
City of Ashland

2021–2041 Housing Capacity Analysis

May 2021

Prepared for: City of Ashland

FINAL REPORT



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Acknowledgements

ECONorthwest prepared this report for the City of Ashland. ECONorthwest and the City of Ashland thank those who helped develop the Ashland Housing Capacity Analysis. 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.

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Executive Summary

Over the last two decades, Ashland has changed considerably. The city grew from 19,522 people in 2000 to 20,960 people in 2019, an addition of 1,438 people or 7% growth. Housing affordability is a challenge across Jackson County, with housing costs in Ashland considerably above regional averages. In 2020, the median home sales price in Ashland was \$434,000, more than \$130,000 above the median sales prices for Medford, Central Point, and other cities in the region. The only other city with sales prices comparable to Ashland was Jacksonville. In addition, 46% of Ashland's households were cost burdened, more than the county average of 39% of households.¹ Cost burden in Ashland increased from 41% in 2000 to 46% in 2014-2018 based on data from the Census' American Community Survey.

The Almeda wildfire increased the regional need for affordable housing by destroying about 2,549 dwellings in September 2020. The Almeda fire burned from north Ashland to just south of Medford, with the cities of Phoenix and Talent losing the majority of housing.² These losses increased regional need for affordable housing and overall pressure on the Ashland housing market.

This report presents Ashland's Housing Capacity Analysis for the 2021 to 2041 period. It is intended to comply with statewide planning policies that govern planning for housing and residential development, including Goal 10 (Housing) and OAR 660 Division 8. The methods used for this study generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1996).

The primary goals of the housing capacity analysis were to (1) project the amount of land needed to accommodate the future housing needs of all types within the Ashland Urban Growth Boundary (UGB), (2) evaluate the existing residential land supply within the Ashland UGB to determine if it is adequate to meet that need, (3) fulfill state planning requirements for a twenty-year supply of residential land, and (4) identify policy and program options for the City to meet identified housing needs.

Throughout this project ECONorthwest solicited public input from an ad-hoc Project Advisory Committee that met four times to discuss project assumptions, results, and implications. The project relied on the Project Advisory Committee to review draft products and provide input at key points. The City of Ashland and ECONorthwest additionally solicited input from the Housing and Human Services Commission (HHSC) and the Planning Commission in January 2021 and March 2021 as well as from the public at a virtual open house held online in April. The

¹ Cost burdened households pay more than 30% of their income on housing

² Based on information from Jackson County.

<https://jcgis.maps.arcgis.com/apps/opsdashboard/index.html#/9c9c796ff7ff44c0b1e5d21f2d71c9fb>

open house provided information about Ashland's housing market and inquired about the community's housing needs, preferences, and values.

What are the key housing needs in Ashland?

- **Ashland's population is forecast to grow at a similar pace as in the past.** Ashland UGB is forecast to grow from 21,936 people in 2021 to 23,627 people in 2041, an increase of 1,691 people. This population growth will occur at an average annual growth rate of 0.37%.
- **Ashland's housing stock is predominantly single-family detached housing units.** 66% of the housing stock is single-family detached housing, 25% is multifamily housing and 9% is single-family attached housing. The majority of Ashland homeowners (88%) lived in single-family detached housing, while almost half of renters (51%) live in multifamily housing.
- **Since 2000, Ashland's housing mix has remained relatively static.** The housing stock grew by about 18% (about 1,634 new units) between 2000 and the 2014-2018 period, with the share of single-family detached housing increasing from 62% to 66% of all housing.
- **Single-family housing accounted for more than half of new housing growth in Ashland between fiscal year 2010-11 and fiscal year 2019-20.** About 63% of new housing permitted in that time was for single-family housing units (417 dwelling units), 25% was for multifamily housing (163 dwelling units), and 13% was for accessory dwelling units (83 dwelling units).
- **Demographic and economic trends will drive demand for affordable and diverse housing in Ashland.** Key demographic and economic trends affecting Ashland's future housing needs are the aging of the baby boomers, the aging of the millennials and Generation Z, and the continued growth in Hispanic and Latino population.
 - Baby boomers are expected to remain in their homes as long as possible but demand for specialized senior housing, such as age-restricted housing or continuum of care housing, may grow in Ashland.
 - The ability to attract millennials and Generation Z will depend on the City's availability of renter- and ownership-housing large enough to accommodate families while still being relatively affordable, as homeownership decline among Millennials and Generation Z may have more to do with financial barriers rather than the preference to rent.
 - Growth in Latino households will drive demand for housing for families with children and possibly multiple-generation households. Given the lower income average for Latino households (especially first-generation immigrants), growth will also drive demand for affordable housing, for ownership and renting.
- **Ashland lacks enough housing that is affordable, both for renter and homeowners.** Ashland's median household income was \$50,613, in line with the County's median

household income of \$50,851. Approximately 26% of Ashland’s households earn less than \$25,000 per year, compared to 24% in Jackson County and 20% in Oregon. About 46% of Ashland’s households were cost burdened, compared to the countywide average of 39%. About 63% of Ashland’s renters are cost burdened and about 31% of homeowners were cost burdened.

- **Housing affordability is a growing challenge in Ashland.** Housing prices are increasing faster than incomes in Ashland and Jackson County, which is consistent with state and national challenges. On average, the reported value of a house in Ashland was 5.8 times the median household income in 2000, and 8.5 times median household income in the 2014-2018 period. Ashland’s median home sales price in August-October 2020 was \$434,000, which is about \$130,000 higher than other cities in the county, except for Jacksonville. According to a review of currently available rental properties as of December 2020, the typical rent for a two-bedroom unit ranged from \$1,145 to \$1,560 and the typical rent for a three-bedroom unit ranged from \$1,595 to \$1,995 (CPM Real Estate Services).
- **The Almeda wildfire increased the regional need for affordable housing.** The Almeda fire burned from north Ashland to just south of Medford, destroying about 2,549 dwellings in September 2020. These losses increased regional need for affordable housing and overall pressure on the Ashland housing market.

How much population growth is Ashland planning for?

Ashland’s population within its urban growth boundary is projected to grow by over 1,691 people between 2021 and 2041, at an average annual growth rate of 0.37%.

Exhibit 1 Forecast of Population Growth, Ashland UGB, 2021 to 2041

Source: Oregon Population Forecast Program, Portland State University, Population Research Center, 2018.

21,936 Residents in 2021	23,627 Residents in 2041	1,691 New residents 2021 to 2041	8% increase 0.37% AAGR
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How much housing will Ashland need?

To accommodate the city’s forecasted population growth of 1,691 people, Ashland needs to plan for 858 new dwelling units between 2021 and 2041. About 300 units of new housing will be single-family detached (35%); 86 units of new housing will be single-family attached (10%); 172 units of new housing will be duplexes, triplexes, or quadplexes (20%); and about 300 units will be multifamily housing with five or more units per structure (35%).

This housing mix is a shift from the 2014-2018 period, when 66% of Ashland’s housing stock was single-family detached, 9% was single-family attached, 11% was multifamily (with two to four units per structure), and 14% was multifamily (with five or more units per structure).

How much buildable residential land does Ashland currently have?

In 2019, the City of Ashland’s Department of Community Development prepared the City’s BLI. 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. The 2020 BLI results determined that Ashland’s UGB has 643 net buildable acres with a capacity for 2,764 dwelling units.

Exhibit 2. 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

How much land will be required for housing?

In total, Ashland is forecast to grow by 858 dwelling units and has capacity for 2,764 dwelling units. Ashland has capacity for 1,455 dwelling units within its city limits and 1,299 dwelling units in the urbanizing area. Accommodating this growth will require annexing land into the city limits.

Exhibit 3 shows a comparison of Ashland’s land capacity within the urban growth boundary with demand for new units (including land for group quarters). It shows that Ashland has enough land in all of its Plan Designations to accommodate the forecast of housing growth.

- **Low Density Residential:** Ashland has a surplus capacity of 764 dwelling units (with 368 units inside City Limits and 396 units inside Ashland’s urbanizing area).
- **Suburban Residential:** Ashland has a surplus capacity of 26 dwelling units.

- **Normal Neighborhood:** Ashland has a surplus capacity of 224 dwelling units.
- **Multifamily Residential:** Ashland has a surplus capacity of 158 dwelling units.
- **High Density Residential:** Ashland has a surplus capacity of 15 dwelling units.
- **Croman Mill District:** Ashland has a surplus capacity of 209 dwelling units (with 49 units inside City Limits and 160 units inside Ashland’s urbanizing area).
- **Commercial and Employment:** Ashland has a surplus capacity of 443 dwelling units (with 389 units inside City Limits and 54 units inside Ashland’s urbanizing area).

Exhibit 3. Final comparison of capacity of existing residential land with demand for new dwelling units and land surplus or deficit, Ashland UGB, 2021 to 2041

Source: Calculations by ECONorthwest.

*Note: Low Density Residential includes SFRR, Low Density, Single family residential, and North Mountain

Commercial & Employment includes Commercial, Employment, Downtown, Health Care, and Southern Oregon University

Plan Designations *	Capacity in City Limits (Dwelling Units)	Capacity in Urbanizing Area (Dwelling Units)	Demand (Dwelling Units)	Demand (Group Quarters)	Capacity in City Limits less Demand (Dwelling Units)	Capacity in Urbanizing Area less Demand (Dwelling Units)
Low Density Residential *	590	396	222	-	368	396
Suburban Residential	1	43	18	-	-	26
Normal Neighborhood	-	474	231	19	-	224
Multifamily Residential	177	172	172	19	-	158
High Density Residential	129	-	95	19	15	-
Croman Mill District	83	160	34	-	49	160
Commercial & Employment *	475	54	86	-	389	54
Total	1,455	1,299	858	58	821	1,018

What are the key findings of the Housing Capacity Analysis?

The key findings of the Ashland’s Housing Capacity Analysis are that:

- **Ashland has sufficient land to accommodate its housing forecast between 2021 and 2041** and can accommodate growth (858 dwelling units) over the next 20-years with a surplus of capacity. Some development in the Suburban Residential, Normal Neighborhood, and Multifamily Residential Plan Designations will need to be accommodated in the City’s urban growth boundary, outside the City Limits.
- **Ashland is planning for the continued growth of single-family detached units, however, more opportunities for multifamily and single-family attached will need to occur to meet the City’s needs.** The factors driving the shift in types of housing needed in Ashland include changes in demographics and decreases in housing affordability. The aging of the baby boomers and the household formation of the millennials and Generation Z will drive demand for renter- and owner-occupied housing, such as single-family detached housing, townhouses, duplexes, tri- and quad-plexes, and apartments. Both groups may prefer housing in walkable neighborhoods, with access to services.
- **Over the 2021 to 2041 period, Ashland will need to plan for more multifamily dwelling units in the future to meet the City’s housing needs.** Historically, 66% of Ashland’s housing was single-family detached. While 35% of new housing in Ashland is forecast to be single-family detached, the City will need to provide opportunities for the

development of new single-family attached (10% of new housing); duplex, triplex, and quadplex housing (10% of new housing); and multifamily units (35% of new housing).

- **Ashland has unmet needs for affordable housing.** Ashland has unmet housing needs for households with extremely-low and very-low-income households, as well as households with low- and middle-income. The forecast shows 273 of Ashland's new households will have incomes of \$32,600 (in 2019 dollars) or less. These households can afford monthly housing costs of \$820, which is considerably below market rate rents starting around \$1,145 for a two-bedroom unit. About 127 of Ashland's new households will have incomes between \$32,600 and \$52,000 and can afford \$820 to \$1,300 in monthly housing costs.
- **Ashland will need more diverse housing types to meet these housing needs and address demographic changes.** These housing types include rental and ownership opportunities such as: small single-family detached housing, accessory dwelling units, cottage housing, townhouses, duplexes, tri- and quad-plexes, and apartments. Without the diversification of housing types, lack of affordability will continue to be a problem, possibly growing in the future if incomes continue to grow at a slower rate than housing costs.

The memorandum *Ashland Housing Strategy* (Appendix A of this report) was developed to present recommendations for policy changes to address Ashland's unmet housing needs. Based on this Housing Capacity Analysis report and using the *Ashland Housing Strategy* for guidance, Ashland will need to develop a Housing Production Strategy within one year of adoption of this report. The Housing Production Strategy will further describe Ashland's housing needs based on the information in this report and will include specific strategies to address Ashland's unmet housing needs.

1. Introduction

This report presents Ashland’s Housing Capacity Analysis for the 2021 to 2041 period. It is intended to comply with statewide planning policies that govern planning for housing and residential development, including Goal 10 (Housing) and OAR 660 Division 8. The methods used for this study generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1996).

Over the last two decades, Ashland has changed considerably. The city grew from 19,522 people in 2000 to 20,960 people in 2019, an addition of 1,438 people or 7% growth.

Housing affordability is a challenge across Jackson County, with housing costs in Ashland considerably above regional averages. In 2020, the median home sales price in Ashland was \$434,000, more than \$130,000 above the median sales prices for Medford, Central Point, and other cities in the region. The only other city with sales prices comparable to Ashland was Jacksonville. In addition, 46% of Ashland’s households were cost burdened, above the county average of 39% of households. Cost burden in Ashland increased from 41% in 2000 to 46% in 2014-2018, based on data from the Census’ American Community Survey.

The Almeda wildfire increased the regional need for affordable housing by destroying about 2,549 dwellings in September 2020. The Almeda fire burned from north Ashland to just south of Medford, with the cities of Phoenix and Talent losing the majority of housing.³ These losses increased regional need for affordable housing and overall pressure on the Ashland housing market.

This report provides Ashland with a factual basis to update the Housing Element of the City’s Comprehensive Plan and zoning code and to support future planning efforts related to housing and options for addressing unmet housing needs in Ashland. This report provides information to inform future planning efforts, including development and redevelopment. This report also provides the City with information about the housing market in Ashland and describes the factors that will affect future housing demand in Ashland, such as changing demographics. This analysis will help decision makers understand whether Ashland has enough land to accommodate growth over the next 20 years.

³ Based on information from Jackson County.

<https://jcgis.maps.arcgis.com/apps/opsdashboard/index.html#/9c9c796ff7ff44c0b1e5d21f2d71c9fb>

Framework for a Housing Capacity Analysis

Housing is a bundle of services for which people are willing to pay: shelter, certainly, but also proximity to other attractions (job, shopping, recreation), amenities (type and quality of fixtures and appliances, landscaping, views), prestige, and access to public services (quality of schools). Because it is impossible to maximize all these services and simultaneously minimize costs, households must, and do, make tradeoffs. What they can get for their money is influenced both by economic forces and government policy. Moreover, different households will value what they can get differently. They will have different preferences, which in turn are a function of many factors like income, age of household head, number of people and children in the household, number of workers and job locations, number of automobiles, and so on.

The majority of housing in the United States is built by the private market, and therefore responds to economic and market factors. These economic and market forces have resulted in the production of units that have housed most of our nation's households. However, they have consistently left lower-income communities and communities of color with fewer housing options and competition for a limited supply of affordable housing units. The last two decades have seen significant increases in housing costs, with much slower growth in household income, resulting in increasing unmet need for affordable housing.

This report provides information about how the choices of individual households and the housing market in Jackson County and Ashland have interacted, focusing on implications for future housing need in Ashland over the 2021 to 2041 period. This report and the Ashland *Housing Strategy* memorandum discuss ways that the City of Ashland's policies can influence future housing development and consider opportunities to increase access to affordable housing for lower-income communities and communities of color as well as housing needs for all residents of Ashland.

Statewide Planning Goal 10: Housing

Oregon has long been a national leader in planning to accommodate growth. The state mandates local government compliance with 19 statewide planning goals which include public engagement, planning for natural areas, planning for housing, and planning for adequate land to support economic development and industry growth, among others. Oregon's Goal 10 requires each city to develop a Housing Capacity Analysis, which must tie twenty years of projected household growth to units of varying densities, and then determine whether there is adequate land inside the city's urban growth boundary to accommodate those units. Goal 10 directs cities to plan for "...housing that meets the housing needs of households of all income levels." Oregon's statewide land use planning system requires one of the most comprehensive approaches to planning for housing in the country.

Goal 10 provides guidelines for local governments to follow in developing their local comprehensive land use plans and implementing policies. At a minimum, local housing policies must meet the requirements of Goal 10 and the statutes and administrative rules that

implement it (ORS 197.295 to 197.314, ORS 197.475 to 197.490, and OAR 600-008).⁴ Goal 10 requires incorporated cities to complete an inventory of buildable residential lands. Goal 10 also requires cities to encourage the numbers of housing units in price and rent ranges commensurate with the financial capabilities of its households.

Goal 10 defines needed housing types as “all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes, including but not limited to households with low-incomes, very low-incomes and extremely low-incomes.” ORS 197.303 defines needed housing types:

- (a) Housing that includes, but is not limited to, attached and detached single-family housing and multiple family housing for both owner and renter occupancy.
- (b) Government assisted housing.⁵
- (c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490.
- (d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions.
- (e) Housing for farmworkers.

DLCD provides guidance on conducting a Housing Capacity Analysis in the document *Planning for Residential Growth: A Workbook for Oregon's Urban Areas*, referred to as the Workbook.

Ashland must identify needs for all of the housing types listed above as well as adopt policies that increase the likelihood that needed housing types will be developed. This Housing Capacity Analysis was developed to meet the requirements of Goal 10 and its implementing administrative rules and statutes.

Public Process

At the broadest level, the purpose of the project was to understand how much Ashland will grow over the next 20 years. The project can be broken into two components (1) technical analysis, and (2) housing strategies. Both benefited from public input. The technical analysis required a broad range of assumptions that influence the outcomes; the housing strategy is a series of high-level policy choices that will affect Ashland residents.

⁴ ORS 197.296 only applies to cities with populations over 25,000, which does not currently include Ashland based on Portland State University's estimate of 20,960 people within the Ashland UGB in 2019.

⁵ Government assisted housing can be any housing type listed in ORS 197.303 (a), (c), or (d).

The intent of the public process was to establish broad public engagement throughout the project as work occurs. Public engagement was accomplished through various avenues. We discuss the three primary avenues below.

Project Advisory Committee Engagement

The City of Ashland and ECONorthwest solicited public input from an ad-hoc Project Advisory Committee. The Project Advisory Committee met four times to discuss project assumptions, results, and implications.⁶ The project relied on the Project Advisory Committee to review draft products and provide input at key points (e.g., before recommendations and decisions were made and before draft work products were finalized).

The project required many assumptions and policy choices that the committee needed to vet and agree upon, as these choices affect current and future residents. In short, local review and community input were essential to developing a locally appropriate and actionable Housing Capacity Analysis and housing strategy.

Housing and Human Services Commission (HHSC) and Planning Commission Meetings

The City of Ashland and ECONorthwest solicited input on the preliminary results of the Housing Capacity Analysis from the HHSC and the Planning Commission at a joint meeting held on January 28, 2021. The process also involved another meeting with the Planning Commission on March 23, 2021 and the HHSC on March 25, 2021 to gather their input on the preliminary results of Housing Capacity Analysis.

Public Engagement

The City of Ashland and ECONorthwest solicited input from the general public at a virtual open house, held on-line in April. The open house provided information about Ashland's housing market and inquired about the community's housing needs, preferences, and values.

The Virtual Open House was open from April 1 to April 15, 2021. About 394 people attended the open house and 267 people responded to the survey. The City advertised the Open House through Engage Ashland, on the City's website as a news item, and on Facebook and Twitter. The local news station (KDRV) also had a segment about the Open House.

⁶ Project Advisory Committee meeting dates: December 7, 2020; January 11, 2021; March 1, 2021; and April 26, 2021.

Organization of this Report

The rest of this document is organized as follows:

- **Chapter 2. Residential Buildable Lands Inventory** presents the methodology and results of Ashland’s inventory of residential land.
- **Chapter 3. Historical and Recent Development Trends** summarizes the state, regional, and local housing market trends affecting Ashland’s housing market.
- **Chapter 4. Demographic and Other Factors Affecting Residential Development in Ashland** presents factors that affect housing need in Ashland, focusing on the key determinants of housing need: age, income, and household composition. This chapter also describes housing affordability in Ashland relative to the larger region.
- **Chapter 5. Housing Need in Ashland** presents the forecast for housing growth in Ashland, describing housing need by density ranges and income levels.
- **Chapter 6. Residential Land Sufficiency in Ashland** estimates Ashland’s residential land sufficiency needed to accommodate expected growth over the planning period.
- **Appendix A: Ashland’s Housing Strategy**
- **Appendix B: City of Ashland’s 2019 Buildable Lands Inventory**
- **Appendix C: Additional Buildable Lands and Housing Capacity Information**

2. Residential Buildable Lands Inventory

This chapter presents 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),⁷ which was adopted by the City of Ashland in January 2020 (see Appendix B for more information).⁸

The Housing Capacity Analysis uses the inventory to assess whether Ashland has sufficient land within its Urban Growth Boundary (UGB) to accommodate future population growth and resulting need for new housing.⁹ 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,¹⁰ 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 4 presents the results from the 2019 analysis and Exhibit 5 shows the results of the 2019 BLI in a map.

⁷ The report can be downloaded from the City’s website: <https://www.ashland.or.us/Page.asp?NavID=11740>

⁸ Resolution No. 2020-01

⁹ Additional information about Ashland’s buildable lands (1) inside City Limits and (2) outside City Limits and inside the UGB is presented in Appendix C.

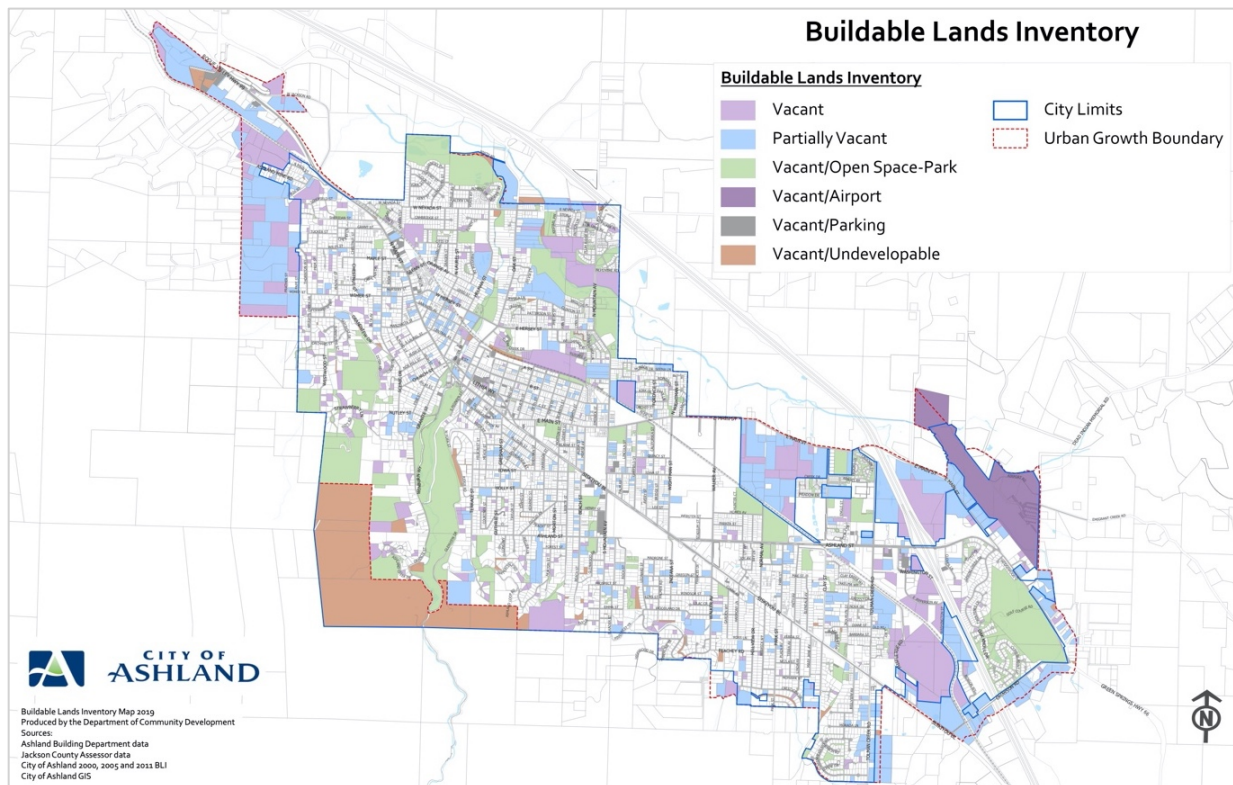
¹⁰ Land constraints taken into account: slopes greater than 35%, lands within the floodway or flood plain, and lands within resource protection areas.

Exhibit 4. 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 5. Buildable Land, Ashland UGB, 2019

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



2020 Inventory Update

ECONorthwest worked with City staff to update the 2019 BLI results based on development that was permitted between July 1, 2019 and 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 6. Thus, the 2020 BLI results determined that Ashland’s UGB has 643 net buildable acres with a capacity for 2,764 dwelling units.

Exhibit 6. 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

3. Historical and Recent Development Trends

Analysis of historical development trends in Ashland provides insight into the functioning of the local housing market. The mix of housing types and densities, in particular, are key variables in forecasting the capacity of residential land to accommodate new housing and to forecast future land need. The specific steps are described in Task 2 of the DLCD *Planning for Residential Lands Workbook* as:

1. Determine the time period for which the data will be analyzed.
2. Identify types of housing to address (all needed housing types).
3. Evaluate permit/subdivision data to calculate the actual mix, average actual gross density, and average actual net density of all housing types.

This Housing Capacity Analysis examines changes in Ashland’s housing market from 2000 to 2018. We selected this time period because the period provides information about Ashland’s housing market before and after the national housing market bubble’s growth and deflation, and the more recent increase in housing costs. Data about Ashland’s housing market during this period is readily available from sources such as the Census and the City building permit database.

The Housing Capacity Analysis presents information about residential development by housing type. There are multiple ways that housing types can be grouped. For example, they can be grouped by:

1. Structure type (e.g., single-family detached, apartments, etc.).
2. Tenure (e.g., distinguishing unit type by owner or renter units).
3. Housing affordability (e.g., subsidized housing or units affordable at given income levels).
4. Some combination of these categories.

For the purposes of this study, we grouped housing types based on: (1) whether the structure is stand-alone or attached to another structure and (2) the number of dwelling units in each structure. The housing types used in this analysis are consistent with needed housing types as defined in ORS 197.303:¹¹

- **Single-family detached** includes single-family detached units, manufactured homes on lots and in mobile home parks, and accessory dwelling units (accessory residential units).

¹¹ ORS 197.303 defines needed housing as “...all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes.”

- **Single-family attached** is all structures with a common wall where each dwelling unit occupies a separate lot, such as row houses or townhouses.
- **Multifamily** is all attached structures (e.g., duplexes, tri-plexes, quad-plexes, and structures with five or more units) other than single-family detached units, manufactured units, or single-family attached units.

In Ashland, government assisted housing (ORS 197.303(b)) and housing for farmworkers (ORS 197.303(e)) can be any of the housing types listed above. Analysis within this report discusses housing affordability at a variety of incomes, as required in ORS 197.303.

Data Used in this Analysis

Throughout this analysis (including the subsequent Chapter 4), we used data from multiple well-recognized and reliable data sources. One of the key sources for housing and household data is the U.S. Census. This report primarily uses data from three Census sources:

- The **Decennial Census**, which is completed every ten years and is a survey of *all* households in the U.S. The Decennial Census is considered the best available data for information such as demographics (e.g., number of people, age distribution, or ethnic or racial composition), household characteristics (e.g., household size and composition), and housing occupancy characteristics. As of 2010, the Decennial Census does not collect more detailed household information, such as income, housing costs, housing characteristics, and other important household information. Decennial Census data is available for 2000 and 2010.
- The **American Community Survey (ACS)**, which is completed every year and is a *sample* of households in the U.S. The ACS collects detailed information about households, including demographics (e.g., number of people, age distribution, ethnic or racial composition, country of origin, language spoken at home, and educational attainment), household characteristics (e.g., household size and composition), housing characteristics (e.g., type of housing unit, year unit built, or number of bedrooms), housing costs (e.g., rent, mortgage, utility, and insurance), housing value, income, and other characteristics.
- **Comprehensive Housing Affordability Strategy (CHAS)**, which is a custom tabulation of American Community Survey (ACS) data from the U.S. Census Bureau for the U.S. Department of Housing and Urban Development (HUD). CHAS data show the extent of housing problems and housing needs, particularly for low-income households. CHAS data are typically used by local governments as part of their consolidated planning work to plan how to spend HUD funds and by HUD to distribute grant funds. The most up-to-date CHAS data covers the 2013-2017 period, which is a year older than the most recent ACS data for the 2014-2018 period.

This report uses data from the 2014-2018 and 2015-2019 ACSs for Ashland. Where information is available and relevant, we report information from the 2000 and 2010 Decennial Census.

Among other data points, this report includes data from the United States Department of Housing and Urban Development, Oregon Department of Housing and Community Services, Property Radar, Costar, and the City of Ashland.

The foundation of the Housing Capacity Analysis is the population forecast for Ashland from the Oregon Population Forecast Program.¹² The forecast is prepared by the Portland State University Population Research Center. Using this population forecast is required under State law for planning purposes like developing a housing capacity analysis.¹³

It is worth commenting on the methods used for the American Community Survey.¹⁴ The American Community Survey (ACS) is a national survey that uses continuous measurement methods. It uses a sample of about 3.54 million households to produce annually updated estimates for the same small areas (census tracts and block groups) formerly surveyed via the decennial census long-form sample. It is also important to keep in mind that all ACS data are estimates that are subject to sample variability. This variability is referred to as “sampling error” and is expressed as a band or “margin of error” (MOE) around the estimate.

This report uses Census and ACS data because, despite the inherent methodological limits, they represent the most thorough and accurate data available to assess housing needs. We consider these limitations in making interpretations of the data and have strived not to draw conclusions beyond the quality of the data.

¹² The *Coordinated Population Forecast for Jackson County, its Urban Growth Boundaries (UGB), and Area Outside UGBs 2018-2068* can be found at this location:

<https://pdxscholar.library.pdx.edu/cgi/viewcontent.cgi?article=1042&context=opfp>

¹³ In 2015, the Land Conservation and Development Commission adopted rules ([OAR 660-032](#)) to require the use of PSU’s Population Research Center’s forecasts for comprehensive planning purposes by cities within Oregon.

¹⁴ A thorough description of the ACS can be found in the Census Bureau’s publication “What Local Governments Need to Know.” <https://www.census.gov/library/publications/2009/acs/state-and-local.html>

Trends in Housing Mix

This section provides an overview of changes in the mix of housing types in Ashland and compares Ashland to Jackson County and to Oregon. These trends demonstrate the types of housing developed in the area historically. Unless otherwise noted, this chapter uses data from the 2000 and 2010 Decennial Census and the 2014-2018 American Community Survey 5-Year Estimates.

