the City.</p>	<p>Ashland has an Affordable Housing Trust Fund, and the City Council has dedicated Marijuana Tax revenue (up to \$100,000 annually) to support the AHTF through the annual budgeting process.</p>	
<p>Reimbursement District</p>	<p>A Reimbursement District is a cost sharing mechanism, typically Initiated by a developer. The purpose is to provide a reimbursement method to the developer of an infrastructure improvement, through fees paid by property owners at the time the property benefits from the improvement. A developer applies to create a Reimbursement District by demonstrating benefit to properties beyond their own. In addition, the size of the improvement must be measurably greater than would otherwise be ordinarily required for the improvement Eligible Reimbursement District projects typically include (but are not limited to) construction or connections of a sewer, water, storm water or street improvements. Applications typically include: a fee sufficient to cover the cost of administrative review, a description of the project, properties</p>	<p>Ashland’s municipal code (13.30.0150) was amended in 2010 to enable a developer to request the City establish a Reimbursement District to collect public improvement costs that exceed those attributable to service the property owned by the applicant. Examples of excess costs include (but are not limited</p>	<p>Scale of Impact – Small to moderate.</p>

Strategy Name	Description	Implemented in Ashland?	Scale of Impact
	<p>that would be impacted, and a detailed methodology and calculation of how the estimated costs would be reimbursed by payments from benefitted properties over a specified timeframe. A report from the City Engineer is generated in review of the submitted application. After a public hearing process, the council will approve, reject or modify the proposal. The approval of a Reimbursement District results in a resolution and distribution of notice among benefitted properties before construction can begin.</p> <p>Benefitted properties must pay the Reimbursement Fee when they make a physical connection to the improvement (or in the case of a sewer project, when the benefitted property creates an impervious surface that drains into the public sewer) within the Reimbursement District Area. Reimbursement fees are collected by the City and are distributed to the developer for the duration of the Reimbursement District, which are typically 10-15 years.</p> <p>Paid by benefitted properties at the time the property benefits from the improvement, typically at connection to the sewer, water or storm drain system.</p>	<p>to): Full street improvements instead of half street improvements; Off-site sidewalks; Connection of street sections for continuity; Extension of water lines; and Extension of sewer lines.</p>	
Linkage Fees	<p>Linkage fees are charges on new development, usually commercial and / or industrial development only, that can be used to fund affordable housing. To implement them, a city must undertake a nexus study that identifies a legal connection between new jobs housed in the developments, the wages those jobs will pay, and the availability of housing affordable to those employees.</p> <ul style="list-style-type: none"> • Can be used for acquisition and rehabilitation of existing affordable units. • Can be used for new construction. 	<p>Ashland does not assess linkage fees on new developments within the City,</p>	<p>Scale of Impact – Small to moderate.</p>
<p>Tax abatement programs that decrease operational costs by decreasing property taxes</p>			
Vertical Housing Tax Abatement (Locally Enabled and Managed)	<p>The 2017 Legislature passed legislation moving the administration of Vertical Housing Program from Oregon Housing and Community Services (OHCS) to the local City and</p>	<p>On December 15, 2020, Ashland passed a Vertical Housing Tax Credit and designated Commercially zoned properties within the</p>	<p>Scale of Impact – Small to moderate. The design of the tax abatement program will impact whether</p>

Strategy Name	Description	Implemented in Ashland?	Scale of Impact
	<p>County beginning Oct 6th, 2017. OHCS no longer administers this program.</p> <p>The legislation subsidizes "mixed-use" projects to encourage dense 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. An additional property tax exemption on the land may be given if some or all of the residential housing is for low-income persons (80 percent of area is median income or below).</p>	<p>Transit Triangle overlay area as an eligible Vertical Housing Development Zone.</p>	<p>and how many developers use the tax abatement, which will affect the scale of the impact.</p>
<p>Multiple-Unit Limited Tax Exemption Program (Locally Enabled and Managed)</p>	<p>Through the multifamily tax exemption, a jurisdiction can incent diverse housing options in urban centers lacking in housing choices or workforce housing units. Through a competitive process, multi-unit projects can receive a property tax exemption for up to ten-years on structural improvements to the property. Though the state enables the program, each City has an opportunity to shape the program to achieve its goals by controlling the geography of where the exemption is available, application process and fees, program requirements, criteria (return on investment, sustainability, inclusion of community space, percentage affordable or workforce housing, etc.), and program cap. The City can select projects on a case-by-case basis through a competitive process.</p> <p>The passing of HB 2377 - Multiunit Rental Housing Tax Exemption allows cities and counties to create a property tax exemption for newly rehabilitated or newly constructed multi-unit rental housing within their boundaries depending on the number of units made available to low-income households, for up to 10 consecutive years. The bill was crafted to strengthen the connection to affordability by requiring cities and counties to establish a schedule in which the number of years an exemption is provided increases directly with the percentage of units rented to households with an annual income at or below 120 percent of MFI, and at monthly rates that are affordable to such households. While not specifically referenced in the measure, ORS 308.701 defines "Multi-unit rental housing" as:</p>	<p>Ashland has not enacted a Multi-Unit Limited Tax Exemption program.</p>	<p>Scale of Impact – Small to moderate. The design of the tax abatement program will impact whether and how many developers use the tax abatement, which will affect the scale of the impact.</p>