This section shows the following trends in housing mix in Ashland:

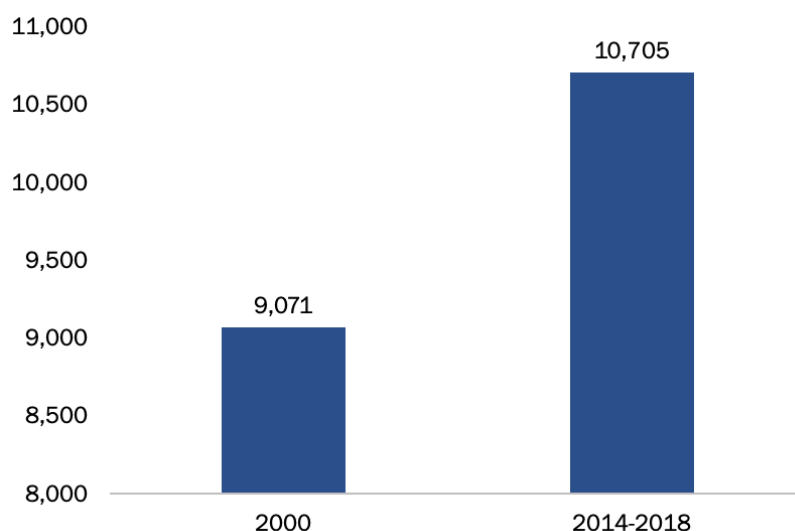
- **Ashland’s housing stock is predominantly single-family detached housing units.** Sixty-six percent of Ashland’s housing stock is single-family detached housing, 25% is multifamily housing (inclusive of smaller and larger multifamily structures), and 9% is single-family attached (e.g., townhouses).
- **Since 2000, Ashland’s housing mix has remained relatively static.** Ashland’s housing stock grew by about 18% (about 1,634 new units) between 2000 and the 2014-2018 period, with share of single-family detached housing increasing from 62% to 66% of all housing.
- **Single-family housing accounted for more than half of new housing growth in Ashland between fiscal year 2010-11 and fiscal year 2019-20.** About 63% of new housing permitted in that time was for single-family housing units (417 dwelling units), 25% was for multifamily housing (163 dwelling units), and 13% was for accessory dwelling units (83 dwelling units).

Housing Mix

The total number of dwelling units in Ashland increased by 18% from 2000 to 2014-2018.

In this time, Ashland added 1,634 units.

Exhibit 7. Total Dwelling Units, Ashland, 2000 and 2014-2018
Source: U.S. Census Bureau, 2000 Decennial Census, SF3 (Table H030) and 2014-2018 ACS (Table B25024).

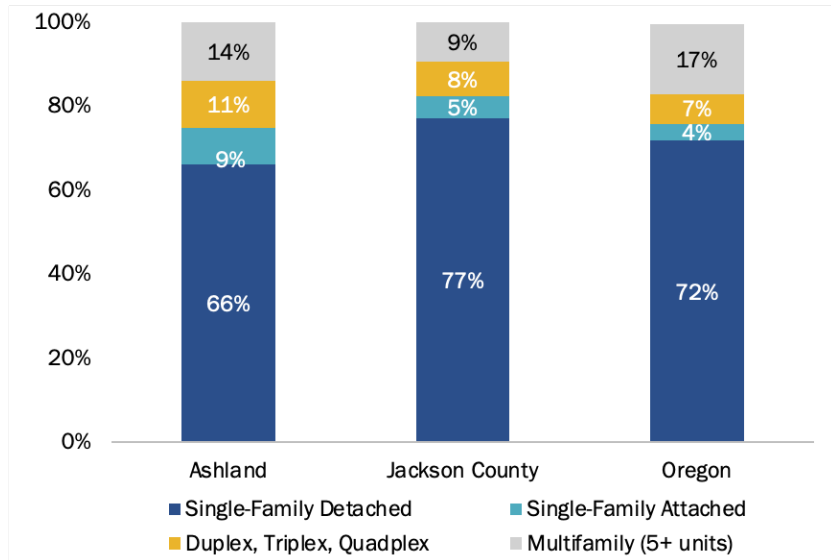


Sixty-six percent of Ashland's housing stock was single-family detached.

Ashland had a larger share of multifamily housing than Jackson County.

Exhibit 8. Housing Mix, Ashland, Jackson County, and Oregon, 2014-2018

Source: U.S. Census Bureau, 2014-2018 ACS Table B25024.



From 2000 to 2014-2018, the share of multifamily housing (with five or more units per structure) decreased by 6% in Ashland.

Exhibit 9. Change in Housing Mix, Ashland, 2000 and 2014-2018

Source: U.S. Census Bureau, 2000 Decennial Census, SF3 Table H030, and 2014-2018 ACS Table B25024.

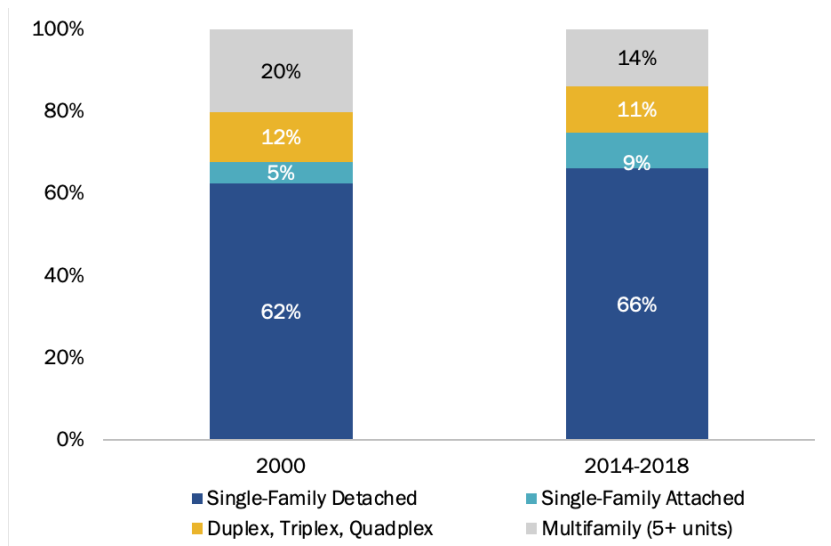


Exhibit 10 shows the types of dwelling units by race and ethnicity in Ashland. It shows that households that identified as Asian Alone were most likely to live in single-family detached housing (78%). Households that identified as Black/African American Alone or Some other Race Alone were most likely to live in multifamily housing. Of any race, about 41% of the households that identified as Latino lived in single-family detached housing.

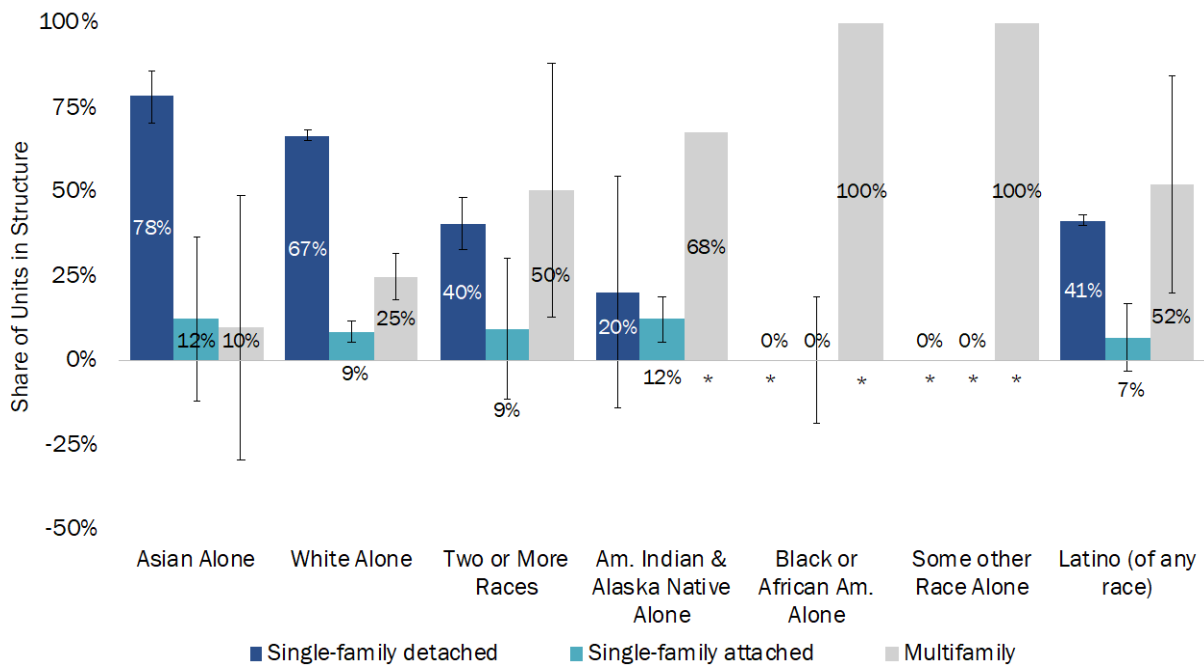
Exhibit 10 includes an indication of margin of error (the “whisker” lines shown in the graph). The number of people of color in Ashland is relatively small. Exhibit 30 shows that groups like Black or American Indian account for less than 2% of residents in Ashland. Exhibit 10 shows a high margin of error in the data for these groups, with either a long “whisker” line or an asterisk (*) to indicate that the margin of error exceeds 50% (indicating high uncertainty about the data).

The take-away point from Exhibit 10 is that some people of color (not including Asians) are more likely to live in multifamily housing than the Ashland average in Exhibit 8, which shows that 14% of households live in multifamily housing.

Exhibit 10. Occupied Housing Structure by Race and Ethnicity, Ashland, 2014-2018

Source: U.S. Census Bureau, 2014-2018 ACS Table B25032 A-I.

Note: Margin of errors marked with an asterisk (*) indicate the value exceeds 50%.

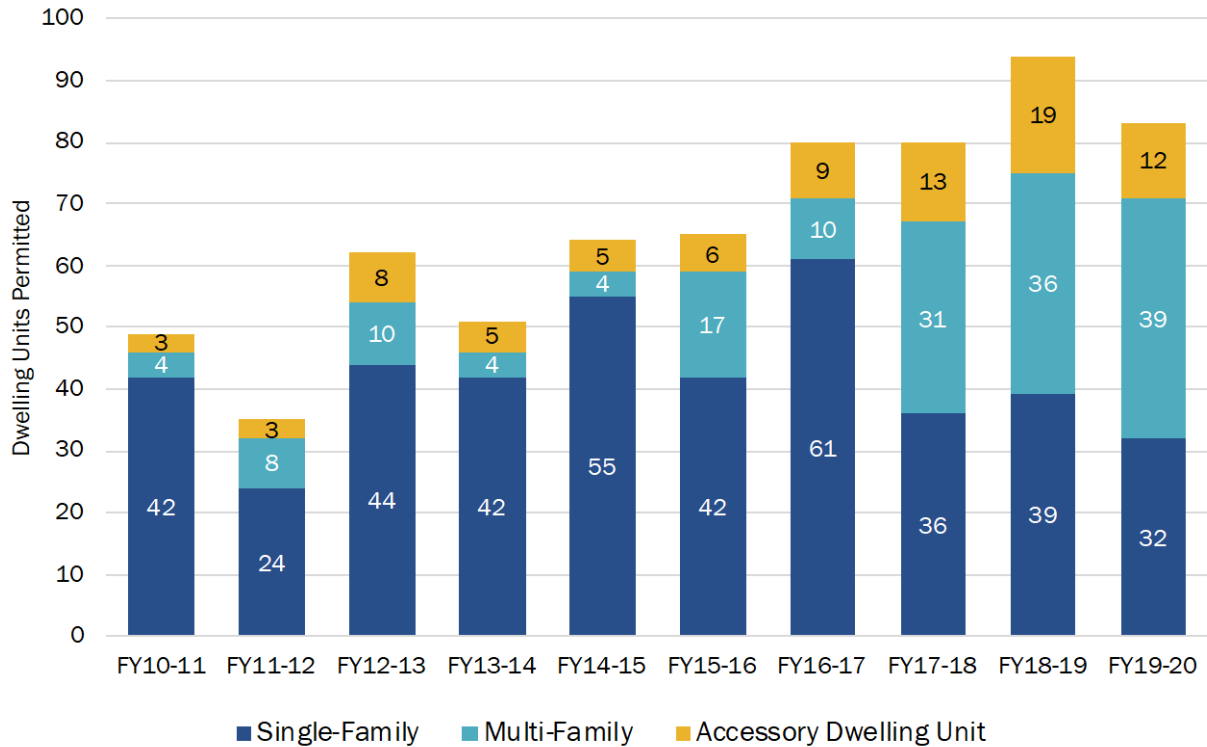


Building Permits

Exhibit 11 shows dwelling units permitted in Ashland over the fiscal year 2010-2011 to 2019-2020 period. In this time, Ashland issued permits for 663 new dwelling units, at an annual average of 66 per year. Of these 663 permits, 63% were for single-family units, 25% were for multifamily units, and 13% were for accessory dwelling units.

Exhibit 11. Building Permits Issued for New Residential Construction by Type of Unit, Ashland, Fiscal Year 2010-11 through Fiscal Year 2019-20

Source: City of Ashland, Residential Building Permit Database.



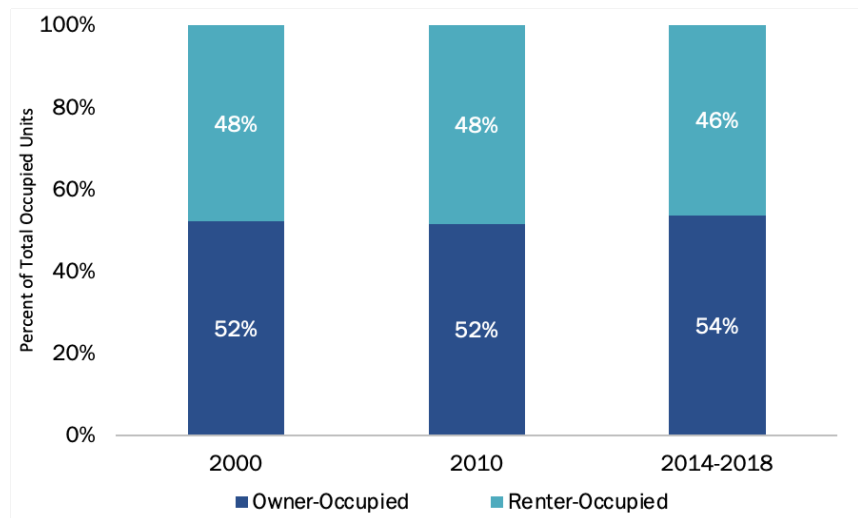
Trends in Tenure

Housing tenure describes whether a dwelling is owner- or renter-occupied. This section shows:

- **Homeownership rates in Ashland were lower than rates in Jackson County and Oregon.** About 54% of Ashland’s households owned their home in the 2014-2018 period. In comparison, 63% of Jackson County households and 62% of Oregon households were homeowners in that time.
- **Homeownership rates in Ashland increased between 2000 and 2014-2018.** In 2000, 52% of Ashland households were homeowners. This increased to 54% in 2014-2018.
- **The majority of Ashland homeowners (88%) lived in single-family detached housing,** while almost half of renters (51%) live in some form of multifamily housing (duplexes on through units in larger multifamily structures).

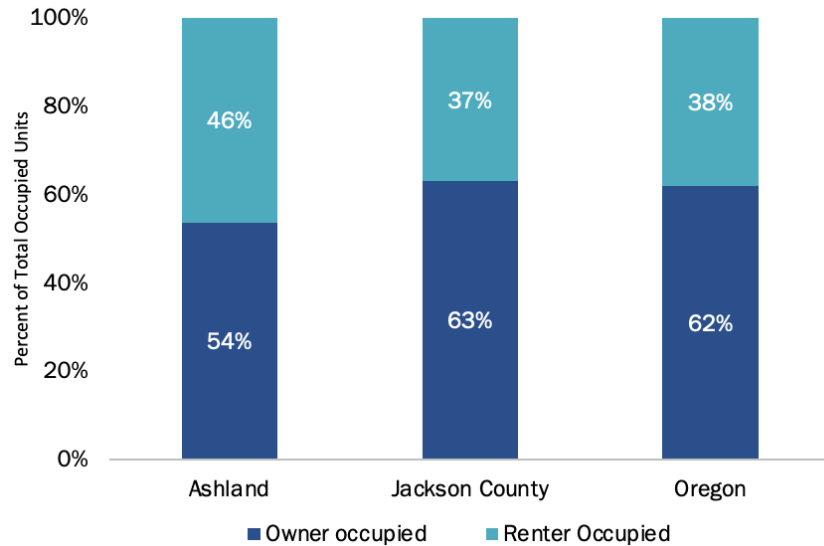
The homeownership rate in Ashland increased by 2% from 2000 to 2014-2018.

Exhibit 12. Tenure, Occupied Units, Ashland, 2000 - 2014-18
Source: U.S. Census Bureau, 2000 Decennial Census SF1 Table H004, 2010 Decennial Census SF1 Table H4, 2014-2018 ACS Table B24003.



Ashland had a lower homeownership rate than Jackson County and Oregon.

Exhibit 13. Tenure, Occupied Units, Ashland, 2014-2018
 Source: U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates, Table B24003.



The majority of homeowners (88%) lived in single-family detached housing.

In comparison, less than half of Ashland's renters (40%) lived in single-family detached housing; over half lived in some form of multifamily housing (51%)

Exhibit 14. Housing Units by Type and Tenure, Ashland, 2014-2018
 Source: U.S. Census Bureau, 2014-2018 ACS Table B25032.

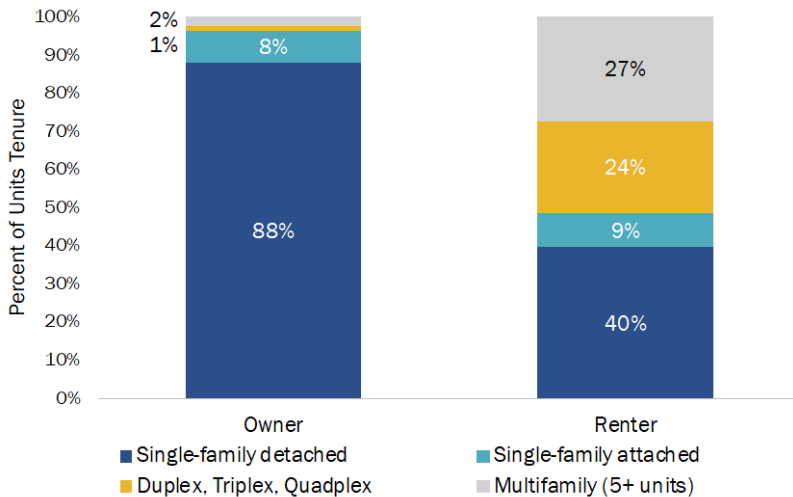


Exhibit 15 shows housing tenure by race and ethnicity of Ashland’s households. Households that identified as White Alone or Asian Alone had the highest rates of home ownership (55% and 42%). About 34% of households who identified as Latino (of any race) owned their own home.

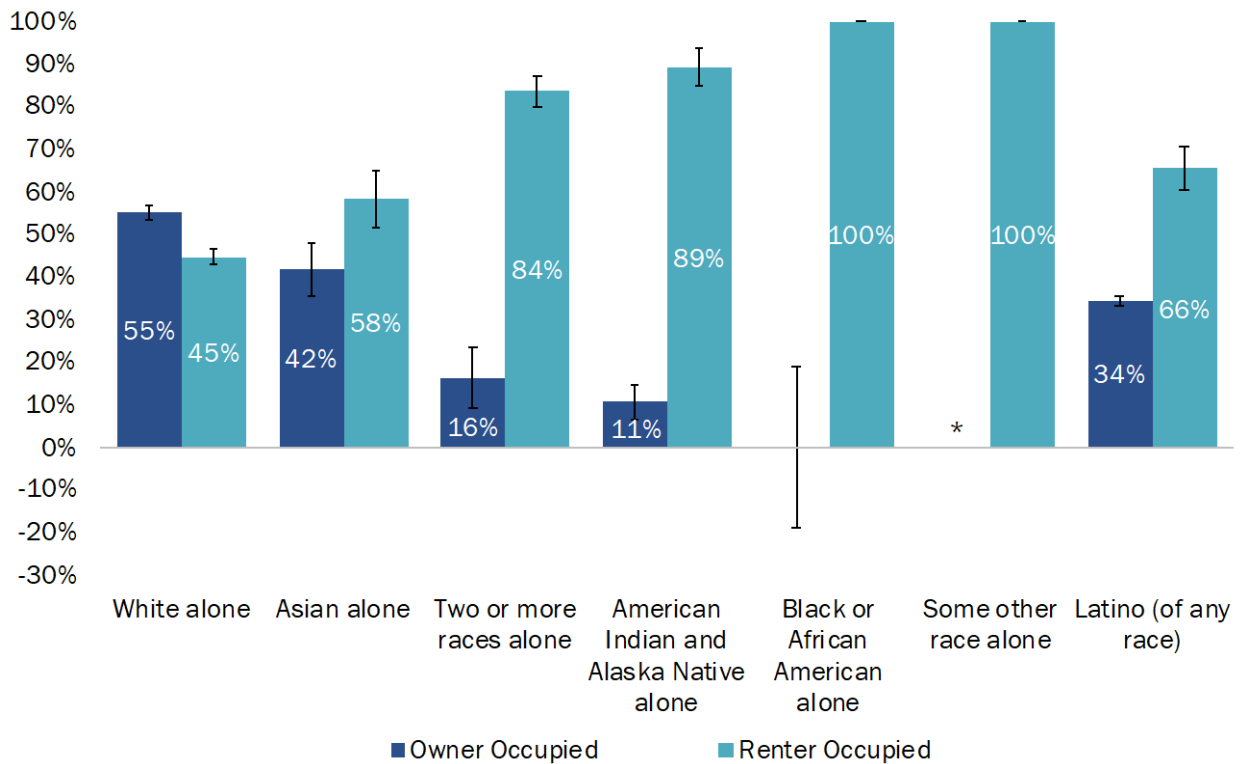
Exhibit 15 includes an indication of margin of error (the “whisker” lines shown in the graph). The number of people of color in Ashland is relatively small. Exhibit 30 shows that groups like Black for about 1.4% of residents of Ashland. Exhibit 15 shows a high margin of error in the data for Black and “some other race” groupings, with either a long “whisker” line or an asterisk (*) to indicate that the margin of error exceeds 50% (indicating high uncertainty about the data).

The take-away point from asterisk is that some people of color are more likely to rent their housing than the Ashland average in Exhibit 13, which shows that 54% of Ashland’s households are homeowners.

Exhibit 15. Tenure by Race and Ethnicity, Ashland, 2014-2018

Source: U.S. Census Bureau, 2014-2018 ACS Tables B25003A-I.

Note: Margin of errors marked with an asterisk (*) indicate the value exceeds 50%.



Vacancy Rates

Housing vacancy is a measure of housing that is available to prospective renters and buyers. It is also a measure of unutilized housing stock. The Census defines vacancy as: "Unoccupied housing units... determined by the terms under which the unit may be occupied, e.g., for rent, for sale, or for seasonal use only." The 2010 Census identified vacancy through an enumeration, separate from (but related to) the survey of households. Enumerators are obtained using information from property owners and managers, neighbors, rental agents, and others.

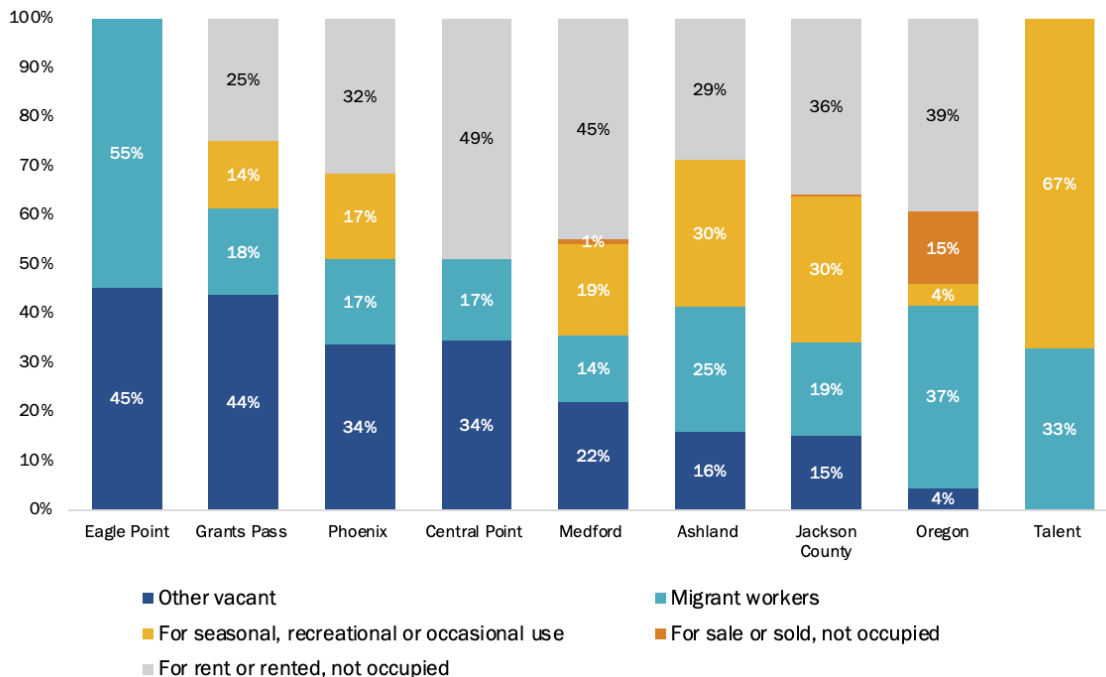
According to the 2014-2018 Census, the vacancy rate in Ashland was 8.3%, compared to 7.5 % for Jackson County and 9.1% for Oregon. About 30% of Ashland’s vacant units are vacant for seasonal, recreational, or other occasional use reasons (see Exhibit 16).

Real estate professionals who work in Ashland indicate that vacancy rates in 2020 and 2021 are 1% or below for housing for sale or for rent. The difference between this vacancy rate and the one reported by the Census (8.3%) is:

- **Time period.** The vacancy rate from the Census is reported for the 2014 through 2018 period, while real estate professionals are focused on more recent vacancy rates.
- **Type of vacancy.** The vacancy rate from the Census includes vacancies for many reasons, including vacant for rent or sales but also vacant for seasonal/recreational uses (e.g., second homes) and vacant for migrant workers.

Exhibit 16. Vacancy by Reason, Ashland, 2014-2018

Source: U.S. Census Bureau, 2014-2018 ACS Table B25004.



Government-Assisted Housing

Governmental agencies and nonprofit organizations offer a range of housing assistance to low- and moderate-income households renting or purchasing a home. There are 10 government-assisted housing developments in Ashland.

Exhibit 17. Government Assisted Housing, Ashland, 2019

Source: Oregon Health Authority. (November 2019). Affordable Housing Inventory in Oregon.

Development Name	Total Affordable Units	Studio units	1-bedroom units	2-bedroom units	3-bedroom units
Chestnut Apts	40		8	28	4
Ashley Senior Center Apts	83	29	54		
Bridget Street	4			2	2
Chestnut Apts	4			2	2
Grant Street Apts	2			2	
Hyde Park	6		3	1	2
Parkview Apts	6	2		3	1
Snowberry Brook	60		12	38	10
Star Thistle Apts	11		11		
Stratford Apts	51		17	29	5
Total	267	31	105	105	26

The Jackson County Continuum of Care (CoC) region has 133 emergency shelter beds, 272 transitional shelter beds, and 857 permanently supportive housing beds supporting persons experiencing homelessness in the Jackson County region.

Exhibit 18. Facilities and Housing Targeted to Households Experiencing Homelessness, Medford/Ashland/Jackson County Continuum of Care Region, 2019

Source: HUD 2019 Continuum of Care Homeless Assistance Programs, Housing Inventory Count Report, Medford, Ashland/Jackson County CoC (from Medford's 2020-2024 Consolidated Plan).

Population Served	Emergency, Safe Haven, and Transitional Beds		Permanent Housing Beds
	Emergency Shelter	Transitional Housing	
Households with Adult(s) and Children	57	69	256
Households with Only Adults	32	143	220
Chronically Homeless Households	19	N/A	68
Veterans	10	58	313
Unaccompanied Youth	15	2	0

Manufactured Homes

Manufactured homes provide a source of affordable housing in Ashland. They provide a form of homeownership that can be made available to low- and moderate-income households. Cities are required to plan for manufactured homes—both on lots and in parks (ORS 197.475-492).

Generally, manufactured homes in parks are owned by the occupants who pay rent for the space. Monthly housing costs are typically lower for a homeowner in a manufactured home park for several reasons, including the fact that property taxes levied on the value of the land are paid by the property owner, rather than the manufactured homeowner. The value of the manufactured home generally does not appreciate the way a conventional home would, however. Manufactured homeowners in parks are also subject to the mercy of the property owner in terms of rent rates and increases. It is generally not within the means of a manufactured homeowner to relocate to another manufactured home to escape rent increases. Living in a park is desirable to some homeowners because it can provide a more secure community with on-site managers and amenities, such as laundry and recreation facilities.

OAR 197.480(4) requires cities to inventory the mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high-density residential development. Exhibit 19 presents the inventory of mobile and manufactured home parks within Ashland as of November 2020. It shows that Ashland had a total of 255 manufactured home spaces in five communities within the UGB. As of November 2020, about 21 spaces were vacant.

Exhibit 19. Inventory of Mobile/Manufactured Home Parks, Ashland, 2020

Source: Oregon Manufactured Dwelling Park Directory as of November 2020.

Community Name	Location	Type	Total Spaces	Vacant Spaces	Comprehensive Plan Designation
Pines Mobile Home & RV	1565 Siskiyou Blvd	Family	52	1	Commercial
Siskiyou Village	2799 Siskiyou Blvd	Family	49	10	Employment
Tolman Creek Park	215 Tolman Creek Rd	Family	38	-	Residential - Suburban
Wingspread	321 Clay St	Family	116	-	Residential - Low Density Multiple Family
Total		-	255	21	-

4. Demographic and Other Factors Affecting Residential Development in Ashland

Demographic trends are important for a thorough understanding of the dynamics of the Ashland housing market. Ashland exists in a regional economy; trends in the region impact the local housing market. This chapter documents demographic, socioeconomic, and other trends relevant to Ashland at the national, state, and regional levels.

Demographic trends provide a context for growth in a region; factors such as age, income, migration, and other trends show how communities have grown and how they will shape future growth. To provide context, we compare Ashland to Jackson County and Oregon. We also compare Ashland to nearby cities where appropriate. Characteristics such as age and ethnicity are indicators of how the population has grown in the past and provide insight into factors that may affect future growth.

A recommended approach to conducting a Housing Capacity Analysis is described in *Planning for Residential Growth: A Workbook for Oregon's Urban Areas*, the Department of Land Conservation and Development's guidebook on local housing needs studies. As described in the workbook, the specific steps in the Housing Capacity Analysis are:

1. Project the number of new housing units needed in the next 20 years.
2. Identify relevant national, state, and local demographic and economic trends and factors that may affect the 20-year projection of structure type mix.
3. Describe the demographic characteristics of the population and, if possible, the housing trends that relate to demand for different types of housing.
4. Determine the types of housing that are likely to be affordable to the projected households based on household income.
5. Determine the needed housing mix and density ranges for each Plan Designation and the average needed net density for all structure types.
6. Estimate the number of additional needed units by structure type.

This chapter presents data to address steps 2, 3, and 4 in this list. Chapter 5 presents data to address steps 1, 5, and 6 in this list.

Demographic and Socioeconomic Factors Affecting Housing Choice¹⁵

Analysts typically describe housing demand as the preferences for different types of housing (e.g., single-family detached or apartment) and the ability to pay for that housing (the ability to exercise those preferences in a housing market by purchasing or renting housing; in other words, income or wealth).

Many demographic and socioeconomic variables affect housing choice. However, the literature about housing markets finds that age of the householder, size of the household, and household income are most strongly correlated with housing choice.

- **Age of householder** is the age of the person identified (in the Census) as the head of household. Households make different housing choices at different stages of life. This chapter discusses generational trends, such as housing preferences of baby boomers (people born from about 1946 to 1964), millennials (people born from about 1980 to 2000), and Generation Z (people born after 1997).
- **Size of household** is the number of people living in the household. Younger and older people are more likely to live in single-person households. People in their middle years are more likely to live in multi-person households (often with children).
- **Household income** is probably the most important determinant of housing choice. Income is strongly related to the type of housing a household chooses (e.g., single-family detached, duplex, or a building with more than five units) and to household tenure (e.g., rent or own).

This chapter focuses on these factors, presenting data that suggests how changes to these factors may affect housing need in Ashland over the next 20 years.

¹⁵ The research in this chapter is based on numerous articles and sources of information about housing, including:

- D. Myers and S. Ryu, *Aging Baby Boomers and the Generational Housing Bubble*, Journal of the American Planning Association, Winter 2008.
- Davis, Hibbits, & Midghal Research, "Metro Residential Preference Survey," May 2014.
- L. Lachman and D. Brett, *Generation Y: America's New Housing Wave*, Urban Land Institute, 2010.
- George Galster. People Versus Place, People and Place, or More? New Directions for Housing Policy, Housing Policy Debate, 2017.
- Herbert, Christopher and Hrabchak Molinsky. "Meeting the Housing Needs of an Aging Population," 2015.
- J. McIlwain, *Housing in America: The New Decade*, Urban Land Institute, 2010.
- Schuetz, Jenny. Who is the new face of American homeownership? Brookings, 2017.
- The American Planning Association, "Investing in Place; Two generations' view on the future of communities," 2014.
- Transportation for America, "Access to Public Transportation a Top Criterion for Millennials When Deciding Where to Live, New Survey Shows," 2014.

National Trends¹⁶

This brief summary on national housing trends builds on previous work by ECONorthwest as well as Urban Land Institute (ULI) reports and conclusions from *The State of the Nation's Housing* report from the Joint Center for Housing Studies of Harvard University. The Harvard report (2020) summarizes the national housing outlook as follows:

Given the profound impact of the pandemic on how US households live and work, there is plenty of reason to believe that it could bring meaningful changes to housing markets. With millions of people forced to work remotely, employers and employees alike may find this an attractive option even after the pandemic ends. If so, demand would likely increase for homes large enough to provide office space, as well as easy access to outdoor spaces to exercise and socialize. And if long commutes are no longer everyday requirements, many households may move to lower-density areas where housing is less expensive. However, a major shift in residential development patterns is far from certain. What is certain is that the need for more housing of all types, locations, and price points will persist. In the near term, the outlook for housing markets is bright, fueled by very low interest rates as well as unabated demand from more affluent households. If the pandemic persists, however, it will remain a serious drag on the labor market and wage growth, and ultimately on household formations. Still, the pandemic's negative impact on markets should be relatively muted given historically tight conditions on the supply side.

However, challenges to a strong domestic housing market remain. Rising mortgage rates, the tight credit market, and a limited inventory of entry-level homes make housing unaffordable for many Americans, especially younger Americans. In addition to rising housing costs, wages have also failed to keep pace, worsening affordability pressures. Single-family and multifamily housing supply remains tight, which compounds affordability issues. *The State of the Nation's Housing* report emphasizes the importance of government assistance and intervention to keep housing affordable moving forward. Several challenges and trends shaping the housing market are summarized below:

- **Bounce back in residential construction led by single-family starts.** New construction made a sharp comeback in summer 2020 led by single-family construction. Single-family starts in 2020 began at about a 900,000-unit annual rate (the fastest pace since the Great Recession), before dipping to a below 700,000-unit annual rate in April due to the COVID-19 pandemic. Then, single-family starts hit a 1.1-million-unit annual rate in September 2020—marking it as the strongest month for single-family homebuilding in over 13 years. Multifamily unit starts also continued to climb, increasing by 7.5% from about 374,000 units in 2018 to about 402,000 units in 2019. Notably, 2019 marked the first

¹⁶ These trends are based on information from (1) the Joint Center for Housing Studies of Harvard University's publication "The State of the Nation's Housing 2020," (2) Urban Land Institute, "2021 Emerging Trends in Real Estate," and (3) the U.S. Census.

year since 1988 that multifamily starts topped 400,000. In 2019, home sales averaged 3.9 months which is below what is considered balanced (six months), with lower-cost and moderate-cost homes experiencing the tightest inventories. *The State of the Nation's Housing* report cited lack of skilled labor, rising construction costs, land use regulations (particularly density restrictions), and development fees as constraints on new construction.

- **Demand shift from renting to owning.** After years of decline, the national homeownership rate increased slightly from 64.4% in 2018 to 64.6% in 2019. Trends suggest the recent homeownership increases are among householders of all age groups; however, new growth in homeownership since the post-Great Recession low of 2013 resulted from households with higher incomes. About 88% of net new growth (2013 to 2019) was among households with incomes of \$150,000 or more.
- **Housing affordability.** Despite a recent downward trend, 37.1 million American households spent more than 30% of their income on housing in 2019 which is 5.6 million more households than in 2001. Renter households experienced cost-burden at more than double the rate of homeowners (46% versus 21%) with the number of cost-burdened renters exceeding cost-burdened homeowners by 3.7 million in 2019. Affordability challenges continued to move up the income ladder, with the share of cost-burdened middle-income households increasing slightly from 2018 to 2019 even as the share of low-income households experiencing cost burden declined slightly over the same period. Households under the age of 25 and over the age of 85 had the highest rates of housing cost burden.
- **Long-term growth and housing demand.** The Joint Center for Housing Studies forecasts that nationally, demand for new homes could total as many as 12 million units between 2018 and 2028.¹⁷ Much of the demand will come from baby boomers, millennials, Generation Z,¹⁸ and immigrants. The Urban Land Institute cites the trouble of overbuilding in the luxury sector while demand is in mid-priced single-family houses affordable to a larger buyer pool.
- **Growth in rehabilitation market.**¹⁹ Aging housing stock and poor housing conditions are growing concerns for jurisdictions across the United States. With almost 80% of the nation's housing stock at least 20 years old (and 40% at least 50 years old), Americans are spending in excess of \$400 billion per year on residential renovations and repairs. As housing rehabilitation becomes the go-to solution to address housing conditions, the

¹⁷ The Joint Center for Housing Studies of Harvard University. *The State of the Nation's Housing 2019*.

¹⁸ According to the Pew Research Center, Millennials were born between the years of 1981 to 1996 and Generation Z were born between 1997 to 2012 (inclusive). Read more about generations and their definitions here: <http://www.pewresearch.org/fact-tank/2018/03/01/defining-generations-where-millennials-end-and-post-millennials-begin/>.

¹⁹ These findings are copied from: Joint Center for Housing Studies. (2019). *Improving America's Housing*, Harvard University. Retrieved from: https://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_Improving_Americas_Housing_2019.pdf

home remodeling market has grown more than 50% since the recession ended—generating 2.2% of national economic activity (in 2017).

Despite trends suggesting growth in the rehabilitation market, rising construction costs and complex regulatory requirements pose barriers to rehabilitation. Lower-income households or households on fixed incomes may defer maintenance for years due to limited financial means, escalating rehabilitation costs. At a certain point, the cost of improvements may outweigh the value of the structure, which may necessitate new responses such as demolition or redevelopment.

- **Declining residential mobility.**²⁰ Residential mobility rates have declined steadily since 1980. Nearly one in five Americans moved every year in the 1980s, compared to one in ten Americans between 2018 and 2019. While reasons for decline in residential mobility are uncertain, contributing factors include demographic, housing affordability, and labor-related changes. For instance, as baby boomers and millennials age, mobility rates are expected to fall as people typically move less as they age. Harvard University’s Research Brief (2020) also suggests that increasing housing costs could be preventing people from moving if they are priced out of desired neighborhoods or if they prefer to stay in current housing as prices rise around them. Other factors that may impact mobility include the rise in dual-income households (which complicates job-related moves), the rise in work-from-home options, and the decline in company-funded relocations. While decline in mobility rates span all generations, they are greatest among young adults and renters, two of the more traditionally mobile groups.
- **Changes in housing preference.** Housing preference will be affected by changes in demographics, most notably: the aging of baby boomers, housing demand from millennials and Generation Z, and growth of immigrants.
 - *Baby boomers.* In 2020, the oldest members of this generation were in their seventies and the youngest were in their fifties. The continued aging of the baby boomer generation will affect the housing market. In particular, baby boomers will influence housing preference and homeownership trends. Preferences (and needs) will vary for boomers’ moving through their 60s, 70s, and 80s (and beyond). They will require a range of housing opportunities. For example, “aging baby boomers are increasingly renters-by-choice, [preferring] walkable, high-energy, culturally evolved communities.”²¹ Many seniors are also moving to planned retirement destinations earlier than expected as they experience the benefits of work-from-home trends (accelerated by COVID-19). Additionally, the supply of caregivers is decreasing as people in this cohort move from giving care to needing care, making more inclusive, community-based, congregate settings more important. Senior households earning different incomes may make distinctive housing choices. For instance, low-income seniors may not have the financial resources to live out their

²⁰ Frost, R. (2020). “Are Americans stuck in place? Declining residential mobility in the US.” Joint Center for Housing Studies of Harvard University’s Research Brief.

²¹ Urban Land Institute. *Emerging Trends in Real Estate, United States and Canada*. 2019.

years in a nursing home and may instead choose to downsize to smaller, more affordable units. Seniors living in proximity to relatives may also choose to live in multigenerational households.

Research shows that “older people in western countries prefer to live in their own familiar environment as long as possible,” but aging in place does not only mean growing old in their own homes.²² A broader definition exists, which explains that aging in place means “remaining in the current community and living in the residence of one’s choice.”²³ Some boomers are likely to stay in their home as long as they are able, and some will prefer to move into other housing products, such as multifamily housing or age-restricted housing developments, before they move into a dependent living facility or into a familial home. Moreover, “the aging of the U.S. population, [including] the continued growth in the percentage of single-person households, and the demand for a wider range of housing choices in communities across the country is fueling interest in new forms of residential development, including tiny houses.”²⁴

- *Millennials.* Over the last several decades, young adults have increasingly lived in multigenerational housing—more so than older demographics.²⁵ However, as millennials move into their early to mid-thirties, postponement of family formation is ending, and millennials are likely to prefer detached, single family homes in suburban areas.

At the beginning of the 2007–2009 recession, millennials had only started forming their own households. Today, millennials are driving much of the growth in new households, albeit at slower rates than previous generations. As this generation continues to progress into their homebuying years, they will seek out affordable, modest-sized homes. This will prove challenging as the market for entry-level, single-family homes has remained stagnant. Although construction of smaller homes (less than 1,800 sq. ft.) increased in 2019, they only represented 24% of single-family units.

Millennials’ average wealth may remain far below boomers and Gen Xers, and student loan debt will continue to hinder consumer behavior and affect retirement savings. As of 2020, millennials comprised 38% of home buyers, while Gen Xers comprised 23% and Boomers 33%.²⁶ “By the year 2061, it is estimated that \$59 trillion

²² Vanleerberghe, Patricia, et al. (2017). The quality of life of older people aging in place: a literature review.

²³ *Ibid.*

²⁴ American Planning Association. Making Space for Tiny Houses, Quick Notes.

²⁵ According to the Pew Research Center, in 1980, just 11% of adults aged 25 to 34 lived in a multigenerational family household, and by 2008, 20% did (82% change). Comparatively, 17% of adults aged 65 and older lived in a multigenerational family household, and by 2008, 20% did (18% change).

²⁶ National Association of Realtors. (2020). 2020 Home Buyers and Sellers Generational Trends Report, March 2020. Retrieved from: <https://www.nar.realtor/research-and-statistics/research-reports/home-buyer-and-seller-generational-trends>

will be passed down from boomers to their beneficiaries,” presenting new opportunities for millennials (as well as Gen Xers).²⁷

- *Generation Z.* In 2020, the oldest members of Generation Z were in their early 20s and the youngest in their early childhood years. By 2040, Generation Z will be between 20 and 40 years old. While they are more racially and ethnically diverse than previous generations, when it comes to key social and policy issues, they look very much like millennials. Generation Z was set to inherit a strong economy and record-low unemployment.²⁸ However, because the long-term impacts of COVID-19 are unknown, Generation Z may now be looking at an uncertain future.

While researchers do not yet know how Generation Z will behave in adulthood, many expect they will follow patterns of previous generations. A segment is expected to move to urban areas for reasons similar to previous cohorts (namely, the benefits that employment, housing, and entertainment options bring when they are in close proximity). However, this cohort is smaller than millennials (67 million vs. 72 million) which may lead to slowing real estate demand in city centers.

- *Immigrants.* Research on foreign-born populations shows that immigrants, more than native-born populations, prefer to live in multigenerational housing. Still, immigration and increased homeownership among minorities could also play a key role in accelerating household growth over the next 10 years. Current Population Survey estimates indicate that the number of foreign-born households rose by nearly 400,000 annually between 2001 and 2007, and they accounted for nearly 30% of overall household growth. Beginning in 2008, the influx of immigrants was stanchied by the effects of the Great Recession. After a period of declines, the foreign-born population again began contributing to household growth, despite decline in immigration rates in 2019. The Census Bureau’s estimates of net immigration in 2019 indicate that 595,000 immigrants moved to the United States from abroad, down from 1.2 million immigrants in 2017–2018. However, as noted in *The State of the Nation’s Housing* (2020) report, “because the majority of immigrants do not immediately form their own households upon arrival in the country, the drag on household growth from lower immigration only becomes apparent over time.”
- *Diversity.* The growing diversity of American households will have a large impact on the domestic housing markets. Over the coming decade, minorities will make up a larger share of young households and constitute an important source of demand for both rental housing and small homes. The growing gap in homeownership rates between Whites and Blacks, as well as the larger share of minority households that are cost burdened warrants consideration. White households had a 73%

²⁷ PNC. (n.d.). Ready or Not, Here Comes the Great Wealth Transfer. Retrieved from: <https://www.pnc.com/en/about-pnc/topics/pnc-pov/economy/wealth-transfer.html>

²⁸ Parker, K. & Igielnik, R. (2020). On the cusp of adulthood and facing an uncertain future: what we know about gen Z so far. Pew Research Center. Retrieved from: <https://www.pewsocialtrends.org/essay/on-the-cusp-of-adulthood-and-facing-an-uncertain-future-what-we-know-about-gen-z-so-far/>

homeownership rate in 2019 compared to a 43% rate for Black households. This 30-percentage point gap is the largest disparity since 1983. Although homeownership rates are increasing for some minorities, Black and Hispanic households are more likely to have suffered disproportionate impacts of the pandemic and forced sales could negatively impact homeownership rates. This, combined with systemic discrimination in the housing and mortgage markets and lower incomes relative to White households, leads to higher rates of cost burden for minorities — 43% for Blacks, 40% for Latino, 32% for Asians and 25% for Whites in 2019. As noted in *The State of the Nation's Housing (2020)* report “the impacts of the pandemic have shed light on the growing racial and income disparities in the nation between the nation’s haves and have-nots are the legacy of decades of discriminatory practices in the housing market and in the broader economy.”

- **Changes in housing characteristics.** The U.S. Census Bureau’s Characteristics of New Housing Report (2019) presents data that show trends in the characteristics of new housing for the nation, state, and local areas. Several long-term trends in the characteristics of housing are evident from the New Housing Report:²⁹
 - *Larger single-family units on smaller lots.* Between 1999 and 2019, the median size of new single-family dwellings increased by 13% nationally, from 2,028 sq. ft. to 2,301 sq. ft., and 14% in the western region from 2,001 sq. ft. in 1999 to 2,279 sq. ft. in 2019. Moreover, the percentage of new units smaller than 1,400 sq. ft. nationally decreased by more than half, from 16% in 1999 to 7% in 2019. The percentage of units greater than 3,000 sq ft increased from 17% in 1999 to 25% of new one-family homes completed in 2019. In addition to larger homes, a move toward smaller lot sizes was seen nationally. Between 2009 and 2019, the percentage of lots less than 7,000 sq. ft. increased from 25% to 33% of lots.

Based on national study about homebuying preferences that differ by race and ethnicity, African Americans home buyers wanted a median unit size of 2,664 square feet, compared to 2,347 sq ft for Hispanic buyers, 2,280 sq ft for Asian buyers, and 2,197 sq ft for White buyers.³⁰ This same study found that minorities were less likely to want large lots.

- *Larger multifamily units.* Between 1999 and 2019, the median size of new multifamily dwelling units increased by 3.4% nationally. In the western region, the median size decreased by 1.9%. Nationally, the percentage of new multifamily units with more than 1,200 sq ft increased from 28% in 1999 to 35% in 2019 and increased from 25% to 27% in the western region.
- *Household amenities.* Across the United States since 2013, an increasing number of new units had air-conditioning (fluctuating year by year at over 90% for both new

²⁹ U.S. Census Bureau, Highlights of Annual 2019 Characteristics of New Housing. Retrieved from: <https://www.census.gov/construction/chars/highlights.html>

³⁰ Quint, Rose. (April 2014). *What Home Buyers Really Want: Ethnic Preferences*. National Association of Home Builders.

single-family and multifamily units). In 2000, 93% of new single-family houses had two or more bathrooms, compared to 96% in 2019. The share of new multifamily units with two or more bathrooms decreased from 55% of new multifamily units to 45%. As of 2019, 92% of new single-family houses in the United States had garages for one or more vehicles (from 89% in 2000). Additionally, if work-from-home dynamics become a more permanent option, then there may be rising demand for different housing amenities such as more space for home offices or larger yards for recreation.

- *Shared amenities.* Housing with shared amenities grew in popularity, as it may improve space efficiencies and reduce per-unit costs/maintenance costs. Single-room occupancies (SROs),³¹ cottage clusters, cohousing developments, and multifamily products are common housing types that take advantage of this trend. Shared amenities may take many forms and include shared bathrooms, kitchens, other home appliances (e.g., laundry facilities, outdoor grills), security systems, outdoor areas (e.g., green spaces, pathways, gardens, rooftop lounges), fitness rooms, swimming pools, tennis courts, and free parking.³²

State Trends

In August 2019, the State of Oregon passed statewide legislation – Oregon House Bill 2001 and 2003. **House Bill 2001 (HB2001)** required many Oregon communities to accommodate middle housing within single-family neighborhoods. “Medium Cities” – those with 10,000 to 25,000 residents outside the Portland metro area – are required to allow duplexes on each lot or parcel where a single-family home is allowed. “Large Cities” – those with over 25,000 residents and nearly all jurisdictions in the Portland metro urban growth boundary (UGB) – must meet the same duplex requirement as well as allow triplexes, fourplexes, townhomes, and cottage clusters in all areas that are zoned for residential use and allow single-family homes. Note that middle housing types (other than duplexes) do not have to be allowed on *every* lot or parcel that allows single-family homes, which means that larger cities maintain some discretion.

Middle housing is generally built at a similar scale as single-family homes but at higher residential densities. It provides a range of housing choices at different price points within a community.

House Bill 2003 (HB2003) envisions Oregon’s housing planning system is reformed from a singular focus (on ensuring adequate available land) to a more comprehensive approach that also achieves these critical goals: (1) support and enable the construction of sufficient units to

³¹ Single-room occupancies are residential properties with multiple single-room dwelling units occupied by a single individual. From: U.S. Department of Housing and Urban Development. (2001). *Understanding SRO*. Retrieved from: <https://www.hudexchange.info/resources/documents/Understanding-SRO.pdf>

³² Urbsworks. (n.d.). Housing Choices Guidebook: A Visual Guide to Compact Housing Types in Northwest Oregon. Retrieved from: https://www.oregon.gov/lcd/Publications/Housing-Choices-Booklet_DIGITAL.pdf

Saiz, Albert and Salazar, Arianna. (n.d.). Real Trends: The Future of Real Estate in the United States. Center for Real Estate, Urban Economics Lab.

accommodate current populations and projected household growth and (2) reduce geographic disparities in access to housing (especially affordable and publicly supported housing). In that, HB 2003 required the development of a methodology for projecting *regional* housing need and allocate that need to local jurisdictions. It also expanded local government responsibilities for planning to meet housing need by requiring cities to develop and adopt Housing Production Strategies.

Prior to the passage of these bills, Oregon developed its *2016–2020 Consolidated Plan* which includes a detailed housing needs analysis as well as strategies for addressing housing needs statewide. The plan concluded that “a growing gap between the number of Oregonians who need affordable housing and the availability of affordable homes has given rise to destabilizing rent increases, an alarming number of evictions of low- and fixed- income people, increasing homelessness, and serious housing instability throughout Oregon.” It identified the following issues that describe housing need statewide:³³

- For housing to be considered affordable, a household should pay up to one-third of their income toward rent, leaving money left over for food, utilities, transportation, medicine, and other basic necessities. Today, one in two Oregon households pays more than one-third of their income toward rent, and one in three pays more than half of their income toward rent.
- More school children are experiencing housing instability and homelessness. The rate of K–12 homeless children increased by 12% from the 2013–2014 school year to the 2014–2015 school year.
- Oregon has 28,500 rental units that are affordable and available to renters with extremely low incomes. There are about 131,000 households that need those apartments, leaving a gap of 102,500 units.
- Housing instability is fueled by an unsteady, low-opportunity employment market. Over 400,000 Oregonians are employed in low-wage work. Low-wage work is a growing share of Oregon’s economy. When wages are set far below the cost needed to raise a family, the demand for public services grows to record heights.
- Women are more likely than men to end up in low-wage jobs. Low wages, irregular hours, and part-time work compound issues.
- People of color historically constitute a disproportionate share of the low-wage work force. About 45% of Latino, and 50% of African Americans are employed in low-wage industries.
- The majority of low-wage workers are adults over the age of 20, many of whom have earned a college degree or some level of higher education.

³³ These conclusions are copied directly from the report: Oregon’s 2016–2020 Consolidated Plan. Retrieved from: <http://www.oregon.gov/ohcs/docs/Consolidated-Plan/2016-2020-Consolidated-Plan-Amendment.pdf>.

- In 2019, minimum wage in Oregon was \$11.25, compared to \$12.50 in the Portland Metro, and \$11.00 for nonurban counties.³⁴

Oregon developed its *Statewide Housing Plan* in 2018. The Plan identified six housing priorities to address in communities across the State over the 2019 to 2023 period (summarized below). In August 2020, Oregon Housing and Community Services (OHCS) released a summary of their progress.³⁵ The following section includes summaries and excerpts from their status report:

- **Equity and Racial Justice.** *Advance equity and racial justice by identifying and addressing institutional and systemic barriers that have created and perpetuated patterns of disparity in housing and economic prosperity.*

OHCS built internal organizational capacity through staff trainings on Equity and Racial Justice (ERJ) and hired an Equity, Diversity and Inclusion Manager. OHCS established a workgroup to support equity in their data system and approved an internal organizational structure to advance and support ERJ within all areas of OHCS. Now, OHCS is developing funding mechanisms to encourage culturally specific organizations to increase services to underserved communities and to increase the number and dollar amounts of contracts awarded to minority, women, and emerging small businesses (MWESBs).

- **Homelessness.** *Build a coordinated and concerted statewide effort to prevent and end homelessness, with a focus on ending unsheltered homelessness of Oregon’s children and veterans.*

The Homeless Services Section (HSS) made progress in building a foundation for planning and engagement across intersecting economic, social, and health systems. The OHCS Veteran Leadership team established recurring information-sharing sessions with federal, state, and local partners. HSS convened Oregon Homeless Management Information System (HMIS) stakeholders to build recommendations and co-construct a path toward a new HMIS implementation and data warehouse. HSS established successful workflows to analyze demographic data of people entering and exiting the homeless service system.

- **Permanent Supportive Housing.** *Invest in permanent supportive housing (PSH), a proven strategy to reduce chronic homelessness and reduce barriers to housing stability.*

OHCS funded 405 of their 1,000 PSH-unit targets. Almost half of these units were the result of the NOFA tied to the first PSH Institute cohort.

³⁴ The 2016 Oregon Legislature, Senate Bill 1532, established a series of annual minimum wage rate increases beginning July 1, 2016, through July 1, 2022. Retrieved from: <https://www.oregon.gov/boli/whd/omw/pages/minimum-wage-rate-summary.aspx>

³⁵ This section uses many direct excerpts from the OHCS Statewide Housing Plan Year One Summary August 2020 Report to HSC. Oregon Statewide Housing Plan, Status Reports. <https://www.oregon.gov/ohcs/Documents/swhp/SWHP-Report-Y1-Summary.pdf>

- **Affordable Rental Housing.** *Work to close the affordable rental housing gap and reduce housing cost burden for low-income Oregonians.*

OHCS implemented a new electronic application and widespread adoption of system work modules. They also established a capacity building team to assess and recommend opportunities for growth in their development priorities and began training and technical assistance to potential PSH and rural developers. OHCS increased their units by 8,408 representing 22.8% of their 25,000 unit 5-year target.

- **Homeownership.** *Provide more low- and moderate-income Oregonians with the tools to successfully achieve and maintain homeownership, particularly in communities of color.*

OHCS pursued a strategy to align programs with the needs of communities of color, improved their Homeownership Center framework and Down Payment Assistance product, began developing their TBA program and focused on low-cost homeownership through manufactured housing. Additionally, they began developing the Restore Health and Safety program and reopening the Oregon Homeownership Stabilization Initiative (OHSI) program. OHCS also supported the Joint Task Force on Racial Equity in Homeownership and advocating for additional funds to support communities of color. OHCS provided 678 mortgage lending products of their 6,500 5-year goal with 170 products going to households of color.

- **Rural Communities.** *Change the way OHCS does business in small towns and rural communities to be responsive to the unique housing and service needs and unlock the opportunities for housing development.*

OHCS focused on developing a better understanding of rural community needs and increasing rural capacity to build more affordable housing. OHCS hired a full-time capacity building analyst who has conducted outreach to key stakeholders across the state representing rural communities and developed a strategy to address those needs. OHCS has funded 532 units in rural communities, out of a total of 2,543 units in the 5-year goal (21% of target).

Regional and Local Demographic Trends May Affect Housing Need in Ashland

Demographic trends that might affect the key assumptions used in the baseline analysis of housing need are (1) the aging population, (2) changes in household size and composition, and (3) increases in diversity.

An individual's housing needs change throughout their life, with changes in income, family composition, and age. The types of housing needed by a 20-year-old college student differ from the needs of a 40-year-old parent with children, or an 80-year-old single adult. As Ashland's population ages, different types of housing will be needed to accommodate older residents. The housing characteristics by age data below reveal this cycle in action in Ashland.

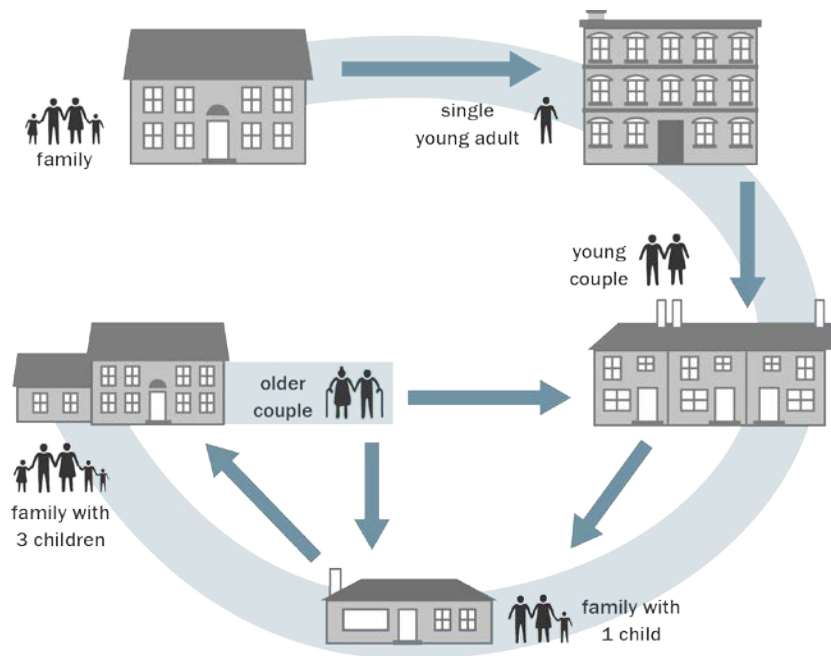
Housing needs and preferences change in predictable ways over time, such as with changes in marital status and size of family. Changes in income, which changes over a person's life with age, strongly influence the types of housing selected.

Families of different sizes need different types of housing. Changes in income is also a key factor in housing demand.

This graphic illustrates an example of changes in housing needs across a person's life.

Exhibit 20. Effect of Demographic Changes on Housing Need

Source: ECONorthwest, adapted from Clark, William A.V. and Frans M. Dieleman. 1996. Households and Housing. New Brunswick, NJ: Center for Urban Policy Research.



Growing Population

Ashland’s population growth will drive future demand for housing in the City over the planning period.

Exhibit 21 shows that Ashland’s population (within its city limits) grew by 8% between 2000 and 2020. Ashland added 1,583 new residents, at an average annual growth rate of 0.4%.

Exhibit 22 shows that the population within Ashland UGB is also forecast to grow over the planning period (2021-2041). The official population forecast, from the Oregon Population Forecast Program, finds that Ashland will add 1,691 people, at an average annual growth rate of 0.37%.

Exhibit 21. Population, Ashland, Jackson County, Oregon, U.S., 2000, 2010, and 2020

Source: U.S. Decennial Census and Portland State University, Census World Clock, and Population Research Center.

				Change 2000 to 2020		
	2000	2010	2020	Number	Percent	AAGR
U.S.	281,421,906	308,745,538	330,034,257	48,612,351	17%	0.8%
Oregon	3,421,399	3,831,074	4,268,055	846,656	25%	1.1%
Jackson County	181,269	203,206	223,240	41,971	23%	1.0%
Ashland	19,522	20,078	21,105	1,583	8%	0.4%

Ashland’s population within its urban growth boundary is projected to grow by over 1,691 people between 2021 and 2041, at an average annual growth rate of 0.37%.³⁶

Exhibit 22. Forecast of Population Growth, Ashland UGB, 2021 to 2041

Source: Oregon Population Forecast Program, Portland State University, Population Research Center, 2018.

21,936	23,627	1,691	8% increase
Residents in 2021	Residents in 2041	New residents 2021 to 2041	0.37% AAGR

³⁶ This forecast of population growth is based on Ashland UGB’s official population forecast from the Oregon Population Forecast Program. ECONorthwest extrapolated the population forecast for 2020 (to 2021) and 2040 (to 2041) based on the methodology specified in the following file (from the Oregon Population Forecast Program website): http://www.pdx.edu/prc/sites/www.pdx.edu/prc/files/Population_Interpolation_Template.xlsx

Aging Population

This section shows two key characteristics of Ashland’s population, with implications for future housing demand in Ashland:

- **Seniors.** Ashland has a larger share of people over 60 years old compared to Jackson County and Oregon. As Ashland’s senior population grows, it will have increasing demand for housing that is suitable for elderly residents.