Strategy Name	Description	Implemented in Ashland?	Scale of Impact
	<p>“(a) residential property consisting of four or more dwelling units” and; “does not include assisted living facilities.”</p> <p>All new multifamily units that are built or renovated that offer rent below 120% of AMI are potentially eligible for this tax exemption. In a city with an AMI of \$55,000 (common outside of Portland), that's rent of \$1,650 per month or less. The tax exemption is for all taxing districts which is administered by the City. Due to this, smaller jurisdictions may have more trouble managing this program.</p> <p>Local taxing jurisdictions that agree to participate—cities, school districts, counties, etc.</p> <p>The City of Eugene offers a ten-year Multi-Unit Property Tax Exemption (MUPTE) for projects in its eastern downtown core. Eugene’s criteria for granting MUPTE include: Project must provide 5 or more units of housing (not including student housing), development must meet minimum density standards, development must comply with minimum green building requirements, a portion of construction and other contracting requirements must be through local business, the development must provide 30% of the units affordable at 100% of AMI or pay a fee of 10% of the value of the tax abatement toward supporting moderate income housing development, demonstrate that the project would not be financially feasible without the exemption by providing 10-year pro forma with and without MUPTE and comply with other criteria.</p> <p>The City of Salem’s Multi-Unit Housing Tax Incentive Program (MUHTIP) was adopted in 2012 to spur the construction of “transit supportive”³ multi-unit housing in the city’s downtown core. In order to qualify for the exemption, projects must consist of at least two dwelling units, be located in the city’s “core area,” and include at least one public benefit.</p>		

³ City of Salem, “Multi Unit Housing Tax Incentive Program,” <https://www.cityofsalem.net/Pages/multi-unit-housing-tax-incentive-program.aspx>.

Strategy Name	Description	Implemented in Ashland?	Scale of Impact
<p>Nonprofit Corporation Low Income Housing Tax Exemption</p> <p>and</p> <p>Low-Income Rental Housing Tax Exemption</p>	<p>Note: These are two separate tax exemptions available under statute (ORS 307.515 to 307.523 / ORS 307.540 to 307.548). They are grouped together for their similarities (but differences are noted).</p> <p>Land and improvement tax exemption used to reduce operating costs for regulated affordable housing affordable at 60% AMI or below. Requires the City to adopt standards and guidelines for applications and enforcement mechanisms.</p> <p>The low-income rental housing program exemption lasts 20 years. The nonprofit corporation low-income housing program must be applied for every year but can continue as long as the property meets the criteria. Rents must reflect the full value of the property tax abatement and City can add additional criteria.</p> <p>There is no requirement that construction must be complete prior to application.</p> <p>Programs both work well in tandem with other incentives, such as land banking.</p>	<p>Ashland has not implemented a low-income rental housing tax exemption for market rate developers that provide low-income housing.</p> <p>The Jackson County Assessor office has historically worked with the City of Ashland to reduce the assessed value of ownership units within Ashland Affordable Housing Program, and as such they are taxed at their restricted resale value instead of their Real Market Value (RMV).</p> <p>Affordable Multifamily rental units owned by non-profit affordable housing providers are also provided with property tax relief by the Jackson County Assessor office due to their non-profit status.</p>	<p>Scale of Impact – Small to moderate.</p> <p>The exemption reduces operating costs, meaning it is a tool more useful to property owners of affordable housing projects. Developers, who do not own and operate their own projects, may be less inclined to use the program.</p>

Funding Sources to Support Residential Development

These policies focus on ways to pay for the costs of implementing the affordable housing programs and infrastructure development.