Demand for housing for seniors will grow over the planning period, as the baby boomers continue to age and retire. The Jackson County forecast share of residents aged 60 years and older will account for 32% of its population in 2040, up from 30% in 2020.

The impact of growth in seniors in Ashland will depend, in part, on whether older people already living in Ashland continue to reside there as they retire. National surveys show that, in general, most retirees prefer to age in place by continuing to live in their current home and community as long as possible.³⁷

Growth in the number of seniors will result in demand for housing types specific to seniors, such as small and easy-to-maintain dwellings, assisted living facilities, or age-restricted developments. Senior households will make a variety of housing choices, including remaining in their homes as long as they are able, downsizing to smaller single-family homes (detached and attached) or multifamily units, or moving into group housing (such as assisted living facilities or nursing homes), as their health declines. The challenges aging seniors face in continuing to live in their community include changes in healthcare needs, loss of mobility, the difficulty of home maintenance, financial concerns, and increases in property taxes.³⁸

Ashland has a smaller share of younger people than Jackson County and Oregon.

About 19% of Ashland’s population is under 20 years old, compared to 23% of Jackson County’s population and 24% of Oregon’s population. By 2040, the millennial generation will be about 40 to 60 years of age and Generation Z will be between 25 and 40 years old. The forecast for Jackson County shows a decrease in millennials and Generation Z as a percent of overall population from about 46% of the population in 2020 to about 41% of the population in 2040.

Millennials and Generation Z will be drivers in housing need over the planning period. Ashland’s ability to attract people in these age groups will depend, in large part, on whether the city has opportunities for housing that both appeals to and is affordable to millennials and Generation Z, as well as jobs that allow younger people to live and work in Ashland.

³⁷ A survey conducted by the AARP indicates that 90% of people 50 years and older want to stay in their current home and community as they age. See <http://www.aarp.org/research>.

³⁸ “Aging in Place: A toolkit for Local Governments” by M. Scott Ball.

In the near-term, millennials and Generation Z may increase demand for rental units. Research suggests that millennials' housing preferences may be similar to the baby boomers, with a preference for smaller, less costly units. Surveys about housing preference suggest that millennials want affordable single-family homes in areas that offer transportation alternatives to cars, such as suburbs or small cities with walkable neighborhoods.³⁹ Little information is available about the effect that Generation Z will have on the housing market and their future housing preferences.

A survey of people living in the Portland region shows that millennials prefer single-family detached housing. The survey finds that housing price is the most important factor in choosing housing for younger residents.⁴⁰ The survey results suggest millennials are more likely than other groups to prefer housing in an urban neighborhood or town center. While this survey is for the Portland region, it shows similar results to national surveys and studies about housing preference for millennials.

Growth in millennials and Generation Z in Ashland will result in increased demand for both affordable single-family detached housing (such as small single-family detached units like cottages), middle-income housing types (such as townhouses, duplexes, triplexes, and quadplexes), and multifamily housing. One of the barriers to household formation and homeownership for these groups is potential for greater levels of debt than the baby boomers or Generation X, which may delay household formation and delay or prevent some from becoming homeowners. Over the long-term, growth in these groups will result in increased demand for both ownership and rental opportunities, with an emphasis on housing that is comparatively affordable. There is potential for attracting new residents to housing in Ashland's commercial areas, especially if the housing is relatively affordable and located in proximity to services.

³⁹ The American Planning Association, "Investing in Place; Two generations' view on the future of communities." 2014.

"Access to Public Transportation a Top Criterion for Millennials When Deciding Where to Live, New Survey Shows," Transportation for America.

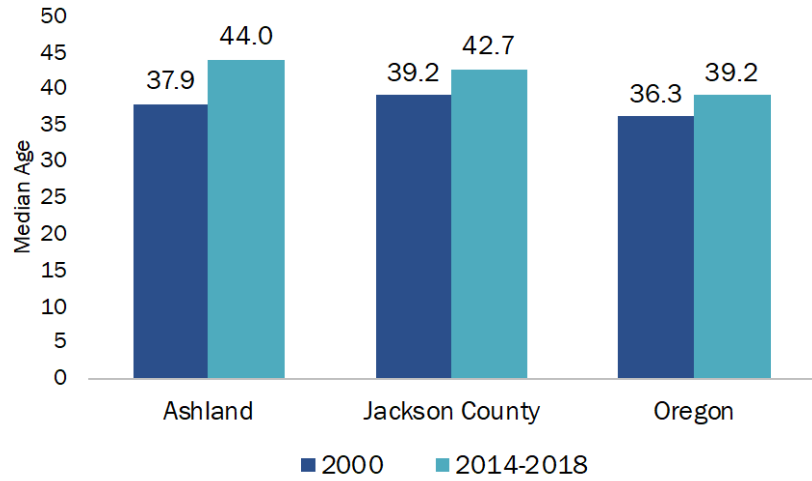
"Survey Says: Home Trends and Buyer Preferences," National Association of Home Builders International Builders

⁴⁰ Davis, Hibbits, & Midghal Research, "Metro Residential Preference Survey," May 2014.

From 2000 to 2014-2018, Ashland's median age increased from 37.9 to 44 years.

Exhibit 23. Median Age, Ashland, Jackson County, and Oregon, 2000 to 2014-2018

Source: U.S. Census Bureau, 2000 Decennial Census Table B01002, 2014-2018 ACS, Table B01002.

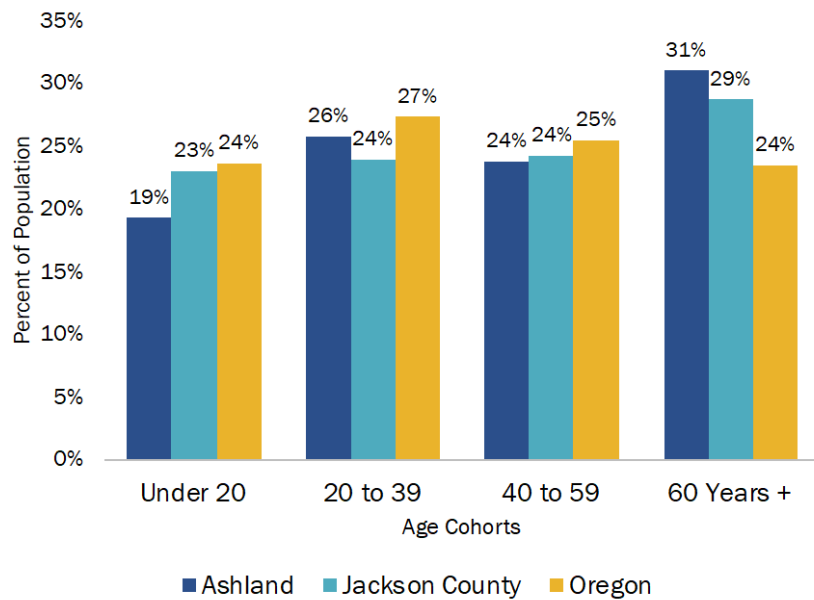


In the 2014-2018 period, 50% of Ashland's residents were between the ages of 20 and 59 years.

Ashland had a larger share of people over the age of 60 than the county and state and a smaller share residents under the age of 20.

Exhibit 24. Population Distribution by Age, Ashland, Jackson County, and Oregon, 2014-2018

Source: U.S. Census Bureau, 2014-2018 ACS, Table B01001.



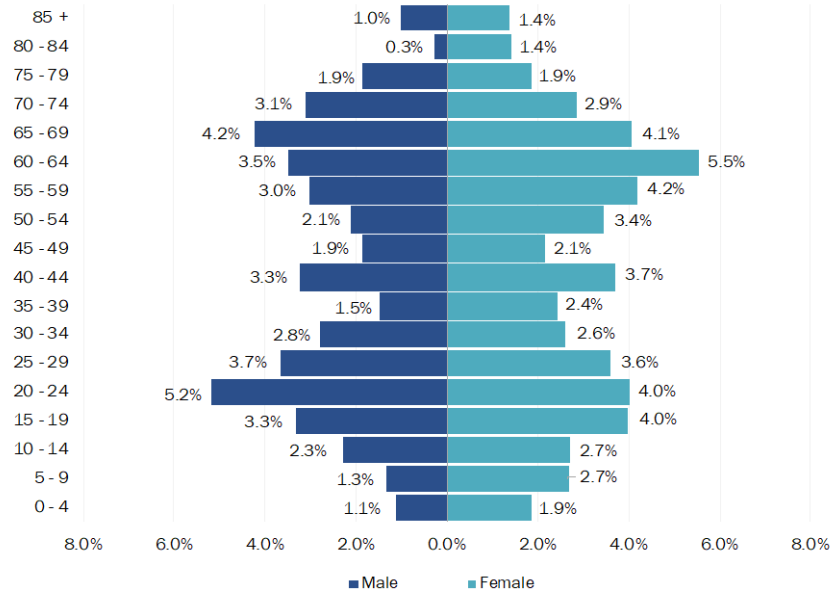
Ashland has a larger female population, compared to the county average and they are generally older than males in the city.

About 54% of Ashland's population is female, compared to 51% of Jackson County's population.

On average, Ashland's female population is older than the male population. About 31% of Ashland's population is females over 40 years old, compared to 24% of the city's male population in this age category.

Exhibit 25. Population by Age and Sex, Ashland, 2014-2018

Source: U.S. Census Bureau, 2014-2018 ACS, Table S0101.

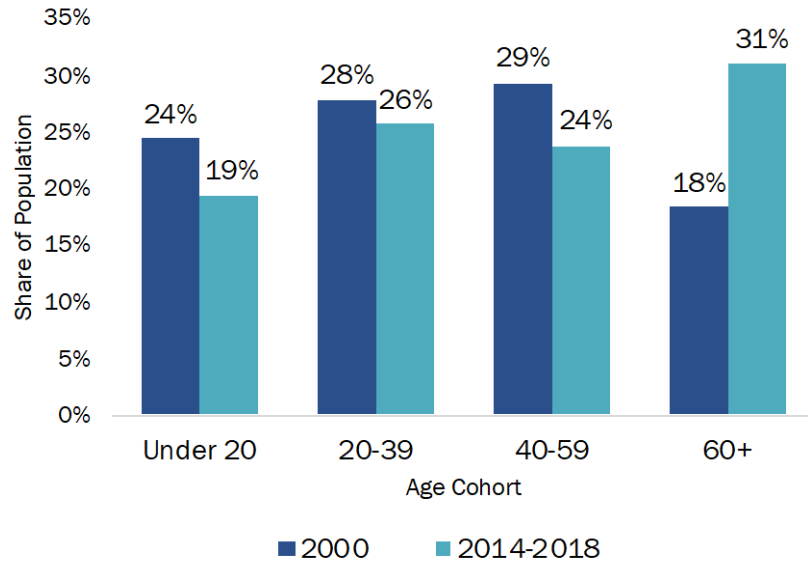


Between 2000 and the 2014-2018 period, the population aged 60 and older grew the most.

In this time, those aged 60 years and older grew by 2,909 people (from 3,509 people in 2000 to 6,499 people in 2018).

Exhibit 26. Population Growth by Age, Ashland, 2000 to 2014-2018

Source: U.S. Census Bureau, 2000 Decennial Census Table P012 and 2014-2018 ACS, Table B01001.



By 2040, Jackson County's population over 60 years old is forecast to grow 27%. This is an increase in 18,458 people.

Exhibit 27. Fastest-growing Age Groups, Jackson County, 2020 to 2040

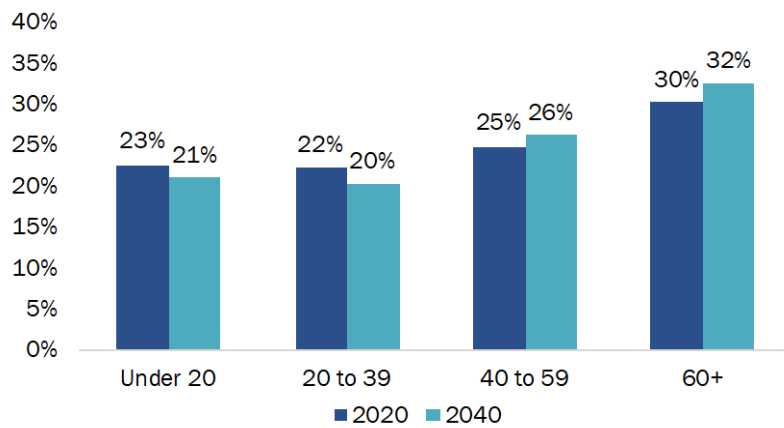
Source: PSU Population Research Center, Jackson County Forecast, June 2017.

Age Group	2020 %	2020 People	2040 %	2040 People
Under 20	11%	5,363 People	25%	13,901 People
20-39 Yrs	8%	4,211 People	27%	18,458 People

By 2040, Jackson County residents 60 years of age and older are forecast to comprise 32% of the total population, up from 30% in 2020.

Exhibit 28. Population Growth by Age Group, Jackson County, 2020 and 2040

Source: PSU Population Research Center, Jackson County Forecast, June 2017.



Increased Ethnic Diversity

The number of Latino residents increased in Ashland, by 714 people, from 2000 to the 2014-2018 period. The U.S. Census Bureau forecasts that at the national level, the Latino population will continue growing faster than most other non-Latino populations between 2020 and 2040. The Census forecasts that the Latino population in the U.S. will increase 93%, from 2016 to 2060, and foreign-born Latino populations will increase by about 40% in that same time.⁴¹

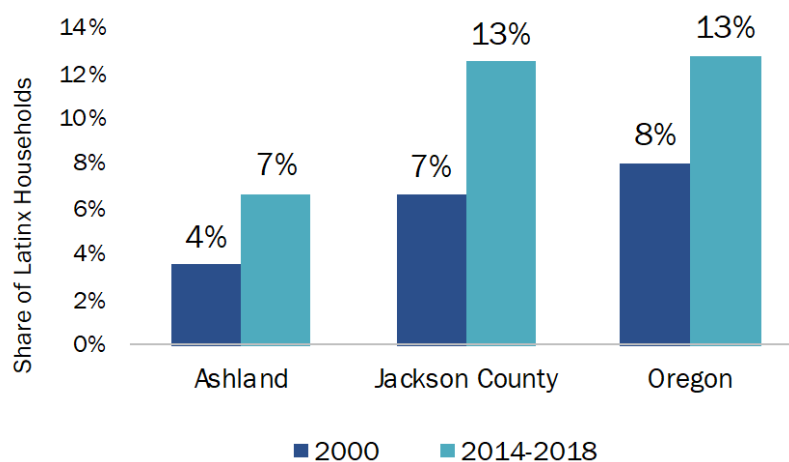
Continued growth in the Latino population may affect Ashland's housing needs in a variety of ways. Growth in first and, to a lesser extent, second and third generation Latino immigrants, will increase demand for larger dwelling units to accommodate the, on average, larger household sizes for these households. In that, Latino households are twice as likely to include multiple generations households than the general populace.⁴² As Latino households change over generations, household size typically decreases, and housing needs become similar to housing needs for all households.

According to the *State of Hispanic Homeownership* report from the National Association of Hispanic Real Estate Professionals:⁴³ the Latino population accounted for 31% of the nation's new households in 2019, up 2.8 percentage points from 2017. The rate of homeownership for Latino households increased from 45.6% in 2015 to 47.5% in 2019. In that time, Latino households were the only demographic that increased their rate of homeownership.

The share of Ashland's households that identified as Latino increased between 2000 and 2014-2018.

However, Ashland was less ethnically diverse than both Jackson County and Oregon in 2000 and in the 2014-2018 period.

Exhibit 29. Latino Population as a Percent of the Total Population, Ashland, Jackson County, Oregon, 2000 and 2014-2018
Source: U.S. Census Bureau, 2000 Decennial Census Table P008, 2014-2018 ACS Table B03002.



⁴¹ U.S. Census Bureau, *Demographic Turning Points for the United States: Population Projections for 2020 to 2060*.

⁴² Pew Research Center. (2013). *Second-Generation Americans: A Portrait of the Adult Children of Immigrants*. National Association of Hispanic Real Estate Professionals (2019). *2019 State of Hispanic Homeownership Report*.

⁴³ National Association of Hispanic Real Estate Professionals (2019). *2019 State of Hispanic Homeownership Report*.

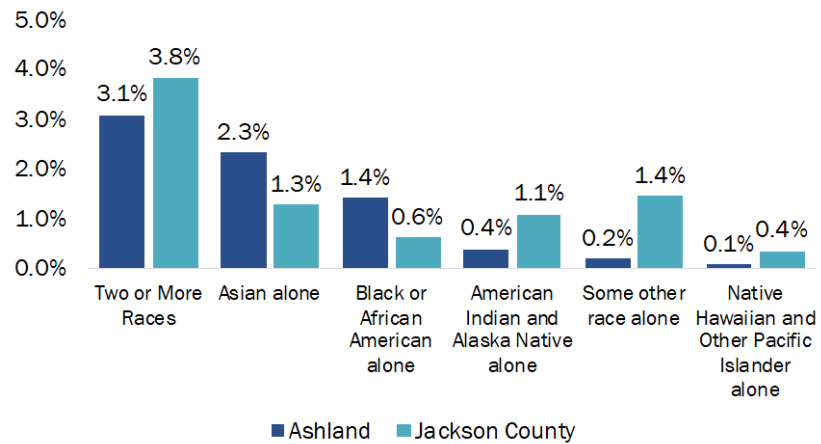
Racial Diversity

While the majority of Ashland’s population is White, Ashland has residents of many races, as shown in Exhibit 30, consistent with Jackson County’s population.

About 92% of Ashland’s population was White in 2014-2018. The largest communities of color were people from two or more races, Asians, and Blacks.

Exhibit 30. Non-White Population by Race as a Percent of Total Population, Ashland and Jackson County, 2014–2018

Source: U.S. Census Bureau, 2000 Decennial Census Table P008, 2014–2018 ACS Table B02001.



Household Size and Composition

Ashland’s household composition shows that households in Ashland are different compared households in Jackson County and Oregon. In that, over half of Ashland’s households (53%) are comprised of non-family households (i.e., one-person households or two or more unrelated people living together), compared to 36% in Jackson County and 37% in Oregon. On average, Ashland’s households are smaller than Jackson County’s and Oregon’s households.

Ashland’s average household size was smaller than Jackson County and Oregon’s.

Exhibit 31. Average Household Size, Ashland, Jackson County, and Oregon, 2014-2018

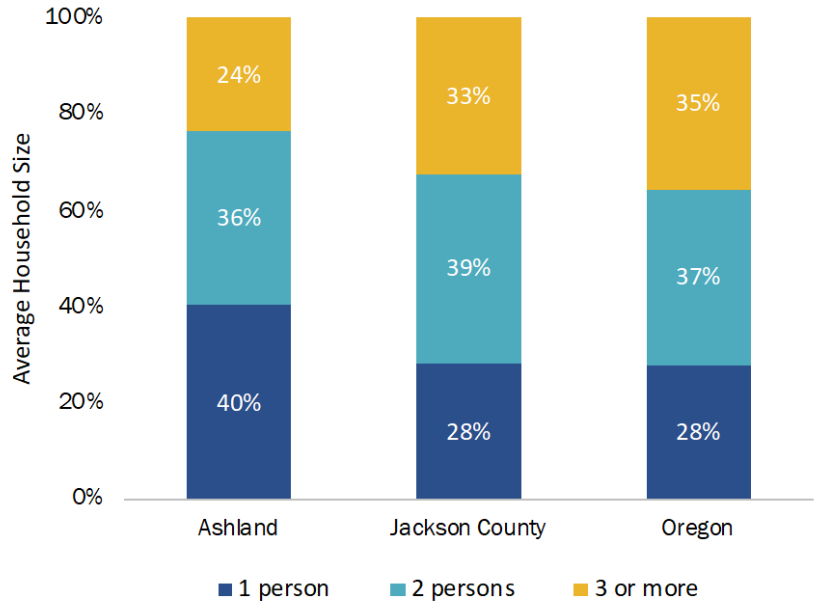
Source: U.S. Census Bureau, 2014-2018 ACS 5-year estimate, Table B25010.



Ashland had a larger share of one-person households compared to the County and State.

Exhibit 32. Household Size, Ashland, Jackson County, and Oregon, 2014-2018

Source: U.S. Census Bureau, 2014-2018 ACS 5-year estimate, Table B25010.

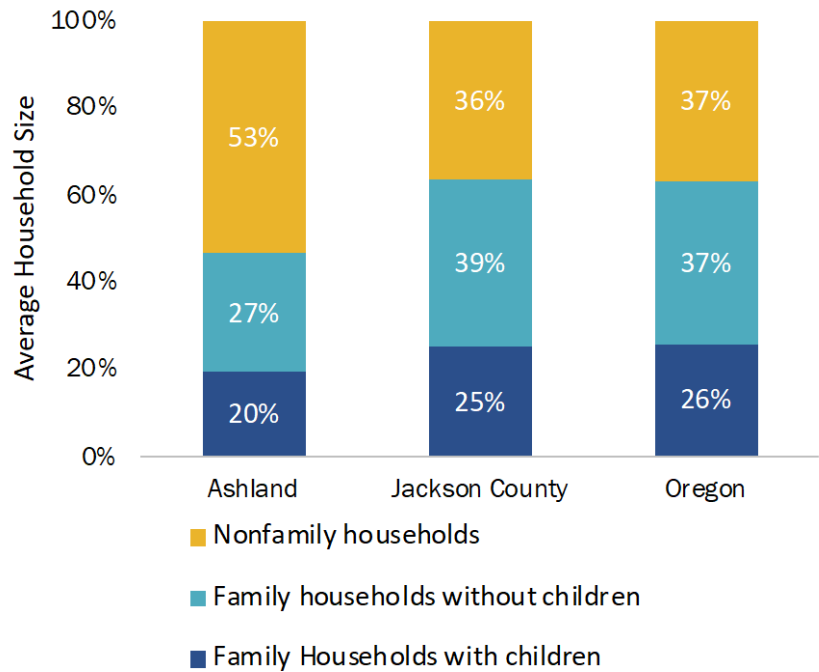


Ashland had a larger share of nonfamily households than Jackson County and Oregon.

About 20% of Ashland households were family households with children, compared with 25% of Jackson County households and 26% of Oregon households.

Exhibit 33. Household Composition, Ashland, Jackson County, Oregon, 2014-2018

Source: U.S. Census Bureau, 2014-2018 ACS 5-year estimate, Table DP02.



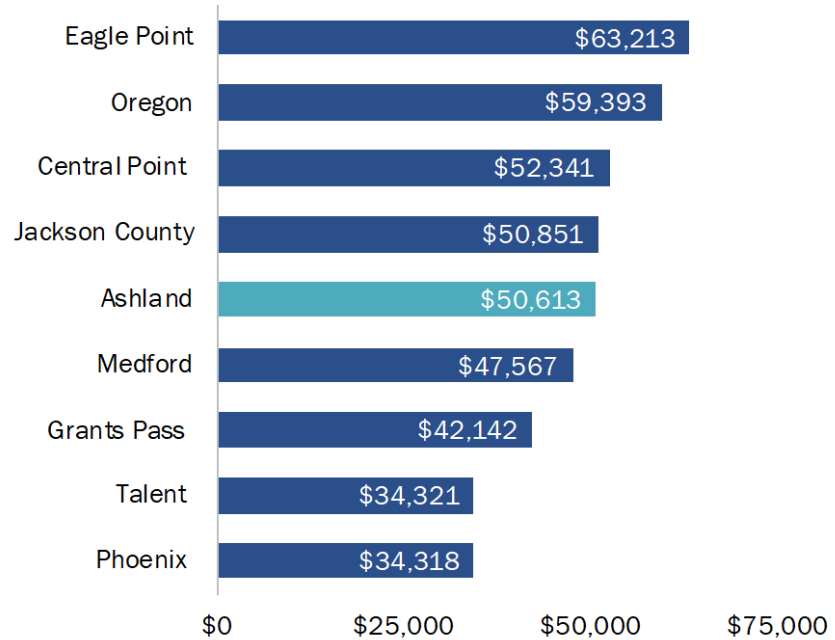
Income of Ashland Residents

Income is one of the key determinants in housing choice and households' ability to afford housing. Income for residents living in Ashland is lower than the Jackson County median household income and Oregon median household income.

In the 2014-2018 period, Ashland's median household income (\$50,613) was similar to the counties, but about \$8,700 less than the state's median household income (MHI).

Exhibit 34. Median Household Income, Ashland, Jackson County, Oregon, and Comparison Cities, 2014-2018

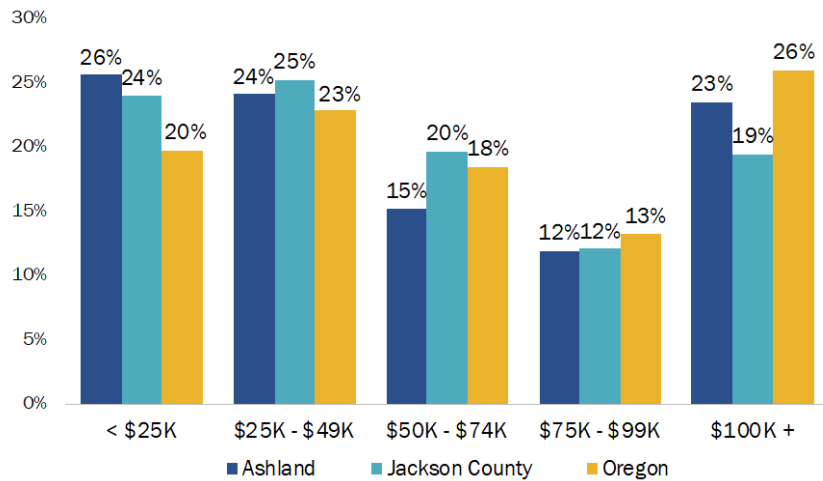
Source: U.S. Census Bureau, 2014-2018 ACS 5-year estimate, Table B19013.



In the 2014-2018 period, about 50% of Ashland's households earned less than \$50,000 per year, compared to 49% of Jackson County's households and 42% of Oregon's households.

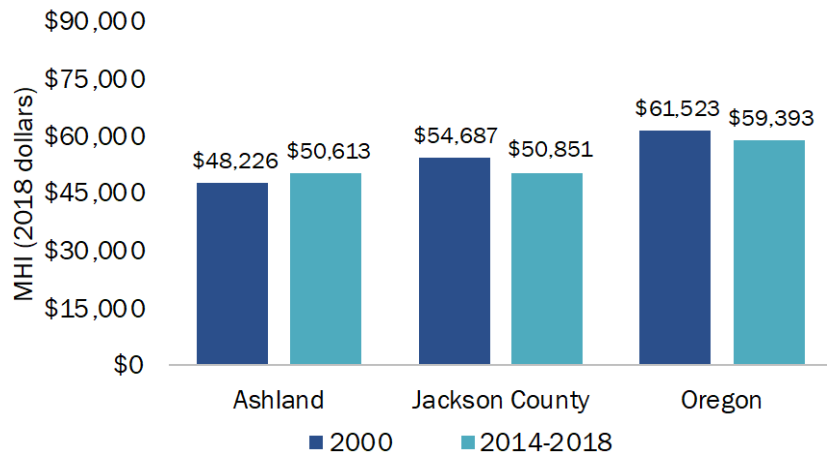
Exhibit 35. Household Income, Ashland, Jackson County, and Oregon, 2014-2018

Source: U.S. Census Bureau, 2014-2018 ACS 5-year estimate, Table B19001.



From 2000 to the 2014-2018 period, and after adjusting for inflation, Ashland's median household income (MHI) increased by 5% or about \$2,400.

Exhibit 36. Change in Median Household Income (2018 inflation-adjusted), Ashland, Jackson County, Oregon, 2000 to 2014-2018, Source: U.S. Census Bureau, 2000 Decennial Census, Table HCT012; 2014-2018 ACS 5-year estimate, Table B25119.



Earnings for females in Ashland were lower than for males, consistent with countywide averages.

Females in Ashland had average earnings that were 78% of male earnings, compared to 75% for the county average

Exhibit 37. Mean Earnings in the Last Year by Sex (2018 dollars), Ashland, Jackson County, Oregon, 2014-2018,

Source: U.S. Census Bureau, 2014-2018 ACS 5-year estimate, Table S2001.

Estimate	Jackson County		Ashland	
	Male	Female	Male	Female
Mean Earnings (Full-time, year-round workers)	\$60,054	\$45,324	\$77,583	\$60,786

Commuting Trends

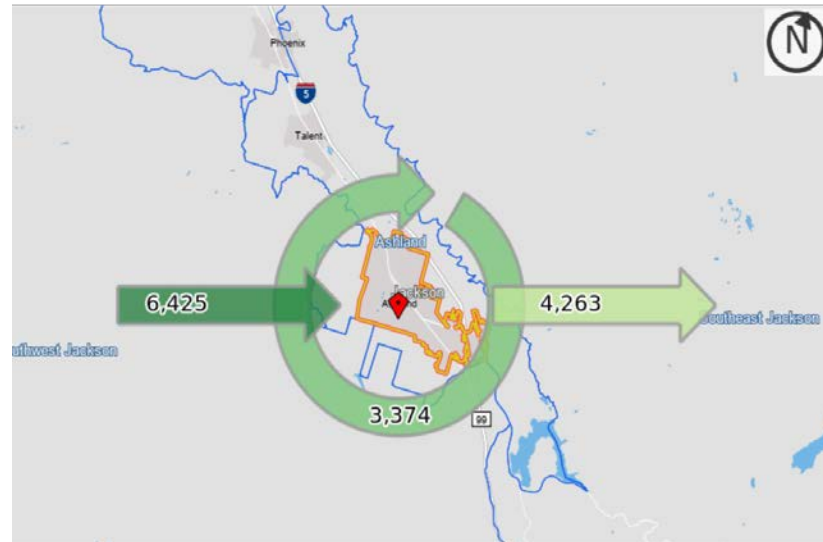
Ashland is part of the complex, interconnected economy of Southern Oregon. Of the more than 9,799 people who work in Ashland, 66% of workers commuted into Ashland from other areas, most notably Medford. More than 4,000 residents of Ashland commute out of the city for work, many of them to Medford.

About 6,400 people commuted into Ashland for work and more than 4,200 people living in Ashland commuted out of the city for work.

About 3,400 people lived and worked in Ashland.

Exhibit 38. Commuting Flows, Ashland, 2017

Source: U.S. Census Bureau, Census On the Map.



About 34% of people who worked at businesses in Ashland also lived in Ashland.

Exhibit 39. Places Where Workers at Businesses in Ashland Lived, 2017

Source: U.S. Census Bureau, Census On the Map.



About 44% of Ashland residents worked in Ashland.

Exhibit 40. Places Where Ashland Residents were Employed, 2017

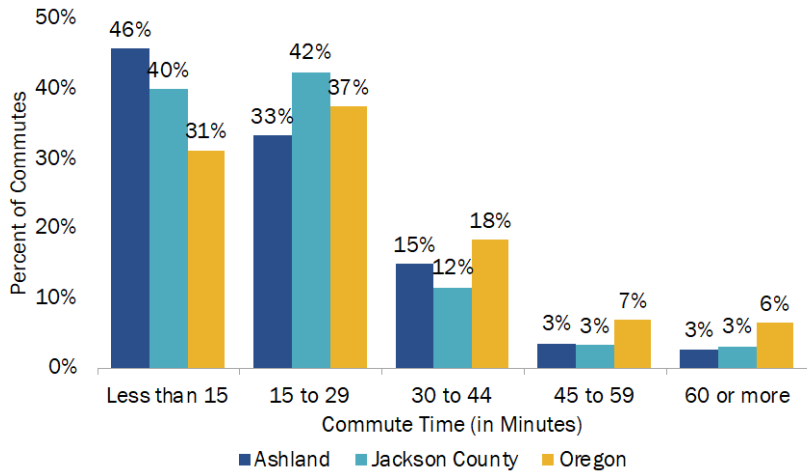
Source: U.S. Census Bureau, Census On the Map.



Almost half of Ashland residents (46%) had a commute time that took less than 15 minutes.

Exhibit 41. Commute Time by Place of Residence, Ashland, Jackson County, Oregon, 2014-2018

Source: U.S. Census Bureau, 2014-2018 ACS 5-year estimate, Table B08303.



Populations with Special Needs

People Experiencing Homelessness

Gathering reliable data from individuals experiencing homelessness is difficult precisely because they are unstably housed. People can cycle in and out of homelessness and move around communities and shelters. Moreover, the definition of homelessness can vary between communities. Individuals and families temporarily living with relatives or friends are insecurely housed, but they are often neglected from homelessness data. Even if an individual is identified as lacking sufficient housing, they may be reluctant to share information. As a result, information about people experiencing homelessness in Ashland is not readily available.

This section presents information about people experiencing homelessness in Jackson County based on the following sources of information:

- **Point-in-Time (PIT) count:** The PIT count is a snapshot of individuals experiencing homelessness on a single night in a community. It records the number and characteristics (e.g., race, age, veteran status) of people who live in emergency shelters, transitional housing, rapid re-housing, Safe Havens, or PSH; as well as recording those who are unsheltered. HUD requires that communities and Continuums of Care (CoC) perform the PIT count during the last ten days of January on an annual basis for sheltered people and on a biennial basis for unsheltered people. Though the PIT count is not a comprehensive survey, it serves as a measure of homelessness at a given point of time and is used for policy and funding decisions.
- **McKinney Vento data:** The McKinney Vento Homeless Assistance Act authorized, among other programs, the Education for Homeless Children and Youth (EHCY) Program to support the academic progress of children and youths experiencing homelessness. The U.S. Department of Education works with state coordinators and local liaisons to collect performance data on students experiencing homelessness. The data records the number of school-aged children who live in shelters or hotels/motels and those who are doubled up, unsheltered, or unaccompanied. This is a broader definition of homelessness than that used in the PIT.

Although these sources of information are known to undercount people experiencing homelessness, they are consistently available for counties in Oregon.

Jackson County's Point-in-Time Homeless count increased by 5% from 2015 to 2019.

Exhibit 42. Number of Persons Homeless, Jackson County, Point-in-Time Count, 2015, 2017, and 2019

Source: Oregon Housing and Community Services.

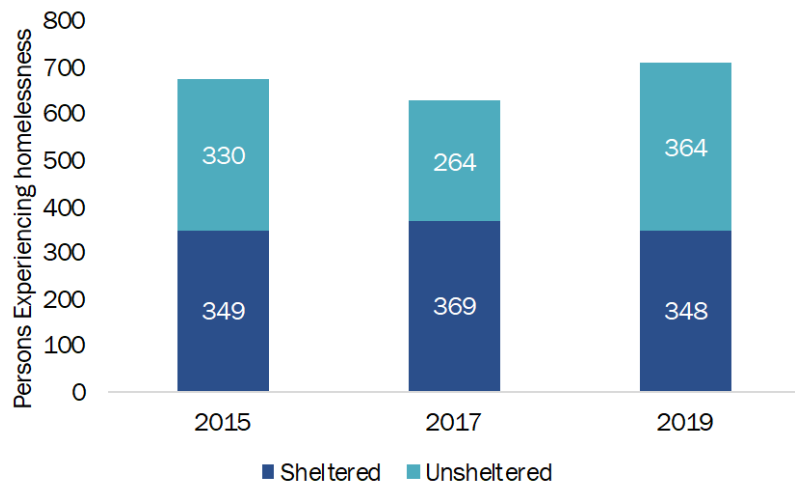
679 Persons
2015

633 Persons
2017

712 Persons
2019

Between 2015 and 2019, the number of persons that experienced sheltered homelessness stayed about the same while the number of persons that experienced unsheltered homelessness increased by about 10%.

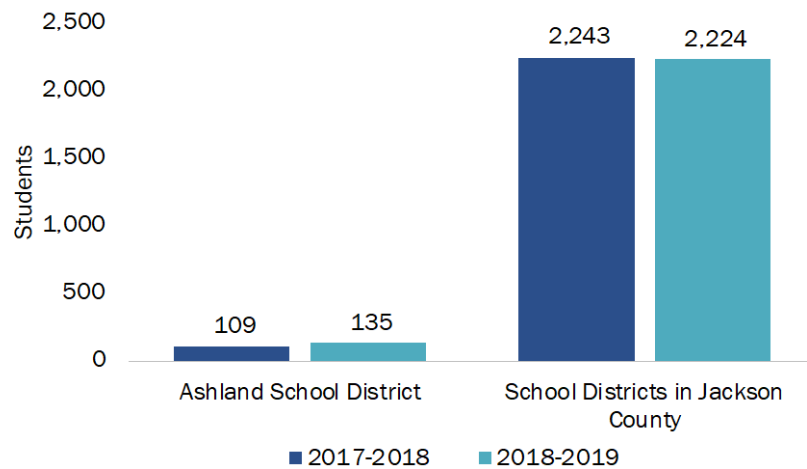
Exhibit 43. Number of Persons Homeless by Living Situation, Jackson County, Point-in-Time Count, 2015, 2017, and 2019
Source: Oregon Housing and Community Services.



About 135 students in the Ashland School District experiences homelessness in the 2018-2019 school year.

Jackson County comprises eight school districts. Of the total student population experiencing homelessness in these districts, 6% attended the Ashland School District in the 2018-2019 school year.

Exhibit 44. Number of Students Homeless by Living Situation, School District, 2017-2018 and 2018-2019
Source: McKinney Vento, 2017-18 and 2018-19 Homeless Student Data.

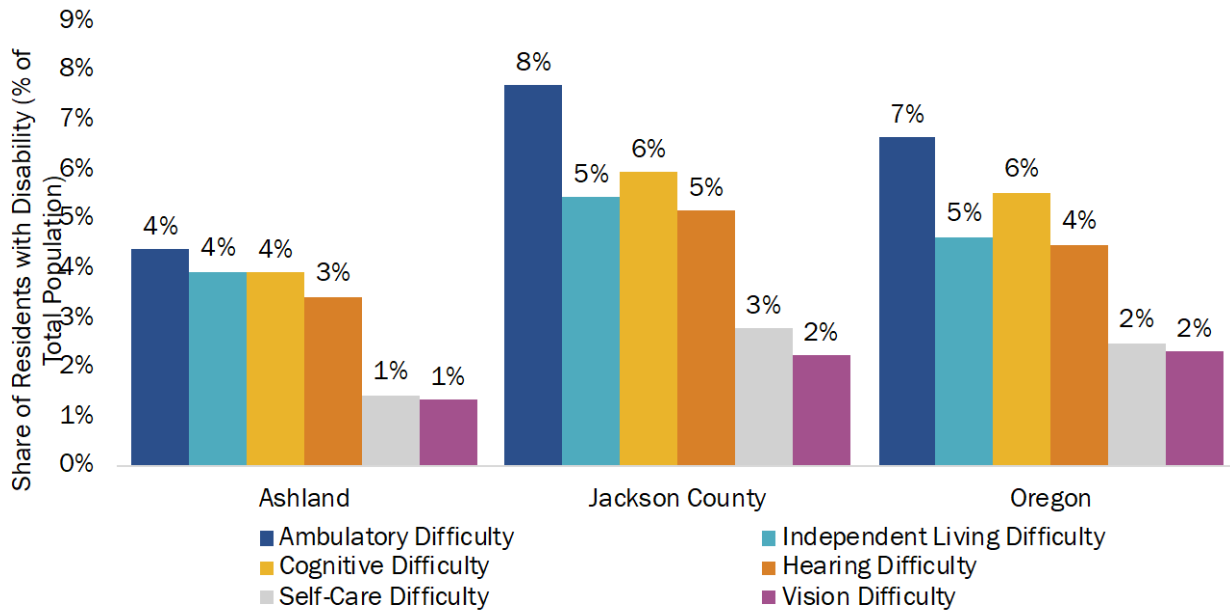


People with Disabilities

Exhibit 45 presents data on the share of residents living with disabilities in Ashland, Jackson County, and Oregon. Persons with disabilities often require special housing accommodations such as single-story homes or ground floor dwelling units, unit entrances with no steps, wheel in showers, widened doorways, and other accessibility features. Limited supply of these housing options poses additional barriers to housing access for these groups.

Exhibit 45. Persons Living with a Disability by Type and as a Percent of Total Population, Ashland, Jackson County, Oregon, 2014-2018

Source: U.S. Census Bureau 2014-2018 ACS, Table S1810_C02.



Regional and Local Trends Affecting Affordability in Ashland

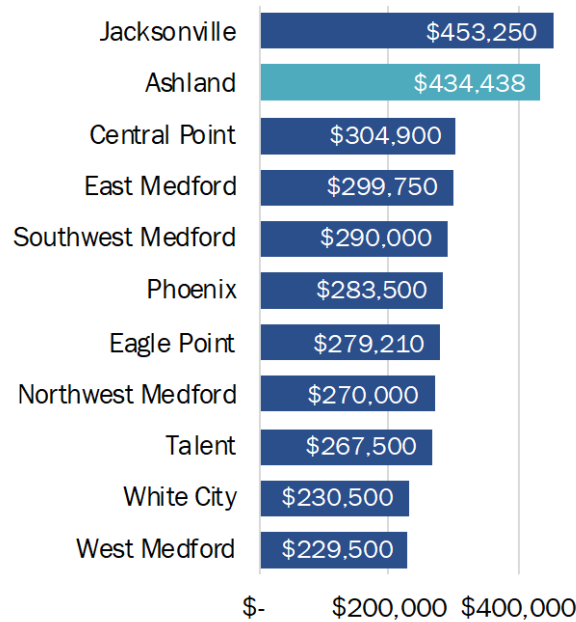
This section describes changes in sales prices, rents, and housing affordability in Ashland, compared to cities and submarkets in Southern Oregon, as well as Jackson County and Oregon.

Changes in Housing Costs

Ashland’s median home sales price was higher than most other Southern Oregon submarkets.

Exhibit 46. Median Home Sales Price, Ashland and Comparison Cities, August-October 2020

Source: Southern Oregon Multiple Listing Service.



Since 2017, the median price of a home in Ashland typically stayed above \$400,000.

Exhibit 47. Median Home Sales Price, Ashland and Comparison Cities, 2017 through 2020

Source: Southern Oregon Multiple Listing Service.

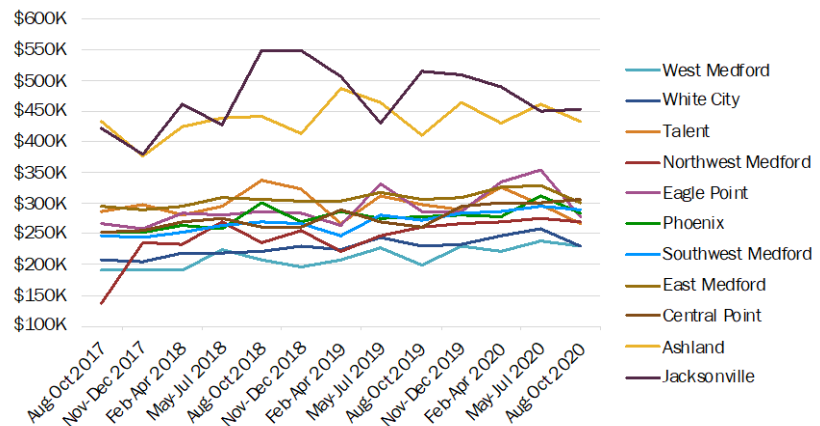
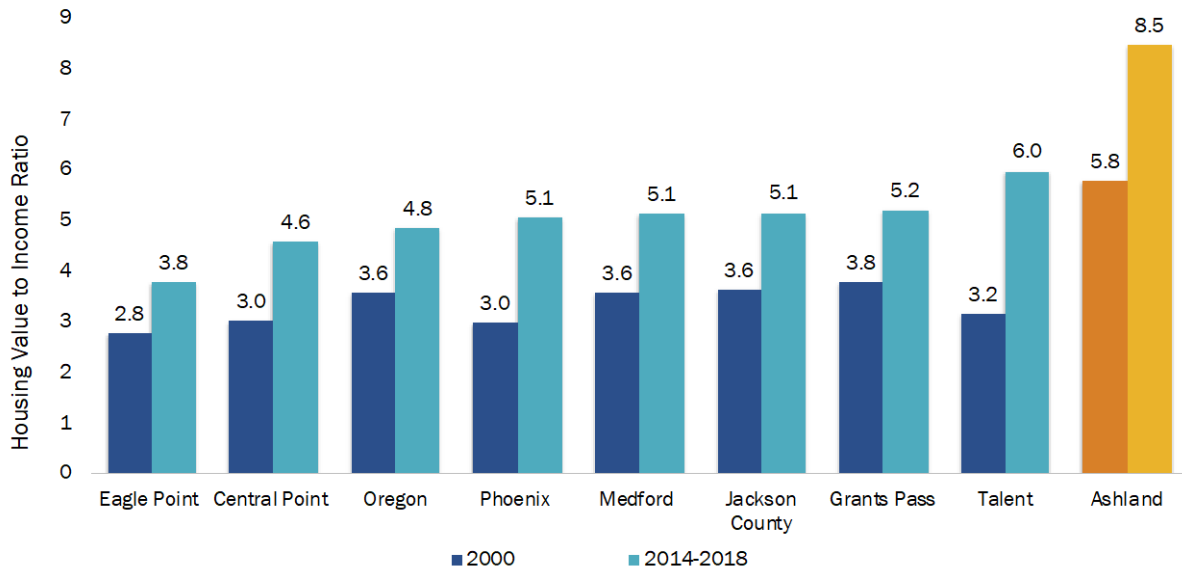


Exhibit 48 shows that, since 2000, housing costs in Ashland have increased faster than incomes, and to a greater degree than in Jackson County and Oregon. The household reported median value of a house in Ashland was 5.8 times the median household income (MHI) in 2000, and 8.5 times MHI in the 2014-2018 period. Decline of housing affordability was also more extreme in Ashland compared to other cities within the region.

Exhibit 48. Ratio of Median Housing Value to Median Household Income, Ashland, Jackson County, Oregon, and Comparison Cities, 2000 to 2014-2018⁴⁴

Source: U.S. Census Bureau, 2000 Decennial Census, Tables HCT012 and H085, and 2014-2018 ACS, Tables B19013 and B25077.



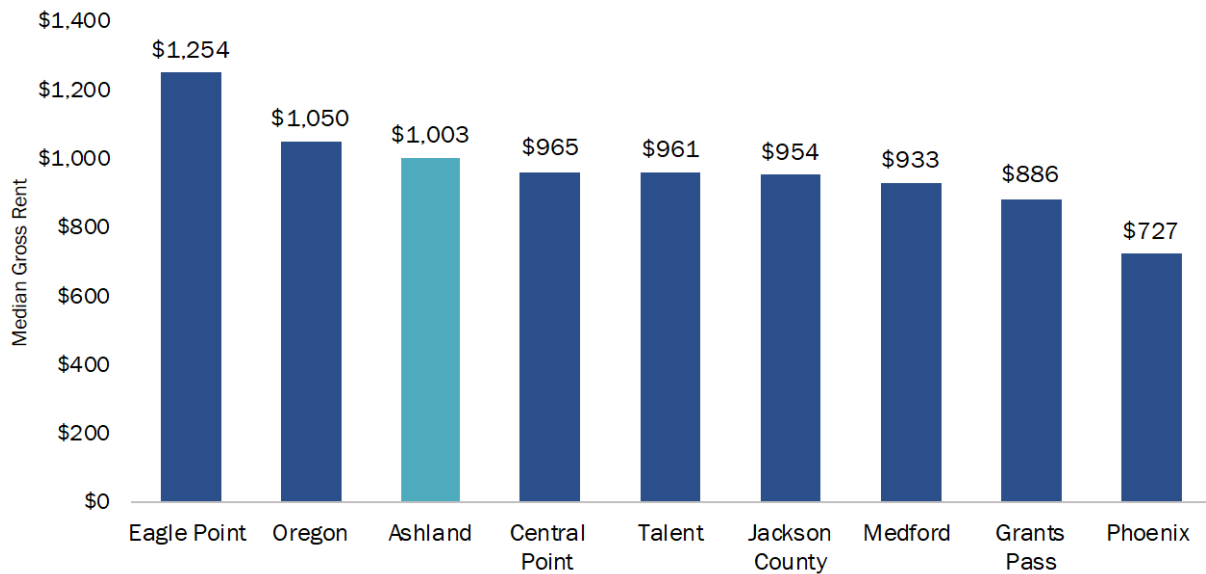
⁴⁴ This ratio compares the median value of housing in Ashland (and other places) to the median household income. Inflation-adjusted median owner values in Ashland increased from \$278,840 in 2000 to \$4,28,100 in 2014-2018. Over the same period, inflation-adjusted median income increased from \$48,226 to \$50,613.

Rental Costs

Rent costs in Ashland are higher than average for Jackson County. The following charts show gross rent (which includes the cost of rent plus utilities). Exhibit 49 shows that the median gross rent in Ashland was \$1,003 in the 2014-2018 period. However, in a review of currently available rental properties as of December 2020, the typical rent for a two-bedroom unit ranged from \$1,145 to \$1,560 and the typical rent for a three-bedroom unit ranged from \$1,595 to \$1,995 (CPM Real Estate Services).

Exhibit 49. Median Gross Rent, Ashland, Jackson County, Oregon, 2014-2018

Source: U.S. Census Bureau, 2014-2018 ACS 5-year estimate, Table B25064.



About 52% of renters in Ashland paid less than \$1,000 per month.

About 32% of Ashland's renters paid \$1,250 or more in gross rent per month.

Exhibit 50. Gross Rent, Ashland, Jackson County, Oregon, 2014-2018

Source: U.S. Census Bureau, 2014-2018 ACS Table B25063.

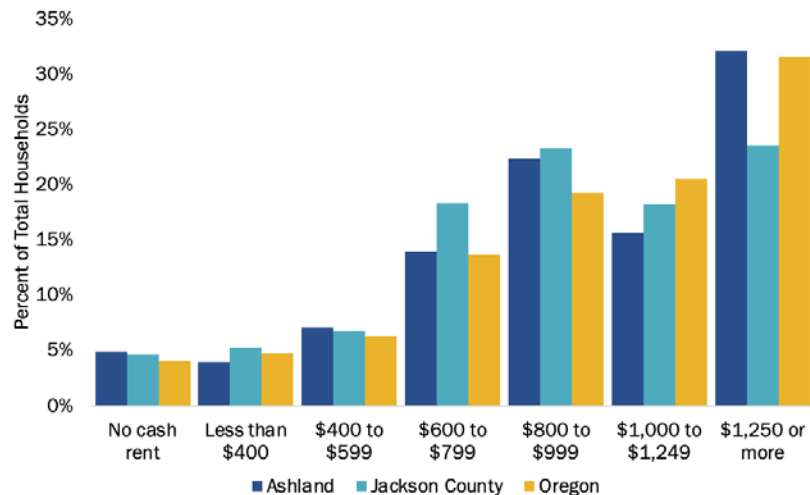


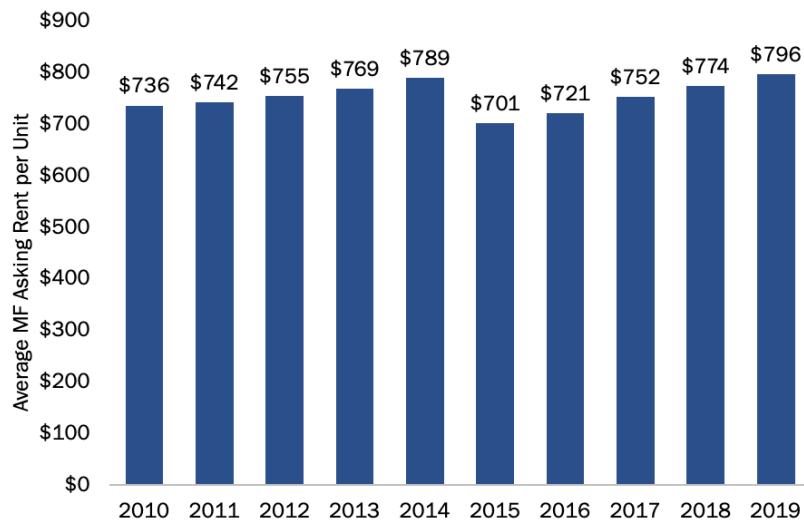
Exhibit 51 shows asking rent for multifamily housing in Ashland based on CoStar data. Additional research shows that asking rents for currently available rental properties in Ashland in December 2020 were \$1,145 to \$1,560 for a 2-bedroom unit and \$1,595 to \$1,995 for a 3-bedroom unit.⁴⁵

The average asking price per multifamily unit in Ashland has increased steadily over the past few years after dropping slightly in 2015.

Between 2015 and 2019, Ashland’s average multifamily asking rent increased by about \$95, from \$701 per month to \$796 per month.

Exhibit 51. Average Multifamily Asking Rent per Unit, Ashland, 2010 through 2019

Source: CoStar.

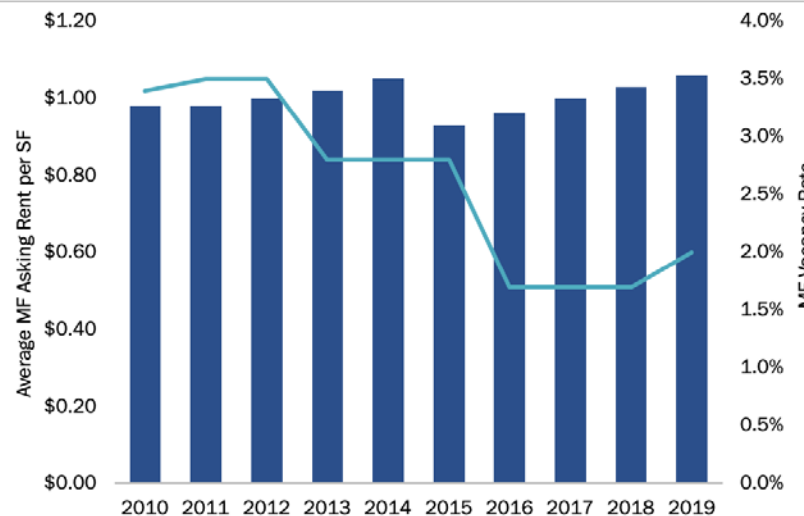


In 2019, Ashland’s average multifamily asking rent was \$1.06 per square foot, up from \$0.93 per square foot in 2015.

In this time, Ashland’s multifamily vacancy rate decreased from 2.8% in 2015 to 2.0% in 2019.

Exhibit 52. Average Multifamily Asking Rent per Square Foot and Average Multifamily Vacancy Rate, Ashland, 2010 through 2019

Source: CoStar.



⁴⁵ CMP Real Estate Services, Inc., December 2020.

Housing Affordability

A typical standard used to determine housing affordability is that a household should pay no more than a certain percentage of household income for housing, including payments and interest or rent, utilities, and insurance. The Department of Housing and Urban Development's guidelines indicate that households paying more than 30% of their income on housing experience "cost burden," and households paying more than 50% of their income on housing experience "severe cost burden." Using cost burden as an indicator is one method of determining how well a city is meeting the Goal 10 requirement to provide housing that is affordable to all households in a community.

About 45% of Ashland's households are cost burdened and 24% are severely cost burdened. About 63% of renter households are cost burdened, compared with 31% of homeowners. About 27% of households in Ashland are rent burdened households.⁴⁶ Overall, Ashland has a slightly larger share of cost-burdened households than Jackson County and Oregon.

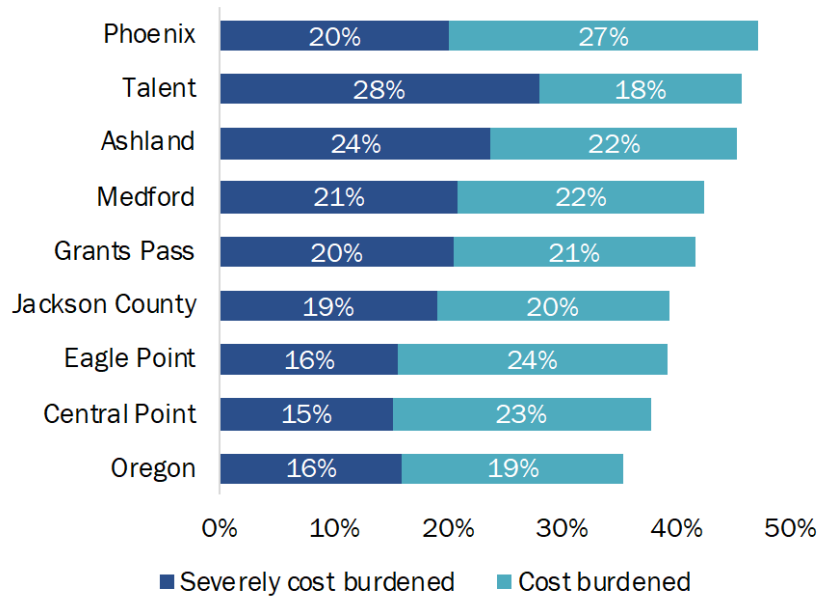
The information in this section does not reflect the impact of the Almeda wildfire, with destroyed more than 2,500 dwelling units located between Ashland and Medford. Many of these dwelling units were relatively affordable, such as manufactured housing. The loss of this housing decreased the supply of affordable housing and increases need for it, within the region and within Ashland.

⁴⁶ Cities with populations >10,000 are required, per HB 4006, to assess "rent burden" if more than 50% of renters are cost burdened. In Ashland as of the 2014-2018 period, 63% of total renters were cost burdened.

Overall, about 46% of all households in Ashland were cost burdened.

Exhibit 53. Housing Cost Burden, Ashland, Jackson County, Oregon, and Comparison Cities, 2014-2018

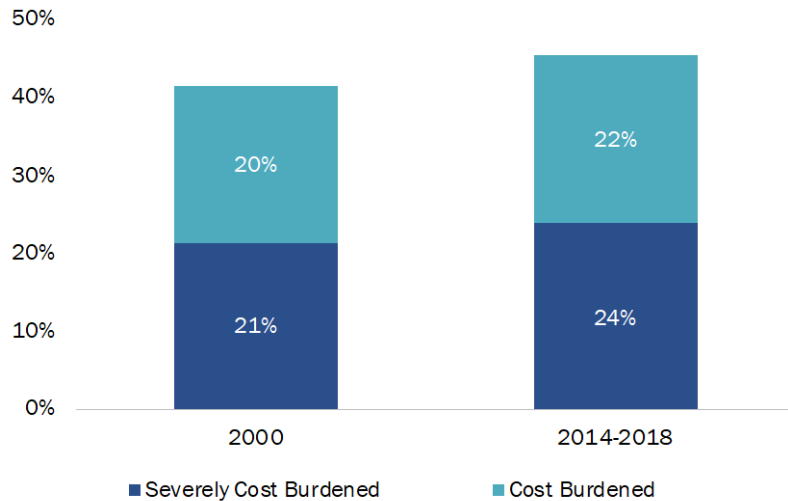
Source: U.S. Census Bureau, 2014-2018 ACS Tables B25091 and B25070.



From 2000 to the 2014-2018 period, the number of cost-burdened and severely cost-burdened households increased slightly.

Exhibit 54. Change in Housing Cost Burden, Ashland, 2000 to 2014-2018

Source: U.S. Census Bureau, 2000 Decennial Census, Tables H069 and H094 and 2014-2018 ACS Tables B25091 and B25070.

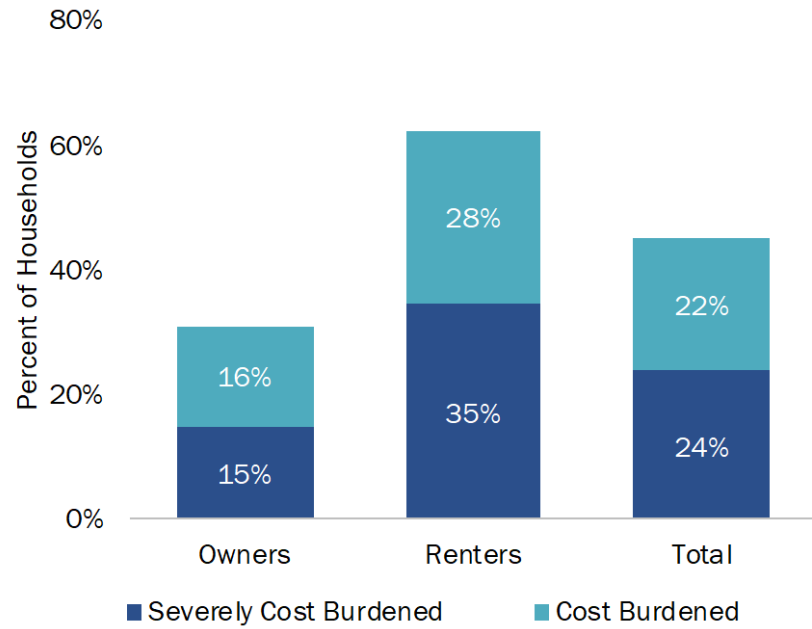


Renters were much more likely to be cost burdened than homeowners in Ashland.

In the 2014-2018 period, about 63% of Ashland’s renters were cost burdened or severely cost burdened, compared to 31% of homeowners.

About 35% of Ashland’s renters were severely cost burdened, meaning they paid 50% or more of their gross income on housing costs.

Exhibit 55. Housing Cost Burden by Tenure, Ashland, 2014-2018
Source: U.S. Census Bureau, 2014-2018 ACS Tables B25091 and B25070.



Nearly all of Ashland’s renter households earning less than \$20k per year were severely cost burdened, spending 50% or more of their income on housing costs.

Exhibit 56. Cost Burdened Renter Households, by Household Income, Ashland, 2014-2018
Source: U.S. Census Bureau, 2014-2018 ACS Table B25074.