Strategy Name	Description	Implemented in Ashland?	Scale of Impact
Urban Renewal / Tax Increment Finance (TIF)	<p>TIF revenues are generated by the increase in total assessed value in an urban renewal district from the time it is first established. As property values increase in the district, the increase in property taxes pays off bonds. When the bonds are paid off, the valuation is returned to the general property tax rolls. TIFs defer property tax accumulation by the City and County until the district expires/pays off bonds. Over the long term (typically 20+ years), the district could produce substantial revenues for capital projects. Funds can be invested in the form of low-interest loans or grants for a variety of capital investments:</p> <ul style="list-style-type: none"> • Redevelopment projects, such as mixed-use or infill housing developments • Economic development strategies, such as capital improvement loans for small or startup businesses which can be linked to family-wage jobs • Streetscape improvements, including new lighting, trees, and sidewalks • Land assembly for public or private re-use • Transportation enhancements, including intersection improvements • Historic preservation projects • Parks and open spaces <p>Urban renewal is a commonly used tool to support housing development in cities across Oregon.</p>	Ashland does not have an Urban Renewal District.	<p>Scale of Impact – Moderate to Large. Urban Renewal funding is a flexible tool that allows cities to develop essential infrastructure or provides funding for programs that lower the costs of housing development (such as SDC reductions or low interest loan programs). Portland used Urban Renewal to catalyze redevelopment across the City, including the Pearl District and South Waterfront.</p>

<p>Construction Excise Tax (CET)</p>	<p>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. In 2016, the Oregon Legislature passed Senate Bill 1533 which permits cities to adopt a construction excise tax (CET) on the value of new construction projects to raise funds for affordable housing projects. CETs may be residential only, commercial only, or residential and commercial. If the City were to adopt a CET, the tax would be up to 1% of the permit value on residential construction and an uncapped rate on commercial and industrial construction. The allowed uses for CET funding are defined by the state statute. The City may retain 4% of funds to cover administrative costs. The funds remaining must be allocated as follows, if the City uses a residential CET:</p> <ul style="list-style-type: none"> • 50% must be used for developer incentives (e.g. fee and SDC waivers, tax abatements) • 35% may be used flexibly for affordable housing programs defined by the jurisdiction. • 15% flows to Oregon Housing & Community Services Dept. for homeowner programs. <p>If the City implements a CET on commercial or industrial uses, 50% of the funds must be used for allowed developer incentives and the remaining 50% are unrestricted. The rate may exceed 1% if levied on commercial or industrial uses.</p> <p>The City of Portland's CET went into effect in 2016. It levies a 1% CET on residential, commercial, and industrial development valued at \$100,000 or more, with all revenues going toward affordable housing. The revenues pay for production of housing at or below 60% AMI, developer incentives for inclusionary zoning, along with state homeownership programs.</p> <p>City of Bend adopted a CET of 0.3% on residential, commercial, and industrial development in 2006, with revenues dedicated to loans to fund developments by profit and nonprofit affordable housing developers. The fee has raised \$11 million as of 2016, allowing the City to lend money to fund 615 units.</p>	<p>Ashland does not collect a Construction Excise Tax for affordable housing as allowed by SB 1533.</p>	<p>Scale of Impact – Depends on the amount of funding available.</p>
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Strategy Name	Description	Implemented in Ashland?	Scale of Impact
	<p>The fund has leveraged \$63 million in state and federal funding and \$14 million in equity.</p> <p>The City of Milwaukie adopted a CET on commercial, residential, and industrial development in November of 2017. The City exempted deed-restricted affordable housing, ADUs, and improvements less than \$100,000 from paying the CET. The adopting ordinance allocates funds as required by state statutes, specifying that flexible funds from the commercial improvements will be used 50% toward housing available to those making up to 120% of MFI, and 50% for economic development programs in areas with sub-area plans (such as Downtown, Riverfront, and urban renewal areas).</p>		
<p>General Fund and General Obligation (GO) Bonds</p>	<p>GO bonds provide capital project funding that is not dependent on revenue from the project to back the bond.</p> <p>City can use general fund monies on hand or can issue bonds backed by the full faith and credit of the city to pay for desired public improvements. Property taxes are increased to pay back the GO bonds.</p> <p>City of Portland passed \$258 million bond for affordable housing in 2016. The goal was to build or preserve up to 1,300 units in the next 5 to 7 years. The city sought opportunities to acquire existing properties of 20 or more units or vacant land that is appropriately zoned for 20+ housing units and looked for both traditional and nontraditional development opportunities.</p>	<p>General Funds in the form of the Affordable Housing Trust fund are set aside annually to support the development and preservation of affordable housing.</p> <p>The City has not utilized or presented to the voters a general obligation bond to support the development of affordable housing or acquisition of property for this purpose.</p>	<p>Scale of Impact – Moderate to large. GO Bonds can be used to develop essential infrastructure or provides funding for programs that lower the costs of housing development (such as SDC reductions or low interest loan programs).</p>