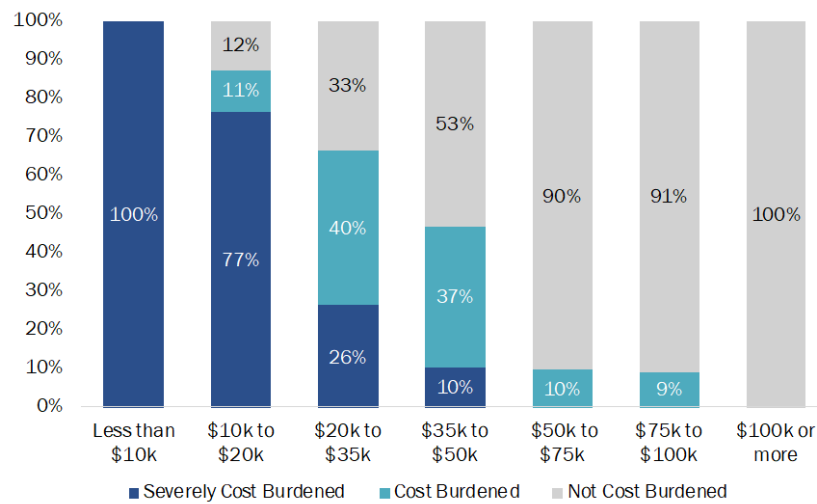


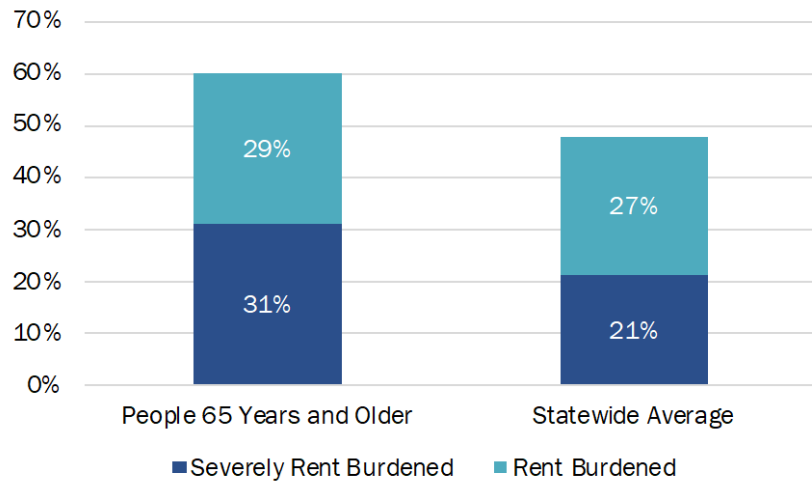
Exhibit 57 to Exhibit 59 show cost burden in Oregon for renter households for seniors, people of color, and people with disabilities.⁴⁷ This information is not readily available for a city with a population as small as Ashland, which is why we present regional information. These exhibits show that these groups experience cost burden at higher rates than the overall statewide average.

Renters 65 years of age and older were disproportionately rent burdened compared to the state average.

About 60% of renters aged 65 years and older were rent burdened, compared with the statewide average of 48% of renters.

Exhibit 57. Cost Burdened Renter Households, for People 65 Years of Age and Older, Oregon, 2018

Source: S. Census, 2018 ACS 1-year PUMS Estimates. From the Report *Implementing a Regional Housing Needs Analysis Methodology in Oregon: Approach, Results, and Initial Recommendations* by ECONorthwest, August 2020.

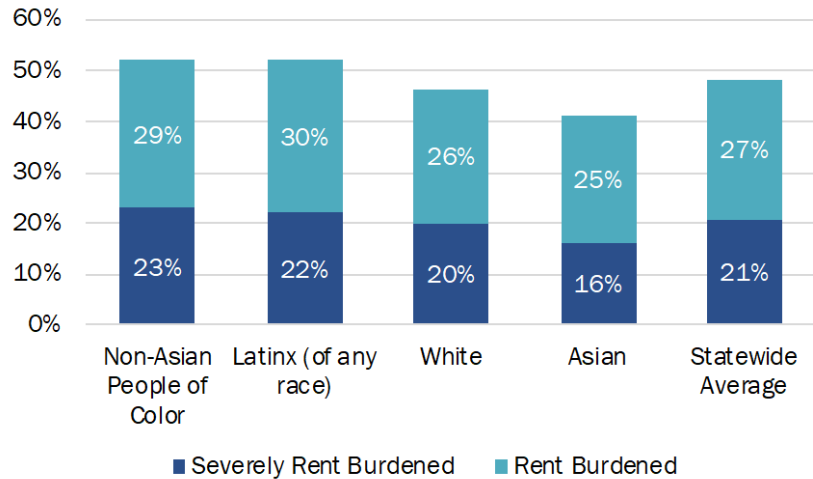


⁴⁷ From the report *Implementing a Regional Housing Needs Analysis Methodology in Oregon*, prepared for Oregon Housing and Community Services by ECONorthwest, March 2021.

Compared to the average renter household in Oregon, those that identified as a non-Asian person of color or as Latino were disproportionately rent burdened.

Exhibit 58. Cost Burdened Renter Households, by Race and Ethnicity, Oregon, 2018

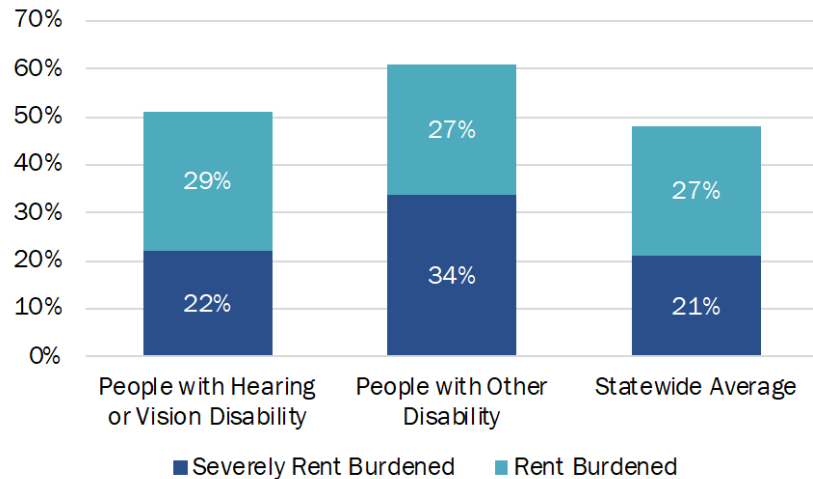
Source: U.S. Census, 2018 ACS 1-year PUMS Estimates. From the Report *Implementing a Regional Housing Needs Analysis Methodology in Oregon: Approach, Results, and Initial Recommendations* by ECONorthwest, August 2020.



Renters with a disability in Oregon were disproportionately cost burdened compared with the statewide average.

Exhibit 59. Cost Burdened Renter Households, for People with Disabilities, Oregon, 2018

Source: S. Census, 2018 ACS 1-year PUMS Estimates. From the Report *Implementing a Regional Housing Needs Analysis Methodology in Oregon: Approach, Results, and Initial Recommendations* by ECONorthwest, August 2020.



While cost burden is a common measure of housing affordability, it does have some limitations. Two important limitations are:

- A household is defined as cost burdened if the housing costs exceed 30% of their income, regardless of actual income. The remaining 70% of income is expected to be spent on non-discretionary expenses, such as food or medical care, and on discretionary expenses. Households with higher incomes may be able to pay more than 30% of their income on housing without impacting the household’s ability to pay for necessary non-discretionary expenses.
- Cost burden compares income to housing costs and does not account for accumulated wealth. As a result, the estimate of how much a household can afford to pay for housing does not include the impact of a household’s accumulated wealth. For example, a household of retired people may have relatively low income but may have accumulated assets (such as profits from selling another house) that allow them to purchase a house that would be considered unaffordable to them based on the cost burden indicator.
- Cost burden does not account for debts, such as college loans, credit card debt, or other debts. As a result, households with high levels of debt may be less able to pay up to 30% of their income for housing costs.

Another way of exploring the issue of financial need is to review housing affordability at varying levels of household income. Exhibit 60 and Exhibit 61 provide some information about housing costs and necessary wages to afford housing in Jackson County.

Fair Market Rent for a 2-bedroom apartment in Jackson County is \$1,039.

Exhibit 60. HUD Fair Market Rent (FMR) by Unit Type, Jackson County, 2021

Source: U.S. Department of Housing and Urban Development.

\$727	\$788	\$1,039	\$1,487	\$1,799
Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom

A household must earn at least \$17.98 per hour to afford a two-bedroom unit at Fair Market Rent (\$1,039) in Jackson County.

Exhibit 61. Affordable Housing Wage, Jackson County, 2021

Source: U.S. Department of Housing and Urban Development; Oregon Bureau of Labor and Industries.

\$17.98 per hour

Affordable housing wage for two-bedroom unit in Jackson County

A household earning median family income (\$65,100) can afford a monthly rent of about \$1,600 or a home roughly valued between \$228,000 and \$260,000. Exhibit 63 shows that about 35% of Ashland’s households earn less than \$32,550 (less than 50% of MFI) and cannot afford a two-bedroom apartment at Jackson County’s Fair Market Rent (FMR) of \$1,043.

To afford the average asking rent for a 2-bedroom unit of \$1,145 to \$1,560, a household would need to earn about \$46,000 to \$62,000 or 70% to 96% of MFI. About 45% of Ashland’s households earn less than \$50,000 and cannot afford these rents. In addition, about 19% of Ashland’s households have incomes of less than \$19,500 (30% of MFI) and are at-risk of becoming homeless.

To afford the median home sales price of \$435,000, a household would need to earn about \$109,000 or 167% of MFI. Less than one-quarter of Ashland’s households have income sufficient to afford this median home sales price.

Exhibit 62. Financially Attainable Housing, by Median Family Income (MFI) for Jackson County (\$65,100), Ashland, 2020

Source: U.S. Department of Housing and Urban Development, Jackson County, 2020. Oregon Employment Department.

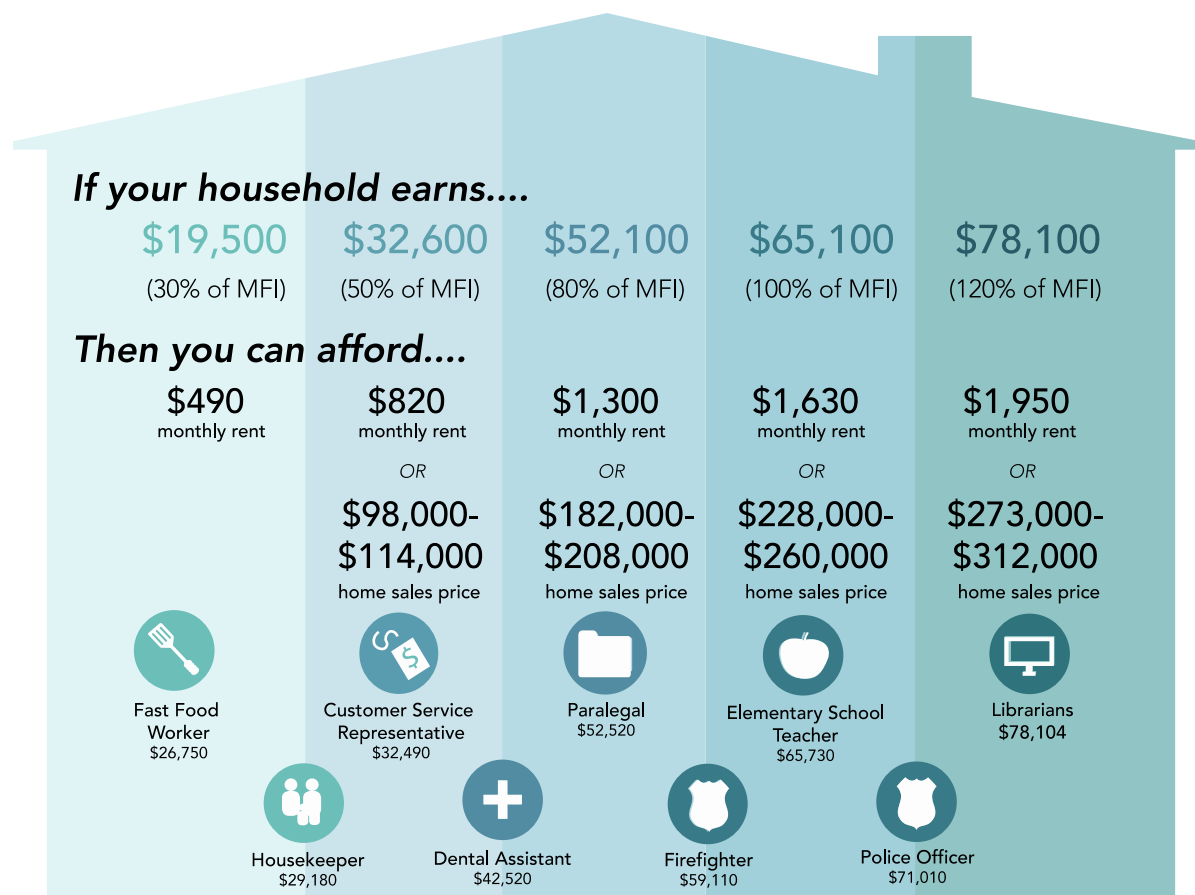


Exhibit 63. Share of Households MFI for Jackson County (\$65,100), Ashland, 2019

Source: U.S. Department of HUD, Jackson County, 2020. U.S. Census Bureau, 2015-2019 ACS Table 19001.

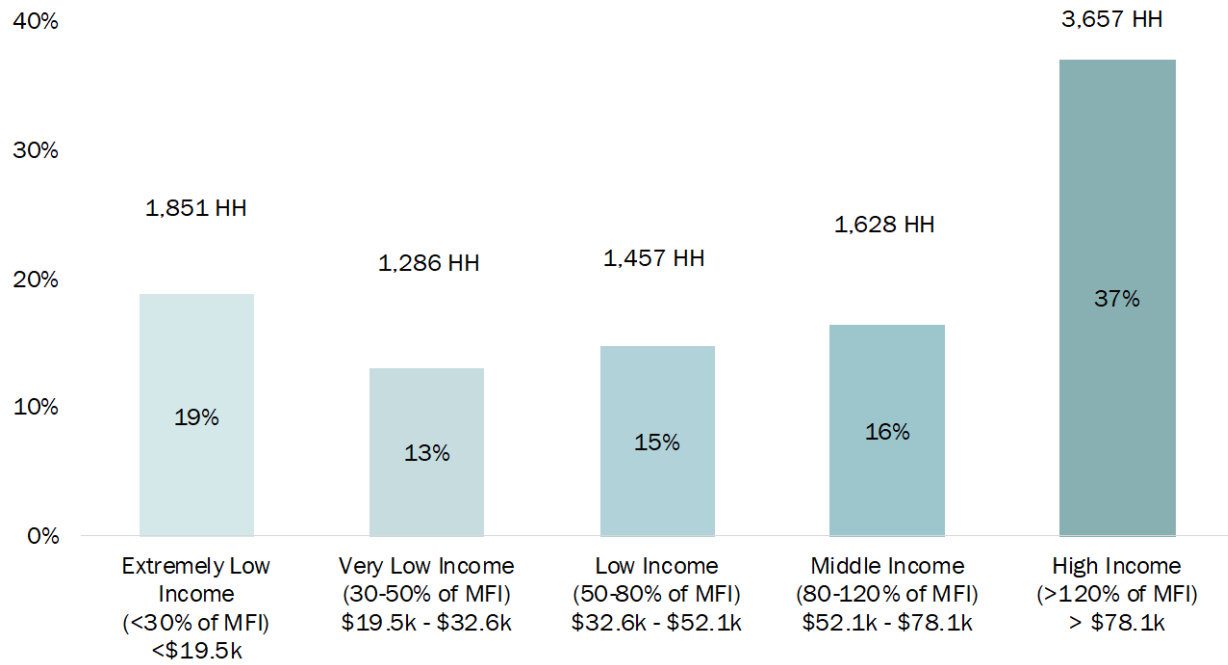


Exhibit 64 illustrates the types of financially attainable housing by income level in Jackson County. Generally speaking, however lower-income households will be renters occupying existing housing. Newly built housing will be a combination of renters (most likely in multifamily housing) and homeowners. The types of housing affordable for the lowest income households is limited to government subsidized housing, manufactured housing, lower-cost single-family housing, and multifamily housing. The range of financially attainable housing increases with increased income.

Exhibit 64. Types of Financially Attainable Housing by Median Family Income (MFI) for Jackson County (\$65,100), Ashland, 2020

Source: U.S. Department of Housing and Urban Development, Ashland, 2020. Oregon Employment Department.

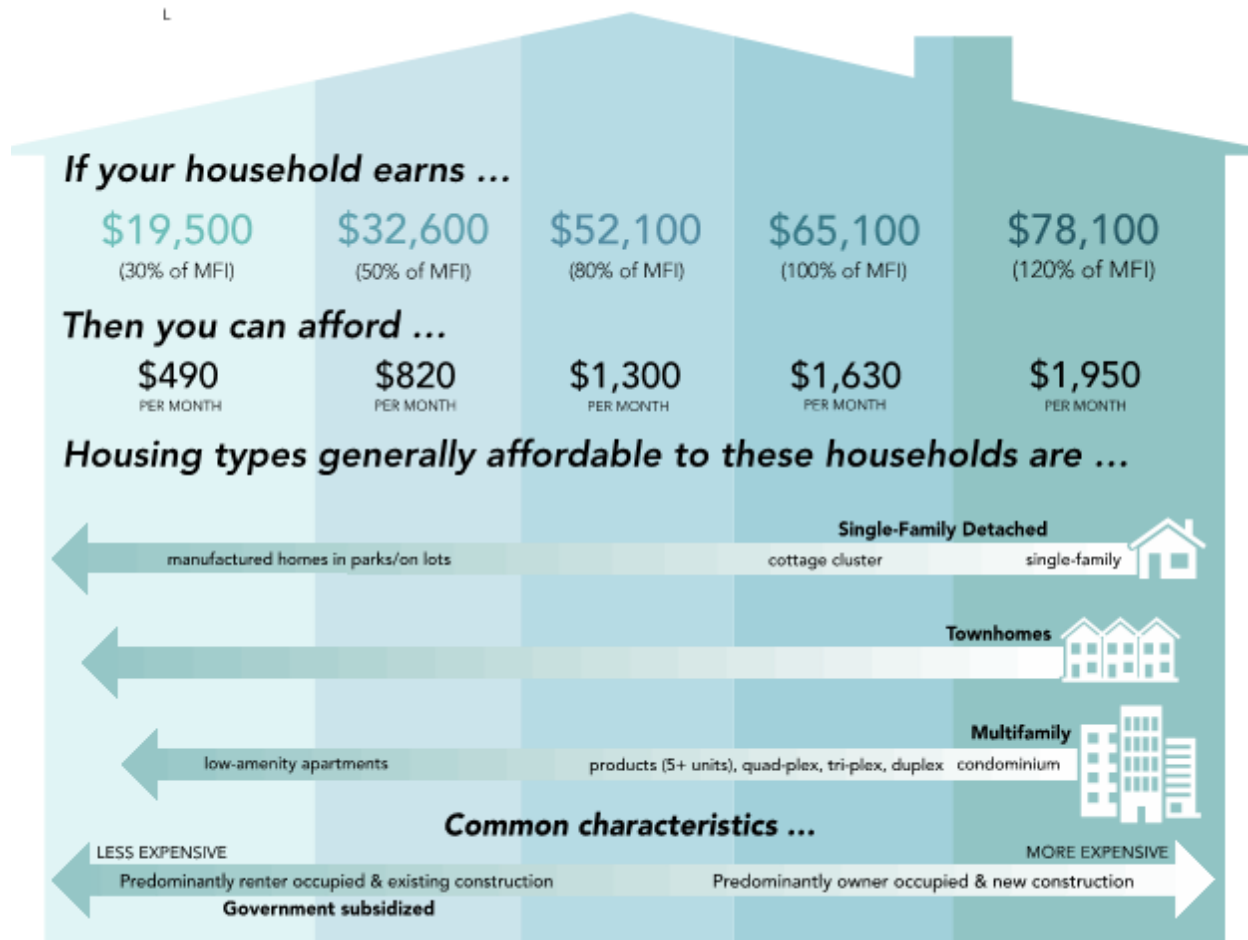


Exhibit 65 compares the number of households by income category with the number of units affordable to those households in Ashland. Ashland currently has a deficit of housing units for households earning 0-50% of the MFI (less than \$32,500 per year) with nearly 40% of households occupying units that are not affordable to their income level, resulting in cost burden of these households. Similarly, approximately 26% of Ashland households with incomes that are 50-80% of the MFI (\$32,500 to \$52,080) are cost burdened.

This indicates a deficit of more affordable housing types (such as government-subsidized housing, existing lower-cost apartments, and manufactured housing). For households earning more than 80% of the MFI, 26% are renting or buying down, which means that they are occupying units affordable to lower income households. These households could afford more costly housing but either choose to live in less costly housing or cannot find higher cost housing that meets their needs.

Exhibit 65. Unit Affordability by Household Income, Ashland, 2013-2017

Source: CHAS, 2013-2017, Table 18.

Unit Affordability	Household Income			
	0-50% MFI \$0 to \$32,500	50-80% MFI \$32,500 to \$52,080	80%+ MFI \$52,080 +	
0-50%	560	855	983	*Renting/
50-80%	100	430	838	Buying Down*
+80%	270	444	5244	

Summary of the Factors Affecting Ashland's Housing Needs

The purpose of the analysis thus far has been to provide background on the kinds of factors that influence housing choice. While the number and interrelationships among these factors ensure that generalizations about housing choice are difficult to make and prone to inaccuracies, it is a crucial step to informing the types of housing that will be needed in the future.

There is no question that age affects housing type and tenure. Mobility is substantially higher for people aged 20 to 34. People in that age group will also have, on average, less income than people who are older and they are less likely to have children. These factors mean that younger households are much more likely to be renters, and renters are more likely to be in multifamily housing.

The data illustrates what more detailed research has shown and what most people understand intuitively: life cycle and housing choice interact in ways that are predictable in the aggregate; age of the household head is correlated with household size and income; household size and age of household head affect housing preferences; and income affects the ability of a household to afford a preferred housing type. The connection between socioeconomic and demographic factors and housing choice is often described informally by giving names to households with certain combinations of characteristics: the "traditional family," the "never-marrieds," the "dinks" (dual-income, no kids), and the "empty-nesters."⁴⁸ Thus, simply looking at the long wave of demographic trends can provide good information for estimating future housing demand.

Still, one is ultimately left with the need to make a qualitative assessment of the future housing market. The following is a discussion of how demographic and housing trends are likely to affect housing in Ashland over the next 20 years:

- **Growth in housing will be driven by growth in population.** Between 2000 and 2019, Ashland's population grew by 1,438 people (7%). The population in Ashland's UGB is forecasted to grow from 21,936 people to 23,627 people, an increase of 1,691 residents (8%) between 2021 and 2041.⁴⁹
- **Housing affordability is a growing challenge in Ashland.** Housing affordability is a challenge in most of the Southern Oregon region in general, and Ashland is affected by these regional trends. Housing prices are increasing faster than incomes in Ashland and Jackson County, which is consistent with state and national challenges. Ashland has a modest supply of multifamily housing (about 25% of the city's housing stock), but over half of renter households are cost burdened (63%).

⁴⁸ See *Planning for Residential Growth: A Workbook for Oregon's Urban Areas* (June 1997).

⁴⁹ This forecast is based on Jackson County's certified population estimate and official forecast from the Oregon Population Forecast Program for the 2021 to 2041 period, shown in Exhibit 22.

Ashland's key challenge over the next 20 years is providing opportunities for development of relatively affordable housing of all types, such as lower-cost single-family housing, townhomes, cottage housing, duplexes, tri- and quad-plexes, market-rate multifamily housing, and government-subsidized affordable housing.

In addition, the region has a lack of housing and services for people experiencing homelessness. Ashland can play a role in both addressing housing needs of people currently experiencing homelessness and ensuring that people at risk of homelessness do not become homeless. About 19% of Ashland's households have income below 30% of MFI and are at-risk of becoming homeless.

- **Without substantial changes in housing policy, on average, future housing will look a lot like past housing.** That is the assumption that underlies any trend forecast, and one that is important when trying to address demand for new housing.

The City's residential policies can impact the amount of change in Ashland's housing market to some degree. If the City adopts policies to increase opportunities to build smaller-scale single-family and a wide range of multifamily housing types (particularly multifamily that is affordable to low- and moderate-income households), a larger percentage of new housing developed over the next 20 years in Ashland may begin to address the city's needs. Examples of policies that the City could adopt to achieve this outcome include: increasing the allowable densities in the Multi-Family Residential (R-2), High Density Residential (R-3), and parts of the Normal Neighborhood Plan Designations; evaluating decreasing multifamily parking requirements; increasing the supply of High Density Residential lands by rezoning lands within lower density Plan Designations that have a surplus of capacity; supporting development of income-restricted affordable housing through use of incentives like the Multiple Unit Property Tax Exemption; and identifying opportunities to participate in a land bank and/or land trust to support development of affordable housing.

If the future differs from the past, it is likely to move in the direction, on average, of smaller units and more diverse housing types. Most of the evidence suggests that the bulk of the change will be in the direction of smaller average house and lot sizes for single-family housing. This includes providing opportunities for the development of smaller single-family detached homes, townhomes, and multifamily housing. However, the impact of the 2020 COVID-19 pandemic may trigger a reversal of these trends, if more working-aged persons transition to permanent work-from-home situations.

Key demographic and economic trends that will affect Ashland's future housing needs are: (1) the aging of the baby boomers, (2) the aging of the millennials and Generation Z, and (3) the continued growth in Hispanic and Latino population.

- *The baby boomer's population is continuing to age.* The changes that affect Ashland's housing demand as the population ages are that household sizes and homeownership rates decrease. In addition, Ashland has a larger share of female population, who are on average older and have lower earnings than their male

counterparts. The majority of baby boomers are expected to remain in their homes as long as possible, downsizing or moving when illness or other issues cause them to move. Demand for specialized senior housing, such as age-restricted housing or housing in a continuum of care from independent living to nursing home care, may grow in Ashland.

- *Millennials and Generation Z will continue to form households and make a variety of housing choices.* As millennials and Generation Z age, generally speaking, their household sizes will increase, and their homeownership rates will peak by about age 55. Between 2021 and 2041, millennials and Generation Z will be a key driver in demand for housing for families with children. The ability to attract millennials will depend on the City's availability of renter and ownership housing that is large enough to accommodate families while still being relatively affordable. It will also depend on the location of new housing in Ashland as many millennials prefer to live in more urban environments.⁵⁰ The decline in homeownership among the millennial generation has more to do with financial barriers rather than the preference to rent.⁵¹ Housing preferences for Generation Z are not yet known but it is reasonable that they will also need affordable housing, both for rental and later in life for ownership. Some millennials and Generation Z households will occupy housing that is currently occupied but becomes available over the planning period, such as housing that is currently owned or occupied by Baby Boomers. Some need for housing large enough for families may be accommodated in these existing units.
- *The Latino population will continue to grow.* Latino population growth will be an important driver in growth of housing demand, both for owner- and renter-occupied housing. Growth in Latino households will drive demand for housing for families with children and possibly multiple-generation households. Given the lower income for Latino households on average (especially first-generation immigrants), growth in this group will also drive demand for affordable housing, both for ownership and renting.

In summary, an aging population, increasing housing costs, housing affordability concerns for Millennials, Generation Z, and Latino populations, and other variables are factors that support the conclusion of need for smaller and less expensive units and a broader array of housing choices.

⁵⁰ Choi, Hyun June; Zhu, Jun; Goodman, Laurie; Ganesh, Bhargavi; Strochak, Sarah. (2018). Millennial Homeownership, Why is it So Low, and How Can We Increase It? Urban Institute. https://www.urban.org/research/publication/millennial-homeownership/view/full_report

⁵¹ Ibid.

5. Housing Need in Ashland

Projected New Housing Units Needed in the Next 20 Years

The results of the Housing Capacity Analysis are based on: (1) the official population forecast for growth in Ashland over the 20-year planning period, (2) information about Ashland’s housing market relative to Jackson County, Oregon, and nearby cities, and (3) the demographic composition of Ashland’s existing population and expected long-term changes in the demographics of Jackson County.

Forecast for Housing Growth

This section describes key assumptions and presents an estimate of new housing units needed in Ashland between 2021 and 2041. The key assumptions are based on the best available data and may rely on safe harbor provisions, when available.⁵²

- **Population.** A 20-year population forecast (in this instance, 2021 to 2041) is the foundation for estimating needed new dwelling units. Ashland’s UGB will grow from 21,936 persons in 2021 to 23,627 persons in 2041, an increase of 1,691 people.⁵³
- **Persons in Group Quarters.**⁵⁴ Persons in group quarters do not consume standard housing units; any forecast of new people in group quarters is typically derived from the population forecast for the purpose of estimating housing demand. Group quarters can have a big influence on housing in cities with colleges (dorms), prisons, or a large elderly population (nursing homes). In general, any new requirements for these housing types will be met by institutions (colleges, government agencies, health-care corporations) operating outside what is typically defined as the housing market. Nonetheless, group quarters require residential land. They are typically built at densities that are comparable to that of multifamily dwellings.

⁵² A safe harbor is an assumption that a city can use in a Housing Capacity Analysis that the State has said will satisfy the requirements of Goal 14. OAR 660-024 defines a safe harbor as “... an optional course of action that a local government may use to satisfy a requirement of Goal 14. Use of a safe harbor prescribed in this division will satisfy the requirement for which it is prescribed. A safe harbor is not the only way, or necessarily the preferred way, to comply with a requirement and it is not intended to interpret the requirement for any purpose other than applying a safe harbor within this division.”

⁵³ This forecast is based on Ashland UGB’s official forecast from the Oregon Population Forecast Program for the 2021 to 2041 period.

⁵⁴ The Census Bureau's definition of group quarters is as follows: A group quarters is a place where people live or stay, in a group living arrangement, that is owned or managed by an entity or organization providing housing and/or services for the residents. The Census Bureau classifies all people not living in housing units (house, apartment, mobile home, rented rooms) as living in group quarters. There are two types of group quarters: (1) Institutional, such as correctional facilities, nursing homes, or mental hospitals and (2) Non-Institutional, such as college dormitories, military barracks, group homes, missions, or shelters.

The 2015-2019 American Community Survey shows that 3.5% of Ashland’s population was in group quarters. **For the 2021 to 2041 period, we assume that 3.5% of Ashland’s new population, approximately 58 people, will be in group quarters.**

- **Household Size.** OAR 660-024 established a safe harbor assumption for average household size—which is the figure from the most recent Decennial Census at the time of the analysis. According to the 2015-2019 American Community Survey, the average household size in Ashland was 2.06 people. **Thus, for the 2021 to 2041 period, we assume an average household size of 2.06 persons.**
- **Vacancy Rate.** The Census defines vacancy as: "unoccupied housing units are considered vacant. Vacancy status is determined by the terms under which the unit may be occupied, e.g., for rent, for sale, or for seasonal use only." The 2010 Census identified vacancy through an enumeration, separate from (but related to) the survey of households. The Census determines vacancy status and other characteristics of vacant units by enumerators obtaining information from property owners and managers, neighbors, rental agents, and others.

Vacancy rates are cyclical and represent the lag between demand and the market’s response to demand for additional dwelling units. Vacancy rates for rental and multifamily units are typically higher than those for owner-occupied and single-family dwelling units.

According to the 2015-2019 American Community Survey, Ashland’s vacancy rate was 10.8%. After deducting units vacant for seasonal, recreational, or occasional use, Ashland’s vacancy rate was 8.2%. **For the 2021 to 2041 period, we assume a vacancy rate of 8.2%.**

Ashland will have demand for 858 new dwelling units over the 20-year period, with an annual average of 43 dwelling units.

Exhibit 66. 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

Housing Units Needed Over the Next 20 Years

Exhibit 66 above presents a forecast of new housing in Ashland's UGB for the 2021 to 2041 period. This section determines the needed mix and density for the development of new housing developed over this 20-year period in Ashland.

Over the next 20-years, the need for new housing developed in Ashland will generally include a wider range of housing types and housing that is more affordable. This conclusion is based on the following information, found in Chapter 3 and 4:

- Ashland's housing mix is predominately single-family detached (although the city has a smaller share of this housing type than Jackson County). In the 2014-2018 period, 66% of Ashland's housing stock was single-family detached, 9% was single-family attached, 11% was multifamily (with two to four units per structure), and 14% was multifamily (with five or more units per structure).
- Demographic changes across Ashland suggest increases in demand for single-family attached housing and multifamily housing. The key demographic trends that will affect Ashland's future housing needs are the aging of the baby boomers, the household formation of the millennials and Generation Z, and growth in Latino populations. The implications of these trends are increased demand from older (often single person and more likely to be female) households and increased demand for affordable housing for families, both for ownership and rent.
- Ashland's median household income was \$50,613, in line with the County's median household income of \$50,851. Approximately 26% of Ashland's households earn less than \$25,000 per year, compared to 24% in Jackson County and 20% in Oregon.
- About 46% of Ashland's households are cost burdened (paying 30% or more of their household income on housing costs).⁵⁵ About 63% of Ashland's **renters** are cost burdened and about 31% of Ashland's **homeowners** are cost burdened. Cost burden rates in Ashland are slightly greater compared to cost burdened rates in Jackson County.
- Ashland needs more affordable housing types for homeowners. The median housing sales price in typically stayed above \$400,000 over the last three years. These prices are unattainable for many households in the region.

A household earning 100% of Ashland's median household income (\$50,613) could afford home valued between about \$177,100 to \$202,500, which is less than the median home sales price of about \$434,000 in Ashland. A household can start to afford median home sale prices at about 167% of Ashland's median household income.

- Ashland needs more affordable housing types for renters. A household can start to afford typical asking rents of currently available properties in Ashland at about 70% to

⁵⁵ The Department of Housing and Urban Development's guidelines indicate that households paying more than 30% of their income on housing experience "cost burden," and households paying more than 50% of their income on housing experience "severe cost burden."

96% of Ashland's median household income. High rates of housing cost burden for Ashland renters suggests a need for more affordable housing types for renters. Limited multifamily housing was built in Ashland between 2010 and 2016. However, since 2017, 60% of new housing permitted was accessory dwelling unit or multifamily housing.

These factors suggest that Ashland needs a broader range of housing types with a wider range of price points than are currently available in Ashland's housing stock. This includes providing opportunities for the development of housing types across the affordability spectrum such as: single-family detached housing (e.g., small-lot single-family detached units, cottages, accessory dwelling units, and "traditional" single-family), townhouses, duplexes, tri- and quad-plexes, and multifamily structures with five or more units.

Exhibit 67 shows a preliminary forecast of needed housing in the Ashland UGB during the 2021 to 2041 period. The projection is based on the following assumptions:

- Ashland's official forecast for population growth shows that the City will add 1,691 people over the 20-year period. Exhibit 66 shows that the new population will result in need for 858 new dwelling units over the 20-year period.
- The assumptions about the mix of housing in Exhibit 67 are:
 - **About 35% of new housing will be single-family detached**, a category which includes manufactured housing. About 66% of Ashland's housing was single-family detached in the 2014-2018 period. About 13% of new housing developed in Ashland over the 2011 to 2020 period were accessory dwelling units (accessory residential units). If 13% of Ashland's new housing are accessory dwelling units, then 111 new dwelling units may be accessory dwelling units.
 - **Nearly 10% of new housing will be single-family attached.** About 9% of Ashland's housing was single-family attached in the 2014-2018 period.
 - **Nearly 20% of new housing will be duplexes, triplexes, or quadplexes.** About 11% of Ashland's housing was duplex, triplex, or quadplex housing in the 2014-2018 period.
 - **About 35% of new housing will be multifamily housing with five or more units per structure.** About 14% of Ashland's housing was multifamily in the 2014-2018 period.

Ashland will demand 858 new dwelling units over the 20-year period, 35% of which will be single-family detached housing.

Exhibit 67. Forecast of demand for new dwelling units, Ashland UGB, 2021 to 2041

Source: Calculations by ECONorthwest.

Variable	Housing Mix
Needed new dwelling units (2021-2041)	858
Dwelling units by structure type	
Single-family detached	
Percent single-family detached	35%
Total new single-family detached	300
Single-family attached	
Percent single-family attached	10%
Total new single-family attached	86
Duplex, Triplex, Quadplex	
Percent duplex, triplex, quadplex	20%
Total new duplex, triplex, quadplex	172
Multifamily (5+ units)	
Percent multifamily (5+ units)	35%
Total new multifamily (5+ units)	300
Total new dwelling units (2021-2041)	858

Exhibit 68 allocates needed housing to Plan Designations in Ashland. The allocation is based, in part, on the types of housing allowed in each Plan Designation. Exhibit 68 shows:

- **Low Density Residential**⁵⁶ land will accommodate new single-family detached and attached housing and cottage cluster housing. North Mountain also accommodates broadly defined “residential uses.”
- **Suburban Residential** land will accommodate new single-family detached and attached housing, multifamily housing (duplexes and larger).
- **Normal Neighborhood** land will accommodate new single-family detached and attached uses, cottage clusters, multifamily housing (duplexes and larger), and manufactured housing on lots and in parks.
- **Multifamily Residential** land will accommodate new single-family detached and attached housing and multifamily housing (duplexes and larger).
- **High Density Residential** land will accommodate new single-family detached and attached housing and multifamily housing (duplexes and larger).
- **Croman Mill District** land will accommodate new multifamily housing.
- **Commercial and Employment**⁵⁷ land will accommodate new multifamily housing.

Exhibit 68. Allocation of Needed Housing by Housing Type and Plan Designation, Ashland UGB, 2021 to 2041

Source: ECONorthwest.

Housing Type	Plan Designations							TOTAL
	Low Density Residential *	Suburban Residential	Normal Neighborhood	Multifamily Residential	High Density Residential	Croman Mill District	Commercial & Employment *	
Dwelling Units								
Single-family detached	170	9	103	9	9	-	-	300
Single-family attached	9	-	43	17	17	-	-	86
Duplex, triplex, quadplex	26	9	51	60	26	-	-	172
Multifamily (5+ units)	17	-	34	86	43	34	86	300
Total	222	18	231	172	95	34	86	858
Percent of Units								
Single-family detached	20%	1%	12%	1%	1%	0%	0%	35%
Single-family attached	1%	0%	5%	2%	2%	0%	0%	10%
Duplex, triplex, quadplex	3%	1%	6%	7%	3%	0%	0%	20%
Multifamily (5+ units)	2%	0%	4%	10%	5%	4%	10%	35%
Total	26%	2%	27%	20%	11%	4%	10%	100%

⁵⁶ This group includes the Single-Family Rural Reserve, Low Density Residential, Single Family Residential, and North Mountain Plan Designations.

⁵⁷ The group includes the Commercial, Employment, Downtown, Health Care, and Southern Oregon University Plan Designations.

Needed Housing by Income Level

The next step in the Housing Capacity Analysis is to develop an estimate of need for housing by income and housing type. This analysis requires an estimate of the income distribution of current and future households in the community. Estimates presented in this section are based on secondary data from the Census and analysis by ECONorthwest.

The analysis in Exhibit 69 is based on Census data about household income levels for existing households in Ashland. Income is distributed into market segments consistent with HUD income level categories using Jackson County’s 2020 Median Family Income (MFI) of \$65,100. The estimate assumes that approximately the same percentage of households will be in each market segment in the future.

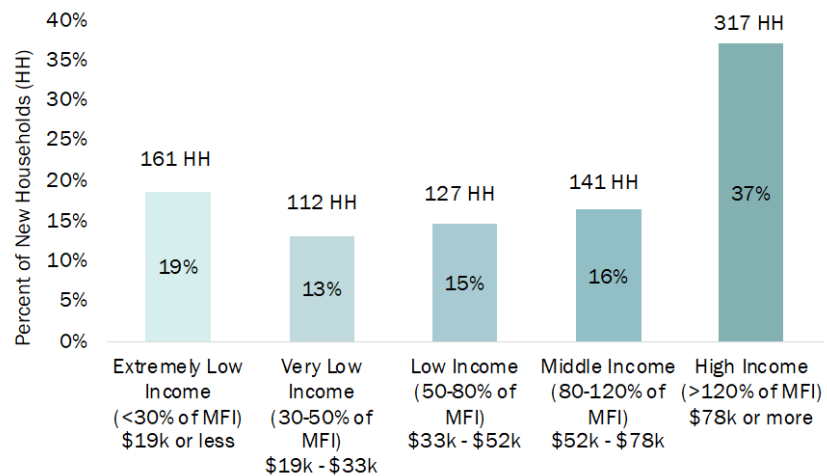
About 32% of Ashland’s future households will have income below 50% of Jackson County’s median family income (less than \$32,550 in 2019 dollars).

About 31% will have incomes between 50% and 120% of the county’s MFI (between \$32,550 and \$78,120).

This graph shows that, as Ashland’s population grows, Ashland will continue to have demand for housing across the affordability spectrum.

Exhibit 69. Future (New) Households by Median Family Income (MFI) for Jackson County (\$65,100), Ashland, 2021 to 2041

Source: U.S. Department of HUD, Jackson County, 2020. U.S. Census Bureau, 2015-2019 ACS Table 19001.



Other Housing Needs

ORSs 197.303, 197.307, 197.312, and 197.314 require cities to plan for government-assisted housing, farmworker housing, manufactured housing on lots and in parks, and housing for people with disabilities and people experiencing homelessness.

- **Government-subsidized housing.** Government subsidies can apply to all housing types (e.g., single family detached, apartments, etc.). Ashland allows development of government-assisted housing in all residential Plan Designations, with the same development standards for market-rate housing. This analysis assumes that Ashland will continue to allow government-subsidized housing in all of its residential Plan Designations. Because government-assisted housing is similar in character to other housing (with the exception being the subsidies), it is not necessary to develop separate forecasts for government-subsidized housing.
- **Farmworker housing.** Farmworker housing can also apply to all housing types. The City allows development of farmworker housing in all residential zones with the same development standards as market-rate housing. This analysis assumes that Ashland will continue to allow farmworker housing in all of its residential zones. Because it is similar in character to other housing (with the possible exception of government subsidies, if population restricted), it is not necessary to develop separate forecasts for farmworker housing. To the extent that farmworkers have lower than average incomes, they, like other low-income households, may have difficulty finding affordable housing in Ashland.
- **Manufactured housing on lots.** Ashland explicitly allows manufactured homes on lots in its Normal Neighborhood Plan Designation, which is composed of the NN-1.5, NN 1-3.5, NN 1-3.5a, and the NN-2 zone. In addition, manufactured homes on lots are permitted with special use standards in the R-1, R-1-3.5, R-2, and R-3 zone.
- **Manufactured housing in parks.** Ashland allows manufactured homes in parks (referred to as Manufactured Housing Developments in Ashland’s code) in the R-1-3.5 and the R-2 zone, except within the Historic District Overlay. In addition, manufactured homes in parks are allowed in the Normal Neighborhood, which is composed of the NN-1.5, NN 1-3.5, NN 1-3.5a, and the NN-2 zone. OAR 197.480(4) requires cities to inventory their mobile home or manufactured dwelling parks sited in areas planned and zoned for (or generally used for) commercial, industrial, or high-density residential development. According to the Oregon Housing and Community Services’ Manufactured Dwelling Park Directory,⁵⁸ Ashland has four manufactured home parks within its UGB, with 255 spaces.
 - ORS 197.480(2) also requires Ashland to project need for mobile home or manufactured dwelling parks based on: (1) population projections, (2) household income levels, (3) housing market trends, and (4) an inventory of manufactured

⁵⁸ Oregon Housing and Community Services, Oregon Manufactured Dwelling Park Directory.

- dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high density residential.
- Exhibit 66 shows that Ashland will grow by 858 dwelling units over the 2021 to 2041 period.
 - Analysis of housing affordability shows that about 32% of Ashland’s new households will be considered very-low or extremely-low-income, earning 50% or less of the region’s median family income or less. One type of housing affordable to these households is manufactured housing.
 - Manufactured housing accounts for about 2% (about 225 dwelling units) of Ashland’s current housing stock within city limits. At 2% of all housing, Ashland may have 17 new manufactured units over the planning period.
 - National, state, and regional trends since 2000 showed that manufactured housing parks are closing rather than being created. For example, between 2000 and 2015, Oregon had 68 manufactured parks close, with more than 2,700 spaces. Discussions with several stakeholders familiar with manufactured home park trends suggest that over the same period, few to no new manufactured home parks have opened in Oregon.
 - The households most likely to live in manufactured homes in parks are those with incomes between \$19,530 and \$32,550 (30% to 50% of MFI), which includes 13% of Ashland’s households. However, households in other income categories may live in manufactured homes in parks.
 - National and state trends of closure of manufactured home parks, and the fact that no new manufactured home parks have opened in Oregon in over the last 15 years, demonstrate that development of new manufactured home parks in Ashland is unlikely. Thus, our conclusion from this analysis is that development of new manufactured home parks or subdivisions in Ashland over the 2021-2041 planning period is unlikely.
 - The forecast of housing assumes that no new manufactured home parks will be opened in Ashland over the 2021-2041 period. However, if the City has need for a new manufactured home park, it would be for 24 new units (2.8% of new units), which at about 8 dwelling units per acre will need three acres of land. The City has sufficient capacity if a new manufactured home park was developed in Ashland to accommodate it (in the R-2 or R-3 zones). The housing forecast includes new manufactured homes on lots in the category of single-family detached housing and the City has capacity for them in the R-1 zone).
 - Over the next 20 years (or longer) one or more manufactured home parks may close in Ashland. This may be a result of manufactured home park landowners selling or redeveloping their land for uses with higher rates of return, rather than lack of demand for spaces in manufactured home parks. Manufactured home parks

contribute to the supply of low-cost affordable housing options, especially for affordable homeownership.

- While there is statewide regulation to lessen the financial difficulties of manufactured home park closures for park residents,⁵⁹ the City has a role to play in ensuring that there are opportunities for housing for the displaced residents. The City's primary roles are to ensure that there is sufficient land zoned for new multifamily housing and to reduce barriers to residential development to allow for development of new, relatively affordable housing.

In addition to these required housing types, this section also addresses housing for people with disabilities and housing for people experiencing homelessness.

- **Housing for People with Disabilities.** Housing for people with disabilities can be any housing type. It can also apply to other residential/group living uses (such as nursing homes, residential care homes or facilities, or room and boarding facilities) as well as government-subsidized housing (including units which are population restricted). Broadly, housing options for people with disabilities include (1) living in housing independently – alone or with roommates/family, (2) living in housing with supportive services (e.g., with help from a live-in or visiting caregiver), or (3) living in housing in a supervised residential setting. Housing for people with disabilities may include physical characteristics needed to address disabilities (such as ramps or wider doorways for people with ambulatory disabilities), services for people with cognitive or other disabilities, or adaptations needed by people with other disabilities. Ashland may want to consider policies to support housing for people with disabilities.
- **Housing for People Experiencing Homelessness.** Housing for people experiencing homelessness can apply to all housing types, with the same development standards as market-rate housing. It can also apply to other residential/group living uses and government-subsidized housing. Housing needs for people experiencing homelessness range, including temporary shelter to rapid re-housing, permanently supportive housing, rental assistance, and income-restricted affordable housing.

⁵⁹ ORS 90.645 regulates rules about closure of manufactured dwelling parks. It requires that the landlord must do the following for manufactured dwelling park tenants before closure of the park: give at least one year's notice of park closure, pay the tenant between \$5,000 to \$9,000 for each manufactured dwelling park space, and cannot charge tenants for demolition costs of abandoned manufactured homes.

6. Residential Land Sufficiency in Ashland

This chapter presents an evaluation of the sufficiency of vacant residential land in Ashland to accommodate expected residential growth over the 2021 to 2041 period. This chapter includes an estimate of residential development capacity (measured in new dwelling units) and an estimate of Ashland’s ability to accommodate needed new housing units for the 2021 to 2041 period, based on the analysis in the Housing Capacity Analysis. The chapter ends with a discussion of the conclusions and recommendations for the Housing Capacity Analysis.

Capacity Analysis

The buildable lands inventory summarized in Chapter 2 (and presented in full in Appendix B) provided a *supply* analysis (buildable land by type), and Chapter 5 provided a *demand* analysis (population and growth leading to demand for more residential development). The comparison of supply and demand allows the determination of land sufficiency.

The Ashland Buildable Lands Analysis (in Appendices B and C) presents an estimate of capacity for new housing in Ashland. The capacity analysis shows capacity of land within city limits distinct from the capacity of land in the urbanizing area (the area between the city limits and urban growth boundary). The reason for presenting information this way is to address one of the concerns expressed by members of the Project Advisory Committee (and echoed by members of the Ashland HHSC and Planning Commission) about whether Ashland has enough capacity to accommodate the forecast of housing solely on lands within the city limits. Annexing land into the city limits from the urbanizing area (the area between the city limits and urban growth boundary) can be time consuming and require greater infrastructure costs, creating barriers to development.

Exhibit 76 and Exhibit 78 in Appendix C show dwelling unit capacity in 2020 for areas within the city limits and within the urbanizing area, excluding land where development occurred between 7/1/2019 and 6/30/2020. Exhibit 70 summarizes the results of these tables. Ashland has capacity for 1,455 dwelling units within its city limits and 1,299 dwelling units in the urbanizing area. Altogether, Ashland has capacity for 2,754 dwelling units on buildable land within its urban growth boundary.

Exhibit 70. Estimated capacity, Ashland city limits and urbanizing area, 2020

Source: Buildable Lands Inventory; Calculations by ECONorthwest. *Note: Low Density Residential includes SFRR, Low Density, Single family residential, and North Mountain

Commercial & Employment includes Commercial, Employment, Downtown, Health Care, and Southern Oregon University

This estimate excludes the Woodland Plan Designation, which is intended for minimal development and only has capacity for 12 dwelling units

Plan Designations *	Capacity in City Limits (Dwelling Units)	Capacity in Urbanizing Area (Dwelling Units)
Low Density Residential *	590	396
Suburban Residential	1	43
Normal NH	-	474
Multifamily Residential	177	172
High Density Residential	129	-
Croman Mill District	83	160
Commercial & Employment *	475	54
Total	1,455	1,299

Residential Land Sufficiency

The next step in the analysis of the sufficiency of residential land within Ashland is to compare the demand for housing by Plan Designation (Exhibit 68) with the capacity of land by Plan Designation (Exhibit 70). **Exhibit 71 shows that Ashland has sufficient land to accommodate housing development within the urban growth boundary.** In total, Ashland is forecast to grow by 858 dwelling units and has capacity for 2,754 dwelling units.

Accommodating this growth will require annexing land into the city limits. In particular, development of 231 dwelling units in the Normal Neighborhood will require annexation of land from the urbanizing area into the city limits. While Exhibit 71 shows assumes that land within the city limits will develop before development occurs on land in the urbanizing area, in all likelihood, some land in the urbanizing area may annex and develop before some land within the city limits.

Exhibit 71. Preliminary comparison of capacity of existing residential land with demand for new dwelling units and land surplus or deficit, Ashland UGB, 2021 to 2041

Source: Buildable Lands Inventory; Calculations by ECONorthwest.

*Note: Low Density Residential includes SFRR, Low Density, Single family residential, and North Mountain Commercial & Employment includes Commercial, Employment, Downtown, Health Care, and Southern Oregon University

Plan Designations *	Capacity in City Limits (Dwelling Units)	Capacity in Urbanizing Area (Dwelling Units)	Demand (Dwelling Units)	Capacity in City Limits less Demand (Dwelling Units)	Capacity in Urbanizing Area less Demand (Dwelling Units)
Low Density Residential *	590	396	222	368	396
Suburban Residential	1	43	18	-	26
Normal Neighborhood	-	474	231	-	243
Multifamily Residential	177	172	172	5	172
High Density Residential	129	-	95	34	-
Croman Mill District	83	160	34	49	160
Commercial & Employment *	475	54	86	389	54
Total	1,455	1,299	858	845	1,051

For the 2021 to 2041 planning period, 57 group quarter units were deducted from the housing forecast. The analysis still must account for their land need. For purposes of this analysis, new group quarters are assumed to develop proportionally in the Normal Neighborhood, Multifamily Residential, and High-Density Residential Plan Designations, shown in Exhibit 72.

Exhibit 72. Land Needed for Group Quarters, Ashland UGB, 2021 to 2041

Source: Calculations by ECONorthwest.

Note: Group quarters assumes one person per dwelling unit.

*Note: Low Density Residential includes SFRR, Low Density, Single family residential, and North Mountain Commercial & Employment includes Commercial, Employment, Downtown, Health Care, and Southern Oregon University

Plan Designations *	New Population in GQs
Low Density Residential *	0
Suburban Residential	0
Normal Neighborhood	19
Multifamily Residential	19
High Density Residential	19
Croman Mill District	0
Commercial & Employment *	0

Exhibit 73 presents a revised version of Exhibit 71 to account for land needed for new dwelling units as well as group quarters. In summary:

- Low Density Residential Plan Designations⁶⁰ have a surplus capacity of 764 dwelling units (with 368 dwelling units inside Ashland’s City Limits and 396 dwelling units inside Ashland’s urbanizing area).
- Suburban Residential Plan Designation has a surplus capacity of 26 dwelling units (all of which are inside Ashland’s urbanizing area).
- Normal Neighborhood Plan Designation has a surplus capacity of 224 dwelling units (all of which are inside Ashland’s urbanizing area).
- Multifamily Residential Plan Designation has a surplus capacity of 158 dwelling units (all of which are inside Ashland’s urbanizing area).
- High Density Residential Plan Designation has a surplus capacity of 15 dwelling units (all of which are inside Ashland’s City Limits).
- Croman Mill District Plan Designation has a surplus capacity of 209 dwelling units (with 49 dwelling units inside Ashland’s City Limits and 160 dwelling units inside Ashland’s urbanizing area).
- Commercial and Employment Plan Designation has a surplus capacity of 443 dwelling units (with 389 dwelling units inside Ashland’s City Limits and 54 dwelling units inside Ashland’s urbanizing area).

Exhibit 73. Final comparison of capacity of existing residential land with demand for new dwelling units and land surplus or deficit, Ashland UGB, 2021 to 2041

Source: Calculations by ECONorthwest.

*Note: Low Density Residential includes SFRR, Low Density, Single family residential, and North Mountain

Commercial & Employment includes Commercial, Employment, Downtown, Health Care, and Southern Oregon University

Plan Designations *	Capacity in City Limits (Dwelling Units)	Capacity in Urbanizing Area (Dwelling Units)	Demand (Dwelling Units)	Demand (Group Quarters)	Capacity in City Limits less Demand (Dwelling Units)	Capacity in Urbanizing Area less Demand (Dwelling Units)
Low Density Residential *	590	396	222	-	368	396
Suburban Residential	1	43	18	-	-	26
Normal Neighborhood	-	474	231	19	-	224
Multifamily Residential	177	172	172	19	-	158
High Density Residential	129	-	95	19	15	-
Croman Mill District	83	160	34	-	49	160
Commercial & Employment *	475	54	86	-	389	54
Total	1,455	1,299	858	58	821	1,018

⁶⁰ Low Density Residential includes SFRR, Low Density, Single family residential, and North Mountain

Conclusions

The key findings of the Ashland's Housing Capacity Analysis are that:

- **Ashland's population is forecast to grow at a similar pace as in the past.** Ashland UGB is forecast to grow from 21,936 people in 2021 to 23,627 people in 2041, an increase of 1,691 people. This population growth will occur at an average annual growth rate of 0.37%.
- **Ashland is planning for 858 new dwelling units.** The growth of 1,691 people will result in demand for 858 new dwelling units over the 20-year planning period, averaging 43 new dwelling units annually.
- **Ashland has enough land to accommodate its housing forecast between 2021 and 2041.** Ashland can accommodate growth (858 dwelling units) over the next 20-years with a surplus of capacity remaining. However, some development in Ashland's Suburban Residential, Normal Neighborhood, and Multifamily Residential Plan Designations will need to be accommodated in the city's urbanizing area.
- **Ashland has unmet needs for affordable housing.** About 63% of Ashland's households that rent are cost burdened (with 35% severely cost burdened) and 31% of Ashland's households that own their own home are cost burdened. Ashland has unmet housing needs for households with extremely-low and very-low-income households, as well as households with low- and middle-income.
 - *About 32% of Ashland's households have extremely low-income or very low-income, with household income below \$32,600.* At most, these households can afford \$820 in monthly housing costs. Median gross rent in Ashland was \$1,003 in the 2014-2018 period and has increased since. Home sales are very rarely affordable to households with these levels of income. This is shown in the high rates of cost burden for renters, with nearly 51% of renter households in cost burdened. Development of housing affordable to these households rarely occurs without government subsidy or other assistance. Meeting the housing needs of extremely-low-income households and very-low-income households will be a challenge to Ashland, as it is in all cities.
 - *About 31% of Ashland's households are low-income or middle-income, with household income between \$32,600 and \$78,100.* These households can afford between \$820 to \$1,950 in monthly housing costs. Households at the lower end of this income category may struggle to find affordable rental housing, especially with growing costs of rental housing across Southern Oregon. Middle-income households may still struggle to afford Ashland's median home sales price of \$434,400. Development of rental housing affordable to households in this income category, especially those at middle-income, can occur without government subsidy but the City's zoning code will need to provide opportunities for development of a wider range of housing types in more places to accommodate more of this type of housing (as shown in Exhibit 64). Homeownership opportunities for households in this income category

may be limited to existing housing, unless there are opportunities to build new housing at lower costs.

- **Over the 2021 to 2041 period, Ashland will need to plan for more multifamily dwelling units in the future to meet the City’s housing needs.** Historically, about 66% of Ashland’s housing was single-family detached. While 35% of new housing in Ashland is forecast to be single-family detached, the City will need to provide opportunities for development of new single-family attached (10% of new housing); duplex, triplex, and quadplex housing (10% of new housing); and multifamily units (35% of new housing).
 - The factors driving the shift in types of housing needed in Ashland include changes in demographics and decreases in housing affordability. The aging of the baby boomers and the household formation of the millennials and Generation Z will drive demand for renter- and owner-occupied housing, such as single-family detached housing, townhouses, duplexes, tri- and quad-plexes, and apartments. Both groups may prefer housing in walkable neighborhoods, with access to services.
 - About 46% of Ashland’s households are cost burdened (paying more than 30% of their income on housing), including a cost burden rate of 63% for renter households.
 - Without the diversification of housing types, lack of affordability will continue to be a problem, possibly growing in the future if incomes continue to grow at a slower rate than housing costs. A continuation of the current situation into the future suggests that 273 of Ashland’s new households will have incomes of \$32,600 (in 2019 dollars) or less. These households often cannot afford market-rate housing without government subsidy. More than 268 of Ashland’s new households will have incomes between \$32,600 and \$78,100. These households will all need access to affordable housing, such as the housing types described above.

The memorandum *Ashland Housing Strategy* (Appendix A of this report) was developed to present recommendations for policy changes to address Ashland’s unmet housing needs. Based on this Housing Capacity Analysis report and using the *Ashland Housing Strategy* for guidance, Ashland will need to develop a Housing Production Strategy within one year of adoption of this report. The Housing Production Strategy will further describe Ashland’s housing needs, based on the information in this report, and will include specific strategies to address Ashland’s unmet housing needs.

Appendix A: Ashland Housing Strategy

This appendix presents Ashland’s Housing Strategy memorandum, developed with the Housing Capacity Analysis.

DATE: April 26, 2021
TO: City of Ashland Planning Commission and Housing and Human Services Commission
FROM: Beth Goodman, ECONorthwest
SUBJECT: **FINAL** ASHLAND HOUSING STRATEGY

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. In addition to this analysis, ECONorthwest is working with the City of Ashland and an advisory committee to develop a Housing Strategy. The Housing Strategy is meant to propose actions that can address Ashland’s strategy housing priorities.

This project is funded by Oregon general fund dollars through the Department of Land Conservation and Development. The contents of this document do not necessarily reflect the views or policies of the State of Oregon.

Ashland Housing Strategy

Ashland’s housing strategy presents a comprehensive package of interrelated actions that the Ashland HCA Advisory Committee has evaluated, with input from the Planning Commission and Housing and Human Services Commission, to implement and address the City’s strategic housing priorities over the next eight years.

The City will need to develop a Housing Production Strategy within one year of adopting the Housing Capacity Analysis. This Housing Strategy will provide the City with a starting point for the Housing Production Strategy. Developing the Housing Production Strategy will involve revisiting the recommended actions in this document, providing more detail about each strategy, setting an implementation schedule, getting stakeholder input on the strategies in this document, and assessing whether there are additional strategies that should be incorporated into the Housing Production Strategy. Implementation of the Housing Production Strategy will occur over an eight year period and will require additional public and stakeholder involvement.

Introduction

Ashland last updated its Comprehensive Plan, including policies in the Housing Element, in June 2019. As a result, Ashland does not need an analysis to revise all of its housing policies in the Comprehensive Plan. The City needs a housing strategy that provides guidance on

strategies the City could implement to meet the unmet housing needs identified in the Housing Capacity Analysis.

This housing strategy recognizes that the City does not build housing. The strategy focuses on tools to ensure there is adequate land planned and zoned to meet the variety of housing needs and opportunities for a variety of housing types, whether market rate or subsidized. This strategy strives to provide opportunities for lower-cost market rate housing, to the extent possible, to achieve more housing affordability without complete reliance on subsidies if and when possible.

The housing strategy primarily addresses the needs of households with middle, low, very low, or extremely low income. 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)⁶¹ 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.⁶² 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 an 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.

Summary and Schedule of Actions

Exhibit 74 presents a summary of actions items, listed in this strategy. This strategy recognizes that some actions will be more productive than others; thus, Exhibit 74 also identifies the scale of impact for each action. A low impact strategy may result in 1% or less of new housing, a moderate impact strategy may result in 1% to 5% of new housing, and a high impact strategy may result in 5% or more of new housing.

⁶¹ Median Family Income is determined by the U.S. Department of Housing and Urban Development. In 2020, Jackson County's MFI was \$65,100.

⁶² 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.

Exhibit 74. Summary and Schedule of Actions

Source: Summarized by ECONorthwest.