Strategy Name	Description	Implemented in Ashland?	Scale of Impact
Local Improvement District (LID)	<p>Enables a group of property owners to share the cost of a project or infrastructural improvement.</p> <p>A special assessment district where property owners are assessed a fee to pay for capital improvements, such as streetscape enhancements, underground utilities, or shared open space. For residential property, the estimated assessment cannot exceed the pre-improvement value of the property based on assessor records.</p> <p>An ordinance must be passed through a public hearing process which must be supported by a majority of affected property owners. Part of this process includes an estimation of the improvement costs and the portion of those costs in which property owners will be responsible to pay for. The public hearing process allows for LIDs to be challenged by property owners.</p> <p>The City collects funds and regardless if the actual cost is greater than the estimated cost (on which the assessment was based), the City may make a deficit assessment for the additional cost, which would be prorated among all benefitted properties. Another public hearing would be held in the event that an additional assessment was placed property owners (due to underestimation).</p>	Ashland has utilized LIDs for specific public improvement projects within the City.	Scale of Impact – Depends on the amount of funding available and Bonding capacity.
General Fund Grants or Loans	A city can use general fund or tax increment dollars to invest in specific affordable housing projects. These grants or loans can serve as gap funding to improve development feasibility. There are options for using general fund grants or loans, including the potential for bonds to generate upfront revenue that is repaid over time. Another option uses general fund dollars to contribute to successfully operating programs, such as non-profit land trusts or government agencies that have the administrative capacity to maintain compliance requirements, using intergovernmental agreements.	Ashland’s Affordable Housing Trust Fund is part of the General Fund and is used to support the development of affordable housing. The City has not issued a bond to generate revenue for affordable housing.	Scale of Impact – Depends on the amount of funding available.

Strategy Name	Description	Implemented in Ashland?	Scale of Impact
Transient Lodging Tax (TLT)	<p>Generates revenue by primarily taxing tourists and guests using temporary lodging services. Taxes for temporary lodging at hotels, motels, campgrounds, and other temporary lodgings. Oregon has a statewide TLT and cities and counties can also charge a local TLT subject to certain limitations. The statutes specify that 70% must be used for tourism promotion or tourism related facilities and 30% is unrestricted in use, and there cannot be a reduction of the total percent of room tax. The state tax is specified at 1.8%; local government tax rates vary as local governments set the rate for their jurisdiction by ordinance. Cities and counties may impose taxes on transient lodging. Alternatively, some cities have an agreement for the county to impose the tax and cities share in a percent of the revenue.</p>	<p>Ashland collects Transient Occupancy Taxes (TOT), and applies them toward tourism related activities, economic development grants, and social service grants annually in accordance to the restricted/unrestricted use parameters.</p>	<p>Scale of Impact – Small. The amount of funding from TLT is likely to be relatively small, given that only 30% of TLT funds have unrestricted use.</p>
CDBG	<p>The Community Development Block Grants program is a flexible program that provides annual grants on a formula basis to both local governments and States. Grants are awarded on a 1, 2, or 3-year period. It is required that at least 70% of the CDGB funds are used for activities that benefit low- and moderate- income. Additionally, each activity must address any threats to health or welfare in the community (for which other funding is unavailable). These funds can be used for acquisition and rehabilitation of existing affordable units, as well as new construction that prioritizes community development efforts.</p>	<p>Ashland is a direct CDBG entitlement community and receives HUD allocations of approx. \$175,000/year. The 5-year Consolidated Plan for use of CDBG funds prioritizes capital restricted CDBG funds toward affordable housing and shelter and 15% of the award is typically provided to service providers benefiting extremely low-income individuals.</p>	<p>Scale of Impact – Depends on the amount of funding available.</p>

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.