Action		Scale of Impact		
		Low	Moderate	High
Strategy 1: Ensure an adequate supply of land is available and serviced				
1.1	Evaluate increasing the maximum allowed densities in the Multi-Family Residential (R-2), High Density Residential (R-3), and parts of the Normal Neighborhood designations.		X	
1.2	Evaluate increasing allowed height in the R-2 and R-3 multi-family residential zones, outside of designated historic districts.		X	
1.3	Identify opportunities to increase allowances for residential uses on the ground floor of buildings within commercial and employment zones.		X	
1.4	Evaluate decreasing multifamily parking requirements.			X
1.5	Evaluate decreasing parking requirements for affordable housing developments in areas with access to transit.	X		
1.6	Evaluate increasing lot coverage allowances slightly in the R-2 and R-3 zones.		X	
1.7	Identify opportunities to create greater certainty and clarity in the annexation process	X		
1.8	Evaluate changes to Ashland’s zoning code to disallow single-family detached housing in the High Density Residential Plan Designation (R-3 zone).			X
1.9	Increase supply of High Density Residential lands by rezoning lands within lower density Plan Designations that have a surplus of capacity.		X	
1.10	Create processes and materials necessary to support developers in their development applications.	X		
Strategy 2: Provide opportunities for housing development to meet the City’s identified housing needs				
2.1	Broaden the definition of dwelling unit to include other types of units such as shared housing and co-housing, single-room occupancies, and other dwelling units.	X		
2.2	Evaluate opportunities incentivize smaller units through amendments to allowable densities.		X	
2.3	Identify and reduce any local obstacles to building with less conventional construction materials.	X		
2.4	Evaluate increasing allowances for residential dwellings in commercial and employment zones, such as allowing an increased amount of residential uses in ground floor commercial spaces..		X	
2.5	Develop an equitable housing plan.	X		

Action		Scale of Impact		
		Low	Moderate	High
2.6	Encourage development of diverse housing types in high opportunity neighborhood.		X	
Strategy 3: Provide opportunities for development affordable to all income levels				
3.1	Create processes and materials necessary to support developers in development of affordable housing.	X		
3.2	Evaluate using the Multiple Unit Property Tax Exemption.		X	
3.3	Adopt a property tax exemption program for affordable rental housing developed by nonprofit affordable housing developers.		X	
3.4	Evaluate participating in or establish a land bank.	X		
3.5	Evaluate opportunities to participate in a land trust to manage and develop housing that is affordable for rent or ownership at below-market pricing for households earning 120% or less of MFI (or possibly 80% or less of MFI).	X		
3.6	Evaluate whether the City or other public agencies have vacant or redevelopable publicly owned property could be used for development of affordable housing.		X	
3.7	Identify opportunities to purchase land in Ashland's urbanizing area (within the Ashland UGB and outside of the City limits) as part of a land banking strategy.			X
3.8	Identify partnerships with area employers to increase development of housing affordable to workers in Ashland.	X		
3.9	Continue to collaborate with community partners to work towards providing housing and support services to alleviate homelessness.	X		
3.10	Evaluate opportunities to make development of housing less costly to the development through changes in City fees.	X		
Strategy 4: Identify funding sources to support development of infrastructure and housing affordability programs				
4.1	Evaluate establishing a Construction Excise Tax.		X	
4.2	Evaluate using Urban Renewal to support development of infrastructure necessary to support housing development.		X	
4.3	Coordinate Capital Improvements Program and Transportation System Plan infrastructure investments.		X	
4.4	Continue to identify a variety of funding sources to support the Affordable Housing Trust Fund.	X		
4.5	Identify additional funds to support development of new affordable housing.		X	
Strategy 5: Align housing planning with the Climate and Energy Action Plan				
5.1	Evaluate opportunities to decrease dependence on automotive transportation in areas planned for housing.	X		

Action		Scale of Impact		
		Low	Moderate	High
5.2	Evaluate opportunities to incorporate elements of the CEAP into housing developments.	X		
5.3	Initiate a process to identify opportunities for development or redevelopment of mixed-use districts and initiate an area planning process to guide redevelopment.		X	
5.4	Evaluate opportunities to develop new housing closer to downtown and commercial centers to reduce dependence on automobiles for transportation.		X	
5.5	Evaluate opportunities for planning transit-oriented development as transit becomes more available in Ashland.		X	
5.6	Evaluate sustainable building practices, including certifications, to determine whether the City should offer incentives for certification or require certification of new buildings as sustainable.	X		

Strategic Issue 1: Ensure an adequate supply of land is available and serviced

This strategy is about ensuring an adequate land supply—not only a 20-year supply (as Goal 10 requires) but also a pipeline of serviced land that is available for immediate development. The following recommended strategies and actions are intended to ensure an adequate supply of residential land through a combination of changes to development standards, annexation policies, and other changes. Efficient use of Ashland’s residential land is key to ensuring that Ashland has adequate opportunities to grow from 2021 to 2041 and beyond.

Issue Statement

Statewide planning Goal 10 (Housing) requires cities to inventory residential lands and provide a 20-year supply of land for residential uses. Moreover, land in the UGB is not necessarily development ready. Land requires the full suite of backbone services (water, wastewater, transportation) before it is development ready. The experience throughout Oregon in recent years is that the cost of services is increasing, and cities are turning to creative ways to finance infrastructure. This priority addresses both long- and short-term supply and availability of land.

- a) Provide a 20-year supply of land for residential use. The HNA concluded that Ashland has enough residential land and housing capacity within the Ashland UGB.
- b) Ensure short-term supply to support development. Land in the UGB is not necessarily development ready. Land requires the full suite of backbone services (water, wastewater, transportation) before it is development ready. In addition, HCA Advisory Committee members suggested that there were opportunities to improve the

annexation process for bringing land from Ashland’s urbanizing area into the city limits by creating greater certainty that in turn could expedite approvals and reduce costs.

The Housing Capacity Analysis provides a thorough analysis of the existing supply and affordability of housing in Ashland. It concludes that Ashland will need 858 new housing units between 2021 and 2041. It shows that Ashland has sufficient land within the UGB to accommodate growth over the 2021-2041 period but has very limited capacity (and nearly a deficit of land) for housing in the High-Density Residential zone. Ashland is expected to add 1,691 people, resulting in demand for 858 dwelling units. Ashland has capacity for development of 2,754 dwelling units within the UGB under current policies, with much (36%) of the current capacity within Low Density Residential Plan Designations.

However, about 1,299 dwelling units of total capacity (47%) is in the urbanizing area (the area between the city limits and UGB) and will require annexation before development occurs. The Plan Designations with the most capacity in the urbanizing area are Normal Neighborhood and Single-Family Residential.

Ashland needs land that is vacant with urban services that support residential development such as municipal water service, sewer and wastewater service, stormwater management systems, and transportation connections with adequate capacity to accommodate growth. A part of ensuring that there are development opportunities is making zoning code changes to allow for a wider range of development, especially multifamily housing types, and streamlining the annexation and development process to make annexation faster and provide more predictability in the process to developers.

Recommended Actions

The recommended actions to address Strategic Issue 1 under consideration include:

- Action 1.1: Evaluate increasing the maximum allowed densities, or removing density limitations, in the Multi-Family Residential (R-2), High Density Residential (R-3), and parts of the Normal Neighborhood designations. Prior analysis shows that two to three as many units per acre as allowed under the current density standards can potentially fit on a typical site with limited changes to other development standards.⁶³ Higher densities are especially important for small infill sites where efficiency is at a premium. Allowing more housing on a given infill site helps the City meet its housing needs with less outward expansion and spreads the land and infrastructure cost across more units.
- Action 1.2: Evaluate increasing allowed height in the R-2 and R-3 multi-family residential zones, outside of designated historic districts, from 2 1/2 to 3 stories and from 35 to at least 40 feet.

⁶³ ECONorthwest, *Ashland Housing Strategy Implementation Plan*, June 2019.

- Action 1.3: Identify opportunities to increase allowances for residential uses on the ground floor of buildings within commercial and employment zones.
- Action 1.4: Evaluate decreasing multifamily parking requirements. Parking reductions increase efficiency and reduce costs when combined with increases in density. In addition, parking reductions may be an important part of Strategic Issue 5, Action 5.1.
- Action 1.5: Evaluate decreasing parking requirements for affordable housing developments in areas with access to transit. In addition, parking reductions may be an important part of Strategic Issue 5, Action 5.1.
- Action 1.6: Evaluate increasing lot coverage allowances slightly in the R-2 and R-3 zones to support the other code amendments discussed in Actions 1.1, 1.2, and 1.3.
- Action 1.7: Identify opportunities to create greater certainty and clarity in the annexation process through evaluation of the level of design necessary for assessment of compliance with development standards, with the goal of reducing the time and expense of preparing annexation applications.
- Action 1.8: Evaluate changes to Ashland’s zoning code to disallow single-family detached housing in the High Density Residential Plan Designation (R-3 zone), to preserve this zone for higher-density housing. Such a change would not include very small existing lots, where single-family detached housing is all that is buildable.
- Action 1.9: Increase supply of High Density Residential lands by rezoning lands within lower density Plan Designations that have a surplus of capacity, such as land in the Single-Family Residential Plan Designation. The purpose of increasing the supply of High Density Residential land is that Ashland has a small surplus of land in this zone and increasing the supply now, while there is a surplus of land in other zones, provides an opportunity to coordinate long-term planning for multifamily land with other planning processes that the City engages in over the next five to 10 years.
- Action 1.10: Create processes and materials necessary to support developers in their development applications, with the purpose of increasing clarity and certainty of in the development review process.

Areas for further consideration

The following are actions suggested by members of the HCA Advisory Committee, Planning Commission, and Housing and Human Services Commission that should be further considered by the City of Ashland as it develops its housing policies.

- Evaluate revision to development standards that may result in lower density development, such as requirements for traffic analysis for developments that generate more than 50 trips per day.
- Evaluate the impacts on housing capacity and density of development resulting from Ashland’s physical and environmental constraints and water resources protection zone overlays.

- Evaluate the impact of the Ashland Solar Ordinance on limiting development of multi-story multifamily and mixed-use housing in consideration of energy conservation goals.
- Evaluate requiring more housing as part of new development in commercial and employment zones.
- Evaluate allowing smaller single-family detached housing on 2,500 sq ft lots, such as part of cottage clusters or stand-alone single-family detached units.
- Identify opportunities to up-zone land from lower density to medium- or high-density land, to provide more opportunities for developing smaller single-family units and multifamily housing.

Strategic Issue 2: Provide opportunities for housing development to meet the City’s identified housing needs

This strategy focuses on actions that are intended to ensure new residential structures developed in Ashland are diverse and include affordable housing for households with incomes below 60% of MFI, housing affordable to households with incomes of between 60% and 120% of MFI, housing for families with children, low- to moderate-income households, senior housing, and other housing products to achieve housing affordability for households and to meet Ashland’s 20-year housing needs.

Issue Statement

Continued increases in housing costs may increase demand for denser housing (e.g., multifamily housing, single-family attached housing, and compact single-family detached housing). To the extent that denser housing types are more affordable than larger housing types (i.e., single-family detached units on larger lots, such as 2,500 square foot dwelling units on lots larger than 5,000 square feet), continued increases in housing costs will increase demand for denser housing.

Ashland’s housing mix in the 2015–2019 period was 66% single-family detached, 9% single-family attached, 12% duplex/triplex/quadplex, and 13% multifamily with 5 or more units per structure.⁶⁴ The HCA assumes that the housing mix of new dwelling units in Ashland will be about 35% single-family detached, 10% single-family attached 20% duplex/triplex/quadplex, and 35% multifamily with 5 or more units per structure.

To achieve this mix, Ashland will need to implement policies that allow a wider variety of housing types, including smaller housing and housing produced with innovative processes or building materials, as well as more mixed-use housing.

In addition, Ashland will allow for development of housing that is affordable to workers in Ashland and is located in proximity to employment opportunities to attract needed labor force for its employment and mixed-use lands. These types of housing include (but are not limited to)

⁶⁴ Based on 2015–2019 ACS five-year estimates for Ashland.

live-work units, “skinny” single-family detached housing, townhouses, cottage housing, duplexes and triplexes, and less costly types of multifamily housing.

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.

Recommended Actions

The recommended actions to address Strategic Issue 2 under consideration include:

- Action 2.1: Broaden the definition of dwelling unit to include other types of units such as shared housing and co-housing, single-room occupancies, and other dwelling units. Broadening the definition of dwelling units, which would broaden the types of units allowed in residential districts, would allow for greater flexibility of housing type.
- Action 2.2: Evaluate opportunities incentivize smaller units through amendments to allowable densities, such as allowing tiny house clusters or smaller units in medium density zones such as units as small as 200 square feet.
- Action 2.3: Identify and reduce any local obstacles to building with less conventional construction materials, such as shipping containers, prefabricated construction materials, 3-D printed materials, etc., with the purpose of allowing for development of more affordable housing. However, the building code is managed and applied by the State and not under local control.
- Action 2.4: Evaluate increasing allowances for residential dwellings in commercial and employment zones, such as allowing an increased amount of residential uses in ground floor commercial spaces.
- Action 2.5: Develop an equitable housing plan, which could include initial steps, action plan with goals and a method to measure progress to achieve more equitable housing and continuously examine ways to make improvements to the housing system to achieve equity. The equitable housing plan could address the issues identified in the *2020-2024 Fair Housing Analysis of Impediments to Fair Housing Choice Update for the City of Ashland*. This report identified impediments such as: limited community awareness about fair housing protections and resources, instances of discrimination in housing transactions, and a lack of affordable housing.
- Action 2.6: Encourage development of diverse housing types in high opportunity neighborhoods,⁶⁵ with a goal of reversing historical patterns of racial, ethnic, cultural and socio-economic exclusion.

⁶⁵ HUD defines high opportunity neighborhoods as areas that have a positive effect on economic mobility of residents, such as access to jobs, high quality schools, and lower concentration of poverty.

Strategic Issue 3: Provide opportunities for development of housing affordable to all income levels

The following recommended strategy and actions are intended to use a deliberate set of mandates and incentives to support the development of new affordable housing and preserve existing affordable housing.

Issue Statement

The Housing Capacity Analysis clearly identifies a lack of housing that is affordable to households with lower and moderate incomes. It is clear that the private sector cannot feasibly develop lower cost housing without government intervention. The amount of government support that is available for lower cost housing is insufficient to meet identified needs.

Availability of housing that is affordable to households at all income levels is a key issue in Ashland. For the purposes of this strategy, affordable housing is defined as: (1) housing for very-low-income and extremely-low-income households at 50% or below the median family income (MFI)⁶⁶ \$32,600 in 2020); (2) housing for low-income households with incomes between 50% and 80% of the MFI (\$32,600 to \$52,100 in 2020); and (3) housing for middle-income households with incomes between 80% and 120% of the MFI (\$52,100 to \$78,100 in 2020).

In Ashland, 63% of renter households and 31% of homeowner households are considered cost burdened (paying more than 30% of their income on housing). These are households struggling to find affordable housing, at all points along the income spectrum. This strategic priority is to evaluate mechanisms (mandates and/or incentives) that will support development of affordable housing in Ashland.

The City's policy options for providing opportunities to build housing, especially affordable housing (both market-rate and government-subsidized affordable housing) are limited. The most substantial ways the City can encourage development of housing is through ensuring that enough land is zoned for residential development and within the city limits, in addition to assembling and purchasing land for affordable housing development, eliminating barriers to residential development where possible, and providing infrastructure in a cost-effective way.

A key part of this strategy is providing informational resources to developers of housing affordable to both very-low- and extremely-low-income households, as well as low- and middle-income households. Smaller, local developers need resources to better understand the kinds of support that is available to build more affordable housing, such as funding opportunities, partnerships, etc. The affordable housing realm is very complex and existing developers/builders would benefit from additional assistance and clarification about the requirements for development and management of affordable housing, as well as City

⁶⁶ Based on U.S. Department of Housing and Urban Development Median Family Income of \$65,100 for Jackson County in 2020.

assistance identifying potential non-profit affordable housing development partners that can secure funding for affordable housing development.

In addition to supporting development, an important angle of this strategic priority is to identify strategies that preserve naturally occurring affordable housing that already exists in Ashland. Naturally occurring affordable housing are dwelling units that are unsubsidized, yet affordable to households earning incomes below the area's median household or family income.

Recommended Actions

The recommended actions to address Strategic Issue 3 under consideration include:

- Action 3.1: Create processes and materials necessary to support developers in development of affordable housing, with the purpose of making it easier to develop affordable housing in Ashland. The City could act as a convener between “market-rate developers” required to provide affordable housing and those nonprofits and other organizations who are well versed in the complexities of developing affordable housing.⁶⁷
- Action 3.2: Evaluate using the Multiple Unit Property Tax Exemption to incentivize preservation and development of housing for low- to middle-income households for needed housing types.
- Action 3.3: Adopt a property tax exemption program for affordable rental housing developed by nonprofit affordable housing developers. Evaluate which of the two available options under state statute is better suited to the needs of housing providers in Ashland. The options are the Low-Income Rental Housing Tax Exemption and the Nonprofit Corporation Low Income Housing Tax Exemption.
- Action 3.4: Evaluate participating in or establish a land bank for development of housing affordable to households within incomes below 80% of MFI for renters or below 120% of MFI for homeowners. The land bank may best be run by a nonprofit, with the City participating as a partner in the land bank.
- Action 3.5: Evaluate opportunities to participate in a land trust to manage and develop housing that is affordable for rent or ownership at below-market pricing for households earning 120% or less of MFI (or possibly 80% or less of MFI).
- Action 3.6: Evaluate whether the City or other public agencies have vacant or redevelopable publicly owned property that is not being otherwise used and could be used for development of affordable housing. This property could be used for affordable housing, either as part of a land bank (Action 3.4) or directly in development of an affordable housing project.
- Action 3.7: Identify opportunities to purchase land in Ashland's urbanizing area (within the Ashland UGB and outside of the City limits) as part of a land banking strategy. The

⁶⁷ The City of Medford is developing a toolkit to help developers gain support for development of affordable housing in Medford. This toolkit may provide good ideas that could be customized for use in Ashland.

City could acquire land and write down land costs for developers who are willing to build housing either affordable to households with incomes below 60% of MFI or for households with incomes between 60% and 80% of MFI.

- Action 3.8: Identify partnerships with area employers to increase development of housing affordable to workers in Ashland. Potential partnerships may be with Southern Oregon University (SOU), for development of workforce housing for people employed at SOU or students at SOU, Ashland School District, or with the Oregon Shakespeare Festival.
- Action 3.9: Continue to collaborate with community partners to work towards providing housing and support services to alleviate homelessness for families with children, domestic violence victims, veterans, and other vulnerable populations.
- Action 3.10: Evaluate opportunities to make development of housing less costly to the development through changes in City fees. For example, the City might allow a developer to pay application fees over time, rather than requiring the fee at the beginning of the development process. The City might also set a cap on application fees.

Areas for further consideration

The following are actions suggested by members of the HCA Advisory Committee, Planning Commission, and Housing and Human Services Commission that should be further considered by the City of Ashland as it develops its housing policies.

- Identify opportunities to increase affordable homeownership for households with children.
- Identify barriers to development of housing that is affordable for families with children, both regulated affordable housing and market-rate affordable housing. This could include small changes to the zoning code to allow development of housing for families with children.

Strategic Issue 4: Identify funding sources to support development of infrastructure and housing affordability programs

The following recommended strategy and actions are intended to consider a range of funding tools that Ashland may implement and use to support residential development.

Issue Statement

A primary barrier to residential development, particularly for housing for very low-income and low-income households, is costs and financing. This strategic priority intends to evaluate opportunities for the City of Ashland to support needed residential development by evaluating creative funding and financing mechanisms that reduce development costs. Funding opportunities may include options to reduce the cost of land, reduce hard costs (such as

infrastructure development), and reduce soft costs (such as system development charges or permit costs).

Recommended Actions

The recommended actions to address Strategic Issue 4 are:

- Action 4.1: Evaluate establishing a Construction Excise Tax (CET) for residential, commercial, and industrial development.⁶⁸ When the City evaluates implementing a CET, the City should consider how much funding the CET could produce and decide if that funding would meaningfully help in production of affordable housing. The City may want to consider a methodology that exempts a portion of the permit value (such as the first \$100,000 or more permit value), as a way of focusing CET charges on units with a higher permit value.
- Action 4.2: Evaluate using Urban Renewal to support development of infrastructure necessary to support housing development, as well as to support development of housing affordable to households with incomes below 80% of MFI. For example, a Tax Increment Financing (TIF) set-aside of a minimum of 30% for affordable housing development to serve households earning 0-60% Median Family Income, to apply to existing and future urban renewal areas in the City. TIF set-aside funds would also potentially be available for affordable housing units within market rate, mixed-use and mixed-income development. If the City wants to use Urban Renewal on areas currently outside the city limits, the City will need to annex the land into the city limits before implementing the Urban Renewal District.
- Action 4.3: Coordinate Capital Improvements Program infrastructure investments and Transportation System Plan to strategically develop needed infrastructure within areas where residential growth is expected.
- Action 4.4: Continue to identify a variety of funding sources to support the Affordable Housing Trust Fund.
- Action 4.5: Identify additional funds to support development of new affordable housing, including housing options for people experiencing homelessness, increasing housing stability and reducing risk of homelessness, and housing for households with incomes of less than 60% of MFI. These funds may be contributed to Ashland's existing Affordable Housing Trust Fund. One funding option with substantial revenue potential is a General Obligation (GO) bond. Cities or other jurisdictions can issue bonds backed by the full faith and credit of the jurisdiction to pay for capital construction and improvements.

⁶⁸ The Ashland School District has an existing CET of \$1.07 per square foot of residential construction or \$0.53 per square foot of commercial construction.

Strategic Issue 5: Align housing planning with the Climate and Energy Action Plan

The following recommended strategy and actions are intended ensure that planning for housing is aligned with Ashland’s plans for climate change.

Issue Statement

The City of Ashland adopted its Climate and Energy Action Plan (CEAP) in March of 2017 “to reduce its emissions and improve its resilience to future impacts of climate change on its environment, infrastructure, and people.”⁶⁹ The plan identified six strategic initiatives:

- Transition to clean energy
- Maximize conservation of water and energy
- Support climate-friendly land use and management
- Reduce consumption of carbon-intensive goods and services
- Inform and work with residents, organizations, and government
- Lead by example

To the extent possible, housing planning and actions to address Ashland’s housing needs should emphasize these initiatives and allow them to guide decision-making. The nexus between the CEAP and housing development includes:

- **Location of housing.** Housing that is located in areas where less driving is necessary, either through more use of transit or a closer location to services and work, may help the City meet its CEAP goals. Some of Ashland’s residential development is located in areas with access to transit and closer to services and employment, but some land does not have these locational advantages. In addition, some people will choose to locate in Ashland but work in other parts of the region.
- **Energy efficiency of housing development and the structures.** Housing that is developed with energy-efficient processes, uses energy-efficient materials, and operates in an energy efficient way over time can also help the City meet its CEAP goals. Increasing energy-efficiency can both increase development costs, through more expensive materials or development process, as well as lower long-term energy costs. Ashland should be careful to consider the advantages and disadvantages when requiring energy-efficient development, to make sure that the requirements do not make housing substantially less affordable in Ashland.

⁶⁹ Climate and Energy Action Plan:

http://www.ashland.or.us/Files/Ashland%20Climate%20and%20Energy%20Action%20Plan_pages.pdf

Recommended Actions

The recommended actions to address Strategic Issue 5 are:

- Action 5.1: Evaluate opportunities to decrease dependence on automotive transportation in areas planned for housing, such as increased focus on development in walkable and bikeable areas and increases in transit service (amount and frequency of transit, as well as increased destinations for transit). The prior action that suggests parking reductions (Action 1.3) may reduce reliance upon automobiles and decrease of impervious surfaces dedicated to parked vehicles.
- Action 5.2: Evaluate opportunities to incorporate elements of the CEAP into housing developments, including increased energy efficiency, solar access, electrical vehicle parking and charging opportunities, reduction of fossil fuels dependency, and increased resilience to natural hazards resulting from a changing climate (such as the risk of wildfire).
- Action 5.3: Initiate a process to identify opportunities for development or redevelopment of mixed-use districts and initiate an area planning process to guide redevelopment.
- Action 5.4: Evaluate opportunities to develop new housing closer to downtown and commercial centers to reduce dependence on automobiles for transportation. For example, redevelopment of the Railroad property provides such an opportunity.
- Action 5.5: Evaluate opportunities for planning transit-oriented development as transit becomes more available in Ashland, consistent with mixed-use planning.
- Action 5.6: Evaluate sustainable building practices, including certifications, to determine whether the City should offer incentives for certification or require certification of new buildings as sustainable.

Potential Housing Policies and Actions

This section provides the City with information about potential policies that could be implemented in Ashland to address the City's housing needs. This appendix 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.

Action 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,</p>		<p>Scale of Impact - Small to moderate. The level of impact on</p>

Action Name	Description	Implementation in Ashland	Scale of Impact
	<p>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 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>		<p>production of housing and housing affordability will depend on the changes made to the zoning code and other ordinances.</p>
<p>Allow Small Residential Lots</p>	<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>

Action Name	Description	Implementation in Ashland	Scale of Impact
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 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>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 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>Scale of Impact— Small to moderate. 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 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</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 are required of any residential annexation (90% Base Density).</p>	<p>Scale of Impact— Small to moderate. 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</p>

Action Name	Description	Implementation in Ashland	Scale of Impact
	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.		detached housing in high density zones, this policy can result in a moderate or larger impact.
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>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>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 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>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 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>

Action Name	Description	Implementation in Ashland	Scale of Impact
<p>Reduced Parking Requirements</p>	<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, 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>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 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: An off-street parking credit for each on-street parking 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>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 affordability if little or no parking is required.</p>

Action Name	Description	Implementation in Ashland	Scale of Impact
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>	Ashland has long implemented a “Narrow Street” standard through the Street Standards and Transportation System Plan.	Scale of Impact— Small. This policy is most effective in cities that require relatively wide streets.
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 • Housing replacement ordinances • Manufactured home preservation • Single-room-occupancy ordinances • Regulating demolitions 	<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 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>	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 the existing stock housing, especially smaller, more affordable housing. Cities with older housing stock are more likely to benefit from this policy.
Inclusionary Zoning	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.	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.	Scale of Impact— Small to moderate. Inclusionary zoning has recently been made legal in Oregon. The scale of impact would depend on the inclusionary zoning

Action Name	Description	Implementation in Ashland	Scale of Impact
	<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 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>policies adopted by the city.</p>
<p>Re-designate or rezone land for housing</p>	<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 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>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 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</p>	

Action Name	Description	Implementation in Ashland	Scale of Impact
		comprehensive plan and zone change to increase the supply of multifamily zoned properties.	
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>	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.	
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 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>	Ashland does not have a Transfer of Development Rights program or designated receiving zones.	
Provide Density Bonuses to Developers	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	Ashland has four density bonuses, one of which is for development of affordable housing at higher densities and	

Action Name	Description	Implementation in Ashland	Scale of Impact
	<p>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 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.</p>	<p>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 density calculations. A greater number of small units can be developed within existing density allowances without employing a density bonus.</p>	

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.

Action Name	Description	Implemented in Ashland?	Scale of Impact
<p>Allow Duplexes, Cottage housing, Townhomes, Row Houses, and Tri- and Quad-Plexes in low density zones</p>	<p>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.</p> <p>House Bill 2001 requires cities to allow these housing types in single-family zones.</p>	<p>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.</p>	<p>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.</p>
<p>Allow Cottage housing, Tri- and Quad-Plexes Townhomes, Row Houses, Stacked Townhouses, Cottage Courts, Duplex/Townhouse Courts, & Garden Apartments in medium density zones</p>	<p>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.</p>	<p>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. Tri- and Quad-Plexes Townhomes, Row Houses, Stacked Townhouses are permissible in Ashland's</p>	<p>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 amount of vacant or redevelopable land in medium density zones, as well as the types of housing newly</p>

Action Name	Description	Implemented in Ashland?	Scale of Impact
		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.	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.

Action Name	Description	Implemented in Ashland?	Scale of Impact
Remove barriers to Development of Accessory Dwelling Units (ADUs) in single-family zones	<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>
Allow small or “tiny” homes	<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. 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 Almeda 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.

Action 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>

Action Name	Description	Implemented in Ashland?	Scale of Impact
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-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>	There is no administrator of a Land Bank within Ashland.	<p>Scale of Impact - Small to large. A land bank 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>
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</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</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</p>

Action Name	Description	Implemented in Ashland?	Scale of Impact
	270 homes in Multnomah, Washington, Clackamas, and Clark County.	transferred to NeighborWorks Umpqua for administration. NeighborWorks Umpqua was granted \$50,000 in Ashland's Affordable Housing Trust Funds in 2020 to assist in refining the legal structure of the land trust agreements for use in Ashland.	build affordable housing.
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>Scale of Impact – Small to moderate. Depends on whether the City has surplus land that would be appropriate for future housing development.</p>

Action Name	Description	Implemented in Ashland?	Scale of Impact
		Ashland has not utilized the section 108 loan program to leverage up to 5 years of CDBG allocations for land acquisition for affordable housing.	
Reduced / Waived Building Permit fee, Planning fees, or SDCs	<p>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 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>Ashland waives or defers all System Development Charges including Parks, 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>	Scale of Impact - Small.

Action Name	Description	Implemented in Ashland?	Scale of Impact
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 commensurate impacts. Storm Water SDCs are based on lot coverage and thus, smaller units have lower Storm Water SDCs.</p>	<p>Scale of Impact – Small to moderate</p>
SDC Financing Credits	<p>May help to offset an SDC charge, which is a one-time fee that is issued when there is new development or a change in use. 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</p>	<p>Scale of Impact – Small to moderate. 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>

Action Name	Description	Implemented in Ashland?	Scale of Impact
		<p>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>	
Sole Source SDCs	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 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>Ashland does not employ a geographic area specific dedication of SDCs, rather they are applied to the capital projects outlined in the respective masterplan (Water/Sewer, Transportation, Parks).</p> <p>Ashland does not have an Urban Renewal District for Tax Increment Financing.</p>	<p>Scale of Impact – Small to moderate.</p> <p>Depends on how the tool is implemented and whether it is used with other tools, such as LIDs or Urban Renewal.</p>
Fees or Other Dedicated Revenue	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	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.	

Action Name	Description	Implemented in Ashland?	Scale of Impact
	<p>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>		
Reimbursement District	<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</p> <p>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 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</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.</p> <p>Examples of excess costs include (but are not limited 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>	<p>Scale of Impact – Small to moderate.</p>

Action Name	Description	Implemented in Ashland?	Scale of Impact
	<p>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>		
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. 	Ashland does not assess linkage fees on new developments within the City,	Scale of Impact – Small to moderate.
Tax abatement programs that decrease operational costs by decreasing property taxes			
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 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>	On December 15, 2020, Ashland passed a Vertical Housing Tax Credit and designated Commercially zoned properties within the Transit Triangle overlay area as an eligible Vertical Housing Development Zone.	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.

Action Name	Description	Implemented in Ashland?	Scale of Impact
<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: “(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</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>

Action Name	Description	Implemented in Ashland?	Scale of Impact
	<p>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”⁷⁰ 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>		
<p>Nonprofit Corporation Low Income Housing Tax Exemption</p> <p>and</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</p>	<p>Ashland has not implemented a low-income rental housing tax exemption for market rate developers that provide low-income housing.</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</p>

⁷⁰ City of Salem, “Multi Unit Housing Tax Incentive Program,” <https://www.cityofsalem.net/Pages/multi-unit-housing-tax-incentive-program.aspx>.

Action Name	Description	Implemented in Ashland?	Scale of Impact
<p>Low-Income Rental Housing Tax Exemption</p>	<p>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>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>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.

Action 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</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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Action Name	Description	Implemented in Ashland?	Scale of Impact
	<p>affordable housing developers. The fee has raised \$11 million as of 2016, allowing the City to lend money to fund 615 units. 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>

Action 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.

Action Name	Description	Implemented in Ashland?	Scale of Impact
Transient Lodging Tax (TLT)	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.	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.	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.
CDBG	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.	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.	Scale of Impact – Depends on the amount of funding available.

